

Economic Indicators

Research Paper 95/82

3 July 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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A. Contacts for further information

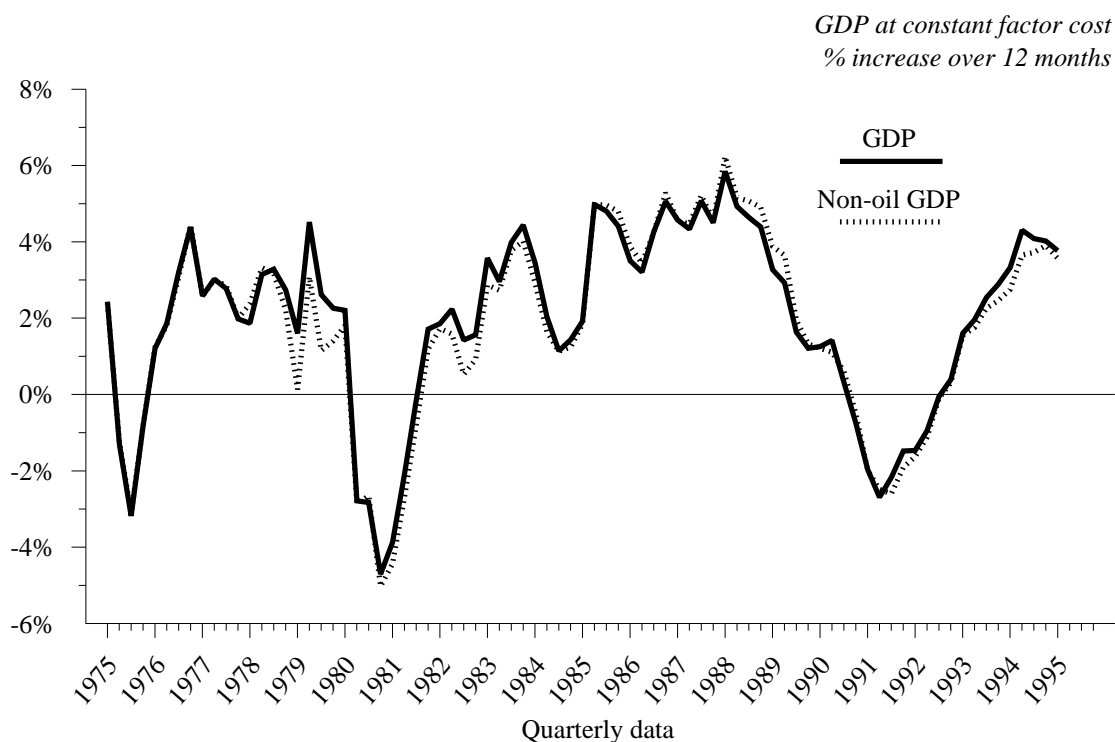
Members and their staff with questions about the currency of or requesting further information on statistics are encouraged to talk to the statistician specialising in the relevant area. The statisticians dealing with the subjects covered by this Research Paper are shown below. (After 6pm there is a 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/Simon Walley	2883/3977
EC finance	Mick Hillyard/Jane Dyson	4324/2464
Employment	Jane Dyson/Tim Edmonds	2464/2883
Energy	Mahmud Nawaz	2454
Financial services	Bob Twigger/Tim Edmonds	4904/2883
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	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	Tim Edmonds/Jane Dyson	3977/2464

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B 1. Gross Domestic Product



Gross Domestic Product (GDP)

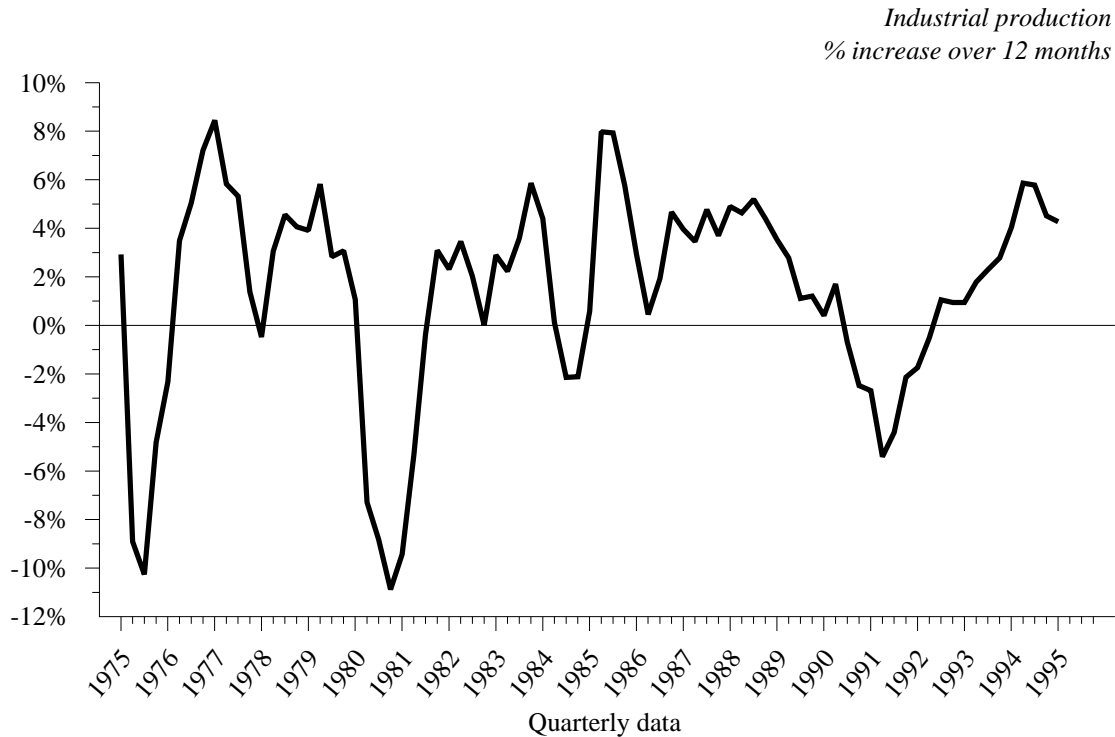
	GDP <i>at constant factor cost</i> <i>12 month change</i>	Non-Oil GDP <i>at constant factor cost</i> <i>12 month change</i>	GDP <i>£ billion at current</i> <i>market prices</i>	GDP <i>£ billion at current</i> <i>factor cost</i>
1992	-0.5%	-0.7%	597.2	516.5
1993	2.2%	2.1%	630.7	546.7
1994	3.9%	3.5%	668.9	579.1
1994 Q1	3.3%	2.7%	163.8	141.9
1994 Q2	4.3%	3.7%	166.2	144.0
1994 Q3	4.1%	3.7%	168.2	145.8
1994 Q4	4.0%	3.9%	170.6	147.4
1995 Q1	3.8%	3.6%	172.0	148.3

Sources: CSO Database; CSO first release (95) 127 dated 26.6.95

- * Real GDP at factor cost is estimated to have risen by 0.7% between the fourth quarter of 1994 and first quarter of 1995. It was 3.8% higher than in the first quarter of 1994. In 1994 GDP was 3.9% higher than in 1993.
- * The Treasury's Summer Economic Forecast suggests that growth will be 3% in 1995 and 2¾% in 1996.
- * The latest Treasury summary of economic forecasts suggests that growth will be 3.1% 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 8.1% and it is now 4.0% 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>
1992	-0.1%	3.2%	-0.6%	1.6%
1993	2.0%	6.9%	1.2%	4.1%
1994	5.1%	14.8%	4.2%	1.4%
1994 Q1	4.0%	18.7%	2.3%	3.9%
1994 Q2	5.9%	23.1%	4.0%	3.8%
1994 Q3	5.8%	13.0%	5.2%	3.1%
1994 Q4	4.5%	6.1%	5.2%	-4.5%
1995 Q1	4.3%	9.0%	3.5%	5.6%
Feb.94-Apr.95	3.7%	8.8%	3.1%	3.4%

Source: CSO database; CSO press notice (95)107 dated 8.6.95

- * In the three months to April 1995 total industrial production was 0.9% higher than in the previous three months and 3.7% higher than in the same period a year earlier. In April output was 0.3% below its March level.
- * Compared with the three months to January, overall manufacturing production in the period February to April was 0.6% higher. Over this period growth was strongest in the coke, petrol refining and nuclear fuels sector (+5.3%) and weakest in textiles, leather and clothing sector (-0.4%).
- * Compared with the three months to January, output in the mining and quarrying sector (including extraction of oil and natural gas) in the last three months was 3.2% higher and production in the gas, electricity and water supply industries was 0.7% higher. In April oil and gas extraction was marginally below the record reached in March.

