

# London's Economy Today

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## Reverberations of mini-Budget continue to echo through the economy



By **Mike Hope**, Economist, **James Watson**, Economist  
and **Jasmine Farquharson**, Project Management Apprentice

Last month's [LET editorial](#) discussed the tax cuts (worth £45 billion in 2026/27) announced in the mini-budget on 23 September 2022. The current Chancellor of the Exchequer, Jeremy Hunt, has reversed £32 billion worth of these measures, including the planned reductions in corporation tax, and the basic and additional rates of income tax. Remaining tax changes include the cut in National Insurance, which [GLA Economics analysis](#) shows would benefit higher earners disproportionately, and more growth-friendly measures such as cuts to stamp duty and an increase in the annual investment allowance for corporation tax.

Further, the Energy Price Guarantee will now only apply for six months, and not two years as stated last month. After this point, HM Treasury will implement a more targeted and less expensive scheme.

These measures take significant steps to address the gap in the government's fiscal plans, and help put debt on a more sustainable footing. More will be needed. The Institute for Fiscal Studies (IFS) Green Budget suggested that tightening of around £60 billion was needed to have debt falling as a share of national income in the medium term. Press reports suggest that Office for Budget

### Also in this issue

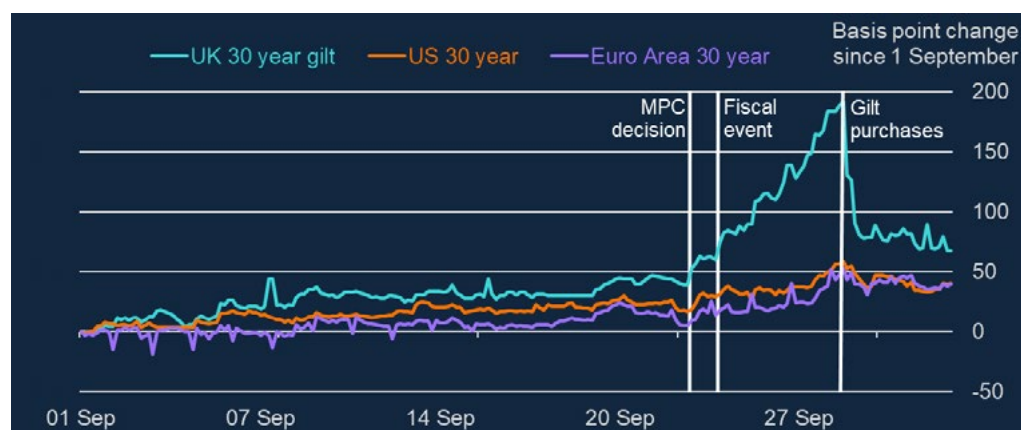
Household finances come under further strain as the cost-of-living crisis bites deeper.....	2
Retail sales feeling the squeeze.....	3
Forecasts of global growth fall further.....	4
The UK economy is contracting.....	4
Labour supply continues to shrink restraining the productive potential of the economy.....	4
London's economy feels the strain.....	5
London's service exports buck the national trend during the pandemic .....	5
Economic indicators .....	7
London labour market projections 2022 – Interim update.....	13
Our latest publications .....	18

### Datastore

The main economic indicators for London are available to download from the [London Datastore](#).

Responsibility (OBR) analysis points to a larger gap of £72 billion. The public finances have deteriorated since the last OBR forecast in March. This is not least because expectations of economic growth have worsened due to higher than expected inflation, as well as the response of central banks to raise interest rates. One other effect of the mini-Budget was that it was inflationary, and would have led the Bank of England to raise interest rates to levels higher than they would otherwise have been.

As noted in last month's [LET editorial](#), there was volatility in financial markets after the mini-budget. Thirty-year government bond, or gilt, yields rose markedly in a way which did not happen for other major economies (Figure 1). The Bank intervened to calm financial markets, and bring rates down towards previous levels, with a 14-day operation to buy gilts.



**Figure 1: Cumulative change in long-term government bond yields since 1 September 2022**

*Source: Bank of England calculations of Bloomberg data*

The Government has also acted to re-assure financial markets. It has pre-announced certain measures (as described above) and been clear that there will be an OBR forecast to accompany its Medium Term Fiscal Plan which is now set for the 17 November having previously been scheduled for the 31 October. The OBR's economic and fiscal forecast will provide evidence of the Government's commitment to place debt on a more sustainable footing. With the next Monetary Policy Committee meeting of the Bank to review interest rates on the 3 November it is hoped fiscal and monetary policy will be more coordinated.

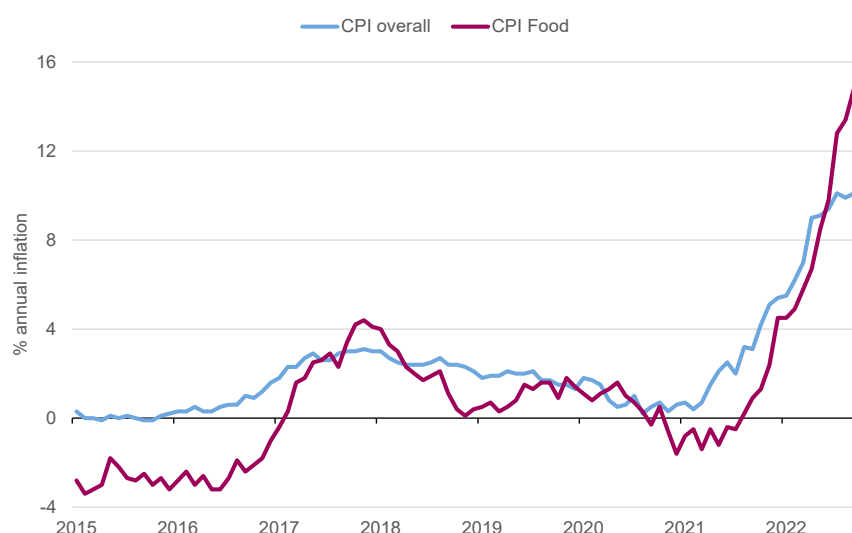
Despite this policy response, there have been longer-term effects from the uncertainty generated by the mini-budget. Three credit agencies – Fitch, Moody's and S&P – have placed the UK on a "negative" outlook. The Bank has delayed its programme of selling bonds, or quantitative tightening. And mortgage interest rates are higher than they would otherwise have been. The average two-year fixed rate deal, which was priced at 2.43% at the start of December 2021, has now increased to around 6% according to Moneyfacts.

