

Economic Indicators

Research Paper 97/73

2 June 1997



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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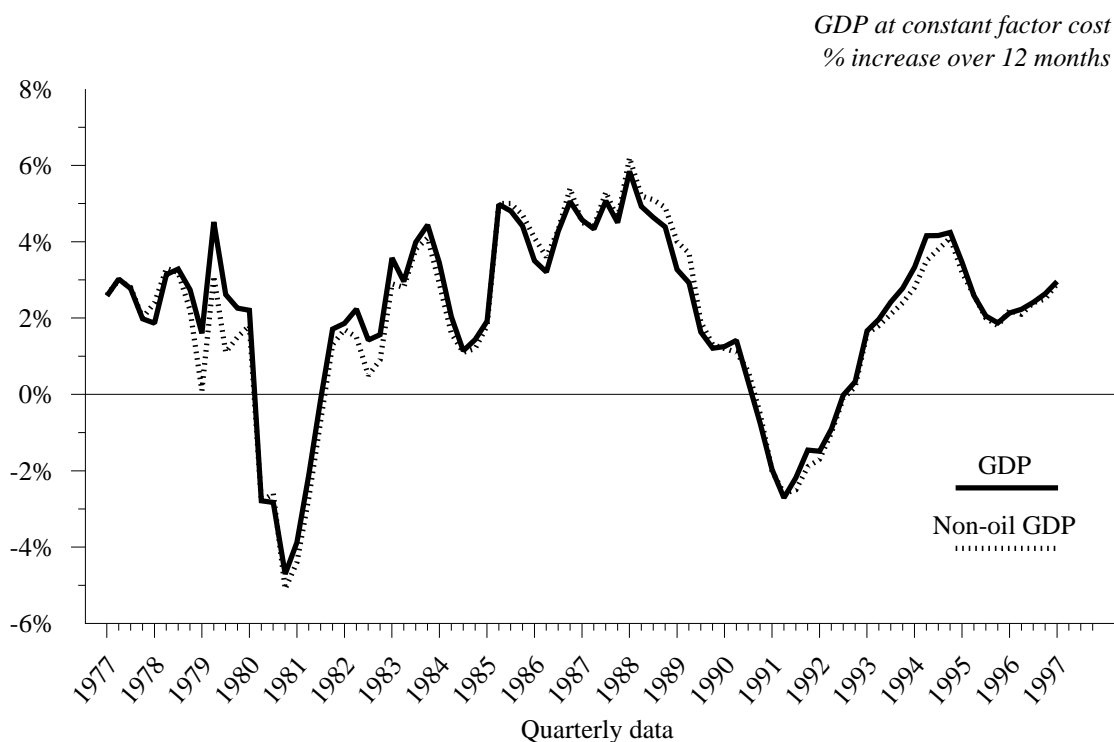
I Contacts for further information

Members and their staff requiring further information 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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A 1. Gross Domestic Product



Gross Domestic Product (GDP)

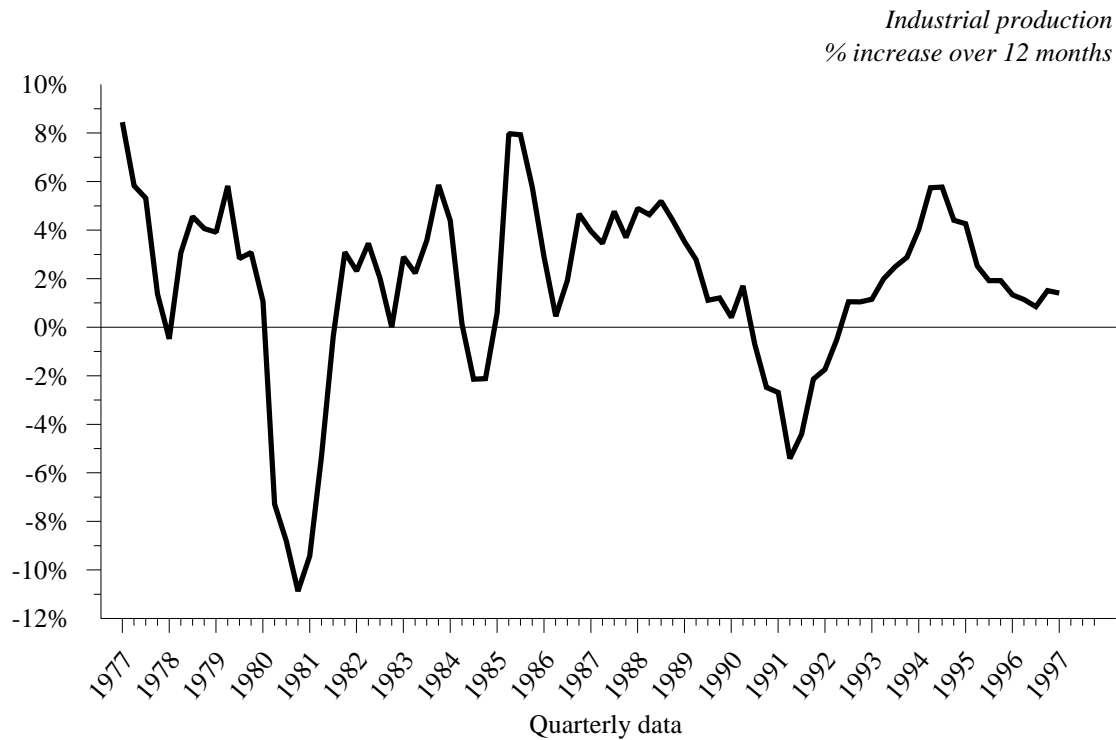
	GDP <i>at constant factor cost 12 month change</i>	Non-Oil GDP <i>at constant factor cost 12 month change</i>	GDP <i>£ billion at current market prices</i>	GDP <i>£ billion at current factor cost</i>
1994	4.0%	3.5%	667.7	578.6
1995	2.5%	2.4%	700.1	604.1
1996	2.4%	2.3%	737.2	635.9
1996 Q1	2.1%	2.2%	180.9	155.7
1996 Q2	2.2%	2.1%	182.6	157.7
1996 Q3	2.4%	2.4%	185.3	160.2
1996 Q4	2.6%	2.5%	188.4	162.3
1997 Q1	3.0%	2.9%	191.4	164.8

Sources: ONS Database; ONS first release (97) 117 dated 22.5.97

- * Real GDP at factor cost is estimated to have risen by 0.9% between the fourth quarter of 1996 and the first quarter of 1997 to a level 3.0% higher than in the first quarter of 1996. This is the highest quarter-on-quarter growth rate since the third quarter of 1994. In 1996 GDP was 2.4% higher than in 1995.
- * The latest Treasury summary of independent economic forecasts suggests that UK GDP at constant factor cost will grow by 3.3% in 1997 and 2.7% in 1998. The forecast in November's budget was for growth rates of 3½% in 1997 and 3% in the first half of 1998.
- * GDP excluding oil and gas extraction is estimated to have risen by 1.0% between the fourth quarter of 1996 and the first quarter of 1997 to a level 2.9% higher than in the first quarter of 1996. In 1996 GDP excluding oil and gas extraction was 2.3% higher than in 1995.

Next update: 27 June

A 2. Industrial Production



Industrial Production - Index of Output: seasonally adjusted

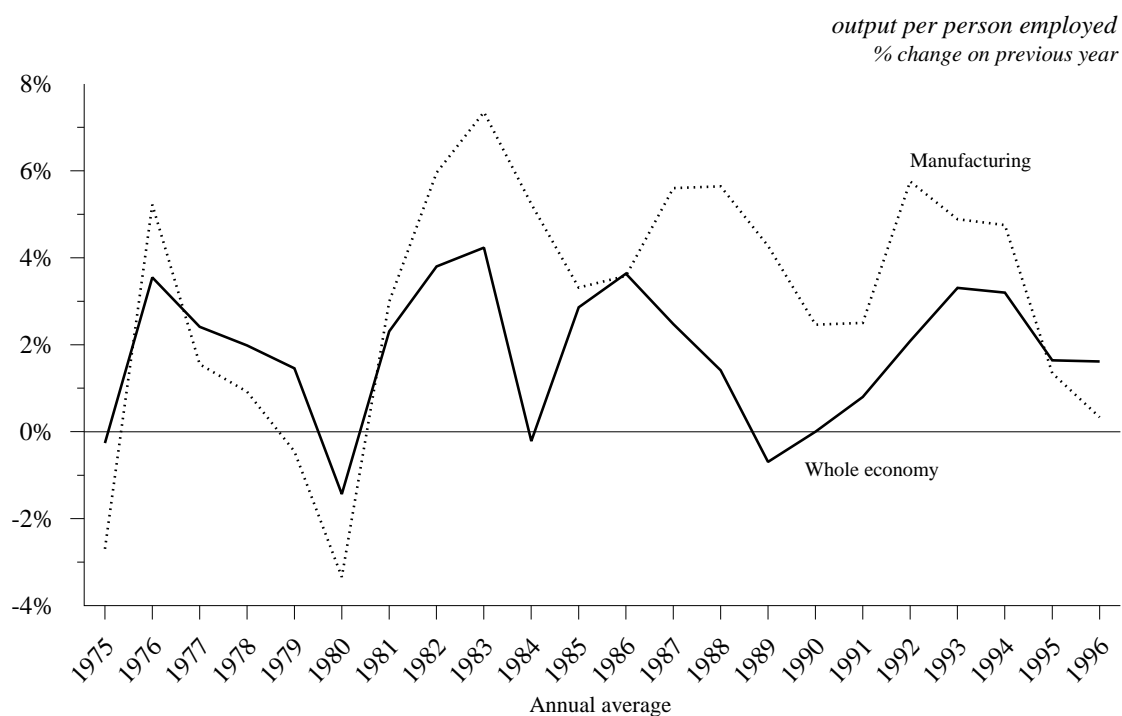
	Total <i>12 month change</i>	Mining & quarrying incl oil & gas <i>12 month change</i>	Manufacturing <i>12 month change</i>	Gas, electricity & water supply <i>12 month change</i>
1994	5.0%	14.9%	4.2%	1.2%
1995	2.6%	5.2%	2.2%	3.2%
1996	1.2%	3.1%	0.5%	5.7%
1995 Q4	1.9%	5.2%	1.0%	6.7%
1996 Q1	1.3%	0.1%	1.0%	6.5%
1996 Q2	1.1%	6.1%	-0.2%	6.6%
1996 Q3	0.8%	2.4%	0.2%	4.4%
1996 Q4	1.5%	4.1%	0.7%	5.4%
1997 Q1	1.4%	2.2%	1.6%	-1.2%

