

Economic Indicators

Research Paper 95/119

24 November 1995



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

Bob Twigger (Editor)
Economic Policy & Statistics Section

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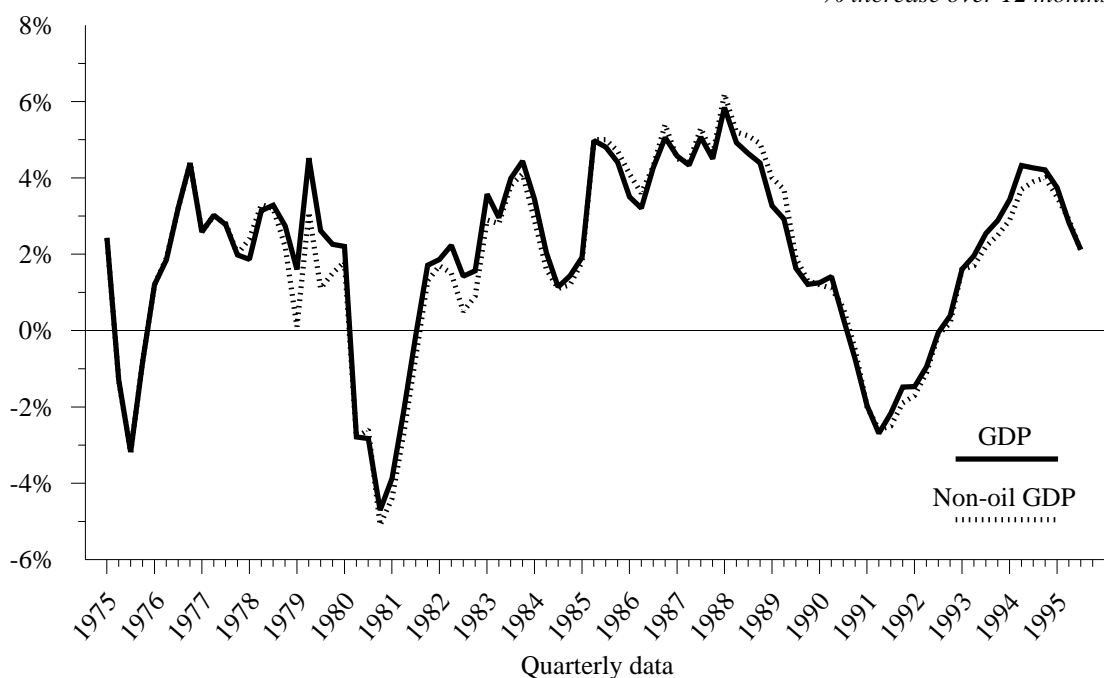
Members and their staff with questions about the currency of or requesting further information on statistics are encouraged to talk to the statistician specialising in the relevant area. The statisticians dealing with the subjects covered by this Research Paper are shown below. (After 6pm there is a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

Subject	Statistician	Phone 219-
Balance of payments	Tim Edmonds/Bob Twigger	2883/4904
Construction	Tim Edmonds/Simon Walley	2883/3977
EC finance	Mick Hillyard/Jane Dyson	4324/2464
Employment	Jane Dyson/Tim Edmonds	2464/2883
Energy	Graham Vidler	2454
Financial services	Bob Twigger/Simon Walley	4904/3977
Housing	Adrian Crompton/Bryn Morgan	6789/3851
Incomes	Bob Twigger/Tim Edmonds	4904/2883
Industries	Tim Edmonds/Simon Walley	2883/3977
National Accounts-GDP etc	Bob Twigger/Tim Edmonds	4904/2883
Overseas aid	Mick Hillyard/Bob Twigger	4324/4904
Prices	Bob Twigger/Tim Edmonds	4904/2883
Production	Bob Twigger/Tim Edmonds	4904/2883
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A 1. Gross Domestic Product

GDP at constant factor cost
% increase over 12 months



Gross Domestic Product (GDP)

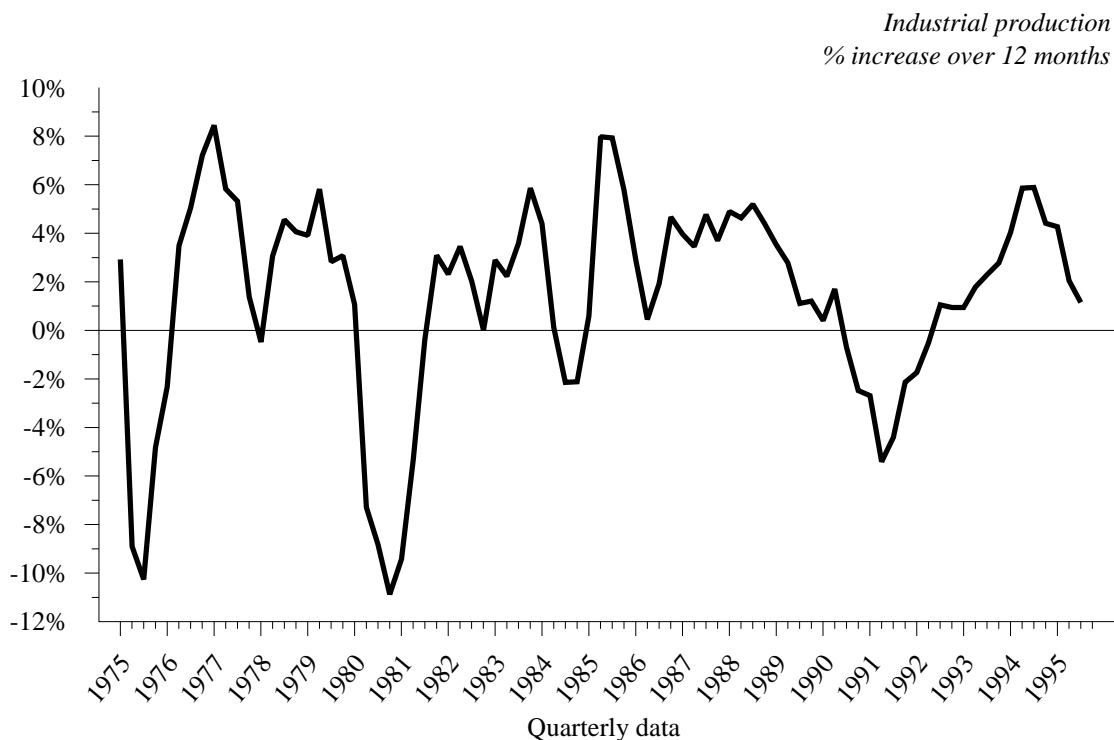
	GDP <i>at constant factor cost 12 month change</i>	Non-Oil GDP <i>at constant factor cost 12 month change</i>	GDP <i>£ billion at current market prices</i>	GDP <i>£ billion at current factor cost</i>
1992	-0.5%	-0.7%	597.2	516.5
1993	2.2%	2.0%	630.7	546.7
1994	4.1%	3.6%	668.5	578.7
1994 Q3	4.3%	3.9%	168.4	145.9
1994 Q4	4.2%	4.0%	170.8	147.6
1995 Q1	3.7%	3.5%	172.7	149.0
1995 Q2	2.8%	2.9%	174.9	150.7
1995 Q3	2.1%	2.1%	176.3	151.7

Sources: CSO Database; CSO first release (95) 269 dated 20.11.95

- * Real GDP at factor cost is estimated to have risen by 0.4% between the second and third quarters of 1995. In the third quarter it was 2.1% higher than in the third quarter of 1994. In 1994 GDP was 4.1% higher than in 1993.
- * The rate of economic growth has slowed significantly in the last year from 4.3% in the third quarter of 1994 to 2.1% in the third quarter of 1995.
- * The latest Treasury summary of economic forecasts suggests that growth will be 2.7% in both 1995 and 1996.
- * In terms of GDP excluding oil and gas extraction, the trough of the recession was in the first quarter of 1992. Since then non-oil output has risen by some 9.1% and it is now 5.0% above the previous peak achieved in the second quarter of 1990.

Next update: 21 December

A 2. Industrial Production



Industrial Production - Index of Output: seasonally adjusted

	Total <i>12 month change</i>	Mining & quarrying incl oil & gas <i>12 month change</i>	Manufacturing <i>12 month change</i>	Gas, electricity & water supply <i>12 month change</i>
1992	-0.1%	3.2%	-0.6%	1.6%
1993	2.0%	6.9%	1.2%	4.1%
1994	5.1%	14.8%	4.3%	1.2%
1994 Q2	5.9%	23.0%	4.0%	3.9%
1994 Q3	5.9%	13.1%	5.2%	3.1%
1994 Q4	4.4%	6.2%	5.3%	-5.8%
1995 Q1	4.3%	8.9%	3.7%	4.2%
1995 Q2	2.0%	0.7%	2.3%	1.6%
1995 Q3	1.2%	3.3%	1.2%	-1.2%

Source: CSO database; CSO press notice (95)254 dated 6.11.95

- * In the three months to September 1995 total industrial production was 0.5% higher than in the previous three months and 1.2% higher than in the same period a year earlier. This compares with annual growth rates in excess of 5% in 1994. In September output was 0.5% higher than its August level.
- * Compared with the three months to June, overall manufacturing production in the period July to September was 0.2% higher. Over this period growth was strongest in the coke, petrol refining & nuclear fuels sector (+3.2%) and weakest in textiles, leather and clothing sector (-2.2%).
- * Compared with the three months to June, output in the mining and quarrying sector (including extraction of oil and natural gas) in the last three months was 2.3% higher and production in the gas, electricity and water supply industries was 0.9% higher. The index for oil and gas extraction increased by 6.6% in September reflecting the end of maintenance work in the North Sea. Output in September was at record levels.

