



# One-click report : United Kingdom

February 16th 2021

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## Briefing sheet

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### Political and economic outlook

- The UK economy is the sixth largest in the world. Services make up more than 40% of total exports and 80% of GDP. Having left the EU single market and customs union, the UK will seek to rebalance trading relations towards markets beyond the EU.
- In the most recent general election, held in December 2019, the Conservative Party under the prime minister, Boris Johnson, won an 80-seat majority. The Economist Intelligence Unit expects the government to remain stable and in place until the next election in 2024.
- The coronavirus pandemic led to a significant expansion in public spending to support jobs and businesses. We expect some fiscal consolidation as support is withdrawn, but the government will maintain a higher level of public spending than before.
- The UK suffered a contraction in real GDP of 9.9% in 2020, as a result of lockdown measures to combat the pandemic and a collapse in global trade. We expect growth to rebound in 2021 and 2022, with GDP returning to its pre-crisis level in 2023.

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- The new trade agreement between the UK and EU leaves many aspects of the relationship unsettled. It creates significant non-tariff barriers and delays implementation of some border control protocols. We expect the relationship to continue to evolve.
- The UK is now one of eight European countries whose debt/GDP ratio exceeds 100%. The UK's ability to borrow in its own currency, its long average debt maturity and support from the Bank of England (BoE, the central bank) mean that borrowing costs will be manageable.
- The UK will host the G7 summit and UN Climate Change Conference (COP26) in 2021 and will use these platforms to elaborate a post-Brexit foreign policy.

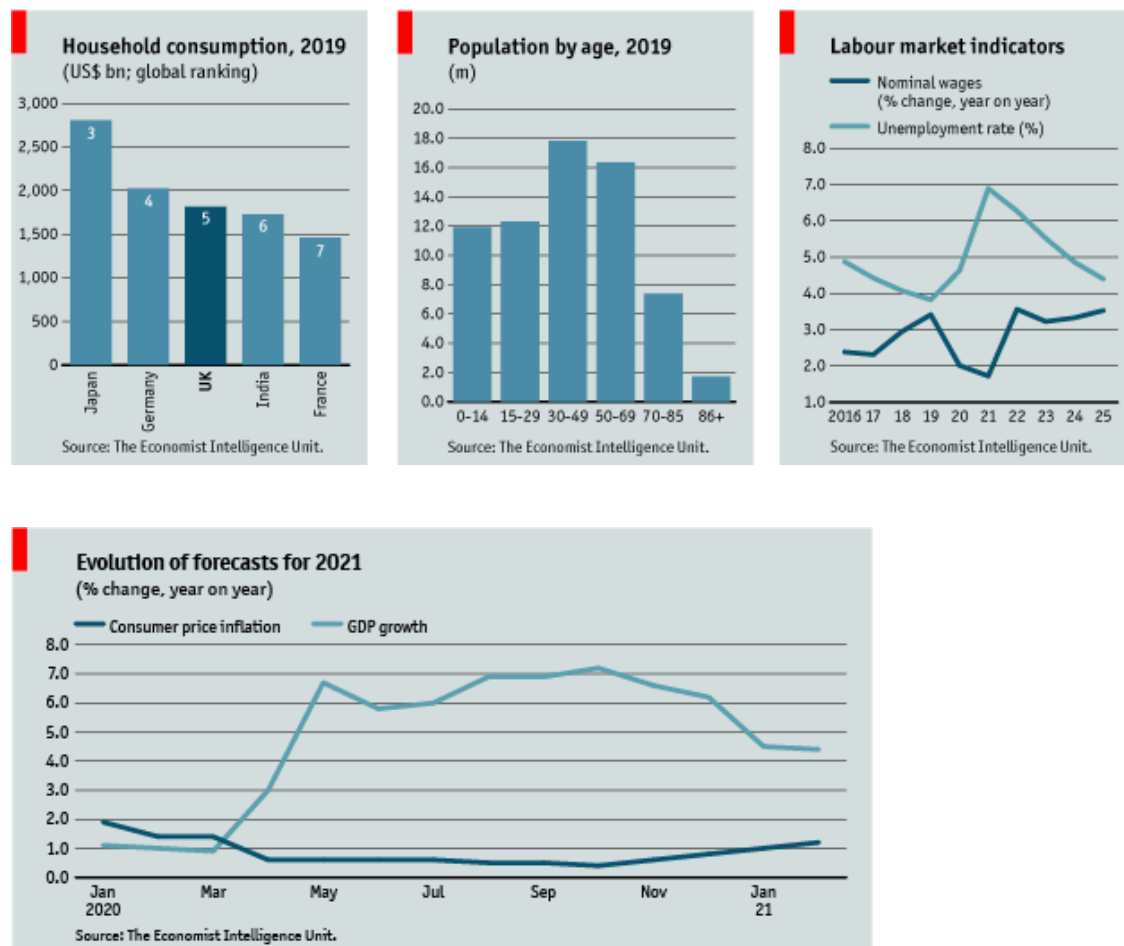
### Key indicators

	2020 <sup>a</sup>	2021 <sup>b</sup>	2022 <sup>b</sup>	2023 <sup>b</sup>	2024 <sup>b</sup>	2025 <sup>b</sup>
Real GDP growth (%)	-9.9	4.4	4.9	1.7	1.6	1.4
Consumer price inflation (av; %)	1.0	1.2	1.5	1.7	1.8	2.0
Government balance (% of GDP)	-14.3	-11.5	-6.9	-4.9	-3.9	-3.5
Current-account balance (% of GDP)	-2.1	-4.4	-3.7	-3.5	-3.2	-3.4
Money market rate (av; %)	0.3	-1.0	-1.3	0.8	1.0	1.0
Unemployment rate (%)	4.6	6.9	6.3	5.5	4.9	4.4
Exchange rate £:US\$ (av)	0.78	0.79	0.81	0.71	0.71	0.70

<sup>a</sup> Economist Intelligence Unit estimates. <sup>b</sup> Economist Intelligence Unit forecasts.

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### Market opportunities



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### Key changes since January 18th

- Following a dispute between the EU and drugmaker AstraZeneca (UK-Sweden), the EU proposed on January 29th to block the export of vaccines from the EU to the UK, including to Northern Ireland.
- The proposal was hastily withdrawn, but has raised tensions around the border issue.
- On February 3rd the BoE held interest rates at 0.1%, and said that it would not be technically possible to implement negative rates for at least six months. This supports our view that negative rates are unlikely; we expect growth to return in the second half of 2021.
- Preliminary fourth-quarter GDP figures show that the economy grew by 1% quarter on quarter, resulting in a full-year contraction of 9.9%. We have adjusted our figures accordingly, and revised down our 2021 and 2022 growth forecasts.

### The month ahead

- February 22nd—England lockdown review: The government will outline its plans for easing lockdowns, having reviewed case numbers and vaccination progress. We expect a modest loosening from March, but a full reopening is unlikely before the third quarter.
- February 23d—Unemployment (December): The unemployment claimant count has increased since the imposition of a second lockdown in November and has risen above 5% since then. We expect this trend to continue.
- March 3rd—Government budget: We expect the government to extend existing economic support programmes through the first half of 2021, before beginning a tapering process in the second half. Some fiscal consolidation is likely from early 2022.



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### Major risks to our forecast

Scenarios, Q4 2020	Probability	Impact	Intensity
Lockdowns continue through spring 2021	Very high	Very high	25
An SNP majority in the Scottish Parliament heightens tensions between England and Scotland	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

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 <sup>a</sup>	2021 <sup>b</sup>	2022 <sup>b</sup>	2023 <sup>b</sup>	2024 <sup>b</sup>	2025 <sup>b</sup>
Real GDP (% change)	-9.9	4.4	4.9	1.7	1.6	1.4
Industrial production (% change)	-8.5	-0.4	4.5	2.0	1.2	1.2
Unemployment rate (av; EU/OECD harmonised measure)	4.6	6.9	6.3	5.5	4.9	4.4
Consumer price inflation (av; CPIH measure)	1.0	1.2	1.5	1.7	1.8	2.0
3-month £-LIBOR rate (av)	0.3	-1.0	-1.3	0.8	1.0	1.0
Bank of England base rate (end-period)	0.10	0.10	0.25	0.75	1.25	1.50
Government budget balance (% of GDP) <sup>c</sup>	-14.3	-11.5	-6.9	-4.9	-3.9	-3.5
Exports of goods fob (US\$ bn)	399.8	448.7	495.9	565.3	647.3	726.2
Imports of goods fob (US\$ bn)	-548.9	-674.5	-736.1	-783.4	-868.1	-972.9
Current-account balance (US\$ bn)	-57.1	-128.6	-112.4	-125.9	-122.2	-134.5
Current-account balance (% of GDP)	-2.1	-4.4	-3.7	-3.5	-3.2	-3.4
Exchange rate US\$:£ (av)	1.28	1.27	1.24	1.40	1.42	1.44
Exchange rate ¥:£ (av)	137.1	131.9	127.9	145.1	148.2	151.5

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Exchange rate €:£ (av)	1.12	1.04	1.05	1.20	1.18	1.19
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<sup>a</sup> Economist Intelligence Unit estimates. <sup>b</sup> Economist Intelligence Unit forecasts. <sup>c</sup> 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. On January 1st 2021 the UK left the EU's single market and customs union after negotiating a free-trade agreement. The government is currently managing the implementation of a new trading relationship with the EU while addressing the fallout from the coronavirus (Covid-19) pandemic. Despite the challenges posed by these two issues, The Economist Intelligence Unit expects the government to last a full term.

The spread of the coronavirus in early 2020 put the government on a crisis-management footing. In March 2020 it instructed all residents to stay at home and to go out only for a limited number of essential reasons. After a relaxation of restrictions in the summer, the government implemented two more lockdowns in England—in November, and again in January. Devolved administrations in Scotland, Wales and Northern Ireland have enacted similar restrictions during these periods. The spread of a new, significantly more contagious variant of the virus since September 2020 led the government to impose the most severe restrictions since the initial lockdown in March 2020, with schools and non-essential businesses being closed. The government is undertaking a mass vaccination programme; more than 15% of the population had received a vaccine by February 15th. The government will release a roadmap out of

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lockdown on February 22nd. We expect a gradual relaxation of restrictions from March, contingent on a continued decline in hospitalisations, but do not expect a full lifting of restrictions until the final quarter of 2021.

Brexit and the pandemic 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, in which a majority favoured the continuation of the union. Support for Scottish independence has been consistently above 50% in polls conducted since the outbreak of the pandemic, as Scottish voters view their devolved government's response as more effective than that of the UK government. Ms Sturgeon has pledged that she will hold a referendum on Scottish independence if the SNP wins an absolute majority in this year's Scottish Parliament elections (which opinion polls show is likely), whether or not it is sanctioned by the UK government, and will pursue legal action to allow it. Even if the UK government grants a second referendum, it would take several years to organise. We believe that there are significant obstacles to Scotland becoming independent and do not expect it to happen during our forecast period.

Brexit has inflamed tensions in Northern Ireland. The UK and the EU 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 is remaining within a regulatory union with the EU for most goods. Although it will stay in the UK customs and value-added tax (VAT) areas, customs and VAT checks are to be conducted by the UK on the EU's behalf at ports in the Irish Sea for goods bound for the EU. This requires the construction and implementation of checkpoints and border infrastructure between Northern Ireland and the rest of the UK for all goods deemed by a UK-EU joint committee to be "at risk" of passing into the EU. However, implementation risks remain high—many of the customs declarations required in the protocol are being waived during a three-month grace period, and the impact of Brexit on access to consumer goods is most clearly visible in Northern Ireland. A further extension of this grace period is likely for several more months. After the EU issued a now-withdrawn threat to override the protocol to block the potential

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export of vaccines to the UK, the UK is attempting to put pressure on the EU to agree to a longer extension of the grace period until 2023.

