

CURRENT ECONOMIC INDICATORS
OCTOBER 1980

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Introduction.

Throughout this report all figures are presented seasonally adjusted, except where marked (*). Unless otherwise stated, figures in brackets following data indicate the percentage change since the same period of the previous year. Provisional data are marked (p). Sources of information are referenced numerically, and the sources are:-

- (1) Economic Trends updated by CSO press releases.
- (2) 'British Business' (Dept. Industry).
- (3) Economic Trends updated by Dept. Industry press releases.
- (4) Dept. Employment Gazette and press releases.
- (5) Economic Trends updated by Dept. Industry press releases.
- (6) 'Financial Times'.
- (7) Bank of England Quarterly Bulletin and press releases.
- (8) OECD Main Economic Indicators and press releases.
- (9) Financial Statistics.
- (10) Treasury Progress Reports.
- (11) EEC.

THE UK ECONOMY IN SEPTEMBER

The output measure of GDP fell by 2% between first and second quarters of 1980, reflecting a decline in activity in industrial production and service trades. Industrial production in June to August 1980 was 8½% below that in the same period in 1979. Retail sales in the period June to August 1980 were 1½% below the average for 1979 and consumers' expenditure fell by 3% in the second quarter of 1980. The rate of increase of industry's costs (imput wholesale price index) has been falling steadily over the last six months, and the year on year increase to September was 17½%.

Wholesale (output) prices have shown a similar trend, and the year on year increase to September was 15%. The retail price index showed a year on year increase of 15.9% in September, and the latest three months results give an annualised rate of increase of only 7%. Real personal disposable income was fairly constant during the first half of 1980, following a very strong rise of 14% between 1977 and 1979. The underlying trend in average earnings increases is probably about 21% pa, with a lower rate in manufacturing industry of about 18½% in the year to July, and a higher rate in the same period of 24% in the non-manufacturing sector. Within this last category earnings in the public sector (25% pa) rose faster than in the private sector (20% pa).

Unemployment continues on a marked upward trend, and the total, unadjusted UK figure in September was 8.4% of the workforce. In the three months to September, vacancies notified to employment offices were 52% lower than a year earlier.

Gross trading profits of industrial and commercial companies net of stock appreciation fell by 4% in the first half of the year, although this figure is 1% when stock appreciation is included. During the period, profits from the North Sea oil and gas sector accounted for about a quarter of the total. The net borrowing requirement of industrial and commercial companies rose sharply to £3.6 billion

in the first quarter of 1980.

External trade has been in surplus since May, and the provisional figure of £444 million in September is particularly high. In the three months to September, the volume of exports fell by 2½% and the volume of imports fell by almost 11%. The effective exchange rate at the end of October was 15.4% higher than the average for October 1979. UK competitiveness in the first quarter of 1980 (ie normalised unit Labour costs) was 23% worse than a year earlier, due to the firm exchange rate and more importantly to rapidly rising Labour costs. The public sector borrowing requirement was £4.9 billion in the first quarter of 1980/81, more than half of the forecast for the year as a whole. Sterling M3 has been distorted in recent months by adjustments following the ending of the corset. The underlying annual rate of increase does however appear to be considerably greater than the 7-11% pa. target.

3. ECONOMIC GROWTH.

3.1 Gross Domestic Product at factor cost (1).
1975=100

		<u>At current cost</u>		
		<u>Based on expenditure data</u>	<u>Based on income data</u>	<u>Average estimates at 1975 prices</u>
1974		79.0	79.2	101.2 (-1.7)
1975		100.0	100.0	100.0 (-1.2)
1976		118.4	116.9	103.2 (+3.2)
1977		134.2	133.6	105.1 (+1.8)
1978		153.7	153.5	108.4 (+3.1)
1979		174.2	176.2	109.9 (+1.4)
1974	Q1	70.9	69.1	98.3 (-4.7)
1979	Q1	160.1	163.4	108.2 (+1.7)
	Q2	173.8	173.6	111.5 (+2.4)
	Q3	178.4	179.9	109.4 (+0.5)
	Q4	184.4	187.9	110.6 (+1.1)
1980	Q1	188.4	194.9	109.7 (+1.4)
	Q2	198.5	203.5	108.0 (-3.1)

3.2 Per Capita: Gross Domestic Product (GDP); Consumers' Expenditure (CE); and Personal Disposable Income (PDI). (1).
1975 prices.

		GDP	CE	PDI
1974		£1,687 (-1.3)	£1,154 (-2.3)	£1,338 (+1.5)
1975		£1,678 (-0.5)	£1,148 (-0.5)	£1,327 (-1.2)
1976		£1,741 (+3.8)	£1,152 (+0.3)	£1,321 (-0.4)
1977		£1,763 (+1.3)	£1,142 (-0.9)	£1,302 (-1.4)
1978		£1,814 (+2.9)	£1,211 (+6.0)	£1,389 (+6.7)
1979		£1,824 (+0.6)	£1,259 (+4.0)	£1,472 (+6.0)
1974	Q1	£ 207 (-3.3)	£ 158 (-1.9)	£ 180 (+1.7)
1979	Q1	£ 448 (+0.0)	£ 310 (+4.0)	£ 361 (+8.0)
	Q2	£ 465 (+2.9)	£ 323 (+8.0)	£ 366 (+6.1)
	Q3	£ 457 (-0.4)	£ 311 (+1.3)	£ 364 (+3.1)
	Q4	£ 454 (-1.1)	£ 315 (+2.6)	£ 381 (+7.0)
1980	Q1	£ 451 (+0.7)	£ 322 (+3.9)	£ 375 (+3.9)

