

Economic Indicators

Research Paper 96/78

1 July 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.

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
I	
Contacts for further information	5
II	
Subject pages	
A.	
Growth & Output	
1. GDP	6
2. Industrial Production	7
3. Productivity	8
B.	
Wages & Prices	
1. Retail Price & Average Earnings	9
C.	
Labour Market	
1. Employment	10
2. Unemployment: National	11
3. Unemployment: Regional	12
D.	
Finance & Government Borrowing	
1. Interest Rates	13
2. Exchange Rates	14
3. PSBR	15
4. Money Supply	16
E.	
International Trade	
1. Current Balance	17
2. Visible Trade	18
F.	
Other Indicators	
1. Housing Starts	19
2. Vehicle Registrations	20
3. Retail Sales	21
4. Investment	22
G.	
International Comparisons	
1. Growth	23
2. Unemployment	24
3. Prices	25
4. Interest Rates	26

I Contacts for further information

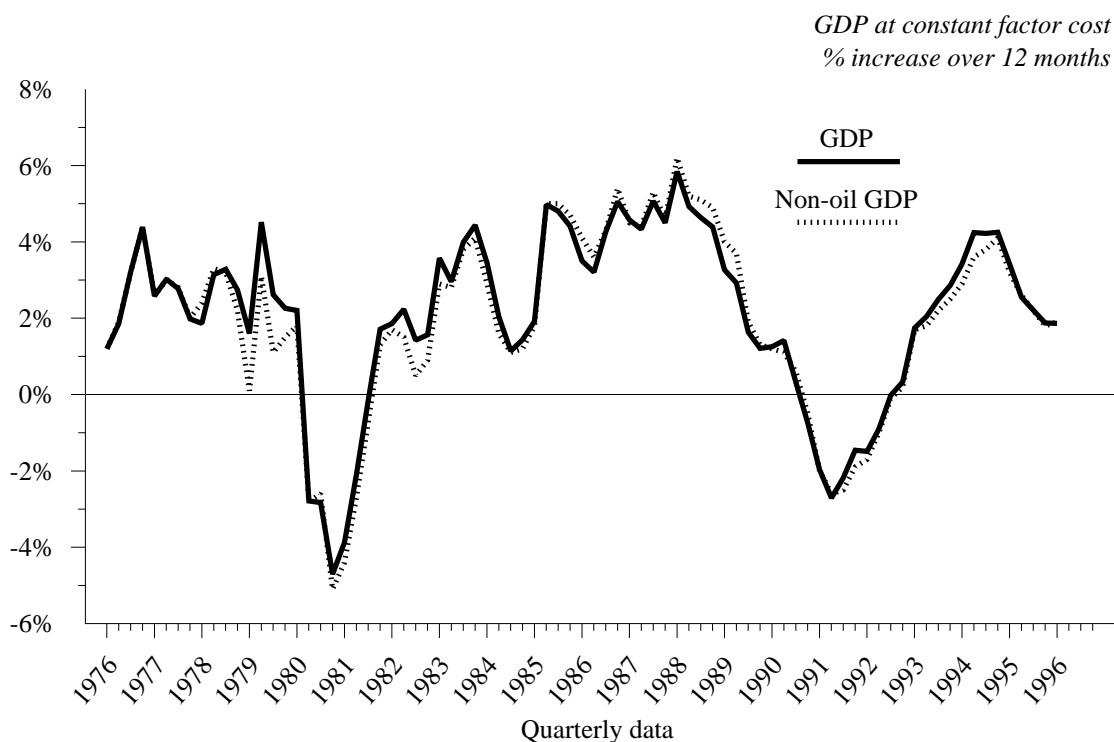
Members and their staff with questions about the currency of or requesting further information on statistics are encouraged to talk to the statistician specialising in the relevant area. The statisticians dealing with the subjects covered by this Research Paper are shown below. (After 6pm there is a 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/Nicola Chedgey	2883/3977
EC finance	Mick Hillyard/Jane Dyson	4324/2464
Employment	Nicola Chedgey/Tim Edmonds	3977/2883
Energy	Graham Vidler	2454
Financial services	Bob Twigger/Tim Edmonds	4904/2883
Housing	Adrian Crompton/Bryn Morgan	6789/3851
Incomes	Bob Twigger/Nicola Chedgey	4904/3977
Industries	Tim Edmonds/Nicola Chedgey	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
Public expenditure	Bob Twigger/Tim Edmonds	4904/2883
Taxation	Bob Twigger/Nicola Chedgey	4904/3977
Trade	Mick Hillyard/Bob Twigger	4324/4904
Transport	Adrian Crompton/Graham Vidler	6789/2454
Unemployment	Jane Dyson/Bob Twigger	2464/4904
Wages & earnings	Tim Edmonds/Nicola Chedgey	2883/3977

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 96/78

A 1. Gross Domestic Product



Gross Domestic Product (GDP)

	GDP <i>at constant factor cost 12 month change</i>	Non-Oil GDP <i>at constant factor cost 12 month change</i>	GDP <i>£ billion at current market prices</i>	GDP <i>£ billion at current factor cost</i>
1993	2.3%	2.1%	631.2	548.0
1994	4.0%	3.6%	668.3	579.2
1995	2.5%	2.4%	700.9	604.3
1995 Q1	3.4%	3.2%	172.5	148.8
1995 Q2	2.5%	2.6%	174.7	150.7
1995 Q3	2.2%	2.2%	175.9	151.7
1995 Q4	1.9%	1.8%	177.8	153.1
1996 Q1	1.9%	1.9%	179.6	154.6

Sources: ONS Database; ONS first release (96) 79 dated 28.6.96

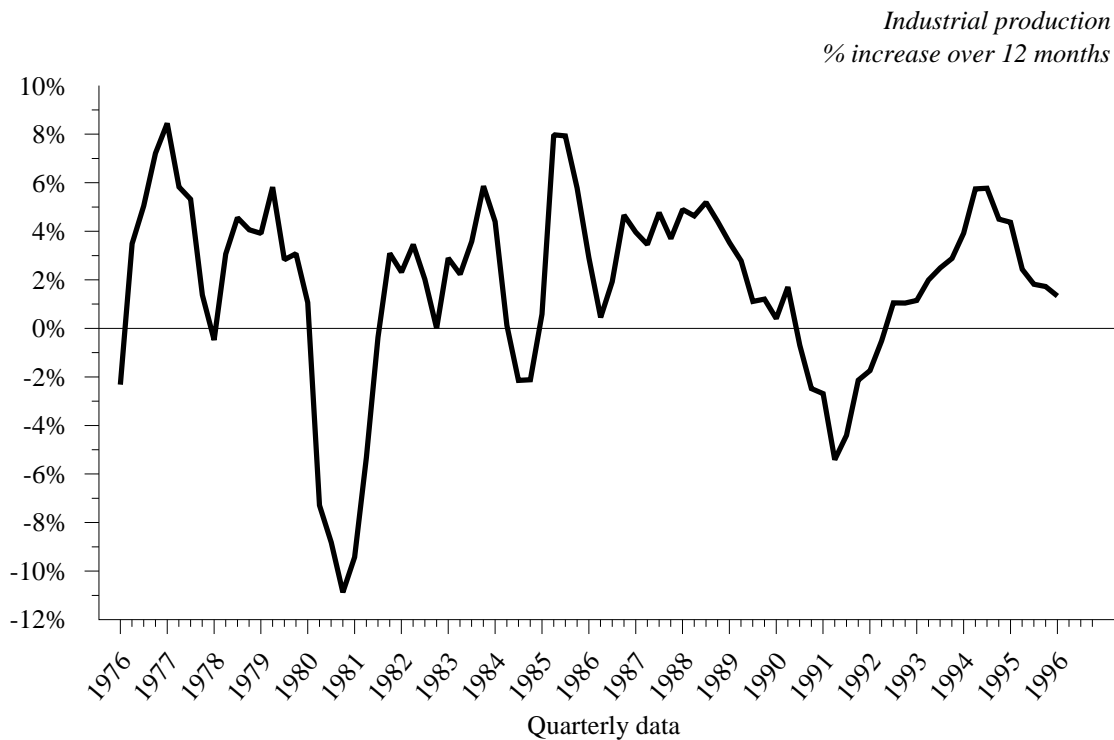
* Real GDP at factor cost is estimated to have risen by 0.4% between the fourth quarter of 1995 and the first quarter of 1996 to a level 1.9% higher than in the first quarter of 1995. For 1995 as a whole, GDP was 2.5% higher than in 1994. The rate of economic growth has slowed significantly in the last year or so from 4.2% in the fourth quarter of 1994 to 1.9% in the first quarter of 1996.

* The latest Treasury summary of independent economic forecasts suggests that UK GDP at constant factor cost will grow by 2.3% in 1996 and 3.2% in 1997. New official forecasts will be published in the *Summer Economic Forecast* on 9 July.

