

Economic Indicators

Research Paper 95/14

1 February 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.

Nicola Chedgey (Editor)
Economic Policy & Statistics Section

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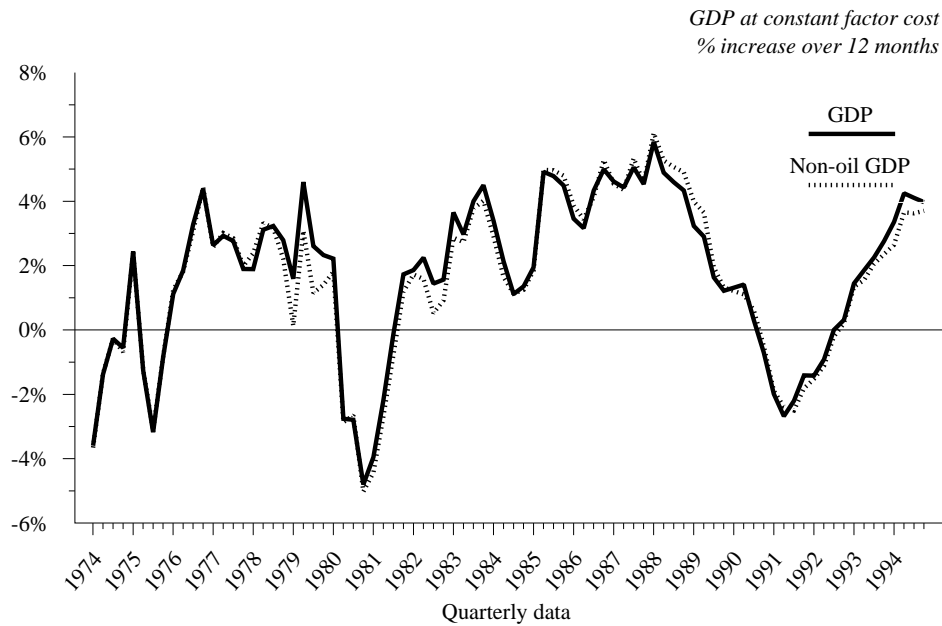
A. Contacts for further information

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	Mick Hillyard/Nicola Chedgey	4324/3977
EC finance	Mick Hillyard/Bob Twigger	4324/4904
Employment	Nicola Chedgey/Tim Edmonds	3977/2883
Energy	Mahmud Nawaz	2454
Financial services	Bob Twigger/Tim Edmonds	3977/2883
Housing	Adrian Crompton/Rob Clements	6789/4310
Incomes	Bob Twigger/Tim Edmonds	4904/2883
Industries	Nicola Chedgey/Mick Hillyard	3977/4324
National Accounts-GDP etc	Bob Twigger/Tim Edmonds	4904/2883
Overseas aid	Bob Twigger/Mick Hillyard	4904/4324
Prices	Bob Twigger/Tim Edmonds	4904/2883
Production	Bob Twigger/Tim Edmonds	4904/2883
Public expenditure	Bob Twigger/Tim Edmonds	4904/2883
Taxation	Bob Twigger/Tim Edmonds	4904/2883
Trade	Mick Hillyard/Bob Twigger	4324/4904
Transport	Adrian Crompton/Mahmud Nawaz	6789/2454
Unemployment	Jane Dyson/Mick Hillyard	2464/4324
Wages & earnings	Nicola Chedgey/Tim Edmonds	3977/2883

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B 1. Gross Domestic Product



Gross Domestic Product (GDP)

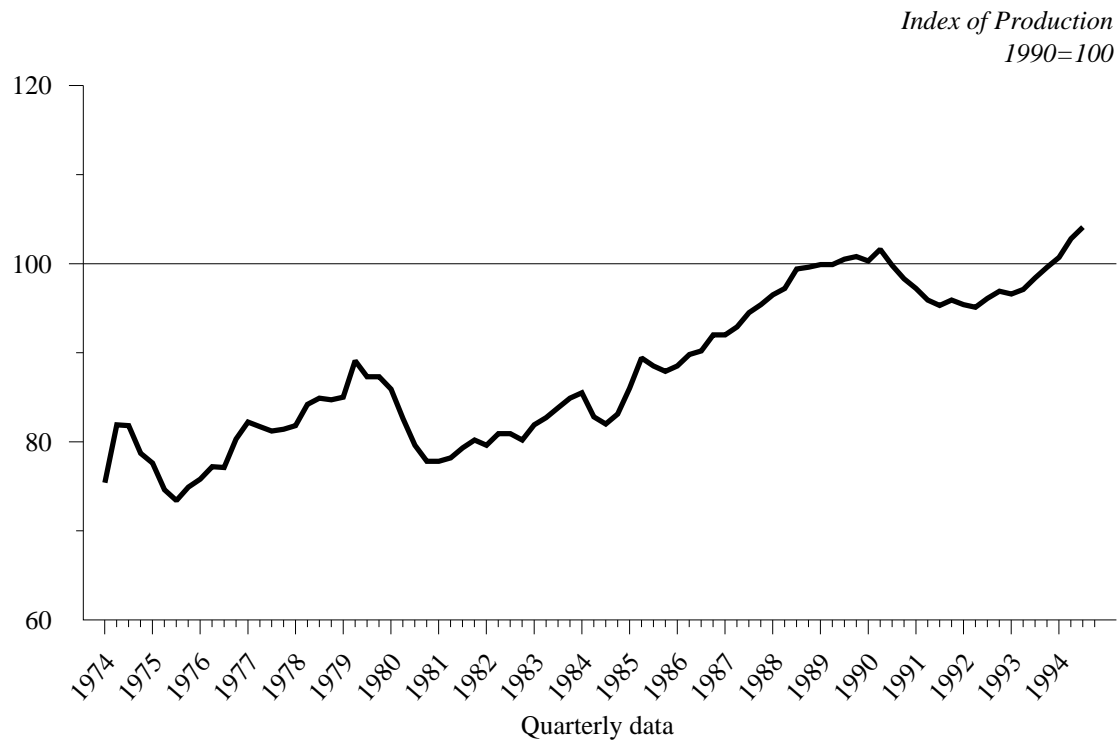
	GDP <i>at constant factor cost</i> <i>12 month change</i>	Non-Oil GDP <i>at constant factor cost</i> <i>12 month change</i>	GDP <i>£ billion at current</i> <i>market prices</i>	GDP <i>£ billion at current</i> <i>factor cost</i>
1992	-0.5%	-0.6%	597.1	516.0
1993	2.1%	1.9%	630.2	546.7
1994 (prov)	4.0%	3.4%	n.a.	n.a.
1993 Q4	2.8%	2.4%	161.0	139.8
1994 Q1	3.4%	2.6%	163.2	141.5
1994 Q2	4.2%	3.7%	166.9	143.5
1994 Q3	4.1%	3.6%	168.3	145.6
1994 Q4 (prov)	4.0%	3.7%	n.a.	n.a.

Sources: CSO Database; CSO first release (95) 15 dated 23.1.95

- * Real GDP at factor cost is provisionally estimated to have risen by 0.8% between the third and fourth quarters of 1994 and to be 4.0% higher than in the fourth quarter of 1993. In 1994 GDP was 4.0% higher than in 1993.
- * The latest Treasury summary of economic forecasts suggests that growth will be 3.2% in 1995 and 2.9% in 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 6.9% and it is now 3.1% above the previous peak achieved in the second quarter of 1990.

