FEATURE

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Regional economic indicators

A focus on household income

SUMMARY

This quarter, the regional economic indicators article focuses on household income. The regular part of the article then gives an overview of the economic activity of UK regions in terms of their gross value added (GVA), GVA per head and labour productivity. This is followed by a presentation of headline indicators of regional welfare, other drivers of regional productivity and regional labour market statistics. The indicators cover the nine Government Office Regions of England and the devolved administrations of Northern Ireland, Scotland and Wales. These 12 areas comprise level 1 of the European Nomenclature of Units for Territorial Statistics (NUTS level 1) for the UK. The term 'region' is used to describe this level of geography for convenience in the rest of this article.

Focus on household income

This article focuses on regional gross disposable household income (GDHI), a key determinant of welfare, which can be described as the general well-being and prosperity of the residents living in a region. GDHI represents the amount of money available to households after taxes, National Insurance and pension contributions, property costs and other interest payments have been deducted. To allow comparisons across regions, household income per head of the resident population is used.

On 2 April 2009 new GDHI estimates were published up to 2007. The data include substantial revisions throughout the time series as a result of methodological changes made to ensure consistency with *Blue Book 2008*, most notably the reallocation of financial intermediation services indirectly measured from intermediate to final consumption and apportionment across regions. The estimates are at current basic prices and so do not take inflation effects or regional price differences into account. **Table 1** presents figures for GDHI per head from 2000 to 2007 in each of the 12 UK regions, as well as the average for the UK as a whole.

Table 1 shows that, over the time period studied, London has consistently had the highest GDHI per head, and the average annual growth rate of the region is above the UK average, implying a divergence between the performance of London and the other regions of the UK. This result ties in with London's strong performance in

terms of GVA per head and productivity growth so far this century.

GDHI per head is next highest in the South East and the East of England, the regions which together with London comprise the 'Greater South East'. These regions benefit from their proximity to the capital, with high value-added businesses locating nearby and workers commuting to highly-paid jobs in London. However, the two regions experienced the lowest growth in household income between 2000 and 2007.

The strongest growth in household income occurred in Northern Ireland. Household income in the region grew at an average of 4.2 per cent per annum, overtaking the North East, which despite also having a growth rate above the UK average, has fallen to the bottom of the ranking of GDHI per head. Growth in GDHI per head was also strong in Wales, Scotland and the East Midlands, enabling some convergence between these regions and the UK average.

Focusing on the most recent data, **Figure 1** shows the difference in percentage points from the UK average of regional GDHI per head in 2007. As could be seen in Table 1, only those regions in the 'Greater South East' had GDHI per head values above the UK average – by 25 per cent in London, 12 per cent in the South East and 5 per cent in the East of England. Of those regions with GDHI per head below the UK average, the divergence ranged from 1 per cent in the South West to 15 per cent in the North East.

Table 1

Headline gross disposable household income per head at current basic prices: by NUTS1 region

	£ per head and percentages													
	United Kingdom ¹	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East of England	London	South East	South West	England	Wales	Scotland	Northern Ireland
2000	11,146	9,440	10,164	10,132	10,184	10,165	11,946	13,757	12,863	11,077	11,377	9,583	10,381	9,382
2001	11,827	9,979	10,746	10,685	10,848	10,752	12,760	14,559	13,670	11,770	12,071	10,211	11,003	9,934
2002	12,209	10,348	11,096	10,995	11,245	11,091	13,177	14,999	14,013	12,151	12,445	10,674	11,419	10,299
2003	12,759	10,832	11,576	11,501	11,804	11,584	13,720	15,712	14,571	12,685	12,994	11,144	12,002	10,896
2004	13,005	11,069	11,799	11,749	12,083	11,785	13,910	16,108	14,744	12,925	13,238	11,396	12,258	11,181
2005	13,611	11,590	12,339	12,273	12,668	12,288	14,453	16,951	15,388	13,527	13,846	11,939	12,871	11,787
2006	14,053	12,026	12,778	12,660	13,032	12,697	14,855	17,512	15,821	13,968	14,285	12,366	13,347	12,234
2007 ²	14,317	12,216	13,038	12,901	13,268	12,941	15,083	17,931	16,095	14,187	14,556	12,574	13,587	12,472
Average annual percentage growth, 2000–2007 ²	3.6	3.8	3.6	3.5	3.9	3.5	3.4	3.9	3.3	3.6	3.6	4.0	3.9	4.2

Notes:

- 1 UK less Extra-regio.
2 Provisional.

Source: *Regional Accounts, Office for National Statistics*

Figure 1

Headline gross disposable household income per head: by NUTS1 region, 2007¹

Percentage difference from the UK average

Note:

- 1 Provisional.

Source: *Office for National Statistics*

Figure 2

Headline gross disposable household income per head and components, by NUTS1 region, 2007¹

£ per head (thousands)

Note:

- 1 Provisional.

Source: *Office for National Statistics*

To better understand what is driving differences in GDHI per head, it is necessary to investigate regional performance in terms of the components of household income. GDHI can be split into the following components, all of

which can be expressed as per head of resident population to facilitate regional comparisons:

- compensation of employees (CoE), a measure of labour income which

comprises wages and salaries plus employers' social contributions, typically in the form of pension or health benefits

- operating surplus and mixed income, the former being a mixture of actual rental from housing and imputed rental of owner-occupiers, the latter representing the income of the self-employed
- net property income, equal to property income received (in the form of interest, rent on land, dividends or other income distributed from companies) less interest and rent on land paid out
- net current transfers: equivalent to the 'balance of secondary income per head' described in Holmes (2008), this consists of social benefits less social contributions (such as National Insurance and pensions) and other current transfers less taxes on income and wealth. In essence, this represents the redistribution of 'primary income', which is the sum of the three components above. Due to its construction, this term will be routinely negative (it captures virtually all of the contributions to public services by accounting for current taxes, but not all of the benefits received as it does not include the value of services such as health and education provision), but its magnitude is of particular interest in analysing the extent of the redistribution of income across regions

Figure 2 presents a breakdown of regional GDHI per head in 2007 into the shares of these four components. As can be seen, CoE per head is the principal contributor

Table 2

Headline gross disposable household income per head and components, by NUTS2 area, 2007¹

