



RESEARCH PAPER 00/56
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Economic Indicators

This Research Paper summarises some of the main economic indicators currently available for the UK and gives comparisons with other major OECD countries on selected indicators.

This month's article: Employee Jobs by Constituency.

Laura Bardgett

ECONOMIC POLICY AND STATISTICS SECTION

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I **Contacts for further information**

Members and their staff requiring further information are encouraged to talk to the statistician specialising in the relevant area. The statisticians dealing with the subjects covered by this Research Paper are shown below. (After 6pm there is a statistician on duty until the rise of the House who can be contacted via the Oriel Room of the Main Library – ext. 3666)

Subject	Statistician	Ext.
Balance of payments	Tim Edmonds/Bob Twigger	2883/4904
Construction	Laura Bardgett/Tim Edmonds	3977/2883
EC finance	Mick Hillyard/Laura Bardgett	4324/3977
Employment	Andrew Presland/Bob Twigger	2464/4904
Energy	Graham Allen	6969
Financial services	Laura Bardgett/Tim Edmonds	3977/2883
Housing	Gavin Berman	3851
Incomes	Laura Bardgett/Bob Twigger	3977/4904
Industries	Laura Bardgett/Tim Edmonds	3977/2883
National accounts–GDP etc	Bob Twigger/Tim Edmonds	4904/2883
Overseas aid	Mick Hillyard/Laura Bardgett	4324/3977
Prices	Bob Twigger/Tim Edmonds	4904/2883
Production	Bob Twigger/Laura Bardgett	4904/3977
Public expenditure	Bob Twigger/Tim Edmonds	4904/2883
Taxation	Bob Twigger/Tim Edmonds	4904/2883
Trade	Mick Hillyard/Bob Twigger	4324/4904
Transport	Paul Bolton	6789
Unemployment	Andrew Presland/Bob Twigger	2464/4904
Wages & earnings	Andrew Presland/Bob Twigger	2464/4904

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II Employee Jobs by Constituency, 1998

This article presents some of the results of the 1998 Annual Employment Survey (AES). In particular, it examines, at parliamentary constituency level, changes in the number of employee jobs between September 1997 and September 1998, and the percentage of employees who were working in the manufacturing sector.

1. Background to the survey

The AES, which began in 1995, replaced the Census of Employment, which was last carried out in 1993. The AES takes place each September, when a sample of employers is asked about the number of people that they employ and related information on the gender of employees, the industrial sector in which they work,¹ and whether they work full- or part-time.² Figures are available for various geographic areas, ranging from Great Britain as a whole to individual wards and including the 641 parliamentary constituencies in Great Britain. For the country as a whole and for Government Office Regions the results of the AES are projected forward on the basis of smaller scale surveys to provide up-to-date quarterly estimates.

The survey collected figures on only some parts of the agriculture sector: figures for the remainder are collected by the Ministry of Agriculture, Fisheries and Food (MAFF) and the former Scottish Office. MAFF data are currently not available at parliamentary constituency level and, to avoid confusion, no agriculture jobs have been included in the tables below.

2. Results for September 1998 for Great Britain as a whole

Figures for the 1998 AES have recently been made available on-line.³ Figures for Great Britain, broken down by industrial sector are given in the table below, where they are compared with figures for September 1997.⁴

¹ Using the 1992 Standard Industrial Classification (SIC) down to class (4 digit) level.

² More details on the design of the AES were given in *Annual Employment Survey 1997* by James Partington and Charles Mayell in ONS *Labour Market Trends*, March 1999 pp137-147. An article on the 1998 AES is expected to appear in *Labour Market Trends* later in the Summer.

³ They are available from the National On-line Manpower Information System (NOMIS), to which the Library has access.

⁴ It should be noted that the figures relate to employee jobs only: other jobs (eg self-employed jobs) are excluded. In addition, employees with more than one job are counted once for each job; part-time jobs are counted as whole units; and figures at constituency level can be prone to quite large sampling errors.

**Number of employee jobs (excluding agricultural employees)
Great Britain**

	Sept 1997		Sept 1998		Change, 1997-1998	
	Number	% of total	Number	% of total	Number	%
Industrial sector						
Energy and water	214,700	1%	211,700	1%	-3,000	-1%
Manufacturing	4,060,000	18%	4,082,500	18%	22,500	1%
Construction	987,800	4%	1,070,800	5%	83,000	8%
Distribution, hotels and restaurants	5,132,400	23%	5,332,200	23%	199,800	4%
Transport and communications	1,319,400	6%	1,356,600	6%	37,200	3%
Banking, finance and insurance, etc	4,183,200	19%	4,350,300	19%	167,100	4%
Public administration, education & health	5,496,600	24%	5,576,100	24%	79,500	1%
Other services	1,068,800	5%	1,057,200	5%	-11,600	-1%
Total	22,462,900	100%	23,037,400	100%	574,500	3%

Source: ONS Annual Employment Surveys, 1997 and 1998

Key findings include:

- The total number of employee jobs increased by over 500,000 (3%) between September 1997 and September 1998.
- The largest percentage increase was in *Construction*, where there were 8% (83,000) more employees.
- Numbers of employees in *Distribution, hotels and restaurants*; *Transport and communications*; and *Banking, finance and insurance etc* each increased by 3 or 4%.
- There was little change overall in any of the other four categories, which each altered by only 1%.
- The shares of the total attributable to particular industrial sectors remained stable, with the largest sectors being *Public administration, education & health* (24% of the total) and *Distribution, hotels and restaurants* (23%).

In addition, figures collected by MAFF and the former Scottish Office show that the number of employees in *Agriculture, forestry and fishing* in Great Britain fell by 69,500 (18%) between September 1997 and September 1998, from 383,200 to 313,700.⁵

⁵ Source: ONS (NOMIS Web)

3. Results for September 1998 for parliamentary constituencies

The table below gives information for the constituencies that underwent the highest or lowest percentage increases in the number of non-agricultural employee jobs between September 1997 and September 1998. It can be seen that these constituencies are scattered throughout the country, although the largest single increase and decrease both occurred within London. Figures for other constituencies are available from the Economic Policy and Statistics Section.

Number of non-agricultural employee jobs
Constituencies in Great Britain
Ranked in order of change, September 1997 to September 1998

Ranking (1 = biggest % increase)		1997	1998	Change, 1997 to 1998	
		Number	Number	Number	%
1	Hendon	39,500	51,900	12,400	31%
2	Southend West	16,300	21,000	4,700	29%
3	North Tyneside	23,500	30,200	6,700	29%
4	Glasgow Maryhill	26,900	34,200	7,300	27%
5	Tamworth	31,500	39,900	8,400	27%
6	St Helens South	29,600	37,200	7,600	26%
7	Oxford East	37,900	47,300	9,400	25%
8	Manchester, Gorton	14,700	17,800	3,100	21%
9	Caernarfon	16,200	19,600	3,400	21%
10	Newport West	35,600	43,000	7,400	21%
...					
632	Bristol West	110,400	97,000	-13,400	-12%
633	Dudley North	35,000	30,700	-4,300	-12%
634	Rochford & Southend East	47,100	41,300	-5,800	-12%
635	Nottingham East	49,200	42,400	-6,800	-14%
636	Halton	32,300	27,500	-4,800	-15%
637	Glasgow Cathcart	13,600	11,500	-2,100	-15%
638	Glasgow Anniesland	16,800	14,100	-2,700	-16%
639	Kilmarnock & Loudoun	26,100	21,400	-4,700	-18%
640	Central Suffolk & North Ipswich	28,200	22,400	-5,800	-21%
641	Dagenham	25,500	19,000	-6,500	-25%

Source: ONS Annual Employment Surveys, 1997 and 1998

The table below shows the top and bottom ten constituencies when ranked in terms of the percentage of all non-agricultural employees who work in the manufacturing sector. Again, figures for other constituencies are available from the Economic Policy and Statistics Section.

**Number of manufacturing employee jobs
Constituencies in Great Britain
Ranked in order of % of total non-agricultural employee jobs**

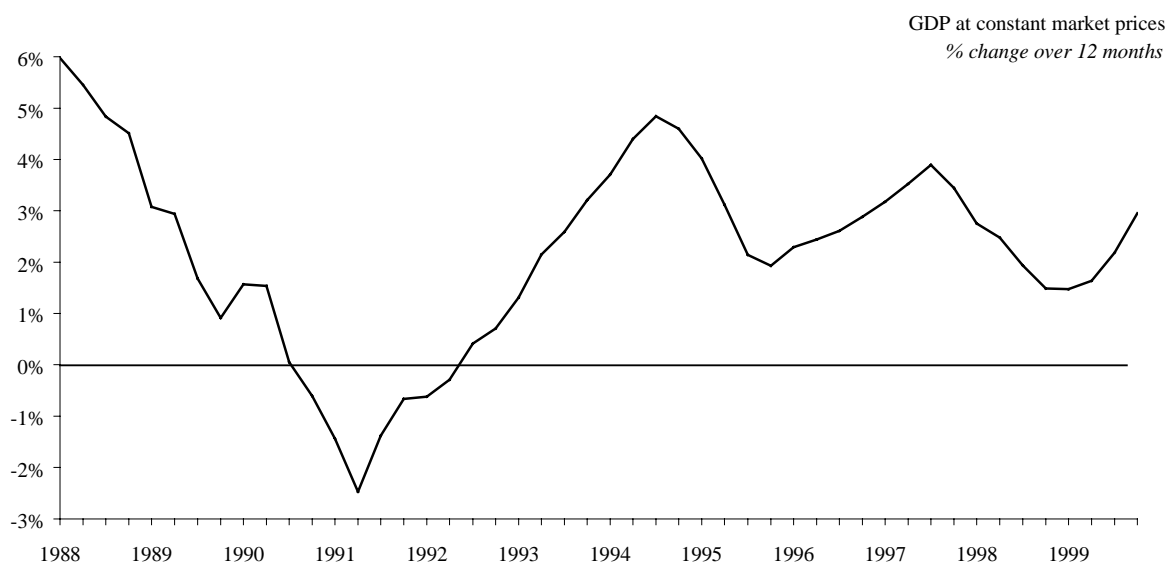
<i>Ranking (1 = biggest share)</i>		Number of manufacturing employees	Total number of non-agricultural employees	<i>Manufacturing as % of total</i>
1	Birmingham, Northfield	16,000	31,100	51%
2	Wolverhampton North East	11,300	22,500	50%
3	Leicester East	15,500	31,500	49%
4	Stoke-on-Trent North	12,500	25,800	48%
5	Aberavon	11,200	23,900	47%
6	Pendle	12,600	27,500	46%
7	Stoke-on-Trent South	13,500	29,900	45%
8	Amber Valley	16,500	36,900	45%
9	West Bromwich West	22,000	50,300	44%
10	Rossendale & Darwen	11,800	27,600	43%
...				
632	Bromley & Chislehurst	1,400	42,100	3%
633	Cities of London & Westminster	25,300	782,200	3%
634	Enfield, Southgate	600	19,000	3%
635	Birmingham, Edgbaston	1,200	38,600	3%
636	Hendon	1,600	51,900	3%
637	Lewisham East	500	16,600	3%
638	Edinburgh South	600	20,700	3%
639	Newcastle upon Tyne Central	1,400	48,800	3%
640	Leeds North East	500	17,500	3%
641	Eltham	200	11,700	2%

Source: ONS Annual Employment Survey 1998

It can be seen that the percentage working in manufacturing varied widely at a constituency level, from 2% to 51%. Most of the constituencies with the highest share of manufacturing employees tend to be in the Midlands and North East of England, whereas six of the ten with the lowest share are in London.