The Northern Ireland protocol in the withdrawal agreement is unpopular among both Unionists and nationalists, and the Unionist first minister, Arlene Foster, has called for the entire protocol to be scrapped. The implementation of the protocol is likely to remain a source of political friction for some time to come, although it will not come up for formal review until 2024.

## Election watch

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We expect the government to last a full term. Under the Fixed-term Parliaments Act (FTPA), the next general election is scheduled for May 2nd 2024. The government has introduced a bill to repeal the FTPA. However, even if this is passed, a general election must be called within five years of the preceding one; they are usually held in May, to coincide with 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 moderate than Mr Corbyn, but has maintained the latter's anti-austerity position. 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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The EU-UK Trade and Co-operation Agreement (TCA) was reached on December 24th 2020. The TCA is a free-trade agreement that succeeds the UK's membership of the EU single market and customs union, following its exit from EU institutions on January 1st 2021. The TCA provides for zero-tariff, zero-quota trade between the UK and EU, at least in the first instance. However, by leaving the single market and customs union, it creates a variety of non-tariff trade barriers in the forms of border checks and product certifications. It also provides a mechanism whereby if the divergence in regulations on labour, the environment or state aid becomes sufficiently great, the other side can implement retaliatory tariffs to compensate, subject to a period of arbitration. As a result, the regulatory and tariff regimes may drift apart over time.

Additionally, the TCA leaves several issues unresolved. The agreement provides very basic guarantees on services, including financial services trade. It also defers the decision of whether the UK meets EU data-protection criteria for another six months. Mutual recognition of professional qualifications and product certifications has not been included, which will increase the cost of trade between the two jurisdictions. The UK also declined to pursue a formal defence and security co-operation agreement with the EU, preferring to move forward on an ad hoc basis.

The UK government has stated its intention to be outward looking, pursuing a "Global Britain" strategy—although what this means in practice is unclear. The UK holds the presidency of the G20 in 2021 and will host the UN Climate Change Conference (COP26) in Glasgow in November. It intends to use these platforms to take an enhanced role in global climate change policy. On trade, the UK has achieved continuity agreements with most countries that had

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agreements with the EU, is seeking an agreement with the US and has applied to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a trade bloc of 11 Pacific nations.

## Policy trends

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Even before the 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 virus is likely to dominate the government's policy agenda well into 2021. 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 plans to pursue significant increases in public-sector investment, including in infrastructure, and additional current spending on the National Health Service, education and the police. The government has also reformed 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 2022.

## Fiscal policy

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At the outbreak of the pandemic, the government enforced nationwide shutdowns and developed a series of financial support packages to aid workers and businesses affected by the coronavirus until the situation normalised. These included more than £330bn (US\$450bn) 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. The government's job retention scheme, which commits to pay 80% of workers' wages, has been extended several times, and will now run to the end of April 2021. The total number of claimants has declined from its peak of 9.6m workers, but we still expect the scheme to cost an additional £5bn-10bn per month to operate, depending on take-up.

The job-retention programme, along with VAT holidays and depressed revenue from the loss of economic activity, has caused a significant deterioration of the UK's fiscal position. We estimate that government spending exceeded 49% of GDP in 2020, resulting in a fiscal deficit of 14.3% of GDP. In 2021 we forecast a smaller, but still-large deficit, causing debt to peak at about 107% of GDP. From 2022 we expect tax revenue to rebound and move towards fiscal consolidation. 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.



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# 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%—its lowest ever level. It also resumed its quantitative easing programme, committing to £450bn in new bond-buying since the pandemic began, reaching a total of £895bn. The initial intervention in March took place in co-ordination with the Treasury to facilitate smooth functioning of government and private debt markets. The programme has been expanded twice, most recently by £150bn on November 5th. From March until the end of 2020, the BoE 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 was not tapped.

The BoE said that both its bond-buying programmes and use of the Ways and Means facility were temporary. However, these decisions allowed the government to borrow at favourable rates and pursue massive fiscal expansion, and we expect that the BoE will continue to ensure that the government can borrow at favourable rates if needed. We expect a further expansion of bond-buying in early 2021. The BoE has signalled that negative interest rates would not be technically possible to implement before August 2021, at which point the economy is likely to be recovering sufficiently to not need further cuts. Given the length of the pandemic and the associated downturn, we do not expect the BoE to raise rates before mid-2022.

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## Global forecast data

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	2020	2021	2022	2023	2024	2025
<b>Economic growth (%)</b>						
US GDP	-3.6	3.7	2.3	2.0	1.8	1.9
OECD GDP	-5.3	3.7	2.9	2.1	1.9	1.9
EU27 GDP	-6.9	4.6	3.8	2.4	2.0	1.9
World GDP	-4.3	4.5	3.4	3.0	2.8	2.7
World trade	-9.8	7.0	5.9	5.1	4.5	3.8
<b>Inflation indicators (% unless otherwise indicated)</b>						
US CPI	1.2	1.5	1.8	2.2	1.9	2.0
OECD CPI	1.2	1.5	1.9	2.1	2.0	2.0
EU27 CPI	0.6	1.0	1.5	1.7	1.7	1.7
Manufactures (measured in US\$)	-1.1	4.1	2.2	3.2	2.1	2.0
Oil (Brent; US\$/b)	42.3	53.0	56.0	58.0	55.0	52.0
Non-oil commodities (measured in US\$)	2.8	12.9	0.5	-5.7	2.0	1.5
<b>Financial variables</b>						
US\$ 3-month commercial paper rate (av; %)	0.6	0.2	0.2	0.2	0.6	1.0

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€ 3-month interbank rate (av; %)	-0.4	-0.5	-0.5	-0.4	-0.4	-0.4
US\$:£ (av)	1.28	1.27	1.24	1.40	1.42	1.44
US\$:€ (av)	1.14	1.21	1.18	1.17	1.20	1.21

## Economic growth

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### The impact of the coronavirus: global and regional assumptions

The Economist Intelligence Unit estimates that global output contracted by 4.3% in 2020 (an upgrade from a contraction of 4.4% in our previous forecasting round). In 2021 we expect global GDP to rebound by 4.5%, with growth in OECD countries reaching record-high levels. However, this apparent rebound in 2021 will mainly be the result of a statistical distortion due to low base effects after the global slump in 2020. We continue to expect that global GDP will not recover to its pre-coronavirus (2019) level before 2022.

The start of the rollout of several coronavirus vaccines in developed countries, including the US and EU member states, has not altered our forecasts. The vaccines will not be available in large enough quantities in the coming months to be game-changing. Logistics and shipping will also be difficult. We therefore maintain our view that vaccines will not be widely available for the general population in developed economies before mid-2021. Access to the vaccine will be difficult initially as all developed countries race to acquire sufficient quantities and poorer

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countries struggle to secure funding. As a result, the rollout in middle-income and emerging countries will take much longer; we do not expect it to take place on a significant scale before 2022.

In Europe we expect that three highly effective vaccines—developed by BioNTech (Germany)-Pfizer (US), Moderna (US), and AstraZeneca-Oxford University (UK)—will be rolled out to priority groups in early 2021. However, production, distribution, storage and other challenges mean that mass vaccination programmes in Europe will proceed throughout the year. Each country will have its own rollout timetable, but vaccination programmes in the EU and the UK will start by targeting priority groups such as the elderly, including care home residents, and health workers in the first months of 2021, then other vulnerable groups or frontline workers from spring 2021 onwards, and finally the wider population from late 2021 onwards. There will be no immediate return to normal in 2021, but the vaccine rollout will mean that a path to normality becomes clearer.

The euro zone economy recorded a historic collapse in 2020. Countries that imposed a severe initial lockdown and have a services- or tourism-oriented economy fared the worst, notably Spain, France and Italy. A strong rebound in the third quarter smoothed out many of these inter-country differences, with Spain now being the laggard. However, renewed national lockdowns and restrictions across the bloc stalled growth in the fourth quarter, and will cause a double-dip recession in some countries. Lockdowns and restrictions will continue in early 2021 as coronavirus cases spike again and hospitals come under renewed pressure. Economic momentum will remain subdued in the first few months of 2021, but pick up thereafter—particularly in the second half of the year—with the arrival of spring and summer, when transmission is likely to recede. The gradual distribution of vaccines will also boost business and investor confidence from mid-2021, supporting the economic bounce-back. However, we forecast that real GDP in western Europe will not return to its 2019 level until late 2022.

The political and geopolitical effects of the crisis will be significant. The pandemic has resulted in an extraordinary expansion of executive powers and the passage of new laws, often with limited parliamentary oversight, and prohibitions on protest. It has also become a testing time for central-local government relations, which have

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deteriorated in many countries owing to conflicts over power-sharing, policy responses and financial support. Elections have been cancelled or delayed in some countries, or have gone ahead in others in controversial circumstances. Governments' handling of the response will continue to face scrutiny. Public support for measures to combat the pandemic is fraying, and we expect social unrest to rise in 2021. Failure to address the social crisis triggered by the coronavirus could further erode trust in national institutions. The 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 caused a severe economic contraction in 2020, with real GDP shrinking by 9.9%. The current lockdown is likely to result in a contraction in growth in the first quarter of 2021, as many businesses have been forced to close. A significant bounce-back is likely from the second quarter as restrictions are lifted, and we forecast year-on-year growth of 4.4% in 2021 as a whole. We forecast further catch-up growth of 4.9% in 2022, which will probably be the first full year without social distancing restrictions. However, most of this headline growth will stem from favourable year-on-year comparisons with the 2020-21 lockdowns, rather than robust economic activity. We expect the level of real GDP to exceed its 2019 peak only in 2023.

After reaching a low of 3.8% in 2019, unemployment rose in 2020 as the pandemic led to business failures and lay-offs. The spike in unemployment was modest, however, at an estimated average rate of 4.6% in 2020, owing to the government's furlough scheme. We expect the rate to hit 6.9% in 2021 after the scheme is withdrawn. Employment will rise gradually and unemployment will begin to fall from 2022, reaching 4.4% by the end of our forecast period in 2025.

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Gross capital formation declined sharply in 2020 as the highly uncertain global business environment depressed investment. We expect some bounce-back in investment growth in 2021, although it will remain suppressed in the first quarter, owing to lockdown measures and adjustment to new Brexit trading rules. In 2022 we expect it to rise markedly as the coronavirus and Brexit situations stabilise, releasing pent-up demand and allowing the government to pursue a more focused strategy to encourage investment. Investment growth should stabilise from 2023 until the end of the forecast period.

Export and import growth turned sharply negative in 2020 as global demand collapsed and coronavirus-related travel restrictions persisted. This improved the UK's current-account balance in 2020, but we expect Brexit disruption, rebounding global trade and an appreciation of pound sterling to widen the UK's current-account deficit in 2021, before it stabilises from 2022.

