

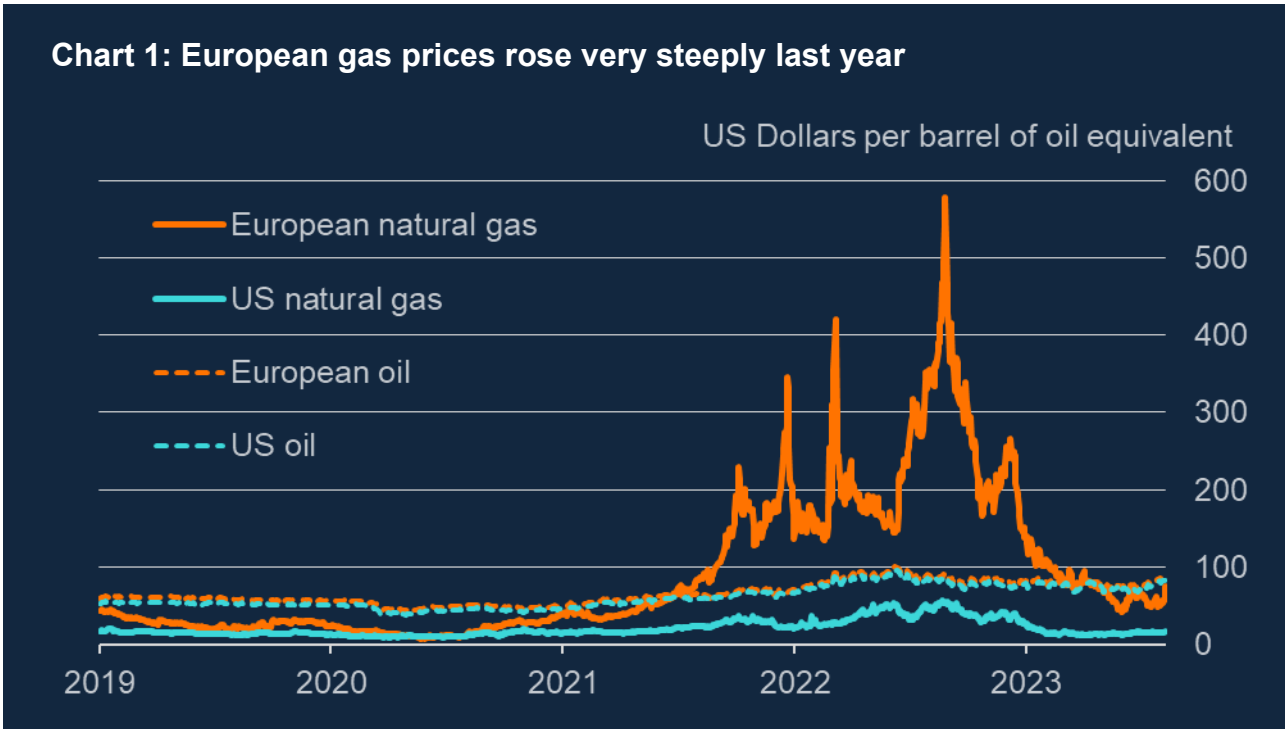
# *Handout with charts*

## The economic costs of restricting trade: the experience of the UK

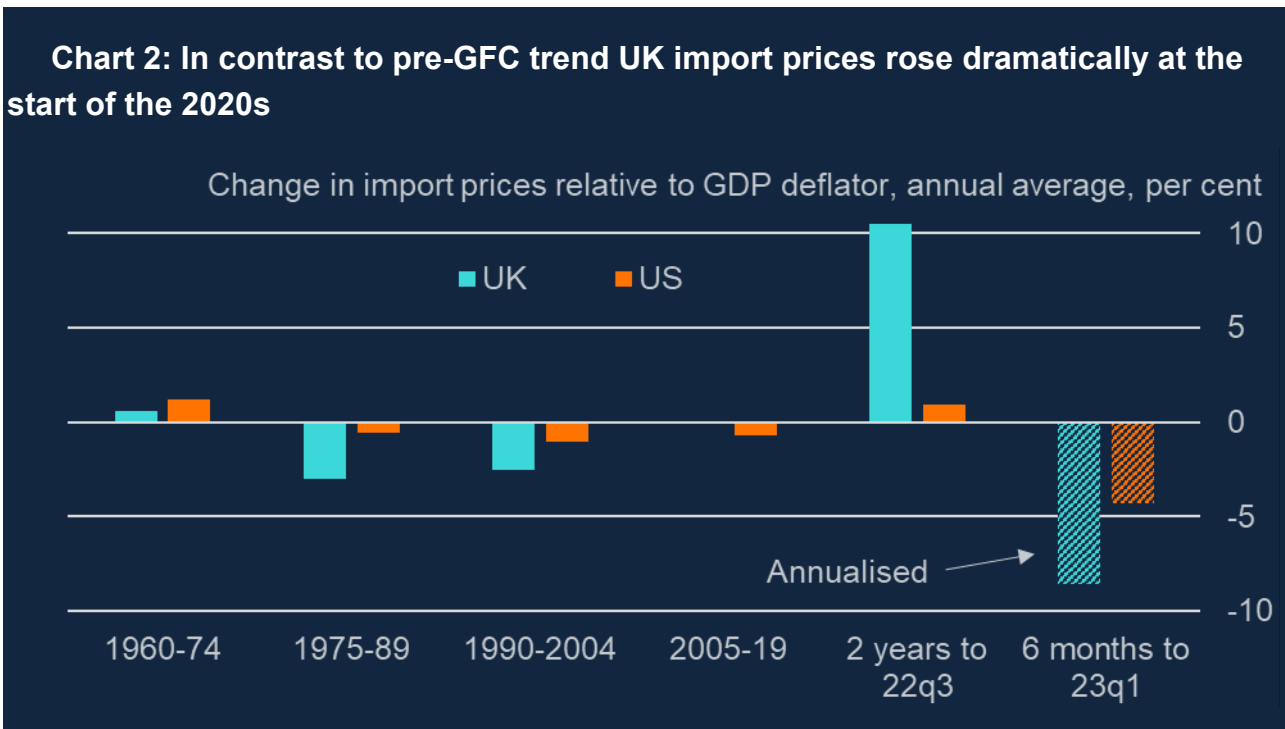
### Speech by Ben Broadbent

Given at