

Your Weekly Business Bulletin from Thanet & East Kent Chamber

Thanet & East Kent Insider

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1. Manufacturing

We are about to see a revival in UK manufacturing; at least that is the verdict of the Chatham branch of Adecco. This would be a welcome development in East Kent where manufacturing has been under the cosh from low cost manufacturing bases in Asia and the Pacific Rim. There is some justification for the optimism from the Office for National Statistics. Its report at the end of September this year stated: "Productivity across the whole economy, measured by output per worker, increased by 1.4 per cent in the second quarter of 2010 compared with the same quarter a year ago. This is up from growth of 1.1 per cent in the previous quarter. The growth reflects an increase in whole economy output." Wage costs declined in the first half of the year: "Manufacturing unit wage costs in the second quarter of 2010 fell by 3.9 per cent compared with the same quarter a year earlier. This was a steeper fall than the 1.1 per cent fall in the previous quarter." This suggests improved margins for manufacturers and a recovery in some key markets overseas.

2. What's The Official View?

Spencer Dale is the Executive Director and Chief Economist at the Bank of England. In his speech prepared for 1st December 2010 to celebrate the 21st Anniversary of our very own Kent Business School in Canterbury, he states: "The growth of exports has underperformed expectations, especially when judged against the acceleration in global demand". Not encouraging, you might think, but he follows this comment with: "The lower level of sterling does appear to have supported goods exports by over 10% over the past year." In other words, perhaps we could have done better but exporters have more reason to smile than most. It is the opinion of the Thanet & East Kent Insider that factories in Greece, Ireland, Portugal and Spain must now envy the floating pound sterling which has given our exporters a distinct advantage when selling into the Eurozone. Greece, Ireland, Portugal and Spain decided to dump their own currencies, a decision that they may regard with less enthusiasm today than was the case a few years ago.

3. What Does the Data Say?

Before we jump for joy at a mini recovery, we should note that the scope for improvement is considerable. Although we have data for specific sectors, the government statistics for Manufacturing in the South East date from the end of 2008 and list the percentages of the workforce employed in manufacturing. Top of the list for the South East outside London is Havant with 15.5%. Closer to home in East Kent are: Swale 14.4%, Ashford 10.8%, Dover 10.4%, Medway Towns 9.7%, Tonbridge and Malling 9.7%, Thanet 9.3%, Sevenoaks 8.2%, Tunbridge Wells 6.8%, Shepway 6.7%, Maidstone 5.8% and Canterbury 3.9%. The long term trend away from manufacturing has a long history. In 1978, 6.92 million people were employed in UK manufacturing. This had been reduced to 3.1 million by 2005. [NOMIS Data reproduced under the terms of the Click-use License no. C2010000980. All rights reserved].

4. Will We See New Jobs In Manufacturing?

Previous editions of the Thanet & East Kent Insider have noted the increasing importance of Chinese buyers. The rise in UK exports to a growing list of Comfortable Chinese Consumers (CCC may become an acceptable acronym, you read it here first) offers a clear route forward to innovative East Kent companies such as TV One, Freedom Input, AEI Compounds, Zeta Compliance and Cummins. Early pioneers in the market such as

China Gateway International might find that its expertise and long-standing knowledge of the liberated domestic economy in China puts it in a powerful position to advise newcomers on how best to promote their products. Not everyone will agree with Michael Rendell, head of HR services at PwC, who is reported as saying: "The expected headcount increases are encouraging news for the job market and suggest the private sector will be able to accommodate those public sector workers who are made redundant": but if the Medway office of Adecco is correct that: "We might see a longer term development of manufacturing back in the UK over the next few years", companies in East Kent will indeed need the employment agencies to fill the vacancies. Look no further than the following Chamber members: 247 Recruitment of Cliftonville tel: 01843 294004; Adecco of Broadstairs tel: 01843 609292; Connexions Partnership Kent & Medway of Maidstone tel: 01622 607578; Direction Recruitment of Ramsgate tel: 01843 598694; HRGO of Ramsgate tel: 01843 591798; Maximus Employment & Training of Ramsgate tel: 01843 808410, TNG (Avanta Enterprises) of Ramsgate tel: 01843 570250 and tel: YMCA of Margate tel: 01843 221555.

