RESEARCH PAPER 01/13
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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.

Tim Edmonds

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 – extn 3666)

Subject	Statistician	Extn
Balance of payments	Patsy Richards	4904
Construction	Jane Hough/Tim Edmonds	3977/2883
EC finance	Tim Edmonds	2883
Employment	Andrew Presland	2464
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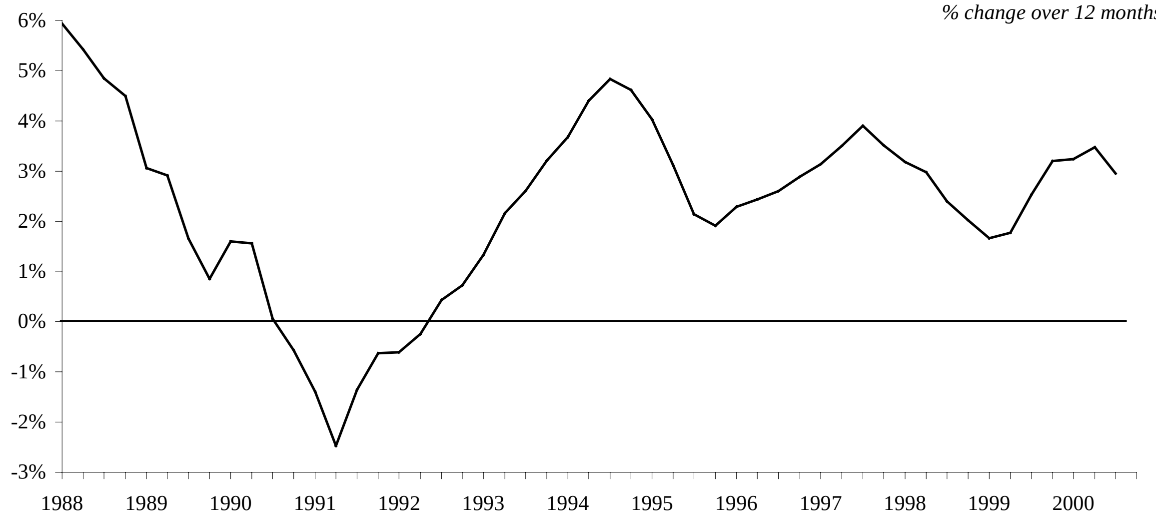
A 1. Gross Domestic Product

GDP at constant market prices
% change over 12 months



Gross Domestic Product
seasonally adjusted

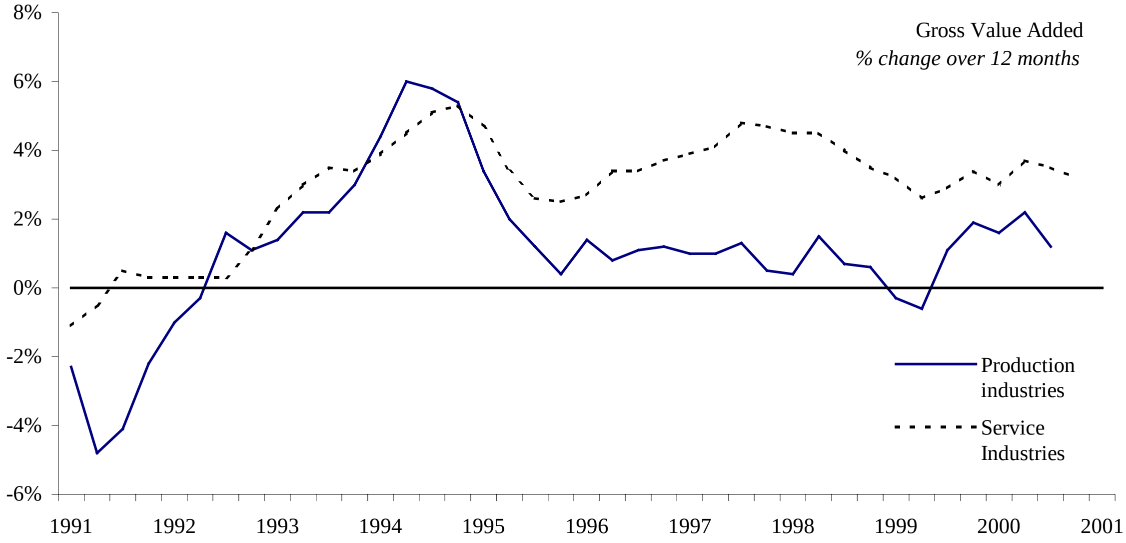
	GDP at current market prices *£ billion*	GDP at constant market prices *12 month change*	HH consumption at constant market prices *12 month change*	Non-Oil GVA at constant basic prices *12 month change*
1997	805.4	3.5%	4.0%	3.5%
1998	851.7	2.6%	4.0%	3.0%
1999	891.0	2.3%	4.5%	2.1%
1999 Q3	224.7	2.5%	4.4%	2.8%
Q4	228.7	3.2%	5.0%	2.8%
2000 Q1	229.3	3.2%	3.8%	3.1%
Q2	231.8	3.5%	3.8%	2.7%
Q3	235.1	3.0%	4.2%	2.7%

Source: NS - CSDB database series YBHA, AMBI, ABJR, GDPT & GDPU

- Gross domestic product (GDP) at 1995 market prices is estimated to have risen by 0.7% in the third quarter of 2000 to a level 3.0% above the same quarter in 1999. This suggests that the economy has begun to slow after the high rates of growth seen in the middle of the year.
- Output of both manufacturing and services was revised up by 0.2% to 0.8% and 0.9% respectively for the latest quarter. Construction output, however, was estimated to have fallen by 1.4% over the same period.
- The latest Treasury average of independent economic forecasts suggests that GDP growth will be 2.5% in 2001 and 2.6% in 2002.

Next update: 23February

A 2. Gross Value Added by Industry



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

	Production industries				
	Total	Manufac-turing	Services	Agriculture, hunting & fishing	Construction
1998	0.8%	0.5%	4.1%	-1.6%	1.3%
1999	0.5%	0.0%	3.0%	1.4%	0.8%
2000	..	..	3.3%	..	..
1999 Q4	1.9%	1.9%	3.4%	0.9%	3.1%
2000 Q1	1.6%	1.8%	3.0%	-1.4%	5.5%
Q2	2.2%	1.8%	3.7%	-0.6%	2.6%
Q3	1.2%	0.9%	3.5%	0.7%	-0.5%
Q4 (prov)	..	..	3.2%	..	..

Sources: NS - CSDB 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 second and third quarters of 2000 output in the service sector rose by a (provisional) 0.7%.
- Manufacturing output rose by 0.7% between the second and third quarters of 2000. In the four years 1995 to 1999 manufacturing output rose by just 2.2%, equivalent to an average annual growth rate of 0.5%.
- In 1999 manufacturing accounted for 19% of GVA, other production industries (mining & quarrying and electricity gas & water supply) for 5%, agriculture etc. for 1%, construction for 5% and services for 70%.

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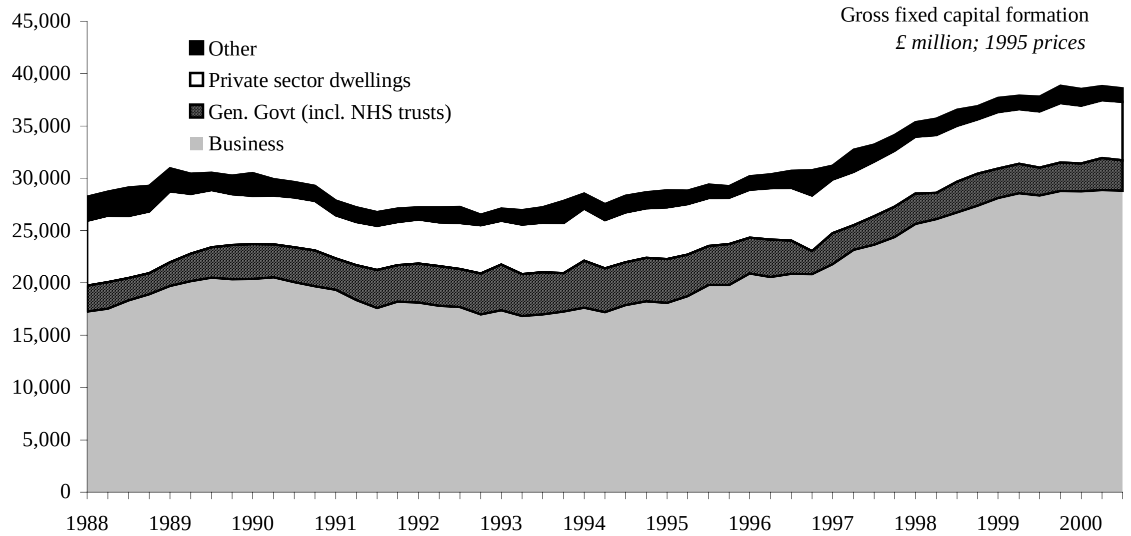
A 3. Investment