4. ECONOMIC ACTIVITY

4.1 Industrial Production (1). Ave. 1975=100

		<u>Index of Industrial Production</u> (All industries)	<u>Index of Industrial Production.</u> (Manu- facturing Industries)
1974		105.1 (-4.0)	106.5 (-1.7)
1975		100.0 (-4.9)	100.0 (-6.1)
1976		102.0 (+2.0)	101.4 (+1.4)
1977		106.0 (+3.7)	103.0 (+1.6)
1978		109.9 (+3.7)	103.8 (+0.8)
1979		112.6 (+2.5)	104.1 (+0.3)
1974	Q1	102.8 (-6.0)	104.8 (-2.0)
	Q2	107.5 (-2.0)	108.9 (+0.6)
	Q3	106.7 (-3.1)	107.8 (-1.2)
	Q4	103.5 (-5.0)	104.6 (-4.2)
1975	Q1	102.7 (-0.1)	104.0 (-7.6)
	Q2	99.4 (-7.5)	99.1 (-9.0)
	Q3	98.3 (-7.9)	98.0 (-9.1)
	Q4	99.6 (-3.8)	99.0 (-5.4)
1976	Q1	100.5 (-2.1)	99.6 (-4.2)
	Q2	101.9 (+2.5)	101.8 (+2.7)
	Q3	101.6 (+3.4)	101.7 (+3.8)
	Q4	104.7 (+5.1)	103.4 (+4.4)

		<u>Index of Industrial</u> <u>Production</u> <u>(All Industries)</u>	<u>Index of Industrial</u> <u>Production. Manu-</u> <u>facturing Industries)</u>
1977	Q1	106.2 (+5.7)	104.7 (+5.1)
	Q2	105.4 (+3.4)	102.3 (+0.5)
	Q3	106.2 (+4.5)	102.9 (+1.2)
	Q4	106.1 (+1.3)	102.1 (-1.3)
1978	Q1	107.6 (+1.3)	103.2 (-1.4)
	Q2	110.6 (+4.9)	104.4 (+2.1)
	Q3	111.2 (+4.7)	104.7 (+1.7)
	Q4	110.3 (+4.0)	103.0 (+0.9)
1979	Q1	110.1 (+2.3)	102.6 (-0.6)
	Q2	114.8 (+3.8)	107.1 (+2.6)
	Q3	113.1 (+1.7)	103.0 (-1.6)
	Q4	112.9 (+2.4)	104.0 (+1.0)
1979			
	May	114.9 (+4.5)	106.7 (+3.2)
	June	116.0 (+4.4)	108.1 (+3.4)
	July	115.4 (+4.4)	106.7 (+2.4)
	August	111.9 (+0.4)	102.1 (-3.0)
	September	110.6 (+0.3)	100.3 (-3.9)
	October	111.6 (+2.2)	102.7 (+0.1)
	November	113.9 (+3.6)	105.3 (+2.3)
	December	111.9 (+0.4)	103.6 (-0.4)
1980	Jan	112.0 (+6.0)	102.8 (+6.8)
	February	110.6 (-1.8)	101.2 (-4.5)
	March	109.1 (-3.6)	98.4 (-8.7)
	April	106.0 (-6.7)	97.0 (-8.7)
	May	105.5 (-8.2)	95.3 (-10.7)
	June	106.4 (-8.3)	96.1 (-11.1)
	July	105.3 (-8.7)	95.2 (-10.8)
	August	102.8 (-8.1)	93.0 (-8.9)

4.2 Retail Sales. Weekly average 1976=100 (3)

	Volume	Value		Volume	Value
1974	101.9 (-1.2)	73.2 (+15.8)	1979 May	102.8 (+4.4)	139.3 (+11.4)
1975	100.1 (-1.8)	87.1 (+19.0)	June	108.9 (+10.2)	150.3 (+19.2)
1976	100.0 (-0.1)	100.0 (+14.8)	July	98.1 (-2.9)	140.8 (+8.4)
1977	97.2 (-2.8)	113.0 (+13.0)	August	100.1 (-1.5)	145.7 (+10.5)
1978	100.8 (+3.7)	127.2 (+12.6)	Sept.	98.8 (-0.8)	144.7 (+11.1)
1979	101.6 (+0.8)	143.2 (+12.6)	Oct.	100.1 (-1.0)	148.2 (+13.6)
			Nov.	101.8 (+1.2)	152.2 (+16.4)
			Dec.	101.0 (-1.8)	152.2 (+12.7)

1974 Q1

1979 Q1	100.4 (+0.9)	133.6 (+10.0)	1980 Jan.	102.4 (+3.5)	154.5 (+17.8)
Q2	106.0 (+5.8)	144.5 (+15.4)	Feb.	103.1 (+2.4)	157.5 (+17.4)
Q3	99.0 (-2.9)	143.8 (+10.6)	March	101.8 (+0.5)	158.4 (+11.3)
Q4	101.0 (-0.5)	151.0 (+14.4)	April	101.3 (-4.4)	159.7 (+12.0)
1980 Q1	102.4 (+2.0)	156.7 (+17.3)	May	99.7 (-3.0)	158.9 (+14.1)
Q2	100.6 (-5.1)	160.0 (+10.7)	June	100.7 (-7.5)	161.1 (+6.1)
p Q3	99.2 (+0.2)		July	99.3 (+1.2)	160.1 (+13.1)
			Aug.	100.1 (0.0)	162.3 (+11.4)
			p Sept.	98.5 (-0.3)	

4.3 Consumers' Expenditure. £ million at 1975 prices (1).

SELECTED COMPONENTS.

