



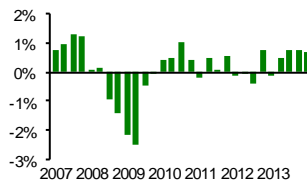
Economic Indicators, Budget update

RESEARCH PAPER 14/15 17 March 2014

This update is published ahead of the 2014 Budget. It summarises the main economic indicators currently available for the UK and other major economies.

Further information can be found in the House of Commons Library Standard Note, [Budget 2014: Background Briefing](#).

GDP growth (% change quarter-on-quarter)



GDP grew by 0.7% in Q4 2013, following growth of 0.8% in Q3.

Inflation (CPI) (% change on year ago)



The CPI annual inflation rate was 1.9% in January 2014, below the Bank of England's target of 2.0%.

Employment (total, millions)



There were 30.15 million people aged 16 and over in employment in October-December 2013, up 193,000 on the quarter. The employment rate was 72.1%.

Chris Rhodes (editor)

Recent Research Papers

14/05	Consumer Rights Bill [Bill 161 of 2013-14]	27.01.14
14/06	Deregulation Bill [Bill 162 of 2013-14]	30.01.14
14/07	Economic Indicators, February 2014	04.02.14
14/08	Criminal Justice and Courts Bill [Bill 169 of 2013-14]	20.02.14
14/09	Unemployment by Constituency, February 2014	19.02.14
14/10	Census 2011 Constituency Results: United Kingdom	27.02.14
14/11	Inheritance and Trustees' Powers Bill [HL] [Bill 172 of 2013-14]	26.02.14
14/12	Economic Indicators, March 2014	04.03.14
14/13	Care Bill [HL]: Committee Stage Report	05.03.14
14/14	Intellectual Property Bill [HL] Committee Stage Report	10.03.14

Research Paper 14/15

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Economic Policy and Statistics section

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We welcome comments on our papers; these should be e-mailed to papers@parliament.uk.

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1 Introduction to *Economic Indicators*

Economic Indicators Research Papers are usually published on the first Tuesday of the month. Individual indicator pages are updated more frequently and are 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, Chris Rhodes, on x2454.

Weekly email alert

A weekly email alert with updated indicators is available to Members and their staff on request. To subscribe, please visit <http://intranet.parliament.uk/research-online/statistics/economic-indicators/>

Sources and glossary

A guide to sources is provided in section 5. Economic terms, symbols and abbreviations used in the publication are described in the glossary in section 6.

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:

Subject	Statistician	tel. extn.
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Business	Chris Rhodes	2454
EC finance	Matthew Keep	2042
GDP	Dominic Webb	2042
Employment	Feargal McGuinness	4904
Financial services	Dominic Webb	2042
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Incomes	Daniel Harari	2464
Industries	Chris Rhodes	2454
International Trade	Dominic Webb	2042
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International development	Lorna Booth	2883
International economies	Daniel Harari	2464
Prices and interest rates	Dominic Webb	2042
Public expenditure	Matthew Keep	4324
Taxation	Matthew Keep	4324
Unemployment	Feargal McGuinness	4904
Wages and earnings	Jack Evans	2464

¹ <http://intranet.parliament.uk/research-online/statistics/economic-indicators/>

² <http://intranet.parliament.uk/people-offices/offices-departments/commons-departments/commons-information-services/commons-library/publications/using-the-commons-library/>

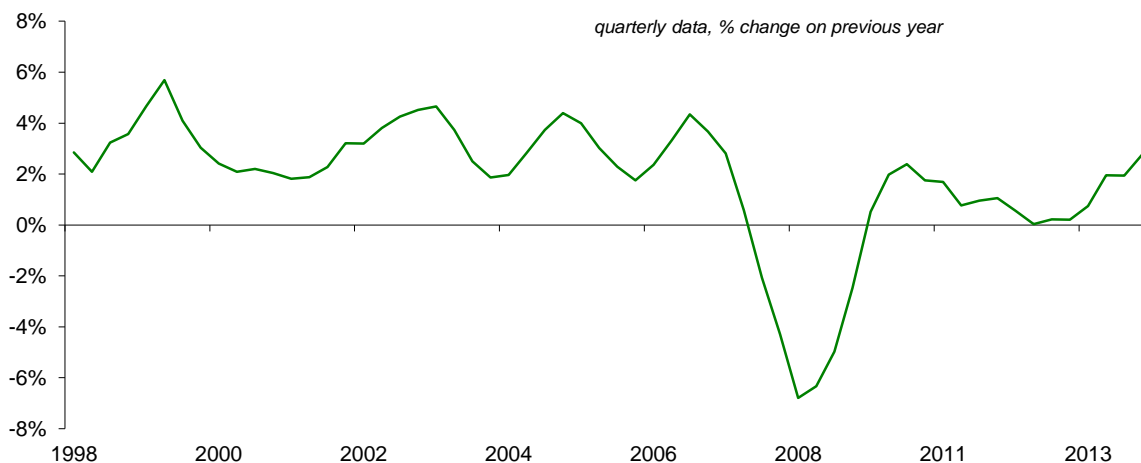
A1: Gross Domestic Product

Estimates show the economy grew by 0.7% in Q4 2013, following growth of 0.8% in Q3 2013. Real GDP in Q4 2013 is thought to be 1.3% below its pre-recession peak. In December, HM Treasury's average of independent economic forecasts of GDP growth was 2.6% for 2014. The Office for Budget Responsibility's (OBR) central forecasts from December 2013 are for growth of 2.4% in 2014.

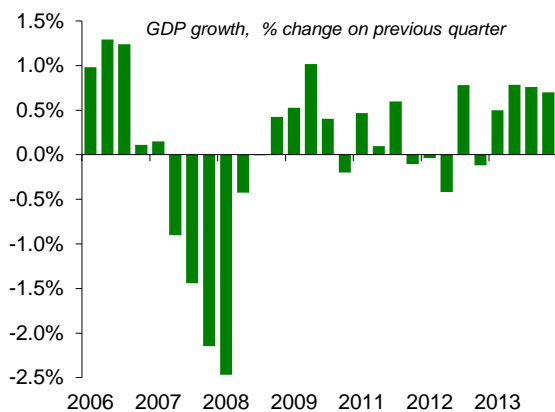
In a major revision to its GDP figures [published on 27 June](#), the ONS estimated that the 2008-09 recession was deeper than previously thought. Though the ONS revised away the technical 'double-dip' recession between Q4 2011 and Q2 2012, other downward revisions to quarterly figures left the growth picture over the previous two years broadly unchanged.

In Q4 2013, output of the production industries increased by an estimated 0.7% compared to the previous quarter (based on chained volume measures). Construction sector output fell by 0.3%, while output of the services industry increased by 0.8%.

Real GDP Growth since 1998



Real GDP Growth since 2007



Gross Domestic Product

	Current prices		Real GDP (inflation-adjusted)	
	£ billion	% change on year	% change on quarter	% change on year
2010	1,486	4.8	...	1.7
2011	1,537	3.5	...	1.1
2012	1,567	2.0	...	0.3
2013			...	1.9
2012 Q1	387.8	2.6	0.0	0.6
Q2	387.8	1.7	-0.4	0.0
Q3	392.0	1.0	0.8	0.2
Q4	397.3	2.6	-0.1	0.2
2013 Q1	401.6	3.0	0.5	0.7
Q2	404.1	4.2	0.8	2.0
Q3	409.8	4.5	0.8	1.9
Q4	..	..	0.7	2.8

Source: ONS, series: YBHA, ABMI

Contact: Gavin Thompson, x2042

Updates: HMT, [Forecasts for the UK economy](#), 19 Mar 2014
ONS, [Quarterly national accounts](#), 28 Mar 2014

A2: GDP: International Comparisons

In Q4 2013, GDP in the UK grew by 0.7% compared with the previous quarter. This was slightly lower than in the US, which grew by 0.8%, but higher than the eurozone which grew by 0.3%. Germany's economy expanded by 0.4%, while in France there was GDP growth of 0.3%.

Real GDP (% changes)

	change on prev. year				change on prev. quarter			
	13Q1	13Q2	13Q3	13Q4	13Q1	13Q2	13Q3	13Q4
UK	0.7	2.0	1.9	2.8	0.5	0.8	0.8	0.7
Eurozone	-1.2	-0.6	-0.3	0.5	-0.2	0.3	0.1	0.3
US	1.3	1.6	2.0	2.7	0.3	0.6	1.0	0.8
Japan	-0.1	1.3	2.4	2.7	1.2	1.0	0.3	0.3
Germany	-0.3	0.5	0.6	1.4	0.0	0.7	0.3	0.4
France	-0.4	0.5	0.3	0.8	-0.1	0.6	0.0	0.3
G7	0.5	1.1	1.5	..	0.3	0.6	0.7	..
OECD	0.6	1.0	1.5	..	0.3	0.6	0.6	..

Source: OECDstat

In [January 2014](#), the IMF raised their 2014 and 2015 growth forecasts for the UK, last made in October 2013, from 1.8% to 2.4% in 2014 and from 2.0% to 2.2% in 2015. GDP growth forecasts for 2014 were raised slightly for Germany (from 1.4% to 1.6%), the eurozone (from 0.9% to 1.0%) and the US (from 2.6% to 2.8%). Forecasts for France were left unchanged at 0.9% in 2014.

In [November 2013](#), the OECD revised up sharply their growth forecasts for the UK to 1.4% in 2013, from their previous May forecast of 0.8%, and 2.4% in 2014, from 1.5%. 2013 forecasts for France were also revised up, from -0.3% to +0.2%, while the 2013 growth estimate for Germany was raised from 0.4% to 0.5%. The 2013 forecast for world growth was revised lower from 3.1% to 2.7%.

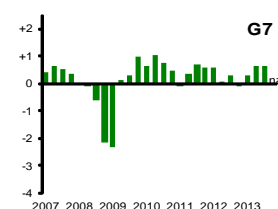
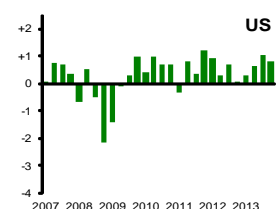
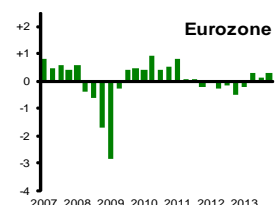
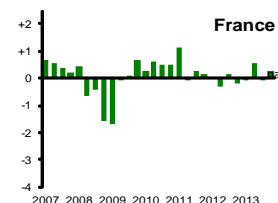
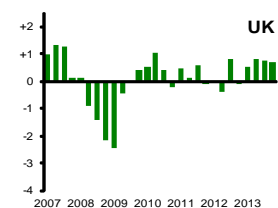
In [February 2014](#), the European Commission raised their GDP growth forecasts for the UK, last made in November 2013, from 1.3% to 1.9% for 2013 and from 2.2% to 2.5% for 2014. Their growth forecast for the eurozone was left unchanged at -0.4% for 2013 and raised slightly from 1.1% to 1.2% for 2014.

