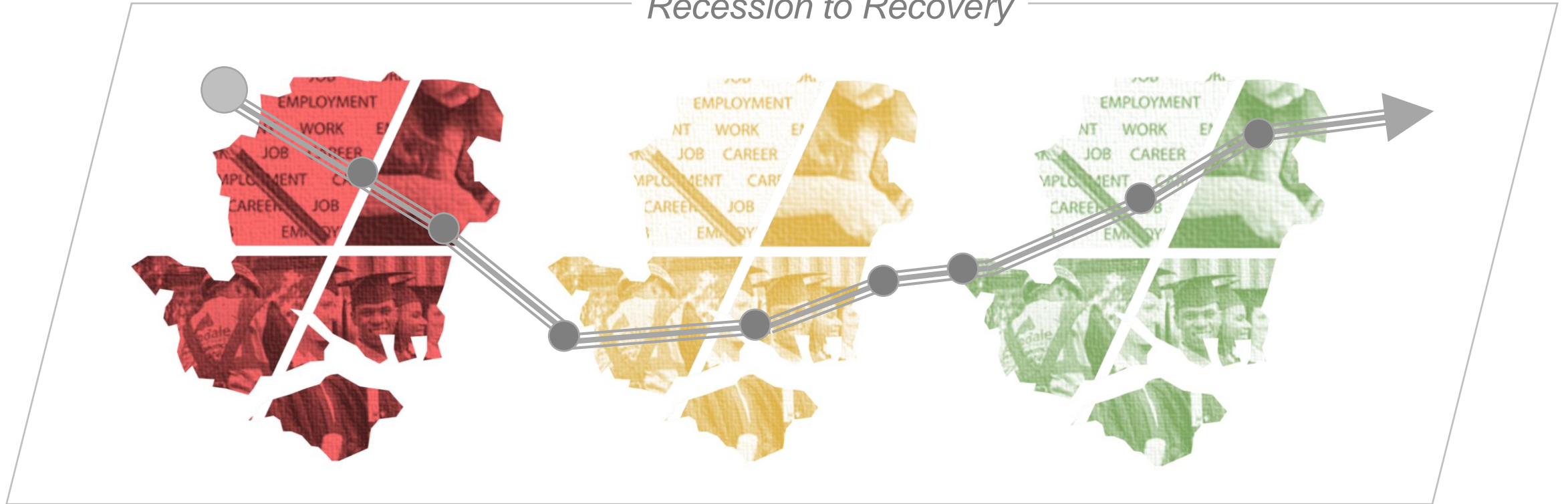


Recession to Recovery



Hampshire & Isle of Wight Monthly Intelligence Dashboard

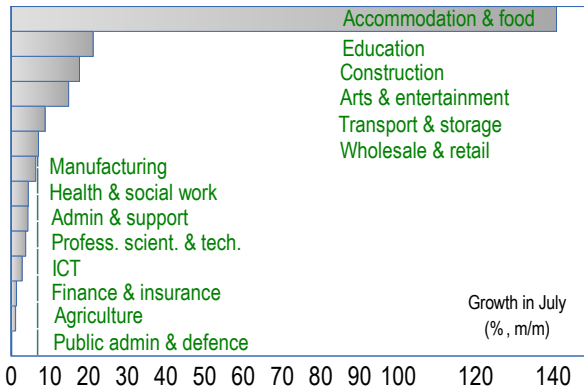
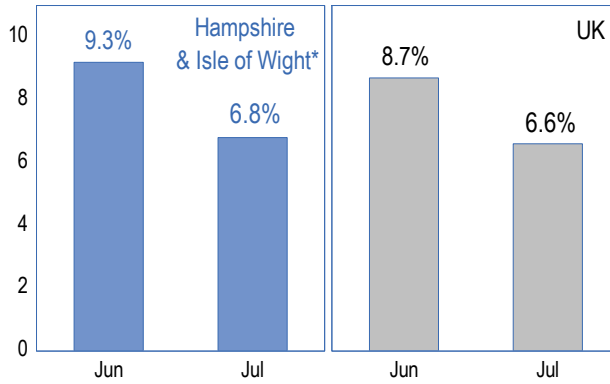
September 2020

Hampshire & Isle of Wight Local Resilience Forum
Business & Economy Working Group