4. Rental Market Offers

Emma Curtis of Chamber member TCB Property Maintenance Ltd has contacted the Thanet & East Kent Insider with news of an extended range of services that TCB will be offering in the New Year. These will include free Market Appraisal, Inventory Checking, Energy Performance Certificates, In-House Maintenance and Insurance Claims Management. As an incentive to Chamber members, Emma confirms that VAT charges will be held at 17.5% until 1st February 2011. For more details, give Emma a call, tel: 01843 228484. If an extra 2.5% in your pocket does not spur you into action, perhaps some mulled wine and a mince pie might do the trick. Emma and her colleagues invite any Chamber member to visit their offices at 231 Northdown Road, Cliftonville CT9 2PJ between 3.00 and 5.00 pm on Thursday 23rd December 2010 for a Christmas treat. Now that sounds like the sort of In-house Maintenance that should appeal to our readers even if the Energy Performance might suffer later.

5. More About Christmas Drinks

Drink Warehouse UK Ltd of Margate has just listed record monthly sales during November. A particular favourite has been the mulled wine self dispensing machine which is proving to be popular with pubs, bars, restaurants and hotels. Chamber members are invited to take advantage of an offer throughout December. If you purchase 4x3 litre cartridges you will receive a free dispenser. The total cost of the package is £106.99 ex VAT. For details of this and other offers or if you want to stock up for Christmas, feel free to contact Drink Warehouse direct tel: 01843 297773 or email sales@drinkwarehouseuk.co.uk for a catalogue and price list.

6. Half A Million And Counting

Thanet & East Kent Chamber members will recall that as part of the TEKC Go Local campaign, Thanet College earmarked £3.5 million of discretionary spending to be directed henceforth towards companies in Thanet and East Kent. Some of our members have already benefited from this initiative. Following a series of meetings and discussions at Thanet College, we are delighted to confirm that by the end of the college's financial year, we expect £500,000 to have been switched. By the end of October, the purchases from local companies on non-pay related services had risen from 22% to 34% of the budget available. As is to be expected in these initial stages, some sectors show a bigger gain than others; Capital Spend on local companies is now 39% as against a previous 21%; Catering 63%/59%; Marketing 68%/61%; Professional Fees 29%/19%; Repairs and Maintenance 69%/56%. The Thanet & East Kent Chamber will be meeting with the key decision-makers at Thanet College again in the first week of January 2011. If you have not registered as a potential supplier yet, please email manager@tekc.co.uk with the subject line "Thanet College Supplier Form". We congratulate Thanet College for its excellent relations with local businesses which are set to improve further as the balance of the remaining budget is reviewed.

7. Margate In Kentucky

Here is an extract from the press in Kentucky USA on 14th December 2010. "TV One is the proud recipient of the Government Video Salute Award for their CORIOview C2-6104A 4-Window DVI-U Processor. This prestigious award is nominated on by industry professionals and then selected unanimously by the editorial

team of Government Video magazine. The Salute Award is presented in recognition of innovative achievement in the advancement of video technology.” There may be a query over what “nominated on” means, but there is no question that TV One of Margate has again triumphed brilliantly in the face of worldwide competition. Regular readers will recall that TV One won the Systems Product of the Year 2010 AV Award for the same product earlier this year. The Thanet & East Kent Insider of 23rd October 2010 reported that: “All Thanet-based manufacturers can take a measure of pride in the achievement which shows that East Kent manufacturing can compete and win in world markets.” Since Steven Mattingly joined the top management of TV One Europe in September 2003 from his previous posts as Vine’s International Sales Manager and Managing Director at Scancom, TV One has gone from strength to strength. This must have created serious problems for Debbie Heath, head of PR, Steve Tullo Regional Sales Manager and the office team at Westwood Industrial Estate. Where do you put all these awards? If you have any suggestions suitable for family viewing, please send them to admin@tekc.co.uk and we will “nominate on” the best ones and send them to Debbie. We suspect that Alex Ferguson may have a few ideas. Arsene Wenger has perhaps forgotten about what to do.