Real growth forecasts (% change)

	IMF (Oct 13)		EC (Feb 14)		OECD (Nov 13)	
	2014	2015	2014	2015	2014	2015
UK	2.4	2.2	2.5	2.4	2.4	2.5
France	0.9	1.5	1.0	1.7	1.0	1.6
Germany	1.6	1.4	1.8	2.0	1.7	2.0
Eurozone	1.0	1.4	1.2	1.8	1.0	1.6
US	2.8	3.0	2.9	3.2	2.9	3.4
Japan	1.7	1.0	1.6	1.3	1.5	1.0
OECD	..	..	..	..	2.3	2.7
China	7.5	7.3	7.4	7.4	8.2	7.5
India	5.4	6.4	..	..	4.7	5.7
Brazil	2.3	2.8	..	..	2.2	2.5
World	3.7	3.9	3.6	3.9	3.6	3.9

Sources: IMF Jan 2014 WEO; EC Winter'14 f'cast; OECD Econ. Outlook Nov'13

Quarter-on-quarter growth rates



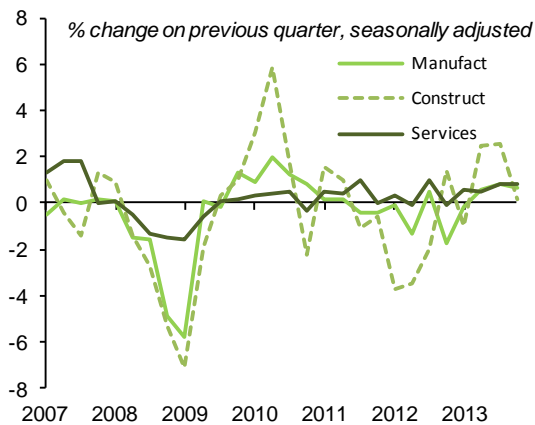
Contact: Daniel Harari, x2464

Update: OECD, [OECD.Stat](#) database
 OECD, [Economic Outlook](#), May/June 2014
 IMF, [World Economic Outlook](#), Apr/May 2014
 EC, [Spring Economic Forecast](#), May 2014

A3: Components of GDP

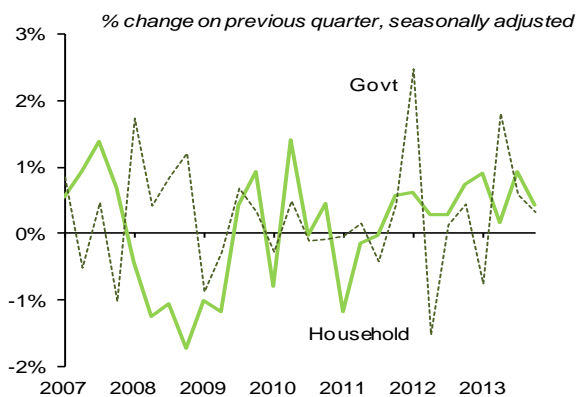
GDP can be analysed by output and expenditure. In 2012, the service sector accounted for 79% of economic output, the production sector for 15% and the construction sector for 6%. Household consumption is the largest element of expenditure, accounting for 62% of the total in 2012. Government consumption accounted for 23% and investment for 14%.

Output by industry – gross value added



- Gross value added (GVA) measures economic output from parts of the economy such as industries or regions.
- Service sector output increased by 0.8% in Q4 2013 compared with Q3 2013 in real terms, unchanged from the previous quarter.
- Manufacturing output increased by 0.7%, down slightly on the previous quarter's figure of 0.8%.
- Construction sector output increased by 0.2%. This compares with growth of 2.6% in Q3.

Expenditure - household and government consumption



- In Q4 2013, household consumption grew by 0.4% in real terms compared with Q3 2013.
- Government consumption increased by 0.3% in Q4 2013. Gross fixed capital formation increased by 2.4%. Exports increased by 0.4% while imports fell by 0.9% in Q4 2013.
- Overall GDP grew by 0.7% in Q4 2013.

Components of GDP

% change on previous quarter (real terms)

	Household consumption	Government consumption	GFCF (a)	Exports	Imports	GDP
2012 (annual % change)	1.5%	1.6%	0.7%	1.1%	3.1%	0.3%
2013 (annual % change)	2.4%	0.9%	-0.5%	0.8%	0.4%	1.8%
2012 Q4	0.7%	0.4%	-4.5%	-1.9%	-0.2%	-0.1%
2013 Q1	0.9%	-0.8%	0.5%	0.0%	-2.4%	0.4%
2013 Q2	0.2%	1.8%	3.9%	3.1%	3.0%	0.7%
2013 Q3	0.9%	0.6%	1.7%	-2.8%	0.7%	0.8%
2013 Q4	0.4%	0.3%	2.4%	0.4%	-0.9%	0.7%

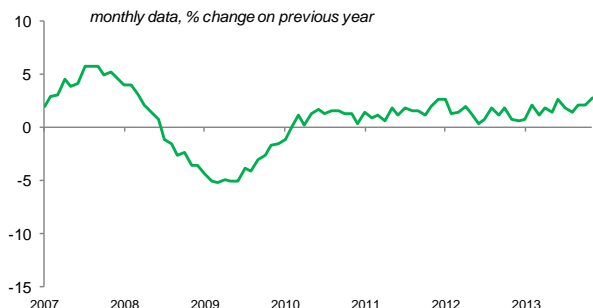
Source: ONS series ABJR, NMRY, NPQT, IKBK, IKBL and ABMI

Note: (a) gross fixed capital formation

A4: Services

The service industries incorporate the retail sector, the financial sector, the public sector, business administration and cultural activities. In 2012, the service sector accounted for 79% of total UK economic output (Gross Value Added) and for 83% of jobs.

Services output

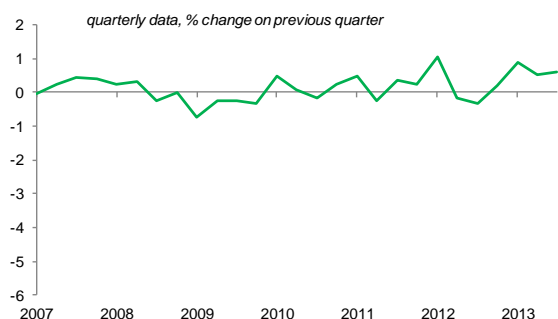


	Index Value (2009=100)	% change on month	% change on year
2012	102.8	...	1.3
2013	104.8	...	1.9
2013 Sep	105.5	0.3	2.1
Oct	105.5	0.1	2.1
Nov	106.1	0.5	2.8
Dec	106.3	0.2	3.2

Source: ONS, series S2KU, S222, S26Q

- Output in the service sector increased by 0.2% in December compared to November 2013. Compared with a year before, services output increased by 3.2%, the biggest annual increase since 2008.
- The biggest contributor to growth in the service sector over the year to December 2013 was the business services and finance sector.

Jobs in the service industries

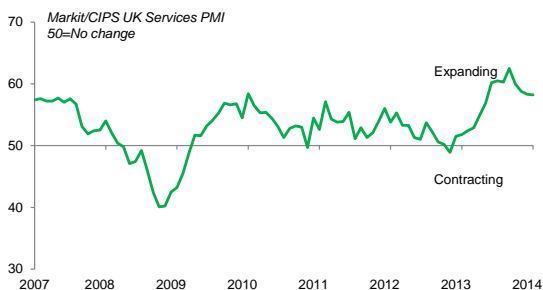


	Thousands	% change on quarter	% change on year
2011 Q3	26,147	...	0.8
2012 Q3	26,360	...	0.8
Q4	26,413	0.2	0.8
2013 Q1	26,645	0.9	0.6
Q2	26,786	0.5	1.3
Q3	26,950	0.6	2.2

Source: ONS, Workforce Jobs

- In Q3 2013 there were 27.0 million jobs in the service sector, 83% of all jobs in the UK.
- The number of jobs in the service industries increased by 164,000 over the quarter and by almost 600,000 over the year. This is the biggest annual increase in the number of service sector jobs since Q4 1999.

Services Purchasing Managers' Index (PMI)



	Index	Monthly change
2011 Feb	53.8	...
2012 Feb	51.8	...
2013 Nov	60	-2.5
Dec	58.8	-1.2
Jan	58.3	-0.5
Feb	58.2	-0.1

Source: Markit/CIPS UK Services PMI

- The Markit/CIPS UK Services PMI (an important indicator of confidence in the sector) was broadly unchanged in February at 58.2, but remains elevated by recent standards.
- Markit stated that another month of growth in the sector “means it remains the most important driver of the economic recovery.”

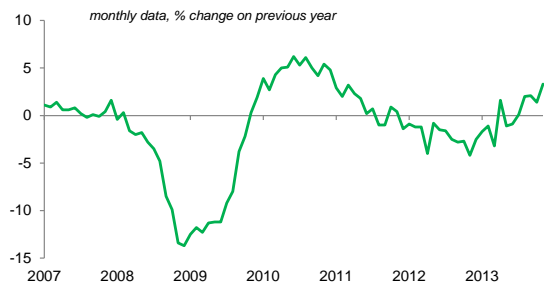
Contact: Chris Rhodes, x2454

Update: ONS, [Index of Services](#), 28 Mar 2014
 ONS, [Workforce Jobs](#), 19 Mar 2014
 Markit/CIPS [UK Services PMI](#), 3 Apr 2014

A5: Manufacturing

The manufacturing sector accounted for 10% of UK economic output (Gross Value Added) in 2012. Manufacturing is one of the production industries, which also include mining; electricity; water and waste management; and oil and gas extraction. The production industries accounted for 15% of UK output in 2012.

Manufacturing Output

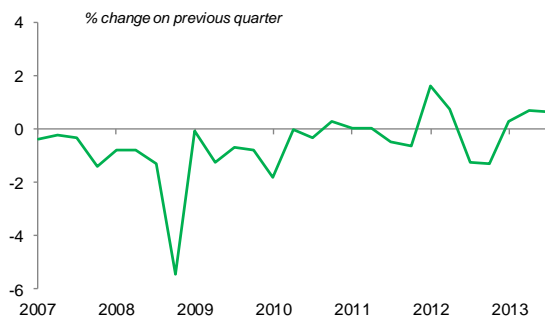


	Index Value (2010=100)	% change on month	% change on year
2012	100.1	...	-1.7
2013	99.4	...	-0.7
2013 Oct	100.4	0.2	2.0
Nov	100.3	-0.2	2.1
Dec	100.6	0.4	1.4
Jan	101.0	0.4	3.3

Source: ONS, series K22A, K27Y, K2DO

- Manufacturing output grew by 0.4% January 2014 compared with December 2013, and was 3.3% higher than in January 2013, the biggest annual increase since the year to May 2011.
- The rubber and plastics sub-sector was particularly active over the year to January 2014, with output increasing by 0.9%.

Jobs in manufacturing



	Thousands	% change on quarter	% change on year
2011 Q3	2,552	...	-0.1
2012 Q3	2,564	...	0.5
Q4	2,531	-1.3	-0.2
2013 Q1	2,539	0.3	-1.5
Q2	2,557	0.7	-1.5
Q3	2,574	0.7	0.4

Source: ONS, Workforce Jobs

- In Q3 2013 there were 2.6 million jobs in the manufacturing sector, 8% of all jobs in the UK.
- The number of jobs in the manufacturing industry increased by 17,000 or 0.7% over the quarter. From the same quarter in 2012, the number of manufacturing jobs increased by 10,000 or 0.4%.

Manufacturing Purchasing Managers Index



	Index	Monthly change
2011 Feb	51.5	...
2012 Feb	47.9	...
2013 Nov	58.1	1.6
Dec	57.2	-0.9
Jan	56.6	-0.6
Feb	56.9	0.3

Source: Markit/CIPS UK Manufacturing PMI

- The Markit/CIPS UK Manufacturing PMI, an important measure of confidence in the sector, was 56.9 in February, up slightly from 56.6 in January (where 50.0 is no change).

