

Economic Indicators

Research Paper 96/97

1 November 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

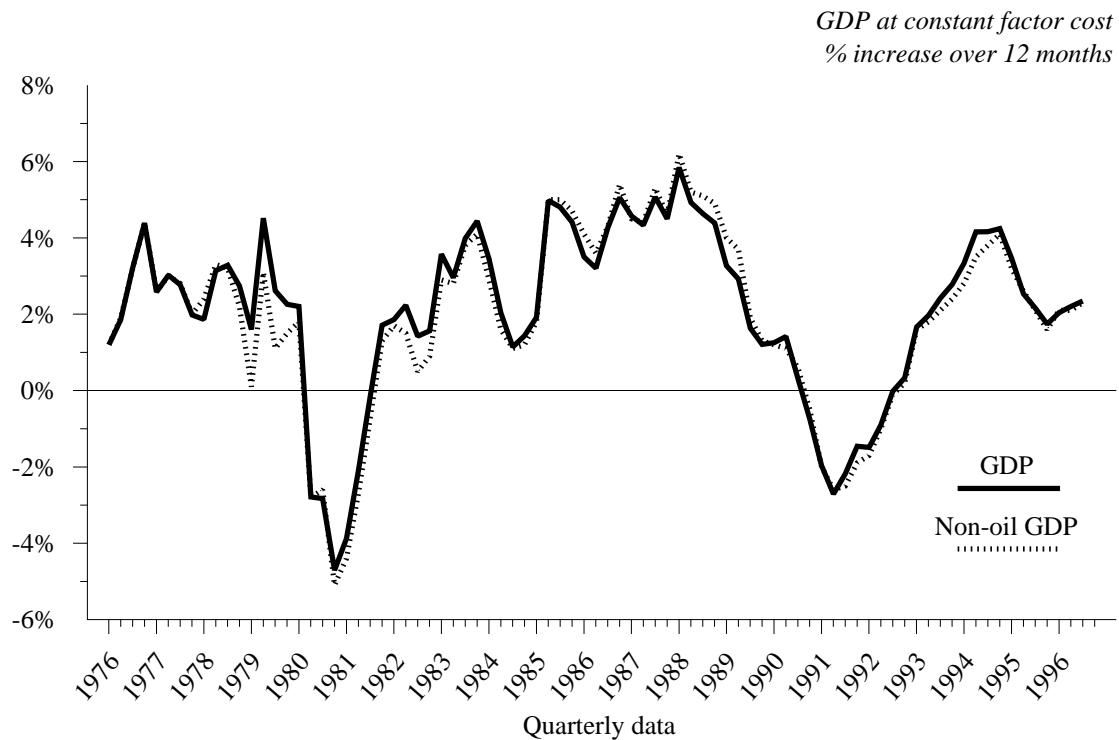
Members and their staff with questions about the currency of or requesting further information on statistics are encouraged to talk to the statistician specialising in the relevant area. The statisticians dealing with the subjects covered by this Research Paper are shown below. (After 6pm there is a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

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Research Paper 96/97

A 1. Gross Domestic Product



Gross Domestic Product (GDP)

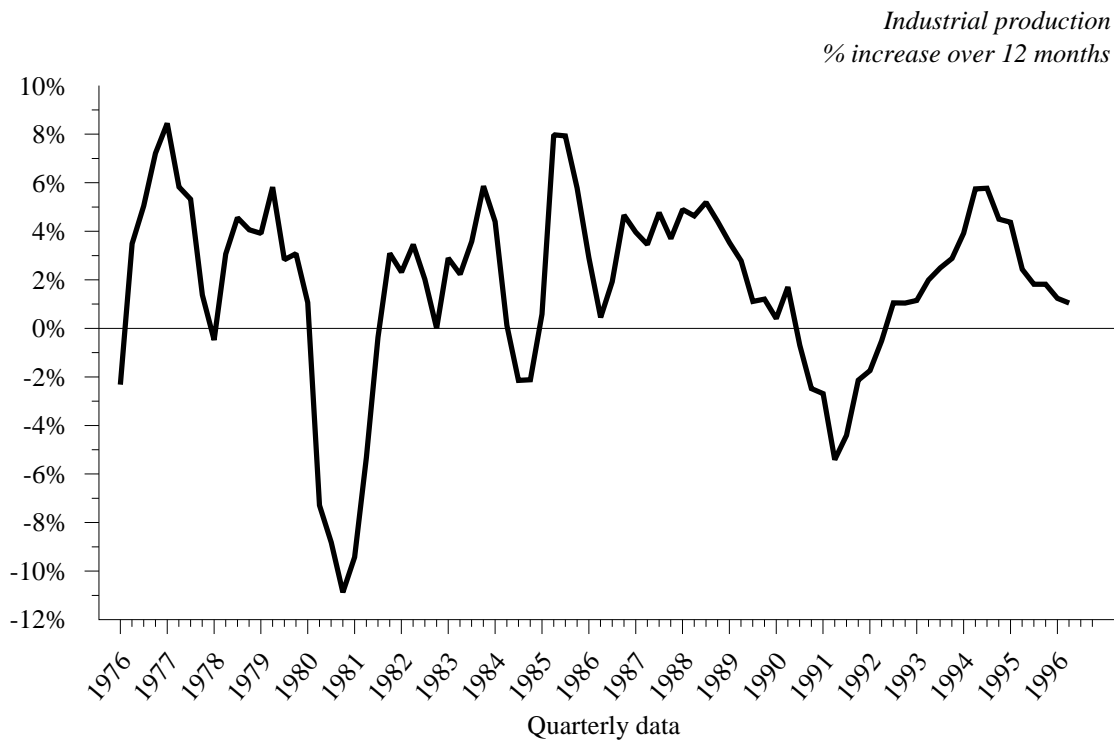
	GDP <i>at constant factor cost 12 month change</i>	Non-Oil GDP <i>at constant factor cost 12 month change</i>	GDP <i>£ billion at current market prices</i>	GDP <i>£ billion at current factor cost</i>
1993	2.2%	2.0%	630.9	547.8
1994	4.0%	3.5%	667.7	578.6
1995	2.5%	2.4%	700.1	603.5
1995 Q3	2.2%	2.1%	175.7	151.5
1995 Q4	1.7%	1.6%	177.6	152.9
1996 Q1	2.0%	2.1%	179.6	154.6
1996 Q2	2.2%	2.1%	181.8	156.5
1996 Q3 (prov)	2.3%	2.3%	n.a.	n.a.

Sources: ONS Database; ONS first release (96) 200 dated 25.10.96

- * Real GDP at factor cost is provisionally estimated to have risen by 0.8% between the second and third quarters of 1996 to a level 2.3% higher than in the third quarter of 1995. This is the highest quarter-on-quarter growth rate since the fourth quarter of 1994. In 1995 as a whole, GDP was 2.5% higher than in 1994.
- * The latest Treasury summary of independent economic forecasts suggests that UK GDP at constant factor cost will grow by 2.3% in 1996 and 3.3% in 1997. The *Summer Economic Forecast* was for growth rates of 2½% in 1996 and 3¼% in 1997. New official forecasts will be published in the Budget 'Redbook' on 26 November.
- * GDP excluding oil and gas extraction is provisionally estimated to have risen by 0.8% between the second and third quarters of 1996 to a level 2.3% higher than in the third quarter of 1995. For 1995 as a whole, non-oil GDP was 2.4% higher than in 1994.

