GLAECONOMICS

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London moves up to Tier 3 restrictions

By **Mike Hope**, Economist, and **Eduardo Orellana**, Economist

An acceleration in the number of confirmed COVID-19 cases, partially attributable to a new variant of the virus, has led to London being moved by the Government from Tier 2 to Tier 3 of restrictions on activities. Specifically, this will lead to the closure of much of the creative and hospitality sectors (except for takeaways), and increases the risk of further significant job losses. By Q3 2020 (and compared to Q1 2020) the number of London jobs in Accommodation and food services had fallen by 9.5%, and in Arts, entertainment and recreation by 13.2%, while for London as a whole the fall was 3.8%. The London sector falls are higher than for the rest of the UK. It is also apparent that the Coronavirus Job Retention Scheme (CJRS), or furlough scheme, is protecting these sectors from far more significant job losses (Table 1).

The Office for National Statistics (ONS) reports that more than a quarter (27.9%) of pub and bar businesses in the UK said by the first half of November that they had low or no confidence in surviving the next three months. Pubs and bars are more than five times as likely as other businesses to report low or no confidence of survival.

Also in this issue

Table 1: Estimates of the increased numbers of London jobs at risk in the main 'closed' sectors from Tier 3 restrictions, and job reductions by end September

	Workforce jobs Q3 2020	Latest estimate of the number of jobs on furlough (as at end of September)	Estimated additional jobs at risk of furlough under Tier 3	Share of total jobs	Proportion of jobs lost from Q1 to Q3 2020
Accommodation and food services	416,000	89,043	71,350	17.2%	-9.5%
Arts, entertainment and recreation	184,000	27,967	21,085	11.5%	-13.2%
London	5,857,000	454,100	92,436	1.6%	-3.8%

Source: GLA Economics Analysis of ONS Workforce Jobs and HMRC CJRS statistics

More broadly, the latest ONS evidence for the three months to October is that London's labour market continues to deteriorate. Compared with the previous quarter the employment rate fell by 1.4 percentage points to 75.2%, and the unemployment rate rose by 1.2 percentage points to 6.3%.

UK and EU discussions on a free trade agreement continue

Despite deadlines for a decision being missed talks continue between the UK and the EU on a Free Trade Agreement (FTA). Days remain before the end of the year, the point at which the transition period for leaving the EU ends. This comes at a cost to businesses, and therefore consumers, that they have still to plan for a range of eventualities. Perhaps unsurprisingly, there is evidence of a lack of preparedness on the part of both business and Government, as reported in the latest London's Economic Outlook.

The implications for the finance sector, which makes up 15% of London's economy, remain unclear as the provisions for mutual access to each other's markets will largely be determined by regulators. Much will depend on a series of so-called equivalence decisions covering individual countries and financial products. John Berrigan, the European Commission's top financial services official, has warned that the transition period would be an "unavoidably fragmenting event". David Schwimmer, chief executive of the London Stock Exchange Group, has stated that, "It looks like the EU will make sure there is a cost to Brexit." The Bank of England (BoE) has a checklist of actions most of which are complete, which should mean disruption to end-users of financial services has been minimised.

In terms of outstanding actions, last month's LET reported that the UK would grant equivalence to EU and European Economic Area (EEA) states. This will allow UK-based fund managers and banks to use EU exchanges, investment firms, credit rating agencies, critical market benchmarks and clearing houses. Since then European regulators have finalised changes to avoid chaos in the £15tn of derivative contracts held between UK and EU counterparties. Certain actions on uncleared derivative contracts may still, though, not be performed. This also does not address the bigger issue of allowing British companies to sell financial services to EU clients on existing terms. As examples of finance firms responses to this situation, Goldman Sachs has set up a hub in Paris for its private shared trading platform, while Segro has dual-listed its entire share capital on Euronext Paris to protect its holding structure. Finally, while the UK has legislated to allow the free flow of personal data from the UK to the EU, it is not clear if there is a need for regulatory measures to allow the flow in the other direction of personal data.

London's physical retail sector may be suffering disproportionately from the COVID-19 crisis

Major announcements have been made this month of the collapse of retail empires. Arcadia (which has 13,000 employees and is the owner of brands such as Topshop, Miss Selfridge and Wallis), and Debenhams (12,000 employees) have entered administration alongside Bon Marché (1,500 employees) and Ann Summers, which wishes to cut rents at 25 stores. Job losses do not always follow from firms going into administration, but employee jobs at risk this year far exceed what happened during the last recession, which saw the collapse of Woolworths and the loss of 30,000 jobs nationally out of 75,000 retail jobs put at risk. By the end of November, and prior to the latest announcements, 95,000 retail jobs had already been put at risk this year from firms going into administration (Figure 1).

Figure 1: Retail at risk from administration, 2008 – November 2020

Source: Centre for Retail Research

Across Britain's 62 largest cities and towns between February and September there has been a shift to online spending. However, according to a Centre for Cities analysis of debit and credit card spending this has not been at the expense of in-store spending. Across Britain in-store spending has recovered from the decline in March after lockdown while in London it has not, and was 22% lower in September compared with February. This is the largest fall of the cities and towns studied. One explanation is that there are far fewer commuters and tourists in the capital, as discussed in November's LET. As an indication of the impact on international travel, Heathrow airport is to shut Terminal 4 until the end of next year.

UK's economy affected most out of the G7 economies by the COVID-19 crisis

The Organization for Economic Cooperation and Development (OECD) has published its latest Economic Outlook. It forecasts that only the United States and Germany of the G7 will have recovered their 2019 level of output by the end of 2022. Unlike the whole of the G7 China is expected to register growth this year. The UK is expected to have the deepest recession of this group of countries and recover the slowest (Table 2).

	2019	2020	2021	2022	overall growth 2020-2022
UK	1.3%	-11.2%	4.2%	4.1%	-3.7%
Canada	1.7%	-5.4%	3.5%	2.0%	-0.1%
France	1.5%	-9.1%	6.0%	3.3%	-0.5%
Germany	0.6%	-5.5%	2.8%	3.3%	0.4%
Italy	0.3%	-9.1%	4.3%	3.2%	-2.2%
Japan	0.7%	-5.3%	2.3%	1.5%	-1.7%
US	2.2%	-3.7%	3.2%	3.5%	2.9%
China	6.1%	1.8%	8.0%	4.9%	15.3%

Table 2: GDP growth for G7 and China, 2019-2022

Source: OECD Economic Outlook, December 2020

According to the latest figures from the ONS, growth in the UK economy slowed to 0.4% in October from 1.1% in September as more social distancing restrictions took effect. Most sectors of the UK economy grew, although month-on-month Accommodation and Food services declined by 14%. The UK economy remained 7.9% below its peak in February.

