GLAECONOMICS

# London's Economy Today

Issue 202 | June 2019

## Economic growth stalls in April 2019


By **Gordon Douglass**, Supervisory Economist, and **Eduardo Orellana**, Economist

**UK GDP showed a sharp monthly decline in April with output contracting by 0.4% compared with a month earlier according to data published by the Office for National Statistics (ONS) in June. This followed on from a contraction of 0.1% in March (Figure 1). Still, in the three months to April, UK GDP was 0.3% higher than in the previous three months, although this was still lower than the 0.5% growth seen in Q1 (January to March) 2019.**

It is believed that uncertainty around Brexit had a dragging impact on the latest GDP numbers, with, for instance, data from the Society of Motor Manufacturers and Traders (SMMT) showing that shutdowns designed to cope with the original Brexit deadline saw UK car manufacturing falling by 44.5% in April. Commenting on these numbers Mike Hawes, the SMMT chief executive, said that they "are evidence of the vast cost and upheaval Brexit uncertainty has already wrought on UK automotive manufacturing businesses and workers". He added that "prolonged instability has done untold damage, with the fear of 'no deal' holding back progress, causing investment to stall, jobs to be lost and undermining our global reputation".

### Also in this issue



### Datastore

The main economic indicators for London are available to download from the London Datastore.

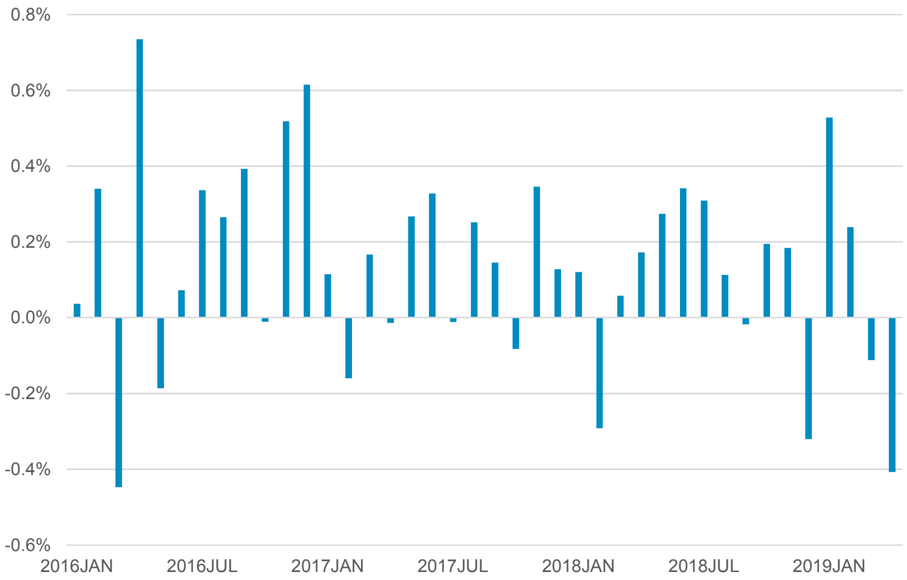



**Figure 1: Month-on-month UK GDP growth (%)**

*Source: ONS*

Head of GDP at the ONS Rob Kent-Smith indicated that the decline in car manufacturing played an important role in the decline in GDP seen in April. He added that "there was also widespread weakness across manufacturing in April, as the boost from the early completion of orders ahead of the UK's original EU departure date has faded".

## Brexit uncertainty likely to continue to dampen the UK economy


Looking forward most forecasters expect the continuing uncertainty around Brexit to continue to drag down UK economic growth. This was again highlighted in June when the British Chambers of Commerce (BCC) published their latest economic forecast. Although they marginally increased their forecast for growth this year to 1.3% (up from the 1.2% they previously forecast) they downgraded their forecasts for 2020 to 1.0% (down from 1.3%) and for 2021 to 1.2% (down from 1.4%). The BCC said that the increased forecast for this year was based on the large stock building seen earlier this year while the slower growth in the coming two years was due to the winding down of these inventories and weak business investment.

Elsewhere EY published their 2019 UK Attractiveness Report in June. This showed that although the UK remained the number one destination for FDI projects in Europe in 2018 ahead of France (second with 1,027 projects) and Germany (third with 973 projects) there was a 13% drop in FDI projects compared to 2017. And while the 2018 number of projects (1,054) was the third highest in 20 years EY noted that "survey perceptions of the UK as an FDI destination have weakened". EY further noted that the "UK has lost ground in Europe as concerns over the impact of Brexit have reduced the UK's appeal as a destination for FDI". However, there "is time to act, only 6% of investors intend to move assets out of the UK in future but an urgent response is needed to avoid a further weakening of its position in the coming years".

The CBI sent an open letter to the Conservative leadership candidates saying that "firms large and small are clear that leaving the EU with a deal is the best way forward", adding that "short-term disruption and long-term damage to British competitiveness will be severe if we leave without one". The increased speculation concerning a 'no-deal Brexit' has already seen sterling heading lower against a number of currencies in recent months (Figure 2). This downward trend is likely to continue until this speculation is resolved.

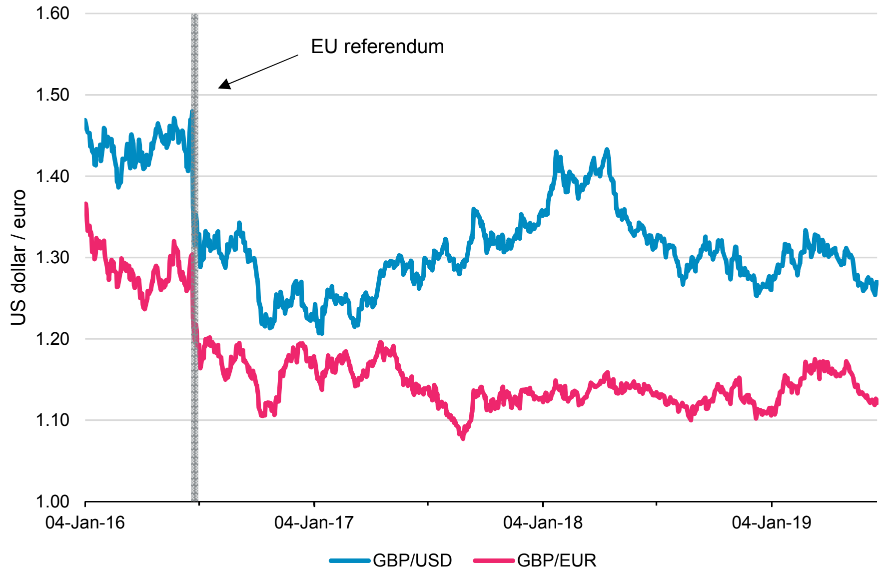



**Figure 2: Sterling to US dollar and euro exchange rates**
Last data point is 21 June 2019

*Source: Bank of England*

## Trade and other tensions hitting global growth

Industrial production fell by 1.9% on the previous month in April in Germany, adding to the growing concerns about the strength of its economy. At the same time the German central bank, the Bundesbank, downgraded its growth forecast for the country for 2019 to 0.6% compared to a forecast of 1.6% growth that it made in December. For 2020 growth is forecast to improve a touch to 1.2%. The impact of trade disputes on global commerce and thus on exports is one of the factors being blamed for the slowdown in the German economy. Elsewhere in the Eurozone Italy continues to be in dispute with the European Commission (EC) about the size of its government debt which stands at over 130% of GDP, far above a Eurozone limit set at 60%, and which is forecast to grow further this year and next by the EC. This conflict could see Italy fined by the EC if it does not take action to bring its debt down.

