

OBR Macro Forecasts

Overview

- Due to Covid-19 in 2020 the UK economy saw it's worst annual performance in over 300 years
- Concerns still exist with regard to the impact of Brexit
- Inflation is forecast to increase in 2022 before returning to the BoE target of 2.0%
- Unemployment is forecast to grow through 2021 & 2020 before gradually returning to pre-Covid levels



	2020	2021	2022f	2023f	2024f	2025f	2026f	27-31f
<u>Growth & Consumption</u>								
GDP	(9.8%)	6.5%	6.0%	2.1%	1.3%	1.6%	1.7%	1.7%
Household Consumption	(10.9%)	4.7%	9.8%	1.3%	1.7%	1.3%	1.0%	1.0%
Consumer Price Index	0.9%	2.3%	4.0%	2.6%	2.1%	2.0%	2.0%	2.0%
Retail Price Index	1.5%	3.6%	5.0%	3.4%	2.8%	2.8%	2.9%	2.9%
<u>Labour Market</u>								
Wages & Salaries	1.5%	5.2%	4.6%	3.7%	2.2%	3.0%	3.6%	3.6%
Unemployment Rate (%)	4.6%	4.9%	4.8%	4.3%	4.2%	4.2%	4.2%	4.2%
Unemployment (millions)	1.6	1.7	1.6	1.5	1.5	1.5	1.5	1.5

