

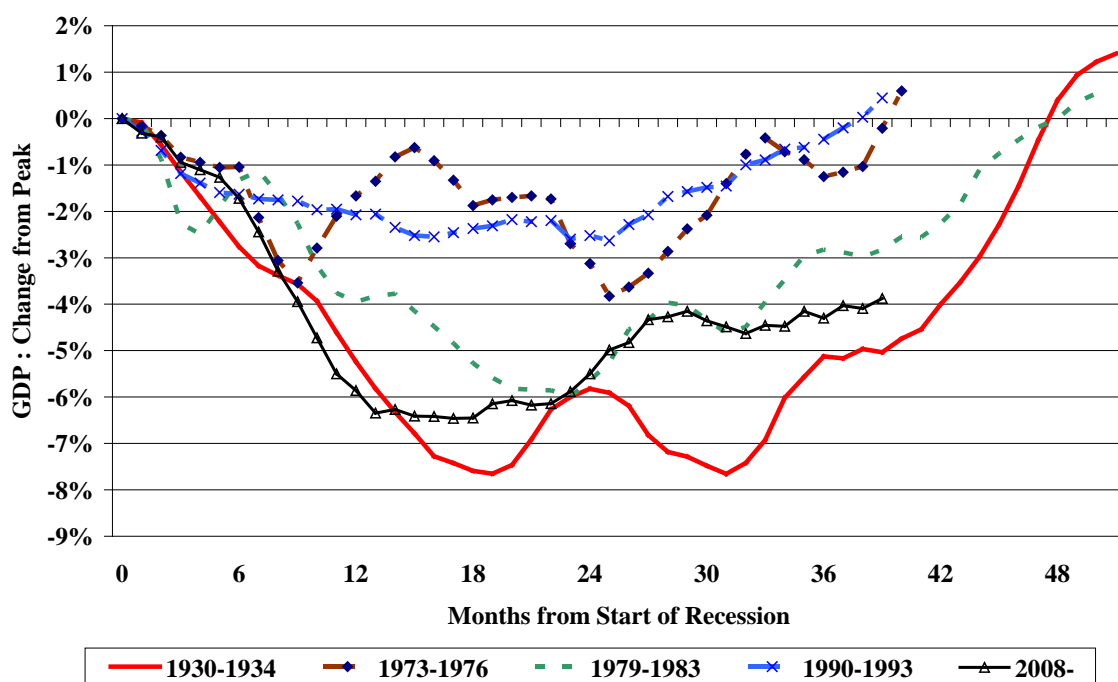


**NATIONAL INSTITUTE OF ECONOMIC AND SOCIAL RESEARCH
ESTIMATES OF MONTHLY GDP**

Embargo until 15.00 hours on 7th July 2011

Our monthly estimates of GDP suggest that output grew by 0.1 per cent in the three months ending in June after growth of 0.5 per cent in the three months ending in May. The effects of one off events in April have depressed the overall quarterly growth rate. However, even accounting for these factors the underlying rate of growth is still likely to be weak. These figures do not provide a picture of economic growth that would support a tightening of monetary policy at this juncture.

Figure 1. The profile of recession and recovery



Calculated from three-month moving averages of monthly GDP

The National Institute interprets the term “recession” to mean a period when output is falling or receding, while “depression” is a period when output is depressed below its previous peak. Thus, unless output turns down again, the recession is over, while the period of depression is likely to continue for some time. We do not expect output to pass its peak in early 2008 until 2013.

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 Simon Kirby on 020 7654 1916.

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Table 1: Summary Table of Quarterly Growth Rates
2006=100

	Monthly Data		3 months ending in month shown		Quarterly Growth % per quarter	
	<i>Industry</i>	<i>GDP</i>	<i>Industry</i>	<i>GDP</i>	<i>Industry</i>	<i>GDP</i>
Jan-10	87.0	97.0	87.1	97.5	1.0%	0.3%
Feb-10	87.5	97.8	87.2	97.5	0.7%	0.0%
Mar-10	89.5	98.6	88.0	97.8	1.2%	0.4%
Apr-10	89.0	98.2	88.7	98.2	1.8%	0.7%
May-10	89.4	99.4	89.3	98.7	2.3%	1.2%
Jun-10	88.9	99.1	89.1	98.9	1.2%	1.1%
Jul-10	89.0	99.7	89.1	99.4	0.5%	1.2%
Aug-10	89.3	99.6	89.1	99.5	-0.2%	0.8%
Sep-10	89.6	99.5	89.3	99.6	0.2%	0.6%
Oct-10	89.4	99.1	89.4	99.4	0.4%	0.0%
Nov-10	89.9	99.2	89.6	99.3	0.6%	-0.2%
Dec-10	90.3	99.0	89.9	99.1	0.6%	-0.5%
Jan-11	90.6	99.6	90.3	99.3	0.9%	-0.1%
Feb-11	89.3	99.1	90.1	99.3	0.5%	0.0%
Mar-11	89.5	100.0	89.8	99.6	-0.1%	0.5%
Apr-11	88.0	99.2	88.9	99.4	-1.5%	0.2%
May-11	88.7	100.0	88.7	99.7	-1.5%	0.5%
Jun-11	88.8	99.9	88.5	99.7	-1.5%	0.1%

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Table 2: Output by Sector (2006=100)

