



One-click report : United Kingdom

December 24th 2020

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Political and economic outlook

- The December 2019 election gave the government of Boris Johnson, the prime minister, a secure majority and a strong mandate to pursue an interventionist economic policy. The Economist Intelligence Unit expects the coronavirus crisis to reinforce this orientation.
- On January 31st the UK left the EU after 47 years of membership. The UK is currently in a transition period, and will leave the single market and customs union on December 31st.
- The future UK-EU relationship remains highly uncertain. The UK and EU are negotiating a free-trade agreement, but the little time remaining to agree and implement a deal will create significant disruption for business in early 2021, even if a deal is agreed.
- Measures to contain the coronavirus outbreak disrupted economic activity in 2020, leading to an estimated real GDP decline of 11.3%.
- A second wave of the virus, combined with Brexit disruption, will lead to a double dip recession in the fourth quarter of 2020 and the first quarter of 2021.

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- From spring 2021 we expect the economy to rebound as a vaccine rollout allows economic activity to resume. We expect real GDP to reach pre-crisis levels in 2023.
- The Treasury has put in place wide-ranging support measures for workers and businesses and has extended the furlough scheme until March 2021. Falling revenue and increased spending will cause total UK debt to peak at about 115% of GDP in 2021.
- The Bank of England (BoE, the central bank) has cut rates to historic lows of 0.1% and has committed to £450bn (US\$570bn) in bond-buying since March. It will directly finance government spending temporarily via the Ways and Means facility.

Key indicators

	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
Real GDP growth (%)	-11.3	6.2	5.6	1.2	1.7	1.3
Consumer price inflation (av; %)	1.0	0.8	1.0	1.2	1.5	1.8
Government balance (% of GDP)	-19.6	-11.5	-4.1	-2.6	-2.8	-2.8
Current-account balance (% of GDP)	-1.5	-3.1	-3.2	-3.3	-3.3	-3.4
Money market rate (av; %)	0.4	0.5	0.7	0.8	1.0	1.0
Unemployment rate (%)	4.9	6.9	5.7	5.1	4.6	4.4
Exchange rate £:US\$ (av)	0.78	0.76	0.73	0.73	0.72	0.71

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

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Market opportunities



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Key changes since November

- Preliminary figures from the Office for National Statistics (ONS) show that the economy rebounded by 15.5% in the third quarter, in line with our previous estimate of 15.2% growth. We continue to estimate a full-year contraction in real GDP of 11.3%.
- As at December 10th the UK and EU have not finalised a trade agreement. We expect negotiations to continue, but have revised down our first-quarter 2021 growth estimates, as significant disruption is now inevitable because businesses are unable to prepare.
- As part of UK-EU negotiations, the UK government withdrew provisions in its Internal Market Bill that unilaterally reinterpreted the Northern Ireland Protocol. Implementation of the protocol remains a risk if there is no deal.
- On December 2nd England exited its second lockdown, but significant restrictions remain in place, with 99% of the population in the two highest tiers of the three in the new social distancing system. We expect that this will continue until the second quarter of 2021.

The month ahead

- December 17th—Meeting of the monetary policy committee of the BoE: We expect the central bank to hold rates at near-zero levels. Despite Brexit and coronavirus uncertainty, we believe that the BoE will continue to prefer asset purchases over negative interest rates, and we do not think that an expansion will be necessary at this meeting.
- December 31st—Brexit transition ends: We expect that the two sides will continue to negotiate until very close to the deadline and eventually reach a deal. However we expect that there will be significant disruption, as the deal is unlikely to be ratified and implemented by the deadline.

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- January 22nd—Retail sales (December): The Christmas shopping season is the most significant portion of the year in driving consumer spending. It is likely to be significantly depressed this year, given coronavirus uncertainty and the presence of lockdown restrictions in many major cities.
- January 26th—Labour market (November): Unemployment has risen since the initial announcement in the summer that the furlough scheme would be withdrawn in October, reaching 4.9% that month. We expect it to remain at this level after the October announcement that the scheme would be extended.

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 UK leaves the transition period on December 31st 2020 without a deal, exacerbating the recession	Very high	High	20
The coronavirus recession leads to a wave of corporate failures	High	High	16
The labour market cannot bounce back from lockdowns	High	High	16

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

Source: The Economist Intelligence Unit.

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Forecast summary

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Forecast summary

(% unless otherwise indicated)

	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
Real GDP (% change)	-11.3	6.2	5.6	1.2	1.7	1.3
Industrial production (% change)	-9.0	-0.4	4.5	2.0	1.2	1.2
Unemployment rate (av; EU/OECD harmonised measure)	4.9	6.9	5.7	5.1	4.6	4.4
Consumer price inflation (av; CPIH measure)	1.0	0.8	1.0	1.2	1.5	1.8
3-month £-LIBOR rate (av)	0.4	0.5	0.7	0.8	1.0	1.0
Bank of England base rate (end-period)	0.10	0.10	0.25	0.75	1.25	1.25
Government budget balance (% of GDP) ^c	-19.6	-11.5	-4.1	-2.6	-2.8	-2.8
Exports of goods fob (US\$ bn)	383.8	420.9	493.2	565.1	641.8	719.5
Imports of goods fob (US\$ bn)	-459.0	-537.6	-623.5	-716.4	-819.9	-923.2
Current-account balance (US\$ bn)	-40.1	-90.1	-100.9	-107.8	-114.5	-124.3
Current-account balance (% of GDP)	-1.5	-3.1	-3.2	-3.3	-3.3	-3.4
Exchange rate US\$:£ (av)	1.29	1.32	1.37	1.37	1.40	1.42
Exchange rate ¥:£ (av)	137.3	137.3	140.7	142.0	146.1	149.7

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Exchange rate €:£ (av)	1.13	1.13	1.19	1.16	1.15	1.15
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^a Economist Intelligence Unit estimates. ^b Economist Intelligence Unit forecasts. ^c General government.

Political stability

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December 9th 2020

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

The spread of the coronavirus has put the government on a crisis-management footing. In March the government instructed all residents to stay at home and to go out only for a limited number of essential reasons. This guidance was mostly relaxed by July, although the government has periodically implemented stricter provisions in areas with a high degree of community spread. After a lull in the summer, cases began to increase again in September, and the governments of England, Wales and Northern Ireland all implemented second, time-limited lockdowns. The government has suggested that continued restrictions on economic activity will be in place until at least March 2021; these will be adjusted throughout the winter depending on the incidence of coronavirus infections. We expect that this will drag on growth, with further partial lockdowns being likely in the first quarter of 2021. From the second quarter of 2021, we expect restrictions to be relaxed as warm weather and the rollout of vaccines limit the spread and severity of the virus.

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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, which resulted in a majority favouring the union. Support for Scottish independence has been consistently above 50% in polls conducted since the outbreak of the coronavirus pandemic, as Scottish voters view their devolved government's response as more effective than that of the UK government. Ms Sturgeon may seek to dramatise the issue through legal battles or other disruptive means, particularly if her party wins a majority in the 2021 Scottish parliament election. Even if the government grants a second referendum it would take several years to organise. Brexit has also inflamed tensions in Northern Ireland, where the Northern Ireland protocol in the withdrawal agreement is unpopular among Unionists as well as nationalists, and opinion polling has shown a small but significant swing in favour of Irish reunification in the north.

Election watch

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

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

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

International relations

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Following the UK's departure from the EU on January 31st 2020, the UK-EU relationship remains unsettled. The UK is scheduled to exit the transition period with the EU on December 31st. Negotiations between the UK and EU on a trade deal are continuing, despite the imminent deadline. The most significant sticking point has been the issue of state aid: negotiators have struggled to agree on a mechanism that would give the UK the freedom to diverge from EU rules, but allow the EU to impose tariffs to protect its internal market if the UK diverged significantly from EU standards.

We expect this framework to form the basis of the future UK-EU relationship whether or not a deal is agreed by December 31st, as the vast majority of issues under negotiation have already been agreed. We also expect that the UK-EU economic relationship will continue to evolve throughout the forecast period, as issues around services trade, mutual recognition of qualifications, data protection and supply chains are likely to remain unsettled even if a deal is reached.

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We anticipate significant disruption in early 2021 whether or not there is a deal, as businesses will have limited time to prepare for new provisions for customs declarations, data privacy compliance and the potential imposition of tariffs in the event of no deal. However, there is an increasing chance of a temporary or accidental no deal if there is a delay in the ratification process after a deal is agreed.

In its withdrawal agreement from the EU, the UK agreed to a separate protocol for Northern Ireland to avoid the presence of border checks with the Republic of Ireland. Under this agreement, Northern Ireland will stay within a regulatory union with the EU for most goods. Although it will remain in the UK customs and value-added tax (VAT) areas, customs and VAT checks will be conducted by the UK on the EU's behalf at ports in the Irish Sea for goods bound for the EU. This will require the construction and implementation of checkpoints and border infrastructure between Northern Ireland and the rest of the UK for all goods deemed "at risk" of passing into the EU by a UK-EU joint committee. The construction of this infrastructure by December 31st presents a major implementation risk, particularly if there are no provisions in the trade deal further clarifying or streamlining these procedures. The UK has sought to minimise the risks to itself by passing domestic legislation that would allow it to decide unilaterally which goods need to be inspected in the event that no trade deal is reached. However, on December 8th the government agreed with the EU to withdraw these provisions.

