



Economic Indicators – November 2006

Economic Growth

In October 2006 the HM Treasury's average of independent economic forecasts of GDP growth in 2006 was 2.6%, unchanged from September. The average growth forecast for 2007 was 2.4% in October, unchanged from September.

Investment

Total business investment increased by 1.6% in the second quarter of 2006.

Total manufacturing investment fell by 6.4% in the same period.

Productivity

Productivity growth in manufacturing increased from 2.7% per annum in the first quarter of 2006 to 3.5% per annum in the second quarter.

For the whole economy productivity growth has averaged 1.5% per annum over the last eight quarters.

National & Regional Labour Market

Total employment was 29.0 million in the period June to August 2006, 0.9% higher than the same period a year earlier.

7.4 million people were in part time employment in this period, 5.7 million of whom were women. 3.7 million people were self employed.

Over this period London had the highest unemployment rate of 8.4%.

International Labour Market

The most recent forecasts published by the OECD suggest the UK unemployment rate will be 5.3% in 2006 and 5.2% in 2007. The respective forecasts for the eurozone are 8.2% and 7.9%.

Company Acquisitions

Expenditure on acquisitions in the UK by foreign companies decreased from £24.1 billion in the first quarter of 2006 to £18.1 billion in the second quarter.

Expenditure on acquisitions abroad by UK companies decreased from £7.4 billion in the first quarter of 2006 to £2.9 billion in the second quarter.

UK Overseas Trade

The UK's overall monthly deficit on goods and services combined in August 2006 was £4.4 billion, unchanged from the previous month.

House Prices

The average UK house price in August 2006 was £197,631.

Annual house price inflation in August 2006 was 7.7%.