



One-click report : United Kingdom

March 18th 2021

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Briefing sheet

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Political and economic outlook

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 We expect some fiscal consolidation as support is withdrawn, but the government will maintain a higher level of public spending than before.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

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- The new trade agreement between the UK and EU leaves many aspects of the relationship unsettled, and ongoing tensions over Northern Ireland have led to legal action by the EU against the UK. We expect the relationship to remain tense.
- The UK is now one of eight European countries whose debt/GDP ratio exceeds 100%. The UK's ability to borrow in its own currency, its long average debt maturity and support from the Bank of England (BoE, the central bank) mean that borrowing costs will be manageable.
- The UK will host the G7 summit and UN Climate Change Conference (COP26) in 2021 and will use these platforms to elaborate a post-Brexit foreign policy.

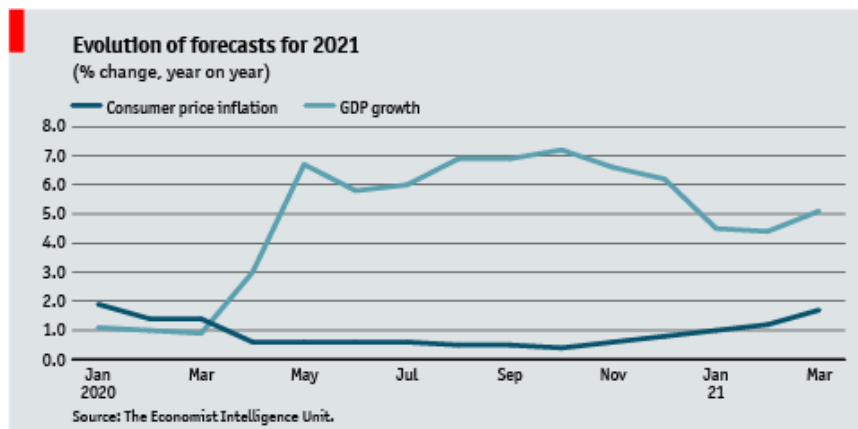
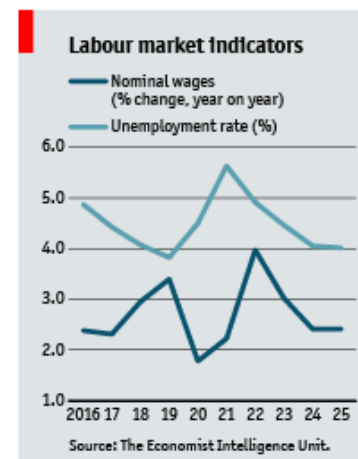
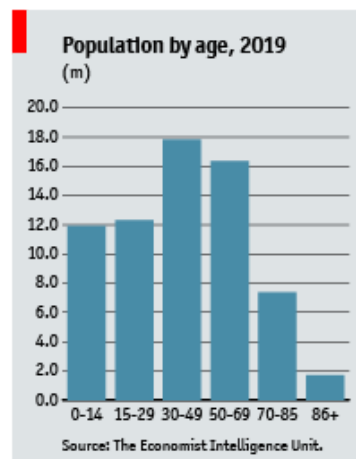
Key indicators

	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
Real GDP growth (%)	-9.9 ^c	5.1	5.5	1.7	1.5	1.5
Consumer price inflation (av; %)	1.0	1.7	1.9	1.5	1.4	1.4
Government balance (% of GDP)	-13.6	-12.6	-6.2	-4.4	-2.7	-2.1
Current-account balance (% of GDP)	-2.6	-3.9	-3.5	-3.6	-3.5	-3.9
Money market rate (av; %)	0.3	0.3	0.7	0.8	1.0	1.0
Unemployment rate (%)	4.5 ^c	5.6	4.9	4.5	4.1	4.0
Exchange rate £:US\$ (av)	0.78	0.71	0.71	0.71	0.70	0.69

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

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Market opportunities



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Key changes since February 16th

- On March 3rd Rishi Sunak, the chancellor of the exchequer, delivered the budget for the 2021/22 (April-March) fiscal year. The budget extends coronavirus relief programmes into September. As a consequence, we have revised down our estimates for unemployment.
- The budget also contains a 130% tax deduction for investment until 2023, causing us to revise up our estimates for investment in those years.
- The budget also includes significant tax increases from 2023 onwards, and attempts only to stabilise the debt/GDP ratio, rather than reduce it. As a result, we now forecast debt to stabilise at roughly 109% of GDP in 2022-25.
- The EU has begun legal action following a decision by the UK to unilaterally extend grace periods in the Northern Ireland protocol waiving certification requirements. We expect this will keep tensions elevated between the UK and EU, negatively affecting trade.

The month ahead

- March 24th—Inflation (February): Inflation has increased in year-on-year terms over the last three months. We expect it to continue to rise given continued supply bottlenecks, due to the pandemic and Brexit, as well as increasing demand expectation, although this will be moderated by sterling appreciation.
- End-March—deadline for financial services deal: The UK and EU agreed to continue to negotiate for a deal around access for UK financial services to the EU market to conclude in March. We expect there may be some minor agreements around regulatory equivalence, but not major changes in access to the EU market for UK firms.
- April 12th—Non-essential retail reopens: The next phase of lockdown easing will see all non-essential retail reopen, along with outdoor hospitality. This phase is likely to unlock the most economic activity across the four phases of

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reopening, leading to a large increase in GDP in April and May.

Major risks to our forecast

Scenarios, Q1 2021	Probability	Impact	Intensity
Strains on corporate balance sheets from the pandemic and Brexit lead to a wave of business failures	High	High	16
The new UK-EU relationship fails to resolve legal uncertainty created by Brexit	Very high	Moderate	15
An SNP majority in the Scottish Parliament elections forces a second Scottish independence referendum	Moderate	Very high	15
Coronavirus forces the government to backtrack on infrastructure investment	High	Moderate	12
Higher taxes are needed to counter deterioration in public finances	High	Moderate	12

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)	-9.9 ^c	5.1	5.5	1.7	1.5	1.5
Industrial production (% change)	-8.5 ^c	2.1	7.5	1.5	1.4	1.4
Unemployment rate (av; EU/OECD harmonised measure)	4.5 ^c	5.6	4.9	4.5	4.1	4.0
Consumer price inflation (av; CPIH measure)	1.0	1.7	1.9	1.5	1.4	1.4
3-month £-LIBOR rate (av)	0.3	0.3	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	1.50
Government budget balance (% of GDP) ^d	-13.6	-12.6	-6.2	-4.4	-2.7	-2.1
Exports of goods fob (US\$ bn)	399.8	470.5	517.7	514.1	523.0	553.0
Imports of goods fob (US\$ bn)	-548.9	-681.8	-739.7	-765.5	-817.1	-882.5
Current-account balance (US\$ bn)	-71.6	-124.5	-121.0	-126.6	-126.9	-146.9
Current-account balance (% of GDP)	-2.6	-3.9	-3.5	-3.6	-3.5	-3.9
Exchange rate US\$:£ (av)	1.28	1.41	1.42	1.42	1.44	1.46
Exchange rate ¥:£ (av)	137.1	147.1	147.3	150.5	156.1	157.0

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Exchange rate €:£ (av)	1.12	1.17	1.19	1.23	1.23	1.20
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^a Economist Intelligence Unit estimates. ^b Economist Intelligence Unit forecasts. ^c Actual. ^d General government.

Political stability

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At the general election on December 12th 2019, the Conservative Party, under the prime minister, Boris Johnson, won an 81-seat majority. On January 31st 2020 Mr Johnson fulfilled his campaign promise to take the UK out of the EU, ending 47 years of EU membership. On January 1st 2021 the UK left the EU's single market and customs union after negotiating a free-trade agreement. The government is currently managing the implementation of a new trading relationship with the EU while addressing the fallout from the coronavirus (Covid-19) pandemic. Despite the challenges posed by these two issues, The Economist Intelligence Unit expects the government to last a full term.

The spread of the coronavirus in early 2020 put the government on a crisis-management footing. In March 2020 it instructed all residents to stay at home and to go out only for a limited number of essential reasons. After a relaxation of restrictions in the summer, the government implemented two more lockdowns in England—in November, and again in January. Devolved administrations in Scotland, Wales and Northern Ireland have enacted similar restrictions during these periods. The spread of a new, significantly more contagious variant of the virus since September 2020 led the government to impose the most severe restrictions since the initial lockdown in March 2020, with schools and non-essential businesses being closed. The government is undertaking a mass vaccination programme; more than 37% of the population had received at least one dose of vaccine by March 15th. On February 22nd, the government

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released a road map out of lockdown, with phased reopening in five-week intervals: retail reopening on April 12th, most hospitality on May 17th and all remaining restrictions lifted on June 21st.

Brexit and the pandemic have increased the medium-term risk to the integrity of the UK. Nicola Sturgeon, the leader of the Scottish National Party (SNP), has argued that Brexit represents a material change in the relationship between Scotland and the rest of the UK since the referendum on Scottish independence in 2014, in which a majority favoured the continuation of the union. Support for Scottish independence was consistently above 50% in polls conducted in the first year of the pandemic, as Scottish voters viewed their devolved government's response as more effective than that of the UK government. Ms Sturgeon has pledged that she will hold a referendum on Scottish independence if the SNP wins an absolute majority in this year's Scottish Parliament elections whether or not it is sanctioned by the UK government. Even if the UK government grants a second referendum, it would take several years to organise, while the leadership of the SNP is currently embroiled in a sexual harassment scandal which has coincided with a decline in support for Scottish independence. As a result, we believe that there are significant obstacles to Scotland becoming independent and do not expect it to happen during our forecast period.

