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ECONOMIC PROSPECTS

J.P.C.
5/vii

JUNE 1983 REPORT

The report on the June 1983 exercise is
attached.

H P EVANS

30 June 1983

H M Treasury
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SW1

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ECONOMIC PROSPECTS: JUNE 1983 EXERCISE

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Introduction and summary

1. This internal forecast updates the Budget exercise; it is prepared on broadly similar assumptions about Government policy. The next forecast to be published will be in the Autumn Statement. A separate report on world economic prospects was circulated on 27 June; and a report on the forecasts of North Sea oil and gas is being circulated shortly. Recent developments and their relationship with the budget forecast were reviewed in the Monitoring Note of 14 June.

2. The main news in this forecast is in the higher outlook for the PSBR in the current financial year, and in the change in the scope for tax reductions in later years given the MTFs path for borrowing. Higher spending accounts for most of the upward revision. A detailed breakdown of the revisions is given on page 26. The comparison between the budget and latest forecasts is given in the following table. It should be noted that the figures below are central projections: major uncertainties still surround the total forecast for the current year.

| | | <u>1983 Budget</u> | <u>June forecast</u> |
|---------|------------------------------|--------------------|----------------------|
| 1982-83 | PSBR, £billion | 7½ | 9 |
| | % of GDP | 2¾ | 3¼ |
| 1983-84 | PSBR, £billion | 8 | 11½ |
| | % of GDP | 2¾ | 4 |
| 1984-85 | PSBR, £billion | 8 | 8 |
| | (of which fiscal adjustment) | (½) | (-2) |
| | % of GDP | 2½ | 2½ |

3. This forecast is constructed on the basis of an unconstrained PSBR for 1983-84: we assume the maintenance of budget tax proposals and expenditure controls. For 1984-85 the assumption that the PSBR is constrained to the MTFs path by means of a change in tax rates appears to require a sizeable rise in taxation in the 1984 Budget.

4. Over the last 15 years, PSBR errors at budget time have averaged the equivalent of £4 billion; over the last five years, some £2½ billion. The flows on either side of the account approach £200 billion a year and a 1 per cent error on one side alone accounts for nearly £2 billion. Inevitably, from time to time, changes in the forecast will be large relative to policy changes and to the absolute level of the PSBR. Some further material on PSBR forecasts can be found in a paper "Forecasting the PSBR" circulated on 24 June.

5. Higher borrowing this year probably means that the rates of growth of the broad monetary aggregates, £M3 and PSL2, (as well as M1) will exceed the target ceiling. We have nevertheless assumed that interest rates stay at their present level for the rest of the financial year. Next year, the PSBR is cut - by assumption - back to the £8 billion MTF5 level. This lower level of the PSBR helps to bring growth of £M3 back within the MTF5 range.

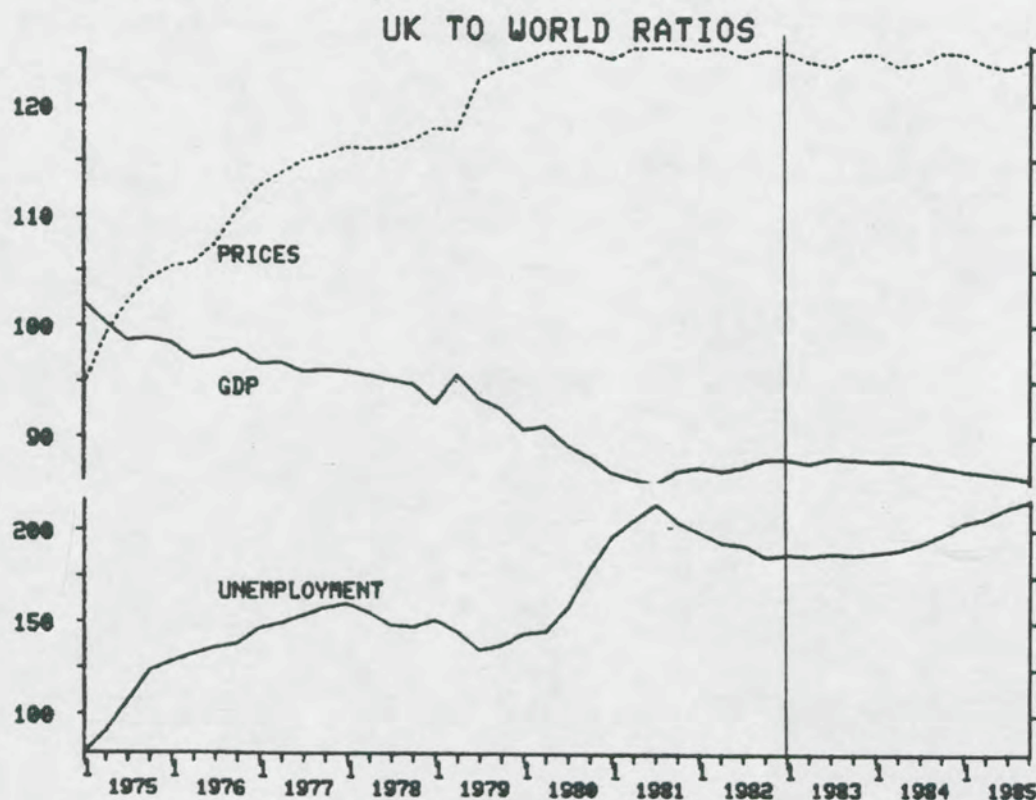
6. The more expansionary fiscal and monetary conditions emerging for 1983-84, but not by assumption beyond then, could lead to a lower exchange rate for a time, the extent depending on expectations about future policies; as well as to higher domestic demand and a worse balance of payments.

7. Inflation has come down a little faster this year than envisaged at budget time. Some further moderate decline in the exchange rate, together with rises in some commodity prices, and a little widening of profit margins, may keep the inflation trend around 5 per cent for the next year or two.

8. Output growth, forecast at 2½ per cent this year, is a little higher than the budget forecast despite slower growth in world trade. In 1984, the slower growth of domestic demand may be broadly offset by a faster rise in world demand, producing another year of 2-2½ per cent growth.

9. For the rest of the world we project a recovery which is slow by past standards and which has only a muted impact on inflation. It may be well into 1984 before substantial growth resumes in our markets in Europe and many developing countries. We now expect lower growth in our export markets than in the budget forecast.

10. A useful perspective on the UK forecast is a comparison with that of the major 6 economies (US, Japan, Germany, France, Italy, Canada) in the chart below:



11. Over the period 1981 to 1985 the forecast shows the UK's inflation and output growth close to that of our major competitors, with no major change in unemployment forecast for most countries. This is a much better performance on inflation and output than in the 1970s. Nevertheless, in absolute terms, the performance of both world and UK economies forecast for the next few years is not encouraging: despite starting from a position of low inflation and high unemployment, there is little or no improvement in either over the forecast period. Moreover there are real risks to the forecast of the world economy from the possibility of higher US interest rates.

12. With the long-term growth rate in the UK probably still below that of most of our major competitors, the tendency for demand to grow faster in the UK, already evident in 1982 and 1983, is making for faster growth in imports than in exports - with relatively slow growth of world trade, there is likely to be some further deterioration in the balance of payments. We think that the current account could be in deficit this year and next, perhaps to the extent of £1-2 billion, compared to the £1½ billion surplus forecast at budget time. Most of the difference reflects a forecast of higher import prices: higher import volumes do not contribute much. In spite of the major uncertainties, this outlook suggests that some further improvement in competitiveness is likely.

Indeed the combination of a further move into deficit on current account with a continuing desire to build up overseas portfolios could produce a sharper fall in the exchange rate than we have allowed for.

13. The 1983 MTFS made assumptions on growth and inflation over the period 1982-83 to 1985-86. These compare closely with this forecast:

per cent growth per annum

| | Output | Inflation (GDP deflator) |
|---------------|--------|--------------------------|
| 1983 MTFS | 2½ | 5½ |
| June forecast | 2 | 5 |

On these prospects, there may be little change in unemployment over the period.

14. As the FSBR said, no forecast is complete without some indicator of error margins. The average errors from past forecasts provide some guidance. Thus we could well still be £3-4 billion out on the PSBR this year; 1-2 per cent on the inflation rate at the end of 1983; 1 per cent on output; and £2 billion on the current account.

15. The uncertainties in economic forecasts can also be appreciated by examining forecasts compiled outside the Treasury, as in the Annex - though the extent of uncertainty is usually understated, since most forecasts tend to cluster together. By comparison with most outside forecasts, we are expecting a somewhat lower rate of inflation this year and later; and a larger borrowing requirement and more monetary growth in 1983-84.

16. The forecast is summarised in the table on pages 5 and 6. Detailed tables are at the back of the report. The precision of these tables is more apparent than real, and the presentation in terms of the central forecast should not obscure the extent of the uncertainties.

SUMMARY TABLE AND COMPARISON OF FORECASTS

| | FSBR/MIFS MARCH 1983 | INTERNAL FORECAST JUNE 1983 |
|---|-------------------------|-----------------------------------|
| <u>World Trade in Manufactures</u> (% change on year earlier) | | |
| 1982 | - 3½ | - 3 |
| 1983 | 1 | - ½ |
| 1984 | 6½ | 4 |
| 1985 | 6½ | 6 |
| <u>GDP Volume</u> (% change on year earlier) | | |
| 1981 | - 2½ | - 2½ |
| 1982 | ½ | 1 |
| 1983 | 2 | 2½ |
| 1984 | 2½ | 2½ |
| 1985 | 2½ | 1½ |
| <u>Manufacturing Output</u> (% change on year earlier) | | |
| 1981 | - 6½ | - 6½ |
| 1982 | - ½ | - ½ |
| 1983 | 2 | 2 |
| 1984 | 2½ | 2½ |
| 1985 | 2 | 1 |
| <u>Unemployment</u> (UK sa excluding school leavers, millions, <u>new</u> definition) | | |
| 1981 Q4 | 2.6 | 2.6 |
| 1982 Q4 | 2.9 | 2.9 |
| 1983 Q4 | 3.0 | 2.9 |
| 1984 Q4 | 3.1 | 2.9 |
| 1985 Q4 | 3.1 | 3.0 |
| <u>RPI</u> (% change on year earlier) | | |
| 1981 Q4 | 11.9 | 11.9 |
| 1982 Q4 | 6.2 | 6.2 |
| 1983 Q4 | 6 | 5½ |
| 1984 Q4 | 5½ | 5½ |
| 1985 Q4 | 5 | 5½ |
| <u>Effective Exchange Rate</u> 1975 = 100 | | |
| 1981 | 95 | 95 |
| 1982 | 91 | 91 |
| 1983 | 81 | 82 |
| 1984 | 82 | 81 |
| 1985 | 81 | 80 |

Current Balance
 (£ billion)

| | | |
|------|-----|------|
| 1981 | 6 | 6 |
| 1982 | 4 | 4 |
| 1983 | 1½ | - 1 |
| 1984 | 1½ | - 2½ |
| 1985 | - ½ | - ½ |

Nominal GDP (mp)
 (% change on year earlier)

| | | |
|------|----|----|
| 1981 | 9½ | 9½ |
| 1982 | 9 | 9 |
| 1983 | 7½ | 7½ |
| 1984 | 8½ | 7½ |
| 1985 | 8 | 7 |

PSBR and fiscal adjustment
 (£ billion)

| | | |
|---------|-------|--------|
| 1982-82 | 8½ | 8½ |
| 1982-83 | 7½ | 9 |
| 1983-84 | 8 | 11½ |
| 1984-85 | 8 (½) | 8 (-2) |
| 1985-86 | 7 (4) | 7 (-½) |

Interest Rates Short-term
 per cent

| | | |
|---------|-----|-----|
| 1981-82 | 14 | 14 |
| 1982-83 | 11½ | 11½ |
| 1983-84 | 9½ | 10 |
| 1984-85 | 8 | 8½ |
| 1985-86 | 7½ | 8 |

Money Supply £M3
 (% change on year earlier)

| | | | |
|------|---------------|-----|-----|
| 1982 | Target period | 13½ | 13½ |
| 1983 | " " | 9½ | 11 |
| 1984 | " " | 9 | 12½ |
| 1985 | " " | 9 | 7½ |
| 1986 | " " | 7½ | 7½ |

M1
 (% change on year earlier)

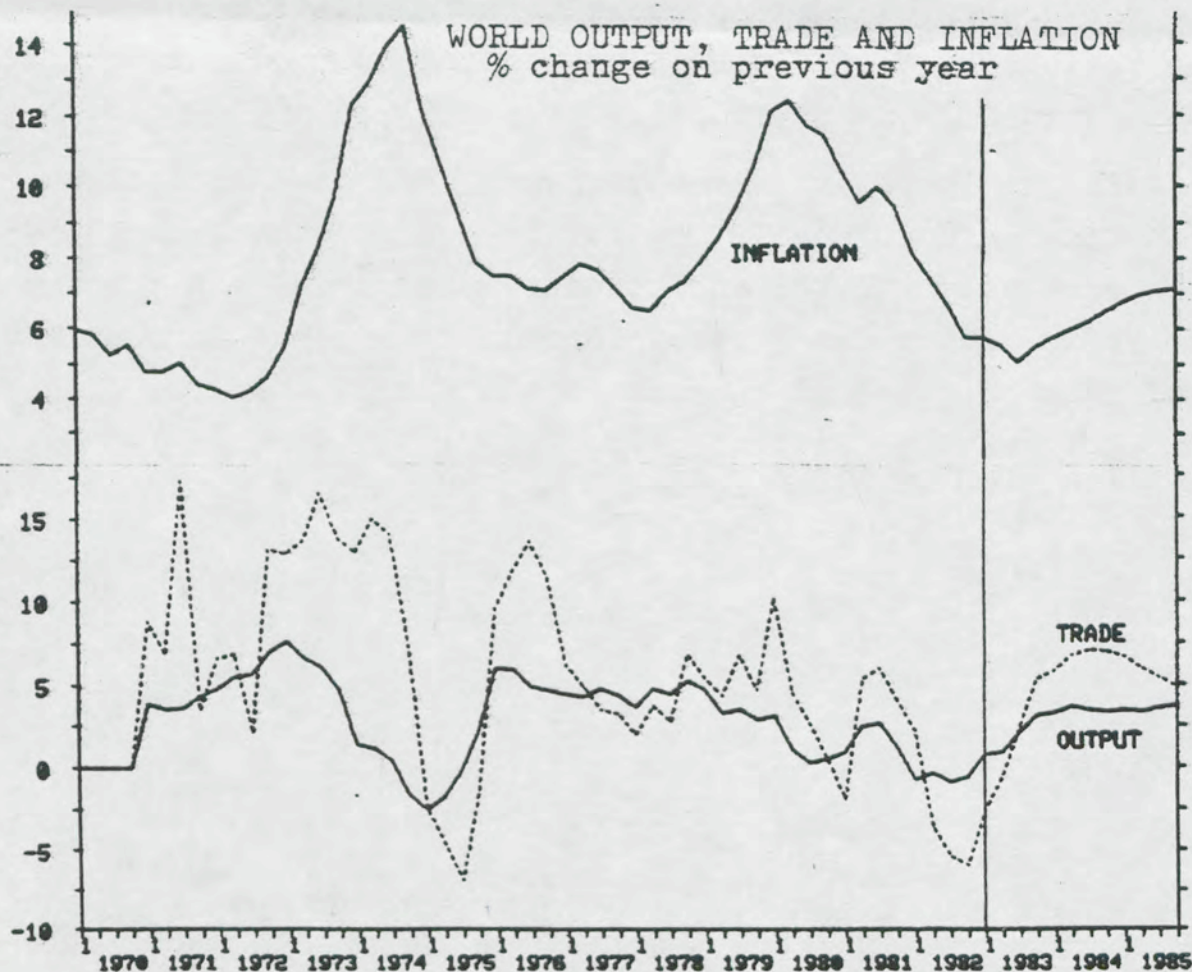
| | | | |
|------|---------------|-----|-----|
| 1982 | Target period | 7 | 7 |
| 1983 | " " | 12 | 11½ |
| 1984 | " " | 12 | 14 |
| 1985 | " " | 12½ | 10½ |
| 1986 | " " | 10 | 10 |

World Economic Prospects

17. Output fell in many OECD countries in 1982, with much of the fall in demand a response to tight monetary policies and in some countries tight fiscal policies. In many developing countries imports had to be cut back sharply. All this helped bring inflation down, with some of the effects, such as lower oil prices, not being felt until 1983. The early months of 1983 provided clear evidence, above all in the United States, of recovery in demand and activity spurred on by rising real incomes and lower interest rates (at least in nominal terms). But trade and activity remained subdued in continental Europe, the developing countries and OPEC.

18. The forecast for the world economy is summarised in the following table and chart and reported in full in the June 24 report on world economic prospects.

| | per cent changes | | | |
|---|------------------|-----------------|-----------------|------|
| | 1982 | 1983 | 1984 | 1985 |
| GNP (major 6) | - $\frac{1}{2}$ | 2 | 3 | 3 |
| Consumer prices (major 6) | 7 | 4 $\frac{1}{2}$ | 4 $\frac{1}{2}$ | 5 |
| World trade in manufactures (UK weights) | -3 | - $\frac{1}{2}$ | 4 | 6 |

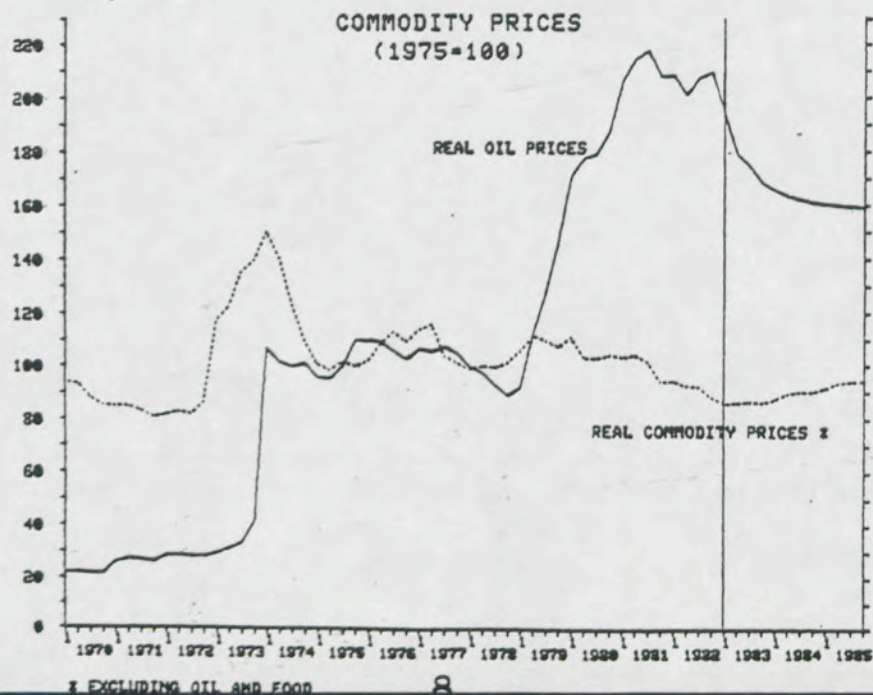


19. Policies generally seem likely to show some divergence between most European countries, attempting to reduce structural deficits, and the US where monetary policy has become more accommodating and fiscal deficits are expected to remain large. We expect a moderate growth in US demand and fast growth in US imports over the next two years, together with an increase in inflation; but continued slow growth in Europe with inflation tending to fall. There may be only a gradual recovery in the ability to import of many developing countries and none at all in OPEC. This points to very different rates of import growth:

| | per cent per annum | 1982-84 |
|----------------------|--------------------|---------|
| US | | 11 |
| Europe and Japan | | 2 |
| Developing countries | | 2 |
| OPEC | | -3 |
| (UK) | | 7) |

20. This is a slow recovery by past standards, and the pattern of import growth by markets looks unfavourable for the UK. Since the budget forecast we have revised down our expectations of world trade in manufactures, for both 1983 and 1984.

