

# **Economic Indicators**

**Research Paper 95/28**

**1 March 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.

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**Economic Policy & Statistics Section**

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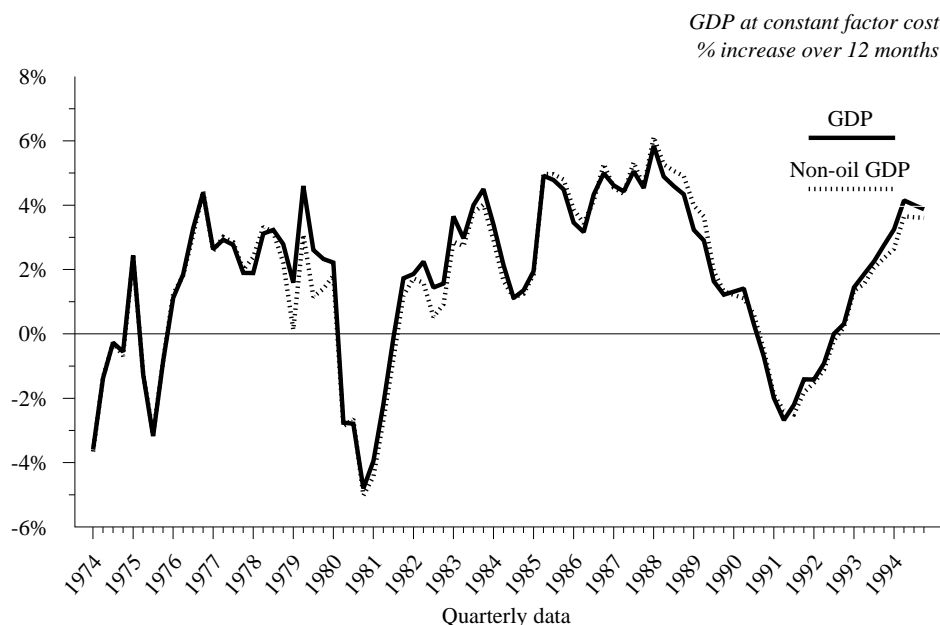
## A. Contacts for further information

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	Tim Edmonds/Nicola Chedgey	2883/3977
EC finance	Mick Hillyard/Jane Dyson	4324/2464
Employment	Nicola Chedgey/Tim Edmonds	3977/2883
Energy	Mahmud Nawaz	2454
Financial services	Bob Twigger/Tim Edmonds	4904/2883
Housing	Adrian Crompton/Rob Clements	6789/4310
Incomes	Bob Twigger/Nicola Chedgey	4904/3977
Industries	Nicola Chedgey/Tim Edmonds	3977/2883
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/Bob Twigger	2464/4904
Wages & earnings	Nicola Chedgey/Tim Edmonds	3977/2883

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## B 1. Gross Domestic Product



### Gross Domestic Product (GDP)

	<b>GDP</b> <i>at constant factor cost 12 month change</i>	<b>Non-Oil GDP</b> <i>at constant factor cost 12 month change</i>	<b>GDP</b> <i>£ billion at current market prices</i>	<b>GDP</b> <i>£ billion at current factor cost</i>
1992	-0.5%	-0.6%	597.1	516.0
1993	2.1%	1.9%	630.2	546.7
1994 (prov)	3.8%	3.3%	667.8	578.0
1993 Q4	2.8%	2.4%	161.0	139.8
1994 Q1	3.3%	2.6%	163.4	141.8
1994 Q2	4.1%	3.7%	166.0	143.6
1994 Q3	4.0%	3.6%	168.0	145.2
1994 Q4 (prov)	3.9%	3.6%	170.4	147.3

Sources: CSO Database; CSO first release (95) 34 dated 22.2.95

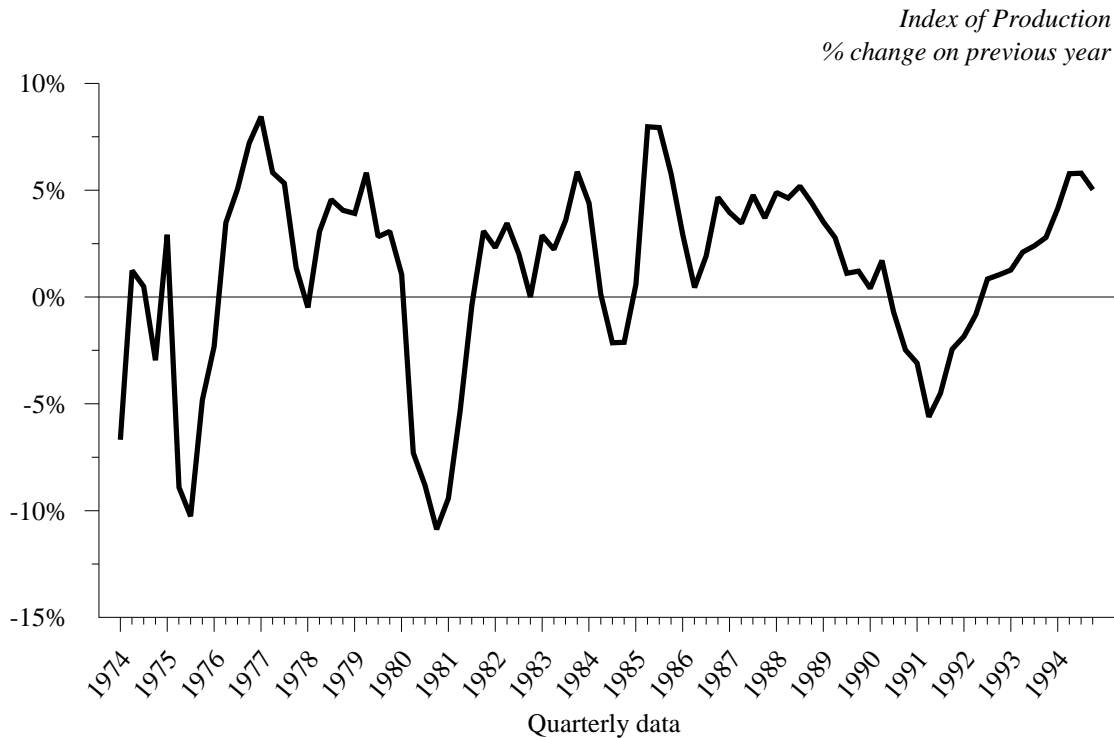
\* Real GDP at factor cost is estimated to have risen by 0.8% between the third and fourth quarters of 1994 and to be 3.9% higher than in the fourth quarter of 1993. In 1994 GDP was 3.8% higher than in 1993.

\* The latest Treasury summary of economic forecasts suggests that growth will be 3.3% 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 6.8% and it is now 3.0% above the previous peak achieved in the second quarter of 1990.

*Next update: 24 March*

**B 2. Industrial Production**



**Industrial Production - Index Of Output seasonally adjusted**

	<b>Total</b> <i>12 month change</i>	<b>Mining &amp; quarrying incl oil &amp; gas</b> <i>12 month change</i>	<b>Manufacturing</b> <i>12 month change</i>	<b>Gas, electricity &amp; water supply</b> <i>12 month change</i>
1992	-0.2%	4.3%	-0.6%	0.0%
1993	2.1%	8.0%	1.3%	4.1%
1994	5.2%	18.8%	4.1%	1.9%
1993 Q3	2.4%	9.7%	1.3%	5.6%
1993 Q4	2.8%	13.2%	1.5%	4.8%
1994 Q1	4.1%	22.9%	2.3%	3.3%
1994 Q2	5.8%	25.3%	3.8%	5.1%
1994 Q3	5.8%	17.4%	4.8%	2.3%
1994 Q4	5.0%	10.8%	5.2%	-2.8%

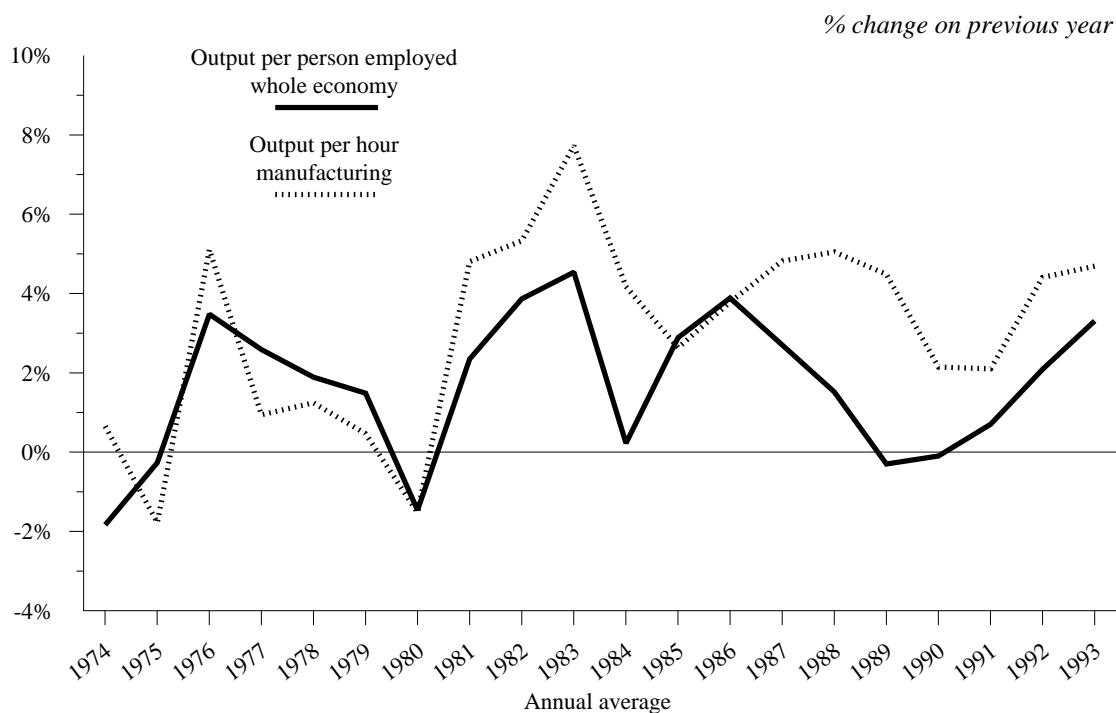
Source: CSO database; CSO press notice (95)22 dated 7/2/95

