



One-click report : United Kingdom

July 27th 2020

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Briefing sheet

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Political and economic outlook

- The December 2019 election gave the government of Boris Johnson, the prime minister, a secure majority and a strong mandate to pursue an interventionist economic policy, and The Economist Intelligence Unit expects the coronavirus crisis to reinforce this orientation.
- On January 31st the UK left the EU after 47 years of membership. The UK is currently in a transition period lasting until December 31st 2020, during which time it will remain in the single market and customs union.
- The future UK-EU relationship remains highly uncertain. The transition period will expire by December 2020, which will create new trade barriers, although this may be mitigated if the EU and UK agree a free-trade agreement by that time..
- The Treasury has provided £350bn (US\$440bn) in loans to support business and to cover 80% of workers' wages. Falling revenue and increased government spending will result in a fiscal deficit equivalent to 15.9% of GDP and public debt of 108.7% of GDP in 2020.
- The Bank of England (BoE, the central bank) has cut rates to historic lows of 0.1% and committed to £300bn in bond-buying since March. The BoE will directly finance government spending temporarily via the Ways and Means

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facility.

- The outbreak of the novel coronavirus caused all non-essential retail activities to be suspended for April and May. A slow reopening is now under way. We expect real GDP to decline by 9% in 2020, before rebounding by 6% in 2021.

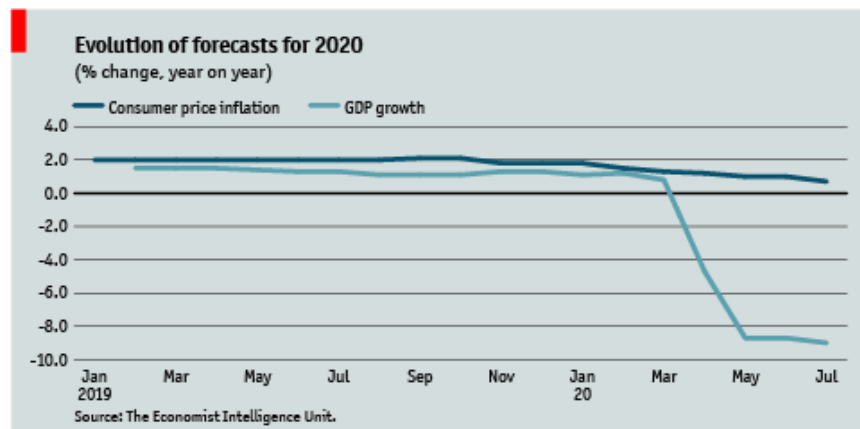
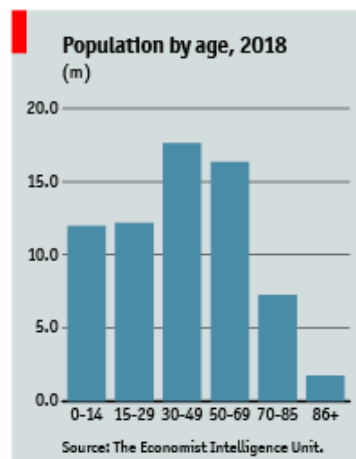
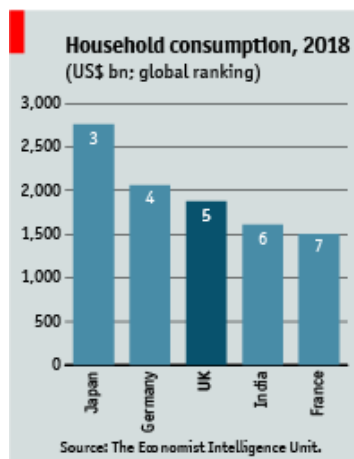
Key indicators

	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Real GDP growth (%)	1.4	-9.0	6.0	1.9	1.8	1.6
Consumer price inflation (av; %)	1.7	0.7	0.6	0.9	1.1	1.5
Government balance (% of GDP)	-2.1 ^c	-15.9	-5.9	-2.5	-1.0	-1.8
Current-account balance (% of GDP)	-3.8 ^c	-2.2	-2.7	-2.7	-2.8	-2.8
Money market rate (av; %)	0.8	0.5	0.5	0.7	0.8	1.0
Unemployment rate (%)	3.8	8.7	6.8	5.6	4.9	4.5
Exchange rate £:US\$ (av)	0.78	0.79	0.79	0.76	0.73	0.71

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

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Market opportunities



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Key changes since June 6th

- April real GDP figures showed a month-on-month decline of over 20%. As a result, we have revised down our second-quarter forecast, which brings down our overall annual GDP forecast for 2020 to a contraction of 9% from 8.7%
- The Bank of England (the central bank) has expanded its bond-buying programme, by an additional £100bn. We expect that the Bank of England will need to expand the programme further at least once more, near the end of 2020.
- Lockdown provisions have begun to be relaxed, with some non-essential shops opening from June 15th and further relaxations announced for July 4th. We expect demand to remain suppressed, as many social distancing measures are set to continue.
- The prime minister, Boris Johnson, met EU leaders virtually on June 15th and expressed his desire to overcome the impasse in talks. We expect further high-level diplomacy in coming months, and believe that a limited deal is possible by end-2020.

The month ahead

- July 4th—Lockdown easing: The next round of opening will see a significant amount of economic activity resuming, with bars, restaurants, hairdressers and cultural spaces reopening under social distancing restrictions. We expect economic activity to increase significantly from July, but it will remain significantly below 2019 levels.
- July TBC—Speech by the chancellor: The chancellor of the exchequer, Rishi Sunak, is expected to outline the government's economic plan for reviving the economy. We expect this package to include a combination of tax

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holidays and infrastructure spending, but it is unclear how much these interventions will be tailored to specific sectors.

- July 14th—Monthly GDP (May): April figures showed a 20% monthly drop in GDP as the UK entered lockdown. May was mostly spent in lockdown, although there was a modest loosening late in the month which is likely to lead to some positive growth.
- July 20th-24th—Next round of Brexit talks: A breakthrough at these talks will depend on additional high-level diplomacy being conducted between EU and UK leaders in advance of this negotiating round.

Major risks to our forecast

Scenarios, Q2 2020	Probability	Impact	Intensity
The UK leaves the transition period on December 31st 2020 without a deal, exacerbating the recession	Very high	High	20
The coronavirus recession leads to a wave of corporate failures	High	High	16
The labour market cannot bounce back from lockdowns	High	High	16
The new UK-EU relationship fails to resolve legal uncertainty created by Brexit	Very high	Moderate	15
An uncontrolled second wave of coronavirus causes another lockdown in the autumn	Moderate	Very high	15

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

Source: The Economist Intelligence Unit.

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Forecast summary

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July 1st 2020

Forecast summary

(% unless otherwise indicated)

	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Real GDP (% change)	1.4	-9.0	6.0	1.9	1.8	1.6
Industrial production (% change)	-1.5	-9.8	8.3	1.2	1.5	1.2
Unemployment rate (av; EU/OECD harmonised measure)	3.8	8.7	6.8	5.6	4.9	4.5
Consumer price inflation (av; CPIH measure)	1.7	0.7	0.6	0.9	1.1	1.5
3-month £-LIBOR rate (av)	0.8	0.5	0.5	0.7	0.8	1.0
Bank of England base rate (end-period)	0.75	0.10	0.10	0.25	0.75	1.25
Government budget balance (% of GDP) ^c	-2.1 ^d	-15.9	-5.9	-2.5	-1.0	-1.8
Exports of goods fob (US\$ bn)	475.7 ^d	318.0	369.3	403.7	445.5	486.5
Imports of goods fob (US\$ bn)	-641.6 ^d	-422.1	-514.4	-586.3	-651.1	-712.4
Current-account balance (US\$ bn)	-106.9 ^d	-57.5	-73.7	-77.1	-86.1	-92.5
Current-account balance (% of GDP)	-3.8 ^d	-2.2	-2.7	-2.7	-2.8	-2.8
Exchange rate US\$:£ (av)	1.28	1.26	1.27	1.32	1.37	1.41
Exchange rate ¥:£ (av)	139.3	137.5	136.7	137.0	140.5	138.3

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Exchange rate €:£ (av)	1.14	1.15	1.13	1.13	1.14	1.14
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^a Actual. ^b Economist Intelligence Unit forecasts. ^c General government. ^d Economist Intelligence Unit estimates.

Political stability

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

The government had expected to spend 2020 focusing on negotiating a free-trade relationship with the EU and commencing a spending and investment programme to increase British productivity. However, the spread of the novel coronavirus has moved the government to a crisis-management footing that we expect to last throughout 2020. The government's first aim has been to slow the spread of the disease and expand the capacity of the National Health Service (NHS) to prevent it from becoming overwhelmed. To this end, on March 23rd the government directed all residents to stay at home, leaving only for a limited number of essential reasons. The government put together an economic support package worth more than £350bn (US\$440bn) to protect businesses and workers affected by these closures. New deaths from the virus have been subsiding since a peak around April 8th, although the total number of cases remains high relative to other European countries. Shops and businesses began to reopen from June 15th, with further reopening planned for July 4th, but we expect some degree of social distancing to remain in

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place for the foreseeable future, limiting the economy's potential growth, and a second major outbreak later in the year remains a risk. In that contingency the government is more likely to pursue targeted regional lockdowns than a second nationwide lockdown.

Brexit continues to pose a medium-term risk to the integrity of the UK. Nicola Sturgeon, the leader of the Scottish National Party (SNP), has argued that Brexit represents a material change in the relationship between Scotland and the rest of the UK since the referendum on Scottish independence in 2014, which resulted in a majority favouring the union. Ms Sturgeon may seek to dramatise the issue through legal battles or other disruptive means, particularly if her party wins a majority in the 2021 Scottish parliament elections. Brexit has also inflamed tensions in Northern Ireland, where the Northern Irish protocol in the withdrawal agreement is unpopular among Northern Ireland's Unionists, as well as among nationalists, and polling has shown a small but significant swing in favour of Irish reunification in the North.

Election watch

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July 1st 2020

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

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moderate than Mr Corbyn, but has maintained Mr Corbyn's anti-austerity position, which will make it challenging for the government to cut day-to-day spending in the second half of our forecast period should public finances deteriorate. For Labour to gain a majority, it would require a gain of over 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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Despite the UK leaving the EU on January 31st, the UK-EU relationship remains unsettled. The UK is currently scheduled to exit the transition period with the EU on December 31st. The UK and EU governments had set out a timetable for negotiations that envisaged a comprehensive free-trade agreement (FTA). The major area of disagreement concerns the degree to which the UK would have to update its labour, environmental and state-aid provisions to maintain deep access to the EU market without undercutting EU standards. However, talks have been delayed and deprioritised by governments owing to the pandemic. Only three week-long discussion rounds via video conference were scheduled between April and the June 30th extension deadline, and no significant progress was made in these talks. After a meeting with EU leaders, the prime minister expressed his desire to push the negotiations forward, and further talks are scheduled for July, August and September. However, the government declined to request an extension, meaning that some trade barriers will be in place from January 2021, even if a deal is agreed.

This will pose significant risks at the end of 2020. The government had previously been willing to impose significant additional compliance costs and trade frictions, particularly those stemming from a disorderly no-deal exit from the

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transition, on business, with the expectation that in a growing economy they would innovate and adapt to less preferential terms of trade. However, the coronavirus outbreak and the threat of an outright collapse of much of the business sector have made the imposition of new costs on export-oriented businesses more risky, as many of these companies are likely to be less able to withstand further shocks. Another risk is staff shortages in the NHS if immigration policy changes.

