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OBR's Economic and fiscal outlook: selected tables

B.1 The Office for Budget Responsibility (OBR) has published its March 2013 *Economic and fiscal outlook* alongside Budget 2013. This annex reproduces the OBR's key projections for the economy and public finances. Further detail and explanation can be found in the OBR's report.

Table B.1: Detailed summary of OBR central economic forecast

	Percentage change on a year earlier, unless otherwise stated						
	Outturn	Forecast					
	2011	2012	2013	2014	2015	2016	2017
UK economy							
Gross domestic product (GDP)	0.9	0.2	0.6	1.8	2.3	2.7	2.8
GDP Level (2011 = 100)	100.0	100.2	100.8	102.6	105.0	107.8	110.8
Nominal GDP	3.4	1.5	2.7	3.8	4.2	4.4	4.6
Output Gap (per cent of potential output)	-2.7	-2.7	-3.6	-3.7	-3.4	-2.9	-2.3
Expenditure components of GDP							
Domestic demand	-0.6	1.2	0.5	1.6	2.2	2.5	2.7
Household consumption ¹	-1.0	1.0	0.5	1.2	1.7	2.4	2.8
General government consumption	-0.1	2.6	0.4	-0.7	-0.4	-1.0	-1.8
Fixed investment	-2.9	1.4	2.2	6.7	8.1	7.7	7.8
Business	3.1	4.9	1.9	6.1	8.6	8.6	8.6
General government ²	-26.2	2.7	2.6	5.0	1.8	-1.5	-1.2
Private dwellings ²	2.3	-5.4	2.0	8.9	10.0	10.0	9.7
Change in inventories ³	0.3	-0.2	-0.2	0.0	0.0	0.0	0.0
Exports of goods and services	4.6	-0.3	1.5	4.4	5.1	5.3	5.3
Imports of goods and services	0.5	2.0	1.0	3.8	4.4	4.8	4.9
Balance of payments current account							
Per cent of GDP	-1.3	-3.6	-2.7	-2.2	-1.9	-1.6	-1.4
Inflation							
CPI	4.5	2.8	2.8	2.4	2.1	2.0	2.0
RPI	5.2	3.2	3.2	2.8	3.2	3.6	3.9
GDP deflator at market prices	2.5	1.3	2.1	2.0	1.8	1.8	1.7
Labour market							
Employment (millions)	29.2	29.5	29.8	29.9	30.1	30.3	30.5
Wages and salaries	2.7	2.8	2.4	3.1	4.3	4.8	4.8
Average earnings ⁴	2.3	2.1	1.4	2.7	3.6	4.0	4.0
ILO unemployment (% rate)	8.1	7.9	7.9	8.0	7.9	7.4	6.9
Claimant count (millions)	1.53	1.59	1.58	1.63	1.59	1.48	1.38
Household sector							
Real household disposable income	-1.0	1.6	0.2	0.4	1.3	1.8	2.3
Saving ratio (level, per cent)	6.6	7.0	6.6	5.8	5.6	5.4	5.0
House prices	-1.0	1.6	1.3	1.6	3.3	4.0	4.0
World economy							
World GDP at purchasing power parity	3.9	3.1	3.4	4.1	4.4	4.6	4.6
Euro Area GDP	1.5	-0.5	-0.5	1.0	1.3	1.7	1.9
World trade in goods and services	5.7	2.5	3.7	5.6	6.0	6.2	6.3
UK export markets ⁵	5.9	1.9	3.4	5.2	5.6	5.7	5.8

¹ Includes households and non-profit institutions serving households.

² Includes transfer costs of non-produced assets.

³ Contribution to GDP growth, percentage points.

⁴ Wages and salaries divided by employees.

⁵ Other countries' imports of goods and services weighted according to the importance of those countries in the UK's total exports.

