

Office for  
**Budget  
Responsibility**

## **November 2023 Economic and fiscal outlook**

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The event will begin at 2.30pm

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## **November 2023 Economic and fiscal outlook**

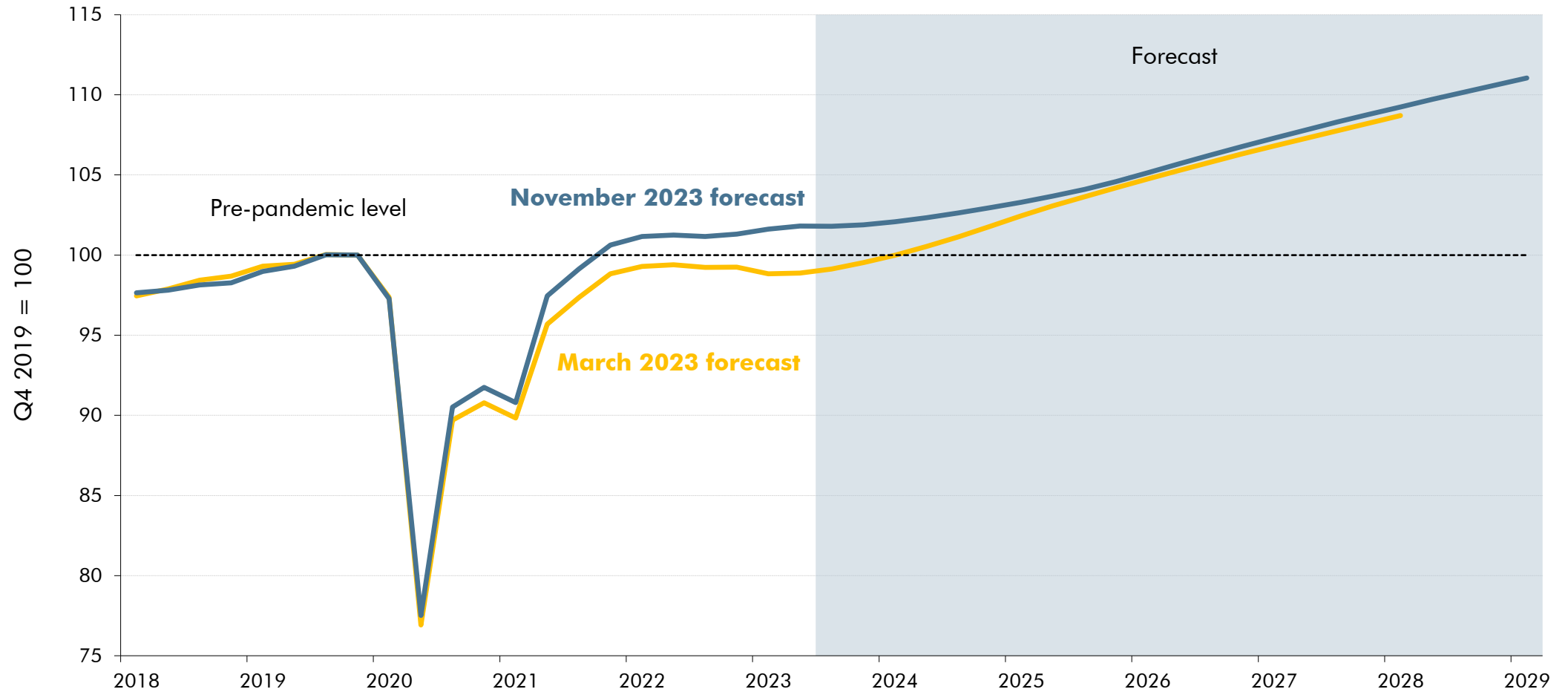
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**Richard Hughes**  
Chair