- \* In the three months to December 1994 total industrial production was 0.5% higher than in the previous three months and 5.0% higher than in the same period a year earlier. In December output was 0.8% above its November level.
- \* Compared with the three months to September, manufacturing production in the period October to December was 0.7% higher. Within manufacturing the chemicals and engineering sectors are growing most strongly.
- \* Compared with the three months to September, output in the mining and quarrying sector (including oil and gas) in the last three months was 2.4% higher and production in the gas, electricity and water supply industries was 3.0% lower (mainly due to the mild weather). Oil and gas extraction in December was at record levels.

Next update: 8 March

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## B 3. Productivity



### Manufacturing Productivity Index 12 month percentage change

Annual average	Output per head	Output per hour
<b>1990</b>	1.9%	2.1%
<b>1991</b>	1.2%	2.1%
<b>1992</b>	4.5%	4.4%
<b>1993</b>	3.8%	4.7%
<b>1994</b>	4.8%	4.5%
<b>Monthly data</b>		
<b>Dec 1993</b>	2.5%	2.3%
<b>Jan 1994</b>	2.8%	3.0%
<b>Feb 1994</b>	2.6%	2.8%
<b>Mar 1994</b>	2.8%	2.2%
<b>Apr 1994</b>	4.1%	3.4%
<b>May 1994</b>	3.7%	4.0%
<b>Jun 1994</b>	5.8%	5.2%
<b>Jul 1994</b>	5.7%	6.2%
<b>Aug 1994</b>	6.2%	6.1%
<b>Sep 1994</b>	6.3%	5.5%
<b>Oct 1994</b>	6.8%	6.2%
<b>Nov 1994</b>	5.6%	4.6%
<b>Dec 1994</b>	5.2%	4.5%

\* 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%.

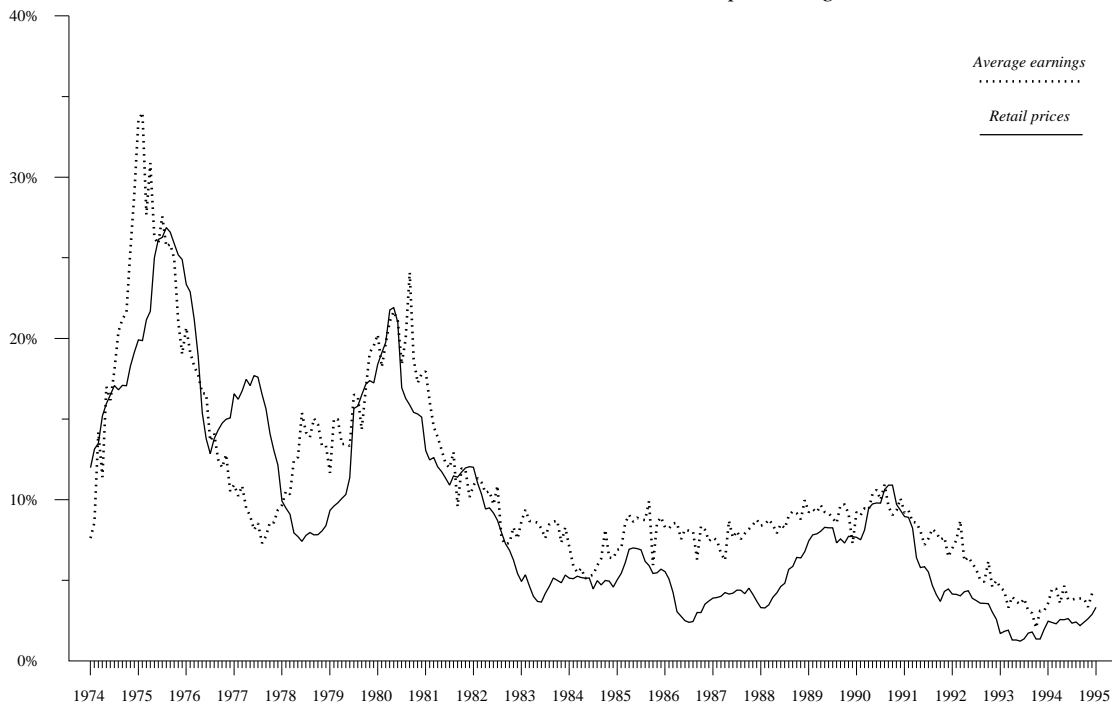
\* Having shown slight falls in the years 1989 and 1990, economy-wide productivity increased by 0.7% in 1991 and 2.1% in 1992. There was a further improvement in 1993 with economy-wide productivity 3.3% higher than in 1992.

Source: CSO Database (series DMOB, DMGI)

Next update: 15 March

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	..
<b>Monthly data</b>		
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	3.3
Dec 1994	2.9	4.2
Jan 1995	3.3	..

**Inflation** - consumer prices rose by 3.3% in the year to January 1995, representing a rise from 2.9% in the year to December 1994.

Excluding the effect of mortgage interest payments, the RPI rose by 2.8% in the year to January 1995.

**Earnings** - average gross earnings of employees in Great Britain rose by 4.2% in the year to December 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 £337.70 per week or £17,500 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.

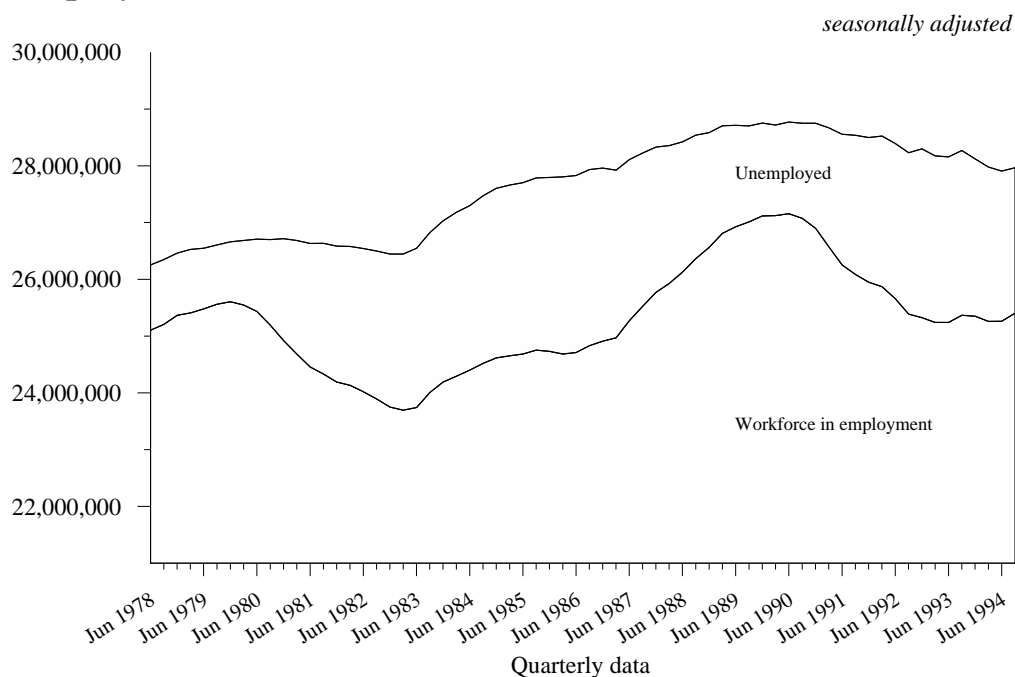
Sources: CSO Database series CHAW & DNAB

Next update: Prices 15 March  
Earnings 15 March



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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
<b>1990</b>	22,893	3,537	303	423	27,155
<b>1991</b>	22,220	3,383	297	353	26,254
<b>1992</b>	21,851	3,196	290	325	25,661
<b>1993</b>	21,493	3,166	271	311	25,241
<b>1994</b>	21,542	3,266	250	313	25,262
<b>Changes 1993 to 1994</b>					
<b>000s</b>	49	100	-21	2	21
<b>%</b>	0.2%	3.2%	-7.7%	0.6%	0.1%

