

## UK Report Overview (updated as of October 12, 2020)

This is an overview of the economic and industry related information for the UK as of September 2020. This report will summarize the economic state of the UK and changes resulting from the COVID-19 pandemic.

### Fast Facts/Statistics<sup>1</sup>

- Population: 67,025,542
- GDP (PPP): \$2.7 trillion
- GDP per capita: \$42,944 (2019)
- GDP growth rate: -10.3%
- Projected GDP growth rate: 8.4% (2021)
- Inflation (CPI): 1.5%



### UK Overview and Economic Summary

For the UK, the Government of the United Kingdom, or Her Majesty's Government, is the central government. The government is led by the prime minister, currently Boris Johnson, who selects all of the other ministers. Their national language is English and national currency is the pound sterling.<sup>2</sup> The UK has a strong economy ranking 6th in the world. When compared in terms of GDP purchasing power, the UK slips to 9th in the world. It ranks 23rd in terms GDP per capita and the UK is expected to slide to the 7th spot by 2023. The economy of the UK is primarily driven by the services sector, which contributes to more than 75% of its GDP, with manufacturing next, followed by agriculture.<sup>3</sup>

### COVID-19 Impact and 2020 Economic Data

The UK's economy has been affected by COVID-19. The overall economic outlooks from last year through next year are shown below under the assumption that a vaccine will be approved by Jan 2021. It can be noted that they saw major decreases in 2020 and are predicting major increases for 2021.<sup>4</sup>

**Table 1: KPMG forecasts**

(Scenario assumes a vaccine is approved in Jan 2021 and the UK agrees a deal with the EU)

	2019	2020	2021
GDP	1.5	-10.3	8.4
Consumer spending	1.0	-12.9	8.4
Investment	0.7	-15.7	7.8
Unemployment rate	3.8	5.9	8.2
Inflation	1.8	1.0	1.1
Base interest rate	0.75	0.1	0.1

Source: ONS, KPMG forecasts. Average % change on previous calendar year except for unemployment rate, which is average annual rate. Investment represents Gross Fixed Capital Formation, inflation measure used is the CPI and the unemployment measure is LFS. Interest rate represents level at the end of calendar year.

<sup>1</sup> <http://wdi.worldbank.org/table>

<sup>2</sup> [https://en.wikipedia.org/wiki/Government\\_of\\_the\\_United\\_Kingdom](https://en.wikipedia.org/wiki/Government_of_the_United_Kingdom)

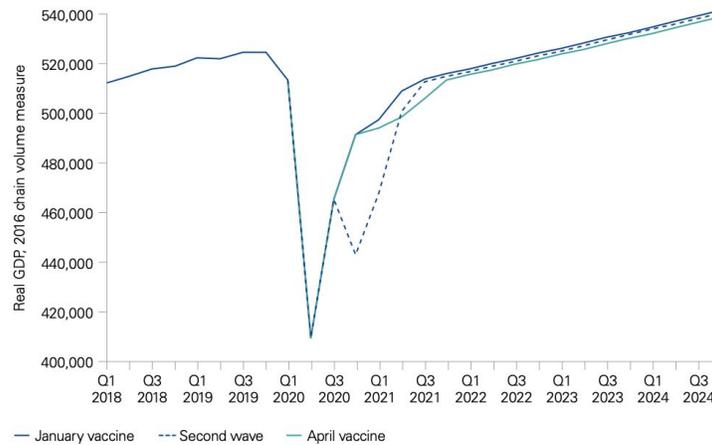
<sup>3</sup> <https://www.investopedia.com/insights/worlds-top-economies/>

<sup>4</sup> <https://assets.kpmg/content/dam/kpmg/uk/pdf/2020/08/uk-economic-outlook-sep-2020.pdf>

## COVID-19 Impact and 2020 Economic Data

The following figures show different economic outlooks for the UK based on their current COVID-19 outlooks, with different assumptions for when a vaccine would be created and approved.

