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In this issue

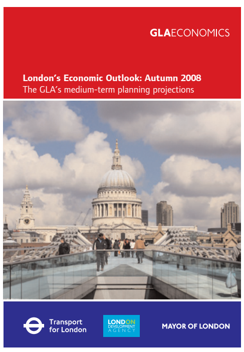
GLAECONOMICS

Central banks coordinate interest rate cuts amidst banking crisis

by **Gordon Douglass**, Economist and **Christopher Lewis**, Senior Economist

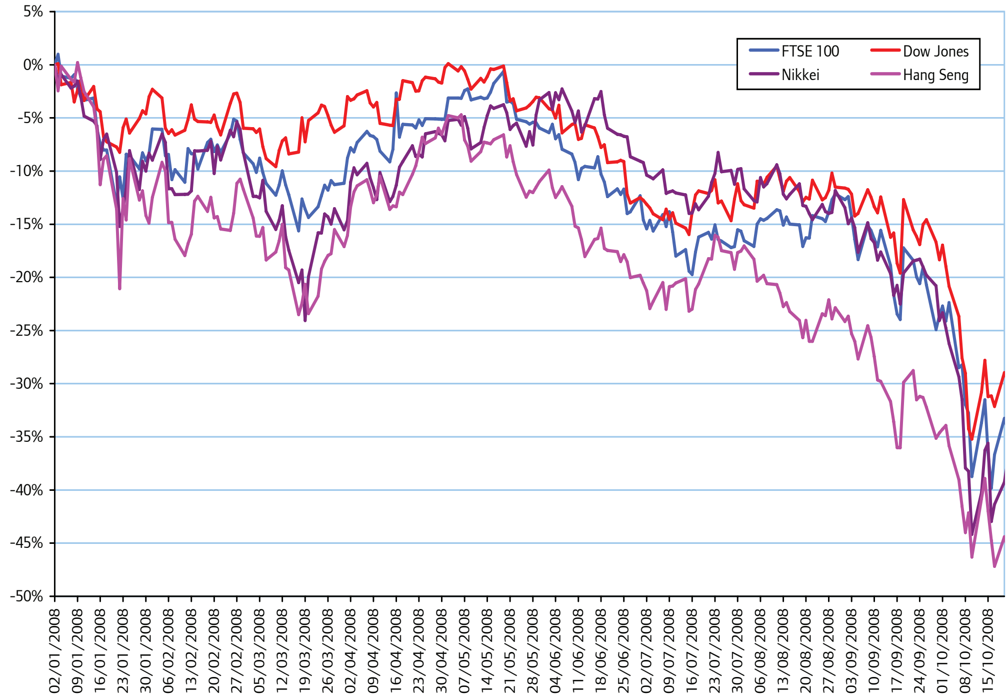
In a coordinated response to financial market turmoil the Bank of England, European Central Bank (ECB), and Federal Reserve (Fed), along with the central banks of Canada, Sweden and Switzerland cut interests rates by 50 basis points on 8 October. The Chinese central bank cut rates by 27 basis points. These cuts takes UK interest rates to 4.5 per cent, with the Eurozone's standing at 3.75 per cent and US interest rates at 1.5 per cent. The cuts were in response to a month of considerable turmoil on global financial and stock markets (see Figure 1), which started with the collapse of Lehman Brothers.

Latest news...



- **London's Economic Outlook: Autumn 2008 - The GLA's medium-term planning projections.** GLA Economics' thirteenth London forecast suggests that: London's Gross Value Added (GVA) growth rate should slow sharply to 0.8 per cent in 2008, and to only 0.2 per cent in 2009 before recovering slightly to 1.9 per cent in 2010. Visit **www.london.gov.uk/mayor/economic_unit** to download this publication.

Figure 1: Stock market performance since January 2008 (percentage change) Last data point is 20/10/08
Source: EcoWin, FT



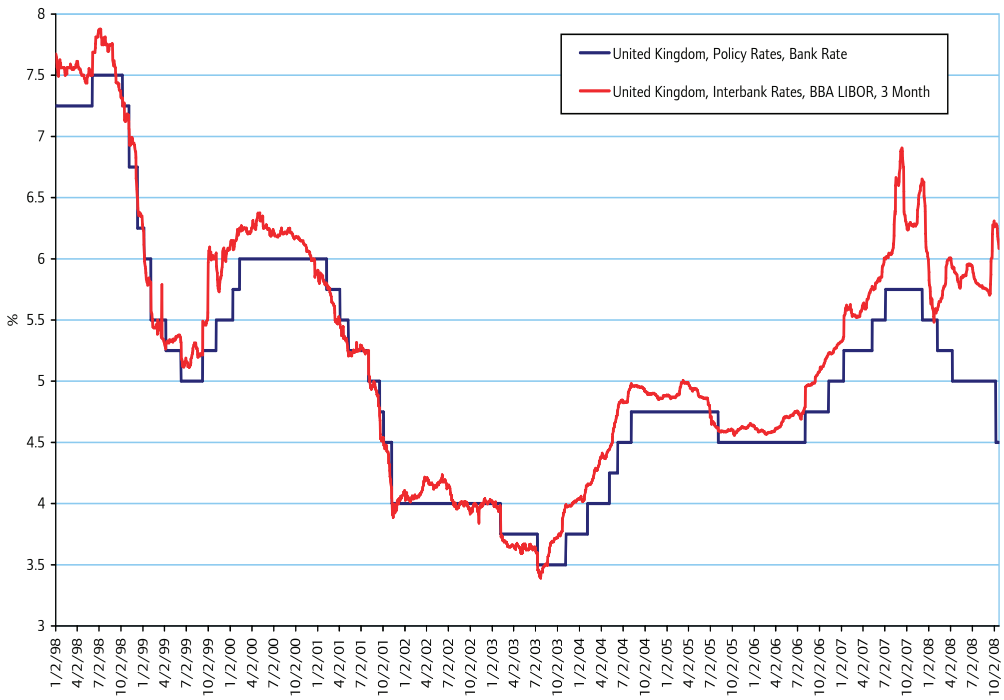
Government intervenes in the UK banking sector

In the UK, financial market turmoil led to the government announcing plans to part nationalise a number of banks. The full cost of the government's plan is in the range of £0.5 trillion. This includes: £50 billion for recapitalisation of banks; the cost of increasing the short-term loans available under the Special Liquidity Scheme to £200 billion; and £250 billion in loan guarantees for the banks' short and medium term debt (made available at commercial rates in return for the banks increasing their capital by the end of the year). The loan guarantees were provided in order to encourage banks to resume lending to each other and hence onto consumers and businesses. This was needed because long-term inter-bank lending had dried up in the turmoil of September and October as banks lost confidence in each others stability, as shown by the historically wide spread between the Bank base rate and 3 month LIBOR rate (see Figure 2).