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B 3. Productivity



Manufacturing Productivity Index 12 month percentage change

Annual average	Output per head	Output per hour
1990	1.9%	2.1%
1991	1.2%	2.1%
1992	4.5%	4.4%
1993	3.8%	4.7%
1994	4.8%	4.5%
Monthly data		
Apr 1994	4.1%	3.2%
May 1994	3.7%	3.9%
Jun 1994	6.0%	5.5%
Jul 1994	5.7%	6.1%
Aug 1994	6.0%	5.9%
Sep 1994	6.3%	5.4%
Oct 1994	6.9%	6.4%
Nov 1994	5.7%	4.5%
Dec 1994	5.1%	4.5%
Jan 1995	3.1%	2.5%
Feb 1995	3.0%	2.5%
Mar 1995	3.8%	3.7%
Apr 1995	2.5%	2.2%

* 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 around 3% in terms of output per head, and to 2.5% on a per hour basis.

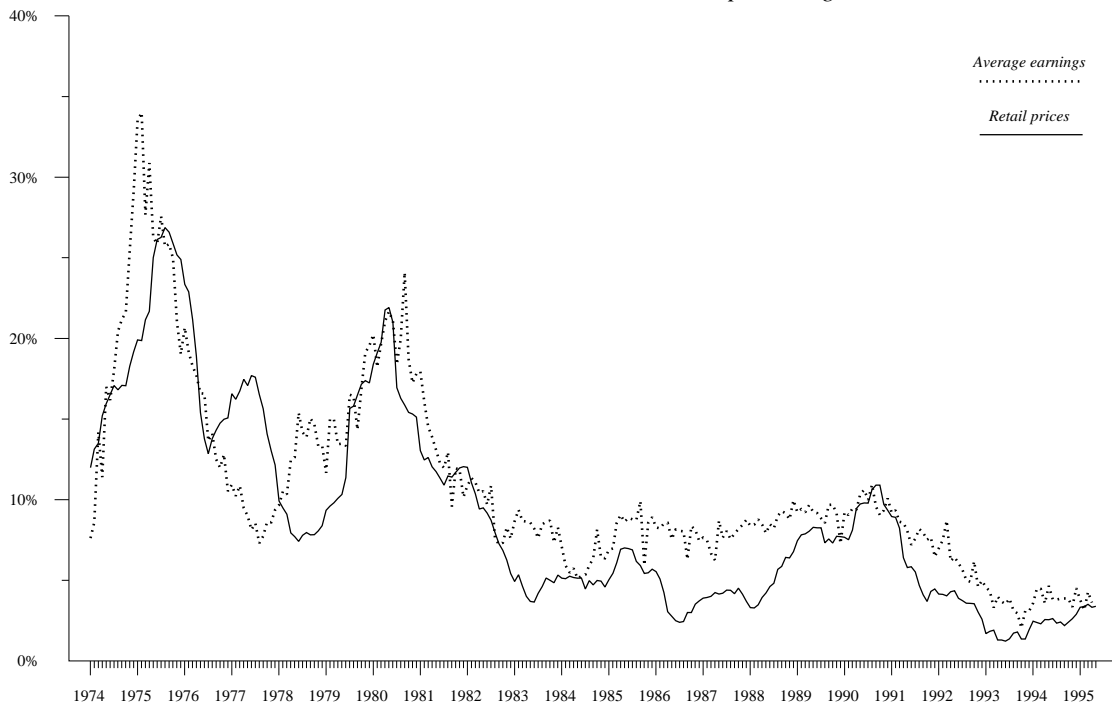
* Having shown slight falls in the years 1989 and 1990, economy-wide productivity increased by 0.7% in 1991 and 1.9% in 1992. There were further improvements in 1993 and 1994 with increases in economy-wide productivity of 3.1% and 3.6% respectively.

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	4.0
Monthly data		
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	3.8
Feb 1995	3.4	3.2
Mar 1995	3.5	4.3
Apr 1995	3.3	3.6
May 1995	3.4	..

Inflation - consumer prices rose by 3.4% in the year to May 1995, representing a rise from 3.3% increase in the year to April 1995.

Excluding the effect of mortgage interest payments, the RPI rose by 2.7% in the year to May 1995. Excluding the effects of mortgage interest payments and indirect taxes (RPIY), the RPI rose by 2.2%.

Earnings - average gross earnings of employees in Great Britain rose by 3.6% in the year to April 1995. The underlying rate, which takes account of staged agreements and bonuses, is estimated to be 3½%.

This rise puts the actual level of average earnings of full-time employees at around £337.70 per week or £17,600 per year.

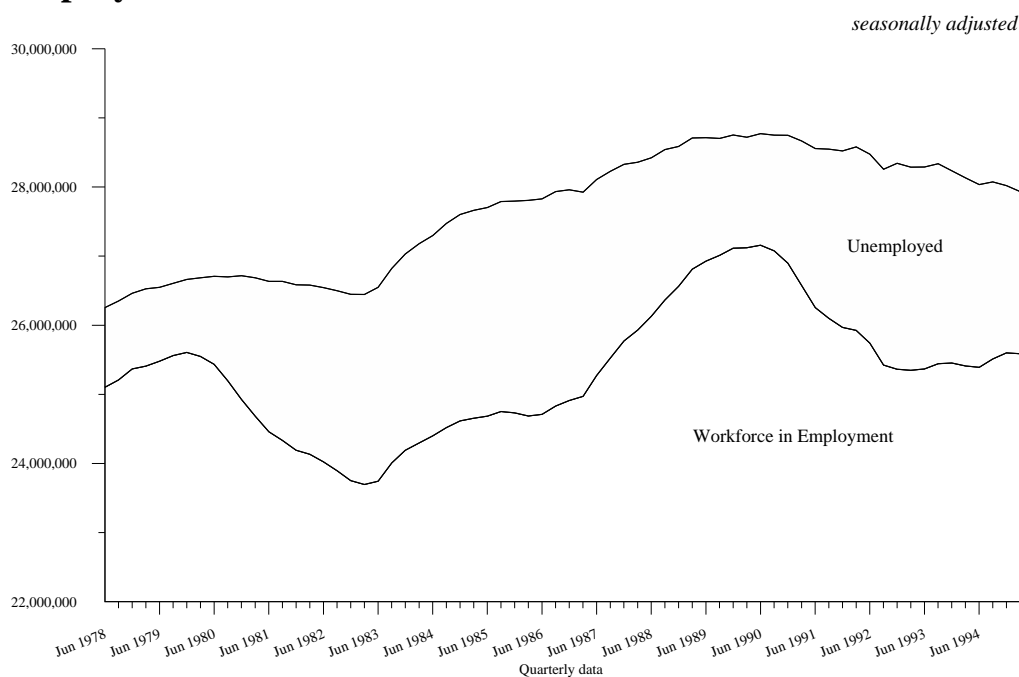
Forecasts - the Treasury's Summer Economic Forecast suggests that the RPI (less mortgage interest payments) will increase by 3% in the year to the fourth quarter of 1995 and 2½% in the year to the fourth quarter of 1986.

Independent forecasts predict average earnings to rise by 4.2% in 1995.

Sources: CSO Database series CHAW & DNAB

Next update: Prices 13 July
Earnings 19 July

D 1. Employment



United Kingdom; seasonally adjusted; thousands

March	Employees in employment	Self employed	HM Forces	Work related govt training programmes	Workforce in employment
1991	22,449	3,435	298	406	26,589
1992	22,008	3,259	293	363	25,923
1993	21,551	3,167	275	354	25,346
1994	21,560	3,272	254	323	25,409
1995	21,699	3,367	233	286	25,586
Changes 1994 to 1995					
000s	139	95	-21	-37	177
%	0.6%	2.9%	-8.3%	-11.5%	0.7%

Source: DE Labour Market Statistics 14 June 1995

* Workforce in employment in March 1995 was 177,000 higher than in March 1994 and 178,000 higher than in March 1979. The net increase over the last year was comprised of increases in the number of employees in employment and self-employment, but was partly off-set by falls in the number of HM forces and those on government training schemes.