Further afield the World Bank has downgraded its global growth forecasts for this year and next. It now expects growth of 2.6% in 2019 and 2.7% in 2020, down from forecasted growth of 2.9% and 2.8% respectively which it made in January. A number of factors were cited for the reduced expectations for growth including escalating trade tensions between major economies. Christine Lagarde, the head of the International Monetary Fund (IMF), has warned that IMF economists have calculated that the recent round of tariffs between the US and China could cut global growth by 0.3% next year. And in other factors which may negatively affect global growth, oil prices have being edging up on the back of tensions in the Middle East.

## London's net tax contribution to the UK grew in 2017-18


In late May 2019, the ONS published data on UK public sector finances by UK regions and nations corresponding to the financial year (FYE) 2017-18. This showed that in line with previous years, London had the largest net fiscal surplus in the country (£34.3 billion), followed by the South East and the East of England. All the other regions/nations of the UK presented net fiscal deficits last FYE.

The data also showed that the total managed expenditure by London's public sector was £115.8 billion in FYE 2017-18. Social protection and public health services were allocated 48.2% of this budget, while education and public order-safety activities represented 11.3% and 5.5%, respectively. Housing and community amenities were assigned £2,620 million (2.3% of the total expenditure).

In per capita terms, London also had the highest net fiscal surplus in the UK at £3,905 per head in FYE 2017-18 (see Figure 3). This is the result of both obtaining more revenues per head than any other region/nation in the country (£17,090) and ranking only 3rd with regards to expenditure per head (£13,185), below Northern Ireland and Scotland and relatively in line with the UK average.

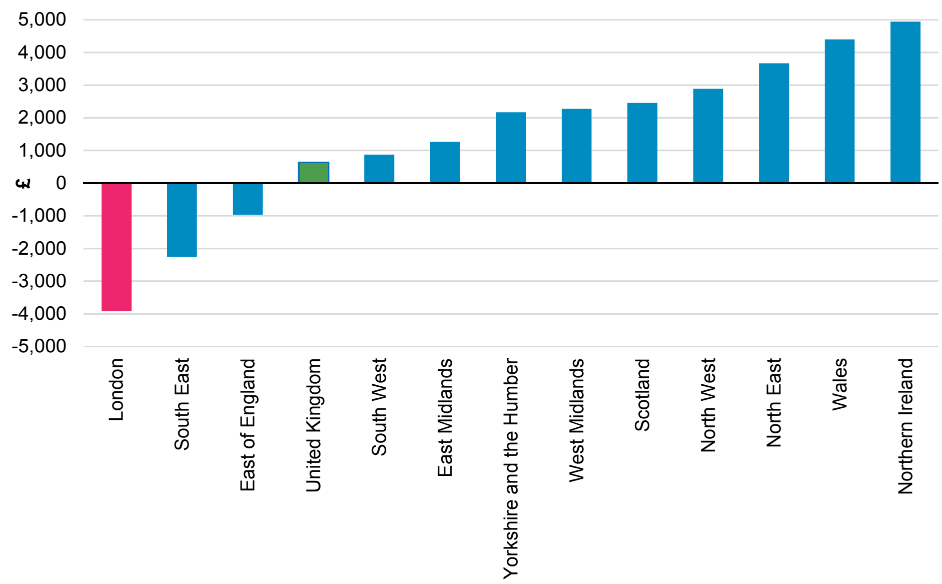



**Figure 3: Public sector net fiscal balance per head by UK region in 2017-18**

*Source: ONS*
*Note: Negative sign implies a fiscal surplus and positive sign implies fiscal deficit*

## London's economy continues growing and will likely do so in the coming years as well


In the first quarter of 2019 data published by the ONS in June showed there were 6.1 million jobs in London. This marks an increase of 123,000 or 2.1% on the previous year, above the growth rate for the UK over the same period (1.7%) and the average rate in London over the past two decades (1.8%). In terms of sectors, Professional, scientific & technical activities saw the highest annual growth in jobs in London (+45,000), followed by Information & communication (+32,000) and Arts, entertainment & recreation (+19,000). However, Wholesale & retail saw workforce jobs fall on the previous year (-38,000), along with Administrative & support services (-13,000) and Other service activities (-2,000). The Professional, scientific & technical sector displayed a swing from a large decline in jobs in the year to 2018 Q1 to a large increase in the year to 2019 Q1. Over recent years, jobs in this sector have generally followed an upward trend, with a slight downturn between 2016 Q3 and 2018 Q1. Wholesale & retail also showed a large swing in the other direction, however this series has generally been volatile in recent years.

In June 2019, GLA Economics also published its latest medium-term forecasts for London's economy. In this we forecast that London's economic output will grow in real terms by 1.5% in 2019, down from the 1.8% growth seen in 2018. Output is then expected to grow by 1.6% and by 2.2% in 2020 and 2021, respectively. These rates are considered quite modest when compared to historic rates, even when compared to the latest available year published by the ONS (2017) when London's economy grew by 3.0%. The main explanation of this estimated low increase in London's real output is the ongoing uncertainty around the Brexit process, although other factors such as the global slowdown also play a role.

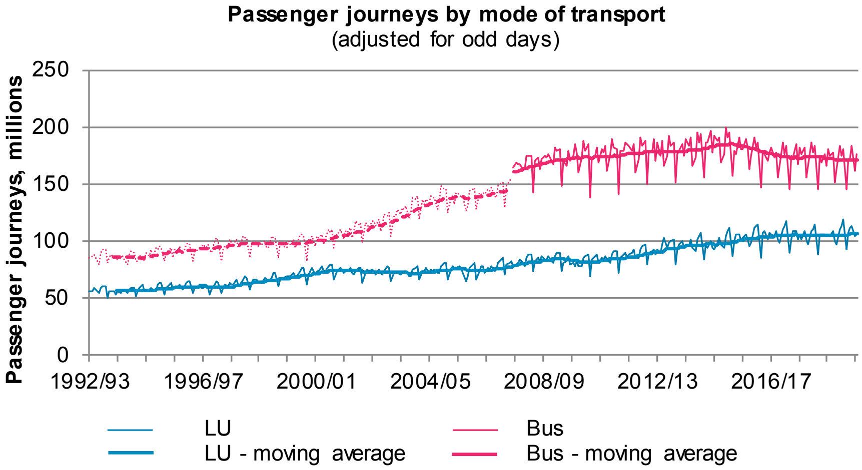
Similarly, London is forecast to see increases in workforce jobs, household income, and household spending between 2019 and 2021 although at lower rates than the historical average. The predicted rates for employment growth in London are 0.8% in 2019, 0.7% in 2020, and 0.8% in 2021. Although there remains great uncertainty around the economy the fundamental strengths of London's economy should see it continuing to grow in the coming years.

