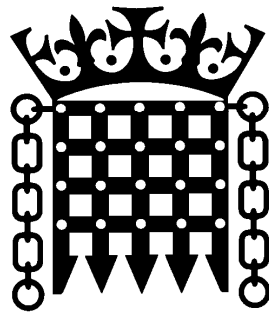


# **Economic Indicators**

**Research Paper 95/42**

**30 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.

**Nicola Chedgey (Editor)**  
**Economic Policy & Statistics Section**

**House of Commons Library**

---

Library Research Papers are compiled for the benefit of Members of Parliament and their personal staff. Authors are available to discuss the contents of these papers with Members and their staff but cannot advise members of the general public.

# CONTENTS

	Page
<b>A. Contacts for further information</b>	1
<b>B. Growth &amp; Output</b>	
1. GDP	2
2. Industrial Production	3
3. Productivity	4
<b>C. Wages &amp; Prices</b>	
1. Retail Price & Average Earnings	5
<b>D. Labour Market</b>	
1. Employment	6
2. Unemployment: National	7
3. Unemployment: Regional	8
<b>E. Finance &amp; Government Borrowing</b>	
1. Interest Rates	9
2. Exchange Rates	10
3. PSBR	11
4. Money Supply	12
<b>F. International Trade</b>	
1. Current Balance	13
2. Visible Trade	14
<b>G. Other Indicators</b>	
1. Housing Starts	15
2. Vehicle Registrations	16
3. Retail Sales	17
4. Investment	18
<b>H. International Comparisons</b>	
1. Growth	19
2. Unemployment	20
3. Prices	21
4. Interest Rates	22

## A. Contacts for further information

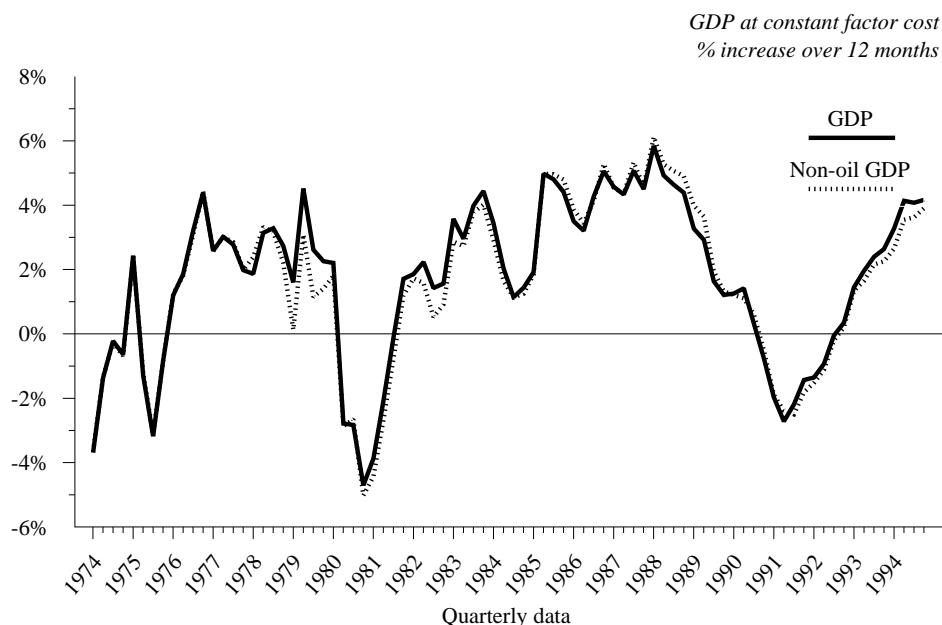
Members and their staff with questions about the currency of or requesting further information on statistics are encouraged to talk to the statistician specialising in the relevant area. The statisticians dealing with the subjects covered by this Research Paper are shown below. (After 6pm there is a 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/Bryn Morgan	6789/3851
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

A comprehensive guide to the subject coverage of specialists in the Research Division is available from the Library - Who does what in Research

# Research Paper 95/42

## 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%	630.8	546.6
1994	3.9%	3.4%	668.1	578.3
1993 Q4	2.6%	2.3%	161.2	139.5
1994 Q1	3.3%	2.6%	163.5	141.8
1994 Q2	4.1%	3.5%	165.9	143.4
1994 Q3	4.1%	3.6%	168.0	145.4
1994 Q4	4.2%	3.9%	170.7	147.7

Sources: CSO Database; CSO first release (95) 60 dated 24.3.95

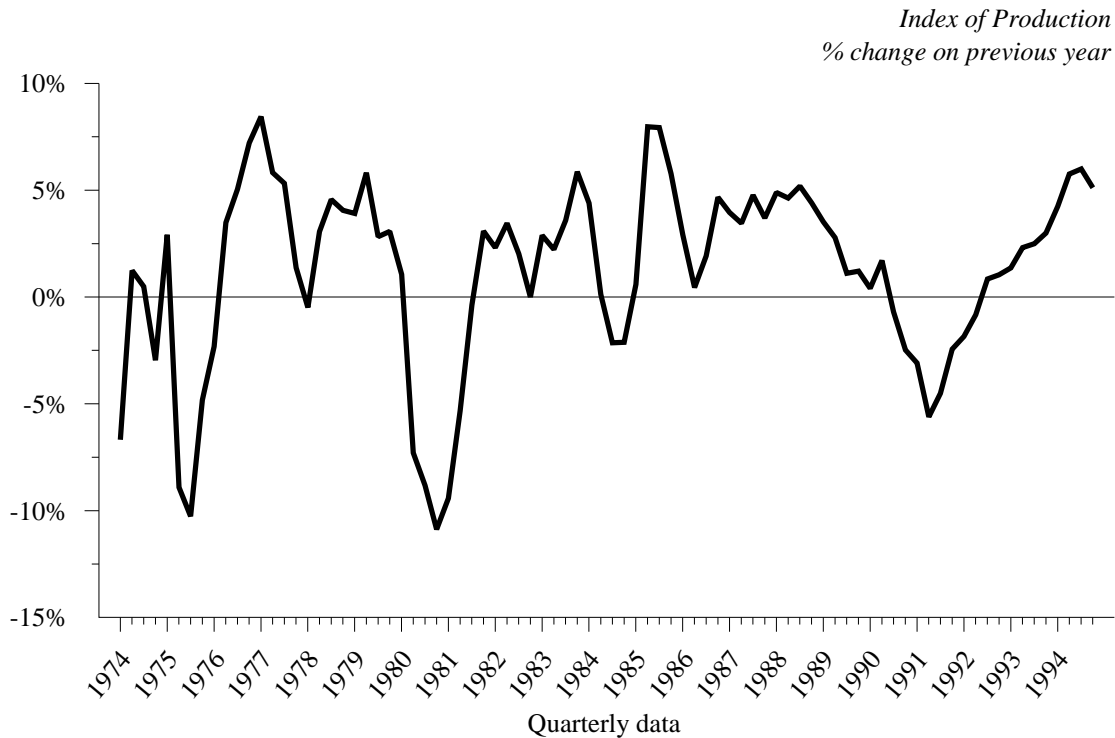
\* Real GDP at factor cost is estimated to have risen by 0.8% between the third and fourth quarters of 1994 and to be 4.2% higher than in the fourth quarter of 1993. In 1994 GDP was 3.9% higher than in 1993.

\* 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 7.0% and it is now 3.2% above the previous peak achieved in the second quarter of 1990.

