

Investment News



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September 2009

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1. ECONOMIC INDICATORS

UK

- Total net worth of the UK, including financial assets, at the end of 2008 was £6,954 billion. This is a decrease of £177 billion on the previous year. Detailed figures of the country's wealth show that the most valuable asset continues to be housing with a total value of £3,923 billion. This is equivalent to 56% of the nation's wealth, and is down 9% on the previous year.
- Gross Domestic Product (GDP) contracted by 0.7% in the second quarter of 2009. This has been revised from a fall of 0.8% in the preliminary estimate of GDP, due to upward revisions to production. GDP is 5.5% lower than the second quarter of 2008.
- Consumer Prices Index (CPI) annual inflation was 1.8% in July, unchanged from June.
- Total production output decreased by 0.6% in the second quarter of 2009 compared with the previous quarter and fell 11.8% against the second quarter of 2008.
- Manufacturing output decreased by 0.2% in the second quarter of 2009 compared with the previous quarter and was 12.5% lower against the second quarter of 2008.
- Output of the Service sector fell by 0.6% in the quarter to June 2009 compared with the quarter to March.
- Output price annual inflation for all manufactured products fell 1.3% in July. Input price annual inflation fell 12.2% in July from a fall of 11.8% in June.
- The unemployment rate was 7.8% for the three months to June 2009, up 0.7% over the previous quarter and up 2.4% over the year. The number of unemployed people increased by 220,000 over the quarter and by 750,000 over the year, to reach 2.43 million. The employment rate for people of working age was 72.7% for the three months to June 2009, down 0.9% from the previous quarter and down 2.0% over the year. The number of people in employment for the three months to June 2009 was just 28.93 million, down 271,000 over the quarter and down 573,000 over the year.
- Average earnings including bonuses rose by 2.5% in the year to June 2009, up from the May rate of 2.3%. Average earnings excluding bonuses, or regular pay, rose by 2.5% in the year to June 2009, down from May rate of 2.6%.
- The public sector showed a deficit on current budget of £5.1 billion in July 2009, compared with a surplus of £7.8 billion in July 2008.
- The volume of retail sales in July 2009 was 3.3% higher than in July 2008.
- Business investment for the second quarter of 2009 is

estimated to be 10.4% lower than the previous quarter and 18.4% lower than the same period last year.

- During April to June 2009, the number of visits to the UK by overseas residents increased 4% to 7.7 million when compared with the previous three months. Associated spending by overseas residents on visits to the UK remained broadly the same at £4.2 billion. Over the same period, the number of visits abroad by UK residents remained broadly the same at 15.2 million, while the associated spending decreased by 8% to £7.6 billion.
- During the 12 months to June 2009, the number of visits by overseas residents to the UK decreased by 8% when compared with the 12 months to June 2008, from 33.1 million to 30.5 million. In the 12-month period to June 2009, the number of visits abroad by UK residents, decreased by 10% when compared with the 12 months to June 2008, from 70.9 to 63.5 million.
- The UK's deficit on trade in goods and services was £2.2 billion in June, compared with a deficit of £1.9 billion in May.

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

LONDON

- In the most recent 28-day period (from May 31, 2009 to June 27, 2009), London's Underground and buses had 257.2 million passenger journeys; 179.4 million by bus and 77.8 million by underground.
- The moving average annual rate of growth in passenger journeys decreased to 1.6% from 1.9% in the previous period.
- The percentage of the resident working age population who are unemployed and claiming jobseeker's allowance in London was 4.3% in July 2009. There were 218,800 unemployment claimants in London in July 2009 compared with 213,900 in June 2009.
- London's annual growth in output decreased to -3.6% in Q1 2009 from an upwardly revised -0.9% in Q4 2008.
- London's annual employment growth decreased to -0.6% in Q1 2009 from -0.2% in Q4 2008.
- Annual house price inflation in London was -18.2% in Q2 2009.
- 12.4 million passengers traveled through London's airports in July 2009.
- The Synovate Retail Traffic Index of shoppers in London was 85.6 in the second full week of August compared to 90.7 in the previous week.
- The Purchasing Managers' Index (PMI) of business activity recorded 52.1 in July 2009 compared to 51.8 in June.
- The PMI for the level of employment in London firms was 39.9 in July 2009 compared to 41.5 in June.
- The RICS survey shows a positive net balance of 31 for London house prices over the past three months to July 2009. This net balance is up from 6 in June 2009.