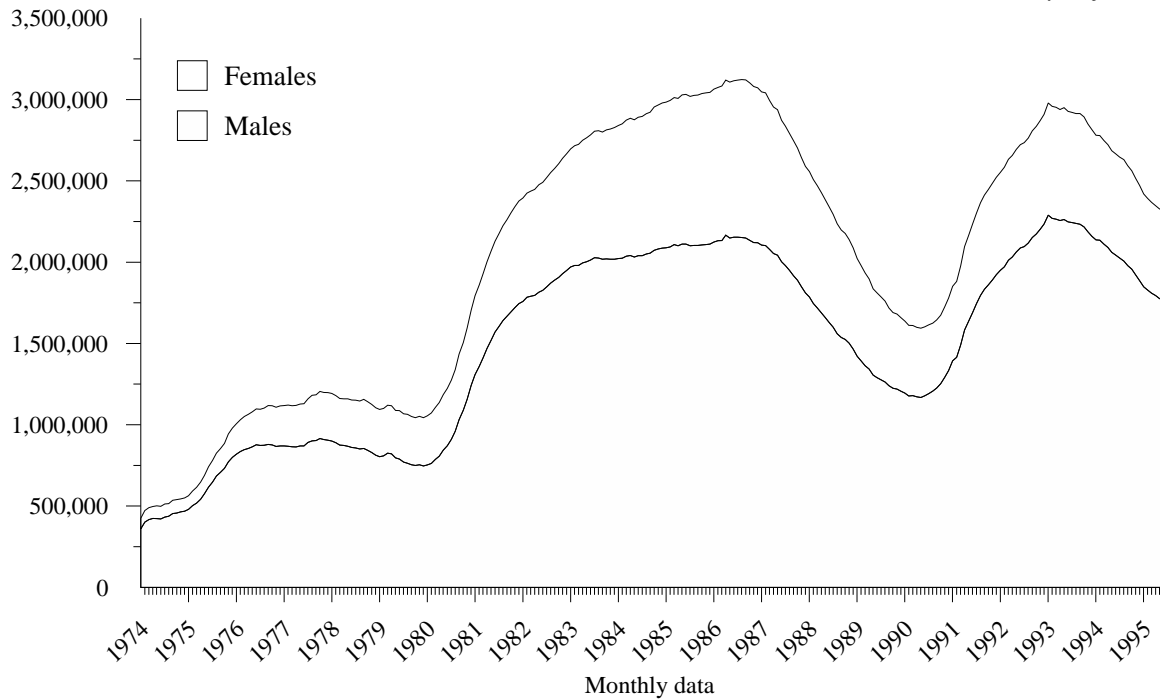
* In March 1995 46% of the workforce in employment were female.

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

* In March 1995 11% of male and 47% of female employees were part-time, totalling 6.2 million employees.

D 2. Unemployment: National

Unemployed claimants: UK
seasonally adjusted



Seasonally adjusted

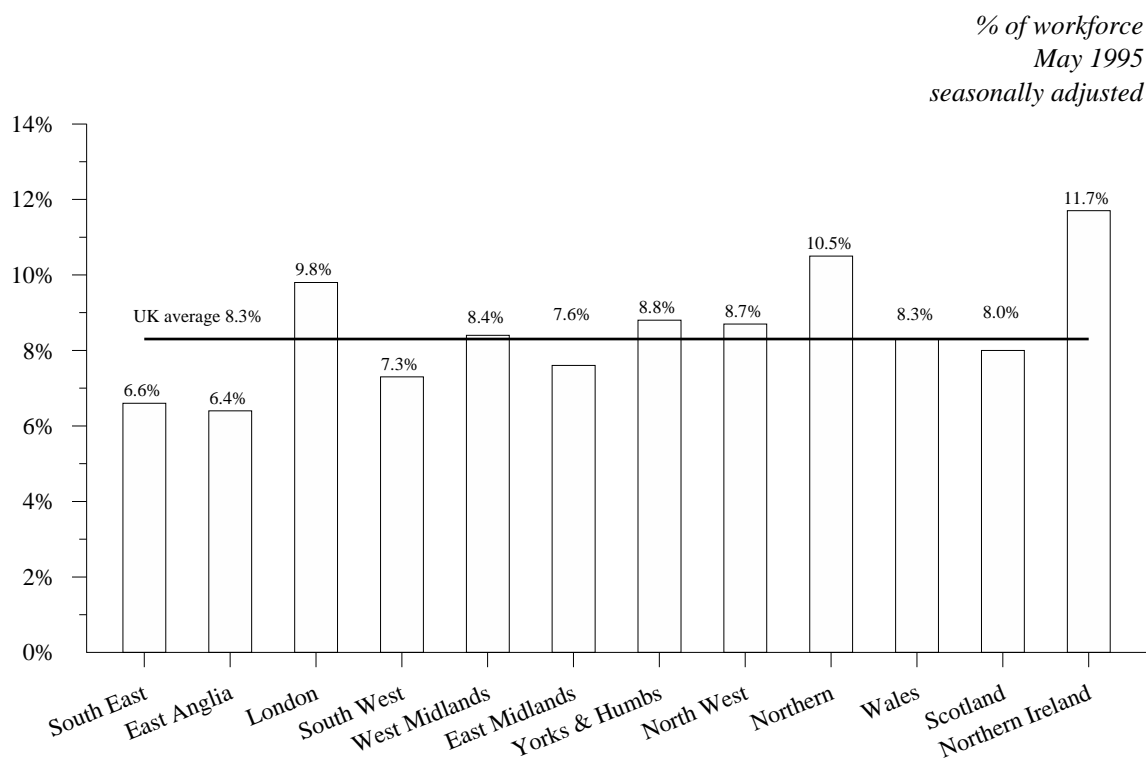
Unemployed Claimants UK

Annual averages	Number	% of workforce	
1990	1,660,800	5.8	Unemployment - fell by 13.0% in the year to May 1995. The May 1995 total is 14% lower than April 1992 18% lower than in June 1987 17% lower than in June 1983 113% 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			
May 1994	2,665,400	9.5	% Rates - as a proportion of the workforce the May totals give unemployment rates of: 11.2% for males 4.5% for females 8.3 % overall Forecasts - an average of independent forecasters predicts that unemployment will fall to around 2.18 million by the fourth quarter of 1995 and 2.00 million by the fourth quarter of 1996.
Jun 1994	2,645,300	9.4	
Jul 1994	2,630,100	9.4	
Aug 1994	2,592,700	9.3	
Sep 1994	2,562,100	9.1	
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	2,317,800	8.3	

Source: NOMIS Database

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D 3. Unemployment: Regional



% change May 1994 to 1995

Region	%
South East (Excl. London)	-18
East Anglia	-13
London	-10
South West	-15
West Midlands	-15
East Midlands	-13
Yorks & Humbs	-9
North West	-14
Northern	-8
Wales	-13
Scotland	-14
Northern Ireland	-10
United Kingdom	-13

% Rates - as a proportion of the workforce May unemployment rates are higher than the national average of 8.3% in six regions:

London	9.8%
West Midlands	8.4%
Yorks & Humberside	8.8%
North West	8.7%
Northern	10.5%
Northern Ireland	11.7%