# Economic indicators

## TfL passenger journeys increased in the last period

- A total of 281.9 million passenger journeys were registered between 28 April and 25 May 2019; 17.3 million more than the previous period accounting for odd days. 106.1 million of these journeys were Underground journeys and 175.9 million were bus journeys.
- The 12-month-moving average in the total number of passenger journeys decreased from 276.9 million to 276.6 million.
- The methodology used to calculate the number of bus passenger journeys was changed by TfL on 1 April 2007. For a detailed explanation, please see LET issue 58 (June 2007).

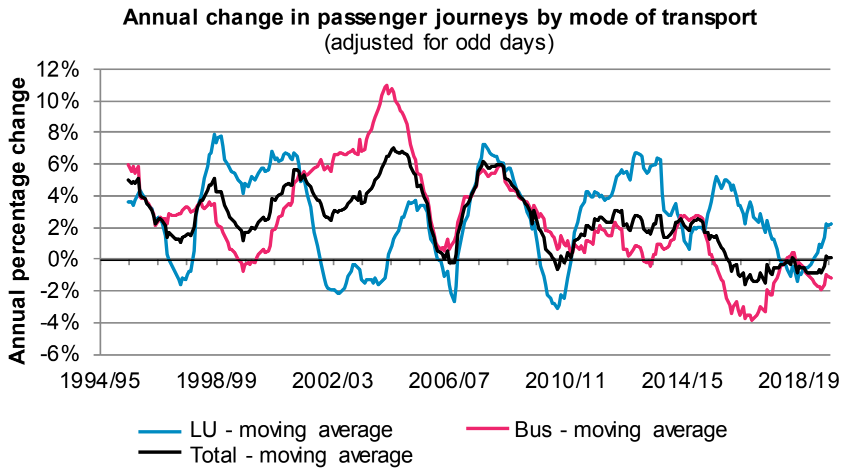
*Source: Transport for London*
*Latest release: June 2019, Next release: July 2019*




## Annual growth rate in total number of passenger journeys remains slightly positive

- The moving average annual growth rate in the total number of passenger journeys remained at 0.1% between 28 April and 25 May 2019, the same level as in the previous period. This rate has remained above 0 for three consecutive months after 15 periods of negative growth.
- The moving average annual growth rate of Underground journeys increased slightly to 2.2% from 2.1%.
- The moving average rate of Bus passenger journeys was -1.2%, 0.1 percentage points lower than the previous period.

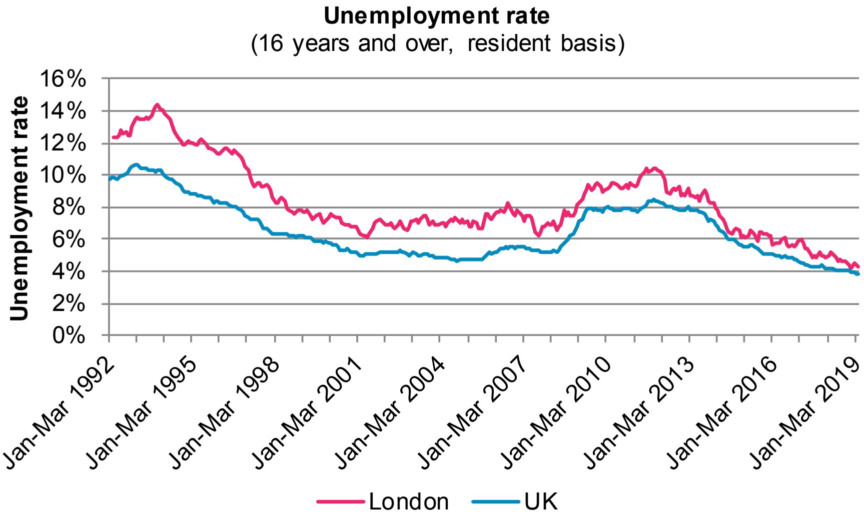
*Source: Transport for London*
*Latest release: June 2019, Next release: July 2019*



## London's unemployment remains at historic lows

- 208,890 residents over 16-year-old were unemployed in London in the three-month period February-April 2019; 2,282 persons more than the three-month period November 2018-January 2019.
- The unemployment rate in London increased slightly to 4.3% during the period February-April 2019 from 4.2% in the November 2018–January 2019 period. However, this rate still remains around the lowest historical quarterly rate (4.4%) reached in Q1 2019.
- The UK's unemployment rate decreased 0.1 percentage points to 3.8% in February-April 2019 compared to November 2018–January 2019, a joint historic low first reached in Q1 2019.

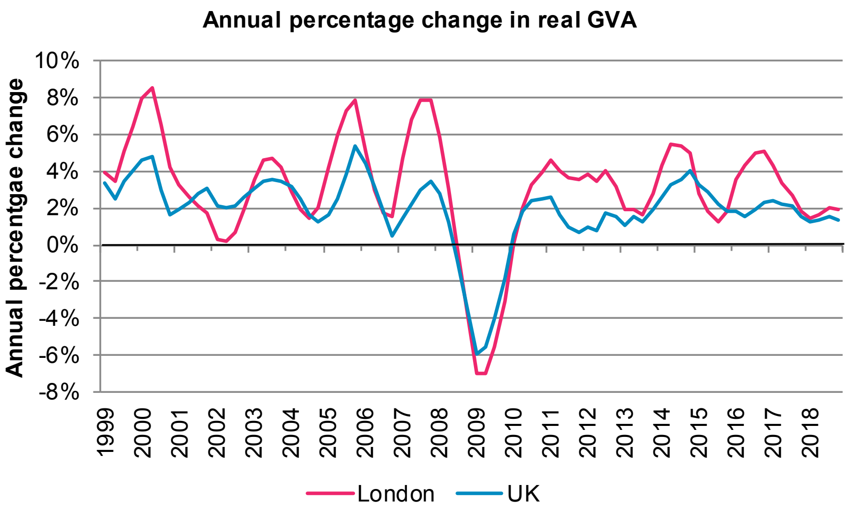
*Source: ONS Labour Force Survey*
*Latest release: June 2019, Next release: July 2019*




## London's annual output growth was 1.9% in Q4 2018

- London's annual GVA growth stood at 1.9% during the fourth quarter of 2018, down slightly on the 2.0% annual rate seen in Q3 2018.
- In the UK, annual output growth was 1.4% in Q4 2018, 0.2 percentage points lower than the previous quarter and one of the weakest rates of annual growth in the last five years.
- From LET Issue 165 (May 2016), GLA Economics now reports our own GVA estimates for London and ONS data for the UK.

