

Growth has disappeared

<https://www.taxresearch.org.uk/Blog/2025/11/13/growth-has-disappeared/>

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I have already [written about growth](#) this morning and how I frame the issue, which is very different from how I think Rachel Reeves does.

Now there is new growth data from the Office for National Statistics for the third quarter of this year. As they say:

Main Points

- * ***UK real gross domestic product (GDP) is estimated to have increased by 0.1% in Quarter 3 (July to Sept), compared with growth of 0.3% in Quarter 2 (Apr to June) 2025.***
- * ***GDP is estimated to have increased by 1.3% in Quarter 3 2025, compared with the same quarter a year ago.***
- * ***In output terms, growth in the latest quarter was driven by increases of 0.2% in services and 0.1% in construction; the production sector fell by 0.5%.***
- * ***Real GDP per head is estimated to have shown no growth in the latest quarter and is up 0.8%, compared with the same quarter a year ago.***
- * ***We have updated our estimates for Quarter 1 (Jan to Mar) 2024 to Quarter 2 2025 to be consistent with our UK trade release published on 16 October 2025; this update includes the full implementation of improvements to the measurement of precious metals.***
- * ***There are no changes to headline real GDP quarter-on-quarter growth across 2024 and 2025 as a result of this data update; however, there were some minor 0.1 percentage point revisions to the change in the GDP implied deflator and the change in GDP in current prices for some quarters.***

In real terms, what this means is that just about no one will feel any better off, at all, as a consequence of what Rachel Reeves has achieved as Chancellor, and many might feel

worse off, whether or not they are.

I stress, growth for growth's sake is not, in my opinion, the goal of the economy. That is, instead, a sure way to climate devastation. But Rachel Reeves has set this as the objective, and by her own measure, she has failed.

As a background to a Budget, this is grim news for her.

No wonder Labour MPs and even Cabinet Ministers think she and Starmer have failed. Objectively, she has.

I will start publishing my alternative Budget very soon. The question, though, [as I have already asked this morning](#), ***is whether Reeves can now deliver one that has any prospect of implementation. I increasingly doubt that she can. It is often said that all political careers end in fauoure. I have a feeling that is where Rachel Reeves is headed, and rather sooner than she might ever have anticipated.***

The problem is, the alternative is Darren Jones.