

Economic Indicators

Economic Policy and
Statistics Section

28 May 2024

Economic Indicators

Economic Summary

1. [Headline UK Economic Indicators, May 2024](#)
2. [Headline Indicators summary](#)
3. [Introduction to Economic Indicators](#)
- A. [Growth and Output](#)
 - [Gross Domestic Product](#)
 - [GDP - International Comparisons](#)
 - [Components of GDP](#)
 - [Productivity](#)
 - [Services](#)
 - [Manufacturing](#)
- B. [Price and Wages](#)
 - [Inflation](#)
 - [Inflation: International](#)
 - [Average Earnings](#)
- C. [Labour Market](#)
 - [Employment](#)
 - [Unemployment - National](#)
 - [Unemployment - International Comparisons](#)
- D. [Finance and Borrowing](#)
 - [Interest Rates and Monetary Policy](#)
 - [Public finances](#)
 - [Financial Indicators](#)
- E. [Trade and Exchange Rates](#)
 - [Trade](#)
 - [Exchange rates](#)
- F. [Other Indicators](#)
 - [Business and Consumer Confidence](#)
 - [Retail Sales](#)
 - [Housing Market](#)
 - [Household Debt](#)
4. [Glossary](#)

Number 09040

Disclaimer

The Commons Library does not intend the information in our research publications and briefings to address the specific circumstances of any particular individual. We have published it to support the work of MPs. You should not rely upon it as legal or professional advice, or as a substitute for it. We do not accept any liability whatsoever for any errors, omissions or misstatements contained herein. You should consult a suitably qualified professional if you require specific advice or information. Read our briefing [‘Legal help: where to go and how to pay’](#) for further information about sources of legal advice and help. This information is provided subject to the conditions of the Open Parliament Licence.

Feedback

Every effort is made to ensure that the information contained in these publicly available briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Please note that authors are not always able to engage in discussions with members of the public who express opinions about the content of our research, although we will carefully consider and correct any factual errors.

You can read our feedback and complaints policy and our editorial policy at commonslibrary.parliament.uk. If you have general questions about the work of the House of Commons email hcenquiries@parliament.uk.

Contents

Economic update: Inflation falls as the election campaign begins	5
1 Headline UK Economic Indicators, May 2024	8
2 Headline Indicators summary	9
3 Introduction to Economic Indicators	11
A1: Gross Domestic Product	13
A2: GDP International	14
A3: Components of GDP	15
A4: Productivity	16
A5: Services	17
A6: Manufacturing	18
B1: Inflation	19
B2: International Inflation	20
B3: Average Earnings	21
C1: Employment	22
C2: Unemployment	23
C3: Unemployment International	24
D1: Interest Rates and Monetary Policy	25
D2: Public finances	26
D3: Financial Indicators	27
E1: Trade	28
E2: Exchange rates	29
F1: Business and Consumer Confidence	30
F2: Retail sales	31

F3: Housing Market	32
F4: Household debt	33
4 Glossary	34

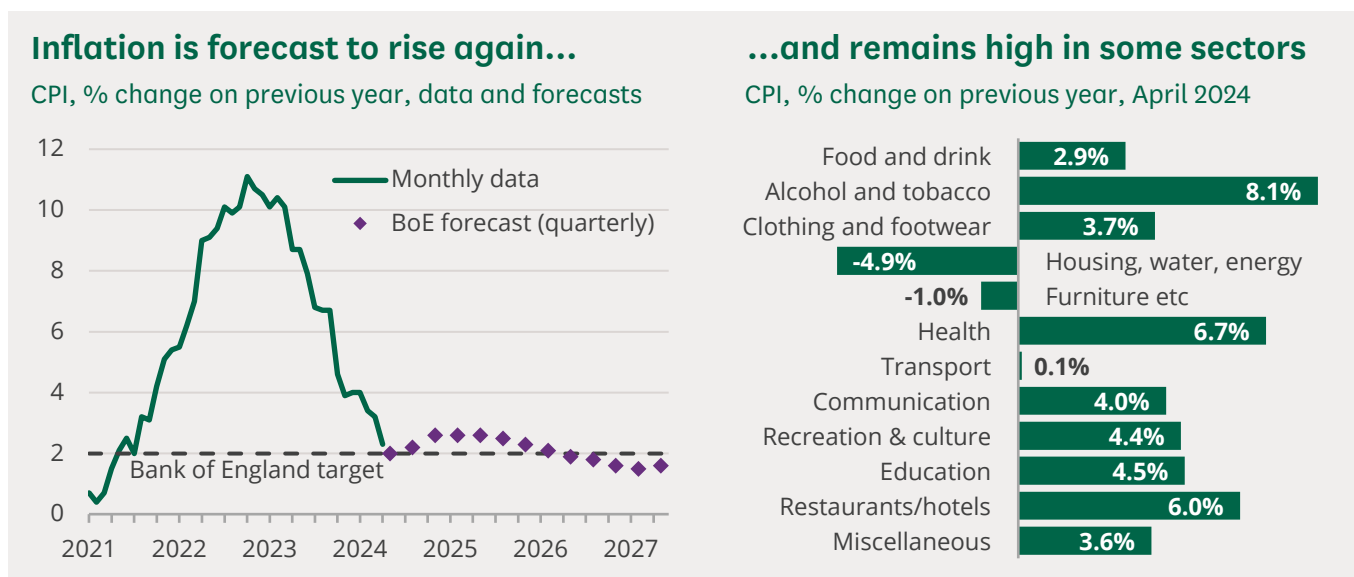
Economic update: Inflation falls as the election campaign begins

As the campaigns for the general election on 4 July kicked off, both the Prime Minister and Keir Starmer emphasised [“economic stability” as a particularly important theme in their speeches.](#)

Inflation falls to (nearly) its target level

Inflation, as measured by the Consumer Prices Index (CPI), [fell to 2.3% in April](#). This is well below the 11.1% it reached in October 2022, which the Office for National Statistics (ONS) estimates was the highest rate since October 1981. However, this month’s fall in inflation was [not as large as economists had predicted](#), and the rate remains above the Bank of England’s target of 2%.

As the left-hand side of the chart below shows, the Bank of England currently expects inflation to rise slightly over the next year or so before returning to the target in 2026.



Source: ONS, [Consumer price inflation, UK: April 2024](#), 22 May 2024, and Bank of England, [Monetary Policy Report - May 2024](#), 9 May 2024

As the right-hand side of the chart above shows, the fall in April’s inflation rate was largely driven by the price of energy, itself governed partly by the [Ofgem price cap](#). Gas was about 37.5% cheaper in April 2024 than it was 12 months earlier, and electricity was 21% cheaper.

Prices rose in most other sectors, particularly alcohol and tobacco, although generally not as sharply as they have in recent months. “Core” inflation in

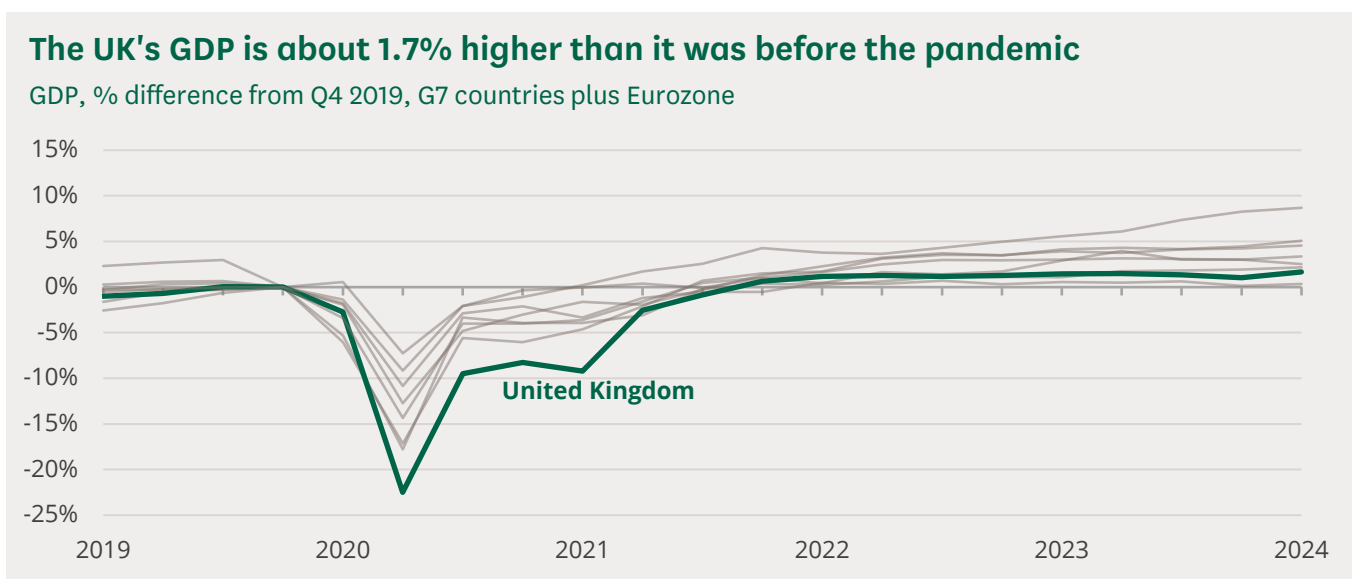
April (this measure excludes energy, food, alcohol and tobacco) was 3.9%. For more on inflation, see the Library's research briefing [Rising cost of living in the UK](#).

The UK leaves technical recession

Initial estimates of economic growth published on 10 May suggest that [the UK economy grew by 0.6% in the first quarter of 2024](#) (January to March).

As highlighted in the Prime Minister's speech announcing the general election, this rate of growth was faster than that in France, Germany or the United States over the same quarter. The economy's return to growth also means that the UK has exited the "technical recession" (two consecutive quarters of the economy shrinking) that it entered in the third quarter of 2023.

However, as the chart below shows, this growth comes in a context of relatively sluggish recovery since the Covid-19 pandemic. Within the G7, [only Germany has had slower growth than the UK](#) since the last quarter of 2019.



Source: OECD, [Quarterly GDP and components - expenditure approach](#), retrieved 23 May 2024

The economy has also failed to keep pace with growth in population. [GDP per person shrank in real terms in every quarter of 2023](#), although this measure also returned to growth in the first quarter of 2024.

Other economic news this month gave a mixed picture. Poor weather in April contributed to [retail sales falling by 2.3%](#) compared with the previous month. However, [the GfK Consumer Confidence Index rose 2 points in May](#), reflecting improvements in people's personal financial situations and in their expectations of the economy as a whole.