the Federal Reserve Bank of Kansas City 46<sup>th</sup> Economic  
Symposium, Jackson Hole, Wyoming

26 August 2023

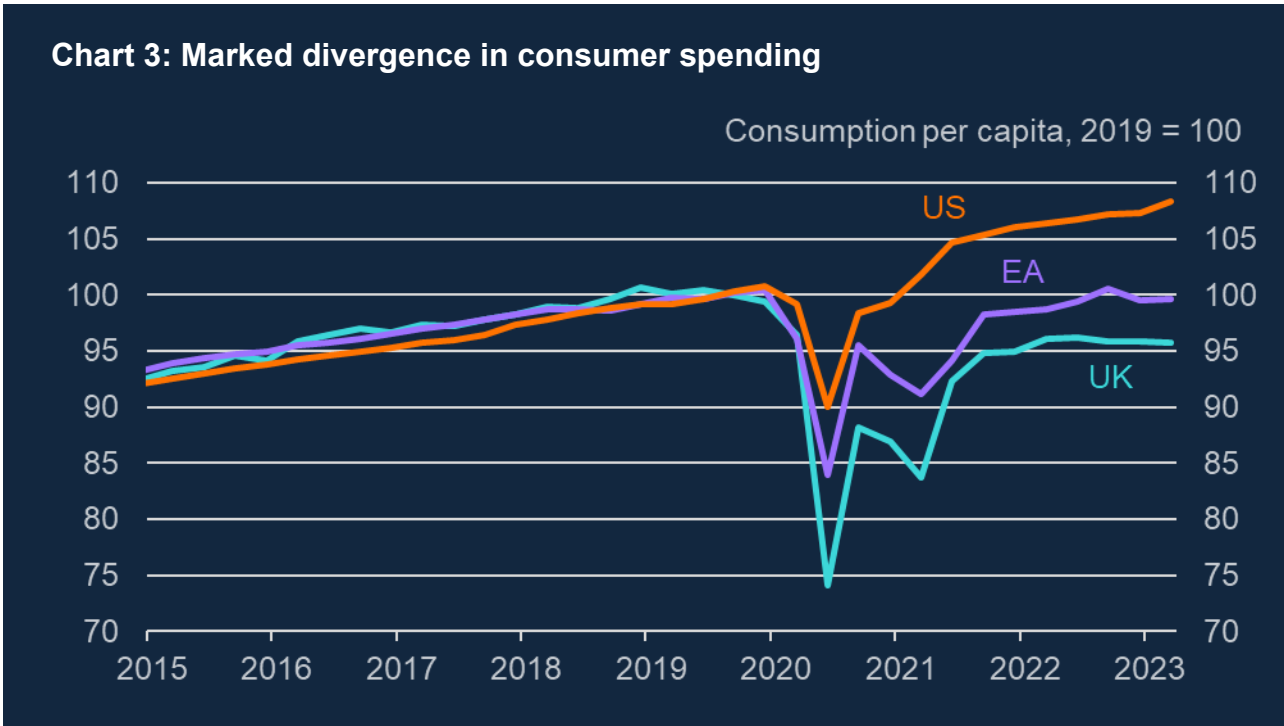


Sources: Bloomberg Finance L.P. and Bank calculations.