US

- Real gross domestic product (GDP) decreased at an annual rate of 1.0% in the second quarter of 2009. This follows a decrease of 6.4% in the first quarter.
- Personal income increased \$3.8 billion, or less than 0.1%, and disposable personal income (DPI) decreased \$4.6 billion, or less than 0.1% percent, in July.
- The U.S. international trade deficit in goods and services in June 2009 increased 4.0% to \$27.0 billion. Exports rose 2.0% to \$125.8 billion and imports increased 2.3% to \$152.8 billion.
- The U.S. current account deficit decreased to \$132.8 billion (3.7% of GDP) in the fourth quarter of 2008, down from \$181.3 billion in the third quarter. For 2008 overall, the U.S. current account deficit was \$673.3 billion (4.7% of GDP), down from \$731.2 billion in 2007.

For previously released US economic indicators visit US Bureau of Economic Analysis (BEA) <http://www.bea.gov/index.htm>

NY

- Private employment fell by 4,500 in June, after a decrease of 3,700 jobs in May (Source: New York State Dept. of Labor).
- The unemployment rate rose to 9.5% in June from 8.9% in May (Source: New York State Dept. of Labor).
- The Manhattan hotel occupancy rate in June 2009 was 86.9 % down from 89.5% in June 2008 (Source: New York State Dept. of Labor).
- The Manhattan Class A office vacancy rate was 8.1% in July 2009, while the average asking rent was \$70 per SF (Source: New York State Dept. of Labor).
- Passengers in NYC area airports totaled 8.7 million in May 2009, down 8.3% from May 2008 (Source: New York State Dept. of Labor).
- In July 2009, the Manhattan Class A direct vacancy rate rose to 8.1% and the average asking rate fell \$12 PSF to \$70 PSF (Source: Cushman and Wakefield).
- In July 2009, the Downtown Class A direct vacancy rate rose to 5.5%, while average direct office rental rate fell \$2 PSF to \$53 PSF (Source: Cushman and Wakefield).
- For the four months ending June 2009: Building projects (including new, additions and alterations) that started construction in NYC declined by 20.4% and, infrastructure (non-building) project starts increased by 22.3% from the four months ending June 2008 (Source: McGraw Hill Construction).
- Planned space for building project starts decreased 73.6% from the same period in 2008 (Source: McGraw Hill Construction).
- 729 residential buildings with 1,949 units of housing started construction, decreases of 37.7% and 82.5% respectively from the previous year (Source: McGraw Hill Construction).
- There were approximately 882,000 Broadway tickets sold during the four weeks ending July 26, 2009, a 10.7% decrease from the same period last year. Broadway revenue during this period was roughly \$78.7million, a 4.4% increase from last year (Source: The Broadway League).
- In May 2009, 8.7 million passengers flew into and out of the region's airports, a decrease of 8.3% from May 2008 (Source: Port Authority of New York and New Jersey).
- 2.8 million passengers traveled with international air carriers in May 2009, an 8.8% drop from May 2008 (Source: Port Authority of New York and New Jersey).
- In June 2009, the average daily hotel room rate was \$215, a 32.6% decrease from June 2008 (Source: PKF Consulting).
- Hotel occupancy was 86.9% in June 2009, down from 89.5 % in June 2008 (Source: PKF Consulting).
- The average daily hotel room rate declined the most in lower-priced hotels (charging between \$125 and \$175 per night) (Source: PKF Consulting).
- Total ridership on MTA subways, trains and buses in April 2009 was roughly 212.5 million, a decrease of 2.7% from April 2008. In April 2009, average New York bus ridership was 62.2 million, a decrease of 2.6% from April 2008 (Source: Metropolitan Transportation Authority).

