US/China trade tensions are intensifying. The Chinese authorities announced $75bn 5-10% tariffs on US imports, targeting cars, oil and soya. US President Trump retaliated, unveiling further tariff rises though his stance at the latest G7 meeting was conciliatory. Meanwhile, Federal Reserve Chair Jay Powell hinted at another rate cut soon.

In a Jackson Hole. The annual gathering of central bankers in Wyoming had policy-makers in reflective mood. Two things had changed according to St. Louis Fed President James Bullard. The first, arguably long apparent, is that the policies relied on pre-crisis look worn out. Rates are floored (or indeed below) while central bank balance sheets are bloated (quantitative easing). The second is trade uncertainty look set to be a pretty much permanent feature. And with the timing an Edinburgh Fringe comedian would be proud of, Beijing and the US announced new tariffs on one another.

Split decision. President Trump is very clear on where he expects US interest rates to go next, but the same can't be said for the people that actually set them. Two members of the Federal Reserve's rate setting committee voted against the majority view that rates should be cut. Those splits probably led to Chairman Jay Powell calling the cut a "mid cycle adjustment", trying not to raise hopes of further cuts. Still, markets are expecting lots more easing later this year.

Déjà vu. Eurozone economic growth looks set to continue in Q3, judging from the latest flash composite PMI survey: the headline index ticked higher to 51.8 in August (51.5 July). Diverging trends persist between manufacturing and services: the latter expanded at a reasonable pace in August whereas manufacturing posted its seventh consecutive month of contraction. Country-wise, France's manufacturing PMI moved back above the key 50 level in August, indicative of expansion, but Germany remains mired in negative territory. Calls for fiscal stimulus in Germany are likely to grow louder.

Up, up and away. The UK public finances were in surplus by £1.3bn in July, bolstered by a self-assessment tax deadline. Not bad. But the surplus is much smaller than last year (£3.5bn). In fact, since April government has borrowed £6 billion more than during the same period in 2018-19. The rise in borrowing stems from rapid increases in public spending, which leapt 6.9% yoy in July, far outpacing growth in tax receipts (2.5%). With extra cash for the NHS, No Deal preparations and other political priorities seemingly now trumping fiscal restraint, the deficit looks to be going only one way: up.

Everybody in da house. Give yourself a break. You've earned it. With a click of a statistician's mouse, UK annual business investment has been about £3.5bn higher, so growing 0.5% faster, than we once thought. That means the economy is also larger and faster growing, gifting a 0.1% boost to annual GDP growth on average since 1997. A key driver is the amount firms spend developing in-house software and databases, over £7bn more each year between 2009 and 2016. We’re technically richer, but while this *partly* answers the productivity puzzle, don’t bother checking your bank balance. This is a case of statistics catching up with reality.

Head to 70. The UK population is estimated to have risen by almost 400k (about the size of Leicester) in the year to mid-2018, bringing our population to 66.4m. It represents a 0.6% rise, matching the previous year’s figure. Growth has slowed from the 0.8% gains seen between 2014 and 2016. But only a little. And make no mistake, this is still historically high. It’s in line with this century’s pace but almost three times the pace seen between 1980 and 1999. A decade ahead and it’s estimated we’ll hit the 70m mark, and that’s with growth gradually slowing.

On the move. Even a seemingly stable population is usually in state of flux. New estimates suggest 612k people chose to move to the UK in year to March and 385k left, adding 226k to the population. But while the net increase has been largely stable of the past 24 months, EU migration has slowed, offset by a pick-up in non-EU migration. And don’t forget folk move within these shores. More people opt to leave England to live in Wales and Scotland than visa-versa. But it’s the picture book Cotswolds that nabs the biscuit, with Tewkesbury winning the UK’s seemingly most popular move-to-place.

Incoming. For the fifth year in a row, more people came to live in Northern Ireland than left. Over the year to mid-2018, there was a net inflow of 4,100 individuals with 95% of these classed as ‘international’ (i.e. outside the UK). Despite ongoing Brexit uncertainty this represented the highest level since mid-2008 and a significant pick-up from the previous year. International migration remains most dominant within the under 35s age-bracket with the primary motive being moving for work. Northern Ireland’s overseas reputation as an attractive place to work was underscored in the fDi magazine’s inaugural Fintech Location of the Future 2019/20. Belfast’s booming cybersecurity hub saw it ranked third after London and Singapore. New York and Dublin placed fourth and fifth respectively.

1 in 10. “I am the one in ten….a number on the list….I am the one in ten…even though I don’t exist…” People of a certain vintage will recognise UB40’s hit from 1981 which referred to the unemployment rate in the West Midlands. Today the figure is less than half that. In Northern Ireland, the 1 in 10 refers to people aged 16-24 years defined as NEETs – Not in Education, Employment or Training. This may still sound high but at 10.2% it remains lower than the England, Scotland, Wales and the UK average (11.1%).

Equal opportunity? Recently there has been a growing concern that younger generations get a “rotten deal” compared with previous generations, but there was little data to support this view. Now the ONS has published experimental data on UK household incomes by birth cohort. They reveal that prior to the 1970s each generation had higher average disposable income than their predecessors, but this is no longer true: average incomes for people in their early 40’s is comparable to those born in the 1960’s. The trend of each generation doing better than the previous seems to have ceased working.

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