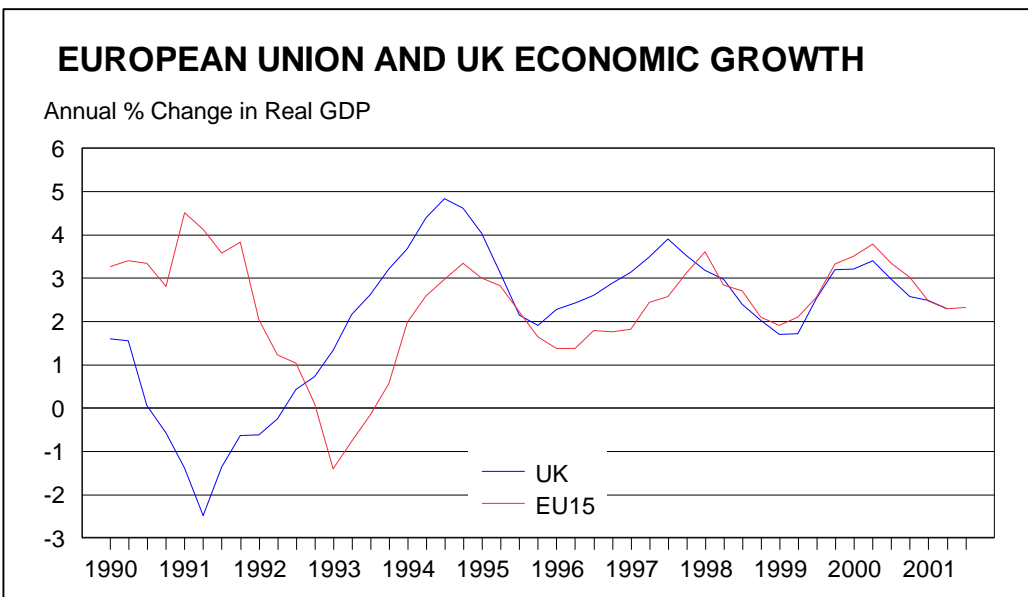
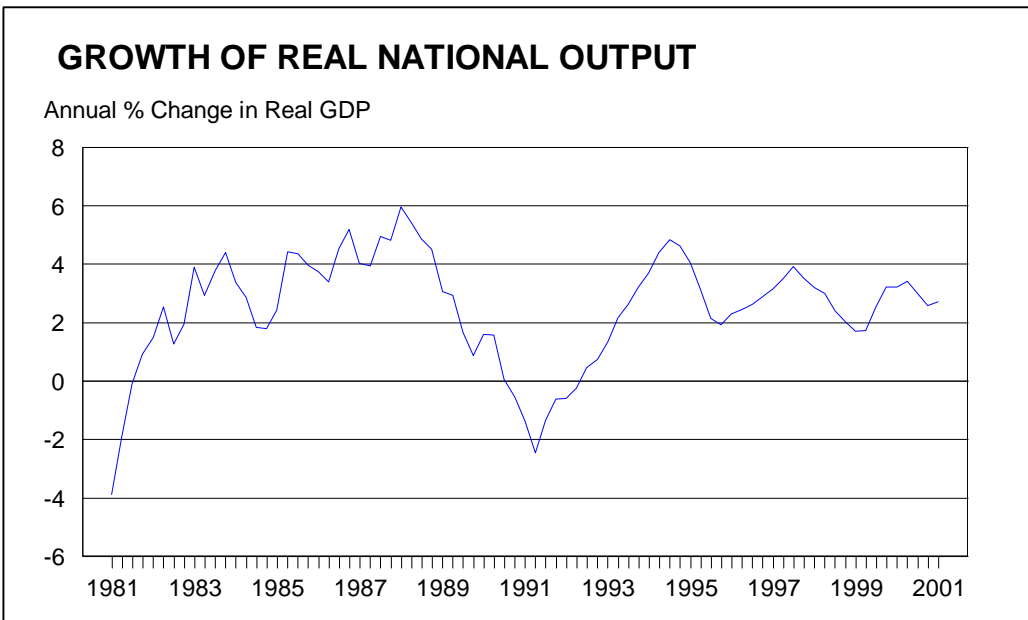
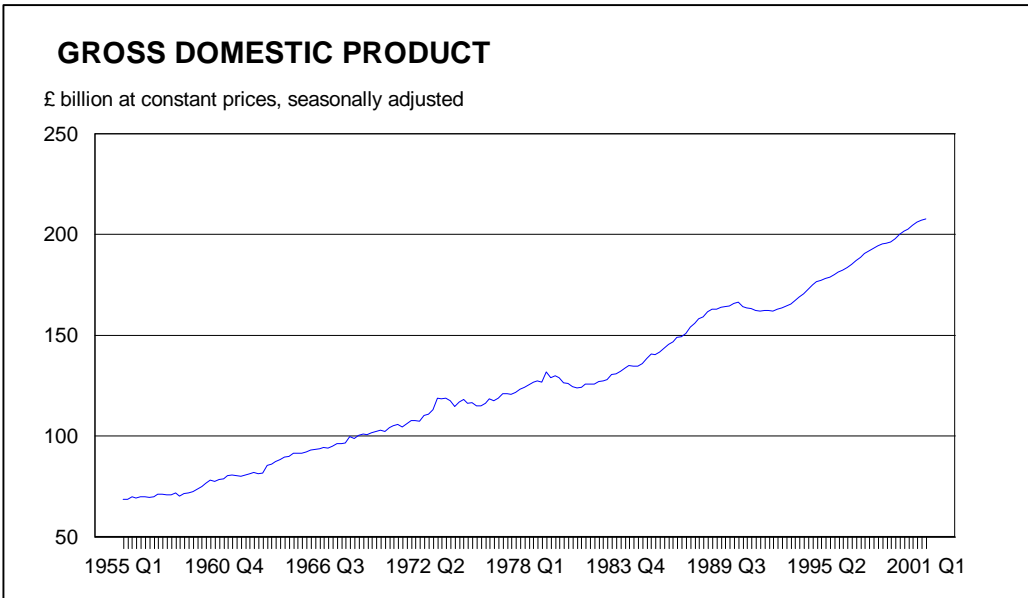
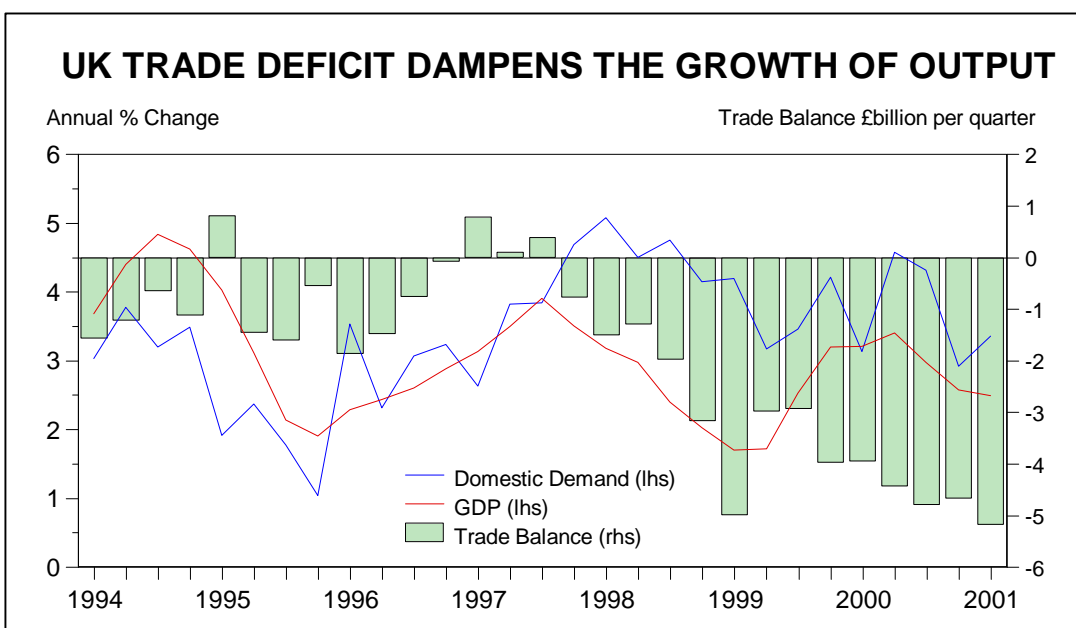
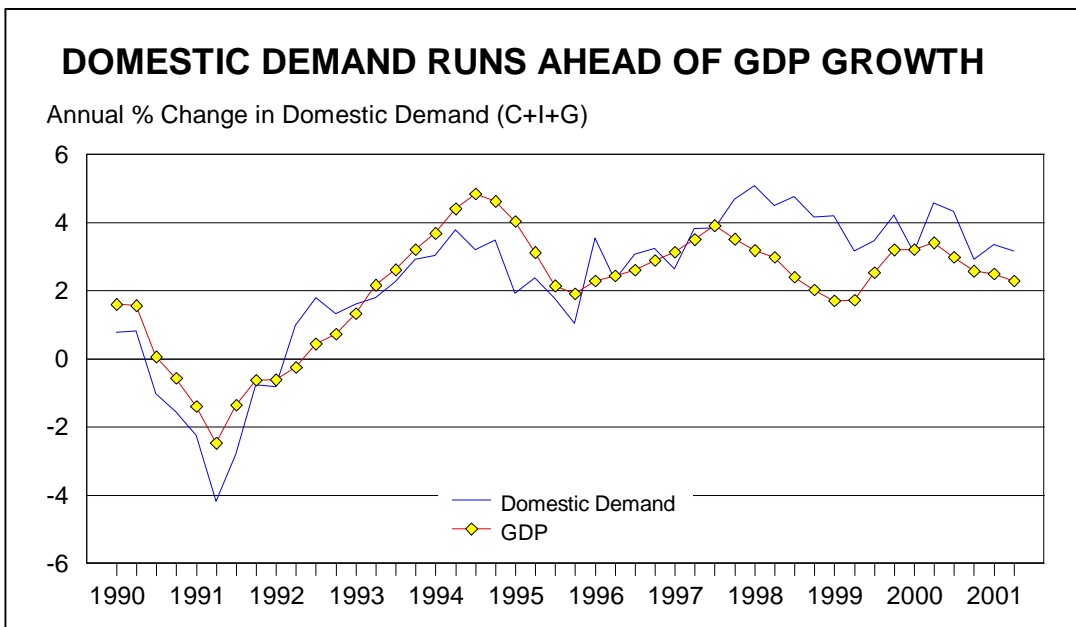
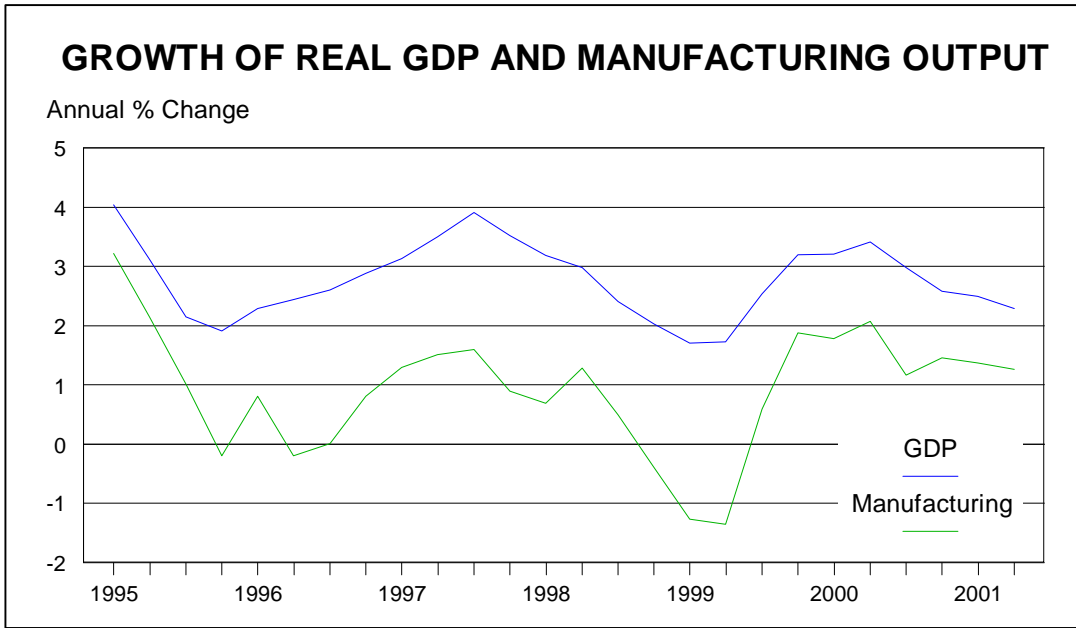


