

LATEST ECONOMIC INDICATORS

OUTPUT / DEMAND		
GDP (Q1)	Up 0.6% on the previous quarter and up 3.0% on a year earlier	C1
Service sector output (Q1)	Up 0.8% on the previous quarter and up 2.9% on a year earlier	C1
Industrial production (3m to Apr)	Up 0.1% on the previous 3 mths, and down 0.1% on a year earlier	C1
Manufacturing output (3m to Apr)	Down 0.1% on the previous 3 mths, but up 0.8% on yr earlier	C1
Households' consumption (Q1)	Up 0.9% on the previous quarter and up 3.4% on a year earlier	C2
Retail sales volume (3m to May)	Up 1.7% on the previous 3 months and up 6.6% on a yr earlier	C2
LABOUR MARKET		
LFS employment (3m to May)	Down 29,000 on the previous 3 months to 28.30 million, giving an employment rate of 74.7%, up 0.7% on a year earlier	C3
Unemployment (3m to May)	Up 6,000 on the previous quarter at 1.43 million, giving an unemployment rate of 4.8%, down 0.2ppts on a year earlier	C3
Claimant unemployment (June)	Down 9,600 on the previous month to 0.85 million, giving a rate of 2.7%, down 0.3 ppts on a year earlier	C3
Headline average earnings (GB, 3m to May)	Annual earnings growth of 4.3%, unchanged on the previous month.	C3
INVESTMENT		
Whole economy investment (Q1)	Up 1.1% on Q4 and up 3.7% on a year earlier	C1
Business investment (Q1)	Up 0.3% on Q4 and up 4.4% on a year earlier	C1
PRODUCTIVITY		
Whole economy productivity (Q1)	Up 0.4% on the previous quarter and up 2.5% on a year earlier	C1
Manufacturing prod (Q1)	Up 0.4% on the previous quarter and 4.9% on a year earlier.	C1
INFLATION		
CPI inflation (June)	1.6%, up 0.1ppts on the previous month	
RPI (June)	3.0%, up from 2.8% the previous month	D3
RPIX (June)	2.3% unchanged on the previous month	D3
Producer output prices (June nsa)	0.1%, down from 0.4% the previous month	D3
Producer input prices (June nsa)	-2.1%, down from 2.5% the previous month	D3
Halifax house prices (May)	Up 2.2% on Apr and up 21.8% on a year earlier	C2
BALANCE OF PAY'TS / TRADE		
Current account (Q4)	Deficit of £5.2bn, down from a deficit of £6.3bn (revised) in the previous quarter	C4
Trade in goods (Apr)	Deficit of £4.7bn, up from 4.2 in Mar	C4
Trade in services (Apr)	Surplus of £1.1bn, down from £1.2bn in Mar	C4
Goods export volumes (3m to Apr)	Down 1.0% on previous 3 months, down 2.9% on a yr earlier	C4
Goods import volumes (3m to Apr)	Down 1.3% on previous 3 months and up 2.8% on a yr earlier	C4
PUBLIC FINANCES		
Public sector net borrowing (May)	£6.7bn, down £0.5bn on a year earlier	E2
Public sector net cash req't (May)	£3.1bn down from £5.8bn a year earlier	E2
FINANCIAL		
Narrow money – M0 (May)	Annual growth of 5.2%, down from 5.7% a month earlier	-
Broad money – M4 (May)	Annual growth of 12.3%, unchanged on a month earlier	-
Base interest rate	Latest 4.5%, up from 4.25% on 10 th June 2004	D2
Sterling ERI (1990=100)	Closing on 24/06/04: 105.0 Was 97.2 at the 1997 election; all-time low was 82.2 in Nov 95; peaked at 113.6 on 3 May 2000.	D4