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B 2. Industrial Production



Industrial Production - Index Of Output seasonally adjusted

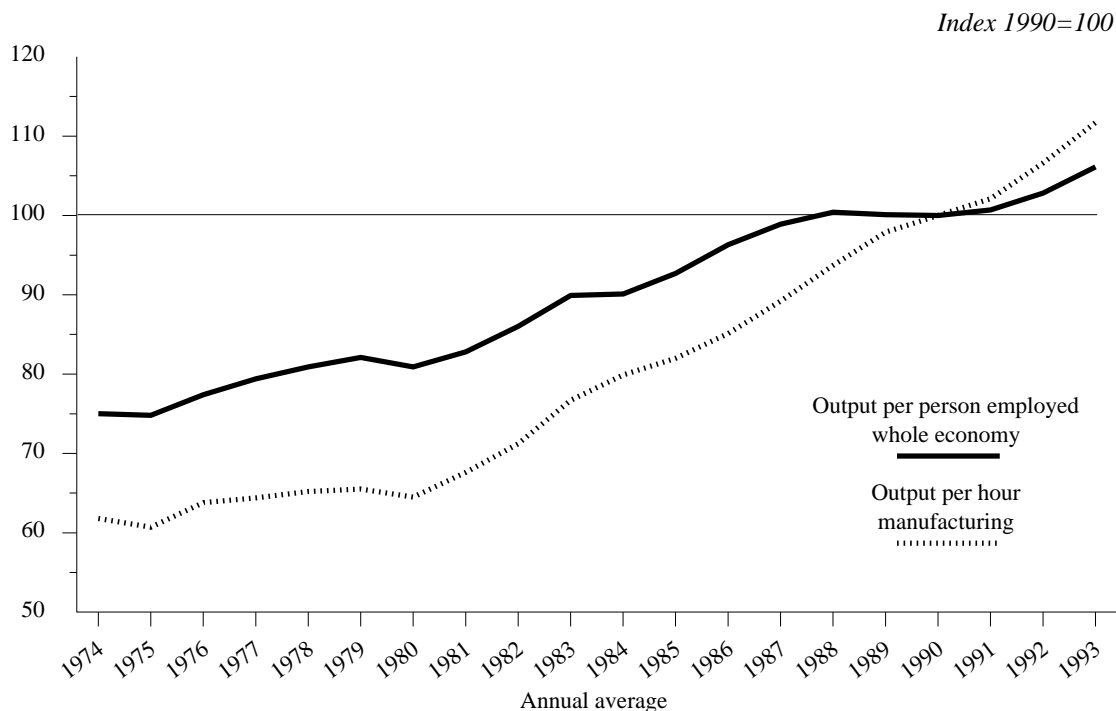
	Total <i>12 month change</i>	Mining & quarrying incl oil & gas <i>12 month change</i>	Manufacturing <i>12 month change</i>	Gas, electricity & water supply <i>12 month change</i>
1991	-3.9%	2.1%	-5.4%	5.6%
1992	-0.2%	4.3%	-0.6%	0.0%
1993	2.1%	8.0%	1.3%	4.1%
1993 Q3	2.4%	9.7%	1.3%	5.6%
1993 Q4	2.8%	13.2%	1.5%	4.8%
1994 Q1	4.2%	23.2%	2.3%	3.8%
1994 Q2	5.9%	25.5%	3.8%	5.5%
1994 Q3	5.8%	17.6%	4.8%	2.3%
1994 (Sep-Nov)	5.4%	15.2%	5.0%	-0.8%

Source: CSO database; CSO press notice (95)4 dated 11/1/95

- * In the three months to November 1994 total industrial production was 1.1% higher than in the previous three months and 5.4% higher than in the same period a year earlier. In November output was 1.0% below its October level.
- * Compared with the three months to August, manufacturing production in the period September to November was 0.8% higher. Within manufacturing the chemicals and engineering sectors are growing most strongly.
- * Compared with the three months to August, output in the mining and quarrying sector (including oil and gas) in the last three months was 3.4% higher and production in the gas, electricity and water supply industries was 1.8% higher.

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B 3. Productivity



Manufacturing Productivity Index 12 month percentage change

Annual average	Output per head	Output per hour
1989	4.1%	4.5%
1990	1.9%	2.1%
1991	1.2%	2.1%
1992	4.5%	4.4%
1993	3.8%	4.8%
Monthly data		
Nov 1993	1.9%	2.4%
Dec 1993	2.5%	2.4%
Jan 1994	2.8%	3.0%
Feb 1994	2.6%	2.8%
Mar 1994	2.8%	2.2%
Apr 1994	4.1%	3.4%
May 1994	3.7%	4.0%
Jun 1994	6.0%	5.2%
Jul 1994	5.7%	6.2%
Aug 1994	6.2%	6.0%
Sep 1994	6.2%	5.3%
Oct 1994	6.8%	6.3%
Nov 1994	5.6%	4.6%

* After slowing considerably in 1990 and 1991, growth in manufacturing productivity resumed in 1992 with an increase of over 4%. Following very rapid productivity growth in the Spring of 1993 the rate of increase - on a per hour basis - fell back below 4% in mid-1993. Since June 1994, productivity increases in manufacturing have been over 4%.

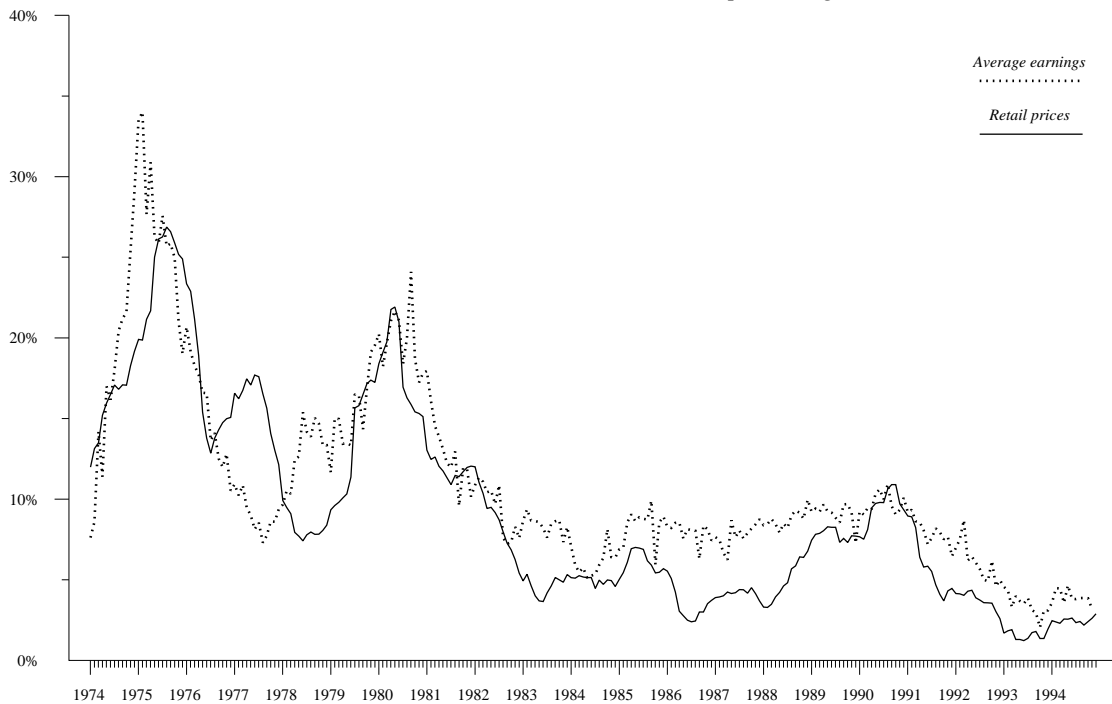
* Having shown slight falls in the years 1989 and 1990, economy-wide productivity increased by 0.7% in 1991 and 2.1% in 1992. There was a further improvement in 1993 with economy-wide productivity 3.3% higher than in 1992.

Source: CSO Database (series DMOB, DMGI)

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C 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	3.5
1994	2.5	..
Monthly data		
Dec 1993	1.9	3.1
Jan 1994	2.5	3.6
Feb 1994	2.4	4.5
Mar 1994	2.3	4.5
Apr 1994	2.6	3.6
May 1994	2.6	4.6
Jun 1994	2.6	3.8
Jul 1994	2.3	3.8
Aug 1994	2.4	3.9
Sep 1994	2.2	3.9
Oct 1994	2.4	3.9
Nov 1994	2.6	3.2
Dec 1994	2.9	n.a.

Inflation - consumer prices rose by 2.9% in the year to December 1994, representing a rise from 2.6% in the year to November 1994.

Excluding the effect of mortgage interest payments, the RPI rose by 2.5% in the year to December 1994.

Earnings - average gross earnings of employees in Great Britain rose by 3.2% in the year to November 1994. The underlying rate, which takes account of staged agreements and bonuses, is estimated to be 3.75%.

This rise puts the actual level of average earnings of full-time employees at around £331.00 per week or £17,200 per year.

Forecasts - an average of independent forecasts in January 1995 predicts the RPI (less mortgage interest payments) to increase by 2.8% in 1995, higher than the Treasury November forecast of 2.5%.

The Treasury Forecasting Panel predicts a 2.9% increase in the RPI (excluding mortgage interest payments) in 1995. Independent forecasts predict average earnings to rise by 4.5% in 1995.