Brexit has inflamed tensions in Northern Ireland. The UK and the EU agreed to a separate protocol for Northern Ireland to avoid border checks with the Republic of Ireland. Under this agreement, Northern Ireland is remaining within a regulatory union with the EU for most goods. Although it will stay in the UK customs and value-added tax (VAT) areas, customs and VAT checks are to be conducted by the UK on the EU's behalf at ports in the Irish Sea for goods bound for the EU. This requires the construction and implementation of checkpoints and border infrastructure between Northern Ireland and the rest of the UK for all goods deemed by a UK-EU joint committee to be "at risk" of passing into the EU. This arrangement has been difficult to implement, and is disliked by unionist Northern Irish members of parliament as well as many Conservatives, for creating a border between Northern Ireland and the rest of the UK. This arrangement has led to significant ongoing tensions with the EU.

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Election watch

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We expect the government to last a full term. Under the Fixed-term Parliaments Act (FTPA), the next general election is scheduled for May 2nd 2024. The government has introduced a bill to repeal the FTPA. However, even if this is passed, a general election must be called within five years of the preceding one; they are usually held in May, to coincide with local elections.

After its defeat in the 2019 election, when it won its lowest seat total since 1935, the opposition Labour Party replaced its leader, Jeremy Corbyn, with Keir Starmer, the former shadow Brexit secretary. Mr Starmer is more moderate than Mr Corbyn, but has maintained the latter's anti-austerity position. For Labour to win a majority, it would need to gain more than 120 seats—a feat that has occurred only once since the second world war. However, for the Conservatives to lose their majority and enter a hung parliament, they would have to lose only 41 seats—a swing that has occurred in ten of the 20 post-war elections.

International relations

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The EU-UK Trade and Co-operation Agreement (TCA) was reached on December 24th 2020. The TCA is a free-trade agreement that succeeds the UK's membership of the EU single market and customs union, following its exit from

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EU institutions on January 1st 2021. The TCA provides for zero-tariff, zero-quota trade between the UK and EU, at least in the first instance. However, by leaving the single market and customs union, it creates a variety of non-tariff trade barriers in the forms of border checks and product certifications. It also provides a mechanism whereby if the divergence in regulations on labour, the environment or state aid becomes sufficiently great, the other side can implement retaliatory tariffs to compensate, subject to a period of arbitration. As a result, the regulatory and tariff regimes may drift apart over time.

Controversies over implementing the Northern Ireland protocol have led to ongoing tensions between the UK and EU. In January 2021, the EU made a widely criticised proposal to block exports of EU-manufactured vaccines to other jurisdictions, suggesting the protocol would be suspended to implement this export ban. Although this was quickly withdrawn, it has led to heightened tensions. More recently, the UK government has unilaterally extended until October grace periods on checks between Northern Ireland and the rest of the UK that were originally scheduled to expire in April. This has prompted legal action by the EU, accusing the UK of breaching its treaty commitments. Despite these tensions, we expect the Northern Ireland protocol will remain in place and eventually be fully implemented, given the commitments by both sides to not recreate a hard customs border between Northern Ireland and the Republic of Ireland. However, tensions in this area will limit progress in implementation of the TCA and facilitation of UK-EU relations more broadly.

The UK government has stated its intention to be outward looking, pursuing a "Global Britain" strategy and has unveiled an updated defence and security policy in March 2021 outlining a strategy of greater engagement in Asia, in addition to continued engagement in the Atlantic. The UK holds the presidency of the G7 group of nations in 2021 and will host the UN Climate Change Conference (COP26) in Glasgow in November. It intends to use these platforms to take an enhanced role in global climate change policy. On trade, the UK has achieved continuity agreements with most countries that had agreements with the EU, is seeking an agreement with the US and has

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applied to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a trade bloc of 11 Pacific nations.

Policy trends

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Even before the pandemic, the UK faced significant economic policy challenges, including low public investment, wide regional disparities, high housing costs and chronically low productivity growth. However, the scale of the disruption caused by the virus is likely to dominate the government's policy agenda well into 2021. We do not expect UK GDP to return to its pre-crisis level before 2023.

Since becoming the Conservative Party leader and prime minister, Mr Johnson has advocated greater public-sector investment, including in infrastructure, and additional current spending on the National Health Service, education and the police. The government has also reformed the UK's immigration system to emphasise skilled labour. Long-term social care is an area of health spending that Mr Johnson's manifesto pledged to address, alongside significant investment in green and renewable energy as part of a green recovery plan, although details for both remain vague. The government is also attempting to encourage public and private investment to address the UK's chronic low productivity, most prominently in a two-year tax "super-deduction" allowing companies to write off tax up to 130% the value of their capital investment from 2021-23, as well as expanding the scope of public borrowing for investment from 2% of GDP to 3%.

Fiscal policy

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At the outbreak of the pandemic, the government enforced nationwide shutdowns and developed a series of financial support packages to aid workers and businesses affected by the coronavirus. These included government-backed loans; several business tax deferments and holidays; targeted aid to the worst-affected sectors, such as travel and retail; and wage support schemes for salaried and self-employed workers. In the government's March 2021 budget, the government committed to extending most pandemic support measures into the autumn of 2021, only completely phasing them out by March 2022. We expect this will lead to a fiscal deficit of 12.7% of GDP in 2021, with the debt/GDP ratio peaking at 110% this year.

The government's most recent budget has committed to greater fiscal consolidation with a planned increase in corporation tax from 19% to 25% in 2023. However, this budget assumes highly ambitious increases in productivity growth and minimal increases in health, education and welfare spending from pre-pandemic levels after 2022, which are likely to be resisted within the Conservative Party, particularly given the government's campaign promises of greater spending and investment. As a result, we expect that further tax increases are likely between now and the end of the forecast period, with debt declining to only 109% of GDP, and stabilising at that level in 2022-25.

Monetary policy

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On March 19th 2020 the Bank of England (BoE, the central bank) cut its main rate to 0.1%—its lowest ever level. It also resumed its quantitative easing programme, committing to £450bn (US\$620bn) in new bond-buying since the pandemic began, reaching a total of £895bn. The initial intervention in March took place in co-ordination with the Treasury to facilitate smooth functioning of government and private debt markets. The programme has been expanded twice, most recently by £150bn on November 5th. From April until the end of 2020, the BoE allowed the government access to its overdraft account, the so-called Ways and Means facility, to directly finance day-to-day costs, although this facility was not tapped.

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

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Global forecast data

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	2020	2021	2022	2023	2024	2025
Economic growth (%)						
US GDP	-3.5	4.3	3.0	2.0	1.8	1.9
OECD GDP	-5.0	3.8	3.5	2.1	2.0	1.9
EU27 GDP	-6.7	4.2	3.9	2.4	2.0	1.9
World GDP	-4.0	4.5	3.7	3.0	2.8	2.7
World trade	-9.6	6.7	6.5	5.2	4.6	3.8
Inflation indicators (% unless otherwise indicated)						
US CPI	1.2	1.6	1.8	2.2	1.9	2.0
OECD CPI	1.2	1.6	1.9	2.1	2.0	2.1
EU27 CPI	0.6	1.0	1.5	1.7	1.7	1.7
Manufactures (measured in US\$)	-1.3	6.3	1.7	2.2	1.8	1.5
Oil (Brent; US\$/b)	42.3	57.0	59.0	58.0	55.0	52.0
Non-oil commodities (measured in US\$)	2.9	16.9	0.1	-6.8	0.8	1.6
Financial variables						
US\$ 3-month commercial paper rate (av; %)	0.6	0.2	0.2	0.2	0.6	1.0
€ 3-month interbank rate (av; %)	-0.4	-0.5	-0.5	-0.4	-0.4	-0.4
US\$:£ (av)	1.28	1.41	1.42	1.42	1.44	1.46

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US\$:€ (av)	1.14	1.21	1.19	1.15	1.17	1.22
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Economic growth

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The impact of the coronavirus: global and regional assumptions

The Economist Intelligence Unit estimates that global output contracted by 4% in 2020 (an upgrade from a contraction of 4.3% in our previous forecasting round). In 2021 we expect global GDP to rebound by 4.5%, with growth in OECD countries reaching record-high levels. This sharp rebound will boost global GDP back to its pre-coronavirus level in late 2021. However, the pace of recovery will vary greatly across regions. Asia and North America will recover first, with real GDP back to pre-coronavirus levels as early as this year. The recovery will take longer in Europe and the Middle East and Africa region, stretching into 2022. Latin America will be a laggard, with real GDP returning to pre-coronavirus levels only in 2023.

The start of the rollout of several coronavirus vaccines in most developed economies has not altered our economic forecasts. In the coming months the vaccines will not be available in quantities large enough to be game-changing. Logistics and shipping will also be difficult. We therefore maintain our view that in most developed economies vaccines will not be widely distributed before late 2021 or early 2022. Access to the vaccine will be difficult initially as developed countries race to acquire sufficient quantities and poorer countries struggle to secure funding. The rollout in middle-income and emerging countries will take longer; we do not expect it to take place on a wide scale before at least end-2022. The picture appears even bleaker for low-income countries; we do not expect most of these states to

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have wide access to a vaccine before 2023, if at all. The slow pace of vaccine distribution creates significant risks for the global economy. This will hold back the global recovery and foster the emergence of new variants of the virus, which may prove resistant to current vaccines.