### Economic growth

%	2020 <sup>a</sup>	2021 <sup>b</sup>	2022 <sup>b</sup>	2023 <sup>b</sup>	2024 <sup>b</sup>	2025 <sup>b</sup>
GDP	-9.9	4.4	4.9	1.7	1.6	1.4
Private consumption	-11.0	6.2	5.9	1.5	1.7	1.4
Government consumption	-5.7	4.2	1.5	2.0	2.0	2.0
Gross fixed investment	-8.7	6.4	8.0	5.0	3.0	3.0
Exports of goods & services	-16.7	6.8	8.0	5.5	7.0	6.9
Imports of goods & services	-18.1	13.9	9.0	7.7	7.6	7.3
Domestic demand	-10.6	6.6	5.2	2.6	2.0	1.8
Agriculture	-9.4	1.0	2.0	0.5	0.5	0.5
Industry	-9.8	-0.5	4.0	2.0	1.2	1.2

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Services	-8.9	5.6	5.2	1.6	1.7	1.5
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<sup>a</sup> Economist Intelligence Unit estimates. <sup>b</sup> Economist Intelligence Unit forecasts.

## Inflation

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Inflation declined sharply in 2020 as a result of depressed demand owing to the coronavirus pandemic, and we estimate average inflation of 1% in full-year 2020. We expect price pressures to pick up modestly in 2021 as demand rebounds, reaching 1.2%. From 2022 we expect demand to increase steadily as uncertainty declines, lifting inflation to 1.5% in 2022 and to 2% by the end of the forecast period.

## Exchange rates

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The value of sterling 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. Sterling depreciated sharply against the US dollar in March, to a 35-year low of US\$1.15:£1, when investors



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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 bank) and other central banks, including the BoE, reversed this trend, and sterling recovered to US\$1.34:£1 by the end of 2020, in part owing to the weakness of the dollar. We expect modest strengthening against the dollar in 2021 as Brexit uncertainty dissipates and investment flows stabilise, reaching an average of US\$1.44:£1 by 2025.

## External sector

[United Kingdom](#) | [Economy](#) | [Forecast](#) | [External sector](#)

February 16th 2021

The coronavirus outbreak caused a sharp fall in global trade as demand declined, travel was disrupted and global supply chains were compromised by national lockdowns. The UK was not exempt from this, with both imports and exports declining sharply in 2020. This caused the UK's current-account deficit to shrink from 3.1% of GDP in 2019 to an estimated 2.1% 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, and we expect the current-account deficit to widen gradually again during the forecast period, reaching 3.4% of GDP in 2025.

# Country forecast overview: Business environment rankings

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

February 16th 2021

Value of index <sup>a</sup>		Global rank <sup>b</sup>		Regional rank <sup>c</sup>	
2016-20	2021-25	2016-20	2021-25	2016-20	2021-25
7.66	7.83	17	17	11	10

<sup>a</sup> Out of 10. <sup>b</sup> Out of 82 countries. <sup>c</sup> 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 previous period (2016-20). The UK’s position in the global rankings is unchanged, but it rises by one place in the regional rankings. 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](#)

February 16th 2021

### 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 limit 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: Increased trade barriers with EU. New Northern Ireland protocol implemented. Negotiations continue with third countries. Expected decline in UK-EU crossborder trade. Bounce-back in global trade following pandemic.

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2023-25: Likely continued UK-EU negotiations. New trade agreements with other countries, including potential accession to Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) trade bloc.

### Taxes

2021-22: Tax holidays and deferments throughout the coronavirus 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.

### Financing

2021-22: Monetary policy remains highly accommodative, with Bank of England (central bank) asset purchases continuing. Loss of "passporting" rights and restrictions on EU services trade.

2023-25: Modest decline in City of London's status. Steady growth in alternative forms of debt financing.

### The labour market

2021-22: Increased unemployment from coronavirus as furlough scheme expires. End to free movement of labour from EU.

2023-25: Greater emphasis on skills-based migration from outside EU. Emphasis on skills training and "levelling up".

### Infrastructure

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

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.

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

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

Physicians (per 1,000 population)	2.9	3.9	3.2	4.1
<b>Food and beverages</b>				
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
<b>Consumer goods in use (per 1,000 population)</b>				
Passenger cars	523	537	515	550
Telephone main lines	467	441	442	432
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
<b>Households</b>				
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
<b>Income and income distribution</b>				
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 <sup>a</sup>	31.7 <sup>a</sup>	–	–

<sup>a</sup> Latest available year.

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

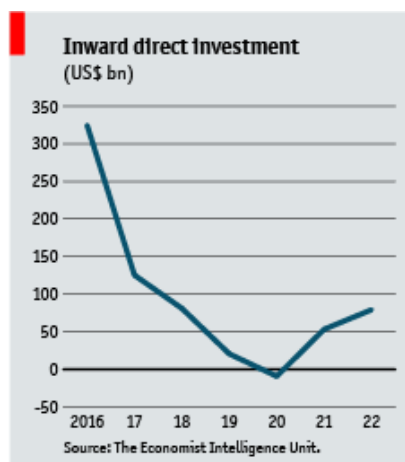
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Sources: UN Statistical Office; World Bank; Food and Agriculture Organisation (FAO); Euromonitor; World Health Organisation (WHO); national statistical offices; Pyramid Research; Economist Intelligence Unit estimates and forecasts.

# Global position

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

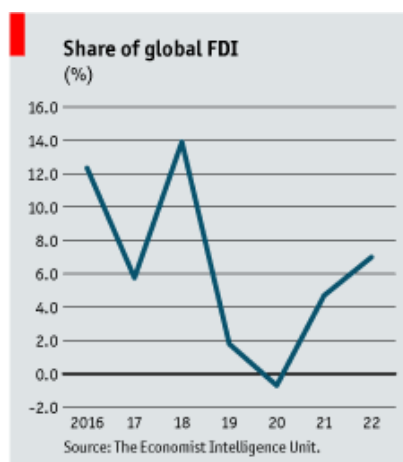
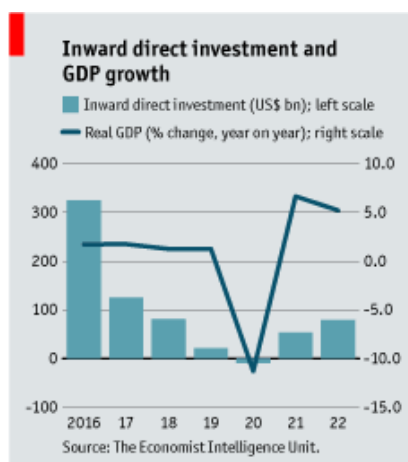
December 1st 2020



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 EU in 2017 when it triggered Article 50 of the Lisbon Treaty, and departed the bloc on January 31st 2020. The UK and EU have negotiated a withdrawal agreement that allows for a transition period lasting until end-2020, during which the UK retains most aspects of EU membership. Looking

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

beyond the transition period, the UK and EU are negotiating a free-trade agreement, with the degree of regulatory alignment between the two parties still to be finalised as of November 2020. A “no deal” scenario, whereby the transition period expires without a free-trade agreement in place, remains a risk. The coronavirus (Covid-19) pandemic has compounded an already uncertain outlook during 2020. Lockdowns and travel restrictions have delivered a severe blow to industries such as hospitality, tourism and aviation, as well as parts of the retail sector. 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, communications and transport sectors.





## Regulatory/market assessment

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

December 1st 2020

- In March 2020 the government implemented a nationwide lockdown to contain the coronavirus (Covid-19) outbreak. Restrictions were mostly relaxed by July 2020 and then reintroduced in time-limited local rounds. The government, which also launched relief programmes for workers and businesses, has suggested that restrictions on economic activity will be in place until at least March 2021.
- In November 2020 the government published draft legislation that would introduce mandatory notification requirements for foreign investments in 17 sectors, based on national security grounds. Once approved, the rules would apply retroactively to November 12th 2020. They have similarities with investment-screening mechanisms already in place in other countries, including the US.
- In November 2020 the government published a ten-point plan for the environment, including revised targets for ending the sale of new petrol and diesel cars and for increased renewable-energy production. A white paper focusing on energy is to be released at end-2020, providing further details on these proposals.
- A national digital-services tax took effect in April 2020 at a rate of 2%. It applies on the UK-generated revenues of large digital services providers.

## Regulatory/market watch

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

December 1st 2020

- On January 31st 2020 the UK exited the EU after 47 years of membership. It subsequently entered a transition arrangement and is scheduled to leave the EU's single market and customs union on December 31st 2020.
- As of November 2020, the UK and the EU were still negotiating a free-trade agreement that will set the terms of their future relationship. Sticking points in the talks concern issues related to fishing and a level playing field. The little time remaining to agree and implement a deal will create significant disruption for business in the immediate term, even if a deal is agreed.
- Following the end of the transition period, the privileged access that nationals from the European Economic Area (the EU plus Iceland, Liechtenstein and Norway) and Switzerland have enjoyed to the UK's labour market will come to an end. Those already resident in the UK for five years can apply for "settled status", which grants them the same healthcare, education, benefits and pension rights as UK nationals. Special rules will apply to Irish citizens.
- The end of the transition period also means that the UK will lose access to EU development funding. The UK government has committed to guaranteeing any EU funding secured before end-2020. A proposed UK Shared Prosperity Fund was to replace the EU programmes from 2021, but it has yet to be established.
- 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.

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

- 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 will continue to apply to UK companies conducting business within EU member states.
- The UK and EU have agreed that Northern Ireland will stay within a regulatory union with the EU for most goods, remaining in the UK customs and value-added tax 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 is 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
<b>Population and labour force (% change; annual av)</b>			
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
<b>Growth and productivity (% change; annual av)</b>			
Growth of real GDP per head	0.7	1.6	1.3
Growth of real GDP	1.1	1.9	1.6

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Labour productivity growth	1.0	1.7	1.5
Growth of capital stock	2.2	3.1	2.8
Total factor productivity growth	0.3	0.7	0.6

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

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

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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.

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

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

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

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 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
<b>Income and market size</b>			
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

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Imports of goods & services (US\$ bn)	925.4	1,465.0	4,649.1
<b>Memorandum items</b>			
GDP per head (at PPP; index, US=100)	73.1	70.8	74.2
Share of world population (%)	0.9	0.8	0.8
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](#)

January 15th 2021

- The coronavirus (Covid-19) pandemic has undoubtedly added to economic uncertainty in the UK, which was already reeling from Brexit. The UK has fared worse than most other advanced economies in its handling of the Covid-19 crisis, with one of the highest levels of virus-related deaths and one of the deepest contractions in 2020 real GDP (an estimated -11.3%). Last year the passenger-car market slumped by 29.4% to 1.63m units, marking the fourth consecutive annual decline, and commercial-vehicle (CV) sales are estimated to have nosedived by 22.4% to 334,600 units, a seven-year low.



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

- In 2019 the UK was the world's 16th-largest automotive producer and seventh-largest vehicle market, according to the International Organisation of Motor Vehicle Manufacturers (OICA). Vehicle production rose steadily between 2010 and 2016, but has since fallen sharply in response to Brexit-related weakness, softer domestic and export demand, regulatory changes and the severe fallout from the coronavirus. In 2019 vehicle output dropped by 14% to a decade's low of 1.38m units. Production fell by a further 31% year on year over the first eleven months of 2020.
- Positive base effects will support a return to full-year sales growth in 2021, but The Economist Intelligence Unit expects only a partial rebound. A nationwide lockdown in the first quarter will constrain near-term sales, but demand will strengthen as the vaccine rollout is expanded. We forecast a 20% rise in new-car registrations in 2021, with annual sales of about 1.96m units. Amid subdued underlying demand, we expect an uneven recovery over our five-year forecast period (2021-25), with annual sales rising to about 2.4m units—but still below 2015-17 levels.