Contents

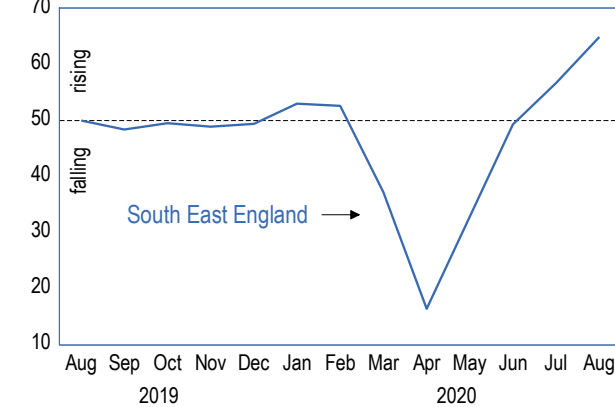
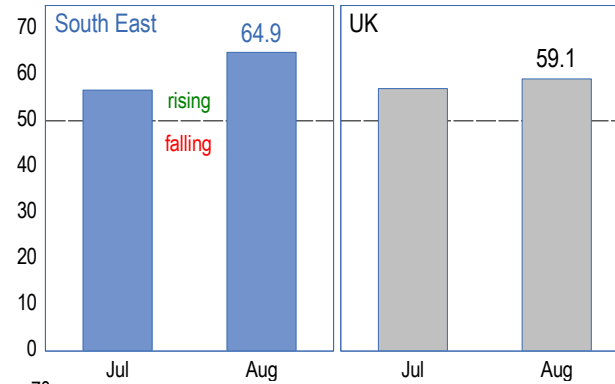
Theme	Indicators	
Business Activity	<ul style="list-style-type: none">• GDP growth• Business Activity• New Business• Exports	Page 1
Jobs and Employment	<ul style="list-style-type: none">• Employment• Job Postings• Claimant Unemployment• Local Claimants	Page 2
Sentiment and Investment	<ul style="list-style-type: none">• Business Investment• Business Confidence• Retail sales• Consumer Confidence	Page 3
Quarterly Labour Market Indicators	<ul style="list-style-type: none">• Employment• Unemployment• Youth Unemployment• Economic Inactivity	Page 4

GDP Growth



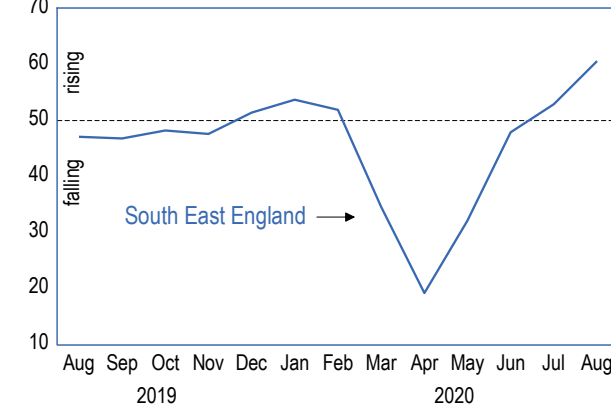
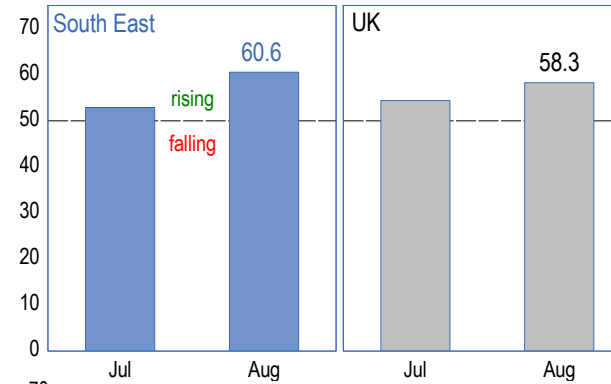
- July marked the third consecutive month of recovery in Hampshire & the Isle of Wight. Economic growth was estimated at 6.8%, slightly faster than the UK average.
- Reopening of restaurants and pubs meant that output in accommodation & food increased by a massive 140.8% nationally.

