



September 2005

1. Economic Indicators:

- UK/London
- US/NY

2. Investment Indicators:

- UK
- US
- Global

3. New Investments:

- US Investments into UK
- UK Investments into US

4. Trade Shows:

- UK
- US

5. Other

1. ECONOMIC INDICATORS

UK

- UK economy rose by 0.5% in Q2 2005, revised up from 0.4% published last month.
- Manufacturing output increased by 0.3% in the three months to July 2005 compared with the three months to April.
- In August 2005, output price annual inflation for all manufactured products fell to 3.0% from 3.1% in July. Input price annual inflation fell from 14.1% in July to 12.9% in August.
- Distribution output increased by 0.3% in the quarter to June 2005 compared with the quarter to March. Motor trades output decreased by 0.4%, wholesaling output increased by 0.4% and retail output increased by 0.5% in the quarter to June 2005.
- Total car production in the three months to August 2005 fell by 1.1% compared with the previous three months. In comparison with the same three months a year ago, total production fell by 2.2%.
- Consumer Prices Index (CPI) rose to 2.4% in August 2005. Retail Prices Index (RPI) inflation fell to 2.8%.
- Employment rate rises to 74.8% for the 3 months ending in July 2005. The number of people in employment increased by 83,000 over the quarter and by 315,000 over the year to reach 28.73 million, the highest figure since comparable records began in 1971.
- Average earnings (excluding bonuses) rose by 3.9% in the year to July 2005 down from 4.0% in June. Including bonuses, average earnings rose by 4.2% in the year to July 2005, up from 4.1% in June.
- In the year to July 2005, pay growth (excluding bonuses) in the private sector was 3.8%, compared with 4.6% for the public sector. Including bonus payments, private sector growth stood at 3.9% compared with 5.5 % for the public sector.
- The volume of retail sales in the 3 months June to August 2005 was 0.8% higher than in the previous 3 months. This follows growth of 0.6% in the 3 months to July and compares with growth of 1.2% at the same time in 2004. Annual comparisons show that sales in the three months to August 2005 were up 1.2%, equalling last

month's record of the lowest annual growth since February 1999.

- Visits abroad by UK residents rose by 5.0% during the 12 months ending July 2005, from 62.5 million to 65.4 million. Over the same period, visits by overseas residents to the UK rose by 11.0%, from 26.5 to 29.5 million.

- During May to July 2005, there were 7.7 million visits to the UK by overseas residents - an increase of 3.0% when compared with the previous three months. Spending decreased by 1.0% to £3.5 billion. Over the same period, the number of visits overseas by UK residents fell by 2.0% to 16.2 million, while the associated spending decreased by 4.0% to £7.8 billion.

- The revised estimate of business investment for Q2 2005 is 4.2% higher than the same period of last year and 1.5% higher than the previous quarter.

- Total net investment by insurance companies, pension funds and trusts was £8.8 billion in Q2 2005, £4.0 billion lower than the figure for Q1.

- In August 2005 the public sector showed a deficit on current budget of £3.1 billion, compared with a deficit of £5.2 billion in August 2004.

- The UK's deficit on trade in goods and services widened in July 2005 to £3.4 billion. This compares with the deficits of £2.2 billion in June and £3.5 billion in May.

- The UK's deficit on trade in goods in July 2005 was £5.1 billion, £0.9 billion less than the deficit for June. The deficit on trade in goods with the enlarged EU in July was £2.6 billion. This was lower than the deficit of £2.8 billion in June. The deficit with non-EU countries widened to £2.5 billion in July from the unusually low deficit of £1.4 billion in June.

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

LONDON

- In the most recent 28 day period, London's public transport had 213.1 million passenger journeys; 135.7 million by bus and 77.4 million by underground.

- The average annual rate of growth in passenger journeys is 3.9%, below the annual growth in the previous period of 4.3%.

- June 2005 saw growth in overseas visitor numbers to the UK. The annual growth rate of overseas visitors to the UK was 17.3% in June 2005. The year-on-year growth in expenditures by overseas visitors in the UK was 10.2% in June 2005.