	TOTAL	Food, drink & tobacco	Housing, fuel & light	Clothing & footwear	Durable household goods	Cars & motor- cycles
1974	64,418	19,876	12,065	5,109	3,236	1,821
1975	63,905	19,676	12,200	5,173	3,198	1,810
1976	63,030	19,853	12,143	5,197	3,379	2,012
1977	63,198	19,509	12,362	5,102	3,151	1,854
1978	66,680	20,382	12,625	5,463	3,430	2,465
1979	69,398	20,822	13,176	5,668	3,610	2,650
1974 Q1	15,984	5,114	2,675	1,375	824	560
1979 Q1	17,338	5,153	3,332	1,450	883	615
Q2	18,064	5,309	3,269	1,545	1,017	838
Q3	17,408	5,209	3,311	1,467	839	563
Q4	17,590	5,182	3,304	1,542	871	634
1980 Q1	18,002	5,390	3,354	1,545	934	654
p Q2	17,480	5,085	3,290	1,510	895	530

4.4 Labour market in Great Britain (4)

		Employees in employment		Unemployed			Vacancies
		Index of production industries	All industries and services	Total	% of all employees	School leavers	notified to employment offices
		000's	000's	000's	%	000's	000's
1974	J	9,732		535.9	2.3	4.5	n/a
	F	9,724		549.8	2.4	3.1	n/a
	M	9,704	22,214	554.9	2.4	2.0	n/a
	A	9,705		554.7	2.4	5.6	300.4
	M	9,716		547.5	2.4	4.9	318.6
	J	9,716	22,298	560.5	2.5	5.4	323.2
	J	9,710		566.2	2.5	14.4	319.1
	A	9,720		588.0	2.6	56.0	298.8
	S	9,694	22,385	598.5	2.6	33.4	294.3
	O	9,678		608.4	2.7	13.4	286.4
	N	9,625		618.5	2.7	8.0	267.5
	D	9,581	22,333	n/a	n/a	n/a	n/a
1975	J	9,565		672.3	2.9	8.0	n/a
	F	9,516		701.2	3.0	8.4	195.1
	M	9,478	22,227	735.7	3.2	5.8	188.0
	A	9,437		777.0	3.4	19.9	174.1
	M	9,391		821.6	3.6	14.3	158.4
	J	9,329	22,216	867.4	3.8	18.4	147.2
	J	9,284		921.9	4.0	55.3	132.8
	A	9,251		952.3	4.1	158.2	132.5
	S	9,222	22,164	988.2	4.3	117.9	128.1
	O	9,193		1,043.6	4.5	65.3	116.8
	N	9,169		1,083.8	4.7	40.4	111.8
	D	9,158	22,10 ³	1,120.8	4.9	32.1	100.8

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		Employees in employment		Unemployed			Vacancies
		Index of production industries	All industries and services	Total	% of all employees	School leavers	notified to employment offices
		000's	000's	000's	%	000's*	000's
1976	J	9,136		1,149.5	4.9	38.0	108.8
	F	9,121		1,180.0	5.0	28.0	112.0
	M	9,110	22,042	1,194.9	5.1	21.7	116.7
	A	9,085		1,209.5	5.2	21.3	117.7
	M	9,078		1,220.8	5.2	35.1	116.1
	J	9,081	22,043	1,227.6	5.3	118.2	113.8
	J	9,078		1,230.1	5.3	199.4	118.3
	A	9,073		1,240.7	5.3	194.5	124.4
	S	9,077	22,043	1,245.5	5.3	142.3	126.1
	O	9,090		1,244.4	5.3	78.0	124.6
	N	9,090		n/a	n/a	n/a	n/a
	D	9,086	22,087	1,264.9	5.4	48.0	n/a
1977	J	9,085		1,275.6	5.4	48.2	n/a
	F	9,082		1,278.3	5.4	39.4	147.0
	M	9,086	22,101	1,278.0	5.4	31.3	152.2
	A	9,097		1,287.6	5.5	50.4	153.8
	M	9,090		1,283.2	5.4	42.0	157.7
	J	9,089	22,117	1,337.3	5.6	142.7	156.2
	J	9,083		1,337.0	5.7	241.6	153.1
	A	9,066		1,337.1	5.7	220.4	151.3
	S	9,060	22,102	1,357.6	5.8	166.2	145.3
	O	9,048		1,363.1	5.9	92.6	154.0
	N	9,041		1,367.7	5.9	68.6	157.4
	D	9,040	22,089	1,366.7	5.9	54.3	163.0
1978	J	9,045		1,362.9	5.8	57.4	178.3
	F	9,050		1,354.4	5.7	46.6	185.2
	M	9,048	22,137	1,351.2	5.7	37.6	193.9
	A	9,038		1,342.4	5.7	56.7	202.0
	M	9,023		1,326.4	5.6	44.7	208.1
	J	9,019	22,152	1,319.4	5.6	139.2	215.5
	J	9,015		1,307.6	5.5	231.7	209.2
	A	9,011		1,309.9	5.5	210.9	207.7
	S	9,006	22,201	1,296.5	5.5	130.7	217.3
	O	8,997		1,287.5	5.5	76.4	227.0
	N	8,993		1,275.1	5.4	52.9	229.9
	D	8,990	22,282	1,264.8	5.4	39.8	229.9

