# London's Economy Today

Issue 24 | August 2004

**In this issue**



**GLA**ECONOMICS

## UK growth, interest rates and oil prices all up

by Christopher Lewis

**At its meeting on 5 August 2004, the Bank of England's Monetary Policy Committee (MPC) raised interest rates by a quarter of a percentage point to 4.75 per cent. In explaining its decision the MPC mentioned robust output growth, a buoyant housing market, strong public sector consumption, business surveys pointing to continued expansion, and a continued pick up in UK export markets.**

The Bank of England considers the economic outlook and prospects of the country as a whole when making its decisions. However, analysing a city's economy is actually a far more difficult task than analysing a nation's economy. This is as true for London as it is for any other city as demonstrated by the first of this month's supplements, *How well do cities perform? The answer – it depends*. Using fourteen European cities as examples, this supplement shows that the method used to calculate a city's growth rate of productivity (output per employee) affects the magnitude of the growth rate. The second of this month's supplements, *Buses: Bringing benefit to town centres*, has been written by Transport for London (TfL).

## Latest news...

- **Annual Report available -** GLA Economics' Annual Report 2004 is now available. To view a copy, please visit www.london.gov.uk/mayor/economic_unit or contact 020 7983 4922.
- **New publication -** GLA Economics has published a new current issue note about the financial services sector's role in promoting new environmental business in London with respect to climate change. To view a copy, please visit www.london.gov.uk/mayor/economic_unit or contact 020 7983 4922.
- **Buses and town centres study -** TfL have released a study outlining the positive impact buses have on town centres. To view a copy, please visit www.tfl.gov.uk/buses/cib_report.shtml.
- **Consultant opportunity -** The London Development Agency are commissioning a tourism economic impact model. For further details, please visit www.lda.gov.uk/workingwithlda/tenders/current.

## Recovery in central London office market demand

Jones Lang LaSalle's latest quarterly survey of the central London office market has reported that demand in the City in the year to June 2004 was up ten per cent on the year to March. Take-up for new space in the City and Docklands saw the highest individual quarter for three years. However, it must be remembered that despite recovery in demand and take-up, prime rents in the City of London remain down on last year and vacancy rates remain high.

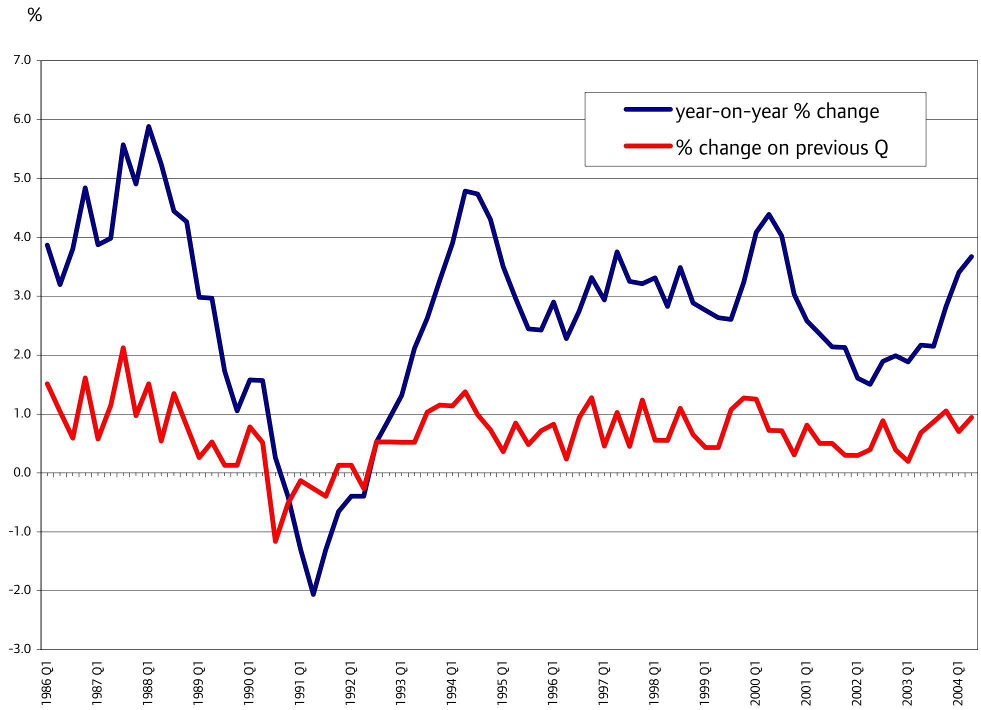
As for the overall picture of the London economy, new orders and business activity continue to be encouraging. The Purchasing Managers' Index (PMI) measure of new orders for London firms continues to expand strongly at 58.1 in July (this is significantly above 50, which is the level consistent with no change on the previous month). The PMI measure of business activity in London rose to 57.7 in July (from 57.2 in June). The average annual rate of growth in tube passenger numbers remains positive and the average rate of growth in bus passenger numbers remains strong.

## UK economic growth gained pace in Q2

The UK economy grew faster in the second quarter of 2004 than in the first quarter. As Chart 1 shows, Gross Domestic Product (GDP) rose by 0.9 per cent in Q2 with year-on-year growth at 3.7 per cent (the fastest rate since Q3 2000). The robust economy in the first half of 2004 provided the background for the lowest number of firms becoming insolvent since 1998. The labour market also continues to be strong, which raises the risk that earnings will rise more sharply as firms compete to attract employees putting upward pressure on inflation and interest rates. The combination of increasing interest rates and high oil prices suggest that the economy is unlikely to grow significantly faster.

**Chart 1. UK GDP Growth**

*Source: ONS*



The Bank of England has stated that there are now signs that the buoyant housing market is starting to ease. Evidence to support this, however, is still mixed. Land Registry figures show that house prices in England and Wales grew by 17 per cent in the second quarter of 2004 (from 14 per cent in the first quarter) compared with a year earlier. Office of the Deputy Prime Minister (ODPM) figures showed an annual growth rate of nearly 14 per cent in June (up from 12.2 per cent in May). Both the Halifax and Nationwide indices for July show UK house prices more than 20 per cent higher compared with the same time last year. Monthly house price growth from the Halifax index is still strong but it has slowed since the rapid increases in early 2004. Rightmove's survey, based on its website, showed asking house prices fell by two per cent in the five weeks to 14 August while Hometrack's survey revealed that the cost of homes in July fell 0.1 per cent. The Royal Institute of Chartered Surveyors (RICS) survey of future house price expectations in England and Wales fell sharply in June and the seasonally adjusted net balance was just negative for the first time in over a year. However, in July there was a slight improvement with surveyors expecting house prices to show little change over the next three months.

When all the current evidence is considered, it is likely that UK house prices are still growing but the rate of that increase may have peaked as interest rates continue to rise. Future easing in the housing market seems the most likely outcome but the strength of any easing is certainly open to doubt. British Bankers' Association figures show that banks' mortgage lending slowed slightly in July from a record high in June, but Council of Mortgage Lending (CML) date rose sharply in July. CML figures showed a record £14.7 billion in loans for house purchases in July while the number of loans at 131,000 was the highest total since August 2002.