On 13 October it was announced that RBS, HBOS and Lloyds TSB would raise £37 billion from the recapitalisation scheme. If existing shareholders do not buy any of the new shares issued by RBS, HBOS and Lloyds TSB then the government will end up owning around 60 per cent of RBS and 40 per cent of a combined HBOS and Lloyds TSB. RBS, HBOS and Lloyds TSB seem likely to pay no dividend until £9 billion worth of preference shares (with an interest rate of 12 per cent over five years) issued as part of the deal are repaid (although the Chancellor indicated on the 15 October that there may be some room for flexibility on this after the first year). They have also promised to increase their mortgage and small business lending availability to 2007 levels and the Treasury is expected to appoint three directors to the board of RBS and two to the board of a combined HBOS-Lloyds TSB. The move is aimed at recapitalising the banks but will also send a strong signal to the banks' creditors that they are likely to be protected against any further losses, which it is hoped will help ease the anxiety in the money markets.

Figure 2: Bank of England's Repo rate and the 3 month London Inter-Bank Offered Rate (LIBOR)
Last data point is 20/10/08

Source: EcoWin



The government's recapitalisation plan follows on from the part nationalisation of Bradford and Bingley on 29 September. The government took control of Bradford and Bingley's £50 billion worth of mortgages and loans, whilst Santander took over Bradford and Bingley's savings unit and branches for about £600 million, with the savings accounts backed by HM Treasury and the Financial Services Compensation Scheme (FSCS). This action could well lead to hefty losses for the UK banking system, as any initial un-recovered costs of the government action (including interest on the government's loan to Santander), will be covered by the FSCS, which is funded by all deposit takers (i.e. banks and building societies.) The move is likely to see branch closures as Santander streamlines its UK operations, which include Abbey and Alliance and Leicester.

Other financial market news

A full description of the financial market turmoil in September until 14 October can be found in the autumn 2008 edition of London's Economic Outlook. The key points were:

- The collapse of the Icelandic banking system. A number of UK local authorities and other governmental agencies, along with businesses and charities have deposited money (approximately £1 billion) with Icelandic banks and there are concerns that they may loose out; a number of London councils, the Metropolitan Police Authority and TfL are amongst those that could be affected.

- In the US the government passed the Emergency Economic Stabilization Act of 2008 on 3 October. The US government will use some of the $700 billion package to buy distressed assets from banks, whilst $250 billion will be used to take equity stakes in a number of banks, with nine major banks signed up for the first wave.

- After a meeting in Paris on 12 October European governments came up with a near €2 trillion package to deal with the crisis. Germany announced on the 13 October a bill that would allow it to guarantee around €400 billion of inter-bank lending and inject €70 billion of capital into German banks, whilst France announced a €360 billion (approx.) package with €320 billion of loan guarantees to run until the end of 2009 and €40 billion to buy stakes in French banks.

- Global central banks undertook unprecedented action in the money markets with the ECB, Bank of England and Swiss National Bank announcing on 13 October that they were willing to inject unlimited dollar funding into the markets. This means that the swap lines between these central banks and the Federal Recerve will now expand to whatever size is deemed necessary to unblock the financial markets. This followed on from earlier moves by the ECB to offer unlimited euro liquidity and the Bank of England expanded its Special Liquidity Scheme. The Fed announced on 7 October that it would begin purchasing short-term debt, commercial paper, from banks and corporations; this was in response to the difficulties companies have been facing in issuing commercial paper for long-term time periods.

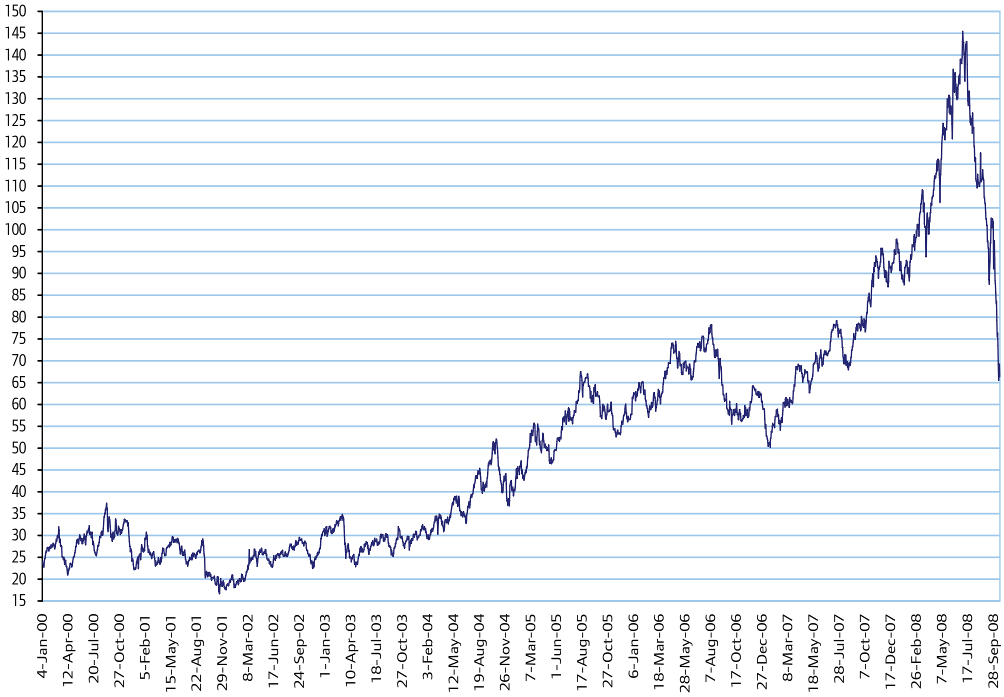
- A number of European governments gave a variety of guarantees to retail customer bank depositors. The EU as a whole agreed on the 7 October to increase the gurantees on customers' bank deposits to at least €50,000. The UK government increased its guarantee to £50,000.

