

Article

Economic review: April 2015

The key economic stories from National Statistics produced over the latest month, painting a coherent picture of the UK economic performance using recent economic data.

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1. Main points

- The Quarterly National Accounts (QNA) estimated that the UK economy grew 0.6% in the final 3 months of 2014, the eighth successive quarter of Gross Domestic Product (GDP) growth.
- Household spending continues to make the most consistent contribution to GDP growth in recent quarters, while the contribution of Gross Fixed Capital Formation (GFCF) has waned following a relatively rapid recovery between Q2 2013 and Q2 2014.
- The UK's current account deficit improved slightly in Q4 2014, driven by a stronger balance on trade. This improvement can be partly attributed to the recent fall in oil prices, but has also been driven by an increase in exports of manufactured goods.
- The annual rate of Consumer Prices Index (CPI) inflation fell to zero in the year to February 2015, while the prices of goods at retail outlets was 3.3% lower in February than in the same period a year ago. Although the lower cost of petrol accounted for around half of this latter fall, price falls were also observed in food stores, non-food stores and non-store retailing.
- ONS analysis of "job to job" flows suggests improving labour market conditions. The rate of job to job moves continues to increase while the separation rate – the proportion of each age group who move from employment to unemployment each quarter – fell throughout 2014. This edition highlights how these conditions have differed across age groups.

2. Introduction

The Quarterly National Accounts (QNA) estimated that the UK economy grew by 0.6% in the final 3 months of 2014, the eighth successive quarter of GDP growth. This edition of the Economic Review considers recent developments in the expenditure components over the economic downturn and subsequent recovery.

In particular, the household spending, investment and trade components of GDP are considered in more detail. This edition decomposes household consumption per head into discretionary, semi-discretionary and non-discretionary spending, and examines how spending on these types of goods and services has behaved during the downturn and recovery. Recent movements in exports, imports and the current account are also discussed, with a focus on how falls in oil prices have fed through to the UK's trade figures. The "investment intensity" of different production and services industries over the downturn and recovery is also considered.

Although the economy has grown strongly in recent quarters, the rate of Consumer Prices Index (CPI) inflation fell to a record low of zero in the year to February 2015. This has helped to raise the real value of earnings, which have grown quite slowly until relatively recently. Rising real earnings – albeit from below pre-downturn levels – are one of a range of measures showing signs of labour market strength. The unemployment rate has fallen markedly over recent quarters, the rate of job to job moves has risen, and the separation rate – the proportion of each age group who move from employment to unemployment each quarter – fell during 2014. This edition of the Review highlights how these conditions have differed across age groups.

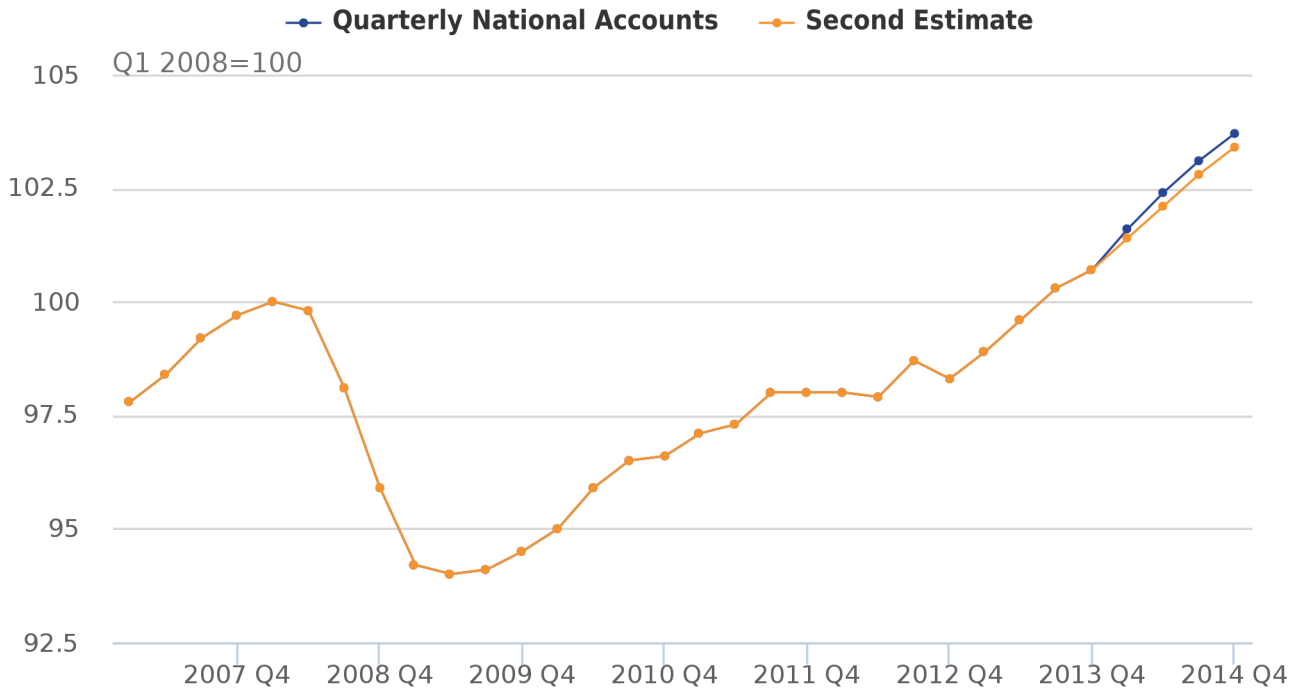
3. GDP estimate

The [Quarterly National Accounts](#) (QNA) estimated that the UK economy grew by 0.6% in the final 3 months of 2014 – 0.1 percentage points higher than previously estimated – in the eighth successive quarter of GDP growth. Revisions to the first 3 quarters of 2014 also raised the growth rate in 2014 as a whole from 2.6% to 2.8%, the fastest calendar year growth rate since 2006.

The recovery of GDP following the 2008-09 economic downturn can be separated into 3 distinct stages. Following a return to relatively robust economic growth in 2010 and 2011, output growth slowed during 2012; bouncing between quarters of expansion and contraction. A sustained recovery only appears to have set in from

the beginning of 2013 (Figure 1). Over this more recent period, GDP has grown at an average compound quarterly rate of 0.7% – twice as fast as between Q2 2009 and Q1 2013. As a result, although the economy has grown 10.3% since the trough of the downturn, almost half of this growth has taken place in the last 8 quarters. Output in Q4 2014 was 3.0% higher than in the same period a year earlier: the fastest such growth rate since 2007.

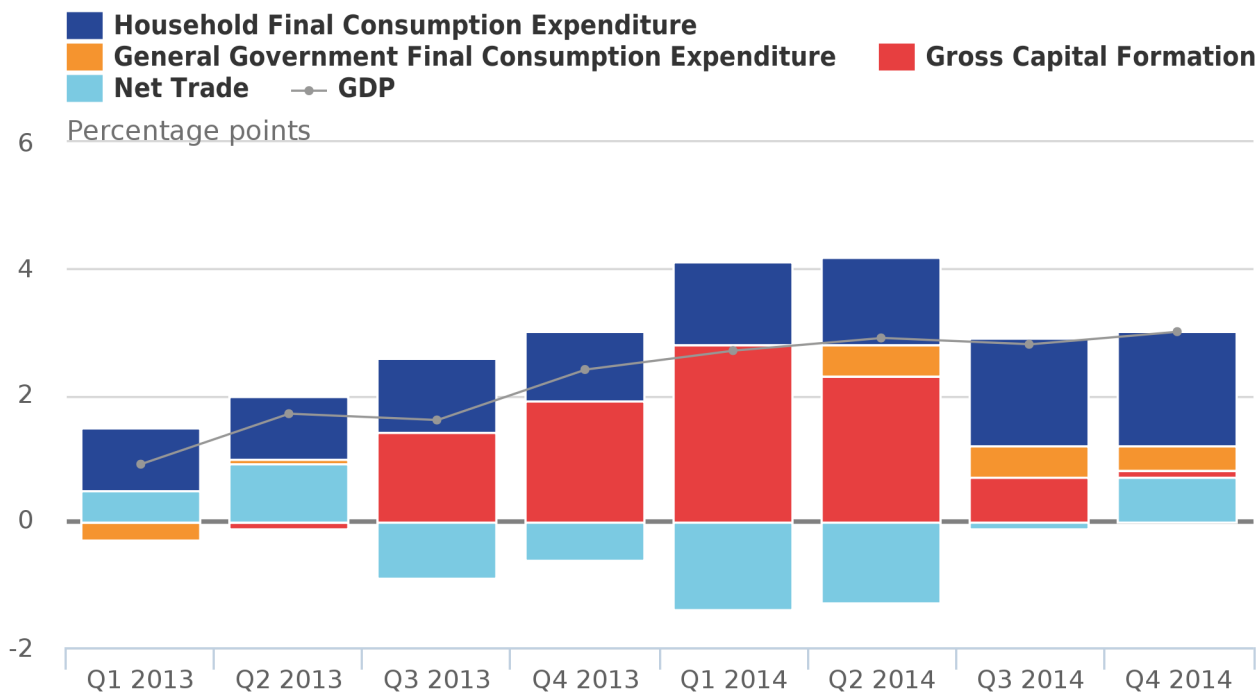
Figure 1: Gross Domestic Product (GDP), Quarterly National Accounts (QNA) compared with second estimate, chained-volume measure, seasonally adjusted



Source: Office for National Statistics

Stronger investment and household spending accounted for a large fraction of the upwards revision to 2014 as a whole, while a greater contribution from net trade raised economic growth during Q4 2014 in particular. Taken together, however, the revisions do little to alter the broad sweep of recent developments. The contribution of household consumption to GDP growth in the year to Q4 2014 has risen from 1.4 to 1.8 percentage points (Figure 2), reflecting relatively strong household spending growth of 3.0% over this period. Household consumption has now expanded in each consecutive quarter for more than 3 years, and although its average rate of growth has slowed compared with its [pre-downturn trend](#), total household spending has been the most consistent driver of total expenditure growth since the 2008 economic downturn.