- The Footfall Index of shoppers in London fell to 91.2 in mid-August compared to the level of 102 in the last week of July. The level of the index in early August 2005 is lower than in early August 2003 and 2004.

- The rate of claimant count unemployment in London remained constant at 3.3% in July 2005. There were around 163,400 unemployed claimants in London in July 2005, compared with 163,000 in July 2004.

- London's annual growth in output was 2.1% in Q1 2005, down from a revised 2.7% in Q4 2004.

- London's year-on-year employment growth recovered to 0.3% in Q1 2005 compared to a decrease of 1.6% in Q4 2004.

- The Purchasing Managers' Index (PMI) of business activity recorded 55.4 in July 2005, only slightly down from 56.2 in June.

- The BCC's Quarterly Economic Survey shows that London businesses in services expect growing turnover over the next 12 months. The net balance of London service businesses expecting to increase their turnover was 60% in Q2 2005, although this is down from 72% in Q1.

- Annual house price growth in London slowed to 2.0% in Q2 2005 from 7.4% in Q1 2005. Annual house price growth remained higher for the UK but slowed to 6.0% in Q2 2005 from 11.1% in Q1.

- The RICS survey showed a negative net balance for London house prices of -26 in July 2005. This net balance is a recovery from the level of -42 in June 2005.

US

- According to the US Bureau of Economic Analysis the economy grew at an annual rate of 3.3% in Q2 2005.

- After-tax income received by individuals, adjusted for inflation, remained unchanged in July 2005, after increasing 0.5% in June. Real consumer spending increased 0.7% in July after increasing 0.1% in June. Over the last 12 months, real disposable personal income and real consumer spending increased 4.2%.

- The US monthly goods & services deficit narrowed in July 2005. The deficit decreased \$1.6 billion from \$59.5 billion in June (revised) to \$57.9 billion in July as imports decreased \$1.1 billion to \$164.2 billion and exports increased \$0.4 billion to \$106.2 billion.

- US-owned assets abroad increased \$250.8 billion in Q2 2005 after they had increased \$81.5 billion in Q1. Foreign-owned assets in the US increased \$393.1 billion in Q2 2005 after they had increased \$243.5 billion in Q1.

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

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

NY

- Private employment increased by 4,000 jobs in July 2005, after an increase of 5,100 jobs in June. (Source: New York State Dept. of Labour)

- The unemployment rate increased to 5.7% in July 2005 from 5.5% in June. (Source: New York State Dept. of Labour)

- Since July 2004, the private sector has grown by roughly 1.0%, adding 36,900 total jobs. (Source: New York State Dept. of Labour)

- The NYC hotel occupancy rate in July 2005 was 87.0%, compared to 83.0% in July 2004. (Source: PKF Consulting)

- In July 2005, the average daily hotel room rate was \$212, a 15.0% increase from July 2004. (Source: PKF Consulting)

- The Direct Class A office vacancy rate was 7.1% in August 2005, while the average asking rent was \$49 per sq.ft. (Source: Cushman & Wakefield)

- From July to August 2005, both Midtown South and Downtown direct Class A office vacancy decreased, while average rents were unchanged. (Source: Cushman & Wakefield)

- New York now has more restaurants per square mile than any other city - 3.1 per square mile - the next highest being 1.9 per square meter in the Chicago area. (Source: US Bureau of Labor Statistics)

- In June 2005, 8.8 million passengers flew in and out of the region's airports, a 5.0% increase from June 2004 passenger levels. (Source: Port Authority of New York and New Jersey)

- NYC's total subway ridership in May 2005 surpassed its previous peak in May 2001 by about 910,000. (Source: Metropolitan Transportation Authority)

- From May 2001 to May 2005, the fastest growing subway stations in total ridership were Canal St., 14th St. Union Square and Times Square stations. The fastest growing stations from May 1997 to May 2001 were the Times Square, Grand Central and 34th St. Herald Square stations. (Source: Metropolitan Transportation Authority)

- For the Month ending July 2005: There were 3,408 building projects (including new, additions and alterations) that started construction in NYC, nearly unchanged from the four months ending July 2004, and there were 201 infrastructure (non-building) projects, also unchanged from 2004. Planned space for building projects is approximately 18 million SF, a 4.0% decrease from the same period ending 2004. (Source: Dodge Analytics)

