London's Economy Today



Issue 67 | March 2008

In this issue

GLAECONOMICS

Financial markets in turmoil and US investment bank rescued by rival with Federal Reserve assistance

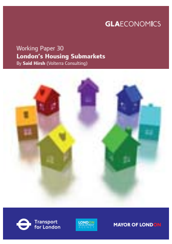
by Richard Davies, Economist, and Christopher Lewis, Senior Economist

On 11 March, central banks announced another round of co-ordinated action to provide more liquidity to financial markets. The central banks involved were the US Federal Reserve, the European Central Bank, Bank of England and the central banks of Canada and Switzerland. Since the co-ordinated actions taken in December 2007, the G10 central banks have continued to work together closely and to consult regularly on liquidity pressures in funding markets. Pressures in some of these markets have recently increased again.

The US Federal Reserve announced it would lend primary dealers up to $200bn in Treasury securities for 28 days at a time and accept triple-A rated private label mortgage backed securities as collateral in return. It remains to be seen whether concerted actions by central banks will have the desired effect. It depends on whether the turmoil in financial markets, which was originally more a liquidity problem, has now turned into one that is more to do with solvency problems of financial institutions. If it is the former then the increase in funds from central banks will have a greater effect. If it is the latter then confidence will remain low in

Latest news...

- **Economic Research Consultants Framework** The Greater London Authority (GLA) invites suitably experienced consultants for inclusion in a framework agreement to provide the GLA and its functional bodies with economic research services. For further information please see **www.london.gov.uk/gla/tenders/**



- **Working Paper 30: London's Housing Submarkets** The analysis from this working paper identified four distinct housing subgroups in London (Central, High Density Housing, Outer City, and Spacious Suburbs), based on various attributes. Each housing subgroup had different characteristics, and stepwise regression modelling was used to identify the key drivers of house prices within the identified groups.

Visit **www.london.gov.uk/mayor/economic_unit** to download this publication. Alternatively please telephone **+44 (0)20 7983 4922** or email **glaeconomics@london.gov.uk** for a copy.

financial markets and banks will remain unwilling to lend to each other because of the fear of insolvency and defaults by other banks. The well-respected economist Joseph Stiglitz has commented that the central banks' action could be as effective as "pushing on a piece of string".

The stricken Bear Stearns investment bank is bought by JP Morgan Chase

Bear Stearns (a large US investment bank) required emergency funding on Friday 14 March. JP Morgan Chase provided unlimited cash to Bear Stearns, which was being completely guaranteed by the US Federal Reserve (therefore representing a central bank bail out). Then during the weekend of 15-16 March and before world stock markets had reopened, JP Morgan Chase announced that it had bought Bear Stearns for just $2 a share. The deal valued Bear Stearns at only around $240 million. Its shares have lost 98 per cent of their value since April 2007. The rescue has been backed by the US Federal Reserve, (otherwise it would not have taken place), who will fund up to $30bn of Bear Stearns' less liquid assets. JP Morgan will guarantee to meet all the payments due to Bear Stearns' clients. Despite this rapid and decisive intervention by the US Federal Reserve, the demise of Bear Stearns caused global stock markets to fall because of fears about the poor health of the world's banking system and concern that other financial institutions may be on the brink of collapse.

Weak US employment figures signals a faltering US economy

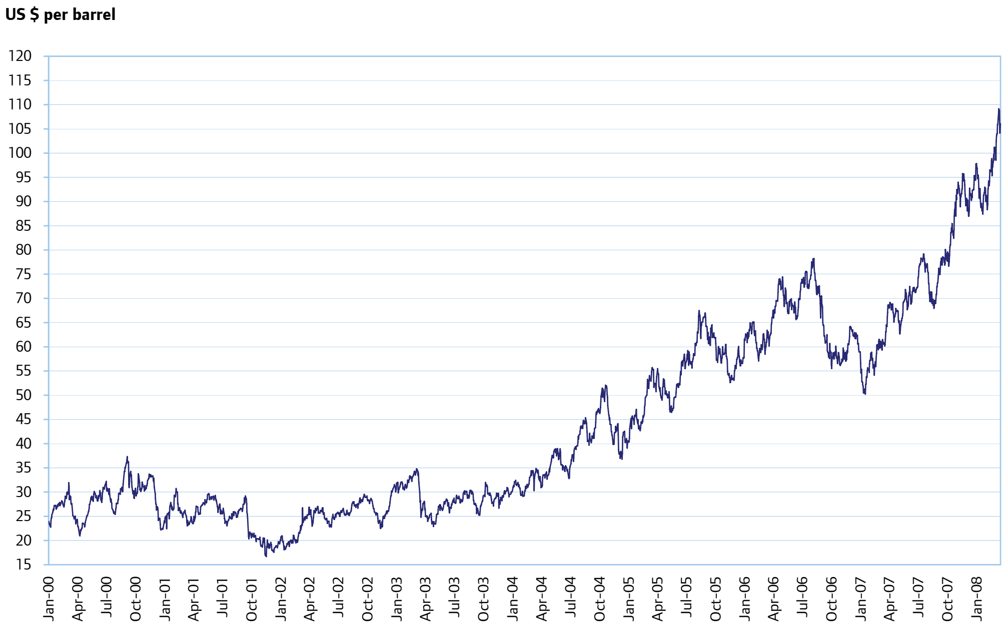
The latest US employment figures showed that non-farm payrolls fell 63,000 in February, the largest fall since March 2003. This marked a second consecutive monthly decline. January's initial estimated loss of 17,000 jobs has been revised to a decline of 22,000 jobs, while an initial estimate of a gain of 82,000 jobs in December has been cut to 41,000 jobs. John Ryding, chief US economist at Bear Stearns, said back-to-back non-farm payroll declines were "a strong indication that the economy has fallen into recession". US consumer spending has slowed, the labour market has softened, credit conditions have tightened and the housing contraction has deepened. With concerns increasing about the state of the US economy and the health of financial institutions, the US Federal Reserve cut the main federal funds interest rate by a further 75 basis points to 2.25 per cent on Tuesday 18 March. The Federal Reserve's vigorous rate-cutting action is likely to continue as the accompanying statement said that 'downside risks to growth remain'.

