

Office for
Budget
Responsibility

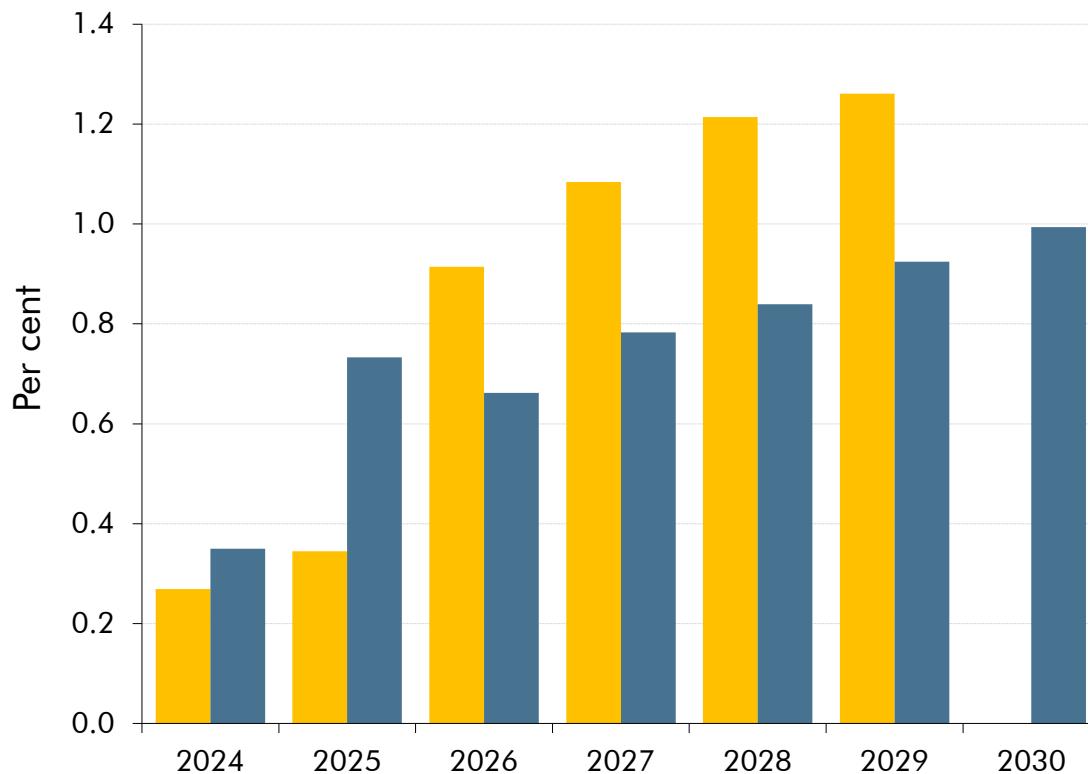
November 2025 Economic and fiscal outlook