Policy trends

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Even before the coronavirus pandemic, the UK faced significant economic policy challenges, including low public investment, wide regional disparities, high housing costs and chronically low productivity growth. However, the scale

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of the disruption caused by the coronavirus is likely to dominate the government's policy agenda throughout 2020 and 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 planned to pursue significant increases in public-sector investment, including in infrastructure, and additional current spending on the National Health Service, education and the police. He also planned to reform the UK's immigration system to emphasise skilled labour. Long-term social care is an area of health spending that Mr Johnson's manifesto pledged to address, alongside significant investment in green and renewable energy as part of a green recovery plan, although details for both remain vague. Although we do not expect a return to austerity, the government will face increased fiscal constraints from 2021.

Fiscal policy

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At the outbreak of the pandemic, the government enforced nationwide shutdowns and developed a series of economic financial support packages to aid workers and businesses affected by the coronavirus until the situation normalised. These included more than £330bn (US\$420bn) in government-backstopped loans; several business tax deferrals 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 March 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.

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The job-retention programme, along with VAT holidays and depressed revenue from the loss of economic activity are expected to cause the UK's fiscal position to deteriorate significantly. We expect that government spending will exceed 49% of GDP in 2020, resulting in a fiscal deficit of 19.6% of GDP. In 2021 we forecast a smaller, but still substantial fiscal deficit causing debt to peak at about 115% of GDP. From 2022 we expect tax revenue to rebound and move towards fiscal consolidation. However, given the political unpopularity of the previous period of austerity, we believe that this will take the form of tax increases rather than spending cuts.

Monetary policy

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On March 19th 2020 the Bank of England (BoE, the central bank) cut its main rate to 0.1%—the lowest level in its history. It has also resumed its quantitative easing programme, committing to a total of £450bn in new bond-buying since the start of the pandemic, reaching a total of £895bn. The initial intervention in March was developed in co-ordination with the Treasury to facilitate the smooth functioning of government and private debt markets. The programme has since been expanded twice, most recently by £150bn on November 5th. The BoE has also allowed the government access to its overdraft account, the so-called Ways and Means facility, to directly finance day-to-day costs, although this facility has not yet been tapped. The BoE said that both its bond-buying programmes and use of the Ways and Means facility are temporary. However, these decisions have allowed the government to borrow at favourable rates and pursue massive fiscal expansion, and we expect that the BoE will continue to promote this objective throughout the coronavirus crisis. We expect a further expansion of bond-buying by early 2021. The BoE is also reviewing the feasibility of negative interest rates, but we view further bond-buying programmes as a more likely

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option, at least in the first half of 2021. Given the length of the pandemic and associated downturn, we do not expect the BoE to raise rates again before mid-2022.

Global forecast data

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	2020	2021	2022	2023	2024	2025
Economic growth (%)						
US GDP	-3.8	3.2	2.5	2.3	1.9	2.0
OECD GDP	-5.8	3.7	2.8	2.1	1.9	1.9
EU27 GDP	-7.5	4.7	3.6	2.1	1.9	1.9
World GDP	-4.7	4.2	3.4	3.0	2.8	2.7
World trade	-10.6	7.0	5.4	4.3	4.0	3.8
Inflation indicators (% unless otherwise indicated)						
US CPI	0.7	1.7	1.9	2.2	1.9	1.8
OECD CPI	1.0	1.6	1.9	2.1	2.0	2.0
EU27 CPI	0.7	1.1	1.5	1.7	1.7	1.7
Manufactures (measured in US\$)	-2.0	3.9	3.1	4.0	2.4	2.5
Oil (Brent; US\$/b)	41.7	45.0	53.0	57.5	55.0	50.0

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Non-oil commodities (measured in US\$)	1.2	7.9	3.0	-2.2	2.0	1.5
Financial variables						
US\$ 3-month commercial paper rate (av; %)	0.6	0.1	0.2	0.2	0.6	1.0
€ 3-month interbank rate (av; %)	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
US\$:£ (av)	1.29	1.32	1.37	1.37	1.40	1.42
US\$:€ (av)	1.14	1.17	1.15	1.19	1.21	1.23

Economic growth

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The impact of the coronavirus: global and regional assumptions

The Economist Intelligence Unit estimates that global output will have contracted by 4.7% this year (5% in our previous forecasting round). This is the second consecutive upward revision to our 2020 global growth estimate since the coronavirus (Covid-19) pandemic started early in the year. The improvement is due to an upgrade of our US estimate: we now believe that US GDP will have contracted by 3.8% in 2020 (we previously estimated a drop of 4.6%). The global economy will not recover to its pre-coronavirus size until at least 2022; 2020 and 2021 will be lost years for growth. Asian countries will recover the fastest, some as early as 2021. Major economies will broadly recover in 2022 and emerging markets in 2023-24.

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Recent announcements that three coronavirus vaccines, developed by Pfizer (US)/BioNTech (Germany), Moderna (US) and Oxford-AstraZeneca (UK), have proved highly effective in phase three trials have not altered our forecasts, given our assumptions about the likely timeline for mass vaccination programmes. These announcements represent only the first, albeit positive steps towards the rollout of a safe and effective global immunisation programme. The Pfizer and Moderna vaccines are expensive, difficult to ship and store, and will not be available in quantities large enough in the coming months to be game-changing. The Oxford-AstraZeneca vaccine is cheaper, will be made available at cost price and will be easier to distribute. Nevertheless, even assuming emergency authorisation by the regulatory authorities in December, production, distribution, storage and other challenges mean that the rollout of a mass vaccination programme in Europe will proceed throughout 2021. Globally the rollout will continue into 2022 and beyond: richer, developed countries will race to acquire sufficient quantities while poorer countries will struggle to secure funding and access. There will be no immediate return to normal in 2021, but the rollout of a number of effective vaccines will mean that a path to normality will gradually become clearer. In the meantime, continued local outbreaks and lockdowns are to be expected.

The euro zone economy recorded a historic collapse in the first half of 2020. Countries that imposed a severe lockdown in March-May and have a services or tourism-oriented economy fared the worst, notably Spain, France and Italy. However, a strong rebound in the third quarter as restrictions were eased brought the euro zone economy back to about 96% of its end-2019 size and smoothed out many of these inter-country differences, with Spain now being the laggard. A second wave of the epidemic has changed the outlook for the euro zone recovery; the imposition of renewed national lockdowns across the bloc in November is likely to stall growth in the fourth quarter, and to cause a double-dip recession in some countries.

We expect the economic hit from the autumn lockdowns to be less severe than in the spring, as schools and factories remain open and there is greater political emphasis on enabling business activity to continue. Export-oriented firms will also benefit from a return to growth in many Asian countries. We expect new ad hoc restrictions to be imposed in

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early 2021 as coronavirus cases continue and hospitals remain under pressure, with renewed surges in case numbers likely. We expect momentum to remain weak in the first few months of 2021, but to pick up thereafter—particularly in the second half of the year. As health risk diminishes with the arrival of the spring/summer seasons, which allow for more outdoor interactions, activity will resume. The gradual distribution of vaccines will boost business and investor confidence from mid-2021, supporting the economic bounce-back. 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, with limited parliamentary oversight. It has also become a testing time for central-local government relations, which have 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 the coming months. 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 the first half of 2020, and we expect the second wave of the pandemic this winter to cause a double-dip recession lasting throughout the first quarter of 2021. We estimate that real GDP will contract by 11.3% in 2020. In 2021 we forecast a rebound of 6.2% as growth returns in April-December. Although this headline growth figure is high, much of this will be due to base effects, given the size of the year-earlier contraction. Despite rapid growth in 2021, real GDP will still

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be about 50% below the end-2019 level. We expect that disruption at the end of the Brexit transition period, combined with the re-imposition of strict coronavirus restrictions from October 2020, will lead to a "double dip" recession in the final quarter of 2020 and first quarter of 2021. We expect further catch-up growth of 5.6% in 2022, which will most likely be the first full year without social distancing restrictions, and expect the level of real GDP to exceed its 2019 peak only in 2023.

After reaching a low of 3.8% in 2019, unemployment has risen this year, as the pandemic has led to business failures and lay-offs. However, the spike in unemployment in 2020 has been modest, at an estimated level of 4.9%, owing to the government's furlough scheme. We expect joblessness to rise to 6.9% in 2021 after the scheme is withdrawn. From 2022 employment will rise gradually and unemployment will begin to fall, reaching 4.4% by the end of our forecast period in 2025.

Gross capital formation declined sharply in 2020 as the highly uncertain global business environment depressed investment. We expect some bounce-back in growth in 2021, although it will be dampened by continuing Brexit and pandemic-related uncertainty. We instead expect investment to increase markedly in 2022 as the Brexit and coronavirus situations both stabilise, releasing pent-up demand and allowing the government to pursue a more focused strategy around encouraging greater investment. Investment growth should stabilise from 2023 until the end of the forecast period.

Export and import growth have turned sharply negative in 2020, as global demand has collapsed and coronavirus-related travel restrictions persist. The collapse in overall demand is improving the UK's current-account balance as imports decline, with the deficit shrinking to an estimated 1.5% of GDP in 2020. We expect the deficit to widen

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sharply in 2021 as Brexit disrupts exports and imports begin to rebound, gradually expanding to 3.4% of GDP in 2025.