Indices (UK=100)						
		Operating Surplus/Mixed Income	Compensation of Employees	Net Property Income	Net current transfers, outflow	Gross Disposable Income
North East		65	83	68	37	85
	Tees Valley and Durham	60	82	65	32	83
	Northumberland and Tyne and Wear	68	84	70	41	87
North West		79	88	86	56	91
	Cumbria	87	85	105	33	96
	Cheshire	95	107	120	116	105
	Greater Manchester	77	89	80	69	88
	Lancashire	77	79	91	37	87
	Merseyside	72	82	62	15	88
Yorkshire and The Humber		79	87	94	63	90
	East Yorkshire and Northern Lincolnshire	69	85	87	48	88
	North Yorkshire	112	97	143	86	107
	South Yorkshire	72	84	76	53	86
	West Yorkshire	76	86	90	68	87
East Midlands		86	92	99	84	92
	Derbyshire and Nottinghamshire	80	88	91	69	90
	Leicestershire, Rutland and Northamptonshire	91	98	110	116	95
	Lincolnshire	89	86	97	56	92
West Midlands		85	88	85	68	90
	Herefordshire, Worcestershire and Warwickshire	108	102	126	112	105
	Shropshire and Staffordshire	88	89	96	72	93
	West Midlands	71	80	60	44	82
East of England		116	105	118	125	105
	East Anglia	105	91	103	81	97
	Bedfordshire and Hertfordshire	127	122	140	186	115
	Essex	121	105	115	126	106
London		140	143	137	248	125
	Inner London	161	169	175	346	141
	Outer London	126	125	112	183	115
South East		128	114	122	149	112
	Berkshire, Buckinghamshire and Oxfordshire	130	131	139	216	118
	Surrey, East and West Sussex	146	118	143	149	122
	Hampshire and Isle of Wight	111	101	94	107	102
	Kent	114	99	96	106	101
South West		113	89	102	63	99
	Gloucestershire, Wiltshire and North Somerset	109	102	111	112	102
	Dorset and Somerset	122	88	110	45	103
	Cornwall and Isles of Scilly	119	68	72	0	88
	Devon	112	74	89	13	92
Wales		81	77	76	12	88
	West Wales and the Valleys	77	72	71	-8	85
	East Wales	89	85	83	46	91
Scotland		74	97	92	81	95
	Eastern Scotland	80	101	98	95	98
	South Western Scotland	66	92	79	59	91
	North Eastern Scotland	83	120	146	170	108
	Highlands and Islands	81	82	78	46	87
Northern Ireland		91	76	85	29	87

Note:

1 Provisional.

Source: Regional Accounts, Office for National Statistics

to household income in every region, accounting for approximately three quarters of primary income; it follows that the regions with the largest CoE per head – London, the South East and the East of England – also have the largest GDHI per head. A similar pattern occurs with the combined operating surplus/mixed income and net property income components, which likely reflects the higher house prices, share ownership and financial wealth in the ‘Greater South East’ compared with the rest of the UK.

Net current transfers subtract from primary income in all regions, but these deductions are greatest for those regions with the highest GDHI per head – approximately one quarter of primary income is redistributed from London, compared with a UK average of 13 per cent. This result is to be expected given the progressive nature of the UK tax system and the fact that demand for the social benefits included in this indicator (such as unemployment and housing benefit) is likely to be lower in areas with relatively higher incomes.

However, the regional GDHI breakdown presented in Figure 2 masks a great deal of variation within regions. Trends in these sub-regions drive regional GDHI; thus, an understanding of sub-regional performance is crucial in explaining higher-level phenomena. **Table 2** presents indices (UK=100) of GDHI and its components by NUTS2 sub-region. It is important to note that in the context of an index, the ‘net current transfers’ term represents an outflow of income from an area, due to the UK average also being a net outward transfer, hence a larger index number represents a greater redistribution of income away from that particular area.

Interesting points to note from Table 2 are:

- in general, the spread of GDHI per head across sub-regions is much smaller than the spread of individual components, underscoring the fact that some redistribution is taking place
- Inner London is the sub-region which is principally driving the strong performance of the wider London region. The area leads the UK in all components of GDHI per head, and consequently also redistributes more income than anywhere else (almost three and a half times the UK average), although Outer London still has amongst the highest GDHI per head in the country

- compensation of employees per head tends to be above average in those sub-regions which comprise the ‘Greater South East’, and below average elsewhere. Similarly, operating surplus and mixed income tend to be highest in areas with particularly buoyant housing markets up to 2007, which additionally includes the sub-regions of the South West
- GDHI and its components are also above average in Cheshire and Herefordshire, Worcestershire and Warwickshire, which serve as important commuter areas for the major regional cities of Manchester, Liverpool and Birmingham
- the strong performance of North Eastern Scotland in terms of CoE and net property income per head. The sub-region includes the cluster of oil and gas-related activities based in and around Aberdeen, which provide high-wage jobs and distributed profits from local partnerships, especially in times of high oil prices
- the negative figure for net outward transfers in West Wales and the Valleys means that the sub-region is actually a net recipient of secondary income, which accords with the area having the lowest CoE and net property income per head in the UK. Similarly, the zero figure for Cornwall and the Isles of Scilly implies a negligible outward transfer from the area

Regional overview

Key figures on a regional basis indicate that:

- in 2007 London was the region with the highest productivity, in terms of GVA per hour worked, at 30 percentage points above the UK average. Northern Ireland had the lowest productivity in 2007, at 16 percentage points below the UK average
- between 2007 and 2008, the statistical value of exports grew by approximately 12 per cent in the UK as a whole. Growth was highest in the South East and Wales, at 19 per cent, and lowest in Scotland, at 4 per cent
- the South East had the highest employment rate in the fourth quarter of 2008, at 79 per cent; Northern Ireland had the lowest rate, at 69 per cent, compared with a UK average of 74 per cent
- in the fourth quarter of 2008, the unemployment rate was highest in the North East (8.4 per cent) and lowest

in the South West (4.7 per cent). The unemployment rate increased in all regions over the year to the fourth quarter of 2008

Headline indicators

In order to gain an overview of the economic performance of UK regions, this article discusses a selection of economic indicators. Currently, the most widely used indicator of regional economic performance is Gross Value Added (GVA) per head. Policymakers frequently use GVA per head as a headline indicator of regional productivity and regional incomes when comparing and benchmarking regions that differ in geographical size, economic output and population. However, as Dunnell (2009) has explained, productivity and income are very different concepts.

GVA per head is calculated as the simple ratio of the economic activity in a region divided by the number of people living in a region, while productivity is defined as the ratio of GVA divided by the labour input (jobs or hours worked) used to create it. GVA per head does not take account of:

- people commuting in and out of regions to work
- regional differences in the percentages of residents who are not directly contributing to GVA, such as young people or pensioners, and
- different labour market structures across regions, such as full- and part-time working arrangements

Therefore, GVA per hour worked or GVA per filled job are more appropriate productivity indicators.

Similarly, Gross Disposable Household Income (GDHI) per head is a better measure of regional incomes than GVA per head. For example, due to commuting, residents might derive their incomes from economic activity in another region, which is not captured by GVA per head of their region. They may also have sources of income which are unrelated to current work, such as pensions and investment incomes.

