

Calendar of economic events: 1980–2009

1980

- Jan Steel strike begins
- Mar Medium Term Financial Strategy announced
- Jun Britain becomes a net exporter of oil
Agreement to reduce UK's budget contribution to European Community (EC)
- Oct Dollar exchange rate peaks at \$2.39 per £
- Nov Ronald Reagan elected US President

1981

- Jan Bottom of worst post-war slump in Britain
- Feb The Times sold to Rupert Murdoch
- Mar Budget announces windfall tax on banks
- Jul Cuts in university spending announced
- Aug Minimum Lending Rate (MLR) suspended

1982

- Feb Laker Airlines collapses
- Apr British naval task force sent to Falklands
- Jun Ceasefire in Falklands
- Jul Hire purchase controls abolished
- Aug Barclays Bank starts opening on Saturdays
- Sep Unemployment reaches three million
- Nov Channel 4 Television begins transmission

1983

- Jun £450m EC budget rebate granted to UK
Conservatives re-elected at general election
- Jul £500m public spending cuts announced
- Sep 3% target set for public sector pay
- Oct European Parliament freezes budget rebate

1984

- Mar Miners' strike begins
- Jun Robert Maxwell buys Daily Mirror
- Jun Fontainebleau Summit agrees permanent settlement of UK's contribution to EC
- Oct Bank of England rescues Johnson Matthey

- Nov British Telecom plc privatised
Ronald Reagan re-elected US President

- Dec Agreement to hand over Hong Kong to China in 1997

1985

- Jan FT Index reaches 1,000 for the first time
- Mar End of year long miners' strike
Dollar exchange rate bottoms out at \$1.05/£
- Dec NatWest, Barclays and Lloyds Banks announce 'free banking'

1986

- Jan Michael Heseltine resigns from Government over Westland Helicopters affair
- Feb Single European Act signed
- Mar Budget cuts basic rate of income tax to 29% and introduces Personal Equity Plans (PEPs)
Greater London Council abolished
- Apr Chernobyl nuclear reactor disaster
Bus services deregulated
The Independent newspaper founded
- Nov 'Big Bang' deregulates dealing in the City
- Dec British Gas privatisation

1987

- Jan Prosecutions for insider dealing in Guinness case
British Airways privatisation
- Mar Budget reduces basic rate of tax to 27%
- Jun Conservatives re-elected at general election
- Oct 'Hurricane' strikes Britain
'Black Monday' collapse of stock market

1988

- Mar Budget reduces basic rate of tax to 25%; top rate to 40%
British Leyland sold to BMW
- Jun Barlow-Clowes collapses
- Jul Piper Alpha oil rig disaster
- Sep Worst ever UK trade deficit announced