*Next update: 25 April*

**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	2.3%	8.0%	1.3%	5.9%
1994	5.3%	18.4%	4.1%	3.0%
1993 Q4	3.0%	13.3%	1.5%	6.5%
1994 Q1	4.2%	22.9%	2.3%	3.9%
1994 Q2	5.8%	25.2%	3.9%	4.8%
1994 Q3	6.0%	17.3%	4.9%	3.4%
1994 Q4	5.2%	9.7%	5.2%	0.0%
Oct.94-Jan.95	4.3%	7.2%	4.3%	1.5%

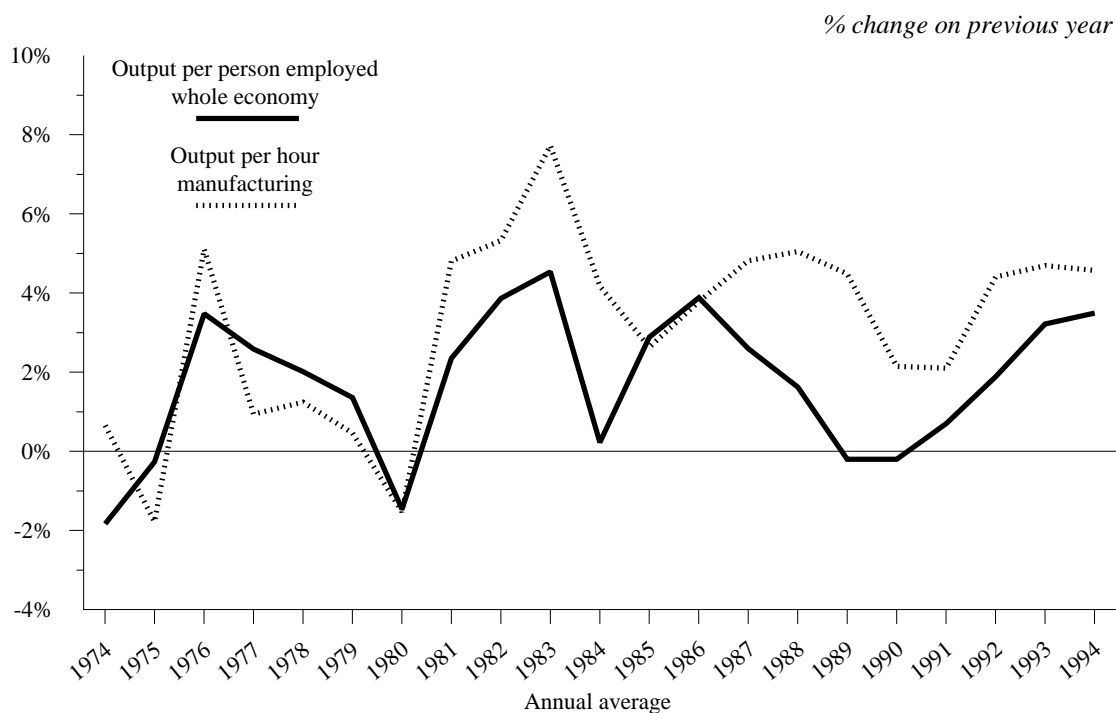
Source: CSO database; CSO press notice (95)43 dated 8/3/95

- \* In the three months to January 1995 total industrial production was 0.6% lower than in the previous three months but 4.3% higher than in the same period a year earlier. In January output was 0.5% below its December level.
- \* Compared with the three months to October, manufacturing production in the period November to January was 0.1% lower. Within manufacturing the fall in output was most marked in the food, drink and tobacco sector where output fell by 1.1% over this period. On the other hand, output in the coke & fuel refining and chemicals & man-made fibre sectors grew by 0.5%.
- \* Compared with the three months to October, output in the mining and quarrying sector (including extraction of oil and natural gas) in the last three months was unchanged and production in the gas, electricity and water supply industries was 5.4% lower.

Next update: 6 April

# Research Paper 95/42

## 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>	4.9%	4.6%
<b>Monthly data</b>		
<b>Jan 1994</b>	3.2%	3.3%
<b>Feb 1994</b>	2.6%	2.9%
<b>Mar 1994</b>	2.8%	2.3%
<b>Apr 1994</b>	4.1%	3.2%
<b>May 1994</b>	3.8%	3.9%
<b>Jun 1994</b>	6.0%	5.5%
<b>Jul 1994</b>	5.8%	6.2%
<b>Aug 1994</b>	6.1%	6.0%
<b>Sep 1994</b>	6.4%	5.5%
<b>Oct 1994</b>	7.1%	6.4%
<b>Nov 1994</b>	5.6%	4.5%
<b>Dec 1994</b>	5.2%	4.5%
<b>Jan 1995</b>	2.9%	2.4%

\* 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, in January 1995 the rate of growth of manufacturing productivity fell below 3%.

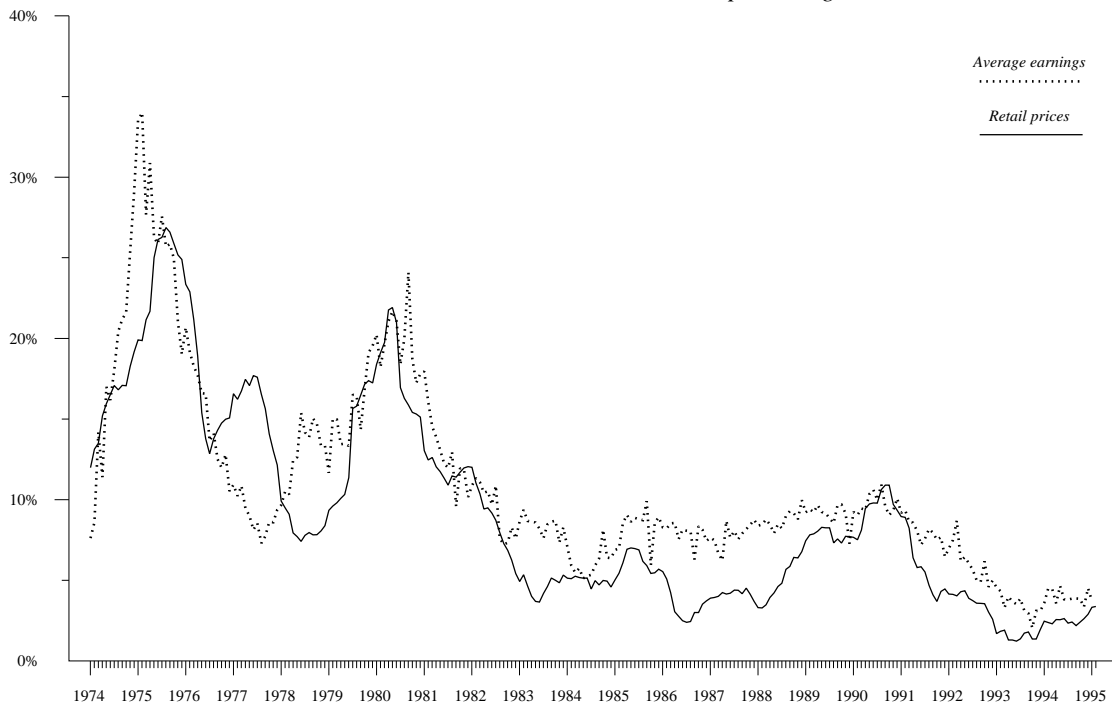
\* Having shown slight falls in the years 1989 and 1990, economy-wide productivity increased by 0.7% in 1991 and 2.1% in 1992. There were further improvements in 1993 and 1994 with increases in economy-wide productivity of 3.2% and 3.5% respectively.

Source: CSO Database (series DMOB, DMGI)

Next update: 12 April

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	4.0
<b>Monthly data</b>		
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	4.5
Jan 1995	3.3	3.7
Feb 1995	3.4	..

**Inflation** - consumer prices rose by 3.4% in the year to February 1995, representing a rise from 3.3% in the year to January 1995.

Excluding the effect of mortgage interest payments, the RPI rose by 2.7% in the year to February 1995. Excluding the effects of mortgage interest payments and indirect taxes (RPIY), the RPI rose by 1.8%.

**Earnings** - average gross earnings of employees in Great Britain rose by 3.7% in the year to January 1995. The underlying rate, which takes account of staged agreements and bonuses, is estimated to be 3.5%.

This rise puts the actual level of average earnings of full-time employees at around £333.40 per week or £17,300 per year.

**Forecasts** - an average of independent forecasts in March 1995 predicts the RPI (less mortgage interest payments) to increase by 2.9% in 1995, the same prediction as as the Treasury Forecasting Panel. These are both higher than the Treasury November forecast of 2.5%.

Independent forecasts predict average earnings to rise by 4.4% in 1995.

Sources: CSO Database series CHAW & DNAB

Next update: Prices 13 April  
Earnings 12 April



## 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>	21,903	3,196	290	325	25,714
<b>1993</b>	21,603	3,166	271	311	25,352
<b>1994</b>	21,545	3,266	250	298	25,359
<b>Changes 1993 to 1994</b>					
<b>000s</b>	-58	100	-21	-13	7
<b>%</b>	-0.3%	3.2%	-7.7%	-4.2%	0.0%

*Source: DE Labour Market Statistics 15 March 1995*

\* Workforce in employment in June 1994 was 7,000 higher than in June 1993 and 119,000 lower than in June 1979. The net increase was entirely due to the 100,000 increase in self-employment; the numbers of employees, those in HM forces and those on government training schemes all fell over the same period.

\* 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.