UK Macroeconomic Picture Book

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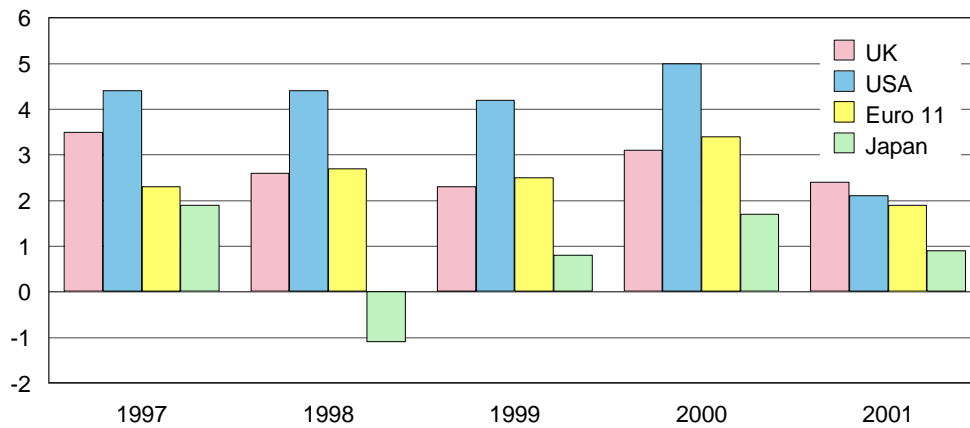
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INTERNATIONAL ECONOMIC GROWTH

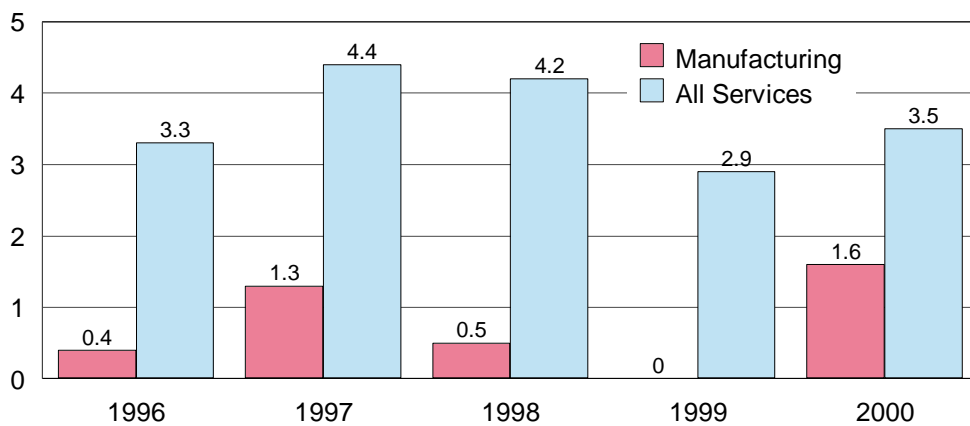
% change in real national output



Source: Merrill Lynch (2001 is a forecast)