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

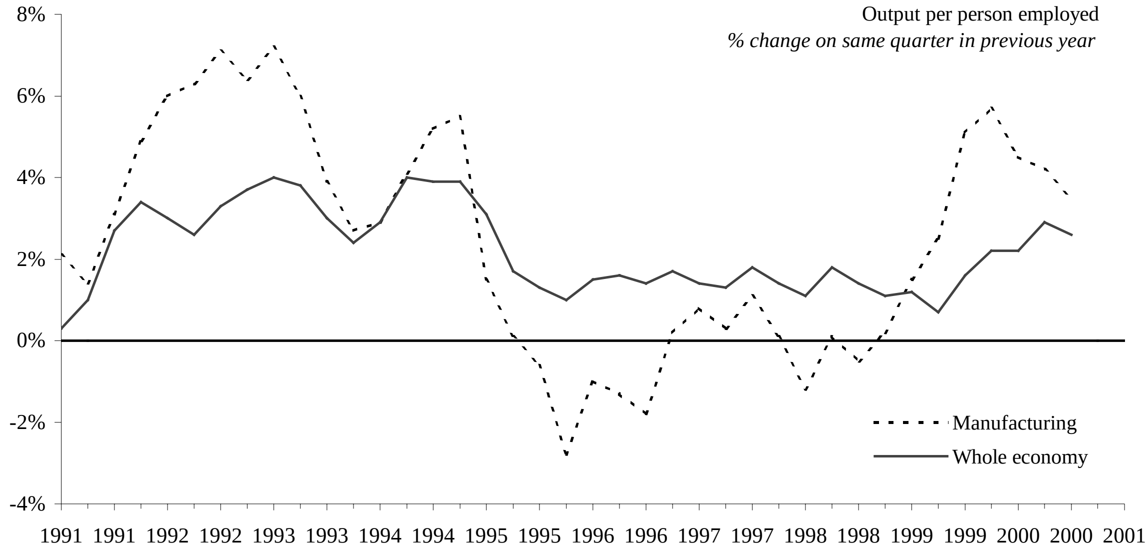
	Transport Equipment	Other Machinery & Equipment	Dwellings	Other Buildings & Structures	Intangible Fixed Assets	Total
1997	12,982	54,241	37,251	22,669	4,103	131,246
1998	14,913	63,833	38,304	23,231	4,156	144,437
1999	16,122	68,708	40,246	23,123	4,004	152,203
1999 Q2	4,065	17,288	9,855	5,692	1,004	37,904
1999 Q3	3,983	17,064	10,099	5,649	1,006	37,801
1999 Q4	3,938	17,255	10,578	6,037	1,015	38,823
2000 Q1	3,878	17,325	10,469	5,838	1,010	38,520
2000 Q2	4,017	17,346	10,466	5,935	1,026	38,790
2000 Q3	3,845	17,405	10,340	5,954	1,036	38,580

Source: National Statistics 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 in the third quarter of 2000 fell by 0.5% in real terms compared with the previous quarter but was 2.1% higher compared with the same quarter in 1999.
- 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. In the third quarter 2000 business investment fell by 0.2% in real terms compared with the previous quarter but rose 1.8% compared with the third quarter 1999.

Next update:February

A 4. Productivity



Productivity
% changes on year; seasonally adjusted

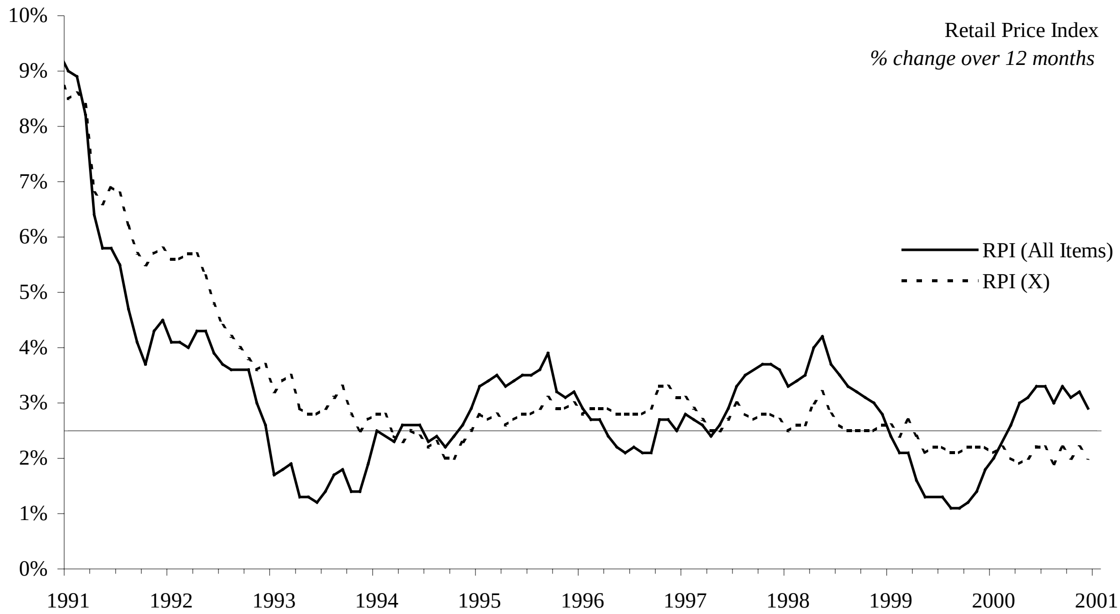
		Manufacturing			Whole Economy		
		Output	W'force in employment	Output per head	Output	W'force in employment	Output per head
1997		1.3	0.7	0.6	3.3	1.8	1.5
1998		0.5	0.9	-0.4	3.0	1.7	1.5
1999		0.0	-3.6	3.7	2.2	0.8	1.3
1999	Q3	0.6	-4.2	5.1	2.4	0.8	1.6
	Q4	1.9	-3.6	5.7	3.0	0.8	2.2
2000	Q1	1.8	-2.6	4.5	2.7	0.8	2.2
	Q2	1.8	-2.3	4.2	3.2	0.6	2.9
	Q3	0.9	-2.5	3.5	2.7	0.4	2.6

Source: NS Series ERIU, LNNS,LNNU, GDPR, LNNO, LNNP, ERIT, LNOK, LNNX, ABMM, LNNM, LNNN

- Productivity across the whole economy, measured by output per head, was 2.6% higher in the third quarter of 2000 compared to a year earlier.
- There was a sharp downturn in the annual rate of output growth in manufacturing, down from 1.8% per annum in 2000 Q2 to just 0.9% in Q3. The decline in manufacturing employment also picked up pace, and is now contracting at a rate of 2.5% per annum. The fall in employment was not sufficient to offset the downturn in manufacturing output, however, with the effect that productivity growth fell from 4.2% per annum in 2000 Q2 to 3.5% in Q3.
- For the economy as a whole, the combination of lower output growth and lower employment growth meant that the annual rate of productivity growth fell back in 2000 Q3 to 2.6%. 2000 Q2.

Next update: 23 February

B 1. Retail Prices



		% change on previous year	
		RPI All Items	RPI (X) Excluding mortgage interest
1998		3.4	2.6
1999		1.5	2.3
2000		3.0	2.1
1999	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
	May	3.1	2.0
	Jun	3.3	2.2
	Jul	3.3	2.2
	Aug	3.0	1.9
	Sep	3.3	2.2
	Oct	3.1	2.0
	Nov	3.2	2.2
	Dec	2.9	2.0

Source: NS Series CHAW, CZBH, CHMK, CDKQ

- 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 2000 was 3.0%, up from 1.5% in 1999. The annual average increase in underlying inflation (RPI (X)) was 2.1% - the lowest since 1976, the earliest date for which this series is available.
- In the year to December 2000 the headline rate of inflation fell to 2.9%, down from 3.2% in November.
- The element that contributed the most to the fall in the headline rate between November and December was housing costs. A slight decrease in the average mortgage rate in December 2000 contrasted with an increase in 1999.
- The second largest downward effect came from motoring costs. This was due to falls in the crude oil price filtering through to the retail price for petrol.

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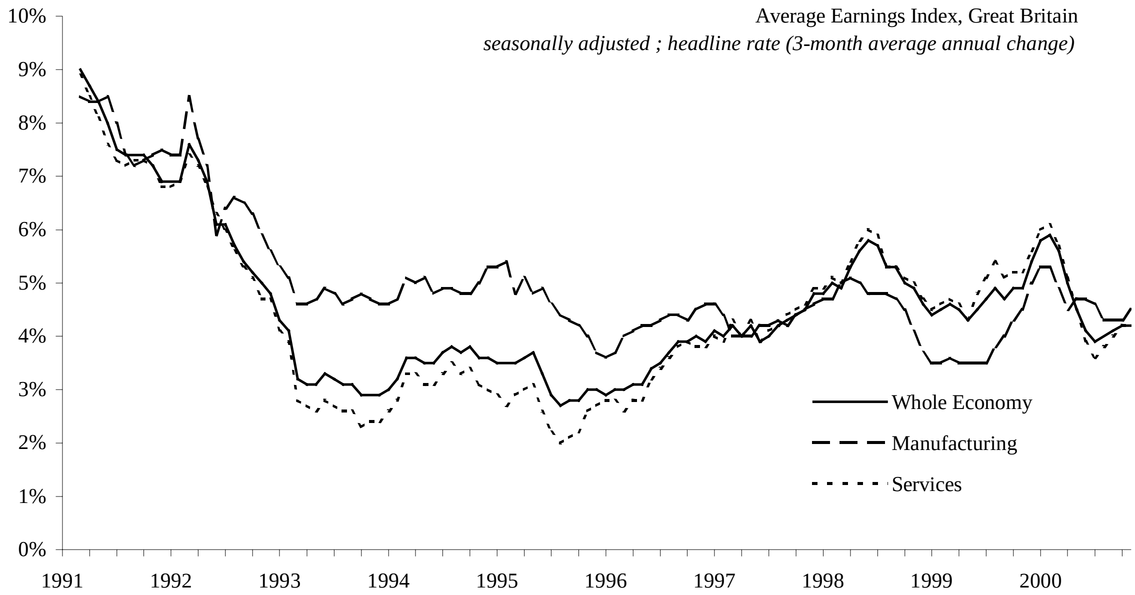
B 2. Average Earnings



Average Earnings, Great Britain
seasonally adjusted

		headline rate (% change on year)		
		Whole Economy	Private Sector	Public Sector
1999	Nov	4.9	5.2	3.9
	Dec	5.4	5.7	3.9
2000	Jan	5.8	6.2	4.0
	Feb	5.9	6.3	4.2
	Mar	5.6	5.9	4.1
	Apr	5.0	5.2	4.1
	May	4.5	4.8	3.7
	Jun	4.1	4.2	3.7
	Jul	3.9	4.0	3.4
	Aug	4.0	4.1	3.5
	Sep	4.1	4.3	3.4
	Oct	4.2	4.4	3.4
	Nov	4.2	4.4	3.6

Source: NS 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 the whole economy in November was 4.2%, the same as the level reached in October. The separate figure for the private sector also remained constant, whereas that for the public sector increased by 0.2 of a percentage point. Manufacturing showed an increase in the rate of earnings growth but service industries showed no change.
- The headline rate of earnings growth is currently below 4½%, the level which many economists regard, given the current level of productivity growth, as the maximum consistent with meeting the inflation target of 2½%.