Sources: CSO Database series CHAW & DNAB

Next update: Prices 15 February
Earnings 15 February

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D 1. Employment



United Kingdom; seasonally adjusted; thousands

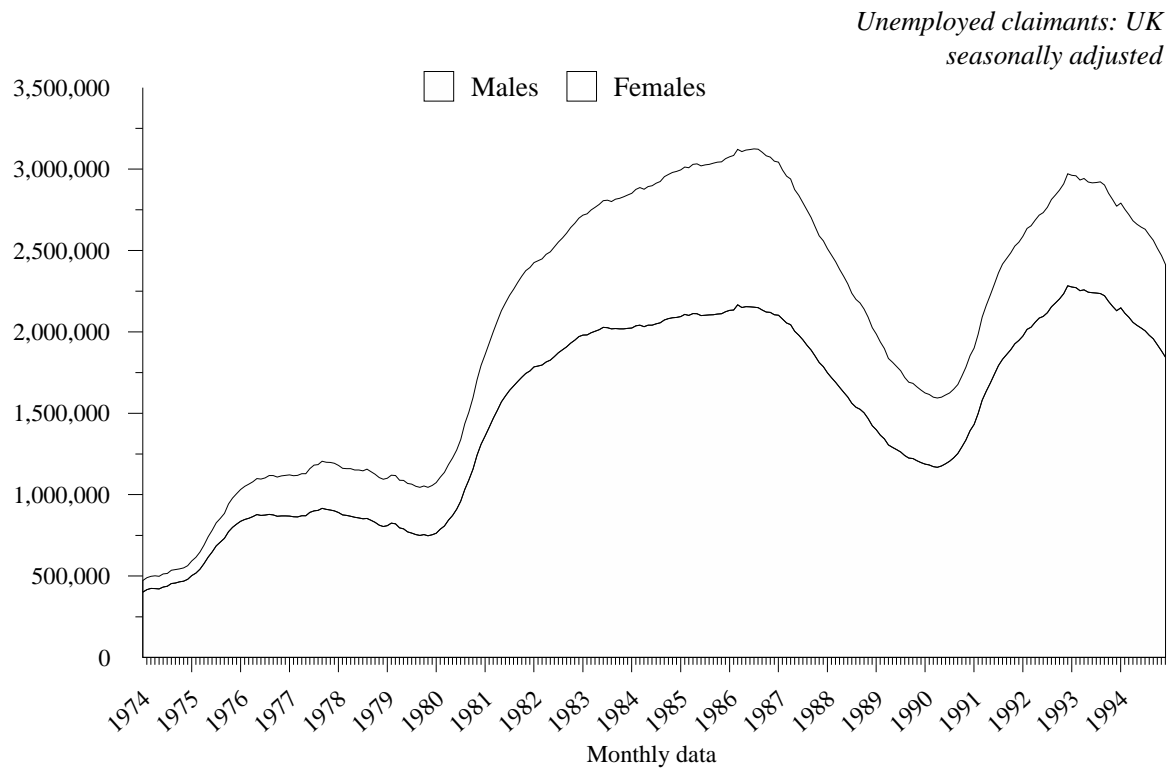
June	Employees in employment	Self employed	HM Forces	Work related govt training programmes	Workforce in employment
1990	22,893	3,537	303	423	27,155
1991	22,220	3,383	297	353	26,254
1992	21,851	3,196	290	325	25,661
1993	21,493	3,166	271	311	25,241
1994	21,433	3,266	250	313	25,262
Changes 1993 to 1994					
000s	-60	100	-21	2	21
%	-0.3%	3.2%	-7.7%	0.6%	0.1%

Source: DE Labour Market Statistics 18 January 1995

- * Workforce in employment in June 1994 was 21,000 higher than in June 1993 and 216,000 lower than in June 1979.
- * In June 1994 46% of the workforce in employment were female.
- * Self employed in June 1994 represented 13% of workforce in employment compared to 10% in June 1983.
- * In June 1994 11% of male and 46% of female employees were part-time, totalling 6 million employees.

Next update: 15 February

D 2. Unemployment: National



Seasonally adjusted

Unemployed Claimants UK

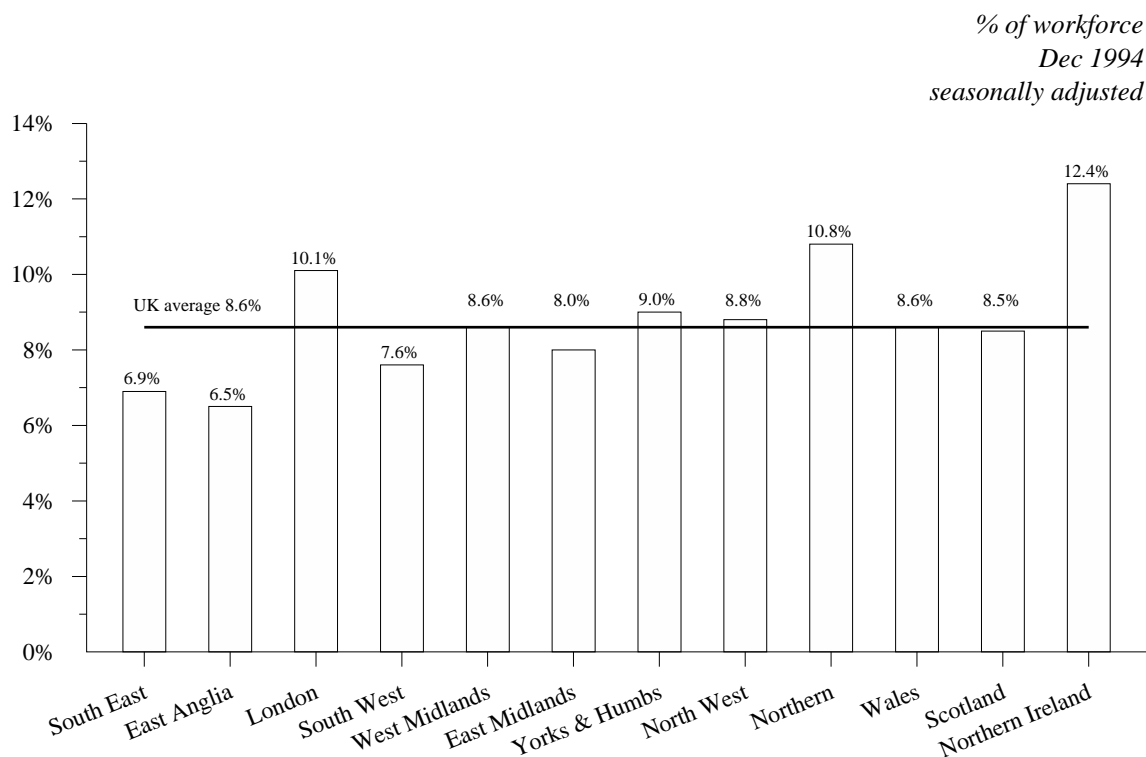
Annual averages	Number	% of workforce	
1990	1,660,800	5.8	Unemployment - fell by 13% in the year to December 1994. The December 1994 total is 14.9% lower than in June 1987 14.0% lower than in June 1983 122.0% higher than in May 1979 (all figures adjusted for seasonality and discontinuities)
1991	2,286,100	8.1	
1992	2,765,000	9.8	
1993	2,900,600	10.3	
1994	2,619,200	9.3	
Monthly data			% Rates - as a proportion of the workforce the December totals give unemployment rates of: 11.6% for males 4.7% for females 8.6 % overall Forecasts - an average of independent forecasters predicts that unemployment will fall to around 2.24 million by the 4th quarter of 1995.
Dec 1993	2,770,800	9.8	
Jan 1994	2,790,600	9.9	
Feb 1994	2,752,900	9.8	
Mar 1994	2,719,300	9.7	
Apr 1994	2,681,500	9.5	
May 1994	2,661,100	9.4	
Jun 1994	2,643,300	9.4	
Jul 1994	2,630,100	9.3	
Aug 1994	2,594,000	9.2	
Sep 1994	2,562,400	9.1	
Oct 1994	2,514,000	8.9	
Nov 1994	2,468,100	8.8	
Dec 1994	2,413,500	8.6	

Source: NOMIS Database

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D 3. Unemployment: Regional



% change Dec 1993 to 1994

Region	%
South East	-19
East Anglia	-14
London	-10
South West	-15
West Midlands	-16
East Midlands	-11
Yorks & Humbs	-9
North West	-13
Northern	-7
Wales	-14
Scotland	-10
Northern Ireland	-8
United Kingdom	-13

% Rates - as a proportion of the workforce December unemployment rates are higher than the national average of 8.6% in 5 regions:

London	10.1%
Yorks & Humberside	9.0%
North West	8.8%
Northern	10.8%
Northern Ireland	12.4%

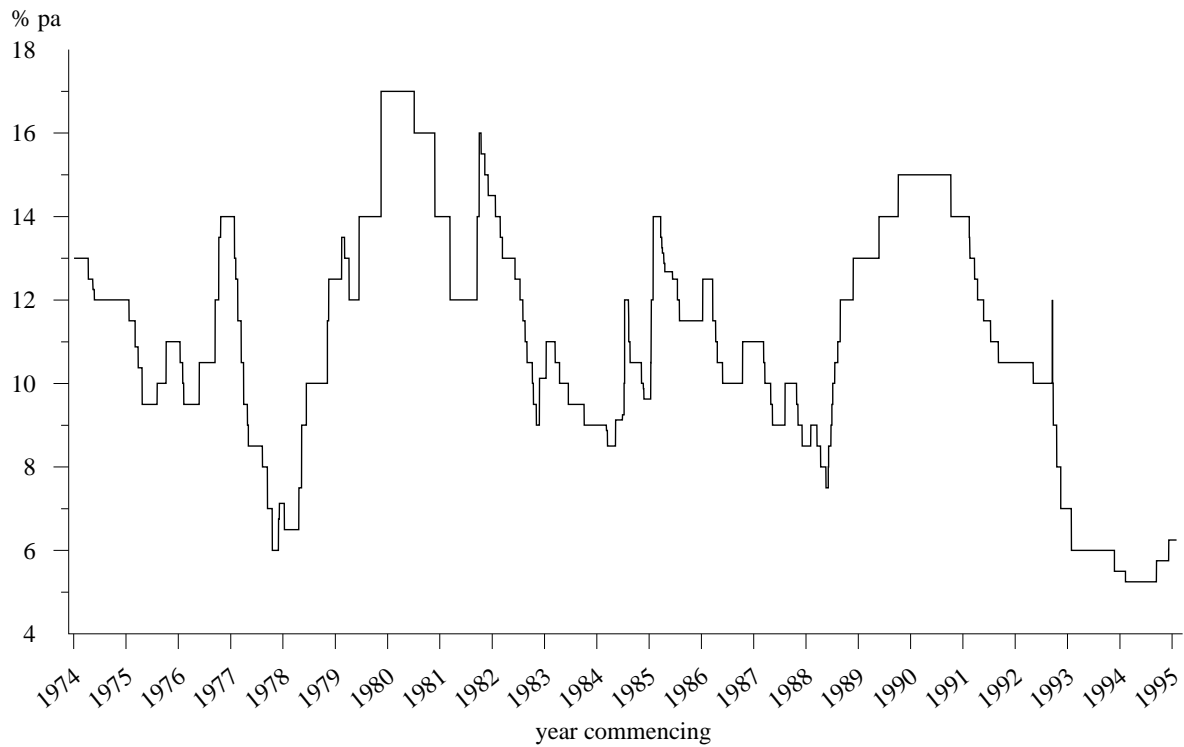
Rates of change - Following recent falls unemployment levels are now lower than 12 months ago in every region of the United Kingdom. In the South East, East Anglia, the South West, the West Midlands, the East Midlands, the North West and Wales unemployment has fallen by more than 10% over the last year.