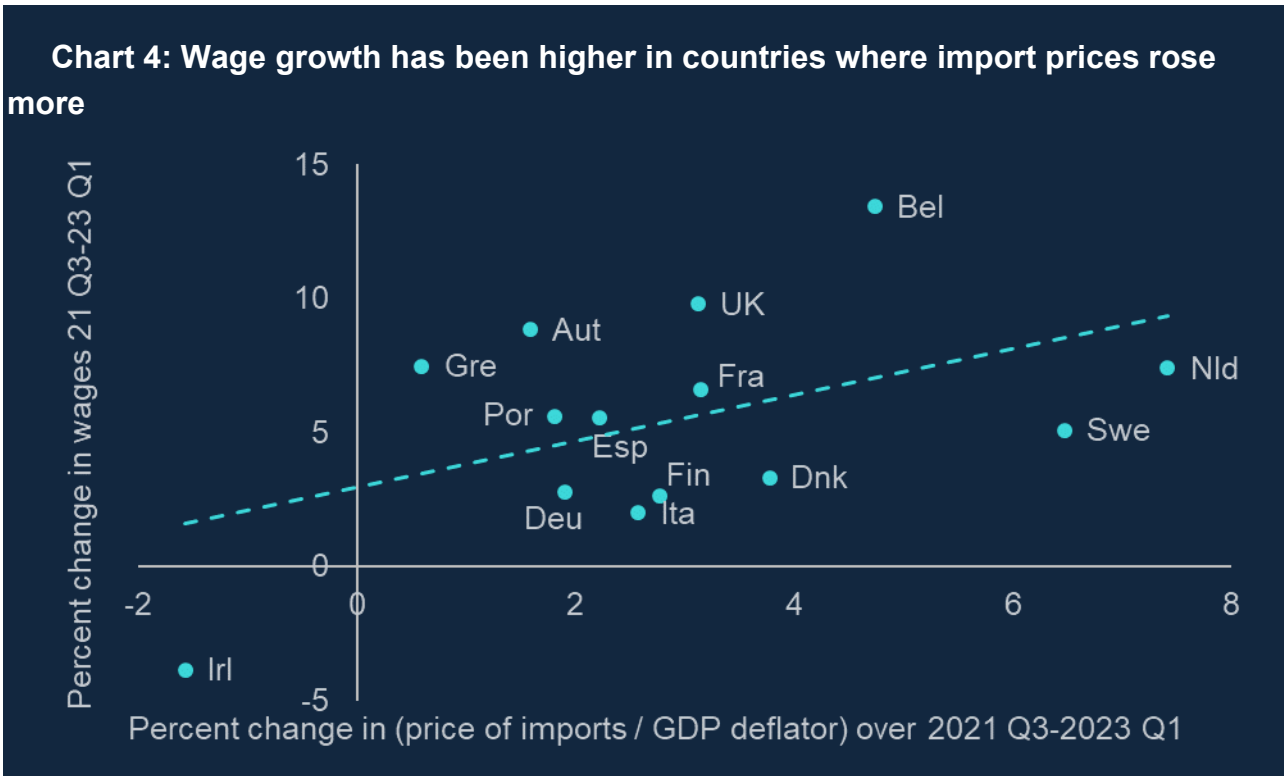


Sources: ONS, FRED and Bank calculations.

US bars weighted by ratio of US import share of output to UK import share of output in volume terms, for comparability with UK bars.