Economic growth

%	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
GDP	-11.3	6.2	5.6	1.2	1.7	1.3
Private consumption	-13.6	8.2	5.9	1.0	2.2	1.9
Government consumption	-8.0	10.5	3.0	2.0	2.0	2.0
Gross fixed investment	-15.3	5.7	14.3	4.5	3.0	3.0
Exports of goods & services	-13.1	5.0	8.0	7.8	8.0	6.9
Imports of goods & services	-20.2	11.9	11.7	9.2	9.3	8.7
Domestic demand	-12.7	8.2	6.7	1.8	2.3	2.1
Agriculture	-6.0	1.0	2.0	0.5	0.5	0.5
Industry	-6.0	-0.5	4.0	2.0	1.2	1.2
Services	-12.7	8.1	6.1	1.1	1.9	1.3

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

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Inflation

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Inflation has declined sharply in 2020 as a result of depressed demand owing to the coronavirus pandemic, and we estimate average inflation of 1% in full-year 2020. We expect price pressures to remain subdued in 2021, when we forecast average annual inflation of 0.8%. The weakness of the pound will exert some inflationary pressure at the start of the year, preventing the deflationary pressure that will be seen elsewhere in Europe. These conditions will improve from late 2021 and into 2022, and we expect demand to increase steadily as uncertainty declines, lifting inflation to 1% in 2022 and to 1.8% by the end of the forecast period.

Exchange rates

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The value of 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. Similar behaviour is likely to continue throughout the coronavirus crisis. Sterling depreciated sharply against the US dollar in March, to a 35-year low of US\$1.15:£1, when investors engaged in a flight to safety as firms faced a dollar liquidity shortage. The establishment of swap lines between the Federal Reserve (the US central bank)

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and other central banks, including the BoE, reversed this trend, and sterling recovered to US\$1.30:£1 by end-July, in part owing to the weakness of the dollar. We expect modest weakening in sterling as the UK leaves the transition period in early 2021, and thereafter we expect the currency to appreciate slowly as investment flows stabilise, reaching an average of US\$1.42:£1 by 2025. However, a no-deal exit would cause a sharp depreciation.

External sector

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

December 9th 2020

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 has not been exempt from this, with both imports and exports declining sharply in 2020. This will have caused the UK's current-account deficit to shrink from 4% of GDP in 2019 to an estimated 1.5% of GDP in 2020. From 2021 we expect trade to rebound, although this will primarily be the result of a recovery from the 2020 base year, and we expect Brexit to weigh on exports (as well as imports, but to a lesser extent). Trade will continue to grow thereafter, but we do not expect the value of total imports or exports to return to pre-crisis levels until the end of the forecast period, when we expect the current-account deficit to reach 3.4% of GDP.

Country forecast overview: Business environment rankings

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

December 9th 2020

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

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

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

Business environment at a glance

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

December 9th 2020

Policy towards private enterprise and competition

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

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

Policy towards foreign investment

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

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

Foreign trade and exchange controls

2021-22: Increased trade barriers with EU. New Northern Ireland protocol implemented. Negotiations continue with third countries. Expected decline in UK-EU crossborder trade. Bounceback in global trade following pandemic.

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

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

Taxes

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

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

Financing

2021-22: Monetary policy remains highly accommodative, with Bank of England (central bank) asset purchases continuing. 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

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

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

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

Technological readiness

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

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

Market opportunities: Social indicators and living standards

United Kingdom | Business | Market opportunities | Social indicators and living standards

July 15th 2020

Social indicators and living standards

	2019		2024	
	Western Europe (av)		Western Europe (av)	
Health				
Healthcare spending (% of GDP)	10.0	10.3	10.3	10.6
Healthcare spending (US\$ per head)	4,169	4,309	5,000	5,654
Infant mortality rate (per 1,000 live births)	4.2	3.5	4.0	3.3

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

Physicians (per 1,000 population)	2.9	3.9	3.2	4.1
Food and beverages				
Food, beverages & tobacco (% of household spending)	11.7	17.2	13.6	16.9
Meat consumption (kg per person)	85.1	89.5	85.2	93.4
Milk consumption (litres per person)	241.7	259.7	243.6	273.1
Coffee & tea consumption (kg per person)	4.4	6.1	4.5	6.4
Consumer goods in use (per 1,000 population)				
Passenger cars	523	537	515	550
Telephone main lines	467	441	442	432
Mobile phone subscribers	1,190	1,264	1,219	1,349
Television sets	1,135	814	1,253	897
Personal computers	948	825	956	860
Households				
No. of households (m)	27.7	189.8	28.2	197.8
No. of people per household (av)	2.4	2.2	2.4	2.1
Income and income distribution				
Median household income (US\$)	58,390	48,988	64,463	59,950
Average monthly wage (US\$)	3,767	3,784	4,799	4,589
Gini index	34.8 ^a	31.7 ^a	–	–

^a Latest available year.

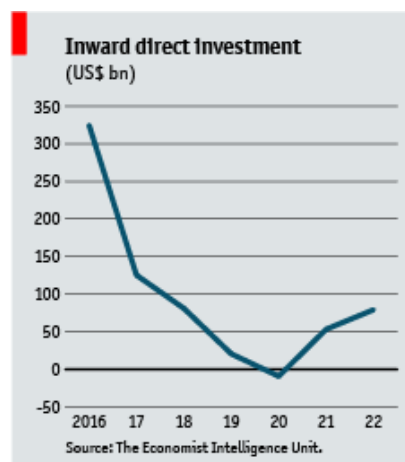
One-click report : United Kingdom ,March 21st 2024

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](#)

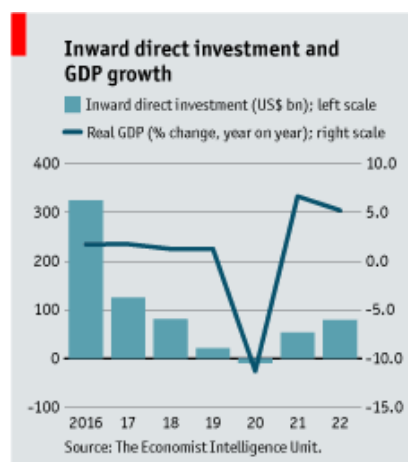
December 1st 2020



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
Population and labour force (% change; annual av)			
Total population	0.39	0.25	0.30
Working-age population	0.12	0.01	0.05
Working-age minus total population	-0.27	-0.24	-0.25
Labour force	0.10	0.14	0.12
Growth and productivity (% change; annual av)			
Growth of real GDP per head	0.7	1.6	1.3
Growth of real GDP	1.1	1.9	1.6

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

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

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
Income and market size			
Population (m)	67.5	70.5	74.1
GDP (US\$ bn at market exchange rates)	2,829.2	3,936.1	8,166.5
GDP per head (US\$ at market exchange rates)	41,900	55,840	110,240
Private consumption (US\$ bn)	1,836.4	2,549.6	5,385.4
Private consumption per head (US\$)	27,190	36,170	72,690
GDP (US\$ bn at PPP)	3,214.2	4,203.2	8,808.1
GDP per head (US\$ at PPP)	47,600	59,630	118,900
Exports of goods & services (US\$ bn)	895.7	1,246.8	3,941.3

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

Imports of goods & services (US\$ bn)	925.4	1,465.0	4,649.1
Memorandum items			
GDP per head (at PPP; index, US=100)	73.1	70.8	74.2
Share of world population (%)	0.9	0.8	0.8
Share of world GDP (% at market exchange rates)	3.3	2.8	2.3
Share of world GDP (% at PPP)	2.3	1.9	1.7
Share of world exports of goods & services (%)	3.7	3.2	3.5

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

Automotive

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

October 27th 2020

- The UK is the world's 13th-largest automotive manufacturer and sixth-largest vehicle market, according to the International Organisation of Motor Vehicle Manufacturers (OICA). Vehicle production expanded steadily between 2010 and 2016, but has since declined sharply on the back of weaker domestic and export demand, Brexit-related disruption, regulatory changes and the severe fallout from the coronavirus (Covid-19) pandemic. In 2019 total vehicle output dropped by 14% to a decade-low level of 1.38m units. Production was down by 40% year on year over the first eight months of 2020.

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

- The UK has fared worse than many other advanced economies in containing the coronavirus (Covid-19) pandemic, resulting in one of the highest levels of virus-related "excess deaths" in the world. Since June economic activity (including new-car sales) has steadily rebounded, as most lockdown restrictions have been relaxed, but a recent spike in new infections has led to new restrictions.
- Over the first nine months of 2020 new-car sales were down by 33% year on year. In 2020 The Economist Intelligence Unit expects annual sales to fall by about 29%, to 1.65m units; their lowest level since 1992. Commercial vehicle (CV) sales are expected to decline by about 25%. These declines reflect a drop in real GDP, which is expected to be at 10.6% this year.

Income and demographics

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

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

No. of households with net wealth over US\$1m ('000)	984	853	1,039	906	1,014	1,144	1,368	1,539	1,756	1,877
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^a Economist Intelligence Unit estimates. ^b Economist Intelligence Unit forecasts. ^c Actual.

Source: The Economist Intelligence Unit.

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

Consumer goods

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

November 15th 2020

- Retail sales volume growth in the UK was fairly resilient in 2016-19, supported by employment gains, low inflation, consumer borrowing and extensive retail discounting. However, momentum weakened in 2019 amid a slowing labour market and the economically damaging Brexit process. Annual volume growth averaged 1.7% in 2016-18, but slowed to 0.9% in 2019, according to Ascential, a provider of global retail intelligence.
- The coronavirus (Covid-19) pandemic and lockdown restrictions resulted in a dramatic slump in economic activity and retail spending in March-April 2020. The UK was slower than many peer economies to adopt national lockdown measures, such as the temporary closure of most non-essential retail outlets, which took effect from late March to end-May. Retail sales rebounded strongly over the summer in response to an easing of economy-wide restrictions, lower infection rates, sizeable fiscal support and pent-up demand. As at September, sales volumes were 5% higher than in January, although cumulative year-to-date sales were still below 2019 levels. Momentum has recently weakened amid a second virus wave. Another nationwide lockdown (in England) took effect in November, with non-essential retailers again forced to close.
- There have been major shifts in the composition of spending since the start of the pandemic, amid reduced footfall, changing consumer habits and working patterns, social distancing measures and lingering public health concerns (the UK has the highest level of virus-related deaths in Europe). Online purchases have surged and food sales have also been robust. Non-food store sales took longer to recover, with strong demand for electrical, household and DIY items contrasting with a sluggish rebound in clothing and department store sales.