Source: ONS database; ONS first release (97)97 dated 7.5.97

- * In the first three months of 1997, industrial production was 0.1% higher than in the previous quarter and 1.4% higher than in the same period a year earlier. Data for the month of March suggest that overall industrial production was unchanged on February.
- * Manufacturing output in the three months to March was 0.6% higher than in the previous quarter and 1.6% higher than in the same period a year earlier. Within manufacturing performance was mixed. Compared to the previous three months, there were significant increases in sectors such as food, drink & tobacco (+1.7%), electrical & optical equipment (+1.7%) and transport equipment (+1.6%) but notable falls in sectors such as plastic & rubber products (-2.5%), pulp, paper printing & publishing (-0.8%) and textiles, leather & clothing (-0.8%)
- * In the three months to March output in the electricity, gas & water supply sector was 2.8% lower than in the previous quarter as the mild winter reduced demand for gas and electricity.

Next update: 9 June

A 3. Productivity



Manufacturing Productivity Index 12 month percentage change

Annual average	Output per head
1992	5.8%
1993	4.9%
1994	4.7%
1995	1.3%
1996	0.3%
Monthly data	
Mar 1996	0.2%
Apr 1996	-0.2%
May 1996	-0.2%
Jun 1996	-0.2%
Jul 1996	0.3%
Aug 1996	-0.6%
Sep 1996	0.1%
Oct 1996	0.5%
Nov 1996	0.7%
Dec 1996	2.2%
Jan 1997	1.6%
Feb 1997	1.7%
Mar 1997	1.7%

* Economy-wide productivity growth remained stable at 1.6% in 1996. This was the result of stable output growth (up 2.4% in 1996) accompanied by a very modest increase in employment (up 0.6%).

* Monthly manufacturing productivity data also show stable productivity growth of 1.7% in both February and March. This represents a marked improvement on the very low or negative productivity growth recorded throughout most of 1996.

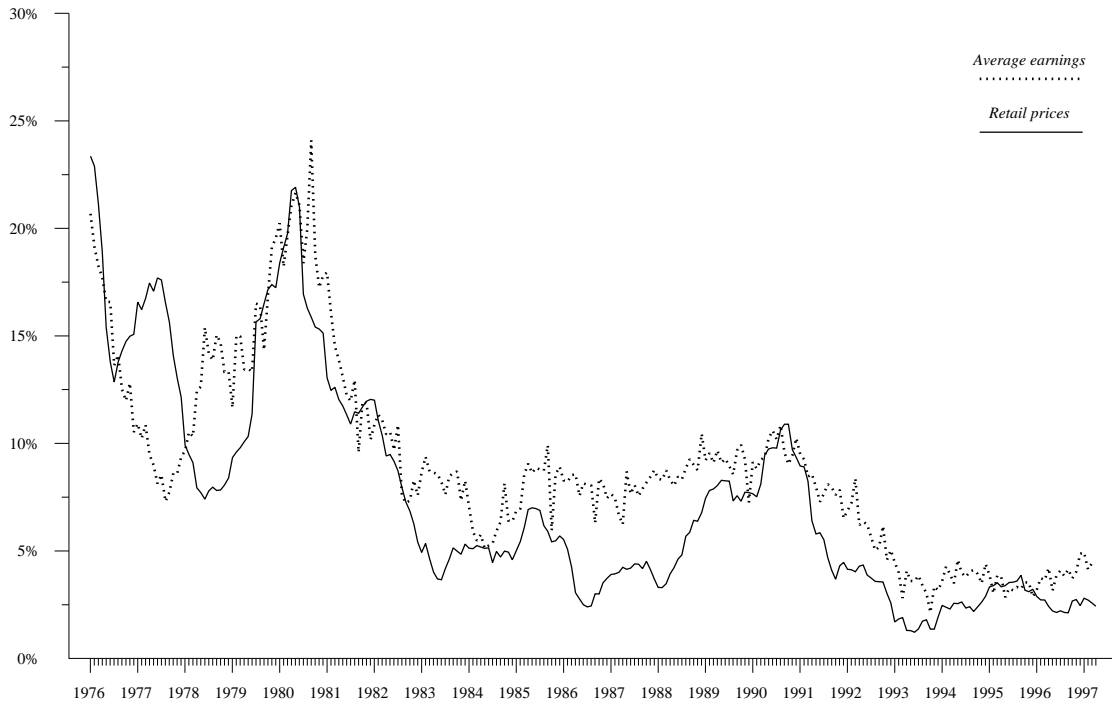
* Manufacturing productivity growth is lower than overall productivity growth, having been higher throughout the 1980s and early 1990s.

Source: ONS Database (series DMOB)

Next update: 11 June

B 1. Retail Prices and Average Earnings

percentage increase over 12 months



<u>% increase on previous year</u>		
Annual averages	Prices	Earnings
1992	3.7	6.1
1993	1.6	3.4
1994	2.4	4.0
1995	3.5	3.4
1996	2.5	3.9
Monthly data		
Apr 1996	2.4	4.1
May 1996	2.2	3.2
Jun 1996	2.1	3.9
Jul 1996	2.2	4.1
Aug 1996	2.1	3.9
Sep 1996	2.1	4.2
Oct 1996	2.7	3.7
Nov 1996	2.7	4.0
Dec 1996	2.5	4.9
Jan 1997	2.8	4.9
Feb 1997	2.7	4.1
Mar 1997	2.6	4.4
Apr 1997	2.4	..

Inflation - consumer prices as measured by the all items RPI rose by 2.4% in the year to April 1997, down from 2.6% in the previous month.

The government's target measure of inflation, RPI(X), excludes the effect of mortgage interest payments (MIPs). RPI(X) in the year to April 1997 fell to 2.5% from 2.7% in the previous month. Excluding the effects of MIPs and indirect taxes (RPI(Y)), prices rose by 2.0%.

Earnings - average gross earnings of employees in Great Britain rose by 4.4% in the year to March 1997. The underlying rate, which takes account of staged agreements and bonuses, is estimated to be 4.5%.

This rise puts the actual level of average earnings of full-time employees at around £379.30 per week or £19,724 per year.

Forecasts - the Treasury's forecast at the time of the budget suggested that the RPI (less MIPs) will increase by 2.5% in the year to the fourth quarter of 1997.

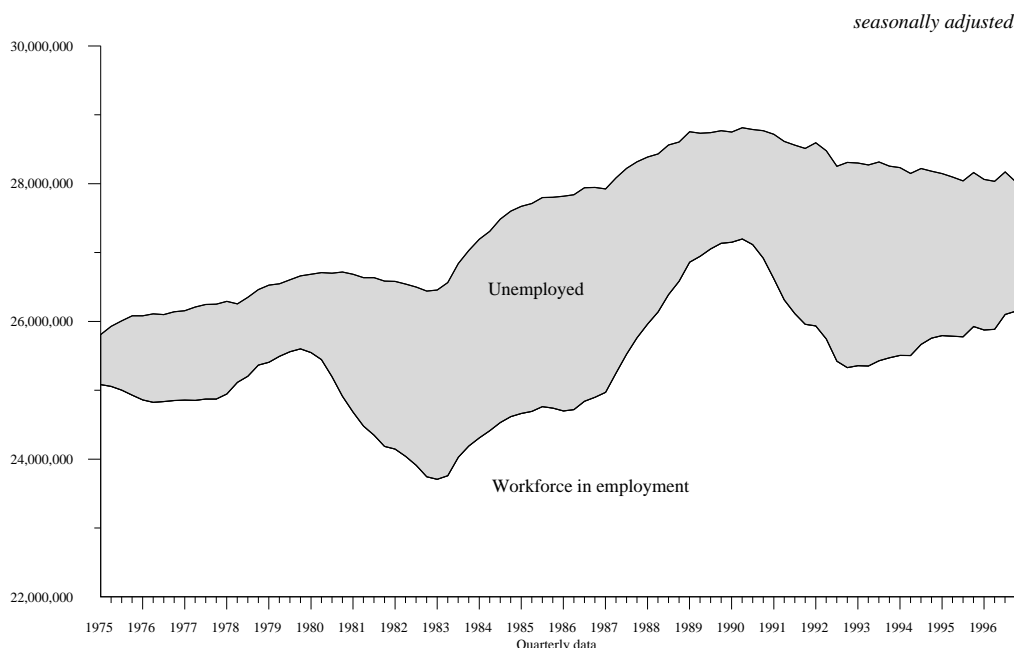
The latest summary of independent forecasts suggests that the RPI (less MIPs) will rise by 2.6% in the year to the fourth quarter of 1997 and by 3.1% in the year to the fourth quarter of 1998.