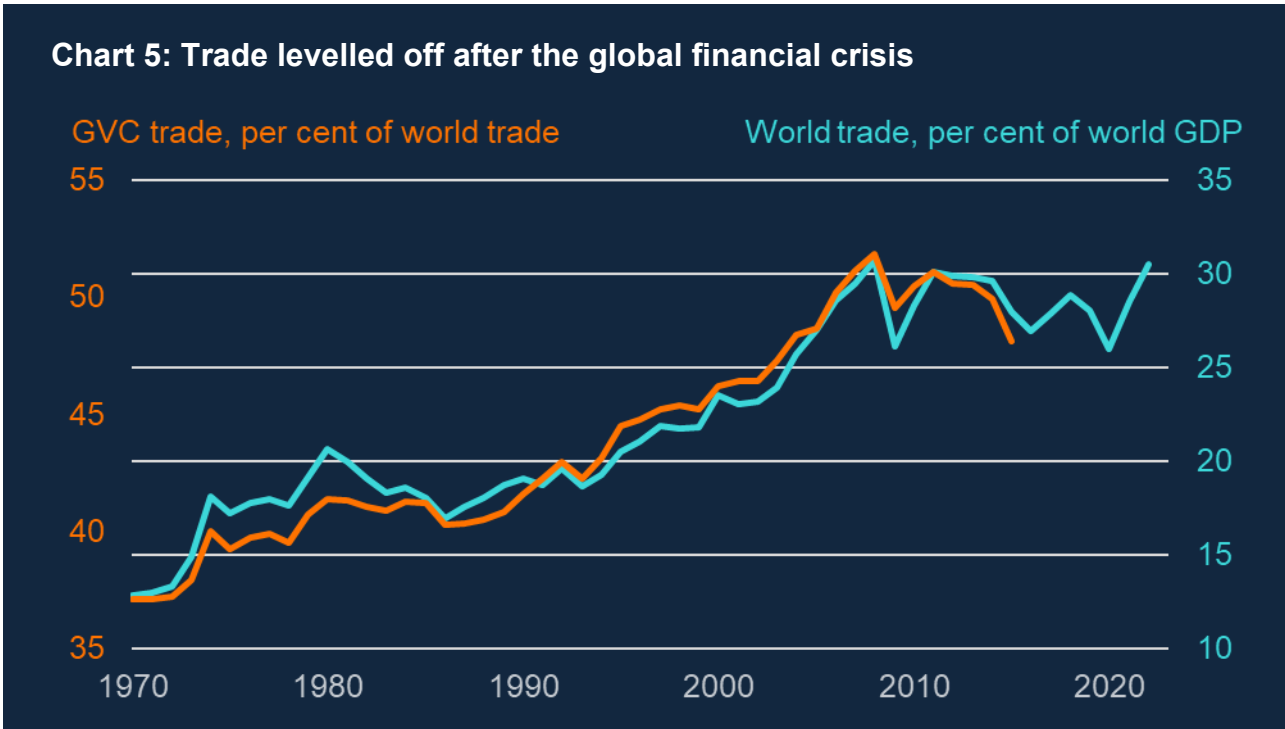


Sources: Refinitiv Eikon Datastream and Bank calculations.

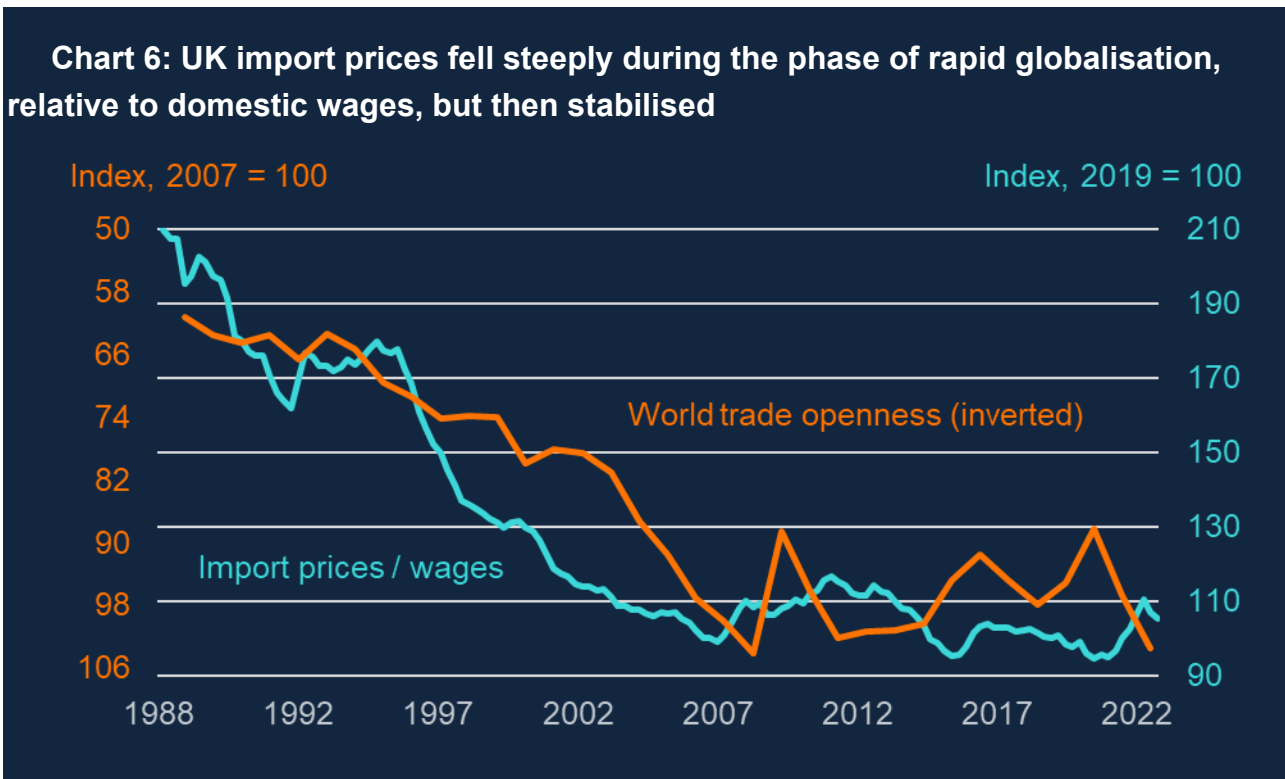


Sources: Eurostat, OECD, ONS and Bank calculations.