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

- Other consumer-oriented services sectors—such as foodservice, entertainment, hospitality and tourism—have fared much worse than retail, with only a muted recovery due to ongoing social distancing restrictions and consumer caution. A temporary "Eat Out to Help Out" subsidy scheme boosted foodservice sales (but also infection rates) in August. A temporary cut in value-added tax (VAT) in the hospitality sector, from 20% to 5%, applies from July 2020 to March 2021.
- The Economist Intelligence Unit expects a substantial contraction in real GDP of about 11% in 2020 (the largest decline of all major advanced economies) and a partial rebound of 7% in 2021. Given additional disruption from Brexit-related instability, we do not expect real GDP to return to its pre-crisis level until 2023. There will be a "hard Brexit" at end-2020—irrespective of whether a limited trade deal is agreed—with a significant rise in non-tariff barriers and regulatory uncertainty, disrupting supply chains in the retail and food and drink sectors.
- We expect retail sales volumes to contract by 4% in 2020. The outlook remains strongly dependent on the development of the virus and availability of a vaccine (which we expect in the second half of 2021). In the near term a rolling cycle of virus outbreaks and related restrictions is likely, which will inhibit retail demand. A surge in non-retail spending (especially on travel and entertainment) is likely once a vaccine is available. Assuming a return to something akin to "normality" from 2022, we forecast annual average retail sales growth of 1.8% over our five-year forecast period (2021-25).
- 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 a higher level of retail store closures in 2021 as more business moves online. The UK adopted a digital services tax in April 2020 targeting multinational technology firms such as US giants Amazon, Google and Apple.

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

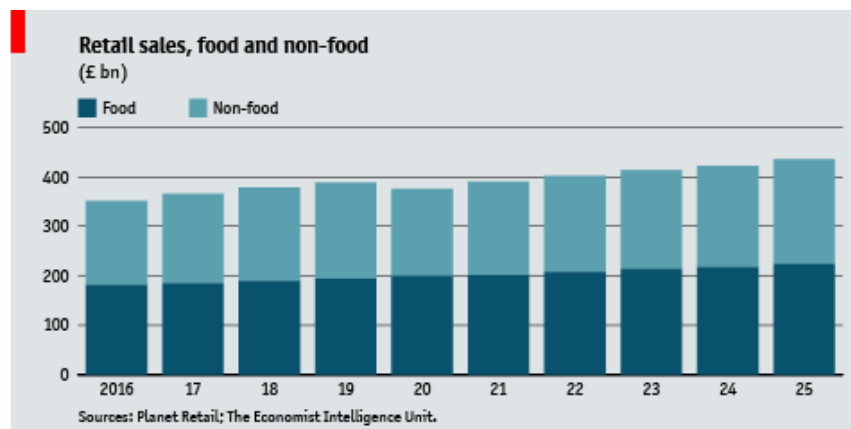
Income and demographics

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
Nominal GDP (US\$ bn)	2,702.7 ^c	2,666.9 ^c	2,860.8 ^c	2,828.5 ^c	2,542.3	2,736.4	2,942.1	3,161.6	3,346.5	3,506.5
Population (m)	65.8 ^c	66.7 ^c	67.1	67.5	67.9	68.2	68.5	68.8	69.0	69.3
GDP per head (US\$ at PPP)	44,025 ^c	45,452 ^c	46,426	48,193	43,045	46,644	48,914	50,440	51,909	53,450
Private consumption per head (US\$)	26,628 ^c	25,780 ^c	27,567	26,801	24,043	24,895	26,136	27,833	28,901	29,935
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	15,991	16,445	17,363	18,530	19,175	19,843
No. of households with net wealth over US\$1m ('000)	853	1,039	906	1,014	1,144	1,345	1,529	1,747	1,856	1,952

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

Source: The Economist Intelligence Unit.

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



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.

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

- 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 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 ^b	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b	2030 ^b
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

^a Actual. ^b Economist Intelligence Unit forecasts. ^c 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, licence: www.iea.org/t&c.

Financial services

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

October 27th 2020

- The UK has one of the world's best developed financial industries, but it faces two major challenges in the coming years: coping with the novel coronavirus (Covid-19) and managing the country's departure from the EU. The first will deliver a sharp, but hopefully short, shock to the sector. By contrast, the second is likely to require a long-term shift in trading relationships and may contribute to an ongoing shrinkage of the industry.
- London is currently one of the two leading global financial centres (along with New York) and has the largest share of many international markets. The UK financial sector—banking, insurance, fund management, securities and alternative investment—plays a significant role in the economy. In 2019 it accounted for 5.7% of GDP, down from 7.7% ten years earlier, according to Eurostat. It employed slightly over 1m residents or 3.2% of the workforce, down from 3.8% ten years before. The industry makes a substantial contribution to the balance of payments and tax revenue.
- At the outbreak of the pandemic, the government enforced nationwide shutdowns and developed a series of economic financial support packages to aid workers and businesses affected by the coronavirus until the situation normalised. These included more than £330bn (US\$420bn) in government-backstopped loans; several business tax deferments and holidays; targeted aid to the worst-affected sectors, such as travel and retail; and wage support schemes for salaried and self-employed workers. After originally committing to pay 80% of workers' wages from March to October, the Treasury has transitioned to a less generous top-up scheme for workers pushed into part-time work.

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

- The pandemic and ensuing public-health measures will cause a severe economic contraction in 2020. The exact degree of disruption is subject to significant uncertainty and will depend on the progress of the disease, the effectiveness of the public-health measures, and the likelihood and intensity of further outbreaks. The Economist Intelligence Unit forecasts that real GDP will contract by 10.6% in 2020. In 2021 we forecast a rebound in real GDP of 7.2%, but much of this will be owing to base effects. We expect Brexit uncertainty to hinder the recovery in 2021, and do not expect the level of real GDP to exceed its 2019 peak until 2023.
- In March 2020 the Bank of England (BoE, the central bank) cut its main rate to 0.1%, the lowest level in its history. The BoE has extended the use of the "Ways and Means" facility through to the end of 2020, allowing the Treasury to borrow directly from the BoE. Its governor, Andrew Bailey, has said that these provisions are temporary, but we do not believe that the BoE can credibly commit to withdrawing them in 2021 if doing so would risk sharply worsening the UK's borrowing position.
- Following a general election in December 2019 the Conservative Party, under the prime minister, Boris Johnson, won an emphatic 81-seat majority. This allowed him to achieve his primary campaign promise to leave the EU, which took place on January 31st, ending 47 years of EU membership and three and a half years of political deadlock on the issue.
- The UK is scheduled to exit the transition period with the EU on December 31st 2020. Legally, this deadline can be extended by the EU and the UK by mutual agreement, but the government has set the exit date in law. The UK and EU governments set out a timetable for negotiations that envisaged a comprehensive free-trade agreement (FTA). However, talks have been severely disrupted by the coronavirus pandemic. As a result, we believe that only a limited deal is possible by the end of 2020, and that it will only be agreed late in the year. There is therefore a high risk of a disorderly exit with no deal, which would compound the economic disruption caused by the pandemic. UK and EU regulators have agreed and implemented a number of temporary arrangements to reduce the potential disruption to financial markets of a disorderly "no-deal" Brexit.

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

- We expect London to retain its status as one of the world's main financial centres, especially in the trading of foreign exchange and derivatives, but a loss of influence and post-Brexit restrictions on financial services trade with the EU are inevitable, even in a best-case scenario. Reaching agreement on the many elements of a complex new trading arrangement will be difficult and time-consuming (taking years rather than months), and financial firms in the UK will almost certainly face restrictions from a loss of "passporting" (the right for UK-regulated companies to do business in the EU and vice versa).
- Financial services companies currently serving the EU from the UK will continue to relocate some of their operations and staff to within the bloc, so as to retain passporting to the single market. Although outflows of financial sector employees (and related tax revenue) from the UK have so far been modest, it is likely that this trend will continue as competing financial services hubs, primarily Frankfurt and Paris, gradually grow in size and influence. European policymakers will enhance post-Brexit policy efforts to attract major financial functions away from London.

Income and demographics

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Nominal GDP (US\$ bn)	2,930.0 ^c	2,703.7 ^c	2,670.7 ^c	2,864.2 ^c	2,831.2 ^c	2,605.3	2,747.7	2,899.6	3,113.8	3,316.0
Population (m)	65.4 ^c	65.8 ^c	66.7 ^c	67.1	67.5	67.9	68.2	68.5	68.8	69.0
GDP per head (US\$ at PPP)	42,334 ^c	44,042 ^c	45,516 ^c	46,481	48,239	43,577	47,127	48,711	50,198	51,652
Private consumption per head (US\$)	28,886 ^c	26,754 ^c	26,021 ^c	27,931	27,172	25,242	25,508	26,330	27,743	29,034
No. of households ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$5,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195

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

No. of households with annual earnings above US\$10,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$50,000 ('000)	18,132	16,237	15,725	17,387	17,109	16,388	16,436	17,086	18,113	19,013
No. of households with net wealth over US\$1m ('000)	984	853	1,039	906	1,014	1,144	1,368	1,539	1,756	1,877

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

Source: The Economist Intelligence Unit.

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

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

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.