Source: NOMIS Database

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

Source: Bank of England

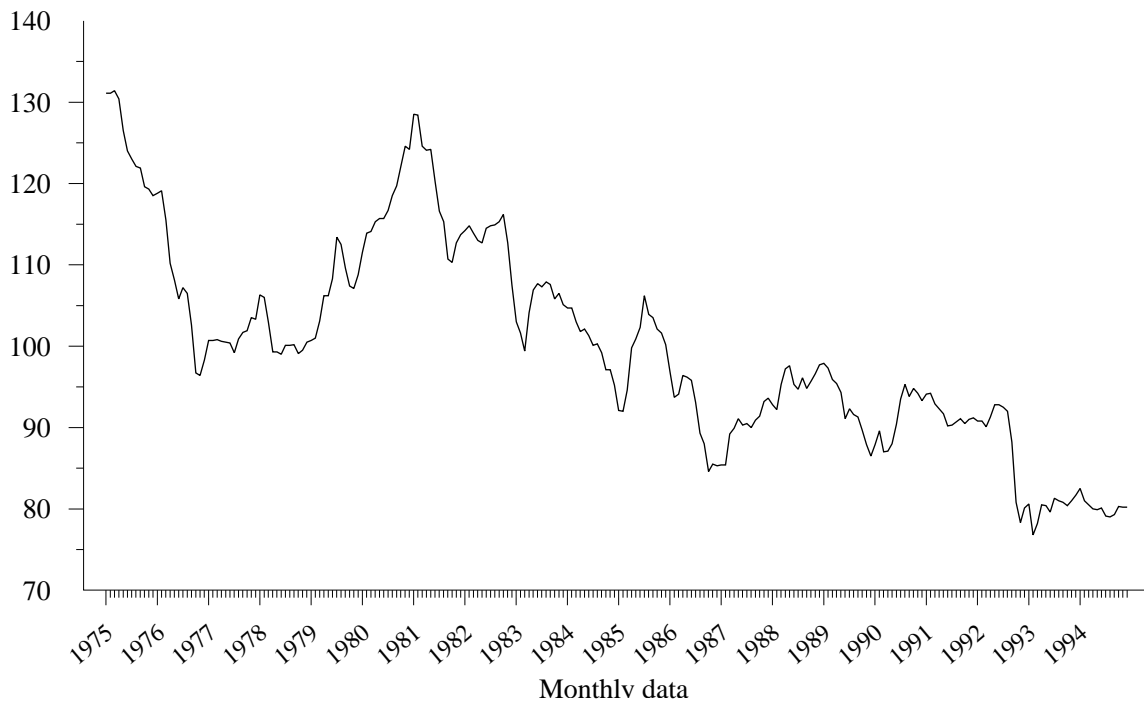
* The second rise in UK base rates in 1994, up to 6.25% p.a., was in response to the faster than expected rate of growth of the economy up to Christmas.

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

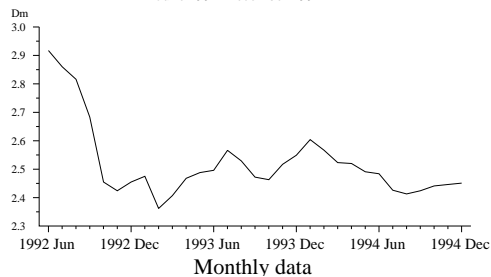
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E 2. Exchange Rates

*Sterling Exchange Rate Index
1985=100*



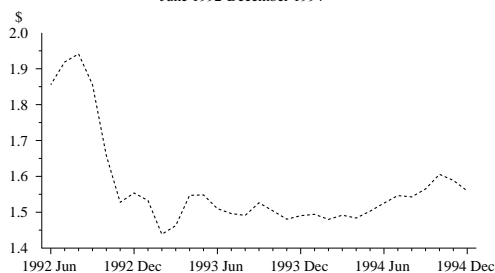
Sterling-Deutchmark Exchange Rate
June 1992-December 1994



* 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 for 27th January 1995 were as follows; DM 2.41; US\$ 1.59; Yen 157.762

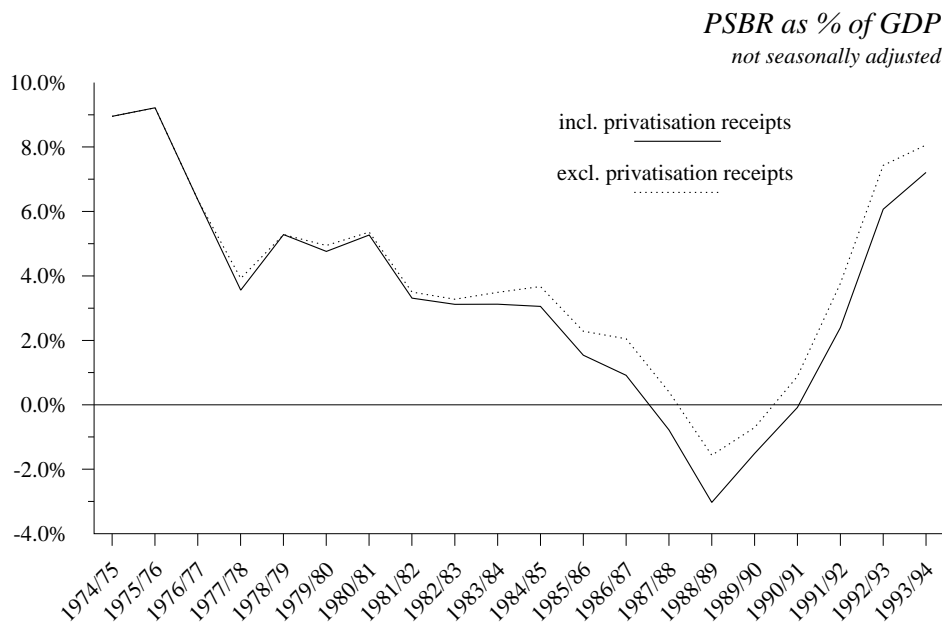
Sterling US Dollar Exchange Rate
June 1992-December 1994



* The start of the New Year has seen great turbulence in the currency markets. The devaluation of the peso has put pressure on the US\$ which has been weak worldwide. In Europe, the Spanish peseta and, less so, the Italian lira, have been under intense pressure due to internal domestic political difficulties. The main beneficiary of the currency turbulence has been the deutschemark.

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

E 3. PSBR



Public Sector Borrowing Requirement (£ billion), not seasonally adjusted

	Total PSBR	As % of GDP(i)	PSBR excl. privatisation receipts	As % of GDP(i)
1989/90	-8.0	-1.5%	-3.7	-0.7%
1990/91	-0.5	-0.1%	4.9	0.9%
1991/92	13.9	2.4%	21.8	3.8%
1992/93	36.5	6.1%	44.7	7.4%
1993/94	45.4	7.0%	51.4	8.1%

Note (i) Adjusted GDP (average measure)

Source: CSO database Series ABEN, ABII, CAOB

* The PSBR for the whole of 1993-94 was £45.4 billion (7.0% of GDP) compared to £36.5 billion (6.1% of GDP) in 1992-93. The PSBR excluding privatisation receipts was £51.4 billion (8.1% of GDP) in 1993-94 compared to £44.7 billion (7.4% of GDP) in 1992-93.

* The Treasury 1994 Autumn Budget Forecast suggests a PSBR for 1994-95 of £34.4 billion.

* The PSBR for the first nine months of the 1994-95 financial year stood at £23.3 billion, compared with £31.4 billion in the equivalent period in 1993-94.