B2

HISTORICAL COMPARISONS

Average annual % real changes, unless otherwise stated	Decades			Governments			Economic cycles ¹		Latest annual data
	1970s	1980s	1990s	1979-1997	1992-1997	1997-2001	86Q2-97H1	97H1 - 99Q2	2003
OUTPUT									
GDP	2.4%	2.4%	2.1%	2.2%	3.1%	3.1%	2.4%	2.7%	2.2%
Industrial production	1.8%	1.5%	1.1%	1.4%	2.7%	1.2%	1.8%	0.9%	-2.6%
Manufacturing output	0.7%	1.1%	0.6%	0.9%	2.2%	1.3%	2.0%	0.5%	1.1%
Services output	2.5%	2.7%	2.8%	2.6%	3.5%	4.1%	2.7%	4.2%	2.5%
Household consumption	2.6%	3.4%	2.3%	2.7%	2.7%	3.9%	2.7%	3.9%	3.3%
INVESTMENT²									
Whole economy	1.3%	4.3%	2.3%	2.5%	3.2%	6.0%	3.5%	7.0%	2.9%
Business	2.7%	5.1%	3.7%	3.3%	4.7%	8.5%	4.9%	10.0%	-1.1%
Manufacturing	1.8%	1.2%	0.6%	0.4%	5.2%	-5.4%	2.8%	-6.2%	-8.6%
General govt.	-	-	0.2%	-	-7.4%	5.7%	-	15.5%	-
Whole economy (% GDP)	19.9%	18.5%	17.1%	18.0%	16.2%	17.1%	18.9%	17.1%	16.0%
Business (% GDP)	12.7%	12.0%	11.4%	11.7%	10.6%	12.0%	11.7%	12.1%	9.7%
Manufacturing (% GDP)	-	-	2.3%	2.3%	2.3%	2.1%	2.3%	2.4%	1.2 %
General govt. (% GDP)	4.2%	2.2%	1.8%	2.2%	1.9%	1.1%	2.1%	1.1%	1.2%
PRODUCTIVITY									
Whole economy	2.1%	1.8%	2.1%	2.1%	2.7%	2.0%	1.9%	1.7%	1.7%
Manufacturing	-	4.1%	2.6%	3.5%	2.2%	4.0%	3.6%	2.4%	3.2%
INFLATION/INTEREST RATES									
RPIX	-	7.0%	3.8%	6.2%	3.0%	2.4%	4.4%	2.6%	2.8%
Input prices	13.9%	4.2%	-0.6%	3.1%	1.8%	0.1%	0.7%	-7.6%	-1.3%
Output prices	10.8%	6.6%	3.0%	5.6%	3.0%	1.1%	3.7%	0.7%	1.5%
Base rate (av.)	9.4%	11.8%	7.9%	10.5%	6.5%	6.2%	-	6.4%	3.75%
Long-term interest rate (av.)	11.4%	11.5%	8.0%	10.5%	8.0%	5.5%	9.2%	6.0%	4.5%
TRADE									
Current account (% GDP)	-0.4%	-0.9%	-1.6%	-1.2 %	-1.4%	-1.3%	-2.3%	-0.8%	1.8%
Goods export volumes	5.1%	3.7%	5.4%	4.3%	7.8%	5.1%	5.4%	1.9%	-0.7%
Goods import volumes	4.9%	5.6%	5.0%	4.9%	7.2%	8.3%	5.3%	7.6%	1.0%
LABOUR MARKET³									
LFS employment rate (av.)	-	-	-	-	71.3%	74.0%	-	73.3%	74.6%
ILO unemployment rate (av.)	-	-	-	-	9.2%	6.0%	-	6.5%	5.0%
Claimant rate (av.)	3.1%	8.5%	7.0%	8.0%	8.3%	4.2%	8.0%	4.7%	3.1%

Last updated: 2 April 2004, using latest available quarterly figures. These figures are intended as a guide, and TWEB users should check with the Brief Author (e.g. for data updates) before quoting publicly.

Notes

* 2002 figures

¹ Economic Cycles – Treasury analysis based on the judgement that 1986Q2, 1997H1, and mid-1999 were on-trend points of the output cycle. Trend output growth is estimated as growth of non-oil gross value added between on-trend points for the past, and by projecting components going forward.

² Investment as a percentage of GDP figures are nominal investment as a percentage of nominal GDP.

³ Labour market rates give the most current figure.

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