Contact: Jack Evans, x6920

Update: ONS, [Index of Production](#), 8 Apr
ONS, [Workforce Jobs](#), 19 Mar
Markit/CIPS [UK Manufacturing PMI](#), 1 Apr

A6: Productivity

Productivity is a measure of the efficiency of production in an economy. It is usually expressed as a ratio of units of output to units of input.

In measuring labour productivity, three measures are commonly used: output (or GDP) per worker, output per job and output per hour worked. The latter is the purest measure of productivity, as it adjusts for changes in working hours such as more part-time working.

UK data are published every three months, with international comparisons updated biannually.

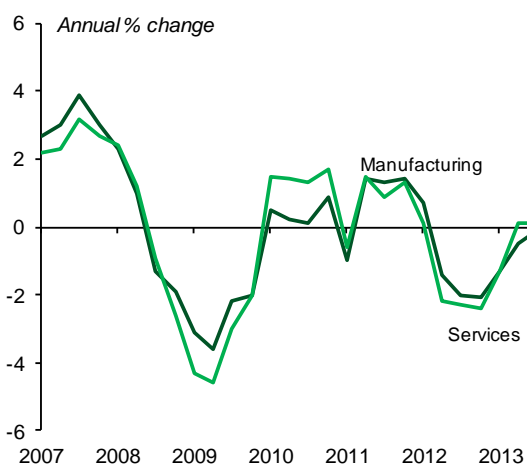
UK productivity by sector

- Productivity across the whole UK economy, measured by output per hour, is estimated to have grown by 0.1% over the last year. Manufacturing productivity fell by 1.2% and services productivity fell by 0.1%.
- Compared with the previous quarter, productivity across the whole economy fell by 0.3%.

Output per hour, seasonally adjusted

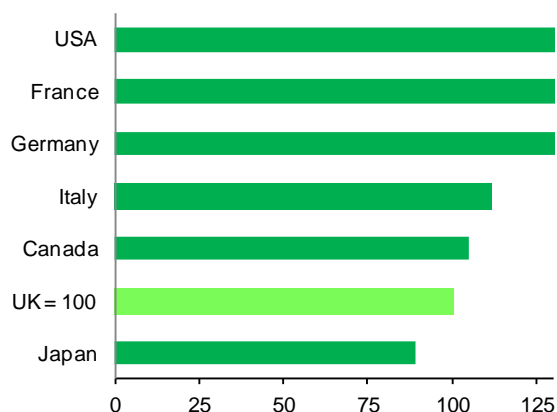
	Manufact.	Services	Whole economy
<i>Annual % change</i>			
2010	4.7	0.4	1.4
2011	2.4	0.7	0.8
2012	-3.1	-1.3	-1.7
2012 Q1	0.7	0.1	2.2
Q2	-1.4	-2.2	-2.9
Q3	-2.0	-2.3	-3.6
Q4	-2.1	-2.4	-4.4
2013 Q1	-1.3	-1.3	-3.8
Q2	-0.5	0.1	-1.0
Q3	-1.2	-0.1	0.1
<i>Latest q-on-q % change</i>			
	0.7	0.1	0.5

Source: ONS series LZVD, DJK8, DJQ3



International comparisons

GDP per hour, 2012, index where UK=100



- International comparisons of productivity are presented as an index where the UK=100.
- In 2012, based on GDP per hour, the UK came sixth of the G7 countries, with the USA top and Japan bottom. UK productivity was 20 percentage points lower than the G7 average, the widest productivity gap since 1992.
- UK productivity declined relative to all the other G7 nations in 2012.

Contact: Gavin Thompson, x2042

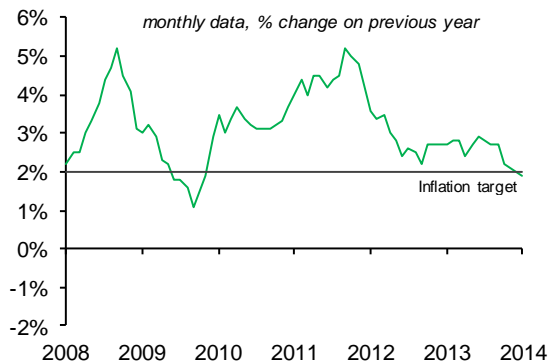
Update: ONS, [Labour Productivity](#), 27 Mar 14
 ONS, [International Comparisons](#), 1 Sep 14

B1: Inflation

Compared with a year ago, the Consumer Prices Index (CPI) showed inflation at 1.9% in January, down from 2.0% in December, falling below the Bank of England's 2.0% target for the first time since November 2009.

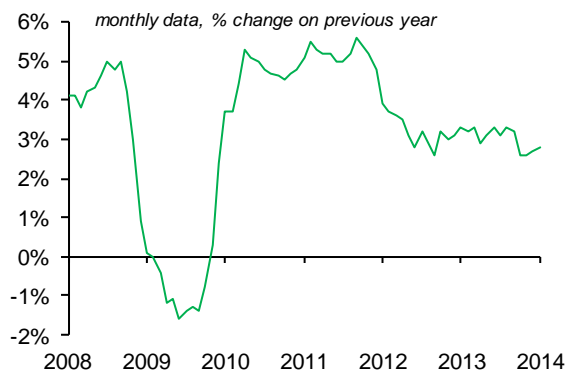
On 10 December 2003 the (then) Chancellor wrote to the Bank of England setting a new UK inflation target of 2.0%, as measured by the annual change in the CPI.

Consumer Prices Index (CPI)



- The CPI annual inflation rate was 1.9% in January, down from 2.0% in December.
- The main contributions to the fall were in furniture and household goods, recreational goods and services and alcoholic beverages and tobacco. These were partially offset by an upward contribution miscellaneous goods & services.
- The RPI (all items) measure of annual inflation was 2.8% in January, up from 2.7% in December. (The RPI is no longer classified as a National Statistic because the way it is calculated does not meet the required standard.)

Retail Prices Index (RPI)

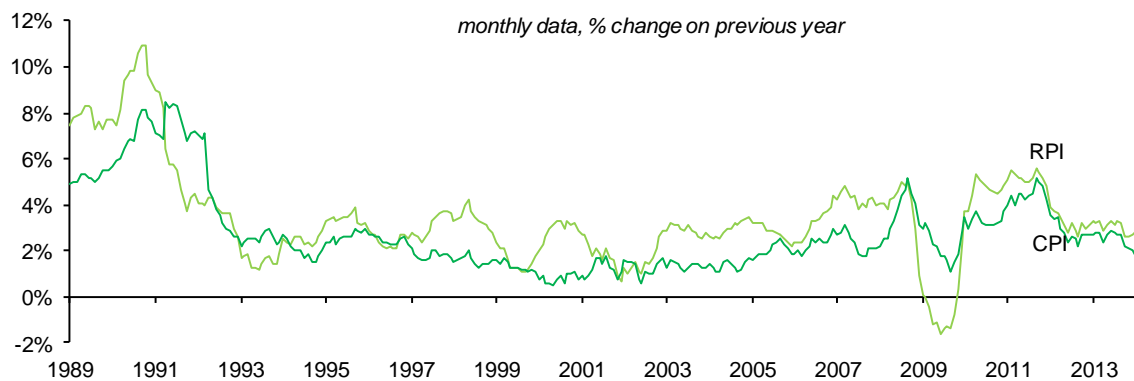


Price Indices

		% change on a year ago	
		CPI	RPI
2010		3.3	4.6
2011		4.5	5.2
2012		2.8	3.2
2013	Aug	2.7	3.3
	Sep	2.7	3.2
	Oct	2.2	2.6
	Nov	2.1	2.6
	Dec	2.0	2.7
	Jan	1.9	2.8

Source: ONS database, series: D7G7, CZBH

CPI and RPI since 1989

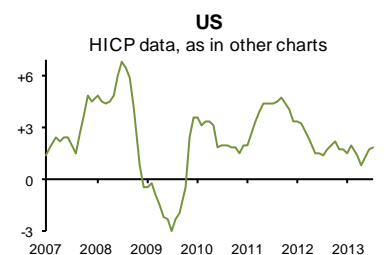
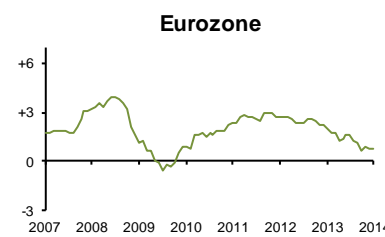
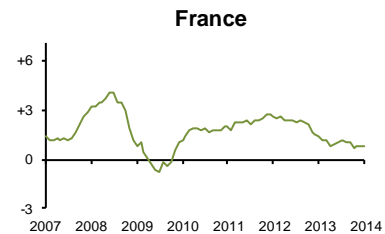


B2: Inflation: International

UK inflation, measured by the Consumer Prices Index (CPI), remained positive throughout the recession. Other major economies, including the US, France and Germany, saw deflation (negative inflation, or falling prices).

Inflation in the EU, some other European countries, and the US can be compared using the standard Harmonised Index of Consumer Prices (HICP), or the CPI as it is known in the UK. National inflation calculation methods differ from this standard to varying degrees. For example, the US' national measure is based on prices in urban areas only and unlike the HICP includes costs of owner-occupied housing. Care should therefore be taken when making comparisons between national and harmonised measures.

- UK inflation was 1.9% in the year to January 2014, down from 2.0% in December. The Bank of England's UK inflation target is 2%.
- Eurozone inflation for the year to February 2014 is expected to be 0.8% according to the Eurostat flash estimate, up 0.1 percentage points on the previous month. The European Central Bank (ECB) aims to keep inflation "below, but close to, 2% over the medium term."
- The UK had the highest annual inflation rate in the EU in January 2014, joint with Finland at 1.9%. The lowest annual inflation rate in the EU was -1.6% in Cyprus, followed by -1.4% in Greece.
- HICP annual inflation in the US in the year to July 2013 was 1.8%, up from 1.7% in June. US inflation in the year to January 2014 was 1.6% using its own national definition, up from 1.5% in December 2013.



Inflation rates: selected countries

Annual % change in consumer prices

	2011	2012	2013	Oct-13	Nov-13	Dec-13	Jan-14
HICP (OECD/Eurostat)							
UK	4.5	2.8	2.6	2.2	2.1	2.0	1.9
Eurozone	2.7	2.5	..	0.7	0.9	0.8	0.8
EU	3.1	2.6	1.5	0.9	1.0	1.0	0.9
France	2.3	2.2	1.0	0.7	0.8	0.8	0.8
Germany	2.5	2.1	1.6	1.2	1.6	1.2	1.2
Greece	3.1	1.0	-0.9	-1.9	-2.9	-1.8	-1.4
Italy	2.9	3.3	1.3	0.8	0.7	0.7	0.6
Spain	3.1	2.4	1.5	0.0	0.3	0.3	0.3
US	3.8	2.1	..	..	..	..	..
National definitions (OECD)							
Canada	2.9	1.5	0.9	0.7	0.9	1.2	1.5
Japan	-0.3	0.0	0.4	1.1	1.5	1.6	..
US	3.2	2.1	1.5	1.0	1.2	1.5	1.6
G7	2.6	1.9	1.3	1.0	1.3	1.4	..
OECD	2.9	2.3	1.6	1.3	1.5	1.6	..
Brazil	6.6	5.4	6.2	5.8	5.8	5.9	5.6
China	5.4	2.6	2.6	3.2	3.0	2.5	2.5
India	8.9	9.3	10.9	11.1	11.5	9.1	..
Russia	8.4	5.1	6.8	6.3	6.5	6.5	6.1

Source: Eurostat & stat.OECD database, ONS

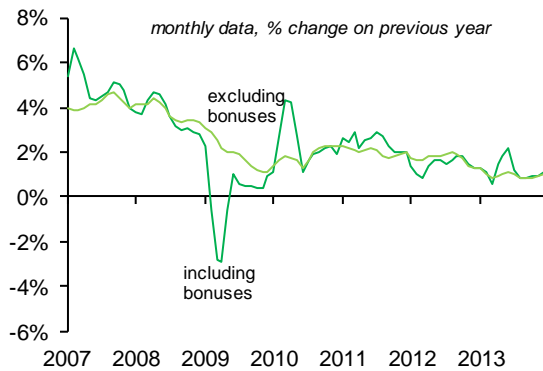
Contact: Jack Evans, x6920

Updates: Eurostat, [HICP full release](#), 17 Mar 2014
Eurostat, [Flash estimate](#) (Eurozone), 31 Mar 2014
ONS [Consumer Prices bulletin](#) (UK), 18 Mar 2014

B3: Average Earnings

Average weekly earnings (three-month average including bonuses) for the whole economy rose by 1.1% in the three months to December, compared with a year ago. Inflation as measured by the CPI was 2.0% in December – the 44th consecutive month in which inflation has exceeded nominal wage growth.

