

Economic Indicators

Research Paper 96/56

1 May 1996



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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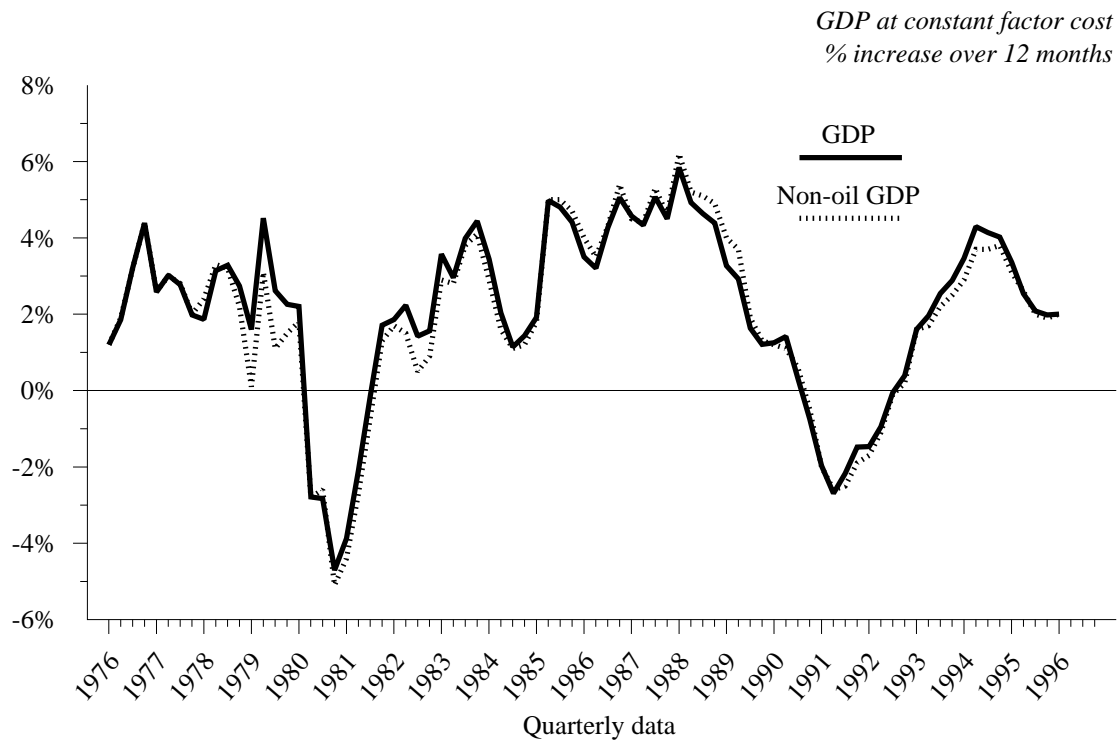
I Contacts for further information

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	Graham Vidler	2454
Financial services	Bob Twigger/Simon Walley	4904/3977
Housing	Adrian Crompton/Bryn Morgan	6789/3851
Incomes	Bob Twigger/Tim Edmonds	4904/2883
Industries	Tim Edmonds/Simon Walley	2883/3977
National Accounts-GDP etc	Bob Twigger/Tim Edmonds	4904/2883
Overseas aid	Mick Hillyard/Bob Twigger	4324/4904
Prices	Bob Twigger/Tim Edmonds	4904/2883
Production	Bob Twigger/Tim Edmonds	4904/2883
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A 1. Gross Domestic Product



Gross Domestic Product (GDP)

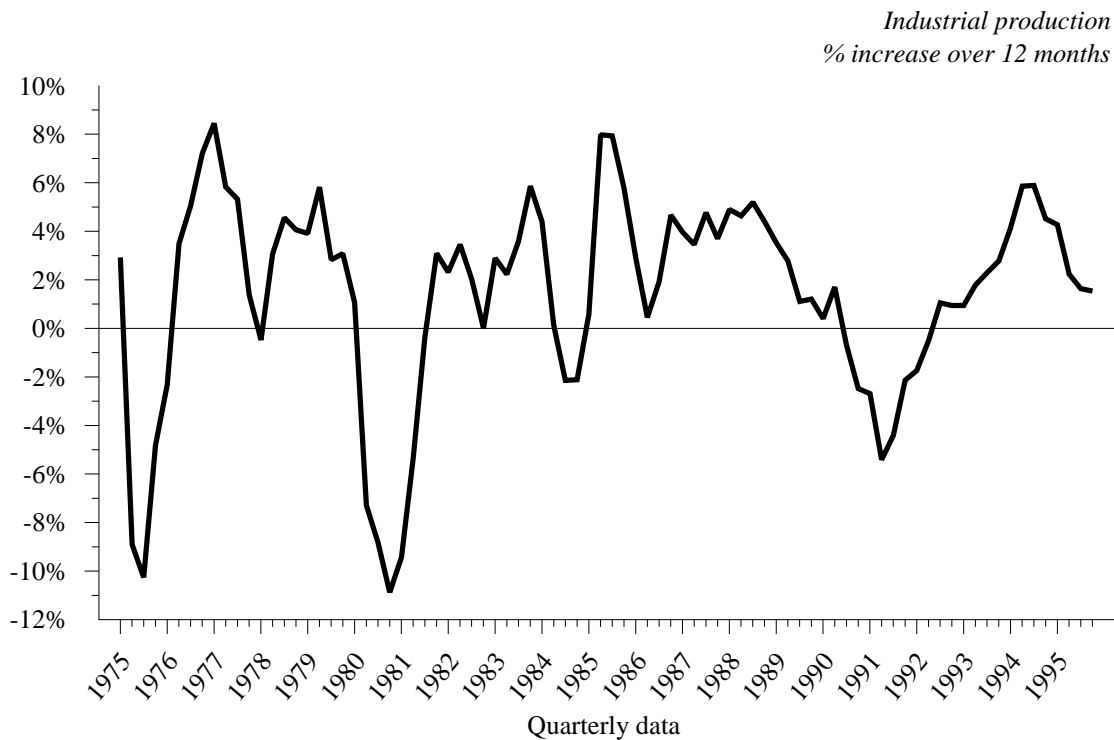
	GDP <i>at constant factor cost</i> <i>12 month change</i>	Non-Oil GDP <i>at constant factor cost</i> <i>12 month change</i>	GDP <i>£ billion at current</i> <i>market prices</i>	GDP <i>£ billion at current</i> <i>factor cost</i>
1993	2.2%	2.0%	630.7	546.7
1994	4.0%	3.5%	667.4	577.7
1995	2.5%	2.4%	699.6	603.2
1995 Q1	3.4%	3.1%	172.0	148.5
1995 Q2	2.5%	2.6%	174.3	150.3
1995 Q3	2.1%	2.0%	175.7	151.5
1995 Q4	2.0%	1.9%	177.5	152.9
1996 Q1 (prov)	2.0%	2.0%	n.a.	n.a.

Sources: ONS Database; ONS first release (96) 23 dated 29.4.96

- * Real GDP at factor cost is provisionally estimated to have risen by 0.4% between the fourth quarter of 1995 and the first quarter of 1996 to a level 2.0% higher than in the first quarter of 1995. For 1995 as a whole, GDP was 2.5% higher than in 1994. The rate of economic growth has slowed significantly in the last year or so from 4.0% in the fourth quarter of 1994 to 2.0% in the first quarter of 1996.
- * The latest Treasury summary of economic forecasts suggests that growth will be 2.3% in 1996 and 3.1% in 1997.
- * GDP excluding oil and gas extraction is estimated to have risen by 0.4% between the fourth quarter of 1995 and the first quarter of 1996 to a level 2.0% higher than in the first quarter of 1995. For 1995 as a whole, non-oil GDP was 2.4% higher than in 1994.

