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International and European News 19 January 2016

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The euro area consists of Belgium, Germany, Ireland, Greece, Spain, France, Italy, Cyprus, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland. From 1 January 2011, the euro area includes Estonia and on 1 January 2014 when Latvia adopted the euro the euro area became the EA18. From 1 July 2013, the EU28 includes Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Croatia, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.

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International News

AUSTRALIA: Start-ups face a taxing time

[19 January 2016, *Business Spectator*] By PAUL WALLBANK: Australia's start-up community overwhelmingly endorsed the Turnbull government's innovation statement after its announcement in December last year.

A month later, some unintended consequences are becoming clear, with claims the proposals have triggered an investment strike.

Based upon the UK Seed Enterprise Investment Scheme, through which nearly 3000 companies raised more than \$500 million in its first two years, the Turnbull government has proposed a 20 per cent non-refundable tax offset on investments along with a 10-year capital gains tax exemption for investments held for three years.

That these details of the concessions have not been finalised ahead of their introduction at the beginning of next financial year creates a problem for start-ups currently looking to raise capital.

Investors are holding off committing funds until they can lock in tax benefits.

Andrew Coppin, founder of the Bardama Fund that pools investments into early-stage start-ups aligned to Telstra's muru-D Accelerator program, claims the current investor drought is "an unintended consequence that needs to be addressed as a matter of urgency or start-ups will suffer".

Peter Cooper, founder of The Start Society, an advocacy group that also runs a co-working space in the Sydney CBD, says he encountered investors raising concerns the week after the statement's release, however the desire to postpone investment varies with the individual's experience with start-ups.

Read more at:

<http://www.businessspectator.com.au/article/2016/1/19/technology/start-ups-face-taxing-time>

AUSTRALIA: Commercial lending increases

[19 January 2016, *Business Spectator*] By JOHN CONROY: Commercial lending finance lifted in November, after easing in October, while the personal lending measure also rose, according to data from the Australian Bureau of Statistics.

Total commercial finance commitments — which include investor housing finance — rose a seasonally adjusted 1.1 per cent in the month to \$45.886 billion from a downwardly revised \$45.385bn in October.

Personal lending commitments in November rose a seasonally adjusted 0.9 per cent to \$6.848bn, the ABS data showed. That compared with October's \$6.788bn.

Total new loans — across personal, business, housing and lease — rose by 1.4 per cent in November to a 7½-year high of \$75.4bn, CommSec chief economist Craig James said.

Mr James said total lending commitments were within sight of the record highs set in June 2007.

Read more at:

<http://www.businessspectator.com.au/news/2016/1/19/economy/commercial-lending-increases>

Saudi oil minister confident about price rise, but says will take time

[19 January 2016, *Gulf Business*] BY AARTI NAGRAJ on 18 January: Crude oil prices will stabilise and rise again, Saudi Arabia's oil minister Ali al-Naimi said on Sunday, although he also warned that it might take some time.

The minister admitted that the oil market has been "undergoing a period of instability for more than 12 months now."

"As you know, the oil market has witnessed over its long history periods of instability, severe price fluctuations and petro-economic cycles. This is one of them," Naimi was quoted as saying in Riyadh.

Brent crude hit a 12-year-low on Friday with prices dipping below \$30 per barrel as fears of oversupply and dropping demand continued to haunt the market.

Prices fell by more than 30 per cent in 2015 and have already dropped by over 20 per cent so far this year.

However Naimi stressed that cooperation between market players would help balance the industry.

Read more at:

<http://www.gulfbusiness.com/articles/country/saudi-arabia/saudi-oil-minister-confident-about-price-rise-but-says-will-take-time>

China economic growth slowest in 25 years

[19 January 2016, *B* China's economy grew by 6.9% in 2015, compared with 7.3% a year earlier, marking its slowest growth in a quarter of a century.

China's growth, seen as a driver of the global economy, is a major concern for investors around the world.

Beijing had set an official growth target of "about 7%" for the world's second-largest economy.

Chinese Premier Li Keqiang has said weaker growth would be acceptable as long as enough new jobs were created.

But some observers say its growth is actually much weaker than official data suggests, though Beijing denies numbers are being inflated.