UK inflation increases but may have now peaked

Consumer price index (CPI) inflation hit 5.2 per cent in September, up from 4.7 per cent in August. Meanwhile retail price index (RPI) inflation rose to 5 per cent in September up from 4.8 per cent in August. September's RPI inflation is used in the calculation of the increase in state benefits and pensions, which will put further pressure on the governments dramatically worsening fiscal outlook. The rise in inflation in September was mainly caused by rises in gas and electricity bills. Still, there is mounting evidence that inflation may have peaked. Input price inflation is falling and average earnings growth remains subdued. With commodity prices abating, due to expected future falling demand caused by a slowing global economy, as shown by the fall in oil prices to below $70 a barrel in October (see Figure 3), it is likely that the Bank of England's recent cut in interest rates will be the first of a series of cuts.

Figure 3: Brent crude oil price (US $ per barrel) Last data point is 20/10/08

Source: FT.com



Housing and commercial property market weakness to hit construction industry

RICS' most recent Housing Market Survey showed that completed sales in the UK fell over the three months to September to 11.5 per surveyor (the lowest since the survey began in 1978) with London sales falling to 8.3 per surveyor. With the UK economy set to go into a recession (defined as two consecutive quarters of negative economic growth) it is likely that the housing market will face further serious challenges over the next couple of years. The economic slowdown is also damaging the commercial property market with research by NB Real Estate finding that rents on prime City offices down from £65 per sq ft to £57.50 per sq ft compared with last year, whilst vacancies had increased by over 2 million sq ft. Weakness in the construction industry for private sector projects, especially new housing, looks set to worsen.

UK and London economies facing tough conditions

UK unemployment rose by 164,000 between June and August, the fastest rate of increase since 1991, to 1.79million. The unemployment rate increased to 5.7 per cent from 5.2 per cent in the previous quarter. Meanwhile London's unemployment total rose by 39,000 to just over 300,000. The IMF in its latest forecast predicts that the UK economy will grow by 1 per cent in 2008 before contracting in 2009 by 0.1 per cent. Signs of any growth in the second half of 2008 are bleak with the service and manufacturing sides of the economy looking poor.

The only major piece of positive news is that the recent depreciation of sterling should support net export growth. Meanwhile investment and consumption is expected to weaken further due to the credit crunch and severe pressure on real disposable incomes. Begbies Traynor, the country's largest corporate insolvency specialist, has warned that 323 retailers were on its "critical watch list", each with a 70 per cent or more chance of failure in the New Year. Michael Page a recruitment agency specialising in finance and accountancy observed a 15 per cent fall in business in the third quarter of 2008, indicating the worsening nature of the financial sector.

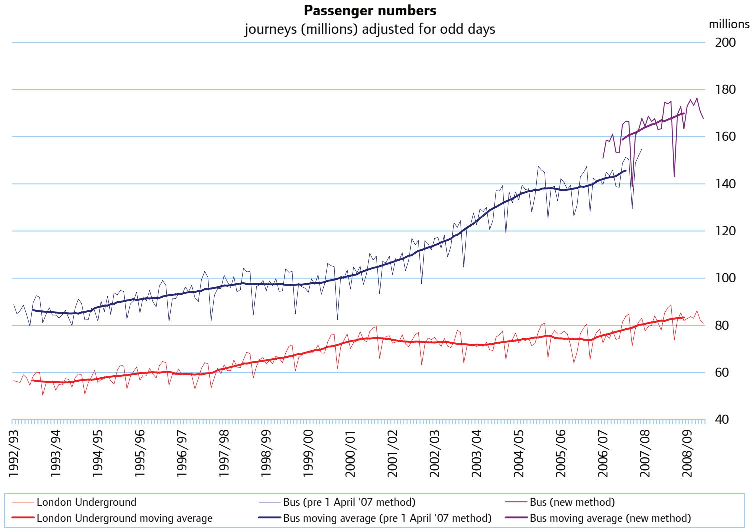
The international economic background has also worsened over the last couple of months. The Federal Reserve indicated weakened economic activity in September with consumer spending falling. There is also continuing evidence of an economic slowdown spreading in the Eurozone, with Ireland having already entered a recession. With this global background employment in London is expected to decline over the next couple of years.

Economic indicators

Increase in moving average of passenger numbers

- The most recent 28-day period is from 17 August 2008 to 13 September 2008. London's Underground and buses had 248.4 million passenger journeys; 167.7 million by bus and 80.7 million by Underground.
- The moving average of passengers every period increased to 253.2 million from a downwardly revised 252.7 million. The moving average for buses was 169.9 million. The moving average for the Underground was 83.4 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 issue 58 (June 2007).

Latest release: October 2008
Next release: November 2008

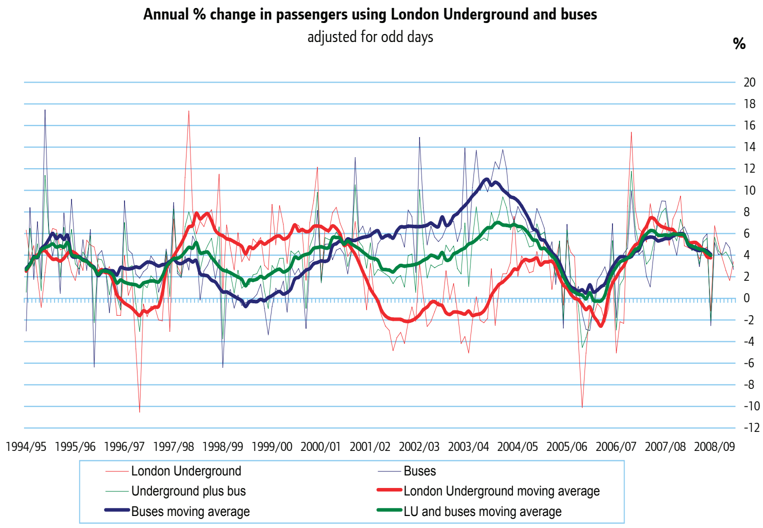


Source: Transport for London

Average annual growth rate of passengers decreases slightly

- The moving average annual rate of growth in passenger journeys decreased to 4.0% from a downwardly revised 4.2% in the previous period.
- The moving average annual rate of growth in bus passenger journey numbers decreased to 4.1% from a downwardly revised 4.4% in the previous period.
- The moving average annual rate of growth in Underground passenger journey numbers decreased to 3.7% from 3.9% in the previous period.