Europe was badly hit by the pandemic-induced economic downturn in 2020, with Spain and the UK suffering the largest recessions. Among the developed European economies, only Ireland is likely to have escaped a contraction, owing to its large multinational and pharmaceutical sectors. Year-on-year growth rates in 2021 will be misleading, as the economies that were worst hit in spring 2020 (such as France) will grow the fastest, even as economic activity remains subdued, mainly because of base effects. We expect a more sustained pick-up among businesses and consumers in the second half of 2021, with EU real GDP returning to its 2019 level in 2022. This is a slower trajectory than we expect in the US, reflecting the EU's greater dependence on global export demand and a slower structural adjustment following the crisis. The second wave of the pandemic, during which cold winter temperatures and new variants have increased transmission rates, has been significantly worse than the first. In late 2020 many countries reimposed lockdowns and other restrictions such as curfews to prevent health services from being overwhelmed, and these remain in place across most major economies in western Europe in early 2021. Vaccination programmes are being rolled out, but there is a substantial variation in pace between countries, with the UK having administered at least one dose of a vaccine to 22% of the adult population by February 15th, while the EU average stood at around 4%.

The political and geopolitical effects of the crisis will be significant. The pandemic has resulted in an extraordinary expansion of executive powers, often with limited parliamentary oversight, and an unprecedented withdrawal of civil liberties. 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, and 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

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fraying, and we expect social unrest to rise in 2021. Failure to address the social crisis triggered by the coronavirus could further erode trust in national institutions. The crisis may encourage support for the nation state, and a backlash against globalisation and open borders. It will also intensify the competition for global leadership between China and the US, and a realignment of geopolitical spheres of influence may ensue in Europe, Africa and other regions.

Economic growth

The coronavirus pandemic and ensuing public health measures caused a severe economic contraction in 2020, with real GDP shrinking by 9.9%. The current lockdown is likely to result in a contraction in growth in the first quarter of 2021. A significant bounce-back is likely from the second quarter as restrictions are lifted, and government incentives for increased investment kick in, and we forecast growth of 5.1% in 2021 as a whole. We forecast further catch-up growth of 5.5% in 2022, which will probably be the first full year without social distancing restrictions. However, most of this headline growth will stem from favourable year-on-year comparisons with the 2020-21 lockdowns, rather than robust economic activity. We expect the level of real GDP to exceed its 2019 peak only in 2023. From 2023, we expect growth to slow as taxes rise and catch-up growth abates, averaging 1.6% per year.

After reaching a low of 3.8% in 2019, unemployment rose in 2020 as the pandemic led to business failures and lay-offs. The spike in unemployment was modest, however, at an estimated average rate of 4.6% in 2020, owing to the government's furlough scheme. We expect the rate to average 5.6% in 2021 as the scheme is withdrawn. Employment will rise gradually and unemployment will begin to fall from 2022, reaching 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 a significant bounce-back in investment growth in 2021 and 2022, driven in part by the

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government's investment tax super-deduction, as well as by a more stable post-pandemic and post-Brexit investment environment. Investment growth should stabilise from 2023 until the end of the forecast period.

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

Economic growth

%	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
GDP	-9.9	5.1	5.5	1.7	1.5	1.5
Private consumption	-11.0	4.2	5.9	1.6	1.1	1.7
Government consumption	-5.7	11.0	3.1	1.2	1.8	1.3
Gross fixed investment	-8.7	7.0	10.5	4.6	3.2	3.2
Exports of goods & services	-16.7	6.2	5.9	2.0	2.9	2.6
Imports of goods & services	-18.1	12.8	7.8	2.6	3.0	3.7
Domestic demand	-10.6	7.2	6.0	1.9	1.6	1.9
Agriculture	-9.4	-5.0	5.0	1.0	1.0	1.0
Industry	-9.8	2.0	7.0	1.5	1.4	1.4
Services	-8.9	6.0	5.1	1.8	1.6	1.6

^a Actual. ^b Economist Intelligence Unit forecasts.

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Inflation

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Inflation declined sharply in 2020 as a result of depressed demand owing to the coronavirus pandemic, and we estimate average inflation of 1% in full-year 2020. We expect price pressures to pick up modestly as demand and asset prices rebound, reaching 1.7% and 1.9% in 2021 and 2022 respectively. From 2023, we expect inflation to decline to a more modest level as pent-up demand is exhausted, stabilising at 1.4% by 2025.

Exchange rates

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The value of sterling has been volatile in recent years owing to the UK's large current-account deficit, which requires massive international capital investment to support the currency. Since 2016 this has manifested itself in increased volatility around political events, as investors saw the UK's relationship with the EU as a proxy for its investment prospects. Sterling depreciated sharply against the US dollar in March, to a 35-year low of US\$1.15:£1, when investors engaged in a flight to safety as firms faced a dollar liquidity shortage. The establishment of swap lines between the Federal Reserve (the US central bank) and other central banks, including the BoE, reversed this trend, and sterling recovered to US\$1.34:£1 by the end of 2020, in part owing to the weakness of the dollar. We expect modest

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

strengthening against the dollar in 2021 as Brexit uncertainty dissipates and investment flows stabilise, with sterling reaching an average of US\$1.46:£1 by 2025.

External sector

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

March 16th 2021

The coronavirus outbreak caused a sharp fall in global trade as demand declined, travel was disrupted and global supply chains were compromised by national lockdowns. The UK was not exempt from this, with both imports and exports declining sharply in 2020. This caused the UK's current-account deficit to shrink from 3.1% of GDP in 2019 to an estimated 2.1% of GDP in 2020. From 2021 we expect trade to rebound, although this will primarily be the result of a recovery from the 2020 base year, and we expect Brexit to weigh on exports (as well as imports, but to a lesser extent). Trade will continue to grow thereafter, and we expect the current-account deficit to widen gradually again during the forecast period, averaging 3.7% of GDP in 2021-25.

Country forecast overview: Business environment rankings

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

March 16th 2021

Value of index ^a		Global rank ^b		Regional rank ^c	
2016-20	2021-25	2016-20	2021-25	2016-20	2021-25
7.66	7.85	17	17	11	10

^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 historical period (2016-20). The UK rises by one place in the regional rankings but remains stable in the global rankings. Brexit introduces policy uncertainty, but the country’s strengths—including a pro-business policy stance, a welcoming attitude to foreign investment, and flexible labour and product markets—will continue.

Business environment at a glance

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

March 16th 2021

Policy towards private enterprise and competition

2021-22: Extraordinary public support for businesses affected by coronavirus; 130% "super-deduction" on capital investment.

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

Policy towards foreign investment

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

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

Foreign trade and exchange controls

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

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

Taxes

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

2023-25: Corporation tax increase to 25%. Likely equalisation of self-employed and regular income taxes. Further increases likely to stabilise public finances.

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 as furlough scheme expires. Pandemic-caused departure of up to 1m expatriates.

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

Infrastructure

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

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

Technological readiness

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

2023-25: Modest rise in public R&D spending. Development of state "blue skies" fund.

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

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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.

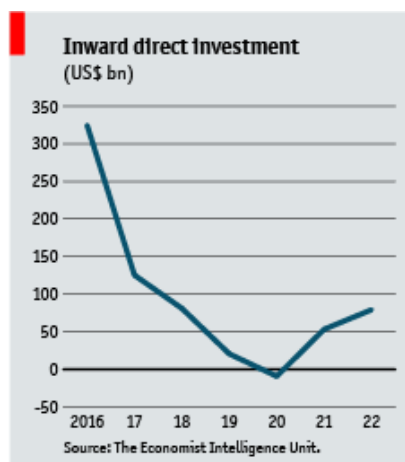
One-click report : United Kingdom ,March 21st 2024

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](#)

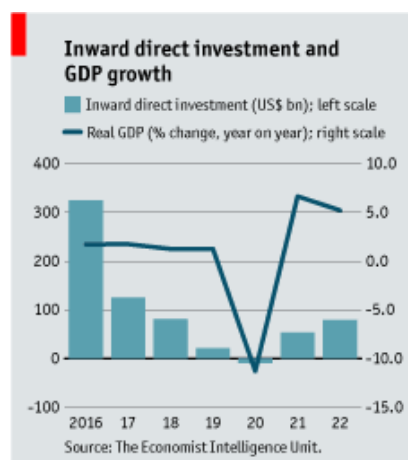
December 1st 2020



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

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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.

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- 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

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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](#)

January 15th 2021

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

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

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

Income and demographics

	2016 ^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	2,585.9	2,900.8	3,192.2	3,286.7	3,460.7	3,640.5
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	42,718	45,879	49,075	50,432	52,143	53,316
Private consumption per head (US\$)	26,628 ^c	25,780 ^c	27,567	26,801	24,025	26,379	27,987	28,350	29,482	30,652
No. of households ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$5,000 ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$10,000 ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282

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

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

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

Source: The Economist Intelligence Unit.