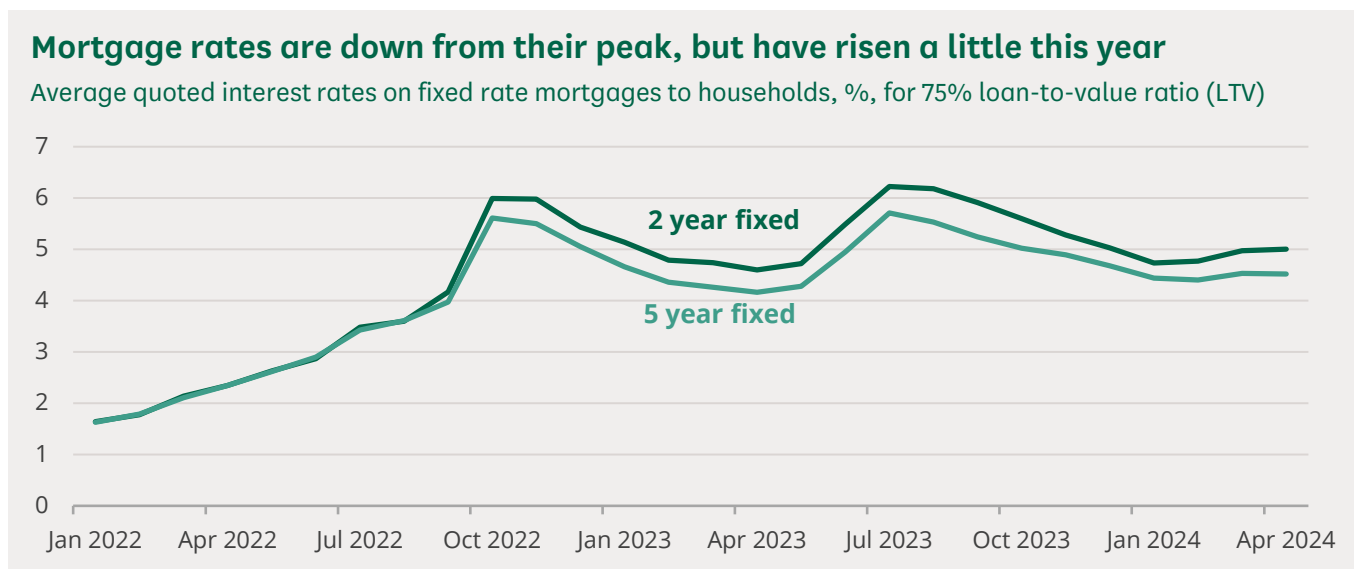
Interest rate cuts might have to wait

The Bank of England's Monetary Policy Committee announced on 9 May that it had voted to keep the Bank's main interest rate at 5.25%. Two of the committee's nine members wanted to cut the rate to 5%, but overall the committee said that it had not done this yet because [it had not seen enough evidence](#) that inflation was going to stay near the target.

Labour market data has been adding to the Bank's uncertainty about whether to reduce rates. [As we have previously discussed](#), low response rates to surveys from the ONS mean that the data on employment and unemployment rates is less reliable than it would normally be. The Bank of England notes that [some other indicators indicate stronger growth in employment](#) than ONS data would suggest.

According to the Financial Times, financial market traders' opinions had been evenly split on whether the Bank would reduce the interest rate at its June meeting, but following the inflation announcement [they now mostly consider it unlikely](#).

Given the frequent changes in expectations for interest rates, it is not clear what effect this might have on mortgage costs. As the chart below shows, mortgage rates have been slowly rising since January 2024, although they are still below their recent peak reached in the middle of 2023.



Source: [Bank of England statistical database](#), retrieved 23 May 2024

1

Headline UK Economic Indicators, May 2024

Gross Domestic Product: Q1 2024, Seasonally Adjusted		
Change (real %)	0.6 (qtr)	0.2 (yr Q1 23-Q1 24)
Industries		
Service output: 3 months to March 2024		
Change (%)	0.7 (qtr)	0.3 (yr)
Manufacturing output: 3 months to March 2024		
Change (%)	1.4 (qtr)	2.1 (yr)
Productivity: Q1 2024		
Output per hour		
Change (%)	-0.3 (qtr)	0.1 (yr)
Inflation: April 2024		
Change on year (%)	2.3 (CPI)	3.3 (RPI)
Labour Market: Jan - Mar 2024, Seasonally Adjusted		
Unemployment		
Unemployment Rate (% of economically active)		4.3
Change (% points)	0.5 (qtr)	0.3 (yr)
Employment		
Employment Rate (% aged 16-64 in work)		74.5
Change (% points)	-0.6 (qtr)	-0.8 (yr)
Interest Rate: as of 28 May 2024		
Bank of England Base Rate		5.25 (%)
Public Finances: 2024/25		
Net borrowing	87 (£ bn)	3.1 (% GDP)
Net debt	98.3 (% GDP)	91.7 (% GDP, ex. BoE)
Trade: Q4 2023		
Current Account	-21.2 (£ bn)	-3.1 (% GDP)
Sterling Exchange rate: as of 27 May 2024		
US Dollar (\$)	1.28 (rate)	3.5% (% change on yr)
Euro (€)	1.18 (rate)	2.1% (% change on yr)
ONS Business Insights and Conditions Survey: May 2024		
% of respondents thought their business's performance would increase over the next 12 months		23.0
Retail Sales: April 2024, Seasonally Adjusted, 3 month average		
Quantity of retail sales (volume)		-0.8 (% change on yr)
Housing Market: February 2024, Seasonally Adjusted		
House Price Index (ONS)		
Change (%)	1.1 (mth)	1.8 (yr)

See each indicator page for information on the sources used in this table.

2

Headline Indicators summary

GDP is estimated to have risen by 0.6% in January–March 2024 compared to the previous three-month period (October–December 2023). Eurozone GDP grew by 0.3% over the same period.

Services output was up by 0.3% in the three months to March 2024 compared to the previous year. **Manufacturing output** rose by 2.1%.

CPI inflation was 2.3% in April 2024, down from 3.2% in March. Inflation in the Eurozone was 2.4% in April 2024, unchanged from March.

The Bank of England's Monetary Policy Committee (MPC) **left interest rates unchanged at 5.25%** on 9 May for the sixth meeting in a row. This followed 14 consecutive rate increases.

Average wages excluding bonuses were 6.0% higher in the three months to March 2024 compared with the year before, and 2.4% higher after adjusting for inflation. CPI inflation for this period was 3.5%.

33.00 million people were in **employment** in January–March 2024, down 204,000 from a year before. The **employment rate** was 74.5%, down from 75.3% the previous year.

1.49 million people were **unemployed** in January–March 2024, up 103,000 from the year before. The **unemployment rate** was 4.3%. The UK harmonised unemployment rate for Q1 2024 was 4.3%, above the rate of Germany (3.2%) and the US (3.8%) but below that of France (7.4%).

Productivity across the whole UK economy decreased by 0.3% in Q1 2024 compared with the previous quarter. Compared with the previous year, it was down by 0.3%.

Government borrowing in 2023/24 was £121 billion, £6.4 billion less than in 2022/23. At the end of April 2024, public sector net debt was equivalent to 97.9% of GDP, compared to 95.4% a year before.

The UK had a **trade deficit** of £4.1 billion in the three months to March 2024, down from £7.3 billion in the three months to December 2023. The **current account deficit** was £21.2 billion in Q4 2023 (3.1% of GDP), up from £18.5 billion in Q3 2023 (2.7% of GDP).

The **value of sterling** fell by 0.5% between March and April 2024, following an increase of 0.5% between February and March. Compared with a year ago, it is 3.9% higher.

The volume of **retail sales** increased by 0.7% in the three months to April 2024 compared with the previous three months, and increased by 0.8% compared with the previous year.

GfK's Consumer Confidence Index, which measures **consumer attitudes**, was at -17 in May 2024, up by two points from -19 in April.

House prices increased by 1.8% in the year to March 2024.

Household debt stood at 123.7% of disposable income in Q4 2023. This was its lowest level since at least 2007.

3

Introduction to Economic Indicators

Economic Indicators is published once per month. Individual indicator pages are updated more frequently as new data becomes available and are published on the Library's webpages.

Feedback

If you have any comments or suggestions about Economic Indicators please contact the editor, Philip Brien on x7574.

Weekly email alert

A weekly email alert with updated indicators is available to Members and their staff on request. To subscribe, please visit the Commons Library website.

Regional Economic Indicators

A separate briefing, Regional and National Economic Indicators, is available containing key economic data on the regions and countries of the UK, compared to the national UK average.

Sources and glossary

Sources are listed on each indicator's page. Economic terms, symbols and abbreviations used in the publication are provided in Section 4.

Contacts

Members and their staff are encouraged to talk to Library subject specialists. A comprehensive guide is available in Using the Library. Researchers are not able to discuss pages with members of the public. For enquiries, please contact the following specialists:

Subject	Specialist	Contact
Balance of Payments	Dominic Webb	2042
Businesses	Philip Brien	7574
EC finance	Philip Brien	7574
GDP	Daniel Harari	2464
Employment	Andrew Powell	6962
Financial Services	Lorna Booth	2883
Housing	Cassie Barton	2210
Incomes	Daniel Harari	2464
Industries	Abbas Panjwani	6991
International Trade	Dominic Webb/Ilze Jozepa	2042/6920
International Development	Philip Brien	7574
International Economies	Daniel Harari	2464
National Accounts	Daniel Harari	2464
Prices and Interest Rates	Daniel Harari	2464
Public Expenditure	Philip Brien	7574
Taxation	Matthew Keep	4324
Unemployment	Andrew Powell	6962
Wages and Earnings	Brigid Francis-Devine	4904

A1: Gross Domestic Product

GDP is estimated to have grown by 0.6% in January-March 2024 (Quarter 1) compared to the previous three-month period (October-December). This

followed two consecutive falls in previous calendar quarters.

Real Gross Domestic Product

seasonally adjusted

	% change on qtr	% change on yr
2021	...	8.7
2022	...	4.3
2023	...	0.1
2023 Q1	0.2	0.3
Q2	0.0	0.2
Q3	-0.1	0.2
Q4	-0.3	-0.2
2024 Q1	0.6	0.2

Source: ONS, series: IHYP, IHYQ, IHYR

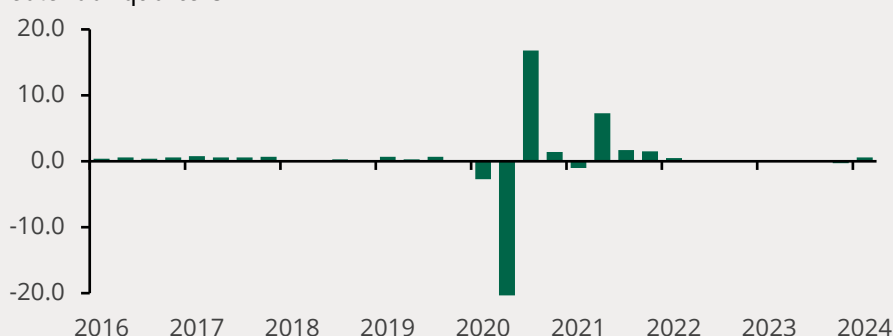
The services sector grew by 0.7% in Quarter 1, and production grew by 0.8%. Construction fell by 0.9%

GDP grew by 0.4% in March 2024 compared to February, following growth of 0.2% in February. The services sector grew by 0.5% in March and production grew by 0.2%. Construction fell by 0.4%.