### Income and demographics

	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>b</sup>	2022 <sup>b</sup>	2023 <sup>b</sup>	2024 <sup>b</sup>	2025 <sup>b</sup>
Nominal GDP (US\$ bn)	2,702.7 <sup>c</sup>	2,666.9 <sup>c</sup>	2,860.8 <sup>c</sup>	2,828.5 <sup>c</sup>	2,585.9	2,900.8	3,192.2	3,286.7	3,460.7	3,640.5
Population (m)	65.8 <sup>c</sup>	66.7 <sup>c</sup>	67.1	67.5	67.9	68.2	68.5	68.8	69.0	69.3
GDP per head (US\$ at PPP)	44,025 <sup>c</sup>	45,452 <sup>c</sup>	46,426	48,193	42,718	45,879	49,075	50,432	52,143	53,316
Private consumption per head (US\$)	26,628 <sup>c</sup>	25,780 <sup>c</sup>	27,567	26,801	24,025	26,379	27,987	28,350	29,482	30,652
No. of households ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$5,000 ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$10,000 ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282

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

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No. of households with annual earnings above US\$50,000 ('000)	16,260	15,629	17,237	16,913	16,220	17,385	18,393	18,627	19,331	20,054
No. of households with net wealth over US\$1m ('000)	820	986	855	1,020	1,252	1,362	1,621	1,682	1,778	1,877

<sup>a</sup> Economist Intelligence Unit estimates. <sup>b</sup> Economist Intelligence Unit forecasts. <sup>c</sup> Actual.

Source: The Economist Intelligence Unit.

- In December 2020 the UK agreed on a limited trade deal with the EU, prioritising 'sovereignty' over the economy. The agreement averted a 'no-deal' disaster, but implies a very 'hard Brexit' outside of the customs union and single market, with the UK implementing substantial new trade barriers and customs checks, increasing regulatory uncertainty and ending free movement. In theory, the deal entails tariff-free trade in goods, but various provisions, including "rules of origin" restrictions, could still lead to export tariffs. We expect Brexit to contribute directly to a permanent (and potentially large) downsizing of the UK automotive sector over the next five years, with plant closures, job losses and reduced investment.
- The fallout from the pandemic and structural trends in the automotive sector—global overcapacity, tighter environmental regulations, the high-cost shift to electric vehicle (EV) technology and increased competition from technology firms and emerging-market producers—will also contribute to this downsizing process. All six mass-vehicle producers in the UK are foreign-owned.

## Consumer goods

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

February 15th 2021

- 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 and the economically damaging Brexit process. Annual volume growth averaged 1.8 in 2016-18, but slowed to 0.3% in 2019.
- The Economist Intelligence Unit estimates that sales volumes fell by 2.4% in 2020, as the coronavirus (Covid-19) pandemic caused major disruption to the retail sector. Two national lockdowns, temporary forced store closures, social distancing measures, reduced footfall, changed working patterns and public health concerns led to sharp swings in monthly retail sales and huge shifts in the composition of household spending. Online purchases have surged and food sales have been robust (including online delivery). Fairly resilient demand for electricals, household goods and DIY items has contrasted with sharp falls in clothing and department store sales and at most food-service outlets. A temporary cut in value-added tax (VAT) in the hospitality sector, from 20% to 5%, applies from July 2020 to March 2021.
- The UK has fared worse than most other advanced economies in its handling of the pandemic, experiencing one of the largest annual declines in 2020 real GDP (an estimated -10%) and having one of the world's highest virus-related death rates. On a more encouraging note, vaccine rollout since late 2020 has progressed faster than in most peer countries. A winter surge in infections led to the UK entering a third major lockdown in January 2021, which will persist over at least the first quarter. Assuming a gradual reopening of the economy thereafter, household spending will steadily firm, with pent-up demand and increased precautionary savings fuelling a spike in travel and

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entertainment spending at some stage. However, overall retail demand will be constrained by a weak economic backdrop, amid the damaging effects of the UK's "hard Brexit" and with unemployment set to rise sharply as crisis-support measures are withdrawn. A downside risk is that virus mutations hinder the vaccination rollout, but assuming a return to something akin to "normality" later in 2021, we forecast retail sales growth of 3.5% in 2021 and annual average growth of 1.5% over our five-year forecast period (2021-25).

- The UK left the EU single market and customs union on January 1st 2021, after finalising a (limited) Trade and Co-operation Agreement (TCA) with the EU in late December. The TCA averted a "no-deal" disaster and in theory allows for tariff- and quota-free UK-EU trade, but there will nevertheless be a significant rise in non-tariff barriers, major new friction in goods and services trade, and widespread regulatory uncertainty, which are likely to cause major disruption to the UK's agriculture, fishing and food and drink sectors in particular.
- 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 and amid rising digitisation, mobile e-commerce (m-commerce) and demands for convenience. Retailers will introduce more cashier-free and 24-hour stores and expand click-and-collect services, but we expect another high level of retail store closures in 2021, as more business moves online. The UK adopted a digital-services tax (DST) in April 2020 targeting multi-national technology firms such as US giants Amazon, Google and Apple.

### Income and demographics

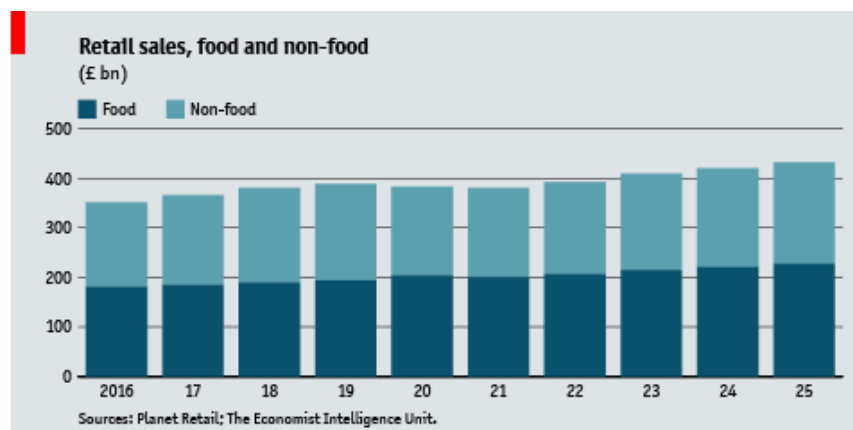
	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>b</sup>	2022 <sup>b</sup>	2023 <sup>b</sup>	2024 <sup>b</sup>	2025 <sup>b</sup>
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GDP per head (US\$ at PPP)	44,025 <sup>c</sup>	45,452 <sup>c</sup>	46,426	48,193	42,718	45,879	49,075	50,432	52,143	53,316
Private consumption per head (US\$)	26,628 <sup>c</sup>	25,780 <sup>c</sup>	27,567	26,801	24,025	26,379	27,987	28,350	29,482	30,652

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

No. of households ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$5,000 ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$10,000 ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$50,000 ('000)	16,260	15,629	17,237	16,913	16,220	17,385	18,393	18,627	19,331	20,054
No. of households with net wealth over US\$1m ('000)	820	986	855	1,020	1,252	1,362	1,621	1,682	1,778	1,877

<sup>a</sup> Economist Intelligence Unit estimates. <sup>b</sup> Economist Intelligence Unit forecasts. <sup>c</sup> Actual.

Source: The Economist Intelligence Unit.



## Energy

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

December 4th 2020

- Total energy consumption in the UK has trended gradually lower since the mid-1990s. However, with consumption of oil, gas and coal falling year on year owing to the impact of the coronavirus (Covid-19) pandemic, a more pronounced drop was experienced in 2020. At an estimated 154m tonnes of oil equivalent (toe), consumption was down by around 10% compared with 2019 and 25% compared with a decade earlier. Together, natural gas and oil account for nearly more than 75% of the energy mix. The Economist Intelligence Unit expects total consumption to rebound to some degree in 2021, but it will remain relatively flat for the rest of the 2021-30 outlook period.
- Oil consumption will fall by an annual average of 0.8% between 2021 and 2030, while natural gas consumption will remain almost flat. 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 18.5% 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 and development 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

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

availability of skilled foreign labour. Concomitant with this will be efforts to cut emissions over the forecast period as the UK attempts to reach net zero emissions by 2050.

### Energy: key indicators

	2019 <sup>b</sup>	2020 <sup>b</sup>	2021 <sup>b</sup>	2022 <sup>b</sup>	2023 <sup>b</sup>	2024 <sup>b</sup>	2025 <sup>b</sup>	2030 <sup>b</sup>
GDP (US\$ bn at market exchange rates)	2,829	2,558	2,776	2,929	3,251	3,467	3,660	4,310
Real GDP (% change, year on year)	1.3	-11.3	6.6	5.2	1.7	1.5	1.3	1.8
Population (m)	67.5	67.9	68.2	68.5	68.8	69.0	69.3	70.5
Population (% change, year on year)	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.3
Gross domestic energy consumption (ktoe)	171,364	154,138	158,675	157,978	157,597	156,159	155,535	151,022
Gross domestic energy consumption (% change, year on year)	-2.2	-10.1	2.9	-0.4	-0.2	-0.9	-0.4	-1.1

<sup>a</sup> Actual. <sup>b</sup> Economist Intelligence Unit forecasts. <sup>c</sup> Economist Intelligence Unit estimates.

Note. Forecasts for 2026-29 are available via The Economist Intelligence Unit's data tool.

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

## Financial services

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

January 8th 2021

### Overview

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

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- 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 has delivered 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. In December 2020 the government extended a commitment to pay 80% of workers' wages until end-April 2021. A third national lockdown imposed in early January 2021 is expected to remain in place until at least mid-February.
- The pandemic and ensuing public-health measures caused a severe economic contraction in 2020. The UK has been one of the worst-affected countries in Europe in economic terms, as well as having the region's highest cumulative total of Covid-19 cases and the second-highest number of deaths (after Italy). The Economist Intelligence Unit estimates that real GDP shrank by 11.3% in 2020. In 2021 we forecast a rebound in real GDP of 6.6%, but much of this will be due to base effects. We expect Brexit-related disruption to hinder the recovery in 2021, and do not expect the level of real GDP to exceed its 2019 peak until 2023.



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

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- Following a general election in December 2019 the Conservative Party, under the prime minister, Boris Johnson, won a large majority. This allowed Mr Johnson to achieve his primary campaign promise to leave the EU, which took place on January 31st 2020, ending 47 years of EU membership and three and a half years of political deadlock on the issue.
- The UK exited the transition period with the EU on December 31st 2020. An EU-UK free-trade agreement (FTA) was concluded in December that applies provisionally from the start of 2021. Although the most extreme form of "no deal" disorder was averted, the last-minute nature of the deal left businesses with little time to prepare. The trade pact does not include financial services, and UK and EU regulators have agreed and implemented a limited number of temporary arrangements to reduce disruption to financial markets.
- The UK granted a designation of regulatory equivalence for many EU financial firms, allowing them to continue to operate in Britain. However, the EU did not reciprocate for UK financial firms in the EU, except for derivatives clearinghouses. Britain would like to negotiate additional such designations, but any planned UK regulatory easing would make this less likely.
- 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, allowing the Treasury to borrow directly from the BoE. The BoE's 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.
- 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 the 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

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

the UK must come to terms with the loss of "passporting" (the right for UK-regulated companies to do business in the EU and vice versa).