Independent forecasts predict average earnings to rise by 4.8% in 1997 and 5.0% in 1998.

Sources: ONS Database series CHAW & DNAB

Next update: Prices 12 June
Earnings 11 June

C 1. Employment



United Kingdom; seasonally adjusted; thousands

December	Employees in employment	Self employed	HM Forces	Work related govt-supported training	Workforce in employment
1992	21,521	3,171	280	356	25,327
1993	21,658	3,224	258	329	25,469
1994	21,871	3,352	237	296	25,755
1995	22,142	3,330	226	227	25,925
1996	22,363	3,369	216	199	26,147
Changes 1995 to 1996					
000s	221	39	-10	-28	222
%	1.0%	1.2%	-4.4%	-12.3%	0.9%

Source: ONS First Release: Labour Market Statistics (ONS (97) 106)

* The total number in employment continued to grow throughout 1996. In December 1996, the workforce in employment was 221,000 higher than in December 1995, despite falls in the number on work-related government training schemes and in HM Forces. Year-on-year employment growth has now been positive since September 1993.

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

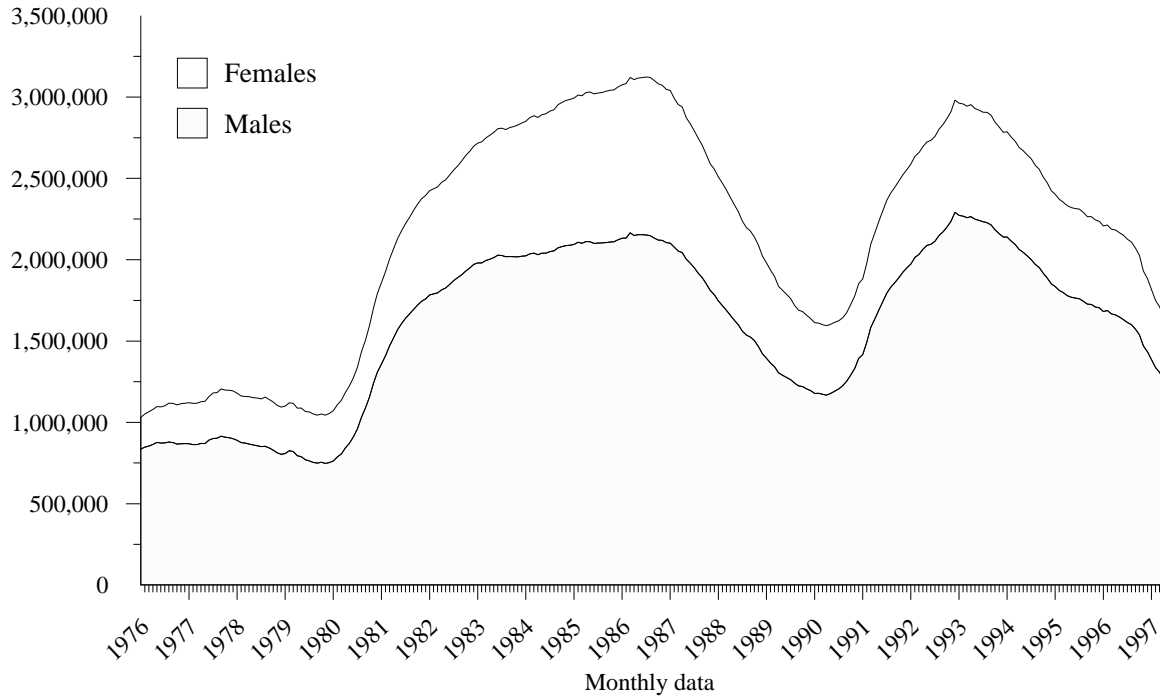
* The self-employed in December 1996 represented 13% of workforce in employment compared with 8% in September 1979.

* In December 1996 12% of male and 46% of female employees were part-time, totalling 6.4 million employees.

Next update: 11 June

C 2. Unemployment: National

*Unemployed claimants: UK
seasonally adjusted*



Seasonally adjusted

Unemployed Claimants UK

Annual averages	Number	% of workforce
1992	2,765,000	9.7
1993	2,900,600	10.3
1994	2,619,300	9.3
1995	2,308,200	8.3
1996	2,104,600	7.5
Monthly data		
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	2,070,800	7.4
Oct 1996	2,025,200	7.2
Nov 1996	1,929,800	6.9
Dec 1996	1,883,100	6.7
Jan 1997	1,814,500	6.5
Feb 1997	1,748,100	6.2
Mar 1997	1,710,800	6.1
Apr 1997	1,651,400	5.9

Unemployment - fell by 24.3% in the year to April 1997. The April 1997 total is

- 39% lower than April 1992
- 42% lower than in June 1987
- 41% lower than in June 1983
- 52% higher than in May 1979

(all figures adjusted for seasonality and discontinuities)

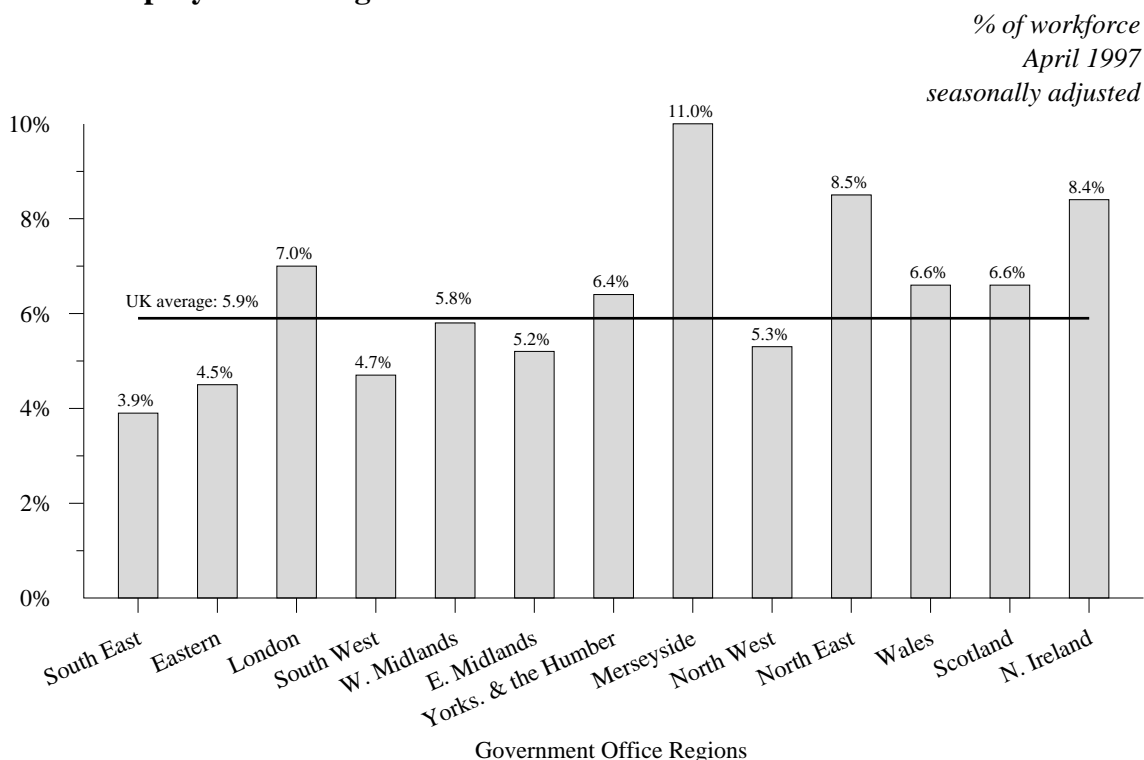
% Rates - as a proportion of the workforce the April totals give unemployment rates of:

- 8.1% for males
- 3.1% for females
- 5.9% overall

Forecasts - an average of independent forecasters predicts that unemployment will fall to 1.57 million by the fourth quarter of 1997 and 1.44 million by the fourth quarter of 1998.

Source: ONS - NOMIS Database

C 3. Unemployment: Regional



In common with other Government statistics, unemployment figures are now presented for Government Office Regions (GORs) in England.