Business Activity



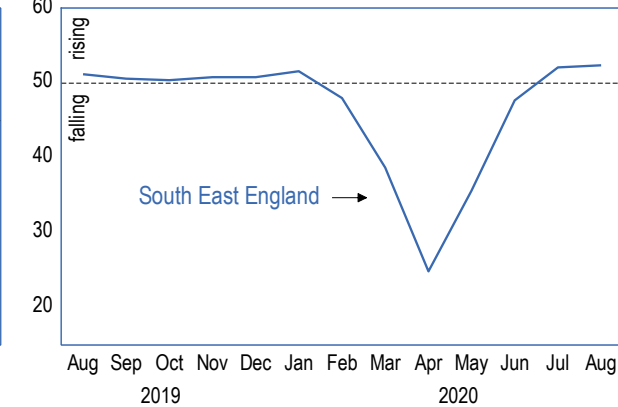
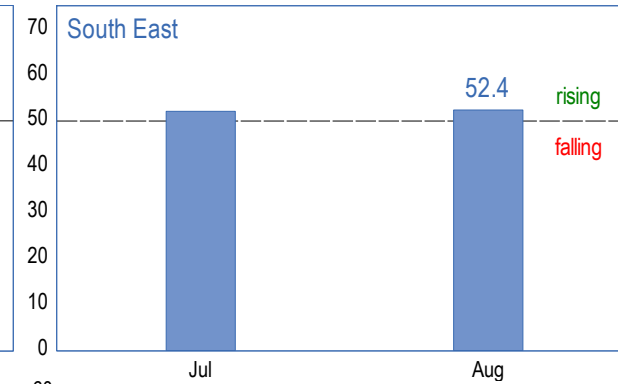
- Survey data from purchasing managers (PMI survey) showed the economy continuing to recover strongly in August. Business activity across private firms in the South East increased at its fastest pace on record last month.
- Growth in business activity at the sector level was broad-based.

New Business



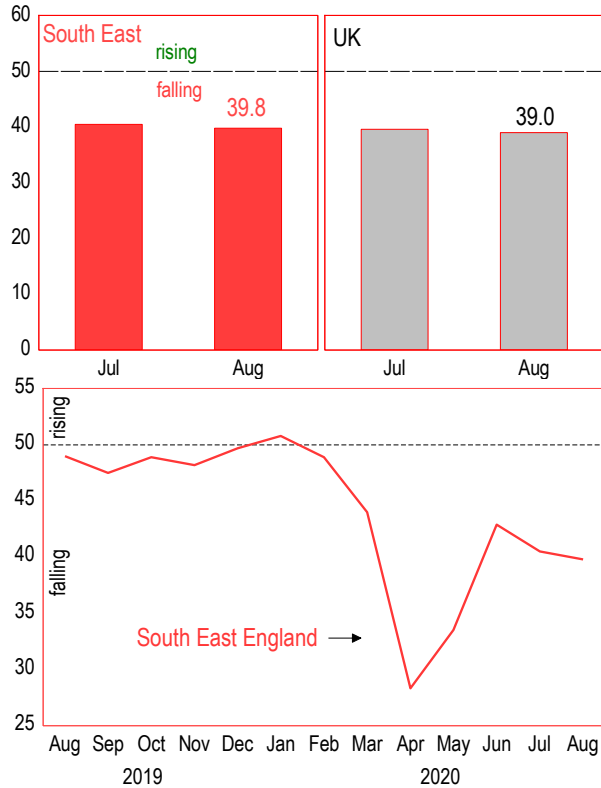
- The volume of new orders or incoming new business (a leading indicator of economic growth over the short-term) increased at the fastest pace in five-and-a-half years in the South East last month.
- Services recorded a noticeably quicker increase in new business than manufacturing providers.

Exports



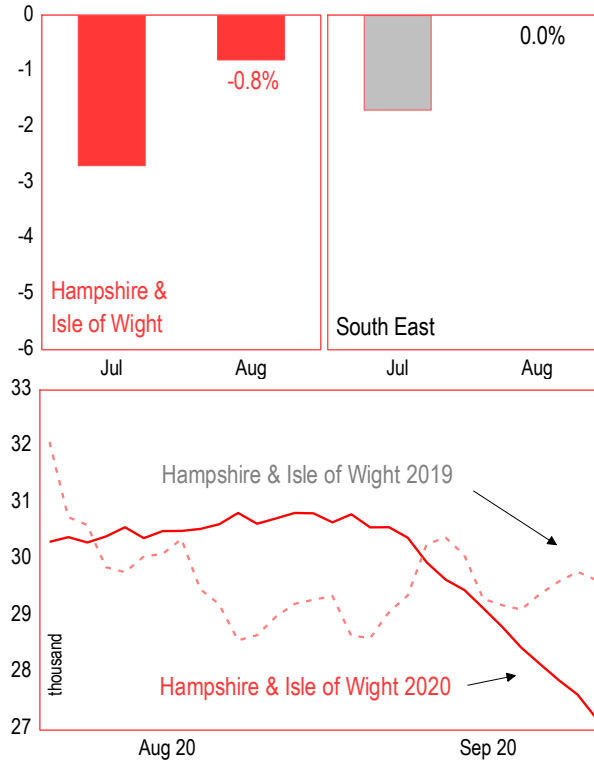
- The South East Export Climate Index increased in August to signal two months of consecutive improvements in the health of the region's main export markets (USA, Germany, China, Netherlands and France). Last month marked the quickest improvement in export conditions since April 2019.