Average Earnings, Whole Economy



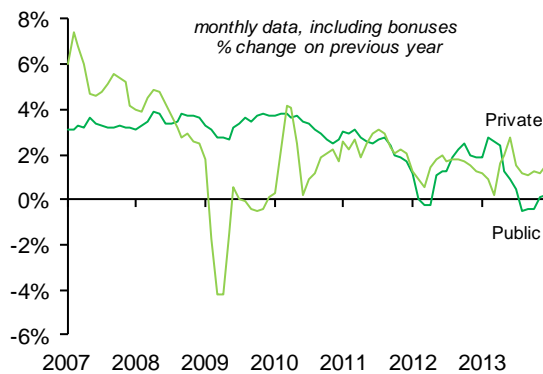
Average Earnings, Including Bonuses

% change on year; seasonally adjusted; Great Britain

	Private	Public	Manuf.	Serv.	Total
2010 Dec	1.7	2.7	3.0	2.2	1.9
2011 Dec	2.1	1.7	1.5	2.2	2.0
2012 Dec	1.3	1.9	1.8	1.4	1.3
2013 Jul	1.5	0.5	2.1	1.2	1.2
Aug	1.2	-0.5	2.1	0.6	0.8
Sep	1.1	-0.4	1.8	0.6	0.8
Oct	1.3	-0.4	1.8	0.7	0.9
Nov	1.2	0.1	2.2	0.8	0.9
Dec	1.5	0.2	2.5	1.0	1.1

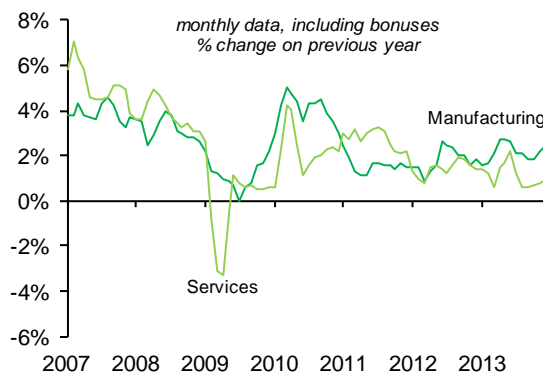
Source: ONS, data shows latest 3-month period

Average Earnings in the Public and Private Sectors



- Average weekly earnings (including bonuses) in December were £478 for the whole economy.
- Average weekly earnings (including bonuses) in the public sector were £489 in December, compared with £476 in the private sector.
- Average total weekly pay in the private sector was up 1.5% year-on-year in the three months to December, and up 0.2% in the public sector.

Average Earnings in Services and Manufacturing

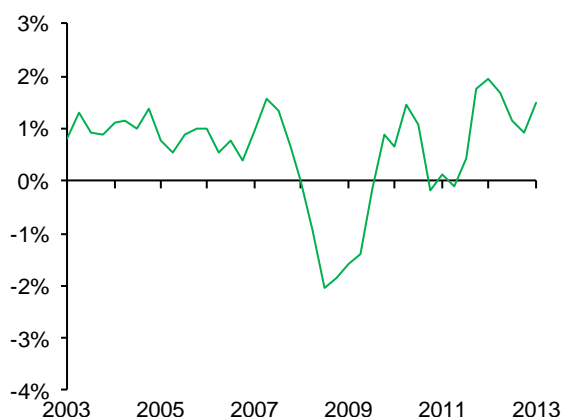


- Average weekly earnings (including bonuses) in the manufacturing sector were 2.5% higher in the three months to December than in the same period last year. In the services sector total pay grew by 1.0%.
- Average total weekly pay in the manufacturing sector was £559 in December, compared with £463 in the services sector.
- In the finance and business services sector, average weekly earnings (including bonuses) were £616 in December.

C1: Employment

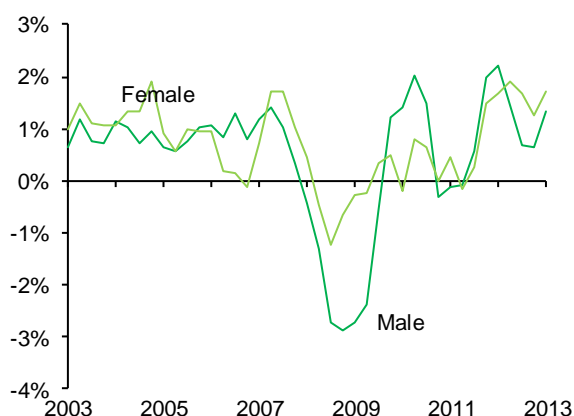
There were 30.15 million people aged 16 and over in employment in the UK in October-December 2013. The number of people in employment increased by 193,000 compared to the previous quarter and by 396,000 compared to the same period last year. The employment rate for people aged 16-64 was 72.1%. This compares to a pre-recession rate of 73.0% in March-May 2008.

Total employment (% change on previous year)



- 16.14 million men were in employment in October-December 2013, up 100,000 on the previous quarter. Female employment increased by 93,000 over the past quarter to 14 million.
- The number of 16-24 year olds in employment increased by 52,000 over the quarter. There were 22,000 more people in employment aged 65 and over.
- 160,000 more people were working as employees in September-November 2013 compared to the previous quarter. 147,000 more people were self-employed than in the previous quarter.

Employment by gender (% change on previous year)



- Full-time employment was up 209,000 over the past quarter to 22.07 million.
- 8.07 million people were working part-time, 16,000 less than in the previous quarter. This included 1.43 million people working part-time because they could not find a full-time job.
- 1.62 million people were employed on a temporary basis in October-December 2013, 14,000 more than in the previous quarter.
- The number of people working in the private sector increased by 246,000 over the quarter to August-October 2013, to 24.42 million. Public sector increased by 4,000 to 5.67 million.

Employment by age group

3-month period: '000s & % changes; seasonally adjusted

	Total	16-24	25-49	50-64	65+
Oct-Dec 2011	29,146	3,640	17,224	7,408	874
Oct-Dec 2012	29,751	3,720	17,429	7,628	973
Jan-Mar 2013	29,708	3,675	17,419	7,634	980
Apr-Jun 2013	29,777	3,582	17,496	7,689	1,010
Jul-Sep 2013	29,953	3,633	17,524	7,758	1,040
Oct-Dec 2013	30,146	3,682	17,540	7,862	1,062
% change on previous 3 months	+0.6	+1.4	+0.1	+1.3	+2.1
% change on previous year	+1.3	-1.0	+0.6	+3.1	+9.1

Source: ONS

Contact: Feargal McGuinness, x4904

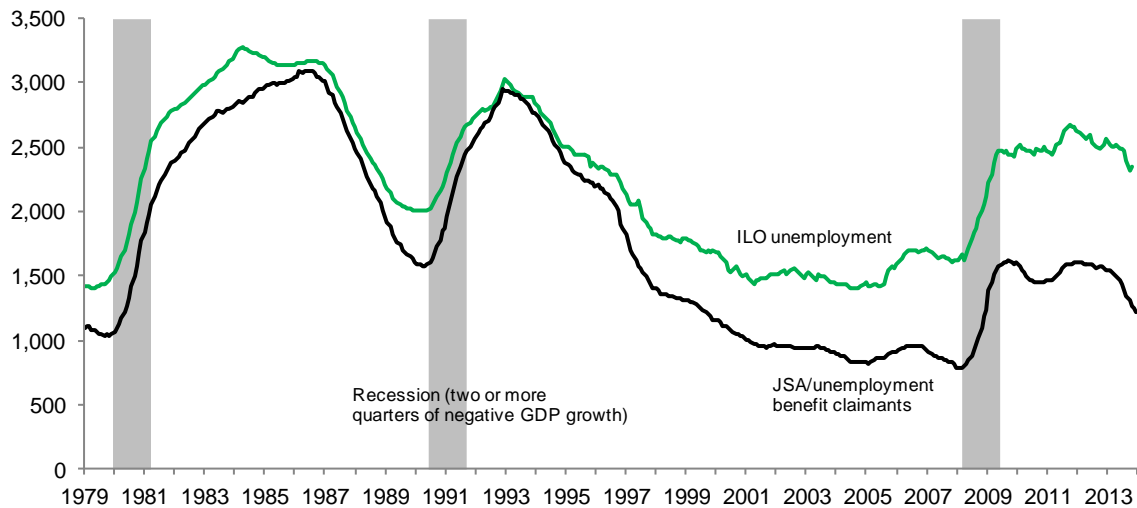
Update: ONS, [Labour Market Statistics](#), 19 Mar 2014

C2: Unemployment: National

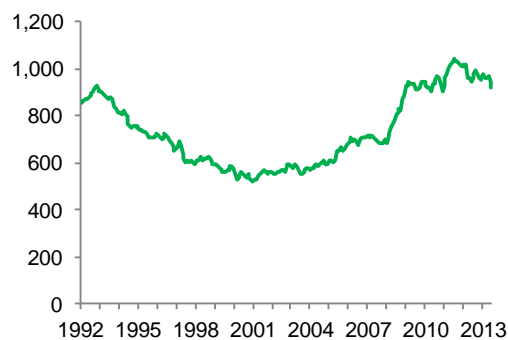
The International Labour Organisation (ILO) definition of unemployment is the headline measure of unemployment in the UK. The number of people claiming Jobseeker's Allowance (JSA) and predecessor unemployment benefits is also used.

- ILO unemployment was 2.34 million people in the UK in October-December 2013, down 125,000 from the previous quarter and down 161,000 from the previous year. The unemployment rate (the proportion of economically active people unemployed) was 7.2%.
- The number of people claiming JSA decreased by 28,000 between December 2013 and January 2014 to 1.22 million people aged 18 or over, the lowest level since December 2008.