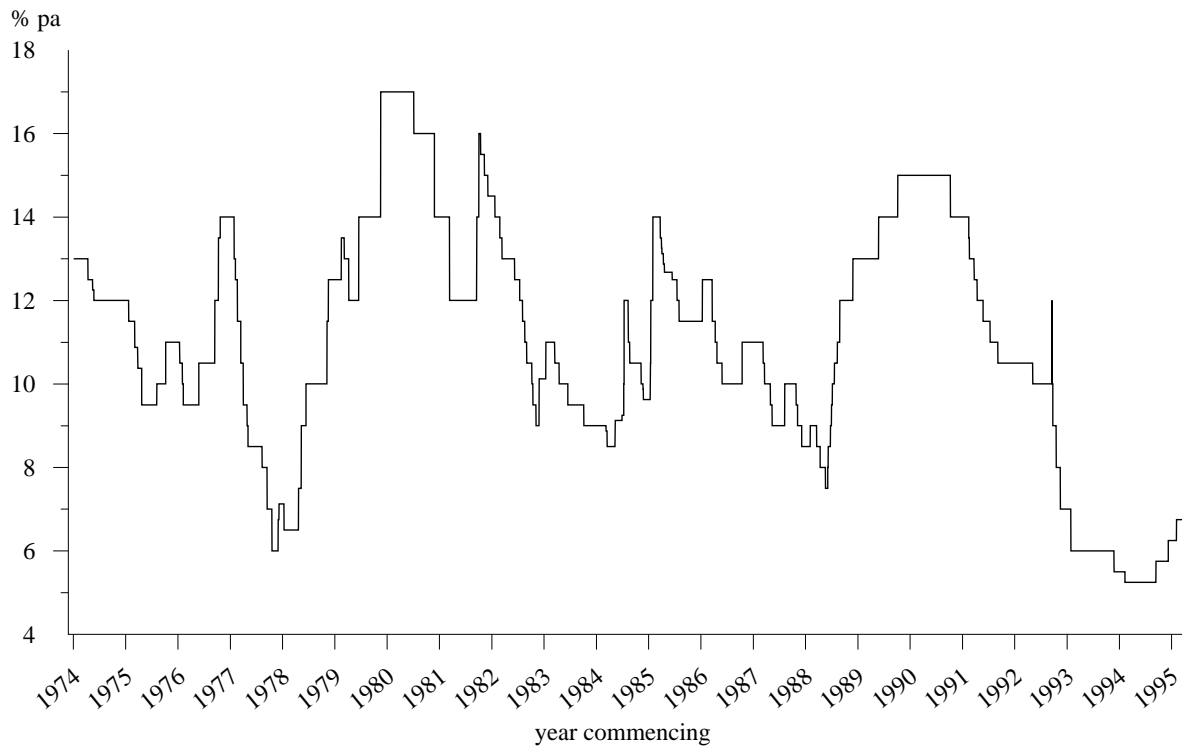
Rates of change - Following recent falls unemployment levels are now lower than 12 months ago in every region of the United Kingdom. Unemployment has fallen by 15% or more in the South East (excluding London), the South West and the West Midlands. In Yorkshire and Humberside and the Northern region it has fallen by less than 10%.

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 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.

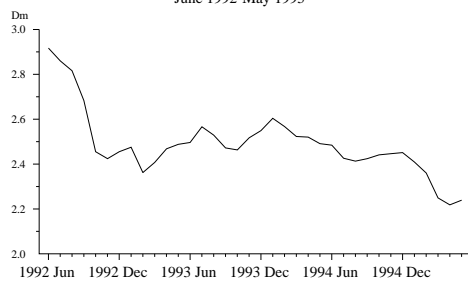
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E 2. Exchange Rates

*Sterling Exchange Rate Index
1990=100*



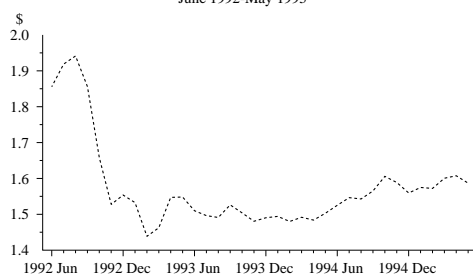
Sterling-Deutschmark Exchange Rate
June 1992-May 1995



* 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 29th June 1995 were as follows; DM 2.206; US\$ 1.588; Yen 135.273.

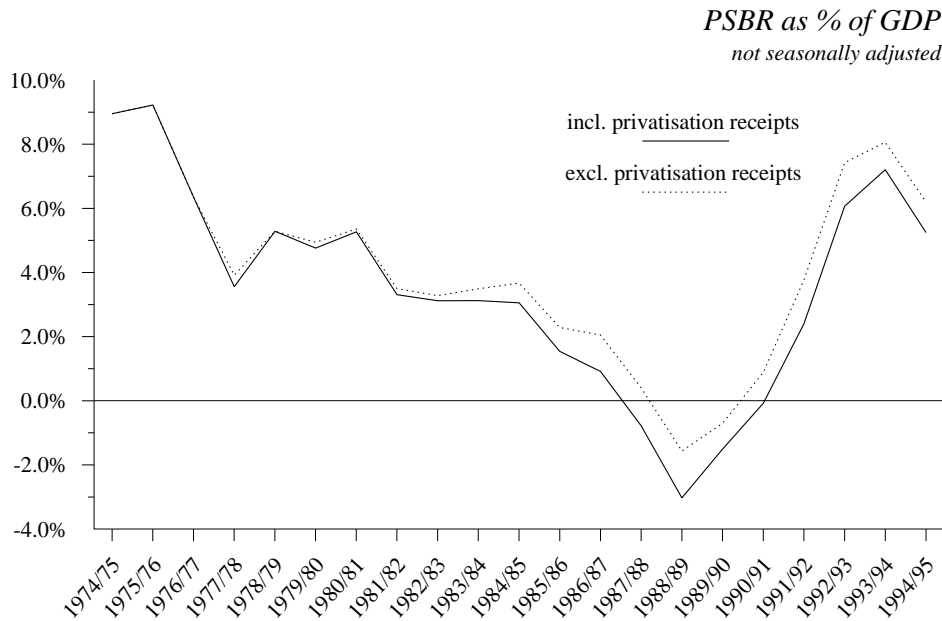
Sterling US Dollar Exchange Rate
June 1992-May 1995



* The main feature of the currency markets has been a gradual improvement in sentiment affecting the US dollar. The trade deal with Japan is expected to reduce pressures forcing the dollar lower. In Europe, tensions within the ERM remain modest with the punt as the weakest currency. Both the French franc and sterling have been affected by political events, however, the Budget by Prime Minister Juppe reduced fears about a major change in direction in French policy towards the franc.

Source: CSO Database Series AJFH, AJFA, AJHX; 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)
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	7.2%	51.4	8.1%
1994/95	35.3	5.3%	39.9	6.0%

Note (i) Adjusted GDP (average measure)

Source: CSO database Series ABEN, ABII, CAOB, Summer Economic Forecast 1995

* The PSBR for the whole of 1994-95 was £35.3 billion (5.3% of GDP) compared to £45.4 billion (7.2% of GDP) in 1993-94. The PSBR excluding privatisation receipts was £39.9 billion (6.0% of GDP) in 1994-95 compared to £50.9 billion (8.1% of GDP) in 1993-94.

* 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 estimates that the 1995/96 PSBR will be £23.5. This is an increase of £2 billion on the forecast made at the time of the Autumn budget.

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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		M4	
	amount outstanding	annual % change	amount outstanding	annual % change
1994 June	21,113	6.8%	556,877	5.5%
1994 July	21,204	6.5%	557,453	4.9%
1994 August	21,315	6.3%	559,519	4.8%
1994 September	21,450	7.2%	562,000	4.9%
1994 October	21,542	7.3%	562,103	4.1%
1994 November	21,613	7.1%	566,512	4.5%
1994 December	21,686	6.7%	568,854	4.5%
1995 January	21,719	6.5%	571,319	4.4%
1995 February	21,825	6.1%	575,111	4.6%
1995 March	21,928	7.0%	580,577	5.4%
1995 April	22,035	6.2%	582,638	5.4%