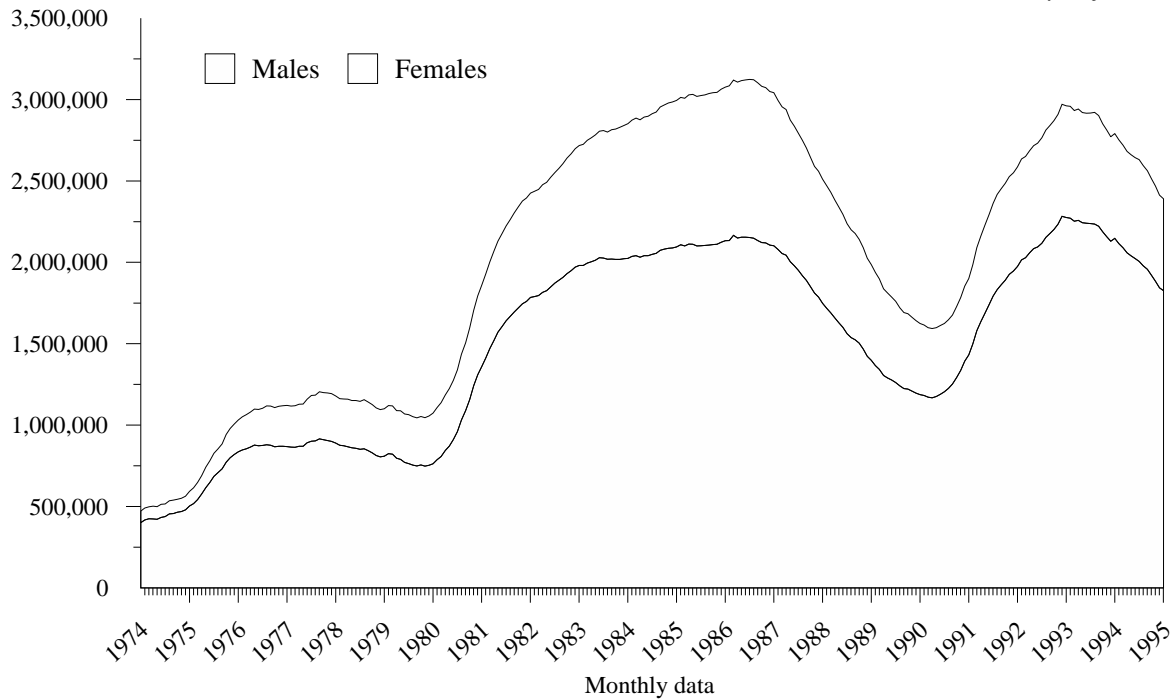
*Source: DE Labour Market Statistics 15 February 1995*

- \* Workforce in employment in June 1994 was 21,000 higher than in June 1993 and 217,000 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 March*

D 2. Unemployment: National

Unemployed claimants: UK  
seasonally adjusted



Seasonally adjusted

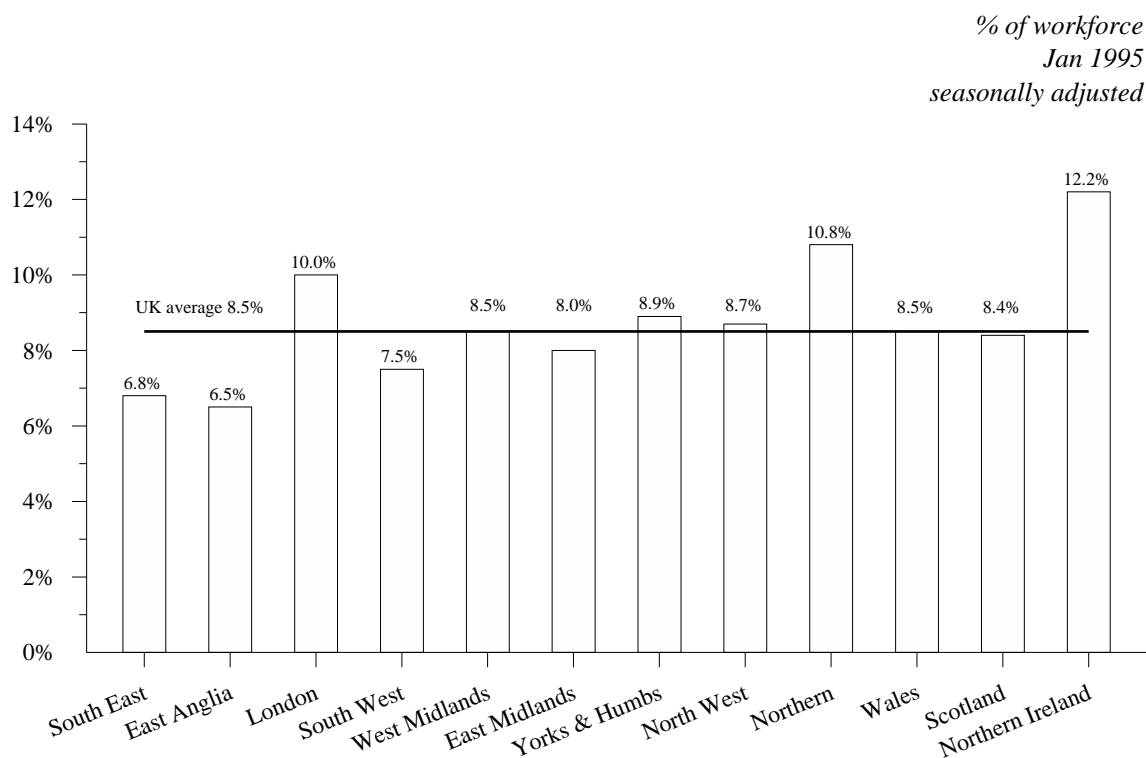
**Unemployed Claimants UK**

Annual averages	Number	% of workforce	
1990	1,660,800	5.8	<b>Unemployment - fell by 14.4% in the year to January 1995.</b> The January 1995 total is 11.0% lower than April 1992 15.7% lower than in June 1987 14.8% lower than in June 1983 119.9% higher than in May 1979
1991	2,286,100	8.1	
1992	2,765,000	9.8	
1993	2,900,600	10.3	
1994	2,619,200	9.3	
(all figures adjusted for seasonality and discontinuities)			
Monthly data			
Jan 1994	2,790,600	9.9	<b>% Rates - as a proportion of the workforce the January totals give unemployment rates of:</b>  11.4% for males 4.6% for females 8.5 % overall  <b>Forecasts - an average of independent forecasters predicts that unemployment will fall to around 2.21 million by the 4th quarter of 1995.</b>
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	2,417,200	8.6	
Jan 1995	2,389,700	8.5	

Source: NOMIS Database

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## D 3. Unemployment: Regional



### *% change Jan 1994 to 1995*

Region	%
South East	-21
East Anglia	-16
London	-11
South West	-17
West Midlands	-17
East Midlands	-13
Yorks & Humbs	-10
North West	-15
Northern	-9
Wales	-15
Scotland	-12
Northern Ireland	-9
<b>United Kingdom</b>	<b>-14</b>

**% Rates** - as a proportion of the workforce January unemployment rates are higher than the national average of 8.5% in 5 regions:

London	10.0%
Yorks & Humberside	8.9%
North West	8.7%
Northern	10.8%
Northern Ireland	12.2%

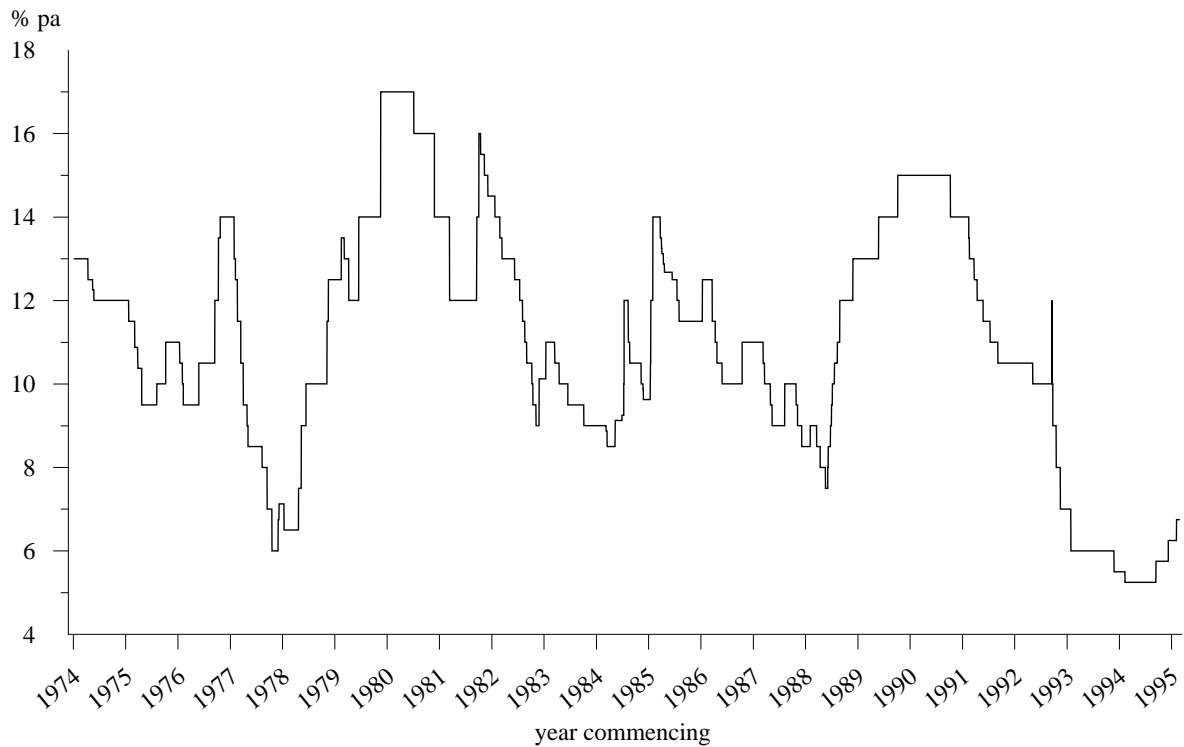
**Rates of change** - Following recent falls unemployment levels are now lower than 12 months ago in every region of the United Kingdom. In the South East, East Anglia, the South West and the West Midlands unemployment has fallen by more than 15% over the last year.