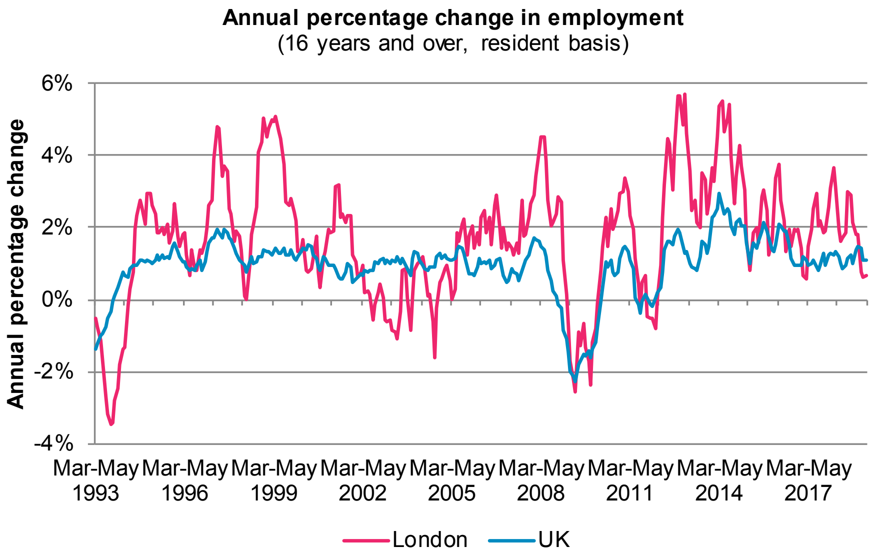
*Source: ONS and GLA Economics calculations*
*Latest release: April 2019, Next release: July 2019*



## Employment growth still weak in London

- Over 4.67 million residents over 16 years old were employed in London in the three-month period February-April 2019.
- The rate of annual employment growth for the capital was 0.7% for the same period, down from 1.8% when compared to November 2018-January 2019.
- During the same periods, the annual growth in UK employment also went down from 1.5% to 1.1%.

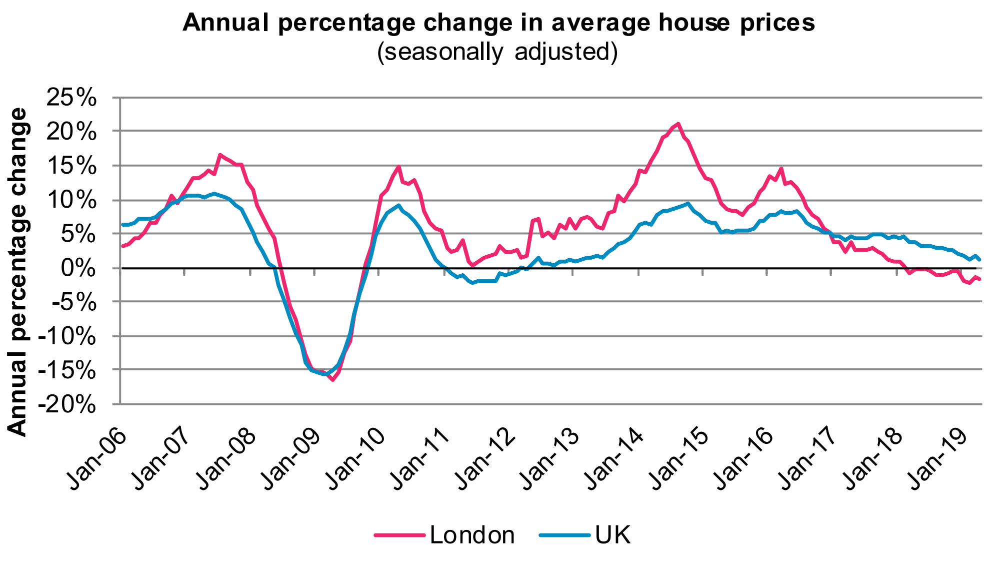
*Source: ONS Labour Force Survey*
*Latest release: June 2019, Next release: July 2019*




## London house prices have been falling for 14 months in annual terms

- In April, the average house price in London was £469,940, while for the UK, the average was £227,967.
- The annual growth rate in house prices in London was -1.6% in April, 0.2 percentage points lower than in March. This was the fourteenth consecutive fall in prices year-on-year.
- For the UK, house prices grew by 1.2% year-on-year in April, 0.5 percentage points slower than March.

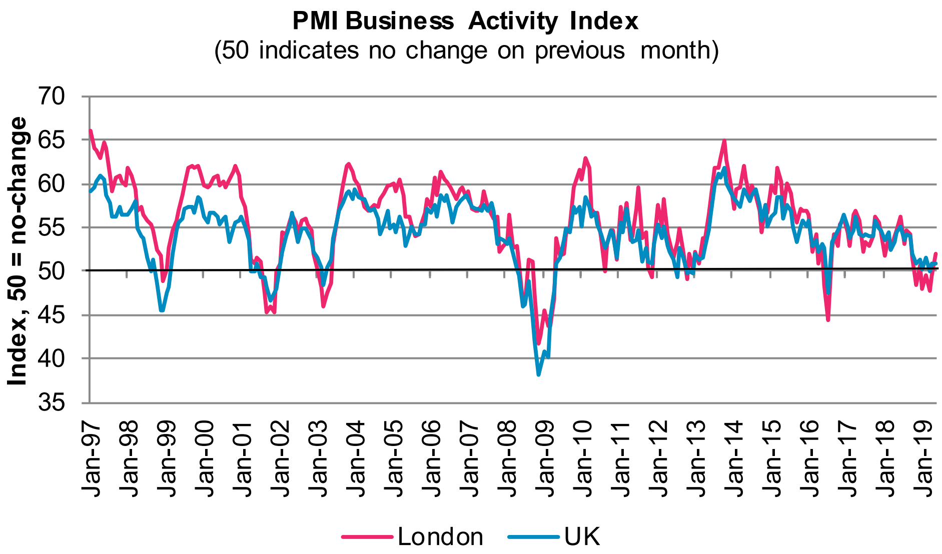
*Source: Land Registry and ONS*
*Latest release: June 2019, Next release: July 2019*



## Business activity in London grew in May

- The Purchasing Managers' Index (PMI) survey shows the monthly business trends at private sector firms. Index readings above 50.0 suggest a month-on-month increase in that variable, while readings below indicate a decrease.
- Business activity at London private firms grew in May (51.9) after four months being below 50.
- The UK index remained at 50.9 in May, unchanged on April.

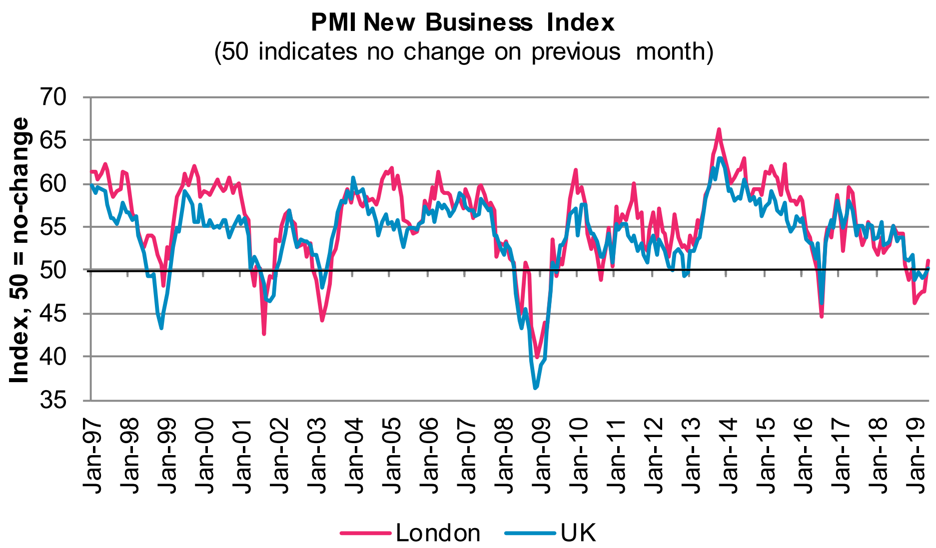
*Source: IHS Markit*
*Latest release: June 2019, Next release: July 2019*




## New business Index in London increased in May

- The PMI New Business Index was 51.2 in London in May, the highest level of the year and the first increase in the year as well.
- UK firms reported an index of 50.3 in May compared to 49.4 in April.
- An index reading above 50.0 indicates an increase in new orders from the previous month for the majority of firms surveyed.