		Employees in employment		Unemployed			Vacancies
		Index of Production industries	All industries and services	Total excluding school leavers	% of all employees	School leavers	notified to employment offices
		000's	000's	000's	%	000's*	000's
1979	J	8,992		1,281.5	5.4	44.4	234.6
	F	8,978		1,305.2	5.5	36.7	229.8
	M	8,971	22,266	1,299.8	5.5	28.9	234.7
	A	8,960		1,265.9	5.4	23.9	248.3
	M	8,967		1,245.9	5.3	36.2	255.8
	J	8,967	22,300	1,223.6	5.2	137.1	261.0
	J	8,972		1,217.1	5.1	204.2	251.6
	A	8,966		1,202.8	5.1	173.1	244.1
	S	8,946	22,293	1,202.4	5.1	106.0	241.9
	O	8,915		1,218.3	5.2	64.0	236.2
	N	8,879		1,223.6	5.2	45.5	233.1
	D	8,843	22,215	1,236	5.2	35.7	218.5
1980	J	8,807		1,275.4	5.4	42.6	205.4
	F	8,774		1,319.9	5.6	35.2	190.2
	M	8,738	22,060	1,349.9	5.7	28.8	179.5
	A	8,689		1,393.0	5.9	50.0	167.3
	M	8,638		1,418.0	6.0	45.8	161.8
	J			1,467.4	6.2	178.9	145.5
				1,536.2	6.5	281.9	125.0
	J			1,622.4	6.9	251.8	119.4
	A			1,707.0	7.2	196.7	112.1
	S			1,810.4	7.7	137.0	99.7

Regional Unemployment, excluding school leavers - % of the workforce in brackets

	Feb 1974	Oct 1974	Apr 1979	Oct 1980
South East	112.1 (1.5)	123.6 (1.7)	273.5 (3.6)	395.2 (5.2)
E. Anglia	11.0 (1.6)	14.5 (2.1)	31.0 (4.3)	44.8 (6.2)
South West	33.4 (2.3)	45.1 (2.9)	90.9 (5.5)	119.1 (7.1)
W. Midlands	46.1 (2.0)	n / a	118.7 (5.1)	200.5 (8.6)
E. Midlands	28.4 (2.0)	34.9 (2.3)	71.9 (4.5)	113.6 (7.1)
Yorks/Humberside	51.7 (2.6)	54.5 (2.7)	113.3 (5.4)	170.8 (8.1)
North West	92.3 (3.2)	100.0 (3.6)	190.2 (6.7)	278.0 (9.7)
North	56.9 (4.3)	60.5 (4.7)	109.4 (7.9)	146.7 (10.6)
Wales	35.1 (3.4)	39.1 (3.8)	81.4 (7.5)	117.2 (10.8)
Scotland	84.9 (3.9)	84.8 (3.9)	165.9 (7.3)	230.2 (10.2)

5. Price Indices

5.1 RETAIL PRICE INDEX

Jan 1974=100

	<u>Index</u>	<u>%change on the year</u>	<u>%change since Feb '74</u>	<u>Value of £1=100p at Feb '74</u>
1974	J 100.0	+12.0	-	
	F 101.7	+13.2	-	100p
	M 102.6	+13.5	+ 0.9	99.1
	A 106.1	+15.2	+ 4.3	95.8
	M 107.6	+16.0	+ 5.8	94.5
	J 108.7	+16.5	+ 6.9	93.6
	J 109.7	+17.1	+ 7.9	92.7
	A 109.8	+16.9	+ 8.0	92.6
	S 111.0	+17.1	+ 9.1	91.6
	O 113.2	+17.1	+11.3	88.9
	N 115.2	+18.3	+13.3	88.3
	D 116.9	+19.1	+14.9	86.9
1975	J 119.9	+19.9	+17.9	84.8
	F 121.9	+19.9	+19.9	83.4
	M 124.3	+21.1	+21.1	81.8
	A 129.1	+21.7	+26.9	78.8
	M 134.5	+25.0	+32.2	75.6
	J 137.1	+26.1	+34.8	74.2
	J 138.5	+26.3	+36.2	73.4
	A 139.3	+26.9	+37.0	73.0
	S 140.5	+26.6	+38.2	72.4
	O 142.5	+25.9	+40.1	71.4
	N 144.2	+25.2	+41.8	70.5
	D 146.0	+24.0	+43.6	69.7
1976	J 147.9	+23.4	+45.4	68.8
	F 149.8	+22.9	+47.3	67.9
	M 150.6	+21.2	+48.1	67.5
	A 153.5	+18.9	+50.9	66.3
	M 155.2	+15.4	+52.4	65.0
	J 156.0	+13.8	+53.7	65.2
	J 156.3	+12.9	+53.7	65.1
	A 158.5	+13.8	+55.8	64.2
	S 160.6	+14.3	+57.9	63.3
	O 163.5	+14.7	+60.7	62.2
	N 165.8	+15.0	+63.0	61.3
	D 168.0	+15.1	+65.2	60.5
1977	J 172.4	+16.6	+69.5	58.9
	F 174.1	+16.2	+71.2	58.4
	M 175.8	+16.7	+72.9	57.8
	A 180.3	+17.5	+77.3	56.4
	M 181.7	+17.1	+78.7	56.0
	J 183.6	+17.7	+80.5	55.4
	J 183.8	+17.6	+80.7	55.3
	A 184.7	+16.5	+81.6	55.1
	S 185.7	+15.6	+82.6	54.8
	O 186.5	+14.1	+83.4	54.5
	N 187.4	+13.0	+84.3	54.3
	D 188.4	+12.1	+85.3	54.0