Next update: 6 December

A 3. Productivity



Manufacturing Productivity Index 12 month percentage change

Annual average	Output per head
1990	2.6%
1991	2.6%
1992	5.8%
1993	4.7%
1994	4.8%
Monthly data	
Sep 1994	5.3%
Oct 1994	7.0%
Nov 1994	6.3%
Dec 1994	3.8%
Jan 1995	2.5%
Feb 1995	3.0%
Mar 1995	3.5%
Apr 1995	2.1%
May 1995	1.2%
Jun 1995	1.6%
Jul 1995	0.8%
Aug 1995	0.7%
Sep 1995	0.1%

* After slowing considerably in 1990 and 1991, growth in manufacturing productivity resumed in 1992 with increases of over 4%. Strong productivity growth continued in 1993 and 1994 and was particularly strong in the second half of 1994. However, since the beginning of 1995 the rate of growth of manufacturing productivity has fallen back to less than 1% in terms of output per head.

* Having shown a slight fall in 1989 and no change in 1990, economy-wide productivity increased by 0.8% in 1991 and 2.1% in 1992. There were further improvements in 1993 and 1994 with increases in economy-wide productivity of 3.3% in both years.

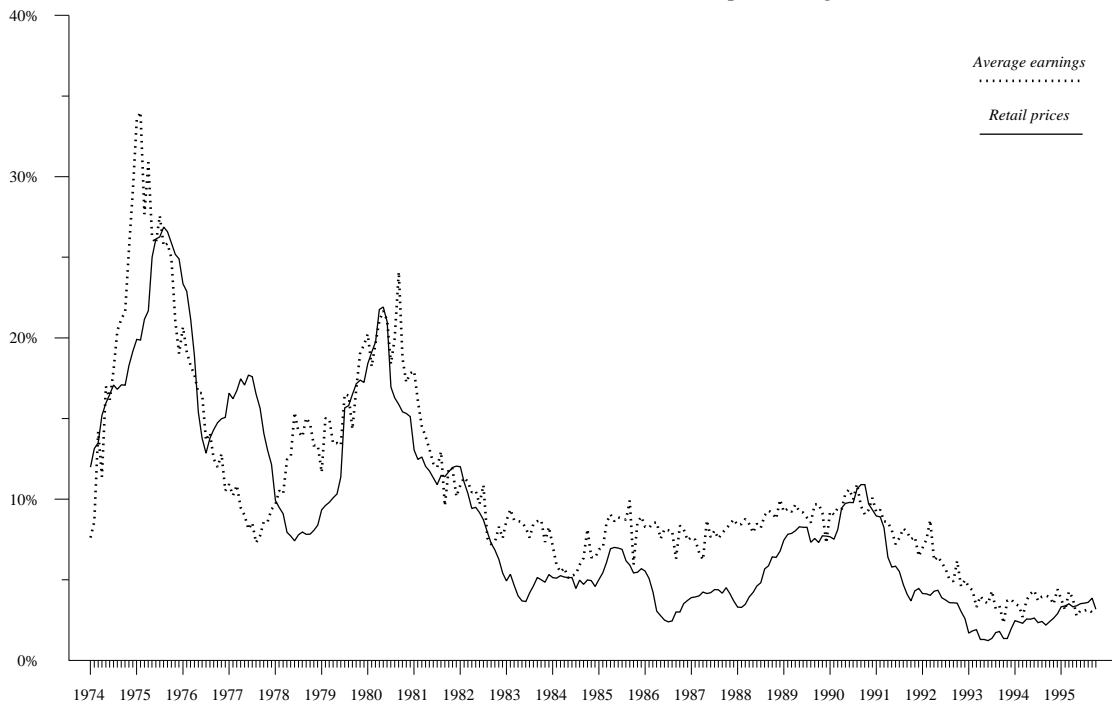
* Data showing output per hour in manufacturing have been temporarily withdrawn. New indices are being constructed and should be available in early 1996.

Source: CSO Database (series DMOB)

Next update: 13 December

B 1. Retail Prices and Average Earnings

percentage increase over 12 months



% increase on previous year

Annual averages	Prices	Earnings
1990	9.5	9.8
1991	5.9	8.0
1992	3.7	6.1
1993	1.6	3.4
1994	2.4	4.0
Monthly data		
Oct 1994	2.4	3.9
Nov 1994	2.6	3.5
Dec 1994	2.9	4.4
Jan 1995	3.3	3.8
Feb 1995	3.4	3.1
Mar 1995	3.5	4.3
Apr 1995	3.3	3.9
May 1995	3.4	2.8
Jun 1995	3.5	3.1
Jul 1995	3.5	3.1
Aug 1995	3.6	3.2
Sep 1995	3.9	3.0
Oct 1995	3.2	..

Inflation - consumer prices rose by 3.2% in the year to October 1995, representing a fall from a 3.9% increase in the year to September 1995.

Excluding the effect of mortgage interest payments (MIPs), RPI(X) rose by 2.9% in the year to October 1995. Excluding the effects of MIPs and indirect taxes (RPIY), the prices rose by 2.4%.

Earnings - average gross earnings of employees in Great Britain rose by 3.0% in the year to September 1995. The underlying rate, which takes account of staged agreements and bonuses, is estimated to be 3¼%.

This rise puts the actual level of average earnings of full-time employees at around £336.80 per week or £17,500 per year.

Forecasts - the Treasury's Summer Economic Forecast suggests that the RPI (less mortgage interest payments) will increase by 3% in the year to the fourth quarter of 1995 and 2½% in the year to the fourth quarter of 1996.

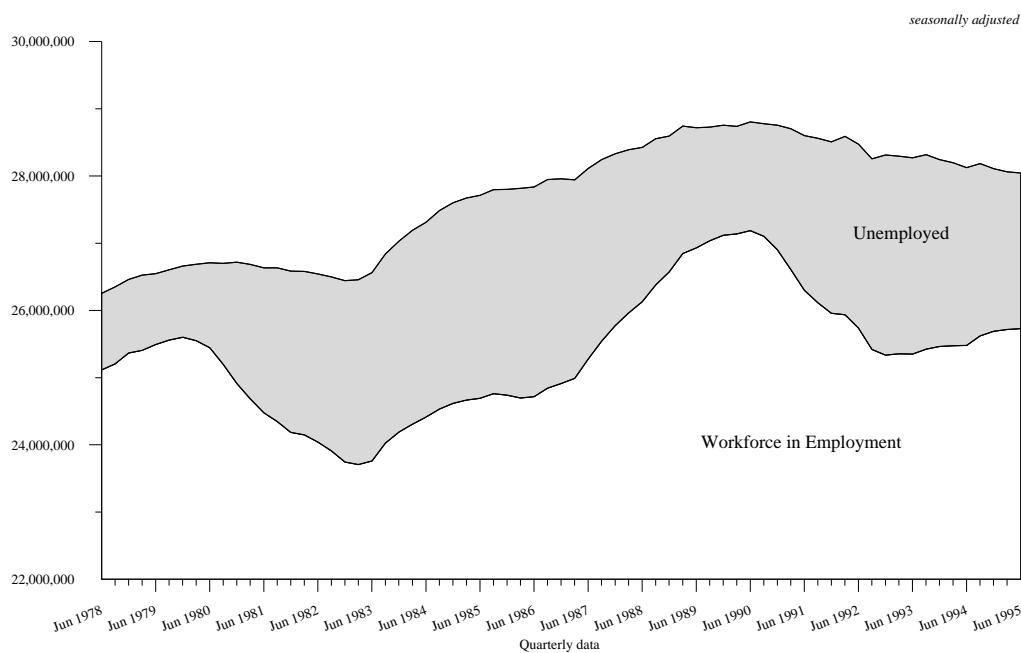
The latest summary of independent forecasts suggests that the RPI (exc MIPs) will rise by 3.2% in the year to the fourth quarter of 1995 and 3.0% in the year to the fourth quarter of 1996.

Independent forecasts predict average earnings to rise by 3.2% in 1995 and 4.3% in 1996.

Sources: CSO Database series CHAW & DNAB

Next update: Prices 14 December
Earnings 13 December

C 1. Employment



United Kingdom; seasonally adjusted; thousands

June	Employees in employment	Self employed	HM Forces	Work related govt training programmes	Workforce in employment
1991	22,250	3,398	297	353	26,299
1992	21,904	3,219	290	325	25,738
1993	21,588	3,178	271	311	25,348
1994	21,639	3,288	250	302	25,478
1995	21,889	3,346	230	264	25,729
Changes 1994 to 1995					
000s	250	58	-20	-38	251
%	1.2%	1.8%	-8.0%	-12.6%	1.0%

Source: CSO Labour Market Statistics 18 October 1995

* Workforce in employment in June 1995 was 251,000 higher than in June 1994 and 237,000 higher than in June 1979. The net increase over the last year comprised of increases in the number of employees in employment and self-employment which were partly off-set by falls in the number of HM forces and those on government training schemes.

* In June 1995 46% of the workforce in employment were female.

