

CURRENT ECONOMIC INDICATORS
JUNE 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.
- (9) Financial Statistics.
- (10) Treasury Progress Reports.

2. THE UK ECONOMY IN MAY

The output measure of gross domestic product, usually considered the best indicator of short-term movement, fell by about 0.5% between the fourth quarter of 1979 and the first quarter of 1980. The underlying level of industrial production (other than oil and gas) was 3% lower in the first four months of 1980 than in the same period of 1979.

The May figure for retail sales showed a fall for the third successive month. Consumers' expenditure rose by 2½% during the first quarter of 1980, partly in anticipation of the Budget.

The 1% fall in the index of industry's costs (materials and fuels purchased by manufacturing industry) during May was the first fall in the index for nearly two years. The index of wholesale prices showed a slightly smaller year-on-year increase in May 1980 (18.8%) than in the previous two months (both 19%).

The year-on-year increase in the retail price index in May 1980 was hardly changed from its value in April, at 21.9%, and the trade and price index was similarly stable at 18.5%.

Real personal disposable income has risen by 13% in two years, and by 6% during 1979. Average gross earnings have been rising steadily this year (21.2% in the year to April 1980). The number of people unemployed rose sharply in June to 6.3% of the workforce. This rise included an increase of 137,510 in the number of unemployed school leavers.

Gross trading profits of industrial and commercial companies were unchanged during the first quarter of the year. Since profits from North Sea oil and gas activities have probably increased in the period, other company profits have probably fallen. The net borrowing requirement of industrial and commercial companies was £6.3 billion in 1979.

In the five months to May 1980, the current account on the balance of payments was in deficit by £599 million, compared with £2½ billion for the whole of 1979. Imports and exports have been affected by the steel strike, but underlying trends seem to be broadly flat for exports this year, and downwards for imports.

The public sector borrowing requirement was £9.8 billion for 1979-80, compared with £9.3 billion for 1978-9. The central government borrowing requirement was very high in May (£1.5 billion) and domestic credit expansion in the month was £1.1 billion. Bank lending in sterling in May was quite low, after the high April figure.

During the last 11 months, sterling M3 has increased at an annual rate of 11½%, slightly above the 7-11% 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		117.9	117.4	103.0 (+3.1)
1977		133.5	133.9	104.9 (+1.7)
1978		152.6	152.8	107.9 (+2.7)
1979		172.4	174.6	109.7 (-1.7) **
1974	Q1	70.9	69.1	98.3 (-4.7)
1979	Q1	159.4	161.2	108.2 (+1.8) **
	Q2	172.8	172.8	111.6 (+3.2) **
	Q3	176.2	178.2	109.3 (+1.0) **
	Q4	181.3	186.0	109.7 (+1.0) **
1980	Q1	185.7	192.0	109.0 (+0.7) **

** Because of the unreliability of expenditure - based data in 1979, these data are calculated by extrapolation from Q4 1978 using quarterly movement of the output - based index.

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

		GDP	CE	PDI
1974		£1,682 (-1.4)	£1,150 (-2.3)	£1,343 (+1.5)
1975		£1,672 (-0.6)	£1,142 (-0.7)	£1,327 (-1.2)
1976		£1,733 (+3.6)	£1,144 (+0.2)	£1,322 (-0.4)
1977		£1,750 (+1.0)	£1,130 (-1.2)	£1,303 (-1.4)
1978		£1,792 (+2.4)	£1,193 (+5.6)	£1,390 (+6.7)
p 1979		£1,797 (+0.3)	£1,241 (+4.0)	£1,474 (+6.0)
1974	Q1	£ 207 (-3.3)	£ 158 (-1.9)	£ 180 (+1.7)
1979	Q1	£ 445 (+0.7)	£ 306 (+4.4)	£ 361 (+8.0)
	Q2	£ 458 (+2.5)	£ 318 (+7.8)	£ 367 (+6.1)
	Q3	£ 446 (-0.9)	£ 306 (+1.3)	£ 364 (+3.1)
	p Q4	£ 448 (-1.1)	£ 311 (+2.6)	£ 382 (+7.0)

4. ECONOMIC ACTIVITY

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

		<u>Index of Industrial Production (All industries)</u>	<u>Index of Industrial Production. (Manu- facturing Industries)</u>
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)	108.2 (+3.4)
	July	115.6 (+4.4)	106.8 (+2.4)
	August	112.1 (+0.4)	102.2 (-3.0)
	September	110.7 (+0.3)	100.4 (-3.9)
	October	111.7 (+2.2)	102.7 (+0.1)
	November	114.1 (+3.6)	105.4 (+2.3)
	December	112.1 (+0.4)	103.7 (-0.4)
1980	Jan	111.5 (+6.0)	102.2 (+6.8)
	February	110.2 (-1.8)	100.9 (-4.5)
	March	108.9 (-3.6)	98.4 (-8.7)
	April (p)	108.2 (-4.8)	99.9 (-6.0)

