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27 September 1983

CABINET

MINISTERIAL STEERING COMMITTEE ON ECONOMIC STRATEGY

SUB-COMMITTEE ON ECONOMIC AFFAIRS

—
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 September 1983

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MONTHLY ECONOMIC BRIEF

Prepared by the CSO on 26 September 1983

National accounts data have been revised and rebased; growth in the year to the first half of 1983 is now put at about 3 per cent; quarterly movements in the measures of total output are somewhat irregular. The cyclical indicators suggest that growth should continue into 1984.

The underlying rise in unemployment has clearly been moderating in recent months - the level fell in August - and the number of vacancies has shown a continuing improvement; total employment probably increased modestly in the second quarter for the first time since 1979.

Average earnings have been growing at an underlying rate of around 7 per cent a year, perhaps 2 per cent above that of retail prices and producer output prices, but in manufacturing improved productivity has kept the increase in unit wage costs down to only 2 per cent a year.

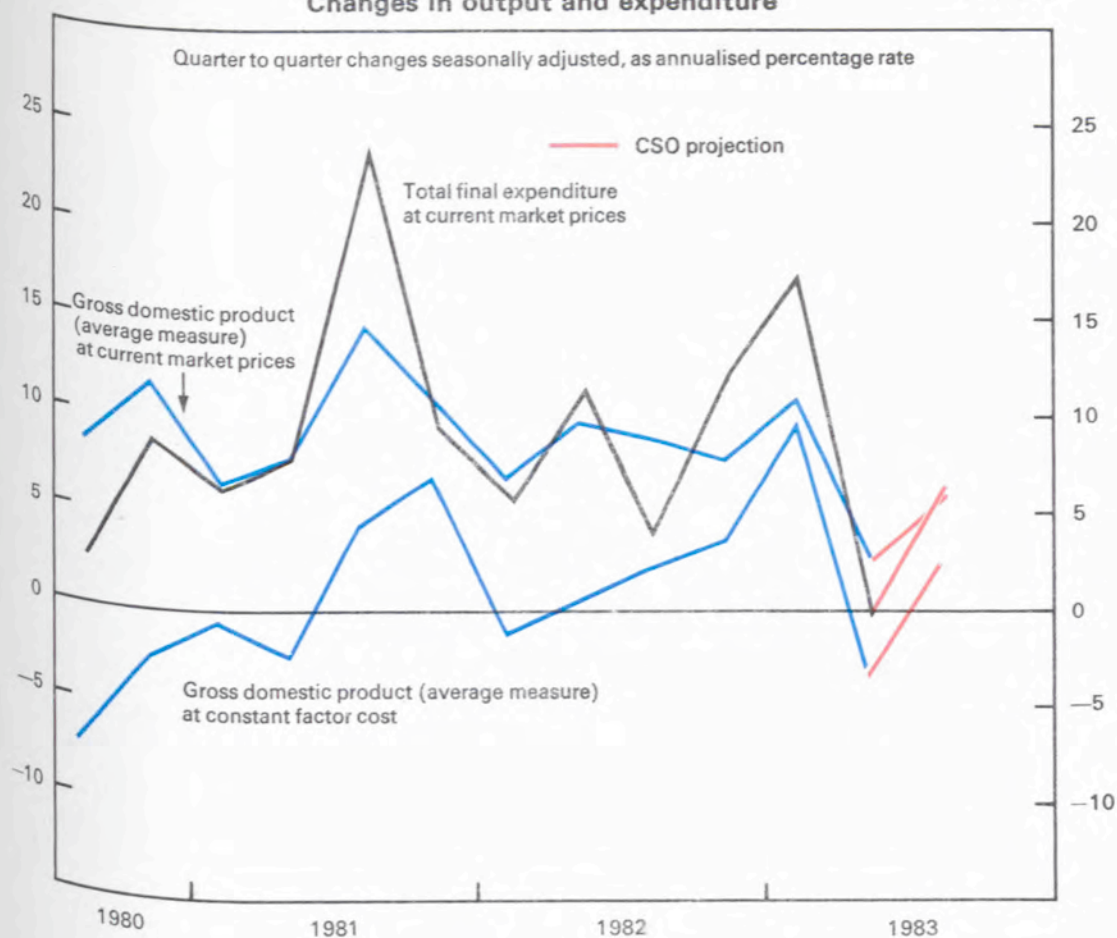
The underlying level of non-oil export volume is at a lower level than at the beginning of the year but that of non-oil import volume may have been rising in the last few months.

