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In this issue

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UK Government delivers Budget and updated Industrial Strategy amid gloomy economic forecasts

By **Mark Wingham**, Economist and **Emma Christie**, Economist

The Chancellor, Philip Hammond, presented his second Budget of the year on 22 November. The main themes were around improving productivity and supporting the housing market.

Some of the announced policies included expanding the National Productivity Investment Fund (NPIF) from £23 billion to £31 billion to invest in transport, research and development, emerging technologies and skills (particularly around computer science and maths). The Chancellor also stated plans to increase housebuilding to 300,000 per year. He will make available £15.3 billion to support this, as well as introduce planning reforms. Additionally, he said that first time buyers would be exempt from stamp duty on properties up to £300,000 (or the first £300,000 for properties up to £500,000).

The Chancellor raised the National Living Wage by 4.4 per cent from £7.50 to £7.83 per hour, removed the seven-day waiting period at the start of Universal Credit claims, and is spending an extra £6.3 billion on the NHS. He further confirmed a new 26-30 years railcard.

Latest news...

London's Economic Outlook: Autumn 2017

London's Gross Value Added (GVA) growth rate is forecast to be 2.1 per cent in 2017. The growth rate is expected to slow slightly to 1.8 per cent in 2018, before picking up to 2.6 per cent in 2019.

London is forecast to see increases in the number of workforce jobs in 2017, 2018 and 2019.

London household income and spending are both forecast to increase over the next three years, albeit at slower rates than for 2016.

Download the full forecast.

On taxation, there will be increases in the income tax personal allowance and higher rate thresholds. Also, business rates will rise by CPI instead of RPI from 2018-19 and revaluations will take place every three years instead of five. There were no changes to VAT as speculated in the media.

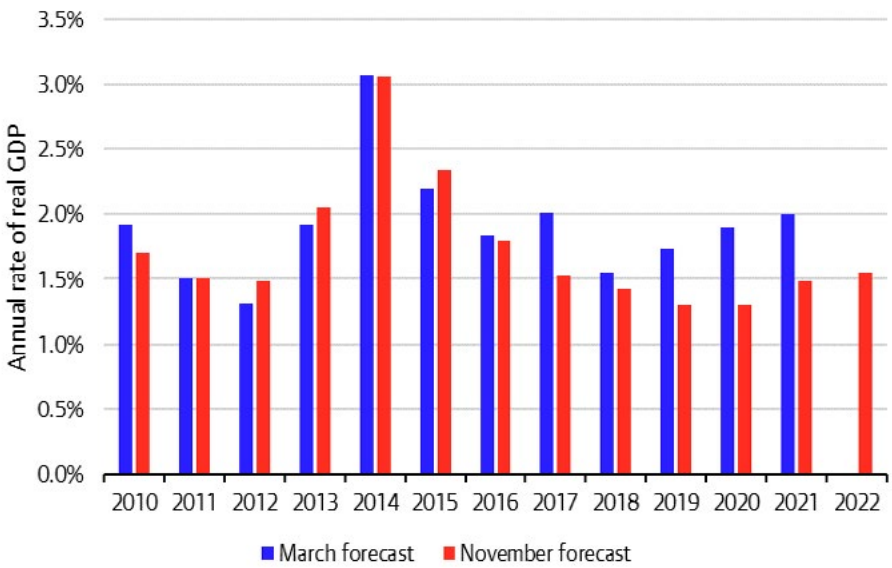
However, there were no new devolution announcements for London. That said, the Government reiterated that the 100 per cent business rates retention pilot would begin in the capital in 2018-19. The Chancellor also reiterated that they are working with TfL to identify funding options for Crossrail 2.

OBR revises down economic forecasts blaming weak productivity growth

The spending and taxation plans were, however, overshadowed by gloomy economic forecasts from the Office for Budget Responsibility (OBR). In their November Economic and Fiscal Outlook, the OBR revised down their growth forecast for 2017 and all other years in the forecast period. GDP growth is now expected to be 1.5 per cent in 2017 (down from 2 per cent in March). This is then expected to slow to 1.3 per cent in 2019 and 2020, before picking up to 1.6 per cent by 2022.

Figure 1: OBR's forecast of UK economic growth

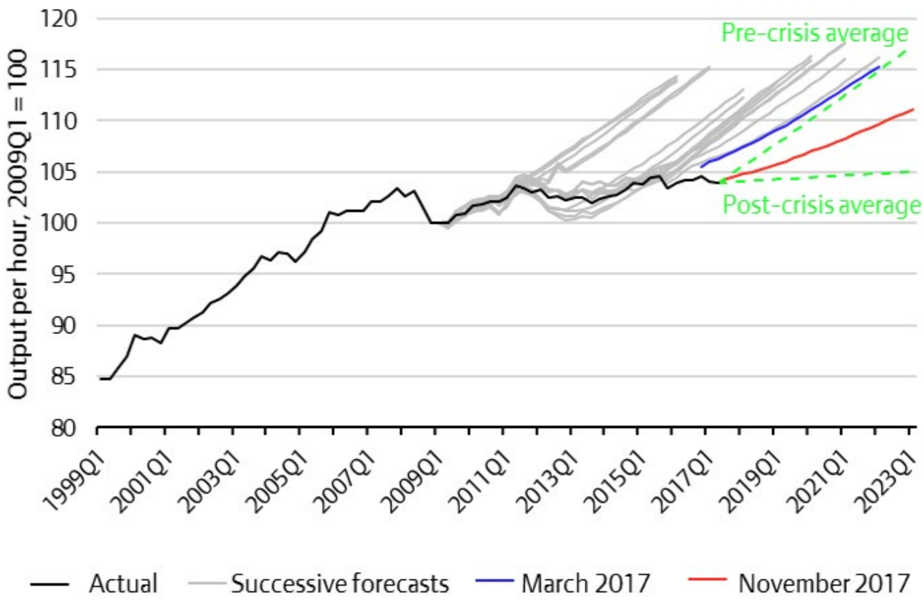
Source: Office for National Statistics (ONS), OBR



This downward revision was largely representative of the weak productivity trend seen since the financial crisis. The OBR has previously expected productivity to return to the pre-crisis trend in earlier forecasts but, as Figure 2 shows, this has not materialised. Given this, the OBR has revised down its forecast of productivity growth by 0.7 percentage points which negatively affects their GDP forecasts. It now expects productivity to increase 0.9 per cent in 2017, with the rate of growth slowly rising to 1.2 per cent in 2022.

