

London's Economy Today - Issue 258 - February 2024

Key information

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Overview

- UK enters recession at the end of 2023
- World economic growth expected to pick up
- International visitor numbers to London return to pre-pandemic levels

Economic indicators

- The underlying trend in passenger journeys on London public transport rose slightly in December 2023 with the 13-period-moving average in the total number of passenger journeys rising from 230.6 million in the previous period to 232.1 million in the latest period.
- In January 2024, the sentiment of London's PMI business activity index remained positive with the business activity PMI index for London's private firms increasing marginally from 58.2 in December 2023 to 58.3 in January 2024. 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.
- Consumer confidence in London turned negative in February 2024 with the consumer confidence index in London dropping from 3 in January 2024 to -5 in February. The GfK index of consumer confidence reflects people's views on their financial position and the general economy over the past year and in the next 12 months. A score above zero suggests positive opinions; a score below zero indicates negative sentiment.

The impact of Brexit on London's economy

- Brexit has been exerting pressures on the London and UK economies to the detriment of long-term growth and prosperity.
- GLA Economics has used a synthetic control methodology to measure the impact of Brexit-related effects on London's economy.
- The analysis finds that London's Gross Value Added (GVA) was 6.2% (or £32 billion) lower in 2019 than it would have been had the UK voted to remain in the EU back in 2016. This is nearly £9,500 of forgone income for every household in London.

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