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

Consumer goods

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

February 15th 2021

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

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

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

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

Income and demographics

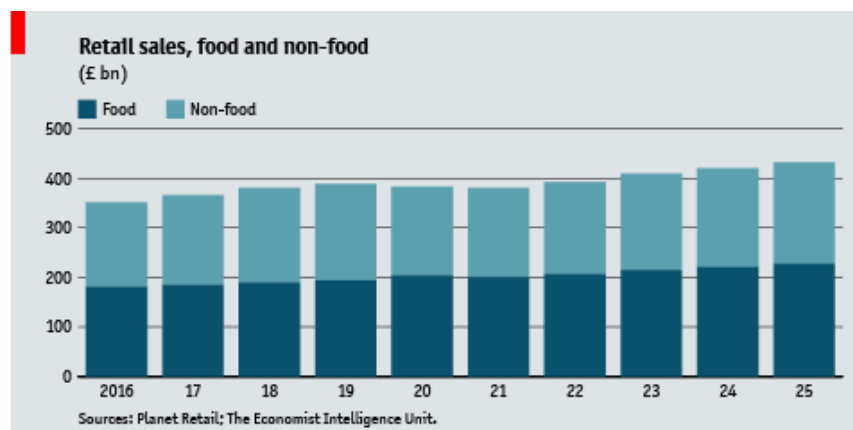
	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
Nominal GDP (US\$ bn)	2,702.7 ^c	2,666.9 ^c	2,860.8 ^c	2,828.5 ^c	2,585.9	2,900.8	3,192.2	3,286.7	3,460.7	3,640.5
Population (m)	65.8 ^c	66.7 ^c	67.1	67.5	67.9	68.2	68.5	68.8	69.0	69.3
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No. of households with annual earnings above US\$50,000 ('000)	16,260	15,629	17,237	16,913	16,220	17,385	18,393	18,627	19,331	20,054
No. of households with net wealth over US\$1m ('000)	820	986	855	1,020	1,252	1,362	1,621	1,682	1,778	1,877

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

Source: The Economist Intelligence Unit.



Energy

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

March 5th 2021

- 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 156m tonnes of oil equivalent (toe), consumption was down by about 9% compared with 2019 and 24% compared with a decade earlier. Together, natural gas and oil account for just over 75% of the energy mix. The Economist Intelligence Unit expects total consumption to rebound to some degree in 2021, but to resume a gradual decline beyond 2023.
- Oil consumption will fall by an annual average of 2% between 2021 and 2030, while natural gas consumption will rise by an annual average of 1.1%. 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 annual coal consumption to fall by an average of 18.8% over the forecast period.
- The post-Brexit UK-EU trade deal was only finalised in December 2020, and its implications are still being understood. In addition, the UK and the EU have not yet reached an agreement on all aspects of their future energy relationship. As a result, uncertainty persists over many elements of energy policy, and further changes could be introduced over the coming years. In early 2021 the UK left the EU's internal energy market (IEM), but increasing interconnection with continental Europe and the structure of the electricity market in Northern Ireland mean that co-operation with the IEM is still required. The UK also left the emissions trading system (ETS) and the European

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

Atomic Energy Community (Euratom). While the UK adjusts to life outside the EU, efforts are under way to cut emissions over the forecast period as the country attempts to reach net zero emissions by 2050.

Energy: key indicators

	2019 ^a	2020 ^b	2021 ^c	2022 ^c	2023 ^c	2024 ^c	2025 ^c	2030 ^c
GDP (US\$ bn at market exchange rates)	2,834	2,713	2,900	3,065	3,643	3,810	4,008	4,784
Real GDP (% change, year on year)	1.4	-9.9	4.4	4.9	1.7	1.6	1.4	1.7
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	155,484	160,946	159,809	160,218	158,558	157,761	153,299
Gross domestic energy consumption (% change, year on year)	-2.2	-9.3	3.5	-0.7	0.3	-1.0	-0.5	-1.0

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

Note. Forecasts for all dates 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](#)

January 8th 2021

Overview

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

- The UK has one of the world's best developed financial industries, but it faces two major challenges in the coming years: coping with the novel coronavirus (Covid-19) and managing the country's departure from the EU. The first has delivered a sharp, but hopefully short, shock to the sector. By contrast, the second is likely to require a long-term shift in trading relationships and may contribute to an ongoing shrinkage of the industry.
- London is currently one of the two leading global financial centres (along with New York) and has the largest share of many international markets. The UK financial sector—banking, insurance, fund management, securities and alternative investment—plays a significant role in the economy. In 2019 it accounted for 5.7% of GDP, down from 7.7% ten years earlier, according to Eurostat. It employed slightly over 1m residents or 3.2% of the workforce, down from 3.8% ten years before. The industry makes a substantial contribution to the balance of payments and tax revenue.
- At the outbreak of the pandemic, the government enforced nationwide shutdowns and developed a series of economic financial support packages to aid workers and businesses affected by the coronavirus until the situation normalised. These included more than £330bn (US\$420bn) in government-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. In December 2020 the government extended a commitment to pay 80% of workers' wages until end-April 2021. A third national lockdown imposed in early January 2021 is expected to remain in place until at least mid-February.
- The pandemic and ensuing public-health measures caused a severe economic contraction in 2020. The UK has been one of the worst-affected countries in Europe in economic terms, as well as having the region's highest cumulative total of Covid-19 cases and the second-highest number of deaths (after Italy). The Economist Intelligence Unit estimates that real GDP shrank by 11.3% in 2020. In 2021 we forecast a rebound in real GDP of 6.6%, but much of this will be due to base effects. We expect Brexit-related disruption to hinder the recovery in 2021, and do not expect the level of real GDP to exceed its 2019 peak until 2023.

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

- Following a general election in December 2019 the Conservative Party, under the prime minister, Boris Johnson, won a large majority. This allowed Mr Johnson to achieve his primary campaign promise to leave the EU, which took place on January 31st 2020, ending 47 years of EU membership and three and a half years of political deadlock on the issue.
- The UK exited the transition period with the EU on December 31st 2020. An EU-UK free-trade agreement (FTA) was concluded in December that applies provisionally from the start of 2021. Although the most extreme form of "no deal" disorder was averted, the last-minute nature of the deal left businesses with little time to prepare. The trade pact does not include financial services, and UK and EU regulators have agreed and implemented a limited number of temporary arrangements to reduce disruption to financial markets.
- The UK granted a designation of regulatory equivalence for many EU financial firms, allowing them to continue to operate in Britain. However, the EU did not reciprocate for UK financial firms in the EU, except for derivatives clearinghouses. Britain would like to negotiate additional such designations, but any planned UK regulatory easing would make this less likely.
- In March 2020 the Bank of England (BoE, the central bank) cut its main rate to 0.1%, the lowest level in its history. The BoE has extended the use of the "Ways and Means" facility, allowing the Treasury to borrow directly from the BoE. The BoE's governor, Andrew Bailey, has said that these provisions are temporary, but we do not believe that the BoE can credibly commit to withdrawing them in 2021 if doing so would risk sharply worsening the UK's borrowing position.
- We expect London to retain its status as one of the world's main financial centres, especially in the trading of foreign exchange and derivatives, but a loss of influence and post-Brexit restrictions on financial services trade with the EU are inevitable, even in the best-case scenario. Reaching agreement on the many elements of a complex new trading arrangement will be difficult and time-consuming (taking years rather than months), and financial firms in

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

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

- Financial services companies previously serving the EU from the UK will continue to relocate some of their operations and staff to within the bloc, so as to retain passporting to the single market. Although outflows of financial sector employees (and related tax revenue) from the UK have so far been modest, it is likely that the trend will continue as competing financial services hubs, primarily Frankfurt and Paris, gradually grow in size and influence. European policymakers will enhance post-Brexit policy efforts to attract major financial functions away from London.

Income and demographics

	2016 ^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	2,585.9	2,900.8	3,192.2	3,286.7	3,460.7	3,640.5
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	42,718	45,879	49,075	50,432	52,143	53,316
Private consumption per head (US\$)	26,628 ^c	25,780 ^c	27,567	26,801	24,025	26,379	27,987	28,350	29,482	30,652
No. of households ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$5,000 ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$10,000 ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$50,000 ('000)	16,260	15,629	17,237	16,913	16,220	17,385	18,393	18,627	19,331	20,054

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

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

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

Source: The Economist Intelligence Unit.

Healthcare

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

March 18th 2021

Overview

- The UK is the middle of a rapid coronavirus (Covid-19) vaccination programme, after facing one of the worst tolls from the pandemic globally. About 22.4m people have received their first dose of a vaccine, and more than 1.1m have received both doses. The UK prime minister, Boris Johnson, has set out a timeline for easing restrictions related to the virus on social gatherings and reopening establishments, with all legal restrictions set to be lifted by June 21st if case numbers fall as expected. As at March 2021 infections in the UK are falling rapidly.
- However, the UK faces considerable economic challenges, with the impact of the pandemic exacerbated by the UK's departure from the EU's single market (Brexit) on January 1st 2021. Real GDP contracted by 9.9% in 2020, and although The Economist Intelligence Unit forecasts growth of 5.1% in 2021, the economy will take until 2023 to regain its 2019 levels in nominal terms. Moreover, in order to fight the pandemic and support businesses and households, the centre-right Conservative government has let public debt rise to more than 100% of GDP, its highest level since the 1960s.

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

- The UK has responded to the pandemic by raising public spending on healthcare substantially, to an estimated 11% of GDP in 2020, from 10.3% recorded by the OECD for 2019. We expect this share to fall back to 10.6% in 2021 as real GDP recovers, although healthcare spending will continue rising in nominal terms. Spending growth will slow from 2023-25 as fiscal constraints begin to bite, taking the share back to 10.4%.
- Over the 2021-25 forecast period we expect health spending to rise at a robust compound annual growth rate (CAGR) of 4.6%—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 (US\$37bn). We expect pharmaceutical sales to rise at a CAGR of 6.1% in 2021-25, driven primarily by the vaccine rollout.