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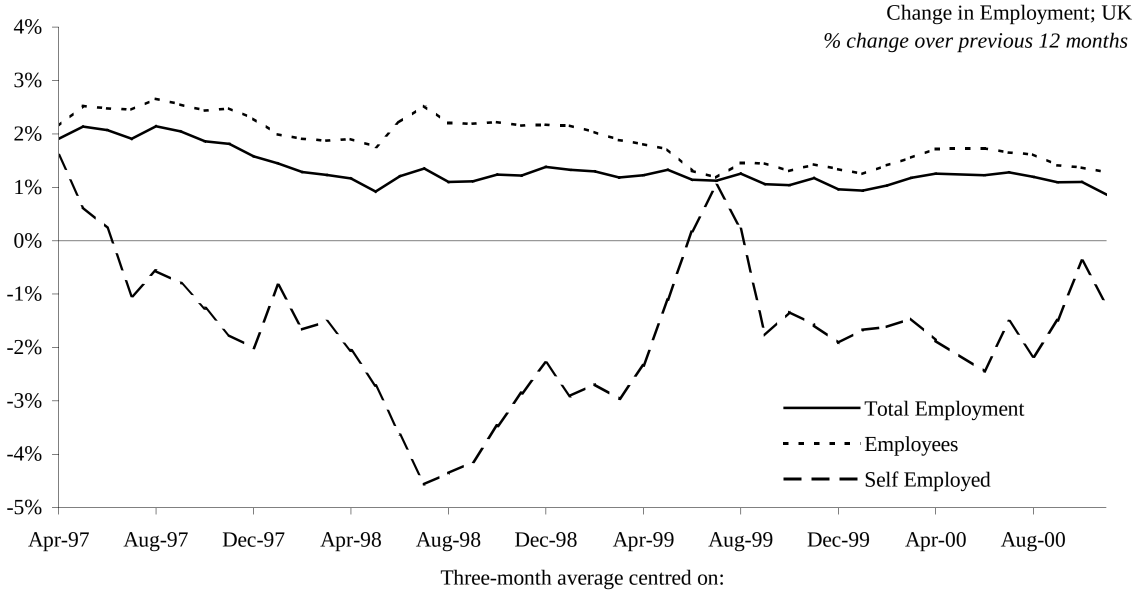
C 1. Employment



Employment Structure in the UK
thousands; seasonally adjusted

		Total in Employment	Employees	Self Employed	Unpaid Family Workers	Govt Training
1996	Sep-Nov	26,607	22,878	3,388	120	222
1997	Sep-Nov	27,102	23,435	3,345	113	210
1998	Sep-Nov	27,438	23,956	3,229	99	155
1999	Sep-Nov	27,724	24,269	3,186	106	163
	Dec-Feb	27,783	24,335	3,183	111	154
2000	Mar-May	27,909	24,502	3,151	108	147
	Jun-Aug	27,989	24,555	3,163	116	154
	Sep-Nov	27,964	24,579	3,148	105	132
Changes:						
	1999 Sep-Nov	240	310	-38	-1	-31
	to 2000 Sep-Nov	*0.9%*	*1.3%*	*-1.2%*	*-0.9%*	*-19.0%*

Source: Labour Force Survey (NS)

- Employment has decreased by 25,000 over the latest rolling three-month period, after peaking at almost 28 million.
- Compared to a year previously, employment was 239,000 (0.9%) higher in the Sep-Nov 2000 period. The pace at which employment is increasing has remained broadly constant over the last year, at around 1% per annum.
- The number of people who are self-employed fell by 15,000 compared with the previous three-month period, and is nearly a quarter of a million lower than in the same quarter of 1996.

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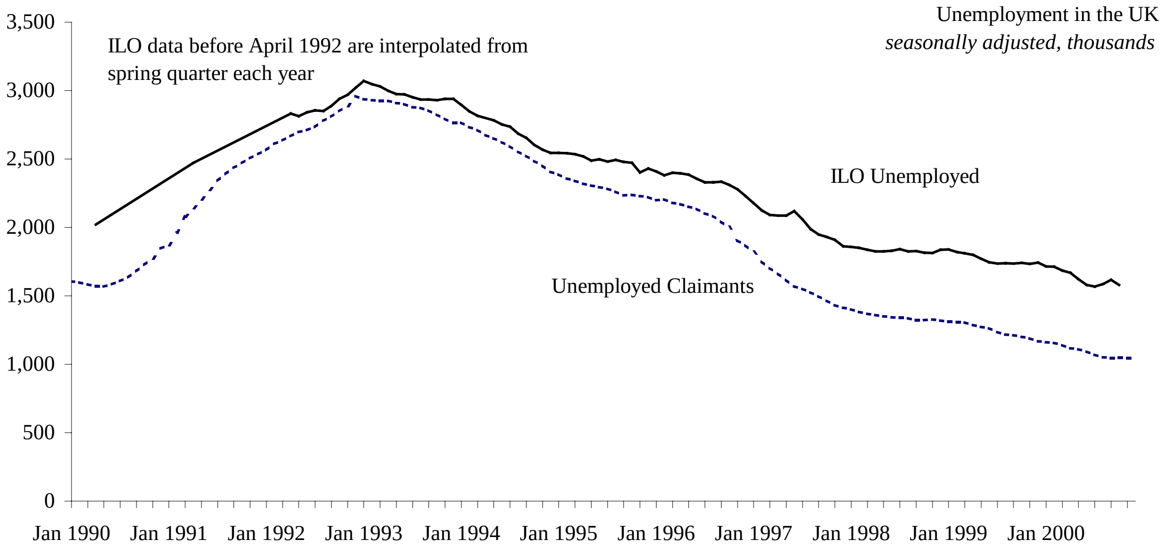
C 2. Unemployment: National



ILO Unemployment in the UK
seasonally adjusted

		thousands	rate (%)
1997	Sep-Nov	1,930	6.6
	Dec-Feb	1,857	6.4
1998	Mar-May	1,824	6.3
	Jun-Aug	1,841	6.3
	Sep-Nov	1,816	6.2
	Dec-Feb	1,838	6.3
1999	Mar-May	1,798	6.1
	Jun-Aug	1,736	5.9
	Sep-Nov	1,740	5.9
	Dec-Feb	1,715	5.8
2000	Mar-May	1,668	5.6
	Jun-Aug	1,568	5.3
	Sep-Nov	1,579	5.3

Source: Labour Force Survey (NS)

- Since April 1998, 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 Sep-Nov 2000, the level of ILO unemployment in the UK was 1,579,000. This was an increase of 11,000 from the Jun-Aug period. As measured by the monthly claimant count, seasonally adjusted unemployment fell by 2,600 between November and December 2000 to stand at 1,041,700.

- New Deal for the Young Unemployed started in January 1998 and 568,400 people had joined the scheme by the end of November 2000. Of those leaving the scheme, 206,530 had moved into 'sustained jobs' up to the end of November, i.e. excluding those who had returned to claim Jobseekers' Allowance (JSA) within three months of starting employment. Of these, 87% had moved into an unsubsidised job.

- The New Deal for the Long-Term Unemployed started in July 1998, and 325,700 people had joined the scheme by the end of November 2000. By the end of November, 50,240 people leaving the scheme had entered 'sustained jobs', with 38,900 of them (77%) going into unsubsidised jobs.

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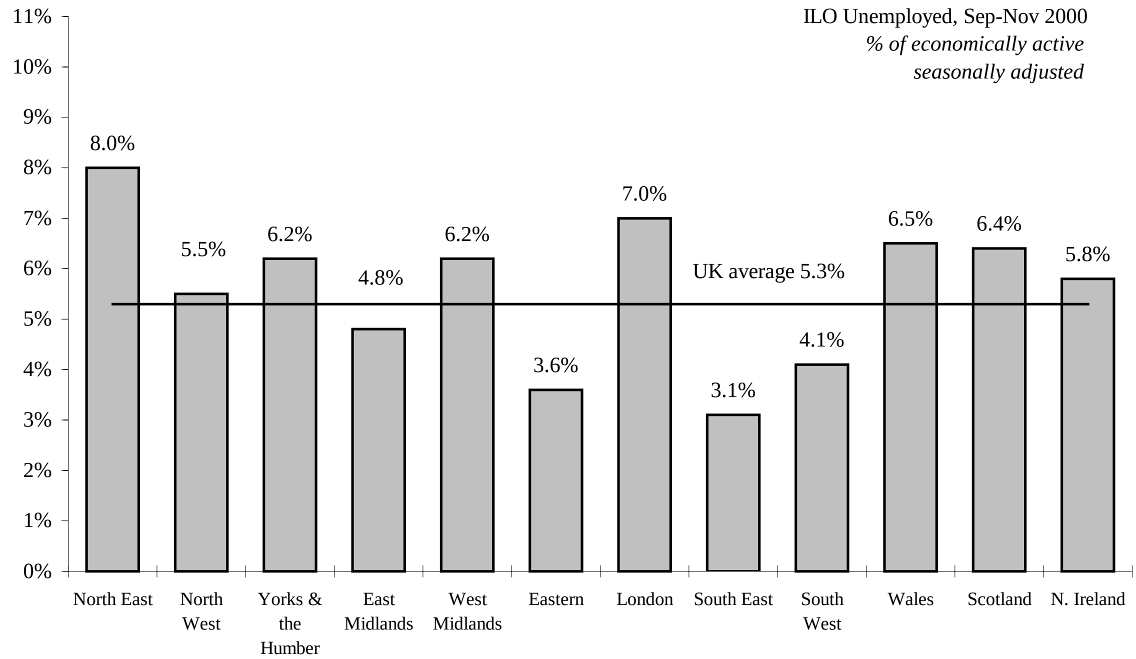
C 3. Unemployment: Regional