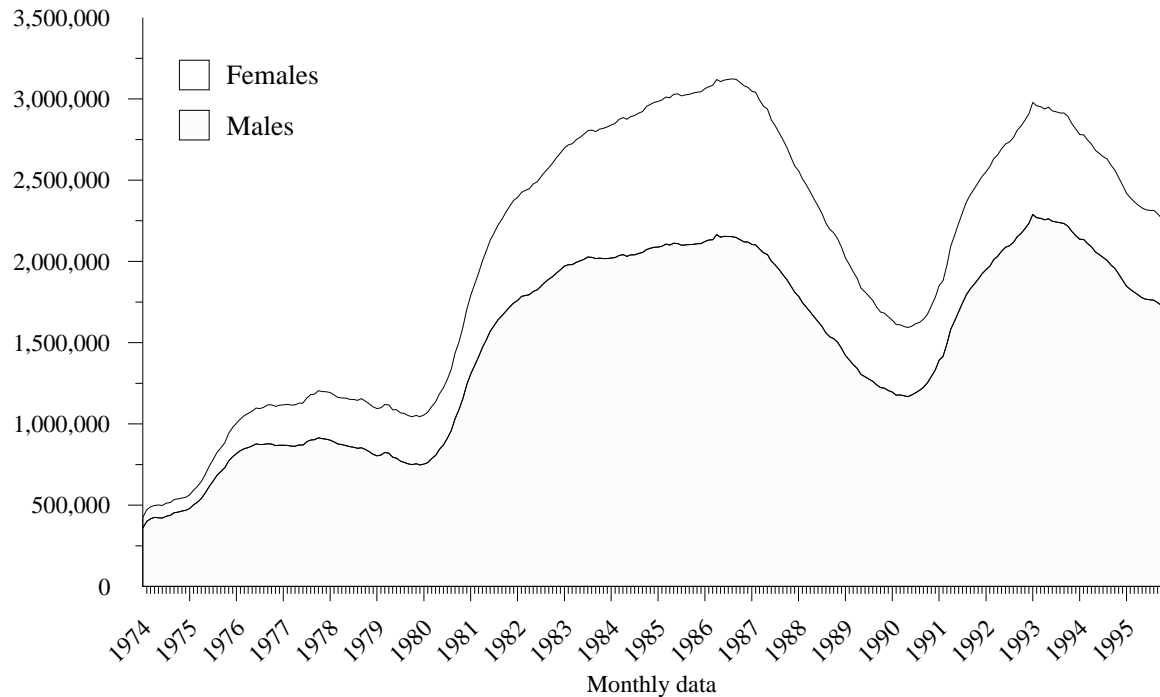
* Self employed in June 1995 represented 13% of workforce in employment compared to 8% in June 1979.

* In June 1995 11% of male and 47% of female employees were part-time, totalling 6.3 million employees.

Next update: 13 December

C 2. Unemployment: National

*Unemployed claimants: UK
seasonally adjusted*



Seasonally adjusted
Unemployed Claimants UK

Annual averages	Number	% of workforce
1990	1,660,800	5.8
1991	2,286,100	8.0
1992	2,765,000	9.7
1993	2,900,600	10.3
1994	2,619,400	9.4
Monthly data		
Oct 1994	2,514,500	9.0
Nov 1994	2,470,300	8.8
Dec 1994	2,418,500	8.6
Jan 1995	2,392,100	8.5
Feb 1995	2,366,700	8.5
Mar 1995	2,346,800	8.4
Apr 1995	2,327,800	8.3
May 1995	2,317,400	8.3
Jun 1995	2,313,600	8.3
Jul 1995	2,313,400	8.3
Aug 1995	2,292,300	8.2
Sep 1995	2,265,300	8.1
Oct 1995	2,265,500	8.1

Unemployment - fell by 9.9% in the year to October 1995. The October 1995 total is

- 16% lower than April 1992
- 20% lower than in June 1987
- 19% lower than in June 1983
- 108% higher than in May 1979

(all figures adjusted for seasonality and discontinuities)

% Rates - as a proportion of the workforce the October totals give unemployment rates of:

- 10.9% for males
- 4.4% for females
- 8.1 % overall

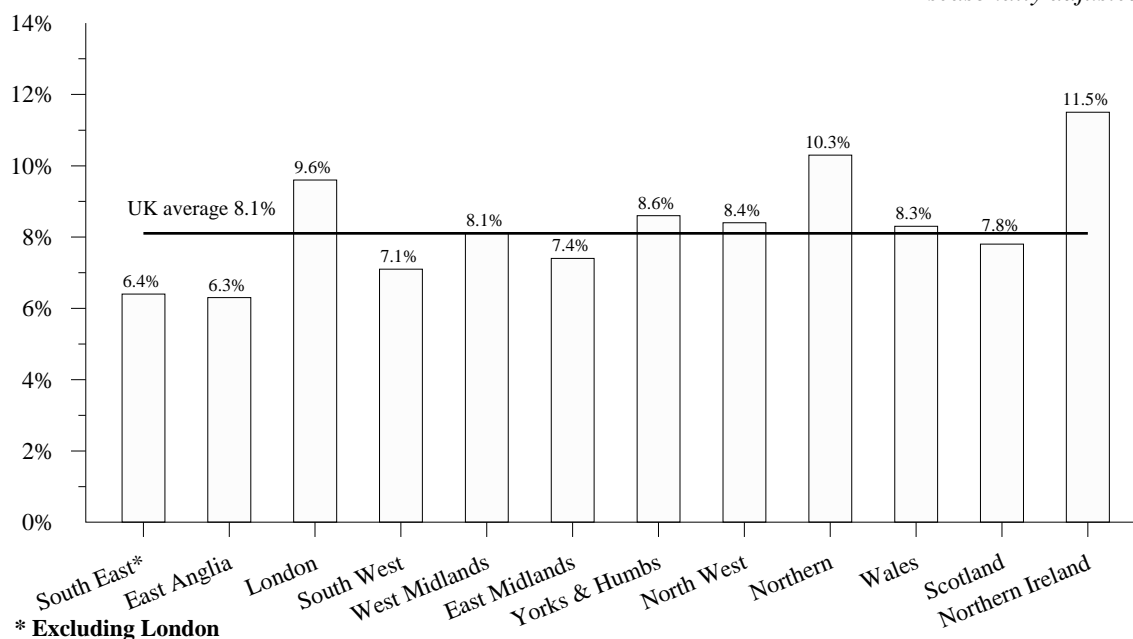
Forecasts - an average of independent forecasters predicts that unemployment will fall to around 2.27 million by the fourth quarter of 1995 and 2.12 million by the fourth quarter of 1996.

Source: NOMIS Database

Next update: 13 December

C 3. Unemployment: Regional

*% of workforce
September 1995
seasonally adjusted*



% change October 1994 to 1995

Region	%
South East (Excl. London)	-12.7
East Anglia	-7.3
London	-7.8
South West	-10.8
West Midlands	-12.8
East Midlands	-11.0
Yorks & Humbs	-6.8
North West	-10.9
Northern	-6.9
Wales	-6.5
Scotland	-11.2
Northern Ireland	-8.4
United Kingdom	-9.9

% Rates - as a proportion of the workforce October unemployment rates are higher than the national average of 8.1% in six regions:

Region	%
Northern Ireland	11.5
Northern	10.3
London	9.6
Yorkshire and Humberside	8.6
North West	8.4
Wales	8.3

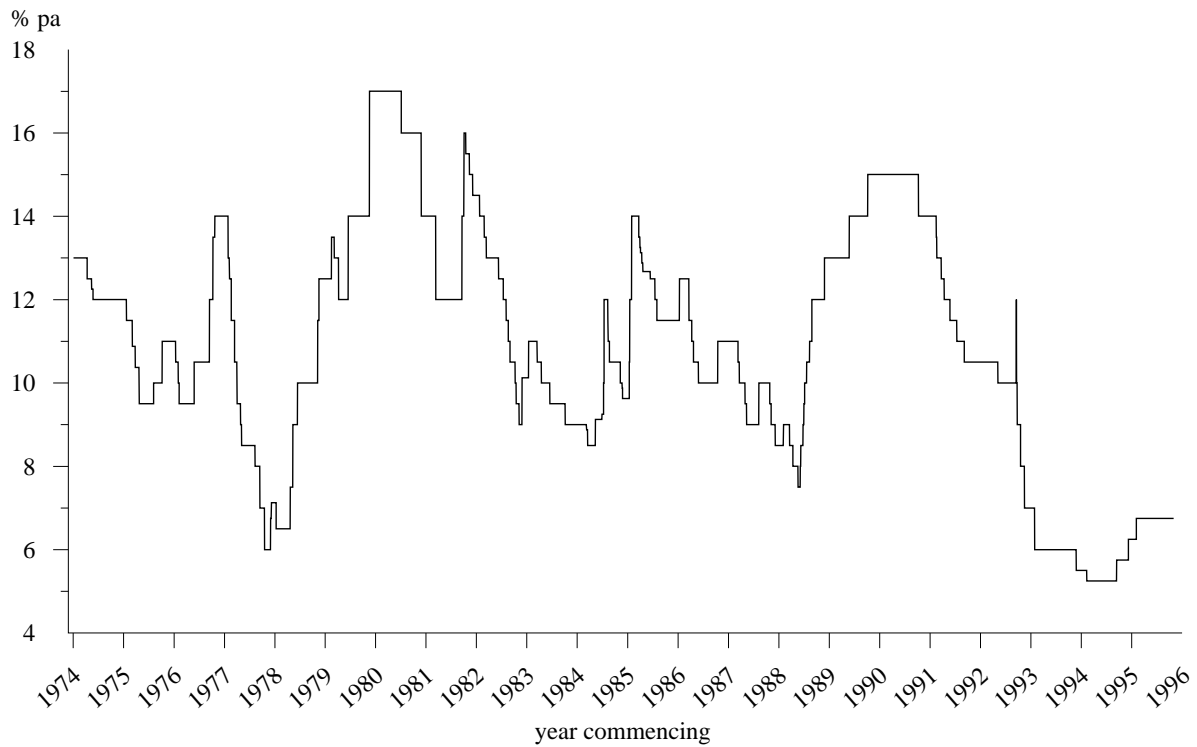
Rates of change - Although there was a rise of 200 in the October claimant count, unemployment levels are now lower than 12 months ago in every region of the United Kingdom. Unemployment has fallen by over 12% in the South East (excluding London) and the West Midlands. Unemployment has fallen by less than 7% in Yorkshire & Humberside, Northern region and Wales.

Source: NOMIS Database

Next update: 13 December

D 1. Interest Rates

Base Rates



per cent per annum

Date Of Change	New Rate	Date Of Change	New Rate
1988 Jul 5	10.00	1991 Jul 12	11.00
Jul 19	10.50	Sep 4	10.50
Aug 8	10.50 - 11.00	1992 May 5	10.00
Aug 9	11.00	Sep 16	12.00
Aug 25	11.00 - 11.50	Sep 17	10.00
Aug 26	12.00	Sep 22	9.00
Nov 25	13.00	Oct 16	8.00
1989 May 24	14.00	Nov 13	7.00
Oct 5	15.00	1993 Jan 26	6.00
1990 Oct 8	14.00	Nov 23	5.50
1991 Feb 13	13.50	1994 Feb 8	5.25
Feb 27	13.00	Sep 12	5.75
Mar 22	12.50	Dec 7	6.25
Apr 12	12.00	1995 Feb 2	6.75
May 24	11.50		

* The first rise in UK base rates this year, up to 6.75% p.a., now looks to be the last. Expectations of increases in the Summer did not materialise and the slow down in growth since then makes further rises look less likely.