## Household finances come under further strain as the cost-of-living crisis bites deeper

Inflation picked up to a 40-year high last month, with the Consumer Price Index (CPI) rising to 10.1% in the year to September 2022, according to figures from the Office for National Statistics (ONS). This comes before the Energy Price Guarantee (EPG) is set to raise the average cost of household energy bills by around 25% in the month of October, meaning higher readings are likely this winter.

The cost of living continues to increase, with prices for core essentials rising rapidly. Food price inflation soared to an annual rate of 14.8%, Figure 2, with prices for some staples rising even faster. Milk prices rose over 30% year-on-year, and flour prices were up 29.6%. Lower-income households devote more of their spending to food and energy, meaning these price increases are likely to worsen inequalities in London.

While the EPG is set to freeze household energy costs from October for six months, we now know that the scheme will be scaled back from April 2023. Based on current projections using the Ofgem price cap methodology, abandoning any form of the EPG would add 3 percentage points or more to inflation from the spring. The deterioration of the pound against other currencies will also raise the cost of imported goods.

**Figure 2: Overall and food price CPI inflation***Source: ONS*

The drop in the value of the pound since August alone could add another percentage point to the rate of inflation.

Housing costs are also set to increase. Asking rents in London are growing around 11% year-on-year according to HomeLet, while the rise in long-term interest rates following the mini-budget will start to feed through into mortgage interest payments. It will take time for these impacts to be felt fully – as households renew rent or mortgage contracts – but those households already facing the new costs will see a tight squeeze.

YouGov polling of Londoners commissioned by the GLA gives a picture of the challenges ahead. Already in September, one in five Londoners said they were financially struggling, with another one in three 'just about managing'. This means that a majority of Londoners now fall under these two categories – a stark change from January, when nearly 60% of Londoners were either 'coping OK' or 'comfortable' financially. Around 11% of Londoners have fallen behind on bills and 13% have fallen behind on credit commitments. The polling also shows that while 9% of Londoners are starting to go without essentials to manage higher costs, that proportion rises to 28% among financially struggling Londoners.

## Retail sales feeling the squeeze

As rising prices erode households' spending power, this is impacting on consumer demand. UK retail sales volumes, excluding vehicle fuel, fell by 1.5% in September 2022, ONS figures indicate. Sales volumes have trended downwards since April 2022, with the latest reading falling below pre-pandemic levels.

While these figures were impacted by the bank holiday for the state funeral of HM Queen Elizabeth II, broader trends are also at play. Food stores were the biggest negative contribution to retail sales over this time, with food retailers pointing to rising prices as a key driver in falling sales. Non-store retail sales also fell sharply, but remain well above pre-pandemic levels as consumer preferences have shifted towards online shopping.

The outlook for retail sales looks bleak at the national level, with consumer confidence falling to another record low of -49 in September. Households in London are less pessimistic, with a score of -29, but this is still one of the worst readings since the financial crisis. And after continuing to climb firmly for months, counter to national trends for retail spending, card spending data for London may be showing signs of levelling off (Figure 3).



**Figure 3: Retail card spending in London, adjusted for inflation**

*Source: Anonymised and aggregated data from Mastercard*

*Note: data is adjusted for UK-wide CPI inflation and for a pandemic-induced shift from cash to card transactions.*

## Forecasts of global growth fall further

There are pressures on the world economy stemming from the recovery from the pandemic, the effects of the war in Ukraine, and higher food and energy prices. In its latest World Economic Outlook, the International Monetary Fund revised downwards its projections. It now forecasts the lowest global growth profile since the global financial crisis and the acute phase of the COVID-19 pandemic. This reflects significant downturns for the largest economies with a US GDP contraction in the first half of 2022, a Eurozone contraction in the second half of 2022 from rising energy prices, and weakness for China from prolonged COVID-19 outbreaks and lockdowns (as well as mounting challenges in the property sector). A particular downside risk to the outlook is if monetary policy by the leading central banks miscalculates the right stance to reduce inflation. Global growth is forecast to slow from 6.0% in 2021 to 3.2% in 2022 (as in the July update), and 2.7% in 2023 (0.2 percentage points down from the July update). The UK economy slows over these years from 7.4% to 3.6% in 2022 (up 0.4 percentage points) to 0.3% in 2023 (down 0.2 percentage points).

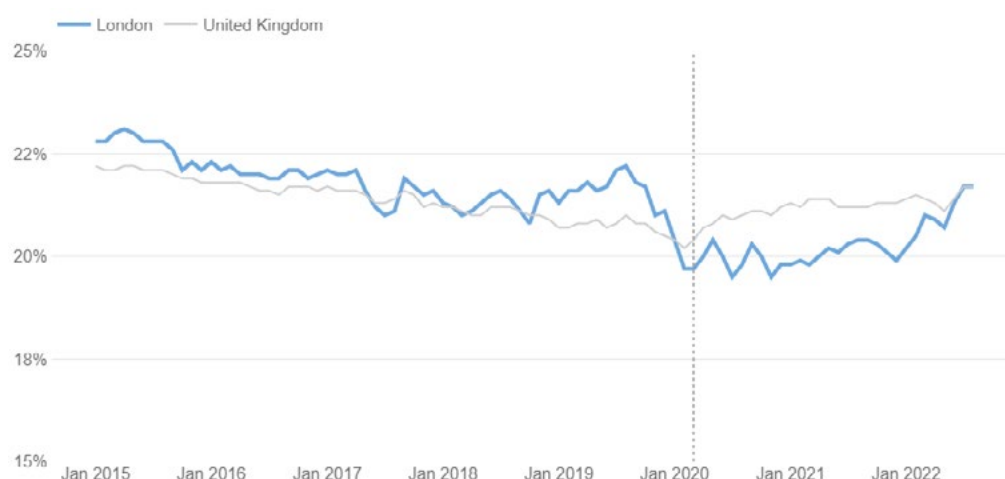
## The UK economy is contracting

According to the ONS, UK economic output (Gross Domestic Product) fell by 0.3% in August, after increasing by 0.1% in July. Health made the largest contribution to the decline of 0.11 percentage points, followed by the Arts at 0.08 percentage points, and Accommodation and food services at 0.06 percentage points. Activity increased in other sectors with Professional services contributing 0.1 percentage points, and Information and communication contributing 0.05 percentage points.

Over the three months to August, UK GDP fell by 0.3%. However, the UK economy is not yet in recession going by the technical definition of two successive quarters of negative growth.

