



Information for Negotiators – April 2006

Inflation

CPI annual inflation (the Government's target measure) fell to **1.8%** in March.

The largest upward contribution came from housing and household services.

RPI inflation was unchanged in February, remaining at **2.4%**.

RPIX inflation – which excludes mortgage interest payments – is **2.1%** in March, down from 2.3% in February.

As an internationally comparable measure of inflation, the CPI shows that the UK inflation rate is slightly below the average for the European Union as a whole. The provisional inflation rate for the enlarged EU 25 in February was 2.2%, compared with the UK figure for the same month of 2.0%.

	RPI	RPIX	CPI
Jan 06	2.4	2.3	1.9
Feb 06	2.4	2.3	2.0
Mar 06	2.4	2.1	1.8

Jan 05	3.2	2.1	1.6
Feb 05	3.2	2.1	1.6
Mar 05	3.2	2.4	1.9
April 05	3.2	2.3	1.9
May 05	2.9	2.1	1.9
Jun 05	2.9	2.2	2.0
July 05	2.9	2.4	2.3
Aug 05	2.8	2.3	2.4
Sep 05	2.7	2.5	2.5
Oct 05	2.5	2.4	2.3
Nov 05	2.4	2.3	2.1
Dec 05	2.2	2.0	1.9

Labour Market

The employment rate for people of working age was 74.5% for the three months ending in February 2006. This is unchanged over the quarter but down 0.4 over the year.

The unemployment rate was 5.1%, up 0.1 over the quarter and up 0.4 over the year. The number of unemployed people increased by 30,000 over the quarter and by 120,000 over the year, to reach 1.56 million.

The redundancy rate for the three months to February 2006 was 5.7 per 1,000 employees, up 0.1 from the previous quarter.

Average Earnings

Average earnings including bonuses rose by 4.2% in the year to February, up from 3.6% in January. This increase (in the including bonuses rate) is mainly due to higher bonuses in the private sector services sector. This is partly due to stronger payments on a 'like-for-like' basis and partly due to timing changes. Average earnings excluding bonuses, or regular pay, rose by 3.8% in the year to February 2006. This is unchanged from January.

In the year to February 2006, pay growth (excluding bonuses) in the private sector was 3.8%, compared with 4.0% for the public sector. Including bonus payments, private sector growth stood at 4.2% compared with 4.3% for the public sector.

Full-time average weekly earnings by occupation			
	£pw		£pw
All workers	£531.10	Admin & Secretarial	£361.90
All Male	£584.40	Skilled/craft	£443.90
All Female	£447.90	Services	£308.50
Managers	£798.80	Sales	£291.70
Professionals	£726.70	Operatives	£406.30
Associate Professionals	£562.90	Other manual jobs	£322.60

Interest Rate

The Base Lending Rate continues to remain at **4.5%** (the previous change in interest rates was a reduction of 0.25 percentage points in August 2005).

This is due for revision at the next meeting of the Monetary Policy Committee on the 4th May

Economic Information on the Amicus website

For detailed information on the UK Economy including analysis of Labour Market Trends, Interest Rates & Economic Growth with an explanation of key economic terminology see www.amicustheunion.org/economy/

To comment on the new format of this fact sheet please e-mail Neal.Evans@amicustheunion.org