2. INVESTMENT INDICATORS

UK

UK Outward and Inward Investment Flow: First Quarter 2005

In the first quarter of 2005, UK net direct investment abroad was £18.0 billion. Although this was the highest investment figure since first quarter of 2003, it was due to strong reinvested earnings and intercompany transfers, rather than any significant merger and acquisition activity. Direct investment in the UK showed net inward investment of £14.6 billion in the first quarter of 2005. This relatively high level of inward investment is mainly due to inward acquisitions of UK companies.

In the first quarter of 2005, UK earnings from direct investment abroad was £17.8 billion. In contrast foreign earnings on direct investment in the UK fell back to £5.9 billion.

US

US International Transactions: Second Quarter 2005

Net financial outflows for U.S. direct investment abroad were \$33.6 billion in the second quarter of 2005, up from \$27.0 billion in the first. Net financial inflows for foreign direct investment in the United States were \$17.6 billion in the second quarter of 2005, down from \$35.1 billion in the first.

GLOBAL

Global FDI Prospects Positive for 2005-2008

Global foreign investment levels look set to rise in coming years, with emerging markets in Asia and Eastern Europe likely to benefit most from the flows. The United Nations Conference on Trade and Development said its 2005 survey of investment experts and transnational corporations showed foreign direct investment (FDI) to developing countries would grow in the 2005-2008 period. "Investors' attention appears to be shifting away from traditionally important locations towards certain emerging markets," UNCTAD said in a statement. "Asia and Eastern Europe are the two regions with the most positive FDI prospects. Developed countries as a group were expected to see some FDI recovery, but at relatively modest levels in the short run, the report said, adding that expectations were less bright for the major European economies.

"The results of UNCTAD's global surveys all point in the same direction: the FDI recovery will continue, although there are some threats which may weaken the momentum," it said. "The recovery is increasingly fuelled by investment in developing countries." UNCTAD added that Latin America was likely to maintain its recent FDI recovery, while flows to Africa would remain stable at low levels. Among developed countries, the United States was the most attractive destination for FDI, the survey found. China topped the list of countries rated as attractive investment destinations, getting the vote from 87 percent of multinational corporations surveyed. The other countries in the top five were the United States, India, Russia and Brazil.

UNCTAD said several developing countries were also emerging as key sources of FDI, with China, India, South Africa, Brazil, South Korea and Malaysia included in the list of top 15 FDI source nations.

The survey on investment also showed that volatile prices for oil and other raw materials could be a potential threat to foreign investment flows.

3. NEW INVESTMENTS

US Investments into the UK

Ametek to Acquire Solartron for \$75 Million

Ametek, US-based manufacturer of electronic instruments and electric motors, is to acquire instrumentation supplier Solartron from the Roxboro Group, based in Huntingdon, eastern England, for approximately \$75 million. With annual sales of approximately \$50 million, Solartron is a leading supplier of analytical instrumentation for the process, laboratory and other industrial markets.

Ametek Corporate Office, 37 N. Valley Road, Building 4, PO Box 1764, Paoli, PA 19301. Telephone: 001-610 647 2121 Fax: 001-215 323 9337 Website: www.ametek.com

Solartron Analytical, Unit B1 Armston Mall, Southwood Busiess Park, Farnborough, Hampshire GU14 0NR. Telephone: 01252 556 800 Fax: 01252 556 899 Email: info@solartronanalytical.com

Website: www.solartronanalytical.com

Roxboro Group Plc, First Floor, Unit 2B, Vantage Park, Washingley Road, Huntingdon PE29 6SR. Telephone: 01480 447 490 fax: 01480 447 493 Website: www.roxboro.com

Streambase Opens European HQ in the UK

Database research and technology company StreamBase Systems Inc., based in Lexington, Massachusetts, has opened a European headquarters in London. StreamBase is the supplier of a leading stream-processing engine and of software that processes, analyses and acts on real-time data within milliseconds of its being received.