Table B.2: Determinants of the OBR central fiscal forecast

	Percentage change on previous year, unless otherwise stated						
	Outturn	Forecast					
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
GDP and its components							
Real GDP	0.7	0.2	0.8	2.0	2.4	2.7	2.8
Nominal GDP (£ billion) ¹	1526	1546	1595	1658	1728	1806	1889
Nominal GDP ¹	3.1	1.3	3.2	4.0	4.2	4.5	4.6
Nominal GDP (centred end-March)	2.1	2.0	3.7	4.1	4.3	4.6	4.6
Wages and salaries ²	2.4	3.0	2.4	3.3	4.5	4.8	4.8
Non-oil PNFC profits ^{2,3}	6.4	3.0	1.8	5.8	6.3	6.8	7.4
Non-oil PNFC net taxable income ^{2,3}	9.4	11.0	-1.2	1.7	4.2	5.2	6.1
Consumer spending ^{2,3}	3.5	3.7	3.4	3.5	3.8	4.5	4.9
Prices and earnings							
GDP deflator	2.1	1.3	2.3	1.9	1.8	1.7	1.7
RPI (September)	5.6	2.6	3.3	2.8	3.2	3.6	3.9
CPI (September)	5.2	2.2	2.9	2.3	2.1	2.0	2.0
Whole economy earnings growth	2.7	1.7	1.8	2.9	3.8	4.0	4.0
'Triple-lock' guarantee (September)	5.2	2.5	2.9	2.6	3.6	4.0	4.0
Key fiscal determinants							
Claimant count (millions) ⁴	1.57	1.57	1.60	1.62	1.56	1.46	1.35
Employment (millions)	29.2	29.6	29.8	29.9	30.1	30.4	30.6
VAT gap (per cent)	9.5	10.7	10.5	10.5	10.5	10.5	10.5
<i>Financial and property sectors</i>							
Equity prices (FTSE All-share index)	2903	3080	3405	3540	3690	3856	4032
HMRC financial sector profits ^{1,3,5}	-5.0	2.0	1.4	2.3	2.8	3.8	4.7
Financial sector net taxable income ^{1,3}	3.2	-1.6	5.4	4.5	3.6	6.1	7.3
Residential property prices ⁶	-0.9	2.2	0.9	1.9	3.6	4.0	4.0
Residential property transactions ('000's)	915	938	1083	1139	1208	1279	1355
Commercial property prices ⁷	4.9	-0.1	-0.1	2.6	3.6	3.8	3.4
Commercial property transactions ⁷	-2.8	2.8	-1.6	0.1	2.8	4.4	5.0
Volume of stampable share transactions	-9.7	-18.9	12.0	-1.9	-2.4	-2.6	-2.7
<i>Oil and gas</i>							
Oil prices (\$ per barrel) ³	111	112	113	106	101	97	93
Oil prices (£ per barrel) ³	69.2	70.6	73.4	68.8	65.2	62.5	60.1
Gas prices (p/therm)	60.6	59.1	68.6	68.0	63.9	60.9	58.3
Oil production (million tonnes) ^{3,8}	51.9	44.5	44.4	44.3	44.1	44.0	43.9
Gas production (billion therms) ^{3,8}	16.1	13.8	14.1	14.0	13.9	13.9	13.8
<i>Interest rates and exchange rates</i>							
Market short-term interest rates (%) ⁹	1.0	0.7	0.6	0.7	0.9	1.4	2.0
Market gilt rates (%) ¹⁰	2.2	1.8	2.4	2.7	3.3	3.6	3.9
Euro/Sterling exchange rate	1.16	1.23	1.16	1.16	1.16	1.15	1.15

¹ Not seasonally adjusted.² Nominal.³ Calendar year.⁴ UK seasonally-adjusted claimant count.⁵ HMRC Gross Case 1 trading profits.⁶ Outturn data from Department for Communities and Local Government (CLG) property prices index.⁷ Outturn data from HMRC information on stamp duty land tax.⁸ Department of Energy and Climate Change (DECC) forecasts available at www.gov.uk/oil-and-gas-uk-field-data.⁹ 3-month sterling interbank rate (LIBOR).¹⁰ Weighted average interest rate on conventional gilts.