Figure 2: Contributions to GDP growth, expenditure measure, quarter on same quarter a year ago, chained-volume measure, seasonally adjusted



Source: Office for National Statistics

Notes:

1. HHFCE is Household Final Consumption Expenditure. GGFCE is General Government Final Consumption Expenditure. GCF is Gross Capital Formation.
2. Components used do not include all contributors to GDP, and therefore may not sum to the total movement in output.

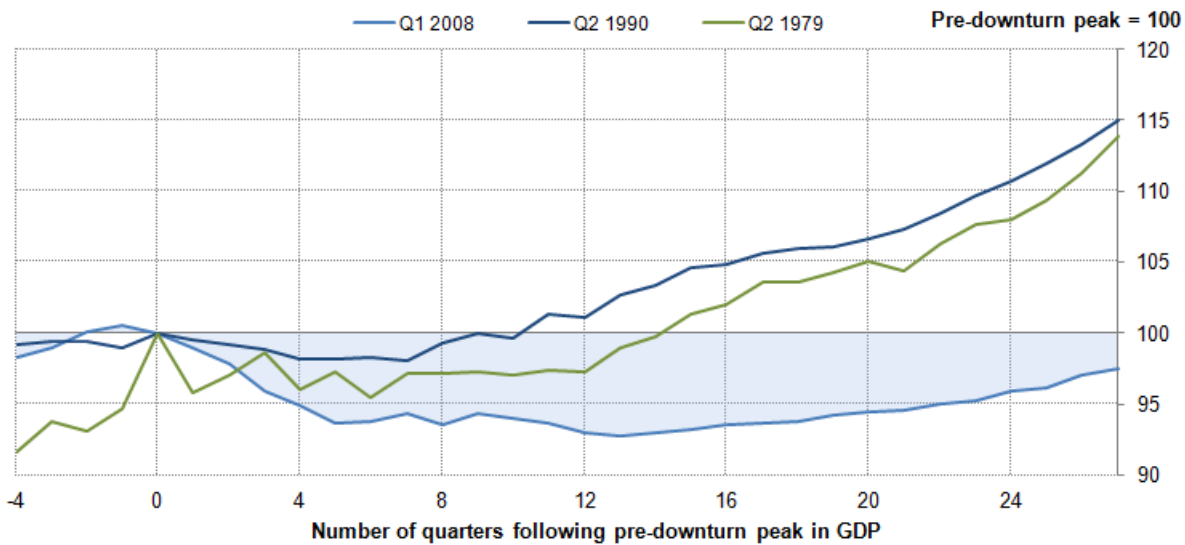
In contrast, the impact of net trade on expenditure growth has varied in sign and magnitude, with growth in exports and imports broadly cancelling each other out over the last 2 years. The path of investment remains among the most interesting of recent developments: following a relatively rapid recovery between Q2 2013 and Q2 2014, the contribution of Gross Capital Formation (GCF) has waned markedly in recent quarters.

The QNA also introduced upward revisions to the output and income measures of GDP growth for the 2014 calendar year. Higher construction and production growth drove the revisions to the output measure of GDP, while the upward revision to the income measure of GDP was driven by stronger growth in corporate profits.

4. Household expenditure per capita

While aggregate household consumption has supported GDP growth, the recovery of [household spending per capita](#) has been relatively slow. Figure 3 shows the path of household consumption per head of the population, indexed to its pre-downturn level for the 3 economic downturns of the past 50 years. Compared with previous economic contractions, the fall in household spending per head since 2008 was notably deeper and the recovery of spending has been markedly slower. Following the downturns in the early 1980s and 1990s, household spending per capita fell by 4.5% and 2.0% from peak to trough respectively – compared with a fall of 7.2% between Q1 2008 and Q2 2011. Following these earlier episodes, household spending per capita re-attained its pre-downturn level 11 and 14 quarters after the pre-downturn peak respectively: a benchmark that the current recovery is yet to reach some 27 quarters after the onset of the economic downturn.

Figure 3: Household expenditure per capita, chained-volume measure, indexed to pre-downturn peak in GDP



Source: Office for National Statistics

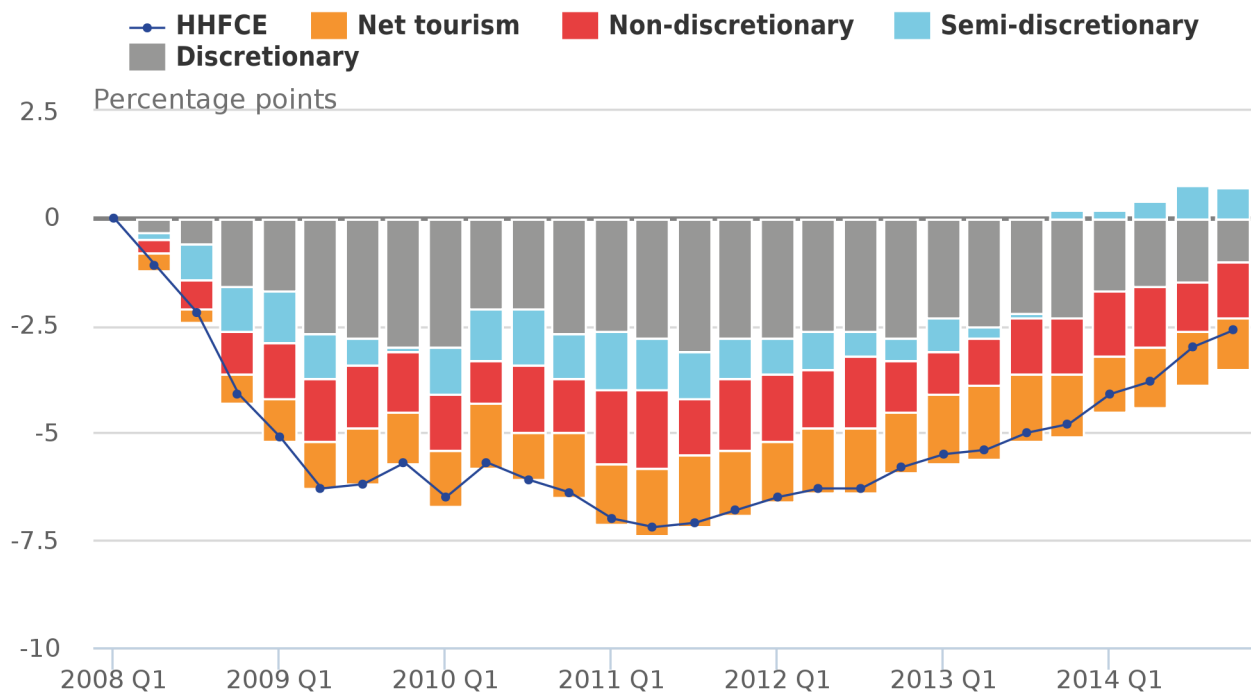
Notes:

1. Data are indexed to the pre-downturn peak of GDP

A detailed breakdown of household spending by individual goods and services, published in the [Consumer Trends publication](#), allows for a classification of the components of household spending per head into non-discretionary spending (on goods and services where the consumer has little choice but to continue to buy regardless of price and income pressures), semi-discretionary spending (on goods and services where the consumer has a high degree of control over the amount purchased, but where it is unlikely that spending can cease altogether) and discretionary spending (on goods and services where the consumer has a high degree of control over whether or not to buy). This classification is not based on an international standard and is therefore inevitably subjective¹, but can be instructive. Figure 4 shows the cumulative change in household spending per capita since Q1 2008 (the black line) as well as the contributions from these groups. The contribution from “net tourism”, defined as the volume of spending by UK households overseas, less the volume of spending by visitors to the UK, is also presented in Figure 4.