Employment



- The rate of job shedding was marked in August according to PMI survey.
- Hampshire & the Isle of Wight had 275,300 furloughed residents in July (30% of eligible employees). There were 60,200 residents on the government's SEISS job retention scheme in August (eligible take-up rate of 59%).

Job Postings



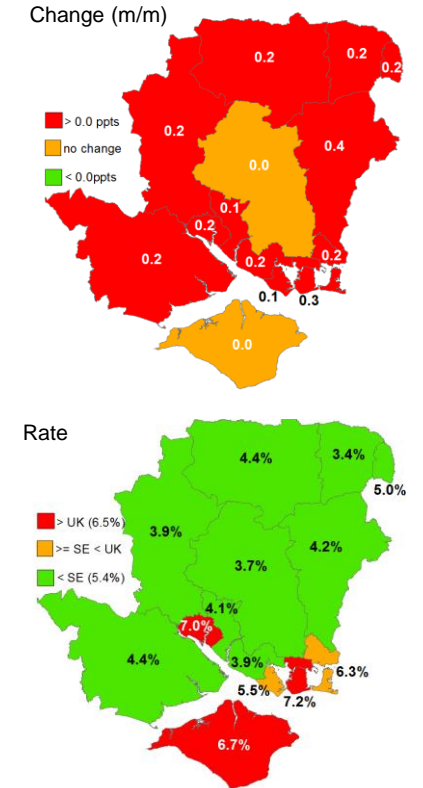
- The number of job postings in Hampshire & the Isle of Wight was marginally smaller in August than in July.
- Daily data pointed to a higher number of job postings in mid-to-late August/early September than at the same time last year, but recruitment demand eased again by mid Sept.

Claimant Unemployment



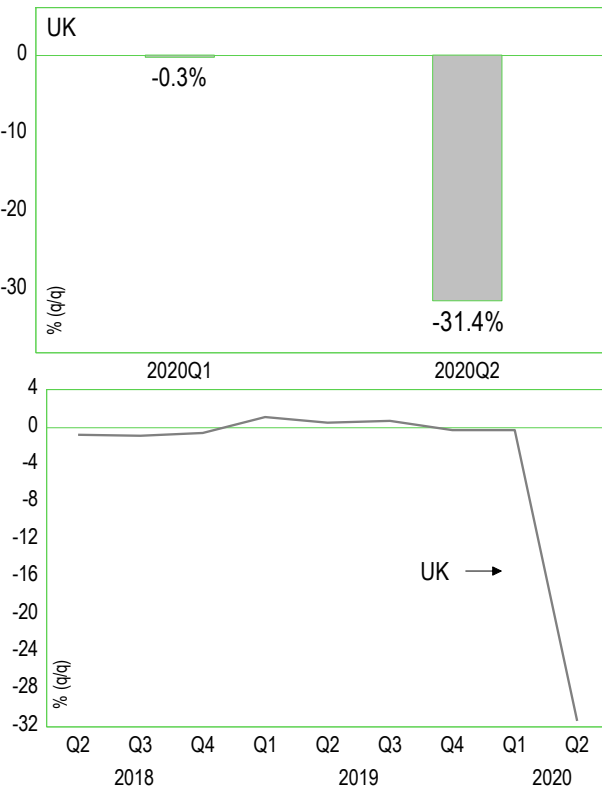
- Unemployment on the claimant count measure in the Hampshire & Isle of Wight area increased by 2,245 to 64,435 in August and the unemployment rate rose from 5.1% in July to 5.3% last month.
- Unemployment among 16-24-year olds was broadly unchanged on the previous month (+30 claimants).

