GLAECONOMICS

London's Economy Today

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There is optimism about the economic recovery, but its pace remains unclear

By **Mike Hope**, Economist

The latest figures from the Office for National Statistics (ONS) indicate that the UK economy fell by -9.9% in 2020. This is a smaller fall than most estimates in 2020 expected, yet still remains the largest fall since the Great Frost of 1709. More positively, the economy grew by 1.0% in the last quarter of 2020, despite the second lockdown. There was a recovery of 1.2% in December after a fall of -2.3% in November.

Other evidence for earlier this year published by the ONS indicates that London weathered the first lockdown better than the rest of the UK as measured by economic output. London's economy shrank by 16.6% in Q2 compared with 19.0% for the UK. GLA Economics estimates that the London economy shrunk by 7.0% in 2020.

This month the Bank of England (BoE) and the National Institute for Economic and Social Research (NIESR) have also published their latest forecasts for the UK economy, and GLA Economics has updated its macroeconomic scenarios for the London economy. While all forecasters recognise that there is considerable uncertainty around the path of the economy this is also reflected in divergences in the path of the main scenario. GLA Economics and NIESR expect a slower recovery while no forecaster expects the London or UK economies to return to their pre-COVID levels before 2022 (Figure 1).

Also in this issue

Datastore

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

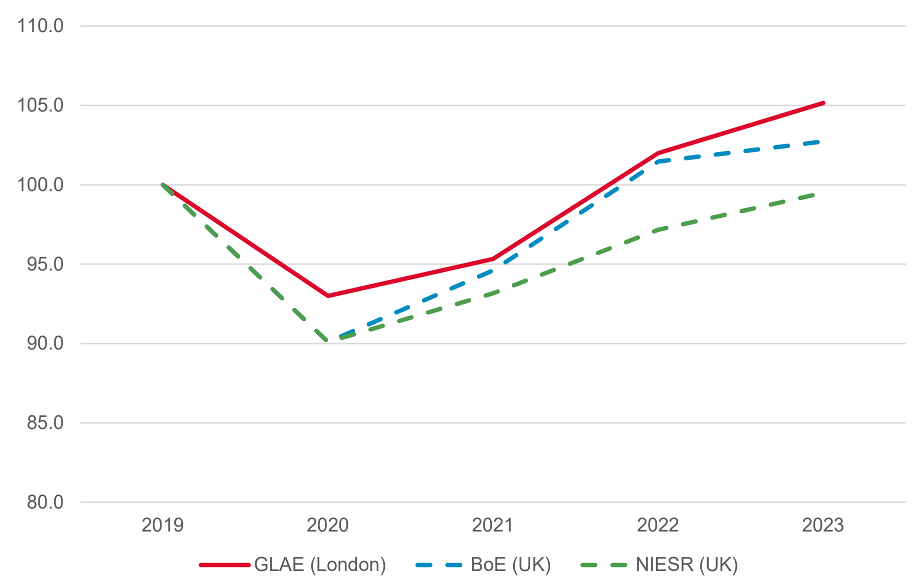


Figure 1: Output growth scenarios 2019-2023, GLA Economics for London, and the BoE and NIESR for the UK

Source: GLA Economics, BoE, and NIESR

Note: GLA Economics figures are for GVA, and for the BoE and NIESR they are GDP

Household spending is expected to be the driver of the recovery. According to the BoE, many households still with work have built up savings and are likely to increase spending. Some of this may go on assets such as housing, rather than consumption. The increase in consumption expenditure, which generates economic activity, will depend on how much consumer confidence improves from its currently low level, (see the LET indicators below). The speed and success of the vaccine roll-out, effectiveness in controlling virus variants, and the pace of easing restrictions, will in turn have a bearing on confidence.

Factors which will detract from London's recovery are the ongoing impact of Brexit and the impact of the pandemic on its labour market, more on both of which in later sections. London's Finance and Professional services suffered comparatively little in 2020, but the depth of job losses in the arts and hospitality sectors, which are also major employers, will not be recovered rapidly.

London's labour market, and across all its sub-regions, continues to perform worse than the UK

In the last quarter of 2020 London's unemployment rate was 7.0% - the highest rate in six years according to data from the ONS Labour Force Survey. Year-on-year the rise has been more than in any other UK region, at 2.7 percentage points overall. The fall in payrolled employees over the year to January 2021 in London was 5.2%, and this has been sharper across each of the capital's sub-regions than the national fall of 2.5% (Figure 2).

More positively, and despite the third lockdown, there was a small increase in the number of employees paid through the payroll in January, which was up by 11,500 or 0.3%. This was in line with national trends.

Figure 2: Payrolled employees, change on previous year to January 2021 by NUTS2 region

Source: HM Revenue and Customs Pay As You Earn Real Time Information System

Business closures are higher in London

Resolution Foundation research concludes that businesses overall are in good financial health largely thanks to government support available through the furlough scheme, loans, and other measures. The support is such that the level of company liquidations fell by around a quarter in 2020 compared with 2019 – aggregate cash holdings have risen by £118bn since the start of last year, despite falls in revenue. There has been a rise in corporate debt, but debt levels remain below their pre-financial crisis peak.

One reason why forecasters are expecting consumption spending to drive the recovery is that businesses are holding cash rather than investing because of economic uncertainty.

In contrast, the proportion of single site businesses that are still trading has been declining steadily since October across both London and the UK, according to the ONS. The proportion for London has been consistently below the UK proportion, and with the introduction of the third lockdown fell to 60% in early January (Figure 3).

The picture in terms of both active status and financial health varies widely across sectors, with some showing the strain of repeated lockdowns. The proportion of Accommodation and food services businesses still trading in London was just 18% in early January. The proportion of UK firms in this sector reporting three months or fewer of cash reserves remaining has risen from 36% to 53% between September 2020 and January 2021. A third of them have little or no confidence in surviving the next three months compared with 14% across all industries.