London  
22 November 2023

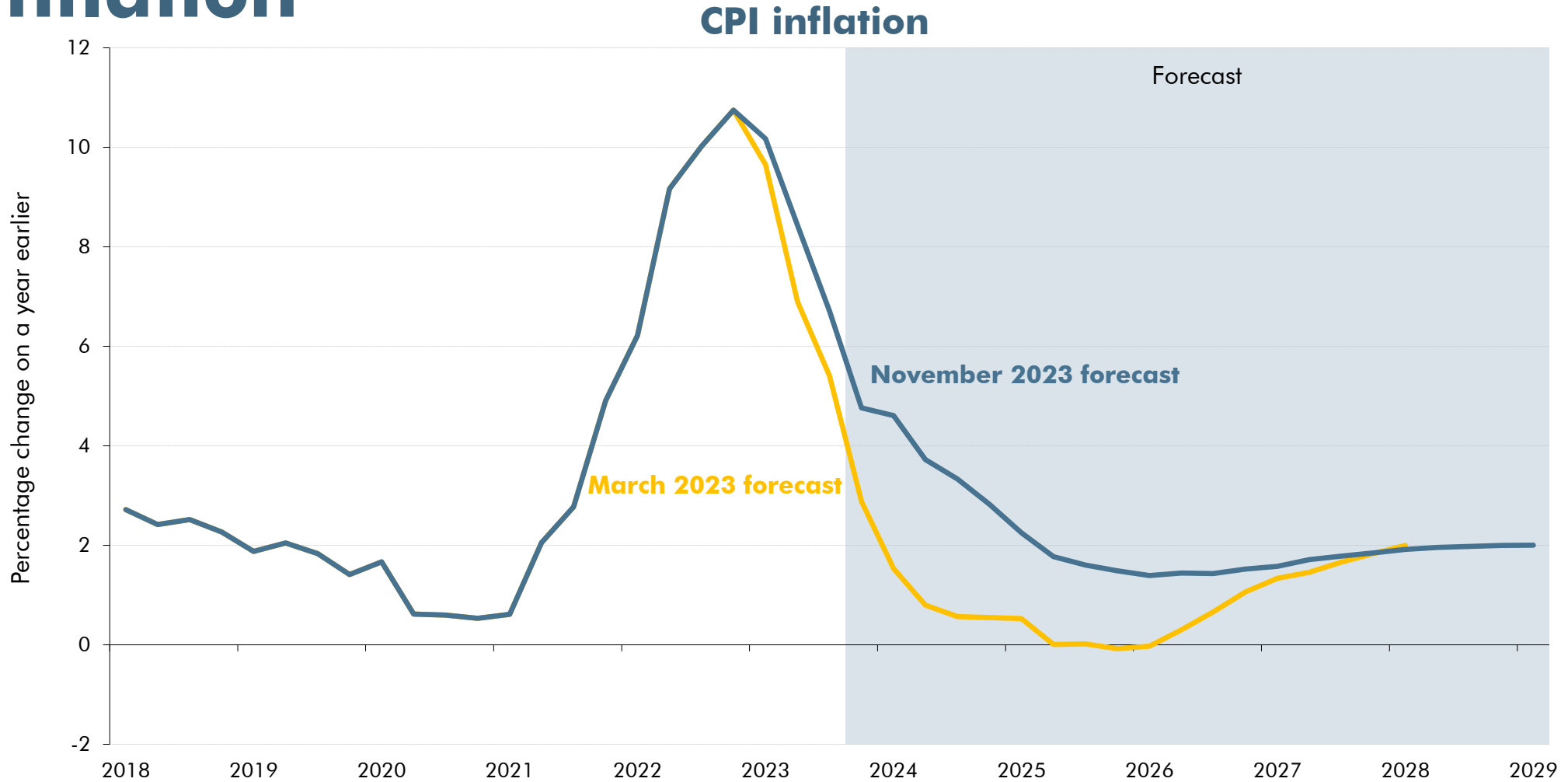
# GDP

## Real GDP level



Source: ONS, OBR

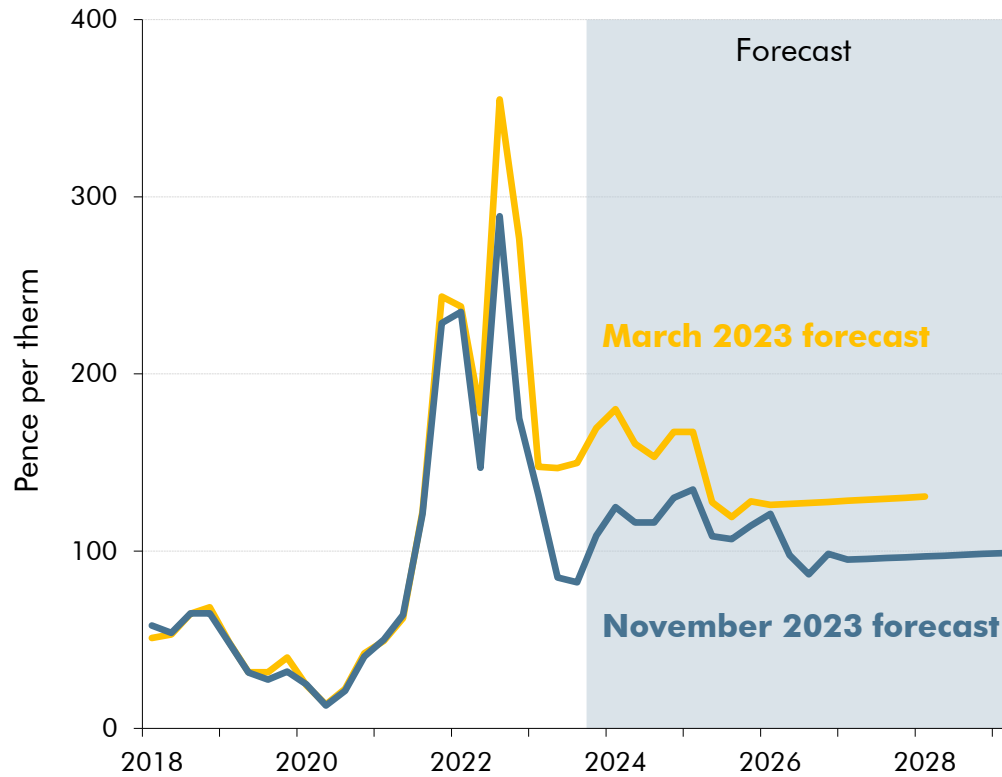
# Inflation



