

# *UK unemployment rises as COVID lockdowns hit economy*



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London, February 24 (RHC)-- The United Kingdom's unemployment rate edged up to 5.1 percent in the final three months of last year, its highest level in nearly five years, official data shows, as severe COVID-

19 lockdown restrictions pressured the economy.

Figures published by the UK's Office for National Statistics (ONS) on Tuesday showed that the jobless rate rose 0.4 percentage points between the beginning of October and the end of December 2020.

The rise came against the backdrop of regional and national restrictions put in place to curb the spread of the coronavirus pandemic, which has struck the UK hard, killing more than 120,000 people and triggering its biggest fiscal slump in more than 300 years.

Despite an historic government-backed job-retention scheme rolled out in response to the COVID-19 crisis, overall, unemployment had climbed 1.3 percent higher by the end of last year compared with December 2019, the ONS figures showed. The number of payroll employees tumbled by 726,000 between February 2020 and January 2021, it said.

The grim ONS figures come as the UK's finance minister, Rishi Sunak, is reportedly readying to spend billions of pounds in extra support for the economy over the next four months, in line with Prime Minister Boris Johnson's plan to gradually ease England's lockdown by late June.

Sunak delivers an annual budget on March 3, when he intends to set out the future of government assistance programmes including the furlough scheme and a 20-pound (\$28) weekly supplement to the main unemployment benefit.

Announcing his so-called "roadmap" for easing restrictions on Monday, Johnson said his government would not abandon people and businesses in need of ongoing help from the state. Non-essential retailers will not reopen before April 12, at the earliest, under Johnson's four-step strategy, while some businesses will remain closed until at least June 21.

"People may be concerned about what these changes mean for the various support packages for livelihoods, for people and for the economy," Johnson told Parliament. "We will not pull the rug out. For the duration of the pandemic, the government will continue to do whatever it takes to protect jobs and livelihoods across the UK."

Johnson's remarks put pressure on Sunak to extend the state-supported 70-billion-pound (\$98 billion) furlough programme, which is due to expire on April 30, well before most social-distancing restrictions will be lifted.

Under current lockdown rules, people are encouraged to work from home where possible, while hotels and restaurants are closed to the public. "At the budget next week I will set out the next stage of our Plan for Jobs, and the support we'll provide through the remainder of the pandemic and our recovery," Sunak said in a statement. "I know how incredibly tough the past year has been for everyone and every job lost is a personal tragedy."

So far, Sunak has spent more than 280 billion pounds (\$395 billion) on COVID-19 measures, including healthcare, support payments and tax breaks, and government borrowing in the financial year just ending will be the highest as a share of the economy since World War II.

He was keen to rein back the job-support scheme and unemployment benefit last year before a surge in infections in the autumn forced the government to extend support and belatedly tighten lockdown rules.

The government said in a statement that Sunak would set out more details on his longer-term fiscal plans during next week's annual budget announcement.

"It is not sustainable to borrow at this current level over the medium term," the document stated. "This means the government has a responsibility, once the economy recovers, to return to a sustainable fiscal position."

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