OUTPUT IN SERVICES AND MANUFACTURING INDUSTRIES

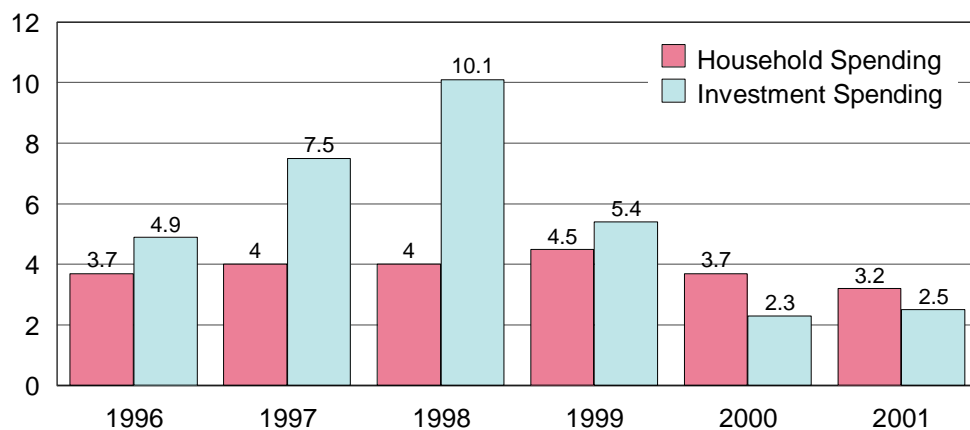
Percentage annual change in output



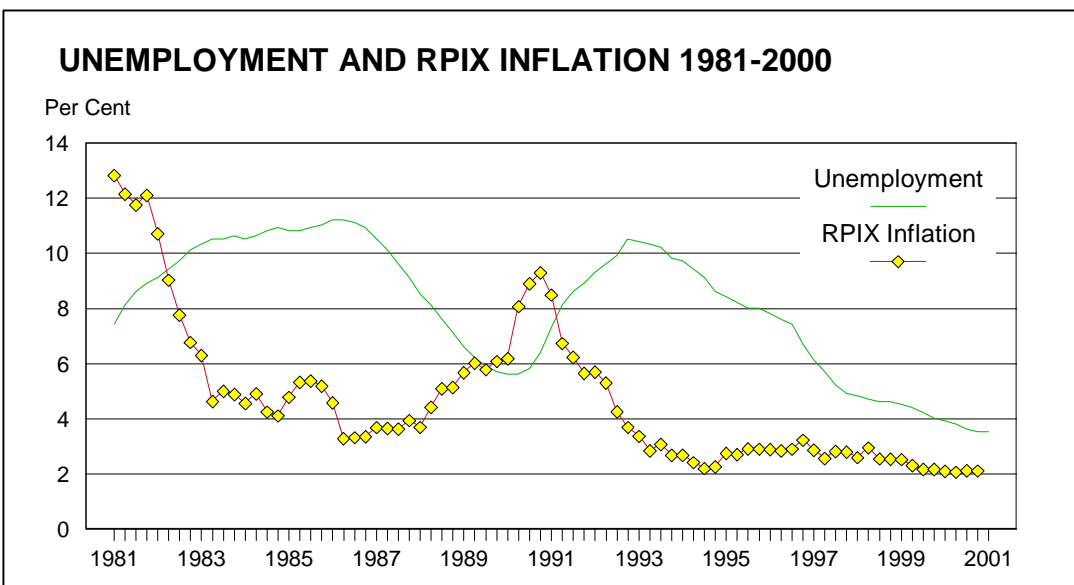
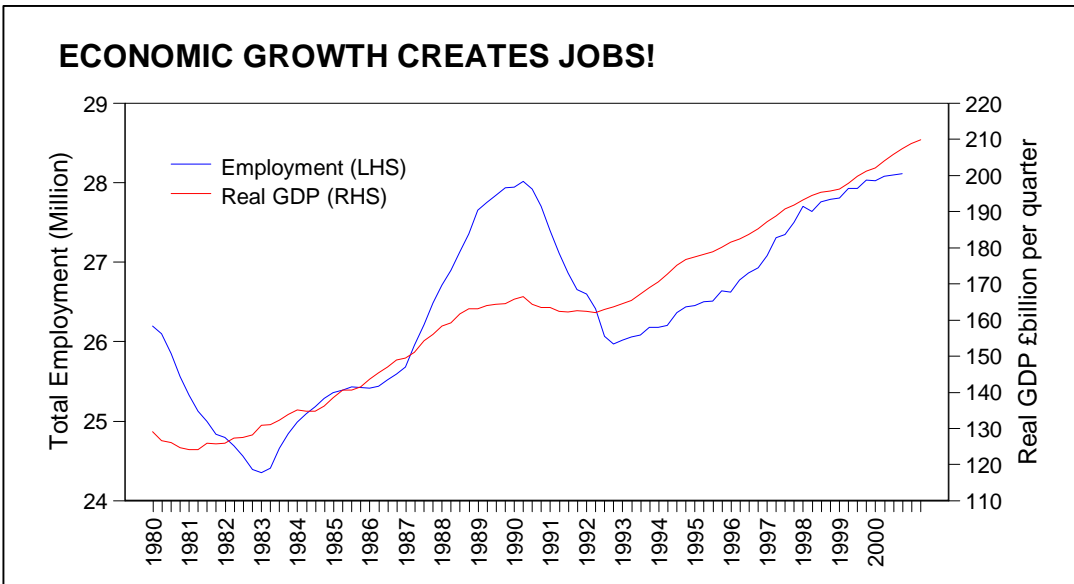
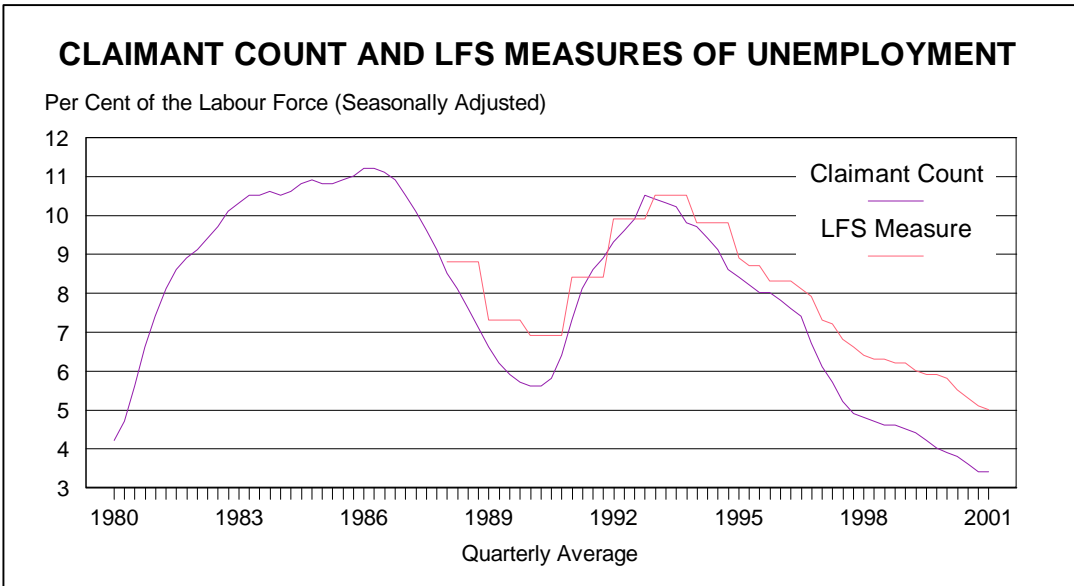
Source: Office for National Statistics