- Financial services companies previously 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 financial sector employees (and related tax revenue) from the UK have so far been modest, it is likely that the 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

	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>b</sup>	2022 <sup>b</sup>	2023 <sup>b</sup>	2024 <sup>b</sup>	2025 <sup>b</sup>
Nominal GDP (US\$ bn)	2,702.7 <sup>c</sup>	2,666.9 <sup>c</sup>	2,860.8 <sup>c</sup>	2,828.5 <sup>c</sup>	2,585.9	2,900.8	3,192.2	3,286.7	3,460.7	3,640.5
Population (m)	65.8 <sup>c</sup>	66.7 <sup>c</sup>	67.1	67.5	67.9	68.2	68.5	68.8	69.0	69.3
GDP per head (US\$ at PPP)	44,025 <sup>c</sup>	45,452 <sup>c</sup>	46,426	48,193	42,718	45,879	49,075	50,432	52,143	53,316
Private consumption per head (US\$)	26,628 <sup>c</sup>	25,780 <sup>c</sup>	27,567	26,801	24,025	26,379	27,987	28,350	29,482	30,652
No. of households ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$5,000 ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$10,000 ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$50,000 ('000)	16,260	15,629	17,237	16,913	16,220	17,385	18,393	18,627	19,331	20,054

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

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No. of households with net wealth over US\$1m  
(‘000)

820	986	855	1,020	1,252	1,362	1,621	1,682	1,778	1,877
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<sup>a</sup> Economist Intelligence Unit estimates. <sup>b</sup> Economist Intelligence Unit forecasts. <sup>c</sup> Actual.

Source: The Economist Intelligence Unit.

## Healthcare

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

December 24th 2020

### Overview

- The UK has been hit hard by the global coronavirus (Covid-19) pandemic. Confirmed Covid deaths had exceeded 70,000 as at December 24th, the fifth-highest tally globally, despite a series of lockdowns. The economy has also suffered, with real GDP falling by an estimated 11.3% in 2020. In December 2020 the UK became the first country in the world to approve a vaccine against Covid, developed by Pfizer (US) and BioNTech (Germany). An £18bn (US\$24bn) vaccination programme began immediately, with the aim of defeating the virus by mid-2021.
- However, the UK now faces another economic challenge, as its final departure from the EU (Brexit) takes effect on January 1st 2021. Although we expect real GDP to recover in 2021, with 6.6% growth, the economy will take until 2023 to regain its 2019 levels in nominal terms. Moreover, in order to fight the pandemic and support businesses and households, the centre-right Conservative government has let public debt rise to over 100% of GDP, its highest level since the 1960s.

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

- This situation will take a toll on healthcare spending. We estimate that total spending (public and private) has declined by 5.6% in 2020, despite heavy spending to contain the pandemic. This fall reflects difficulties in providing non-Covid care. As a share of GDP, however, spending has risen to a record 10.7%, up from 10.3% in 2019 and above the OECD average of 8.8% in 2019.
- Over the 2021-25 forecast period, we expect health spending to recover, with a robust compound annual growth rate (CAGR) of 4.9%, higher than the 4.1% growth rate seen in the five years before the pandemic. The government forecasts that total costs of the pandemic to the healthcare system will reach £27bn. Nevertheless, spending will be constrained later in the forecast period, when public spending cuts will be needed. We expect pharmaceutical sales to rise at a CAGR of 4.6% in 2021-25.

### Income and demographics

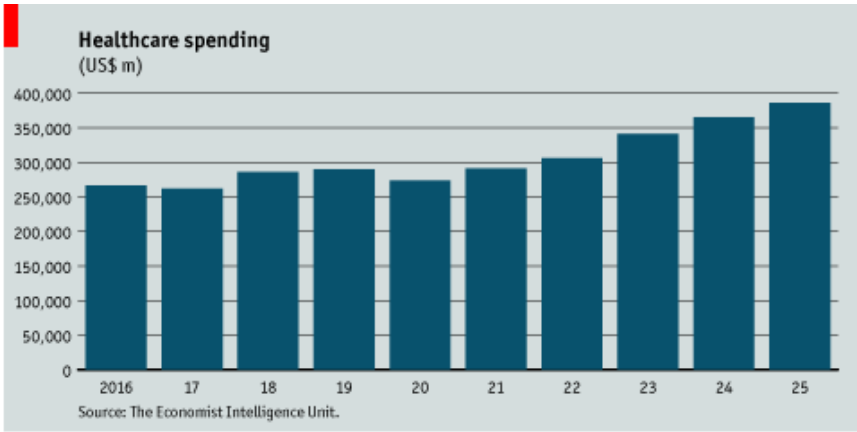
	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>b</sup>	2022 <sup>b</sup>	2023 <sup>b</sup>	2024 <sup>b</sup>	2025 <sup>b</sup>
Nominal GDP (US\$ bn)	2,702.7 <sup>c</sup>	2,666.9 <sup>c</sup>	2,860.8 <sup>c</sup>	2,828.5 <sup>c</sup>	2,557.9	2,775.7	2,928.7	3,251.2	3,467.3	3,660.4
Population (m)	65.8 <sup>c</sup>	66.7 <sup>c</sup>	67.1	67.5	67.9	68.2	68.5	68.8	69.0	69.3
GDP per head (US\$ at PPP)	44,025 <sup>c</sup>	45,452 <sup>c</sup>	46,426	48,193	42,700	46,095	49,117	50,639	52,169	53,625
Private consumption per head (US\$)	26,628 <sup>c</sup>	25,780 <sup>c</sup>	27,567	26,801	24,223	25,320	25,617	28,016	29,463	30,696
No. of households ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$5,000 ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$10,000 ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$50,000 ('000)	16,237	15,725	17,387	17,109	16,144	16,789	16,965	18,669	19,562	20,251

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

No. of households with net wealth over US\$1m										
(‘000)	853	1,039	906	1,014	1,187	1,289	1,453	1,806	1,933	2,049

<sup>a</sup> Economist Intelligence Unit estimates. <sup>b</sup> Economist Intelligence Unit forecasts. <sup>c</sup> Actual.

Source: The Economist Intelligence Unit.



Funding sources

- Healthcare provision in the UK is dominated by the National Health Service (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.

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

- 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

	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>b</sup>	2019 <sup>b</sup>	2020 <sup>b</sup>	2021 <sup>c</sup>	2022 <sup>c</sup>	2023 <sup>c</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>
Life expectancy, average (years)	80.9	81.0	81.0 <sup>a</sup>	81.1 <sup>a</sup>	81.2 <sup>a</sup>	81.3	81.4	81.5	81.6	81.8
Life expectancy, male (years)	79.0	79.1	79.2 <sup>a</sup>	79.3 <sup>a</sup>	79.4 <sup>a</sup>	79.5	79.7	79.9	80.0	80.2
Life expectancy, female (years)	82.8	82.8	82.8 <sup>a</sup>	82.9 <sup>a</sup>	82.9 <sup>a</sup>	83.0	83.1	83.1	83.2	83.3
Infant mortality rate (per 1,000 live births)	4.3	4.3 <sup>b</sup>	4.2	4.2	4.1	4.1	4.0	4.0	4.0	3.9
Healthcare spending (£ bn)	196.9	203.4	214.2	227.0	214.2	228.3	242.0	251.9	262.0	272.4
Healthcare spending (% of GDP)	9.9	9.8	10.0	10.3	10.7	10.5	10.5	10.5	10.5	10.6
Healthcare spending (US\$ bn)	266.8	262.2	286.1	289.9	273.7	291.4	306.0	341.4	365.4	386.2
Healthcare spending (US\$ per head)	4,055	3,929	4,261	4,293	4,032	4,273	4,468	4,964	5,295	5,575
Healthcare (consumer expenditure; US\$ bn)	31.1	32.4	36.6 <sup>a</sup>	37.1 <sup>a</sup>	35.4	36.2	36.2	39.5	41.7	43.7
Doctors (per 1,000 people)	2.8	2.8	2.8 <sup>a</sup>	3.0 <sup>a</sup>	3.0	3.0	3.1	3.1	3.2	3.2
Hospital beds (per 1,000 people)	2.6 <sup>b</sup>	2.6 <sup>b</sup>	2.6	2.6	2.6	2.6	2.5	2.5	2.5	2.5

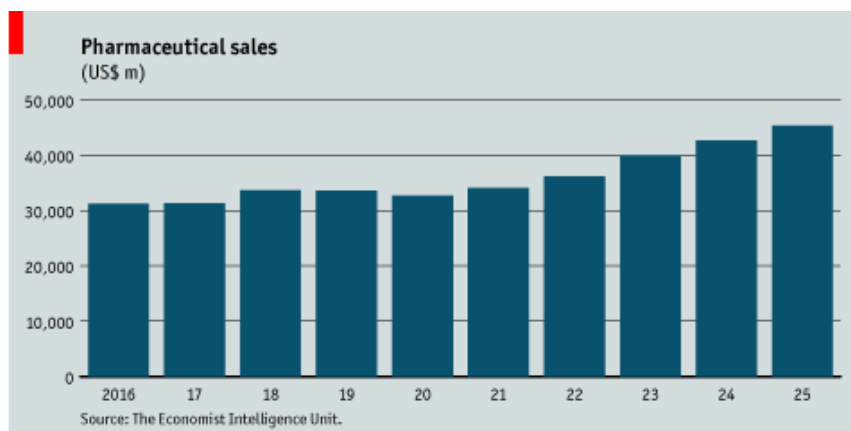
<sup>a</sup> Actual. <sup>b</sup> Economist Intelligence Unit estimates. <sup>c</sup> Economist Intelligence Unit forecasts.

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

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

crisis, with the four nations following separate lockdown policies. Around 86% of funding goes to NHS England, with Scotland, Wales and Northern Ireland sharing the rest under a formula related to population size.



- Current (operational) NHS spending increased from £126.7bn in fiscal year 2018/19 (April-March) to £133.3bn in 2019/20, and was planned to rise again to £137.1bn in 2020/21. Capital spending, on hospitals and equipment, totalled £7.1bn in 2019/20. However, in March 2020 the government announced additional emergency funding of £5bn to help the NHS cope with the pandemic, as well as £1.5bn in capital spending.
- In its government spending review in November 2020, the government not only pledged £18bn towards vaccination and other pandemic measures, but also a further £3bn for the NHS. However, amid record public borrowing, it also announced plans for another public-sector pay freeze, although NHS workers are exempt and should receive a pay rise.
- 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

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

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customs union. Despite a last-minute trade deal, announced on December 24th, we expect some disruption to pharmaceutical supply chains, medical research and NHS recruitment.

- The Conservative government's pre-pandemic 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. However, 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 fiscal year, unless pandemic spending is included in the tally.

### 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

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

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

February 12th 2021

- 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 grow moderately in the early part of the five-year forecast period (2021-25) before levelling off, rising from 119% in 2020 to 122% in 2025. The number of mobile subscriptions is forecast to increase at a compound annual growth rate (CAGR) of 0.8% in 2021-25.
- Fixed-line penetration is forecast to decline gradually to 42% in 2025. There were an estimated 40 broadband subscriptions per 100 people in 2019—the eighth-highest rate in the OECD—with total internet user penetration at 92.5% of the population. We forecast a rise in internet subscriber penetration from 43 per 100 people in 2021 to 45 per 100 by 2025, with the impact of the coronavirus (Covid-19) pandemic likely to accelerate the upward trend. However, a pandemic-related economic slump 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. An updated digital strategy, which is expected to focus on tech-led economic growth and productivity, in light of the pandemic, is scheduled for publication sometime in 2021. Alongside this strategy, the government has established a new central digital and data office, expected to be operational in late February 2021. The office will be focused on innovation and transformation strategies relating to cyber-security, data and emerging technologies.
- In November 2020 the government published its Telecommunications (Security) bill, aimed at safeguarding the country's fifth-generation (5G) and fibre broadband infrastructure. The bill provides the state with new powers to impose controls on the use of telecoms goods, services or facilities deemed to be a high risk to national security. Companies that violate these controls will be subject to a fine of 10% equal to turnover or a fine of up to £100,000 (US\$138,000) per day in cases of persistent contravention.