## Questions remain over the pace of the global economic recovery as oil prices rise

The US GDP growth rate, at an annualised three per cent, slowed more than expected in the second quarter of 2004. However, Q1 annualised growth has been revised upwards to 4.5 per cent from 3.9 per cent. US retail sales rose sharply in July but weaker than expected job growth alongside high energy prices seem to be dampening the strength of the US economic recovery. The US Federal Reserve also intends to continue tightening monetary policy at a measured pace and increased interest rates by a quarter of a percentage point to 1.5 per cent on 10 August.

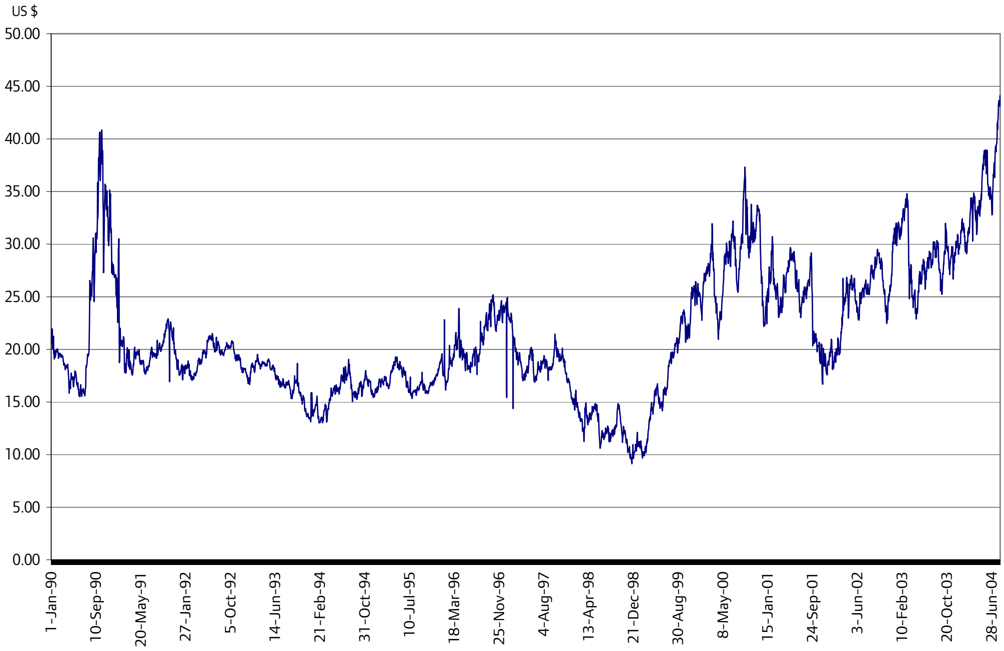
The International Monetary Fund has raised its growth outlook for the Japanese economy to 4.5 per cent in 2004 (from a previous estimate of 3.4 per cent) but this was followed by weaker than expected Q2 GDP figures that seem to confirm that a sharp rebound in consumer spending has not yet begun. The eurozone economic recovery seems to be slowly gaining momentum with French business confidence reaching a three-year high in July. However, a critical report on the eurozone's economic performance by the Organisation for Economic Cooperation and Development (OECD) stated that 'the economy is past the turning point but the strong euro and downbeat consumer sentiment are likely to weigh on the strength of the recovery'.

Oil prices in August have gone above the levels reached in the lead up to the first Gulf war in October 1990 with Brent crude oil rising above $43 per barrel (Chart 2). The recent upturn in oil prices has been caused by an increasing price premium due to world security fears; concerns about future supply disruptions in the Middle East; actual supply disruptions in Iraq; financial problems with debt-ridden, Russian, oil giant Yukos; and strong global demand led by the US and China. Uncertainty about the Organization of the Petroleum Exporting Countries' (OPEC) spare production capacity which seems to be currently only around 0.5-2.0mbpd (million barrels per day) – world oil output is over 80mbpd – has also increased price volatility in recent weeks.



**Chart 2. Brent crude oil prices ($ per barrel)**

*Source: FT.com*




On a positive note, world trade negotiations reached a significant first-step breakthrough deal in the Doha global trade round on the 1 August. The interim accord, struck by the World Trade Organisation's members, set guidelines for future negotiations which were extended until at least December 2005. The interim accord commits rich countries to cutting trade-distorting agricultural subsidies.

## Prospects remain healthy but current oil prices will dampen growth

The British Chamber of Commerce has warned that rising interest rates and high oil prices will have an impact on the UK economy in 2005. Currently, the UK economy is growing above trend but this rate of growth is expected to slow gently in 2005. Major risks to the economy remain in the form of international terrorism, a further spike in oil prices and a crash in the housing market rather than a gentle slowdown. According to the National Institute of Economic and Social Research, UK house prices are 30 per cent above their long-term sustainable level, but like most analysts they expect house price growth will slow to single digits rather than suffering an early 1990s style crash. With regards to the world's economic prospects, it should be remembered that the negative impact of high oil prices is relatively greater on the global economy than on the UK's. Already Dr Fatih Birol, chief economist at the International Energy Agency, has said that the current oil price rally could reduce global growth by a half a percentage point this year.

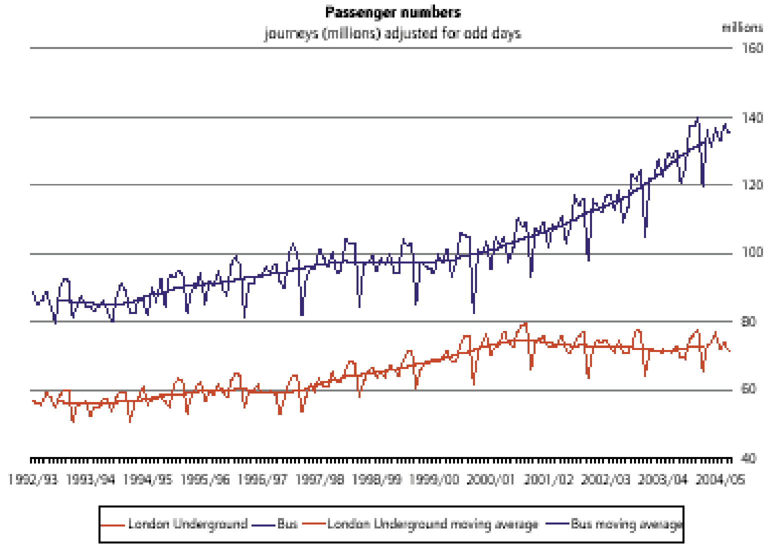
# Economic indicators



## Average passenger numbers continue to grow

- In the most recent 28-day period, London's public transport had 207 million passenger journeys, 135 million by bus and 72 million by Underground.
- The moving average shows an increase to 205 million passengers every period. The average for buses has risen to 132 million passenger journeys each period and the average for the Underground increased to 73 million.