Income and demographics

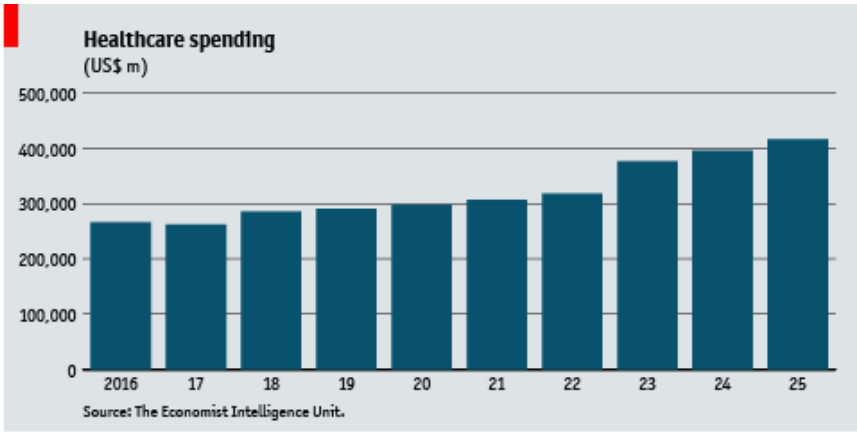
	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^a	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2025 ^b
Nominal GDP (US\$ bn)	2,702.7 ^c	2,666.9 ^c	2,860.8 ^c	2,833.7 ^c	2,712.6	2,900.4	3,064.7	3,643.1	3,810.0	4,008.5
Population (m)	65.8 ^c	66.7 ^c	67.1	67.5	67.9	68.2	68.5	68.8	69.0	69.3
GDP per head (US\$ at PPP)	44,025 ^c	45,452 ^c	46,426	48,282	44,130	46,530	49,545	51,293	52,957	54,092
Private consumption per head (US\$)	26,628 ^c	25,780 ^c	27,567	26,865	24,245	25,655	26,673	30,627	31,630	32,779
No. of households ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$5,000 ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$10,000 ('000)	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195	28,282
No. of households with annual earnings above US\$50,000 ('000)	16,260	15,629	17,237	16,913	17,145	16,648	16,941	19,459	19,973	20,609

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

No. of households with net wealth over US\$1m ('000)	820	986	855	1,020	1,234	1,286	1,498	1,963	2,061	2,176
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^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 the 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 77.8% of current health spending in 2019, according to the OECD. This share has fallen slightly over the past decade. It is lower than in Germany (85%) and France (83.7%), 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	227.4	232.4	242.7	257.5	268.8	280.0	290.5
Healthcare spending (% of GDP)	9.9	9.8	10.0	10.3	11.0	10.6	10.4	10.4	10.4	10.4
Healthcare spending (US\$ bn)	266.8	262.2	286.1	290.5	298.4	307.4	318.7	377.1	396.2	416.9
Healthcare spending (US\$ per head)	4,055	3,929	4,261	4,301	4,395	4,507	4,653	5,483	5,741	6,018
Healthcare (consumer expenditure; US\$ bn)	31.1	32.4	36.6 ^a	37.1 ^a	35.7	37.2	37.9	43.3	45.0	47.0
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.

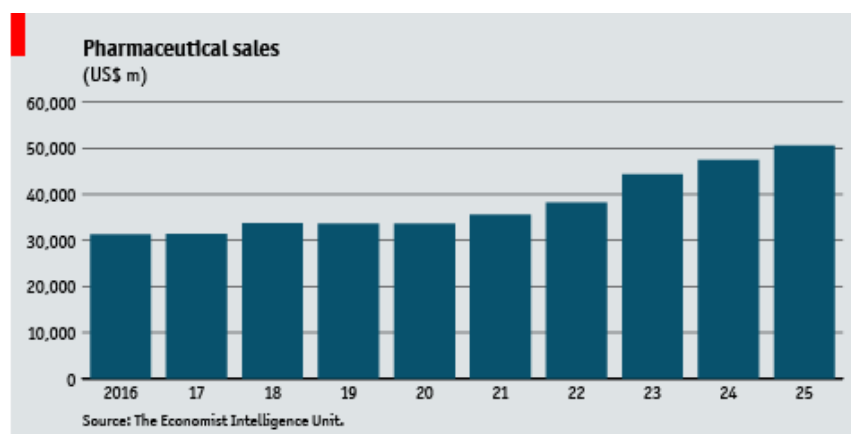
Sources: US Bureau of Census; UN; OECD; World Bank; The Economist Intelligence Unit.

- 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

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

crisis, with the four nations following separate lockdown policies. About 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, with an additional £63bn in funding allocated to fight the pandemic, total current NHS spending is estimated to have risen to £199.2bn in 2020/21.



- In its March 2021 budget, the government allocated £1.65bn for the Covid-19 vaccination programme, and promised a 1% pay rise for NHS staff (an increase dismissed as "derisory" by unions). Nevertheless, the total NHS allocation (including Covid-19 funds) is expected to fall back to £169.1bn in 2021/22.
- The UK's relatively weak public finances will become weaker still as a result of the coronavirus crisis. However, the government has reaffirmed a pre-pandemic long-term settlement for the NHS that will cause spending to rise by £33.9bn per year by 2023/24.

Private health insurance

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

- Voluntary (or private) spending on healthcare accounted for 22.2% of the UK's total health expenditure in 2019, according to the OECD. Of this, out-of-pocket (OOP) spending accounted for 16.7% 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. Health insurers have seen claims fall during lockdowns, with many policyholders unable to access care. BUPA has pledged to refund £125m (US\$172m) to its policyholders, but rivals have not followed suit.

Telecommunications

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

February 12th 2021

- Mobile telephony accounts for a majority of telecommunications connections in the UK. The mobile penetration rate has fallen slightly in recent years amid a largely saturated market. The Economist Intelligence Unit expects the rate to grow moderately in the early part of the five-year forecast period (2021-25) before levelling off, rising from 119% in 2020 to 122% in 2025. The number of mobile subscriptions is forecast to increase at a compound annual growth rate (CAGR) of 0.8% in 2021-25.

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

- Fixed-line penetration is forecast to decline gradually to 42% in 2025. There were an estimated 40 broadband subscriptions per 100 people in 2019—the eighth-highest rate in the OECD—with total internet user penetration at 92.5% of the population. We forecast a rise in internet subscriber penetration from 43 per 100 people in 2021 to 45 per 100 by 2025, with the impact of the coronavirus (Covid-19) pandemic likely to accelerate the upward trend. However, a pandemic-related economic slump could jeopardise public- and private-sector investment plans.
- A UK digital strategy was published in March 2017, covering areas such as connectivity, digital skills and cyber-security. An updated digital strategy, which is expected to focus on tech-led economic growth and productivity, in light of the pandemic, is scheduled for publication sometime in 2021. Alongside this strategy, the government has established a new central digital and data office, expected to be operational in late February 2021. The office will be focused on innovation and transformation strategies relating to cyber-security, data and emerging technologies.
- In November 2020 the government published its Telecommunications (Security) bill, aimed at safeguarding the country's fifth-generation (5G) and fibre broadband infrastructure. The bill provides the state with new powers to impose controls on the use of telecoms goods, services or facilities deemed to be a high risk to national security. Companies that violate these controls will be subject to a fine of 10% equal to turnover or a fine of up to £100,000 (US\$138,000) per day in cases of persistent contravention.
- In March 2020 the government and Ofcom, the telecoms regulator, agreed on a scheme with the UK's four main mobile network operators (MNOs) for a shared rural 4G network to remove most connectivity "not spots"—a term used to describe the absence of 4G coverage—by 2025. The digital strategy aims for a majority of the population to have 5G mobile coverage by 2027.
- An initial July 2018 commitment to achieve "full-fibre broadband coverage" for by 2025 has since been watered down to a minimum of 85% "gigabit-capable broadband" by the same year. Most of the network will be built through private investment, with a government budget of £5bn (US\$6.4bn) allocated for the 20% of UK premises

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

that are hardest to reach. In November 2020 the government outlined details of an initial plan to spend £1.6bn of this funding over the next four years.

Telecoms penetration

	2016 ^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	31.3	30.9	30.4	29.9	29.5	29.2	28.9
Telephone main lines (per 100 people)	49.6	48.2	47.5	46.4	45.5	44.6	43.7	42.9	42.3	41.8
Mobile subscriptions (m)	78.9	79.1	79.5	80.5	80.7	82.1	83.1	83.8	84.2	84.5
Mobile subscriptions (per 100 people)	120.0	118.5	118.4	119.3	118.9	120.4	121.3	121.9	122.1	122.0

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

Sources: International Telecommunication Union; The Economist Intelligence Unit.