21. Even so, there are already upward pressures on some commodity prices (from exceptionally low levels, outside oil, in 1983) and we see some very limited inflationary pressures over the next three years coming from higher commodity prices. Current levels of unemployment suggest that wages should not be a source of higher inflation over the forecast period.



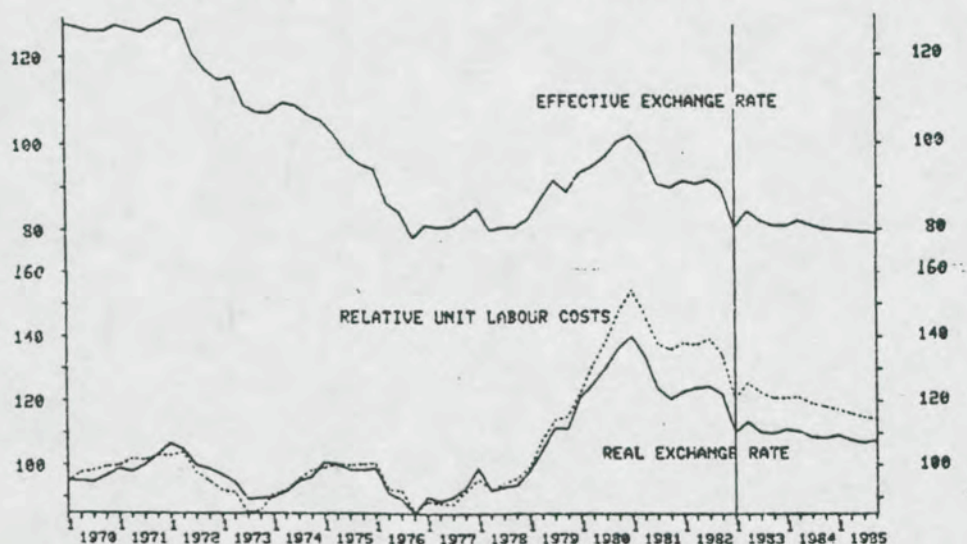
The exchange rate and competitiveness

22. There has already been a substantial fall in the real exchange rate over the past two years. Between the first halves of 1981 and 1983 the level of relative unit labour costs is estimated to have fallen 18 per cent. This was the same as the fall in the effective exchange rate: productivity increases, NIS reductions and falling pay settlements all contributed to keeping increases in domestic costs broadly in line with those of our competitors.

23. Over the next few years, the growth in prospect for the UK with present policies is close to that of other countries. At present exchange rates this is liable to involve the current account of the balance of payments moving into deficit. This could be reinforced by a continuing desire to build up foreign portfolios. In these circumstances - and aware of the great uncertainties surrounding these judgments - we think that some further fall in the real exchange rate is likely. The prospects for world and domestic inflation - and perhaps the experience of the last two years - suggests that the adjustment is more likely to come through a fall in the nominal exchange rate.

24. We therefore take the view that over the forecast period as a whole the exchange rate is a little more likely to fall than to rise. The fall could be sharper than we have allowed for if the deficit on current account - or other developments in the forecast - become a source of serious concern to the markets. The overall picture in 1983 and 1984 would not however look very different had we assumed an effective exchange rate constant in the 80-84 range. The chart below shows the paths of the effective exchange rate and of cost competitiveness.

EXCHANGE RATE AND COMPETITIVENESS



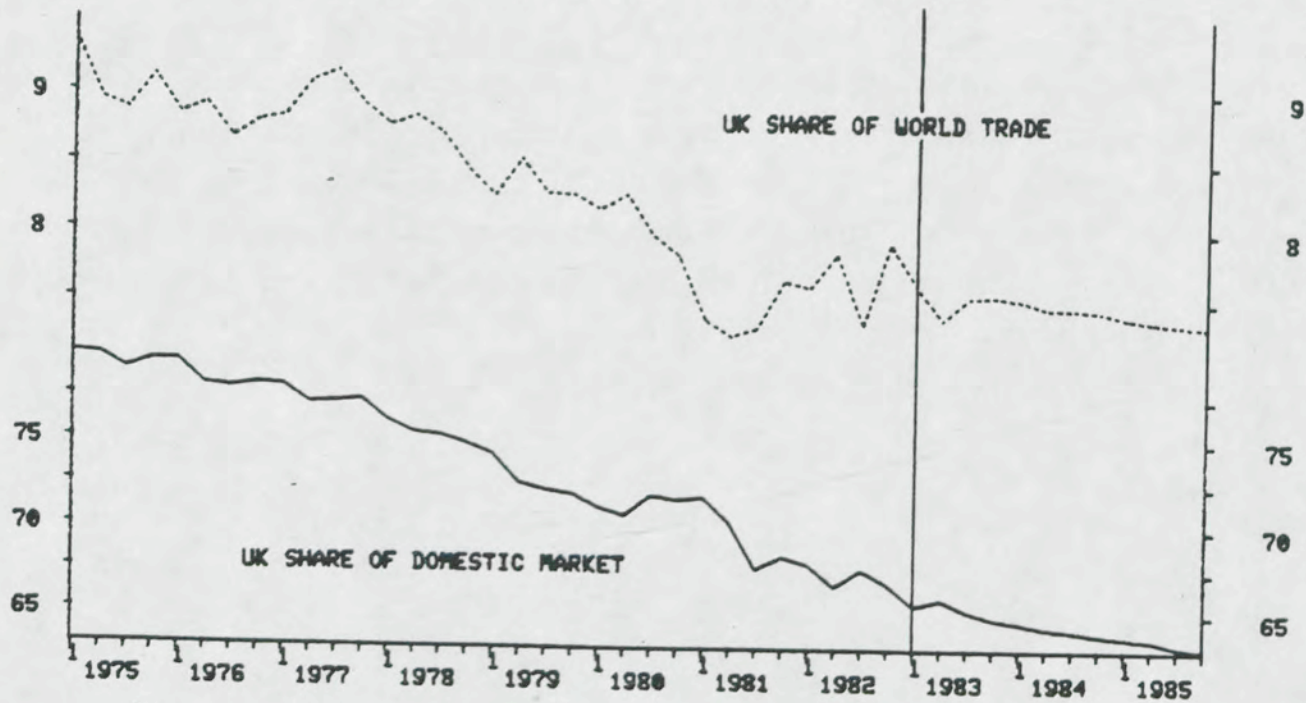
Trade

25. The underlying trend in export performance has been obscured by sharp month to month fluctuations in the statistics and by the usual uncertainty over developments in our markets overseas. The trend in export volume has been slowly downwards since the first half of 1982, but CBI survey evidence in April-June this year shows a sharp improvement in optimism about exports. With UK markets picking up (more slowly than expected at budget time) export volumes could be showing growth of perhaps 3-4 per cent by the first half of 1984.

26. As the chart suggests, export performance in 1982 was well above average, at a time of poor competitiveness. The forecast judgment is that the UK's gain in the share of world trade in 1982 will be maintained but not repeated.

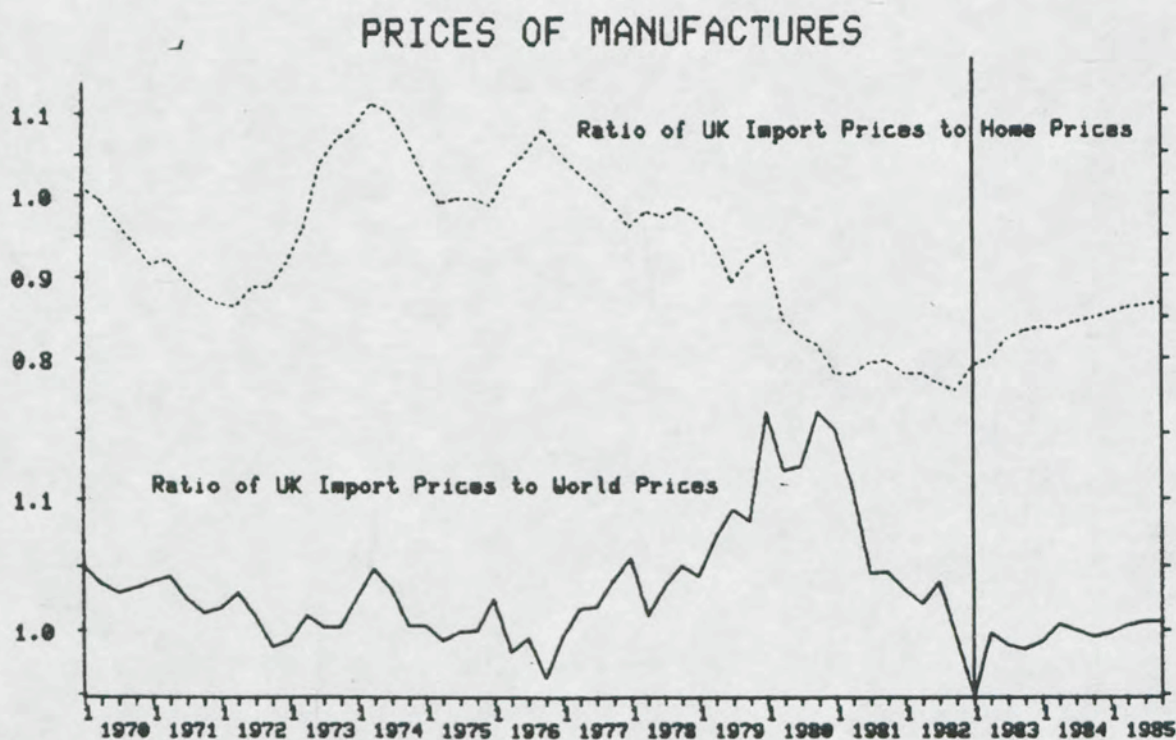
27. The chart below shows trade performance in manufactures in overseas and domestic markets. In non-manufactured goods and in services, we forecast no loss of share in these markets, in line with past trends.

TRADE SHARES IN MANUFACTURES



28. The fall in the share of the UK market for manufactures taken by domestic producers - that is, the rise in import penetration - has been going on for many years, though interrupted at times by bouts of destocking. We expect further rises in import penetration, though less rapid than in the period 1978-82, because of improving competitiveness.

29. Import prices are an important part of total costs and, particularly in the case of manufactures, an influence on the prices charged by UK producers. In turn, importers normally price their goods giving some weight to domestic prices. When the exchange rate was at its peak in early 1981, importers were able to charge lower prices, on average, than their UK competitors while charging more in the UK than in other countries. The present position - shown in the chart below - is that since the fall in the exchange rate over the past two years importers are now charging prices in the UK much more in line with those charged elsewhere. But the level of import prices still looks low in relation to domestic prices: a significant constraint on UK inflation.



30. At budget time we were looking for a surplus on current account in 1983 of £1½ billion. The deterioration since then reflects higher UK demand relative to world demand and a somewhat higher level of import prices, and hence worse terms of trade, already evident in recent trade figures. The surplus on invisibles should improve, particularly in later years as activity and profitability in the world economy pick up, and as US interest rates rise relative to UK rates. The table below summarises the prospect:

£ billion

| | Visible balance | | Invisibles | Current balance |
|------|-----------------|----------|------------|-----------------|
| | Oil | non-oil | | |
| 1981 | 3 | 0 | 3 | 6 |
| 1982 | 4½ | -2½ | 2 | 4 |
| 1983 | 6 (6½) | -9½ (-9) | 2½ | -1 |
| 1984 | 5½ | -11½ | 4 | -2 |
| 1985 | 6 | -12½ | 6 | -½ |

Figures in brackets for 1983 show the first five months data at an annual rate.

Inflation

31. The rapid fall in the rate of inflation as measured by the Retail Prices Index exaggerates to only a modest extent the underlying fall in inflation. The rate of increase in the RPI is currently less than trend mainly because of the falls in the mortgage rate last year and the low level of seasonal food prices. The table below compares the RPI with a price index for the whole of private consumption.

| | per cent increases on a year earlier | |
|---------------------|--------------------------------------|---------------------------------|
| | RPI | Consumers' expenditure deflator |
| 1980 second quarter | 21½ | 19 |
| 1981 second quarter | 11½ | 10½ |
| 1982 second quarter | 9½ | 8½ |
| 1983 second quarter | 4 | 5½ (forecast) |

32. Since 1980 the growth in unit labour costs has also come down, more rapidly than earnings growth over the last two years, because of increased productivity and reductions in the National Insurance Surcharge.

Whole economy

per cent changes on a year earlier

| | Earnings | Labour costs per unit of output |
|---------------------|----------|---------------------------------------|
| 1980 second quarter | 21 | 23 |
| 1981 " " | 12½ | 13 |
| 1982 " " | 9½ | 5 |
| 1983 " " (forecast) | 7½ | 3 |

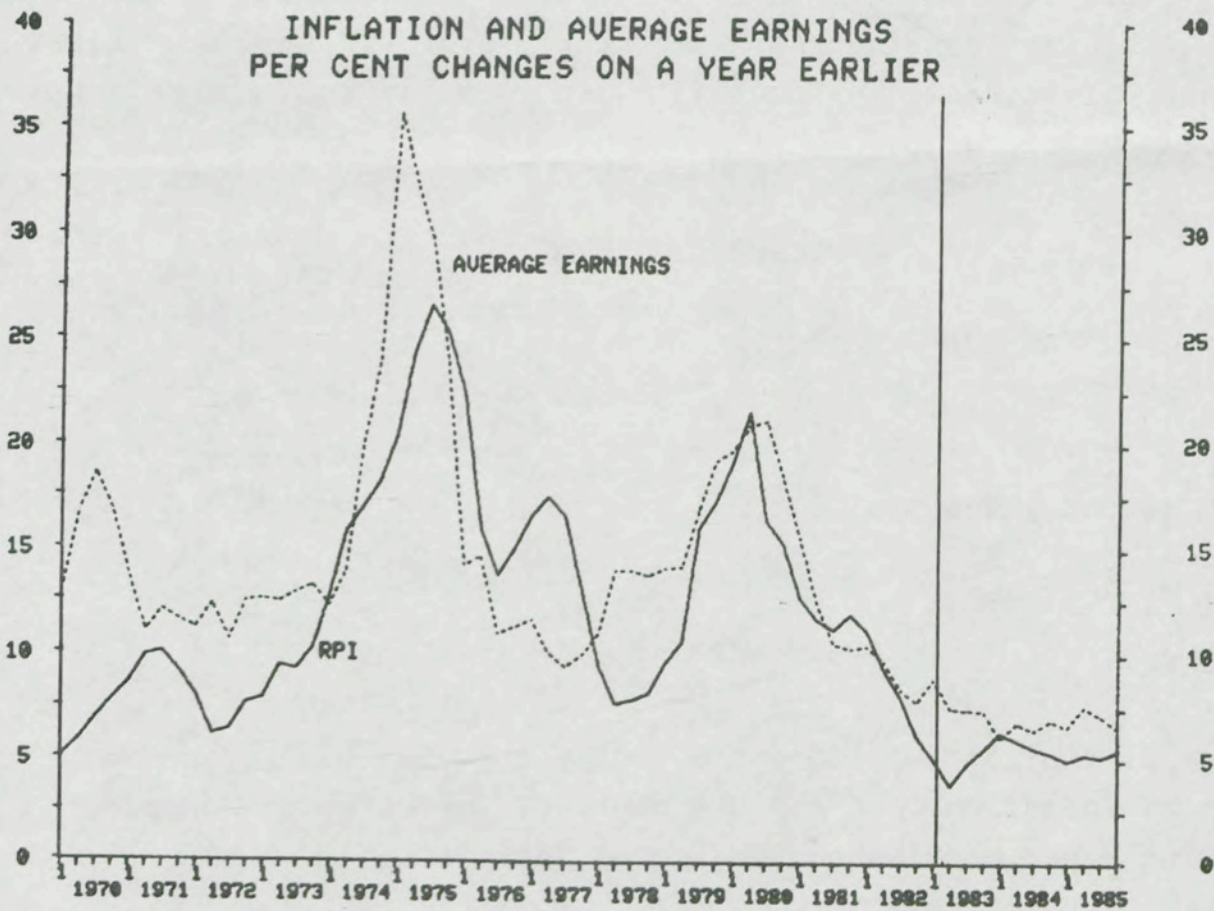
33. For the rest of 1983, the prospect is for little change in the rate of inflation. On the RPI measure, inflation is currently running ½ per cent below the budget forecast.

34. The forecast takes account of the rise in the mortgage rate (which will add 0.4 per cent to the total index, mainly in July) and continued slow rises in the private sector (and, this year, in nationalised industries as well). By the fourth quarter of 1983 the RPI may be 5½ per cent up on a year earlier.

35. Pay settlements have been running at about 5½ per cent since the autumn, consistent with a growth in earnings of 7 per cent or a little less. For the next pay round (ie from September/October 1983 onwards) a further fall in the rate of settlements is probable, but may be very limited:

i) Inflation - looking backwards - will be several points lower than last autumn; but tending to rise rather than to fall.

ii) We are looking for recovery in output and the demand for labour (with unemployment flattening out), together with some continuing recovery in profitability, helped by a further reduction in NIS.



36. Inflationary expectations can be measured in a number of ways. Published inflation forecasts (now being revised downwards) average 6 per cent for end 1983 and 7 per cent for end 1984 (see Annex). The relationship between yields on indexed and conventional gilts suggests that longer-term inflationary expectations are now running 3 or 4 per cent lower than a year ago. Industrialists' expectations of inflation, measured qualitatively in the CBI Survey by the balance of firms expecting prices to rise, are running rather higher than in the second half of 1982, but still at a fairly low level.

37. Further ahead, the prospects for inflation (and unemployment) turn to an important extent on the role of demand and competitiveness in price and wage formation. On one view, the high level of unemployment and spare capacity will lead to a continuing trend towards lower inflation, given financial policies which inhibit large changes in the exchange rate or other asset prices. Another view gives greater emphasis in generating inflation to projected increases in capacity utilisation, to the expected levelling off in unemployment, to the rise in world demand generally - and in some versions to the prime role of costs (particularly wage costs). On this view there are now pressures for higher inflation.