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E 4. Money Supply

% change on previous year



Money Stock - Amounts outstanding & change on previous 12 months (seasonally adjusted)

£ million (a)	MO	MO	M4	M4
	amount outstanding	% change	amount outstanding	% change
1994 January	20,511	5.1	549,023	5.0
1994 February	20,701	5.4	551,558	5.3
1994 March	20,764	5.6	554,184	5.6
1994 April	21,033	6.0	555,289	5.4
1994 May	20,139	6.9	556,970	5.1
1994 June	20,241	6.9	558,306	5.4
1994 July	20,375	6.5	558,679	4.7
1994 Aug	21,399	6.3	560,599	4.7
1994 Sep	21,637	7.2	562,303	4.8
1994 Oct	21,742	7.3	562,708	4.2
1994 Nov	21,780	7.1	566,765	4.6

Note: (a) Monthly average for MO and amount outstanding at end of period for M4.

Source: Bank of England "Financial Statistics" January 1995

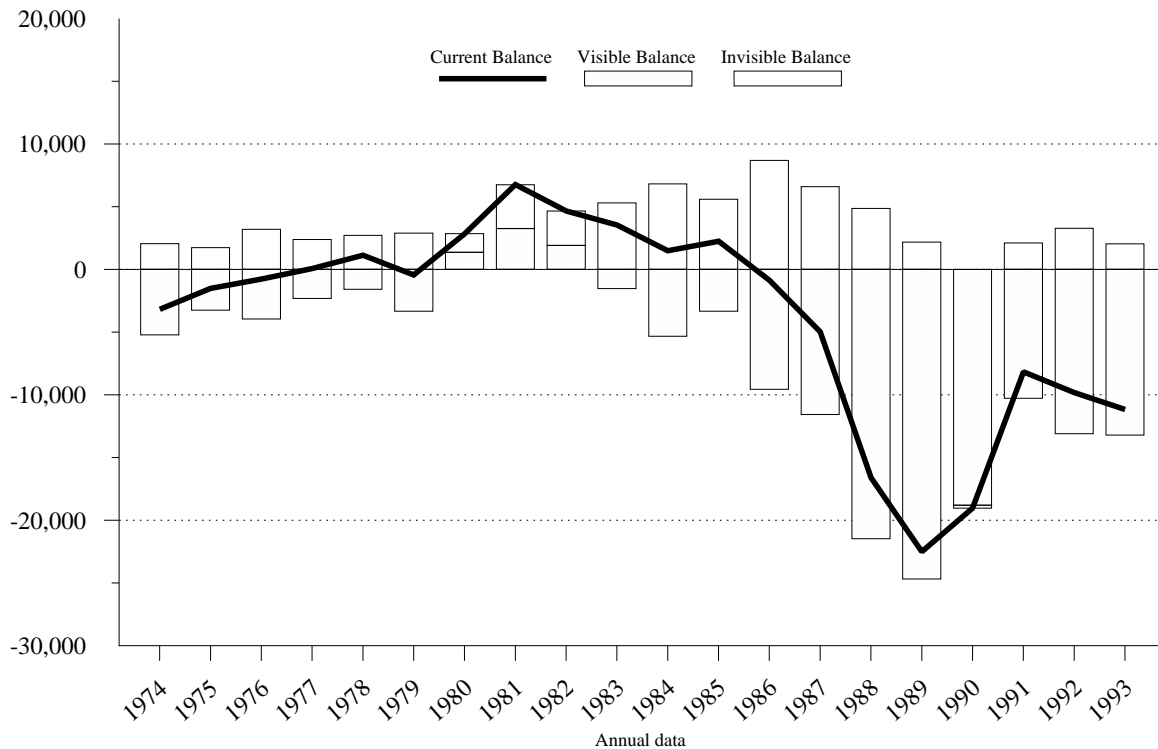
* M0 comprises notes and coin in circulation outside the Bank of England *plus* bankers' operational deposits with the Bank. M4 is a broad measure of money consisting of the private sector's holdings of cash, and sterling deposits held by the private sector at both banks and building societies.

* 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.

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F 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
1989	92,154	116,837	-24,683	2,171	-22,512
1990	101,718	120,527	-18,809	-226	-19,035
1991	103,413	113,697	-10,284	2,108	-8,176
1992	107,343	120,447	-13,104	3,273	-9,831
1993	121,414	134,623	-13,209	2,029	-11,180
1993 Q3	30,634	33,810	-3,176	1,088	-2,088
1993 Q4	31,095	34,270	-3,175	1,180	-1,995
1994 Q1	31,949	34,932	-2,983	1,521	-1,462
1994 Q2	33,170	35,595	-2,425	1,318	-1,107
1994 Q3	34,790	36,342	-1,552	2,367	815

Source: CSO database; CSO first release (95) 5 dated 13.1.95

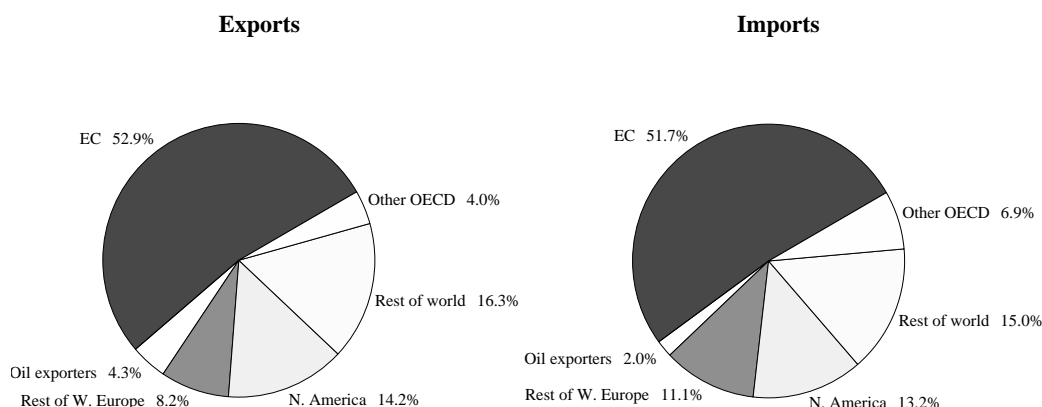
- * **Visible balance** - in deficit by £1.7 billion in the three months to October 1994, compared to £2.3 billion in the three months to July 1994 and £2.6 billion in the three months to October 1993. The value of exports in the three months to October 1994 was 12% higher than in the same period a year before. The value of imports rose by 8½% over the same period.
- * **Invisible balance** - latest figures suggest a surplus of £2.4 billion in the third quarter of 1994 compared with £1.3 billion in the second quarter. This improvement reflected higher net receipts from both services and investment income.
- * **Current balance** - latest figures suggest a deficit of £11.2 billion in 1993 compared with £9.8 billion in 1992. The latest Treasury summary of economic forecasts suggests a deficit of £2.5 billion in 1994 and £0.8 billion in 1995. The surplus of £0.8 billion in the third quarter of 1994 was the first since the first quarter of 1987.

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F 2. Visible Trade

Shares of visible trade by area: Jan-Oct 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)
1989	94.2	99.9	-24,683	-25,946	-27,641
1990	100.0	100.0	-18,809	-20,338	-21,157
1991	101.2	94.7	-10,284	-11,492	-13,570
1992	103.7	100.9	-13,104	-14,652	-16,036
1993	107.0	104.7	-13,209	-15,671	-17,342
1993 Q4	109.6	107.1	-3,175	-3,888	-4,113
1994 Q1	112.5	109.5	-2,983	-3,870	-4,177
1994 Q2	116.5	107.8	-2,425	-3,701	-4,102
1994 Q3	120.9	107.9	-1,552	-2,575	-2,973
1994 Aug-Oct	122.2	109.3	-1,677	-2,667	-2,864

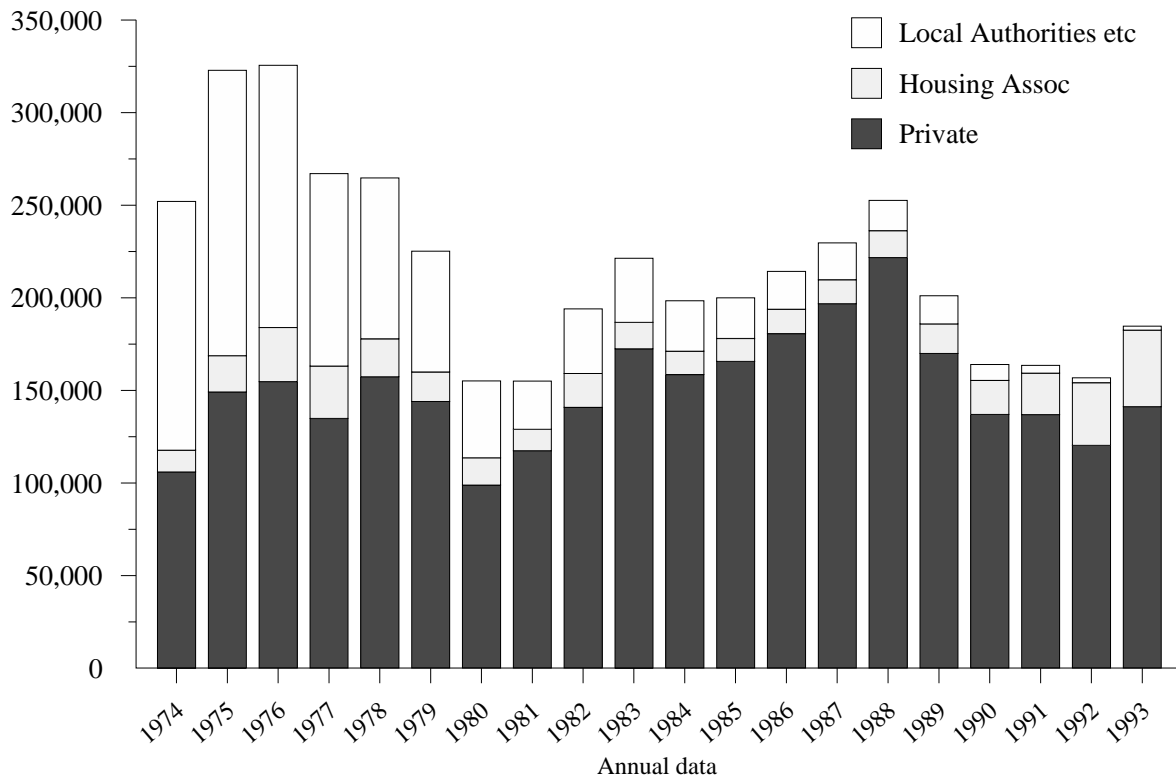
Note: (a) ships, aircraft, precious stones and silver.

