

UK Economic Growth Forecast Cut Sharply as Brexit Nears



London, November 24 (RHC)-- The British finance minister has slashed the country's economic growth forecast, saying it is expected to grow more slowly than previously thought. In delivering his annual budget, Chancellor of the Exchequer Philip Hammond said the Office for Budget Responsibility (OBR) expects the UK economy to grow by only 1.5 percent this year from the previous two-percent forecast in March.

Hammond acknowledged that Britain's planned exit from the European Union is already inflicting an economic cost. Britain's GDP will expand 1.5 percent this year, by 1.4 percent in 2018, 1.3 percent in both 2019 and 2020 and 1.5 percent in 2021, Hammond revealed in a raft of forecast downgrades.

The predictions from the Office for Budget Responsibility (OBR) fiscal watchdog contrasted with prior growth guidance of 2.0 percent, 1.6 percent, 1.7 percent, 1.9 percent and 2.0 percent respectively.

The UK's economy grew at half the rate of the eurozone's during the second quarter of the year, new data shows. "After taking account of all decisions since the spring budget, the OBR's GDP revision and the measures I announce today, borrowing will fall in every year of the forecast," Hammond said.

He has acknowledged the slowdown as a challenge when Britain is preparing to leave the EU while stressing the need to focus on fixing the country's public finances. "An economy set on a path to a new

relationship with our European neighbors outside the European Union," the finance minister noted. "We are on track to meet our fiscal rules."

The slow progress of Brexit talks has fueled fears that British Prime Minister Theresa May's government may collapse, or worse that London may fail to strike a withdrawal agreement with Brussels before its formal exit from the EU on March 29, 2019, which could cause economic and transport turmoil in the UK and EU.

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