Regional performance

GVA is a good measure of the economic output of a region. In December 2008, ONS published new GVA estimates for 2007 and revised estimates for previous years. **Table 3** shows the regional economic performance in terms of workplace-based GVA and GVA per head and their

Table 3

Workplace-based gross value added and gross value added per head at current basic prices: by NUTS1 region

	UK ¹	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East of England	London	South East	South West	Wales	Scotland	Northern Ireland
GVA (£ million)													
2000	842,542	28,282	84,683	61,461	52,590	68,394	72,332	168,976	123,283	64,204	31,686	67,194	19,458
2007 ²	1,216,835	40,277	120,520	87,235	78,068	92,165	107,005	250,148	175,303	94,152	44,308	98,877	28,781
Average annual percentage growth 2000–2007 ²	5.4	5.2	5.2	5.1	5.8	4.4	5.8	5.8	5.2	5.6	4.9	5.7	5.8
GVA per head (£)													
2000	14,308	11,120	12,501	12,395	12,617	12,979	13,457	23,350	15,429	13,057	10,900	13,272	11,562
2007 ²	19,956	15,706	17,558	16,850	17,744	17,125	18,902	33,102	21,099	18,183	14,869	19,221	16,361
Average annual percentage growth 2000–2007 ²	4.9	5.1	5.0	4.5	5.0	4.0	5.0	5.1	4.6	4.8	4.5	5.4	5.1

Notes:

- 1 UK less Extra-region and statistical discrepancy.
2 Provisional.

Source: Regional Accounts, Office for National Statistics

respective average annual growth over the period 2000 to 2007. Although GVA per head is not a good indicator of regional productivity or income, it does take account of variations in geographical size among UK regions and therefore allows better comparisons.

The estimates show that London had the highest GVA (£250 billion) and GVA per head (£33,102) in 2007, followed by the South East (£175 billion and £21,099, respectively). The North West generated the third highest GVA (£121 billion), but was seventh in terms of its GVA per head (£17,558). Northern Ireland and the North East had the lowest GVA in 2007, while Wales and the North East had the lowest GVA per head.

In terms of average annual percentage growth of GVA between 2000 and 2007, the East Midlands, London, Northern Ireland and the East of England had the highest GVA growth, while the West Midlands and Wales had the lowest. Average annual percentage growth of GVA per head was highest in Scotland, London, Northern Ireland and the North East, while the West Midlands, Yorkshire and The Humber and Wales grew slowest.

Labour productivity

To compare regions in terms of productivity, GVA per hour worked is the preferred indicator. At lower levels of geography, 'hours worked' estimates are not yet available and GVA per filled job should be used. These two measures of productivity divide GVA by the labour input, namely hours worked in all jobs or the number of jobs, used to create it.

GVA per hour worked and GVA per filled job take account of commuting effects and different age profiles, and the former

also accounts for variations in labour market structures, such as full- and part-time working arrangements and job share availability.

On 11 February 2009, new productivity estimates for 2007 and revised estimates for previous years were published. These estimates make use of the new and revised GVA figures, which are presented in Table 3, and updated 'filled jobs' and 'hours worked' estimates.

It should be noted that the productivity figures presented here use unsmoothed GVA as their output measure as opposed to headline GVA, which is calculated as a five-year moving average. The unsmoothed measure is used to ensure consistency with the labour input data (Dey-Chowdhury et al 2008), but raises some concerns about increased volatility of productivity estimates compared to those based on headline GVA. The question of whether to smooth productivity figures after dividing unsmoothed GVA by labour data, and present these as headline estimates, is one

which will be addressed by ONS in the coming months.

Figure 3 shows that in 2007 GVA per filled job and GVA per hour worked exhibited smaller differences from the UK average than the catch-all indicator GVA per head. This is mainly due to commuting patterns. London, for example, has a very high GVA per head, mainly due to incoming workers generating a high GVA, which is then divided by a much lower resident population. Productivity indicators, on the other hand, divide regional GVA by the jobs or hours worked to create it.

Figure 4 shows the regional GVA per hour worked productivity index on a time series basis from 2001 to 2007. In 2007, London, the South East and the East of England were the only three regions with a productivity performance above the UK average. The East of England saw the strongest improvement in its relative performance between 2001 and 2007, from below the UK average to above average in

Figure 3**Comparison of regional economic indicators: by NUTS1 region** **Note:**

- 1 UK less Extra-region and statistical discrepancy.

Source: Office for National Statistics

Figure 4
GVA per hour worked: by NUTS1 region

Note:

1 UK less Extra-region and statistical discrepancy.

Source: Office for National Statistics

Figure 5
Headline gross disposable household income per head: by NUTS1 region

Notes:

1 UK less Extra-region.

2 Provisional.

Source: Office for National Statistics

Figure 6
Gross median weekly pay of all full-time employees: by NUTS1 region, April 2008

Source: Annual Survey of Hours and Earnings, Office for National Statistics

2007. London also improved its relative performance, therefore diverging further from the UK average. Northern Ireland and Wales had the lowest productivity in 2007. The strongest divergence from the UK average between 2001 and 2007 was experienced in the North East, Wales and Yorkshire and The Humber. This implies that these regions' productivity grew

by less than the UK average, therefore widening the productivity gap between regions.

Income of residents

The focus section has investigated GDHI and the contribution of its components. **Figure 5** presents indices of GDHI per head for 2001, 2003, 2005 and 2007,

showing movements in regional household income relative to the UK average over time. Figure 5 reaffirms the trends outlined in Table 1, with GDHI per head highest, and diverging from the national average, in London; the South East and East of England being the only other regions with household income above average, but getting closer to it; and the two regions with the lowest GDHI per head (Northern Ireland and the North East) experiencing the fastest growth. In general, there has been some convergence of GDHI per head towards the UK average, implying greater parity across regions in terms of household income.

Comparing these outcomes with the regional productivity performance in Figure 4 shows that, unlike income per head, productivity has been diverging from the UK average in most regions. Moreover, in terms of productivity, some regions have been performing close to the average while their income per head shows stronger divergences from average. The North East, for example, has had close to average but declining productivity since 2001 and at the same time the lowest, but improving, income per head. One reason for this might be the region's low employment and high unemployment rates (see labour market section).

Gross median weekly earnings represent another indicator of regional welfare.

Figure 6 shows the gross median weekly pay for all full-time employees, split into female and male workers, in each region in April 2008.

As in previous years, London was the region with the highest gross median weekly pay, at £612.70, followed by the South East, at £499.80. These were the only regions above the UK average of £478.60. Northern Ireland (£417.60), the North East (£420.60) and Wales (£421.00) recorded the lowest earnings in April 2008.

There were big differences between the weekly pay for male and female full-time employees across regions. The discrepancy was smallest in Northern Ireland, while it was largest in London and the South East. The weekly pay for male full-time employees was above the UK average for all full-time employees in nine of the 12 NUTS1 regions, while the weekly pay of female full-time employees was only above the UK average in London.

Drivers of productivity

HM Treasury and BERR have identified five key drivers of productivity – investment, innovation, enterprise, competition and

skills – that can help explain differences in productivity across regions.