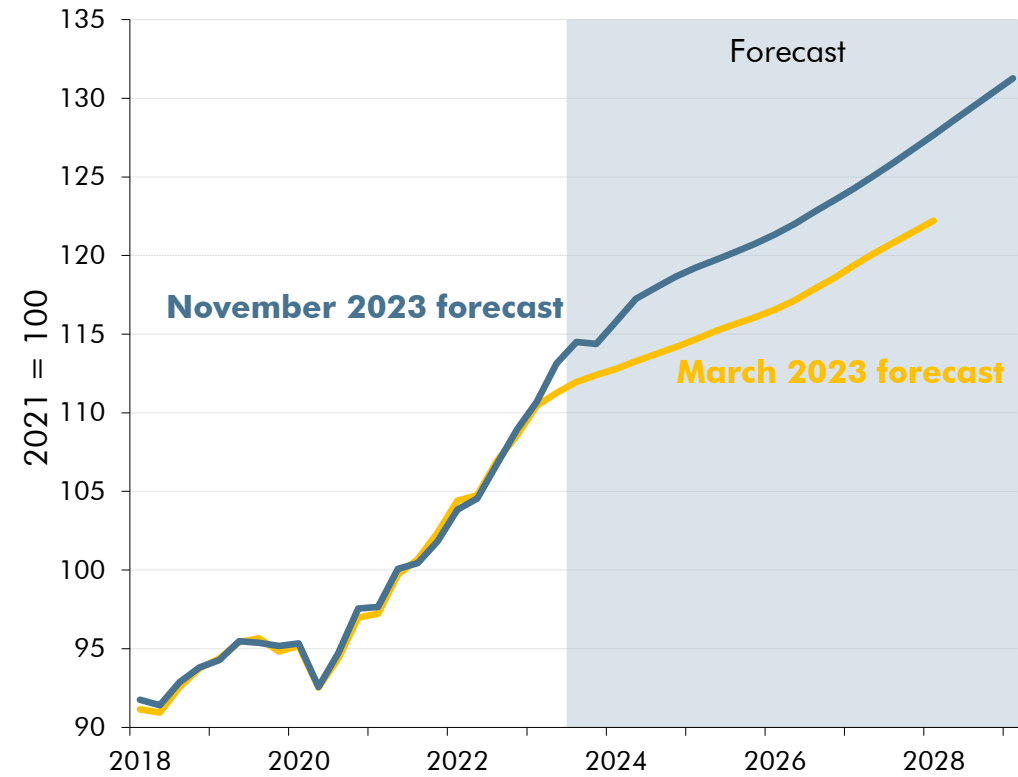
Source: ONS, OBR

# Composition of inflation

## Wholesale gas prices

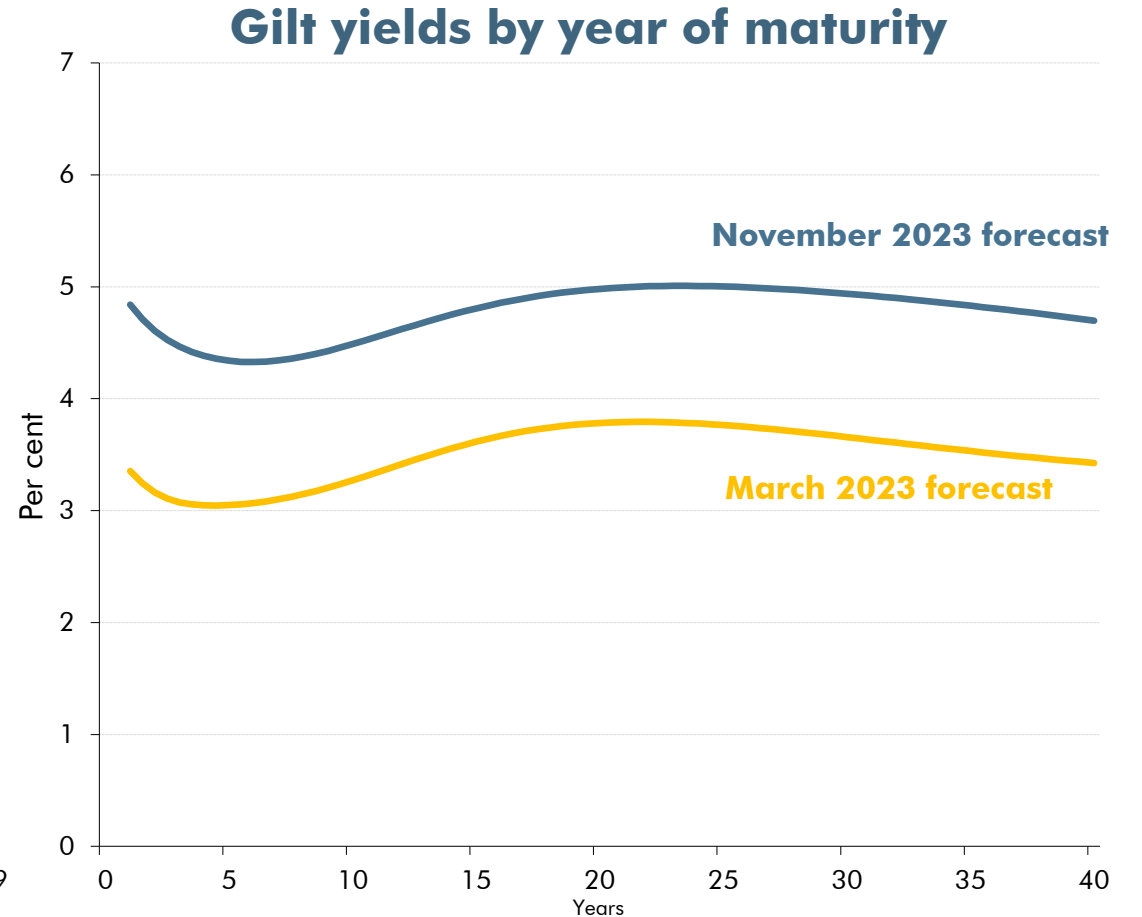
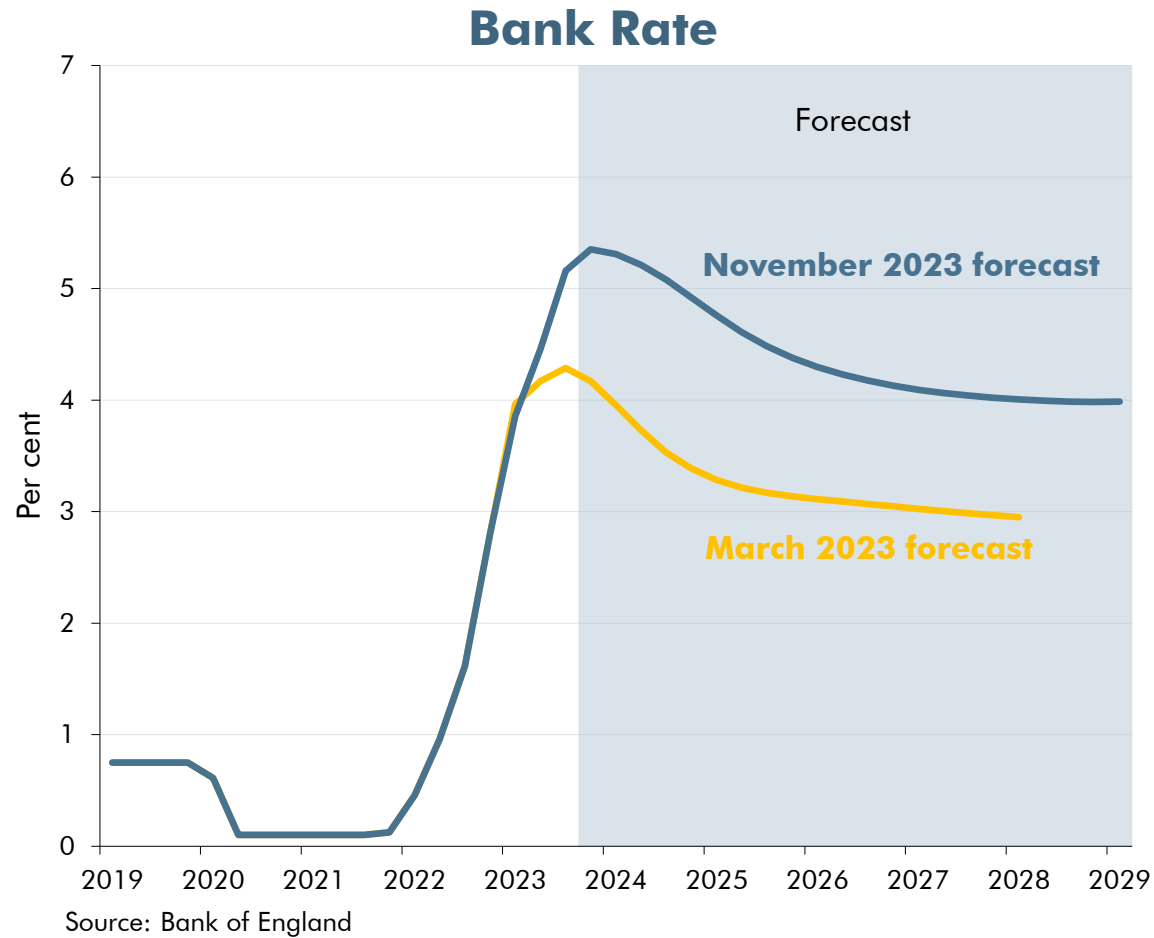