Richard Hughes
Chair

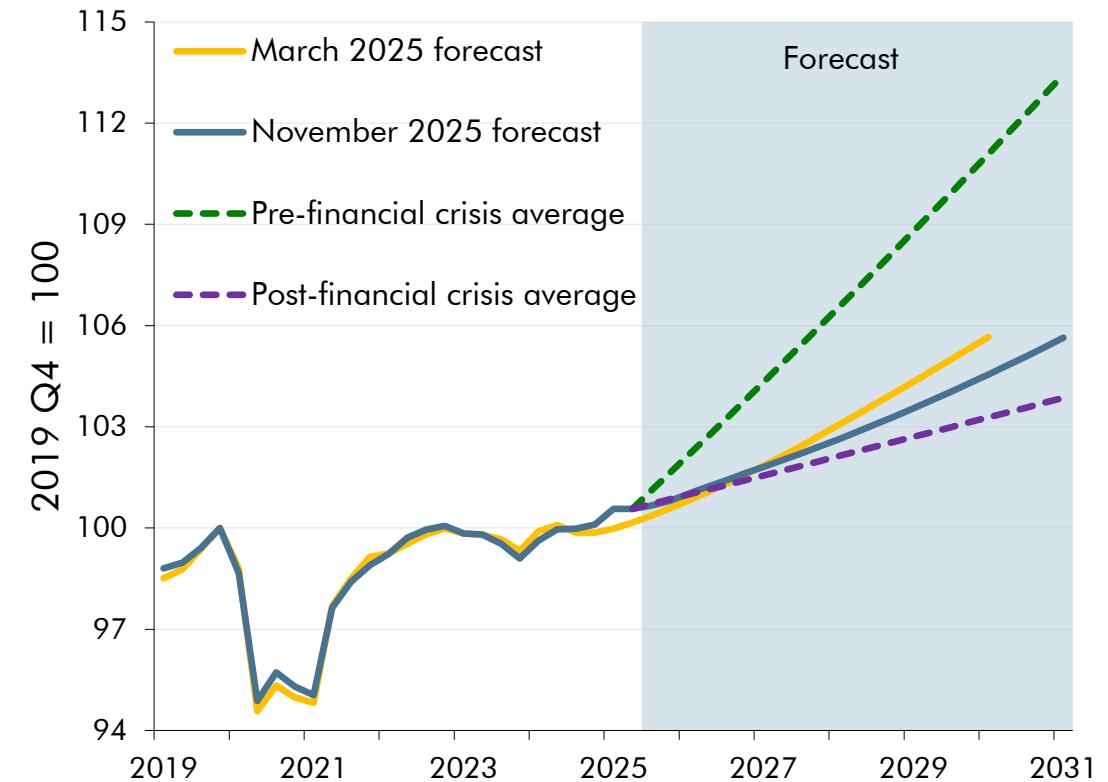
26 November 2025

Productivity

Trend productivity growth

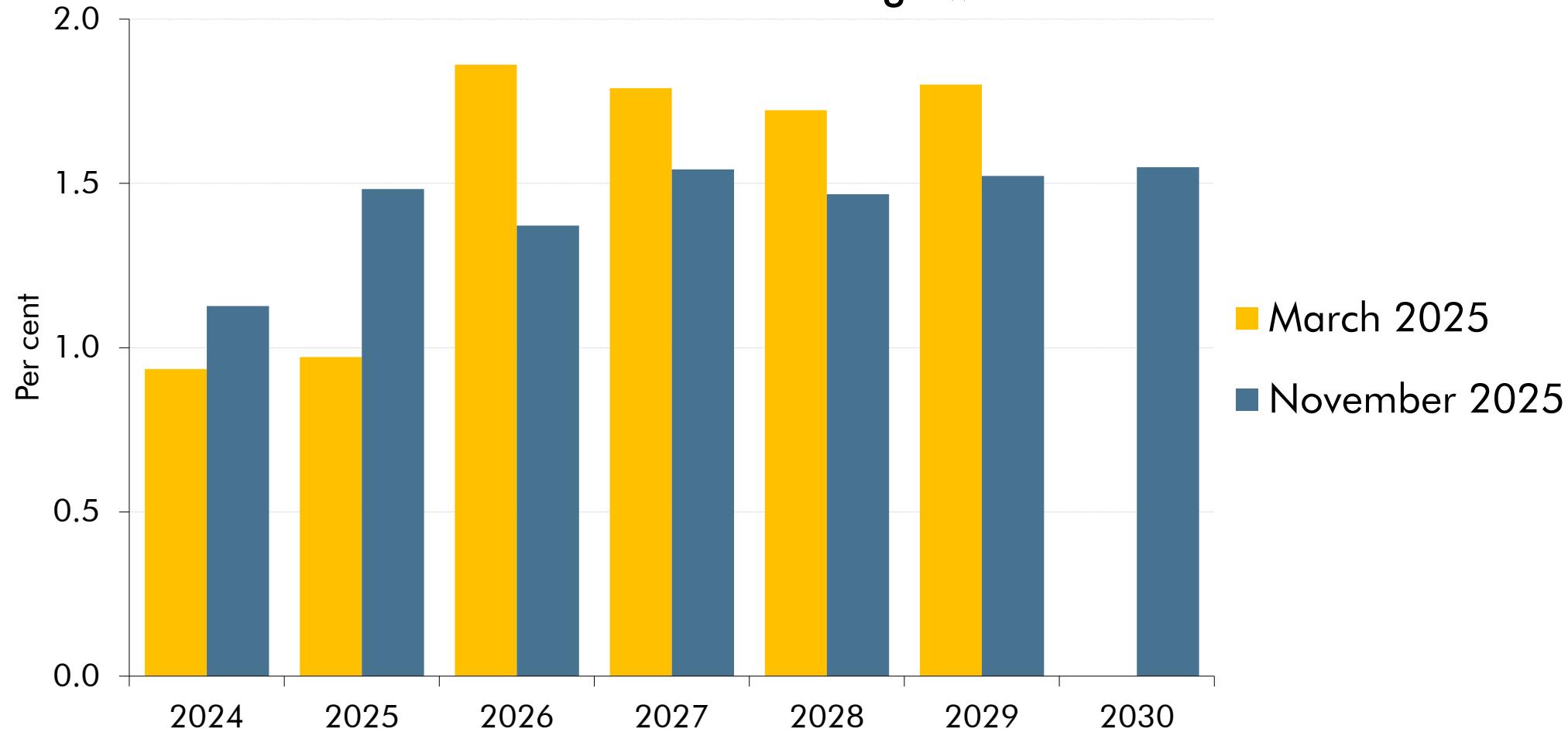


Trend productivity level

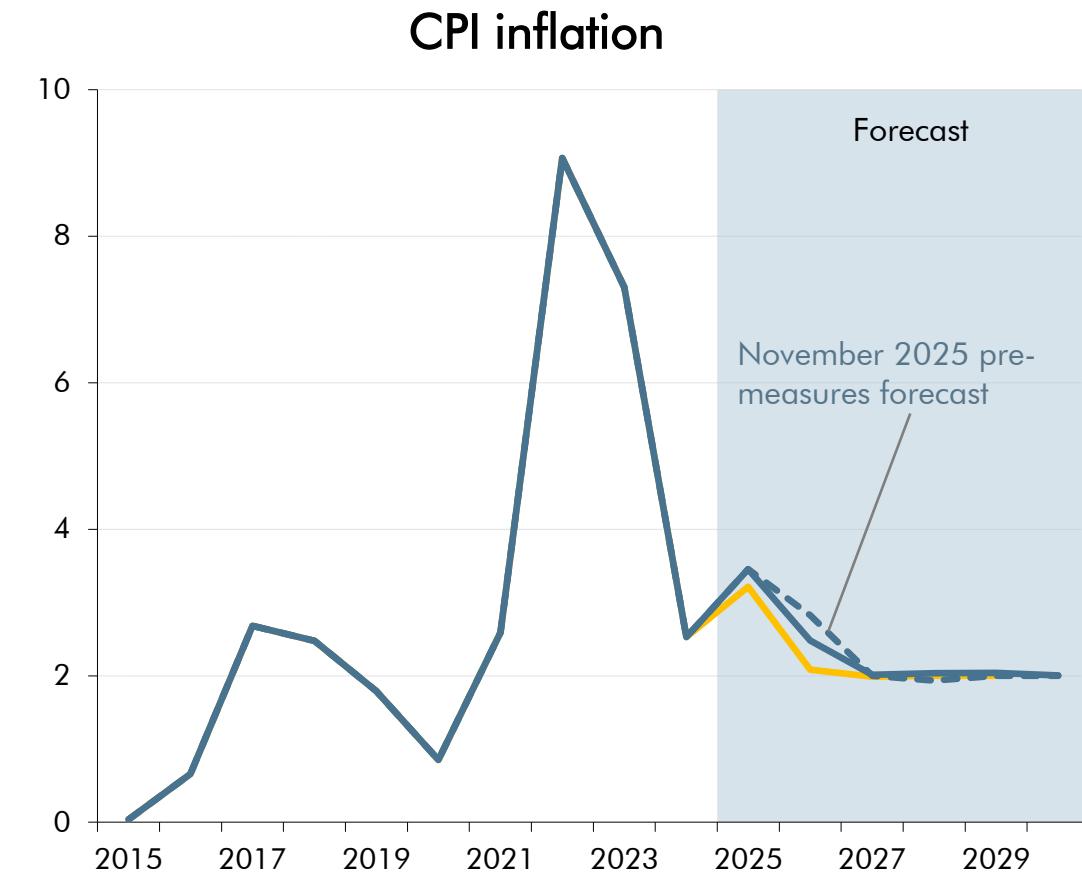


Real GDP

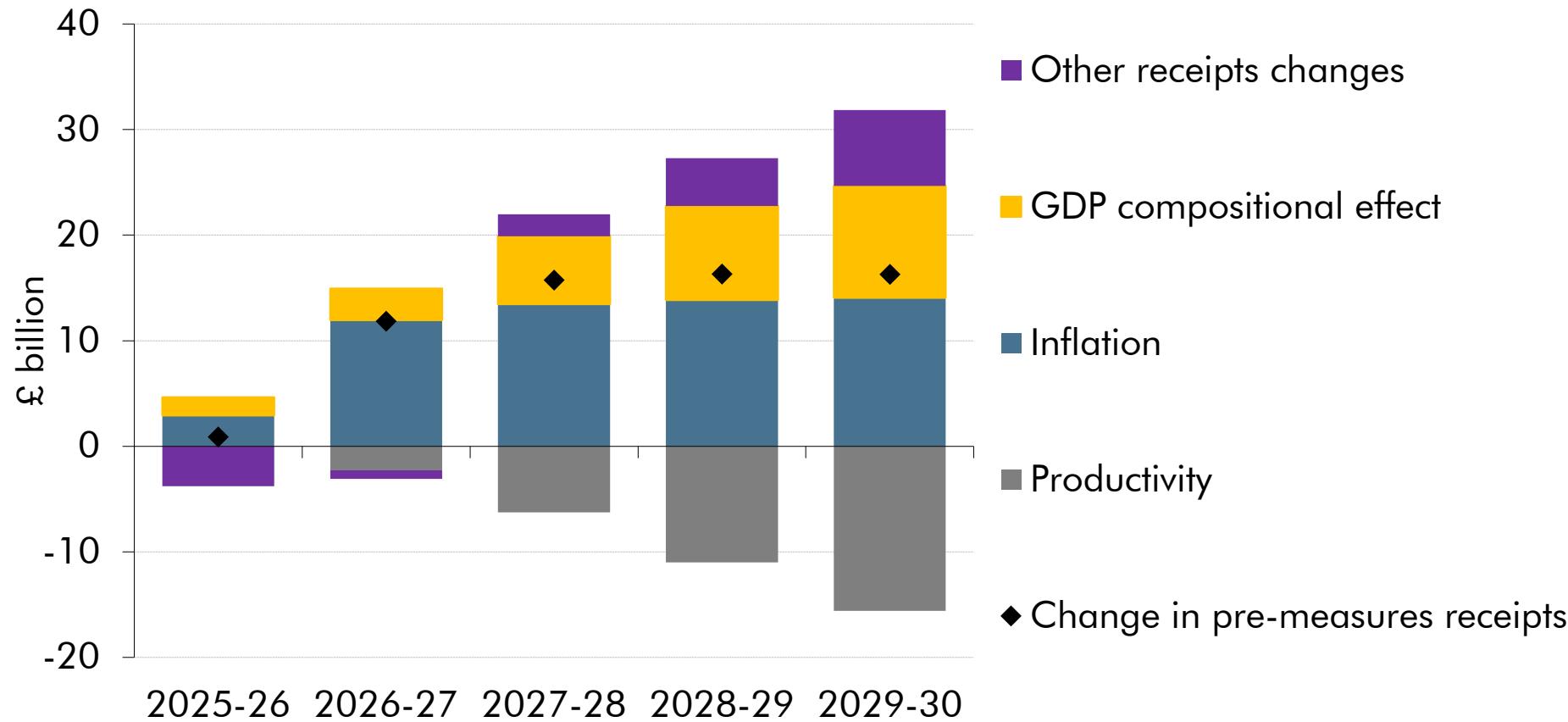
Annual real GDP growth



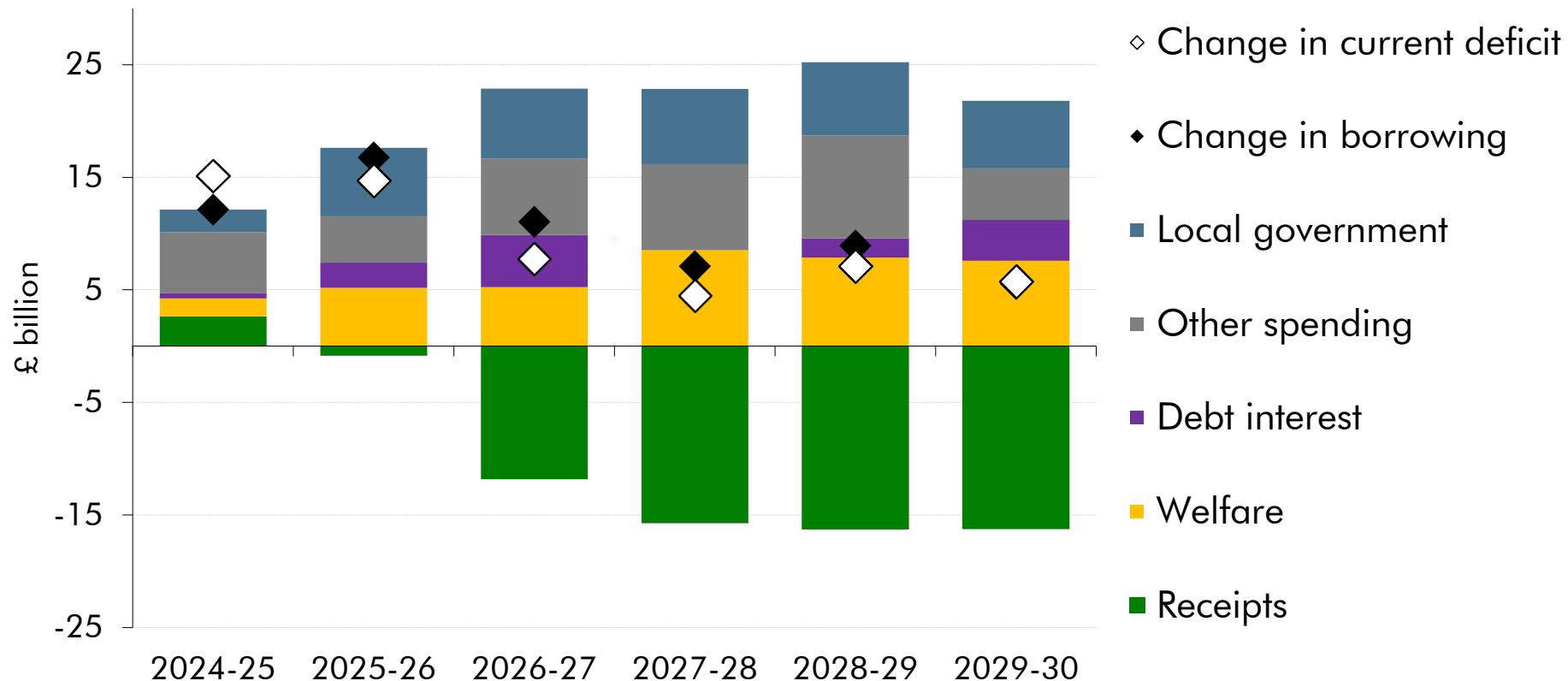