Next update: 21 November

A 2. Industrial Production



Industrial Production - Index of Output: seasonally adjusted

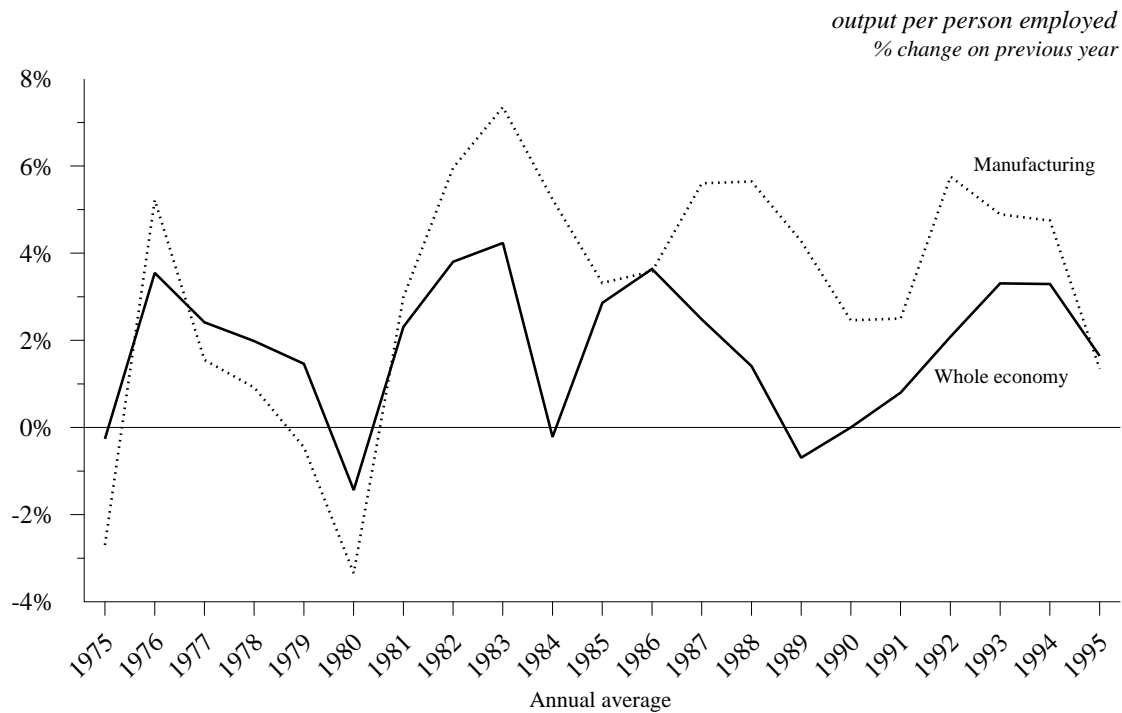
	Total <i>12 month change</i>	Mining & quarrying incl oil & gas <i>12 month change</i>	Manufacturing <i>12 month change</i>	Gas, electricity & water supply <i>12 month change</i>
1993	2.2%	6.9%	1.4%	4.1%
1994	5.0%	14.9%	4.2%	1.2%
1995	2.6%	5.2%	2.2%	3.2%
1995 Q2	2.4%	1.2%	2.6%	2.2%
1995 Q3	1.8%	4.5%	1.8%	-0.8%
1995 Q4	1.8%	5.3%	0.8%	6.7%
1996 Q1	1.2%	0.1%	0.9%	6.2%
1996 Q2	1.0%	6.0%	-0.2%	5.7%
Jun - Aug 1996	0.6%	5.7%	-0.4%	2.8%

Source: ONS database; ONS first release (96) 169 dated 7.10.96

- * In the three months to August 1996, total industrial production was 0.3% lower than in the previous three months but 0.6% higher than in the same period a year earlier. This compares with annual growth rates in excess of 5% in 1994. In August, output was 0.4% lower than its July level.
- * Compared with the three months to May, overall manufacturing production in the period June to August was 0.1% higher. Over this period growth was strongest in the textiles, leather & clothing sector (+1.0%) and weakest in coke, petrol refining & nuclear fuels (-7.1%).
- * Compared with the three months to May, output in the mining and quarrying sector (including extraction of oil and natural gas) in the last three months was 0.8% lower and production in the gas, electricity & water supply industries was 3.2% lower. Over the same period, the index for oil and gas extraction decreased by 0.2%.

Next update: 5 November

A 3. Productivity



Manufacturing Productivity Index 12 month percentage change

Annual average	Output per head
1991	2.5%
1992	5.8%
1993	4.9%
1994	4.7%
1995	1.3%

Monthly data

Jul 1995	1.1%
Aug 1995	1.1%
Sep 1995	1.1%
Oct 1995	0.1%
Nov 1995	-0.5%
Dec 1995	-0.5%
Jan 1996	1.3%
Feb 1996	0.3%
Mar 1996	1.0%
Apr 1996	0.6%
May 1996	0.5%
Jun 1996	0.1%
Jul 1996	0.4%

* Manufacturing productivity growth slowed to 1.3% in 1995. Economy-wide productivity growth also slowed, but the decline was less marked. At 1.6%, economy-wide productivity growth was higher than manufacturing productivity growth for the first time since 1980.

* The fall in productivity growth is the result of a slowdown in output growth accompanied by a slight increase in employment.

* Within manufacturing, productivity growth was actually negative in the last two months of 1995 and has remained very low throughout 1996.

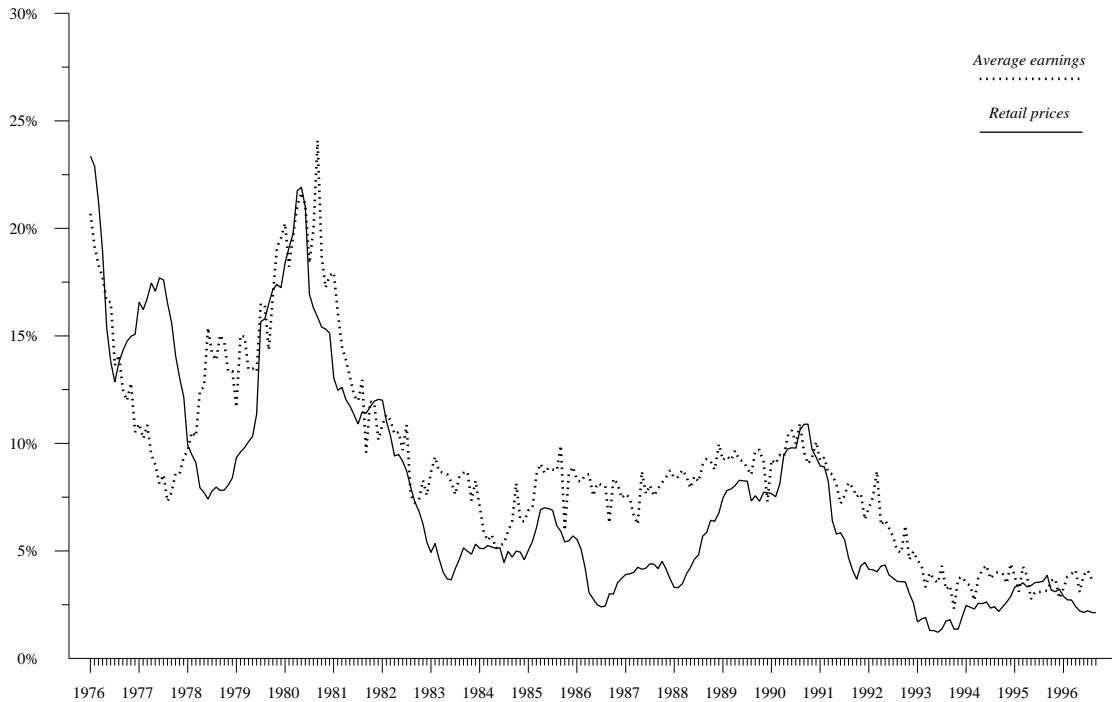
* Data showing output per hour in manufacturing have been temporarily withdrawn. New indices are being constructed and should be available later this year.

Source: ONS Database (series DMOB)

Next update: 13 November

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		
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	3.8
Mar 1996	2.7	3.9
Apr 1996	2.4	4.1
May 1996	2.2	3.1
Jun 1996	2.1	3.9
Jul 1996	2.2	4.1
Aug 1996	2.1	3.6
Sep 1996	2.1	..

Inflation - consumer prices as measured by the all items RPI rose by 2.1% in the year to September 1996, the same as the increase in the year to August 1996.

The government's target measure of inflation, RPI(X), excludes the effect of mortgage interest payments (MIPs). RPI(X) rose by 2.9% in the year to September 1996, up from August's figure of 2.8%. Excluding the effects of MIPs and indirect taxes (RPI(Y)), prices rose by 2.5%.

Earnings - average gross earnings of employees in Great Britain rose by 3.6% in the year to August 1996. The underlying rate, which takes account of staged agreements and bonuses, is estimated to be 4%.

This rise puts the actual level of average earnings of full-time employees at around £351.40 per week or £18,273 per year.