Following the onset of the economic downturn in 2008, discretionary spending fell markedly: likely reflecting households cutting back on these forms of consumption in the light of growing uncertainty. Total household spending per capita fell 6.3% between Q1 2008 and Q2 2009, of which 2.7 percentage points were accounted for by this expenditure group. Semi-discretionary and non-discretionary spending also fell during this period, accounting for 1.0 and 1.5 percentage points of the fall in total spending per head respectively. A further 1.1 percentage points were accounted for by a fall in net tourism spending: largely arising as a consequence of lower UK tourism spending abroad, partly as a result of the marked depreciation of sterling between 2008 and 2009.

Figure 4: Cumulative contributions to the change in household spending per capita since Q1 2008, chained-volume measure



Source: Office for National Statistics

Notes:

1. Net tourism expenditure captures the volume of spending by UK households overseas, less the volume of spending by visitors to the UK. For a detailed breakdown of COICOP categories that have been aggregated into non-discretionary, semi-discretionary and discretionary spending.

A recovery across all of these groups, but especially discretionary and semi-discretionary spending, has helped to drive a steady increase in household spending per head since Q2 2011. Spending on discretionary and semi-discretionary products rose by 4.9% and 10.3% over this period, but due to their relative proportions of total household spend, made broadly similar contributions to the growth of total spending per head. In the most recent period, households spent more per head on semi-discretionary items than they did before the economic downturn, but continue to spend less per head on discretionary goods and services.

Spending on non-discretionary goods and services per head has experienced a far slower recovery, falling in the most recent quarter and remaining broadly in line with the level of spending experienced over the last 4 years. Household spending per head on non-discretionary goods remains 3.5% lower compared to the pre-downturn levels; this has mainly been driven by falls in a broad range of food products.

The recovery in net tourism expenditure has also been relatively slow, but has benefited recently from both the appreciation of sterling against the euro and the fall in the rate of Euro-area inflation. Both of these effects have helped to boost the volume of spending of UK households abroad to a greater degree than the spending of overseas visitors to the UK.

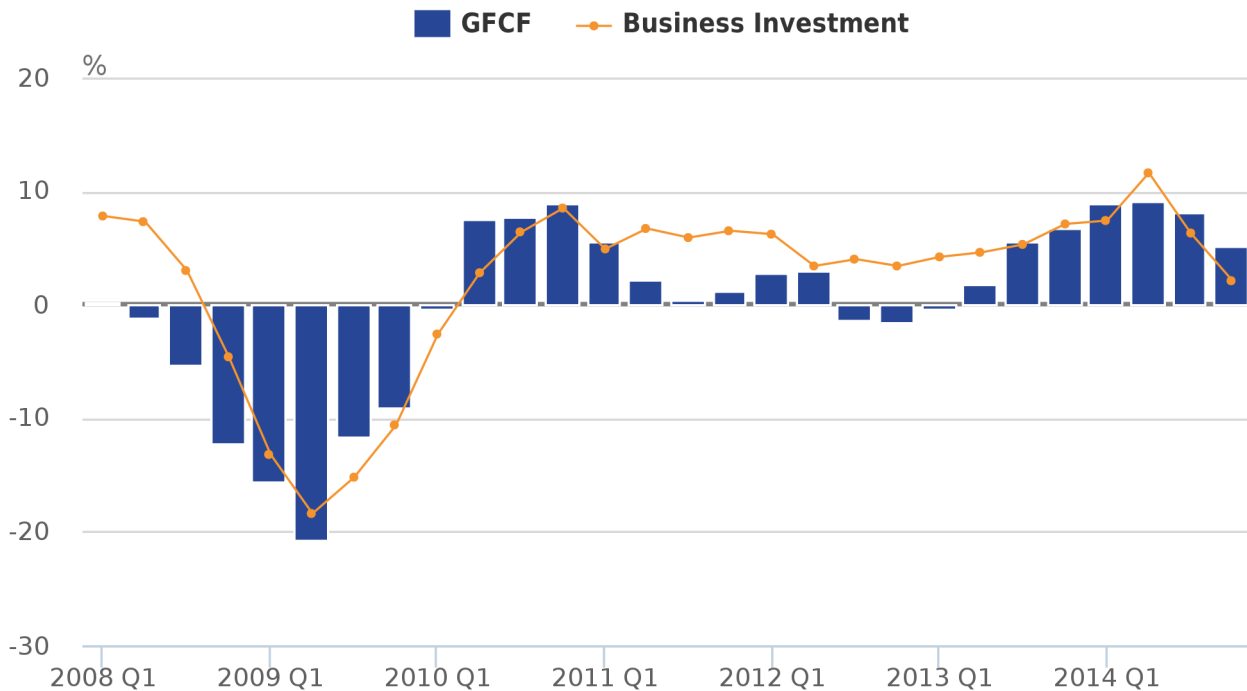
Notes for household expenditure per capita

1. See '[Impact of the recession on household spending](#)' (ONS, 2012)

5. Investment

The profile of investment during 2014 was also revised in the Quarterly National Accounts (QNA) (Figure 5). Compared with the same period a year earlier, volume growth was revised up in both Q1 and Q3 2014. Investment was also revised up in the final 3 months of 2014: partly as a result of strong late data returns from the oil and gas industry, which had previously been thought to account for a large fraction of the weakness of [investment as a whole](#). The revised data instead points to a broader slowdown in investment activity. Business investment – which was previously estimated to have declined by 1.4% in Q4 2014 – registered a smaller fall of 0.9% in the final 3 months of 2014.

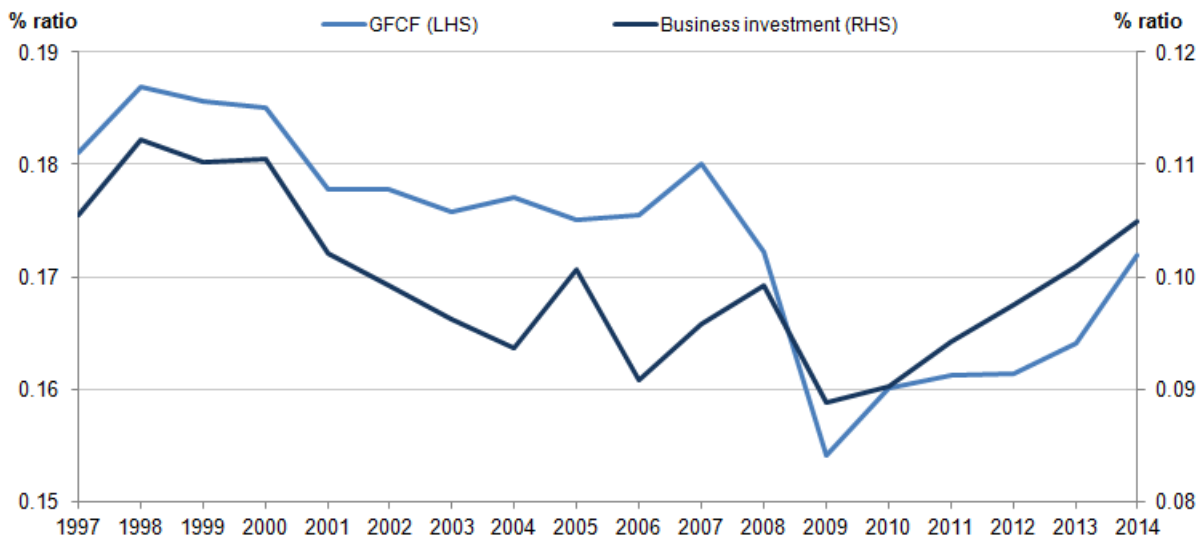
Figure 5: Growth of Gross Fixed Capital Formation (GFCF) and business investment: Quarter on same quarter a year earlier, chained-volume measure, seasonally adjusted



Source: Office for National Statistics

The recent reduction in growth rates notwithstanding, Figure 5 demonstrates that the performance of investment over the last year has been relatively strong. Following a period of macroeconomic uncertainty during 2011 and 2012, stronger investment by businesses and in dwellings has emerged as both a response to, and in support of, a recovery in GDP growth as a whole. This is confirmed in Figure 6, which shows the ratio of GFCF to GDP in volume terms: presenting the broad “investment intensity” of the UK economy since 1997. It suggests that aggregate investment fell sharply following the onset of the economic downturn – even more sharply than GDP itself – and has started to recover towards pre-downturn levels in the last year. The ratio of business investment to GDP exhibits an even stronger recovery, exceeding pre-downturn levels and reached its strongest ratio in 14 years in Q4 2014.