D 2. Unemployment: National

Unemployed claimants: UK  
seasonally adjusted



*Seasonally adjusted*

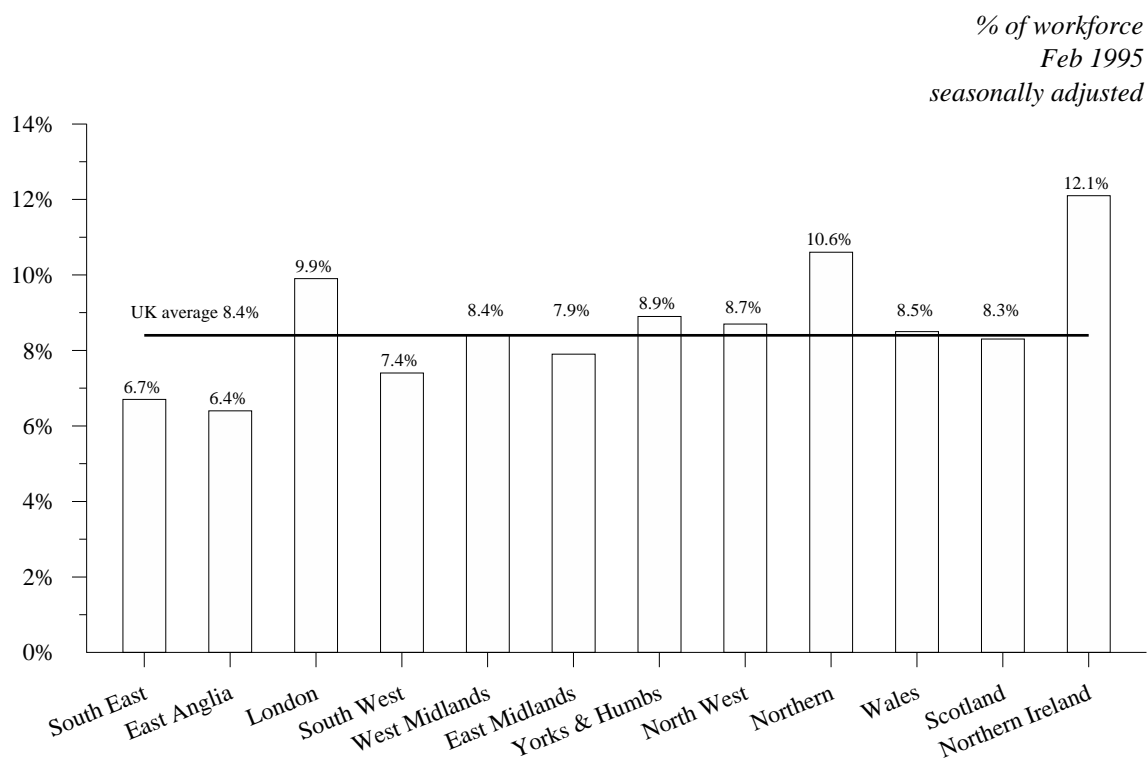
**Unemployed Claimants UK**

Annual averages	Number	% of workforce	
1990	1,660,800	5.8	<b>Unemployment - fell by 14.1% in the year to February 1995.</b> The February 1995 total is 12% lower than April 1992 17% lower than in June 1987 16% lower than in June 1983 118% 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			
Feb 1994	2,752,900	9.8	<b>% Rates - as a proportion of the workforce the February totals give unemployment rates of:</b>  11.3% for males 4.6% for females 8.4 % overall  <b>Forecasts - an average of independent forecasters predicts that unemployment will fall to around 2.18 million by the 4th quarter of 1995.</b>
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	2,392,100	8.5	
Feb 1995	2,364,700	8.4	

Source: NOMIS Database

# Research Paper 95/42

## D 3. Unemployment: Regional



### *% change Feb 1994 to 1995*

Region	%
South East	-20
East Anglia	-15
London	-11
South West	-16
West Midlands	-17
East Midlands	-13
Yorks & Humbs	-10
North West	-14
Northern	-9
Wales	-15
Scotland	-12
Northern Ireland	-9
<b>United Kingdom</b>	<b>-14</b>

**% Rates** - as a proportion of the workforce February unemployment rates are higher than the national average of 8.4% in six regions:

London	9.9%
Yorks & Humberside	8.9%
North West	8.7%
Northern	10.6%
Wales	8.5%
Northern Ireland	12.1%

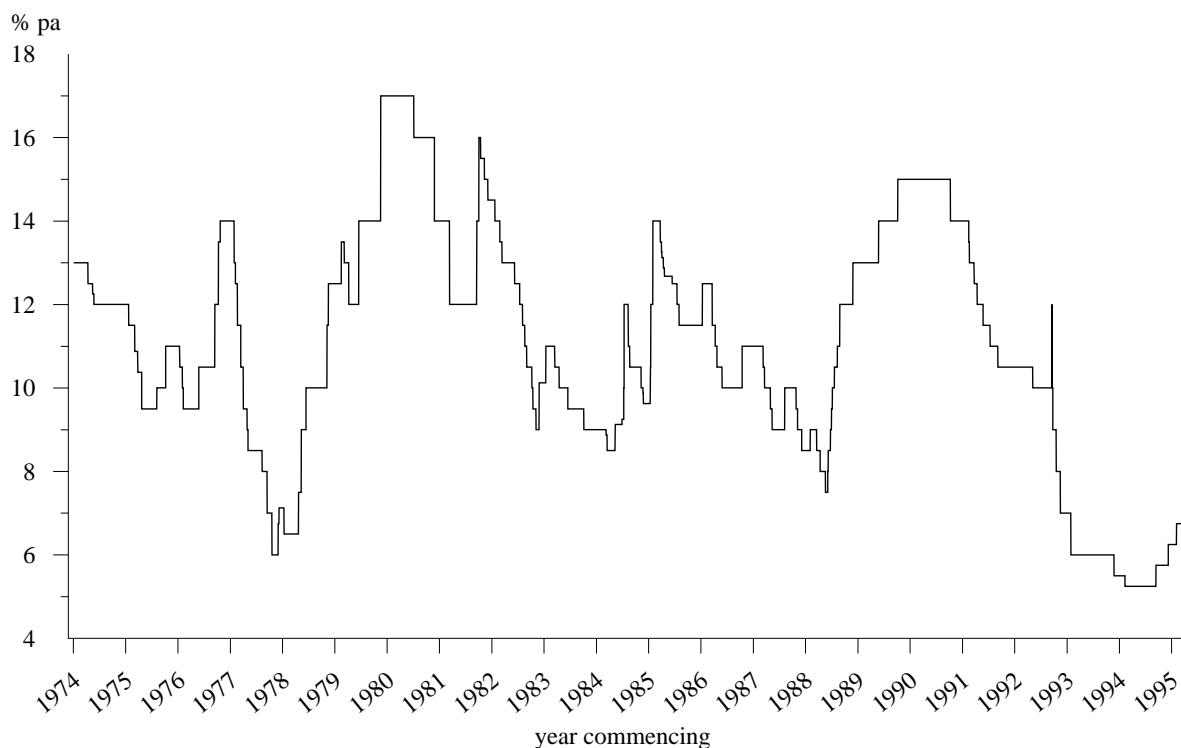
**Rates of change** - Following recent falls unemployment levels are now lower than 12 months ago in every region of the United Kingdom. In the South East, the South West, and the West Midlands unemployment has fallen by more than 15% over the last year.

*Source: NOMIS Database*

*Next update: 12 April*

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 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., 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.

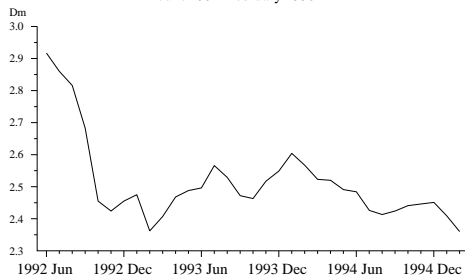
\* A rate of 15.0% p.a. was announced on 16th September 1992 but was cancelled before becoming effective.