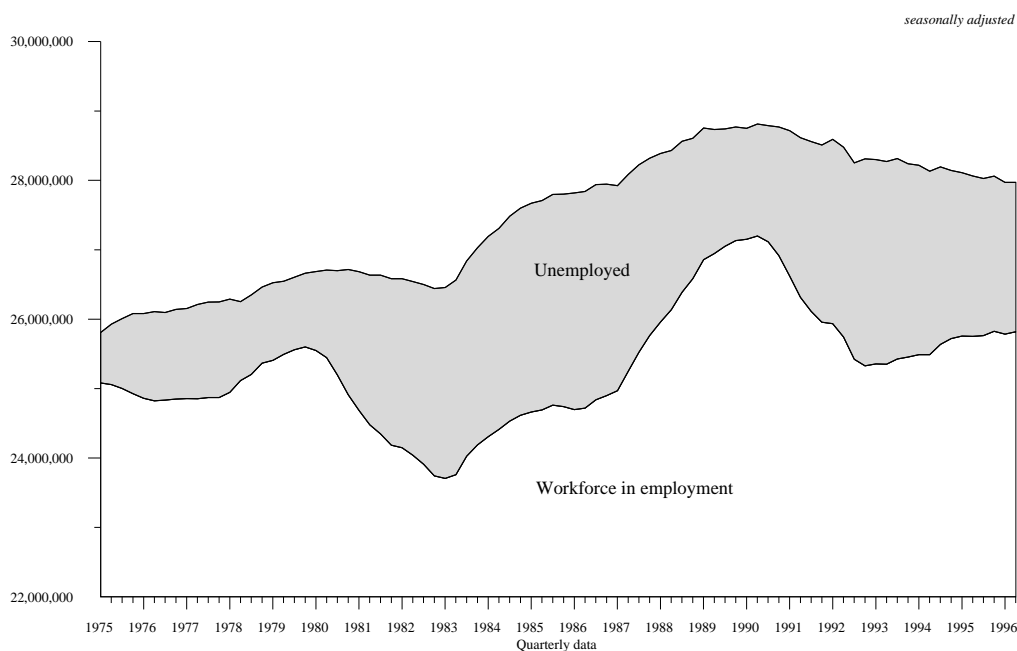
Forecasts - the Treasury's summer economic forecast suggested that the RPI (less MIPs) will increase by 2½% in the year to the fourth quarter of 1996.

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.

*Next update: Prices 14 November
Earnings 13 November*

C 1. Employment



United Kingdom; seasonally adjusted; thousands

June	Employees in employment	Self employed	Work related		Workforce in employment
			HM Forces	govt-supported training	
1992	21,904	3,223	290	325	25,742
1993	21,588	3,181	271	311	25,351
1994	21,646	3,290	250	302	25,488
1995	21,951	3,343	230	227	25,751
1996	22,116	3,282	221	200	25,819
Changes 1995 to 1996					
000s	165	-62	-9	-26	68
%	0.8%	-1.8%	-3.9%	-11.7%	0.3%

Source: ONS First Release: Labour Market Statistics (ONS(96)190)

* The workforce in employment in June 1996 was 68,000 higher than in June 1995 and 327,000 higher than in June 1979. The increase in the number of employees in employment over the last year was partly offset by falls in the number self-employed, HM Forces and those on government-supported training schemes.

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

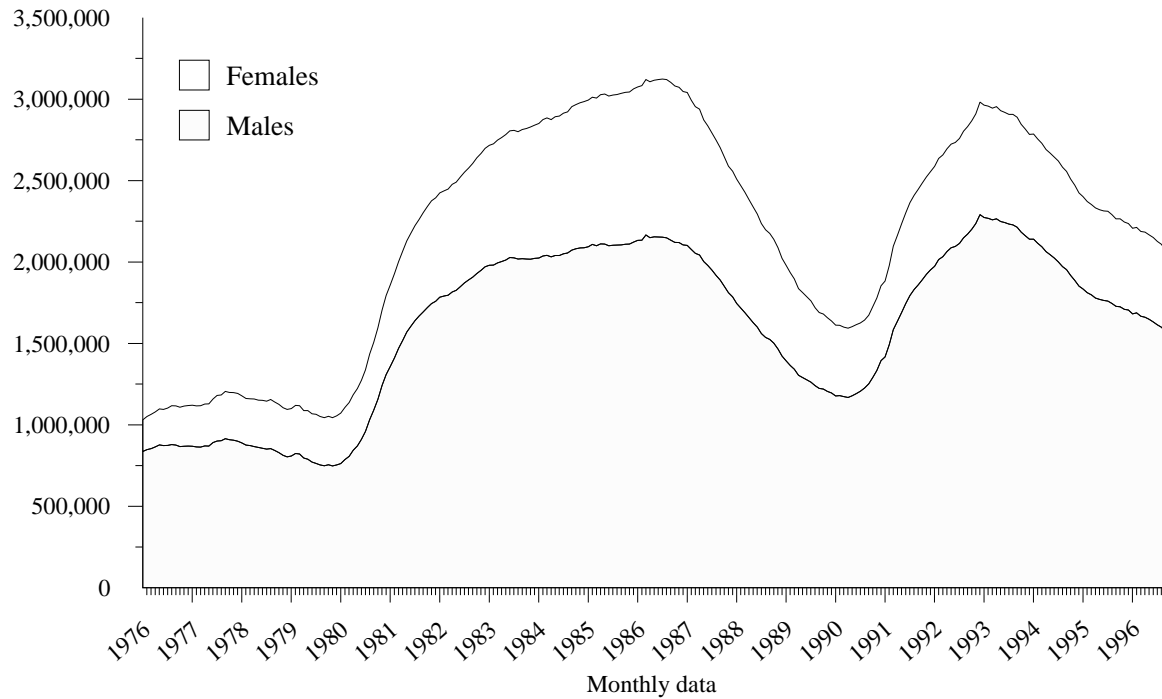
* The self-employed in June 1996 represented 13% of workforce in employment compared to 8% in June 1979.

* In June 1996 12% of male and 47% of female employees were part-time, totalling 6.4 million employees.

Next update: 13 November

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 8.4% in the year to September 1996. The September 1996 total is
 23% lower than April 1992
 27% lower than in June 1987
 26% lower than in June 1983
 91% higher than in May 1979

(all figures adjusted for seasonality and discontinuities)

Monthly data

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	2,166,300	7.7
Jun 1996	2,150,300	7.7
Jul 1996	2,126,000	7.6
Aug 1996	2,108,700	7.5
Sep 1996	2,073,100	7.4

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

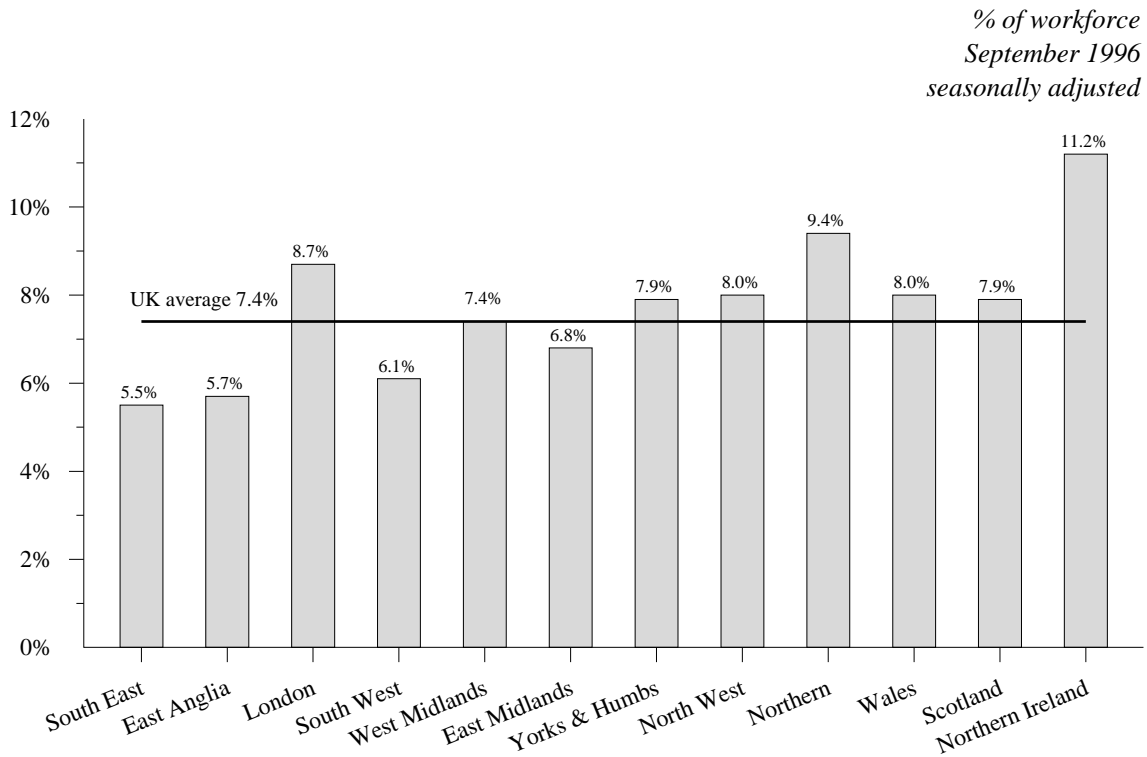
10.0% for males
 4.1% for females
 7.4% overall

Forecasts - an average of independent forecasters predicts that unemployment will fall to 2.07 million by the fourth quarter of 1996 and 1.90 million by the fourth quarter of 1997.

