



Economic Indicators, April 2010

RESEARCH PAPER 10/31 06 April 2010

This Research Paper series summarises the main economic indicators currently available for the UK, along with comparisons with other major OECD countries.

- UK economic output in Q4 2009 was revised higher by the ONS to show GDP growth of 0.4%, compared with the previous estimate of 0.3%.
- Government consumption was the main driver of growth during this period, although consumer spending also increased for the first time since Q1 2008.
- There was mixed news in the labour market as unemployment fell in the three months to January, while employment also fell, particularly in full-time jobs.

This month's article: **Summary of Budget 2010**

Daniel Harari (editor)

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Research Paper 10/31

Contributing Authors: Daniel Harari (editor),
Economic Policy and Statistics section

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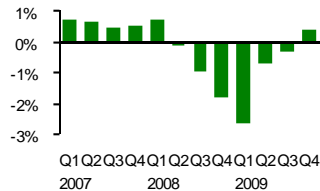
Summary

UK economic output in Q4 2009 was revised higher by the ONS to show GDP growth of 0.4%, compared with the previous estimate of 0.3% (see [page 1](#)). Government consumption was the main driver of growth during this period, although consumer spending also increased for the first time since Q1 2008 ([page 3](#)). There was mixed news in the labour market as unemployment fell in the three months to January ([page 11](#)), while employment also fell, particularly in full-time jobs ([page 10](#)).

GDP Growth

[page 1](#)

(% change quarter-on-quarter)

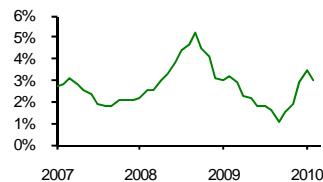


GDP expanded by 0.4% in Q4 2009 compared with Q3 2009. This was the first increase since Q1 2008. Growth in the year to Q4 2009 was -3.1%, compared with -5.3% in the year to Q3 2009.

Inflation (CPI)

[page 7](#)

(% change on year ago)

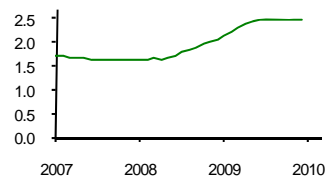


In the year to February, CPI inflation fell to 3.0%, from 3.5% in January. Downward pressure came mainly from average gas bills being lower than a year ago.

Unemployment

[page 11](#)

(total, millions, ILO definition)

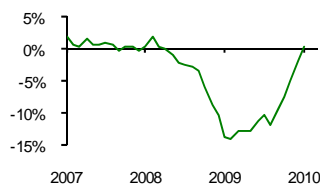


ILO unemployment fell by 33,000 to 2.45 million during the three months ending in January 2010. However, compared with a year ago unemployment was 0.38 million higher.

Manufacturing Output

[page 5](#)

(% change on year ago)



Manufacturing production recorded its first year-on-year increase in output in January (0.2%) since March 2008.

Exchange Rates

[page 18](#)

(Sterling Exchange Rate Index, Jan 2005=100)



The pound depreciated by 3.4% during March latest Bank of England data shows, which measures sterling against a trade-weighted group of currencies.

Next issue: 11 May

Editor: Daniel Harari

Members and their staff who wish to receive *Economic Indicators* by e-mail and/or hard copy on a regular basis should contact Rod McInnes (x3793). *Economic Indicators*, with updated data, can also be found on the parliamentary intranet: <http://hcl1.hclibrary.parliament.uk/wdw/subject/ei.asp>.

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1 Introduction to *Economic Indicators*

Economic Indicators Research Papers are usually published on the **first Tuesday** of the month. Individual indicators are updated and made available through the Library's intranet both under the relevant subject page headings, and collectively on the *Economic Indicators* subject page.¹

Feedback

If you have any comments or suggestions about *Economic Indicators* please contact the editor, Daniel Harari, on x2464.

Weekly email alert

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Sources and glossary

A guide to sources is provided in section 4. Economic terms, symbols and abbreviations used in the publication are described in the glossary in section 5.

Contacts

Members and their staff are encouraged to talk to Library subject specialists. A comprehensive guide is available in *Using the Library*.² Researchers are not able to discuss pages with members of the public. For enquiries in these subject areas please contact the following specialists:

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¹ <http://hcl1.hclibrary.parliament.uk/wdw/subject/EI.asp>

² http://hcl1.hclibrary.parliament.uk/general_pdf/usingthelibrary.pdf

2 Summary of Budget 2010

The Chancellor presented the 2010 Budget on 24 March.³ This will be the last Budget before the General Election. It was presented against a backdrop of a fragile economic recovery and with the issue of the public finances likely to be important in the election campaign.

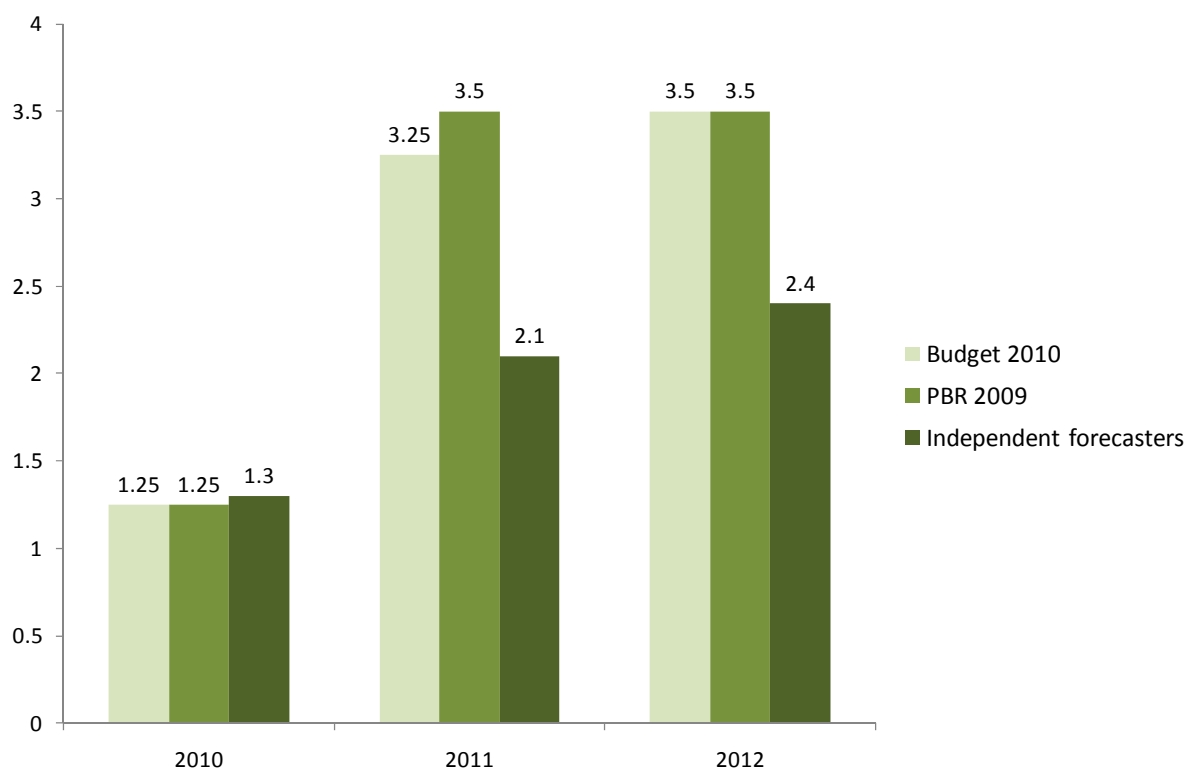
This article gives a brief summary of the main points in the Budget relating to the economy, the public finances and taxation. It also summarises some of the reaction to the Budget. This note does not attempt to summarise the wider policy announcements in the Budget. Another Library [note](#), published before the Budget, sets out the background in greater detail.⁴

2.1 Economic forecasts

The Budget updated the Treasury's forecasts for economic growth for the next few years. The Treasury forecast a range for economic growth rather than a single figure. The forecast for growth in 2010, between 1 and 1½%, was unchanged from the Pre-Budget Report (PBR). The forecast for 2011 was revised downwards to between 3 and 3½% and the forecast for 2012 was unchanged at 3¼ to 3¾%.

The chart below compares the Budget forecast with the PBR forecast and the average independent forecast. The chart takes the mid-point of the Treasury forecast range. The Treasury's forecast is very similar to that of independent forecasters for 2010 but more optimistic for 2011 and 2012.⁵

Chart 1: Forecasts for real GDP growth, annual % change



³ The date of the Budget was announced in a written statement: HC Deb 10 March 2010 c14WS

⁴ Library Standard Note, [The Background to the 2010 Budget](#), (SN/EP/5391), 23 March 2010

⁵ The independent forecasts for 2010 and 2011 are from the March edition of the Treasury's Forecasts for the UK economy. The forecast for 2012 is from the February edition.

2.2 Public finance forecasts

The Budget also made a slight downward revision to forecasts for government borrowing and debt as shown in the charts and tables below. Borrowing is forecast to fall from £167 billion in 2009/10 (11.8% of GDP) to £74 billion in 2014/15 (4.0% of GDP). The structural deficit is forecast to fall from 8.4% of GDP in 2009/10 to 2.5% in 2014/15.⁶

Chart 2: Public sector net borrowing, %GDP

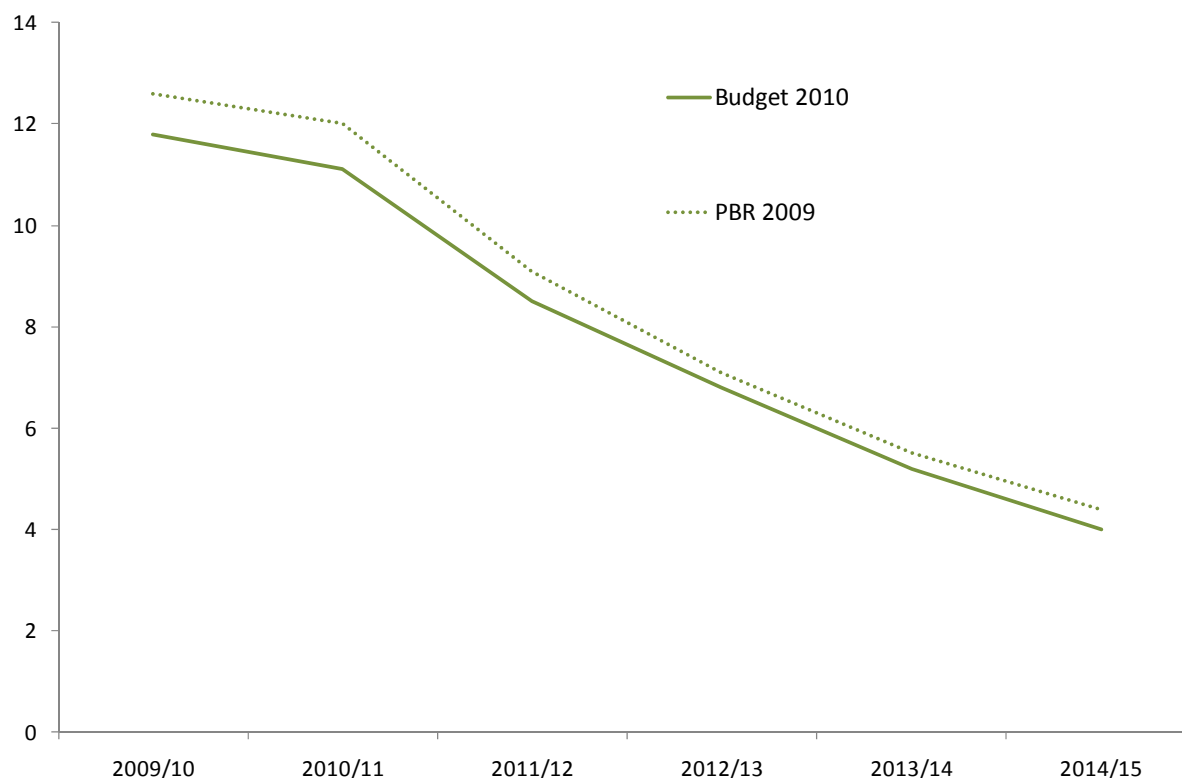


Table 1

Public sector net borrowing

	Budget 2010	PBR 2009	Budget 2010	PBR 2009
	£ billion	£ billion	% GDP	% GDP
2009/10	166.5	177.6	11.8	12.6
2010/11	163	176	11.1	12.0
2011/12	131	140	8.5	9.1
2012/13	110	117	6.8	7.1
2013/14	89	96	5.2	5.5
2014/15	74	82	4.0	4.4

Source: HM Treasury, Budget 2010, Tables C3 and C4, p189; Pre-Budget Report 2009, Tables B13 and B14, p189

⁶ HM Treasury, Budget 2010, Table C2, p186

The Budget forecasts for debt have also been revised downward slightly compared with the PBR. Debt is forecast to increase from £777 billion in 2009/10 (54.1% of GDP) to £1.4 trillion in 2014/15 (74.9% of GDP).

Chart 3: Public sector net debt, % GDP



Table 2
Public sector net debt

	Budget 2010 £ billion	PBR 2009 £ billion	Budget 2010 % GDP	PBR 2009 % GDP
2009/10	777	799	54.1	55.6
2010/11	952	986	63.6	65.4
2011/12	1,095	1,139	69.5	71.7
2012/13	1,218	1,270	73.0	75.4
2013/14	1,320	1,379	74.5	77.1
2014/15	1,406	1,473	74.9	77.7

Source: HM Treasury, Budget 2010, Tables C3 and C4, p189; Pre-Budget Report 2009,

Tables B13 and B14, p189

Note: figures exclude impact of financial sector interventions

2.3 Taxation

The Budget did not announce any further changes to income tax, VAT or national insurance. The Budget did, however, confirm a number of tax changes already announced which will come into effect in 2010/11 or 2011/12. These include:

- A 1% increase in national insurance contributions rates from April 2011 with adjustments to the primary threshold to protect those on low incomes;
- A new 50% rate of income tax on taxable income over £150,000 from April 2010;

Gradual withdrawal of the personal allowance from those with incomes above £100,000 from April 2010;⁷

- A freeze in the personal allowance in 2010/11. This is an increase in real terms as the RPI in the previous September (2009), which is normally used to uprate allowances, was negative.⁸

The first three of the above measures are forecast to raise significant sums of money (over £10 billion in 2011/12 between them).⁹ The new tax changes announced in the Budget, which involve much smaller sums of money, include:

- **Stamp duty:** Two-year stamp duty relief for first time buyers for residential property purchases up to £250,000. Additional 5% rate of stamp duty for residential property over £1 million from 2011/12;¹⁰
- **Fuel duty:** Budget 2009 had announced that fuel duty would rise by one penny a litre in real terms each April from 2010 to 2013.¹¹ Budget 2010 announced that the increase due for April 2010 will be staged. The main fuel duty rate will rise by one penny per litre on 1 April 2010. It will rise by a further penny on 1 October 2010 and by 0.76 pence per litre on 1 January 2011. The Budget also announced an extension in fuel duty increases to April 2014 when it will rise by a further penny a litre in real terms;¹²
- **Inheritance tax:** the freeze in the IHT allowance extended to 2014/15;¹³ and
- **Cider:** cider duty rates will increase by 10% above inflation on 29 March 2010 to align them more closely with the rates of duty on other alcohol products.¹⁴

The Chancellor also reported that the one-off tax on bank bonuses, announced in the 2009 PBR, had raised £2 billion – more than twice the level forecast.¹⁵

