



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

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### OUTPUT FALLS BY ONE PERCENT

Our latest GDP figures show that output fell by 1% in the three months ending in November after a revised estimate of 0.8% for the three months ending in October. The figures make clear that the rate of output decline is accelerating. There is every reason to believe that the output decline in the fourth calendar quarter of the year will be larger than 1% in magnitude.

The Government faces the real risk that, despite the measures it took in last month's Budget, output will fall more sharply than it expected to the end of next year. The main problem that it needs to address very urgently is the availability of bank credit; further interest reductions are unlikely to have much effect.

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.

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 month shown		Quarterly Growth % per quarter	
	Industry	GDP	Industry	GDP	Industry	GDP
<b>Jan-07</b>	100.5	109.3	100.4	109.2	-0.3%	0.9%
<b>Feb-07</b>	99.8	109.7	100.1	109.4	-0.6%	0.6%
<b>Mar-07</b>	100.3	110.7	100.2	109.9	-0.1%	0.9%
<b>Apr-07</b>	100.4	110.2	100.2	110.2	-0.2%	0.9%
<b>May-07</b>	101.4	111.0	100.7	110.6	0.6%	1.2%
<b>Jun-07</b>	101.4	111.2	101.1	110.8	0.9%	0.8%
<b>Jul-07</b>	100.9	111.4	101.2	111.2	1.1%	0.9%
<b>Aug-07</b>	101.0	111.7	101.1	111.4	0.4%	0.7%
<b>Sep-07</b>	100.9	111.7	100.9	111.6	-0.1%	0.8%
<b>Oct-07</b>	101.7	112.3	101.2	111.9	0.0%	0.7%
<b>Nov-07</b>	101.2	112.0	101.3	112.0	0.2%	0.5%
<b>Dec-07</b>	101.1	112.3	101.3	112.2	0.4%	0.5%
<b>Jan-08</b>	100.8	112.4	101.0	112.2	-0.2%	0.3%
<b>Feb-08</b>	100.9	112.7	100.9	112.4	-0.3%	0.4%
<b>Mar-08</b>	100.6	112.5	100.8	112.5	-0.6%	0.3%
<b>Apr-08</b>	100.5	112.7	100.7	112.6	-0.4%	0.3%
<b>May-08</b>	99.7	112.6	100.3	112.6	-0.7%	0.1%
<b>Jun-08</b>	99.4	112.2	99.9	112.5	-0.9%	0.0%
<b>Jul-08</b>	99.0	112.1	99.4	112.3	-1.3%	-0.3%
<b>Aug-08</b>	98.3	111.9	98.9	112.1	-1.4%	-0.4%
<b>Sep-08</b>	98.0	111.7	98.4	111.9	-1.4%	-0.5%
<b>Oct-08</b>	96.4	110.7	97.6	111.4	-1.8%	-0.8%
<b>Nov-08</b>	95.5	110.4	96.6	110.9	-2.3%	-1.0%

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**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-07</b>	100.5	106.7	107.1	116.1	102.3	109.4	109.3
<b>Feb-07</b>	99.8	106.7	107.2	116.2	104.8	109.9	109.7
<b>Mar-07</b>	100.3	106.7	107.6	117.6	105.2	110.8	110.7
<b>Apr-07</b>	100.4	106.9	108.1	117.3	103.4	110.2	110.2
<b>May-07</b>	101.4	106.9	108.5	118.1	104.1	111.0	111.0
<b>Jun-07</b>	101.4	106.6	108.7	118.1	104.5	111.2	111.2
<b>Jul-07</b>	100.9	106.2	108.7	118.9	104.4	111.5	111.4
<b>Aug-07</b>	101.0	106.3	108.9	119.4	104.7	111.8	111.7
<b>Sep-07</b>	100.9	106.7	109.1	119.3	104.7	111.8	111.7
<b>Oct-07</b>	101.7	107.6	109.6	119.8	105.3	112.3	112.3
<b>Nov-07</b>	101.2	108.2	110.0	119.4	105.2	112.0	112.0
<b>Dec-07</b>	101.1	108.4	110.5	120.1	104.9	112.3	112.3
<b>Jan-08</b>	100.8	108.3	110.9	120.1	105.1	112.4	112.4
<b>Feb-08</b>	100.9	108.3	111.2	120.5	105.3	112.7	112.7
<b>Mar-08</b>	100.6	108.3	111.2	120.3	105.2	112.5	112.5
<b>Apr-08</b>	100.5	108.5	110.9	120.5	105.9	112.7	112.7
<b>May-08</b>	99.7	108.7	110.6	121.1	105.1	112.6	112.6
<b>Jun-08</b>	99.4	108.9	110.3	120.4	105.3	112.2	112.2
<b>Jul-08</b>	99.0	109.1	109.9	119.9	106.0	112.2	112.1
<b>Aug-08</b>	98.3	109.2	109.7	119.8	105.8	112.0	111.9
<b>Sep-08</b>	98.0	109.3	109.5	119.4	105.9	111.8	111.7
<b>Oct-08</b>	96.4	109.3	109.5	118.2	105.8	110.8	110.7
<b>Nov-08</b>	95.5	109.3	109.5	118.2	105.6	110.5	110.4