In cash terms, GDP was £2,687 billion in 2023.

GDP growth, % change on quarter

calendar quarters



GDP growth forecasts

In their March 2024 [Economic and fiscal outlook](#), the Office for Budget Responsibility's (OBR) GDP growth forecast was 0.8% in 2024 and 1.9% in 2025.

The Treasury's May 2024 [survey of independent forecasts](#) showed an average forecast of 0.6% for 2024 and 1.2% for 2025.

Annual GDP growth forecasts (%)

	2024	2025
OBR forecast (Mar 23)	0.8	1.9
HM Treasury average of independent forecasts (May 24)	0.6	1.2

Source:

OBR, Economic and fiscal outlook, November 2023

HMT, Forecasts for the UK economy: a comparison of independent forecasts, May 2024

Subject Specialist
Daniel Harari

Updates

ONS, [GDP monthly estimate](#), 12 June 2024

ONS, [GDP first quarterly estimate](#), 15 August 2024

ONS, [GDP national accounts](#), 28 June 2024

HM Treasury, [Forecasts for the UK economy](#), 19 June 2024

OBR, [Economic and fiscal outlook](#), November 2024

A2: GDP International

In Q1 2024, UK GDP increased by 0.6% compared with the previous quarter (Q4 2023), following two successive quarters of contraction. Eurozone GDP rose by 0.3%, while US GDP grew by 0.4% in Q1 2024. UK GDP in Q1 2024 was 1.7% above its pre-pandemic level of Q4 2019.

Headline GDP growth figures across countries are not 100% comparable during the pandemic. UK growth is relatively lower in 2020 – and higher in 2021 and 2022– due to differences in how output in the education and health sectors was calculated.

GDP growth

% change in real GDP

updated 24 May

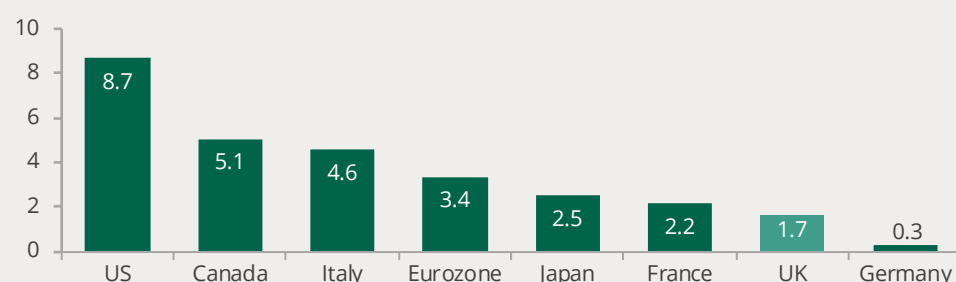
	% change on previous quarter				% change on a year ago			
	Q2 23	Q3 23	Q4 23	Q1 24	Q2 23	Q3 23	Q4 23	Q1 24
UK	0.0	-0.1	-0.3	0.6	0.2	0.2	-0.2	0.2
Eurozone	0.1	-0.1	-0.1	0.3	0.6	0.1	0.1	0.4
USA	0.5	1.2	0.8	0.4	2.4	2.9	3.1	3.0
Japan	1.0	-0.9	0.0	-0.5	2.3	1.6	1.3	-0.4
Germany	-0.1	0.1	-0.5	0.2	0.2	-0.1	-0.2	-0.2
France	0.6	0.1	0.1	0.2	1.1	0.7	0.8	1.1
G7	0.4	0.5	0.4	0.3	1.7	1.8	1.9	1.6
OECD	0.5	0.4	0.3	0.4	1.7	1.6	1.7	1.6

Source: OECD.Stat

G7 real GDP % change compared to pre-pandemic level

Q1 2024 compared with Q4 2019

updated 24 May



Source: OECD.Stat

Forecasts

Subject Specialist

Daniel Harari

Next updates

OECD, [OECDstat data on G7 growth rates](#)

IMF, [World Economic Outlook update](#), summer 2024

OECD, [Interim economic Outlook](#), Sep 2024

Real GDP growth forecasts

% change

	IMF (Apr 2024)			OECD (May 2024)		
	2023	2024	2025	2023	2024	2025
UK	0.1	0.5	1.5	0.1	0.4	1.0
France	0.9	0.7	1.4	0.9	0.7	1.3
Germany	-0.3	0.2	1.3	-0.1	0.2	1.1
Eurozone	0.4	0.8	1.5	0.5	0.7	1.5
US	2.5	2.7	1.9	2.5	2.6	1.8
Japan	1.9	0.9	1.0	1.9	0.5	1.1
China	5.2	4.6	4.1	5.2	4.9	4.5
India*	7.8	6.8	6.5	7.8	6.6	6.6
Brazil	2.9	2.2	2.1	2.9	1.9	2.1
World	3.2	3.2	3.2	3.1	3.1	3.2

Note: *For fiscal years (April-March)

Sources: IMF World Econ Outlook Apr'24; OECD Econ Outlook May'24

On 2 May, the OECD published new [forecasts for the world economy](#).

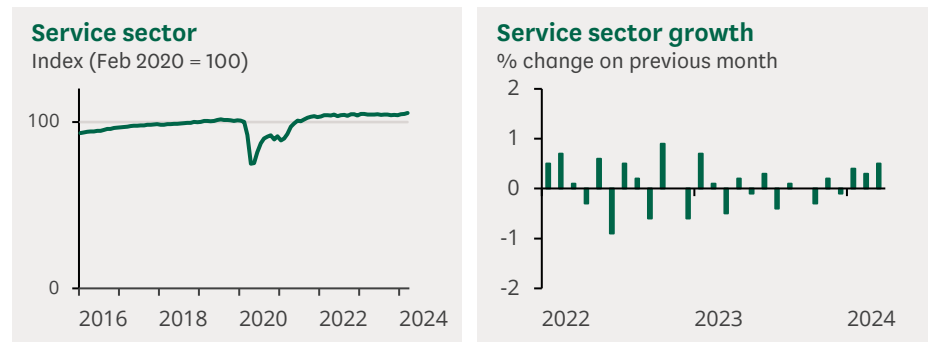
The OECD said the global economy is growing “at a modest pace”, with the effects of higher interest rates being felt. However, unemployment is, low by historical standards. The OECD forecasts UK GDP to grow by 0.4% in 2024 and by 1.0% in 2025 (a little lower than its previous forecast).

A3: Components of GDP

GDP can be analysed in terms of the output produced by different industries, or in terms of spending by households, business and government.

GDP grew by 0.4% in March 2024, following growth of 0.2% in February.

GDP by Industry

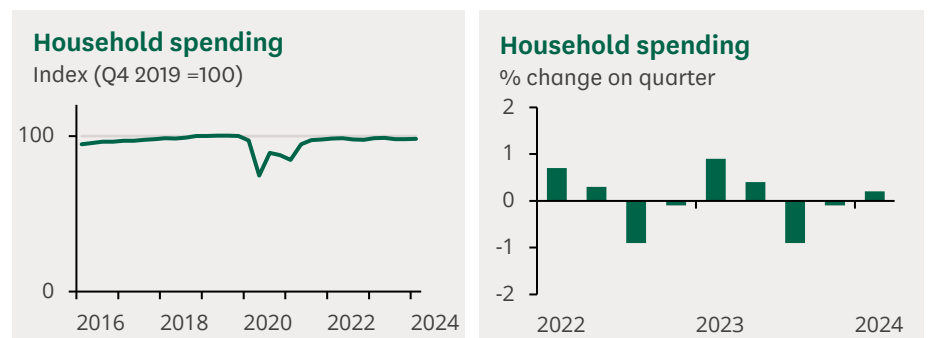


Services are the largest part of the economy – making up four-fifths of output in 2022. Service sector output grew by 0.5% in March 2024.

Manufacturing output grew by 0.3% in March 2024. Manufacturing is part of the wider production sector; production sector output rose by 0.2% in March 2024.

Construction sector output decreased by 0.4% in March 2024.

GDP by Expenditure



Household consumption is the largest element of expenditure across the economy, accounting for 60% of the total in 2023.

In Jan-Mar 2024, household consumption rose by 0.2% compared with the previous quarter.

Government consumption increased by 0.3% on the quarter and investment (GFCF) increased by 1.4%. Exports were down 1.0% and imports decreased by 2.3%.

Subject Specialist
Daniel Harari

Updates

ONS, [GDP monthly estimate](#), 12 June 2024

ONS, [Quarterly national accounts](#), 28 June 2024

ONS, [GDP first quarterly estimate, UK](#), 15 August 2024

A4: Productivity

One of the most important factors in determining living standards over the long term is productivity – how much output is produced for a given input (such as an hour of work).

UK labour productivity

In Q1 2024, productivity was estimated to be 0.1% higher compared with a year ago (Q1 2023), according to the [latest ONS flash estimate](#). Productivity was down by 0.3% compared with the previous quarter and was 1.0% higher compared to before the pandemic in Q4 2019.

Productivity, GDP per hour			
		% change on qtr	% change on yr
2022		..	0.0
2023		..	0.0
2023	Q2	0.6	0.2
	Q3	0.7	0.5
	Q4	-0.9	-0.3
2024	Q1*	-0.3	0.1

Sources: ONS series TXBB, LZVD; *flash est.

Productivity level (GDP per hour)

Index where Q4 2007 level = 100



Historically, UK labour productivity has grown by around 2% per year but since the 2008/2009 recession it has [risen more slowly](#) (see chart above). The [effects of the pandemic](#) presented [significant challenges](#) in the measurement of productivity, but it appears the pre-pandemic trend of sluggish productivity growth has continued.