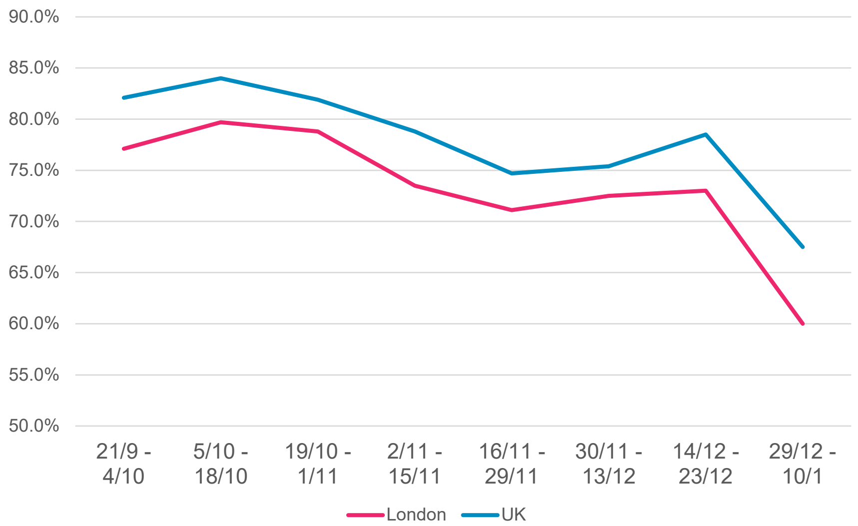


Figure 3: Businesses currently trading and have been for the last two weeks, London and the UK, September 2020 – January 2021, single site businesses

Source: ONS Business insights and impact on the subnational economy.

The effects of Brexit are becoming apparent

The Centre for Economics and Business Research (CEBR) in analysis for the GLA has estimated that London may lose £9.5bn a year in economic output because of Brexit. This is more than 2% of London's output. CEBR notes that there remains a considerable amount of uncertainty on the impacts of the UK leaving the EU, and the deal agreed upon leaves much undecided. For example, differences of view in the regulation of the Finance sector have been noted in this editorial.

Previous LET editorials have reported the adverse effects for the Financial services sector of leaving the EU Single Market. A consequence has been that in January Amsterdam surpassed London as Europe's largest share trading centre. Trading in euro-denominated swaps in London dropped from nearly 40% of the market in July 2020 to 10% in January as business moved to New York, Amsterdam and Paris. Further, Intercontinental Exchange Inc. plans to move its €1bn daily market for European carbon emissions contracts to the Netherlands from London.

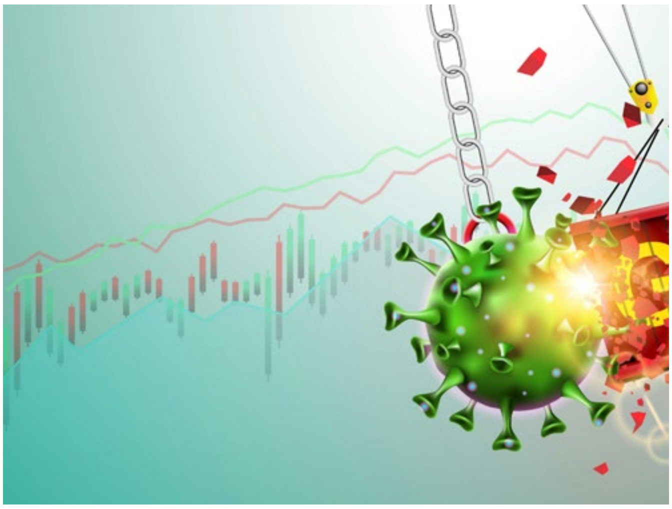
Unresolved tensions remain around the development of mutual recognition of regulations. The Governor of the Bank of England, Andrew Bailey, has called EU demands for UK banks to comply with Brussels regulations unacceptable. The UK - he argued - should look instead to global financial regulators as the main rule makers.

Despite the uncertainty from Brexit, the Financial services sector was performing well according to the City of London Corporation. In the year to 31 March 2020 the sector contributed £75.6bn in taxes either paid directly, or by their employees or customers. Still, in the latest year, and notwithstanding the pandemic, the tax contribution of the sector is likely to fall to £71.1bn at worst, and may be not at all.

More positively the EU is set to allow data to continue to flow freely from the EU to the UK after concluding that the British had ensured an adequate level of protection for personal information. This will be of benefit to businesses, particularly in the health, insurance and technology sectors, that regularly transfer customer personal information such as bank details.

Some of the effects of Brexit for the business sector as a whole are also becoming known. The British Chambers of Commerce has found that 21% of service exporters, most of whom are SMEs, are facing difficulties in adapting to the changes in the trade of goods from 1 January 2021. Some 14% of all respondents reported difficulties in the trade of services. For trade in goods, a much less important part of London's economy, 49% of exporters faced difficulties, and 30% of all respondents reported difficulties. A consequence is that some UK companies are transferring activity to the EU with a loss of jobs domestically.

COVID-19 is also impacting on trade flows



Of the main exporting sectors COVID-19 restrictions are having a significant effect on trade flows. The sectors facing the most challenges are Manufacturing and Wholesale and retail. For 69% of Manufacturing firms Brexit was the main reason while 52% of Wholesale and retail firms with challenges faced them from both Brexit and COVID-19. In the sectors more important to London's economy, Information and communications and Professional and scientific activities, over half of firms with challenges faced them from Brexit, and similarly half from COVID-19 with a significant proportion for both reasons (Table 1).

Table 1: Impacts on trade of main exporting sectors

				Main underlying reason		
	Exported in last year	o/w Exported over last two weeks	with challenges	COVID-19	End of EU transition period	Both
Manufacturing	36%	70%	66%	5%	69%	20%
Wholesale and Retail	24%	77%	83%	10%	32%	52%
Information and Communication	23%	90%	24%	21%	20%	30%
Professional and scientific activities	15%	68%	42%	30%	40%	24%
Arts, Entertainment And Recreation	19%	65%	18%	*	*	*
All Industries	15%	74%	55%	15%	36%	38%

Source: ONS Business insights and impact on the UK economy survey
Note: Survey reference period 11-24 January 2021
Note: Survey does not include Finance sector

The Central Activities Zone (CAZ) can bounce back

While making up only 2% of the area of London the CAZ is of critical importance to the London and UK economies in terms of its contribution to the economy, and has important retail, tourism, night-time, government, and education sectors. Previous LET editorials have reported the challenges to the retail, hospitality, and accommodation sectors in the area, and London more widely, from commuters working from home, and the massive loss of tourists.

This month the Local Data Company reports that vacant retail and leisure units in the City of London increased by 47% over 2020 from 174 to 255. This equated to an increase in the vacancy rate in the City of 3.5% over 2020 compared with an average increase of 1.3% for London and 1.6% for the whole of Britain. The vacancy rate for the City at 11.4% has risen to be higher than that for London at 9.9%. Perhaps unsurprisingly 54% of all closures in the City in 2020 were hospitality and leisure units.