Analysts said any growth below 6.8% would likely fuel calls for further economic stimulus. Economic growth in the final quarter of 2015 edged down to 6.8%, according to the country's national bureau of statistics.

Read more at:

<http://www.bbc.co.uk/news/business-35349576>

INDIA: Domestic air travel grew 20% in 2015

[19 January 2016, *Times of India*] By Saurabh Sinha, TNN on 18 January: NEW DELHI: Thanks to oil prices crashing last year leading to low airfares, domestic air travel grew by 20.3% in 2015 over 2014 with 8.1 lakh people taking to the skies here. Also, December, 2015, saw over 77 lakh flying within the country — the highest ever monthly domestic travel.

IndiGo was the market leader last year too, with the low cost carrier (LCC) accounting for 36.7% share for the entire calendar year. This was followed by Jet at 22.5%; Air India (domestic) at 16.4%; SpiceJet at 11.6%; GoAir at 8.5% and others (including Tata JV airlines) accounting for the remaining 4.3%.

The on time performance chart at the four metros in December 2015 was led by Vistara at 90.6%. This was followed by GoAir at 79.3%; Jet at 78.5%; IndiGo at 78.3%; SpiceJet at 72.9% and AI at the bottom at 62.8%.

The domestic load factors last month saw SpiceJet topping at 92.1%. It was followed by IndiGo at 88.5%; AI at 86.7%; GoAir at 86.5%; Jet at 83.8% and Vistara at 77.6%.

Read more at:

<http://timesofindia.indiatimes.com/business/india-business/Domestic-air-travel-grew-20-in-2015/articleshow/50627273.cms>

CENTRAL AMERICA: Daily News 19/01

[19 January 2016, *Central America Data*] Posting on 15 January of Daily News from around the region.

Summaries

- [Panama's Stock Market: The Good, the Bad and the Ugly](#)
Analysis of the current state of the Panamanian capital market, including the confidence threatened by various financial setbacks, and the opportunities to make the much needed structural changes.
- [Costa Rica Plans \\$100 million Resort](#)
The Real Estate Development Fund Monte del Barco has signed a contract with Rosewood Hotels & Resorts chain, to develop a 130 room luxury hotel in the Gulf of Papagayo in Guanacaste.
- [Panama: Preliminary Agreement for Metro Line 3](#)
The Japanese government has pledged \$2 billion to finance line 3, which will use technology from China with the construction contract being awarded in the first half of 2017.
- [El Salvador: Less Taxes, More Stock Exchange Transactions](#)
Lowering the tax on transactions for non-domiciled investors from 20% to 3% had a

positive effect on the performance of the stock market in 2015, which grew by 6% compared to 2014.

- [El Salvador: Electricity Rates Down 18%](#)
The supervisory body announced that the reduction in electricity rates will be effective starting April 15th for users of the CAESS.
- [Tender: Construction of University Building](#)
The National Autonomous University of Honduras is putting out to tender the construction of a seven-story building in the University City of Tegucigalpa.
- [Infrastructure Projects in East Panama](#)
The government has announced that investments will be made in road infrastructure, social housing, health, sanitation and education in 2016.
- [Companies vs. Government Over Shareholder Registry](#)
In Costa Rica the private sector claims that the Ministry of Finance is not telling the truth when it there is an essential need to create a register of shareholders under its control in order to comply with the OECD.

MORE CENTRAL AMERICAN NEWS

- [More Problems with VAT Refunds](#)
- [Tender: Fumigation Services](#)
- [Honduras: 2015 Bad Year for Construction](#)
- [Honduras' Economic Outlook](#)
- [Health Permit Registry in Costa Rica](#)

Source:

<http://www.centralamericadata.com/en/static/home>

US Treasury Urged To Act On EU Tax Ruling Probes

[19 January 2016, *Tax-News.com*] Posted on 18 January, by Mike Godfrey, Tax-News.com, Washington: European Union's state aid investigations could lead to retroactive taxation on multinational enterprises and have an adverse impact on US-based companies, members of the US Senate Committee on Finance have warned.