Earnings and inflation



Pre-measures change in receipts since March



Pre-measures change in borrowing since March



Autumn Budget policies

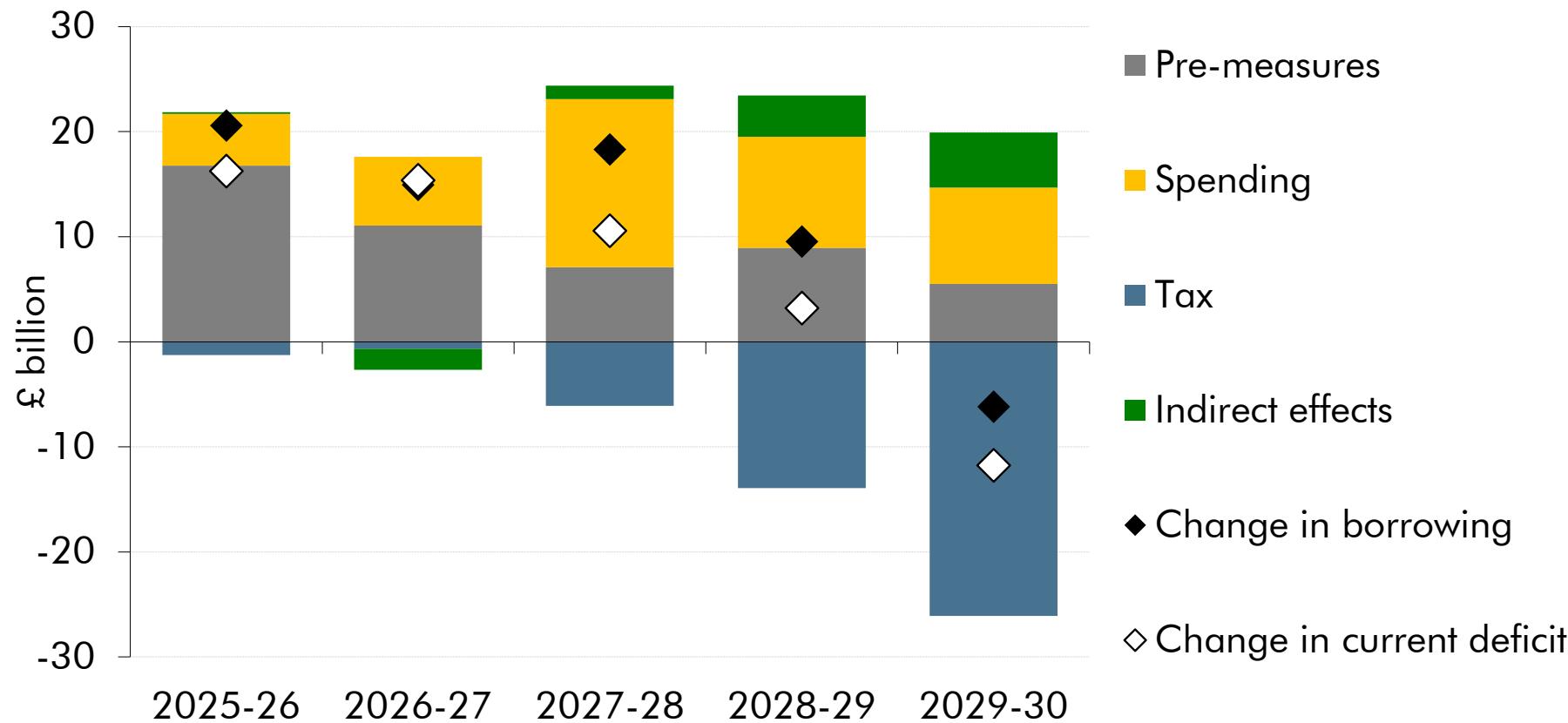
Spending

- Welfare reversals
- Departmental expenditure
- Lifting two-child limit on benefits
- Reduction in electricity bills