* 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 1.9% 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: 26 July

A 2. Industrial Production



Industrial Production - Index of Output: seasonally adjusted

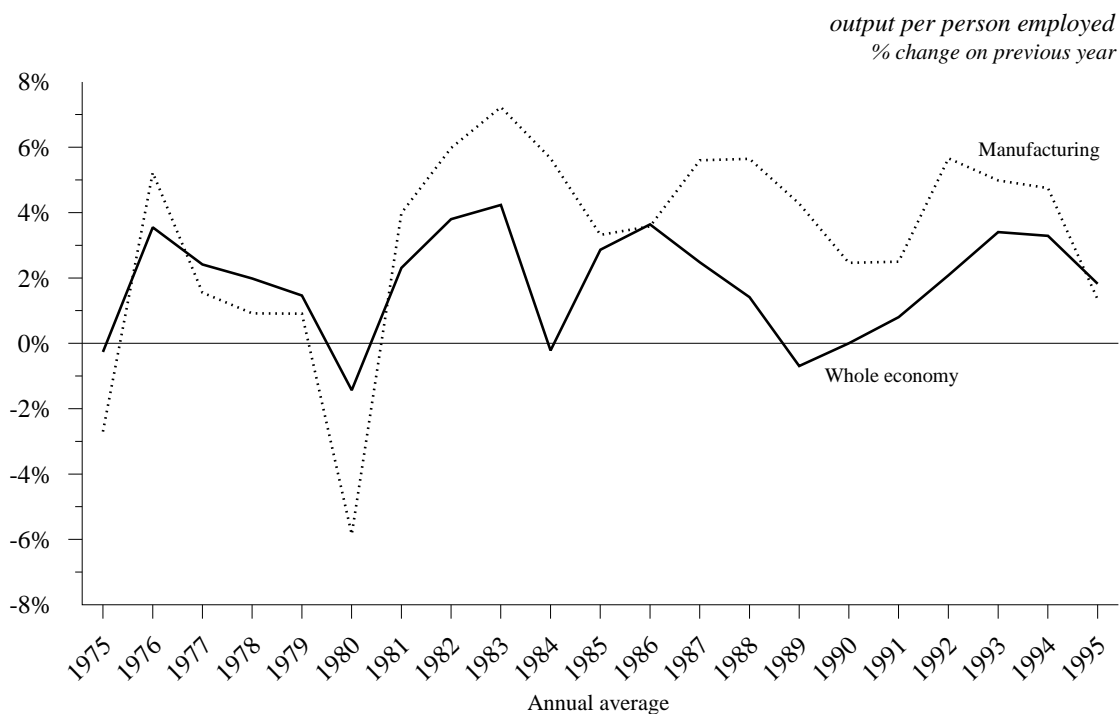
	Total <i>12 month change</i>	Mining & quarrying incl oil & gas <i>12 month change</i>	Manufacturing <i>12 month change</i>	Gas, electricity & water supply <i>12 month change</i>
1993	2.2%	6.9%	1.4%	4.1%
1994	5.0%	14.9%	4.2%	1.2%
1995	2.6%	5.2%	2.2%	3.2%
1995 Q1	4.4%	10.0%	3.5%	4.8%
1995 Q2	2.4%	1.2%	2.6%	2.2%
1995 Q3	1.8%	4.5%	1.8%	-0.8%
1995 Q4	1.7%	5.3%	0.8%	6.7%
1996 Q1	1.3%	0.6%	0.8%	6.1%
Feb - Apr 1996	1.0%	0.4%	0.5%	7.2%

Source: ONS database; ONS first release (96) 59 dated 11.6.96

- * In the three months to April 1996, total industrial production was 0.3% higher than in the previous three months and 1.0% higher than in the same period a year earlier. This compares with annual growth rates in excess of 5% in 1994. In April, output was 0.7% lower than its March level.
- * Compared with the three months to January, overall manufacturing production in the period February to April was unchanged. Over this period growth was strongest in the food, drink & tobacco sector (+1.4%) and weakest in coke, petrol refining & nuclear fuels (-1.6%).
- * 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 0.7% higher and production in the gas, electricity & water supply industries was 2.1% higher. Over the same period, the index for oil and gas extraction increased by 1.2%.

Next update: 8 July

A 3. Productivity



**Manufacturing Productivity Index
12 month percentage change**

Annual average	Output per head
1991	2.5%
1992	5.7%
1993	5.0%
1994	4.7%
1995	1.3%
Monthly data	
Apr 1995	2.3%
May 1995	1.3%
Jun 1995	1.9%
Jul 1995	0.8%
Aug 1995	1.3%
Sep 1995	1.0%
Oct 1995	0.2%
Nov 1995	-0.5%
Dec 1995	-0.6%
Jan 1996	1.2%
Feb 1996	0.2%
Mar 1996	0.9%
Apr 1996	0.8%

* In 1993 and 1994, output per person in manufacturing grew at around 5%. However, the growth in manufacturing productivity slowed in 1995, matching the fall in the growth of manufacturing output. Overall output per head in 1995 was just 1.3% higher than in 1994. Manufacturing productivity growth was actually negative in the last two months of 1995, but has been positive throughout the first four months of 1996.

* 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 3.4% and 3.3% respectively. In 1995 productivity growth fell to 1.8%.

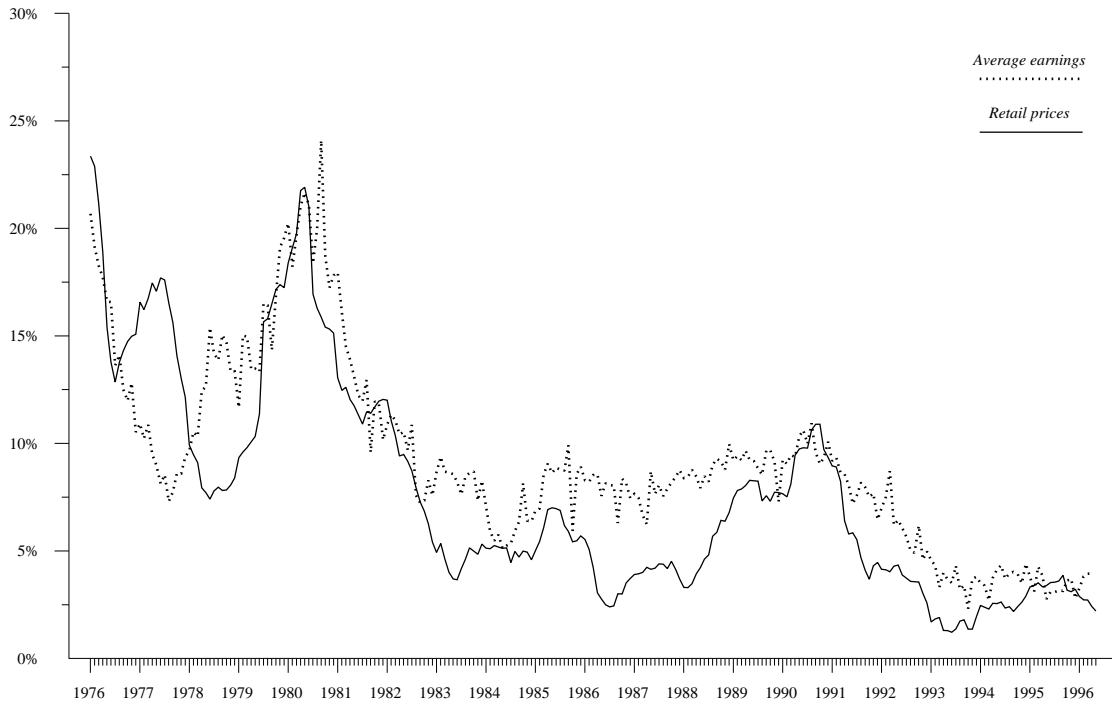
* Data showing output per hour in manufacturing have been temporarily withdrawn. New indices are being constructed and should be available later this year.

Source: ONS Database (series DMOB)

Next update: 17 July

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		
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	3.9
Mar 1996	2.7	4.0
Apr 1996	2.4	4.0
May 1996	2.2	..

Inflation - consumer prices as measured by the all items RPI rose by 2.2% in the year to May 1996, lower than the increase of 2.4% in the year to April 1996.

Excluding the effect of mortgage interest payments (MIPs), RPI(X) rose by 2.8% in the year to May 1996. Excluding the effects of MIPs and indirect taxes (RPI(Y)), prices rose by 2.3%.

Earnings - average gross earnings of employees in Great Britain rose by 4.0% in the year to April 1996. The underlying rate, which takes account of staged agreements and bonuses, is estimated to be 3¾%.

This rise puts the actual level of average earnings of full-time employees at around £349.80 per week or £18,200 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.

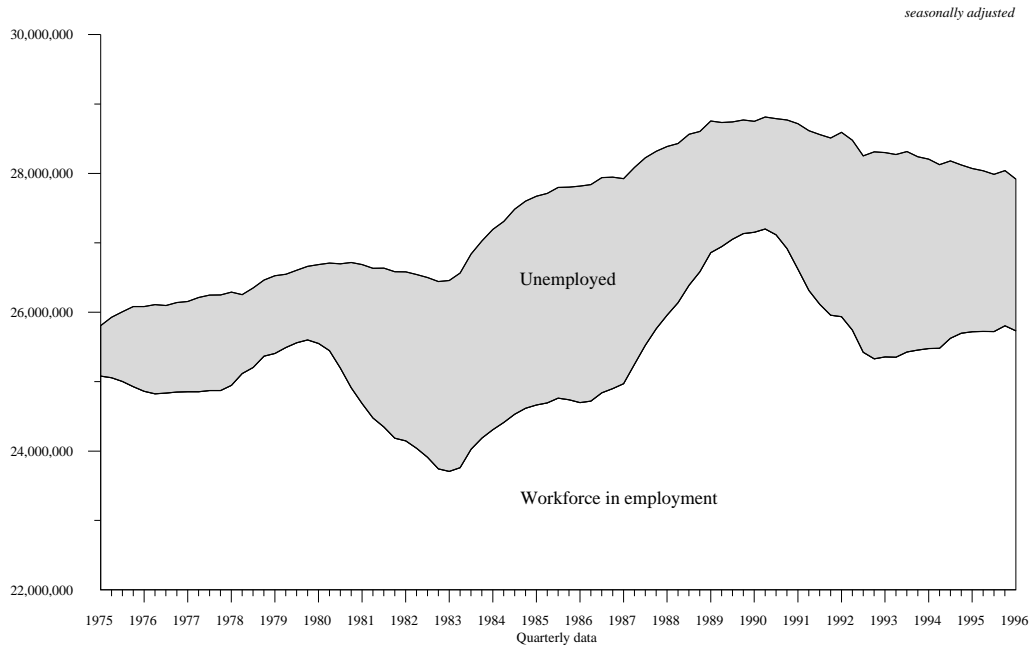
The latest summary of independent forecasts suggests that the RPI (less MIPs) will rise by 2.7% in the year to the fourth quarter of 1996 and by 2.9% in the year to the fourth quarter of 1997.