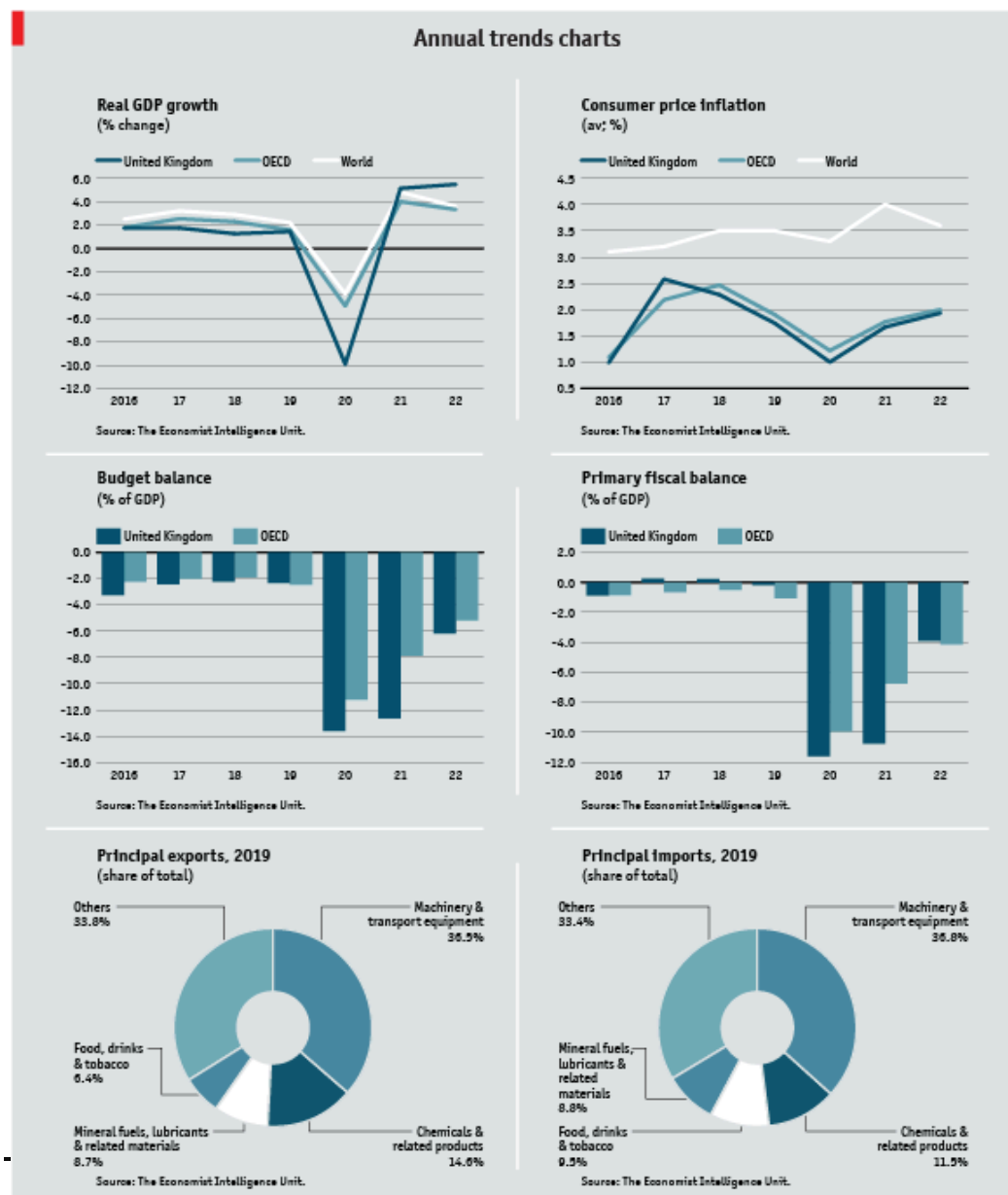
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Data and charts: Annual trends charts

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

March 16th 2021

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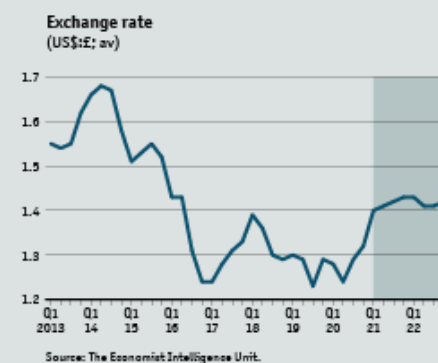
Data and charts: Quarterly trends charts

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Quarterly trends charts



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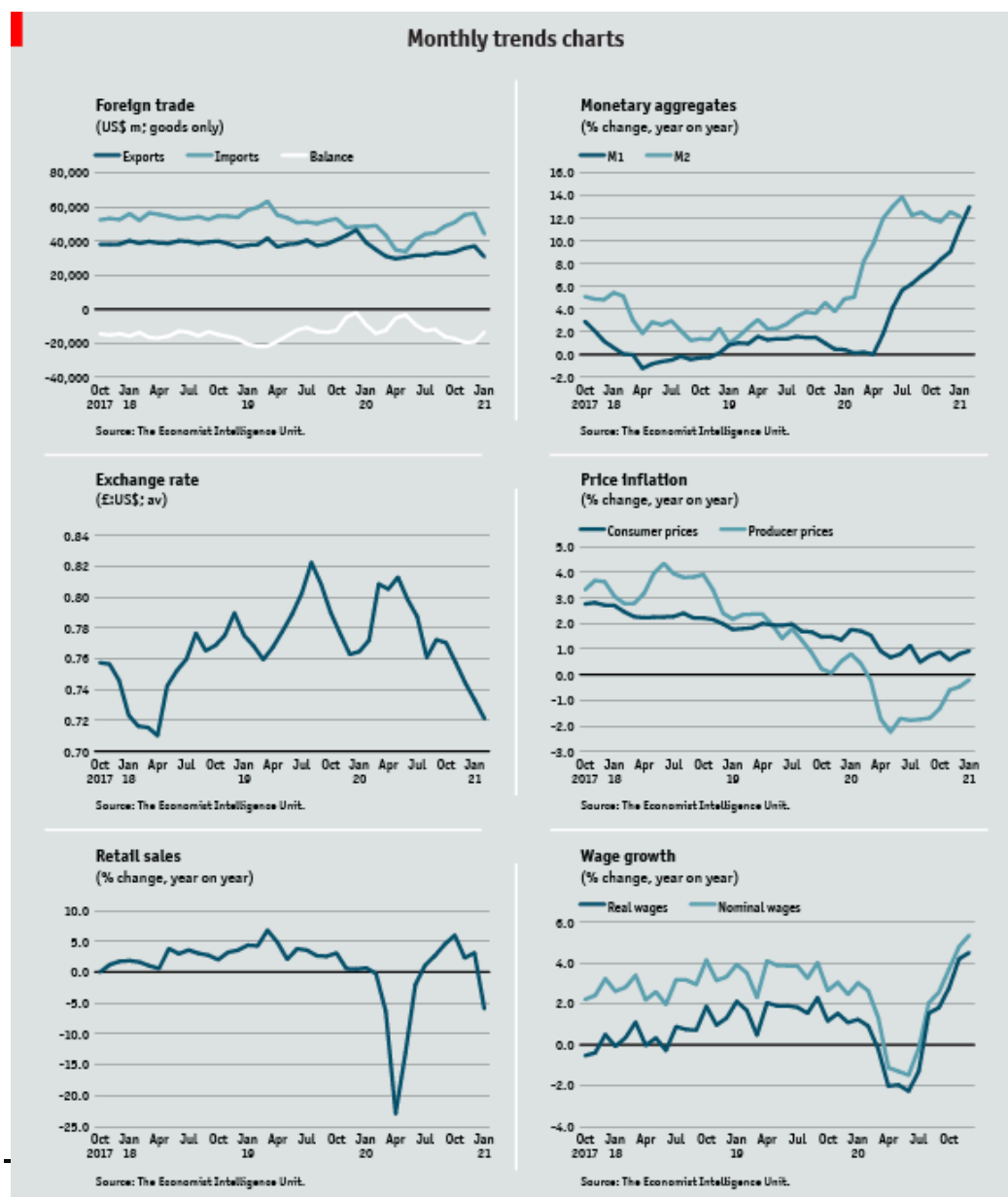
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Data and charts: Monthly trends charts

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Data summary: Gross domestic product, current market prices

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March 16th 2021

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	2,218.4	2,113.0	2,235.4	2,411.6	2,484.6	2,551.0	2,619.0
Private consumption	1,293.0	1,334.4	1,385.7	1,420.3	1,282.2	1,363.3	1,462.7	1,500.3	1,531.9	1,574.9
Government consumption	382.0	387.3	398.4	423.1	488.9	503.5	545.2	565.5	589.4	611.3
Gross fixed investment	353.2	372.3	381.2	399.5	370.4	400.2	446.5	471.6	491.6	512.4
Exports of goods & services	563.2	622.9	661.6	689.3	571.7	621.8	671.7	690.9	717.1	743.8
Imports of goods & services	599.4	652.8	687.1	716.7	581.3	661.5	719.5	745.6	780.9	825.4
Stockbuilding	2.7	4.6	1.9	6.9	-17.0	6.0	5.0	2.0	2.0	2.0
Domestic demand	2,030.8	2,098.6	2,167.3	2,249.8	2,124.4	2,273.1	2,459.4	2,539.3	2,614.8	2,700.6
Expenditure on GDP (US\$ bn at current market prices)										
GDP	2,702.7	2,666.9	2,860.8	2,833.7	2,712.6	3,157.7	3,410.5	3,515.7	3,660.7	3,810.6
Private consumption	1,751.9	1,720.2	1,850.9	1,814.2	1,645.9	1,925.8	2,068.5	2,122.9	2,198.3	2,291.4
Government consumption	517.6	499.3	532.2	540.5	627.6	711.3	771.0	800.2	845.8	889.4