London's economy will most likely not recover until 2022 in GVA terms, while it will take longer for the labour market to recover

GLA Economics has published its latest forecast for the London economy. This assumes there will be an FTA with the EU, as do the recent UK-level forecasts by the Office for Budget Responsibility (OBR), and the Bank of England (BoE). In the central scenario London's economy will contract by 9.5% this year before recovering in late 2022 with growth of 6.2% in 2021, and 6.9% in 2022 (Table 3). Compared to the UK-level forecasts the recession this year in London is expected to be slightly less deep (also reflecting stronger pre-COVID, Q1 performance). While the recovery by the end of 2022 is slightly stronger in terms of overall GVA, a fall of 9.5% in a single year remains a major shock and a fall unprecedented in modern times. Further details on these COVID-19 scenarios can be found in the supplement to this publication.

	2019	2020	2021	2022	overall growth 2020-2022
London					
GLA Economics	5.4%	-9.5%	6.2%	6.9%	2.7%
UK					
OBR	1.3%	-11.3%	5.5%	6.6%	-0.2%
BoE	1.3%	-11.0%	7.3%	6.3%	1.4%

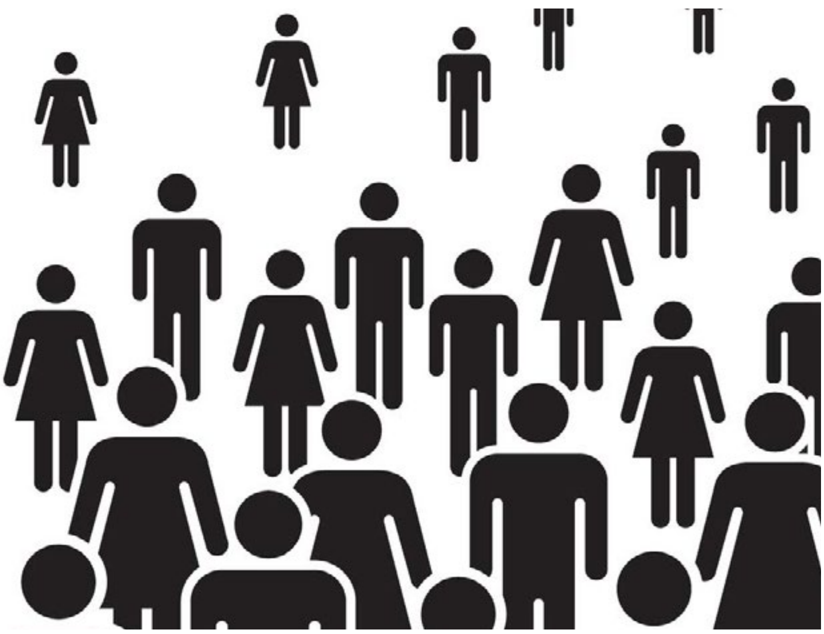
Table 3: Central scenarios for London and UK economies, 2020-22

Source: London's Economic Outlook, OBR Economic and Fiscal Outlook, and BoE Monetary Policy Report

Note: For timing reasons the BoE forecast did not take account of the second lockdown

The impact on jobs is expected to be relatively small this year at -1.1% due to the Government's support in protecting jobs. When this support ends in March 2021 there is likely to be a more significant loss of jobs, falling by a rate of -4.6% over the year. The labour market will not have recovered to its former level until the end of 2022.

Despite the effects of COVID-19, London's population is projected to continue to grow, although not as quickly as in the past 20 years



The GLA has also published its latest set of population projections for London, and a number of variants reflecting uncertainty around migration patterns and London's position in the UK in the coming years. The ONS estimated London's population at 8.96m in 2019. The central range of GLA projections projects a population of between 10.52m and 10.92m in 2050, and there is a broad band of uncertainty around this range (Figure 2). This is a more moderate rate of growth than there has been in the last two decades.

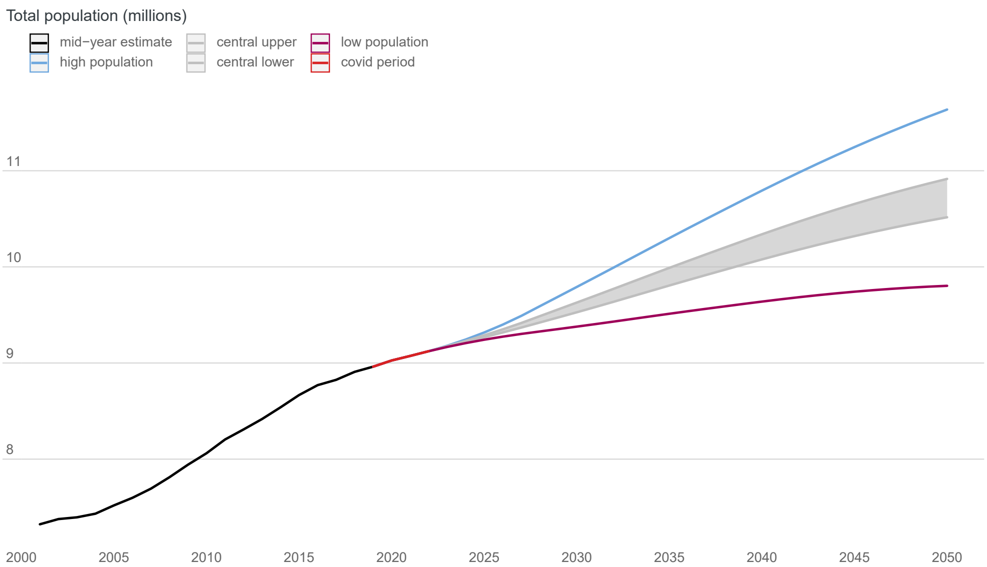


Figure 2: Variant population projections, London

Source: ONS Mid–year estimates, GLA 2019–based projections; Chart: GLA demography

The variant projections attempt to account for the impacts of the COVID-19 pandemic by adjusting assumptions about levels of migration over the short term. If no such adjustments are made projections indicate London's population might have risen slightly above the central range to 11.09m by 2050.

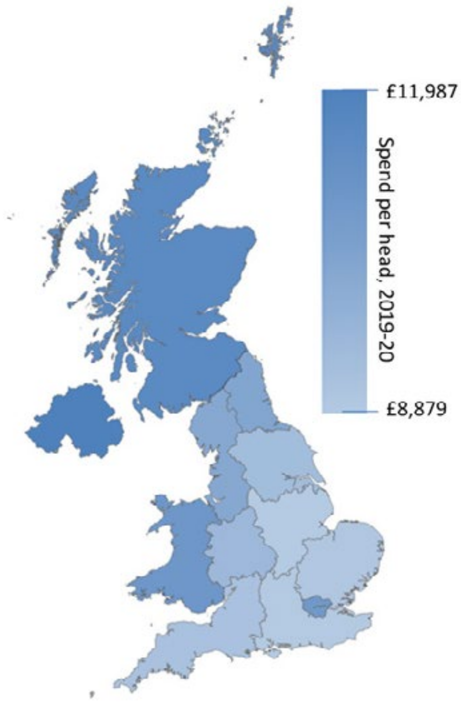
The GLA demographers also investigated what it would take for London's population to decline. Population growth in London is largely the result of natural change – the balance of births over deaths. While gross migration flows in and out of London are significant they are relatively well balanced with total net migration averaging around 50,000 persons per year. If all migration were to stop, London would still grow to over 10m through natural change alone. It would take a significant and sustained disruption to established patterns of migration for London's population to begin to decline. As such, a decline in London's population does not seem likely over the forecast horizon.

