

OBR Macro Forecasts

Overview

- Due to Covid-19 in 2020 the UK economy saw it's worst annual performance in over 300 years, in addition the full impact of Brexit is still unclear
- After a drop this year, inflation is forecast to remain fairly stable and just under the BoE target of 2.0%
- Unemployment is forecast to grow through 2021 & 2020 before gradually returning to pre-Covid levels



	2019	2020	2021f	2022f	2023f	2024f	2025f	26-30f
<u>Growth & Consumption</u>								
GDP	1.4%	(9.9%)	4.0%	7.3%	1.7%	1.6%	1.7%	1.7%
Household Consumption	1.1%	(11.0%)	2.9%	11.1%	1.2%	1.8%	1.3%	1.3%
Consumer Price Index	1.8%	0.9%	1.5%	1.8%	1.9%	1.9%	2.0%	2.0%
Retail Price Index	2.6%	1.5%	2.5%	2.0%	2.4%	2.7%	3.0%	3.0%
<u>Labour Market</u>								
Wages & Salaries	3.7%	1.7%	1.4%	2.6%	3.1%	3.4%	3.6%	3.6%
Unemployment Rate (%)	3.8%	4.5%	5.6%	5.9%	5.1%	4.5%	4.4%	4.4%
Unemployment (millions)	1.3	1.5	1.9	2.0	1.8	1.6	1.5	1.5