⁷ HM Treasury, Budget 2010, para 5.30

⁸ HM Treasury, Budget 2010, para 5.30, para A.7

⁹ HM Treasury, Budget 2010, Tables A2 and A11

¹⁰ HM Treasury, Budget 2010, para 5.27

¹¹ HM Treasury, Budget 2009, para 7.51

¹² HM Treasury, Budget 2010, para 7.39

¹³ HM Treasury, Budget 2010, para 5.31

¹⁴ HM Treasury, Budget 2010, para 5.83

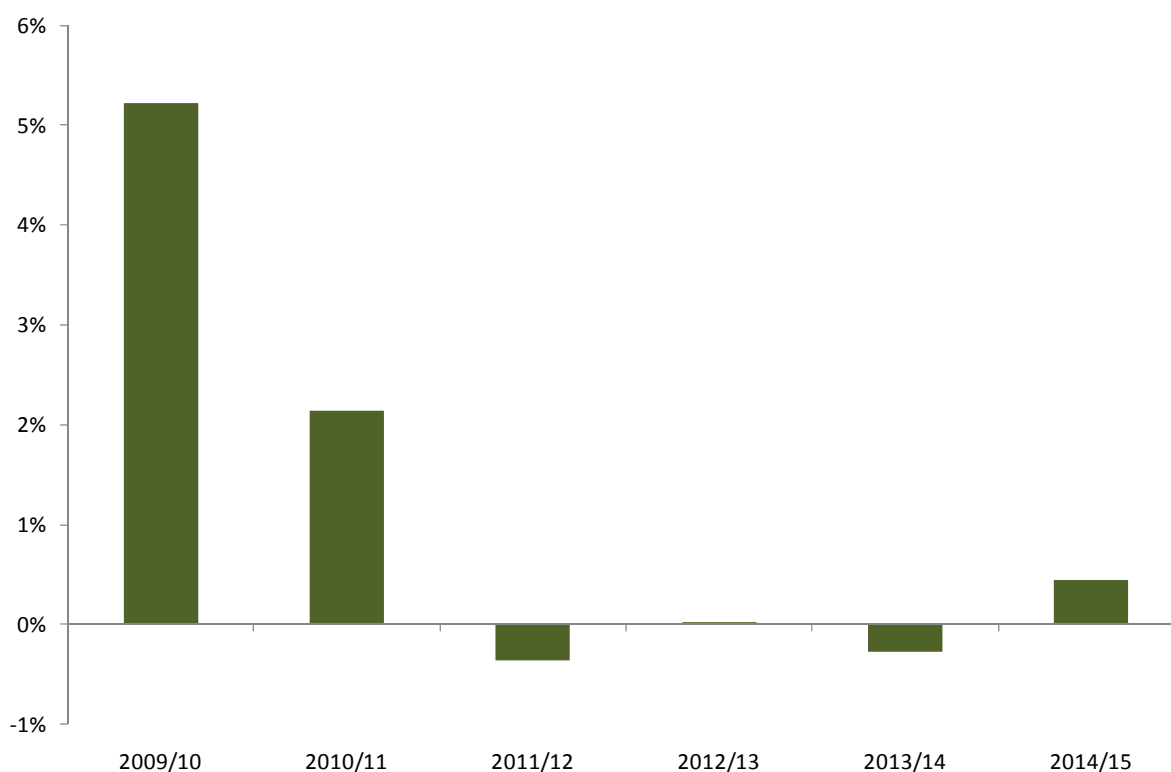
¹⁵ HC Deb 24 March 2010 c250

2.4 Public spending

The Budget updated the Treasury's projections for total public spending and the split between current and capital spending. There is, however, no information on departmental spending totals or the split between DEL and AME beyond 2010/11. These will probably be announced in a spending review after the election. The Budget confirmed that spending on "frontline" schools and NHS, 16 to 19 education and Sure Start would be protected up to 2012/13 and that sufficient funding would be provided to maintain police officer numbers.¹⁶ These protected areas of spending had been announced in the PBR.¹⁷

The public spending totals in the Budget are very similar to those in the PBR and show a sharp slowdown in the rate of public spending growth (see chart below). In his Budget statement, the Chancellor said that "the next spending settlement from 2011 onwards will be very tough – it will be the toughest for decades."¹⁸ The Chancellor has also admitted that the planned cuts in public spending will be "deeper and tougher" than those under the Conservative government in the 1980s.¹⁹

Chart 4: Real growth of public spending (%)



The PBR announced that the Government would achieve efficiency savings of over £11 billion by 2012/13.²⁰ Individual departments published further details of these savings

¹⁶ HM Treasury, Budget 2010, p85

¹⁷ HM Treasury, Pre-Budget Report 2009, p97

¹⁸ HC Deb 24 March 2010 c257

¹⁹ "Darling: we will cut deeper than Thatcher", *Guardian*, 26 March 2010

²⁰ HM Treasury, Budget 2010, para 6.30

alongside the Budget.²¹ Further analysis of the Government's spending plans has been carried out by the Institute for Fiscal Studies.²²

2.5 Reaction

Opposition parties

For the Conservatives, David Cameron criticised the high level of government borrowing and debt. He said a credible plan was needed to “deal with Britain’s record debts, starting now”.²³ Failure to deal with the deficit would endanger the recovery. Describing the Conservatives’ plans, he said:

Instead of more waste, more spending, and more taxes, what this Budget needed to do was to ease the burden on our families and businesses and let enterprise flourish. That is what a Conservative Government will bring. Let us freeze the council tax. No tax on new jobs for new businesses. Lower corporation tax rates and lower small business tax. Radical school and welfare reform. That would be real action to get our economy moving.²⁴

Nick Clegg of the Liberal Democrats criticised the Budget for the optimism of its forecasts for economic growth and lack of detail on the cuts in public spending needed to reduce the deficit. He said:

We needed a Budget that gave us honesty in spending and fairness in tax. We got neither. We Liberal Democrats are putting our cards on the table. We have identified a first instalment of £15 billion of cuts that can be realised by 2012-13: saving half a billion pounds a year by ending Government contributions to child trust funds; saving £1.3 billion a year by stopping means-tested benefits for the top 20 per cent. of tax credit claimants; cancelling identity cards and second-generation biometric passports, saving £2.5 billion over the next Parliament; and making longer-term savings, too, by saying no to the like-for-like replacement of Trident. Those are savings that we will need to start implementing once the economy is strong enough to take the strain.²⁵

Press and commentators

The Budget received a mixed response from the press. In an editorial, *The Times* said that the Chancellor’s statement “managed to say almost nothing” and lacked vision for the future.²⁶ Larry Elliott, the *Guardian*’s economics editor, described the Budget as “cautious, methodical, sensible, coherent and unflashy ... [i]t was also, all things considered, rather good”.²⁷

Robert Chote, director of the Institute for Fiscal Studies, described the Chancellor’s statement as a “treading water” Budget. Speaking at the IFS’ post-Budget briefing, he said:

In a Pre-Election Budget, perhaps the most that we can expect of any Chancellor is that he should observe the key tenet of the Hippocratic Oath and “above all, do no harm”. Judged against that modest yardstick, the broadly neutral stance of this Budget passes the test. Indeed it was a more parsimonious pre-election Budget certainly than

²¹ These can be accessed from: <http://nds.coi.gov.uk/content/default.aspx?NewsAreaId=2&SubjectId=1&DepartmentMode=true> (see under 24 March 2010)

²² <http://www.ifs.org.uk/budgets/budget2010/emmerson.pdf>

²³ HC Deb 24 March 2010 c267

²⁴ HC Deb 24 March 2010 c267

²⁵ HC Deb 24 March 2010 c270

²⁶ “*The Darling Budget of May*”, *The Times* [editorial], 25 March 2010

²⁷ “*Darling neuters Tory attack with carefully judged snips*”, *Guardian*, 25 March 2010

those going back to 1987. But, as we will hear, some of the tax measures announced in yesterday's Budget do not necessarily pass the "do no harm" test.

Judged against the more testing yardstick of providing a detailed picture to voters and financial market participants of the fiscal repair job in prospect beyond the election, the Budget will have fallen short of many people's hopes. There are an awful lot of judgements still to be made, or revealed, notably with regards public spending over the next parliament. This greater-than-necessary vagueness allows the opposition to be vaguer than necessary too.²⁸

Oxford Economics described it as "a Budget of two halves":

This was a Budget of two halves, with the Chancellor taking the correct decisions in the short-term, but failing to address any of the concerns over the medium-term sustainability of the public finances. It was a Budget light on policies, but Mr Darling did take the opportunity to provide some carefully-targeted help, mainly to business, which is likely to be well received. That he largely avoided addressing the medium-term concerns was not unexpected given that the election looms large on the horizon, but it does mean that the next Chancellor, regardless of whom they might be, is likely to need to take some tough decisions involving further spending cuts and/or tax increases in order to regain control over the public finances.²⁹

2.6 Links to further information

HM Treasury: Budget 2010: <http://www.hm-treasury.gov.uk/budget2010.htm>

Chancellor's statement:

<http://www.publications.parliament.uk/pa/cm200910/cmhansrd/cm100324/debtext/100324-0004.htm#10032434000001>

Institute for Fiscal Studies analysis: <http://www.ifs.org.uk/projects/322>

House of Commons Library Standard Note: Background to the 2010 Budget: <http://www.parliament.uk/commons/lib/research/briefings/snep-05391.pdf>

Dominic Webb
Economic Policy and Statistics section

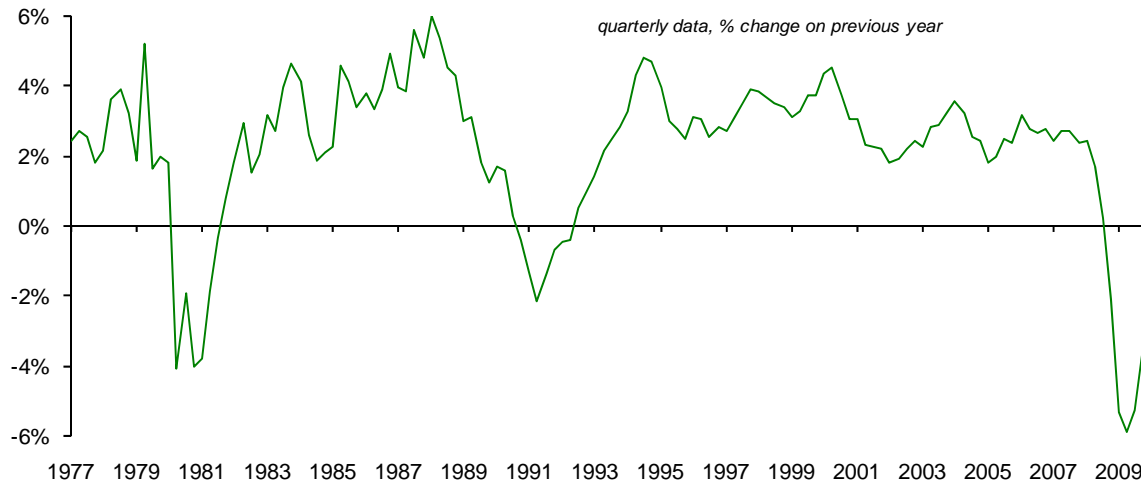
²⁸ Robert Chote, [Opening remarks](#), IFS Post Budget Briefing, 25 March 2010

²⁹ Oxford Economics, [UK Budget](#), 24 March 2010

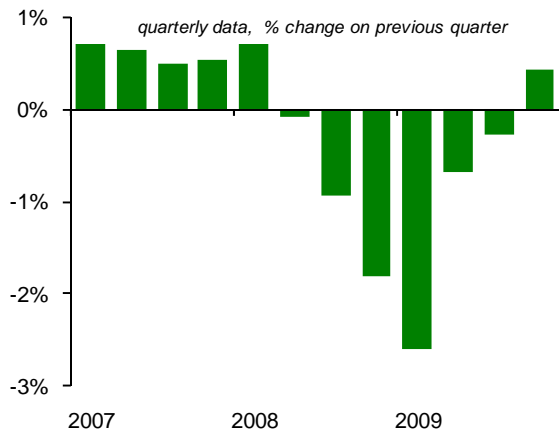
A1: Gross Domestic Product

The economy grew by 0.4% in Q4 2009, the first quarter of positive growth since Q1 2008. In March 2010, HM Treasury's average of independent economic forecasts of GDP growth for 2010 was 1.3%, and for 2011 was 2.1%.

Real GDP Growth since 1977



Real GDP Growth since 2007



Gross Domestic Product

£ billion & %; seasonally adjusted

	Current prices		Real GDP (inflation-adjusted)	
	£ billion	% change on year	% change on quarter	% change on year
2007	1,399	5.5	...	2.6
2008	1,448	3.5	...	0.5
2009	1,396	-3.6	...	-4.9
2008 Q4	359.3	1.2	-1.8	-2.1
2009 Q1	348.5	-4.1	-2.6	-5.3
Q2	345.5	-5.1	-0.7	-5.9
Q3	349.0	-3.5	-0.3	-5.3
Q4	352.9	-1.8	0.4	-3.1

Source: ONS, series: YBHA, ABMI

- The economy grew by 0.4% in Q4 of 2009, compared with Q3 of 2009. This compares with a decline of 0.3% in Q3 2009, compared with Q2 2009.
- The contraction in the economy of -2.6% between Q4 2008 and Q1 of 2009 was the largest percentage fall in quarterly GDP since Q2 of 1958 (also -2.6%).
- In Q4 2009, GDP fell by 3.1% compared with the same period a year ago, compared with a 5.3% decline recorded in Q3.
- Total output of the economy fell by 6.2% during the recession.

Contact: Grahame Allen, x3977

Updates: HM Treasury, [Forecasts for the UK Economy](#), 21 Apr
ONS, [Quarterly National Accounts](#), 23 Apr

A2: GDP: International Comparisons

Among G7 countries, France, Germany and Japan emerged from recession (with quarter on quarter growth) in Q2 2009, followed by the US, Canada, Italy (and the eurozone as a whole) in Q3 2009, and the UK in Q4 2009.

In Q4 2009, revised UK growth of 0.4% compared with a return to contraction in Italy (of 0.3%) and unchanged GDP in Germany. The eurozone saw growth of 0.1%, France 0.6%, Japan 0.9% and the US 1.4%, while the G7 as a whole expanded by 0.9% (OECD-wide data are not yet available).

On an annual basis, the US economy grew 0.1% in Q4 2009 on Q4 2008, compared with contractions of 3.1% (UK), 2.4% (Germany) and 0.3% (France).

Real GDP, % changes

	2008	2009	change on prev. year			change on prev. quarter				
			Q2 09	Q3 09	Q4 09	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
US	0.4	-2.4	-3.8	-2.6	0.1	-1.4	-1.6	-0.2	0.6	1.4
Japan	-1.2	-5.2	-6.0	-4.9	-1.4	-2.7	-3.6	1.5	-0.1	0.9
UK	0.5	-4.9	-5.9	-5.3	-3.1	-1.8	-2.6	-0.7	-0.3	0.4
Germany	1.3	-5.0	-5.8	-4.8	-2.4	-2.4	-3.5	0.4	0.7	0.0
France	0.4	-2.3	-2.8	-2.3	-0.3	-1.5	-1.3	0.3	0.2	0.6
Eurozone	0.5	-4.0	-4.9	-4.1	-2.1	-1.9	-2.5	-0.1	0.4	0.1
G7	0.2	-3.5	-4.6	-3.5	-0.9	-1.7	-2.2	0.1	0.4	0.9
OECD	0.5	..	-4.5	-3.4	-0.7	-1.9	-2.3	0.2	0.6	0.8

Source: OECD, *Main Economic Indicators* (via OECD.Stat website)

The European Commission's [February 2010 interim forecasts](#) are for 0.6% UK growth in 2010 (down from 0.9% as forecast in [November 2009](#)), with quarter-on-quarter growth of 0.2% in Q1 and Q2 2010, followed by 0.3% in Q3 and 0.4% in Q4. Annual growth of 1.2% in France and Germany, and 0.7% across the eurozone are also forecast for 2010, although Spain is expected to contract 0.6%.