StreamBase Systems, Inc. Corporate Headquarters, 181 Spring Street, Lexington, MA 02421. Telephone: 001-

866 787 6227 Email: contact@streambase.com Website: www.streambase.com
Streambase Ltd, 107-111 Fleet street, London EC4A 2AB. Telephone: 020 7936 9050

Voice Print Opens European HQ in UK

Voice recording software developer Voice Print International, based in California, has opened new European headquarters in London. The company provides call recording, call-centre monitoring and performance optimisation solutions that capture real-time intelligence. The new office will serve as the centre for customer sales operations in Europe, supporting locations throughout the continent and strengthening Voice Print's links with London-based Speakerbus Inc., a provider of mission-critical voice and video communications solutions. Voice Print International Inc, 975 Flynn Road, Camarillo, CA 93012. Telephone: 001-805 389 5200 Fax: 001-805 389 5202 Email: info@VoicePrintOnline.com Website: www.voiceprintonline.com
Voice Print International Europe, Email: sales@VoicePrintOnline.com

Xechem Sets Up UK Subsidiary

Xechem, US-based biopharmaceutical company, has set up a subsidiary, Xechem UK, in Godalming, south east England. The move will facilitate Xechem's entry into the European market for its lead product, Nicosan/Hemoxin, a phytopharmaceutical drug for the treatment of sickle cell disease. Xechem is engaged in the research, development and production of generic and proprietary drugs from natural sources, and specialises in the development of anticancer, antiviral and antifungal compounds.
Xechem, Inc. Corporate Headquarters, 100 Jersey Avenue, Building B, Suite 310, New Brunswick, NJ 08901. Telephone: 001-732 247 3300 Fax: 001-732 247 4090 Email: xechem@erols.com
Website: www.xechem.com
Xechem UK Ltd, White House, 2 Meadow, Godalming, Surrey GU7 3HN. Telephone: 07710 039 721
UK Secretary, Mr. J. Martin Biggs

Swan Labs Sets Up European Operation In UK

Swan Labs, US-based provider of network technology solutions, has set up a European centre of operations in Belfast, Northern Ireland. The \$3.25 million project will see the creation of a subsidiary company, Swan Labs Ltd, and will generate an estimated 40 skilled jobs by 2007. The Belfast centre will concentrate on the design, development and implementation of solutions aimed at making business applications work more efficiently.
Swan Labs, 99 West Tasman Drive, Suite 100, San Jose, CA 95134. Telephone: 001-408 324 5100 Fax: 001-408 324 5101 website: www.swanlabs.com
Swan Labs, European Office, Howard House, 1-3 Brunswick Street, Belfast BT2 7GE. Telephone: 028 9023 4007 Fax: 028 9032 7070

MidOcean Partners To Acquire Bezier

MidOcean Partners, a private equity firm with offices in New York and London, is to acquire retail media provider Bezier Holdings, from funds managed by Electra Partners, based in London, for approximately \$139 million. Bezier is one of Europe's largest retail media specialists and the UK's biggest point-of-purchase (POP) specialist. The company provides services ranging from research and design of retail media, through to production and implementation.
MidOcean Partners, 320 Park Avenue, Suite 1700, New York, NY 10022. Telephone: 001-212 497 1400 Fax: 001-212 497 1373 Website: www.midoceanpartners.com
MidOcean Partners, 1 Chestre Street, 3rd Floor, London SW1X 7HP. Telephone: 020 7201 4300 Fax: 020 7201 4301
Bezier Holdings Ltd, Marlow Courtyard, 27 Little Marlow Road, Marlow, Buckinghamshire SL7 1HA. Telephone: 01628 483588 Fax: 01628 470658 Email: enquiries@bezier.co.uk Website: www.bezier.co.uk
Electra Partners Limited, 65 Kingsway, London WC2B 6QT. Telephone; 020 7831 6464 Fax: 020 7404 5388

UK Investments into the US

Power-Assisted Suitcase Makes Light Work of Heavy Luggage

Business and leisure travelers can benefit from a breakthrough in luggage technology. Live Luggage powered suitcases are designed to take the effort out of moving heavy bags or cases from point to point. They use “pan wheel” technology, which incorporates all electronics, software and motors into the wheels of the case. Power is supplied by a lightweight, rechargeable nickel metal hydride battery pack, and comes with a universal adapter for recharging. Low-power LED illumination – a back light – is included for added convenience and safety. Forward motion of the Live Luggage case is controlled via a pressure transducer in the handle. A simple integral latch mechanism is used to adjust both handle lock and handle height.

