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27 August 1982

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MINISTERIAL COMMITTEE ON ECONOMIC STRATEGY

MONTHLY ECONOMIC BRIEF

Note by the Secretaries

The attached monthly economic brief prepared by the Central Statistical Office is circulated for the information of the Committee.

Signed ROBERT ARMSTRONG
P L GREGSON
M S BUCKLEY

Cabinet Office
27 August 1982

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MONTHLY ECONOMIC BRIEF

Prepared by the CSO on 27 August 1982

Economic activity continues very sluggish.

There is no sign of much movement in any of the main components of demand: domestic consumption and investment, exports and imports are all fairly flat.

Unemployment continues to rise and there may have been some quickening in the rate of increase since earlier in the year. Vacancies show no great change.

There is, however, more encouraging news on finance and inflation.

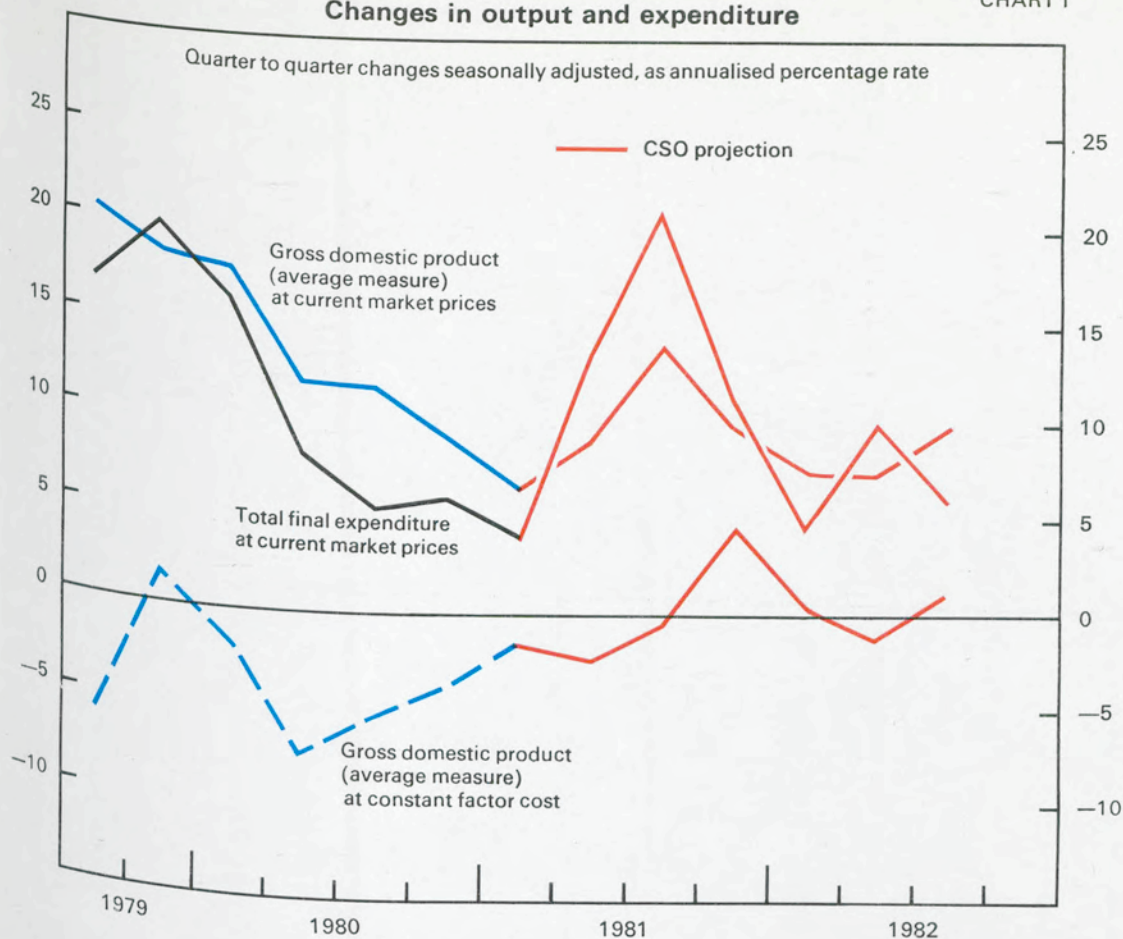
Interest rates worldwide seem to be in a downward phase and in the UK rates fell significantly during August.