Independent forecasts predict average earnings to rise by 3.8% in 1996 and 4.5% in 1997.

Sources: ONS Database series CHAW & DNAB

Next update: Prices 11 July
Earnings 17 July

C 1. Employment



United Kingdom; seasonally adjusted; thousands

March	Employees in employment	Self employed	Work related		Workforce in employment
			HM Forces	govt-supported training	
1992	22,019	3,259	293	363	25,934
1993	21,559	3,167	275	354	25,356
1994	21,625	3,274	254	323	25,476
1995	21,844	3,371	233	270	25,719
1996	21,985	3,302	222	221	25,731
Changes 1995 to 1996					
000s	141	-69	-11	-49	12
%	0.6%	-2.0%	-4.7%	-18.1%	0.0%

Source: ONS First Release: Labour Market Statistics (ONS(96)61)

* The workforce in employment in March 1996 was 12,000 higher than in March 1995 and 325,000 higher than in March 1979. The increase in the number of employees in employment over the last year was largely offset by falls in the number self-employed, HM Forces and those on government-supported training schemes.

* In March 1996, 46% of the workforce in employment were female.

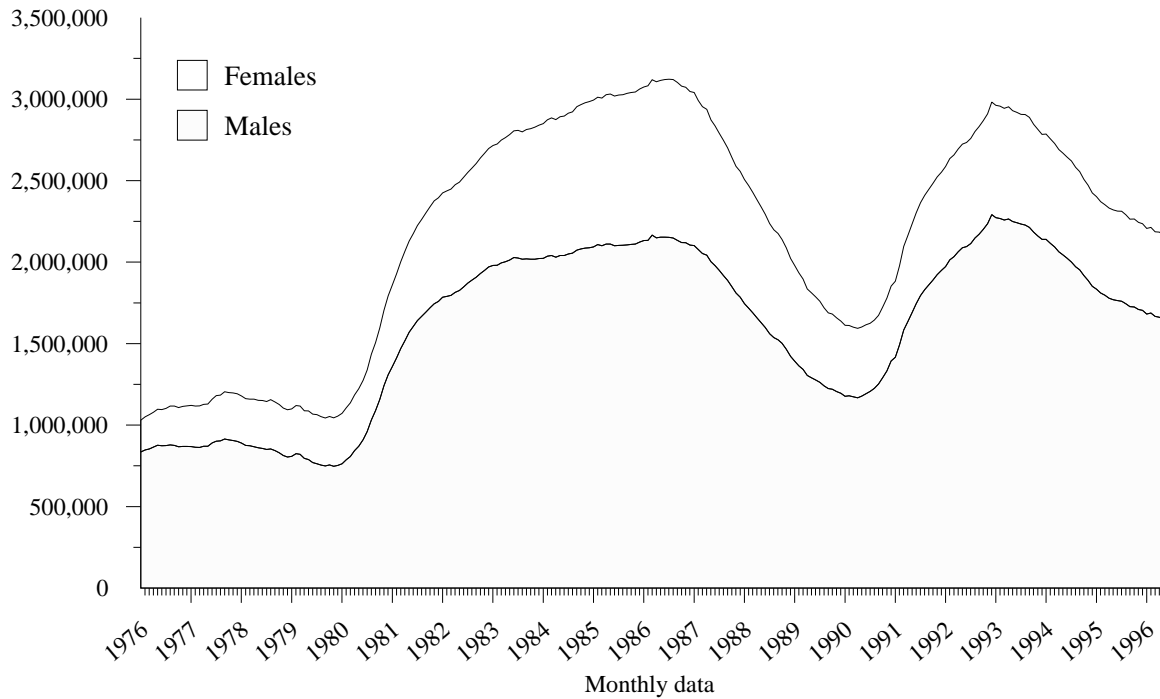
* The self-employed in March 1996 represented 13% of workforce in employment compared to 8% in March 1979.

* In March 1996 11% of male and 47% of female employees were part-time, totalling 6.2 million employees.

Next update: 17 July

C 2. Unemployment: National

*Unemployed claimants: UK
seasonally adjusted*



<i>Seasonally adjusted</i>		
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 6.6% in the year to May 1996. The May 1996 total is

- 20% lower than April 1992
- 24% lower than in June 1987
- 23% lower than in June 1983
- 99% higher than in May 1979

(all figures adjusted for seasonality and discontinuities)

Monthly data		
	Number	% of workforce
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	2,186,700	7.8
Apr 1996	2,182,400	7.8
May 1996	2,167,600	7.7

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

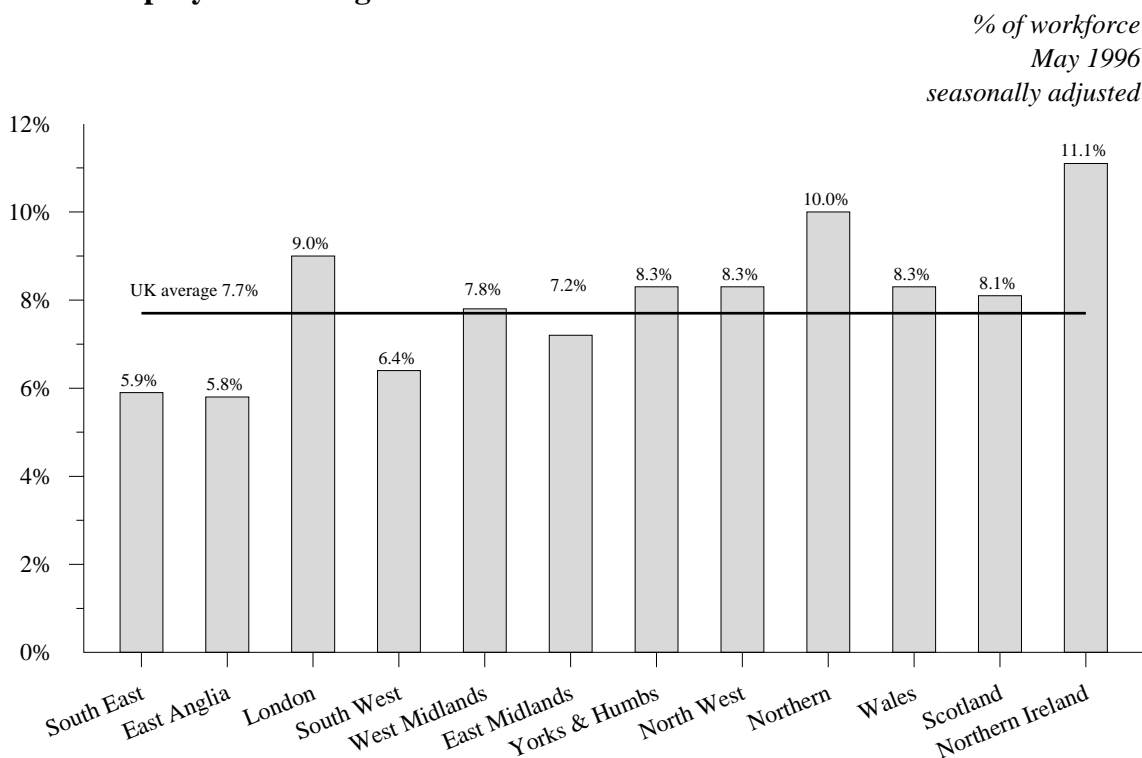
- 10.5% for males
- 4.2% for females
- 7.7% overall

Forecasts - an average of independent forecasters predicts that unemployment will fall to 2.11 million by the fourth quarter of 1996 and 1.97 million by the fourth quarter of 1997.

