



Investment News

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1. ECONOMIC INDICATORS

UK

- Manufacturing output increased by 0.6 % in Q2 2006 compared with Q1.
- In July 2006, output price annual inflation for all manufactured products fell to 2.8%. Input price annual inflation fell from 11.2% in June to 9.7% in July.
- Consumer Prices Index (CPI) annual inflation fell to 2.4% in July 2006 down from 2.5% in June. Retail Prices Index (RPI) remained unchanged at 3.3%.
- Employment rate for people of working age was 74.6% for the three months ending in June 2006, down 0.1% over the quarter and down 0.2% over the year. The number of people in employment for the three months ending in June 2006 was 28.94 million, up 42,000 over the quarter and up 240,000 over the year. The unemployment rate was 5.5%, up 0.3% over the quarter and 0.7% over the year. The number of unemployed people increased by 92,000 over the quarter and by 243,000 over the year to reach 1.68 million.
- Average earnings (excluding bonuses) rose by 3.9% in the year to June 2006, up from 3.8% in May. Average earnings (including bonuses) rose by 4.3% in the year to June 2006, up from 4.1% in May. In the year to June 2006, pay growth (excluding bonuses) in the private sector was 4.2%, compared with 2.7% for the public sector. Including bonus payments, private sector growth stood at 4.6% compared with 3.4% for the public sector.
- In the year to June 2006, consumer prices increased by 2.5%, which is below the rate of earnings growth.
- The volume of retail sales in the three months May to July 2006 was 1.8% higher than in the previous three months. This follows 2% growth in the three months to June and compares with an increase of 0.4% at the same time in 2005.
- In July 2006 the public sector showed a surplus on current budget of £8.4 billion, compared with a surplus of £4 billion in July 2005.
- Visits by overseas residents to the UK rose by 5% during the 12 months ending June 2006, from 29.3 million to 30.8 million. In the same 12-month period, visits abroad by UK residents rose by 3% from 65.7 million to 67.7 million.

- During April to June 2006, there were 8 million visits to the UK by overseas residents – an increase of 3% when compared with the previous three months. Spending increased 4% to £3.8 billion. Over the same period, the number of visits overseas by UK residents increased by 1% to 17.3 million when compared with the previous three months, while the associated spending increased by 1% to £8.4 billion.

- Business investment for the second quarter of 2006 is estimated to be 4.2% higher than the same period of last year and 1.7% higher than the previous quarter.

- The UK's deficit on trade in goods and services was £4 billion in June 2006, £0.7 billion lower than the level of £4.7 billion in May (previously published at £4.4 billion). The surplus on trade in services was £2.5 billion in June, £0.2 billion higher than in May. The deficit on trade in goods in June was £6.5 billion, compared with a deficit of £7 billion in May (previously published as £6.8 billion). The deficit with the enlarged EU was £0.1 billion lower than in May at £3.3 billion as exports and imports both fell by around 0.7 billion. The deficit with non-EU countries narrowed to £3.1 billion in June from a deficit of £3.6 billion in May. There was an increase in exports of £0.4 billion and a fall in imports of £0.1 billion

For previously released UK economic indicators visit National Statistics <http://www.statistics.gov.uk/>

LONDON

- In the most recent 28-day period, (From 28 May to 24 June 2006) London's public transport had 214.8 million passenger journeys; 137.5 million by bus and 77.3 million by underground.

- The moving average annual rate of growth in passenger journeys increased slightly to 0.0% from -0.1% in the previous period.

- The Footfall Index of shoppers in London was 98.2 in the first week of August compared to 99.9 in the last week of July.

- The rate of claimant count unemployment in London was 3.4% in July 2006. There were 169,300 unemployment claimants in London in July 2006, compared with 163,400 in July 2005.

- London's annual growth in output increased to 3.3% in Q1 2006 from an upwardly revised 3% in Q4 2005.

- London's annual employment growth increased to 1.8% in Q1 2006, down from upwardly revised annual employment growth of 3.2% in Q4 2005..

- The Purchasing Managers' Index (PMI) of business activity recorded 59.6 in July 2006, slightly down from 60.4 in June.