38. Our own forecasting experience - cautiously giving weight to both views as much empirical work suggests we should - is that domestic inflationary pressures have continued to abate more than expected over the past two years. This is despite a little rise in capacity utilisation in manufacturing and some flattening in unemployment. We continue to give most weight to the dampening effect of slack in the economy.

39. Externally, however, commodity prices (except oil) have generally strengthened this year and we see a small continued rise in real terms, together with a slow fall in the exchange rate, as tending to offset the domestic pressures.

40. Over the next year, a further fall in real oil prices (helped by a fall in the dollar) is forecast to provide some downward pressure on inflation. By the end of 1984, most measures of inflation could be around 5 per cent or a little more; with the possibility of a higher rate of inflation in 1985.

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41. Since 1981 the real cost of labour to employers has been declining: the increases in unit labour costs shown in the table in paragraph 32 have been clearly less than the rate of increase in prices charged. Part of this difference affected rising import prices; but part reflected a rise in profitability from the trough in 1981:

Rate of return
(pre-tax, industrial and commercial companies, outside
the North Sea)

per cent

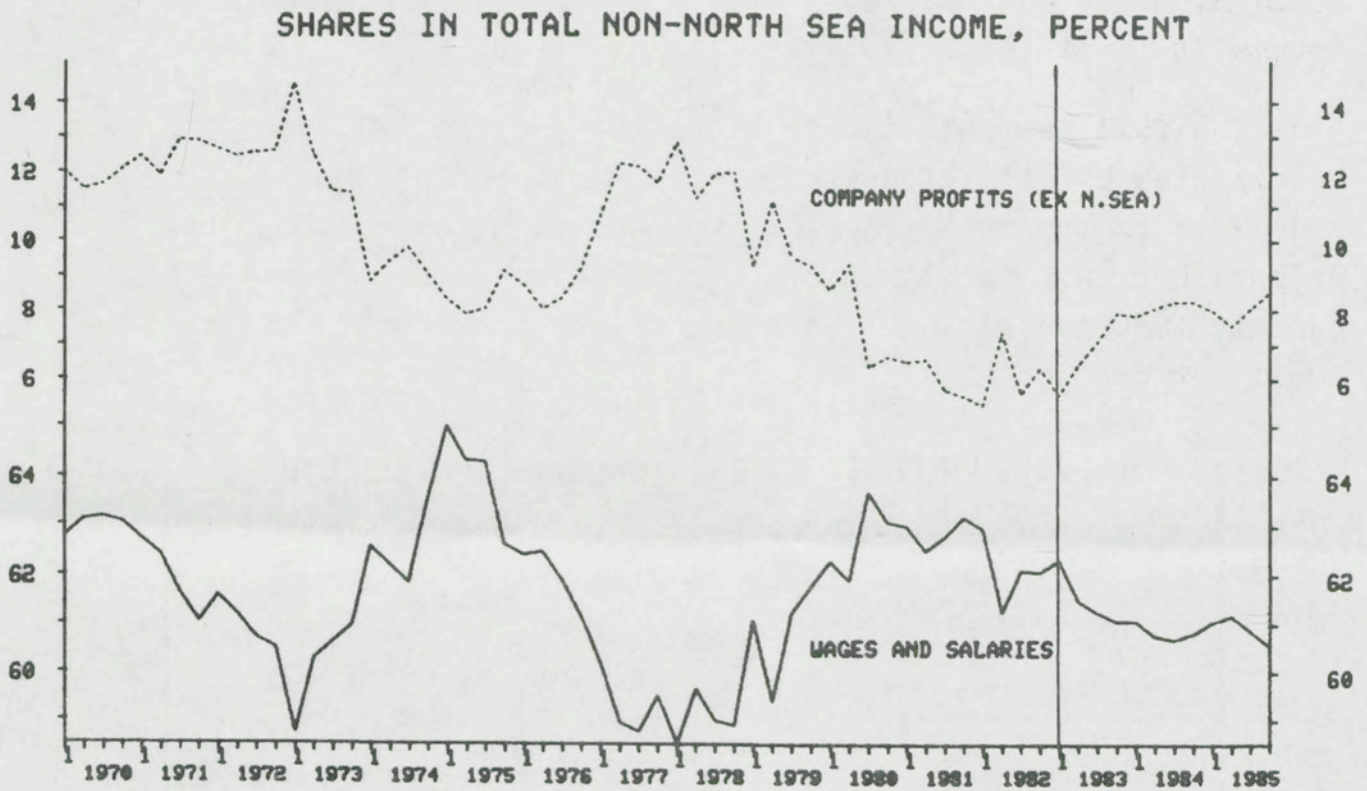
| | |
|--------------------|----|
| 1973-79 average | 6½ |
| 1980 | 4 |
| 1981 | 3½ |
| 1982 | 4 |
| 1983-85 (forecast) | 5 |

(While real wages paid by employers have been declining, the real wage received by the average employee - which benefits from productivity improvements reflected in prices - has been rising since mid 1982).

42. The steep fall in profitability in 1979 and 1980 resulted from the rapid acceleration in costs, ahead of prices, and then from the slowdown in price rises ahead of cost rises. From 1981, as already documented, labour (and total) costs rose more slowly than prices. The fall in the real exchange rate and the recovery of output have also contributed to the recovery in profits. But this has been modest mainly because the extent of the recovery in output outside the North Sea sector has been limited, and because despite the fall in the real exchange rate competitive pressures in the UK and elsewhere have remained very strong.

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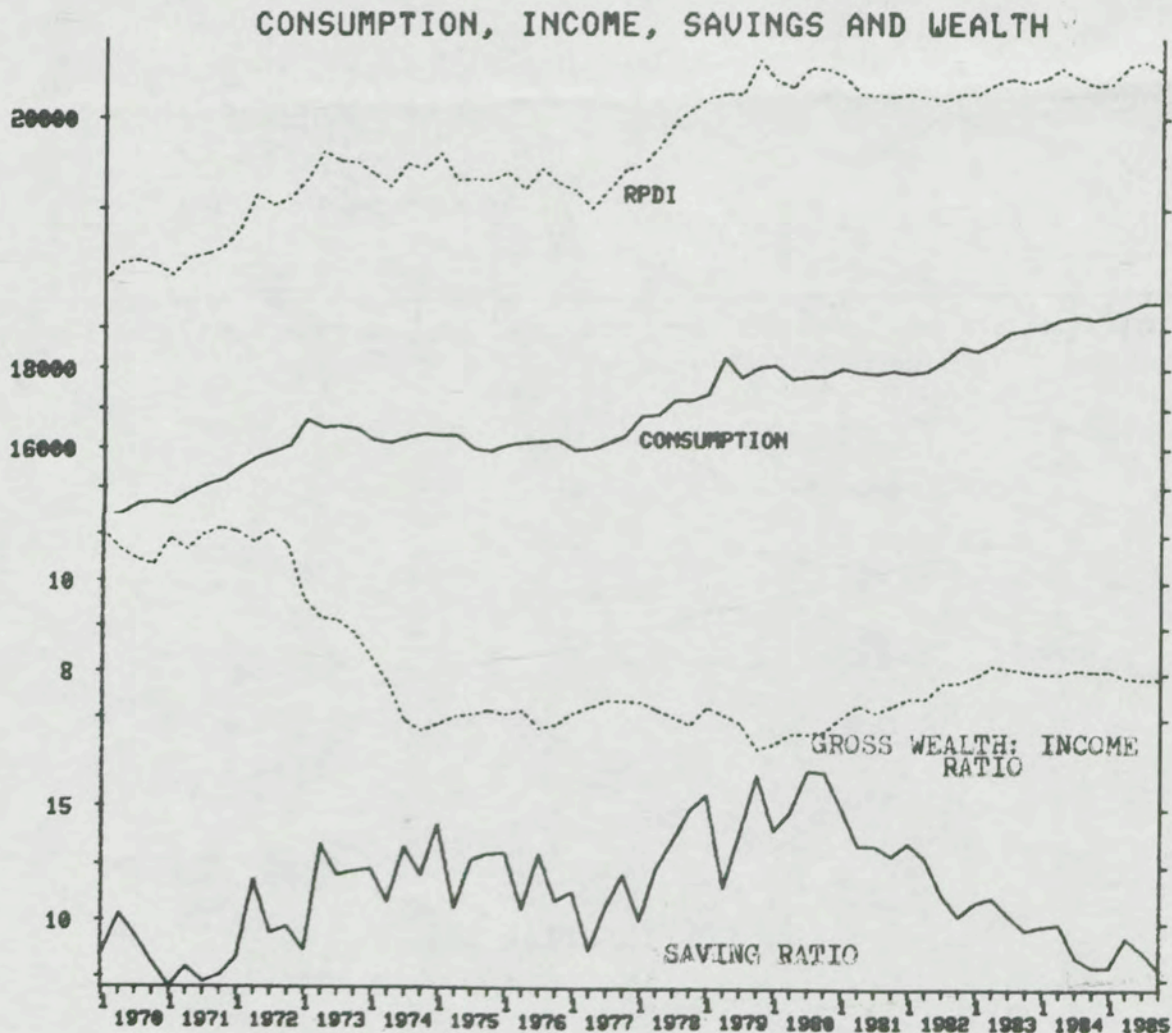
43. The implications of these projections of domestic inflation, productivity and output for the distribution of income between wages and profits are set out in the chart below:



Domestic demand and output

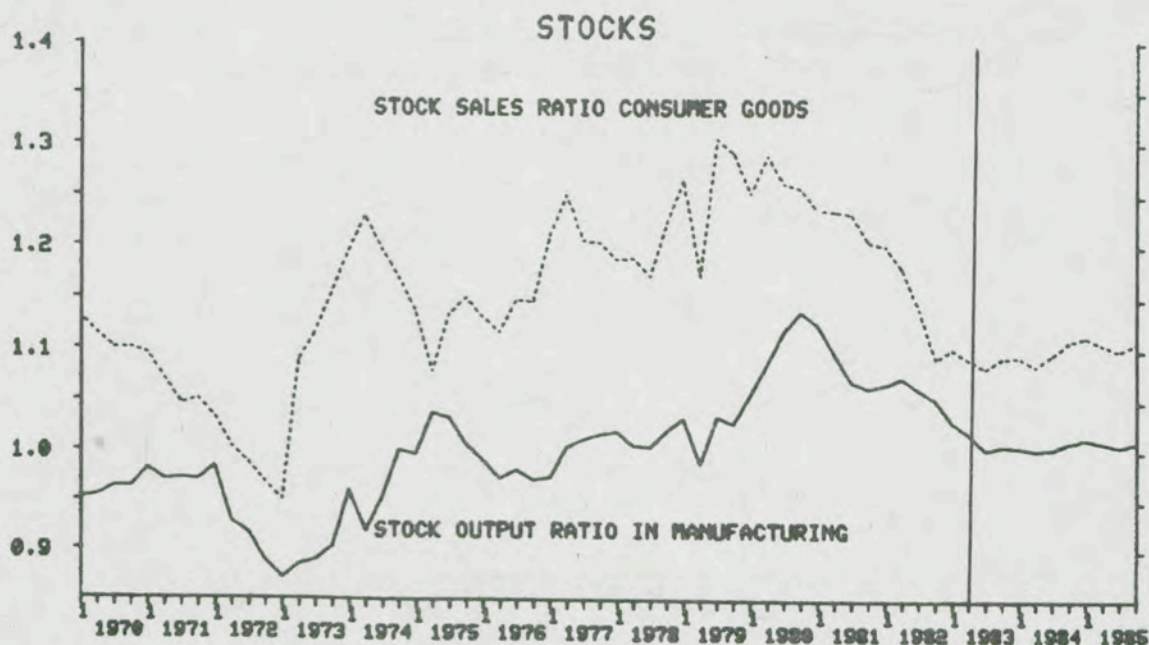
44. Consumer demand has risen quite strongly with expenditure on durables running 20 per cent up on the first half of 1982. The increase reflects the fall in interest rates in the second half of 1982 and the abolition of HP controls last July, as well as the modest rise in real personal incomes since mid 1982. The high level of borrowing from banks and building societies also contributed to the rise in spending - though it is difficult to establish cause and effect.

45. The fall in real incomes since the peak in 1980 was accompanied by little change in consumer spending until mid 1982: as the rate of inflation came down and as the stock of bank borrowing built up, consumers saved less. From 15½ per cent in 1980 the saving ratio has fallen in recent quarters to 10-11 per cent.



46. The chart shows how the personal sector has begun to rebuild its financial wealth*: the ratio of wealth to income has been rising over the last year or two, and is forecast to rise further over the next year, before levelling off. Lower interest rates (which increase the value of fixed-interest securities and equities) and high borrowing together with lower inflation more than offset the fall in the flow of savings. It is still very uncertain how far consumers wish to go in rebuilding their stocks of wealth: we have assumed that they are content with the position since 1974, and do not wish to go all the way back to the much higher stocks (in relation to income) of the late 1960s and early 1970s. If so then consumers will need to save a lower proportion of their income than in recent years: at about 9 per cent next year, the forecast savings ratio is close to the average for the period 1965-72, compared to 13 per cent in the period 1973-1981. Housing starts in the private sector have been running at a level 50 per cent up on 1981. Investment in dwellings is forecast to be up by a third by 1985 over the 1982 level, with only a moderate rise in the relative price of houses.

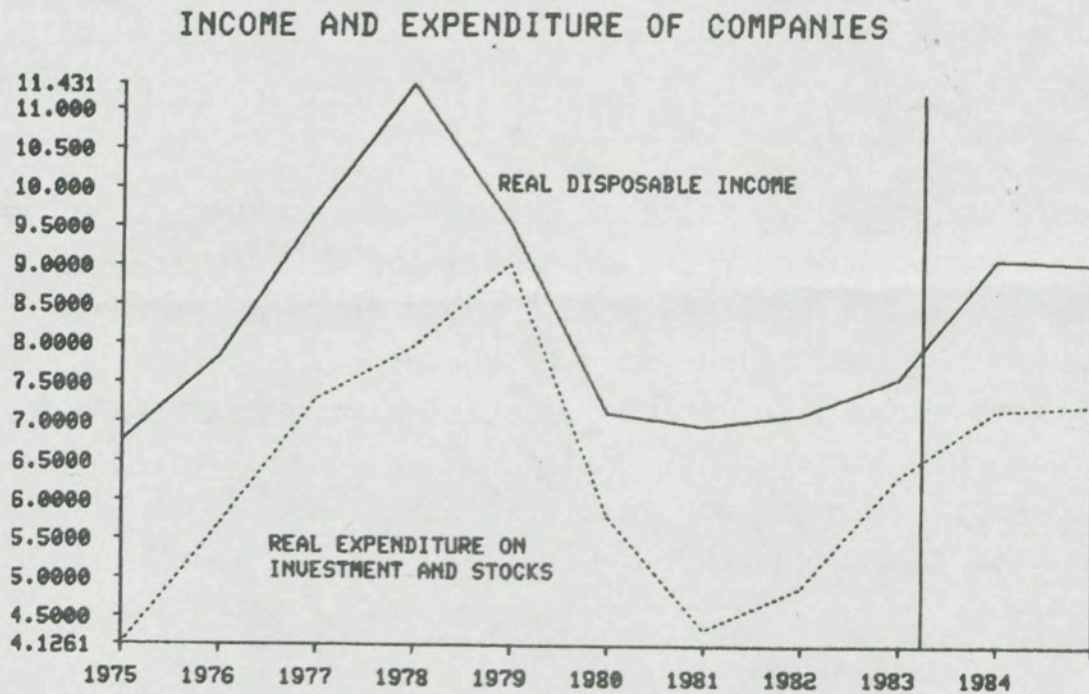
47. Spending by companies faltered in the second half of 1982 as the boom in consumption gave manufacturers and distributors an opportunity to run off unwanted stocks. The fall in stocks in the second half of 1982 helped to make the stock/output ratio look less above normal, though the apparent upward trend in the series in the 1970s makes that a difficult judgment. Early in 1983 firms' growing confidence in a continuing recovery in demand encouraged them to raise production rather than run down their stocks further.



*defined as the total of all financial assets owned by the personal sector.

48. Indications from the investment intentions survey suggest that industrial investment will rise again in 1983 and 1984, reflecting the expected growth in the economy and helped by the fall in nominal (though not real) interest rates in 1982. Within the total, manufacturing investment could level out in the course of 1983.

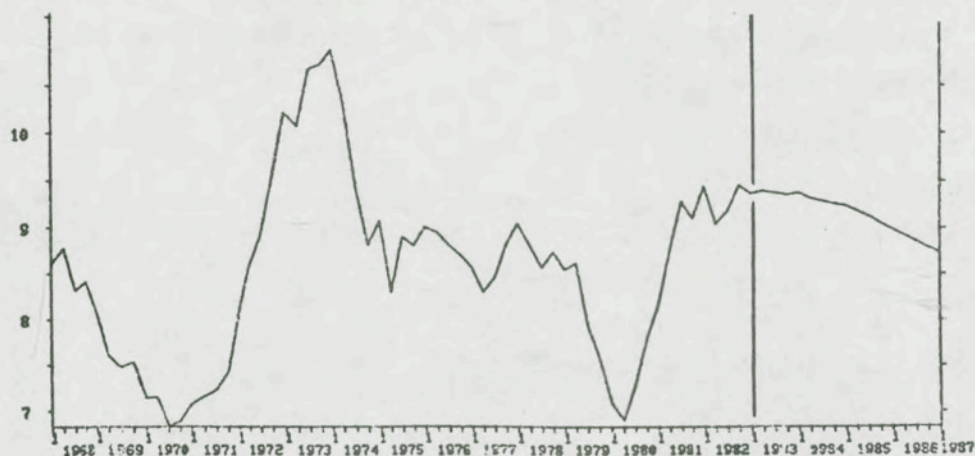
49. The relationship between company income and expenditure (for the industrial and commercial companies, excluding those operating in the North Sea) is shown in the following chart:



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50. Since early 1980 companies have fully reversed the sharp reduction in their gross* liquidity ratio sustained in 1979-80 as inflation rose, and this suggests scope for the reduced borrowing and increased spending that is a feature of early 1983 and the forecast period.

ICCs GROSS LIQUIDITY: RATIO TO TOTAL FINAL EXPENDITURE



51. There has also been a contribution to higher demand from the public sector: not only did the large decline in public investment come to an end last year but the encouragement to spend up to cash ceilings helped to produce an end year spurt in spending by central government and local authorities. The higher spending forecast for 1983-84 also adds to demand, particularly in the construction and defence sectors.

per cent increases on a year earlier

| | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|-----------------|----------------|----------------|----------------|----------------|
| Personal consumption | $\frac{1}{2}$ | 1 | 3 | $2\frac{1}{2}$ | $1\frac{1}{2}$ |
| Change in Stockbuilding (as per cent of level of GDP) | 0 | 1 | 1 | $\frac{1}{2}$ | 0 |
| Fixed investment (public and private) | -9 | $5\frac{1}{2}$ | 3 | 4 | $2\frac{1}{2}$ |
| Public consumption | 0 | 1 | $2\frac{1}{2}$ | $\frac{1}{2}$ | $\frac{1}{2}$ |
| Total domestic demand | $-1\frac{1}{2}$ | 3 | 4 | $2\frac{1}{2}$ | $1\frac{1}{2}$ |

*ie before deduction of bank borrowing.