Alongside these five key drivers, other factors, such as connectivity, industrial structure and region-specific assets can have a strong influence on regional productivity.

Investment

Investment in physical capital, such as machinery, equipment and buildings, enables workers to produce more and higher quality output. Therefore, investment can have a significant positive impact on productivity. Due to quality concerns regarding the regional allocations of investment, which is recorded at the level of the enterprise and not at the local level, this article does not currently include data on investment.

Nevertheless, as Dunnell (2009) has pointed out, inflows of foreign direct investment (FDI) by region, measured by UK Trade & Investment (UKTI), can serve as a narrow indicator of investment. However, FDI does not cover all investment in a region and there is no requirement to notify UKTI when undertaking FDI.

Innovation

Innovation is a necessary, although not sufficient, condition for economic success and is therefore recognised as an important driver of productivity. Innovation comprises, among others, the development of new technologies that increase efficiency and the introduction of new, more valuable goods and services. It also includes intangibles such as new methods of working and improvements to services.

R&D represents one of the determinants to the innovation process and is defined by the Organisation for Economic Co-operation and Development (OECD) in its Frascati Manual, which proposes a standard practice for surveys on R&D, as ‘creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to create new applications’. The OECD definition of R&D covers the following:

- basic research: experimental and theoretical work to obtain new knowledge of the underlying foundation of phenomena and observable facts, without any particular application or use in view
- applied research: work undertaken to acquire new knowledge, which is

directed primarily towards a specific practical aim, and

- experimental development: systematic work, drawing on existing knowledge, which is directed at producing new materials, products or devices, installing new processes, systems and services, or at improving substantially those already produced or installed

The OECD definition excludes education, training and any other related scientific, technological, industrial, administrative or supporting activities. However, innovation depends on a wider set of inputs than R&D, including skills training, design, software and organisational investment by firms. HM Treasury Economics Working Paper No. 1 quantifies these broader knowledge economy inputs at UK level; more work is needed before these factors can be measured effectively at regional level.

Figure 7 presents statistics on Business Expenditure on Research and Development (BERD), which are consistent with internationally agreed standards. New regional figures for 2007 were published on 30 January 2009. Figure 7 shows business expenditure on R&D as a percentage of workplace-based GVA in 2001, 2003, 2005 and 2007. This is a measure commonly used in regional comparisons as it takes account of the size of regional economies.

The figure shows that, since 2001, the East of England has been the region with by far the highest R&D expenditure as a proportion of GVA, reaching 4.1 per cent in 2007. The South East had the second highest percentage (2.0 per cent), which has, however, been declining since 2001.

R&D expenditure as a share of regional GVA was 1.8 per cent in the North West and 1.3 per cent in the East Midlands

and the South West. London, Yorkshire and The Humber and the three Devolved Administrations of Wales, Scotland and Northern Ireland had the lowest shares in 2007, at around 0.5 per cent each. London’s very low share of expenditure on R&D does not necessarily suggest low levels of innovation but might be due to it having a large concentration of service industries, which may be less R&D intensive (within the OECD definition) if, for example, they rely heavily on human capital.

Enterprise

Enterprise is defined as the seizing of new business opportunities by both start-ups and existing firms. New enterprises can bring innovative processes and technologies to market, forcing existing firms to improve their productivity in order to remain competitive.

The February 2009 REI article focused on business demography in UK regions, using the newly published ONS series of enterprise births and deaths, which includes enterprises registered for VAT *and* also those registered for pay-as-you-earn (PAYE). It needs to be noted that enterprise statistics relate to the place of registration of the enterprise, even though the enterprise may consist of more than one local unit, possibly in different regions.

Figure 8 shows the number of births and deaths of enterprises as a proportion of the active enterprise stock in 2007. The difference between the two represents the net change, which is calculated as a proportion of total stock. Figure 8 shows that the North East and Scotland had the highest rate of net change, at 4.8 per cent, closely followed by London, at 4.7 per cent. Wales and the South West had the lowest rates, at 1.6 and 2.3 per cent, respectively.

Figure 7

Business expenditure on R&D as a percentage of workplace-based GVA: by NUTS1 region

Notes:

- 1 Provisional.
- 2 UK less Extra-region and statistical discrepancy.

Source: Regional Accounts and Business Expenditure on Research & Development, Office for National Statistics

Figure 8

Enterprise births, deaths¹ and net change as a percentage of enterprise stock: by NUTS1 region, 2007

Note:

1 Provisional.

Source: Business Demography, Office for National Statistics

Figure 9

Percentage of units surviving three years: by year of birth and NUTS1 region

Source: Business Demography, Office for National Statistics

In 2007, across regions, the relatively modest net changes were the result of much greater proportions of enterprises joining and leaving the stock. These proportions were largest in London, followed by the North East. A relatively high proportion of enterprises joining and leaving the stock can be seen as desirable, as new enterprises entering the market are considered to bring innovative processes and technologies that drive up productivity and force unproductive enterprises to leave the market.

As well as analysing births and deaths of enterprises, it is useful to look at how long these enterprises survive. The Business Demography series contains data showing the number of years survived by enterprises born in the years 2002 to 2006.

Figure 9 shows the proportion of enterprises born in 2002, 2003 and 2004 that survived for at least three years. In the UK as a whole, survival rates increased over the period, rising from 63 per cent of enterprises born in 2002 to 65 per cent of those born in 2004.

Patterns were similar across regions,

with all but Northern Ireland having higher survival rates for enterprises born in 2004 than in 2002. Northern Ireland saw a fall from 69 to 67 per cent; however, this was still higher than the UK average of 65 per cent. Among enterprises born in 2004, those in the South West had the highest three year survival rate, at 69 per cent.

London stands out as the region with the lowest rate, at 60 per cent. Figure 8 has shown that London had the highest percentage of births and deaths of enterprises; therefore, it is not surprising that survival rates were relatively low. They could be an indication of London's ability to exploit short-term business opportunities. At the same time, it may suggest that many of the new enterprises born will not provide long-term growth and employment.

Competition

Vigorous competition enhances productivity by creating incentives to innovate and ensure that resources are allocated to the most efficient firms. It also forces existing firms to organise work more effectively through imitations of

organisational structures and technology. One indicator of competition is the value of exports. Even though exports do not represent competition within a region, they still provide an indication of how international regions are in their outlook, and how able they are to face global competition.

HM Revenue & Customs (HMRC) publishes statistics on regional trade in goods to the EU and non-EU destinations by statistical value. Trade in goods by definition excludes trade in intangibles and services. The statistical value of export trade is calculated as the value of the goods plus the cost of movement to the country's border.

Table 4 presents the latest estimates up to 2008 Q4, which include full-year figures for 2008. The total value of UK goods exports to all destinations increased by approximately 12 per cent between 2007 and 2008.