% change April 1996 to 1997

South East	-32.1%
Eastern	-29.7%
London	-23.4%
South West	-27.3%
West Midlands	-25.0%
East Midlands	-26.8%
Yorkshire & the Humber	-22.0%
Merseyside	-17.5%
North West	-25.1%
North East	-23.6%
Wales	-21.9%
Scotland	-17.9%
Northern Ireland	-24.7%
United Kingdom	-24.3%

% Rates - as a proportion of the workforce, April unemployment rates are now below 10% in all regions except Merseyside. Unemployment rates are higher than the national average of 5.9% in seven regions:

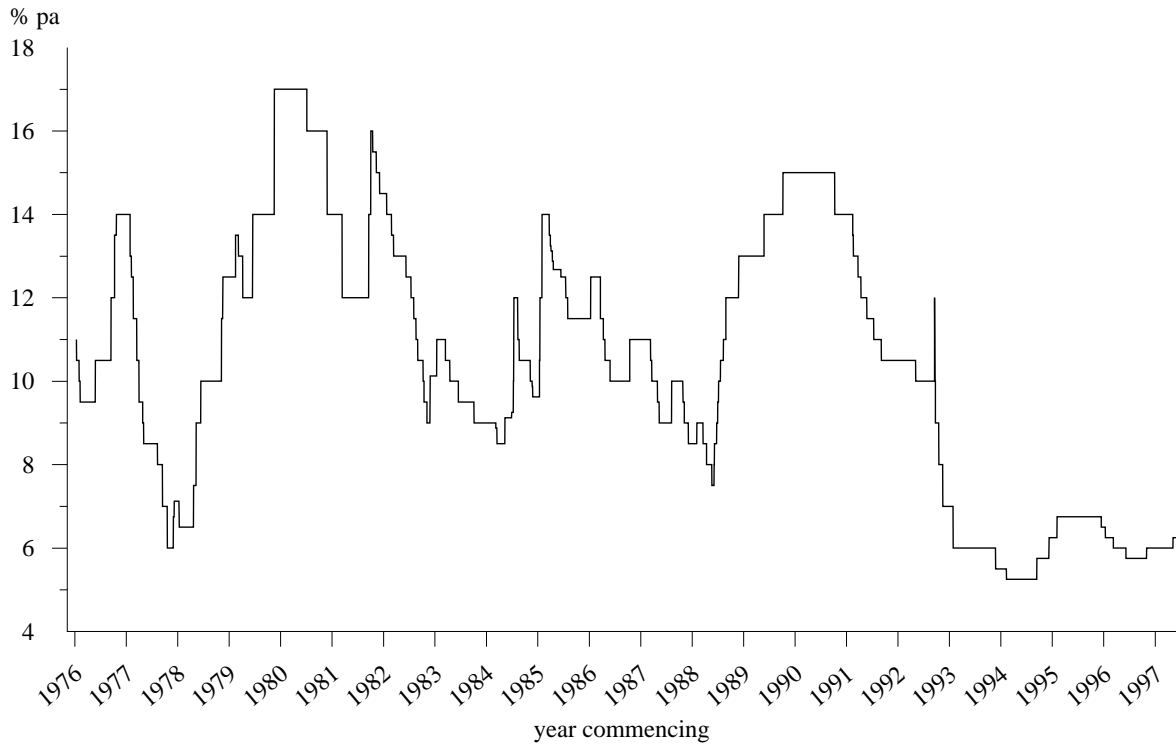
Merseyside	11.0
North East	8.5
Northern Ireland	8.4
London	7.0
Scotland	6.6
Wales	6.6
Yorkshire & the Humber	6.4

Rates of change - In April the number of unemployed claimants in the UK fell by 59,400 - not as large as the record fall of 95,400 which occurred in November. Unemployment levels are now the lowest since March 1990.

Next update: 11 June

D 1. Interest Rates

Base Rates



per cent per annum

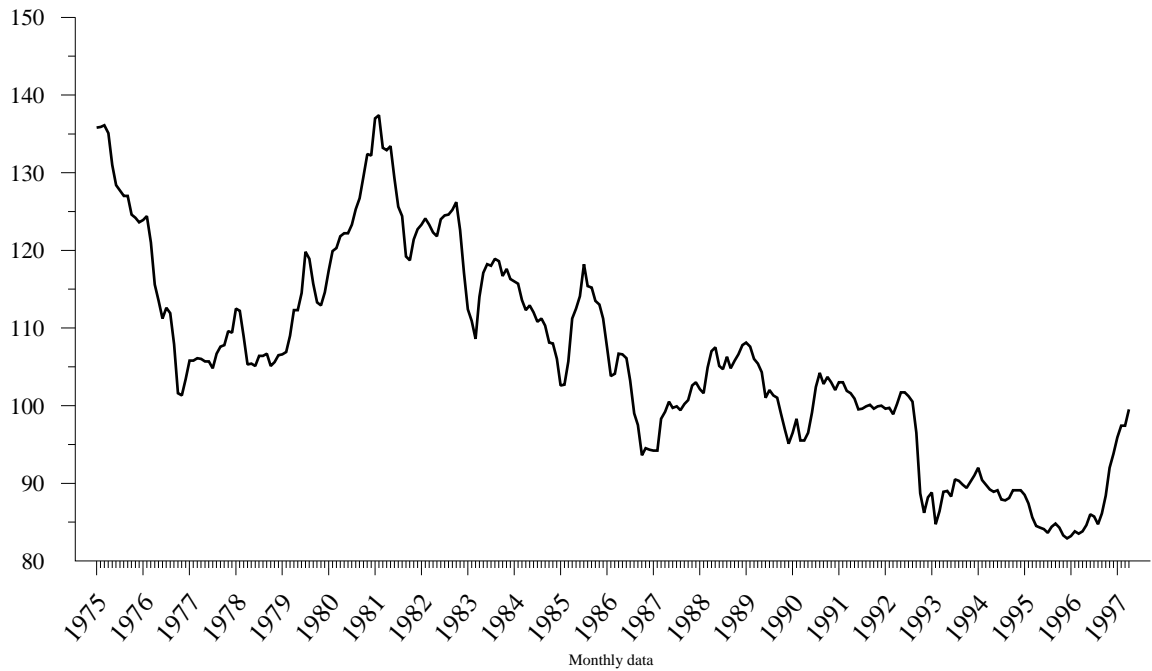
Date of Change		New Rate	Date of Change		New Rate	
1989	Oct 5	15.00	1993	Jan 26	6.00	
1990	Oct 8	14.00		Nov 23	5.50	
1991	Feb 13	13.50	1994	Feb 8	5.25	
	Feb 27	13.00			Sep 12	5.75
	Mar 22	12.50			Dec 7	6.25
	Apr 12	12.00	1995	Feb 2	6.75	
	May 24	11.50			Dec 13	6.50
	Jul 12	11.00	1996	Jan 11	6.25	
	Sep 4	10.50			Mar 8	6.00
1992	May 5	10.00			June 6	5.75
	Sep 16	12.00			Oct 30	6.00
	Sep 17	10.00	1997	May 6	6.25	
	Sep 22	9.00				
	Oct 16	8.00				
Nov 13	7.00					

* Interest rates were increased by a quarter of a point on 6 May. If current proposals for legislative change take effect this will have been the last occasion when interest rates were changed at the determination of the Chancellor. Future interest rate decisions will be taken solely by the Bank of England Committee charged with this responsibility.

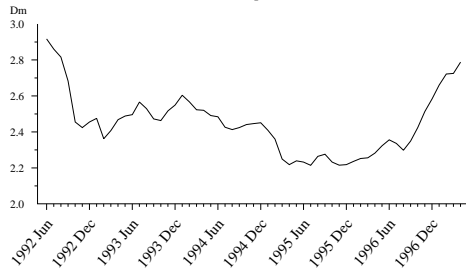
* A rate of 15.0% p.a. was announced on 16th September 1992 but was cancelled before becoming effective.

D 2. Exchange Rates

Sterling Exchange Rate Index
1990=100



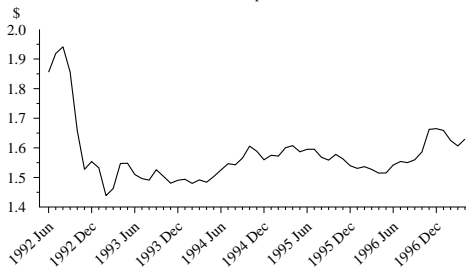
Sterling-Deutschemark Exchange Rate
June 1992-Apr 1997



* 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 May 1997 were as follows: DM 2.7903; US\$ 1.636; Yen 190.643.

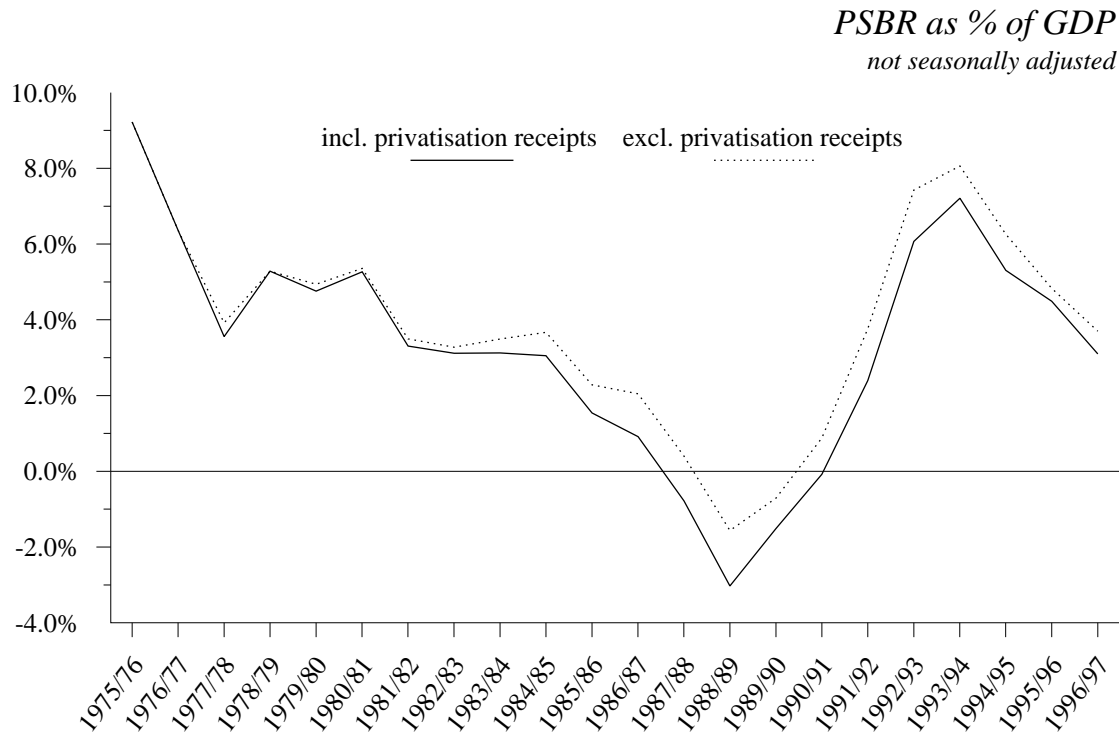
Sterling-US Dollar Exchange Rate
June 1992-Apr 1997



* Sterling continues in its role as one of the strongest currencies in Europe. The General Election appears to have had little discernible effect on its value. The announcement about the new powers for the Bank of England over interest rates plus developments in Germany (over gold reserves) and in France (the elections) have, if anything, strengthened sterling even more.