Analysis by Zoopla finds that last year a cohort of workers who typically rent in the centre of London for work have located elsewhere on a more permanent basis. This has put downward pressure on rents in central London. For example, rents in the City of London fell by -17.3%, and in Kensington & Chelsea by -12.3%. Across London rents fell by -8.3% as stock came back to market due to changes because of COVID-19. Average rents in London are at levels last seen in 2014.

The interim report of an Arup-led study for the GLA highlights some of the major challenges but also gives reason for optimism about the future for the CAZ. The authors expect the trend for the centralisation of offices across all sectors to return especially within emerging and high profit sectors such as tech, life science, and amongst knowledge clusters. Agglomeration effects will still be important. The CAZ will provide the location for the in-person interactions which are necessary to sustain complex remote production networks. Physical contact will matter for meetings of high importance, company culture and personal relationships. Finally, London's financial hub would be difficult to replace in terms of size, attractiveness and competitiveness for global markets.

The outlook for world economies improves

The International Monetary Fund (IMF) has published its latest World Economic Outlook. In this forecast the global economy is projected to grow by 5.5% in 2021, and by 4.2% in 2022. The 2021 figure is revised up by 0.3 percentage points relative to the previous forecast. This reflects expectations of the roll-out of vaccines strengthening activity later in the year, and additional policy support in a few large economies. Despite the UK's relatively poor performance in 2020 it may well have caught up and be in a similar position to the other major European economies of France and Germany by 2022. Growth in these economies is expected to lag those of the world, China, and the USA (Figure 4).

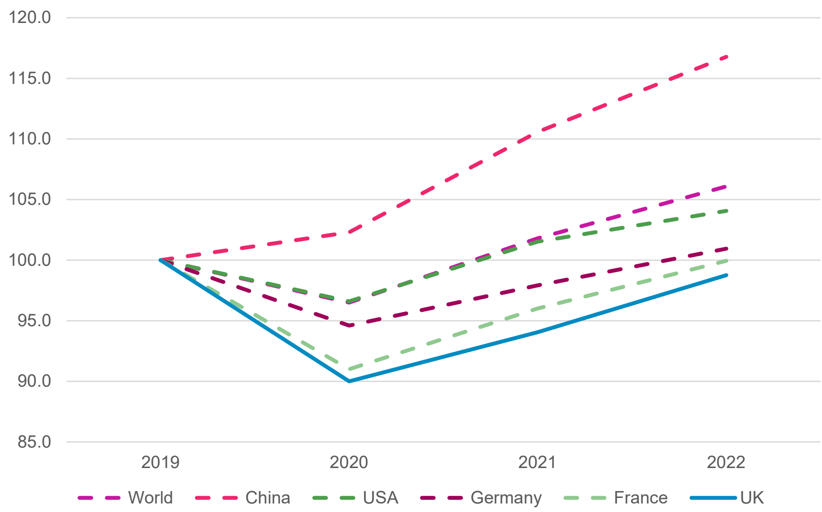


Figure 4: Change in GDP for the world and major economies, 2019-2022, index numbers 2019 = 100.0

Source: IMF World Economic Outlook

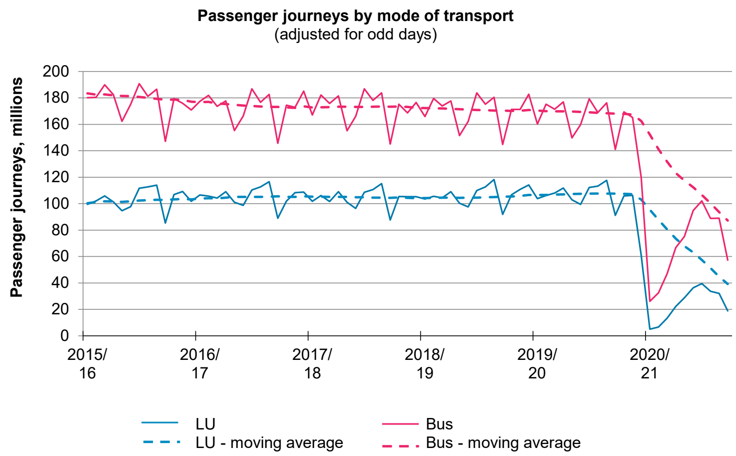
So, although there are signs of hope on the COVID-19 front, many challenges face the capital. GLA Economics will continue to monitor and report on London's challenges in our publications which can be found on our [publications page](#).

Economic indicators

Passenger journeys on London public transport fall sharply again

- 76.1 million passenger journeys were registered between 13 December 2020 and 9 January 2021, 45.0 million journeys less than in the previous period (15 November – 12 December). This contraction represents the third fall since the first national lockdown in the Spring and is essentially due to Christmas and the start of the third lockdown.
- In the latest period, 18.8 million of all journeys were underground journeys and 57.3 million were bus journeys.
- The 13-period-moving average in the total number of passenger journeys fell further from 138.4 in the previous period to 126.4 in the latest period.

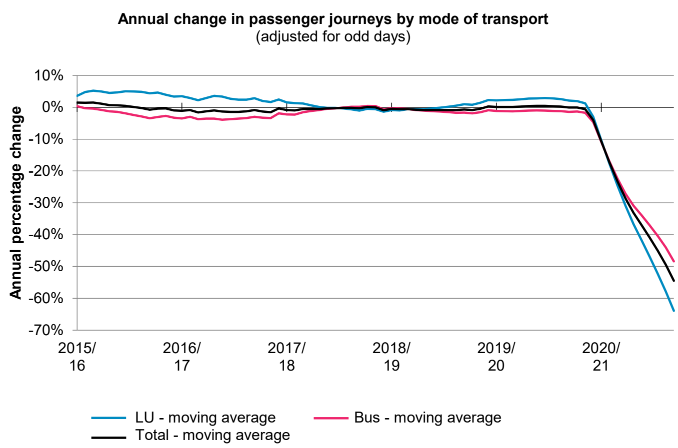
Source: Transport for London
Latest release: February 2021, Next release: March 2021



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

- The 13-period moving average annual growth rate in the total number of passenger journeys was -54.5% in the period 13 December – 9 January, further down from -49.4% in the period 15 November – 12 December and reaching a new historic low.
- The moving average annual growth rate of bus journeys decreased from -44.0% to -48.4% between the above-mentioned periods.
- Likewise, the moving annual average of underground passenger journeys went down from -57.9% to -63.9% between those periods.

