

# UK narrowly avoided recession last year, official figures show

Britain's flatlining [economy](#) narrowly avoided sliding into recession by the smallest of margins at the end of last year, official figures revealed on Friday.

The [Office for National Statistics](#) (ONS) said output in December fell 0.5 per cent.

That means the economy was flat over the fourth quarter and did not quite meet the technical definition of a recession – two consecutive quarters of negative [growth](#). The economy shrank 0.2 per in the third quarter from July to September.

The overall figure for December was dragged down by a 0.8 fall in the dominant services sector which was hit by a range of one-off factors. These included the impact of strikes, fewer visits to doctors and hospitals after the pandemic and the lack of Premier League football matches during the World Cup.

Annual GDP is estimated to have grown by 4.1 per cent in 2022, following growth of 7.4 per cent in 2021

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Most economists and the Bank of England still believe that the UK will be in recession early this year as consumers rein in their spending under the onslaught of the cost of living crisis.

However, some economic and business data has been stronger than expected over recent months suggesting that the UK could escape going into recession this year as well.

Energy bills are also forecast by analysts to rise less steeply and fall more quickly than was previously feared.

Chancellor Jeremy Hunt said: "The fact the UK was the fastest growing economy in the G7 last year, as well as avoiding a recession, shows our economy is more resilient than many feared.

"However, we are not out the woods yet, particularly when it comes to inflation.

"If we stick to our plan to halve inflation this year, we can be confident of having amongst the best prospects for growth of anywhere in Europe."

Friday's data means Mr Hunt was wrong to declare "the UK is now in recession" in his November Budget when the economic outlook appeared far bleaker.

But earlier this week the National Institute for Economic and Social Research said the UK would grow by 0.2 per cent this year although it warned one in four British households would be unable to pay for food and energy without using up savings, borrowing or seeking other help.

Last week the Bank of England softened its forecasts saying

that the expected recession would be shorter and shallower than previously feared with GDP only falling 0.5 per cent.

In November the Bank had warned that the UK faced its longest recession since records began, with a downturn of 1.5 per cent expected to extend well into 2024.