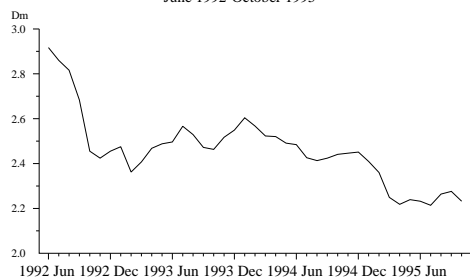
* A rate of 15.0% p.a. was announced on 16th September 1992 but was cancelled before becoming effective.

D 2. Exchange Rates

Sterling Exchange Rate Index
1990=100



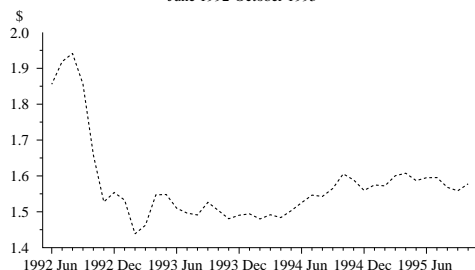
Sterling-Deutschemark Exchange Rate
June 1992-October 1995



* The graphs opposite show the average sterling monthly exchange rates against the deutschemark and the US dollar since June 1992.

* The London sterling closing rates at 22nd November 1995 were as follows; DM 2.1991; US\$ 1.5613; Yen 157.738.

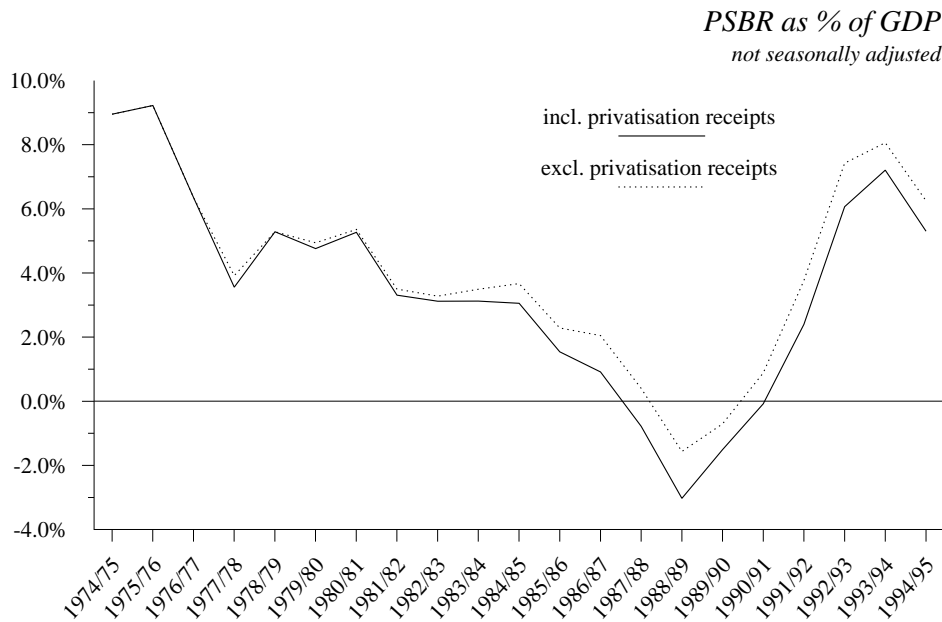
Sterling US Dollar Exchange Rate
June 1992-October 1995



* Political influences have made themselves felt in the currency markets in the last month. Sentiment on the US dollar was negatively affected due to the clash between the President and House over the Budget settlement. In Europe some of the pressure has come off of the French franc following the formation of a new government. In the UK, expectations of a cut in interest rates in the Budget due to a slowdown in growth has weakened sterling against the deutschemark and other European currencies.

Source: CSO Database Series AJFH, AJFA, AJHX; Financial Times

D 3. PSBR



Public Sector Borrowing Requirement

	PSBR		PSBR excl privatisation receipts	
	£ billion	As a % of GDP	£ billion	As a % of GDP
1990/91	-0.6	-0.1%	4.7	0.9%
1991/92	13.8	2.4%	21.7	3.7%
1992/93	36.3	6.0%	44.5	7.3%
1993/94	45.4	7.1%	50.8	7.9%
1994/95	35.9	5.3%	42.3	6.2%

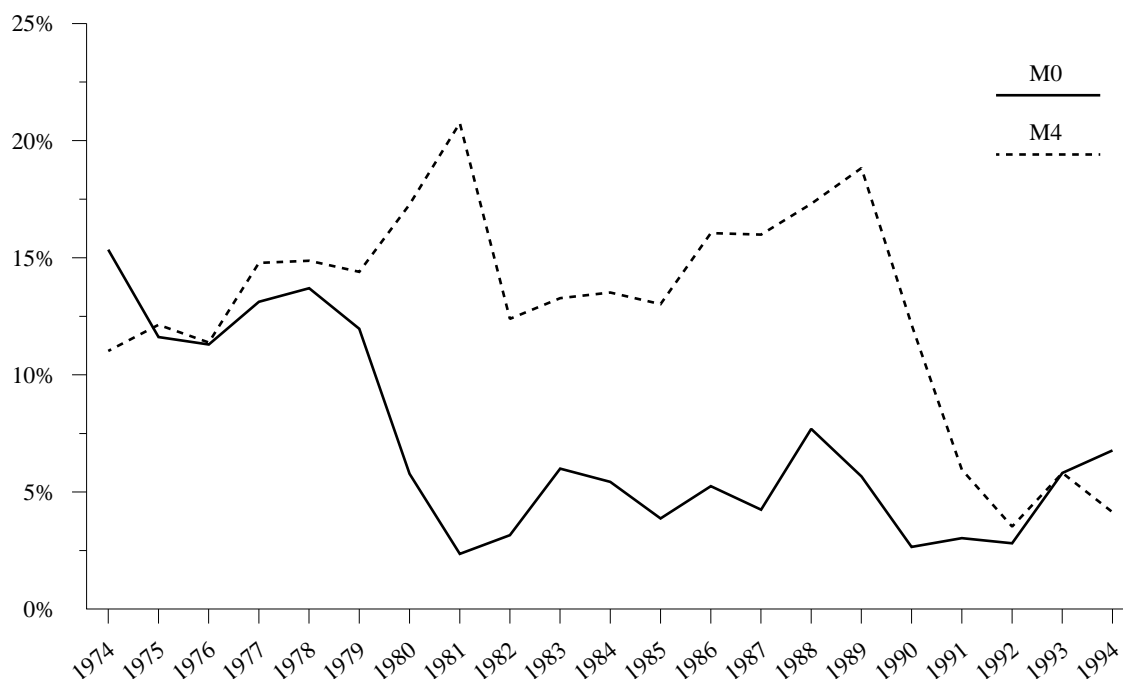
Source: CSO Database Series ABEN, ABII CAOB

- * The PSBR for the whole of 1994-95 was £35.9 billion (5.3% of GDP) compared to £45.4 billion (7.1% of GDP) in 1993-94. The PSBR excluding privatisation receipts was £42.3 billion (6.2% of GDP) in 1994-95 compared to £50.8 billion (7.9% of GDP) in 1993-94.
- * The cumulative PSBR for the first seven months of 1995/96 was £18.8 billion compared with £19.6 billion for the same period in 1994/95.
- * The 1994-95 outturn total exceeded the forecast made at the time of the 1994 Autumn Budget by £1 billion. The 1995 Summer Economic Forecast estimated that the 1995/96 PSBR will be £23.5 billion, however, the latest average forecast for the 1995/96 PSBR, published in the Treasury's survey of independent forecasters, is £28.7 billion, an increase of over £7 billion on the 1994 Budget forecast.

Next update: 18 December

D 4. Money Supply

% change on previous year



Money Stock -Change on previous 12 months and 3 months annualised (seasonally adjusted)

	M0		M4	
	3 month annualised % rate of change	annual % change	3 month annualised % rate of change	annual % change
1994 December	6.9%	6.9%	5.5%	4.6%
1995 January	3.5%	6.6%	7.2%	4.6%
1995 February	4.2%	6.1%	6.4%	4.7%
1995 March	5.3%	7.0%	10.3%	5.5%
1995 April	8.1%	6.3%	10.0%	5.6%
1995 May	5.8%	5.9%	11.1%	6.4%
1995 June	2.5%	5.7%	7.7%	6.8%
1995 July	3.1%	5.7%	11.3%	8.0%
1995 August	6.3%	6.1%	10.4%	8.4%
1995 September	7.3%	5.5%	9.5%	8.2%
1995 October (a)	6.1%	5.2%	6.8%	8.7%