Source: ONS - NOMIS Database

Next update: 17 July

C 3. Unemployment: Regional



%change May 1995 to 1996

Region	%
South East (Excl. London)	-9.9
East Anglia	-6.0
London	-7.4
South West	-8.2
West Midlands	-8.0
East Midlands	-7.2
Yorks & Humbs	-5.9
North West	-6.0
Northern	-6.0
Wales	-1.9
Scotland	-1.8
Northern Ireland	-3.1
United Kingdom	-6.6

% Rates - as a proportion of the workforce, May unemployment rates are higher than the national average of 7.7% in eight regions:

Region	%
Northern Ireland	11.1
Northern	10.0
London	9.0
Yorkshire and Humberside	8.3
North West	8.3
Wales	8.3
Scotland	8.1
West Midlands	7.8

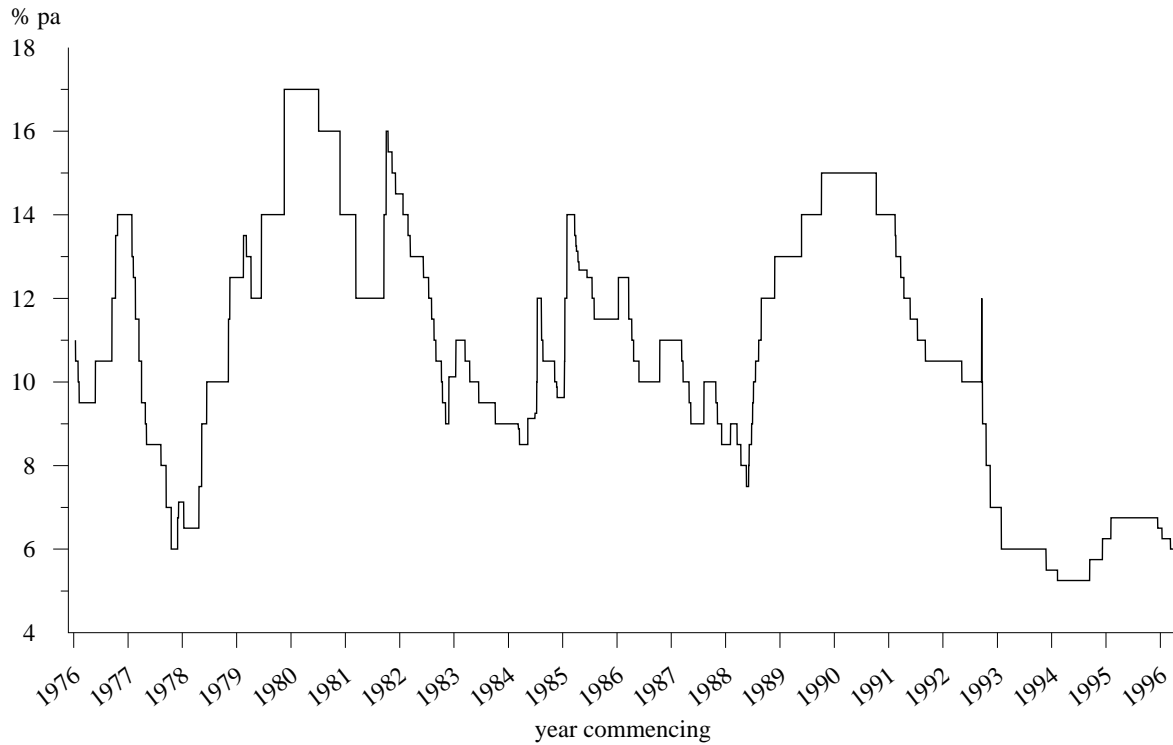
Rates of change - In May the number of unemployed claimants in the UK was 14,800 lower than the April figure. Unemployment levels are now lower than 12 months ago in every region of the United Kingdom. The largest falls have been in the South East, South West and West Midlands, whilst the lowest falls were in Wales and Scotland.

Source: ONS - NOMIS Database

Next update: 17 July

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
	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		June 6	5.75
	Sep 17	10.00			
	Sep 22	9.00			

* June's interest rate cut was justified on the grounds that sterling's recent rise in value was detrimental to manufacturing industry, which was already suffering demand reductions in its European export markets following slow growth, particularly in Germany. 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.

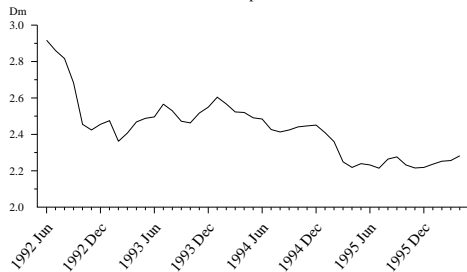
* A rate of 15.0% p.a. was announced on 16th September 1992 but was cancelled before becoming effective.

D 2. Exchange Rates

Sterling Exchange Rate Index
1990=100



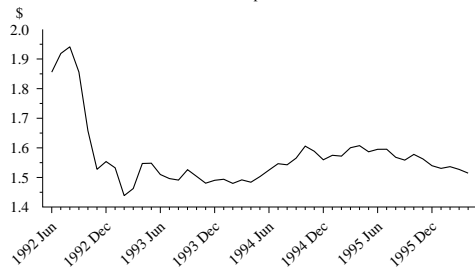
Sterling-Deutschmark Exchange Rate
June 1992-April 1996



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

* The London sterling closing rates at 26th June 1996 were as follows; DM 2.3579; US\$ 1.5425; Yen 168.935.

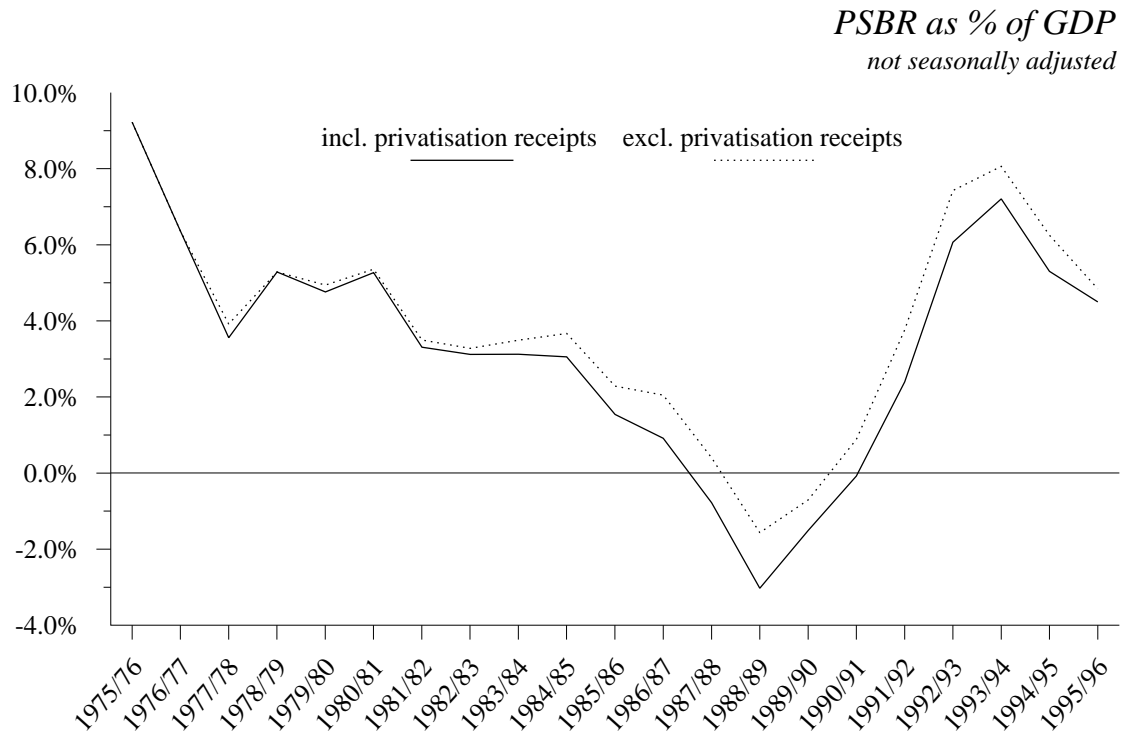
Sterling US Dollar Exchange Rate
June 1992-April 1996



* In a rare display of strength the performance of sterling was one of the more notable 'strong' currencies during May and June. The upward trend was briefly reversed following the cut in interest rates in early June, however much of the ground lost to european currencies has now been regained. One currency dealer noted that there was evidence that the currency of the host of a major sporting event always appreciated prior to the event. Unfortunately the highest level of sterling for more than a year against the DMark could not be translated into a result outside the dealing rooms.

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	4.6%	34.6	4.9%

Source: CSO Database Series ABEN, ABII, CAOB

* The PSBR for the whole of 1995-96 was £32.2 billion (4.6% of GDP) compared to £35.9 billion (5.3% of GDP) in 1994-95. The PSBR excluding privatisation receipts was £34.6 billion (4.9% of GDP) compared to £42.3 billion (6.3% of GDP) in 1994-95.

* The 1995/96 PSBR outturn was higher than both Treasury and independent forecasts. 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 suggested a PSBR for 1995/96 of £29.3 billion and a PSBR of £23.5 billion for 1996/97.