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 (+4.2)	139.8 (+14.0)
1975	100.1 (-1.8)	87.1 (+19.0)		Jun 109.4 (+10.6)	151.9 (+22.0)
1976	100.0 (-0.1)	100.0 (+14.8)		Jul 98.6 (-2.5)	141.5 (+11.2)
1977	97.5 (-2.5)	113.2 (+13.2)		Aug 100.9 (-0.8)	146.7 (+13.4)
1978	101.0 (+3.6)	127.5 (+12.6)		Sep 99.5 (-0.3)	145.7 (+14.0)
1979	102.1 (+1.1)	144.0 (+12.9)		Oct 100.9 (-0.3)	149.2 (+14.3)
				Nov 102.5 (+1.9)	153.1 (+17.1)
				Dec 101.6 (-1.2)	153.0 (+13.4)
<u>1974 Q1</u>					
1979	Q1 100.8 (+1.1)	134.2 (+10.4)	1980	Jan 103.1 (+3.7)	155.5 (+18.5)
	Q2 106.4 (+6.1)	145.0 (+15.6)		Feb 102.6 (+3.0)	158.5 (+18.2)
	Q3 99.7 (-2.5)	144.7 (+11.0)		Mar 103.9 (+1.0)	159.4 (+17.0)
	Q4 101.7 (-0.1)	151.9 (+14.6)		Apr 102.3 (-3.7)	161.0 (+12.7)
1980	Q1 103.2 (+2.4)	157.8 (+17.6)			

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
<u>1974 Q1</u>	15,984	5,114	2,675	1,375	824	560
1979	Q1 17,110	5,149	3,329	1,366	883	615
	Q2 17,800	5,307	3,266	1,455	1,017	838
	Q3 17,081	5,192	3,288	1,381	839	563
	Q4 17,407	5,174	3,293	1,451	871	634
1980	Q1p 17,790	5,385	3,355	1,458	929	655

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
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
	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	8,800		1,275.4	5.4	42.6	205.4
	F	8,756		1,319.9	5.6	35.2	190.2
	M			1,349.9	5.7	28.8	179.5
	A			1,393.0	5.9	50.0	167.3
	M			1,418.0	6.0	45.8	161.8
	J			1,467.4	6.2	178.9	145.5

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

	Feb 1974	Oct 1974	Apr 1979	June 1980
South East	112.1 (1.5)	123.6 (1.7)	273.5 (3.6)	308.0 (4.1)
E. Anglia	11.0 (1.6)	14.5 (2.1)	31.0 (4.3)	34.7 (.8)
South West	33.4 (2.3)	45.1 (2.9)	90.9 (5.5)	96.7 (5.8)
W. Midlands	46.1 (2.0)	n / a	118.7 (5.1)	150.1 (6.4)
E. Midlands	28.4 (2.0)	34.9 (2.3)	71.9 (4.5)	88.7 (5.5)
Yorks/Humberside	51.7 (2.6)	54.5 (2.7)	113.3 (5.4)	137.3 (6.5)
North West	92.3 (3.2)	100.0 (3.6)	190.2 (6.7)	228.3 (8.0)
North	56.9 (4.3)	60.5 (4.7)	109.4 (7.9)	128.1 (9.3)
Wales	35.1 (3.4)	39.1 (3.8)	81.4 (7.5)	95.6 (8.7)
Scotland	84.9 (3.9)	84.8 (3.9)	165.9 (7.3)	198.8 (8.8)