## Labour supply continues to shrink restraining the productive potential of the economy

Despite this, the unemployment rate in London fell to a record low (4.0%) in the three months to August 2022, according to the ONS. The UK unemployment rate also fell to a new record low in this period (3.5%). London's employment rate for June to August 2022 was 75.1%, while the UK rate was 75.5% - both little changed from a year earlier. More worryingly, the inactivity rate, the measure of those not looking and/or not available to work, rose for both the capital and the UK, reaching 21.7% for both geographies in the three months to August. For London this represented an increase of 1.3 percentage points from a year earlier, and for the UK an increase of 0.5 percentage points on the year (Figure 4).



**Figure 4: Economic inactivity rates, London and the UK, 2015-2022 (% of working population)**  
Latest data for August 2022

*Source: ONS Labour Force Survey Note: The margin of error is not published for London, the UK margin is +/- 0.4%. March 2020 indicated by dotted line.*

This marks a reverse of pre-pandemic trends, when inactivity rates were declining. According to analysis by the Financial Times (FT) if trends at the UK level from January 2015 to 2020 had continued there would be 0.7 million fewer inactive people aged 16-64 than there currently are. The UK is the only country in the developed world where people have continued to drop out of the labour market in ever greater numbers beyond the acute phase of the pandemic.

The number of working age people unable to work due to chronic pain has climbed by almost 200,000 over the past two years relative to its former trajectory, reports the same FT article. Almost 40% of the rise in economic inactivity is explained by people with a mental health issue that limits their ability to work.

Increased illness due to COVID-19 will also be impacting on labour supply, although not everyone with the virus is of working age. An estimated 2.3 million people in private households in the UK (3.5% of the population) were experiencing self-reported long COVID as of 3 September reports the ONS. In contrast, 1 in 35 people in England, 2.78% of the population, were suffering from COVID-19 in the week ending 3 October.

## London's economy feels the strain

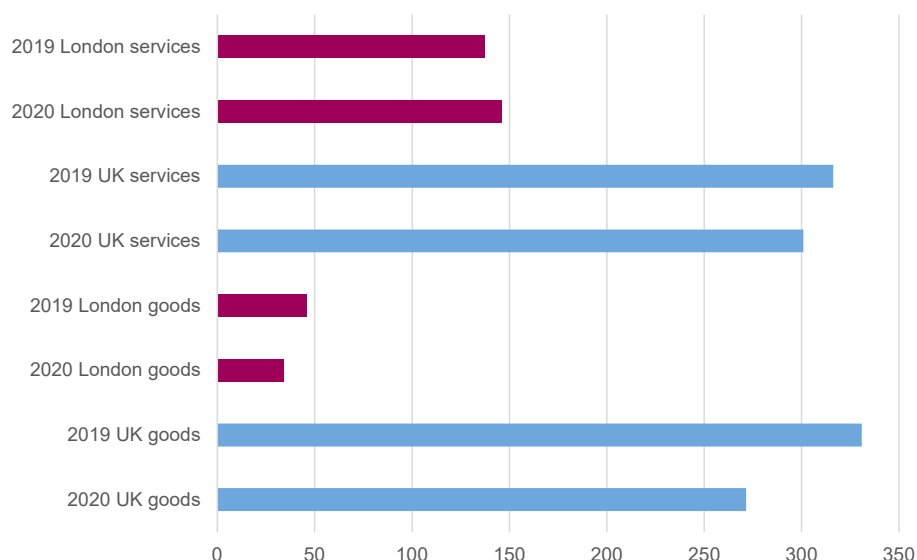
The LET indicators of business confidence in London remain positive in September. However the latest London Chamber of Commerce and Industry (LCCI) Q3 quarterly survey for London finds that the external headwinds to the economy have resulted in a decidedly pessimistic outlook. Business confidence has waned with weaker domestic sales, lower cashflow, and high cost pressures. Two thirds (66%) of companies expect the UK's economic growth to worsen over the next 12 months and only 13% of firms believe the UK's economy will improve, down from 19% in Q2. A third (32%) of companies now think their own profitability will worsen over the coming year, up from 26% in Q2. Pessimism in overall company economic prospects dropped to its lowest level since before 2018.

## London's service exports buck the national trend during the pandemic

Restrictions on movement during the pandemic have contributed to a fall in both goods and services exports at the UK level in 2020, according to ONS analysis. Total UK exports fell by £75 billion to £572 billion, with a fall of £59 billion in goods exports, and a fall of £15 billion in services exports. London exports fell by £3 billion to £180 billion, with a fall of £12 billion in goods exports offset by a rise in services exports of £8 billion (Figure 5). The capital benefited from a £15 billion increase in Finance exports, of which £10 billion came from Inner London West, where the City of London is located.

**Figure 5: London and UK goods and services exports, 2019 and 2020, £ billion**

*Source: ONS regional trade statistics*



GLA Economics will continue to monitor these and other aspects of London's economy over the coming months in our analysis and publications, which can be found on our [publications page](#) and on the [London Datastore](#).

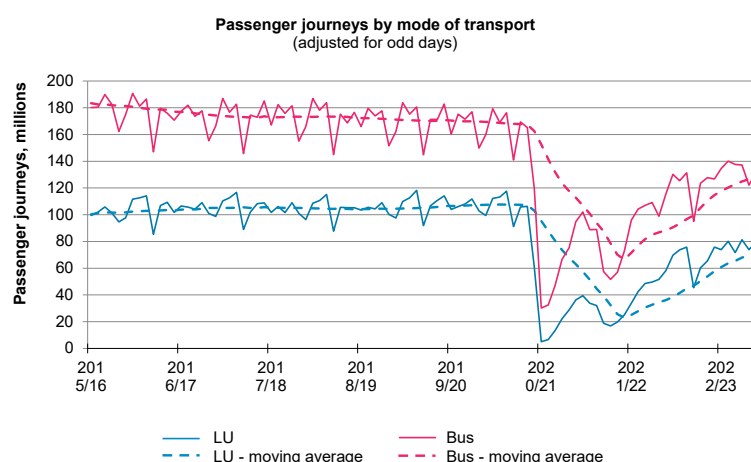
# Economic indicators

## The underlying trend in passenger journeys on London public transport remains upward

- 211.7million passenger journeys were registered between 21 August 2022 and 17 September 2022, 15.8 million journeys more than in the previous period (24 July 2022 – 20 August 2022).
- In the latest period, 79.6 million of all journeys were underground journeys and 132.1 million were bus journeys.
- The 13-period-moving average in the total number of passenger journeys rose from 196.3 in the previous period to 199.2 in the latest period.