*Source: NOMIS Database*

*Next update: 15 March*

E 1. Interest Rates

Base Rates



per cent per annum

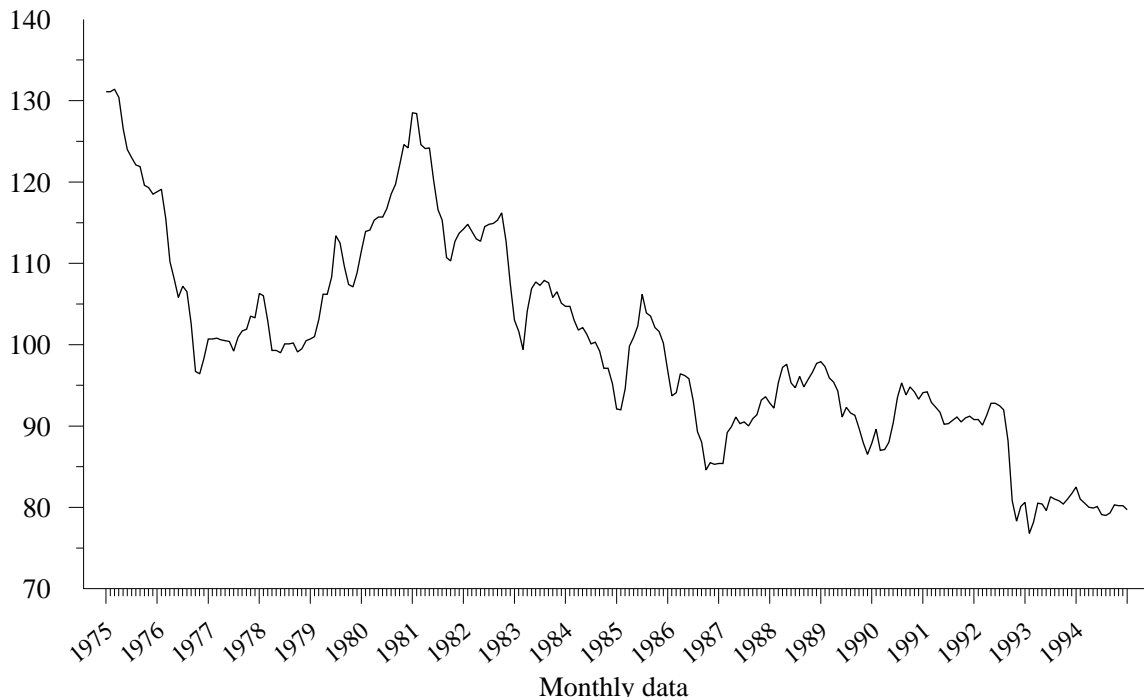
Date Of Change	New Rate	Date Of Change	New Rate
1988 Jul 5	10.00	1991 May 24	11.50
Jul 19	10.50	Jul 12	11.00
Aug 8	10.50 - 11.00	Sep 4	10.50
Aug 9	11.00	1992 May 5	10.00
Aug 25	11.00 - 11.50	Sep 16	12.00
Aug 26	12.00	Sep 17	10.00
Nov 25	13.00	Sep 22	9.00
1989 May 24	14.00	Oct 16	8.00
Oct 5	15.00	Nov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

\* The first rise in UK base rates this year, up to 6.75% p.a., was in response to the continued fast rate of growth of the economy and followed a general increase in interest rates in other European economies.

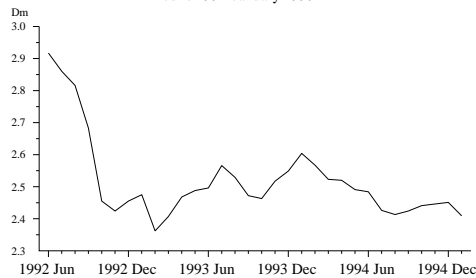
\* A rate of 15.0% p.a. was announced on 16th September 1992 but was cancelled before becoming effective.

## E 2. Exchange Rates

*Sterling Exchange Rate Index  
1985=100*



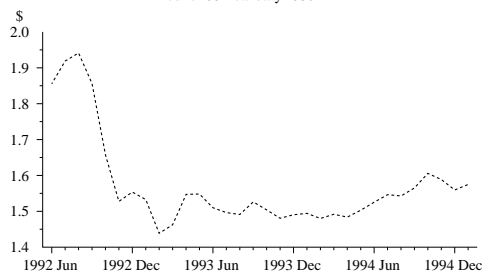
**Sterling-Deutschmark Exchange Rate**  
June 1992-January 1995



\* 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 for 23rd February 1995 were as follows; DM 2.34; US\$ 1.59; Yen 154.108

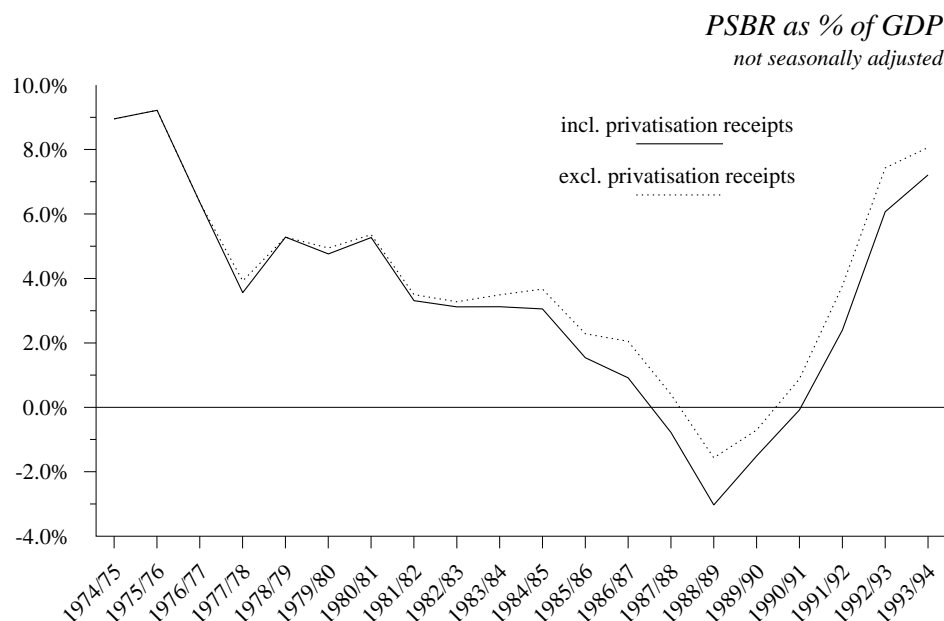
**Sterling US Dollar Exchange Rate**  
June 1992-January 1995



\* Currency turbulence has continued in the second month of the year. The Mexican peso remains under pressure despite official support from the US\$ which has been weak worldwide. In Europe, sterling has fallen to new lows against the deutschemark due to political worries over Europe and Ireland. The Spanish peseta remains under intense pressure at the foot of the ERM. 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**

	<b>Total PSBR</b>	<b>As % of GDP(i)</b>	<b>PSBR excl. privatisation receipts</b>	<b>As % of GDP(i)</b>
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 ten months of the 1994-95 financial year stood at £20.1 billion, compared with £29.6 billion in the equivalent period in 1993-94.

Next update: 16 March

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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)	M0		M4	
	amount outstanding	annual % change	amount outstanding	annual % change
<b>1994 February</b>	20,701	5.5	551,052	5.4
<b>1994 March</b>	20,764	5.9	553,721	5.6
<b>1994 April</b>	21,033	6.3	554,877	5.5
<b>1994 May</b>	20,139	6.8	556,596	5.2
<b>1994 June</b>	20,241	6.7	558,001	5.5
<b>1994 July</b>	20,375	6.5	558,522	4.8
<b>1994 Aug</b>	21,399	6.8	560,527	4.8
<b>1994 Sep</b>	21,637	7.0	562,775	4.9
<b>1994 Oct</b>	21,742	7.1	562,725	4.1
<b>1994 Nov</b>	21,780	6.8	566,802	4.5
<b>1994 Dec</b>	21,934	6.5	568,820	4.5

Note: (a) Monthly average for M0 and amount outstanding at end of period for M4.