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

Source: Bank of England "Financial Statistics" June 1995

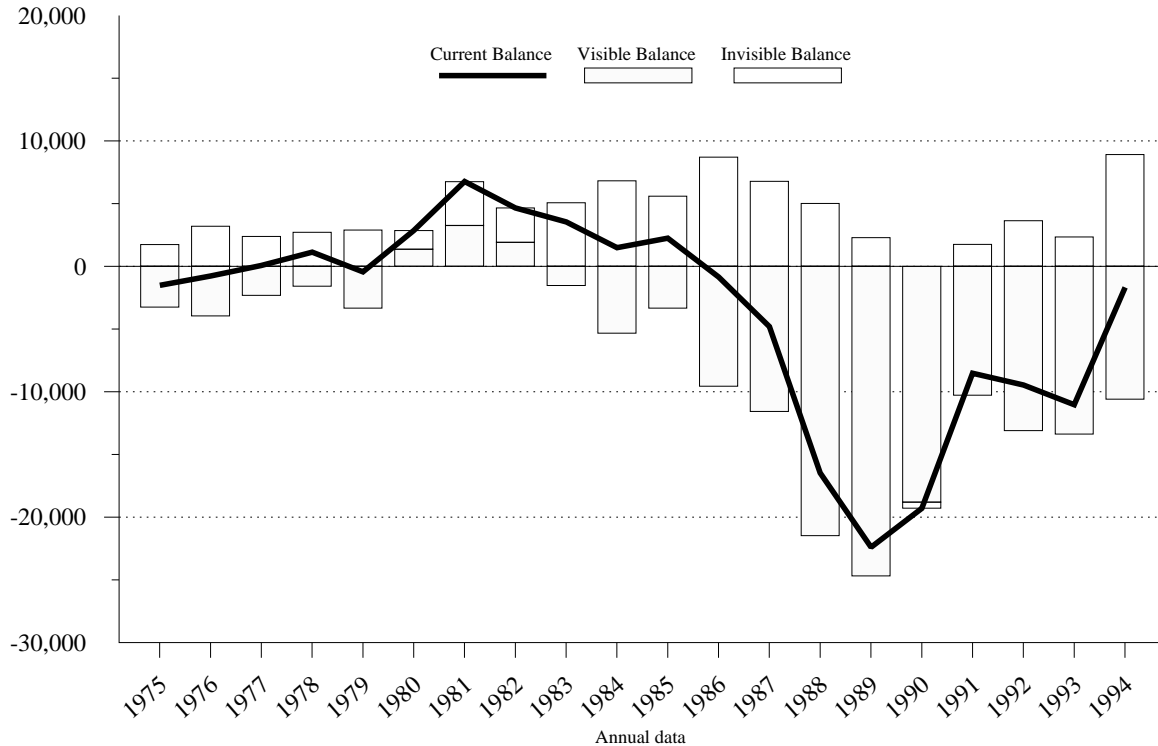
* M0 comprises notes and coin in circulation outside the Bank of England *plus* bankers' operational deposits with the Bank. M4 is a broad measure of money consisting of the private sector's holdings of cash, and sterling deposits held by the private sector at both banks and building societies.

* 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
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 Q1	31,728	34,826	-3,098	2,060	-1,038
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	37,114	39,103	-1,989	1,592	-397

* **Visible balance** - This was in deficit by £2.0 billion in the first three months of 1995, compared to £3.0 billion in the previous three months and £3.1 billion in the first three months of 1994. The deficit for 1994 as a whole is now estimated to have been £10.6 billion compared to £13.4 billion in 1993.

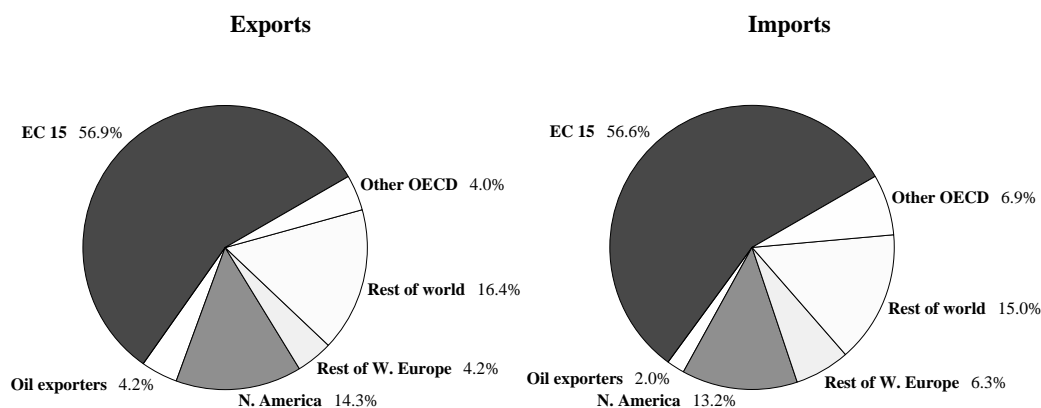
* **Invisible balance** - The invisible surplus in the first three months of 1995 is estimated at £1.6 billion. This was significantly lower than the revised estimated for the final quarter of 1994 (£2.5 billion) mainly as a result of lower net investment income. The surplus for 1994 has been revised downwards from £10.4 billion to £8.9 billion.

* **Current balance** - This was in deficit by £0.4 billion in the first quarter of 1995 compared to a revised estimate of £0.5 billion in the fourth quarter of 1994. 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.

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F 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	-10,594	-14,664	-15,406
1993 Q4	109.7	107.2	-3,304	-4,001	-4,168
1994 Q1	112.8	109.8	-3,098	-4,050	-4,311
1994 Q2	117.1	108.0	-2,284	-3,468	-3,838
1994 Q3	119.6	108.9	-2,212	-3,100	-3,362
1994 Q4	122.8	114.3	-3,000	-4,046	-3,895
1995 Q1	124.6	110.2	-1,989	-3,287	-3,873

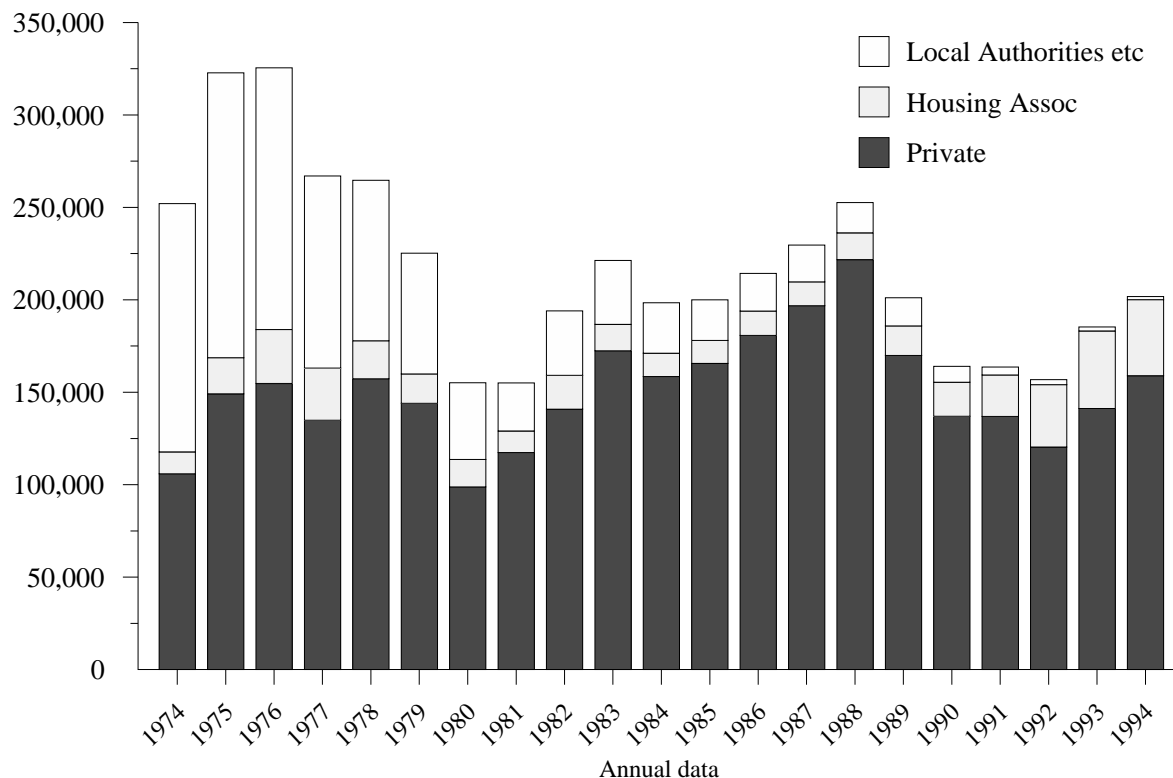
Note: (a) ships, aircraft, precious stones and silver.

Source: CSO database, CSO First Release (95) 110 dated 9.6.95

- * The enlarged European Community now supplies and receives over half of all UK imports and exports.
- * Export volumes in the three months to March 1995 were 10.4% higher than in the corresponding period a year earlier and 1.4% higher than in the previous three months.
- * Import volumes in the three months to March 1995 were 0.4% higher than in the corresponding period a year earlier but 3.6% lower than in the previous three months.
- * The trade deficit for the three months to March 1995 was £2.0 billion compared with £3.0 billion in the previous three months and £3.1 billion in the same period a year earlier. In the first three months of 1995 there was a surplus of £1.3 billion on trade in oil.

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G 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	136.9	22.4	4.3	163.5
1992	120.3	33.8	2.7	156.8
1993	141.2	41.9	2.2	185.3
1994	158.9	41.2	1.7	201.8
<i>seasonally adjusted</i>				
1994 Q4	34.2	7.7	0.4	42.3
1995 Q1	37.4	8.9	0.5	46.8
Jan 95	11.3	2.8	0.1	14.2
Feb 95	12.0	2.9	0.2	15.1
Mar 95	14.1	3.1	0.2	17.4

* Seasonally adjusted total starts in Jan 1995 - Mar 1995 were 11% higher than in the previous three months, and 8% lower than Jan 1994 - Mar 1994.