Oil prices hit record levels

Oil price inflation is a major worry for the global economy as it raises the prospects of both slower growth and higher levels of overall inflation. Oil prices have reached record levels during March with Brent crude oil trading near $110 per barrel (see Figure 1). The impact of higher oil, electricity and gas prices showed up in February's UK inflation figures with CPI inflation increasing to 2.5 per cent from 2.2 per cent. This pick up in inflation is constraining the Bank of England from making drastic interest rate cuts as the MPC is concerned that future inflation expectations are rising.

Figure 1. Brent crude oil price (US $ per barrel)

Source: FT



There are many reasons for current high oil prices: the weakness of the US dollar; the recent decision by OPEC not to increase oil production; robust oil demand from China and India; and continuing unrest in Nigeria and the Middle East. Other commodity prices have also reached record highs such as gold, which broke through the $1,000 per ounce level. Gold is considered a safe haven investment and demand for it has increased as fears regarding a US recession, higher global inflationary pressures and a collapsing US dollar have all risen.

The Chancellor expects that the UK economy will slow

The Chancellor of the Exchequer, Alistair Darling, delivered his first Budget on 12 March (see feature article for an in-depth summary). He confirmed that the UK economy would slow down in 2008. The main reasons for this slow down are the threat of a possible US recession and the ongoing credit crunch. In the October 2007 Pre-Budget Report, the Government's forecast for GDP growth was 2 - 2½ per cent for 2008. The revised forecast is for GDP growth to slow down to 1¾ - 2¼ per cent. Many commentators believe this is still an optimistic forecast, especially with the financial market turmoil that has occurred since the Budget.

Employment intentions in London better than the UK as a whole

The Labour Market Outlook Survey for the 2007-8 Winter Quarter was recently published by KPMG and the Chartered Institute of Personnel and Development. Out of those London businesses that responded to the survey, positive net recruitment intentions were at 38 per cent (compared with 53 per cent in the previous survey). Despite this fall, London businesses were still intending to recruit more than most other UK regions.

London had the highest number of respondents at 44 per cent that believed that the Agency Workers Directive would have an impact on their recruitment strategy. This is unsurprising given the large proportion of agency temps employed in London compared to the rest of the UK.

London's economy to slow as US economic conditions worsen considerably

The outlook for the UK economy continues to worsen with growth expected to be below 2 per cent in 2008 with the risks on the downside. Further interest rate cuts may be limited because of higher inflation from rising oil, energy and food prices. The credit crunch continues with a tightening of lending criteria and increased borrowing costs causing the housing market to weaken and negatively impacting upon business investment intentions.

Meanwhile, US economic conditions have worsened considerably with employment falling and house prices collapsing. With the US $ falling to all time lows against the Euro, demand for commodities (which are usually priced in dollars) have increased reaching record highs. Gold, which is seen as a safe haven investment and a store of value in times of heightened global inflationary pressures, has risen above $1,000 per ounce. Within these choppy world economic conditions, London faces a more difficult backdrop than it has for years. A slow down is on the cards that could last well into 2009 and impact the financial services sector severely.

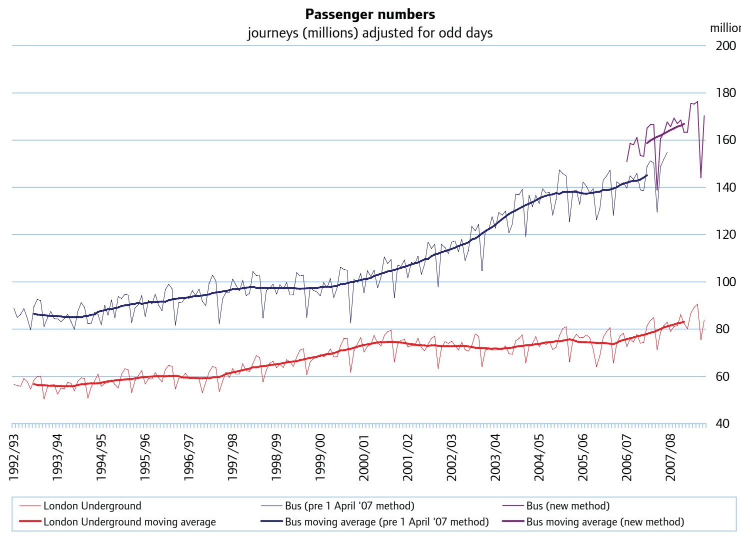
Financial markets are currently extremely nervous with HBOS shares falling nearly 20 per cent during 19 March, before recovering somewhat by market close, on rumours that the bank was in severe financial difficulties. Both the Bank of England and the FSA made statements to calm the markets. With this level of prevailing nervousness, the risk of a deeper and more prolonged downturn is increasing.

