



Research Department Recession Update December 2009

Overview

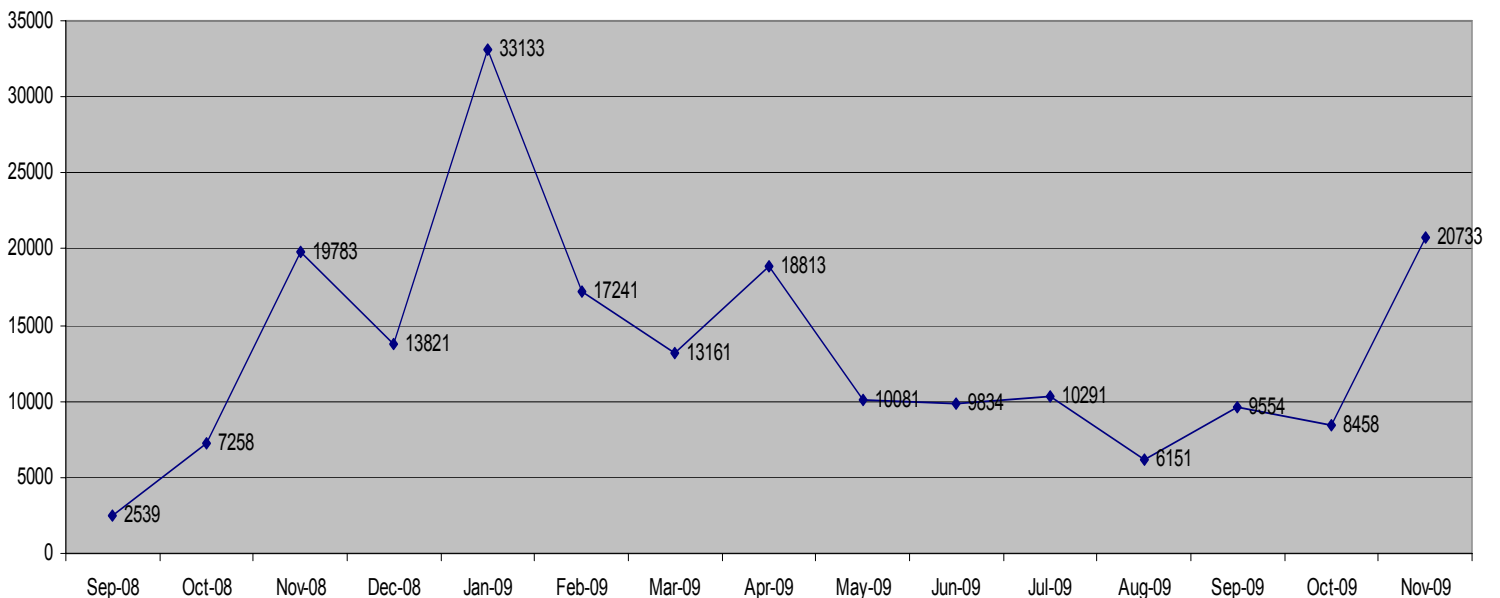
Unless stated otherwise, the following charts and statistics are based on reports received by the Unite Research Department about redundancies and job losses in companies and sectors covered by the union.

November sees a rise in total redundancy announcements

In November a total of **20,733** redundancies were announced in Unite companies, which was dramatically up on the October total of **8,458**. This downturn is the second highest reported figure since January 2009 when there were **33,133** redundancies.

The scale of redundancy announcements in the last month rose to **48** companies being added to the database, down from **59** on the October figure. Overall there has been an increase of **12,275** in total redundancies. The main contributing factor to the large increase was due to announcements in the Finance sector with a loss of **1,700**, **3,700** and **5,000** jobs in HSBC, RBS and Lloyds TSB respectively.