Next update: 16 July

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 June	2.0%	5.7%	8.4%	6.9%
1995 July	2.9%	5.7%	11.5%	8.1%
1995 August	6.4%	6.1%	10.2%	8.5%
1995 September	7.4%	5.5%	9.4%	8.3%
1995 October	5.8%	5.2%	7.2%	9.0%
1995 November	5.4%	5.6%	8.6%	9.4%
1995 December	7.3%	5.7%	10.2%	9.8%
1996 January	5.2%	5.2%	12.7%	10.6%
1996 February	6.6%	6.1%	10.4%	10.1%
1996 March	4.6%	5.4%	11.5%	9.9%
1996 April	7.7%	5.6%	8.7%	10.0%
1996 May	4.9%	6.3%	10.7%	10.0%

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

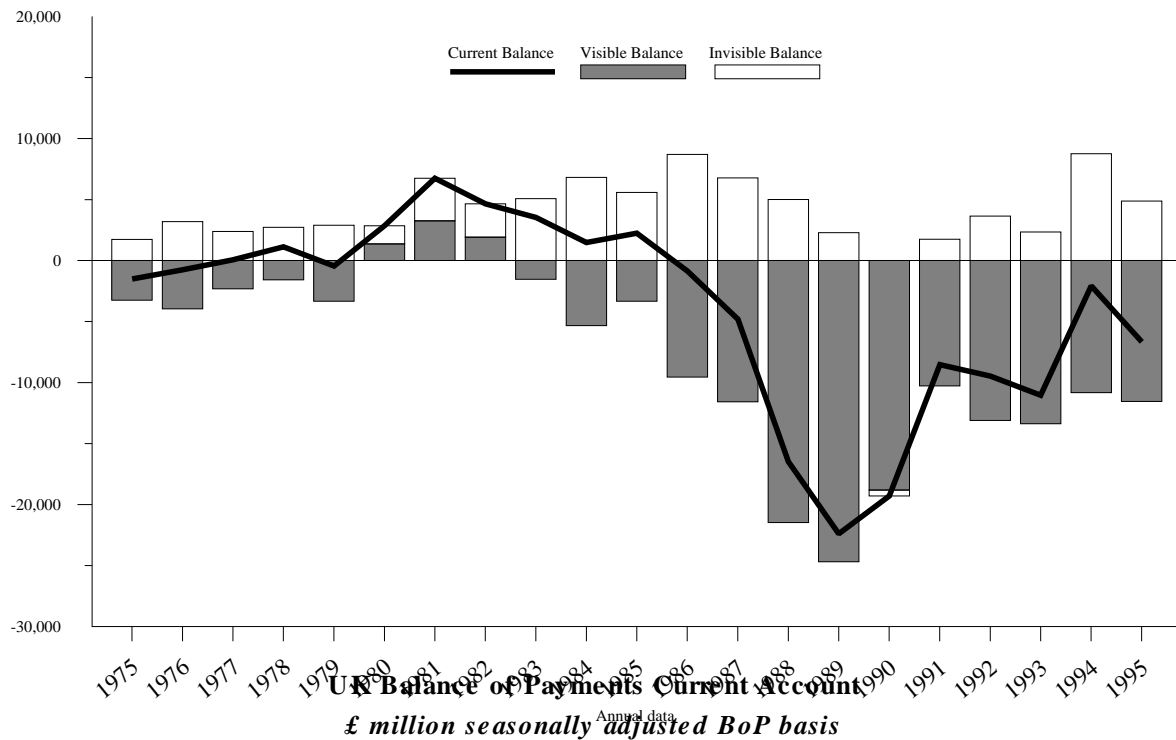
* M0 comprises notes and coins in circulation outside the Bank of England plus bankers' operational deposits with the Bank. M4 is a broad measure of money consisting of the private sector's holdings of cash, and sterling deposits held by the private sector at both banks and building societies.

* 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 July

E 1. International Trade

£ million at current prices



	Trade in goods		Invisible	Current
	Exports	Imports	Balance (a)	Balance
1991	103,413	113,697	-10,284	-8,533
1992	107,343	120,447	-13,104	-9,468
1993	121,409	134,787	-13,378	-11,042
1994	134,666	145,497	-10,831	-2,080
1995	152,346	163,974	-11,628	-6,748
1995 Q1	37,195	38,745	-1,550	-466
1995 Q2	37,260	40,593	-3,333	-1,901
1995 Q3	38,669	42,188	-3,519	-2,091
1995 Q4	39,222	42,448	-3,226	-2,290
Jan-Apr '96	54,256	59,108	-4,852	-

(a) The terms invisible will be dropped from the presentation of trade statistics in future. Figures will show trade in services, investment income and transfers separately instead of grouping them within "invisibles".

Source: ONS database; ONS First Release (96)77, dated 27 June 96

* **Trade in Goods balance** - The deficit for the first four months of 1996 is estimated at £4.9 billion (which translates into a projected annual deficit of some £13.4 billion). In the three months ended April 1996 the deficit on goods was £3.4 billion, which compares with a £3.0 billion deficit in the previous three months. Although the trade figures are erratic, the UK's traded goods' deficit seems to be widening. The term: "visible" has been dropped from official trade statistics in line with new international practice and IMF guidelines.

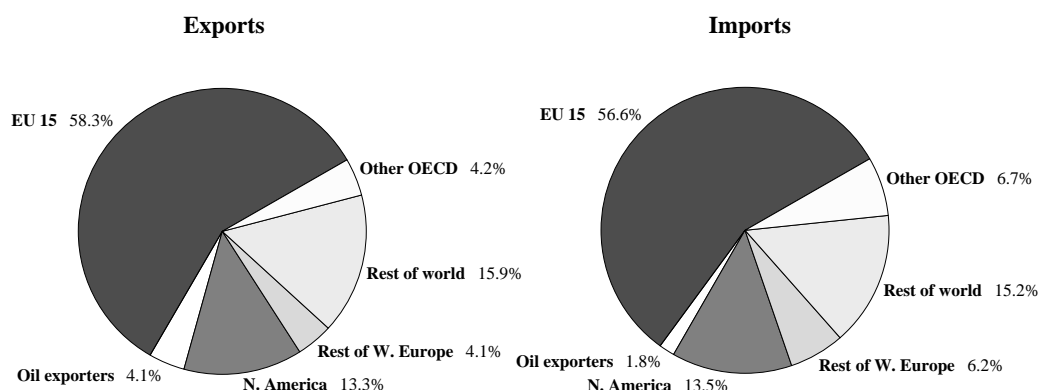
* **Invisible balance** - The general term invisible will also be dropped from future publications and replaced by other terms when the next official Quarterly Trade figures are published. For 1995, however, the invisible surplus in the fourth quarter is estimated at £0.9 billion, representing a significant deterioration on the previous quarter and the same quarter in 1994.

* **Current balance** - This recorded a deficit of £2.3 billion in the fourth quarter of 1995 compared with a deficit of £2.1 billion in the third quarter. The latest Treasury summary of independent forecasts suggests current account deficits of £6.9 billion in 1996 and £8.2 billion in 1997.

Next update: 25 July

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

	Volume Index 1990=100		Trade Balances £ million		
	Exports	Imports	Total visible balance	Excluding oil	Excluding oil and erratic items (a)
1993	107.4	104.8	-13,460	-15,902	-17,487
1994	118.5	109.2	-10,831	-14,734	-15,489
1995	127.1	113.8	-11,628	-15,858	-16,841
1994 Q4	123.7	113.5	-2,917	-3,914	-4,094
1995 Q1	126.5	110.7	-1,550	-2,748	-3,459
1995 Q2	124.3	112.8	-3,333	-4,370	-4,380
1995 Q3	128.9	115.9	-3,519	-4,329	-4,282
1995 Q4	128.8	115.8	-3,226	-4,411	-4,720
1996 Q1	132.5	119.7	-3,530	-4,730	-5,171

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

Source: ONS database, ONS First Release (96)77 dated 27 June 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 the three months ended April 1996, the main growth in exports (in value terms) has come from exports to EU (especially France and Germany), Other Western Europe, North America and other OECD. The value of UK exports increased in the main areas of the world, such as EU and other OECD. The main growth in terms of value of imports has come from the EU (mainly from France), Other Western Europe and Rest of the World.

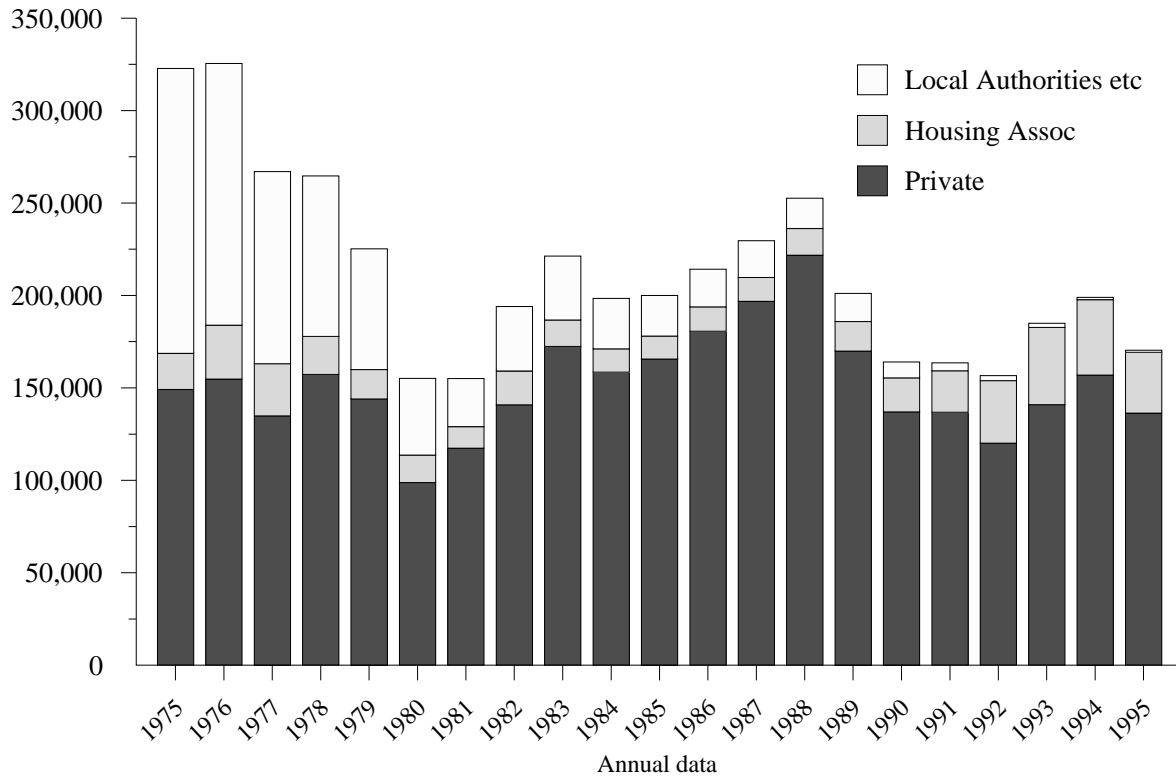
* **Volume of Trade (excluding oil and erratics)** - In the three months to April 1996, the volume of exports rose 3 per cent and imports rose 4 per cent compared with the previous three months. Latest estimates of trends show both export and import volumes rising. In 1995 as a whole the volume of exports (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 the three months ended April 1996 was £1.1 billion compared with £1.2 billion in the previous three months.

