

ECONOMIC WEEK IN REVIEW
2017
RETROSPECTIVE

“consumers’ purchasing power [continues] to be squeezed by inflation running higher than wage growth”

EY Item Club



Construction growth

In August, year-on-year construction growth fell to just 0.8% in Q2 this year, one of the lowest rates recorded since 2012. Despite showing annual growth of 6%, the middle of the year plateaued and commercial output fell 4.4% from a Q1 2017 high.



Marmite

Marmite stole the headlines after Unilever announced 10% price increases, citing additional cost pressures after Sterling’s slump, but it was not the only brand or product to warn of some of the early cost implications of Brexit.

Labour levels



In a sign of things to come, the Chartered Institute of Personnel and Development suggested that a shortage of shop, factory, and hospital workers was due to lower levels of migration from the EU following the referendum. Migration figures fell by 70%, but was still positive.



T-Levels

The then Chancellor Philip Hammond used his Budget to launch T-levels; a series of technical training to allow a smoother, more obvious route into careers such as construction. The courses were developed in collaboration with employers and businesses in order to prepare students for particular industries, and were launched in September 2020.

Iron ore crash



Following huge price increases in 2016, iron ore prices fell nearly 40% from the highs seen in February, falling 30% on an annual basis. After stellar increases in 2016, iron ore prices fell nearly 40% from their February 2017 high falling 30% on an annual basis. Demand for iron ore reduced as China announced a crackdown on pollution, which pushed prices down towards \$50/tonne towards the end of the year. Iron ore trades at around \$120 today, having fallen from a 2021 peak of nearly \$210.



Snap election

After Prime Minister Theresa May called for a snap election, the UK headed to the polls for the fourth time in four years. The election didn’t render the predicted majority, but instead left a hung parliament and a coalition with Northern Ireland’s DUP. Crucially, however, it gave the Conservative party a manifesto mandate to deliver Brexit.

“the legislation required for Brexit will leave little parliamentary time for anything else”

Institute for Government