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
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%
1996/97	23.1	3.1%	27.5	3.7%

Source: ONS Database Series ABEN, ABII, CAOB

* The PSBR for the whole of 1996/97 was £23.1 billion (3.1% of GDP) compared to £31.7 billion (4.5% of GDP) in 1995/96. The PSBR excluding privatisation receipts was £27.5 billion (3.7% of GDP) compared to £34.2 billion (4.8% of GDP) in 1995/96.

* In the 1996 Budget, the Treasury forecast a PSBR of £19 billion in 1997/98. The average of independent forecasts suggested a higher figure of £21.5 billion for 1997/98.

Next update: 17 June

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
1996 June	7.0%	5.5%	8.5%	9.9%
1996 July	6.8%	5.6%	8.4%	9.1%
1996 August	9.5%	5.8%	9.2%	9.5%
1996 September	5.7%	5.3%	10.5%	10.0%
1996 October	7.0%	5.0%	12.9%	10.6%
1996 November	6.2%	5.5%	13.3%	10.8%
1996 December	6.0%	5.6%	8.0%	9.5%
1997 January	5.0%	5.6%	10.5%	9.9%
1997 February	5.0%	6.4%	11.8%	11.2%
1997 March	4.7%	6.4%	17.9%	11.2%
1997 April	3.9%	6.0%	9.9%	10.2%
1997 May	4.5%	6.1%	na	na

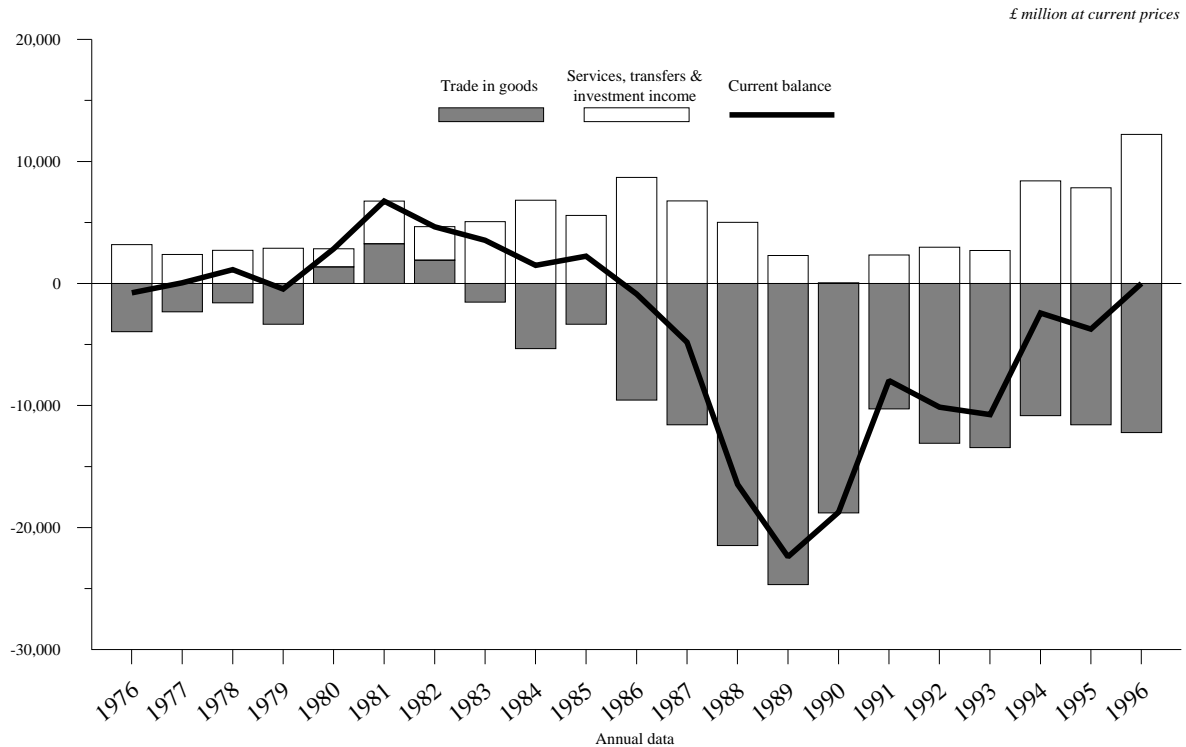
Source: Bank of England: Monetary & Financial statistics, June 1997

* 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 1996 Budget.

Next update: 30 June

E 1. International Trade



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

	Trade in goods			Services, transfers & investment income	Current Balance
	Exports	Imports	Balance		
1994	134,666	145,497	-10,831	8,411	-2,419
1995	153,075	164,659	-11,584	7,841	-3,743
1996	166,092	178,320	-12,228	12,214	-14
1996 Q1	40,708	44,434	-3,726	2,373	-1,353
1996 Q2	41,528	44,536	-3,008	3,767	759
1996 Q3	41,721	44,634	-2,913	2,620	-293
1996 Q4	42,135	44,716	-2,581	3,454	873
1997 Q1	41,938	43,991	-2,053	na	na

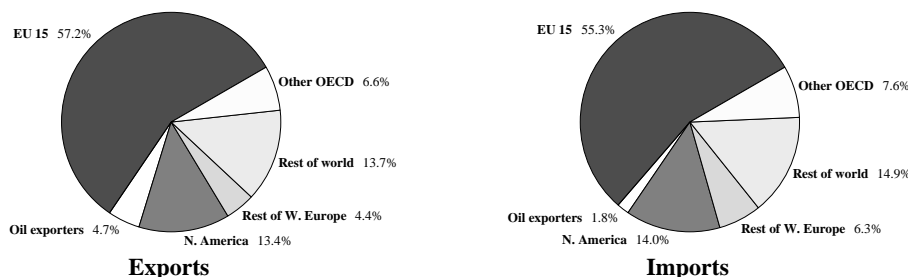
Source: ONS database; ONS News Release (97)69, dated 24 March 97

- * **Trade in Goods balance** - preliminary figures for the first quarter of 1997 show a deficit of £2.1bn, lower than the figure for 1996 Q4 and also lower than the same quarter of 1996. The deficit for the whole of 1996 is estimated at £12.2bn, compared with a deficit of £11.6 bn for 1995. Although somewhat erratic, the latest monthly data suggests that the deficit is in fact narrowing.
- * **Trade in Services** - showed a surplus of £1.9bn in the fourth quarter of 1996, the highest on record, compared with a revised surplus of £1.7bn in the third quarter. The surplus on trade in services was £6.6bn in 1996, slightly lower than the surplus of £6.9bn for 1995.
- * **Investment Income** - investment income showed a surplus of £2.6bn in the fourth quarter 1996, considerably higher than the revised surplus of £1.9bn in the third quarter. Investment income showed a record surplus of £10.3bn compared to £7.9bn in 1995. This was due to higher surpluses on direct and portfolio investment.
- * **Transfers** - the deficit on transfers in the fourth quarter (£1.1bn) was slightly higher than the deficit of £1.0bn recorded for the previous quarter. The deficit in 1996 was £4.7bn, down from £7.0bn in 1995.
- * **Current balance** - The current account was in surplus by £0.9bn in the fourth quarter of 1996, compared to a deficit of £0.3bn in the third quarter.

Next update: 27 June

E 2. Trade in Goods

Shares of visible trade by area:1996
BoP basis



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

	Volume Index 1990=100		Trade balance (£m)		
	Exports	Imports	Total balance	Excluding oil	Excluding oil and erratic items (a)
1994	118.5	109.2	-10,831	-14,734	-15,489
1995	127.1	114.3	-11,584	-15,913	-16,935
1996	136.6	123.8	-12,228	-17,150	-18,742
1996 Q1	133.3	122.2	-3,726	-4,910	-5,246
1996 Q2	136.0	122.8	-3,008	-4,094	-4,149
1996 Q3	137.3	124.3	-2,913	-4,067	-4,472
1996 Q4	139.6	125.7	-2,581	-4,079	-4,875
1997 Q1	142.0	126.5	-2,053	-3,575	-3,873

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

Source: ONS database, ONS First Release (97)133 dated 29 May 97

* **Trade by Area**

EU: In the first quarter of 1997, the deficit with EU countries narrowed to £0.6bn. In value terms, a rise in exports to Germany and Netherlands was offset by a fall in exports to France and most other countries. Only imports from France showed a rise - the largest falls were in imports from Germany and the Benelux countries. The deficit on trade in goods with EU members for 1996 is estimated at £3.7bn, compared to £4.0bn for 1995. In 1996 the other members of the enlarged European Union (EU 15) received 57.2% of UK exports and supplied 55.3% of all UK imports.