- Nov** George Bush elected US President
- Dec** Salmonella outbreak in Britain
- 1989**
- Mar** Exxon Valdez oil spillage disaster in Alaska
- Apr** Chinese authorities quell dissidents in Tiananmen Square
- Jul** Blue Arrow report from Department of Trade and Industry
- Oct** Nigel Lawson resigns as Chancellor
- Nov** Ford takes over Jaguar
Fall of Berlin Wall
- 1990**
- Mar** Budget introduces tax exempt savings accounts (TESSAs)
- Apr** BSE ('Mad cow disease') identified
New Education Act brings in student loans
Community Charge ('Poll Tax') introduced
- Aug** Kuwait invaded by Iraq
- Oct** Official reunification of Germany
UK enters Exchange Rate Mechanism
- Nov** John Major replaces Margaret Thatcher as Prime Minister
Privatisation of electricity boards
- 1991**
- Jan** NHS internal market created
Gulf War begins
- Feb** Gulf War ends
- Mar** Air Europe collapses
Budget restricts mortgage interest relief to basic rate: Corporation Tax reduced and Value Added Tax (VAT) increased
- Jul** Bank of Credit and Commerce International closed by Bank of England
- Nov** Maastricht agreement signed with UK opt-outs
- Dec** Mikhail Gorbachev replaced by Boris Yeltsin as President of the Soviet Union
- 1992**
- Jan** Russia agrees to join the International Monetary Fund (IMF)
- Feb** 'Delors Package' raises EC's spending limits to 1.37% of GDP to aid poorer member states
- Mar** Budget raises lower rate of income tax to 20%
Midland Bank agrees merger with Hong Kong and Shanghai Bank
- Apr** Conservatives re-elected at general election
- May** Swiss vote in a referendum to join the IMF and International Bank for Reconstruction and Development
Reform of EC Common Agricultural Policy agreed, switching from farm price support to income support
- Sep** 'Black Wednesday' – UK leaves Exchange Rate Mechanism
- Oct** North American Free Trade Agreement (NAFTA) signed
- Nov** Bill Clinton elected US President
- Dec** Plan for National Lottery announced
- 1993**
- Jan** Council Tax announced as replacement for Community Charge
University status given to polytechnics
- Mar** Budget imposes VAT on domestic fuel
- Nov** Parliament votes to relax Sunday trading rules
First autumn budget cuts public expenditure and increases taxes
- Dec** Uruguay Round of tariff reductions approved
- 1994**
- Jan** European Economic Area formed linking EU and European Free Trade Area
- Apr** Eurotunnel opens
- Aug** IRA ceasefire begins
- Oct** Brent Walker leisure group collapses
- Nov** First draw of National Lottery
- Dec** Coal industry privatised
- 1995**
- Jan** EU expanded to include Sweden, Finland and Austria
World Trade Organisation succeeds General Agreement on Tariffs and Trade
- Feb** Barings Bank collapses
- Sep** Net Book Agreement suspended
- 1996**
- Jan** Gilt 'repo' market established
- Mar** Rebates worth £1 billion paid to electricity consumers after break up of National Grid

May Railtrack privatised, reducing public service borrowing requirement by £1.1 billion

Aug CREST clearing system initiated

Sep Privatisation of National Power and PowerGen reduces PSBR by further £1.0 billion

Nov Bill Clinton re-elected US President

1997

Apr Alliance & Leicester Building Society converts to bank

May Labour wins General Election

Chancellor announces operational independence for the Bank of England; decisions on interest rates to be taken by a new Monetary Policy Committee

Jun Halifax Building Society converts to a bank

Norwich Union floated on the stock market

Jul Gordon Brown presents his first Budget, setting inflation target of 2.5%

Woolwich Building Society converts to a bank

Bristol and West Building Society converts to a bank

Aug Stock market falls in Far East, Hang Seng Index ending 20% lower than a year earlier

Economic and financial crisis in Russia

Dec The first instalment of the windfall tax on utilities (£2.6 billion) is paid

1998

Apr Sterling Exchange Rate Index hits its highest point since 1989

Mortgage payments rise as Mortgage Interest Relief at Source (MIRAS) is cut from 15% to 10%

The New Deal for the unemployed is introduced

Jun The Bank of England's 'repo' rate is raised by 0.25% to a peak of 7.5%

Economic and Fiscal Strategy Report announces new format for public finances, distinguishing between current and capital spending

Aug BP merges with Amoco to create the UK's largest company

Oct The Working Time Directive, setting a 48-hour week, takes effect

Dec The second instalment of the windfall tax on utilities (£2.6 billion) is paid

Ten of the eleven countries about to enter the euro harmonise interest rates at 3.0%

1999

Jan Introduction of euro currency

Mar Allocation of new car registration letters switched from yearly in August to twice yearly

Budget – energy tax announced

Apr Introduction of Individual Saving Accounts (ISAs) replace PEPs and TESSAs

Introduction of national minimum wage

Advanced Corporation tax abolished

Jun The Bank of England 'repo' rate reduced to low point of 5%

Nov Jubilee Line Underground extension completed

Dec Pre-budget statement

Year 2000 preparations (Y2K)