Source: CSO database, CSO First Release (95) 5 dated 13.1.95

- * The European Community now supplies and receives around half of all UK imports and exports.
- * Export volumes in the three months to October 1994 were 12% higher than in the corresponding period a year earlier and 4½% higher than in the three months to July 1994.
- * Import volumes in the three months to October 1994 were 4% higher than in the corresponding period a year earlier and 2% higher than in the three months to July 1994.
- * Excluding the effect of trade in oil and erratic items the visible trade deficit in 1993 was £17.3 billion compared with £16.0 billion in 1992.

Next update: 9 February

G 1. Housing Starts



New Dwellings Started - Great Britain (thousands)

	Private	Housing Assocs	Local Auth's etc	Total
1989	169.9	16.0	15.2	201.1
1990	137.0	18.4	8.6	164.0
1991	136.9	22.4	4.2	163.6
1992	120.3	33.8	2.7	156.8
1993	141.2	41.3	2.2	184.6
<i>seasonally adjusted</i>				
1994 Q2	39.2	11.2	0.3	50.7
1994 Q3	39.7	10.3	0.6	50.6
Sep 94	13.5	2.9	0.2	16.6
Oct 94	13.5	3.2	0.2	16.9
Nov 94	13.9	2.8	0.2	16.9

* Seasonally adjusted total starts in Sep - Nov 1994 were 1% lower than in the previous three months, but 4% higher than Sep - Nov 1993.

* Overall starts in 1993 were 18% below their level in 1979 but 18% higher than in 1992.

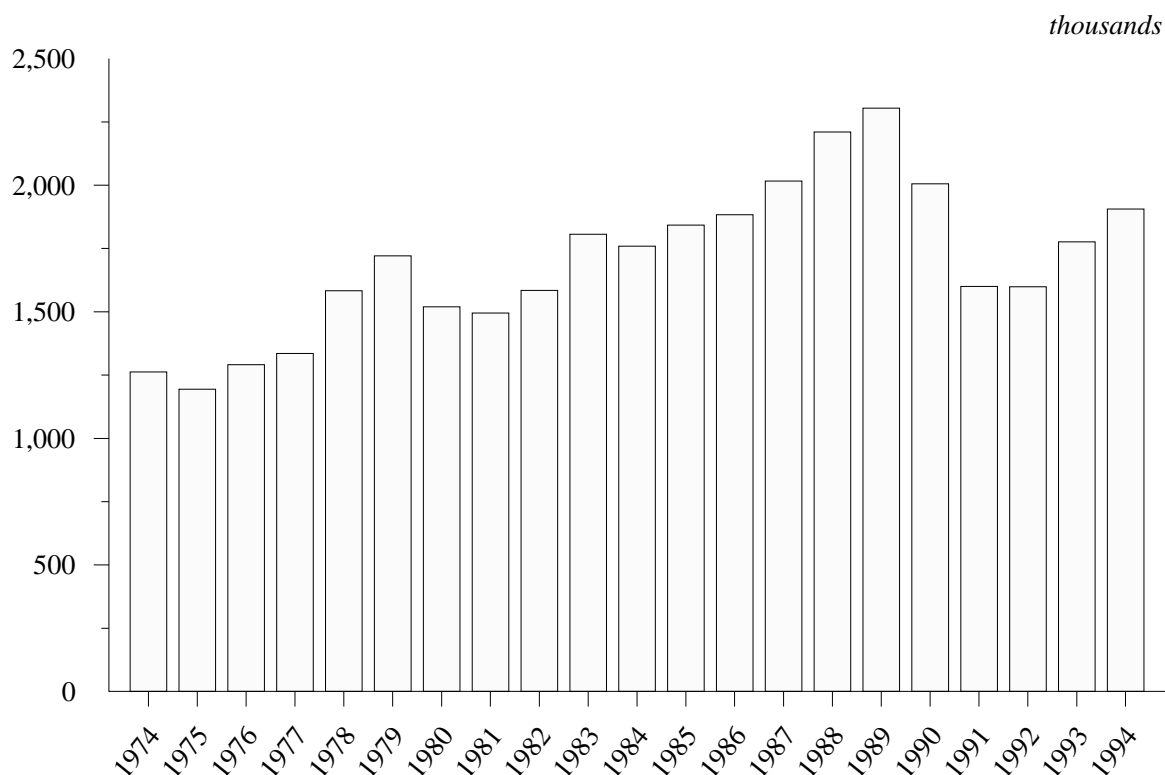
* Local authorities started only 2,200 dwellings in 1993 - 1.2% of the total.

* Housing association starts rose by 22% (7,500) in 1993; private starts rose by 17% (20,900).

Sources: CSO Database series FCAB, CTOR, CTOV

Next update: 6 February

G 2. New Registrations of Cars



New Registrations of Cars

seasonally adjusted

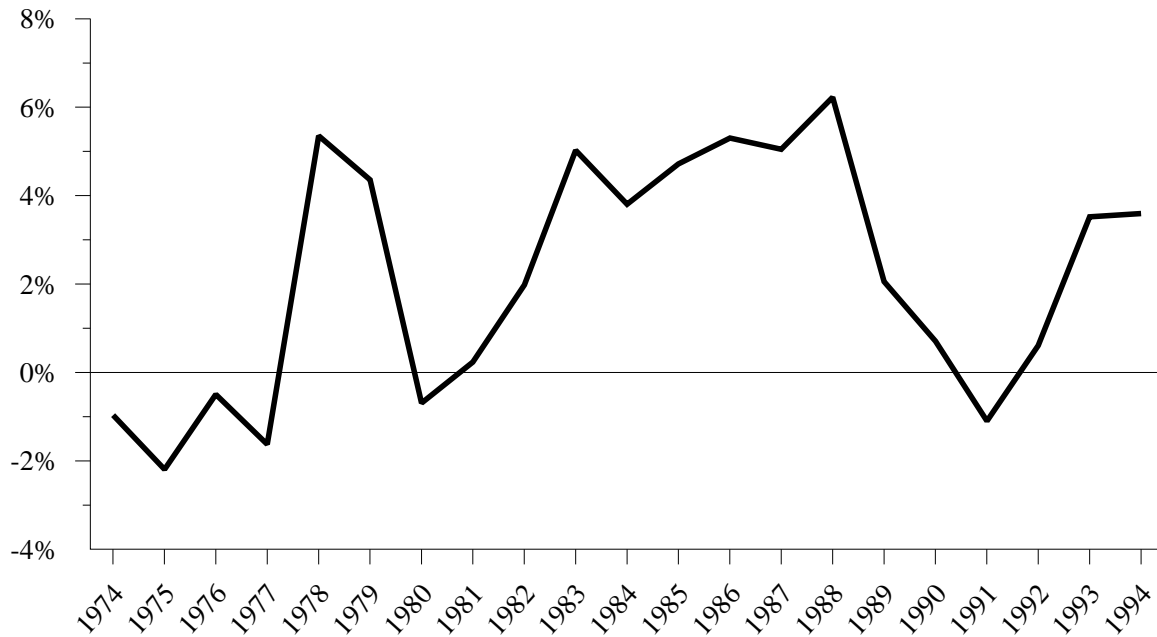
	Number thousands	Change over 12 months	
1990	2,005	-13%	* Latest figures show 149,000 new registrations of cars in December 1994 - 2% lower than in December 1993.
1991	1,600	-20%	
1992	1,599	0%	* Latest annual figure for 1994 shows 1.9 million new registrations of cars - 7% higher than 1993.
1993	1,776	11%	
1994	1,906	7%	* 51% of cars registered in December 1994 were imported.
Aug 1994	159	1.6%	* 22% of cars registered in December 1994 were diesel and 54% were registered at company addresses.
Sep 1994	161	6.0%	
Oct 1994	156	-1.2%	
Nov 1994	161	-0.0%	
Dec 1994	149	-1.7%	

Source: Department of Transport Statistical
Bulletin (94) 29

Next update: 23 February

G 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	98.9	-1.1%
1992	99.5	0.6%
1993	103.0	3.5%
1994	106.7	3.6%
1994 June	106.4	3.0%
Jul	107.0	3.8%
Aug	106.8	3.3%
Sep	107.3	3.5%
Oct	107.4	3.3%
Nov	107.4	2.9%
Dec	107.9	3.4%

* Retail sales volume index increased by 3.6% in 1994 over 1993.