In its withdrawal agreement from the EU, the UK agreed to a separate protocol for Northern Ireland in order to avoid the presence of physical border checks with the Republic of Ireland. Under this agreement Northern Ireland will remain within a regulatory union with the EU for most goods. Although it will remain in the UK customs and value-added tax (VAT) areas, customs and VAT checks will be conducted by the UK on the EU's behalf at ports in the Irish Sea for any goods bound for the EU. Checkpoints and a border infrastructure between Northern Ireland and the rest of the UK will need to be constructed, progress on which is only just beginning, presenting a major implementation risk.

As a result of these risks, we believe that a limited deal with the EU will be necessary to limit the disruption, but that it will fall well short of a comprehensive agreement. However, the situation remains highly uncertain and any agreement with the EU will not occur until the end of 2020, creating a high risk of a disorderly exit with no deal, which will compound the economic disruption from the coronavirus pandemic.

Policy trends

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Even prior to the coronavirus pandemic, the UK faced significant economic policy challenges—including low public investment, significant regional disparities, high housing costs and chronically low productivity growth—and these have been allowed to build up, as Brexit has dominated the government's agenda. However, the scale of the disruption caused by the coronavirus is likely to dominate the government's policy agenda throughout 2020. Large sections of the economy are currently shut down, and even once they are reopened both domestic and global demand will remain suppressed. We do not expect the UK to reach its pre-crisis GDP before 2023. Managing the recovery will therefore become the government's primary priority.

Mr Johnson moved his party away from the austerity policies advocated by his predecessors and planned to pursue significant increases in public-sector investment, including in infrastructure, and additional current spending on the NHS, education and the police. He also planned to reform the UK's immigration system to emphasise skilled labour. Long-term social care is an area of health spending that Mr Johnson's manifesto pledged to address, although the particulars remain vague. We expect the government to incorporate these priorities into its recovery strategy. Although we do not expect a return to austerity, the government will face increased fiscal constraints once the crisis passes.

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Fiscal policy

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The chancellor of the exchequer, Rishi Sunak, has developed a series of economic support packages designed to give financial aid to workers and businesses affected by the coronavirus and associated shutdowns until the situation normalises. These include over £330bn (US\$416bn) in government-backed loans; a commitment to pay salaried and self-employed workers up to 80% of their previous earnings, to a maximum of £2,500 (US\$3,100) a month; several business tax deferments and holidays; and more targeted aid to the worst-affected sectors, such as travel and retail. The government plans to phase out many of these provisions, including the wage support scheme in October, but is expected to unveil a new stimulus plan to increase demand and encourage a return to growth. As a result, we expect government spending to reach 47.5% of GDP in 2020, up from 41% in 2019, with the fiscal deficit widening to 15.9% of GDP and total debt reaching 108.7% of GDP. The government has announced plans to taper its furlough scheme from August, before ending the scheme fully in October. However, we expect that further stimulus and state aid will be necessary, particularly in the event of a disorderly end to the Brexit transition period. We expect the budget deficit to stabilise, but remain high in 2021, as tax revenue remains constrained by the slow recovery and Brexit uncertainty. We expect the debt/GDP ratio to decline from 2022, falling back to 103.7% of GDP by the end of our forecast period in 2024. We expect the government to undertake some fiscal consolidation, but given the political unpopularity of the previous period of austerity, we believe that this is likely to take the form of tax increases rather than spending cuts.

Monetary policy

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On March 19th the Bank of England (BoE, the central bank) cut its main rate to 0.1%, the lowest level in its history. It has also unveiled a £200bn bond-buying programme covering both corporate and government debt, which it developed in collaboration with the Treasury to facilitate the smooth functioning of government and private debt markets. This was expanded further on June 18th by an additional £100bn. The BoE has also committed to directly finance extra government spending to allow government departments to finance the day-to-day costs of fighting the coronavirus. The BoE said that both its bond-buying programmes and monetary financing of government spending are temporary and expected to be paid back, the latter by the end of the year. However, we expect that the BoE will continue to facilitate transactions that will allow the government to borrow at favourable rates throughout the forecast period, although we do not expect them to reduce rates below zero. We expect that the BoE will gradually raise rates from 2022.

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Global forecast data

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	2019	2020	2021	2022	2023	2024
Economic growth (%)						
US GDP	2.3	-4.8	2.4	2.2	2.0	1.9
OECD GDP	1.6	-6.1	3.5	2.2	1.9	1.8
EU27 GDP	1.5	-7.8	5.3	2.5	1.7	1.7
World GDP	2.3	-4.8	4.3	3.1	2.9	2.7
World trade	0.9	-22.6	11.9	4.4	3.9	3.8
Inflation indicators (% unless otherwise indicated)						
US CPI	1.8	0.6	1.5	1.7	2.0	1.9
OECD CPI	1.9	0.9	1.5	2.0	2.0	2.0
EU27 CPI	1.4	0.6	1.1	1.7	1.8	1.8
Manufactures (measured in US\$)	-1.4	-2.2	3.2	6.1	4.6	3.0
Oil (Brent; US\$/b)	64.0	40.0	44.0	58.5	65.0	62.5
Non-oil commodities (measured in US\$)	-6.3	-5.1	4.8	2.6	3.5	2.2
Financial variables						
US\$ 3-month commercial paper rate (av; %)	2.2	1.2	0.8	0.5	0.9	1.4

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€ 3-month interbank rate (av; %)	-0.4	-0.4	-0.4	-0.4	-0.3	-0.2
US\$:£ (av)	1.28	1.26	1.27	1.32	1.37	1.41
US\$:€ (av)	1.12	1.11	1.11	1.14	1.19	1.21

Economic growth

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The impact of the coronavirus: global and regional assumptions

The Economist Intelligence Unit's forecasts are built on a series of epidemiological assumptions about the novel coronavirus (Covid-19). Without rapid access to a vaccine, we expect that the disease will eventually infect up to 30% of the world's population; of the symptomatic cases, we assume that about 15% will be severe and up to 1% will prove fatal. Death ratios will depend on a country's ability to detect, track and contain the virus, and the capacity of the national health system. Governments are lifting restrictions on freedom of movement gradually in countries where the number of cases is falling and where there is sufficient spare capacity in the healthcare system. Some countries may be forced to reimpose measures if cases spike again. Based on previous viral outbreaks and the progress made on other coronavirus vaccines (such as that for severe acute respiratory syndrome—SARS), we expect a vaccine to be available by end-2021.

In economic terms, we forecast that global output will contract by 4.8% year on year in 2020. We believe that trade disruptions will remain severe and forecast that global trade will contract by 22.6% this year. We assume that oil

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prices will decline by more than 37% this year, to an average of US\$40/barrel, before they recover to US\$44/b next year. Global GDP will not recover to pre-coronavirus levels before at least 2022; 2020 and 2021 will be lost years for growth. Real GDP will contract in all regions across the world, but the drop in output will be especially severe in OECD countries (at 6%). All G7 countries and all but two G20 countries (China and Indonesia) will experience a full-year recession in 2020. We believe that the US's output will contract by 4.8% this year and expect China to record real GDP growth of 1.4%. Asian countries will recover the fastest, with some (including India and South Korea) returning to pre-coronavirus GDP levels in 2021. G7 economies will recover more slowly. Real GDP will be back to 2019 levels in 2022 (Canada, Germany, the US), 2023 (the UK) or 2024 (Italy). Most countries have responded with huge fiscal expansion to support businesses and households, raising the risk of sovereign debt crises in the medium term. Central banks have cut interest rates and, more importantly, have stepped up as buyers of last resort for government and corporate debt.

Europe is heading for a historic recession, with both production and consumption collapsing in the first half of 2020 as a result of the pandemic and containment measures. We forecast a bounce-back from the third quarter, but this will reflect base effects rather than a robust return of economic activity. Global supply chains will remain disrupted, unemployment and business failures will continue to rise and consumers will remain cautious. Southern Europe, which depends on tourism, will take longer to recover as quarantines and weak confidence hold back holidaymakers. We expect the economic bounce-back in Europe to lag the global average and do not expect real GDP to recover to its 2019 level until 2023. Variations across the bloc will be determined by factors such as the starting point, the fiscal response, economic structure and export dependencies. Germany will be the first major European economy to recover, and Italy the last.

The political and geopolitical impact of the crisis will be significant. The pandemic has resulted in an extraordinary expansion of executive powers, with limited parliamentary oversight. Elections have been cancelled in some countries. When the pandemic has passed, governments will face intense scrutiny on their response. Failure to

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address the humanitarian crisis triggered by the coronavirus could further erode trust in national institutions. A severe global economic crisis, followed by large-scale unemployment, could fuel a new wave of popular protests. The 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

UK growth was slow in 2018 and 2019, at 1.3% and 1.4% respectively, owing to softening global demand and Brexit-related political turmoil. However, the coronavirus pandemic and ensuing public-health measures will cause a severe contraction in 2020. The exact degree of economic disruption is subject to significant uncertainty and will depend on the progress of the disease, the effectiveness of the public-health measures, and the likelihood and intensity of further outbreaks. We forecast that real GDP will contract by 9% in 2020, concentrated in the first two quarters of the year. We expect that fourth-quarter real GDP will be about 5% below its year-earlier level. In 2021 we forecast a rebound in real GDP of 6%, but most of this will be due to base effects, as the 2020 reference year will have been suppressed by the lockdown. We expect Brexit uncertainty to slow the recovery in 2021, and do not expect the level of real GDP to exceed its 2019 peak until late 2023.

Growth since the EU referendum has been driven by private consumption—supported by real wage growth, which reached post-financial-crisis highs in 2019, and a 2019 unemployment rate of 3.8%. However, we expect unemployment to spike significantly this year, averaging 8.7% for the year, and this figure will significantly understate the true degree of economic disruption, as up to 8m workers (almost a quarter of the labour force) will have been covered by the government's furlough scheme and not considered unemployed. We also expect wage growth to decline, as the furlough scheme will cover only 80% of workers' salaries in affected sectors. These trends will be partly

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reversed once the pandemic abates, and we expect unemployment to fall to 6.8% in 2021 and to continue to decline thereafter.

We also expect gross capital formation to decline sharply as the highly uncertain business environment depresses investment. We expect a bounce-back in 2021 and 2022 owing to pent-up demand, and expect the government to accelerate its plans to encourage greater investment once the pandemic is resolved. Investment growth should stabilise in 2023-24 at an annual average of 3.4%.

We forecast that export and import growth will turn sharply negative in 2020 as global demand collapses and coronavirus-related travel restrictions persist. The collapse in overall demand will improve the UK's current-account balance as imports decline, with the deficit shrinking to a forecast 2.2% of GDP in 2020 from 3.8% in 2019, before expanding again from 2021.

Economic growth

%	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
GDP	1.4	-9.0	6.0	1.9	1.8	1.6
Private consumption	1.1	-9.9	8.0	2.5	2.2	2.4
Government consumption	3.5	6.0	-4.5	2.1	2.0	2.0
Gross fixed investment	0.6	-24.3	20.4	4.8	3.4	3.4
Exports of goods & services	5.1	-20.5	9.7	3.9	3.6	3.1
Imports of goods & services	4.6	-22.3	13.6	6.3	5.5	5.8
Domestic demand	1.6	-9.1	7.0	2.6	2.4	2.5
Agriculture	-1.2	-1.0	1.0	1.0	0.5	0.5
Industry	-0.2	-6.0	3.0	1.7	1.5	1.2

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Services	1.8	-9.8	6.8	2.0	1.9	1.7
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^a Actual. ^b Economist Intelligence Unit forecasts.

