

Economic Indicators

Economic Policy and  
Statistics Section

30 May 2025

# Economic indicators: Key statistics for the UK economy

## Economic summary

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Number 09040

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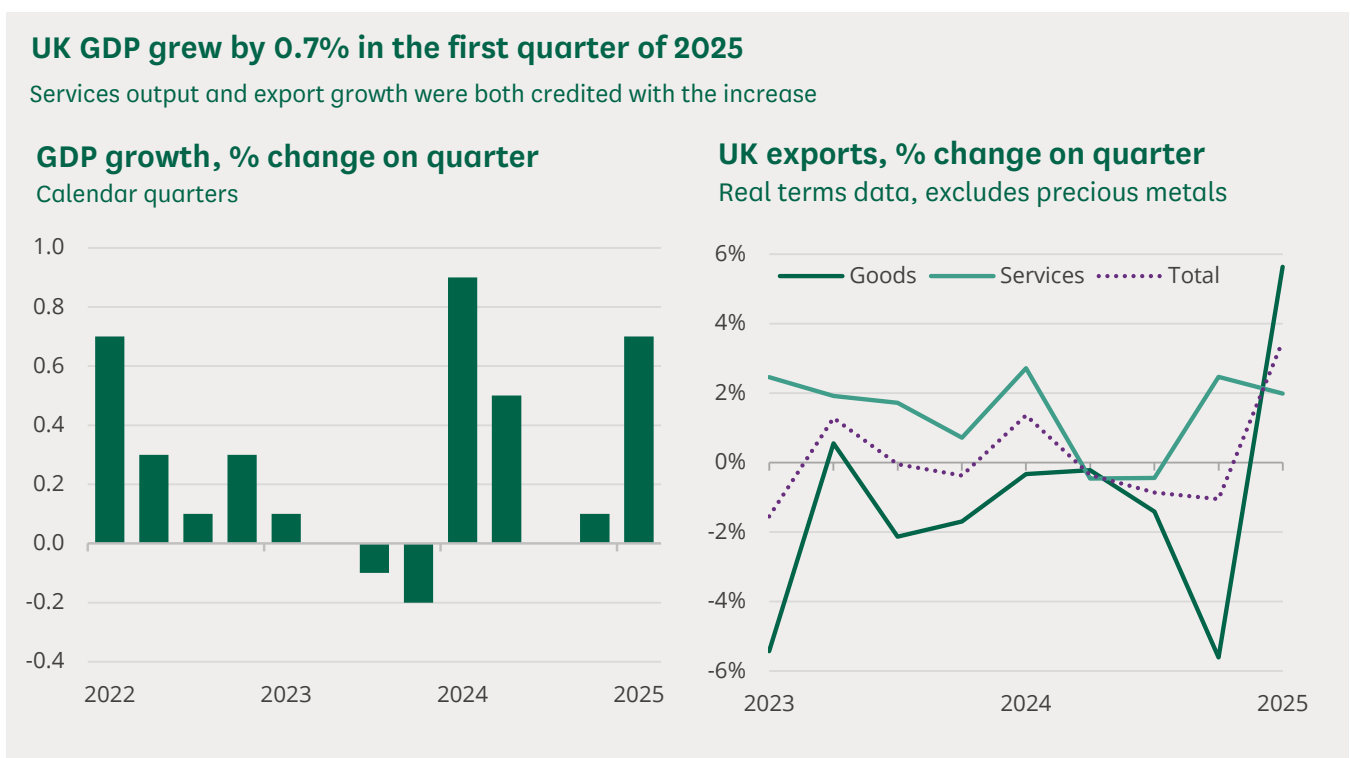
## Economic update: Higher-than-expected GDP growth

Unexpectedly high gross domestic product (GDP) growth in the first three months of 2025 led the Chancellor to claim on 15 May that the [UK economy is “beginning to turn a corner.”](#)

However, speculation that this GDP growth is unlikely to be sustained, combined with a sharp increase in inflation and economic uncertainty around global trade tariffs, have led some economists to express concerns about the longer-term outlook for the UK economy.

### GDP growth beats predictions

The UK’s GDP grew by 0.2% in March compared with February and by 0.7% in January to March 2025 (first quarter, or Q1 2025) compared with October to December 2024 (Q4 2024). This followed growth of 0.1% in Q4 2024 compared with Q3. These trends can be seen in the chart below.



Source: ONS, series [IHYQ](#), [JIM5](#), [IKBE](#), [JIL4](#)

The level of growth in Q1 2025 was higher than many predictions suggested it would be. The [Bank of England’s May Monetary Policy Report for May 2025](#) predicted GDP growth of 0.6% in Q1 2025, while the [Treasury’s April survey of independent forecasters](#) showed an average forecast of GDP growth of 0.4% in Q1 2025.

[UK growth in Q1 2025 was also high by international standards](#). GDP in Q1 2025 compared with Q4 2024:

- grew by 0.2% in Germany
- grew by 0.1% in France
- fell by 0.1% in the US

## Services and exports drive growth

Services output increased by 0.7% in Q1 2025 compared with the previous quarter and was estimated to have been 1.5% higher than in Q1 2024.

Production output was also up, by 1.1%, with manufacturing output increasing by 0.8% on the previous quarter. Construction output is estimated to have been flat in Q1, following 0.3% growth in the previous quarter.

Within service industries, there was particularly strong growth in administrative and support service activities, as well as in retailing. Feedback from retailers indicated that sunny weather in March (the [UK's third sunniest March on record](#) (PDF)) was partly responsible for boosting sales.

Export growth was also strong, as goods exports increased by 5.6% between Q4 2024 and Q1 2025, while services exports grew by 2.0% over the same period.

Note that [early estimates of GDP are subject to revision](#) (both positive and negative) as more detailed information becomes available.

## Potential tariffs generate uncertainty

Some economists predict that the relatively positive start to the year is will not continue.

The [Bank of England's Monetary Policy Report for May 2025](#) suggested headline GDP figures for Q1 were likely to be “significantly above the estimated pace of underlying growth” (which it estimated to “have been around zero”), predicting headline growth of 0.1% in Q2 2025.

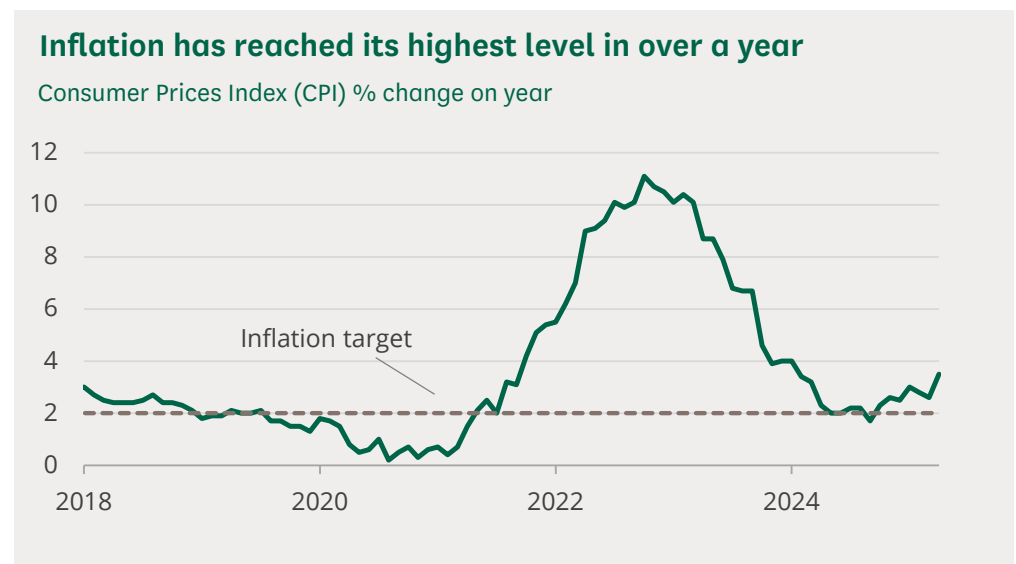
Data on economic activity for the first quarter of 2025 also does not capture the effects of higher American tariffs announced in early April. Survey data indicates this has already had a negative effect on UK business sentiment and activity.

The [S&P Global UK Manufacturing Purchasing Managers' Index \(PMI\) release](#) from 1 May 2025 reported a fall in UK manufacturing production in April 2025. This was in part attributed to a decline in export orders, which fell at “the quickest pace in almost five years” as increased uncertainties, including prospective US tariffs, had “drained confidence from both consumer and business-to-business clients.”

Similarly, [the S&P Global UK Services PMI release](#) from 6 May 2025 reported a “marginal downturn in business activity” in the UK service industries, as well as a fall in exports, with total new work from abroad “decreasing at the fastest pace since February 2021.” The Office for National Statistics (ONS) has also indicated that export growth in Q1 2025 could in part have been a result of pre-emptive trade ahead of potential future tariffs. Noting an increase in UK-US trade in March 2025, the ONS indicated that this could be “[a sign of changing trader behaviour ahead of tariff introduction](#).”

## Inflation reaches highest level in over a year

[Inflation, as measured by annual change in the Consumer Prices Index \(CPI\), was 3.5% in April 2025](#), up from 2.6% in March. This is the highest rate since January 2024. This can be seen in the chart below.



Source: ONS, [D7G7](#)

The largest contribution to the increase in the inflation rate was from housing and household services, due to the increased gas and electricity prices which resulted from the [increase to the energy price cap in April 2025](#).

The price of electricity, gas & miscellaneous energy increased by 7.5% in April 2025 compared with April 2024. There were also increases in the rate of core inflation (which excludes food and energy), which rose from 3.4% to 3.8%, while services inflation rose from 4.7% to 5.4%.

[UK inflation was high compared with EU and Eurozone inflation in April 2025](#): inflation in the EU was 2.4%, while inflation in the Eurozone was 2.2%.

UK inflation is also predicted to remain elevated in the immediate future. The Bank of England has predicted that inflation will reach 3.5% by Q3 2025, driven by ongoing energy price increases, before falling to the Bank’s 2% target by Q1 2027.

The Bank of England's Monetary Policy Report for May 2025 also suggested that US tariffs are expected to have some effect on future UK inflation, saying higher tariffs "will weigh slightly on UK inflation", predicting an increase of "0.2 percentage points in two years' time and by 0.1 percentage point in three years' time."

## Divisions over interest rates

On 8 May 2025, the Bank of England's [Monetary Policy Committee \(MPC\) cut interest rates by 0.25 of a percentage point, to 4.25%](#). Interest rates are now at their lowest level in two years, following the MPC's second rate cut this year, which is also its fourth in the last 12 months.

The MPC cited "[substantial progress on disinflation over the past two years](#)", which has allowed for recent cuts, while maintaining rates in "restrictive territory" to "continue to squeeze out persistent inflationary pressures."