2. INVESTMENT INDICATORSUK / US/ Global**UK Investment Position: First Quarter 2009**

The UK surplus on direct investment income was £9.8 billion in Q1 2009, up £3.7 billion on the £6.1 billion surplus in the previous quarter. UK earnings on direct investment abroad were £11.8 billion in the latest period, up from £3.6 billion in Q4 2008. In Q1 2009, there were earnings of £2.0 billion on direct investment in the UK, compared with a loss of £2.5 billion in Q4 2008.

Portfolio investment income recorded a deficit of £1.4 billion in Q1 2009, following a surplus of £0.4 billion in the previous quarter. UK earnings on holdings of foreign securities fell by £2.8 billion in Q1 2009, to £15.4 billion and foreign earnings on portfolio investment in the UK fell by £1.0 billion in the latest quarter, to £16.8 billion.

The deficit on earnings from other investment fell by £1.5 billion to £4.9 billion in the latest period. UK earnings on other investment abroad were £15.2 billion, a decrease of £13.6 billion on the previous quarter. Foreign earnings on other investment in the UK fell by £15.1 billion, to £20.2 billion.

The financial account showed a net inflow (inward investment) of £10.6 billion in Q1 2009, compared with a net inflow (inward investment) of £10.2 billion in the previous period. There was net investment abroad of £2.6 billion in the latest quarter, following net disinvestment of £641.5 billion in Q4 2008, the highest on record. There was net investment in the UK of £13.2 billion in Q1 2009, following net disinvestment of £631.3 billion in the previous quarter, the highest on record.

Direct investment abroad showed net investment of £32.4 billion in Q1 2009, compared to net investment of £6.7 billion in the previous period. Direct investment into the UK showed net investment of £34.2 billion in Q1 2009, compared with net investment of £15.3 billion in Q4 2008.

Portfolio investment abroad showed net investment of £38.3 billion in Q1 2009, following net disinvestment of £107.0 billion in Q4 2008 and Portfolio investment in the UK showed net investment of £122.2 billion in Q1 2009, the highest on record, compared with net investment of £38.2 billion in Q4 2008.

Other investment abroad showed net disinvestment of £19.9 billion in Q1 2009, following net disinvestment of £517.9 billion in Q4 2008, the highest on record. Other investment in the UK showed net disinvestment of £143.2 billion in Q1 2009, compared with net disinvestment of £684.8 billion in Q4 2008.

The UK international investment position showed net external assets of £77.8 billion at the end of Q1 2009 compared with net external assets of £92.9 billion at the end of the previous quarter. UK assets abroad decreased by £180.3 billion from the end of the Q4 2008 to a level of £6954.8 billion at the end of Q1 2009. UK liabilities decreased by £165.2 billion over the same period to a level of £6877.0 billion.

US Investment Position: First Quarter 2009

In Q1 2009, income receipts on US owned assets abroad decreased to \$133.5 billion from \$166.8 billion. Income payments on foreign owned assets in the United States decreased to \$112.4 billion from \$143.8 billion.

Net financial inflows were \$47.1 billion in Q1 2009, down from \$88.3 billion in Q4 2008.

US owned assets abroad decreased \$125.2 billion in Q1 2009, following a decrease of \$114.7 billion in Q4 2008. Foreign owned assets in the United States decreased \$78.1 billion in Q1 2009, following a decrease of \$11.9 billion in Q4 2008.

US direct investment abroad increased \$24.0 billion in Q1 2009, following an increase of \$84.5 billion in Q4 2008. Foreign direct investment in the United States increased \$35.3 billion in Q1 2009, following an increase of \$96.8 billion in Q4 2008.

Global FDI 2009 – First Quarter

Global foreign direct investment (FDI) inflows and cross-border mergers and acquisitions (M&As) – the main mode of FDI – drastically declined in the last quarter of 2008, and the fall has continued into 2009, UNCTAD data reveal.

FDI inflows dropped by 54% per cent and M&As by 77% during the first quarter of 2009 as compared to the same period last year. Prospects for FDI will remain gloomy for the rest of the year, UNCTAD economists say.