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

- In March 2020 the government and Ofcom, the telecoms regulator, agreed on 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.
- An initial July 2018 commitment to achieve "full-fibre broadband coverage" for by 2025 has since been watered down to a minimum of 85% "gigabit-capable broadband" by the same year. Most of the network will be built through private investment, with a government budget of £5bn (US\$6.4bn) allocated for the 20% of UK premises that are hardest to reach. In November 2020 the government outlined details of an initial plan to spend £1.6bn of this funding over the next four years.

### Telecoms penetration

	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>b</sup>	2020 <sup>b</sup>	2021 <sup>c</sup>	2022 <sup>c</sup>	2023 <sup>c</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>
Telephone main lines (m)	32.6	32.1	31.9	31.3	30.9	30.4	29.9	29.5	29.2	28.9
Telephone main lines (per 100 people)	49.6	48.2	47.5	46.4	45.5	44.6	43.7	42.9	42.3	41.8
Mobile subscriptions (m)	78.9	79.1	79.5	80.5	80.7	82.1	83.1	83.8	84.2	84.5
Mobile subscriptions (per 100 people)	120.0	118.5	118.4	119.3	118.9	120.4	121.3	121.9	122.1	122.0

<sup>a</sup> Actual. <sup>b</sup> Economist Intelligence Unit estimates. <sup>c</sup> Economist Intelligence Unit forecasts.

Sources: International Telecommunication Union; The Economist Intelligence Unit.

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

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# Data and charts: Annual trends charts

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

February 16th 2021

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

## Annual trends charts

Real GDP growth  
(% change)

Source: The Economist Intelligence Unit.

Consumer price inflation  
(av; %)

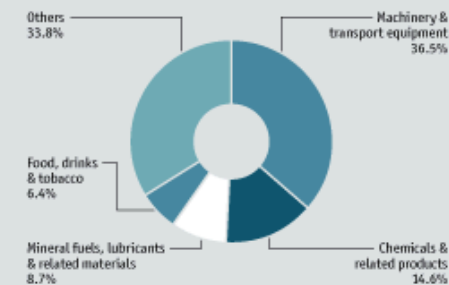
Source: The Economist Intelligence Unit.

Budget balance  
(% of GDP)

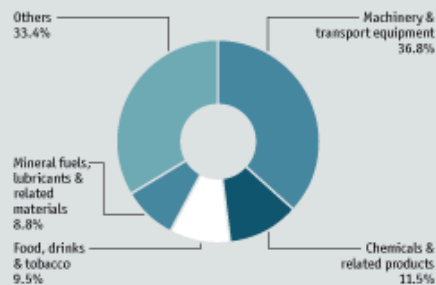
Source: The Economist Intelligence Unit.

Public debt  
(% of GDP)

Source: The Economist Intelligence Unit.

Principal exports, 2019  
(share of total)

Source: The Economist Intelligence Unit.

Principal imports, 2019  
(share of total)

Source: The Economist Intelligence Unit.

<https://viewpoint.eiu.com>

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

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

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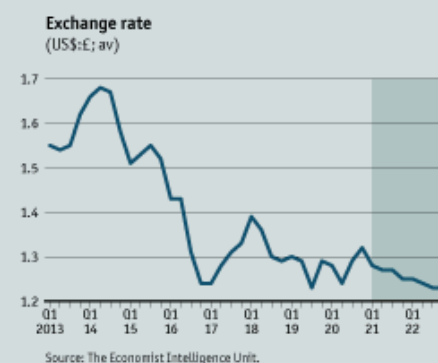
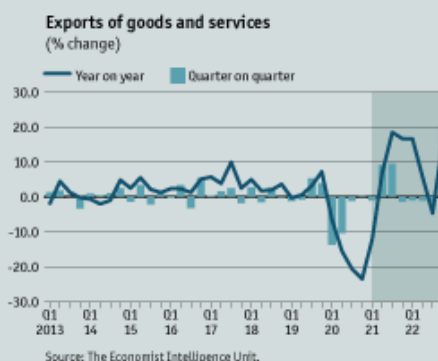
# Data and charts: Quarterly trends charts

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

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

## Quarterly trends charts



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

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

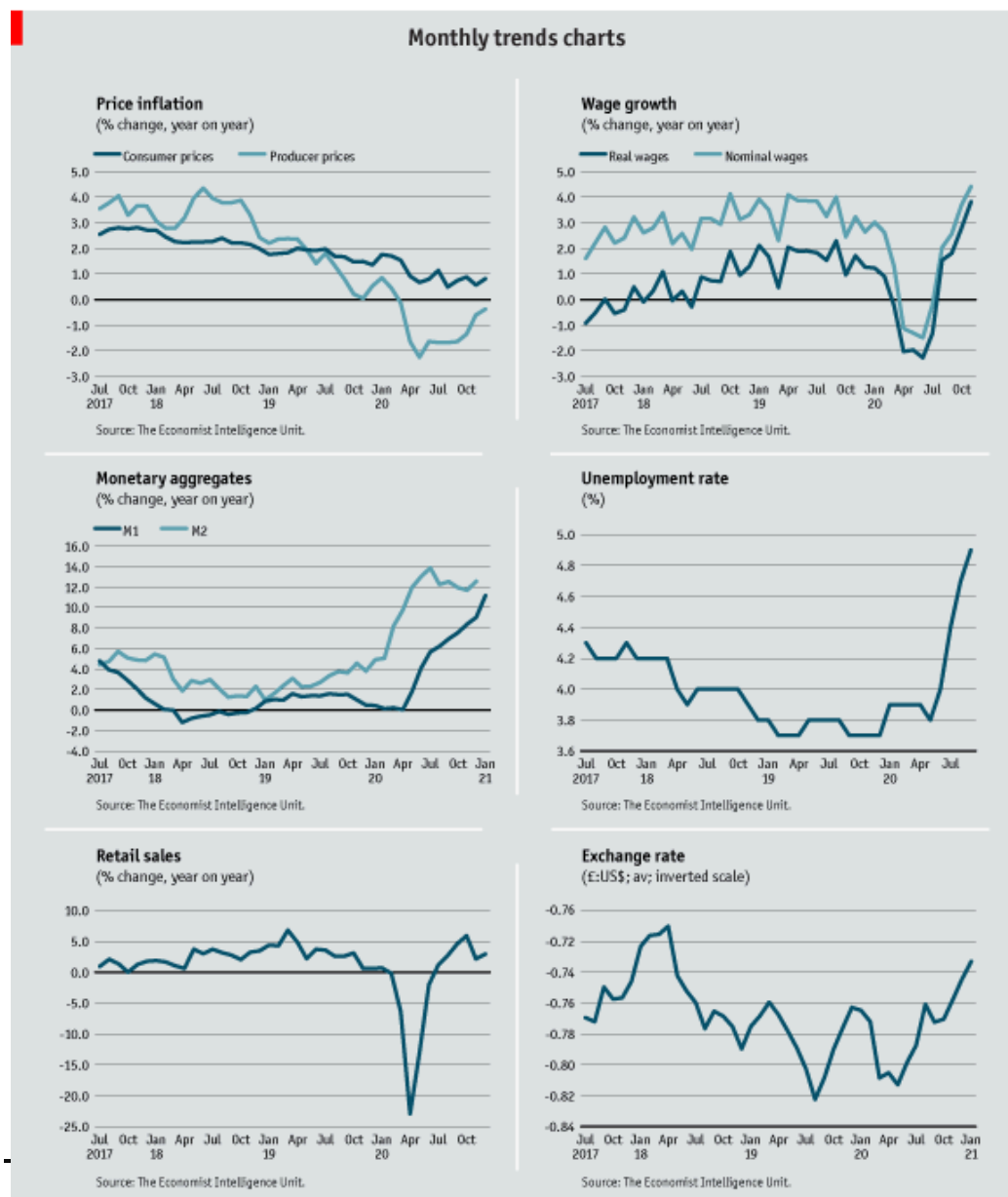
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# Data and charts: Monthly trends charts

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

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



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

## Data summary: Gross domestic product, current market prices

[United Kingdom](#) | [Economy](#) | [Charts and tables](#) | [GDP at current market prices](#)

February 16th 2021

### Gross domestic product, at current market prices

	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>	2020 <sup>b</sup>	2021 <sup>c</sup>	2022 <sup>c</sup>	2023 <sup>c</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>
<b>Expenditure on GDP (£ bn at current market prices)</b>										
GDP	1,994.7	2,068.8	2,141.8	2,218.4	2,113.0	2,289.3	2,475.5	2,597.6	2,692.6	2,793.4
Private consumption	1,293.0	1,334.4	1,385.7	1,420.3	1,282.2	1,381.2	1,475.8	1,501.7	1,542.9	1,582.4
Government consumption	382.0	387.3	398.4	423.1	488.9	574.0	620.3	649.7	690.8	736.0
Gross fixed investment	353.2	372.3	381.2	399.5	370.4	404.0	471.3	502.3	525.1	549.0
Exports of goods & services	563.2	622.9	661.6	689.3	571.7	640.5	707.4	722.8	786.7	853.2
Imports of goods & services	599.4	652.8	687.1	716.7	581.3	710.4	794.3	779.8	853.9	928.2
Stockbuilding	2.7	4.6	1.9	6.9	-17.0	-2.0	-5.0	1.0	1.0	1.0
Domestic demand	2,030.8	2,098.6	2,167.3	2,249.8	2,124.4	2,357.3	2,562.4	2,654.6	2,759.8	2,868.4
<b>Expenditure on GDP (US\$ bn at current market prices)</b>										
GDP	2,702.7	2,666.9	2,860.8	2,833.7	2,712.6	2,900.4	3,064.7	3,643.1	3,810.0	4,008.5
Private consumption	1,751.9	1,720.2	1,850.9	1,814.2	1,645.9	1,749.8	1,827.1	2,106.1	2,183.2	2,270.8
Government consumption	517.6	499.3	532.2	540.5	627.6	727.3	767.9	911.1	977.5	1,056.1

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Gross fixed investment	478.6	480.0	509.2	510.3	475.4	511.9	583.4	704.4	743.0	787.7
Exports of goods & services	763.2	803.0	883.7	880.4	733.9	811.4	875.7	1,013.8	1,113.2	1,224.4
Imports of goods & services	812.1	841.5	917.8	915.5	746.2	900.0	983.3	1,093.7	1,208.3	1,332.0
Stockbuilding	3.6	6.0	2.6	8.8	-21.9	-2.5	-6.2	1.4	1.4	1.4
Domestic demand	2,751.6	2,705.5	2,894.9	2,873.8	2,727.1	2,986.4	3,172.2	3,723.0	3,905.1	4,116.1
<b>Economic structure (% of GDP at current market prices)</b>										
Household consumption	64.8	64.5	64.7	64.0	60.7	60.3	59.6	57.8	57.3	56.6
Government consumption	19.1	18.7	18.6	19.1	23.1	25.1	25.1	25.0	25.7	26.3
Gross fixed investment	17.7	18.0	17.8	18.0	17.5	17.6	19.0	19.3	19.5	19.7
Stockbuilding	0.1	0.2	0.1	0.3	-0.8	-0.1	-0.2	0.0	0.0	0.0
Exports of goods & services	28.2	30.1	30.9	31.1	27.1	28.0	28.6	27.8	29.2	30.5
Imports of goods & services	30.0	31.6	32.1	32.3	27.5	31.0	32.1	30.0	31.7	33.2
<b>Memorandum item</b>										
National savings ratio (%)	12.4	14.5	14.2	15.2	14.6	13.1	15.2	15.9	16.3	16.3

<sup>a</sup> Actual. <sup>b</sup> Economist Intelligence Unit estimates. <sup>c</sup> Economist Intelligence Unit forecasts.