- 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

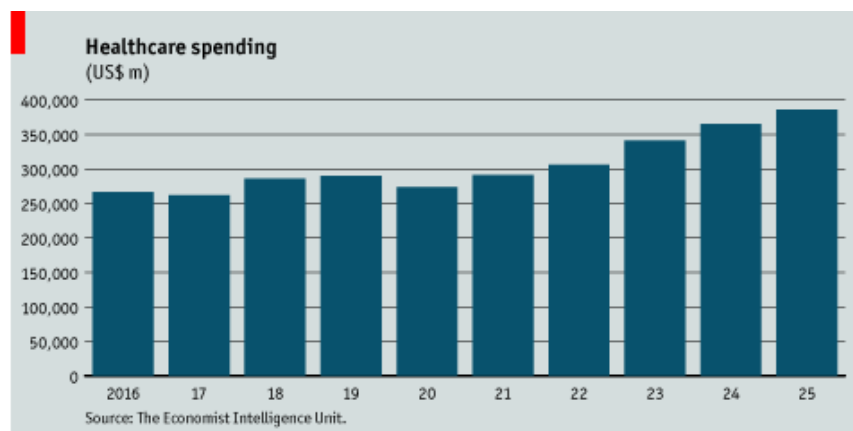
	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
Nominal GDP (US\$ bn)	2,702.7 ^c	2,666.9 ^c	2,860.8 ^c	2,828.5 ^c	2,557.9	2,775.7	2,928.7	3,251.2	3,467.3	3,660.4
Population (m)	65.8 ^c	66.7 ^c	67.1	67.5	67.9	68.2	68.5	68.8	69.0	69.3
GDP per head (US\$ at PPP)	44,025 ^c	45,452 ^c	46,426	48,193	42,700	46,095	49,117	50,639	52,169	53,625
Private consumption per head (US\$)	26,628 ^c	25,780 ^c	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

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

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
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

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

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

Healthcare: key indicators

	2016 ^a	2017 ^a	2018 ^b	2019 ^b	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c
Life expectancy, average (years)	80.9	81.0	81.0 ^a	81.1 ^a	81.2 ^a	81.3	81.4	81.5	81.6	81.8
Life expectancy, male (years)	79.0	79.1	79.2 ^a	79.3 ^a	79.4 ^a	79.5	79.7	79.9	80.0	80.2
Life expectancy, female (years)	82.8	82.8	82.8 ^a	82.9 ^a	82.9 ^a	83.0	83.1	83.1	83.2	83.3
Infant mortality rate (per 1,000 live births)	4.3	4.3 ^b	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 ^a	37.1 ^a	35.4	36.2	36.2	39.5	41.7	43.7
Doctors (per 1,000 people)	2.8	2.8	2.8 ^a	3.0 ^a	3.0	3.0	3.1	3.1	3.2	3.2
Hospital beds (per 1,000 people)	2.6 ^b	2.6 ^b	2.6	2.6	2.6	2.6	2.5	2.5	2.5	2.5

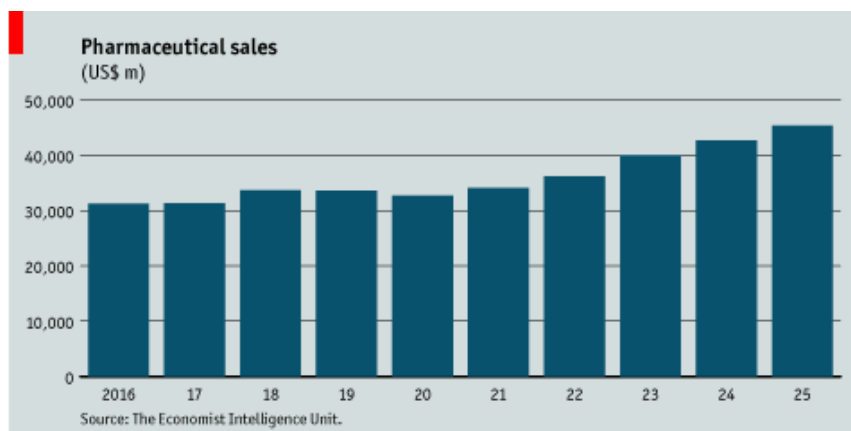
^a Actual. ^b Economist Intelligence Unit estimates. ^c Economist Intelligence Unit forecasts.

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

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

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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

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

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

November 12th 2020

- Mobile telephony accounts for a majority of telecommunications connections in the UK. The mobile penetration rate has fallen slightly in recent years, amid a largely saturated market. The Economist Intelligence Unit expects the rate to grow moderately in the early part of the forecast period (2021-25) before levelling off, rising from 119% in 2019 to 122% in 2025. The number of mobile subscriptions is forecast to increase at a compound annual growth rate (CAGR) of 0.9% 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 in 2021 to 45 per 100 by 2025, with the impact of the coronavirus likely to accelerate the upward trend. However, a pandemic-related economic slump (UK GDP fell by 19.8% in April-June 2020, the largest quarterly fall on record) could jeopardise public- and private-sector investment plans.
- A UK digital strategy was published in March 2017, covering areas such as connectivity, digital skills and cybersecurity. Alongside an aim (which will go unmet) to complete the roll-out of fourth-generation (4G) mobile services in 2020, it detailed higher public investment to support the development of fifth-generation (5G) technology, full-fibre broadband and artificial intelligence (AI). Plans for a new digital strategy focusing on digital skills were announced in late June 2020, although they have yet to be published. A National Data Strategy was published in September 2020, which aims to unlock the value of data across the economy and use data to improve public services.
- In March 2020 the government and Ofcom, the telecoms regulator, agreed a scheme with the UK's four main mobile network operators (MNOs) for a shared rural 4G network to remove most connectivity "not spots"—a term

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

used to describe the absence of 4G coverage—by 2025. The digital strategy aims for a majority of the population to have 5G mobile coverage by 2027.

- In July 2018 the then government set targets to achieve "full-fibre broadband coverage" for 15m premises by 2025 and national coverage by 2033. A pledge in July 2019 to achieve national coverage by 2025 has been diluted since the December 2019 general election, with the re-elected Conservative administration committing only to "accelerate the delivery of gigabit-capable broadband". A budget speech in March 2020 reaffirmed the UK's commitment to invest £5bn (US\$6.4bn) towards full-fibre roll-out.

Telecoms penetration

	2016 ^a	2017 ^a	2018 ^a	2019 ^b	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c
Telephone main lines (m)	32.6	32.1	31.9	31.4	30.7	30.2	29.8	29.5	29.4	29.3
Telephone main lines (per 100 people)	49.6	48.2	47.5	46.5	45.2	44.3	43.4	43.0	42.7	42.3
Mobile subscriptions (m)	78.9	79.1	79.5	80.3	80.9	82.5	83.5	84.0	84.5	84.7
Mobile subscriptions (per 100 people)	120.0	118.5	118.4	118.9	119.2	121.0	122.0	122.1	122.4	122.3

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

Sources: International Telecommunication Union; The Economist Intelligence Unit.

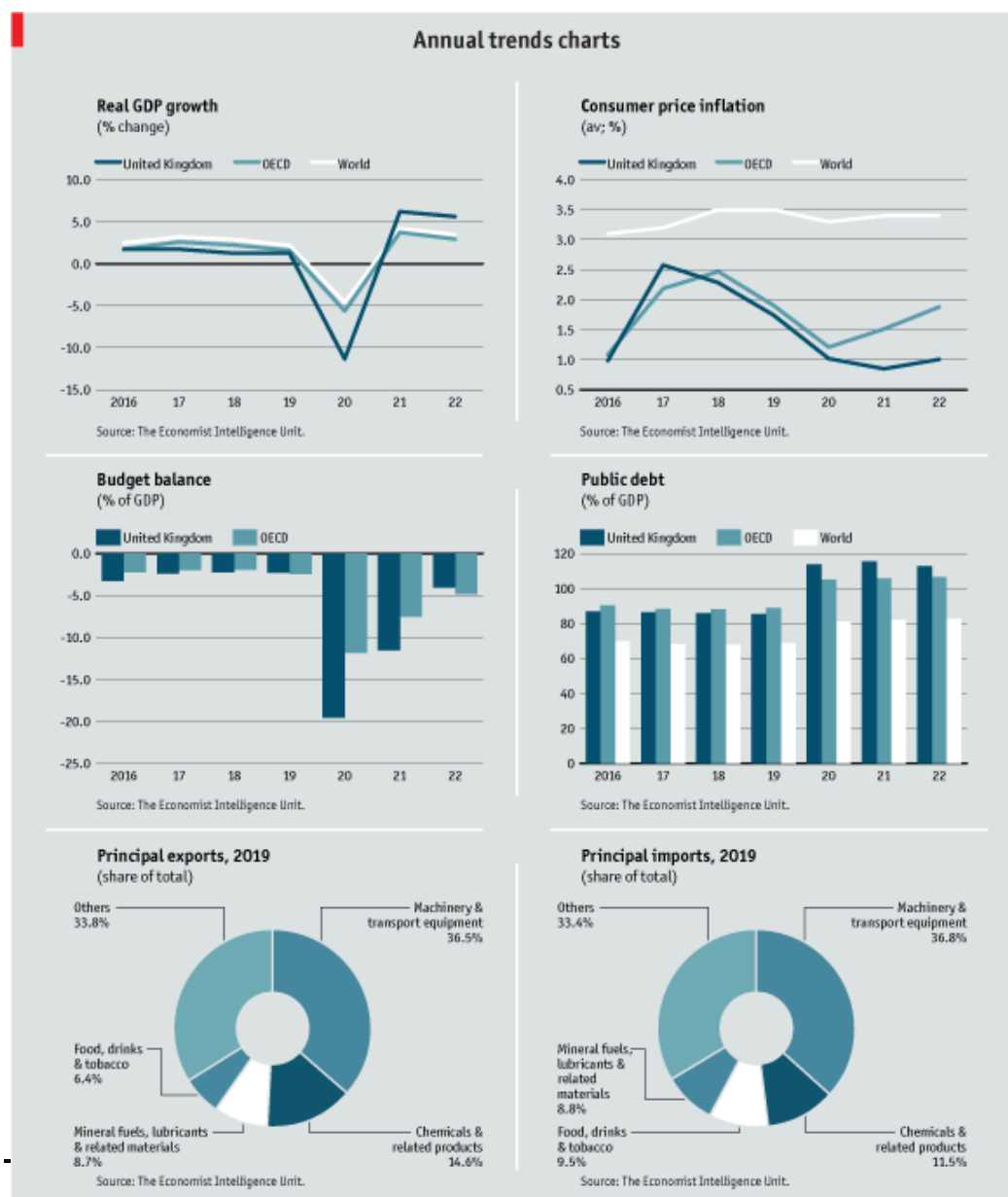
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Data and charts: Annual trends charts

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December 9th 2020

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Data and charts: Quarterly trends charts

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December 9th 2020

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Quarterly trends charts

Real GDP growth
(% change)

Source: The Economist Intelligence Unit.

