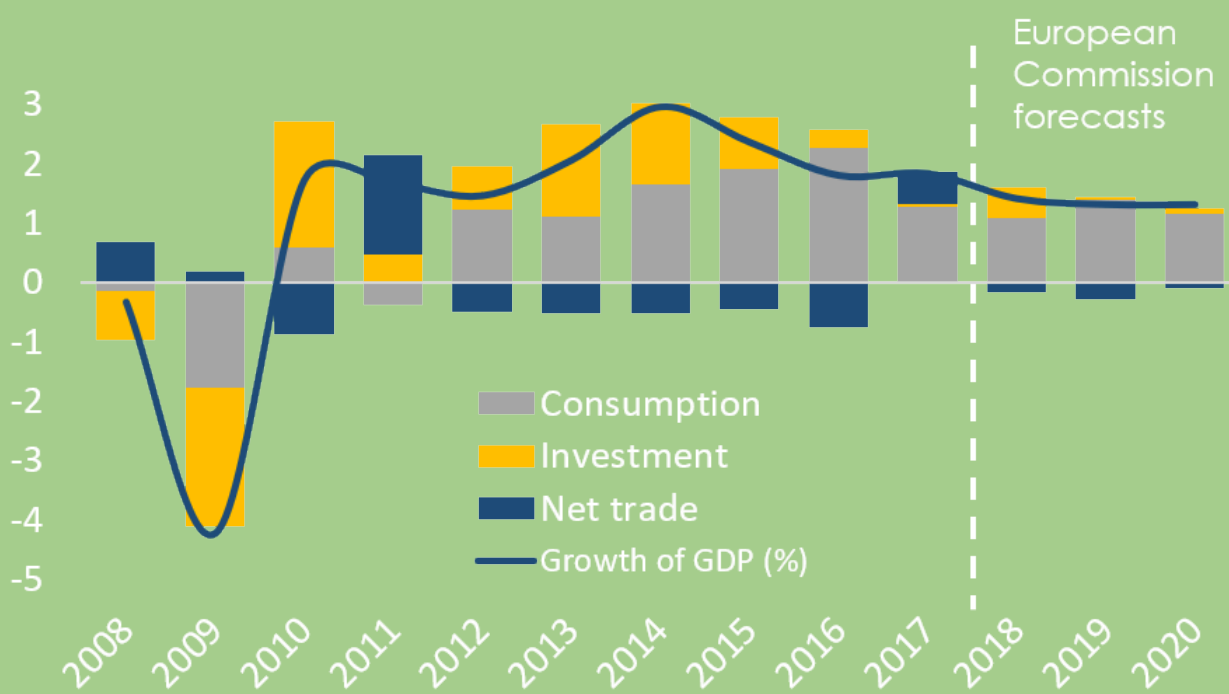


United Kingdom: economic situation

Since 2017, GDP has grown at a moderate pace, standing at around 1.3% per year

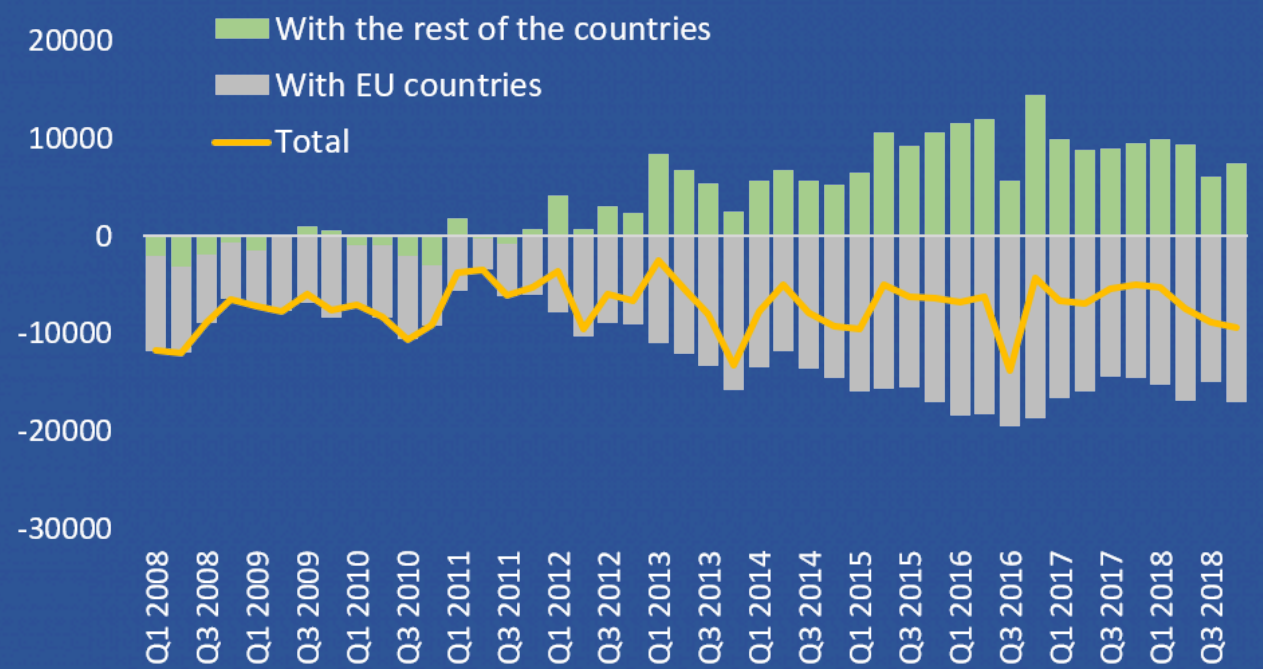
Contribution to GDP growth (pp)



The United Kingdom runs an ongoing pattern of trade and service deficit with the EU