Figure 2: OBR's forecast of UK productivity growth, output per hour, 2009 Q1 = 100)

Source: ONS, OBR



In partial response to the UK's weak productivity growth, the Government has published its Industrial Strategy (IS) White Paper. The aims of the IS include improving productivity, embracing new technologies, supporting local economies and boosting earning power. On productivity, the Government announced a series of policies that focusses on ideas, people, infrastructure, business environment and places. The policies range from a target of increasing R&D investment to 2.4 per cent of GDP by 2027; investing an additional £725 million in the Industrial Strategy Challenge Fund over the next three years; and perusing sector deals that are partnerships between the Government and industry that address sector-specific issues and helps the sectors to grow. One of the first sector deals is for life sciences of which it was made known that a new UK Discovery Hub by the MSD company will open in London. This will support around 950 high-skilled and high-valued jobs in the capital.

The IS also introduced four 'grand challenges' which focuses on Artificial Intelligence (AI) and the data economy, clean growth, the future of mobility and the ageing society. These are new and emerging areas and industries where the Government believes the UK could be at the forefront and, thus, take advantage of future global opportunities.

First interest rate rise in over a decade

Against the backdrop of the Budget and the Industrial Strategy, the UK's labour market has started to show mixed signs. As a positive, the number of people aged 16 and over and who were unemployed fell by 59,000 during the three months to September and coincided with the lowest unemployment rate since 1975. However, this did not mean more people were in work as the number of people aged 16 and over who were employed fell by 14,000. That was the largest decline in employment since April to June 2015 and follows over two years of nearly uninterrupted growth. Instead, there was a rise in the number of people who were economically inactive, i.e. people who are not in employment and not actively looking for a job.

As noted in previous editions of London's Economy Today, the generally improving labour market as well as the inflation rate being above the Bank of England's target of 2 per cent have prompted speculation of an increase in interest rates. This finally happened at the November meeting of the Bank's Monetary Policy Committee (MPC). Although interest rates were only raised slightly from 0.25 per cent to 0.5 per cent reversing the cut following the EU referendum, it was nonetheless the first increase for more than ten years. The MPC did not change its quantitative easing (QE) programme which remained at £435 billion. Importantly, the Governor of the Bank, Mark Carney, believes that there will need to be at least two more interest rate rises over the next two years to get inflation to target.

Higher interest rates have the potential to increase the returns on savings, but also raise the cost of borrowing. That said, it could take several months for the increase in rates to work its way through the economy. For instance, the Bank estimated that around 60 per cent of homeowners with a mortgage are on a fixed-rate meaning the increase will only be felt at the end of the term. Therefore, the impact so far has been muted.

Brexit uncertainties continue

The Bank also published its latest Inflation Report alongside its decision to raise interest rates. In the Inflation Report, the Bank slightly raised up its forecast of UK GDP growth for 2017 from 1.3 per cent to 1.5 per cent, though also marginally revised down its forecast for 2018 from 1.8 per cent to 1.7 per cent. It was unchanged for 2019 and 2020 at 1.7 per cent each. However, the Bank noted that there are considerable risks to the outlook, with the main one continuing to be around Brexit.

On that, the Brexit negotiations are still ongoing. These are still on the first stage where the discussions are focussed on the rights of EU citizens, the Irish border and the financial settlement. Recently, there has been an increase in rhetoric from both sides calling for compromise and also warning about the prospect of a 'no deal' or a collapse in talks.

The CBI argued that progress needs to be made soon, especially on the future trading relationship. That's because a survey for them found that 10 per cent of UK companies have already enacted their contingency plans and a further 60 per cent will do so by next March if there is still no agreement. Similarly, the German Chambers of Commerce also warned about the damage of a no deal to the German economy. Specifically, they argued that the car industry alone would have annual tariffs of more than €2 billion if trade between the UK and the EU falls under World Trade Organisation rules.

Focussing on the financial sector which is of importance to London, Goldman Sachs recently declared that it will likely open new EU hubs in Paris and Frankfurt to circumvent potential trading restrictions post-Brexit. Their CEO said that "some [of these jobs], if they want, will come from London; we will recruit others". Other banks have similarly picked Frankfurt or Paris, though the Bank of America and JPMorgan Chase have opted for Dublin. However, in all these cases, it is not yet clear how much impact this will have on London or the UK. For instance, Michael Bloomberg, the former Mayor of New York, said that he believes London will continue to be Europe's financial centre even after the UK leaves the EU. That said, the Bank of England recently said that (as one of many scenarios) up to 75,000 jobs could be lost in financial and associated professional services across the UK.

