



Regional Report South West

2010

Research
Centre

Fact Sheet

- The population of the South West grew 4% from 2003 to 2008, ahead of the UK average of just 3%.
- Proportionally the South West has more people of retirement age than any other region.
- Exports from the South West amounted to £10.7bn in 2009, which is equivalent to just 5% of all UK exports.
- Regional output per head was 11% less than the UK average, at £18,235.

The South West region covers 23,837 sq km, from the Isles of Scilly and Cornwall in the south, eastwards along the south coast towards Christchurch and northwards to Cheltenham and the Forest of Dean.

Population trends

The natural beauty of the South West has encouraged migration into the region and the resulting population growth of over 4%, from 2003 to 2008, exceeded the UK's population growth of 3%. In 2008, the South West had a population of 5.2 million, which is equivalent to almost 9% of the UK population. The region ranks seventh out of all the regions in terms of population.

Within the South West, the population of the Isles of Scilly has decreased almost 1%, while Exeter's population increased by 10%. The region has a population density of 219 people per sq km which is 13% lower than the UK average of 253 people. Bristol is the most densely populated city in the region, with 3,844 people per sq km.

Age profiles

The fact that many people who migrate into the South West are retired has a significant impact on the age profile of the region. In 2008, almost 23% of the South West's population was of pensionable age, more than any other region in the UK. The region has a smaller proportion of under 5s, at just over 5%, compared to the UK

average of 6%. Christchurch has the 'oldest' population, with 34% being of pensionable age, while Swindon has the largest percentage of under 5s at almost 7%. The relatively low number of young people in the South West has raised some concerns for the future growth of the region. Across the region, 60% of the population is of working age, less than the UK average of 62%, while just under 18% of residents in the South West region are under 16, below the national average of almost 19%.

Households

There are over 2.2 million households in the South West, an increase of almost 16% since the early 1990s. Of these households, 74% are owner occupied, compared to a UK average of 70%, while only 5% are rented from the local authority, below the UK average of 10%. Average weekly earnings were £460 in the period up to April 2009, which is below the UK average of £489. This is the seventh highest average earnings recorded across the whole of the UK. Average weekly household spending is estimated at £469, which is more than the UK average of £459. The Department for Communities and Local Government estimates that the average house price in the region was £205,128 at the end of 2009, implying that the South West is the fourth most expensive region in the UK. The average house price for the UK as a whole was £200,307.

Contact

Shona Dobbie

Head of Research Centre

Alliance Trust PLC
8 West Marketgait, Dundee DD1 1QN

Tel +44 (0)1382 321000

Fax +44 (0)1382 321185

Email contact@alliancetrust.co.uk

Web www.alliancetrust.co.uk

Alliance Trust PLC is the largest generalist investment trust company listed on the London Stock Exchange. The Research Centre is part of Alliance Trust and was formed to carry out economic and social analysis to deepen our understanding of economies, markets and socio-economic issues.

The views, information and data in this publication are those of the Research Centre and this publication is not a financial promotion or recommendation to make any particular investment. Alliance Trust is not authorised to give financial advice.

Regional Income

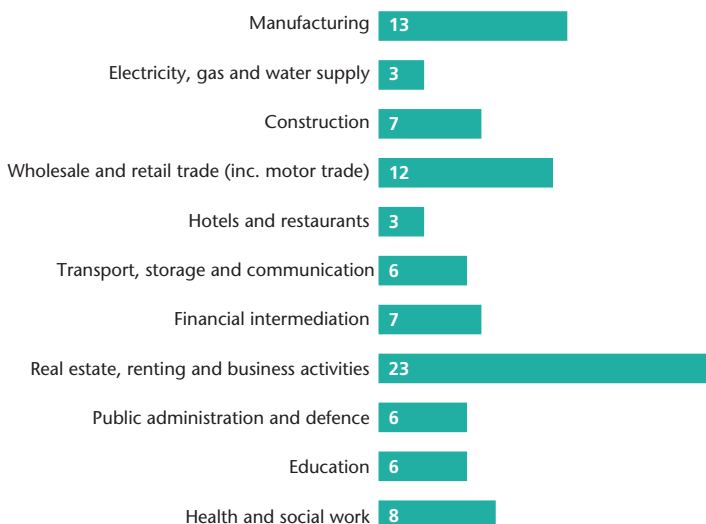
Regional output is commonly measured in terms of gross value added (GVA). Total GVA for the UK increased 6% in 2007 to £1,246bn. The South West region produced output worth £94.4bn, which is equivalent to 8% of national output, ranking it sixth out of the 12 UK regions. However, the South West has achieved the fourth fastest level of growth since 1997, with output increasing by 71%. Within the region Cornwall and Isles of Scilly has grown fastest, by 88%, while Torbay has reported the smallest gain, of only 40%. Gloucestershire, Wiltshire and North Somerset are responsible for 53% of the region's total output.

