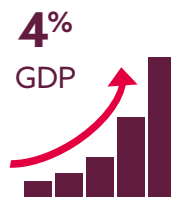


Economic impact of Covid-19 and the UK's economic outlook



Fall in UK GDP over 2020 despite 1% growth from 2020 Q3 to 2020 Q4.



UK GDP rise forecast for 2021 with GDP forecast to reach pre-pandemic levels in 2022 Q2.

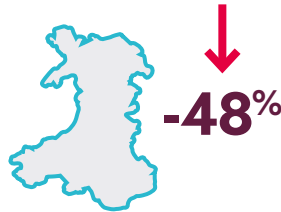


UK unemployment in Q4 2020 at its highest since 2016 but forecast to rise to 6.5% in 2021.

Business picture in Wales



Business starts are higher than closures in Wales for 2020, diverging from the UK where closures increased by more.*

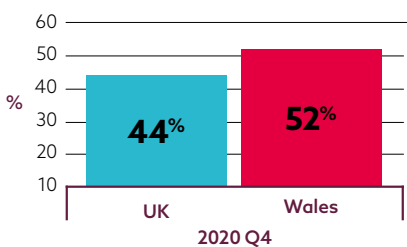


Wales has the fourth lowest SME confidence in the UK despite showing confidence gains.



Welsh exports down 24.4% compared to declines of 15.4% in England and 21.3% in Scotland.

SME Finance in Wales



More Welsh SMEs are using external finance (2020 Q4 saw Wales further differentiate from the UK.)



The Development Bank invested £42m this quarter, a 56% increase from 2019/20 Q3.



Equity deals in Wales made up 4% of the UK total, with Cardiff having more deals than Bristol, Birmingham and Belfast.

* ONS quarterly experimental statistics for Business demography outlines business closures and creations which are then considered business deaths and business births in ONS' Annual Business Demography publication.