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

## Data summary: Gross domestic product, at constant prices

[United Kingdom](#) | [Economy](#) | [Charts and tables](#) | [GDP at constant prices](#)

February 16th 2021

### Gross domestic product, at constant prices

	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>	2020 <sup>b</sup>	2021 <sup>c</sup>	2022 <sup>c</sup>	2023 <sup>c</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>
<b>Real expenditure on GDP (£ bn at chained 2013 prices)</b>										
GDP	2,079.1	2,115.3	2,141.8	2,172.5	1,957.0	2,042.6	2,143.5	2,179.8	2,214.6	2,245.6
Household consumption	1,350.8	1,366.1	1,385.6	1,400.9	1,246.4	1,323.4	1,402.0	1,423.8	1,448.4	1,467.9
Government consumption	393.0	395.9	398.4	414.4	390.8	407.2	413.3	421.5	430.0	438.6
Gross fixed investment	369.6	379.8	381.2	387.1	353.4	376.2	406.3	426.6	439.4	452.6
Exports of goods & services	609.2	642.1	661.6	679.2	565.6	604.4	652.9	688.5	736.6	787.4
Imports of goods & services	651.6	668.9	687.1	705.9	577.9	658.4	717.9	773.4	832.5	893.7
Stockbuilding (% of GDP)	8.8	13.5	-0.8	1.7	-12.6	-2.0	-5.0	1.0	1.0	1.0
Domestic demand	2,123.5	2,157.2	2,167.2	2,202.9	1,970.4	2,100.4	2,210.6	2,267.7	2,313.1	2,354.7
<b>Real expenditure on GDP (% change)</b>										
GDP	1.7	1.7	1.3	1.4	-9.9	4.4	4.9	1.7	1.6	1.4
Household consumption	3.4	1.1	1.4	1.1	-11.0	6.2	5.9	1.5	1.7	1.4
Government consumption	1.0	0.7	0.6	4.0	-5.7	4.2	1.5	2.0	2.0	2.0
Gross fixed investment	4.4	2.8	0.4	1.5	-8.7	6.4	8.0	5.0	3.0	3.0

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

Exports of goods & services	2.7	5.4	3.0	2.7	-16.7	6.8	8.0	5.5	7.0	6.9
Imports of goods & services	3.9	2.6	2.7	2.7	-18.1	13.9	9.0	7.7	7.6	7.3
Stockbuilding (% contribution to GDP growth)	-0.1	0.2	-0.7	0.1	-0.7	0.5	-0.1	0.3	0.0	0.0
Domestic demand	3.0	1.6	0.5	1.6	-10.6	6.6	5.2	2.6	2.0	1.8
<b>Real contribution to GDP growth (% points)</b>										
Private consumption	2.2	0.7	0.9	0.7	-7.1	3.9	3.8	1.0	1.1	0.9
Government consumption	0.2	0.1	0.1	0.7	-1.1	0.8	0.3	0.4	0.4	0.4
Gross fixed investment	0.8	0.5	0.1	0.3	-1.5	1.2	1.5	0.9	0.6	0.6
External balance	-0.4	0.8	0.1	-0.1	0.7	-2.1	-0.5	-0.9	-0.5	-0.5
<b>Memorandum items</b>										
Industrial production (% change)	1.1	1.8	0.9	-1.2	-8.5	-0.4	4.5	2.0	1.2	1.2
Real personal disposable income (% change)	0.5	0.1	2.3	1.8	-1.0	-2.5	3.0	0.9	1.2	1.4

<sup>a</sup> Actual. <sup>b</sup> Economist Intelligence Unit estimates. <sup>c</sup> Economist Intelligence Unit forecasts.

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

## Data summary: Gross domestic product by sector of origin

[United Kingdom](#) | [Economy](#) | [Charts and tables](#) | [GDP by sector of origin](#)

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### Gross domestic product by sector of origin

	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>	2020 <sup>b</sup>	2021 <sup>c</sup>	2022 <sup>c</sup>	2023 <sup>c</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>
<b>Origin of GDP (£ bn at chained 2010 prices)</b>										
GDP at factor cost	1,852.6	1,884.9	1,910.2	1,937.4	1,760.6	1,837.6	1,928.3	1,961.0	1,992.4	2,020.2
Agriculture	11.8	12.6	12.2	13.0	11.7	11.9	12.1	12.2	12.2	12.3
Industry	373.9	385.7	388.2	387.2	349.2	347.4	361.3	368.5	373.0	377.4
Services	1,466.8	1,486.6	1,509.9	1,537.2	1,399.7	1,478.3	1,554.9	1,580.3	1,607.2	1,630.5
<b>Origin of GDP (real % change)</b>										
Agriculture	-6.0	6.3	-3.3	6.3	-9.4	1.0	2.0	0.5	0.5	0.5
Industry	2.0	3.1	0.6	-0.2	-9.8	-0.5	4.0	2.0	1.2	1.2
Services	1.6	1.4	1.6	1.8	-8.9	5.6	5.2	1.6	1.7	1.5
<b>Origin of GDP (% of factor cost GDP)</b>										
Agriculture	0.6	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.6
Industry	20.0	20.4	20.3	20.0	20.0	19.0	18.9	18.9	18.9	18.8



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

Services	79.3	79.0	79.0	79.4	79.4	80.3	80.5	80.4	80.5	80.6
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**Memorandum item**

Industrial production (% change)	1.1	1.8	0.9	-1.2	-8.5	-0.4	4.5	2.0	1.2	1.2
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<sup>a</sup> Actual. <sup>b</sup> Economist Intelligence Unit estimates. <sup>c</sup> Economist Intelligence Unit forecasts.

## Data summary: Growth and productivity

[United Kingdom](#) | [Economy](#) | [Charts and tables](#) | [Growth and productivity](#)

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### Growth and productivity

	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>b</sup>	2022 <sup>b</sup>	2023 <sup>b</sup>	2024 <sup>b</sup>	2025 <sup>b</sup>
<b>Growth and productivity (%)</b>										
Labour productivity growth	0.3	0.7	0.1	0.3	-7.7	6.0	3.4	0.5	0.4	0.3
Total factor productivity growth	-0.2	0.1	-0.4	-0.1	-13.7	4.8	7.1	2.0	0.8	0.7
Growth of capital stock	2.9	2.9	2.5	2.4	0.9	1.6	2.4	2.8	2.8	2.8
Growth of potential GDP	1.7	1.6	1.5	1.5	2.5	5.9	8.5	3.2	2.1	2.1
Growth of real GDP	1.7 <sup>c</sup>	1.7 <sup>c</sup>	1.3 <sup>c</sup>	1.4 <sup>c</sup>	-9.9	4.4	4.9	1.7	1.6	1.4
Growth of real GDP per head	1.1 <sup>c</sup>	0.3 <sup>c</sup>	0.6	0.9	-10.4	3.9	4.5	1.3	1.2	1.0

<sup>a</sup> Economist Intelligence Unit estimates. <sup>b</sup> Economist Intelligence Unit forecasts. <sup>c</sup> Actual.

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

## Data summary: Economic structure, income and market size

[United Kingdom](#) | [Economy](#) | [Charts and tables](#) | [Economic structure, income and market size](#)

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### Economic structure, income and market size

	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>	2020 <sup>b</sup>	2021 <sup>c</sup>	2022 <sup>c</sup>	2023 <sup>c</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>
<b>Population, income and market size</b>										
Population (m)	65.8	66.7	67.1 <sup>b</sup>	67.5 <sup>b</sup>	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	2,834	2,713	2,900	3,065	3,643	3,810	4,008
GDP per head (US\$ at market exchange rates)	41,081	39,968	42,609 <sup>b</sup>	41,963 <sup>b</sup>	39,957	42,523	44,741	52,978	55,199	57,864
Private consumption (US\$ bn)	1,752	1,720	1,851	1,814	1,646	1,750	1,827	2,106	2,183	2,271
Private consumption per head (US\$)	26,628	25,780	27,567 <sup>b</sup>	26,865 <sup>b</sup>	24,245	25,655	26,673	30,627	31,630	32,779
GDP (US\$ bn at PPP)	2,896	3,033	3,117	3,260	2,996	3,174	3,394	3,527	3,655	3,747
GDP per head (US\$ at PPP)	44,025	45,452	46,426 <sup>b</sup>	48,282 <sup>b</sup>	44,130	46,530	49,545	51,293	52,957	54,092
Personal disposable income (£ bn)	1,348	1,376	1,441	1,483	1,494	1,477	1,535	1,552	1,586	1,626
Personal disposable income (US\$ bn)	1,826	1,774	1,925	1,894	1,918	1,872	1,900	2,176	2,244	2,334
Growth of real disposable income (%)	0.5	0.1	2.3	1.5 <sup>b</sup>	-0.7	-2.5	3.0	0.9	1.2	1.4
<b>Memorandum items</b>										
Share of world population (%)	0.89	0.89	0.89 <sup>b</sup>	0.89 <sup>b</sup>	0.88	0.88	0.88	0.88	0.88	0.89
Share of world GDP (% at market exchange rates)	3.58	3.32	3.36	3.27	3.24	3.19	3.20	3.60	3.58	3.59

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Share of world GDP (% at PPP)	2.53	2.52	2.45	2.42	2.31	2.30	2.33	2.30	2.26	2.21
Share of world exports of goods (%)	2.57	2.50	2.47	2.58	2.45	2.48	2.53	2.68	2.91	3.09

<sup>a</sup> Actual. <sup>b</sup> Economist Intelligence Unit estimates. <sup>c</sup> Economist Intelligence Unit forecasts.