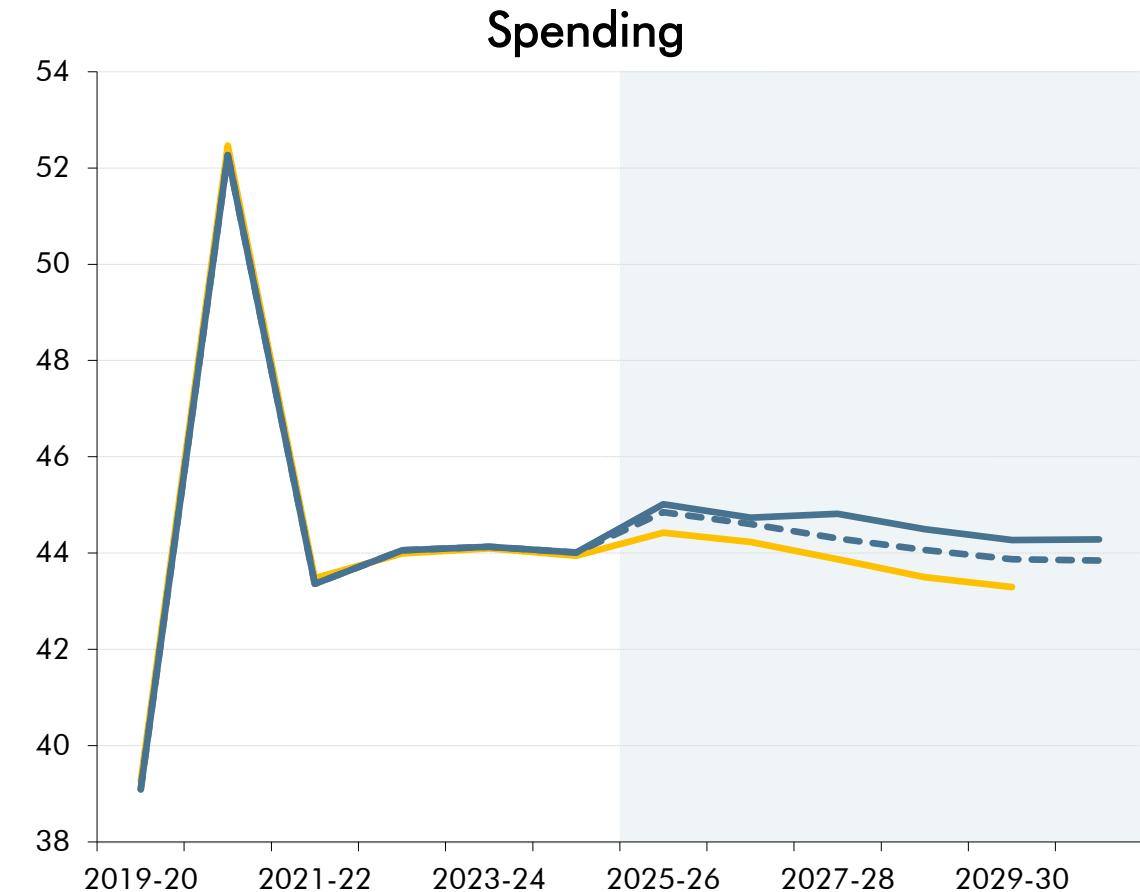
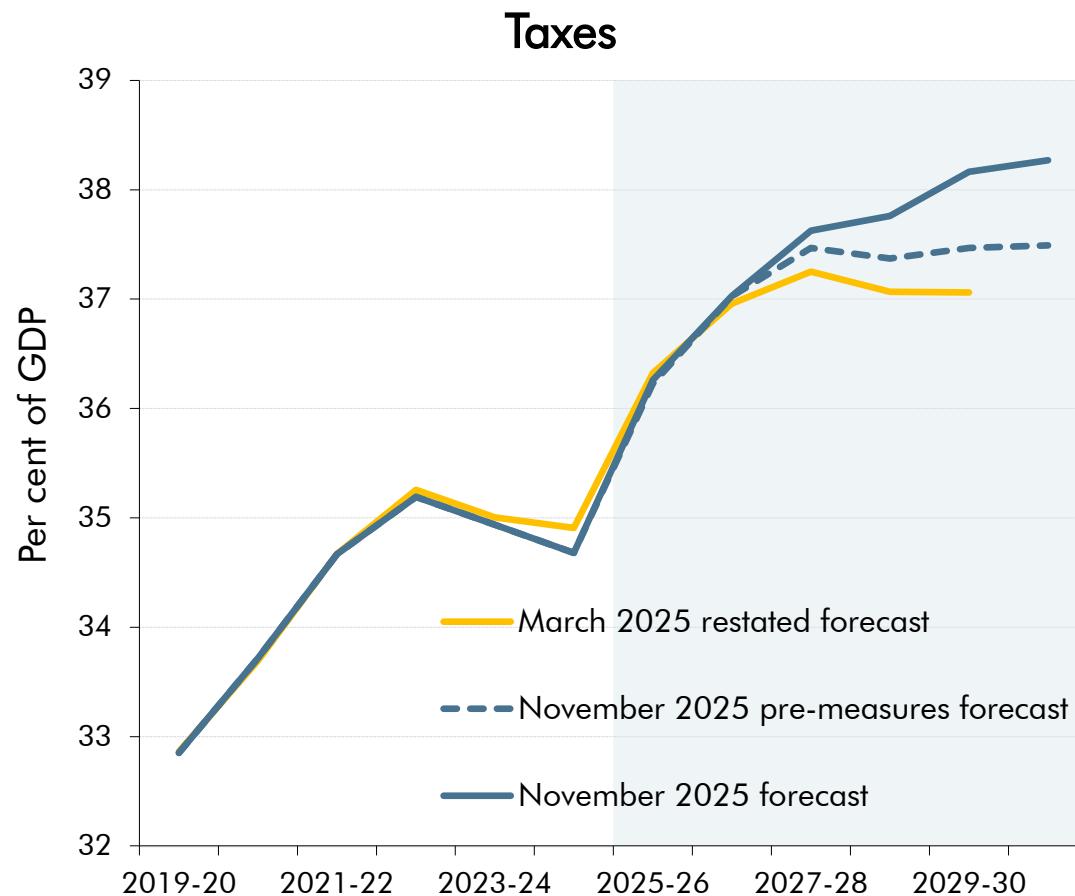
Taxation

- Personal tax threshold freeze
- NICs on sal-sac pensions
- IT on dividends, property & savings
- Other tax measures