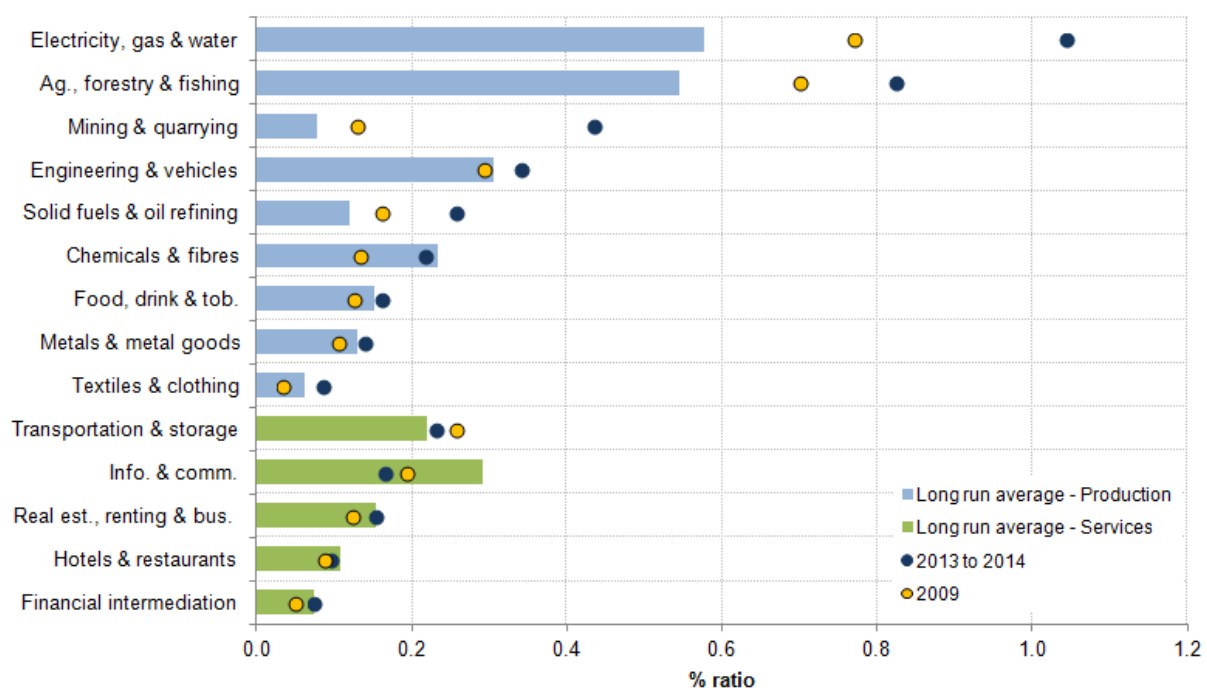
Figure 6: Ratio of GFCF and business investment to GDP, chained-volume measure



Source: Office for National Statistics

Investment by businesses accounts for much of the growth of GFCF during this recent period. This may have arisen as firms seek to add to their capacity to meet growing demand, or as they replace capital that is wearing out and constraining their potential growth. Figure 7 presents one measure of the investment intensities of different industries. It shows the average ratio of investment to gross value added for a range of production (upper frame) and services industries (lower frame), over the long term (1998 to 2007), in 2009, and during this more recent period of sustained economic growth (2013 and 2014). Therefore, higher (lower) values for a specific industry indicate that firms in this industry invest a greater (lesser) fraction of their value added on average over a given period.

Figure 7: Ratio of Gross Fixed Capital Formation (GFCF) to Gross Value Added (GVA) by industry, long run average compared with 2009, and 2013 to 2014 period



Notes:

1. The ratio of investment to output is calculated by dividing annual chained volume measure GFCF by annual chained volume measure of Gross Value Added for each industry. The average of this statistic between 1998 and 2007 is represented as the long run average. The average of this statistic between 2013 and 2014 is also shown. Note that movements in this ratio may be driven by either investment or GVA

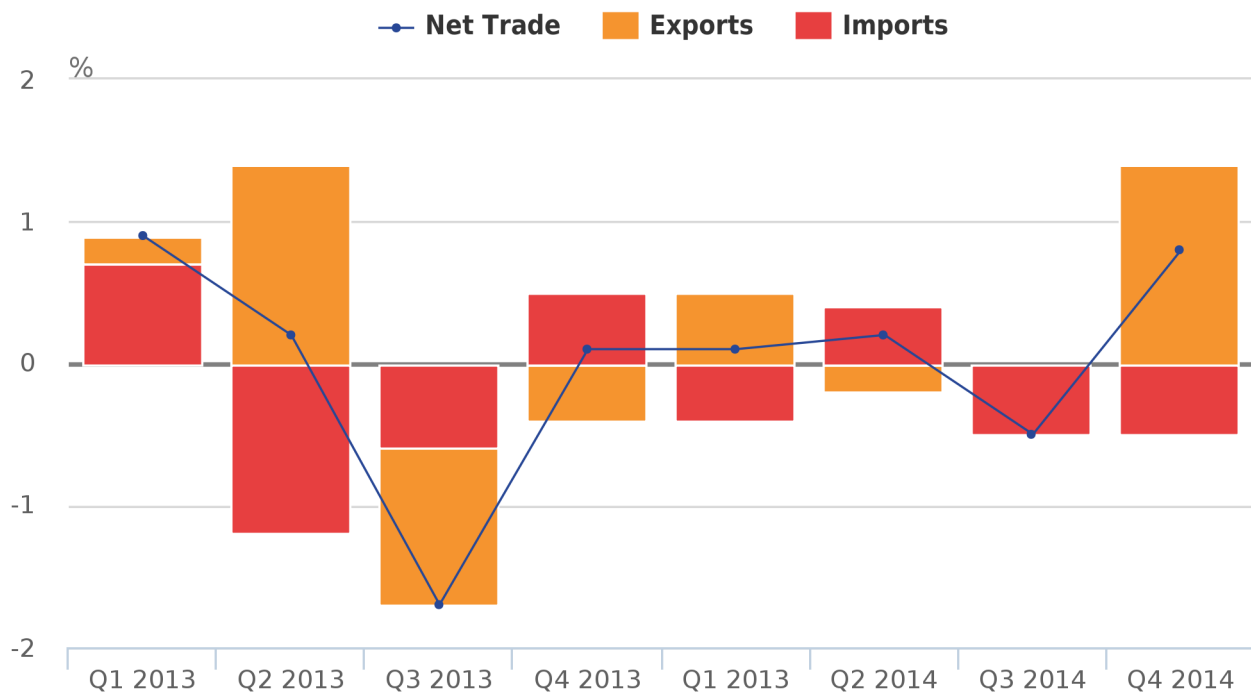
On this measure, investment behaviour varies widely across industries. Over the long term, firms in the utilities and agricultural industries have invested the largest fraction of their GVA, while firms in the textiles industry invested the smallest fraction of their output. The information & communications industry has the highest ratio of the services industries presented – broadly comparable to that of engineering and vehicles over the long term – followed by the transportation & storage industry.

Patterns of investment intensity during the downturn and recovery have also varied quite widely – as shown by the points on Figure 7. In all but 2 industries – transportation & storage and information & communications – this ratio has risen during the recovery (shown by the difference between the blue and yellow points), reflecting the stronger growth of investment relative to output. In 5 of the 9 production industries and 4 of the 5 services industries shown, this ratio has been at or around its long run average in 2013 and 2014, and well above the long run average in the utilities and mining & quarrying industries. In these latter cases, the ratio is a reflection of a long term declining trend in the output of these industries, and may provide some indication of conditions in these industries: requiring large capital investments to meet demand (such as in the utilities sector) or reflecting the additional investment needed to reach remaining reserves (such as in mining & quarrying). In the information & communications industry, the lower ratio is a result of broadly unchanged investment volumes, as compared with the continued growth of output.

6. Trade and movements in the oil price

Alongside revisions to household spending and investment, the [Quarterly National Accounts \(QNA\)](#) also included upward revisions to both exports and imports in Q4 2014. Stronger exports of goods and services – which grew by 4.6% in Q4 2014, compared with the 3.5% previously estimated – and a smaller upward revision to imports resulted in net trade adding 0.8 percentage points to GDP growth over this period. However, the contributions of the components of net trade have been quite erratic in recent quarters. Since the start of 2013, exports have added to GDP growth in as many quarters as they have held it back, while imports have grown in 5 of the last 8 quarters (Figure 8). The result is that the recent contribution of net trade to expenditure growth has been relatively modest.