London receives the highest share of public spending of any region, and makes the largest contribution to the Exchequer

HM Treasury has recently published the latest Country and Regional Analysis of public expenditure by central and local government. There was £661bn of UK public expenditure identifiable to the countries and regions of the UK in 2019/20 out of £797bn of total expenditure. London received £97.1bn or around 15% of the total, and this was higher in absolute terms than all the other countries and regions. On a per head basis London received £10,835 which is more than all the other regions of England, but less than the other countries of the UK, Map 1.

Support for the capital looks less generous by other measures. London receives a lower share of public expenditure relative to the output it produces than other parts of the UK, and pays more to the Exchequer than it receives. In 2018/19 London had the highest net fiscal surplus per head at £4,369. Only the South East and the East of England also had surpluses reports the ONS.

The capital will face significant challenges in the new year from Brexit and COVID-19, and GLA Economics will continue to assess them. The analysis will be found on our [publications page].



Map 1: Public spending per head, countries and regions of the UK, 2019/20

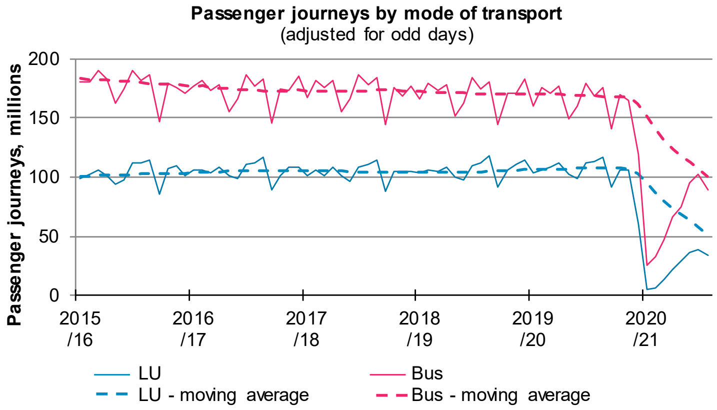
Source: HM Treasury, Country and Regional Analysis 2020

Economic indicators

The gradual recovery seen in passenger journeys in London public transport over the last months halted with the second lockdown

- 122.7 million passenger journeys were registered between 18 October and 14 November this year, 18.8 million journeys less than in the previous period (20 September - 17 October). This contraction represents the first fall since the first national lockdown in spring and is essentially due to the second lockdown in the capital between 5 November and 2 December.
- In the period 18 October to 14 November, 33.7 million of all journeys were underground journeys and 89.0 million were bus journeys.
- The 13-period-moving average in the total number of passenger journeys fell further from 164.0 in the period 20 September - 17 October to 151.7 in the period 18 October and 14 November.

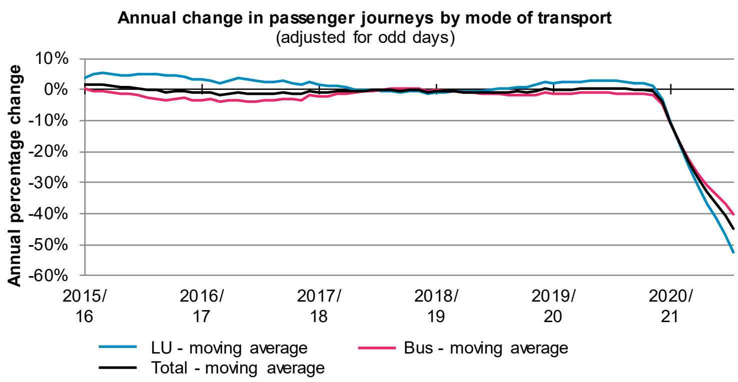
Source: Transport for London
Latest release: December 2020, Next release: January 2021



The moving average annual change in passenger journeys in London continues its fall

- The 13-period moving average annual growth rate in the total number of passenger journeys was -45.1% in the period 18 October to 14 November, further down from -40.9% in the period 20 September – 17 October and reaching a new historic low.
- The moving average annual growth rate of bus journeys decreased from -37.0% to -40.4% between the above-mentioned periods.
- Likewise, the moving annual average of underground passenger journeys went down from -46.9% to -52.3% between those periods.

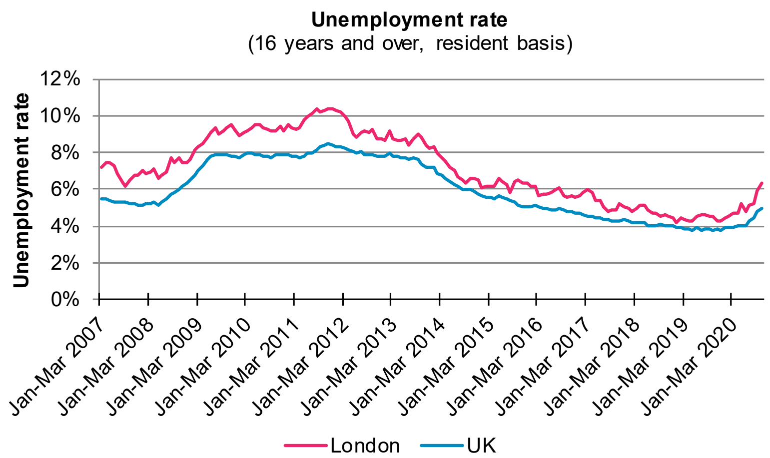
Source: Transport for London
Latest release: December 2020, Next release: January 2021



London's unemployment rate rose to 6.3% in the period August – November 2020, the highest rate in five years

- Around 321,800 residents 16 years and over were unemployed in London in the period August to October 2020.
- The unemployment rate in London was 6.3% in that period, notably up from 5.1% in the previous period May to July 2020 and representing the highest rate in five years.
- The UK's unemployment rate also increased but to a lesser extent than in London, from 4.3% in May-July to 4.9% in August – November.