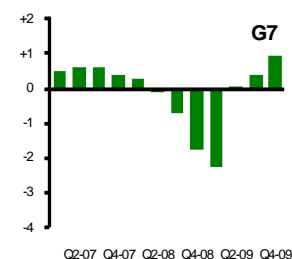
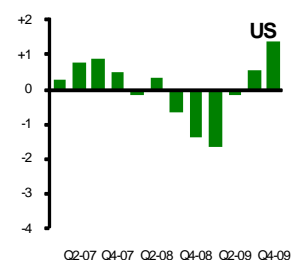
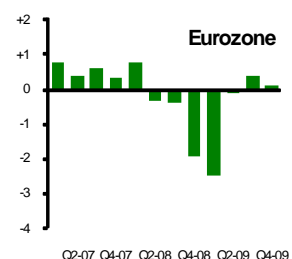
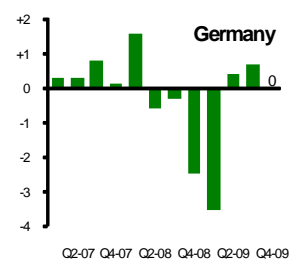
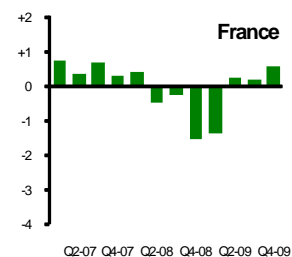
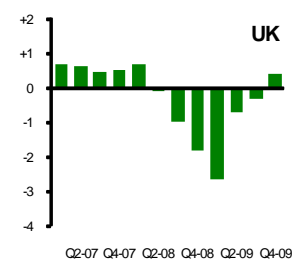
The World Bank's [February 2010 forecasts](#) are for global growth of 2.7% in 2010. The IMF's [January 2010 forecasts](#) suggested 3.9% growth in 2010 (up from 3.1% in [October 2009](#)). The IMF's UK growth forecast for 2010 was raised to 1.3%. This compared with 1.0% growth expected in Italy (and the eurozone as a whole), 1.4% in France and 1.5% in Germany. Japan was expected to grow 1.7% and the US by 2.7% in 2010, while 10% growth was forecast for China (7.7% for India).

The November 2009 [OECD Economic Outlook](#) forecast 1.9% growth in 2010, revising up its June 2009 forecast for 0.7% growth in 2010.

Real Growth Forecasts (% change)

	EC (Feb)		World Bank (Feb)		IMF (Jan)		OECD (Nov 09)	
	2010	2011	2010	2011	2010	2011	2009	2010
UK	0.6	1.3	2.7	-4.7	1.2
France	1.2	1.4	1.7	-2.3	1.4
Germany	1.2	1.5	1.9	-4.9	1.4
Eurozone	0.7	1.0	1.7	1.0	1.6	-4.0	0.9	
US	..	2.5	2.7	2.7	2.4	-2.5	2.5	
Japan	..	1.3	1.8	1.7	2.2	-5.3	1.8	
OECD	..	1.8	2.3	..	..	-3.5	1.9
China	..	9.0	9.0	10.0	9.7	8.3	10.2	
India	..	7.5	8.0	7.7	7.8	6.1	7.3	
World	..	2.7	3.2	3.9	4.3	-1.7	3.4	

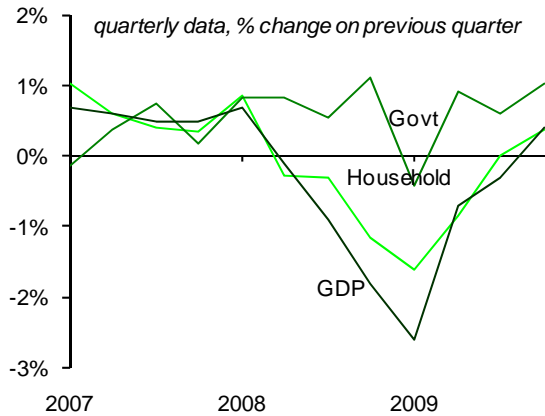
Sources: EC, Feb 10; WB, GEP2010; IMF, WEO update, Jan 10; OECD, *Economic Outlook*, Nov 09 flashfile



A3: Components of GDP

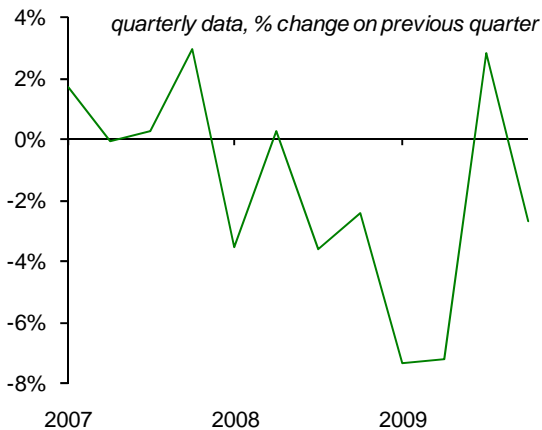
GDP is made up of a number of elements, including household consumption, government spending, investment and net trade (exports less imports). Household consumption is the largest element accounting for 63% of the total in 2009. Government consumption accounted for 23% and gross fixed capital formation for 16%.

Household consumption, government consumption and GDP



- Government consumption has been the main element of demand supporting the economy recently. It is 2.2% higher than a year ago, while household consumption is 2.1% lower.
- Household consumption increased by 0.4% in 2009 Q4. This is the largest increase since 2008, Q1.
- Inventories (stocks held by companies to meet future demand) play an important role in the economic cycle. The rate at which companies are running down their holdings of inventories decreased in 2009 Q4.

Gross fixed capital formation



- Gross fixed capital formation (GFCF) measures investment in buildings and machinery.
- GFCF decreased by 2.7% in 2009 Q4 and is 14.0% below its level a year earlier.
- Business investment fell by 4.3% in Q4 2009 and is 23.5% below its level of a year ago.

Components of GDP

% change on previous quarter (real terms)

	Household consumption	Government consumption	GFCF (a)	Exports	Imports	GDP
2008 (annual % change)	0.9%	2.6%	-3.5%	1.1%	-0.5%	0.5%
2009 (annual % change)	-3.2%	2.2%	-14.9%	-10.6%	-11.9%	-4.9%
2009 Q1	-1.6%	-0.4%	-7.3%	-7.2%	-6.5%	-2.6%
2009 Q2	-0.9%	0.9%	-7.2%	-1.8%	-2.9%	-0.7%
2009 Q3	0.0%	0.6%	2.8%	0.6%	1.2%	-0.3%
2009 Q4	0.4%	1.0%	-2.7%	3.8%	4.7%	0.4%

Source: ONS series ABJR, NMRY, NPQT, IKBK, IKBL and ABM I

Note: (a) gross fixed capital formation

Contact: Dominic Webb, x4324

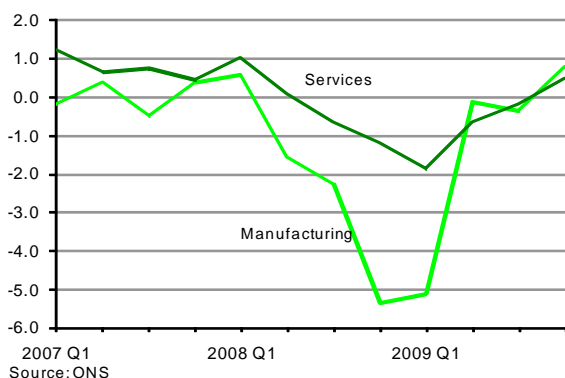
Update: ONS, [UK Output, Income and Expenditure](#), 25 May

A4: Output and Employment by Industry

In Q4 2009 output in the manufacturing industry rose by 0.8% compared to the previous quarter and fell by 4.8% compared to the same quarter a year ago. Output in the services sector rose by 0.5% compared to the last quarter and fell by 2.2% compared to the same quarter a year ago.

In the quarter to December 2009, the number of jobs in the manufacturing sector fell by 0.4% compared to the previous quarter and by 6.1% compared to the same quarter a year ago. The number of jobs in the service sector fell by 0.2% over the last quarter and by 0.5% compared to the same quarter a year ago.

Manufacturing and Services, quarterly growth



GVA growth by industry, % changes

seasonally adjusted, chained volume measures at basic prices

	Manu- facturing	Constru- ction	Services		
			Total	Retail and hotels	Busi- ness
2007	0.6	2.7	3.5	3.1	5.5
2008	-2.9	-0.8	1.4	-1.1	2.4
2009	-10.5	-10.8	-3.5	-4.4	-4.7
Quar Change	0.8	-1.0	0.5	1.9	0.4
Ann Change	-4.8	-6.1	-2.2	1.1	-4.6

Notes: Changes: Ann compares to Q4 08, Quar to Q3 09
Retail: Wholesale and retail,repairs,hotels,restaurants
Business: Business services and finance

Source: ONS, series CKYY, GDQB, GDQS, GDQE, GDQN

- The output levels of UK industry are measured here by gross value added (GVA).
- Over the last year the manufacturing sector has seen greater falls in growth than the services sector.
- Although on an annual basis the service sector has declined by 2.2% to Q4 2009, the business services and finance sector have fallen by more (-4.6%).
- In 2007, services accounted for 76% of gross value added, manufacturing for 12%, other production industries (mining & quarrying, and electricity, gas & water supply) for 4%, construction for 6% and agriculture, hunting and fishing for 1%.
- The table and chart below show workforce jobs by industry in the UK. Workforce jobs are a measure of jobs not employment and as such people who hold two jobs or more will be counted twice or more.
- On an annual basis, the highest percentage fall in jobs has been in the construction sector (-9.2%).
- Over the last four quarters the number of jobs has fallen in both the manufacturing and services sectors.

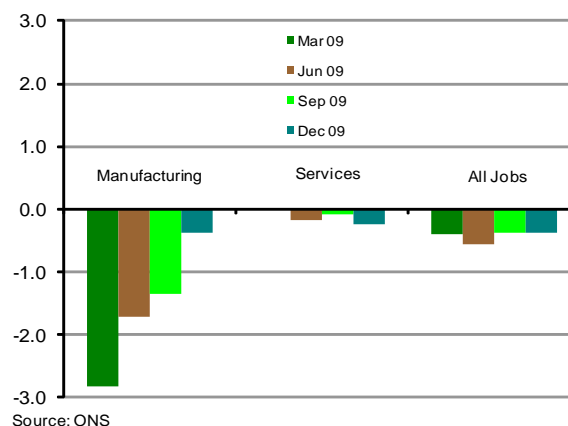
Workforce jobs by industry, 2007-2009

seasonally adjusted, SIC 2003

	Manufa- cturing	Constru- ction	Retail and hotels	Busin- ess	Public admin	All Jobs
Dec 2007	3,162	2,237	7,050	6,701	7,962	31,602
Dec 2008	3,018	2,278	6,888	6,481	8,066	31,286
Mar 2009	2,933	2,231	6,849	6,476	8,153	31,160
Jun 2009	2,883	2,162	6,817	6,404	8,201	30,987
Sep 2009	2,844	2,091	6,826	6,378	8,246	30,872
Dec 2009	2,833	2,068	6,764	6,379	8,285	30,753
Quar Change	-0.4	-1.1	-0.9	0.0	0.5	-0.4
Ann change	-6.1	-9.2	-1.8	-1.6	2.7	-1.7

Notes: Changes: Ann compares to Dec 08, Quar to Sep 09
Retail and 'business' as in table above
Public admin: Education, health and public admin

Quarterly percentage change in jobs by industry, SA



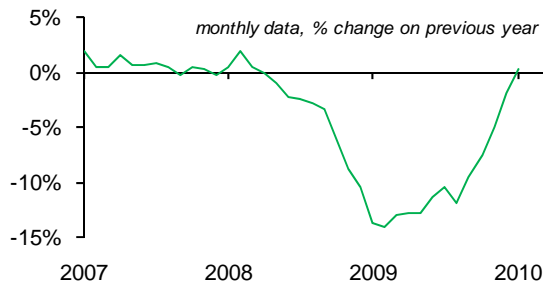
Contact: Ed Potton, x2883

Update: ONS, [GDP Preliminary Estimate – Q1](#), 23 Apr

A5: Manufacturing (Including Automotives)

Monthly manufacturing output data from the ONS, as well monthly vehicle production and new car registration data from the Society of Motor Manufacturers and Traders (SMMT), are covered below.

Manufacturing Output

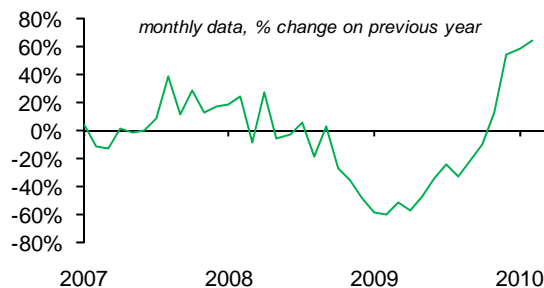


	Index Value (2005=100)	% change over month	% change over 12 months
2008	99.2	...	-2.9
2009	88.8	...	-10.5
2009 Oct	88.8	0.0	-7.6
Nov	88.9	+0.1	-5.0
Dec	89.7	+0.9	-1.9
2010 Jan	89.0	-0.9	+0.2

Source: ONS, series CKYY

- Manufacturing output was down by 0.9% month-on-month in January, compared with growth of 0.9% in December. Output was up by 0.2% in January compared with a year ago. In 2009 output fell by 10.5%.
- Industrial production, which in addition to manufacturing includes mining and quarrying, and electricity, gas and water supply, was down by 0.4% during January and 1.5% lower than a year ago.

Vehicle Production

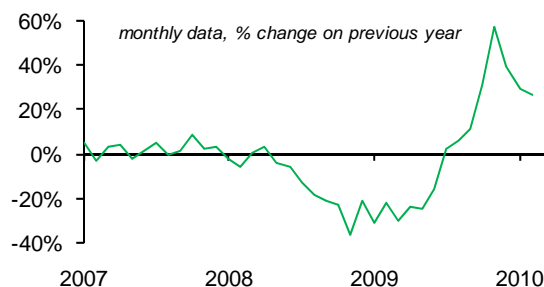


	Number '000s	% change over 12 months
2008	1,650	-5.8
2009	1,090	-33.9
2009 Feb	66	-60.6
Dec	93	+54.0
2010 Jan	110	+58.2
Feb	107	+63.7

Source: SMMT, not seasonally adjusted

- Supported by the scrappage scheme, vehicle (car plus commercial vehicle) production has recovered since early 2009, and rose by 64% in February compared with a year ago.
- In 2009, 1.09 million vehicles were produced in the UK, down by 33.9% compared with 2008. Out of the total, 261,000 or 24% were for the UK market and 829,000 or 76% were for export.

New Car Registrations



	Number '000s	% change over 12 months
2008	2,132	-11.3
2009	1,994	-6.5
2009 Feb	54	-21.9
Dec	151	+38.9
2010 Jan	145	+29.8
Feb	69	+26.4

Source: SMMT, not seasonally adjusted

- New registrations of cars rose by 26.4% in February compared with a year ago. According to the SMMT, the scrappage scheme has stimulated growth in demand. Up to 2 March, 376,027 orders have been placed under the scheme, with funding available for up to 400,000 by the end of March 2010.
- New car registrations fell by 6.4% in 2009 to 2 million, the lowest level since 1995.

Contact: Daniel Harari, x2464

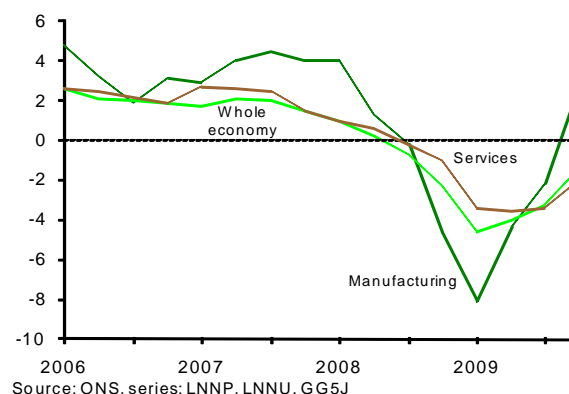
Update: ONS, [Index of Production](#), 8 Apr
SMMT, [Vehicle Production](#), late Apr
SMMT, [New Car Registrations](#), 8 Apr

A6: Productivity

Productivity is a measure of the level of output in an economy and the inputs required to produce it. Three measures are commonly used: output (or GDP) per worker, output per job and output per hour (worked). Data covering the UK economy is published every three months, with international comparisons updated biannually.