Table B.3: Current Receipts: OBR forecast

	£ billion						
	Outturn	Forecast					
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Income tax (gross of tax credits) ¹	152.7	150.5	154.7	165.5	174.4	186.7	198.9
of which: Pay as you earn	132.0	130.7	133.7	137.7	147.8	158.0	168.6
Self assessment	20.3	20.6	20.3	27.4	26.4	28.2	29.9
Tax credits (negative income tax)	-4.7	-3.1	-2.8	-2.4	-1.3	-0.5	-0.3
National insurance contributions	101.6	103.8	106.7	108.6	113.9	125.5	132.0
Value added tax	98.1	100.7	103.3	107.2	111.2	115.2	119.3
Corporation tax ²	43.1	40.3	39.3	38.1	36.6	38.2	39.5
of which: Onshore	33.8	35.5	34.6	33.7	33.5	34.9	36.5
Offshore	9.2	4.8	4.7	4.4	3.1	3.3	3.0
Corporation tax credits ³	-0.9	-1.0	-1.0	-0.9	-0.8	-0.8	-0.9
Petroleum revenue tax	2.0	1.7	2.1	1.7	1.6	1.5	1.3
Fuel duties	26.8	26.6	26.1	26.3	27.1	28.3	29.3
Business rates	24.9	25.7	26.7	28.1	29.6	30.5	31.2
Council tax	26.0	26.3	27.4	28.3	29.1	30.0	31.0
VAT refunds	14.0	14.0	14.6	14.6	14.7	14.5	14.2
Capital gains tax	4.3	3.9	5.1	6.5	7.2	7.9	8.7
Inheritance tax	2.9	3.1	3.3	3.5	3.6	3.9	4.1
Stamp duty land tax	6.1	6.9	7.7	8.4	9.3	10.5	11.7
Stamp taxes on shares	2.8	2.3	2.9	2.7	2.7	2.8	2.9
Tobacco duties	9.9	9.6	9.8	10.2	10.3	10.5	10.8
Spirits duties	2.9	2.9	2.9	3.1	3.3	3.4	3.6
Wine duties	3.4	3.5	3.6	3.9	4.2	4.6	5.0
Beer and cider duties	3.8	3.7	3.5	3.6	3.6	3.6	3.7
Air passenger duty	2.6	2.8	2.9	3.0	3.3	3.5	3.8
Insurance premium tax	3.0	3.0	3.1	3.1	3.2	3.2	3.3
Climate change levy	0.7	0.7	1.5	2.0	2.5	2.5	2.5
Other HMRC taxes ⁴	5.9	5.9	6.3	6.6	7.0	7.2	7.4
Vehicle excise duties	5.9	5.9	5.9	5.7	5.6	5.6	5.5
Bank levy	1.8	1.6	2.7	2.9	2.9	2.9	2.9
Licence fee receipts	3.1	3.1	3.1	3.2	3.2	3.2	3.3
Environmental levies	0.5	2.0	2.3	2.8	3.1	3.5	4.0
Swiss capital tax	0.0	0.0	3.2	0.0	0.0	0.0	0.0
EU ETS auction receipts	0.0	0.3	0.7	0.7	0.8	0.8	0.9
Other taxes	6.2	6.7	6.8	7.0	7.1	7.2	7.1
National Accounts taxes	549.5	553.7	574.3	594.0	619.1	655.8	686.9
Less own resources contribution							
to EU budget	-5.2	-5.4	-5.3	-5.1	-5.3	-5.6	-5.9
Interest and dividends	5.7	14.8	18.9	18.5	17.1	16.3	13.4
Gross operating surplus	23.6	24.2	25.3	26.7	27.8	28.8	29.7
Other receipts	-1.0	-0.6	-0.9	-1.0	-1.0	-1.1	-1.1
Current receipts	572.6	586.8	612.4	633.1	657.6	694.1	723.0
<i>Memo: UK oil and gas revenues⁵</i>	<i>11.3</i>	<i>6.5</i>	<i>6.8</i>	<i>6.1</i>	<i>4.7</i>	<i>4.8</i>	<i>4.3</i>

¹ Includes PAYE and self assessment and also includes tax on savings income and other minor components.

² National Accounts measure, gross of enhanced and payable tax credits.

³ Includes enhanced company tax credits.

⁴ Consists of landfill tax, aggregates levy, betting and gaming duties and customs duties and levies.

⁵ Consists of offshore corporation tax and petroleum revenue tax.

Note: Table is on accruals basis in line with National Accounts definitions.

Table 2.8 in the OBR supplementary tables presents receipts on a cash basis.