Consumer price inflation
(av; %)

Source: The Economist Intelligence Unit.

Imports and domestic demand
(% change)

Source: The Economist Intelligence Unit.

Exports of goods and services
(% change)

Source: The Economist Intelligence Unit.

Interest rates
(av; %)

Source: The Economist Intelligence Unit.

Exchange rate
(US\$:£; av)

Source: The Economist Intelligence Unit.

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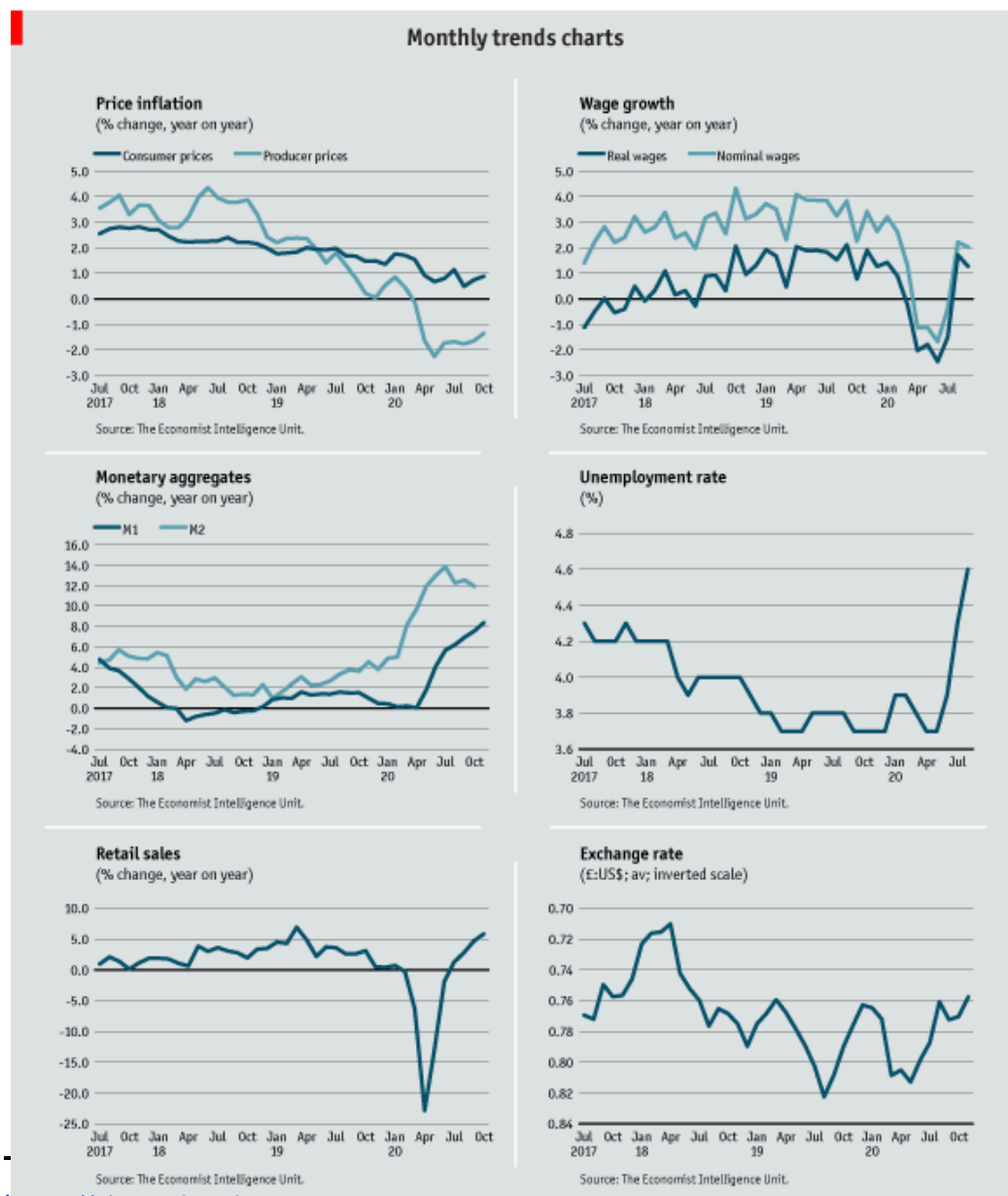
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Data and charts: Monthly trends charts

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December 9th 2020

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Data summary: Gross domestic product, current market prices

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December 9th 2020

Gross domestic product, at current market prices

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c
Expenditure on GDP (£ bn at current market prices)										
GDP	1,994.7	2,068.8	2,141.8	2,214.4	2,009.8	2,199.0	2,337.8	2,394.7	2,480.8	2,568.3
Private consumption	1,293.0	1,334.4	1,385.7	1,416.9	1,267.6	1,363.9	1,404.0	1,420.4	1,458.7	1,498.0
Government consumption	382.0	387.3	398.4	423.1	367.9	446.7	487.1	507.7	538.3	572.4
Gross fixed investment	353.2	372.3	381.2	399.5	331.6	378.5	454.3	491.4	521.3	553.0
Exports of goods & services	563.2	622.9	661.6	690.8	593.4	628.9	686.1	750.8	820.1	886.1
Imports of goods & services	599.4	652.8	687.1	721.3	550.7	623.0	695.6	777.5	859.5	943.2
Stockbuilding	2.7	4.6	1.9	6.0	2.0	2.0	2.0	2.0	2.0	2.0
Domestic demand	2,030.8	2,098.6	2,167.3	2,245.4	1,969.1	2,191.1	2,347.3	2,421.4	2,520.2	2,625.4
Expenditure on GDP (US\$ bn at current market prices)										
GDP	2,702.7	2,666.9	2,860.8	2,828.5	2,585.9	2,900.8	3,192.2	3,286.7	3,460.7	3,640.5
Private consumption	1,751.9	1,720.2	1,850.9	1,809.9	1,630.9	1,799.2	1,917.0	1,949.5	2,034.9	2,123.4
Government consumption	517.6	499.3	532.2	540.5	473.3	589.3	665.1	696.8	750.9	811.3

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Gross fixed investment	478.6	480.0	509.2	510.3	426.7	499.3	620.3	674.4	727.2	783.9
Exports of goods & services	763.2	803.0	883.7	882.4	763.5	829.6	936.9	1,030.4	1,144.0	1,256.0
Imports of goods & services	812.1	841.5	917.8	921.4	708.6	821.9	949.8	1,067.1	1,199.0	1,337.0
Stockbuilding	3.6	6.0	2.6	7.6	2.6	2.6	2.7	2.7	2.8	2.8
Domestic demand	2,751.6	2,705.5	2,894.9	2,868.2	2,533.5	2,890.4	3,205.2	3,323.4	3,515.7	3,721.5
Economic structure (% of GDP at current market prices)										
Household consumption	64.8	64.5	64.7	64.0	63.1	62.0	60.1	59.3	58.8	58.3
Government consumption	19.1	18.7	18.6	19.1	18.3	20.3	20.8	21.2	21.7	22.3
Gross fixed investment	17.7	18.0	17.8	18.0	16.5	17.2	19.4	20.5	21.0	21.5
Stockbuilding	0.1	0.2	0.1	0.3	0.1	0.1	0.1	0.1	0.1	0.1
Exports of goods & services	28.2	30.1	30.9	31.2	29.5	28.6	29.3	31.4	33.1	34.5
Imports of goods & services	30.0	31.6	32.1	32.6	27.4	28.3	29.8	32.5	34.6	36.7
Memorandum item										
National savings ratio (%)	12.4	14.5	14.2	14.0	15.1	14.2	16.4	17.3	17.8	18.2

^a Actual. ^b Economist Intelligence Unit estimates. ^c 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](#)

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Gross domestic product, at constant prices