Source: Bank of England "Financial Statistics" February 1995

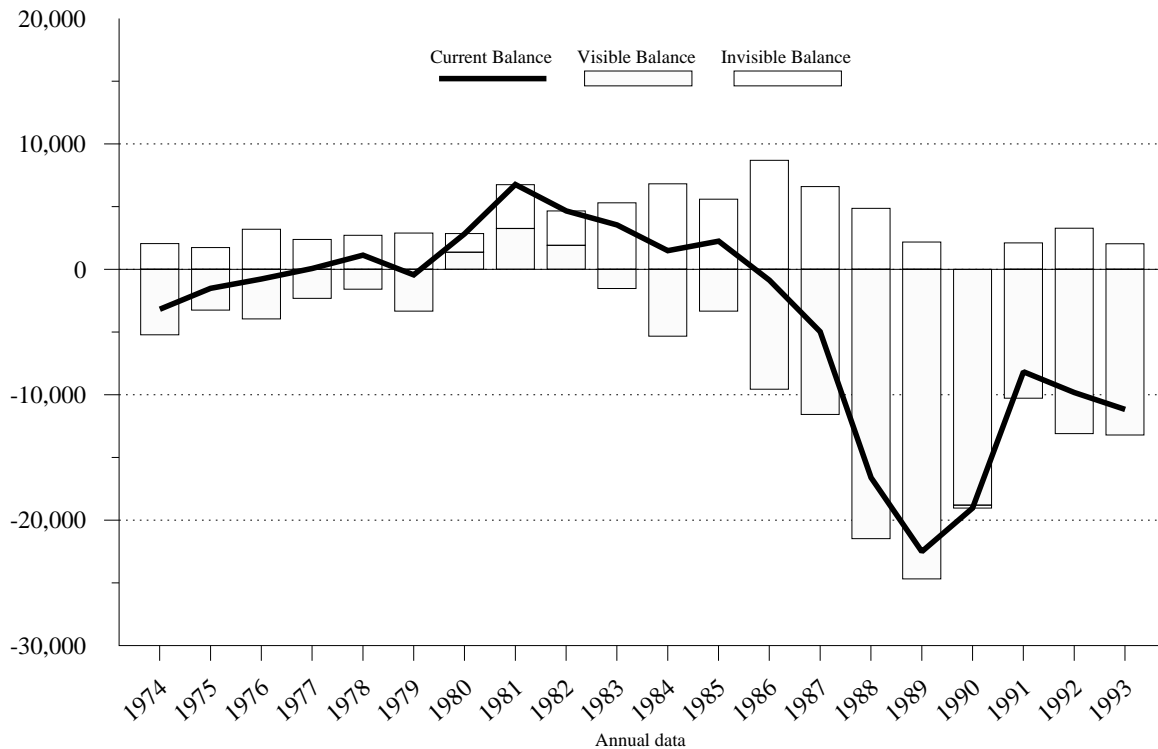
\* M0 comprises notes and coin in circulation outside the Bank of England *plus* bankers' operational deposits with the Bank. M4 is a broad measure of money consisting of the private sector's holdings of cash, and sterling deposits held by the private sector at both banks and building societies.

\* 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: 17 March

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	31,905	34,893	-2,988	1,521	-1,467
1994 Q2	33,129	35,554	-2,425	1,318	-1,107
1994 Q3	34,746	36,294	-1,548	2,367	819

Source: CSO database; CSO first release (95) 24 dated 9.2.95

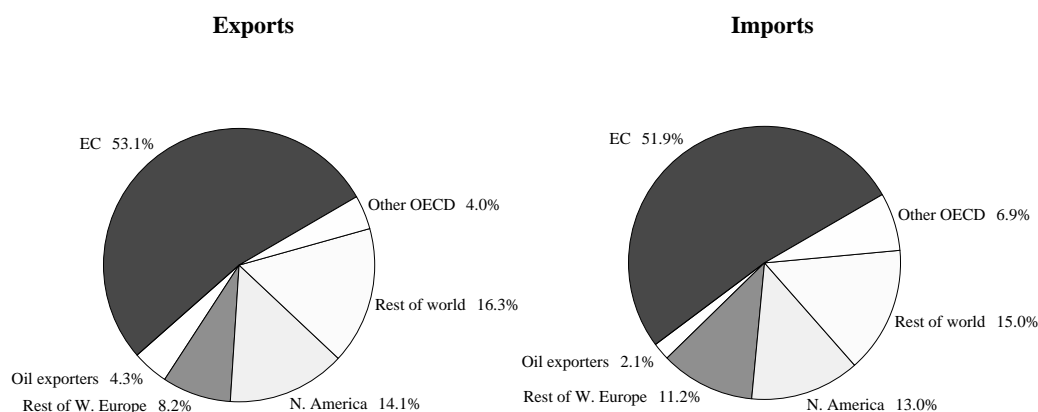
- \* **Visible balance** - in deficit by £1.7 billion in the three months to November 1994, compared to £1.8 billion in the three months to August 1994 and £3.3 billion in the three months to November 1993. The value of exports in the three months to November 1994 was 14% higher than in the same period 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 (February) Treasury summary of economic forecasts suggests a deficit of £0.6 billion in 1995 and £1.2 billion in 1996. The surplus of £0.8 billion in the third quarter of 1994 was the first since the first quarter of 1987.

Next update: 10 March



## F 2. Visible Trade

Shares of visible trade by area: Jan-Nov 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	104.6	-13,209	-15,671	-17,342
1993 Q4	109.6	107.1	-3,175	-3,888	-4,113
1994 Q1	112.4	109.5	-2,988	-3,863	-4,160
1994 Q2	116.4	107.8	-2,425	-3,685	-4,083
1994 Q3	120.8	107.9	-1,548	-2,557	-2,954
1994 Sep-Nov	123.9	111.4	-1,743	-2,825	-2,774

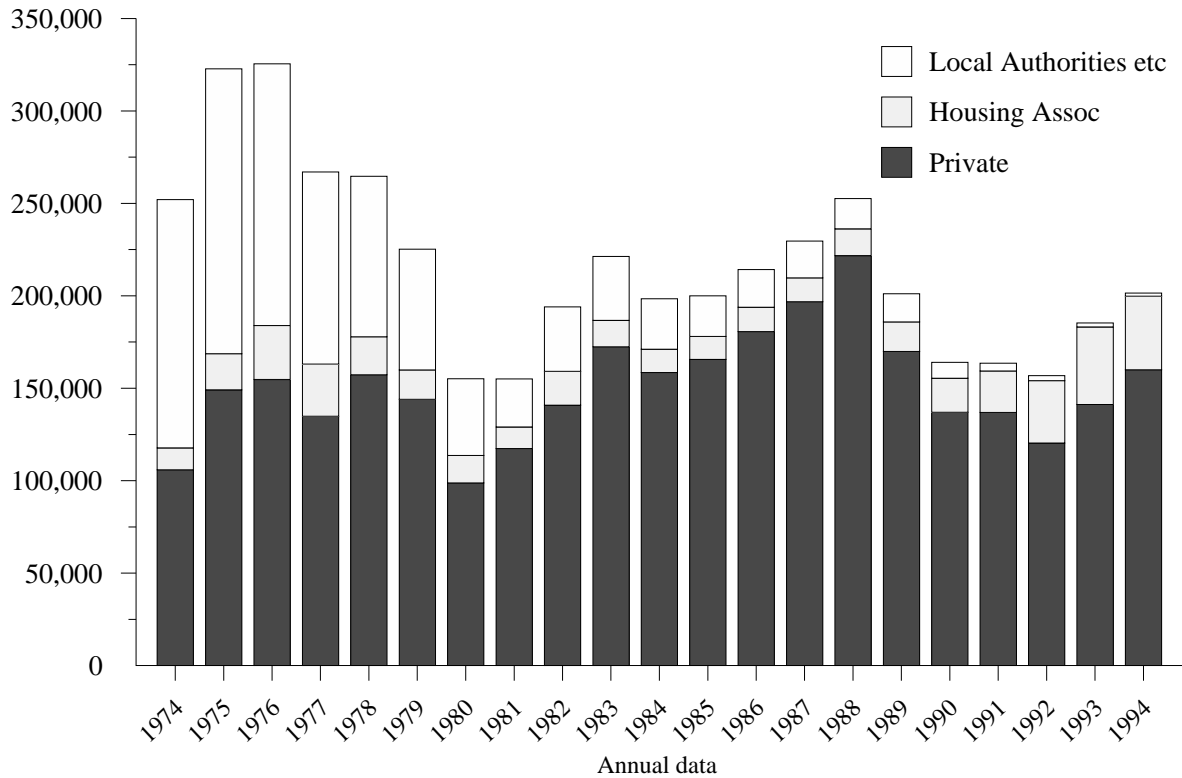
Note: (a) ships, aircraft, precious stones and silver.