As the European Union (EU) is the main export destination for UK goods, the table separates exports to EU and non-EU destinations. In the UK as a whole, the value of exports to the EU grew by 10 per cent in 2008, with ten regions recording increases in exports. London and the North East reported the strongest rises, of 15 and 14 per cent, respectively. The East Midlands (-3 per cent) and Scotland (-1 per cent) were the only two regions that experienced declines in their exports to the EU in 2008.

In terms of the latest estimates (2008 Q4) compared with the previous quarter, the value of exports to the EU fell in all regions. Wales (-21 per cent), and London (-18 per cent) saw the strongest declines. These large falls may partly reflect the inherent volatility of quarterly trade data, although such declines are consistent with intensifying global financial and economic crises in the second half of 2008.

UK exports to non-EU destinations grew by 16 per cent between 2007 and 2008, with the strongest increases recorded in the South East (31 per cent), Wales (28 per cent) and Northern Ireland (26 per cent). London (2 per cent) reported the smallest increase in its exports of goods to non-EU destinations in 2008.

Comparing estimates for 2008 Q4 with the previous quarter provides a rather mixed picture. In the UK as a whole, export values to non-EU destinations fell by 0.2 per cent. But this figure masks wide regional variation: half the regions experienced a decline compared with the previous quarter, while export values grew in the other half, with individual

Table 4

UK regional trade in goods – statistical value of exports:¹ by NUTS1 region

£ million

	United Kingdom	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East of England	London	South East	South West	Wales	Scotland	Northern Ireland
EU exports													
2007 Q1	31,747	1,303	2,794	1,765	2,296	2,267	3,164	2,244	4,598	1,725	1,440	1,569	847
2007 Q2	31,263	1,287	2,952	1,696	2,036	2,325	2,998	2,066	4,609	1,580	1,415	1,635	850
2007 Q3	30,662	1,330	2,773	1,649	2,038	2,033	2,914	2,183	4,490	1,633	1,313	1,378	830
2007 Q4	32,951	1,557	2,854	1,725	2,058	2,314	3,196	2,152	4,891	1,725	1,331	1,527	855
Total 2007	126,623	5,478	11,373	6,836	8,428	8,938	12,272	8,645	18,587	6,663	5,498	6,110	3,381
Non-EU exports													
2007 Q1	21,183	807	2,261	1,247	1,622	1,479	1,775	3,477	3,112	917	839	1,683	469
2007 Q2	23,968	1,009	2,484	1,564	1,655	1,607	2,004	3,448	4,003	992	957	1,991	521
2007 Q3	23,007	1,021	2,417	1,402	1,685	1,595	1,843	3,402	3,667	1,100	851	2,012	520
2007 Q4	25,138	1,261	2,462	1,762	1,784	1,801	2,001	3,595	4,125	1,155	912	1,894	578
Total 2007	93,296	4,098	9,624	5,975	6,746	6,482	7,623	13,922	14,906	4,163	3,559	7,580	2,087
2008 Q1 ²	34,971	1,636	3,176	1,746	2,194	2,404	3,301	2,303	4,924	1,826	1,519	1,492	880
2008 Q2 ²	36,976	1,629	3,305	1,879	2,118	2,506	3,579	2,424	5,334	1,926	1,655	1,490	970
2008 Q3 ²	35,248	1,564	3,166	1,893	2,012	2,156	3,217	2,840	5,097	1,690	1,687	1,538	869
2008 Q4 ²	32,044	1,434	2,806	1,784	1,876	2,003	2,883	2,336	5,058	1,533	1,335	1,511	834
Total 2008	139,239	6,263	12,453	7,302	8,201	9,069	12,979	9,904	20,412	6,974	6,195	6,031	3,552
2008 Q1 ²	23,867	1,164	2,452	1,641	1,743	1,767	2,167	3,195	3,892	1,053	869	1,833	555
2008 Q2 ²	27,792	1,335	2,862	1,712	1,940	1,990	2,509	3,661	4,993	1,178	1,074	2,066	639
2008 Q3 ²	28,257	1,357	2,936	1,707	1,914	2,142	2,268	3,577	5,173	1,373	1,312	2,103	623
2008 Q4 ²	28,194	1,112	2,806	1,522	2,087	1,902	2,277	3,749	5,443	1,306	1,298	2,227	806
Total 2008	108,110	4,969	11,056	6,582	7,683	7,801	9,220	14,181	19,501	4,910	4,553	8,229	2,622

Notes:

- Components may not sum to totals as a result of rounding.
- Provisional.

Source: UK Regional Trade in Goods Statistics, HM Revenue & Customs

performances ranging from a contraction of 18 per cent in the North East to an increase of 29 per cent in Northern Ireland. Again, falling export values are most likely the product of the ongoing recession.

Figure 10 shows the value of exports of goods as a percentage of workplace-based regional GVA in 2000 and 2007, which takes account of the differing sizes of regional economies. In 2007, exports from the North East accounted for the highest percentage of GVA (24 per cent), 6 percentage points above the UK average. The region where exports accounted for the smallest percentage of GVA in 2007 was London, at 9 per cent.

In terms of this indicator's change over time, in all regions, except Yorkshire and The Humber, exports accounted for a smaller percentage of GVA in 2007 than in 2000. Scotland experienced the most significant drop from 2000 to 2007, with exports in 2007 accounting for 16 percentage points less in terms of GVA than in 2000. Most other regions also experienced a decline from 2000 to 2004, with some recovery in 2005 and 2006. In 2007, most regions saw their exports as a percentage of GVA fall.

Skills

The skills of workers influence productivity as they define the capabilities that the labour force can contribute to the production process. The concept of skills includes attributes of the workforce, such as 'softer' or interpersonal skills, which are difficult to measure or to compare in different situations or over time. Therefore, qualifications are often used as proxy indicators. By examining the qualifications

of the current workforce as well as those of young people, who represent the future capabilities of the labour market, a view of how skills are changing over time and their potential impact on productivity can be analysed.

The latest estimates of the highest qualifications (degree or equivalent) of the working-age population are based on 2008 Q4.¹ However, as characteristics of local economies dictate which labour

Figure 10

Value of total export goods as a percentage of workplace-based GVA: by NUTS1 region

Notes:

- Provisional.
- UK less Extra-region and statistical discrepancy.

Source: HM Revenue & Customs, Regional Trade Statistics and Office for National Statistics

Figure 11

Working-age population with no qualifications:¹ by NUTS1 region, 2008 Q4 **Note:**

Source: Labour Force Survey, Office for National Statistics

- 1 For summary of qualifications and equivalents see www.statistics.gov.uk/statbase/Product.asp?vlnk=836

Figure 12

Pupils achieving five or more grades A* to C at GCSE level or equivalent in (i) all subjects and (ii) subjects including English and Mathematics: by NUTS1 region, 2007/08¹ **Note:**

Source: Department for Children, Schools and Families

- 1 Revised data, includes attempts and achievements by these pupils in previous academic years.
2 The England average includes all schools, not only local authority maintained schools.

skills are required, comparability between regions might be difficult. An alternative approach is to compare the percentage of the working-age population that has no recognised qualifications.