Next update: 23 May

A 2. Industrial Production



Industrial Production - Index of Output: seasonally adjusted

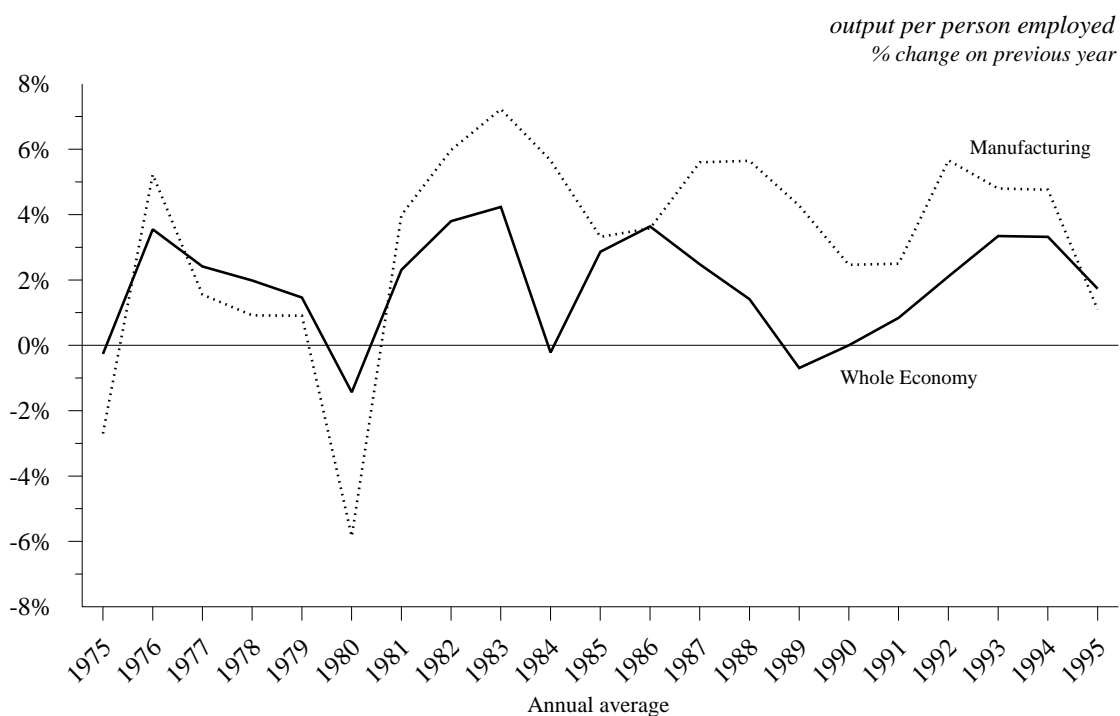
	Total <i>12 month change</i>	Mining & quarrying incl oil & gas <i>12 month change</i>	Manufacturing <i>12 month change</i>	Gas, electricity & water supply <i>12 month change</i>
1993	2.0%	6.9%	1.2%	4.1%
1994	5.1%	14.9%	4.3%	1.2%
1995	2.4%	5.4%	1.9%	2.8%
1994 Q4	4.5%	6.6%	5.3%	-5.8%
1995 Q1	4.3%	9.9%	3.5%	4.7%
1995 Q2	2.2%	1.3%	2.3%	2.0%
1995 Q3	1.6%	4.8%	1.5%	-1.4%
1995 Q4	1.5%	5.6%	0.6%	6.2%
Dec.'95 - Feb.'96	1.5%	2.7%	0.5%	9.0%

Source: ONS database; ONS press notice (96) 7 dated 9.4.96

- * In the three months to February 1996, total industrial production was 0.1% higher than in the previous three months and 1.5% higher than in the same period a year earlier. This compares with annual growth rates in excess of 5% in 1994. In February, output was 0.4% higher than its January level.
- * Compared with the three months to November, overall manufacturing production in the period December to February was 0.5% lower. Over this period growth was strongest in the engineering sector (+0.3%) and weakest in coke, petrol refining & nuclear fuels (-3.5%).
- * Compared with the three months to November, output in the mining and quarrying sector (including extraction of oil and natural gas) in the last three months was 0.6% higher and production in the gas, electricity & water supply industries was 5.3% higher (boosted by the cold weather in February). Over the same period, the index for oil and gas extraction increased by 0.8%.

Next update: 9 May

A 3. Productivity



**Manufacturing Productivity Index
12 month percentage change**

Annual average	Output per head
1991	2.5%
1992	5.7%
1993	4.8%
1994	4.8%
1995	1.1%

Monthly data	Output per head
Feb 1995	2.8%
Mar 1995	3.1%
Apr 1995	2.3%
May 1995	1.1%
Jun 1995	1.8%
Jul 1995	0.8%
Aug 1995	1.0%
Sep 1995	0.7%
Oct 1995	-0.2%
Nov 1995	-0.7%
Dec 1995	-1.0%
Jan 1996	0.9%
Feb 1996	0.0%

* In 1992, 1993 and 1994, output per person in manufacturing grew at an average rate over 5%. During 1995 the growth in manufacturing productivity declined, matching the fall in the growth of manufacturing output. Overall output per head in 1995 was just 1.1% higher than in 1994. The decline in manufacturing productivity growth during 1995 (which was actually negative in the last three months of the year) has halted, although the index for February is unchanged on the previous year.

* Having shown a slight fall in 1989 and no change in 1990, economy-wide productivity increased by 0.8% in 1991 and 2.1% in 1992. There were further improvements in 1993 and 1994 with increases in economy-wide productivity of 3.3% in both years. In 1995 productivity growth fell to 1.7%.

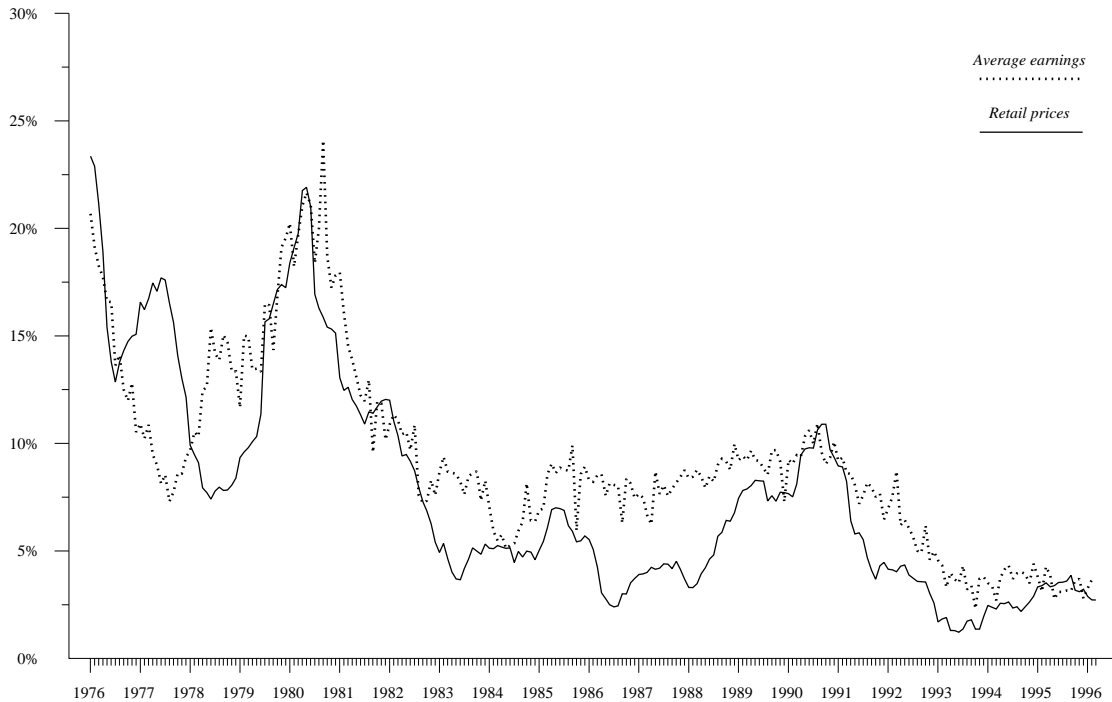
* Data showing output per hour in manufacturing have been temporarily withdrawn. New indices are being constructed and should be available later this year.

Source: ONS Database (series DMOB)

Next update: 15 May

B 1. Retail Prices and Average Earnings

percentage increase over 12 months



% increase on previous year

Annual averages	Prices	Earnings
1991	5.9	8.0
1992	3.7	6.1
1993	1.6	3.4
1994	2.4	4.0
1995	3.5	3.4
Monthly data		
Mar 1995	3.5	4.3
Apr 1995	3.3	3.9
May 1995	3.4	2.8
Jun 1995	3.5	3.1
Jul 1995	3.5	3.1
Aug 1995	3.6	3.2
Sep 1995	3.9	3.1
Oct 1995	3.2	3.6
Nov 1995	3.1	3.7
Dec 1995	3.2	2.8
Jan 1996	2.9	3.3
Feb 1996	2.7	3.7
Mar 1996	2.7	..

Inflation - consumer prices as measured by the all items RPI rose by 2.7% in the year to March 1996, the same as the increase in the year to February 1996.

Excluding the effect of mortgage interest payments (MIPs), RPI(X) rose by 2.9% in the year to March 1996. Excluding the effects of MIPs and indirect taxes (RPIY), prices rose by 2.6%.

Earnings - average gross earnings of employees in Great Britain rose by 3.7% in the year to February 1996. 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 £347.70 per week or £18,080 per year.

Forecasts - the Treasury's forecast at the time of the budget suggested that the RPI (less MIPs) will increase by 2½% in the year to the fourth quarter of 1996.

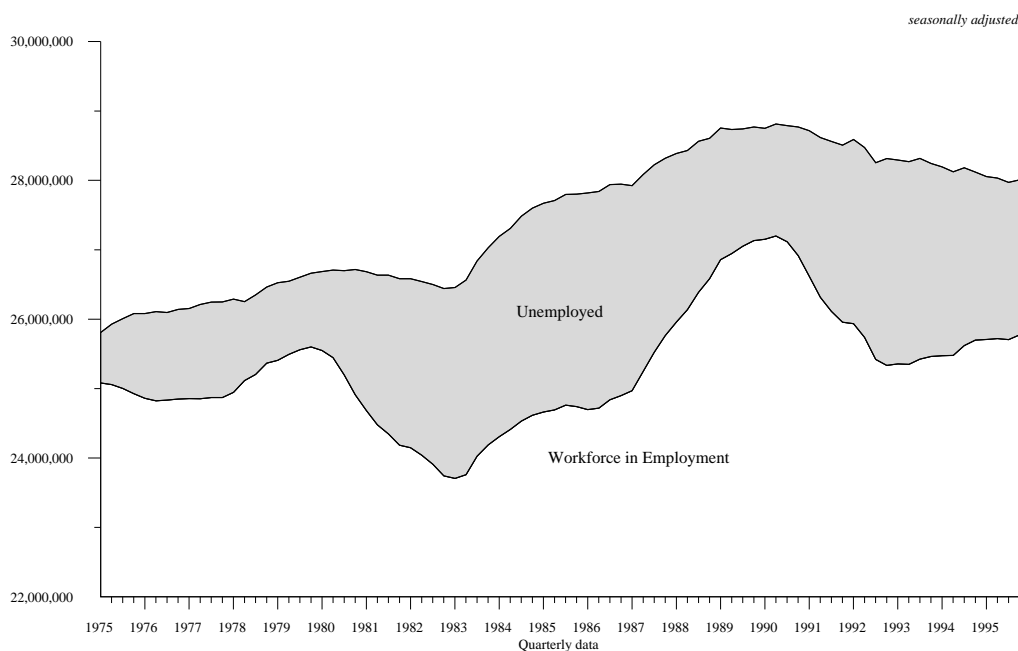
The latest summary of independent forecasts suggests that the RPI (less MIPs) will rise by 2.7% in the year to the fourth quarter of 1996 and by 3.0% in the year to the fourth quarter of 1997.