Note: (a) provisional figures for M4

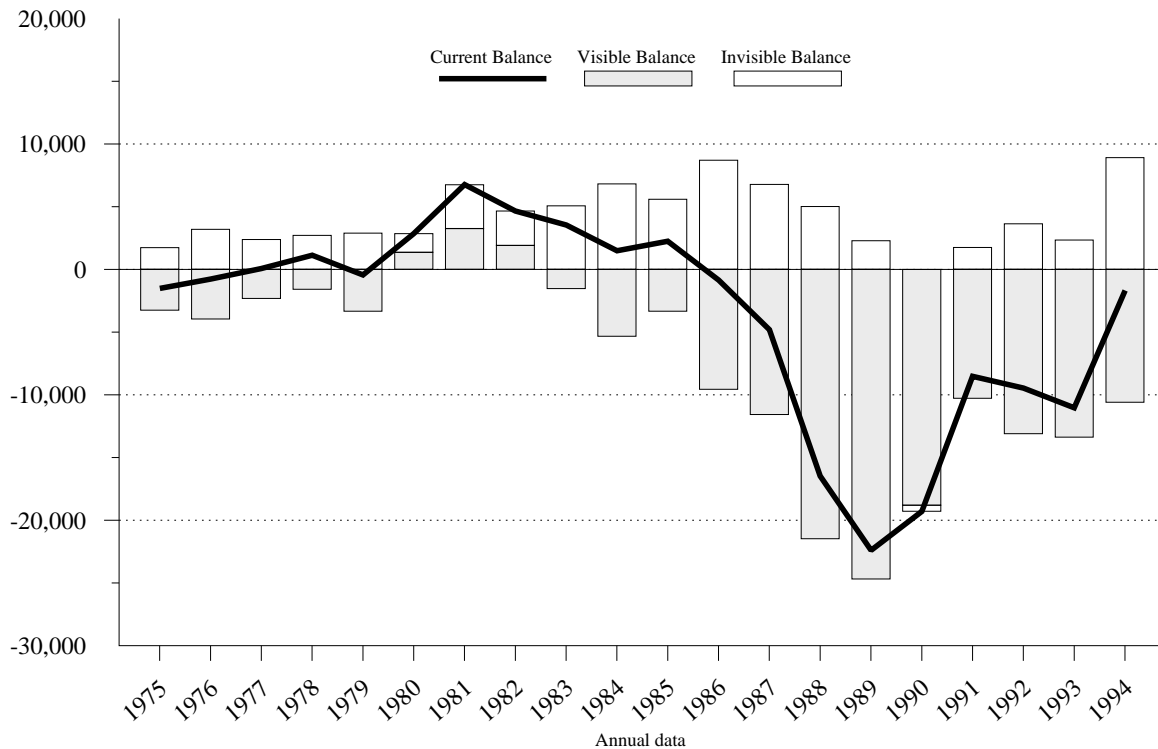
Source: Bank of England "Financial Statistics" November 1995, Statistical release November 1995

- * M0 comprises notes and coin in circulation outside the Bank of England *plus* bankers' operational deposits with the Bank. M4 is a broad measure of money consisting of the private sector's holdings of cash, and sterling deposits held by the private sector at both banks and building societies.
- * The Medium Term Financial Strategy (MTFS) announced in the March 1993 Budget set a monitoring target of 0 to 4 per cent for the growth of M0 and 3 to 9 per cent for the growth of M4. These targets were unchanged in the November 1994 Budget.

Next update: 20 December

E 1. International Trade

£ million at current prices



UK Balance of Payments Current Account
£ million seasonally adjusted BoP basis

	Exports	Imports	Visible Balance	Invisible Balance	Current Balance
1990	101,718	120,527	-18,809	-484	-19,293
1991	103,413	113,697	-10,284	1,751	-8,533
1992	107,343	120,447	-13,104	3,636	-9,468
1993	121,409	134,787	-13,378	2,336	-11,042
1994	134,465	145,059	-10,594	8,910	-1,684
1994 Q2	33,235	35,519	-2,284	1,706	-578
1994 Q3	34,213	36,425	-2,212	2,658	446
1994 Q4	35,289	38,289	-3,000	2,486	-514
1995 Q1	36,748	38,767	-2,019	703	-1,316
1995 Q2	37,325	40,563	-3,238	874	-2,364

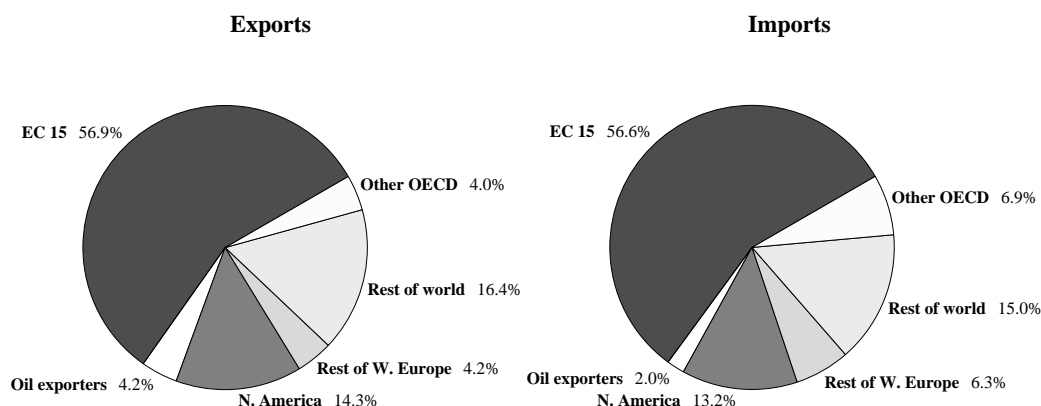
Source: CSO database; CSO first release (95) 207 dated 22.9.95

- * **Visible balance** - This increased to £3.2 billion in the second quarter of 1995, compared with just over £2 billion in the previous three months and £2.2 billion in the second quarter of 1994. The increase on the first quarter was due to a 4½ per cent increase in the value of imports compared with a 1½ per cent increase in exports. The deficit for 1994 as a whole is estimated to have been £10.6 billion compared to £13.4 billion in 1993.
- * **Invisible balance** - The invisible surplus in the second quarter is estimated at £0.9 billion compared to a revised £0.7 billion in the first quarter. These quarterly surpluses are significantly below the levels recorded for the same quarters during 1994.
- * **Current balance** - This was in deficit by £2.4 billion in the second quarter of 1995 (the highest deficit recorded since the fourth quarter of 1993) compared to a revised deficit of £1.3 billion in the first quarter (revised from a deficit of £0.4 billion). The current account for 1994 was in deficit by £1.7 billion, compared with a deficit of £11.0 billion in 1993. The Treasury's Summer Economic Forecast suggests deficits of £2 billion in 1995 and £1 billion in 1996.

Next update: 21 December

E 2. Visible Trade

Shares of visible trade by area:1994
BoP basis



Export and import volume indices and visible trade balances
seasonally adjusted; BoP basis

	Volume Index 1990=100		Trade Balances £ million		
	Exports	Imports	Total visible balance	Excluding oil	Excluding oil and erratic items (a)
1991	101.2	94.7	-10,284	-11,492	-13,570
1992	103.7	100.9	-13,104	-14,652	-16,036
1993	107.4	104.8	-13,378	-15,820	-17,405
1994	118.1	110.3	-10,738	-14,639	-15,409
1994 Q3	119.6	108.9	-2,165	-3,070	-3,398
1994 Q4	122.8	114.3	-3,053	-4,000	-3,852
1995 Q1	123.4	109.8	-1,896	-3,177	-3,738
1995 Q2	122.3	111.9	-3,207	-4,331	-4,225
1995 Jul-Aug	126.0	117.1	-2,410	-2,901	-3,031

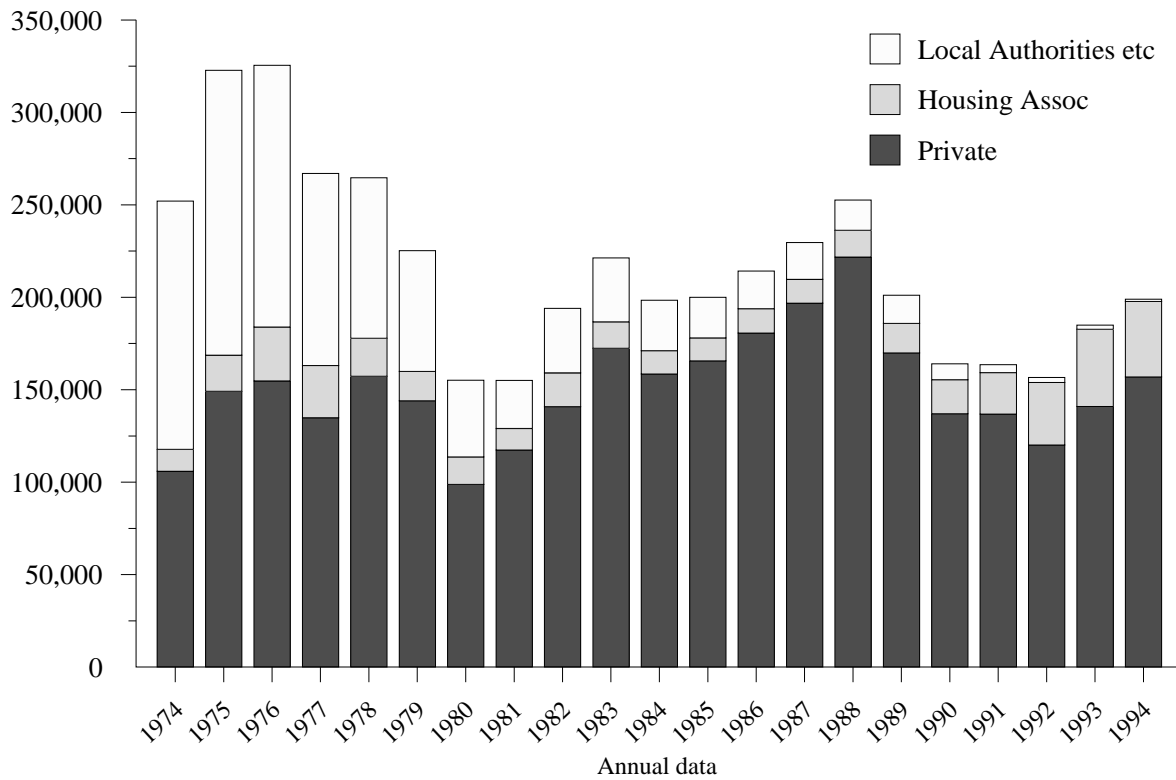
Note: (a) ships, aircraft, precious stones and silver.