TAX AND PRICE INDEX

Jan 1978=100

	<u>Index</u>	<u>%change on the year</u>	<u>%change since Feb 1974</u>
	50.2	-	-
	51.2	-	-
	51.7	-	+ 1.0
	54.3	-	+ 6.1
	56.2	-	+ 7.8
	55.9	-	+ 9.2
	56.5	-	+10.3
	56.8	-	+10.9
	57.6	-	+12.5
	58.9	-	+15.0
	60.1	+17.4	-
	61.2	-	+19.5
	63.0	+25.5	+23.0
	64.3	+25.6	+25.6
	65.8	+27.3	+28.5
	68.5	+26.2	+33.8
	71.9	+30.3	+40.4
	73.5	+31.5	+43.6
	74.4	+31.7	+45.3
	74.9	+31.9	+46.3
	75.7	+31.4	+47.9
	77.0	+30.7	+50.4
	78.0	+29.8	+52.3
	79.2	+29.4	+54.7
	80.4	+27.6	+57.0
	81.6	+26.9	+59.4
	82.2	+24.9	+60.5
	82.9	+21.0	+61.9
	84.0	+16.8	+64.1
	84.5	+15.0	+65.0
	84.7	+13.8	+65.4
	86.1	+15.0	+68.2
	87.5	+15.6	+70.9
	89.4	+16.1	+74.6
	90.9	+16.5	+77.5
	92.4	+16.7	+80.5
	95.3	+18.5	+86.1
	96.4	+18.1	+88.3
	97.5	+18.6	+90.4
	96.4	+16.3	+88.3
	97.3	+15.8	+90.0
	98.5	+16.6	+92.4
	98.6	+16.4	+92.6
	99.2	+15.2	+93.8
	99.9	+14.2	+95.1
	100.4	+12.3	+96.1
	98.7	+ 8.6	+92.8
	99.3	+ 7.5	+93.9

← RPI →				← TPI →			
Index	<u>%change on the year</u>	<u>%change since Feb 1974</u>	<u>Value of £1=100p at Feb 1974</u>	Index	<u>%change on the year</u>	<u>%change since Feb 1974</u>	
1978	J 189.5	+ 9.9	+86.3	53.7	100.0	+ 4.9	+95.3
	F 190.6	+ 9.5	+87.4	53.4	100.7	+ 4.5	+96.7
	M 191.8	+ 9.1	+88.6	53.0	101.5	+ 4.1	+98.2
	A 194.6	+ 7.9	+91.3	52.3	98.4	+ 2.1	+92.2
	M 195.7	+ 7.7	+92.4	51.9	99.1	+ 1.8	+93.5
	J 197.2	+ 7.4	+93.9	51.6	100.0	+ 1.5	+95.3
	J 198.1	+ 7.8	+94.8	51.3	100.5	+ 1.9	+96.3
	A 199.4	+ 8.0	+96.1	51.0	101.3	+ 2.1	+97.9
	S 200.2	+ 7.8	+96.9	50.8	101.8	+ 1.9	+98.8
	O 201.1	+ 7.8	+97.7	50.6	102.4	+ 2.0	+100.0
	N 202.5	+ 8.1	+99.1	50.2	103.2	+ 4.6	+101.6
	D 204.2	+ 8.4	+100.7	49.8	104.3	+ 5.0	+103.7
1979	J 207.2	+ 9.3	+103.7	49.1	106.1	+ 6.1	+107.2
	F 208.9	+ 9.6	+105.4	48.7	107.2	+ 6.5	+109.4
	M 210.6	+ 9.8	+107.0	48.3	108.2	+ 6.6	+111.3
	A 214.2	+10.1	+110.6	47.5	110.5	+12.3	+115.8
			<u>%change since May 1979</u>	<u>Value of £1 =100p at May 1979</u>			<u>%change since May 1979</u>
	M 215.9	+10.3	-	100.0	111.6	+12.7	-
	J 219.6	+11.4	+ 1.7	98.3	113.8	+13.8	+2.0
	J 229.1	+15.6	+ 6.1	94.2	113.8	+13.2	+2.0
	A 230.9	+15.6	+ 6.9	93.5	114.9	+13.4	+3.0
	S 233.2	+16.5	+ 8.0	92.6	116.2	+14.1	+4.1
	O 235.6	+17.2	+ 9.1	91.6	117.6	+14.8	+5.1
	N 237.7	+17.4	+10.1	90.8	118.8	+15.1	+6.5
	D 239.4	+17.2	+10.9	90.2	119.8	+14.9	+7.3
1980	J 245.3	+18.4	+13.6	88.0	123.2	+16.1	+10.4
	F 248.8	+19.1	+15.2	86.8	125.3	+16.9	+12.3
	M 252.2	+19.8	+16.8	85.6	127.2	+17.6	+14.0
	A 260.8	+21.8	+20.8	82.8	130.8	+18.4	+17.2
	M 263.2	+21.9	+21.9	82.0	132.2	+18.5	+18.5
	J 265.7	+21.0	+23.1	81.3	133.6	+17.4	+19.7
	J 267.9	+16.9	+24.1	80.6	134.9	+18.5	+20.9
	A 268.5	+16.3	+24.4	80.4	135.3	+17.8	+21.2
	S 270.2	+15.9	+25.2	79.9	136.3	+17.3	+22.1