Regional output can also be compared on a per head basis by dividing GVA by the region's population. In 2007 the national average for GVA per head was £20,430, while that for the South West region was £18,235, which is 89% of the UK average. The South West's GVA per head has increased by almost 59% since 1997, which is slightly slower than the UK's average growth in GVA per head of 61%. Across the region, GVA per head ranges from just £12,506 in Torbay to £30,116 in Swindon. Over the last 10 years the largest increase in GVA per head was recorded in Bournemouth and Poole, at 78%, while Torbay achieved the slowest growth at just 30%.

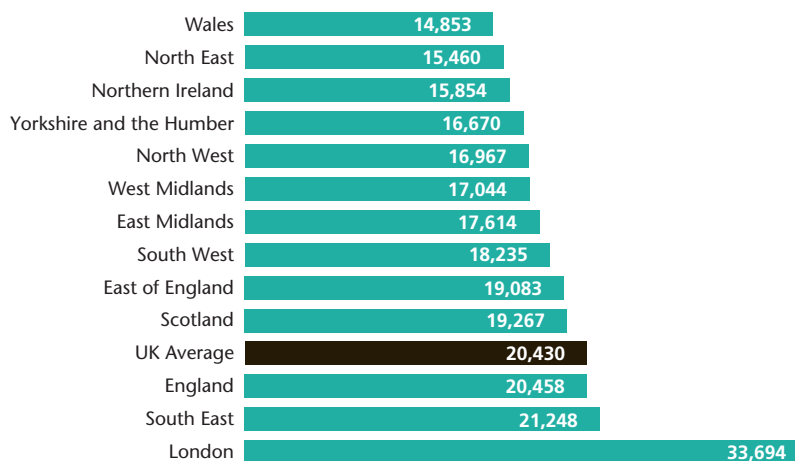
Major Industries

The largest contributor to the area's output is real estate, renting and business activities, which produces 23% of output. This is followed by manufacturing, which

Major Regional Industries (% of output)



Regional output per head in 2007 (£)



accounts for 13%, and wholesale and retail trade, which accounts for a further 12% of output. These three industries produce almost half of the region's total output. The financial intermediation industry accounts for only 7% of total output, compared to 9% across the UK as a whole. In contrast, public administration and defence accounts for over 6%, which is higher than the average share of output due largely to the location of GCHQ within the South West region.

Exports

Exports from the South West amounted to £10.7bn in 2009, which is equivalent to just 5% of all UK exports. Machinery and transport exports account for 63% of the region's total foreign sales. The other main export sectors are manufacturing and chemical goods. At

present 64% of the South West's exports go to Europe, 15% to North America and 12% to Asia.

Workforce

The South West has the third most active population in terms of economic activity. Economic activity measures the number of people either in work or actively seeking work. The economic activity ratio for the region currently stands at 81%, higher than the national average of just under 79%.

At the end of 2009, 2.5 million people were employed within the South West region. The service sector accounted for 84% of total employment. Distribution, transport, finance and business accounted for 49% of jobs while public administration, education and health employed a further 35% of people in work. Manufacturing employed 10% of the total workforce, which is above average for the UK, while construction related jobs were slightly less than the national average, at close to 4%.

At the end of 2009, the South West had an unemployment rate of 6.4%, which is the third lowest of all 12 regions in the UK, and compares to a national average of 7.8%. In the South West, 5% of all employees have a second job to supplement income which is the highest percentage of any region. Over 6% of women have a second job compared to 4% of men.

Sources: ONS Regional Trends 2010 Edition, ONS Labour Market Statistics, Department for Communities and Local Government (DCLG)