Independent forecasts predict average earnings to rise by 3.9% in 1996 and 4.6% in 1997.

Sources: ONS Database series CHAW & DNAB

Next update: Prices 16 May
Earnings 15 May

C 1. Employment



United Kingdom; seasonally adjusted; thousands

Dec	Employees in employment	Self employed	HM Forces	Work related govt-supported training	Workforce in employment
1991	22,002	3,305	295	355	25,957
1992	21,521	3,178	280	356	25,334
1993	21,645	3,231	258	329	25,463
1994	21,809	3,358	237	296	25,700
1995	21,985	3,335	226	227	25,772
Changes 1994 to 1995					
000s	176	-23	-11	-69	72
%	0.8%	-0.7%	-4.6%	-23.3%	0.3%

Source: ONS First Release: Labour Market Statistics (ONS(96)13)

* The workforce in employment in December 1995 was 72,000 higher than in December 1994 and 172,000 higher than in December 1979. The net increase over the last year comprised an increase in the number of employees in employment which was partly off-set by falls in the number self-employed, HM Forces and those on government-supported training schemes.

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

* The self-employed in December 1995 represented 13% of workforce in employment compared to 8% in December 1979.

* In December 1995 12% of male and 46% of female employees were part-time, totalling 6.3 million employees.

Next update: 15 May

C 2. Unemployment: National

*Unemployed claimants: UK
seasonally adjusted*



Seasonally adjusted

Unemployed Claimants UK

Annual averages	Number	% of workforce
1991	2,286,100	8.0
1992	2,765,000	9.7
1993	2,900,600	10.3
1994	2,619,300	9.3
1995	2,308,200	8.3

Unemployment - fell by 7.0% in the year to March 1996. The March 1996 total is

- 19% lower than April 1992
- 23% lower than in June 1987
- 22% lower than in June 1983
- 101% higher than in May 1979

(all figures adjusted for seasonality and discontinuities)

Monthly data

Mar 1995	2,351,800	8.4
Apr 1995	2,331,800	8.3
May 1995	2,320,300	8.3
Jun 1995	2,313,100	8.3
Jul 1995	2,311,000	8.2
Aug 1995	2,290,000	8.2
Sep 1995	2,264,000	8.1
Oct 1995	2,264,600	8.1
Nov 1995	2,244,600	8.0
Dec 1995	2,235,500	8.0
Jan 1996	2,206,800	7.9
Feb 1996	2,212,300	7.9
Mar 1996	2,186,600	7.8

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

- 10.6% for males
- 4.2% for females
- 7.8% overall

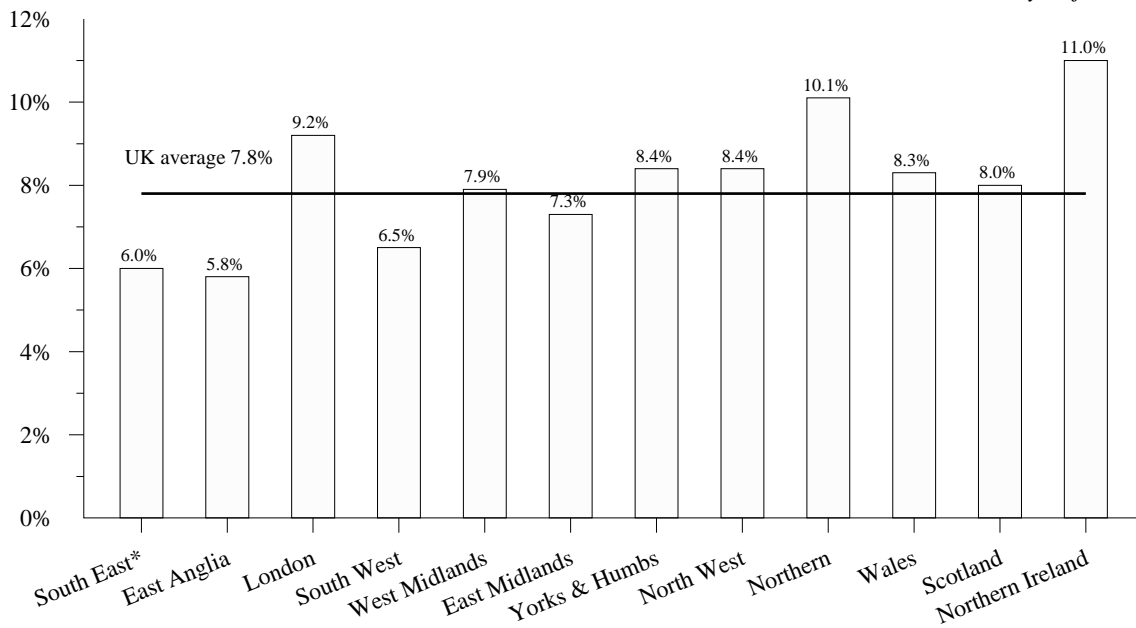
Forecasts - an average of independent forecasters predicts that unemployment will fall to 2.12 million by the fourth quarter of 1996 and 1.94 million by the fourth quarter of 1997.

Source: ONS - NOMIS Database

Next update: 15 May

C 3. Unemployment: Regional

% of workforce
March 1996
seasonally adjusted



* Excluding London

% change March 1995 to 1996

Region	%
South East (Excl. London)	-10.1
East Anglia	-6.2
London	-6.1
South West	-9.3
West Midlands	-8.4
East Midlands	-7.6
Yorks & Humbs	-5.7
North West	-7.0
Northern	-5.9
Wales	-2.6
Scotland	-5.3
Northern Ireland	-4.9
United Kingdom	-7.0

% Rates - as a proportion of the workforce, March unemployment rates are higher than the national average of 7.8% in eight regions:

Region	%
Northern Ireland	11.0
Northern	10.1
London	9.2
Yorkshire and Humberside	8.4
North West	8.4
Wales	8.3
Scotland	8.0
West Midlands	7.9

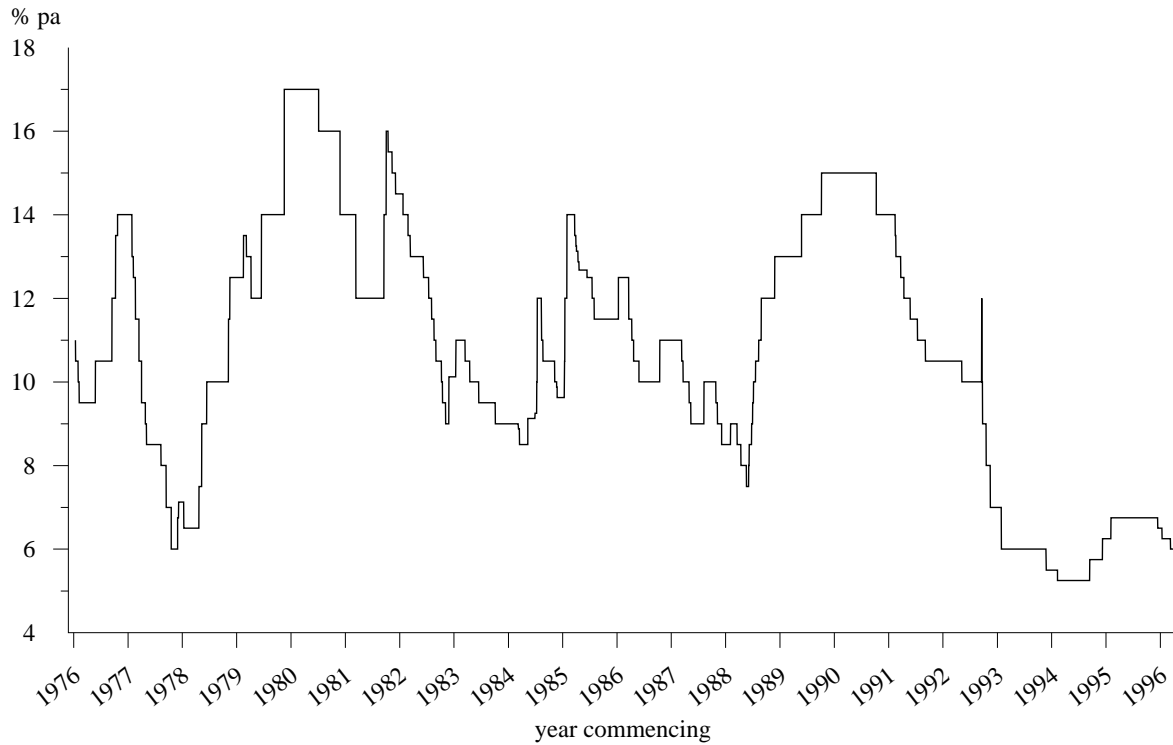
Rates of change - There was a fall of 25,700 in the March claimant count. Unemployment levels are now lower than 12 months ago in every region of the United Kingdom. The largest falls have been in the South East, South West and West Midlands, whilst the lowest falls were in Wales and Northern Ireland.

