

Economic Overview

UK

Recent Developments

GDP
 **1.2%**
 YoY Q1 2018

£ in tight range
86p - 89p
 January - July 2018

Continued
 job gains

Inflation
@ 2.4%
 YoY June 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
- March 2018** Transition agreed in principle
- June 2018** European Council meeting

July 2018 White Paper on future relationship

Free trade area in goods and agri-food

New arrangement for financial and other services

End to free movement

Outlook

 Labour market momentum and easing inflation helps consumer spending

 Uncertainty a drag for business investment

 Global growth supports exports as past exchange rate boost wanes

 Gradual interest rate increases a mild headwind

	GDP	Consumer Spending	Investment	Exports	Employment	Unemployment Rate	Inflation
2017	1.7%	1.8%	3.4%	5.4%	1.0%	4.4%	2.7%
2018f	1.5%	1.2%	2.0%	3.2%	1.1%	4.1%	2.5%
2019f	1.6%	1.4%	2.0%	2.8%	0.7%	4.0%	2.2%