Economic indicators

Increase in moving average of passenger numbers

- The most recent 28-day period is from 6 January 2008 to 2 February 2008. London's Underground and buses had 254.2 million passenger journeys; 170.3 million by bus and 83.9 million by Underground.
- The moving average increased to 250.0 million from a downwardly revised 248.8 million passengers every period. The moving average for buses was 166.9 million. The moving average for the Underground was 83.1 million.
- The methodology used to calculate the number of bus passenger journeys was changed by TfL from 1 April 2007. For a detailed explanation please see LET edition 58 (June 2007).

Latest release: March 2008
Next release: April 2008

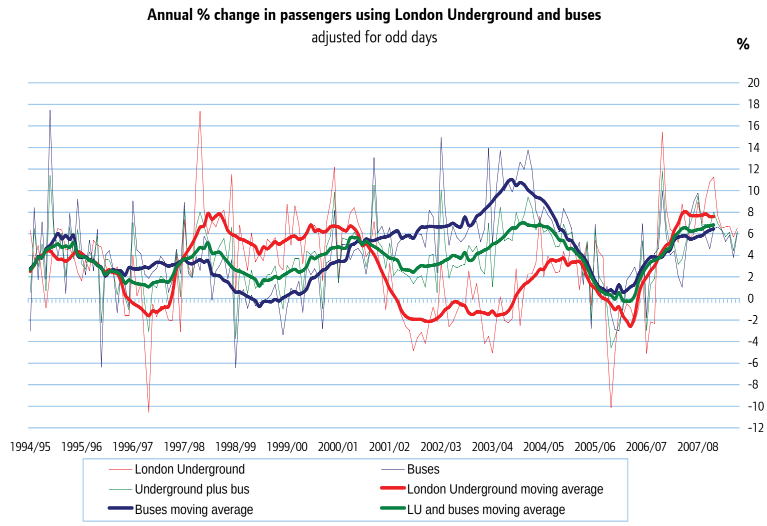


Source: Transport for London

Average annual growth rate of passengers increases

- The moving average annual rate of growth in passenger journeys increased to 6.8% from 6.7% in the previous period.
- The moving average annual rate of growth in bus passenger journey numbers increased to 6.5% from 6.3% in the previous period.
- The moving average annual rate of growth in Underground passenger journey numbers remained at 7.6%.

Latest release: March 2008
Next release: April 2008

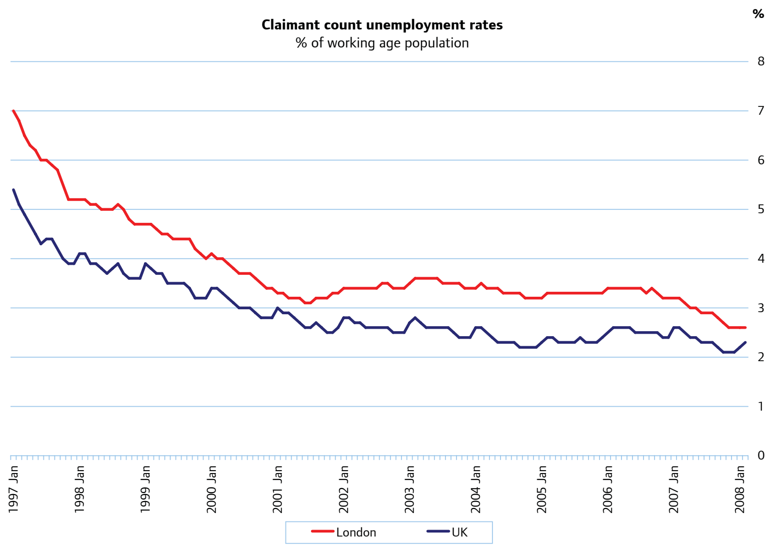


Source: Transport for London

Claimant count unemployment

- The rate of claimant count unemployment (the percentage of resident working age population who are unemployed and claiming Jobseekers' Allowance) in London was 2.6% in February 2008.
- There were 132,500 unemployment claimants in London in February 2008 compared with 159,400 in February 2007.
- The claimant count unemployment rate of the UK remains below that of London.

Latest release: March 2008
Next release: April 2008

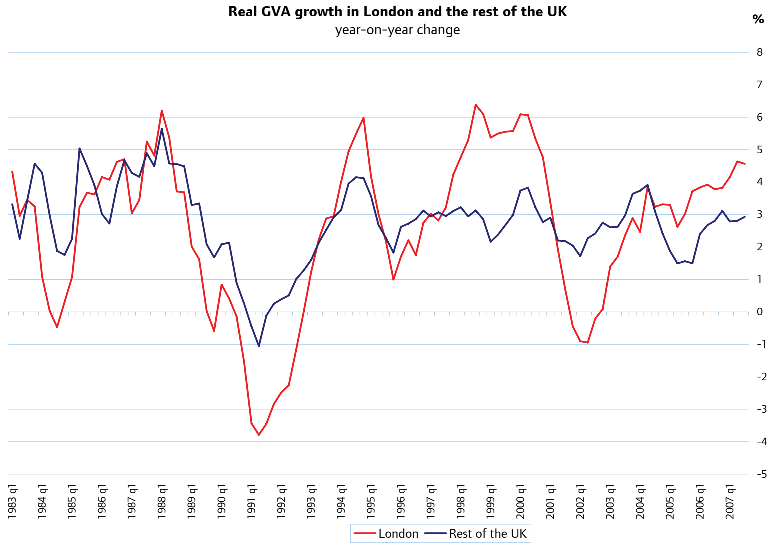


Source: Claimant Count, NOMIS

Annual growth in London quicker than the rest of the UK

- London's annual growth in output remained the same in Q3 2007 as the upwardly revised 4.6% in Q2 2007.
- The rest of the UK's annual growth in output increased to 2.9% in Q3 2007 from 2.8% in Q2 2007. London has been growing at a faster annual rate than the rest of the UK since Q3 2004.
- There have been revisions to previous growth rates to reflect the availability of new data.