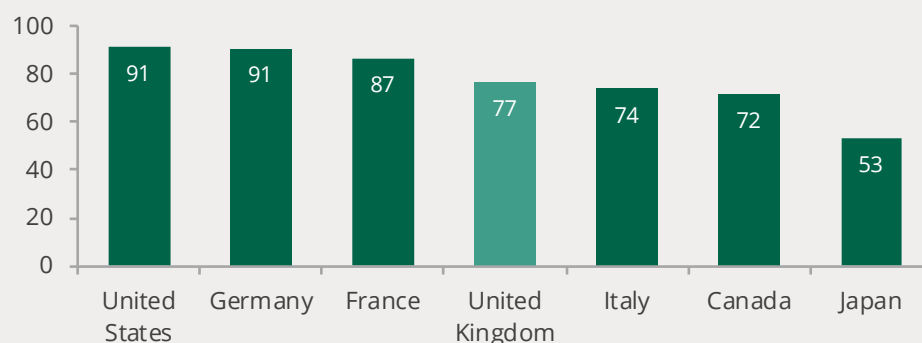
International comparisons

In 2022, ranked on [GDP per hour worked](#), the UK came fourth highest out of the G7 countries, with the US and Germany highest and Japan lowest. UK productivity was around 16% below the US and Germany.

Productivity (GDP per hour), 2022

US\$ (purchasing power parity)

updated 16 Feb 2024



Subject Specialist
Daniel Harari

Updates

ONS, [Productivity flash estimate and overview, UK](#)

OECDstat, [G7 labour productivity levels](#)

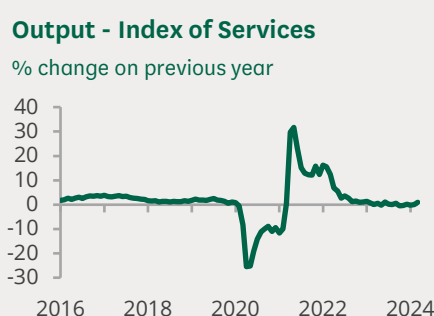
A5: Services

The service industries include the retail sector, the financial sector, the public sector, business administration, leisure and cultural activities.

The service industries accounted for 81% of total UK economic output (Gross Value Added) and 83% of employment in October–December 2023.

Services Output

PMI is based on a monthly survey asking companies about output, new orders, stock levels, employment and prices. PMI compares the current month with the previous one.



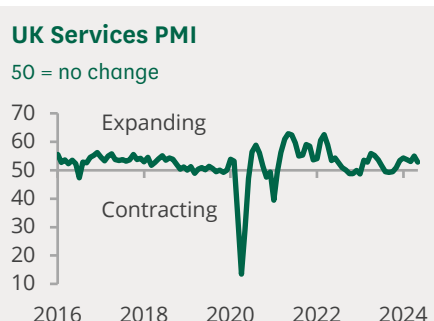
There was an increase of 0.5% in the Index of Services between February and March 2024.

Services output increased by 0.7% in the three months to March 2024 compared with the three months to December 2023.

In the three months to March 2024, compared with the three months to March 2023, services output increased by 0.3%.

Purchasing Managers' Index (PMI)

The PMI is produced faster than comparable official data. It often anticipates the direction of official figures, although the methodology is different.



In the S&P Global/CIPS PMI, a value of 50 means that there is no change in activity compared to the previous month. Values above 50 indicate an expansion, and values below 50 a contraction.

The [UK services PMI](#) (PDF) in the flash estimate for May was 52.9, down from 55.0 in April. New orders and export

business were both up, and inflation in both input prices and prices charged was down. However, business optimism was down due to uncertainty about interest rates and the upcoming general election.

Subject Specialist
Philip Brien

Update
ONS, [Index of Services](#), 12 June 2024

S&P Global/CIPS, [UK Services PMI](#), 5 June 2024

Services Output Index			
	Index	% change on yr	
2022 Mar	103.3	12.4	
2023 Mar	103.5	0.1	
2024 Jan	103.7	-0.2	
Feb	104.0	0.0	
Mar	104.5	1.0	

Source: ONS, series [S2KU](#), [S22Z](#), [S26Q](#)

PMI Index			
	Index	Change on mth	
2022 May	53.4		
2023 May	55.2		
2024 Mar	53.1	-0.7	
Apr	55.0	1.9	
May	52.9	-2.1	

Source: [S&P Global/CIPS UK Services PMI](#)

A6: Manufacturing

Manufacturing is one of the production industries, which also include mining, electricity, water & waste management and oil & gas extraction.

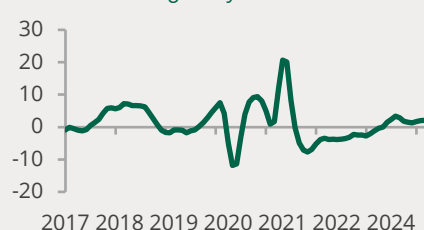
In October–December 2023, the manufacturing sector accounted for 9.3% of total UK economic output (Gross Value Added) and 8.1% of employment.

Manufacturing Output

PMI is based on a monthly survey asking companies about output, new orders, stock levels, employment and prices. PMI compares the current month with the previous one.

Manufacturing output

3 month % change on year before



Manufacturing output rose by 0.3% between February and March 2024 following an increase of 1.3% between January and February.

Manufacturing output for the three months to March 2024 was 1.4% higher than in the three months to December 2023.

Output in the three months to March 2024 was 2.1% higher than output in the same period the previous year. There was a mixed picture among manufacturing sub-groups, with 5 of the 13 sub-sectors seeing growth.

The PMI is produced faster than comparable official data. It often anticipates the direction of official figures, although the methodology is different.

Purchasing Managers' Index (PMI)

UK Manufacturing PMI

50 = no change



In the S&P Global/CIPS PMI, a value of 50 means that there is no change compared to the previous month. Values above 50 indicate an expansion, and values below 50 a contraction.

The [flash UK manufacturing PMI](#) (PDF) was 51.3 in May 2024, up from 49.1 in April. It was the fastest growth in

manufacturing production since April 2022. Input price inflation fell to its lowest level in seven months. Manufacturers business confidence was at its highest level since February 2022.

Subject Specialist
Georgina Hutton

Update
ONS, [Index of Production](#), 12 June 2024.

S&P Global/CIPS, [UK Manufacturing PMI](#), 3 June 2024.

Manufacturing output index

		Index	% change on yr
2022		100.4	-3.3
2023		101.5	1.1
2024	Jan	101.7	1.7
	Feb	103.0	2.0
	Mar	103.3	2.1

Source: ONS, series [K22A](#), [K2JE](#).

PMI Index

		Index	Change on mth
2022	May	54.6	
2023	May	47.1	
2024	Mar	50.3	2.8
	Apr	49.1	-1.2
	May	51.3	2.2

Source: [S&P Global/CIPS UK Manufacturing PMI](#).

B1: Inflation

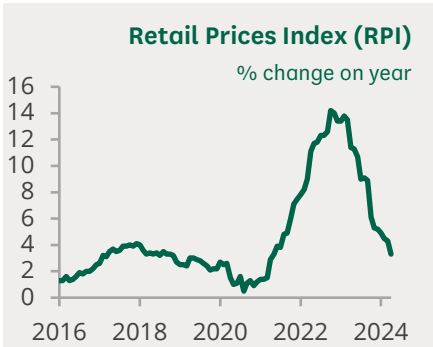
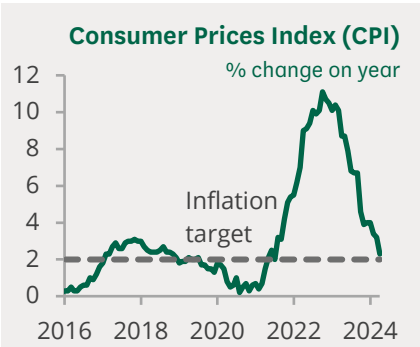
The Consumer Prices Index (CPI) is the main measure of inflation. It is produced in line with international standards and is the measure used for the Bank of England’s 2% inflation target. The Retail Prices Index (RPI) is no longer classified as a National Statistic because the way it is calculated does not meet international standards. It is included here as it is well-known and is the longest running measure of inflation.

Price indices		% change on a year ago	
		CPI	RPI
2021	Apr	1.5	2.9
2022	Apr	9.0	11.1
2023	Apr	8.7	11.4
2024	Feb	3.4	4.5
	Mar	3.2	4.3
	Apr	2.3	3.3

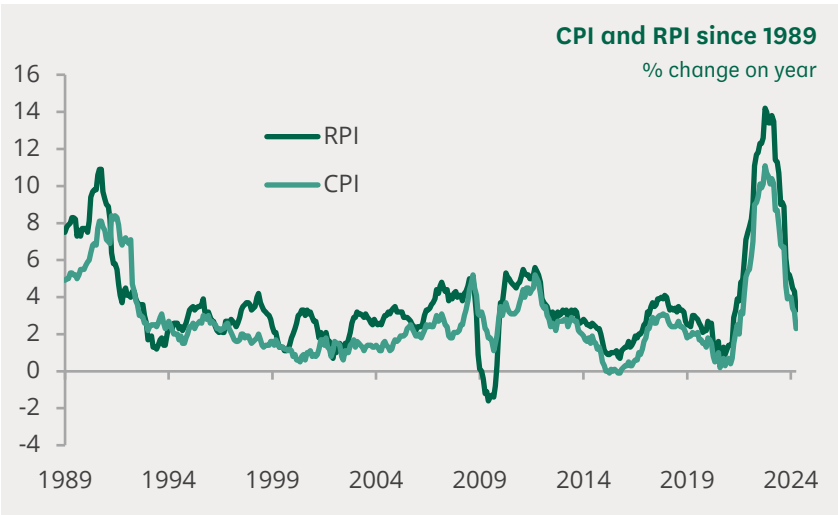
The CPI inflation rate was 2.3% in April 2024, down from 3.2% in March.

October 2022’s figure of 11.1% was the highest rate recorded since the data series began in 1997. The ONS estimated that CPI in that month was higher than at any time since October 1981.

The RPI inflation rate was 3.3% in April 2024, down from 4.3% in March. October 2022’s figure of 14.2% was the RPI’s highest level since December 1980.



The largest downward contribution to the CPI rate was from housing and household services, largely driven by falls in the price of gas and electricity. The next largest downward contributions were from alcohol and tobacco, and food and non-alcoholic beverages.



Subject specialist
Daniel Harari

Update
ONS, [Consumer Price Inflation](#),
19 June 2024

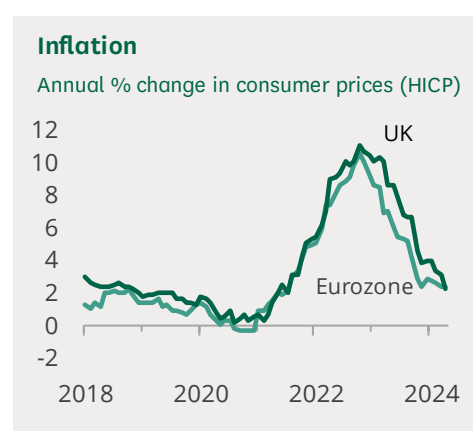
B2: International Inflation

Inflation in the EU can be compared using the standard Harmonised Index of Consumer Prices (HICP) or the CPI as it is known in the UK.