Source: ONS - NOMIS Database

Next update: 15 May

D 1. Interest Rates

Base Rates



per cent per annum

Date of Change		New Rate	Date of Change		New Rate	
1989	May 24	14.00	1992	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	
	May 24	11.50		1995	Feb 2	6.75
	Jul 12	11.00			Dec 13	6.50
	Sep 4	10.50	1996	Jan 11	6.25	
1992	May 5	10.00		Mar 8	6.00	
	Sep 16	12.00				
	Sep 17	10.00				
	Sep 22	9.00				

* As expected last Autumn the February 1995 level of base rates of 6.75% p.a. proved to be the year's peak. The latest quarter point cut in rates in March appears to have been justified by the subsequent issue of economic data revising downwards the growth rate. The two quarter point cuts in rates in December 1995 and January 1996 were widely predicted (although not necessarily their timing) following the modest size of the Budget cuts in tax combined with the Chancellor's Budget forecast of growth of 3% in 1996.

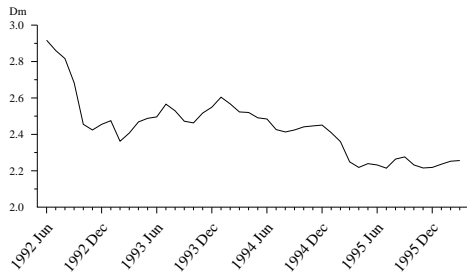
* A rate of 15.0% p.a. was announced on 16th September 1992 but was cancelled before becoming effective.

D 2. Exchange Rates

Sterling Exchange Rate Index
1990=100



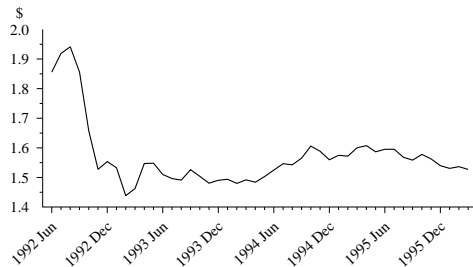
Sterling-Deutschmark Exchange Rate
June 1992-March 1996



* 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 April 1996 were as follows; DM 2.2953; US\$ 1.508; Yen 157.81.

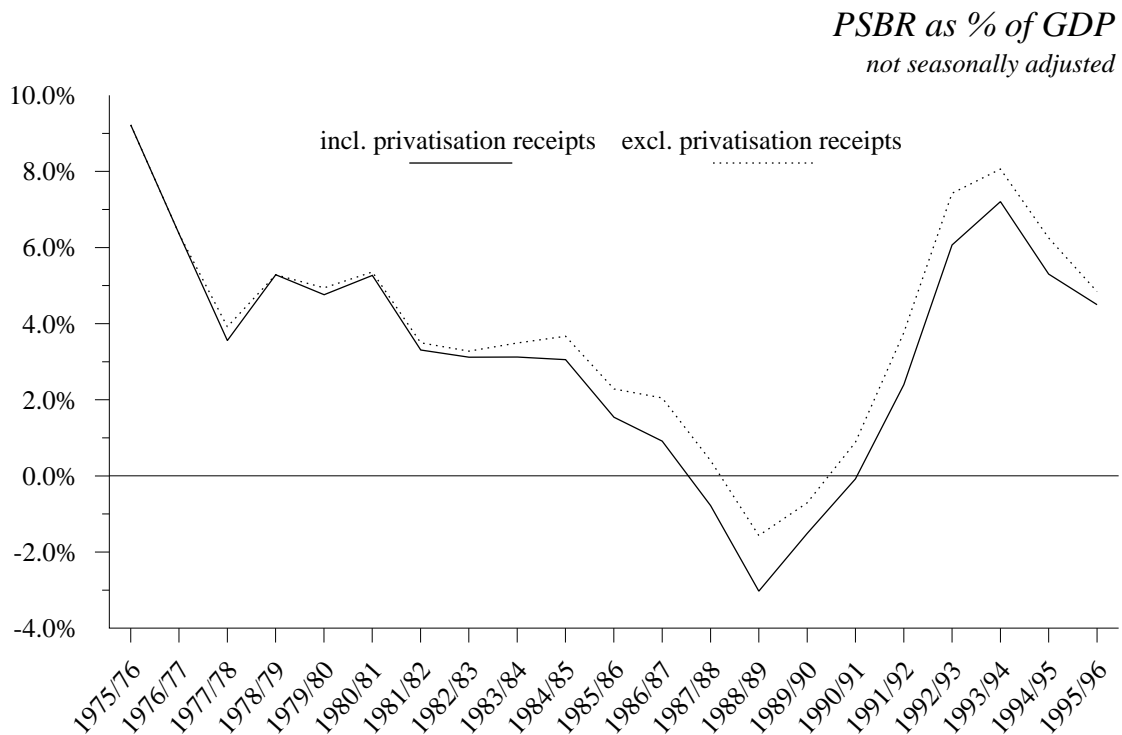
Sterling US Dollar Exchange Rate
June 1992-March 1996



* The currency markets in the last month have been affected by the cut in interest rates announced in Germany and by the resolution of the Budget impasse in the US. Sterling has followed a familiar path of following the US dollar which has appreciated strongly. Sterling has declined marginally against the dollar but has appreciated against the main European currencies. This has left it broadly unchanged on a trade weighted basis since the Autumn,

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

D 3. PSBR



Public Sector Borrowing Requirement

	PSBR		PSBR excl privatisation receipts	
	Total £ billion	As a % of GDP	Total £ billion	As a % of GDP
1990/91	-0.6	-0.1%	4.7	0.9%
1991/92	13.8	2.4%	21.7	3.8%
1992/93	36.3	6.1%	44.5	7.4%
1993/94	45.4	7.2%	50.8	8.1%
1994/95	35.9	5.3%	42.3	6.3%
1995/96	32.2	4.5%	34.6	4.8%

Note: 1995/96 Figures provisional

Source: CSO Database Series ABEN, ABII, CAOB

* The PSBR for the whole of 1995-96 was £32.2 billion (4.5% of GDP) compared to £35.9 billion (5.3% of GDP) in 1994-95. The PSBR excluding privatisation receipts was £34.6 billion (4.8% of GDP) compared to £42.3 billion (6.2% of GDP) in 1994-95.

* The 1995 Budget forecast PSBRs of £29.0 billion (4% of GDP) in 1995/96 and £22.4 billion (3% of GDP) in 1996/97. The average of Independent Forecasters monitored by the Treasury suggests a PSBR for 1995/96 of £29.3 billion and a PSBR of £23.5 billion for 1996/97.

D 4. Money Supply

% change on previous year



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

	M0		M4	
	3 month annualised % rate of change	annual % change	3 month annualised % rate of change	annual % change
1995 May	5.7%	5.9%	11.3%	6.4%
1995 June	2.0%	5.7%	7.8%	6.8%
1995 July	2.9%	5.7%	11.4%	8.0%
1995 August	6.4%	6.1%	10.1%	8.4%
1995 September	7.4%	5.5%	9.3%	8.2%
1995 October	5.8%	5.2%	7.1%	8.9%
1995 November	5.4%	5.6%	8.5%	9.3%
1995 December	7.3%	5.7%	10.1%	9.7%
1996 January	5.2%	5.2%	12.7%	10.5%
1996 February	6.6%	6.1%	10.3%	10.1%
1996 March	4.6%	5.4%	13.0%	10.1%
1996 April	7.7%	5.6%	na	na