## UK nominal earnings

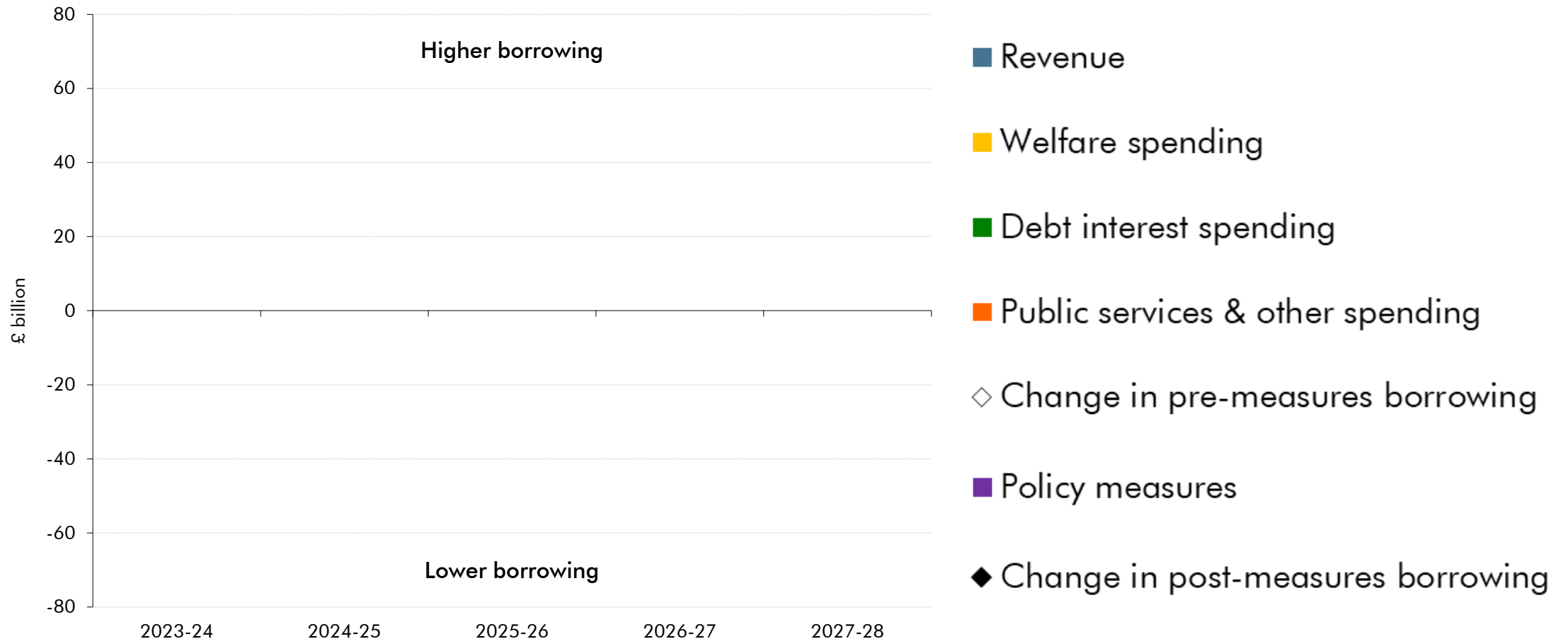


Source: Datastream, ONS, OFGEM, Eikon, OBR

# Interest rates

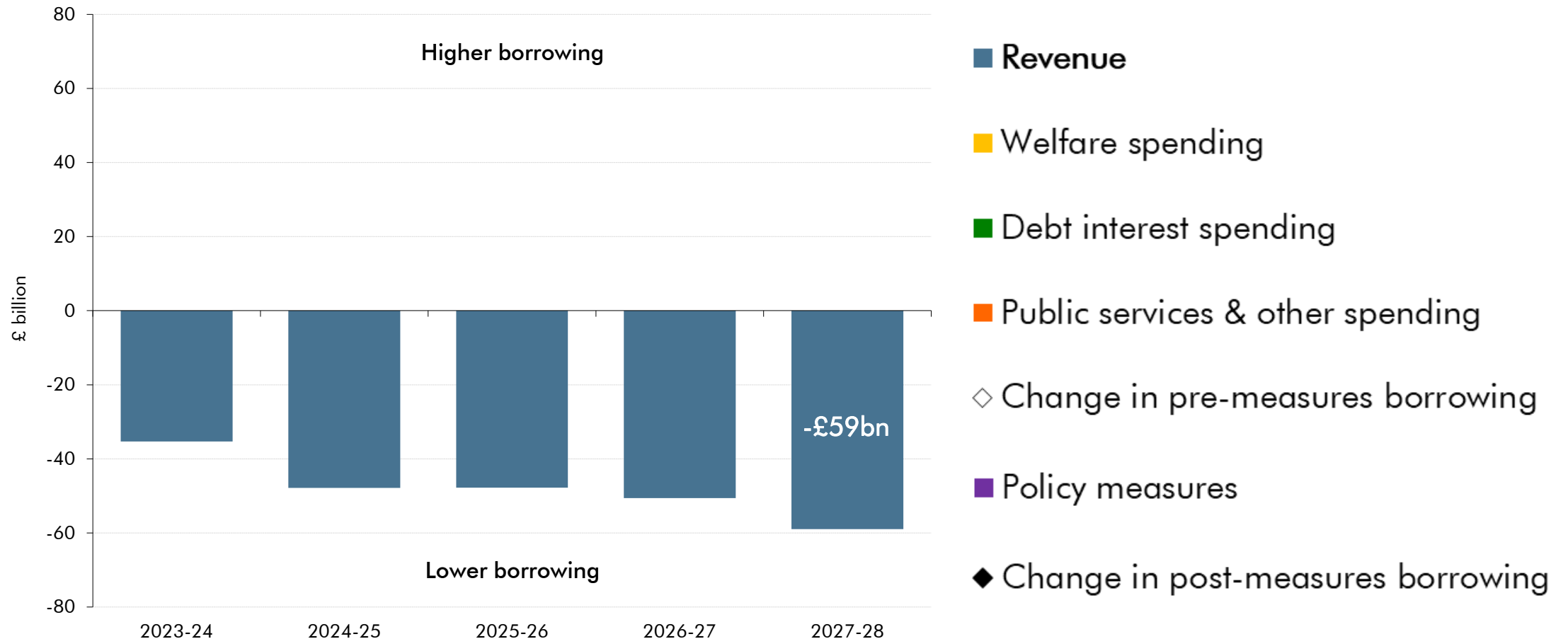


# Change in public borrowing since March



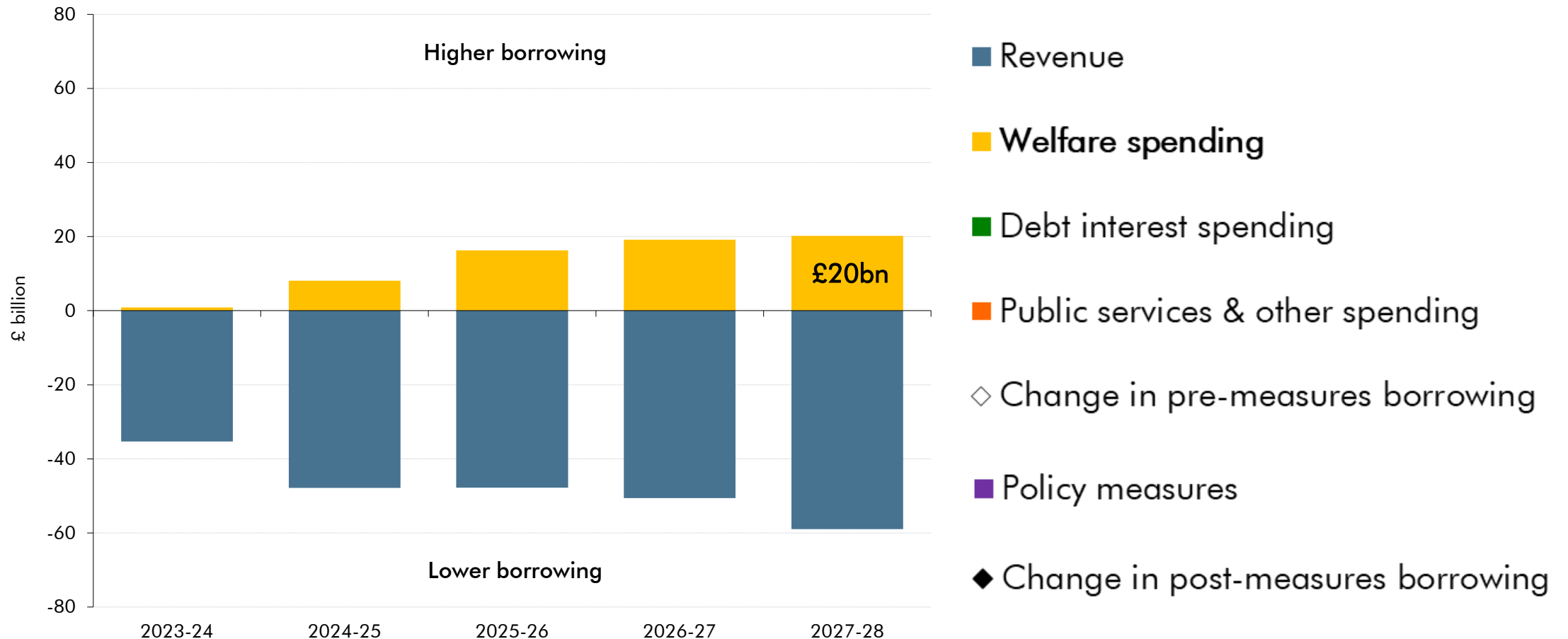
Source: OBR

# Change in public borrowing since March

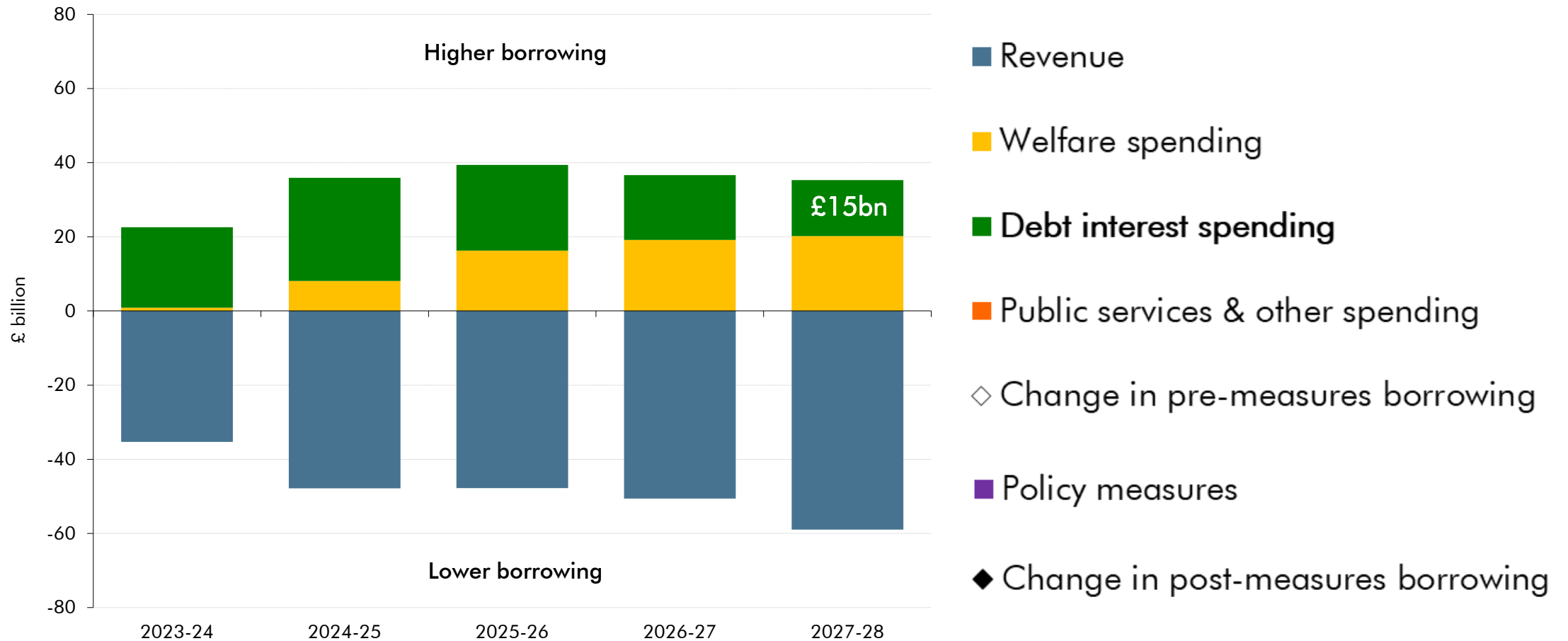