- London firms continued to increase their level of employment in July 2006. The PMI for the level of employment rose sharply to 57.6 in July 2006 from 56.1 in June

- July 2006 saw continued growth in new orders for London firms. The PMI for new orders recorded 58.9 in July 2006 compared to 58.8 in June.

- Annual house price inflation in London increased to 6.5% in Q2 2006 from 3.5% in Q1. Annual house price inflation in the UK increased to 5.3% in Q2 2006 from 3.6% in Q1.

- The annual growth rate of overseas visitors to the UK was 0.8% in June 2006, down from 4.3% in May. The annual growth in expenditure by overseas visitors in the UK was 1.6% in June 2006, down from 4.1% in May.

US

- Real gross domestic product (GDP), increased 2.5% in Q2 2006 after increasing 5.6% in Q1.

- Personal income grew 0.6% in June 2006, after rising 0.4% in May. Real consumer spending increased 0.2% in June 2006, about the same increase as in May.

- The US monthly goods & services deficit narrowed in June 2006. The deficit decreased from \$65 billion (revised) in May to \$64.8 billion in June, as exports increased more than imports. Exports of goods and services increased \$2.4 billion in June to \$120.7 billion and imports of goods and services increased \$2.2 billion in June to \$185.5 billion.

For previously released US economic indicators visit US Bureau of Economic Analysis (BEA)

<http://www.bea.gov/beahome.html>

NY

- Private employment increased by 6,900 jobs in June 2006, after an increase of 5,000 jobs in May. (Source: New York State Dept. of Labour)
- The unemployment rate was 5.1% in June up from 5% in May. (Source: New York State Dept. of Labour)
- The NYC hotel occupancy rate in June 2006 was 89%, compared to 91% in June 2005. (Source: New York State Dept. of Labour)
- The Direct Class A office vacancy rate was 5.6% in July 2006, while the average asking rent was \$53 per SF. (Source: New York State Dept. of Labour)
- Passengers in NYC's airports totaled 8.8 million in May 2006. (Source: New York State Dept. of Labour)
- In July 2005, Direct Class A vacancy rates decreased in all Manhattan areas causing the overall vacancy rate to drop significantly to 5.6%, the lowest since June 2002. (Source: Cushman & Wakefield)
- From June to July 2006, Downtown sublease vacancy rate decreased 0.8% and midtown rates rose (1.6% to 1.7%), resulting in Manhattan sublease rates increasing to 1.8% from 1.7% during the previous period. (Source: Cushman & Wakefield)
- From June to July 2006, total Manhattan average sublease rental rates increased to \$47 PSF from \$45 PSF primarily due to an increase in Midtown rates from \$51 PSF to \$54 PSF. Total Manhattan Direct Average rents also slightly increased because of rising rents in Midtown and Midtown South. (Source: Cushman & Wakefield)
- In May 2006, 8.8 million passengers flew into and out of the region's airports, a 2% increase from May 2005 passenger levels. (Source: Port Authority of New York and New Jersey)
- In June 2006, the average daily hotel room rate was \$270, a 12% increase from June 2005. (Source: PKF Consulting)
- Hotel occupancy was 89% in June 2006, compared with 91% in June 2005. (Source: PKF Consulting)
- Total Broadway attendance was approximately 880 thousand during the four weeks ending July 23, 2006, a 6% decrease from the same period last year. Broadway revenue during this period was roughly \$67 million, a 5% increase from last year. (Source: The League of American Theatres and Producers)
- Total ridership on MTA subways, trains and buses, and bridge and tunnel use in May 2006 was roughly 241 million, an increase of 3% from May 2005. In May 2006, subway ridership was approximately 131 million, an increase of 4% from May 2005. (Source: Metropolitan Transportation Authority)
- For the four months ending June 2006: There were 3,059 building projects (including new, additions and alterations) that started construction in NYC, a 4% decrease from the four months ending June 2005. There were 122 infrastructure (non-building) projects, a decrease of 28% from last year. (Source: Dodge Analytics)
- Planned space for building projects is approximately 18 million square feet, a 17% increase from the same period ending 2005. (Source: Dodge Analytics)

2. INVESTMENT INDICATORS

UK

Merger & Acquisitions involving UK Companies: 2nd Quarter 2006

Expenditure on acquisitions abroad by UK companies decreased from £7.4 billion in Q1 2006 to £2.9 billion in Q2 2006.