*Latest release: 28/07/04*
*Next release: August 2004*

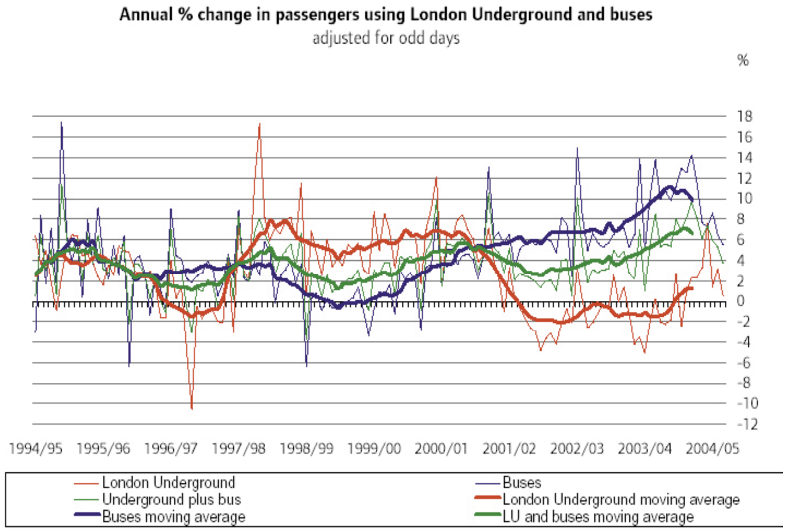



*Source: Transport for London*

## Tube use recovering steadily

- The average annual rate of growth in passenger journeys is 6.6%.
- The average annual rate of growth in the number of bus journeys at 9.8% is slightly below last period's figures.
- The recovery in Underground passenger numbers has been sustained. The average annual rate of growth is 1.2%, its fourth period of growth.

*Latest release: 28/07/04*
*Next release: August 2004*

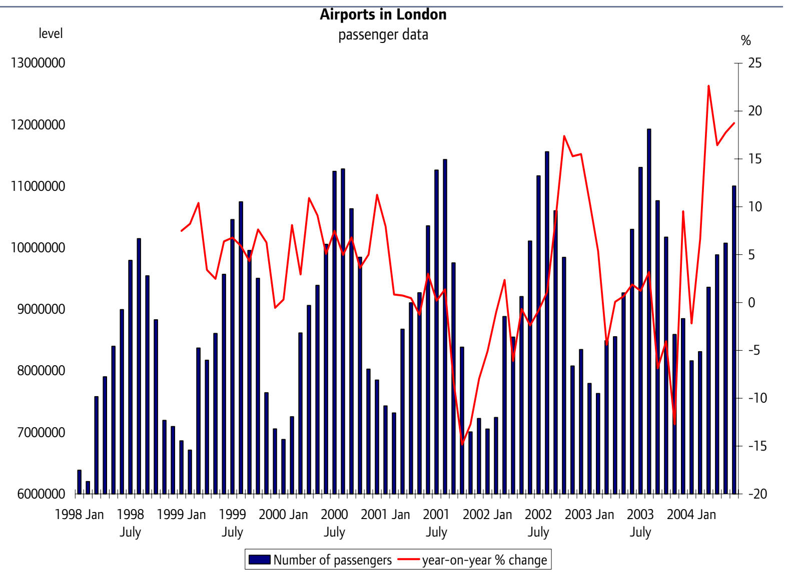



*Source: Transport for London*

## Increase in passengers using London airports

- The number of passengers using London's airports continues to rise with 19% more passengers in June 2004 than in June 2003.
- Passenger numbers have continued increasing with more than 11 million passengers travelling through London's airports in June 2004.

*Latest release: August 2004*
*Next release: September 2004*

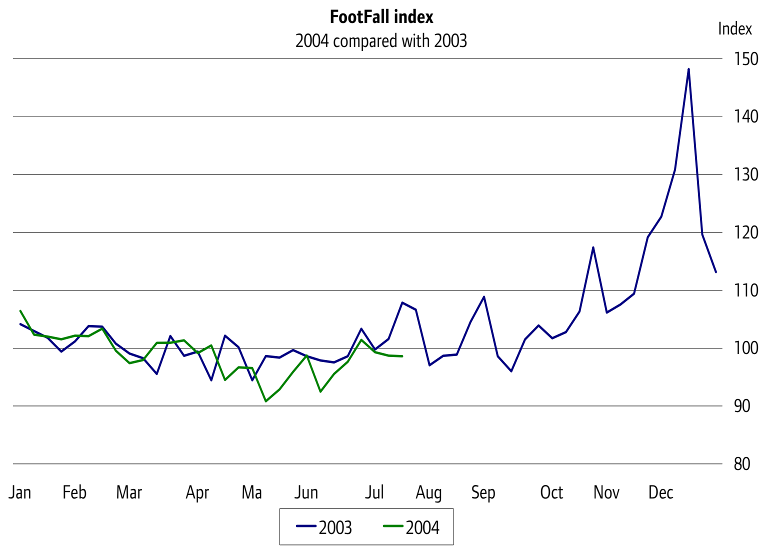



*Source: Civil Aviation Authority*

## Fall in the number of shoppers

- The FootFall index declined in July after a high in late June.
- The current level of the index is below the level of the same time last year, suggesting fewer numbers of shoppers this summer.
- The FootFall index measures the number of shoppers and does not necessarily reflect the level of spending.

*Latest release: 19/07/04*
*Next release: every week*

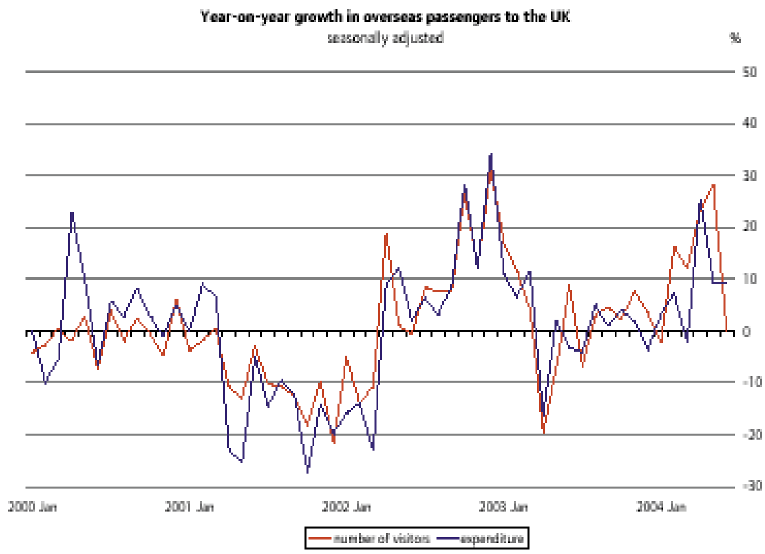



*Source: FootFall Ltd.*

## Expenditure by overseas visitors sustained

- There was no annual growth in overseas visitors to the UK in June 2004 indicating no change in the level of visitors from the same time last year.
- The year-on-year growth in expenditure by overseas visitors remained at the same level as last month at 9.5% in June.