Inflation

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We expect price pressures to subside in 2020 and 2021 after inflation averaged 1.7% in 2019, although the weakness of the pound will exert some inflationary pressure. The impact of the coronavirus is expected to depress demand in many sectors of the economy, especially as oil prices remain subdued. These forces will largely cancel out, with inflation averaging 0.7% in 2020. These conditions will improve from the second quarter of 2021, and we expect demand to increase steadily as uncertainty declines, lifting inflation to an average of 1.5% by the end of the forecast period in 2024.

Exchange rates

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The value of the pound has been volatile in recent years owing to the UK's large current-account deficit, which requires massive international capital investment to support sterling. Since 2016 this has manifested itself in

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increased volatility around political events, as investors saw the UK's relationship with the EU as a proxy for its investment prospects. Similar behaviour is likely to continue throughout the coronavirus crisis. Sterling saw a sharp decrease against the US dollar in March, reaching a 35-year low of US\$1.15:£1, as 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 to some degree, and sterling recovered to US\$1.25:£1 by end-April. However, we expect sterling to remain volatile throughout the crisis period and into 2021 as the UK leaves the Brexit transition period. Looking ahead, we expect sterling to appreciate gradually from 2021 as the crisis abates, reaching US\$1.41:£1 by the end of the forecast period.

External sector

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

July 1st 2020

The outbreak of coronavirus caused a sharp decline in global trade as demand declined, travel was disrupted and global supply chains were compromised by national lockdowns. The UK has not been exempt from this, and we expect that both imports and exports will decline sharply in 2020. This will cause the UK's current-account deficit to shrink from the equivalent of 3.8% of GDP in 2019 to 2.2% of GDP in 2020. From 2021 we expect trade to rebound, although this will primarily be due to a recovery from the 2020 base year, and we expect Brexit to weigh on exports (as well as imports, but to a lesser extent). Trade will continue to grow thereafter, but we do not expect the value of total imports to return to pre-crisis levels before 2024 or the value of total exports to do so within the forecast period.

Country forecast overview: Business environment rankings

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

July 15th 2020

Value of index ^a		Global rank ^b		Regional rank ^c	
2015-19	2020-24	2015-19	2020-24	2015-19	2020-24
7.80	7.70	17	17	11	9

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

- The UK's score in our business environment rankings declines slightly between the historical period (2015-19) and the forecast period (2020-24), although the global rank remains unchanged and the regional rank rises owing to greater declines elsewhere. The macroeconomic environment has deteriorated owing to the onset of the coronavirus pandemic, and the impending exit of the UK from the single market and customs union, and the limited scope of a potential trade agreement with the EU, will have a negative impact on the trade and market opportunities categories. The UK's traditional strengths—a pro-business policy orientation, a fairly low burden of regulation, flexible labour and product markets—will endure, but there are more risks for investors to consider. Deficits in productivity and intermediate skills will probably persist.

Business environment at a glance

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

July 15th 2020

Policy towards private enterprise and competition

2020-21: Extraordinary public support for businesses affected by coronavirus, "Project Birch" intervention in critical sectors.

2022-24: Continued elevated state intervention in investment and innovation.

Policy towards foreign investment

2020-21: Coronavirus and Brexit uncertainty limits investment opportunities. Continued openness to investment, although potential security restrictions may come into place for China

2022-24: Infrastructure plans offer investment opportunities. Possible changes in tax policies to bolster inward investment.

Foreign trade and exchange controls

2020-21: Coronavirus causes global trade to drop precipitously. Increased trade barriers with EU. New Northern Irish protocol implemented. Negotiations continue with third countries.

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2022-24: Expected decline in UK-EU cross-border trade. Likely continued UK-EU negotiations even after transition exit. New trade agreements with other countries come into force.

Taxes

2020-21: Tax holidays and deferments throughout the duration of the crisis. Depressed revenue owing to decreased activity.

2022-24: Tax increases likely to compensate for coronavirus losses. Likely equalisation of self-employed and regular income taxes. Possible changes to the value-added tax (VAT) framework if the UK leaves the EU's VAT regime after 2020.

Financing

2020-21: Monetary policy remains highly accommodative, with Bank of England asset purchases continuing. "Ring-fencing" bank reforms and ongoing capital strengthening. Steady growth in alternative forms of debt financing.

2022-24: Loss of "passporting" rights and restrictions on EU services trade. Modest decline in City of London's status.

The labour market

2020-21: Sustained elevated unemployment from coronavirus as furlough scheme expires. Likely continued extraordinary support for jobseekers.

2022-24: End to free movement of labour from EU after Brexit, greater emphasis on skills-based migration from outside EU.

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Infrastructure

2020-21: Modest rise in spending on housing, roads and digital infrastructure. Crossrail service in London begins operation.

2022-24: Increased infrastructure investment, emphasis on "levelling up" regional infrastructure and competitiveness.

Technological readiness

2020-21: High e-commerce penetration and strong research base, but UK research and development (R&D) spending below EU average. Continued high threat from cybercrime and cyber-espionage.

2022-24: Modest rise in public R&D spending. Development of state "blue skies" fund, Possible weakening of research and innovation framework owing more restricted access to EU structural programmes (such as Horizon 2020).

Market opportunities: Social indicators and living standards

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

July 15th 2020

Social indicators and living standards

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

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

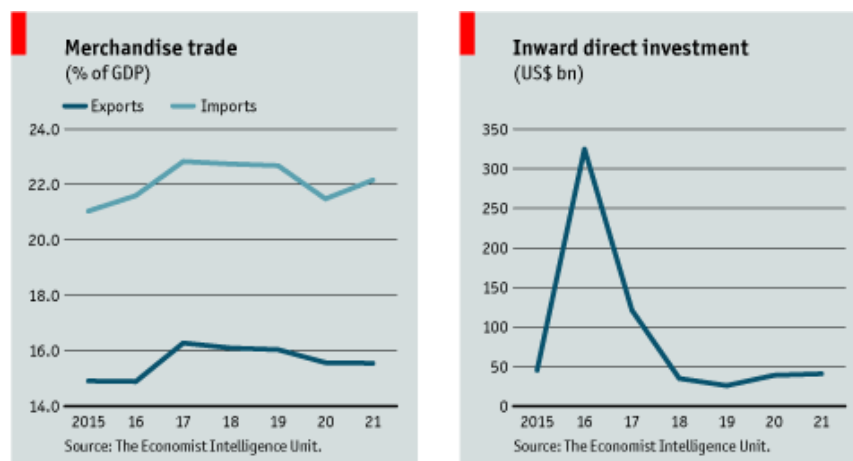
^a Latest available year.

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

Global position

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

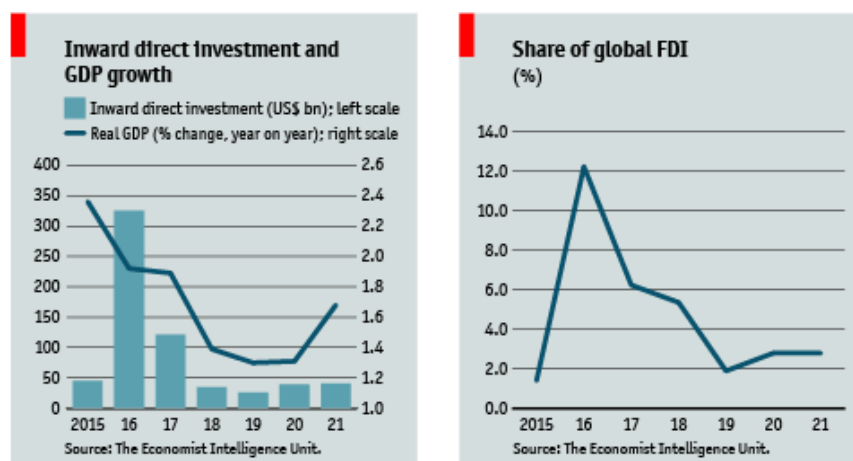
December 1st 2019



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

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



Regulatory/market assessment

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

December 1st 2019

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

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

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

Regulatory/market watch

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

December 1st 2019

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

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

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

Long-term outlook: The long-term outlook

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

July 15th 2020

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

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

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

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

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

The UK faces entrenched regional and sectoral imbalances

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

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

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

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

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

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

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

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

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

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

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

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

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

Income and market size

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

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

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

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

Automotive

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

July 27th 2020

- The UK is the world's 13th-largest automotive manufacturer and sixth-largest vehicle market, according to the International Organisation of Motor Vehicle Manufacturers (OICA). Output expanded steadily between 2010 and 2016, but has since fallen sharply amid political uncertainty, weaker domestic and export demand, regulatory changes and a structural shift away from diesel. Total vehicle production in 2019 declined by 14% to a decade-low level.
- The UK suffered severe damage from the coronavirus (Covid-19) pandemic. In early July, it had the third largest number of infections in Europe, after Russia and Spain, and the third largest number of deaths in the world. Even though quarantine restrictions are starting to be lifted in most countries, the pandemic will result in an unprecedented collapse in global economic activity in 2020 and significant supply-side disruption across the automotive industry. The economic fallout will place financial strain on carmakers, lead to job losses, further consolidation, lower investment and perhaps bankruptcies.

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

- In the UK, the process of exiting the EU (Brexit) will add to risks. There is likely to be a permanent (and possibly large) negative hit to the capacity of the auto sector, which was already struggling amid falling demand, the need for large-scale investment in electric vehicle (EV) technology and competition from lower-cost manufacturing locations.

Income and demographics

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Nominal GDP (US\$ bn)	2,930.0 ^c	2,703.7 ^c	2,670.7 ^c	2,864.2 ^c	2,829.2 ^c	2,577.1	2,762.8	2,935.4	3,080.8	3,276.7
Population (m)	65.4 ^c	65.8 ^c	66.7 ^c	67.1	67.5	67.9	68.2	68.5	68.8	69.0
GDP per head (US\$ at PPP)	42,334 ^c	44,042 ^c	45,516 ^c	46,481	47,596	43,824	46,696	47,713	48,888	50,103
Private consumption per head (US\$)	28,886 ^c	26,754 ^c	26,021 ^c	27,931	27,193	24,401	25,208	26,504	27,529	29,073
No. of households ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$5,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$10,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$50,000 ('000)	18,132	16,237	15,725	17,387	17,109	15,483	16,154	17,158	17,952	19,023
No. of households with net wealth over US\$1m ('000)	982	851	1,036	932	1,048	945	1,017	1,038	1,184	1,264

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

Source: The Economist Intelligence Unit.

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

- Assuming a return to economic activity in late 2020, the Economist Intelligence Unit forecasts a 30.4% drop in new-car sales, and a 25.8% fall in commercial vehicle (CV) sales.
- The government ruled out hopes for car-buying incentives, such as a scrappage scheme, but may offer as much as £6,000 (US\$7,500) to purchase an electric vehicle (EV). The government faces a massive budget deficit stemming from the pandemic, while tackling a surge in unemployment, reduced household incomes and greater consumer caution. We expect new-car sales to rise at a compound annual growth rate (CAGR) of just 0.7% in 2020-24. CV sales will rise at a faster CAGR of 2%.