Expenditure on acquisitions in the UK by foreign companies decreased from £24.1 billion in Q1 2006 to £18 billion in Q2 2006.

Expenditure on acquisitions in the UK by UK companies decreased from £6.8 billion in Q1 2006 to £3.9 billion in Q2 2006.

Californian Companies expand into London at Growing rate - Foreign Direct Investment Increases by 63%

Californian companies looking to expand overseas are increasingly turning to London as a base for their European operations. Analysis carried out by Think London, the foreign direct investment agency for London, shows that the number of California-based companies it assisted increased by 63% over the past year to 13 companies.

London is Europe's leading city for attracting software and IT services companies. Of the top 25 global software and IT companies, 19 now have their European headquarters in London and all 25 are represented. The US accounts for the largest source of FDI into London with California-based companies representing over one third of all US investment. London ranks as Europe's number one destination for FDI according to the Ernst & Young European Investment Monitor. London now attracts over 5.7% of all FDI into Europe, which represents the highest share for any European city.

US

US Direct investment Position and Foreign Direct Investment in the United States for 2005

The historical-cost position of US direct investment abroad increased 1% after increasing 16% in 2004, and the position of foreign direct investment in the United States increased 8% after increasing 9% in 2004. The much slower growth in the US direct investment abroad position was the result of shift from US outflows to US inflows of direct investment capital.

The US direct investment abroad position valued at historical cost was \$2,070.0 billion at the end of 2005. The United Kingdom, Canada, and the Netherlands accounted for over a third of the total position. The position in the United Kingdom was \$323.8 billion, or 16% of the total. The US direct investment abroad position increased \$18.8 billion in 2005, less than 1%.

The foreign direct investment in the United States valued at historical cost was \$1,635.3 billion at the end of 2005. The United Kingdom, Japan, Germany, and the Netherlands had the largest positions in 2005, as they did in 2004. Foreign parents in these 4 countries together accounted for 51% of the total position in 2005. The position of the United Kingdom was \$282.5 billion, or over 17% of the total. The foreign direct investment position in the United States increased \$114.6 billion, or 8% in 2005, a slight slowdown from 9% growth in 2004.

3. NEW INVESTMENTS

US Investments into the UK

Currency Manager FX Concepts Opens London Office

New York based Currency manager *FX Concepts* has opened a new European office based in London. The office, which will focus on business development and client support in all FX Concepts investment and research services, will replace the firm's Paris office - FX Concepts European base since 1993.

FX Concepts is a global investment management and research firm specializing in foreign exchange and interest rate risk management. The company has more than \$11 billion under management in currency overlay and absolute return programs for institutional clients worldwide. FX Concepts has extensive experience trading currencies and derivatives in both the developed and the emerging markets.

FX Concepts, 14 Penn Plaza, 225 W 34th Street, Suite 710, New York, NY 10122. Tel: 001-212 554 6800 Fax: 001-212 554 6905, John Taylor, Chairman, Website: www.fx-concepts.com

FX Concepts (UK) Ltd, 32 Ludgate Hill, 5th Floor, London EC4M 7DR. Tel: 020 7213 9600 Fax: 020 7329 5600, Daniel Szor, Managing Director

Cognia Corporation to Expand Operations in UK

Cognia Corporation, a developer and distributor of information solutions for the pharmaceutical and biotechnology industries, announced that it will expand its presence in the United Kingdom, adding 50 jobs by yearend. Cognia has established a European HQ in South Gyle, Scotland. Cognia also plans to continue its growth in the UK with the addition of a corporate service office in Cambridge, England, an expansion that will add an estimated 50 employees to their UK presence

Cognia Corporation, Corporate Headquarters, 117 East 55th Street, New York, NY 10022. Tel: 001-212 331 7850 Fax: 001-646 349 1835, Robert Merold, CEO, Email: productinfo@cognia.com. Website: www.cognia.com

Cognia EU, Westpoint, 4 Redheughs Rigg, South Gyle, Edinburgh EH12 9DQ. Tel: 0131 338 7354 or 0131 338

6870 Fax: 0131 338 6786

Tek-Tools Opens Office in UK

Tek-Tools Software, a leading independent provider of storage and backup resource management software solutions, announced it has opened new regional offices in the UK and India. Tek-Tools' need for new offices is driven by growth and strong development of its customer base in EMEA. The company added more than 25% to its worldwide install base in the last quarter alone, and has continued at that pace in the first half of the third quarter. During the last two months, Tek-Tools has added 12 employees, and has plans of adding additional staff by the end of the calendar year.