Latest release: October 2008
Next release: November 2008

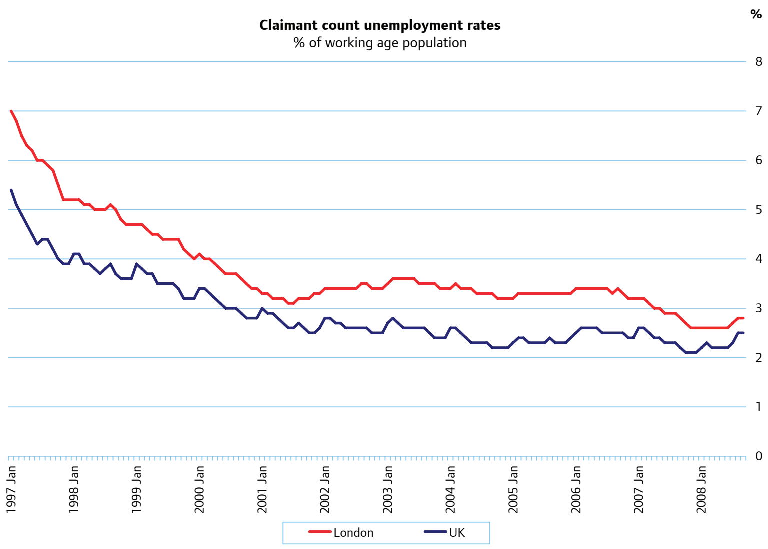


Source: Transport for London

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 2.8% in September 2008.
- There were 142,800 unemployment claimants in London in September 2008 compared with 141,300 in September 2007.
- The claimant count unemployment rate of the UK remains below that of London.

Latest release: October 2008
Next release: November 2008

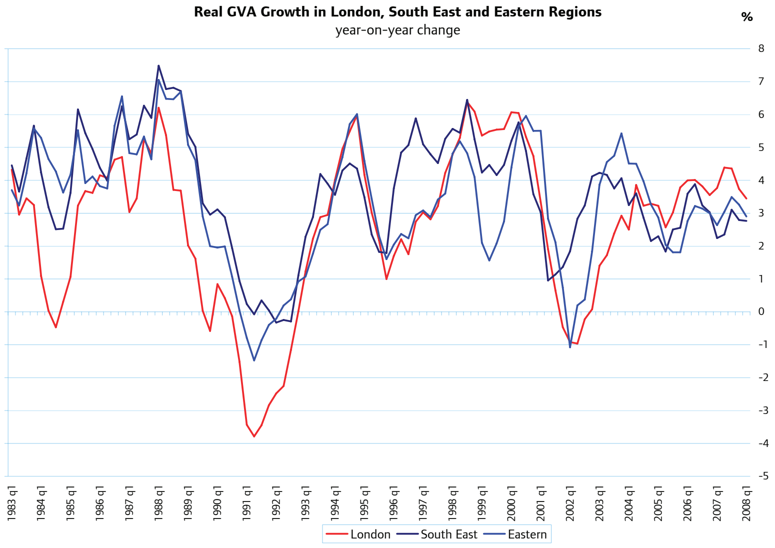


Source: Claimant Count, Nomis

Annual output growth eases in London

- London's annual growth in output decreased to 3.4% in Q1 2008 from a downwardly revised 3.7% in Q4 2007.
- Annual output growth in the South East remained at 2.8% in Q1 2008.
- Annual output growth in the Eastern region decreased to 2.9% in Q1 2008 from a downwardly revised 3.3% in Q4 2007.

Latest release: August 2008
Next release: November 2008

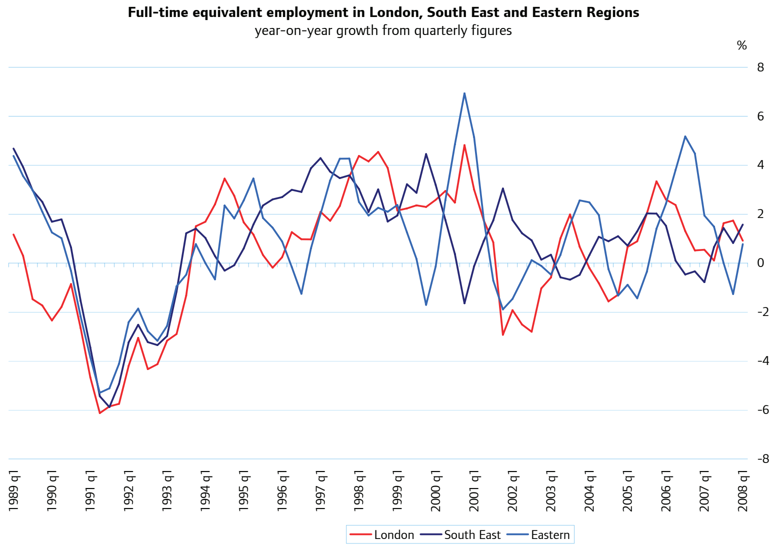


Source: Experian Business Strategies

Annual employment growth in London slows

- London's annual employment growth decreased to 0.9% in Q1 2008 from a downwardly revised 1.7% in Q4 2007.
- Annual employment growth in the South East increased to 1.6% in Q1 2008 from a downwardly revised 0.8% in Q4 2007.
- Annual employment growth in the Eastern region increased to 0.8% in Q1 2008 from a downwardly revised –1.3% in the previous quarter.

