



National Institute Economic Review

Journal of the National Institute of Economic and Social Research

No. 242 November 2017

ECONOMIC PROSPECTS

Commentary: Monetary and fiscal policy normalisation as Brexit is negotiated by *Garry Young*

The UK economy edited by *Amit Kara*

The world economy edited by *Graham Hacche*

GLOBALISATION: LOCAL AND SECTORAL IMPACTS

Introduction

by *Monique Ebell and Rebecca Riley*

International trade and UK de-industrialisation

by *Francesca Foliano and Rebecca Riley*

Value added from trade for key business and financial service industries: initial estimates

by *Monique Ebell, Jack Pilkington, Jeremy Rowe and Sylaja Srinivasan*

Local economic effects of Brexit

by *Swati Dhingra, Stephen Machin and Henry G. Overman*

Will Brexit raise the cost of living?

by *Stephen Clarke, Ilona Serwicka and L. Alan Winters*

Brexit and the UK automotive industry

by *David Bailey and Lisa De Propris*

NOTES AND CONTRIBUTIONS

Predicting medium-term TFP growth in the United States: econometrics vs. 'techno-optimism'

by *Nicholas Crafts and Terence C. Mills*

ISSN 0027-9501

National Institute Economic Review No. 242 November 2017

	Page
FORECAST SUMMARIES	F2
COMMENTARY	
Monetary and fiscal policy normalisation as Brexit is negotiated	F4
Garry Young	
THE UK ECONOMY	
Prospects for the UK economy	F10
Box A. Forecasting with a benchmark: the Warwick Business School forecasting system	F14
Box B. Lifting the cap? The importance of interaction between public and private sector wage growth in the UK	F18
Box C. Our Brexit assumptions	F21
Box D. What does the data say about the trend of rate of Total Factor Productivity (TFP) growth?	F26
Amit Kara, with Arno Hantzsche, Jason Lennard, Cyrille Lenoel, Rebecca Piggott, Craig Thamotheram and Garry Young	
THE WORLD ECONOMY	
World overview	F43
Box A. Bond market effects from unwinding unconventional monetary policy	F49
Prospects for individual economies	F51
Box B. Simulation of French 5-year fiscal plan	F55
Appendix A: Key forecast assumptions	F65
Appendix B: Forecast detail	F72
Graham Hacche, with Arno Hantzsche, Jason Lennard, Cyrille Lenoel, Iana Liadze, Rebecca Piggott and Craig Thamotheram	
RESEARCH ARTICLES	
GLOBALISATION: LOCAL AND SECTORAL IMPACTS	R1
Introduction	
Monique Ebell and Rebecca Riley	
International trade and UK de-industrialisation	R3
Francesca Foliano and Rebecca Riley	
Value added from trade for key business and financial service industries: initial estimates	R14
Monique Ebell, Jack Pilkington, Jeremy Rowe and Sylaja Srinivasan	
Local economic effects of Brexit	R24
Swati Dhingra, Stephen Machin and Henry G. Overman	
Will Brexit raise the cost of living?	R37
Stephen Clarke, Ilona Serwicka and L. Alan Winters	
Brexit and the UK automotive industry	R51
David Bailey and Lisa De Propriis	
NOTES AND CONTRIBUTIONS	
Predicting medium-term TFP growth in the United States: econometrics vs 'techno-optimism'	R60
Nicholas Crafts and Terence C. Mills	

Further detail underlying the forecast figures is available on subscription from NiGEMWEB (<http://nimodel.niesr.ac.uk>).