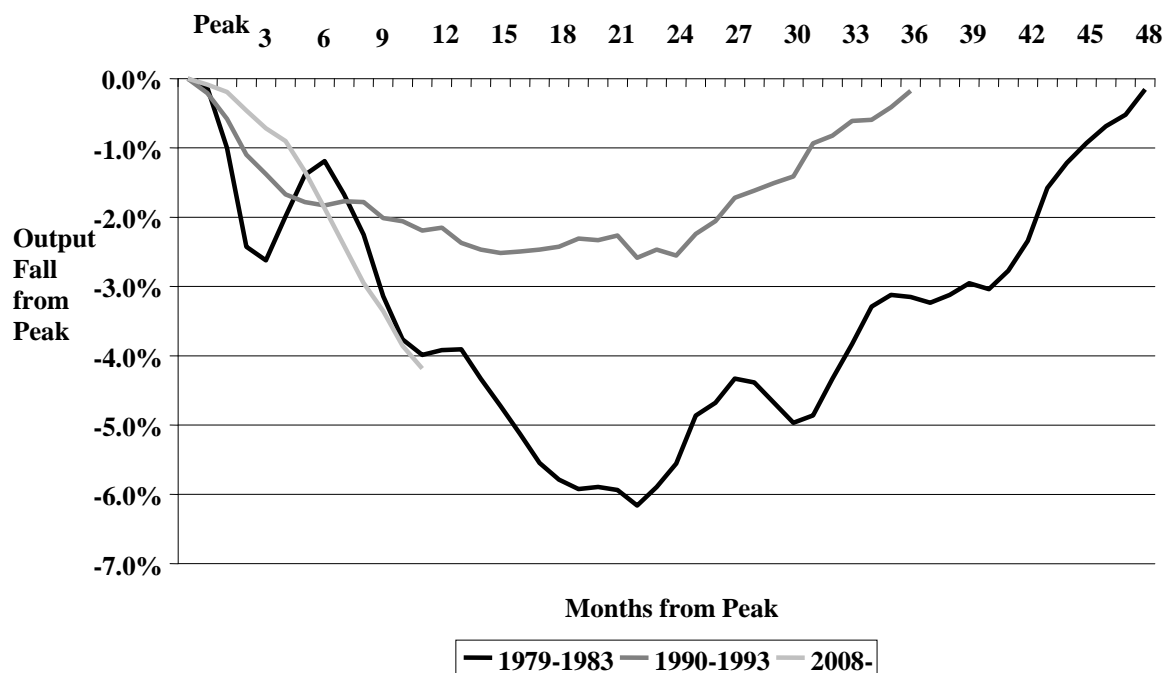


**NATIONAL INSTITUTE OF ECONOMIC AND SOCIAL RESEARCH
ESTIMATES OF MONTHLY GDP**

EMBARGO 00.01 8th April 2009

OUTPUT FALLS 1.5% IN Q1

Our monthly estimates of GDP suggest that output fell by 1.5% in the first quarter of this year, as compared to the 1.6% reported for the last quarter of 2008. This does not indicate recessionary pressures are easing but is simply a very small difference accentuated by rounding. As the graph below shows¹, the output fall so far is very similar to that of the recession which began in the summer of 1979. While there is no obvious reason why the profile of the current recession should match that of the early 1980s, the rate of output decline so far has been very similar. If the 1980s profile were followed, output would continue to decline for up to another year and it would take two further years before the level of output enjoyed at the start of 2008 would be reached again.



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

¹ This is drawn using three months averages centred on the month in question. This puts the recent output peak in March 2008 rather than April 2008 as our raw data show. It also damps slightly the magnitude of the recession compared to estimates based on raw monthly data.

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.

Contents of Press Release

Table 1, Page 2: Summary Table of Quarterly Growth Rates showing Monthly Data, 3 months ending in that month, and Quarterly Growth (% per quarter). All contain Figures for Industry & GDP.

Table 2, Page 3: Output by Sector (Industry, Agriculture, Construction, Private Services, Public Services, GDP(B) (calculated at prices excluding taxes and subsidies), GDP

Table 3, Page 4: Output in Quarter Ending in Month Shown by sector (as above)

Table 4, Page 5: Growth in Quarter Ending in Month Shown over Previous Quarter (% at annual Rate) by sector (as above)

More...

Table 1: Summary Table of Quarterly Growth Rates

2003=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-08	100.8	112.7	101.0	112.5	0.5%	0.7%
Feb-08	100.8	113.0	100.9	112.7	0.2%	0.6%
Mar-08	100.4	112.7	100.7	112.8	-0.4%	0.3%
Apr-08	100.3	113.0	100.5	112.9	-0.5%	0.3%
May-08	99.3	112.7	100.0	112.8	-0.9%	0.1%
Jun-08	98.9	112.3	99.5	112.7	-1.1%	0.0%
Jul-08	98.4	112.1	98.9	112.4	-1.6%	-0.5%
Aug-08	97.6	111.9	98.3	112.1	-1.7%	-0.6%
Sep-08	97.3	111.7	97.8	111.9	-1.8%	-0.7%
Oct-08	95.4	110.6	96.8	111.4	-2.1%	-0.9%
Nov-08	93.1	110.1	95.3	110.8	-3.1%	-1.2%
Dec-08	91.7	109.9	93.4	110.2	-4.5%	-1.6%
Jan-09	89.2	108.8	91.3	109.6	-5.6%	-1.6%
Feb-09	88.3	108.7	89.7	109.1	-5.8%	-1.5%
Mar-09	87.4	108.2	88.3	108.6	-5.5%	-1.5%

More...

