

One-click report : United Kingdom

October 27th 2020

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Briefing sheet

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Political and economic outlook

- The December 2019 election gave the government of Boris Johnson, the prime minister, a secure majority and a strong mandate to pursue an interventionist economic policy. The Economist Intelligence Unit expects the coronavirus crisis to reinforce this orientation.
- On January 31st the UK left the EU after 47 years of membership. The UK is currently in a transition period lasting until December 31st 2020, during which time it will remain in the single market and customs union.
- The future UK-EU relationship remains highly uncertain. The transition period will expire by the end of 2020, which will create new trade barriers, although this may be mitigated by an EU-UK free-trade agreement.
- The Treasury has provided more than £375bn (US\$475bn) in support to the economy through loans, wage support and job programmes, with a further budget planned for the autumn.
- Falling revenue and increased government spending will result in a fiscal deficit equivalent to an estimated 18.9% of GDP and public debt of 113.7% of GDP in 2020.
- The Bank of England (BoE, the central bank) has cut rates to historic lows of 0.1% and has committed to £300bn in bond-buying since March. It will directly finance government spending temporarily via the Ways and Means

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facility.

- The coronavirus outbreak caused all non-essential retail activities to be suspended for most of the second quarter, and the economy has reopened gradually since then. We expect real GDP to decline by 10.6% in 2020, before rebounding by 7.2% in 2021.

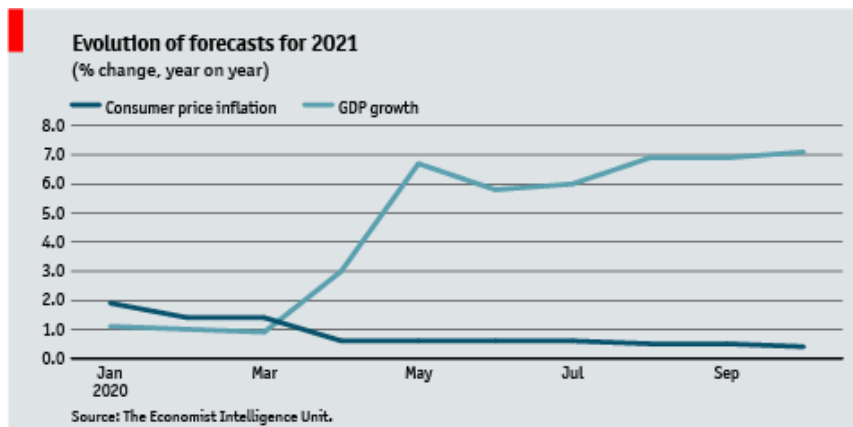
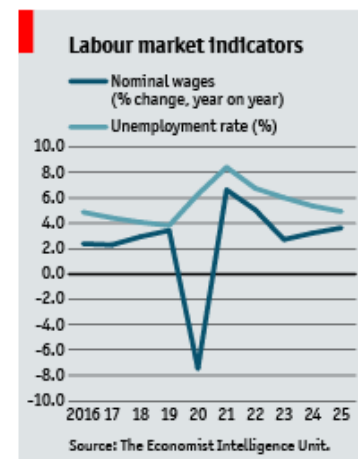
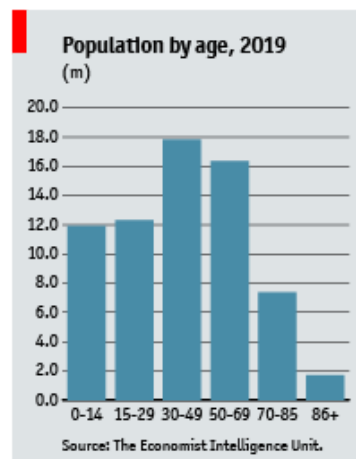
Key indicators

	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
Real GDP growth (%)	-10.6	7.2	3.5	1.7	1.4	1.5
Consumer price inflation (av; %)	0.6	0.4	1.0	1.1	1.6	1.8
Government balance (% of GDP)	-18.9	-10.5	-4.3	-3.1	-2.8	-2.7
Current-account balance (% of GDP)	-1.5	-3.0	-2.8	-3.5	-3.7	-4.4
Money market rate (av; %)	0.5	0.9	1.4	0.8	1.0	1.0
Unemployment rate (%)	6.3	8.4	6.8	6.0	5.4	4.9
Exchange rate £:US\$ (av)	0.79	0.79	0.76	0.73	0.71	0.71

^a Economist Intelligence Unit estimates. ^b Economist Intelligence Unit forecasts.

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Market opportunities



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Key changes since August 24th

- Final official second-quarter GDP figures were revised upwards slightly from a contraction of 20.4% quarter on quarter to one of 19.8%. We have revised down our estimate for the level of "bounceback" growth in the third quarter from 18% to about 15%.
- In response to a significant, sustained rise in new coronavirus cases the government has implemented greater restrictions on public activity, which they have announced will run through to March 2021.
- As a result we have downgraded our estimates for growth for the final quarter of 2020 and the first quarter of 2021, and our annual growth estimate for 2020 from -9.6% to -10.6%, and revised up our forecasts for 2021 and 2022.
- The government has postponed its full budget and announced a support scheme for part-time workers, along with further extensions to government business support programmes and tax relief. As a result we have revised up our debt estimates for 2020 and 2021.

The month ahead

- October 15th-16th—EU Summit: UK and EU negotiators have suggested this date as the effective deadline to reach a deal on Brexit negotiations. We expect greater clarity on the shape of any arrangement by this point, although negotiations may extend further in some areas.
- October 15th—Labour market (September): September represents the final full month of the furlough scheme, which supported more than 9m workers in the previous month. The replacement wage support scheme is less generous, and a significant number of employees remaining on furlough in this month are at risk of becoming unemployed.

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- October 21st—Public-sector net borrowing (September): Public-sector borrowing is expected to remain high, as the furlough scheme remains substantial. September figures will show the extent of borrowing for the final month of the furlough scheme.
- October 22nd—Retail sales (September): August retail sales were inflated by the government's "eat out to help out" subsidy scheme for the food retail sector. The resilience of this sector in the absence of government support will provide the baseline for further growth as restrictions are tightened again.

Major risks to our forecast

Scenarios, Q3 2020	Probability	Impact	Intensity
An SNP majority in the Scottish Parliament heightens tensions between England and Scotland	Very High	High	20
The UK leaves the transition period on December 31st 2020 without a deal, exacerbating the recession	Very High	High	20
The coronavirus recession leads to a wave of corporate failures	High	High	16
The labour market cannot bounce back from lockdowns	High	High	16
The new UK-EU relationship fails to resolve legal uncertainty created by Brexit	Very High	Moderate	15

Note: Scenarios and scores are taken from our Risk Briefing product. Risk scenarios are potential developments that might substantially change the business operating environment over the coming two years. Risk intensity is a product of probability and impact, on a 25-point scale.

Source: The Economist Intelligence Unit.

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Forecast summary

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Forecast summary

(% unless otherwise indicated)

	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
Real GDP (% change)	-10.6	7.2	3.5	1.7	1.4	1.5
Industrial production (% change)	-11.0	2.1	3.5	1.5	1.2	1.2
Unemployment rate (av; EU/OECD harmonised measure)	6.3	8.4	6.8	6.0	5.4	4.9
Consumer price inflation (av; CPIH measure)	0.6	0.4	1.0	1.1	1.6	1.8
3-month £-LIBOR rate (av)	0.5	0.9	1.4	0.8	1.0	1.0
Bank of England base rate (end-period)	0.10	0.10	0.25	0.75	1.25	1.25
Government budget balance (% of GDP) ^c	-18.9	-10.5	-4.3	-3.1	-2.8	-2.7
Exports of goods fob (US\$ bn)	371.8	391.6	450.1	508.4	579.0	644.7
Imports of goods fob (US\$ bn)	-437.2	-504.4	-582.6	-672.4	-767.4	-873.6
Current-account balance (US\$ bn)	-37.2	-82.1	-83.3	-111.8	-122.1	-155.0
Current-account balance (% of GDP)	-1.5	-3.0	-2.8	-3.5	-3.7	-4.4
Exchange rate US\$:£ (av)	1.27	1.27	1.32	1.37	1.41	1.42
Exchange rate ¥:£ (av)	136.3	137.9	141.7	148.8	153.6	155.8

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Exchange rate €:£ (av)	1.13	1.11	1.15	1.16	1.16	1.15
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^a Economist Intelligence Unit estimates. ^b Economist Intelligence Unit forecasts. ^c General government.

Political stability

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At the general election on December 12th 2019, the Conservative Party, under the prime minister, Boris Johnson, won an 81-seat majority. On January 31st 2020 Mr Johnson fulfilled his campaign promise to take the UK out of the EU, ending 47 years of EU membership and three and a half years of political deadlock on the issue. Despite the challenges posed by the coronavirus crisis, The Economist Intelligence Unit expects the government to last a full term.

The spread of the coronavirus has put the government on a crisis-management footing. In March the government instructed all residents to stay at home and to go out only for a limited number of essential reasons. This guidance was mostly relaxed by July, although the government has periodically implemented stricter provisions in communities with a high degree of community spread. After a lull in the summer, cases have started to increase again since September, and the government has begun to increase restrictions on public gatherings and on the operations of businesses. The government has suggested that these will be in place until at least March 2021 and that further restrictions are possible if cases continue to increase. We expect that this will be a drag on growth, but we do not expect the same level of containment as during the first lockdown. From the second quarter of 2021, we expect restrictions to be relaxed as warm weather, more effective treatments and potential vaccines limit the spread and severity of the virus.

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Brexit and the coronavirus have increased the medium-term risk to the integrity of the UK. Nicola Sturgeon, the leader of the Scottish National Party (SNP), has argued that Brexit represents a material change in the relationship between Scotland and the rest of the UK since the referendum on Scottish independence in 2014, which resulted in a majority favouring the union. Support for Scottish independence has been consistently slightly above 50% in polls conducted since the outbreak of the coronavirus pandemic, as Scottish voters view their devolved government's response as more effective than that of the UK government. Ms Sturgeon may seek to dramatise the issue through legal battles or other disruptive means, particularly if her party wins a majority in the 2021 Scottish parliament election, although even if the government grants a second referendum it would take several years to organise. Brexit has also inflamed tensions in Northern Ireland, where the Northern Irish protocol in the withdrawal agreement is unpopular among Unionists as well as nationalists, and opinion polling has shown a small but significant swing in favour of Irish reunification in the North.

Election watch

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We expect the government to last a full term. Under the Fixed-term Parliaments Act (FTPA) that governs elections, the next general election is scheduled for May 2nd 2024. The Conservative manifesto pledged to repeal the FTPA. However, even if this occurs, general elections must be held by the fifth year of a parliament, usually taking place in May to coincide with the local elections.

After its defeat in the 2019 election, when it won its lowest seat total since 1935, the opposition Labour Party replaced its leader, Jeremy Corbyn, with Keir Starmer, the former shadow Brexit secretary. Mr Starmer is more

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moderate than Mr Corbyn, but has maintained Mr Corbyn's anti-austerity position, which will make it challenging for the government to cut day-to-day spending in the second half of our forecast period should the public finances deteriorate. For Labour to win a majority, it would need to gain more than 120 seats—a feat that has occurred only once since the second world war. However, for the Conservatives to lose their majority and enter a hung parliament, they would have to lose only 41 seats—a swing that has occurred in ten of the 20 post-war elections.

International relations

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Following the UK's departure from the EU on January 31st 2020, the UK-EU relationship remains unsettled. The UK is scheduled to exit the transition period with the EU on December 31st. Negotiations between the UK and EU are set to conclude by mid-October, although a further delay into November is possible, as neither side is likely to want to concede too much ground or be responsible for ending talks. The most significant sticking point has been the issue of state aid: the EU is reluctant to offer the UK tariff-free access to its markets without assurances that the UK will not provide support that would unfairly advantage its industries over EU firms in the single market. We believe that a compromise is possible on this issue, and a limited deal is likely. The coronavirus outbreak and the threat of an outright collapse of much of the business sector have made the imposition of new costs on export-oriented businesses more risky, as many of these companies will be less able to withstand further shocks. Whether or not a deal is agreed, many issues will remain unresolved, and the result will not represent a stable final state for UK-EU trade policy, meaning that further negotiations will be necessary throughout the forecast period.

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In its withdrawal agreement from the EU, the UK agreed to a separate protocol for Northern Ireland to avoid the presence of border checks with the Republic of Ireland. Under this agreement, Northern Ireland will stay within a regulatory union with the EU for most goods. Although it will remain in the UK customs and value-added tax (VAT) areas, customs and VAT checks will be conducted by the UK on the EU's behalf at ports in the Irish Sea for goods bound for the EU. This will require the construction and implementation of checkpoints and border infrastructure between Northern Ireland and the rest of the UK for all goods deemed "at risk" of passing into the EU by a UK-EU joint committee. The construction of this infrastructure by December 31st presents a major implementation risk, particularly if there are no provisions in the trade deal further clarifying or streamlining these procedures. The UK has sought to minimise the risks to itself by passing domestic legislation that would allow it to decide unilaterally which goods need to be inspected in the event that no trade deal is reached. However, implementing such a unilateral decision would put it in violation of its commitments under the withdrawal agreement. The EU has responded by undertaking legal action. Some US officials have warned that should this provision reopen the issue of border checks on the island of Ireland, the US would not support a UK-US trade deal. In the event of a deal, we expect that these provisions would be dropped, but in the event of no deal, this legal challenge would weigh on the UK's ability to trade both with the EU and globally.

The UK's relationship with China has come under increasing strain. In response to China's implementation of a new national security law in Hong Kong, the UK government announced that it would allow up to 3m Hong Kong residents to immigrate to the UK, and suspended its extradition treaty with Hong Kong. It has also forced British telecommunications firms to remove components from Huawei, a Chinese telecoms firm, from their networks. These moves have greatly increased UK-China tensions and the prospect of retaliation by China. The UK's departure from the EU and its deteriorating relations with China suggest that the UK will need to prioritise its relationship with the US.

Policy trends

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Even before the coronavirus pandemic, the UK faced significant economic policy challenges, including low public investment, wide regional disparities, high housing costs and chronically low productivity growth. However, the scale of the disruption caused by the coronavirus is likely to dominate the government's policy agenda throughout 2020 and into 2021. Global and domestic demand has been severely depressed by the pandemic, and large-scale corporate failures and job cuts are likely. We do not expect UK GDP to return to its pre-crisis level before 2023.