The main monetary aggregates again increased by only moderate amounts in August; UK financial markets were quiet in September with a slight easing in medium and longer term interest rates; sterling exchange rates were fairly stable during September.

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Changes in output and expenditure

CHART 1



Changes in unemployment

CHART 2

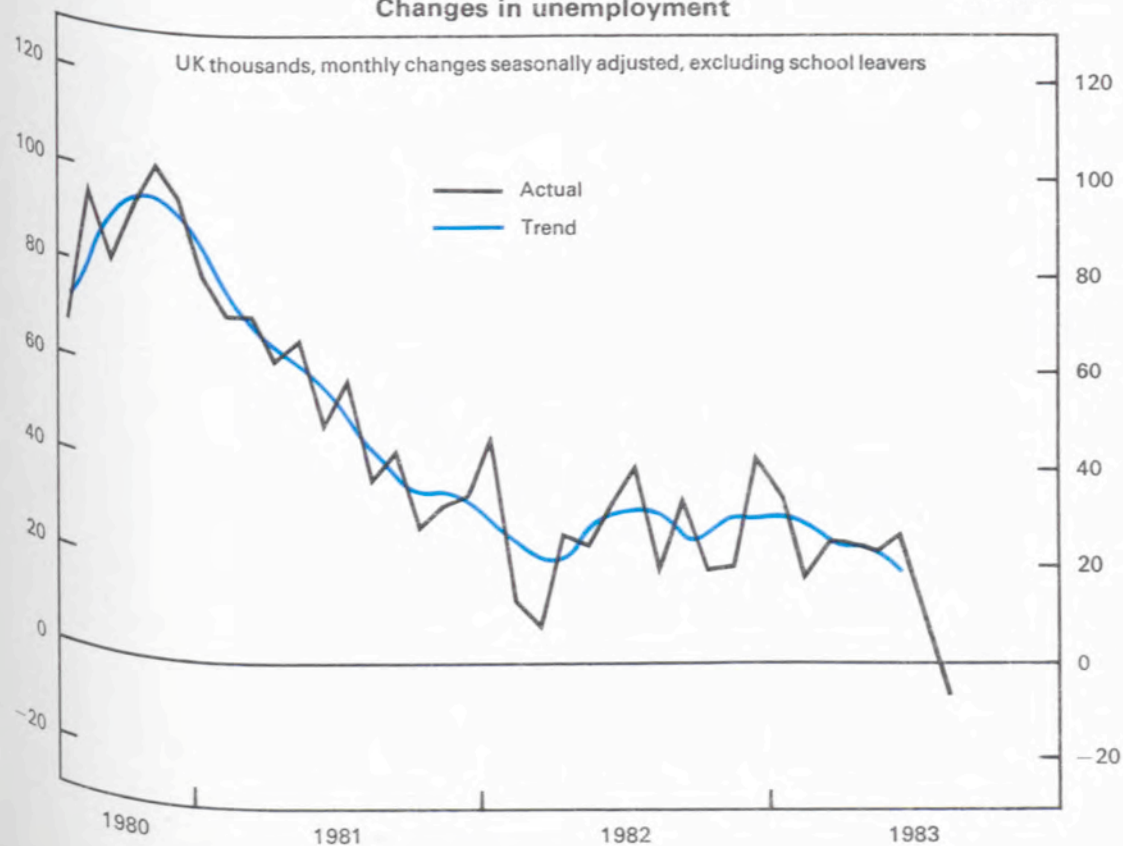


CHART 3

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