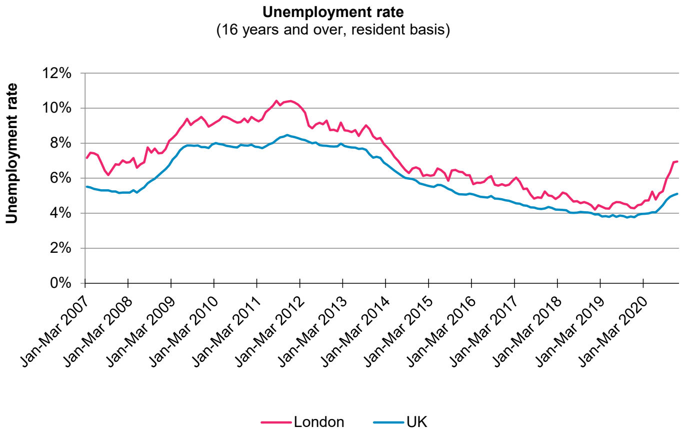
Source: Transport for London
Latest release: February 2021, Next release: March 2021



London's unemployment rate rose to 7.0% in the period October – December 2020, the highest rate in six years

- Around 356,000 residents 16 years and over were unemployed in London in the period October to December 2020. The unemployment rate in London was 7.0% in that period, notably up from 6.0% in the previous period July to September 2020 and representing the highest rate in six years.
- The UK's unemployment rate also increased by less than in London, from 4.8% in July - September to 5.1% in October – December.
- The ONS is advising that levels and changes in levels in labour market estimates should be used with caution. These are aligned to official population estimates which do not currently reflect the impact of the COVID-19 pandemic. Estimates of rates from the Labour Force Survey remain robust and reliable.

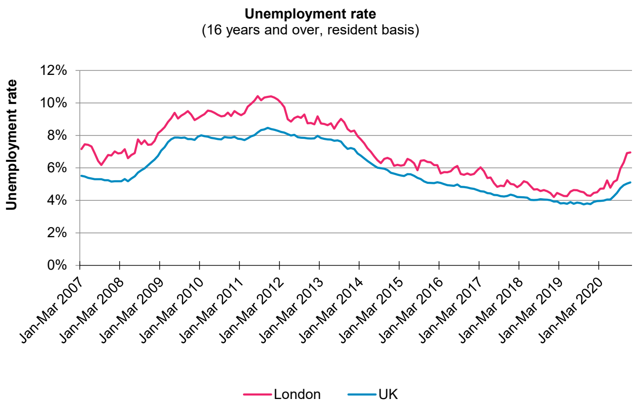
Source: ONS Labour Force Survey
Latest release: February 2021, Next release: March 2021



London's economy is estimated to have contracted by a record -7.0% in 2020

- London's real GVA grew by 0.5% in Q4 - compared with Q3 - after growth of 13.3% in the previous quarter. This has not been sufficient to offset the decline of 16.6% in the second quarter.
- London's real GVA in Q4 2020 remained 6.5% below its pre-crisis level in Q4 2019.
- The UK's real GVA quarterly growth rate for Q4 2020 was 1.0% after a fall by -18.2% in the second quarter and a recovery of 16.1% in the third quarter. Overall UK GVA fell by -9.1% in 2020, and in Q4 remained 6.6% below its pre-crisis level in Q4 2019.
- 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.

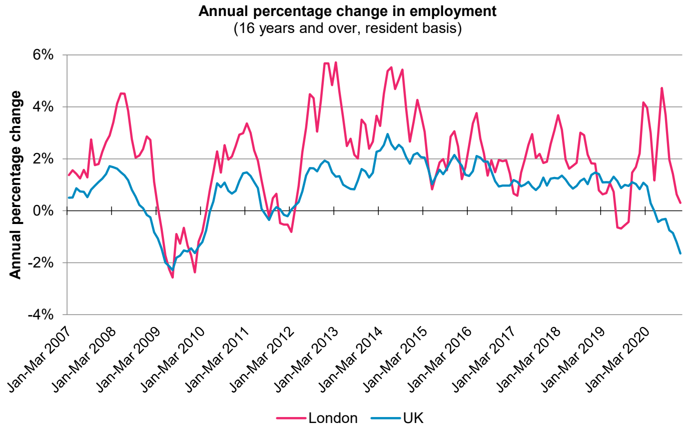
Source: ONS and GLA Economics calculations
Latest release: February 2021, Next release: May 2021



London's annual employment growth rate slows to 0.3% in the period October to December 2020

- Around 4.77 million London residents over 16 years old were in employment during the three-month period October – December 2020.
- The rate of employment growth in the capital was 0.3% in the year to this quarter, 1.7 percentage points down from July - September 2020.
- In the same direction, UK's employment annual growth rate continued its fall from -0.8% in July to September to -1.6% in October to December, the lowest rate since the beginning of 2010.
- The ONS is advising that levels and changes in levels in labour market estimates should be used with caution. These are aligned to official population estimates which do not currently reflect the impact of the COVID-19 pandemic. Estimates of rates from the Labour Force Survey remain robust and reliable.

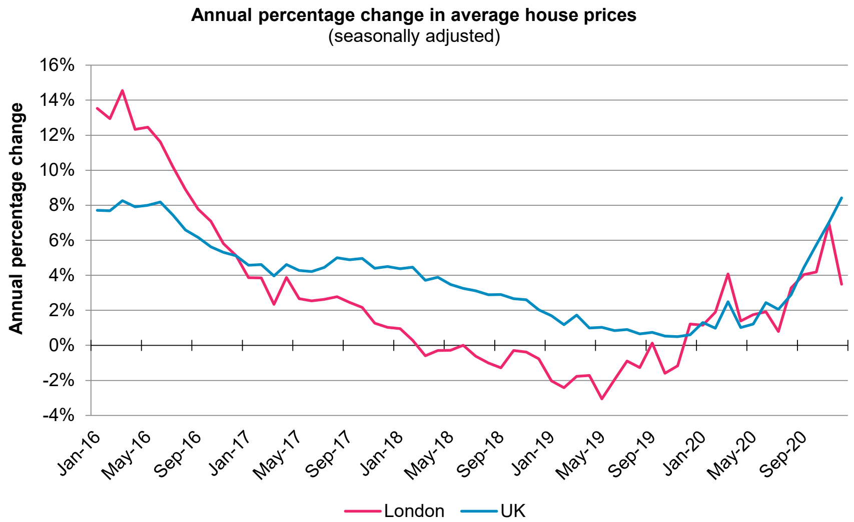
Source: ONS Labour Force Survey
Latest release: February 2021, Next release: March 2021



Annual growth in house prices in London slowed

- In December 2020, the average house price in London was £496,343 while for the UK it was £248,813.
- The annual growth rate in average house prices in the capital was 3.5% in December, somewhat slower than in November (6.9%). The stamp duty holiday may be a contributory factor to rising house prices
- Average house prices in the UK rose by 8.4% in annual terms in December, 1.4 percentage points above the same rate in November. This is also the highest rate in six years.

