

October 2004 Investment News

In this message:

1. Latest US Economic Indicators- Overview of US Economy
2. UK Economy - Key facts
3. Foreign Direct Investment into UK
4. UNCTAD Publishes World Investment Report 2004 - UK Maintains European Inward Investment Lead
5. Inward Investment for West Midlands Region
6. London Tops Best Business City in Europe
7. US Investment News
8. Cal-IT 2004
9. US Commercial Service Trade Events
10. New Hampshire Trade Mission
11. US Ambassadors to the Baltics Trade and Investment Mission
12. US Commercial Service International Buyer Program (IBP)
13. BAbi J1 (Exchange Visitor) Programme

LATEST US ECONOMIC INDICATORS

Estimates released by the US Bureau of Economic Analysis (BEA) show GDP grew at an annual rate of 3.3% in the second quarter of 2004. This follows a revised growth rate of 4.5% in the first quarter. Corporate profits rose \$8.3 billion in the second quarter of 2004.

The total after-tax income received by individuals, increased 0.4 % in August, and consumer spending increased less than 0.1% according to estimates released by the US Bureau of Economic Analysis.

The US monthly goods and services deficit widened in August 2004. The deficit increased \$3.5 billion from July to \$54.0 billion in August as imports of goods and services increased \$3.6 billion in August to \$150.1 billion and exports of goods and services increased \$0.1 billion in August to \$96.0 billion.

The US current account deficit increased to \$166.0 billion in the second quarter of 2004, from \$147.0 billion in the first quarter.

US owned assets abroad increased \$118.5 billion in the second quarter of 2004, following an increase of \$306.7 billion in the first.

Foreign-owned assets in the US increased \$265.2 billion in the second quarter of 2004 , following an increase of \$445.3 billion in the first.

For more information visit <http://www.economicindicators.gov/>

OVERVIEW OF THE US ECONOMY

For the latest statistics, comprehensive and most up-to-date overview of the US economy, visit <http://www.bea.gov/bea/glance.htm>

UK ECONOMY- KEY FACTS

The UK economy grew by 0.4% in the third quarter of 2004 . The level of GDP is now 3.1% higher than the same quarter of 2003.

In the second quarter of 2004, annual productivity growth as measured by output per worker for the whole economy was 2.0%. This is up from growth of 2.0% in the previous quarter.

Manufacturing output decreased by 0.4% in the three months to August compared with the three months to May.

In September, output price annual inflation for all manufactured products rose to 3.1%, from 2.8% in August, while input price inflation rose from 4.6% in August to 7.3% in September.

Distribution output increased by 0.4% in the three months to August compared with the three months to May. Retail output increased by 1.3% & wholesaling output increased by 0.3% in the three months to August.

The volume of retail sales in the 3 months period July to September 2004 was 1.1% higher than in the previous 3 months.

The unemployment rate fell slightly to 4.7%, from 4.8% the previous quarter.

Average earnings (excluding bonuses), rose by 4.3% in the year to August 2004, up from 4.2% in July. Including bonuses, average earnings rose by 3.9% in the year to August, unchanged from July.

In the year to August 2004, pay growth (including bonuses) in the private sector was 3.8%, compared with 4.2% for the public sector. Excluding bonus payments, private sector growth stood at 4.3%, compared with 4.2% for the public sector.

CPI inflation fell to 1.1% in September, down from 1.3% in August.

The UK's deficit on trade in goods and services in August stood at £4.0 billion—compared with the revised deficit for July of £3.6 billion. The deficit with the enlarged EU in July was almost unchanged at £2.2 billion.

The deficit with non-EU countries worsened to £3.0 billion.

The current account recorded a deficit of £6.4 billion in the second quarter of 2004—equivalent to 2.2% of GDP. This compares with a revised deficit of £5.5 billion in the first quarter of 2004. A deficit of £6.1 billion was recorded with the expanded EU compared with a deficit of £6.4 billion in the previous quarter. The current account with the non-EU countries, moved from a surplus of £0.9 billion in the first quarter to a deficit of £0.4 billion in the second quarter of 2004.

In September 2004 the public sector showed a deficit on current budget of £3.9 billion, compared with a deficit of £1.6 billion in September 2003.