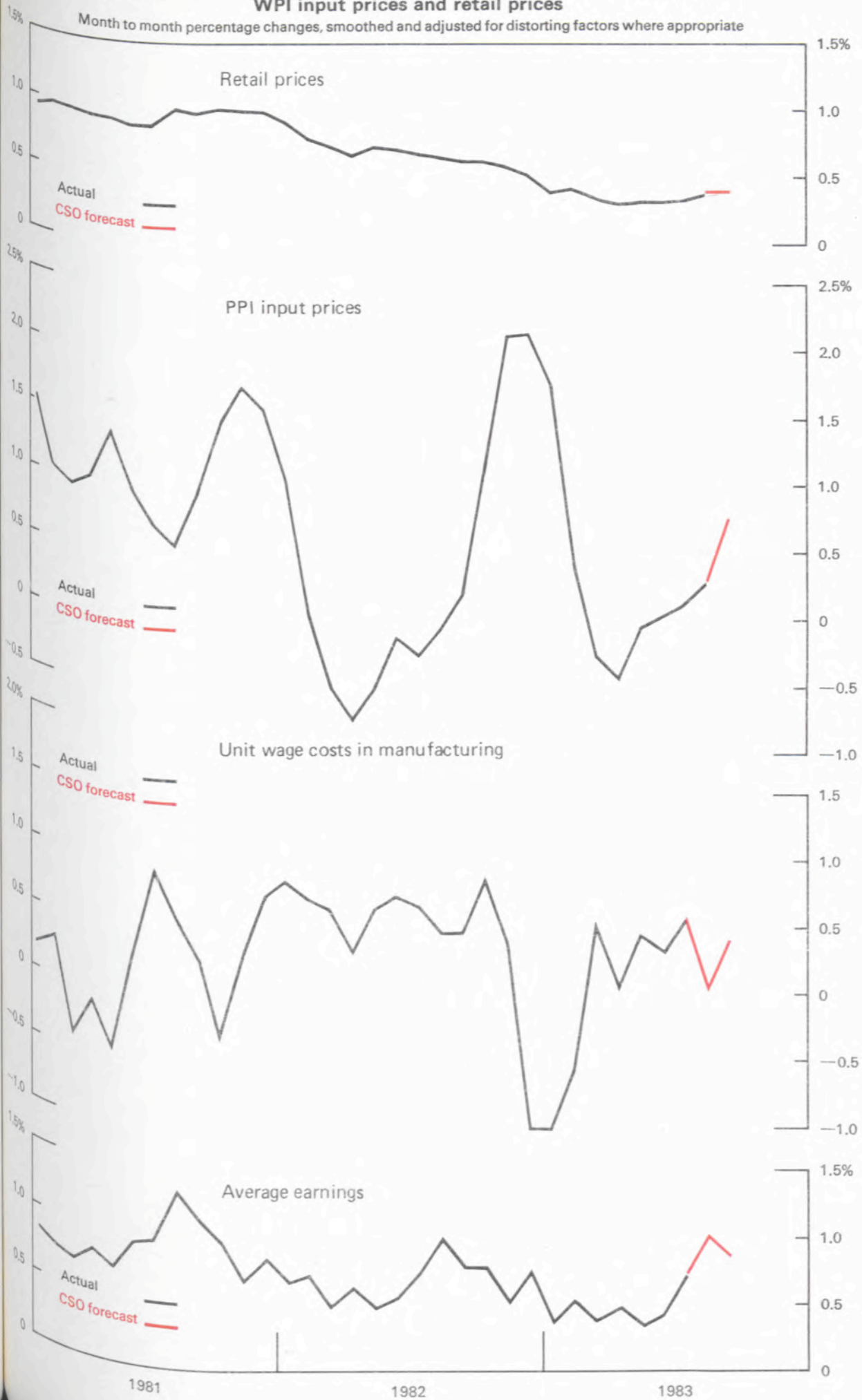


CHART 4

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

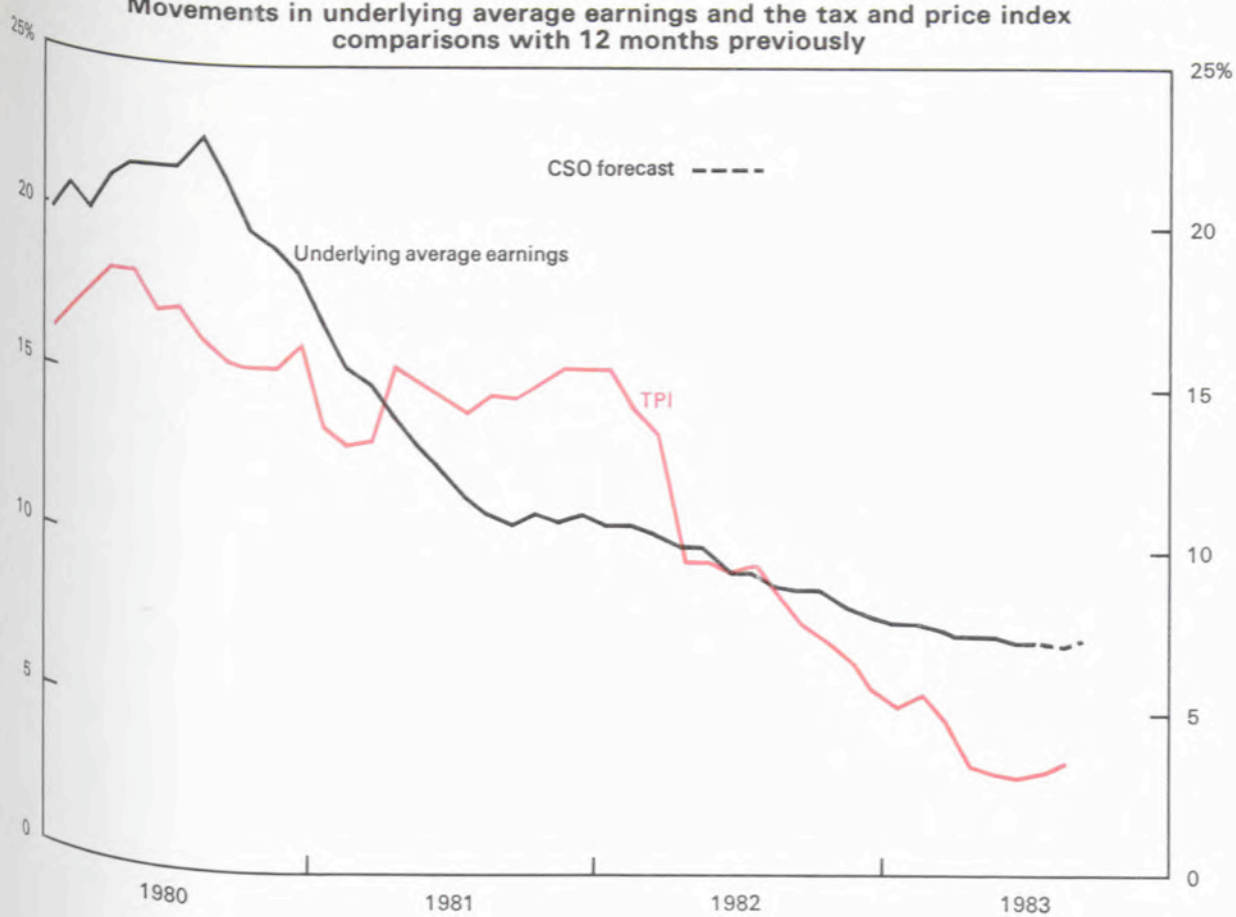


