

**NATIONAL INSTITUTE OF ECONOMIC AND SOCIAL RESEARCH  
ESTIMATES OF MONTHLY GDP**

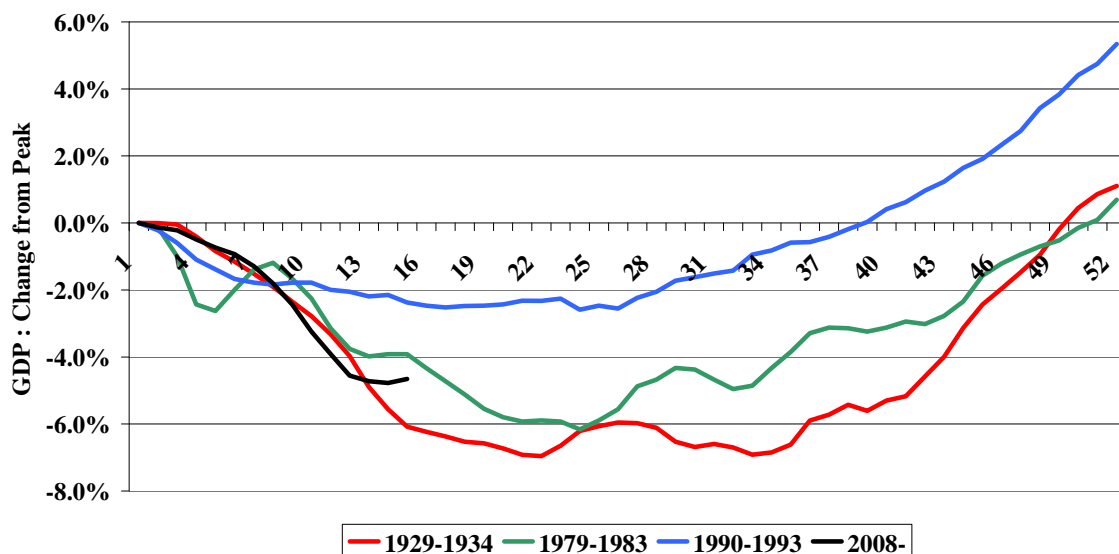
EMBARGO 04.00pm 10<sup>th</sup> June 2009

**ECONOMIC STABILISATION CONFIRMED. OUTPUT RISING IN APRIL AND MAY**

Our monthly estimates of GDP suggest that output fell by 0.9% in the three months ending in May, after the decline of 1.5% in the three months ending in April. However, the monthly profile points to March as having been the trough of the depression, with output rising in April and May. The monthly figures are inevitably erratic but the picture is coherent with the broader picture of stabilisation which has emerged since we first suggested that the output had stopped falling in our GDP release on 13<sup>th</sup> May.

The calculations in this press release reflect the announcement by ONS on 5<sup>th</sup> June that construction output had fallen by 9% in the first quarter of 2009 and that, other things being equal, this implied that the GDP estimate for 2009Q1 would be revised down by 0.3%. This means that our GDP estimates for 2009 are not consistent with the latest published national accounts, which do not reflect this 9% fall in construction output.

**The Profile of the Depression**  
Months from the Start of the Depression



Calculated from three-month moving averages of monthly GDP

Our track record in producing early estimates of GDP suggests that our projection for the most recent three-month period has a standard error of 0.1-0.2% point when compared to the first estimate produced by the Office for National Statistics. This comparison can be made only for complete calendar quarters. Outside calendar quarters the figures are less reliable than this and they are also likely to be less accurate in the current disturbed economic circumstances.

A paper describing the methodology used to produce the data was published in the February 2005 volume of the *Economic Journal*. From April until October 2006 our

estimates were computed using the Index of Services published by ONS. However this monthly series shows considerable volatility which has caused us some problems in estimating GDP. From our November 2006 press release we have therefore reverted to using a model of private services output based on indicator variables. This means that, while all our figures for calendar quarters are fully coherent with ONS data, our estimates of monthly private service output are not. The series can be thought of as indicating the underlying value of the ONS series.

For more information please telephone Martin Weale on 020 7654 1945.

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**Table 1: Summary Table of Quarterly Growth Rates**