Consumer goods

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

May 29th 2020

- Retail sales volume growth in the UK was fairly resilient in 2016-19, supported by employment gains, low inflation, consumer borrowing and extensive retail discounting. However, momentum weakened in 2019 amid a slowing labour market, subdued real-income growth and the economically damaging Brexit process. Annual volume growth averaged 1.7% in 2016-18, but slowed to 0.9% in 2019, according to Ascential, a provider of global retail intelligence. Official retail data from the Office for National Statistics (ONS) showed annual sales volume growth in the three months to February 2020 at a seven-year low.
- Since late March the coronavirus (Covid-19) pandemic and severe quarantine restrictions have resulted in a dramatic slump in economic activity (and retail spending). Many non-essential retail stores have been closed since March 23rd, when the government imposed tighter social-distancing measures, which had previously been more relaxed than in many advanced economies.

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

- Amid pockets of growth (such as for groceries and home office equipment), preliminary data point to a decline in the retail sector of over 30% during the lockdown. The relatively slow and lax response of the government to the crisis has resulted in the UK experiencing one of the highest levels of coronavirus-related deaths in the world, with a high risk of renewed waves of the virus as the government seeks to reopen the economy. The Economist Intelligence Unit expects a gradual relaxing of lockdown provisions from June onwards, but social distancing measures will remain in place (and will be periodically tightened if future outbreaks occur). A degree of consumer caution will persist until a vaccine is available (late 2021 at the earliest), constraining retail footfall and in-store spending. This will accelerate the existing trend towards online shopping, with a large number of retail store closures likely in 2020-21.
- Our current forecast is for annual real GDP to fall by 8.7% in 2020, followed by a partial rebound to growth of 6.7% in 2021 and sluggish growth in 2022-24. We expect a deeper slump, of 9.7%, in retail sales volumes in 2020, amid a spike in unemployment, a fall in aggregate income and sharply reduced tourism. There is huge uncertainty over the progression of the virus and thus on the duration of lockdown measures and the post-crisis impact on consumer behaviour. A temporary uplift in retail spending is likely at some point, reflecting pent-up demand, but household finances will be in a weakened state over 2020-24 (our forecast period).
- The economy will also face disruption related to Brexit when the existing UK-EU transition period expires (scheduled at the end of 2020) and the UK leaves the single market and customs union. This implies a "hard Brexit"—irrespective of whether a future-relationship deal is agreed this year—with increased non-tariff barriers and unresolved regulatory issues from 2021 that will further disrupt supply chains in the retail and food manufacturing sectors.
- The UK is Europe's biggest online retail market, but robust internet sales have gone hand in hand with a steady fall in the number of high-street stores and retail employment. These trends will intensify as a response to the pandemic, amid rising mobile e-commerce (m-commerce) and ongoing social distancing. The UK implemented a

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

new digital services tax in April 2020, targeting multi-national technology groups such as Amazon, Google and Apple (all US).

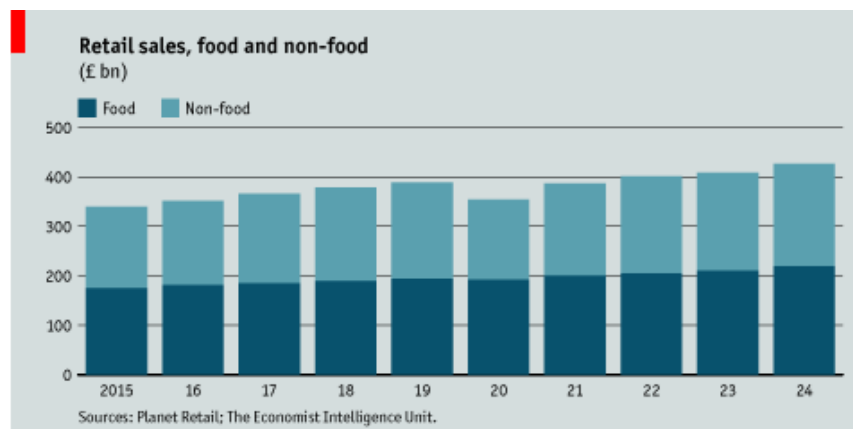
Income and demographics

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Nominal GDP (US\$ bn)	2,930.0 ^c	2,703.7 ^c	2,670.7 ^c	2,864.2 ^c	2,829.2 ^c	2,598.6	2,817.6	2,992.9	3,144.2	3,341.0
Population (m)	65.4 ^c	65.8 ^c	66.7 ^c	67.1	67.5	67.9	68.2	68.5	68.8	69.0
GDP per head (US\$ at PPP)	42,334 ^c	44,042 ^c	45,516 ^c	46,481	47,596	44,010	47,608	48,679	49,786	51,123
Private consumption per head (US\$)	28,886 ^c	26,754 ^c	26,021 ^c	27,931	27,193	24,214	25,498	26,808	27,870	29,430
No. of households ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$5,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$10,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$50,000 ('000)	18,132	16,237	15,725	17,387	17,109	15,367	16,390	17,383	18,184	19,237
No. of households with net wealth over US\$1m ('000)	982	851	1,036	932	1,048	945	1,024	1,050	1,220	1,301

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

Source: The Economist Intelligence Unit.

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



Energy

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

June 26th 2020

- Total energy consumption in the UK has trended gradually lower since the mid-1990s, but was fairly stable in 2019 at an estimated 176m tonnes of oil equivalent (toe). This compares with 196m toe a decade earlier. Together, natural gas and oil account for nearly three-quarters of the energy mix. The Economist Intelligence Unit expects total consumption to fall in 2020 owing to the impact of the coronavirus (Covid-19) pandemic. Energy consumption will partly rebound in 2021, and remain little-changed between 2022 and 2029.
- Oil consumption will fall by an annual average of 1.1% between 2020 and 2029, while natural gas consumption will fall marginally, by an annual average of 0.2%. Coal consumption will fall more dramatically, owing mainly to the

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

planned phasing-out of coal use for power generation by 2025. We expect average annual coal consumption to fall by an average of over 11% over the forecast period, as coal use in the power sector is eliminated from 2025.

- Until a post-Brexit UK-EU trade deal is finalised, uncertainty will persist over many elements of energy policy. This includes the UK's future level of participation in the EU's internal energy market (IEM), the emissions trading system (ETS), the Euratom Treaty for nuclear regulation, interconnector projects to the continent, and various EU research funding schemes. Changes could have implications for energy prices, security of supply and new capacity expansion. Brexit will impose new non-tariff restrictions on trade and is likely to reduce availability of skilled foreign labour. A highly disruptive no-deal Brexit in early 2021 appeared to be the most likely outcome as of mid-June 2020, with UK officials insisting that they were seeking to avoid any future alignment obligations with the EU.

Energy: key indicators

	2018 ^a	2019 ^b	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b	2029 ^b
GDP (US\$ bn at market exchange rates)	2,864	2,829	2,577	2,763	2,935	3,081	3,277	3,735
Real GDP (% change, year on year)	1.3	1.4	-8.7	5.8	2.1	1.8	1.4	1.8
Population (m)	67.1	67.5	67.9	68.2	68.5	68.8	69.0	70.3
Population (% change, year on year)	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.3
Gross domestic energy consumption (ktoe)	176,884	175,596	164,857	169,904	170,331	169,242	168,154	168,257
Gross domestic energy consumption (% change, year on year)	0.6	-0.7	-6.1	3.1	0.3	-0.6	-0.6	-0.3

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

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

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

Financial services

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

July 14th 2020

- The UK has one of the world's best developed financial industries, but it faces two major challenges in the coming years: coping with the novel coronavirus (Covid-19) and managing the country's departure from the EU. The first will deliver a short, 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 5.9% of GDP, down from 6.8% five years earlier, according to Eurostat. It employed slightly over 1m residents or 3.2% of the workforce, down from 3.5% five years before. The industry makes a substantial contribution to the balance of payments and tax revenue.
- The coronavirus outbreak caused large sections of the UK economy, including non-essential retail and the hospitality sector, to be suspended from late March 2020. Against this backdrop, and given the global spread of the virus, The Economist Intelligence Unit expects the UK's real GDP to decline by 9% in 2020, before rebounding by 6% in 2021. GDP growth was already relatively modest—1.3% in 2018 and 1.4% in 2019—as a result of softer global demand and Brexit-related uncertainty. The UK economy began to reopen in stages from mid-June, but many social distancing measures are set to continue. Both domestic and global demand are likely to remain suppressed for some time. We do not expect the UK to return to its pre-crisis GDP before late 2023. Managing the economic recovery will therefore be a core priority for the recently re-elected Conservative government.

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

- The government has been continuously tweaking the fiscal relief packages on offer in order to ensure comprehensive coverage for British households and businesses. In July it announced temporary cuts to the rate of value-added tax (VAT) paid by the hospitality sector and to the stamp duty levied on property transactions. The UK has advantages vis-à-vis its European peers in having the longest average debt maturity by a considerable margin and the ability to borrow in its own currency—bolstered by unprecedented monetary-fiscal policy co-ordination.
- In March the Bank of England (BoE, the central bank) cut its main rate to 0.1%, the lowest level in its history. The BoE has extended the use of the "Ways and Means" facility through to the end of 2020, allowing the Treasury to borrow directly from the BoE. The BoE governor, Andrew Bailey, has said that these provisions are temporary, but we do not believe that the BoE can credibly commit to withdrawing them in 2021 if doing so would risk sharply worsening the UK's borrowing position.
- Following a general election in December 2019 the Conservative Party, under the prime minister, Boris Johnson, won an emphatic 81-seat majority. This allowed him to achieve his primary campaign promise to leave the EU, which took place on January 31st, ending 47 years of EU membership and three and a half years of political deadlock on the issue.
- The UK is scheduled to exit the transition period with the EU on December 31st 2020. Legally, this deadline can be extended by the EU and the UK by mutual agreement, but the government has set the exit date in law and resisted attempts to amend it. The UK and EU governments set out a timetable for negotiations that envisaged a comprehensive free-trade agreement (FTA). However, talks have been severely disrupted by the coronavirus pandemic. As a result, we believe that only a limited deal is possible by the end of 2020, and that it will only be agreed late in the year. There is therefore a high risk of a disorderly exit with no deal, which would compound the economic disruption caused by the pandemic. UK and EU regulators have agreed and implemented a number of temporary arrangements to reduce the potential disruption to financial markets of a disorderly "no-deal" Brexit.

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

- We expect London to retain its status as one of the world's main financial centres, especially in the trading of foreign exchange and derivatives, but a loss of influence and post-Brexit restrictions on financial services trade with the EU are inevitable, even in a best-case scenario. Reaching agreement on the many elements of a complex new trading arrangement will be difficult and time-consuming (taking years rather than months), and financial firms in the UK will almost certainly face restrictions from a loss of "passporting" (the right for UK-regulated companies to do business in the EU and vice versa).

Income and demographics

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Nominal GDP (US\$ bn)	2,930.0 ^c	2,703.7 ^c	2,670.7 ^c	2,864.2 ^c	2,829.2 ^c	2,572.5	2,734.3	2,900.8	3,122.6	3,325.1
Population (m)	65.4 ^c	65.8 ^c	66.7 ^c	67.1	67.5	67.9	68.2	68.5	68.8	69.0
GDP per head (US\$ at PPP)	42,334 ^c	44,042 ^c	45,516 ^c	46,481	47,596	43,696	46,644	47,586	48,743	50,027
Private consumption per head (US\$)	28,886 ^c	26,754 ^c	26,021 ^c	27,931	27,193	24,304	25,436	26,603	28,305	29,995
No. of households ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$5,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$10,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$50,000 ('000)	18,132	16,237	15,725	17,387	17,109	15,445	16,362	17,297	18,532	19,563
No. of households with net wealth over US\$1m ('000)	984	853	1,039	906	1,018	893	969	999	1,156	1,236

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

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

Source: The Economist Intelligence Unit.