Since becoming the Conservative Party leader and prime minister, Mr Johnson has moved his party away from the austerity policies advocated by his predecessors and planned to pursue significant increases in public-sector investment, including in infrastructure, and additional current spending on the National Health Service, education and the police. He also planned to reform the UK's immigration system to emphasise skilled labour. Long-term social care is an area of health spending that Mr Johnson's manifesto pledged to address, alongside significant investment in green and renewable energy as part of a green recovery plan, although details for both remain vague. Although we do not expect a return to austerity, the government will face increased fiscal constraints from 2021.

Fiscal policy

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At the outbreak of the pandemic, the government enforced nationwide shutdowns and developed a series of economic financial support packages to aid workers and businesses affected by the coronavirus until the situation normalised. These included more than £330bn (US\$420bn) in government-backstopped loans; several business tax deferments and holidays; targeted aid to the worst-affected sectors, such as travel and retail; and wage support schemes for salaried and self-employed workers. After originally committing to pay 80% of workers' wages from March to October, the Treasury has transitioned to a less generous top-up scheme for workers pushed into part-time work.

We expect that government spending will exceed 49% of GDP in 2020, resulting in a fiscal deficit of 18.9% of GDP and total debt exceeding 113% of GDP. In 2021 we forecast a smaller, but still substantial fiscal deficit of 10.5% of GDP, causing debt to peak above 116% of GDP. From 2022, we expect tax revenue to rebound and moves towards fiscal consolidation. However, given the political unpopularity of the previous period of austerity, we believe that this will take the form of tax increases rather than spending cuts. This will cause the deficit to fall and reduce debt levels to 113% of GDP by the end of our forecast period in 2025.

Monetary policy

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On March 19th 2020 the Bank of England (BoE, the central bank) cut its main rate to 0.1%—the lowest level in its history. It has also unveiled a £200bn bond-buying programme covering both corporate and government debt, which it developed in co-ordination with the Treasury to facilitate smooth functioning of government and private debt markets. This was expanded on June 18th by an additional £100bn. The BoE has also allowed the government access to its overdraft account, the so-called Ways and Means facility, to directly finance day-to-day costs, although this facility has not yet been tapped. The BoE said that both its bond-buying programmes and use of the Ways and Means facility were temporary and expected to be paid back. However, we expect that the BoE will continue to facilitate transactions that will allow the government to borrow at favourable rates throughout the forecast period. The BoE has said that it is considering the feasibility of negative interest rates, but we view further bond-buying programmes as a more likely option, at least in the first half of 2021. Given the length of the pandemic and associated downturn, we do not expect the BoE to raise rates again before mid-2022.

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Global forecast data

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	2020	2021	2022	2023	2024	2025
Economic growth (%)						
US GDP	-5.3	4.0	2.6	2.3	2.0	2.0
OECD GDP	-6.5	4.1	2.6	2.2	2.0	1.8
EU27 GDP	-8.0	5.2	3.1	2.3	1.9	1.7
World GDP	-5.2	4.5	3.3	3.1	2.8	2.7
World trade	-16.2	9.2	4.9	4.1	4.0	3.8
Inflation indicators (% unless otherwise indicated)						
US CPI	0.7	1.7	1.9	2.2	1.9	1.8
OECD CPI	1.1	1.7	2.0	2.2	2.1	2.1
EU27 CPI	0.8	1.3	1.7	1.8	1.8	1.9
Manufactures (measured in US\$)	-1.8	2.6	4.7	4.6	2.7	2.5
Oil (Brent; US\$/b)	42.2	45.0	55.5	60.0	57.0	51.0
Non-oil commodities (measured in US\$)	-2.4	3.1	2.3	0.4	1.9	1.0
Financial variables						
US\$ 3-month commercial paper rate (av; %)	0.6	0.2	0.2	0.9	1.4	1.5

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€ 3-month interbank rate (av; %)	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
US\$:£ (av)	1.27	1.27	1.32	1.37	1.41	1.42
US\$:€ (av)	1.13	1.15	1.14	1.19	1.21	1.23

Economic growth

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The impact of the coronavirus: global and regional assumptions

The Economist Intelligence Unit's forecasts are built on a series of epidemiological assumptions about the novel coronavirus (Covid-19). Without access to a vaccine, we expect that the disease will eventually infect up to 30% of the World's population; of the symptomatic cases, we assume that about 15% will be severe and up to 1% will prove fatal. Death ratios will depend on a country's ability to detect, track and contain the virus, and the capacity of the national health system. There will be no return to normality until a safe and effective vaccine is rolled out, which we do not expect before end-2021. As a result, local outbreaks and lockdowns are to be expected this year and next, putting most countries under severe economic, fiscal and social strain. The most likely long-term scenario for advanced economies is one of low growth, low inflation and high debt levels, as is already the case in Japan. Amid the pandemic-fuelled debt pile-up, the outlook for emerging markets is gloomier; many will have no choice but to restructure debt in the medium term.

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We estimate that global real GDP will have contracted by 5.2% in 2020. The global economy will not recover to its pre-coronavirus size before at least 2022; 2020 and 2021 will be lost years for growth. Asian countries will be the fastest to recover, some as early as 2021. Major economies will broadly recover in 2022, and emerging markets in 2024. This scenario rests on the assumption that the worst effects of the pandemic will be felt this year. We believe that trade disruptions will be severe, and estimate that global trade will have contracted by 16.2% in 2020. We assume that oil prices will average US\$42.2/barrel this year, a decline of more than 34%, before they recover to US\$45/b next year. Real GDP will have contracted in all regions in 2020, but the drop in output will have been especially severe in OECD countries, at 6.5%. All G7 countries and all but one G20 country (China) will experience a full-year recession, with US output contracting by 5.3%, compared with growth of 1.7% in China.

The euro zone economy recorded a historic collapse in the first half of 2020, wiping out all growth since the global financial crisis. Italy, Portugal, Spain and France were the worst hit, with lesser contractions in Germany and other northern economies. The main factors determining the extent of the downturn were the severity of lockdowns and dependence on services—especially foreign tourism. We expect a bounce-back from the third quarter, but this will reflect base effects rather than a robust return of economic activity. Case numbers are now rising again, prompting local lockdowns, stricter rules on mask wearing and social distancing, and quarantines for crossborder travel. These will be highly disruptive for businesses and consumers, but less so than renewed nationwide lockdowns, which we expect governments to avoid, as they will lean on test and trace capabilities to target specific outbreaks. Growth rates will pick up in 2021, but we do not expect real GDP in western Europe to return to its 2019 level until 2023.

The political and geopolitical effects of the crisis will be significant. The pandemic has resulted in an extraordinary expansion of executive powers, with limited parliamentary oversight. Elections have been cancelled or delayed in some countries. When the pandemic has passed, governments' handling of the response will face scrutiny. Failure to address the humanitarian crisis triggered by the coronavirus could further erode trust in national institutions. A severe global economic crisis, followed by large-scale unemployment, could fuel a new wave of popular protests. The

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crisis may encourage support for the nation state, and a backlash against globalisation and open borders. It will also intensify the competition for global leadership between China and the US, and a realignment of geopolitical spheres of influence may ensue in Europe, Africa and other regions.

Economic growth

The coronavirus pandemic and ensuing public-health measures will cause a severe economic contraction in 2020. The exact degree of disruption is subject to significant uncertainty and will depend on the progress of the disease, the effectiveness of the public-health measures, and the likelihood and intensity of further outbreaks. We forecast that real GDP will contract by 10.6% in 2020. In 2021 we forecast a rebound in real GDP of 7.2%, but much of this will be due to base effects. We expect Brexit uncertainty to hinder the recovery in 2021, and do not expect the level of real GDP to exceed its 2019 peak until 2023.

Growth since the 2016 EU referendum was driven by private consumption and employment growth, both of which reached post-financial-crisis highs in 2019. However, we expect unemployment to spike as the furlough scheme is with-drawn, averaging 8.4% for 2021. From 2022 employment will rise gradually and unemployment will begin to fall, reaching 4.9% by the end of our forecast period.

We expect gross capital formation to decline sharply in 2020 as the highly uncertain business environment depresses investment. We expect a bounce-back in 2021 and 2022 owing to pent-up demand, and expect the government to accelerate its plans to encourage greater investment once uncertainty around the pandemic and Brexit have abated. Investment growth should stabilise from 2023 through to the end of the forecast period.

Export and import growth have turned sharply negative in 2020, as global demand has collapsed and coronavirus-related travel restrictions persist. The collapse in overall demand is improving the UK's current-account balance as

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imports decline, with the deficit shrinking to an estimated 1.5% of GDP in 2020. We expect the deficit to widen sharply in 2021 as Brexit disrupts exports and imports begin to rebound, and continue to expand modestly thereafter.

Economic growth

%	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
GDP	-10.6	7.2	3.5	1.7	1.4	1.5
Private consumption	-11.4	6.4	3.2	2.4	1.2	1.7
Government consumption	-3.0	10.1	2.5	2.0	2.0	2.0
Gross fixed investment	-27.1	10.0	8.3	2.9	2.9	2.9
Exports of goods & services	-13.8	8.0	7.3	5.3	7.1	7.1
Imports of goods & services	-22.1	10.2	8.7	7.8	8.0	8.4
Domestic demand	-12.4	7.7	3.8	2.4	1.6	2.0
Agriculture	-6.0	1.0	2.0	0.5	0.5	0.5
Industry	-6.0	2.0	3.0	1.5	1.2	1.2
Services	-11.8	8.6	3.6	1.8	1.4	1.6

^a Economist Intelligence Unit estimates. ^b Economist Intelligence Unit forecasts.

Inflation

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Inflation has declined sharply in 2020 as a result of depressed demand owing to the coronavirus pandemic, and we estimate average inflation of 0.6% in full-year 2020. We expect price pressures to remain subdued in 2021, when we forecast average annual inflation of 0.4%. The weakness of the pound will exert some inflationary pressure at the start of the year, preventing the deflationary pressure that will be seen elsewhere in Europe. These conditions will improve from late 2021 and into 2022, and we expect demand to increase steadily as uncertainty declines, lifting inflation to 1% in 2022 and to 1.8% by the end of the forecast period.

Exchange rates

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The value of the pound has been volatile in recent years owing to the UK's large current-account deficit, which requires massive international capital investment to support the currency. Since 2016 this has manifested itself in increased volatility around political events, as investors saw the UK's relationship with the EU as a proxy for its investment prospects. Similar behaviour is likely to continue throughout the coronavirus crisis. Sterling depreciated sharply against the US dollar in March, to a 35-year low of US\$1.15:£1, when investors engaged in a flight to safety as firms faced a dollar liquidity shortage. The establishment of swap lines between the Federal Reserve (the US central

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bank) and other central banks, including the BoE, reversed this trend, and sterling recovered to US\$1.30:£1 by end-July, in part owing to the weakness of the dollar. However, we expect sterling to remain volatile throughout the crisis period and into 2021 as the UK leaves the Brexit transition period. Looking ahead, we expect sterling to appreciate gradually from mid-2021 as the crisis abates, reaching US\$1.42:£1 by 2025.

External sector

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The outbreak of the coronavirus caused a sharp decline in global trade as demand declined, travel was disrupted and global supply chains were compromised by national lockdowns. The UK has not been exempt from this, with both imports and exports declining sharply in 2020. This will cause the UK's current-account deficit to shrink from the equivalent of 4% of GDP in 2019 to 1.5% of GDP in 2020. From 2021 we expect trade to rebound, although this will primarily be the result of a recovery from the 2020 base year, and we expect Brexit to weigh on exports (as well as imports, but to a lesser extent). Trade will continue to grow thereafter, but we do not expect the value of total imports or exports to return to pre-crisis levels until the end of the forecast period.

Country forecast overview: Business environment rankings

[United Kingdom](#) | [Business](#) | [Business environment](#) | [Rankings overview](#)

October 8th 2020

Value of index ^a		Global rank ^b		Regional rank ^c	
2016-20	2021-25	2016-20	2021-25	2016-20	2021-25
7.66	7.79	17	16	11	9

^a Out of 10. ^b Out of 82 countries. ^c Out of 18 countries: Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and the UK.

- The UK’s business environment score rises slightly in the forecast period (2021-25) compared with the historic period (2016-20). The UK rises by one place in the global rankings, but rises by two places in the regional rankings owing to larger declines elsewhere. Brexit introduces policy uncertainty, but the country’s strengths—including a pro-business policy stance, a welcoming attitude to foreign investment, and flexible labour and product markets—will continue.

Business environment at a glance

[United Kingdom](#) | [Business](#) | [Business environment](#) | [Business environment at a glance](#)

October 8th 2020

Policy towards private enterprise and competition

2021-22: Extraordinary public support for businesses affected by coronavirus, "Project Birch" intervention in critical sectors.

2023-25: Continued elevated state intervention in investment and innovation. New state aid rules implemented.

Policy towards foreign investment

2021-22: Coronavirus and Brexit uncertainty limits investment opportunities. Continued openness to investment, although potential security restrictions may come into place for China.

2023-25: Infrastructure plans offer investment opportunities. Possible changes in tax policies to bolster inward investment.

Foreign trade and exchange controls

2021-22: Coronavirus causes global trade to drop precipitously. Increased trade barriers with EU. New Northern Irish protocol implemented. Negotiations continue with third countries. Expected decline in UK-EU crossborder trade.

2023-25: Likely continued UK-EU negotiations even after transition exit. New trade agreements with other countries.

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Taxes

2021-22: Tax holidays and deferments throughout the duration of the crisis. Depressed revenue owing to decreased activity.

2023-25: Tax increases likely to compensate for coronavirus losses. Likely equalisation of self-employed and regular income taxes. Possible changes to the value-added tax (VAT) framework if the UK leaves the EU's VAT regime after 2020.

Financing

2021-22: Monetary policy remains highly accommodative, with Bank of England (central bank) asset purchases continuing. "Ring-fencing" bank reforms and ongoing capital strengthening. Steady growth in alternative forms of debt financing.

2023-25: Loss of "passporting" rights and restrictions on EU services trade. Modest decline in City of London's status.

The labour market

2021-22: Sustained high unemployment from coronavirus as furlough scheme expires. Continued support for jobseekers.

2023-25: End to free movement of labour from EU after Brexit; greater emphasis on skills-based migration from outside EU.

Infrastructure

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2021-22: Modest rise in spending on housing, roads and digital infrastructure. Crossrail service in London begins operation.

2023-25: Increased infrastructure investment, emphasis on "levelling up" regional infrastructure and competitiveness.

Technological readiness

2021-22: High e-commerce penetration and strong research base, but UK research and development (R&D) spending remains below EU average. Continued high threat from cybercrime and cyber-espionage.

2023-25: Modest rise in public R&D spending. Development of state "blue skies" fund, possible weakening of research and innovation framework owing to more restricted access to EU structural programmes (such as Horizon 2020).