Latest release: August 2008
Next release: November 2008

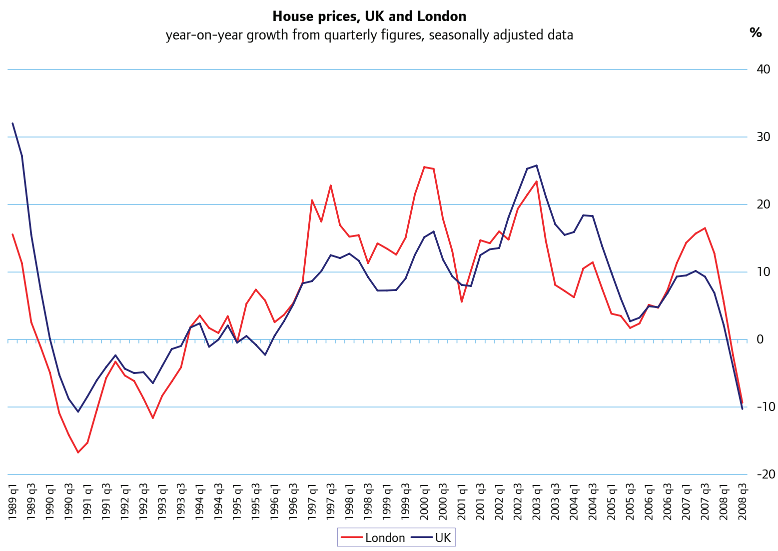


Source: Experian Business Strategies

Falling house prices

- Nationwide reported that house prices in London fell at their fastest year-on-year rate since Q4 1992 in Q3 2008.
- Annual house price inflation in London was –9.4% in Q3 2008, down from -2.3% in Q2 2008.
- Annual house price inflation in the UK was –10.3% in Q3 2008, down from -4.0% in Q2 2008.

Latest release: October 2008
Next release: January 2009

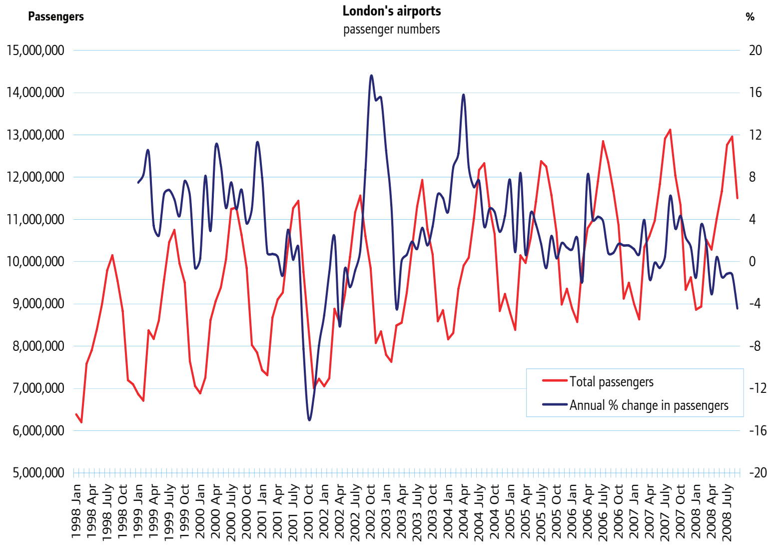


Source: Nationwide

Weak airport passenger numbers

- 11.5 million passengers travelled through London's airports in September 2008.
- The number of passengers using London's airports decreased by 4.4 per cent from September 2007 to September 2008.
- The number of passengers using London's airports year-on-year has been negative for most of 2008.

Latest release: October 2008
Next release: November 2008

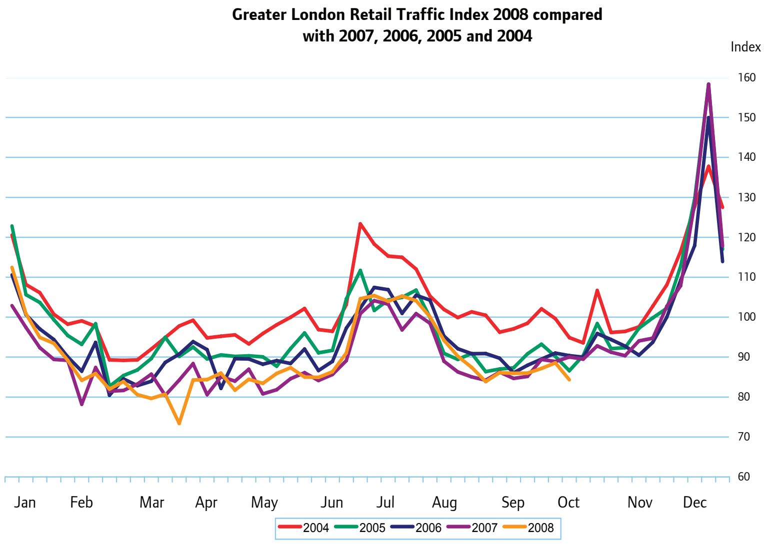


Source: Civil Aviation Authority

SPSL Retail Traffic below 2007 levels

- The SPSL Retail Traffic Index of shoppers in London was 84.3 in the first full week of October compared to 88.5 in the previous week.
- The index has been below 2007 levels since mid-September.
- SPSL's Retail Traffic Index measures the number of shoppers and does not necessarily reflect the level of spending.

Latest release: Mid-October
Next release: Weekly

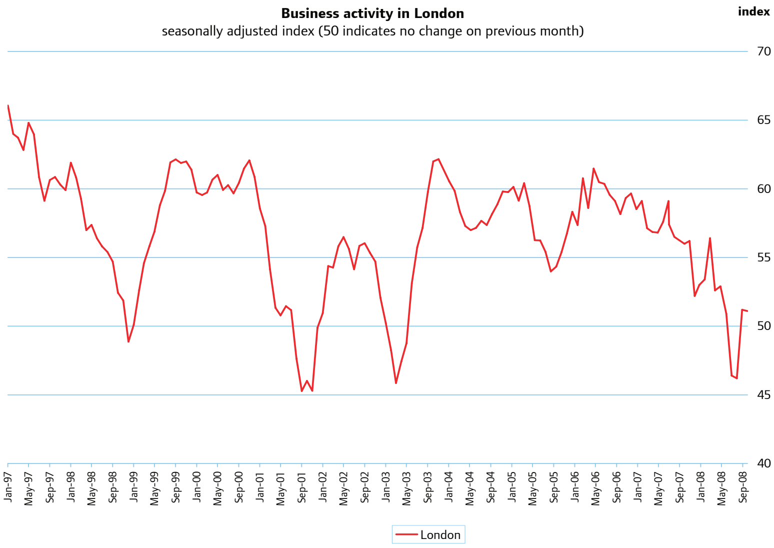


Source: SPSL

London's business activity increases slightly

- London firms increased their output of goods and services in September 2008.
- The Purchasing Managers' Index (PMI) of business activity recorded 51.1 in September compared to 51.2 in August.
- A rate of above 50 on the index indicates an increase in business activity from the previous month.