*Latest release: 06/08/04*
*Next release: 08/09/04*

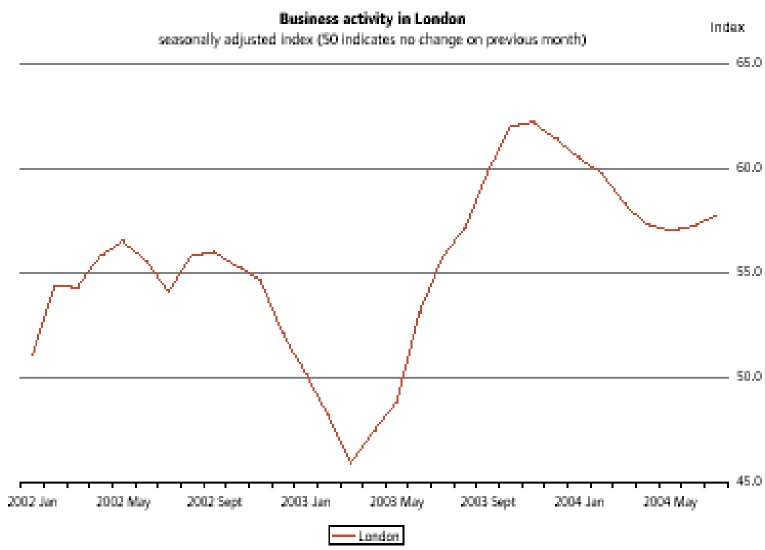



*Source: ONS*

## Business activity in London improves

- London firms continued to expand their output of goods and services in July with the rate of growth increasing slightly.
- The PMI of business activity recorded 57.7 in July 2004. This compares to 55.7 recorded in July 2003.
- A rate above 50 on the index indicates an increase in business activity from the previous month.

*Latest release: August 2004*
*Next release: September 2004*



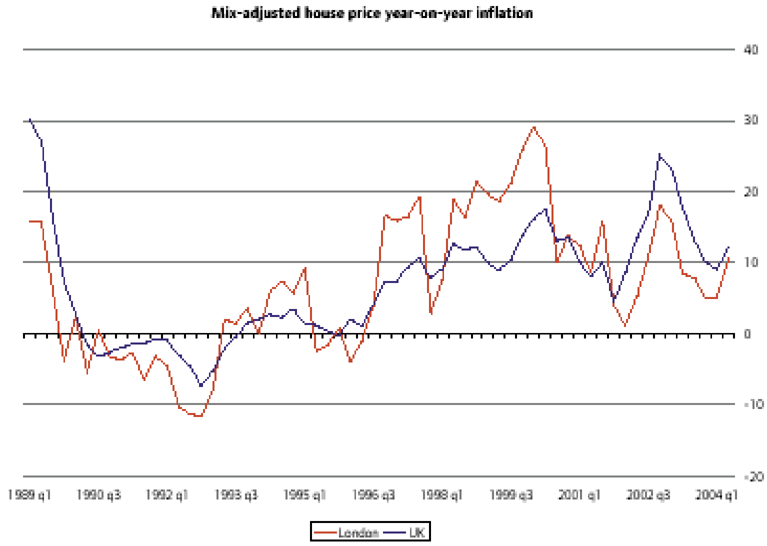

*Source: PMI/Royal Bank of Scotland*

## London's housing market strengthened in Q2

- House prices as measured by the ODPM showed an increasing rate of growth in Q2 2004 in London and across the UK.
- Annual house price growth in London increased to 10.6% from 5.2% in Q1. This was the highest rate since Q1 2003.
- Annual house price growth for the UK increased to 12%, up from 9.1% in Q1.

*Latest release: June 2004*

*Next release: September 2004*



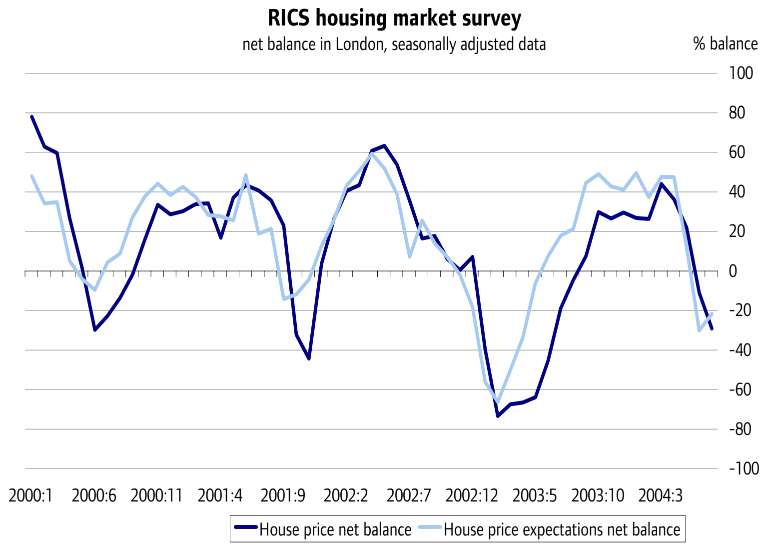

*Source: ODPM*

## Future expectations of the London housing market are negative

- The RICS July survey showed a negative net balance for London house price expectations for the second consecutive month. At –22, the net balance improved from June's –31.
- The net balance for house prices in London decreased further in July.
- The reported and expected house price balances fell sharply after spring, but it should be remembered that when expectations were even lower in 2003, actual house prices continued to grow.

*Latest release: August 2004*

*Next release: September 2004*



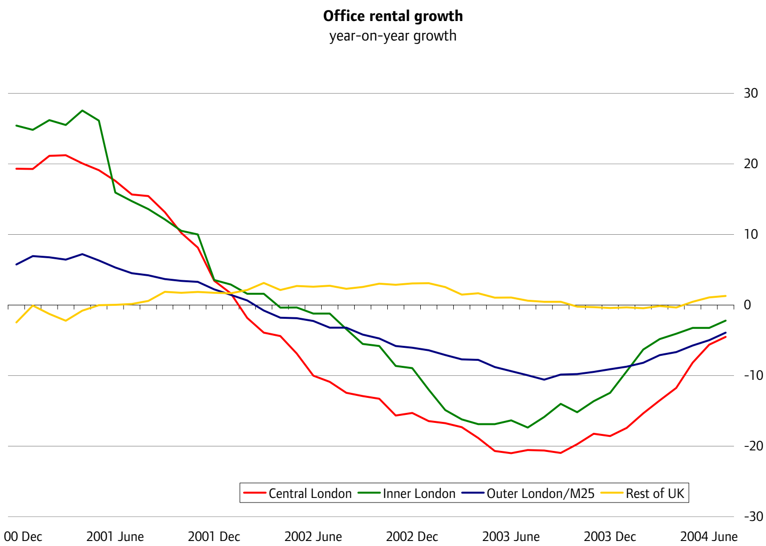

*Source: RICS*

## Annual London office rental growth improving but still negative

- Annual office rental growth in London, although negative in July 2004, is steadily recovering.
- In Central London, rents fell by 4.5% between June 2003 and June 2004. This is much less than the fall of 21% between June 2002 and June 2003.
- The rest of the UK has seen positive growth in office rents in the last three months.