UK inflation, as measured by the CPI, was 2.3% in the year to April, down from 3.2% in March and the lowest since July 2021. In April 2023, UK inflation was 10.1%.

EU inflation was 2.6% in April, unchanged from March. In April 2023, EU inflation was 8.7%.

Inflation in the Eurozone was 2.4% in April, unchanged from March. Eurozone inflation was 7.0% in April 2023.



In Germany, inflation was 2.4% in April, up from 2.3% in March.

In France, inflation was 2.4% in April, unchanged from March.

Romania had the highest inflation rate in the EU in April (6.2%). Lithuania had the lowest inflation rate (0.4%).

Subject specialist
Daniel Harari

Updates

ONS, [Consumer Prices Bulletin](#), 19 June
Eurostat, [Harmonised Index of Consumer Prices \(flash estimate\)](#), 31 May
Eurostat, [Harmonised Index of Consumer Prices](#), 18 June

Inflation rates: selected countries

Annual % change in consumer prices (HICP)

	2021	2022	2023	Feb 24	Mar 24	Apr 24
UK	2.6	9.1	7.3	3.4	3.2	2.3
Eurozone	2.6	8.4	5.4	2.6	2.4	2.4
EU	2.9	9.2	6.4	2.8	2.6	2.6
France	2.1	5.9	5.7	3.2	2.4	2.4
Germany	3.2	8.7	6.0	2.7	2.3	2.4

Source: ONS, Eurostat

Eurozone, France and Germany data for April are provisional

B3: Average Earnings

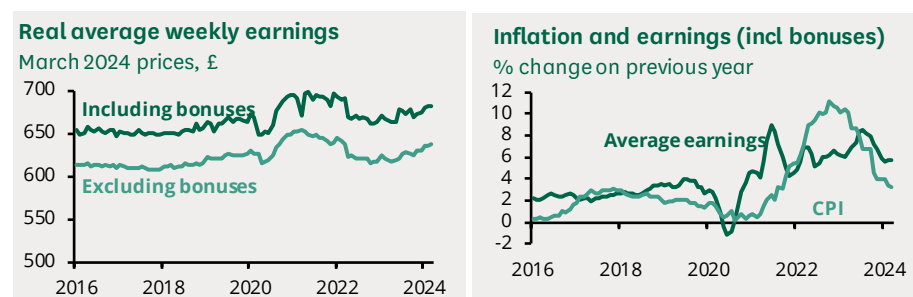
In April 2023 median gross weekly earnings for full-time employees in the UK were £682, up from £642 in April 2022. Adjusted for inflation, median earnings for full-time employees decreased by 2.3%.

Timelier but less detailed data show average weekly earnings for all employees in Great Britain increased by 6.0% excluding bonuses in the three months to March 2024 compared with the previous year. Average weekly pay including bonuses increased by 5.7%.

Inflation as measured by the CPI averaged 3.5% over the same period. After adjusting for inflation, average pay excluding bonuses was 2.4% higher than the previous year and average pay including bonuses was 2.1% higher.

The median is the point where half earn more and half earn less.

Average Earnings



Trends by Sector

Annual % change in average earnings (incl bonuses) Great Britain, employees only					
		Total	Private	Public	
2022	Mar	7.0	8.2	1.6	
2023	Mar	6.4	6.4	5.6	
2024	Jan	5.6	5.7	6.0	
2024	Feb	5.7	5.7	6.0	
2024	Mar	5.7	5.9	6.2	

Note: Annual % change in earnings to three month period ending in given month; data are seasonally adjusted

Source: ONS, Average Weekly Earnings series

Average weekly total pay (including bonuses) rose by 5.9% in the private sector and by 6.2% in the public sector in the three months to March 2024 compared with the year before.

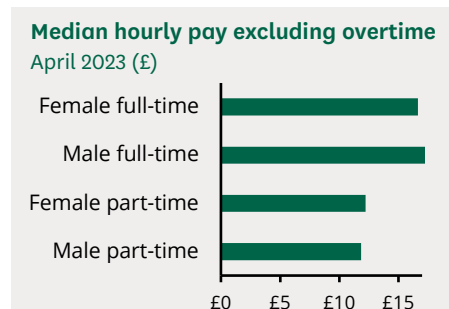
Subject specialist
Brigid Francis-Devine

Updates

ONS, [Labour Market Statistics](#), 11 June 2024

ONS, [Annual Survey of Hours and Earnings](#), October 2024

Hourly pay levels

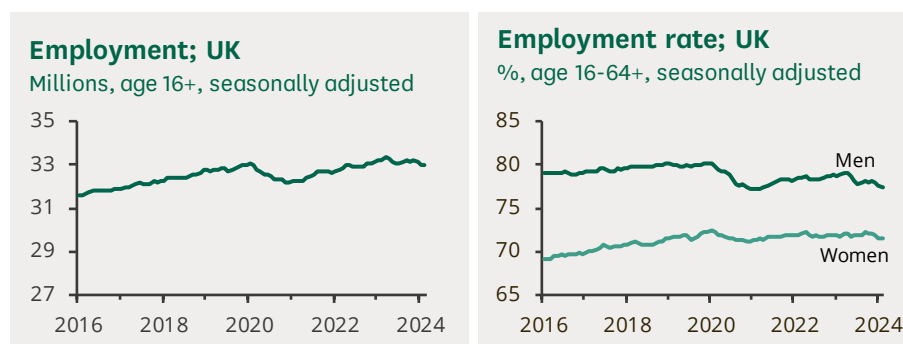


Median hourly earnings (excluding overtime) were £17.40 for full-time employees at April 2023: £18.02 for men working full-time and £16.64 for women. Median hourly earnings (excluding overtime) were £12.07 for part-time employees; £11.83 for men and £12.22 for women. Women are more likely than men to work part-time. The median is the point at which half earn more and half earn less.

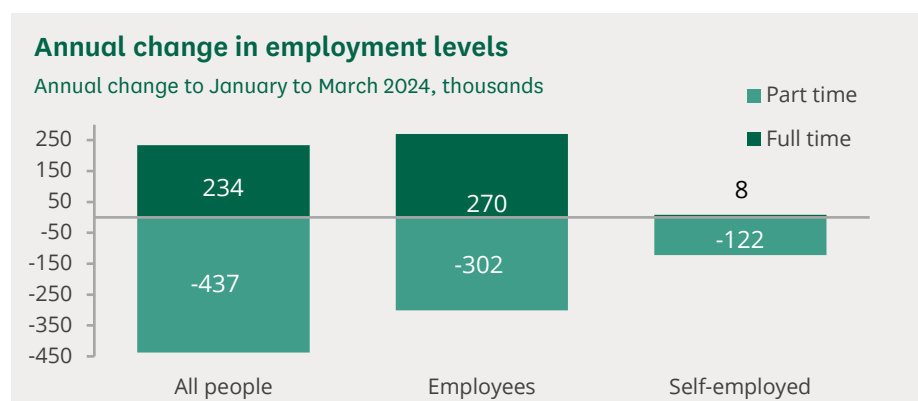
C1: Employment

In February 2024, the Office for National Statistics (ONS) reintroduced [Labour Force Survey \(LFS\) data](#), which also includes a population reweighting. The ONS have said these estimates should be treated with additional caution.

33.00 million people were in employment in January to March 2024. Employment was down 178,000 from the previous quarter and down 204,000 from the year before.



The employment rate (the proportion of the population aged 16-64 in work) was 74.5%, down from 75.3% a year previously. It was 71.6% for women, down from 71.8%; and for men was 77.4%, down from 78.9%.



In January to March 2024, 24.85 million people were working full-time while 8.15 million were working part-time. 4.25 million were self-employed and 28.64 million were working as employees.

UK Employment									
Seasonally adjusted									
		Total		Men		Women		Youth	
		000's	%	000's	%	000's	%	000's	%
Age:		16+	16-64	16+	16-64	16+	16-64	16-24	16-24
Jan-Mar	2023	33,201	75.3	17,225	78.9	15,976	71.8	3,848	54.5
Jan-Mar	2024	32,997	74.5	17,008	77.4	15,989	71.6	3,600	50.4
Change on qtr	Level	-178	-0.6	-102	-0.6	-75	-0.5	-79	-1.3
Change on yr	Level	-204	-0.8	-217	-1.5	13	-0.2	-248	-4.1

Notes: The employment rate is a percentage of the population aged 16 to 64

Subject specialist
Brigid Francis-Devine

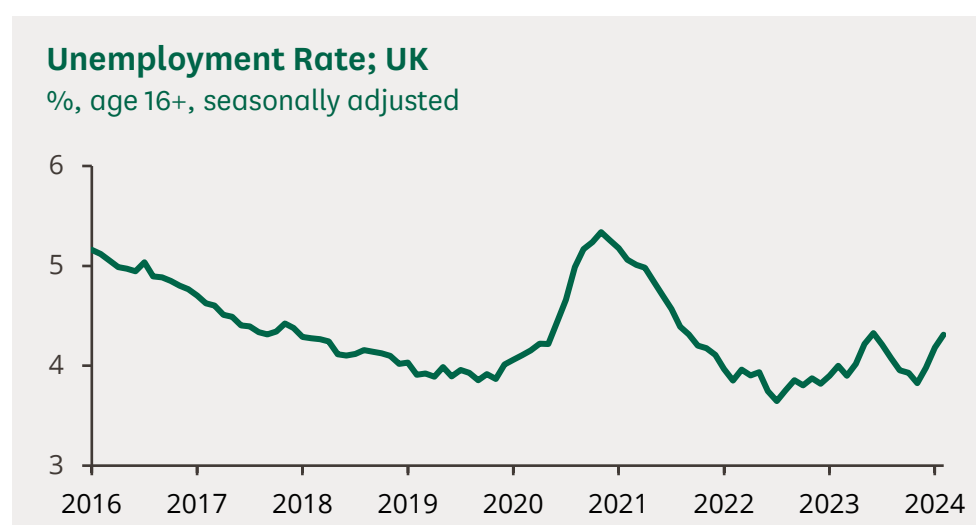
Updates
ONS, [Labour Market Statistics](#)
11 June 2024

C2: Unemployment

In February 2024, the Office for National Statistics (ONS) reintroduced [Labour Force Survey \(LFS\) data](#), which also includes a population reweighting. This is after only [some experimental headline data was published between October 2023 and January 2024](#) due to falling response rates. The ONS have said that the reintroduced LFS estimates should be treated with additional caution. The Library briefing [UK Labour market statistics](#) provides more information.

There were 1.49 million unemployed people in the UK in January to March 2024, an increase of 103,000 from the previous year.