* Sales in the most recent 3 month period were 3.2% up on the same period last year.

* In the year to December 1994 the retail sales volume index rose by 3.4%.

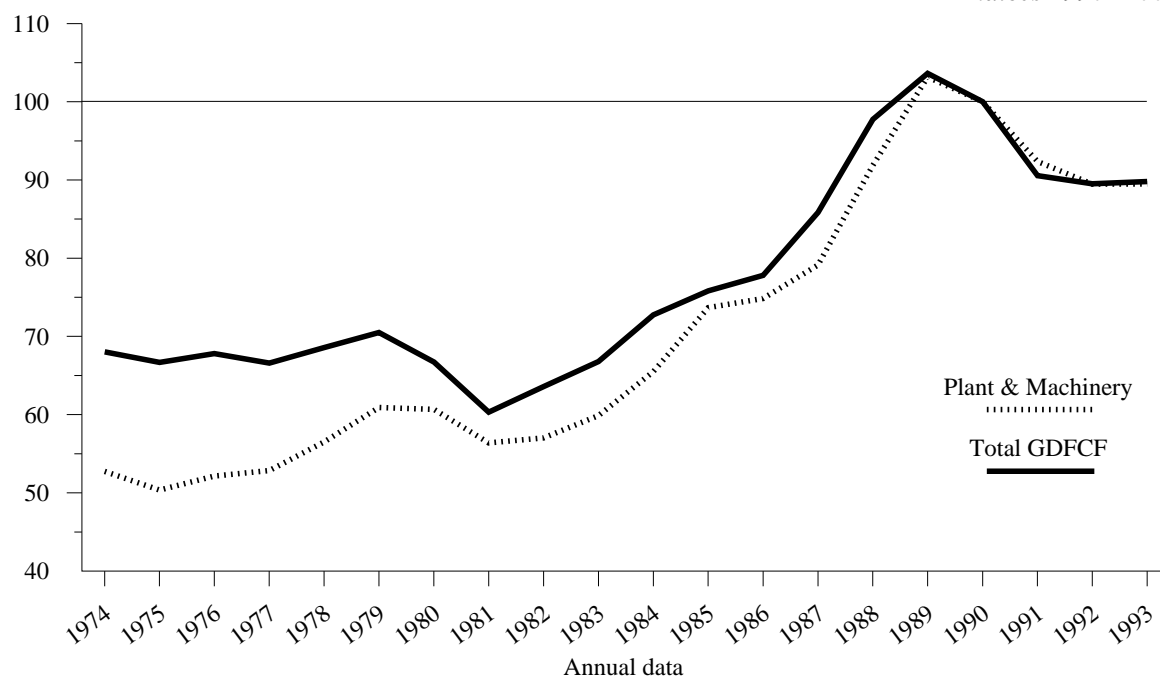
Note: weekly average, seasonally adjusted

Source: CSO database series FAAM.

Next update: 15 February

G 4. Investment

Gross Domestic Fixed Capital Formation (GDFCF)
Constant prices
Indices 1990=100



GDFCF (£ million) at 1990 prices, seasonally adjusted

	Vehicles, Ships & Aircraft	Plant & Machinery	Other New Building Work (i)	Dwellings	Total
1989	11,231	37,925	37,525	24,789	111,470
1990	10,266	36,762	39,110	21,439	107,577
1991	8,008	33,955	37,521	17,919	97,403
1992	7,960	32,888	37,152	18,280	96,280
1993	8,611	32,895	35,867	19,238	96,611
1993 Q 2	1,880	8,205	8,766	4,796	23,647
1993 Q 3	2,264	8,171	8,796	4,822	24,053
1993 Q 4	2,182	8,237	9,155	5,008	24,582
1994 Q 1	2,273	8,316	9,400	5,152	25,141
1994 Q 2	2,329	8,531	8,863	5,014	24,737
1994 Q 3	2,316	8,540	8,969	4,760	24,585

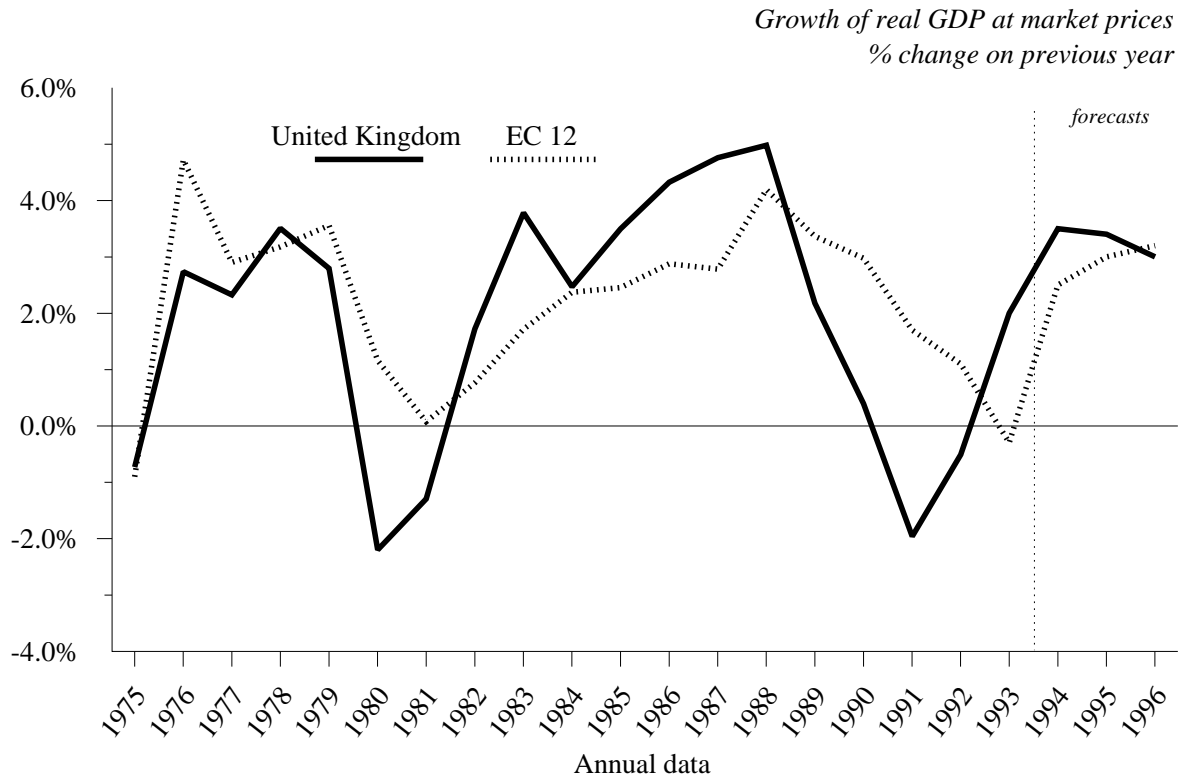
Note (i) including transfer of costs of land and buildings

Source: CSO Database Serus 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.
- * Total GDFCF at 1990 prices rose in 1993 by 0.3% compared with 1992, but is still 13% lower than the peak in 1989. Investment in other new building work fell by 3.5%; all other components of GDFCF increased.
- * In the third quarter of 1994 GDFCF was 2.2% higher than in the same period in 1993, but 0.6% lower than in the second quarter of 1994. Investment in vehicles, ships & aircraft and dwellings fell in the latest quarter by 0.6% and 5.1% respectively; there were small increases in investment in plant & machinery (0.1%) and other new buildings and works (1.2%) compared with the previous quarter.