- Productivity across the whole economy, measured by output per worker, is estimated to have fallen by 3.1% in 2009 compared with a fall of 0.3% in 2008.
- Output per worker fell by 1.4% in Q4 2009 compared to the same quarter a year ago. Output and employment levels have been falling in the economy in the last year.
- Manufacturing output per job grew by 2.8% in Q4 2009 compared to the same quarter a year ago; output per job in the service sector fell by 2.0% over the same period.
- Comparing Q4 2009 with Q3 2009, manufacturing output per job increased by 1.4%, services output per job grew by 0.4% while output per job for the whole economy grew by 0.5%.

Output per job, quarterly data, annual percentage change seasonally adjusted



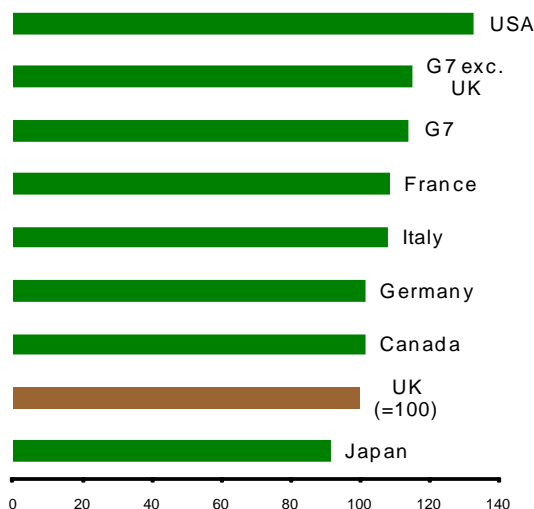
Productivity growth, seasonally adjusted

	Manufacturing		Services		Whole Economy		
	Output per job	Output per hour	Output per job	Output per hour	Output per worker	Output per job	Output per hour
<i>Annual % change</i>							
2008	0.1	0.3	..	..	-0.3	-0.5	0.0
2009	-3.0	-1.3	..	..	-3.1	-3.3	-1.9
2008 Q4	-4.7	-4.0	-1.0	-0.6	-2.0	-2.3	-1.7
2009 Q1	-8.1	-5.3	-3.4	-0.9	-4.2	-4.6	-2.1
Q2	-4.4	-2.7	-3.6	-3.4	-3.6	-4.0	-3.3
Q3	-2.2	-1.0	-3.4	-2.3	-3.3	-3.3	-1.8
Q4	2.8	3.9	-2.0	-1.2	-1.4	-1.4	-0.3
<i>Latest quarterly % change</i>	1.4	2.4	0.4	0.6	0.5	0.5	0.7

Source: ONS

- International comparisons of productivity are presented as an index where the UK=100 for each year.
- In 2008, based on GDP per worker, the UK had higher levels of productivity than Japan, around the same levels as Germany and Canada, and lower levels than Italy, France, the US and the G7 average.
- Based on GDP per hour, in 2008 the UK had higher levels of productivity than Japan, around the same levels as Italy and Canada, and lower levels than Germany, France, the US and the G7 average.
- Since 1997 UK productivity has improved compared to all but one G7 country. UK GDP per worker has increased by around 20% between 1997 and 2008, compared to 21% for the US, 17% for the G7 average, 14% for Japan, 11% for Canada and France, 10% for Germany and no change for Italy.

GDP per worker, 2008, index where UK=100



Contact: Ed Potton, x2883

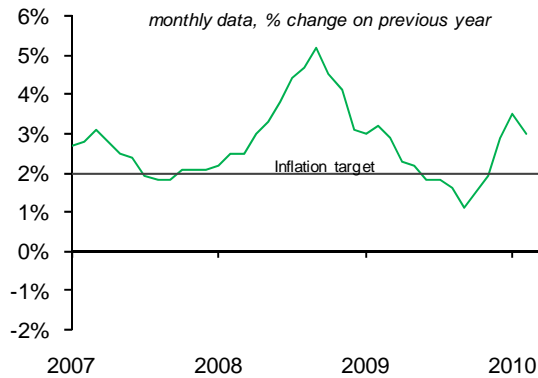
Update: ONS, [Productivity](#), 1 Jul

B1: Inflation

Compared with a year ago, the consumer prices index (CPI) showed inflation at 3.0% in February, down from 3.5% in January, but still above the Bank of England's 2% target.

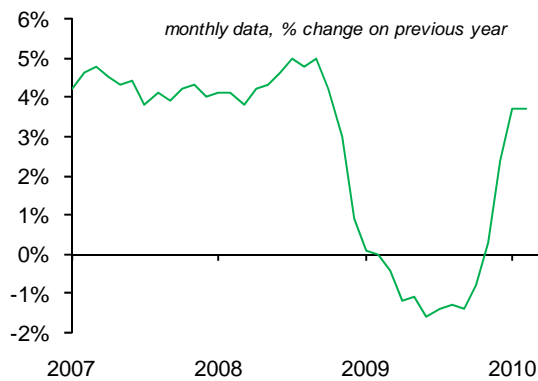
On 10 December 2003 the (then) Chancellor wrote to the Bank of England setting a new UK inflation target of 2.0%, measured by the consumer prices index (CPI). Inflation must remain within 1 percentage point either side.

Consumer Prices Index (CPI)



- The CPI annual inflation rate fell 0.5 percentage points in February to 3.0%. The increase in VAT was behind inflation rising in January to its highest level since November 2008.
- Downward pressure on inflation came from average gas bills being lower than a year ago, and falls in the cost of games, toys and hobbies.
- Annual RPI inflation remained unchanged at 3.7% in February.

Retail Prices Index (RPI)



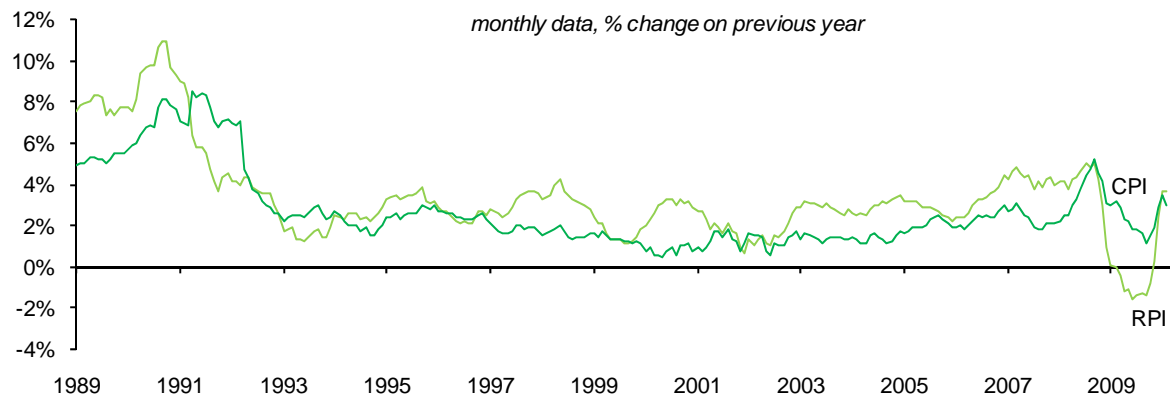
Price Indices

% change on a year ago

		CPI	RPI
2007		2.3	4.3
2008		3.6	4.0
2009		2.2	-0.5
2009	Sep	1.1	-1.4
	Oct	1.5	-0.8
	Nov	1.9	0.3
	Dec	2.9	2.4
2010	Jan	3.5	3.7
	Feb	3.0	3.7

Source: ONS database, series: D7G7, CDKQ

CPI and RPI since 1989



Contact: Daniel Harari, x2464

Update: ONS, [Consumer Price Indices](#), 20 Apr

B2: Inflation: International

UK inflation, measured by the Consumer Prices Index (CPI), remained positive throughout the downturn. That is in contrast with many other major economies, including the US, France and Germany, which saw deflation (negative inflation).

Inflation in the EU (and in some other European countries) is measured by the standard Harmonised Index of Consumer Prices (HICP). Methodologies used for calculating inflation in other countries differ from this standard to a varying degree. For example, the US CPI is based on prices in urban areas only and, unlike the HICP, includes the costs of owner-occupied housing. Care should therefore be taken in making direct comparisons.

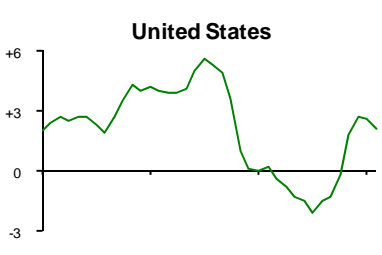
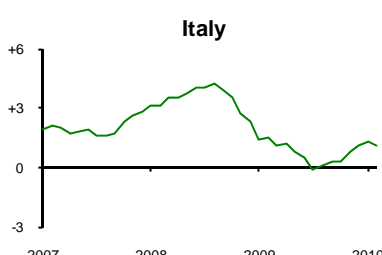
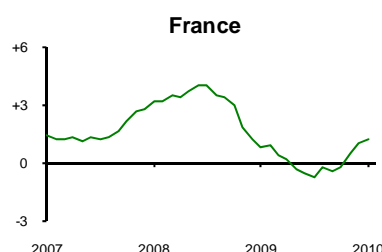
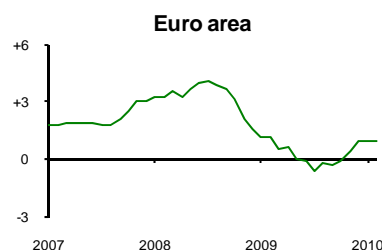
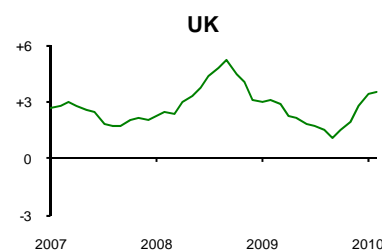
- In the year to February, UK inflation (CPI) was 3.5%, the highest in the G7 (although data for France are not yet available) and the second highest in the EU behind Hungary. The Bank of England's target is 2%.
- Euro-area inflation was estimated to be 0.9% (HICP) in the year to February 2010. The European Central Bank (ECB) aims to keep inflation "below, but close to, 2% over the medium term".
- After having been negative through much of 2009, annual inflation in the United States rose sharply to 2.7% in December before slowing slightly to 2.6% in January and 2.1% in February (national definition).
- Iceland (10.7%) and Turkey (10.1%), and Ireland (-2.4%) continue to be inflation rate outliers (all HICPs).

Inflation rates: selected countries

Annual % change in consumer prices

	2008	2009	Dec 09	Jan 10	Feb 10
HICP					
UK	3.6	2.2	2.8	3.4	3.5
Euro area	3.3	0.3	0.9	1.0	0.9
EU	3.7	1.0	1.5	1.7	1.4
France	3.2	0.1	1.0	1.2	..
Germany	2.8	0.2	0.8	0.8	0.5
Iceland	12.8	16.3	11.3	10.6	10.7
Ireland	3.1	-1.7	-2.6	-2.4	-2.4
Italy	3.5	0.8	1.1	1.3	1.1
Spain	4.1	-0.3	0.9	1.1	0.9
National defs					
Canada	2.4	0.3	1.3	1.9	1.6
Japan	1.4	-1.4	-1.7	-1.3	-1.1
United States	3.8	-0.4	2.7	2.6	2.1
G7	3.2	-0.1	1.7	1.8	1.5
OECD	3.7	0.5	1.9	2.1	1.9
Brazil	5.7	4.9	4.3	4.6	..
China	5.9	-1.0	0.8	1.5	..
India	8.3	10.9	15.0	16.2	..
Russia	14.1	11.7	8.8	8.0	..

Source: stats.OECD database & UK ONS



Contact: Ian Townsend, x2042

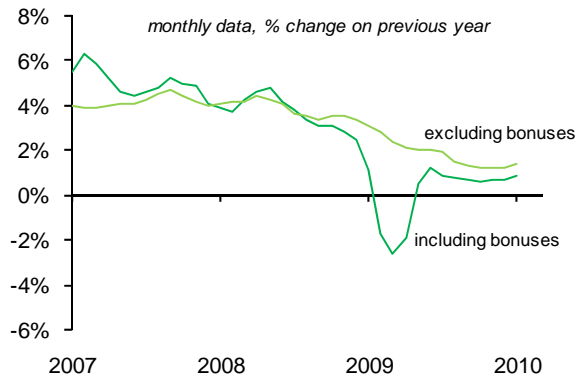
Updates:

Eurostat, Flash inflation estimate, 16 April
 OECD, [Consumer prices release](#), 4 May

B3: Average Earnings

Average weekly earnings (three-month average including bonuses) for the whole economy rose by 0.9% in January compared with a year ago, the biggest increase since the three months to July 2009. Average weekly earnings excluding bonuses were 1.4% higher in the three months to January compared with a year ago, up from 1.2% in December.

Average Earnings, Whole Economy



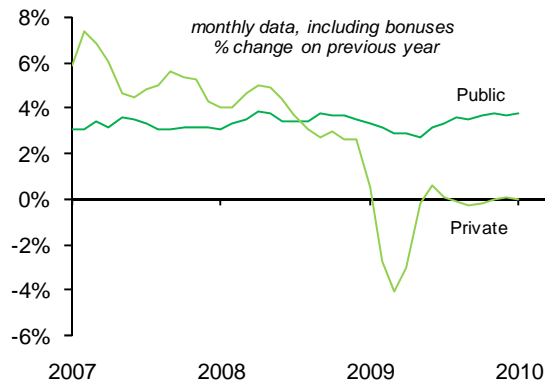
Average Earnings, Including Bonuses

% change on year; seas. adj.; Great Britain

	Private	Public	Manuf.	Serv.	Total
2007 Jan	5.9	3.1	3.5	5.8	5.5
2008 Jan	4.0	3.1	3.6	3.7	3.9
2009 Jan	0.5	3.3	2.2	1.0	1.1
2009 Aug	-0.1	3.6	0.7	0.8	0.8
Sep	-0.3	3.5	0.9	0.7	0.7
Oct	-0.2	3.7	1.6	0.7	0.6
Nov	0.0	3.8	1.7	0.9	0.7
Dec	0.1	3.7	2.2	0.8	0.7
2010 Jan	0.0	3.8	3.2	0.6	0.9

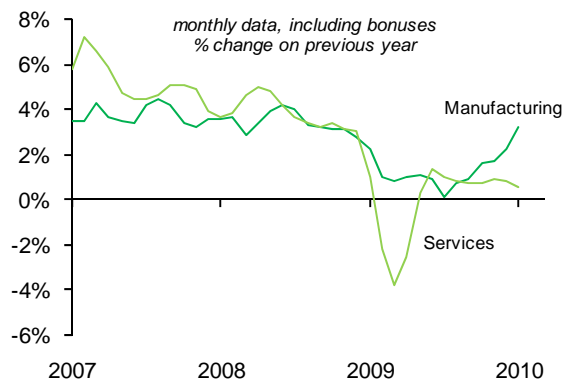
Source: ONS, data shows latest 3-month period

Average Earnings in the Public and Private Sectors



- Average total pay in the public sector rose by 3.8% in January, compared with no change in the private sector.
- Average weekly earnings in January (including bonuses) in the public sector were £461 compared with £426 in the private sector.
- In 2009, headline (including bonuses) earnings in the public sector averaged an increase of 3.3%, while the private sector averaged a 0.9% decrease.