The unemployment rate was 4.3% (the percentage of the economically active population who are unemployed), up from 4.0% from a year before.



540,000 young people aged 16-24 were unemployed in January to March 2024, 33,000 more than the year before.

The unemployment rate for 16-24 year olds was 13.0%, an increase from 11.6% a year before.

Subject specialist
Brigid Francis-Devine

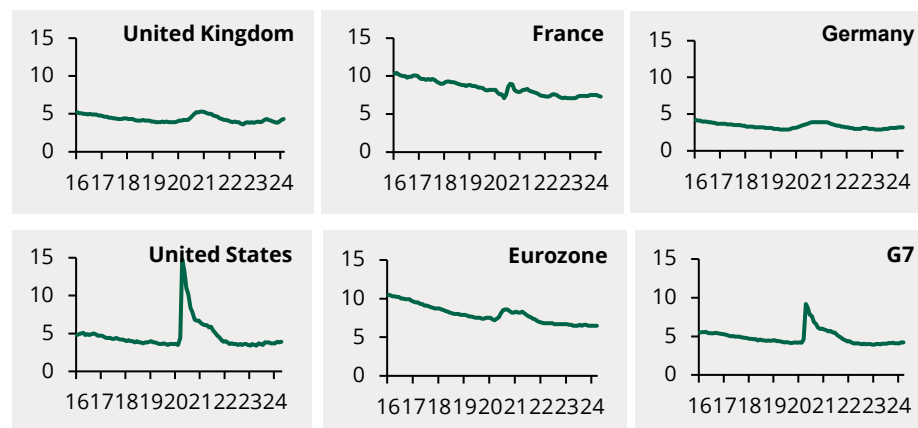
Updates
ONS, [Labour Market Statistics](#)
11 June 2024

UK Unemployment									
Seasonally adjusted									
Age		Total		Men		Women		Youth	
		000's	%	000's	%	000's	%	000's	%
		16+	16+	16+	16+	16+	16+	16-24	16-24
Jan-Mar	2022	1,313	3.9	711	4.0	603	3.7	470	11.1
Jan-Mar	2023	1,383	4.0	765	4.3	618	3.7	507	11.6
Jan-Mar	2024	1,486	4.3	799	4.5	687	4.1	540	13.0
Change on yr	Level	103	0.3	35	0.2	68	0.4	33	1.4
	%	7.5%		4.5%		11.1%		6%	

C3: Unemployment International

The OECD produces harmonised unemployment rates for OECD members based on the ILO definition of unemployment.

Harmonised Unemployment Rate (%)



The UK harmonised unemployment rate for **Q1 2024** was 4.3%. This was above Germany (3.2%) and the US (3.8%) but below France (7.4%).

The Eurozone's rate was 6.5% in Q4 2023, while in the G7 it was 4.2%.

Unemployment rates rose in almost all the OECD countries following the coronavirus outbreak, although the size of the increase varied widely.

Spain had the highest unemployment rate out of the OECD member states in Q1 2024 at 11.8%, followed by Columbia at 10.8%. Japan had the lowest at 2.5%.

Youth (aged 15-24) unemployment is a major issue in many developed economies at present. In Q1 2024 the youth unemployment rate was 27.7% in Spain and 24.2% in Sweden. It was 13.0% in the UK.

Unemployment

Unemployed as % of labour force (standardised); seasonally adjusted

	CAN	FRA	GER	ITA	JPN	UK	USA	Eurozone	G7	OECD
2022	5.3	7.3	3.1	8.1	2.6	3.8	3.7	6.8	4.1	5.0
2023	5.4	7.3	3.0	7.7	2.6	4.0	3.6	6.6	4.1	4.8
2023 Q1	5.1	7.1	2.9	7.9	2.6	4.0	3.5	6.6	4.0	4.8
Q2	5.3	7.4	2.9	7.7	2.6	4.2	3.6	6.5	4.0	4.8
Q2	5.5	7.4	3.0	7.6	2.6	4.1	3.7	6.6	4.1	4.8
Q3	5.8	7.5	3.1	7.5	2.5	3.8	3.7	6.5	4.1	4.9
2024 Q1	5.9	7.4	3.2	7.3	2.5	4.3	3.8	6.5	4.2	4.9
Change on qtr	0.1	-0.1	0.1	-0.2	0.0	0.5	0.1	0.0	0.0	0.0
Change on yr	0.8	0.3	0.3	-0.6	-0.1	0.3	0.3	-0.1	0.2	0.0

Source: OECD, Harmonised Unemployment Rates

Subject Specialist
Andy Powell

Next Update
OECD, [Harmonised Unemployment Rates](#),
13 June 2024

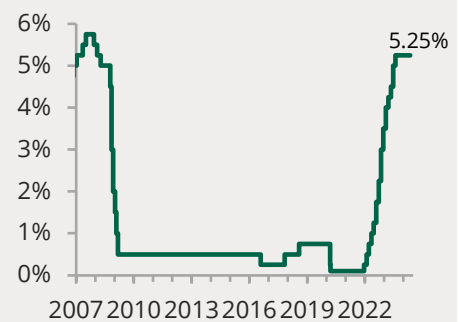
D1: Interest Rates and Monetary Policy

Major central banks around the world tightened monetary policy in response to [high inflation](#), initially caused by higher goods and energy prices, as well as bottlenecks in global supply chains.

UK (Bank of England)

On 9 May, the Bank of England's Monetary Policy Committee (MPC) announced it had [left interest rates unchanged](#) at 5.25% for the sixth meeting in a row. Rates were increased from 0.1% in December 2021 to 5.25% in August 2023. The MPC vote in May was 7 members in favour of unchanged rates and 2 in favour of cutting rates by 0.25 of a %-point.

UK official interest rate



The MPC's cycle of rate increases came in response to [high inflation](#), which was 3.2% in March, down from a peak of 11.1% in October 2022. The MPC said it now expects inflation to "[return to close to the 2% target in the near term](#)" but for it to increase slightly to around 2½% in the second half of 2024. It said that while key indicators of inflation persistence remain elevated, they are moderating. Financial markets expect the MPC to cut rates later this year.

The MPC has started to [reduce the size](#) of its asset purchase – or [quantitative easing](#), QE – programme from its recent peak value of £895bn to £703bn on 1 May 2024. It is doing this by letting some of the government bonds it holds mature and by actively selling some of the bonds it holds to the market.

United States (Federal Reserve)

Interest rates were [left unchanged at a range of 5.25% to 5.50%](#) by the Fed at its policy meeting ending 1 May 2024. The Fed said that the prospects of rate cuts this year had diminished due to [inflation remaining above 3% this year](#), above the Fed's 2% target. The Fed announced it will slow the pace it [reduces the assets](#) it holds in its Quantitative Easing programme [from \\$95bn to \\$60bn per month](#) beginning in June.

Eurozone (European Central Bank)

At its 11 April 2024 meeting, the [ECB left its main interest rates unchanged](#), including the deposit rate at 4.00%. The ECB raised rates by 4.5 percentage points from July 2022 to September 2023. With the [annual inflation rate in the Eurozone slowing](#), financial markets expect the ECB to start cutting rates later in 2024, possibly at its next meeting in June. The ECB has started to unwind its quantitative easing programmes from March 2023, by not reinvesting €15bn per month of maturing assets it holds in one of its two main [QE programmes](#).

QE consists of central banks creating new money electronically and then using it to purchase financial assets, mostly government bonds.

Subject Specialist

Daniel Harari

Updates – next scheduled monetary policy meetings

UK ([20 Jun](#))

US ([12 Jun](#))

ECB ([6 Jun](#))

D2: Public finances

Government borrowing and debt

	Net borrowing		Net debt, % GDP	
	£ bn	% GDP	Total	Ex BoE
2013/14	104	5.8%	79.2%	77.0%
2014/15	99	5.3%	81.6%	79.2%
2015/16	82	4.3%	81.3%	78.9%
2016/17	58	2.9%	83.5%	77.4%
2017/18	61	2.9%	82.3%	73.7%
2018/19	45	2.1%	80.3%	72.3%
2019/20	61	2.7%	85.2%	77.1%
2020/21	315	15.1%	96.5%	86.5%
2021/22	126	5.3%	96.6%	83.2%
2022/23	128	5.0%	95.7%	84.9%
2023/24	121	4.5%	98.3%	89.3%
2024/25	87	3.1%	98.8%	91.7%
2025/26	77	2.7%	96.4%	92.8%
2026/27	69	2.3%	95.5%	93.2%
2027/28	51	1.6%	95.1%	93.2%
2028/29	39	1.2%	94.3%	92.9%

Net borrowing – often described as the deficit – is the difference between what the government spends and what it receives in taxes over a period.

Net debt is the total amount that the public sector owes – it is largely the stock of past borrowing.

Government borrowed £121 billion in 2023/24, according to the ONS's second provisional estimate, which is equivalent to 4.5% of GDP. Borrowing is around £6.4 billion lower than in 2022/23, but £7.3 billion higher than the OBR forecast in March 2024.

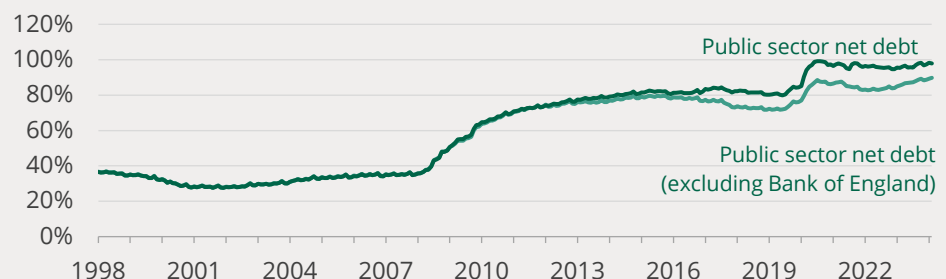
Government debt was equivalent to 97.9% of GDP at the end of April 2024. It was 95.4% of GDP at the end of April 2023.

If we remove the Bank of England's (BoE's) debt, we get an alternative measure of government's underlying debt. Government debt (excluding the BoE) was 89.9% of GDP at the end of April 2024. It was 85.5% of GDP a year before, at the end of April 2023.

Public sector net borrowing: rolling 12-month total, £ billion



Public sector net debt, monthly, % of GDP



Sources: Office for Budget Responsibility (OBR). [Public finances databank](#); Office for National Statistics (ONS). Series, [J51I](#), [J51J](#), [HF6W](#), [HF6X](#), [CPOA](#)

Subject Specialist
Matt Keep

Updates

OBR, [Economic and fiscal outlook](#), autumn 2024

ONS, [Public sector finances](#), 21 June 2024

D3: Financial Indicators

FTSE 100 Index

FTSE-100 Index

Daily closing price



The FTSE-100 tracks the share-prices of the 100 largest companies listed on the London Stock Exchange. In 2020, the index fell dramatically, as global share prices fell amid fears of the economic impact of the coronavirus pandemic, closing at 4,994 on 23 March 2020, its lowest level since October 2011. In February 2023, the FTSE passed 8,000 for the first time. The FTSE closed at a record high of 8,445 on 15 May 2024.