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52. With better competitiveness and profitability, there are reasonable prospects (and recent indications) that a substantial part of this demand will be met from higher production at home. The growth in demand in 1983 is entirely domestic; as this slows in 1984, we expect world demand for our exports to be picking up, producing another year of growth of about $2\frac{1}{2}$ per cent in domestic output.

| | 1981 | 1982 | 1983 | 1984 | 1985 |
|-------------------------------|-----------------|----------------|----------------|----------------|----------------|
| Exports of goods and services | $-2\frac{1}{2}$ | $\frac{1}{2}$ | $\frac{1}{2}$ | $3\frac{1}{2}$ | $4\frac{1}{2}$ |
| Imports of goods and services | $-\frac{1}{2}$ | 5 | $5\frac{1}{2}$ | 5 | $2\frac{1}{2}$ |
| Gross Domestic Output | $-2\frac{1}{2}$ | 1 | $2\frac{1}{2}$ | $2\frac{1}{2}$ | $1\frac{1}{2}$ |
| Manufacturing Output | $-6\frac{1}{2}$ | $-\frac{1}{2}$ | 2 | $2\frac{1}{2}$ | 1 |

53. The prospects for manufacturing output are considerably more uncertain than for total output: although the CBI surveys suggest higher output this year, we have generally been too optimistic about manufacturing output.

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Unemployment and spare capacity

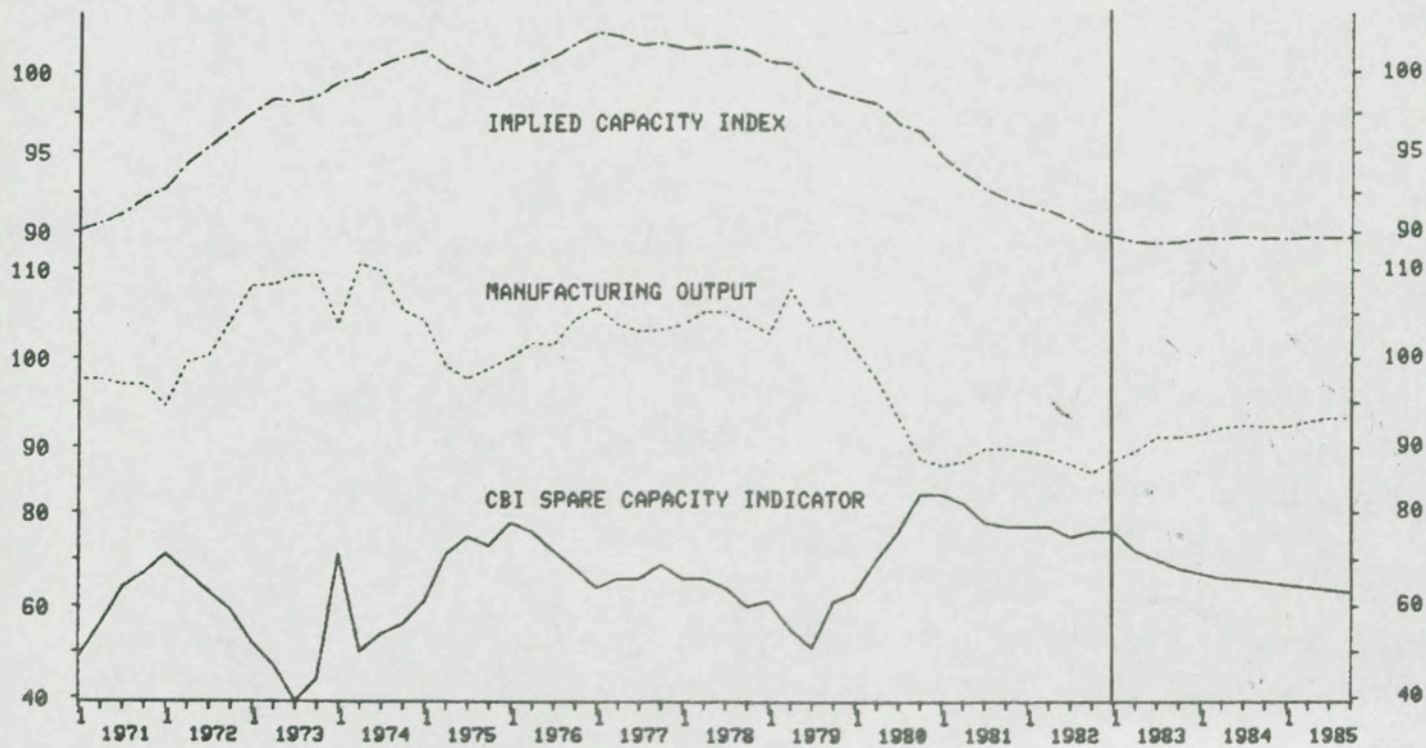
54. In the two years to early 1983, employment in the whole economy (taking account of DE's latest upward revisions) fell by about 1 million, or 4 per cent, three quarters of which was in manufacturing, the rest being in the nationalised industries.

55. Over the forecast period the recovery in demand and the continued fall in real labour costs should lead to a flattening out and perhaps some rise in employment in total. We assume that from now on the trend growth of productivity in manufacturing returns to a more normal rate (but since manufacturing output is rising ahead of employment, for a time, we can expect actual productivity rates of possibly 4-5 per cent to the first half of 1984 for cyclical reasons). In the private sector outside manufacturing (with employment about twice that in manufacturing) productivity growth may be in the 1-2 per cent range, with some prospect of employment increasing.

56. The population of working age is growing by $\frac{1}{2}$ -1 per cent each year. We and DE judge that the rise in the labour supply will be much the same and so the rise in employment in the forecast is about matched by the rise in labour supply, leaving unemployment close to its current level.

57. The chart below shows the proportion of firms (according to the CBI Survey) operating below normal capacity utilisation; together with the level of manufacturing output. We also show a line entitled "implied capacity index" derived from the two other lines. This estimate of capacity is extremely rough and ready, but probably gets the direction of movement right.

CAPACITY UTILISATION IN MANUFACTURING



58. Between early 1981 and early 1983 CBI members reported a fall in the proportion working below normal capacity; yet over this same period output has been little changed. This implies that the level of capacity in manufacturing has continued to fall - reflecting the closure or part closure of firms and plants. In view of the better trend in manufacturing output and investment over the forecast period, and perhaps some reassessment of the concept of "normal" capacity, we have not allowed for any further fall in the level of capacity over the next few years. With output forecast to rise, the margin of spare capacity may fall to about the 1970s average.

Public Sector

59. The forecast of the public sector assumes that the 1983 Budget proposals are enacted in full; and that public expenditure cash controls are maintained. The unexpectedly high level of public spending and borrowing in the **March-May period** of 1983 has already led some commentators to expect an upward revision to the PSBR forecast for 1983-84. This forecast suggests an upward revision of some £3½ billion.

60. The major revisions to the budget forecast are set out in the table on page 26.

61. The reasons for the revisions fall into the following broad categories:

(i) Higher spending and borrowing in 1982-83 by central and local government, influencing judgments about 1983-84.

(ii) Specific factors increasing expenditure in 1983-84, the main ones detailed in the table on page 26.

(iii) Lower revenues in 1983-84, with projections of low rates, lower surpluses by nationalised industries and low income tax offsetting higher receipts from the North Sea.

Changes in the general economic outlook have not contributed a great deal.

62. There remain of course major uncertainties about the current year. We have examined the record of PSBR forecasts to gain some idea of the reliability of the June forecast, relative to the FSBR. Over the period 1967 to 1982, the error on the budget forecast averaged (regardless of sign) nearly 1½ per cent of GDP, equivalent in 1983-84 to some £4 billion. Evidence suggests that the improvement between the budget and June forecasts is worth on average nearly ½ per cent of GDP, or around £1 billion.

63. Over the past five years the errors in the June forecast averaged the equivalent of £2½ billion.

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MAIN CHANGES TO THE BUDGET FORECAST OF THE PSBR IN 1983-84

| | | Changes to | | |
|---------------------------------------|--|--------------------|-----------------|--|
| | | <u>Expenditure</u> | <u>Receipts</u> | |
| | | £ billion | | <u>Comments</u> |
| <u>Central Government Receipts</u> | | | | |
| 1 | Inland Revenue (non-North Sea) | | -0.6 | Mainly lower forecast of wage and salary bill; also more tax relief on mortgage interest. |
| 2 | Total North Sea Receipts | | +0.8 | Mostly higher production levels. |
| 3 | Customs & Excise | | 0 | Forecast of poorer compliance than expected at budget time; offset by higher consumer spending. |
| <u>Central Government Expenditure</u> | | | | |
| 4 | Cash-limited items | +0.6 | | Lower estimate of shortfall reflecting experience in 1982-83 (particularly on defence) and fresh look at historical experience by programme. |
| 5 | Non-cash-limited items of which: | +1.1 | | |
| | Agricultural Support | (+0.3) | | Higher beef production and lower beef prices; higher milk production. |
| | Grants | (+0.3) | | Higher estimates of take-up of housing benefits; higher estimate of number of social security recipients. |
| | Family Practitioner Services | (+0.1) | | Poor estimate at Budget time. |
| | EC Contributions | (+0.3) | | Mainly lower refund. |
| 6 | Debt Interest (net) | +0.5 | | Effects of higher borrowing and estimating revisions. |
| 7 | <u>Central Government Financial Transactions</u> | | -0.3 | Assumed delay in sale by BGC of North Sea oil interests. |
| 8 | <u>Local Authorities Borrowing</u> | | +0.9 | |
| | of which: | | | |
| | Rate Income | | (-0.5) | Poor estimate of average rate increases this year. |
| | Current Expenditure | (+0.3) | | Implications of higher overspend than expected in 1982-83. |
| 9 | <u>Public Corporations' Borrowing</u> | | +0.3 | |
| | of which: | | | |
| | Nationalised Industries' Trading Surpluses | | (-0.5) | Downward revision to industries' expected sales this year (reflecting new information from industries); some price increases reduced or delayed. |
| <u>PSBR total change</u> | | | <u>+3.5</u> | |

64. Another approach is to consider the revisions between FSBR and June forecasts: in one year it went in the wrong direction; but in six cases the direction was right. Where the changes between the FSBR and June forecast were substantial (more than 1 per cent of GDP) the June forecast was invariably better than the FSBR. On the two previous occasions when (upward) revisions to the PSBR between the Budget and June forecast approached or exceeded 1 per cent of GDP, the final revision was larger.

65. Higher volume expenditure in 1984-85 is the main reason why the fiscal adjustment - shown as a £ $\frac{1}{2}$ billion reduction in taxes in the FSBR - now emerges as an increase in taxation worth £2 billion in PSBR terms. Such estimates are liable to large margins of error. They depend crucially on the judgments about public expenditure (see paragraphs 68 to 69).

66. The stance of fiscal policy can be measured in a number of different ways:

| | 1980-81 | 1981-82 | 1982-83 | 1983-84 | 1984-85 |
|--|-----------------|-----------------|-----------------|------------------|-----------------|
| PSBR as percentage of GDP | 5 $\frac{1}{2}$ | 3 $\frac{1}{2}$ | 3 $\frac{1}{4}$ | 4 | 2 $\frac{1}{2}$ |
| Inflation tax, % of GDP | 4 $\frac{3}{4}$ | 4 $\frac{1}{4}$ | 2 $\frac{1}{2}$ | 2 $\frac{1}{2}$ | 2 $\frac{1}{4}$ |
| "Real" PSBR ie nominal PSBR less inflation tax as percentage of GDP | + $\frac{3}{4}$ | - $\frac{3}{4}$ | + $\frac{3}{4}$ | +1 $\frac{1}{2}$ | + $\frac{1}{4}$ |

67. These measures point to fiscal policy becoming less tight in 1982-83, and again in 1983-84; but tightening up in 1984-85, given the assumption of a lower PSBR brought about by income tax increases. Since 1981-82, the changes in the PSBR would not be greatly different if output were growing at a trend rate of say 2 per cent per annum.

Public expenditure

The planning total in this forecast compares with the budget forecast as follows:

| | 1981-82 | 1982-83 | 1983-84 | 1984-85 |
|---|---------|---------|---------|---------|
| <u>£ billion cash</u> | | | | |
| Planning total - Budget/PEWP | 104½ | 112½ | 119½ | 126½ |
| Planning total - June forecast | 104½ | 114 | 121½ | 126½ |
| <u>£ billion cost terms (cash deflated by the GDP deflator), 1981-82 prices</u> | | | | |
| Planning total - Budget/PEWP | 104½ | 105 | 105½ | 106 |
| Planning total - June forecast | 104½ | 106½ | 108½ | 107½ |

68. There has been a rise in the forecast of cash expenditure in 1983-84 of about £2 billion. In 1984-85, partly because asset sales are now expected to be larger, partly by assumption, the forecast of the planning total is unchanged. With price rises now a little below those expected at budget time, the table shows a larger increase in cost terms in 1983-84. The forecast fall in the planning total in cost terms in 1984-85 mainly reflects larger sales of assets (including BT, which does not affect the PSBR at that stage, and BGC's "Holdings").

69. The relationship between the planning totals in the budget and in this forecast are set out in the following table. It should be noted that these forecasts of public expenditure are subject to a wide margin of error. The cash-limited part of public expenditure is only about one third of the total; and even in this area judgments have to be made about the extent of underspending.

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| | £ billion cash | |
|---|----------------|---------|
| | 1983-84 | 1984-85 |
| Planning Total in Budget/PEWP | 119½ | 126½ |
| of which contingency reserve/ Provisional Reserve | 1 | 3 |
| <u>add</u> back allowance for shortfall | 1 | (0) |
| Planning total before shortfall in Budget/PEWP | 120½ | (126½) |
| Differences in forecast from plans before shortfall: | | |
| Local authority current and capital | +1 | +2 |
| Central government cash limits | -½ | -½ |
| Central government non-cash limits | 1 | 1½ |
| Nationalised industries (of which -½ in each year from contingency reserve) | -1 | -1 |
| Special asset sales | +½ | -½ |
| Offsets against provisional reserve | - | -1½ |
| Planning Total in forecast | 121½ | 126½ |

Points to note:

- i) Nationalised industries forecast to underspend EFLs in both years; and also not to spend contingency reserve allocation.
- ii) Rise in overspending by local authorities, mainly on current expenditure.
- iii) The Provisional Reserve for 1984-85 has been treated as an operational reserve of £1½ billion (allocated to specific programmes); while the remaining £1½ billion has been treated as a partial offset to the higher levels of spending by local authorities and to some of the upward estimating changes in the higher spending by central government.
- iv) Overall "shortfall" (in the PEWP sense) was earlier put at £1 billion in 1983-84. This forecast suggests longfall of £1 billion ie that outturn will exceed plans by £1 billion.

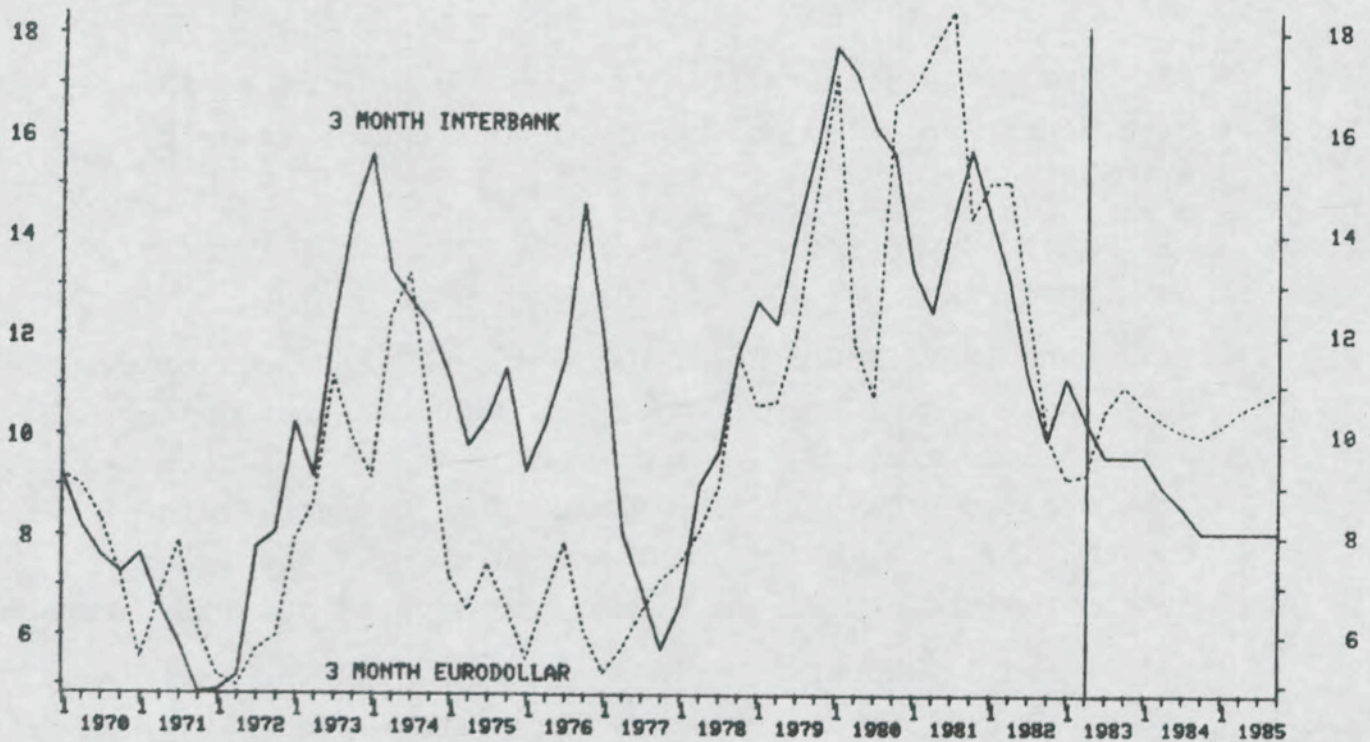
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Interest rates

70. We see a moderate rise in dollar rates in the rest of this year - as the US makes some attempt, it is assumed, to tighten monetary policy. At home, inflation has come down rapidly, and we forecast it to stay down, despite some blips on the RPI.