*Latest release: August 2004*

*Next release: September 2004*

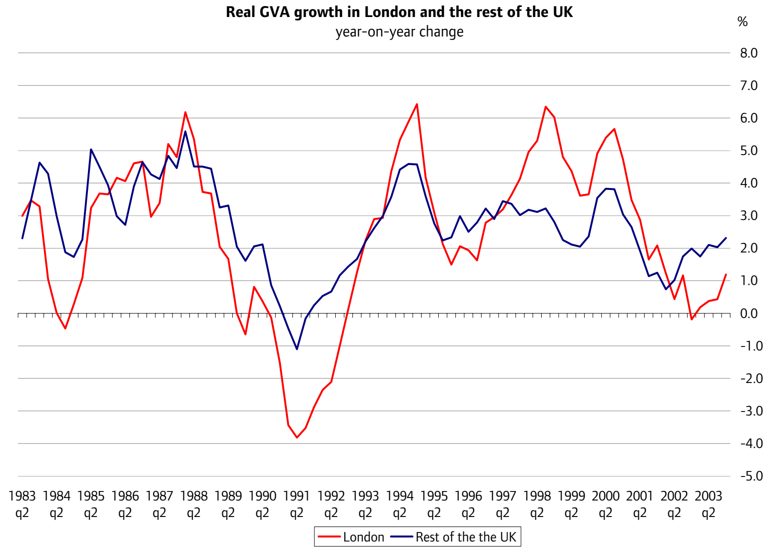



*Source: CB Richard Ellis*

## Economic growth increasing

- Despite increasing growth, London's annual GVA growth is slower than in the rest of the UK. The rest of the UK figure does not include London.
- Latest UK GDP figures rose by 0.9% in Q2 2004 with year-on-year growth at 3.7% (not shown in chart).

*Latest release: May 2004*
*Next release: August 2004*

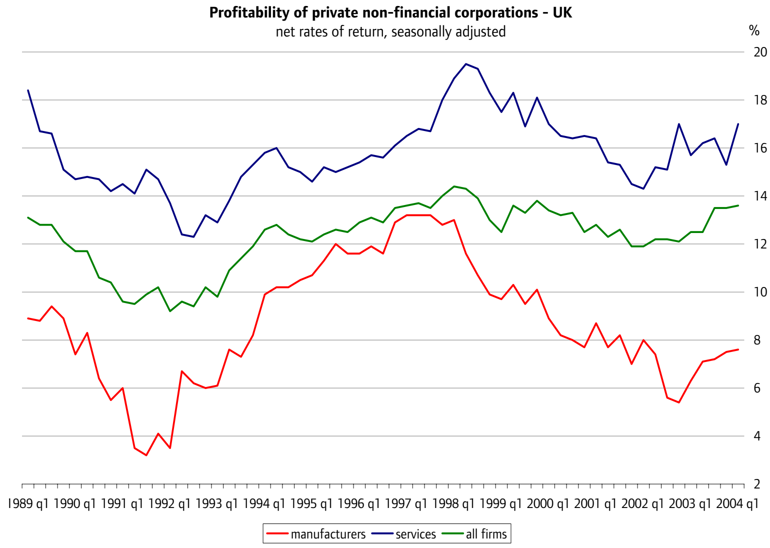



*Source: ONS and EBS*

## Stronger corporate profitability

- UK corporate profitability strengthened in early 2004.
- The net rate of return by private corporations was over 13.5% in Q1 2004, up from 12.5% the previous year.
- Profitability improved for firms in both services and manufacturing.

*Latest release: July 2004*
*Next release: October 2004*

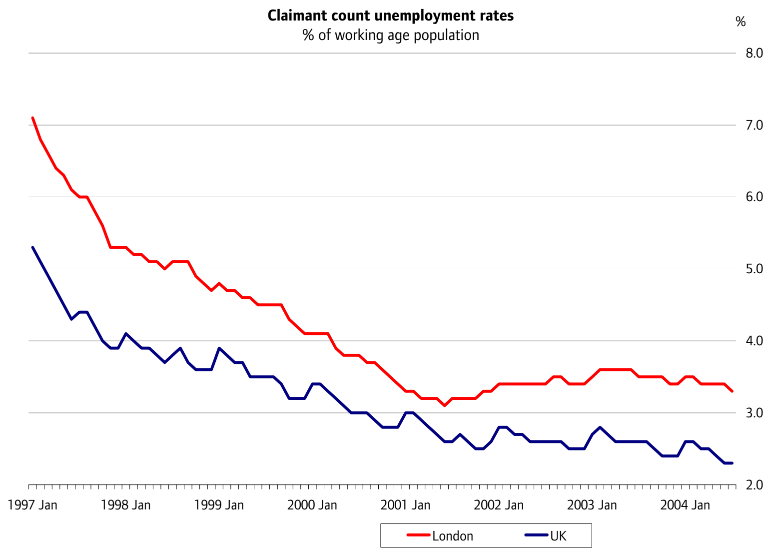



*Source: ONS*

## Unemployment rate remains low

- The rate of claimant count unemployment in London decreased to 3.3% in July, after three months of no change.
- There were 163,000 unemployed claimants in London in July 2004, compared with 173,000 in July 2003.
- Claimant count unemployment in the UK remained at 2.3% in July 2004.

*Latest release: August 2004*
*Next release: September 2004*




*Source: Claimant Count, Nomis*

# How well do cities perform? The answer – it depends.



by Alan Freeman
Economist

**Economists measure a city's output using a variety of methods, each of which gives a different answer. To demonstrate these differences, GLA Economics selected 14 European cities to compare using three common measures of real output. Using these measures, GLA Economics calculated the growth rate of productivity (output per employee), which is a good indicator of economic performance.**

Depending on what method was used, London was sometimes, but not always, more productive than Paris; Milan ranged from being ranked as the fourth most productive city to the tenth; while Strasbourg was ranked third least productive in two of the measures but was ranked as being more productive than London in the third.

### The measures

Two output measures used in this report are commonly used by Eurostat, the statistical agency of the European Union. They are as follows:

1. Constant Price Euros[1] – Output in different national currencies converted into euros using market exchange rates.

2. Consumer Purchasing Power Parities Real Output (Consumer PPP)[2] – Output in different national currencies converted into euros using relative prices paid by consumers.

The third measure is used by the International Comparison of Productivity Project[3] in Groningen, Netherlands:

3. Producer Purchasing Power Parities (Producer PPP)[4] – Output converted into US dollars using relative prices received by producers.

We can derive estimates of productivity from these three measures by dividing them by a measure of the labour input involved in production. For the first two measures this is the number of employee jobs, for the third measure it is the total hours worked by employees. Both PPP measures suggest higher productivity growth, particularly the Consumer PPP measure, than the Constant Price Euros measure.

In this research, the geographical definition of all cities was the same, so the only sources of differences are the measures of productivity[5].

(Footnotes)

[1] GVA converted into nominal euros using market exchange rates, deflated by Europe-wide GDP deflator. Source. Eurostat

[2] GVA converted into nominal GDP using Consumer PPP (1997 base year), deflated by Europe-wide GDP deflator. Source: Eurostat

[3] www.ggdc.net/dseries/icop.shtml#1

[4] Real GVA in production-based PPP US dollars (1997 base year). Source: BAK Basel Economics (BAK)

[5] For a discussion on the debate surrounding classifying exactly what a city is, please see: Working Paper 9: Measuring and Comparing World Cities, GLA, May 2004, pp 10 –17. Available at: www.london.gov.uk/mayor/economic_unit

### How does London perform?

As Charts 3-5 show, between the years 1995-2000 the method used to measure productivity affects a city's ranking. London scores better using the PPP measures (fifth for Consumer PPP, eighth for Producer PPP) as these measures allow for price differences between European countries. Without this allowance, London ranks below Milan and Paris.