Latest release: February 2008
Next release: May 2008

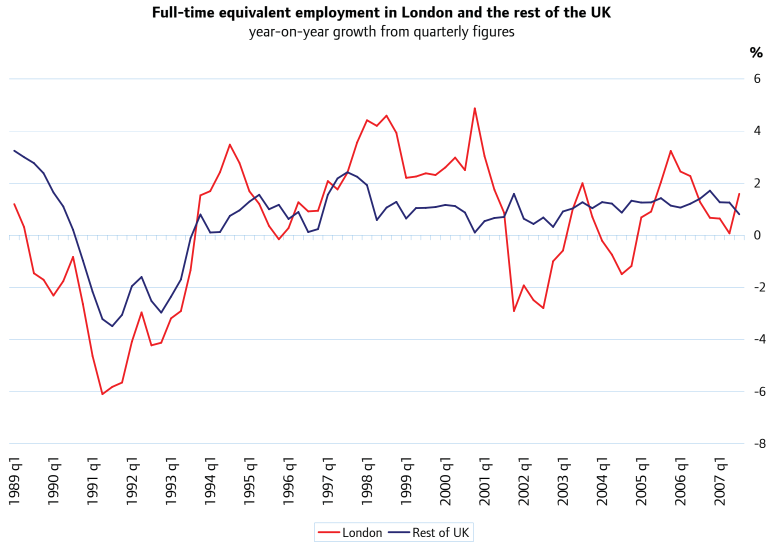


Source: Experian Business Strategies

Annual employment growth in London faster than the rest of the UK

- London's annual employment growth increased to 1.6% in Q3 2007 from a downwardly revised 0.1% in Q2 2007.
- Annual employment growth in the rest of the UK decreased to 0.8% in Q3 2007 from an upwardly revised 1.3% in Q2 2007.
- There have been revisions to previous growth rates to reflect the availability of new data.

Latest release: February 2008
Next release: May 2008

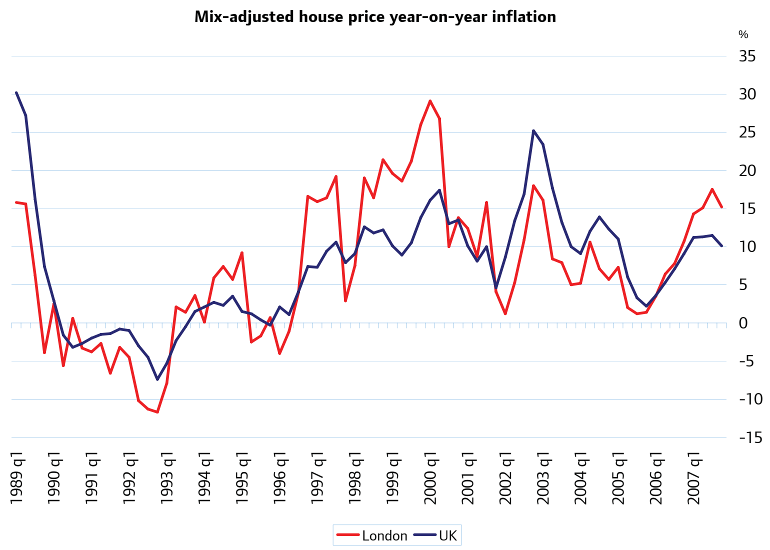


Source: Experian Business Strategies

Annual house price inflation higher in London than the UK

- The Department for Communities and Local Government (DCLG) house price index is an official measure of house prices. It is available up to Q4 2007.
- The DCLG reported a decrease in annual house price inflation in London and the UK in Q4 2007.
- Annual house price inflation in London decreased to 15.2% in Q4 2007 from 17.5% in Q3. Annual house price inflation in the UK decreased to 10.1% in Q4 from 11.5% in Q3.

Latest release: February 2008
Next release: May 2008

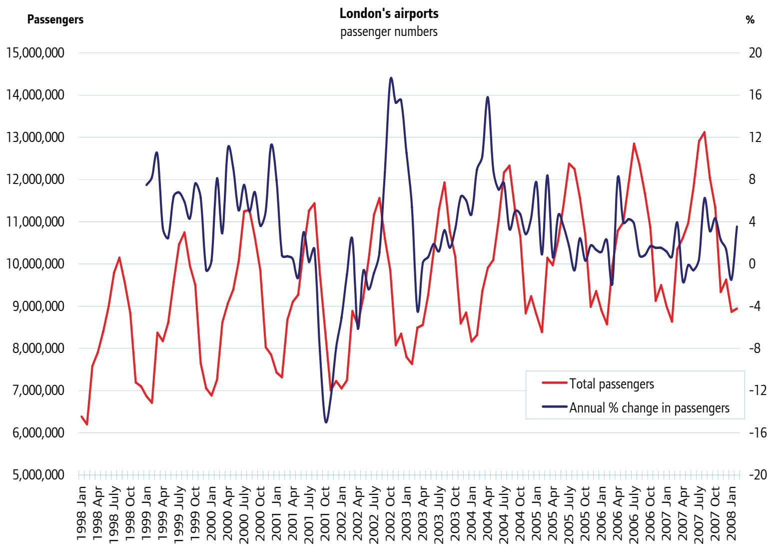


Source: Department for Communities and Local Government

Positive annual growth in airport passenger numbers

- 8.9 million passengers travelled through London's airports in February 2008.
- The number of passengers using London's airports increased by 3.5 per cent from February 2007 to February 2008.
- The number of passengers using London's airports year-on-year has increased again from a fall in January.