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c
Real expenditure on GDP (£ bn at chained 2013 prices)										
GDP	2,079.1	2,115.3	2,141.8	2,168.8	1,922.9	2,042.3	2,157.2	2,184.1	2,222.1	2,251.1
Household consumption	1,350.8	1,366.1	1,385.6	1,397.7	1,207.1	1,305.9	1,383.1	1,396.5	1,427.0	1,453.7
Government consumption	393.0	395.9	398.4	414.8	381.6	421.6	434.3	443.0	451.8	460.9
Gross fixed investment	369.6	379.8	381.2	387.1	327.9	346.5	396.1	413.9	426.4	439.1
Exports of goods & services	609.2	642.1	661.6	680.0	590.9	620.1	669.4	721.4	779.2	833.4
Imports of goods & services	651.6	668.9	687.1	709.6	566.5	633.9	707.8	772.8	844.3	918.1
Stockbuilding (% of GDP)	8.8	13.5	-0.8	0.6	2.0	2.0	2.0	2.0	2.0	2.0
Domestic demand	2,123.5	2,157.2	2,167.2	2,199.0	1,919.3	2,075.9	2,215.8	2,255.5	2,307.4	2,355.9
Real expenditure on GDP (% change)										
GDP	1.7	1.7	1.3	1.3	-11.3	6.2	5.6	1.2	1.7	1.3
Household consumption	3.4	1.1	1.4	0.9	-13.6	8.2	5.9	1.0	2.2	1.9
Government consumption	1.0	0.7	0.6	4.1	-8.0	10.5	3.0	2.0	2.0	2.0
Gross fixed investment	4.4	2.8	0.4	1.5	-15.3	5.7	14.3	4.5	3.0	3.0

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Exports of goods & services	2.7	5.4	3.0	2.8	-13.1	5.0	8.0	7.8	8.0	6.9
Imports of goods & services	3.9	2.6	2.7	3.3	-20.2	11.9	11.7	9.2	9.3	8.7
Stockbuilding (% contribution to GDP growth)	-0.1	0.2	-0.7	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Domestic demand	3.0	1.6	0.5	1.5	-12.7	8.2	6.7	1.8	2.3	2.1
Real contribution to GDP growth (% points)										
Private consumption	2.2	0.7	0.9	0.6	-8.8	5.1	3.8	0.6	1.4	1.2
Government consumption	0.2	0.1	0.1	0.8	-1.5	2.1	0.6	0.4	0.4	0.4
Gross fixed investment	0.8	0.5	0.1	0.3	-2.7	1.0	2.4	0.8	0.6	0.6
External balance	-0.4	0.8	0.1	-0.2	2.5	-2.0	-1.2	-0.6	-0.6	-0.9
Memorandum items										
Industrial production (% change)	1.1	1.8	0.9	-1.2	-9.0	-0.4	4.5	2.0	1.2	1.2
Real personal disposable income (% change)	0.5	0.1	2.3	1.5	-7.3	4.0	4.9	0.6	1.8	1.9

^a Actual. ^b Economist Intelligence Unit estimates. ^c 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 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c
Origin of GDP (£ bn at chained 2010 prices)										
GDP at factor cost	1,852.6	1,884.9	1,910.2	1,937.2	1,717.5	1,824.2	1,926.8	1,950.8	1,984.8	2,010.7
Agriculture	11.8	12.6	12.2	12.9	12.2	12.3	12.5	12.6	12.7	12.7
Industry	373.9	385.7	388.2	387.3	364.0	362.2	376.7	384.2	388.8	393.5
Services	1,466.8	1,486.6	1,509.9	1,536.9	1,341.3	1,449.7	1,537.6	1,554.0	1,583.3	1,604.4
Origin of GDP (real % change)										
Agriculture	-6.0	6.3	-3.3	6.3	-6.0	1.0	2.0	0.5	0.5	0.5
Industry	2.0	3.1	0.6	-0.2	-6.0	-0.5	4.0	2.0	1.2	1.2
Services	1.6	1.4	1.6	1.8	-12.7	8.1	6.1	1.1	1.9	1.3
Origin of GDP (% of factor cost GDP)										
Agriculture	0.6	0.6	0.6	0.7	0.7	0.7	0.6	0.6	0.6	0.6
Industry	20.0	20.4	20.3	20.0	21.2	19.8	19.5	19.7	19.6	19.6

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Services	79.3	79.0	79.0	79.4	78.1	79.5	79.8	79.7	79.8	79.8
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Memorandum item

Industrial production (% change)	1.1	1.8	0.9	-1.2	-9.0	-0.4	4.5	2.0	1.2	1.2
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^a Actual. ^b Economist Intelligence Unit estimates. ^c 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 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
Growth and productivity (%)										
Labour productivity growth	0.3	0.7	0.1	0.2	-9.5	8.3	4.1	0.2	0.7	0.3
Total factor productivity growth	-0.2	0.1	-0.4	-0.3	-11.0	7.2	2.8	-1.3	-0.3	-0.3
Growth of capital stock	2.9	2.9	2.5	2.4	0.0	0.6	2.3	2.6	2.7	2.7
Growth of potential GDP	1.7	1.6	1.5	1.4	-11.2	7.2	3.8	-0.1	0.9	1.1
Growth of real GDP	1.7 ^c	1.7 ^c	1.3 ^c	1.3 ^c	-11.3	6.2	5.6	1.2	1.7	1.3
Growth of real GDP per head	1.1 ^c	0.3 ^c	0.6	0.7	-11.8	5.7	5.2	0.9	1.4	0.9

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

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

Data summary: Economic structure, income and market size

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Economic structure, income and market size

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c
Population, income and market size										
Population (m)	65.8	66.7	67.1 ^b	67.5 ^b	67.9	68.2	68.5	68.8	69.0	69.3
GDP (US\$ bn at market exchange rates)	2,703	2,667	2,861	2,829	2,586	2,901	3,192	3,287	3,461	3,641
GDP per head (US\$ at market exchange rates)	41,081	39,968	42,609 ^b	41,885 ^b	38,091	42,529	46,603	47,796	50,139	52,553
Private consumption (US\$ bn)	1,752	1,720	1,851	1,810	1,631	1,799	1,917	1,950	2,035	2,123
Private consumption per head (US\$)	26,628	25,780	27,567 ^b	26,801 ^b	24,025	26,379	27,987	28,350	29,482	30,652
GDP (US\$ bn at PPP)	2,896	3,033	3,117	3,255	2,900	3,129	3,362	3,468	3,599	3,693
GDP per head (US\$ at PPP)	44,025	45,452	46,426 ^b	48,193 ^b	42,718	45,879	49,075	50,432	52,143	53,316
Personal disposable income (£ bn)	1,348	1,376	1,441	1,483	1,423	1,472	1,501	1,512	1,548	1,590
Personal disposable income (US\$ bn)	1,826	1,774	1,925	1,894	1,831	1,942	2,049	2,075	2,159	2,253
Growth of real disposable income (%)	0.5	0.1	2.3	1.5 ^b	-7.3	4.0	4.9	0.6	1.8	1.9
Memorandum items										
Share of world population (%)	0.89	0.89	0.89 ^b	0.89 ^b	0.88	0.88	0.88	0.88	0.88	0.89
Share of world GDP (% at market exchange rates)	3.58	3.32	3.35	3.26	3.13	3.28	3.42	3.32	3.31	3.33

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Share of world GDP (% at PPP)	2.53	2.52	2.45	2.42	2.25	2.29	2.33	2.29	2.25	2.23
Share of world exports of goods (%)	2.57	2.50	2.47	2.58	2.41	2.41	2.59	2.77	2.98	3.18

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

Data summary: Fiscal indicators

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Fiscal indicators

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c
Fiscal indicators (% of GDP)										
Government expenditure	41.5	41.3	41.1	41.1	49.6	44.5	42.4	42.6	42.8	43.1
Interest ^d	2.4	2.7	2.4	2.1	2.0	1.6	1.2	1.3	1.5	1.6
Non-interest ^d	39.1	38.6	38.6	38.9	47.6	42.9	41.2	41.3	41.3	41.4
Government revenue ^d	38.3	38.8	38.8	38.8	30.0	33.0	38.4	40.0	40.1	40.3
Budget balance ^d	-3.3	-2.4	-2.2	-2.3	-19.6	-11.5	-4.1	-2.6	-2.8	-2.8
Primary balance ^d	-0.9	0.3	0.2	-0.2	-17.6	-9.9	-2.9	-1.3	-1.2	-1.1
Government debt ^e	86.8	86.3	85.8	85.4	113.6	115.4	112.6	112.4	111.1	110.0

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

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

Data summary: Monetary indicators

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Monetary indicators

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c
Monetary indicators										
Exchange rate US\$:£ (av)	1.35	1.29	1.34	1.28	1.29	1.32	1.37	1.37	1.40	1.42
Exchange rate €:£ (av)	1.22	1.14	1.13	1.14	1.13	1.13	1.19	1.16	1.15	1.15
Exchange rate US\$:€ (av)	1.11	1.13	1.18	1.12	1.14	1.17	1.15	1.19	1.21	1.23
Exchange rate €:£ (year-end)	1.17	1.13	1.12	1.15	1.13	1.17	1.18	1.14	1.15	1.15
Real effective exchange rate (av; 2005=100)	102.4	97.1	98.8	98.3	98.6	99.1	102.9	100.9	101.1	101.7
M4 money supply growth (%) ^d	6.2	4.8	2.3	3.8	11.7	8.4	6.0	1.0	2.1	3.6
Domestic credit growth (%)	4.2	5.4	3.2	4.9	3.9	8.6	6.2	1.1	2.2	3.8
Purchasing power parity US\$:£ (av)	1.45	1.47	1.46	1.47	1.44	1.42	1.44	1.45	1.45	1.44
3-month £-Libor rate (av; %)	0.5	0.4	0.7	0.8	0.4	0.5	0.7	0.8	1.0	1.0

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10-year government bond yield (av; %)	1.3	1.2	1.5	0.9	0.4	1.0	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	1.25
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