* **Non-EC countries** - The non-EU visible trade deficit in May was provisionally estimated at £0.8 billion. Provisional estimates of volume (excluding oil and erratics) show exports up 1½ per cent while imports were little changed compared with the previous month.

Next update: 25 July

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	136.3	32.9	1.2	170.4
<i>seasonally adjusted</i>				
1995 Q4	31.0	7.6	0.3	38.9
1996 Q1	31.9	6.6	0.2	38.7
Feb 96	10.5	2.1	0.0	12.6
Mar 96	11.1	2.6	0.1	13.8
Apr 96	11.2	2.5	0.1	13.8

* Seasonally adjusted total starts in Feb-April 1996 were 5% higher than in the previous three months, but 11% lower than in Feb-April 1995.

* Overall starts in 1995 were 24% below their level in 1979 and 14% lower than in 1994.

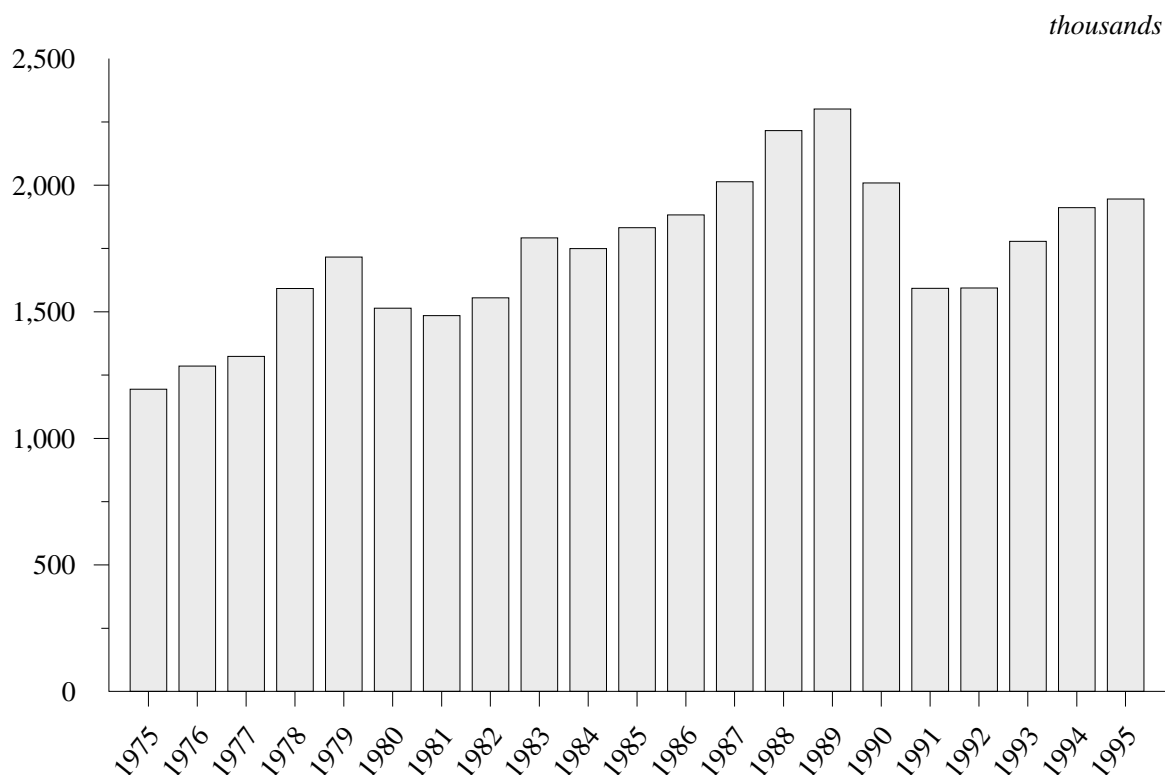
* Local authorities started only 1,200 dwellings in 1995 - 0.7% of the total.

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

Source: DoE Information Bulletin (239), 7 June 1996

Next update: 5 July

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 (fore cast)	1,970	1.3%
Jan - May 1996	859	5.2%
May 1996	166	8.5%

* Latest annual figures from the SMMT show 1.95 million new registrations of cars in 1995 - 1.8% higher than 1994. A smaller increase of 1.3% is forecast for 1996.

* Strong growth in registrations in April and May (compared with 1995) provide early signs of recovery, following sluggish growth since mid-1994.

* Private registrations are showing particularly strong growth, in line with other retail sales figures, suggesting the possibility of a retail-led recovery.

* There were 165,685 cars registered in May 1996, an increase of 8.5% on May 1995.

* In the first five months of 1996, 859,352 cars were registered, an increase of 5.2% on the same period in 1995.

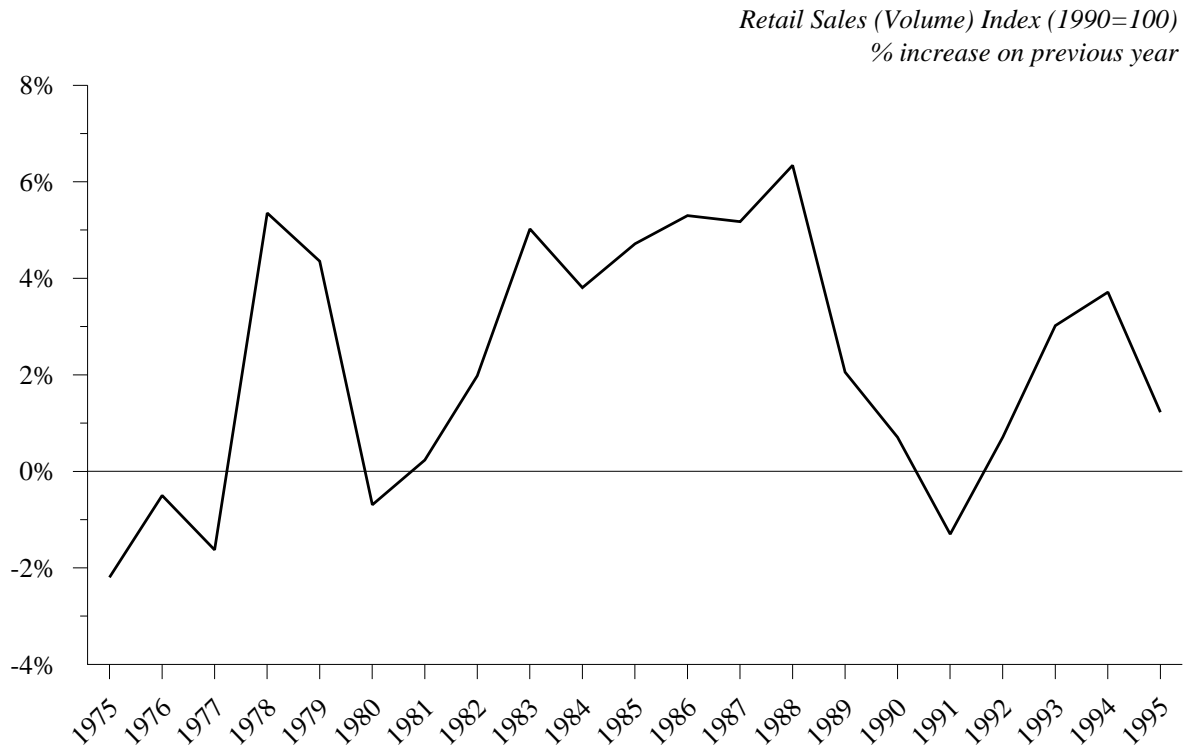
* 62% of cars registered in May 1996 were imported; 18% were diesel and 56% were fleet or business registrations.

* The Department of Transport has recently ceased monthly publication of vehicle registration statistics.