Source: CSO database, CSO First Release (95) 252 dated 1.11.95

- * The enlarged European Community (EC 15) now supplies and receives over half of all UK imports and exports respectively.
- * In the three months to August, export volumes (excluding oil and erratics) rose by 2 per cent on the previous three months, largely as a result of a 2½ per cent rise in the volume of exports to the EC.
- * Import volumes (excluding oil and erratics) in the three months to August 1995 rose by 3½ per cent with imports from the EC up 2½ per cent and those from non-EC up 5 per cent on the previous 3 months.
- * In the three months to August 1995, the visible deficit increased to £3.39 billion from £2.8 billion in the previous three months. The latest estimate suggests that the whole world visible deficit is widening.
- * The non-EC visible trade deficit in October is provisionally estimated at £1.2 billion, compared with £0.7 billion in September

Next update: 1 December

F 1. Housing Starts



New Dwellings Started - Great Britain (thousands)

	Private	Housing Assocs	Local Auth's etc	Total
1990	137.0	18.4	8.6	164.0
1991	136.8	22.4	4.3	163.5
1992	120.1	33.8	2.7	156.6
1993	140.9	41.8	2.2	184.9
1994	156.9	40.8	1.3	199.0
<i>seasonally adjusted</i>				
1995 Q2	36.4	8.2	0.5	45.1
1995 Q3	33.9	8.0	0.2	42.1
Jul 95	11.6	2.4	0.0	14.0
Aug 95	11.7	2.7	0.1	14.5
Sep 95	10.6	2.9	0.1	13.6

* Seasonally adjusted total starts in Jul 1995 - Sep 1995 were 13% lower than in the previous three months, and 16% lower than Jul 1994 - Sep 1994.

* Overall starts in 1994 were 12% below their level in 1979 but 8% higher than in 1993.

* Local authorities started only 1,300 dwellings in 1994 - 0.7% of the total.

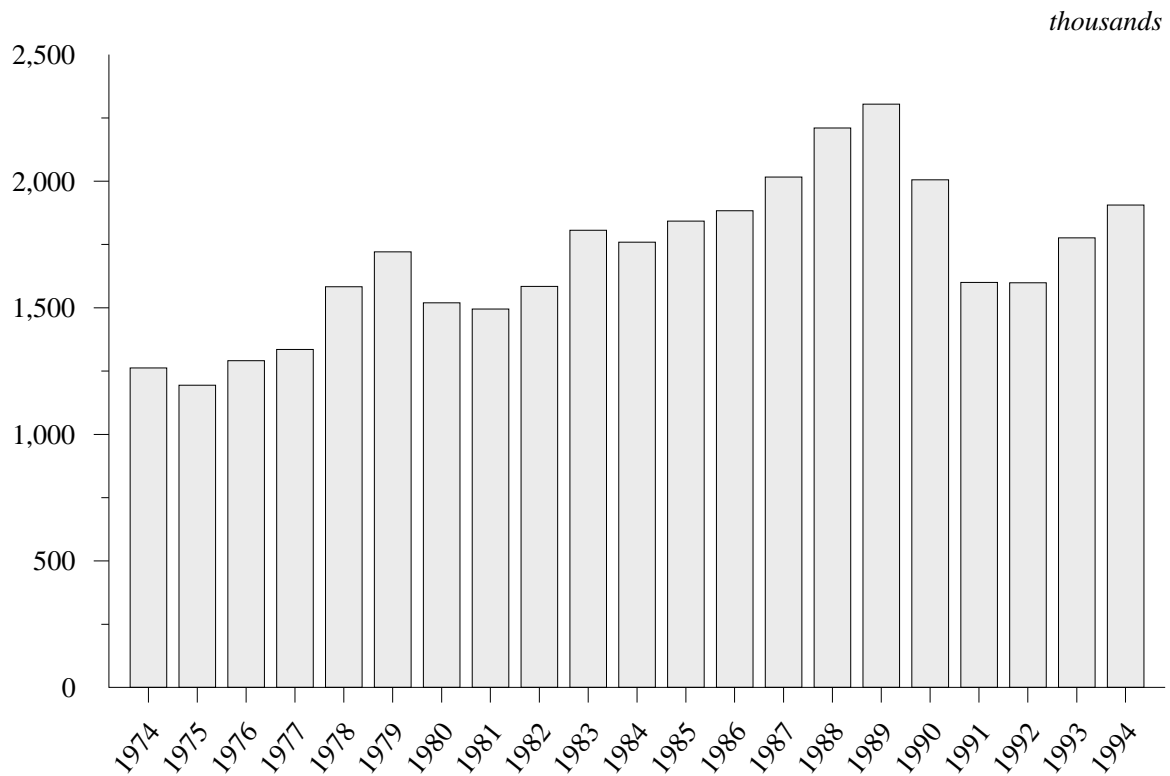
* Housing association starts fell by 2% in 1994; private starts rose by 11%.

Sources: CSO Database series FCAB, CTOR, CTOV

Next update: 5 December

Research Paper 95/119

F 2. New Registrations of Cars



New Registrations of Cars *seasonally adjusted*

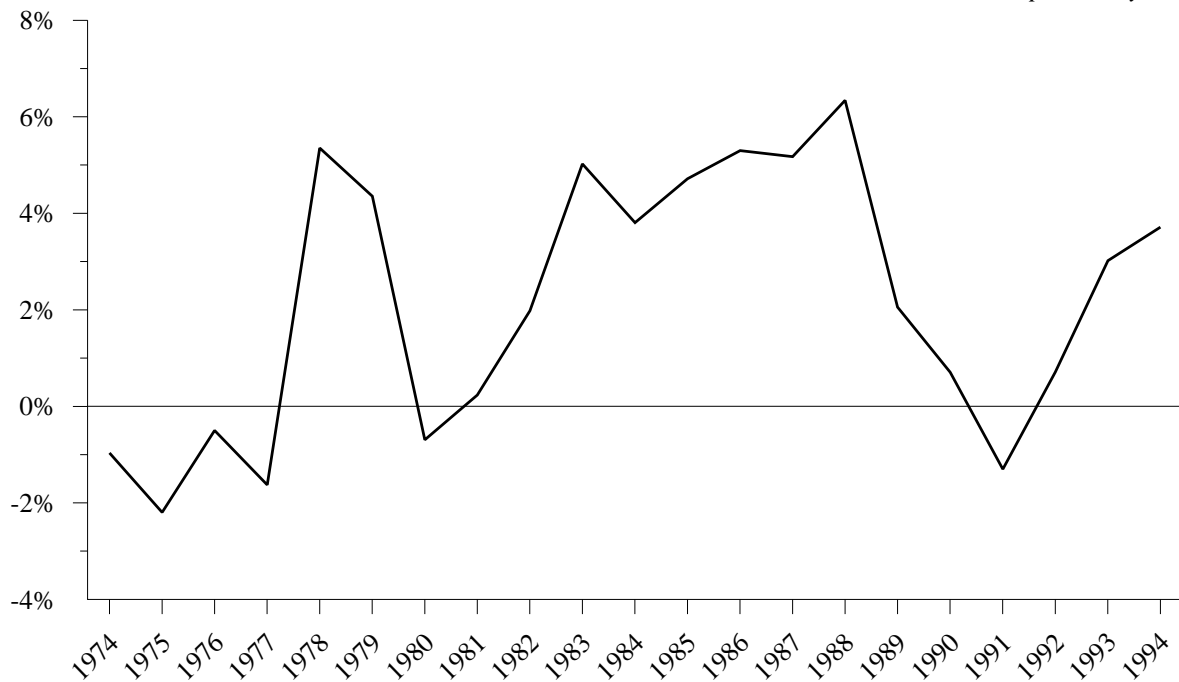
	Number thousands	Change over 12 months	
			* Latest seasonally adjusted figures show 152,000 new registrations of cars in September 1995 - 5.3% lower than in September 1994.
1990	2,005	-13.0%	
1991	1,600	-20.2%	* Latest annual figure for 1994 shows 1.9 million new registrations of cars - 7% higher than 1993.
1992	1,599	-0.1%	
1993	1,776	11.1%	* 59% of cars registered in September 1995 were imported.
1994	1,906	7.3%	* 21% of cars registered in September 1995 were diesel and 51% were registered at company addresses.
May 1995	161	0.2%	
Jun 1995	163	-1.5%	
Jul 1995	159	4.3%	
Aug 1995	162	2.1%	
Sep 1995	152	-5.3%	

Next update: 30 November

Source: Department of Transport Statistical Bulletin 95(25)

F 3. Retail Sales

*Retail Sales (Volume) Index (1990=100)
% increase on previous year*



Retail Sales Volume Index: All Retailers

	Index Number 1990=100	12 Month Change
1990	100.0	0.7%
1991	98.7	-1.3%
1992	99.4	0.7%
1993	102.4	3.0%
1994	106.2	3.7%
1995 Apr	107.3	1.8%
May	107.1	1.2%
Jun	107.5	1.2%
Jul	107.9	1.2%
Aug	107.0	0.3%
Sep	107.3	-0.1%
Oct	107.1	0.0%

* The retail sales index has recently been rebased onto the 1992 Standard Industrial Classification to bring it in line with other economic statistics. Improvements have also been made to the method of seasonal adjustment. Data from 1986 onwards have been revised.

* Retail sales volume index increased by 3.7% in 1994 over 1993.

* Sales in the most recent 3 month period were 0.1% up on the same period last year.