Figure 11 shows the proportion of the working-age population that has no qualifications in each region, alongside the UK average, for 2008 Q4. Northern Ireland had the highest proportion of the population with no qualifications (10.4 percentage points above the UK average), whereas the South East and the South West had the lowest proportions, 3.4 and 3.2 percentage points below the UK average, respectively.

Above average proportions of working-age people without a qualification do not necessarily mean that regions have the most unqualified workforce. Due to differing regional skill requirements, people with recognised qualifications might migrate

into other regions, where demand for their qualifications is high, while those without any recognised qualifications might migrate out of these other regions. Also, if employers have a strong demand for lower skills and a good supply of appropriate workers, a low skill equilibrium is created in a region.

Regional Skills Partnerships (RSPs) are groups brought together by Regional Development Agencies in each region of England in response to the National Skills Strategy. RSPs aim to strengthen regional structures to make skills provision more relevant to the needs of employers and individuals, covering private, public and voluntary sectors of the economy. They also aim to give regions the flexibility to tackle their own individual challenges and priorities.

Table 5 presents the RSP core indicators, which help to monitor the health of

regional and local labour markets and progress towards national skills targets such as those documented in the Leitch Report. These core indicators will be supported by local, more specific, indicators identified by individual RSPs. The choice of '19 to state pension age' for some of the indicators in Table 5 has been influenced by: the increased emphasis on education and training after the age of 16; the plan to raise the standard school leaving age to 18; and alignment with indicators specified in the Local Area Agreements.

In order to assess the future capabilities of the labour force, the percentage of pupils achieving five or more grades A* to C at GCSE level or equivalent in each English region can be used as an indicator. Recent focus on literacy and numeracy has led to a new measure being published, of five or more GCSEs grade A* to C in subjects including English and Mathematics. **Figure 12** shows the percentage of pupils achieving at least five grades A* to C at GCSE level or equivalent in any subjects, and in subjects including English and Mathematics.

In 2007/2008, the England average for all schools of pupils achieving five or more grades A* to C in any subjects was 65 per cent, while it was down to 48 per cent if the subjects included English and Mathematics. Across all English regions, the percentage of pupils achieving at least five grades A* to C in subjects including English and Mathematics was substantially lower compared with achieving the same in any subjects. Regional differences were more pronounced when subjects included English and Mathematics. In the North East and the North West, the percentage of pupils achieving five or more grades A* to C in any subjects was above the England average, but these percentages dropped below the average when the subjects included English and Mathematics. The opposite holds for the South West, London and the East of England, where the proportion of pupils achieving at least five grades A* to C increased above the England average if the subjects included English and Mathematics.

The labour market

Table 6 shows the seasonally adjusted employment rate, the number of people of working age in employment, expressed as a proportion of the population, from the Labour Force Survey (LFS).

In quarter four (October to December) of 2008, the UK employment rate was 74.1 per cent, down 0.7 percentage points from a year ago and down 0.3 percentage points

Table 5

Regional Skills Partnerships core indicators: by NUTS1 region

		Percentages									
Skills outcome indicators	Time period	Yorkshire									
		North East	North West	and The Humber	East Midlands	West Midlands	East of England	London	South East	South West	England
Percentage of employers with business or training plan, or budget for training	2007	70.6	69.2	69.6	67.9	67.5	67.3	70.0	70.6	68.4	69.1
Percentage of staff with skill gaps	2007	6.3	5.3	4.8	6.8	5.4	7.8	6.7	5.8	6.2	6.1
Skill shortage vacancies (SSVI) as percentage of all vacancies	2007	18.8	17.6	20.1	20.2	15.5	19.6	26.1	22.5	20.9	20.9
Percentage of KS4 pupils achieving 5+ A* to C GCSE (inc Maths and English)	2007/08	44.9	47.4	44.4	47.0	46.1	50.3	50.6	51.7	49.2	47.6
Percentage of 19 year olds qualified to Level 2 or above ¹	2007/08	75.9	74.3	73.2	73.1	74.9	77.0	77.0	79.6	77.0	76.7
Percentage of 19 year olds qualified to Level 3 or above ¹	2007/08	43.7	46.1	44.4	46.0	46.9	52.4	51.9	56.9	51.0	49.8
Percentage of 19 to state pension age with Level 2+	Oct07 to Sept08	66.4	64.6	63.4	62.5	61.6	63.0	63.9	69.1	69.0	64.9
Percentage of 19 to state pension age with Level 3+	Oct07 to Sept08	49.7	49.2	48.5	47.6	46.1	47.7	54.2	54.7	53.9	50.7
Percentage of 19 to state pension age with Level 4+	Oct07 to Sept08	25.3	27.6	26.7	26.7	26.2	27.8	40.2	33.5	30.5	30.5
Percentage of 19 to state pension age with no qualifications	Oct07 to Sept08	13.1	14.4	12.9	12.8	16.0	11.6	11.6	8.7	8.5	12.0
Percentage of working-age population who undertook job-related training in last 13 weeks	Oct07 - Sept08	30.0	26.1	26.4	26.5	26.5	24.2	26.0	27.2	28.8	26.6
Percentage of 17 year olds in education or work-based learning	end-2006	76.0	77.0	73.0	74.0	77.0	76.0	85.0	78.0	76.0	77.0

Note:

1 Provisional data from DCSF matched datasets.

Source: Office for National Statistics; Labour Force Survey; Department of Business Enterprise and Regulatory Reform; Department for Children, Schools and Families; Department for Innovation Universities and Skills; National Employers Skills Survey 2007

Table 6

Employment¹ rates for people of working age: by NUTS1 region

		Percentages, seasonally adjusted												
		Yorkshire												
		United Kingdom	North East	North West	and The Humber	East Midlands	West Midlands	East of England	London	South East	South West	England	Wales	Northern Ireland
2005	Oct-Dec	74.4	70.1	72.8	74.2	77.2	73.4	77.6	69.4	78.7	77.7	74.6	71.9	69.0
2006	Jan-Mar	74.7	71.3	73.5	74.4	77.0	73.9	77.3	69.9	78.9	78.3	75.0	71.6	69.4
	Apr-Jun	74.6	71.6	73.2	74.2	77.0	73.9	77.0	69.7	78.9	78.6	74.9	71.3	69.9
	Jul-Sep	74.6	71.0	73.6	73.5	77.0	73.9	77.2	69.8	78.8	77.9	74.8	72.0	69.3
	Oct-Dec	74.5	70.9	72.8	73.7	76.5	73.0	77.0	70.0	78.7	78.2	74.6	71.8	69.9
2007	Jan-Mar	74.3	71.0	72.5	72.8	75.9	72.5	77.3	70.1	78.2	78.0	74.4	71.7	70.6
	Apr-Jun	74.5	71.4	72.6	73.3	76.0	72.7	77.4	69.7	78.5	78.1	74.5	72.1	70.6
	Jul-Sep	74.6	72.1	72.4	73.4	75.7	73.0	77.2	70.7	78.8	78.6	74.7	71.3	70.1
	Oct-Dec	74.8	71.6	72.8	73.7	75.8	73.3	78.1	70.4	78.9	79.3	75.0	71.6	69.9
2008	Jan-Mar	74.8	70.2	72.4	74.0	76.2	73.2	77.7	71.1	79.5	79.0	75.0	72.0	69.7
	Apr-Jun	74.7	70.2	72.2	73.4	75.7	72.5	77.7	71.5	79.4	78.8	74.8	72.6	70.1
	Jul-Sep	74.4	70.4	71.6	73.2	76.1	71.8	77.4	71.0	79.0	78.7	74.5	70.6	70.1
	Oct-Dec	74.1	70.1	71.0	72.3	76.2	71.8	77.5	71.6	78.7	78.1	74.3	70.7	68.8