Despite the series of recent cuts to interest rates, the MPC remains divided on the issue. Five of the MPC's nine members voted for the most recent cut, two voted for a larger 0.5 percentage point cut, while two voted in favour of no change.

[Huw Pill, the Bank of England's chief economist](#), was one of those MPC members who voted for no change.

In a [briefing on the monetary policy outlook held on 20 May 2025](#), Pill argued that rate reductions should be "cautious", and that the recent pattern of cuts had been "running a little too fast" in light of progress made in returning to the [2% inflation target](#). Pill went on to argue that implementing this cautious approach will require a "skip" in the recent pattern of quarterly cuts to interest rates at some point.

[A counterargument, expressed by MPC member Alan Taylor](#), who voted for a 0.5% cut in rates and has argued for a "a lower [monetary] policy path" is that interest rates remain high and that the recent increase in inflation was driven by "one-time tax and administered price changes" such as increased energy and water prices, that had been widely anticipated.

## Better news for borrowers

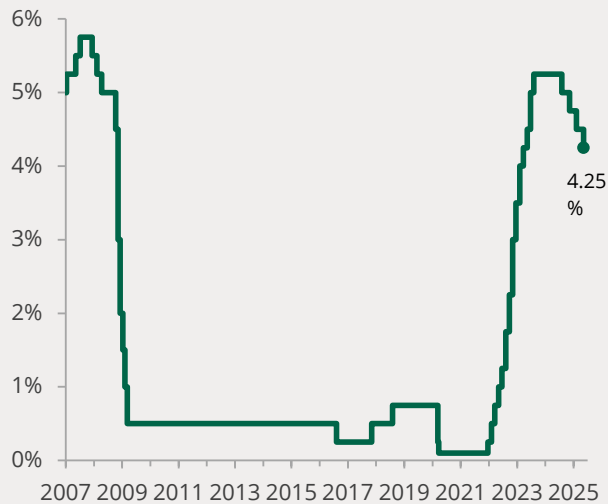
Lower interest rates have fed through to mortgage rates. The [average rate for a new two-year fixed-rate mortgage was 4.43% in April 2025](#). This is the second-lowest average level for a two-year fixed mortgage since the September 2022 mini-Budget. This can be seen in the chart below.



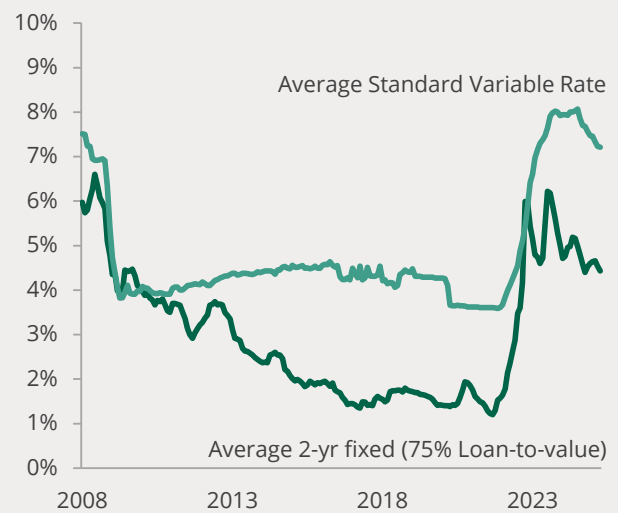
## Interest rates have been cut to their lowest level in two years

Average mortgage rates have also fallen

Bank of England base rate



Current average mortgage interest rates



Source: Bank of England, series [IUMBVS34](#), [IUMTLMV](#)

Reports indicate that lenders are offering fixed mortgage deals with interest rates under 4%, amid increased levels of competition between mortgage lenders.

# 1

## Headline UK economic indicators, May 2025

<b>Gross Domestic Product:</b> Q1 2025, Seasonally Adjusted		
Change (real %)	0.7 (qtr)	1.5 (yr Q2 24-Q1 25)
<b>Industries</b>		
<b>Service output:</b> 3 months to March 2025		
Change (%)	0.7 (qtr)	1.5 (yr)
<b>Manufacturing output:</b> 3 months to March 2025		
Change (%)	0.8 (qtr)	-0.4 (yr)
<b>Productivity:</b> Q4 2024		
<b>Output per hour</b>		
Change (%)	0.2 (qtr)	-0.2 (yr)
<b>Inflation:</b> April 2025		
Change on year (%)	3.5 (CPI)	4.5 (RPI)
<b>Labour Market:</b> January - March 2025, Seasonally Adjusted		
<b>Unemployment</b>		
Unemployment Rate (% of economically active)		4.5
Change (% points)	0.2 (qtr)	0.2 (yr)
<b>Employment</b>		
Employment Rate (% aged 16-64 in work)		75.0
Change (% points)	0.0 (qtr)	0.5 (yr)
<b>Interest Rate:</b> as of 30 May 2025		
Bank of England Base Rate		4.25 (%)
<b>Public Finances:</b> 2025/26 forecast		
Net borrowing	118 (£ bn)	3.9 (% GDP)
Net debt	95.1 (% GDP)	82.9 (% GDP, PSNFL)
<b>Trade:</b> Q3 2024		
Current Account	-21.0 (£ bn)	-2.9 (% GDP)
<b>Sterling Exchange rate:</b> as of 29 May 2025		
US Dollar (\$)	1.35 (rate)	5.6% (% change on yr)
Euro (€)	1.19 (rate)	1.0% (% change on yr)
<b>ONS Business Insights and Conditions Survey:</b> May 2025		
% of respondents thought their business's performance would increase over the next 12 months		18.4
<b>Retail Sales:</b> April 2025, Seasonally Adjusted, 3 month average		
Quantity of retail sales (volume)		2.6 (% change on yr)
<b>Housing Market:</b> March 2025, Seasonally Adjusted		
<b>House Price Index (HM Land Registry)</b>		
Change (%)	1.4 (mth)	6.4 (yr)

See each indicator page for information on the sources used in this table.

## 2

## Headline Indicators summary

### Gross domestic product (GDP) and productivity

GDP is estimated to have grown by 0.7% in January to March 2025 compared to the previous three-month period (October to December 2024). Eurozone GDP grew by 0.3% in January to March 2025.

Services output was up by 1.5% in January to March 2025 compared to the previous year.

Manufacturing output fell by 0.4% over the same period.

Productivity across the whole UK economy increased by 0.2% in Q1 2025 compared with the previous quarter. Compared with the previous year, it was down by 0.2%.

### Inflation and interest rates

CPI inflation was 3.5% in April 2025, up from 2.6% in March. Inflation in the Eurozone was 2.2% in April 2025, the same level as in March.

The Bank of England's Monetary Policy Committee (MPC) cut interest rates by 0.25 of a percentage point to 4.25% on 8 May. The MPC had last reduced rates in February 2025.

### Earnings and employment

Average wages excluding bonuses were 5.6% higher in the three months to March 2025 compared with the year before, and 2.6% higher after adjusting for inflation. CPI inflation for this period was 2.8%.

33.98 million people were in employment in January to March 2025, up 640,000 from a year before. The employment rate was 75.0%, up from 74.5% the previous year.

1.61 million people were unemployed in January to March 2025, up 100,000 from the year before. The unemployment rate was 4.5%. The UK harmonised unemployment rate for Q1 2025 was 4.5%, above the rate of Germany (3.5%) and the US (4.1%) but below that of France (7.3%).

## Public finances

Government borrowing in the 2024/25 financial year was £148 billion, £17 billion more than in 2023/24.

At the end of April 2025, public sector net debt was equivalent to 95.5% of GDP, compared to 94.8% a year before.

## Trade and exchange rates

The UK had a trade deficit of £10.6 billion in the three months to March 2025, compared to £12.5 billion in the three months to December 2024.

The current account deficit was £21 billion in Q4 2024 (2.9% of GDP), up from £12.5 billion in Q3 2024 (1.7% of GDP).

The value of sterling fell by 0.3% between March and April 2025, having fallen by 2.2% between February and March 2025. Compared with a year ago, it is 2.7% higher.

## Retail sales and consumer confidence

The volume of retail sales rose by 1.8% in the three months to April 2025 compared with the previous three months, and increased by 2.6% compared with the previous year.

GfK's Consumer Confidence Index, which measures consumer attitudes, was at -20 in May 2025, up by three points from April.

## House prices

House prices increased by 6.4% in the year to March 2025.

## Household debt

Household debt stood at 118.1% of disposable income in Q4 2024. This was its lowest level since at least 2007.

## 3

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Employment	Andrew Powell	6962
Financial Services	Lorna Booth	2883
Housing	Cassie Barton	2210
Incomes	Daniel Harari	2464
Industries	Georgina Hutton	6991
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## Gross domestic product

GDP is estimated to have grown by 0.7% in January-March 2025 (Quarter 1) compared to the previous three-month period (October to December 2024).

This followed growth of 0.1% in October-December.

### Real gross domestic product

Seasonally adjusted

	% change on qtr	% change on yr
2022	...	4.8
2023	...	0.4
2024	...	1.1
2024 Q1	0.9	0.7
Q2	0.5	1.1
Q3	0.0	1.2
Q4	0.1	1.5
2025 Q1	0.7	1.3

Source: ONS, series: IHYP, IHYQ, IHYR

The services sector grew by 0.7% in Quarter 1 and production grew by 1.1%, while there was no growth (0.0%) in construction.

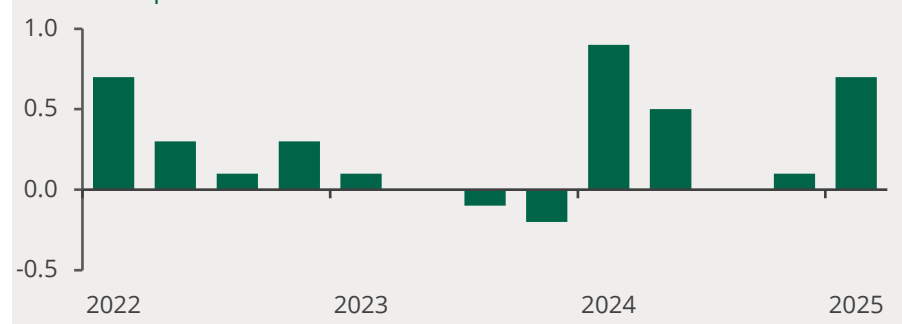
GDP is estimated to have grown by 0.2% in March compared to February, following growth of 0.5% in February.

The services sector grew by 0.4% in March and construction grew by 0.5%, but production fell by 0.7%.

In cash terms, GDP was £2,851 billion in 2024.

### GDP growth, % change on quarter

Calendar quarters



### GDP growth forecasts

In their March 2025 [Economic and fiscal outlook](#), the Office for Budget Responsibility's (OBR) GDP growth forecast was 1.0% in 2025 and 1.9% in 2026.

The Treasury's May 2025 [survey of independent forecasts](#) showed an average forecast of 1.0% for 2025 and 1.1% for 2026.

