

The UK quarterly growth rate has risen to 0.4%, which i...

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The UK's growth figure for the second quarter of 2018 has just been reported to be 0.4%. Compared to the 0.2% reported in the first quarter this sounds like an improvement. And in purely statistical terms it is, of course. That is the only indisputable thing about it.

Standing back this data remains deeply unexciting. And if it is understood that the first quarter may simply have been depressed by poor weather, which meant consumers deferred some spending simply because they could not, or would not, get out, then the bounce (if it can be called that) might well be little more than a correction.

And let's also be candid: when the figures are so small, and the boundaries for reporting are so wide in proportion to them, the margins for error in this reporting are very high. No wonder the pound is still falling: they're treating the change as no sign of a significant difference in the overall economic environment.

So my point is that we should go back to fundamentals. This growth rate is still very low. There is, despite what the Bank of England is forecasting, little sign that it is flowing through to wage rates. There are signs that it is private debt that continues to fund consumption growth. And there is massive uncertainty for the UK ahead, which is one reason why we remain so weak in comparison to other economies.

There is nothing of any substance to celebrate here. But there is ample reason to think there may be more trouble ahead.