# Change in public borrowing since March

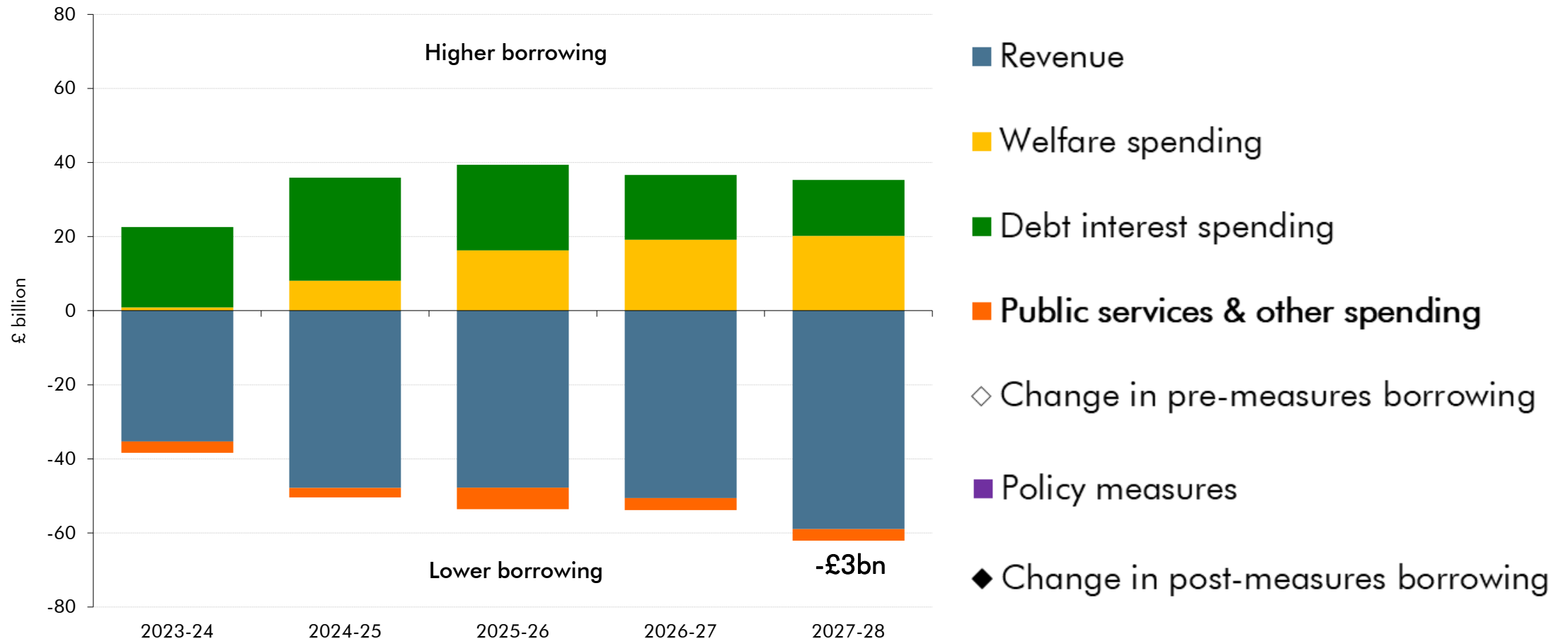


# Change in public borrowing since March



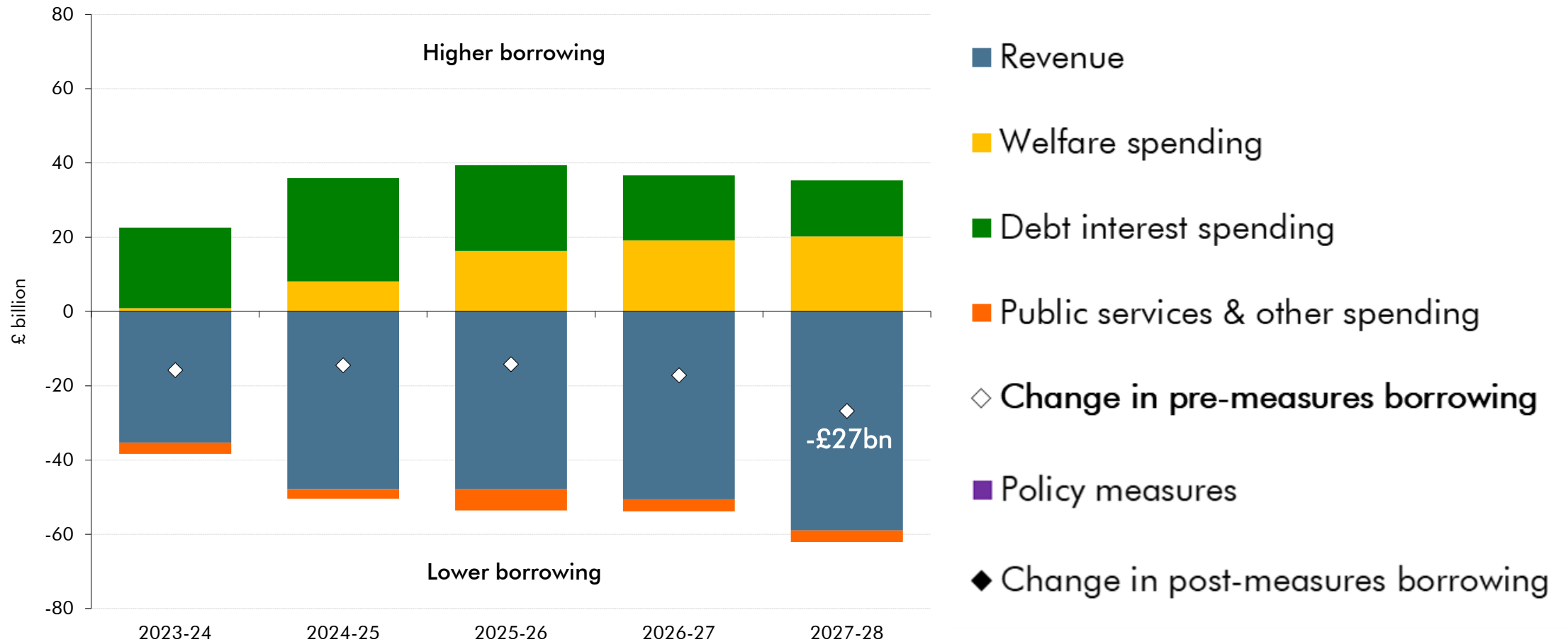
Source: OBR

# Change in public borrowing since March



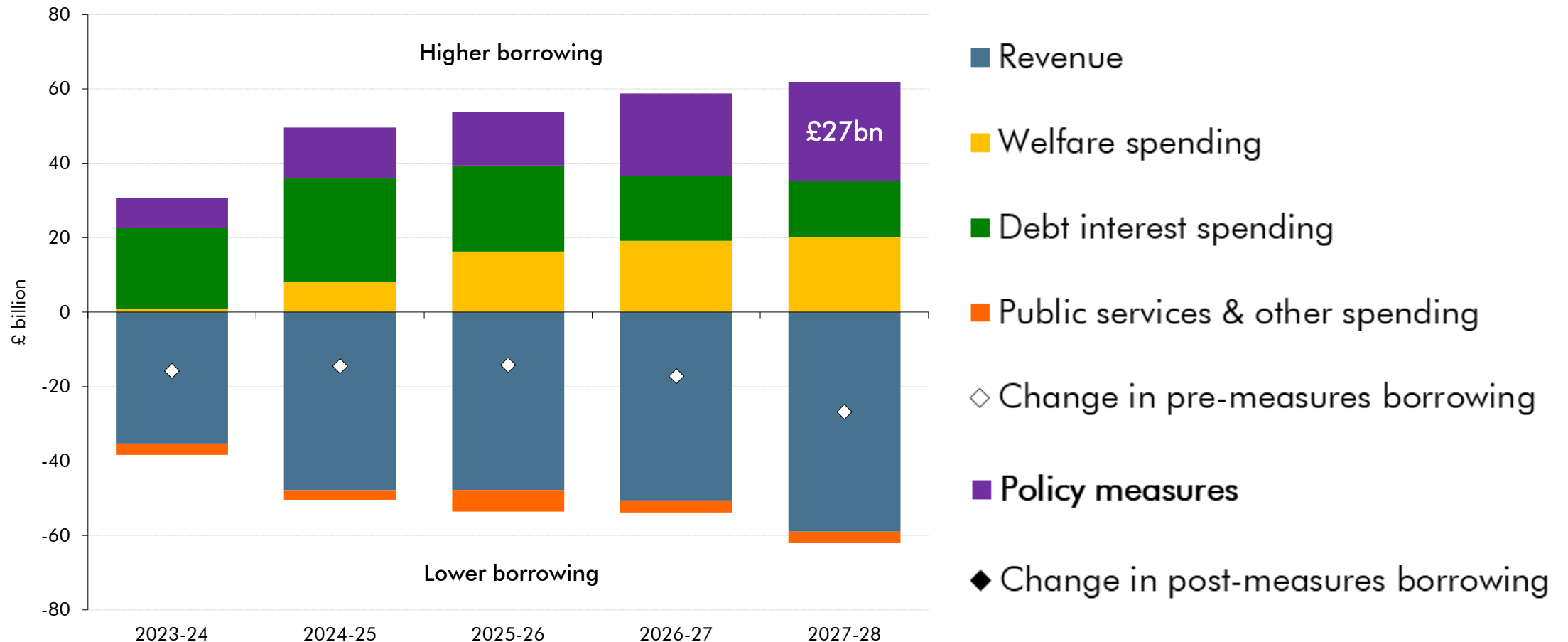
Source: OBR

# Change in public borrowing since March



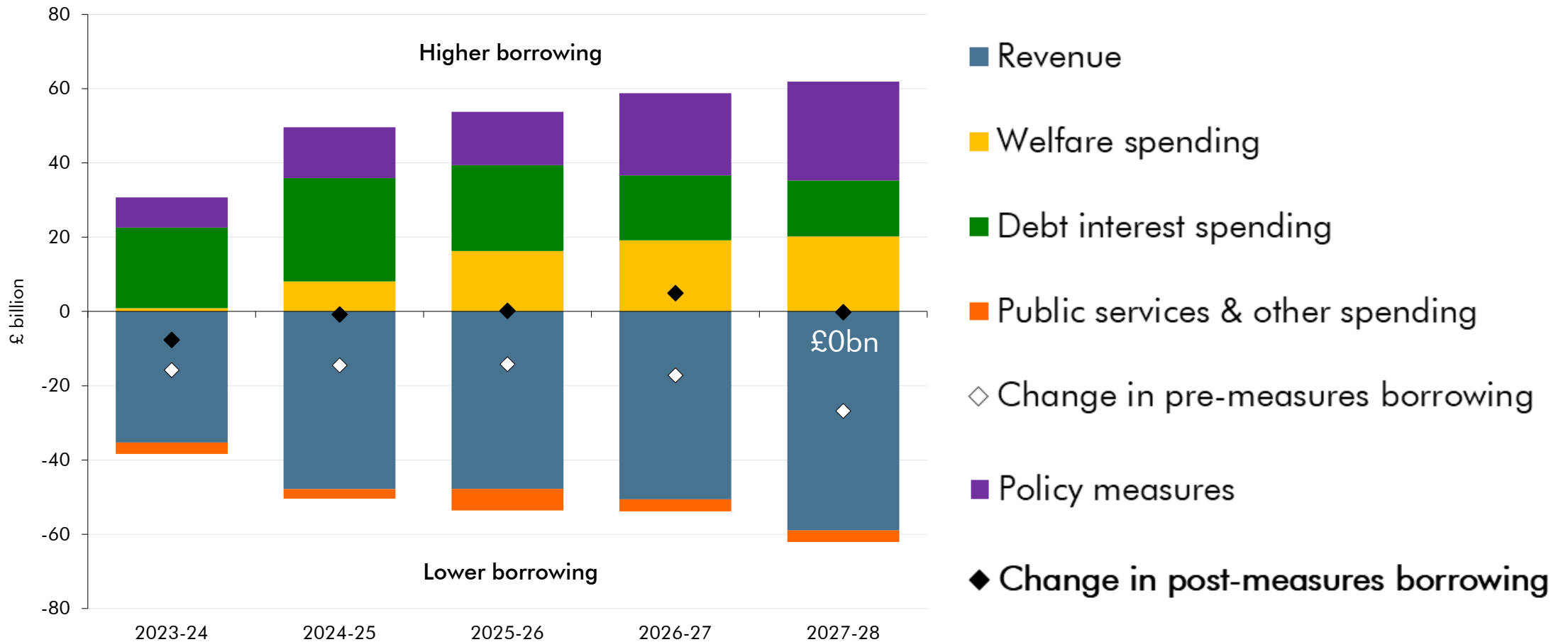
Source: OBR

# Change in public borrowing since March



Source: OBR