Brent Crude Oil

Brent Crude Oil (\$/barrel)

Daily closing price of Brent crude, near-month futures contract



The price of Brent crude oil reached an all-time high above \$145/barrel in July 2008. The price fell dramatically in 2020, owing to a collapse in demand due to the coronavirus pandemic, falling to \$19.31 in April 2020, its lowest level since 2002. The price reached \$127/barrel in March 2022, its highest since 2008.

Gold price

Gold (\$ per ounce)

Daily price



The nominal price of gold exceeded \$1,800/ounce for the first time in August 2011, but moderated considerably after that, falling to \$1,049 in December 2015. The price rose steadily from mid-2020, closing at a record high of \$2,067 on 7 August 2020. In October 2022, the price fell to \$1,631, its lowest level since April 2020, though returned above \$2,000 in April 2023. The price closed at a record high of \$2,427/ounce on 22 May 2024.

Data from 27 May 2024

	FTSE-100	Oil (\$/bbl)	Gold (\$/oz)
27 May 2024	8317.59	83.11	2342.70
%change over:			
1-month	2%	-7%	1%
12-months	9%	8%	20%
Note: Oil is Brent near-month futures price			
Source: Financial Times			

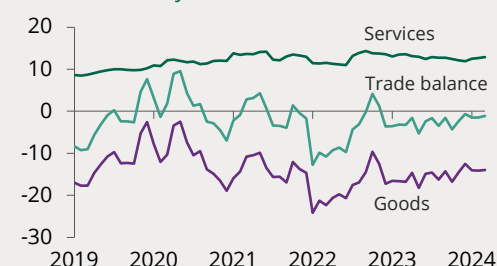
Subject specialist
Daniel Harari

Updates
Financial Times,
Weekly basis

E1: Trade

In 2023, the UK's exports of goods and services totalled £865 billion and imports totalled £898 billion. The EU accounted for 41% of UK exports of goods and services and 52% of imports in 2023.

Balance of trade, goods & services
£ billion, monthly data



The UK generally imports more than it exports meaning that it runs a trade deficit. A deficit of £187 billion on trade in goods was partly offset by a surplus of £153 billion on trade in services in 2023. The overall trade deficit was £33 billion in 2023.

The UK had a trade deficit with the EU of £109 billion in 2023 and a trade surplus of £75 billion with non-EU countries.

The trade deficit with all countries decreased to £4.1 billion in Q1 2024 compared to £7.3 billion in Q4 2023. Exports fell by 1.1% and imports fell by 2.6% in cash terms over this period.

Trade in Goods and Services and Current Account Balance

Seasonally adjusted

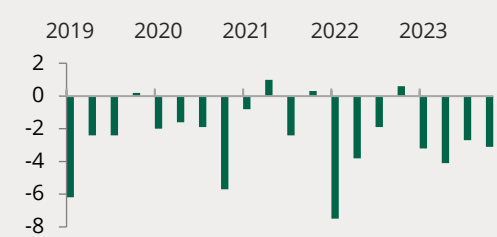
		Goods and Services (£bn)			Current Account balance	
		Exports	Imports	Balance	£bn	% GDP
2022		837.8	904.6	-66.8	-77.2	-3.1%
2023		864.5	897.9	-33.4	-88.5	-3.3%
2023	Q1	218.1	228.1	-10.0	-21.0	-3.2%
	Q2	217.1	226.4	-9.3	-27.9	-4.1%
	Q3	213.7	220.4	-6.7	-18.5	-2.7%
	Q4	215.6	223.0	-7.4	-21.2	-3.1%
2024	Q1	213.2	217.2	-4.1

Source: ONS, series: IKBH, IKBI, IKBJ, HBOP, AA6H

The current account, which includes investment income and transfers as well as trade, saw a deficit of £89 billion in 2023, compared with £77 billion in 2022. The current account deficit was 3.3% of GDP in 2023 compared with 3.1% in 2022.

Current Account Balance

% of GDP



The current account deficit increased to £21.2 billion in Q4 2023 (3.1% of GDP), compared with a deficit of £18.5 billion (2.7% of GDP) in Q3 2023.

Subject specialist

Ilze Jozepa

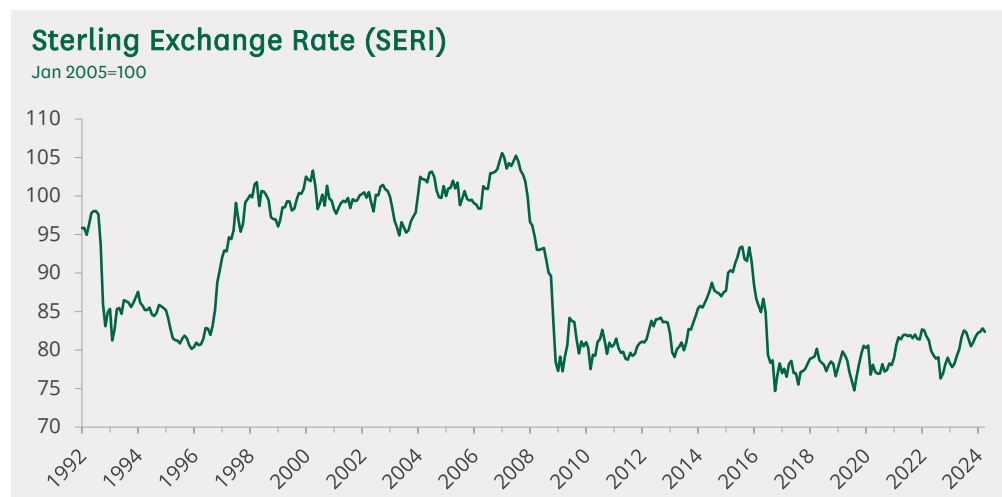
Updates

ONS, [UK Trade](#),
12 June 2024

ONS, [UK Balance of Payments](#), 28 June 2024

E2: Exchange rates

The Sterling Exchange Rate Index (SERI) measures sterling's value against a 'basket' of currencies, 'trade-weighted' (based on currencies' relative importance in UK trade).



The SERI fell by 0.5% between March and April 2024, following an increase of 0.5% between February and March. Compared with the same period a year ago, it is 3.9% higher. It is 22.0% below its January 2007 peak.

In April compared to March 2024, the pound fell by 1.6% against the dollar, to \$1.25. The value of the pound reached \$1.43 in April 2018, its highest level since the EU referendum. It reached \$1.42 in May 2021, its highest since April 2018. The pound fell to \$1.04, its lowest ever level, in September 2022. Sterling was down 0.2% against the Euro on average between March and April, following a 0.1% fall between February and March.

Subject specialist

Daniel Harari

Updates

Bank of England, [SERI & monthly rates](#),
4 June 2024

Latest rates

Financial Times,
[sterling exchange rates](#) (daily)

Sterling Exchange Rates

Average rates in period and % changes

	US Dollar (\$)		Euro (€)	
	Rate	% change on yr	Rate	% change on yr
2023	1.24	0.6%	1.15	-2.0%
2024 Feb	1.26	4.4%	1.17	3.7%
Mar	1.27	4.8%	1.17	3.2%
Apr	1.25	0.5%	1.17	2.9%

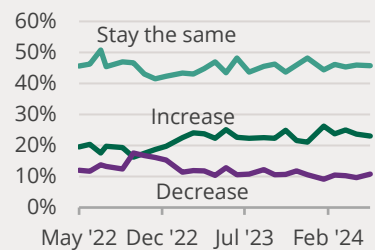
Source: Bank of England, Bankstats database

F1: Business and Consumer Confidence

Confidence surveys, with information generally released ahead of official statistical data, can indicate changes to the economic outlook as well as turning points in the economic cycle.

Business performance

% of respondents who expect business performance over next 12 months to:



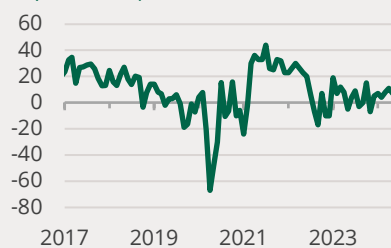
ONS Business Insights and Conditions Survey

The ONS conducts a voluntary survey of businesses to look at the impact of challenges facing the economy.

In the two weeks ending 19 May 2024, 23.0% of respondents thought their business's performance would increase over the next 12 months. 10.8% thought it would decrease.

Future output expectations

% balance expecting improvement/deterioration



CBI Industrial Trends Survey

The CBI carries out monthly and quarterly Industrial Trends surveys.

In May 2024, more manufacturers thought that output would rise over the next three months than thought it would fall. The difference was +7% of manufacturers, down from +11% in April.

Consumer confidence index

GfK Overall Index Score



GfK Consumer Confidence Survey

GfK's Consumer Confidence Index measures a range of consumer attitudes, including forward expectations of the general economic situation and households' financial positions, and views on making major household purchases.

The index rose to -17 in May 2024, up by two points since April.

Subject Specialist

Daniel Harari

Update

ONS, [Business insights and impact on the UK economy](#), June 2024

CBI, [Industrial Trends](#), Mid-June 2024

GfK, [Consumer Confidence](#), 21 June 2024

F2: Retail sales

In April 2024, [retail sales in Great Britain](#) totalled £8.5 billion per week, down from £8.7 billion in February. This figure includes money spent in shops, supermarkets, in petrol stations and online.

Volume of retail sales (incl. vehicle fuel)

3 mth % change on yr, seasonally adjusted



Between March and April, the total quantity of retail sales volumes fell by 2.3%, following a fall of 0.2% between February and March.

In the three months to April 2024, the volume of sales fell by 0.8% compared to the same period last year. The volume of sales increased by 0.7% in the three months to April 2024

compared with the previous three months. The volume of sales was 3.8% lower in April 2024 compared to February 2020 and pre-pandemic levels.

Volume of retail sales

Index 2019=100, seasonally adjusted

		Food	Non-food	Total
2022	Apr	100.1	99.3	101.6
2023	Apr	97.5	97.4	98.0
2024	Feb	96.6	96.6	97.7
	Mar	95.5	96.9	97.6
	Apr	94.8	92.8	95.4
3m % change on yr		-1.5	0.0	-0.8
% change on Feb 2020		0.7%	2.3%	-1.4%

Sales in food stores fell by 0.7% in April compared to March, following a fall of 1.1% between February and March.