Read more at:

http://www.tax-news.com/news/US_Treasury_Urged_To_Act_On_EU_Tax_Ruling_Probes_70197.html

Canada Proposes New Tax Rules For Trusts

[19 January 2016, *Tax-News.com*] Posted on 18 January, by Mike Godfrey, Tax-News.com, Washington: The Canadian Government has

released for consultation draft legislative proposals that would reform the income tax treatment of certain trusts and their beneficiaries.

Read more at:

http://www.tax-news.com/news/Canada_Proposes_New_Tax_Rules_For_Trusts_70198.html

IRS Promises To Improve Taxpayer Service In 2016

[19 January 2016, *Tax-News.com*] Posted on 18 January, by Mike Godfrey, Tax-News.com, Washington: Following criticism from the Government Accountability Office regarding the level of its services in 2015, the US Internal Revenue Service has said that taxpayers will notice an improvement during the 2016 individual income tax filing season.

Read more at:

http://www.tax-news.com/news/IRS_Promises_To_Improve_Taxpayer_Service_In_2016_70199.html

US Senate Vote Sought On Permanent Internet Tax Moratorium

[19 January 2016, *Tax-News.com*] Posted on 18 January, by Mike Godfrey, Tax-News.com, Washington: Americans for Tax Reform has written to the US Senate supporting the inclusion of a permanent internet tax moratorium in the Trade Facilitation and Trade Enforcement Act of 2015.

Read more at:

http://www.tax-news.com/news/US_Senate_Vote_Sought_On_Permanent_Internet_Tax_Moratorium_70200.html

Colombia Exceeds Revenue Target For 2015

[19 January 2016, *Tax-News.com*] Posted on 18 January, by Mike Godfrey, Tax-News.com, Washington: Colombia collected COP123.7 trillion (USD38bn) in tax revenue in 2015, up 8.2 per cent on 2014 levels.

Read more at:

http://www.tax-news.com/news/Colombia_Exceeds_Revenue_Target_For_2015_70191.html

News from Europe

Half of over 55s gifting savings to family

[19 January 2016, *Mortgage Finance Gazette*] On 18 January, Joanne Atkin writing in Mortgage Finance Gazette reported that half of people (49%) over the age of 55 are passing on some of their savings to younger relatives, according to a survey from Retirement Advantage.

Helping out children or grandchildren financially in the past six months, has been undertaken by 50% of men and 47% of women, the survey among 610 people revealed.

Gifting was most common in the North East, where 72% of respondents had helped out younger relatives in the past six months. The behaviour was least common in the East Midlands, where only 37% had passed on wealth.

Providing assistance for paying off debt (16%), the cost of university (13%), housing deposits (13%) and car purchases (11%) were the most common reasons for gifting, while 17% said they had provided a general loan to children or grandchildren.

Read more at:

<http://www.mortgagefinancegazette.com/latest-news/half-of-over-55s-gifting-savings-to-family/>

Germany's Schäuble Calls For EU Petrol Tax

[19 January 2016, *Tax-News.com*] Posted on 18 January, by Ulrika Lomas, Tax-News.com, Brussels: Germany's Finance Minister, Wolfgang Schäuble, has floated the idea of a surcharge on sales of gasoline in the European Union to help member states cover the costs of accommodating political asylum seekers.

Read more at:

http://www.tax-news.com/news/Germanys_Schuble_Calls_For_EU_Petrol_Tax_70194.html

HMRC Recounts Worst Tax Return Excuses

[19 January 2016, *Tax-News.com*] Posted on 18 January, by Robert Lee, Tax-News.com, London UK tax authority HM Revenue and Customs has released the "ten worst excuses" given for missing the Self Assessment filing deadline in 2013-14.

Ruth Owen, HMRC Director General of Personal Tax, said: "Untidy family members and hungry pets are very unlikely to be accepted as a legitimate excuse for completing your tax return late." HMRC said that excuses included "my tax papers were left in the shed and the rat ate them," "I'm not a paperwork orientated person," and "my accountant has been ill." HMRC added that other excuses used in unsuccessful appeals against HMRC penalties included "I will be abroad on deadline day," "my husband ran over my laptop," and "I had a cold."