Source: Transport for London

Latest release: October 2022, Next release: November 2022

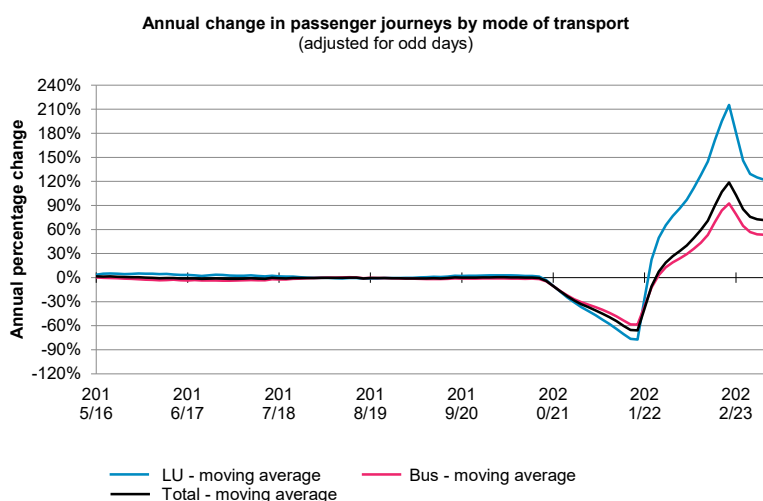


## Annual growth in passenger journeys remained strongly positive, if slowing

- The 13-period moving average annual growth rate in the total number of passenger journeys was 70.9% between 21 August 2022 and 17 September 2022, down from 71.7% from 24 July 2022 to 20 August 2022.
- The moving average annual growth rate of bus journeys decreased from 53.4% to 52.8% between the above-mentioned periods.
- Likewise, the moving annual average of underground passenger journeys decreased from 122.1% to 120.3% between those periods.

Source: Transport for London

Latest release: October 2022, Next release: November 2022

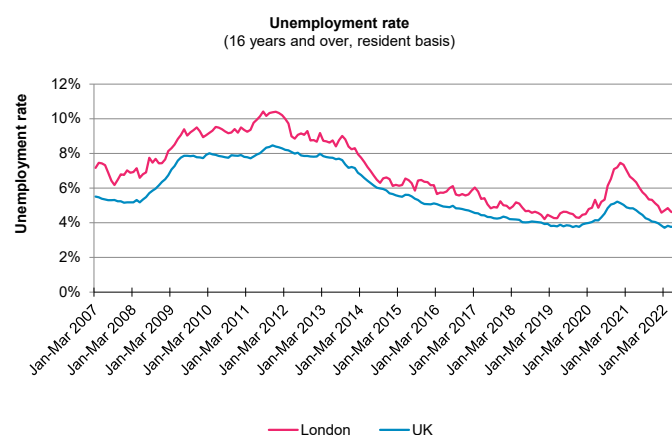


## London's unemployment rate remains low at 4.0% in the quarter to August 2022

- Around 201,000 residents 16 years and over were unemployed in London in June – August 2022.
- The unemployment rate in London was 4.0% in that period, less than in the previous quarter, March – May 2022 at 4.6%.
- The UK's unemployment rate also fell, from 3.8% March – May 2022 to 3.5% June – August 2022.

Source: ONS Labour Force Survey

Latest release: October 2022, Next release: November 2022

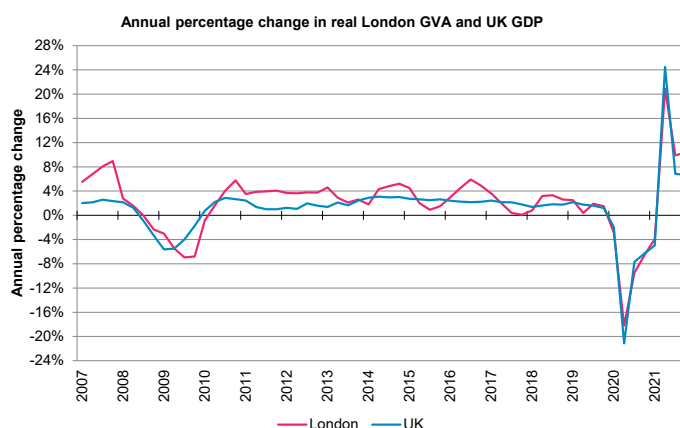


## London's economy had surpassed pre-pandemic levels of output by Q4 2021

- By Q4 2021 London's GVA was 3.2% above its pre-pandemic level (Q4 2019), and UK GDP was 0.1% below.
- London's real GVA increased by 2.8% in Q4 2021 – compared with Q3 2021 – after increasing by 1.5% in the previous quarter.
- The UK's real GDP quarterly growth rate for Q4 2021 was 1.3% after increasing by 0.9% in the previous quarter.
- While GDP and GVA are different measures in output their trends have been comparable. UK GDP estimates incorporate a broader range of data than GVA estimates, and so should be more robust.
- London's real GVA quarterly estimates for the period Q1 1999 to Q4 2012 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: September 2022, Next release: November 2022



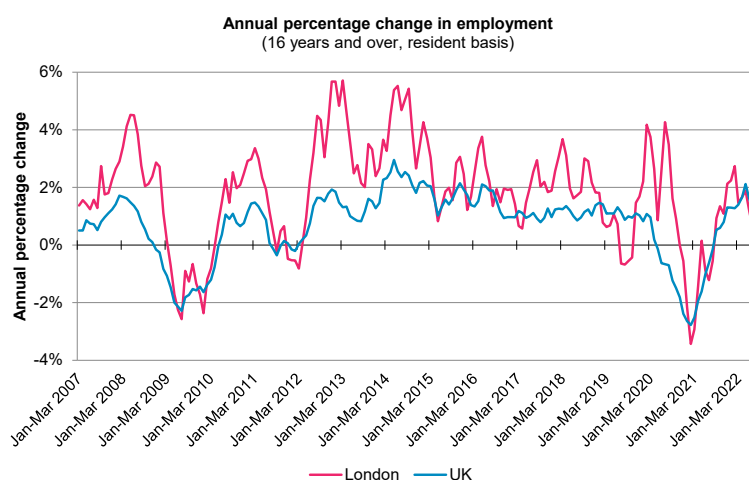


## London's year-on-year employment growth rate was 0.3% in the quarter to August 2022

- Around 4.8 million London residents over 16 years old were in employment during the three-month period of June – August 2022.
- The rate of employment growth in the capital was 0.3% in the year to this quarter, slower than the rate of 1.9% in the previous quarter to May 2022.
- The change in the UK's employment annual growth rate was 1.0% in the most recent quarter, slower than the rate of 2.1% in the previous quarter.