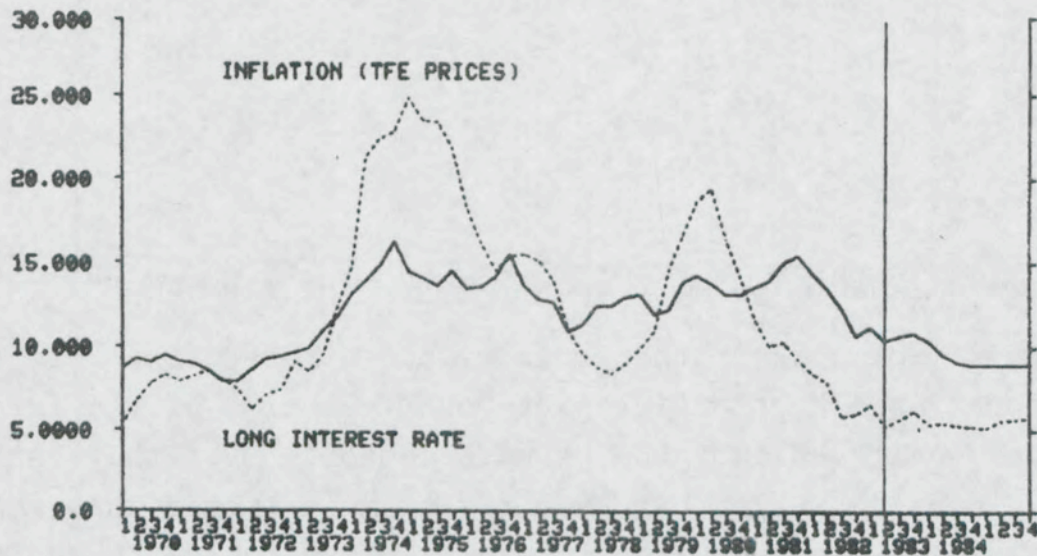
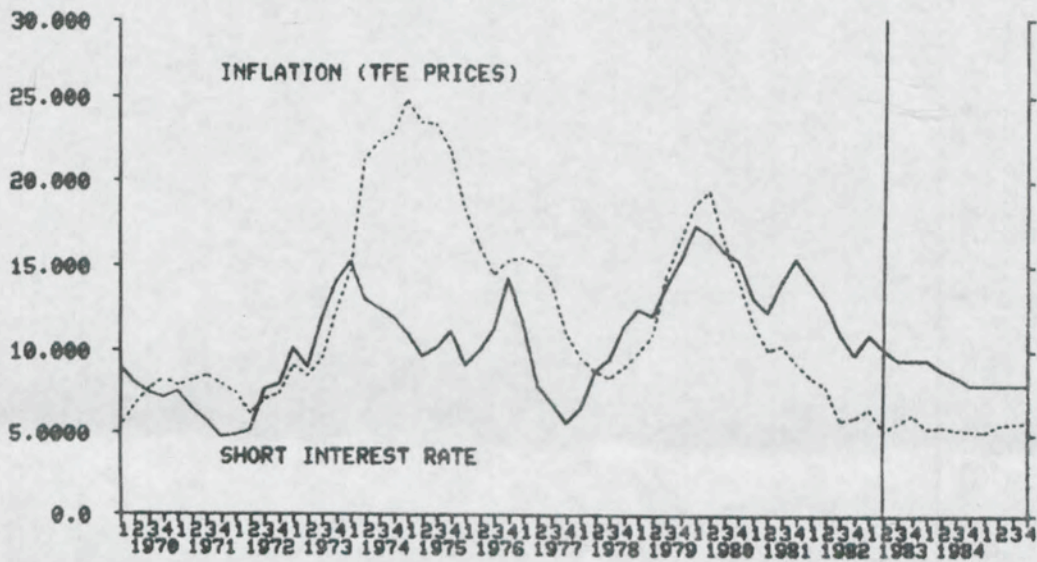
Inflationary expectations thus improve somewhat from present levels as people increasingly discount the likelihood of much rise in inflation. In addition of course interest rates are influenced by policy, particularly at the short end. We assume that in general monetary policy will be set in the way set out in the MTF5. More specifically we assume that after the current financial year interest rates are set in a way that keeps monetary growth on average within the target range - see table on page 33. For 1983-84, we have not attempted to constrain the aggregates in this way given the overrun on the PSBR but have assumed no change in short rates. On this basis, the path of short-term interest rates in the forecast is shown in the chart below. Interest rates in other countries may well stay below dollar rates especially in 1984 and 1985 when the dollar is assumed to depreciate. We foresee some fall in UK rates in 1984 when UK fiscal policy is assumed to be tightened.

INTEREST RATES, PERCENT



71. Real interest rates are forecast to fall back somewhat from current high levels. The relationship in the UK between interest rates and inflation is shown in the chart below (with inflation measured by a general price index for all final expenditure).

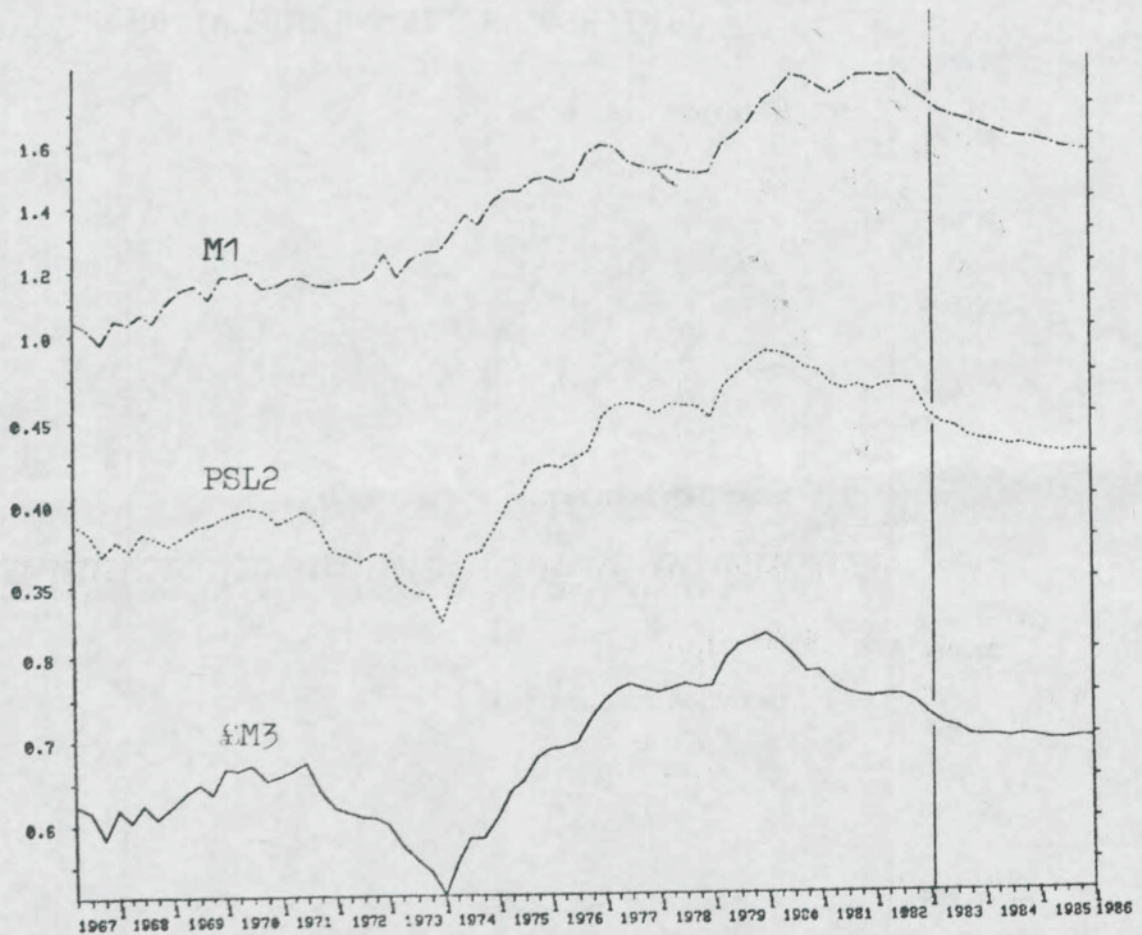
INTEREST RATES AND INFLATION



Monetary aggregates

72. Financial innovation, the abolition of exchange controls and the corset, together with large changes in inflation have made it difficult to understand - and hence predict - the path of some important monetary aggregates. The story of $\pounds M3$ is familiar: having risen less than money income for most of the last twenty years (ie its velocity rose) from about 1979 it has risen faster than money GDP every year since.

VELOCITY (RATIO OF INCOME TO MONEY)



73. Analytical work in the Treasury has stressed the role of broad money as a substantial part (over a third) of the (gross) financial wealth held by the private sector. Over the last few years, financial wealth has been rising much faster than income, reflecting a rapid expansion in bank lending following the ending of controls, high net saving (in part perhaps a consequence of high real interest rates) and latterly rising asset prices.

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The proportion of (broad) money in wealth is more influenced by relative interest rates than by the level of interest rates: it has therefore not been reduced very much by the high level of rates. But we are a long way from a full understanding of the demand for £M3.

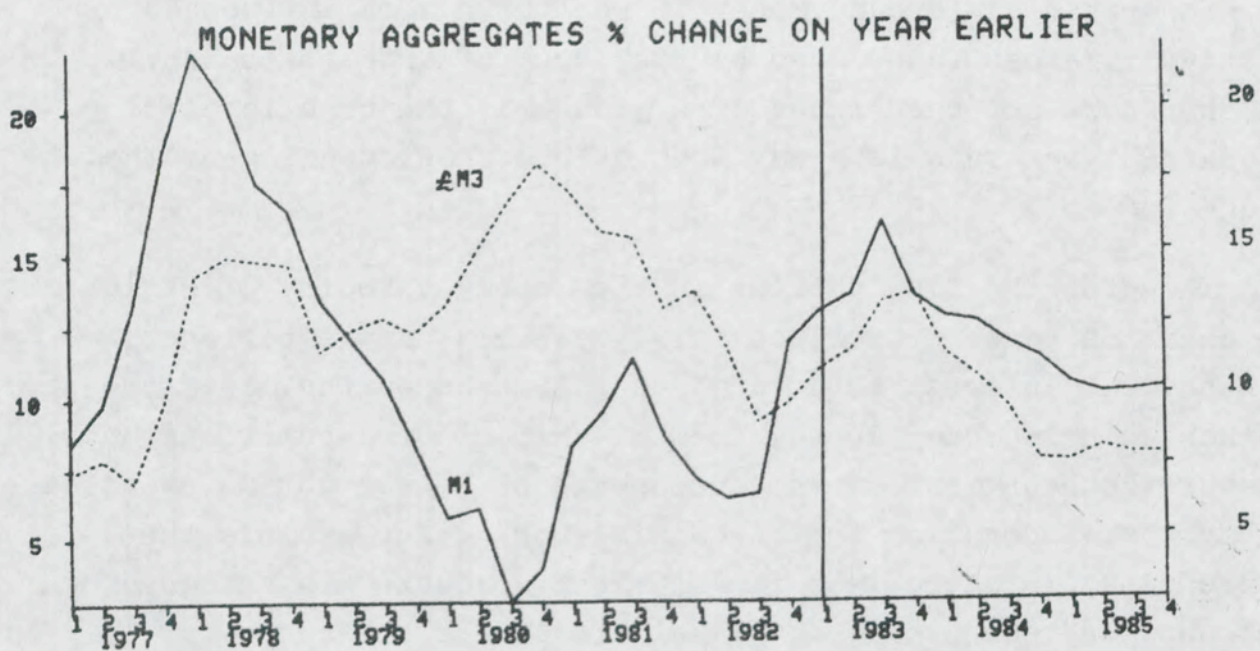
74. Thus far the fluctuations in the income velocity of M1 in the chart on page 32 reflect fairly closely past experience, with nominal interest rates a major influence on the decision whether to hold money in the form of current or deposit accounts. However the behaviour of the components of M1 was not as expected and further innovation in the banking world, for example the development of interest-bearing current accounts and changes in transactions technology, are likely to affect the behaviour of the narrow aggregates.

75. Beyond 1983-84 the growth in financial wealth slows down as the surplus of the personal sector continues to shrink and the growth in bank lending slows, and by the latter part of the period financial wealth, and so £M3, is rising more nearly in line with income.

76. M1 growth, which has picked up very much as expected in the last twelve months as a result of the steep fall in interest rates since late 1981, is expected to go on rising by 11-12 per cent over the next two years, as the response to lower interest rates is completed.

77. Forecast growth of the main monetary aggregates is shown in the table below; and in the chart overleaf:

| <u>Target periods</u> | per cent per annum | | | | |
|-----------------------|--------------------|-----|-----|------|--------------|
| | M0 | M1 | £M3 | PSL2 | Target Range |
| 1981-82 | 2 | 7 | 13 | 12 | <u>6-10</u> |
| 1982-83 | 3½ | 11½ | 11½ | 11½ | 8-12 |
| 1983-84 | 5½ | 14 | 12½ | 13 | 7-11 |
| 1984-85 | 3½ | 10½ | 7½ | 8½ | 6-10 |
| 1985-86 | 3½ | 10 | 7½ | 8 | 5-9 |



78. The chart shows the growth rates (on a year earlier) on a quarterly basis. There are noticeable differences on occasion between statistics for quarters and those for banking months. Over the current target period (February 1983 to April 1984) the annualised growth in £M3 is expected to be about 1 per cent higher on a banking month basis than the nearest quarterly equivalent. The tables on pages 5 and 33 of this report show our forecast for the target periods.

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ANNEX: COMPARISON OF FORECASTS

TREASURY FORECASTS

1. Table A below compares the current Treasury forecast with the last Budget forecasts and the one published with the Autumn Statement.
2. Successive comparisons of previous forecasts have revealed a progressively more pessimistic view of prospects for a recovery in world economic activity. The latest forecast suggests a further postponement of world recovery as measured by world trade in manufactures. Despite this, however, UK output is projected to increase slightly faster than earlier forecasts have indicated. The main reasons for this are a faster growth in consumption and the more expansionary fiscal and monetary conditions prompted by the higher PSBR in 1983-84. This increase in domestic demand along with the poorer prospects for world trade imply a faster rise in imports relative to exports. These features partly account for the worsening in the balance of payments. The prospects for inflation are little changed since the Budget though considerably better than foreseen in previous forecasts.

OUTSIDE FORECASTS

3. Table B compares the current Treasury forecast with two outside forecasts and a "consensus" obtained by averaging all the major outside forecasts. The major difference concerns the outlook for the PSBR with the Treasury projections, based on latest and more detailed information, much higher than all outside forecasters. This feature also partly explains the faster growth of monetary aggregates through this year in the Treasury forecast.
4. The Treasury inflation forecast for 1983 is more optimistic than most outside forecasts. The Treasury also foresee a slightly more buoyant picture for output.
5. Together these two features suggest that the Treasury has a more optimistic view of other influences on inflation, probably on commodity prices (including oil) and import prices generally. This may be the result of a more depressed outlook for world trade in the Treasury forecast. Certainly the Treasury forecast of export

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volumes is more pessimistic than outside forecasts. Along with faster growth in import volumes in the Treasury forecasts this partly accounts for a substantially poorer prospect for the balance of payments in 1983 than the "consensus" forecast.

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COMPARISON OF TREASURY FORECASTS

TABLE A

| | 1981 FSBR/MTFS | 1982 FSBR/MTFS | AUTUMN STATEMENT | 1983 FSBR/MTFS | JUNE 1983 |
|---------------------------------------|-------------------|-------------------|---------------------|-------------------|--------------|
| <u>Money Supply £M3 *</u> | | | | | |
| (% Change on year earlier) | | | | | |
| 1982 Q1 | 8.0 | 14.5 (15.5) | 13.4 | 13.8 | 13.7 |
| 1983 Q1 | 7.0 | 11.1 (11.6) | 12.2 | 9.7 | 11.0 |
| 1984 Q1 | 6.0 | 8.9 (9.2) | 8.4 | 9.0 | 11.5 |
| 1985 Q1 | 6.0 | 7.0 (7.3) | 6.8 | 8.8 | 7.6 |
| <u>PSBR</u> | | | | | |
| £billion (% of money GDP) | | | | | |
| 1981-82 | 10.6 (4.3) | 10.6 (4.2) | 8.8 (3.5) | 8.7 (3.4) | 8.7 (3.4) |
| 1982-83 | 8.9 (3.3) | 9.5 (3.4) | 9.0 (3.3) | 7.5 (2.7) | 9.0 (3.3) |
| 1983-84 | 6.0 (2.0) | 8.4 (2.8) | 8.1 (2.8) | 8.2 (2.8) | 11.7 (4.0) |
| 1984-85 | 3.3 (1.0) | 6.7 (2.0) | 6.5 (2.0) | 8.0 (2.5) | 8.0 (2.5) |
| <u>Fiscal Adjustments (£ billion)</u> | | | | | |
| 1981-82 | - | - | - | - | - |
| 1982-83 | -1.4 | - | - | - | - |
| 1983-84 | -3.1 | -0.3 | -1.0 | - | - |
| 1984-85 | -5.2 | -2.1 | -1.4 | - $\frac{1}{2}$ | +2 |
| <u>Nominal GDP (mp)</u> | | | | | |
| (% Change on year earlier) | | | | | |
| 1981 | 10.2 | 10.1 | 9.7 | 8.2 | 8.2 |
| 1982 | 10.1 | 10.6 | 8.9 | 8.0 | 8.2 |
| 1983 | 9.8 | 9.2 | 6.9 | 8.4 | 7.8 |
| 1984 | 9.8 | 9.9 | 8.9 | 8.5 | 7.6 |
| <u>RPI</u> | | | | | |
| (% Change on year earlier) | | | | | |
| 1981 Q4 | 10.2 | 11.9 | 11.9 | 11.9 | 11.9 |
| 1982 Q4 | 7.5 | 9.0 | 6.1 | 6.2 | 6.2 |
| 1983 Q4 | 7.4 | 7.1 | 4.7 | 5.8 | 5.6 |
| 1984 Q4 | 7.0 | 6.0 | 7.0 | 5.4 | 5.2 |
| <u>Interest Rates %</u> | | | | | |
| Short Term | | | | | |
| 1981-82 | 12.2 | 14.2 | 14.2 | 14.2 | 14.2 |
| 1982-83 | 11.5 | 13.5 | 10.4 | 11.3 | 11.3 |
| 1983-84 | 9.9 | 11.9 | 8.0 | 9.6 | 9.8 |
| 1984-85 | 9.0 | 10.2 | 8.9 | 7.5 | 8.4 |