## Data summary: Fiscal indicators

[United Kingdom](#) | [Economy](#) | [Charts and tables](#) | [Fiscal indicators](#)

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### Fiscal indicators

	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>	2020 <sup>b</sup>	2021 <sup>c</sup>	2022 <sup>c</sup>	2023 <sup>c</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>
<b>Fiscal indicators (% of GDP)</b>										
Government expenditure	41.5	41.3	41.1	41.1	49.8	47.2	43.9	43.6	43.6	43.8
Interest <sup>d</sup>	2.4	2.7	2.4	2.1	1.5	1.1	1.0	1.3	1.3	1.3
Non-interest <sup>d</sup>	39.1	38.6	38.6	38.9	48.4	46.1	42.9	42.3	42.3	42.6
Government revenue <sup>d</sup>	38.3	38.8	38.8	38.8	35.5	35.7	37.0	38.7	39.7	40.3
Budget balance <sup>d</sup>	-3.3	-2.4	-2.2	-2.3	-14.3	-11.5	-6.9	-4.9	-3.9	-3.5
Primary balance <sup>d</sup>	-0.9	0.3	0.2	-0.2	-12.8	-10.5	-5.9	-3.6	-2.6	-2.3
Government debt <sup>e</sup>	86.8	86.3	85.8	85.2	103.8	107.3	106.2	106.0	106.0	105.6

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

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

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

[United Kingdom](#) | [Economy](#) | [Charts and tables](#) | [Monetary indicators](#)

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### Monetary indicators

	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>	2020 <sup>b</sup>	2021 <sup>c</sup>	2022 <sup>c</sup>	2023 <sup>c</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>
<b>Monetary indicators</b>										
Exchange rate US\$:£ (av)	1.35	1.29	1.34	1.28	1.28	1.27	1.24	1.40	1.42	1.44
Exchange rate €:£ (av)	1.22	1.14	1.13	1.14	1.12	1.04	1.05	1.20	1.18	1.19
Exchange rate US\$:€ (av)	1.11	1.13	1.18	1.12	1.14	1.21	1.18	1.17	1.20	1.21
Exchange rate €:£ (year-end)	1.17	1.13	1.12	1.15	1.08	1.05	1.06	1.20	1.17	1.19
Real effective exchange rate (av; 2005=100)	102.4	97.1	98.8	98.3	98.6	92.7	92.7	105.7	105.3	106.1
M4 money supply growth (%) <sup>d</sup>	6.2	4.8	2.3	3.8	12.6	9.2	7.9	4.9	2.3	3.9
Domestic credit growth (%)	4.2	5.4	3.2	4.9	3.1	3.6	7.0	6.6	3.9	3.9
Purchasing power parity US\$:£ (av)	1.45	1.47	1.46	1.47	1.42	1.39	1.37	1.36	1.36	1.34
3-month £-Libor rate (av; %)	0.5	0.4	0.7	0.8	0.3	-1.0	-1.3	0.8	1.0	1.0

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

10-year government bond yield (av; %)	1.3	1.2	1.5	0.9	0.4	1.1	1.5	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	1.50
Lending rate (%; average mortgage SVR from UK MFIs)	4.4	4.4	4.3	4.3	3.8	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

<sup>a</sup> Actual. <sup>b</sup> Economist Intelligence Unit estimates. <sup>c</sup> Economist Intelligence Unit forecasts. <sup>d</sup> 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 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>	2020 <sup>b</sup>	2021 <sup>c</sup>	2022 <sup>c</sup>	2023 <sup>c</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>
<b>The labour market (av)</b>										
Labour force (m)	33.4	33.5	33.8	34.1	33.6	33.9	34.1	34.3	34.5	34.7
Labour force (% change)	0.9	0.5	0.9	0.8	-1.6	0.9	0.8	0.4	0.5	0.6
Employment (m)	31.7	32.1	32.4	32.8	32.0	31.5	32.0	32.4	32.8	33.1

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

Employment (% change)	1.5	1.0	1.2	1.1	-2.4	-1.5	1.5	1.2	1.2	1.1
Unemployment (m)	1.6	1.5	1.4	1.3	1.6	2.3	2.1	1.9	1.7	1.5
Unemployment rate (%; EU/OECD standardised measure)	4.9	4.4	4.1	3.8	4.6	6.9	6.3	5.5	4.9	4.4
<b>Wage and price inflation (% except labour costs per hour)</b>										
GDP deflator	2.2	1.9	2.2	2.1	5.7	3.8	3.0	3.2	2.0	2.3
Consumer prices (av; CPIH measure)	1.0	2.6	2.3	1.7	1.0	1.2	1.5	1.7	1.8	2.0
Producer prices (av)	0.2	3.9	3.4	1.4	-1.0	3.7	2.4	1.5	1.8	2.0
GDP deflator (av)	2.2	1.9	2.2	2.1	5.7	3.8	3.0	3.2	2.0	2.3
Private consumption deflator (av)	1.4	2.0	2.4	1.4	1.5	1.5	0.9	0.2	1.0	1.2
Government consumption deflator (av)	0.9	0.7	2.2	2.1	22.5	12.7	6.5	2.7	4.3	4.5
Fixed investment deflator (av)	2.2	2.6	2.0	3.2	1.5	2.5	8.0	1.5	1.5	1.5
Average nominal wages (av)	2.4	2.3	3.0	3.4	2.0	1.7	3.6	3.2	3.3	3.5
Average real wages (av)	1.4	-0.3	0.7	1.6	1.0	0.6	2.0	1.5	1.5	1.5
Unit labour costs (£-based; av)	2.2	2.4	2.8	3.3	15.0	-3.5	1.2	3.7	3.9	4.2
Unit labour costs (US\$-based)	-9.4	-2.6	6.5	-1.2	15.6	-4.8	-1.1	17.5	4.8	5.7
Labour costs per hour (£)	21.3 <sup>b</sup>	22.0 <sup>b</sup>	22.7 <sup>b</sup>	23.5 <sup>b</sup>	24.0	24.4	25.2	26.1	26.9	27.9
Labour costs per hour (US\$)	28.9 <sup>b</sup>	28.4 <sup>b</sup>	30.3 <sup>b</sup>	30.0 <sup>b</sup>	30.8	30.9	31.3	36.5	38.1	40.0

<sup>a</sup> Actual. <sup>b</sup> Economist Intelligence Unit estimates. <sup>c</sup> Economist Intelligence Unit forecasts.

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

## Data summary: Current account and terms of trade

[United Kingdom](#) | [Economy](#) | [Charts and tables](#) | [Current account and terms of trade](#)

February 16th 2021

### Current account and terms of trade

	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>	2020 <sup>b</sup>	2021 <sup>c</sup>	2022 <sup>c</sup>	2023 <sup>c</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>
<b>Current account (US\$ bn)</b>										
Current-account balance	-147.7	-100.5	-104.8	-87.6	-57.1	-128.6	-112.4	-125.9	-122.2	-134.5
Current-account balance (% of GDP)	-5.5	-3.8	-3.7	-3.1	-2.1	-4.4	-3.7	-3.5	-3.2	-3.4
Goods: exports fob	402.0	433.1	468.6	476.3	399.8	448.7	495.9	565.3	647.3	726.2
Goods: imports fob	-581.4	-607.5	-651.1	-643.6	-548.9	-674.5	-736.1	-783.4	-868.1	-972.9
Trade balance	-179.4	-174.5	-182.4	-167.3	-149.1	-225.9	-240.2	-218.1	-220.8	-246.7
Services: credit	358.7	369.5	414.1	403.6	386.9	409.7	433.0	504.3	526.4	555.8
Services: debit	-228.1	-233.6	-265.5	-271.3	-239.2	-269.0	-281.4	-296.1	-316.5	-334.8
Services balance	130.6	135.9	148.6	132.3	147.8	140.6	151.6	208.2	209.9	221.0
Primary income: credit	186.5	241.8	291.5	277.8	179.1	199.3	247.1	221.9	253.4	284.0
Primary income: debit	-253.3	-274.9	-328.5	-296.6	-202.4	-208.0	-234.2	-294.4	-319.2	-344.7
Primary income balance	-66.8	-33.1	-37.0	-18.8	-23.3	-8.7	12.8	-72.5	-65.7	-60.7
Secondary income: credit	23.0	22.7	24.9	24.4	23.4	25.0	26.4	31.4	32.8	34.5
Secondary income: debit	-55.2	-51.7	-58.9	-58.3	-55.8	-59.7	-63.1	-75.0	-78.4	-82.5

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

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Secondary income balance	-32.2	-29.0	-34.0	-33.9	-32.5	-34.7	-36.7	-43.6	-45.6	-48.0
<b>Terms of trade</b>										
Export price index (US\$-based; 2010=100)	89.0	89.9	96.5	92.4	89.7	95.9	96.4	101.3	103.4	105.7
Export prices (% change)	-6.5	1.1	7.3	-4.3	-2.9	7.0	0.5	5.0	2.1	2.3
Import price index (US\$-based; 2010=100)	88.5	89.6	95.4	89.7	85.9	92.7	93.1	91.9	94.2	96.5
Import prices (% change)	-8.5	1.2	6.5	-5.9	-4.3	7.9	0.5	-1.3	2.5	2.4
Terms of trade (2010=100)	100.5	100.4	101.1	102.9	104.4	103.5	103.5	110.2	109.7	109.6
<b>Memorandum item</b>										
Export market growth (%)	4.1	4.9	4.5	1.0 <sup>b</sup>	-7.7	6.4	6.5	5.5	4.5	3.6

<sup>a</sup> Actual. <sup>b</sup> Economist Intelligence Unit estimates. <sup>c</sup> Economist Intelligence Unit forecasts.



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

## Data summary: Foreign direct investment

[United Kingdom](#) | [Economy](#) | [Charts and tables](#) | [Foreign direct investment](#)

February 16th 2021

### Foreign direct investment

	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>	2020 <sup>b</sup>	2021 <sup>c</sup>	2022 <sup>c</sup>	2023 <sup>c</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>
<b>Foreign direct investment (US\$ bn)</b>										
Inward direct investment	324.8	125.4	81.2	2.3	-15.4	54.5	84.0	113.9	116.9	139.5
Inward direct investment (% of GDP)	12.0	4.7	2.8	0.1	-0.6	1.9	2.7	3.1	3.1	3.5
Inward direct investment (% of gross fixed investment)	67.9	26.1	15.9	0.5	-3.2	10.6	14.4	16.2	15.7	17.7
Outward direct investment	-33.0	-172.0	-56.4	48.2	0.7	-35.7	-44.5	-52.0	-55.5	-60.6
Net foreign direct investment	291.8	-46.6	24.8	50.5	-14.7	18.7	39.5	61.9	61.4	78.9
Stock of foreign direct investment	2,009.0	2,292.0	2,291.0	2,372.0	2,356.6	2,411.1	2,495.1	2,609.1	2,726.0	2,865.5
Stock of foreign direct investment per head (US\$)	30,537	34,349	34,122	35,125	34,715	35,350	36,427	37,942	39,495	41,365
Stock of foreign direct investment (% of GDP)	74.3	85.9	80.1	83.7	86.9	83.1	81.4	71.6	71.5	71.5
<b>Memorandum items</b>										
Share of world inward direct investment flows (%)	12.3	5.8	13.7	0.2	-1.4	4.6	6.8	8.8	8.7	10.0
Share of world inward direct investment stock (%)	7.1	7.6	7.2	6.9	7.1	6.9	6.8	6.8	6.9	7.0

<sup>a</sup> Actual. <sup>b</sup> Economist Intelligence Unit estimates. <sup>c</sup> Economist Intelligence Unit forecasts.

## Political structure

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

February 16th 2021

### 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

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

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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), Reform UK (formerly 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

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

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Chancellor of the exchequer: Rishi Sunak

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: Kwasi Kwarteng

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 trade: Liz Truss

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

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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

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February 16th 2021

### 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

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

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### Population

66.8m (official mid-year estimate, 2019)

### Main urban areas

Population in '000 (official mid-year estimates, 2019)

Greater London (capital): 8,962

West Midlands: 2,929

Greater Manchester: 2,836

West Yorkshire: 2,332

Merseyside: 1,430

### 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

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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 2nd (Good Friday), April 5th (Easter Monday), May 3rd (Early May Bank Holiday), May 31st (Spring Bank Holiday), August 30th (Summer Bank Holiday), December 27th and 28th (Christmas Day and Boxing Day\*)

(\*Christmas Day and Boxing Day are traditionally celebrated on December 25th and 26th. As those days fall on a weekend in 2021, the next two working days are given as holiday)

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

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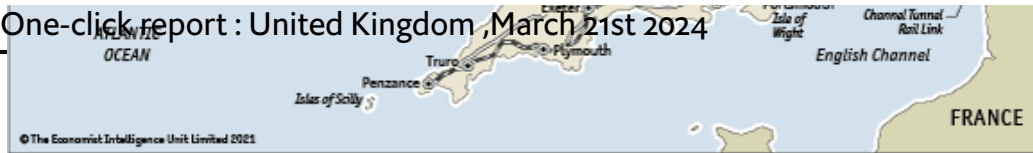


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