

Wales Economic and Fiscal Report 2025: Five Essential Insights



Llywodraeth Cymru
Welsh Government

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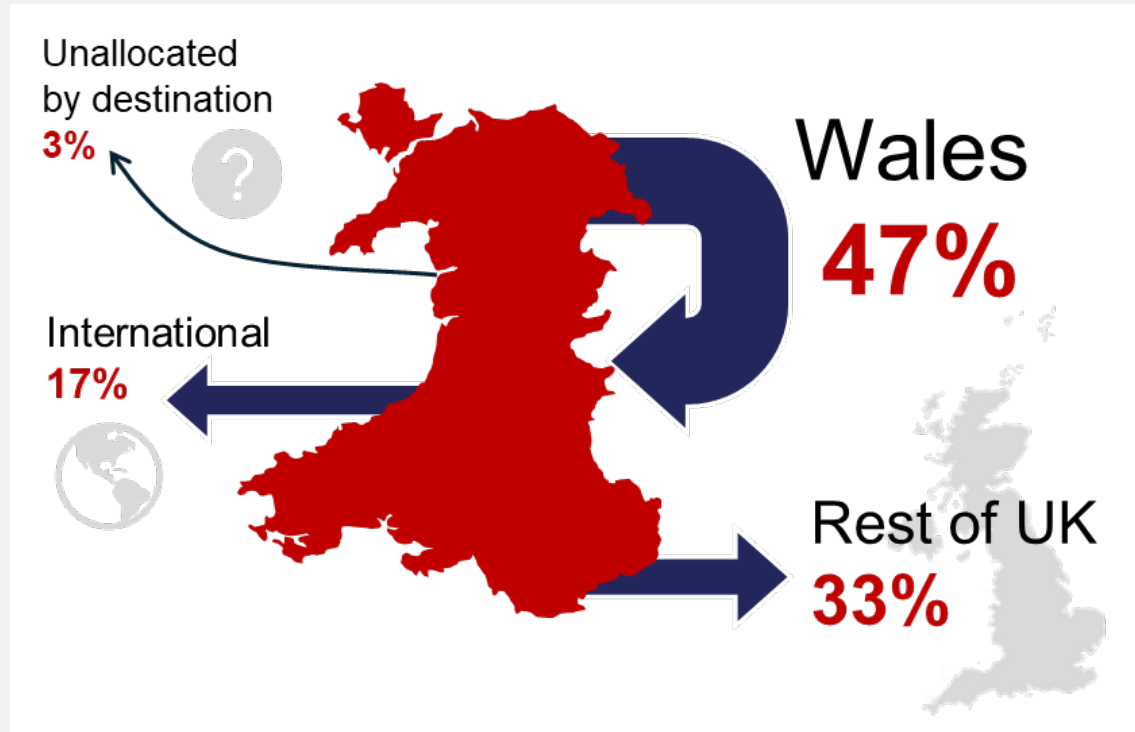
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Five Essential Insights