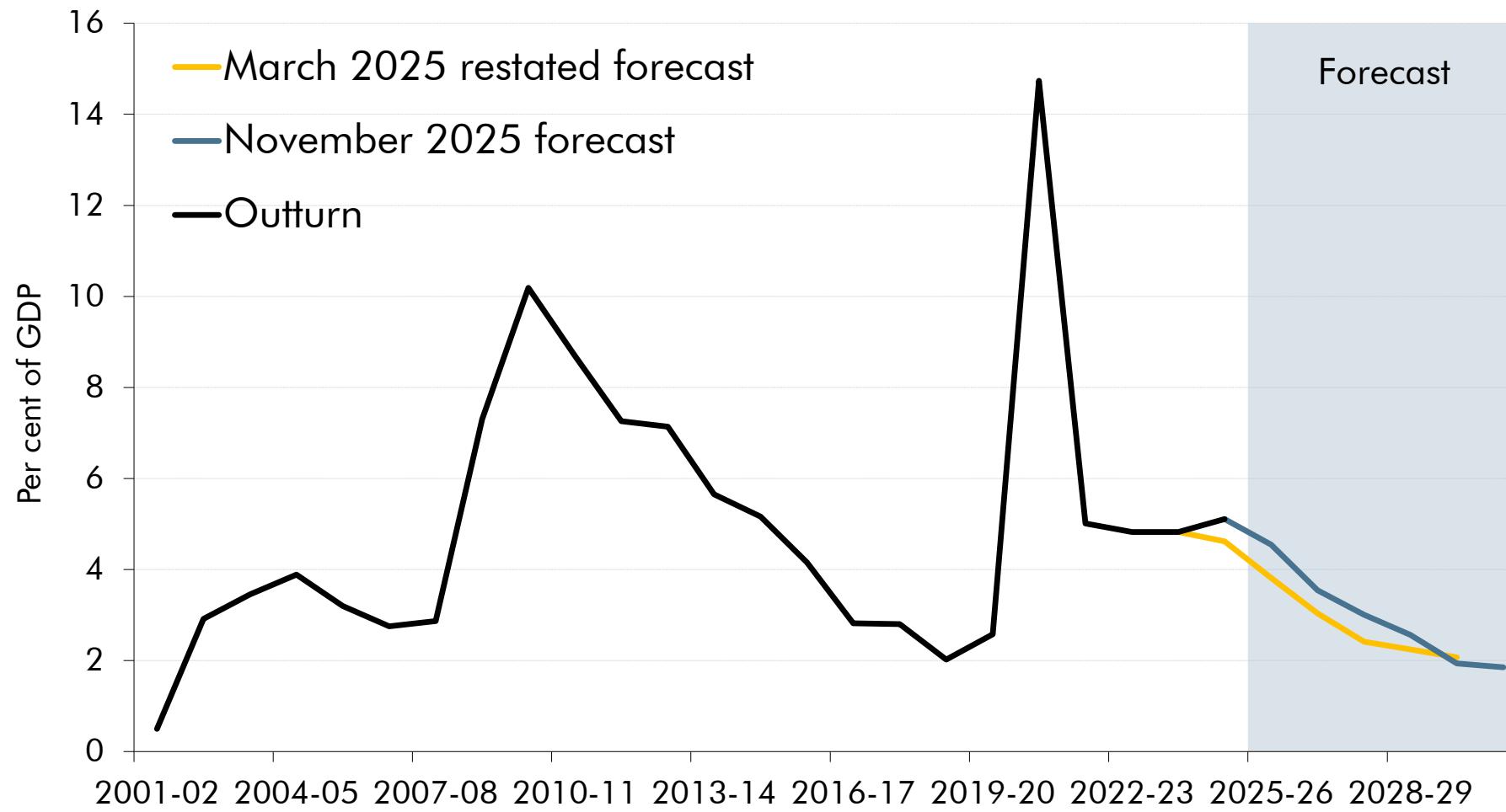
Overall change in borrowing since March



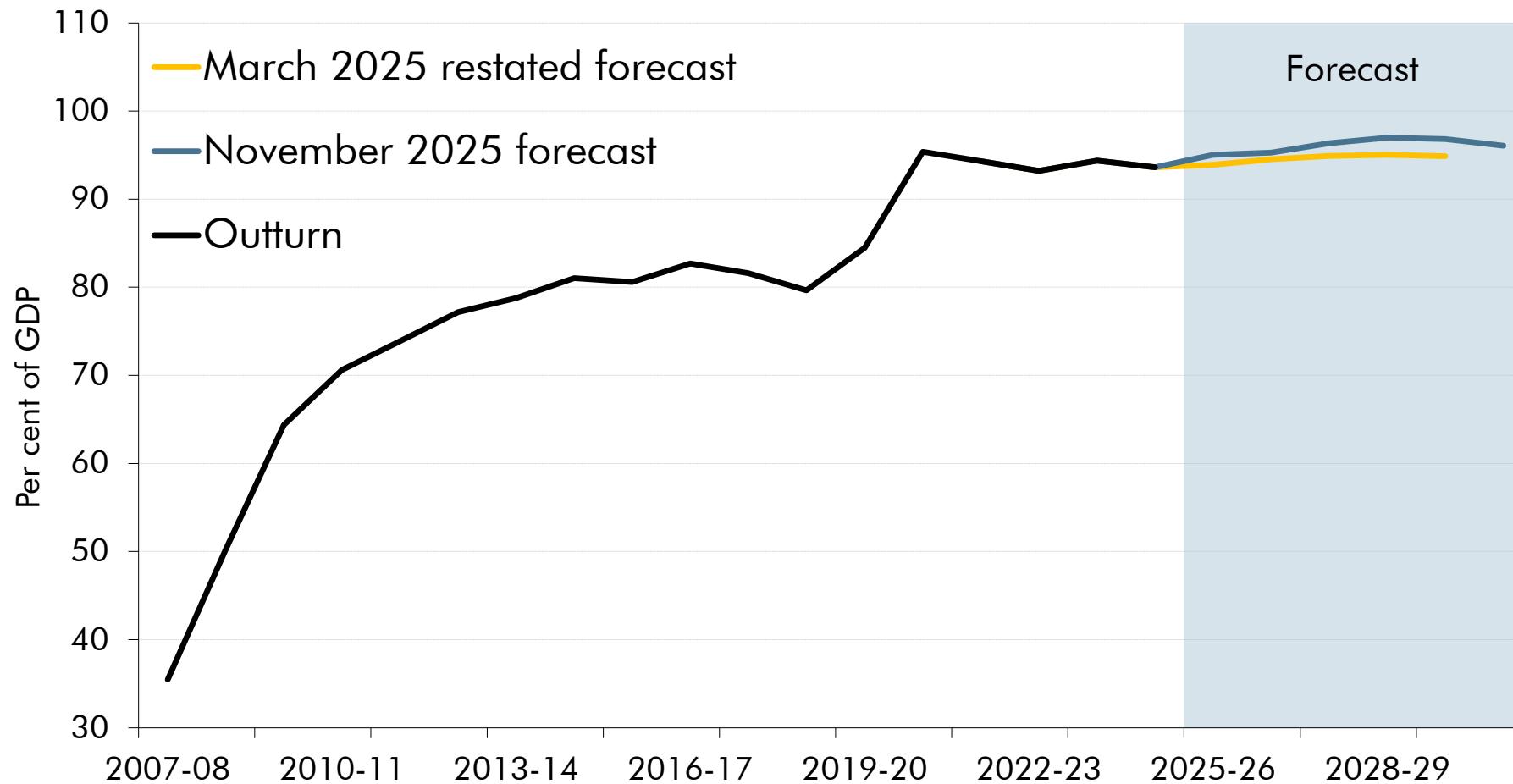