	Industry	Agriculture	Construction	Private Services	Public Services	GDP(B)	GDP
Jan-10	87.0	87.0	89.4	99.7	101.9	97.5	97.0
Feb-10	87.5	86.8	90.0	100.9	102.4	98.3	97.8
Mar-10	89.5	87.5	91.8	101.3	102.7	99.1	98.6
Apr-10	89.0	89.1	94.7	100.2	102.6	98.6	98.2
May-10	89.4	90.1	97.1	101.9	103.1	99.8	99.4
Jun-10	88.9	90.5	98.9	101.3	103.0	99.5	99.1
Jul-10	89.0	90.4	100.2	102.4	102.8	100.1	99.7
Aug-10	89.3	90.3	100.8	101.8	103.1	100.0	99.6
Sep-10	89.6	90.2	100.5	101.4	103.4	99.9	99.5
Oct-10	89.4	90.3	99.5	101.0	103.1	99.5	99.1
Nov-10	89.9	90.4	98.3	101.2	103.0	99.6	99.2
Dec-10	90.3	90.5	96.8	100.8	103.0	99.4	99.0
Jan-11	90.6	90.8	95.2	101.8	103.5	100.0	99.6
Feb-11	89.3	90.9	94.1	101.4	103.5	99.5	99.1
Mar-11	89.5	91.0	93.6	103.0	104.1	100.4	100.0
Apr-11	88.0	91.0	93.6	102.2	103.4	99.6	99.2
May-11	88.7	91.0	93.6	103.7	103.1	100.4	100.0
Jun-11	88.8	91.0	93.6	103.2	103.5	100.3	99.9

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Table 3: Output in Quarter Ending in Month Shown (2006=100)

	Industry	Agriculture	Construction	Private Services	Public Services	GDP(B)	GDP
Jan-10	87.1	87.9	89.9	100.4	101.9	97.9	97.5
Feb-10	87.2	87.3	89.8	100.5	102.1	98.0	97.5
Mar-10	88.0	87.1	90.4	100.6	102.3	98.3	97.8
Apr-10	88.7	87.8	92.1	100.8	102.5	98.7	98.2
May-10	89.3	88.9	94.5	101.1	102.8	99.2	98.7
Jun-10	89.1	89.9	96.9	101.1	102.9	99.3	98.9
Jul-10	89.1	90.3	98.8	101.9	103.0	99.8	99.4
Aug-10	89.1	90.4	100.0	101.8	103.0	99.9	99.5
Sep-10	89.3	90.3	100.5	101.9	103.1	100.0	99.6
Oct-10	89.4	90.3	100.3	101.4	103.2	99.8	99.4
Nov-10	89.6	90.3	99.4	101.2	103.2	99.7	99.3
Dec-10	89.9	90.4	98.2	101.0	103.0	99.5	99.1
Jan-11	90.3	90.6	96.8	101.3	103.1	99.7	99.3
Feb-11	90.1	90.7	95.4	101.4	103.3	99.7	99.3
Mar-11	89.8	90.9	94.3	102.1	103.7	100.0	99.6
Apr-11	88.9	91.0	93.8	102.2	103.7	99.8	99.4
May-11	88.7	91.0	93.6	103.0	103.6	100.1	99.7
Jun-11	88.5	91.0	93.6	103.0	103.3	100.1	99.7

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

	Industry	Agriculture	Construction	Private Services	Public Services	GDP(B)	GDP
Jan-10	3.9%	-6.3%	-5.8%	2.8%	1.3%	1.7%	1.2%
Feb-10	2.5%	-8.1%	-4.8%	0.5%	2.0%	0.5%	0.0%
Mar-10	4.8%	-7.0%	0.0%	0.3%	2.0%	1.2%	0.8%
Apr-10	7.4%	-0.7%	10.4%	1.3%	2.6%	3.0%	2.9%
May-10	9.8%	7.6%	22.8%	2.5%	2.7%	4.8%	5.0%
Jun-10	5.1%	13.5%	32.0%	2.1%	2.4%	4.1%	4.6%
Jul-10	2.0%	12.1%	31.9%	4.5%	1.6%	4.6%	5.0%
Aug-10	-1.0%	6.9%	25.2%	3.0%	0.7%	2.8%	3.0%
Sep-10	0.9%	1.8%	15.7%	3.0%	0.8%	2.8%	2.9%
Oct-10	1.5%	-0.3%	6.2%	-1.9%	1.0%	0.0%	-0.1%
Nov-10	2.6%	-0.4%	-2.2%	-2.5%	0.7%	-0.9%	-0.9%
Dec-10	2.6%	0.4%	-8.8%	-3.3%	-0.4%	-2.0%	-2.0%
Jan-11	3.8%	1.3%	-13.2%	-0.4%	-0.3%	-0.4%	-0.4%
Feb-11	1.9%	2.0%	-15.3%	0.7%	0.6%	0.0%	0.1%
Mar-11	-0.3%	2.2%	-15.0%	4.3%	2.7%	2.0%	2.0%
Apr-11	-5.8%	1.8%	-11.8%	3.7%	2.2%	0.7%	0.7%
May-11	-5.8%	1.1%	-7.3%	6.4%	0.9%	1.9%	1.9%
Jun-11	-5.7%	0.5%	-3.0%	3.9%	-1.3%	0.3%	0.3%

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