

OBR Macro Forecasts

Overview

- Due to Covid19 the UK economy will see it's worst annual performance in over 300 years, with the impact of a no deal Brexit likely to have an additional impact
- After a drop this year inflation is forecast to remain fairly stable and in line with the BoE target of 2.0%
- Unemployment is forecast to grow significantly through 2021 before gradually returning to 2019 levels after that



	2019	2020	2021f	2022f	2023f	2024f	2025f	26-30f
<u>Growth & Consumption</u>								
GDP	1.3%	(11.3%)	5.5%	6.6%	2.3%	1.7%	1.8%	1.8%
Household Consumption	0.9%	(15.1%)	7.5%	9.7%	1.7%	1.2%	1.5%	1.5%
Consumer Price Index	1.8%	0.8%	1.2%	1.6%	1.7%	1.9%	2.0%	2.0%
Retail Price Index	2.6%	1.5%	1.4%	1.5%	2.6%	3.0%	3.0%	3.0%
<u>Labour Market</u>								
Wages & Salaries	3.5%	1.9%	0.4%	2.5%	3.6%	3.9%	3.7%	3.7%
Unemployment Rate (%)	3.8%	4.4%	6.8%	6.5%	5.4%	4.5%	4.4%	4.4%
Employment (millions)	32.8	32.7	31.9	32.2	32.7	33.1	33.2	33.2