On all measures of productivity, the German cities vary greatly. Each measure ranks Munich and Stuttgart as the top two European cities while ranking Berlin and Cologne as the European cities with the lowest productivity growth rate between 1995 and 2000. However, the positions of Hamburg and Frankfurt depend heavily on the measure used as do the positions of the French cities, Lyon and Paris.

**Chart 3. Productivity growth between 1995 and 2000. Performance based on Constant Price Euros**

*Source: GLA Economics*

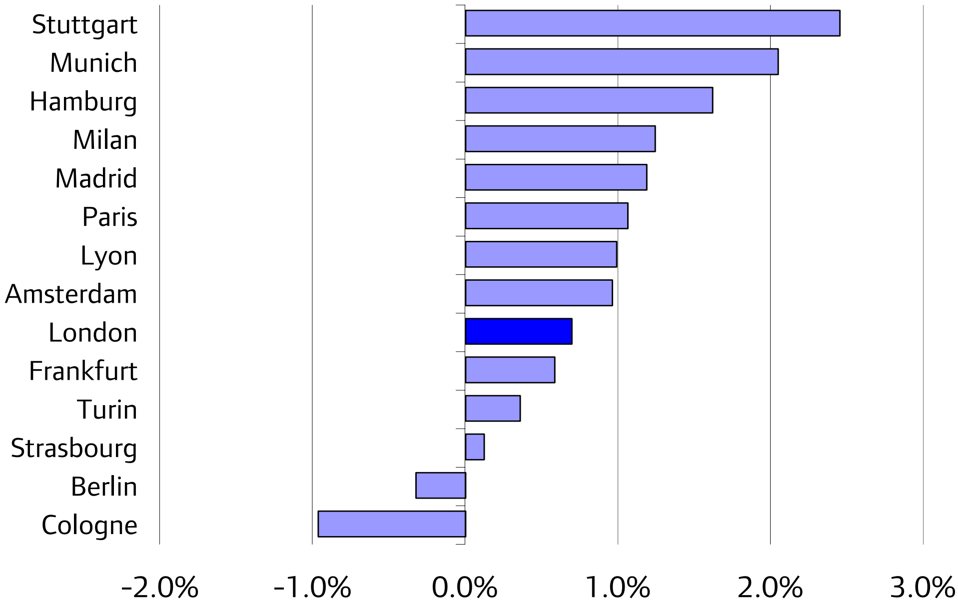



**Chart 4. Productivity growth between 1995 and 2000. Performance based on Consumer PPP**

*Source: GLA Economics*

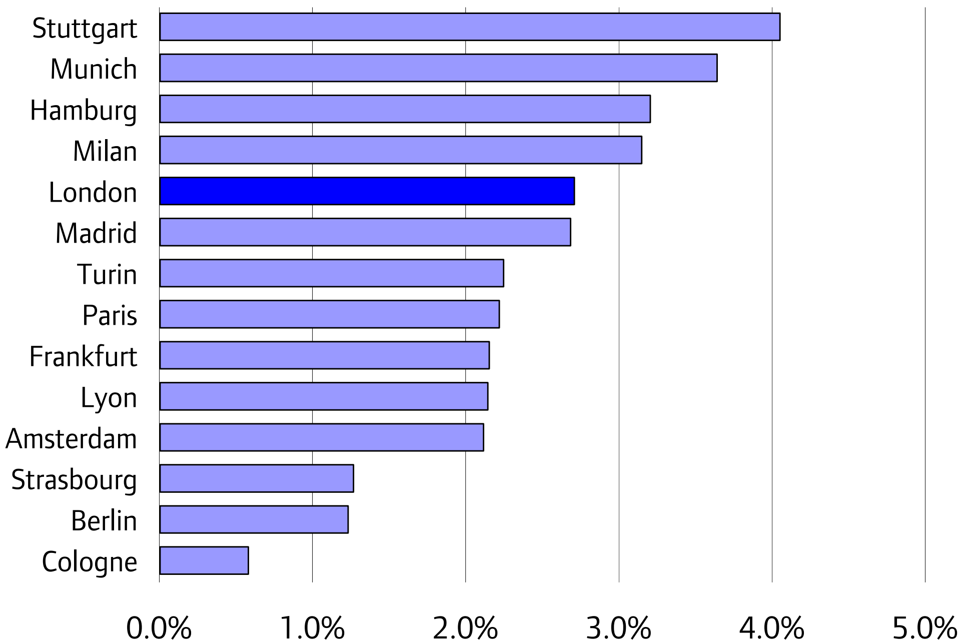
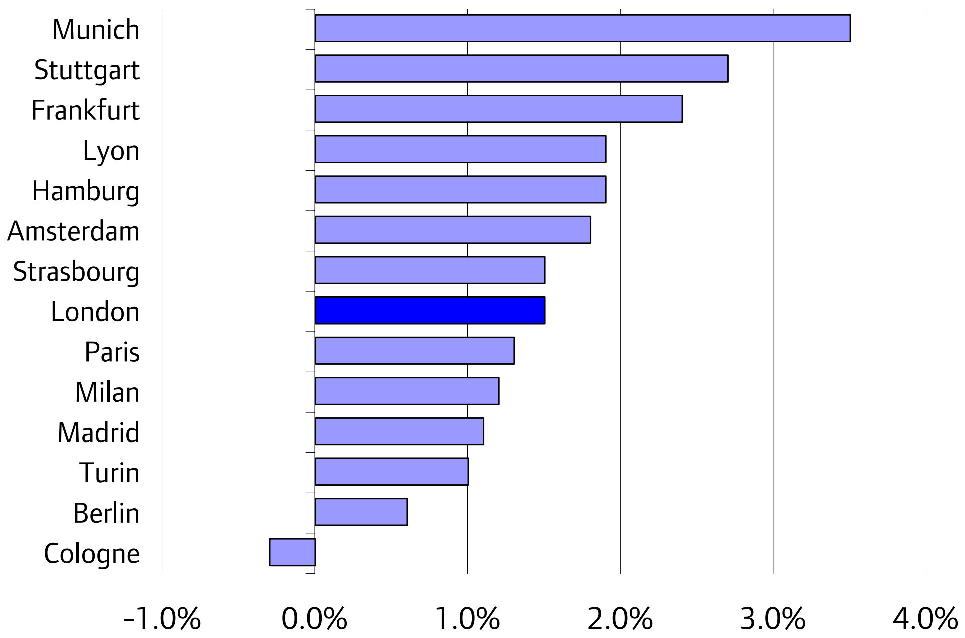


**Chart 5. Productivity growth between 1995 and 2000. Performance based on Producer PPP**

*Source: GLA Economics*






## City growth

The method of calculation also has a substantial impact on how fast we think a city is growing. Productivity growth using Eurostat's Consumer PPP measure is between one and two percentage points greater than using Constant Price Euros. Table 1 shows productivity growth on the basis of the three measures described above.

