



Economic Indicators – March 2007

Economic Growth

In February 2007, HM Treasury's average of independent economic forecasts of GDP growth in 2006 was 2.7%, up from 2.6% in January. The average growth forecast for 2007 was 2.5% in February 2007, unchanged from the previous month.

Investment

Total manufacturing investment decreased by 4.5% in the last quarter of 2006, compared with the previous quarter, while investment in private sector services increased by 2.9% in the same period.

Productivity

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

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

Labour Market

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.

7.5 million people were in part-time employment in the period October to December 2006, of whom 5.8 million were women. 3.8 million people were self-employed.

International Labour Market

The most recent forecasts published by the OECD suggest that the UK unemployment rate will be 5.7% in 2007, the forecast for the eurozone in the same period is 7.4%.

UK Overseas Trade

In 2005 the annual current account deficit with EU25 countries was £39.6 billion, compared with a surplus with non-EU countries of £10 billion. On a quarterly basis, the deficit with EU countries was £6.6 billion in the third quarter of 2006.