Redundancies per month in Unite Companies



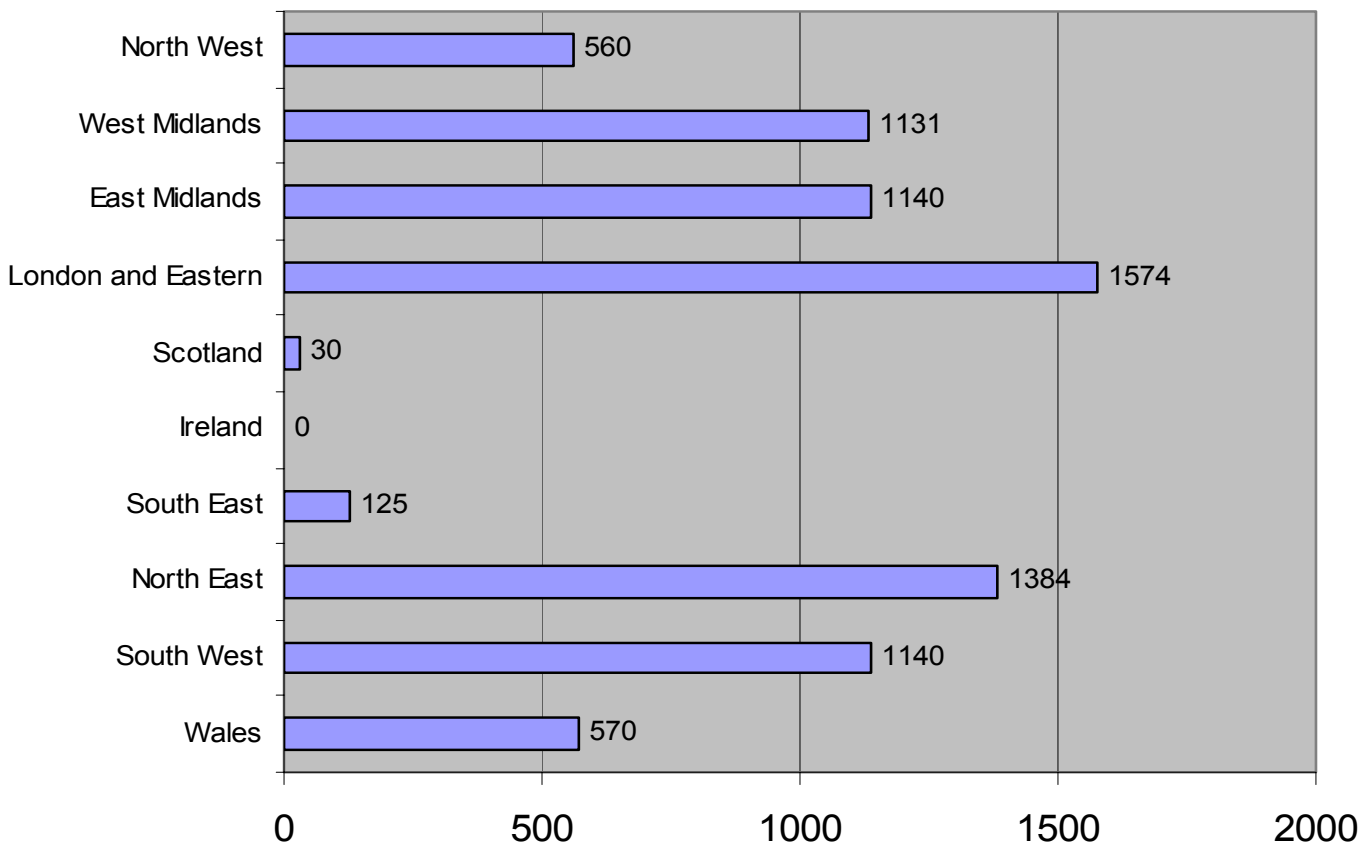
Regions

National announcements have had the most significant effect this month with **13,079** of the **20,733** affecting multi-sited companies. These redundancies have been made in **9** of the **48** companies in the database for November.

The London & Eastern region had the highest proportion of losses in November with the loss of **1,574** jobs. The Region with the fewest losses announced was Scotland with **30**. The graph below only shows the job losses by region.

However, it must be remembered that every region would incorporate some of the **13,079** national losses which could significantly change the analysis.