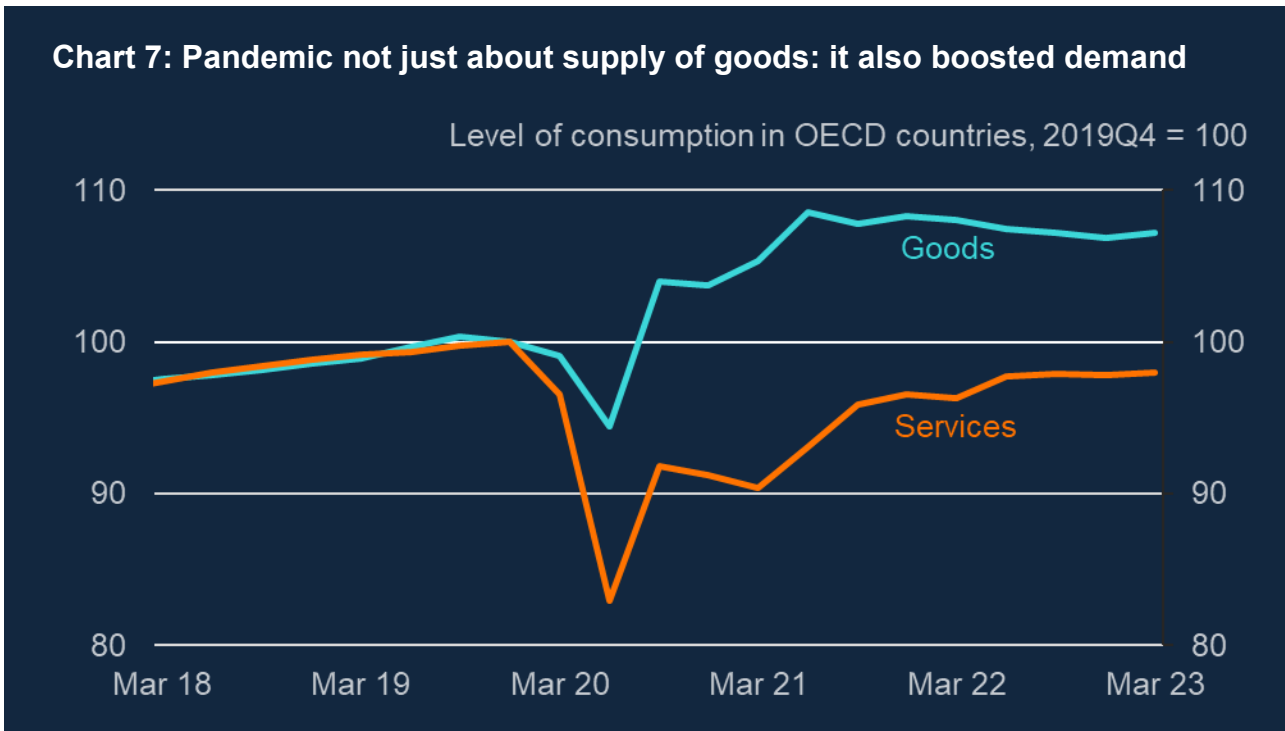
Percent change in (import deflator / GDP deflator) is adjusted by country's import share of output. For Greece, wage data for 2023 Q1 not available so wage growth calculated over 2021Q3- 2022Q4.