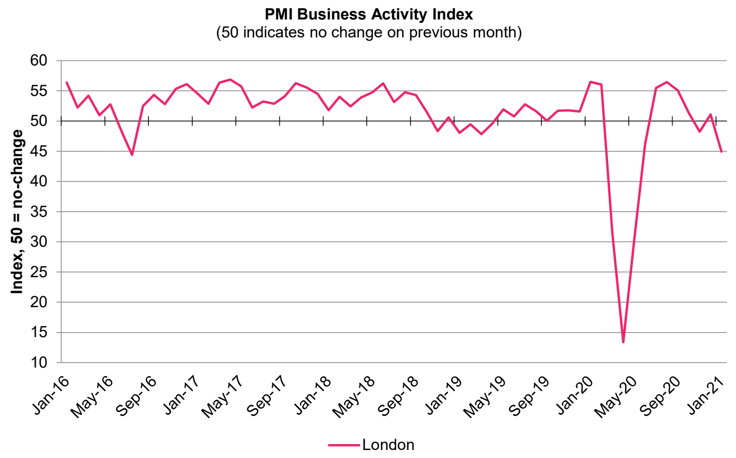
Source: Land Registry and ONS
Latest release: February 2021, Next release: March 2021



In January, London's PMI business activity index fell to negative sentiment

- The business activity PMI index for London private firms fell from 51.1 in December to 44.9 in January, the lowest level since May 2020
- 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.

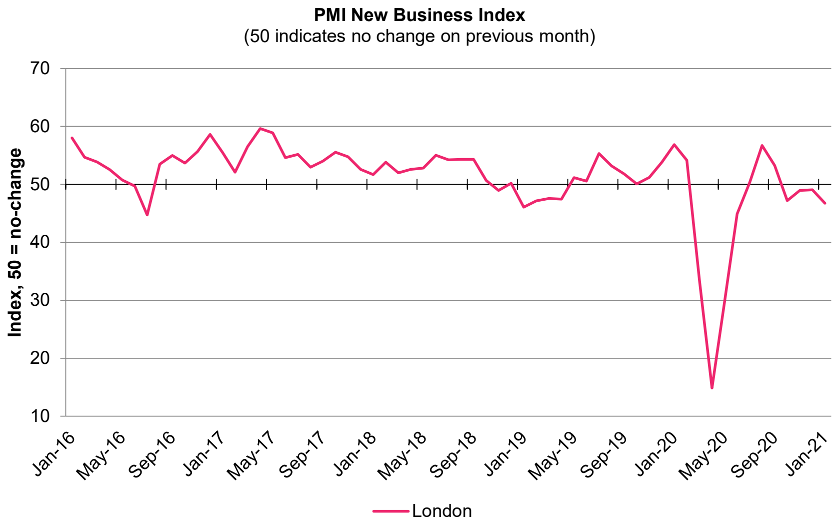
Source: IHS Markit for NatWest
Latest release: February 2021, Next release: March 2021



The PMI new business index fell and sentiment remained negative in January

- The PMI new business index in London went down in January to 46.7 from 49.1 in December.
- An index reading above 50.0 indicates an increase in new orders on average across firms from the previous month.

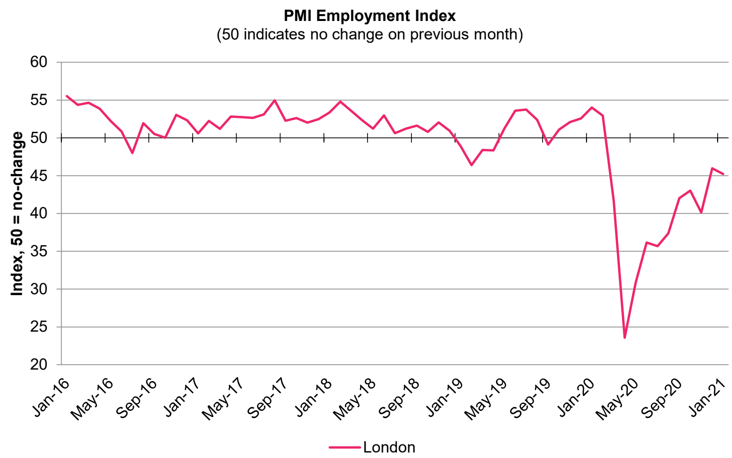
Source: IHS Markit for NatWest
Latest release: February 2021, Next release: March 2021



In January, the PMI employment index in London remained weak

- The Employment Index for London fell from 46.0 in December to 45.2 in January, still below the neutral figure of 50.0. Since March 2020, the majority of firms have been reporting monthly a worsening of employment prospects.
- 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.

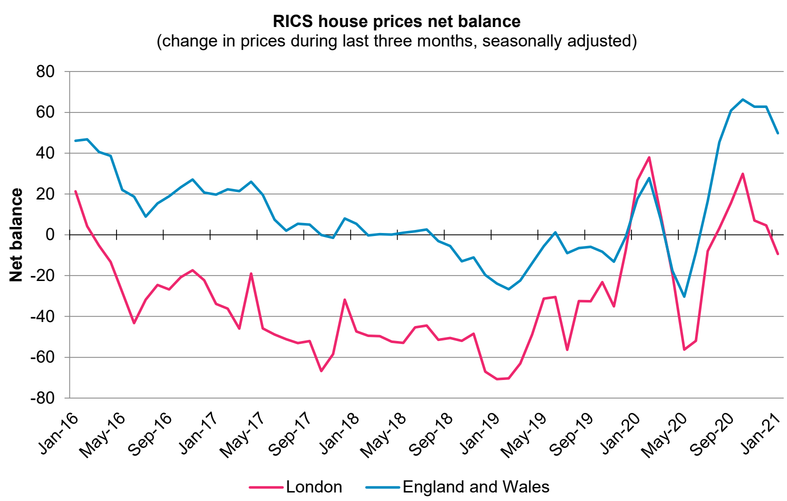
Source: IHS Markit for NatWest
Latest release: February 2021, Next release: March 2021



The net balance of property surveyors report a fall in house prices in London in January

- In the three months to January, the net balance of property surveyors reporting a rise in house prices was -9, down from 5 in December.
- However, for England and Wales, the RICS house prices net balance index also fell in January to 50 from 63 in December.
- The net balance index measures the proportion of property surveyors reporting a rise in prices minus those reporting a decline.

