

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

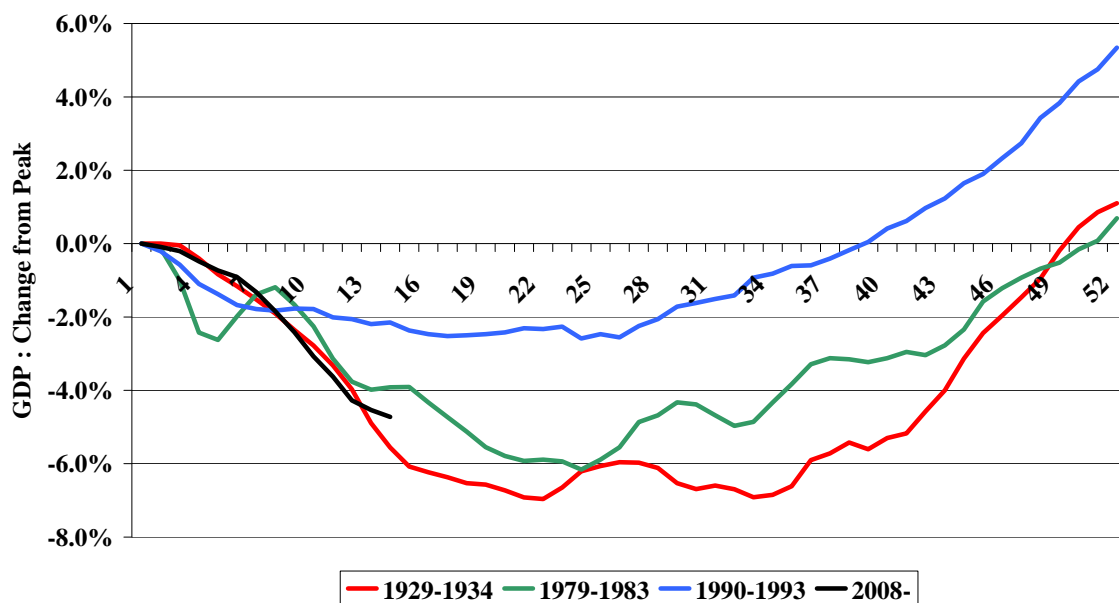
EMBARGO 02.00pm 12th May 2009

OUTPUT FALLS 1.5% IN THREE MONTHS TO APRIL. TENTATIVE EVIDENCE FOR A REVIVAL IN APRIL

Our monthly estimates of GDP suggest that output fell by 1.5% in the three months ending in April, after the decline of 1.9% in the first calendar quarter of this year. The estimates for April themselves point to output stopping falling. Monthly data are erratic so it would be wrong to make too much of this. Nevertheless, it is the first time the monthly GDP estimate has not fallen since April of last year.

This improvement means that the output fall since the start of the recession is no longer as sharp as that in the 1929 recession. It is, however, still greater than that of the recession which started in 1979.

Months from the Start of the Depression



Calculated from three-month moving averages of 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 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%	0.4%
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	110.7	96.8	111.4	-2.1%	-0.8%
Nov-08	93.1	110.1	95.3	110.8	-3.1%	-1.1%
Dec-08	91.7	109.8	93.4	110.2	-4.5%	-1.5%
Jan-09	89.1	108.5	91.3	109.5	-5.7%	-1.8%
Feb-09	88.4	108.2	89.7	108.8	-5.8%	-1.8%
Mar-09	88.0	107.6	88.5	108.1	-5.3%	-1.9%
Apr-09	87.9	107.6	88.1	107.8	-3.5%	-1.5%

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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	112.6	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	120.6	106.6	113.1	113.0
May-08	99.3	103.9	110.2	120.9	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	119.6	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	107.9	119.3	106.8	111.8	111.7
Oct-08	95.4	103.2	105.4	118.3	106.6	110.7	110.7
Nov-08	93.1	103.2	103.6	118.3	106.2	110.1	110.1
Dec-08	91.7	103.2	102.4	118.3	106.4	109.8	109.8
Jan-09	89.1	103.4	101.7	116.6	106.8	108.4	108.5
Feb-09	88.4	103.5	101.2	116.5	106.6	108.2	108.2
Mar-09	88.0	103.6	101.0	115.3	107.0	107.5	107.6
Apr-09	87.9	103.6	101.0	115.3	106.9	107.5	107.6

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

				Private	Public		
112.84	Industry	Agriculture	Construction	Services	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	113.0	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	103.9	110.2	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	103.3	107.6	119.0	106.7	111.5	111.4
Nov-08	95.3	103.2	105.6	118.6	106.5	110.9	110.8
Dec-08	93.4	103.2	103.8	118.3	106.4	110.2	110.2
Jan-09	91.3	103.3	102.6	117.7	106.5	109.4	109.5
Feb-09	89.7	103.4	101.8	117.1	106.6	108.8	108.8
Mar-09	88.5	103.5	101.3	116.1	106.8	108.0	108.1
Apr-09	88.1	103.6	101.1	115.7	106.9	107.7	107.8

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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-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%	1.1%	2.1%	2.6%	1.6%	1.4%
May-08	-3.5%	1.7%	-1.0%	1.6%	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%	-1.9%	-0.5%	-0.8%	-1.6%	-1.9%
Aug-08	-6.6%	1.1%	-2.0%	-2.6%	1.4%	-2.4%	-2.6%
Sep-08	-6.8%	-1.2%	-3.9%	-3.7%	3.1%	-2.8%	-2.8%
Oct-08	-8.2%	-2.0%	-9.2%	-4.1%	3.0%	-3.5%	-3.3%
Nov-08	-11.8%	-1.9%	-14.9%	-3.9%	0.9%	-4.7%	-4.4%
Dec-08	-16.7%	-1.2%	-18.4%	-4.0%	-1.1%	-6.3%	-5.9%
Jan-09	-20.8%	-0.2%	-17.5%	-4.3%	-0.8%	-7.3%	-6.9%
Feb-09	-21.3%	0.6%	-13.9%	-4.8%	0.2%	-7.4%	-7.1%
Mar-09	-19.4%	1.2%	-9.3%	-7.0%	1.5%	-7.7%	-7.4%
Apr-09	-13.3%	1.1%	-5.6%	-6.6%	1.4%	-6.1%	-5.9%

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