Receipts and spending



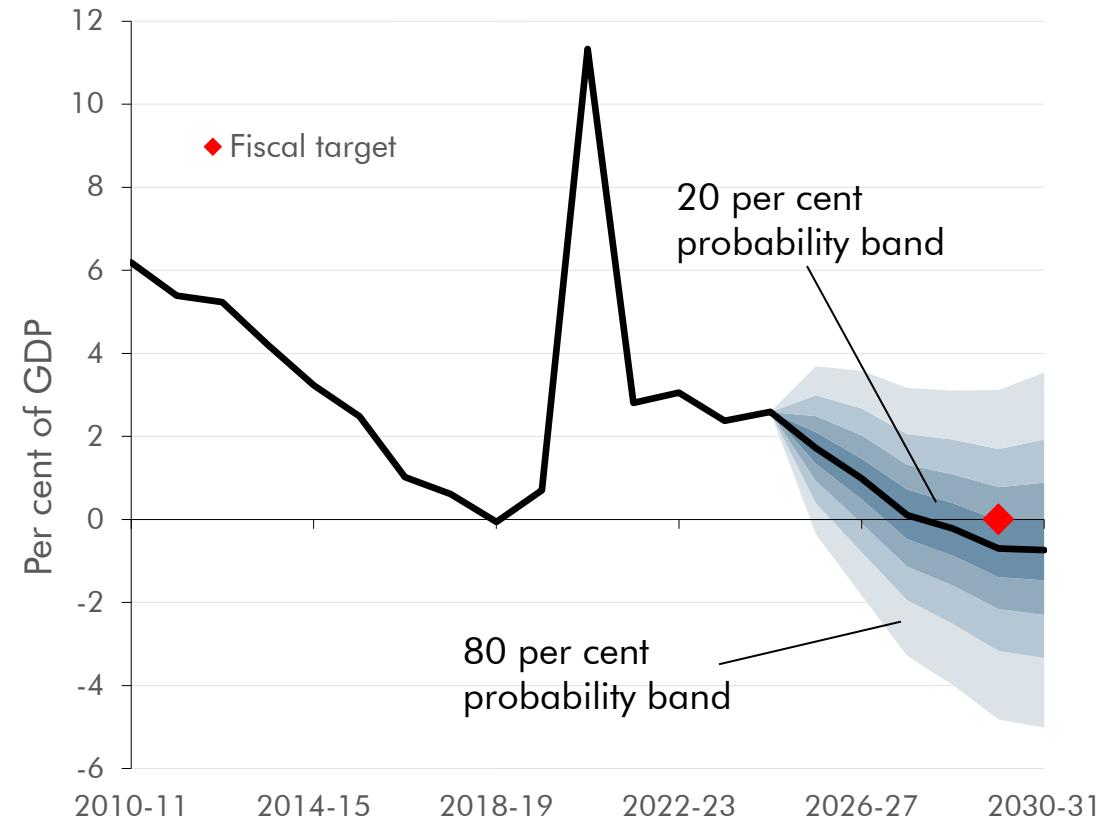
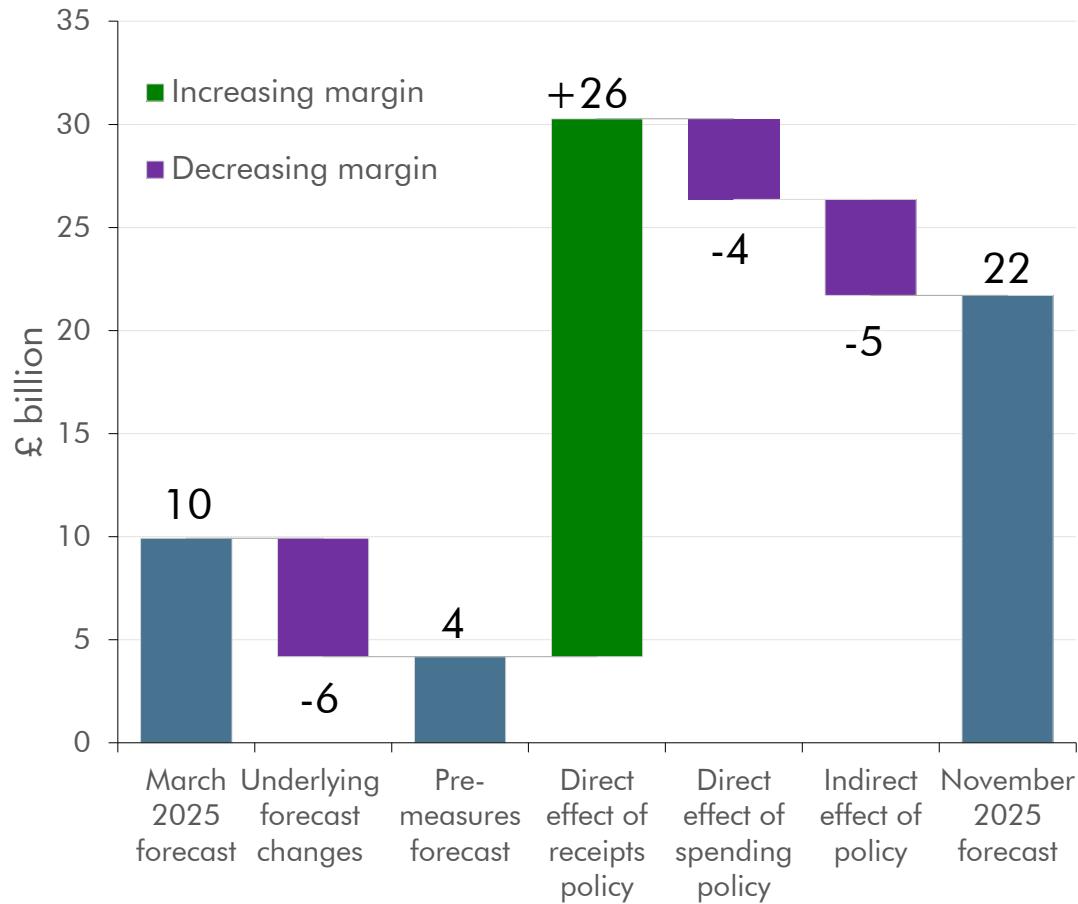
Borrowing