Unemployment, 1979 to current (seasonally adjusted levels, thousands)



Youth unemployment: 16-24 year olds (thousands)



- 917,000 young people aged 16-24 were unemployed in October-December 2013, down 48,000 from the previous quarter. The unemployment rate is 19.9%.
- There were 1.33 million men unemployed, down 65,000 on the quarter. 1.02 million women were unemployed, down 60,000 on the quarter.
- The number of people who have been unemployed for longer than twelve months was 845,000 in October-December 2013, a fall of 45,000 from the previous quarter and 34,000 lower than the previous year

ILO unemployment in the UK (seasonally adjusted)

	Total		16-24		Total male		Total female	
	000s	%	000s	%	000s	%	000s	%
2011 Oct-Dec	2,657	8.4	1,033	22.1	1,537	9.0	1,120	7.6
2012 Oct-Dec	2,503	7.8	975	20.8	1,412	8.1	1,091	7.3
2013 Jul-Sep	2,466	7.6	965	21.0	1,391	8.0	1,076	7.2
2013 Oct-Dec	2,342	7.2	917	19.9	1,326	7.6	1,016	6.8
<i>Change on quarter</i>	-124		-48		-65		-60	
<i>Change on year</i>	-161		-58		-86		-75	
<i>% change on quarter</i>	-5.0%		-5.0%		-4.7%		-5.6%	
<i>% change on year</i>	-6.4%		-5.9%		-6.1%		-6.9%	

Source: ONS series, MGSC, MGSX, MGVF, MGWY, MGSD, MGSY, MGSE, MGXS

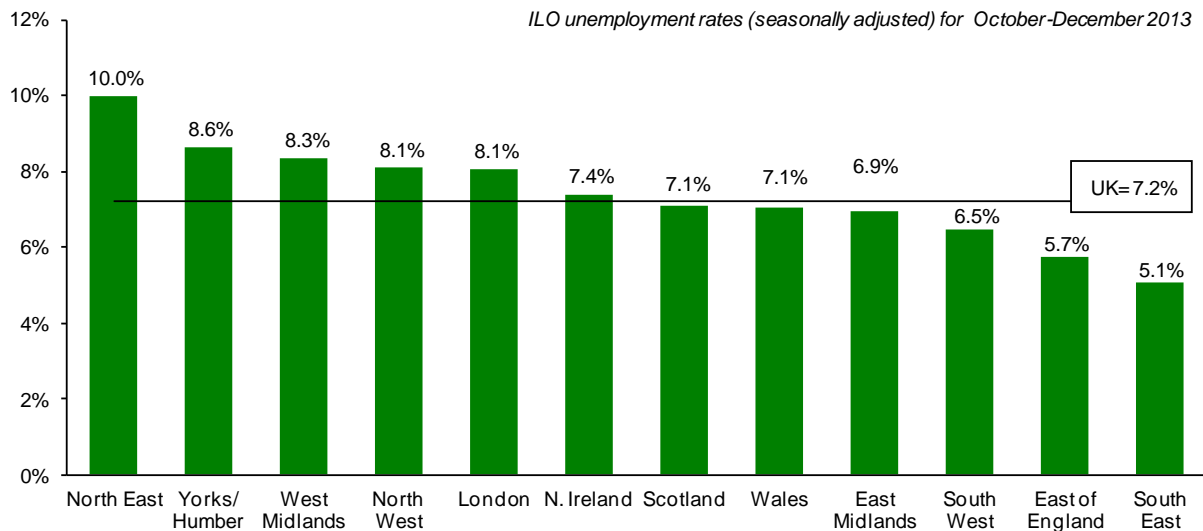
Contact: Jack Evans, x6920

Update: ONS, [Labour Market Statistics](#), 19 Mar 2014

C3: Unemployment: Regional

The Office for National Statistics uses the International Labour Organisation (ILO) definition of unemployment as the headline measure of unemployment. The *unemployment rate* is the proportion of the economically active population who are unemployed.

- Over the period October-December 2013, the North East had the highest unemployment rate, at 10.0% of the economically active population. The lowest rate over the same period was 5.1% in the South East



- The largest increase in the level of unemployment over the last quarter was in the South West (up 3,000). The largest decrease was in the South East (down 37,000).
- The (seasonally adjusted) Jobseeker's Allowance claimant count decreased across all regions between December 2013 and January 2014.

Unemployment statistics for countries and regions, seasonally adjusted

	ILO unemployment				JSA claimant count	
	October-December 2013		Change in level		January 2014	
	Level (000s)	Rate (%) ^(a)	qtr-on-qtr (000s)	year-on-year (000s)	Level (000s)	change since prev. month (000s)
North East	130	10.0	-3	+5	72.2	-1.4
North West	277	8.1	-6	-18	151.4	-3.9
Yorkshire & Humber	240	8.6	-8	-5	130.0	-2.3
East Midlands	162	6.9	-4	-16	80.8	-1.8
West Midlands	226	8.3	-31	-11	129.0	-3.1
East of England	180	5.7	-1	-32	84.8	-2.1
London	351	8.1	-25	-12	171.4	-2.9
South East	233	5.1	-37	-62	98.8	-3.2
South West	177	6.5	+3	+27	63.8	-2.3
Wales	105	7.1	-12	-22	64.4	-1.1
Scotland	195	7.1	-3	-10	110.4	-2.9
Northern Ireland	64	7.4	+1	-4	58.7	-0.6

Source: ONS, *Labour Market Statistics*

Note: (a) Rates are percentages of economically active population in the region.

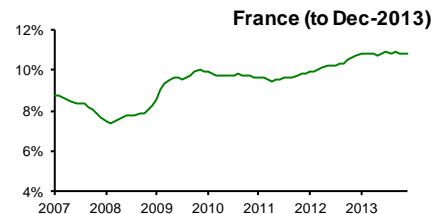
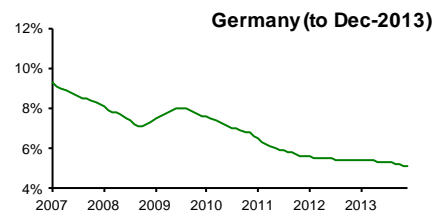
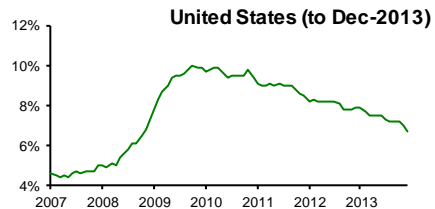
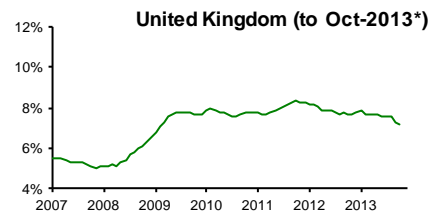
Contact: David Hough x6933

Update: ONS, *Labour Market Statistics*, 19 Mar 2014

C4: Unemployment: International Comparisons

The OECD produces harmonised unemployment rates for OECD members based on the ILO definition of unemployment.

- The UK harmonised unemployment rate for Q3 2013 was 7.5%. This was below the rate of France and Italy (10.9% and 12.3% respectively) but above that of Germany (5.3%).
- In the US, unemployment fell from 7.2% to 7.0% between Q3 2013 and Q4 2013. Compared with a year ago unemployment is 0.8 percentage points lower.
- In the euro zone, unemployment fell by 0.1 percentage point to 12.0% from Q3 2013 to Q4 2013.
- Spain and Greece have the highest harmonised unemployment rate among the 33 OECD member states (26.1% in Q4 2013 and 27.3% in Q3 2013 respectively). South Korea had the lowest unemployment rate in the OECD in Q4 2013, at 3.0%.
- Youth (15-24) unemployment is a major issue in many developed economies at present. In Q3 2013 youth unemployment was 56.5% in Spain and 58.0% in Greece. In the same period UK youth unemployment stood at 20.8%.



* latest figure refers to quarterly survey conducted over Sep-Nov 2013

Unemployment

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

	2010	2011	2012	2011				2012				2013				
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Canada	8.0	7.5	7.2	7.4	7.4	7.3	7.3	7.2	7.1	7.1	7.1	7.0				
France	9.7	9.6	10.2	9.8	9.9	10.2	10.3	10.6	10.8	10.8	10.9	10.8				
Germany	7.1	6.0	5.5	5.6	5.5	5.5	5.4	5.4	5.4	5.3	5.3	5.1				
Italy	8.4	8.4	10.7	9.2	9.9	10.6	10.8	11.4	11.9	12.1	12.3	12.7				
Japan	5.1	4.6	4.4	4.5	4.5	4.4	4.3	4.2	4.2	4.0	4.0	3.9				
UK	7.8	8.0	7.9	8.3	8.2	7.9	7.8	7.7	7.8	7.7	7.5	..				
US	9.6	9.0	8.1	8.6	8.2	8.2	8.0	7.8	7.7	7.5	7.2	7.0				
Eurozone	10.2	10.1	11.4	10.6	10.9	11.3	11.5	11.8	12.0	12.1	12.1	12.0				
G7	8.2	7.7	7.4	7.6	7.5	7.5	7.4	7.3	7.3	7.2	7.1	6.9				
OECD	8.3	8.0	8.0	7.9	7.9	7.9	7.9	8.0	8.1	8.0	7.9	7.7				

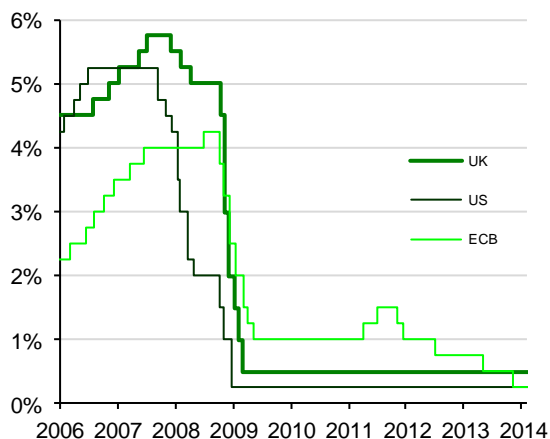
Source: OECD, Harmonised Unemployment Rates

Contact: James Mirza-Davies, x6962 Updates: OECD, [Harmonised Unemployment Rates](#), 19 Mar

D1: Interest Rates and the Money Supply

Latest official interest rates from the UK, eurozone and the US are shown on this page. A summary of the Bank of England's quantitative easing policy and latest money supply data in the UK are also provided.

Official interest rates

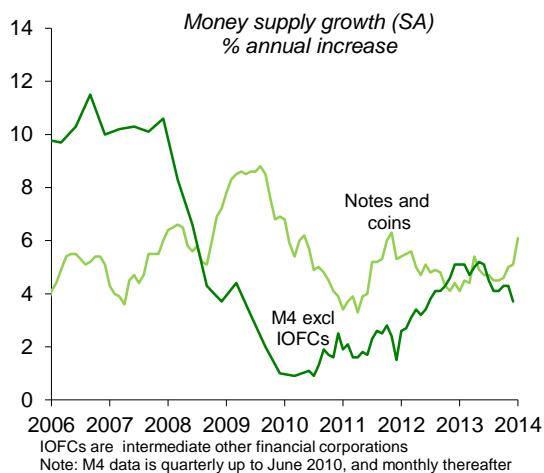


- In consecutive monthly meetings from October 2008 to March 2009, the Bank of England cut the official Base Rate from 4.5% to 0.5%, the lowest since the Bank was founded in 1694. The rate has remained at 0.5% since March 2009.
- On 6 August 2013, the Governor of the Bank of England issued 'forward guidance' on the future path of interest rates, stating that the Bank "intends not to raise the Bank Rate from its current level of 0.5% at least until the [ILO] unemployment rate has fallen to a threshold of 7%." With unemployment falling more quickly than expected towards the threshold, on 12 February 2014 a second 'phase' of forward guidance was announced. It was indicated that the MPC would delay raising interest rates until it believed spare capacity in the economy had been reduced, and then only do so at a gradual rate
- On 7 November 2013, the Governing Council of the European Central Bank agreed to lower the main interest rate for the eurozone from 0.5% to 0.25%, where it has remained since.
- The US Federal Reserve's target range for the federal funds rate has been 0-0.25% since 16 December 2008. Between September 2012, and December 2013, it purchased assets (quantitative easing) at a rate of around \$85bn per month. On 18 December 2013, the Federal Open Market Committee decided to slow this rate of asset purchases by \$10bn at each of its meetings. Thus at its January meeting, the Fed reduced its rate of asset purchases from \$75bn to \$65bn per month.