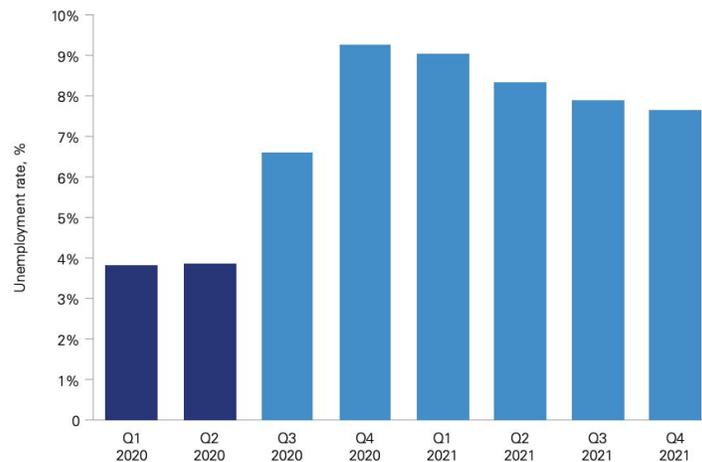
**Chart 1: GDP growth in two vaccine scenarios**



Source: ONS, KPMG forecasts

The GDP impact with consideration of a vaccine by January vs. April including if a second wave would occur.<sup>5</sup>

**Chart 5: Unemployment rate forecast**

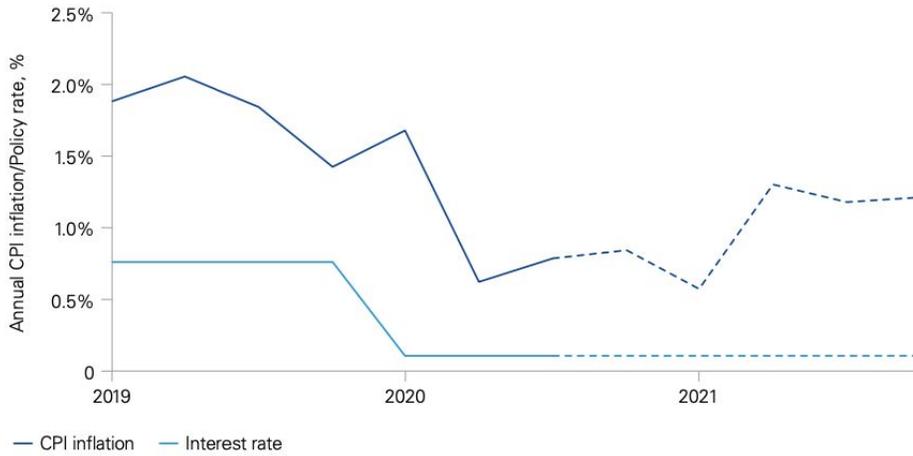


The unemployment rate forecasted from January 2020 to December 2021.<sup>6</sup>

<sup>5</sup> <https://assets.kpmg/content/dam/kpmg/uk/pdf/2020/08/uk-economic-outlook-sep-2020.pdf>

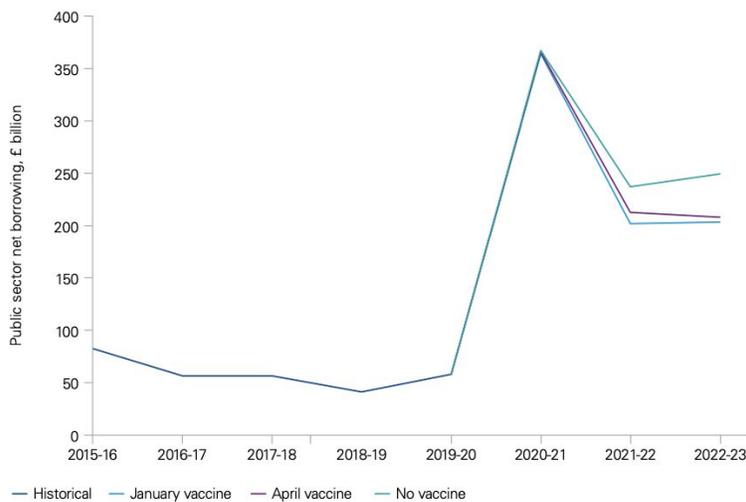
<sup>6</sup> <https://assets.kpmg/content/dam/kpmg/uk/pdf/2020/08/uk-economic-outlook-sep-2020.pdf>