Market opportunities: Social indicators and living standards

[United Kingdom](#) | [Business](#) | [Market opportunities](#) | [Social indicators and living standards](#)

July 15th 2020

Social indicators and living standards

	2019		2024	
	Western Europe (av)		Western Europe (av)	
Health				
Healthcare spending (% of GDP)	10.0	10.3	10.3	10.6
Healthcare spending (US\$ per head)	4,169	4,309	5,000	5,654
Infant mortality rate (per 1,000 live births)	4.2	3.5	4.0	3.3
Physicians (per 1,000 population)	2.9	3.9	3.2	4.1
Food and beverages				
Food, beverages & tobacco (% of household spending)	11.7	17.2	13.6	16.9
Meat consumption (kg per person)	85.1	89.5	85.2	93.4
Milk consumption (litres per person)	241.7	259.7	243.6	273.1
Coffee & tea consumption (kg per person)	4.4	6.1	4.5	6.4
Consumer goods in use (per 1,000 population)				
Passenger cars	523	537	515	550
Telephone main lines	467	441	442	432

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Mobile phone subscribers	1,190	1,264	1,219	1,349
Television sets	1,135	814	1,253	897
Personal computers	948	825	956	860
Households				
No. of households (m)	27.7	189.8	28.2	197.8
No. of people per household (av)	2.4	2.2	2.4	2.1
Income and income distribution				
Median household income (US\$)	58,390	48,988	64,463	59,950
Average monthly wage (US\$)	3,767	3,784	4,799	4,589
Gini index	34.8 ^a	31.7 ^a	–	–

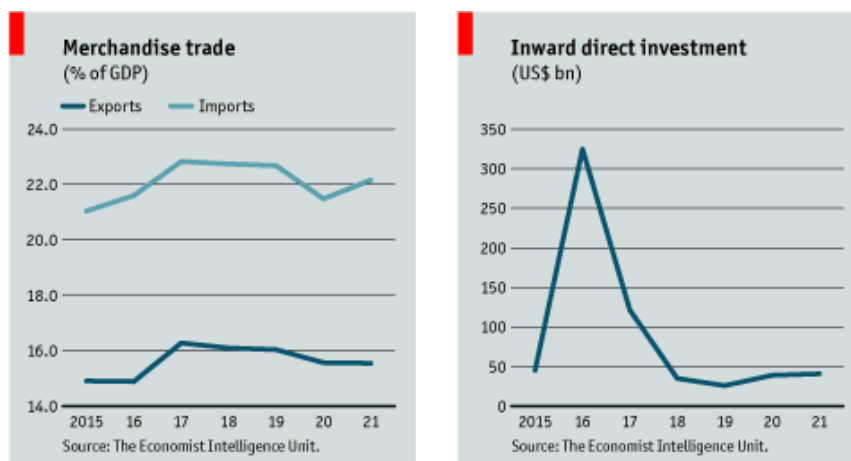
^a Latest available year.

Sources: UN Statistical Office; World Bank; Food and Agriculture Organisation (FAO); Euromonitor; World Health Organisation (WHO); national statistical offices; Pyramid Research; Economist Intelligence Unit estimates and forecasts.

Global position

[United Kingdom](#) | [Regulation](#) | [Global position](#)

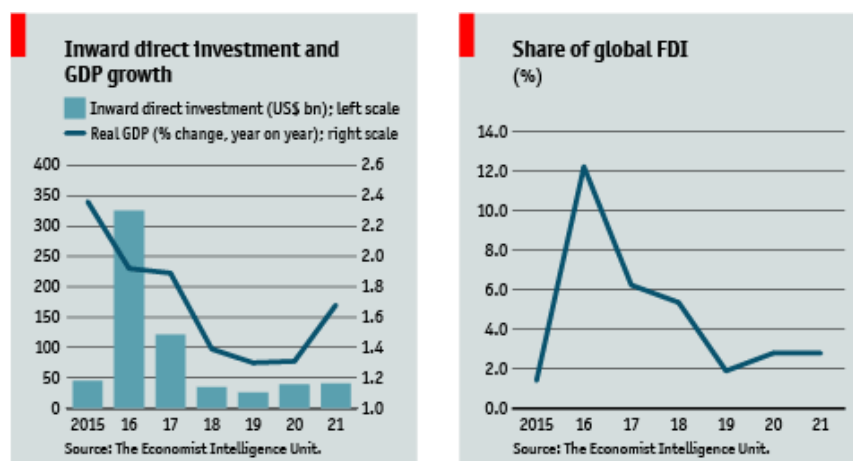
December 1st 2019



The outlook for the UK has become much more uncertain following the 2016 referendum vote to leave the EU. The UK began the formal process of exiting the bloc in March 2017 when it triggered Article 50 of the Lisbon Treaty. This provided for a two-year exit time frame, although the UK has since asked for three Article 50 extensions, with departure now expected on or by January 31st 2020. A general election takes place in the meantime, on December 12th 2019. The UK and EU have negotiated a withdrawal agreement that allows for a transition period lasting until end-2020 (with an extension possible), during which the UK would retain most aspects of EU membership. Looking beyond the transition period, the UK and EU intend to work towards a free-trade agreement, with the degree of regulatory alignment between the two parties still to be determined. Real GDP growth is expected to be relatively

One-click report : United Kingdom ,March 21st 2024

subdued during the next few years, reflecting Brexit-related uncertainties. The UK still has much to offer as an investment destination. Existing clusters and economies of scale in sectors such as pharmaceuticals, biotechnology, software development and financial services will remain powerful magnets for foreign entrants, while significant potential exists for large-scale, long-term investments in the energy and transport sectors.



Regulatory/market assessment

[United Kingdom](#) | [Regulation](#) | [Regulatory/market assessment](#)

December 1st 2019

- In October 2019 the government stated its intention to implement legislation expanding its powers to block business transactions that can pose national security risks. Development of the reform was halted after the calling

One-click report : United Kingdom ,March 21st 2024

of a general election scheduled for mid-December 2019. Discussions were also cut short on a proposed digital sales tax targeting foreign companies that do substantial business in the UK but pay relatively little tax there.

- In November 2019 the government declared a moratorium on hydraulic fracturing (fracking), which took immediate effect. The move follows the publication of a report from the Oil and Gas Authority, an industry regulator, on the difficulties of predicting the environmental and safety impacts of the practice.
- A March 2019 reform ends the so-called Swedish derogation, which excludes agency workers from the right to pay parity with permanent employees in the company where they are assigned if they are paid between work assignments. The measure takes effect in April 2020.

Regulatory/market watch

[United Kingdom](#) | [Regulation](#) | [Regulatory/market watch](#)

December 1st 2019

- Negotiated in October 2019, the most recent withdrawal agreement between the UK and EU sets a new Brexit deadline at January 31st 2020, following three extensions from the initial target of March 29th 2019. The agreement allows for a transition period lasting until end-2020 (with a possible two-year extension), during which the UK retains most aspects of EU membership including participation in the single market and customs union.
- The withdrawal agreement states that the UK and EU will work towards a free-trade agreement that will clarify their future relationship following the conclusion of the transition period. It envisages that the UK will leave the EU single market and customs union (with special arrangements for Northern Ireland), leaving it free to negotiate trade deals with non-EU countries.

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- The withdrawal agreement still requires ratification by the UK and EU to take effect. Results from the UK's general election scheduled for mid-December 2019 will determine how and whether the country passes the agreement in its current form.
- Brexit has put into question the privileged access that nationals from the European Economic Area (the EU plus Iceland, Liechtenstein and Norway) and Switzerland currently enjoy to the UK's labour market. While workers already in the UK can apply for "settled status", the direction of policies targeting new labour migrants remains in flux and inevitably will reflect the composition of government following the December 2019 election.
- Brexit has also compromised the UK's continued access to EU development funding, which will end following the conclusion of the proposed transition period. The Conservative government has proposed the development of a UK Shared Prosperity Fund to replace the EU programmes, but this had not been finalised as of end-November 2019.
- Brexit will mean that the European Court of Justice no longer has broad powers to challenge UK tax law—a particularly contentious area in the past. After leaving the EU, the UK will likely have to balance its new abilities to reform EU laws and overturn precedent with the need to maintain a competitive business environment.
- In November 2019 Prime Minister Boris Johnson announced the Conservative Party would scrap a planned reduction in the corporate income tax rate from 19% to 17% in April 2020, if it wins the upcoming general election. The move aims to support spending on public services.
- Brexit raises the possibility of divergence between UK and EU competition law. The exact outcome will depend on the model the UK adopts in its future relationship with the EU and will likely involve a slow process. EU competition rules would continue to apply to UK companies conducting business within EU member states after the UK leaves the bloc.

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- The recent withdrawal agreement proposes that Northern Ireland would stay within a regulatory union with the EU for most goods, remaining in the UK customs and value-added tax (VAT) areas and with checks conducted by the UK on the EU's behalf for any goods bound for the EU across the Irish Sea. The arrangement would be subject to revision every four years by a majority vote in the Northern Ireland Assembly.

Long-term outlook: The long-term outlook

[United Kingdom](#) | [Economy](#) | [Long-term outlook](#) | [Long-term outlook](#)

July 15th 2020

	2020-30	2031-50	2020-50
Population and labour force (% change; annual av)			
Total population	0.39	0.25	0.30
Working-age population	0.12	0.01	0.05
Working-age minus total population	-0.27	-0.24	-0.25
Labour force	0.10	0.14	0.12
Growth and productivity (% change; annual av)			
Growth of real GDP per head	0.7	1.6	1.3
Growth of real GDP	1.1	1.9	1.6
Labour productivity growth	1.0	1.7	1.5
Growth of capital stock	2.2	3.1	2.8

One-click report : United Kingdom ,March 21st 2024

Total factor productivity growth	0.3	0.7	0.6
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From May 2019 The Economist Intelligence Unit's long-term growth forecasts have been revised to take into account the economic impact of climate change.

Initial conditions: From the early 1990s up to 2008 the economic performance of the UK improved relative to that of many of its regional peers, owing in part to a sharp rise in labour utilisation. A similar pattern emerged in the wake of the global financial crisis, with strong employment growth fuelling a comparatively strong recovery in the UK. The pace of economic growth began to soften from 2018, and is expected to contract severely in 2020 owing to the coronavirus pandemic. The Economist Intelligence Unit expects a significant but still partial bounce-back in 2021 as the retail sector reopens. The recovery will be constrained as corporates face rising debt burdens from the coronavirus fallout and trade frictions from Brexit will depress export-oriented industries.

The UK's prospects for growth in the medium term will be highly dependent on government policy formulation in response to these challenges. The government has signalled a willingness to pursue a more interventionist strategy in the economy, and provide more public investment, in an effort to stimulate the economy and address the UK's regional inequality and weak productivity growth. However, particulars remain vague. The relationship with the EU is likely to remain unsettled for several years, whether or not a deal is agreed, as traders adjust to new terms of trade, and issues that cannot be addressed by December 31st are deferred to future negotiations.

The UK faces entrenched regional and sectoral imbalances

We expect economic performance to bounce back from the current recession, and reach pre-crisis real GDP levels by 2023. Owing to the dependence on the hospitality sector and disruption caused by Brexit this will be slightly slower than the median for G20 countries. There is likely to be significant sectoral disruption, and the UK economy may need to become less reliant on consumer spending relative to investment to support growth.

One-click report : United Kingdom ,March 21st 2024

Looking past the immediate crisis to the long term, the UK's structural advantages have traditionally included a comparatively low regulatory burden, a flexible labour market and a business environment that is conducive to foreign investment. These areas of economic management will be affected by Brexit, but we expect them to remain advantages for the UK. On the negative side, factors that tend to constrain the UK's long-term outlook include over-reliance on wealth effects generated by the volatile financial and real estate sectors, high levels of private-sector debt and a deficit in "intermediate" labour market skills, which are skewed by significant geographical inequalities. These have contributed to the development of an unbalanced economy. Levels of productivity in the UK, in terms of output per hour worked, lag well behind those in the US, Germany and France. This weak trend is worrying and will weigh on medium- and long-term growth if not reversed, and will play an increasing role in policy debates over the forecast period.

Labour force participation is high, but will be depressed by the coronavirus

Demographic trends: The working-age population is forecast to rise gradually over the long-term horizon, and the share of the population aged 65 or over will continue to increase. By 2050 those aged 65 and older are projected to account for 25.4% of the population (up from 18.7% in 2018). The share of the working-age population peaked at 66% in 2008-09 and is forecast to decline steadily, to 58.3% by 2050. Prior to the coronavirus lockdown, the labour force participation rate was just below 80%—slightly lower than in Denmark and Norway, but much higher than the OECD average. We expect it will decline sharply in 2020 but gradually return to that level over time. We expect migration will continue to provide a key source of population and human capital growth. Most countries that operate skills-based immigration systems adjust their requirements periodically, a trend that we expect the UK to follow.

Trade with the EU will decline, but it will remain the UK's most important trade partner

One-click report : United Kingdom ,March 21st 2024

External conditions: The UK is a highly trade-dependent economy, and thus its departure from the world's largest trading bloc will have implications for its long-term prospects. Regardless of the precise contours of the UK's post-Brexit settlement, the EU is likely to remain the UK's most important export destination, particularly for goods trade, given its proximity and the volume of existing trade. This is likely to be exacerbated if the pandemic leads companies globally to pursue shorter supply chains. Although the UK's departure from the EU will allow the UK to negotiate trade deals with third countries, trade experts have estimated that the total estimated value of trade deals currently in negotiation will not make up for the loss of access to the EU market. However, given the demographic, structural and political headwinds that the bloc faces, we expect the EU's long-term growth rate to remain modest.

Overall goods trade globally is likely to grow more slowly in the wake of the coronavirus pandemic, and multilateral trade liberalisation may not make progress in the face of populist sentiment, further limiting opportunities for goods trade growth. The UK is likely to maintain its surplus in services, which is expected to grow as a percentage of total trade value over the course of our long-term forecast period, as e-commerce and trade in intangible goods become more prominent globally.

Institutions and policy trends: The UK is a long-established democracy with well-entrenched rule of law (guaranteeing security of contracts), liberalised product markets and a rigorous competition policy regime. The country's decision to leave the EU represents a break with decades of policy consensus. It remains too early to gauge how effectively policymakers and institutions will cope with the challenges involved in taking the UK out of the EU. Questions remain about the capacity of the government and bureaucracy to handle what lies ahead.