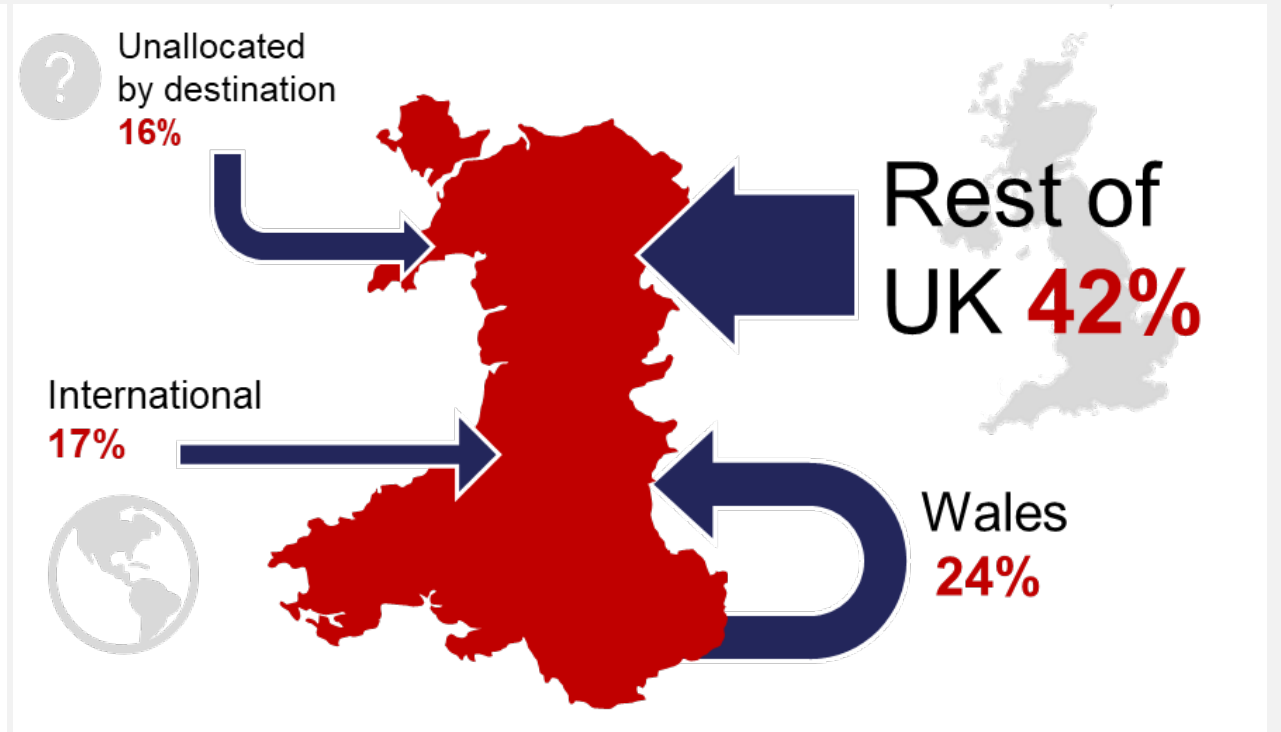
- 1. Wales' economy is closely connected to the UK and global economies**
- 2. Economic output and living standards growth have slowed across the UK**
- 3. The gap in living standards between Wales and the UK may be smaller than income data suggests**
- 4. Welsh employment rates are historically high, though recent data shows some decline**
- 5. Rising costs and an aging population are putting pressure on public finances**

Wales' economy is closely linked to the UK economy

Business to business sales (2022)