# Change in public borrowing since March

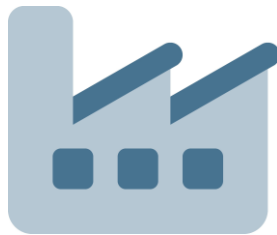


Source: OBR

# Autumn Statement policy package



2p cut in employee National Insurance Contributions and other changes costing £10 billion by 2027-28

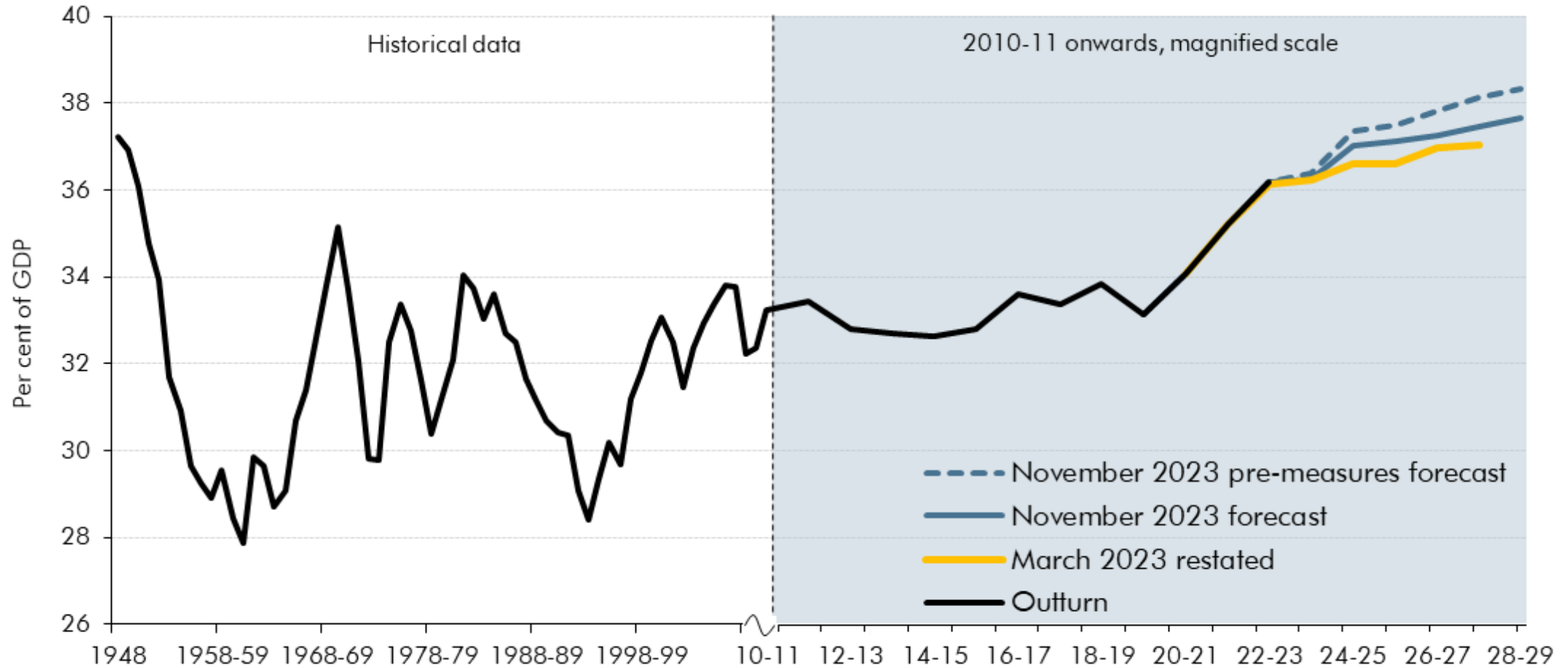


Permanent up-front tax write-offs for business investment costing £9 billion by 2027-28