* The 1981 FSBR/MTFS was based on the old monetary sector

| | 1981 FSBR/MTFS | 1982 FSBR/MTFS | AUTUMN STATEMENT | 1983 FSBR/MTFS | JUNE 1983 |
|---|-------------------|-------------------|---------------------|-------------------|--------------|
| <u>World Trade in Manufactures</u> | | | | | |
| <u>UK Weighted</u> | | | | | |
| % Change on year earlier | | | | | |
| 1981 | 3.0 | 4.1 | 4.3 | 3.3 | 3.3 |
| 1982 | 6.4 | 4.0 | -2.0 | -3.3 | -2.9 |
| 1983 | 7.3 | 4.6 | 2.7 | 1.0 | -0.7 |
| 1984 | 6.8 | 5.5 | 5.9 | 6.6 | 4.2 |
| <u>UK Exports of Goods and Services</u> | | | | | |
| (% change on year earlier) | | | | | |
| 1981 | -5.3 | -1.5 | -1.9 | -2.3 | -2.3 |
| 1982 | -0.4 | 3.3 | -0.9 | 0.7 | 0.6 |
| 1983 | 3.4 | 3.7 | 0.2 | 0.9 | 0.3 |
| 1984 | 4.8 | 4.4 | 4.9 | 5.0 | 3.5 |
| <u>Average Earnings</u> | | | | | |
| (private cyclically adjusted - % change on year earlier) | | | | | |
| 1981 Q3 | 9.8 | 13.6 | 11.2 | 10.2 | 10.1 |
| 1982 Q3 | 6.9 | 9.0 | 9.7 | 10.0 | 10.2 |
| 1983 Q3 | 6.0 | 8.3 | 6.9 | 6.9 | 6.8 |
| 1984 Q3 | 5.4 | 7.4 | 8.2 | 6.9 | 6.5 |
| <u>Effective Exchange Rates</u> | | | | | |
| 1975 = 100 | | | | | |
| 1981 | 101.2 | 94.9 | 94.9 | 94.9 | 94.9 |
| 1982 | 100.4 | 88.5 | 91.3 | 90.6 | 90.6 |
| 1983 | 98.9 | 84.6 | 89.5 | 80.5 | 82.0 |
| 1984 | 96.7 | 81.9 | 84.6 | 81.8 | 81.0 |
| <u>Labour Costs Competitiveness</u> | | | | | |
| (Ratio of UK to competitors costs 1975 = 100) | | | | | |
| 1981 Q4 | 151.3 | 139.3 | 134.4 | 131.4 | 136.0 |
| 1982 Q4 | 150.8 | 136.2 | 139.2 | 132.2 | 134.6 |
| 1983 Q4 | 145.7 | 130.3 | 130.6 | 121.0 | 120.8 |
| 1984 Q4 | 145.2 | 129.8 | 123.3 | 121.0 | 118.1 |
| <u>Current Balance (£ billion)</u> | | | | | |
| 1981 | 2.8 | 8.3 | 6.0 | 6.0 | 6.0 |
| 1982 | -0.8 | 4.2 | 3.7 | 4.0 | 4.1 |
| 1983 | -1.4 | 2.9 | 0.2 | 1.5 | -1.2 |
| 1984 | -0.4 | 3.3 | -0.3 | 1.5 | -2.4 |

| | 1981 FSBR/MTFS | 1982 FSBR/MTFS | AUTUMN STATEMENT | 1983 FSBR/MTFS | JUNE 1983 |
|---|-------------------|-------------------|---------------------|-------------------|--------------|
| <u>Manufacturing Output</u> | | | | | |
| (% Change on year earlier) | | | | | |
| 1981 | -6.6 | -6.4 | -6.4 | -6.4 | -6.5 |
| 1982 | 1.5 | 3.2 | 0.0 | -0.6 | -0.6 |
| 1983 | 0.9 | 2.2 | 0.2 | 1.8 | 1.8 |
| 1984 | 1.2 | 1.9 | 1.6 | 2.4 | 2.3 |
| <u>GDP Volume (fc)</u> | | | | | |
| (% Change on year earlier) | | | | | |
| 1981 | -2.0 | -2.0 | -2.4 | -2.5 | -2.3 |
| 1982 | 1.2 | 1.4 | 0.7 | 0.7 | 1.1 |
| 1983 | 2.3 | 2.4 | 1.3 | 2.0 | 2.4 |
| 1984 | 2.2 | 2.8 | 2.5 | 2.7 | 2.3 |
| <u>Unemployment</u> | | | | | |
| (UK sa excl school leavers - millions, new definition) | | | | | |
| 1981 Q4 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 |
| 1982 Q4 | 2.8 | 2.8 | 2.9 | 2.9 | 2.9 |
| 1983 Q4 | 2.7 | 2.8 | 3.2 | 3.0 | 2.9 |
| 1984 Q4 | 2.7 | 2.8 | 3.3 | 3.1 | 2.9 |
| <u>I & C Companies' Financial Surplus/ Deficit, £ billion</u> | | | | | |
| 1981 | -0.9 | 1.4 | 1.8 | 2.0 | 2.0 |
| 1982 | -4.7 | 0.2 | -0.8 | 1.1 | 1.2 |
| 1983 | -2.4 | -1.8 | 1.6 | 0.7 | - .2 |
| 1984 | -0.9 | -0.9 | 0.5 | 2.3 | 1.0 |

TABLE B

OUTSIDE FORECASTS

| | <u>TREASURY</u> <u>JUNE 1983</u> | <u>NIESR</u> <u>MAY 1983</u> | <u>PHILLIPS & DREW</u> <u>JUNE 1983</u> | <u>CONSENSUS</u> <u>FORECAST</u> |
|--|-------------------------------------|---------------------------------|--|-------------------------------------|
| £M3 % Change on year earlier | | | | |
| 1983 Q1 | 11.0 | 9.0 | 9.5 | 10.4 |
| 1984 Q1 | 11.5 | 10.0 | 9.0 | 9.2 |
| 1985 Q1 | 7.6 | 9.0 | - | 9.0 |
| £M1 % Change over year earlier | | | | |
| 1983 Q1 | 13.0 | 12.0 | 11.1 | 12.5 |
| 1984 Q1 | 12.7 | 10.5 | 8.5 | 10.3 |
| 1985 Q1 | 10.4 | 9.0 | - | 9.6 |
| Interest rates, short-term % (Treasury bill rate) | | | | |
| 1983 Q4 | 9.3 | - | 9.6 | 8.8 |
| 1984 Q4 | 7.8 | - | 8.5 | 9.0 |
| PSBR £bn | | | | |
| 1983-84 | 11.7 | 7.3 | 8.2 | 8.0 |
| 1984-85 | 8.0 | 6.1 | 8.8 | 8.3 |
| Exchange rate 1975 = 100 | | | | |
| 1983 Q4 | 81.0 | 81.3 | 87.0 | 82.9 |
| 1984 Q4 | 80.0 | 79.3 | 80.0 | 80.7 |
| Current Account £bn | | | | |
| 1983 | -1.2 | 0.6 | 1.1 | 1.2 |
| 1984 | -2.4 | 1.3 | -0.1 | 0.5 |
| Average earnings % change on year earlier | | | | |
| 1983 | 7.8 | 7.9 | 7.5 | 7.5 |
| 1984 | 6.6 | 7.9 | 7.4 | 7.5 |
| RPI(CPI) % change on year earlier | | | | |
| 1983 Q4 | 5.6 | 6.5 | (5.5) | 6.2 (5.9) |
| 1984 Q4 | 5.2 | 8.0 | (7.3) | 7.2 (6.8) |
| RPDI % change on year earlier | | | | |
| 1983 | 1.6 | 0.5 | 2.3 | 1.5 |
| 1984 | 0.9 | -0.6 | 0.5 | 1.1 |

C O N F I D E N T I A L

| | <u>TREASURY</u> <u>JUNE 1983</u> | <u>NIESR</u> <u>MAY 1983</u> | <u>PHILLIPS & DREW</u> <u>JUNE 1983</u> | <u>CONSENSUS</u> <u>FORECAST</u> |
|--------------------------------------|-------------------------------------|---------------------------------|--|-------------------------------------|
| Import Volume goods and services % | | | | |
| 1983 | 5.3 | 3.8 | 4.4 | 4.3 |
| 1984 | 4.9 | 2.2 | 2.8 | 3.8 |
| Export Volume goods and services | | | | |
| 1983 | 0.3 | 2.0 | 2.3 | 2.0 |
| 1984 | 3.5 | 3.4 | 3.3 | 3.9 |
| GDP Volume, % change on year earlier | | | | |
| 1983 | 2.4 | 2.4 | 2.4 | 2.1 |
| 1984 | 2.3 | 1.2 | 1.9 | 2.0 |
| Unemployment million, Q4 | | | | |
| 1983 | 2.9 | 3.1 | 3.1 | 3.1 |
| 1984 | 2.9 | 3.2 | 3.1 | 3.1 |

'Consensus' includes: National Institute (May)
London Business School (Feb)
Phillips & Drew (June)
OECD (Feb)
St James (Jan)
Cambridge Econometrics (June)
CBI (Mar)
Simon & Coates (June)

though results are not reported for some variables by some forecasters.

TABLE 1 SUMMARY

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|------------|--|---------------------------------|--|---------------------------------------|---------|----------------------------|--------------------|---------------|------------------|-------------------------------|---|---------------------------|---------------------------------------|
| | GDP AT CONSTANT PRICES 1975=100 | UK UNEMP NARROW ADJ(1) | CYC.PRIV EARNINGS % CHANGE OVER PREV.YR. | RPI % CHANGE OVER PREV. YEAR | PSBR(2) | PSBR(2) /NOMINAL GDP | CURRENT BALANCE | ICC'S NAFA | PERSONAL NAFA | EFFECTIVE EXCHANGE RATE | INTEREST RATES 3-MONTH INTER BANK | 20-YEAR RATES GILTS | EM3 % CHANGE OVER PREV. YEAR |
| 1981 | 105.5 | 2413 | 12.4 | 11.9 | 10665 | 4.30 | 6005 | 2039 | 16857 | 94.87 | 13.92 | 14.71 | 15.3 |
| 1982 | 106.7 | 2793 | 9.5 | 8.6 | 5433 | 2.01 | 4081 | 1218 | 13388 | 90.59 | 12.15 | 12.93 | 11.0 |
| 1983 | 109.2 | 2962 | 7.5 | 4.8 | 13688 | 4.71 | -1166 | -166 | 11601 | 81.97 | 10.16 | 10.93 | 12.4 |
| 1984 | 111.7 | 2895 | 6.8 | 5.8 | 8396 | 2.68 | -2353 | 992 | 9247 | 81.00 | 8.82 | 9.64 | 9.8 |
| 1985 | 113.6 | 2927 | 7.1 | 5.3 | 7236 | 2.16 | -633 | 219 | 8161 | 79.50 | 8.10 | 9.07 | 7.9 |
| 1981/82 | 105.7 | 2541 | 10.8 | 11.5 | 8699 | 3.43 | 4261 | 506 | 16054 | 92.31 | 14.18 | 14.92 | 14.5 |
| 1982/83 | 107.2 | 2874 | 9.1 | 7.1 | 9027 | 3.27 | 3849 | 1900 | 12240 | 87.95 | 11.34 | 12.11 | 10.4 |
| 1983/84 | 109.8 | 2939 | 7.0 | 5.2 | 11700 | 3.96 | -2335 | 450 | 11453 | 82.07 | 9.77 | 10.71 | 12.5 |
| 1984/85 | 112.2 | 2891 | 6.7 | 5.5 | 7965 | 2.50 | -1682 | 1126 | 8244 | 80.70 | 8.45 | 9.29 | 8.8 |
| 1985/86 | 113.9 | 2957 | 7.1 | 5.5 | 6854 | 2.01 | -860 | -158 | 8013 | 79.30 | 8.10 | 9.06 | 7.8 |
| 1981 QTR 1 | 105.7 | 2166 | 16.7 | 12.7 | 2185 | 3.64 | 2421 | 478 | 4813 | 101.40 | 13.33 | 13.78 | 17.2 |
| QTR 2 | 105.1 | 2362 | 12.9 | 11.7 | 5938 | 9.70 | 1898 | 1076 | 4272 | 97.80 | 12.47 | 14.18 | 15.8 |
| QTR 3 | 105.1 | 2515 | 10.1 | 11.2 | 2545 | 4.05 | 357 | 49 | 3921 | 90.60 | 14.22 | 15.20 | 15.5 |
| QTR 4 | 106.2 | 2609 | 10.3 | 11.9 | -3 | .00 | 1329 | 436 | 3851 | 89.70 | 15.65 | 15.67 | 13.1 |
| 1982 QTR 1 | 106.2 | 2679 | 10.0 | 11.1 | 219 | .33 | 677 | -1055 | 4010 | 91.14 | 14.38 | 14.64 | 13.7 |
| QTR 2 | 106.4 | 2742 | 9.1 | 9.4 | 1148 | 1.71 | 638 | -109 | 3737 | 90.60 | 13.12 | 13.73 | 11.7 |
| QTR 3 | 106.6 | 2837 | 10.2 | 8.0 | 1585 | 2.32 | 976 | 601 | 2870 | 91.41 | 11.19 | 12.49 | 9.1 |
| QTR 4 | 107.5 | 2913 | 8.6 | 6.2 | 2481 | 3.56 | 1790 | 1781 | 2771 | 89.20 | 9.92 | 10.86 | 9.8 |
| 1983 QTR 1 | 108.3 | 3003 | 8.6 | 5.1 | 3813 | 5.38 | 445 | -373 | 2862 | 80.60 | 11.14 | 11.35 | 11.0 |
| QTR 2 | 108.7 | 2984 | 7.5 | 3.8 | 2367 | 3.31 | -300 | -263 | 3193 | 84.30 | 10.30 | 10.55 | 11.6 |
| QTR 3 | 109.8 | 2932 | 6.8 | 4.9 | 3658 | 4.99 | -465 | -22 | 2931 | 82.00 | 9.60 | 10.81 | 13.3 |
| QTR 4 | 110.0 | 2931 | 7.0 | 5.6 | 3850 | 5.15 | -846 | 492 | 2615 | 81.00 | 9.60 | 11.01 | 13.6 |
| 1984 QTR 1 | 110.6 | 2909 | 6.8 | 6.4 | 1825 | 2.40 | -724 | 243 | 2714 | 81.00 | 9.60 | 10.50 | 11.5 |
| QTR 2 | 111.6 | 2902 | 6.7 | 6.0 | 2527 | 3.26 | -749 | 44 | 2804 | 82.00 | 9.00 | 9.72 | 10.7 |
| QTR 3 | 112.2 | 2880 | 6.5 | 5.6 | 2058 | 2.61 | -484 | 323 | 1986 | 81.00 | 8.60 | 9.27 | 9.5 |
| QTR 4 | 112.4 | 2890 | 7.0 | 5.4 | 1986 | 2.47 | -396 | 382 | 1743 | 80.00 | 8.10 | 9.10 | 7.7 |
| 1985 QTR 1 | 112.7 | 2894 | 6.8 | 5.0 | 1394 | 1.71 | -53 | 377 | 1711 | 79.80 | 8.10 | 9.08 | 7.6 |
| QTR 2 | 113.4 | 2909 | 7.7 | 5.3 | 2056 | 2.47 | -97 | -217 | 2532 | 79.60 | 8.10 | 9.07 | 8.1 |
| QTR 3 | 114.0 | 2937 | 7.3 | 5.2 | 1901 | 2.25 | -247 | -58 | 2202 | 79.40 | 8.10 | 9.06 | 7.8 |
| QTR 4 | 114.2 | 2969 | 6.7 | 5.5 | 1885 | 2.18 | -236 | 117 | 1716 | 79.20 | 8.10 | 9.05 | 7.9 |
| 1986 QTR 1 | 114.1 | 3015 | 6.8 | 6.0 | 1012 | 1.16 | -280 | 0 | 1563 | 79.00 | 8.10 | 9.04 | 7.3 |

(1) CLAIMANTS BASIS. 'NARROW' EXCLUDES SCHOOL LEAVERS
(2) FINANCIAL YEAR SEASONALLY ADJUSTED

TABLE 2 PRIVATE SECTOR FINANCIAL SUMMARY

PERCENTAGE CHANGES ON PREVIOUS YEAR (EXCEPT COL. 14)