Note:

1 Includes employees, self-employed, participants on government-supported training schemes and unpaid family workers.

from quarter three (July to September) of 2008. Regional rates varied from 78.7 per cent in the South East to 68.8 per cent in Northern Ireland.

Between the fourth quarters of 2007 and 2008, the employment rate increased by 1.2 percentage points in London and by 0.4 percentage points in the East Midlands. The other ten regions experienced falls in their employment rates. These decreases were greatest in the North West (1.8 percentage points), the North East and the West Midlands, which both exhibited annual declines of 1.5 percentage points.

Table 7 shows the unemployment rate (according to the internationally-consistent International Labour Organisation

definition) for persons aged 16 and over from the LFS. The UK rate in the fourth quarter of 2008 was 6.3 per cent, up 1.1 percentage points from a year ago and up 0.5 percentage points on the previous quarter. Regionally, the rates ranged from 8.4 per cent in the North East to 4.7 per cent in the South West.

Over the year the unemployment rate rose in all regions. The fastest increase, of 2.6 percentage points, occurred in the North East, while Wales, the North West and the West Midlands showed a rise of 1.9 percentage points. The smallest increase, of 0.2 percentage points, was recorded in Scotland.

Table 8 shows economic inactivity rates

for persons of working age from the LFS. The UK rate in the fourth quarter of 2008 was 20.8 per cent, down 0.2 percentage points from the fourth quarter of 2007 and down 0.1 percentage points on the previous quarter. Across the regions, rates varied from 17.1 per cent in the South East to 27.4 per cent in Northern Ireland.

Compared with a year earlier, the performance of individual regions was mixed. The inactivity rate decreased in six regions, but grew in five and remained roughly the same in the West Midlands. The inactivity rate fell furthest in London, at 1.7 percentage points, while the largest annual rise, of 0.9 percentage points, occurred in Scotland.

Table 7

Unemployment rates for people aged 16 and over: by NUTS1 region

Percentages, seasonally adjusted

		United Kingdom	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East of England	London	South East	South West	England	Wales	Scotland	Northern Ireland
2005	Oct-Dec	5.2	6.6	5.0	5.5	4.5	5.3	4.6	7.3	4.2	4.0	5.2	5.0	5.2	4.5
2006	Jan-Mar	5.2	6.5	4.9	5.4	5.0	5.3	4.9	7.6	4.5	3.6	5.3	4.8	5.3	4.3
	Apr-Jun	5.5	6.1	5.3	5.8	5.5	5.6	5.0	7.8	4.7	3.8	5.5	5.6	5.5	4.3
	Jul-Sep	5.5	6.7	5.5	6.0	5.3	6.1	4.8	7.8	4.5	3.8	5.6	5.4	5.0	4.7
	Oct-Dec	5.5	6.7	5.4	6.0	5.7	6.7	4.5	7.7	4.3	3.9	5.6	5.3	5.2	4.2
2007	Jan-Mar	5.5	6.8	5.8	6.3	5.5	6.5	4.8	7.1	4.7	4.0	5.6	5.6	4.9	4.1
	Apr-Jun	5.4	6.3	5.8	5.5	5.0	6.7	4.6	7.4	4.3	4.0	5.5	5.5	4.7	3.8
	Jul-Sep	5.3	6.1	6.0	5.4	5.7	6.4	5.1	6.1	4.5	4.0	5.4	5.3	4.8	3.8
	Oct-Dec	5.2	5.8	5.9	5.3	5.2	5.8	4.4	6.6	4.5	3.7	5.2	5.1	4.9	4.2
2008	Jan-Mar	5.2	6.5	6.0	5.0	5.5	6.2	4.5	6.9	3.9	3.7	5.3	5.4	4.6	4.6
	Apr-Jun	5.4	7.5	6.3	6.1	5.7	6.3	4.6	6.9	4.2	3.8	5.6	4.9	4.2	4.2
	Jul-Sep	5.8	8.0	6.8	6.8	5.9	6.5	4.8	7.4	4.6	4.2	6.0	6.7	4.7	4.1
	Oct-Dec	6.3	8.4	7.8	6.6	6.1	7.7	5.5	7.2	4.9	4.7	6.4	7.0	5.1	5.1

Source: Labour Force Survey, Office for National Statistics

Table 8

Economic inactivity rates for people of working age: by NUTS1 region

Percentages, seasonally adjusted

		United Kingdom	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East of England	London	South East	South West	England	Wales	Scotland	Northern Ireland
2005	Oct-Dec	21.4	24.9	23.3	21.4	19.0	22.3	18.6	25.0	17.7	19.0	21.2	24.3	20.5	27.6
2006	Jan-Mar	21.1	23.7	22.7	21.3	18.8	21.9	18.6	24.2	17.4	18.7	20.7	24.7	20.6	27.5
	Apr-Jun	21.0	23.6	22.6	21.2	18.4	21.5	18.8	24.3	17.1	18.3	20.6	24.3	20.9	26.9
	Jul-Sep	21.0	23.9	22.0	21.7	18.6	21.2	18.8	24.1	17.5	18.9	20.7	23.8	20.5	27.2
	Oct-Dec	21.1	23.9	22.9	21.5	18.7	21.6	19.1	24.0	17.7	18.5	20.8	24.0	19.6	27.0
2007	Jan-Mar	21.2	23.7	22.9	22.2	19.6	22.3	18.6	24.4	17.9	18.6	21.1	23.9	19.4	26.3
	Apr-Jun	21.2	23.8	22.7	22.3	20.0	21.8	18.8	24.6	17.8	18.5	21.1	23.5	19.1	26.6
	Jul-Sep	21.1	23.1	22.9	22.4	19.6	21.8	18.5	24.6	17.4	18.0	20.9	24.5	19.4	27.0
	Oct-Dec	21.0	23.9	22.5	22.0	19.9	22.1	18.2	24.4	17.2	17.6	20.8	24.5	19.4	27.0
2008	Jan-Mar	20.9	24.8	22.8	22.0	19.2	21.7	18.5	23.5	17.1	17.9	20.7	23.8	19.6	26.9
	Apr-Jun	20.9	24.0	22.7	21.7	19.5	22.4	18.5	23.1	17.1	18.0	20.6	23.5	20.0	26.8
	Jul-Sep	20.9	23.3	23.0	21.2	19.0	23.0	18.6	23.2	17.2	17.7	20.6	24.2	19.8	26.9
	Oct-Dec	20.8	23.3	22.8	22.5	18.7	22.1	17.8	22.7	17.1	17.9	20.4	23.8	20.3	27.4