Long-term performance: Since the 2008 financial crisis the UK has suffered from chronically low productivity growth relative to its OECD peer countries, and relied heavily on moving people into work. It had a labour force participation rate of over 79% and unemployment was 3.8% prior to entering lockdown. Multiple governments have attempted to address this productivity issue, and the UK's ability to increase its productivity will be the key driver of its performance in the long-term. The pandemic will accelerate this trend as gains to labour force participation have

One-click report : United Kingdom ,March 21st 2024

been reversed. A number of factors could prevent the UK from closing the productivity gap with some of its peers. Examples include the relative scarcity of land and the UK's relatively low share of spending on R&D. The current government has recognised this as an issue and plans to increase investment in innovation and infrastructure. Whether this plan will materialise and be effective in the wake of the coronavirus recession remains highly uncertain. Real GDP is forecast to grow by an annual average of 1.1% in 2020-30, held back by the fallout from the coronavirus pandemic and Brexit, but growth will accelerate to 1.9% in 2031-50.

Income and market size

	2019	2030	2050
Income and market size			
Population (m)	67.5	70.5	74.1
GDP (US\$ bn at market exchange rates)	2,829.2	3,936.1	8,166.5
GDP per head (US\$ at market exchange rates)	41,900	55,840	110,240
Private consumption (US\$ bn)	1,836.4	2,549.6	5,385.4
Private consumption per head (US\$)	27,190	36,170	72,690
GDP (US\$ bn at PPP)	3,214.2	4,203.2	8,808.1
GDP per head (US\$ at PPP)	47,600	59,630	118,900
Exports of goods & services (US\$ bn)	895.7	1,246.8	3,941.3
Imports of goods & services (US\$ bn)	925.4	1,465.0	4,649.1
Memorandum items			
GDP per head (at PPP; index, US=100)	73.1	70.8	74.2
Share of world population (%)	0.9	0.8	0.8

One-click report : United Kingdom ,March 21st 2024

Share of world GDP (% at market exchange rates)	3.3	2.8	2.3
Share of world GDP (% at PPP)	2.3	1.9	1.7
Share of world exports of goods & services (%)	3.7	3.2	3.5

From May 2019 The Economist Intelligence Unit's long-term growth forecasts have been revised to take into account the economic impact of climate change.

Automotive

[United Kingdom](#) | [Automotive](#) | [Overview](#)

October 27th 2020

- The UK is the world's 13th-largest automotive manufacturer and sixth-largest vehicle market, according to the International Organisation of Motor Vehicle Manufacturers (OICA). Vehicle production expanded steadily between 2010 and 2016, but has since declined sharply on the back of weaker domestic and export demand, Brexit-related disruption, regulatory changes and the severe fallout from the coronavirus (Covid-19) pandemic. In 2019 total vehicle output dropped by 14% to a decade-low level of 1.38m units. Production was down by 40% year on year over the first eight months of 2020.
- The UK has fared worse than many other advanced economies in containing the coronavirus (Covid-19) pandemic, resulting in one of the highest levels of virus-related "excess deaths" in the world. Since June economic activity (including new-car sales) has steadily rebounded, as most lockdown restrictions have been relaxed, but a recent spike in new infections has led to new restrictions.

One-click report : United Kingdom ,March 21st 2024

- Over the first nine months of 2020 new-car sales were down by 33% year on year. In 2020 The Economist Intelligence Unit expects annual sales to fall by about 29%, to 1.65m units; their lowest level since 1992. Commercial vehicle (CV) sales are expected to decline by about 25%. These declines reflect a drop in real GDP, which is expected to be at 10.6% this year.

Income and demographics

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Nominal GDP (US\$ bn)	2,930.0 ^c	2,703.7 ^c	2,670.7 ^c	2,864.2 ^c	2,831.2 ^c	2,605.3	2,747.7	2,899.6	3,113.8	3,316.0
Population (m)	65.4 ^c	65.8 ^c	66.7 ^c	67.1	67.5	67.9	68.2	68.5	68.8	69.0
GDP per head (US\$ at PPP)	42,334 ^c	44,042 ^c	45,516 ^c	46,481	48,239	43,577	47,127	48,711	50,198	51,652
Private consumption per head (US\$)	28,886 ^c	26,754 ^c	26,021 ^c	27,931	27,172	25,242	25,508	26,330	27,743	29,034
No. of households ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$5,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$10,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$50,000 ('000)	18,132	16,237	15,725	17,387	17,109	16,388	16,436	17,086	18,113	19,013
No. of households with net wealth over US\$1m ('000)	984	853	1,039	906	1,014	1,144	1,368	1,539	1,756	1,877

^a Economist Intelligence Unit estimates. ^b Economist Intelligence Unit forecasts. ^c Actual.

Source: The Economist Intelligence Unit.

One-click report : United Kingdom ,March 21st 2024

- Positive base effects will support a return to full-year growth in new-car sales in 2021, but underlying demand will be subdued. The government has so far ruled out any new car-buying incentives, but there is a possibility of implementing a vehicle scrappage scheme if weakness persists. Over our five-year forecast period (2020-24) we project that new-car registrations will rise at a compound annual growth rate (CAGR) of 0.5%. The sales of CV will rise at a slightly faster CAGR of 1.6%.
- The UK's automotive sector faces a challenging outlook not just because of the virus, but also because of the economically damaging effects of fully exiting the EU (Brexit) from end-2020. We expect Brexit to result in a permanent (and potentially large) downsizing of the UK automotive sector over the coming years, in response to increased trade barriers with its main EU market.
- The pandemic is likely to accelerate this process, with a risk of plant closures and significant job losses in a sector already facing pressure from global overcapacity, tighter environmental regulations, the need for huge investments in electric vehicle (EV) technology, and rising competition from technology firms and emerging-market producers. All six mass-vehicle producers in the UK are foreign-owned

Consumer goods

[United Kingdom](#) | [Consumer goods](#) | [Overview](#)

August 20th 2020

- Retail sales volume growth in the UK was fairly resilient in 2016-19, supported by employment gains, low inflation, consumer borrowing and extensive retail discounting. However, momentum weakened in 2019 amid a slowing labour market, subdued real income growth and the economically damaging Brexit process. Annual volume growth averaged 1.7% in 2016-18, but slowed to 0.9% in 2019, according to Ascential, a provider of global retail intelligence.

<https://viewpoint.eiu.com>

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One-click report : United Kingdom ,March 21st 2024

- The coronavirus (Covid-19) pandemic and lockdown restrictions resulted in a dramatic slump in economic activity and retail spending in March-April 2020. The UK was slower than many peer economies to adopt national lockdown measures, such as the temporary closure of most non-essential retail outlets, which took effect from late March. According to official retail figures from the Office for National Statistics (ONS), sales volumes at end-April were 23% lower than their pre-pandemic level in January.
- Retail sales rebounded strongly in May and June, however, largely returning to their pre-crisis level, amid a gradual easing of social distancing restrictions and the reopening of most non-essential retailers from June 1st. A temporary cut in value-added tax (VAT) in the food, drink and hospitality sectors, from 20% to 5%, will apply from July 2020 to January 2021.
- The rebound in sales volumes has masked a huge shift in the composition of retail spending. Online sales have surged in recent months, while non-food store sales have remained well below pre-crisis levels amid reduced footfall, changing consumer habits, ongoing social distancing restrictions and lingering public concerns about the virus. With many services-oriented activities and venues reopening at a slower pace and facing capacity restrictions, the retail bounce-back is likely to have been buoyed by a temporary switch in spending from services to goods. This will probably reverse over the second half of 2020 as services consumption rises, pent-up retail demand fades and state-backed income support measures expire, which is expected to trigger a marked increase in unemployment.
- The Economist Intelligence Unit's current forecast is for annual real GDP to fall by 9.4% in 2020, followed by a partial rebound in 2021 with growth of 6.9%. Given additional disruption to the UK economy from Brexit-related turbulence from 2021 onwards, we do not expect real GDP to return to its pre-crisis level until 2023. The government's generally poor handling of the coronavirus pandemic implies a risk of heightened instability if a renewed outbreak in the winter coincides with a "hard Brexit" at the end of 2020, when the UK is scheduled to leave the EU's single market and customs union. There will be a significant increase in non-tariff barriers and

One-click report : United Kingdom ,March 21st 2024

regulatory uncertainty from 2021, disrupting supply chains across the retail and food manufacturing sectors, irrespective of whether a limited trade deal is agreed this year.

- We expect retail sales volumes to decline by 4% in 2020 and to grow by an annual average of 1.7% in 2021-24, the remainder of our forecast period. Food sales will outperform non-food retail purchases significantly in 2020, but we expect this pattern to reverse over the remainder of the forecast period. Public health concerns about the coronavirus remain comparatively high, and a degree of consumer caution is likely to persist, constraining in-store spending.
- The UK is Europe's biggest online retail market, but robust internet sales have gone hand in hand with a steady fall in the number of high-street stores and retail employment. These trends will intensify as a response to the pandemic, amid rising mobile e-commerce (m-commerce) and ongoing social distancing. More stores are likely to close from late 2020 as crisis-support measures (such as rental and tax-payment holidays) expire. The UK implemented a new digital services tax in April 2020 targeting multi-national technology groups such as Amazon, Google and Apple (all US).

Income and demographics

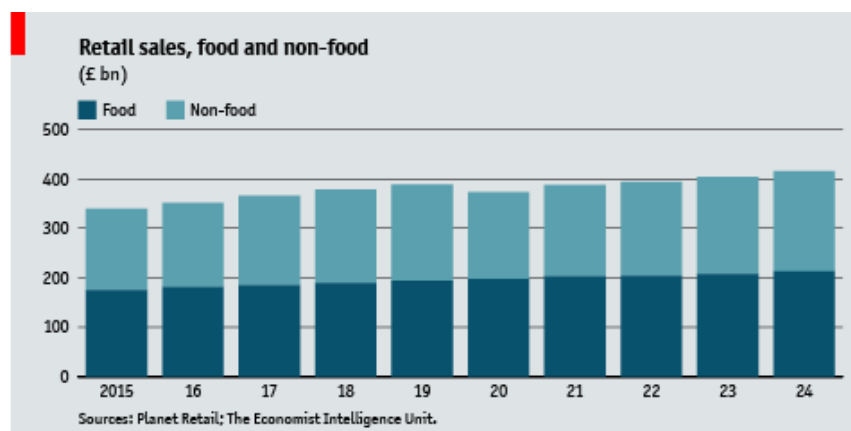
	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Nominal GDP (US\$ bn)	2,930.0 ^c	2,703.7 ^c	2,670.7 ^c	2,864.2 ^c	2,831.2 ^c	2,525.0	2,673.4	2,900.6	3,123.0	3,331.0
Population (m)	65.4 ^c	65.8 ^c	66.7 ^c	67.1	67.5	67.9	68.2	68.5	68.8	69.0
GDP per head (US\$ at PPP)	42,334 ^c	44,042 ^c	45,516 ^c	46,481	47,630	43,075	46,545	48,018	49,555	51,017
Private consumption per head (US\$)	28,886 ^c	26,754 ^c	26,021 ^c	27,931	27,172	23,831	24,592	26,003	27,469	28,779
No. of households ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$5,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195

One-click report : United Kingdom ,March 21st 2024

No. of households with annual earnings above US\$10,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$50,000 ('000)	18,132	16,237	15,725	17,387	17,109	15,160	15,651	16,835	17,925	18,856
No. of households with net wealth over US\$1m ('000)	984	853	1,039	906	1,019	722	861	986	1,134	1,214

^a Economist Intelligence Unit estimates. ^b Economist Intelligence Unit forecasts. ^c Actual.

Source: The Economist Intelligence Unit.



Energy

[United Kingdom](#) | [Energy](#) | [Overview](#)

September 16th 2020

- Total energy consumption in the UK has trended gradually lower since the mid-1990s but was fairly stable in 2019, at an estimated 176m tonnes of oil equivalent (toe). This compares with 196m toe a decade earlier. Together, natural gas and oil account for nearly three-quarters of the energy mix. The Economist Intelligence Unit expects total consumption to fall in 2020 owing to the impact of the coronavirus (Covid-19) pandemic, with consumption of oil, gas and coal falling year on year. We expect energy consumption to rebound to some degree in 2021, but it will remain relatively flat for the rest of the 2020-29 outlook period.
- Oil consumption will fall by an annual average of 0.7% between 2020 and 2029, while natural gas consumption will fall marginally, by an annual average of 0.4%. Coal consumption will fall more dramatically, owing mainly to the planned phasing-out of coal use in power generation by the end of 2024. We expect average annual coal consumption to fall by an average of 13.7% over the forecast period.
- Until a post-Brexit UK-EU trade deal is finalised, uncertainty will persist over many elements of energy policy. This includes the UK's future level of participation in the EU's internal energy market (IEM), the emissions trading system (ETS), the Euratom Treaty for nuclear regulation, interconnector projects to the continent and various EU research funding schemes. Changes could have implications for energy prices, security of supply and new capacity expansion. Brexit will impose new non-tariff restrictions on trade and is likely to reduce the availability of skilled

One-click report : United Kingdom ,March 21st 2024

foreign labour. A disruptive no-deal Brexit in early 2021 appeared to be a more likely outcome as at mid-September 2020, with talks between the two sides at risk of collapsing.

Energy: key indicators

	2018 ^a	2019 ^b	2020 ^c	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2029 ^c
GDP (US\$ bn at market exchange rates)	2,864	2,831	2,605	2,748	2,900	3,114	3,316	3,837
Real GDP (% change, year on year)	1.3	1.5	-9.5	6.9	2.1	1.6	1.6	1.7
Population (m)	67.1	67.5	67.9	68.2	68.5	68.8	69.0	70.3
Population (% change, year on year)	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.3
Gross domestic energy consumption (ktoe)	176,884	175,605	164,463	168,621	168,118	167,382	166,157	167,358
Gross domestic energy consumption (% change, year on year)	0.6	-0.7	-6.3	2.5	-0.3	-0.4	-0.7	-0.2

^a Actual. ^b Economist Intelligence Unit estimates. ^c Economist Intelligence Unit forecasts.

Note. Forecasts for 2025-28 are available via The Economist Intelligence Unit's data tool.

Sources: The Economist Intelligence Unit; © OECD/IEA 2018 IEA statistics, www.iea.org/statistics, licence: www.iea.org/t&c.

Financial services

[United Kingdom](#) | [Finance](#) | [Overview](#) | [Financial services](#) | [Overview](#)

October 27th 2020

- The UK has one of the world's best developed financial industries, but it faces two major challenges in the coming years: coping with the novel coronavirus (Covid-19) and managing the country's departure from the EU. The first

One-click report : United Kingdom ,March 21st 2024

will deliver a sharp, but hopefully short, shock to the sector. By contrast, the second is likely to require a long-term shift in trading relationships and may contribute to an ongoing shrinkage of the industry.

