



In this bulletin Dorset refers to the Dorset Council area coming into effect 1st April 2019 unless stated otherwise

Economic Overview

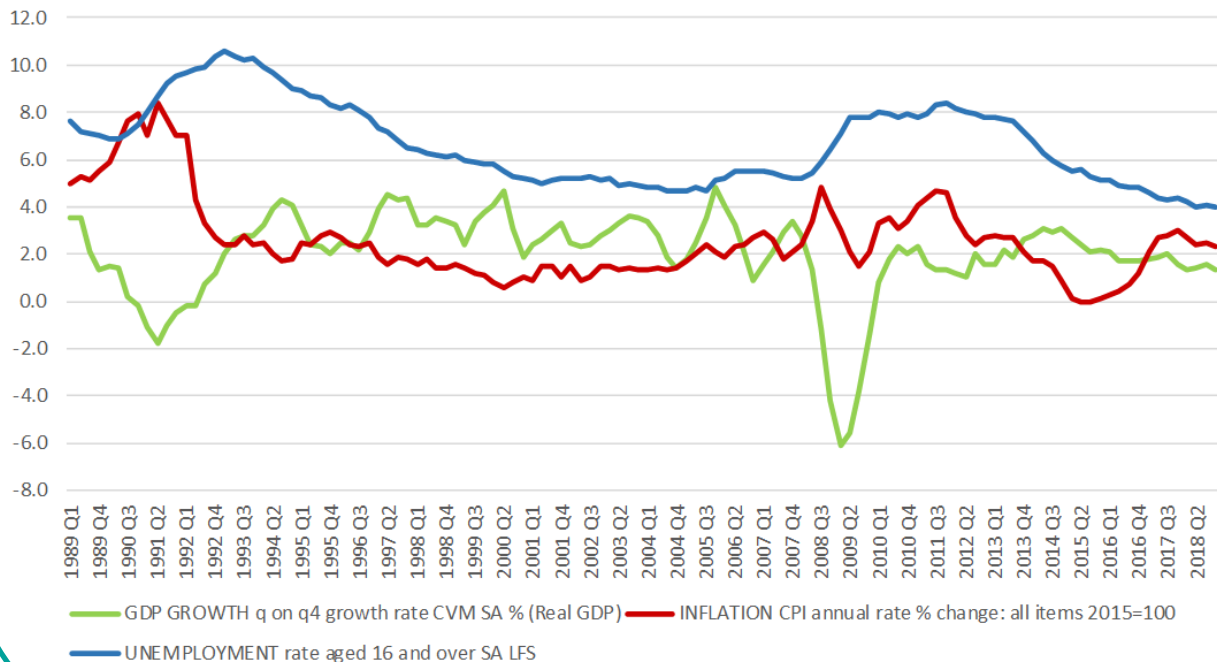
This bulletin is part of a series which make up the 2018 local economic assessment of Dorset.

Box 1: Global and UK Economy

Global growth has weakened, particularly in Europe, after looking stronger in 2017. Trade growth has slowed, particularly in the euro-area. High uncertainty has eroded the confidence of both businesses and consumers and hiring intentions have dropped, particularly in the UK. Slower growth in China is being felt across the global economy. Vulnerabilities continue in emerging market economies, particularly with the large increase in debt.

The UK economy has performed below expectation since the Brexit referendum in 2016 with uncertainty having a marked impact on investment growth and private consumption. With the assumption that the UK and EU reach agreement on Brexit withdrawal conditions, and transition in the near term, the OECD projects slight growth in the UK economy in 2019 followed by slowing in 2020. Uncertainties will continue until the arrangement for trading conditions is clearer and failure to reach a withdrawal agreement is probably the greatest near-term risk. Inflation has been above target since 2017. Unemployment is at an historically low level and real average earnings have risen but remain below the pre-crisis level. Migration from EU countries is falling but there has been an increase in net-migration from non-EU countries.