Next update: 22 February

H 1. International Comparisons: Growth



Annual Growth of Real GDP

	1991	1992	1993	1994	1995	1996
United States	-0.6%	2.3%	3.1%	<i>estimate</i> 3.9%	<i>forecast</i> 3.1%	<i>forecast</i> 2.0%
Japan	4.3%	1.1%	0.1%	1.0%	2.5%	3.4%
Germany (a)	5.0%	2.2%	-1.1%	2.8%	2.8%	3.5%
France	0.8%	1.2%	-1.0%	2.2%	3.1%	3.2%
Italy	1.2%	0.7%	-0.7%	2.2%	2.7%	2.9%
United Kingdom	-2.0%	-0.5%	2.0%	3.5%	3.4%	3.0%
Canada	-1.8%	0.6%	2.2%	4.1%	4.2%	3.9%
OECD	1.0%	1.6%	1.3%	2.8%	3.0%	2.9%
European Community (12)	1.7%	1.1%	-0.3%	2.5%	3.0%	3.2%

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

Source OECD Economic Outlook December 1994 table A1

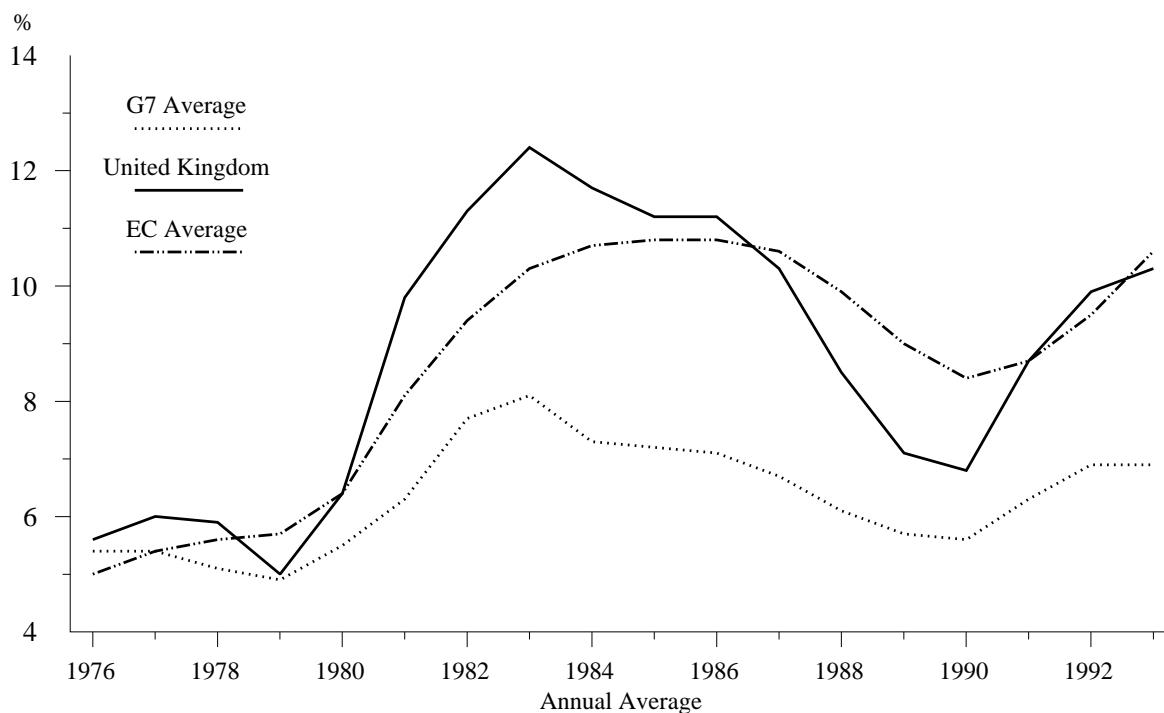
* The table and graph above reflect projections in the December edition of the OECD's *Economic Outlook*.

* The latest Treasury forecasts, published in November 1994, suggest that UK GDP will grow by 3¼% in 1995. The latest Treasury summary of independent economic forecasts suggests that growth in the UK will be 3.2% in 1995 and 2.9% in 1996.

Next update: mid-June

H 2. International Comparisons - Unemployment

*% of labour force
standardised*



Unemployed as % of labour force
Standardised and seasonally adjusted

	1993	1994 Q1	1994 Q2	1994 Q3
Canada	11.1	11.0	10.6	10.1
USA	6.7	6.5	6.1	5.9
Japan	2.5	2.8	2.8	3.0
Belgium	9.6	10.2	10.3	10.3
France	11.7	12.5	12.6	12.6
W Germany	5.8	6.8	6.9	6.9
Ireland	15.8	15.2	14.8	14.7
Italy	10.2	11.7	12.5	11.8
Netherlands	8.3	10.1	9.4	9.5
Portugal	5.5	6.6	7.1	6.8
Spain	22.4	23.9	24.1	23.9
UK	10.3	9.9	9.6	9.5
EC	10.7	11.5	11.6	11.5
G7	6.9	7.1	7.0	6.8
OECD	7.8	8.1	8.0	7.8

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

* In 1994 Q3 Portugal had the lowest unemployment rate in the EC (6.8% of the workforce). West Germany's unemployment rate was only fractionally higher (6.9%).

* Spain had the highest unemployment rate (23.9%).

* Over the first three quarters of 1994 as a whole the UK, Canada, the USA, the Netherlands and Ireland are the only countries where the unemployment rate is falling.

Sources: OECD Current Economic Indicators

Next update: early February

H 3. International Comparisons - Prices



Consumer Price Index - percentage change over 12 months

	1991	1992	1993	Sep 94	Oct 94	Nov 94
United States	4.2	3.1	2.9	3.0	2.6	2.7
Japan	3.3	1.7	1.3	0.2	0.7	0.8
Germany (West)	3.5	4.0	4.1	3.0	2.8	2.7
France	3.0	2.3	2.1	1.6	1.7	1.6
Italy	6.4	5.1	4.4	3.9	3.9	4.0
United Kingdom	5.9	3.7	1.6	2.2	2.4	2.6
Canada	5.6	1.5	1.8	0.2	-0.2	na
European Community	5.0	4.3	3.4	3.0	3.0	3.0

Source: Eurostat

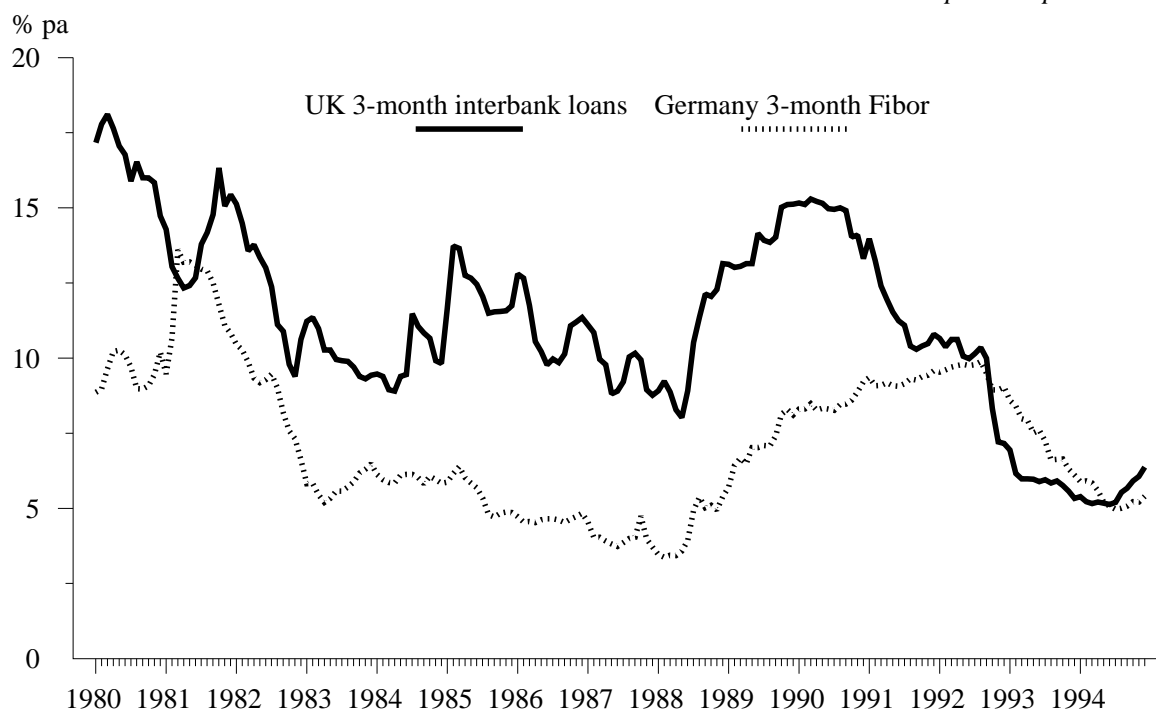
* UK inflation rate in November 1994 (2.6% pa) was lower than the German rate (2.7% pa), the US rate (2.7% pa), the Italian rate (4.0% pa), and the EC average (3.0% pa).

* The highest rate amongst G7 countries was 4.0% pa in Italy. The UK inflation rate is higher than that in France (1.6% pa), Japan (0.8% pa), and Canada, where prices are 0.2% lower than they were a year ago.

Next update: mid February

H 4. International Comparisons - Interest Rates

*Short-term Interest Rates
per cent per annum*



Short-Term Interest Rates as at 30 Jan 1995

	3-month rate (% pa)
London	6 ³ / ₄
New York	6 ¹ / ₄
Frankfurt	5.05
Tokyo	2 ⁵ / ₁₆
Paris	5 ³ / ₁₆
Milan	8 ¹⁵ / ₁₆
Brussels	5 ⁷ / ₁₆

* Since 1990, the UK short-term rate has converged towards the German rate. The UK rate is now higher than the German rate, having been lower between October 1992 and May 1994.

* The latest three-month interest rates as at 30 January are shown in the table opposite.

Source: *Financial Times* 31 January 1995

Recent papers on related subjects have been:

Economic policy & taxation

Research Paper

94/80	The Competitive Economy	20.06.94
94/108	Exchange Rate Mechanism: Past and Present	28.10.94
94/120	The economic background to the November 1994 budget	28.11.94
95/7	A Minimum Wage	17.01.95
95/8	Unemployment by Constituency: January 1995	18.01.95