5. Price Indices

5.1 RETAIL PRICE INDEX

Jan 1974=100

TAX AND PRICE INDEX

Jan 1978=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>	<u>Index</u>	<u>%change on the year</u>	<u>%change since Feb 1974</u>
1974	J 100.0	+12.0	-		50.2	-	-
	F 101.7	+13.2	-	100p	51.2	-	-
	M 102.6	+13.5	+ 0.9	99.1	51.7	-	+ 1.0
	A 106.1	+15.2	+ 4.3	95.8	54.3	-	+ 6.1
	M 107.6	+16.0	+ 5.8	94.5	56.2	-	+ 7.8
	J 108.7	+16.5	+ 6.9	93.6	55.9	-	+ 9.2
	J 109.7	+17.1	+ 7.9	92.7	56.5	-	+10.3
	A 109.8	+16.9	+ 8.0	92.6	56.8	-	+10.9
	S 111.0	+17.1	+ 9.1	91.6	57.6	-	+12.5
	O 113.2	+17.1	+11.3	88.9	58.9	-	+15.0
	N 115.2	+18.3	+13.3	88.3	60.1	+17.4	-
	D 116.9	+19.1	+14.9	86.9	61.2	-	+19.5
1975	J 119.9	+19.9	+17.9	84.8	63.0	+25.5	+23.0
	F 121.9	+19.9	+19.9	83.4	64.3	+25.6	+25.6
	M 124.3	+21.1	+21.1	81.8	65.8	+27.3	+28.5
	A 129.1	+21.7	+26.9	78.8	68.5	+26.2	+33.8
	M 134.5	+25.0	+32.2	75.6	71.9	+30.3	+40.4
	J 137.1	+26.1	+34.8	74.2	73.5	+31.5	+43.6
	J 138.5	+26.3	+36.2	73.4	74.4	+31.7	+45.3
	A 139.3	+26.9	+37.0	73.0	74.9	+31.9	+46.3
	S 140.5	+26.6	+38.2	72.4	75.7	+31.4	+47.9
	O 142.5	+25.9	+40.1	71.4	77.0	+30.7	+50.4
	N 144.2	+25.2	+41.8	70.5	78.0	+29.8	+52.3
	D 146.0	+24.0	+43.6	69.7	79.2	+29.4	+54.7
1976	J 147.9	+23.4	+45.4	68.8	80.4	+27.6	+57.0
	F 149.8	+22.9	+47.3	67.9	81.6	+26.9	+59.4
	M 150.6	+21.2	+48.1	67.5	82.2	+24.9	+60.5
	A 153.5	+18.9	+50.9	66.3	82.9	+21.0	+61.9
	M 155.2	+15.4	+52.4	65.0	84.0	+16.8	+64.1
	J 156.0	+13.8	+53.7	65.2	84.5	+15.0	+65.0
	J 156.3	+12.9	+53.7	65.1	84.7	+13.8	+65.4
	A 158.5	+13.8	+55.8	64.2	86.1	+15.0	+68.2
	S 160.6	+14.3	+57.9	63.3	87.5	+15.6	+70.9
	O 163.5	+14.7	+60.7	62.2	89.4	+16.1	+74.6
	N 165.8	+15.0	+63.0	61.3	90.9	+16.5	+77.5
	D 168.0	+15.1	+65.2	60.5	92.4	+16.7	+80.5

← RPI →

← TPI →

	<u>Index</u>	<u>%change on the year</u>	<u>%change since Feb 1974</u>	<u>Value of £1=100p at Feb 1974</u>	<u>Index</u>	<u>%change on the year</u>	<u>%change since Feb 1974</u>	
1977	J	172.4	+16.6	+69.5	58.9	95.3	+18.5	+86.1
	F	174.1	+16.2	+71.2	58.4	96.4	+18.1	+88.3
	M	175.8	+16.7	+72.9	57.8	97.5	+18.6	+90.4
	A	180.3	+17.5	+77.3	56.4	96.4	+16.3	+88.3
	M	181.7	+17.1	+78.7	56.0	97.3	+15.8	+90.0
	J	183.6	+17.7	+80.5	55.4	98.5	+16.6	+92.4
	J	183.8	+17.6	+80.7	55.3	98.6	+16.4	+92.6
	A	184.7	+16.5	+81.6	55.1	99.2	+15.2	+93.8
	S	185.7	+15.6	+82.6	54.8	99.9	+14.2	+95.1
	O	186.5	+14.1	+83.4	54.5	100.4	+12.3	+96.1
	N	187.4	+13.0	+84.3	54.3	98.7	+ 8.6	+92.8
	D	188.4	+12.1	+85.3	54.0	99.3	+ 7.5	+93.9
	1978	J	189.5	+ 9.9	+86.3	53.7	100.0	+ 4.9
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
	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	+5.4
	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

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)
<u>1974 Feb</u>	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)
p Apr	202.4 (+26.0)	197.0 (+19.0)	1,682.1 (+7.7)
p May	200.6 (+23.2)	199.3 (+18.8)	1,710.0 (+8.3)

** 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
1974	Feb. 124.0				
1979	Apr. 289.2 (11.9)	-		144.3 (13.5)	-
	May 291.2 (12.0)	-		146.9 (13.5)	-
	June 296.2 (12.4)	1.7		150.9 (13.4)	2.7
	July 298.4 (12.6)	2.5		155.6 (16.5)	5.9
	Aug. 300.1 (12.7)	3.0		153.3 (16.4)	4.4
	Sept 300.7 (12.9)	3.2		153.6 (14.4)	4.6
	Oct. 303.1 (11.9)	4.0		158.1 (17.0)	7.6
	Nov. 319.4 (17.0)	9.0		162.1 (19.1)	10.4
	Dec. 322.4 (17.6)	10.7		165.1 (19.7)	12.3
1980	Jan. 332.9 (17.6)	14.3		163.0 (20.1)	11.0
	Feb 335.0 (17.4)	15.0		167.3 (18.6)	13.9
	Mar 336.6 (17.5)	15.5		172.8 (20.3)	17.5
	Apr 341.4 (18.0)	16.9		p 174.8 (21.2)	19.0
	May 345.0 (18.5)	18.5			

