



Economic Indicators – February 2007

Economic Growth

The UK economy is estimated to have grown by 1.9% in 2005, compared with 3.3% in 2004.

In January 2007, the HM Treasury's average of independent economic forecasts of GDP growth in 2006 was 2.6%, unchanged from December 2006. The average growth forecast for 2007 was 2.5% in January 2007, up from 2.4% in December 2006.

Manufacturing output increased by 1.2% overall in 2006.

Recent growth in the eurozone has been weaker than growth in all OECD countries and the G7. However, eurozone growth in the second quarter of 2006 rose by 0.9% compared with 0.7% in the previous quarter.

Investment

Total manufacturing investment increased by 2.6% in the third quarter of 2006 compared with the previous quarter, whilst investment in private sector services increased by 2.5% in the same period.

Productivity

For the economy as a whole, productivity growth has averaged 1.5% per annum over the last 8 quarters.

Productivity growth in manufacturing increased from 3.6% per annum in the second quarter of 2006 to 3.7% in the third quarter.

Labour Market

The employment rate for people of working age was 74.5% for the three months ending in December 2006, unchanged over the quarter but up 0.1 over the year.

The number of people in employment for the three months ending in December 2006 was 29.04 million, the highest figure since comparable records began in 1971. This is up 51,000 over the quarter and up 278,000 over the year. The quarterly increase in employment is largely due to more women in part-time employment. Total hours worked per week were 925.8 million, up 0.4 million over the quarter and up 4.0 million over the year.

International Labour Market

The most recent forecasts published by the OECD suggest the UK unemployment rate will be 5.5% in 2006 and 5.7% in 2007. The respective forecasts for the eurozone are 7.9% and 7.4%. For the OECD as a whole the respective forecasts are 6.0% and 5.8%.

UK Overseas Trade

The UK's overall monthly deficit on goods & services combined in November 2006 was £4.7billion, up from £4.1billion the previous month.