For further information please contact Andrew Presland on ext. 2464

A 1. Gross Domestic Product



Gross Domestic Product
seasonally adjusted

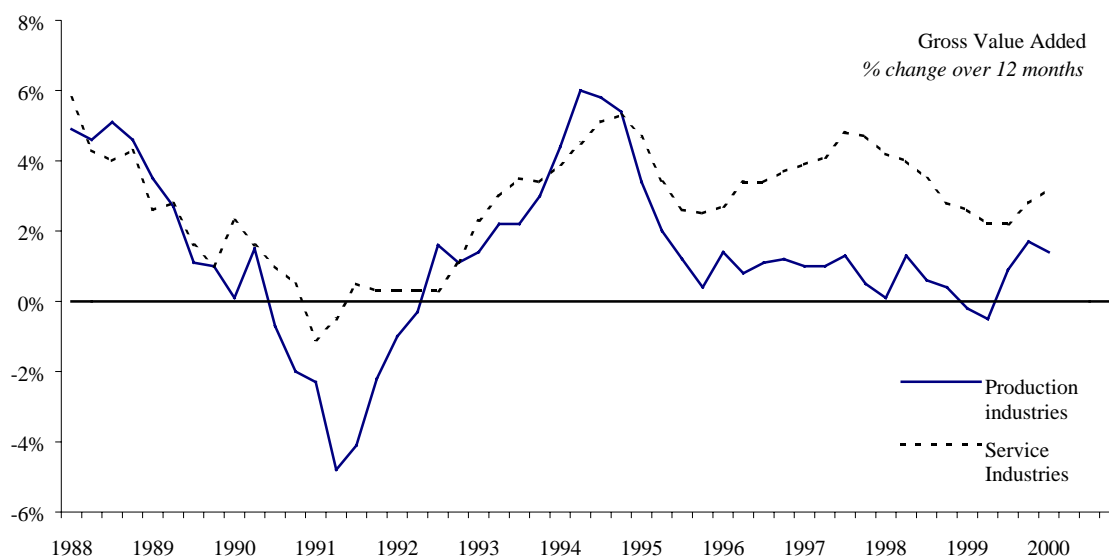
	GDP at current market prices £ billion	GDP at constant market prices 12 month change	HH consumption at constant market prices 12 month change	Non-Oil GVA at constant basic prices 12 month change
1997	803.9	3.5%	4.0%	3.5%
1998	847.2	2.2%	3.1%	2.6%
1999	889.9	2.1%	4.0%	1.8%
1999 Q1	216.8	1.5%	3.6%	1.5%
Q2	220.8	1.6%	3.8%	1.4%
Q3	224.7	2.2%	3.9%	1.8%
Q4	227.6	3.0%	4.5%	2.5%
2000 Q1 (prov)	229.6	3.1%	3.3%	2.7%

Source: ONS Database series YBHA, AMBI, ABJR, GDPT & GDPU

- Gross domestic product (GDP) at 1995 market prices is estimated to have risen by 0.5% in the first quarter of 2000 to a level 3.1% above the same quarter in 1999. This compares with a quarter-on-quarter growth rate of 0.8% for the fourth quarter of 1999.
- In the year to the first quarter of 2000 the volume of exports of goods and services grew by 10.8%. However, this was nearly matched by the 9.6% increase in the volume of imports of goods and services. The growth rate of 3.1% represented contributions of 3.4 percentage points from domestic demand, -0.1 percentage points from net exports and -0.2 percentage points from a fall in the statistical discrepancy.
- The latest Treasury average of independent economic forecasts suggests that GDP growth will be 3.1% in 2000 and 2.6% in 2001.

Next update: 29 June

A 2. Gross Value Added by Industry



Gross value added at 1995 basic prices
% changes on year; seasonally adjusted

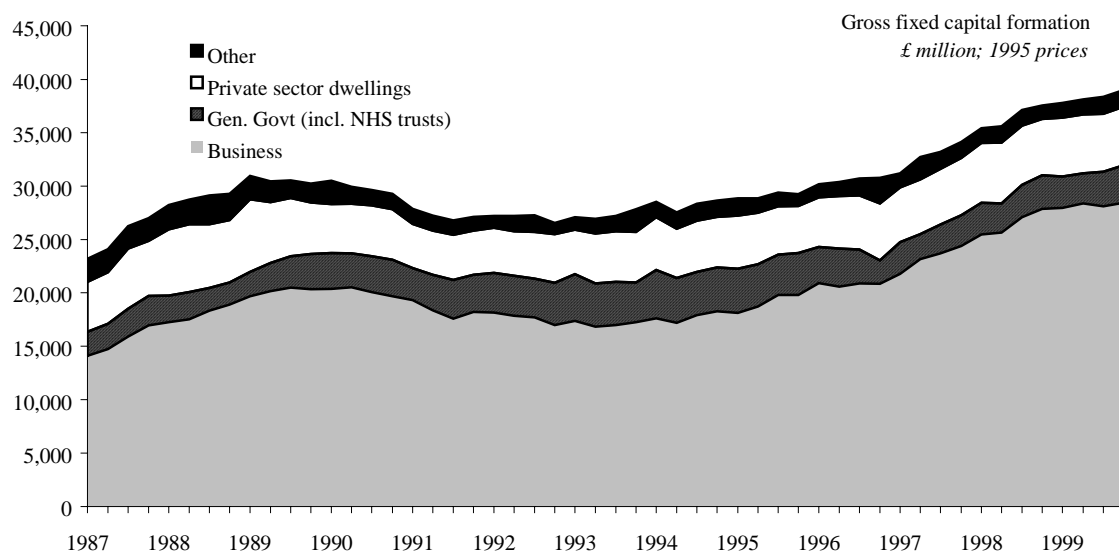
	Production industries		Services	Agriculture, hunting & fishing	Construction
	Total	Manufac- turing			
1997	1.0%	1.3%	4.4%	1.5%	3.2%
1998	0.6%	0.3%	3.6%	-1.4%	1.3%
1999	0.5%	-0.1%	2.5%	2.9%	0.2%
1988 Q4	0.4%	-0.5%	2.8%	-1.0%	-1.3%
1999 Q1	-0.2%	-1.2%	2.6%	3.5%	-3.2%
Q2	-0.5%	-1.2%	2.2%	2.1%	0.6%
Q3	0.9%	0.4%	2.2%	2.6%	1.4%
Q4	1.7%	1.8%	2.8%	3.1%	2.1%
2000 Q1	1.4%	1.6%	3.2%	-0.8%	2.2%

Sources: ONS database ERID, ERIT, GDRN, GDQV, GDQW, ERIE, ERIU, GDSI, GDRQ, GDRR

- Since 1995 output has generally grown faster in the service sector than in other parts of the economy and is currently growing at an annual rate of around 3¼%. Between the fourth quarter of 1999 and the first quarter of 2000 output in the service sector rose by 0.8%.
- Manufacturing output fell by 0.5% in the first quarter of 2000. However, output was still 1.6% higher than in the first quarter of 1999 reflecting rises in the previous three quarters. In the four years 1995 to 1999 manufacturing output rose by just 1.9%, equivalent to an average annual growth rate of 0.5%. Output in other production industries (mining & quarrying and energy & water supply) also fell in the first quarter of 2000.
- In 1998 manufacturing accounted for 20% of GVA, other production industries (mining & quarrying and electricity gas & water supply) for 4%, agriculture etc. for 1%, construction for 5% and services for 70%.

Next update: 7 & 29 June

A 3. Investment



Gross fixed capital formation
£ million; 1995 prices; seasonally adjusted

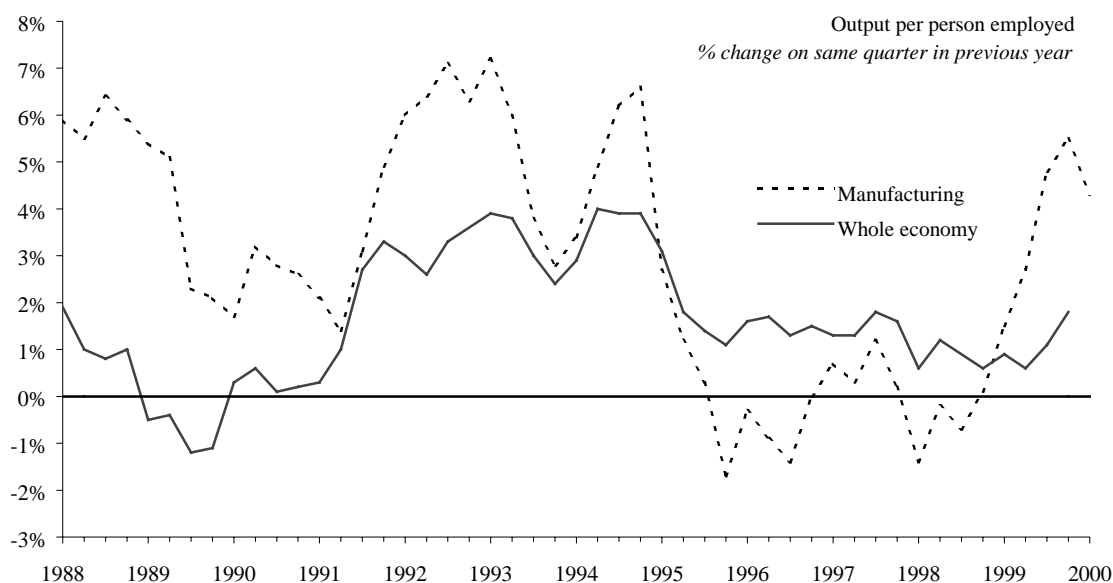
	Transport Equipment	Other Machinery & Equipment	Dwellings	Other Buildings & Structures	Intangible Fixed Assets	Total
1997	12,982	54,241	37,251	22,669	4,103	131,246
1998	14,308	62,895	40,114	23,824	4,574	145,715
1999	15,567	66,245	43,573	23,788	4,100	153,273
1998 Q4	3,643	16,366	10,681	5,698	1,172	37,560
Q1	3,921	16,269	10,621	5,897	1,079	37,787
1999 Q2	3,990	16,412	10,748	5,949	1,021	38,120
Q3	3,693	16,816	10,991	5,946	926	38,372
Q4	3,963	16,748	11,213	5,996	1,074	38,994

Source: ONS database series DLWL, DLWO, DLWT, DFEG, EQDO, NPQT

- Gross Fixed Capital Formation (GFCF) is expenditure on fixed assets (buildings, vehicles etc.) either for replacing or adding to the stock of existing assets.
- Total investment rose 1.6% in real terms in the fourth quarter of 1999 to a level that was 3.8% above the same quarter in 1998.
- Business investment is GFCF by the private sector and public corporations (other than NHS trusts) on transport equipment, other machinery and equipment and new dwellings and structures other than dwellings. Business investment rose by 1.1% in real terms in the fourth quarter of 1999 to a level that was 2% above the same quarter in 1998.