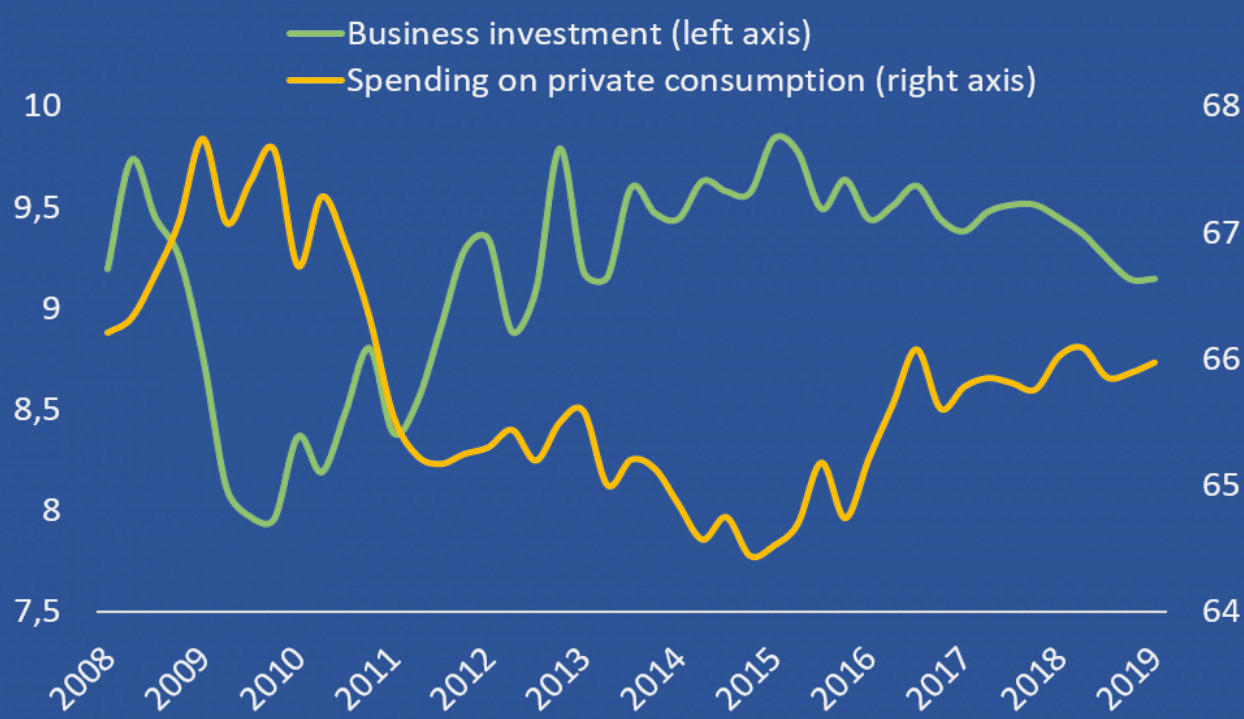
Balance on goods and services

£ millions



The share of business investment stagnates to levels reminiscent of 2008