Read more at:

http://www.tax-news.com/news/HMRC_Recounts_Worst_Tax_Return_Excuses_70193.html

Paying Taxes Easy For Corporates In Ireland: Report

[19 January 2016, *Tax-News.com*] Posted on 18 January, by Jason Gorringer, Tax-News.com, London: Ireland continues to be the most effective country in the European Union, and the sixth most effective country in the world, for paying business taxes, according to a newly launched World Bank/PwC report covering 189 economies worldwide.

Read more at:

http://www.tax-news.com/news/Paying_Taxes_Easy_For_Corporates_In_Ireland_Report_70192.html

CIOT Calls For Rethink On UK NICs Allowance Reform

[19 January 2016, *Tax-News.com*] Posted on 18 January, by Robert Lee, Tax-News.com, London: The Chartered Institute of Taxation has called on the UK Government to rethink proposals to exclude one-person businesses from claiming the national insurance Employment Allowance.

The Government recently concluded a consultation on proposals it said will focus the allowance on companies that support employment. Under the current rules, the EA entitles the majority of businesses, charities, and community sports clubs to a reduction of up to £2,000 (US\$2,858) per year on their employer National Insurance contributions (NICs) bills. From April 2016, the allowance will be increased

by GBP1,000 to GBP3,000. The Government estimates that around 150,000 limited companies with a single director will be affected by the proposal to withdraw the allowance from companies where the director is the sole employee.

The CIOT said that the draft regulations published by the Government will not meet their objectives and will be easily avoided. It pointed out that a director could simply appoint another director, such as a spouse, civil partner, or friend, and pay that person a token wage. Alternatively, a director could arrange payments of earnings so that the worker is not a director when at least one of the payments is made.

Read more at:

http://www.tax-news.com/news/CIOT_Calls_For_Rethink_On_UK_NICs_Allowance_Reform_70201.html

Slovakia Urged To Reform Property Tax

[19 January 2016, *Tax-News.com*] Posted on 18 January, by Ulrika Lomas, Tax-News.com, Brussels: The International Monetary Fund has recommended that authorities in the Slovak Republic introduce a market-value-based property tax, improve corporate tax and value-added tax collections, and look to reduce the labor tax wedge.

Read more at:

http://www.tax-news.com/news/Slovakia_Urged_To_Reform_Property_Tax_70190.html

UK: Government set to press ahead with flat-rate pension tax relief

[19 January 2016, *New Model Adviser*] By William Robins. On 18 January, New Model Adviser reported that: Chancellor George Osborne plans to radically overhaul the pension tax relief system by implementing a flat-rate of between 25% and 33%.

Osborne plans to do away with the current system which gives people tax relief on contributions according to their marginal rate of income tax, which means those paying higher rates of tax receive more relief, and instead provide tax relief to everyone at the same flat rate, according to the Financial Times.

An announcement of changes to pensions tax relief is expected to be made in this year's Budget in March, though, according to the paper, changes would not come into force for another 12 months to give the industry time to adapt.

The government launched a review of pensions tax relief in its July 2015 Summer Budget asking for views on how the system could be reformed. For example, the chancellor mentioned in his Budget speech that pensions, which give tax relief on contributions and growth but not withdrawals, could be taxed like ISAs, with contributions being taxed but growth and income tax free.

Read more at:

<http://citywire.co.uk/new-model-adviser/news/govt-set-to-press-ahead-with-flat-rate-pension-tax-relief/a874215>

Wholesale energy prices hit five-year lows

[19 January 2016, *Supply Management*] By Anna Scott on 18 January 2016: Wholesale UK gas and electricity prices have fallen further following the mild winter and lower commodity prices to five-year lows, energy market analysis has found.

Electricity prices finished 2015 at £36.764 per megawatt hour, a fall of 23% on the previous year, according to the ICIS Power Index. The index shows the daily price for electricity delivered over the next summer and winter, weighted to show extra demand in winter.

Gas prices at the end of last year were at their lowest level for six years, at 32.15p per therm, a 34% drop on the 2014 price.

Increased production capacity in 2016, milder temperatures and more liquefied natural gas (LNG) expected to come to the UK are thought to be behind the price reductions.

"With a deep liquid gas market and plenty of capacity to regasify LNG imports, Britain is anticipated to be a key beneficiary of the global LNG oversupply," said Ben Wetherall, head of gas at ICIS.