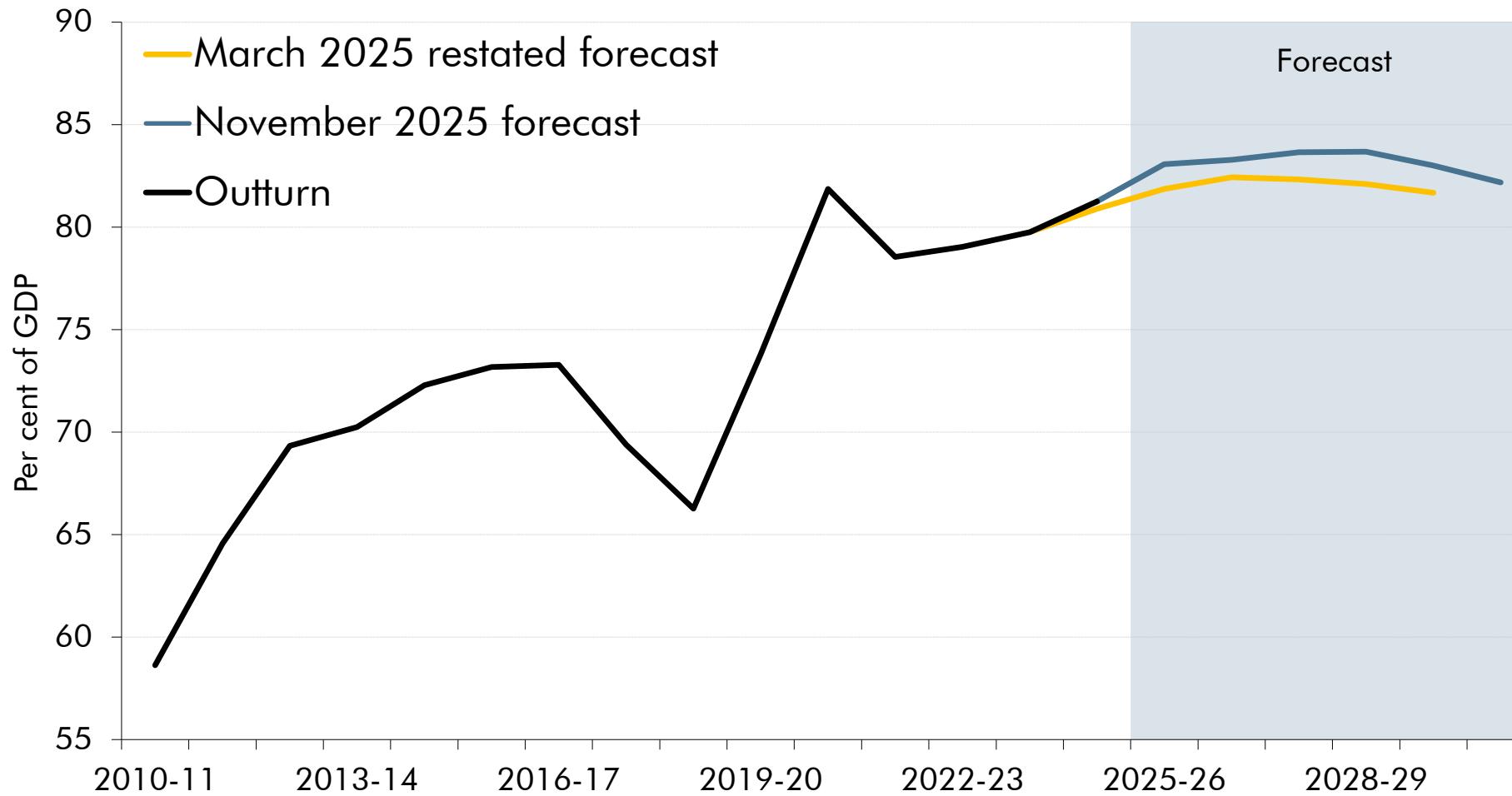
Debt



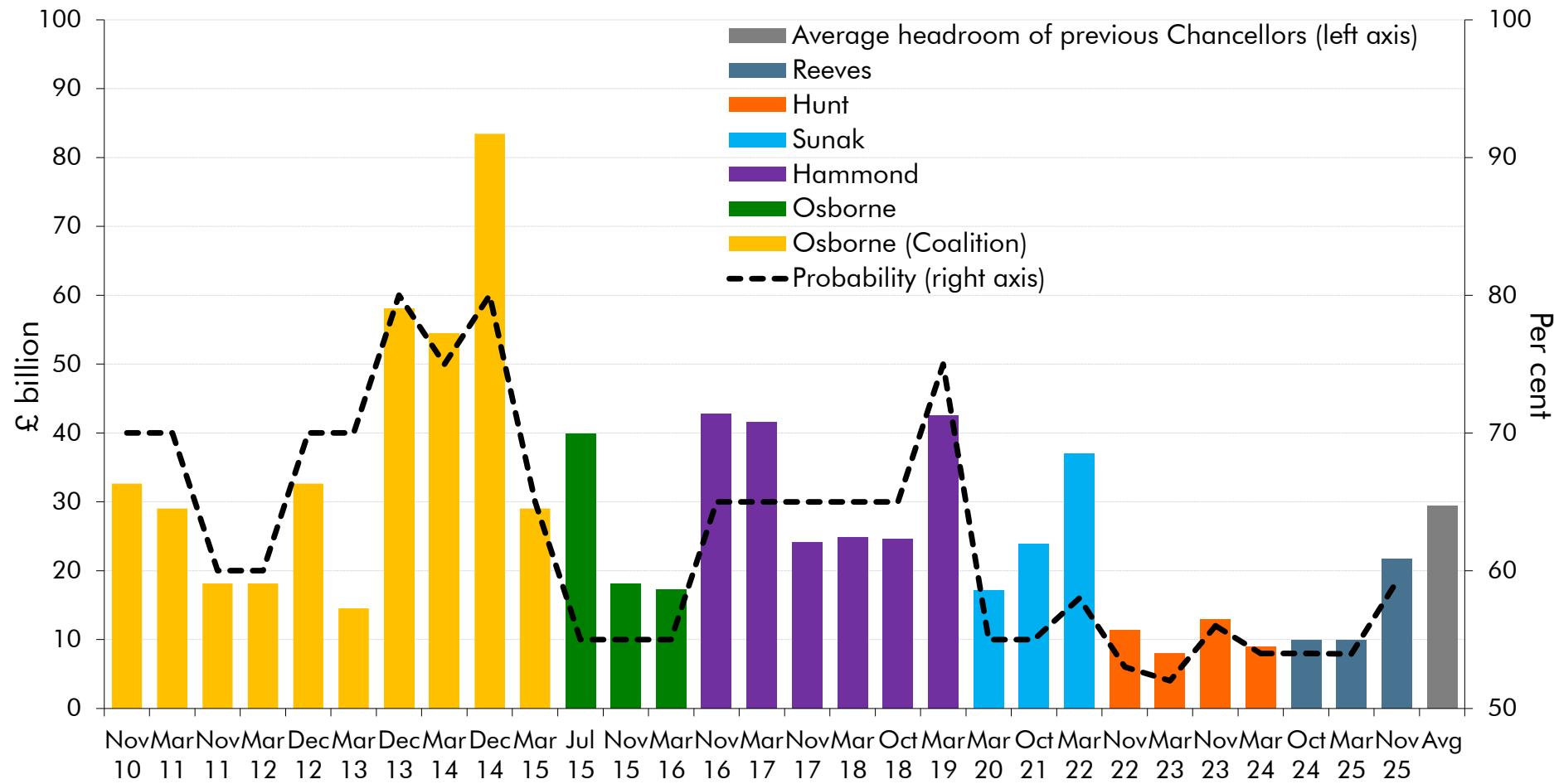
Current balance target



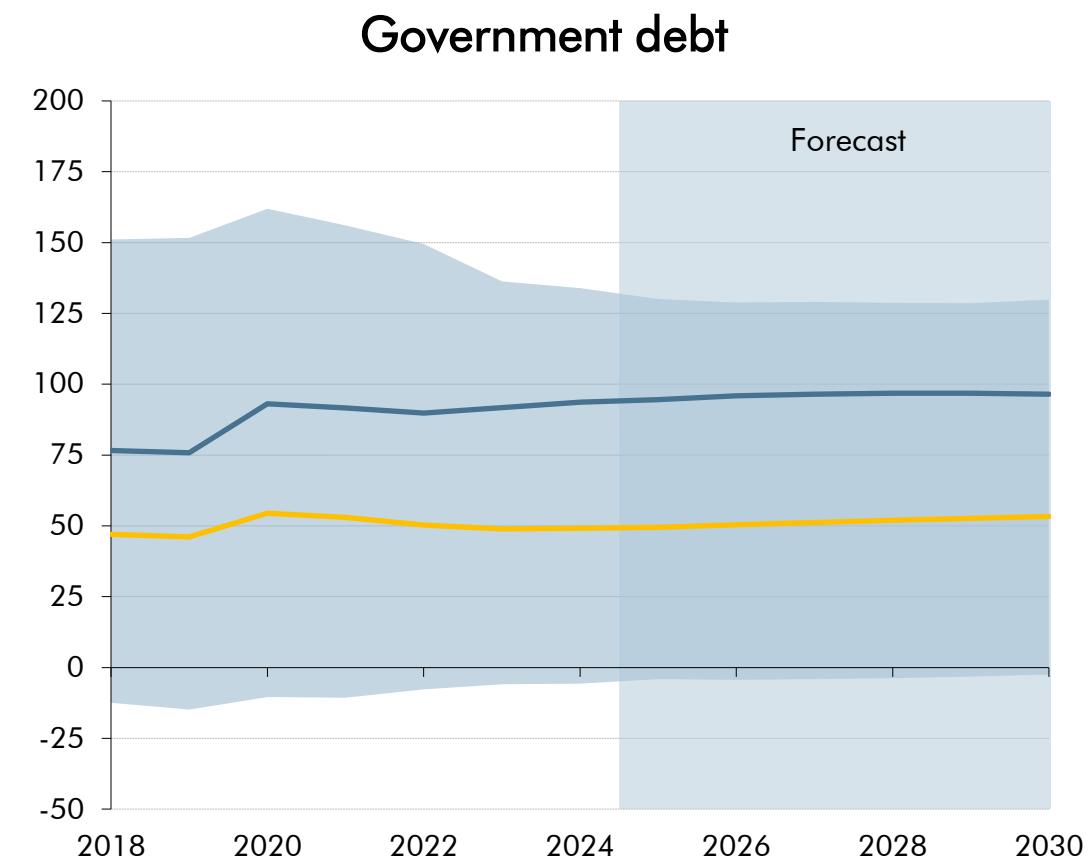
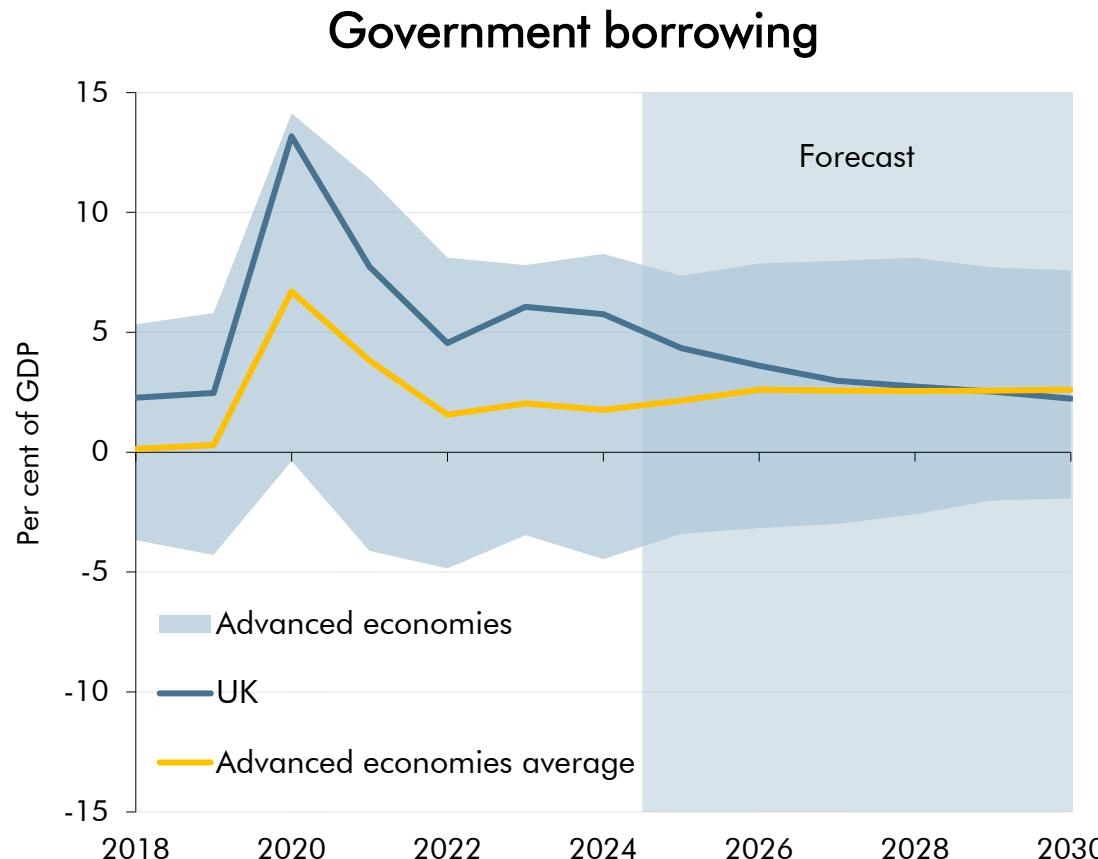
Net financial liabilities target