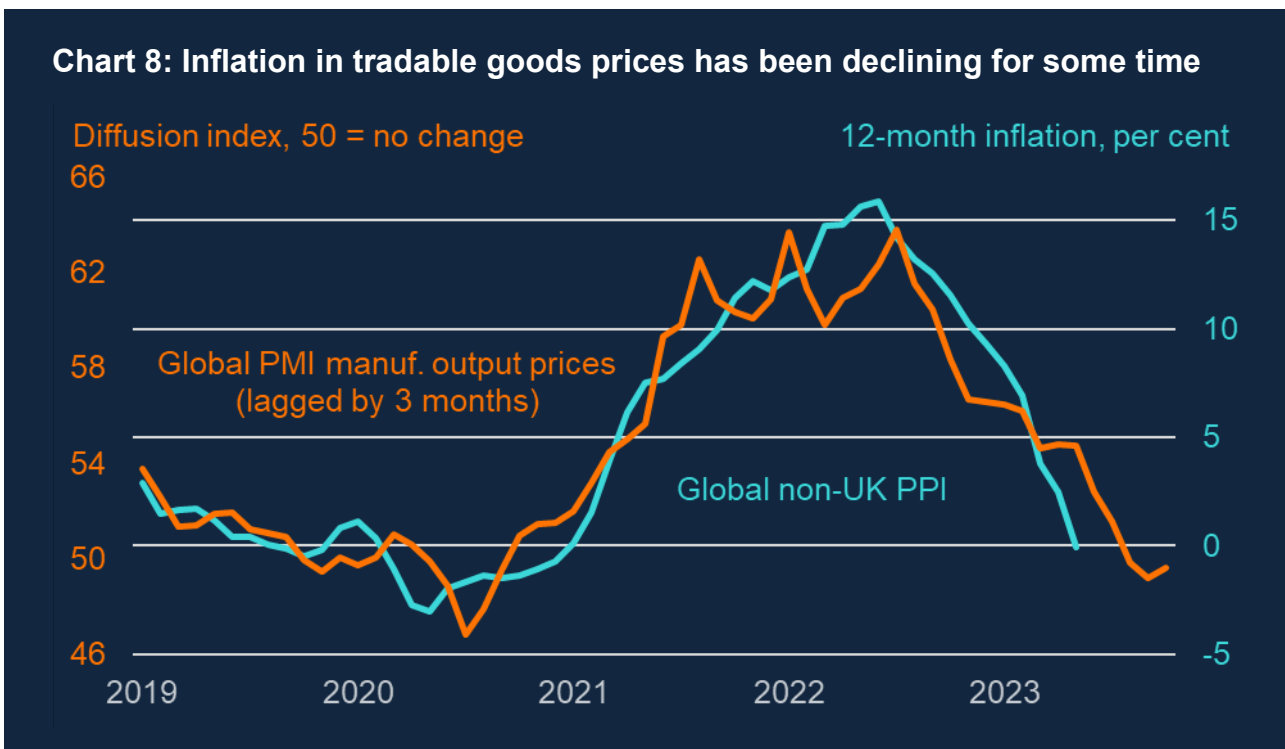
Sources: ONS, World Bank Development Indicators, [Borin and Mancini \(2019\)](#) as reported in [World Development Report \(2020\)](#) and [Antras \(2020\)](#), and Bank calculations.



Sources: ONS, World Bank Development Indicators and Bank calculations.

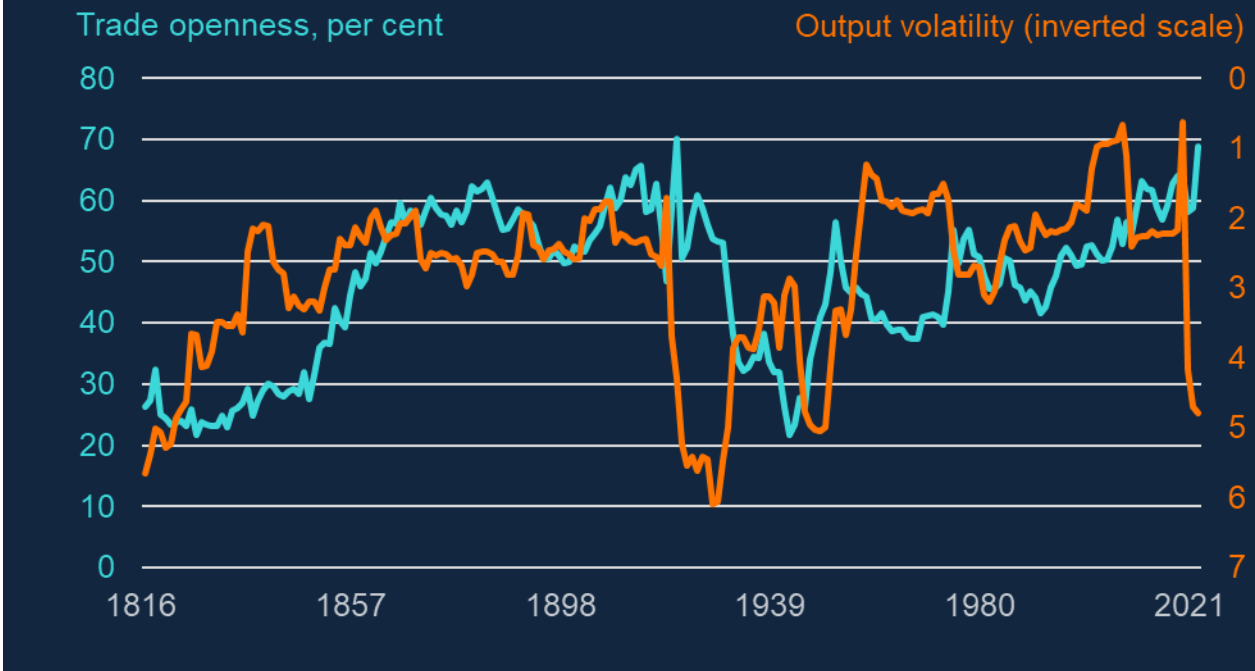


Sources: OECD Quarterly National Accounts, IMF World Economic Outlook and Bank calculations.



Source: Refinitiv Eikon Datastream, JPM Global PMI index and Bank calculations.