According to UNCTAD, the data on FDI flows available for the first quarter of 2009 reveal a drastic plummet. The 54% decline was apparent among the 57 countries for which quarterly data on FDI inflows were available as of mid-June 2009 (which

account for roughly 60% of global inflows). Forty-three countries, including major host countries such as Brazil, China, and the Russian Federation, recorded declines.

FDI outflows for the same period fell by 57% for 47 countries (accounting also for about 60% of global FDI outflows) for which such data are available. Thus, the majority of these countries (37 out of 47), including major investors such as France, Germany, Japan, and the United States, experienced declines in FDI outflows in the first quarter of 2009.

3. NEW INVESTMENTS US Investments into the UK

WealthEngine Opens Office in UK

WealthEngine, a Maryland-based provider of sophisticated prospect research tools and analytics, has announced that it is expanding into Europe with an initial hub in London. The office, located in Covent Garden, will be headed by Vice President of Sales, Justin Reynolds. WealthEngine has been serving the UK fundraising community with its wealth screening and its FindWealth Online prospect research product since 2005. About 30 UK-based premier charitable organizations rely on WealthEngine for their donor and prospect research. WealthEngine, 4339 Montgomery Avenue, Bethesda, MD 20814. Tel: 001- 301 215 5980 Fax: 001- 301 215 5987 Email: info@wealthengine.com Website: www.wealthengine.com WealthEngine, Garrick House, 26-27 Southampton Street, Covent Garden, London WC2E 7RS. Tel: +44 (0) 20 7717 8483

Signature Devices Launches UK Office

California-headquartered software developer Signature Devices has announced that its subsidiary, Graffiti Entertainment, Inc., has opened a European office in London, England with the help of industry veteran Terry Malham. Signature Devices Inc, 275 Shoreline Drive, Suite 120, Redwood City, CA 94065. Tel: 001-650 654 4800 Fax: 001- 650 654 4804 Email: info@signaturedevices.com Website: www.signaturedevices.com

Graffiti Entertainment– USA, 275 Shoreline Drive, Suite 120, Redwood City, CA 94065. Tel: 001-650 654 4800 Fax: 001- 650 654 4804 Website: www.graffitientertainment.com Graffiti Entertainment – Europe, 1 City Road, London EC1Y 1AE Tel: +44 (0)20 8123 6300.

Primary Insight Opens Offices in London and Shanghai

New York-based company Primary Insight, a provider of expert network services to institutional investors globally, has announced that it has opened offices in London and Shanghai. Headquartered in midtown Manhattan, Primary Insight will now be able to provide ground level support to its clients in the UK and Asia. Co-founder and Managing Partner Primary Insight, 909 3rd Ave, New York, NY 10022-4731, Tel: 001- 212 644 8657, Leighton Thomas, Managing Director & Co-founder Tel: 001- 646 216 5252 Email: Leighton@primaryinsight.com Website: www.primaryinsight.com

Bill & Melinda Gates Foundation to Open London office

One of the world's largest charitable foundations is opening headquarters in London. The Bill & Melinda Gates Foundation, which has a \$30bn (£18bn) endowment and awarded \$2.8bn (£1.7bn) in grants last year, will employ up to 12 staff in the capital. The London office, which will open at the start of next year, will act as the foundation's European office. It already has offices in Washington DC, Delhi and Beijing in addition to its global headquarters in Seattle. Joe Cerrell, director of global health policy and advocacy at the foundation, will lead the UK-based team, which will attempt to forge closer links with organizations in Europe that are funded by the foundation. The foundation, which funds health and global development initiatives, has awarded \$3bn (£1.8bn) to European organizations since it was founded.

The Bill & Melinda Gates Foundation, PO Box 23350, Seattle, WA 98102. Tel: 001-206 709 3100 Email: info@gatesfoundation.org

org Website: www.gatesfoundation.org

UK Investments into the US

VIRTUALIS Opens US Office

VIRTUALIS, Europe's leading advanced visualization company, has opened an office in the US. The office, which includes a workshop and storage space, will act as a service and installation hub for Virtualis' US business, Virtualis Inc. There is also an impressive meeting and demonstration suite, allowing visitors to experience Virtualis technology for themselves.