Margin against fiscal rules



Wider fiscal context



Risks to the outlook

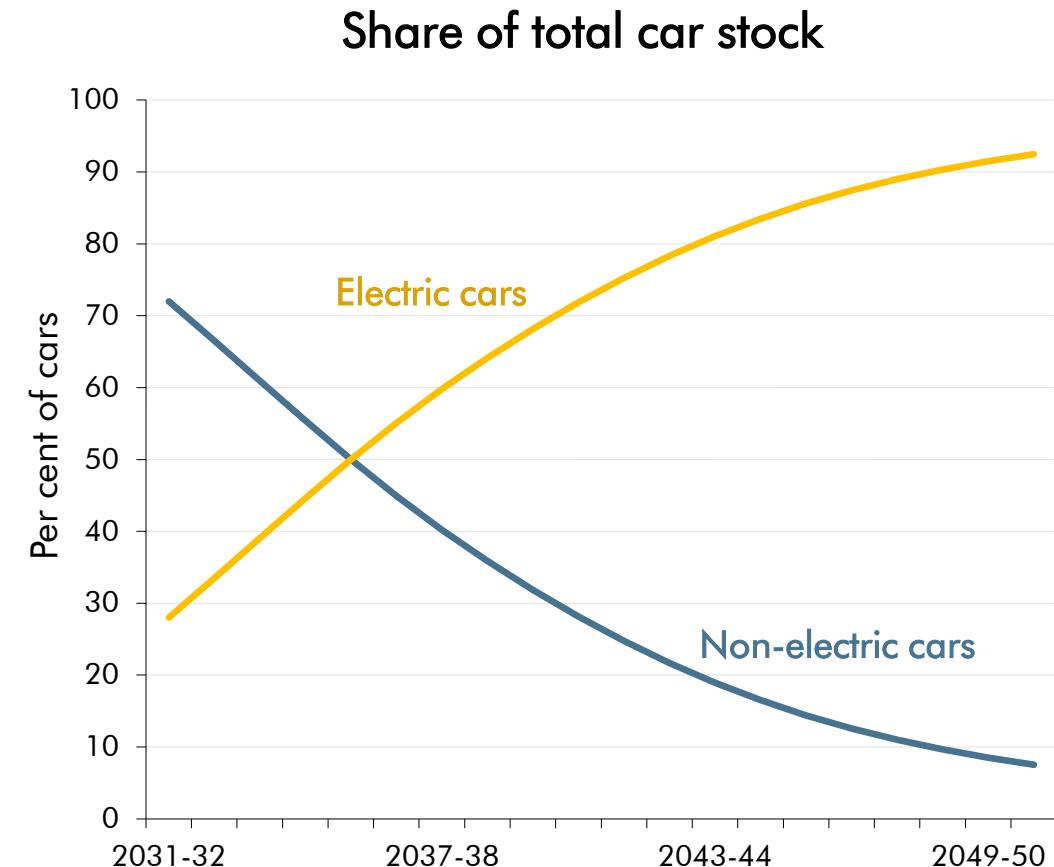
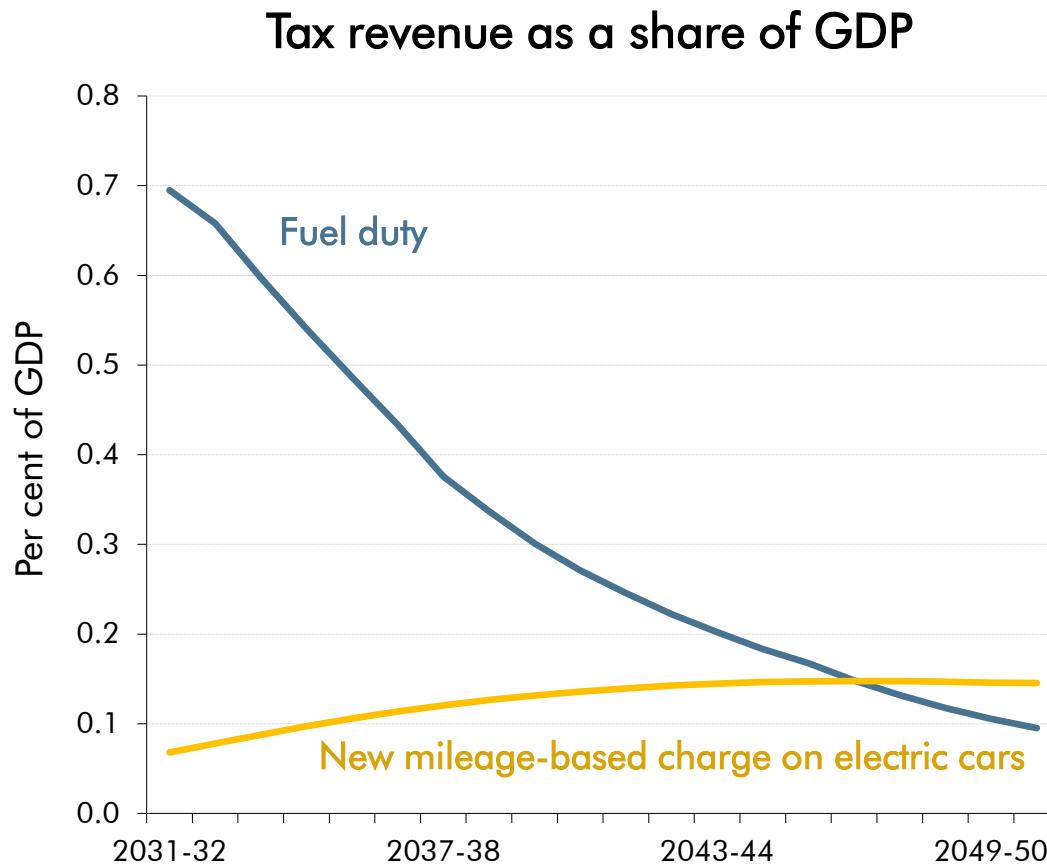
Economy

- Productivity
- Interest rates
- Global equity markets

Fiscal

- Defence
- Local authorities & SEND
- Uncertain tax yield

Fuel duty and electric vehicles



Summary

- GDP growth averages of 1.5% over forecast, 0.3ppts slower due to lower productivity growth
- Higher wages and inflation deliver a net boost to underlying receipts
- Local government, welfare, and other pressures raise underlying spending by more
- Leaves pre-measures borrowing slightly higher and current surplus slightly lower in 2029-30
- Against this backdrop, Autumn Budget policies increase both spending and tax
- Borrowing higher over next three years, but lower in the following two
- Current surplus in 2029-30 boosted from £10bn in March to £22bn in November