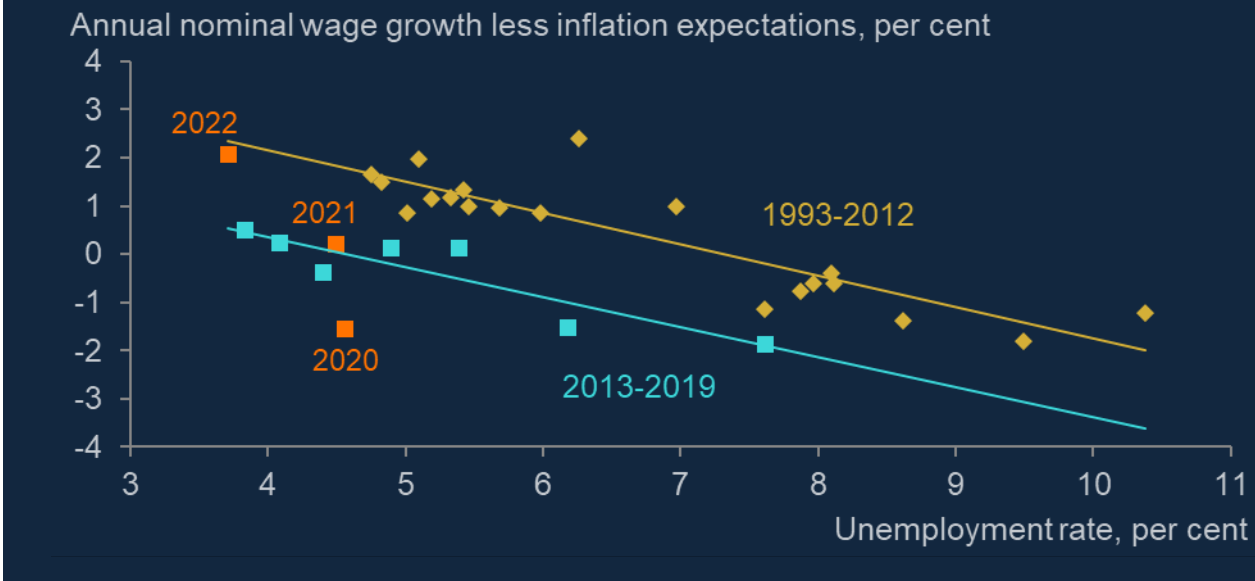
**Chart 9: In the UK time series openness and volatility of growth have been negatively correlated**



Sources: ONS, [Thomas and Dimsdale's Millennium of UK data \(2017\)](#) and Bank calculations.

Output volatility is the standard deviation of real UK GDP growth over the previous 10 years.