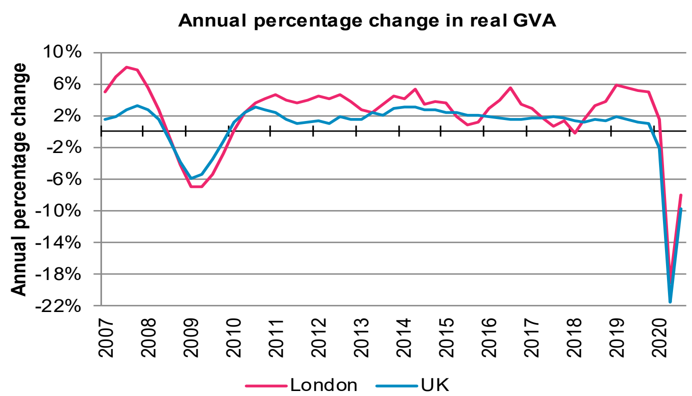
Source: ONS Labour Force Survey
Latest release: December 2020, Next release: January 2021



London's economy is estimated to have grown by 15.2% in the third quarter of this year compared to the previous quarter, following a historic contraction of 21.1% in the first half of the year due to the COVID-19 pandemic

- London's real GVA grew by 15.2% in Q3 - compared with Q2 - after two quarters registering negative quarterly rates. In annual terms, the economy declined by -8% in Q3 after a historic annual fall of -19.0% in the second quarter of the year. These rates are GLA Economics estimates.
- London's real GVA in Q3 2020 remained 8.7% below its pre-crisis level in Q4 2019.
- The UK's real GVA annual growth rate for Q3 2020 was -9.7% after an annual fall by -21.5% and -2.2% in the second and first quarters of the year, respectively.
- London's real GVA quarterly estimates for both the period Q1 1999 to Q4 2012 and the two most recent quarters have been produced by GLA Economics. Estimates for the intervening period are outturn data from the ONS, which does not publish quarterly estimates for London's real GVA prior to 2013.

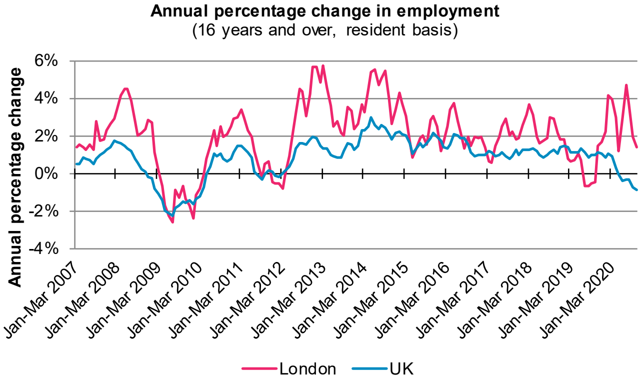
Source: ONS and GLA Economics calculations
Latest release: November 2020, Next release: Febuary 2021



London's annual employment growth rate was 1.4% in the period August to October 2020, down from 4.7% in May to July

- Around 4.76 million London residents over 16 years old were in employment during the three-month period August – October 2020.
- The rate of employment growth in the capital was 1.4% in the year for the mentioned period, 3.3 percentage points down from May-July 2020.
- In the same direction, UK's employment annual growth rate continued its fall from -0.3% in May to July to -0.9% in August to October, the lowest rate since the first quarter of 2010.

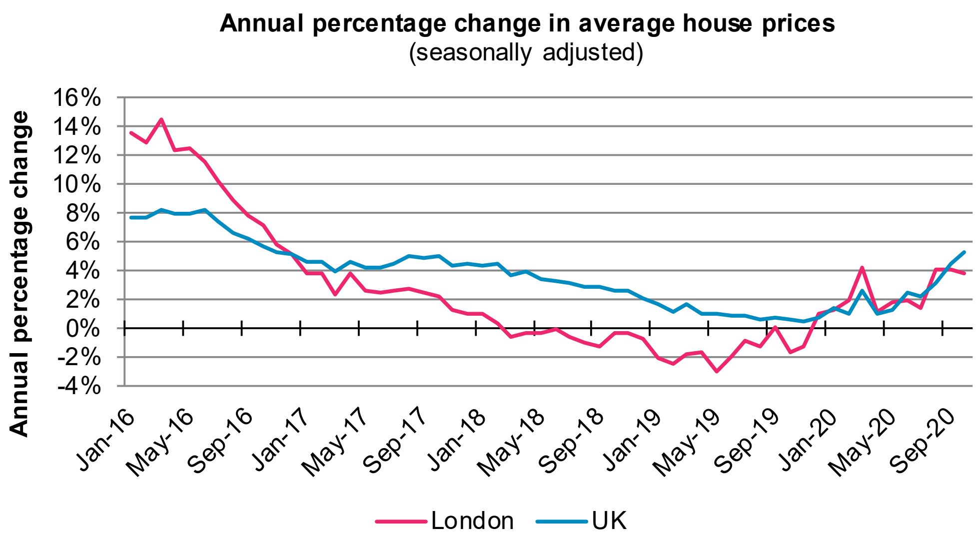
Source: ONS Labour Force Survey
Latest release: December 2020, Next release: January 2021



London house prices increased by 3.9% in annual terms in October

- In October 2020, the average house price in London was £488,840 while for the UK it was £241,818.
- The annual growth rate in average house prices in the capital was 3.9% in October, very similar to September (4.0%).
- Average house prices in the UK rose by 5.3% in annual terms last October, 0.9 percentage points above the same rate in September and the highest rate in four years.

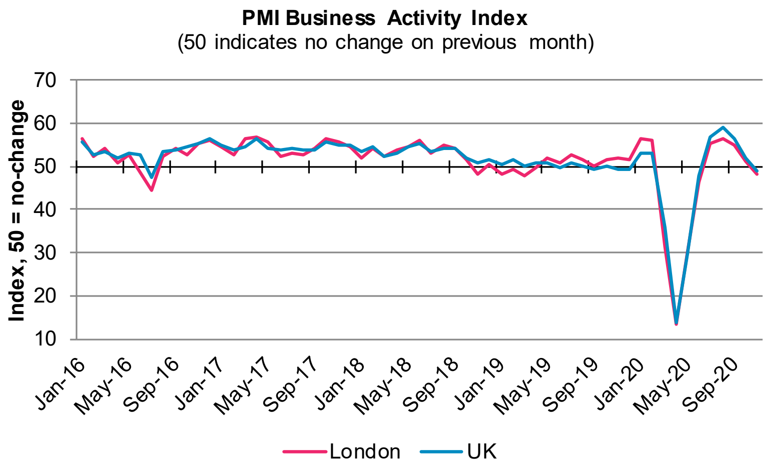
Source: Land Registry and ONS
Latest release: December 2020, Next release: January 2021



In November, London's PMI business activity index decreased for the third consecutive month and sentiment turned negative

- The business activity PMI index for London private firms went down from 51.4 in October to 48.2 in November, its lowest level since June.
- The UK index also dropped from 52.1 in October to 49.0 in November.
- The Purchasing Managers' Index (PMI) survey shows the monthly business trends at private sector firms. Index readings above 50 suggest a month-on-month increase in activity on average across firms, while readings below 50 indicate a decrease.