Non EU: In the first quarter of 1997, the deficit with the non-EU countries narrowed to £1.5bn. In the first quarter growth in exports to North America was offset by the drop in exports to Oil Exporting Countries. Imports fell from almost all areas with the exception of North America.

* **Volume of Trade (excluding oil and erratics)**

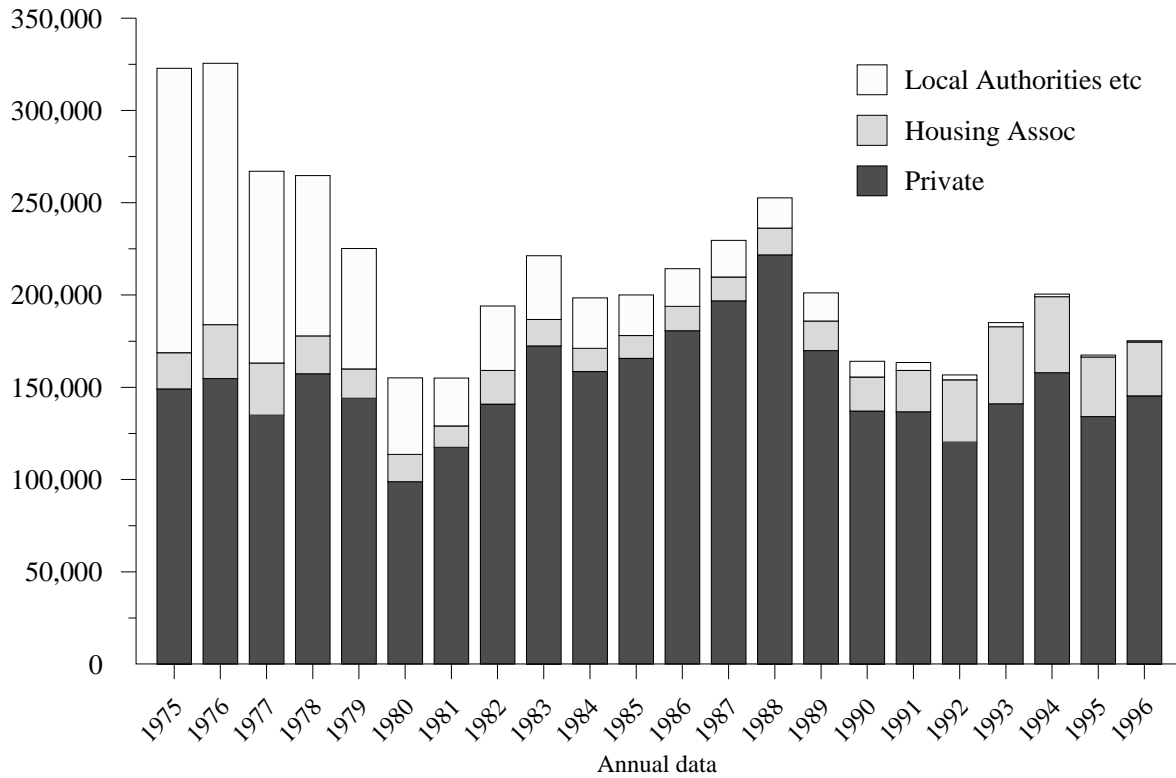
In the first quarter of 1997, the volume of exports rose two per cent while imports were little changed compared with the previous quarter. In 1996 as a whole, the volume of exports rose by 7½ per cent and imports rose by 8¼ per cent compared with 1995. Latest estimates of trends show export and import volumes both flat.

* **Trade in Oil**

In the first quarter of 1997 the surplus on trade in oil was £1.5bn, the same as the surplus in the previous quarter.

Next update: 25 June

F 1. Housing Starts



New Dwellings Started - Great Britain (thousands)

	Private	Housing Assocs	Local Auth's etc	Total
1992	120.2	33.8	2.7	156.7
1993	141.0	41.8	2.2	185.0
1994	157.9	41.2	1.4	200.5
1995	134.1	32.3	1.0	167.3
1996	145.3	29.2	0.7	175.3
<i>seasonally adjusted</i>				
1996 Q4	41.0	7.2	0.1	48.3
1997 Q1	41.3	7.3	0.1	48.7
Jan 97	15.0	2.7	0.1	17.8
Feb 97	14.2	2.2	0.0	16.4
Mar 97	12.1	2.4	0.0	14.5

* Seasonally adjusted total starts in January - March 1997 were 1% higher than in the previous three months and 24% higher than in January - March 1996.

* Local authorities started only 700 dwellings in 1996 - 0.4% of the total.

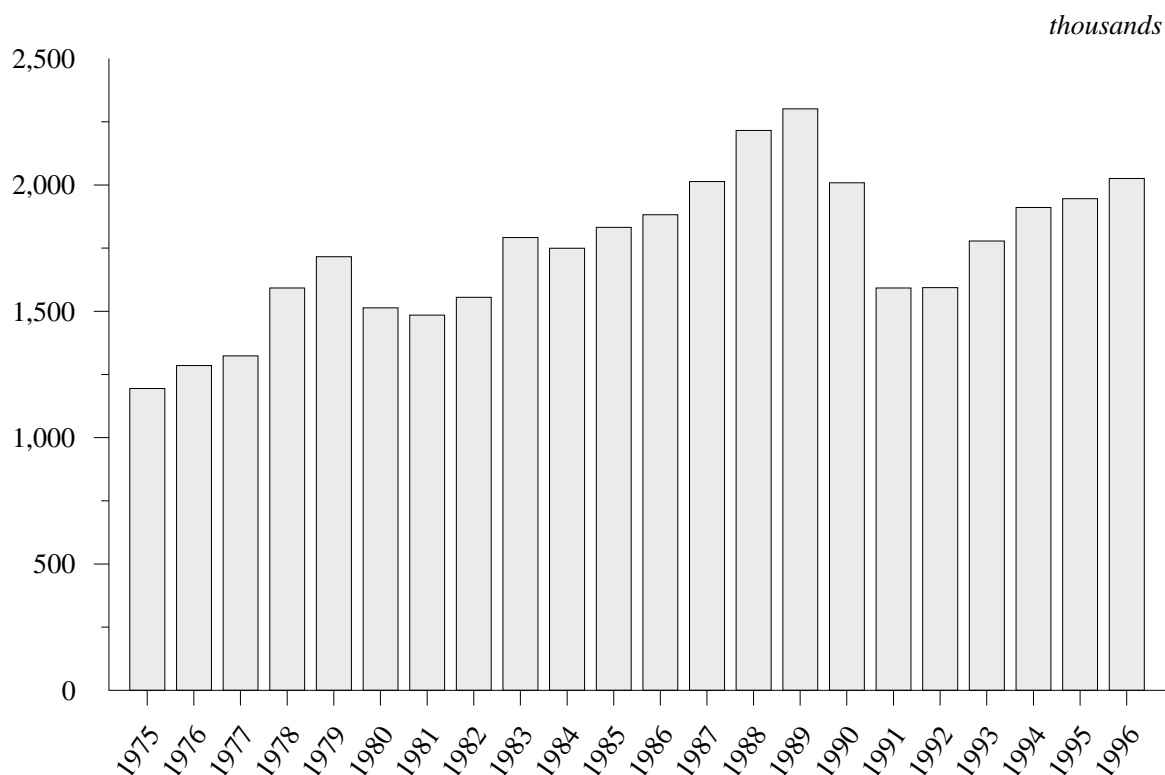
* Private sector starts in 1996 were up 8% on the previous year, but housing association starts were 10% lower than in 1995.

* House prices continue to show rapid growth. According to the Halifax Building Society, house prices rose 7.2% in the year to the first quarter of 1997. Fastest growth was recorded in Greater London, where prices rose 17.4%. In the North and in Scotland, prices rose by less than 2%.

Source: DoE Information Bulletin (173) 6 May 1997

Next update: 9 June

F 2. New Registrations of Cars



New Registrations of Cars
not seasonally adjusted

	Number thousands	Change over 12 months
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	2,025	4.1%
1997 (forecast)	2,080	2.7%
April 1997	183	12.4%

* Latest annual figures from the SMMT show just over 2 million new registrations of cars in 1996 - 4.1% higher than in 1995 and the highest level since 1989.

* The SMMT is forecasting a smaller increase of 2.7% in 1997. If realised, this would make 1997 the 6th successive annual increase in new registrations.

* 182,747 cars were registered in April 1997, an increase of 12.4% on April 1996.

* There was strong growth in all three sales groups: private registrations were up 14.9% on April 1996; fleet registrations were up 8.6% and business registrations were up 24.5%.

* 64% of cars registered in April 1997 were imported; 16% were diesel and 57% were fleet or business registrations.

Source: SMMT "Monthly Statistical Review" April 1997

Next update: mid June

F 3. Retail Sales



Retail Sales Volume Index: All Retailers

	Index Number 1990=100	12 Month Change	
1992	99.4	0.7%	
1993	102.4	3.0%	*
1994	106.2	3.7%	
1995	107.5	1.2%	*
1996	110.6	2.9%	
1996 Oct	111.9	4.3%	
Nov	113.1	4.3%	
Dec	112.1	3.0%	*
Jan	113.0	4.9%	
Feb	113.5	4.4%	
Mar	114.2	4.4%	
Apr	114.3	4.7%	

* Retail sales volume index increased by 2.9% in 1996 over 1995.