Table B.4: Total Managed Expenditure: OBR forecast

	£ billion						
	Outturn	Forecast					
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Public sector current expenditure (PSCE)							
PSCE in RDEL¹	322.6	319.5	320.8	317.2	314.2	307.4	299.1
PSCE in Annually Managed Expenditure	321.2	337.7	352.1	362.8	380.1	396.3	413.9
<i>of which:</i>							
Social security benefits	174.9	182.8	180.4	184.4	189.1	193.1	197.6
Tax credits	27.2	28.6	29.0	29.8	31.3	33.2	34.4
Net public service pension payments	8.0	10.5	11.1	12.4	13.6	14.9	16.2
<i>of which:</i>							
CG unfunded pension schemes	6.7	8.9	9.5	10.7	11.9	12.9	14.1
LG police and fire pension schemes	1.4	1.6	1.6	1.6	1.8	1.9	2.0
National lottery current grants	1.1	1.1	1.2	1.3	1.5	1.6	1.7
BBC domestic services current expenditure	3.8	3.4	3.5	4.0	3.7	3.8	3.9
Fees associated with financial interventions	-2.0	-0.6	-0.3	-0.2	0.0	0.0	0.0
Other PSCE items in departmental AME	1.1	2.0	1.4	1.2	1.1	1.1	1.2
Expenditure transfers to EU institutions	5.9	7.4	6.5	5.7	6.1	5.9	6.0
Locally-financed current expenditure	21.6	23.8	36.1	38.0	39.5	41.0	43.1
Central government gross debt interest	47.9	46.5	49.5	51.8	57.8	64.4	71.3
Depreciation	16.0	16.9	17.7	18.4	19.2	19.9	20.6
Current VAT refunds	11.7	11.6	12.3	12.3	12.4	12.2	11.8
Single use military expenditure	5.5	4.7	4.7	4.2	4.7	4.7	4.7
Environmental levies	0.5	1.3	1.7	2.1	2.6	3.1	3.8
Other National Accounts adjustments	-2.2	-2.4	-2.6	-2.6	-2.5	-2.5	-2.4
Total public sector current expenditure	643.8	657.2	672.9	680.0	694.2	703.7	713.0
Public sector gross investment (PSGI)							
PSGI in CDEL¹	34.8	3.3	33.7	36.9	36.1	36.5	36.7
PSGI in Annually Managed Expenditure	15.0	12.8	13.5	13.5	14.4	14.7	15.4
<i>of which:</i>							
National lottery capital grants	0.4	0.4	0.5	0.6	0.6	0.7	0.7
Other PSGI items in departmental AME	-7.0	0.8	0.8	0.9	0.8	0.7	1.3
Locally-financed capital expenditure	16.5	7.1	6.4	6.3	6.8	7.0	6.7
Public corporations capital expenditure	6.7	6.2	5.9	5.9	6.0	6.2	6.4
Other National Accounts adjustments	-1.6	-1.7	-0.1	-0.2	0.2	0.2	0.2
Total public sector gross investment	49.8	16.1	47.2	50.4	50.4	51.3	52.1
Less depreciation	-21.1	-22.1	-23.0	-23.8	-24.6	-25.4	-26.3
Public sector net investment	28.7	-6.0	24.2	26.6	25.8	25.8	25.8
Total managed expenditure	693.6	673.3	720.0	730.4	744.7	754.9	765.1

¹ Implied DEL numbers for 2015-16, 2016-17 and 2017-18. Calculated as the difference between PSCE and PSCE in AME in the case of PSCE in RDEL, and between PSGI and PSGI in AME in the case of PSGI in CDEL.