**Chart 6: Outlook for inflation and base interest rate**



Inflation and interest rates from 2019 through 2021.<sup>7</sup>

**Chart 7: The budget deficit is expected to plateau at a higher level than the pre-pandemic years after the peak in 2020-21**



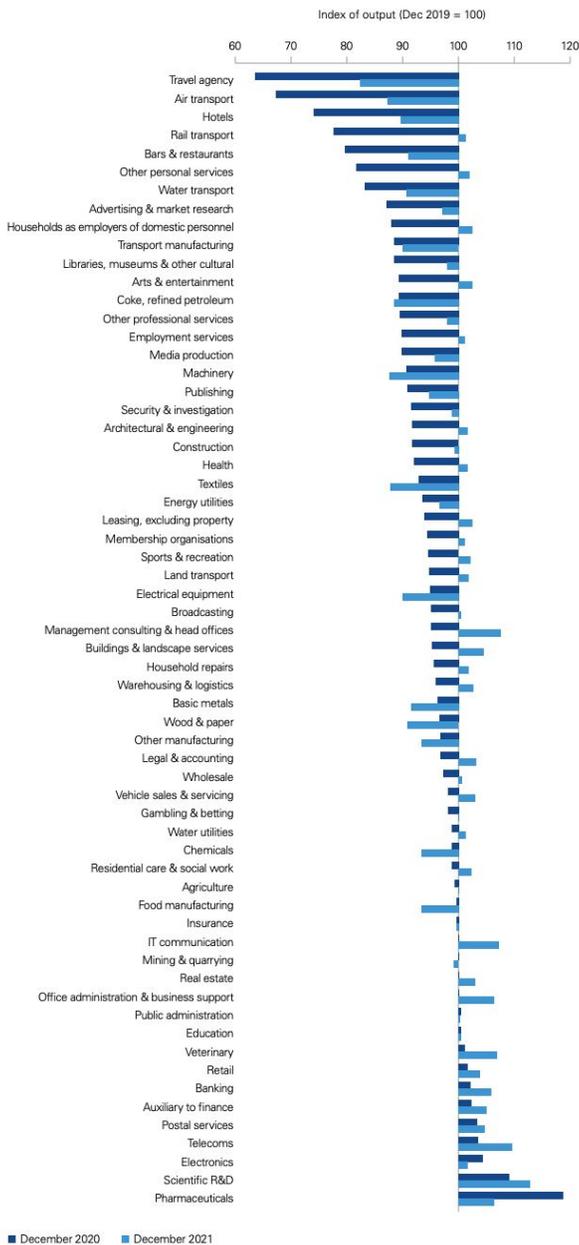
Budget deficit predicted outcomes with a vaccine in January vs. April vs. no vaccine approved.<sup>8</sup>

<sup>7</sup> <https://assets.kpmg/content/dam/kpmg/uk/pdf/2020/08/uk-economic-outlook-sep-2020.pdf>

<sup>8</sup> <https://assets.kpmg/content/dam/kpmg/uk/pdf/2020/08/uk-economic-outlook-sep-2020.pdf>

## Major Industries and Trends

The UK found that the impact of COVID-19 was strongly sector based, with the greatest falling on the travel, hospitality, and recreation sectors. Their staggered reopening plan has provided some sectors with a boost over the summer months and is driving economic recovery. The pandemic has hit the travel sector the hardest, and in the event of a second wave, the travel sector could hit an even lower low. The figure below shows the sector outputs for the end of 2020 and 2021 compared to december of 2019 before the pandemic hit the UK.<sup>9</sup>



In 2020, the most damage was to travel and transportation services. Almost all sectors had some decrease in 2020 as compared to December 2019.