Zoe Double, head of power at ICIS, added: "Power prices have fallen less than gas because there is less spare supply capacity, with thermal

generation continuing to struggle with profitability.”

Energy companies have been accused of overcharging consumers by not passing on lower wholesale prices.

Read more at:

<http://www.supplymanagement.com/news/2016/wholesale-energy-prices-hit-five-year-lows>

UK: FTSE 100 closes at three-year low

[19 January 2016, *BBC News*] On 18 January, BBC News reported that the FTSE 100 ended the day at its lowest level for more than three years on Monday. It was down 24.18 points at 5,779.92, amid continuing concerns about the slowdown in China's growth.

Overnight, oil prices had fallen again on fears that the lifting of Western sanctions on Iran could worsen oversupply problems.

Brent crude fell as low as \$27.67 a barrel, its lowest price since 2003, but then recovered somewhat.

The price of Brent stood at \$28.70 at 17:00GMT. The rebound lifted shares in oil and commodity-related stocks. Oil giant BP saw its shares rise by 2.35%. Mining company Glencore was up 2.24%. "Oil prices have been calling the tune for global markets for weeks now, and it looks like this state of affairs will continue," said Chris Beauchamp, senior market analyst at IG.

Read more at:

<http://www.bbc.co.uk/news/business-35341826>

TiSA: Opening new markets for EU firms but protect consumers & public services

[19 January 2016, *European Parliament News*]

PLENARY SESSION, Press release

External/international trade on 18 January:

Negotiations on a Trade in Services Agreement (TiSA), with countries representing 70% of world trade in services, should deliver international rules and more opportunities for EU firms to supply services such as transport and telecoms in third countries.

But "nothing should prevent EU, national and local authorities from maintaining, improving and applying their laws", notably on labour and data protection, say international trade MEPs in

recommendations, voted on Monday, to EU negotiators.

The recommendations, drafted by MEP Viviane Reding (EPP,LU) were approved by 33 votes to 6, with 1 abstentions.

Read more at:

<http://www.europarl.europa.eu/news/en/news-room/20160118IPR10380/TiSA-talks-Trade-MEPs-recommendations>

Britons more likely to trust businesses than politicians or media

[19 January 2016, *CITY A.M.*] On 18 January, Lauren Fedor writing on CITY A.M. reported that Britons are more likely to trust business than politicians or the media, according to new research out today.

Communications group Edelman found in its annual "Trust Barometer" survey that 46 per cent of the general population trusted business, compared to 36 per cent who said they were confident in the government and an equal share who said they trusted the media.

Among the top 25 per cent of income-earners with university educations – what Edelman calls the "informed public" – trust was higher across the board, with 60 per cent saying they trust business, 55 per cent expressing confidence in the government and 52 per cent trusting the media.

Trust in institutions fell, however, in lower-income households, where Edelman found trust in government was 26 per cent lower than among the so-called informed public. Just 35 per cent of low-income households said they trusted business.

Ed Williams, Edelman's UK chief executive, said the "gulf between the hopes and aspirations of the top and bottom of the social ladder should worry everyone in Britain".

Read more at:

<http://www.cityam.com/232585/2016-edelman-trust-barometer-britons-more-likely-to-trust-businesses-than-politicians-or-the-media>

Small UK businesses fear EU referendum currency swings

[19 January 2016, *CITY A.M.*] On 18 January, Chris Papadopoulos writing on *CITY A.M.* reported that a large number of smaller UK businesses trading internationally are concerned about potential swings in the exchange rate caused by an EU referendum, according to new survey figures published today.

The survey of over 1,000 senior decision makers at small and medium-sized enterprises (SMEs) revealed 75 per cent of them feared currency volatility related to the EU referendum would impact their business, the data from foreign exchange firm World First shows.

Businesses remain unprepared for big swings, with 45 per cent saying they have been caught out by a sudden movement in exchange rates before while 35 per cent said having a currency strategy is not important.

Nearly half of SMEs trading internationally said they did not fully understand the impact a change in exchange rates would have on their business and 51 per cent said currency markets "scare" them.

World First estimates that UK SMEs made international payments of £78bn last year, or an average of £256,700 per businesses.