Centrally located in Kettering, Ohio, two of the Virtualis hardware team will be permanently based at the US Office. Virtualis Ltd, Chester House, 79 Dane Road, Manchester M33 7BP. Tel: +44 (0) 161 969 1155 Email: info@virtualis.com
Website: www.virtualis.com

Virtualis Inc, 1952 Woodman Center Drive, Kettering, Ohio 45420. Tel: 001- 937 534 9600 Email: virtualisinc@virtualis.com

Teknek Plans North Carolina Facility

UK-based Teknek, a manufacturer of web cleaning equipment, has announced plans to open a new facility in Charlotte, North Carolina. The new facility, which is hoped to be fully operational in September 2009, will house sales and service, as well as a North American fulfillment center and consumable production capacity.

Teknek, River Drive, Inchinnan Business Park, Renfrew, Renfrewshire, PA4 9RT Tel: +44 (0) 141 568 8100 Fax: +44 (0) 141 568 8101 Email: teknek@teknek.com, Website: www.teknek.com

Teknek USA, Tel: 001-888 455 1529 Fax: 001-888 455 5624 Email: ussales@teknek.com

GxP Consulting Announces New Expansion Strategy into US and UK Markets

UK – headquartered GxP Consulting, a leading provider of compliance services to the pharmaceutical and biopharmaceutical industries, announced expansion plans in the US and UK markets. Led by Mark Stevens, managing director at GxP Consulting, the company has launched a strategy to expand services and support to customers in Europe and America in order to help businesses rise to the challenges currently being faced across the industry. As part of this expansion, GxP Consulting announces a strategic new facility in Irvine, California, to support increased activity in North America. Secondly, expansion in the UK has led GxP Consulting to move its headquarters into a new larger purpose-built facility in Nottingham. With a dedicated team of 40 consultants in place, GxP Consulting is ideally placed to move forward with its new growth strategy and improved customer support in both regions.

GxP Limited, Unit 13 Poplars Court, Lenton Lane, Nottingham NG7 2PW. Tel: +44 115 924 8477 FAX: +44 115 924 8472 Email: info@gxpeu.com Website: www.gxpeu.com

4. TRADE SHOWS

UK

September 11-20, 2009 - Southampton Boat Show - Mayflower Park, Southampton

Website: www.southamptonboatshow.com

This show boasts one of Europe's largest purpose-built marinas. In 2008 visitors were treated to a bumper year with over 600 exhibitors and more than 1,000 boats on display. Contact: Sara Jones, Commercial Assistant Tel: +44 (0)20 7894 0419 Email: Sara.Jones@mail.doc.gov

September 13, 2009 - The Emergency Services Show - Hullavington Airfield, Wiltshire

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

The Emergency Services Show 2009 is the definitive event for promoting multi agency collaboration within the UK's

emergency services.

Contact: Andrew Williams, Commercial Specialist Tel: +44 (0) 20 7894 0419 Email: Andrew.Williams@mail.doc.gov

September 22-24, 2009 - Helitech 2009 - Imperial War Museum, Duxford, Cambridge

Website: <http://www.helitech.co.uk/>

"The premier showcase for the world's helicopter industry".

Contact: John Coronado, Commercial Officer Tel: +44 (0)20 7894 0419 Email: John.Coronado@mail.doc.gov

September 24-27, 2009 -100% Detail - Earls Court London

Website: <http://www.100percentdetail.co.uk>

100% Details gives visitors the opportunity to connect with over 150 exhibitors presenting the latest, innovative building products and materials.

Contact: Cheryl Withers, Commercial Assistant Tel: +44 (0)20 7894 0419 Email: Cheryl.Withers@mail.doc.gov

October 7-8, 2009 - Energy Solutions Expo 2009 - London Olympia

Website: www.energy-expo.info

Energy Solutions Expo is the UK's fastest growing energy event.