| | 1 | 2 | 3 | 4 | 5 | | | 6 | | | 11 | 12 | | 13 | 14 | 15 |
|------------|----------|-------|-------|---------|--------------|--------------|--------------|--------------|--------------|--------------|---------|---------|---------|----------|----------|--------|
| | | | | | PRIVATE | SECTOR | FINANCIAL | NET | GROSS | DOMESTIC | | PRIVATE | SECTOR | | | |
| | TFE | REAL | REAL | NOMINAL | SECTOR | SECTOR | WEALTH | SECTOR | SECTOR | WEALTH | BANK | PRIVATE | PRIVATE | SECTOR | HOLDINGS | REAL |
| | DEFLATOR | TFE | GDP | GDPM | FINANCIAL | FINANCIAL | EXCLUDING | FINANCIAL | FINANCIAL | INCLUDING | LENDING | SECTOR | SECTOR | OF GILTS | OF GROSS | MONEY |
| | | | | | REVALUATIONS | REVALUATIONS | REVALUATIONS | REVALUATIONS | REVALUATIONS | REVALUATIONS | TO | SECTOR | REVALS. | REVALS. | WEALTH | SUPPLY |
| | | | | | NET | GROSS | DOMESTIC | NET | GROSS | DOMESTIC | PRIVATE | EXCL. | INCL. | AS A % | | |
| | | | | | | | | | | | SECTOR | REVALS. | REVALS. | OF GROSS | | |
| | | | | | | | | | | | SECTOR | REVALS. | REVALS. | OF GROSS | | |
| 1981 | 10.52 | -1.75 | -2.32 | 9.53 | 28.61 | 22.03 | 18.70 | 24.23 | 20.26 | 16.24 | 16.53 | 15.64 | 8.14 | 21.62 | | 4.35 |
| 1982 | 7.16 | 2.36 | 1.09 | 9.11 | 3.07 | 11.91 | 10.09 | 8.01 | 13.98 | 13.10 | 28.23 | 12.38 | 22.56 | 23.24 | | 3.57 |
| 1983 | 5.89 | 3.24 | 2.40 | 7.32 | 9.46 | 11.02 | 11.23 | 14.87 | 13.22 | 14.38 | 15.77 | 8.71 | 18.21 | 24.27 | | 6.12 |
| 1984 | 5.37 | 2.70 | 2.28 | 7.75 | 7.59 | 8.51 | 9.12 | 13.21 | 10.83 | 12.36 | 12.49 | 7.52 | 17.13 | 25.64 | | 4.20 |
| 1985 | 5.60 | 1.89 | 1.66 | 7.24 | 5.54 | 7.46 | 7.22 | 7.89 | 8.46 | 8.61 | 11.84 | 5.30 | 9.20 | 25.82 | | 2.13 |
| 1981/82 | 9.70 | .17 | -1.23 | 9.16 | 24.32 | 21.04 | 17.36 | 18.69 | 18.74 | 14.30 | 18.57 | 14.07 | 4.93 | 21.31 | | 4.36 |
| 1982/83 | 6.70 | 2.39 | 1.44 | 8.75 | 2.09 | 10.40 | 9.10 | 8.88 | 13.28 | 13.16 | 26.20 | 11.69 | 25.09 | 23.53 | | 3.43 |
| 1983/84 | 5.60 | 3.06 | 2.44 | 7.20 | 9.58 | 10.61 | 11.26 | 14.57 | 12.65 | 14.18 | 14.39 | 8.71 | 17.49 | 24.54 | | 6.51 |
| 1984/85 | 5.30 | 2.61 | 2.21 | 7.69 | 7.15 | 8.05 | 8.40 | 13.12 | 10.53 | 11.85 | 12.15 | 6.79 | 16.93 | 25.96 | | 3.36 |
| 1985/86 | 5.81 | 1.88 | 1.51 | 7.23 | 5.01 | 7.33 | 7.05 | 6.00 | 7.76 | 7.63 | 11.77 | 5.06 | 6.71 | 25.71 | | 1.85 |
| 1981 QTR 1 | 11.79 | -4.74 | -3.83 | 10.92 | 28.84 | 21.11 | 19.58 | 32.62 | 22.63 | 21.65 | 18.22 | 18.07 | 24.53 | 23.92 | | 4.81 |
| QTR 2 | 10.20 | -3.46 | -3.40 | 8.97 | 32.90 | 23.19 | 20.49 | 28.82 | 21.49 | 18.19 | 12.75 | 16.83 | 9.83 | 21.95 | | 5.06 |
| QTR 3 | 10.45 | -.13 | -1.77 | 9.32 | 28.64 | 22.38 | 16.66 | 19.75 | 18.61 | 11.56 | 14.68 | 13.57 | -1.82 | 20.30 | | 4.62 |
| QTR 4 | 9.41 | 1.47 | -.22 | 8.99 | 24.08 | 21.46 | 18.08 | 17.64 | 18.70 | 14.34 | 20.29 | 14.11 | 2.52 | 20.53 | | 3.37 |
| 1982 QTR 1 | 8.55 | 2.92 | .56 | 9.33 | 11.68 | 17.12 | 14.21 | 10.26 | 16.50 | 13.36 | 25.68 | 11.78 | 9.19 | 22.42 | | 4.72 |
| QTR 2 | 8.06 | 3.45 | 1.18 | 9.81 | -.36 | 10.63 | 7.91 | .64 | 11.07 | 8.53 | 31.38 | 10.33 | 12.35 | 22.20 | | 3.35 |
| QTR 3 | 6.00 | 1.28 | 1.39 | 8.56 | .48 | 11.19 | 11.30 | 10.67 | 15.55 | 17.58 | 30.74 | 14.86 | 36.37 | 23.96 | | 2.88 |
| QTR 4 | 6.22 | 1.83 | 1.22 | 8.77 | .49 | 8.70 | 6.95 | 10.62 | 12.99 | 13.01 | 25.40 | 12.54 | 33.46 | 24.25 | | 3.35 |
| 1983 QTR 1 | 6.59 | 3.01 | 1.94 | 7.93 | 7.75 | 11.09 | 10.23 | 13.45 | 13.44 | 13.54 | 18.95 | 9.02 | 19.51 | 23.62 | | 4.12 |
| QTR 2 | 5.26 | 2.32 | 2.20 | 6.55 | 11.97 | 12.06 | 12.12 | 21.87 | 16.03 | 17.77 | 18.00 | 10.38 | 28.25 | 24.54 | | 6.04 |
| QTR 3 | 5.64 | 4.21 | 3.07 | 7.46 | 9.44 | 10.28 | 10.93 | 13.64 | 12.00 | 13.36 | 13.96 | 7.79 | 14.98 | 24.59 | | 7.22 |
| QTR 4 | 6.07 | 3.41 | 2.37 | 7.36 | 8.68 | 10.63 | 11.63 | 11.11 | 11.64 | 13.05 | 12.75 | 7.64 | 11.79 | 24.28 | | 7.05 |
| 1984 QTR 1 | 5.43 | 2.30 | 2.13 | 7.42 | 8.22 | 9.47 | 10.38 | 12.50 | 11.24 | 12.88 | 13.24 | 9.05 | 16.54 | 24.74 | | 5.74 |
| QTR 2 | 5.50 | 3.59 | 2.65 | 8.42 | 7.42 | 8.85 | 9.83 | 11.74 | 10.67 | 12.38 | 12.97 | 8.25 | 15.66 | 25.65 | | 4.89 |
| QTR 3 | 5.33 | 2.62 | 2.16 | 7.56 | 7.53 | 8.22 | 8.72 | 13.77 | 10.81 | 12.35 | 12.38 | 6.67 | 17.23 | 26.02 | | 3.99 |
| QTR 4 | 5.24 | 2.31 | 2.16 | 7.61 | 7.19 | 7.51 | 7.53 | 14.74 | 10.63 | 11.88 | 11.46 | 6.12 | 18.97 | 26.11 | | 2.33 |
| 1985 QTR 1 | 5.17 | 1.93 | 1.87 | 7.20 | 6.47 | 7.62 | 7.51 | 12.25 | 10.04 | 10.86 | 11.87 | 6.13 | 15.88 | 26.06 | | 2.33 |
| QTR 2 | 5.68 | 1.67 | 1.60 | 7.19 | 5.55 | 7.49 | 7.28 | 8.39 | 8.70 | 8.95 | 11.91 | 5.00 | 9.71 | 25.89 | | 2.29 |
| QTR 3 | 5.74 | 1.91 | 1.60 | 7.24 | 5.25 | 7.30 | 6.98 | 6.31 | 7.75 | 7.61 | 11.51 | 4.73 | 6.47 | 25.71 | | 1.98 |
| QTR 4 | 5.81 | 2.05 | 1.57 | 7.31 | 4.90 | 7.42 | 7.13 | 5.01 | 7.47 | 7.19 | 12.05 | 5.34 | 5.52 | 25.64 | | 1.94 |

TABLE 3 RETAIL PRICES INDEX AND ITS COMPONENTS

INDEX NUMBERS BASED ON JANUARY 1974=100

| WEIGHTS (1) | INDEX LEVELS | | | | | -ONE QUARTER PERCENTAGE CHANGES- | | | | | -FOUR QUARTER PERCENTAGE CHANGES- | | | | |
|-------------|------------------|---------------------|----------------------|-------------------|-------------------|----------------------------------|--------------|----------------|------------|-------------|-----------------------------------|---------------|-----------------|-------------|-------------|
| | 1 FOOD 219 | 2 HOUSING 128 | 3 NAT. IND. 73 | 4 OTHER 581 | 5 TOTAL SUM | 6 FOOD | 7 HOUSING | 8 NAT. IND. | 9 OTHER | 10 TOTAL | 11 FOOD | 12 HOUSING | 13 NAT. IND. | 14 OTHER | 15 TOTAL |
| 1981 | 277.5 | 318.2 | 368.3 | 286.4 | 295.0 | 2.3 | 4.8 | 2.9 | 2.5 | 2.8 | 8.5 | 18.1 | 19.5 | 10.5 | 11.9 |
| 1982 | 299.3 | 358.2 | 418.6 | 306.5 | 320.4 | 1.1 | .9 | 3.5 | 1.5 | 1.5 | 7.8 | 12.6 | 13.6 | 7.0 | 8.6 |
| 1983 | 308.3 | 368.3 | 443.3 | 324.4 | 335.8 | 1.3 | 1.8 | .7 | 1.4 | 1.4 | 3.0 | 2.8 | 5.9 | 5.8 | 4.8 |
| 1984 | 324.5 | 395.4 | 465.1 | 343.3 | 355.4 | 1.1 | 1.0 | 1.5 | 1.4 | 1.3 | 5.2 | 7.4 | 4.9 | 5.8 | 5.8 |
| 1985 | 340.7 | 412.3 | 494.7 | 361.8 | 374.1 | 1.4 | 1.4 | 1.6 | 1.3 | 1.3 | 5.0 | 4.3 | 6.4 | 5.4 | 5.3 |
| 1981 QTR 1 | 268.7 | 285.2 | 352.5 | 274.0 | 280.4 | 3.1 | -.2 | 4.4 | 2.4 | 2.4 | 8.6 | 18.3 | 25.7 | 11.1 | 12.7 |
| QTR 2 | 277.0 | 319.9 | 364.7 | 285.0 | 294.0 | 3.1 | 12.2 | 3.5 | 4.0 | 4.9 | 8.2 | 17.5 | 21.9 | 10.0 | 11.7 |
| QTR 3 | 278.8 | 324.0 | 376.3 | 290.7 | 299.1 | .7 | 1.3 | 3.2 | 2.0 | 1.7 | 7.5 | 16.3 | 19.2 | 10.2 | 11.2 |
| QTR 4 | 285.6 | 343.7 | 379.8 | 295.9 | 306.5 | 2.4 | 6.1 | .9 | 1.8 | 2.5 | 9.6 | 20.3 | 12.5 | 10.6 | 11.9 |
| 1982 QTR 1 | 297.7 | 346.7 | 391.4 | 298.0 | 311.6 | 4.2 | .9 | 3.1 | .7 | 1.7 | 10.8 | 21.6 | 11.0 | 8.8 | 11.1 |
| QTR 2 | 304.1 | 365.0 | 417.7 | 305.5 | 321.5 | 2.2 | 5.3 | 6.7 | 2.5 | 3.2 | 9.8 | 14.1 | 14.5 | 7.2 | 9.4 |
| QTR 3 | 297.0 | 364.6 | 428.8 | 309.2 | 323.0 | -2.3 | -.1 | 2.7 | 1.2 | .5 | 6.5 | 12.5 | 14.0 | 6.4 | 8.0 |
| QTR 4 | 298.5 | 356.7 | 436.4 | 313.5 | 325.4 | .5 | -2.2 | 1.8 | 1.4 | .7 | 4.5 | 3.8 | 14.9 | 5.9 | 6.2 |
| 1983 QTR 1 | 302.1 | 348.9 | 442.6 | 316.0 | 327.4 | 1.2 | -2.2 | 1.4 | .8 | .6 | 1.5 | .6 | 13.1 | 6.0 | 5.1 |
| QTR 2 | 307.5 | 364.5 | 441.9 | 322.7 | 333.8 | 1.8 | 4.5 | -.2 | 2.1 | 2.0 | 1.1 | -.1 | 5.8 | 5.6 | 3.8 |
| QTR 3 | 309.5 | 377.7 | 440.7 | 327.2 | 338.7 | .7 | 3.6 | -.3 | 1.4 | 1.5 | 4.2 | 3.6 | 2.8 | 5.8 | 4.9 |
| QTR 4 | 314.2 | 382.2 | 448.1 | 331.7 | 343.5 | 1.5 | 1.2 | 1.7 | 1.4 | 1.4 | 5.3 | 7.2 | 2.7 | 5.8 | 5.6 |
| 1984 QTR 1 | 320.2 | 385.1 | 455.9 | 336.0 | 348.2 | 1.9 | .8 | 1.7 | 1.3 | 1.4 | 6.0 | 10.4 | 3.0 | 6.3 | 6.4 |
| QTR 2 | 324.4 | 399.5 | 462.3 | 339.8 | 353.7 | 1.3 | 3.7 | 1.4 | 1.2 | 1.6 | 5.5 | 9.6 | 4.6 | 5.3 | 6.0 |
| QTR 3 | 324.8 | 398.8 | 466.0 | 346.2 | 357.7 | .1 | -.2 | .8 | 1.9 | 1.1 | 4.9 | 5.6 | 5.7 | 5.8 | 5.6 |
| QTR 4 | 328.5 | 398.3 | 476.0 | 351.2 | 362.0 | 1.1 | -.1 | 2.2 | 1.4 | 1.2 | 4.5 | 4.2 | 6.2 | 5.9 | 5.4 |
| 1985 QTR 1 | 334.1 | 396.2 | 482.1 | 355.0 | 365.7 | 1.7 | -.5 | 1.3 | 1.1 | 1.0 | 4.4 | 2.9 | 5.7 | 5.7 | 5.0 |
| QTR 2 | 339.4 | 414.3 | 492.5 | 359.4 | 372.4 | 1.6 | 4.6 | 2.2 | 1.2 | 1.9 | 4.6 | 3.7 | 6.5 | 5.7 | 5.3 |
| QTR 3 | 342.1 | 417.2 | 496.0 | 363.9 | 376.3 | .8 | .7 | .7 | 1.3 | 1.0 | 5.3 | 4.6 | 6.4 | 5.1 | 5.2 |
| QTR 4 | 347.3 | 421.7 | 508.1 | 369.1 | 381.9 | 1.5 | 1.1 | 2.4 | 1.4 | 1.5 | 5.7 | 5.9 | 6.7 | 5.1 | 5.5 |
| 1986 QTR 1 | 353.6 | 424.5 | 517.1 | 374.9 | 387.7 | 1.8 | .7 | 1.8 | 1.6 | 1.5 | 5.8 | 7.2 | 7.3 | 5.6 | 6.0 |

(1) THESE WEIGHTS ARE APPLICABLE TO INDICES BASED ON JANUARY 1974 = 100 AND DO NOT NECESSARILY SUM TO 1000

TABLE 4 EXCHANGE RATES AND COMPETITIVENESS

| | EXCHANGE RATES | | | COMPETITIVENESS OF MANUFACTURES | | | | |
|------------|----------------------|-----------------------|---------------------|---------------------------------|------------------------|---------------------------|---------------------|---------------------------|
| | EFFECTIVE EXCH. RATE | EXPORT WTD EXCH. RATE | DOLLAR/£ EXCH. RATE | RELATIVE EXPORT PRICES | RELATIVE WHSALE PRICES | RELATIVE N.UNIT LAB.COSTS | IMPORT PRICE COMPET | RELATIVE PROFBLTY EXPORTS |
| 1981 | 94.87 | 92.901 | 2.027 | 124.17 | 132.32 | 143.54 | 122.66 | 91.10 |
| 1982 | 90.59 | 89.741 | 1.750 | 116.74 | 128.94 | 137.23 | 121.83 | 90.38 |
| 1983 | 81.97 | 81.871 | 1.520 | 109.48 | 117.61 | 122.45 | 116.50 | 92.62 |
| 1984 | 81.00 | 79.529 | 1.582 | 110.28 | 117.44 | 119.87 | 114.97 | 94.14 |
| 1985 | 79.50 | 76.160 | 1.712 | 109.83 | 115.49 | 115.77 | 113.05 | 95.19 |
| 1981 QTR 1 | 101.40 | 99.089 | 2.309 | 133.02 | 140.78 | 154.00 | 124.96 | 91.07 |
| QTR 2 | 97.80 | 95.807 | 2.077 | 127.59 | 135.44 | 146.55 | 124.25 | 90.81 |
| QTR 3 | 90.60 | 89.039 | 1.839 | 118.38 | 126.41 | 137.60 | 121.31 | 91.28 |
| QTR 4 | 89.70 | 87.671 | 1.883 | 117.67 | 126.65 | 136.00 | 120.10 | 91.24 |
| 1982 QTR 1 | 91.14 | 89.488 | 1.845 | 118.60 | 129.45 | 138.01 | 122.89 | 91.22 |
| QTR 2 | 90.60 | 88.886 | 1.779 | 115.63 | 128.61 | 137.28 | 121.18 | 90.27 |
| QTR 3 | 91.41 | 90.478 | 1.728 | 118.57 | 130.78 | 139.06 | 121.16 | 90.25 |
| QTR 4 | 89.20 | 90.113 | 1.649 | 114.15 | 126.93 | 134.56 | 122.10 | 89.80 |
| 1983 QTR 1 | 80.60 | 80.569 | 1.532 | 106.78 | 115.20 | 120.65 | 117.50 | 91.56 |
| QTR 2 | 84.30 | 84.252 | 1.553 | 112.51 | 121.02 | 125.63 | 116.98 | 92.40 |
| QTR 3 | 82.00 | 81.984 | 1.499 | 109.76 | 117.68 | 122.73 | 116.13 | 93.09 |
| QTR 4 | 81.00 | 80.680 | 1.496 | 108.89 | 116.56 | 120.79 | 115.37 | 93.44 |
| 1984 QTR 1 | 81.00 | 80.234 | 1.529 | 109.61 | 117.28 | 120.94 | 115.31 | 93.86 |
| QTR 2 | 82.00 | 80.767 | 1.583 | 111.67 | 119.08 | 121.14 | 116.08 | 94.01 |
| QTR 3 | 81.00 | 79.292 | 1.600 | 110.35 | 117.35 | 119.24 | 114.64 | 94.21 |
| QTR 4 | 80.00 | 77.823 | 1.618 | 109.51 | 116.04 | 118.17 | 113.86 | 94.50 |
| 1985 QTR 1 | 79.80 | 77.157 | 1.654 | 109.50 | 115.76 | 117.31 | 113.44 | 94.86 |
| QTR 2 | 79.60 | 76.485 | 1.693 | 109.91 | 115.61 | 116.28 | 113.34 | 95.09 |
| QTR 3 | 79.40 | 75.808 | 1.734 | 110.01 | 115.52 | 114.99 | 113.03 | 95.27 |
| QTR 4 | 79.20 | 75.189 | 1.769 | 109.90 | 115.07 | 114.49 | 112.41 | 95.55 |
| 1986 QTR 1 | 79.00 | 74.893 | 1.763 | 109.35 | 114.33 | 114.30 | 111.69 | 95.84 |