* Overall starts in 1994 were 10% 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.

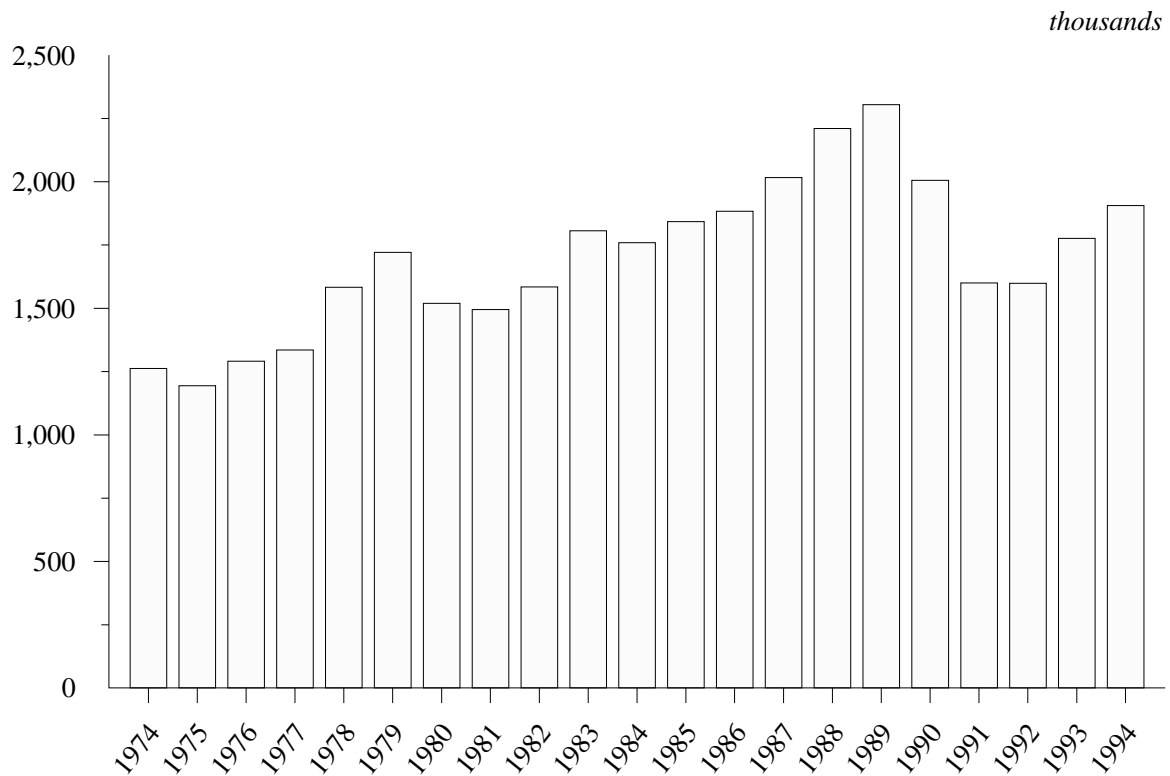
* Housing association starts fell by 2% in 1994; private starts rose by 13%.

Sources: CSO Database series FCAB, CTOR, CTOV

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G 2. New Registrations of Cars



New Registrations of Cars *seasonally adjusted*

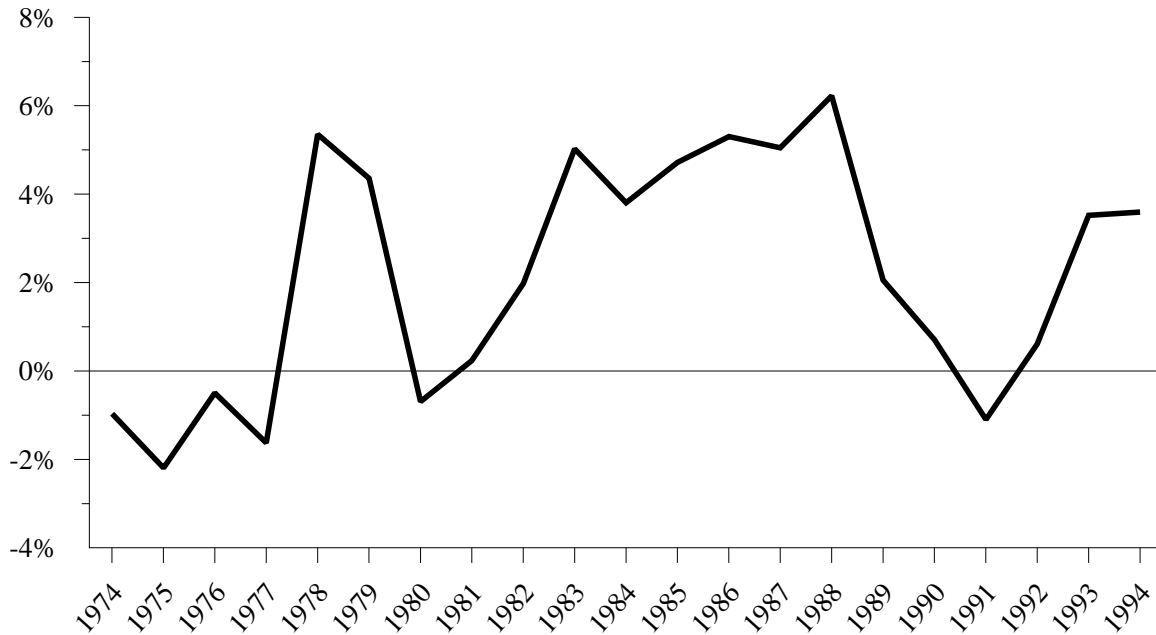
	Number thousands	Change over 12 months	
1990	2,005	-13.0%	* Latest seasonally adjusted figures show 163,000 new registrations of cars in May 1995 - 1.5% higher than in May 1994.
1991	1,600	-20.2%	* Latest annual figure for 1994 shows 1.9 million new registrations of cars - 7% higher than 1993.
1992	1,599	-0.1%	* 58% of cars registered in May 1995 were imported.
1993	1,776	11.1%	
1994	1,906	7.3%	* 19% of cars registered in May 1995 were diesel and 57% were registered at company addresses.
Jan 1995	156	-3.9%	
Feb 1995	164	1.1%	
Mar 1995	158	-1.7%	
Apr 1995	152	7.3%	
May 1995	163	1.5%	

Next update: late July

Source: Department of Transport Statistical Bulletin 95(22)

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 Nov	107.1	2.3%
Dec	107.6	3.5%
1995 Jan	106.2	-0.2%
Feb	107.6	2.5%
Mar	107.4	1.7%
Apr	107.3	0.9%
May	107.5	1.1%

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

* Sales in the most recent 3 month period were 1.3% up on the same period last year.

* In the year to May 1995 the retail sales volume index rose by 1.1%.