Quantitative easing in the UK (asset purchase programme)

- With little room for further cuts in interest rates, the Bank of England initiated an asset purchase or 'quantitative easing' (QE) programme in March 2009.
- From an initial £75bn in March 2009, QE was increased by £125bn (to a total of £200bn) by November 2009. It was further increased as follows: up by £75bn (to £275bn) in October 2011; £50bn (to £325bn) in February 2012 and £50bn in July 2012 to a total of £375bn.
- The majority (over 99%) of assets purchased by the Bank of England through QE have been gilts (UK Government securities).

Money supply



- In its February 2014 *Inflation Report*, the Bank of England noted that money supply growth remained 'robust' throughout, even though no quantitative easing had been undertaken over this period. The growth was driven predominantly by household deposits, particularly 'sight' (i.e. instant access) deposits. However, business deposits increasingly contributed to money supply growth during the second half of 2013.
- Annual growth in M4 excluding intermediate other financial corporations (a measure monitored by the Bank of England Monetary Policy Committee) was 3.7% in December 2013, down from 4.3% in November.
- The value of notes and coins in circulation outside the Bank of England rose by 6.1% in January 2014 compared with a year ago, up from 5.1% in December 2013.

Contact: Gavin Thompson, x2042

Updates: Monetary policy meetings: 10 Apr (ECB, UK); 19 Mar (US)
Bank of England, [Notes and coin balances](#), 31 Mar

D2: Public Finances

The independent Office for Budget Responsibility (OBR) revised down their forecasts of borrowing and debt in the Autumn Statement 2013. The OBR now forecasts that public borrowing will be £111 billion in 2013/14 (7% of GDP) and Government debt will total £1.3 trillion (76% of GDP).

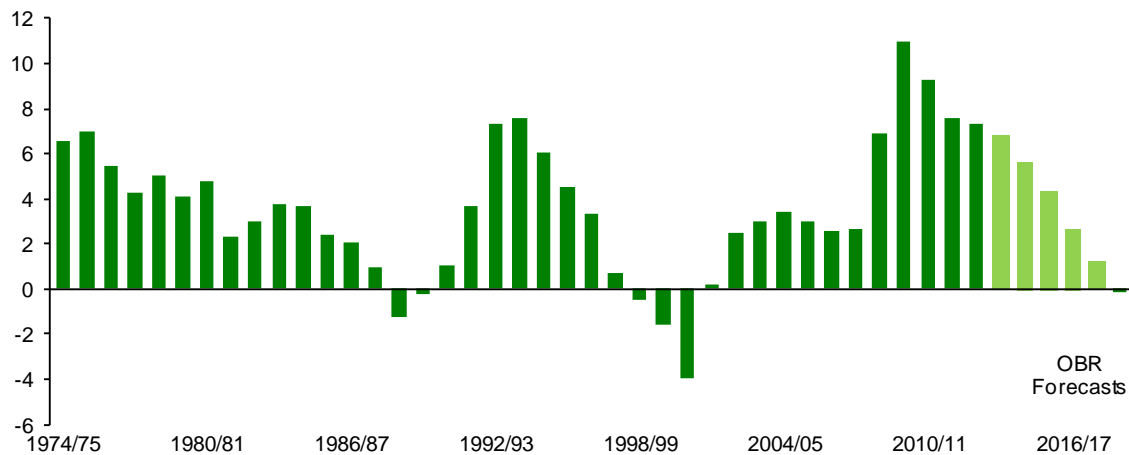
- Over the period April 2013 to January 2014, public sector borrowing was £90.7 billion, £4.0 billion lower than the same period in 2012/13.
- Net borrowing is forecast to fall from £111 in 2013/14 to £23 billion in 2017/18, before a budget surplus is recorded in 2018/19, of £2 billion.
- Public sector net debt (the stock of Government borrowing) is forecast to be 75.5% of GDP in 2013/14, rising to 80.0% in 2015/16, before falling back to 75.9% in 2018/19.

	Net borrowing		Net debt	
	£ billion	% GDP	£ billion	% GDP
2009/10	157	11.0	828	56.4
2010/11	139	9.3	1,005	65.9
2011/12	117	7.6	1,106	70.9
2012/13	115	7.3	1,185	73.8
2013/14	111	6.8	1,269	75.5
2014/15	96	5.6	1,365	78.3
2015/16	79	4.4	1,451	80.0
2016/17	51	2.7	1,515	79.9
2017/18	23	1.2	1,554	78.4
2018/19	-2	-0.1	1,573	75.9

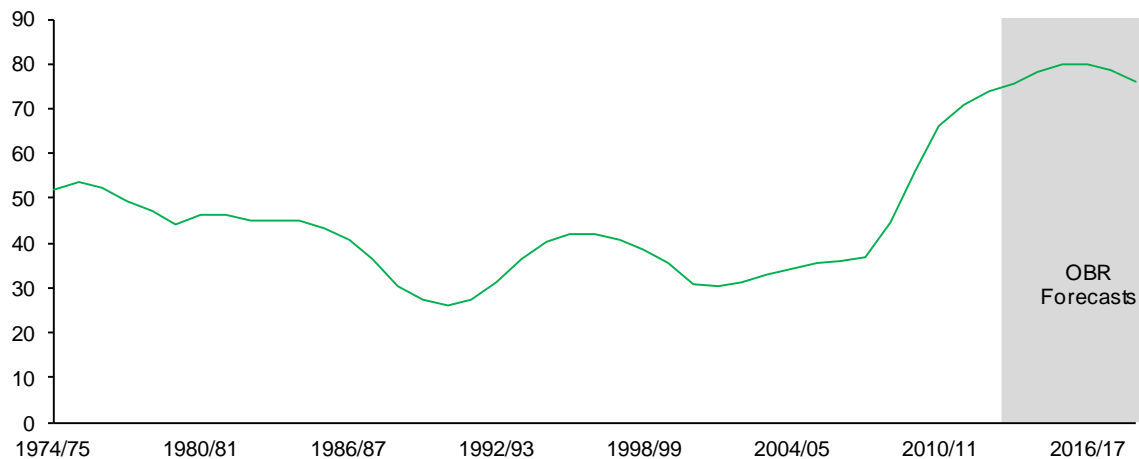
Source: ONS, OBR. Excludes financial sector interventions

Note: borrowing figures exclude Royal Mail transfer and QE

Public sector net borrowing (% of GDP)



Public sector net debt (% of GDP)



Contact: Dominic Webb, x4324

Updates: ONS, [Public Sector Finances](#), 21 Mar 2014

D3: Financial Indicators

The FTSE-100 tracks share-price movements in the 100 largest companies by market capitalisation listed on the London Stock Exchange. It hit an all-time high of 6,930 in December 1999. It approached those highs again in 2007, before falling sharply in 2008. In May 2013 it reached its highest point since September 2000.

The price of Brent crude oil reached an all time high above \$145/barrel in July 2008. The price fell below \$100/barrel in June 2012 for the first time since February 2011, but has remained above \$100 since July 2012.

The nominal price of gold exceeded \$1,800/ounce for the first time in August 2011, but the metal's price has since moderated considerably.

Data from 14 March 2014

	FTSE-100	Oil (\$/bbl)	Gold (\$/oz)
14 Mar 2014	6,527.9	108.6	1,370.7
%change over:			
1-month	-2.0%	-0%	+5%
12-months	-0%	-1%	-14%
%change from:			
cyclical peak	-5%	-26%	-28%
date	15 Jun '07	03 Jul '08	23 Aug '11
cyclical trough	+86%	+199%	+93%
date	03 Mar '09	24 Dec '08	24 Oct '08

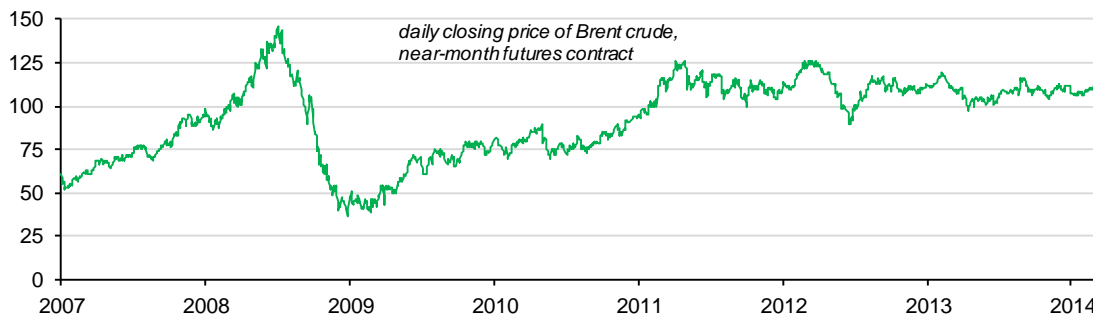
Note: Oil is Brent near-month futures price

Source: *Financial Times*

FTSE-100 Index



Brent Crude Oil price (\$ per barrel)



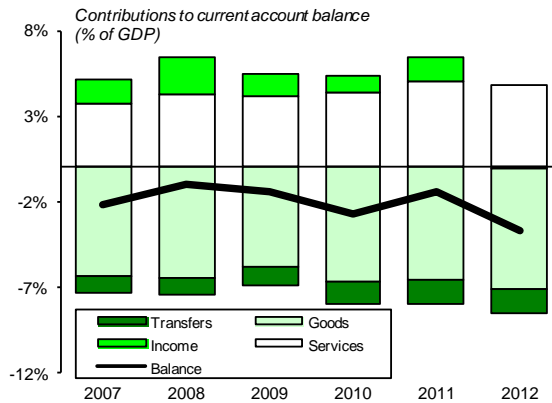
Gold price (\$ per ounce)



E1: Trade

The current account deficit in 2012 was £58.5 billion, equivalent to -3.7% of GDP. That compares with a deficit of £22.5 billion in 2011 or -1.5% of GDP. Part of this change can be attributed to a fall in the profits of UK companies' direct investments abroad, with earnings falling from £100.9 billion in 2011 to £81.0 billion in 2012.

Current Account



- On a **quarterly** basis, the current account deficit was £20.7 billion in Q3 2013 (equivalent to 5.1% of GDP), widening from £6.2 billion in Q2 2013 (1.5% of GDP). The surplus on services was down slightly at £19.4 billion while the deficit on goods rose to £29.4 billion.
- The **annual** current account deficit with EU28 countries was £82.1 billion in 2012 compared with a surplus with non-EU countries of £23.6 billion. On a **quarterly** basis, the deficit with EU28 countries was £23.2 billion in Q3 2013 compared to a £2.5 billion surplus with non-EU countries.

