

OBR Macro Forecasts

Overview

- Although the economy saw recovery in 2021, it was still negatively impacted by Covid-19 as well as Brexit
- The economy is unlikely to improve through 2022, with the added issues that the war in Ukraine brings
- Inflation is growing significantly with household budgets become increasingly squeezed as energy bills continue to rise
- It is likely that the Chancellor will need to take further measures if this continues



	2020	2021	2022f	2023f	2024f	2025f	2026f	27-31f
<u>Growth & Consumption</u>								
GDP	(9.4%)	7.5%	3.8%	1.8%	2.1%	1.8%	1.7%	1.7%
Household Consumption	(10.5%)	6.1%	5.4%	1.0%	1.5%	1.1%	1.2%	1.2%
Consumer Price Index	0.9%	2.6%	7.4%	4.0%	1.5%	1.9%	2.0%	2.0%
Retail Price Index	1.5%	4.0%	9.8%	5.5%	2.3%	2.5%	2.7%	2.7%
<u>Labour Market</u>								
Wages & Salaries	2.1%	6.9%	6.6%	3.1%	2.9%	3.1%	3.3%	3.3%
Unemployment Rate (%)	4.6%	4.5%	4.0%	4.2%	4.1%	4.1%	4.1%	4.1%
Unemployment (millions)	1.6	1.5	1.4	1.4	1.4	1.4	1.4	1.4