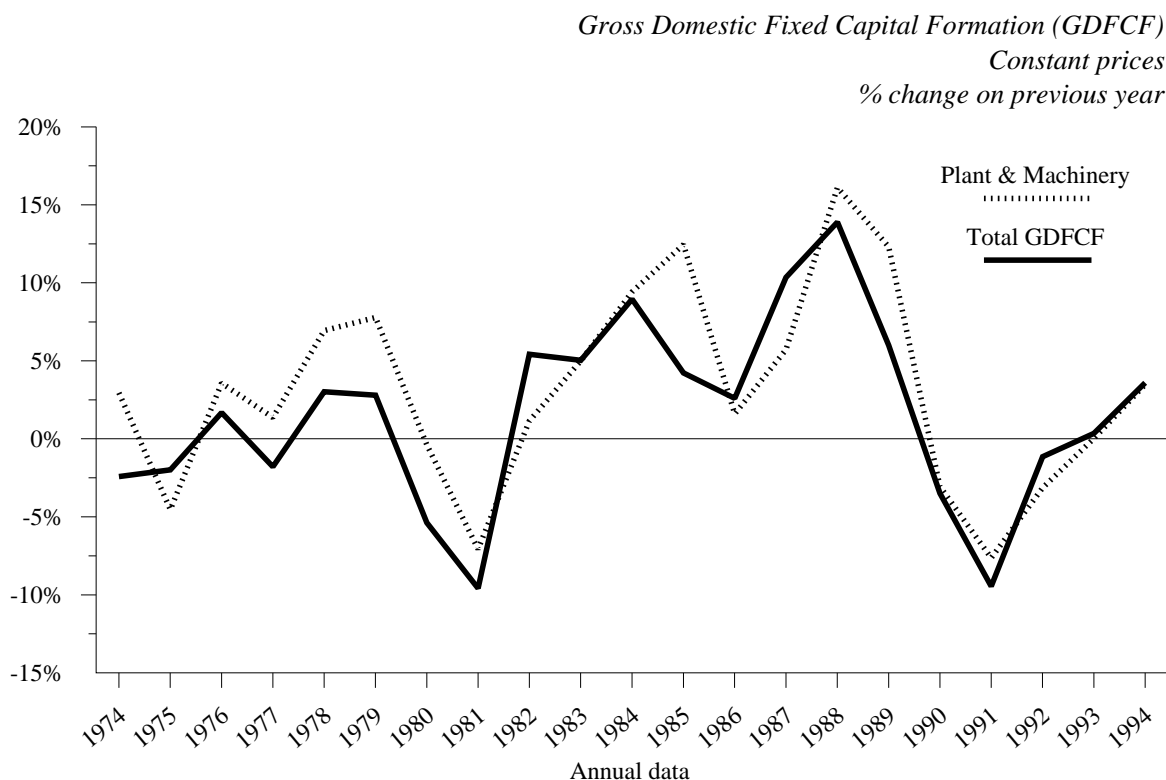
Note: weekly average, seasonally adjusted

Source: CSO database series FAAM.

Next update: 19 July

Research Paper 95/54

G 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	7,960	32,888	37,152	18,280	96,280
1993	8,611	32,895	35,867	19,238	96,611
1994	9,236	34,038	36,654	20,153	100,081
1994 Q 1	2,350	8,272	9,628	5,240	25,490
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	8,665	9,032	5,162	25,046

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

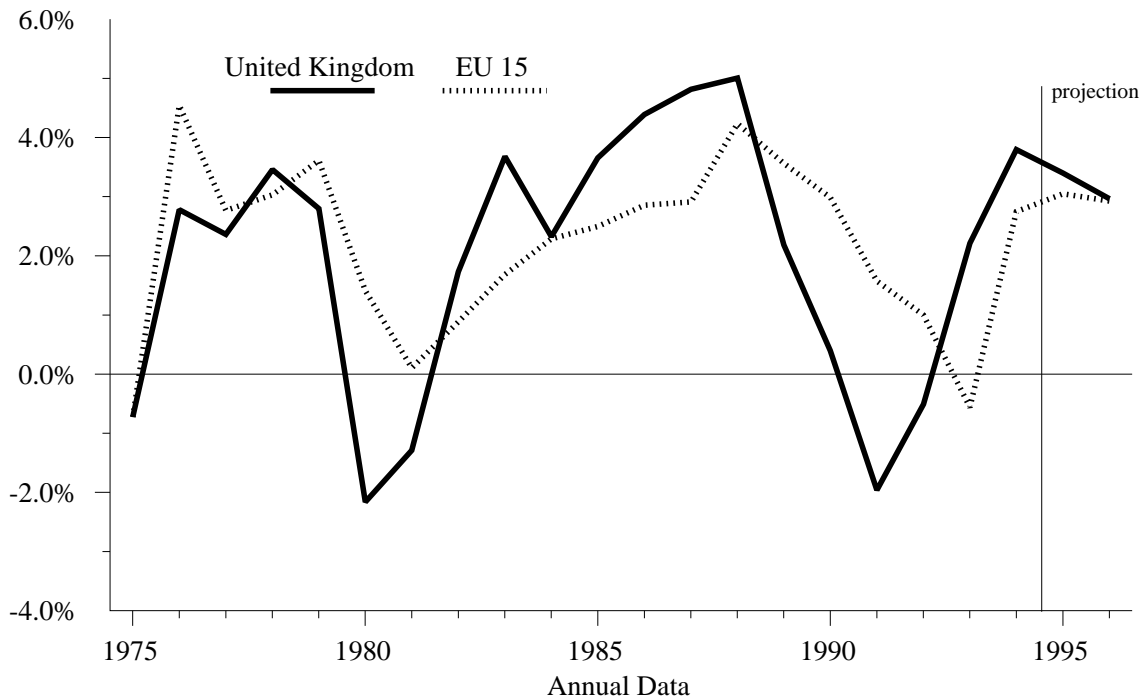
Source: CSO Database Serus DEBP, DEBO, DFCV, DFEA, DFEC, DECU

- * 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 3.6% 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 first quarter of 1995 total GDFCF was 1.7% lower than in the same period in 1994, and virtually static compared to the last quarter of 1994. Investment in vehicles, ships & aircraft and in plant & machinery, fell in the first quarter of 1995 by 10.2% and 1.2% respectively. However there were rises of 1.2% in other new building work and of 4.1% in dwellings compared with the previous quarter.

Next update: late July

H 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

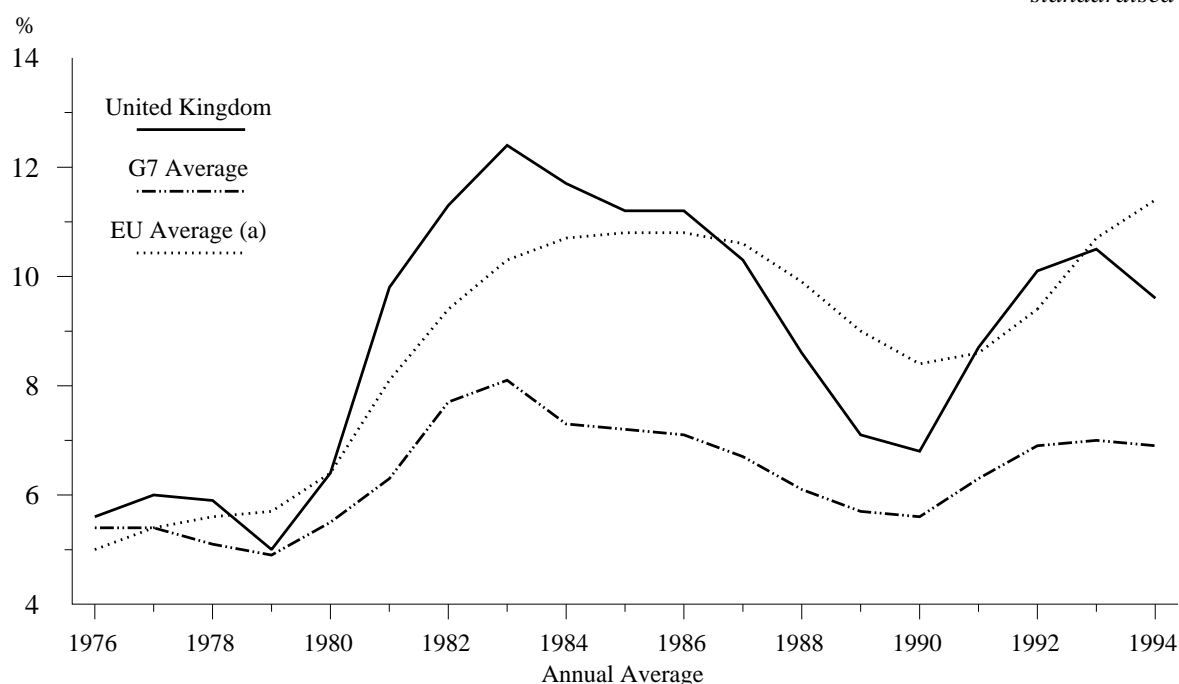
* The table and graph above reflect projections in the June edition of the OECD's *Economic Outlook*.

* The Treasury's Summer Economic Forecast suggests that UK GDP at constant factor cost will grow by 3% in 1995 and 2¾% in 1996. The latest Treasury summary of independent economic forecasts suggests that growth in the UK will be 3.1% in 1995 and 2.9% in 1996 compared to an outturn of 3.9% in 1994.