Source: CSO database, CSO First Release (95) 24 dated 9.2.95

- \* The European Community now supplies and receives around half of all UK imports and exports.
- \* Export volumes in the three months to November 1994 were 14% higher than in the corresponding period a year earlier and 3½% higher than in the three months to August 1994.
- \* Import volumes in the three months to November 1994 were 4½% higher than in the corresponding period a year earlier and 4% higher than in the three months to August 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: 10 March

**G 1. Housing Starts**



**New Dwellings Started - Great Britain (thousands)**

	Private	Housing Assocs	Local Auth's etc	Total
<b>1990</b>	137.0	18.4	8.6	<b>164.0</b>
<b>1991</b>	136.9	22.4	4.2	<b>163.6</b>
<b>1992</b>	120.3	33.8	2.7	<b>156.8</b>
<b>1993</b>	141.2	41.9	2.2	<b>185.3</b>
<b>1994</b>	160.0	39.8	1.7	<b>201.5</b>
<i>seasonally adjusted</i>				
<b>1994 Q3</b>	40.8	9.7	0.5	<b>51.0</b>
<b>1994 Q4</b>	41.7	7.5	0.5	<b>49.7</b>
<b>Oct 94</b>	14.0	3.0	0.1	<b>17.1</b>
<b>Nov 94</b>	13.5	2.1	0.2	<b>15.8</b>
<b>Dec 94</b>	14.2	2.4	0.2	<b>16.8</b>

\* Seasonally adjusted total starts in Oct - Dec 1994 were 3% lower than in the previous three months, but 5% higher than Oct - Dec 1993.

\* Overall starts in 1994 were 11% below their level in 1979 but 9% higher than in 1993.

\* Local authorities started only 1,700 dwellings in 1994 - 0.8% of the total.

\* Housing association starts fell by 5% in 1994; private starts rose by 13%.

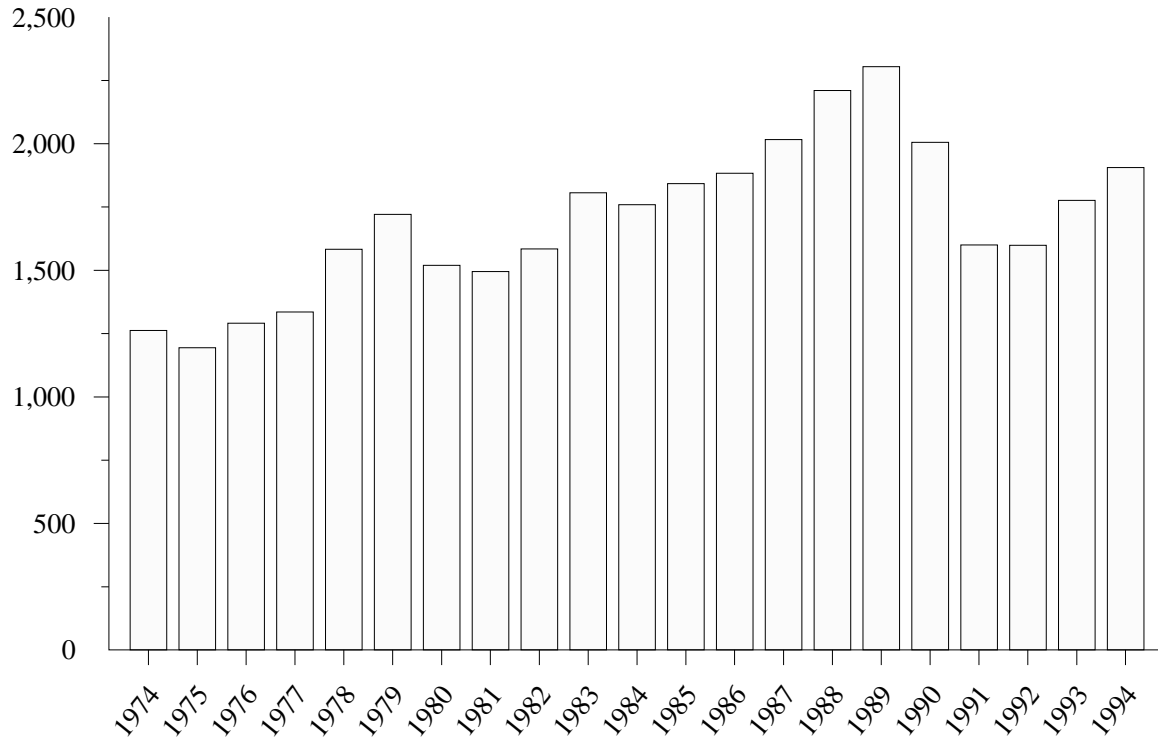
Sources: CSO Database series FCAB, CTOR, CTOV

Next update: 7 March

# Research Paper 95/28

## G 2. New Registrations of Cars

thousands



### New Registrations of Cars

seasonally adjusted

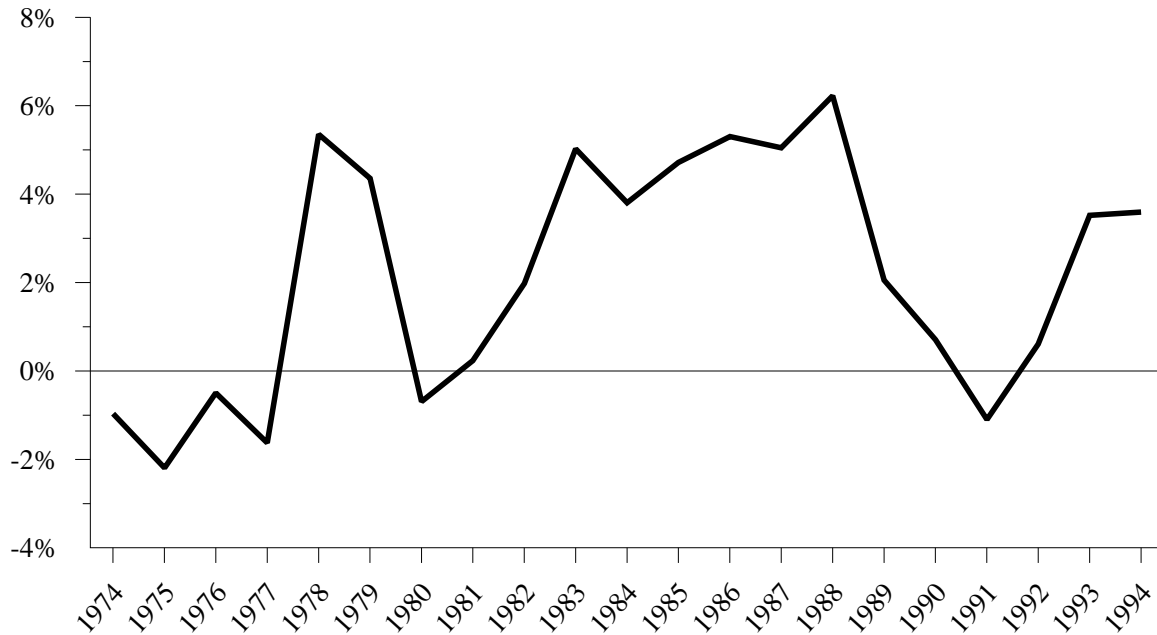
	Number thousands	Change over 12 months	
<b>1990</b>	2,005	-13%	* Latest figures show 148,000 new registrations of cars in January 1995 - 9% lower than in January 1994.
<b>1991</b>	1,600	-20%	* Latest annual figure for 1994 shows 1.9 million new registrations of cars - 7% higher than 1993.
<b>1992</b>	1,599	0%	
<b>1993</b>	1,776	11%	* 59% of cars registered in January 1995 were imported.
<b>1994</b>	1,906	7%	* 23% of cars registered in January 1995 were diesel and 58% were registered at company addresses.
<b>Sep 1994</b>	161	6.0%	
<b>Oct 1994</b>	155	-1.8%	
<b>Nov 1994</b>	160	-0.6%	
<b>Dec 1994</b>	155	2.3%	
<b>Jan 1995</b>	148	-8.6%	

Source: Department of Transport Statistical Bulletin (95) 18

Next update: 23 March

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 Jul	107.0	3.8%
Aug	106.8	3.1%
Sep	107.3	3.4%
Oct	107.2	2.9%
Nov	107.1	2.3%
Dec	107.7	3.5%
1995 Jan	106.7	0.2%

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

\* Sales in the most recent 3 month period were 2.1% up on the same period last year.

\* In the year to January 1995 the retail sales volume index rose by 0.2%.