Average Earnings in Services and Manufacturing

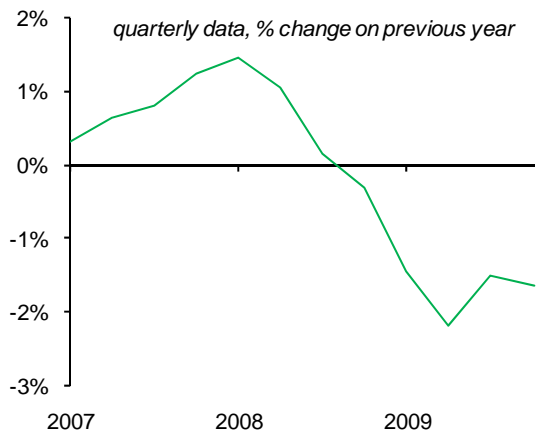


- Average total pay growth in the manufacturing sector was 3.2% in January, compared with 0.6% in the services sector.
- Average weekly earnings in January (including bonuses) in the manufacturing sector were £520 compared with £414 in the services sector.
- In 2009, headline (including bonuses) earnings in the services sector averaged a decrease of 0.2% compared with a 1.2% increase in the manufacturing sector.

C1: Employment

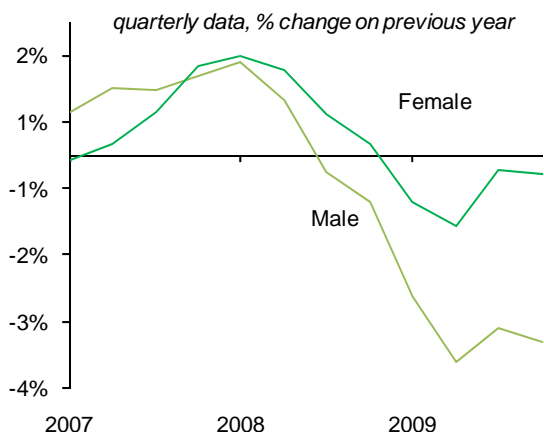
Total employment in the three months to January 2010 was 482,000 (1.6%) lower than a year earlier and 54,000 (0.2%) lower than the previous quarter.

Total employment



- Employment is 2.4% lower than its peak of 29.6 million in April 2008.
- Over the past year, employment among 16-24 year olds has fallen by 8.5%. This is more than any other age group (see table below).
- Employment of women aged 60 and over has increased by 6.9% over the last year.

Male and female employment



- Male employment was 15.4 million in the three months to January 2010, compared with female employment of 13.5 million.
- Over the past year, male employment has fallen by 2.8% while female employment has fallen by 0.3%.
- Full-time employment has fallen by 3.0% over the past year while part-time employment has increased by 2.2%.

Employment by age

3-month average centred on month; '000s & % changes; seasonally adjusted

	Total	16-24	25-49	50-59(f)/ 64(m)	60+(f)/ 65+(m)
Dec-07	29,432	4,235	17,345	6,579	1,274
Dec-08	29,341	4,091	17,312	6,599	1,340
Mar-09	29,078	3,954	17,189	6,589	1,346
Jun-09	28,876	3,875	17,055	6,563	1,382
Sep-09	28,914	3,783	17,155	6,571	1,405
Dec-09	28,860	3,745	17,113	6,583	1,419
% change on previous 3 months	-0.2	-1.0	-0.2	+0.2	+1.0
% change on previous year	-1.6	-8.5	-1.1	-0.2	+5.9

Source: ONS

Note: 60+(f)/65+(m) refers to the state retirement age for females and males, respectively

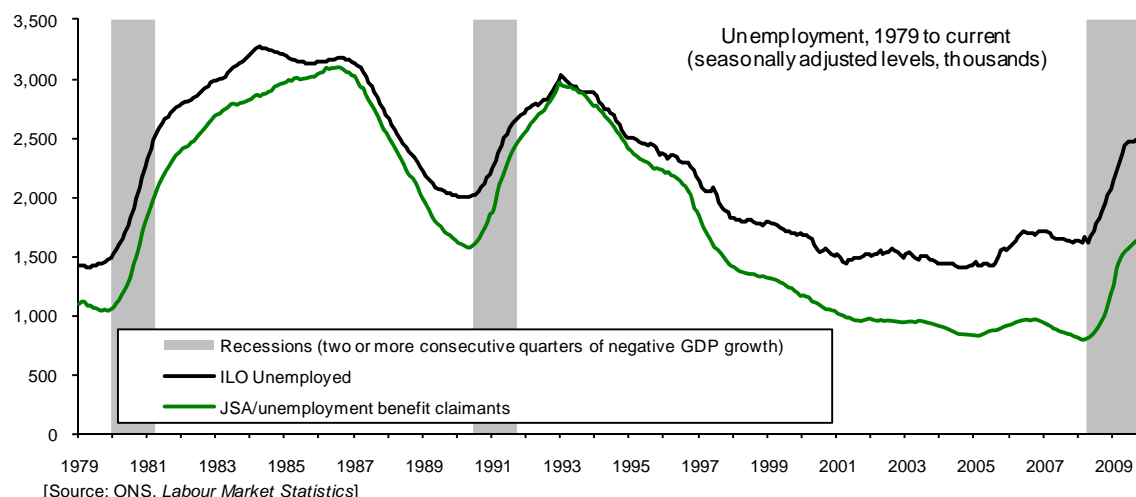
Contact: Dominic Webb, x4324

Update: ONS, [Labour Market Statistics](#), 21 Apr

C2: Unemployment: National

The Office for National Statistics uses 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).

- **ILO unemployment in November 2009 to January 2010 was 2,449,000 (7.8% of all economically active)** – down by 33,000 from the previous quarter (UK, seasonally adjusted).

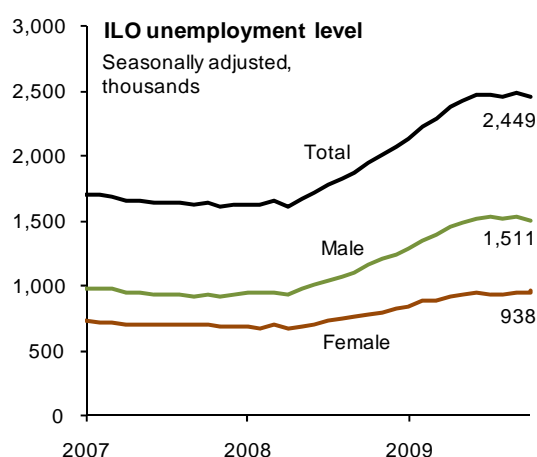


ILO unemployment (period Nov 2009-Jan 2010)

- The number of people unemployed for more than 12 months stood at 687,000, a year-on-year increase of 222,000;
- The unemployment level among 16- to 24-year-olds was 915,000, 19.6% of the economically active population in the age group (see table below).

Jobseekers' Allowance (JSA) claimant count

The seasonally adjusted monthly JSA claimant count decreased by 32,300 between January and February 2010 to 1,585,100.



ILO Unemployment in the UK

seasonally adjusted

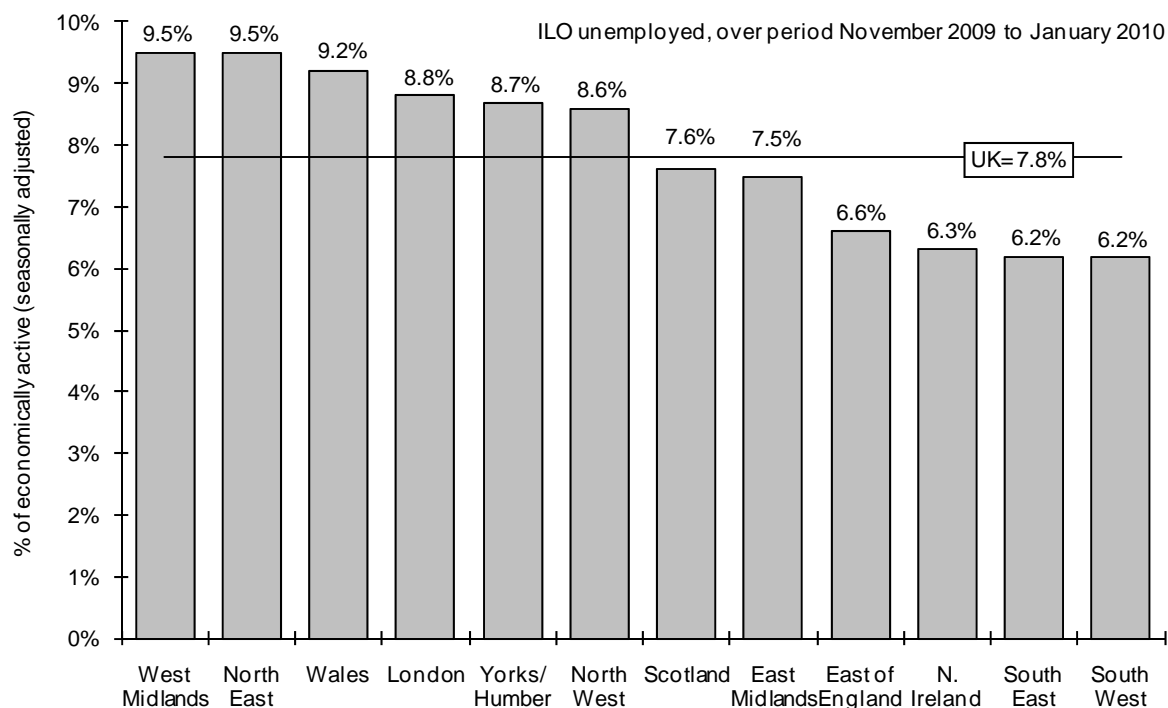
	Total		16 to 24		25 to 49		50 to 59(f)/64(m)		60+(f)/65+(m)	
	'000s	(%)	'000s	(%)	'000s	(%)	'000s	(%)	'000s	(%)
Nov-Jan 2005	1,425	4.7	599	12.5	616	3.5	191	2.9	20	1.9
Nov-Jan 2006	1,549	5.1	648	13.7	674	3.8	200	3.0	26	2.3
Nov-Jan 2007	1,707	5.5	700	14.3	767	4.3	216	3.2	24	1.9
Nov-Jan 2008	1,622	5.2	683	13.9	707	3.9	214	3.2	18	1.4
Nov-Jan 2009	2,066	6.6	827	16.8	921	5.1	286	4.1	32	2.3
Feb-Apr 2009	2,280	7.3	890	18.4	1,031	5.7	327	4.7	32	2.4
May-Jul 2009	2,467	7.9	942	19.6	1,151	6.3	340	4.9	34	2.4
Aug-Oct 2009	2,482	7.9	943	20.0	1,154	6.3	346	5.0	38	2.6
Nov-Jan 2010	2,449	7.8	915	19.6	1,136	6.2	358	5.2	41	2.8
% change on quarter	-1.3		-3.0		-1.6		+3.5		+7.9	
% change on year	+18.5		+10.6		+23.3		+25.2		+28.1	

Source: ONS, Labour Market Statistics.

Notes: Rates are percentages of economically active in the relevant age group. Levels might not sum due to rounding. 60+(f)/65+(m) refers to the respective state retirement ages for females and males.

Contact: Roderick McInnes, x3793 Updates: ONS, [Labour Market Statistics](#), 21 Apr

C3: Unemployment: Regional



[Source: ONS, *Labour Market Statistics*]

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).

- Over the period November 2009 to January 2010 the West Midlands and the North East had the highest unemployment rate, 9.5% of the economically active population. The lowest rate over the same period was 6.2%, in the South East and the South West.
- A comparison of November 2009 to January 2010 with the same period a year earlier shows that the largest percentage rise in the regional unemployment level occurred in Scotland (+49%). Northern Ireland showed the smallest percentage increase (+8%) over the period.

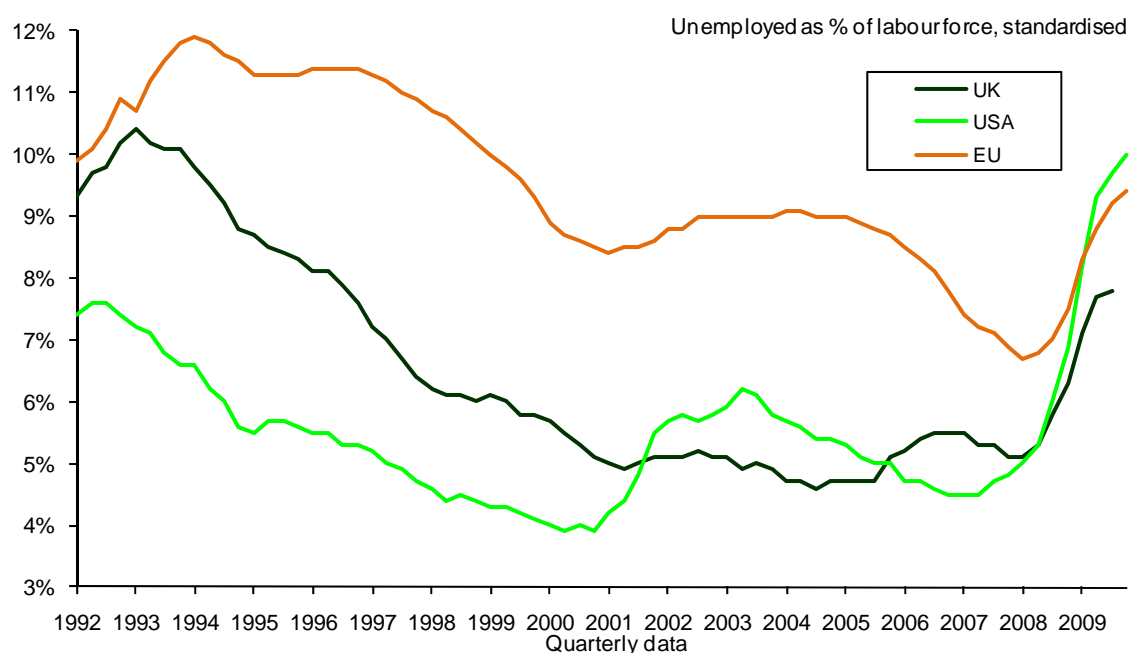
ILO Unemployment, November 2009 to January 2010

change on same period in previous year;
seasonally adjusted

	Number (rounded)	%
North East	+11,000	+10
North West	+28,000	+11
Yorkshire & the Humber	+41,000	+22
East Midlands	+23,000	+15
West Midlands	+32,000	+14
East of England	+25,000	+15
London	+49,000	+16
South East	+56,000	+26
South West	+24,000	+17
Wales	+23,000	+21
Scotland	+67,000	+49
Northern Ireland	+4,000	+8

Source: ONS, *Labour Market Statistics*

C4: Unemployment: International Comparisons



Unemployment

Unemployed as % of labour force (standardised); seasonally adjusted

	2007	2008	2009	2008				2009			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Canada	6.0	6.1	8.3	5.9	6.0	6.1	6.5	7.8	8.4	8.5	8.4
France	8.3	7.9	9.4	7.6	7.6	7.9	8.3	8.9	9.3	9.6	10.0
Germany	8.4	7.3	7.5	7.6	7.3	7.1	7.1	7.3	7.6	7.6	7.5
Italy	6.2	6.8	7.8	6.5	6.8	6.8	7.0	7.4	7.5	7.8	8.3
Japan	3.9	4.0	5.1	3.9	4.0	4.0	4.1	4.5	5.1	5.4	5.2
UK	5.3	5.6	..	5.1	5.3	5.8	6.3	7.1	7.7	7.8	..
USA	4.6	5.8	9.3	5.0	5.3	6.0	6.9	8.2	9.3	9.7	10.0
Eurozone	7.5	7.6	9.4	7.2	7.4	7.6	8.0	8.8	9.3	9.6	9.9
G7	5.5	5.9	8.0	5.5	5.6	6.0	6.5	7.3	8.0	8.3	8.5
OECD	5.8	6.1	8.3	5.7	5.8	6.2	6.7	7.6	8.3	8.6	8.8

Source: OECD, Harmonised Unemployment Rates, March 2010

- Using standardised definitions, the UK unemployment rate in Q3 2009 (the latest quarter for which all data are available) was 7.8%, below the eurozone rate (9.6%) and below the G7 and OECD rates (8.3% and 8.6% respectively).
- Between Q3 2008 and Q3 2009 Germany had the smallest rise in unemployment among G7 countries: 0.5 percentage points. The UK and US unemployment rates rose by 2.0 percentage points and 3.7 percentage points respectively over the same period.
- The most recent forecasts published by the OECD ([Economic Outlook no. 86 November 2009](#)) suggest the UK unemployment rate will be 8.0% in 2009, 9.3% in 2010 and 9.5% in 2011. The respective forecasts for the eurozone are 9.4%, 10.6% and 10.8%, and for the OECD as a whole 8.2%, 9.0% and 8.8%.