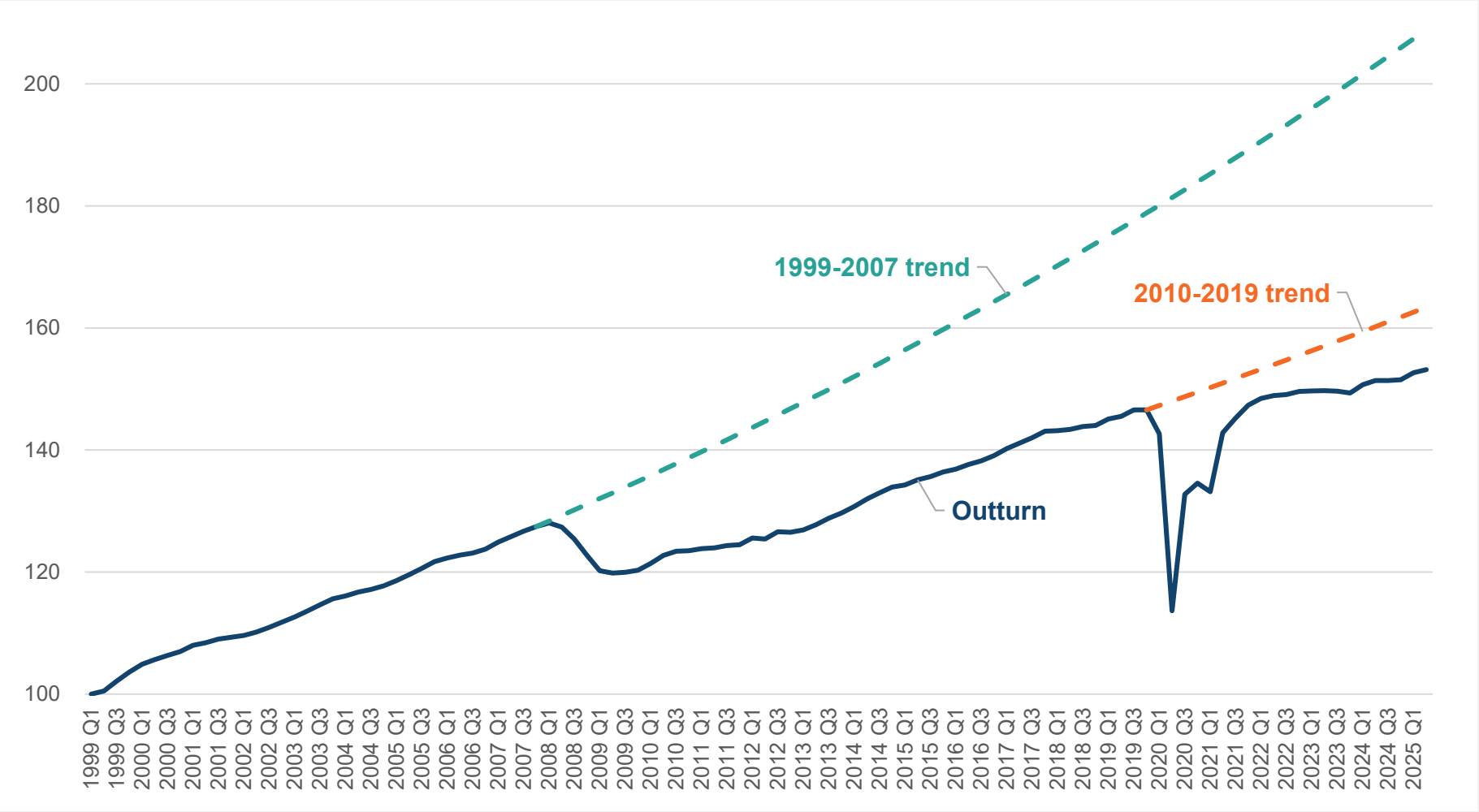


Businesses to business purchases (2022)



Increases in economic output and living standards have slowed across the UK

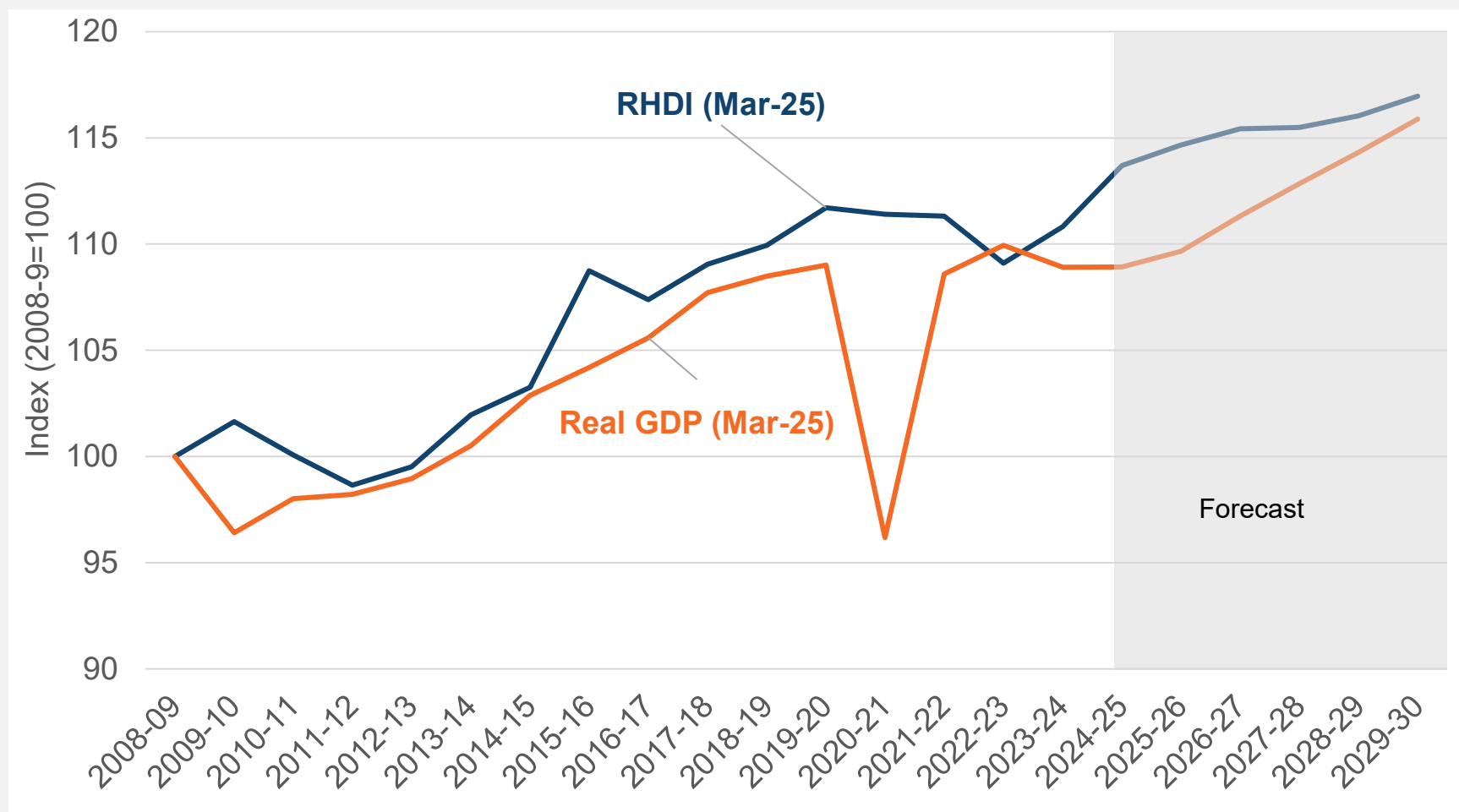
UK Real GDP Index (1999 Q1 = 100)