TABLE 5 BALANCE OF PAYMENTS

AT CURRENT PRICES, SEASONALLY ADJUSTED
RECORDED AND FORECAST £ MILLION *

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|------------|-----------------|-----------------|--------------|-------------------------------|----------------|----------------|-------------|-------------------|------|---------------|---------------|--------------|------------|--------------|--------------------|
| | EXPORT GOODS | IMPORT GOODS | VISIB BAL | NON-OIL VISIBLE BALANCE | EXPORT SERV | IMPORT SERV | BAL SERV | TRANSFERS CRED | DEB | BAL TRANSF | IPD CREDIT | IPD DEBIT | BAL IPD | INVIS BAL | CURRENT BALANCE |
| 1981 | 50977 | 48107 | 2870 | -242 | 16676 | 12615 | 4061 | 2502 | 4482 | -1980 | 10097 | 9043 | 1054 | 3135 | 6005 |
| 1982 | 55545 | 53317 | 2228 | -2377 | 17423 | 13809 | 3614 | 3124 | 5222 | -2098 | 10010 | 9673 | 337 | 1853 | 4081 |
| 1983 | 59524 | 63323 | -3799 | -9679 | 18996 | 15072 | 3924 | 3435 | 5680 | -2245 | 11131 | 10177 | 954 | 2633 | -1166 |
| 1984 | 64348 | 70489 | -6141 | -11736 | 20795 | 16705 | 4090 | 3522 | 6112 | -2590 | 13222 | 10933 | 2288 | 3788 | -2353 |
| 1985 | 70178 | 76749 | -6571 | -12378 | 23229 | 18210 | 5019 | 4071 | 6592 | -2521 | 15322 | 11883 | 3440 | 5938 | -633 |
| 1981 QTR 1 | 11854 | 10223 | 1631 | 852 | 4012 | 2922 | 1090 | 607 | 1120 | -513 | 2242 | 2029 | 213 | 790 | 2421 |
| QTR 2 | 12229 | 11183 | 1046 | 176 | 4141 | 3109 | 1032 | 504 | 1063 | -559 | 2350 | 1971 | 379 | 852 | 1898 |
| QTR 3 | 13142 | 13342 | -200 | -915 | 4234 | 3270 | 964 | 589 | 1237 | -648 | 2601 | 2360 | 241 | 557 | 357 |
| QTR 4 | 13752 | 13359 | 393 | -355 | 4289 | 3314 | 975 | 802 | 1062 | -260 | 2904 | 2683 | 221 | 936 | 1329 |
| 1982 QTR 1 | 13470 | 13236 | 234 | -464 | 4377 | 3320 | 1057 | 769 | 1271 | -502 | 2203 | 2315 | -112 | 443 | 677 |
| QTR 2 | 13787 | 13664 | 123 | -735 | 4427 | 3449 | 978 | 639 | 1309 | -670 | 2576 | 2369 | 207 | 515 | 638 |
| QTR 3 | 13702 | 13093 | 609 | -704 | 4248 | 3505 | 743 | 772 | 1334 | -562 | 2549 | 2363 | 186 | 367 | 976 |
| QTR 4 | 14586 | 13324 | 1262 | -474 | 4371 | 3535 | 836 | 944 | 1308 | -364 | 2682 | 2626 | 56 | 528 | 1790 |
| 1983 QTR 1 | 14786 | 15017 | -231 | -1949 | 4671 | 3526 | 1145 | 818 | 1332 | -514 | 2602 | 2557 | 45 | 676 | 445 |
| QTR 2 | 14322 | 15382 | -1060 | -2386 | 4681 | 3738 | 943 | 859 | 1391 | -532 | 2807 | 2458 | 349 | 760 | -300 |
| QTR 3 | 15016 | 16156 | -1140 | -2564 | 4785 | 3855 | 930 | 862 | 1373 | -511 | 2738 | 2483 | 256 | 675 | -465 |
| QTR 4 | 15400 | 16768 | -1368 | -2780 | 4859 | 3953 | 906 | 896 | 1584 | -688 | 2984 | 2679 | 304 | 522 | -846 |
| 1984 QTR 1 | 15736 | 17176 | -1440 | -2865 | 4959 | 4043 | 916 | 848 | 1507 | -659 | 3137 | 2678 | 459 | 716 | -724 |
| QTR 2 | 15951 | 17465 | -1514 | -2925 | 5094 | 4129 | 965 | 875 | 1562 | -687 | 3243 | 2756 | 487 | 765 | -749 |
| QTR 3 | 16188 | 17792 | -1604 | -2974 | 5268 | 4230 | 1038 | 885 | 1465 | -580 | 3356 | 2693 | 662 | 1120 | -484 |
| QTR 4 | 16473 | 18056 | -1583 | -2972 | 5474 | 4303 | 1171 | 914 | 1578 | -664 | 3486 | 2806 | 680 | 1187 | -396 |
| 1985 QTR 1 | 16891 | 18366 | -1475 | -2915 | 5612 | 4383 | 1229 | 982 | 1582 | -600 | 3622 | 2829 | 793 | 1422 | -53 |
| QTR 2 | 17357 | 18895 | -1538 | -3019 | 5724 | 4495 | 1229 | 1021 | 1649 | -628 | 3764 | 2925 | 840 | 1441 | -97 |
| QTR 3 | 17775 | 19524 | -1749 | -3195 | 5861 | 4621 | 1240 | 1023 | 1670 | -647 | 3903 | 2994 | 909 | 1502 | -247 |
| QTR 4 | 18155 | 19964 | -1809 | -3249 | 6032 | 4711 | 1321 | 1045 | 1691 | -646 | 4033 | 3135 | 898 | 1573 | -236 |
| 1986 QTR 1 | 18485 | 20453 | -1968 | -3335 | 6191 | 4786 | 1405 | 1045 | 1701 | -656 | 4124 | 3185 | 939 | 1688 | -280 |

TABLE 6 INDUSTRY ACT FORECAST TABLE 2 (% CHANGES ON ONE YEAR EARLIER)

CONSTANT PRICE FORECASTS OF EXPENDITURE, IMPORTS AND GROSS DOMESTIC PRODUCT
£ MILLION AT 1975 PRICES, SEASONALLY ADJUSTED

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|-------------|----------------------|--------------------|-----------------|--|-------------------------|--------------------------|---|--|--|-------------------------|----------------------------------|-----------------------------|------------------------|-----------------------------|
| | CONSUMERS' EXPEND | GEN GOVT CON | FIXED INVEST | EXPRTS OF GOODS AND SERVCS | CHANGE IN STOCKS* | TOTAL FINAL EXPEND | LESS IMPRTS OF GDS AND SERVCS | LESS ADJUST TO FACTOR COST | GDP AT FACTOR COST (EXPEND MEASRE) | PLUS STAT ADJUST* | COMP GDP AT FACTOR COST | GDP (COMP) 1975 = 100 | MAN OUTPUT = 100 | TOTAL DOMESTIC DEMAND |
| 1981 | .4 | .0 | -8.9 | -2.3 | -.3 | -1.8 | -.5 | -.3 | -2.3 | .0 | -2.3 | -2.3 | -6.5 | -1.6 |
| 1982 | 1.1 | 1.2 | 5.5 | .6 | 1.1 | 2.4 | 5.0 | 2.2 | 1.5 | -.4 | 1.1 | 1.1 | -.6 | 2.9 |
| 1983 | 3.2 | 2.5 | 2.8 | .3 | 1.2 | 3.2 | 5.3 | 2.6 | 2.6 | -.2 | 2.4 | 2.4 | 1.8 | 4.1 |
| 1984 | 2.5 | .4 | 3.8 | 3.5 | .3 | 2.7 | 4.9 | 2.9 | 1.9 | .4 | 2.3 | 2.3 | 2.3 | 2.5 |
| 1985 | 1.6 | .3 | 2.3 | 4.4 | -.2 | 1.9 | 2.5 | 2.0 | 1.7 | .0 | 1.7 | 1.7 | .9 | 1.2 |
| 1981 | | | | | | | | | | | | | | |
| FIRST HALF | .2 | .2 | -11.3 | -5.7 | -2.0 | -4.1 | -10.2 | .9 | -2.6 | -1.0 | -3.6 | -3.6 | -11.2 | -3.6 |
| SECOND HALF | .6 | -.2 | -6.5 | 1.2 | 1.5 | .7 | 9.9 | -1.5 | -2.1 | 1.1 | -1.0 | -1.0 | -1.3 | .5 |
| 1982 | | | | | | | | | | | | | | |
| FIRST HALF | -.2 | 1.0 | 3.9 | 3.2 | 2.8 | 3.2 | 12.8 | -.5 | .5 | .3 | .9 | .9 | 1.3 | 3.2 |
| SECOND HALF | 2.5 | 1.5 | 7.2 | -1.9 | -.6 | 1.6 | -1.9 | 4.9 | 2.4 | -1.1 | 1.3 | 1.3 | -2.5 | 2.5 |
| 1983 | | | | | | | | | | | | | | |
| FIRST HALF | 3.4 | 3.2 | 3.9 | -1.2 | .4 | 2.7 | 1.8 | 3.5 | 2.9 | -.8 | 2.1 | 2.1 | -.3 | 3.8 |
| SECOND HALF | 3.1 | 1.8 | 1.7 | 1.8 | 2.0 | 3.8 | 9.0 | 1.6 | 2.3 | .4 | 2.7 | 2.7 | 4.0 | 4.4 |
| 1984 | | | | | | | | | | | | | | |
| FIRST HALF | 3.2 | .1 | 3.8 | 2.7 | .4 | 2.9 | 6.5 | 3.5 | 1.6 | .8 | 2.4 | 2.4 | 3.1 | 3.0 |
| SECOND HALF | 1.7 | .7 | 3.7 | 4.4 | .2 | 2.5 | 3.3 | 2.3 | 2.2 | .0 | 2.2 | 2.2 | 1.4 | 1.9 |
| 1985 | | | | | | | | | | | | | | |
| FIRST HALF | 1.2 | .6 | 2.2 | 4.7 | -.3 | 1.8 | 2.0 | 1.7 | 1.7 | .0 | 1.7 | 1.7 | .7 | 1.0 |
| SECOND HALF | 1.9 | -.1 | 2.3 | 4.0 | -.2 | 2.0 | 2.9 | 2.3 | 1.6 | .0 | 1.6 | 1.6 | 1.0 | 1.4 |

* AS PERCENTAGE OF GDP IN PREVIOUS YEAR

TABLE 7 EMPLOYMENT AND UNEMPLOYMENT IN UK

| | E M P L O Y M E N T (OOO'S) | | | | | 6 OF WHICH NAT IND | 7 LABOUR SUPPLY | U N E M P L O Y M E N T (1) | | | |
|------------|---|------|--------------------|-------|---|-----------------------------|-----------------------|-----------------------------|--------------------|----------------------------|------------------------|
| | 1 PUBLIC NON-TRADING CENTRAL GOVT | | 2 LOCAL AUTH | | 3 PRIVATE AND PUBLIC TRADING MANUF OTHER | | | 4 TOTAL | 8 WIDE UNADJ | 9 REG SCHOOL LEAV | 10 NARROW, OOO'S |
| 1981 | 2218 | 2792 | 6109 | 13038 | 24157 | 1596 | 26953 | 2520 | 100 | 2413 | 9.9 |
| 1982 | 2216 | 2770 | 5759 | 12951 | 23696 | 1496 | 27022 | 2917 | 123 | 2793 | 11.5 |
| 1983 | 2191 | 2761 | 5499 | 13019 | 23470 | 1454 | 27175 | 3089 | 125 | 2962 | 12.3 |
| 1984 | 2157 | 2733 | 5451 | 13213 | 23554 | 1423 | 27348 | 2973 | 76 | 2895 | 12.0 |
| 1985 | 2119 | 2705 | 5435 | 13397 | 23656 | 1391 | 27481 | 3002 | 74 | 2927 | 12.1 |
| 1981 QTR 1 | 2210 | 2814 | 6300 | 13121 | 24445 | 1640 | 26977 | 2306 | 69 | 2166 | 8.8 |
| QTR 2 | 2217 | 2799 | 6149 | 13040 | 24205 | 1595 | 26915 | 2392 | 71 | 2362 | 9.7 |
| QTR 3 | 2222 | 2781 | 6033 | 13019 | 24055 | 1585 | 26954 | 2616 | 114 | 2515 | 10.3 |
| QTR 4 | 2225 | 2775 | 5955 | 12976 | 23931 | 1565 | 26968 | 2769 | 148 | 2609 | 10.7 |
| 1982 QTR 1 | 2225 | 2776 | 5878 | 12978 | 23857 | 1530 | 27006 | 2862 | 111 | 2679 | 11.0 |
| QTR 2 | 2220 | 2770 | 5806 | 12965 | 23761 | 1502 | 27015 | 2797 | 97 | 2743 | 11.3 |
| QTR 3 | 2214 | 2766 | 5718 | 12940 | 23638 | 1480 | 27028 | 2939 | 135 | 2838 | 11.7 |
| QTR 4 | 2207 | 2769 | 5634 | 12924 | 23534 | 1473 | 27042 | 3070 | 151 | 2913 | 12.0 |
| 1983 QTR 1 | 2207 | 2770 | 5547 | 12955 | 23479 | 1465 | 27094 | 3199 | 125 | 3003 | 12.4 |
| QTR 2 | 2200 | 2766 | 5503 | 12997 | 23466 | 1458 | 27159 | 3051 | 110 | 2984 | 12.4 |
| QTR 3 | 2186 | 2759 | 5483 | 13044 | 23472 | 1450 | 27203 | 3047 | 147 | 2933 | 12.2 |
| QTR 4 | 2174 | 2751 | 5463 | 13085 | 23473 | 1445 | 27247 | 3059 | 122 | 2932 | 12.2 |
| 1984 QTR 1 | 2162 | 2742 | 5455 | 13131 | 23490 | 1440 | 27290 | 3013 | 31 | 2910 | 12.1 |
| QTR 2 | 2161 | 2736 | 5449 | 13186 | 23532 | 1425 | 27333 | 2903 | 43 | 2902 | 12.1 |
| QTR 3 | 2163 | 2730 | 5451 | 13241 | 23585 | 1420 | 27368 | 2967 | 120 | 2880 | 11.9 |
| QTR 4 | 2142 | 2724 | 5453 | 13295 | 23614 | 1410 | 27403 | 3010 | 113 | 2891 | 12.0 |
| 1985 QTR 1 | 2138 | 2718 | 5448 | 13346 | 23650 | 1400 | 27437 | 3006 | 40 | 2894 | 12.0 |
| QTR 2 | 2140 | 2710 | 5441 | 13379 | 23670 | 1395 | 27471 | 2901 | 35 | 2909 | 12.0 |
| QTR 3 | 2113 | 2701 | 5432 | 13416 | 23662 | 1388 | 27496 | 3022 | 117 | 2937 | 12.1 |
| QTR 4 | 2088 | 2693 | 5423 | 13452 | 23656 | 1382 | 27521 | 3081 | 106 | 2969 | 12.3 |
| 1986 QTR 1 | 2064 | 2684 | 5409 | 13481 | 23638 | 1375 | 27545 | 3121 | 34 | 3015 | 12.4 |

(1) COLS 8 TO 11 ON CLAIMANTS BASIS.

TABLE 8 MONEY SUPPLY COUNTERPARTS TABLE

£ MILLION AT CURRENT PRICES, SEASONALLY ADJUSTED

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|------------|---|-------|---------------------|--------|---------------|----------------|------|-------|------------------------------------|--------------------------|-----------------------|----------------------|------|--------------------|
| | SALES OF PUB. SECTOR DEBT TO NON BANKS | | | | | | | | BANK LENDING PRIV. SECTOR | DOM COUNTER -PARTS | NET EXTE- RNALS | NON -DEP LIABS | RES. | INCR. IN £M3 |
| | PSBR | GILTS | OTHER PS LNG. TM | NATSAV | T+LA BILLS | LA DEPOSITS | CTDS | OTHER | | | | | | |
| 1981 | 10583 | 8095 | -446 | 4183 | 38 | -492 | -94 | -209 | 11217 | 10725 | 255 | 1741 | 674 | 9913 |
| 1982 | 5419 | 6112 | 562 | 3511 | 126 | -929 | 1007 | -62 | 17861 | 12953 | -2489 | 2088 | 3 | 8379 |
| 1983 | 13183 | 5952 | -515 | 2795 | -186 | -125 | -45 | 0 | 11287 | 16594 | -802 | 3055 | 7 | 12744 |
| 1984 | 8410 | 4905 | -216 | 2046 | 30 | -236 | 98 | 0 | 11437 | 13220 | -2796 | 2212 | -1 | 8211 |
| 1985 | 7236 | 5055 | -200 | 1889 | 164 | -174 | 84 | 0 | 13407 | 13825 | -2784 | 2000 | 1 | 9042 |
| 1981/82 | 8688 | 7098 | -527 | 4227 | 63 | -51 | 401 | -46 | 14939 | 12462 | -900 | 1656 | 680 | 10586 |
| 1982/83 | 8788 | 4632 | 698 | 2947 | 181 | -1067 | 598 | 178 | 14051 | 14672 | -2404 | 2556 | -53 | 9659 |
| 1983/84 | 11700 | 6899 | -407 | 2456 | -70 | -352 | -65 | 0 | 12021 | 15260 | -1213 | 2856 | 16 | 11207 |
| 1984/85 | 7965 | 5127 | -200 | 1958 | 36 | -252 | 187 | -1 | 12197 | 13307 | -2911 | 2100 | 0 | 8296 |
| 1985/86 | 6854 | 4890 | -160 | 1900 | 161 | -148 | -9 | 1 | 13347 | 13566 | -3010 | 2000 | 0 | 8556 |
| 1981 QTR 1 | 2048 | 2911 | -229 | 1439 | -181 | -123 | -70 | -403 | 2321 | 1025 | 1008 | 378 | 41 | 1696 |
| QTR 2 | 5859 | 2089 | 9 | 1362 | -130 | 1 | -124 | 400 | 678 | 2930 | 34 | 497 | 552 | 3019 |
| QTR 3 | 2523 | 1066 | -161 | 572 | 163 | -41 | -141 | -371 | 2984 | 4420 | -403 | 553 | -366 | 3098 |
| QTR 4 | 153 | 2029 | -65 | 810 | 186 | -329 | 241 | 165 | 5234 | 2350 | -384 | 313 | 447 | 2100 |
| 1982 QTR 1 | 153 | 1914 | -310 | 1483 | -156 | 318 | 425 | -240 | 6043 | 2762 | -147 | 293 | 47 | 2369 |
| QTR 2 | 1250 | 865 | 179 | 434 | -114 | -102 | -91 | -66 | 3277 | 3422 | -1255 | 438 | 97 | 1826 |
| QTR 3 | 1429 | 2472 | 454 | 577 | 243 | -412 | 589 | -29 | 5223 | 2758 | -458 | 809 | -223 | 1268 |
| QTR 4 | 2587 | 861 | 239 | 1017 | 153 | -733 | 84 | 273 | 3318 | 4011 | -629 | 548 | 82 | 2916 |
| 1983 QTR 1 | 3522 | 434 | -174 | 919 | -101 | 180 | 16 | 0 | 2233 | 4481 | -62 | 761 | -9 | 3649 |
| QTR 2 | 2300 | 2193 | -241 | 589 | -158 | -169 | 38 | 0 | 3023 | 3071 | 250 | 806 | 94 | 2609 |
| QTR 3 | 3567 | 2060 | -28 | 675 | -16 | -89 | -170 | 1 | 3011 | 4145 | -350 | 807 | -77 | 2911 |
| QTR 4 | 3794 | 1265 | -72 | 612 | 89 | -47 | 71 | -1 | 3020 | 4897 | -640 | 681 | -1 | 3575 |
| 1984 QTR 1 | 2039 | 1381 | -66 | 580 | 15 | -47 | -4 | 0 | 2967 | 3147 | -473 | 562 | 0 | 2112 |
| QTR 2 | 2477 | 1831 | -50 | 519 | 47 | -63 | -28 | -1 | 3170 | 3392 | -752 | 550 | -1 | 2089 |
| QTR 3 | 1958 | 900 | -50 | 521 | -12 | -63 | 62 | 0 | 2827 | 3427 | -817 | 550 | 1 | 2061 |
| QTR 4 | 1936 | 793 | -50 | 426 | -20 | -63 | 68 | 1 | 2473 | 3254 | -754 | 550 | -1 | 1949 |
| 1985 QTR 1 | 1594 | 1603 | -50 | 492 | 21 | -63 | 85 | -1 | 3727 | 3234 | -588 | 450 | 1 | 2197 |
| QTR 2 | 2006 | 1141 | -50 | 484 | 51 | -37 | 18 | 1 | 3597 | 3995 | -674 | 550 | 0 | 2771 |
| QTR 3 | 1801 | 806 | -50 | 506 | 46 | -37 | -2 | 0 | 2728 | 3260 | -767 | 550 | 0 | 1943 |
| QTR 4 | 1835 | 1505 | -50 | 407 | 46 | -37 | -17 | 0 | 3355 | 3336 | -755 | 450 | 0 | 2131 |
| 1986 QTR 1 | 1212 | 1438 | -10 | 503 | 18 | -37 | -8 | 0 | 3667 | 2975 | -814 | 450 | 0 | 1711 |