

economy



The latest Treasury figures show the UK economy grew by 2.2% in 2003 - behind only the US and Japan among the G7 economies. This moderate growth continues a long period of steady economic growth in the UK.

This picture of stable growth in the UK is in the context of an international economy affected by geopolitical uncertainty. The international economic climate continues to be uncertain, with rising oil prices, large current account imbalances and shifting exchange rates between Europe, Asia and the US.

Indicator EC1 - Percentage rise in GVA

Gross Value Added (GVA) is a key indicator of the state of the economy, and is broadly the same as Gross Domestic Product (GDP). GVA is the difference between the value of goods and services produced and the cost of raw materials and other inputs, which are used-up in production.

Hertfordshire's GVA rose by 0.9% in 2003 (compared with 2.4% in 2002). This was below the UK rate of 2.0%, the East of England rate of 1.7% and the South East rate of 2.1%. (Source:

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Understanding Hertfordshire, Local Economy Assessment 2004).

Indicator EC2 - Employment in knowledge-based industries and services

Knowledge-based industries and services are defined as 'finance, insurance, real estate and business services; education; health and social work; other community and personal services; post and telecommunications; high and medium-high tech industries: chemicals; machinery and equipment; transport, excluding building ships and boats'.



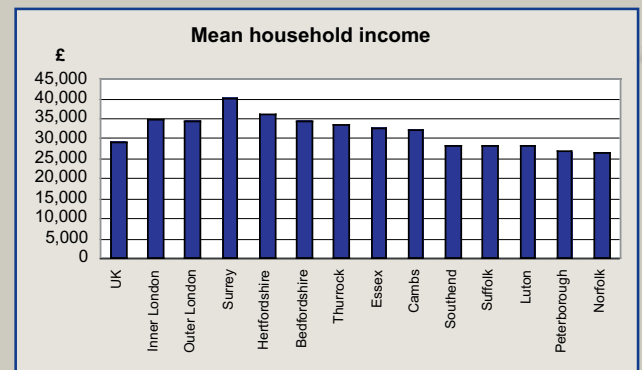
This definition is set by the Organisation for Economic Co-operation and Development (www.oecd.org) and used in the Department of Trade and Industry's (www.dti.gov.uk) UK Competitiveness Indicators.

In 2002 in Hertfordshire there were 262,804 employed in knowledge-based industries compared to 282,844 in 2001.

For the purposes of regional comparisons the EU uses a narrower group of activities (essentially excluding services not considered high tech i.e. finance, insurance, real estate and business services; education; health and social work; other community and personal services). This is broken down into medium and high tech manufacturing and high tech services. The figures for Hertfordshire in 2002 were 26,588 for medium and high tech manufacturing and 37,190 for high tech services. The EU Innovation Scoreboard 2002 (for 2000) shows that Hertfordshire had a greater proportion of

employment in medium/high tech manufacturing together with high tech services than any of the UK regions save the West Midlands. It had a higher proportion of its employment in high tech services than any of the EU regions (only Stockholm comes close). The East of England proportion of employment in high tech services reported by the EU is 5.34%. Within the region, Hertfordshire, with 9.36%, led Cambridgeshire, with 8.01%.

Indicator EC3 - Income per household



The mean household income for Hertfordshire was £35,998. The Hertfordshire figure is the highest in the East of England. The figure is higher than for London but lower than Surrey or Buckinghamshire.

Indicator QoL4 - The percentage increase or decrease in the total number of VAT registered businesses in the area

The graph below shows the change in the number of VAT registered business between 2003 for each district in Hertfordshire. Figures show a general increase in the number of registered businesses across the county, continuing the trend shown in 2002.