Latest release: October 2008
Next release: November 2008

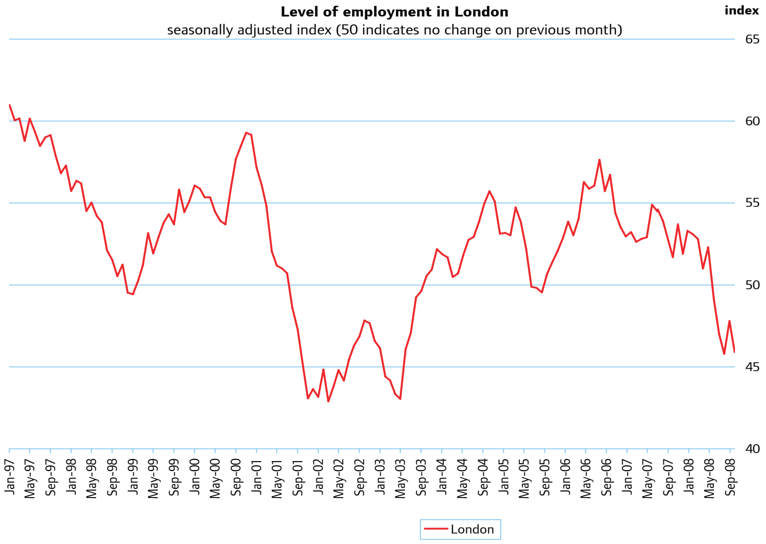


Source: RBS/Markit Economics

London employment weakens further

- The PMI shows that the level of employment in London firms decreased in September 2008.
- The PMI for the level of employment was 45.9 in September compared to 47.8 in August.
- A rate of below 50 on the index indicates a decrease in the level of employment from the previous month.

Latest release: October 2008
Next release: November 2008

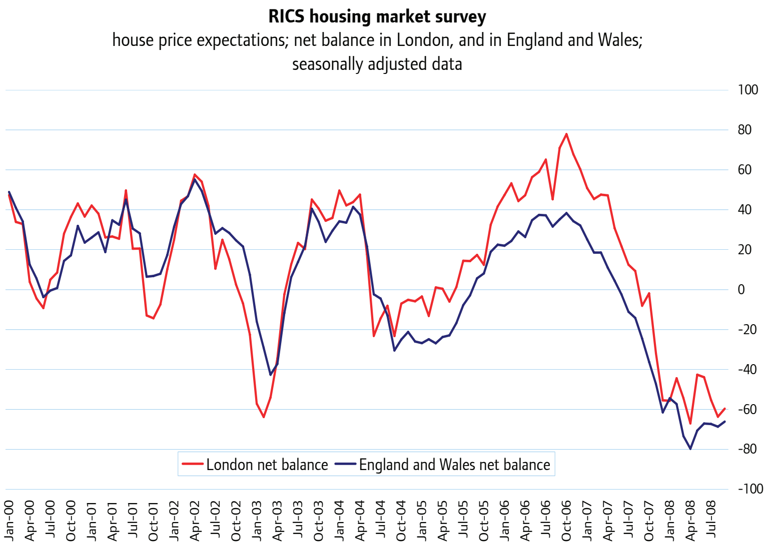


Source: RBS/Markit Economics

Surveyors expect house prices to fall

- The RICS survey shows that surveyors expect house prices to continue to decrease over the next three months in London and in England and Wales.
- The net house price expectations balance in London was -60 in September 2008, up from -64 in August.
- For England and Wales, the net house price expectations balance was –66 in September 2008, up from –69 in August.

Latest release: October 2008
Next release: November 2008

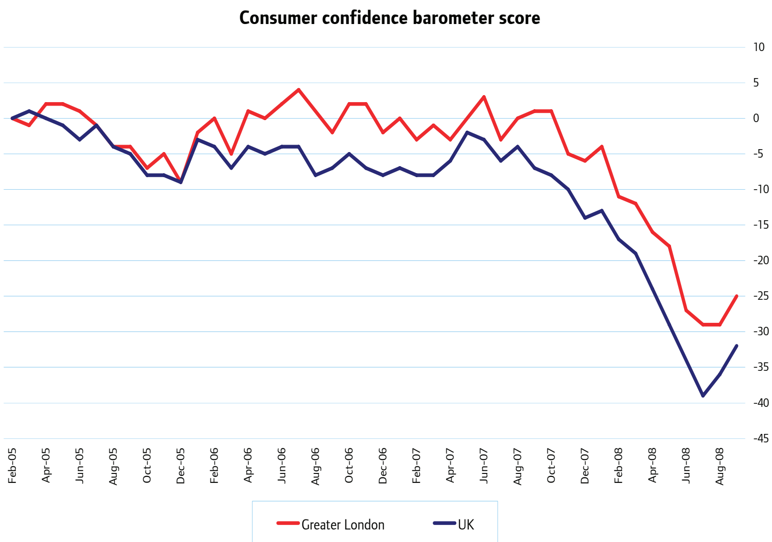


Source: Royal Institute of Chartered Surveyors

Consumer confidence still negative

- 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 below zero signifies a negative change in views.
- For Greater London the consumer confidence score increased to –25 in September from -29 in August.
- For the UK the consumer confidence score increased to –32 in September from –36 in August.

Latest release: September 2008
Next release: October 2008



Source: GfK NOP on behalf of the European Commission

The LDA′s London Annual Business Survey (LABS)

Keith Blakemore,
Economist

LABS is the annual survey of private sector businesses in London that has been undertaken by the LDA since 2003. The survey covers all types of businesses in terms of size, sectors, and organisation type (limited companies, private limited companies (PLCs), sole-traders, family-owned businesses, franchises, and social enterprises). At least 4,000 businesses in London are interviewed each year.

- The main questionnaire for LABS 2007 included 78 questions covering:

- Business profile
- Workforce
- Turnover, profit and productivity
- Investment and access to finance
- Sales and purchasing
- Priorities, problems, and constraints on businesses, and the geographical spread of customers and suppliers
- Information technology and innovation
- Research and collaboration
- Business practices and advice
- Management competencies

Performance of businesses in London

The fieldwork for LABS 2007 was undertaken in Oct-Dec 2007 and there were already signs that the performance of businesses in London was turning down. The balance of businesses reporting increases in employment, turnover, productivity and profitability over those reporting decreases was already deteriorating when compared to the previous year. This was clearly related to the downturn already emerging in certain sectors, and it would not be surprising if the next survey showed a significant downturn across most sectors.