Figure 8: Contributions to GDP: Exports, imports and net trade, percentage points



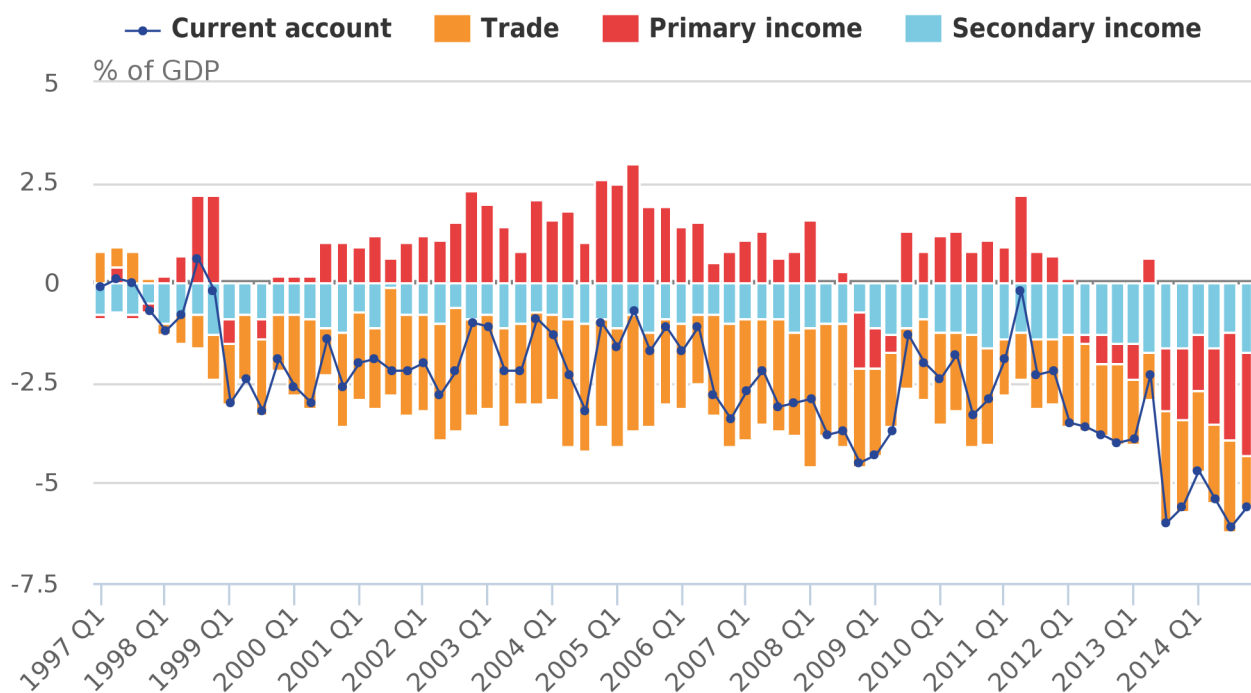
Source: Office for National Statistics

Notes:

- Imports count negatively towards GDP growth. As a result, periods during which imports grow will appear in this chart as negative, and periods during which imports contract will appear as positive.

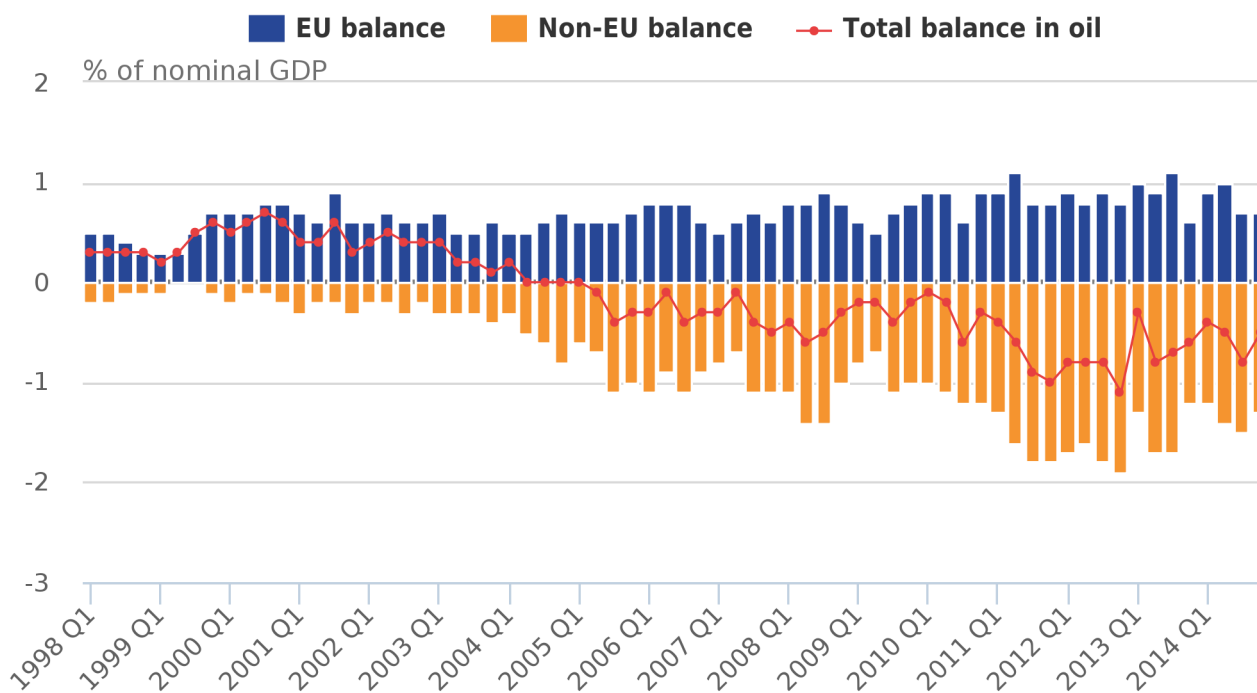
The UK's current account – which summarises flows of goods, services and payments between the UK and the rest of the world – also benefited from the upwards revision to exports in Q4 2014, but remained close to a record deficit as a [fraction of nominal GDP](#), as shown in Figure 9. While the primary and secondary income balances remained weak by historical standards, the importance of trade to the current account deficit in Q4 2014 was notably reduced. This narrowing of the trade deficit reflected a £4.1bn rise in exports and a £0.2bn fall in imports.

Figure 9: UK current account: Balances on trade, primary income and secondary income



Although relatively strong growth in exports – especially of manufactured goods – has helped to improve the overall trade balance, some of this improvement can also be attributed to the impact of the changing price of oil on the cost of UK imports. The [UK has been a net importer of oil since 2004](#), when a rising deficit on oil with non-EU countries offset a stable, positive balance with the EU (Figure 10). As a consequence, while the fall in the oil price in the fourth quarter of 2014 reduced the value of UK exports, it reduced the value of UK imports to a greater degree.

Figure 10: Trade in oil: EU and non-EU

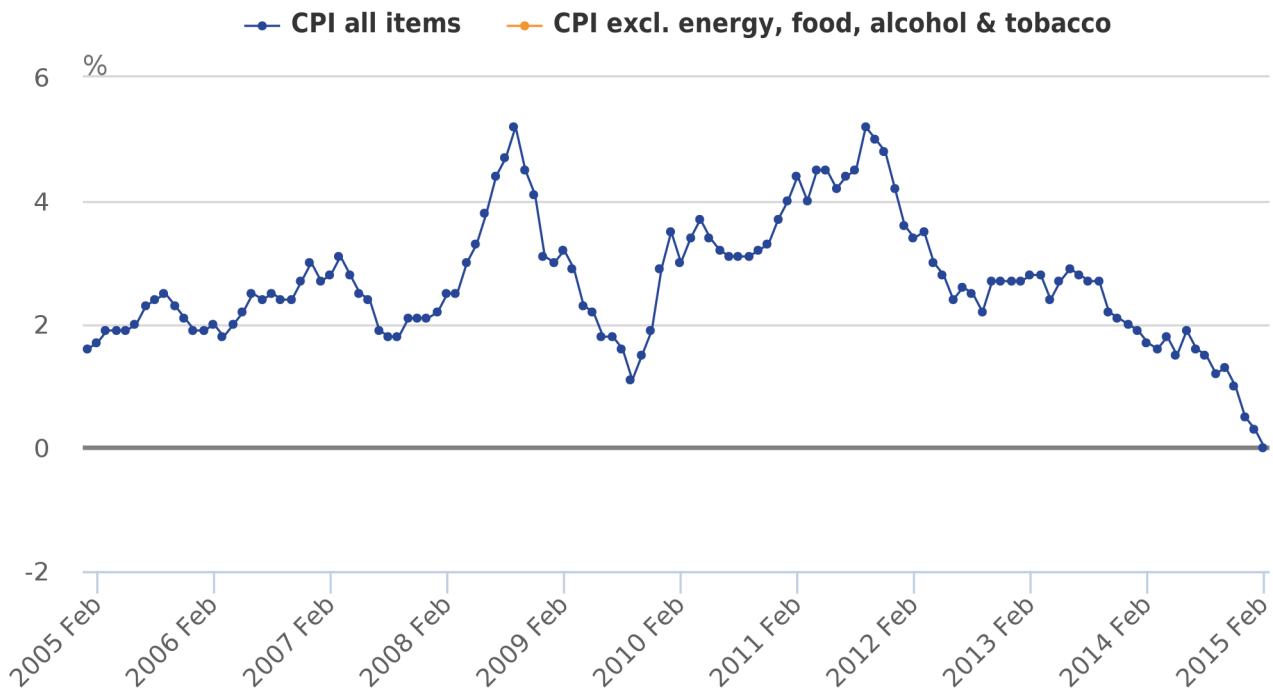


Despite a partial recovery of the oil price, this effect also appears to have carried into Q1 2015: the UK’s trade deficit narrowed to £0.6bn in January 2015, compared with £2.1bn in the previous month. While exports of manufactured goods increased further in January, the fall in the value of oil imports (£1.2bn) also improved the headline figures, and accounted for almost half the fall in total imports.