### Annual GDP growth forecasts (%)

	2025	2026
OBR forecast (March 2025)	1.0	1.9
HM Treasury average of independent forecasts (May 2025)	1.0	1.1

Source:

OBR, Economic and fiscal outlook, March 2025

HMT, Forecasts for the UK economy: a comparison of independent forecasts, May 2025

#### Subject specialist

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#### Updates

ONS, [GDP monthly estimate](#), 12 June 2025

ONS, [GDP first quarterly estimate](#), 14 August 2025

ONS, [GDP national accounts](#), 30 June 2025

HM Treasury, [Forecasts for the UK economy](#), 18 June 2025

OBR, [Economic and fiscal outlook](#), October 2025

## GDP international comparisons

In Q1 2025, UK GDP grew by 0.7% compared with the previous quarter (Q4 2024). In the Eurozone, GDP rose by 0.3%, with Germany growing by 0.2% and France by 0.1%. US GDP fell by 0.1% in the quarter. UK GDP in Q1 2025 was 4.1% above its pre-pandemic level of Q4 2019.

Headline GDP growth figures across countries are not 100% comparable during the pandemic. UK growth was relatively lower in 2020 – and higher in 2021 and 2022 – because of differences in how output in the education and health sectors was calculated.

### GDP growth

% change in real GDP

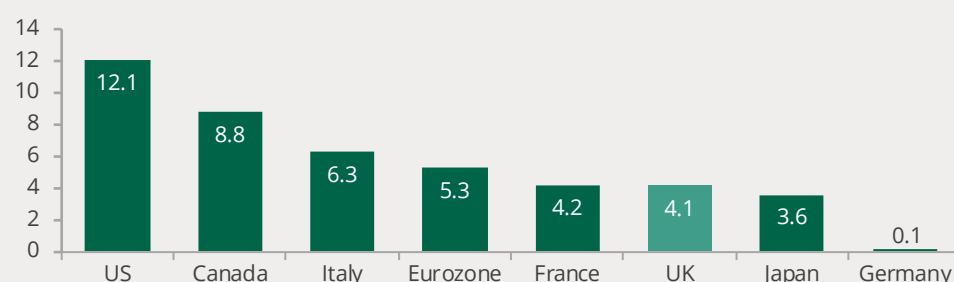
updated 16 May

	% change on previous quarter				% change on a year ago			
	Q2 24	Q3 24	Q4 24	Q1 25	Q2 24	Q3 24	Q4 24	Q1 25
UK	0.5	0.0	0.1	0.7	1.1	1.2	1.5	1.3
Eurozone	0.2	0.4	0.2	0.3	0.5	1.0	1.2	1.2
USA	0.7	0.8	0.6	-0.1	3.0	2.7	2.5	2.0
Japan	0.9	0.2	0.6	-0.2	-0.5	0.7	1.4	1.6
Germany	-0.3	0.1	-0.2	0.2	-0.2	-0.3	-0.2	-0.2
France	0.3	0.4	-0.1	0.1	1.0	1.3	0.8	0.8
G7	0.6	0.5	0.4	0.1	1.7	1.8	1.8	1.5
OECD	0.5	0.5	0.5	..	1.7	1.8	1.9	..

### G7 real GDP % change compared to pre-pandemic level

Q1 2025 compared with Q4 2019

updated 16 May



Source: OECD

### Subject Specialist

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### Updates

OECD, [OECDstat data on G7 growth rates](#)

IMF, [World Economic Outlook update](#), July 2025

OECD, [Economic Outlook](#), 3 June 2025

### Real GDP growth forecasts

% change

	IMF (Apr 2025)			OECD (Mar 2025)		
	2024	2025	2026	2024	2025	2026
UK	1.1	1.1	1.4	0.9	1.4	1.2
France	1.1	0.6	1.0	1.1	0.8	1.0
Germany	-0.2	0.0	0.9	-0.2	0.4	1.1
Eurozone	0.9	0.8	1.2	0.7	1.0	1.2
US	2.8	1.8	1.7	2.8	2.2	1.6
Japan	0.1	0.6	0.6	0.1	1.1	0.2
China	5.0	4.0	4.0	5.0	4.8	4.4
India*	6.5	6.2	6.3	6.3	6.4	6.6
Brazil	3.4	2.0	2.0	3.4	2.1	1.4
<b>World</b>	<b>3.3</b>	<b>2.8</b>	<b>3.0</b>	<b>3.2</b>	<b>3.1</b>	<b>3.0</b>

Note: \*For fiscal years (April-March)

Sources: IMF World Econ Outlook Apr'25; OECD Econ Outlook Mar'25

On 22 April, the IMF published new [forecasts for the world economy](#). The IMF downgraded its global growth forecasts due to higher [US tariffs and increased uncertainty](#). It also raised its inflation forecasts. The IMF lowered its forecast for UK GDP growth in 2025 from 1.6% to 1.1%, citing some negative impact from tariffs and some from [UK-specific factors](#).

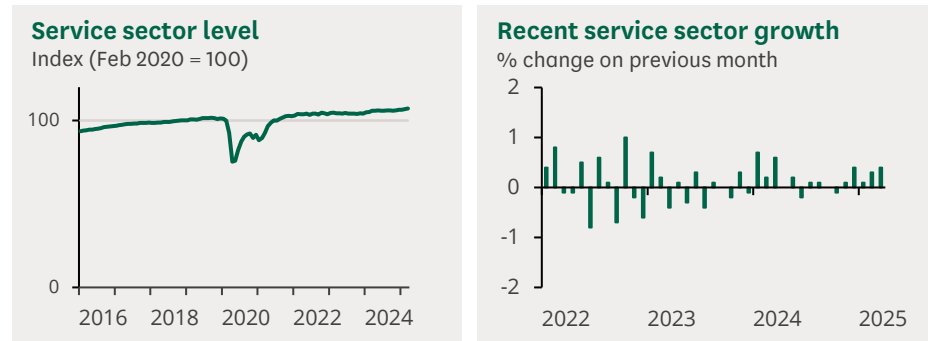


## Components of GDP

GDP can be analysed in terms of the output produced by different industries, or in terms of spending by households, business and government.

GDP is estimated to have grown by 0.2% in March 2025, following growth of 0.5% in February.

### GDP by industry

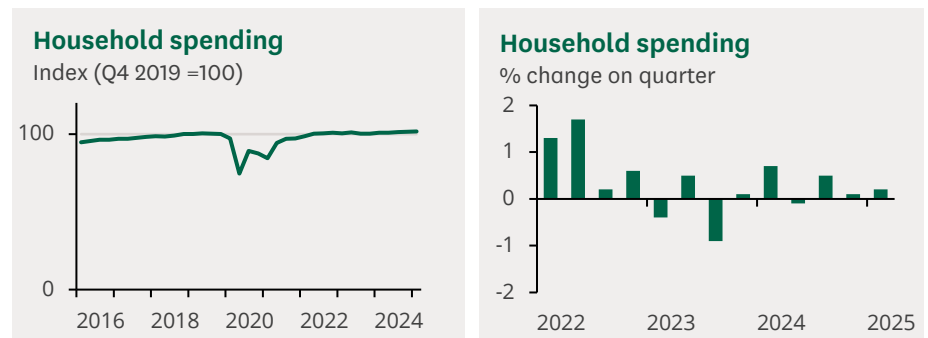


Services are the largest part of the economy – making up four-fifths of output in 2023. Service sector output grew by 0.4% in March 2025.

Manufacturing output fell by 0.8% in March 2025. Manufacturing is part of the wider production sector; production sector output fell by 0.7% in March 2025.

Construction sector output grew by 0.5% in March 2025.

### GDP by expenditure



Household spending is the largest element of spending across the economy, accounting for 60% of the total in 2024.

In January to March 2025, there was an increase of 0.2% in household spending compared with the previous quarter.

Government consumption is estimated to have fallen by 0.5% in January to March 2025, and investment (GFCF) increased by 2.9%. Exports were up 3.5% and imports increased by 2.1%.

**Subject specialist**  
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**Updates**  
ONS, [GDP monthly estimate](#), 12 June 2025

ONS, [Quarterly national accounts](#), 30 June 2025

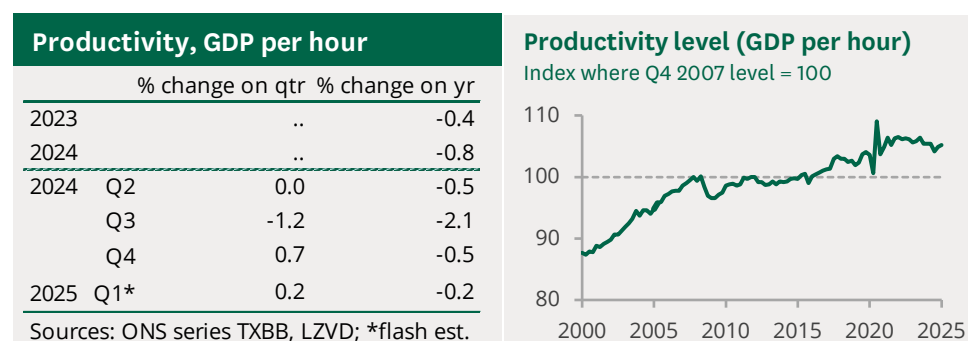
ONS, [GDP first quarterly estimate, UK](#), 14 August 2025

## Productivity

One of the most important factors in determining living standards over the long term is productivity – how much output is produced for a given input (such as an hour of work).

### UK labour productivity

In Q1 2025, productivity was estimated to be 0.2% lower compared with a year ago (Q1 2024), according to the [latest ONS flash estimate](#). Productivity was up by 0.2% compared with the previous quarter and was 1.1% higher compared with before the pandemic in Q4 2019, over five years earlier.



Historically, UK labour productivity has grown by around 2% per year but since the 2008/2009 recession it has [risen more slowly](#) (see chart above). The [effects of the pandemic](#) presented [significant challenges](#) in the measurement of productivity, but it appears the pre-pandemic trend of sluggish productivity growth has continued, if not further deteriorated.