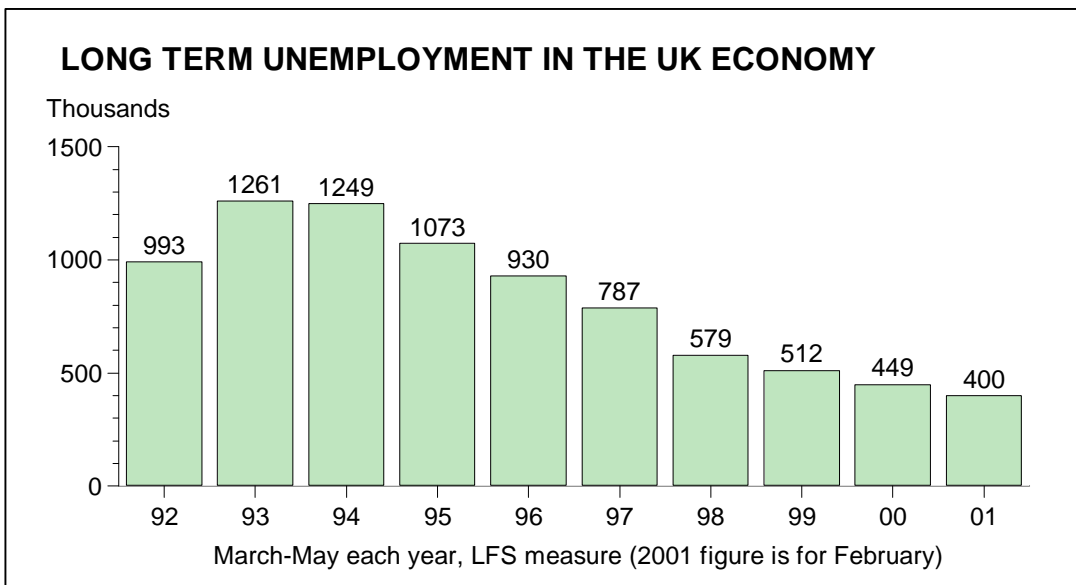
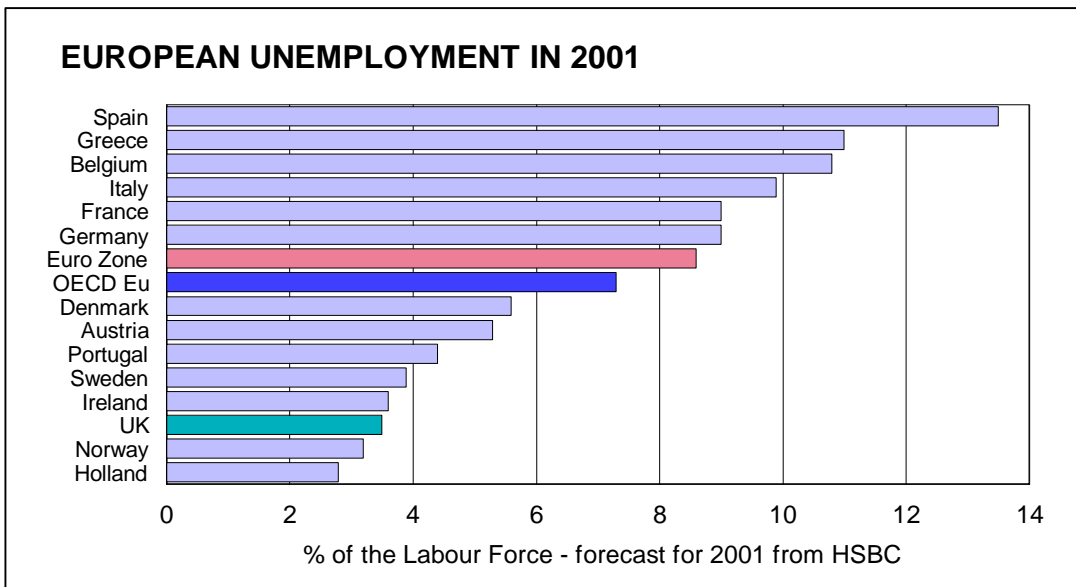
GDP BY EXPENDITURE

