

# Return of Premier League football helps economy rebound in January

The economy rebounded to grow by 0.3% in January, according to official figures which reaffirmed that the UK avoided recession at the end of last year.

The Office for National Statistics (ONS) reported a recovery for output last month after the bigger than expected contraction of 0.5% witnessed in December, which went unrevised in the update.

The dire performance during the Christmas month, when widespread strikes combined with the [cost of living crisis](#), meant output between October and December came in just shy of completing [two consecutive quarters of negative growth](#).

The ONS said that the largest contributions to growth in January came from a bounce back in many sectors hit by strike action including education and transport, along with entertainment and recreation.

It also credited the return of top flight domestic league football following the end of the World Cup.

Director of economic statistics, Darren Morgan, said: "The economy partially bounced back from the large fall seen in December. Across the last three months as a whole and, indeed over the last 12 months, the economy has, though, showed zero growth.

"The main drivers of January's growth were the return of children to classrooms, following unusually high absences in the run-up to Christmas, the Premier League clubs returned to a full schedule after the end of the World Cup and private

health providers also had a strong month.

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December: Strikes, snow and Premier League suspension hit economy

“Postal services also partially recovered from the effects of December’s strikes.

“These were somewhat offset by a notable drop in construction with a slowdown in infrastructure projects and housebuilding having another poor month, partly due to heavy rainfall.”

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There have been predictions, from bodies including the Bank of England and OECD, that the UK will enter recession in 2023.

The IMF declared in January that the country will be the [only advanced economy to tip into recession](#), albeit a mild one.

But there is evidence ahead of next week's budget that the UK is, like its rivals, performing better than many had expected.

Recent activity data covering services and manufacturing has been a surprise – with a services reading last week coming in at its strongest level for eight months.

Consumer confidence readings have also picked up from 2022 lows.

Separate ONS data, which is not adjusted for inflation, showed on Thursday that spending on debit and credit cards was up 3 percentage points in the week to 2 March compared with the same week in 2022.

Chancellor Jeremy Hunt said of the latest growth figures: “In the face of severe global challenges, the UK economy has proved more resilient than many expected, but there is a long way to go.

“Next week, I will set out the next stage of our plan to halve inflation, reduce debt and grow the economy – so we can improve living standards for everyone.”

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Mr Hunt will use his budget next Wednesday to bolster the government's five priorities, though halving inflation this year is far more difficult to achieve if you want to spur growth.

He is [tipped to extend – at the same level – the energy price guarantee](#) to help shield households from record energy prices.

He had been due to raise the effective cap from April to £3,000 from £2,500 but falling wholesale costs have meant that

the Treasury has not had to foot the bill it had initially feared, leaving scope to maintain aid at its current level.

But with inflation still running above 10%, the Bank of England is tipped by financial markets to add to borrowing costs through further rate rises, which could dampen demand in the economy further.

Governor Andrew Bailey has signalled that Bank rate may have peaked but that its interest rate-setting committee would have to judge conditions through the data available.

Rachel Reeves, Labour's shadow chancellor, said of the growth figures: "Today's results show our economy is still inching along this Tory path of managed decline.

"People will be asking themselves whether they feel better off under the Tories, and the answer will be no."