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Key information

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Overview

- UK GDP falls in July
- The ONS revises up the UK's post pandemic recovery
- Payrolled employee numbers stay stable in London

Economic indicators

- In August, the sentiment of London's PMI new business activity decreased, and went slightly negative with the PMI new business index in London decreasing from 51.2 in July to 49.3 in August. An index reading above 50.0 indicates an increase in new orders on average across firms from the previous month.
- In August, net expectations for house prices in London for the next three months remained highly negative, according to surveyors with the net balance of house prices expectations in London at -51 in August, a decrease from -36 in July. The net balance index measures the proportion of property surveyors reporting a rise in prices minus those reporting a decline.
- Consumer confidence in London remained positive, and improved noticeably, in September with the consumer confidence index in London increasing from 10 in August to 25 in September. The GfK index of consumer confidence reflects people's views on their financial position and the general economy over the past year and in the next 12 months. A score above zero suggests positive opinions; a score below zero indicates negative sentiment.

LET supplement: The impact of ending tax-free shopping on the UK and London economies

- It is widely known that the tourism sector contributes considerably to the UK and London economies.
- The UK decided to end its tax-free shopping scheme for international tourists on January 1, 2021. This scheme (known as 'VAT-RES') allowed international tourists to claim the value-added tax on items purchased during their stay in the country.
- This supplement provides the context behind the UK government's decision, before discussing its potential implications for both the UK and London economies.

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