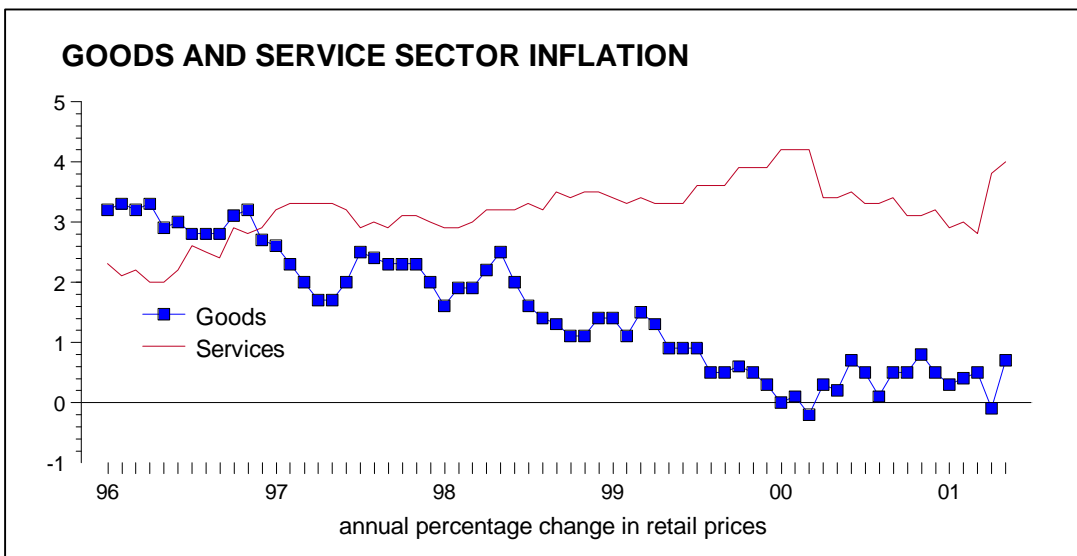
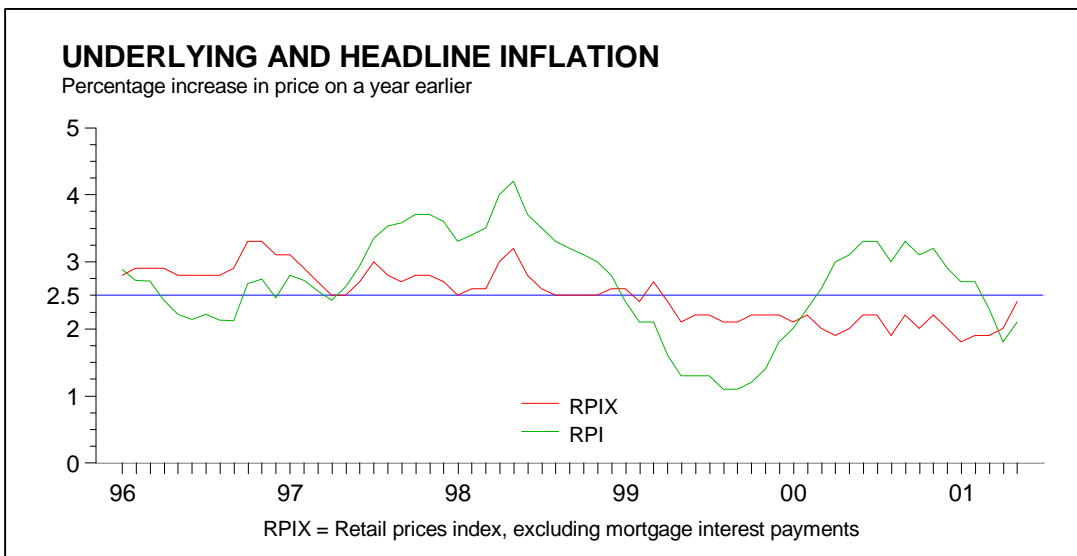
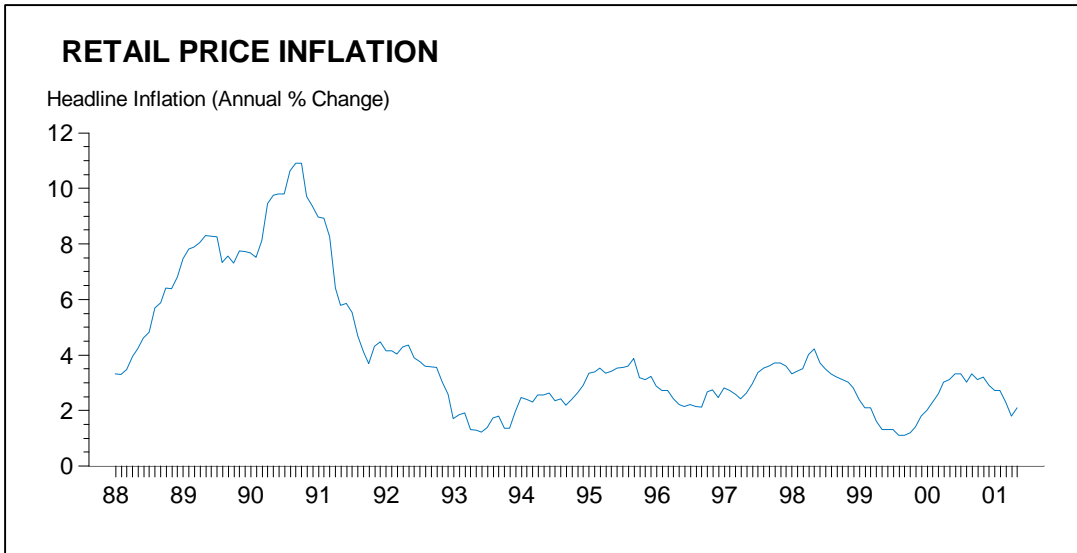
Percentage annual change in real output



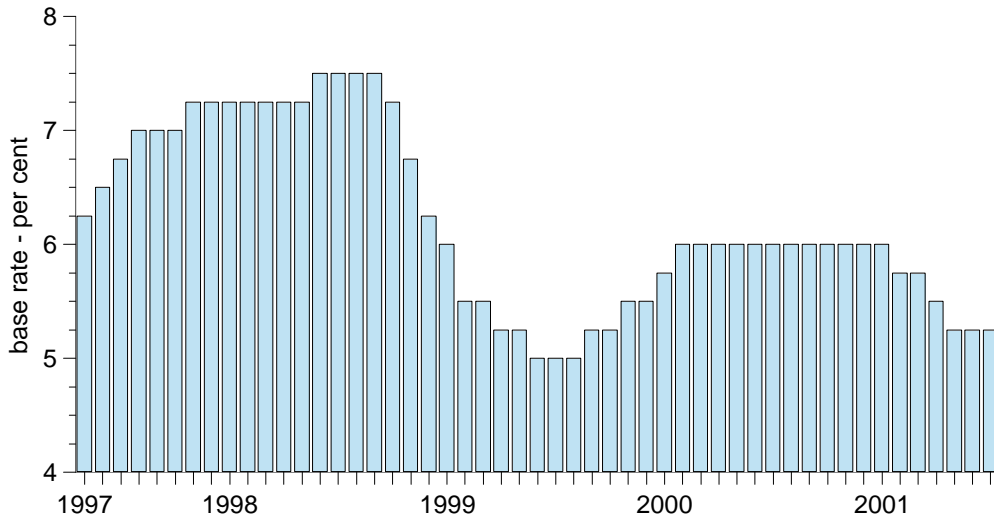
Source: Office for National Statistics: 2001 is a forecast





