

# London's Economy Today - Issue 283 - March 2026

## Key information

Publication type: General

Publication date: Thursday 26 March 2026

## Contents

[Overview](#)

[Economic indicators](#)

[The 2026 Spring Statement: Overview and Potential Implications for London](#)

[Read the full newsletter](#)

[Join our mailing list](#)

## Overview

- Conflict in the Middle East triggers global commodities shock amid fears for the cost of living
- UK GDP growth remains weak
- Devolved mayors could be given control over some tax revenue

## Economic indicators

- The underlying trend in passenger journeys on London public transport decreased in February 2026. 229.8 million passenger journeys were registered in February, 13.7 million less than in January. In the latest period, 94.3 million of all journeys were underground journeys and 135.6 million were bus journeys.
- In February, the sentiment of London's PMI new business activity increased with the PMI new business index in London growing from 55.5 in January to 56.0 in February. An index reading above 50.0 indicates an increase in new orders on average across firms from the previous month.
- Consumer confidence in London increased in February 2026. The consumer confidence index in London was 15 in February 2026; it was 6 in January. 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 2026 Spring Statement: Overview and Potential Implications for London

On 3rd March 2026 the Chancellor of the Exchequer, Rachel Reeves, presented an update on the UK's economic performance amidst growing national and international uncertainty. Concurrently, the Office for Budget Responsibility (OBR) published an update of its Economic and Fiscal Outlook. This supplement summarises the key announcements made and potential implications for London's economy.

### **Key points**

- The Spring Statement does not include major new announcements related to tax changes, public spending or policy initiatives. Nonetheless, it provided the OBR the opportunity to update its forecasts in light of more recent data on immigration trends, GDP and other important parameters.
- The updated forecasts do not present a different picture of the UK's future economic situation. The country continues to suffer from feeble productivity and economic growth, inflation remains higher than the 2% target, the national debt remains relatively high, and the tax take is high by historical standards. Moreover, the forecasts do not factor in the potentially adverse effects of recent events such as the Middle East conflict and the Supreme Court's decision on President Trump's tariffs.
- All this points to a precarious economic environment for both London and the UK, with the capital potentially bearing a disproportionate burden of any resulting inflationary pressures and economic slowdown.

## **Read the full newsletter**

[Download the pdf](#)

## **Join our mailing list**

[Sign up to receive our work](#)

[Back to table of contents](#)