Tek-Tools, Inc. 4020 McEwan Dr., Suite 105, Dallas, TX 75244. Tel: 001-972 980 2890 Fax: 001-972 866 0714, Ken Barth, President & CEO Website: www.tek-tools.com

YESTech Opens UK office

YESTech, the innovative provider of Automated Optical Inspection and X-Ray yield enhancement solutions, announced the opening of YESTech Europe in Alton, Hampshire, UK. The office provides sales and technical support to YESTech's growing European representative and customer base. YESTech is a leading provider of automated optical and high-resolution x-ray inspection systems, with integrated yield enhancement solutions for the printed circuit board assembly and advanced semiconductor-packaging industries.

YESTech, 1317 Calle Avanzado, San Clemente, CA 92673. Tel: 001-949 361 2714 Fax: 001-949 361 2724, Joshua Petras, international Manager, Don Miller, President, Email: sales@yestechinc.com

Website: www.yestechinc.com

YESTech Europe, Charwell House, Wilsom Road, Alton, Hampshire GU34 2PP. Tel: 01420 540254, Fax: 01420 544098 Website: www.yestech-europe.com

Bear Stearns to Launch New HQ in London

New York-based banking group Bear Stearns has announced it is to establish its new European headquarters at Canary Wharf in London. Bear, Stearns & Co. Inc. is a leading global investment banking and securities trading and brokerage firm. With approximately \$58.4 billion in total capital, Bear Stearns serves governments, corporations, institutions and individuals worldwide. The company's business includes corporate finance and mergers and acquisitions, institutional equities and fixed income sales and trading, securities research, private client services, derivatives, foreign exchange and futures sales and trading, asset management and custody services. Through Bear, Stearns Securities Corp., it offers financing, securities lending, clearing and technology solutions to hedge funds, broker-dealers and investment advisors.

Bear Stearns & Co Inc, 383 Madison Ave. New York, NY 10179 Tel: 001-212 272 2000 Fax: 001-212 272 4785 Website: www.bearstearns.com

Bear Stearns International Ltd, One Canada Square, Canary Wharf, London E14 5AD. Tel: 020 7516 6000
Bear Stearns, 5 Churchill Place, Canary Wharf, London

Aperio Launches New UK Office

Aperio Technologies Inc, the Californian provider of digital pathology systems and services to the healthcare IT industry, has announced it has further expansion of its operations in Europe with the opening of a new and larger operations centre in Bristol, UK

Aperio Technologies, Inc. Worldwide Headquarters, 1430 Vantage Court, Suite 106, Vista, CA 92081. Tel: 001-760 539 1100 Fax: 001-760 539 1116 Email: info@aperio.com Website: www.aperio.com

Aperio Technologies, Inc. European Office, Charwell House, Wilsom Road, Alton, Hampshire GU34 2PP. Tel: 01420 540271 Email: europeinfo@aperio.com

Lab49 Opens UK office

Lab49, Inc., a consulting firm that specialises in building advanced applications for global financial Institutions, announced the opening of its UK office. The launch follows an increased demand for the consultancy's custom development services, driven by the local UK market and by US clients with transatlantic projects. Currently, Lab49 UK is working in the equities, mortgage, credit and repo markets with a specific focus on projects spanning from front-office trading systems to infrastructure and analytics, as well as providing expertise in the enterprise grid

arena.