ILO Unemployment, Sep-Nov 2000
change on same period in previous year
seasonally adjusted

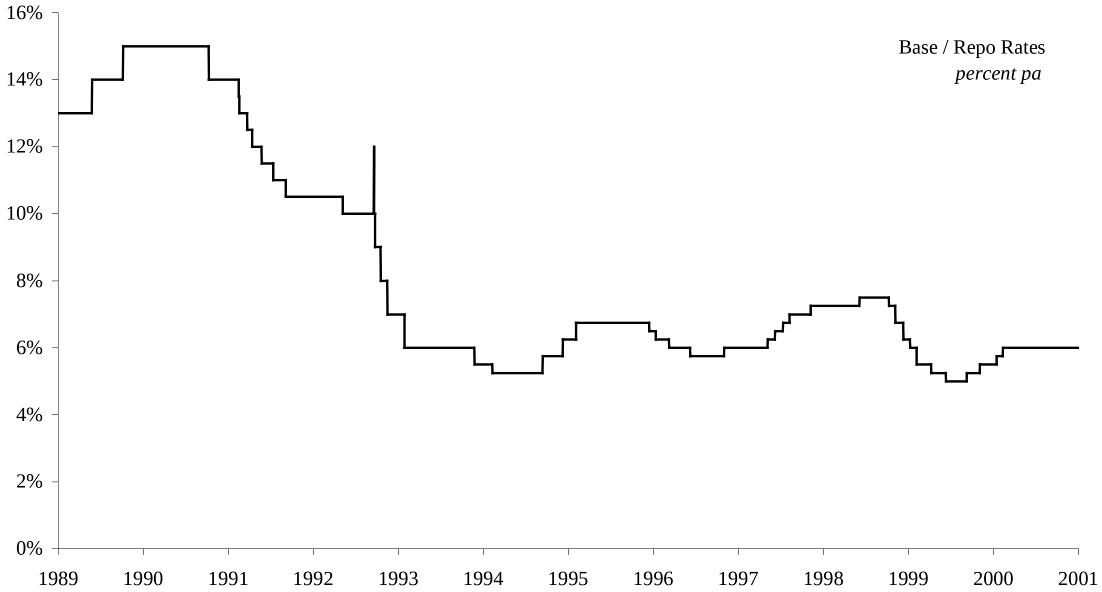
	thousands	%
North East	-11	-10%
North West & Merseyside	-21	-10%
Yorkshire & the Humber	-1	-1%
East Midlands	-18	-15%
West Midlands	-16	-9%
East	-14	-12%
London	-10	-4%
South East	-33	-20%
South West	-3	-3%
Wales	-13	-13%
Scotland	-14	-8%
Northern Ireland	-7	-14%
UK	-162	-9%

Source: National Statistics, First Release 17 Jan 2001

- Since April 1998, 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 September to November 2000 with the same period a year earlier, unemployment fell in all regions .
- The most rapid fall in unemployment occurred in the South East, where it was 20% lower in September to November 2000 than in the same period a year earlier. The North East had the highest unemployment rate, at 8.0% of the economically active population. The lowest unemployment rate was 3.1% in the South East of England.

Next update: 14 February

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.

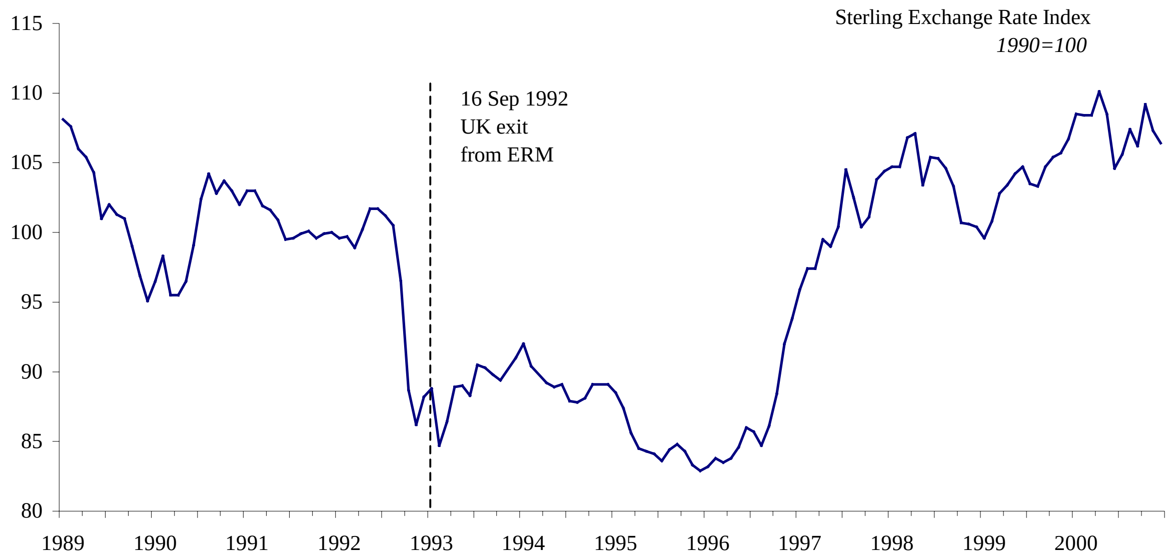
- The MPC next meets on 7 February.

- 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 Report forecasts a central probability range of between 2% and 2½% inflation in 2000/01 and inflation at about the target rate thereafter. The Committee felt that the risks to this forecast were evenly balanced; a slowing world economy, oil price developments and domestic labour market pressures tending to cancel each other out.

- Recent evidence of slowing economic activity has led to downward revisions in exchange rate expectations.

D 2. Exchange Rates



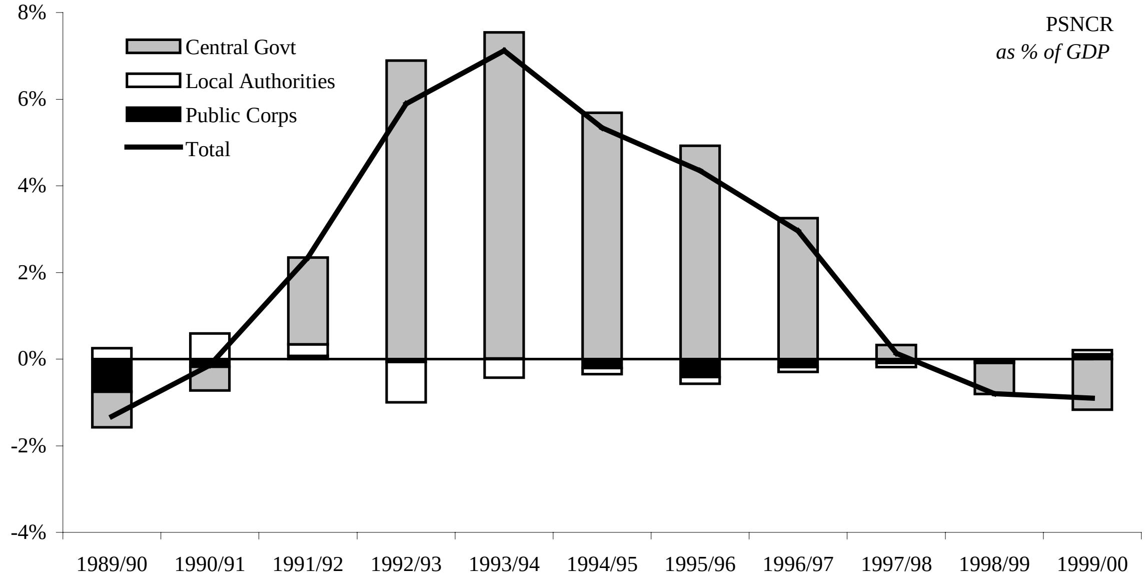
Sterling Exchange Rates

		US$		Yen		ECU/Euro	
		Rate	% change on year	Rate	% change on year	Rate	% change on year
1997		1.638	4.9%	198.1	16.5%	1.450	16.3%
1998		1.657	1.2%	216.8	9.4%	1.477	1.9%
1999		1.618	-2.4%	183.9	-15.1%	1.519	2.9%
2000		1.5151	-6.4%	163.3	-11.2%	1.642	8.1%
2000	Jul	1.509	-4.2%	163.1	-13.3%	1.605	5.6%
	Aug	1.491	-7.2%	161.2	-11.5%	1.648	8.8%
	Sept	1.436	-11.6%	153.2	-11.8%	1.647	6.6%
	Oct	1.451	-12.4%	157.4	-10.4%	1.699	9.7%
	Nov	1.426	-12.1%	155.4	-8.5%	1.666	6.1%
	Dec	1.463	-9.3%	163.9	-1.1%	1.630	2.2%

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

- The long period of US dollar strength has, apparently, come to an end. Evidence of a decline in the growth rate of the economy and the pre-emptive action by the Federal Reserve in cutting interest rates has contributed to a change in dollar sentiment.
- The main beneficiary of the changing market sentiment has been the euro. It has risen strongly since the autumn against both the dollar and sterling. The ECB has also undertaken several open market operations to both bolster and exploit the change in sentiment.
- The pound was worth eur 1.5799 at the London market close on 30 January 2001, 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