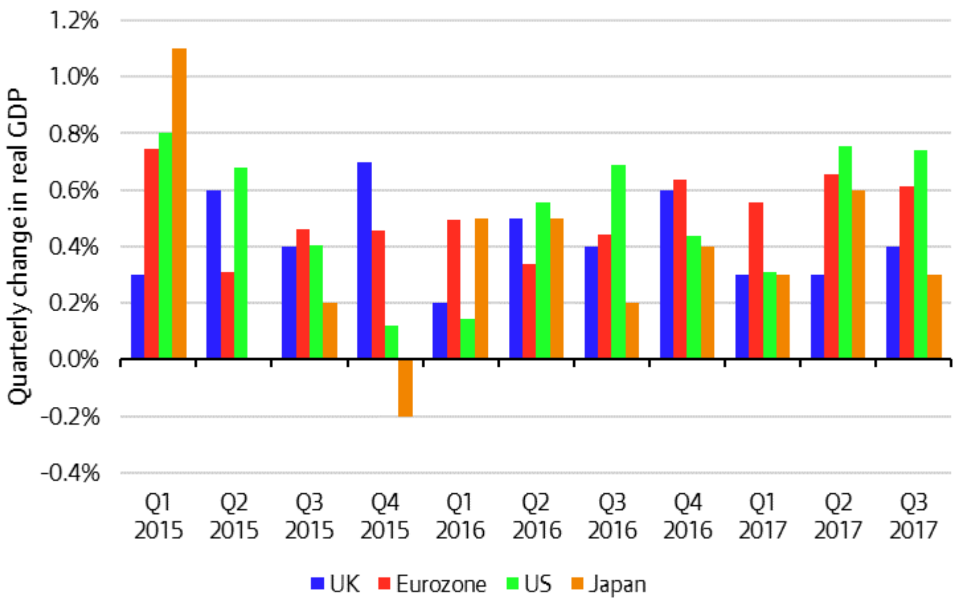
Linked to the above, the European Council has also revealed where some EU agencies currently based in London will move to following Brexit. The European Banking Authority will move to Paris and the European Medicines Authority will move to Amsterdam.

UK growth lags the US and Eurozone

In the Eurozone, the flash estimate put GDP growth at 0.6 per cent quarter-on-quarter in Q3 2017. That was broadly in line with the 0.7 per cent expansion recorded in Q2 (Figure 3). It was, however, faster than the 0.4 per cent rate of quarterly growth recorded for the UK. It also means that the Eurozone has recorded faster rates of growth than the UK for all of 2017 so far. By country, Germany and Spain both saw quarterly growth of 0.8 per cent in Q3 2017, while both France and Italy saw a 0.5 per cent expansion.

Figure 3: Real GDP quarterly growth for selected countries

Source: Office for National Statistics, Eurostat, US Bureau of Economic Analysis, Japan Census Bureau



Given this economic momentum in the Eurozone, the European Central Bank (ECB) said that it would start reducing its QE programme starting in January 2018. The ECB will reduce the amount of bonds it buys each month from €60 billion to €30 billion. Currently, the QE programme is planned to finish in September 2018, though the ECB emphasised that it could be extended or increased if economic conditions becomes less favourable.

In the US, quarterly GDP growth was estimated at 0.8 per cent (or 3.3 per cent on an annualised basis) in Q3 2017. Like the Eurozone, that was faster than the UK. While some were expecting there to be a negative impact from the hurricanes earlier this year, the US economy seemed to have performed well with the rate of growth consistent with the 0.8 per cent expansion in Q2. However, the US Bureau of Economic Analysis cautioned that it does not capture all the impact yet. Meanwhile, the US unemployment rate edged down to 4.1 per cent in October 2017 – its lowest rate since 2000. Given the reasonable performance of the economy and the low jobless rate, the Federal Reserve said that “another increase in the target range for the federal funds rate was likely to be warranted in the near term”. Perhaps this will be in the new year when the current Fed chairwoman Janet Yellen is replaced by Jerome Powell in February.

Meanwhile, in Japan, the economy grew 0.3 per cent (or 1.4 per cent on an annualised basis) in Q3 2017. Although that was slower than the 0.6 per cent quarterly expansion in Q2 (the fastest rate since Q1 2015), the Japanese economy has now been increasing for seven consecutive quarters. That is the longest period of growth since 2001.

London's economy performs relatively well

Looking at London's economy in greater detail, it was announced that the London Living Wage (LLW) will increase 4.6 per cent to £10.20 per hour. Given that the UK's consumer price index (CPI) inflation rate is currently 3 per cent in October, this represents an above inflation increase in the LLW. This also compares well with average earnings more generally which, after accounting for inflation, fell for the seventh consecutive month across Great Britain in September.

Meanwhile, the Transport Secretary released a revised draft of the Airports National Policy Statement. The documents suggested that Heathrow Airport has already reached full capacity and Gatwick Airport is full at peak times. And based on current levels of capacity, all London airports are expected to be at capacity by the mid-2030s. The Government argued that this is having "an adverse impact on the UK economy and affecting the country's global competitiveness". Previously, in late 2016, the Government chose the Northwest runway at Heathrow as its preferred option for expanding airport capacity in the South East. This Statement is part of this consultation process and a parliamentary vote is expected to be held before the next parliamentary summer break.

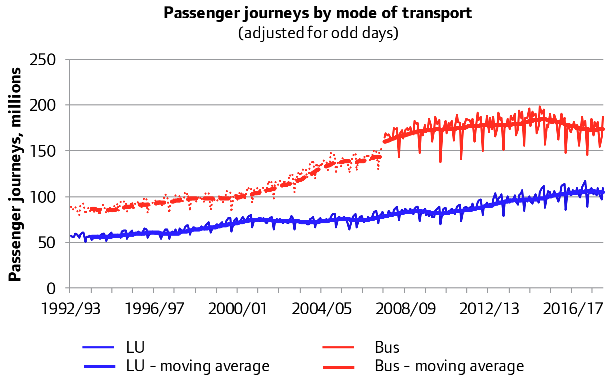
Generally, London's economy is performing well overall. The PMI indicated solid rates of growth, especially overcoming the lull during the summer. London's unemployment rate fell 0.5 percentage points between Q2 and Q3 2017. And consumer confidence in London was at its highest level since the EU referendum. However, London's housing market remained fragile with the largest proportion of property surveyors reporting lower house prices in the three months to October since early 2009. More information about specific London indicators is included in the next section.