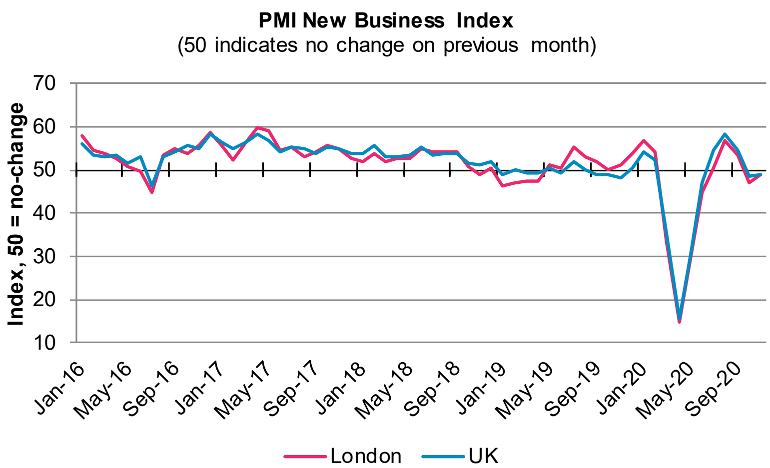
Source: IHS Markit
Latest release: December 2020, Next release: January 2021



PMI new business index increased but sentiment remained negative in November

- The PMI new business index in London went up in November (49.0) from 47.2 in October.
- The UK index also increased from 48.5 to 48.9 in the same period.
- An index reading above 50.0 indicates an increase in new orders from the previous month.

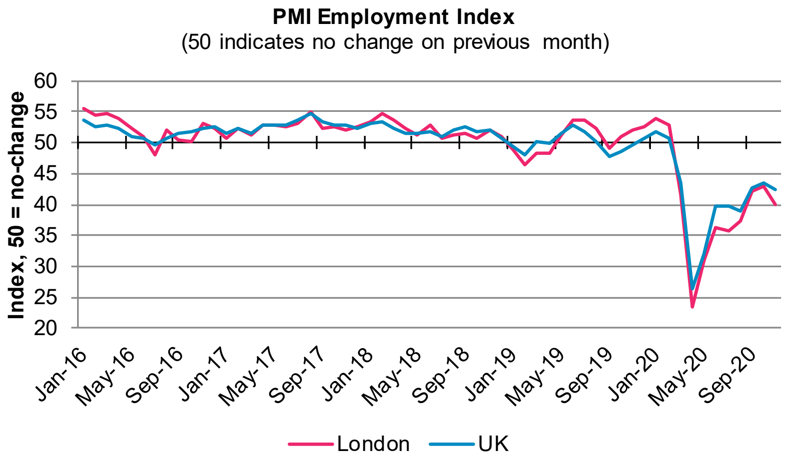
Source: IHS Markit
Latest release: December 2020, Next release: January 2021



In November, PMI employment index in London remained very weak

- The Employment Index for London decreased from 43.0 in October to 40.1 in November, still well below the neutral figure of 50.0. Since March, the majority of firms have been reporting monthly a worsening of employment prospects.
- Similarly for the UK, this index slipped to 42.3 in November from 43.4 in October.
- The PMI Employment Index shows the net balance of private sector firms of the monthly change in employment prospects. Readings above 50.0 suggests an increase, whereas a reading below 50.0 indicates a decrease in employment prospects from the previous month.

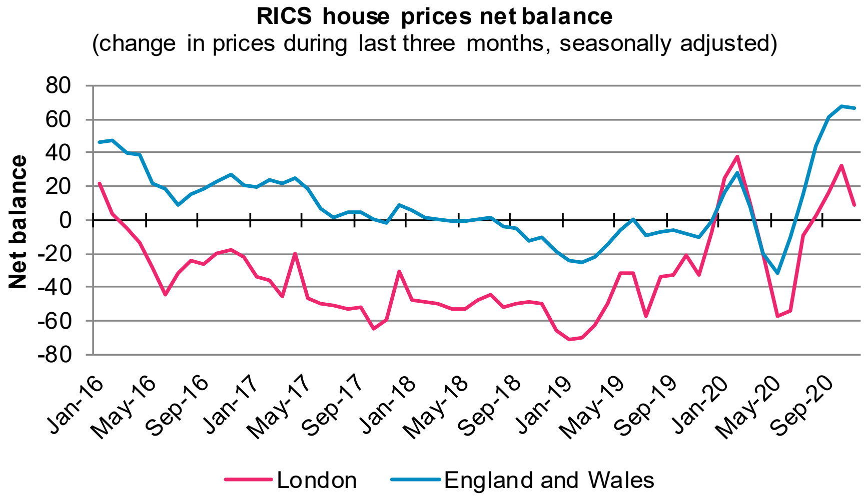
Source: IHS Markit
Latest release: December 2020, Next release: January 2021



The net balance of property surveyors reporting a rise in house prices in London reduced notably in November

- In the three months to November, the net balance of property surveyors reporting a rise in house prices was 9, markedly down from October where this index had returned to pre-crisis levels (32).
- However, for England and Wales, the RICS house prices net balance index remained broadly unchanged in November (66) – October was 67.
- The net balance index measures the proportion of property surveyors reporting a rise in prices minus those reporting a decline.

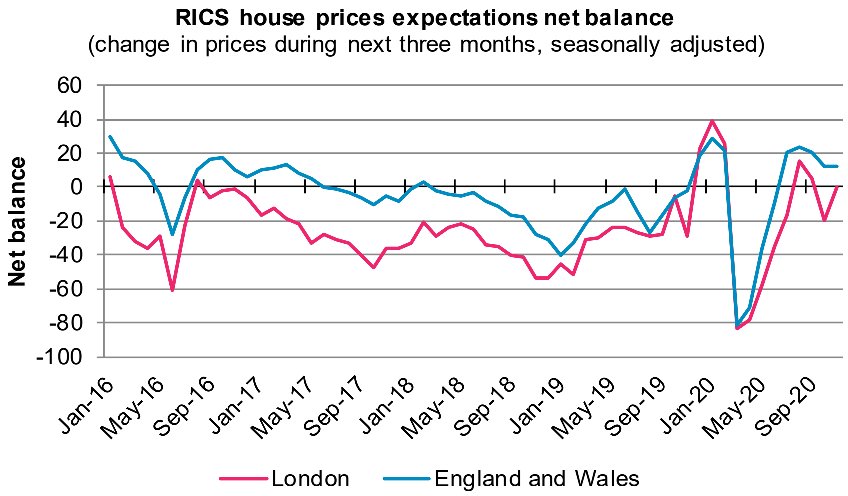
Source: Royal Institution of Chartered Surveyors
Latest release: December 2020, Next release: January 2021



In November, surveyors reported neutral expectations – overall - with regards to London house prices in the next three months

- The net balance of house prices expectations was 0 in November in London after a negative figure in October (-20) and a positive figure in September (5). This indicates that high volatility persists in London's housing market.
- By contrast, sentiment in England and Wales was similar in November (13) to October (12).
- The net balance index measures the proportion of property surveyors reporting a rise in prices minus those reporting a decline.