Next update: mid-December

H 2. International Comparisons - Unemployment

*% of labour force
standardised*



(a) EU 15 from 1992 onwards

Unemployed as % of labour force Standardised and seasonally adjusted				
	1994	1994	1994	1995
		Q3	Q4	Q1
Canada	10.3	10.1	9.7	9.6
USA	6.0	5.9	5.5	5.5
Japan	2.9	3.0	2.9	2.9
Belgium	9.7	9.8	9.8	9.8
Finland	18.2	18.0	17.3	17.0
France	12.5	12.5	12.4	12.3
W Germany	6.9	6.9	6.8	6.8
Ireland	14.7	14.6	14.6	14.4
Italy	..	11.8
Netherlands	7.2	7.1	7.2	7.2
Portugal	6.8	6.8	6.9	7.2
Spain	23.8	23.9	23.5	22.8
Sweden	8.0	9.5	9.6	9.4
UK	9.6	9.6	9.0	8.7
EU (a)	11.4	11.4	11.2	11.1
G7	6.9	6.9	6.6	6.5
OECD (b)	7.8	7.8	7.5	7.4

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

* In 1994 Q4 West Germany had the lowest unemployment rates in the EU15 (6.8% of the workforce).

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

* Over 1994 as a whole (for those countries where a full year's figures are available) the UK, Canada, the USA, Finland, the Netherlands, Spain, Sweden and Ireland experienced a fall in the unemployment rate.

* Unemployment in the new EU member states in 1995 Q1 was 17.0% in Finland and 7.8% in Sweden (standardised rates for Austria are not available).

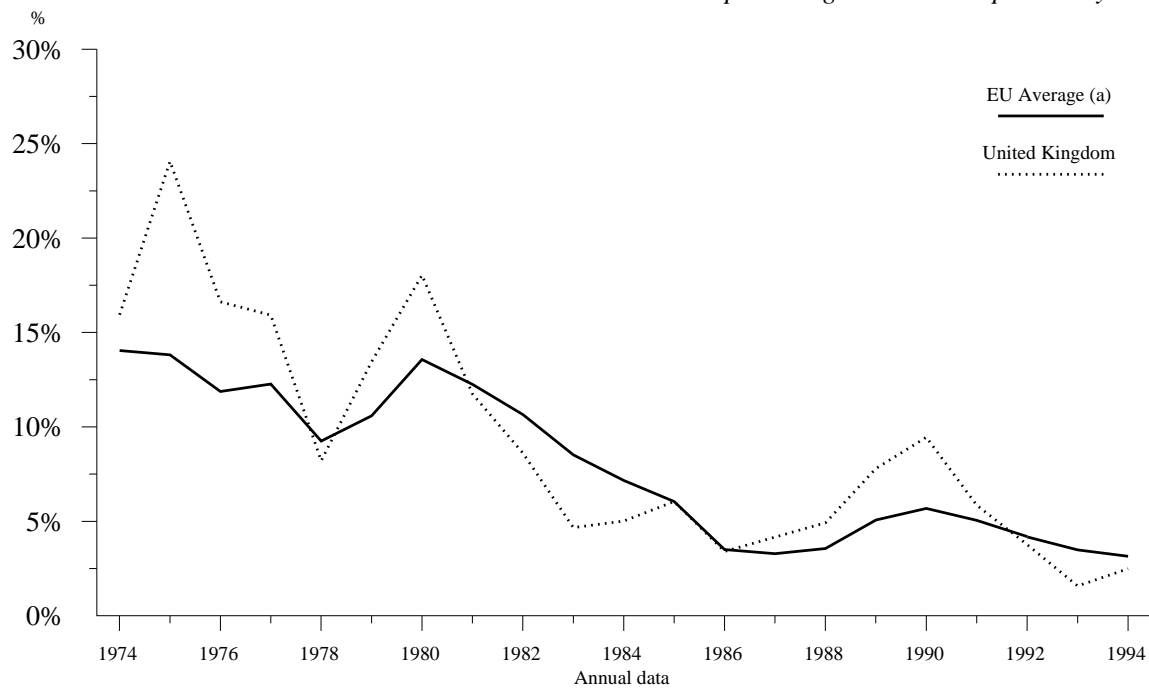
Note; (a) Average of the eleven countries shown (excludes Denmark, Greece, Luxembourg and Austria).

(b) Average of eighteen countries.

Source: OECD Current Economic Indicators

H 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	Feb 95	March 95	April 95
United States	3.1	2.9	2.6	2.5	2.9	3.1
Japan	1.7	1.3	0.6	0.2	-0.4	-0.4
Germany (West)	4.0	4.2	3.0	2.4	2.3	2.3
France	2.3	2.1	1.8	1.7	1.8	1.6
Italy	5.1	4.4	4.0	4.3	4.8	5.2
United Kingdom	3.7	1.6	2.5	3.4	3.5	3.3
Canada	1.5	1.8	0.2	1.8	2.2	na
EU	4.2	3.1	3.1	3.2	3.3	3.3

Source: Eurostat

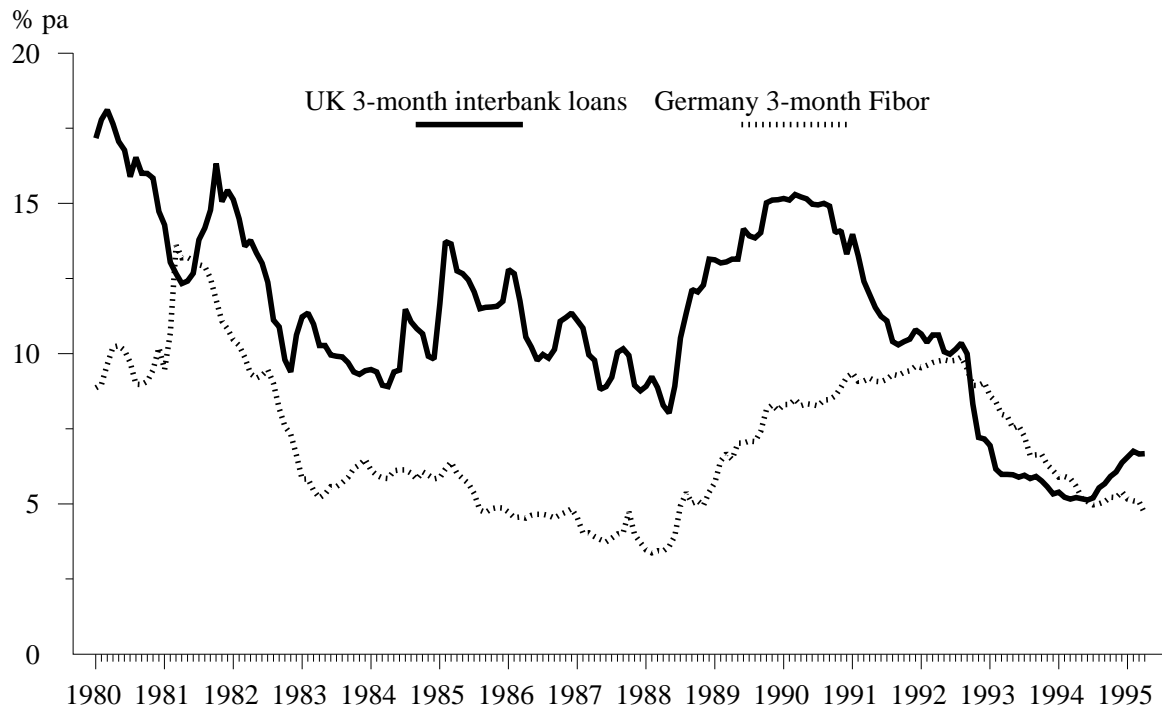
* The UK inflation rate in April 1995 (3.3% pa) was the second highest among G7 countries; only Italy had a higher level of inflation (5.2% pa). The UK rate was also the EU15 average rate.

* In April 1995 Greece had the highest inflation rate out of the fifteen EU countries (9.9% pa). The countries with the lowest inflation rates were Belgium (1.7% pa), Finland (1.5% pa) and France (1.6% pa).

Next update: mid July

H 4. International Comparisons - Interest Rates

Short-term Interest Rates
per cent per annum



Short-Term Interest Rates as at 29 June 1995

	3-month rate (% pa)
London	$6\frac{29}{32}$
New York	$5\frac{15}{16}$
Frankfurt	$4\frac{9}{16}$
Tokyo	$1\frac{5}{32}$
Paris	$6\frac{7}{8}$
Milan	$10\frac{15}{16}$
Brussels	$4\frac{3}{4}$

* Since 1990, the UK short-term rate 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 29 June are shown in the table opposite.

Source: *Financial Times* 30 June 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
95/75	Unemployment by Constituency: May 1995	14.06.95