

Newhaven Economic Report

Welcome to the first issue of the Newhaven Economic Report.

The report is created and edited by the Newhaven Chamber of Commerce and is designed to provide general market information on the local economy and how it fares with national trends.

The British economy strengthened in the fourth quarter of 2003, with a marked improvement in the manufacturing sector and a buoyant service sector. UK sales and exports improved in both sectors, while investments budgets grew and cash flows strengthened. High street sales increased in December, growing at their highest rate since May 2002.

"Newhaven is bucking the regional trend."

Overall the strong improvement seen in quarter four should be treated with caution as the UK economy is over-dependant on an upsurge in public spending and recruitment, whilst future increases in interest rates and taxes will pose a very real threat to the business sector.

In contrast to the national positive reports, Sussex businesses are proving to be more sluggish in their performance. Sussex businesses are generally cutting back on innovative activity to concentrate on core activity. Expectations of future turnover have also been revised sharply downwards. That said, larger companies are still predicting an increase in turnover growth for the coming months.

Locally, Newhaven seems to be bucking the regional trend. Interest in the area remains high with growth in the housing market and positive news on the planned redevelopments to the East Quay. There are a number of businesses in pre-start up or start up phase and many of the small and medium enterprises are recording successful starts to the New Year.

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The Newhaven Chamber of Commerce is a membership body designed to enhance and encourage the development of trade and tourism in the area. The Chamber welcomes membership from all areas of business and holds regular meetings providing opportunities for business growth, discussion and development.

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The Newhaven Economic Report is produced by Newhaven Chamber of Commerce and NSN. The opinions shown are those of the editor and should be treated as such. Analysis and statistical information is provided by a number of sources. For more information:

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strategic
network**

Business Sectors

Number of companies by sector. This report is based on Principal Business Activities classification through Companies House, which in turn is based on the UK Standard Industrial Classification (SIC 03). Please note that this is on reported businesses, it is acknowledged that there exist a number of enterprises currently not represented.

Banking, Finance & Insurance	7	Business Services	9
Charities & Community	18	Construction & Building	27
Education	12	Estate Agents & Letting	5
Farming & Agriculture	5	Fishing & Marine Services	15
Health & Social Services	21	Hotels, Restaurants & Cafes	17
Manufacturing	77	Other	6
Not known	9	Professional Services	7
Public Houses	8	Recreational & Sporting	14
Retail	63	Transport & Travel Agencies	20
Vehicle sales & services	23		

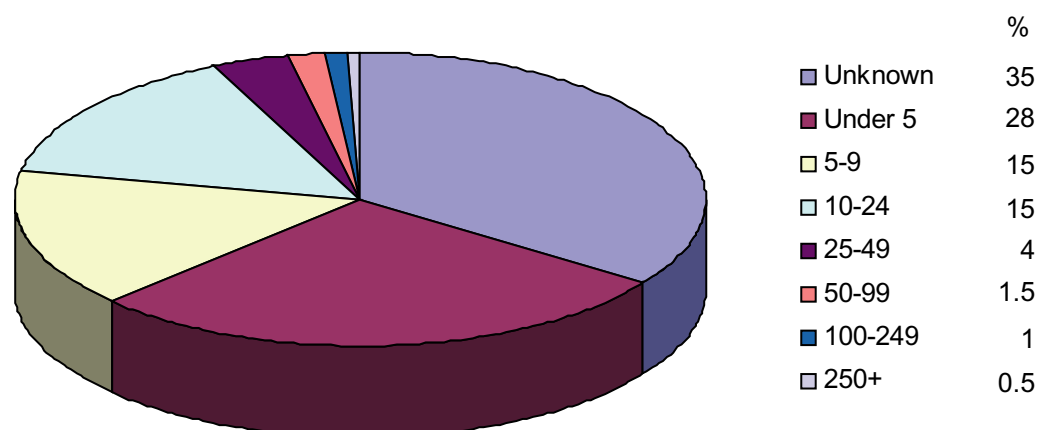
Total number of businesses in Newhaven: 363

Employment Statistics

East Sussex: The number of unemployed people in East Sussex rose by 380 and the unemployment rate by 0.1% from December 2003. At 2.1% the unemployment rate in East Sussex was higher than the South East region. (January 2004 source: East Sussex County Council)

Newhaven: For the same period, unemployment was down 1.7% to 169. For the Seahaven strip (Newhaven, Seaford, Peacehaven) there are 420 registered unemployed and claiming benefit. There are however, a number of local vacancies including Newhaven Port and Properties, and Parker Pen. There are also vacancies in the care home sector but little for retail.

Number of employees (per company)



HousingMarket

Nationally: The National Association of Estate Agents (NAEA) have revealed that activity in the UK housing market is up significantly across the board. In general terms, the number of sales agreed, viewings and new instructions have all increased. House prices continue to rise steadily though at 8% are slower than the increase in early 2002 and the beginning of 2003.

Newhaven: The local market remains buoyant with prices rising by approximately 10% and there appears to be no sign of a slowing down. There is a shortage of property for sale which has stimulated demand and in turn pushed prices up. Overall the town needs to increase in size and property developers are urged to consider building small blocks of flats. Overall, Newhaven is a popular destination for house buyers with new residents moving in from Brighton.

Key statistics (National)

Number of house buyers on agents books 27% increase on final quarter of 2003

New instructions up 15% on December

First time buyers are 16% of total market

House prices are up 8%



InformationTechnology

South East: ADSL broadband is available to more than 78% of the region's population. More than 2,700 primary schools and secondary schools - nearly 87%, and approximately three quarters of all public libraries have access. A further 102 exchanges are actively seeking registrations of customer interest with SEEDA (through Wired Sussex) piloting a low cost satellite broadband application to enable access for those areas where broadband is not available.

Newhaven: The Newhaven Exchange was upgraded in the second quarter of 2003. Statistics are not available of take-up in the town, though local providers of support services are reporting a slow up take of services.

Contributors

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Meeching Estate Agents, Cash Bases, Red Marketing

FocusManufacturing

Cash Bases is the world's leading manufacturer of custom designed cash drawers. Users of our drawers include market leading retailers, major financial institutes, lottery operators, hospitality and restaurants, the transport industry and many more in over 65 countries worldwide.

We are constantly designing and developing new products to provide solutions to Point of Sale environments and have recently extended our expertise into providing mobile, wireless workstations. This gives retailers total flexibility and mobility to operate anywhere the store.

With the current retail market in a buoyant state and retailers continuing to invest in new capital equipment our order book is currently at an all time high with factory output is at its highest level for over three years.

Facts

Sales orders up 102% on 2003

Manufacturing output up by 39% on 2003

Export sales up 55% on 2003.

Employment is up by 18% on 2003.

Cash Bases currently employs 220 people of which 170 people are semi-skilled and skilled workers based in the factory and we are looking to employ more within the Newhaven area.

CASH BASES 

FocusService

The Service sector has seen a surprising upturn in business since the start of 2004. There was evidence of growth towards the latter half of the last quarter but expectations of the first quarter have been well exceeded.

New media continues to rise as more companies take advantage of modern technology. We are seeing an increasing number of first generation "brochure" websites being replaced with ecommerce enabled sites. Companies are taking advantage of high speed internet connectivity to put business processes and order systems on line.

Traditional print and design is also on the up probably due to the general upturn in the local economy. Many businesses are looking to refresh and modernise their image. This kind of activity is in turn generating new business opportunities.

 Red marketing