Job losses by region - November 2009



Cumulative figures for the last quarter show that the worst affected Region was the West Midlands with **3,593** redundancies. West Midlands, London & Eastern, North West, East Midlands and North East Regions make up the top five. The regional picture continues to suggest that the effect of the recession on manufacturing communities is becoming a clear and sustained trend. The national announcements make it slightly more difficult to analyse the figures accurately especially with the high number of losses reported.

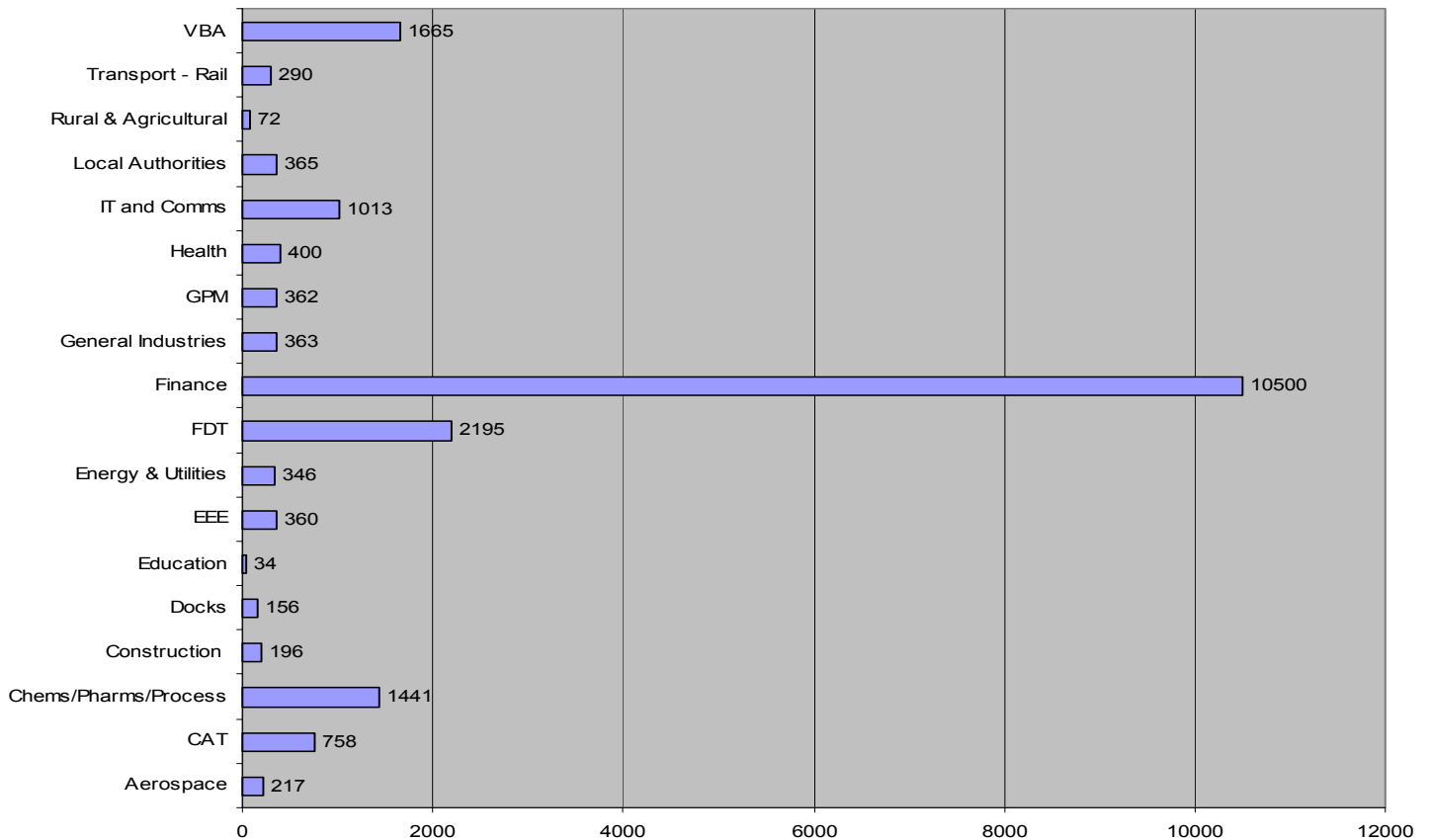
Region	Last Quarter	November	October	September
West Midlands	3593	1131	2251	211
London and Eastern	2981	1574	617	790
North West	2910	560	410	1940
East Midlands	2727	1140	882	705
North East	2288	1384	655	249
South West	1855	1140	455	260
Scotland	1088	30	228	830
South East	967	125	420	422
Wales	951	570	288	93
Ireland	696	n/a	552	144
National/Unallocated	13079	13079	n/a	n/a