The recent adjusted trend in retail prices is now 8-9 per cent a year and still falling, similar to the underlying rate of increase in wholesale output prices. The underlying increase in average earnings continues at about $\frac{1}{2}$ per cent a month.

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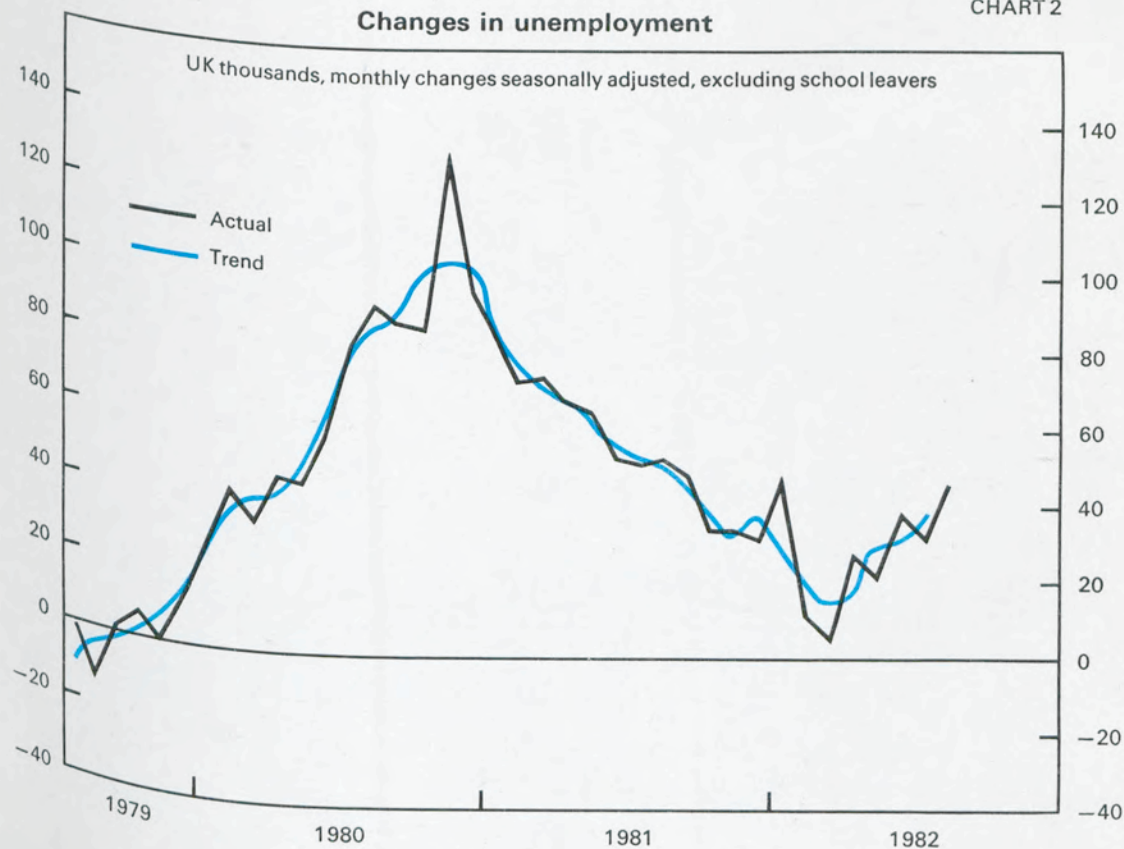
Changes in output and expenditure

CHART 1



Changes in unemployment

CHART 2



Rate of increase in average earnings, unit wage costs in manufacturing, WPI input prices and retail prices