Local Claimants

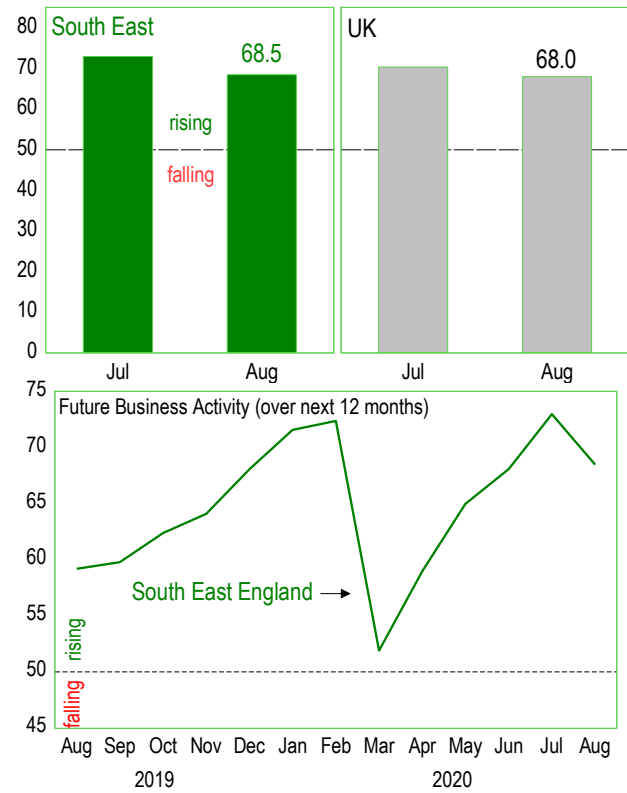


- The claimant count unemployment rates increased in all but two local authorities (Winchester and the Isle of Wight) in Hampshire & the Isle of Wight last month.
- The highest rates were found in the two cities and Isle of Wight and the lowest in Hart. Havant and Gosport were above the South East average.

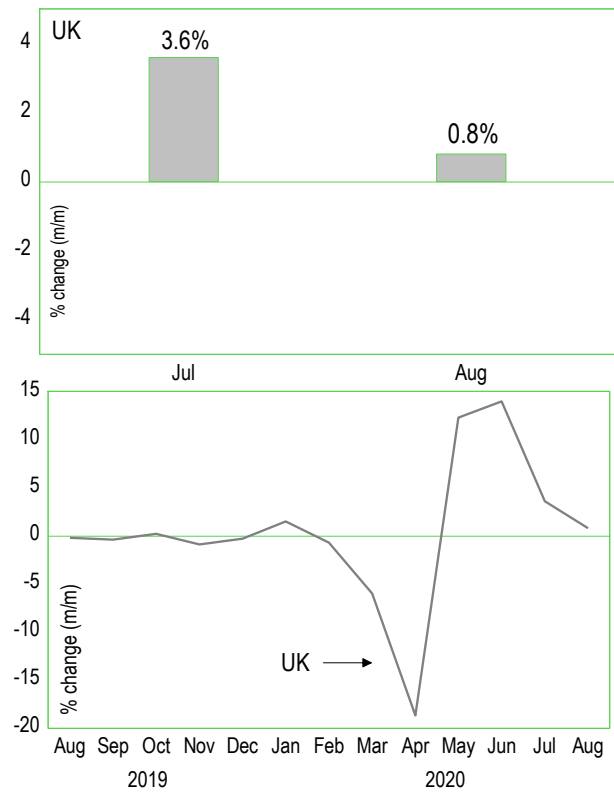
Business Investment ↓



Business Confidence ↓



Retail Sales ↑



Consumer Confidence ↔



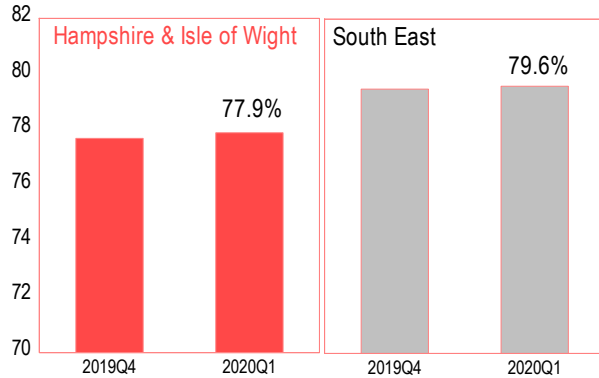
- Business investment decreased by -31.4% in the second quarter of the year, the largest quarterly fall on record. By comparison, investment fell at most by 9.8% during the 2008 recession.
- Contraction reflects the adverse impact of the coronavirus on cash flows for businesses.