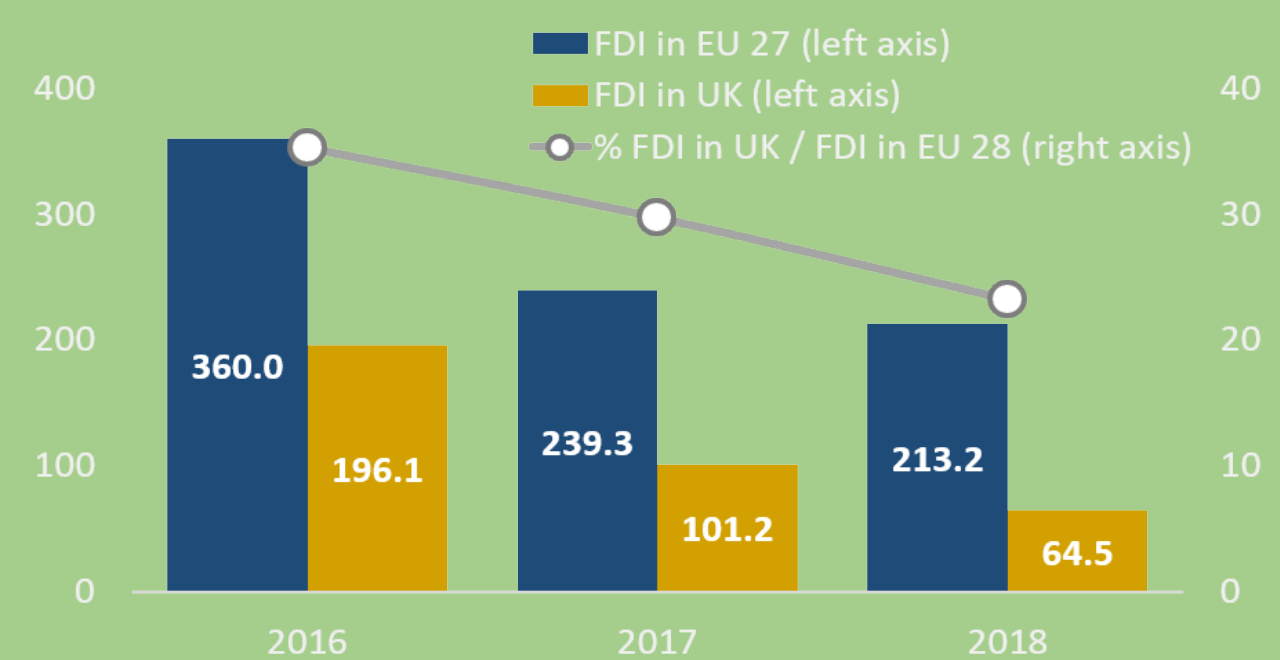
% of GDP



Since the referendum in 2016, FDI¹ flows in the UK have fallen more than in the EU 27², 67% and 40.8%, respectively