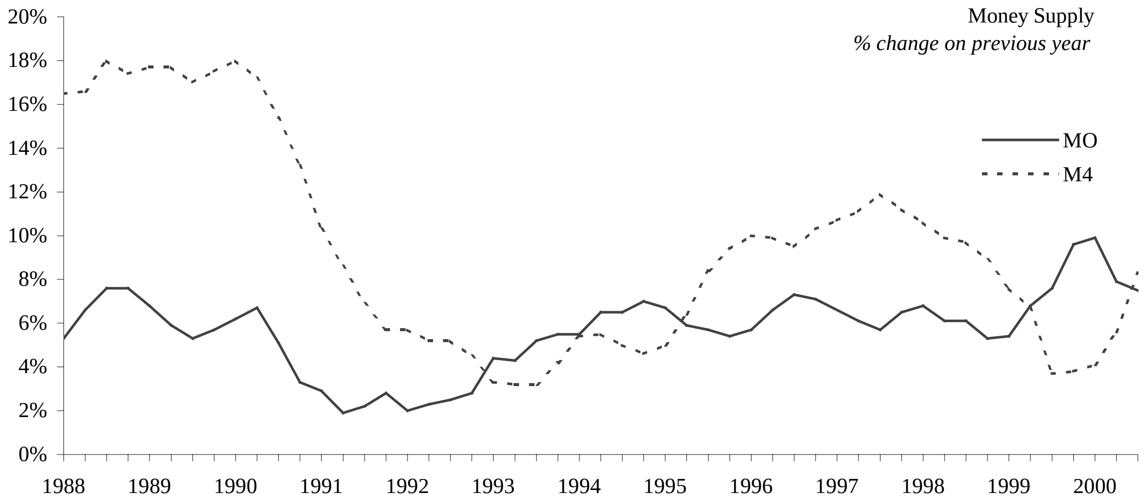
	PSNCR		PSNCR excl privatisation receipts	
	£ billion	as a % of GDP	£ billion	as a % of GDP
1997/98	1.1	0.1%	2.9	0.4%
1998/99	-6.9	-0.8%	-7.0	-0.8%
1999/00	-8.2	-0.9%	-8.6	-1.0%
1999 Q3	-3.2	-1.4%	-3.2	-1.4%
Q4	1.9	0.8%	1.9	0.9%
2000 Q1	-12.6	-5.5%	-12.7	-5.5%
Q2	-11.5	-5.0%	-11.6	-5.0%
Q3	-16.3	-6.9%	-16.4	-7.0%

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) £8.2 billion compared with -£6.9 billion in 1998/99. Excluding privatisation receipts, the PSNCR for 1999/00 was –£8.6 billion compared with -£7.0 billion in 1998/99.
- The PSNCR for the 2000/01 financial year is forecast at -£29.6 billion (-3.1% of GDP) excluding windfall tax receipts and associated spending.

Next update: 20 February

D 4. Money Supply



Money stock
seasonally adjusted

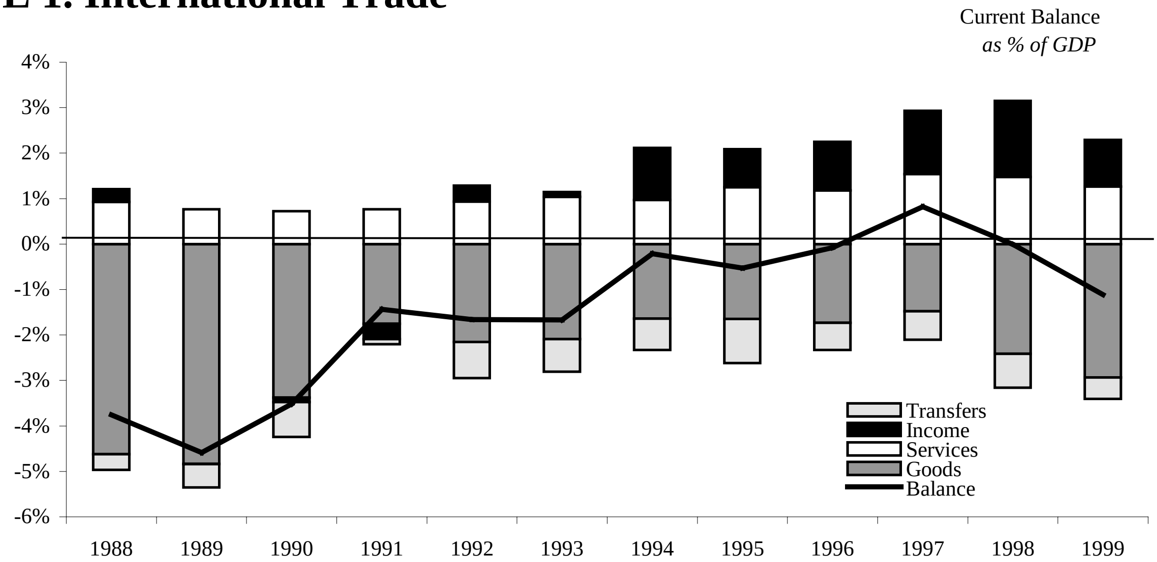
		MO		M4	
		3 month change annualised (%)	12 month change (%)	3 month change annualised (%)	12 month change (%)
1999	Nov	9.2	9.1	5.7	3.7
	Dec	25.9	12.1	9.7	4.1
2000	Jan	29.6	12.7	5.6	3.4
	Feb	5.6	8.6	4.9	3.4
	Mar	-7.4	8.3	8.3	5.4
	Apr	-10.1	8.3	11.3	4.9
	May	6.5	7.8	12.1	5.2
	Jun	7.8	7.5	8.6	6.8
	Jul	6.1	7.0	6.6	7.0
	Aug	6.7	7.0	12.6	8.8
	Sep	10.5	8.6	10.0	9.1
	Oct	10.2	8.0	11.4	8.7
	Nov	10.0	7.2	4.1	8.3
	Dec	9.5	4.8	5.0	8.0

Source: Bank of England, Bankstats, January 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 at banks and building societies.
- The average amount of outstanding notes and coin in September was boosted by the effects of the fuel crisis. This is reflected in the increased growth rate for M0, particularly on the 3-month measure.
- There are now no formal targets for money supply growth.

Next updates: 20 February

E 1. International Trade



Current Account Balances
seasonally adjusted; £ million

		Trade in goods and services			Income	Transfers			Current
		goods	services	total	(total)	Cent. Govt	other	total	Balance
1997		-11,910	12,414	504	11,170	892	-5,943	-5,051	6,623
1998		-20,537	12,582	-7,955	14,245	-204	-6,166	-6,370	-80
1999		-26,167	11,266	-14,901	9,169	2,533	-6,683	-4,150	-9,882
1999	Q3	-5,923	2,984	-2,939	1,521	427	-1,831	-1,404	-2,822
	Q4	-6,842	2,861	-3,981	4,317	565	-1,549	-984	-648
2000	Q1	-6,645	2,585	-4,060	1,409	1,055	-1,741	-686	-3,337
	Q2	-6,982	2,557	-4,425	1,508	807	-1,375	-568	-3,485
	Q3	-7,132	2,502	-4,630	2,870	1,117	-2,431	-1,314	-3,074

Source: National Statistics: series BOKI, IKBJ, IKBD, HBOJ, FNSV, FNTC, HBOP
First Release: UK Trade 25 January 2001

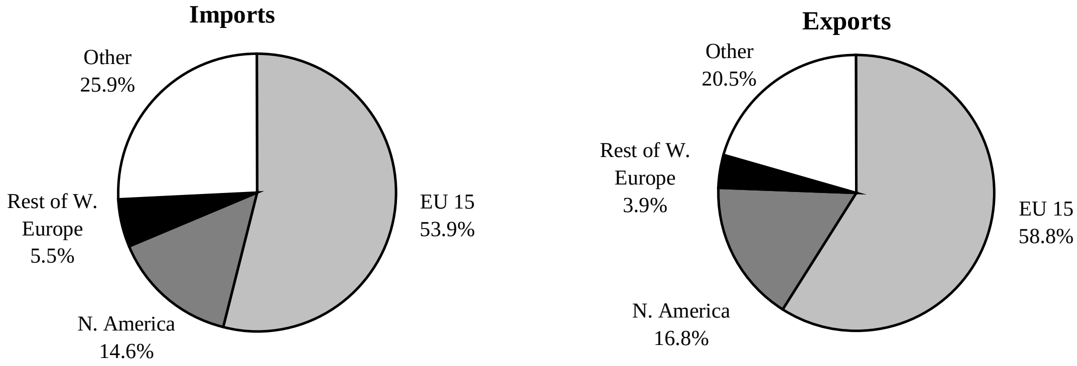
- Trade in goods and services: the last seven quarterly figures include some of the largest quarterly deficits in trade in goods ever recorded. Surpluses in the trade in services have also been weakening over recent years, reflecting a deteriorating trading position.
- Income: this includes income from overseas investment and wages, etc earned by people working abroad. The surplus on income fell sharply in 1999 to £9,200 million compared with £14,300 million in 1998 and was about 62% of the amount needed to offset the trade deficit of £14,900 million.
- 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 £9,900 million in 1999 compared with a current account deficit of only £80 million in 1998. The deterioration in the current account balance between 1997 and 1999 was £16,500 million. The Pre-Budget Report (November 2000) forecasts a current account deficit of £14¼ billion in 2000, compared with £20½ billion shown in the Budget Report (March 2000) and £10¼ billion in last year's Pre-Budget Report (November 1999).