2000

Jan Confounding expectations, the millennium passed without any major Y2K related problems

Feb House price growth peaks at 15% in January and February

Oil price rises to highest level in ten years

The UK company Vodafone takes over the German company Mannesman for £113bn

Apr Government announces issue of 3G mobile phone spectrum licenses

May Share prices in so-called internet companies start falling

Competition commission finds that UK car prices high relative to EU prices

BMW sells Rover and Ford shuts Dagenham plant

Jun Inward investment in the UK hits record levels, with a large proportion made up of take-over deals

Jul Hauliers and farmers stage large scale protests over the price of fuel

Aug European banking regulators investigate £117bn of new loans made to telecommunications companies, reflecting concerns that banks have overlent to the sector

Nov George W Bush elected US President

Dec US GDP growth slows sharply, following prolonged expansion

2001

Jan The Federal Reserve cuts interest rates twice in one month, by 0.5% each time

- Feb** The FTSE share price index falls below the symbolic 6,000 points mark
- Apr** It emerges that Japan's bad debt problems are even worse than feared
- May** In the UK, business insolvencies are at a six year high
- Jun** Pharmaceutical company Glaxo sheds 18,000 staff, 7% of its UK workforce
Labour re-elected at general election
- Sep** Terrorist attacks in United States. The World Trade Centre in New York is destroyed
- Oct** The US attacks Afghanistan
Argentina devalues its currency and defaults on its debt of \$155 billion, the biggest default in history
Railtrack collapses after the Government refuses to give further subsidies
- Nov** Bank of England cuts interest rates from 4.5% to 4.0%
- Dec** In the third quarter of 2001, US GDP shrinks for the first time in eight years
Enron, the 8th largest company in the United States, collapses leading to concerns about accountancy practices, banking involvement and financial market regulation

2002

- Jan** Euro notes and coins enter circulation
- Apr** UK tax rises announced to fund NHS
- Jun** WorldCom collapses – the biggest corporate failure in history
Network Rail take over running of the railway infrastructure
- Aug** IMF announced a \$30 billion loan for Brazil, its biggest ever bailout of a struggling economy
- Oct** UK housing boom peaks as house price inflation reaches 30%
- Nov** US Federal Reserve cuts rate to 1.25%, a 40 year low in reaction to fears that the economy is running out of steam
Slowing UK economy forces doubling of the estimate of public borrowing
- Dec** ECB cuts interest rates for the first time in more than a year, from 2.75% to 2.5%
Stock markets around the world fall sharply over the second half of the year, with the FTSE100 dropping below 4,000

2003

- Jan** Sweden pushes back its preferred date of euro entry from early 2005 to 2006
The FTSE 100 drops by nearly 50% since its peak in 1999, reaching its lowest level since 1995
UK economic growth at its lowest level since 1992, at 1.8% per annum
UK manufacturing jobs fall to their lowest level since records began
- Feb** UK interest rates reduced by 0.25% to 3.75% due to weak internal and external demand
- Mar** Iraq war begins
- Jul** UK interest rates reduced by 0.25% to 3.5%, its nadir since May 1954, due to weak demand
- Nov** UK interest rates raised by 0.25% to 3.75%

2004

- Feb** UK interest rates raised by 0.25% to 4.0%
- May** UK Interest rates rise 0.25% to 4.25%
Price of oil breaches \$40 barrier
Petrol prices reach 80p a litre
- Jun** Federal Reserve of US raises interest rates by 0.25% to 1.25%
UK interest rates rise 0.25% to 4.5%
- Jul** Atkinson Review of government output measurement published
- Aug** Bank of England raises interest rates 0.25% to 4.75%
- Nov** George W Bush re-elected US president