### International comparisons

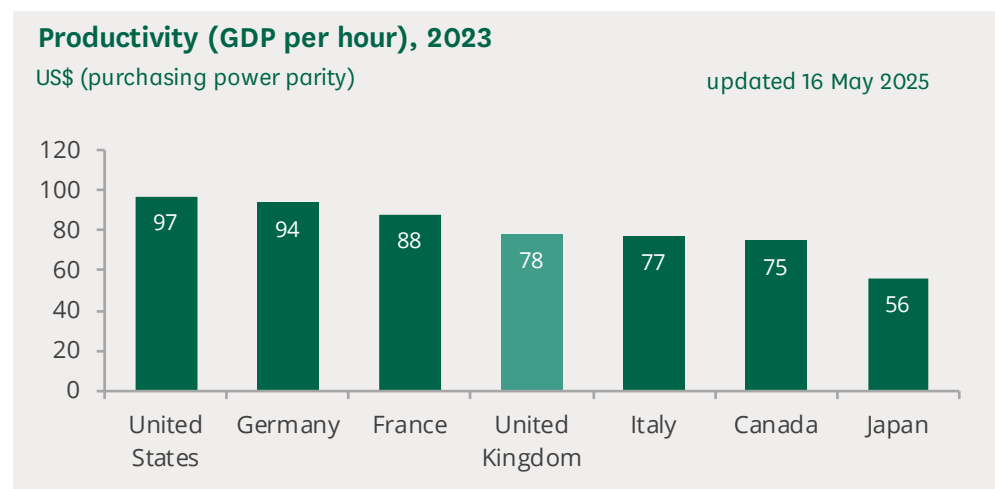
In 2023, ranked on [GDP per hour worked](#), the UK came fourth highest out of the G7 countries, with the US highest and Japan lowest. UK productivity was around 20% below the US.

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#### Updates

ONS, [Productivity flash estimate and overview, UK](#), 14 Aug 2025

OECD, [G7 labour productivity levels](#)



## Service industries

The service industries include the retail sector, the financial sector, the public sector, business administration, leisure and cultural activities.

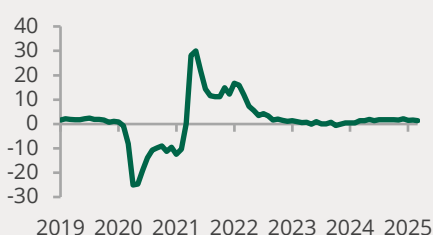
The service industries accounted for 81% of total UK economic output (gross value added) and 83% of employment in January to March 2025.

### Services output

PMI is based on a monthly survey asking companies about output, new orders, stock levels, employment and prices. PMI compares the current month with the previous one.

#### Index of Services

% change on previous year



There was an increase of 0.4% in the Index of Services between February and March 2025.

Services output increased by 0.7% in January to March 2025 compared with October to December 2024.

In January to March 2025, compared with January to March 2024, services

output increased by 1.5%.

### Purchasing Managers' Index (PMI)

#### UK services PMI

50 = no change



In the S&P Global/CIPS PMI, a value of 50 means that there is no change in activity compared with the previous month. Values above 50 indicate an expansion, and values below 50 a contraction.

The [UK services PMI](#) (PDF) in the flash estimate for May 2025 was 50.2, up from 49.0 in April. Activity overall

expanded slightly, but new business was down. Staffing numbers also continued to decrease, but optimism was up, with survey respondents noting more global financial stability and more positive spending plans from clients.

#### Subject specialist

Philip Brien

#### Update

ONS, [Index of Services](#), 12 June 2025

S&P Global/CIPS, [UK Services PMI](#), 4 June 2025

#### Index of Services

		Index	% change on yr
2023	March	100.4	0.5
2024	March	101.9	1.4
2025	January	102.5	1.5
	February	102.8	1.6
	March	103.2	1.3

Source: ONS, series [S2KU](#), [S222](#), [S26Q](#)

#### UK services PMI

		Index	Change on mth
2023	May	55.2	
2024	May	52.9	
2025	March	52.5	1.5
	April	49.0	-3.5
	May	50.2	1.2

Source: [S&P Global/CIPS UK Services PMI](#)

## Manufacturing industries

Manufacturing is one of the production industries. Production also includes mining, electricity, water and waste management, and oil and gas extraction.

In October to December 2024, the manufacturing sector accounted for 8.6% of total UK economic output (gross value added) and 8.0% of employment.

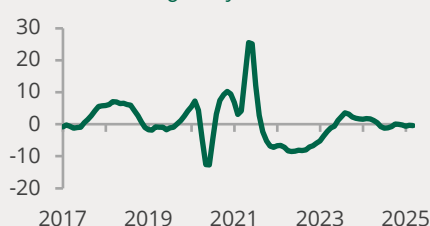
### Manufacturing output

PMI is based on a monthly survey asking companies about output, new orders, stock levels, employment and prices. PMI compares the current month with the previous one.

The PMI is produced faster than comparable official data. It often anticipates the direction of official figures, although the methodology is different.

#### Manufacturing output

3 month % change on year before



Manufacturing output decreased by 0.8% between February and March 2025 following an increase of 2.4% between January and February. Output decreased in 7 of the 13 subsectors between February and March.

Manufacturing output for the three months to March 2025 rose by 0.8% compared to the three months to December 2024. Output in the three months to March 2025 was 0.4% lower than output in the same period the previous year.

### Purchasing Managers' Index (PMI)

#### UK Manufacturing PMI

50 = no change



In the S&P Global/CIPS PMI, a value of 50 means that there is no change compared to the previous month. Values above 50 indicate an expansion, and values below 50 a contraction.

The [UK manufacturing PMI](#) (PDF) in the flash estimate for May 2025 was 45.1, down from 45.4 in April. Activity overall

continued to contract. Production and new business were both down, and staffing numbers decreased at the fastest rate for five years. Business optimism was up, but only slightly.

#### Subject specialist

Georgina Hutton

#### Update

ONS, [Index of Production](#), 12 June 2025

S&P Global/CIPS, [UK Manufacturing PMI](#), 2 June 2025

#### Manufacturing output index

		Index	% change on yr
2023	Mar	100.1	-2.2
2024	Mar	102.3	1.7
2025	Jan	100.0	-0.6
	Feb	102.4	-0.3
	Mar	101.5	-0.4

Source: ONS, series [K22A](#), [K2JE](#).

#### PMI Index

		Index	Change on mth
2023	May	47.1	
2024	May	51.2	
2025	Mar	44.9	-2.0
	Apr	45.4	0.5
	May	45.1	-0.3

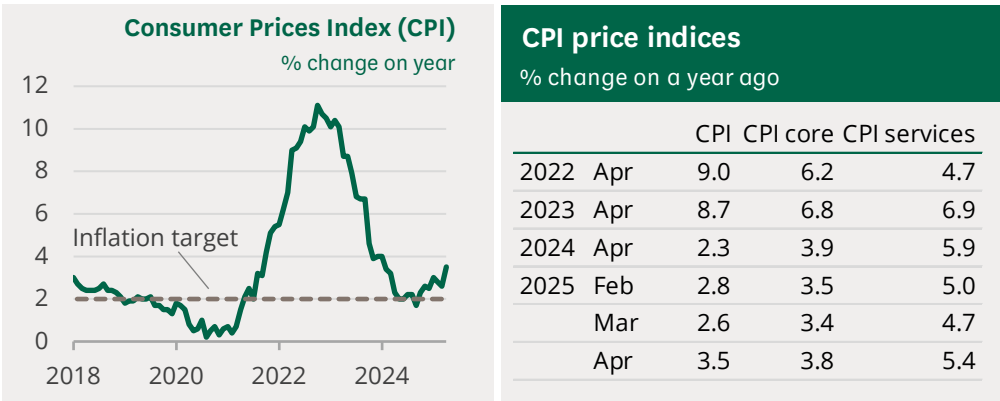
Source: [S&P Global/CIPS UK Manufacturing PMI](#).

## Inflation in the UK

The Consumer Prices Index (CPI) is the main measure of inflation in the UK. It is produced in line with international standards and is the measure used for [the Bank of England's 2% inflation target](#).

The CPI annual inflation rate was [3.5% in April](#), up from 2.6% in March. The largest upward contributions came from household energy bills and transport. Core inflation, which excludes food and energy, rose from 3.4% to 3.8%, while services inflation rose from 4.7% to 5.4%.

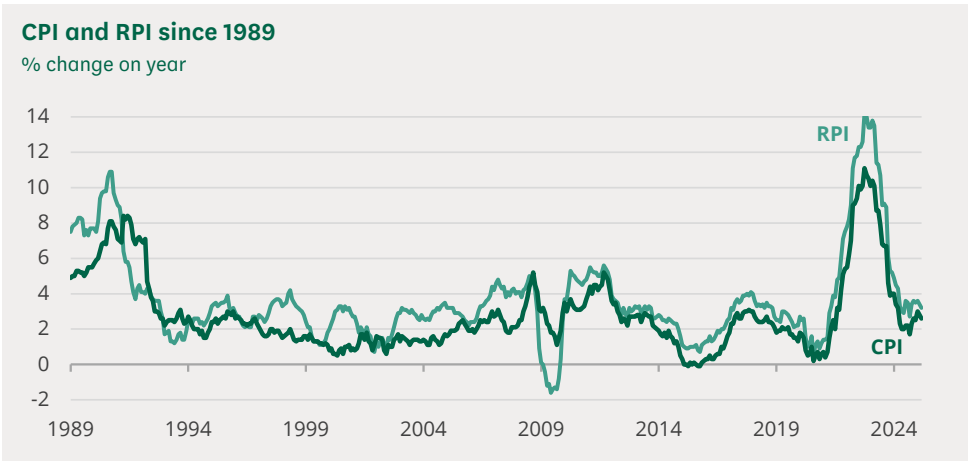
UK inflation rose almost continuously from under 1% in early 2021 to 11.1% in October 2022, a 41-year high, before easing over the following two years.



Source: ONS series [D7GZ](#), [DKO8](#), [D7NN](#)

The CPI annual inflation rate is expected by most forecasters to [remain over 2% during most, if not all, of 2025](#). The Bank of England in May 2025 [forecasts CPI inflation to peak at 3.5%](#) in the third quarter (Q3) of 2025. The [average forecast among economists surveyed by the Treasury](#) in May 2025 was for inflation to be 3.0% in Q4 2025.

The CPI is the main measure of inflation in the UK. The Retail Prices Index (RPI) is no longer classified as an accredited National Statistic because it has [technical deficiencies in how it is calculated](#). However, it is still used to uprate certain items like rail tickets. [RPI annual inflation](#) was 4.5% in April 2025.



**Subject specialist**

Daniel Harari

**Update**

ONS, [Consumer Price Inflation](#),

18 June 2025

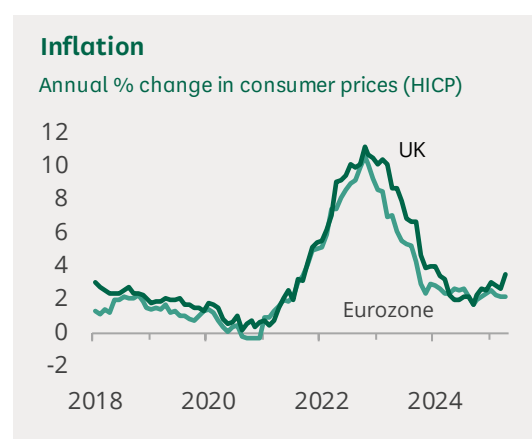
## Inflation international comparisons

Inflation in different countries can be compared using the Harmonised Index of Consumer Prices (HICP) or the Consumer Prices Index (CPI) as it is known in the UK.