Source: SMMT "Monthly Statistical Review" May 1996

Next update: mid July

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 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%	
Apr	109.2	2.0%	
May	109.1	2.0%	

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

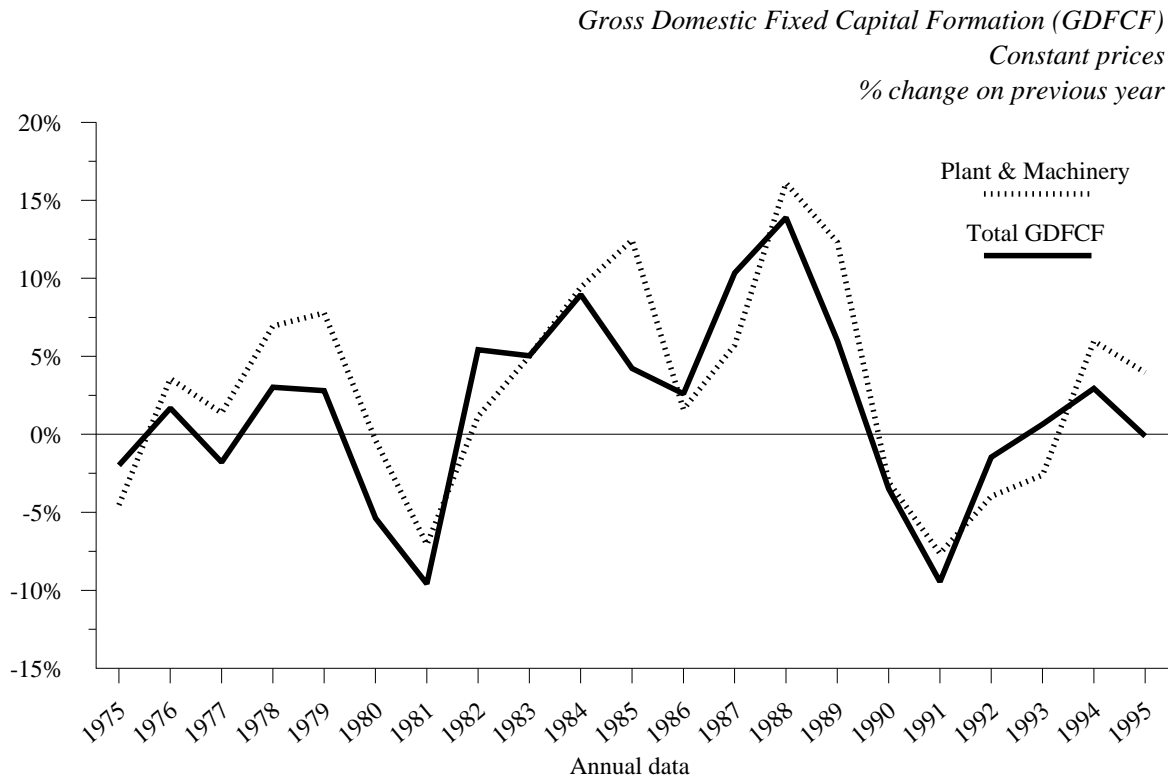
* Sales in the most recent 3-month period were 2.0% up on the same period last year and 0.5% up on the previous 3 months.

Note: weekly average, seasonally adjusted

Source: ONS database series EAPS

Next update: 24 July

F 4. Investment



GDFCF (£ million) at 1990 prices, seasonally adjusted

	Vehicles, Ships & Aircraft	Plant & Machinery	Other New (i) Building & Works	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	8,727	31,749	36,449	19,661	96,538
1994	9,641	33,645	35,867	20,264	99,417
1995	8,946	34,974	35,435	19,947	99,302
1995 Q1	2,274	8,724	9,041	5,278	25,317
1995 Q2	2,493	8,583	8,825	5,015	24,916
1995 Q3	2,036	8,793	8,829	4,860	24,518
1995 Q4	2,143	8,874	8,740	4,794	24,551
1996 Q1	2,208	9,155	8,734	4,830	24,927

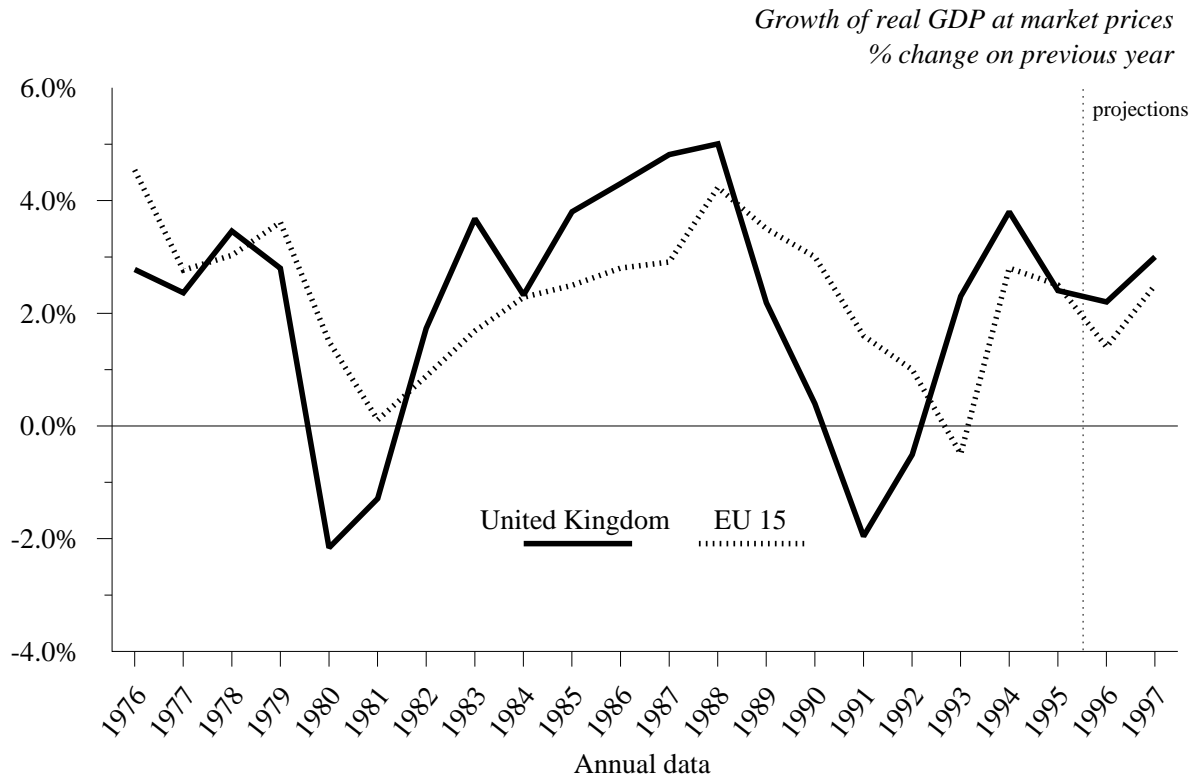
Note (i) including transfer of costs of land and buildings

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 0.1% compared to 1994 following a rise of some 3% between 1993 and 1994. In 1995 GDFCF was still 11% lower than the peak in 1989.
- * In the first quarter of 1996, total GDFCF rose by 1.5% compared to the previous quarter despite a fall in manufacturing investment of 2.1 per cent. The increases occurred in vehicles, ships & aircraft, plant and machinery and (public sector) dwellings but decreases were recorded for other new buildings & works. Total GDFCF in Q1 of 1996 was still 1.5% lower than in the same period in 1994.

Next up-date: 26 July

G 1. International Comparisons: Growth



Annual Growth of GDP at Constant Market Prices

	1992	1993	1994	1995	1996	1997
United States	2.7%	2.2%	3.5%	2.0%	<i>projection</i> 2.3%	<i>projection</i> 2.0%
Japan	1.1%	0.1%	0.5%	0.9%	2.2%	2.4%
Germany	2.2%	-1.2%	2.9%	1.9%	0.5%	2.4%
France	1.2%	-1.3%	2.8%	2.2%	1.0%	2.4%
Italy	0.7%	-1.2%	2.2%	3.0%	1.7%	2.3%
United Kingdom	-0.5%	2.3%	3.8%	2.4%	2.2%	3.0%
Canada	0.8%	2.2%	4.6%	2.2%	2.1%	3.4%
OECD	1.8%	1.0%	2.7%	1.9%	2.1%	2.5%
EU 15	1.0%	-0.5%	2.8%	2.5%	1.4%	2.5%

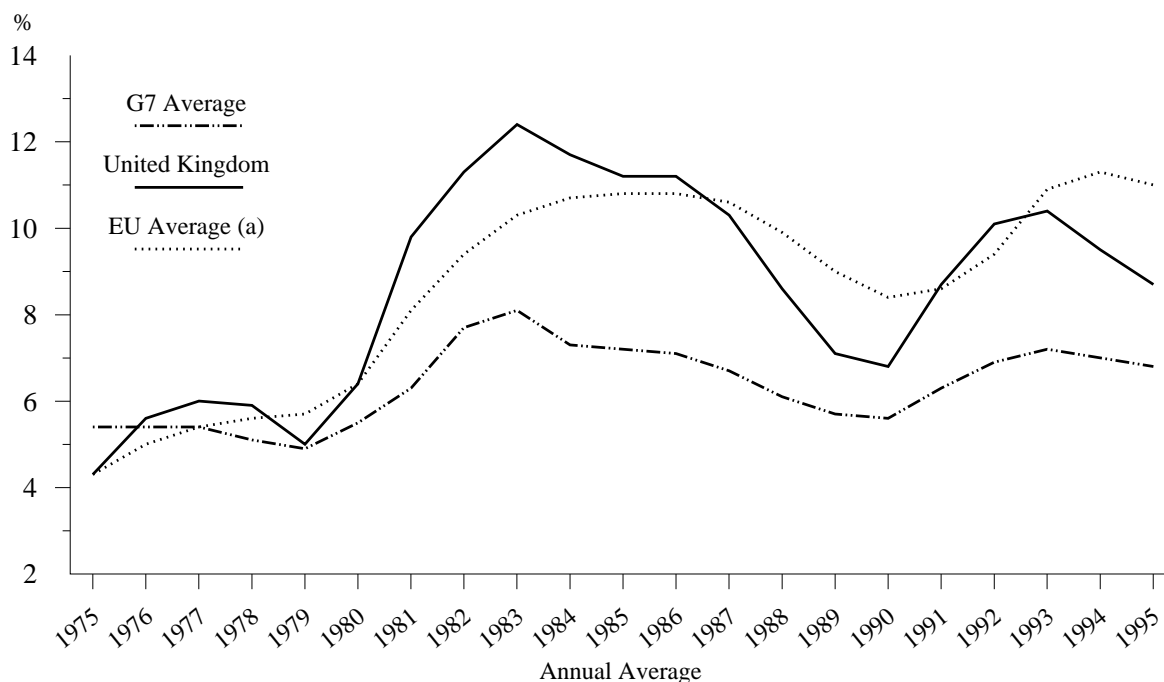
Source OECD Economic Outlook July 1996 table A1

- * The table and graph above reflect projections in the July edition of the OECD's *Economic Outlook*.
- * UK growth in 1995 was in line with the EU average and faster than all but one of the other G7 countries (Italy had a faster growth rate of 3.0%).
- * The latest Treasury summary of independent economic forecasts suggests that UK GDP at constant factor cost will grow by 2.3% in 1996 and 3.2% in 1997. New official forecasts will be published in the *Summer Economic Forecast* on 9 July.