Latest release: March 2008
Next release: April 2008

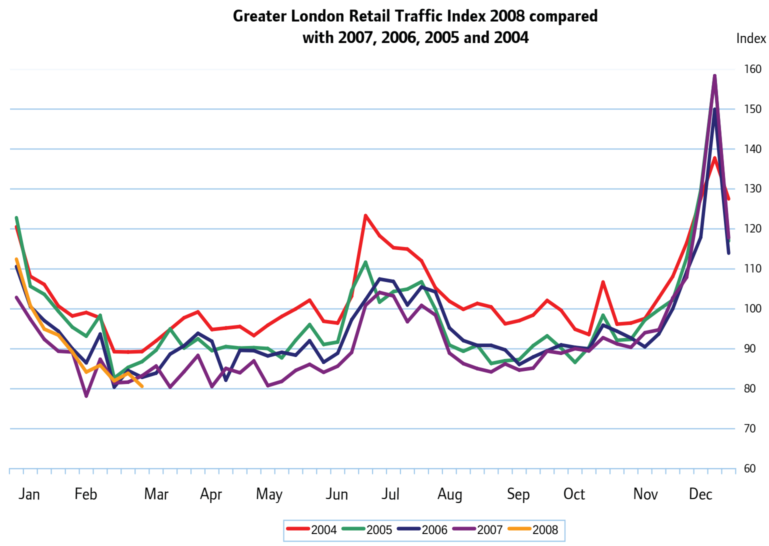


Source: Civil Aviation Authority

SPSL Retail Traffic now below 2007 levels

- The SPSL Retail Traffic Index of shoppers in London was 80.6 in the first week of March compared to 83.9 in the previous week.
- The index is now below 2007 levels.
- SPSL's Retail Traffic Index measures the number of shoppers and does not necessarily reflect the level of spending.

Latest release: Mid-March
Next release: Weekly

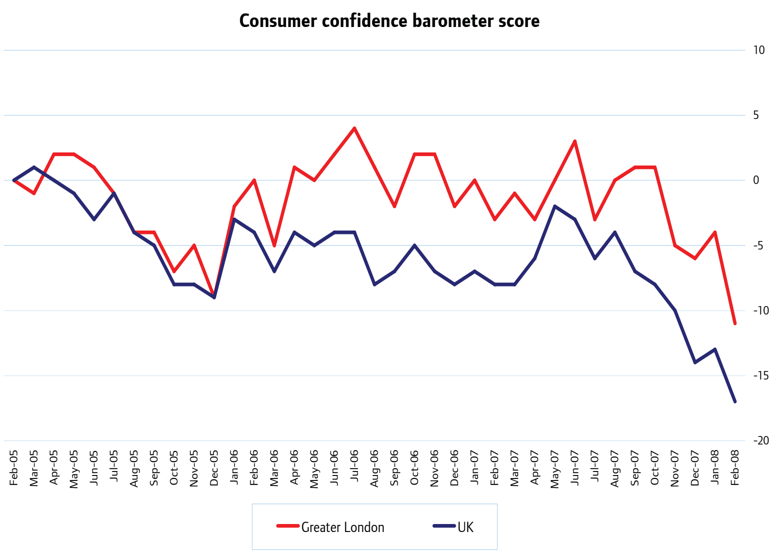


Source: SPSL

Consumer confidence in London declines sharply

- The GfK index of consumer confidence reflects people's views on their financial position and the general economic situation over the past year and their expectations for the next 12 months (including whether now is a good time to make major purchases). A score above zero signifies a positive change in views.
- For Greater London the consumer confidence score decreased to –11 in February from -4 in January.
- For the UK the consumer confidence score fell to –17 in February from –13 in January.

Latest release: February 2008
Next release: March 2008

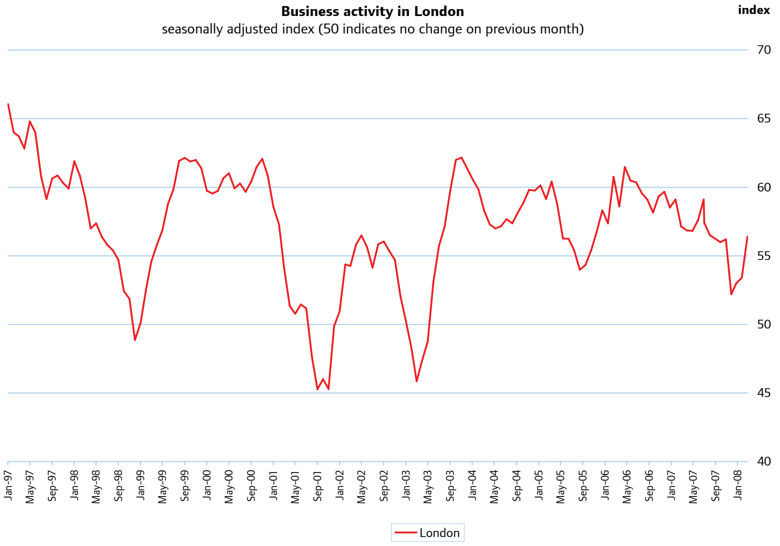


Source: GfK NOP on behalf of the European Commission

London's business activity picks up

- London firms continued to expand their output of goods and services in February 2008.
- The Purchasing Managers' Index (PMI) of business activity recorded 56.4 in February 2008 compared to a 53.4 in January 2008.
- A rate of above 50 on the index indicates an increase in business activity from the previous month. The PMI for business activity has been above 50 since June 2003.