2005

- Jan** Sir Tony Atkinson presents his report on the 'Measurement of government output and productivity in the National Accounts'
- Mar** Federal Reserve Committee raises interest rates by 0.25% to 2.75%
- May** Labour re-elected at general election
- Jun** Oil reaches near \$60 a barrel due to proposed strike in Norway
- Jul** G8 Summit in Gleneagles
UK wins right to host Olympics in 2012
- Aug** Bank of England cuts interest rates by 0.25% to 4.5%
Hurricane Katrina hits the US
US crude oil prices breach \$70 a barrel

- Oct** UK house price inflation hits nine year low of 2.2% in October according to the Office of the Deputy Prime Minister
- Dec** European Central Bank (ECB) raises interest rates by 0.25% to 2.5%
- Federal Reserve raises interest rates for the 13th consecutive time by 0.25% to 4.25%
- 2006**
- Jan** Ukraine/Russia gas dispute leads to cuts in gas supplies to Europe
- Federal Reserve raises interest rates by 0.25% to 4.50%
- Mar** ECB raises interest rates by 0.25% to 2.5%
- FTSE breaks 6,000 barrier
- Federal Reserve raises interest rates by 0.25% to 4.75%
- May** Federal Reserve raises interest rates by 0.25% to 5.00%
- Oil prices rise above \$73 a barrel
- State pension age to rise to 68 from 2044
- Jun** Oil reaches \$74 a barrel in response Iran nuclear dispute
- ECB raises interest rates by 0.25% to 2.75%
- Federal Reserve raises interest rates by 0.25% to 5.25%
- Jul** Israel–Lebanon conflict pushes barrel of oil to \$78 a barrel
- Japan’s Central Bank raises interest rate form 0.0% to 0.25% – the first increase in six years
- G8 summit held in Russia
- Aug** Bank of England raises Interest rates by 0.25% to 4.75%
- ECB raises interest rates by 0.25% to 3.00%
- Sep** At \$64.55, oil prices fall to their lowest level since the end of March
- Greece announces 25 per cent increase in annual GDP after a new GDP calculation is applied
- Oct** ECB lifts repo rate by 25 basis points to 3.25%
- World output increases by 5.2% in the year to the second quarter
- Nov** Bank of England raises interest rates by 0.25% to 5.00%
- Dec** The pound surges against the dollar – sterling is at its highest level since Black Wednesday
- ECB raise interest rates by 25 basis points to 3.5%
- OPEC agrees to cut oil production from 1 February 2007
- 2007**
- Jan** Bank of England raises interest rates by 0.25% to 5.25%
- The euro displaces the US dollar as the world’s leading currency in international bond markets
- Feb** FTSE 100 hits a six-year high after a flurry of takeover speculation
- Mar** ECB lifts repo rate by 25 basis points to 3.75%
- Apr** Sterling moves past the \$2 mark for the first time since 1992
- May** Bank of England raises interest rates by 0.25% to 5.5%
- Jun** Gordon Brown replaces Tony Blair as Prime Minister
- Aug** The financial crisis begins with Central banks intervening on a large scale as banks around the world stopped lending to each other
- Sep** Oil hits a new record high of \$93.80
- Sterling rises to a 26 year high of \$2.0694 against the dollar
- Nov** Crude oil futures hit a record closing high, finishing above \$98 a barrel
- The three-month interbank interest rate hit 6.59 per cent
- UK house prices record their biggest fall in 12 years
- Dec** Bank of England cuts interest rates by 0.25% to 5.5%
- The Federal Reserve cut interest rates by 0.25% to 4.25%
- 2008**
- Jan** Gold prices surge above \$900 a troy ounce for the first time ever as investors seek refuge from a weakening US dollar
- Stock markets in London and Europe suffer their biggest one-day falls since 11 September 2001
- Oils hit a new record high of \$100 a barrel
- Federal Reserve cut interest rates to 3%
- Feb** Bank of England cuts the rate of interest by 0.25% to 5.5%
- Alistair Darling announces the nationalisation of Northern Rock
- Oil hits a new record high of \$101
- Mar** US dollar falls to a record low as the euro moves to above \$1.56
- The pound drops to a record low of £0.79 against the euro
- Federal Reserve cut interest rates by 75 basis points to 2.25 per cent
- Apr** Oil hits a new record high above \$122 a barrel
- Bank of England cuts interest rates by 0.25% to 5%