UK inflation was 3.5% in April, up from 2.6% in March. This is the highest figure since January 2024. UK inflation was 2.3% in April 2024.

EU inflation was 2.4% in April, down from 2.5% in March. In April 2024, EU inflation was 2.6%.

Inflation in the Eurozone (the EU member states that use the euro as their currency) was 2.2% in April, the same level as in March. In April 2024, Eurozone inflation was 2.4%.



In Germany, inflation was 2.2% in April, down from 2.3% in March.

In France, inflation was 0.9% in April, unchanged from March.

Romania had the highest inflation rate in the EU in April (4.9%). France had the lowest inflation rate (0.9%).

### Subject specialist

Daniel Harari

### Updates

ONS, [Consumer Prices Bulletin](#), 18 June

Eurostat, [Harmonised Index of Consumer Prices \(flash estimate\)](#), 3 June

Eurostat, [Harmonised Index of Consumer Prices](#), 18 June

### Inflation rates: selected countries

Annual % change in consumer prices (HICP)

	2022	2023	2024	Feb 25	Mar 25	Apr 25
UK	9.1	7.3	2.5	2.8	2.6	3.5
Eurozone	8.4	5.4	2.4	2.3	2.2	2.2
EU	9.2	6.4	2.6	2.7	2.5	2.4
France	5.9	5.7	2.3	0.9	0.9	0.9
Germany	8.7	6.0	2.5	2.6	2.3	2.2

Source: ONS, Eurostat

## Average earnings

In April 2024 median gross weekly earnings for full-time employees in the UK were £728, up from £687 in April 2024. Adjusted for inflation, median earnings for full-time employees increased by 3.5%.

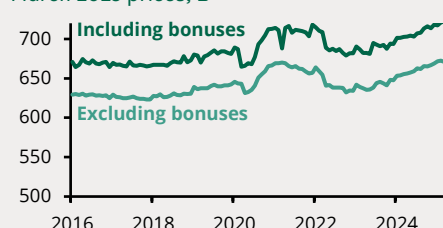
More recent but less detailed data show average weekly earnings for all employees in Great Britain increased by 5.6% excluding bonuses in the three months to March 2025 compared with the previous year. Average weekly pay including bonuses increased by 5.5%.

Inflation as measured by the CPI averaged 2.8% over the same period. After adjusting for inflation, average pay excluding bonuses was 2.6% higher than the previous year and average pay including bonuses was 2.6% higher.

The median is the point where half earn more and half earn less.

**Real average weekly earnings**

March 2025 prices, £



**Inflation and earnings (incl bonuses) % change on previous year**

change on previous year



### Trends by sector

**Annual % change in average earnings (incl bonuses)**  
Great Britain, employees only

		Total	Private	Public
2023	Mar	6.3	6.4	5.6
2024	Mar	5.9	6.0	6.2
2025	Jan	5.7	5.8	5.2
2025	Feb	5.7	5.7	5.8
2025	Mar	5.5	5.4	5.4

Note: Annual % change in earnings to three month period ending in given month; data are seasonally adjusted

Source: ONS, Average Weekly Earnings series

Average weekly total pay (including bonuses, not adjusted for inflation) rose by 5.4% in the private sector and by 5.4% in the public sector in the three months to March 2025 compared with the year before.

**Subject specialist**  
Brigid Francis-Devine

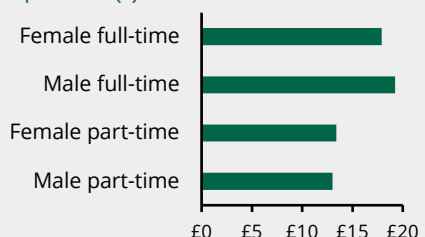
**Updates**  
ONS, [Labour Market Statistics](#), 10 June 2025

ONS, [Annual Survey of Hours and Earnings](#), November 2025

### Hourly pay

**Median hourly pay excluding overtime**

April 2024 (£)



point at which half earn more and half earn less.

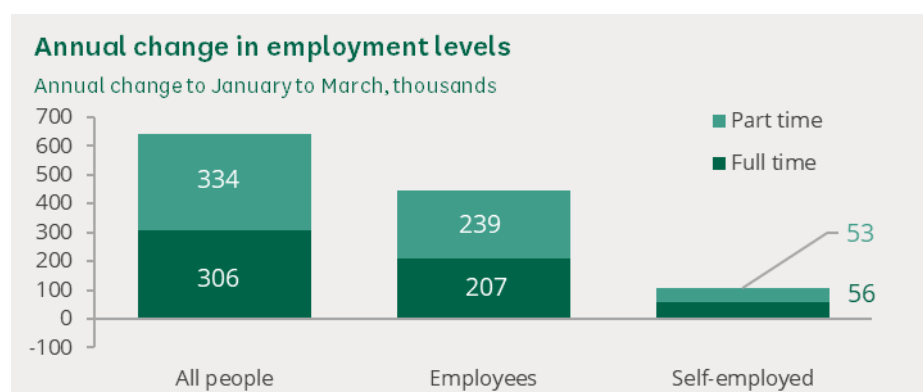
Median hourly earnings (excluding overtime) were £18.64 for full-time employees at April 2024: £19.24 for men working full-time and £17.88 for women. Median hourly earnings (excluding overtime) were £13.26 for part-time employees; £13.00 for men and £13.40 for women. Women are more likely than men to work part-time. The median is the

## Employment in the UK

In February 2024, the Office for National Statistics (ONS) reintroduced [Labour Force Survey \(LFS\) data](#), which also includes a population reweighting. In December 2024, the ONS reweighted some labour market data with new population estimates. The ONS have said these estimates should be treated with additional caution.

33.98 million people were in employment in January to March 2025, which was around 640,000 more than the year before.

The employment rate (the proportion of the population aged 16-64 in work) was 75.0%, up from 74.5% the year before. It was 72.0% for women, up from 71.7% the year before, and for men it was 78.1%, up from 77.4% the year before.



In January to March 2025, 25.41 million people were working full-time while 8.57 million were working part-time. 4.40 million were self-employed and 29.38 million were working as employees.

UK employment									
Seasonally adjusted									
		Total		Men		Women		Youth	
		000's	%	000's	%	000's	%	000's	%
Age:		16+	16-64	16+	16-64	16+	16-64	16-24	16-24
Jan-Mar	2024	33,335	74.5	17,155	77.4	16,181	71.7	3,683	50.7
Jan-Mar	2025	33,975	75.0	17,485	78.1	16,491	72.0	3,754	50.7
Change on yr	Level	640	0.5	330	0.7	310	0.4	71	0.1
Notes: The employment rate is a percentage of the population aged 16 to 64									

### Subject specialist

Khadijah Zaidi

### Updates

ONS, [Labour Market Statistics](#)

10 June 2025



## Unemployment in the UK

In February 2024, the Office for National Statistics (ONS) reintroduced [Labour Force Survey \(LFS\) data](#), which also includes a population reweighting. This is after only [some experimental headline data was published between October 2023 and January 2024](#) due to falling response rates. In December 2024, the ONS reweighted some labour market data with new population estimates. The ONS have said that the reintroduced LFS estimates should be treated with additional caution. The Library briefing [UK Labour market statistics](#) provides more information.

There were 1.61 million unemployed people in the UK in January to March 2025, an increase of 100,000 from the previous year.

The unemployment rate (the percentage of the economically active population who are unemployed) was 4.5%, up from 4.3% a year before.



620,000 young people aged 16 to 24 were unemployed in January to March 2025, 59,000 more than the year before.

The unemployment rate for 16 to 24 year olds was 14.2%, an increase from 13.2% a year before.

### Subject specialist

Khadijah Zaidi

### Updates

ONS, [Labour Market Statistics](#)

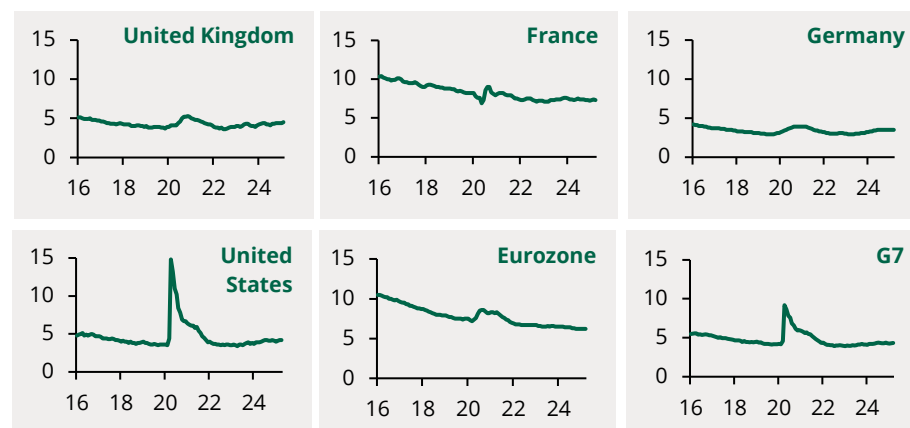
10 June 2025

UK unemployment									
Seasonally adjusted									
		Total		Men		Women		Youth	
		000's	%	000's	%	000's	%	000's	%
Age		16+	16+	16+	16+	16+	16+	16-24	16-24
Jan-Mar	2024	1,513	4.3	819	4.6	694	4.1	561	13.2
Jan-Mar	2025	1,614	4.5	863	4.7	751	4.4	620	14.2
Change on year									
Level		100	0.2	44	0.1	56	0.2	59	1.0
%		6.6%		5.4%		8.1%		10.5%	

# Unemployment international comparisons

The OECD produces harmonised unemployment rates for OECD members based on the ILO definition of unemployment.

## Harmonised unemployment rate (%)



The UK harmonised unemployment rate for Q1 2025 was 4.5%. This was above Germany (3.5%) and the US (4.1%) but below France (7.3%).

The Eurozone's rate was 6.2% in Q1 2025, while in the G7 it was 4.3%.

Spain had the highest unemployment rate out of the OECD member states in Q1 2025 at 10.9%, followed by Colombia at 9.6%. Japan had the lowest at 2.5%.

Youth (aged 15 to 24) unemployment is a major issue in many developed economies at present. In Q1 2025 the youth unemployment rate was 26.4% in Spain, and it was also over 20% in Sweden (24.1%), Costa Rica (23.8%), Greece (22.2%), Chile (21.7%), Luxembourg (21.5%), Portugal (20.7%) and Finland (20.7%). It was 14.2% in the UK.