**Table 1. Productivity growth (1995-2000)**

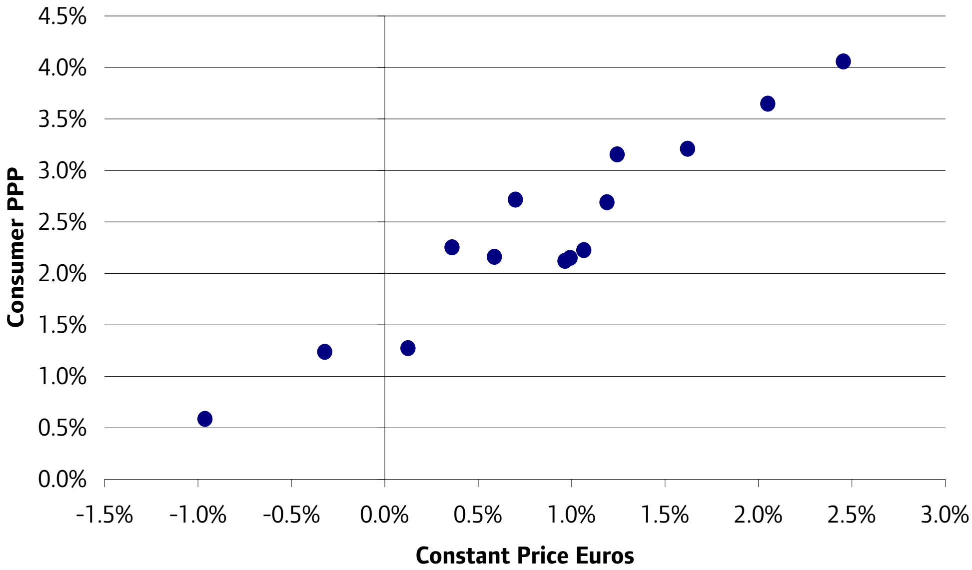
*Source: GLA Economics*

| | Constant Price Euros | Consumer PPP | Producer PPP | Consumer PPP less Constant Price Euros | Producer PPP less Constant Price Euros |
|---|---|---|---|---|---|
| Amsterdam | 0.96% | 2.11% | 1.80% | 1.15% | 0.84% |
| Berlin | -0.33% | 1.23% | 0.60% | 1.55% | 0.93% |
| Cologne | -0.97% | 0.58% | -0.30% | 1.54% | 0.67% |
| Frankfurt | 0.58% | 2.15% | 2.40% | 1.57% | 1.82% |
| Hamburg | 1.62% | 3.20% | 1.90% | 1.58% | 0.28% |
| London | 0.70% | 2.70% | 1.50% | 2.00% | 0.80% |
| Lyon | 0.99% | 2.14% | 1.90% | 1.15% | 0.91% |
| Madrid | 1.19% | 2.68% | 1.10% | 1.49% | -0.09% |
| Milan | 1.24% | 3.14% | 1.20% | 1.90% | -0.04% |
| Munich | 2.05% | 3.64% | 3.50% | 1.59% | 1.45% |
| Paris | 1.06% | 2.21% | 1.30% | 1.15% | 0.24% |
| Strasbourg | 0.12% | 1.26% | 1.50% | 1.14% | 1.38% |
| Stuttgart | 2.45% | 4.05% | 2.70% | 1.60% | 0.25% |
| Turin | 0.36% | 2.24% | 1.00% | 1.89% | 0.64% |

Consumer PPP growth rates, although systematically greater than the Constant Price Euros growth rates, are on the whole strongly correlated with them. The *Consumer PPP less Constant Price Euros* column in Table 1 shows that the difference between the two growth rates is always positive, in the range of 1.14 - 2 per cent and generally around 1.5 per cent. This suggests that the Consumer PPP measure provides little extra information than the Constant Price Euros measure. Chart 6 supports this showing the strong correlation between the productivity growth rates calculated by the Consumer PPP and Constant Price Euros measures.

**Chart 6. Consumer PPP v Constant Price Euros (1995-2000)**

*Source: GLA Economics, BAK and Eurostat*




Consumer PPP takes no account of differences in productive structure and only affects the base point, which is the year 1995 (which is the absolute productivity level), and not the growth rate which is calculated on the basis of national country deflators. This suggests that the divergence can probably be explained in terms of differences between national and European inflation rates.

The Producer PPP measure is a production-based PPP measure. It accounts for the industrial structure of a region and applies PPP weights to a set of standardised industries based on an estimate of the local price of an industry's output in the base year (1997 for BAK[6] who have been contracted by GLA Economics to supply this measure).

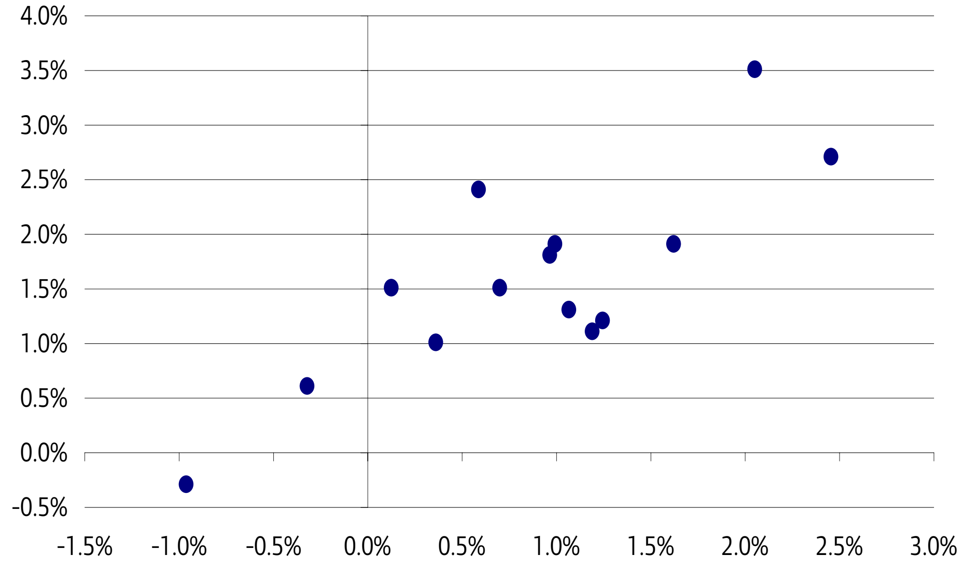
There is less of a correlation between the results using Producer PPP and Constant Price Euros measures (as seen in Chart 7) than there is between the results using the Consumer PPP and Constant Price Euros measures (as seen in Chart 6). This suggests the Producer PPP measure provides additional information about the real evolution of output and productivity in Europe's major cities.

(Footnotes)

[6] BAK use the methodology and data developed by the International Comparisons of Productivity Project at the University of Groningen by Maddison et al., which has substantial European 'buy-in' although it does not have official statistical status.

**Chart 7. Producer PPP v Constant Price Euros (1995-2000)**

*Source: GLA Economics, BAK and Eurostat*




## Conclusion

The London Development Agency, in conjunction with GLA Economics, has established a long-term strategy for collating standardised data on cities for use by the GLA group. In the light of the information above, we are conducting a more in-depth study to find out why these productivity growth estimates differ and to extend the range of cities for which they are collected. Given that there is no decisive argument in favour of one of the three measures assessed in this note, GLA Economics currently proposes to collate and maintain all three estimates of output and productivity on the basis of standardised city definitions.

