

# Economic Overview

## UK

### Recent Developments

GDP  
 **1.8%**  
 YoY 2017

£ Remains weak

Multi-decade low for unemployment

Inflation  
**@ 3.0%**  
 YoY January 2018

### Brexit

-  **June 2016** Referendum on EU membership
- March 2017** Article 50 triggered
- June 2017** Withdrawal negotiations begin
- December 2017** Progress on Phase 1 issues of citizens' rights, financial settlement and Irish border

### January 2018 Talks turn to Phase 2


**Framework for future UK-EU relationship**


**Possible transition period**

### Outlook

 High inflation squeezes incomes and consumer spending

 Uncertainty weighs on business investment

 Weak pound & improving global economy support exports

 Interest rate increases a headwind for households and firms

	GDP	Consumer Spending	Investment	Exports	Employment	Unemployment Rate	Inflation
2017e	1.8%	1.4%	3.2%	6.5%	1.1%	4.4%	2.7%
2018f	1.7%	1.0%	2.5%	4.2%	0.7%	4.3%	2.7%
2019f	1.6%	1.3%	2.0%	3.3%	0.6%	4.3%	2.2%