## E 2. Exchange Rates

*Sterling Exchange Rate Index  
1985=100*



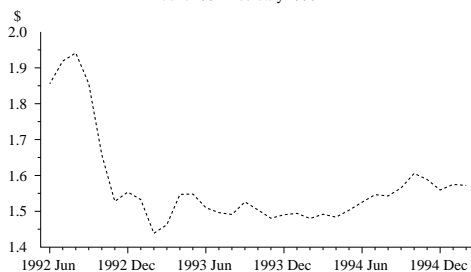
**Sterling-Deutschmark Exchange Rate**  
June 1992-February 1995



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

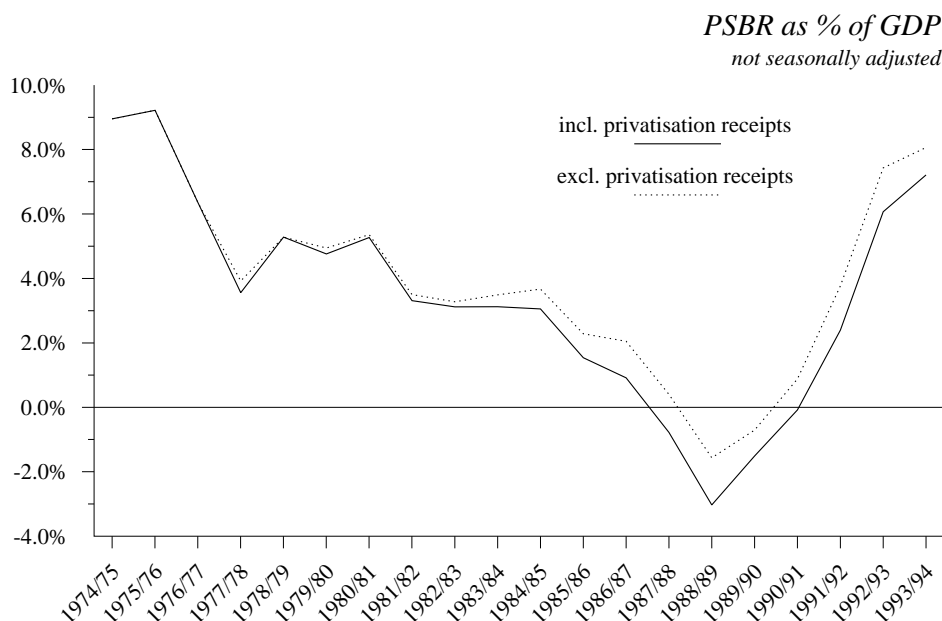
\* The London sterling closing rates for 28th March 1995 were as follows; DM 2.2404; US\$ 1.6007; Yen 142.922

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



\* Currency turbulence continued this month with the US\$ and sterling reaching record 'lows' against the Yen and DMark respectively. In Europe, the main event was the 7% devaluation of the Spanish peseta and the 3.5% devaluation of the Portugese escudo following a long period in which the peseta was at the foot of the ERM. Despite the devaluation, the peseta remains the weakest currency in the ERM parity grid.

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.

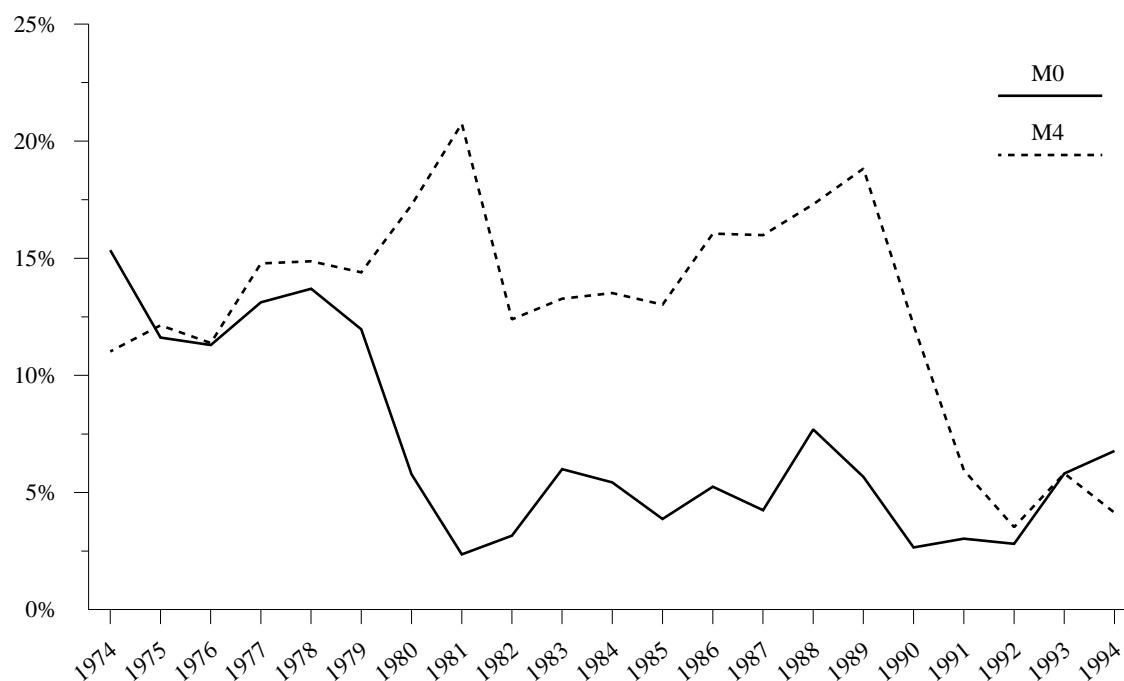
\* The PSBR for the first eleven months of the 1994-95 financial year stood at £25.2 billion, compared with £34.1 billion in the equivalent period in 1993-94.

Next update: 20 April

# Research Paper 95/42

## E 4. Money Supply

% change on previous year



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

£ million (a)	MO		M4	
	amount outstanding	annual % change	amount outstanding	annual % change
<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 August</b>	21,399	6.8	560,527	4.8
<b>1994 September</b>	21,637	7.0	562,775	4.9
<b>1994 October</b>	21,742	7.1	562,725	4.1
<b>1994 November</b>	21,780	6.8	566,802	4.5
<b>1994 December</b>	21,934	6.5	568,820	4.5
<b>1995 January</b>	21,899	6.7	570,057	3.9

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

Source: Bank of England "Financial Statistics" March 1995

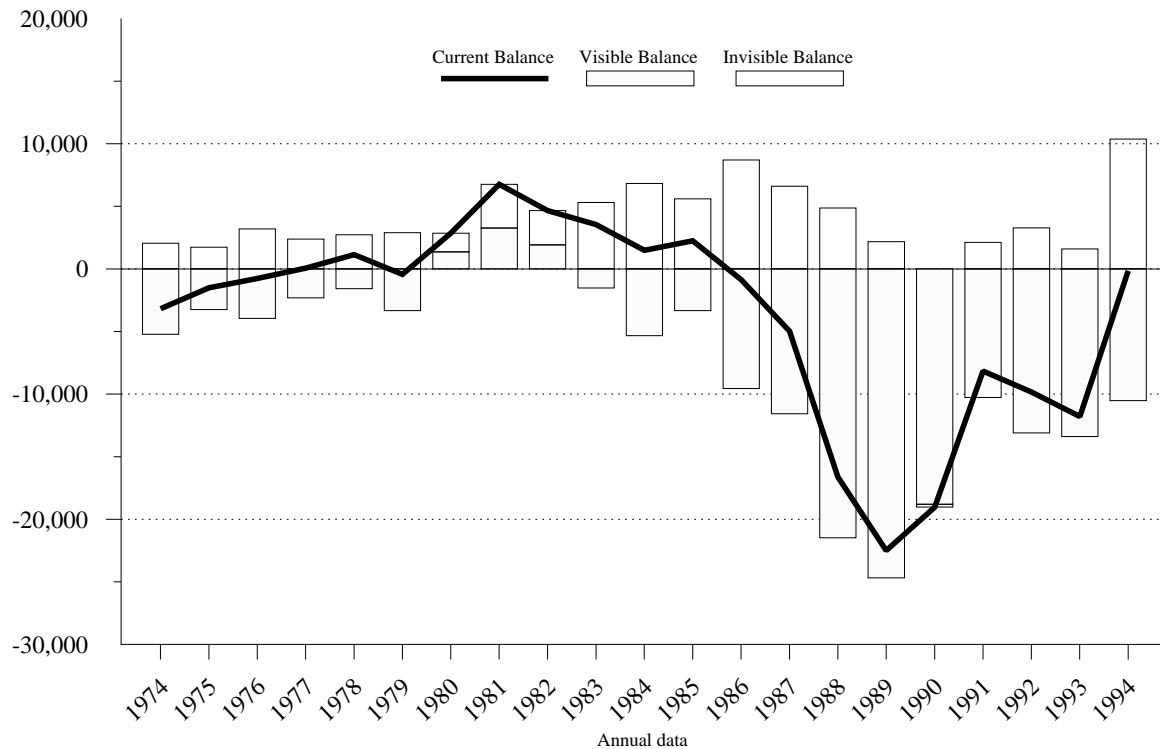
\* M0 comprises notes and coin in circulation outside the Bank of England *plus* bankers' operational deposits with the Bank. M4 is a broad measure of money consisting of the private sector's holdings of cash, and sterling deposits held by the private sector at both banks and building societies.