5.2 Wholesale prices.

	Materials & fuels purchased by manufacturing industries* (5)	Output prices of all manufac- tured products (home sales)*(5)	Reuter's commodity index** (6) (last working day)
	1975=100	1975=100	
1974	86.8 (+47.6)	81.8 (+22.6)	1,199.6 (-11.6)
1975	100.0 (+15.2)	100.0 (+22.2)	1,158.7 (-3.4)
1976	127.0 (+27.0)	117.3 (+17.3)	1,554.7 (+34.2)
1977	145.6 (+14.6)	140.5 (+19.8)	1,421.3 (-8.6)
1978	144.6 (-0.7)	153.3 (+9.1)	1,496.0 (+5.2)
1979	167.6 (+15.9)	171.9 (+12.1)	1,709.5 (+14.3)
1974 Feb	85.7	75.3	1,442.0
1979 Apr	160.6 (+10.7)	165.5 (+9.6)	1,560.4 (+8.1)
May	162.8 (+10.9)	167.7 (+10.4)	1,579.3 (+7.2)
Jun	166.6 (+13.3)	170.9 (+11.9)	1,617.7 (+7.6)
Jul	168.1 (+15.3)	174.8 (+13.6)	1,523.1 (+6.1)
Aug	169.1 (+17.3)	176.3 (+13.9)	1,590.0 (+9.1)
Sep	172.5 (+19.1)	178.2 (+14.4)	1,659.0 (+10.9)
Oct	178.1 (+22.2)	180.3 (+14.9)	1,668.3 (9.1)
Nov	186.0 (+26.3)	181.6 (+15.5)	1,691.2 (+11.0)
Dec	187.5 (+26.4)	183.4 (+15.9)	1,709.5 (+14.3)
1980 Jan	193.5 (+27.5)	188.5 (+17.8)	1,809.5 (+19.5)
Feb	197.6 (+28.9)	191.5 (+18.4)	1,785.7 (+14.7)
Mar	200.4 (+29.3)	194.3 (+19.0)	1,706.7 (+9.0)
Apr	202.3 (+26.0)	197.0 (+19.0)	1,682.1 (+7.7)
May	200.4 (+23.2)	199.0 (+18.8)	1,710.0 (+8.3)
June	201.1 (+20.8)	201.0 (+17.6)	1,675.2 (+4.3)
July	201.7 (+20.0)	202.7 (+16.0)	1,696.7 (+11.4)
Aug.	201.8 (+19.3)	203.6 (+15.5)	1,726.4 (+8.2)
Sept. p	202.4 (+17.3)	p 204.5 (+14.8)	1,746.1 (+5.8)

** This index is a geometric average of seventeen primary commodities (wheat, cotton, coffee, wool, copper, sugar, rubber, maize, rice, beet, soyabeans, cocoa, tea, groundnuts, copra, zinc and lead) weighted by their importance in international trade.

5.3 Wages and Earnings (4).

	Index of nationally negotiated weekly wage rates for all industries and services. 31.7.72=100		Index of average earnings in GB. Whole economy. Jan. 1976=100	
	Index	%increase since Feb. 1974	Index	
1974	138.0 (19.8)			
1975	178.7 (29.5)	44.1		
1976	213.2 (19.3)	71.9	106.0	
1977	227.3 (6.6)	83.3	115.6 (9.1)	
1978	259.2 (14.0)	109.0	130.6 (13.0)	
1979	297.8 (14.9)		150.9 (15.5)	
		%increase since May 1979		% increase since May 1979
<u>1974 Feb.</u>	124.0			
1979 Apr.	289.2 (11.9)	-	144.6 (13.5)	-
May	291.2 (12.0)	-	146.0 (13.5)	-
June	296.2 (12.4)	1.7	149.8 (13.4)	2.6
July	298.4 (12.6)	2.5	153.8 (16.5)	5.3
Aug.	300.1 (12.7)	3.0	154.1 (16.4)	5.5
Sept	300.7 (12.9)	3.2	153.9 (14.4)	5.4
Oct.	303.1 (11.9)	4.0	158.7 (16.9)	8.9
Nov.	319.4 (17.0)	9.0	162.1 (19.2)	11.0
Dec.	322.4 (17.6)	10.7	164.5 (19.7)	12.7
1980 Jan.	332.9 (17.6)	14.3	164.2 (20.2)	12.5
Feb	335.0 (17.4)	15.0	169.0 (18.6)	15.8
Mar	336.6 (17.6)	15.5	172.9 (20.3)	18.4
Apr	341.9 (18.2)	16.9	175.3 (21.3)	20.1
May	347.0 (19.2)	19.1	177.0 (21.3)	21.1
June	355.2 (19.9)	21.5	182.3 (21.7)	24.9
July	356.4 (19.3)	22.4	182.8 (18.9)	25.2
Aug.	356.7 (18.8)	22.5	p 187.5 (21.6)	28.4
Sept.	357.3 (18.8)	22.7		

6. EXTERNAL TRADE.

6.1 Balance of Payments. (3)

£million.