- May** Oil hits a new record high of \$124 per barrel
- Jun** Oil hits a new record high of \$140.39 per barrel
- Jul** ECB increases eurozone rates to seven year high (up to 4.25%)
- Aug** Oil prices fall below \$120 for the first time in three months as fears on world growth intensify
- Sep** Biggest worldwide stockmarket crash since 1929
Lehman Brothers file for chapter 11 bankruptcy protection; the largest such filing in US history. Barclays purchase their US assets and Nomura takes over their UK operations
AIG credit rating downgraded below AA level and Federal Reserve grants \$85bn credit facility to enable fulfilment of collateral obligations
Goldman Sachs and Morgan Stanley give up investment banking status
Lloyds TSB takes over HBOS
Oil prices drop below \$90 a barrel
- Oct** Further significant falls in stock values worldwide
US government agrees \$700bn bank bail-out package
UK government agrees £50bn recapitalisation and £200bn of loans to banking sector
Chancellor raises UK bank deposit guarantee to £50,000
Landsbanki nationalised by Icelandic government after collapse. All accounts frozen. Government guarantees UK retail accounts holdings
- Nov** Interest rates fall to a 54 year low. The Bank of England cuts base rates by 1.5% to 3%
ECB cuts rates by 0.5% to 3.25%
Barack Obama elected US President
- Dec** Bank of England announces a rate cut to 2%, the joint lowest for Bank Rate not matched since 1951
ECB cuts interest rates by 75 basis points to 2.5%
- 2009**
- Jan** Rates fall to a 315 year low. Bank of England cuts interest rates to 1.5%
ECB cuts interest rates by 50 basis points to 2%
- Feb** US Congress and Obama administration reach a deal on a \$789bn economic stimulus package
European leaders outline sweeping proposals to regulate financial markets and hedge funds and clamp down on tax havens
- Bank of England cuts the rate of interest to 1.0%
- Mar** Share prices tumble across the globe amid mounting fears over the financial health of banks and a spate of dividend cuts. Wall Street hits lowest levels since 1997
AIG reveals the depth of its financial plight with a \$61.7bn quarterly loss
The EC unveil new regulatory and legislative measures designed to beef up supervision of Europe's financial institutions
Bank of England introduce quantitative easing, £75bn to pump into the economy over the next three months
ECB cuts interest rates by 50 basis points to 1.5%
The IMF will have its \$250bn resources doubled to fight the financial crisis in emerging markets
Bank of England cuts the rate of interest to 0.5%
- Apr** G20 leaders unveil a \$1,100bn package of measures to tackle global downturn
Nine building societies including Nationwide, have been downgraded by Moody's amid concern about their exposure to falling house prices and specialist mortgage loan
- May** Bank of England boosts its quantitative easing program by announcing the availability of a further £50bn in Bank money
ECB cuts its main target rate by a quarter per cent to 1% and announced plans to purchase £54bn in covered bonds
Car Scrappage scheme gets off to a faltering start as confusion over operational practicalities causes some manufacturers to delay their involvement in the process
Standard & Poor raises the possibility of a ratings downgrade to UK sovereign debt over fears of spiralling government indebtedness, lowering medium-term outlook to 'negative'
Oil surges to \$63 a barrel, with OPEC indicating that the global economy can withstand prices of between \$75 and \$80 a barrel
- Jun** General Motors file for Chapter 11 bankruptcy protection
Ireland's credit rating cut to double A, with a negative outlook, from double A plus
Lloyds banking group to repay £2.3bn to the Treasury, aimed at repaying the government's \$4bn of preference shares