2003=100

|               | Monthly Data |       | 3 months ending in<br>month shown |       | Quarterly Growth %<br>per quarter |       |
|---------------|--------------|-------|-----------------------------------|-------|-----------------------------------|-------|
|               | Industry     | GDP   | Industry                          | GDP   | Industry                          | GDP   |
| <b>Jan-08</b> | 100.8        | 112.6 | 101.0                             | 112.5 | 0.5%                              | 0.7%  |
| <b>Feb-08</b> | 101.2        | 113.1 | 101.0                             | 112.7 | 0.3%                              | 0.6%  |
| <b>Mar-08</b> | 100.8        | 112.7 | 100.9                             | 112.8 | -0.1%                             | 0.3%  |
| <b>Apr-08</b> | 100.6        | 113.0 | 100.9                             | 112.9 | -0.1%                             | 0.4%  |
| <b>May-08</b> | 99.6         | 112.7 | 100.3                             | 112.8 | -0.7%                             | 0.0%  |
| <b>Jun-08</b> | 99.1         | 112.4 | 99.8                              | 112.7 | -1.2%                             | 0.0%  |
| <b>Jul-08</b> | 98.5         | 112.1 | 99.1                              | 112.4 | -1.8%                             | -0.5% |
| <b>Aug-08</b> | 97.7         | 111.8 | 98.4                              | 112.1 | -1.9%                             | -0.6% |
| <b>Sep-08</b> | 97.3         | 111.7 | 97.8                              | 111.9 | -1.9%                             | -0.7% |
| <b>Oct-08</b> | 95.5         | 110.9 | 96.8                              | 111.5 | -2.3%                             | -0.8% |
| <b>Nov-08</b> | 93.0         | 110.1 | 95.3                              | 110.9 | -3.2%                             | -1.1% |
| <b>Dec-08</b> | 91.4         | 109.6 | 93.3                              | 110.2 | -4.6%                             | -1.5% |
| <b>Jan-09</b> | 88.8         | 108.1 | 91.1                              | 109.3 | -6.0%                             | -2.0% |
| <b>Feb-09</b> | 88.2         | 107.9 | 89.5                              | 108.5 | -6.1%                             | -2.1% |
| <b>Mar-09</b> | 88.0         | 107.4 | 88.3                              | 107.8 | -5.3%                             | -2.2% |
| <b>Apr-09</b> | 88.2         | 107.6 | 88.1                              | 107.6 | -3.2%                             | -1.5% |
| <b>May-09</b> | 88.4         | 107.7 | 88.2                              | 107.6 | -1.4%                             | -0.9% |

More...

**Table 2: Output by Sector (2003=100)**

|               | <b>Industry</b> | <b>Agriculture</b> | <b>Construction</b> | <b>Private Services</b> | <b>Public Services</b> | <b>GDP(B)</b> | <b>GDP</b> |
|---------------|-----------------|--------------------|---------------------|-------------------------|------------------------|---------------|------------|
| <b>Jan-08</b> | 100.8           | 102.9              | 110.9               | 120.0                   | 105.6                  | 112.6         | 112.6      |
| <b>Feb-08</b> | 101.2           | 102.7              | 111.0               | 120.7                   | 106.0                  | 113.1         | 113.1      |
| <b>Mar-08</b> | 100.8           | 102.9              | 110.9               | 120.1                   | 105.8                  | 112.7         | 112.7      |
| <b>Apr-08</b> | 100.6           | 103.5              | 110.5               | 120.6                   | 106.6                  | 113.1         | 113.0      |
| <b>May-08</b> | 99.6            | 103.9              | 110.3               | 120.8                   | 105.5                  | 112.8         | 112.7      |
| <b>Jun-08</b> | 99.1            | 104.0              | 110.1               | 120.4                   | 105.7                  | 112.5         | 112.4      |
| <b>Jul-08</b> | 98.5            | 103.7              | 110.0               | 119.7                   | 106.6                  | 112.2         | 112.1      |
| <b>Aug-08</b> | 97.7            | 103.5              | 109.4               | 119.4                   | 106.7                  | 112.0         | 111.8      |
| <b>Sep-08</b> | 97.3            | 103.3              | 108.2               | 119.3                   | 106.8                  | 111.8         | 111.7      |
| <b>Oct-08</b> | 95.5            | 103.2              | 106.6               | 118.4                   | 106.5                  | 110.9         | 110.9      |
| <b>Nov-08</b> | 93.0            | 103.2              | 104.1               | 118.3                   | 106.2                  | 110.1         | 110.1      |
| <b>Dec-08</b> | 91.4            | 103.2              | 100.7               | 118.1                   | 106.4                  | 109.6         | 109.6      |
| <b>Jan-09</b> | 88.8            | 103.4              | 96.7                | 116.4                   | 106.8                  | 108.1         | 108.1      |
| <b>Feb-09</b> | 88.2            | 103.5              | 94.1                | 116.2                   | 107.0                  | 107.9         | 107.9      |
| <b>Mar-09</b> | 88.0            | 103.6              | 92.8                | 115.2                   | 107.5                  | 107.4         | 107.4      |
| <b>Apr-09</b> | 88.2            | 103.6              | 92.8                | 115.5                   | 107.3                  | 107.6         | 107.6      |
| <b>May-09</b> | 88.4            | 103.6              | 92.8                | 115.7                   | 107.5                  | 107.7         | 107.7      |