- London is currently one of the two leading global financial centres (along with New York) and has the largest share of many international markets. The UK financial sector—banking, insurance, fund management, securities and alternative investment—plays a significant role in the economy. In 2019 it accounted for 5.7% of GDP, down from 7.7% ten years earlier, according to Eurostat. It employed slightly over 1m residents or 3.2% of the workforce, down from 3.8% ten years before. The industry makes a substantial contribution to the balance of payments and tax revenue.
- At the outbreak of the pandemic, the government enforced nationwide shutdowns and developed a series of economic financial support packages to aid workers and businesses affected by the coronavirus until the situation normalised. These included more than £330bn (US\$420bn) in government-backed loans; several business tax deferments and holidays; targeted aid to the worst-affected sectors, such as travel and retail; and wage support schemes for salaried and self-employed workers. After originally committing to pay 80% of workers' wages from March to October, the Treasury has transitioned to a less generous top-up scheme for workers pushed into part-time work.
- The pandemic and ensuing public-health measures will cause a severe economic contraction in 2020. The exact degree of disruption is subject to significant uncertainty and will depend on the progress of the disease, the effectiveness of the public-health measures, and the likelihood and intensity of further outbreaks. The Economist Intelligence Unit forecasts that real GDP will contract by 10.6% in 2020. In 2021 we forecast a rebound in real GDP of 7.2%, but much of this will be owing to base effects. We expect Brexit uncertainty to hinder the recovery in 2021, and do not expect the level of real GDP to exceed its 2019 peak until 2023.
- In March 2020 the Bank of England (BoE, the central bank) cut its main rate to 0.1%, the lowest level in its history. The BoE has extended the use of the "Ways and Means" facility through to the end of 2020, allowing the Treasury

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to borrow directly from the BoE. Its governor, Andrew Bailey, has said that these provisions are temporary, but we do not believe that the BoE can credibly commit to withdrawing them in 2021 if doing so would risk sharply worsening the UK's borrowing position.

- Following a general election in December 2019 the Conservative Party, under the prime minister, Boris Johnson, won an emphatic 81-seat majority. This allowed him to achieve his primary campaign promise to leave the EU, which took place on January 31st, ending 47 years of EU membership and three and a half years of political deadlock on the issue.
- The UK is scheduled to exit the transition period with the EU on December 31st 2020. Legally, this deadline can be extended by the EU and the UK by mutual agreement, but the government has set the exit date in law. The UK and EU governments set out a timetable for negotiations that envisaged a comprehensive free-trade agreement (FTA). However, talks have been severely disrupted by the coronavirus pandemic. As a result, we believe that only a limited deal is possible by the end of 2020, and that it will only be agreed late in the year. There is therefore a high risk of a disorderly exit with no deal, which would compound the economic disruption caused by the pandemic. UK and EU regulators have agreed and implemented a number of temporary arrangements to reduce the potential disruption to financial markets of a disorderly "no-deal" Brexit.
- We expect London to retain its status as one of the world's main financial centres, especially in the trading of foreign exchange and derivatives, but a loss of influence and post-Brexit restrictions on financial services trade with the EU are inevitable, even in a best-case scenario. Reaching agreement on the many elements of a complex new trading arrangement will be difficult and time-consuming (taking years rather than months), and financial firms in the UK will almost certainly face restrictions from a loss of "passporting" (the right for UK-regulated companies to do business in the EU and vice versa).
- Financial services companies currently serving the EU from the UK will continue to relocate some of their operations and staff to within the bloc, so as to retain passporting to the single market. Although outflows of

One-click report : United Kingdom ,March 21st 2024

financial sector employees (and related tax revenue) from the UK have so far been modest, it is likely that this trend will continue as competing financial services hubs, primarily Frankfurt and Paris, gradually grow in size and influence. European policymakers will enhance post-Brexit policy efforts to attract major financial functions away from London.

Income and demographics

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Nominal GDP (US\$ bn)	2,930.0 ^c	2,703.7 ^c	2,670.7 ^c	2,864.2 ^c	2,831.2 ^c	2,605.3	2,747.7	2,899.6	3,113.8	3,316.0
Population (m)	65.4 ^c	65.8 ^c	66.7 ^c	67.1	67.5	67.9	68.2	68.5	68.8	69.0
GDP per head (US\$ at PPP)	42,334 ^c	44,042 ^c	45,516 ^c	46,481	48,239	43,577	47,127	48,711	50,198	51,652
Private consumption per head (US\$)	28,886 ^c	26,754 ^c	26,021 ^c	27,931	27,172	25,242	25,508	26,330	27,743	29,034
No. of households ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$5,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$10,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$50,000 ('000)	18,132	16,237	15,725	17,387	17,109	16,388	16,436	17,086	18,113	19,013
No. of households with net wealth over US\$1m ('000)	984	853	1,039	906	1,014	1,144	1,368	1,539	1,756	1,877

^a Economist Intelligence Unit estimates. ^b Economist Intelligence Unit forecasts. ^c Actual.

Source: The Economist Intelligence Unit.

One-click report : United Kingdom ,March 21st 2024

Healthcare

[United Kingdom](#) | [Healthcare](#) | [Spending](#)

September 24th 2020

Overview

- The UK has been hit hard by the global coronavirus (Covid-19) pandemic. Confirmed coronavirus deaths totalled 41,637 as at September 15th, the fifth highest number globally. The UK government imposed a lockdown in late March and began lifting it in early June. However, resurgence of the virus has led to the introduction of regionally targeted restrictions and, from September 14th, a nationwide ban on social gatherings of more than six people.
- The government's aim—largely achieved—was to prevent the National Health Service (NHS) from being overstretched. However, by discharging patients in order to empty wards (often without testing them), the policy spread coronavirus cases to care homes. An ageing population, high obesity rates and London's role as a global hub also put the UK at high risk from the disease.
- In its March 2020 budget the government pledged a £5bn (US\$5.8bn) emergency response fund to help the NHS cope with the outbreak and the related costs of testing, staff recruitment, stockpiling and containment measures.

One-click report : United Kingdom ,March 21st 2024

This was followed by a £350bn package to mitigate the shock to the UK economy, workers and households. Nevertheless, The Economist Intelligence Unit forecasts that real GDP will contract by 9.5% in 2020.

Income and demographics

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Nominal GDP (US\$ bn)	2,930.0 ^c	2,703.7 ^c	2,670.7 ^c	2,864.2 ^c	2,831.2 ^c	2,605.3	2,747.7	2,899.6	3,113.8	3,316.0
Population (m)	65.4 ^c	65.8 ^c	66.7 ^c	67.1	67.5	67.9	68.2	68.5	68.8	69.0
GDP per head (US\$ at PPP)	42,334 ^c	44,042 ^c	45,516 ^c	46,481	48,239	43,577	47,127	48,711	50,198	51,652
Private consumption per head (US\$)	28,886 ^c	26,754 ^c	26,021 ^c	27,931	27,172	25,242	25,508	26,330	27,743	29,034
No. of households ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$5,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$10,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$50,000 ('000)	18,132	16,237	15,725	17,387	17,109	16,388	16,436	17,086	18,113	19,013
No. of households with net wealth over US\$1m ('000)	984	853	1,039	906	1,019	763	882	983	1,142	1,221

^a Economist Intelligence Unit estimates. ^b Economist Intelligence Unit forecasts. ^c Actual.

Source: The Economist Intelligence Unit.

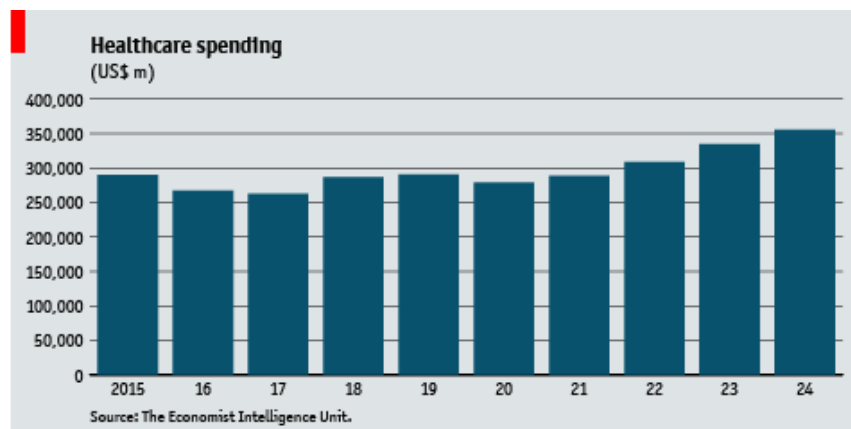
- We also expect healthcare spending to fall in real terms this year, by almost 5%, reflecting the cancellation and postponement of non-coronavirus care. Nevertheless, healthcare's share of GDP will rise to 10.7%, up from 10.3% in

One-click report : United Kingdom ,March 21st 2024

2019. This share will edge down as the economy recovers in 2021, but will reach 10.7% again in 2022-24. The share will remain lower than in Germany (11.5%) and France (11.3%), but above the OECD average (8.8%).

- Including this year's decline, healthcare spending will rise at a compound annual growth rate (CAGR) of 2.2% in local-currency terms (4.2% in US dollar terms) in 2020-24. This is slower than the CAGR of 4.1% estimated for the previous five years. In a change from our previous report, we no longer believe that the government will be able to keep its legally binding pledge, made in December 2019, to increase NHS spending by £34bn by the 2023/24 (April-March) fiscal year.
- The UK's relatively weak public finances will become weaker still as a result of the coronavirus crisis. Brexit will also pose a challenge to the healthcare system. The UK formally left the EU at end-January 2020, entering a transition period. The "real" Brexit deadline is end-2020, when the UK is scheduled to leave the single market and customs union.
- Our core forecast is that a limited trade deal between the UK and EU will be agreed by end-2020, with negotiations ongoing in certain areas. However, there is a high risk that no deal will be reached by end-2020, causing disruption to pharmaceutical supply chains. We expect pharmaceutical sales to be even more subdued than healthcare spending over the 2020-24 period, rising at a CAGR of just 2% in nominal local-currency terms.

One-click report : United Kingdom ,March 21st 2024



Funding sources

- Healthcare provision in the UK is dominated by the NHS, which is financed primarily via general taxation. NHS care is free at point of delivery, but fixed charges are levied (in England) for most prescription medicines and dental care, with some exemptions.

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- Public expenditure (including compulsory contributions) accounted for 78% of current health spending in 2018, according to the OECD. This share has fallen slightly over the past decade. It is lower than in Germany (85%) and France (84%), but above the OECD average (74%).

Healthcare: key indicators

	2015 ^a	2016 ^a	2017 ^a	2018 ^b	2019 ^b	2020 ^c	2021 ^c	2022 ^c	2023 ^c	2024 ^c
Life expectancy, average (years)	80.9	80.9	81.0	81.0 ^a	81.1 ^a	81.2 ^a	81.3	81.4	81.5	81.6
Life expectancy, male (years)	78.9	79.0	79.1	79.2 ^a	79.3 ^a	79.4 ^a	79.5	79.7	79.9	80.0
Life expectancy, female (years)	82.7	82.8	82.8	82.8 ^a	82.9 ^a	82.9 ^a	83.0	83.1	83.1	83.2
Infant mortality rate (per 1,000 live births)	4.4	4.3	4.3 ^b	4.2	4.2	4.1	4.1	4.0	4.0	4.0
Healthcare spending (£ bn)	189.8	197.0	203.6	214.4	227.2	214.3	221.9	229.3	236.9	245.5
Healthcare spending (% of GDP)	9.9	9.9	9.8	10.0	10.3	10.5	10.3	10.4	10.4	10.4
Healthcare spending (US\$ bn)	290.1	266.9	262.5	286.4	290.2	273.6	283.0	301.6	325.1	344.9
Healthcare spending (US\$ per head)	4,436	4,056	3,934	4,266	4,297	4,030	4,149	4,402	4,727	4,996
Healthcare (consumer expenditure; US\$ bn)	32.5	31.8	32.1	34.7	34.3	33.7	33.3	33.9	35.7	37.5
Doctors (per 1,000 people)	2.8	2.8	2.8	2.8 ^a	3.0 ^a	3.0	3.0	3.1	3.1	3.2
Hospital beds (per 1,000 people)	2.6	2.6 ^b	2.6 ^b	2.6	2.6	2.6	2.6	2.5	2.5	2.5

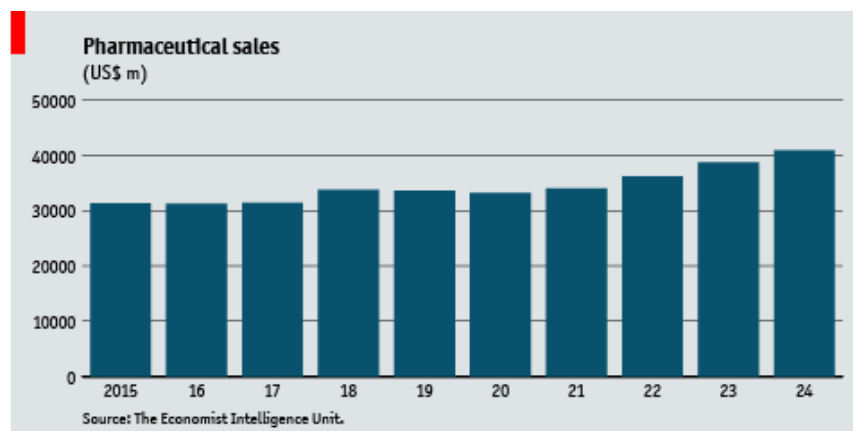
^a Actual. ^b Economist Intelligence Unit estimates. ^c Economist Intelligence Unit forecasts.

Sources: US Bureau of Census; UN; OECD; World Bank; The Economist Intelligence Unit.

- Devolution since 1999 means that most NHS funding and commissioning occurs under separate frameworks in the four UK nations, with variations in some policy areas. This has been particularly apparent during the coronavirus crisis, with the four nations following separate lockdown policies.

One-click report : United Kingdom ,March 21st 2024

- The Health and Social Care Act 2012 reorganised NHS England funding flows in order to give general practitioners (GPs) control over health commissioning. Management of about 70% of funding was passed to 191 clinical commissioning groups (CCGs). The reforms did not apply in Scotland, Wales or Northern Ireland. Some CCGs merged in April 2020, as envisaged under the NHS England long-term plan unveiled in January 2019.