Overall, the UK economy is likely to continue to grow in the future, but at an unspectacular rate. This is partly down to Brexit uncertainties. This will also affect the London economy, though most indicators point to a further expansion in the near term. As such, in our latest London's Economic Outlook, we forecast that London's economy (in terms of gross value added) will grow by 2.1 per cent in 2017. The rate of growth is then expected to slow in 2018 to 1.8 per cent before picking up to 2.6 per cent in 2019.

Number of passenger journeys remains stagnant

- Between 17 September and 14 October and accounting for odd days, there was a total of 295.4 million passenger journeys. This consisted of 108.6 million Tube journeys and 186.8 million bus journeys.
- The moving average number of Underground passenger journeys showed a negligible decline to 104.8 million (from 104.9 million). Meanwhile, the moving average number of bus passengers stayed constant for the third consecutive month at 173.2 million passenger journeys.
- The methodology used to calculate the number of bus passenger journeys was changed by TfL on 1 April 2007. For a detailed explanation, please see LET issue 58 (June 2007).

Latest release: November 2017
Next release: December 2017



Source: Transport for London

Further decline in London Underground usage

- The moving average annual rate of change in the number of Underground passenger journeys remained at -0.2 per cent for the second month in a row. This follows almost eight years of positive growth.
- The moving average annual rate of change in bus passengers remained negative (-0.4 per cent), though the pace of decline was the weakest (i.e. least negative) for over two-and-a-half years.
- Overall, the moving average annual rate of change in total passenger journeys was negative at -0.3 per cent, which was one of the smallest declines in two years.

Latest release: November 2017
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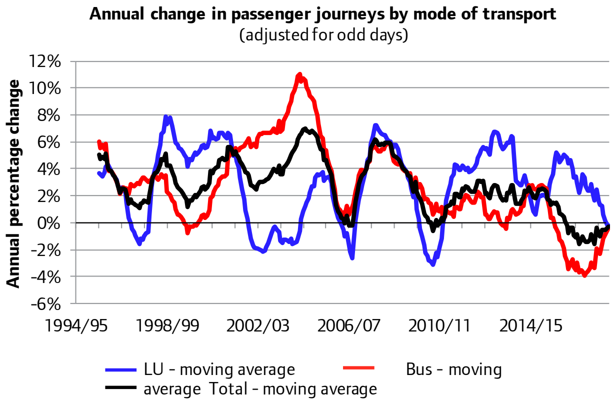
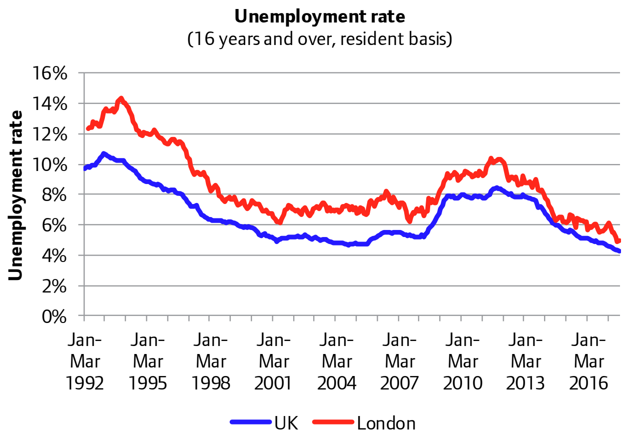


Source: Transport for London

London's unemployment rate falls to new series-low

- The number of London residents aged 16 years and over who were unemployed stood at 244,500 in the three months to September 2017, down 27,000 from the three months to June.
- Consequently, London's unemployment rate fell from 5.5 per cent in Q2 to 5.0 per cent in Q3.
- The UK's unemployment rate similarly fell, albeit marginally, from 4.4 per cent to 4.3 per cent. That was the lowest rate since mid-1975.

Latest release: November 2017
Next release: December 2017

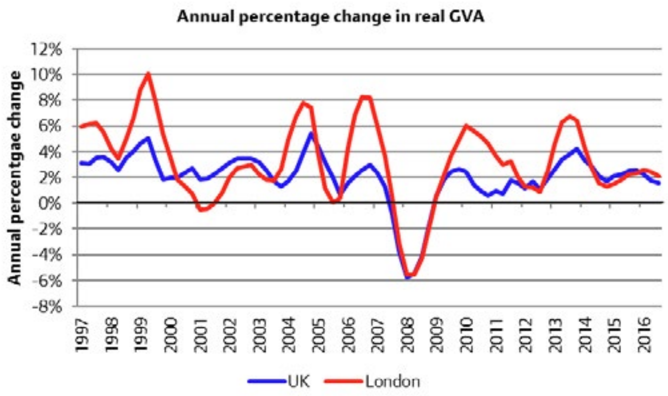


Source: Labour Force Survey - ONS

London’s annual output growth slows to 2.1 per cent

- London’s annual growth in output slowed to 2.1 per cent in Q3 2017, down from 2.4 per cent in Q2 2017.
- Annual output growth in the UK similarly slowed to 1.6 per cent in Q3 2017, which was the weakest expansion in four years.
- From LET Issue 165 (May 2016), GLA Economics now reports our own GVA estimates for London and ONS data for the UK.

Latest release: October 2017
Next release: January 2018

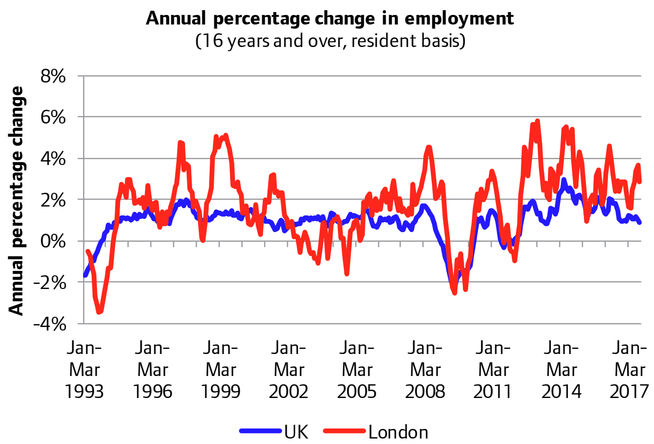


Source: GLA Economics and ONS

Rate of annual employment growth in London slows marginally

- There were 4.66 million London residents aged 16 years and over in work during the three months to September 2017.
- The rate of annual employment growth in London was 2.9 per cent, marginally faster than the 2.8 per cent expansion in the three-months to June.
- London saw a faster rate of employment growth than the UK average (0.9 per cent).