7. Price pressure

Despite the relatively strong economic growth observed towards the end of 2014, the rate of inflation dropped to a new record low in February 2015. The annual rate of Consumer Prices Index (CPI) inflation has fallen from 0.5% in the year to December 2014, to 0.3% in the year to January 2015, and to zero in the year to February 2015. Weaker inflation for food, drink and energy (including motor fuels) – the prices of which can be volatile – accounts for much of this recent reduction in inflationary pressure. However, “core” inflation – a measure of inflation that excludes these components – also slowed during February: on this measure the inflation rate fell from 1.4% in January to 1.2% in February 2015 (Figure 11).

Figure 11: Consumer Prices Index inflation and “core” inflation, annual rates



Source: Office for National Statistics

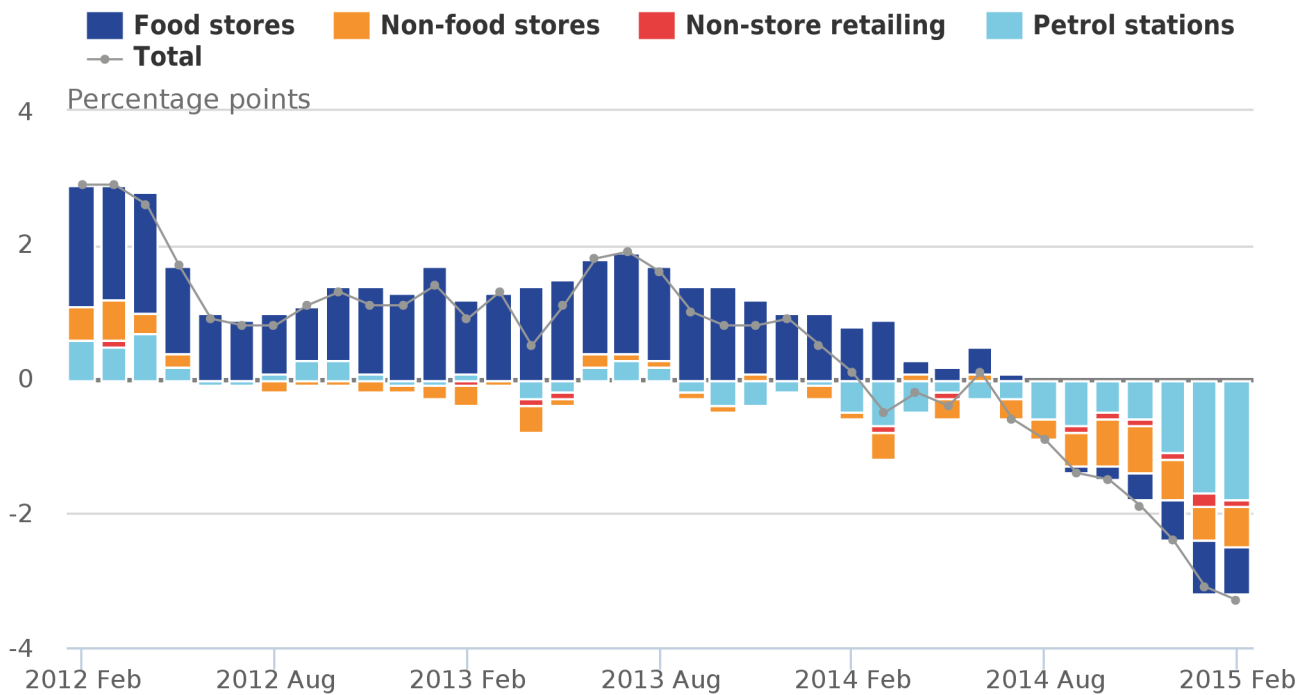
Notes:

1. “Core” inflation is the weighted price movement for all items, less food, alcoholic beverages, tobacco and energy (including motor fuels).

Much of the recent weakness in inflation is attributable to a combination of movements in the value of sterling and the fall in the oil price. Sterling strengthened by [0.3% on a trade weighted basis in March](#) and was 5.7% higher on average than in the same month a year ago. Partly as a result, the prices of goods imported from the European Union by UK producers fell 1.5% in February, and are 5.7% lower than the same month a year earlier. Products imported from outside the European Union also fell in price on the month, and are some 6.6% lower than in February 2014. The oil price stabilised during March, rising slightly on the month, but it remained more than 47% below its value in the same period a year ago.

However, while movements in the exchange rate and the oil price have played an important role, domestic disinflationary pressure also appears to have had an impact. Figure 12 shows the contribution that different store types made to the movement in the implied price index of retail sales since the start of 2012. It suggests that following modest price inflation in retail stores during 2012 and 2013, the rate of price change turned sharply negative during 2014 and 2015.

Figure 12: Contributions to the growth of the implied price index for retail sales by store type, change on the same period a year earlier



Source: Office for National Statistics

Notes:

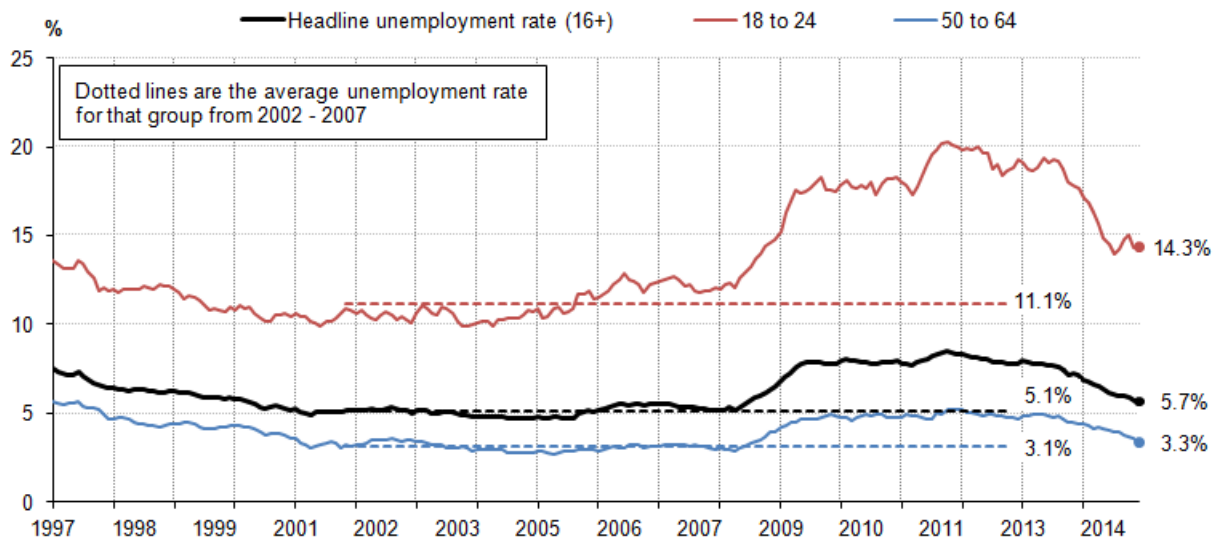
1. The implied price index of retail sales is calculated by dividing the value of retail sales in each period by the volume of retail sales. Contributions to the RSI implied deflator are calculated by weighting the average price movement for each store type by their share of current price expenditure in the base period (2011).

In February 2015, average retail prices were some 3.3% lower than the same period a year ago, and while the lower cost of petrol accounted for around half of this fall, price falls were also observed in food stores, non-food stores and non-store retailing. As a consequence of several months of falling prices, the average price of retail goods at food stores was little higher in February 2015 than in February 2013. The average price of products at non-food retail stores – which accounted for around 42% of spending covered by the retail sales index in 2011 – is comparable with that previously observed in October 2010.

8. Earnings growth

The weakness of inflationary pressure in recent months has helped to raise the real value of earnings, which have grown quite slowly until relatively recently. Average weekly earnings in the 3 months to January 2015 grew by 1.8% when compared with the same period a year earlier, slightly down from 2.1% in the 3 months to December 2014, but strong by recent standards. On other measures, the labour market has also continued to tighten. The headline unemployment rate among those aged 16 and above has been falling since early 2013, reaching 5.7% in the 3 months to January 2015 (Figure 13). Among those aged 18 to 24, the fall was particularly sharp between mid-2013 and mid-2014. Indeed, differences in the labour market experiences of different age groups are particularly striking. As attention focuses on how low unemployment can fall before inflationary pressures arise, quantifying different conditions across demographics plays an important role in understanding the headline trends.