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

	Industry	Agriculture	Construction	Private Services	Public Services	GDP(B)	GDP
<b>Jan-07</b>	100.4	106.9	107.1	115.5	103.5	109.3	109.2
<b>Feb-07</b>	100.1	106.7	107.2	115.8	103.6	109.4	109.4
<b>Mar-07</b>	100.2	106.7	107.3	116.6	104.1	110.0	109.9
<b>Apr-07</b>	100.2	106.8	107.6	117.1	104.5	110.3	110.2
<b>May-07</b>	100.7	106.8	108.0	117.7	104.2	110.7	110.6
<b>Jun-07</b>	101.1	106.8	108.4	117.8	104.0	110.8	110.8
<b>Jul-07</b>	101.2	106.6	108.6	118.3	104.3	111.2	111.2
<b>Aug-07</b>	101.1	106.4	108.7	118.8	104.5	111.5	111.4
<b>Sep-07</b>	100.9	106.4	108.9	119.2	104.6	111.7	111.6
<b>Oct-07</b>	101.2	106.9	109.2	119.5	104.9	112.0	111.9
<b>Nov-07</b>	101.3	107.5	109.6	119.5	105.1	112.0	112.0
<b>Dec-07</b>	101.3	108.1	110.0	119.7	105.1	112.2	112.2
<b>Jan-08</b>	101.0	108.3	110.5	119.9	105.0	112.2	112.2
<b>Feb-08</b>	100.9	108.3	110.9	120.2	105.1	112.4	112.4
<b>Mar-08</b>	100.8	108.3	111.1	120.3	105.2	112.5	112.5
<b>Apr-08</b>	100.7	108.4	111.1	120.4	105.5	112.6	112.6
<b>May-08</b>	100.3	108.5	110.9	120.6	105.4	112.6	112.6
<b>Jun-08</b>	99.9	108.7	110.6	120.7	105.4	112.5	112.5
<b>Jul-08</b>	99.4	108.9	110.3	120.5	105.4	112.3	112.3
<b>Aug-08</b>	98.9	109.1	109.9	120.0	105.7	112.1	112.1
<b>Sep-08</b>	98.4	109.2	109.7	119.7	105.9	112.0	111.9
<b>Oct-08</b>	97.6	109.3	109.6	119.1	105.8	111.5	111.4
<b>Nov-08</b>	96.6	109.3	109.5	118.6	105.8	111.1	110.9

*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-07</b>	-1.3%	-6.5%	3.3%	7.6%	-2.5%	3.4%	3.5%
<b>Feb-07</b>	-2.2%	-4.8%	1.9%	6.7%	-2.6%	2.7%	2.5%
<b>Mar-07</b>	-0.5%	-2.2%	1.1%	7.0%	-0.4%	3.7%	3.3%
<b>Apr-07</b>	-0.9%	-0.4%	1.9%	5.6%	4.0%	3.8%	3.6%
<b>May-07</b>	2.3%	0.5%	3.2%	6.6%	2.5%	4.5%	4.7%
<b>Jun-07</b>	3.5%	0.4%	4.2%	4.1%	-0.4%	2.9%	3.3%
<b>Jul-07</b>	4.3%	-0.7%	3.7%	4.4%	-0.5%	3.4%	3.5%
<b>Aug-07</b>	1.6%	-1.7%	2.6%	3.8%	1.2%	3.0%	2.8%
<b>Sep-07</b>	-0.5%	-1.5%	1.9%	4.7%	2.3%	3.3%	2.9%
<b>Oct-07</b>	-0.1%	1.1%	2.2%	4.0%	2.2%	2.8%	2.6%
<b>Nov-07</b>	0.7%	4.4%	3.1%	2.4%	2.0%	2.0%	2.1%
<b>Dec-07</b>	1.6%	6.5%	4.1%	1.9%	1.9%	1.8%	2.2%
<b>Jan-08</b>	-0.7%	5.5%	4.8%	1.2%	0.6%	0.8%	1.2%
<b>Feb-08</b>	-1.3%	3.0%	4.8%	2.6%	0.1%	1.4%	1.6%
<b>Mar-08</b>	-2.2%	0.7%	4.1%	1.9%	0.4%	1.1%	1.1%
<b>Apr-08</b>	-1.4%	0.2%	2.3%	2.0%	1.6%	1.4%	1.3%
<b>May-08</b>	-2.6%	0.7%	0.1%	1.3%	1.2%	0.5%	0.5%
<b>Jun-08</b>	-3.5%	1.5%	-1.8%	1.2%	0.8%	0.0%	0.0%
<b>Jul-08</b>	-5.1%	1.9%	-2.9%	0.1%	-0.1%	-0.9%	-1.0%
<b>Aug-08</b>	-5.3%	2.0%	-3.4%	-2.0%	1.1%	-1.5%	-1.8%
<b>Sep-08</b>	-5.6%	1.9%	-3.2%	-3.1%	1.9%	-1.8%	-2.1%
<b>Oct-08</b>	-7.1%	1.4%	-2.5%	-4.3%	1.5%	-2.9%	-3.2%
<b>Nov-08</b>	-8.9%	0.8%	-1.5%	-4.7%	0.4%	-3.8%	-4.0%

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