Latest release: November 2017
Next release: December 2017

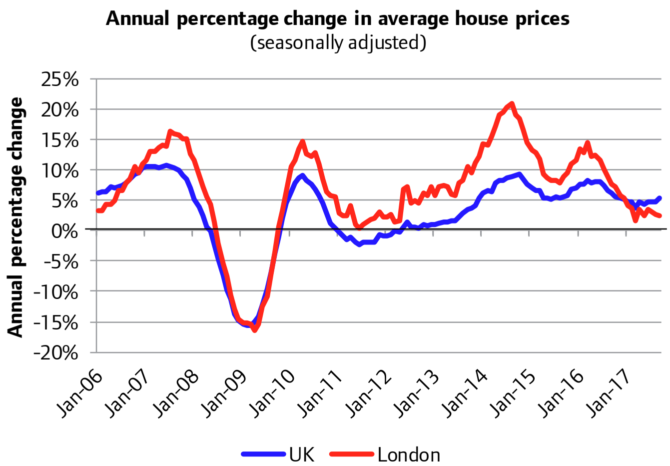


Source: Labour Force Survey - ONS

Growth in London’s house prices half that for the UK

- The average house price in London was £479,700 in September 2017.
- The annual rate of house price inflation was 2.6 per cent in London. That was marginally slower than the pace recorded in August (2.7 per cent).
- The UK saw house prices rise year-on-year by 5.4 per cent in September. That was its fastest rate in almost a year.

Latest release: November 2017
Next release: December 2017

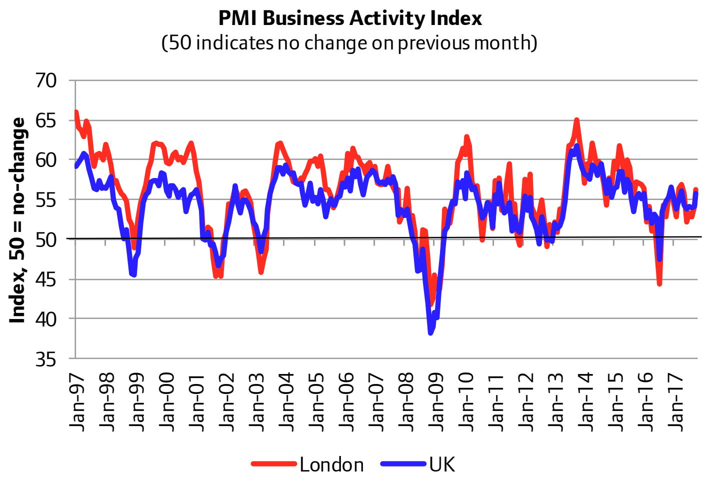


Source: Land Registry and ONS

PMI signals a strong rise in business activity levels

- The Purchasing Managers' Index (PMI) survey shows the monthly business trends at private sector firms. Index readings above 50.0 suggest a month-on-month increase in that variable, while readings below indicate a decrease.
- London firms reported a solid increase in output during October (56.3). The rate of growth picked up since September (54.1) to a six-month high.
- Businesses across the UK also reported a solid increase in activity (55.8).

Latest release: November 2017
Next release: December 2017

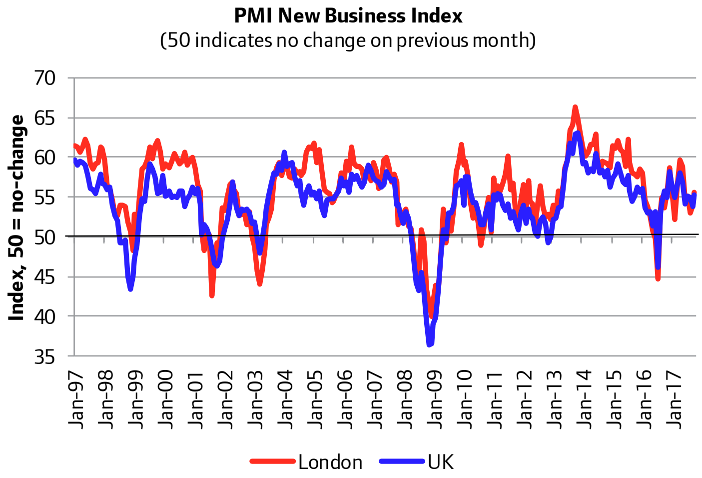


Source: IHS Markit

London businesses report the strongest rise in new orders since May

- The PMI New Business Index for London rose to 55.5 in October, up from 54.0 in September, signalling a further solid rise in new work.
- New business also increased across the UK, with the index registering at 55.3 in October.
- An index reading above 50.0 indicates an increase in new orders from the previous month.