Live Luggage Ltd, Longlands House, Hart Street, Henley-on-Thames, Oxfordshire RG9 2AR

Contact: Clive Hemsley, Tel: 01491 636393 Fax: 01491 636383 E-mail: clive.hemsley@liveluggage.com Web site: www.liveluggage.com

Pocket-Sized Ski Carrier Takes the Strain Out of Hitting the Slopes

An ingenious pocket-sized device, developed in the UK, takes the effort out of transporting skis to and from the slopes. Porta-Ski enables children and adults to transport their skis over surfaces ranging from stone pathways to snow or even smooth airport floors. Compact and durable, the gadget's attractive design and eye-catching colors make it a desirable accessory to own in the fashion-conscious world of skiing. It also protects skis during use, making it a useful product for ski-hire businesses.

The maker is seeking potential national distributors for Porta-Ski. Further information is available online at www.potaski.com

Porta-Ski Ltd, Springfield Barn, Bird's Edge, Huddersfield HD8 8XP Contact: Mike Johnston

Tel: 07801 183716 Fax: 01484 603374 E-mail: sales@portaski.com

Web site: <http://www.portaski.com>

Innovative Storage Device Takes the Heat Out of Online Shopping

Online shoppers no longer need to worry about being at home to receive chilled or frozen food deliveries, thanks to an innovative weatherproof storage box designed for installation outside the home. Shopbox, developed by UK-based Shopbox Systems, is secured to the user's property with a steel wall-plate and lockable cable, and includes insulated compartments for frozen goods. When expecting a delivery, the user simply ensures the box is switched on and is left unlocked. After placing the shopping in the Shopbox, the delivery driver locks the lid by pushing the handle into its housing. Upon returning home, the user unlocks the box with the key supplied and unloads the shopping. Total capacity is more than 250 liters. Shopbox offers benefits for supermarkets, online stores, and delivery companies.

Shopbox Systems Ltd, Albert Road, Morley, Leeds LS27 8TT Tel: 0113 252 2333 Fax: 113 252 7915

E-mail: stuarts@archbald.co.uk Web site: www.shopbox.co.uk

Free Online Resource Helps Users to Capitalize on Franchise Opportunities

Anyone considering starting a business in the US can benefit from a new web site that offers free advice on franchising and the latest franchise opportunities. Already operating successfully in the UK and recently extended with a dedicated US presence, www.whichfranchise.org, the site allows users to make informed decisions and also offers franchisors the opportunity to promote their services to potential franchisees. The site carries daily updates of news from leading franchise companies, as well as information on forthcoming franchise exhibitions and events. The site gives information on a range of franchise opportunities, as well as details of some 800 franchises. The web site also features a panel of experts in various aspects of franchising to provide answers to queries online. The www.whichfranchise.org web site also offers benefits to franchisors seeking recruits.

whichfranchise. 78 Carlton Place, Glasgow Scotland G5 9TH Tel: 0141 429 5929 Fax: 0141 429 5901

E-mail: johnny@whichfranchise.com Web site: www.whichfranchise.org

4. TRADE SHOWS

UK

1-3 November 2005 - Show House 2005. ExCel London

Organiser: Blendon Communications Ltd
UK Housebuilding and property development industry.
Telephone: 020 7002 8300 Email: st@blendoncom.com Website: www.blendoncommunications.co.uk

2-4 November 2005 -Scotbuild. Scottish Exhibition & Conference Centre. Glasgow

Organiser: SITE Ltd
Building, Construction & Refurbishment.
Telephone:0131 556 5152 Email: exhibit@site.co.uk Website: www.site.org

8-11 November 2005 -APTS - Airport & Terminal Security Conference & Exhibition . Olympia London