8. News From Dover

Dover Cruise Port has celebrated a successful year welcoming a record 167 cruise calls. First time visits from Disney Magic, Maasdam, AIDA Blu and MV Empress helped boost the number of passengers to over 300,000. Fred Olsen Line and Saga remain key clients. As we have previously reported, the cruise holiday industry remains particularly buoyant, which is just as well if you are travelling by ship. The construction of new cruise liners may have slowed somewhat during the year. We are informed by Cruise Industry News that: “The cruise industry has been on a steady growth course in North America for some 40 years. While the expansion there is expected to continue, albeit at a slower pace, Europe has proven to be the next growth market, and will require another 100 ships to reach the same market penetration level.” The same publication tells us that Disney will next month take delivery of the 128,000-ton, 1,250-stateroom Disney Dream. The Disney Fantasy is scheduled to follow in 2012. Tom Wolber, chief operating officer of Disney Cruise Line is quoted as saying: “We’re very proud of the fact, that despite these ships being 50 percent larger than the other ships, from a propulsion point of view, we use the same amount of fuel to get the same or slightly better performance than the existing ships.” He continues: ““We’re always thinking of new guest experiences and how to raise the bar, whether it’s onboard or via shore excursions, and the future of guest experiences for the entire fleet. It keeps me busy.” We would like him to be kept busy thinking of how Disney customer and the cruise ship passengers of other lines can take their well-endowed wallets and upmarket credit cards to our East Kent retailers.

9. Cruise Holiday

Several Chamber members have contacted the Thanet & East Kent Insider with news of their impending departure over the Christmas period to enjoy sunshine and foreign dishes. Of course, our members would rather like it if everyone took their holiday in East Kent, but we have to recognise that when the snow is falling, Tenerife, Miami and Australia do have a certain charm. What better way is there to enjoy your luxury break than on a cruise in calm waters arranged by Thanet’s own specialists at That’s My Cruise. Send Vincent or Sandra an email to info@thatsmycruise.co.uk for more information.

10. Eurostat Update

David Burgess of Eurostat office supplies has contacted the Chamber with news that he will be accepting order until 5.00 pm on Thursday 23rd December 2010. He will then be closed until Tuesday 4th January 2011. Astute readers of the Thanet & East Kent Insider will be aware that VAT is set to rise to 20% on 4th January 2011. David will be happy to hear from you by email to david@eurostat.co.uk or you might prefer to telephone 01843 580960. Customers of Thanet Business World should telephone 01227 450055 or email adrian.ponting@kentofficesolutions.com.

11. More VAT Info

HMRC has published a handy guide to the VAT increase which can be found at <http://www.hmrc.gov.uk/vat/forms-rates/rates/rate-rise-guidance.pdf>. It provides a general guide to calculating the tax and any transitional arrangements that should be applied to deposits and advance orders. For advice on

your particular circumstances, you might like to contact one of the following experts: J Cleverdon of Broadstairs tel: 01843 866599; J W Accountancy Services of Shepherdswell tel: 01304 830 229; Levicks of Broadstairs tel: 01843 862716; Michael Martin Partnership Ltd of Whitstable tel: 01227 770500 and Neville Weston of Ramsgate tel: 01843 594571.

12. Think Of Others

As Christmas approaches, there is a natural focus on those less fortunate than us, particularly the disabled, the sick and the elderly. One Chamber member recounts this tale about his grandfather. We have our doubts about the story, but readers must judge for themselves. "I had just been paid a good bonus. My grandfather was not particularly mechanically minded. He always had difficulty opening a wine bottle, but he made up for this lack of manual dexterity by having a glass or two of whisky at Christmas and indeed during the rest of the year too. "Much easier to open the bottles", he used to say by way of explanation. For a long time, my grandfather had been having problems with his hearing and so a few days before Christmas last year, I gave him £300 to buy the best hearing aid he could find, but told him in no uncertain terms not to spend the money on booze. On Christmas Day, I let myself into his house as normal and couldn't help noticing a strong smell of whisky. Nevertheless, there he was in his favourite armchair by the fire. I saw that he had a hearing device aid in his ear. He looked up with a warm smile. Pointing to his ear, he said: "It's marvellous. Works perfectly. It was the best present you could have found me. I am absolutely delighted". I asked him: "What kind is it?" and he replied "Twenty-past four".

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It's happening now, it's happening in Thanet & East Kent.

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Thanet & East Kent Chamber Limited

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