Sales in non-food stores, such as clothing and department stores, fell by 4.1% between March and April. This was the joint largest fall since January 2021. This fall was most pronounced among clothing retailers, sports

equipment retailers, games and toys stores, and furniture stores. Feedback from retailers reported poor weather and low footfall as the main reasons for the fall.

Value of internet retail sales

2018=100, seasonally adjusted



The average weekly value of **internet sales** was £2.3 billion in April 2024 (excluding fuel). This was 26.5% of all retail sales. Internet sales as a proportion of all retail sales have been rising steadily since 2006, reaching around 19% of all sales in 2019. Internet sales rose sharply in April 2020 with the onset of the pandemic.

All figures are seasonally adjusted.

This means calendar effects (e.g. Easter moving between March and April) and seasonal effects (e.g. increased spending in December for Christmas) are removed.

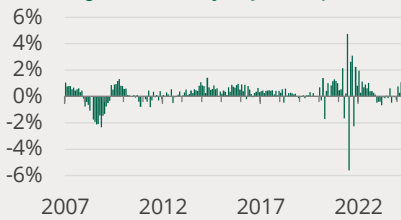
Subject specialist
Matthew Ward

Updates
ONS, [Retail Sales](#),
21 June 2024

F3: Housing Market

UK House Price Index

% change, seasonally adjusted (SA)



House prices, as measured by the UK House Price Index, increased by 1.8% between March 2023 and March 2024. On a seasonally adjusted basis, average house prices increased by 1.1% between February 2024 and March 2024.

House prices changed at different rates across the UK's countries and regions over the year to March. House prices grew fastest in Scotland, Yorkshire and the Humber and Northern Ireland. However, Northern Ireland's house prices are measured over a different period (the year to quarter 1 of 2024). House prices fell in London and the South East.

Mortgage approvals for house purchases; UK, Thousands, SA



Bank of England data on the number of **mortgages approved** to finance house purchases are a leading indicator of house sales.

Mortgage approvals for house purchases reached a lockdown-related record low in May 2020. Approvals then increased significantly towards the end of 2020 but are now lower. Mortgage approvals for house purchases in March 2024 were up 20% on a year ago and up 1% on February 2024.

There were 61,325 mortgage approvals in March 2024, compared with 51,048 in March 2023.

House-building; England Thousands, SA



Housing starts and completions fell sharply in Q2 2020 reflecting the coronavirus lockdown. Both are now higher.

There were 19,080 house building starts (seasonally adjusted) in England in Q4 2023, a 10% decrease compared with the previous quarter, and 51% lower than in

Q4 2022. This unusually low amount is likely due to house builders bringing forward the start of projects to avoid the costs of complying with [new building regulatory standards](#), which caused a peak in Q2 2023 of 66,780 starts. The new standards, which relate to energy performance and electric vehicle charging point, were introduced from 15 June 2023.

There were 39,650 house building completions (seasonally adjusted) in England in Q4 2023, largely unchanged from the previous quarter, but a 15% decrease compared with the same quarter of 2022.

Subject Specialist
Matt Keep

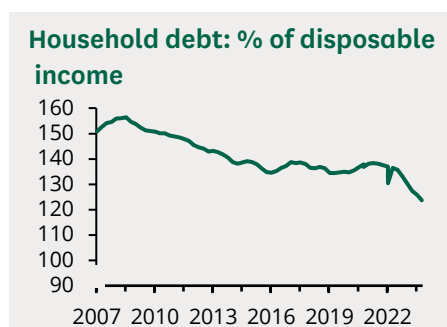
Updates
HM Land Registry, [UK house price index](#), 19 June 2024

Bank of England, [Money and credit](#), 31 May 2024

DLUHC, [House-building](#), June 2024

F4: Household debt

Household debt as a % of disposable income



Household debt peaked in Q3 2008 at 156.4% of household disposable income. It then declined to 134.6% by early 2016.

Growth in household debt levels has been slowing since the beginning of 2022. In Q4 2023 the debt-to-income ratio was 123.7%.

Current average mortgage interest rates

The average Standard Variable Rate (SVR) was 7.92% in April 2024, up 0.62 percentage points on a year ago.

The average 2-year fixed mortgage rate was 5.00% in April 2024, up 0.23 percentage points on a year ago.

Individual insolvencies

There were 27,972 individual insolvencies in England and Wales in Q1 2024, 2,942 more than in the previous quarter.

The Q1 2024 level is 1.7% higher than the level in Q1 2024.

In Scotland, there were 1,884 individual insolvencies in Q1 2024, down 2% on the year.

In Northern Ireland, there were 357 individual insolvencies in Q1 2024, down 7% on the year.

4

Glossary

Definitions ¹

Balance of payments: A country's financial position, with other countries of the world, comprising two parts:

Current account: the balance of imports and exports of goods and services, income and transfers combined; **Capital account:** the difference between a country's capital invested in other countries, and the capital invested by other countries in it. Technically, the two parts always balance. A balance of payments deficit normally refers to a current account deficit.

Balance of trade: The difference between a country's exports and imports of either goods only or goods and services combined. Trade in financial services account for around a third of UK exports, and thus partially offsets trade in goods deficits.

Basic prices: Prices excluding taxes and subsidies on products.

Claimant count: The number of people aged 18 and over claiming Jobseeker's Allowance (JSA) benefits. This includes out-of-work Universal Credit claimants.

Consumer Prices Index (CPI): This is the headline UK domestic measure of inflation. It measures the average change from month to month in the prices of consumer goods and services purchased in the UK.

Current account balance: The difference between receipts/payments due to transactions in goods, services, income and transfers between the UK and all other countries. A current account deficit means that total payments exceed total receipts; in the reverse case, the current account is in surplus.

Current budget: Measures the balance of public sector current account revenue over public sector current expenditure.

Current/constant prices: Current prices are the actual or estimated recorded monetary value over a defined period for a group of industries or products. They show the value for each item expressed in terms of the prices of that period.

Constant prices refer to volume measures whose values are derived by applying to current quantities, prices for a specific base period. They allow figures to be represented so that the effects of inflation are removed. The values for each time period are expressed in terms of the prices in a particular base period.

¹ Sources: ONS, HM Treasury, HM Revenue and Customs, Finance-Glossary.com.

Economically active: Those aged 16 and over who are either in employment or unemployed.

Economically inactive: Those aged 16 and over who are neither in employment nor unemployed. This includes those who do not want a job, those who want a job but have not been seeking work in the last four weeks and those who want a job and are seeking work but not available to start work.

Employment: The number of people with jobs as estimated by the Labour Force Survey (LFS). This includes all people aged 16 or over who did paid work, those who had a job that they were temporarily away from, those on government supported training and employment programmes, and those doing unpaid family work during the survey period. The employment rate refers to the number of people employed as a percentage of the working age population as measured by the LFS.

Exchange rate: The rate at which one currency is traded against another.

Gross Domestic Product (GDP): The total market value of goods and services produced after deducting the cost of goods and services used up in the process of production (intermediate consumption) but before deducting consumption of fixed capital (depreciation).

Gross Domestic Product – Real GDP: Also known as constant price or chained volume measure, this is a measure used to indicate change in the actual quantity of goods and services produced, by adjusting for inflation.

Gross Fixed Capital Formation (GFCF): Expenditure on fixed assets (buildings, vehicles etc.) either for replacing or adding to the stock of existing assets. Business investment is GFCF by the private sector and public corporations on transport equipment, other machinery and equipment and new dwellings and structures other than dwellings.

Gross Value Added (GVA): The difference between output and intermediate consumption for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production. GVA is used to measure the productivity of sectors/industries and economies.

Harmonised Indices of Consumer Prices (HICP): Harmonised indices of consumer prices for Member States of the European Union, which enable comparisons to be made across countries. The UK's CPI measure uses HICP methodology.

Market prices: The prices actually paid by the purchaser for goods and services, including transport costs, trade margins and taxes. $\text{GDP at market prices} = \text{GDP at basic prices} + \text{transport prices paid separately} + \text{non-deductible taxes on expenditure} - \text{subsidies received}$.

Money supply: The total amount of money in an economy at a given time.

The Public Sector Net Borrowing (PSNB): This measures the public sector's accumulation of debt net of liquid financial assets. Its approximate stock equivalent is net public sector debt.

Public Sector Net Debt: This is approximately the stock analogue of the PSNB. It measures the public sector's financial liabilities to the private sector and abroad, net of short-term financial assets such as bank deposits and foreign exchange reserves.

Retail Prices Index (RPI): A domestic indicator of inflation. It measures the average change from month to month in the prices of goods and services purchased in the UK. It is similar to the CPI, but differs in terms of methodology and coverage. For example, the RPI includes housing costs such as mortgage interest payments while the CPI doesn't.

Seasonally adjusted: Estimates in which the element of variability due to seasonal influences, which may distort the data, has been removed.

Sterling Exchange Rate Index (SERI): This measures the value of sterling against a trade-weighted 'basket' of other currencies. The weights used in this index measure currencies' relative importance to UK trade in goods and services.

UK Base/Repo rate: The rate at which the Bank of England lends to discount houses by buying their bills. The base rate is usually the minimum rate at which banks are prepared to lend money. The high street bank base rate follows that set by the Bank of England, and it acts as the benchmark for other interest rates, including mortgages and personal loans.

Unemployment: The ILO definition includes all people who are: out of work, want a job, have actively sought work in the previous four weeks and are available to start work within the next fortnight; or are out of work and have accepted a job that they are waiting to start in the next fortnight.

Unemployment rate: The number of unemployed persons expressed as a percentage of the total economically active population.

Volume/value of retail sales: The volume of retail sales is the total takings adjusted for inflation and the value of retail sales is the total actual takings.

Workforce jobs: The sum of employee jobs, self-employment jobs, those in HM Forces and government-supported trainees.

4.1

Symbols and abbreviations

..	Figure(s) not yet available
CBI	Confederation of British Industry
ILO	International Labour Organisation

IMF International Monetary Fund

OECD Organisation for Economic Co-operation and Development

ONS Office for National Statistics

Economic Indicators online

Visit commonslibrary.parliament.uk/economy-business to browse our economic analysis online. Economic Indicators are updated regularly and provide quick summaries of different aspects of the UK economy including GDP, business and trade, employment, the housing market and more.

Emails

Stay up to date with our latest economic analysis by scanning the QR code below and subscribing.

The House of Commons Library is a research and information service based in the UK Parliament. Our impartial analysis, statistical research and resources help MPs and their staff scrutinise legislation, develop policy, and support constituents.

Our published material is available to everyone on commonslibrary.parliament.uk.

Get our latest research delivered straight to your inbox. Subscribe at commonslibrary.parliament.uk/subscribe or scan the code below:



 commonslibrary.parliament.uk

 [@commonslibrary](https://twitter.com/commonslibrary)