\* 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: 21 April

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
<b>1990</b>	101,718	120,527	-18,809	-226	-19,035
<b>1991</b>	103,413	113,697	-10,284	2,108	-8,176
<b>1992</b>	107,343	120,447	-13,104	3,273	-9,831
<b>1993</b>	121,300	134,694	-13,394	1,594	-11,800
<b>1994</b>	135,200	145,727	-10,527	10,359	-168
<b>1993 Q4</b>	31,024	34,335	-3,311	953	-2,358
<b>1994 Q1</b>	31,758	35,099	-3,341	1,906	-1,435
<b>1994 Q2</b>	33,209	35,621	-2,412	1,684	-728
<b>1994 Q3</b>	34,701	36,530	-1,829	3,196	1,367
<b>1994 Q4</b>	35,532	38,477	-2,945	3,573	628

\* **Visible balance** - This was in deficit by £2.9 billion in the final three months of 1994, compared to £1.8 billion in the previous three months and £3.3 billion in the final three months of 1993. The value of exports in the three months to December 1994 was 14½% higher than in the same period a year before. The value of imports rose by 12% over the same period.

\* **Invisible balance** - The invisible balance for 1994 is more than six times bigger than that recorded in 1993. A slightly lower surplus on services and higher deficit on transfers were more than offset by a large rise in net investment income (£11.2 billion in 1994, compared to £1.6 billion in 1993).

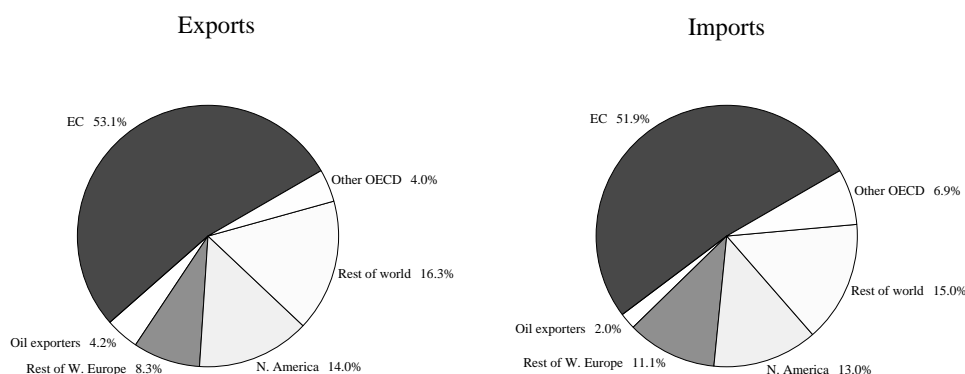
\* **Current balance** - This was in surplus by £0.6 billion in the fourth quarter compared to a revised estimate of £1.4 billion in the third quarter. The current account for 1994 was in deficit by £0.2 billion, compared with a deficit of £11.8 billion in 1993. The latest (March) Treasury summary of economic forecasts suggests a deficit of £0.1 billion in 1995 and £0.4 billion in 1996. The surplus of £1.4 billion in the third quarter of 1994 was the first since the first quarter of 1987.

Next update: 13 April



## F 2. Visible Trade

Shares of visible trade by area:1994  
BoP basis



EC excludes Sweden, Austria and Finland

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

	<i>Volume Index 1990=100</i>		<b>Trade Balances £ million</b>		
	<i>Exports</i>	<i>Imports</i>	<b>Total visible balance</b>	<b>Excluding oil</b>	<b>Excluding oil and erratic items (a)</b>
<b>1990</b>	100.0	100.0	-18,809	-20,338	-21,157
<b>1991</b>	101.2	94.7	-10,284	-11,492	-13,570
<b>1992</b>	103.7	100.9	-13,104	-14,652	-16,036
<b>1993</b>	106.9	104.6	-13,209	-15,851	-17,518
<b>1994</b>	118.2	110.6	-13,209	-14,888	-15,654
<b>1993 Q4</b>	109.3	107.5	-3,311	-4,041	-4,216
<b>1994 Q1</b>	112.1	110.0	-3,346	-4,300	-4,555
<b>1994 Q2</b>	116.6	108.0	-2,417	-3,601	-3,938
<b>1994 Q3</b>	120.7	108.9	-1,875	-2,827	-3,089
<b>1994 Q4</b>	123.5	115.5	-3,092	-4,160	-4,072

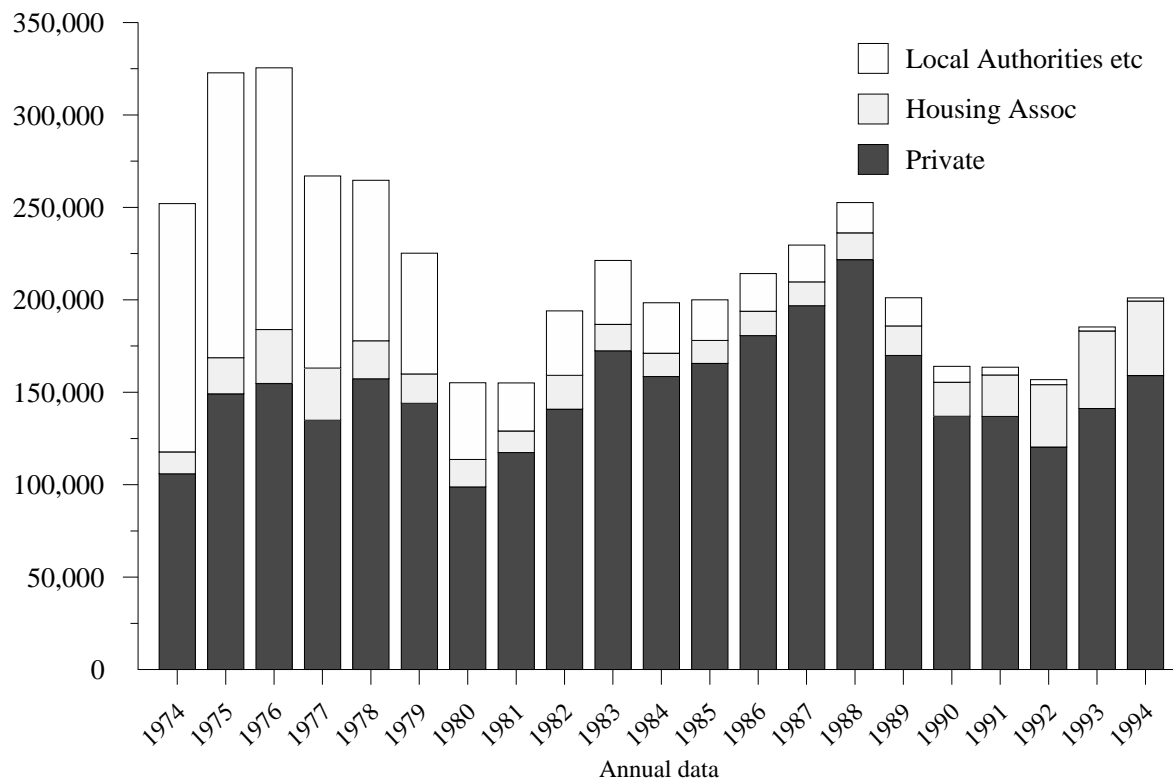
Note: (a) ships, aircraft, precious stones and silver.

Source: CSO database, CSO First Release (95) 24 dated 10.3.95

- \* The European Community now supplies and receives around half of all UK imports and exports (even when excluding Sweden, Finland and Austria).
- \* Export volumes in the final three months of 1994 were 13% higher than in the corresponding period a year earlier and 2½% higher than in the previous three months.
- \* Import volumes in the three months to December 1994 were 7% higher than in the corresponding period a year earlier and 6% higher than in the previous three months.
- \* Excluding the effect of trade in oil and erratic items the visible trade deficit in 1994 was £15.7 billion compared with £17.5 billion in 1993.

Next update: 13 April

**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	4.3	<b>163.5</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>	159.0	40.3	1.7	<b>200.9</b>
<i>seasonally adjusted</i>				
<b>1994 Q3</b>	40.8	9.7	0.4	<b>50.9</b>
<b>1994 Q4</b>	40.5	7.9	0.6	<b>49.0</b>
<b>Nov 94</b>	13.2	2.5	0.2	<b>15.9</b>
<b>Dec 94</b>	13.2	2.4	0.2	<b>15.8</b>
<b>Jan 95</b>	11.4	2.0	0.1	<b>13.5</b>

\* Seasonally adjusted total starts in Nov 1994 - Jan 1995 were 11% lower than in the previous three months, and 5% lower than Nov 1993 - Jan 1994.

