

OBR Macro Forecasts

Overview

- Although the economy saw recovery in 2021, it was still negatively impacted by Covid-19 as well as Brexit
- The war in Ukraine and it's impact on energy costs has had a big impact on the economy in 2022
- Inflation is set to continue to grow significantly with household budgets increasingly squeezed
- As 2022 comes to an end the country has gone into a recession



	2021	2022	2023f	2024f	2025f	2026f	2027f	28-32f
<u>Growth & Consumption</u>								
GDP	7.4%	4.2%	(1.4%)	1.3%	2.6%	2.7%	2.2%	2.2%
Household Consumption	6.2%	4.7%	(1.9%)	1.1%	2.5%	2.2%	1.9%	1.9%
Consumer Price Index	2.6%	9.1%	7.4%	0.6%	(0.8%)	0.2%	1.7%	1.7%
Retail Price Index	4.0%	11.6%	10.7%	1.5%	(0.4%)	1.0%	2.6%	2.6%
<u>Labour Market</u>								
Wages & Salaries	6.2%	7.2%	4.3%	1.4%	2.1%	2.7%	3.2%	3.2%
Unemployment Rate (%)	4.5%	3.6%	4.1%	4.9%	4.7%	4.3%	4.2%	4.2%
Unemployment (millions)	1.5	1.2	1.4	1.7	1.6	1.5	1.5	1.5