

Table 11 Office for Budget Responsibility March 2020 Economic Outlook

Percentage change on a year earlier (unless otherwise stated)

	2016	2017 Outturn	2018	2019	2020	2021 Forecasts ⁵	2022 Forecasts ⁵	2023	2024	2020	2021 Central Scenario ⁵	2022 Central Scenario ⁵	2023	2024
Gross Domestic Product at constant prices	2.0	1.6	1.3	1.4	1.1	1.8	1.5	1.3	1.4	- 12.4	8.7	4.5	2.1	1.9
Expenditure components of GDP														
Domestic Demand	2.2	1.2	1.3	1.6	1.1	2.0	1.7	1.6	1.7	- 12.4	8.8	4.6	2.4	2.2
Household consumption ¹	2.9	1.8	1.6	1.3	1.1	1.2	1.2	1.4	1.4	- 13.9	7.7	3.3	1.4	1.5
General government consumption	0.8	- 0.1	0.4	3.6	3.7	2.8	2.1	1.9	2.2	- 1.6	8.4	2.1	1.9	2.2
Fixed Investment	1.8	3.3	- 0.2	0.4	- 0.8	3.4	2.9	2.0	1.8	- 23.4	16.0	13.9	7.2	4.9
Business	- 0.5	1.8	- 1.5	0.3	0.0	1.8	3.0	2.4	2.3	- 24.4	11.6	17.7	9.7	6.1
General government	1.3	1.7	1.3	2.1	1.9	10.9	4.6	1.8	1.2	- 8.1	20.2	7.6	1.8	1.2
Private dwellings	7.6	8.1	6.5	- 0.3	- 4.2	1.5	1.6	1.3	1.2	- 30.9	22.5	10.5	5.5	4.6
Exports of goods and services	2.3	- 0.5	1.2	3.7	- 0.6	- 0.5	- 0.6	- 1.1	- 1.0	-	-	-	-	-
Imports of goods and services	4.8	5.7	2.0	3.6	- 0.2	0.4	0.2	0.2	0.2	-	-	-	-	-
Inflation														
CPI (Consumer Price Index)	1.1	2.8	2.5	1.8	1.4	1.8	2.1	2.1	2.0	0.7	1.3	1.9	2.0	2.0
RPI (Retail Price Index)	2.1	3.7	3.3	2.6	2.2	2.7	3.1	3.0	2.9	1.3	1.1	3.0	3.3	3.1
GDP deflator at market prices	2.2	1.9	2.2	1.8	2.0	2.0	2.2	2.1	2.1	2.7	0.0	2.0	2.1	2.0
Labour market														
Employment (millions)	31.7	32.1	32.4	32.8	33.0	33.1	33.2	33.3	33.4	31.3	30.9	32.2	32.6	33.0
Wages and salaries	4.0	4.0	4.8	3.5	3.6	3.8	3.6	3.3	3.2	- 3.2	1.4	6.8	4.2	3.7
Average earnings ²	2.9	2.7	3.3	2.8	3.3	3.6	3.4	3.1	3.1	0.2	3.7	2.7	3.0	3.1
LFS unemployment (percentage)	4.9	4.4	4.1	3.8	3.8	3.8	3.9	4.0	4.1	8.8	10.1	6.9	5.9	5.3
Household sector														
Real household disposable income	0.2	- 0.2	2.4	0.8	1.1	1.6	1.3	1.4	1.4	-	-	-	-	-
Savings ratio (level, percentage)	7.1	4.5	5.8	5.7	6.6	7.0	7.2	7.2	7.2	17.2	11.3	10.9	11.0	10.6
House prices	7.0	4.6	3.2	1.5	3.3	7.0	5.8	4.6	3.8	- 0.7	- 3.8	9.6	7.8	6.1
Fiscal aggregates (Percentage of GDP)³														
Public sector net borrowing	2.3	1.9	1.8	2.1	2.4	2.8	2.5	2.4	2.2	16.4	7.0	5.6	5.1	4.6
Public sector net debt	85.3	85.0	80.6	79.5	77.4	75.0	75.4	75.6	75.2	104.1	103.6	104.7	106.1	102.1
General government net borrowing ⁴	2.4	2.0	1.8	2.2	2.5	3.1	2.6	2.4	2.4	-	-	-	-	-
General government gross debt ⁴	86.5	85.6	84.1	83.2	82.9	83.2	83.3	83.3	83.0	-	-	-	-	-

Source: OBR Economic and Fiscal Outlook Report; Fiscal Sustainability Report and supplementary tables.

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. The OBR forecasts do not allow for the Covid-19 outbreak. Instead OBR has produced scenarios, including this 'central' scenario, to explore the adverse affects of the outbreak on the economy and public finances.

6. Claimant count is no longer reported or projected by OBR and so is omitted from this table.