Expenditures on acquisitions in the UK by foreign companies increased from £2.6 billion in quarter one 2004 to £7.1 billion in quarter two. Expenditures on acquisitions abroad by UK companies increased from £2.4 billion in quarter one 2004 to £2.7 billion in quarter two.

Expenditure on acquisitions in the UK by UK companies decreased from £12.4 billion in quarter one 2004 to £4.6 billion in quarter two.

Business investment for the second quarter of 2004 is 5.9% higher than the same period last year.

Total net investment by institutions was £2.1 billion in quarter two 2004, £11.7 billion higher than the figure for the first quarter.

Direct investment abroad showed net investment of £8.5 billion in the second quarter of 2004 and foreign direct investment in the UK showed net investment of £9.2 billion in the second quarter of 2004.

For more information visit the following websites:

<http://www.statistics.gov.uk/>

http://www.hm-treasury.gov.uk/economic_data_and_tools/latest_economic_indicators/data_indic_index.cfm

http://www.hm-treasury.gov.uk/economic_data_and_tools/forecast_for_the_uk_economy/data_forecasts_index.cfm

FOREIGN DIRECT INVESTMENT INTO UK INCREASES BY 14%

Direct investment into Britain from overseas leapt over the past financial year, with the number of projects set up by foreign firms in the UK rising by 14%.

The resurgence in inward investment saw 811 new business ventures set up by overseas groups, creating more than 25,000 jobs across the country in 2003-04. The figures, from the DTI's trade promotion arm, UK Trade & Investment, still place Britain at the top of the European league for foreign direct investment. Britain also succeeded in expanding its market share of projects placed across the EU by foreign firms, taking 23% of the ventures set up in the year - a rise from 19% in 2002-03. With 314 ventures established by American groups over the past year, Britain continues to take a dominant share of US inward investment in Europe.

For more information, visit

<http://www.invest.uktradeinvest.gov.uk/investmentbulletin/feature/index.cfm>

[UNCTAD PUBLISHES WORLD INVESTMENT REPORT 2004](#)

UK Maintains European inward Investment Lead

"The UNCTAD World Investment Report 2004 report endorses the UK's position as Europe's top inward investment location. We have both maintained the highest total stock and increased our share of European investment. The UK increased its inward investment stock by \$104 billion in 2003, to a total of \$672 billion, accounting for more than 20% of inward investment stocks in Europe.

The UK had \$672 billion of accumulated inward investment stock at the end of 2003, well ahead of second place Germany with \$545 billion, France \$433 billion and Netherlands \$335 billion. The UK increased its inward stock by \$104 billion in 2003. Belgium Luxembourg had the next highest increase, with \$97 billion. Then come France and Italy with increases of \$47 billion each.

[INWARD INVESTMENT BOOST FOR ENGLISH REGION](#)

London: Inward investment in the English West Midlands has increased in the first half of the financial year, according to the regional development agency for the region.

Advantage West Midlands reports that 1,525 new jobs have already been created, compared to a total figure of 2,316 for 2003-2004. The agency is actively involved in attracting investment to the region and operates a network of thirteen overseas offices in Europe, America, Canada and the Asia/Pacific region.

[LONDON TOPS "BEST BUSINESS CITY IN EUROPE" SURVEY](#)

London: For the 15th consecutive year, London has topped the Best City in Europe to Locate a Business survey, organised by property services specialist Cushman & Wakefield Healey & Baker.

London was voted best city to locate a business today and also ranked top for easy access to markets, qualified staff, external and internal transport links, availability of office space, languages spoken, and quality of telecommunications.

[US INVESTMENT NEWS](#)

[BROADCOM ACQUIRES ALPHAMOSAIC](#)

Broadcom Corporation, Corporate Headquarters, 16215 Alton Parkway, PO Box 57013, Irvine, CA 92619. Telephone: 001-949 450 8700 Fax: 001-949 450 8710 Website: www.broadcom.com
Alphamosaic Ltd, 335 Science Park, Milton Road, Cambridge CB4 0WN. Telephone: 01223-420003 Fax: 01223-420013 Website: www.alphamosaic.com

London: Broadcom Corporation, based in Irvine, California, a provider of integrated semi-conductor solutions for broadband communications, has acquired Alphamosaic, of Cambridge, eastern England, for an undisclosed sum. Alphamosaic is a developer of advanced mobile imaging, multimedia and 3D graphics technology for use in mobile telephones and other mobile devices.