Read more at:

<http://www.cityam.com/232591/small-uk-businesses-fear-eu-referendum-currency-swings>

UK: Rural Internet expansion across UK by Gigaclear gets £18m EIB support

[19 January 2016, *European Investment Bank (EIB)*] Release date: 18 January 2016, Reference: 2016-012-EN: Ultrafast pure fibre broadband provider, Gigaclear plc, has secured a €25m (£18m) committed debt facility from the European Investment Bank (EIB).

The loan, the largest one of its kind awarded to a UK company, will be used to support Gigaclear's plans to rapidly extend its pure fibre, ultrafast broadband infrastructure within rural Britain during 2016.

Founded in December 2010, Gigaclear has so far installed fibre outside more than 15,000

properties in rural parts of Oxfordshire, Essex, Northamptonshire, Berkshire and Gloucestershire, with 10,000 more already in construction. It was the first operator other than BT to secure contracts as part of the government-subsidised BDUK programme to bring broadband of at least 24Mbps to 95% of the UK. Gigaclear is both building networks under its own commercial investment and has also won three substantial BDUK contracts in Gloucestershire, Berkshire and Essex.

During 2016, Gigaclear plans to build its pure fibre, ultrafast broadband network to at least 40,000 additional properties. This will involve a major investment by the company, one third of which is being financed through the EIB facility.

Read more at:

<http://www.eib.org/infocentre/press/releases/all/2016/2016-012-Rural-internet-expansio-across-UK-by-Gigaclear-gets-GBP-18m-EIB-support.htm>

UK: Insurers band together to examine future of driverless cars

[19 January 2016, *CITY A.M.*] By Madeline Ratcliffe: Some of Britain's largest motor insurers, including Direct Line, Aviva and Admiral, have banded together to plan for a future when driverless cars are the norm.

The Automated Driving Insurance Group, which will be led by trade body the Association of British Insurers (ABI), is assessing the insurance implications of the rise of driverless technology.

The group will examine how the industry as a whole should insure driverless vehicles, and will contribute to government discussions on regulation.

A spokesperson for the ABI told *City A.M.*: "Insurers are looking at the issues raised by the rising popularity of driverless cars, namely the issue of liability in driverless cars."

The main issue at stake is, if there is an accident involving a driverless car, who is liable – the passenger in the car, or the manufacturer?

Read more at:

<http://www.cityam.com/232621/insurers-including-direct-line-aviva-and-admiral-band-together-to-examine-future-of-driverless-cars>

Consumer Price Indices - December 2015

[19 January 2016, Office for National Statistics (ONS)] On 19 January, ONS published the Consumer Price Indices - December 2015.

Main points

- The Consumer Prices Index (CPI) rose by 0.2% in the year to December 2015, compared with a 0.1% rise in the year to November 2015.
- Although this is the first month since January 2015 for which the rate has exceeded 0.1%, this continues the trend since early 2015 of the rate being very close to zero.
- Movements in transport costs, particularly air fares and to a lesser extent motor fuels, were the main contributors to the rise in the rate.
- Downward pressures from prices for alcohol and tobacco along with food and non-alcoholic beverages partially offset the rise.
- CPIH (not a National Statistic) grew by 0.5% in the year to December 2015, up from 0.4% in November 2015.

A brief description of Consumer Price Inflation
Consumer price inflation is the speed at which the prices of goods and services bought by households rise or fall. Consumer price inflation is estimated by using price indices. A way to understand a price index is to think of a very large shopping basket containing all the goods and services bought by households. The price index estimates changes to the total cost of this basket. An infographic explains how consumer price inflation is calculated. Consumer price indices are published monthly.

Read more at:

http://www.ons.gov.uk/ons/dcp171778_430461.pdf

Turnover and Orders in Production and Services Industries - November 2015

[19 January 2016, Office for National Statistics (ONS)] On 19 January, ONS published the latest figures for Turnover and Orders in Production and Services Industries - November 2015.

The coverage of the ONS Standard Business Survey Population has been extended to include a population of solely PAYE based businesses as described in [Improving the Coverage of the Standard Business Survey Population](#) (150.9 Kb Pdf) published on 21 December 2015. The first

TOPSI publication containing the increased sample coverage will be published on 18 March 2016.