Source: ONS Labour Force Survey

Latest release: October 2022, Next release: November 2022

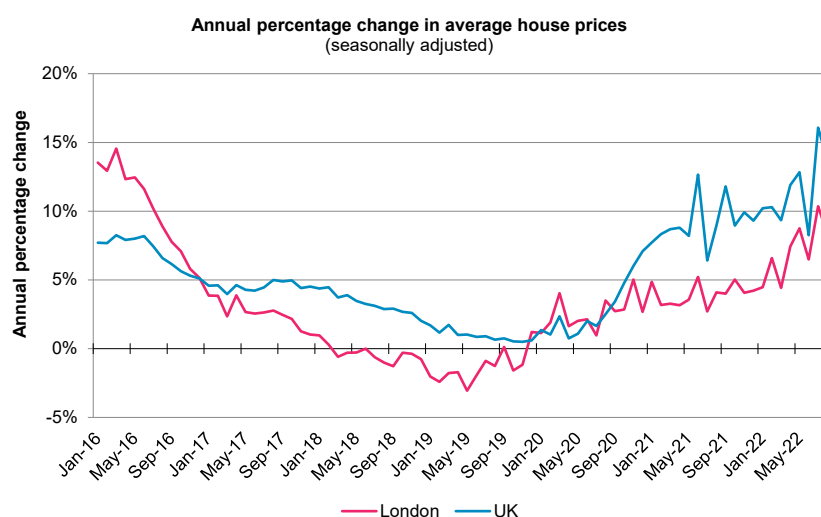


## House prices in London continued to grow in August

- In August 2022, the average house price in London was £547,000 while for the UK it was £291,000.
- Average house prices in London rose by 8.4% year-on-year in August, less than the rate of 10.4% in July.
- Average house prices in the UK rose by 13.7% in August on an annual basis, less than the rate of 16.1% in July.

Source: Land Registry and ONS

Latest release: October 2022, Next release: November 2022

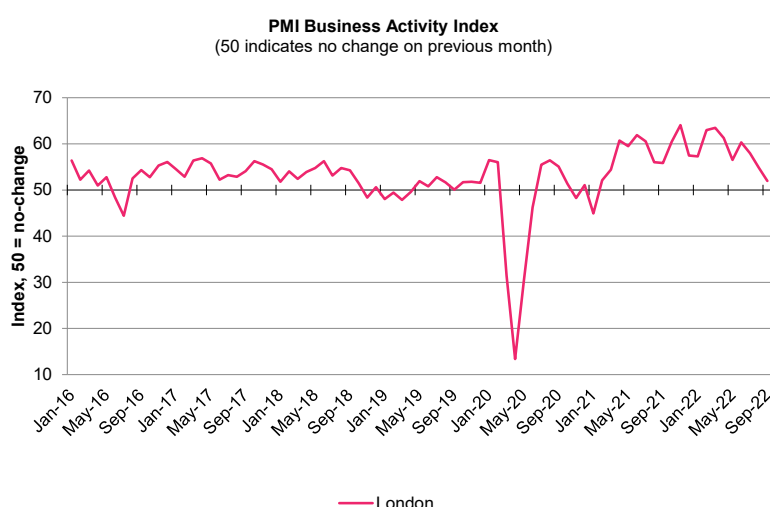


## In September, the sentiment of London's PMI business activity index decreased but remained positive

- The business activity PMI index for London private firms decreased from 54.9 in August to 52.0 in September.
- 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: October 2022, Next release: November 2022

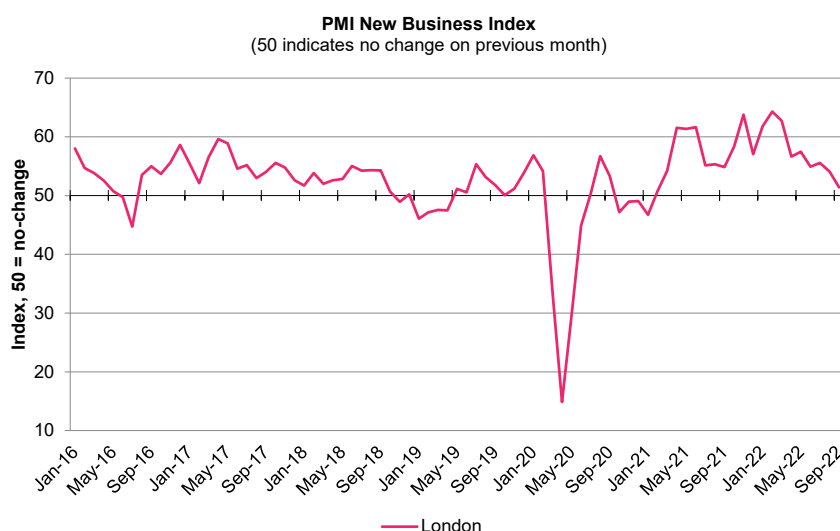


## In September the sentiment of London's PMI new business activity index decreased, but remained positive

- The PMI new business index in London decreased slightly from 54.1 in August to 51.4 in September.
- 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: October 2022, Next release: November 2022

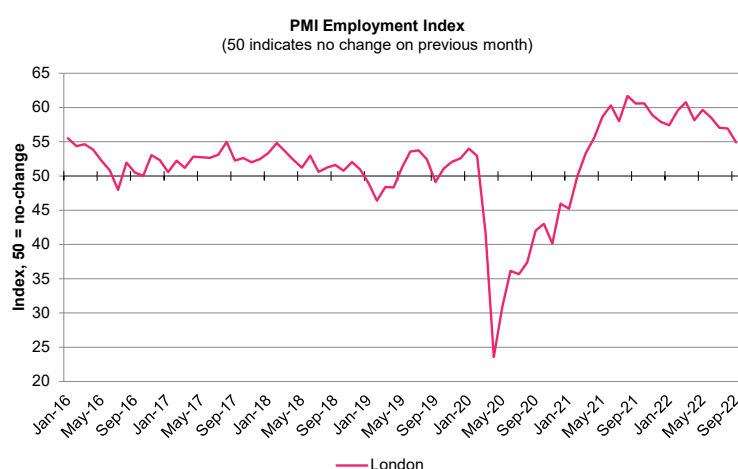


## In September, the sentiment of the PMI employment index in London decreased slightly but remained positive

- The Employment Index for London decreased slightly from 56.9 in August to 54.9 in September.
- 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: October 2022, Next release: November 2022