Q1 LABS OPENS EUROPEAN OFFICE IN UK

Q1 Labs, Inc. Headquarters, 1000 Winter Street, Suite 2950, Waltham, MA 02451. Telephone: 001-781 250 5800 Email: info@q1labs.com Website: www.q1labs.com
Q1 Labs, Chiswick Park, Building 3, 566 Chiswick, London W4 5YA. Telephone: 020 8849 8025

London: Q1 Labs, US-based network security company, has opened a European office in London. Q1 Labs, which is based in Waltham, Massachusetts, provides organisations with surveillance, analysis and control technology to eliminate external threats and internal policy enforcement risks.

TSYS BUILDS EUROPEAN DATA CENTRE IN UK

TSYS, 1600 1st Ave. Columbus, GA 31901. Telephone: 001-706 649 2310 Fax: 001-706 644 8065 Website: www.tsys.com
TSYS Europe, Fulford Moor House, Fulford Road, York, YO10 4EY. Telephone: 01904-562000
TSYS European Data Center, Keith Harrison, IT Director Telephone: 01423 580101

London: TSYS, American consumer finance data company, has completed a 5,000 sqm data centre at Knaresborough, in the north of England, TSYS, which is based in Columbus, Georgia, has established the facility to accommodate expansion and client growth throughout the European continent.

PROCTER & GAMBLE TO INVEST US\$27 M IN UK FACILITY

The Procter & Gamble Company, 1 Procter & Gamble Plaza, Cincinnati, OH 45202. Telephone: 001-513 983 1100 Fax: 001-513-983 9369 Website: www.pg.com
P&G HABC Ltd, Pimbo Road, West Pimbo, Skelmersdale, Lancashire WN8 9PE. Telephone: 01695 711 000

London: Procter & Gamble (P&G), US-based consumer products group, is to invest US\$27 at its strategic distribution centre in Skelmersdale, north west England. P&G, which has headquarters

in Cincinnati, Ohio, employs about 130 people at the Skelmersdale facility. It is one of two such centres in the UK and Ireland used to distribute the full range of P&G products.

VINTELA OPENS EUROPEAN OFFICE IN UK

Vintela Inc, 333 South. 520 West, Ste 100, Lindon, UT 84042. Telephone: 001-801 655 2500 Fax: 001-801 655 2525 Email: sales@vintela.com Website: www.vintela.com

London: US company Vintela, based in Lindon, Utah, a provider of solutions that enable different computer operating systems to work together, has opened a European office in Oxford, south East England. Vintela provides a family of platform integration solutions, built around the Vintela Integrator Architecture (VIA), that allow non-Windows environments to integrate with Windows-centred environments.

DANAHER TO ACQUIRE LINX PRINTING TECHNOLOGIES

Danaher Corporate Office, 2099 Pennsylvania Ave, Washington DC 20006. Telephone: 001-202 828 0850 Fax: 001-202 828 0860 website: www.danaher.com
Linx Printing Technologies Plc, Head Office, Burrel Road, St Ives, Huntingdon, Cambridgeshire PE27 3LA. Telephone: 01480 302100 Fax: 01480 302 116 Website: www.hemscott.com

London: American corporation Danaher, based in Washington DC, has made an offer of US\$158 million for Linx Printing Technologies, a company quoted on the London stock exchange and located in St Ives, eastern England. The offer is subject to shareholder approval and other customary conditions.

Linx is an international supplier of a range of non-contact coding and marking equipment, based on inkjet and laser technologies. Danaher Corporation designs, manufactures and markets industrial and consumer products in two principal businesses: process and environmental controls, and tools and components.