Next update: 30 June

A 4. Productivity



Productivity
% changes on year; seasonally adjusted

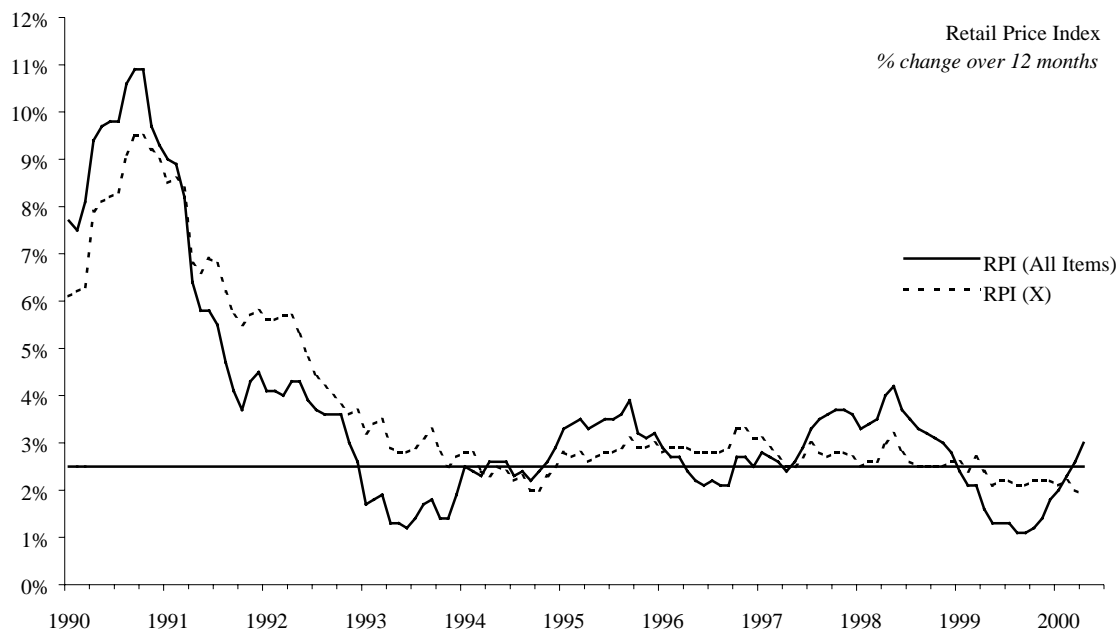
	Manufacturing			Whole Economy		
	Output	W'force in employment	Output per head	Output	W'force in employment	Output per head
1997	1.3	0.6	0.7	3.3	1.8	1.6
1998	0.3	1.3	-1.0	2.4	1.7	0.8
1999	-0.1	-3.6	3.6	1.8	0.7	1.2
1999 Q1	-1.2	-2.7	1.5	1.6	0.6	0.9
Q2	-1.2	-3.7	2.7	1.4	0.8	0.6
Q3	0.4	-4.2	4.8	1.9	0.7	1.1
Q4	1.8	-3.6	5.5	2.5	0.7	1.8
2000 Q1	1.6	-2.6	4.3	2.6

Source: ONS Database Series ETIR, LNNM, LNNN, GDPQ, LNNX, LNOK

- Productivity, measured by output per head, in the fourth quarter of 1999 was 1.8% higher compared to a year earlier.
- In the manufacturing sector, the first quarter of 2000 saw positive output growth of 1.6%. This was accompanied by the continuing decline in manufacturing employment. The result is that annual productivity growth in manufacturing stands at 4.3% for the first quarter, compared to 1.5% a year earlier.
- For the economy as a whole, a levelling of the rate of employment growth and the rise in overall output growth to 2.5% means that the annual rate of productivity growth reached 1.8% in 1999 Q4. Output continued to grow at 2.6% in the first quarter of 2000.

Next update: 14 June

B 1. Retail Prices



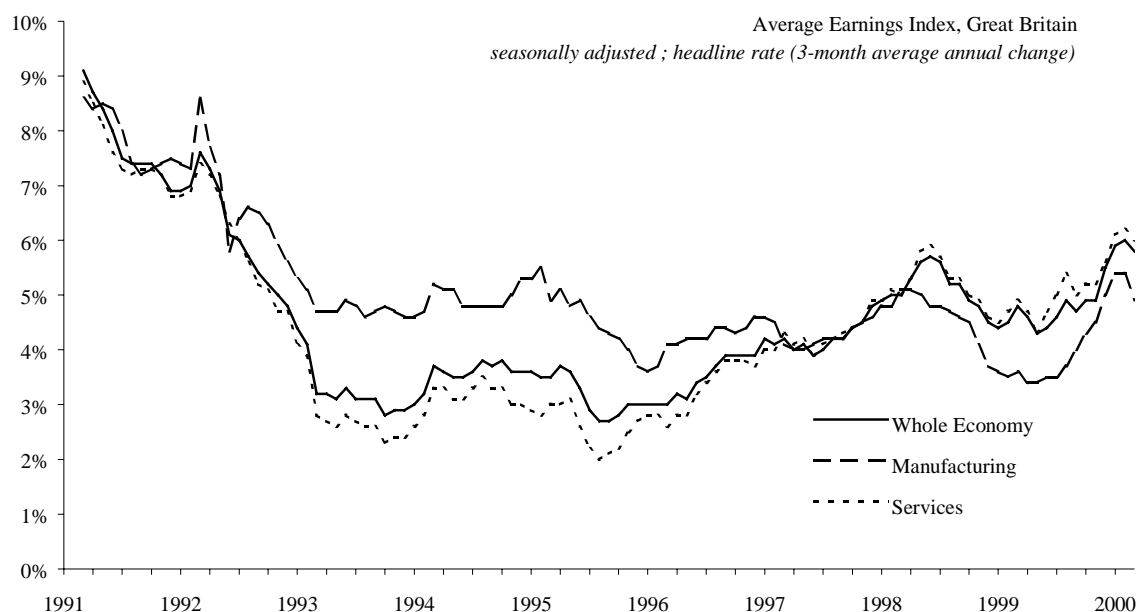
		<i>% change on previous year</i>	
		RPI	RPI (X)
		All Items	Excluding mortgage interest
1997		3.1	2.8
1998		3.4	2.6
1999		1.5	2.3
1999	Apr	1.6	2.4
	May	1.3	2.1
	Jun	1.3	2.2
	Jul	1.3	2.2
	Aug	1.1	2.1
	Sep	1.1	2.1
	Oct	1.2	2.2
	Nov	1.4	2.2
	Dec	1.8	2.2
2000	Jan	2.0	2.1
	Feb	2.3	2.2
	Mar	2.6	2.0
	Apr	3.0	1.9

- The current inflation target is 2.5%: if RPI (X) diverges from this target by more than 1 percentage point, the Governor of the Bank of England is required to send a letter to the Chancellor explaining the reasons for the divergence.
- The average annual increase in headline inflation for 1999 was 1.5%, a drop from 3.4% in 1998.
- In the year to April 2000 the headline rate of inflation rose to 3.0%, up from 2.6% in March.
- The main upward effect on the all items RPI came from increases in housing costs. This was mainly due to the increase in mortgage interest payments following the abolition of MIRAS on 1 April 2000.
- Price changes for cigarettes and tobacco following the March 2000 budget also added to the upward pressure.
- Offsetting downward pressure came from price changes in motoring costs.

Source: ONS Series CHAW, CZBH, CHMK, CDKQ

Next update: 13 June

B 2. Average Earnings



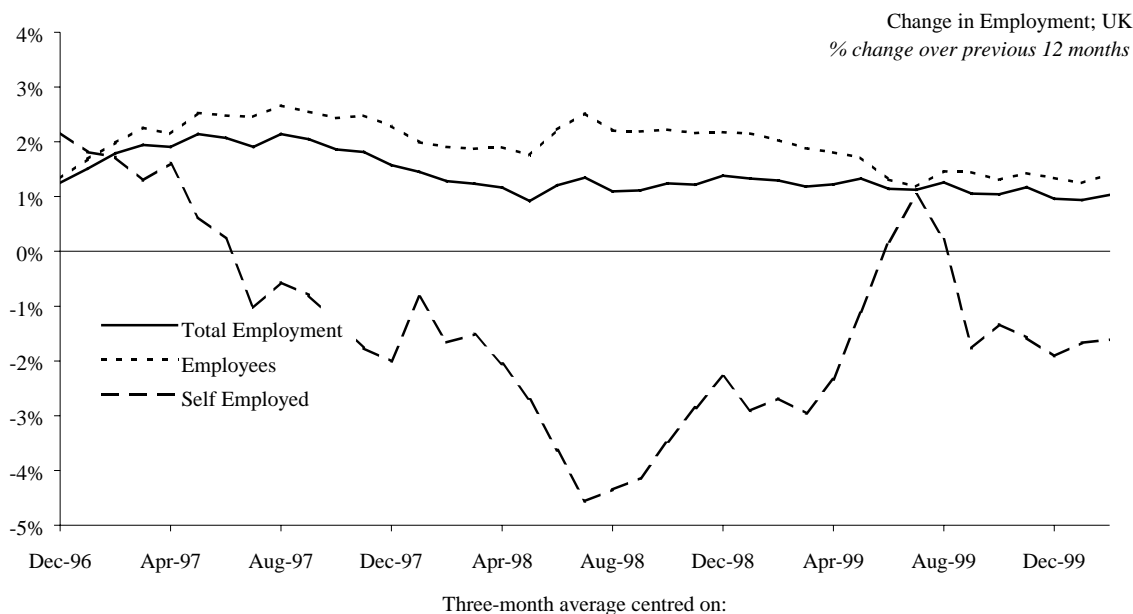
		Average Earnings, Great Britain <i>seasonally adjusted</i>			
		headline rate (% change on year)			
		Whole Economy	Private Sector	Public Sector	
1999	Mar	4.8	4.9	4.1	
	Apr	4.6	4.7	4.3	
	May	4.3	4.2	4.5	
	Jun	4.4	4.3	4.8	
	Jul	4.6	4.6	4.6	
	Aug	4.9	5.0	4.3	
	Sep	4.7	4.8	3.9	
	Oct	4.9	5.1	3.9	
	Nov	4.9	5.2	3.9	
	Dec	5.5	5.8	3.9	
	2000	Jan	5.9	6.3	4.0
		Feb	6.0	6.5	4.2
Mar		5.8	6.2	4.2	

Source: ONS database Series LNNC, LNND, LNNE

- Publication of the Average Earnings Index was suspended in November 1998 because of problems identified with the reliability of the data; it was re-published in March 1999. Work to improve the quality of the data is continuing.
- The headline rate of growth in average earnings for March was 0.2 percentage points below the level reached in February. The separate figure for the private sector decreased by 0.3 percentage points whereas that for the public sector was unchanged. Manufacturing and service industries both showed a fall in the rate of earnings growth.
- Commenting on the latest earnings data, the Secretary of State for Education and Employment, David Blunkett, said "it is important that there is continued wage responsibility across public and private sectors which is essential for stability and steady growth".
- The headline rate of earnings growth is currently above 4½%, the level which many economists regard as the maximum consistent with meeting the inflation target of 2½%. This could provide pressure for the Bank of England to increase interest rates in forthcoming months.