Next update: 23 February

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

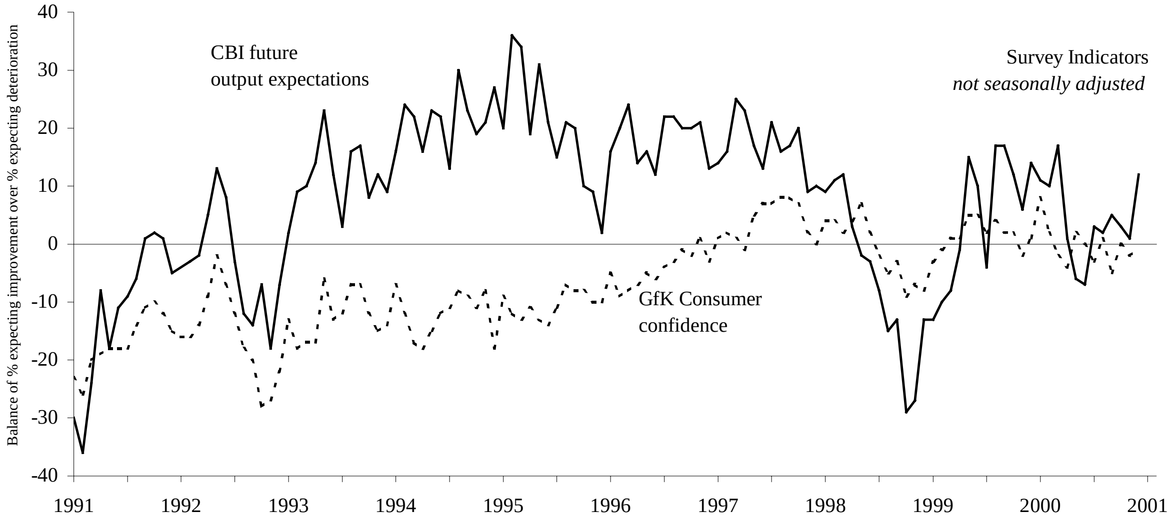
	Volume Index 1995=100		Trade in Goods (£m)		
	Exports	Imports	Exports	Imports	Balance
1997	116.5	119.0	171,783	183,693	-11,910
1998	117.8	129.1	164,092	184,629	-20,537
1999	121.6	138.7	166,198	192,365	-26,167
1999 Q3	127.3	141.9	43,610	49,533	-5,923
Q4	126.1	144.8	43,124	49,966	-6,842
2000 Q1	130.6	147.3	44,671	51,316	-6,645
Q2	133.1	151.1	46,549	53,531	-6,982
Q3	136.2	156.1	47,371	54,503	-7,132

Source: Series BQKU, BQKV, BOKG, BOKH, BOKI and National Statistics First Release: UK Trade Statistics, 25 January 2001

- The deficit in trade in goods in 1999 is estimated at £26,200 million, the highest on record. This compares unfavourably with the deficit in trade in goods of £11,900 million recorded only two years earlier. The trade deficit for 2000 is £25,400 million for the eleven months to November.
- Trends: the latest estimate of volume trends shows the UK trade deficit is fairly flat. The UK's trade position seems to be adversely affected by the relatively high rate of domestic UK demand, the high value of sterling and the aftermath of the slowdown in Asian markets.
- In the 3 months ended November 2000, exports rose 1.0% and imports rose 0.5% in volume terms compared with the previous 3 months. However, compared with the same 3 months in 1999, exports and imports rose 7.9% and 8.4% respectively.
- In value terms, exports rose 1.1% and imports rose by only 1.7% in the 3 months to November compared with the previous 3 months and 10.7% and 12% respectively when compared with the same 3 months in 1999.
- The deficit in trade in goods with non-EU countries for 2000 as a whole is estimated at a record £27,000 million, significantly higher than the previous two records of £20,200 million and £15,200 million that were recorded in 1999 and 1998 respectively. In volume terms, exports to non-EU countries rose 12.5% and imports rose 14.9% in the 3 months to December compared with the same 3 months in 1999.
- In the 3 months to November, exports to the EU rose by 4.9% and imports by 2.6% compared with the previous 3 months.

Next update: 23 February

F 1. Survey Indicators



Output Expectations and Consumer Confidence

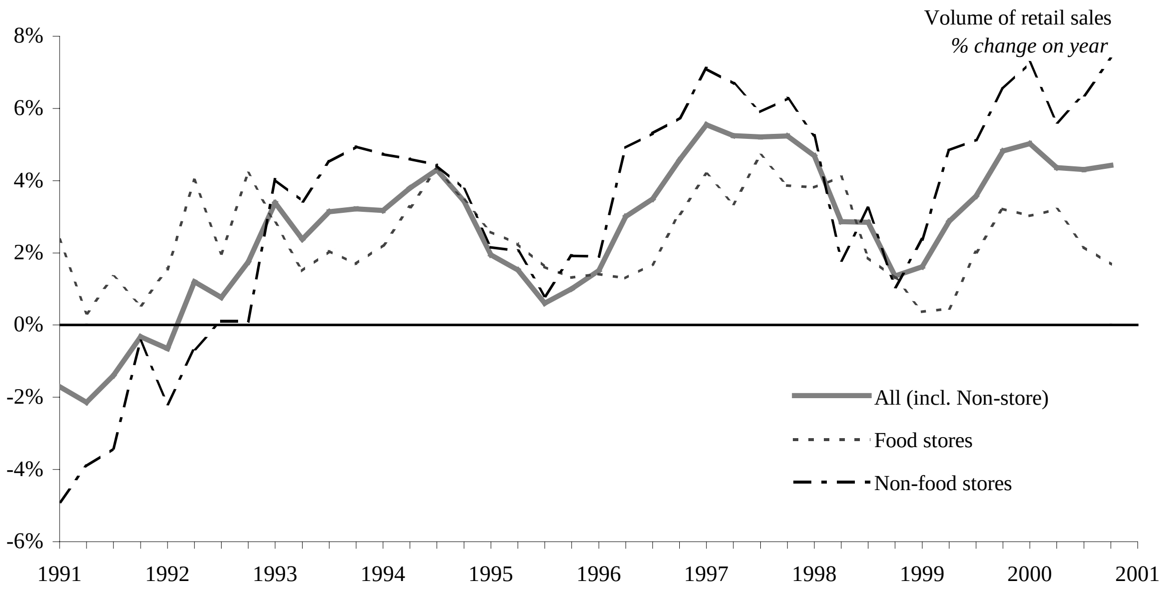
		Balance of % expecting improvement over % expecting deterioration	
		CBI Industrial Trends Survey: future output expectations	Consumer confidence GfK
1999	Dec	14	1
2000	Jan	11	8
	Feb	10	2
	Mar	17	-2
	Apr	1	-4
	May	-6	2
	Jun	-7	0
	Jul	3	-3
	Aug	2	1
	Sep	5	-5
	Oct	3	0
	Nov	1	-2
	Dec	12	-1

Source: National Statistics Database Series ETBA, ETCU

- 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 moved upwards sharply in December, with a balance of +12% in December; up from a low of -7% in June.
- 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 consumer confidence indicator was –1% in December 2000, a slight improvement upon November's figure.

Next update: early February

F 2. Retail Sales



Value of Sales
not seasonally adjusted; % change on year

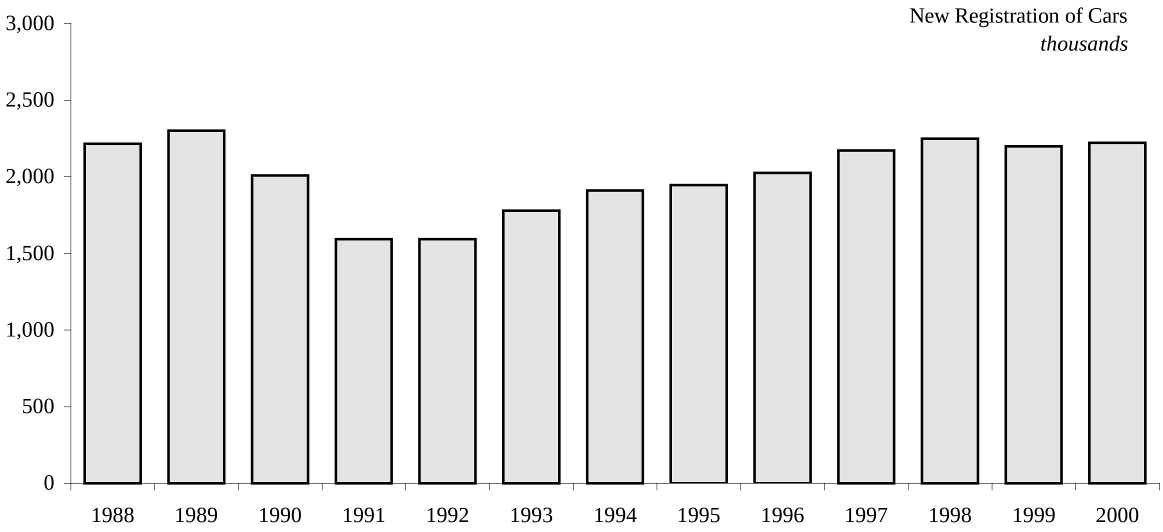
	Food, drink & tobacco	Clothing & footwear	Household goods	Other non-food
1998	3.7%	2.7%	5.8%	3.6%
1999	2.7%	3.4%	4.7%	2.6%
2000	2.6%	2.5%	7.5%	2.5%
1999 Q4	3.3%	4.2%	6.0%	2.9%
Q1	0.9%	4.0%	7.9%	2.8%
2000 Q2	3.5%	3.5%	8.3%	0.0%
Q3	3.6%	0.9%	4.7%	1.7%
Q4	3.2%	3.3%	7.6%	4.2%

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

- In the three months October to December, the *volume* of retail sales grew by 1.3% over the previous three-month period, reaching a level 4.4% higher than a year previously. Sales in the single month of December were 4.4% higher than a year ago.
- Growth in retail sales volumes were stronger in predominantly non-food stores (7.4% in October to December, compared to a year earlier) than in food stores, where sales volumes increased by only 1.7%. Sales volumes are particularly strong in household goods stores and clothing and footwear stores (10.4% and 7.7% higher respectively in October to December, compared to a year earlier).
- In December 2000, the non-seasonally adjusted *value* of retail sales was 5.3% higher than a year earlier. The average weekly value of retail sales in December was £5,390 million, with actual sales through the till estimated at about £26.9 billion.