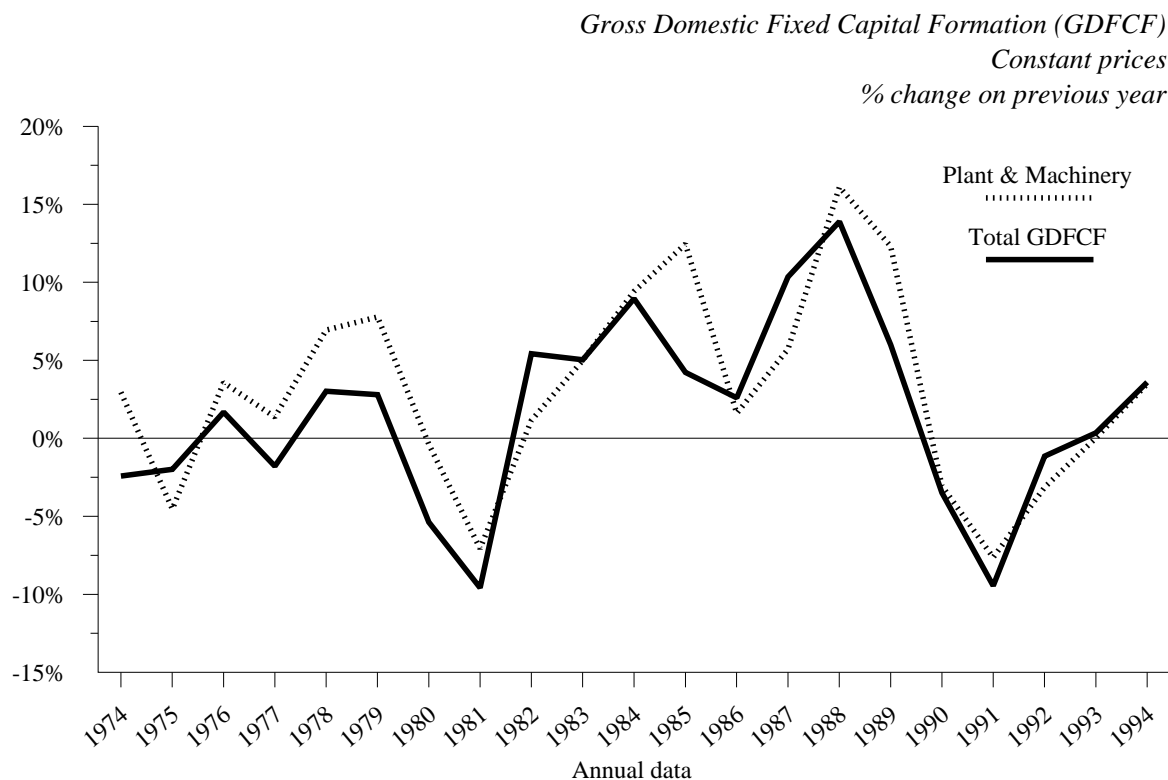
* In the year to October 1995 the retail sales volume index remained unchanged.

Note: weekly average, seasonally adjusted

Source: CSO database series EA PS

Next update: 13 December

F 4. Investment



GDFCF (£ million) at 1990 prices, seasonally adjusted

	Vehicles, Ships & Aircraft	Plant & Machinery	Other New Building Work (i)	Dwellings	Total
1990	10,266	36,762	39,110	21,439	107,577
1991	8,008	33,955	37,521	17,919	97,403
1992	7,787	32,602	37,249	18,335	95,973
1993	8,438	32,453	35,867	19,399	96,538
1994	9,236	34,038	36,654	20,153	100,081
1994 Q 2	2,223	8,459	9,035	5,058	24,775
1994 Q 3	2,227	8,530	9,068	4,895	24,720
1994 Q 4	2,436	8,777	8,923	4,960	25,096
1995 Q 1	2,187	8,705	8,992	5,162	25,046
1995 Q 2	2,627	8,792	8,943	5,068	25,430

Note (i) including transfer of costs of land and buildings

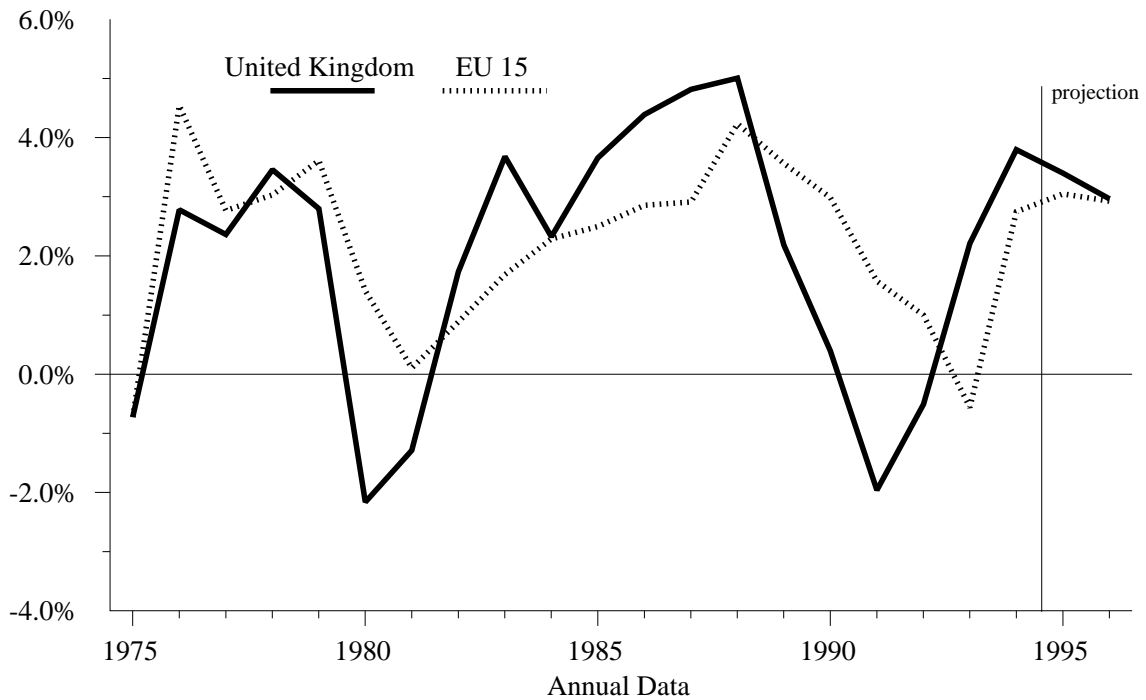
Source: CSO Database Series DEBP, DEBO, DFCV, DFEA, DFEC, DECU

- * GDFCF is expenditure on fixed assets (buildings, vehicles etc.) either for replacing or adding to the stock of existing assets.
- * In 1994 total GDFCF (at 1990 prices) rose by 3.7% compared to 1993 but was still 10% lower than the peak in 1989. Investment in plant and machinery rose by 4.9% in 1994 compared with 1993.
- * In the second quarter of 1995, total GDFCF rose 1.5% compared to the previous quarter and was still 2.6% higher than in the same period in 1994. Investment in vehicles, ships & aircraft rose in the second quarter of 1995 by 20% compared to the previous quarter and 18% when compared to the same quarter in 1994.
- * Provisional estimates for the third quarter suggest that total investment was 2.2% lower than in the second quarter of 1995 but 0.6% higher than in the third quarter of 1994.

Next update: 21 December

G 1. International Comparisons: Growth

Growth of Real GDP at Market prices
percentage change over previous year



Annual Growth of GDP at Constant Market Prices

	1991	1992	1993	1994	1995	1996
United States	-0.6%	2.3%	3.1%	4.1%	<i>projection</i> 3.2%	<i>projection</i> 2.3%
Japan	4.3%	1.1%	-0.2%	0.6%	1.3%	2.3%
Germany (a)	5.0%	2.2%	-1.1%	2.9%	2.9%	2.7%
France	0.8%	1.3%	-1.5%	2.7%	3.0%	3.2%
Italy	1.2%	0.7%	-1.2%	2.2%	3.0%	2.9%
United Kingdom	-2.0%	-0.5%	2.2%	3.8%	3.4%	3.0%
Canada	-1.8%	0.6%	2.2%	4.5%	3.9%	3.4%
OECD	1.0%	1.6%	1.2%	2.9%	2.7%	2.7%
EU 15	1.6%	1.0%	-0.6%	2.7%	3.0%	2.9%

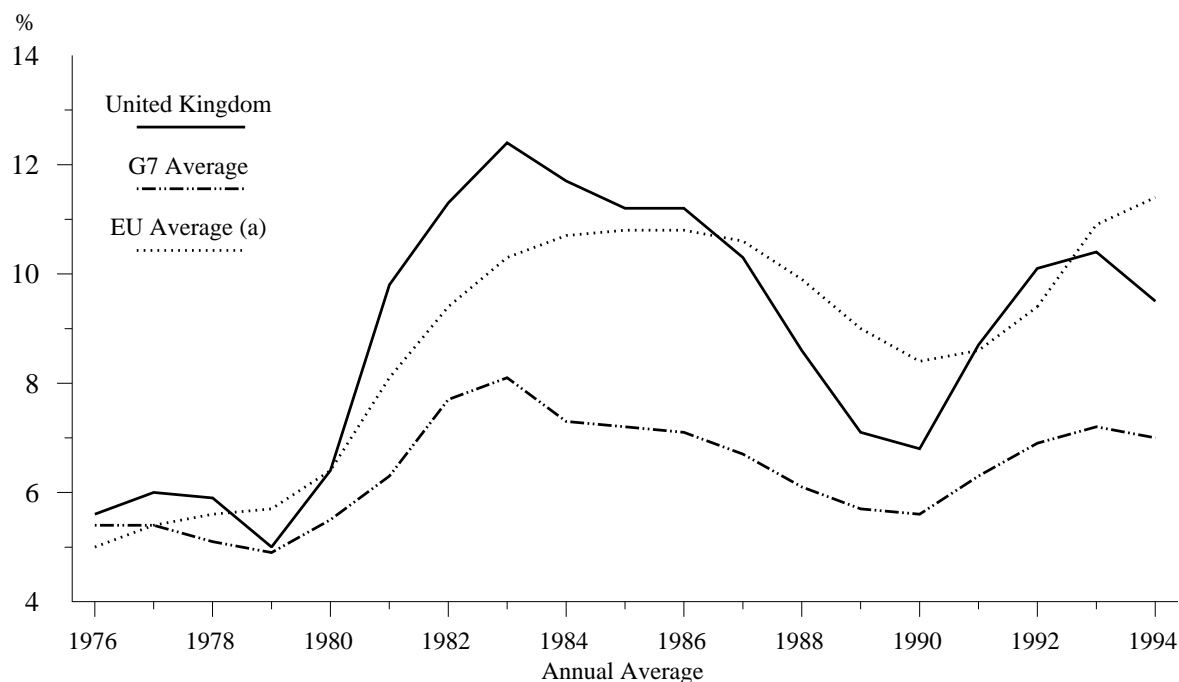
Notes: (a) Growth rates include the former east Germany from 1992