Source: ONS - NOMIS Database

Next update: 13 November

C 3. Unemployment: Regional



%change September 1995 to 1996

Region	%
South East (Excl. London)	-13.3
East Anglia	-7.6
London	-8.8
South West	-11.3
West Midlands	-9.9
East Midlands	-9.5
Yorks & Humbs	-8.2
North West	-6.1
Northern	-10.0
Wales	-5.3
Scotland	-2.2
Northern Ireland	-0.3
United Kingdom	-8.4

% Rates - as a proportion of the workforce, September unemployment rates are higher than the national average of 7.4% in seven regions:

Region	%
Northern Ireland	11.2
Northern	9.4
London	8.7
Yorkshire and Humberside	7.9
North West	8.0
Wales	8.0
Scotland	7.9

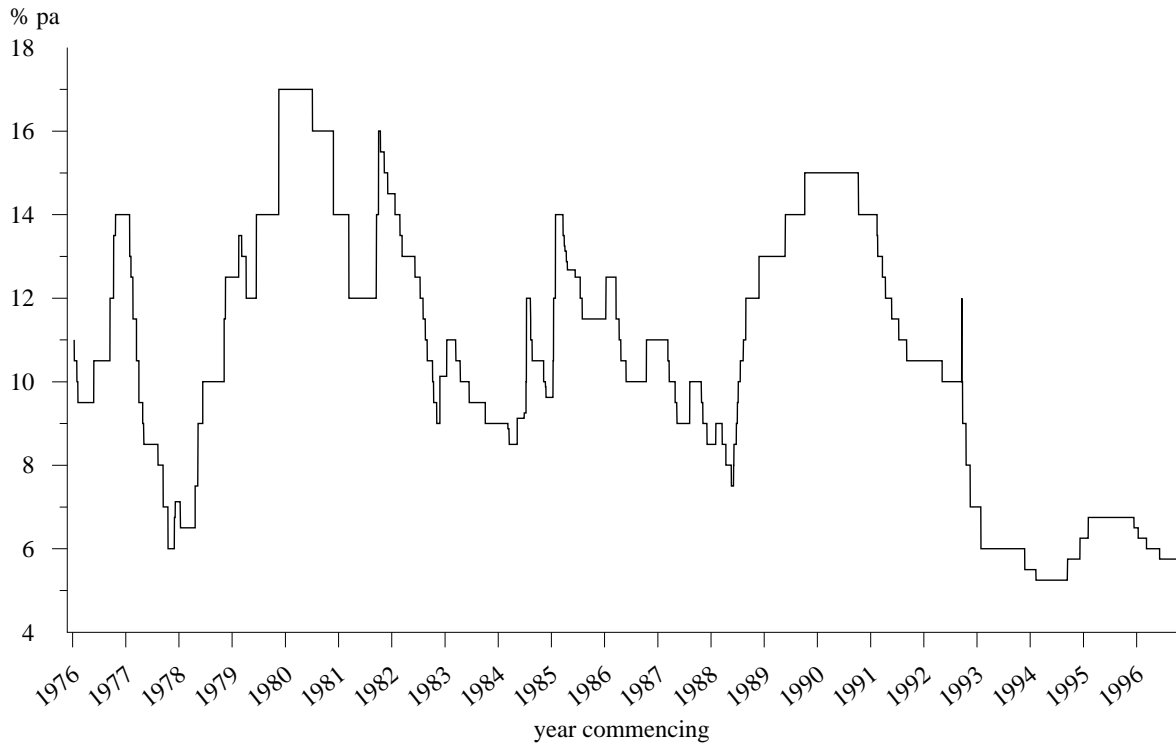
Rates of change - In September the number of unemployed claimants in the UK was 35,600 lower than the August figure. Unemployment levels in the UK are now the lowest since March 1991.

Source: ONS - NOMIS Database

Next update: 13 November

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	Oct 30	6.00
	Sep 22	9.00			

* Interest rates were increased by a quarter of a point on 30 October. The increase was justified on the grounds of recent increases in the government's target measure of inflation and other signs of buoyant growth. Expectations of an interest rate rise are thought to have been a factor behind the recent rise in the value of sterling.

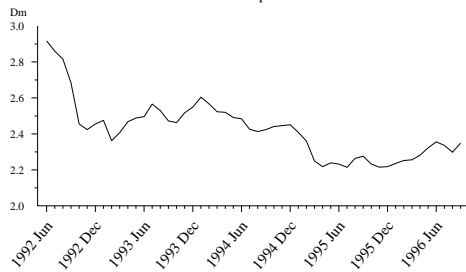
* A rate of 15.0% p.a. was announced on 16th September 1992 but was cancelled before becoming effective.

D 2. Exchange Rates

Sterling Exchange Rate Index
1990=100



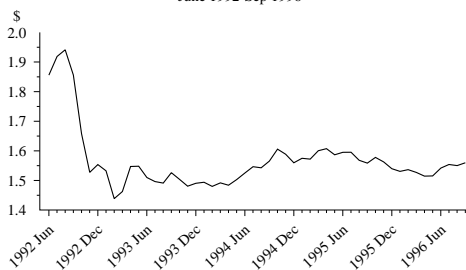
Sterling-Deutschemark Exchange Rate
June 1992-Sep 1996



* 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 30th October 1996 were as follows: DM 2.4604; US\$ 1.6324; Yen 185.892.

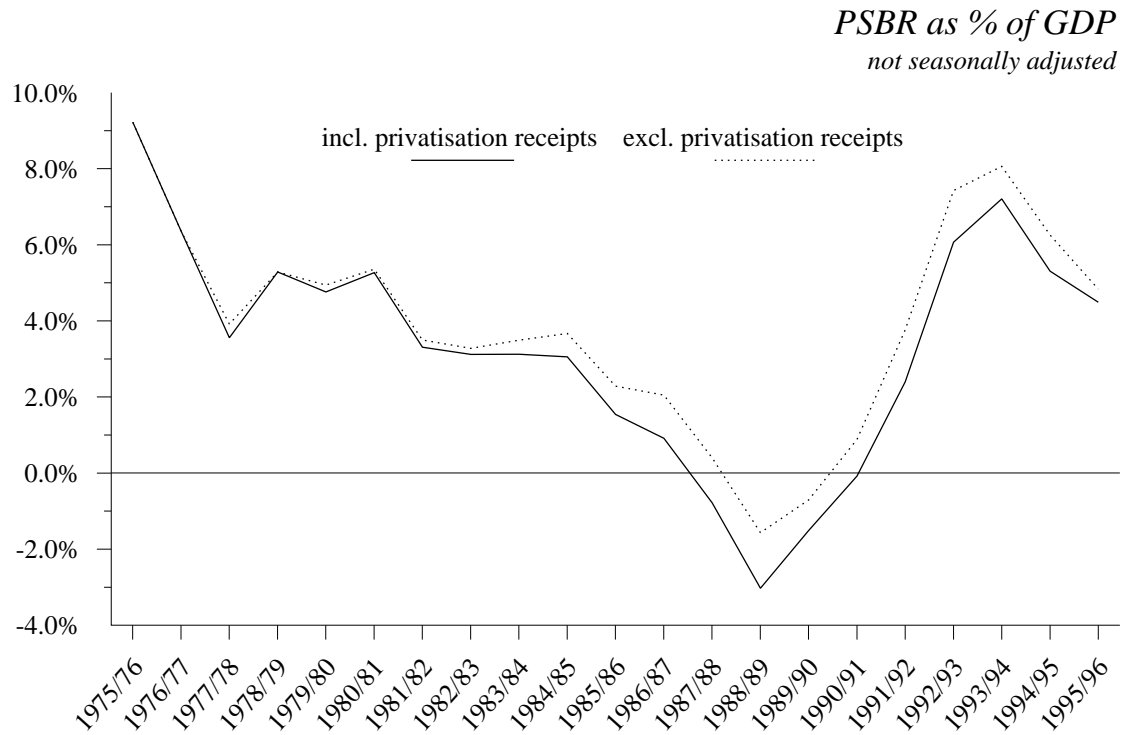
Sterling-US Dollar Exchange Rate
June 1992-Sep 1996



* The strong performance of sterling over the summer has continued in recent months, with sterling's trade-weighted index reaching its highest level since early 1994. It is thought that expectations of interest rate increases in the UK may have fuelled the rise.