Table 2: Output by Sector (2003=100)

	Industry	Agriculture	Construction	Private Services	Public Services	GDP(B)	GDP
Jan-08	100.8	102.9	110.9	120.0	105.6	112.7	112.7
Feb-08	100.8	102.7	111.0	120.5	106.0	113.0	113.0
Mar-08	100.4	102.9	110.8	120.2	105.8	112.7	112.7
Apr-08	100.3	103.5	110.5	120.5	106.6	113.1	113.0
May-08	99.3	103.9	110.2	121.0	105.5	112.8	112.7
Jun-08	98.9	104.0	110.2	120.3	105.7	112.5	112.3
Jul-08	98.4	103.7	110.3	119.7	106.6	112.2	112.1
Aug-08	97.6	103.5	109.5	119.5	106.7	112.0	111.9
Sep-08	97.3	103.3	107.8	119.3	106.8	111.8	111.7
Oct-08	95.4	103.2	105.2	118.1	106.5	110.7	110.6
Nov-08	93.1	103.2	103.5	118.2	106.2	110.1	110.1
Dec-08	91.7	103.2	102.7	118.4	106.4	109.9	109.9
Jan-09	89.2	103.2	102.7	117.3	106.6	108.8	108.8
Feb-09	88.3	103.2	102.7	117.4	106.9	108.7	108.7
Mar-09	87.4	103.2	102.7	116.5	107.4	108.2	108.2

More...

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

	Industry	Agriculture	Construction	Private Services	Public Services	GDP(B)	GDP
Jan-08	101.0	103.4	110.5	119.8	105.4	112.5	112.5
Feb-08	100.9	103.0	110.8	120.1	105.6	112.7	112.7
Mar-08	100.7	102.8	110.9	120.2	105.8	112.8	112.8
Apr-08	100.5	103.0	110.8	120.4	106.1	112.9	112.9
May-08	100.0	103.4	110.5	120.6	105.9	112.9	112.8
Jun-08	99.5	103.8	110.3	120.6	105.9	112.8	112.7
Jul-08	98.9	103.8	110.3	120.3	105.9	112.5	112.4
Aug-08	98.3	103.7	110.0	119.8	106.3	112.2	112.1
Sep-08	97.8	103.5	109.2	119.5	106.7	112.0	111.9
Oct-08	96.8	103.4	107.5	119.0	106.7	111.5	111.4
Nov-08	95.3	103.3	105.5	118.5	106.5	110.8	110.8
Dec-08	93.4	103.2	103.8	118.3	106.4	110.2	110.2
Jan-09	91.3	103.2	103.0	118.0	106.4	109.6	109.6
Feb-09	89.7	103.2	102.7	117.7	106.7	109.1	109.1
Mar-09	88.3	103.2	102.7	117.1	107.0	108.5	108.6

More...

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-08	2.0%	2.8%	6.3%	2.3%	2.3%	2.7%	2.7%
Feb-08	0.7%	-0.5%	5.1%	2.4%	2.0%	2.3%	2.3%
Mar-08	-1.4%	-2.7%	3.3%	1.9%	1.9%	1.4%	1.4%
Apr-08	-2.0%	-1.3%	1.0%	2.0%	2.6%	1.5%	1.4%
May-08	-3.5%	1.7%	-1.0%	1.5%	1.2%	0.6%	0.3%
Jun-08	-4.6%	3.9%	-2.1%	1.2%	0.4%	0.0%	-0.4%
Jul-08	-6.3%	3.2%	-1.8%	-0.4%	-0.8%	-1.5%	-1.8%
Aug-08	-6.6%	1.0%	-1.8%	-2.5%	1.5%	-2.3%	-2.5%
Sep-08	-6.8%	-1.2%	-3.9%	-3.7%	3.1%	-2.8%	-2.8%
Oct-08	-8.2%	-1.9%	-9.6%	-4.4%	3.0%	-3.7%	-3.5%
Nov-08	-11.8%	-1.7%	-15.4%	-4.2%	0.8%	-4.9%	-4.6%
Dec-08	-16.7%	-1.2%	-18.4%	-4.0%	-1.1%	-6.3%	-5.9%
Jan-09	-20.6%	-0.7%	-15.8%	-3.3%	-0.9%	-6.6%	-6.4%
Feb-09	-21.3%	-0.4%	-10.3%	-2.8%	0.5%	-6.1%	-5.9%
Mar-09	-20.1%	-0.1%	-4.2%	-4.0%	2.2%	-5.9%	-5.8%

ENDS