Source OECD Economic Outlook June 1995 table A1

* The table and graph above reflect projections in the June edition of the OECD's

G 2. International Comparisons - Unemployment

*% of labour force
standardised*



(a) EU 15 from 1992 onwards

Unemployed as % of labour force
Standardised and seasonally adjusted

	1994	1995 Q1	1995 Q2	1995 Q3
Canada	10.3	9.6	9.5	9.5
USA	6.0	5.5	5.6	5.6
Japan	2.9	2.9	3.1	3.2
Belgium	9.7	9.8	9.8	9.9
Finland	18.2	17.0	17.6	16.9
France	12.3	11.8	11.6	11.4
Germany	8.4	8.1	8.1	n.a.
Ireland	14.3	12.9	12.8	12.8
Italy	11.1	12.2	12.2	12.1
Netherlands	7.2	7.2	6.7	n.a.
Portugal	6.8	5.4	5.2	4.6
Spain	23.8	22.8	22.5	n.a.
Sweden	9.8	9.4	9.2	9.2
UK	9.5	8.7	8.8	8.7
EU 15	11.4	11.1	11.0	11.0
G7	7.0	6.7	6.8	6.8
OECD (a)	7.9	7.5	7.6	7.5

* UK unemployment is lower than the EU average but higher than the G7 & OECD averages.

* In 1995 Q3 Portugal had the lowest unemployment rate of the EU countries included in the table (4.6% of the workforce).

* In 1995 Q2 Spain had the highest unemployment rate (22.5% of the workforce).

* In the first three quarters of 1995 the UK, Sweden, Ireland, France, Finland, Australia and Canada all saw falls in unemployment, but the rate for the G7 rose slightly reflecting higher unemployment in Japan and the USA.

* Unemployment in the new EU member states in 1995 Q3 was 16.9% in Finland and 9.2% in Sweden (standardised rates for Austria are not available).

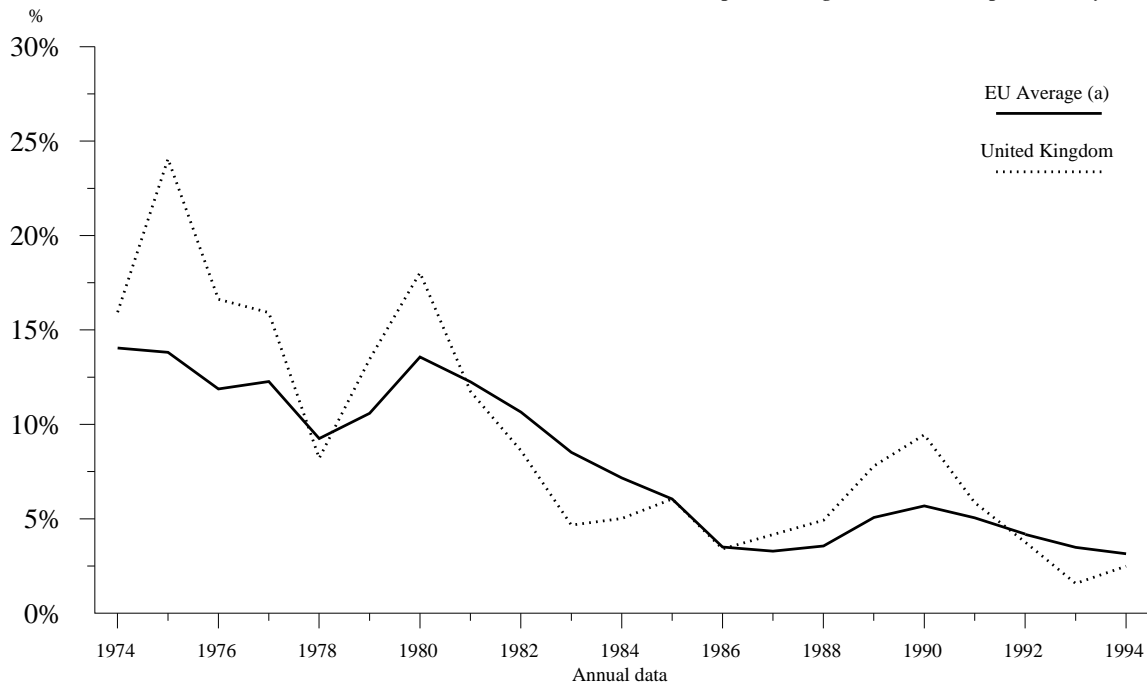
Note: (a) Average of eighteen countries.

Source: OECD Current Economic Indicators

Next update: late December

G 3. International Comparisons - Prices

*Consumer Price Index
percentage increase on previous year*



(a) EU 15 from 1992 onwards

Consumer Price Index - percentage change over 12 months

	1992	1993	1994	Jul 95	Aug 95	Sep 95
United States	3.1	2.9	2.6	2.8	2.6	2.5
Japan	1.7	1.3	0.6	0.1	-0.2	0.1
Germany (West)	4.0	4.2	3.0	1.9	1.5	1.6
France	2.3	2.1	1.8	1.5	1.9	2.0
Italy	5.1	4.4	4.0	5.4	5.6	5.6
United Kingdom	3.7	1.6	2.5	3.5	3.6	3.9
Canada	1.5	1.8	0.2	2.5	2.3	2.3
EU	4.2	3.1	3.1	3.1	3.1	3.1

Source: Eurostat

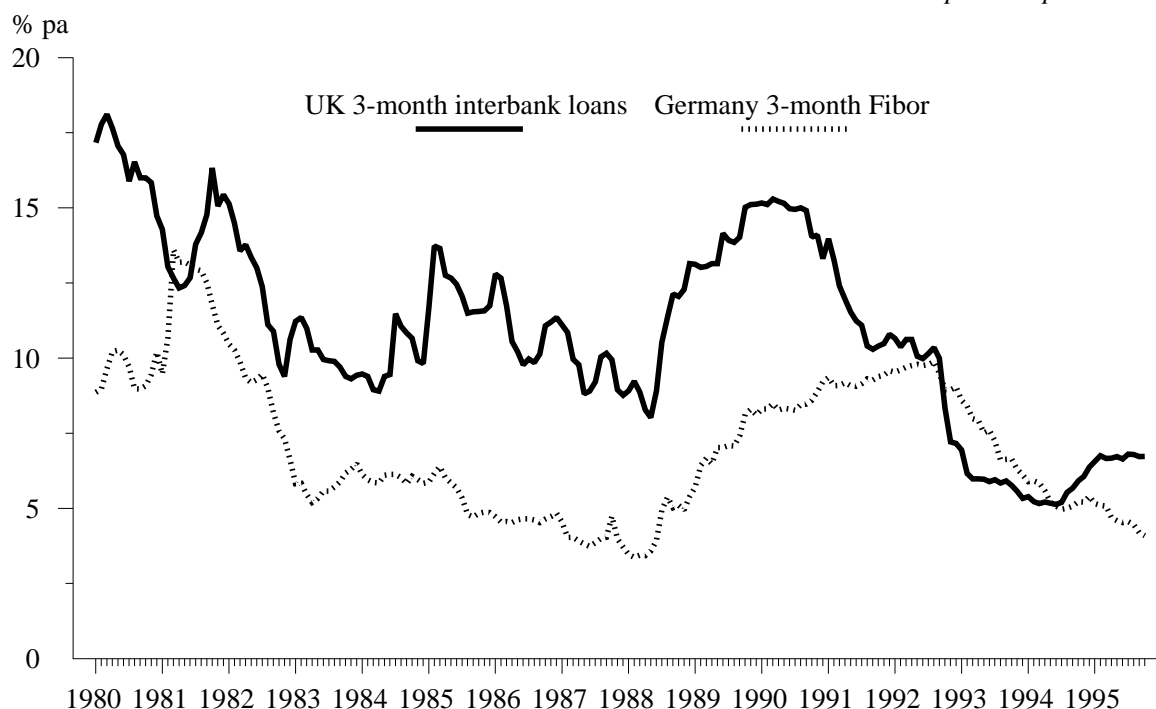
* The UK inflation rate in September 1995 (3.9% pa) was the second highest among G7 countries; only Italy had a higher level of inflation (5.6% pa). The UK rate was higher than the EU15 average rate (3.1% pa).

* In September 1995 Greece had the highest inflation rate out of the fifteen EU countries (8.4% pa), although this has fallen considerably over the last year (it was 11.9% pa in September 1994). Finland had the lowest inflation rate in the EU (0.3% pa), followed by Belgium (1.2% pa), the Netherlands (1.5% pa), and Germany and Luxembourg (both 1.6% pa).

Next update: mid December

G 4. International Comparisons - Interest Rates

*Short-term Interest Rates
per cent per annum*



Short-Term Interest Rates as at 22 Nov 1995

	3-month rate (% pa)
London	6 ¹¹ / ₁₆
New York	5 ¹³ / ₁₆
Frankfurt	3 ¹³ / ₁₆
Tokyo	⁵ / ₁₆
Paris	5 ¹ / ₂
Milan	10 ⁷ / ₁₆
Brussels	3 ²⁹ / ₃₂

Source: *Financial Times* 23 November 1995

* Between 1990 and 1994, the UK short-term rate converged with the German rate. The UK rate is currently higher than the German rate, having been lower between October 1992 and May 1994.

* The latest three-month interest rates as at 22 November are shown in the table opposite.

Recent papers on related subjects have been:

Economic policy & taxation

Research Paper

94/80	The Competitive Economy	20.06.94
95/7	A Minimum Wage	17.01.95
95/20	Economic & Monetary Union	14.02.95
95/111	Unemployment by Constituency: October 1995	15.11.95
95/113	Investment	20.11.95
95/114	The economic background to the November 1995 budget	21.11.95