Current Account Balances

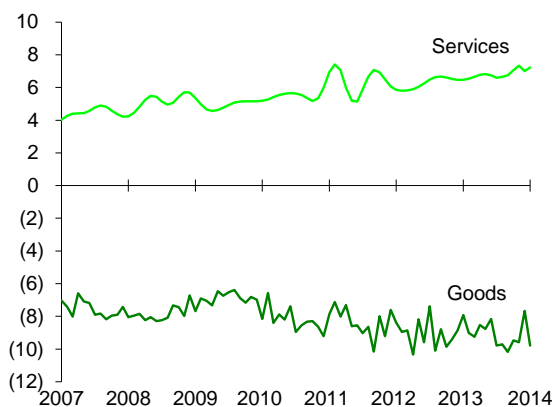
£ millions; seasonally adjusted

	Goods	Services	Goods and Services		Income	Transfers	Current Account Balance	
	Balance	Balance	Exports	Imports				Balance
2011	-100,092	76,832	492,884	516,144	-23,260	22,494	-21,709	-22,475
2012	-108,700	75,060	494,298	527,938	-33,640	-1,845	-22,981	-58,466
2012 Q3	-26,265	19,791	125,354	131,828	-6,474	-1,807	-5,763	-14,044
Q4	-28,127	19,614	123,369	131,882	-8,513	-224	-6,261	-14,998
Q1	-26,268	19,681	125,393	131,980	-6,587	-5,923	-6,295	-18,805
2013 Q2	-25,368	20,349	128,582	133,601	-5,019	6,048	-7,185	-6,156
Q3	-29,418	19,400	124,497	134,515	-10,018	-3,703	-7,000	-20,721

Source: ONS database, series: BOKI, IKBD, IKBH, IKBI, IKBJ, IKBP, HBOJ, HBOP

Trade in Goods and Services

Balance of trade, goods and services
£ billion, monthly data



- The estimated monthly deficit on goods trade in January was £9.8bn, down from £7.7bn in December 2013.
- The monthly trade surplus on services was an estimated £7.2bn in January, up from £7.0bn in December 2013.
- The overall monthly deficit on goods and services combined in January was £2.6bn, up from £0.7bn in December 2013.
- The monthly goods deficit with the EU27 was £5.8bn in January, compared with £5.3bn in December, while the deficit with non-EU countries was £3.9bn in January, compared with £2.3bn in December 2013.

Contact: Gavin Thompson, x2042

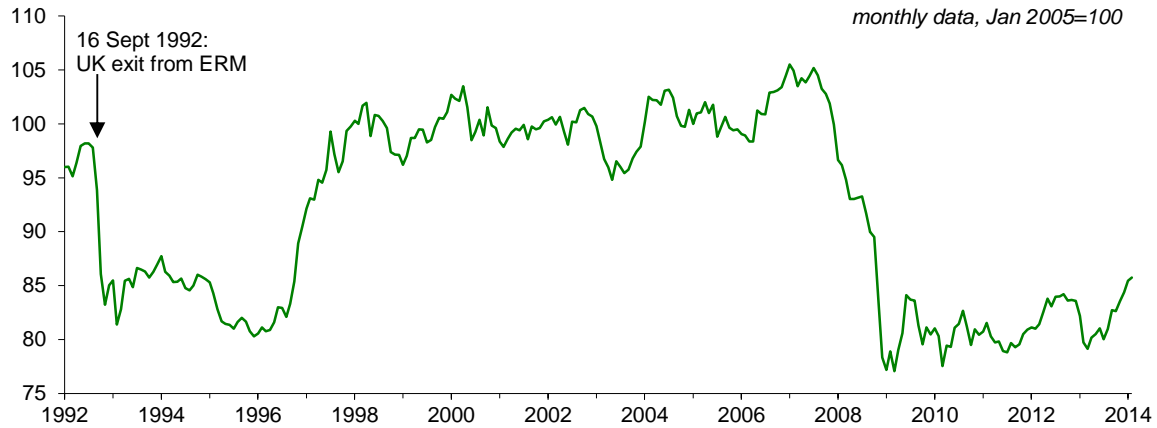
Updates: ONS, [UK Trade](#), 9 Apr 2014
ONS, [UK Balance of Payments](#), 26 Mar 2014

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).

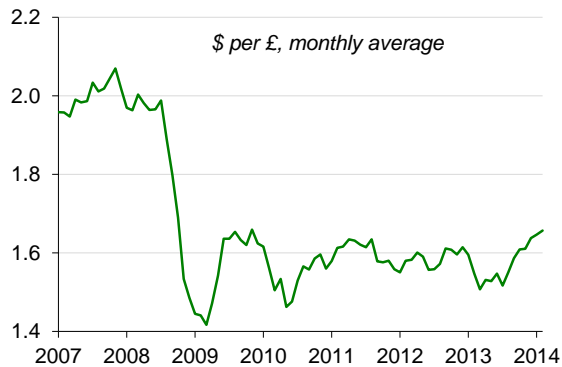
The SERI rose by 0.4% in February 2014, following a rise of 1.2% in January. Compared with the same period a year ago, it is 7.6% higher. It is currently 11.3% above its March 2009 level, when it was at its lowest point since the series began in 1980. It is 18.7% below its pre-recession peak in July 2007.

Sterling Exchange Rate Index (SERI)



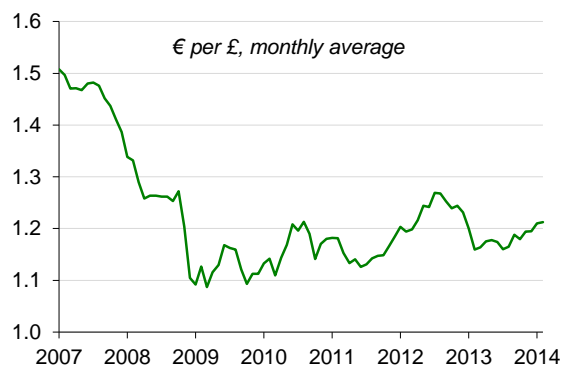
[Source: Bank of England, Bankstats database, XUMABK67]

US\$/£ Exchange Rate



- On average in February, the pound was one cent higher against the dollar than in January. At the 14 March market close the pound stood at \$1.66, one cent above the February average.
- Sterling was unchanged against the Euro in February compared to January.
- At the 14 March market close the pound stood at €1.19, two cents below the February average. This compares with an all-time low of €1.02 (on 30 December 2008), and a 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
2011	1.60	3.7%	1.15	-1.2%
2012	1.59	-1.1%	1.23	7.0%
2013	1.56	-1.3%	1.18	-4.5%
2013 Feb	1.55	-2.1%	1.16	-2.9%
2013 Dec	1.64	1.4%	1.19	-2.9%
2014 Jan	1.65	3.2%	1.21	0.8%
2014 Feb	1.66	7.0%	1.21	4.6%

Source: Bank of England, Bankstats database

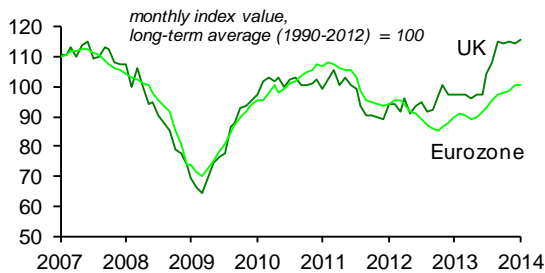
Contact: Daniel Harari, ext. 2464

Updates: Financial Times, [sterling exchange rates](#) (daily)
Bank of England, [SERI & monthly rates](#), early April

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

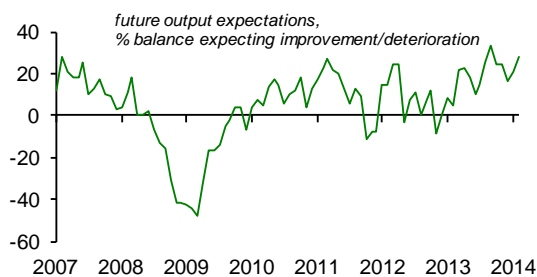


		UK Index	monthly change	change on year ago
2012	Feb	94.3	...	...
2013	Feb	97.1	...	...
2013	Dec	114.9	-0.1	+17.8
	Jan	115.9	+1.0	+18.3
	Feb	116.9	+1.0	+19.8

Source: European Commission

- The European Commission conducts regular harmonised surveys for different sectors (manufacturing, services, retail, construction and consumers) of EU member states' economies.
- Between January 2014 and February 2014 the overall UK sentiment index decreased marginally from 115.9 to 116.9 – 19.8 points higher than the previous year. The Eurozone index rose by 0.5 points to 100.9.

CBI Industrial Trends Survey



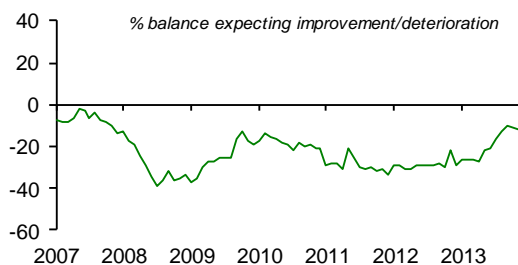
Balance (as a %) of those expecting an improvement
minus those expecting a deterioration

		Future output expectations	monthly change	change on year ago
2012	Feb	+15	...	...
2013	Feb	+5	...	...
2013	Dec	+16	-8	+16
	Jan	+21	+5	+13
	Feb	+28	+7	+23

Source: CBI, *Industrial Trends Survey*

- The CBI carries out monthly and quarterly *Industrial Trends* surveys.
- In February 2014, more manufacturers thought that output would rise over the next three months than thought it would fall – the difference was +28% of firms. This is the +7 points higher than the balance in January 2014 and +23 points higher than February 2013.

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
2012	Feb	-29	...	...
2013	Feb	-26	...	...
2014	Dec	-13	-1	+16
	Jan	-7	+6	+19
	Feb	-7	0	+19

Source: GfK NOP for EC, *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.
- Overall consumer confidence was -7 in January, unchanged on the previous month and 22 points higher than a year ago.

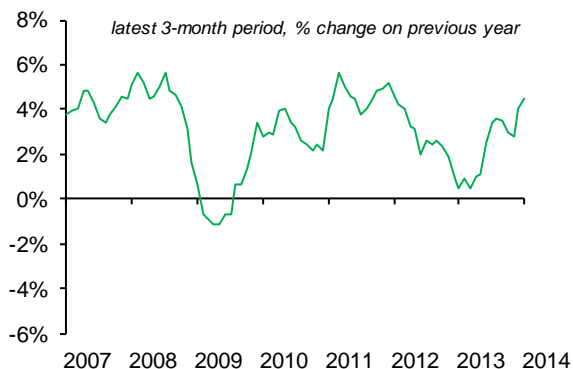
Contact: David Hough, x6933

Update: CBI, [Industrial Trends](#), 21 Mar 2014
EC, [Economic Sentiment Indicator](#), 21 Mar 2014
GfK NOP, [Consumer Confidence](#), 21 Mar 2014

F2: Retail Sales

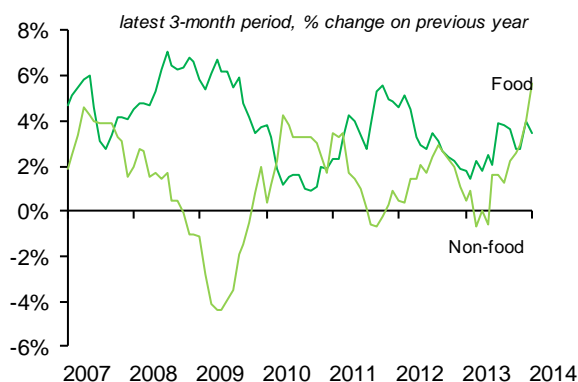
Retail sales are an indicator of household consumption. A number of retail sales surveys are conducted, for instance by the CBI. This page uses official data from the Office for National Statistics.

Value of retail sales



- The value of retail sales in the three months to January 2014 was 4.5% higher than the same three months in the previous year.
- The value of retail sales in January 2014 alone was 4.4% higher than in January 2013.
- The value of retail sales in the whole of 2013 was 2.6% higher than in 2012.
- Internet sales were estimated to account for 10.7% of the value of all retail sales (excluding vehicle fuels) in January 2014. The value of internet sales was 8.9% higher than in January 2013.