Next update: 14 June

C 1. Employment



Employment Structure in the UK
thousands; seasonally adjusted

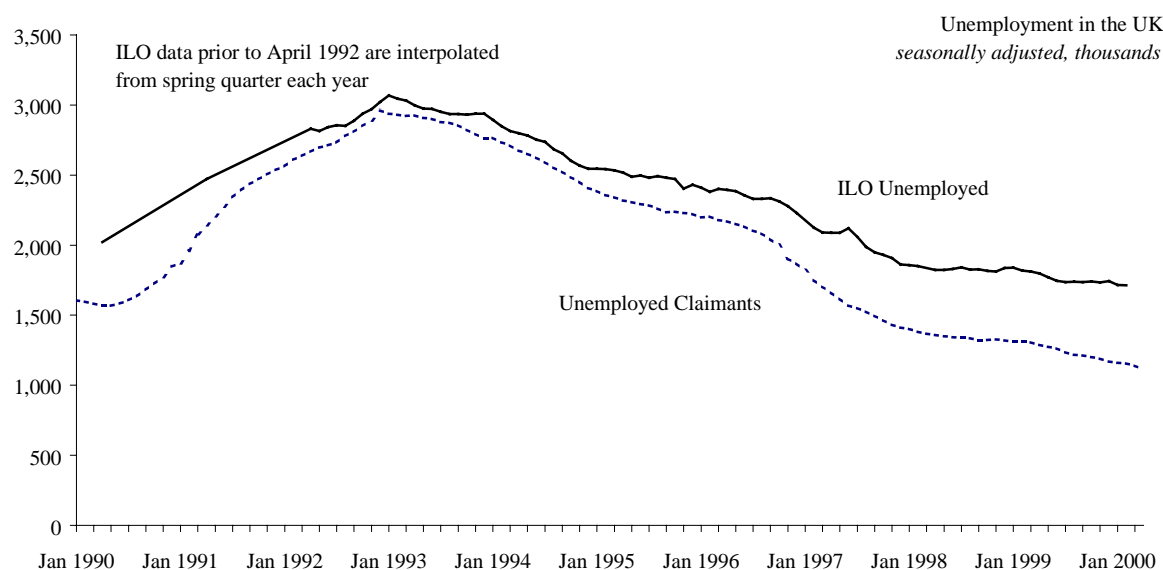
		Total in Employment	Employees	Self Employed	Unpaid Family Workers	Govt Training
1996	Jan-Mar	26,371	22,681	3,314	130	245
1997	Jan-Mar	26,843	23,131	3,371	119	222
1998	Jan-Mar	27,188	23,572	3,315	100	202
1999	Jan-Mar	27,540	24,051	3,226	106	157
	Apr-Jun	27,592	24,100	3,230	100	163
	Jul-Sep	27,696	24,222	3,216	97	160
	Oct-Dec	27,769	24,316	3,184	102	167
2000	Jan-Mar	27,824	24,391	3,174	109	150
Changes:						
	1999 Jan-Mar	284	340	-52	3	-7
	to 2000 Jan-Mar	1.0%	1.4%	-1.6%	2.8%	-4.5%

Source: Labour Force Survey (ONS)

- Employment has once again increased over the latest rolling three-month period, reaching 27.8 million.
- Compared to a year previously, employment was 284,000 (1.0%) higher in the January - March 2000 period. The pace at which employment is increasing has remained constant over the last year, at around 1% per annum.
- The number of people who are self-employed fell by 10,000 compared with the previous three-month period, and is 52,000 (1.6%) lower than a year previously.

Next update: 14 June

C 2. Unemployment: National



ILO Unemployment in the UK
seasonally adjusted

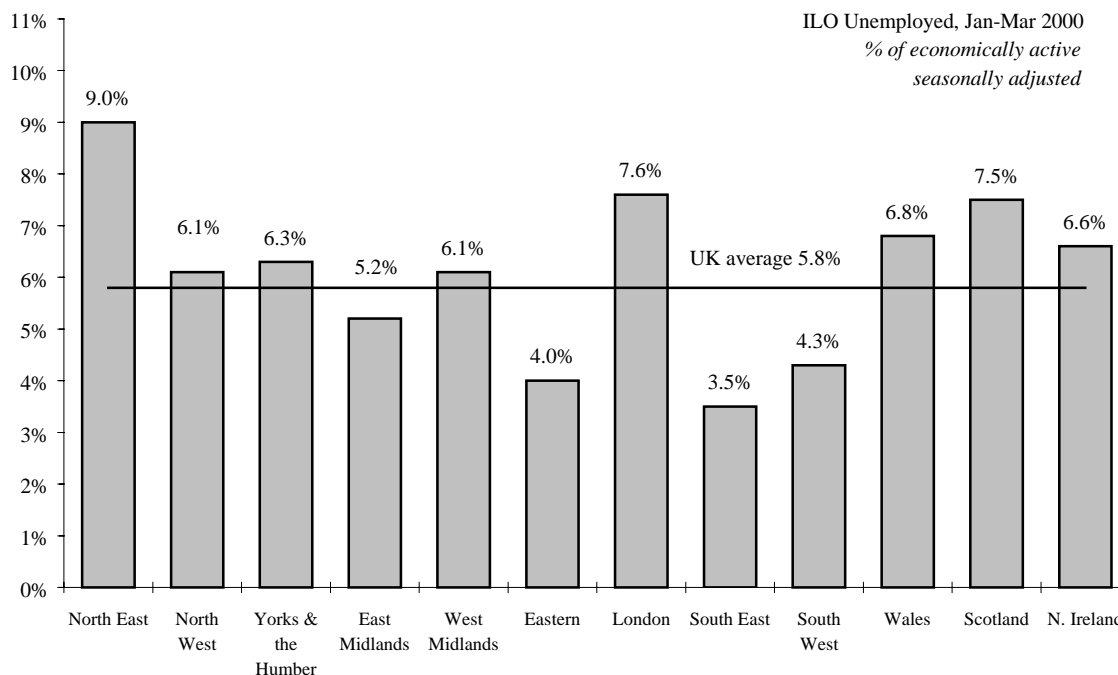
	thousands	rate (%)
1997 Jan-Mar	2,124	7.3
Apr-Jun	2,087	7.2
Jul-Sep	1,988	6.8
Oct-Dec	1,908	6.6
1998 Jan-Mar	1,851	6.4
Apr-Jun	1,824	6.3
Jul-Sep	1,825	6.3
Oct-Dec	1,812	6.2
1999 Jan-Mar	1,819	6.2
Apr-Jun	1,770	6.0
Jul-Sep	1,739	5.9
Oct-Dec	1,733	5.9
2000 Jan-Mar	1,713	5.8

Source: Labour Force Survey (ONS)

- Since April 1998, the Office for National Statistics has used the International Labour Organisation (ILO) definition of unemployment as the headline measure of unemployment. In the UK this is obtained from the Labour Force Survey (LFS).
- The latest LFS estimates show that over the period January to March 2000, the level of ILO unemployment in the UK was 1,713,000. This was a decrease of 20,000 from the October to December period. As measured by the monthly claimant count, unemployment fell by 28,800 between March and April 2000 to stand at 1,111,800.
- Since the New Deal for the Young Unemployed started in January 1998, 436,900 people have joined the scheme. Of those leaving the scheme, 146,380 had moved into 'sustained jobs' up to the end of February, ie excluding those who had returned to claim Jobseekers' Allowance (JSA) within three months of starting employment. Of these, 86% had moved into an unsubsidised job. Since the New Deal for the Long-Term Unemployed started in July 1998, 237,600 people have joined the scheme. Up to the end of February, 31,980 people leaving the scheme had entered 'sustained jobs', with 24,660 people (77%) going into unsubsidised jobs.

Next update: 14 June

C 3. Unemployment: Regional



ILO Unemployment, Jan-Mar 2000
change on same period in previous year
seasonally adjusted

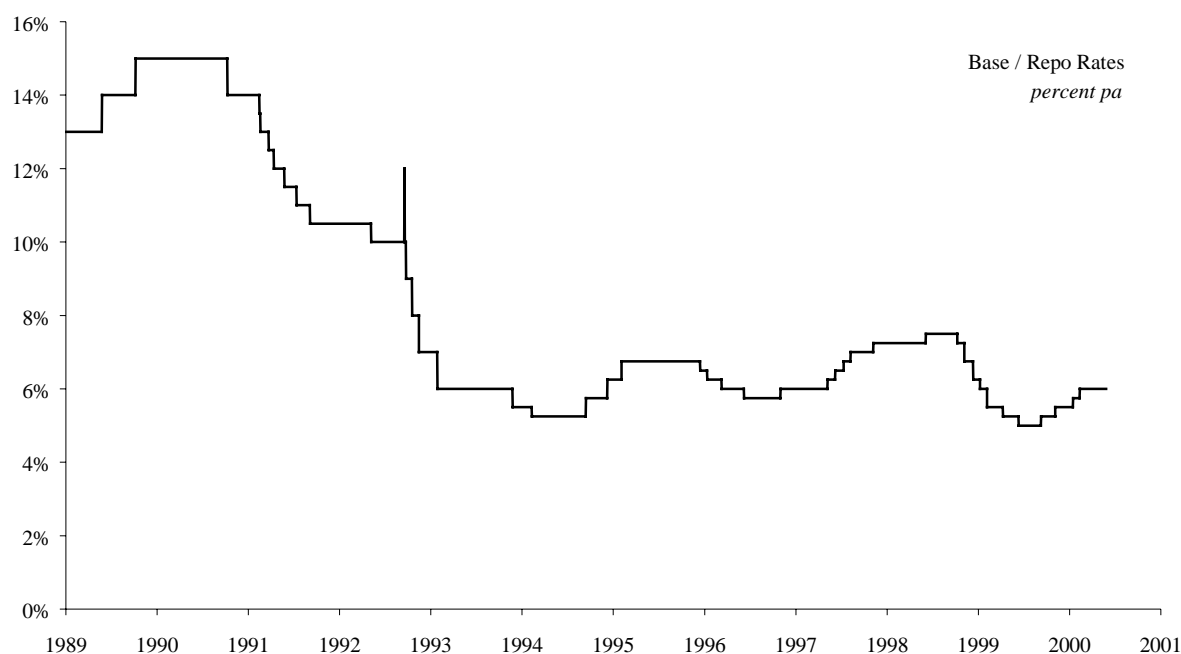
	thousands	%
North East	-6	-5%
North West & Merseyside	-15	-7%
Yorkshire & the Humber	-9	-5%
East Midlands	2	2%
West Midlands	-24	-13%
East	-7	-6%
London	-11	-4%
South East	-14	-8%
South West	-15	-12%
Wales	-6	-6%
Scotland	4	2%
Northern Ireland	-5	-9%
UK	-105	-6%

Source: ONS, First Release (00) 166

- Since April 1998, the Office for National Statistics has used the International Labour Organisation (ILO) definition of unemployment as the headline measure of unemployment. In the UK this is obtained from the Labour Force Survey (LFS).
- Comparing the period January to March 2000 with the same period a year earlier, unemployment fell in all but two regions.
- The most rapid fall in unemployment occurred in the West Midlands, where it was 13% lower in January to March 2000 than in the same period a year earlier. The regions with increased unemployment were the East Midlands and Scotland, where it was up 2% on the previous year. The North East had the highest unemployment rate, at 9.0% of the economically active population. The lowest unemployment rate was 3.5% in the South East of England.