* Sales in the most recent 3-month period were 4.5% up on the same period last year and 1.2% up on the previous 3 months.

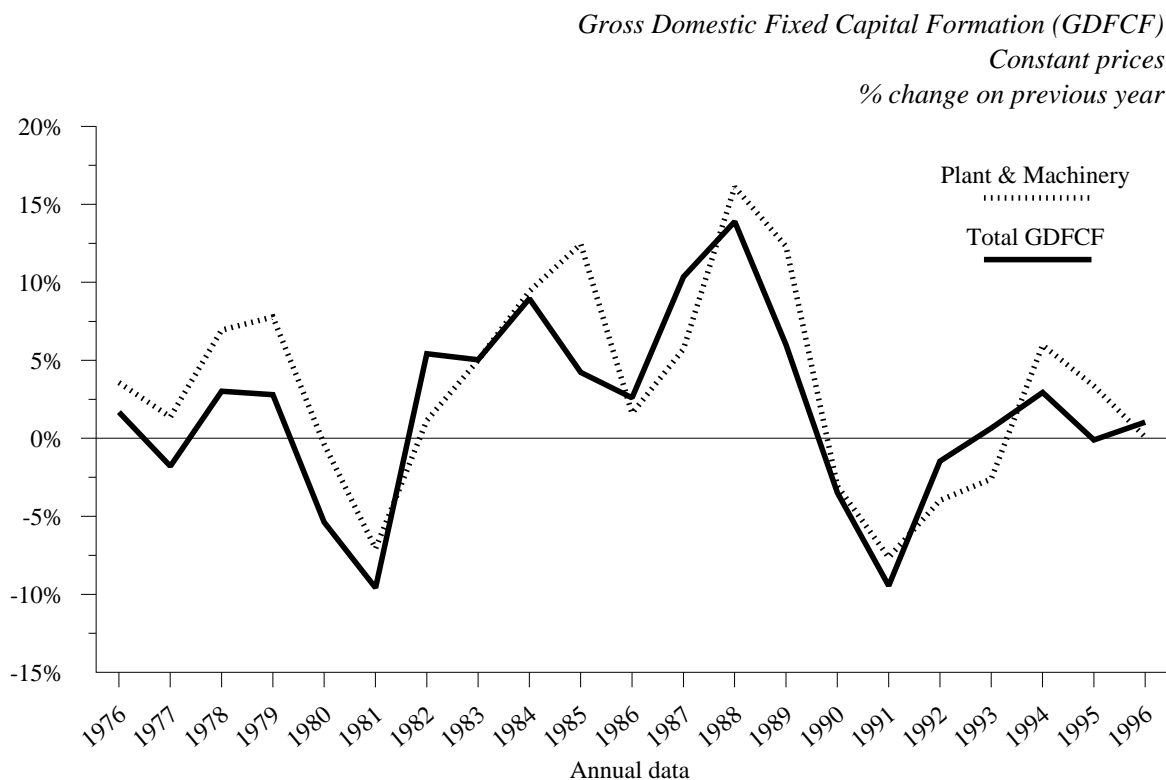
* Based on non-seasonally adjusted data, the average weekly value of retail sales in April was £3,250 million, 5.7% higher than in April 1996.

Note: weekly average, seasonally adjusted

Source: ONS database series EAPS

Next update: 18 June

F 4. Investment



GDFCF (£ million) at 1990 prices, seasonally adjusted

	Vehicles, Ships & Aircraft	Plant & Machinery	Other New (i) Building & Works	Dwellings	Total
1993	8,727	31,749	36,449	19,661	96,586
1994	9,641	33,645	35,867	20,264	99,417
1995	9,027	34,772	35,331	20,176	99,306
1996	9,227	34,800	36,339	19,958	100,324
1996 Q1	2,084	9,112	9,096	4,802	25,094
1996 Q2	2,796	8,437	8,980	4,919	25,132
1996 Q3	2,105	8,534	9,071	5,056	24,766
1996 Q4	2,242	8,717	9,192	5,181	25,332
1997 Q1	na	na	na	na	26,172

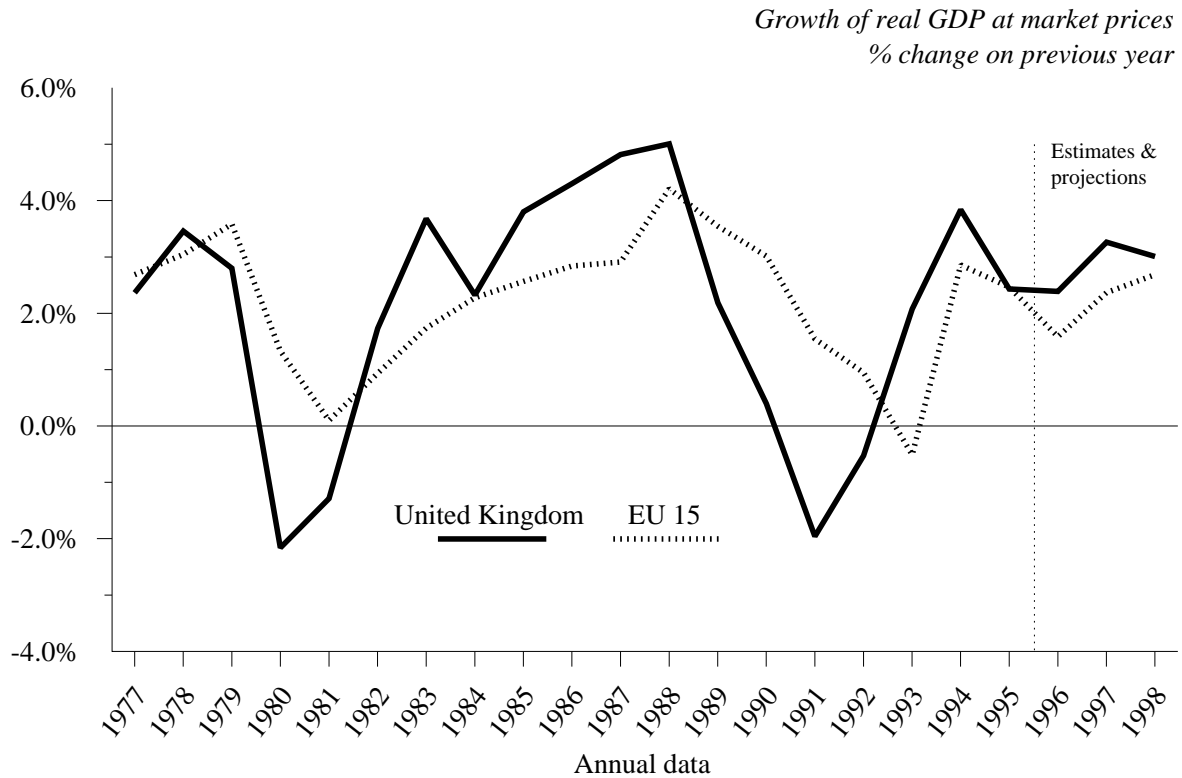
Notes (i) including transfer of costs of land and buildings
na not available

Source: ONS Database Series DEBP, DEBO, DFCV, DFEA, DFEC, DECU and First Release ONS(97 70), 24 March 1997

- * GDFCF is expenditure on fixed assets (buildings, vehicles etc.) either for replacing or adding to the stock of existing assets.
- * In 1996 total GDFCF (at 1990 prices) is estimated to have risen by 1% compared with 1995, which in turn was broadly unchanged from the level in 1994. However, GDFCF in 1996 was still 10% below the peak (£111.5 billion) in 1989.
- * In the first quarter of 1997, total GDFCF rose by 3.3% compared with the last quarter of 1996. When compared with the first quarter of 1996, total GDFCF was 4.3% higher.
- * A more detailed breakdown for the fourth quarter of 1996 shows that, compared with the same quarter of 1995, the main factor behind the increase in investment was a rise in expenditure on dwellings and other new buildings & works. Investment in these assets rose by 4 per cent over the year.