Source: Bank of England "Monetary Statistics", Statistical Release April 1996

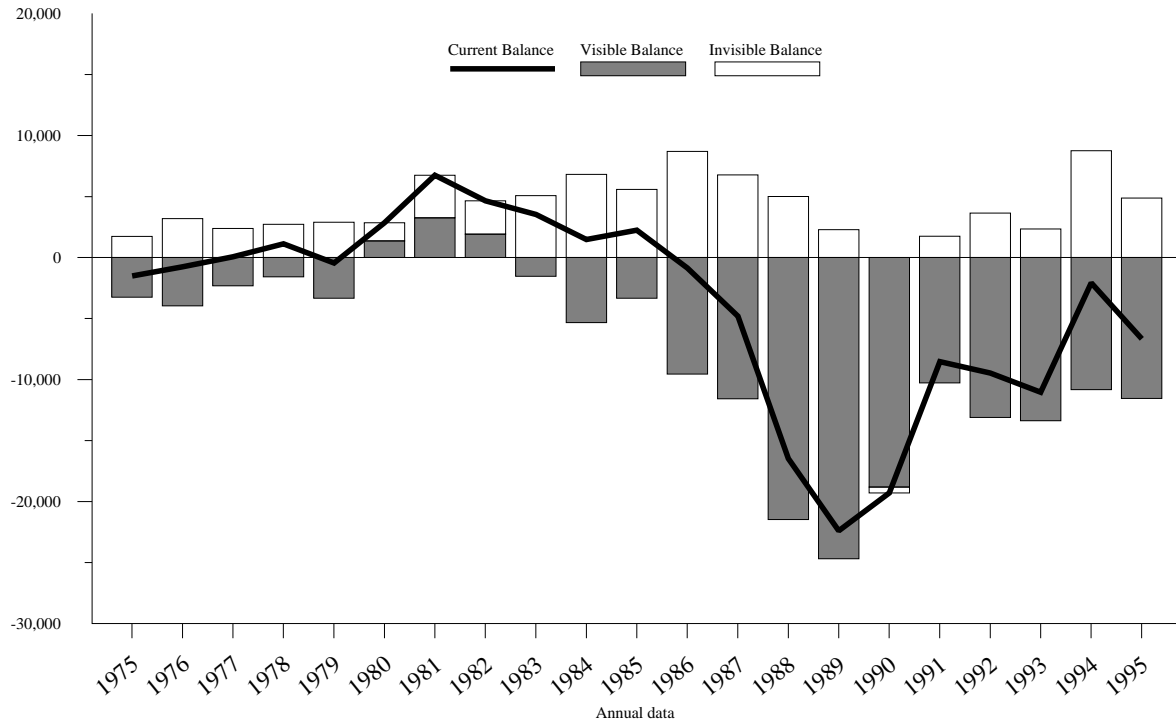
* M0 comprises notes and coin in circulation outside the Bank of England plus bankers' operational deposits with the Bank. M4 is a broad measure of money consisting of the private sector's holdings of cash, and sterling deposits held by the private sector at both banks and building societies.

* 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 1995 Budget.

Next update: 1 & 21 May

E 1. International Trade

£ million at current prices



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

	Exports	Imports	Visible Balance	Invisible Balance	Current Balance
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	134,666	145,497	-10,831	8,751	-2,080
1995	152,671	164,221	-11,550	4,880	-6,670
1995 Q1	36,876	38,779	-1,903	1,084	-819
1995 Q2	37,392	40,693	-3,301	1,432	-1,869
1995 Q3	38,760	42,337	-3,577	1,428	-2,149
1995 Q4	39,643	42,412	-2,769	936	-1,833
Dec-Fe b	39,977	43,495	-3,518	-	-

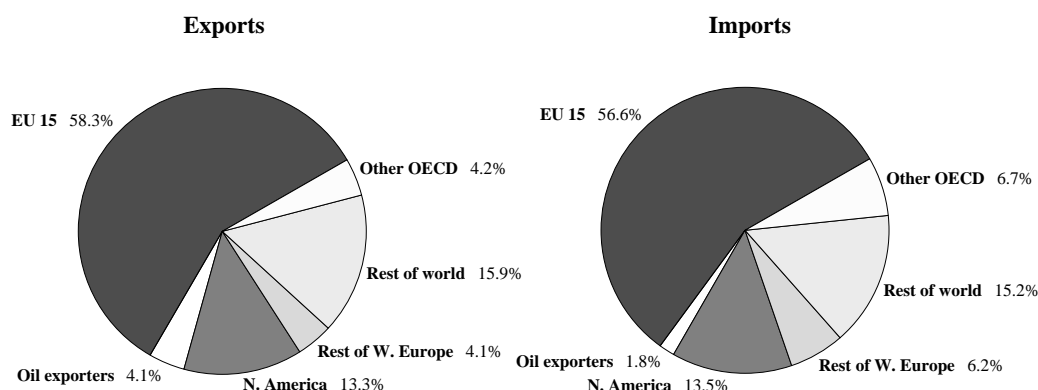
Source: ONS database; ONS First Release (96)22, dated 29 April 96

- * **Visible balance** - The deficit for 1995 is estimated to have increased to some £11.6 billion from £10.8 billion in 1994. In the final quarter of 1995 the deficit is estimated to have fallen to £2.8 billion from £3.6 billion in the third quarter of 1995 and £3.1 billion in the final quarter of 1994. The visible balance for the first two months of 1996 is estimated at just under £3 billion. In the three months ended February 1996, the visible deficit was £3.5 billion. This compares with £3.3 billion in the previous three monthly period and £2.8 billion in the fourth quarter of 1995. Although the trade figures are erratic, the UK's visible deficit seems to be widening.
- * **Invisible balance** - The invisible surplus in the fourth quarter of 1995 is estimated at £0.9 billion, representing a significant deterioration on the previous quarter and the same quarter in 1994.
- * **Current balance** - This was in a deficit of £1.8 billion in the fourth quarter of 1995 compared with a deficit of £2.2 billion in the third quarter. The latest Treasury summary of independent forecasts suggests current account deficits of £6.2 billion in 1996 and £7.8 billion in 1997. The previous month's summary indicated a deficit of £4.9 billion in 1996 and £6.6 billion in 1997.

Next update: 30 May

E 2. Visible Trade

Shares of visible trade by area:1995
BoP basis



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

	<i>Volume Index 1990=100</i>		Trade Balances £ million		
	<i>Exports</i>	<i>Imports</i>	Total visible balance	Excluding oil	Excluding oil and erratic items (a)
1993	107.4	104.8	-13,378	-15,820	-17,405
1994	118.3	108.9	-10,831	-14,734	-15,489
1995	125.8	112.7	-11,550	-15,833	-16,784
1994 Q4	123.2	113.2	-3,058	-4,002	-3,860
1995 Q1	124.7	109.6	-1,903	-3,163	-3,747
1995 Q2	124.3	112.6	-3,301	-4,328	-4,219
1995 Q3	127.4	115.7	-3,577	-4,397	-4,531
1995 Q4	126.6	113.1	-2,769	-3,945	-4,287
Dec-Feb	126.7	115.4	-3,518	-4,837	-5,015

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

Source: ONS database, ONS First Release (96)22 dated 29.4.96

* **Trade by area** - In 1995 the enlarged European Union (EU 15) received 58.3% of UK exports and supplied 56.6% of all UK imports. In three months to February, the value of UK exports increased in the main areas of the world, such as EU and other OECD countries, except to oil exporting countries and western Europe, excluding the EU.

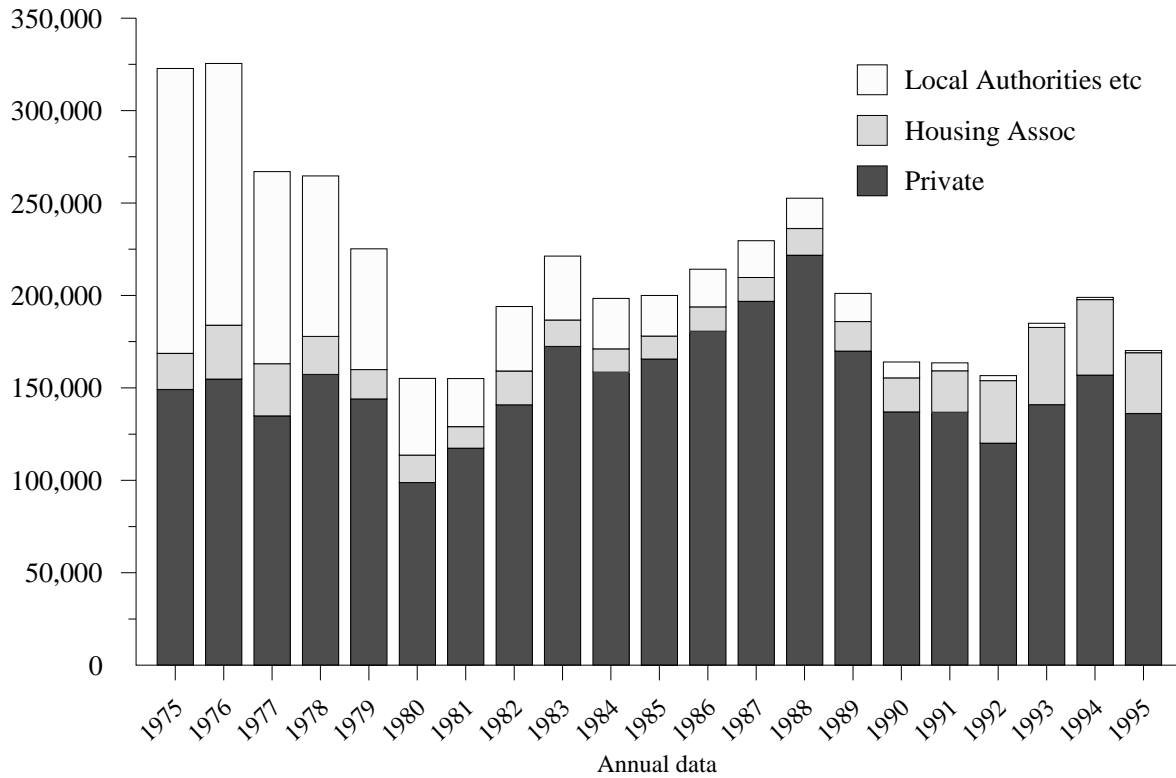
* **Volume of Trade (excluding oil and erratics)** - In the three months to February 1996, the volume of exports fell half per cent while imports rose one and half per cent compared with the previous three months. Latest estimates show exports volumes fairly flat and import volume rising slightly. In 1995 as a whole the volume of exports (including oil and erratics) rose by 6¼% whereas the volume of imports rose by 3½% compared with 1994.