FDI flows received in the UK and the EU27

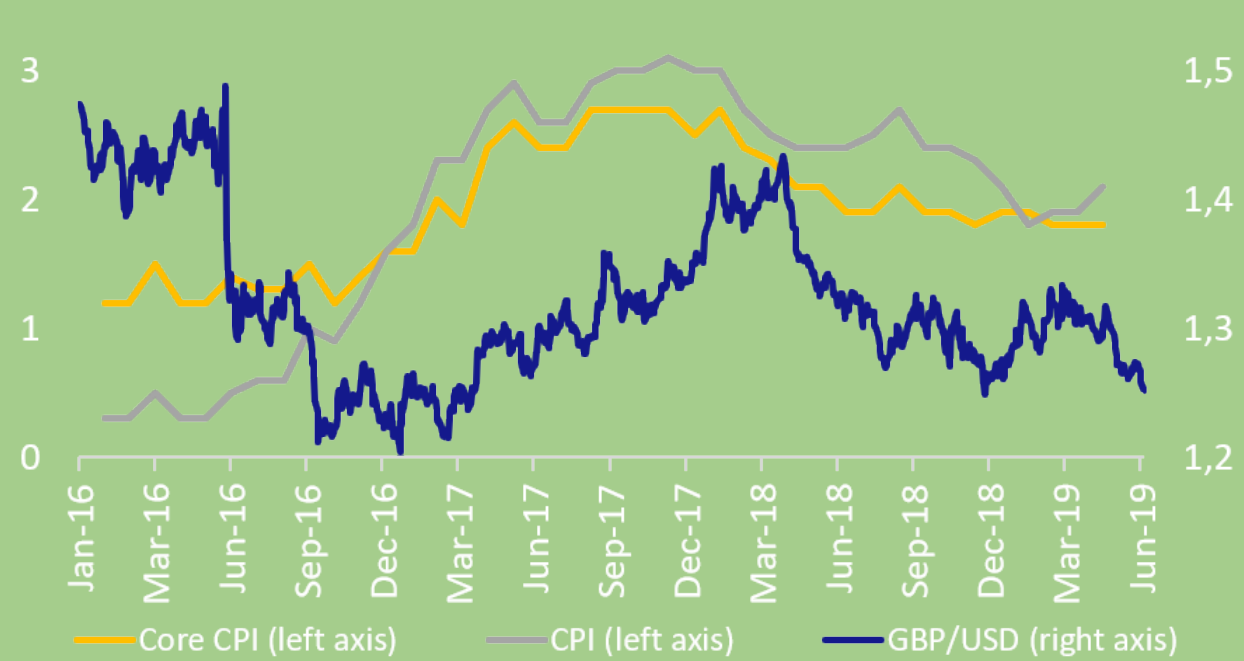
\$ billions, %



Inflation edges around 2% per year, predominantly explained by the economic growth slowdown and the slumping foreign trade

CPI, YoY change (%)