An important function of LABS is to look at the underlying factors affecting the performance of businesses and how these are changing, as this is an area where the LDA can most usefully have an input. Factors measured by the survey that affect the performance of businesses include their underlying priorities, innovativeness, geographical spread of customers and supplies, access to external finance and level of business support received. The survey also asks businesses what they believe are the main factors behind changes in their performance.

Each year LABS asks businesses that have experienced an increase in employment or productivity (and similarly those that have experienced decreases) what they believe are the main factors behind this. The main factor year to year has been changing market conditions in their sector. After changing market conditions businesses that increased employment said the main factors behind this were: the need for new staff with specific skills (37 per cent);

general business restructuring (28 per cent); the introduction of new products or services (24 per cent); the introduction of flexible working (13 per cent); and the introduction of new technology/equipment (11 per cent).

For businesses that increased their productivity, the main reasons given were more biased towards technical improvements with 36 per cent saying greater IT use, 30 per cent saying installation of more technically advanced equipment, and 21 per cent citing increases in capital expenditure as the main reasons. Workforce issues however were still quite important with 30 per cent of businesses saying that recruitment of more skilled staff, and 21 per cent of businesses saying that an increase in staff wages or benefits were main reasons for increasing productivity. Significantly 27 per cent of businesses said that the introduction of flexible working was a main reason for increasing productivity.

Figures 4 and 5 show how these percentages have changed between each survey. The percentages giving general business restructuring and the requirement for new staff with specific skills as reasons for increasing employment have increased the most, and there has been a small increase in the percentage giving introduction of flexible working as a reason for increasing employment. The percentages giving different reasons for increasing productivity have changed more markedly, with the percentages giving recruitment of more skilled staff and greater IT use as reasons increasing significantly. There has also been some increase in the percentages giving an increase in staff wages or benefits, and the installation of more technically advanced equipment as reasons. The percentage giving flexible working as a reason has increased overall since 2003 but there are signs that this has not increased any further in importance as a reason for increasing productivity over the past couple of years.

Figure 4: Reasons given by businesses in London for increases in employment

Source: LABS 2003-2007

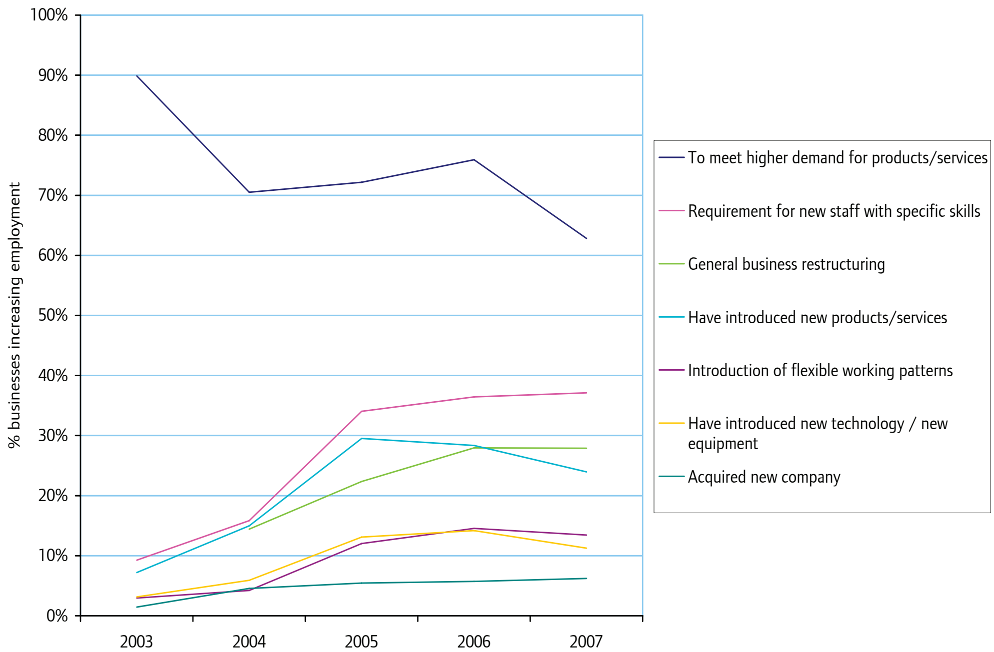
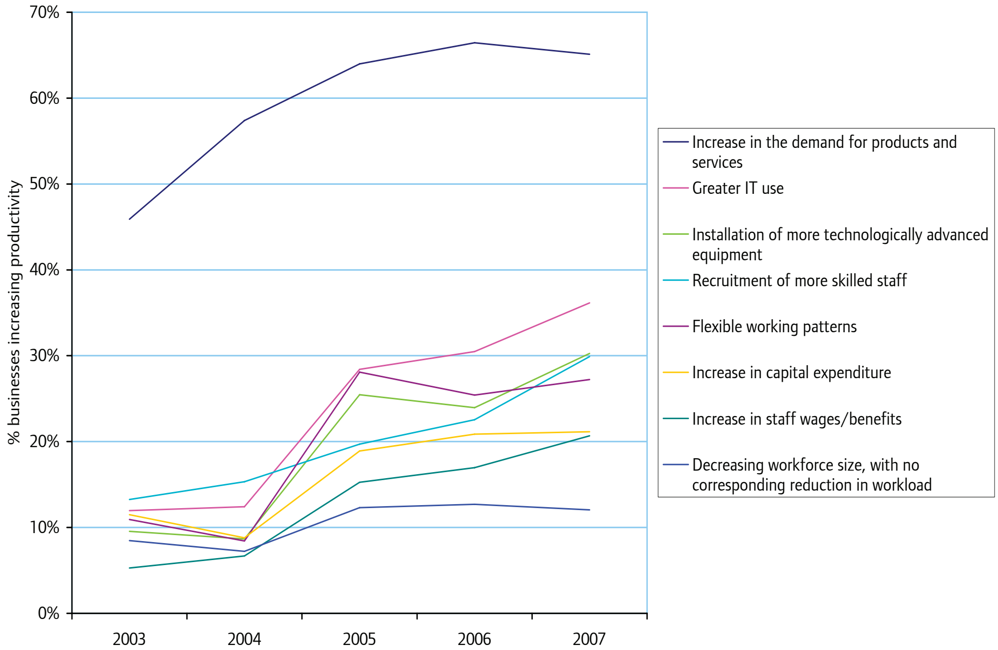


Figure 5: Reasons given by businesses in London for increases in productivity

Source: LABS 2003-2007



Looking at how other factors measured by LABS appear to affect the performance of businesses, the priorities of businesses and innovation appear to be particularly important.