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	31.7	4.5%	34.2	4.8%

Source: ONS Database Series ABEN, ABII, CAOB

* The PSBR for the whole of 1995/96 was £31.7 billion (4.5% of GDP) compared to £35.9 billion (5.3% of GDP) in 1994/95. The PSBR excluding privatisation receipts was £34.2 billion (4.8% of GDP) compared to £42.3 billion (6.3% of GDP) in 1994/95.

* In the first half of 1996/97, the PSBR totalled £16.1 billion, compared with £20.1 billion in the same period of 1995/96.

* The Treasury PSBR forecasts were revised upwards in the 1996 Summer Economic Forecast to £27 billion in 1996/97 and £23 billion in 1997/98. The average of independent forecasts suggests slightly higher outcomes of £27.9 billion in 1996/97 and £23.7 billion in 1997/98. New official forecasts will be published on Budget day (26 November).

Next update: 18 November

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 October	6.9%	5.2%	7.0%	9.0%
1995 November	7.7%	5.7%	8.7%	9.3%
1995 December	9.4%	5.9%	10.2%	9.8%
1996 January	5.9%	5.4%	12.6%	10.5%
1996 February	7.2%	6.2%	10.0%	10.0%
1996 March	5.0%	5.6%	11.4%	9.8%
1996 April	8.6%	5.8%	8.6%	10.0%
1996 May	5.5%	6.4%	10.5%	9.9%
1996 June	7.8%	7.4%	8.5%	9.9%
1996 July	7.1%	7.1%	8.1%	9.1%
1996 August	9.4%	7.4%	8.7%	9.5%
1996 September	5.8%	7.0%	9.5%	9.9%

Source: Bank of England statistical releases dated 18.10.96 & 29.10.96

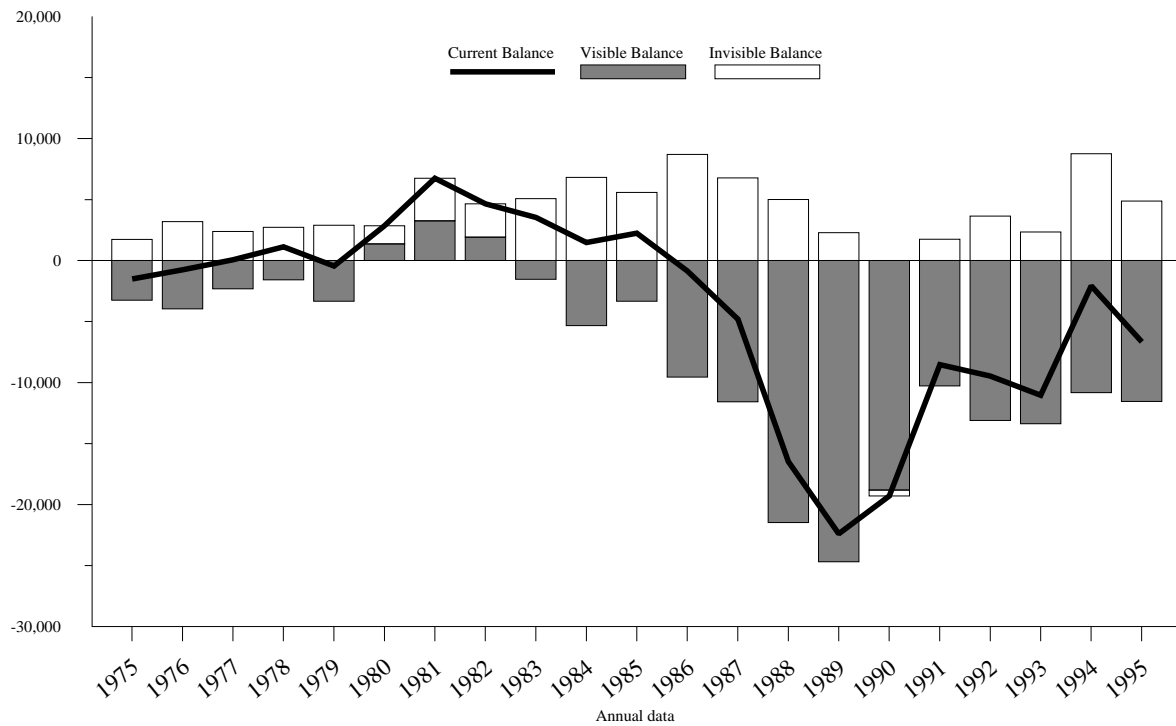
* M0 comprises notes and coins in circulation outside the Bank of England *plus* bankers' operational deposits with the Bank. M4 is a broad measure of money consisting of the private sector's holdings of cash, and sterling deposits held by the private sector at both banks and building societies.

* 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: 4 & 20 November

E 1. International Trade

£ million at current prices



UK Balance of Payments Current Account

£ million seasonally adjusted BoP basis

	Trade in goods		Invisible	Current
	Exports	Imports	Balance (a)	Balance
1993	121,398	134,858	-13,460	-10,756
1994	134,666	145,497	-10,831	-2,419
1995	152,346	163,974	-11,628	-2,892
1995 Q2	37,260	40,593	-3,333	-956
1995 Q3	38,669	42,188	-3,519	-1,088
1995 Q4	39,222	42,448	-3,226	-1,218
1996 Q1	40,300	43,959	-3,659	-786
1996 Q2	41,445	45,046	-3,601	457

(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".

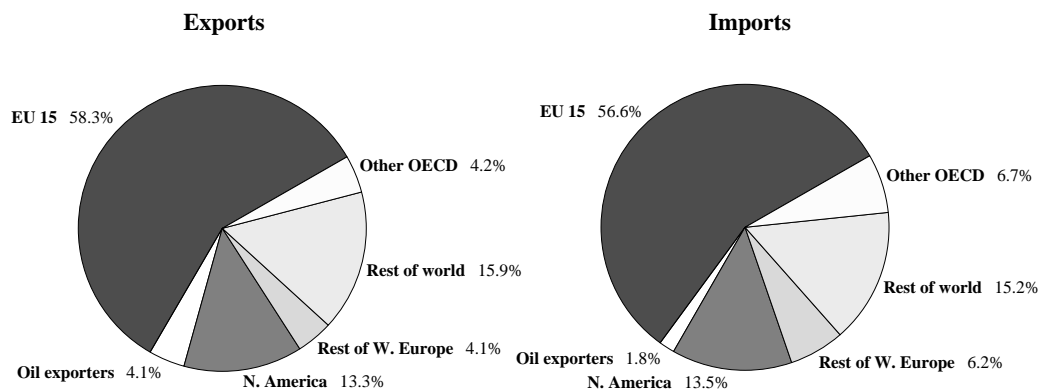
Source: ONS database; ONS First Release (96)155, dated 24 September 96

- * **Trade in Goods balance** - The deficit for the second quarter of 1996 was marginally lower at £3.6 bn, compared with a deficit of £3.7bn in the first quarter.
- * **Trade in Services** - showed a record surplus of £1.9bn in the second quarter of 1996. Exports of services rose by 4 per cent between the two quarters of 1996 while imports of services fell by 2% over the same period.
- * **Investment Income** - showed a record surplus of £3.7bn in the second quarter of 1996.
- * **Transfers** - The deficit on transfers in the second quarter of 1996, £1.5 bn, was slightly higher than the revised deficit of £1.3 bn recorded in the first quarter.
- * **Current balance** - The current account was in surplus in the second quarter of 1996 for the first time since the first quarter of 1995.