Next update: 14 June

D 1. Interest Rates



UK Base/Repo Rates

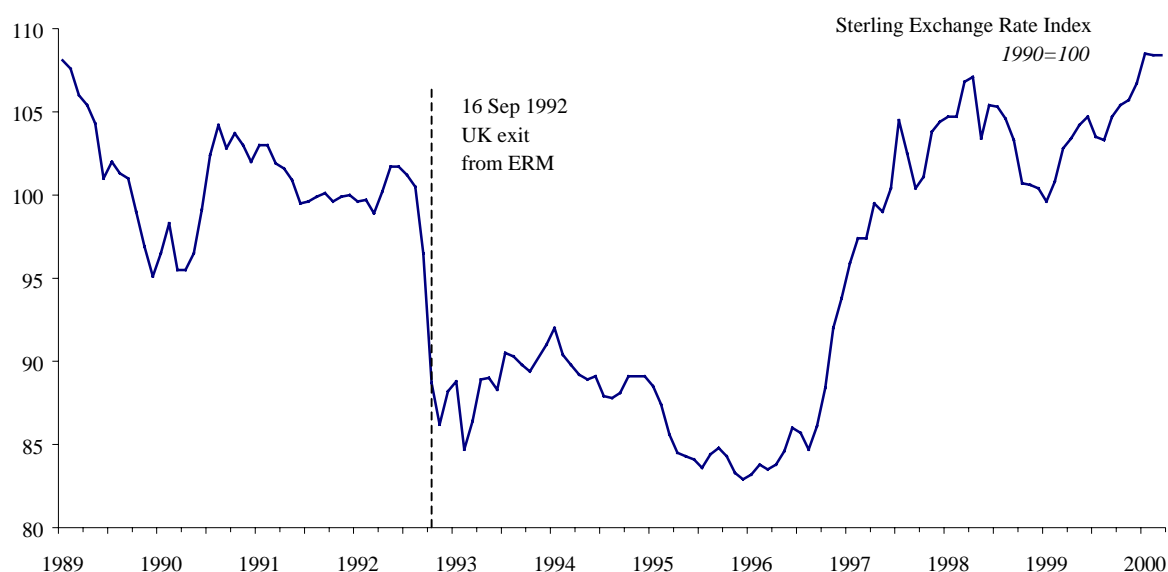
per cent per annum

Date of change	New rate
1994 Dec 7	6.25
1995 Feb 2	6.75
Dec 13	6.50
1996 Jan 11	6.25
Mar 8	6.00
Jun 6	5.75
Oct 30	6.00
1997 May 6	6.25
Jun 6	6.50
Jul 10	6.75
Aug 7	7.00
Nov 6	7.25
1998 Jun 4	7.50
Oct 8	7.25
Nov 5	6.75
Dec 10	6.25
1999 Jan 7	6.00
Feb 4	5.50
Apr 8	5.25
June 10	5.00
Sep 8	5.25
Nov 4	5.50
2000 Jan 13	5.75
Feb 10	6.00

Source: Bank of England

- The interest rate increase on 6 June 1997 was the first time when interest rates were set by the independent Monetary Policy Committee of the Bank of England rather than by the Chancellor.
- The MPC next meets on 7 June
- The ½ percentage point cuts in November and December 1998 and in February 1999, were the largest changes in rates yet made by the MPC.
- The latest Bank inflation forecast predicts a central probability range of between 2% and 2½% inflation in 2000/01. The Committee felt that the upside risks to this forecast were from the strong growth of domestic demand and a higher path for nominal earnings.

D 2. Exchange Rates



Sterling Exchange Rates						
	US\$		Yen		ECU/Euro	
	Rate	% change on year	Rate	% change on year	Rate	% change on year
1997	1.638	4.9%	198.12	16.5%	1.450	16.3%
1998	1.657	1.2%	216.75	9.4%	1.477	1.9%
1999	1.618	-2.4%	183.94	-15.1%	1.519	2.9%
1999 Nov	1.621	-2.4%	169.69	-15.1%	1.571	10.5%
Dec	1.613	-3.4%	165.70	-15.3%	1.595	12.3%
2000 Jan	1.640	-0.6%	172.89	-7.6%	1.620	13.8%
Feb	1.600	-1.7%	175.09	-7.7%	1.627	11.9%
Mar	1.580	-2.6%	167.99	-13.3%	1.638	9.9%
Apr	1.584	-1.7%	167.29	-13.1%	1.673	11.2%

Source: ONS database series AJFA, AJFO, AJHW, THAP

- The US dollar has emerged even stronger this month against the major European and British currencies. It was helped by an increase of ½ per cent in US Federal interest rates.
- Although it is too soon to be certain, after falling to new lows the euro appears to have 'bottomed out' against the pound in the last quarter of May. In this it has been helped by comments from the MPC to the effect that UK interest rates may have peaked (following weaker than expected economic data) and by strong economic growth in the euro-zone. From its peak in May, the pound fell to a four-year low level against the dollar, down about 8% since the start of the year.
- The pound was worth eur 1.6229 at the London market close on 24 May 2000, compared to a launch rate of eur 1.4169 on 31 December 1998.
- Series for the ECU and the participating currencies of the EMU are no longer officially published.

D 3. Public Sector Net Cash Requirement



Public Sector Net Cash Requirement

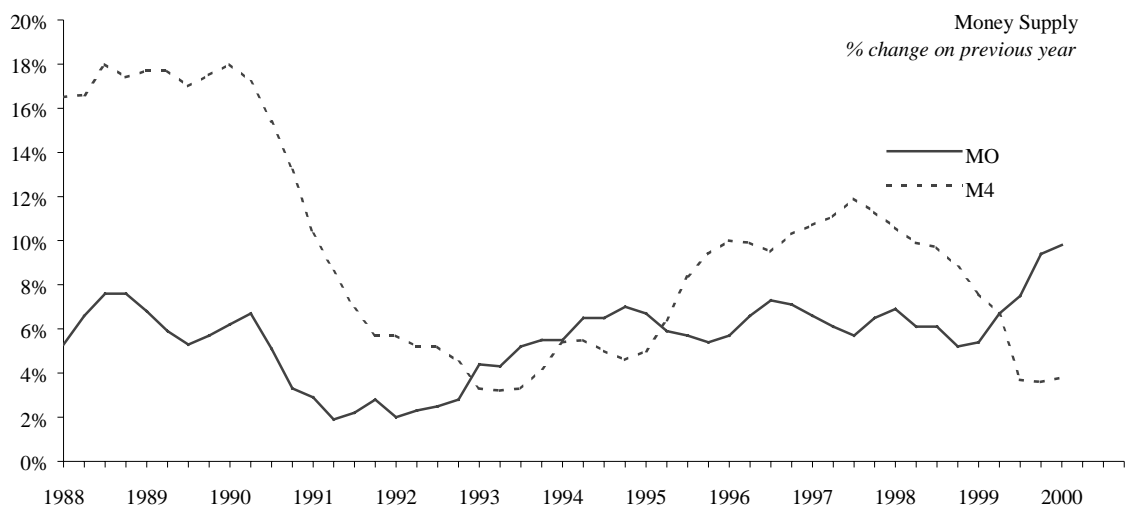
	PSNCR		PSNCR excl privatisation receipts	
	£ billion	as a % of GDP	£ billion	as a % of GDP
1997/98	1.1	0.1%	2.9	0.4%
1998/99	-7.0	-0.8%	-6.9	-0.8%
1999/00	-8.7	-1.0%	-8.1	-0.9%
1999 Q1	-5.8	-2.7%	-5.8	-2.7%
Q2	5.3	2.4%	5.7	2.6%
Q3	-3.2	-1.4%	-3.2	-1.4%
Q4	1.9	0.8%	1.9	0.8%
2000 Q1	-12.8	-5.6%	-12.6	-5.5%

Source: ONS Database Series RURQ, RURS, YBHA

- The public sector net cash requirement was previously known as the public sector borrowing requirement (PSBR).
- The PSNCR (including privatisation receipts) for the 1999/00 financial year was a negative (i.e. a repayment) £8.6 billion compared with -£6.9 billion in 1998/99. Excluding privatisation receipts, the PSNCR for 1999/00 was -£8.1 billion compared with -£6.9 billion in 1998/99.
- The PSNCR for the 2000/01 financial year is forecast at -£6.9 billion (-0.7% of GDP) excluding windfall tax receipts.

Next update: 20 June

D 4. Money Supply



Money stock
seasonally adjusted

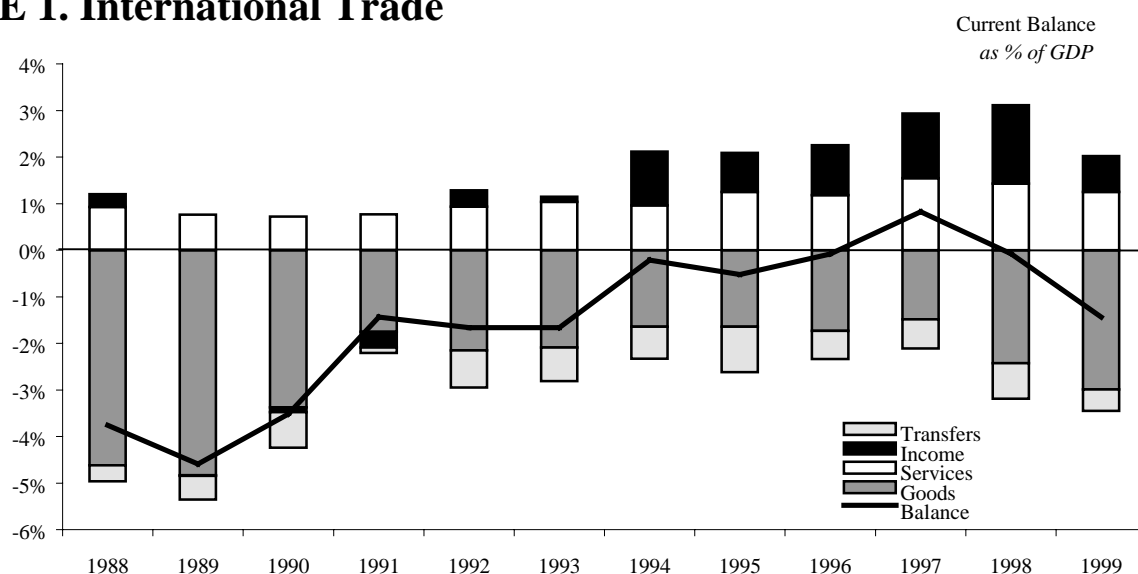
		MO		M4	
		3 month change annualised (%)	12 month change (%)	3 month change annualised (%)	12 month change (%)
1999	Apr	6.0	6.1	5.1	7.4
	May	9.6	6.9	4.2	6.9
	Jun	10.1	7.4	2.9	5.4
	Jul	9.9	7.6	-1.9	3.6
	Aug	9.2	7.7	-0.6	4.3
	Sep	7.5	7.1	0.9	3.0
	Oct	6.5	7.4	4.9	3.3
	Nov	8.9	8.9	4.4	3.5
	Dec	24.3	11.8	8.4	3.9
2000	Jan	30.2	12.7	4.9	3.2
	Feb	6.4	8.5	4.6	3.1
	Mar	-6.7	8.3	8.4	5.1
	Apr (prov)	-9.7	8.3	12.0	4.8

Source: Bank of England, press releases 8 & 19 May 2000

- M0 comprises notes and coins in circulation outside the Bank of England *plus* bankers' operational deposits with the Bank. M4 is a broad measure of money consisting of the private sector's holdings of cash, and sterling deposits held by the private sector at both banks and building societies.
- The high levels of M0 growth in December and January partly reflect the increased note circulation for the millennium holiday. Subsequent reductions in the note issue in January and February produce the negative 3-month growth rates for March and April.
- There are now no formal targets for money supply growth.