Next update: 25 June

G 1. International Comparisons: Growth



Annual Growth of GDP at Constant Market Prices

	1993	1994	1995	1996	1997	1998
				<i>estimate</i>	<i>projection</i>	<i>projection</i>
United States	2.3%	3.5%	2.0%	2.4%	2.2%	2.0%
Japan	0.1%	0.5%	0.9%	3.6%	1.6%	3.7%
Germany	-1.1%	2.9%	1.9%	1.1%	2.2%	2.6%
France	-1.3%	2.8%	2.2%	1.3%	2.5%	2.6%
Italy	-1.2%	2.1%	3.0%	0.8%	1.2%	2.1%
United Kingdom	2.1%	3.8%	2.4%	2.4%	3.3%	3.0%
Canada	2.2%	4.1%	2.3%	1.5%	3.3%	3.3%
OECD	1.0%	2.7%	2.0%	2.4%	2.4%	2.7%
EU 15	-0.5%	2.9%	2.5%	1.6%	2.4%	2.7%

Source OECD Economic Outlook December 1996 table A1

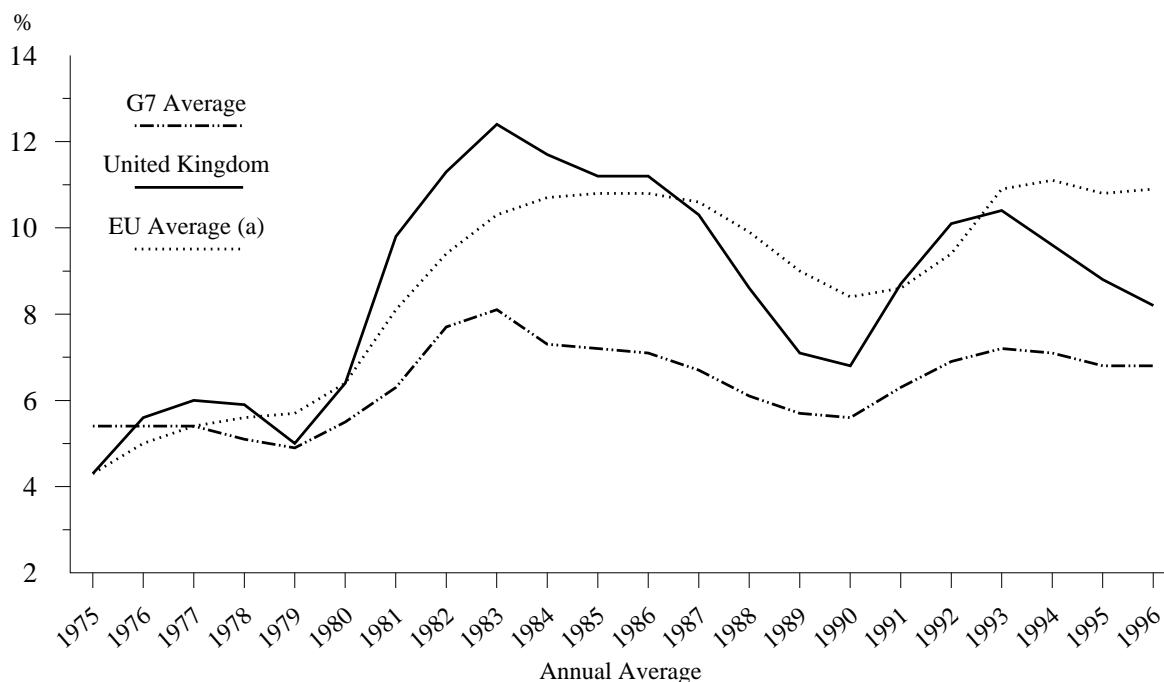
* The table and graph above reflect projections in the December 1996 edition of the OECD's *Economic Outlook*.

* UK growth in 1997 is projected to be 3.3% compared to an EU average of 2.4%. Together with Canada, the UK is projected to have the fastest growth rate of the G7 countries.

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

	1995	1996	1996 Q3	1996 Q4	1997 Q1
Canada	9.5	9.7	9.8	9.9	9.6
USA	5.6	5.4	5.3	5.3	5.3
Japan	3.1	3.4	3.3	3.3	3.3
France	11.7	12.4	12.5	12.6	12.5
Germany	8.2	9.0	9.0	9.3	9.6
Italy	11.9	12.0	12.0	12.0	..
UK	8.8	8.2	8.3	7.9	7.4
EU 15	10.8	10.9	10.9	10.9	10.9
G7	6.8	6.8	6.8	6.8	6.8
OECD	7.5	7.6	7.5	7.5	7.5

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

* In 1996 Q4 eight EU countries (out of the fourteen for which figures are available - none for Greece) had higher unemployment rates than the UK - Belgium (9.5%), Finland (15.1%), France (12.6%), Germany (9.3%), Ireland (11.9%), Italy (12.0%), Spain (21.7%) and Sweden (10.2%).

* Unemployment rates in other OECD countries for 1996 Q4 include: Australia (8.6%) and New Zealand (5.9%).

Sources: OECD Main Economic Indicators, May 1997
OECD Hot File, May 23rd 1997

Next update: mid June

G 3. International Comparisons - Prices

*Consumer Price Index
percentage increase on previous year*



(a) EU 15 from 1992 onwards

Harmonised Index of Consumer Prices - percentage change over 12 months

	1996	Nov 96	Dec 96	Jan 97	Feb 97	Mar 97
United States (a)	2.9	3.2	3.3	3.0	3.0	2.8
Japan (a)	0.1	0.5	0.6	0.6	0.6	0.5
France	1.8	1.6	1.7	1.8	1.7	1.1
Germany	1.7	1.3	1.2	1.7	1.6	1.3
United Kingdom	2.1	2.1	2.0	1.8
Italy	2.6	2.9	2.9	2.6	2.3	2.2
EU 15	2.2	2.1	2.1	2.2	2.0	1.7

Notes: (a) National CPI data, not harmonised indices

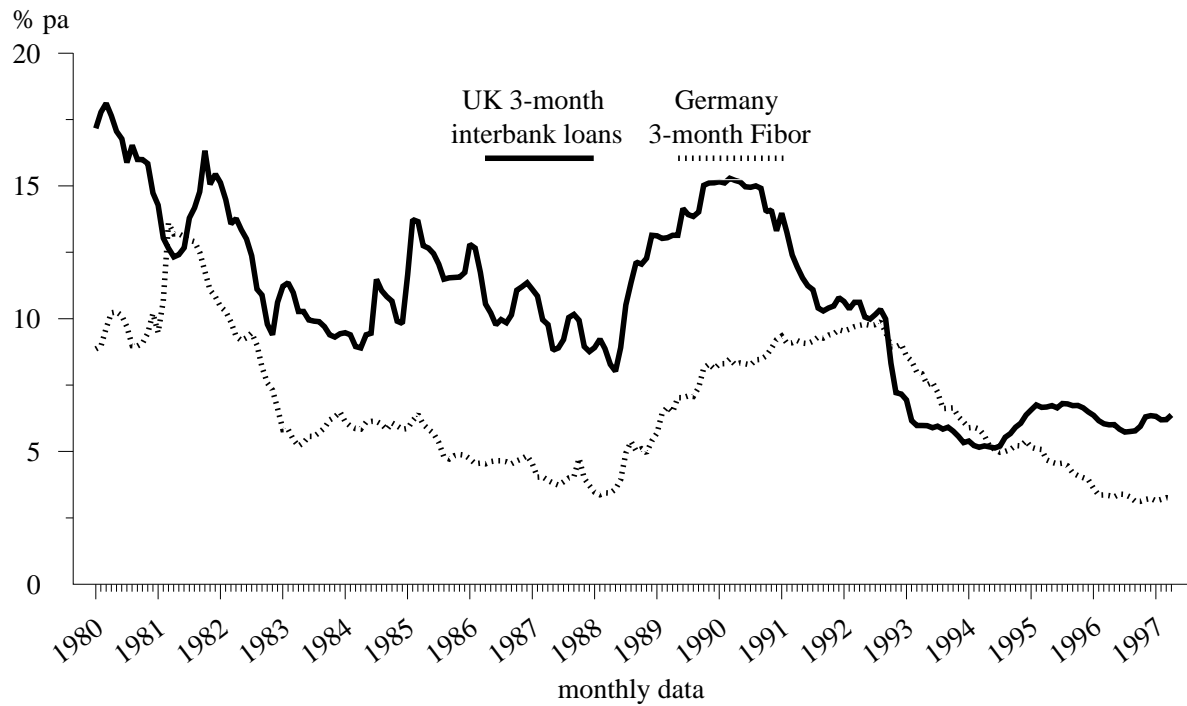
Sources: OECD Hot File, 23rd May 1997; Eurostat

- * Eurostat now publishes Harmonised Indices of Consumer Prices (HICP) to facilitate comparison of Member States' progress towards economic convergence on price inflation. Figures for national consumer price indices continue to be shown for the USA and Japan; these are not strictly comparable with figures for EU countries.
- * In March 1997 the UK's rate of price inflation was 1.8% pa - marginally higher than the average for the EU15.
- * Only four EU countries had inflation rates higher than the UK in March: Spain and Italy (both 2.2% pa), Portugal (2.3% pa) and Greece (5.9% pa). No figures are available for Ireland for March 1997.
- * Finland had the lowest rate of inflation of any EU country (0.8% pa).

Next update: mid June

G 4. International Comparisons - Interest Rates

Short-term Interest Rates
per cent per annum



Short-Term Interest Rates as at 2 Jun 1997

	3-month rate (% pa)
London	6 ⁹ / ₁₆
New York	5 ²⁵ / ₃₂
Frankfurt	3 ⁵ / ₃₂
Tokyo	¹⁷ / ₃₂
Paris	3 ¹⁹ / ₃₂
Milan	6 ²⁹ / ₃₂
Brussels	3 ³ / ₈

* Short-term interest rates in London are currently more than 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 2 June are shown in the table opposite.

Source: Financial Times 2 June 1997

Recent Library Research Papers have been:

97/59	Albania	14.05.97
97/60	Wales and Devolution	19.05.97
97/61	The Referendum (Scotland and Wales) Bill [Bill 1 of 1997-98]	20.05.97
97/62	Housing Benefit and Council Tax Benefit (General) Amendment Regulations 1997 [SI 1997/852]	15.05.97
97/63	<i>E. coli</i> Foodborne Disease	09.05.97
97/64	Aspects of Parliamentary Reform	21.05.97
97/65	Lead in Drinking Water	21.05.97
97/66	Development of Systems (Overseas Aid)	(not yet printed)
97/67	The New Statistical Regions	(not yet printed)
97/68	The European Convention on Human Rights	(not yet printed)