\* Overall starts in 1994 were 11% below their level in 1979 but 8% higher than in 1993.

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

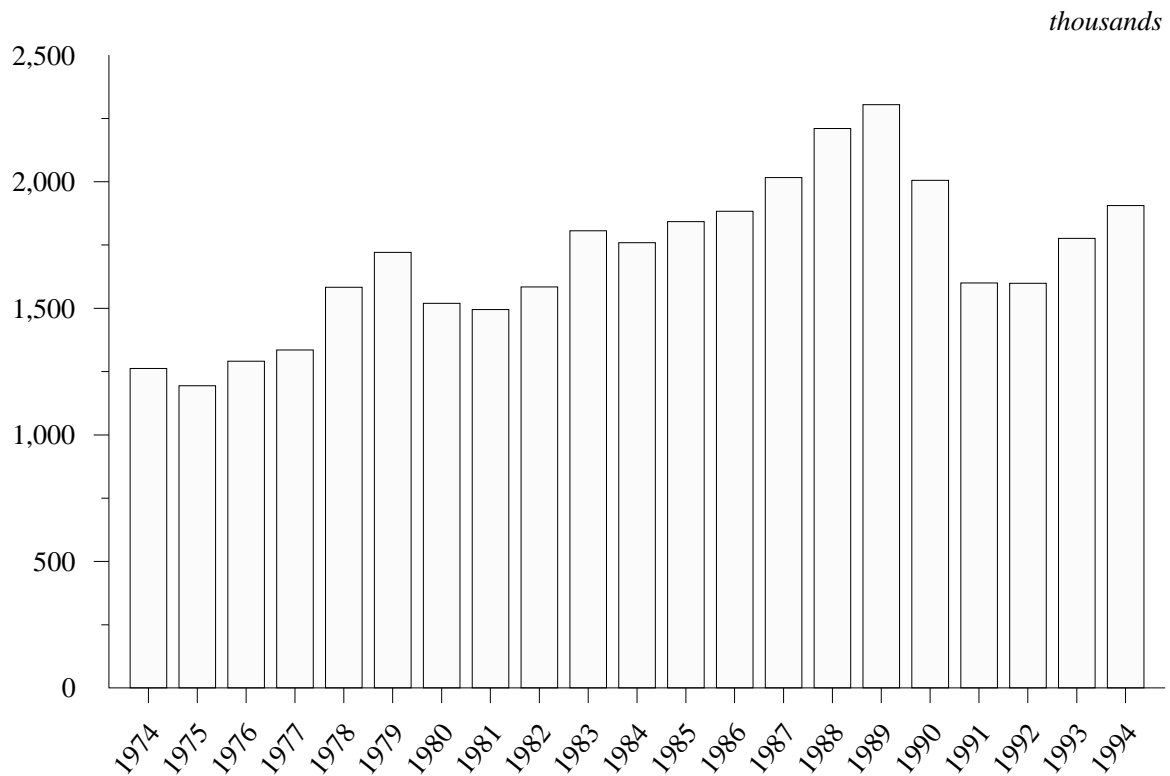
\* Housing association starts fell by 4% in 1994; private starts rose by 13%.

Sources: CSO Database series FCAB, CTOR, CTOV

Next update: 4 April

# Research Paper 95/42

## G 2. New Registrations of Cars



### New Registrations of Cars

*seasonally adjusted*

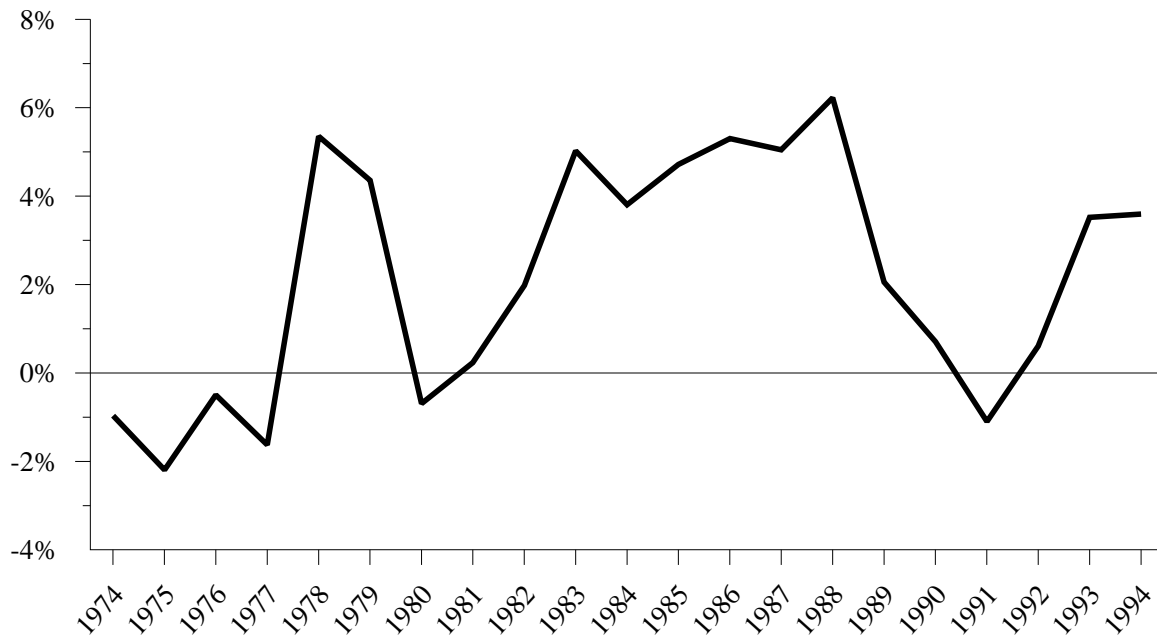
	<b>Number thousands</b>	<b>Change over 12 months</b>	
<b>1990</b>	2,005	-13.0%	* Latest seasonally adjusted figures show 169,000 new registrations of cars in February 1995 - 4% higher than in February 1994.
<b>1991</b>	1,600	-20.2%	
<b>1992</b>	1,599	-0.1%	* Latest annual figure for 1994 shows 1.9 million new registrations of cars - 7% higher than 1993.
<b>1993</b>	1,776	11.1%	
<b>1994</b>	1,906	7.3%	* 60% of cars registered in February 1995 were imported.
<b>Oct 1994</b>	155	-4%	
<b>Nov 1994</b>	159	-1%	* 22% of cars registered in February 1995 were diesel and 56% were registered at company addresses.
<b>Dec 1994</b>	153	-1%	
<b>Jan 1995</b>	155	-4%	
<b>Feb 1995</b>	169	4%	

Source: Department of Transport Statistical Bulletin

Next update: 23 April

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 Aug	106.8	3.3%
Sep	107.3	3.4%
Oct	107.2	2.9%
Nov	107.1	2.3%
Dec	107.7	3.5%
1995 Jan	106.4	0.0%
Feb	107.7	2.6%

\* 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 February 1995 the retail sales volume index rose by 2.6%.

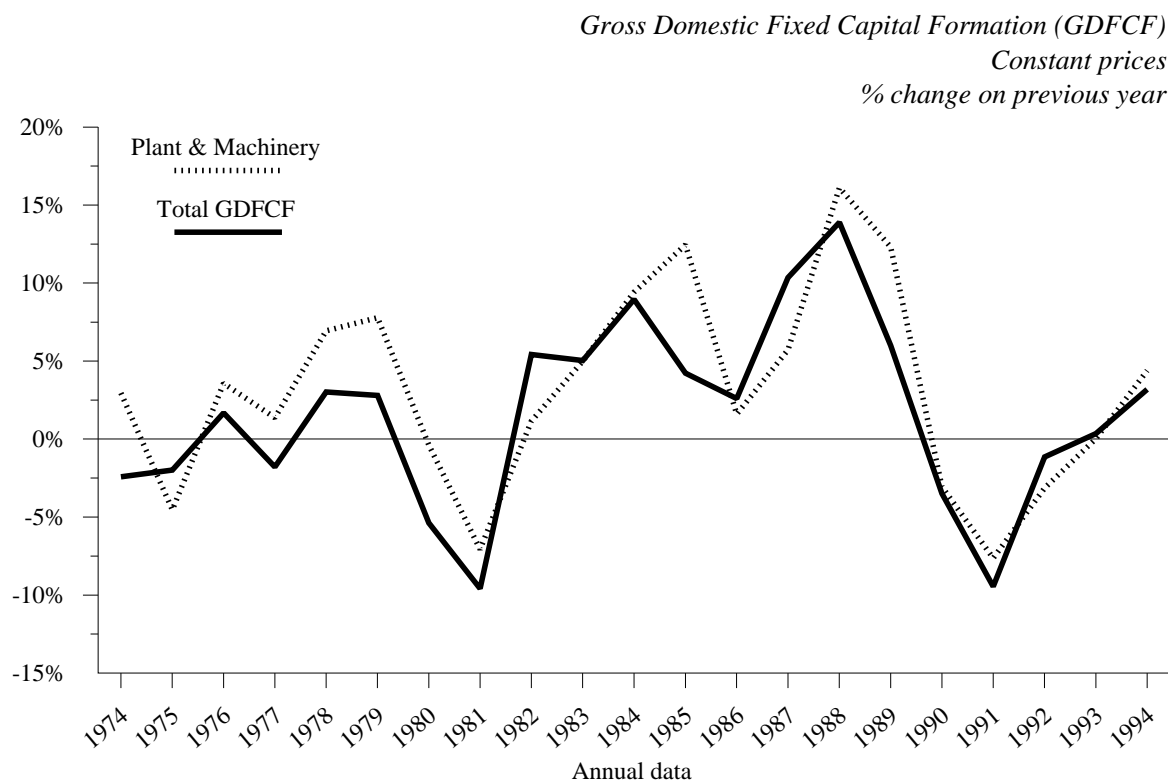
Note: weekly average, seasonally adjusted