Next updates: 31 May, 5, 12, 20 & 29 June

E 1. International Trade



Current Account Balances
seasonally adjusted; £ million

	Trade in goods and services			Income (total)	Transfers			Current Balance
	goods	services	total		Cent. Govt	other	total	
1997	-11,910	12,414	504	11,170	892	-5,943	-5,051	6,623
1998	-20,537	12,124	-8,413	14,239	-316	-6,165	-6,481	-655
1999	-26,611	11,114	-15,497	6,848	2,248	-6,360	-4,112	-12,761
1999 Q1	-7,533	2,378	-5,155	1,910	883	-1,832	-949	-4,194
1999 Q2	-6,124	3,029	-3,095	1,141	525	-1,295	-770	-2,724
1999 Q3	-5,464	2,894	-2,570	798	455	-1,766	-1,311	-3,083
1999 Q4	-7,490	2,813	-4,677	2,999	385	-1,467	-1,082	-2,760
2000 Q1	-6,854	2,405	-4,449

Source: ONS database Series BOKI, IKBJ, IKBD, HBOJ, FNSV, FNTE, HBOP
ONS First Release: UK Trade ONS (2000) 186

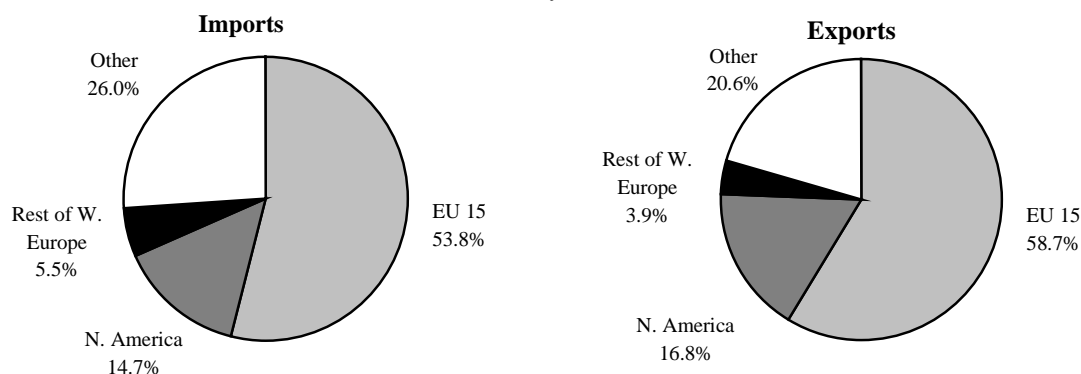
- Trade in goods and services: the last six quarterly figures include some of the largest quarterly deficits in trade in goods ever recorded. Surpluses in the trade of services have also been weakening over successive years, reflecting a deteriorating trading position.
- Income: this includes income from overseas investment and wages, etc earned by people working abroad. The surplus on income fell sharply in 1999 to £6.8 billion compared with £14.2 billion in 1998 and was less than half that needed to offset the trade deficit of £15.5 billion.
- Transfers: these are composed of Central Government transfers (mostly to the EU budget) and other transfers (e.g. gilts in cash or kind received by private individuals from abroad)
- Current account balance: the current account showed an overall deficit of £12.8 billion in 1999 compared with a current account deficit of only £655 million in 1998. The Budget forecast (March 2000) shows a current account deficit of £20½ billion in 2000, precisely double the figure that was forecast just four months earlier in the Pre-Budget Report (November 1999).

Next update: 29 June

E 2. Trade in Goods

Shares of trade in goods by area: 1999

Balance of Payments Basis



Export and import volume indices and trade in goods balances
seasonally adjusted; Balance of Payments basis

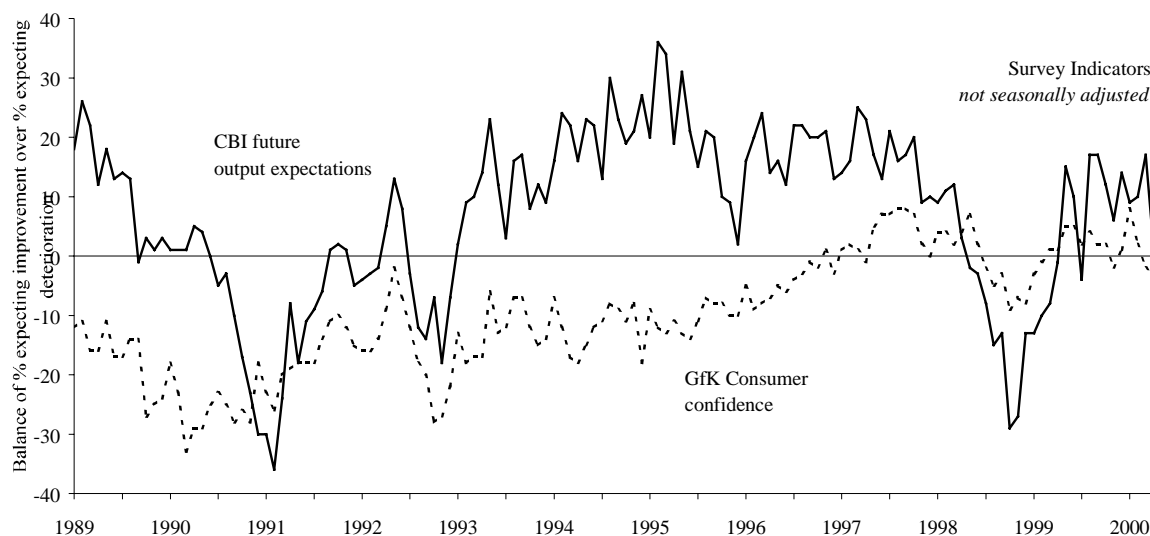
	Volume Index 1995=100		Trade in Goods (£m)		
	Exports	Imports	Exports	Imports	Balance
1997	116.5	119.0	171,783	183,693	-11,910
1998	117.8	129.1	164,092	184,629	-20,537
1999	120.8	138.3	165,204	191,815	-26,611
1999 Q1	114.5	133.3	38,937	46,470	-7,533
Q2	117.7	133.8	40,226	46,350	-6,124
Q3	126.9	141.7	43,592	49,056	-5,464
Q4	124.1	144.4	42,449	49,939	-7,490
2000 Q1	129.6	146.8	44,318	51,172	-6,854

Source: ONS Series BQKU, BQKV, BOKG, BOKH, BOKI and ONS First Release: UK Trade ONS (2000) 186

- The deficit for 1999 in trade in goods is estimated at £26.6 billion, the highest on record. This compares unfavourably with the deficit in trade in goods of £11.9 billion recorded only two years earlier.
- Trends: the latest estimate of volume trends shows the UK trade deficit widening. The UK's trade position seems to be adversely affected by the relatively high rate of domestic demand, the high value of sterling and the aftermath of the slowdown in Asian markets.
- During 2000(Q1) exports rose 4.4% and imports rose by 1.7% in volume terms compared with 1999(Q4). However, comparing 2000(Q1) with 1999(Q1) shows exports and imports rising 13.2% and 10.1% respectively.
- In value terms, exports rose 4.4% and imports rose by 2.5% in 2000(Q1) compared with the previous quarter. However, compared with 1999 (Q1) exports and imports rose by 13.8% and 10.1% respectively.
- EU and Non-EU trade: the deficit in trade in goods with non-EU countries for 1999 as a whole is provisionally estimated at a record £20,400 million, significantly higher than the £15,200 million recorded in 1998, which was the highest annual deficit previously. In volume terms, exports to non-EU countries fell 4.3% in the three months to January compared with the previous three months: imports rose 3.3% over the same period. In the three months to January, exports to the EU fell 1.9% compared with the previous three months but rose 5.4% when compared with the same period a year previously. Imports rose 1.1% and 5.4% over the same two periods.

Next update: 23 June

F 1. Survey Indicators



Output Expectations and Consumer Confidence

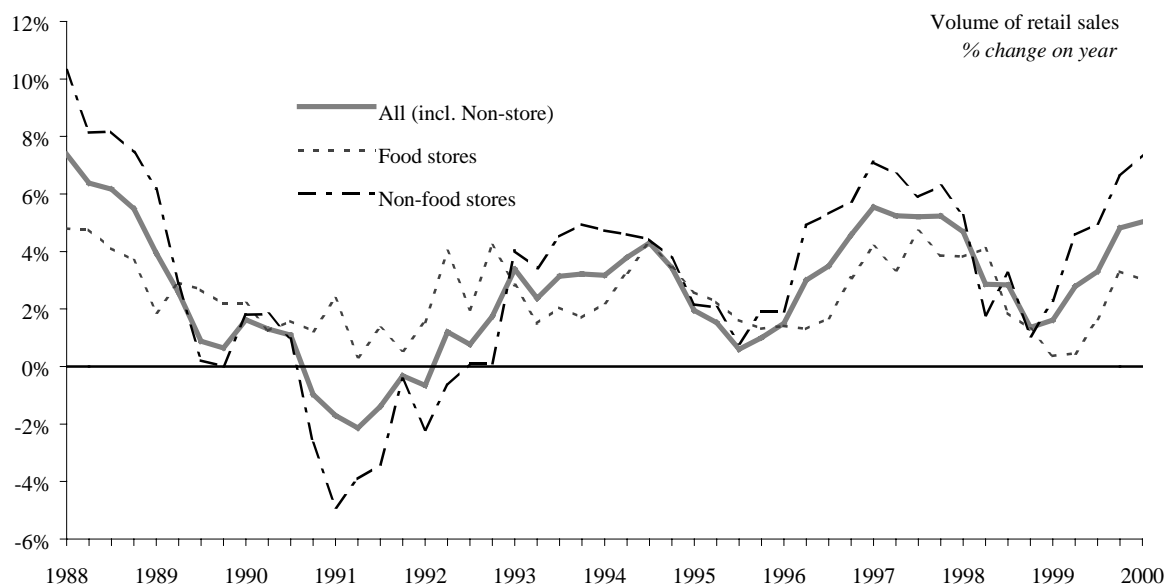
	Balance of % expecting improvement over % expecting deterioration		
	CBI Industrial Trends Survey: future output expectations	Consumer confidence GfK	
	Apr	-1	1
	May	15	5
	Jun	10	5
	Jul	-4	2
	Aug	17	4
	Sep	17	2
	Oct	12	2
	Nov	6	-2
	Dec	14	1
2000	Jan	9	8
	Feb	10	2
	Mar	17	-2
	Apr	1	-4
	May	-6	..

Source: ONS Database Series ETBA, ETBU

- Survey indicators – including those shown here – are often expressed in the form of a balance of the percentage of respondents who expected the situation to improve in the immediate future over the percentage who expected things to worsen.
- The balance of expectations from the CBI monthly Industrial Trends Survey for future output levels in manufacturing has slumped to -6 in May 2000, from a peak of 17% in March.
- The GfK consumer confidence indicator is a composite measure of forward expectations of the general economic situation and households' financial positions; perceptions of how these have changed over the last 12 months, and also views on major household purchases.
- The balance in consumer confidence has fallen over the last two months to -4% in April from a high of 8% in January.