CHART 5

Interest rates

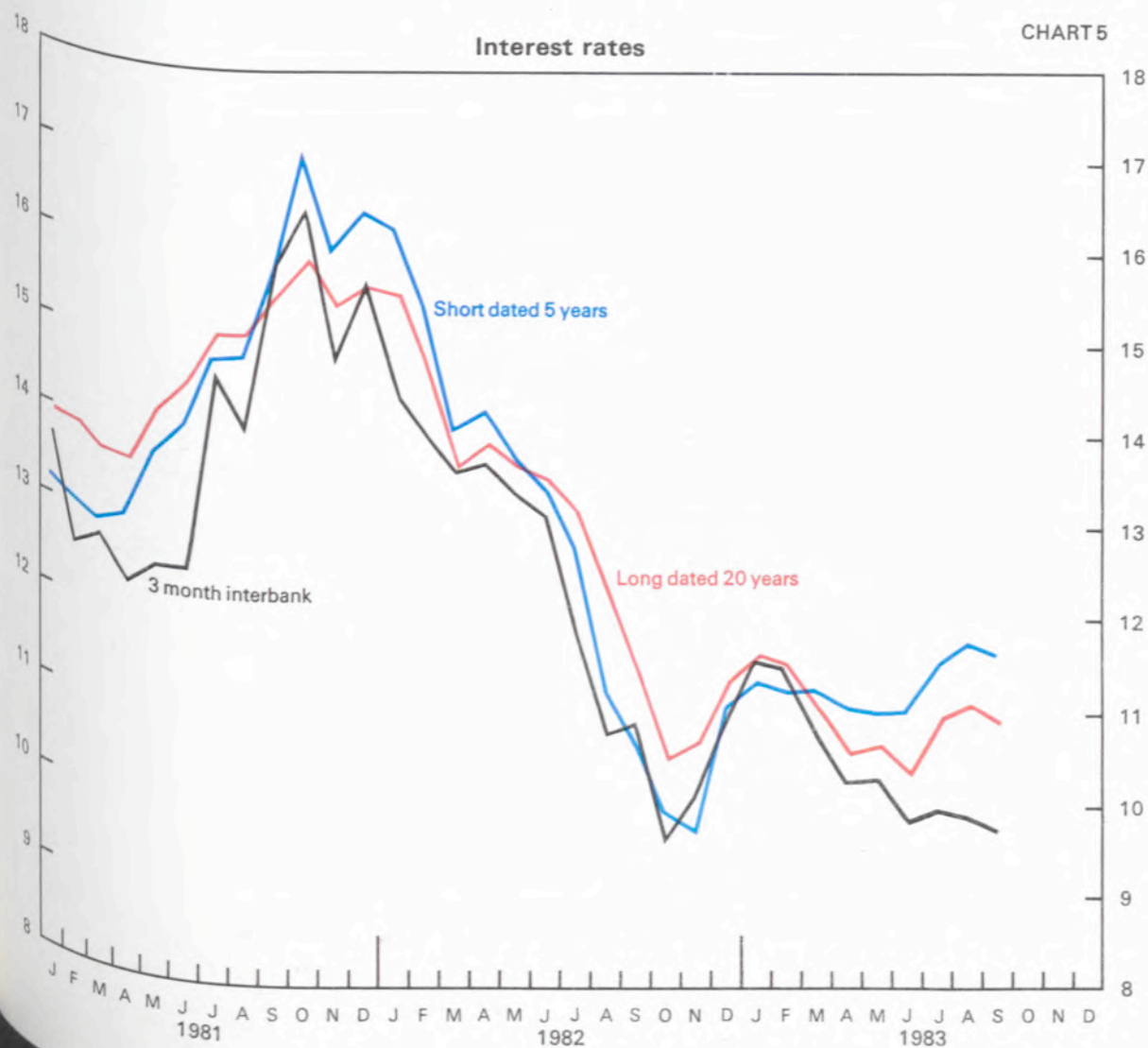


CHART 6

Target monetary aggregates

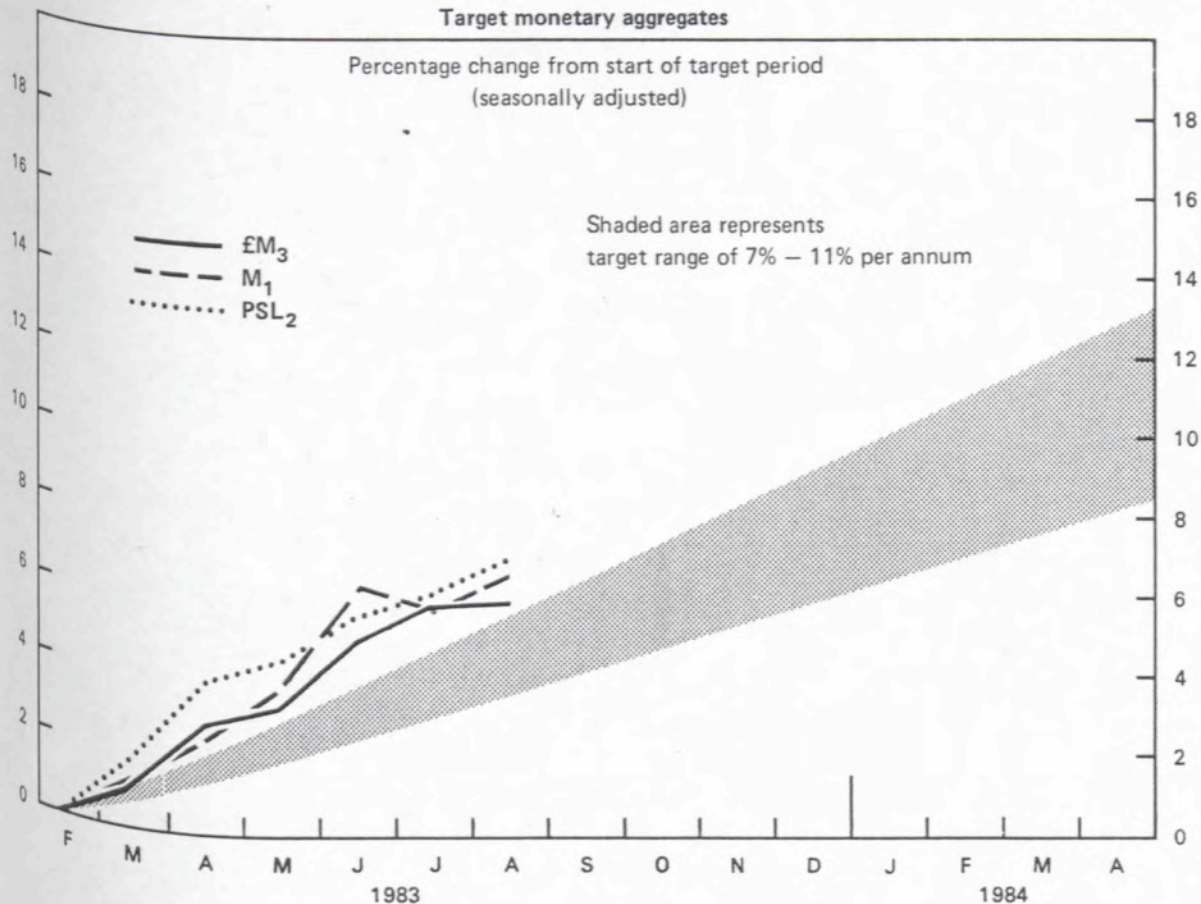