Contact: Roderick McInnes, x3793

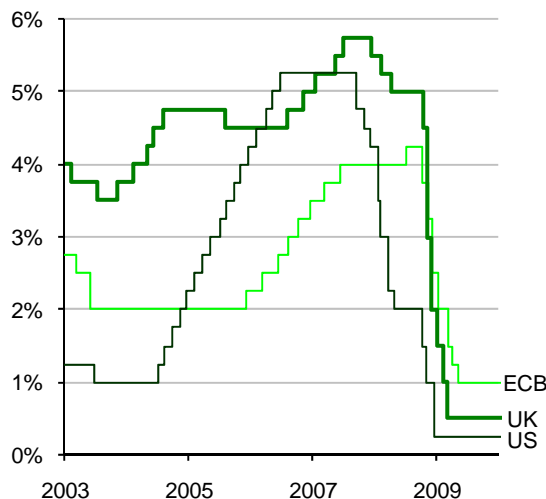
Updates: OECD, *Harmonised Unemployment Rates*, Apr
OECD, *Economic Outlook*, Jul

D1: Interest Rates and the Money Supply

In consecutive monthly meetings from October 2008 to March 2009, the Bank of England cut the official Base Rate from 4.50% to 0.50%, the lowest in the Bank's 315-year history. It has remained at that level since then.

In March 2009, with little room for further cuts in interest rates, the Bank initiated an asset purchase or 'quantitative easing' (QE) programme. The Bank has created money which it has used to purchase assets in an effort to stimulate demand and meet its 2% inflation target. Money supply growth has, however, remained weak.

Official interest rates



UK Base/Repo rate changes

% per annum

Date	New rate	Date	New rate
2001 Oct 4	4.50	2007 Jan 11	5.25
Nov 8	4.00	May 10	5.50
2003 Feb 6	3.75	Jul 5	5.75
Jul 10	3.50	Dec 6	5.50
Nov 6	3.75	2008 Feb 7	5.25
2004 Feb 5	4.00	Apr 10	5.00
May 6	4.25	Oct 8	4.50
Jun 10	4.50	Nov 6	3.00
Aug 5	4.75	Dec 4	2.00
2005 Aug 4	4.50	2009 Jan 8	1.50
2006 Aug 3	4.75	Feb 5	1.00
Nov 9	5.00	Mar 5	0.50

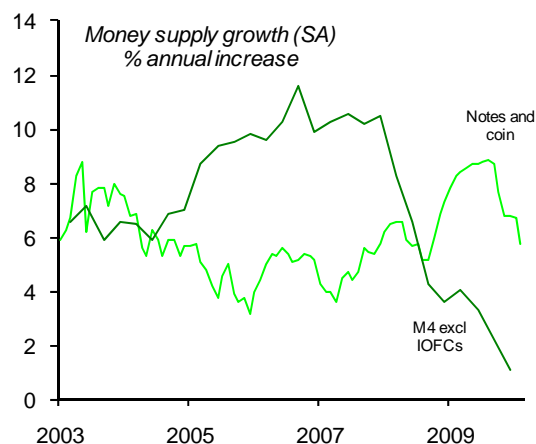
Source: Bank of England

- The European Central Bank's official interest rate has been 1% since 7 May 2009.
- The US Federal Reserve's target range for the federal funds rate has been 0-0.25% since 16 December 2008.

Asset purchase programme (quantitative easing)

- On 5 March 2009, the Bank of England announced that it would undertake a policy of "quantitative easing". The Bank said that it would purchase £75 billion of assets using money which it would create. This total was increased to £125 billion in May 2009, £175 billion in August 2009 and £200 billion in November 2009.
- The Bank of England has now purchased £200 billion worth of assets using created reserves. 99% of the purchases by value have been gilts (UK Government securities). No further purchases are scheduled.

Money supply



- In its February 2010 *Inflation Report*, the Bank of England noted that money supply growth has been weak, but less so than it would have been in the absence of the asset purchase programme.
- Annual growth in M4 excluding intermediate other financial corporations (a measure monitored by the Bank of England Monetary Policy Committee) was 1.1% in Q4 2009. That is the lowest recorded for this measure (series runs from Q4 1998) and compares with 11.6% in Q3 2006.
- The value of notes and coins in circulation outside the Bank of England rose by 5.8% in the year to February 2010.

Contact: Adam Mellows-Facer, x4904 **Updates:** Monetary policy: 8 Apr (UK) 8 Apr (ECB) 28 Apr (US)
Bank of England [Monetary & Financial Stats](#), 4 May

D2: Public Finances

The 2010 Budget forecasts that public borrowing will be £166.5 billion in 2009/10, equivalent to 11.8% of GDP.

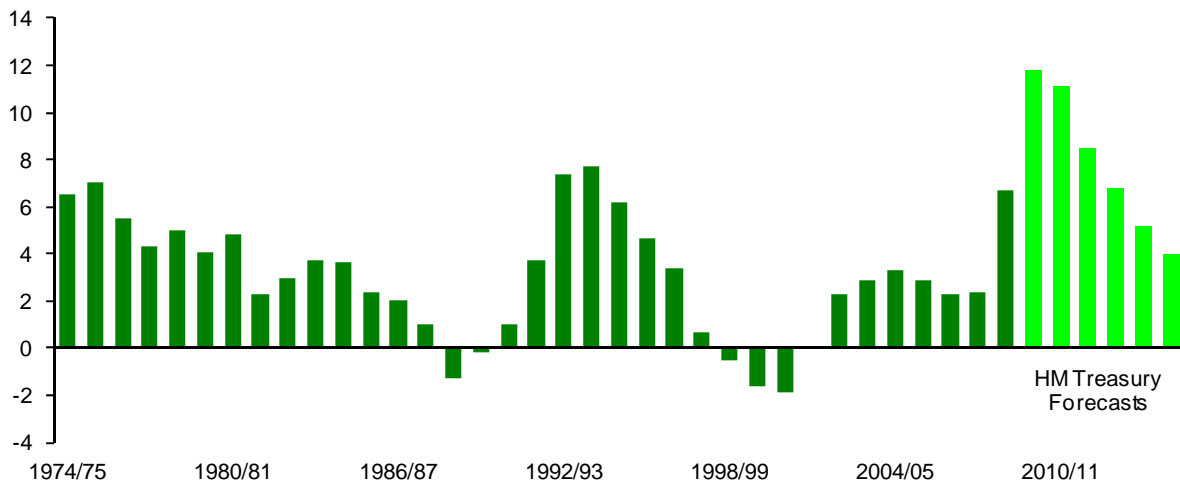
- The Budget forecasts for public sector borrowing and debt were slightly lower than those in the Pre-Budget Report in December 2009.
- The forecast levels of debt are very high by historical standards as shown in the charts below.
- The Government borrowed £131.9 billion over the first 11 months of the 2009/10 financial year. This is roughly twice the level borrowed in the same period of 2008/09.

	Net borrowing		Net debt	
	£ billion	% GDP	£ billion	% GDP
2008/09	96	6.7	617	43.8
2009/10	167	11.8	777	54.1
2010/11	163	11.1	952	63.6
2011/12	131	8.5	1,095	69.5
2012/13	110	6.8	1,218	73.0
2013/14	89	5.2	1,320	74.5
2014/15	74	4.0	1,406	74.9

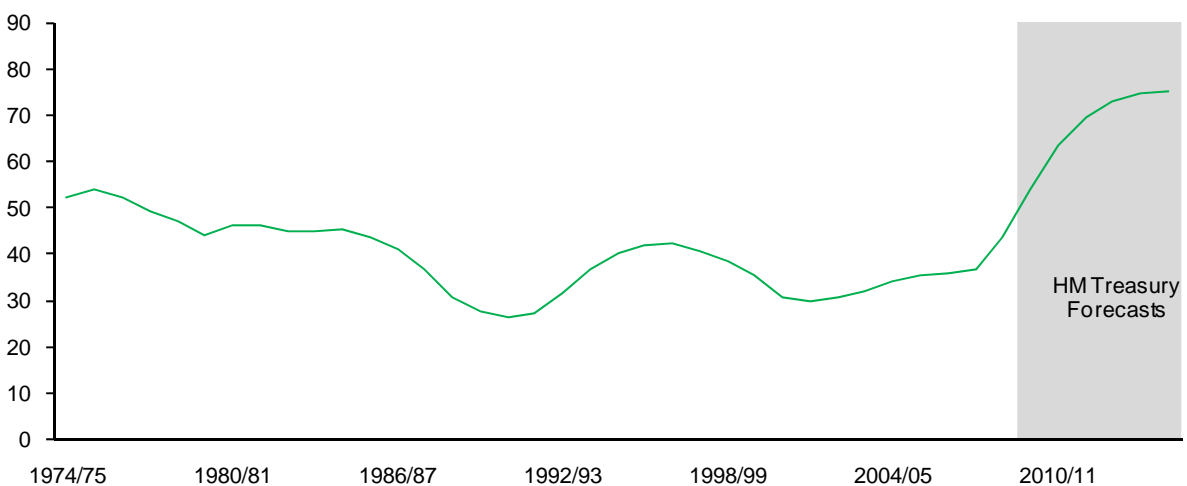
Source: ONS, HM Treasury forecasts

Note: figures exclude financial sector interventions

Public sector net borrowing (% of GDP)



Public sector net debt (% of GDP)



Contact: Dominic Webb, x4324

Update: ONS, [Public sector finances](#), 22 Apr

D3: Financial Indicators

The leading share index in the UK, the FTSE 100, tracks share-price movements in the country's 100 largest companies (by market capitalisation). It began in 1984 and hit an all-time high of 6,930 in December 1999. It approached those highs again in 2007, before falling sharply in 2008 and early 2009.

The price of oil nearly tripled in the 18 months to July 2008, reaching an all time high above \$145/barrel. A steep decline then followed to below \$40 by the end of 2008, before recovering in 2009.

The price of Gold hit an all-time high above \$1200/ounce in December 2009.

Data from Monday 5 April 2010

	FTSE-100	Oil (\$/bbl)	Gold (\$/oz)
05 Apr 2010	5,679.6	85.9	1,127.5
%change over:			
1-month	+1%	+7%	-1%
12-months	+42%	+64%	+30%
%change from:			
cyclical peak	-16%	-41%	-7%
date	15 Jun '07	03 Jul '08	03 Dec '09
cyclical trough	+62%	+136%	+59%
date	03 Mar '09	24 Dec '08	24 Oct '08

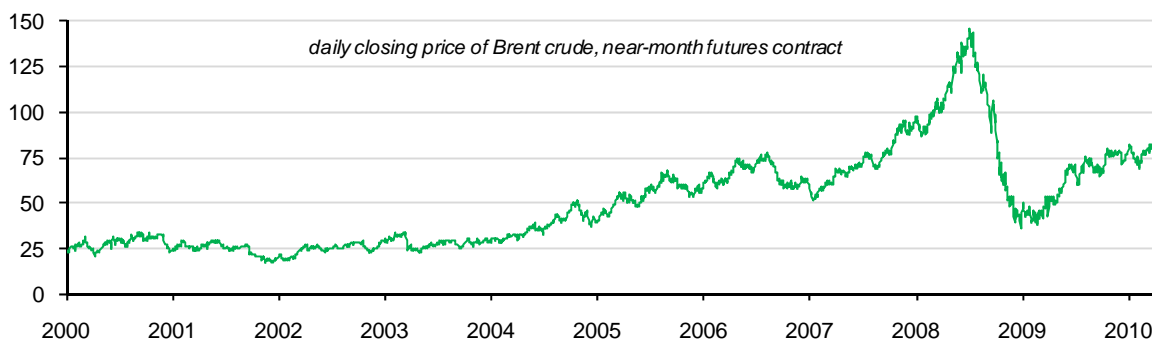
Note: Oil is Brent near-month futures price

Source: *Financial Times*

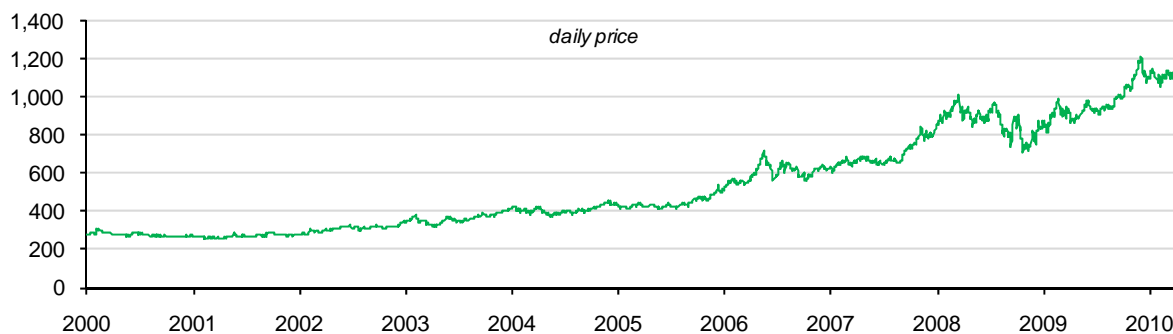
FTSE-100 Index



Oil price (\$ per barrel)



Gold price (\$ per ounce)



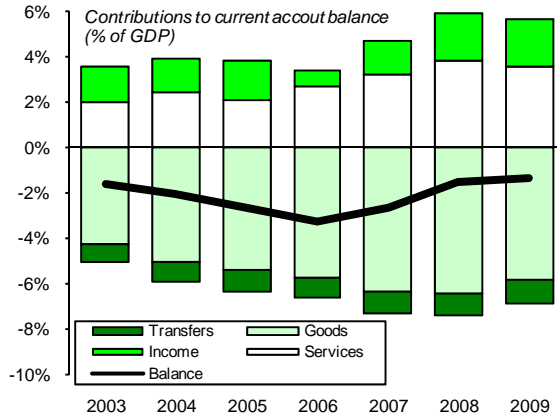
Contact: Daniel Harari, x2464

Update: Page updated on a weekly basis

E1: UK Balance of Trade

Annually, the current account deficit in 2009 was £18.4 billion, equivalent to -1.3% of GDP. The surplus on income and services narrowed between 2008 and 2009, but the deficit in goods narrowed by an even greater amount, resulting in the current account deficit narrowing in 2009 compared with 2008.

Current Account



- On a **quarterly** basis, the current account deficit was estimated at £1.7 billion in Q4 2009, narrowing from a Q3 2009 deficit of £5.9 billion. Between Q3 2009 and Q4 2009 the surplus on services widened as did the deficit on goods.
- The **annual** current account deficit with EU27 countries in 2009 was £19.5 billion, compared with a surplus with non-EU countries of £1.1 billion. On a **quarterly** basis, the deficit with EU27 countries was £8.2 billion in Q4 2009 (£3.9 billion deficit in Q3 2009). With non-EU countries, the current account was in surplus by £6.5 billion in Q4 2009 (£2.1 billion deficit in Q3 2009).