Next update: 15 February

F 3. New Registrations of Cars



New Registrations of Cars
not seasonally adjusted

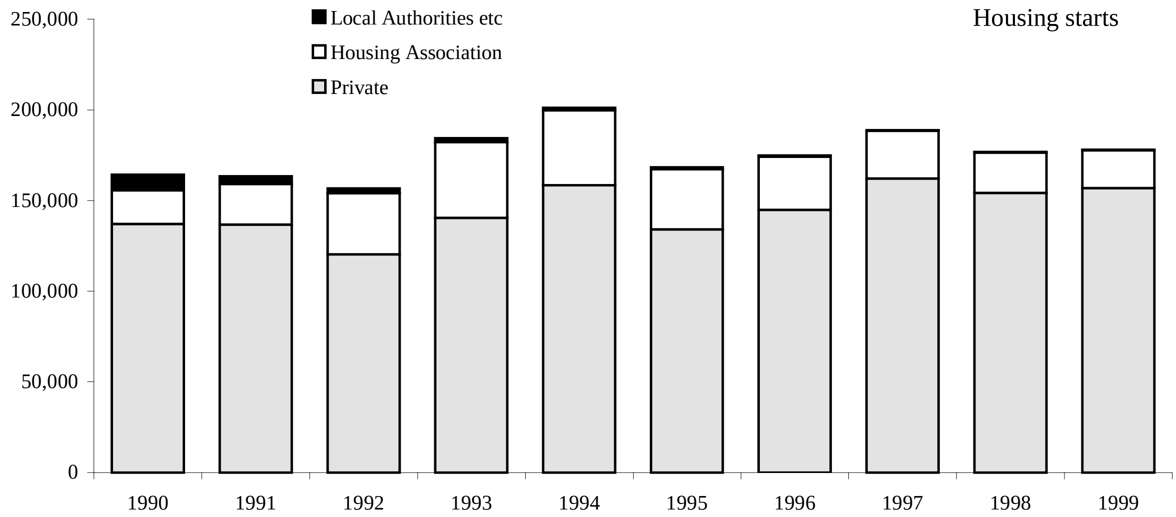
	Numbers (thousands)	Change over 12 months
1996	2,026	4.1%
1997	2,171	7.2%
1998	2,247	3.5%
1999	2,198	-2.2%
2000	2,222	1.1%
2001 (forecast)	2,225	0.2%
2002 (forecast)	2,200	-1.1%
2000 August	73	-4.3%
September	353	-8.7%
October	154	2.6%
November	163	13.4%
December	108	27.5%

Source: SMMT "Monthly Statistical Review", December 2000

- Figures from the SMMT show that new car registrations in December rose 27.5% over the previous year's figure to 107,803 units, reflecting increased competition and price cuts.
- The number of new registrations of cars totalled 2,221,647 units in 2000, a rise of 1.1% on the previous year and the third highest total ever.
- Registrations of British-built cars rose by 28.4% in December over the previous year's figure to 28,813 units, or 26.7% of the market. Over the year as a whole registrations of British-built cars rose 0.8% from 1999 to 629,210 units. These accounted for 28.3% of the annual market, a small fall on the 28.4% share recorded in 1999.

Next update: Late February

F 4. Housing



House prices

Standardised average price (£)

	All Houses	New Houses	Existing Houses	First time buyers
1999 Q4	79,300	81,600	79,400	57,400
2000 Q1	83,600	86,800	83,600	60,900
Q2	85,200	88,800	85,300	61,500
Q3	85,800	94,700	85,700	61,200
Q4	86,000	91,600	86,000	61,100
% change over same period last year				
1999 Q4	8.8%	7.5%	9.1%	8.7%
2000 Q1	14.7%	13.9%	15.3%	14.3%
Q2	11.4%	14.6%	11.4%	12.0%
Q3	8.2%	16.1%	7.9%	6.6%
Q4	5.7%	6.1%	5.7%	5.9%

Source: Halifax House Price Index: Fourth Quarter 2000

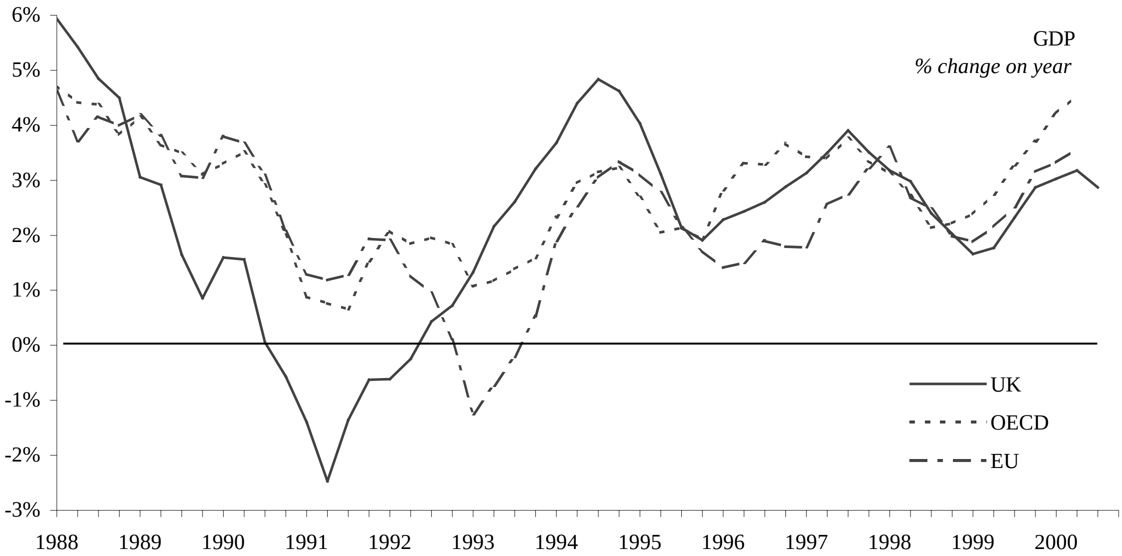
- According to the latest DETR press release, it is provisionally estimated that in November 2000 12,000 dwellings were started in Great Britain, compared with 14,700 in November 1999. In the latest three months 39,500 dwellings were started and there were 43,100 completions. These figures were respectively 12% and 6% down on the same period the previous year.

- According to the Halifax Monthly Index, house prices in the United Kingdom fell by 1.1% in December (seasonally adjusted). On an annual basis, house price inflation fell to 3.1% from 7.1% in November.

- According to the Halifax Quarterly Index, UK house prices rose by 0.9% in the fouth quarter, compared with a 1.2% fall in the third quarter. Annual house price inflation was highest in East Anglia (13.7%) and lowest in Scotland (-4.3%).

Next update: 6 February

G 1. International Comparisons - Growth



GDP at constant market prices
% change on year

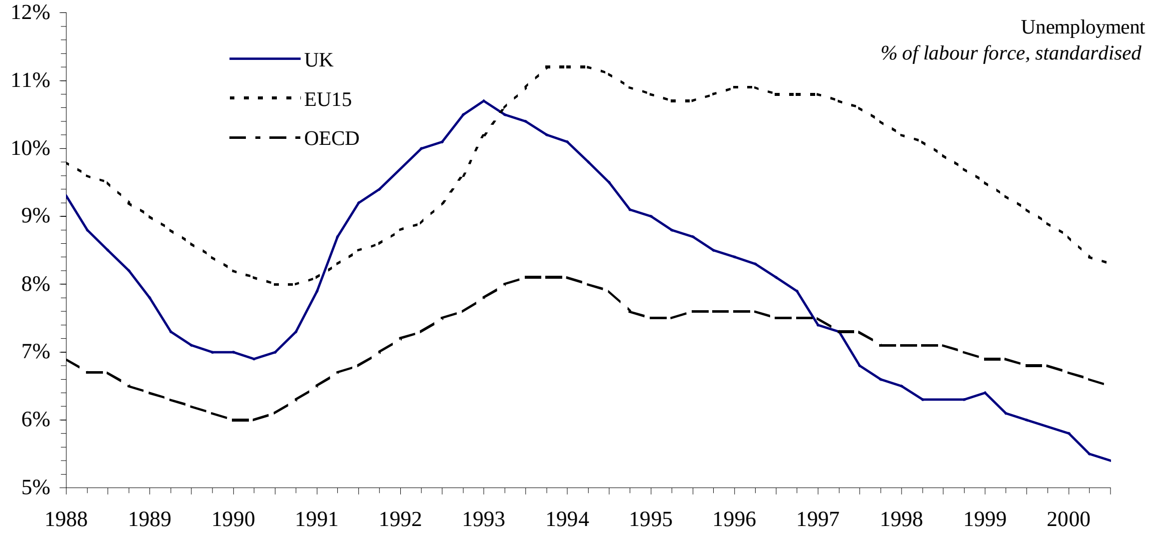
	1997	1998	1999	1999 Q3	1999 Q4	2000 Q1	2000 Q2	2000 Q3
USA	4.4%	4.3%	4.3%	4.3%	5.0%	5.3%	6.1%	5.3%
Japan	1.5%	-2.5%	0.3%	2.0%	0.5%	2.4%	1.0%	1.4%
Canada	4.4%	3.3%	4.6%	5.2%	4.9%	5.1%	5.5%	5.0%
United Kingdom	3.5%	2.6%	2.1%	2.3%	2.9%	3.0%	3.2%	2.9%
Germany	1.4%	2.1%	1.5%	1.6%	2.4%	2.5%	3.7%	3.4%
France	2.0%	3.2%	2.9%	3.1%	3.4%	3.4%	3.4%	3.0%
Italy	1.8%	1.6%	1.4%	1.3%	2.2%	3.0%	2.7%	2.4%
EU15	2.5%	2.8%	2.2%	2.5%	3.2%	3.3%	3.6%	na
G7	3.2%	2.4%	2.8%	3.3%	3.5%	4.0%	4.3%	3.9%
OECD	3.5%	2.7%	2.9%	3.4%	3.9%	4.4%	4.5%	na

Source: OECD, Main Economic Indicators, December 2000

- The latest statistics suggest that economic growth in both the US and Europe has peaked. In the core euro-zone economies of Germany, France and Italy growth rates have fallen by between a quarter and a half a per cent in the latest quarter.
- From its actions the Federal Reserve clearly believes that growth in the US economy is set to fall sharply. Analysts remain divided over whether the US is set for a 'hard' or 'soft' landing. The latest estimates of Japanese GDP suggest that the economy remains very weak.
- In December 2000 the OECD expected growth in 2001 to be 3.5% in the USA, 2.3% in Japan and 3.0% in the EU15. Its forecast for the UK was 2.6%.