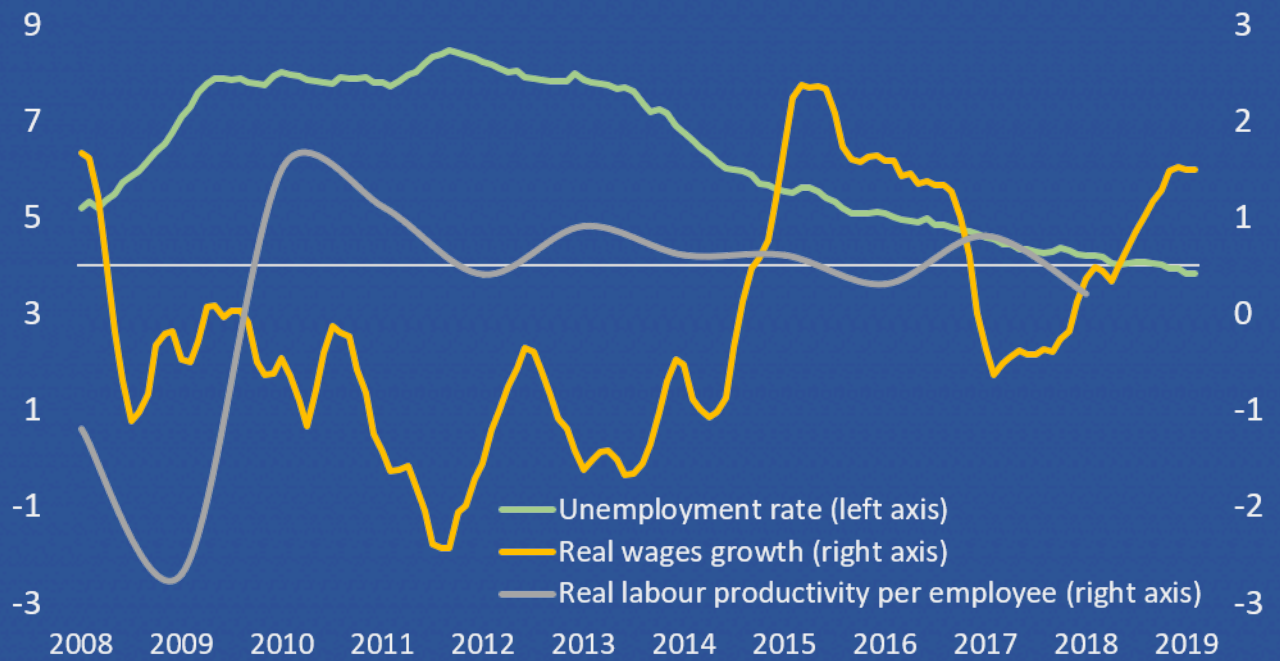
Exchange rate
GBP/USD



Real wages rise at an annual rate of 1.5%, in an environment of stagnant real labour productivity and record low levels of unemployment since 1974

Unemployment rate (%)

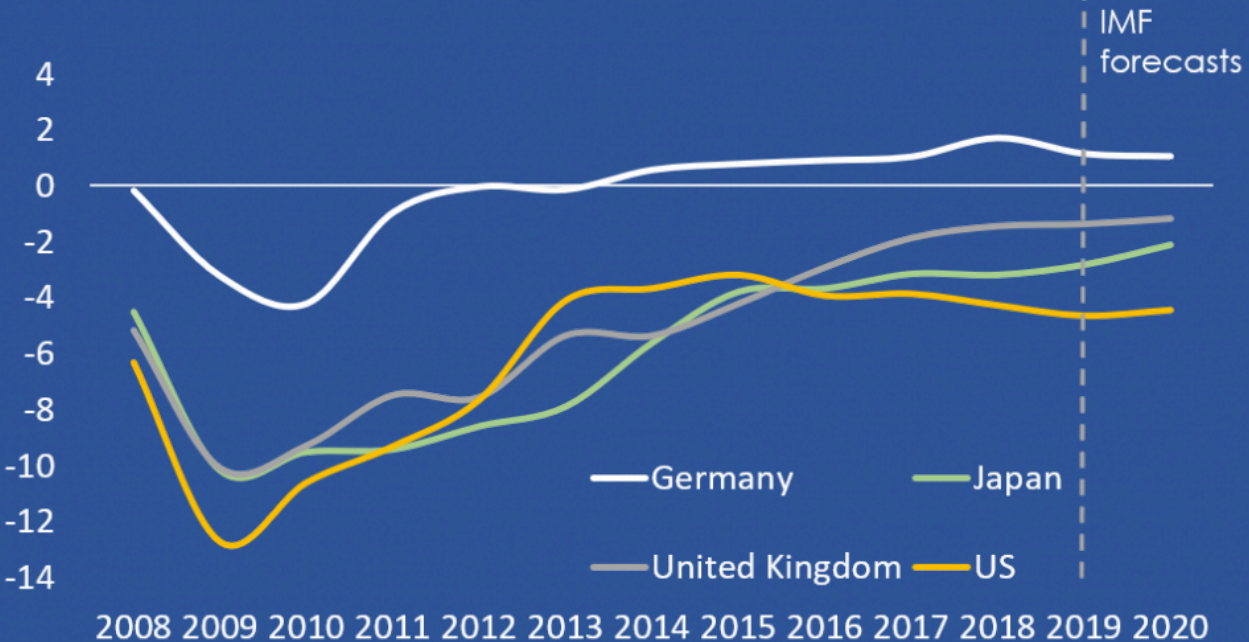
YoY change (%)