- Current (operational) NHS spending increased from £126.7bn in 2018/19 to £133.3bn in 2019/20, and is planned to rise again to £137.1bn in 2020/21. Of the 2019/20 total, £115bn went to NHS England, with Scotland, Wales and Northern Ireland sharing the rest under a formula related to population size.
- The Conservative government's spending plans imply that by 2022/23 the annual budget for NHS England will have risen by £20.5bn a year in real terms, with budgets for the other three UK regions (Scotland, Wales and Northern Ireland) rising at the same rate. Capital spending, on hospitals and equipment, totalled £7.1bn in 2019/20.
- In September 2019 the government unveiled additional spending of £1.5bn in 2020/21 for social care services, which are separate from the NHS budget and fall under the remit of local authorities. This will only partly reverse a

One-click report : United Kingdom ,March 21st 2024

sharp real-term drop in social care spending since 2010.

Private health insurance

- Voluntary (or private) spending on healthcare accounted for 22.2% of the UK's total health expenditure in 2018, according to the OECD. Of this, out-of-pocket (OOP) spending accounted for 16% of total health spending, with 3% coming from private health insurance and the remainder from charitable or company schemes, according to government data.
- The share of OOP spending has risen gradually in recent years, but the private health insurance market has remained broadly flat, reflecting the dominance of the NHS. In 2018 spending on private acute medical care in hospitals and clinics fell by 1.1% to £5.8bn, according to LaingBuisson, a consultancy, reflecting a decline in care done under contract to the NHS. This decline came despite a 4.8% increase in the self-pay market.
- The leading independent healthcare group is Bupa, with 2.3m policyholders at end-June 2020. Other major insurers include AXA PPP, Aviva and VitalityHealth.

Telecommunications

[United Kingdom](#) | [Telecommunications](#) | [Overview](#)

August 12th 2020

- Mobile telephony accounts for a majority of telecommunications connections in the UK. The mobile penetration rate has fallen slightly in recent years, amid a largely saturated market. The Economist Intelligence Unit expects the rate to return to weak growth over the forecast period (2020-24), rising from 119% in 2019 to almost 124% in

One-click report : United Kingdom ,March 21st 2024

2024. The number of mobile subscriptions is forecast to increase at a compound annual growth rate (CAGR) of 1.2%.

- Fixed-line penetration is forecast to decline gradually to 42% in 2024. There were an estimated 40 broadband subscriptions per 100 people in 2019—the eighth-highest rate in the OECD—with total internet penetration at 95.4% of the population. We forecast a rise to 43 per 100 by 2024, with the impact of the coronavirus likely to accelerate the upward trend. However, a pandemic-related economic slump (UK GDP fell by 20.4% in April-June 2020, the largest fall on record), could jeopardise public- and private-sector investment plans.
- A UK digital strategy was published in March 2017, covering areas such as connectivity, digital skills and cyber-security. Alongside an aim (which will be unmet) to complete the roll-out of fourth-generation (4G) mobile services in 2020, it detailed higher public investment to support the development of fifth-generation (5G) technology, full-fibre broadband and artificial intelligence (AI). Plans for a new digital strategy were announced in late June 2020, with publication scheduled for the autumn. This will focus on digital skills, while a National Data Strategy is being devised for publication at a future date.
- In March 2020 the government and Ofcom, the telecoms regulator, agreed a scheme with the UK's four main mobile network operators (MNOs) for a shared rural 4G network to remove most connectivity "not spots"—a term used to describe the absence of 4G coverage—by 2025. The digital strategy aims for a majority of the population to have 5G mobile coverage by 2027.
- In July 2018 the then government set targets to achieve "full-fibre broadband coverage" for 15m premises by 2025 and national coverage by 2033. A pledge in July 2019 to achieve national coverage by 2025 has been diluted since the December general election, with the re-elected Conservative administration committing only to "accelerate the delivery of gigabit-capable broadband". A budget speech in March 2020 reaffirmed the UK's commitment to invest £5bn towards full-fibre roll-out. In March 2020 the government estimated that 493,600 premises have access, or are connected, to gigabit broadband.

One-click report : United Kingdom ,March 21st 2024

Telecoms penetration

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^b	2020 ^c	2021 ^c	2022 ^c	2023 ^c	2024 ^c
Telephone main lines (m)	33.2	32.6	32.1	31.9	31.5	30.4	29.8	29.4	29.1	29.0
Telephone main lines (per 100 people)	50.8	49.6	48.2	47.5	46.7	44.7	43.6	42.9	42.3	42.0
Mobile subscriptions (m)	79.3	78.9	79.1	79.5	80.3	81.0	82.8	84.0	84.8	85.4
Mobile subscriptions (per 100 people)	121.2	120.0	118.5	118.4	119.0	119.3	121.4	122.6	123.3	123.7

^a Actual. ^b Economist Intelligence Unit estimates. ^c Economist Intelligence Unit forecasts.

Sources: International Telecommunication Union; The Economist Intelligence Unit.

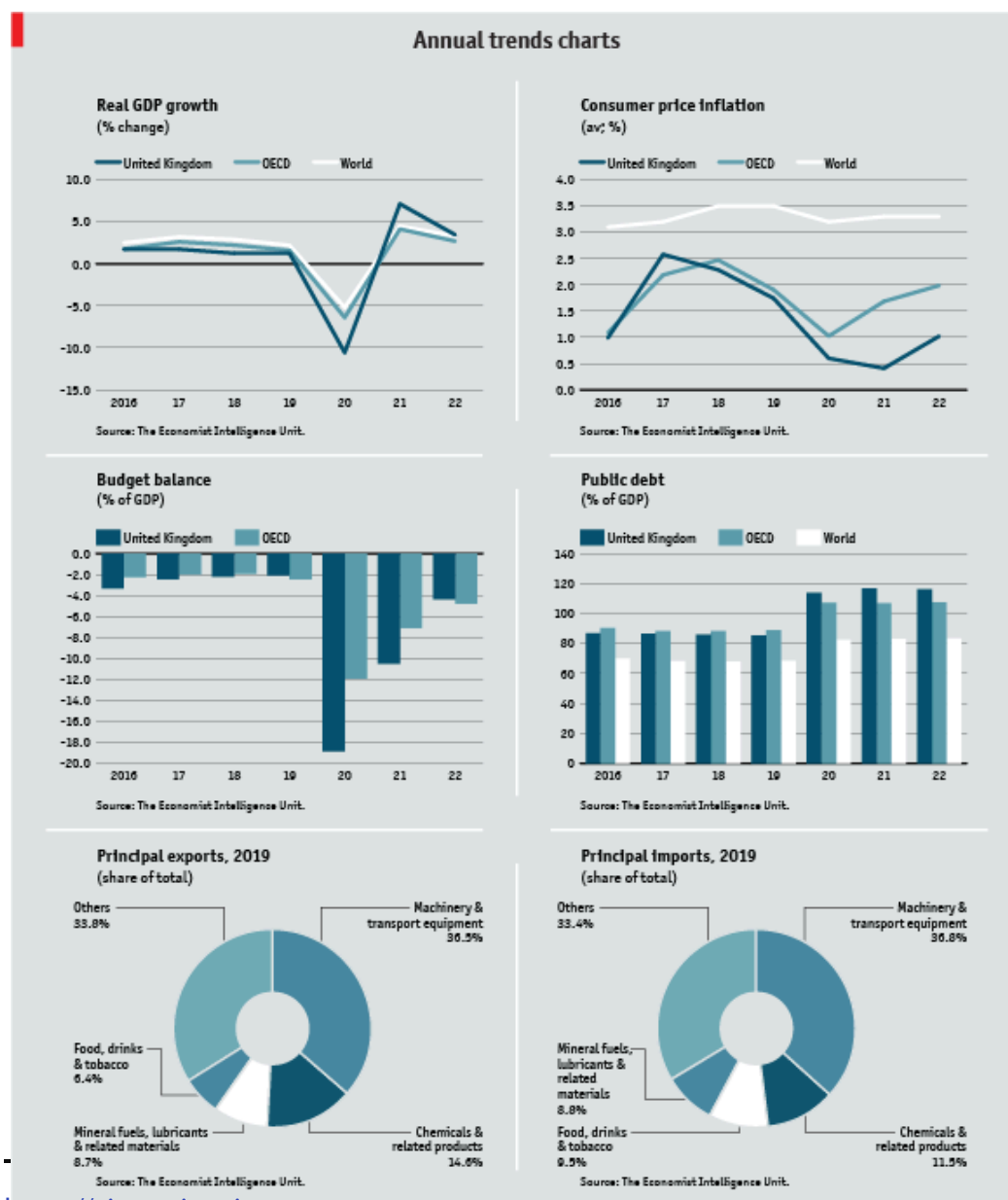
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Data and charts: Annual trends charts

[United Kingdom](#) | [Economy](#) | [Charts and tables](#) | [Annual trends charts](#)

October 8th 2020

One-click report : United Kingdom ,March 21st 2024


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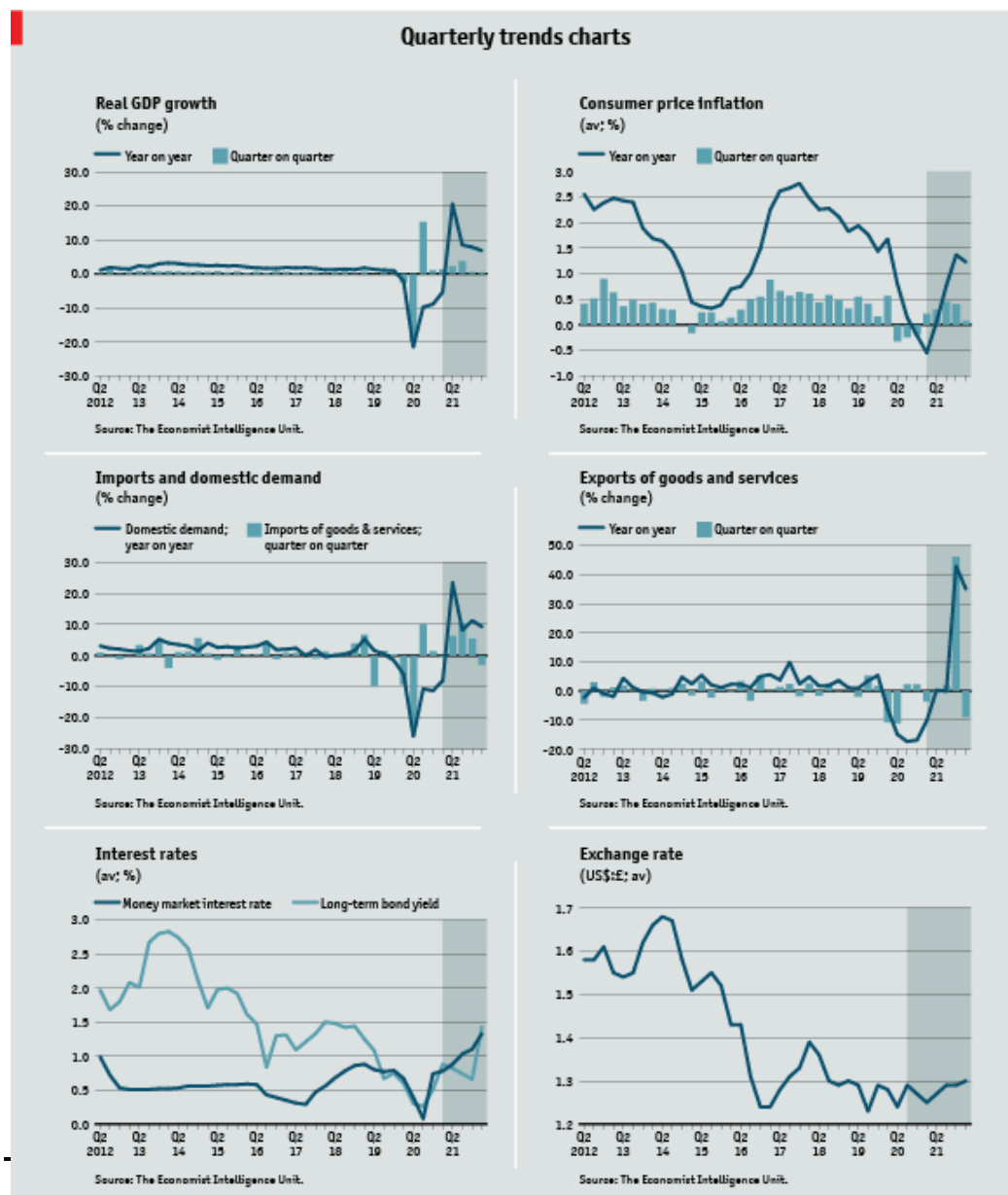
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Data and charts: Quarterly trends charts

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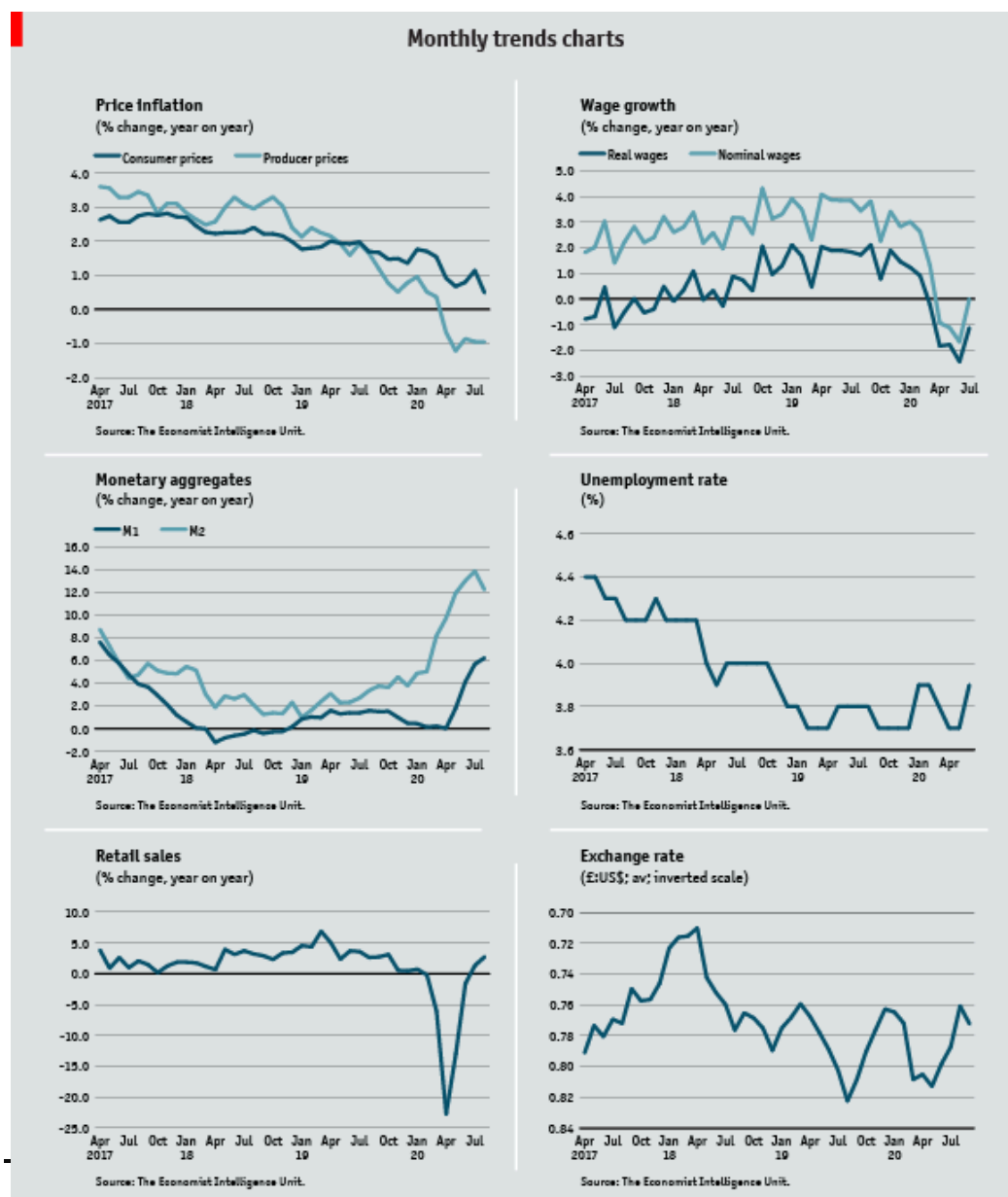
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Data and charts: Monthly trends charts