Latest release: March 2008
Next release: April 2008



Source: The Royal Bank of Scotland/NTC Economics

Employment still expanding in London

- London firms continued to increase their level of employment in February 2008 but at a slightly slower rate than in January.
- The PMI for the level of employment was 52.8 in February compared to 53.1 in January.
- A rate of above 50 on the index indicates an increase in the level of employment from the previous month.

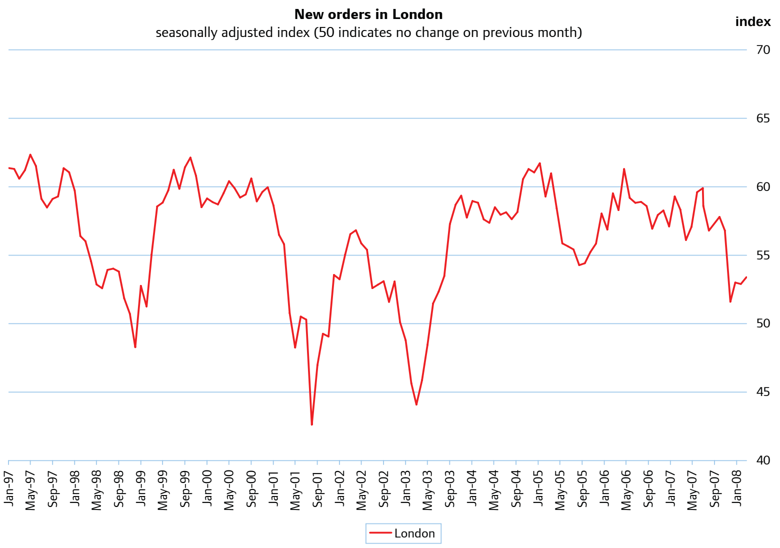
Latest release: March 2008
Next release: April 2008

Source: The Royal Bank of Scotland/NTC Economics

New orders for London increasing

- February 2008 saw growth in new orders for London firms.
- The PMI for new orders recorded 53.4 in February 2008 compared to 52.9 in January 2008.
- A rate of above 50 on the index indicates an increase in new orders from the previous month.

Latest release: March 2008
Next release: April 2008



Source: The Royal Bank of Scotland/NTC Economics

Budget 2008: A summary

Duncan Melville,
Deputy Chief Economist

The economic and fiscal projections

The economic growth forecasts for this year and next in the Budget are a ¼ of a percentage point lower than the forecast published in last October's Pre-Budget Report (PBR). Even so, the Treasury's projections for this year and next are above the consensus amongst independent economic forecasters.

Table 1: Summary of the Treasury and Consensus Economic Projections

Source: HM Treasury

GDP Growth (%)	2008	2009	2010
PBR 2007	2 – 2½	2½ – 3	2½ – 3
Budget 2008	1¾ – 2¼	2¼ – 2¾	2½ – 3
Consensus	1.6	1.8	2.6

The Budget projections for public sector net borrowing (PSNB) – the standard measure of overall public borrowing - for this financial year are lower than those in the PBR, mainly due to lower than expected public investment.

Table 2: Summary of the Treasury and Consensus Projections for Public Borrowing

Source: HM Treasury

PSNB (£bn)	2007-08	2008-09	2009-10
PBR 2007	38.0	36.0	31.0
Budget 2008	36.4	43.0	38.0
GLA Economics	37.8	43.5	42.5
Consensus	39.0	40.9	40.8

The projections of public borrowing for 2008-09 and 2009-10 have been raised by around £7 billion in both years. Overall public borrowing is now expected to increase to £43 billion in the 2008-09 financial year. This is a significant change from projections made just six months ago in the PBR, when borrowing was predicted to fall to £36 billion.

GLA Economics' higher projections for overall public borrowing, see Figure 2, lead us to expect a larger increase in the stock of public debt required to fund this additional borrowing than the Treasury, see Figure 3. The Treasury projections are for the debt to GDP ratio to peak at 39.8 per cent in 2010-11 and then fall slightly to 39.3 per cent in 2012-13. In contrast, GLA Economics anticipate that the debt to GDP ratio could increase steadily to 40.7 per cent in 2012-13.

Figure 2: Public Borrowing (PSNB)