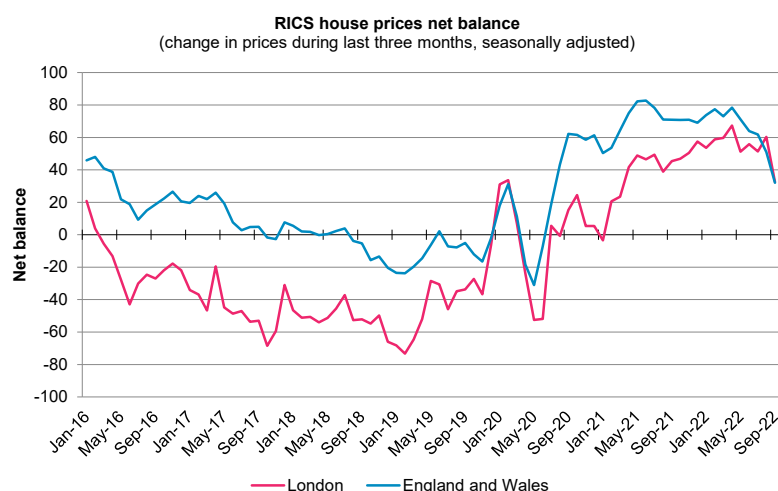


## The number of property surveyors who reported an increase in house prices in London, decreased significantly in September

- In September, property surveyors in London saw a decrease in the net balance of those reporting rising prices. The net balance index was 33, and in August it was 60.
- For England and Wales, the RICS house prices net balance index decreased from 51 in August to 32 in September.
- 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: October 2022, Next release: November 2022

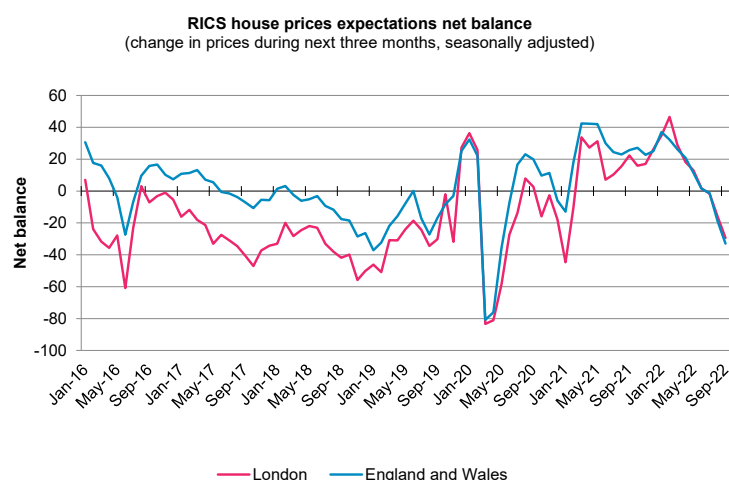


## In September, net expectations for house prices in London for the next three months became more negative, according to surveyors

- The net balance of house prices expectations in London was -29 in September, lower than the balance of -16 in August.
- The index for England and Wales was -33 in September, lower than the value of -19 in August.
- 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: October 2022, Next release: November 2022

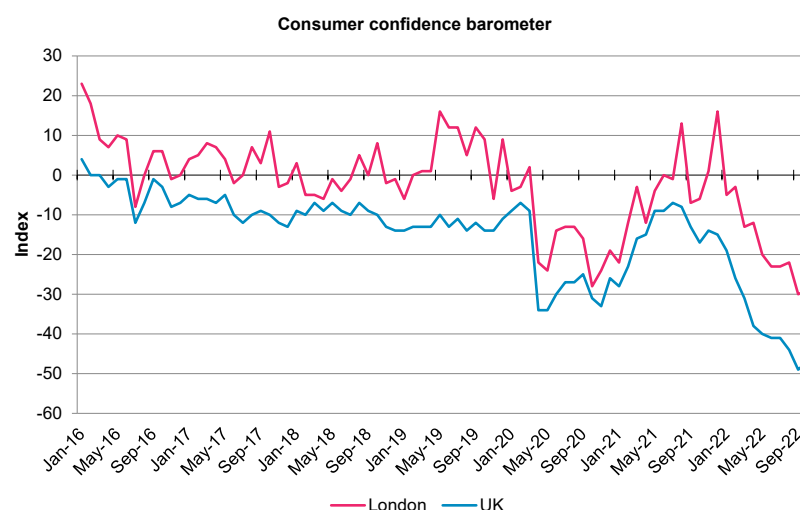


## Consumer confidence in London remained strongly negative in October

- The consumer confidence index in London increased slightly from -30 in September to -29 in October.
- The sentiment for the UK increased from -49 in September to -47 in October. 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: October 2022, Next release: November 2022



# London labour market projections 2022 – Interim update

**Nick Jacob**, Economist



**London's economy has generated employment at an unprecedented rate over the past 30 years, adding nearly 2m jobs since 1991. But what can we expect over the next 30 years? To help answer this question, GLA Economics has published an interim update of its long-term employment projections. This supplement provides an overview of the report, highlights the main findings – for London, for its economic sectors and for local authorities – and briefly describes the methodology we use.**

## **What are the long-term employment projections?**

GLA Economics has periodically published long-term employment projections over the past 20 years. A key role of these projections has been to support the evidence base for the London Plan, with the last set published in 2017.

The purpose of the 2022 interim update is twofold. First, it supports users of the projections, both within the GLA group and externally, in long-term planning. And second, it provides an updated reference case that can be refined as some of the labour market uncertainties associated with the COVID-19 pandemic become clearer.

As in previous publications, this interim update provides long-term employment projections for London, for the main industry sectors of its economy (up to 2051), and for London local authorities (up to 2041). Our projections are based on historic productivity trends and assumptions about the future path of economic output. Borough-level projections are also informed by plans for increases in employment site capacity.