Source: GDP first quarterly estimate, UK: April to June 2025, ONS

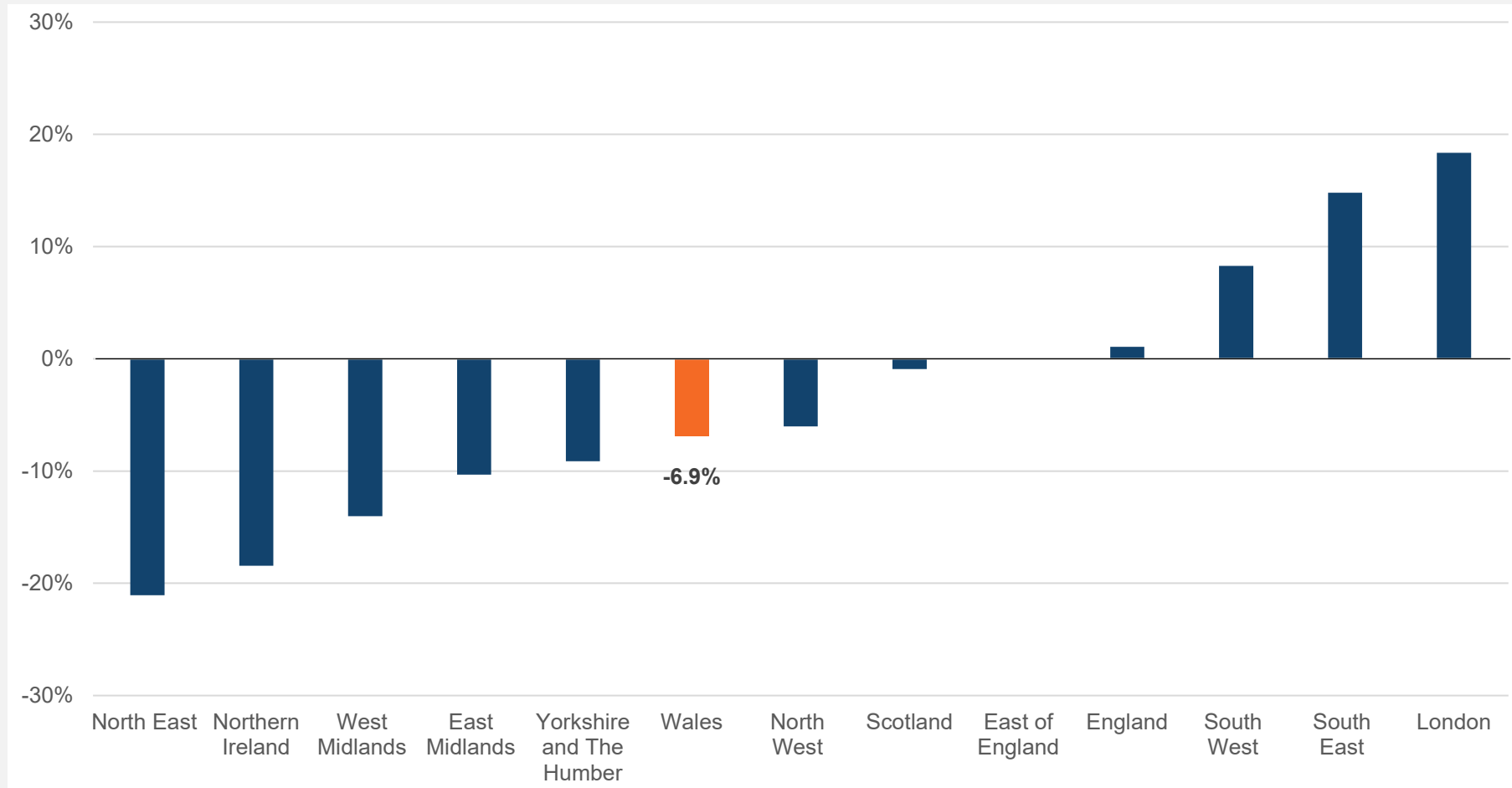
Economic growth still drives living standards