*More...*

**Table 3: Output in Quarter Ending in Month Shown (2003=100)**

|               | Industry | Agriculture | Construction | Private Services | Public Services | GDP(B) | GDP   |
|---------------|----------|-------------|--------------|------------------|-----------------|--------|-------|
| <b>Jan-08</b> | 101.0    | 103.4       | 110.5        | 119.8            | 105.4           | 112.5  | 112.5 |
| <b>Feb-08</b> | 101.0    | 103.0       | 110.8        | 120.2            | 105.6           | 112.7  | 112.7 |
| <b>Mar-08</b> | 100.9    | 102.8       | 110.9        | 120.2            | 105.8           | 112.8  | 112.8 |
| <b>Apr-08</b> | 100.9    | 103.0       | 110.8        | 120.4            | 106.1           | 113.0  | 112.9 |
| <b>May-08</b> | 100.3    | 103.4       | 110.6        | 120.5            | 105.9           | 112.9  | 112.8 |
| <b>Jun-08</b> | 99.8     | 103.8       | 110.3        | 120.6            | 105.9           | 112.8  | 112.7 |
| <b>Jul-08</b> | 99.1     | 103.9       | 110.1        | 120.3            | 105.9           | 112.5  | 112.4 |
| <b>Aug-08</b> | 98.4     | 103.7       | 109.8        | 119.8            | 106.3           | 112.2  | 112.1 |
| <b>Sep-08</b> | 97.8     | 103.5       | 109.2        | 119.5            | 106.7           | 112.0  | 111.9 |
| <b>Oct-08</b> | 96.8     | 103.3       | 108.1        | 119.1            | 106.7           | 111.6  | 111.5 |
| <b>Nov-08</b> | 95.3     | 103.2       | 106.3        | 118.7            | 106.5           | 110.9  | 110.9 |
| <b>Dec-08</b> | 93.3     | 103.2       | 103.8        | 118.3            | 106.4           | 110.2  | 110.2 |
| <b>Jan-09</b> | 91.1     | 103.3       | 100.5        | 117.6            | 106.5           | 109.3  | 109.3 |
| <b>Feb-09</b> | 89.5     | 103.4       | 97.2         | 116.9            | 106.7           | 108.5  | 108.5 |
| <b>Mar-09</b> | 88.3     | 103.5       | 94.5         | 115.9            | 107.1           | 107.8  | 107.8 |
| <b>Apr-09</b> | 88.1     | 103.6       | 93.2         | 115.7            | 107.3           | 107.6  | 107.6 |
| <b>May-09</b> | 88.2     | 103.6       | 92.8         | 115.5            | 107.4           | 107.6  | 107.6 |

*More...*

**Table 4: Growth in Quarter Ending in Month Shown over Previous Quarter (% at annual Rate)**

|               | <b>Industry</b> | <b>Agriculture</b> | <b>Construction</b> | <b>Private Services</b> | <b>Public Services</b> | <b>GDP(B)</b> | <b>GDP</b> |
|---------------|-----------------|--------------------|---------------------|-------------------------|------------------------|---------------|------------|
| <b>Jan-08</b> | 2.0%            | 2.8%               | 6.2%                | 2.4%                    | 2.3%                   | 2.7%          | 2.7%       |
| <b>Feb-08</b> | 1.2%            | -0.5%              | 5.1%                | 2.8%                    | 2.0%                   | 2.4%          | 2.5%       |
| <b>Mar-08</b> | -0.4%           | -2.7%              | 3.3%                | 1.9%                    | 1.9%                   | 1.4%          | 1.4%       |
| <b>Apr-08</b> | -0.5%           | -1.3%              | 1.2%                | 2.1%                    | 2.6%                   | 1.7%          | 1.5%       |
| <b>May-08</b> | -2.7%           | 1.7%               | -0.8%               | 1.1%                    | 1.2%                   | 0.4%          | 0.2%       |
| <b>Jun-08</b> | -4.5%           | 3.9%               | -2.1%               | 1.2%                    | 0.4%                   | 0.0%          | -0.4%      |
| <b>Jul-08</b> | -6.9%           | 3.2%               | -2.4%               | -0.5%                   | -0.8%                  | -1.7%         | -2.0%      |
| <b>Aug-08</b> | -7.4%           | 1.1%               | -2.6%               | -2.2%                   | 1.4%                   | -2.2%         | -2.4%      |
| <b>Sep-08</b> | -7.5%           | -1.2%              | -3.9%               | -3.7%                   | 3.1%                   | -2.8%         | -2.8%      |
| <b>Oct-08</b> | -8.7%           | -2.0%              | -7.3%               | -4.0%                   | 3.0%                   | -3.3%         | -3.2%      |
| <b>Nov-08</b> | -12.3%          | -1.9%              | -12.2%              | -3.8%                   | 0.8%                   | -4.5%         | -4.2%      |
| <b>Dec-08</b> | -17.3%          | -1.2%              | -18.4%              | -4.0%                   | -1.1%                  | -6.3%         | -5.9%      |
| <b>Jan-09</b> | -21.8%          | -0.2%              | -25.2%              | -4.9%                   | -0.7%                  | -7.9%         | -7.7%      |
| <b>Feb-09</b> | -22.2%          | 0.6%               | -30.2%              | -5.8%                   | 0.8%                   | -8.4%         | -8.3%      |
| <b>Mar-09</b> | -19.7%          | 1.2%               | -31.3%              | -7.6%                   | 2.7%                   | -8.4%         | -8.4%      |
| <b>Apr-09</b> | -12.3%          | 1.1%               | -26.0%              | -6.3%                   | 2.9%                   | -5.9%         | -6.0%      |
| <b>May-09</b> | -5.5%           | 0.7%               | -16.9%              | -4.8%                   | 2.6%                   | -3.5%         | -3.6%      |

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