Source: Labour Force Survey, Office for National Statistics

Table 9

Employee jobs¹: by NUTS1 region

Thousands, not seasonally adjusted

		United Kingdom	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East of England	London	South East	South West	England	Wales	Scotland	Northern Ireland
Dec 04		26,716	1,017	3,031	2,256	1,803	2,338	2,302	3,965	3,653	2,171	22,536	1,155	2,333	691
Dec 05		27,045	1,064	2,968	2,237	1,843	2,358	2,336	4,043	3,733	2,196	22,778	1,180	2,383	704
Dec 06		27,145	1,057	3,036	2,231	1,878	2,357	2,384	4,036	3,673	2,217	22,868	1,181	2,382	714
Dec 07		27,333	1,044	3,041	2,240	1,903	2,353	2,381	4,109	3,744	2,228	23,044	1,164	2,400	725
Mar 08		27,110	1,031	2,994	2,216	1,891	2,339	2,366	4,081	3,720	2,208	22,848	1,154	2,382	726
Jun 08		27,212	1,029	2,999	2,220	1,894	2,346	2,381	4,095	3,743	2,227	22,935	1,156	2,396	725
Sep 08 ²		27,117	1,030	2,996	2,208	1,883	2,326	2,387	4,074	3,732	2,237	22,862	1,152	2,387	716
Dec 08		27,015	1,036	2,988	2,187	1,876	2,319	2,379	4,066	3,713	2,210	22,774	1,145	2,385	711

Notes:

Source: Employer surveys

- 1 Employee jobs figures are a measure of jobs rather than people. For example, if a person holds two jobs, each job will be counted in the employee jobs total. Employee jobs figures come from quarterly surveys of employers carried out by ONS and administrative sources.
- 2 Revised.

Table 10
Claimant count rates¹: by NUTS1 region

Percentages, seasonally adjusted

		United Kingdom	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East of England	London	South East	South West	England	Wales	Scotland	Northern Ireland
2004		2.7	4.0	2.8	2.8	2.5	3.3	2.0	3.5	1.6	1.6	2.6	3.0	3.4	3.6
2005		2.7	3.9	2.9	2.9	2.5	3.4	2.1	3.4	1.6	1.6	2.6	3.0	3.2	3.3
2006		2.9	4.1	3.3	3.3	2.8	3.9	2.3	3.5	1.8	1.8	2.9	3.1	3.2	3.2
2007		2.7	4.0	3.1	3.0	2.6	3.7	2.1	3.0	1.6	1.6	2.7	2.8	2.8	2.8
2008		2.8	4.5	3.4	3.3	2.8	3.8	2.2	2.8	1.7	1.7	2.8	3.2	2.8	3.2
2008	Mar	2.4	3.9	3.0	2.9	2.4	3.4	1.9	2.6	1.4	1.3	2.4	2.8	2.5	2.7
	Apr	2.5	4.0	3.0	2.9	2.4	3.5	1.9	2.6	1.5	1.4	2.4	2.8	2.5	2.8
	May	2.5	4.1	3.1	3.0	2.5	3.5	2.0	2.6	1.5	1.4	2.5	2.9	2.6	2.9
	Jun	2.6	4.2	3.2	3.1	2.5	3.6	2.0	2.7	1.6	1.5	2.6	3.0	2.6	3.0
	Jul	2.7	4.3	3.3	3.2	2.6	3.7	2.1	2.7	1.6	1.6	2.7	3.1	2.7	3.1
	Aug	2.8	4.5	3.4	3.4	2.8	3.8	2.3	2.8	1.7	1.8	2.8	3.3	2.8	3.2
	Sep	2.9	4.7	3.6	3.6	2.9	4.0	2.4	2.9	1.8	1.9	2.9	3.4	3.0	3.4
	Oct	3.1	5.0	3.8	3.8	3.1	4.2	2.5	3.0	1.9	2.0	3.1	3.6	3.1	3.6
	Nov	3.4	5.3	4.1	4.1	3.4	4.5	2.7	3.2	2.2	2.3	3.3	4.0	3.3	4.0
	Dec	3.6	5.7	4.3	4.4	3.7	4.9	3.0	3.3	2.4	2.5	3.6	4.3	3.6	4.2
2009	Jan	3.9	6.0	4.6	4.7	4.0	5.2	3.2	3.5	2.6	2.7	3.8	4.7	3.7	4.5
	Feb	4.3	6.5	5.0	5.2	4.5	5.8	3.7	3.8	3.0	3.1	4.2	5.1	4.1	4.8
	Mar	4.5	6.7	5.2	5.4	4.7	6.1	3.9	4.1	3.2	3.3	4.5	5.3	4.3	5.0

Note:

1 Count of claimants of Jobseeker's Allowance expressed as a percentage of the total workforce – that is, workforce jobs plus claimants.

Source: Jobcentre Plus administrative system

Table 9 shows the number of employee jobs, not seasonally adjusted, from the Employers Surveys. The number of UK employee jobs was 27 million, a decrease of 318,000 over the year since December 2007. In percentage terms, this was a 1.2 per cent decrease.

The number of employee jobs decreased in all twelve regions. The decline was largest in Yorkshire and The Humber (-2.4 per cent) and smallest in the East of England (-0.1 per cent).

Table 10 shows the claimant count rate (referring to people claiming Jobseeker's Allowance benefits as a proportion of the workforce). The UK rate was 4.5 per cent in March 2009, up 2.1 percentage points on a year earlier and 0.2 percentage points above the figure for February 2009. This national rate masks large variations between regions and component countries of the UK. The North East had the highest claimant count rate in the UK at 6.7 per cent, followed by the West Midlands (6.1 per cent), and Yorkshire and The Humber (5.4 per cent). The claimant count rate was lowest in the South East (3.2 per cent).

All regions exhibited an increase in the claimant count rate compared with a year ago. The largest increases were recorded in the North East (2.8 percentage points) and the West Midlands (2.7 percentage points), while London experienced the smallest increase, of 1.5 percentage points.

Notes

- For a summary of all different levels of qualifications, see 'Notes and definitions' at www.statistics.gov.uk/statbase/product.asp?vlnk=836

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