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Gross fixed investment	478.6	480.0	509.2	510.3	475.4	565.3	631.4	667.3	705.4	745.6
Exports of goods & services	763.2	803.0	883.7	880.4	733.9	878.4	950.0	977.7	1,029.0	1,082.3
Imports of goods & services	812.1	841.5	917.8	915.5	746.2	934.5	1,017.5	1,055.1	1,120.6	1,201.0
Stockbuilding	3.6	6.0	2.6	8.8	-21.9	8.5	7.1	2.8	2.9	2.9
Domestic demand	2,751.6	2,705.5	2,894.9	2,873.8	2,727.1	3,210.9	3,478.0	3,593.1	3,752.3	3,929.3
Economic structure (% of GDP at current market prices)										
Household consumption	64.8	64.5	64.7	64.0	60.7	61.0	60.7	60.4	60.1	60.1
Government consumption	19.1	18.7	18.6	19.1	23.1	22.5	22.6	22.8	23.1	23.3
Gross fixed investment	17.7	18.0	17.8	18.0	17.5	17.9	18.5	19.0	19.3	19.6
Stockbuilding	0.1	0.2	0.1	0.3	-0.8	0.3	0.2	0.1	0.1	0.1
Exports of goods & services	28.2	30.1	30.9	31.1	27.1	27.8	27.9	27.8	28.1	28.4
Imports of goods & services	30.0	31.6	32.1	32.3	27.5	29.6	29.8	30.0	30.6	31.5
Memorandum item										
National savings ratio (%)	12.4	14.5	14.2	15.2	14.1	14.2	15.2	15.5	15.9	15.8

^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	2,172.5	1,957.0	2,057.2	2,169.9	2,207.5	2,241.5	2,275.8
Household consumption	1,350.8	1,366.1	1,385.6	1,400.9	1,246.4	1,298.2	1,373.1	1,394.4	1,409.7	1,433.5
Government consumption	393.0	395.9	398.4	414.4	390.8	433.7	447.2	452.6	460.7	466.7
Gross fixed investment	369.6	379.8	381.2	387.1	353.4	378.1	417.7	436.8	450.8	465.3
Exports of goods & services	609.2	642.1	661.6	679.2	565.6	600.6	636.8	649.5	667.7	684.8
Imports of goods & services	651.6	668.9	687.1	705.9	577.9	651.4	701.7	719.6	741.3	768.3
Stockbuilding (% of GDP)	8.8	13.5	-0.8	1.7	-12.6	6.0	5.0	2.0	2.0	2.0
Domestic demand	2,123.5	2,157.2	2,167.2	2,202.9	1,970.4	2,111.7	2,236.9	2,280.5	2,317.6	2,362.0
Real expenditure on GDP (% change)										
GDP	1.7	1.7	1.3	1.4	-9.9	5.1	5.5	1.7	1.5	1.5
Household consumption	3.4	1.1	1.4	1.1	-11.0	4.2	5.8	1.6	1.1	1.7
Government consumption	1.0	0.7	0.6	4.0	-5.7	11.0	3.1	1.2	1.8	1.3
Gross fixed investment	4.4	2.8	0.4	1.5	-8.7	7.0	10.5	4.6	3.2	3.2

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Exports of goods & services	2.7	5.4	3.0	2.7	-16.7	6.2	6.0	2.0	2.8	2.6
Imports of goods & services	3.9	2.6	2.7	2.7	-18.1	12.7	7.7	2.6	3.0	3.6
Stockbuilding (% contribution to GDP growth)	-0.1	0.2	-0.7	0.1	-0.7	0.9	0.0	-0.1	0.0	0.0
Domestic demand	3.0	1.6	0.5	1.6	-10.6	7.2	5.9	2.0	1.6	1.9
Real contribution to GDP growth (% points)										
Private consumption	2.2	0.7	0.9	0.7	-7.1	2.6	3.6	1.0	0.7	1.1
Government consumption	0.2	0.1	0.1	0.7	-1.1	2.2	0.7	0.2	0.4	0.3
Gross fixed investment	0.8	0.5	0.1	0.3	-1.5	1.3	1.9	0.9	0.6	0.6
External balance	-0.4	0.8	0.1	-0.1	0.7	-2.0	-0.7	-0.2	-0.2	-0.4
Memorandum items										
Industrial production (% change)	1.1	1.8	0.9	-1.2	-8.5	-0.9	7.5	1.5	1.4	1.4
Real personal disposable income (% change)	0.5	0.1	2.3	1.8	-1.0	-2.9	1.3	0.4	0.5	1.7

^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	1,937.4	1,760.6	1,850.7	1,952.1	1,986.0	2,016.5	2,047.4
Agriculture	11.8	12.6	12.2	13.0	11.7	10.6	11.1	11.2	11.3	11.4
Industry	373.9	385.7	388.2	387.2	349.2	345.7	369.9	375.4	380.7	386.0
Services	1,466.8	1,486.6	1,509.9	1,537.2	1,399.7	1,494.5	1,571.1	1,599.4	1,624.6	1,649.9
Origin of GDP (real % change)										
Agriculture	-6.0	6.3	-3.3	6.3	-9.4	-10.0	5.0	1.0	1.0	1.0
Industry	2.0	3.1	0.6	-0.2	-9.8	-1.0	7.0	1.5	1.4	1.4
Services	1.6	1.4	1.6	1.8	-8.9	6.8	5.1	1.8	1.6	1.6
Origin of GDP (% of factor cost GDP)										
Agriculture	0.6	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.6
Industry	20.0	20.4	20.3	20.0	20.0	18.8	19.1	19.0	19.0	19.0

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

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

Industrial production (% change)	1.1	1.8	0.9	-1.2	-8.5	-0.9	7.5	1.5	1.4	1.4
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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	0.3	-9.5	6.3	4.2	0.7	0.7	1.1
Total factor productivity growth	-0.2	0.1	-0.4	-0.1	-9.9	5.3	3.7	1.0	0.7	0.7
Growth of capital stock	2.9	2.9	2.5	2.4	0.9	1.6	2.8	3.0	3.1	3.1
Growth of potential GDP	1.7	1.6	1.5	1.5	2.5	5.9	5.0	2.4	2.1	2.0
Growth of real GDP	1.7 ^c	1.7 ^c	1.3 ^c	1.4 ^c	-9.9	5.1	5.5	1.7	1.5	1.5
Growth of real GDP per head	1.1 ^c	0.3 ^c	0.6	0.9	-10.4	4.6	5.0	1.3	1.2	1.2

^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	2,834	2,713	3,158	3,410	3,516	3,661	3,811
GDP per head (US\$ at market exchange rates)	41,081	39,968	42,609 ^b	41,963 ^b	39,957	46,295	49,790	51,126	53,037	55,008
Private consumption (US\$ bn)	1,752	1,720	1,851	1,814	1,646	1,926	2,069	2,123	2,198	2,291
Private consumption per head (US\$)	26,628	25,780	27,567 ^b	26,865 ^b	24,245	28,235	30,199	30,871	31,849	33,078
GDP (US\$ bn at PPP)	2,896	3,033	3,117	3,260	2,993	3,196	3,436	3,576	3,710	3,831
GDP per head (US\$ at PPP)	44,025	45,452	46,426 ^b	48,282 ^b	44,086	46,864	50,155	51,997	53,758	55,306
Personal disposable income (£ bn)	1,348	1,376	1,441	1,483	1,494	1,480	1,521	1,542	1,566	1,610
Personal disposable income (US\$ bn)	1,826	1,774	1,925	1,894	1,918	2,091	2,151	2,182	2,247	2,342
Growth of real disposable income (%)	0.5	0.1	2.3	1.5 ^b	-0.7	-2.9	1.3	0.4	0.5	1.7
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	3.23	3.42	3.52	3.46	3.42	3.37

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Share of world GDP (% at PPP)	2.53	2.52	2.43	2.42	2.29	2.31	2.34	2.31	2.27	2.24
Share of world exports of goods (%)	2.57	2.50	2.47	2.58	2.44	2.57	2.61	2.43	2.33	2.32

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

Data summary: Fiscal indicators

[United Kingdom](#) | [Economy](#) | [Charts and tables](#) | [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	51.1	49.6	44.0	44.6	44.5	44.3
Interest ^d	2.4	2.7	2.4	2.1	2.0	1.9	2.3	2.6	2.4	2.0
Non-interest ^d	39.1	38.6	38.6	38.9	49.1	47.7	41.7	42.0	42.1	42.3
Government revenue ^d	38.3	38.8	38.8	38.8	37.5	36.7	37.5	40.3	41.8	42.2
Budget balance ^d	-3.3	-2.4	-2.2	-2.3	-13.6	-12.9	-6.5	-4.4	-2.7	-2.1
Primary balance ^d	-0.9	0.3	0.2	-0.2	-11.6	-11.1	-4.2	-1.8	-0.3	-0.2
Government debt ^e	86.8	86.3	85.8	85.2	103.1	110.4	108.8	109.9	109.6	108.8

^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	1.28	1.41	1.41	1.42	1.44	1.46
Exchange rate €:£ (av)	1.22	1.14	1.13	1.14	1.12	1.17	1.19	1.23	1.23	1.20
Exchange rate US\$:€ (av)	1.11	1.13	1.18	1.12	1.14	1.21	1.19	1.15	1.17	1.22
Exchange rate €:£ (year-end)	1.17	1.13	1.12	1.15	1.08	1.19	1.20	1.25	1.21	1.19
Real effective exchange rate (av; 2010=100)	102.4	97.1	98.8	98.3	98.6	103.9	105.8	107.3	107.4	105.7
M4 money supply growth (%) ^d	6.2	4.8	2.3	3.8	12.4	7.1	7.6	3.1	1.2	2.7
Domestic credit growth (%)	4.2	5.4	3.2	4.9	0.0	-0.9	5.6	2.6	2.5	1.1
Purchasing power parity US\$:£ (av)	1.45	1.47	1.46	1.47	1.42	1.43	1.42	1.44	1.45	1.46
3-month £-Libor rate (av; %)	0.5	0.4	0.7	0.8	0.3	0.3	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	1.1	1.5	1.5	1.9	1.9
Bank of England base rate (%; end-period)	0.25	0.50	0.75	0.75	0.10	0.10	0.25	0.75	1.25	1.50
Lending rate (%; average mortgage SVR from UK MFIs)	4.4	4.4	4.3	4.3	3.8	4.0	4.2	4.4	4.5	4.5
Deposit rate (av; %)	1.3	0.9	0.9	0.9	0.4	0.3	0.9	1.3	1.5	1.5