Businesses that give a higher priority to 'value-added' factors such as quality of products or services, uniqueness of products or services, improving innovation and the technical performance of products and services, speed of delivery, and knowledgeable/experienced staff appear to have been performing significantly better in terms of increasing employment or productivity up to the 2007 survey, while businesses that give a higher priority to low prices or a low cost base appear to have been performing significantly less well. There is of course the question of whether this is still the situation in the current economic situation.

Innovation is an important factor underlying improvements in the performance of businesses. Traditional measures of innovation (eg R&D expenditure, numbers of new patents) are increasingly seen to not pick up the true extent of innovation, and particularly for a more services/less manufacturing based economy like London. LABS therefore attempts to measure the innovativeness of businesses by four factors: (1) whether they have introduced new products or services; (2) whether they have introduced significant modifications to existing products or services; (3) whether they have introduced significant new equipment; and (4) whether they have introduced significant changes to working methods. Table 1 shows the percentage of those businesses that had experienced an increase in their employment or productivity in the previous 12 months that had introduced each of these types of innovation, compared to the percentages for businesses that had experienced a decrease in their employment or productivity. From Table 1 it can be seen that businesses that experienced an increase in either employment or productivity are significantly more likely to have also introduced one of the four types of innovation, and that the relationship between improved productivity performance is particularly strong.

Table 1: Relationship between the performance of businesses in London and innovation

Source: LABS 2007

Employment

(%)	Employment			
	Total	Increased	Stayed the same	Decreased
	a	b	c	d
Unweighted row	4527	1438	2448	590
Total	355969	59025	256845	36557
New products or services	26%	41%	22%	33%
Modifications to existing products of services	20%	30%	18%	22%
Equipment	17%	25%	15%	20%
Changes in working methods or workforce organisation	17%	32%	12%	29%
None of the above	56%	37%	62%	44%

Productivity

(%)	Productivity			
	Total	Increased	Stayed the same	Decreased
	a	b	c	d
Unweighted row	4527	1936	1878	306
Total	355969	116303	174994	32672
New products or services	26%	32%	24%	16%
Modifications to existing products of services	20%	30%	15%	15%
Equipment	17%	22%	14%	12%
Changes in working methods or workforce organisation	17%	27%	11%	18%
None of the above	56%	46%	62%	64%

= significantly higher than total figure at 95% confidence level

= significantly lower than total figure at 95% confidence level

Problems/constraints on businesses in London

LABS asks businesses the extent to which they see different factors as problems/constraints on the running of their business on a scale of 1=no problem to 5=very significant problem. Table 2 shows the scores for these different factors in each year in terms of which factor received the highest average score through to the factor that received the lowest average score. There are clearly important differences between different types of businesses but this table shows the position of different factors based on the scores received across all businesses in London.

Government regulation, which was asked about for the first time in LABS 2007, came out as the highest scoring problem, although the score is slightly skewed by the particularly high score given by businesses in the construction sector. Transport within London was the next highest scoring problem (the same position as in previous years). Cost of premises went up to the third highest scoring problem in 2007 – probably reflecting when the survey was undertaken (Oct-Dec 2007). Having been the highest scoring problem in most previous years, the availability of appropriately skilled employees dropped to being the fourth highest scoring problem in LABS 2007. This is almost entirely due to an increase in the score on the cost of premises and transport within London, and to government regulation having been asked about for the first time. The absolute score on availability of appropriately skilled employees was approximately the same as in LABS 2006. The fifth highest scoring problem was transport in and out of London – the same position as in previous years.

Table 2: Problems/ constraints on businesses in London
Source: LDA London Annual Business Survey (LABS)

	Ranking				
Problems/constraints on businesses in London	**LABS 2003**	**LABS 2004**	**LABS 2005**	**LABS 2006**	**LABS 2007**
Government regulations	n/a	n/a	n/a	n/a	1
Transport within London	n/a	n/a	2	2	2
Cost of current premises	2	4	6	6	3
Availability of appropriately skilled employees	1	2	1	1	4
Transport*	5	3	n/a	n/a	n/a
Transport in and out of London	n/a	n/a	5	4	5
Cost of labour	3	6	4	5	6
Availability of affordable housing	6	9	9	3	7
Crime	n/a	1	3	7	8
Size of current premises	4	7	7	8	9
Proximity to customers or clients	7	10	10	11	10
Proximity of other companies in the same sector	8	8	11	10	11
Access to finance	n/a	5	8	9	12
Proximity to suppliers	9	11	12	12	13
Sample size	4073	4008	4002	5600	4527

* split between transport within London and transport in and out of London from 2005

The effect of crime on businesses was asked about in LABS 2007 (as in previous years) and was seen as the eighth most serious problem. Crime has been asked about each year since LABS 2004 and there appears to have been a significant fall in the number of businesses perceiving it to be a problem. There are however very significant differences in the perceptions of crime as a problem between different sectors, with it being seen as much more of a problem in the wholesale and retail, hotels and restaurants, construction, and transport and communications sectors. LABS 2007 also looked at this further and asked about the specific types of crime that were seen as a problem for businesses. This has enabled us to identify, as well as the level of problems associated with the standard British Crime Survey categories of business crime, the levels of problems associated with other (unprompted) categories of crime affecting businesses. Anti-social behaviour was identified by LABS 2007 as being a particular problem with nearly 20 per cent of businesses experiencing problems with crime saying anti-social behaviour was a particular problem for them.

Contact

If you require access to the underlying data for LABS 2007 or previous years' then please contact Keith Blakemore at the LDA (keithblakemore@lda.gov.uk).

Additional information

Data sources

Tube and bus ridership	Transport for London on 020 7222 5600 or email: enquire@tfl.gov.uk
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
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. In 2008/09 there are eleven 28-day periods, one 26-day period and one 31-day period. Period 1 started on 1 April.

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 2008/09 there are eleven 28-day periods, one 26-day period and one 31-day period. Period 1 started on 1 April.

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

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