Source: CSO database series FAAM.

Next update: 21 April

# Research Paper 95/42

## G 4. Investment



**GDFCF (£ million) at 1990 prices, seasonally adjusted**

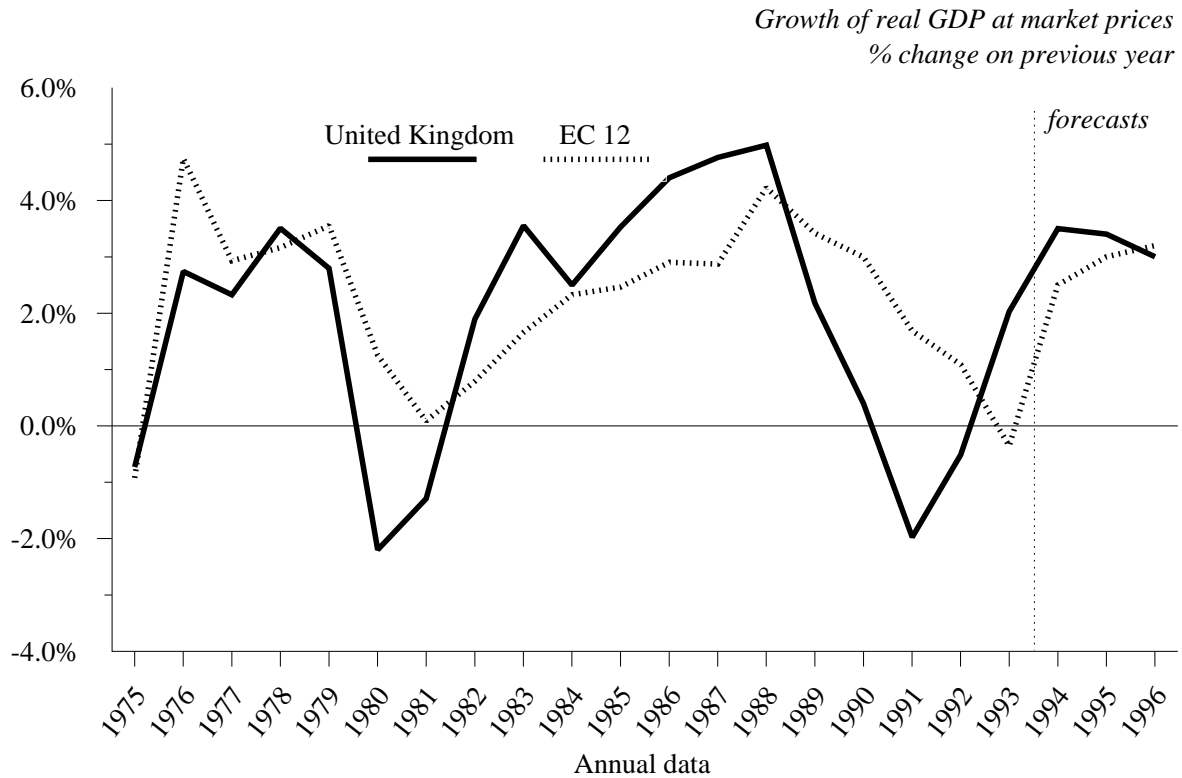
	Vehicles, Ships & Aircraft	Plant & Machinery	Other New Building Work (i)	Dwellings	Total
<b>1990</b>	10,266	36,762	39,110	21,439	107,577
<b>1991</b>	8,008	33,955	37,521	17,919	97,403
<b>1992</b>	7,960	32,888	37,152	18,280	96,280
<b>1993</b>	8,611	32,895	35,867	19,238	96,611
<b>1994</b>	8,986	34,338	36,213	20,142	99,679
<b>1993 Q 4</b>	2,182	8,237	9,155	5,008	24,582
<b>1994 Q 1</b>	2,175	8,322	9,385	5,180	25,062
<b>1994 Q 2</b>	2,223	8,559	8,922	5,037	24,741
<b>1994 Q 3</b>	2,227	8,630	8,984	4,826	24,667
<b>1994 Q 4</b>	2,361	8,827	8,922	5,099	25,209

*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 3.2% compared with 1993, but is still 11% lower than the peak in 1989. Investment in other new building work rose by 1% in 1994; all other components of GDFCF increased by over 4%.
- \* In the fourth quarter of 1994 GDFCF was 2.6% higher than in the same period in 1993, and 2.2% higher than in the third quarter of 1994. Investment in vehicles, ships & aircraft, plant & machinery and dwellings rose in the fourth quarter of 1994 by 8.2%, 7.2% and 1.8% respectively but there was a fall of 2.5% in investment in other new buildings and works compared with the previous quarter.

H 1. International Comparisons: Growth



Annual Growth of Real GDP

	1991	1992	1993	1994	1995	1996
				<i>estimate</i>	<i>forecast</i>	<i>forecast</i>
United States	-0.6%	2.3%	3.1%	3.9%	3.1%	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

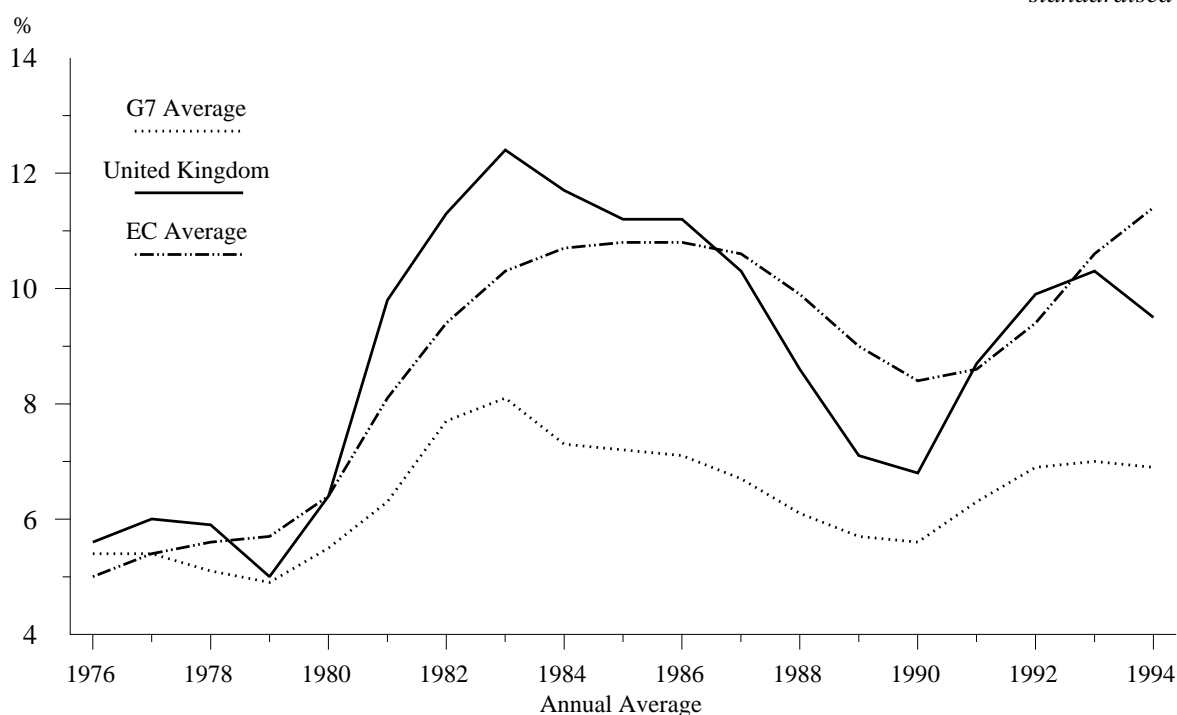
\* The table and graph above reflect projections in the December edition of the OECD's *Economic Outlook*.