* **Trade in oil** - The surplus on trade in oil in 1995 was £4.3 billion compared with £3.9 billion in 1994, reflecting a rise in volume of crude oil exports and a fall in the volume of crude oil imports. This trend has continued for the three months ending February 1996.

* **Non-EC countries** - The non-EU visible trade deficit in March is provisionally estimated at £0.6 billion. Provisional estimates of volume (excluding oil and erratics) show exports up three per cent and imports down three per cent compared to February.

Next update: 30 May

F 1. Housing Starts



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

	Private	Housing Assocs	Local Auth's etc	Total
1991	136.8	22.4	4.3	163.5
1992	120.1	33.8	2.7	156.7
1993	140.9	41.8	2.2	184.9
1994	156.9	40.8	1.3	199.0
1995	136.1	32.9	1.2	170.2
<i>seasonally adjusted</i>				
1995 Q3	33.2	7.7	0.3	41.2
1995 Q4	31.1	7.5	0.2	38.8
Dec 95	11.1	2.3	0.0	13.4
Jan 96	10.3	1.9	0.1	12.3
Feb 96	10.4	2.0	0.0	12.4

* Seasonally adjusted total starts in Dec 1995 - Feb 1996 were unchanged on the previous three months, but 19% lower than Dec 1994 -Feb 1995.

* Overall starts in 1995 were 25% below their level in 1979 and 15% lower than in 1994.

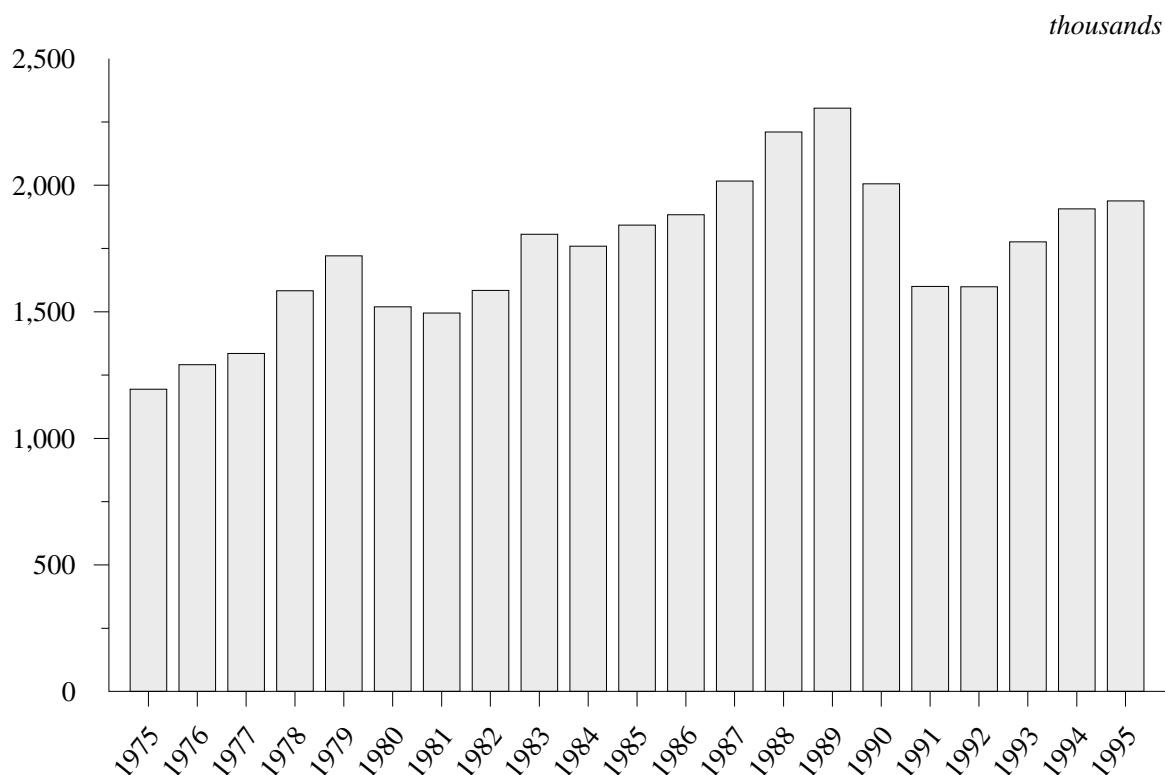
* Local authorities started only 1,200 dwellings in 1995 - 0.7% of the total.

* Housing association starts fell by 19% in 1995 and private starts fell by 13%.

Source: DoE Information Bulletin (169), 4 April 1996

Next update: 9 May

F 2. New Registrations of Cars



New Registrations of Cars

not seasonally adjusted

	Number thousands	Change over 12 months
1990	2,009	-12.7%
1991	1,592	-20.7%
1992	1,594	0.1%
1993	1,778	11.6%
1994	1,911	7.5%
1995	1,945	1.8%
1996 (forecast)	1,970	1.3%
Jan - Mar 1996	531	1.1%
Mar 1996	180	-0.9%

* The Department of Transport has ceased monthly publication of vehicle registration statistics. The contents of this page are under review.

* Latest annual figures from the SMMT show 1.95 million new registrations of cars in 1995 - 1.8% higher than 1994.

* there were 180,275 cars registered in March 1996, a reduction of 0.9% on March 1995.

* there were 531,049 cars registered in January to March 1996, an increase of 1.1% on the first three months of 1995.

* 61% of cars registered in March 1996 were imported.

* 19% of cars registered in March 1996 were diesel and 57% were fleet or business registrations.

Source: SMMT "Monthly Statistical Review" March 1996

Next update: early May

F 3. Retail Sales



Retail Sales Volume Index: All Retailers

	Index Number 1990=100	12 Month Change	
1991	98.7	-1.3%	
1992	99.4	0.7%	*
1993	102.4	3.0%	
1994	106.2	3.7%	*
1995	107.5	1.2%	
1995 Sep	107.3	-0.1%	
Oct	107.3	0.2%	*
Nov	108.6	1.6%	
Dec	108.8	1.7%	
1996 Jan	108.0	2.2%	
Feb	108.9	2.1%	
Mar	109.1	2.2%	

Note: weekly average, seasonally adjusted

Source: ONS database series EA PS

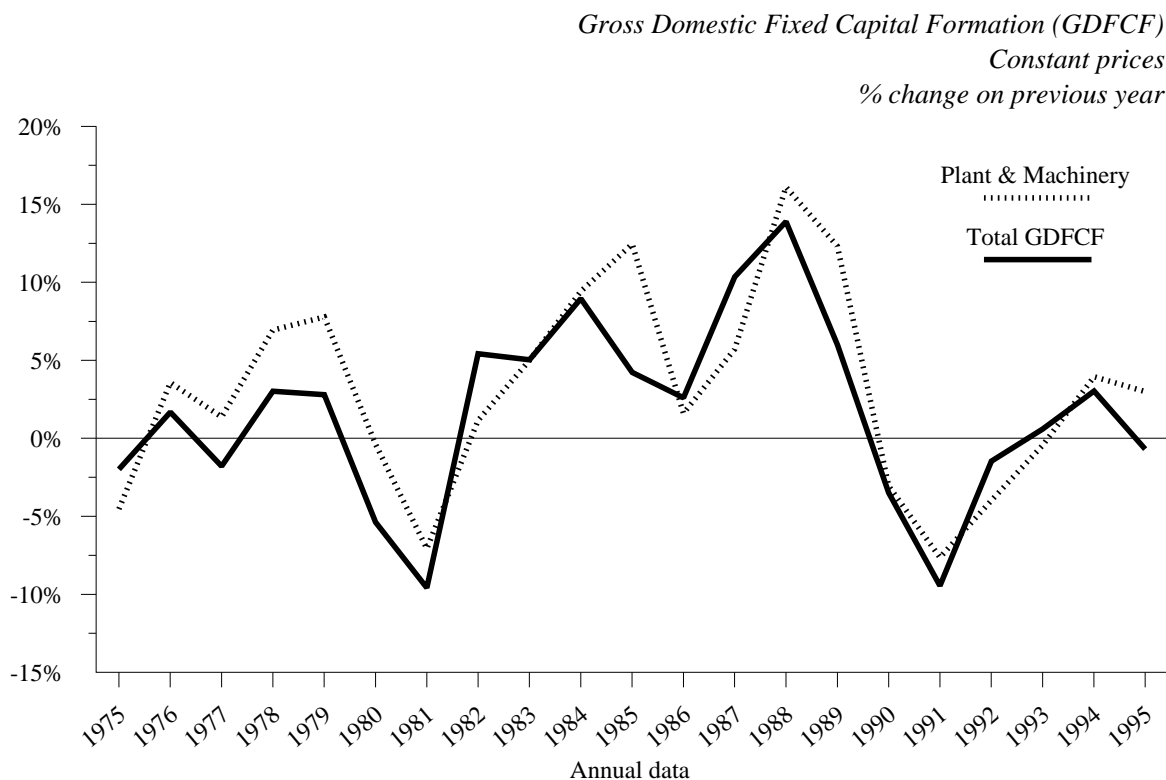
* Retail sales volume index increased by 1.2% in 1995 over 1994 (subject to revision).