### Unemployment

Unemployed as % of labour force (standardised); seasonally adjusted

	CAN	FRA	GER	ITA	JPN	UK	USA	Eurozone	G7	OECD
2023	5.4	7.4	3.0	7.7	2.6	4.1	3.6	6.6	4.1	4.8
2024	6.4	7.4	3.4	6.5	2.6	4.3	4.0	6.4	4.3	4.9
2024 Q1	5.9	7.4	3.3	7.1	2.6	4.3	3.8	6.5	4.2	4.9
Q2	6.3	7.4	3.4	6.7	2.6	4.2	4.0	6.4	4.3	4.9
Q3	6.6	7.4	3.5	6.3	2.5	4.3	4.2	6.3	4.3	4.9
Q4	6.7	7.3	3.5	6.1	2.5	4.4	4.1	6.2	4.3	4.9
2025 Q1	6.6	7.3	3.5	6.0	2.5	4.5	4.1	6.2	4.3	4.9
Change on qtr	-0.1	0.1	0.0	-0.1	0.0	0.1	0.0	0.0	0.0	-0.1
Change on yr	0.7	-0.1	0.2	-1.1	-0.1	0.2	0.3	-0.3	0.1	-0.1

Source: OECD, Harmonised Unemployment Rates

**Subject specialist**  
Andy Powell

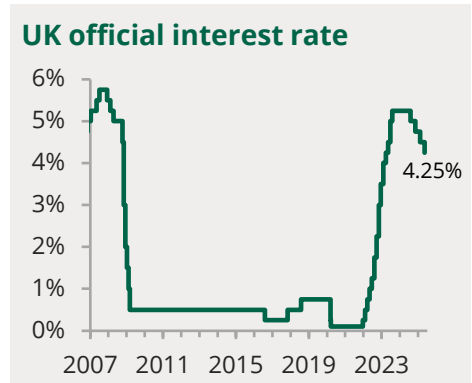
**Updates**  
OECD, [Harmonised Unemployment Rates](#),  
12 June 2025

## Interest rates and monetary policy

Major central banks around the world tightened monetary policy in response to [high inflation](#), initially caused by higher goods and energy prices, as well as bottlenecks in global supply chains. Beginning in 2023, rates are being cut.

### UK (Bank of England)

On 8 May, the Bank of England's Monetary Policy Committee (MPC) announced it had [cut interest rates by 0.25 of a percentage point](#) to 4.25%. The MPC vote was split: five members in favour of this cut; two in favour of a larger 0.5 percentage point cut; and two in favour of no change in rates.



The MPC's previous cycle of rate increases – from 0.1% in December 2021 to 5.25% in August 2023 – came in response to [high inflation](#), which peaked at 11.1% in October 2022. Inflation then fell to 1.7% in September 2024 before picking up again in late 2024 and early 2025. Inflation was [2.6% in March 2025](#) on the [CPI measure](#) – above the MPC's target of 2%. In forecasts published 8 May, the Bank of England forecast [the inflation rate to rise to 3.5% by the third quarter of 2025](#) before easing, though it is forecast to remain above 2% until the first quarter of 2027.

QE consists of central banks creating new money electronically and then using it to purchase financial assets, mostly government bonds.

**Subject specialist**  
Daniel Harari

**Updates – next scheduled monetary policy meetings**  
UK ([19 June](#))  
US ([18 June](#))  
ECB ([5 June](#))

The MPC is [reducing the size](#) of its asset purchase – or [quantitative easing](#), QE – programme from its peak value of £895 billion to £620 billion on 30 April 2025. It is doing this by letting some of the government bonds it holds mature and by actively selling some of the bonds it holds to the market. At its [September 2024 meeting](#), the MPC said it planned to reduce the size of the assets it holds by a further £100 billion over the year to September 2025.

### United States (Federal Reserve)

Interest rates were [left unchanged](#) at a range of 4.25% to 4.50% by the Fed at its policy meeting ending 7 May. The Fed and its Chair Jerome Powell emphasised the high degree of uncertainty over the economic outlook given changes to US trade policy. The Fed is slowing the pace it reduces the amount of assets it holds in its QE programme [from \\$60bn to \\$40bn per month](#) as of April 2025.

### Eurozone (European Central Bank)

At its 17 April 2025 meeting the ECB [cut its main interest rates by 0.25 of a percentage point](#), with the deposit rate lowered from 2.50% to 2.25%. This was the seventh time the ECB has cut rates since its cycle of rate cuts began in June 2024. Markets expect rates to be lowered further during 2025.

## Public finances

### Government borrowing and debt

	Net borrowing		Debt, % GDP	
	£ bn	% GDP	PSND	PSNFL
2018/19	45	2.1%	80.2%	66.9%
2019/20	61	2.7%	85.4%	74.8%
2020/21	315	15.1%	96.6%	83.1%
2021/22	122	5.2%	96.4%	80.4%
2022/23	127	4.9%	94.8%	80.4%
2023/24	131	4.8%	95.6%	80.9%
2024/25	148	5.1%	95.1%	83.0%
2025/26	118	3.9%	95.1%	82.9%
2026/27	97	3.1%	95.8%	83.5%
2027/28	80	2.5%	96.1%	83.4%
2028/29	77	2.3%	96.3%	83.2%
2029/30	74	2.1%	96.1%	82.7%

Net borrowing is the difference between what the government spends and what it receives in taxes over a period.

Net debt is largely the stock of the government's outstanding borrowing.

Net financial liabilities is a wider measure of the government's balance sheet including more financial liabilities and assets.

#### Subject specialist

Matt Keep

#### Updates

OBR, [Economic and fiscal outlook](#), autumn 2025

ONS, [Public sector finances](#), 20 June 2025

Borrowing in 2024/25 was £148 billion, according to the Office for National Statistics' (ONS') second provisional estimate. This is £17 billion more than in 2023/24 and £11 billion more than the Office for Budget Responsibility forecast in March 2025.

Public sector net debt (PSND) was equivalent to 95.5% of GDP at the end of April 2025. It was 94.8% of GDP at the end of April 2024.

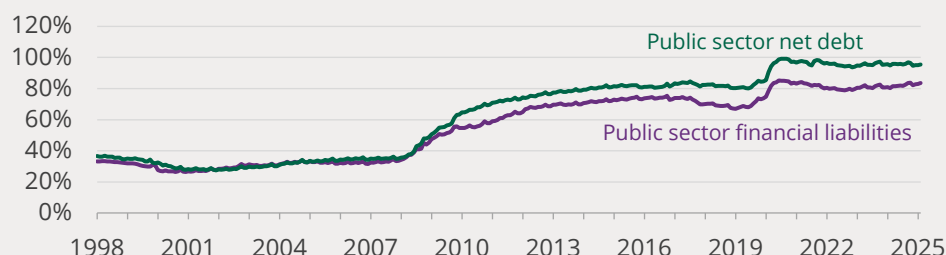
Public sector net financial liabilities (PSNFL) measure the government's wider balance sheet. It is one of the measures targeted in the government's [fiscal targets](#). PSNFL was equivalent to 83.5% of GDP at the end of April 2025. It was 80.2% of GDP at the end of April 2024.

Our briefing [Spring Statement 2025: A summary](#) summarises the forecast.

#### Public sector net borrowing: rolling 12-month total, £ billion



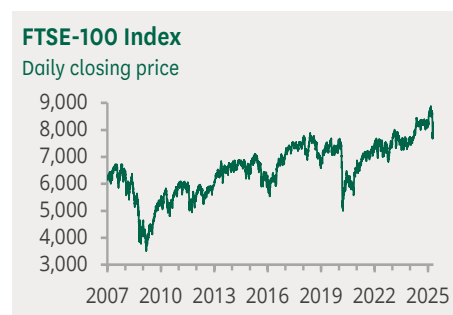
#### Public sector net debt, monthly, % of GDP



Sources: Office for Budget Responsibility (OBR). [Public finances databank](#); Office for National Statistics (ONS). Series, [J51I](#), [J51J](#), [HF6W](#), [HF6X](#), [CPOE](#)

# Financial markets

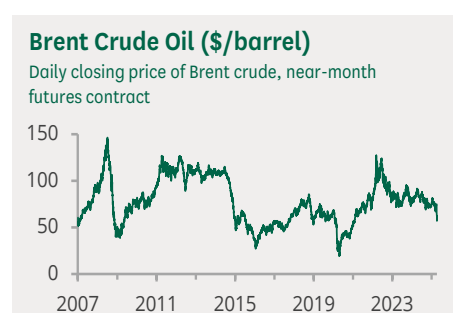
## FTSE 100 Index



The FTSE-100 tracks the share-prices of the 100 largest companies listed on the London Stock Exchange. In 2020, the index fell sharply, as global shares fell amid fears of the economic impact of the covid-19 pandemic, closing at 4,994 on 23 March 2020, its lowest since October 2011. In February 2023, the FTSE passed 8,000 for the first time. The FTSE closed

at a record high of 8,807 on 12 February 2025, though has fluctuated in April 2025, falling to 7,679 on 9 April, its lowest level in over a year.

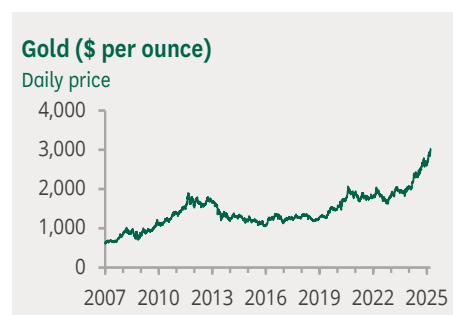
## Brent Crude Oil



The price of Brent crude oil reached an all-time high above \$145/barrel in July 2008. The price fell dramatically in 2020, owing to a collapse in demand due to the covid-19 pandemic, falling to \$19.31 in April 2020, its lowest level since 2002. The price reached \$127/barrel in March 2022, its highest since 2008. In April 2025, the price fell below \$60/barrel for

the first time since February 2021.

## Gold price



The nominal price of gold first passed \$1,800/ounce in August 2011, but then fell to \$1,049 in December 2015. It rose steadily from mid-2020, closing at a high of \$2,067 in August 2020. In October 2022, it fell to \$1,631, its lowest since April 2020, though has climbed steadily since. Gold closed at a record high of \$3,433/ounce on 23 April 2025.

### Data from 29 May 2025

	FTSE-100	Oil (\$/barrel)	Gold (\$/oz)
29 May 2025	8716.45	63.49	3300.85
% change over:			
1-month	3%	0.2%	0.1%
12-months	7%	-24%	40%
Note: Oil is Brent near-month futures price			
Source: Financial Times			

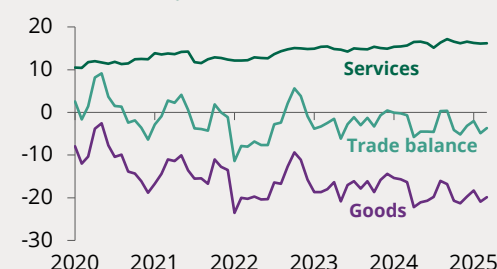
**Subject specialist**  
Daniel Harari

**Updates**  
Financial Times,  
Weekly basis

## Trade in goods and services

In 2024, the UK's exports of goods and services totalled £873 billion and imports totalled £906 billion. The EU accounted for 41% of UK exports of goods and services and 50% of imports in 2024.