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

Healthcare

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

June 30th 2020

Overview

- The UK has been hit hard by the global coronavirus (Covid-19) pandemic. Confirmed coronavirus deaths totalled 43,575 as of June 29th, second only to the US globally. The UK government imposed a lockdown in late March and began lifting it in early June, with fuller liberalisation due to start on July 4th.
- The government's aim—largely achieved so far—was to prevent the National Health Service (NHS) from being overstretched. However, by discharging patients in order to empty wards (often without testing them), the policy arguably led to rise in coronavirus cases in care homes. An ageing population, high obesity rates and London's role as a global hub also put the UK at high risk from the disease.

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

- In its March 2020 budget the government pledged a £5bn (US\$5.8bn) emergency response fund to help the NHS cope with the developing outbreak and the related costs of testing, staff recruitment, stockpiling and containment measures and staff recruitment. This was followed by a £350bn package to mitigate the shock to the UK economy, workers and households. Nevertheless, The Economist Intelligence Unit forecasts that real GDP will contract by 8.7% in 2020, concentrated in the first two quarters of the year.

Income and demographics

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Nominal GDP (US\$ bn)	2,930.0 ^c	2,703.7 ^c	2,670.7 ^c	2,864.2 ^c	2,829.2 ^c	2,572.5	2,734.3	2,900.8	3,122.6	3,325.1
Population (m)	65.4 ^c	65.8 ^c	66.7 ^c	67.1	67.5	67.9	68.2	68.5	68.8	69.0
GDP per head (US\$ at PPP)	42,334 ^c	44,042 ^c	45,516 ^c	46,481	47,596	43,696	46,644	47,586	48,743	50,027
Private consumption per head (US\$)	28,886 ^c	26,754 ^c	26,021 ^c	27,931	27,193	24,304	25,436	26,603	28,305	29,995
No. of households ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$5,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$10,000 ('000)	26,994	27,119	27,472	27,607	27,729	27,844	27,947	28,038	28,114	28,195
No. of households with annual earnings above US\$50,000 ('000)	18,132	16,237	15,725	17,387	17,109	15,445	16,362	17,297	18,532	19,563
No. of households with net wealth over US\$1m ('000)	982	851	1,036	932	1,048	920	1,000	1,031	1,193	1,276

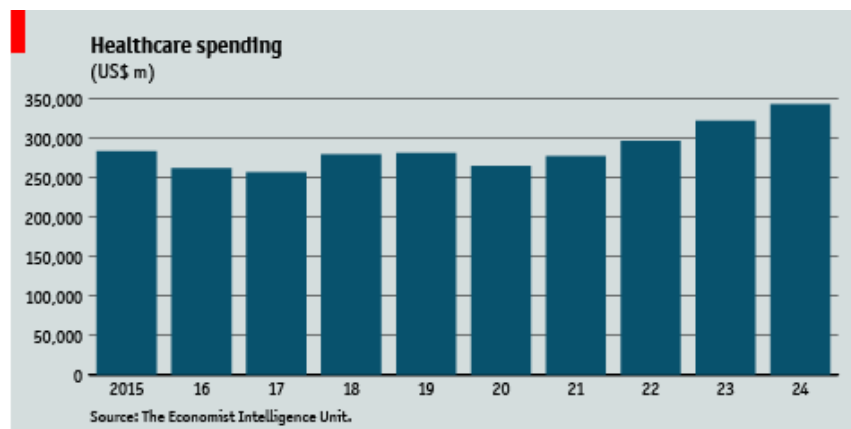
^a Economist Intelligence Unit estimates. ^b Economist Intelligence Unit forecasts. ^c Actual.

Source: The Economist Intelligence Unit.

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

- We also expect healthcare spending to fall in real terms this year, by over 5%, reflecting the cancellation and postponement of non-coronavirus care amid the crisis. Nevertheless, healthcare's share of GDP will rise to 10.3%, up from 9.8% in 2018 (latest OECD data). This share will edge down again as the economy recovers in 2021, but will then rebound to reach 10.3% again in 2023-24. The share will remain lower than in Germany and France (both 11.2%), but above the OECD average of 8.8%.
- Healthcare spending will rise at a compound annual growth rate (CAGR) of 2.1% in local-currency terms (4.1% in US dollar terms) in 2020-24. This is slower than the CAGR of 3.9% estimated for the previous five years. However, our forecasts do suggest that the government will narrowly keep its legally binding pledge, made in December 2019, to increase NHS spending by £34bn by the 2023/24 (April-March) fiscal year.
- However, the UK's relatively weak public finances will become weaker still as a result of the coronavirus crisis. Brexit will also pose a challenge to the healthcare system. The UK formally left the EU at end-January 2020, entering a transition period. The "real" Brexit deadline is end-2020, when the UK is scheduled to leave the single market and customs union.
- Our core forecast is that a limited "hard Brexit" deal focused on critical sectors will be agreed by end-2020, with negotiations ongoing in other areas. However, there is a high chance that no deal will be reached by end-2020, leaving businesses to face a rise in non-tariff barriers, with likely disruption to pharmaceutical supply chains. As a result, we expect pharmaceutical sales to be even more subdued than healthcare spending over the 2020-24 period, rising at a CAGR of just 1.2% in nominal local-currency terms.

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



Funding sources

- Healthcare provision in the UK is dominated by the NHS, which is financed primarily via general taxation. NHS care is free at point of delivery, but fixed charges are levied (in England) for most prescription medicines and dental care, with some exemptions.
- Public expenditure (including compulsory contributions) accounted for 77% of current health spending in 2018, according to the OECD. This share has fallen slightly over the past decade. It is lower than in Germany (85%) and France (83%), but above the OECD average (74%).

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

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

Healthcare: key indicators

	2015 ^a	2016 ^a	2017 ^A	2018 ^b	2019 ^b	2020 ^c	2021 ^c	2022 ^c	2023 ^c	2024 ^c
Life expectancy, average (years)	80.9	80.9	81.0	81.0 ^a	81.1 ^a	81.2 ^a	81.3	81.4	81.5	81.6
Life expectancy, male (years)	78.9	79.0	79.1	79.2 ^a	79.3 ^a	79.4 ^a	79.5	79.7	79.9	80.0
Life expectancy, female (years)	82.7	82.8	82.8	82.8 ^a	82.9 ^a	82.9 ^a	83.0	83.1	83.1	83.2
Infant mortality rate (per 1,000 live births)	4.4	4.3	4.3 ^b	4.2	4.2	4.1	4.1	4.0	4.0	4.0
Healthcare spending (£ bn)	185.7	193.6	199.5	209.5	220.4	210.0	218.5	225.7	234.8	244.5
Healthcare spending (% of GDP)	9.7	9.7	9.6	9.8	10.0	10.3	10.1	10.2	10.3	10.3
Healthcare spending (US\$ bn)	283.9	262.3	257.2	279.8	281.5	265.0	277.3	296.8	322.3	343.5
Healthcare spending (US\$ per head)	4,341	3,986	3,854	4,168	4,169	3,903	4,065	4,332	4,686	4,976
Healthcare (consumer expenditure; US\$ bn)	32.5	31.8	32.1	34.7	34.4	33.8	35.1	36.5	38.8	41.2
Doctors (per 1,000 people)	2.8	2.8	2.9 ^b	2.9	2.9	3.0	3.0	3.1	3.1	3.2
Hospital beds (per 1,000 people)	2.6	2.6 ^b	2.6 ^b	2.5	2.5	2.5	2.5	2.4	2.4	2.4

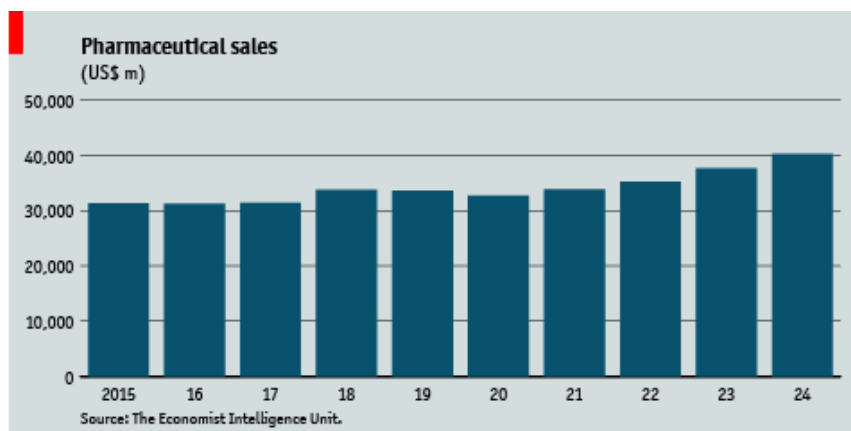
^a Actual. ^b Economist Intelligence Unit estimates. ^c Economist Intelligence Unit forecasts.

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

- The Health and Social Care Act 2012 reorganised NHS England funding flows in order to give general practitioners (GPs) control over health commissioning. Management of about 70% of funding was passed to 191

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

clinical commissioning groups (CCGs). The reforms did not apply in Scotland, Wales or Northern Ireland. Several CCGs merged in April 2020, as envisaged under the NHS England long-term plan unveiled in January 2019.



- Current (operational) NHS spending increased from £126.7bn in 2018/19 to £133.3bn in 2019/20, and is planned to rise again to £137.1bn in 2020/21. Of the 2019/20 total, £115bn went to NHS England, with Scotland, Wales and Northern Ireland sharing the rest under a formula related to population size.
- The Conservative government's spending plans imply that by 2022/23 the annual budget for NHS England will have risen by £20.5bn a year in real terms, with budgets for the other three UK regions (Scotland, Wales and Northern Ireland) rising at the same rate. Capital spending, on hospitals and equipment, totalled £7.1bn in 2019/20.
- In September 2019 the government unveiled additional spending of £1.5bn in 2020/21 for social care services, which are separate from the NHS budget and fall under the remit of local authorities. This will only partly reverse a sharp real-term drop in social care spending since 2010, which has exacerbated strains on the wider healthcare system.

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

Private health insurance

- Voluntary (or private) spending on healthcare accounted for 22.9% of the UK's total health expenditure in 2018, according to the OECD. Of this, out-of-pocket (OOP) spending accounted for 16% of total health spending, with 3% coming from private health insurance and the remainder from charitable or company schemes, according to government data.
- The share of OOP spending has risen gradually in recent years, but the private health insurance market has remained broadly flat, reflecting the dominance of the NHS. In 2018 spending on private acute medical care in hospitals and clinics fell by 1.1% to £5.8bn, according to LaingBuisson, a consultancy, reflecting a decline in care done under contract to the NHS. This decline came despite a 4.8% increase in the self-pay market.
- The leading independent healthcare group is Bupa, with 2.2m policyholders in 2018. Other major insurers include AXA PPP, Aviva and VitalityHealth.

Telecommunications

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

May 20th 2020

- Mobile telephony accounts for a majority of telecommunications connections in the UK. The mobile penetration rate has fallen slightly in recent years, amid a largely saturated market. The Economist Intelligence Unit expects a return to growth, albeit weak, over the forecast period (2020-24), rising to 122% by 2024. The number of mobile subscriptions is forecast to increase at a compound annual growth rate (CAGR) of 0.9%.