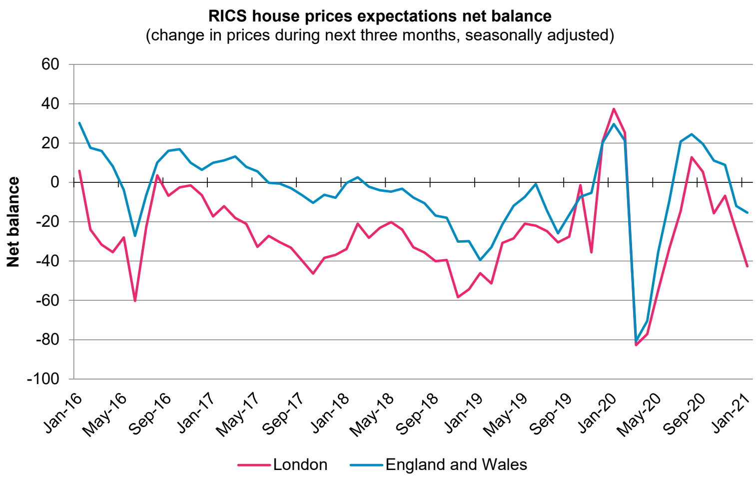
Source: Royal Institution of Chartered Surveyors
Latest release: February 2021, Next release: March 2021



In January, surveyors reported a further marked deterioration in expectations for house prices in London over the next three months

- The net balance of house prices expectations was -43 in January in London, lower than the figure for December of -25.
- Sentiment in England and Wales also fell to -15 in January from -12 in December.
- The net balance index measures the proportion of property surveyors reporting a rise in prices minus those reporting a decline.

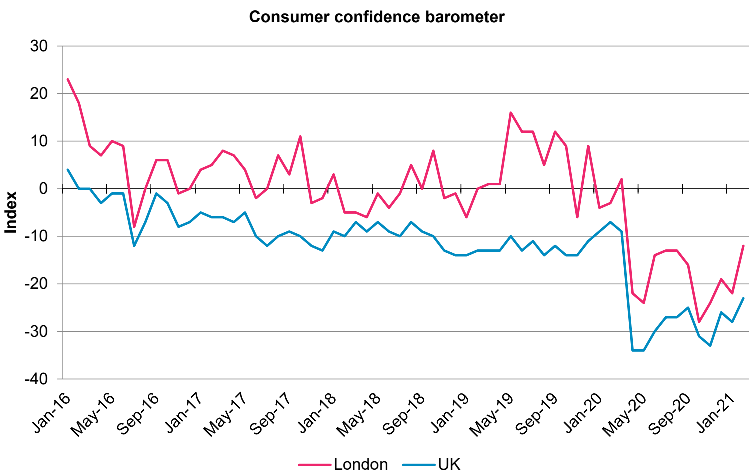
Source: Royal Institution of Chartered Surveyors
Latest release: February 2021, Next release: March 2021



Consumer confidence in London improved but remained negative in February

- In February, the consumer confidence index in London rose to -12, where it was in the Summer. It was -22 in January.
- The sentiment for the UK also rose slightly from -28 in January to -23 in February. 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
Latest release: February 2021, Next release: March 2021



COVID-19 and London's labour market – emerging impacts

By **Christopher Rocks**, Economist

Introduction

The coronavirus (COVID-19) pandemic and the actions to contain it have already had dramatic effects on the London economy. Beyond the health impacts, many people have been unable to travel and work in the usual way and economic output has fallen sharply.

Despite the extension of government support schemes, there has been a marked impact on London's labour market – more so than in the rest of the UK. Many Londoners have lost their jobs or parts of their income, with some groups more affected than others.

This supplement looks back at the main jobs and labour market impacts of the coronavirus pandemic in London in 2020. More information and analysis can be found on our COVID-19 labour market analysis page.

1. Since the first lockdown measures were announced in March 2020, London has experienced a year of falling employment – reversing four years of gains

The count of employees from HMRC's real time PAYE dataset offers the best single measure of resident labour market trends. Early estimates indicate that there were 3.9 million payrolled employees living in London in January 2021, the lowest level since October 2016.

Since March 2020, when lockdown measures were first announced, that number has declined by 200,000 or 4.8% – double the rate of decline for the UK as a whole (2.5%) (Figure 1A).

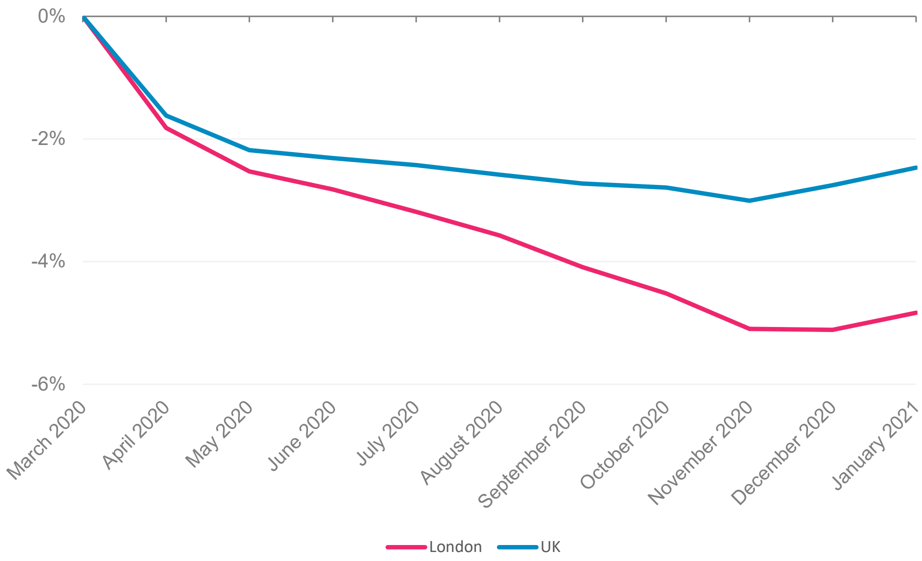


Figure 1A: Between March 2020 and January 2021, the number of payrolled employees living in London fell by almost 5%, double the UK rate

Cumulative change in payrolled employees, Mar 2020 to Jan 2021: London and UK (SA)

Source: HMRC real-time PAYE employment, via ONS Labour Market Statistics. Data is seasonally adjusted.