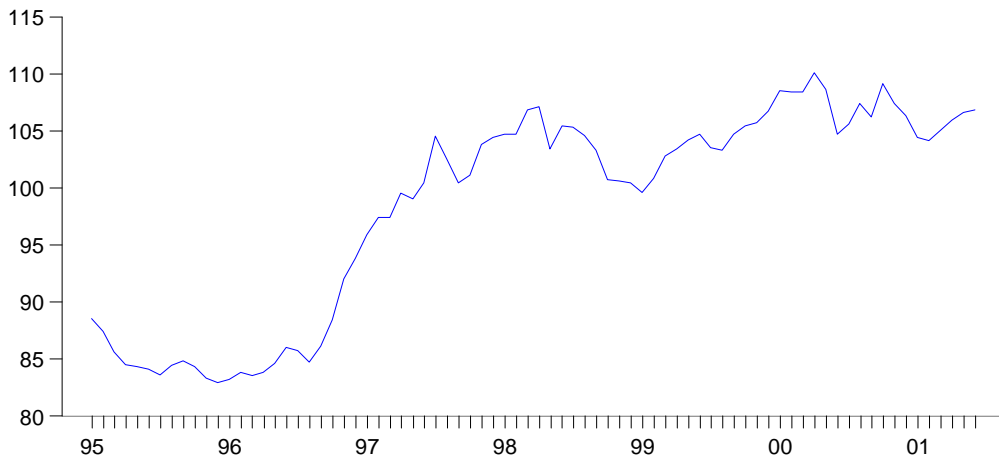


UK INTEREST RATES SINCE BANK INDEPENDENCE



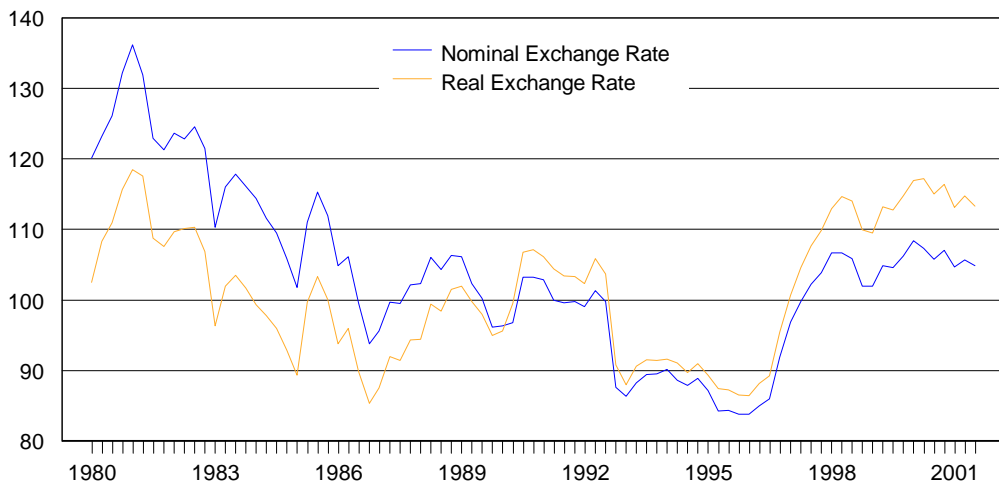
STERLING EXCHANGE RATE INDEX

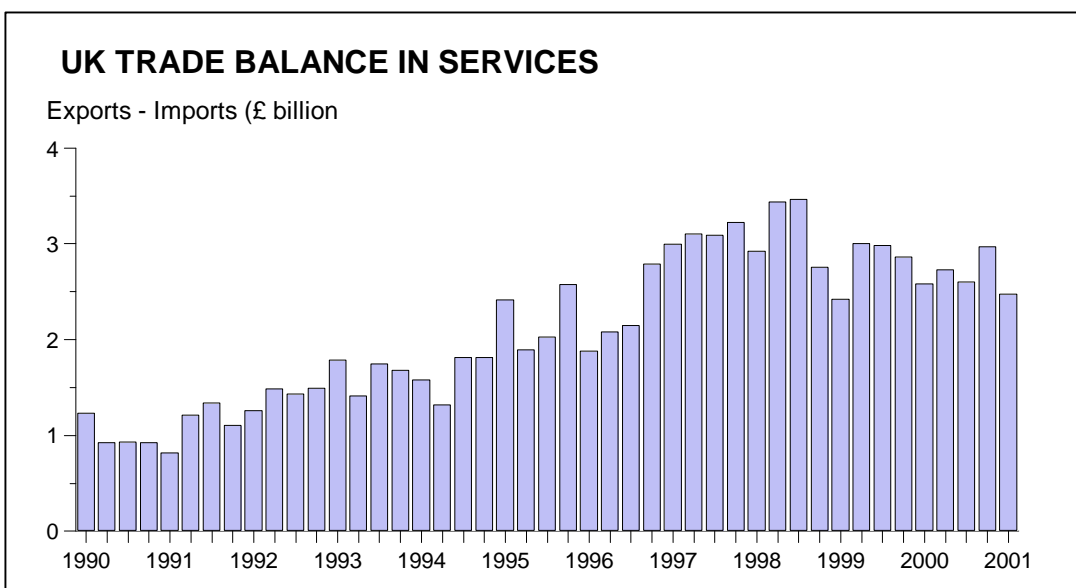
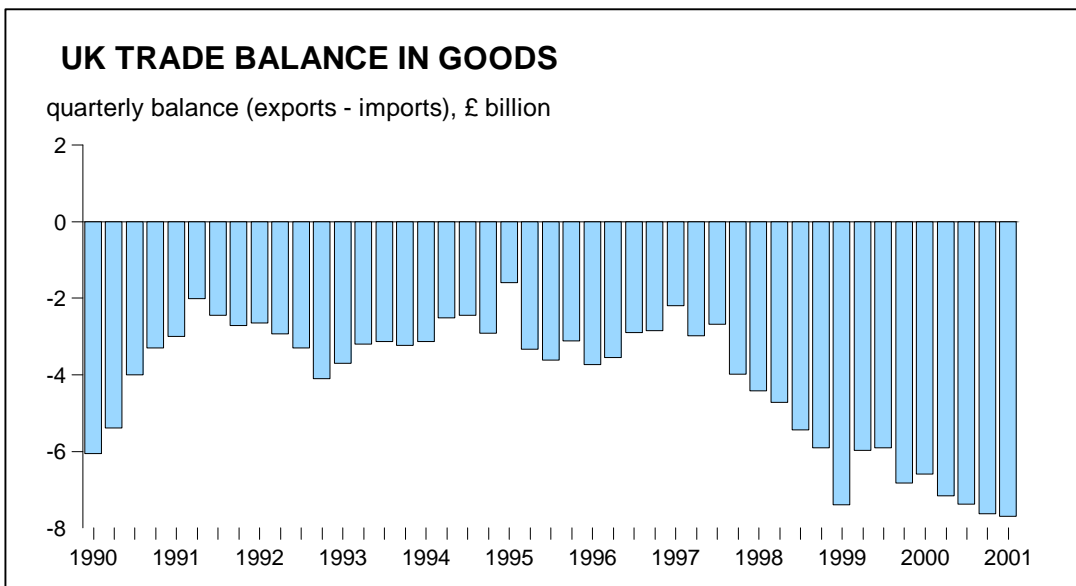
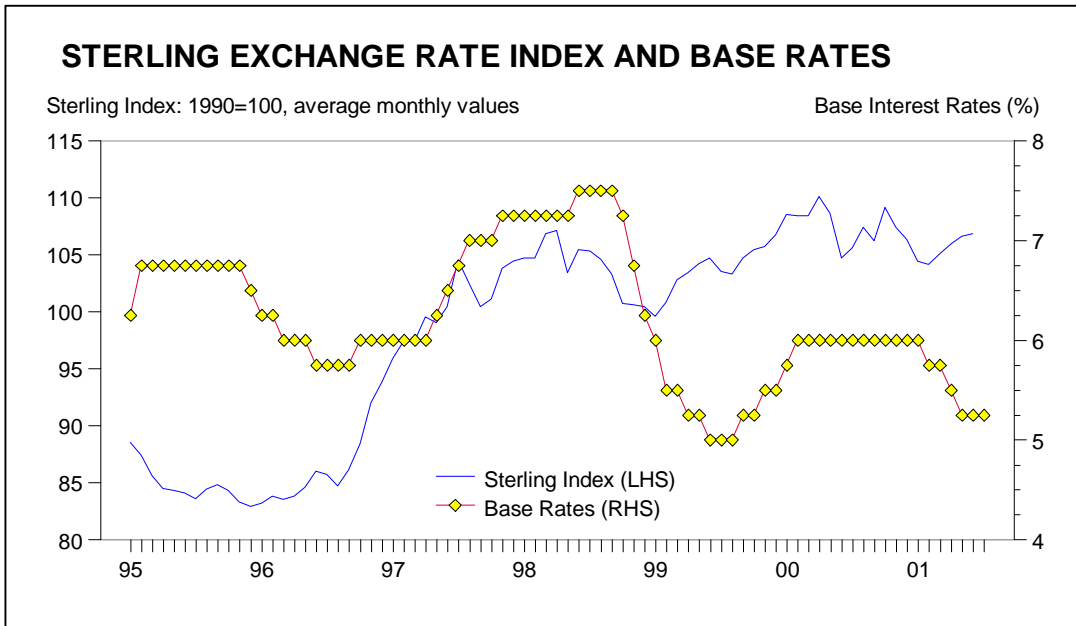
1990=100, average monthly values



STERLING EXCHANGE RATE INDEX AND REAL EXCHANGE RATE

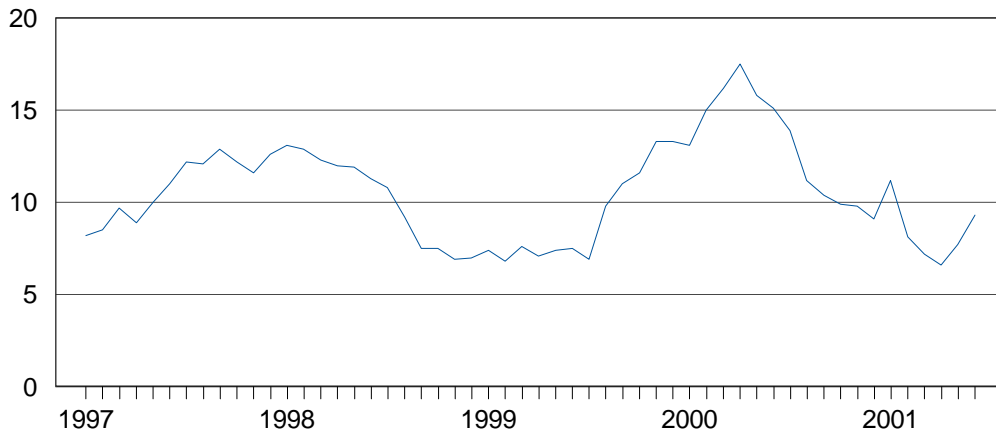
Sterling Index (Broadly Based)