Next update: late June

F 2. Retail Sales



Value of Sales
not seasonally adjusted; % change on year

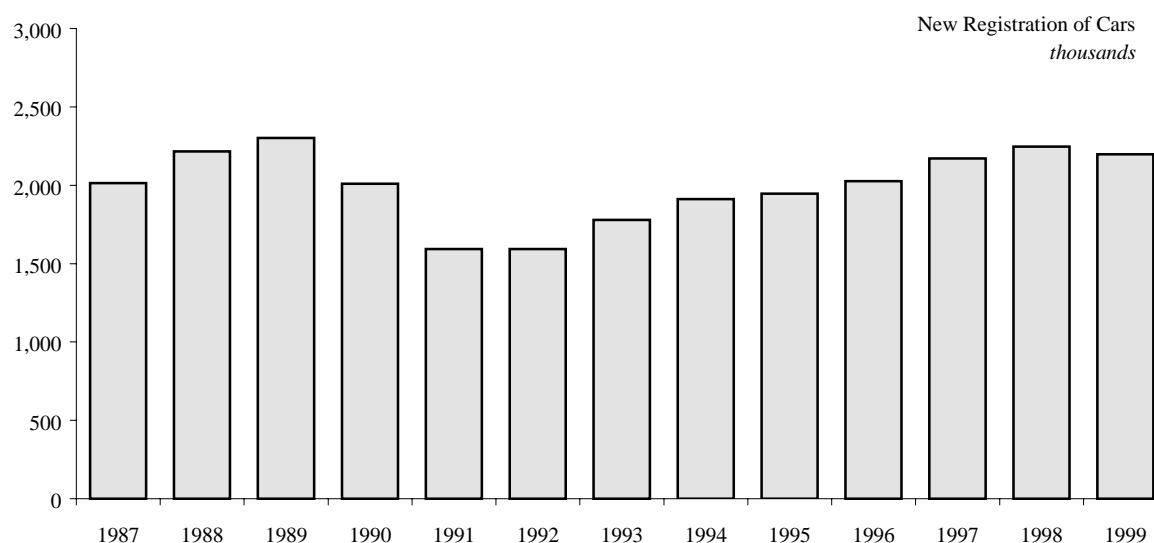
	Food, drink & tobacco	Clothing & footwear	Household goods	Other non-food
1997	4%	8%	10%	7%
1998	4%	3%	6%	4%
1999	3%	3%	5%	3%
1999 Q1	5%	3%	5%	3%
Q2	1%	3%	3%	4%
Q3	2%	4%	6%	3%
Q4	3%	4%	6%	3%
2000 Q1	1%	4%	8%	3%

Source: ONS database Series EAWN, EAWO, EAWP, EAWQ

- In the three months February to April, the *volume* of retail sales grew by 0.2% over the previous three-month period, reaching a level 4.5% higher than a year previously. Sales in the single month of April were 4.5% higher than a year ago.
- Growth in retail sales volumes were stronger in predominantly non-food stores (2.0% over February to April compared to the previous three months) than in food stores, where sales volumes actually decreased by 0.4%. Sales volumes continue to be particularly strong in household goods stores (7.0% higher in February to April than a year earlier).
- In April 2000, the non-seasonally adjusted *value* of retail sales was 4.6% higher than a year earlier. The average weekly value of retail sales in April was £3,790 million, with actual sales through the till estimated at about £15.2 billion. For February to April the growth in the value of retail sales was strongest in the household goods sector (7% higher than previous year). The value of sales in the food, drink & tobacco sector grew by 2% and in the clothing & footwear sector by 3%.

Next update: 15 June

F 3. New Registrations of Cars



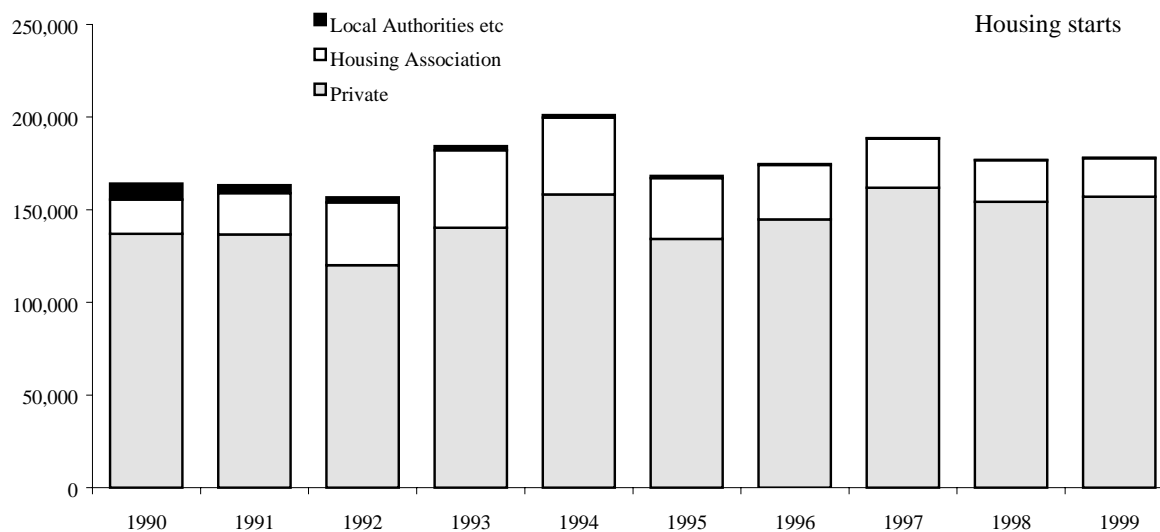
New Registrations of Cars <i>not seasonally adjusted</i>			
	Numbers (thousands)	Change over 12 months	
1995	1,945	1.8%	
1996	2,026	4.1%	
1997	2,171	7.2%	
1998	2,247	3.5%	
1999	2,198	-2.2%	
2000 (forecast)	2,200	0.1%	
2001 (forecast)	2,210	0.5%	
1999	December	85	-12.2%
2,000	January	185	1.8%
	February	74	-12.3%
	March	402	8.6%
	April	168	-8.1%

Source: SMMT "Monthly Statistical Review", April 2000

- Figures from the SMMT show that the number of new registrations of cars totalled 2.2 million in 1999, a fall of 2.2% from the previous year. The market has been distorted by the introduction of the twice-yearly change in the registration prefix.
- The SMMT forecasts no significant change in new registrations in 2000 and an increase of less than 0.5% in 2001.
- In April 2000 new registrations of cars fell by 8.1% compared with the same month last year to 168,200 units. Registrations over the first four months of 2000 were up on the same period in 1999 with March's first plate change of the millennium.
- Registrations of British-built cars rose by 6.9% to 247,352 units over the first four months of the year. This meant an improved market share of 29.8%, up from 28.3% in the same period in 1999.

Next update: late June

F 4. Housing



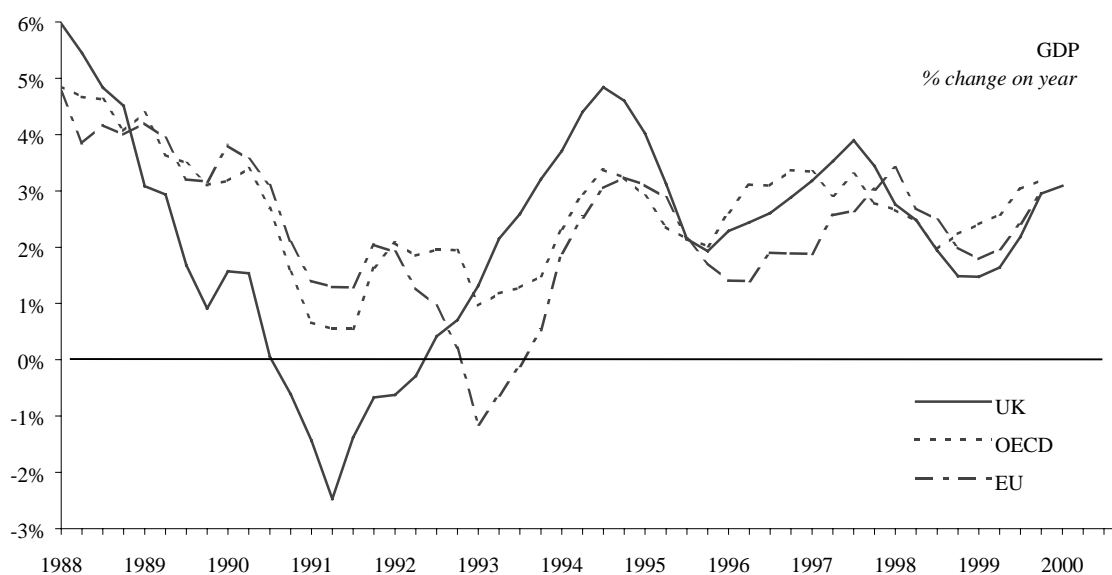
	House prices			
	<i>Standardised average price (£)</i>			
	All Houses	New Houses	Existing Houses	First time buyers
1999 Q1	72,900	76,200	72,500	53,300
Q2	76,500	77,500	76,600	54,900
Q3	79,300	81,600	79,400	57,400
Q4	81,400	86,300	81,400	57,700
2000 Q1	83,600	86,800	83,600	60,900
<i>% change over same period last year</i>				
1999 Q1	4.4%	1.3%	3.9%	6.2%
Q2	5.4%	0.8%	5.7%	4.8%
Q3	8.8%	7.5%	9.1%	8.7%
Q4	11.7%	13.7%	11.8%	9.3%
2000 Q1	14.7%	13.9%	15.3%	14.3%

Source: Halifax House Price Index: First Quarter 2000

- According to the latest DETR press release, it is provisionally estimated that in March 2000 17,500 dwellings were started in Great Britain compared with 16,800 in March 1999. In the latest three months 47,600 dwellings were started and there were 40,200 completions. These figures were respectively 3% and 5% up on the same period the previous year.
- According to the Halifax Monthly Index, house prices in the United Kingdom rose by 0.8% in April (seasonally adjusted). On an annual basis, house price inflation rose to 14.2% from 13.5% in March.
- According to the Halifax Quarterly Index annual price inflation was highest in Greater London (29.5%) and lowest in Northern Ireland (4.0%).