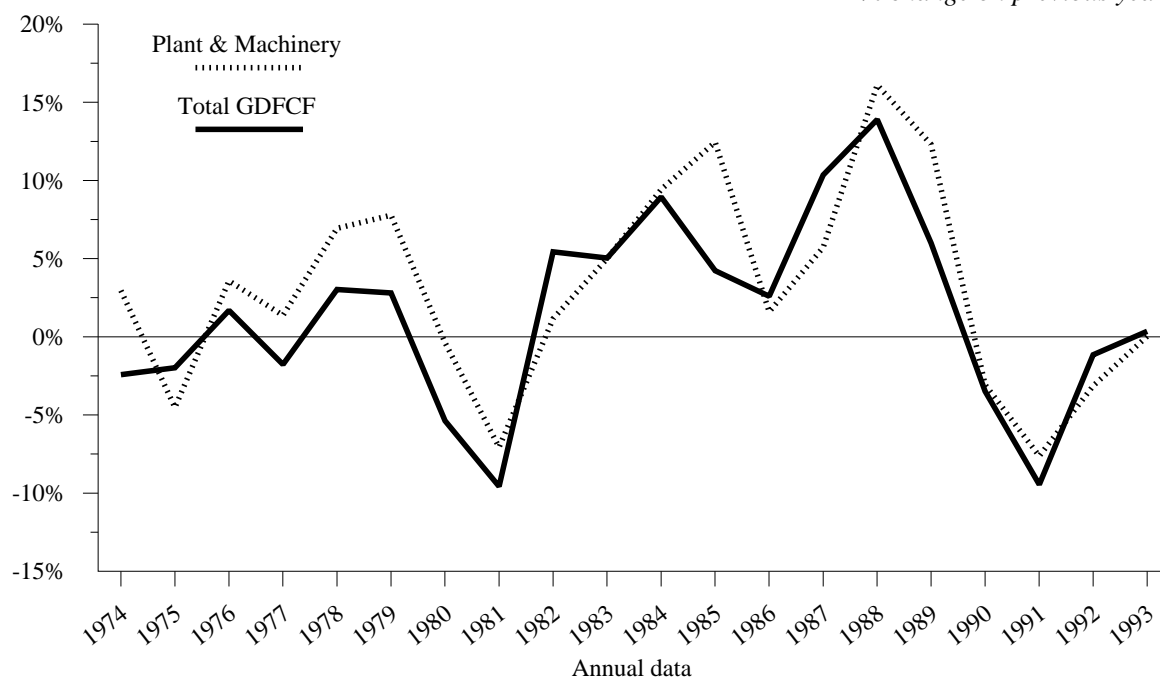
Note: weekly average, seasonally adjusted

Source: CSO database series FAAM.

Next update: 15 March

## G 4. Investment

Gross Domestic Fixed Capital Formation (GDFCF)  
Constant prices  
% change on previous year



GDFCF (£ million) at 1990 prices, seasonally adjusted

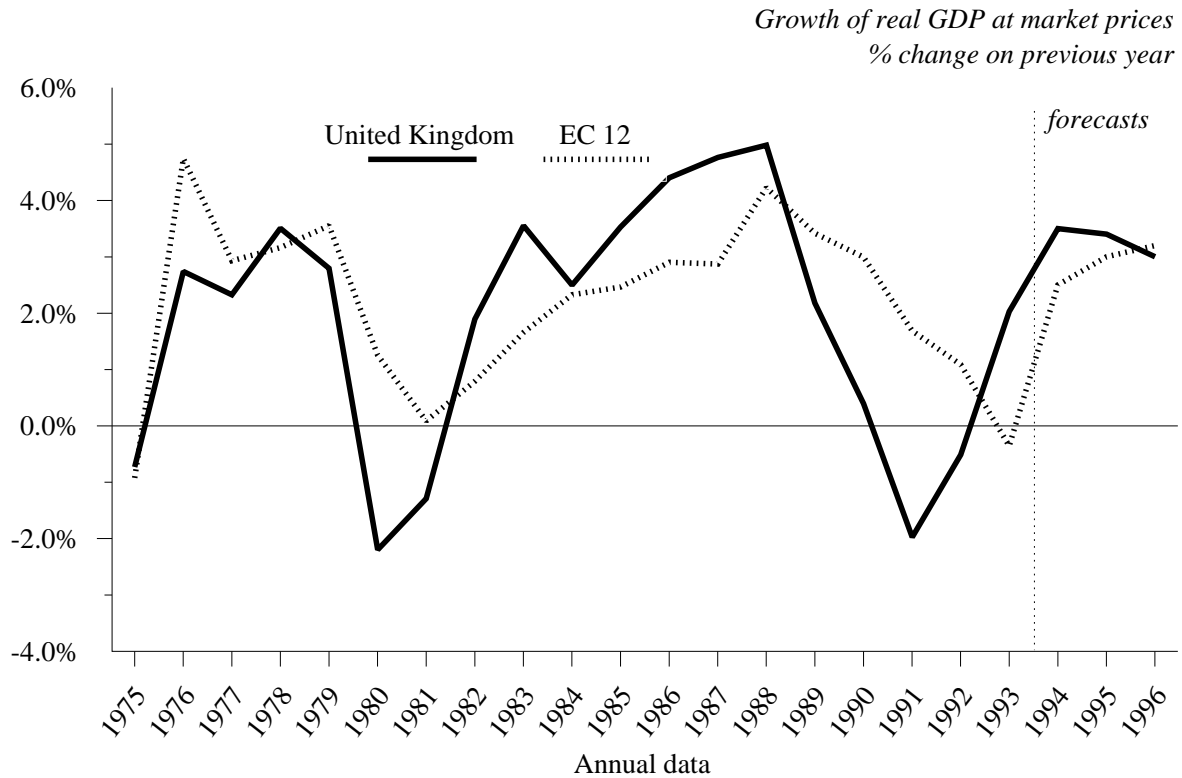
	Vehicles, Ships & Aircraft	Plant & Machinery	Other New Building Work (i)	Dwellings	Total
<b>1990</b>	10,266	36,762	39,110	21,439	107,577
<b>1991</b>	8,008	33,955	37,521	17,919	97,403
<b>1992</b>	7,960	32,888	37,152	18,280	96,280
<b>1993</b>	8,611	32,895	35,867	19,238	96,611
<b>1994</b>	..	..	..	..	99,401
<b>1993 Q 3</b>	2,264	8,171	8,796	4,822	24,053
<b>1993 Q 4</b>	2,182	8,237	9,155	5,008	24,582
<b>1994 Q 1</b>	2,273	8,316	9,400	5,152	25,141
<b>1994 Q 2</b>	2,329	8,531	8,863	5,014	24,737
<b>1994 Q 3</b>	2,316	8,540	8,969	4,760	24,585
<b>1994 Q 4</b>	..	..	..	..	24,938

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 1994 by 2.9% compared with 1993, but is still 13% lower than the peak in 1989. Investment in other new building work fell by 3.5% in 1993; all other components of GDFCF increased. A breakdown is not yet available for 1994
- \* In the fourth quarter of 1994 GDFCF was 1.4% higher than in the same period in 1993, and also 1.4% higher than in the third quarter of 1994. Investment in vehicles, ships & aircraft and dwellings fell in the third quarter of 1994 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.

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

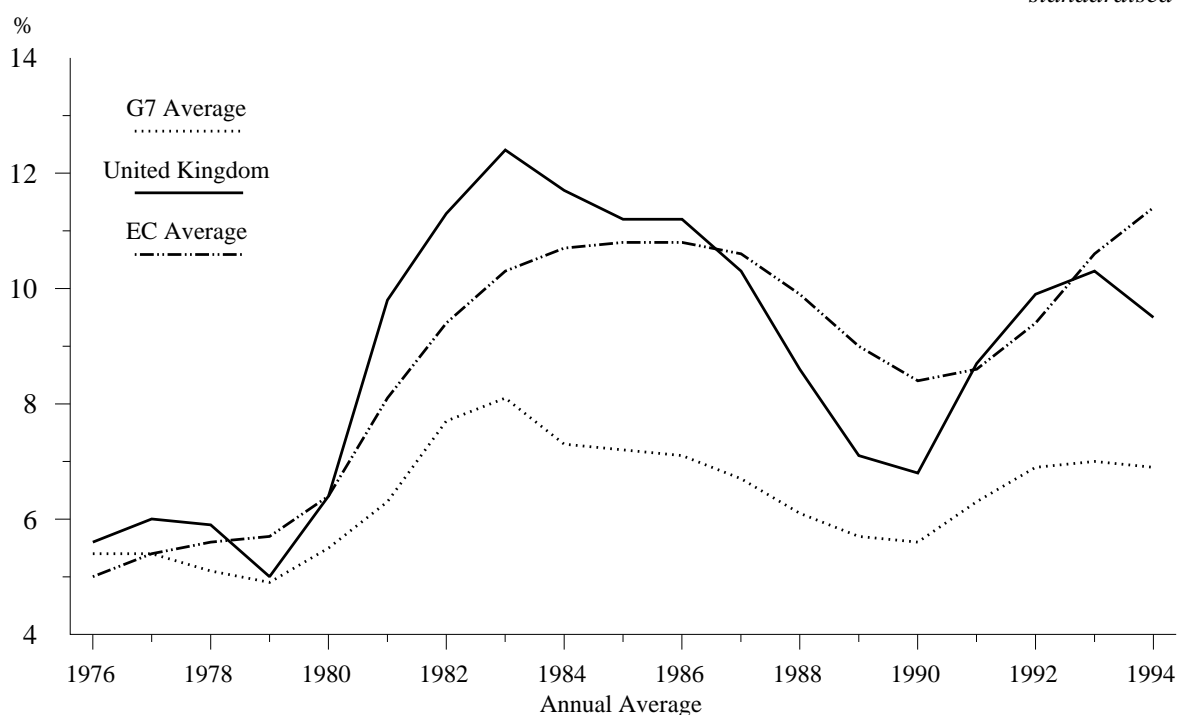
\* The table and graph above reflect projections in the December edition of the OECD's *Economic Outlook*.