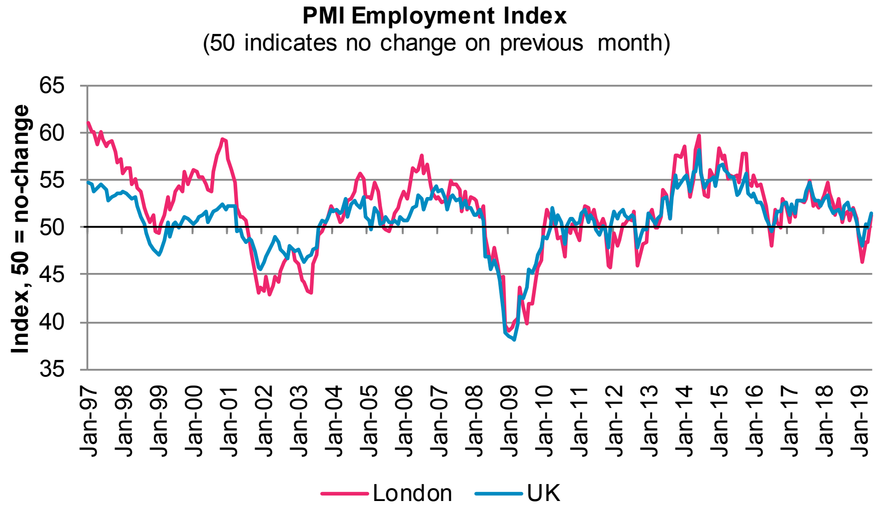
*Source: IHS Markit*
*Latest release: June 2019, Next release: July 2019*



### After four months of contraction, private sector firms in London reported increased employment in May

- The PMI Employment Index shows the monthly change in employment at private sector firms. Readings above 50.0 indicates over half of surveyed firms have increased employment, whereas a reading below 50.0 indicates a decrease in employment on average across firms from the previous month.
- The Employment Index for London was 51.2 in May, the highest level since November 2018 and the first measure above 50 of 2019.
- Employment opportunities have also increased across the UK in May (51.4) compared to April (49.9).

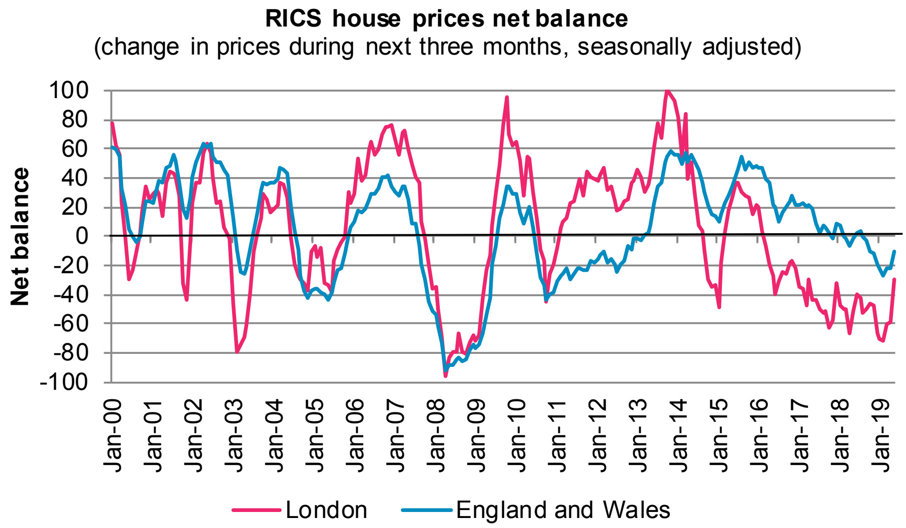
*Source: IHS Markit*
*Latest release: June 2019, Next release: July 2019*




### Fall in London's house prices continues but at slower pace according to property surveyors

- Most surveyors reported a further fall in London house prices in the three months to May, with this index having been negative since February 2016. Although the RICS index was -29 in May compared to -59 for the three months to April.
- The RICS house prices net balance index for England and Wales also increased from -22 to -10.
- The net balance index measures the proportion of respondents reporting a rise in prices minus those reporting a decline.

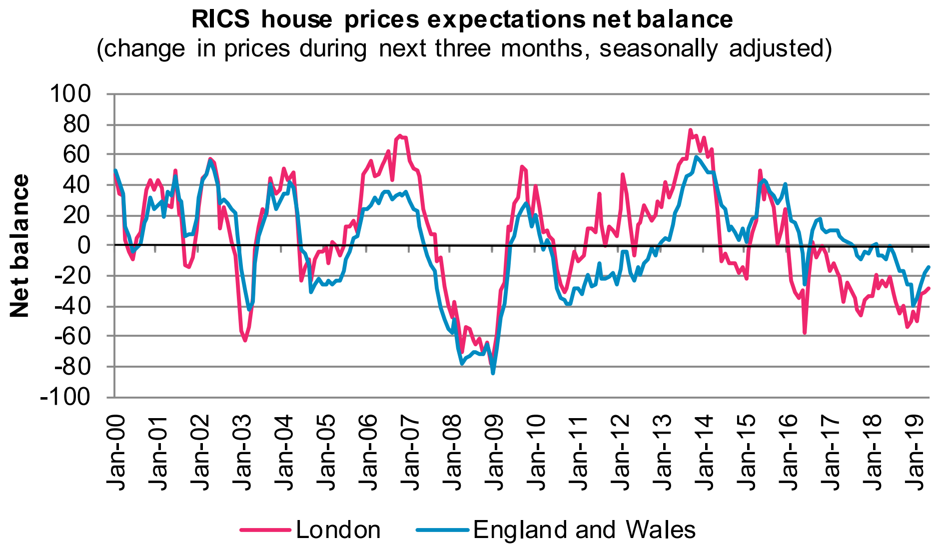
*Source: Royal Institution of Chartered Surveyors*
*Latest release: June 2019, Next release: July 2019*



## House prices expectations in London remain negative

- Most surveyors continued to have negative expectations for the next three months for house prices in London. The RICS index was -28 in May, very similar to April (-30).
- London remains the region with the most negative expectations for house prices.
- Sentiment in England and Wales was also negative in May (-14).