The difference with the national picture is largely explained by trends since the summer. By May 2020, over four fifths (88%) of the net decline in UK payrolled employees had already occurred, compared to only half (52%) in London. Despite a partial reopening of the economy in June, the number of payrolled employees in London continued to sharply fall for most of 2020; January 2021 saw a small increase in employees for the first time in a year.

2. Some groups – including women and especially younger Londoners – have recorded larger increases in unemployment in the last year

Estimates from the ONS Labour Force Survey (LFS) include the self-employed and offer a more comprehensive view of the labour market. Although caution should be taken when interpreting short-term changes from the LFS[1], the overall picture remains of a labour market worsening in 2020. While headline LFS measures have been relatively resilient, this is largely down to recent coronavirus government support schemes (see next section).

As highlighted in our most recent labour market update, the latest LFS estimates show London's employment rate falling in-line with the UK average but unemployment rising more quickly than in the rest of the country. While the UK unemployment rate looked to be stabilising at around 5.1% in the three months to December 2020, the unemployment rate for London residents reached 7.0%, up by 2.7 percentage points on the previous year.

Some groups of Londoners have been particularly affected by these labour market trends. For instance, Figure 2A shows the annual change in the LFS-based unemployment rate by age and gender between October to December in 2019 and 2020. Women and especially younger workers recorded larger increases in the rate of unemployment during this time.

As a result, the unemployment rate for young Londoners (aged 16-24) reached 22% in the latest period. There are also differences in outcomes by ethnic background. Nearly one in eight Black Londoners (12%) were unemployed in July to September 2020, more than double the rate for their White counterparts (5%), having increased by 4.9 percentage points on the year.

1 Due to measurement and definitional challenges. For more information see: ONS (2020) Comparison of labour market data sources

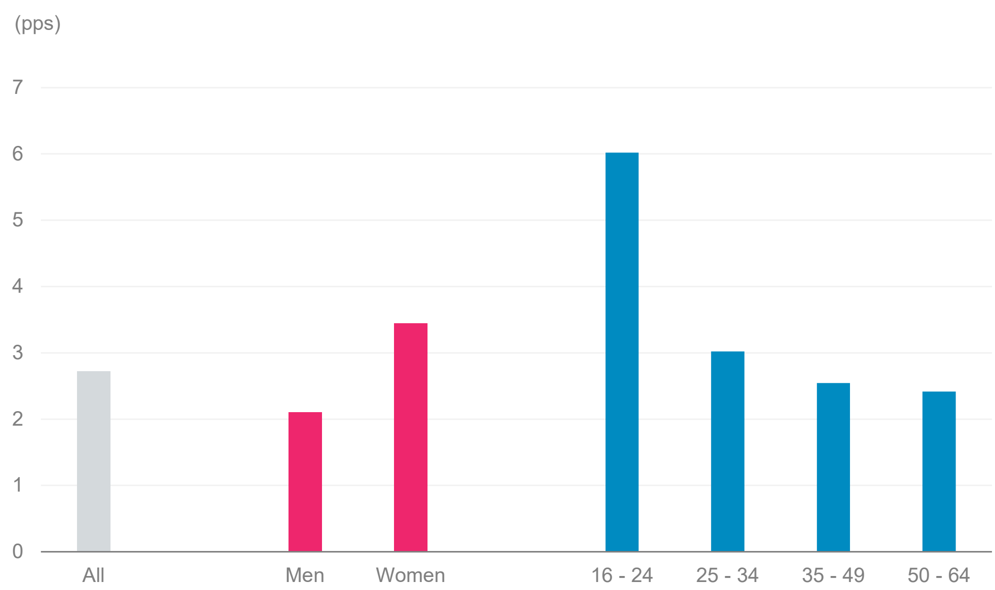


Figure 2A: Younger workers are among the groups who have recorded larger increases in unemployment over the last year
Percentage point (pps) change in the LFS unemployment rate by selected groups between September to November 2019 and September to November 2020: London

Source: ONS Labour Force Survey.
Note: Data is not seasonally adjusted.

3. This is despite continued support from government schemes, especially the Coronavirus Job Retention Scheme (CJRS)

The LFS-based estimates of employment include individuals who are 'temporarily away' from work so long as they have a job to which they are expecting to return. This group has increased in size during the pandemic as significant numbers of workers have been 'furloughed' as part of the Coronavirus Job Retention Scheme.

Figure 3A shows the number of employments furloughed between 1 July and 31 December 2020 for workers living in London. At 31 October the number of furloughed employments in London had declined to their lowest since July – 431,200 employments furloughed at 31 October, down from 905,100 at 1 July. Following the announcement of a second national lockdown (which began on 5 November), this figure increased through November and stabilised at around 641,200 employments furloughed at 31 December 2020.