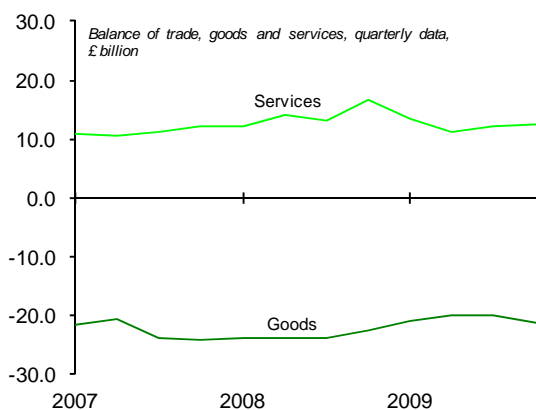
Current Account Balances

£ millions; seasonally adjusted

	Goods		Balance	Services	Goods and Services	Income	Transfers	Current Account Balance
	Exports	Imports						
2007	-68,789	24,611	-89,754	44,807	-44,947	20,775	-13,538	-37,710
2008	-77,399	31,005	-93,381	55,142	-38,239	30,293	-14,029	-21,975
2009	-87,425	36,464	-81,790	49,313	-32,477	28,656	-14,614	-18,435
2008 Q4	-20,143	8,559	-22,310	16,444	-5,866	1,940	-2,973	-6,899
2009 Q1	-20,845	8,956	-21,080	13,154	-7,926	7,487	-3,770	-4,209
Q2	-20,094	9,112	-19,847	11,676	-8,171	5,585	-4,044	-6,630
Q3	-23,187	9,345	-19,816	12,095	-7,721	5,299	-3,490	-5,912
Q4	-23,299	9,051	-21,047	12,388	-8,659	10,285	-3,310	-1,684

Source: ONS database, series: BQKU, BQKV, BOKG, BOKH, BOKI, FNSV, FNTC, HBOJ, HBOP, IKBD, IKBK, IKBP

Trade in Goods and Services



- The estimated deficit on goods trade in January was £8.0 billion, wider than the December deficit of £7.0 billion.
- The monthly trade surplus on services was £4.2 billion in January, down from the December surplus of £4.4 billion.
- The overall monthly deficit on goods and services combined in January was £3.8 billion, up from £2.6 billion in December.
- The goods deficit with the EU27 was £3.2 billion in January (compared with £3.6 billion in December), while the deficit with non-EU countries was £4.8 billion (compared with £3.4 billion in December).

Contact: Grahame Allen, x3977

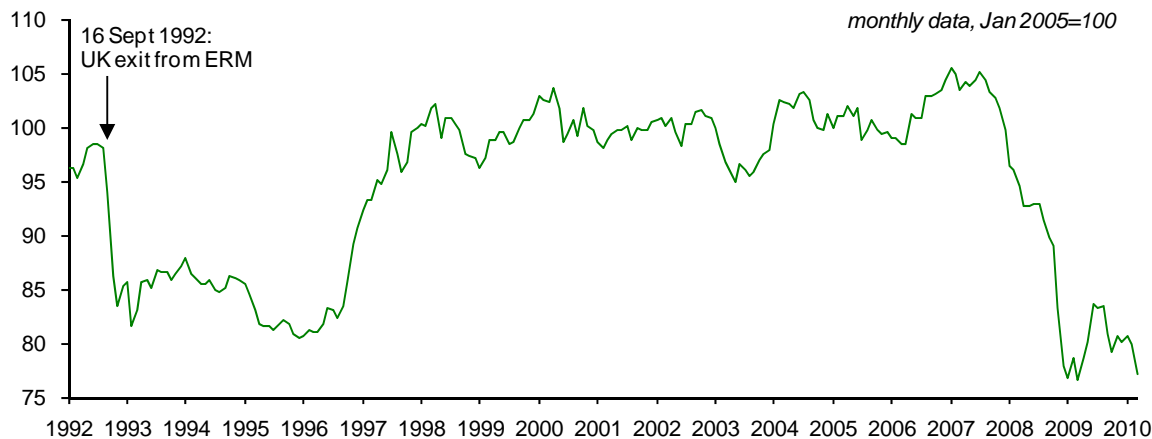
Updates: ONS, [UK Balance of Payments](#), 30 Jun;
ONS, [UK Trade](#), 13 Apr

E2: Exchange rates

The *Sterling Exchange Rate Index* (SERI) measures sterling's value against a 'basket' of currencies, 'trade-weighted' (based on currencies' relative importance in UK trade).

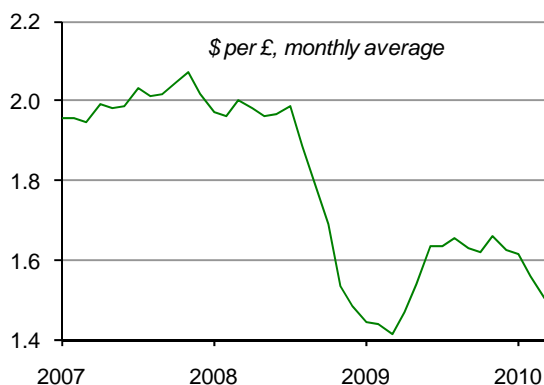
The SERI fell 3.4% during March 2010, after a 0.8% decline in February. It is now 0.7% above its lowest point in March 2009 (since 1980, when the series began), and down 26.5% from its July 2007 peak. Compared with the previous year, the Index was up 0.7% in March.

Sterling Exchange Rate Index (SERI)



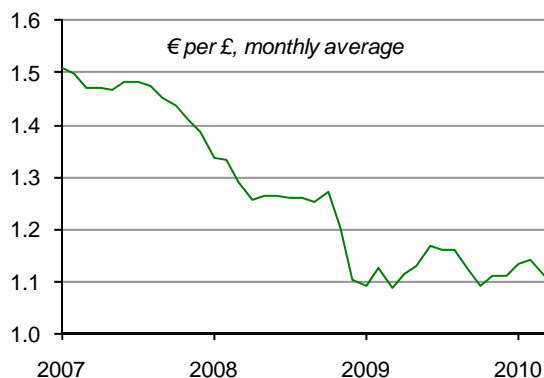
[Source: Bank of England, Bankstats database, XUMABK67]

US\$/£ Exchange Rate



- In March, the pound fell against the dollar and the euro.
- At the 5 April market close, the pound sterling was worth \$1.53. This is down 6% from \$1.62 at the beginning of the year.
- The pound was worth €1.13 at the 5 April close, compared with the all-time low of €1.02 (on 30 December 2008), and the launch rate of €1.48 on 31 December 1998.

€/£ Exchange Rate



Sterling Exchange Rates

average rates in period and % changes

	US Dollar (\$)		Euro (€)	
	Rate	% change on year	Rate	% change on year
2008	1.85	-7.5%	1.26	-13.9%
2009	1.57	-15.5%	1.12	-10.8%
2009 Mar	1.42	-29.2%	1.09	-15.7%
2009 Dec	1.62	9.3%	1.11	0.8%
2010 Jan	1.62	11.8%	1.13	3.7%
2010 Feb	1.56	8.4%	1.14	1.3%
2010 Mar	1.51	6.2%	1.11	2.1%

Source: Bank of England, Bankstats database

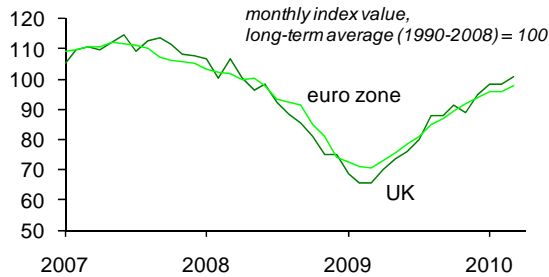
Contact: Ian Townsend, x2042

Updates: Bank of England, [SERI & monthly rates](#), 4 May; Financial Times, [Sterling Exchange Rates](#) (daily)

F1: Business and Consumer Confidence

Confidence surveys, with information generally released ahead of official statistical data, can indicate changes to the economic outlook as well as turning points in the economic cycle.

European Commission Economic Sentiment Indicator

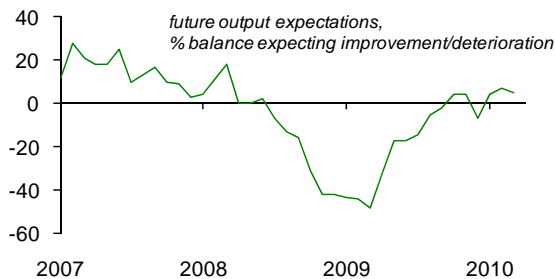


		UK Index	monthly change	change on year ago
2008	Mar	106.5	...	...
2009	Mar	65.4	...	...
2010	Jan	98.2	+3.2	+29.7
	Feb	98.3	+0.1	+32.7
	Mar	100.9	+2.6	+35.5

Source: European Commission

- The European Commission conducts regular harmonised surveys for different sectors (manufacturing, services, retail, construction and consumers) of all EU member states' economies.
- The overall UK sentiment index rose 2.6 points between February and March, to stand 35.5 points higher than it was this time last year.

CBI Industrial Trends Survey



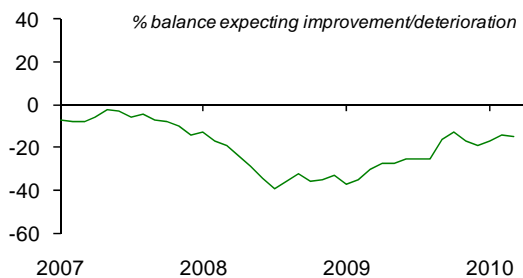
balance (as a %) of those expecting an improvement minus those expecting a deterioration

		Future output expectations	monthly change	change on year ago
2008	Mar	+18	...	...
2009	Mar	-48	...	...
2010	Jan	+4	+11	+47
	Feb	+7	+3	+51
	Mar	+5	-2	+53

Source: CBI, *Industrial Trends Survey*

- The CBI carries out monthly and quarterly *Industrial Trends* surveys.
- Manufacturers' output expectations in February were +5% of firms expecting output to rise rather than fall over the next three months. This was down slightly on February's figure of +7%, which was the strongest figure seen since March 2008.

GfK NOP Consumer Confidence Survey



balance (as a %) of those expecting an improvement minus those expecting a deterioration

		Consumer Conf. Index	monthly change	change on year ago
2008	Mar	-19	...	...
2009	Mar	-30	...	...
2010	Jan	-17	+2	+20
	Feb	-14	+3	+21
	Mar	-15	-1	+15

Source: GfK NOP, *Consumer Confidence*

- GfK NOP's *Consumer Confidence Barometer* measures a range of consumer attitudes, including forward expectations of the general economic situation and households' financial positions, and views on making major household purchases.
- The overall index stood at -15 in March, down 1 point on February, and 15 points higher than a year ago.

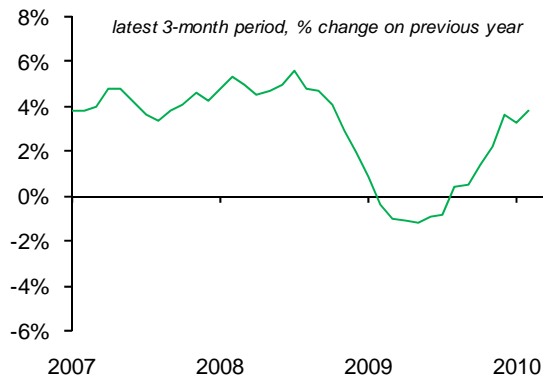
Contact: Ian Townsend, x2042

Update: GfK NOP, [Consumer Confidence](#), 30 Apr
CBI, [Industrial Trends](#), 18 Apr
EC, [Economic Sentiment Indicator](#), 29 Apr

F2: Retail Sales

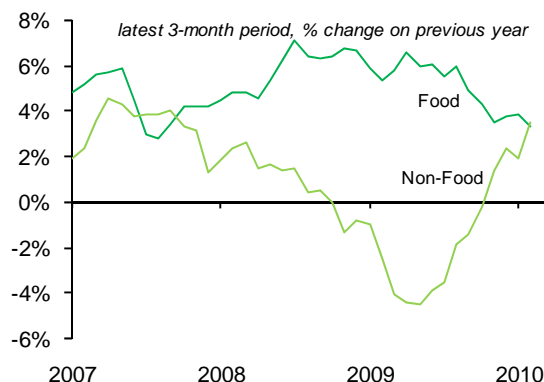
Retail sales are an indicator of household consumption. A number of retail sales surveys are conducted, for instance by the CBI; however, this page only uses data and information from the ONS.

Value of Retail Sales



- From January, total retail sales now include the sale of automotive fuel. This change has been reflected in the charts and data on this page.
- The seasonally-adjusted value of retail sales in the three months to February was 3.8% higher than a year ago, up from 3.3% in January.
- The value of retail sales in February alone was up by 1.9% compared with January, the largest monthly increase since May 2008. This follows a sharp 2.5% monthly decline in January.
- The estimated total value of sales in February was £22.9 billion (non-seasonally-adjusted).

Value of Food & non-Food Store Sales



- The value of sales in food stores in the three months to February was 3.3% higher than a year ago, the lowest since August 2007.
- The value of sales in non-food stores in the three months to February was 3.5% higher than a year ago, the highest since September 2007.
- Sales in household goods stores fell by 0.3% in the three months to February.
- Sales in clothing and footwear stores rose by 3.2% in the three months to February.

Value of Retail Sales

annual data and latest 3-month period, % change on previous year; seasonally adjusted

	Food Stores	Non-Food Stores				All retailing total
		Clothing & Footwear	Household goods	Other	Total	
2008	6.0	0.3	-2.2	6.1	0.9	4.1
2009	5.2	0.9	-5.1	-3.4	-1.8	0.6
2009						
Oct	4.3	0.0	-1.1	-2.6	-0.2	1.4
Nov	3.5	1.3	0.7	-0.4	1.4	2.2
Dec	3.8	1.6	2.0	2.0	2.4	3.6
2010						
Jan	3.9	1.5	-1.3	3.0	1.9	3.3
Feb	3.3	3.2	-0.3	5.1	3.5	3.8

Source: ONS, series: IEAU, IEBJ, IEBM, IEBA, IEAX, J5BY

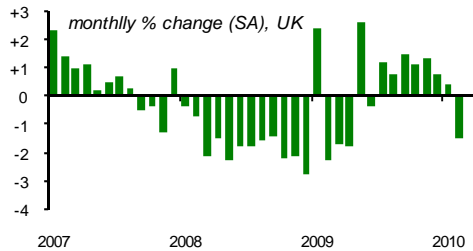
F3: Housing Market

After several months of steady increases, house prices on both the Nationwide and Halifax indices fell in February 2010. Nationwide data showed a subsequent rise in March, suggesting this might not necessarily be a new trend: the falls might be explained by the snowy weather and the expiration of the stamp duty 'holiday'.

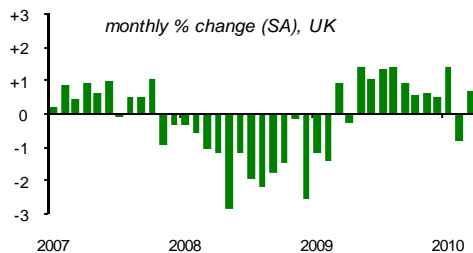
Concern has been expressed that recent increases in prices reflect supply constraints rather than healthy wider conditions. Numbers of mortgage approvals and housing starts remain well below pre-recession levels.

House price indices

Halifax house price index



Nationwide house price index

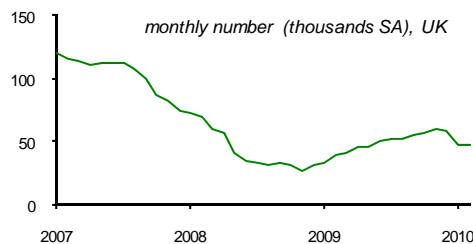


Latest monthly data
UK, seasonally adjusted

	Halifax	Nationwide
Latest data	Feb-10	Mar-10
Change in month	-1.5%	+0.7%
Change in year	+4.2%	+9.0%
Peak date	Aug-07	Jul-07
Change since peak	-16.4%	-9.2%
Trough date	Apr-09	Feb-09
Change since trough	+8.0%	+10.1%

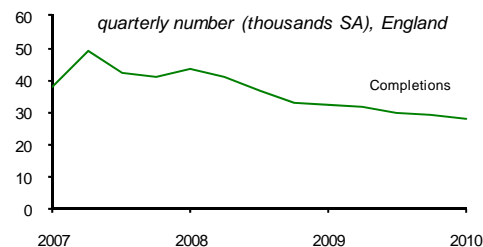
- On the Halifax index, prices are now at a similar level to those in October 2008. According to Nationwide they have recovered to August 2008 levels.
- There is considerable regional variation. Over 2009, prices fell by 7% in Northern Ireland but rose by 7% in London (Nationwide data). Prices rose by more in the south of England than the north over the year.