**Chart 10: Domestic prices, including wage costs, have accelerated significantly over the past two years**

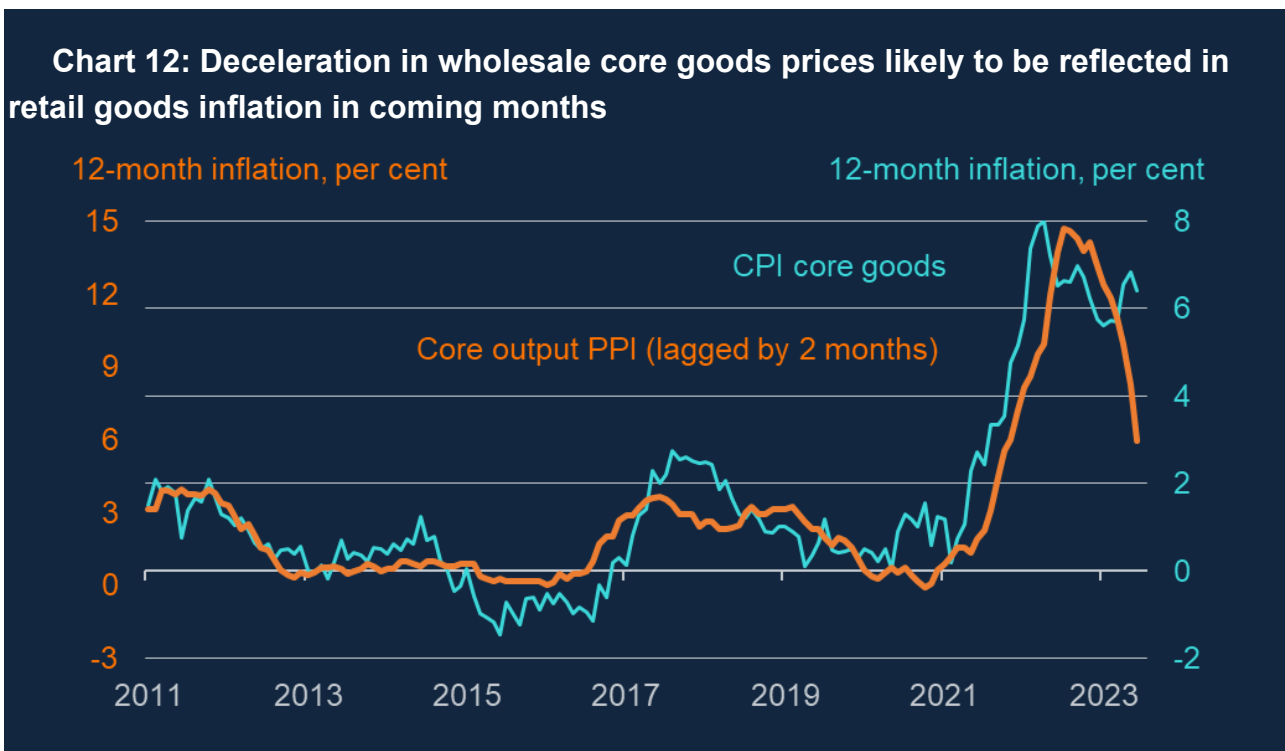


Sources: ONS, Bank of England and Bank calculations.

The unemployment rate did not increase materially during the pandemic thanks to government support.



Sources: ONS and Bank calculations.

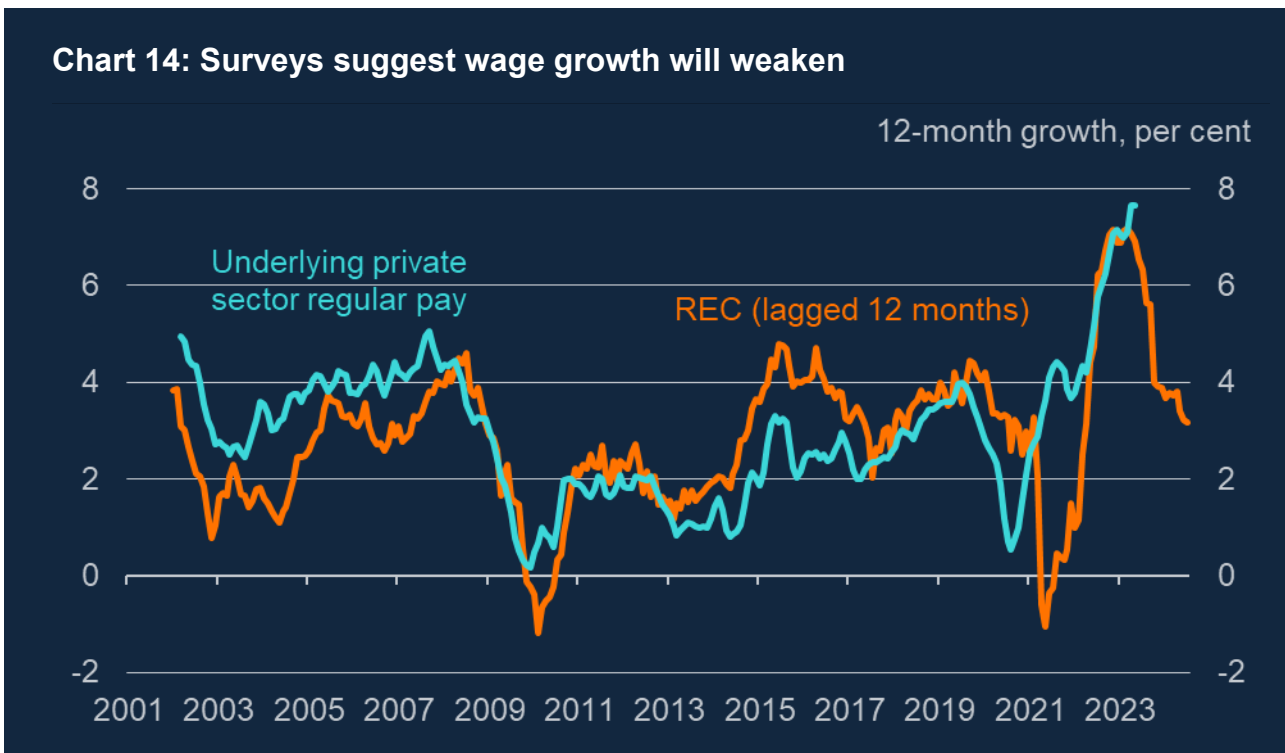


Sources: ONS and Bank calculations.



Sources: ONS and Bank calculations.

Dotted line is a projection to the end of 2023 consistent with the MPC's August 2023 forecast.



Sources: ONS, Recruitment and Employment Confederation (REC) and Bank calculations.

'Underlying' measure of wages removes pandemic-related compositional effects. REC indicator of staff permanent staff salaries is mean-variance adjusted to match wage growth over 2002-19. REC indicator 12-month lag gives best correlation with 12-month wage growth over 2002-19.