Value of food & non-food store sales



- The value of sales in food stores in the three months to January 2014 rose by 3.5% on the same period last year, and the value of sales in non-food stores increased by 5.7%.
- The value of sales in household goods stores increased by 2.3% in the three months to January compared with the previous year – the first year-on-year growth for these stores since mid-2012.

Value of retail sales

annual data and 3-month periods ending in recent months, % change on previous year; seasonally adjusted

	Food Stores	Non-Food Stores				Total	All retailing total (inc vehicle fuel)
		Clothing & Footwear	Household goods	Dept stores	Other		
2012	3.0	1.5	-0.4	6.4	0.6	1.7	2.4
2013	3.0	2.6	-3.0	4.1	2.8	1.8	2.6
2013 SEP	3.6	2.7	-2.3	3.7	3.7	2.2	3.5
OCT	2.8	2.3	-1.5	4.8	4.1	2.6	3.0
NOV	2.8	3.6	-1.8	3.4	5.1	2.9	2.8
DEC	4.0	4.8	-0.9	6.2	5.2	4.0	4.0
2014 JAN	3.5	4.8	2.3	6.6	8.3	5.7	4.5

Source: ONS, series: IEAU, IEBJ, IEBM, IEBA, IEAX, J5BY - all retail total includes non-store and vehicle fuel retail

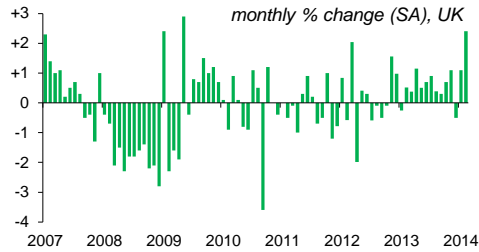
F3: Housing Market

House prices on the Nationwide index rose by 0.6% in February after a 0.7% rise in January. Prices were 9.4% higher compared with a year ago on this measure. House prices on the Halifax index rose by 2.4% in February following a 1.1% fall in January. Prices were 7.9% higher than a year ago on this measure.

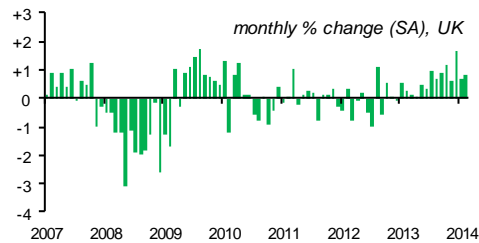
Numbers of mortgage approvals have started to pick up in recent months but still remain well down on pre-recession levels. Housing starts have increased since the recession but still remain well below pre-recession levels.

House price indices

Halifax house price index



Nationwide house price index

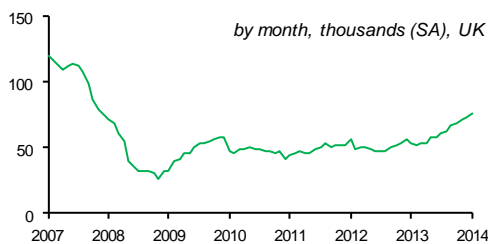


Latest monthly data
UK, seasonally adjusted

	Halifax	Nationwide
Latest data	Jan-14	Feb-14
Change in month	+2.4%	+0.8%
Change in year	+9.9%	+9.4%
Peak date	Aug-07	Oct-07
Change since peak	-14.8%	-8.1%
Trough date	Apr-09	Feb-09
Change since trough	+10.0%	+14.0%

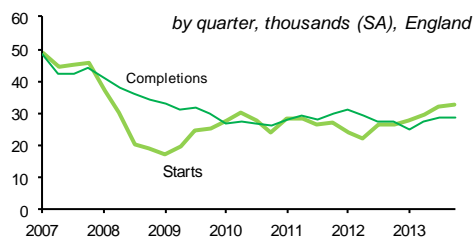
- Average house price growth has accelerated in recent months. In February 2014, the average house price on the Nationwide measure was just over £177,846.
- There is considerable regional variation. In Q3 2013 prices rose by 10% in London but were unchanged in the far north of England compared with a year earlier (Nationwide data).

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 76,947 mortgage approvals in January 2014, a six year high. Approvals were 6% higher than in December and 42% higher than January 2013.

House-building



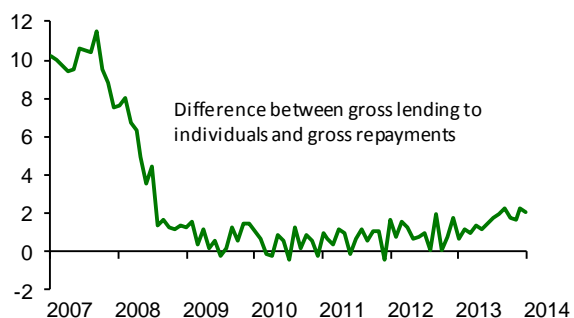
- There were 32,320 house building starts in England in Q4 2013, 1% less than in Q3 2013 and 23% more than in Q4 2012. This is above the low of 14,470 in Q1 2009, but still well below the 48,910 starts in Q1 2007.
- There were 28,510 dwelling completions in Q4 2013, down 1% from 28,770 in Q3 2013, and 5% lower than the number of completions in Q4 2012. This is still below the peak of 48,450 completions in Q1 2007.

Contact: Matthew Ward, x5919

Updates: Halifax [House Price Index](#), early March 2014;
Nationwide [House Price Index](#), early April 2014;
Bank of England, [Money and credit](#), end March 2014
DCLG, [House-building](#), 16 May 2014;

F4: Household debt

Monthly net lending, £bn

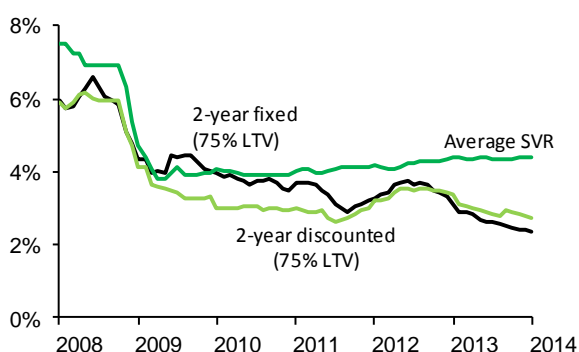


Source: Bank of England

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

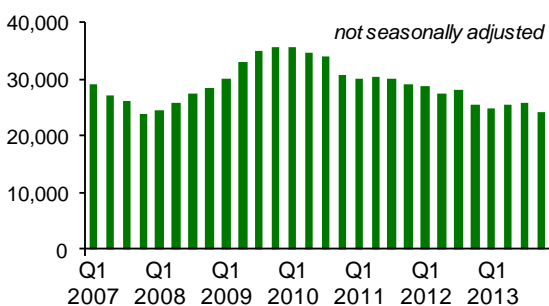
- Total net lending to individuals (excluding student loans) was £2.1 billion in January 2014. Net lending has been relatively low since mid-2008, but grew through most of 2013.
- Monthly net unsecured lending (consumer credit) was £0.7 billion in January. Monthly net secured lending (mortgages) was £1.4 billion.

Current average mortgage interest rates



- The average Standard Variable Rate (SVR) has changed little over the past year – in January 2014 it was 4.41%, compared with 4.38% the year before.
- In contrast fixed-term mortgage rates have generally been falling since mid 2012 – the average 2-year fixed mortgage rate was 2.37% in January, compared to 3.11% the year before. The average 2-year variable rate was 2.76% in January (compared with 3.36% the year before). These figures are for a loan to value ratio of 75%.

Individual insolvencies, England and Wales



Source: Insolvency Service

- There were 24,282 individual insolvencies in England and Wales in Q4 2013, a 4.6% decrease on a year earlier. These figures are not seasonally adjusted and are a provisional estimate.
- In Scotland in Q4 2013 there were 3,335 individual insolvencies, a decrease of 13.7% on Q4 2012.
- In Northern Ireland in Q3 2013 there were 926 individual insolvencies, an increase of 22.5% on Q4 2012.

Contact: Lorna Booth, x2883

Update: Bank of England, [Bankstats](#) (Money and Lending) and [Statistical Database](#), 31 Mar 2014
Insolvency Service, [Insolvency Statistics](#), 29 Apr 2014

5 Indicator sources

The table gives details of sources used in this paper. Office for National Statistics (ONS) releases are available from <http://www.ons.gov.uk/ons/release-calendar/index.html>.

Indicator		Source details
A1	Gross Domestic Product	ONS releases: GDP Preliminary Estimate ; Second Estimate of GDP ; Quarterly national accounts HM Treasury, Forecasts for the UK Economy
A2	GDP: International Comparisons	Gross Domestic Product: Organisation for Economic Co-operation and Development (OECD), Main Economic Indicators , via Stat.OECD database (link to user defined table) Growth Forecasts: OECD, Economic Outlook (full document via www.sourceoecd.org); IMF World Economic Outlook database and updates European Commission's growth forecasts
A3	Components of GDP	ONS releases: Second Estimate of GDP ; Quarterly national accounts
A4	Services	ONS, Index of Services ONS, Workforce Jobs Markit/CIPS UK Services Purchasing Managers Index
A5	Manufacturing	ONS, Index of Production ONS, Workforce Jobs Markit/CIPS UK Manufacturing Purchasing Managers Index
A6	Productivity	ONS, Labour Productivity
B1	Inflation	ONS, Consumer Price Indices
B2	Inflation: International	CPI: OECD, Main Economic Indicators (link to user defined table); EU data: Eurostat news release and database
B3	Average Earnings Index	ONS, Labour Market Statistics
C1	Employment	ONS, Labour Market Statistics
C2	Unemployment: National	ONS, Labour Market Statistics
C3	Unemployment: Regional	ONS, Labour Market Statistics and Regional Labour Market Statistics
C4	Unemployment: International Comparisons	Data: OECD, Main Economic Indicators Commentary: OECD, Economic Outlook (full document via www.sourceoecd.org)

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 Bank of England: Bankstats , tables A 1.1 and A 2.2.1; and ONS Database.
D2	Public Finances	Data: ONS, Public sector finances ; Forecasts of budget balance: Office for Budget Responsibility .
D3	Financial Indicators	<i>Financial Times</i> , Markets Data
E1	UK Balance of Trade	ONS, UK 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 Index
F2	Retail Sales	ONS, Retail Sales
F3	Housing Market	Bank of England: Lending to Individuals ; Department for Communities and Local Government (DCLG) UK Housing Starts: table 201 ; Halifax house price data: housing research page ; Nationwide house price data: data page
F4	Household Debt	Bank of England: Lending to Individuals ; The Insolvency Service: Insolvency Statistics

6 Glossary

Symbols and abbreviations

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

Definitions¹

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 (JSA) 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: 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.

Current/constant prices: 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.

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.

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 do not want a job, those who want a job but have not been seeking work in the last four weeks and those who want a job and are seeking work but not available to start work.

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 – Real GDP: Also known as constant price or chained volume measure, this is a measure used to indicate change in the actual quantity of goods and services produced, by adjusting for inflation.

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

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

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, which enable comparisons to be made across countries. The UK's CPI measure uses HICP methodology.

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.

The Public Sector Net Borrowing (PSNB): 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 PSNB. 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 methodology and coverage. For example, the RPI includes housing costs such as mortgage interest payments while the CPI doesn't.

Seasonally adjusted: Estimates in which the element of variability due to seasonal influences, which may distort the data, has been removed.

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 goods and services.

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 [cont]

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 total 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.