The following few sectors had no change in 2020 as compared to December 2019:

- IT Communication
- Mining and Quarrying
- Real Estate
- Office Administration and Business Support

The following few sectors actually had increases in 2020 as compared to December 2019:

- Public Administration
- Education
- Veterinary
- Retail
- Banking
- Auxiliary to Finance
- Postal Services
- Telecoms
- Electronics
- Scientific R&D
- Pharmaceuticals

The lighter blue graphing shows the 2021 predicted outcomes for each of these sectors based off of December 2019.

<sup>9</sup> <https://assets.kpmg/content/dam/kpmg/uk/pdf/2020/08/uk-economic-outlook-sep-2020.pdf>

## Major Cities and Housing

Major cities and their populations

- London (9,750,500)
- Birmingham (2,453,700)
- Manchester (1,903,100)
- Glasgow (1,057,600)
- Newcastle (837,500)

### London

The capital of the UK, London is the epicenter for UK economy, politics, and culture. London is quite diverse as 37.6% of their population consists of foreign-born residents. Living in London can be expensive. The average student apartment in London is around 19.2 square meters. The expected monthly living expenses for a student in London is £1,100-£1,300. This estimate includes accommodation, travel, food, laundry, study costs, and other personal expenses.

### Birmingham

Birmingham is the second largest city in the UK, after London. It is located in the West Midlands metropolitan county. Living expenses in Birmingham are slightly lower than London. A single person in Birmingham can estimate to spend approximately £653 per month.

### Manchester

Manchester is the third largest city in the UK by population with 1,903,100 residents. The average monthly rent for a furnished apartment approximately 45 square meters is approximately £805 per month.



(Left to right:) London, Birmingham, Manchester

## Opportunities for Internships and Co-ops

The UK has historically been a student destination for industry and research co-ops. In addition to positions posted on NUworks, students can explore dedicated websites to identify opportunities (see partial list below). Currently due to COVID-19, some of the organizations may not offer internships or co-ops. However, the UK is handling COVID-19 quite well, and have completed their lockdown period.

- [Prospects](#)
- [Go Abroad](#)
- [StudentJob](#)
- [E4s.co.uk](#)
- [Internwise](#)

## Resources for NU Students

### GoinGlobal

GoinGlobal helps new and experienced job seekers find opportunities both at home and abroad. As the market leader in online career and employment resources for more than 16 years, our website has helped millions of new and experienced professionals expand their horizons.

We are committed to providing “grassroots employment intelligence” through our team of local career experts. These globally-minded individuals are in place around the world, personally monitoring and updating the career information and resources that we deliver to you.

GoinGlobal’s Internship database features millions of opportunities around the globe—all updated daily. Our proprietary search engine has the unique ability to identify internships that have been posted in the local language, as well as in English. Each internship opportunity lists the position title and description, company name, location and date of posting.

GoinGlobal makes it easy to search for internship positions in the nonprofit and international development fields, as well as opportunities with public and private organizations of every size and focus.

Link: <http://www.goinglobal.com/>

### GlobeSmart

With over 25 years of experience, Aperian Global provides organizations with scalable, blended solutions that enable them to conduct business effectively across boundaries. Our consulting, training, and online learning tools help

employees at all levels to engage global and local counterparts in a fully inclusive way, bringing out their best ideas while serving as a catalyst for innovative new solutions.

Prepare for trips or relocation abroad with guidance on over 50 cultural business topics, including travel, attitudes towards women, safety, manners and etiquette, and more.

Link: <https://www.globesmart.com/>