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

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Employment, wages and prices

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c
The labour market (av)										
Labour force (m)	33.4	33.5	33.8	34.1	34.0	33.9	33.9	34.1	34.2	34.5
Labour force (% change)	0.9	0.5	0.9	0.8	-0.3	-0.4	0.2	0.4	0.5	0.7
Employment (m)	31.7	32.1	32.4	32.8	32.1	31.5	32.0	32.3	32.6	33.0

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Employment (% change)	1.5	1.0	1.2	1.1	-2.0	-1.9	1.5	1.0	1.0	1.0
Unemployment (m)	1.6	1.5	1.4	1.3	1.9	2.3	1.9	1.7	1.6	1.5
Unemployment rate (%; EU/OECD standardised measure)	4.9	4.4	4.1	3.8	4.9	6.9	5.7	5.1	4.6	4.4
Wage and price inflation (% except labour costs per hour)										
GDP deflator	2.2	1.9	2.2	2.1	2.4	3.0	0.7	1.2	1.8	2.2
Consumer prices (av; CPIH measure)	1.0	2.6	2.3	1.7	1.0	0.8	1.0	1.2	1.5	1.8
Producer prices (av)	0.2	3.9	3.4	1.4	-1.1	2.2	0.9	1.2	1.5	1.8
GDP deflator (av)	2.2	1.9	2.2	2.1	2.4	3.0	0.7	1.2	1.8	2.2
Private consumption deflator (av)	1.4	2.0	2.4	1.4	3.6	-0.5	-2.8	0.2	0.5	0.8
Government consumption deflator (av)	0.9	0.7	2.2	2.0	-5.5	9.9	5.9	2.2	4.0	4.3
Fixed investment deflator (av)	2.2	2.6	2.0	3.2	-2.0	8.0	5.0	3.5	3.0	3.0
Average nominal wages (av)	2.4	2.3	3.0	3.4	-3.0	3.9	5.0	2.6	2.9	3.2
Average real wages (av)	1.4	-0.3	0.7	1.6	-4.0	3.0	4.0	1.4	1.4	1.4
Unit labour costs (£-based; av)	2.2	2.4	2.8	3.3	8.2	-3.6	1.9	3.4	3.2	3.9
Unit labour costs (US\$-based)	-9.4	-2.6	6.5	-1.2	9.0	-1.1	5.5	3.9	4.9	5.6
Labour costs per hour (£)	21.3 ^b	22.0 ^b	22.7 ^b	23.5 ^b	22.8	23.7	24.9	25.5	26.2	27.1
Labour costs per hour (US\$)	28.9 ^b	28.4 ^b	30.3 ^b	30.0 ^b	29.3	31.2	33.9	35.0	36.6	38.4

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

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

Data summary: Current account and terms of trade

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Current account and terms of trade

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c
Current account (US\$ bn)										
Current-account balance	-147.7	-100.5	-104.8	-121.6	-40.1	-90.1	-100.9	-107.8	-114.5	-124.3
Current-account balance (% of GDP)	-5.5	-3.8	-3.7	-4.3	-1.5	-3.1	-3.2	-3.3	-3.3	-3.4
Goods: exports fob	402.0	433.1	468.6	476.5	383.8	420.9	493.2	565.1	641.8	719.5
Goods: imports fob	-581.4	-607.5	-651.1	-643.8	-459.0	-537.6	-623.5	-716.4	-819.9	-923.2
Trade balance	-179.4	-174.5	-182.4	-167.4	-75.2	-116.7	-130.3	-151.3	-178.1	-203.7
Services: credit	358.7	369.5	414.1	405.4	381.2	414.3	455.2	481.3	524.6	566.2
Services: debit	-228.1	-233.6	-265.5	-276.9	-247.0	-272.8	-293.6	-316.2	-335.6	-355.1
Services balance	130.6	135.9	148.6	128.5	134.2	141.4	161.6	165.2	189.0	211.1
Primary income: credit	186.5	241.8	291.5	265.0	168.0	175.1	204.8	243.0	271.2	295.0
Primary income: debit	-253.3	-274.9	-328.5	-312.3	-234.8	-253.8	-297.2	-323.7	-353.6	-381.4
Primary income balance	-66.8	-33.1	-37.0	-47.3	-66.8	-78.7	-92.5	-80.8	-82.3	-86.4
Secondary income: credit	23.0	22.7	24.9	23.0	21.0	23.6	26.0	26.7	28.1	29.6
Secondary income: debit	-55.2	-51.7	-58.9	-58.2	-53.2	-59.7	-65.7	-67.6	-71.2	-74.9

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Secondary income balance	-32.2	-29.0	-34.0	-35.2	-32.2	-36.1	-39.7	-40.9	-43.1	-45.3
Terms of trade										
Export price index (US\$-based; 2010=100)	89.0	89.9	96.5	92.4	89.2	92.5	96.6	98.7	101.0	103.0
Export prices (% change)	-6.5	1.1	7.3	-4.3	-3.4	3.7	4.5	2.1	2.4	2.0
Import price index (US\$-based; 2010=100)	88.5	89.6	95.4	89.7	83.3	86.4	89.0	91.8	94.2	96.2
Import prices (% change)	-8.5	1.2	6.5	-6.0	-7.1	3.7	3.0	3.2	2.6	2.1
Terms of trade (2010=100)	100.5	100.4	101.1	102.9	107.0	107.0	108.6	107.5	107.2	107.1
Memorandum item										
Export market growth (%)	4.1	4.9	4.5	1.0 ^b	-7.2	6.7	5.3	4.6	3.9	3.6

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

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

Data summary: Foreign direct investment

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Foreign direct investment

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c
Foreign direct investment (US\$ bn)										
Inward direct investment	324.8	125.4	81.2	20.7	-8.5	56.3	87.4	110.4	103.6	120.8
Inward direct investment (% of GDP)	12.0	4.7	2.8	0.7	-0.3	1.9	2.7	3.4	3.0	3.3
Inward direct investment (% of gross fixed investment)	67.9	26.1	15.9	4.1	-2.0	11.3	14.1	16.4	14.2	15.4
Outward direct investment	-33.0	-172.0	-56.4	67.1	10.3	-28.7	-37.7	-42.2	-47.1	-52.0
Net foreign direct investment	291.8	-46.6	24.8	87.8	1.7	27.6	49.7	68.2	56.5	68.8
Stock of foreign direct investment	2,009.0	2,292.0	2,291.0	2,372.0	2,363.5	2,419.8	2,507.2	2,617.6	2,721.2	2,842.1
Stock of foreign direct investment per head (US\$)	30,537	34,349	34,122	35,125	34,815	35,477	36,602	38,065	39,425	41,026
Stock of foreign direct investment (% of GDP)	74.3	85.9	80.1	83.9	91.4	83.4	78.5	79.6	78.6	78.1
Memorandum items										
Share of world inward direct investment flows (%)	12.3	5.8	13.5	1.8	-0.7	4.7	7.0	8.4	7.6	8.6
Share of world inward direct investment stock (%)	7.1	7.6	7.2	6.9	7.1	7.0	6.9	6.9	6.9	6.9

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

Political structure

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

December 9th 2020

Official name

United Kingdom of Great Britain and Northern Ireland

Form of state

Parliamentary monarchy

Legal system

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

National legislature

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

Electoral system

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

Universal direct suffrage from the age of 18

National elections

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

Head of state

Queen Elizabeth II, who acceded to the throne in 1952

National government

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

Main political parties

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

Prime minister: Boris Johnson

Attorney general: Suella Braverman

Chancellor of the exchequer: Rishi Sunak

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Chief secretary to the Treasury: Stephen Barclay

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

Leader of the House of Commons: Jacob Rees-Mogg

Minister for the Cabinet Office: Michael Gove

Party chair & minister without portfolio: Amanda Milling

Parliamentary secretary to the Treasury & chief whip: Mark Spencer

Secretaries of state

Business, energy & industrial strategy: Alok Sharma

Defence: Ben Wallace

Digital, culture, media & sport: Oliver Dowden

Education: Gavin Williamson

Environment, food & rural affairs: George Eustice

Foreign & Commonwealth affairs: Dominic Raab

Health & social care: Matt Hancock

Home Office: Priti Patel

Housing, communities & local government: Robert Jenrick

International development: Anne-Marie Trevelyan

International trade: Liz Truss

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

Justice & Lord Chancellor: Robert Buckland

Northern Ireland: Brandon Lewis

Scotland: Alister Jack

Transport: Grant Shapps

Wales: Simon Hart

Work & pensions: Therese Coffey

Central bank governor

Andrew Bailey

Basic data

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

December 9th 2020

Land area

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

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Population

66m (official mid-year estimate, 2017)

Main towns

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

Greater London (capital): 8,825

Birmingham: 1,137

Leeds: 785

Glasgow: 621

Sheffield: 578

Climate

Temperate

Weather in London (altitude 5 metres)

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

Language

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

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

Measures

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

Currency

Pound (or pound sterling) = 100 pence

Time

GMT (summer time, 1 hour ahead)

Fiscal year

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

Public holidays

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

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

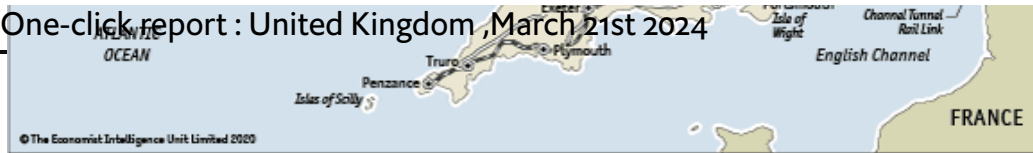
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