UK Economy ¹



Sources:
1 Office for National Statistics



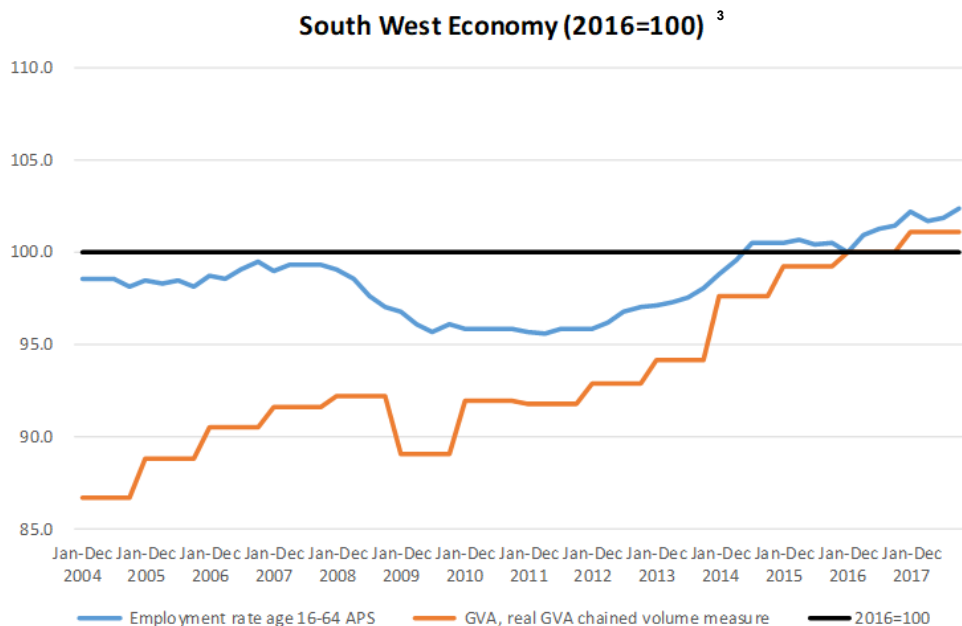
Box 1: Global and UK Economy cont.

Overview of the economy forecast ²							
% change on previous year unless stated	Outturn	Forecast					
	2017	2018	2019	2020	2021	2022	2023
Real GDP	1.7	1.3	1.6	1.4	1.4	1.5	1.6
Business investment	1.8	0.5	2.3	2.1	2.1	2.1	2.2
CPI inflation	2.7	2.6	2.0	2.0	2.1	2.1	2.0
Unemployment rate %	4.4	4.0	3.7	3.8	3.9	3.9	4.0

Overview of the fiscal forecast							
Public sector % of GDP	Outturn	Forecast					
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Net borrowing	1.9	1.2	1.4	1.2	1.0	0.9	0.8
Net debt	85.0	83.7	82.8	79.7	75.7	75.0	74.1

Box 2: South West Economy and Labour Market

In the South West region, both employment and real GVA saw growth over the year to 2017.



Sources:

2 Office for Budget Responsibility, October 2018 update

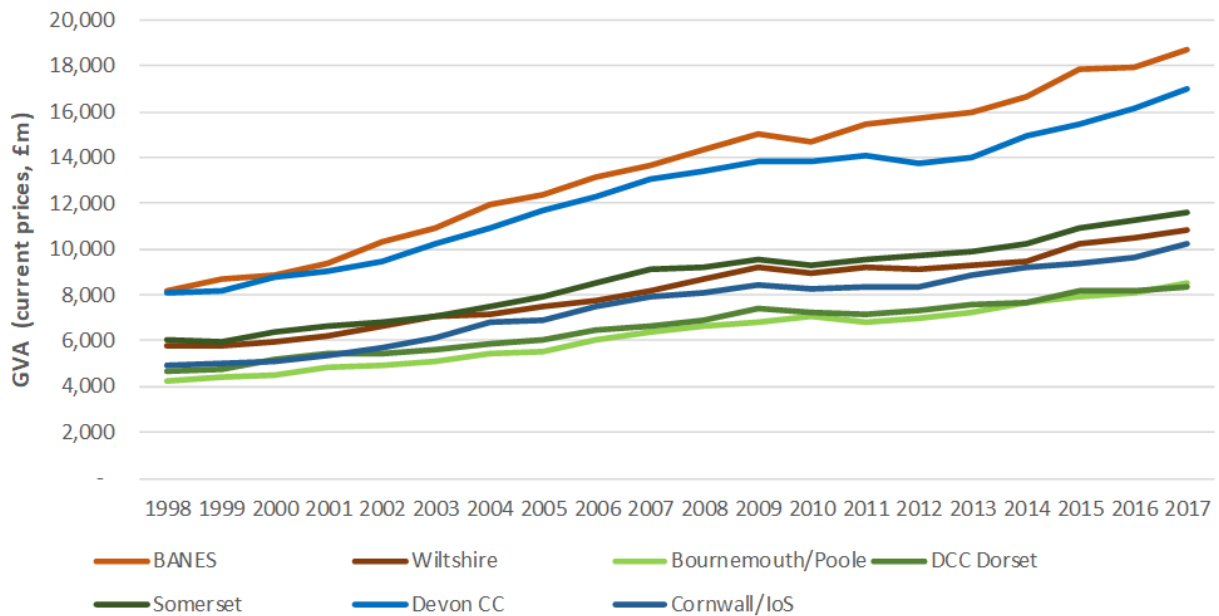
3 Office for National Statistics



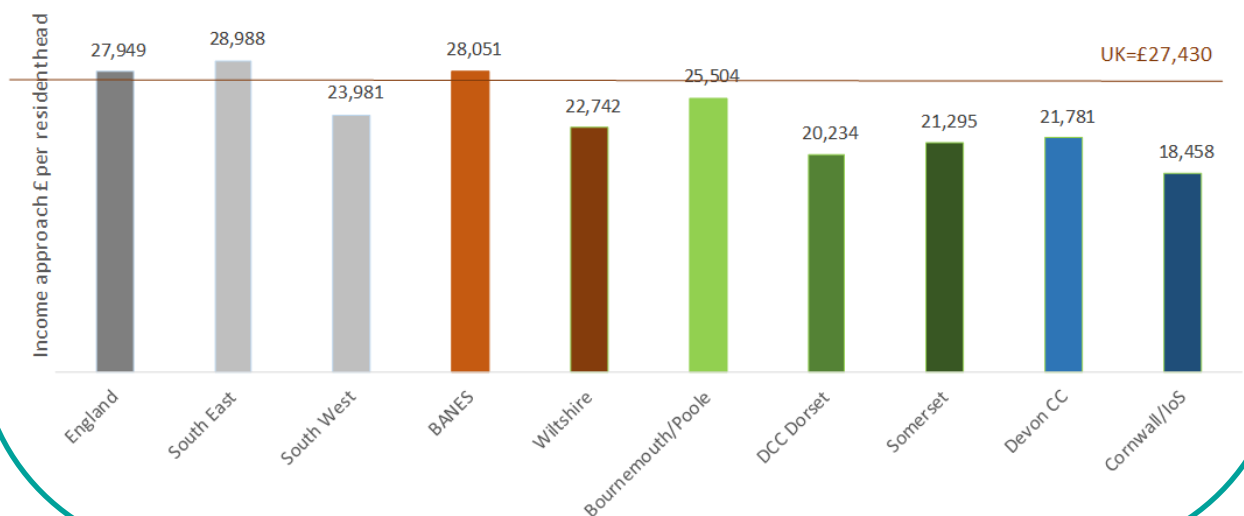
Box 3: Local Economy and Labour Market

However, GVA in current prices in both Bournemouth & Poole and the DCC Dorset area remains below that of neighbouring areas. In the DCC Dorset area, GVA per head is below the South West average and all parts of Dorset lie below the UK average.

