

Speech: IMF Article IV Press Conference 2018: Chancellor's statement

I am delighted to welcome Christine Lagarde and her team back to the Treasury this morning, to present their conclusions of the IMF's annual Article IV assessment of the UK economy.

I had the pleasure of meeting the IMF team during the visit – and I'd like to thank them for their work, their challenging inquiries, and for the robust external scrutiny that they continue to provide.

This annual inspection is an event that we very much welcome.

It has been a valuable source of challenge for myself and my predecessors – and while we do not always follow every recommendation of Christine and her team to the letter – we certainly always listen to them, and take them into account in delivering our economic plan.

And thanks too to the hard work of the British people, we have delivered an economic plan that put jobs and prosperity first, has brought our economy back from the brink – and put it on solid footing for the future.

And the fact is – today our economy stands fundamentally strong:

Unemployment has fallen to 4% – a 40-year low;

Employment is at near record highs;

Real wages are growing again – and are set to grow substantially faster over the next three years according to the OBR;

We've brought the deficit down by 4/5 from a 50 year high...

...and while the IMF rightly point out that our debt is too high at 85% of GDP...

...this year it is finally set to begin falling...

...and it is very important we continue to reduce it in the years ahead.

Our economic plan has delivered growth in the economy, growth in employment, and growth in wages...

...and it has also allowed us to invest in the key priorities for the British people too:

We're investing an extra £24 billion a year in the NHS...

...we've established a £31bn National Productivity Investment Fund – because as the IMF remind us – improving productivity is the key to higher real wages

and raising living standards...

...we're raising public investment to its highest sustained level in 40 years...

...and we've cut taxes for over 30 million people.

But we cannot take this economic progress for granted...

...we are at a critical juncture for the UK economy...

...and as we head into the final stages of the Brexit negotiations...

...we must not put these achievements – and the prosperity of the British people – at risk;

We must lock in the economic progress we have made...

...as we leave the EU we must secure a close and enduring future partnership with our European neighbours...

...and we must heed the clear warnings of the IMF and others of the significant cost that not reaching a deal with the EU will have for British jobs and British prosperity.

We have made good progress in the negotiations, – progress which the IMF welcome in their report...

...and as talks intensify, I am confident we will reach agreement on the Withdrawal Agreement and Future Framework this Autumn.

But we must, of course, continue to prepare for all scenarios...

A no-deal scenario remains unlikely – but it is not impossible.

We have released [a number of technical notices](#) setting out what citizens and businesses would need to do in the case of no deal, with more to come in the coming weeks.

The IMF are clear today that no-deal would be extremely costly for the UK – as it would also for the EU...

...and that despite the contingency actions we are taking – leaving without a deal would put at risk the substantial progress the British people have made over the past ten years in repairing our economy.

That is why it is so important for people up and down this country, that we reach a negotiated agreement on our future relationship over the coming weeks.

I'll finish by thanking Christine and the IMF once again for their hard work – and for the ongoing scrutiny of our economic plan: We value your advice, and look forward to studying the full report when it is published later this year.

Now I'm delighted to welcome Mme Lagarde to the podium to set out the IMF's main findings, and I look forward to hearing what she has to say.