UK Real Household Disposable Income (RHDI) and GDP per head index, 2008-9 to 2029-30



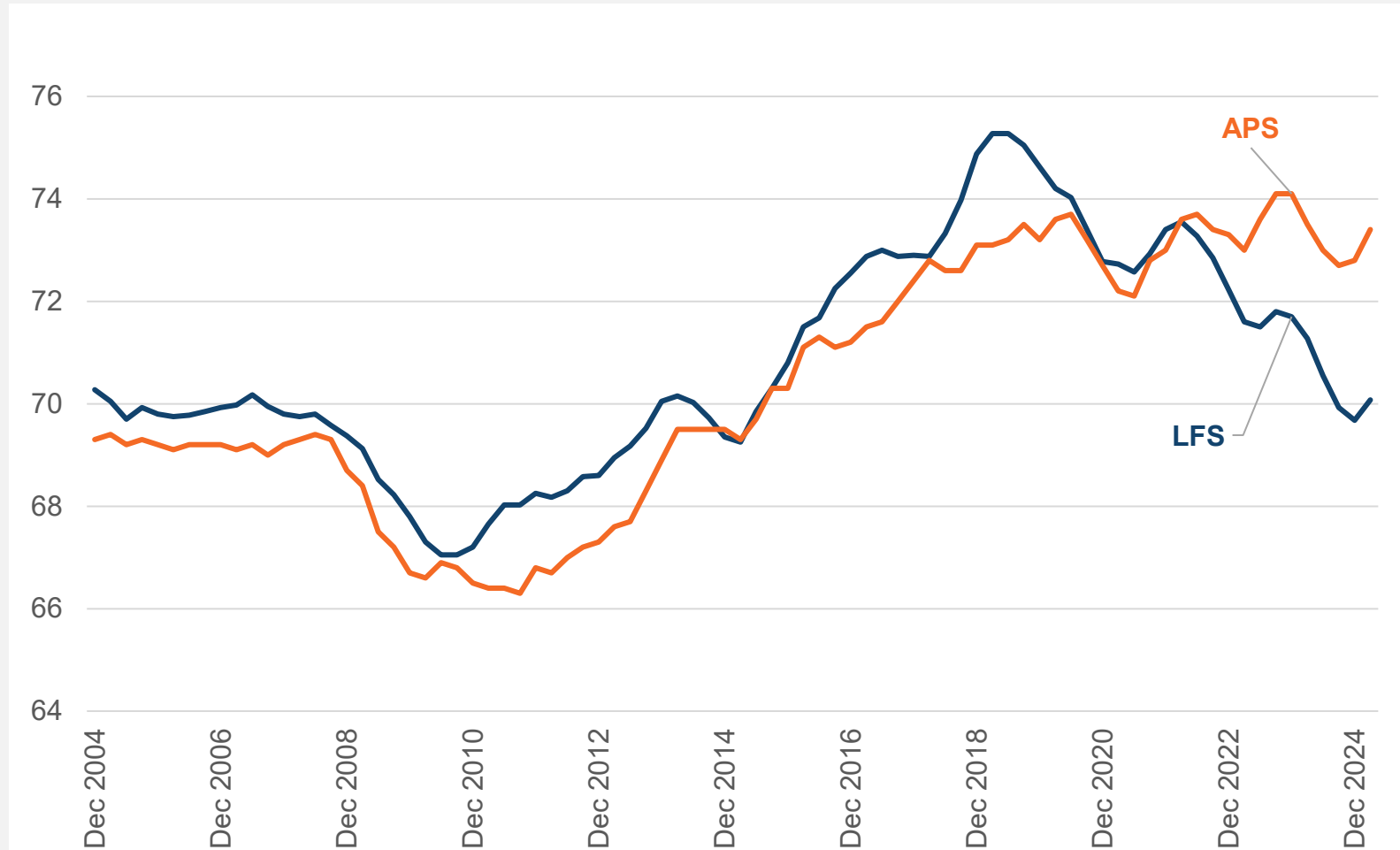
Welsh living standards are closer to the UK average when measured by spending