Next update: Mid-February

G 2. International Comparisons - Unemployment



Unemployed as % of labour force
standardised; seasonally adjusted

	1997	1998	1999	1999 Q4	2000 Q1	2000 Q2	2000 Q3
USA	4.9	4.5	4.2	4.1	4.1	4.0	4.0
Japan	3.4	4.1	4.7	4.6	4.8	4.7	4.6
Canada	9.1	8.3	7.6	7.0	6.8	6.7	6.9
United Kingdom	7.0	6.3	6.1	5.9	5.8	5.5	5.4
Germany	9.9	9.4	8.8	8.7	8.5	8.4	8.3
France	12.3	11.8	11.2	10.6	10.2	9.6	9.4
Italy	11.7	11.8	11.3	11.1	11.0	10.6	..
EU 15	10.6	9.9	9.2	8.9	8.7	8.4	8.3
G7	6.6	6.4	6.2	6.0	5.9	5.8	5.7
OECD	7.4	7.1	6.9	6.8	6.7	6.6	6.5

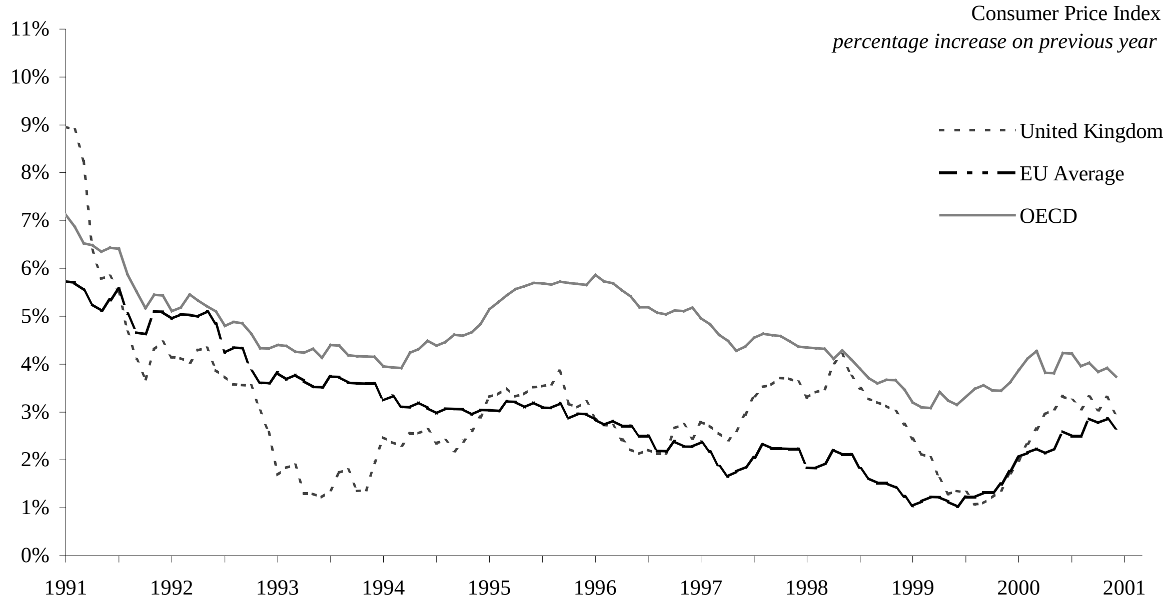
".." = not available.

Sources: OECD Hot File, and OECD standardised unemployment rates at www.oecd.org

- Using standardised definitions, the UK unemployment rate in 2000 Q3 (5.4%) was significantly below the EU average (8.3%) and slightly below the G7 and OECD averages (5.7% and 6.5% respectively).
- The unemployment rate in the euro-zone (the eleven Member States then participating in the single currency) was 8.8% in November 2000, higher than the EU 15 rate of 8.1%.
- The latest forecasts published by the OECD in December 2000 suggest that the unemployment rate for the UK will remain broadly flat in 2001 and 2002. The unemployment rate for the EU as a whole is expected to fall from 8.2% in 2000 to 7.6% in 2001 and 7.2% in 2002. In contrast, the rate for the United States is expected to rise from 4.0% in 2000 to 4.2% in 2001 and 4.5% in 2002.

Next update: mid-February

G 3. International Comparisons - Prices



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

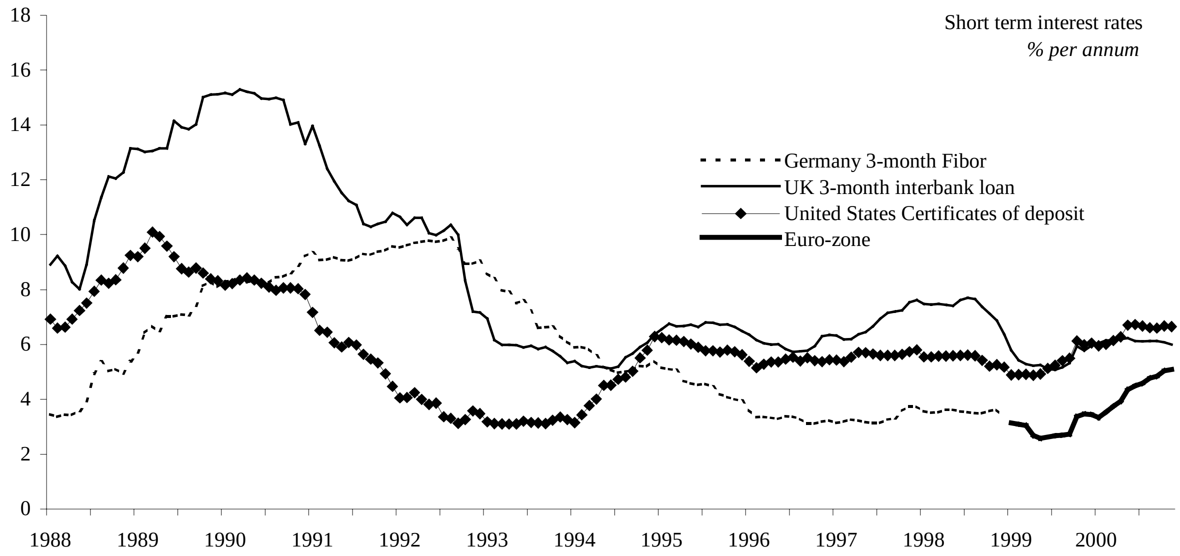
		USA	Japan	Canada	UK	Germany	France	Italy	OECD	EU15
1997		2.3	1.7	1.6	3.2	1.9	1.2	2.0	4.4	2.0
1998		1.6	0.7	1.0	3.4	1.0	0.8	2.0	3.8	1.7
1999		2.1	-0.3	1.8	1.6	0.6	0.6	1.7	3.2	1.3
2000	Jul	3.7	-0.5	3.0	3.2	1.9	1.7	2.6	4.2	2.5
	Aug	3.4	-0.8	2.5	3.1	1.8	1.8	2.6	4.0	2.5
	Sep	3.4	-0.8	2.7	3.3	2.5	2.2	2.6	4.0	2.9
	Oct	3.4	-0.9	2.8	3.0	2.4	1.9	2.6	3.8	2.8
	Nov	3.5	-0.5	3.3	3.3	2.4	2.2	2.7	3.9	2.9
	Dec	3.4	..	3.3	2.9	2.2	1.5	2.7	3.7	2.7

Source: OECD Main Economic Indicators

- Under the terms of the Maastricht Treaty, harmonised indices of consumer prices (rather than data compiled on national definitions as in the table) are used to assess price stability in each Member State. On a harmonised basis the average inflation rate for the eleven euro-zone countries was 2.6% in December 2000.
- The inflation rates for the other four Member States not in the euro-zone were (on a harmonised basis) Denmark: 2.3%, Sweden: 1.3%, Greece: 3.7% and the UK 0.9% in December 2000. (Greece joined the euro-zone in January 2001.)
- Harmonised inflation rates in the EU in December ranged from 4.6% in Ireland to 0.9% in the United Kingdom.

Next update: late February

G 4. International Comparisons - Interest Rates



International Interest Rates
As at 30 January 2001

	Yield on 10 yr Government bonds (% pa)	3-month rate (% pa)
United Kingdom	4.88	5 23/32
United States	5.45	5 1/2
Switzerland	3.71	3 13/32
Japan	1.56	17/32
Euro-zone	..	4 25/32

Source: Financial Times, 31 January 2001

- 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.
- The main development on the international stage has been the 1/2% cut in rates by the US Federal Reserve on 3 January 2001 with the expectation of more rate cuts to follow. This act influenced perceptions of central bank activity worldwide. However, neither the ECB nor the Bank of England followed the Fed’s lead although there is mounting expectation that they will do so in February.