## Further Information:

Working Paper 9: Measuring and Comparing World Cities, GLA, May 2004. Available at www.london.gov.uk/mayor/economic_unit.

# Buses: Bringing benefit to town centres

## Challenging the myths to bring business and people together

Article submitted by Transport for London

by Alison Henderson and
Keith Gardner
Transport for London

**Travel in London is changing. The obvious face of change is congestion charging in the City and West End but new habits are forming elsewhere which are sometimes bringing unrecognised benefits to businesses and to the public.**

Much has already been written about the massive growth in ridership on London's rejuvenated bus network but what knock-on effects does this create? Hundreds of thousands of Londoners now have better access to work, leisure facilities and civic amenities but what are the benefits to local businesses?

To find out how (and how much) bus customers really contribute to the economic health of town centres, Transport for London commissioned a major survey. It was carried out by an independent research agency, Accent Marketing & Research.

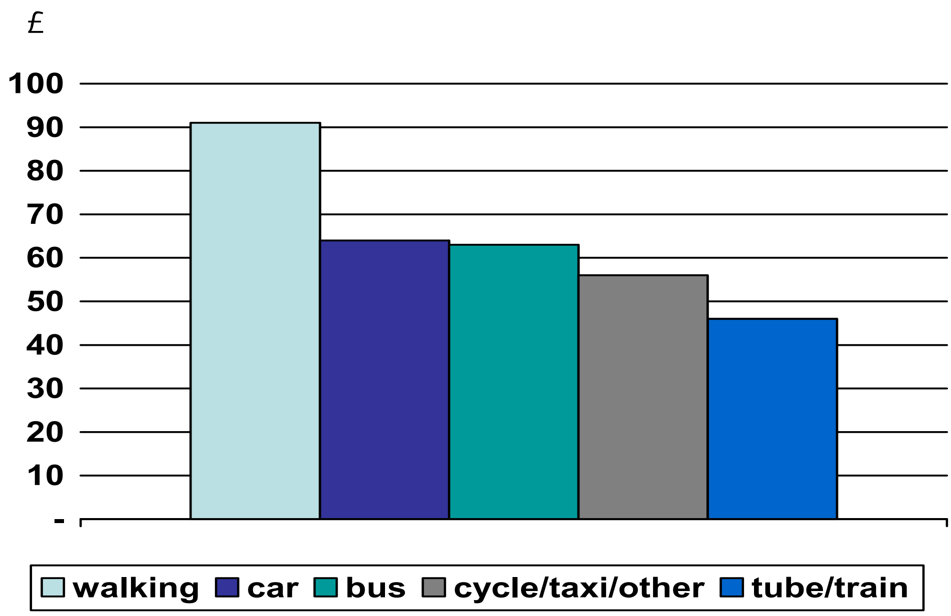
Over 3000 town centre users were interviewed at 11 locations. These ranged from the West End to district/suburban centres including Dalston, Eltham and Harrow. Town centre and borough planning managers were interviewed in each area.

### Bus customer spend

Surprisingly, the highest average spend per week in the town centres was by walkers (as shown in Chart 8). Bus customer spend all but matched the spend by car users, and moreover buses were the most popular access mode – just over a third arrived by bus. This was despite the fact that half had access to a car they could have used. Visitors to main 'destination' centres like Kingston were as likely to choose to travel by bus as are those going a short distance to a small local centre. A better, more reliable and cheaper bus service is clearly winning new customers.

**Chart 8. Average spend per week per mode of travel**

*Source: Transport for London*



### Bus users are changing

One in five Londoners have increased their use of buses over the last year. People who are completely new to buses are more likely than existing bus users to be male, working, aged 35-44, have a car and be of the AB social classification.

The reasons for choosing buses as a mode of travel were varied. Generally respondents said they want faster, more efficient travel of all types and less congestion. Only four per cent chose their transport mode because they have shopping or bags to carry. The main reasons for using buses were cost, lack of alternatives, and ease and convenience.

### Make bus travel easier and centres more attractive

The survey clearly showed that visitors to town centres supported bus priority measures to make travel easier – for example, four in five supported stricter enforcement of illegal parking in bus lanes. What's more, there was often higher support for bus priority where current bus usage is lower.

On the issue of changes to the town centres themselves, customers' priorities for improvements were the range of shops, cleanliness and less traffic – the pleasantness of the experience is vital.

Town centre managers and borough planners sometimes had mistaken impressions about the economic contribution made by bus users and many were concerned that any decrease in car access would cause customers to choose other centres. However, they felt that bus users already contributed to the general welfare of the town centres and were generally supportive of bus priority measures and expanded bus links.

### The future for town centre travel

The facts about buses and town centres speak for themselves:

- Customers who arrive by bus spend the same as those who arrive by car.
- Three out of every five people who chose to start travelling by bus in the last year were from the social grade ABC1.
- Around half of all Londoners choose not to travel by car to town centres while the majority want bus access improved.
- The quality of a town centre is as important as the diversity of retail outlets in attracting shoppers.

The future for town centres looks to be more dependent than ever before on good bus accessibility. Planning for London's economic vitality must be built on real customer preferences, not on preconceptions.

**For a copy of the full report, please visit**:
www.tfl.gov.uk/buses/cib_report.shtml

# Additional information



## Data sources

| | |
|---|---|
| **Tube and bus ridership** | Transport for London on 020 7941 4500 |
| **GDP/GVA growth** | Experian Business Strategies on 020 7630 5959 |
| **Tourism – overseas visitors** | www.statistics.gov.uk |
| **Tourism – domestic visitors** | www.visitlondon.com |
| **London airports** | www.caa.co.uk |
| **Business activity** | www.rbs.co.uk/pmireports |
| **Employment** | www.rbs.co.uk/pmireports |
| **London FootFall** | www.footfall.com |
| **Office space demand** | www.cbhillierparker.com |
| **House prices** | www.nationwide.co.uk/hpi/ |
| **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.

**Claimant count rate**

Unemployment rate based on the number of people claiming unemployment benefits.

**Employee jobs**

Civilian jobs, including employees paid by employers running a PAYE scheme. Government employees and people on training schemes are included if they have a contract of employment. Armed forces are excluded.

**FootFall Index**

Measures the average number of people passing through London shopping centres on a weekly basis. This index is positively correlated with UK retail spending so it can provide an indication of consumer spending in London.

**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.

**ILO unemployment rate**

The International Labour Organisation's calculation of the number of people out of work.

**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 – twelve 28-day periods and one 29-day period. Period 1 starts at the beginning of the financial year rather than the calendar year.

# Acronyms

| | |
|---|---|
| **ABI** | Annual Business Inquiry |
| **BAA** | British Airports Authority |
| **BCC** | British Chamber of Commerce |
| **BITOA** | British Incoming Tour Operators Association |
| **CAA** | Civil Aviation Authority |
| **CBI** | Confederation of British Industry |
| **EBS** | Experian Business Strategies |
| **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 |
| **ODPM** | Office of the Deputy Prime Minister |
| **ONS** | Office of National Statistics |
| **PMI** | Purchasing Managers' Index |
| **PWC** | PricewaterhouseCoopers |
| **RICS** | Royal Institute of Chartered Surveyors |

# Past features

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