Expenditure per person - percentage difference from UK, 2022

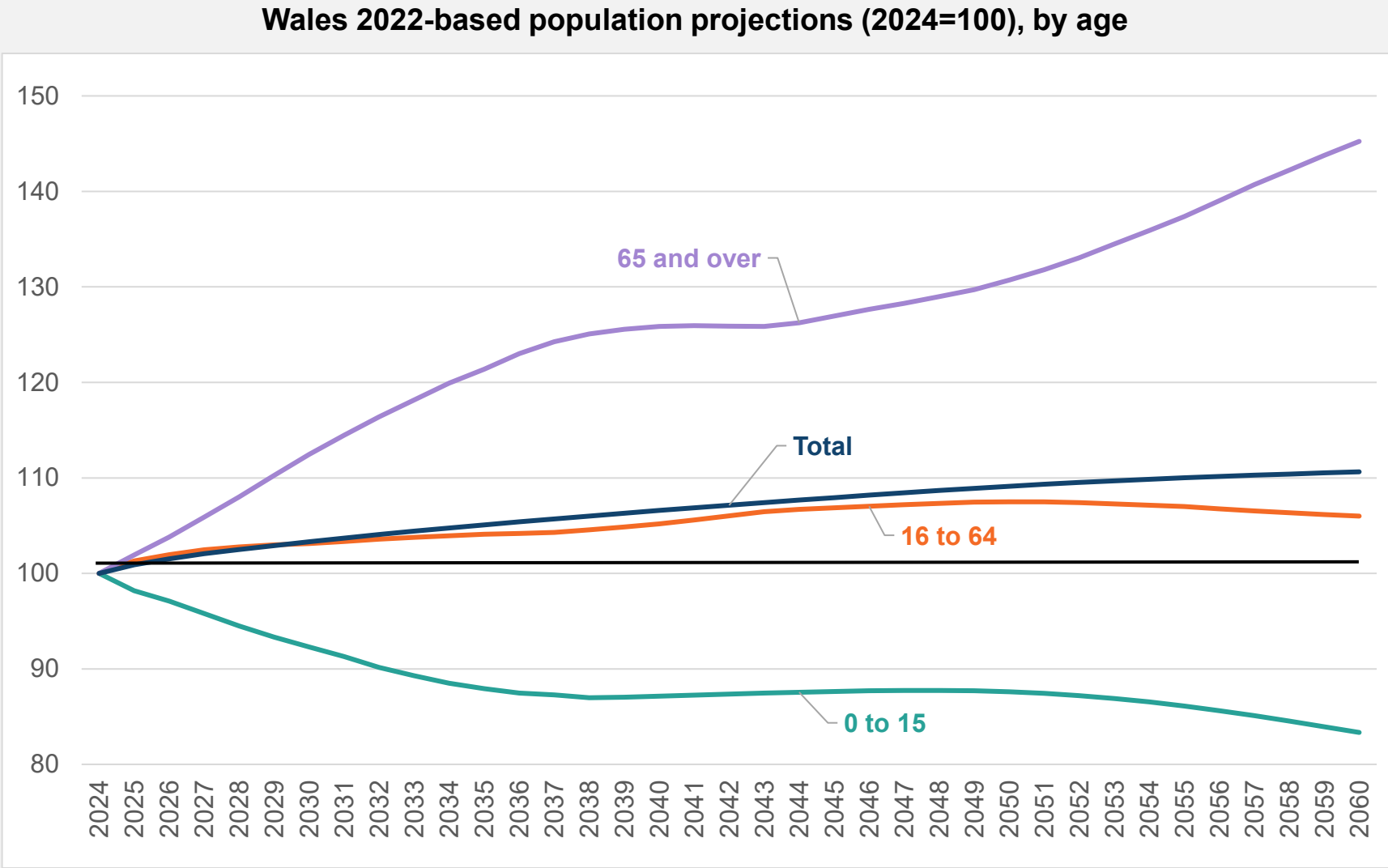


Welsh employment rates are high but showing recent decline

Employment rate (%) in Wales for people aged 16 to 64 years, December 2004 to March 2025



Rising costs and an aging population are putting pressure on public finances



Source: National population projections, ONS