Figure 13: Unemployment rate by age, %



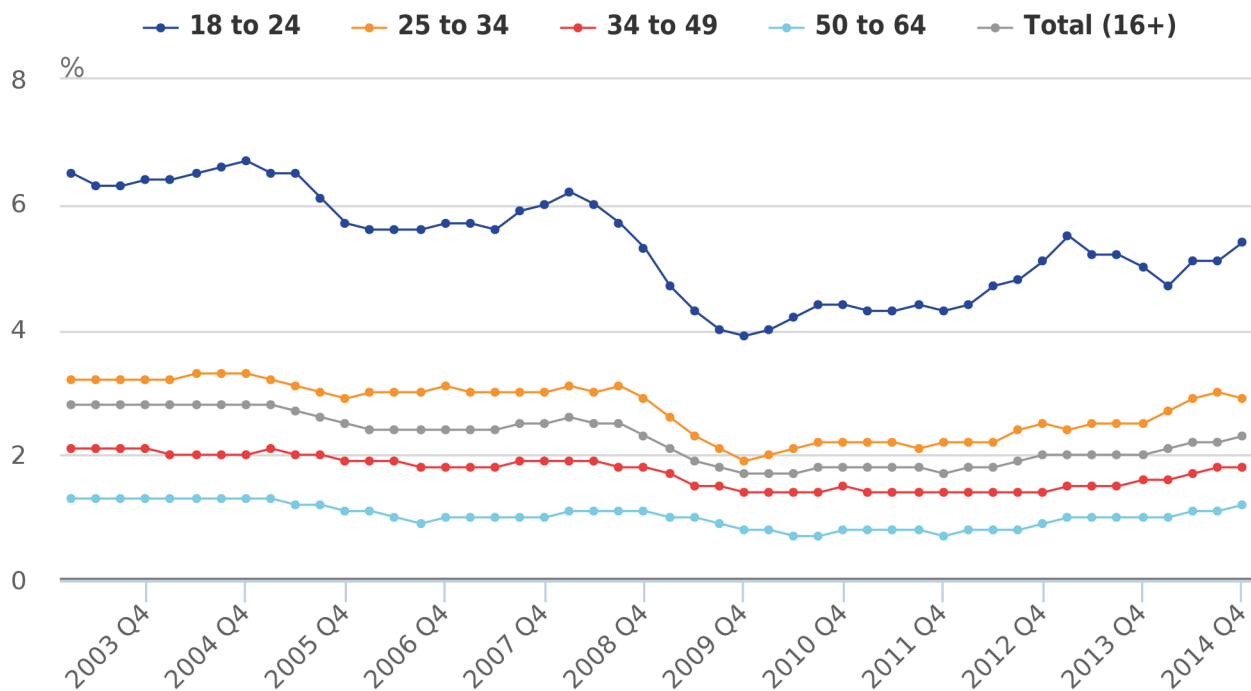
Source: Office for National Statistics

Notes:

1. Rates are calculated as percentage of those economically active (aged 16+). The economically active population is defined as those in employment plus those who are unemployed.
2. Dotted lines show the average unemployment rate for each age group. This covers the period between and inclusive of Jan to Mar 2002 to Oct to Dec 2007.

As set out in an earlier edition of the [Economic Review](#), the rate at which workers move between posts appears closely related to the rate of earnings growth. As workers are more likely to move in relatively benign economic conditions, move rates can be read as a broad measure of confidence in the labour market. The move rate appears to differ across age brackets (Figure 14). Between 2002 and 2007, an average of 2.7% of workers changed job each quarter, while the move rate for those aged 18 to 24 has been consistently higher than the total move rate, likely reflecting a larger fraction of these workers in temporary or part time employment. Rates of mobility for all age groups fell following the economic downturn and have been rising gradually since 2012.

Figure 14: Move rate by age, 4-quarter moving average



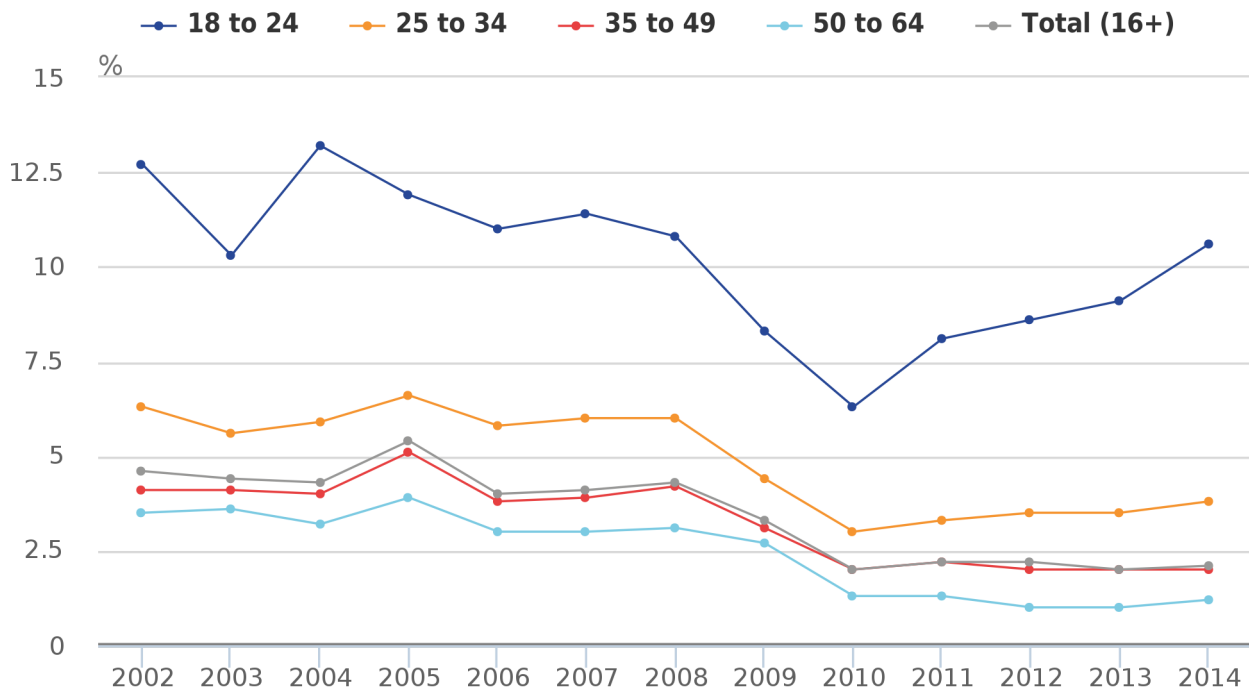
Source: Office for National Statistics

Notes:

1. Move rate is the fraction of those who report themselves in employment in 2 consecutive quarters, but who have been with their current employer for less than 3 months. As the underlying data are not seasonally adjusted, backward looking 4-quarter moving averages are presented.

The higher move rate for young people may also indicate greater mobility, and a willingness to move towards relatively higher-paying positions. Figure 15 presents the median growth rate of nominal weekly earnings for workers of different age groups by matching workers observed in each period. The median growth rate of earnings for those aged 18 to 24 is substantially higher than for other age groups, suggesting that young workers who stay in employment are relatively likely to move towards more highly paid jobs. By contrast, the median growth rate of earnings among older workers – who appear less likely to move between positions – is relatively weak.

Figure 15: Median growth rate of nominal weekly earnings for those continuously employed, by age



Source: Office for National Statistics

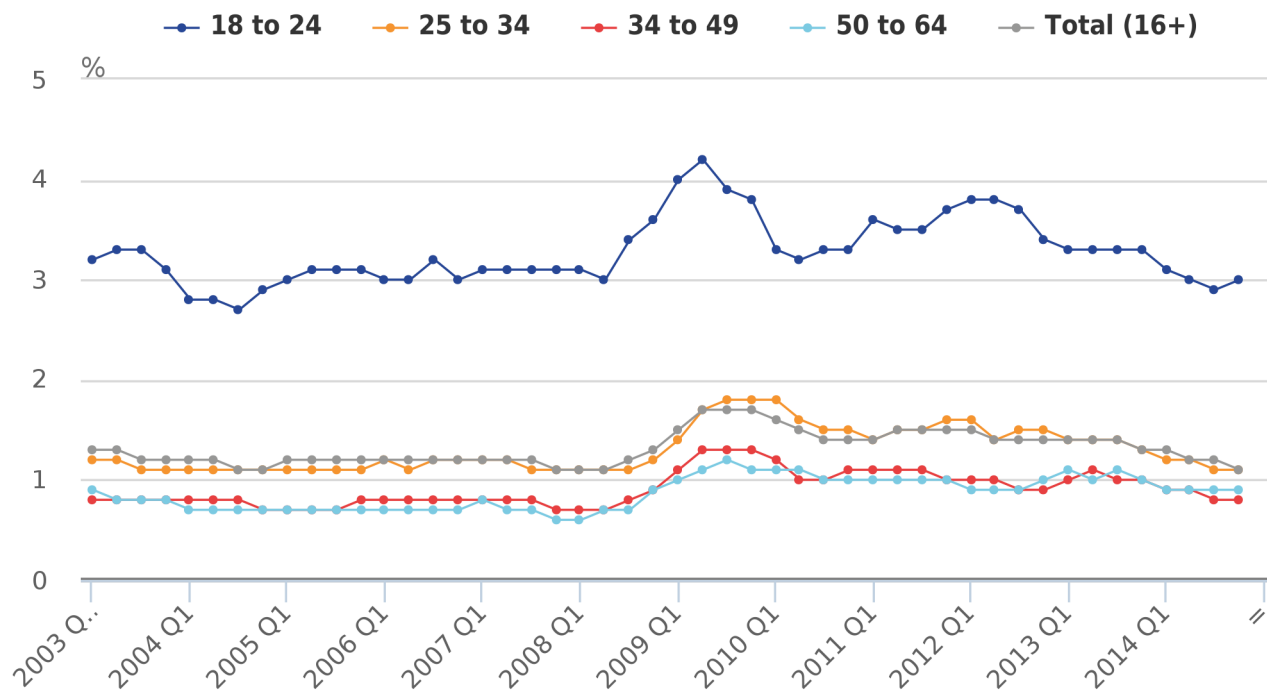
Notes:

1. This chart uses individual level data from ASHE to calculate the growth of nominal weekly earnings for individuals observed in each pair of years. Weighted summary statistics for the distribution of nominal earnings growth rates are calculated using their population weights in the second period, as longitudinal weights are not available for the ASHE survey at present. ONS is examining the feasibility of producing a set of longitudinal weights for ASHE that would permit more thorough analysis. Note that the ASHE methodology is not specifically designed to model earnings growth for individuals over time. The median presented here measures the median earnings growth rate for all employees.

These differences in median earnings growth rates notwithstanding, inflationary wage pressures subsided for all age groups between 2008 and 2010 as earnings growth fell for all age groups. Despite the fall in the unemployment rate and a rise in the move rate since 2012 suggesting a tighter labour market, only those aged 18 to 24 have seen a marked pick-up in the median growth rate of nominal earnings. The median rise in weekly pay for continuously employed employees has remained at around 2% since 2012.

Although most age groups have seen earnings growth fall and stay at a lower rate since the downturn, most have also seen their likelihood of entering unemployment fall back to pre-downturn levels. This is shown by Figure 16, which measures the separation rate of workers – the portion of each age group who move from employment to unemployment each quarter. All age groups experienced an increase in their separation rate in response to the economic downturn, with the headline rate increasing from an average of 1.2% between 2003 and 2007 to a peak of 1.7% in the year to Q3 2009. Since then the rate has gradually fallen, so that only 50 to 64 year olds have a separation rate above the pre-downturn average in 2014. While all age-groups display similar trends across time, separation rates are generally higher for younger workers. This could be one explanation for differences in median earnings growth rates shown in Figure 15. As a larger fraction of young workers leave employment each quarter, those remaining in employment – the "continuously employed" – are likely to be a select group.

Figure 16: Separation rate by age, 4-quarter moving average



Source: Office for National Statistics

Notes:

1. The lines present the job separation rate for workers of different ages, calculated by dividing the flow of individuals from employment to unemployment (by tenure) by the number of individuals employed by age. As the underlying data are not seasonally adjusted, backward looking 4-quarter moving averages are presented.

9. Reference tables

Table 1: UK Demand side indicators

	2013	2014	2014	2014	2014	2014	2014	2015	2015
			Q2	Q3	Q4	Nov	Dec	Jan	Feb
GDP¹	1.7	2.8	0.8	0.6	0.6	:	:	:	:
Index of Services									
All Services ¹	1.9	3.0	1.0	0.7	0.9	0.1	0.6	-0.2	:
Business Services & Finance ¹	2.5	3.9	1.2	0.8	1.3	0.1	0.6	-0.6	:
Government & Other ¹	0.3	1.1	0.4	0.2	0.0	-0.3	0.5	-0.1	:
Distribution, Hotels & Rest. ¹	3.5	4.7	1.2	0.9	1.4	0.7	0.7	0.1	:
Transport, Stor. & Comms. ¹	1.4	2.6	1.6	1.2	0.9	-0.4	0.8	0.5	:
Index of Production									
All Production ¹	-0.5	1.6	0.3	0.1	0.2	0.1	-0.2	-0.1	:
Manufacturing ¹	-0.7	2.9	0.6	0.4	0.2	0.8	0.1	-0.5	:

Mining & Quarrying ¹	-2.5	-0.6	0.5	-2.3	0.8	-2.9	-1.4	2.0	:
Construction¹	1.4	7.4	1.3	1.7	-2.2	-1.9	0.6	-2.6	:
Retail Sales Index									
All Retailing ¹	1.4	3.8	1.7	0.4	2.3	1.6	0.1	0.1	0.7
All Retailing, excl.Fuel ¹	2.0	4.2	1.8	0.5	2.2	1.7	-0.2	-0.3	0.7
Predom. Food Stores ¹	-0.2	0.6	1.5	-0.5	1.3	0.4	1.0	-0.9	0.2
Predom. Non-Food Stores ¹	1.8	6.4	1.1	1.6	2.5	2.4	-1.3	-0.4	0.9
Non-Store Retailing ¹	18.0	12.8	8.4	-0.8	5.5	4.1	-0.2	2.7	1.9
Trade									
Balance ^{2, 3}	-33.7	-33.7	-8.7	-10.2	-6.0	-1.6	-2.1	-0.6	:
Exports ⁴	3.0	-1.6	-1.2	-0.7	3.2	0.1	1.6	-2.3	:
Imports ⁴	2.7	-1.5	-1.2	0.4	-0.1	-1.4	2.7	-5.6	:
Public Sector Finances									
PSNB-ex ^{3,5}	-24.1	-5.7	0.9	-0.1	-3.9	-3.1	0.3	-2.2	-3.5
PSND-ex as a % GDP	79.3	81.1	80.0	79.9	81.1	80.0	81.1	79.7	79.6

Source: Office for National Statistics

Notes:

1. Percentage change on previous period, seasonally adjusted, CVM
2. Levels, seasonally adjusted, CP
3. Expressed in £ billion
4. Percentage change on previous period, seasonally adjusted, CP
5. Public Sector net borrowing, excluding public sector banks. Level change on previous period a year ago, not seasonally adjusted

Table 2: UK Supply side indicators

	2013	2014	2014	2014	2014	2014	2014	2015	2015
			Q2	Q3	Q4	Nov	Dec	Jan	Feb
Labour Market									
Employment Rate ^{1, 2}	71.5	72.9	72.8	73.0	73.2	73.2	73.3	:	:
Unemployment Rate ^{1, 3}	7.6	6.2	6.3	6.0	5.7	5.7	5.7	:	:
Inactivity Rate ^{1, 4}	22.4	22.2	22.1	22.2	22.3	22.3	22.2	:	:
Claimant Count Rate ⁷	4.2	3.1	3.2	2.9	2.7	2.7	2.6	2.5	2.4
Total Weekly Earnings ⁶	£475	£480	£479	£480	£486	£484	£489	£483	:
CPI									
All-item CPI ⁵	2.6	1.5	1.7	1.5	0.9	1.0	0.5	0.3	0.0
Transport ⁵	1.0	0.3	1.0	0.8	-0.4	-0.2	-1.4	-2.8	-2.7

Recreation & Culture ⁵	1.1	0.9	1.0	1.2	0.6	0.3	0.6	0.1	-0.8
Utilities ⁵	4.1	3.0	3.2	3.1	2.5	3.3	1.0	1.0	0.9
Food & Non-alcoh. Bev. ⁵	3.8	-0.2	0.0	-0.9	-1.6	-1.7	-1.7	-2.5	-3.3
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PPI									
Input ⁸	1.2	-6.6	-4.6	-7.4	-9.4	-8.3	-11.6	-14.1	-13.5
Output ⁸	1.3	-0.1	0.5	-0.3	-0.9	-0.7	-1.3	-1.9	-1.8
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HPI⁸	3.5	10.0	10.2	11.8	10.0	9.9	9.8	8.4	:

Source: Office for National Statistics

Notes:

1. Monthly data shows a three month rolling average (e.g. The figure for February is for the three months Jan - Mar)
2. Headline employment figure is the number of people aged 16-64 in employment divided by the total population 16-64
3. Headline unemployment figure is the number of unemployed people (aged 16+) divided by the economically active population (aged 16+)
4. Headline inactivity figure is the number of economically active people aged 16 to 64 divided by the 16-64 population
5. Percentage change on previous period a year ago, seasonally adjusted
6. Estimates of total pay include bonuses but exclude arrears of pay (£)
7. Calculated by JSA claimants divided by claimant count plus workforce jobs
8. Percentage change on previous period a year ago, non-seasonally adjusted

Source: ONS

10. Background notes

1. Details of the policy governing the release of new data are available by visiting www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gsi.gov.uk