- Business sentiment the South East eased slightly in August but remained historically high.
- Anecdotal evidence linked confidence to lifting of the lockdown restrictions, improved demand conditions and hopes of a swift recovery from the economic impacts of the health pandemic.

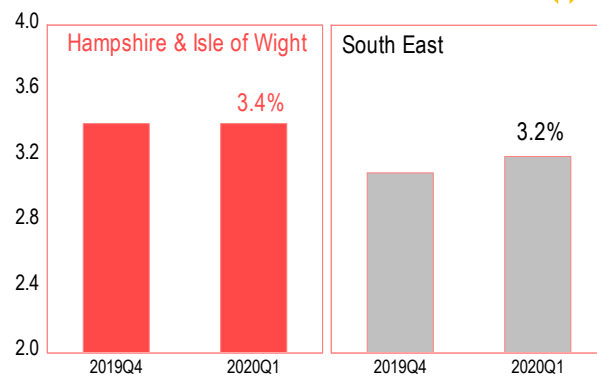
- Growth in retail sales eased from 3.6% in July to 0.8% in August.
- However, August marked the fourth consecutive month of growth in volumes. Sales were 4% higher than in February, prior the lockdown.
- Growth was driven by spending on household goods and DIY, while clothing shops continued to struggle.

- Consumer confidence remained heavily subdued in August and unchanged on the previous month.
- Consumers were more pessimistic about the state of the economy but more positive about their own personal finances and ability to make large purchases over the short-term.