Next update: 20 December

E 2. Trade in Goods

Shares of visible trade by area:1995
BoP basis



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

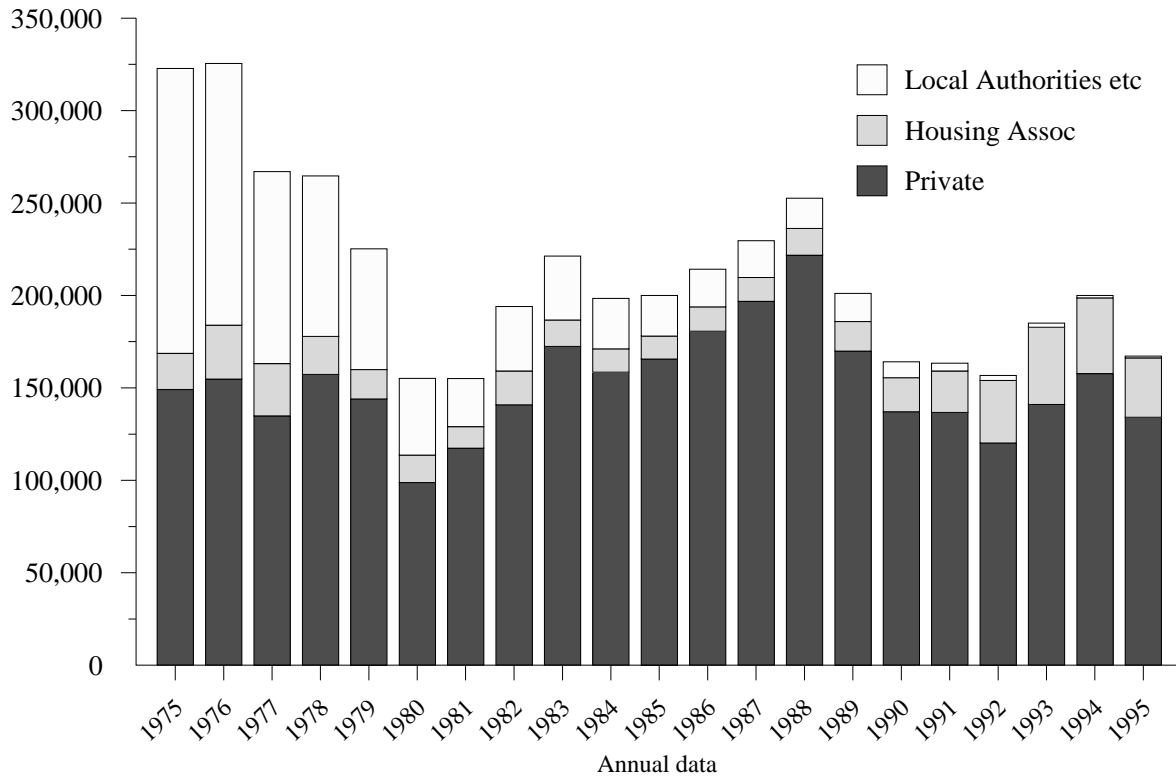
	Volume Index 1990=100		Trade Balances £ million		
	Exports	Imports	Total balance	Excluding oil	Excluding oil and erratic items (a)
1993	107.4	104.8	-13,460	-15,902	-17,487
1994	118.5	109.2	-10,831	-14,734	-15,489
1995	127.1	113.8	-11,628	-15,858	-16,841
1995 Q1	126.5	110.7	-1,550	-2,748	-3,459
1995 Q2	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	132.4	120.3	-3,659	-4,883	-5,388
1996 Q2	135.9	123.2	-3,601	-4,705	-4,526

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

Source: ONS database, ONS First Release (96)199 dated 25 October 96

- * **Trade by area** - In the three months to August 1996, the UK had a £0.7bn deficit on trade in goods with the EU, which compares with a deficit of £2.2bn with non-EU countries over the same period. In the three months ended August 1996, the main growth in exports (in value terms) has come from exports to EU, with the largest rise being in exports to Germany. This was partially offset by a fall in exports to Belgium. Outside the EU, rises in exports to Oil Exporting Countries and the Rest of the World contrasted with falls in exports to other Western Europe, North America and Other OECD Countries. In value terms the main growth in imports has come from North America and Germany. In 1995 the enlarged European Union (EU 15) received 58.3% of UK exports and supplied 56.6% of all UK imports.
- * **Volume of Trade (excluding oil and erratics)** - In the three months to August 1996, the volume of exports and imports both rose 2 per cent compared with the previous three months. Latest estimates of trends show both export and import volumes rising slightly.
- * **Trade in oil** - The surplus on trade in oil in the three months ended August 1996 was £1.2 billion compared with £1.1 billion in the previous three months.
- * **Non-EC countries** - The non-EU visible trade deficit in September was provisionally estimated at £0.9 billion. Provisional estimates of value (excluding oil and erratics) show exports fell by 1½ per cent to £5.9 bn. while imports rose 2½ per cent to £6.8 bn. Next update: 27 November

F 1. Housing Starts



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

	Private	Housing Assocs	Local Auth's etc	Total
1991	136.7	22.4	4.3	163.4
1992	120.2	33.8	2.7	156.7
1993	141.0	41.8	2.2	185.0
1994	157.7	41.0	1.3	200.1
1995	134.1	32.1	1.0	167.2
<i>seasonally adjusted</i>				
1996 Q1	31.8	7.0	0.2	39.0
1996 Q2	33.0	7.0	0.1	40.1
Jun 96	11.3	2.1	0.0	13.4
Jul 96	12.1	2.0	0.1	14.2
Aug 96	12.9	2.6	0.1	15.6

* Seasonally adjusted total starts in June-August 1996 were 7% higher than in the previous three months, but 2% lower than in June-August 1995.

* Overall starts in 1995 were 26% below their level in 1979 and 16% lower than in 1994.

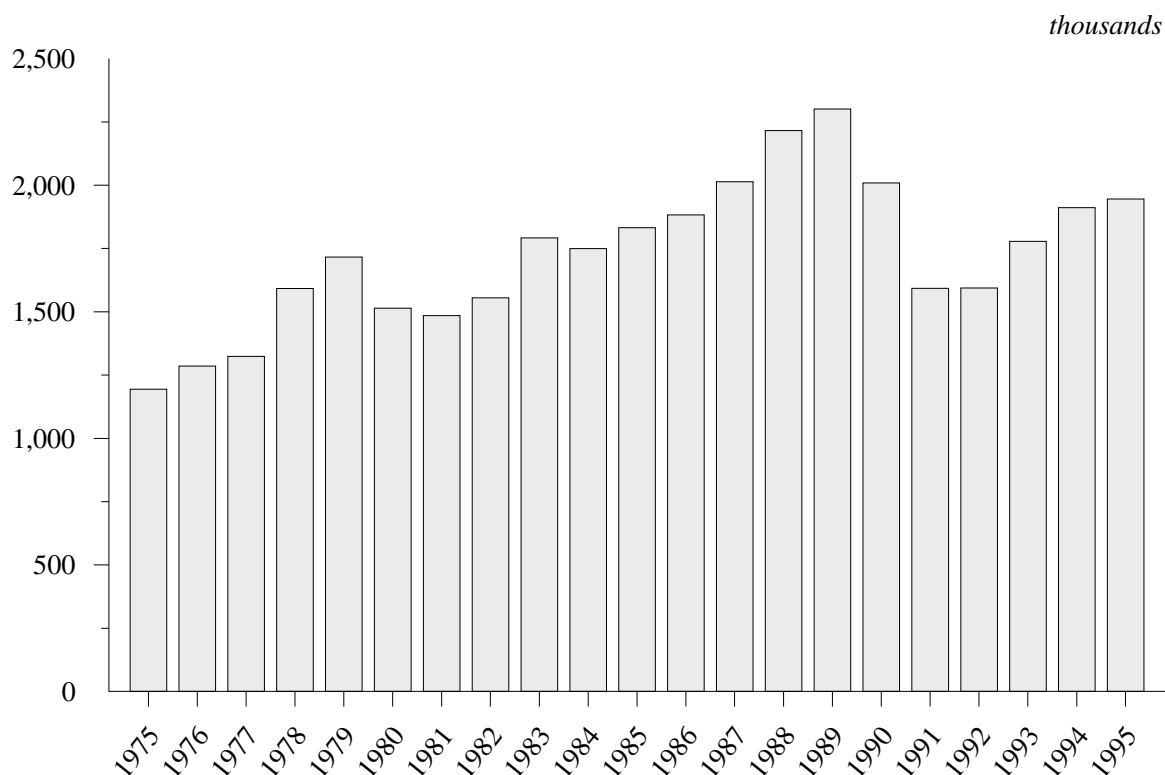
* Local authorities started only 1,000 dwellings in 1995 - 0.6% of the total.

* Housing association starts fell by 22% in 1995 and private starts fell by 15%.

Source: DoE Information Bulletin (404), 4 Oct 1996

Next update: 4 November

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)	2,010	3.3%
Jan - Sep 1996	1,657	4.0%
Sep 1996	138	-1.4%

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

* The SMMT has revised its forecast for 1996 upwards to over 2 million new registrations. If realised, this outcome would be the highest since 1989.

