



Economic Indicators – December 2006

Economic Growth

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

Manufacturing output increased by 1.4% in the 3rd quarter of 2006 compared with the same quarter in 2005, but manufacturing growth decreased by 1.0% overall in 2005.

Investment

Total business investment increased by 3.1% in the 3rd quarter of 2006 compared with the previous quarter.

In the same period total manufacturing investment increased by 1.7%, whilst investment in private sector services increased by 2.4%.

Productivity

Productivity across the whole economy, measured by output per head, is estimated to have grown by 1.1% in 2005 compared with 2.5% in 2004.

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

Labour Market

Over the year to June 2006, the number of production industry workforce jobs fell by 47,000. The number of service sector jobs rose by 256,000.

A comparison of July to September 2006 with the same period a year earlier shows the only fall in unemployment occurred in Scotland. The Yorkshire & Humberside region showed the largest increase (35%) over the same period.

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 September 2006 was £4.1 billion, down from £4.5 billion in August.

Retail Sales

The average weekly value of retail sales in October 2006 was £4940 million, a 3.9% increase from the same period a year earlier.

House Prices

The average UK house price in September 2006 was £198,552.

Annual house price inflation in September 2006 was 8%.