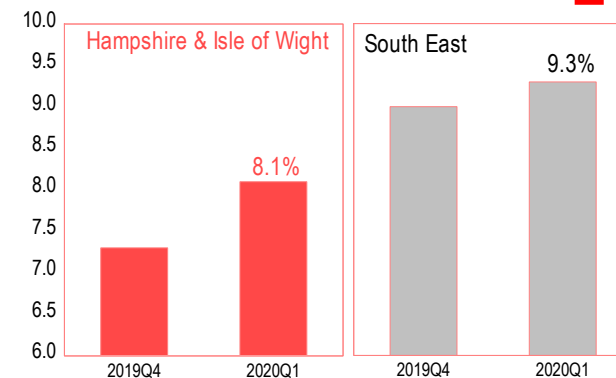
Employment



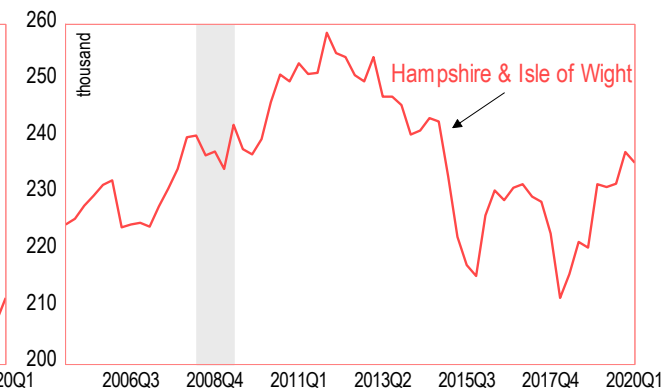
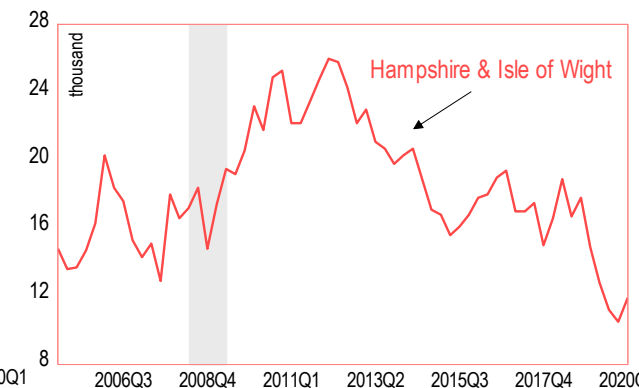
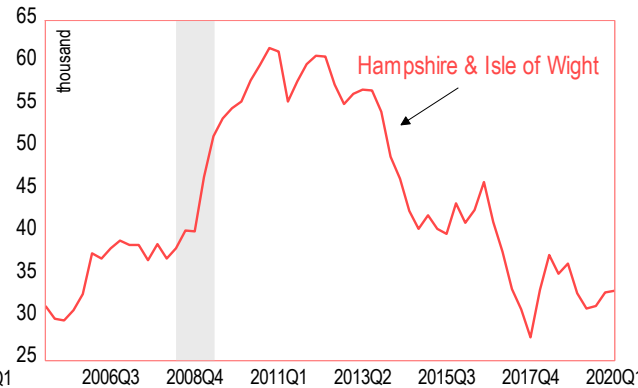
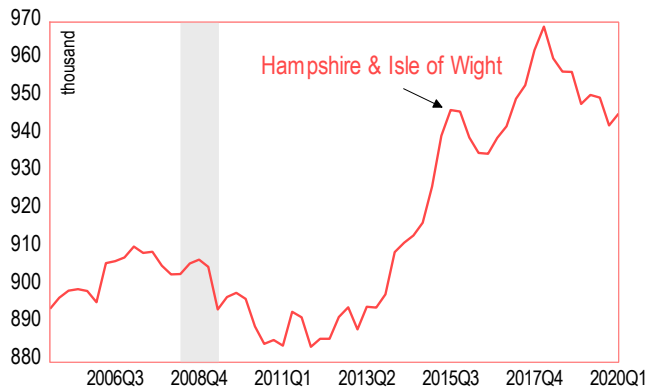
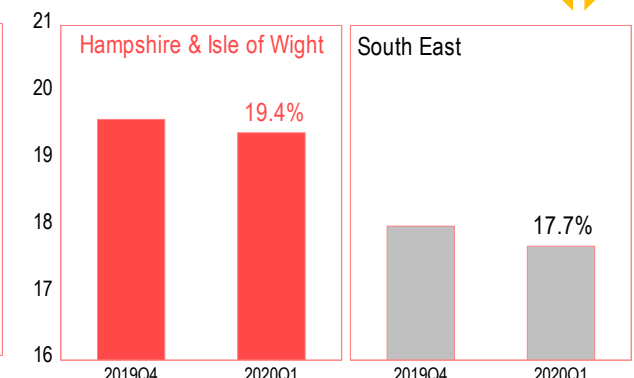
Unemployment



Youth Unemployment



Economic Inactivity



- The official data still exclude the impact of the pandemic on the main headline indicators († see glossary).
- Hampshire had 2,600 fewer people in employment in the year to March 2020 than in March 2019 but employment edged higher on the year to December.
- The rate was broadly unchanged.

- The number of unemployed people in Hampshire remained broadly unchanged in both, the year to March 2020 and the year to December 2019.
- The unemployment rate in Hampshire remained unchanged at 3.4%, in contrast to a small increase in the South East.

- Youth unemployment in Hampshire compares favourably with the South East average.
- Unemployment decreased in the year to March 2020 but the number of young unemployed people and the rate increased in the year to March 2020 compared to the year to December 2019.

- The levels of economic inactivity in Hampshire were broadly stable before the outbreak of the pandemic but the numbers are set to rise.
- With close to one in five people of working age economically inactive the rate in Hampshire stands above the regional average.

How to read 'traffic lights':



Refers to decline or growth relative to the previous period (business activity indicators, PMI employment, job postings, business investment, future business activity).

In the case of business and consumer sentiment it refers to the direction of travel relative to the previous period.

For labour market indicators the change refers to the rate not the level. For example, a rise in the employment rate would see an upward green arrow, while a decrease in unemployment would see a downward green arrow.



Little or no change on previous period.

Sources:

The primary data source is the Office for National Statistics (ONS) while additional data comes from a number of commercial sources such as Markit and Emsi.

Monthly/Quarterly data for Business Activity, Jobs & Unemployment and Sentiment & Investment.

Rolling annual data available quarterly for Quarterly Labour Market Indicators.

In the case of several monthly indicators South East is used as a proxy geography for Hampshire.

†For further information on Hampshire's labour market see Quarterly Labour Market Updates and Monthly Ward Claimant Count Reports available at:

<https://www.hants.gov.uk/business/ebis/reports>

This publication is produced by the Economic and Business Intelligence Service (EBIS), Hampshire County Council