



Press Release

Thursday 1 July 2004

IoD sees further improvement in business investment

New figures released today from the Office of National Statistics, which show business investment up 7.2% (yr-on-yr) in the first quarter of 2004, are in accord with recent data from the Institute of Directors (IoD). The IoD said recent surveys of its members have shown a marked improvement in investment intentions and this has now been followed by an acceleration in actual business investment.

However, the IoD warned of a marked divide between the performance of the services and manufacturing sectors. Total services investment rose 9.3% (yr-on-yr) in the first quarter, whereas it fell 6.9% (yr-on-yr) in the manufacturing sector.

Graeme Leach, Chief Economist at the Institute of Directors, said:

"Today's figures show that for the service sector we can now expect a sharp recovery in business investment in 2004, but there remains considerable uncertainty about the outlook for business investment in manufacturing. IoD member surveys suggest that business investment in both services and manufacturing will accelerate this year, but in manufacturing it will start later and be more subdued."

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Notes to editors

1. The IoD (Institute of Directors) was founded in 1903 and obtained a Royal Charter in 1906. The IoD is a non-party political organisation with upwards of 54,000 members in the United Kingdom. Membership includes directors from right across the business spectrum - from media to manufacturing, e-business to the public and voluntary sectors. Members include CEOs of large corporations as well as entrepreneurial directors of start-up companies.
2. The IoD offers a wide range of business services which include business centre facilities (including six regional centres), conferences, networking events, issues-led guides and literature as well as information services and free access to a comprehensive business library and enquiry service. The IoD places great emphasis on director development and has established a certified qualification for directors - Chartered Director - as well as running specific board-level and director-level training and individual career mentoring programmes.
3. In addition, the IoD provides an effective voice to represent the interests of its members to government and key opinion-formers at the highest levels. These include ministers, constituency MPs, Select Committee members and senior civil servants. IoD policies and views are actively promoted to the national, regional and trade media.
4. For further information, visit our website: www.iod.com