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	-1,089
1979	-2,437	-3,312	+ 875	40,689	44,001	- 780
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. p	- 271	- 321	p+ 50	3,879	4,200	- 74
Feb. p	- 176	- 226	p+ 50	4,133	4,359	- 52
Mar p	- 126	- 176	p+ 50	3,835	4,011	- -
Apr p	- 214	- 264	p+ 50	3,885	4,149	+ 44
May p	+ 32	- 18	p+ 50	3,973	3,991	- 10

** 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	129.9	128.3	100.9
February	187.3	186.2	136.8	129.1	100.6
March	189.4	188.1	127.7	122.7	100.6
April	191.0	187.7	127.2	127.6	101.8
May	191.2	187.4	130.2	121.4	102.0

** 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 **	Effective*** Sterling exchange rate 21.12.71=100	Sterling exchange rate against US Swiss German Japanese dollar franc mark yen ***			
			←—————→			
1974	6,789	83.6				
1975	5,429	77.2				
1976	4,129	65.4				
1977	20,557	62.1				
1978	15,694	63.0				
1979	22,538	67.8				
1979 Q1	21,947	64.0				
Q2	22,070	67.4				
Q3	22,692	71.0				
Q4	22,538	68.8				
1980 Q1		72.2				
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	74.2	2.33	3.88	4.17	522.5
June	28,172					

++ The figures show the reserves at the end of the stated period. The way in which reserves have been valued has changed from time to time, as set out in 'Financial Statistics'.

+++ The exchange rates are shown averaged over the stated period, except that the May figures (+) are at the end of the month. Since about 1971, exchange rates have been relatively unstable, and the previous practice of valuation against the US ... /

dollar became unreliable. The official effective exchange rate compares individual currencies with the average of other currencies weighted in terms of visible trade. The weights are derived from IMF's multilateral exchange rate model.

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%)	56,250	(+11.1%)
	Feb 20th	27,280	(+4.8%)	56,530	(+11.0%)
	Mar 19th	27,570	(+6.2%)	56,770	(+12.7%)
	Apr 16th	27,450	(+2.7%)	56,910	(+10.7%)
	May 21st	27,550	(+2.5%)	58,080	(+11.3%)

7.2 Domestic Credit Expansion (7).
£ million

	Central govt. borrowing requirement (surplus -ve)	Public sector borrowing requirement	Expan- sion in bank lending to pri- vate sector	Domestic credit expansion
1974/75	+5,082	+ 7,947	+2,542	+6,382
1975/76	+8,803	+10,588	- 561	+5,138
1976/77	+5,944	+ 8,500	+3,392	+4,933
1977/78	+4,431	+ 5,597	+3,743	+3,770
1978/79	+8,084	+ 9,282	+6,285	+7,321
1979/80	+8,221	+ 9,778		
1979 Q2	+3,520	+ 3,26 ²		
Q3	+2,699	+ 3,566		
Q4	+2,937			
1980 Q1	- 937	+ 3,141		

In the month to:

<u>1979</u> 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
<u>1980</u> Jan. 16th	+ 119		+1,384	+ 738
Feb 20th	+ 228		+ 502	+ 272
Mar 19th	+ 569		+ 439	+ 705
Apr 16th	- 584		+1,527	+ 678
May 21st	+1,457		+ 384	+1,122

8. INTERNATIONAL COMPARISONS.

(6,8,9)

	GDP at market Prices+	Index of production +	% workforce unemployed++	Earnings in manufacturing +	Unit labour + costs	Consumer prices	Exchange rate +++
USA	9.9	-0.1 (1)	6.1	7.4 (1)	7.5 (1)	14.3	-
Japan	7.0	9.0	1.8	7.4	-2.0	7.3	-16.2
W. Germany	8.4	4.3	4.2	4.6	1.9	5.5	- 3.8
France	n/a	7.1 (2)	n/a	13.9 (1)	15.9	13.3	- 4.1
Holland	n/a	0.9	n/a	4.0	n/a	5.8	-5.3
Belgium	n/a	0.0	11.3	6.7	n/a	6.3	-5.2
Switzerland	n/a	4.4	n/a	2.3	n/a	4.3	-7.7
Italy	23.8	7.5	7.9	22.2	n/a	21.4	-6.5
UK	12.9	3.6	5.7	14.6	14.0 (2)	19.5	+4.7

+ Change (%) between the fourth quarters of 1978 and 1979.

++ Recorded at the end of the first quarter 1980.

+++ Change (%) against the US dollar in the year to March 1980.

(1) Change (%) between the first quarters of 1979 and 1980.

(2) Change (%) between the third quarters of 1978 and 1979.