



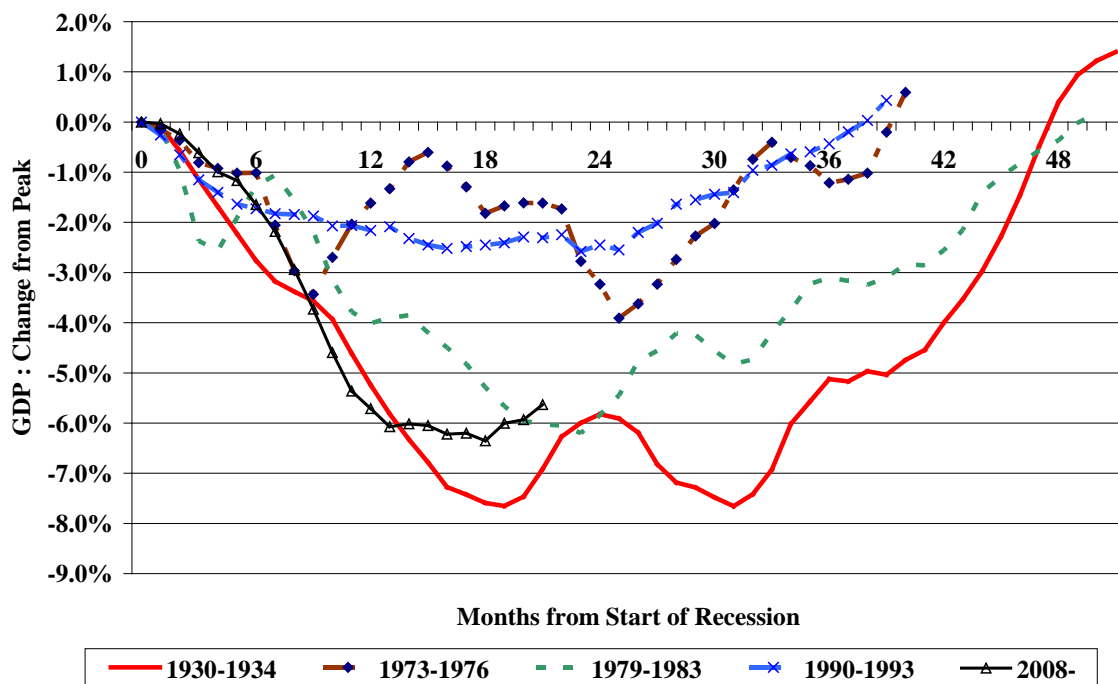
**NATIONAL INSTITUTE OF ECONOMIC AND SOCIAL RESEARCH
ESTIMATES OF MONTHLY GDP**

BIGGEST CONTRACTION SINCE 1921

Embargo until 03:00pm hours on 13th January 2009

Our monthly estimates of GDP suggest that output grew by 0.3 per cent in the three months ending in December, following on from a growth of 0.2 per cent in the three months ending in November. These data show that GDP fell by 4.8 per cent in 2009. This is a bigger fall than in any year of the great depression and is Britain’s biggest contraction since 1921. As the graph below shows, the broader picture of the depression is that output fell sharply for twelve months until March and has not changed very much since then, although evidence of a recovery is starting to emerge.

Figure 1: 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.

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	100.5	106.9	100.5	106.5	0.3%	0.5%
Feb-08	100.7	107.4	100.5	106.9	0.1%	0.8%
Mar-08	100.1	107.0	100.4	107.1	-0.2%	0.8%
Apr-08	99.9	107.4	100.2	107.3	-0.3%	0.7%
May-08	99.2	107.3	99.7	107.2	-0.8%	0.3%
Jun-08	98.1	106.4	99.1	107.0	-1.3%	-0.1%
Jul-08	97.1	106.1	98.1	106.6	-2.1%	-0.6%
Aug-08	96.9	106.0	97.4	106.2	-2.4%	-1.0%
Sep-08	97.0	105.8	97.0	106.0	-2.1%	-0.9%
Oct-08	94.4	104.6	96.1	105.5	-2.1%	-1.0%
Nov-08	92.3	104.3	94.6	104.9	-2.9%	-1.2%
Dec-08	90.7	103.4	92.5	104.1	-4.6%	-1.8%
Jan-09	88.2	102.1	90.4	103.3	-5.9%	-2.1%
Feb-09	87.7	101.5	88.9	102.3	-6.0%	-2.5%
Mar-09	87.5	100.9	87.8	101.5	-5.0%	-2.5%
Apr-09	87.6	100.9	87.6	101.1	-3.1%	-2.1%
May-09	86.9	100.4	87.3	100.7	-1.8%	-1.5%
Jun-09	87.4	101.1	87.3	100.8	-0.6%	-0.7%
Jul-09	87.7	100.8	87.3	100.8	-0.3%	-0.4%
Aug-09	85.4	99.8	86.8	100.6	-0.6%	-0.2%
Sep-09	86.5	101.2	86.5	100.6	-0.9%	-0.2%
Oct-09	86.5	100.3	86.1	100.4	-1.4%	-0.3%
Nov-09	86.8	100.9	86.6	100.8	-0.3%	0.2%
Dec-09	87.5	101.4	86.9	100.9	0.5%	0.3%

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Table 2: Output by Sector (2003=100)