NATIONWIDE HOUSE PRICE INFLATION

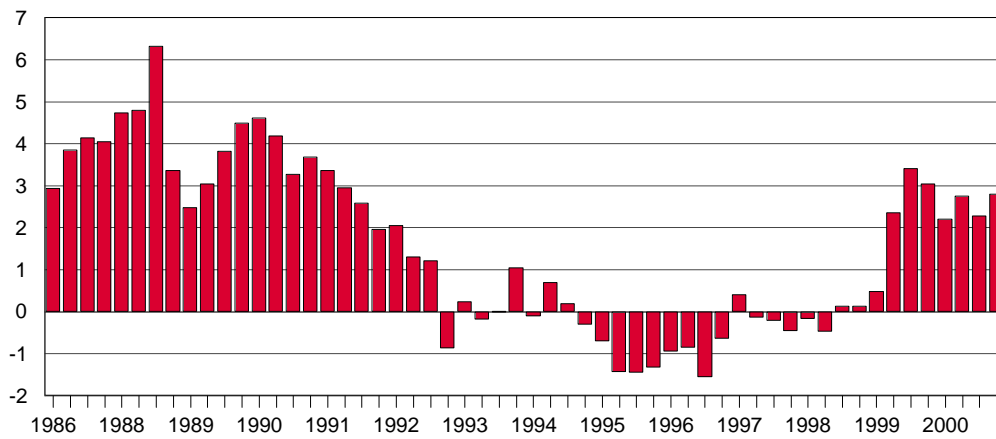
Annual % change in house prices



Source: Nationwide Building Society

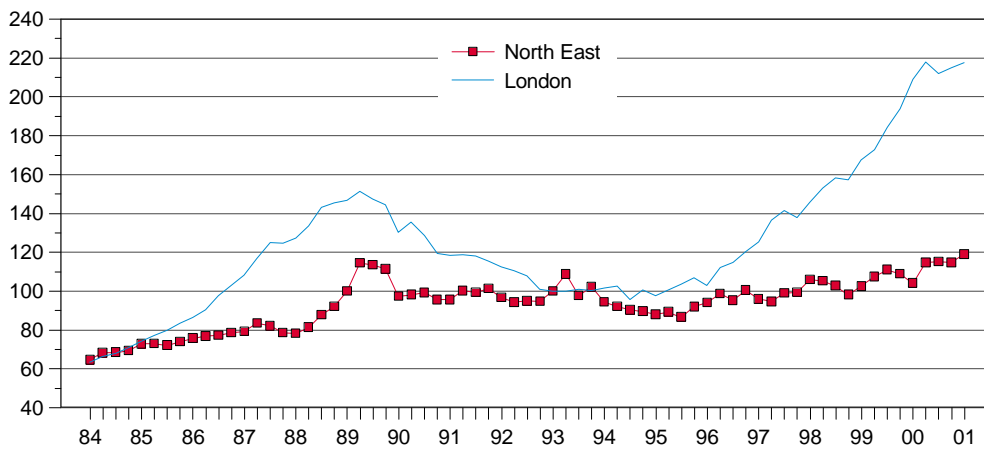
MORTGAGE EQUITY WITHDRAWAL

£ billion per quarter (seasonally adjusted)

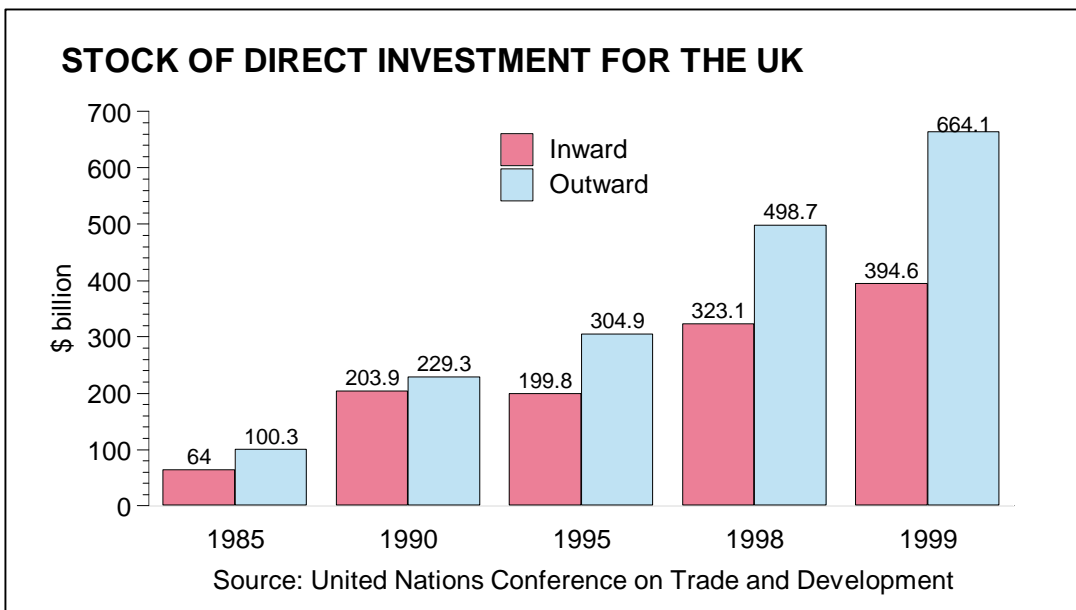
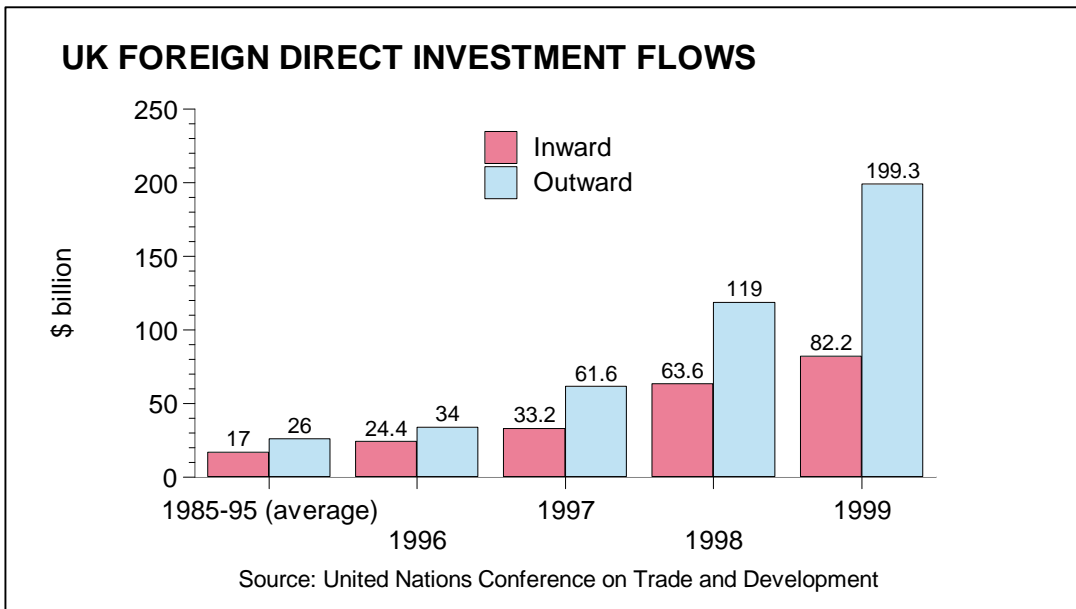
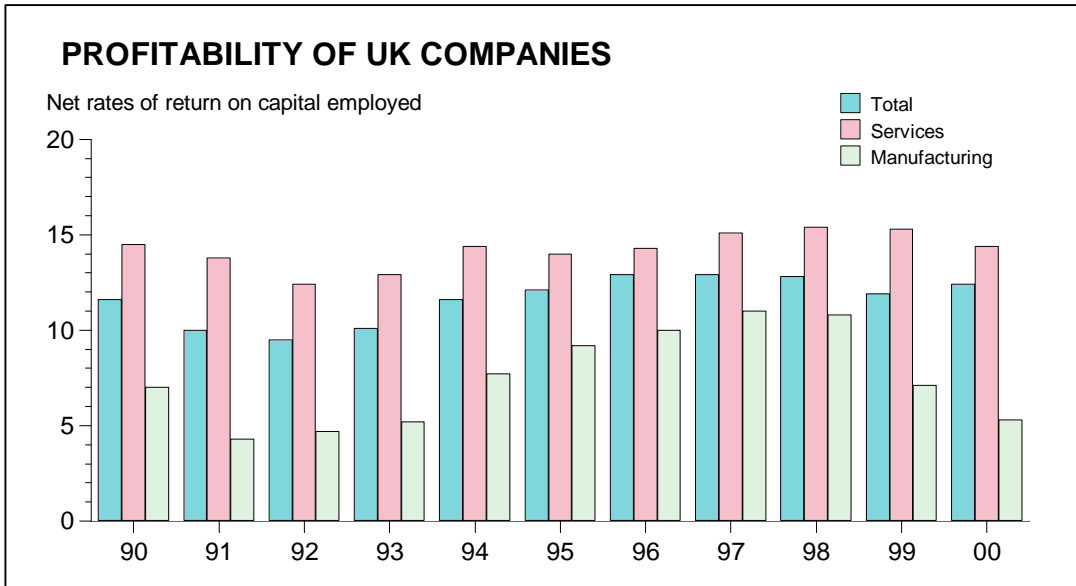


