

The Outlook for 2014

[Edward Rollett](#) examines what lies in store for the economy in 2014

Friday 10 January 2014



CC Photo Courtesy of RSNY on Flickr

The Office for Budgetary Responsibility (OBR), the government's independent economic forecasters, has predicted that UK GDP growth was 1.4 per cent in 2013 – up from 0.2 per cent in 2012 – as the country begins to fully recover from the global recession. As 2014 gets underway it's time to look at what the new year has to offer.

The outlook certainly appears to be positive for the UK, with the OBR forecasting that the UK economy will grow by 2.4 per cent this year. Forecasts for other countries also show that growth is underway, with the Eurozone expected to expand by 0.8 per cent. Germany will help it along with expected growth of 1.4 per cent, but even Greece is forecasted to finally exit recession and manage to achieve 0.2 per cent growth. Predicted growth for China is not as optimistic as before, but will still far outpace that of the West at 7 per cent, although below what they managed to achieve in 2013.

An area of concern for many is inflation. With minimal pay rises over the last few years, the incessant rise in the cost of living has caused a fall in real income for most. 2014 is forecasted to see inflation fall to 2.3 per cent from 2.6 per cent and, combined with the increase in growth, will hopefully help to see living standards rise again. A fall in inflation will also benefit any students in first or second year, whose loan interest is linked to the Retail Price Index (RPI) measure of inflation.

No change is expected with regards to interest rates though, which continue to be set at the lowest rates recorded of 0.5%. This is good news for students who started in 2011 or before as their loans are linked to interest rates.

Unemployment figures are also expected to fall. The British Chamber of Commerce has forecasted that unemployment will fall to 2.4mn in 2014, around 7.5 per cent of the workforce, as the economy begins to speed up and companies create new positions.

The outlook isn't all good for 2014 though. Last week George Osborne, the Chancellor of the Exchequer, announced that spending cuts worth another £25bn were needed to help balance the budget deficit. In order to achieve this Osborne has his eye on the welfare budget which is currently around £160bn.

The year ahead looks to be better than the previous ones. As the economy grows and inflation falls more jobs will be created and people should begin to feel the effect of a revival in the economy. As long as you don't get hit by Osborne's latest round of cuts, 2014 should be a good year.



Most Read Discussed

1. [The York floods 2015: What's the damage?](#)
2. [What does Theresa May's new Brexit plan mean?](#)
3. [A workplace revolution: a four-day week?](#)
4. [An update on the US-China trade war](#)
5. [The University as your landlord: friend or foe?](#)
6. [Managing your finances at university](#)

Write for Nouse Business

[Get in touch with the editors](#)

[Join the Facebook group](#)

More in Business

- [What does Theresa May's new Brexit plan mean?](#)
- [The University as your landlord: friend or foe?](#)
- [An update on the US-China trade war](#)
- [A workplace revolution: a four-day week?](#)
- [Managing your finances at university](#)
- [Tesco launches new discount store chain Jack's](#)

[About Nouse](#)
[Who's Nouse](#)
[Website Credits](#)
[Contact Us](#)
[Advertising](#)
[Archives](#)
[Student Discounts](#)
[Print Editions](#)
[Mini-Sites](#)
[Nouse on Twitter](#)
[Nouse on Facebook](#)

[Nouse on Google+](#)

© 1964-2018 Nouse

[Policies](#) |

