

UK Outlook Interim Update May 2021

Recent Developments

GDP
-1.5%
QoQ Q1 2021

Composite PMI
62.0
Flash May 2021

Unemployment rate
4.8%
Q1 2021

Inflation
1.5%
YoY April 2021

Brexit

New deal with EU



Implementation difficulties



Increased costs



Trade dampened



Activity picking up as economy re-opens

Unwinding of excess household savings

Government incentives to boost business investment

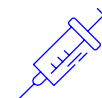
Uncertainty reducing and global growth resuming

Risks

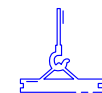
Virus mutations
Pent up demand

COVID-19

Inoculations continuing



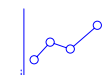
Restrictions easing in line with Roadmap



Job supports extended, low interest rates

0.1%
BoE Rate

Consumer and business confidence rising



Outlook

	2020	2021f	2022f
GDP	-9.8%	6.2%	5.8%
Employment	-0.5%	-0.8%	0.9%
Unemployment Rate	4.5%	5.4%	5.2%
Inflation	0.9%	1.6%	2.0%

Prepared by: Bank of Ireland Economic Research Unit

Source: Bank of Ireland, ONS, HM Government, Bank of England, JP Morgan & IHS Markit, GFK, IMF

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