^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

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

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Employment, wages and prices

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^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	34.2	34.2	34.4	34.5	34.7	34.8
Labour force (% change)	0.9	0.5	0.9	0.8	0.2	0.1	0.4	0.5	0.4	0.4
Employment (m)	31.7	32.1	32.4	32.8	32.6	32.3	32.7	33.0	33.3	33.4

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Employment (% change)	1.5	1.0	1.2	1.1	-0.5	-1.1	1.2	1.0	0.8	0.4
Unemployment (m)	1.6	1.5	1.4	1.3	1.5	1.9	1.7	1.5	1.4	1.4
Unemployment rate (%; EU/OECD standardised measure)	4.9	4.4	4.1	3.8	4.5	5.6	4.9	4.5	4.1	4.0
Wage and price inflation (% except labour costs per hour)										
GDP deflator	2.2	1.9	2.2	2.1	5.7	0.6	2.3	1.3	1.1	1.1
Consumer prices (av; CPIH measure)	1.0	2.6	2.3	1.7	1.0	1.8	2.1	1.5	1.4	1.4
Producer prices (av)	0.2	3.9	3.4	1.4	-1.0	4.4	3.0	1.5	1.8	2.0
GDP deflator (av)	2.2	1.9	2.2	2.1	5.7	0.6	2.3	1.3	1.1	1.1
Private consumption deflator (av)	1.4	2.0	2.4	1.4	1.5	2.1	1.4	1.0	1.0	1.1
Government consumption deflator (av)	0.9	0.7	2.2	2.1	22.5	-7.2	5.0	2.5	2.4	2.4
Fixed investment deflator (av)	2.2	2.6	2.0	3.2	1.5	1.0	1.0	1.0	1.0	1.0
Average nominal wages (av)	2.4	2.3	3.0	3.4	1.8	2.4	4.2	3.0	2.4	2.4
Average real wages (av)	1.4	-0.3	0.7	1.6	0.8	0.5	2.0	1.5	1.0	1.0
Unit labour costs (£-based; av)	2.2	2.4	2.8	3.3	15.0	-3.2	0.9	3.3	2.7	2.3
Unit labour costs (US\$-based)	-9.4	-2.6	6.5	-1.2	15.6	6.5	1.0	3.3	4.1	3.7
Labour costs per hour (£)	21.3 ^b	22.0 ^b	22.7 ^b	23.5 ^b	23.9	24.5	25.5	26.3	26.9	27.5
Labour costs per hour (US\$)	28.9 ^b	28.4 ^b	30.3 ^b	30.0 ^b	30.7	34.6	36.0	37.2	38.6	40.1

^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	-87.6	-71.6	-123.9	-118.5	-124.4	-124.9	-144.7
Current-account balance (% of GDP)	-5.5	-3.8	-3.7	-3.1	-2.6	-3.9	-3.5	-3.5	-3.4	-3.8
Goods: exports fob	402.0	433.1	468.6	476.3	399.8	470.5	517.5	514.5	523.4	553.3
Goods: imports fob	-581.4	-607.5	-651.1	-643.6	-548.9	-681.6	-738.9	-764.6	-815.9	-881.2
Trade balance	-179.4	-174.5	-182.4	-167.3	-149.1	-211.2	-221.4	-250.1	-292.5	-327.8
Services: credit	358.7	369.5	414.1	403.6	330.3	399.0	424.0	456.6	501.4	526.7
Services: debit	-228.1	-233.6	-265.5	-271.3	-196.9	-249.6	-268.6	-274.9	-286.9	-304.5
Services balance	130.6	135.9	148.6	132.3	133.4	149.5	155.4	181.7	214.5	222.1
Primary income: credit	186.5	241.8	291.5	277.8	240.4	223.1	268.9	291.2	310.9	343.3
Primary income: debit	-253.3	-274.9	-328.5	-296.6	-263.8	-247.6	-280.6	-305.2	-313.9	-336.7
Primary income balance	-66.8	-33.1	-37.0	-18.8	-23.4	-24.5	-11.7	-14.0	-3.1	6.6
Secondary income: credit	23.0	22.7	24.9	24.4	23.4	27.2	29.4	30.3	31.5	32.8
Secondary income: debit	-55.2	-51.7	-58.9	-58.3	-55.8	-65.0	-70.2	-72.3	-75.3	-78.4

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Secondary income balance	-32.2	-29.0	-34.0	-33.9	-32.5	-37.8	-40.8	-42.1	-43.8	-45.6
Terms of trade										
Export price index (US\$-based; 2010=100)	89.0	89.9	96.5	92.4	89.7	101.5	103.3	103.5	105.3	107.8
Export prices (% change)	-6.5	1.1	7.3	-4.3	-2.9	13.2	1.8	0.1	1.8	2.3
Import price index (US\$-based; 2010=100)	88.5	89.6	95.4	89.7	85.9	95.0	95.6	96.5	99.6	103.1
Import prices (% change)	-8.5	1.2	6.5	-5.9	-4.3	10.5	0.6	0.9	3.2	3.6
Terms of trade (2010=100)	100.5	100.4	101.2	102.9	104.4	106.9	108.1	107.2	105.8	104.5
Memorandum item										
Export market growth (%)	4.1	4.9	4.5	1.1 ^b	-6.1	6.4	6.5	5.0	4.7	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	2.3	-15.4	59.2	96.2	122.0	116.3	133.3
Inward direct investment (% of GDP)	12.0	4.7	2.8	0.1	-0.6	1.9	2.8	3.5	3.2	3.5
Inward direct investment (% of gross fixed investment)	67.9	26.1	15.9	0.5	-3.2	10.5	15.2	18.3	16.5	17.9
Outward direct investment	-33.0	-172.0	-56.4	48.2	0.7	-36.9	-45.1	-49.9	-55.0	-60.3
Net foreign direct investment	291.8	-46.6	24.8	50.5	-14.7	22.3	51.1	72.1	61.3	72.9
Stock of foreign direct investment	2,009.0	2,292.0	2,291.0	2,372.0	2,356.6	2,415.9	2,512.0	2,634.1	2,750.4	2,883.7
Stock of foreign direct investment per head (US\$)	30,537	34,349	34,122	35,125	34,715	35,419	36,673	38,305	39,848	41,627
Stock of foreign direct investment (% of GDP)	74.3	85.9	80.1	83.7	86.9	76.5	73.7	74.9	75.1	75.7
Memorandum items										
Share of world inward direct investment flows (%)	12.3	5.8	13.8	0.2	-1.4	4.9	7.7	9.3	8.6	9.5
Share of world inward direct investment stock (%)	7.1	7.6	7.2	6.9	7.0	6.8	6.8	6.8	6.9	6.9

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

Political structure

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

March 16th 2021

Official name

United Kingdom of Great Britain and Northern Ireland

Form of state

Parliamentary monarchy

Legal system

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

National legislature

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

Electoral system

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

Prime minister: Boris Johnson

Attorney general: Suella Braverman

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Chancellor of the exchequer: Rishi Sunak

Chief secretary to the Treasury: Stephen Barclay

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

Leader of the House of Commons: Jacob Rees-Mogg

Minister for the Cabinet Office: Michael Gove

Party chair & minister without portfolio: Amanda Milling

Parliamentary secretary to the Treasury & chief whip: Mark Spencer

Secretaries of state

Business, energy & industrial strategy: Kwasi Kwarteng

Defence: Ben Wallace

Digital, culture, media & sport: Oliver Dowden

Education: Gavin Williamson

Environment, food & rural affairs: George Eustice

Foreign & Commonwealth affairs: Dominic Raab

Health & social care: Matt Hancock

Home Office: Priti Patel

Housing, communities & local government: Robert Jenrick

International trade: Liz Truss

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Justice & Lord Chancellor: Robert Buckland

Northern Ireland: Brandon Lewis

Scotland: Alister Jack

Transport: Grant Shapps

Wales: Simon Hart

Work & pensions: Therese Coffey

Central bank governor

Andrew Bailey

Basic data

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

March 16th 2021

Land area

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

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Population

66.8m (official mid-year estimate, 2019)

Main urban areas

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

Greater London (capital): 8,962

West Midlands: 2,929

Greater Manchester: 2,836

West Yorkshire: 2,332

Merseyside: 1,430

Climate

Temperate

Weather in London (altitude 5 metres)

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

Language

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

Measures

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

Currency

Pound (or pound sterling) = 100 pence

Time

GMT (summer time, 1 hour ahead)

Fiscal year

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

Public holidays

January 1st (New Year's Day), April 2nd (Good Friday), April 5th (Easter Monday), May 3rd (Early May Bank Holiday), May 31st (Spring Bank Holiday), August 30th (Summer Bank Holiday), December 27th and 28th (Christmas Day and Boxing Day*)

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

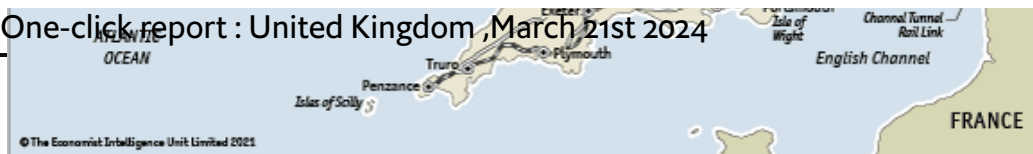
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