UK overtakes France and Germany as economic growth bigger than expected after COVID

The UK is no longer lagging behind in the G7 group of wealthy countries as revised figures show economic growth was bigger than first thought.

The economy grew more than previously thought in the first three months of the year, latest figures from the Office of National Statistics (ONS) show.

The data shows UK economic growth was 0.3% from January to March, better than the 0.1% first announced.

It means that the UK economy is now expected to have grown by 1.8% between the final quarter of 2019, before the <u>COVID</u> pandemic hit, and the second quarter of this year.

That puts the country's economy ahead of both Germany (0.2%) and France (1.7%) during the same period. But it is still behind Italy (2.1%), Canada (3.5%), Japan (3%) and the US (6.1%).

The latest figures are a boost to Prime Minister Rishi Sunak who has set himself the <u>goal of growing the economy</u>.

An ONS announcement from earlier this month already delivered good news when it said pandemic-era economic contraction was less severe than thought, and growth in 2021 was considerably better than before.

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ONS: 'Unusual factors affecting the economy'

Following the latest figures, sterling recovered value. One pound could buy \$1.22 after hitting a six-month low on Wednesday.

The FTSE 250 index of valuable companies on the London Stock Exchange was also up after the announcement.

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Another effect of growing GDP can be rising greenhouse gas emissions.

The IPCC (Intergovernmental Panel on Climate Change) said that GDP and population growth "remained the strongest drivers of CO2 emissions from fossil fuel combustion in the last decade".

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In response to the GDP revision, Chancellor Jeremy Hunt said: "We know that the British economy recovered faster from the pandemic than anyone previously thought and data out today once again proves the doubters wrong.

"The best way to continue this growth is to stick to our plan to halve inflation this year, with the IMF forecasting that we will grow more than Germany, France, and Italy in the longer term."