

# Pits strike hits growth forecast

By Our Economics Editor

The miners' strike has reduced independent forecasts of growth in the British economy, and the latest survey carried out by the Confederation of British Industry suggests some slackening in the pace of recovery in manufacturing industry.

The London Business School has lowered its forecast of economic growth in output this year from 2.9 per cent after the Budget to 2.4 per cent. And the stockbrokers firm Hoare Govett, argues that the strike may reduce Britain's surplus on the current account of the balance of payments by as much as £1 billion this year.

The LBS is forecasting a rise in national output of 2.6 per cent this year, 0.3 per centage points lower than it would have been without the miners' strike. It is also forecasting a rise in

## The LBS forecast

	1984	1985	1986	1987
% change in Gdp (output)	2.8	2.8	1.9	2.0
Inflation	5.5	5.0	4.7	4.5
Registered unemployment (UK, millions)	3.1	3.2	3.1	2.9
Current balance of payments (£bn)	1.7	2.9	2.9	0.8

consumer prices of 5.5 per cent for the year as a whole, falling to 5.0 per cent in 1985.

The latest monthly trends inquiry conducted by the CBI among 1,762 manufacturers and published today shows that 60 per cent expect the volume of output to remain unchanged in the next four months with 29 per cent expecting a rise.

The resulting positive bal-

ance of 19 per cent (the difference between those expecting a rise and those expecting a fall) compares with 30 per cent in February and 32 per cent in March.

But the Government can take heart from the fact that 70 per cent of the respondents say their prices will remain stable in the coming four months. Sir Terence Beckett, the CBI director-general, said: "This is good news for the consumer,

The output predictions, he added, pointed to continuing increases at a steady pace. But while the recovery has been under way for more than a year, 28 per cent of manufacturers still regard their order books as below normal, with only 20 per cent regarding them as above normal.

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