Source: HM Treasury, GLA Economics

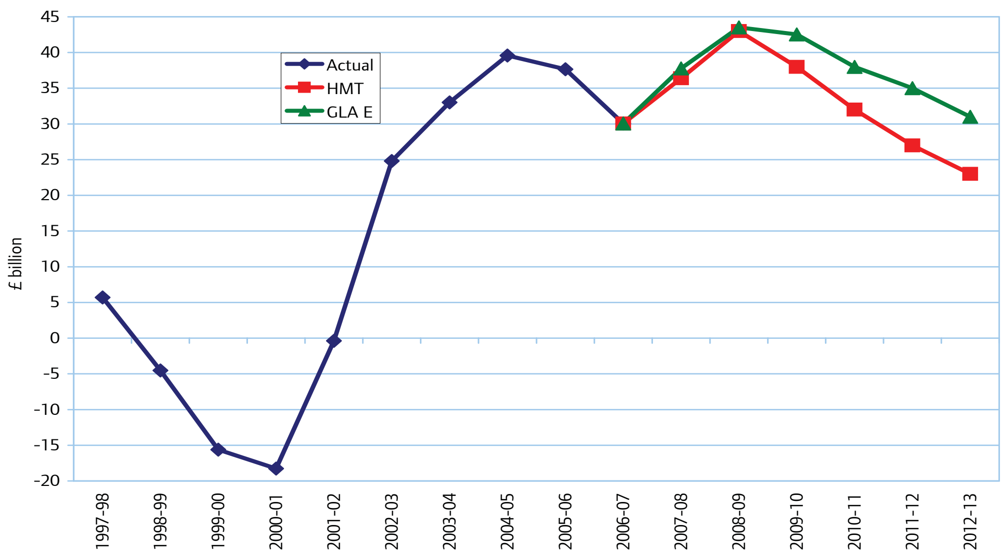
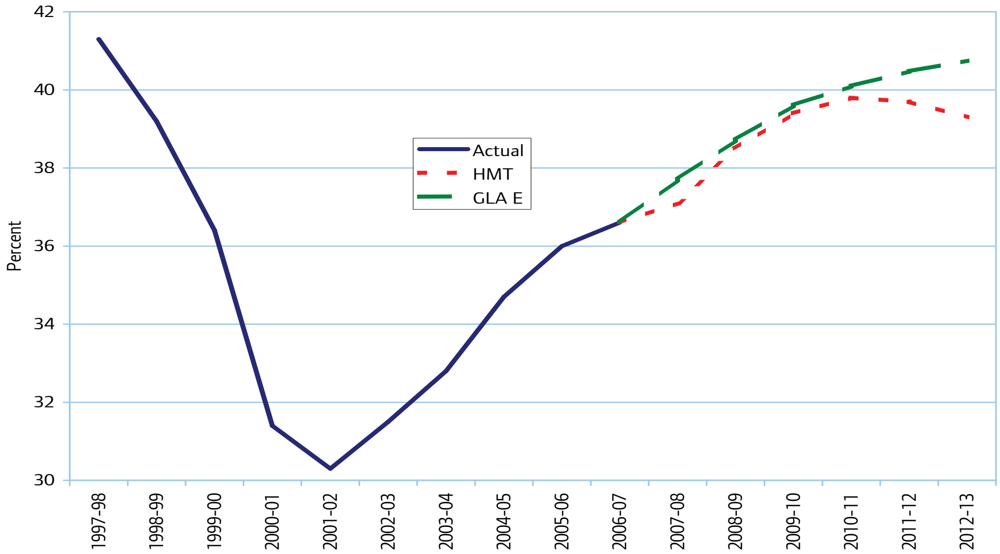


Figure 3: Public Sector Net Debt (% of GDP)

Source: HM Treasury, GLA Economics



Nationalisation of Northern Rock

The above projections do not include the impact of the recent decision to temporarily nationalise Northern Rock until such time as a suitable private sector buyer can be found. This brought the assets and liabilities of Northern Rock into the public sector and is estimated to have had the immediate effect of increasing public sector net debt by about £100 billion (or around 7 per cent of national income). Hence including Northern Rock, public sector net debt is already probably around 45 per cent of GDP. However the Government has decided that for 'the purpose of measuring performance against the sustainable investment rule, the Government will use a measure of public sector net debt excluding Northern Rock's assets and liabilities'. This is justified on the grounds that, 'Northern Rock is temporarily in public ownership and its liabilities are fully backed by other financial assets held by the company, and therefore its impact on public sector net debt does not reflect future calls on the taxpayer'. The long-term effect of Northern Rock's nationalisation on public debt levels is still unclear. It is, however, likely that most, if not all, of the impact on net debt will be temporary. Indeed it is possible that the ultimate effect – once all of Northern Rock's long-term financial assets have been sold – could be to reduce public sector net debt.

Environment

Carbon pricing through the EU Emissions Trading Scheme is designed to ensure that energy producers face the cost of their emissions and it also helps to reduce the overall total of emissions in an efficient way. The Government has announced that in Phase III of the EU Emissions Trading Scheme it will be auctioning 100 per cent of allowances to the large electricity producers' sector. This should provide a much greater incentive for companies to reduce their carbon emissions.

The Government announced that if supermarkets do not voluntarily introduce charging for plastic bags in order to reduce their usage in 2008, then it will introduce legislation in 2009 to impose a plastic bag charge in all supermarkets.

The Government said that it is their ambition that all new non-domestic buildings would be zero carbon by 2019. They will consult on the feasibility of this in 2008 and review progress in 2013. The impact on mitigating climate change will be limited as new buildings typically only represent around 1 per cent of the housing stock each year.

The Government announced that the Climate Change Levy is to be increased in line with inflation from 1 April 2009 in order to maintain its environmental impact. Cambridge Econometrics estimates that by 2010 the Levy will have reduced energy demand in the commercial and public sectors by around 15 per cent a year.

Significant changes to the structure of Vehicle Excise Duty (VED) were announced by the Government. There will be six new VED bands from 2009-10 including a new top band for the highest polluting cars. Low polluting cars will pay no car tax at all from 2010, whilst the most polluting cars will have to pay a higher rate of tax. This will be an incentive for people to purchase lower polluting cars.

Child poverty

The Government has set itself targets to eradicate child poverty by 2020 and to halve it by 2010. The Government will be providing additional money to support families with children, particularly those in work and on low incomes. Child benefit for the first child will increase to £20 per week from April 2009. The child element of the Child Tax Credit will increase by £50 a year above indexation from April 2009. Child benefit will be disregarded in calculating income for Housing and Council Tax Benefit from October 2009. This means that a working family with one child on the lowest income will gain an extra £17 per week.

The Government will also provide an extra £125m to tackle child poverty over the next three years. Overall, the Chancellor predicts that these measures will lift 250,000 more children out of poverty. However, this is likely to leave the Government still half a million short of meeting its target to halve child poverty by 2010-11 if further measures are not forthcoming.