\* 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 3.3% 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 Q2	1994 Q3	1994 Q4
Canada	11.1	10.6	10.1	9.7
USA	6.7	6.1	5.9	5.5
Japan	2.5	2.8	3.0	2.9
Belgium	9.6	10.3	10.3	10.3
France	11.7	12.6	12.6	12.6
W Germany	6.1	6.9	6.9	6.8
Ireland	15.7	14.8	14.7	14.6
Italy	10.2	12.5	11.8	..
Netherlands	6.2	7.0	7.1	7.2
Portugal	5.5	7.1	6.8	..
Spain	22.4	24.1	23.9	..
UK	10.3	9.6	9.5	8.9
EC (a)	10.6	11.6	11.5	11.2
G7	7.0	7.0	6.8	6.6
OECD	7.8	8.0	7.8	7.5

\* 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%).

\* In 1994 Q3 Spain had the highest unemployment rate (23.9%).

\* Over 1994 as a whole the UK, Canada, the USA and Ireland are the only countries (for which there is a full year's figures) where the unemployment rate is falling.

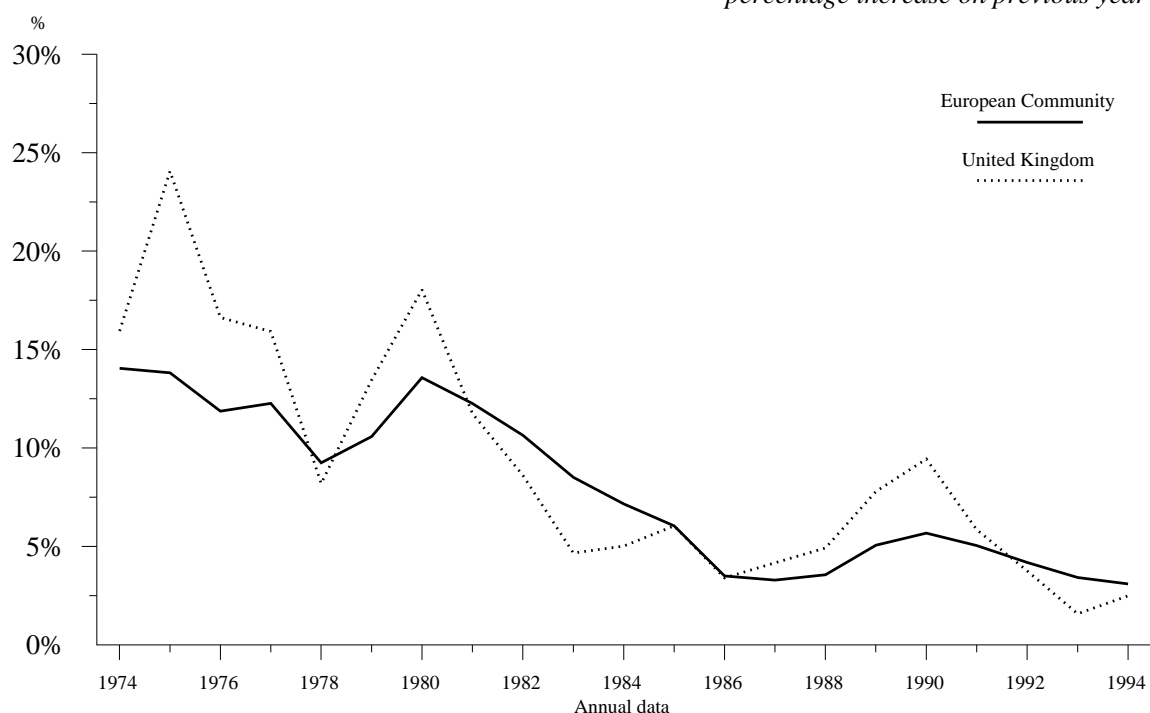
\* Unemployment in the new EC member states in 1994 Q4 was 17.2% in Finland and 7.3% in Sweden (standardised rates for Austria are not available).

Notes: (a) Average of the nine countries shown.

Sources: OECD Current Economic Indicators

H 3. International Comparisons - Prices

Consumer Price Index  
percentage increase on previous year



Consumer Price Index - percentage change over 12 months

	1992	1993	1994	Oct 94	Nov 94	Dec 94
United States	3.1	2.9	2.6	2.6	2.7	2.7
Japan	1.7	1.3	0.6	0.8	1.0	0.5
Germany (West)	4.0	4.2	3.0	2.8	2.7	2.7
France	2.3	2.1	1.8	1.7	1.6	1.6
Italy	5.1	4.4	4.0	3.8	3.9	4.2
United Kingdom	3.7	1.6	2.5	2.4	2.6	2.9
Canada	1.5	1.8	0.2	-0.2	-0.1	0.2
<b>European Community</b>	<b>4.3</b>	<b>3.4</b>	<b>3.1</b>	<b>3.0</b>	<b>3.0</b>	<b>3.1</b>

Source: Eurostat

\* The UK inflation rate in December 1994 (2.9% pa) was the second highest among G7 countries; only Italy had a higher lower level of inflation (4.2% pa). The UK rate is still below the EC average (3.1% pa) however.

\* The annual rate of inflation increased between November and December in the UK, Canada and Italy.

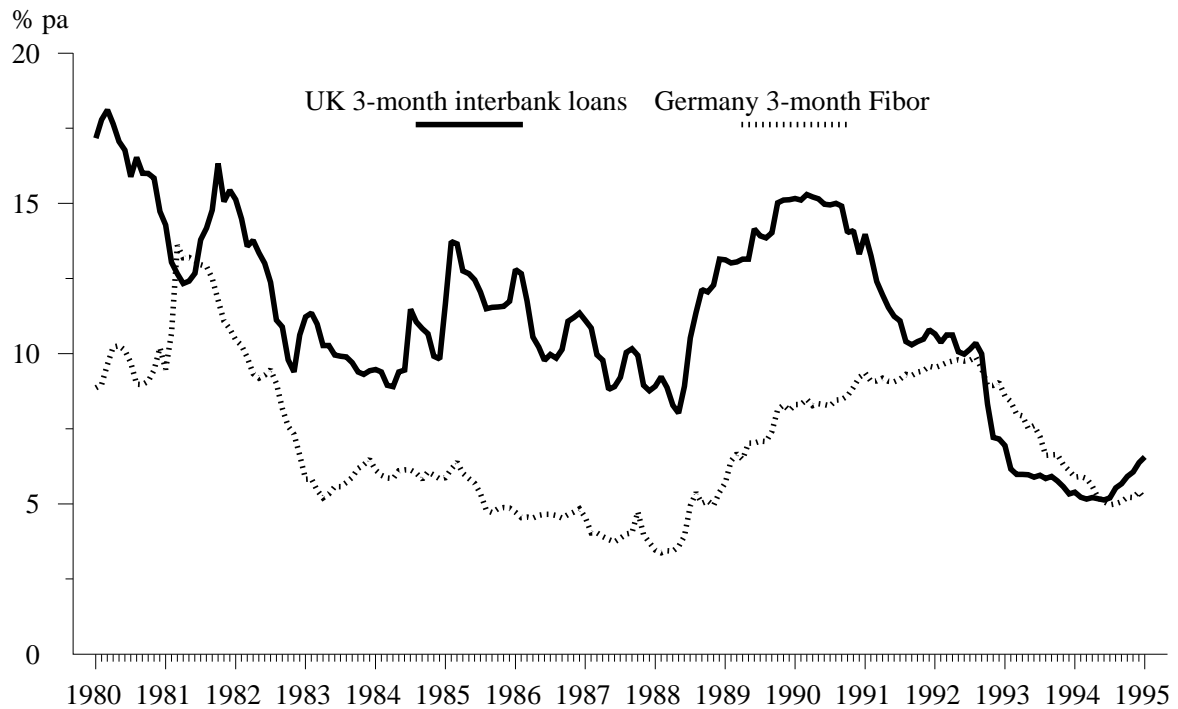
\* In late 1994 prices in Canada were actually lower than at the same point in 1993.

Next update: mid March



**H 4. International Comparisons - Interest Rates**

*Short-term Interest Rates  
per cent per annum*



**Short-Term Interest Rates as at 27 Feb 1995**

	3-month rate (% pa)
London	6 <sup>3</sup> / <sub>4</sub>
New York	6 <sup>3</sup> / <sub>16</sub>
Frankfurt	5.05
Tokyo	2 <sup>1</sup> / <sub>4</sub>
Paris	6 <sup>1</sup> / <sub>4</sub>
Milan	10
Brussels	5 <sup>3</sup> / <sub>4</sub>

\* 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 27 February are shown in the table opposite.

Source: *Financial Times* 28 February 1995

Recent papers on related subjects have been:

**Economic policy & taxation**

Research Paper

94/80	The Competitive Economy	20.06.94
94/120	The economic background to the November 1994 budget	28.11.94
95/7	A Minimum Wage	17.01.95
95/20	Economic & Monetary Union	14.02.95
95/21	Unemployment by Constituency: January 1995	15.02.95