**Balance of trade, goods and services**  
£ billion, monthly data



The UK generally imports more than it exports meaning that it runs a trade deficit. A deficit of £226 billion on trade in goods was partly offset by a surplus of £194 billion on trade in services in 2024. The overall trade deficit was £32 billion in 2024.

The UK had a trade deficit with the EU of £97 billion in 2024 and a trade surplus of £65 billion with non-EU countries.

The trade deficit with all countries decreased to £10.6 billion in the three months to March 2025 compared to £12.5 billion in the three months to December 2024. Exports increased by 5% and imports increased by 3.9% in cash terms over this period.

**Trade in goods and services and current account balance**  
Seasonally adjusted

		Goods and services (£bn)			Current account balance	
		Exports	Imports	Balance	£bn	% GDP
2023		867.0	896.1	-29.1	-95.1	-3.5%
2024		873.5	905.8	-32.3	-75.7	-2.7%
2023	Q4	219.6	220.6	-1.0	-15.9	-2.3%
2024	Q1	219.0	233.8	-14.8	-26.3	-3.7%
	Q2	218.4	222.4	-4.0	-12.5	-1.7%
	Q3	216.4	228.9	-12.5	-21.0	-2.9%
	Q4	227.2	237.8	-10.6	..	..

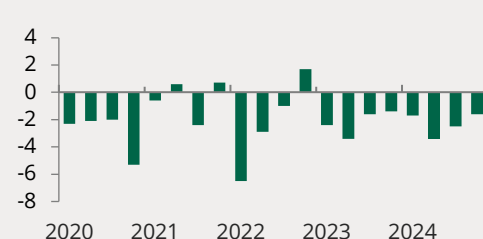
Source: ONS, series: IKBH, IKBI, IKBJ, HBOP, AA6H .. denotes data not yet available

**Subject specialist**  
Ilze Jozepa

**Updates**  
ONS, [UK Trade](#),  
12 June 2025

ONS, [UK Balance of Payments](#),  
30 June 2025

**Current account balance**  
% of GDP

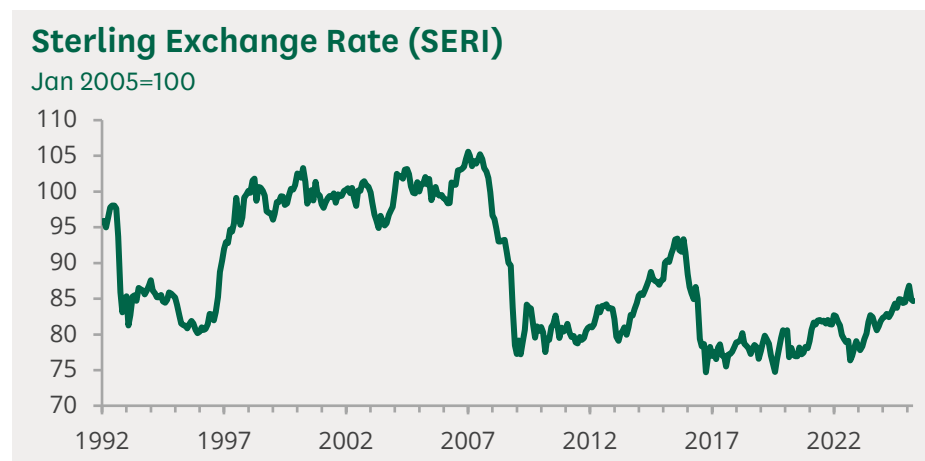


The current account, which includes investment income and transfers as well as trade, had a deficit of £76 billion in 2024, compared with £95 billion in 2023. The current account deficit was 2.7% of GDP in 2024 compared with 3.5% in 2023.

The current account deficit widened to £21 billion in Q4 2024 (2.9% of GDP), compared with £12.5 billion in Q3 2024 (1.7% of GDP).

## Sterling exchange rates

The Sterling Exchange Rate Index (SERI) measures sterling's value against a 'basket' of currencies, 'trade-weighted' (based on currencies' relative importance in UK trade). The SERI fell by 0.3% between March and April, having fallen by 2.2% between February and March. It was 2.7% higher in April compared with a year earlier. It is 19.8% below its January 2007 peak.



Between March and April, the pound rose by 1.7% against the dollar, to \$1.31. The value of the pound reached \$1.43 in April 2018, its highest level since the EU referendum. The pound fell to \$1.08, its lowest ever level, in September 2022 (based on daily spot exchange rates). Sterling fell by 1.9% against the euro between March and April, to €1.17.

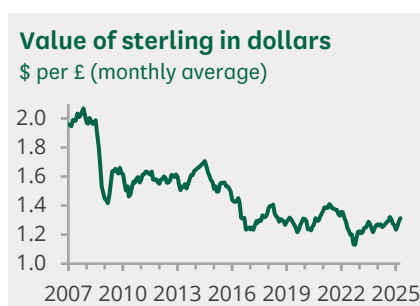
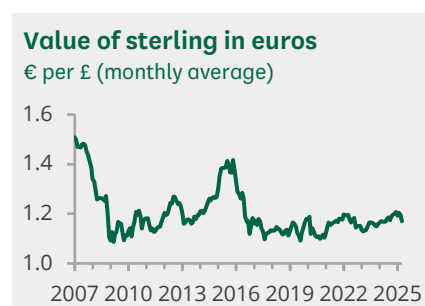
Sterling exchange rates					
Average rates in period and % changes					
	US Dollar (\$)		Euro (€)		
	Rate	% change on yr	Rate	% change on yr	
2024	1.28	2.8%	1.18	2.7%	
2025 Feb	1.25	-0.6%	1.20	2.9%	
Mar	1.29	1.5%	1.19	2.1%	
Apr	1.31	4.9%	1.17	0.3%	

Source: Bank of England, Bankstats database

**Subject specialist**  
Daniel Harari

**Updates**  
Bank of England, [SERI and monthly rates](#), 6 June

**Latest rates**  
Financial Times, [sterling exchange rates](#) (daily)

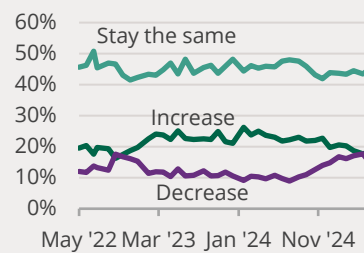


## Business and consumer confidence

Confidence surveys are generally released ahead of official statistical data, so they can indicate changes to the economic outlook as well as turning points in the economic cycle.

### Business performance

% of businesses expecting their performance over next 12 months to:



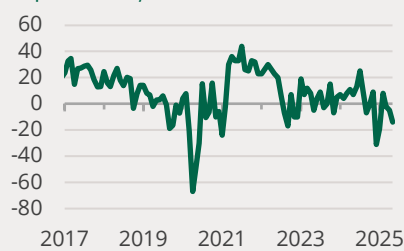
### ONS Business Insights and Conditions Survey

The ONS conducts a voluntary survey of businesses to look at the impact of challenges facing the economy.

In the two weeks ending 18 May 2025, 18.4% of respondents thought their business's performance would increase over the next 12 months. 14.7% thought it would decrease.

### Future output expectations

% balance expecting improvement/deterioration



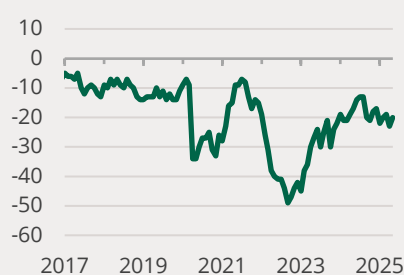
### CBI Industrial Trends Survey

The CBI carries out monthly and quarterly Industrial Trends Surveys.

In May 2025, more manufacturers thought that output would decrease over the next three months than thought it would increase. The difference was -14% of manufacturers, down from -5% in April 2025.

### Consumer confidence index

GfK Overall Index Score



### GfK Consumer Confidence Survey

GfK's Consumer Confidence Index measures a range of consumer attitudes, including forward expectations of the general economic situation and households' financial positions, and views on making major household purchases.

The index rose to -20 in May 2025, up by three points from April.

### Subject specialist

Daniel Harari

### Update

ONS, [Business insights and impact on the UK economy](#), June 2025

CBI, [Industrial Trends](#), Mid-June 2025

GfK, [Consumer Confidence](#), 20 June 2025



## Retail sales

In April 2025, [retail sales in Great Britain](#) totalled £9.1 billion per week, up from £8.8 billion in March. This figure includes money spent in shops, supermarkets, in petrol stations and online.

**Volume of retail sales (incl. vehicle fuel)**  
3 mth % change on yr, seasonally adjusted



Between March and April, the total quantity of retail sales volumes increased by 1.2%, following an increase of 0.1% between February and March.

In the three months to April 2025, the volume of sales rose by 2.6% compared with the same period last year. The volume of sales rose by 1.8% in the three months to April 2025 compared

with the previous three months. The volume of sales was 0.3% higher in April 2025 compared to February 2020 and pre-pandemic levels, their highest level since July 2022.

**Volume of retail sales**  
Index 2022=100, seasonally adjusted

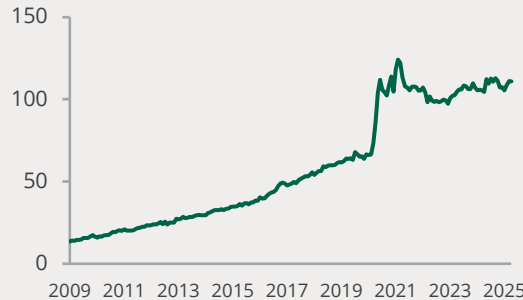
		Food	Non-food	Total
2023	Apr	97.6	99.1	97.9
2024	Apr	97.5	95.2	95.5
2025	Feb	95.1	101.5	99.0
	Mar	93.1	103.1	99.0
	Apr	97.8	102.4	100.3
3m % change on yr		-0.5	5.3	2.6
% change on Feb 2020		-6.1%	-2.6%	-2.4%

Sales in food stores increased by 3.9% in April compared with March. Supermarket sales and sales in specialist food stores increased, with feedback from some retailers attributing this to good weather.

Sales in non-food stores, such as clothing and department stores, fell by 0.7% between March and April. Sales in clothing stores

fell, though this was partly offset by increased sales in department stores and household goods stores. Feedback from retailers indicated good weather was a factor in these increased sales.

**Value of internet retail sales**  
2022=100, seasonally adjusted



The average weekly value of internet sales was £2.5 billion in April 2025 (excluding fuel). This was 26.8% of all retail sales. Internet sales as a proportion of all retail sales have been rising steadily since 2006, reaching around 19% of all sales in 2019. Internet sales rose sharply in April 2020 with the onset of the pandemic.