Welfare reform

In order to help people on benefits back to work, the Government said that it would be introducing in 2008 a new Employment and Support Allowance, which will replace the current system of incapacity benefits for new claimants. It will be accompanied by a new Work Capability Assessment, which will focus on what a person can do in work. From April 2010 all incapacity benefits claimants who began their claim before October 2008 will be required to take the Work Capability Assessment.

Fuel poverty

Energy companies currently spend £50m a year on social tariffs, but the Government would like to see this rise to £150m a year. In consultation with the energy companies and Ofgem, the Government has said that it will prepare a plan for voluntary and statutory action to achieve this.

The Government has already committed to pay in this Parliament winter fuel payments of £200 to households with someone over 60 years old and £300 if over 80 years old. The Government have said that there will be an additional one-off payment of £100 to 'over 80's' households and £50 for 'over 60's' households in 2008-9.

Taxation

The Government confirmed that all non-domiciles who have been residing in the UK for seven years or more would after April 2008 have to either pay an annual levy of £30,000, or be taxed on the same basis as other UK residents.

The Chancellor has decided to postpone the increase of 2p on fuel duty from April to October 2008.

The Government confirmed that the basic rate of income tax would be reduced by 2 per cent from 22 per cent to 20 per cent from April and that the 10 per cent band would be abolished.

Alcohol duty has increased by 6 per cent above inflation. Beer has increased by 4p per pint, wine by 14p per bottle, spirits by 55p per bottle and cider by 3p per litre. These additional alcohol duties will raise over £1.5 billion for the Treasury over three years to 2010-11.

Tobacco has risen by 11p per packet of 20 cigarettes. There has also been an increase of 4p on a packet of five cigars.

Education and skills

It was announced that the Department for Children, Schools and Families would take forward a £200m package to raise the level of support to under achieving schools and to try and improve the GCSE grade levels attained by children. The new package will also support the rolling out of the London Challenge Model around the country, which will empower more of the best head teachers enabling them to turn around the lowest performing schools.

In collaboration with the private sector, the Government will provide a third of the £30m total funding to enhance the teaching of science in schools. The Government will provide £60m to train people to enable them to find work. This includes additional apprenticeships to help tackle skills gaps and shortages.

Housing and mortgages

From April 2008, more key workers will be allowed to borrow from shared equity schemes to purchase property. Until now these were only available to those who could afford three quarters of the price of their new home. The scheme is being extended to help those able to afford half of the price of their new home. Stamp duty on shared ownership homes will not be required until buyers own 80 per cent of the equity in their home.

The Government will consult with the UK mortgage industry on proposals for long-term fixed rate mortgages, which are more commonplace in other countries and make a statement in the Autumn 2008 Pre-Budget Report.

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
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.

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
DCLG	Department for Communities and Local Government
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
ONS	Office for National Statistics
PMI	Purchasing Managers' Index
PWC	PricewaterhouseCoopers
RICS	Royal Institute of Chartered Surveyors

Past features

Issue

43 Ready for Retail - GLA Economics' work in the retail sector
44 Women, ethnicity and part-time work in London's labour market
45 The London living wage in 2006
46 Barker Review of Land Use Planning
47 London Economic Development Snapshot
48 A new Local Area Tourism Impact model for London
49 What works with tackling worklessness?
50 Retail in London
51 Who are London's low paid?
52 London's opportunities in emerging markets
53 London Economic Development Snapshot
London's employee jobs - the latest trends
54 Crossrail: Where is it going?
55 How large is wage inequality in London?
Budget 2007: The implications for London
56 The McKinsey Report and its relevance to London's financial services sector
57 Focus on key London employment sectors
58 Increasing London's housing supply
59 London Economic Development Snapshot
60 Creative London - London's Creative Sector: 2007 Update
61 The value of London's key exports
62 Globalisation, skills and employment: The London story
63 Working hard or hardly working? How cities could work better. GLA Economics' international conference reviewed
64 London's Central Business District: Its global importance
65 London Economic Development Snapshot
66 Women, employment and the gender pay gap

GLA Economics
City Hall
The Queen's Walk
London SE1 2AA

Tel 020 7983 4922
Fax 020 7983 4137
Email glaeconomics@london.gov.uk
Internet www.london.gov.uk

ISSN 1740-9136 (print) ISSN 1740-9195 (online) ISSN 1740-9144 (email)

London's Economy Today is published by email and on www.london.gov.uk towards the end of every month. It provides an overview of the current state of the London economy, and a changing selection of the most up-to-date data available. It tracks cyclical economic conditions to ensure they are not moving outside the parameters of the underlying assumptions of the GLA group and central government.

Subscribe
Subscribe online at http://www.london.gov.uk/mayor/economic_unit

Disclaimer
GLA Economics uses a wide range of information and data sourced from third party suppliers within its analysis and reports. GLA Economics cannot be held responsible for the accuracy or timeliness of this information and data.

GLA Economics, Transport for London, the London Development Agency and the Greater London Authority will not be liable for any losses suffered or liabilities incurred by a party as a result of that party relying in any way on the information contained in this publication.

Other formats

For a summary of this document in your language, or a large print, Braille, disc, sign language video or audio tape version, please contact us at the address below:

Public Liaison Unit
Greater London Authority
City Hall
The Queen's Walk
London SE1 2AA

Tel **020 7983 4100**
Minicom **020 7983 4458**
www.london.gov.uk

Please provide your name, postal address and state the publication and format you require.

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.

GLA Economics is funded by

Transport for London

LONDON DEVELOPMENT AGENCY

MAYOR OF LONDON