Health and welfare reforms to help get 50,000 more people into employment

# Tax burden

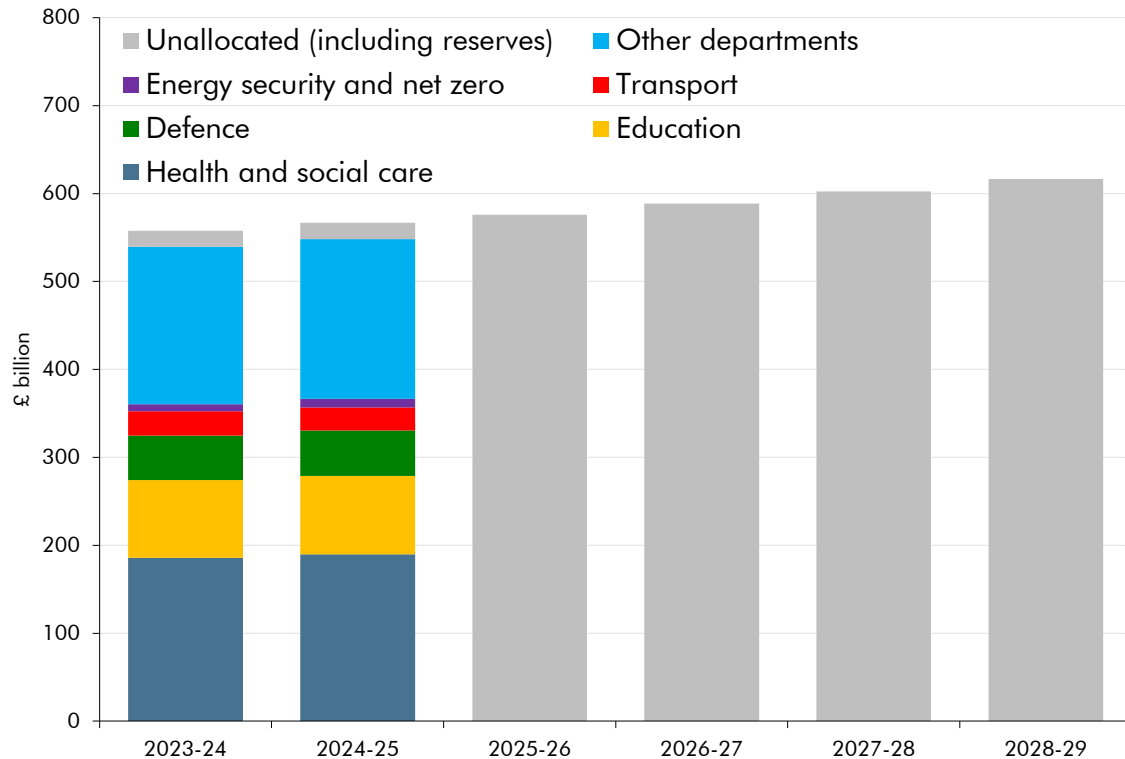


Source: ONS, OBR



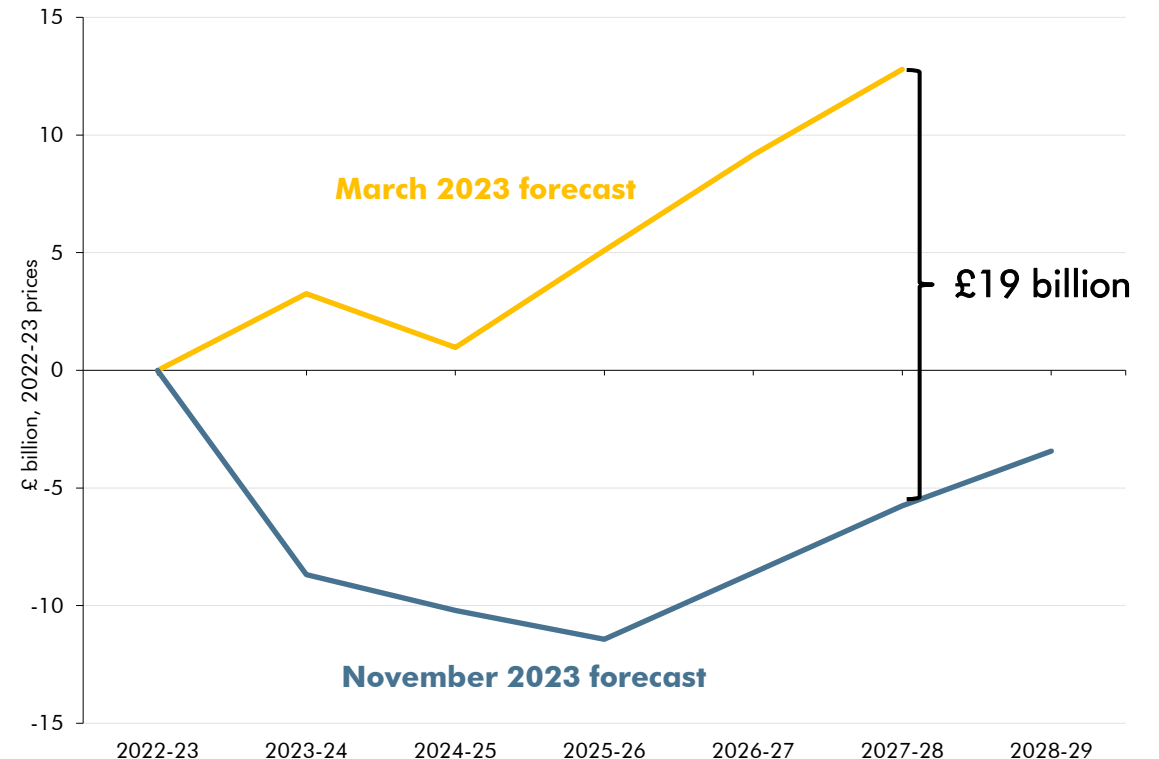
# Public services spending

## Departmental expenditure limits (Cash totals)



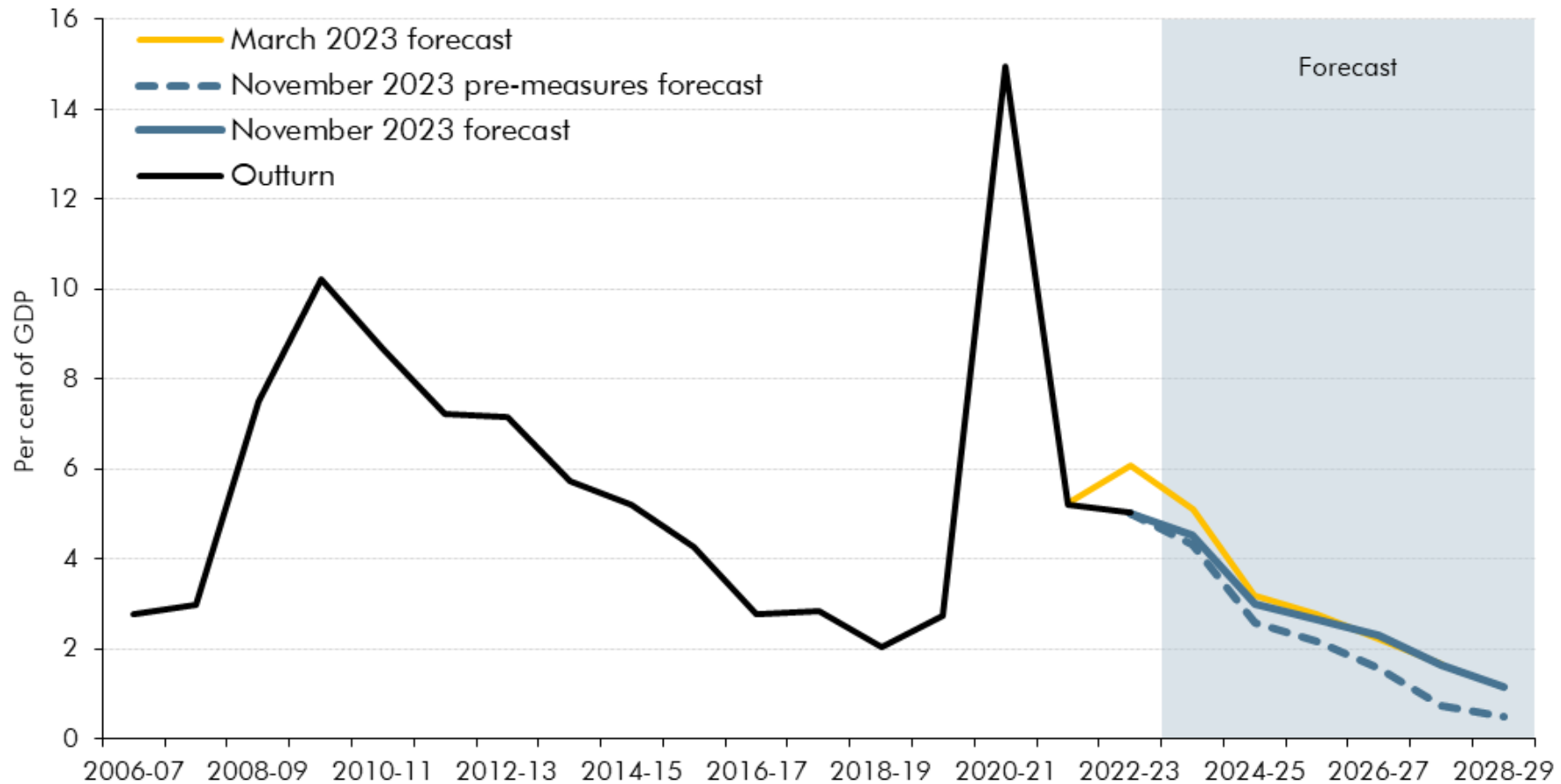
Source: PESA, OBR

## Departmental expenditure limits (Real change since 2022-23)



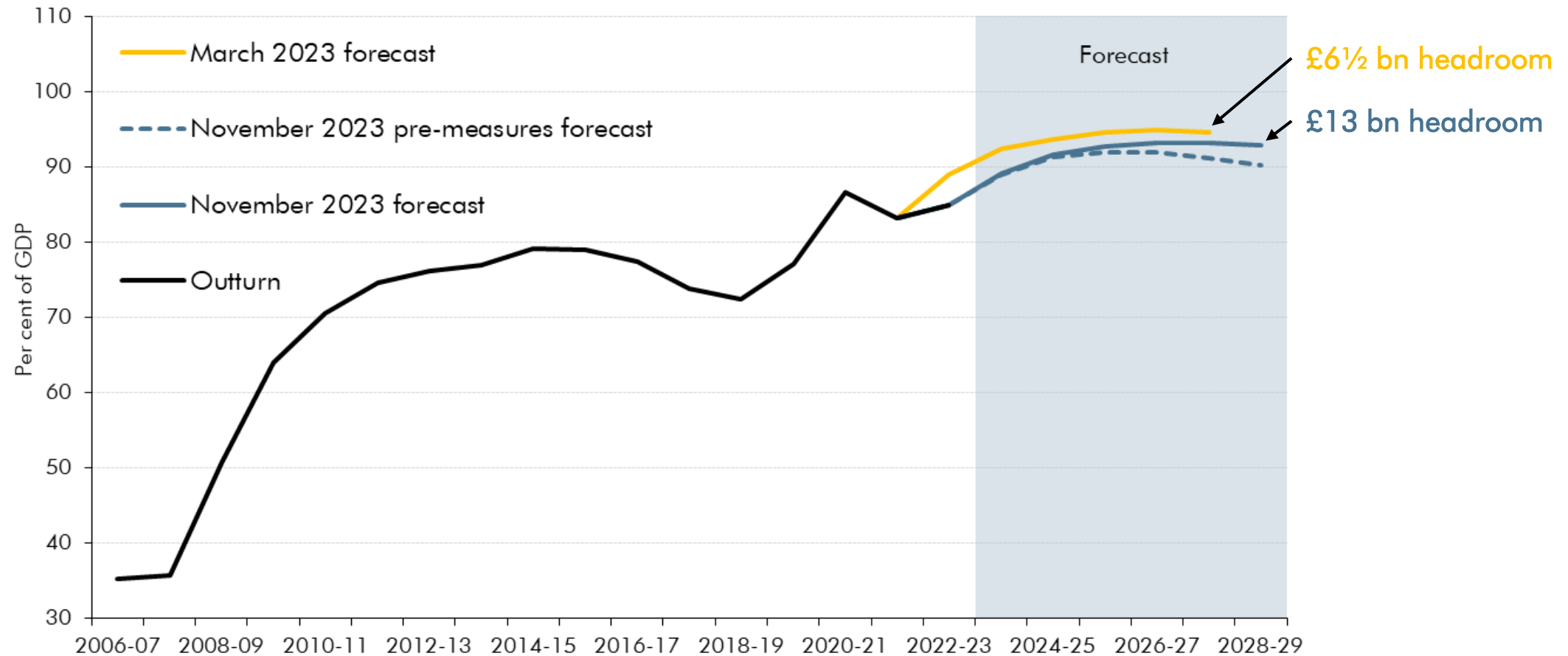
Source: OBR

# Government borrowing



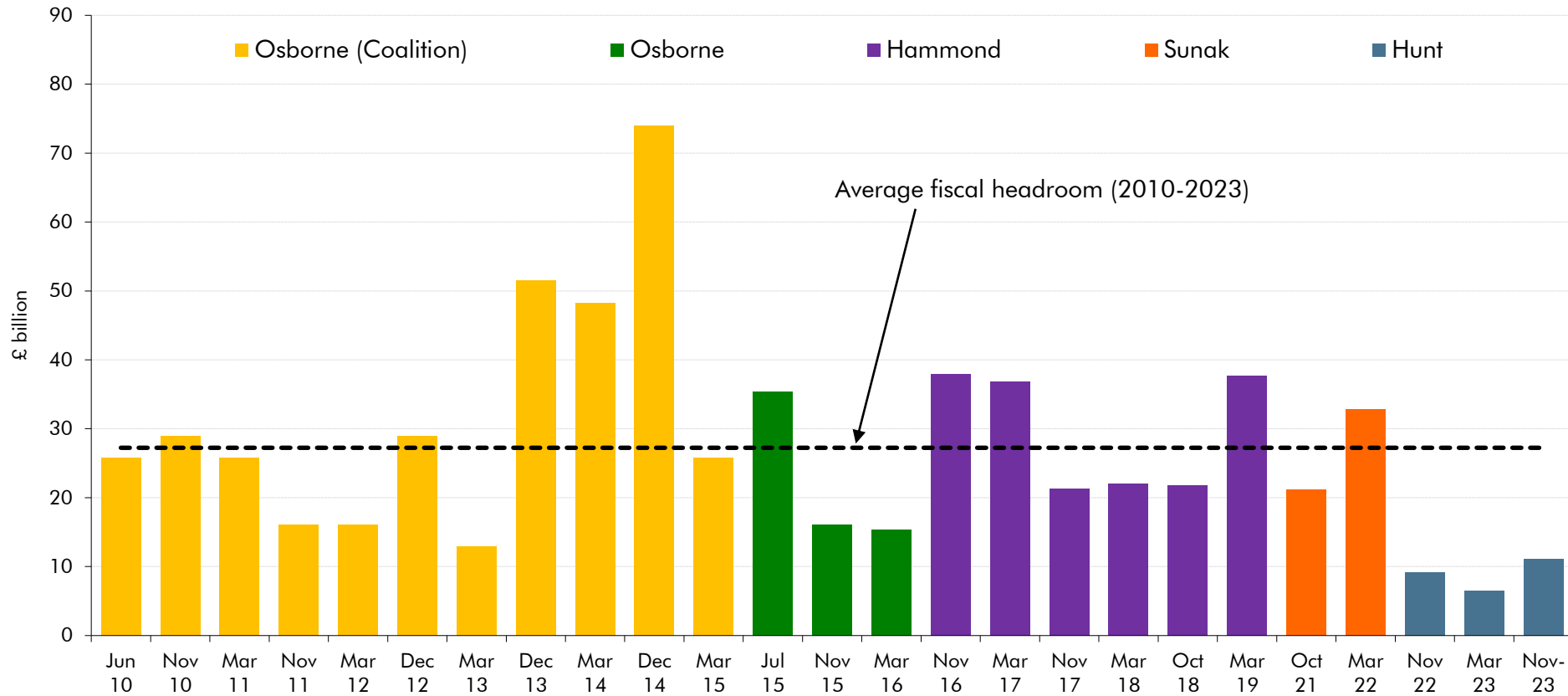
Source: ONS, OBR

# Government debt (ex Bank of England)



Source: ONS, OBR

# Headroom against fiscal rules



Source: OBR

# Risks to the outlook

## Economy

- Interest rates
- Inactivity
- Productivity

## Fiscal

- Fuel duty
- Departmental spending
- Tax burden

# Summary

- Economy has turned out to be more resilient but also slower growing
- Inflation has been more persistent & domestically-driven, raising interest rate expectations
- Higher inflation pushes up tax receipts and welfare benefits, while higher interest rates increase debt servicing costs
- But the decision to leave departmental spending largely unchanged helps to deliver a £27 billion reduction in borrowing by 2027-28
- Chancellor spends virtually all of this windfall on a 2p NICs cut, a permanent tax write-off for business investment, and further welfare reform targeting the inactive
- Chancellor also increases his headroom against his target of getting debt/GDP falling in 5 years from £6.5bn to £13bn, but mainly thanks to the deadline rolling onto another year

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**Thank you for listening**

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**Please email us with any further questions  
[OBR.Enquiries@obr.uk](mailto:OBR.Enquiries@obr.uk)**