Sectors

The largest losses by far were in the Finance Sector. This was expected with the very public announcements made in November by HSBC, RBS and Lloyds TSB. The total figure was **10,500** losses with the next closest being Food, Drink and Tobacco with the loss of **2,195** jobs.

The fewest losses are in the Education sector with **34** jobs announced as being made redundant at the University of Warwick.

Job Losses by sector - November 2009



The totals for the last quarterly period show that the Finance sector is the worst hit sector, with **12,233** workers losing their jobs in the last three months. This is due to the announcement of the large November job losses.

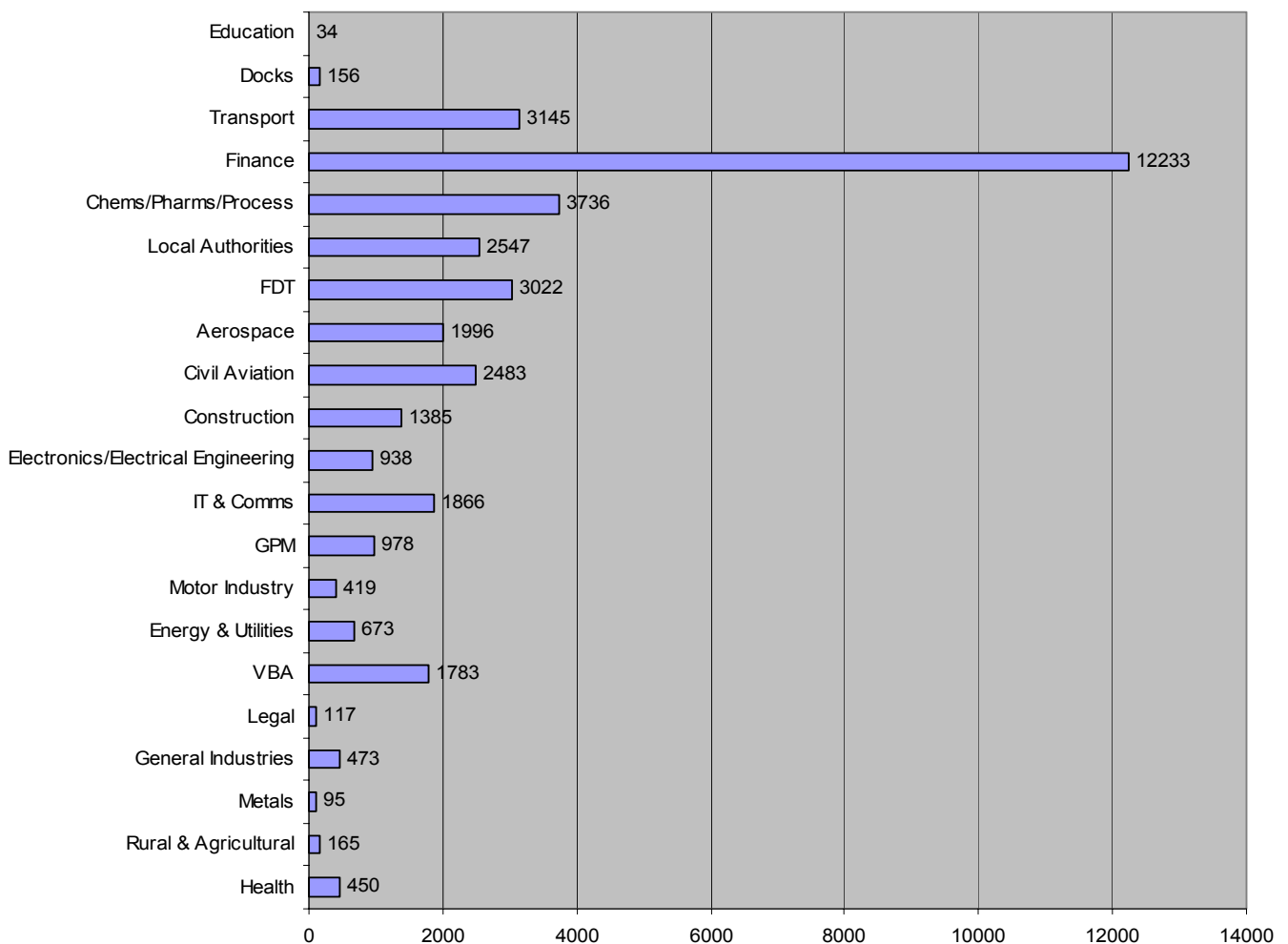
This is followed by the Chemical, Pharmaceuticals, Process & Textiles sector, which has lost **3,736** jobs in the last quarterly period.