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

- Fixed-line penetration is forecast to decline, falling gradually to 44% in 2024. There were an estimated 40 broadband subscriptions per 100 people in 2019—the eighth-highest rate in the OECD—with total internet penetration at 95.4% of the population. We forecast a rise to 42.6 broadband sub-scriptions per 100 people by 2024, with the impact of the coronavirus crisis likely to accelerate the upward trend in digital adoption. However, a pandemic-related economic slump and ongoing social distancing measures imply greater uncertainty over planned digital investment plans by telecoms firms and the government in 2020-24.
- An updated UK digital strategy was published by the government in March 2017, with seven strands covering areas such as connectivity, digital skills and cyber security. Alongside an aim (which will be unmet) to complete the roll-out of fourth-generation (4G) mobile services in 2020, the strategy detailed higher public investment to support the development of fifth-generation (5G) technology, full-fibre broadband and artificial intelligence (AI). In March 2020 the government and Ofcom, the telecoms regulator, agreed a scheme with the UK's four main mobile network operators (MNOs) for a shared rural 4G network to remove most connectivity "not-spots"—a term used to describe the absence of 4G coverage—by 2025. The digital strategy aims for a majority of the population to have 5G mobile coverage by 2027. Since mid-2019 all four main MNOs have launched commercially available 5G services.
- In July 2018 the then Conservative government set targets to achieve "full-fibre broadband coverage" for 15m premises by 2025 and national coverage by 2033. An electioneering pledge by Boris Johnson in July 2019—when he took over as prime minister—to achieve national coverage by 2025 has predictably been watered down since the UK general election in late 2019, with the re-elected Conservative administration committing only to "accelerate the delivery of gigabit-capable broadband". Full-fibre coverage in the UK is among the lowest in Europe, at about 13% in April 2020.

Telecoms penetration

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^b	2020 ^c	2021 ^c	2022 ^c	2023 ^c	2024 ^c
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One-click report : United Kingdom ,March 21st 2024

Telephone main lines (m)	33.2	32.6	32.1	31.9	31.5	31.8	30.7	30.5	30.4	30.5
Telephone main lines (per 100 people)	50.8	49.6	48.2	47.5	46.7	46.8	45.0	44.5	44.2	44.2
Mobile subscriptions (m)	79.3	78.9	79.1	79.5	80.3	81.0	83.1	83.6	83.9	84.2
Mobile subscriptions (per 100 people)	121.2	120.0	118.5	118.4	119.0	119.3	121.8	122.0	122.0	121.9

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

Sources: International Telecommunication Union; The Economist Intelligence Unit.

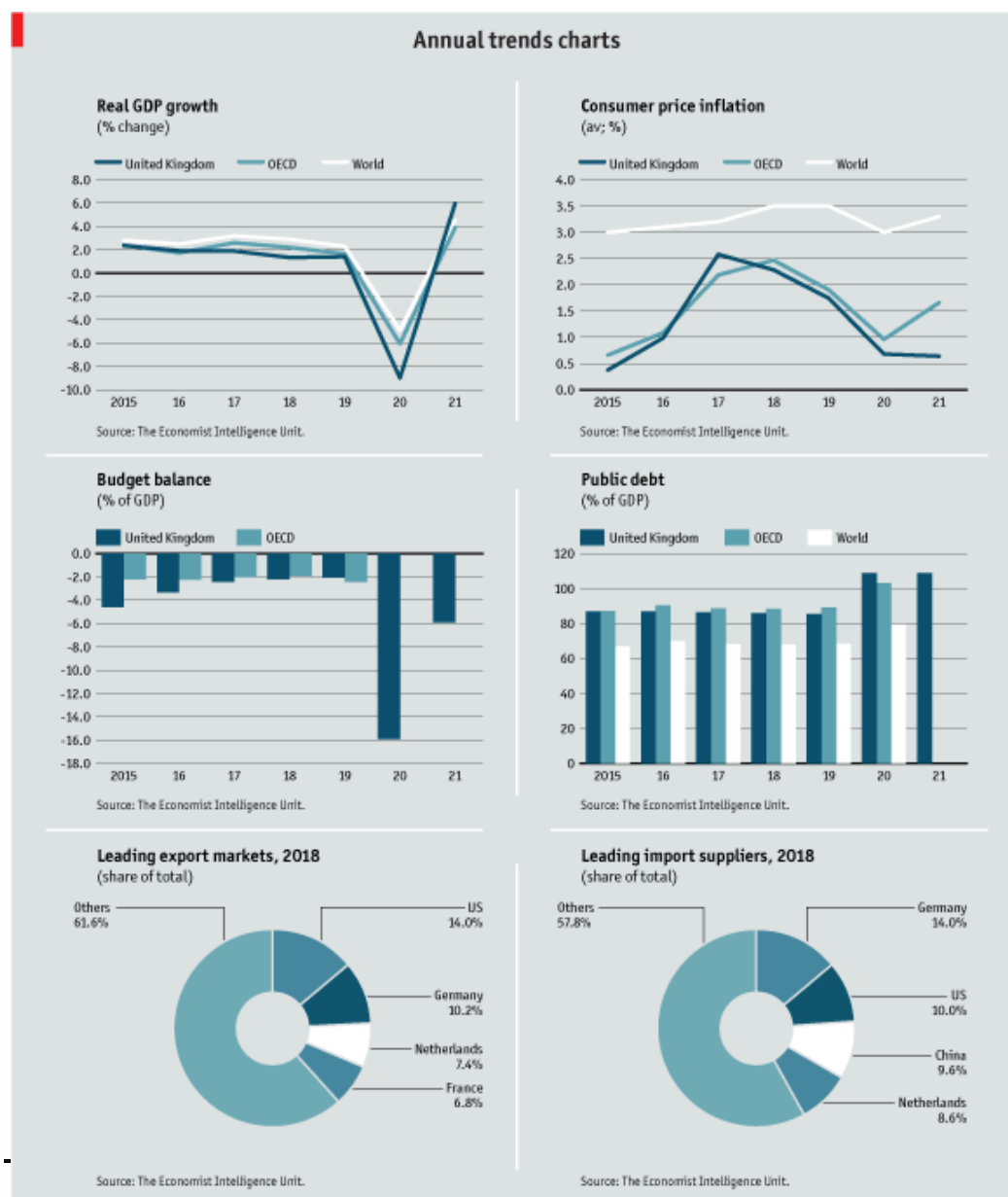
One-click report : United Kingdom ,March 21st 2024

Data and charts: Annual trends charts

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

July 1st 2020

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


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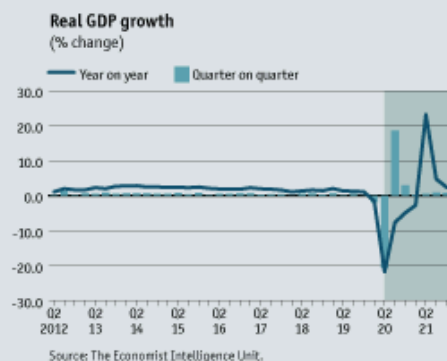
Data and charts: Quarterly trends charts

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July 1st 2020

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

Quarterly trends charts



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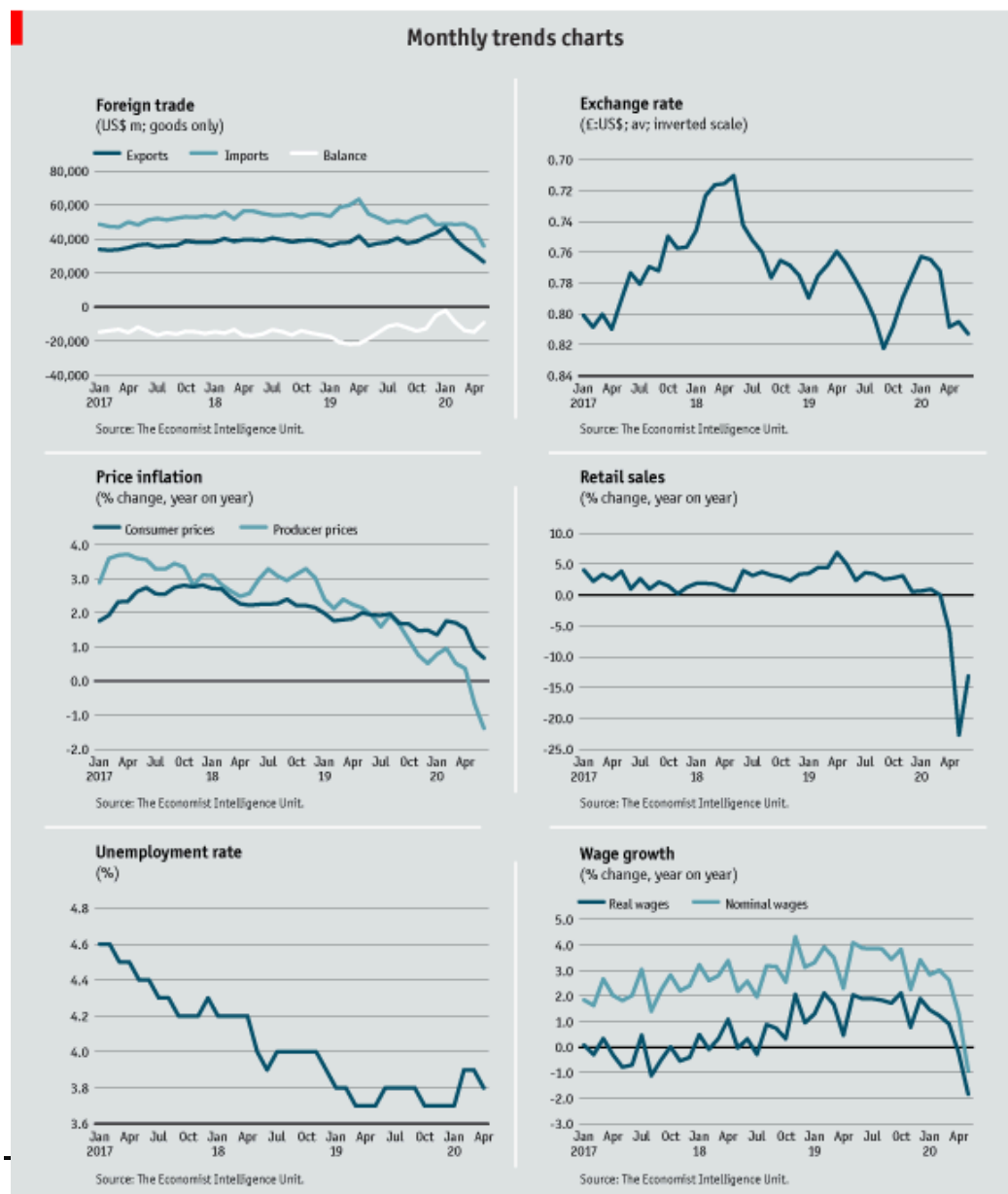
One-click report : United Kingdom ,March 21st 2024