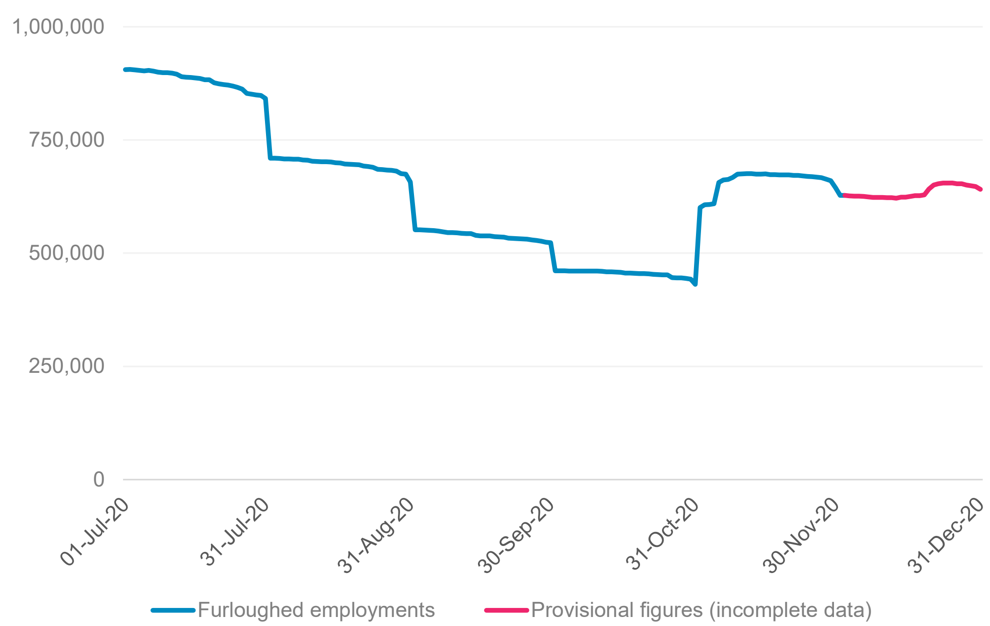


Figure 3A: Around 640,000 employments were furloughed in London at the end of 2020, the highest take up rate in the UK
Total employments furloughed from 01 July to 31 December 2020: London

Source: HMRC CJRS and PAYE Real Time Information data.

Despite the introduction of new restrictions, this was around a third (264,000) lower than at the start of July. This is partly because some sectors have been able to adapt to new restrictions (e.g. with delivery services) but it's also because some workers have lost their jobs in the interim, particularly in the run-up to the scheme's original scheduled end on 31 October.

Nonetheless, at 15% of eligible employments, London had a higher furlough take up rate than in any other UK region at the end of 2020 (all 11% to 12%). As our latest briefing shows, take up rates were even higher in some parts of the capital, with Newham (19%) and Haringey (18%) recording the second and third highest rates across all UK local authorities.

4. The decline in jobs in London has already exceeded the one seen during the financial crisis, with significant variation between sectors

Having reached a record high in early 2020, the number of jobs located in London has also declined sharply as a result of the pandemic. Between March and September 2020 (the latest estimate) total workforce jobs fell by an estimated 229,000 or 4%. In absolute terms this is already a larger decline than was recorded in 2009, after the financial crisis.[2]

While the decline in workplace-based jobs has been widespread, different industries have not been equally impacted. The greatest falls in percentage terms have been registered in Arts & entertainment (-13%) and Accommodation & food services (-9%) (Figure 4A) – sectors that have been particularly affected by lockdown restrictions and social distancing measures.

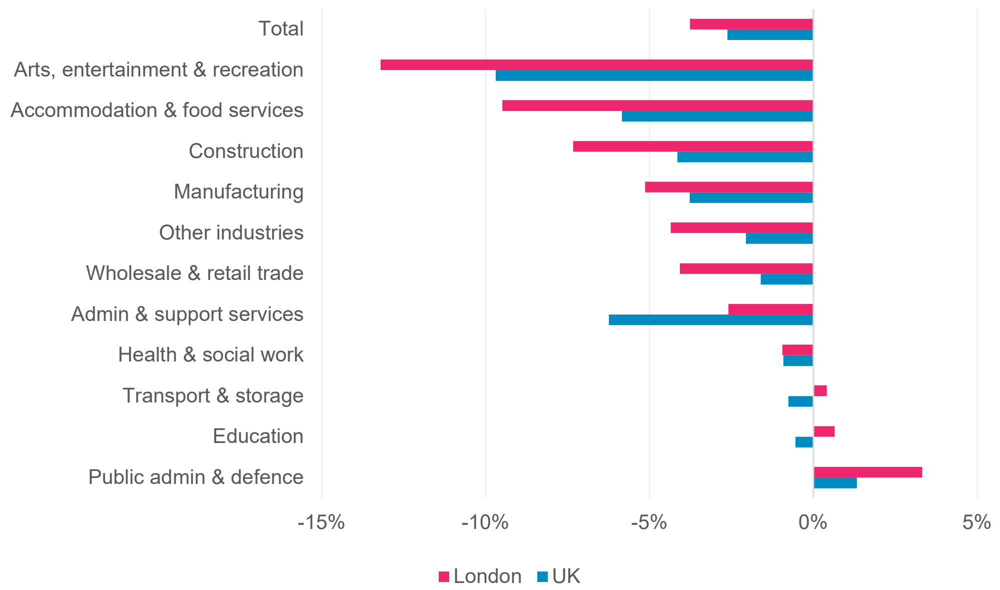


Figure 4A: Sectors have not been equally impacted during the coronavirus (COVID-19) pandemic from March to September 2020
Percentage change in Workforce Jobs by selected industry groups between March 2020 and September 2020: London and UK (SA)

Source: ONS Workforce Jobs. Data is seasonally adjusted.

Workers in these sectors are typically younger and lower paid compared to the average – and evidence suggests that it is these sector-level impacts that have driven the varying labour market outcomes experienced by different groups of workers during the pandemic.[3]

2 Total Workforce Jobs in London fell by 219,000 between December 2008 and December 2009. Note – the number of jobs is not the same as the number of people in employment. This is because a person can have more than one job. Workforce Jobs is also a workplace rather than resident-based measure.

3 Resolution Foundation (2021) Long Covid in the labour market

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

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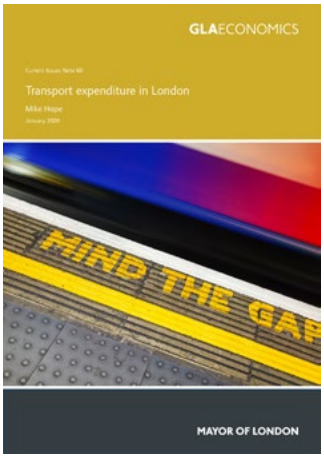
The Evidence Base for London's Local Industrial Strategy - Final report
This is the final report on the evidence base that is informing and supporting the development of London's Local Industrial Strategy, following on from the interim report published in August 2019. It presents clear, robust and comprehensive 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.

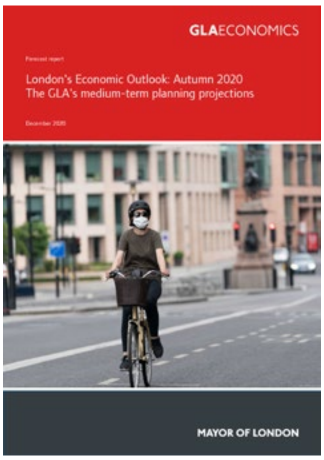
Download the full publication.



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.

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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.

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