* 138,059 cars were registered in September 1996, a decrease of 1.4% on May 1995. However, strong growth earlier in the year means that in the year to September, registrations were 4% higher than in the same period of 1995.

* After very strong growth in the second quarter of 1996, private registrations fell 6.2% in September. However, registrations by fleets and businesses continued to show steady growth.

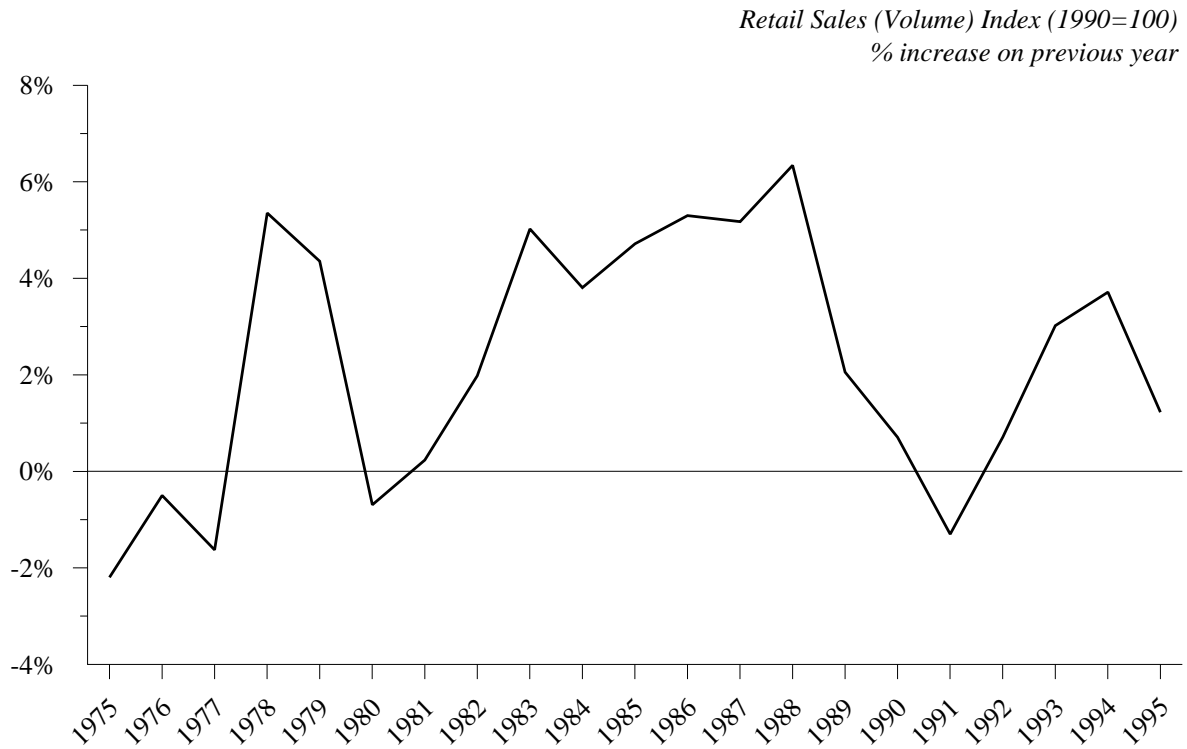
* 65% of cars registered in September 1996 were imported; 19% were diesel and 53% were fleet or business registrations.

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

Source: SMMT "Monthly Statistical Review" Sep 1996

Next update: mid November

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%	*
1996 Mar	109.1	2.2%	
Apr	109.6	2.3%	
May	109.6	2.4%	
Jun	111.2	3.5%	
Jul	110.5	2.3%	
Aug	111.5	4.3%	
Sep	111.2	3.5%	

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

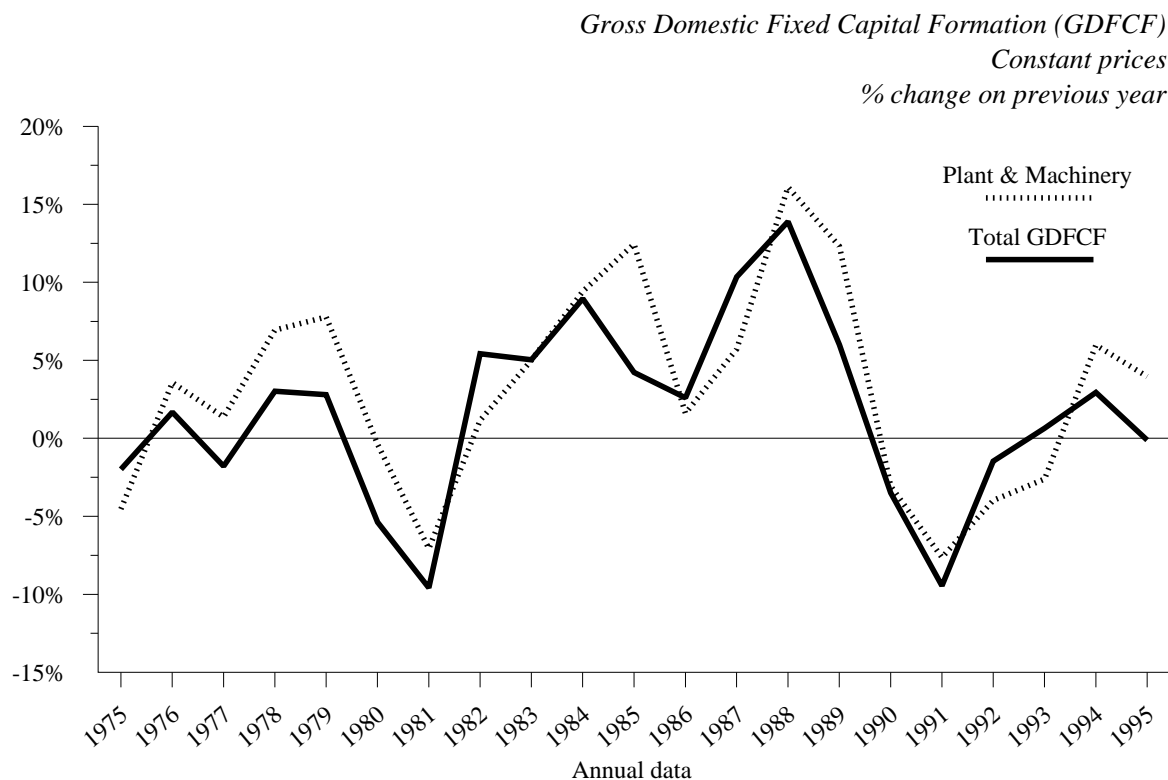
* Sales in the most recent 3-month period were 3.4% up on the same period last year and 0.8% up on the previous 3 months.

Note: weekly average, seasonally adjusted

Source: ONS database series EAPS

Next update: 20 November

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 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	2,098	9,209	8,841	4,819	24,967
1996 Q2	3,014	9,025	8,827	4,836	25,702