Mortgage approvals



- Bank of England data on the number of mortgages approved to finance house purchases are a leading indicator of house sales.
- There were 47,000 mortgage approvals in February 2010, with numbers remaining low following a sharp fall in January.

House-building



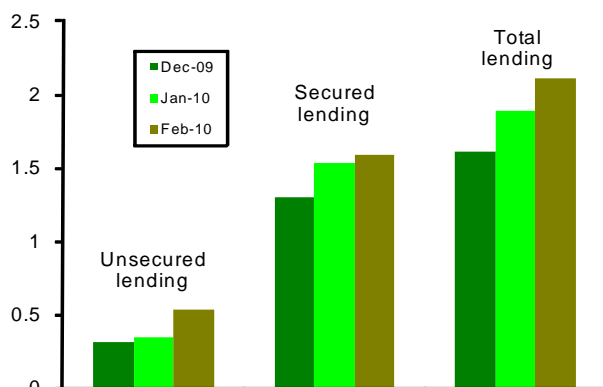
- There were nearly 22,000 dwelling starts in England in Q4 2009. The DCLG has withdrawn previous housing starts data while they are revised to ensure consistency with current data collection methods.
- The number of dwelling completions has fallen in each of the last eight quarters for which data are available.

Contact: Adam Mellows-Facer, x4904

Updates: Halifax [House Price Index](#), early Apr;
Nationwide [House Price Index](#), early May;
Bank of England, [Lending to Individuals](#), 4 May;
DCLG, [House-building](#), 20 May

F4: Household debt

Monthly Net Lending, last three months, £ bn



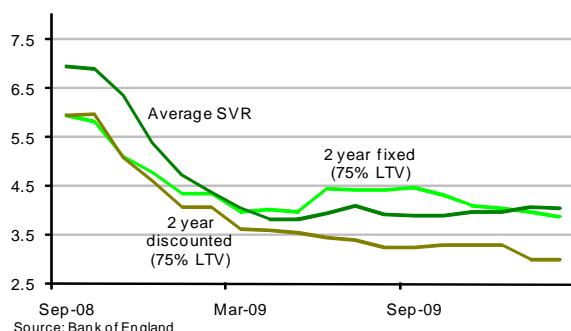
Net outstanding lending to individuals

£ billions; seasonally adjusted

	Secured	Unsecured	Total
2006 Feb	982	211	1,193
2007 Feb	1,096	213	1,310
2008 Feb	1,194	230	1,424
2009 Feb	1,227	233	1,460
May	1,228	232	1,460
Aug	1,229	229	1,459
Nov	1,233	227	1,460
2010 Feb	1,239	225	1,464

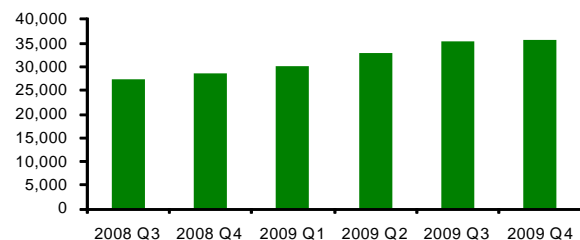
Source: Bank of England, series: VTXK, VZRI, VTXC

Current average mortgage interest rates



Source: Bank of England

Individual Insolvencies, England and Wales (nsa)



Source: Insolvency Service

Data on lending to individuals is published on a monthly basis and is seasonally adjusted.

- Total net lending to individuals grew by £2.1 billion in February 2010. Monthly net lending peaked in October 2003 at £12.0 billion.
- Monthly net unsecured lending grew by £500 million in February 2010.
- Monthly net secured lending (mortgages) rose by £1.6 billion in February 2010.
- The annualised three-month growth rate for net lending was 1.5% in February 2010, an increase of 0.2 percentage points from January 2010.

- Total net outstanding lending to individuals was £1,464 billion at the end of February 2010.
- Secured lending (mortgages) is the largest form of lending at £1,239 billion, 85% of total lending outstanding.
- Unsecured lending outstanding (including credit cards) was £225 billion.
- Secured lending outstanding is 39% higher in February 2010 compared to the same month in 2005. Unsecured lending has risen by 11% in the same period.

- Average interest rates offered by banks and building societies have fallen sharply since late 2008 (all Bank of England data).
- The average Standard Variable Rate (SVR) in February 2010 was 4.05%, 3.45 percentage points lower than in February 2008.
- The average fixed and discounted rates offered (75% LTV) in February 2010 were 3.88% and 3.01% respectively (1.86 and 2.72 percentage points lower than in February 2008).

- Q4 2009 provisional data indicates there were 35,574 individual insolvencies (bankruptcy orders, IVAs or debt relief orders) in England and Wales (not seasonally adjusted), a 24.9% increase on Q4 2008. This was made up of 17,007 bankruptcies, 13,219 IVAs and 5,348 Debt Relief Orders.
- In Scotland in Q4 2009 there were 5,678 individual insolvencies, a fall of 2.7% on Q4 2008.
- In Northern Ireland in Q4 2009 there were 574 individual insolvencies, a rise of 29.6% on Q4 2008.

Contact: Ed Potton, x2883

Update: Bank of England, [Lending to Individuals](#), 4 May
Insolvency Service, [Q1 Insolvency Statistics](#), 7 May

4 Indicator sources

The table gives details of sources used in this paper. Office for National Statistics (ONS) releases are available from www.statistics.gov.uk/press_release/CurrentReleases.asp.

Indicator		Source details
A1	Gross Domestic Product	ONS releases: <i>Preliminary GDP Estimates</i> ; <i>Quarterly National Accounts</i> ; <i>UK output, income & expenditure</i> ; HM Treasury, <i>Forecasts for the UK Economy</i>
A2	GDP: International Comparisons	Gross Domestic Product: Organisation for Economic Co-operation and Development (OECD), <i>Main Economic Indicators</i> , via Stat.OECD database (link to user defined table) Growth Forecasts: OECD, <i>Economic Outlook</i> (via www.sourceoecd.org), IMF <i>World Economic Outlook database and updates</i> European Commission's growth forecasts
A3	Components of GDP	ONS releases: <i>Preliminary GDP Estimates</i> ; <i>Quarterly National Accounts</i> ;
A4	Output and Employment by Industry	ONS releases: <i>Preliminary GDP Estimates</i> ; <i>Quarterly National Accounts</i> ; <i>UK output, income & expenditure</i>
A5	Manufacturing (Including Automotives)	ONS, <i>Index of Production</i> SMMT, <i>Vehicle Production</i> SMMT, <i>New Car Registrations</i>
A6	Productivity	ONS, <i>Productivity</i>
B1	Prices	ONS, <i>Consumer Price Indices</i>
B2	Prices: International Comparisons	CPI: OECD, <i>Main Economic Indicators</i> ; EU data: Eurostat news release and database
B3	Average Earnings Index	ONS, <i>Labour Market Statistics</i>
C1	Employment	ONS, <i>Labour Market Statistics</i>
C2	Unemployment: National	ONS, <i>Labour Market Statistics release</i> and <i>Labour Market Statistics First Release Historical Supplement</i> (via Virtual Bookshelf); Commentary: Department for Work and Pensions (DWP) <i>Quarterly Working Age Statistics for New Deal for Young People & Long-term Unemployed</i> (table 6);
C3	Unemployment: Regional	ONS, <i>Labour Market Statistics</i>
C4	Unemployment: International Comparisons	Data: OECD, <i>Main Economic Indicators</i> Commentary: OECD, <i>Main Economic Indicators & Economic Outlook</i>

Indicator		Source details
D1	Interest Rates and the Money Supply	UK: Bank of England, Monetary Policy Committee decisions & minutes US: Federal Reserve, Federal Open Market Committee decisions ECB: European Central Bank news releases Short term interest rates (graph): OECD; <i>Main Economic Indicators</i> ; Bank of England: Bankstats , tables A 1.1 and A 2.2.1; and ONS Database.
D2	Public Finances	Data: ONS, Public Sector Accounts or Public Sector Finances ; ONS database Forecasts of budget balance: HM Treasury, <i>Pre-Budget Report</i> , table B2 or <i>Budget Red Book</i> , table C2.
D3	Financial Indicators	<i>Financial Times</i>
E1	UK Balance of Trade	ONS, Balance of Payments ONS, UK Trade
E2	Exchange Rates	Sterling effective exchange rates and sterling-dollar/euro rates: Bank of England, <i>Bankstats</i> database (annual and monthly)
F1	Business and Consumer Confidence	European Commission: Economic Sentiment Indicator Future Output Expectations/Quarterly Business Confidence: Confederation of Business Industry (CBI), Economic and Business Outlook and Quarterly Industrial Trends Survey press releases; Consumer Confidence: GfK NOP Consumer Confidence Barometer
F2	Retail Sales	ONS, Retail Sales
F3	Housing Market	Department for Communities and Local Government (DCLG, formerly Office of the Deputy Prime Minister) UK Housing Starts: table 201 ; DCLG House building statistics: statistical release ; Halifax House Price data: housing research page ; DCLG Experimental House Prices: statistical release
F4	Household Debt	Bank of England Lending to Individuals ; Insolvency Service, Q3 Insolvency Statistics

5 Glossary

Symbols and abbreviations

..	Figure(s) not yet available
CBI	Confederation of British Industry
ILO	International Labour Organisation
OECD	Organisation for Economic Co-operation and Development
ONS	Office for National Statistics

Definitions¹

Average Earnings Index: Measures changes in gross wages and salaries paid to employees, including overtime payments. Excludes employers' insurance contributions, holiday pay, benefits in kind and bonuses which are not part of regular pay.

Balance of payments: A country's financial position, with other countries of the world, comprising two parts:

Current account: the balance of imports and exports of goods and services, income and transfers combined;

Capital account: the difference between a country's capital invested in other countries, and the capital invested by other countries in it.

Technically, the two parts always balance. A Balance of payments deficit normally refers to a **current account deficit**.

Balance of trade: The difference between a country's exports and imports of either goods only or goods and services combined. Trade in financial services account for around a third of UK exports, and thus partially offsets trade in goods deficits.

Basic prices: Prices excluding taxes and subsidies on products.

Claimant count: The number of people claiming Jobseeker's Allowance benefits.

Consumer Prices Index (CPI): This is the headline UK domestic measure of inflation. It measures the average change from month to month in the prices of consumer goods and services purchased in the UK.

Current account balance/deficit: The difference between receipts/payments due to transactions in goods, services, income and transfers between the UK and all other countries. A current account deficit means that total payments exceed total receipts; in the reverse case, the current account is in surplus.

Current budget: Measures the balance of public sector current account revenue over public sector current expenditure.

Constant/current prices: Constant prices refer to volume measures whose values are derived by applying to current quantities, prices for a specific base period. They allow figures to be represented so that the effects of inflation are removed. The values for each time period are expressed in terms of the prices in a particular base period.

Current prices are the actual or estimated recorded monetary value over a defined period for a group of industries or products. They show the value for each item expressed in terms of the prices of that period.

Economically active: Those aged 16 and over who are either in employment or unemployed.

Economically inactive: Those aged 16 and over who are neither in employment nor unemployed. This includes those who want a job but have not been seeking work in the last four weeks, those who want a job and are seeking work but not available to start work, and those who do not want a job.

Employment: The number of people with jobs as estimated by the Labour Force Survey (LFS). This includes all people aged 16 or over who did paid work, those who had a job that they were temporarily away from, those on government supported training and employment programmes, and those doing unpaid family work during the survey period. The employment rate refers to the number of people employed as a percentage of the working age population as measured by the LFS.

Exchange rate: The rate at which one currency is traded against another.

Gross Domestic Product (GDP): The total market value of goods and services produced after deducting the cost of goods and services used up in the process of production (intermediate consumption) but before deducting consumption of fixed capital (depreciation).

Gross Domestic Product – chained volume measure: Also known as constant price or real GDP, this is a measure used to indicate change in the actual quantity of goods and services produced.

Gross Fixed Capital Formation (GFCF): Expenditure on fixed assets (buildings, vehicles etc.) either for replacing or adding to the stock of existing assets. Business investment is GFCF by the private sector and public corporations on *[cont.]*

1. Sources: ONS, HM Treasury, HM Revenue and Customs, Finance-Glossary.com.

transport equipment, other machinery and equipment and new dwellings and structures other than dwellings.

Gross Value Added (GVA): The difference between output and intermediate consumption for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production. GVA is used to measure the productivity of sectors/industries and economies.

Harmonised Indices of Consumer Prices (HICP): Harmonised indices of consumer prices for Member States of the European Union.

Market prices: The prices actually paid by the purchaser for goods and services, including transport costs, trade margins and taxes. $\text{GDP at market prices} = \text{GDP at basic prices} + \text{transport prices paid separately} + \text{non deductible taxes on expenditure} - \text{subsidies received}$.

Money supply: The total amount of money in an economy at a given time. In the UK the main measures of money supply are:

M0 which comprises notes and coins in circulation outside the Bank of England plus bankers' operational deposits with the Bank and is the UK's main narrow monetary aggregate.

M4 which is a broad measure of money consisting of the private sector's holdings of cash and sterling deposits at banks and building societies.

New Deal for Young Persons (NDYP): A Government employment programme designed to help the long-term unemployed between the ages of 18-24 back into sustained employment through the provision of training, education, work experience, and job-search support.

New Deal for 25 plus (ND25+): A Government employment programme designed to help the long-term unemployed aged 25 and over back into sustained employment through the provision of training, education, work experience, and job-search support.

The Public Sector Net Cash Requirement (PSNCR): This measures the public sector's accumulation of debt net of liquid financial assets. Its approximate stock equivalent is net public sector debt.

Public Sector Net Debt: This is approximately the stock analogue of the PSNCR. It measures the public sector's financial liabilities to the private sector and abroad, net of short-term financial assets

such as bank deposits and foreign exchange reserves.

Retail Prices Index (RPI): A domestic indicator of inflation. It measures the average change from month to month in the prices of goods and services purchased in the UK. It is similar to the CPI, but differs in terms of coverage and methodology. **RPI(X)** excludes mortgage interest payments.

Seasonally adjusted: Estimates in which the element of variability due to seasonal influences has been removed. Seasonal influences are those which recur regularly once or more a year.

Sterling Exchange Rate Index (SERI): This measures the value of sterling against a trade-weighted 'basket' of other currencies. The weights used in this index measure currencies' relative importance to UK trade in manufacturing.

Sustained employment: In terms of the New Deal programmes, sustained employment is classified as a job from which the participant does not return to claim Jobseeker's Allowance (JSA) or transfer to another option within 13 weeks. It includes those who have been in employment for less than 13 weeks but have not yet returned to JSA.

UK Base/Repo rate: The rate at which the Bank of England lends to discount houses by buying their bills. The base rate is usually the minimum rate at which banks are prepared to lend money. The high street bank base rate follows that set by the Bank of England, and it acts as the benchmark for other interest rates, including mortgages and personal loans.

Unemployment: The ILO definition includes all people who are: out of work, want a job, have actively sought work in the previous four weeks and are available to start work within the next fortnight; or are out of work and have accepted a job that they are waiting to start in the next fortnight.

Unemployment rate: The number of unemployed persons expressed as a percentage of the economically active population.

Volume/value of retail sales: The volume of retail sales is the total takings adjusted for inflation and the value of retail sales is the total actual takings.

Workforce jobs: The sum of employee jobs, self-employment jobs, those in HM Forces and government-supported trainees