Latest release: November 2017
Next release: December 2017

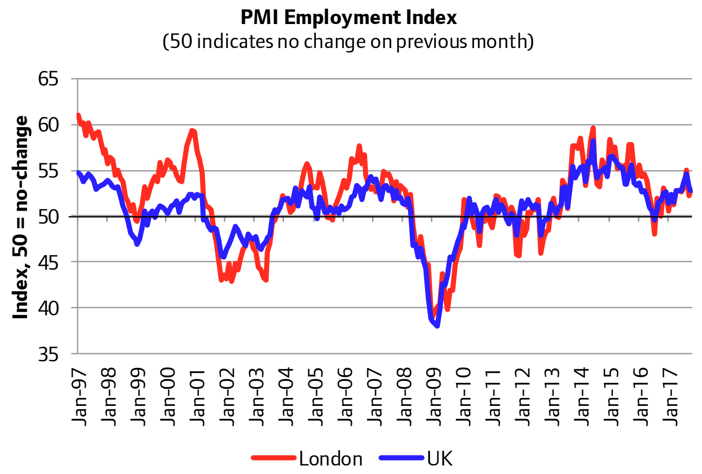


Source: IHS Markit

Job creation at London businesses sustained for a year

- The PMI Employment Index shows the monthly change in employment at private sector firms. Readings above 50.0 suggests and increase, whereas a reading below indicates a decrease in employment from the previous month.
- At 52.6 in October, the PMI Employment Index for London signalled the twelfth consecutive monthly increase in employment.
- There was also a further rise in employment across the UK (52.8), though the rate of job creation was weaker than in September (53.3).

Latest release: November 2017
Next release: December 2017

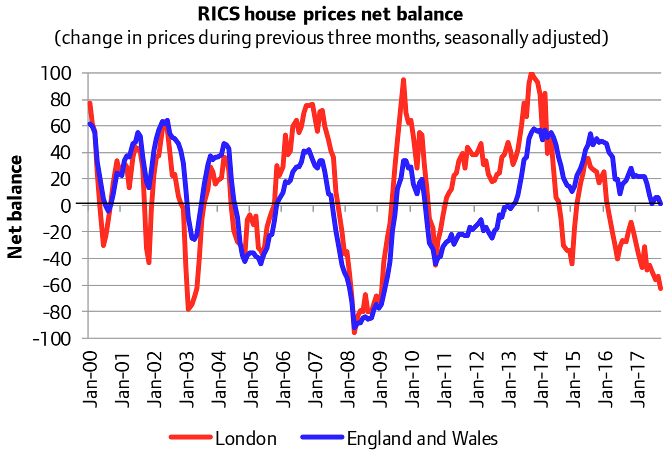


Source: IHS Markit

Largest majority of surveyors reporting lower house prices in almost nine years

- A majority of property surveyors reported a fall in London's house prices during the three months to October 2017.
- The net balance was at -63 which, down from -54 reported in September, this was the lowest reading since February 2009.
- In contrast, the net balance for England and Wales was generally at zero (+1) signalling balanced sentiment on house prices. That was similarly one of the lowest readings since early 2013.

Latest release: November 2017
Next release: December 2017

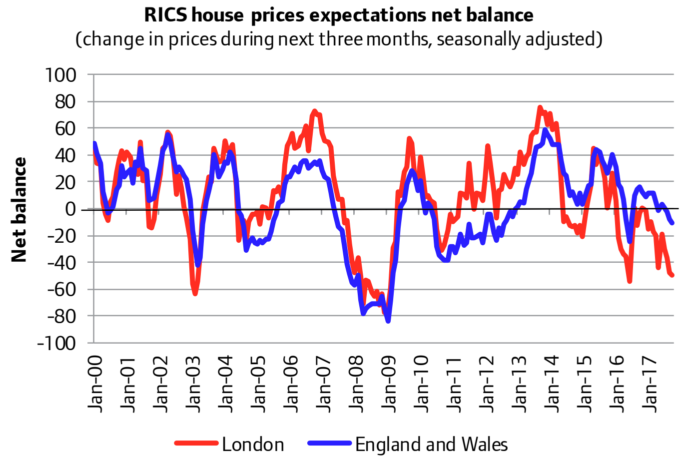


Source: Royal Institution of Chartered Surveyors

House price expectations fall further in London

- Property surveyors have negative sentiment towards London's house prices over the next three months.
- The net balance was at -50 in October, down from -48 in September, and was one of the lowest since early 2009.
- Sentiment for England and Wales also deteriorated. The net balance fell from -8 in September to -11 in October, its lowest reading in 16 months.

Latest release: November 2017
Next release: December 2017

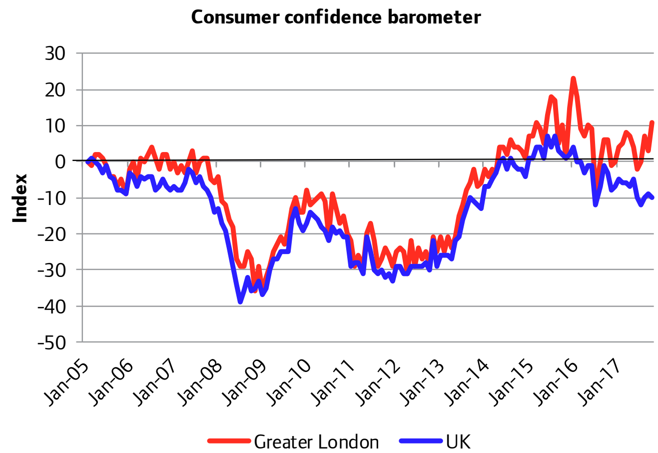


Source: Royal Institution of Chartered Surveyors

London consumers are the most optimistic since February 2016

- The GfK index of consumer confidence reflects people's views on their financial position and the general economy over the past year and in the next 12 months. A score above zero suggests positive opinions; a score below zero indicates negative sentiment.
- At +11 in October, up from +3 in September, consumer confidence in London rose to its highest level since February 2016.
- In contrast, consumer confidence across the UK remained negative in October (-10).

Latest release: October 2017
Next release: November 2017



Source: GfK NOP on behalf of the European Commission

EEA workers in London

By **Christopher Rocks,**
Economist

In August 2017, the Migration Advisory Committee called for evidence on the role of European Economic Area (EEA) workers in the UK labour market. To support the GLA response, GLA Economics has drawn on a range of official statistics to examine the part played by EEA workers in London. This article summarises some of our key findings, highlighting what we know about the characteristics of EEA workers and how migration trends have changed over time[1].