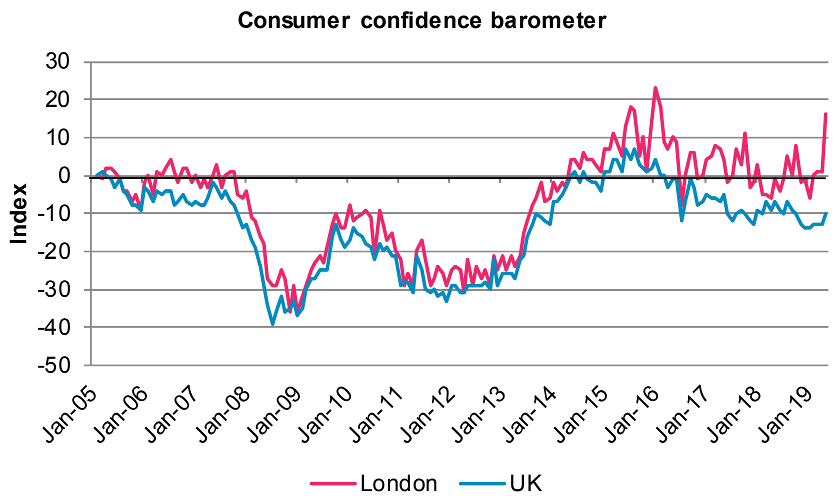
*Source: Royal Institution of Chartered Surveyors*
*Latest release: June 2019, Next release: July 2019*




## Consumer confidence in London soared in May

- The GfK index of consumer confidence reflects people's views on their financial position and the general economy over the past year and in the next 12 months. A score above zero suggests positive opinions; a score below zero indicates negative sentiment.
- The consumer confidence index in London was 16 in May, the highest level since March 2016. This index was only 1 in London in both April and March.
- Sentiment remained negative (-10) for the UK in May. This UK index has now been below 0 since April 2016.

*Source: GfK NOP on behalf of the European Commission*
*Latest release: May 2019, Next release: June 2019*



# Impacts on the London and UK economies of Brexit

By **Mike Hope**, Economist

## 1 Overview

This month GLA Economics published its 34th London's Economic Outlook forecast. Since the EU Referendum in June 2016 there has been an analysis of the effects of Brexit in each of the forecasts which are published twice a year. There is also additional analysis of important developments in the monthly LET Editorials. There continues to be a lot of speculation on the impacts of Brexit, and much remains uncertain particularly around the longer-term impacts of Brexit. We do, though, have an understanding of the impacts since the EU Referendum, and how they compare to what was expected prior to the vote. This supplement reports on these developments, and what might happen in the future.

## 2 New policy framework after Brexit

The UK Government and the European Commission published[1] on 14 November 2018 a draft Withdrawal Agreement for the UK to leave the European Union on 29 March 2019. This covers citizens' rights of Britons residing in the EU and vice versa, a financial settlement and arrangements for the border between Northern Ireland and the Republic of Ireland. While this was ratified by the European Council it was not ratified by the UK Parliament, which placed at risk an orderly exit from the EU. In response, after a UK Government request for an extension of the Article 50 process, UK membership of the EU has been extended to the end of October.

1 European Commission (2018). 'Draft Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, as agreed at negotiators' level on 14 November 2018', November 2018.

With insufficient support for the Withdrawal Agreement in the House of Commons, Theresa May resigned as leader of the Conservative Party on 22 May, with effect from 7 June, but her term as Prime Minister is expected to end in the week of 22 July when a new leader of the Conservative party is chosen.

If there is a ratified agreement by the end of October between the UK Government and the European Commission, there will be further negotiations on the future relationship between the two parties, including trading relationships. The current unchanged deadline for successful completion of these talks is the end of 2020. Otherwise the UK will face a no deal exit. In addition to any short-term disruption and uncertainty associated with leaving the EU without a defined legal framework for governing post-Brexit relationships, trade with the EU would only happen on the basis of World Trade Organisation (WTO) rules and any ad-hoc temporary arrangements that could be legally agreed. This would reduce trading opportunities with the EU due to higher tariff and non-tariff barriers.

## 3 Economic impacts of the Brexit process

After the EU Referendum the expectation of most forecasters was that the UK economy would slow because of the impact of uncertainty on business investment, the expectation of higher future trade barriers, and from the likelihood of lower net inward immigration. The immediate impact was a decline in sterling reflecting comparatively worse economic prospects for the country. This increased the price of imports, and inflation rose before subsiding slightly, (Figure A1).

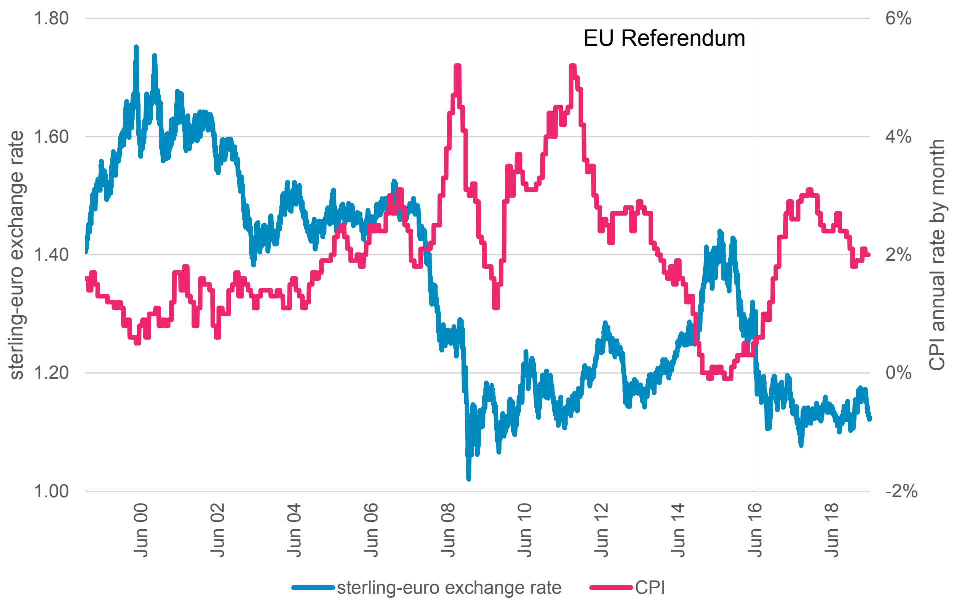



**Figure A1: Sterling-euro exchange rate and Consumer Price Inflation, 1999-2019**

*Source: BoE*

In October 2018 the Office for Budget Responsibility (OBR) published a discussion paper on Brexit and the OBR's forecasts[2], and reviewed GDP growth trends since the EU referendum result. They noted that:

"Following the June 2016 referendum result, we made some broad-brush adjustments to our forecasts in our November 2016 EFO [Economic and Fiscal Outlook] to reflect the fact that it was now Government policy to leave the EU: notably that trade intensity, net inward migration, business investment and productivity growth would be weaker than would otherwise have been the case. We also took on board the significant fall in the exchange rate that accompanied the referendum and its outcome. In terms of near-term impact, we reduced our forecast for real GDP growth between the second quarters of 2016 and 2018 from 4.4 to 3.0 per cent; the ONS currently estimates that growth over this period was 3.2 per cent. Studies based on synthetic 'doppelgangers' for the UK economy suggest that output in mid-2018 is around 2 to 2½ per cent lower than it would have been in the absence of the referendum".