VISUAL NETWORKS OPENS EUROPEAN HQ IN UK

Visual Networks, Inc. 2092 Gaither Road, Rockville, MD 20850 Telephone: 001-301 296 2300 Fax: 001-301-296 2301. Website: www.visualnetworks.com
Visual Networks European HQ, St Mary's Court, The Broadway, Amersham, Bucks HP7 0UT. Telephone: 01494 582019 Fax: 01494 582020

London: American company Visual Networks, based in Rockville, Maryland, a provider of computer network and application performance management solutions, has opened its European headquarters in Amersham, south east England.

The company's products are said to increase application and network availability, optimise the use of bandwidth, and reduce operating costs across traditional and IP- based infrastructures.

ARBORTEXT ACQUIRES ADVENT3B2

Arbortext, Inc. 1000 Victors Way, Ann Arbor, MI 48108-2706 Telephone: 001-734 997 0200 Fax: 001-734 997 0201 Website: www.arbortext.com
Advent3B2, 3B2 House, Swindon, SN14BA Telephone: 0870 777 8555 Fax: 01793 536616
Website: www.eb2.com

London: Arbortext, US-based provider of enterprise publishing software, has acquired Advent Publishing Systems (Advent3B2), based in Swindon, south west England.

Advent3B2 develops and markets a range of publishing software based on the latest industry standards, including XML. Its customer base includes Boeing, GlaxoSmithKline and the US Patent and Trademark Office.

VARIAN ACQUIRES MAGNEX SCIENTIFIC

Varian, Inc. Corporate Headquarters, 3120 Hansen Way, Palo Alto, CA 94304-1030. Telephone: 001-650 213 8000 Email: custserv@varianinc.com Website: www.varianinc.com
Magnex Scientific Ltd, The Magnet Technology Centre, 6 Mead Road, Oxford Industrial Park, Yarnton, Oxfordshire OX5 1QU. Telephone: 01865 853800 Fax: 01865 842466 Website: www.magnex.com

London: Varian, US-based supplier of scientific instruments, vacuum technologies and specialised contract electronics manufacturing services, is to acquire superconducting magnet specialist Magnex Scientific, based in Oxford, south east England, for US\$32 million.

Magnex Scientific is a leading designer and manufacturer of magnetic resonance (MR) imaging magnets, vertical, high-resolution nuclear magnetic resonance (NMR) magnets, and associated technologies. The company currently supplies equipment to the value of approximately \$10 million per annum to Varian, which is based in Palo Alto, California.

NORTHBROOK TECHNOLOGY TO CREATE 660 UK JOBS

Allstate Corporation, 2775 Sanders Road, Northbrook, IL 60062. Telephone: 001-847 402 5000 Fax: 001-847 836 3998 Website: www.allstate.com

Northbrook Technology, 9 Lanyon Place, Belfast BT1 3LZ. Telephone: 028 9034 6539 fax: 028 9034 6550 Email: ntninquiries@allstate.com Website: www.northbrooktechnology.com

Belfast: Information technology company Northbrook Technology, a subsidiary of the Illinois-based Allstate Corporation, is to expand its Northern Ireland operations. The company intends to set up new facilities in Strabane, Londonderry and Belfast, as well as investing in its existing software operation in Belfast. The investment will create 660 new jobs by the end of 2006, when Northbrook expects that its total employment in Northern Ireland will be over 1400.

Listed on the New York stock exchange, the parent Allstate Corporation employs 40,000 people, and in 2003 had a turnover of US\$32 billion. It operates mainly in the insurance business.

Cal-IT 2004:8-9 November 2004, Hilton Metropole Hotel, London

Cal-IT is the State of California's annual programme focusing on key trends and developments in the tech marketplace. Now in its ninth year, Cal-IT will again showcase 30 of the fastest growing firms, providing you with a bird's-eye view of the latest developments and trends from the birthplace of technology - Silicon Valley. If you are looking for strategic partnerships or investment opportunities, or simply want to investigate the sharpest new technologies being developed in Silicon Valley, you can register for Cal-IT.

Amongst other highlights, this year's conference programme has keynotes from Eric Benhamou, Chairman, 3Com and palmOne and Juha Christensen, President, Mobile & Devices, Macromedia.

15 complimentary conference passes available to BABi members. To apply for a free place, contact Judith@euro-techforum.com quoting *BABi*. Full details available on www.cal-it.com

US Commercial Service Trade Events

World Travel Mart Catalog Show, 8-11 November 2004, Excel, London

The U.S. Commercial Service will be representing U.S. travel destinations and attractions seeking business from UK travel operators.