Lab49, 11 Broadway, 20th Floor, New York, NY 10004. Tel: 001-212 966 3468 Fax: 001-646 291 2877, Ross Hamilton as Director of Client Engagements and Marketing, Email: info@lab49.com

Website: www.lab49.com

Lab49 UK, 288 Bishopsgate, London EC2M 4QP. Tel: 020 7959 3003 Fax: 020 7959 3030, Vivake Gupta, Managing Director, Email: info@lab49.com Website: www.lab49.com

FocusVision Invests in UK

Connecticut-based FocusVision Worldwide Inc, a provider of video transmission and digital recording technologies for the market research industry, has sited an office in Tunbridge Wells after working closely with inward investment agency Locate in Kent to successfully establish its business in the UK. FocusVision Worldwide, Inc. Worldwide Headquarters, 1266 E. Main Street, Stamford, CT 06902. Tel: 001-203 961 1715 Fax: 001-203 961 0193 Email: info@focusvision.com website: www.focusvision.com

FocusVision Europe Ltd, Oxford House, Mount Ephraim Road, Tunbridge Wells TN1 1EN. Tel: 01892 521075 Fax: 01892 520977 Email: info@focusvision.co.uk

Cluster Resources to open First European Base of Operations in the UK

Cluster Resources, Inc. a leading provider of cluster, grid and utility computing software, including the Moab® workload management solutions, announced the planned opening of a European base of operations in the United Kingdom to provide greater support and services to the European region.

The new office is planned for a Q3 2006 opening at a location currently under negotiation in the United Kingdom.

Cluster Resources will make a future announcement on their Web site detailing the specific date and location.

Cluster Resources, Inc. 34 E. 1700 S. Suite 111, Provo, UT 84606, Tel: 001-801 717 3700, Michael Jackson, President, Email: sales@clusterresources.com Website: www.clusterresources.com

Cohen & steers Inc. to Open London Office

Cohen & Steers, Inc. announced that Leonard Geiger, CFA will join its global real estate securities team as senior vice president and director of European research. Mr. Geiger will be based in the London office, scheduled to open in the third quarter of 2006. He will focus on the United Kingdom and European real estate securities markets and will work closely with the firm's global investment team located in New York, Brussels and Hong Kong. Cohen & Steers is a manager of high-income equity portfolios, specializing in U.S. REITs, international real estate securities, preferred securities, utilities and large cap value stocks. Headquartered in New York City, the firm serves individual and institutional investors through a wide range of open-end funds, closed-end funds and separate accounts.

Cohen & Steers, Inc. Headquarters, 280 Park Avenue, New York, NY 10017. Tel: 001-212 832 3232 Fax: 001-212 832 3622 Website: www.cohenandsteers.com

UK Investments into the US

Portable "Hole" Offers Golfers A Shot Of Reality

A revolutionary portable putting aid that plays like a real hole on a green allows golfers to practice their putting anywhere. Unlike conventional putting simulators, *PlayaPutt* has no ramp to slow or deflect the ball, says British designer Holesim, and players can make their approach shots from any direction. The ball will trickle in to the "hole" if struck with accuracy and at the correct pace. *PlayaPutt* can be laid on any suitable surface, either flat ground or a gentle slope, and set up for use in seconds. When a ball is hit on to the green base of the device and enters the target area at the right speed, from any direction, it lifts a flap and is trapped inside. If hit too firmly, the ball will come out the other side. *Playaputt* will be featured in TV commercials across the USA from January 2007. The company is seeking distributors for the product in the States and other territories via sporting goods retailers, golf specialty retailers, golf pro' shops, direct mail catalogers, and online marketers.

Kevin Whitefield, Holesim Ltd. Summerfields, Green Lane, Rockland All Saints, Attleborough

Norfolk NR17 1UA Tel: 01508 522069 Fax: 01508 522068 Email: kevin@holesim.com

Website: www.holesim.com

Stately British Craftmanship For "One Of A Kind" Christmas Gifts

A husband-and-wife team, have announced a new range of exquisite and exclusive giftware aimed at the United States' Christmas market. The Unique British Gifts range from Circle Media promotes the specialist products of UK artisans worldwide through their online store at www.uniquebritishgifts.com. Top of the Christmas list from *Unique British Gifts* is an established favorite: a pen handcrafted from the original oak timbers and copper removed from *HMS Victory*, Admiral Lord Nelson's flagship at the Battle of Trafalgar in 1805, after her final refit. The pen leads a new range of items lined up for Christmas, including: Silver and gold jewelry, lead crystal, including glasses, tumblers and decanters made in Britain's last working "cone" brick glassworks. There are also pewter pocket watches, spirit levels and compasses. Decorative glassware - handmade pieces from Okra Glassware. Each piece is unique and accompanied by a certificate of authenticity. All giftware items are available to US customers exclusively through the *Unique British Gifts* web site.

