

Foreword

When it comes to jobs, the UK has a lot to be happy about. Although not as far on toward the panacea of full employment as our some of our Nordic neighbours, the number of employed people in the UK reached a record high of 31.95 million in March 2017, with almost 200,000 new positions created in the first few months of 2017. The rate of unemployment as we go to print is also at a 42-year low, decreasing in every region bar London and the South East, evidenced by an extra 53,000 people now in work who previously weren't, back in December 2016.

While the jobs market is looking healthier than it has done for some time, the most recent economic data for the UK would suggest we are entering a period of slower growth. Falling to 0.3% in quarter one, this represents a sizable drop from the figures at the end of 2016.

A major cause of this decline, however, is the fall in consumer spending seen via declining retail sales and a decelerating housing market. With inflation creeping up, consumer businesses could expect a difficult rest of year to ensue as the gap between inflation and wage growth widens. And it is private sector workers who are most affected by this stagnation in earnings, which although growing on average at around two point five to three percent, are falling behind rising prices.

Despite this, the UK is still expected to hit a recently raised growth forecast of 2% before slowing again as we enter 2018. Although it's worth noting that any outlook will be predicated on the result of our negotiations with Europe and whether business and consumer confidence can be maintained during the ongoing uncertainty over Britain's future role.

We hope you enjoy reading the report and find the perspectives offered to be useful. Should you have further questions, please do not hesitate to contact a member of our team who would be more than happy to clarify any of the information presented.