Table B.5: OBR forecast of the fiscal aggregates

	Per cent of GDP						
	Outturn	Forecast					
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Receipts and expenditure							
Public sector current receipts (a)	37.5	38.0	38.4	38.2	38.1	38.4	38.3
Total managed expenditure (b)	45.5	43.6	45.2	44.0	43.1	41.8	40.5
<i>of which:</i>							
Public sector current expenditure (c)	42.2	42.5	42.2	41.0	40.2	39.0	37.8
Public sector net investment (d)	1.9	-0.4	1.5	1.6	1.5	1.4	1.4
Depreciation (e)	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Deficit							
Public sector net borrowing (b-a)	7.9	5.6	6.8	5.9	5.0	3.4	2.2
Surplus on current budget (a-c-e)	-6.0	-6.0	-5.2	-4.3	-3.5	-1.9	-0.9
Cyclically-adjusted net borrowing	6.0	3.6	4.3	3.3	2.7	1.3	0.6
Primary balance	-5.1	-3.5	-4.8	-3.8	-2.6	-0.6	0.9
Cyclically-adjusted primary balance	-3.2	-1.5	-2.3	-1.2	-0.3	1.4	2.5
Fiscal mandate and supplementary target							
Cyclically-adjusted surplus on current budget	-4.2	-4.0	-2.8	-1.7	-1.2	0.1	0.8
Public sector net debt ¹	71.8	75.9	79.2	82.6	85.1	85.6	84.8
Financing							
Central government net cash requirement	8.3	6.8	7.1	6.8	5.8	4.6	3.3
Public sector net cash requirement	8.1	6.8	7.0	6.6	5.6	4.4	3.1
Stability and Growth Pact							
Treaty deficit ²	7.8	5.6	6.8	6.0	5.2	3.5	2.3
Cyclically-adjusted Treaty deficit ²	5.9	3.6	4.4	3.4	2.8	1.5	0.7
Treaty debt ratio ³	86.0	90.7	94.9	98.6	100.8	100.8	99.4
£ billion							
Surplus on current budget	-92	-93	-84	-71	-61	-35	-16
Net investment	29	-6	24	27	26	26	26
Public sector net borrowing	121	86	108	97	87	61	42
Central government net cash requirement	127	105	114	113	100	83	61
Public sector net debt	1104	1189	1286	1398	1502	1580	1637
Underlying PSNB							
PSNB ex. Royal Mail and APF (£ billion)	121	121	120	108	96	67	43
PSNB ex. Royal Mail and APF (per cent of GDP)	7.9	7.8	7.5	6.5	5.5	3.7	2.3
Cyclically-adjusted PSNB ex. Royal Mail and APF (per cent of GDP)	6.0	5.9	5.1	4.0	3.2	1.7	0.7
<i>Memo: Output gap (per cent of GDP)</i>	-2.7	-2.9	-3.7	-3.6	-3.3	-2.7	-2.1

¹ Debt at end March; GDP centred on end March.

² General government net borrowing on a Maastricht basis.

³ General government gross debt on a Maastricht basis.

Table B.6: Changes to the OBR fiscal forecast

	£ billion						
	Outturn 2011-12	Forecast					
		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Surplus on current budget							
June 2010 forecast	-88	-65	-40	-17	0	–	–
December 2012 forecast	-95	-89	-74	-62	-51	-26	-8
<i>Change</i>	2	-3	-9	-8	-11	-9	-8
March 2013 forecast	-92	-93	-84	-71	-61	-35	-16
Net investment							
June 2010 forecast	27	24	20	21	21	–	–
December 2012 forecast	27	-9	25	26	23	23	23
<i>Change</i>	2	3	-1	1	3	3	3
March 2013 forecast	29	-6	24	27	26	26	26
Net borrowing							
June 2010 forecast	116	89	60	37	20	–	–
December 2012 forecast	121	80	99	88	73	49	31
<i>Change</i>	0	6	8	9	14	12	11
March 2013 forecast	121	86	108	97	87	61	42
Per cent of GDP							
Net borrowing							
June 2010 forecast	7.5	5.5	3.5	2.1	1.1	–	–
December 2012 forecast	7.9	5.1	6.1	5.2	4.2	2.6	1.6
<i>Change</i>	0.0	0.4	0.6	0.7	0.9	0.7	0.6
March 2013 forecast	7.9	5.6	6.8	5.9	5.0	3.4	2.2
Cyclically-adjusted surplus on current budget							
June 2010 forecast	-3.2	-1.9	-0.7	0.3	0.8	–	–
December 2012 forecast	-4.3	-3.6	-2.2	-1.4	-0.8	0.4	0.9
<i>Change</i>	0.1	-0.5	-0.6	-0.4	-0.4	-0.3	-0.2
March 2013 forecast	-4.2	-4.0	-2.8	-1.7	-1.2	0.1	0.8
Cyclically-adjusted net borrowing							
June 2010 forecast	5.0	3.4	1.8	0.8	0.3	–	–
December 2012 forecast	6.0	3.0	3.8	2.9	2.0	0.9	0.3
<i>Change</i>	0.0	0.6	0.6	0.4	0.6	0.5	0.3
March 2013 forecast	6.0	3.6	4.3	3.3	2.7	1.3	0.6
Net debt¹							
June 2010 forecast	67.2	69.8	70.3	69.4	67.4	–	–
December 2012 forecast	66.4	74.7	76.8	79.0	79.9	79.2	77.3
<i>Change</i>	5.5	1.2	2.3	3.7	5.1	6.4	7.5
March 2013 forecast	71.8	75.9	79.2	82.6	85.1	85.6	84.8

¹ Debt at end March; GDP centred on end March.