Gross Value Added (income approach) ⁴



GVA £ per head, 2017, current prices ⁵



Sources:

4 Office for National Statistics, data for NUTS3 geographies

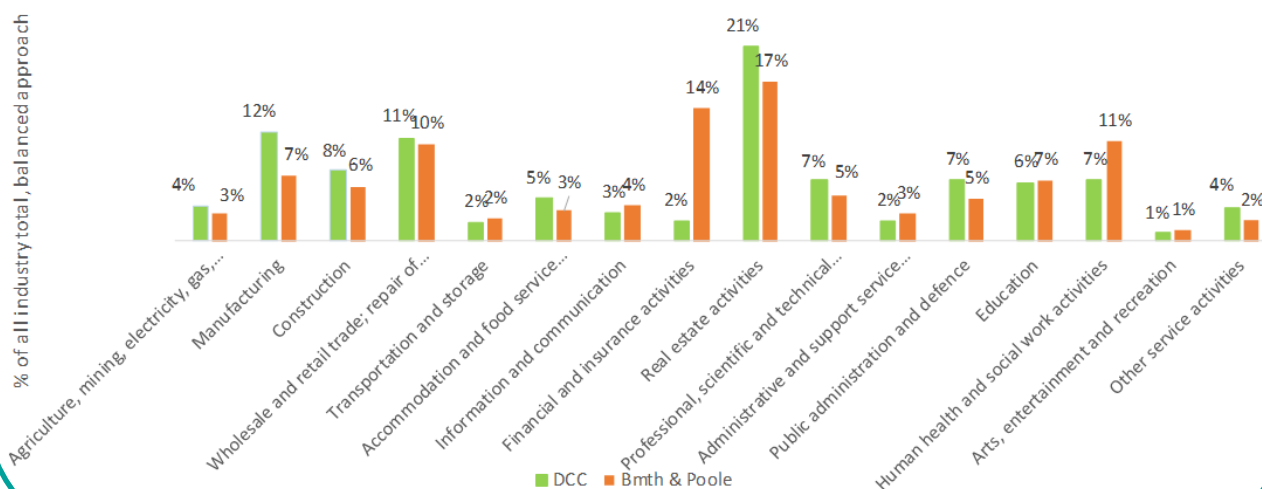
5 Office for National Statistics, data for NUTS3 geographies



Box 3: Local Economy and Labour Market cont.

Looking at GVA by industrial sector, differences are evident between the DCC Dorset area and the Bournemouth & Poole area. In Bournemouth & Poole, major contributors to total GVA are Real Estate and Finance & Insurance, followed by Human Health & Social Work and the Wholesale & Retail Trade. In the DCC Dorset area, Real Estate is again the most significant contributor, followed by Manufacturing and the Wholesale & Retail Trade.

GVA % of all, by industry, 2017, Dorset ⁶



Box 3 Labour market (October 2017-September 2018)

Unemployment remains at a relatively low level in most parts of Dorset and employment is relatively high⁷.

	Employment rate, 16-64 % of those aged 16-64	Unemployment rate, 16-64 % of economically active
Great Britain	75.1	4.3
South East	78.1	3.5
South West	78.7	3.0
Dorset LEP area	77.3	3.5
Bournemouth	75.4	3.5
DCC Dorset	77.9	3.6
Poole	78.6	3.0
Christchurch	78.9	4.0
East Dorset	82.5	2.8
North Dorset	78.2	3.1
Purbeck	76.1	!
West Dorset	74.7	5.2
Weymouth and Portland	76.7	3.6
BCP	76.9	3.4
DC	77.8	3.6

! Estimate not available

Sources/Notes:

6 Office for National Statistics

7 Annual Population Survey, ONS, Oct 2017-Sep 2018

Caution: the APS is a sample survey and subject to sample error meaning that the true figure could fall either side of that published