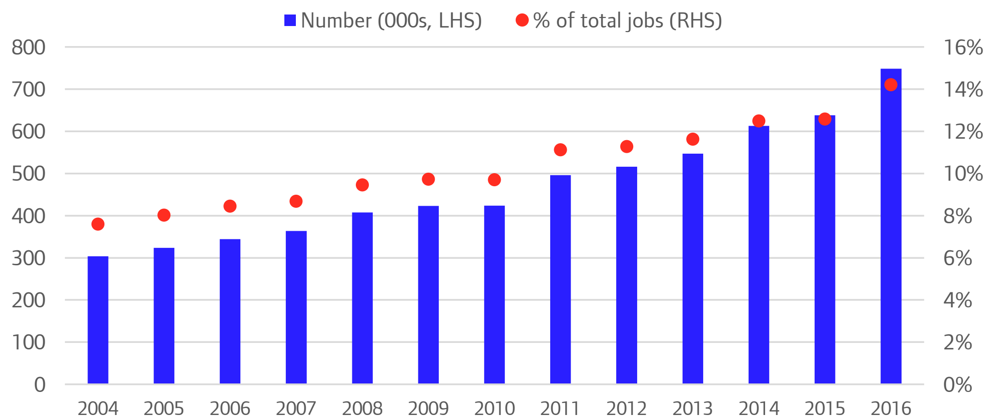
EEA workers are an increasingly significant part of the London economy

Workers from the rest of the EEA are a far larger part of London's workforce than elsewhere in the country. Almost one in three UK jobs held by workers born in the EEA are based in the capital. Within London, an estimated 14 per cent – approximately 748,000 – of jobs were filled by EEA workers in 2016, compared to 6 per cent in the rest of the UK.

This follows significant growth in the number and share of EEA job holders in London. As Figure A1 shows, the proportion of jobs held by EEA workers in London has almost doubled since 2004 (up from 8 per cent) and the number has risen by 147% (up from 304,000). The vast majority of these are permanent jobs, although self-employment is also relatively common. Note, the number of jobs in London filled by workers born in the UK and non-EEA countries increased as well during this time, albeit at a slower rate than for EEA workers.

Figure A1: Number (000s, LHS) and share (%, RHS) of jobs, EEA-born job holders, London, 2004 to 2016

Source: ONS, Annual Population Survey



Data from the ONS International Passenger Survey suggests that flows of long-term EU migrants to London also increased in recent years, surpassing net migration of non-EU citizens since 2013. For 2015 it shows that the capital was

1 Notes on the data: the analysis in this paper uses data from the ONS Annual Population Survey. We use country-of-birth to define migrants as those not born in the UK. The data is mainly presented on a jobs and not a workers basis, on a workplace basis (i.e. it measures jobs based within London regardless of whether they are held by London residents). The full GLA response will be published shortly and will be found on our website.

the intended destination for an estimated 76,600 incoming EU citizens, with 37,100 EU citizens leaving London in the same period. Nationally there are some preliminary signs that the EU referendum result may be influencing EU citizens' decisions to migrate into and out of the UK[2]. However, it is still too soon to tell if these are long-term trends and to what extent London has been affected.

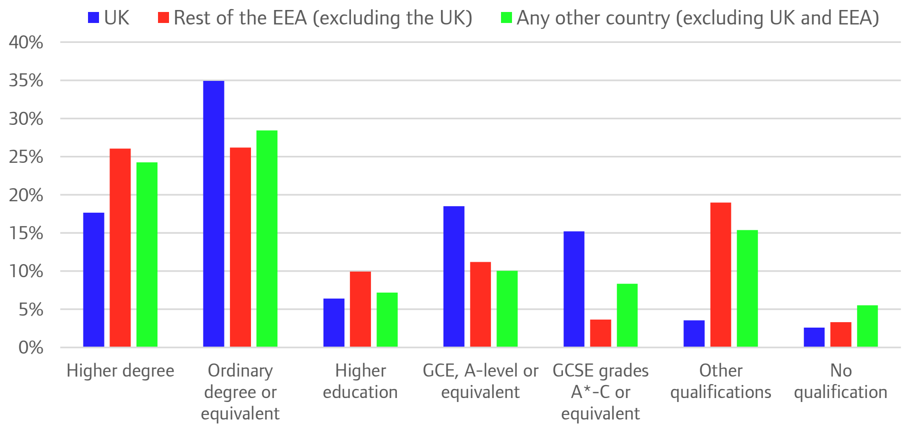
EEA workers in London tend to be relatively young and highly qualified…

EEA workers in the London labour market tend to be younger than those born in the UK or elsewhere. Over half (53 per cent) of EEA job holders are aged between 30 and 44 and less than a fifth are aged 45 or over. This compares to 35 per cent and 39 per cent for workers born in the UK; and 47 per cent and 37 per cent for those born in non-EEA countries.

In London, more so than in the rest of the UK[3], EEA workers also tend to be highly qualified compared to their counterparts born in both the UK and non-EEA countries. As shown by Figure A2 around 62 per cent of jobs filled by EEA-born workers are held by people who have obtained a qualification of higher education level or above[4]. This is just above the share of jobs held by UK-born (59 per cent) and non-EEA born workers (60 per cent) with this qualifications level – despite the high rate of EEA workers with other qualifications. Only 3 per cent of EEA job holders had no formal qualifications in 2016.

Figure A2: Share of jobs in London by highest qualification and country/area of birth, 2016 (%)

Source: ONS, Annual Population Survey



… although over-qualification is also more common among EEA-born graduates

But, while 44 per cent of the jobs filled by EEA workers are in the three highest-paying occupational groups[5], this is below the rate for workers born in the UK (65 per cent) or outside of the EEA (50 per cent). It is Skilled Trades and Elementary Occupations that have the highest proportions of workers born in the rest of the EEA in London. Given their higher level of formal qualifications on average, this suggests that many EEA workers are 'over-qualified' for their current job. Indeed, it is estimated that 44 per cent of London based EEA-born

2 For example, see ONS (2017) Migration Statistics Quarterly Report: August 2017

3 In the rest of the UK, for example, the share of job holders who have obtained a qualification of higher education level or above is higher among those born in non-EEA countries than EEA countries.