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One-click report : United Kingdom ,March 21st 2024

Data summary: Gross domestic product, current market prices

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October 8th 2020

Gross domestic product, at current market prices

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
Expenditure on GDP (£ bn at current market prices)										
GDP	1,994.7	2,068.8	2,141.8	2,214.4	2,000.4	2,149.2	2,235.6	2,303.5	2,381.9	2,473.7
Private consumption	1,293.0	1,334.4	1,385.7	1,416.9	1,284.3	1,333.6	1,360.4	1,394.5	1,419.8	1,462.9
Government consumption	382.0	387.3	398.4	423.1	387.5	451.6	476.7	496.3	526.8	560.1
Gross fixed investment	353.2	372.3	381.2	399.5	282.5	326.2	363.8	387.4	410.6	435.1
Exports of goods & services	563.2	622.9	661.6	690.8	587.3	638.5	696.3	739.4	801.3	869.0
Imports of goods & services	599.4	652.8	687.1	721.3	541.2	604.8	663.6	716.7	779.2	856.0
Stockbuilding	2.7	4.6	1.9	6.0	2.0	2.0	2.0	2.5	2.5	2.5
Domestic demand	2,030.8	2,098.6	2,167.3	2,245.4	1,956.3	2,113.5	2,202.9	2,280.8	2,359.7	2,460.7
Expenditure on GDP (US\$ bn at current market prices)										
GDP	2,702.7	2,666.9	2,860.8	2,828.5	2,542.3	2,736.4	2,942.1	3,161.6	3,346.5	3,506.5
Private consumption	1,751.9	1,720.2	1,850.9	1,809.9	1,632.2	1,698.0	1,790.3	1,914.0	1,994.8	2,073.7
Government consumption	517.6	499.3	532.2	540.5	492.5	575.0	627.3	681.2	740.1	794.0

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Gross fixed investment	478.6	480.0	509.2	510.3	359.0	415.4	478.8	531.8	576.9	616.8
Exports of goods & services	763.2	803.0	883.7	882.4	746.4	813.0	916.3	1,014.8	1,125.9	1,231.8
Imports of goods & services	812.1	841.5	917.8	921.4	687.7	770.1	873.3	983.6	1,094.7	1,213.4
Stockbuilding	3.6	6.0	2.6	7.6	2.5	2.5	2.6	3.4	3.5	3.5
Domestic demand	2,751.6	2,705.5	2,894.9	2,868.2	2,486.2	2,690.9	2,899.0	3,130.4	3,315.3	3,488.1
Economic structure (% of GDP at current market prices)										
Household consumption	64.8	64.5	64.7	64.0	64.2	62.1	60.9	60.5	59.6	59.1
Government consumption	19.1	18.7	18.6	19.1	19.4	21.0	21.3	21.5	22.1	22.6
Gross fixed investment	17.7	18.0	17.8	18.0	14.1	15.2	16.3	16.8	17.2	17.6
Stockbuilding	0.1	0.2	0.1	0.3	0.1	0.1	0.1	0.1	0.1	0.1
Exports of goods & services	28.2	30.1	30.9	31.2	29.4	29.7	31.1	32.1	33.6	35.1
Imports of goods & services	30.0	31.6	32.1	32.6	27.1	28.1	29.7	31.1	32.7	34.6
Memorandum item										
National savings ratio (%)	12.6	14.7	14.0	14.3	12.8 ^c	12.3	13.5	13.4	13.7	13.3

^a Actual. ^b Economist Intelligence Unit forecasts. ^c Economist Intelligence Unit estimates.

One-click report : United Kingdom ,March 21st 2024

Data summary: Gross domestic product, at constant prices

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Gross domestic product, at constant prices

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
Real expenditure on GDP (£ bn at chained 2013 prices)										
GDP	2,079.1	2,115.3	2,141.8	2,168.8	1,939.5	2,078.4	2,150.1	2,186.5	2,216.5	2,250.1
Household consumption	1,350.8	1,366.1	1,385.6	1,397.7	1,238.4	1,317.8	1,359.7	1,392.2	1,409.1	1,433.2
Government consumption	393.0	395.9	398.4	414.8	402.3	443.0	454.0	463.1	472.4	481.8
Gross fixed investment	369.6	379.8	381.2	387.1	282.2	310.4	336.1	345.8	355.8	366.1
Exports of goods & services	609.2	642.1	661.6	680.0	586.1	633.1	679.2	715.4	766.3	820.4
Imports of goods & services	651.6	668.9	687.1	709.6	552.6	609.1	662.0	713.7	770.6	835.0
Stockbuilding (% of GDP)	8.8	13.5	-0.8	0.6	2.0	2.0	2.0	2.5	2.5	2.5
Domestic demand	2,123.5	2,157.2	2,167.2	2,199.0	1,925.7	2,073.0	2,152.1	2,203.7	2,239.9	2,283.7
Real expenditure on GDP (% change)										
GDP	1.7	1.7	1.3	1.3	-10.6	7.2	3.5	1.7	1.4	1.5
Household consumption	3.4	1.1	1.4	0.9	-11.4	6.4	3.2	2.4	1.2	1.7
Government consumption	1.0	0.7	0.6	4.1	-3.0	10.1	2.5	2.0	2.0	2.0
Gross fixed investment	4.4	2.8	0.4	1.5	-27.1	10.0	8.3	2.9	2.9	2.9

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Exports of goods & services	2.7	5.4	3.0	2.8	-13.8	8.0	7.3	5.3	7.1	7.1
Imports of goods & services	3.9	2.6	2.7	3.3	-22.1	10.2	8.7	7.8	8.0	8.4
Stockbuilding (% contribution to GDP growth)	-0.1	0.2	-0.7	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Domestic demand	3.0	1.6	0.5	1.5	-12.4	7.7	3.8	2.4	1.6	2.0
Real contribution to GDP growth (% points)										
Private consumption	2.2	0.7	0.9	0.6	-7.3	4.1	2.0	1.5	0.8	1.1
Government consumption	0.2	0.1	0.1	0.8	-0.6	2.1	0.5	0.4	0.4	0.4
Gross fixed investment	0.8	0.5	0.1	0.3	-4.8	1.5	1.2	0.5	0.5	0.5
External balance	-0.4	0.8	0.1	-0.2	2.9	-0.5	-0.3	-0.7	-0.3	-0.5
Memorandum items										
Industrial production (% change)	1.2	1.7	0.8	-1.3	-11.0	2.1	3.5	1.5	1.2	1.2
Real personal disposable income (% change)	0.5	0.1	2.3	1.5	-6.1	4.6	2.5	1.9	0.7	1.7

^a Actual. ^b Economist Intelligence Unit forecasts.

One-click report : United Kingdom ,March 21st 2024

Data summary: Gross domestic product by sector of origin

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Gross domestic product by sector of origin

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
Origin of GDP (£ bn at chained 2010 prices)										
GDP at factor cost	1,852.6	1,884.9	1,910.2	1,937.2	1,732.4	1,856.4	1,920.5	1,953.0	1,979.8	2,009.8
Agriculture	11.8	12.6	12.2	12.9	12.2	12.3	12.5	12.6	12.7	12.7
Industry	373.9	385.7	388.2	387.3	364.0	371.3	382.4	388.2	392.8	397.6
Services	1,466.8	1,486.6	1,509.9	1,536.9	1,356.2	1,472.8	1,525.5	1,552.2	1,574.3	1,599.5
Origin of GDP (real % change)										
Agriculture	-6.0	6.3	-3.3	6.3	-6.0	1.0	2.0	0.5	0.5	0.5
Industry	2.0	3.1	0.6	-0.2	-6.0	2.0	3.0	1.5	1.2	1.2
Services	1.6	1.4	1.6	1.8	-11.8	8.6	3.6	1.8	1.4	1.6
Origin of GDP (% of factor cost GDP)										
Agriculture	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6
Industry	19.7	19.7	19.6	19.5	20.5	19.5	19.4	19.4	19.4	19.3

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Services	79.6	79.6	79.7	79.8	78.8	79.8	79.9	79.9	80.0	80.1
Memorandum item										
Industrial production (% change)	1.2	1.7	0.8	-1.3	-11.0	2.1	3.5	1.5	1.2	1.2

^a Actual. ^b Economist Intelligence Unit forecasts.

Data summary: Growth and productivity

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Growth and productivity

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
Growth and productivity (%)										
Labour productivity growth	0.3	0.7	0.1	0.2	-6.9	8.9	1.4	0.5	0.2	0.3
Total factor productivity growth	-0.2	0.1	-0.4	-0.3	-8.5	8.4	2.0	0.6	0.4	0.5
Growth of capital stock	2.9	2.9	2.5	2.4	-1.7	-0.5	0.5	0.8	1.1	1.3
Growth of potential GDP	1.5	1.6	1.5	1.5	-9.2	8.0	2.3	1.2	1.1	1.4
Growth of real GDP	1.7 ^c	1.7 ^c	1.3 ^c	1.3 ^c	-10.6 ^c	7.2	3.5	1.7	1.4	1.5
Growth of real GDP per head	1.1 ^c	0.3 ^c	0.6 ^c	0.7	-11.0	6.7	3.0	1.3	1.0	1.1

^a Economist Intelligence Unit estimates. ^b Economist Intelligence Unit forecasts. ^c Actual.

One-click report : United Kingdom ,March 21st 2024

Data summary: Economic structure, income and market size

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Economic structure, income and market size

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c
Population, income and market size										
Population (m)	65.8	66.7	67.1	67.5 ^b	67.9	68.2	68.5	68.8	69.0	69.3
GDP (US\$ bn at market exchange rates)	2,703	2,667	2,861	2,829	2,542 ^a	2,736	2,942	3,162	3,347	3,506
GDP per head (US\$ at market exchange rates)	41,081	39,968	42,609	41,885 ^b	37,449	40,119	42,951	45,976	48,485	50,618
Private consumption (US\$ bn)	1,752	1,720	1,851	1,810	1,632 ^a	1,698	1,790	1,914	1,995	2,074
Private consumption per head (US\$)	26,628	25,780	27,567	26,801 ^b	24,043	24,895	26,136	27,833	28,901	29,935
GDP (US\$ bn at PPP)	2,896	3,033	3,117	3,255	2,922 ^a	3,181	3,350	3,469	3,583	3,703
GDP per head (US\$ at PPP)	44,025	45,452	46,426	48,193 ^b	43,045	46,644	48,914	50,440	51,909	53,450
Personal disposable income (£ bn)	1,346	1,383	1,453	1,498	1,425 ^a	1,455	1,475	1,504	1,523	1,569
Personal disposable income (US\$ bn)	1,824	1,783	1,940	1,913	1,811 ^a	1,853	1,941	2,064	2,140	2,225
Growth of real disposable income (%)	0.4	0.7	2.6	1.7	-7.0	4.6	2.5	1.9	0.7	1.7
Memorandum items										
Share of world population (%)	0.89	0.89	0.89	0.89 ^b	0.88	0.88	0.88	0.88	0.88	0.89
Share of world GDP (% at market exchange rates)	3.58	3.33	3.36	3.26	3.12 ^a	3.17	3.19	3.21	3.20	3.25

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Share of world GDP (% at PPP)	2.54	2.52	2.45	2.44	2.29 ^a	2.34	2.34	2.30	2.26	2.30
Share of world exports of goods (%)	2.58	2.51	2.46	2.58	2.48	2.36	2.48	2.59	2.77	2.98

^a Actual. ^b Economist Intelligence Unit estimates. ^c Economist Intelligence Unit forecasts.

Data summary: Fiscal indicators

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Fiscal indicators

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c
Fiscal indicators (% of GDP)										
Government expenditure	41.5	41.2	41.0	41.0	49.0	43.5	42.6	42.7	43.2	43.3
Interest ^d	2.4	2.7	2.5	2.2	1.5	1.2	1.3	1.6	1.9	2.0
Non-interest ^d	39.1	38.5	38.5	38.8	47.5	42.3	41.3	41.2	41.3	41.3
Government revenue ^d	38.2	38.8	38.7	38.9	30.2	33.0	38.3	39.6	40.4	40.6
Budget balance ^d	-3.3	-2.5	-2.2	-2.1	-18.9	-10.5	-4.3	-3.1	-2.8	-2.7
Primary balance ^d	-0.9	0.2	0.2	0.1	-17.3	-9.3	-3.1	-1.5	-0.9	-0.7
Government debt ^e	86.8	86.4	85.8	85.4	113.7	116.5	116.2	115.7	114.6	112.9

^a Actual. ^b Economist Intelligence Unit estimates. ^c Economist Intelligence Unit forecasts. ^d General government. ^e General government, gross public debt (Maastricht definition). Includes impact of financial sector interventions in Northern Rock, Bradford & Bingley and compensation

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payments to Icelandic bank depositors. Does not include impact of reclassification of Royal Bank of Scotland and Lloyds Banking Group as public corporations by the Office for National Statistics. Does not include impact of gilt transactions with the Bank of England. End-period.