Fiscal consolidation continues, with a projected deficit of 1.3% in 2019, mainly due to the curbs on public spending

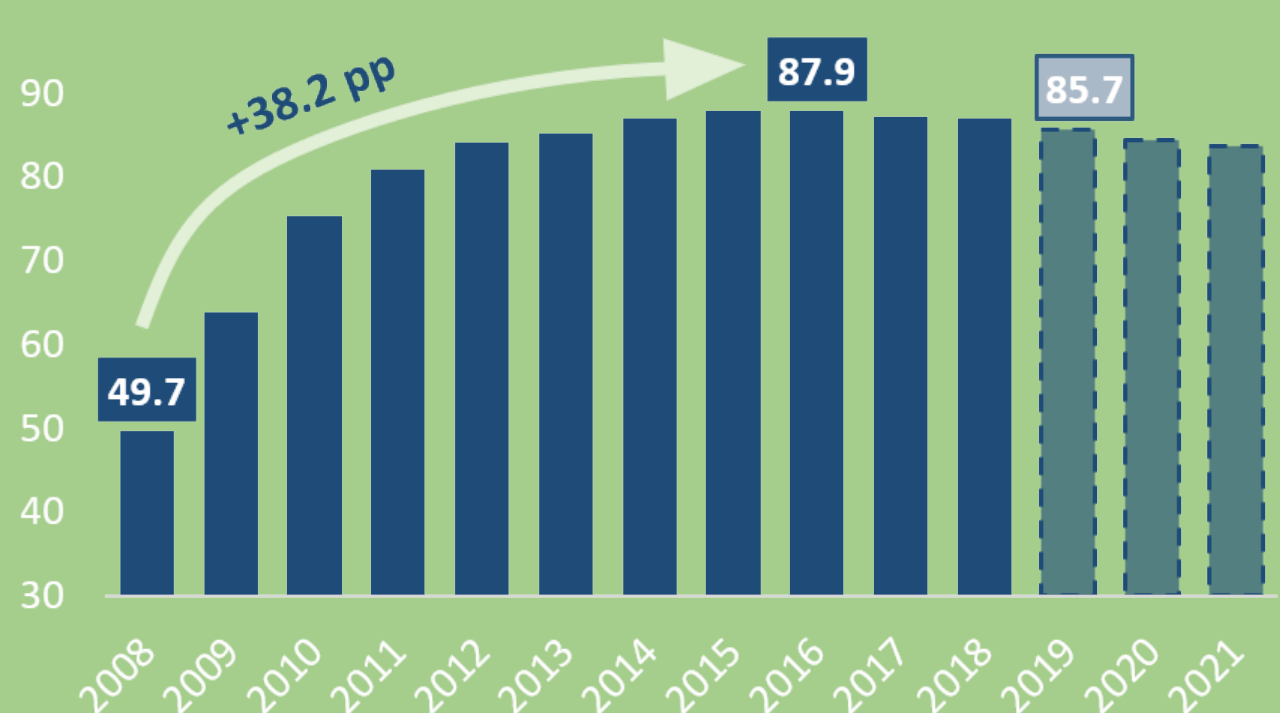
Balance of public accounts

% of GDP



Since 2008, the public debt of the UK has soared by 38.2pp, reaching a record high in 2016 (87.9% of GDP). In 2019, it is expected to reduce to 85.7% of GDP

% of GDP



¹ Foreign Direct Investment

² The EU excluding the UK