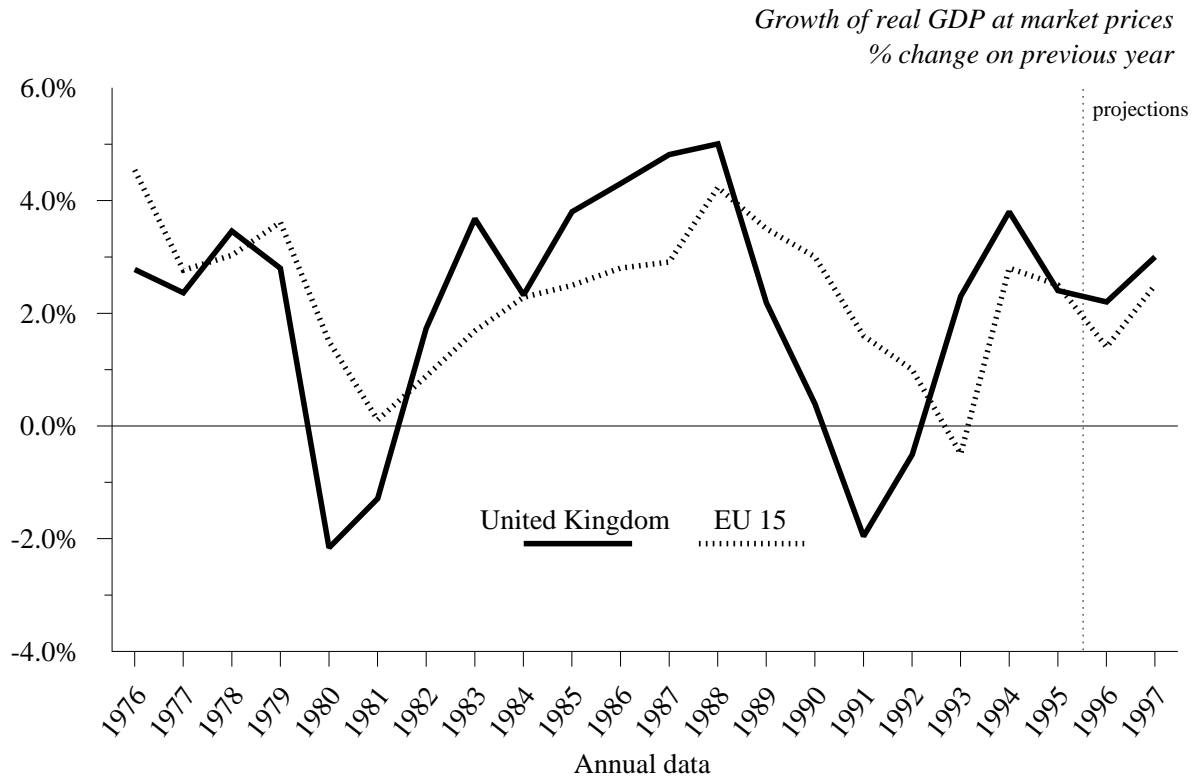
Note (i) including transfer of costs of land and buildings

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 second quarter of 1996, total GDFCF rose by 2.9% compared to the previous quarter. Virtually all of the increase was due to greater fixed investment in vehicles, ships & aircraft (up 44%); the increase in investment in these assets was partly offset by falls in the major components of GDFCF: plant & machinery and other new buildings and works, which fell 2% and 0.2% respectively. Total GDFCF in Q2 of 1996 was 3.2% higher than in the same period of 1995.

Next up-date: 21 November

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 June 1996 table A1

* The table and graph above reflect projections in the June 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%).

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 Q4	1996 Q1	1996 Q2
Canada	10.4	9.5	9.4	9.5	9.6
USA	6.1	5.6	5.5	5.6	5.4
Japan	2.9	3.1	3.3	3.3	3.5
France	12.3	11.5	11.5	11.6	11.6
Germany	8.4	8.2	8.5	8.9	8.9
Italy	11.4	11.9	11.9	12.0	..
UK	9.6	8.8	8.6	8.4	8.3
EU 15	11.1	10.7	10.6	10.7	10.6
G7	7.1	6.7	6.8	6.8	..
OECD	7.7	7.3	7.3	7.4	7.3

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

* In 1996 Q2 Austria had the lowest unemployment rate (4.1% of the workforce) of the fourteen EU countries for which figures are available (no figures available for Greece). Spain had the highest rate (22.0%).

* Unemployment in Belgium, Finland, France, Germany, Ireland, Italy, Spain and Sweden is higher than that in the UK.

* In Austria, Denmark, Luxembourg, the Netherlands and Portugal unemployment was lower than that in the UK.

Source: OECD Main Economic Indicators, Oct 1996

Next update: mid November

G 3. International Comparisons - Prices

*Consumer Price Index
percentage increase on previous year*



Consumer Price Index - percentage change over 12 months

	1993	1994	1995	Jun 96	Jul 96	Aug 96
United States	2.9	2.6	2.8	2.8	3.0	2.9
Japan	1.3	0.7	-0.2	-0.2	0.6	0.1
Germany	3.6	2.6	1.8	1.4	1.6	1.4
France	2.1	1.8	1.6	2.3	2.3	1.6
Italy	4.4	4.0	5.2	3.9	3.6	3.3
United Kingdom	1.6	2.5	3.4	2.1	2.2	2.1
Canada	1.8	0.2	2.1	1.4	1.2	1.4
EU	3.4	3.0	3.1	2.5	2.5	2.3

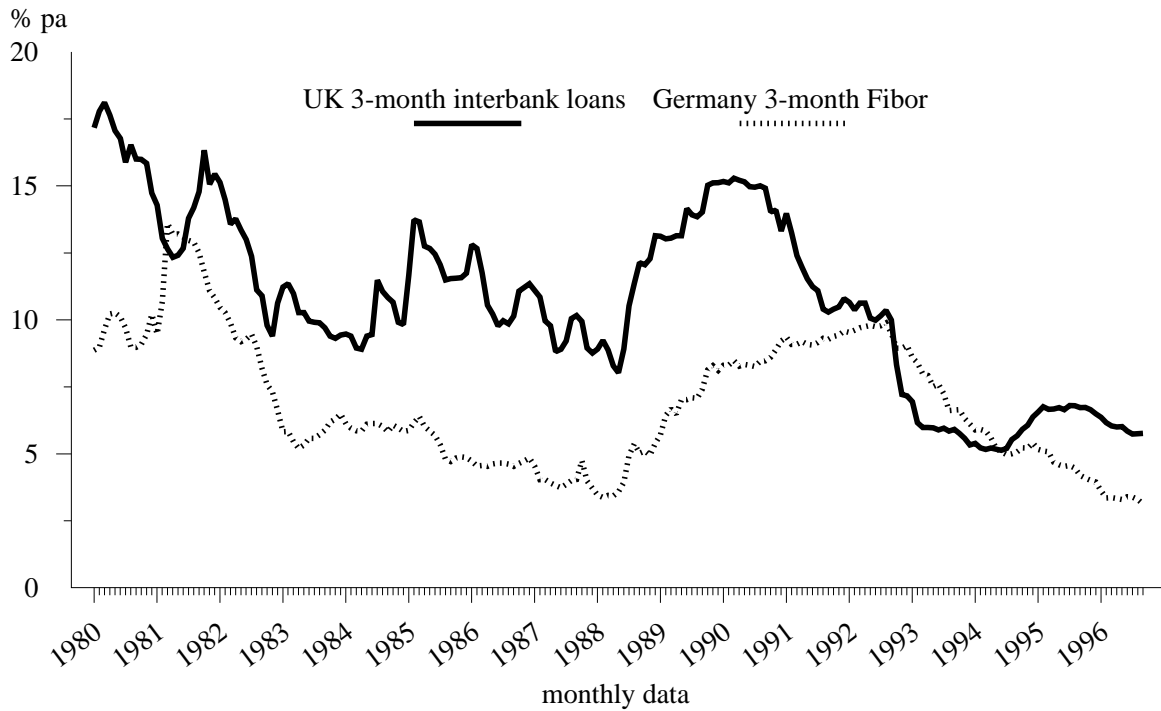
Source: Eurostat

- * The UK inflation rate in August 1996 (2.1% pa) was the third highest among G7 countries; Italy (3.3% pa) and the USA (2.9% pa) had higher levels of inflation.
- * In August 1996 the EU15 inflation rate (2.3% pa) reached a new record low. This is the lowest figure since Eurostat began compiling these figures in 1983 for the present 15 Member States.
- * Greece had the highest inflation rate (8.5% pa) out of the EU15; Sweden had the lowest (0.3% pa).

Next update: mid November

G 4. International Comparisons - Interest Rates

*Short-term Interest Rates
per cent per annum*



Short-Term Interest Rates as at 30 October 1996

	3-month rate (% pa)
London	6 ¹ / ₈
New York	5 ⁷ / ₁₆
Frankfurt	3 ¹ / ₈
Tokyo	¹³ / ₃₂
Paris	3 ³ / ₈
Milan	7 ¹¹ / ₁₆
Brussels	3 ¹ / ₈

Source: *Financial Times* 31 October 1996

* Short-term interest rates in London are currently some 3% points 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 30 October are shown in the table opposite.

Recent Library Research Papers have been:

96/87	Sustainable Development: Agenda 21 and Earth Summit II	16.08.96
96/88	Parliamentary Pay and Allowances: The Current Rates	19.08.96
96/89	Unemployment by Constituency - August 1996	11.09.96
96/90	Defence Update	08.10.96
96/91	Defence Statistics 1996	11.10.96
96/92	Defence Employment 1994-95	11.10.96
96/93	The Unfair Terms in Consumer Contracts Regulations	15.10.96
96/94	Parliamentary Election Timetables	15.10.96
96/95	Unemployment by Constituency - September 1996	16.10.96
96/96	The Hong Kong Economic and Trade Office Bill	30.10.96