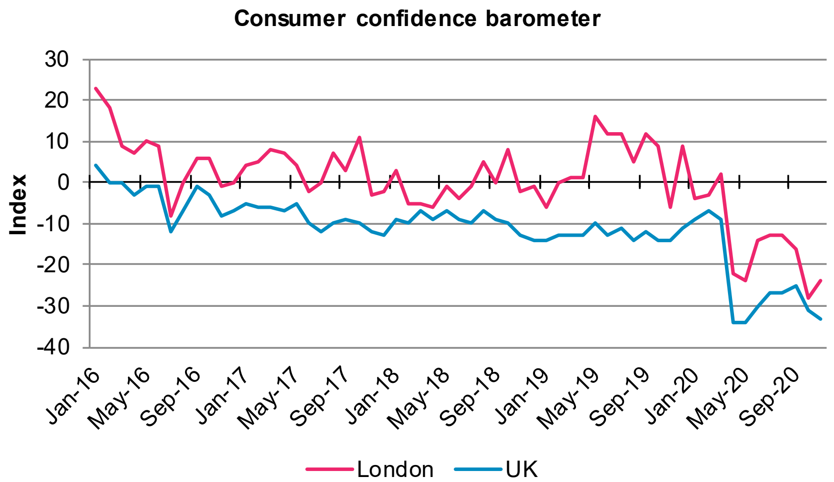
Source: Royal Institution of Chartered Surveyors
Latest release: December 2020, Next release: January 2021



Consumer confidence in London remained very negative in November

- In November, the consumer confidence index in London registered the same level as last May (-24), a very low figure by historic standards but slightly up from the eight-year low seen in October (-28). This index has been negative since April.
- The sentiment for the UK decreased from -31 in October to -33 in November. The UK has not seen a positive index score since January 2016.
- 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.

Source: GfK NOP on behalf of the European Commission
Latest release: November 2020, Next release: January 2021



COVID-19: London macroeconomic scenarios (December update)

Eduardo Orellana, Economist

Since April, GLA Economics has been analysing the available literature on UK and international macroeconomic scenarios to develop a set of high level macroeconomic scenarios for London under the current COVID-19 crisis[1]. The main aim of this work is to inform multiple policy work streams across the Greater London Authority, including the development of recovery strategies in London. In addition, stakeholders may consider this work as a common framework for understanding and quantifying possible trajectories for London's economy under the current unprecedented uncertainty on the economic outlook for the capital. In particular, the two variables of interest in this analysis are 'real Gross Value Added' (GVA) and 'workforce jobs' (WFJ) and the time covers both the medium-term (to the end of 2022) and also the longer-term (to 2030).

In this context, three possible macroeconomic scenarios for London have been developed: 1) A fast economic recovery (an optimistic but plausible scenario); 2) A gradual return to economic growth (which is the GLA Economics reference scenario); and 3) A slow economic recovery (a more pessimistic but also plausible scenario). It should be noted that these scenarios are not meant to represent optimal policy responses or be forecasts as they rely on the subjective modulation of several assumptions/dimensions around the effectiveness/nature of the public health response, the effectiveness/impact of economic support measures or the international economic context, among other factors[2].

1 See here for the list of GLA summaries on external research on COVID-19.

2 For more detail on these assumptions see slides 16 to 26 here.

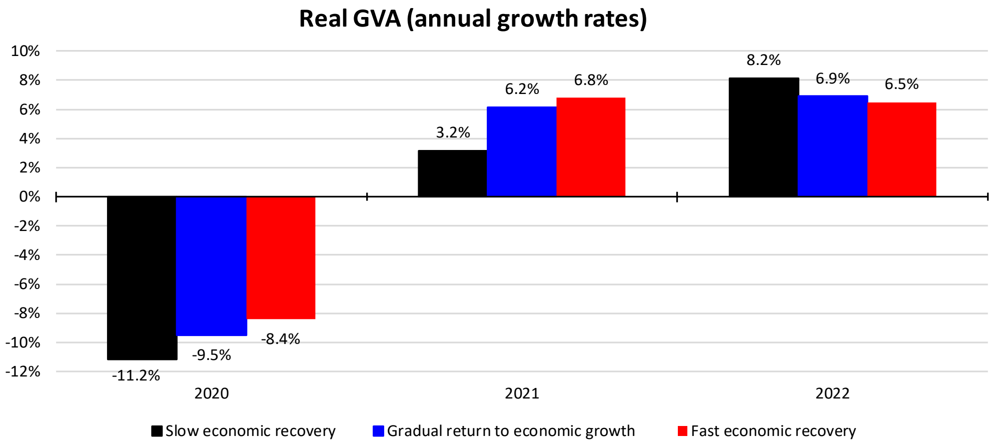
The first set of London macroeconomic scenarios was completed in May for internal use only, but four updates have been published externally since then - in June, July, September and December -. This Supplement focuses on the December update[3] – which follows on from the scenario-based forecasts included in the December issue of 'London's Economic Outlook' - and the evolution of the scenarios over this year. The main results are presented below:

Medium-term (2020 to 2022)

As can be observed in Figure A1, under the gradual return to economic growth scenario, **London's real GVA is expected to fall by an unprecedented 9.5% this year because of the COVID-19 crisis. Economic recovery will start next year although at a lower speed than the previous fall (6.2%) and will continue stronger in 2022 (6.9%).**

In terms of employment (workforce jobs), the impact will be relatively small this year (-1.1%) due to the Governement's support in maintaining jobs but when this support ends in 2021 net job destruction is expected to be larger (-4.6%).

Looking at the alternative scenarios, the COVID-19 impact on output can reach -11.2% this year under the slow recovery scenario and growth can vary from 3.2% to 6.8% next year. In terms of jobs, all three sceanrios predict a negative growth rate both this year and next year although differences are notable among scenarios.



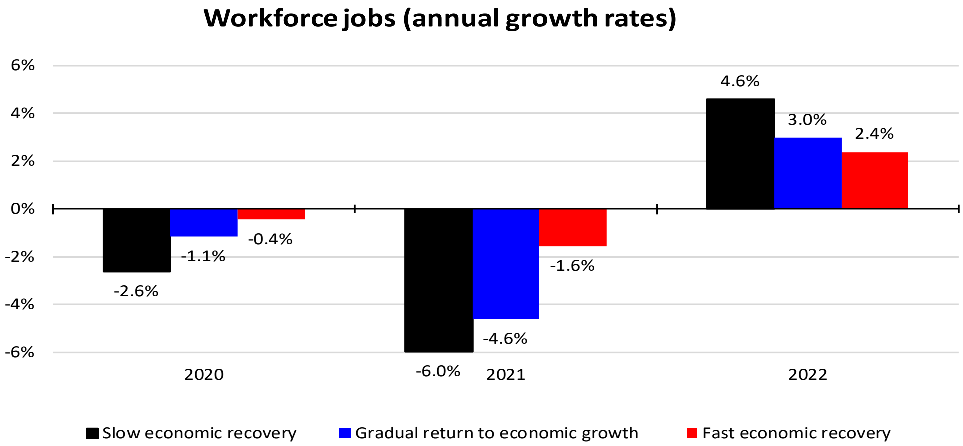


Figure A1: Medium-term real GVA and workforce jobs projections (annual growth rates)

Source: GLA Economics

3 This update includes available data up to 6 December 2020.

Figure A1 shows how **output recovery is expected to be faster than the recovery in the labour market**. And this can be seen when looking at Figure A2.