2 See: [Brexit analysis - Office for Budget Responsibility]

These predictions were largely in line with those of other forecasts prior to the EU Referendum by HM Treasury, the OECD, and NIESR. There was a sharp fall in the exchange rate following the decision to leave the EU and a notable drop in output growth, if perhaps more gradually than some forecasters expected. What did not happen was a rise in unemployment. The prolongation of the Article 50 process will have extended the period of uncertainty, and so the realisation of these effects.

Changing the focus towards London for the period 1998-2018:

- London has grown at a faster rate on average than the UK as a whole
- Year-on-year changes in GVA growth for London mirror UK trends

The annual growth rate in the UK economy has been at 2% or lower for most of the period since 2016, and for 2018 was around 1.5%. Growth in the London economy has been higher and was closer to 2.0% at the end of 2018 (See Economic Indicators section of LET).

Brexit will give the UK Government the freedom to develop its own immigration policy for EU nationals, but until such time as the UK leaves the EU there continues to be no legislative restriction on free movement. While ONS figures record that overall migration has remained steady, and net migration has fallen slightly, the rise can be attributed to students from outside the EU, and the fall to work-related migration by EU citizens. Data on National Insurance Number (NINO) registrations, which measures migrants who find work for the first time, supports this view.

The number of migrants by this measure peaked in the last quarter of 2014 and has been in decline for nearly four years (after abstracting from seasonal effects), with it appearing to have levelled off from the third quarter of 2018 onwards. This is the case both for migrants to London and the UK, whether in total or from the EU, (Figure A2). The decline for both London and the UK can be attributed entirely to registrations by EU nationals. For London the decline has been by around 45,000 from 77,000 to 33,000, over the period from Q4 2014 to Q2 2018, and for the UK it has been by 105,000 from 197,000 to 92,000.

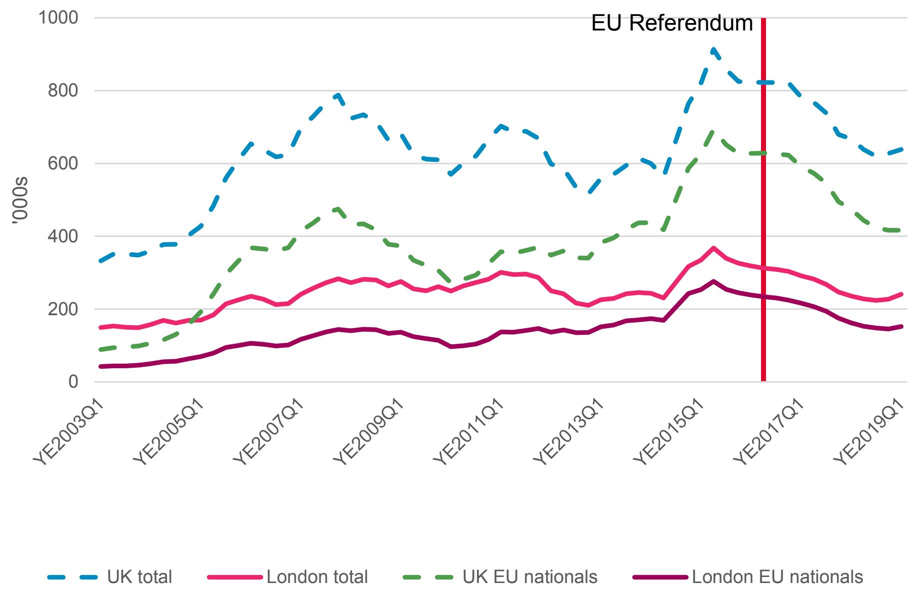



**Figure A2: NINO registrations, total and EU nationals, London and the UK, Q1 2003 – Q1 2019, ('000s)**

*Source: DWP*

*Note: There was a decline in registrations in Q2 2014 was largely due to delays in processing, and those registrations have mostly been recorded in Q3 2014.*

Following the EU Referendum result there has been lower total and net work-related migration to the UK, despite the absence of any policy changes. The available evidence for London, while more limited, suggests that so far the capital has not been disproportionately affected relative to the rest of the UK in terms of EU migrants entering the labour market. The growing importance of European Economic Area (EEA) nationals in the London and UK labour markets has at best stagnated, and possibly declined since June 2016. There is also some reason to believe that these trends have stabilised in the last few months.

## 4 Lead up to 29 March Article 50 deadline

Although the UK did not leave the EU on 29 March, economic sentiment has been declining. Economic sentiment in the UK has been less positive than for the EU since August 2017, and is at its lowest level since 2013[3]. The IHS Markit Purchasing Managers' Index has reported a downward trend for both London and the UK between June 2018 and March 2019, if recovering slightly in the subsequent two months, (Figure A3).

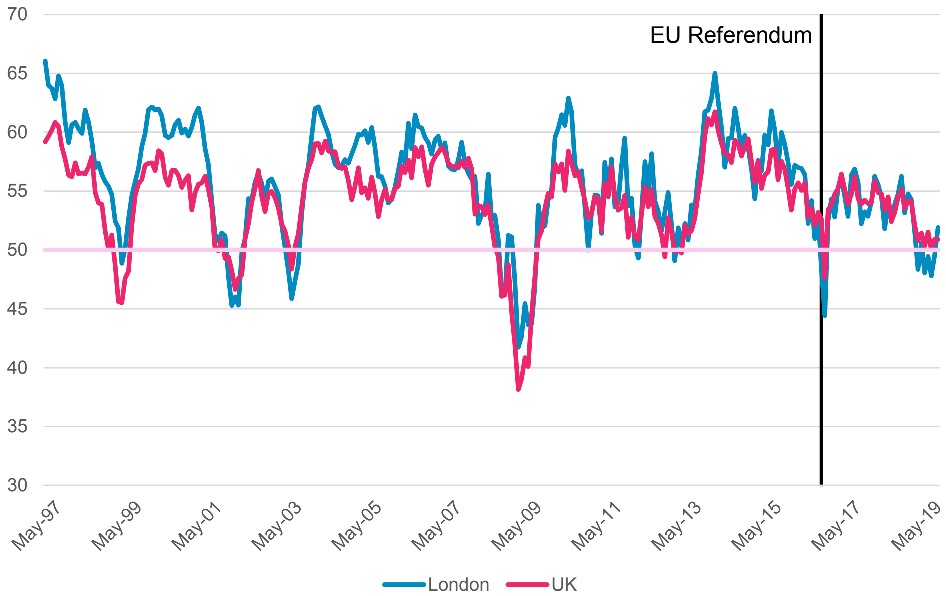



**Figure A3: Business activity index, London and the UK, 1997-2019**

*Source: IHS Markit Purchasing Managers' Index*

More broadly, it may be argued that the slowdown in the UK economy from lower business investment, and reduced business and consumer confidence following the 2016 referendum will reverse at some point, and lost output would be recovered. However, this is looking less likely as evidence emerges of the relocation of business and activities outside the UK, although the scale of this activity is imperfectly understood.

For example, there may have been a diversion of foreign investment into other EU countries of investment that might otherwise have gone to the UK. In this regard, foreign investment to the EU increased 43% in the three years to the first quarter of 2019, while for the UK it declined by 30%[4].