Contact: Richard Stanbridge, Senior Commercial Specialist Tel: +44 (0)20 7894 0419 Email: Richard.Stanbridge@mail.doc.gov

October 14-15, 2009 - Data Storage Expo - InterContinental London Park Lane, London

Website: <http://www.storage-expo.com>

Storage Expo, the UK's definitive event for data storage, information and content management, provides the opportunity to compare the most comprehensive range of solutions and meet all the leading UK suppliers.

Contact: Andrew Williams, Commercial Specialist Tel: +44 (0) 20 7894 0417 Email: Andrew.Williams@mail.doc.gov

October 18-21, 2009 – Interbuild - NEC, Birmingham

Website: www.interbuild.com

The UK's largest building and construction event for industry professionals. Product categories include roofing, lighting and electrical, bathrooms, security and fire prevention, and commercial vehicles.

Contact: Cheryl Withers, Commercial Assistant Tel: +44 (0)20 7894 0419 Email: Cheryl.withers@mail.doc.gov

October 20-21, 2009 - E Commerce Expo 2009 - Olympia, London

Website: <http://www.ecommerceedexpo.co.uk>

E Commerce Expo is positioned to address the processes, technologies and services that surround the e-commerce transaction - acquisition, conversion, fulfillment and customer retention.

Contact: Andrew Williams, Commercial Specialist Tel: +44 (0) 20 7894 0417 Email: Andrew.Williams@mail.doc.gov

October 27-28, 2009 - Smartphone 2009 - Earls Court, London

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

The Smartphone Show continues to bring together the leaders and visionaries shaping the future of mobile.

Contact: Andrew Williams, Commercial Specialist Tel: +44 (0) 20 7894 0417 Email: Andrew.Williams@mail.doc.gov

October 27-29, 2009 - L.A.B. 2009 - Int'l Analysis Bio & Lab Equipment Conf & Exbn - NEC Birmingham

Website: www.lab-uk.co.uk

The trade fair for analysis, bio and laboratory equipment in the UK.

Contact: Cheryl Withers, Commercial Assistant Tel: +44 (0)20 7894 0419 Email: Cheryl.withers@maildoc.gov

US

September 11-16, 2009 - PRINT 09 - Chicago, IL

Website: <http://print09.gasc.org/>

"PRINT is the most comprehensive graphic communications exhibition and conference in the Americas.

Contact: Andrew Williams, Commercial Specialist Tel: +44 (0) 20 7894 0417 Email: Andrew.Williams@mail.doc.gov

September 15-17, 2009 - Gear Expo 2009 - Indianapolis, IN

Website: www.gearexpo.com

GEAR EXPO 2009 is where the gear industry comes together to connect.

Contact: Sara Jones, Commercial Assistant Tel: +44 (0)20 7894 0471 Email: Sara.Jones@mail.doc.gov

September 23-25, 2009 - IFAI 2009 - San Diego, CA

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

With more than 500 exhibitors and 8,000 participants from more than 62 countries expected, IFAI annual Expo is the largest trade event in the Americas for the technical textiles and specialty fabrics industry."

Contact: Marcella Marcheso, Commercial Specialist Tel: +44 (0) 20 7894 0433 Email: Marcella.Marcheso@mail.doc.gov

October 5-7, 2009 - PACK EXPO International 2009 - Las Vegas NV

Website: <http://my.packexpo.com/default.aspx>

PACK EXPO International will focus on the latest developments in packaging technology and will showcase exhibitors' state-of-the-art advances in packaging machinery, converting machinery, materials, packages and containers, and components.

Contact: Marcella Marcheso, Commercial Specialist Tel: +44 (0) 20 7894 0433 Email: Marcella.Marcheso@mail.doc.gov

October 21-23, 2009 - SUPERCOMM/NXT comm 2009 - Chicago, IL

Website: www.nxtcommshow.com

The focus of NXTcomm will be the business and technology of communications, information and entertainment.

Contact: Andrew Williams, Commercial Specialist Tel: +44 (0) 20 7894 0417 Email: Andrew.Williams@mail.doc.gov

October 27-29, 2009 - Louisiana Gulf Coast Oil Exposition (LAGCOE) 2009 - Lafayette, LA

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

The Louisiana Gulf Coast Oil Exposition has been fueling the global quest for energy for over 55 years.

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