Read more at:

<http://www.ons.gov.uk/ons/rel/iop/turnover-orders--prod/november-2015/index.html>

Producer Price Index - December 2015

[19 January 2016, Office for National Statistics (ONS)] On 19 January, ONS published the latest Producer Price Index - December 2015.

Main points

- The price of goods bought and sold by UK manufacturers, as estimated by the producer price index, continued to fall in the year to December 2015. Crude oil continued to drive down input prices, feeding through to a drop in output prices of petroleum products.
- Factory gate prices (output prices) for goods produced by UK manufacturers fell 1.2% in the year to December 2015, compared with a fall of 1.5% in the year to November 2015.
- Core factory gate prices, which exclude the more volatile food, beverage, tobacco and petroleum products, increased 0.1% in the year to December 2015, compared with a fall of 0.1% in the year to November 2015.
- The overall price of materials and fuels bought by UK manufacturers for processing (total input prices) fell 10.8% in the year to December 2015, from a fall of 13.1% in the year to November 2015.
- Core input prices, which exclude the more volatile food, beverage, tobacco and petroleum products fell 7.0% in the year to December 2015, compared with a fall of 8.4% in the year to November 2015.

Read more at:

http://www.ons.gov.uk/ons/dcp171778_430862.pdf

House Price Index - November 2015

[19 January 2016, Office for National Statistics (ONS)] On 19 January, ONS published the latest House Price Index - November 2015.

Main findings

- UK house prices increased by 7.7% in the year to November 2015, up from 7.0% in the year to October 2015.

- House price annual inflation was 8.3% in England, 1.3% in Wales, 0.4% in Scotland and 4.6% in Northern Ireland.
- Annual house price increases in England were driven by an annual increase in the East (10.2%), the South East (9.8%) and London (9.8%).
- Excluding London and the South East, UK house prices increased by 5.8% in the 12 months to November 2015.
- On a seasonally adjusted basis, average house prices increased by 0.8% between October and November 2015.
- In November 2015, prices paid by first-time buyers were 7.4% higher on average than in November 2014.
- For owner-occupiers (existing owners), prices increased by 7.8% for the same period.
- Net flows of FDI into the UK (inward flows) decreased from £33.0 billion in 2013 to £27.8 billion in 2014.
- The international investment position held by foreign companies in the UK (inward investment) increased from £910.3 billion in 2013 to £1,034.3 billion in 2014.
- Net earnings from direct investment in the UK (inward earnings) increased from £50.8 billion in 2013 to £52.3 billion in 2014.

Overview

This statistical bulletin provides data on Foreign Direct Investment (FDI) flows, positions and earnings involving UK companies. The investment figures are published on a net basis, that is, they consist of investments minus disinvestments. Investments can include acquisitions of assets or shares and disinvestments can include the disposal of assets or shares.

Read more at:

http://www.ons.gov.uk/ons/dcp171778_426348.pdf

About this statistical bulletin The Office for National Statistics (ONS) House Price Index (HPI), previously published by the Department for Communities and Local Government (DCLG), is a monthly release that publishes figures for mix-adjusted average house prices and house price indices for the UK, its component countries and regions.

Read more at:

http://www.ons.gov.uk/ons/dcp171778_430333.pdf

UK: An analysis of Foreign Direct Investment

[19 January 2016, Office for National Statistics (ONS)] On 19 January, ONS published an analysis of Foreign Direct Investment, the main driver of the recent deterioration in the UK's Current Account: January 2016.

Main points

- Net flows of Foreign Direct Investment (FDI) abroad (outward flows) decreased from £28.4 billion in 2013 to a negative flow of £79.9 billion in 2014, reflecting disinvestment.
- The UK international investment position abroad (outward investment) fell from £1,024.6 billion in 2013 to £1,015.4 billion in 2014, the third consecutive fall since 2011's peak of £1,090.9 billion.
- Net earnings from direct investment abroad by UK companies (outward earnings) fell from £78.7 billion in 2013 to £65.6 billion in 2014.

MARKETING AND BUSINESS PROMOTION

Marketing ideas from Marketing Profs 19/01

[19 January 2016, *Marketing Profs*] More marketing ideas and tips have been published by Marketing Profs:

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