For more information, contact Stewart Gough, 020 7408 8019, or email Stewart.Gough@mail.doc.gov.

US Healthcare Technologies Trade Mission, 17-18 November 2004

The U.S. Commercial Service is organizing a U.S. Healthcare Technologies Trade Mission to the United Kingdom.

For more information, contact Tatiana Russo, 020 7408 8019, or email Tatiana.Russo@mail.doc.gov.

Trade Mission from New Hampshire 16-18 November 2004

The New Hampshire Trade Mission to London will consist of delegates from the high tech and software, transportation and logistics, tourism and economic development sectors. The mission delegates will be meeting with their counterparts in the UK to further develop relationships between New Hampshire companies and UK companies. While here, the State of New

Hampshire will be opening up its virtual office called the New Hampshire House, located on Shaftsbury avenue.

For more information on the Trade Mission, contact Michelle Ouellette , 001-603 334 6074 , or email mouellette@dred.state.nh.us

Information for inward investment into New Hampshire can be found at www.nheconomy.com , while information on sourcing New Hampshire products can be found at www.exportnh.com

US Ambassadors to the Baltics Trade and Investment Mission - 8 December 2004

"Bringing Baltic Government Leaders and Opportunities to US Business" -Sofitel St. James Hotel, 6 Waterloo Place, London SW1Y 4AN

The conference, will provide a unique forum for US business leaders to identify strategic business opportunities in a dynamic region of Europe that is experiencing dramatic economic growth. Government leaders from the Republics of Estonia, Latvia, Lithuania, and American Ambassadors to these nations, will be featured.

For more information, contact Chantal Larkin on 020 7940 2913 or email chantal@nevillemccarthy.com

US Commercial Service International Buyer Program (IBP)

The U.S. Commercial Service's International Buyer program (IBP) brings thousands of international buyers each year to meet with U.S. companies at major Trade Shows in the United States.

Listed below are the upcoming trade shows (November 2004-January 2005) that have been selected to participate in the International Buyer Program. (For more information on the US Department of Commerce sponsored trade events please click on the following websites)

Name of the Event: International Security Conference & Exposition/National Summit on Security (ICS/NSS)

Industry: Computers/Peripherals

Date: 2-4 November, 2004

Location: New York, NY

IBP Contact: Richard Stanbridge Telephone: 020 7408 8019 Email: lisa.hurst@mail.doc.gov

Name of the Event: PACK-EXPO 2004

Industry: Food Processing/Packaging Equipment

Date: 7-11 November, 2004

Location: McCormick Place, Chicago, Illinois

IBP Contact: Marcella Marcheso Telephone: 020 7408 8019 Email:

marcella.marcheso@mail.doc.gov

Name of the Event: 2004 International Irrigation Show

Industry: Agricultural Machinery & Equipment

Date: 14-16 November, 2004

Location: Tampa, Florida

IBP Contact: Colin Moore Telephone: 020 7408 8019 Email:

marcella.marcheso@mail.doc.gov

Name of the Event: Greater New York Dental Meeting

Industry: Health Care Services

Date: 26 November -1 December, 2004

Location: New York, NY

IBP Contact: Tatiana Russo Telephone: 020 7408 8019 Email: tatiana.russo@mail.doc.gov

Name of the Event: Power GEN International 2004

Industry: Electrical Power Systems

Date: 30 November -2 December, 2004

Location: Orlando, Florida

IBP Contact: Andrew Hollister Telephone: 020 7408 8019 Email: andrew.hollister@mail.doc.gov

Name of the Event: ProMat 2005

Industry: General Industrial Equipment/Supplies

Date: 10-13 January, 2005

Location: Chicago, Illinois

IBP Contact: Colin Moore Telephone: 020 7408 8019 Email: colin.moore@mail.doc.gov

For more information visit the following websites:

http://www.export.gov/comm_svc/eps_events.html

www.export.gov/comm_svc/intl_buyer_program.html

For an overall listing of US Department of Commerce sponsored trade events and trade missions please visit www.export.gov/tradeevents.html