

Table 11 Office for Budget Responsibility Spring 2018 Economic Forecast

Percentage change on a year earlier (unless otherwise stated)

	2016 outturn	2017	2018	2019 forecasts	2020	2021	2022
Gross Domestic Product at constant prices	2.0	1.6	1.5	1.2	1.3	1.4	1.5
Expenditure components of GDP							
Domestic Demand	2.2	1.5	1.1	1.0	1.2	1.4	1.5
Household consumption ¹	2.9	1.7	0.9	0.9	1.1	1.4	1.5
General government consumption	0.8	0.3	1.1	0.9	0.6	0.9	1.1
Fixed Investment	1.8	3.9	1.8	1.5	2.4	1.9	2.1
Business	- 0.5	2.2	1.7	2.0	2.3	2.4	2.5
General government	1.3	3.5	2.1	2.1	6.1	1.0	1.2
Private dwellings	7.6	7.8	2.3	0.3	0.5	1.3	1.8
Exports of goods and services	2.3	5.0	3.3	2.0	0.3	- 0.1	0.0
Imports of goods and services	4.8	3.5	1.5	1.0	0.2	0.0	0.1
Inflation							
CPI (Consumer Price Index)	1.1	2.9	2.2	1.8	2.0	2.0	2.0
RPI (Retail Price Index)	2.1	3.8	3.4	3.0	2.9	2.9	3.0
GDP deflator at market prices	2.2	1.9	1.5	1.6	1.7	1.7	1.8
Labour market							
Employment (millions)	31.7	32.1	32.2	32.4	32.5	32.6	32.7
Wages and salaries	4.0	3.6	3.2	2.7	2.8	3.0	3.2
Average earnings ²	2.9	2.5	2.7	2.4	2.6	2.8	3.0
LFS unemployment (percentage)	4.9	4.4	4.4	4.5	4.6	4.6	4.6
Claimant count (Q4 millions)	0.7	-	-	-	-	-	-
Household sector							
Real household disposable income	0.2	0.2	1.2	0.5	0.5	1.3	1.4
Savings ratio (level, percentage)	7.1	5.2	5.8	5.8	5.5	5.4	5.3
House prices	7.0	4.8	3.7	2.7	2.2	2.4	2.9
Fiscal aggregates (Percentage of GDP) ³							
Public sector net borrowing	2.3	2.2	1.8	1.6	1.3	1.1	0.9
Public sector net debt	85.3	85.6	85.5	85.1	82.1	78.3	77.9
General government net borrowing ⁴	2.4	2.0	1.8	1.7	1.5	1.4	1.0
General government gross debt ⁴	86.5	85.8	85.4	85.3	84.9	84.8	84.2

Source: OBR March 2018 forecast/July 2018 databank.

Notes: 1. Includes households and non-profit institutions serving households.

2. Wages and salaries divided by employees.

3. Fiscal aggregates are for the financial year (i.e. 2016 is 2016/17).

4. General government borrowing and debt measures on a Maastricht basis.

5. OBR have ceased to forecast claimant count unemployment following the ONS decision to declassify this count as a 'National Statistic'.