Data and charts: Monthly trends charts

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

Data summary: Gross domestic product, current market prices

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July 15th 2020

Gross domestic product, at current market prices

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Expenditure on GDP (£ bn at current market prices)										
GDP	1,916.9	1,995.5	2,071.7	2,144.3	2,214.9	2,038.6	2,154.8	2,206.0	2,275.1	2,366.6
Private consumption	1,235.9	1,299.1	1,346.9	1,404.0	1,437.6	1,307.4	1,367.2	1,385.7	1,418.2	1,473.5
Government consumption	373.7	381.5	386.7	396.2	418.1	433.7	442.8	465.1	484.2	513.4
Gross fixed investment	324.6	343.7	357.1	362.6	377.7	280.1	352.5	380.4	407.1	433.5
Exports of goods & services	530.0	567.5	629.1	656.5	701.2	557.4	619.7	656.3	687.4	716.8
Imports of goods & services	556.5	599.8	654.2	686.3	724.4	543.0	631.4	683.6	724.3	773.1
Stockbuilding	9.2	3.5	6.0	6.1	7.6	3.0	4.0	2.0	2.5	2.5
Domestic demand	1,943.4	2,027.8	2,096.6	2,169.0	2,241.0	2,024.2	2,166.6	2,233.2	2,312.0	2,423.0
Expenditure on GDP (US\$ bn at current market prices)										
GDP	2,930.0	2,703.7	2,670.7	2,864.2	2,829.2	2,572.5	2,734.3	2,900.8	3,122.6	3,325.1
Private consumption	1,889.1	1,760.1	1,736.3	1,875.4	1,836.4	1,649.9	1,734.9	1,822.3	1,946.4	2,070.3
Government consumption	571.2	516.9	498.5	529.3	534.1	547.3	561.9	611.6	664.6	721.4

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

Gross fixed investment	496.2	465.7	460.3	484.4	482.4	353.5	447.3	500.3	558.8	609.1
Exports of goods & services	810.2	768.9	811.0	876.9	895.7	703.3	786.3	863.1	943.5	1,007.1
Imports of goods & services	850.6	812.7	843.4	916.7	925.4	685.2	801.3	898.9	994.1	1,086.2
Stockbuilding	14.0	4.8	7.7	8.2	9.7	3.8	5.1	2.6	3.4	3.5
Domestic demand	2,970.5	2,747.5	2,702.8	2,897.2	2,862.6	2,554.4	2,749.3	2,936.7	3,173.2	3,404.3
Economic structure (% of GDP at current market prices)										
Household consumption	64.5	65.1	65.0	65.5	64.9	64.1	63.5	62.8	62.3	62.3
Government consumption	19.5	19.1	18.7	18.5	18.9	21.3	20.6	21.1	21.3	21.7
Gross fixed investment	16.9	17.2	17.2	16.9	17.1	13.7	16.4	17.2	17.9	18.3
Stockbuilding	0.5	0.2	0.3	0.3	0.3	0.1	0.2	0.1	0.1	0.1
Exports of goods & services	27.7	28.4	30.4	30.6	31.7	27.3	28.8	29.8	30.2	30.3
Imports of goods & services	29.0	30.1	31.6	32.0	32.7	26.6	29.3	31.0	31.8	32.7
Memorandum item										
National savings ratio (%)	12.5	12.2	14.0	13.3	13.6 ^c	11.7	13.8	14.7	15.2	15.6

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

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

Data summary: Gross domestic product, at constant prices

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Gross domestic product, at constant prices

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Real expenditure on GDP (£ bn at chained 2013 prices)										
GDP	1,957.9	1,995.5	2,033.2	2,060.5	2,089.5	1,901.8	2,015.5	2,054.7	2,092.0	2,125.3
Household consumption	1,253.3	1,299.0	1,327.8	1,348.7	1,363.3	1,228.7	1,327.1	1,359.7	1,389.9	1,422.8
Government consumption	377.9	381.5	382.5	384.2	397.7	421.6	402.6	411.1	419.3	427.7
Gross fixed investment	331.6	343.7	349.3	348.5	350.5	265.2	319.5	334.7	346.1	357.8
Exports of goods & services	552.4	567.5	602.1	609.5	640.8	509.3	558.6	580.5	601.6	620.1
Imports of goods & services	574.6	599.8	620.8	633.2	662.5	514.7	584.9	621.9	656.0	694.2
Stockbuilding (% of GDP)	16.1	3.6	-9.0	-5.5	-1.3	3.0	4.0	2.0	2.5	2.5
Domestic demand	1,978.5	2,027.8	2,051.7	2,079.3	2,113.0	1,921.6	2,056.1	2,110.4	2,160.7	2,213.8
Real expenditure on GDP (% change)										
GDP	2.4	1.9	1.9	1.3	1.4	-9.0	6.0	1.9	1.8	1.6
Household consumption	3.0	3.6	2.2	1.6	1.1	-9.9	8.0	2.5	2.2	2.4
Government consumption	1.8	1.0	0.3	0.4	3.5	6.0	-4.5	2.1	2.0	2.0
Gross fixed investment	3.7	3.6	1.6	-0.2	0.6	-24.3	20.4	4.8	3.4	3.4

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

Exports of goods & services	3.8	2.7	6.1	1.2	5.1	-20.5	9.7	3.9	3.6	3.1
Imports of goods & services	5.4	4.4	3.5	2.0	4.6	-22.3	13.6	6.3	5.5	5.8
Stockbuilding (% contribution to GDP growth)	-0.3	-0.6	-0.6	0.2	0.2	0.2	0.1	-0.1	0.0	0.0
Domestic demand	2.6	2.5	1.2	1.3	1.6	-9.1	7.0	2.6	2.4	2.5
Real contribution to GDP growth (% points)										
Private consumption	1.9	2.3	1.4	1.0	0.7	-6.4	5.2	1.6	1.5	1.6
Government consumption	0.3	0.2	0.0	0.1	0.7	1.1	-1.0	0.4	0.4	0.4
Gross fixed investment	0.6	0.6	0.3	0.0	0.1	-4.1	2.9	0.8	0.6	0.6
External balance	-0.5	-0.5	0.7	-0.2	0.1	0.8	-1.1	-0.7	-0.6	-0.9
Memorandum items										
Industrial production (% change)	1.0	1.2	1.7	0.8	-1.5	-9.8	8.3	1.2	1.5	1.2
Real personal disposable income (% change)	5.3	0.4	1.3	2.4	1.3	-7.0	7.4	2.2	2.2	2.0

^a Actual. ^b Economist Intelligence Unit forecasts.

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

Data summary: Gross domestic product by sector of origin

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Gross domestic product by sector of origin

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Origin of GDP (£ bn at chained 2010 prices)										
GDP at factor cost	1,744.2	1,778.1	1,813.5	1,843.5	1,868.7	1,700.8	1,802.5	1,837.6	1,870.9	1,900.8
Agriculture	12.8	12.1	12.8	12.4	12.2	12.1	12.2	12.3	12.4	12.5
Industry	344.0	350.8	362.0	364.0	363.1	341.3	351.5	357.5	362.9	367.2
Services	1,387.5	1,415.2	1,438.7	1,467.1	1,493.4	1,347.4	1,438.8	1,467.8	1,495.7	1,521.1
Origin of GDP (real % change)										
Agriculture	1.0	-5.6	5.8	-3.0	-1.2	-1.0	1.0	1.0	0.5	0.5
Industry	1.9	2.0	3.2	0.5	-0.2	-6.0	3.0	1.7	1.5	1.2
Services	2.2	2.0	1.7	2.0	1.8	-9.8	6.8	2.0	1.9	1.7
Origin of GDP (% of factor cost GDP)										
Agriculture	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Industry	20.3	19.7	19.7	19.6	19.5	20.1	19.6	19.5	19.5	19.4

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

Services	79.0	79.6	79.6	79.7	79.8	79.1	79.7	79.8	79.8	79.9
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Memorandum item

Industrial production (% change)	1.0	1.2	1.7	0.8	-1.5	-9.8	8.3	1.2	1.5	1.2
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^a Actual. ^b 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

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Growth and productivity (%)										
Labour productivity growth	0.6	0.4	0.9	0.1	0.3	-1.6	2.9	0.4	0.6	0.6
Total factor productivity growth	0.4	0.1	0.4	-0.1	0.0	-4.6	4.8	0.6	0.5	0.6
Growth of capital stock	2.3	2.5	2.4	2.0	1.9	-1.5	0.7	1.1	1.4	1.7
Growth of potential GDP	1.8	1.7	1.7	1.5	1.7	-6.8	5.6	1.1	1.4	1.5
Growth of real GDP	2.4 ^c	1.9 ^c	1.9 ^c	1.3 ^c	1.4 ^c	-9.0	6.0	1.9	1.8	1.6
Growth of real GDP per head	1.8 ^c	1.3 ^c	0.5 ^c	0.7	0.8	-9.5	5.5	1.5	1.4	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

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^b	2020 ^c	2021 ^c	2022 ^c	2023 ^c	2024 ^c
Population, income and market size										
Population (m)	65.4	65.8	66.7	67.1 ^b	67.5	67.9	68.2	68.5	68.8	69.0
GDP (US\$ bn at market exchange rates)	2,930	2,704	2,671	2,864	2,829 ^a	2,573	2,734	2,901	3,123	3,325
GDP per head (US\$ at market exchange rates)	44,804	41,097	40,024	42,659 ^b	41,895	37,895	40,088	42,349	45,409	48,175
Private consumption (US\$ bn)	1,889	1,760	1,736	1,875	1,836 ^a	1,650	1,735	1,822	1,946	2,070
Private consumption per head (US\$)	28,886	26,754	26,021	27,931 ^b	27,193	24,304	25,436	26,603	28,305	29,995
GDP (US\$ bn at PPP)	2,768	2,897	3,037	3,121	3,214 ^a	2,966	3,181	3,260	3,352	3,453
GDP per head (US\$ at PPP)	42,334	44,042	45,516	46,481 ^b	47,596	43,696	46,644	47,586	48,743	50,027
Personal disposable income (£ bn)	1,323	1,346	1,383	1,453	1,498 ^a	1,398	1,454	1,471	1,504	1,558
Personal disposable income (US\$ bn)	2,022	1,824	1,783	1,940	1,913 ^a	1,765	1,846	1,934	2,065	2,189
Growth of real disposable income (%)	5.3	0.4	1.3	2.4	1.8	-7.5	7.4	2.2	2.2	2.0
Memorandum items										
Share of world population (%)	0.89	0.89	0.89	0.89 ^b	0.89	0.88	0.88	0.88	0.88	0.88
Share of world GDP (% at market exchange rates)	3.95	3.59	3.33	3.36	3.27 ^a	3.10	3.10	3.09	3.12	3.13

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Share of world GDP (% at PPP)	2.41	2.41	2.38	2.31	2.27 ^a	2.12	2.14	2.09	2.06	2.08
Share of world exports of goods (%)	2.71	2.58	2.51	2.46	2.58	2.06	2.17	2.14	2.20	2.27

^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

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^b	2020 ^c	2021 ^c	2022 ^c	2023 ^c	2024 ^c
Fiscal indicators (% of GDP)										
Government expenditure	42.3	41.5	41.2	40.9	41.0	47.5	41.6	41.8	42.4	42.9
Interest ^d	2.3	2.4	2.7	2.4	2.2	1.5	0.8	0.4	0.6	0.9
Non-interest ^d	40.0	39.1	38.5	38.5	38.8	46.0	40.7	41.5	41.8	42.1
Government revenue ^d	37.7	38.2	38.7	38.7	38.9	31.6	35.6	39.3	41.3	41.2
Budget balance ^d	-4.6	-3.3	-2.5	-2.2	-2.1	-15.9	-5.9	-2.5	-1.0	-1.8
Primary balance ^d	-2.3	-0.9	0.2	0.2	0.1	-14.4	-5.1	-2.2	-0.5	-0.9
Government debt ^e	86.9	86.8	86.2	85.7	85.4	108.7	108.8	108.6	106.2	103.7