Next update: 6 June

G 1. International Comparisons - Growth



GDP at constant market prices
% change on year

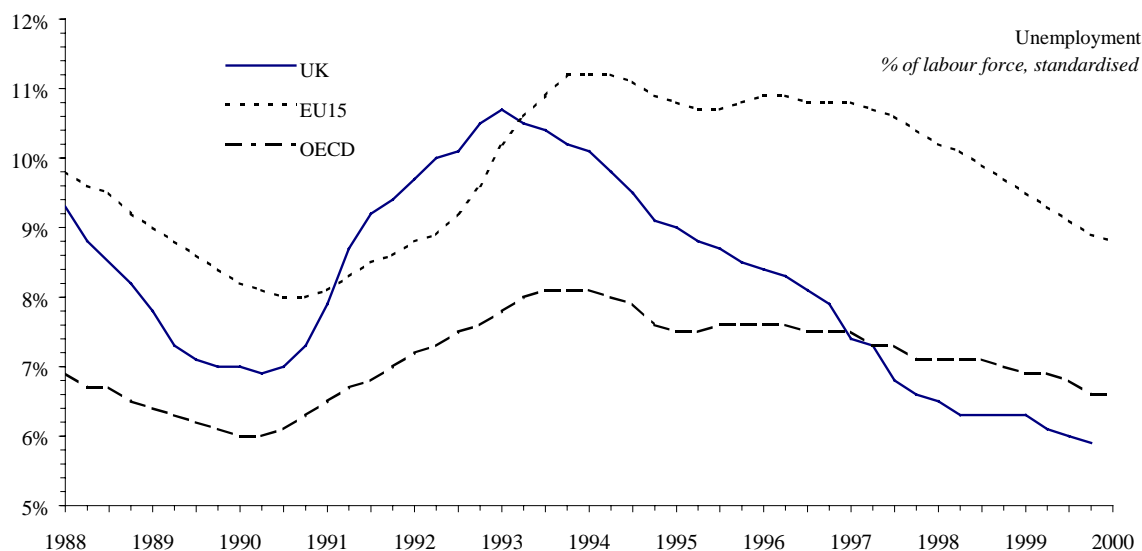
	1997	1998	1999	1999 Q1	1999 Q2	1999 Q3	1999 Q4	2000 Q1
USA	4.2%	4.3%	4.2%	4.0%	3.8%	4.3%	4.6%	5.0%
Japan	1.5%	-2.5%	0.3%	-0.5%	0.7%	1.0%	0.0%	n.a.
Canada	3.9%	3.1%	4.2%	3.3%	4.0%	4.7%	4.6%	n.a.
United Kingdom	3.5%	2.2%	2.1%	1.5%	1.6%	2.2%	3.0%	3.1%
Germany	1.4%	2.2%	1.4%	0.9%	0.9%	1.4%	2.3%	n.a.
France	2.0%	3.2%	3.0%	2.7%	2.7%	3.1%	3.2%	n.a.
Italy	1.8%	1.6%	1.4%	1.0%	1.1%	1.5%	2.1%	n.a.
EU15	2.6%	2.7%	2.3%	1.8%	2.0%	2.4%	3.0%	n.a.
G7	3.1%	2.4%	2.9%	2.4%	2.6%	3.0%	3.2%	n.a.
OECD	3.4%	2.6%	2.9%	2.4%	2.7%	3.1%	3.4%	n.a.

Source: OECD, Main Economic Indicators, April 2000; ONS - CSDB database

- The latest statistics suggest that economic growth in Europe is running at around 3% per annum. Growth rates are improving in Germany, Italy and the UK from relatively low levels recorded in the second half of 1998 and the first half of 1999.
- The US economy is continuing to grow strongly. Over the 12 years 1987 to 1999 the average annual growth rate was 3.1%. After a sharp recession in 1998 the Japanese economy recovered in the first half of 1999 but GDP fell again in the third and fourth quarters.
- In December 1999 the OECD expected growth in 2000 to be 3.1% in the USA, 1.4% in Japan and 2.8% in the EU15.

Next update: Mid-June

G 2. International Comparisons - Unemployment



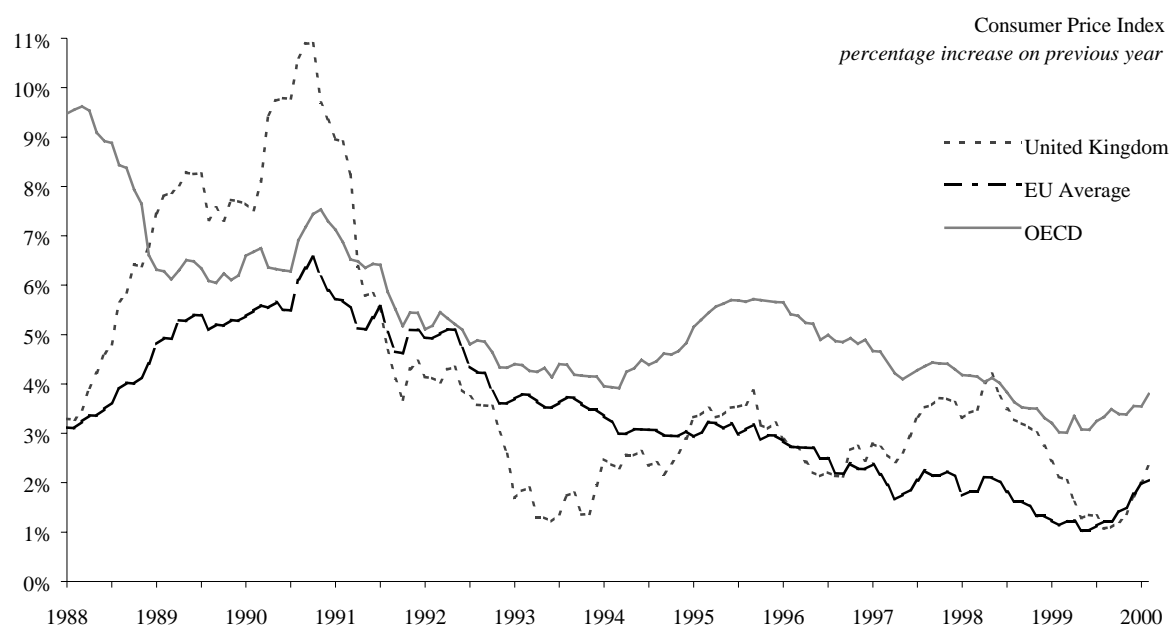
	Unemployed as % of labour force standardised; seasonally adjusted						
	1997	1998	1999	1999 Q2	1999 Q3	1999 Q4	2000 Q1
USA	4.9	4.5	4.2	4.3	4.2	4.1	4.1
Japan	3.4	4.1	4.7	4.7	4.7	4.7	4.8
Canada	9.1	8.3	7.6	7.8	7.6	7.0	6.8
United Kingdom	7.0	6.3	6.1	6.1	6.0	5.9	..
Germany	9.9	9.4	8.7	9.1	8.7	8.7	8.4
France	12.3	11.8	11.3	11.2	11.2	10.8	10.4
Italy	11.7	11.9	11.4	11.4	11.2	11.1	..
EU 15	10.6	9.9	9.2	9.3	9.1	8.9	8.8
G7	6.6	6.4	6.2	6.2	6.1	6.0	5.9
OECD	7.4	7.1	6.8	6.9	6.8	6.6	6.6

Source: OECD Quarterly Labour Force Statistics/standardised unemployment rates at www.oecd.org

- Using standardised definitions, the UK unemployment rate was significantly below the EU average in 1999 Q4 and slightly below both the OECD and G7 averages.
- The unemployment rate in the euro-zone (the eleven Member States participating in the single currency) stood at 9.4% in March 2000 – 0.7 of a percentage point higher than the rate of 8.7% for the EU15 as a whole.
- The latest forecasts published by the OECD in December 1999 suggest that unemployment rates for both the G7 and the UK will remain broadly flat in 2000 and 2001. The unemployment rate for the EU as a whole is expected to fall to 8.8% in 2000 and 8.4% in 2001.

Next update: mid June

G 3. International Comparisons - Prices



Consumer Price Index (national definitions)
% change over 12 months

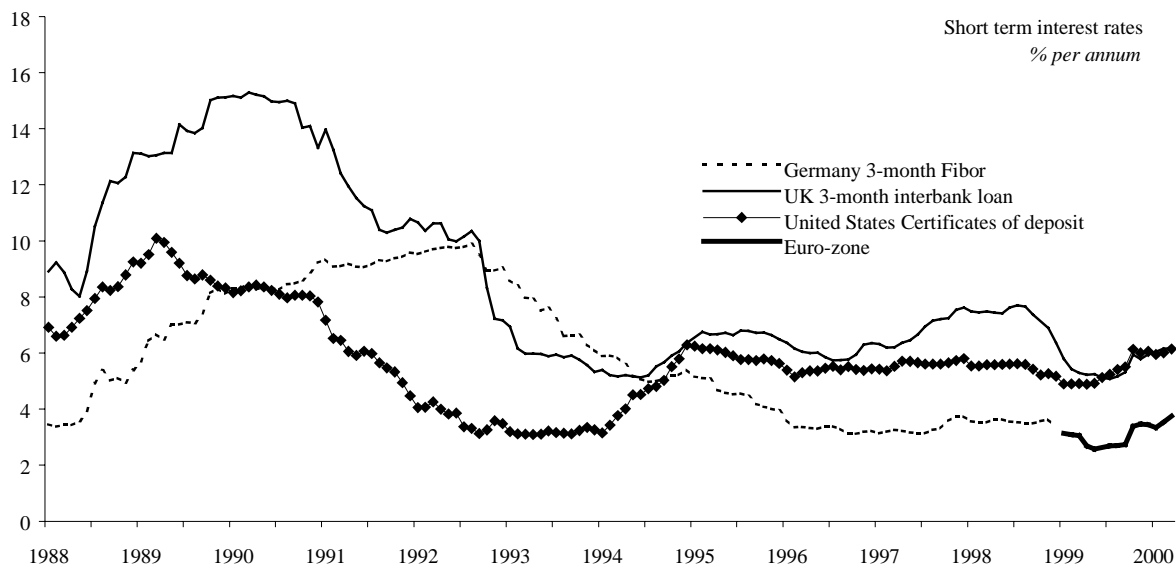
	USA	Japan	Canada	UK	Germany	France	Italy	OECD	EU15
1996	2.9	0.1	1.6	2.5	1.5	2.1	3.8	5.1	2.5
1997	2.4	1.8	1.6	3.1	1.7	1.1	1.8	4.2	2.0
1998	1.5	0.6	1.0	3.4	1.0	0.7	1.7	3.7	1.7
1999									
Sep	2.6	-0.2	2.6	1.1	0.7	0.7	1.8	3.5	1.2
Oct	2.6	-0.7	2.3	1.2	0.8	0.8	2.0	3.4	1.4
Nov	2.6	-1.2	2.2	1.4	1.0	0.9	2.0	3.4	1.5
Dec	2.7	-1.1	2.6	1.8	1.2	1.3	2.2	3.5	1.8
2000									
Jan	2.7	-0.9	2.3	2.0	1.6	1.6	2.2	3.5	2.0
Feb	3.2	-0.6	2.7	2.3	1.8	1.4	2.4	3.8	2.1

Source: OECD Main Economic Indicators

- Under the terms of the Maastricht Treaty, harmonised indices of consumer prices (rather than data compiled on national definitions) are used to assess price stability in each Member State. On a harmonised basis the average inflation rate for the eleven EU countries in euro-zone was 2.1% in March. The UK's inflation rate on this basis was 0.7%.
- The inflation rates for the other three Member States not in the euro-zone were (on a harmonised basis) Denmark: 3.0%, Sweden: 1.4% and Greece: 2.8% in March 2000.
- Harmonised inflation rates in the EU in February ranged from 5.0% in Ireland to 0.7% in the United Kingdom.

Next update: late June

G 4. International Comparisons - Interest Rates



International Interest Rates
as at 24 May 2000

	Yield on 10 yr Government bonds (% pa)	3-month rate (% pa)
United Kingdom	5.39	$5\frac{30}{32}$
United States	6.47	$6\frac{3}{4}$
Switzerland	4.17	$3\frac{3}{32}$
Japan	1.65	$\frac{1}{16}$
Euro-zone	..	$4\frac{13}{32}$

Source: Financial Times, 25 May 2000

- The European Central Bank (ECB) set its first repo rate at 3% in January 1999 when Stage III of EMU started. The current level of 3-month market rates within EMU is shown as the 'euro-zone' rate in the table.
- There is, as yet, no equivalent euro-zone government bond rate quoted. In future, a suitable comparator may be the rate on bonds issued by institutions like the European Investment Bank. Further details will be published on this page when they become available.
- May saw central bank interest rates rise in the US. On the 16th the Federal Reserve raised its key rates by $\frac{1}{2}$ percentage point to 6.5%. The Bank of England did not raise interest rates but it is widely expected that it will do so in the near future.