Month to month percentage changes, smoothed and adjusted for distorting factors where appropriate

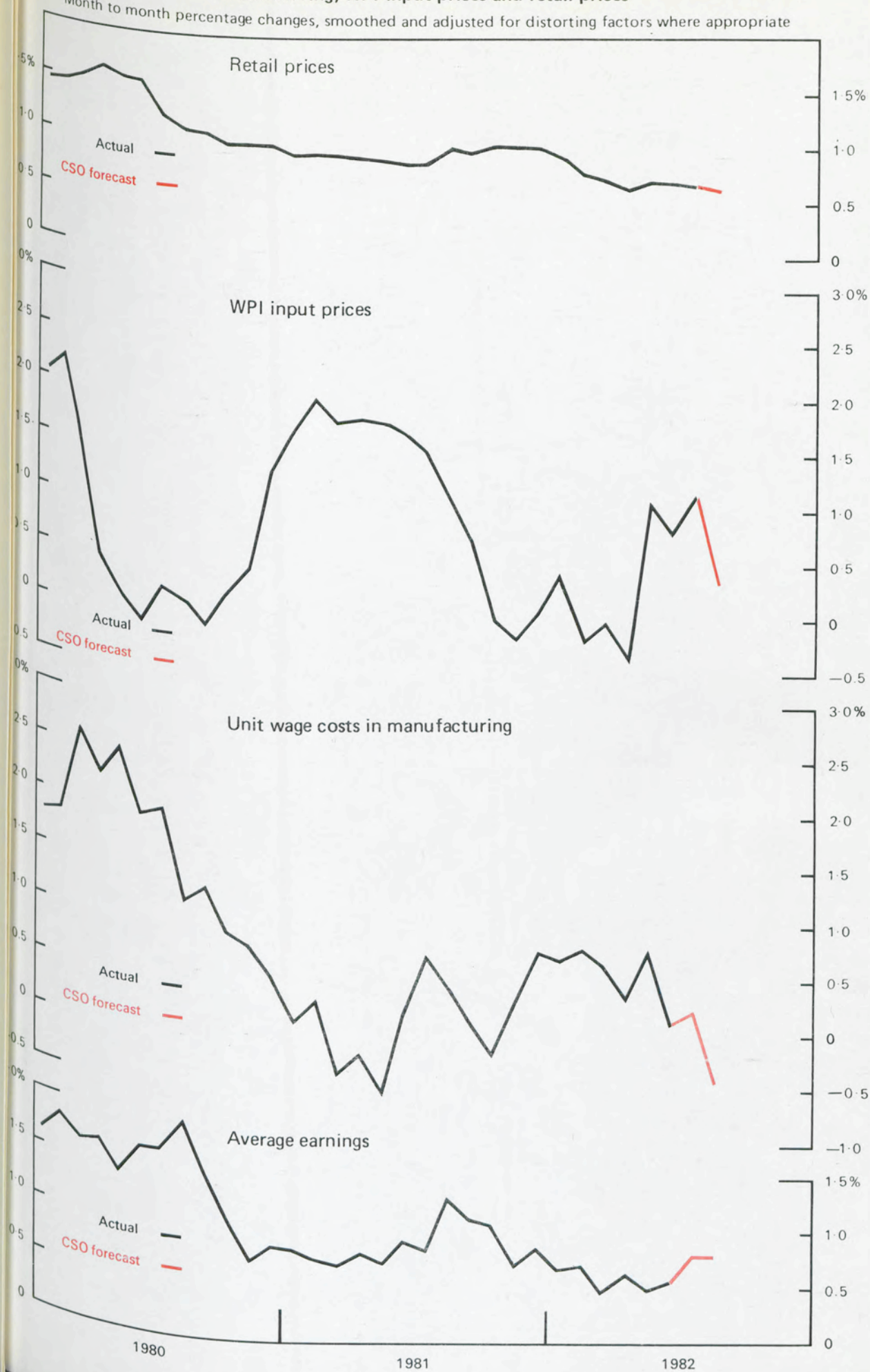


CHART 4

Movements in underlying average earnings and the tax and price index comparisons with 12 months previously