Data summary: Monetary indicators

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Monetary indicators

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
Monetary indicators										
Exchange rate US\$:£ (av)	1.35	1.29	1.34	1.28	1.27	1.27	1.32	1.37	1.41	1.42
Exchange rate €:£ (av)	1.22	1.14	1.13	1.14	1.13	1.11	1.15	1.16	1.16	1.15
Exchange rate US\$:€ (av)	1.11	1.13	1.18	1.12	1.13	1.15	1.14	1.19	1.21	1.23
Exchange rate €:£ (year-end)	1.17	1.13	1.12	1.15	1.10	1.14	1.14	1.16	1.14	1.14
Real effective exchange rate (av; 2005=100)	102.4	97.1	98.8	98.3	97.7	94.1	98.2	99.3	100.1	100.7
M4 money supply growth (%) ^c	6.2	4.8	2.3	3.8	13.1	4.7	4.0	1.4	1.8	3.9
Domestic credit growth (%)	4.2	5.4	3.2	4.9	13.3	4.9	4.1	1.6	2.0	4.1
Purchasing power parity US\$:£ (av)	1.45	1.47	1.46	1.47	1.46	1.48	1.50	1.51	1.50	1.50
3-month £-Libor rate (av; %)	0.5	0.4	0.7	0.8	0.5	0.9	1.4	0.8	1.0	1.0

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10-year government bond yield (av; %)	1.3	1.2	1.5	0.9	0.4	0.8	1.1	1.5	1.9	1.9
Bank of England base rate (%; end-period)	0.25	0.50	0.75	0.75	0.10	0.10	0.25	0.75	1.25	1.25
Lending rate (%; average mortgage SVR from UK MFIs)	4.4	4.4	4.3	4.3	4.0	4.0	4.2	4.4	4.5	4.5
Deposit rate (av; %)	1.3	0.9	0.9	0.9	0.4	0.3	0.9	1.3	1.5	1.5

^a Actual. ^b Economist Intelligence Unit forecasts. ^c Headline broad money (M4) figures from Bank of England include deposits of "intermediate other financial corporations" (IOFCs) that specialise in intermediation between banks, giving a distorted measure of underlying M4 growth.

Data summary: Employment, wages and prices

[United Kingdom](#) | [Economy](#) | [Charts and tables](#) | [Employment, wages and prices](#)

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Employment, wages and prices

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
The labour market (av)										
Labour force (m)	33.4	33.5	33.8	34.1	34.0	33.9	33.9	34.1	34.2	34.5
Labour force (% change)	0.9	0.5	0.9	0.8	-0.3	-0.4	0.2	0.4	0.5	0.7
Employment (m)	31.7	32.1	32.4	32.8	31.5	31.0	31.6	32.0	32.4	32.8
Employment (% change)	1.5	1.0	1.2	1.1	-3.9	-1.6	2.0	1.2	1.2	1.2

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Unemployment (m)	1.6	1.5	1.4	1.3	2.5	2.9	2.3	2.0	1.8	1.7
Unemployment rate (%; EU/OECD standardised measure)	4.9	4.4	4.1	3.8	6.3	8.4	6.8	6.0	5.4	4.9
Wage and price inflation (% except labour costs per hour)										
GDP deflator	2.2	1.9	2.2	2.1	1.0	0.3	0.6	1.3	2.0	2.3
Consumer prices (av; CPIH measure)	1.0	2.6	2.3	1.7	0.6	0.4	1.0	1.1	1.6	1.8
Producer prices (av)	0.5	3.4	2.9	1.6	-0.5	0.8	2.4	1.7	2.0	2.0
GDP deflator (av)	2.2	1.9	2.2	2.1	1.0 ^c	0.3	0.6	1.3	2.0	2.3
Private consumption deflator (av)	1.4	2.0	2.4	1.4	2.3 ^c	-2.4	-1.1	0.1	0.6	1.3
Government consumption deflator (av)	0.9	0.7	2.2	2.0	-5.6 ^c	5.9	3.0	2.1	4.1	4.3
Fixed investment deflator (av)	2.2	2.6	2.0	3.2	-3.0 ^c	5.0	3.0	3.5	3.0	3.0
Average nominal wages (av)	2.4	2.3	2.9	3.4	-7.4	6.6	5.1	2.7	3.2	3.6
Average real wages (av)	1.4	-0.3	0.6	1.7	-8.0	6.2	4.0	1.6	1.6	1.8
Unit labour costs (£-based; av)	2.2	2.3	2.9	2.7	0.5	-1.6	4.6	3.2	4.1	4.3
Unit labour costs (US\$-based)	-9.4	-2.6	6.6	-1.8	-0.1	-1.4	8.1	7.7	6.5	5.2
Labour costs per hour (£)	21.3 ^c	22.0 ^c	22.7 ^c	23.5 ^c	21.7 ^c	23.2	24.4	25.0	25.8	26.8
Labour costs per hour (US\$)	28.9 ^c	28.4 ^c	30.3 ^c	30.0 ^c	27.6 ^c	29.5	32.0	34.3	36.3	37.9

^a Actual. ^b Economist Intelligence Unit forecasts. ^c Economist Intelligence Unit estimates.

Data summary: Current account and terms of trade

One-click report : United Kingdom ,March 21st 2024

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Current account and terms of trade

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c
Current account (US\$ bn)										
Current-account balance	-141.8	-93.0	-110.2	-113.3	-37.2	-82.1	-83.3	-111.8	-122.1	-155.0
Current-account balance (% of GDP)	-5.2	-3.5	-3.9	-4.0	-1.5	-3.0	-2.8	-3.5	-3.7	-4.4
Goods: exports fob	402.6	434.8	466.6	475.8	371.8	391.6	450.1	508.4	579.0	644.7
Goods: imports fob	-583.9	-609.8	-652.4	-641.5	-437.2	-504.4	-582.6	-672.4	-767.4	-873.6
Trade balance	-181.1	-175.1	-185.8	-165.7	-65.3	-112.8	-132.5	-164.0	-188.4	-229.0
Services: credit	364.0	376.0	409.2	418.5	372.4	411.3	454.6	483.2	513.9	543.6
Services: debit	-226.4	-233.3	-263.0	-283.4	-254.0	-293.4	-313.6	-331.7	-346.4	-357.7
Services balance	137.6	142.7	146.2	135.1	118.4	117.9	141.0	151.4	167.6	185.9
Primary income: credit	186.4	241.1	291.7	265.0	168.2	183.4	216.1	249.3	277.4	294.3
Primary income: debit	-252.8	-272.9	-328.1	-312.5	-227.0	-236.7	-271.4	-309.3	-337.2	-362.7
Primary income balance	-66.4	-31.8	-36.4	-47.5	-58.8	-53.2	-55.3	-60.0	-59.8	-68.4
Secondary income: credit	22.8	22.7	24.9	23.9	21.5	23.1	24.9	26.7	28.3	29.6
Secondary income: debit	-55.0	-51.6	-59.0	-59.0	-53.0	-57.1	-61.4	-65.9	-69.8	-73.1

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Secondary income balance	-32.2	-28.9	-34.1	-35.1	-31.5	-34.0	-36.5	-39.2	-41.5	-43.5
Terms of trade										
Export price index (US\$-based; 2010=100)	89.0	89.9	96.2	92.2	88.2 ^a	89.1	94.1	98.5	101.4	102.9
Export prices (% change)	-6.5	1.1	7.0	-4.2	-4.4 ^a	1.0	5.7	4.7	2.9	1.6
Import price index (US\$-based; 2010=100)	88.5	89.6	95.3	89.7	82.3 ^a	84.0	87.6	91.0	93.3	95.2
Import prices (% change)	-8.5	1.2	6.4	-5.9	-8.2 ^a	2.1	4.2	3.9	2.5	2.0
Terms of trade (2010=100)	100.5	100.4	101.0	102.8	107.1 ^a	106.0	107.5	108.3	108.6	108.2
Memorandum item										
Export market growth (%)	4.1	4.8	4.7	0.8	-9.9	7.0	4.9	3.9	3.9	3.6

^a Actual. ^b Economist Intelligence Unit estimates. ^c Economist Intelligence Unit forecasts.

One-click report : United Kingdom ,March 21st 2024

Data summary: Foreign direct investment

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Foreign direct investment

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c
Foreign direct investment (US\$ bn)										
Inward direct investment	324.8	121.3	81.2	20.7	-9.3	52.3	78.6	100.4	94.7	112.2
Inward direct investment (% of GDP)	12.0	4.5	2.8	0.7	-0.4	1.9	2.7	3.2	2.8	3.2
Inward direct investment (% of gross fixed investment)	67.9	25.3	15.9	4.1	-2.6	12.6	16.4	18.9	16.4	18.2
Outward direct investment	-33.0	-138.1	-56.4	67.1	22.9	-12.1	-19.9	-24.3	-28.0	-31.8
Net foreign direct investment	291.8	-16.8	24.8	87.8	13.6	40.2	58.7	76.1	66.7	80.4
Stock of foreign direct investment	2,009.0	2,292.0	2,291.0	2,372.0	2,362.7	2,415.0	2,493.6	2,594.0	2,688.8	2,801.0
Stock of foreign direct investment per head (US\$)	30,537	34,349	34,122	35,125	34,804	35,407	36,405	37,723	38,955	40,433
Stock of foreign direct investment (% of GDP)	74.3	85.9	80.1	83.9	92.9	88.3	84.8	82.0	80.3	79.9
Memorandum items										
Share of world inward direct investment flows (%)	12.5	5.6	13.8	1.9	-0.9	4.7	6.7	8.2	7.4	8.5
Share of world inward direct investment stock (%)	7.1	7.6	7.2	6.9	7.2	7.0	6.9	6.9	6.9	6.9

^a Actual. ^b Economist Intelligence Unit estimates. ^c Economist Intelligence Unit forecasts.

One-click report : United Kingdom ,March 21st 2024

Political structure

[United Kingdom](#) | [Summary](#) | [Political structure](#)

October 8th 2020

Official name

United Kingdom of Great Britain and Northern Ireland

Form of state

Parliamentary monarchy

Legal system

Based on statute and common law; no written constitution; Scotland has its own system

National legislature

Bicameral; the House of Commons (the lower house of parliament) has 650 members directly elected on a first-past-the-post basis; the House of Lords (the upper house, with about 800 members) was reformed in 1999, when most hereditary peers lost their seats

Electoral system

One-click report : United Kingdom ,March 21st 2024

Universal direct suffrage from the age of 18

National elections

Most recent general election: December 12th, 2019. Next election scheduled: May 2nd 2024

Head of state

Queen Elizabeth II, who acceded to the throne in 1952

National government

Cabinet headed by the prime minister, who is appointed by the monarch on the basis of ability to form a government with the support of the House of Commons. The centre-right Conservative Party took office as a majority government in December 2019

Main political parties

Conservative Party, Labour Party, Liberal Democrats, UK Independence Party (UKIP), Brexit Party, Green Party, Scottish National Party (SNP), Plaid Cymru (Welsh National Party); Northern Ireland parties: Ulster Unionist Party (UUP), Democratic Unionist Party (DUP), Alliance Party, Social Democratic and Labour Party (SDLP), Sinn Fein

Prime minister: Boris Johnson

Attorney general: Suella Braverman

Chancellor of the exchequer: Rishi Sunak

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Chief secretary to the Treasury: Stephen Barclay

Leader of the House of Lords & Lord Privy Seal: Baroness Evans

Leader of the House of Commons: Jacob Rees-Mogg

Minister for the Cabinet Office: Michael Gove

Party chair & minister without portfolio: Amanda Milling

Parliamentary secretary to the Treasury & chief whip: Mark Spencer

Secretaries of state

Business, energy & industrial strategy: Alok Sharma

Defence: Ben Wallace

Digital, culture, media & sport: Oliver Dowden

Education: Gavin Williamson

Environment, food & rural affairs: George Eustice

Foreign & Commonwealth affairs: Dominic Raab

Health & social care: Matt Hancock

Home Office: Priti Patel

Housing, communities & local government: Robert Jenrick

International development: Anne-Marie Trevelyan

International trade: Liz Truss

One-click report : United Kingdom ,March 21st 2024

Justice & Lord Chancellor: Robert Buckland

Northern Ireland: Brandon Lewis

Scotland: Alister Jack

Transport: Grant Shapps

Wales: Simon Hart

Work & pensions: Therese Coffey

Central bank governor

Andrew Bailey

Basic data

[United Kingdom](#) | [Summary](#) | [Basic data](#)

October 8th 2020

Land area

244,100 sq km (including inland water), of which 71% is arable and pasture land, 10% forest and 19% urban and other. England totals 130,400 sq km, Scotland 78,800 sq km, Wales 20,800 sq km and Northern Ireland 14,100 sq km

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Population

66m (official mid-year estimate, 2017)

Main towns

Population in '000 (official mid-year estimates, 2017)

Greater London (capital): 8,825

Birmingham: 1,137

Leeds: 785

Glasgow: 621

Sheffield: 578

Climate

Temperate

Weather in London (altitude 5 metres)

Hottest month, July, 13-22°C; coldest month, January, 2-6°C; driest months, March, April, 37 mm average rainfall; wettest month, November, 64 mm average rainfall

Language

One-click report : United Kingdom ,March 21st 2024

English. Welsh is also spoken in Wales, and Gaelic in parts of Scotland

Measures

Officially metric system, but the former UK imperial system is still widely used

Currency

Pound (or pound sterling) = 100 pence

Time

GMT (summer time, 1 hour ahead)

Fiscal year

April 1st to March 31st; tax year April 6th to April 5th

Public holidays

January 1st (New Year's Day), April 10th (Good Friday), April 13th (Easter Monday), May 8th (Early May Bank Holiday), May 25th (Spring Bank Holiday), August 31st (Summer Bank Holiday), December 25th and 28th (Christmas Day and Boxing Day*)

(*Boxing Day is traditionally celebrated on December 26th. As that day is a Saturday in 2020, the next working day is given as holiday)

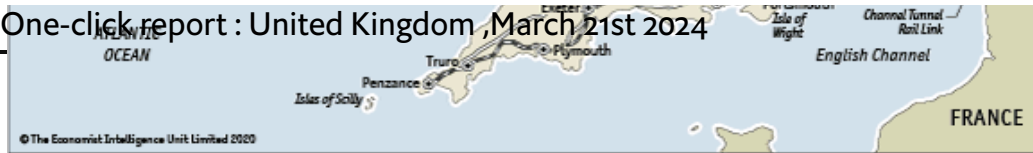
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