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

* Sales in the most recent 3-month period were 0.4% up on the previous 3 months.

Next update: 23 May

F 4. Investment



GDFCF (£ million) at 1990 prices, seasonally adjusted

	Vehicles, Ships & Aircraft	Plant & Machinery	Other New Building Work (i)	Dwellings	Total
1991	8,008	33,955	37,521	17,919	97,403
1992	7,787	32,602	37,249	18,335	95,973
1993	8,438	32,453	36,248	19,399	96,538
1994	9,130	33,735	36,438	20,149	99,452
1995	8,562	34,745	35,779	19,671	98,757
1994 Q 4	2,411	8,513	8,982	4,955	24,861
1995 Q 1	2,000	8,624	9,137	5,123	24,884
1995 Q 2	2,350	8,675	8,658	4,991	24,674
1995 Q 3	2,058	8,694	8,927	4,795	24,474
1995 Q 4	2,154	8,752	9,057	4,762	24,725

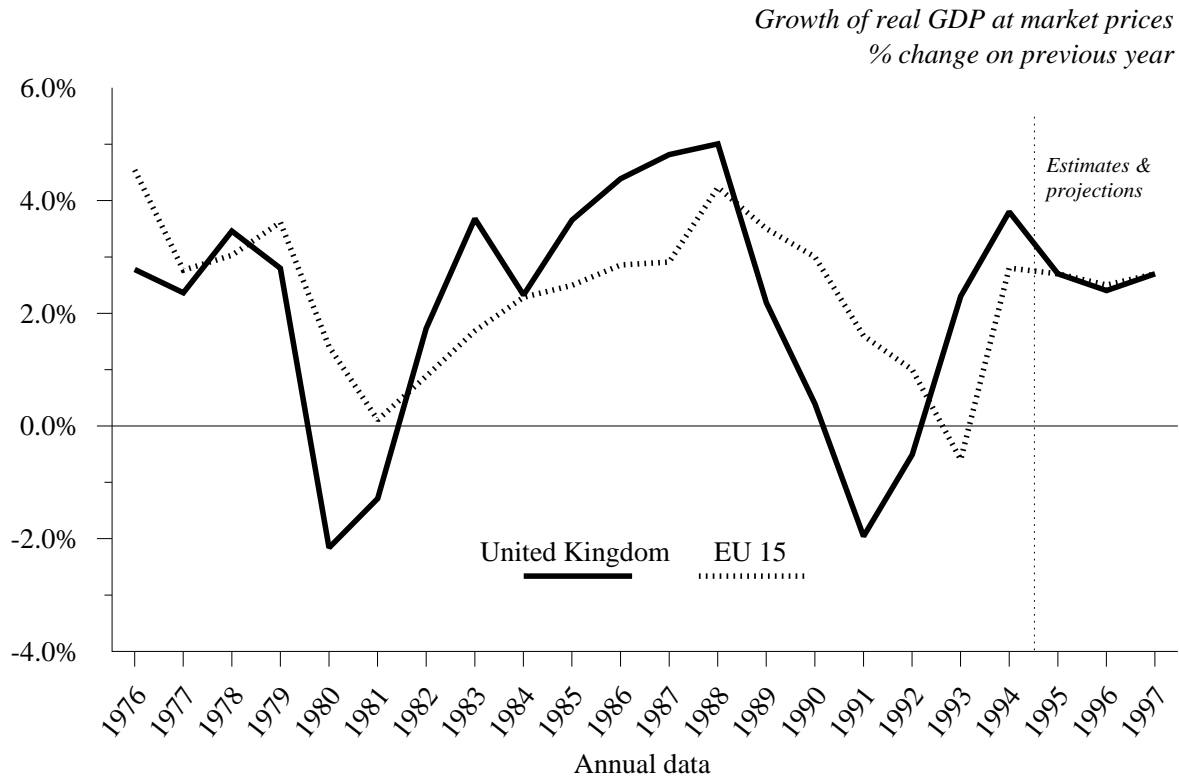
Note (i) including transfer of costs of land and buildings

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

- * GDFCF is expenditure on fixed assets (buildings, vehicles etc.) either for replacing or adding to the stock of existing assets.
- * In 1995 total GDFCF (at 1990 prices) is estimated to have fallen by 0.7% compared to 1994 following a rise of 3% between 1993 and 1994. In 1995 GDFCF was still 11.4% lower than the peak in 1989.
- * In the fourth quarter of 1995, total GDFCF rose by 1% compared to the previous quarter and was 0.5% lower than in the same period in 1994. The reductions occurred in vehicles, ships & aircraft and (public sector) dwellings.

Next up-date: 24 May

G 1. International Comparisons: Growth



Annual Growth of GDP at Constant Market Prices

	1992	1993	1994	1995	1996	1997
				<i>estimate</i>	<i>projection</i>	<i>projection</i>
United States	2.3%	3.1%	4.1%	3.3%	2.7%	2.8%
Japan	1.1%	-0.2%	0.5%	0.3%	2.0%	2.7%
Germany	2.2%	-1.2%	2.9%	2.1%	2.4%	2.7%
France	1.3%	-1.5%	2.9%	2.7%	2.2%	2.7%
Italy	0.7%	-1.2%	2.2%	3.1%	2.7%	2.5%
United Kingdom	-0.5%	2.3%	3.8%	2.7%	2.4%	2.7%
Canada	0.8%	2.2%	4.6%	2.4%	3.0%	4.0%
OECD	1.6%	1.2%	2.9%	2.4%	2.6%	2.8%
EU 15	1.0%	-0.6%	2.8%	2.7%	2.5%	2.7%

Source OECD Economic Outlook December 1995 table A1

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

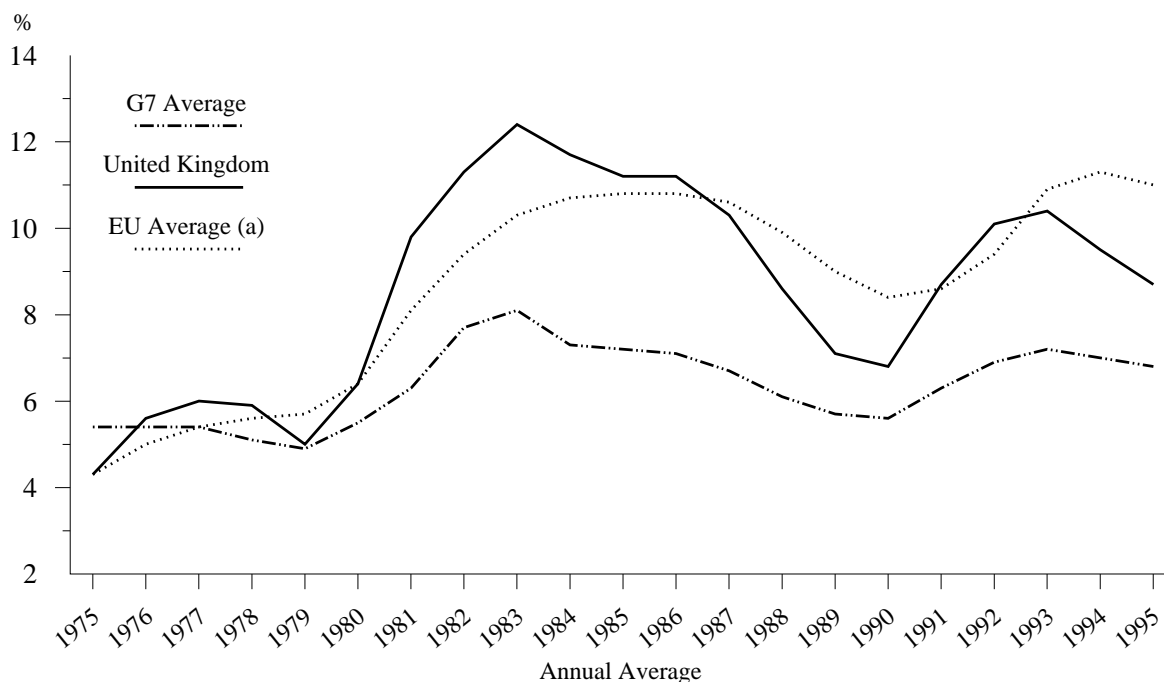
* The latest data for the UK suggest that GDP at constant market prices grew by 2.4% in 1995.

* The Treasury's forecast in the Budget suggested that UK GDP at constant factor cost will grow by 3% in 1996 and by 3¼% in the first half of 1997. The latest Treasury summary of independent economic forecasts suggests that growth in the UK will be 2.3% in 1996 and 3.1% in 1997.