Source: Bank of England

INDEX OF HOUSE PRICES FOR FIRST TIME BUYERS



1993 = 100 Source: Nationwide Building Society



Key Economic Indicators for the UK

GDP and its Components (% change unless stated)	1970s	1980s	1990s
Real GDP (Economic Growth)	2.4	2.4	1.9
Consumer Spending	2.5	3.4	2.1
Government Spending	2.4	1.0	0.6
Fixed capital investment	1.2	3.9	2.3
Exports of goods and services	4.9	3.0	5.3
Imports of goods and services	4.4	5.1	5.0
Industry and Employment			
Industrial production	1.2	1.4	0.9
Unemployment rate (% of labour force)	3.2	8.9	7.3
Inflation, interest rates & the exchange rate			
Retail Price Inflation (all items RPI)	13.2	7.4	3.7
UK House Prices	N/a	14.5	1.3
Base Interest Rates (%)	11.1	12.0	8.0

Medium Term UK Economic Indicators

(All figures are annual % change unless stated)

GDP and The Components of Aggregate Demand	1998	1999	2000
Real GDP	2.2	2.3	3.0
Consumer Spending (C)	4.0	4.5	3.7
Government Spending (G)	1.1	4.0	3.5
Fixed capital investment (I)	10.1	5.4	2.3
Exports of goods and services (X)	2.6	4.0	8.4
Imports of goods and services (M)	8.8	8.1	9.6
<i>GDP at current market prices (£ billion)</i>	<i>852</i>	<i>891</i>	<i>934</i>
<i>GDP at constant 1995 market prices (£ billion)</i>	<i>778</i>	<i>796</i>	<i>820</i>
Output Growth by Sector			
	1998	1999	2000
Manufacturing	0.5	0.0	1.6
Services	4.1	3.0	3.4
Productivity Growth by Sector			
<i>% Change in output per person employed</i>	1998	1999	2000
Manufacturing	-0.6	3.9	4.1
Whole Economy	1.1	1.7	2.5
The Labour Market			
	1998	1999	2000
Unemployment rate (% of labour force)	4.7	4.3	3.7
Total Employment (000s)	27,305	27,649	27,944
Total Employment (% change)	1.6	0.8	0.5
Manufacturing Employment (000s)	4,152	4,050	3,954
Employment Rate (% of population aged 16+)	59.0	59.5	59.9
Average Earnings (Whole Economy)	5.2	4.7	4.2
Average Monthly Change in Unemployment (000s)	-19.7	-8.3	-13.3
Unfilled Job Vacancies with Job Centres (000s)	296	314	359

(% Change unless stated)

Factors Influencing Household Spending	1998	1999	2000
Real Disposable Income	0.2	3.6	2.4
Household Savings Ratio (% of Disposable Income)	5.8	5.2	3.8
Retail Sales (% change in sales volumes)	3.0	3.2	4.5
New Car Sales (% change)	3.6	-2.2	1.1
FTSE 100 Share Index (% change during year)	14.6	17.8	-10.2
Household spending on consumer durables	12.6	13.6	12.6
Net Household Wealth (% change)	10.0	15.7	-2.2
UK Housing Market			
House Prices (Nationwide Data)	10.1	9.2	12.9
House Prices (Halifax Data)	5.3	7.6	9.9
Fiscal Policy Indicators (Financial Year Data)			
	1998-99	1999-00	2000-01
Public Sector Net Cash Requirement (£ billion)	-7.0	-8.6	-30.1
Gross Government Debt (end year £ billion)	409.2	407.5	395.3
Gross Government Debt (% of GDP)	48.0	45.7	43.6
Inflation			
	1998	1999	2000
Retail Price Inflation (All items RPI)	3.4	1.6	2.9
Underlying Inflation (RPIX) Excluding mortgages	2.7	2.3	2.1
Harmonised Index of Consumer Prices (HICP)	1.5	1.3	0.8
<i>Components of Retail Price Inflation</i>			
Goods Price Inflation	1.7	0.8	0.3
Services Price Inflation	3.2	3.5	3.5
Petrol Price Inflation	4.3	8.5	14.1
Producer (Output Prices)	0.5	1.2	2.6
Unit Labour Costs (ULCs)	3.3	3.0	1.9
Interest Rates			
	1998	1999	2000
Base Interest Rates (%)	7.2	5.3	6.0
Mortgage Interest Rates (%)	8.6	7.0	7.6
Money Supply			
	1998	1999	2000
Narrow Money (M0)	5.2	12.0	4.8
Broad Money (M4)	8.0	4.0	7.9
UK Trade and Balance of Payments			
	1998	1999	2000
Balance of Trade in Goods (£billion)	-20.5	-26.2	-28.2
Balance of Trade in Services (£ billion)	12.6	11.3	10.2
Net Investment Income and Transfers (£ billion)	7.9	5.0	4.6
BoP Current Account (£ billion)	-0.1	-9.9	-13.4
BoP Current Account Balance (% of GDP)	0.0	-1.1	-1.4
Sterling Exchange Rate (End year value)			
	1998	1999	2000
£ / US Dollar	1.66	1.61	1.49
£ / Deutschemark	2.77	3.14	3.11