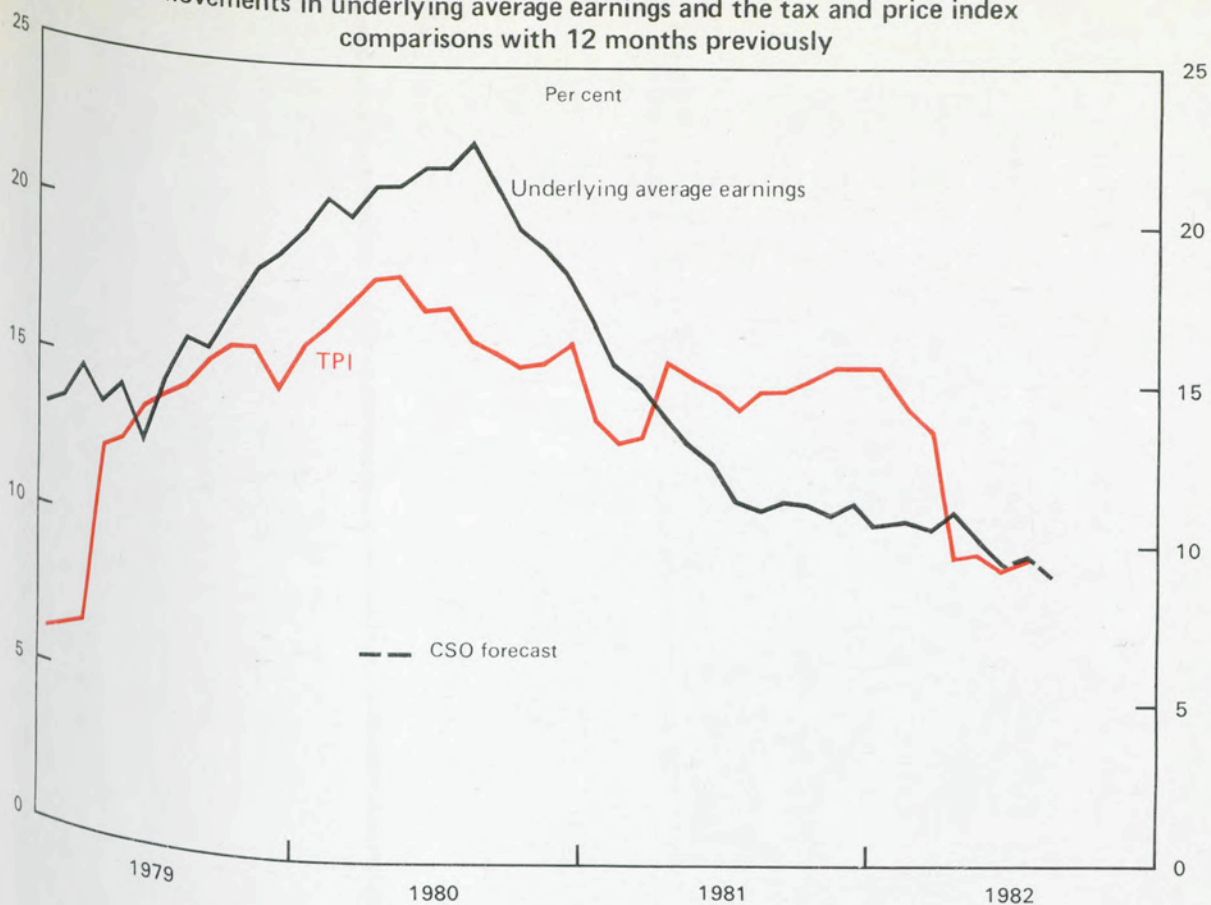
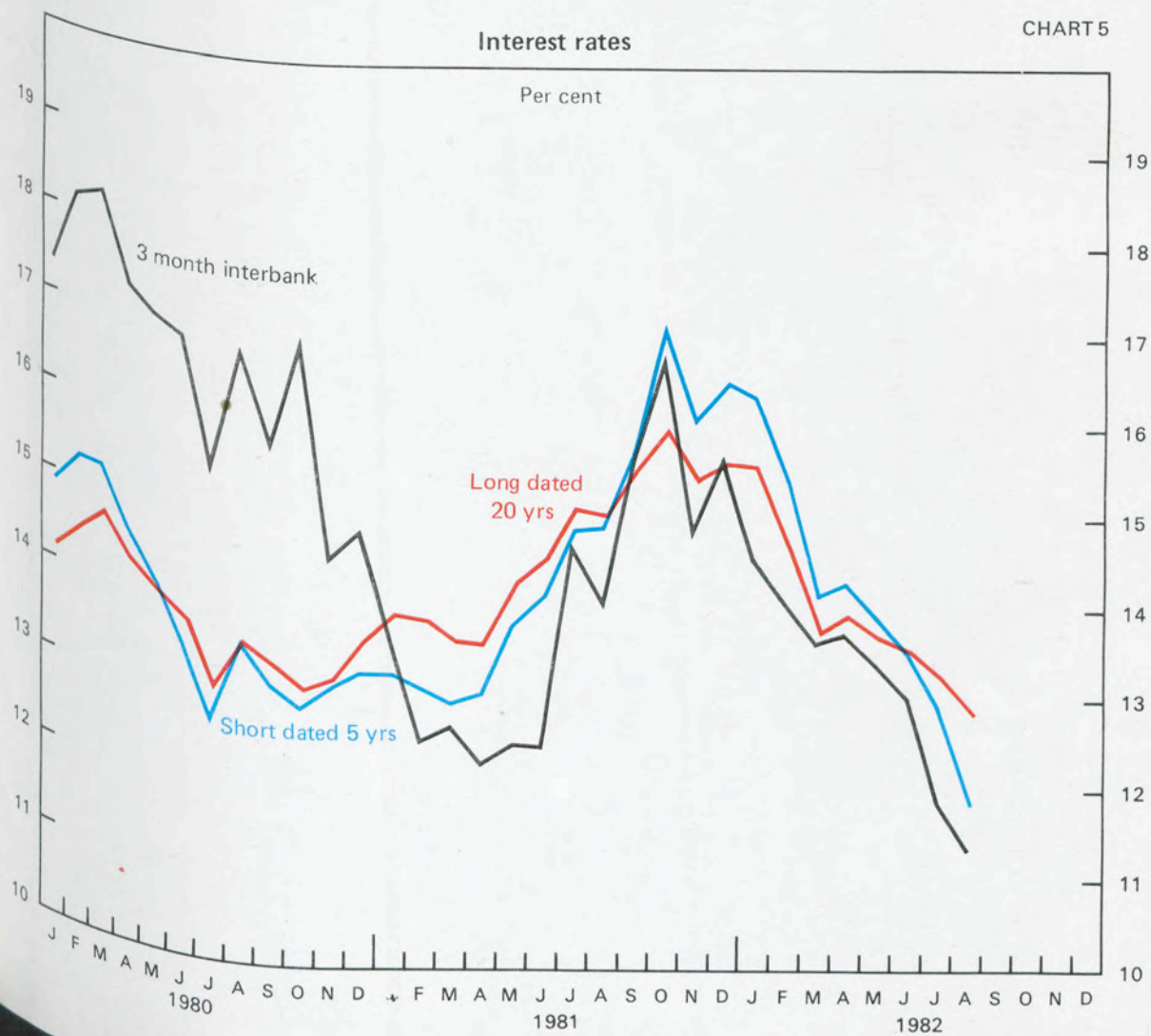


CHART 5

Interest rates



Monetary aggregates

CHART 6

£ billion, seasonally adjusted, log scale
(and successive target ranges : annual growth rates, per cent)