Next update: mid-June

G 2. International Comparisons - Unemployment

% of labour force
standardised



(a) EU 15 from 1992 onwards

Unemployed as % of labour force
Standardised and seasonally adjusted

	1994	1995	1995 Q3	1995 Q4	1996 Q1
Canada	10.3	9.5	9.4	9.4	..
USA	6.0	5.5	5.6	5.5	5.6
Japan	2.9	3.1	3.2	3.3	..
Australia	9.7	8.5	8.3	8.4	8.4
Belgium	9.6	9.4	9.4	9.5	9.5
Finland	18.2	17.1	16.9	16.7	..
France	12.3	11.6	11.5	11.6	..
Germany	8.4	8.2	8.2	8.5	..
Ireland	14.3	12.9	12.8	13.0	13.0
Italy	11.1	..	12.1
Netherlands	6.8	6.5	6.4	6.4	..
Portugal	6.8	7.1	7.0	7.1	..
Spain	23.8	22.7	22.8	22.5	..
Sweden	9.8	9.2	8.9	9.4	..
UK	9.5	8.7	8.7	8.6	8.4
EU 15 (a)	11.3	11.0	11.0	11.0	..
G7	7.0	6.8	6.8	6.8	..
OECD (b)	7.9	7.5	7.5	7.6	..

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

* In 1995 Q4 the Netherlands had the lowest unemployment rate of the EU countries included in the table (6.4% of the workforce).

* In 1995 Q4 Spain had the highest unemployment rate (22.5% of the workforce).

* Latest figures for Q4 show an uptum in unemployment in Australia, Belgium, France, Germany, Ireland, Portugal and Sweden, whilst unemployment rates fell slightly in the USA, Finland, Spain and the UK.

* Unemployment in the new EU member states in 1995 Q4 was 16.7% in Finland and 9.4% in Sweden (standardised rates for Austria are not available).

Note: (a) Excl. Austria, Denmark, Greece & Lux'bourg.

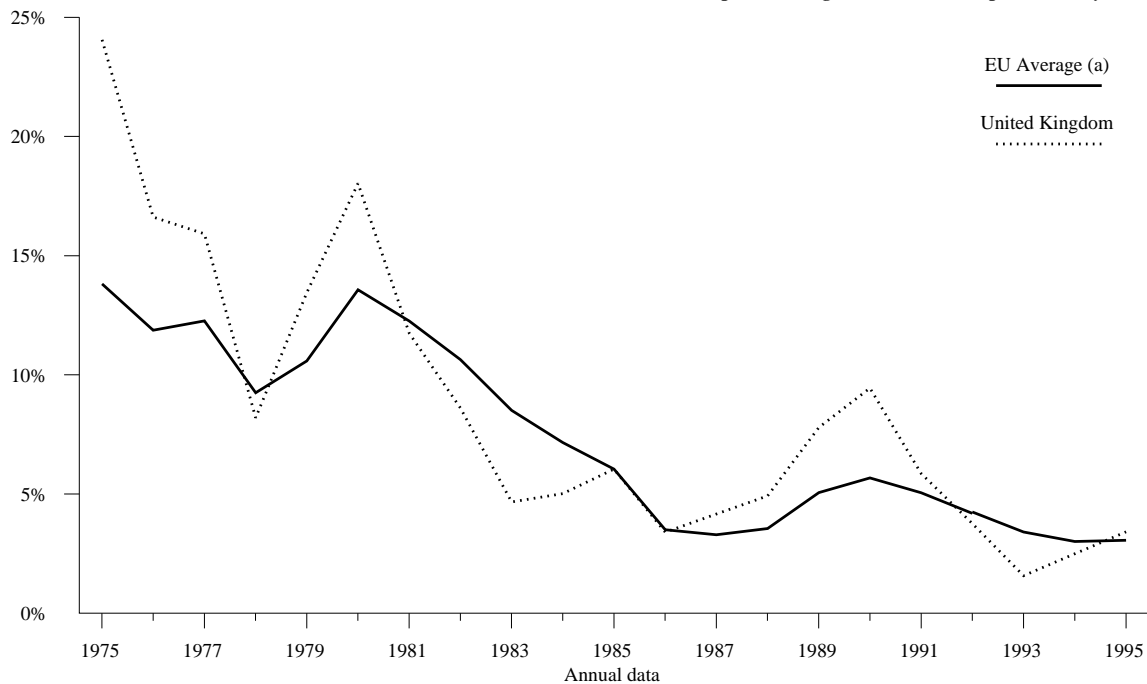
(b) Average of eighteen countries.

Source: OECD Key Economic Indicators

Next update: early May

G 3. International Comparisons - Prices

*Consumer Price Index
percentage increase on previous year*



(a) EU 15 from 1992 onwards

Consumer Price Index - percentage change over 12 months

	1993	1994	1995	Dec 95	Jan 96	Feb 96
United States	2.9	2.6	2.8	2.5	2.7	2.7
Japan	1.3	0.7	-0.2	-0.3	-0.4	-0.1
Germany (West)	3.6	2.6	1.8	1.8	1.5	1.6
France	2.1	1.8	1.6	2.1	2.0	2.0
Italy	4.4	4.0	5.2	5.6	5.4	4.9
United Kingdom	1.6	2.5	3.4	3.2	2.9	2.7
Canada	1.8	0.2	2.1	1.7	1.6	0.5
EU	3.4	3.0	3.1	3.0	2.8	2.7

Source: Eurostat

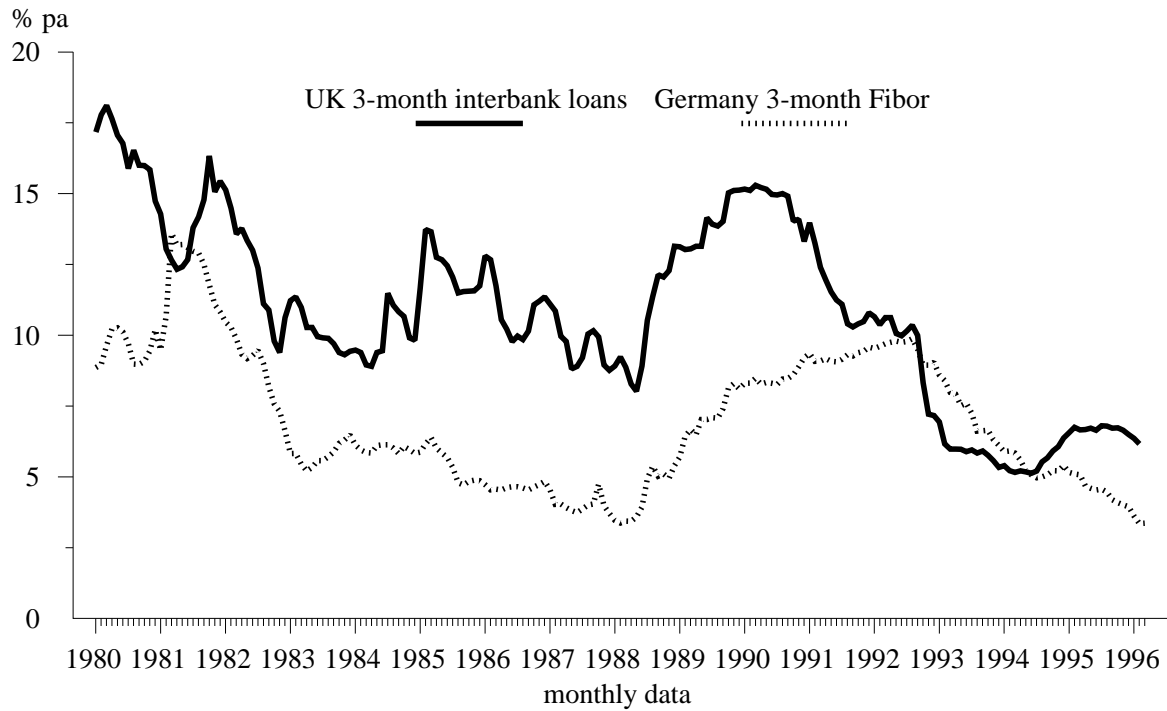
* The UK inflation rate in February 1996 (2.7% pa) was jointly the second highest among G7 countries (together with the USA); only Italy had a higher level of inflation (5.7% pa). The UK rate was the same as EU15 average rate. Japan currently has a negative rate of inflation (-0.1% pa).

* In February 1996 Greece had the highest inflation rate (8.5% pa) out of the fourteen EU countries for which figures are available (excludes Austria). Finland had the lowest inflation rate in the EU (0.5% pa). The following countries had inflation rates of 2% pa or lower: Finland, Belgium, Denmark, France, (former West) Germany, Ireland, Luxembourg, the Netherlands and Sweden.

Next update: late May

G 4. International Comparisons - Interest Rates

*Short-term Interest Rates
per cent per annum*



Short-Term Interest Rates as at 29 Apr 1996

	3-month rate (% pa)
London	$6\frac{1}{32}$
New York	$5\frac{13}{32}$
Frankfurt	$3\frac{3}{16}$
Tokyo	$\frac{5}{8}$
Paris	$3\frac{25}{32}$
Milan	$8\frac{15}{16}$
Brussels	$3\frac{7}{32}$

* Short-term interest rates in London are currently some $2\frac{3}{4}\%$ above those in Frankfurt. This follows a period between October 1992 and May 1994 when UK rates were below those in Germany.

* The latest three-month interest rates as at 29 April are shown in the table opposite.

Source: *Financial Times* 30 April 1996

Recent papers on related subjects have been:

Economic policy & taxation

Research Paper

94/80	The Competitive Economy	20.06.94
95/7	A Minimum Wage	17.01.95
95/20	Economic & Monetary Union	14.02.95
95/113	Investment	20.11.95
95/114	The economic background to the November 1995 budget	21.11.95
96/43	The Burden of Taxation	21.03.96
96/51	Unemployment by Constituency: March 1996	17.04.96