- Bank of England announces that it will extend its Asset Purchase Facility to forms of working capital
- ECB lends €442bn to banks in bid to unlock credit markets
- Jul** Spanish bank Santander announces plans to strengthen its balance sheets and improve its capital structure by offering to swap a nominal €9.1bn (£7.8bn) in 30 securities for two new issues
- Oil price drops below \$60 per barrel for the first time since mid-May as markets continued to react to latest US inventories data
- McDonald's to leave London for Geneva, joining other US groups moving European headquarters to take advantage of preferential intellectual property tax laws
- The pay and bonuses of hundreds of high-flying City traders and dealmakers to be publicly disclosed under a Treasury-backed plan to curb excessive and risky remuneration
- Nissan to build a plant in the UK to make Lithium-ion batteries for electrical vehicles in one of the biggest new investments by a carmaker since the industry entered its downturn last year
- Aug** Oil surges to \$73.50 a barrel as commodities prices hit their highest level for the year
- Bank of England boosts its quantitative easing program to £175bn
- Sep** World Trade Organisation give Brazil the green light to impose \$295m (£181m) of sanctions on US goods over Washington's failure to scrap illegal subsidies to its cotton farmers
- BP, the UK energy group, discovers a 'giant' oil field in the Gulf of Mexico that shows a new frontier opening up for US oil production
- Gold prices hit a six month high, approaching the \$1,000 a Troy ounce mark for the fifth time in two years, as wary investors pull back from equities
- Dutch bankers are poised to become the first in the world to cap bonuses paid to their most senior executives under a new code restricting such pay-outs to the equivalent of a year's salary
- Moody's forecast further losses of £130bn for UK banks over the next few years as bad debts rise and pressure builds on profitability
- Billions of dollars' worth of the complex securities at the heart of the financial crisis to be liquidated, enabling banks, insurance companies and other investors to clear toxic assets from their books
- Oct** Aviva to sell their stake in Dutch subsidiary Delta Lloyd, the biggest initial public offering in Europe for at least 18 months
- Russia to launch its first international bond in a decade to bolster its public finances and take advantage of the surge in demand for emerging market debt
- Oil prices face further upward pressure as they near \$80 a barrel because of heavy trading in options contracts ahead of the year end
- Nov** Gold prices surge to an all time high after India buys 200 tonnes of the precious metal, a strong sign that Asian countries are moving away from the US currency
- Government gives £37bn of new bail out cash to RBS and Lloyds
- Bank of England Monetary Policy Committee slows the rate of its asset purchase injections into the UK economy, taken as a signal of some improvement in macroeconomy and a potential sign of the end of loosening of monetary policy
- Dubai World, a sovereign backed holding group, requests a delay on repayment of its liabilities (around \$60bn); news sends negative shock waves through world stock markets and a significant jump in the dollar
- KPMG business outlook reports further entrenchment of global recovery, being led by the USA and the BRIC economies, most notably Brazil. The recovery could be less marked in Europe and Japan
- Dec** Greece faces possible ratings downgrade
- Chancellor releases the Pre-Budget Report 2009
- Gold prices fall for a fourth session and commodity markets remain under pressure as risk appetite weakened
- Greece's bond markets see the most spectacular collapse in the history of the eurozone as investors decide the country's public finances may be beyond repair
- Standard & Poor' turn pessimistic on the Spanish economy, changing Spain outlook from 'stable' to 'negative'
- OPEC indicate that it aims to keep oil prices at \$70–\$80 per barrel next year as it tries to support the economic recovery
- Bank of England's injection of cash into the economy has so far fallen short of the desired result, according to the monetary policy committee
- Iceland's parliament approves an amended bill to repay more than \$5bn lost by savers in Britain and the Netherlands when the island's banks collapsed during the financial crisis