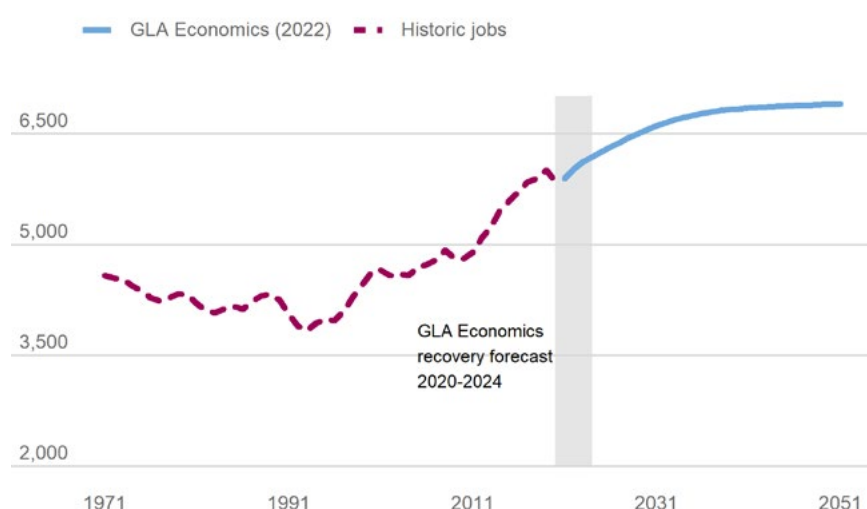
## What are the main results for London?

We project fast medium-term growth, slowing significantly in the long term.

Based on historic trends, we project employment in London to rise from 6m jobs in 2021 to 6.6m in 2031, 6.8m in 2041 and 6.9m in 2051. This is an average increase of 29,000 jobs a year.

The 2051 projection represents a 4% decrease, or 300,000 jobs, from the previous GLA Economics projection of 7.2m jobs in 2050. Much of this difference is accounted for by the final decade of the period: in looking at the years 2041-50, we now project jobs growth of around 5,000 jobs per year, down from 28,000 previously. The growth path in our interim update involves faster additions of jobs in the 2020s followed by a slowdown through the 2030s, which continues to the end of the projections period.

We show in the report that these results are within a plausible range suggested by three commercial external forecasters; our own alternative population-trend based model; and Office for Budget Responsibility (OBR) forecasts of UK population, economic growth and labour productivity.



**Figure 1A: London Employment History and Projections (Jobs, 000s)**

## What methodology was used to produce these results?

These projections are designed to provide a guide to the long-run (approximately three decades) path of employment based on the data available at the time of construction. They are not intended as forecasts for individual years within the projection period.

For the short-term period (up to 2024) we draw on GLA Economics forecast for jobs and output.

Our long-term employment projections for London then 'jump off' from these levels, starting in 2025. These trend-based projections estimate jobs in future years based on assumed future output growth and the historic productivity relationship between output and jobs.

## What assumptions are used for future output and productivity in London?

In line with the approach taken in our previous round of projections, we project London's gross value added (GVA) growth rate declining from its forecast of 2.5% in 2024, to match the OBR's forecast for the UK of 1.5% in 2051.

We update our productivity trend assumptions to provide more weight to the post-financial crisis stagnation, and less weight to the faster growth rate in the 1990s and early 2000s. We use statistical analysis to identify structural breaks in London's productivity trends to support these choices.

<b>Model Assumption</b>	<b>Interim update (2022)</b>
Short-term GVA	GLA Economics 2021-24 forecasts
Short-term productivity (GVA per job)	GLA Economics 2021-24 forecasts
Long-term GVA	Decays from 2.5% per year in 2025 to 1.5% per year in 2051
Long-term productivity (GVA per job)	60/40 mix of trends from 1981-2007 and 2008-19: growth rate of 1.4% per year

**Table 1A: Assumptions for output and productivity used in constructing employment projections**

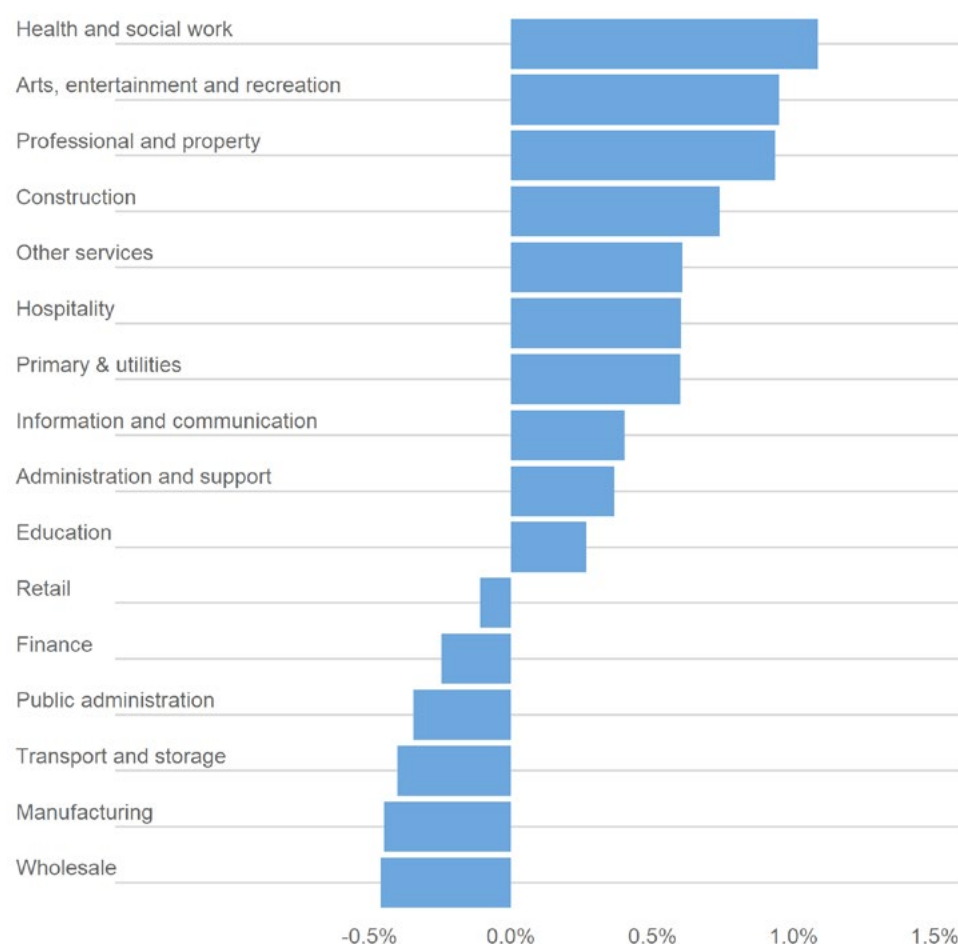
## How will the sectoral mix of London's economy change?