In particular, this latter chart shows how real GVA is not expected to reach pre-crisis levels until Q2 2022 in the reference scenario (Q1 in the fast economic recovery scenario) while WFJ's only reach pre-crisis levels in Q3 2022 in the fast economic recovery scenario.

Figure A2 also shows that the recovery in GVA will have some form of W-shape while the recovery in jobs will be somewhat U-shaped.

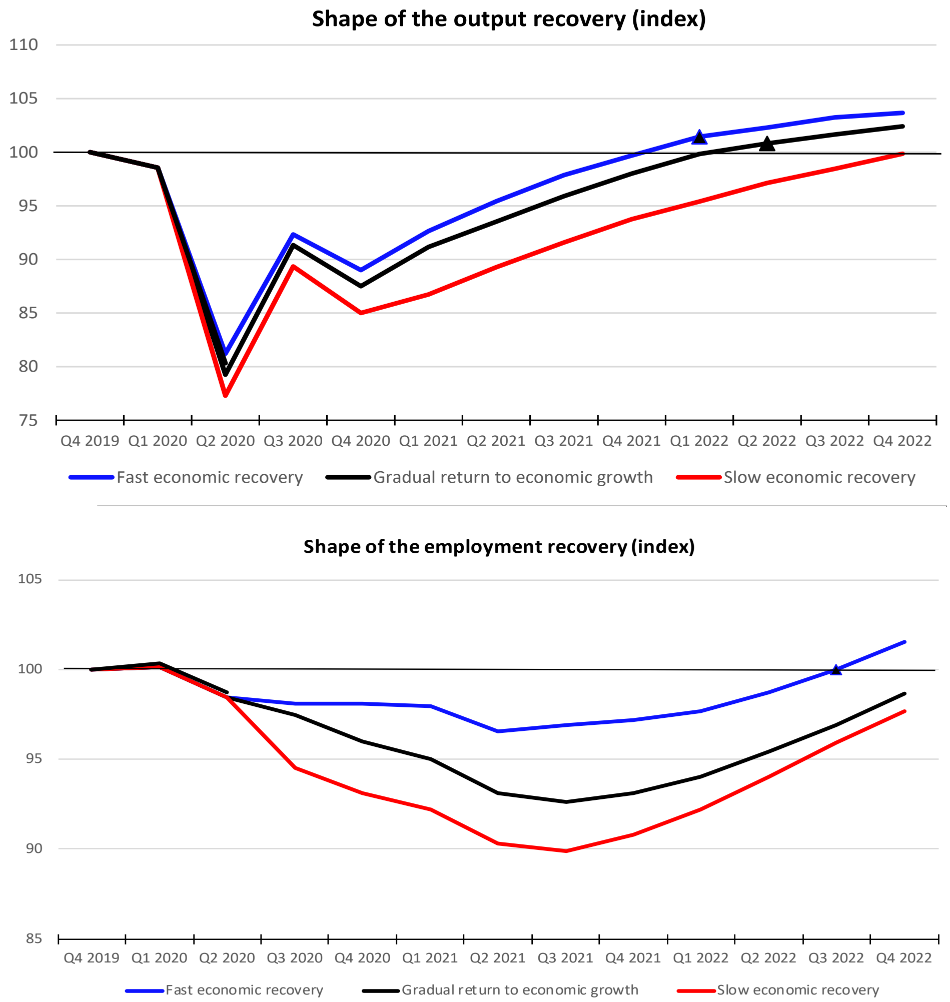


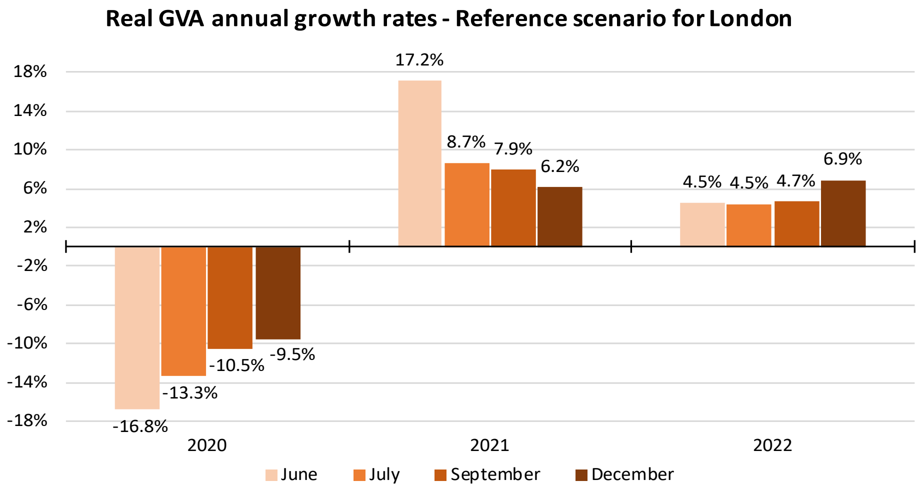
Figure A2: Shape of the economic recovery in London (index)

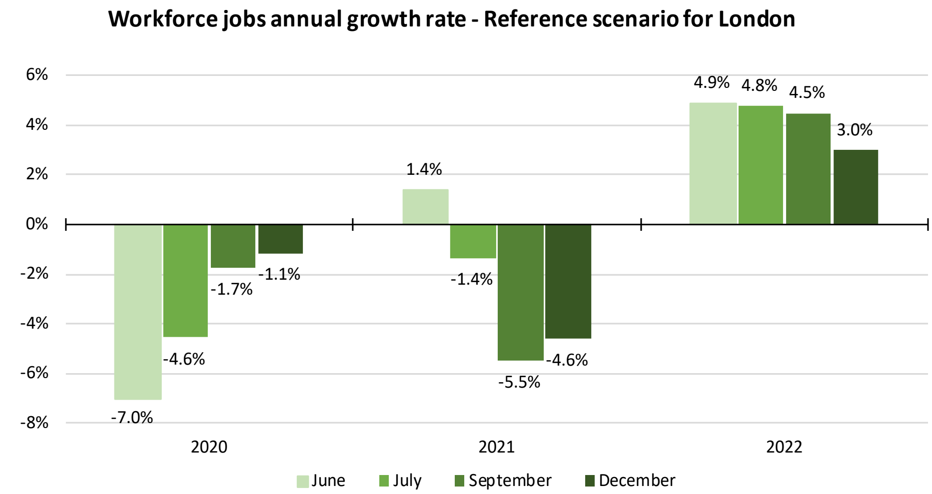
Source: GLA Economics. Index of 100 = pre-crisis level. The 'triangle' indicates the quarter when the corresponding series reaches its pre-crisis level (sometimes the triangle is above 100, meaning that pre-crisis levels were not only reached but also surpassed in the same quarter).

Focusing on the reference scenario only, Figure A3 indicates how GLA Economics projections have been progressively more optimistic for 2020 throughout the year up to date – both in terms of output and employment terms -. However, temporal comparison also shows that **the economic recovery is now expected to be overall slower in the medium-term than what predictions suggested earlier this year.**

Figure A3: Comparison of the GLA Economics reference scenario over 2020

Source: GLA Economics





By industries, the economic impact of COVID-19 will be heterogeneous in London as Table A1 indicates.