**All figures are seasonally adjusted.**

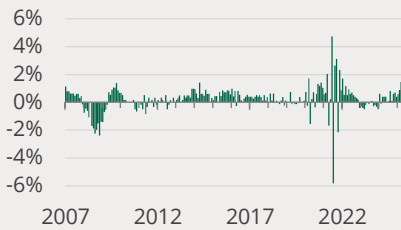
This means calendar effects (such as Easter moving between March and April) and seasonal effects (such as increased spending in December for Christmas) are removed.

**Subject specialist**  
Matthew Ward

**Updates**  
ONS, [Retail Sales](#),  
20 June 2025

## Housing market

**UK House Price Index**  
% change, seasonally adjusted (SA)



House prices, as measured by the UK House Price Index, increased by 6.4% between March 2024 and March 2025. On a seasonally adjusted basis, average house prices increased by 1.4% between February and March 2025.

House prices changed at different rates across the UK's countries and regions

over the year to March 2025. House prices grew fastest in the North East, Yorkshire and The Humber and Northern Ireland. Northern Ireland's house prices are measured over a different period (the year to Q1 of 2025). House prices grew slowest in London, Wales and Scotland.

**Mortgage approvals for house purchases; UK, Thousands, SA**



Bank of England data on the number of mortgages approved to finance house purchases are a leading indicator of house sales.

Mortgage approvals for house purchases reached a lockdown-related record low in May 2020. Approvals then increased significantly towards the end of 2020 but

are now lower. Mortgage approvals for house purchases in March 2025 were up 4% on a year ago but down 1% on February 2025.

There were 64,309 mortgage approvals in March 2025, compared with 61,566 in March 2024.

**House-building; England, Thousands, SA**



Housing starts and completions fell sharply during the Covid-19 lockdown but recovered since.

There were 36,830 house building completions (seasonally adjusted) in England in Q4 2024, a 2% increase compared with Q3 2024, but a 9% decrease compared with Q4 2023.

There were 30,860 house building starts (seasonally adjusted) in Q4 2024, a 7% increase compared with Q3 2024, and a 52% increase compared with Q4 2023. There was a peak of 68,090 starts in Q2 2023, largely due to house builders bringing forward the start of work to avoid [new building regulatory standards](#). This lowered starts in subsequent quarters. The new standards relate to energy performance and electric vehicle charging points and were introduced from 15 June 2023.

**Subject specialist**  
Matt Keep

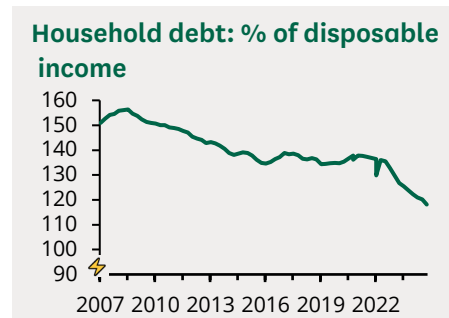
**Updates**  
HM Land Registry, [UK house price index](#), 18 June 2025

Bank of England, [Money and credit](#), 2 June 2025

MHCLG, [House-building](#), June 2025

# Household debt

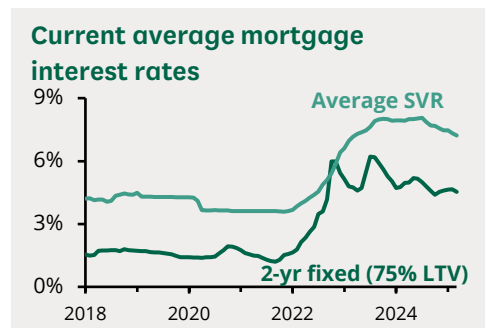
## Household debt as a percentage of disposable income



Household debt peaked in Q3 2008 at 156.4% of household disposable income. It then declined to 134.6% by early 2016.

Growth in household debt levels has been slowing since the beginning of 2022. In Q4 2024 the debt-to-income ratio was 118.1%.

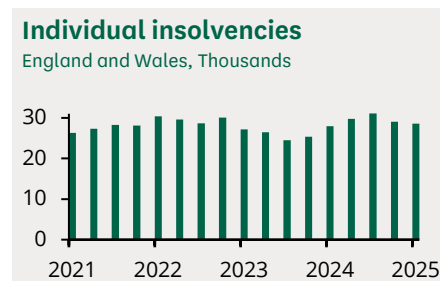
## Current average mortgage interest rates



The average Standard Variable Rate (SVR) was 7.23% in March 2025, down 0.70 percentage points on a year ago.

The average 2-year fixed mortgage rate was 4.54% in March 2025, down 0.42 percentage points on a year ago.

## Individual insolvencies



There were 28,577 individual insolvencies in England and Wales in Q1 2025, 495 fewer than in the previous quarter.

The Q1 2025 level is 2.1% higher than the level in Q1 2024.

In Scotland, there were 1,784 individual insolvencies in Q4 2024, down 11% on the year.

In Northern Ireland, there were 401 individual insolvencies in Q1 2025, up 9% on the year.

### Subject specialist

Brigid Francis-Devine

### Updates

Bank of England,

[Statistical database](#)

8 May 2025

Insolvency Service,

[Insolvency Statistics](#)

20 May 2025

ONS, [UK Economic](#)

[Accounts](#), 30 June

2025

## 4

## Glossary

### Definitions<sup>1</sup>

**Balance of payments:** A country's financial position, with other countries of the world, comprising two parts:

**Current account:** the balance of imports and exports of goods and services, income and transfers combined; **Capital account:** the difference between a country's capital invested in other countries, and the capital invested by other countries in it. Technically, the two parts always balance. A balance of payments deficit normally refers to a current account deficit.

**Balance of trade:** The difference between a country's exports and imports of either goods only or goods and services combined. Trade in financial services account for around a third of UK exports, and thus partially offsets trade in goods deficits.

**Basic prices:** Prices excluding taxes and subsidies on products.

**Claimant count:** The number of people aged 18 and over claiming Jobseeker's Allowance (JSA) benefits. This includes out-of-work Universal Credit claimants.

**Consumer Prices Index (CPI):** This is the headline UK domestic measure of inflation. It measures the average change from month to month in the prices of consumer goods and services purchased in the UK.

**Current account balance:** The difference between receipts/payments due to transactions in goods, services, income and transfers between the UK and all other countries. A current account deficit means that total payments exceed total receipts; in the reverse case, the current account is in surplus.

**Current budget:** Measures the balance of public sector current account revenue over public sector current expenditure.

**Current/constant prices:** Current prices are the actual or estimated recorded monetary value over a defined period for a group of industries or products. They show the value for each item expressed in terms of the prices of that period.

Constant prices refer to volume measures whose values are derived by applying to current quantities, prices for a specific base period. They allow figures to be represented so that the effects of inflation are removed. The values for each time period are expressed in terms of the prices in a particular base period.

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<sup>1</sup> Sources: ONS, HM Treasury, HM Revenue and Customs, Finance-Glossary.com.

**Economically active:** Those aged 16 and over who are either in employment or unemployed.

**Economically inactive:** Those aged 16 and over who are neither in employment nor unemployed. This includes those who do not want a job, those who want a job but have not been seeking work in the last four weeks and those who want a job and are seeking work but not available to start work.

**Employment:** The number of people with jobs as estimated by the Labour Force Survey (LFS). This includes all people aged 16 or over who did paid work, those who had a job that they were temporarily away from, those on government supported training and employment programmes, and those doing unpaid family work during the survey period. The employment rate refers to the number of people employed as a percentage of the working age population as measured by the LFS.

**Exchange rate:** The rate at which one currency is traded against another.

**Gross Domestic Product (GDP):** The total market value of goods and services produced after deducting the cost of goods and services used up in the process of production (intermediate consumption) but before deducting consumption of fixed capital (depreciation).

**Gross Domestic Product – Real GDP:** Also known as constant price or chained volume measure, this is a measure used to indicate change in the actual quantity of goods and services produced, by adjusting for inflation.

**Gross Fixed Capital Formation (GFCF):** Expenditure on fixed assets (buildings, vehicles etc.) either for replacing or adding to the stock of existing assets. Business investment is GFCF by the private sector and public corporations on transport equipment, other machinery and equipment and new dwellings and structures other than dwellings.

**Gross Value Added (GVA):** The difference between output and intermediate consumption for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production. GVA is used to measure the productivity of sectors/industries and economies.

**Harmonised Indices of Consumer Prices (HICP):** Harmonised indices of consumer prices for Member States of the European Union, which enable comparisons to be made across countries. The UK's CPI measure uses HICP methodology.

**Market prices:** The prices actually paid by the purchaser for goods and services, including transport costs, trade margins and taxes. GDP at market prices = GDP at basic prices + transport prices paid separately + non-deductible taxes on expenditure - subsidies received.

**Money supply:** The total amount of money in an economy at a given time.

**The Public Sector Net Borrowing (PSNB):** This measures the public sector's accumulation of debt net of liquid financial assets. Its approximate stock equivalent is net public sector debt.

**Public Sector Net Debt:** This is approximately the stock analogue of the PSNB. It measures the public sector's financial liabilities to the private sector and abroad, net of short-term financial assets such as bank deposits and foreign exchange reserves.

**Retail Prices Index (RPI):** A domestic indicator of inflation. It measures the average change from month to month in the prices of goods and services purchased in the UK. It is similar to the CPI, but differs in terms of methodology and coverage. For example, the RPI includes housing costs such as mortgage interest payments while the CPI doesn't.

**Seasonally adjusted:** Estimates in which the element of variability due to seasonal influences, which may distort the data, has been removed.

**Sterling Exchange Rate Index (SERI):** This measures the value of sterling against a trade-weighted 'basket' of other currencies. The weights used in this index measure currencies' relative importance to UK trade in goods and services.

**UK Base/Repo rate:** The rate at which the Bank of England lends to discount houses by buying their bills. The base rate is usually the minimum rate at which banks are prepared to lend money. The high street bank base rate follows that set by the Bank of England, and it acts as the benchmark for other interest rates, including mortgages and personal loans.

**Unemployment:** The ILO definition includes all people who are: out of work, want a job, have actively sought work in the previous four weeks and are available to start work within the next fortnight; or are out of work and have accepted a job that they are waiting to start in the next fortnight.

**Unemployment rate:** The number of unemployed persons expressed as a percentage of the total economically active population.

**Volume/value of retail sales:** The volume of retail sales is the total takings adjusted for inflation and the value of retail sales is the total actual takings.

**Workforce jobs:** The sum of employee jobs, self-employment jobs, those in HM Forces and government-supported trainees.

## 4.1

## Symbols and abbreviations

.. Figure(s) not yet available

**CBI** Confederation of British Industry

**ILO** International Labour Organisation

**IMF** International Monetary Fund

**OECD** Organisation for Economic Co-operation and Development

**ONS** Office for National Statistics

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