There have been significant changes in the industrial composition of London's labour market over the past 30 years. Manufacturing, Wholesale, and Primary and utilities jobs have declined in absolute and relative terms, while the number of Professional services, Information and communication and Hospitality jobs has grown.

We project the Professional services and Other business services sectors to continue to add large numbers of jobs (+335,000 jobs by 2051). Fast growth in Professional services jobs over the past 30 years has made it by far the largest sector in London's economy. While we continue to expect it to grow at a faster rate than for total jobs in London, it won't be quite as fast as in the past decade, or as fast we expected in our last round of projections.

Other sectors where we project high job gains are Health and social work (+244,000 jobs) and Hospitality (+96,000 jobs); we also project a high rate of jobs growth in the Arts and recreation sector (nearly 1% p.a.)

We also project jobs to decline, by 2051, in six sectors: Manufacturing; Wholesale; Retail; Transport and storage; Finance; and Public administration. These are all sectors in which jobs growth has been relatively slow, or in some cases negative, during the past 10 years when London employment as a whole grew rapidly. Since we project lower London aggregate growth in the coming years, it follows that these are the sectors most likely to decline.



**Figure 2A: Compound annual growth rates of employment in London's sectors, 2019-2041**

## What is the methodology for borough projections and which London boroughs will see the fastest and slowest growth?

We use a similar productivity-trend based approach to project employment in London local authorities. But because different boroughs have different plans for increasing employment space, we bi-angulate the trend-based results with the outputs of the London Employment Site Database (LESD). This GLA publication aggregates planned and/or expected increases in employment site capacity across London.

The results lead us to project rising jobs in every London borough over the 2019-41 period covered by the LESD. Annual growth rates range from 0.1% in Lewisham and Sutton, to 2.3% in Newham, compared to the London average of 0.6% a year.

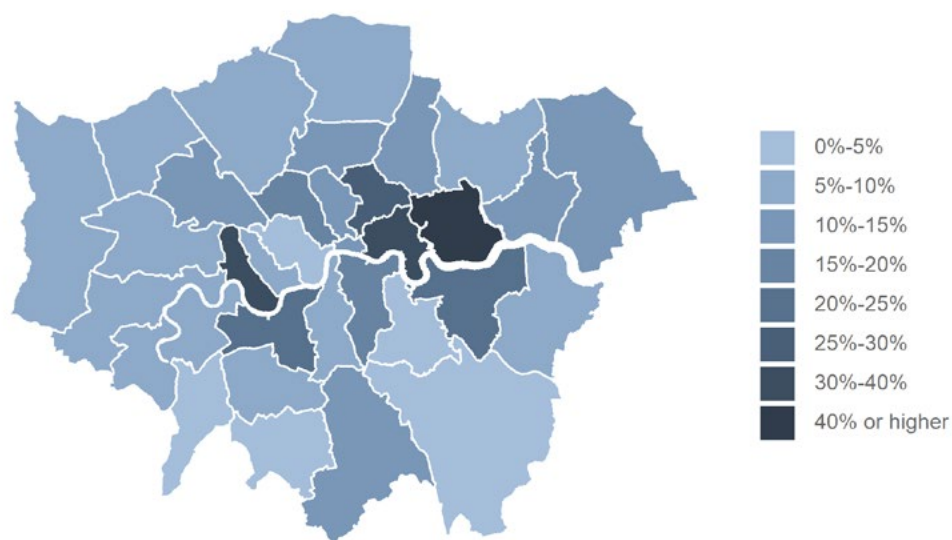
Inner London boroughs are projected to grow faster than outer London boroughs, at 0.7% a year (adding 664,000 jobs in total) compared to 0.4% a year (adding 178,000 jobs) respectively.

However, within both areas there is wide dispersion in growth rates.

In inner London, jobs growth over the 2019-41 period ranges from less than 10% in Lewisham, Westminster, Kensington and Chelsea, and Lambeth, to over 30% in Hackney, Hammersmith and Fulham, and Tower Hamlets, and to over 60% in Newham. The City of London and the boroughs to its south and east (Hackney, Tower Hamlets, Newham, Greenwich and Southwark) together account for over half (427,000) of the 842,000 new jobs projected in the period. These areas, along with Wandsworth, and Hammersmith and Fulham, all have significant identified employment site capacity.



Employment growth is also dispersed in outer London: Sutton, Kingston upon Thames and Bromley all grow less than 5%, while Waltham Forest, Havering, Croydon, Brent, Barking and Dagenham, and Haringey grow at more than 10%.



**Figure 3A: Projected total employment growth in London local authorities, 2019-2051**

*Contains Ordnance Survey data Crown copyright and database right [2015]*

## Where can I see the full report and download all the data?

The full report can be downloaded from the [London Datastore](#), along with spreadsheets containing all our results for London, sectors and boroughs.

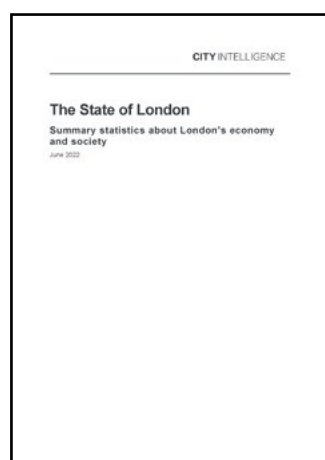
# Our latest publications

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 State of London

This new report by GLA City Intelligence brings together a wide range of outcome data relevant to the work of the Mayor and the London Assembly, which will also be of interest to other stakeholders in London.

[Download](#) the full publication.



## Cost of living - August 2022 update

The cost of living crisis in London threatens to widen existing inequalities, halt the economic recovery from the pandemic and leave many unable to afford necessities.

This report (and accompanying online blog) builds on previous work at the start of this year to set out an evidence base on the impact of the cost of living crisis on Londoners.

[Download](#) the full publication.



## London's Economic Outlook: Spring 2022

GLA Economics' 40th London forecast suggests that:

London's real Gross Value Added (GVA) growth rate is forecast to be 4.5% this year due to the impact of the quarterly recovery from the COVID-19 crisis at the end of last year and beginning of this year feeding through into the annual data. This growth rate is expected to fall to 1.6% in 2023 due to the cost-of-living crisis before improving to 2.3% in 2024.

[Download](#) the full publication.

City Hall  
Kamal Chunchie Way  
London E16 1ZE

**Email** [glaeconomics@london.gov.uk](mailto:glaeconomics@london.gov.uk)

**Internet** [www.london.gov.uk](http://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.