^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

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
Monetary indicators										
Exchange rate US\$:£ (av)	1.53	1.35	1.29	1.34	1.28	1.26	1.27	1.32	1.37	1.41
Exchange rate €:£ (av)	1.38	1.22	1.14	1.13	1.14	1.15	1.13	1.13	1.14	1.14
Exchange rate US\$:€ (av)	1.11	1.11	1.13	1.18	1.12	1.10	1.12	1.17	1.21	1.24
Exchange rate €:£ (year-end)	1.35	1.17	1.13	1.12	1.15	1.13	1.12	1.12	1.13	1.14
Real effective exchange rate (av; 2005=100)	113.7	102.4	97.1	98.8	98.3	99.1	97.6	97.7	98.7	98.7
M4 money supply growth (%) ^c	0.6	6.2	4.8	2.3	3.8	9.9	3.8	0.7	1.1	1.8
Domestic credit growth (%)	0.3	4.2	5.4	3.2	4.9	10.1	4.0	0.9	1.3	2.0
Purchasing power parity US\$:£ (av)	1.44	1.45	1.47	1.46	1.45	1.46	1.48	1.48	1.47	1.46
3-month £-Libor rate (av; %)	0.6	0.5	0.4	0.7	0.8	0.5	0.5	0.7	0.8	1.0

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10-year government bond yield (av; %)	1.9	1.3	1.2	1.5	0.9	0.6	0.9	1.1	1.5	1.9
Bank of England base rate (%; end-period)	0.50	0.25	0.50	0.75	0.75	0.10	0.10	0.25	0.75	1.25
Lending rate (%; average mortgage SVR from UK MFIs)	4.5	4.4	4.4	4.3	4.3	4.0	4.0	4.2	4.4	4.5
Deposit rate (av; %)	1.6	1.3	0.9	0.9	0.9	0.8	0.8	1.0	1.3	1.5

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

Data summary: Employment, wages and prices

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Employment, wages and prices

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020 ^b	2021 ^b	2022 ^b	2023 ^b	2024 ^b
The labour market (av)										
Labour force (m)	33.1	33.4	33.5	33.8	34.1	33.2	33.5	33.6	33.8	33.9
Labour force (% change)	0.9	0.9	0.5	0.9	0.8	-2.6	0.9	0.2	0.5	0.5
Employment (m)	31.3	31.7	32.1	32.4	32.8	30.3	31.2	31.7	32.1	32.4
Employment (% change)	1.7	1.5	1.0	1.2	1.1	-7.5	3.0	1.5	1.2	1.0

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Unemployment (m)	1.8	1.6	1.5	1.4	1.3	2.9	2.3	1.9	1.7	1.5
Unemployment rate (%; EU/OECD standardised measure)	5.4	4.9	4.4	4.1	3.8	8.7	6.8	5.6	4.9	4.5
Wage and price inflation (% except labour costs per hour)										
GDP deflator	0.6	2.1	1.9	2.1	1.9	1.1	-0.3	0.4	1.3	2.4
Consumer prices (av; CPIH measure)	0.4	1.0	2.6	2.3	1.7	0.7	0.6	0.9	1.1	1.5
Producer prices (av)	-1.7	0.5	3.4	2.9	1.6	-0.1	1.6	2.3	1.7	2.0
GDP deflator (av)	0.6	2.1	1.9	2.1	1.9 ^c	1.1	-0.3	0.4	1.3	2.4
Private consumption deflator (av)	0.0	1.4	1.4	2.6	1.3 ^c	0.9	-3.2	-1.1	0.1	1.5
Government consumption deflator (av)	-0.5	1.1	1.1	2.0	1.9 ^c	-2.1	6.9	2.9	2.1	4.0
Fixed investment deflator (av)	2.8	2.2	2.2	1.8	3.6 ^c	-2.0	4.5	3.0	3.5	3.0
Average nominal wages (av)	2.4	2.4	2.3	2.9	3.4	-3.5	4.7	2.9	2.5	3.1
Average real wages (av)	2.0	1.4	-0.3	0.6	1.7	-4.2	4.0	2.0	1.4	1.6
Unit labour costs (£-based; av)	0.4	2.2	2.3	2.9	2.7	-1.0	2.2	3.5	2.9	3.5
Unit labour costs (US\$-based)	-6.9	-9.4	-2.6	6.6	-1.8	-2.2	2.8	7.2	7.4	6.0
Labour costs per hour (£)	20.8 ^c	21.3 ^c	22.0 ^c	22.7 ^c	23.5 ^c	22.7	23.7	24.4	25.0	25.8
Labour costs per hour (US\$)	31.7 ^c	28.9 ^c	28.4 ^c	30.3 ^c	30.0 ^c	28.6	30.1	32.1	34.3	36.2

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

Data summary: Current account and terms of trade

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

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Current account and terms of trade

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^b	2020 ^c	2021 ^c	2022 ^c	2023 ^c	2024 ^c
Current account (US\$ bn)										
Current-account balance	-143.6	-141.8	-93.0	-110.2	-106.9	-57.5	-73.7	-77.1	-86.1	-92.5
Current-account balance (% of GDP)	-4.9	-5.2	-3.5	-3.8	-3.8	-2.2	-2.7	-2.7	-2.8	-2.8
Goods: exports fob	436.9	402.6	434.8	466.6	475.7	318.0	369.3	403.7	445.5	486.5
Goods: imports fob	-616.6	-583.9	-609.8	-652.4	-641.6	-422.1	-514.4	-586.3	-651.1	-712.4
Trade balance	-179.7	-181.1	-175.1	-185.8	-166.0	-104.1	-145.0	-182.6	-205.7	-225.8
Services: credit	373.0	364.0	376.0	409.2	416.2	368.5	400.7	439.3	472.2	505.0
Services: debit	-233.7	-226.4	-233.3	-263.0	-283.4	-248.9	-276.1	-299.9	-315.8	-334.0
Services balance	139.3	137.6	142.7	146.2	132.8	119.6	124.6	139.4	156.3	171.0
Primary income: credit	207.2	186.4	241.1	291.7	275.1	193.7	219.7	259.7	295.4	315.0
Primary income: debit	-274.0	-252.8	-272.9	-328.1	-313.6	-234.9	-239.0	-257.7	-293.4	-311.4
Primary income balance	-66.8	-66.4	-31.8	-36.4	-38.5	-41.2	-19.4	2.0	2.0	3.6
Secondary income: credit	24.9	22.8	22.7	24.9	23.8	21.6	23.0	24.4	26.3	28.0
Secondary income: debit	-61.1	-55.0	-51.6	-59.0	-58.9	-53.6	-56.9	-60.4	-65.0	-69.2

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Secondary income balance	-36.2	-32.2	-28.9	-34.1	-35.1	-31.9	-33.9	-36.0	-38.7	-41.3
Terms of trade										
Export price index (US\$-based; 2010=100)	95.1	89.0	89.9	96.3	92.2 ^a	87.3	89.6	95.7	100.9	104.0
Export prices (% change)	-14.2	-6.5	1.1	7.0	-4.2 ^a	-5.4	2.7	6.8	5.4	3.1
Import price index (US\$-based; 2010=100)	96.7	88.5	89.6	95.3	89.7 ^a	81.5	84.4	89.4	93.4	96.1
Import prices (% change)	-12.9	-8.5	1.2	6.4	-5.9 ^a	-9.2	3.5	5.9	4.5	2.9
Terms of trade (2010=100)	98.3	100.5	100.4	101.0	102.8 ^a	107.1	106.2	107.1	108.1	108.3
Memorandum item										
Export market growth (%)	5.1	4.0	4.8	4.8	0.5	-10.8	6.3	4.6	3.5	3.7

^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

	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^b	2020 ^c	2021 ^c	2022 ^c	2023 ^c	2024 ^c
Foreign direct investment (US\$ bn)										
Inward direct investment	45.3	324.8	121.3	81.2	27.0	-55.7	29.4	53.8	74.1	93.1
Inward direct investment (% of GDP)	1.5	12.0	4.5	2.8	1.0	-2.2	1.1	1.9	2.4	2.8
Inward direct investment (% of gross fixed investment)	9.1	69.7	26.4	16.8	5.6	-15.7	6.6	10.8	13.3	15.3
Outward direct investment	60.2	-33.0	-138.1	-56.4	-0.2	20.6	-28.7	-46.3	-52.0	-57.1
Net foreign direct investment	105.5	291.8	-16.8	24.8	26.8	-35.1	0.7	7.5	22.2	36.0
Stock of foreign direct investment	2,080.0	2,009.0	2,292.0	2,291.0	2,372.0	2,316.3	2,345.8	2,399.6	2,473.7	2,566.8
Stock of foreign direct investment per head (US\$)	31,806	30,537	34,349	34,122	35,125	34,121	34,392	35,031	35,973	37,189
Stock of foreign direct investment (% of GDP)	71.0	74.3	85.8	80.0	83.8	90.0	85.8	82.7	79.2	77.2
Memorandum items										
Share of world inward direct investment flows (%)	1.4	12.4	6.0	10.1	2.5	-5.4	2.7	4.8	6.4	7.7
Share of world inward direct investment stock (%)	7.9	7.1	7.6	7.2	6.9	7.0	6.8	6.7	6.7	6.7

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

Political structure

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

July 1st 2020

Official name

United Kingdom of Great Britain and Northern Ireland

Form of state

Parliamentary monarchy

Legal system

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

National legislature

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

Electoral system

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

Universal direct suffrage from the age of 18

National elections

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

Head of state

Queen Elizabeth II, who acceded to the throne in 1952

National government

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

Main political parties

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

Prime minister: Boris Johnson

Attorney general: Suella Braverman

Chancellor of the exchequer: Rishi Sunak

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Chief secretary to the Treasury: Stephen Barclay

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

Leader of the House of Commons: Jacob Rees-Mogg

Minister for the Cabinet Office: Michael Gove

Party chair and minister without portfolio: Amanda Milling

Parliamentary secretary to the Treasury & chief whip: Mark Spencer

Secretaries of state

Business, energy & industrial strategy: Alok Sharma

Defence: Ben Wallace

Digital, culture, media & sport: Oliver Dowden

Education: Gavin Williamson

Environment, food & rural affairs: George Eustice

Foreign & Commonwealth affairs: Dominic Raab

Health & social care: Matt Hancock

Home Office: Priti Patel

Housing, communities & local government: Robert Jenrick

International development: Anne-Marie Trevelyan

International trade: Liz Truss

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

Justice & Lord Chancellor: Robert Buckland

Northern Ireland: Brandon Lewis

Scotland: Alister Jack

Transport: Grant Shapps

Wales: Simon Hart

Work & pensions: Therese Coffey

Central bank governor

Andrew Bailey

Basic data

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

July 1st 2020

Land area

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

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Population

66m (official mid-year estimate, 2017)

Main towns

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

Greater London (capital): 8,825

Birmingham: 1,137

Leeds: 785

Glasgow: 621

Sheffield: 578

Climate

Temperate

Weather in London (altitude 5 metres)

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

Language

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

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

Measures

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

Currency

Pound (or pound sterling) = 100 pence

Time

GMT (summer time, 1 hour ahead)

Fiscal year

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

Public holidays

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

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

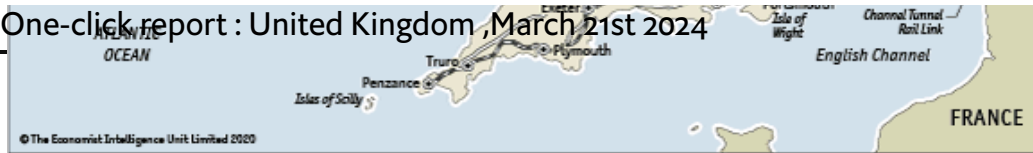
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