	Current balance	Visible balance	Invisible balance	Exports (FOB)	Imports (FOB)	Balance of trade in oil.
1974	-3,307	-5,235	+1,928	16,538	21,773	-3,422
1975	-1,621	-3,236	+1,615	19,463	22,699	-3,106
1976	-1,152	-3,911	+2,759	25,193	29,104	-3,973
1977	+ 224	-2,239	+2,015	31,734	33,973	-2,791
1978	+ 932	-1,493	+2,425	35,071	36,564	-1,999
1979	-2,437	-3,312	+ 875	40,689	44,001	- 779
1979 Apr.	- 128	- 164	+ 36**	3,616	3,780	- 123
May	- 252	- 287	+ 35	3,509	3,796	- 54
June	- 195	- 231	+ 36	3,461	3,692	- 50
July	+ 58	- 27	+ 85	3,600	3,627	- 44
Aug.	- 121	- 226	+ 85	3,517	3,743	- 122
Sept.	- 126	- 211	+ 85	3,549	3,760	+ 12
Oct.	- 394	- 418	+ 24	3,484	3,902	- 96
Nov.	- 51	- 75	+ 24	3,760	3,835	+ 217
Dec.	- 229	- 252	+ 23	3,773	4,025	- 88
1980 Jan.	- 213	- 315	+ 102	3,876	4,191	- 76
Feb.	- 130	- 232	+ 102	4,122	4,354	- 45
Mar	- 74	- 176	+ 102	3,834	4,010	- 5
Apr	- 225	- 303	+ 78	3,879	4,182	+ 26
May	+ 77	- 1	+ 78	3,964	3,965	- 25
June	+ 80	+ 3	+ 77	3,970	3,967	- 30
p July	+ 336	+ 261	+ 75	4,032	3,771	+ 102
p Aug.	+ 138	+ 63	+ 75	3,958	3,895	+ 10
p Sept.	+ 444	+ 369	+ 75	3,922	3,553	+ 53

** Monthly figures for invisibles are not available, so $\frac{1}{3}$ of the appropriate calendar quarter's estimate is used to calculate the monthly current balance.

6.2 Terms of Trade (3).
1975=100

	Unit values		Unit volumes		Terms of trade**
	Exports*	Imports*	Exports	Imports	
1974	81.8	88.5	103.9	107.9	92.4
1975	100.0	100.0	100.0	100.0	100.0
1976	120.7	121.6	109.8	105.7	99.3
1977	142.5	141.3	118.9	107.2	100.0
1978	155.1	147.0	121.5	112.6	105.5
1979	171.9	162.3	125.9	125.7	105.9
1979 Q1	165.8	154.9	109.0	116.9	107.0
Q2	169.1	158.9	135.3	128.9	106.4
Q3	173.6	162.6	129.8	128.1	106.8
Q4	179.1	172.8	129.3	128.9	103.7
1979 April	168.8	155.4	140.7	131.6	108.6
May	169.1	157.3	134.1	131.8	107.5
June	170.9	160.4	130.3	129.2	106.5
July	173.6	158.5	133.3	128.1	109.5
August	173.2	162.3	128.6	129.8	106.7
September	174.5	165.5	129.3	127.5	105.5
October	177.2	169.8	124.7	129.7	104.4
November	179.6	172.5	131.8	125.8	104.1
December	180.5	176.0	131.3	131.2	102.6
1980 January	185.2	183.6	129.8	128.0	100.9
February	187.3	186.2	136.5	128.9	100.6
March	189.4	188.3	127.7	122.7	100.6
April	191.0	187.9	126.8	128.4	101.6
May	191.2	187.5	129.8	120.8	102.0
June	193.6	187.1	129.1	124.4	103.5
July	194.8	187.7	129.8	118.5	103.8
Aug.	196.4	187.3	127.1	120.8	104.9
Sept.	196.2	187.7	126.2	111.0	104.5

** Terms of trade are derived by expressing the unit value index for exports as a percentage of the unit value index for imports.

6.3 Foreign Exchange Rates and Official Reserves. (6.9)*

	Official* reserves \$ million at the end of the sta- ted period	Effective Sterling exchange rate 21.12.71=100	Sterling exchange rate against US Swiss German Japanese dollar franc mark yen ***			
			Ave. over the stated period			
1974	6,789	83.6	2.34	6.96	6.05	682.7
1975	5,429	77.2	2.22	5.72	5.45	658.1
1976	4,129	65.4	1.80	4.52	4.55	535.4
1977	20,557	62.1	1.75	4.19	4.05	467.7
1978	15,694	63.0	1.92	3.42	3.85	402.7
1979	22,538	67.8	2.12	3.53	3.89	465.6
1979 April	21,467	66.9	2.07	3.56	3.93	447.9
May	21,532	66.9	2.06	3.55	3.93	449.6
June	22,070	68.3	2.11	3.59	3.98	461.3
July	23,499	71.9	2.26	3.72	4.12	493.7
Aug.	23,305	71.4	2.24	3.71	4.10	487.4
Sept.	22,692	69.8	2.20	3.53	3.95	489.2
Oct.	22,498	68.4	2.14	3.49	3.84	493.3
Nov.	22,417	68.4	2.13	3.51	3.78	522.5
Dec.	22,538	69.7	2.20	3.52	3.81	528.0
1980 Jan.	23,441	71.4	2.27	3.61	3.91	538.8
Feb.	23,670	72.8	2.29	3.75	4.00	558.9
Mar	26,963	72.3	2.21	3.86	4.08	548.2
Apr	28,010	72.9	2.22	3.85	4.14	552.2
May	28,284	73.6	2.30	3.83	4.13	525.4
June	28,172	73.7	2.34	3.81	4.13	509.2
July	28,272	74.6	2.37	3.81	4.15	524.3
Aug.	28,291	75.5**	2.37	3.91**	4.24**	530.8**
Sept.	27,637	76.0***	2.39**	3.95***	4.33***	503.5***
Oct.		78.9	2.44***	4.09***	4.56***	518.5

** Figures on September 30th.
*** Figures on October 24th.

7. GOVERNMENT FINANCE

7.1 Money Supply (7)

Amount outstanding at:

£ million

		M1		Sterling M3	
End	1974/5	14,780	(+16.5%)	35,220	(+8.4%)
	1975/6	17,880	(+21.0%)	37,680	(+7.0%)
	1976/7	19,700	(+10.2%)	40,810	(+8.3%)
	1977/8	24,240	(+23.0%)	46,730	(+14.5%)
	1978/9	27,430	(+13.2%)	52,150	(+11.6%)
<u>1979</u>	Apr 18th	26,730	(+14.6%)	51,410	(+10.9%)
	May 16th	26,891	(+13.0%)	52,190	(+11.2%)
	June 20th	26,510	(+12.3%)	52,650	(+11.6%)
	July 18th	27,110	(+12.4%)	53,100	(+10.9%)
	Aug 15th	27,230	(+11.6%)	53,840	(+12.6%)
	Sept 19th	27,390	(+10.9%)	54,180	(+12.2%)
	Oct 17th	28,190	(+13.5%)	55,160	(+13.5%)
	Nov 21st	27,760	(+11.0%)	55,700	(+13.5%)
	Dec 12th	27,660	(+ 8.5%)	56,750	(+12.3%)
<u>1980</u>	Jan 16th	27,690	(+7.3%)	56,240	(+11.4%)
	Feb 20th	27,280	(+4.8%)	56,580	(+11.4%)
	Mar 19th	27,570	(+6.2%)	56,860	(+12.8%)
	Apr 16th	27,450	(+2.7%)	57,050	(+11.0%)
	May 21st	27,550	(+2.5%)	58,280	(+11.7%)
	June 18th	27,240	(+2.7%)	58,720	(+11.5%)
	July 16th	28,200	(+4.0%)	61,670	(+16.1%)
	Aug. 20th	28,290	(+3.9%)	63,500	(+17.9%)
	Sept. 17th	28,540	(+4.2%)	63,850	(+17.8%)

7.2 Domestic Credit Expansion (7).

£ million

	Central govt. borrowing requirement (surplus -ve)	Public sector borrowing requirement	Expansion in bank lending to private sector	Domestic credit expansion
1974/75	+5,082	+ 7,947	+2,542	+6,382
1975/76	+8,803	+10,586	- 561	+5,137
1976/77	+5,944	+ 8,519	+3,391	+4,944
1977/78	+4,431	+ 5,594	+3,743	+3,807
1978/79	+8,084	+ 9,197	+6,296	+7,307
1979/80	+8,199	+ 9,900	+9,328	+10,574
1980 Q2	+4,587	+ 4,910	+2,975	+5,637

In the month to:

1979

April 18th	+1,586		+ 660	+1,211
May 16th	+ 870		+ 629	+ 897
June 20th	+1,031		+ 840	+ 550
July 18th	+ 702		+ 475	+ 512
Aug. 15th	+ 493		+ 678	+1,201
Sept. 19th	+1,340		+ 472	+1,005
Oct. 17th	+ 972		+1,183	+1,657
Nov. 21st	+ 909		+ 698	+1,211
Dec. 12th	+1,314		+ 171	+ 96

1980

Jan. 16th	+ 119		+1,378	+ 738
Feb. 20th	+ 228		+ 502	+ 270
Mar. 19th	+ 569		+ 433	+ 716
Apr. 16th	- 584		+1,545	+ 702
May 21st	+1,457		+ 370	+1,147
June 18th	+1,413		+ 438	+1,369
July 16th	+ 416		+2,379	+3,482
Aug. 20th	+2,050		+ 869	+2,019
Sept. 17th	+1,145		+ 543	+1,004

8. International comparisons

8.1 Retail Prices (8)

	Average annual rate:				Year to August 1980
	1976	1977	1978	1979	
USA	5.8	6.5	7.7	11.3	12.8
Japan	9.3	8.1	3.8	3.6	8.7
W. Germany	4.5	3.9	2.7	4.1	5.5
France	9.6	9.8	9.1	10.8	13.6
Holland	8.8	6.4	4.1	4.2	7.0
Belgium	9.2	7.1	4.5	4.5	6.3
Switzerland	1.7	1.3	1.1	3.6	4.2
Italy	16.8	17.0	12.1	14.8	22.0
UK	16.5	15.9	8.3	13.4	16.3

8.2 Unemployment (% of working population)

	1976	1977	1978	1979	Aug 1980
USA (8)	7.7	7.1	6.0	5.8	7.6
Japan (8)	2.0	2.0	2.2	2.1	2.0
W. Germany (11)	4.1	4.0	3.9	3.4	3.3
France (11)	4.3	4.8	5.2	6.0	6.1
Holland (11)	4.3	4.1	4.1	4.1	5.1
Belgium (11)	6.8	7.8	8.4	8.8	10.3
Italy (11)	5.6	6.4	7.1	7.5	7.8
UK (11)	5.3	5.7	5.7	5.3	7.7

Direct comparisons between countries are not really possible because of the different methods of compilation. However, trends can legitimately be compared.

8.3 GDP at 1975 prices and exchange rates - (8).

% Growth between 1978 and 1979. (p)

USA	+ 2.3%
Japan	+ 5.9%
W. Germany	+ 4.4%
France	+ 3.2%
Holland	+ 2.6%
Belgium	+ 3.3%
Switzerland	+ 0.8%
Italy	+ 5.0%
UK	+ 1.7%

8.4 Effective Exchange Rates (6,7)

1971=100

	End of year:		1978	1979	Oct. 24th '80
	1976	1977			
Sterling	61.1	65.2	64.0	70.2	78.9
US dollar	97.2	90.8	52.7	85.0	84.7
Deutsche mark	132.8	142.6	151.1	158.5	150.1
Swiss franc	150.7	176.1	199.2	203.2	196.0
French franc	97.5	97.2	100.7	103.3	99.6
Lira	60.0	56.5	54.1	55.1	51.6
Japanese yen	103.3	124.1	147.7	117.7	135.4