\* 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	11.2	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	12.5	12.5	12.4
W Germany	6.1	6.9	6.9	6.8
Ireland	15.6	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	6.8
Spain	22.4	24.1	23.9	23.5
UK	10.3	9.6	9.5	8.9
EC (a)	10.6	11.5	11.4	11.1
G7	7.0	7.0	6.8	6.6
OECD	7.8	7.9	7.7	7.5

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

\* In 1994 Q4 Portugal and West Germany had the lowest unemployment rates in the EC12 (6.8% of the workforce).

\* In 1994 Q4 Spain had the highest unemployment rate (23.5%).

\* 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).

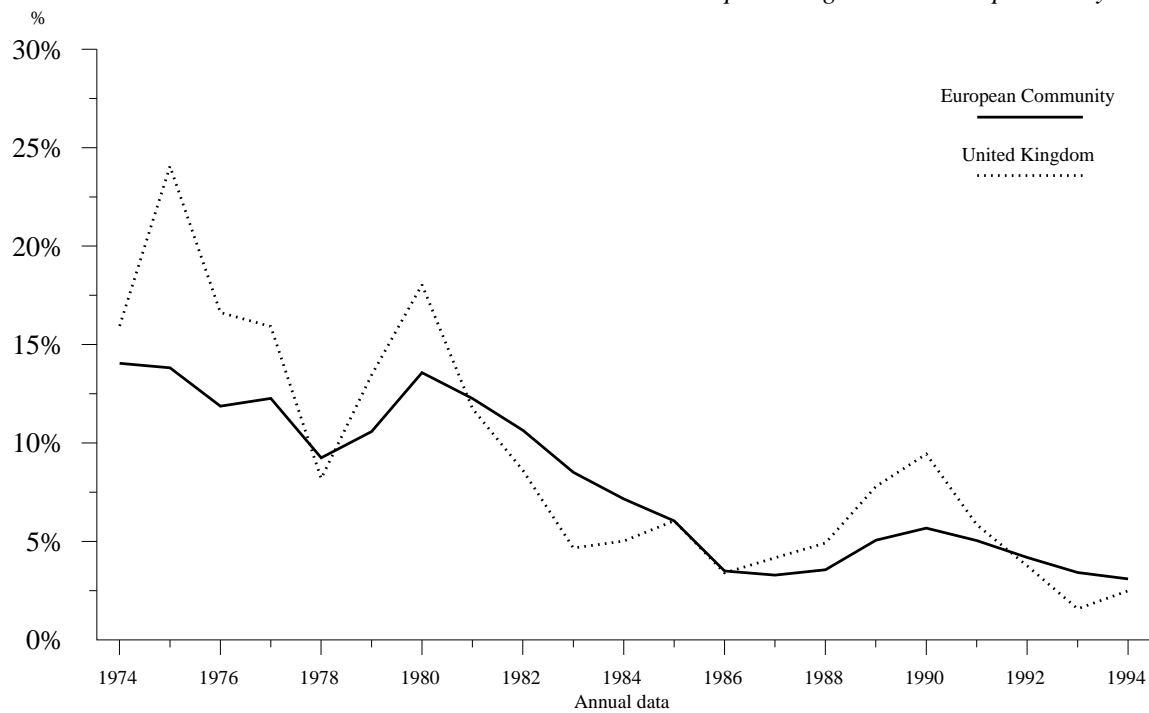
Notes: (a) Average of the nine countries shown.

Sources: OECD Current Economic Indicators

Next update: mid April

H 3. International Comparisons - Prices

Consumer Price Index  
percentage increase on previous year



Consumer Price Index - percentage change over 12 months

	1992	1993	1994	Nov 94	Dec 94	Jan 95
United States	3.1	2.9	2.6	2.7	2.7	2.8
Japan	1.7	1.3	0.6	1.0	0.7	0.7
Germany (West)	4.0	4.2	3.0	2.7	2.7	2.3
France	2.3	2.1	1.8	1.6	1.6	1.7
Italy	5.1	4.4	4.0	3.9	4.2	4.0
United Kingdom	3.7	1.6	2.5	2.6	2.9	3.3
Canada	1.5	1.8	0.2	-0.1	0.2	na
<b>European Community</b>	<b>4.3</b>	<b>3.4</b>	<b>3.1</b>	<b>3.0</b>	<b>3.1</b>	<b>3.2</b>

Source: Eurostat

\* The UK inflation rate in January 1995 (3.3% pa) was the second highest among G7 countries; only Italy had a higher level of inflation (4.0% pa). The UK rate is slightly above the EC average (3.2% pa) however.

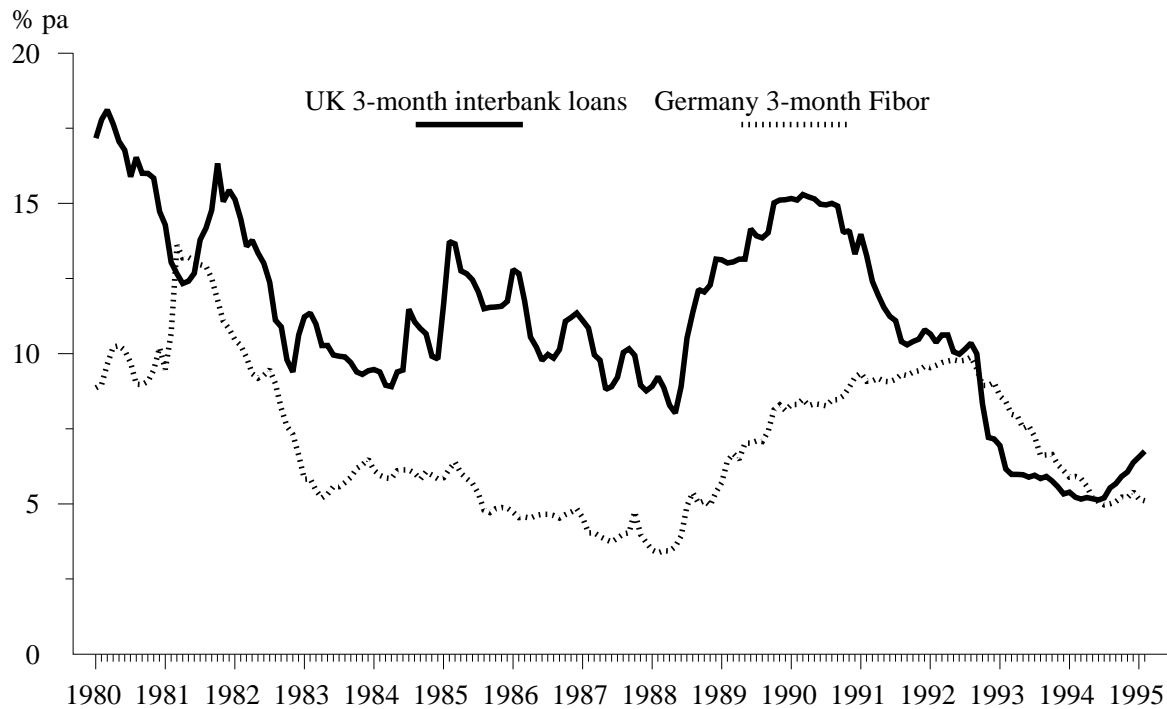
\* The accession of Austria, Finland and Sweden has not significantly influenced the inflation rate for the EC as a whole. In January 1995 the annual rate of inflation for the EC15 was 3.1% compared to 3.2% for the EC12.

Next update: mid April



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

*Short-term Interest Rates  
per cent per annum*



**Short-Term Interest Rates as at 28 Mar 1995**

	3-month rate (% pa)
London	6 <sup>11</sup> / <sub>16</sub>
New York	6 <sup>3</sup> / <sub>16</sub>
Frankfurt	4.95
Tokyo	1 <sup>15</sup> / <sub>16</sub>
Paris	8
Milan	11 <sup>1</sup> / <sub>8</sub>
Brussels	6 <sup>1</sup> / <sub>16</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 28 March are shown in the table opposite.

Source: *Financial Times* 29 March 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
95/34	Unemployment by Constituency: February 1995	15.03.95