Organiser: International Business Events Ltd
Airport & Terminal Security.
Telephone:020 8822 6919 Email: info@ibeltd.com Website: www.pts-expo.com

9-10 November 2005 -Construction Computing Show. Barbican Exhibition Centre London

Organiser: Business & Technical Communications
Telephone: 01689 616 000 Email: abbey-penn@btc.co.uk

15-16 November 2005 -Institute of Healthcare Management Conference & Exhibition. G-Mex Centre Manchester

Organiser: Institute of Healthcare Management
Healthcare products & services.
Telephone: 020 7881 3290 Email: rdodman@ihm.org.uk Website: www.ihm.org.uk

16-17 November 2005 -World of Learning Conference & Exhibition. NEC Birmingham

Organiser: Venture Marketing Group
Solutions for the training industry.
Telephone: 0208394 5100 Website: www.learnevents.com

23-24 November 2005 -The Thames Gateway Forum. ExCel London

Organiser: The Thames Gateway Forum
Business forum.
Telephone:020 8600 2702 Email:info@thamesgatewayforum Website: www.thamesgatewayforum.com

25 November 2005 -Cashflow Expo. Business Design Centre London

Organiser: Capital Corporate Events Ltd
Cash flow solutions.
Telephone: 01425 283 080 Email:lee@capitalcorporateevents.co.uk Website: www.capitalcorporateevents.co.uk

29 November - 1 December 2005 -Online Information Conference & Exhibition. Olympia London

Organiser: VNU Exhibitions Europe
Online information.
Telephone: 020 7379 7400 Website: www.vnuexhibitions.co.uk

US

Listed below are the upcoming trade shows (November 2005) that have been selected to participate in the U.S. Commercial Service's International Buyer Program.

1-4 November 2005 - Automotive Aftermarket Products Expo 2005, Las Vegas, Nevada

AAPEX 2005 is the world's largest business-to-business event for the \$250 billion automotive aftermarket industry.

For more details contact: Colin Moore, Tel: 020 7408 8019 Email: Colin.Moore@mail.doc.gov

Website: <http://www.aapexshow.com>

9-11 November 2005 - Greenbuild 2005, Atlanta, Georgia

Greenbuild 2005 is presented annually by the U.S. Green Building Council, a nonprofit coalition of more than 5,500 private companies, nonprofits and governmental agencies working to transform the building industry.

Greenbuild is the must-go event for the industry. Featuring three days of educational programs, workshops and speakers.

For more details contact: Cheryl Withers, Tel: 020 7408 8019 Email: Cheryl.Withers@mail.doc.gov. Website:

<http://www.greenbuildexpo.org/default.asp>

9-11 November 2005 - Paperworld USA 2005, Las Vegas, Nevada

Paperworld USA 2005 will be the leading industry trade showcase of new products, innovations, concepts and ideas in school and office supplies.

For more details contact: Cheryl Withers, Tel: 020 7408 8019 Email: Cheryl.Withers@mail.doc.gov. Website:

<http://www.shopa.org/>

25-30 November 2005 - Greater New York Dental Meeting, New York, NY

Greater New York Dental Meeting is the largest dental congress in the United States.

For more details contact: Tatiana Russo, Tel: 020 7408 8019 Email: Tatiana.Russo@mail.doc.gov

Website: <http://www.gnydm.com/>

For a more comprehensive listing of all our Trade Events, please visit, [ExportGov](#).

5. OTHER

Leeds Trade Mission to Louisville, Kentucky – 3rd - 8th December 2005

As part of a programme of activity designed to further support local companies looking to develop overseas business with Louisville, Leeds Chamber of Commerce & Industry alongside Leeds City Council are organising a trade visit to Louisville, Kentucky. Places on the mission are open to companies from all sectors. Companies signing up for the trade mission are guaranteed at least 6 separate appointments with potential business clients. Costs: £950.00 + VAT.

Interested parties are requested to register and complete a matchmaking form prior to Friday, 7 October 2005.

For more information contact Debra Crossley on 0113 247000 or email debrac@leedschamber.co.uk

*Members of the British American Business Council
and the European Council of American Chambers of Commerce*