The sector least impacted by job losses in the last quarterly period was the Education sector with **34** redundancies announced during November.

The Sectors that have had announcements of over 1000 job losses in the past three month period (other than those listed above) are; Transport, Local Authorities, Food Drink and Tobacco, Aerospace, Civil Aviation, Construction, IT & Communications, and Vehicle Building & Automotive.

There are still significant job losses within the companies in which Unite have a membership presence.

Job losses by sector - last quarterly period



Final Quarter data from the Labour Force Survey has yet to be released so the Q3 information provided in the October Report still stands.

By sector, redundancies in Q3 of 2009 were:

- 26.6% in financial and business services.
- 21.1% in manufacturing.
- 18.6% in construction.
- 15.8% in distribution, hotels and restaurants.
- 8.0% in public administration, education and health.
- 6.3% in transport and communications.
- 3.6% in other service industries.

Recession commentary

New figures released today show that the UK is the only country in the G20 still in recession. Figures from Statistics Canada show that Canada grew 0.1% in Q3 2009.

France, Germany and Japan resumed growth in Q2 2009. Canada, US and Italy resumed growth in Q3 2009.

In Q3 2009, the UK economy shrank 0.3% (ONS, 25 November 2009). This means the UK economy has been shrinking for 6 quarters, the longest and deepest recession on record.

The UK is now the last country in the G20 still in recession. Forecasters generally suggest that the UK will come out of recession in the 4th Quarter of 2009 or, at the latest, the 1st Quarter 2010. The delay in a return to growth in the UK is generally put down to the heavy dependence on the financial services sector which the economy has had.

The EU (and Eurozone) emerged from recession in Q3. According to Eurostat, the Eurozone has emerged from recession, growing 0.4% in Q3. The EU (27) as a whole has also resumed growth, growing 0.2% in Q3.

The following extract from comment in the FT puts the UK position in context:

"The UK's recession has not been more severe than that of other high-income countries. As Alistair Darling, the Chancellor of the Exchequer, noted in his speech on the pre-Budget report, the cumulative contraction in this recession, up to the third quarter of 2009, has been 3.2 per cent in the US, 5.6 per cent in Germany, 5.9 per cent in Italy, 7.7 per cent in Japan and only 4.75 per cent in the UK. The reason this not particularly dramatic decline in output, by the standards of this 'Great Recession', has had an exceptionally big impact on revenues is that, in the UK, the financial sector played a huge role in supporting consumer expenditure, property transactions and corporate profits. No less than a quarter of corporate taxation came from the financial sector alone. Receipts from corporate taxes fell by 26 per cent between the 12 months to October 2008 and the 12 months to October 2009. Receipts from value added tax fell by 17 per cent over the same period. Over and above the general effect of the recession, this is, to a significant extent, a result of the vulnerability of the UK economy to the disruption in credit and collapse in profits of financial businesses."

Martin Wolf FT 16th December 2009

**Research Department
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