

[21172001]



The latest government figures said retail prices in September were up 7.6 % from a year earlier .

[21172013]

Many economists have started predicting a mild recession next year .

[21172014]

David Owen , U.K. economist with Kleinwort Benson Group , reduced his growth forecast for 1990 to 0.7 % from 1.2 % and termed the risk of recession next year " quite high . "

[21172015]

But he said the downturn probably wo n't become a " major contraction " similar to those of 1974 and 1982 .

[21172016]

Still , Britain 's current slump is a cause for concern here as the nation joins in the European Community 's plan to create a unified market by 1992 .

[21172017]

Compared with the major economies on the Continent , the U.K. faces both higher inflation and lower growth in the next several months .

[21172018]

As a result , Mr. Owen warned , investment will be more likely to flow toward the other European economies and " the U.K. will be less prepared for the single market . "

[21172020]

But while September exports rose to # 8.43 billion , imports shot up to # 10.37 billion .

[21172021]

The resulting # 1.9 billion merchandise trade deficit was partly offset by an assumed surplus of # 300 million in so-called invisible items , which include income from investments , services and official transfers .

[21172022]

Despite the narrowing of the monthly trade gap , economists expect the current account deficit for all of 1989 to swell to about # 20 billion from # 14.6 billion in 1988 .

[21172023]

Increasingly , economists say the big deficit reflects the slipping competitive position of British industry .

[21172024]

" When the country gets wealthier , we tend to buy high-quality imports , " Mr. Owen said .