

# Change, or die? What will Labour do in the face of econ...

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The [ONS has published the latest GDP data](#) this morning:

### **Main points**

- \* Monthly real gross domestic product (GDP) is estimated to have fallen by 0.1% in January 2025, mainly caused by a fall in the production sector, after growth of 0.4% in December 2024.
- \* Real GDP is estimated to have grown by 0.2% in the three months to January 2025, compared with the three months to October 2024, mainly because of growth in the services sector.
- \* Monthly services output grew by 0.1% in January 2025, following growth of 0.4% in December 2024, and grew by 0.4% in the three months to January 2025.
- \* Production output fell by 0.9% in January 2025, following growth of 0.5% in December 2024, and fell by 0.9% in the three months to January 2025, with manufacturing output driving both the monthly and three-month falls.
- \* Construction output fell by 0.2% in January 2025, following a fall of 0.2% in December 2024, but grew by 0.4% in the three months to January 2025.

In other words, we're still in the land where Labour is having so much effect on the economy that the impact can be described as the square root of dddly squat.

By now Labour should have been changing economic sentiment if they were going to do so. The impact of their period in office should have been significant enough for that to be seen. And in reality, I am sure that it is being seen. People do not believe in Labour. They have lost any confidence that their election might have provided last July. No one, including business and most people who voted for them, thinks anything is going to get better.

All this is because of Labour's fiscal rules, whose sole reason for existing is to provide people with economic confidence. They literally have no other purpose. They have no

economic relevance. They only exist for the political purpose of boosting sentiment. They are failing to do so.

Yesterday, however, Starmer confirmed that he is sticking to them even though Cabinet ministers are apparently protesting about them.

Labour has, in that case, a choice to make. It can sink slowly, inexorably, and inevitably over the next four years in what might well be its last ever administration, or it can abandon Starmer, Reeves and fiscal rules altogether whilst seeking to meet the needs of real people in this country.

Change, or die, then. What will Labour do?