Peter Witts, Circle Media Ltd, Unit G1, Warrington Business Park, Long Lane, Warrington WA2 8TX, Tel: 01925 242111 Fax: 01925 242333 Email: sales@uniquebritishgifts.com Website: www.uniquebritishgifts.com

Easy-To-Use Simulation Software For Highly Accurate Electroplating

An uneven finish on electroplated components - such as bearings, pistons and landing gear parts – often results in wastage as the plating technician tries to achieve uniformity through trial and error. This problem is tackled with easy-to-use simulation software from London-based company, HNKTech. Using finite element analysis (FEA), the software produces highly accurate coating uniformity in electroplating, , dramatically reducing wastage costs, improving product quality and time-to-market for advanced manufacturing and metal finishing industries. HNKTech's software, a customized user interface (CUI), is easy to use. No specialist training is necessary and even those with limited training can use the software effectively. HNKTech's software is also versatile. It can be used to improve the quality of other surface finishing techniques, such as spray, plasma, and PVD coatings.

Alistair Russell, HNKTech Europe Ltd, 165 Broadway, Wimbledon, London SW19 1NE Tel: 020 8544 8084/5 Fax: 020 8544 8086 Email: arussell@hnktech.com Website: www.hnktech.com

British-Style Finishing School Offers A Touch Of Class

The finishing school is opening its doors to students abroad, both male and female, of all ages. New courses from The Finishing Academy, based in the United Kingdom, focus on personal image, etiquette, and style, by providing adults, as well as high school graduates, with an opportunity to hone their communication and presentation skills. Topics covered on the two- or five-day courses range from traditional deportment and etiquette, through to essential skills for modern-day living such as career counseling, first aid, self-defense, and even essential car maintenance. Professional consultants and trainers are used in everything from deportment to dining, giving presentations, and public speaking. The next course held overseas will be in New York. Further details can be obtained from Rebecca Shelby: rebeccashelby@optonline.net. Other courses overseas will be posted on The Finishing Academy website, www.finishing-academy.co.uk, in the near future.

Penny Edge, Director, The Finishing Academy, Charles House, Princes Court, Beam Heath Way Nantwich, Cheshire CW5 6PQ Tel: 01270 623110 Fax: 01270 627789

Email: info@finishing-academy.co.uk Website: www.finishing-academy.co.uk

4. TRADE SHOWS

UK

12-14 September 2006 – The Recycling & Waste Management Exhibition, NEC Birmingham
Recycling.

Tel: 020 8277 5120 Website: www.rwmexhibition.com

19-21 September 2006 – National Venue Show, NEC Birmingham
Conference and exhibition venues and services.

Tel: 01923 670038 Website: www.nationalvenueshow.co.uk

3-4 October 2006 – London Employee Benefits Conference & Exhibition, Business Design Centre, London

The biggest benefits event of the year.

Tel: 020 7970 6503 Email: nick.noble@centaur.co.uk Website: www.employeebenefits-confex.co.uk

3-4 October 2006 – Call Center Expo, NEC Birmingham

Call center services and products.

Tel: 020 7921 8503 Website: www.callcentre-expo.co.uk

4-5 October 2006 – Brand Licensing London Conference & Exhibition, Earls Court, London

Brand Licensing.

Tel: 020 8822 6690 Website: www.brandlicensingexpo.com

US

Upcoming trade shows for September 2006 that have been selected to participate in the US Commercial Service's International Buyer Program.

19-21 September 2006 - MEDTRADE 2006, Georgia World Congress Centre, Atlanta, Georgia

Medtrade is the largest medical trade show, exposition and conference, dedicated to the home healthcare industry in the US and the single largest event of its kind in the world. Medtrade 2006 is expected to attract over 800 exhibitor companies, and over 250,000 healthcare products. This premier event draws 21,000 industry professionals from over 50 states and around the world.

For more details contact Tatiana Russo, Tel: 020 7894 0419 Email: Tatiana.Russo@mail.doc.gov

For a more comprehensive listing of all our Trade Events, please visit, ExportGov.

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and the [European Council of American Chambers of Commerce](#)*