Next update: mid-December

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	9.4
USA	6.0	5.5	5.6	5.5	5.6
Japan	2.9	3.1	3.2	3.3	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	16.8	16.5
France	12.3	11.6	11.5	11.6	11.8
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 1996 Q1 show a slight uptum in the unemployment rate in the USA and France.

* In Canada, Japan, Australia, Belgium and Ireland the unemployment rate remained unchanged on the 1995 Q4 levels.

* The unemployment rate fell slightly in the UK.

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

Note: (a) Excl. Austria, Denmark, Greece & Luxembourg.

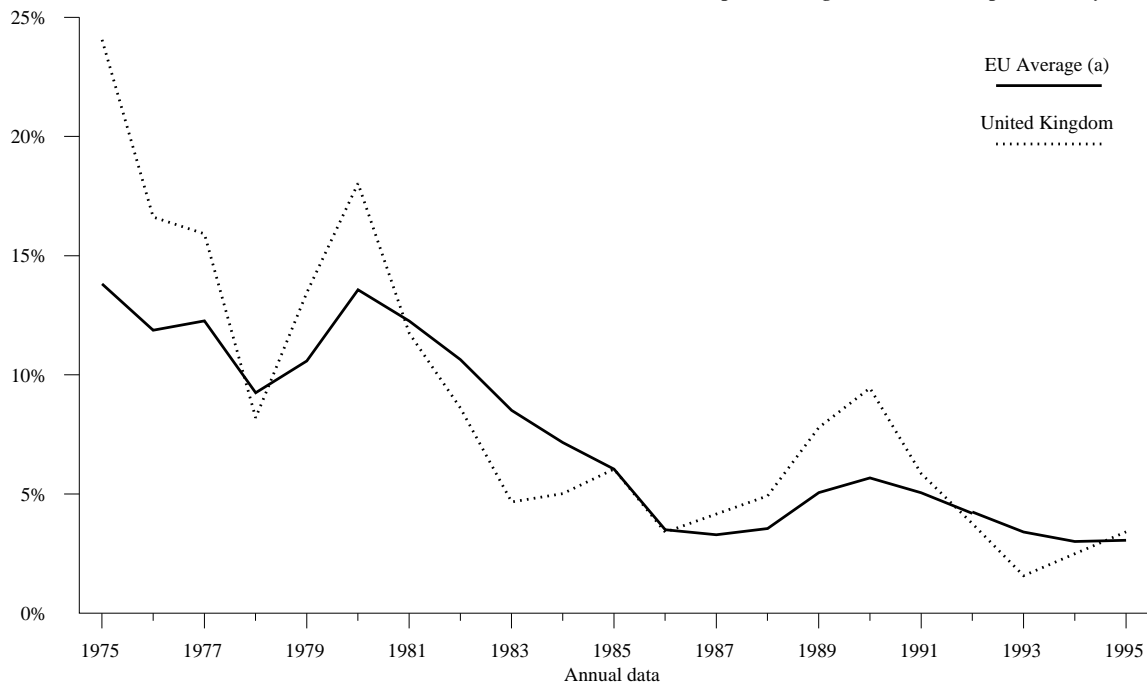
(b) Average of eighteen countries.

Source: OECD Hot File

Next update: mid July

G 3. International Comparisons - Prices

*Consumer Price Index
percentage increase on previous year*



Consumer Price Index - percentage change over 12 months

	1993	1994	1995	Feb 96	Mar 96	Apr 96
United States	2.9	2.6	2.8	2.7	2.8	2.9
Japan	1.3	0.7	-0.2	-0.2	0.1	0.3
Germany (West)	3.6	2.6	1.8	1.6	1.7	1.5
France	2.1	1.8	1.6	2.0	2.3	2.4
Italy	4.4	4.0	5.2	4.9	4.5	4.6
United Kingdom	1.6	2.5	3.4	2.7	2.7	2.4
Canada	1.8	0.2	2.1	1.3	1.4	1.4
EU	3.4	3.0	3.1	2.7	2.7	2.7

Source: Eurostat

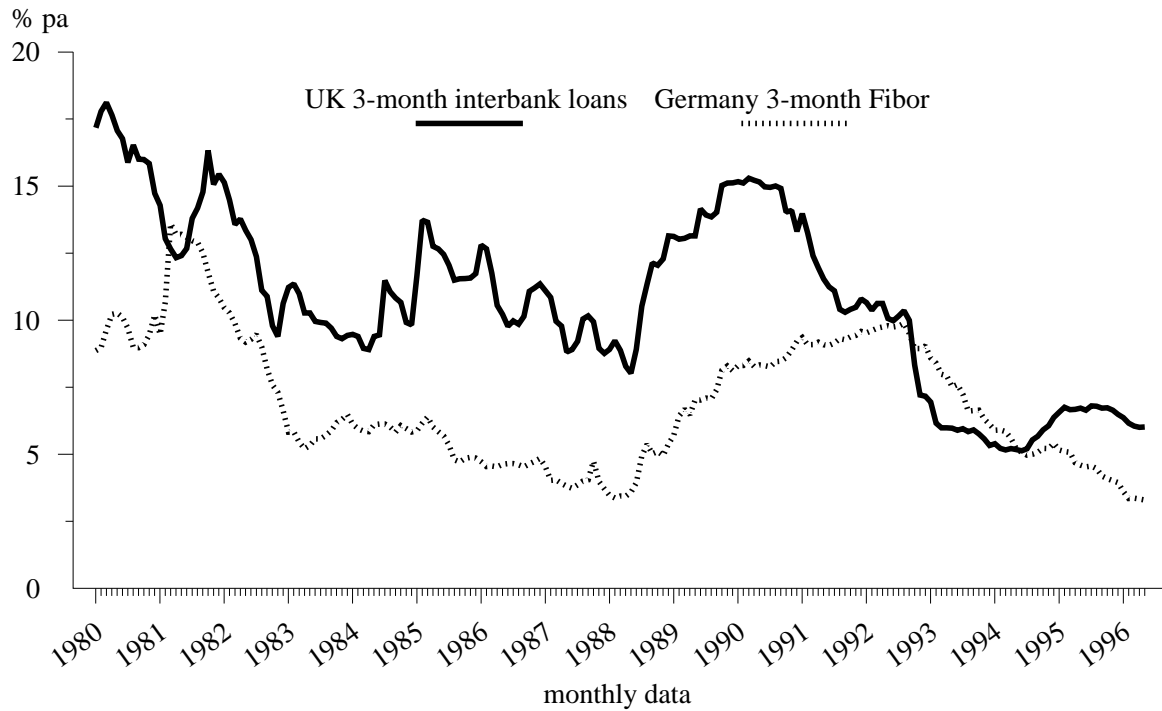
* The UK inflation rate in April 1996 (2.7% pa) was the joint third highest among G7 countries (together with France); Italy (4.6% pa) and the USA (2.9% pa) had higher levels of inflation. The UK rate was lower than the EU15 average rate.

* In April 1996 Greece had the highest inflation rate (9.2% pa) out of the thirteen EU countries for which figures are available (excludes Ireland and Austria). Finland had the lowest inflation rate in the EU (0.7% pa). The following countries had inflation rates of 2% pa or lower: Finland, Belgium, Denmark, (former West) Germany, Luxembourg, the Netherlands and Sweden.

Next update: late July

G 4. International Comparisons - Interest Rates

Short-term Interest Rates
per cent per annum



Short-Term Interest Rates as at 28 June 1996

	3-month rate (% pa)
London	5 ¹³ / ₁₆
New York	5 ¹⁵ / ₃₂
Frankfurt	3 ⁵ / ₁₆
Tokyo	¹⁹ / ₃₂
Paris	3 ¹³ / ₁₆
Milan	8 ¹ / ₂
Brussels	3 ¹ / ₄

* Short-term interest rates in London are currently some 2½% 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 1 July are shown in the table opposite.

Source: *Financial Times* 1 July 1996

Recent Library Research Papers have been:

96/67	The Housing Benefit (General) Amendment Regulations 1996 [SI 1996/965]	30.05.96
96/68	The Education (Scotland) Bill [HL] [Bill 138 of 1995/96]	31.05.96
96/69	Prior options review of public sector research establishments	10.06.96
96/70	The Russian Presidential Election: Prospects and Implications	10.06.96
96/71	Unemployment by Constituency - May 1996	12.06.96
96/72	The Quango Debate	14.06.96
96/73	IGC Issues: Summary and Bibliography	17.06.96
96/74	The Policy of Non-Cooperation with the EU	18.06.96
96/75	Health and Safety Science (not yet printed)	
96/76	The Social Chapter	25.06.96