It has also been reported[5] that Barclays is moving €190bn of assets and 5,000 clients to its Irish subsidiary. While, Goldman Sachs, JP Morgan and Morgan Stanley have switched around 10% of clients affected by loss of compliance with EU regulations. What is less clear is the extent to which there is an associated transfer of staff and operations. Bank of America, for example, is transferring 100 bankers to its Dublin office, and another 400 to a new broker dealer unit in Paris.

While, the Dutch investment agency reports 42 UK companies relocating to the Netherlands last year and citing Brexit as the reason. This has been accompanied by some 2,000 jobs and €300m in investment[6]. Also, Sony and Panasonic have announced the transfer of their European HQs from the UK to the Netherlands.

3 See Time series European Commission
4 Financial Times, 10 June 2019
5 Financial Times, 14 February 2019, Lombard section
6 Financial Times, 14 February 2019, front page, although Unilever has reversed a decision to move it HQ from London to Rotterdam

Positively, it may be for the time being that London has some insulation from these effects. A Centre for London report[7] finds that London and the Wider South East host 55% of the world's largest 500 companies' European HQs. The most influential element in HQ location decisions is access to talent, which in part in the future will be contingent on the immigration policy adopted.

## 5 Economic impacts on leaving the EU

The impact of leaving the EU remains one of the largest potential economic risks to London's economy. Scenarios published in January 2018 by Cambridge Econometrics (CE) produced for the Greater London Authority (GLA) showed, as expected from other scenarios, that the more severe the type of Brexit, the greater the negative impact on London was expected to be[8]. The results showed that Brexit will not only reduce the size of the economy (compared to what it might have been if Britain remained in the Single Market and customs union – Scenario 1), but also put it on a slower long-term growth trajectory, (Figure A4). In a worst-case scenario (with no transition, no membership of the Single Market or customs union, and no preferential trade agreements – Scenario 5), the UK could experience a loss of 3.0% (£54.5bn) in GVA by 2030 compared to the status quo scenario, while London could experience a loss of up to 2.1% (£10.8bn) in GVA.

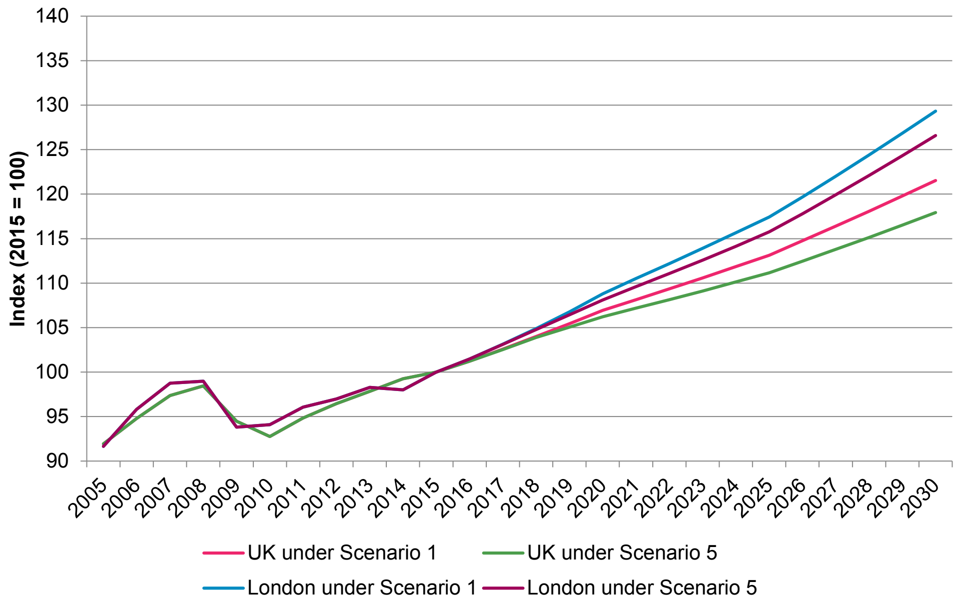



**Figure A4: GVA growth in the UK and London**

*Source: ICE for the GLA*

The Government's own impact assessments, published in November 2018[9], also found that all forms of EU exit would reduce long-term GDP, and this would depend on the decisions taken. Its estimates were higher than the CE work, and a no deal exit might reduce GDP by 7.7%. Brexit would have a negative effect for each scenario for every region. This work argued that London would not necessarily be more resilient than the rest of the economy. London would do comparatively less badly for scenarios which disproportionately affected goods exports, and be relatively worse off where service exports bore more of the impact.

## 6 Next steps

GLA Economics will continue to monitor the impact of Brexit, and report developments in LET Editorials and London's Economic Outlook. If this brief summary has been of interest you can find out more about impacts of Brexit in the current forecast publication and find the tables on the London Datastore LEO forecast. Other analysis on London's economy can be found on our publications page.

7 See Centre for London | Head Office: London's rise and future as a corporate centre
8 CE (2018). 'Preparing for Brexit', January 2018, GLA
9 See Exiting the European Union: Publications - GOV.UK

# Our latest publications

We publish regularly on the state of London's economy, providing the latest economic data for London and interpret how this may affect policy. This includes analysis of recent developments in London's economy and forecasts for the next couple of years.

We provide analysis on sectors of the economy including tourism, retail, housing, health, science, technology and more.

We analyse recent developments in London's labour market, by sector and borough.

View all the GLA Economics publications on our website.


**The London input-output tables**

This Working Paper (97) shows the first set of published input-output tables for London, and is an important step towards economic accounts for the city:

- The London economy mirrors the UK in terms of the contribution of components of income, expenditure and production to output.
- Unlike the UK a small number of sectors account for much of London's output. These are mainly export-oriented sectors, and with other sectors which enable the movement of people and goods support a trade surplus with the EU, and the rest of the world

Download the full publication.


**London's Economic Outlook**

Our latest London forecast published in Juner 2019 suggests that:

- London's Gross Value Added (GVA) growth rate is forecast to be 1.5% in 2019. The growth rate is expected to increase marginally to 1.6% in 2020, before reaching 2.2% in 2021.
- London is forecast to see increases in the number of workforce jobs in 2019, 2020 and 2021.
- London's household income and spending are both forecast to increase over the next three years, albeit at a relatively slow rate.

Download the full publication.


**London at night: An evidence base for a 24-hour city**

This report brings together a range of research and data on London at night. It reveals that, between 6pm and 6am, the city is buzzing with social, cultural and economic activity.

- A third of everyone working in London works at night – that is 1.6 million people.
- Cost is the main barrier to enjoying culture and leisure activities at night. This is the case across all income groups of Londoners. Over a third of Londoners say it is too expensive to go out at night.

Download the full publication.

GLAECONOMICS

City Hall
The Queen's Walk
London SE1 2AA

**Email** glaeconomics@london.gov.uk
**Internet** www.london.gov.uk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*London's Economy Today* is published towards the end of every month. It provides an overview of the current state of the London economy, and a selection of the most up-to-date data available. It tracks cyclical economic conditions to ensure they are not moving outside the parameters of the underlying assumptions of the GLA group.

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**About GLA Economics**
GLA Economics provides expert advice and analysis on London's economy and the economic issues facing the capital. Data and analysis from GLA Economics provide a sound basis for the policy and investment decisions facing the Mayor of London and the GLA group. The unit was set up in May 2002.

MAYOR OF LONDON