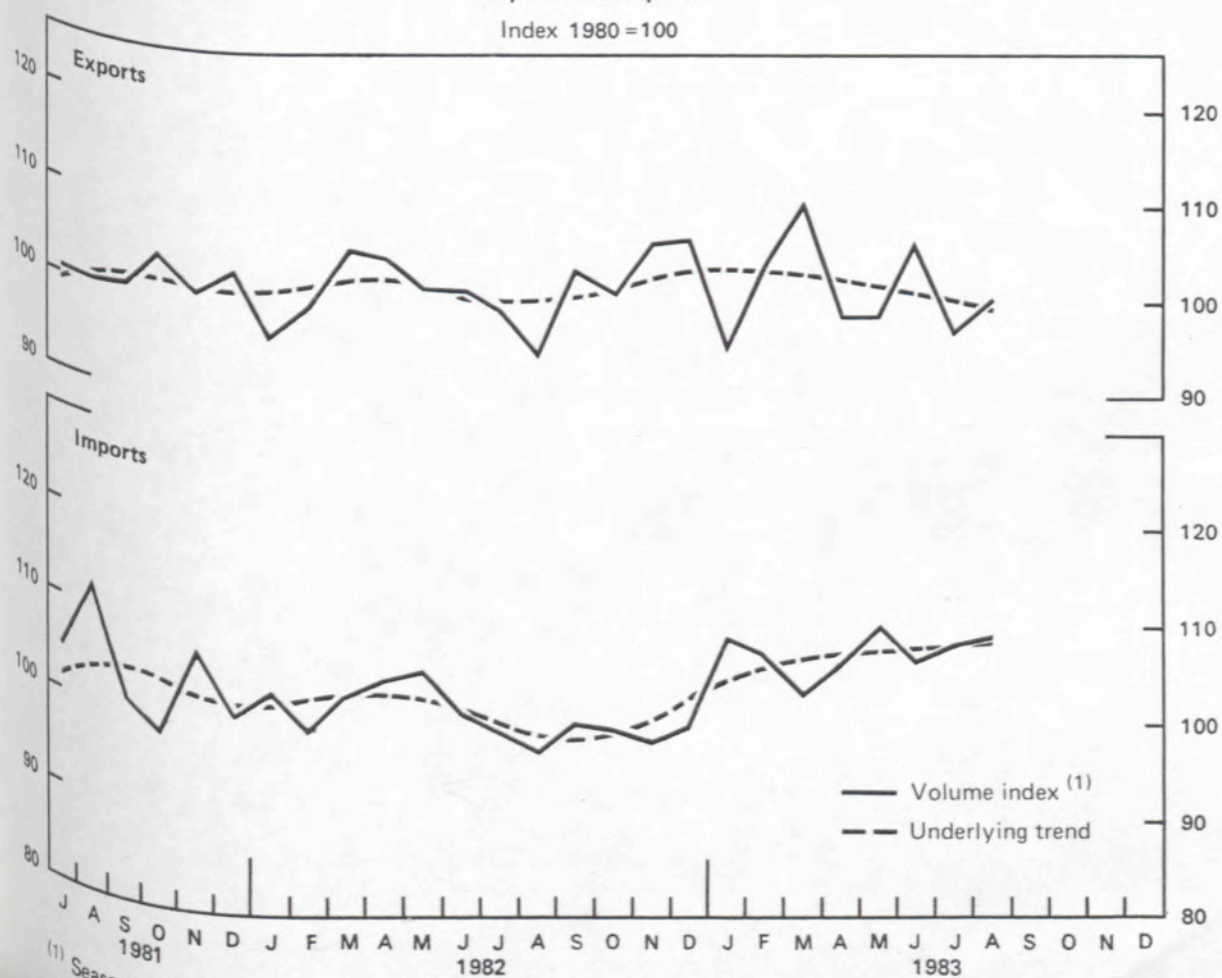


CHART 7

Exports and Imports

Index 1980 = 100



(1) Seasonally adjusted data, Balance of Payments basis