4 This includes the following categories: Higher education, Ordinary degree or equivalent and Higher degree.

5 Managers, Directors and Senior Officials; Professional; and Associate Professional and Technical Occupations.

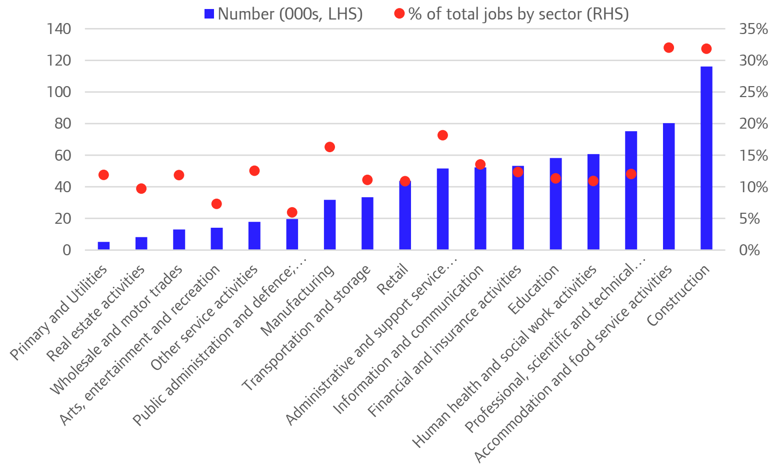
graduates were working in non-graduate roles in 2016[6], with differences in language proficiency and local labour market experience possible contributory factors.

EEA workers account for a large number of jobs across a range of industries

EEA workers make a particularly strong contribution in certain industries in London. This includes making up around a third (32 per cent) of the capital's jobs in both the Construction and Accommodation and food sectors in 2016. In absolute terms, EEA workers also hold a considerable number of jobs in high value-added sectors like Professional, scientific and technical and Financial and insurance activities; as well as a large number of jobs in socially valuable service sectors like Human health and social work, and Education (Figure A3).

Figure A3: Number (000s, LHS) and share (%, RHS) of jobs filled by EEA-born workers by broad sector group, London, 2016

Source: ONS, Annual Population Survey



A reduction in the availability of EEA migrants would be likely to affect some sectors of the London economy more than others. This could include industries with a higher share of jobs filled by EEA workers or those with fluctuating patterns of demand. It will also depend on whether there are feasible alternatives to the existing supply of migrant labour. In some cases, employers will be able to target alternative sources of labour; increase investment in training and skills; and/or invest in labour-saving technology. But the scope for these will vary by industry and between individual firms. On the other hand, many firms turn to EEA workers precisely because of difficulties attracting UK-born labour, and a significant minority of London's employers already report problems filling vacancies due to skills shortages.

Conclusion

London is an international city with a long history shaped by globalisation. The evidence shows that EEA workers have made an increasingly significant contribution to the capital's economy in recent years, across a wide range of industries and occupations. They also tend to be younger and more highly qualified than those born in the UK or elsewhere – adding to concerns that tighter controls on immigration as a result of the UK's decision to leave the EU could have a negative impact on the London labour market. A lot will depend on the nature of any future agreement with the EU and the future UK migration regime. GLA Economics will continue to monitor how this develops along with the wider Brexit process and London's economy with reports on this being placed on our publications page.

6 Compared to 26 per cent of graduates born in the UK and 38 per cent born in the rest of the world

Additional information

Data sources

Tube and bus ridership	Transport for London on 020 7222 5600 or email: enquire@tfl.gov.uk
GVA growth	Experian Economics on 020 7746 8260
Unemployment rates	www.statistics.gov.uk

Glossary

Civilian workforce jobs
Measures jobs at the workplace rather than where workers live. This indicator captures total employment in the London economy, including commuters.

ILO unemployment
The International Labour Organization (ILO) measure of unemployment assesses the number of jobless people who want to work, are available to work and are actively seeking employment.

Residence-based employment
Employment measures the number of people in work rather than the total number of jobs (as people may have more than one job). It consists of employees, self-employed as well as unpaid family workers and those on government supported training and employment programmes. The measure included here is residence-based.

Gross domestic product (GDP)
A measure of the total economic activity in the economy.

Gross value added (GVA)
Used in the estimation of GDP. The link between GVA and GDP is that GVA plus taxes on products minus subsidies on products is equal to GDP.

Tube ridership
Transport for London's measure of the number of passengers using London Underground in a given period. There are 13 periods in a year. In 2017/18 there are twelve 28-day periods and one 29-day period. Period 1 started on 1 April 2017.

Bus ridership
Transport for London's measure of the number of passengers using buses in London in a given period. There are 13 periods in a year. In 2017/18 there are twelve 28-day periods, and one 29-day period. Period 1 started on 1 April 2017.

Acronyms

BCC	British Chamber of Commerce
BRES	Business Register and Employment Survey
CAA	Civil Aviation Authority
CBI	Confederation of British Industry
CLG	Communities and Local Government
GDP	Gross domestic product
GVA	Gross value added
ILO	International Labour Organisation
IMF	International Monetary Fund
LCCI	London Chamber of Commerce and Industry
LET	London's Economy Today
MPC	Monetary Policy Committee
ONS	Office for National Statistics
PMI	Purchasing Managers' Index
PWC	PricewaterhouseCoopers
RICS	Royal Institution of Chartered Surveyors

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About GLA Economics
GLA Economics provides expert advice and analysis on London's economy and the economic issues facing the capital. Data and analysis from GLA Economics provide a sound basis for the policy and investment decisions facing the Mayor of London and the GLA group. The unit was set up in May 2002.

MAYOR OF LONDON