While Accommodation and food services; Arts, entertainment and recreation, Education; Construction; Transport and storage; and Administrative and support services are expected to be the most hit sectors – overall - by the current crisis, Real estate and Financial and insurance industries will show a remarkable resilience to the historic economic shock.

Table A1: COVID-19 impact on London's real GVA (2020) and workforce jobs (2021) by industry

Source: GLA Economics

Real GVA annual growth rate in 2020		Workforce jobs annual growth rate in 2021	
Sector	**%**	**Sector**	**%**
Agriculture, forestry and fishing	-2.4	Agriculture, forestry and fishing	-3.5
Mining and quarrying	-8.5	Mining and quarrying	-4.3
Manufacturing	-13.2	Manufacturing	-5.0
Electricity, gas, steam and air-conditioning supply	-5.1	Electricity, gas, steam and air-conditioning supply	-4.9
Water supply; sewerage and waste management	5.6	Water supply; sewerage and waste management	-5.4
Construction	-21.0	Construction	-5.5
Wholesale and retail trade; repair of motor vehicles	-11.1	Wholesale and retail trade; repair of motor vehicles	-3.3
Transportation and storage	-20.9	Transportation and storage	-4.4
Accommodation and food service activities	-48.3	Accommodation and food service activities	-6.5
Information and communication	-7.1	Information and communication	-2.5
Financial and insurance activities	-2.4	Financial and insurance activities	-3.5
Real estate activities	-2.0	Real estate activities	-4.0
Professional, scientific and technical activities	-9.7	Professional, scientific and technical activities	-4.1
Administrative and support service activities	-20.0	Administrative and support service activities	-5.8
Public administration and defence; compulsory social security	1.8	Public administration and defence; compulsory social security	0.5
Education	-22.7	Education	-1.8
Human health and social work activities	-17.4	Human health and social work activities	-1.0
Arts, entertainment and recreation	-28.0	Arts, entertainment and recreation	-6.0
Other service activities	-25.2	Other service activities	-4.3
Activities of households	-21.9	Activities of households	-9.3

Long-term (2023 to 2030)

Finally, looking at the longer term, GLA Economics estimates that real GVA in London will return to its pre-crisis trend (counterfactual) in 2024 under the fast economic recovery scenario and by 2028 in the reference scenario. This implies that **some temporary scarring of the economy can be expected even in the two most optimistic scenarios**. The negative effects of COVID-19 on London's economy can be thought as permanent under the slow recovery scenario (Figure A4).

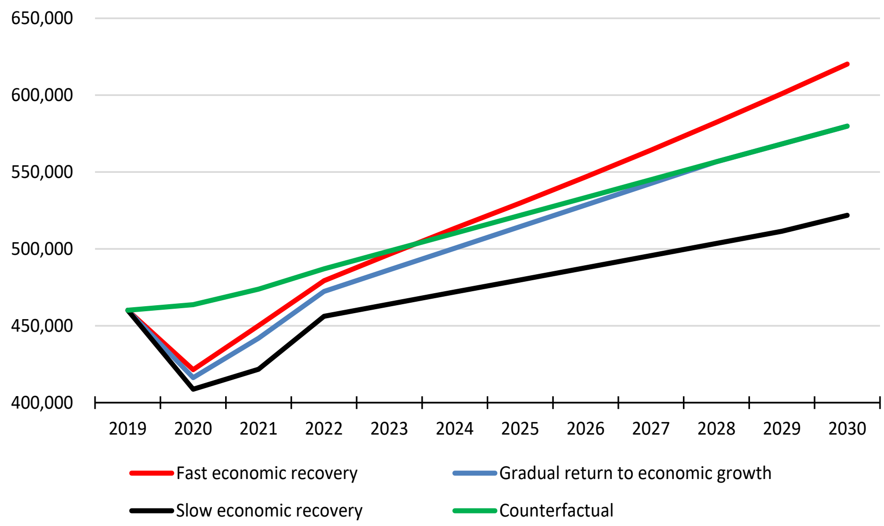


Figure A4: London's real GVA in levels (£m) under all scenarios (long-term projections)

Source: GLA Economics

The scenarios results presented in this Supplement should be understood within a context of unprecendented uncertainty. Overall, GLA Economics continue to see many downside risks to the economic outlook for the whole scenario range (e.g., around the recovery from the COVID-19 crisis, the international context and a potential no-deal Brexit). Therefore, GLA Economics will continue to track actual data in order to review the assessment of these scenario outcomes in the future. Successive updates will be released on the London Datastore when they become available for the benefit of both internal and external stakeholders in tackling the COVID-19 crisis.

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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.

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The Evidence Base for London's Local Industrial Strategy - Final report
This is the final report on the evidence base that is informing and supporting the development of London's Local Industrial Strategy, following on from the interim report published in August 2019. It presents clear, robust and comprehensive evidence on London's economy with a view to supporting the overall objective of achieving inclusive growth in London. It reports on London's strengths, key constraints, issues and risks for the five foundations of productivity introduced by the Industrial Strategy White Paper (Business Environment, People, Infrastructure, Ideas and Place), while also highlighting the linkages between the economy of London and the rest of the UK.

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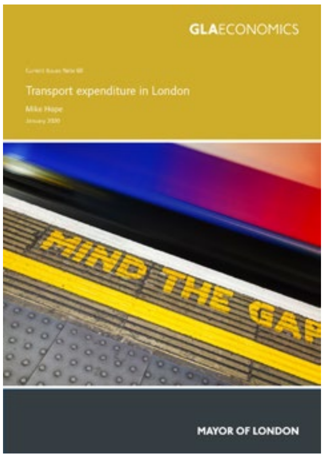
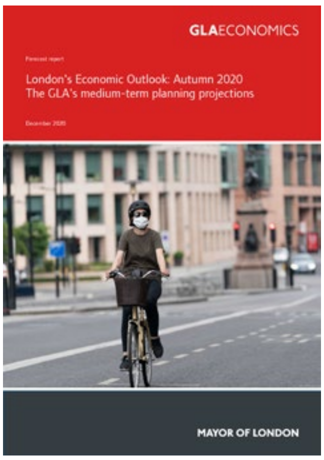


Transport expenditure in London
This current issues note looks at the case for continuing transport expenditure in London.

London spills over its administrative boundaries, and there are 2 million more people in it every day than its 8.8 million residents. The city relies on public transport, and so public investment – 58% of all journeys on public transport in Britain are at least in part in London. People make far more use of public transport than elsewhere in the country, and increasingly so.

Download the full publication.



London's Economic Outlook: Autumn 2020
GLA Economics' 37th London forecast isuggests that:

London's real Gross Value Added (GVA) growth rate is forecast to be -9.5% this year due to the present COVID-19 crisis. This growth rate is expected to rebound to 6.2% in 2021 and 6.9% in 2022.

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