	Industry	Agriculture	Construction	Private Services	Public Services	GDP(B)	GDP
Jan-08	100.5	94.8	105.7	111.5	103.0	107.1	106.9
Feb-08	100.7	94.8	106.0	112.1	103.4	107.4	107.4
Mar-08	100.1	95.4	106.0	111.8	103.2	107.1	107.0
Apr-08	99.9	96.7	105.6	112.1	103.7	107.4	107.4
May-08	99.2	97.5	105.2	112.5	102.9	107.4	107.3
Jun-08	98.1	97.7	104.7	111.3	102.8	106.5	106.4
Jul-08	97.1	97.4	104.1	111.0	103.6	106.3	106.1
Aug-08	96.9	96.9	103.2	110.8	103.6	106.1	106.0
Sep-08	97.0	96.4	102.0	110.2	103.8	105.9	105.8
Oct-08	94.4	95.7	100.4	108.9	103.6	104.7	104.6
Nov-08	92.3	95.2	98.3	109.5	103.1	104.4	104.3
Dec-08	90.7	94.9	95.6	108.6	102.8	103.5	103.4
Jan-09	88.2	94.8	92.4	107.1	103.0	102.3	102.1
Feb-09	87.7	94.4	90.6	106.6	102.4	101.8	101.5
Mar-09	87.5	93.8	90.0	105.4	102.5	101.3	100.9
Apr-09	87.6	92.9	90.8	105.5	102.4	101.3	100.9
May-09	86.9	92.0	91.5	104.6	102.3	100.8	100.4
Jun-09	87.4	91.0	92.2	105.6	102.8	101.5	101.1
Jul-09	87.7	90.0	92.8	104.9	102.6	101.3	100.8
Aug-09	85.4	89.3	93.3	104.0	102.2	100.3	99.8
Sep-09	86.5	88.9	93.5	106.3	102.1	101.7	101.2
Oct-09	86.5	88.9	93.5	104.5	102.2	100.9	100.3
Nov-09	86.8	88.9	93.5	105.7	102.1	101.5	100.9
Dec-09	87.5	88.9	93.5	106.3	102.0	101.9	101.4

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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
Jan-08	100.5	95.3	105.2	110.9	102.6	106.7	106.5
Feb-08	100.5	95.0	105.6	111.5	103.0	107.1	106.9
Mar-08	100.4	95.0	105.9	111.8	103.2	107.2	107.1
Apr-08	100.2	95.6	105.9	112.0	103.4	107.3	107.3
May-08	99.7	96.5	105.6	112.1	103.2	107.3	107.2
Jun-08	99.1	97.3	105.2	111.9	103.1	107.1	107.0
Jul-08	98.1	97.5	104.7	111.6	103.1	106.7	106.6
Aug-08	97.4	97.3	104.0	111.0	103.3	106.3	106.2
Sep-08	97.0	96.9	103.1	110.7	103.7	106.1	106.0
Oct-08	96.1	96.4	101.9	110.0	103.7	105.6	105.5
Nov-08	94.6	95.8	100.2	109.5	103.5	105.0	104.9
Dec-08	92.5	95.3	98.1	109.0	103.2	104.2	104.1
Jan-09	90.4	95.0	95.4	108.4	103.0	103.4	103.3
Feb-09	88.9	94.7	92.8	107.4	102.7	102.6	102.3
Mar-09	87.8	94.3	91.0	106.4	102.6	101.8	101.5
Apr-09	87.6	93.7	90.5	105.8	102.4	101.5	101.1
May-09	87.3	92.9	90.8	105.2	102.4	101.1	100.7
Jun-09	87.3	92.0	91.5	105.2	102.5	101.2	100.8
Jul-09	87.3	91.0	92.2	105.0	102.6	101.2	100.8
Aug-09	86.8	90.1	92.8	104.8	102.5	101.0	100.6
Sep-09	86.5	89.4	93.2	105.0	102.3	101.1	100.6
Oct-09	86.1	89.1	93.4	104.9	102.2	101.0	100.4
Nov-09	86.6	88.9	93.5	105.5	102.1	101.3	100.8
Dec-09	86.9	88.9	93.5	105.5	102.1	101.4	100.9

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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	1.1%	0.8%	3.8%	1.9%	2.9%	1.9%	1.9%
Feb-08	0.5%	-1.8%	4.5%	4.3%	3.8%	2.7%	3.2%
Mar-08	-0.7%	-2.5%	4.3%	4.6%	3.6%	2.3%	3.0%
Apr-08	-1.1%	1.3%	2.4%	4.1%	3.4%	2.3%	2.9%
May-08	-3.1%	6.5%	-0.1%	2.1%	1.0%	0.9%	1.2%
Jun-08	-5.3%	10.0%	-2.6%	0.4%	-0.4%	-0.4%	-0.4%
Jul-08	-8.1%	8.1%	-4.4%	-1.5%	-1.3%	-2.3%	-2.4%
Aug-08	-9.2%	3.4%	-5.9%	-3.8%	0.4%	-3.7%	-3.8%
Sep-08	-8.1%	-1.6%	-7.7%	-4.4%	2.3%	-3.7%	-3.7%
Oct-08	-8.0%	-4.7%	-10.4%	-5.5%	2.5%	-4.2%	-4.1%
Nov-08	-11.0%	-6.2%	-13.8%	-5.2%	0.8%	-4.8%	-4.7%
Dec-08	-17.4%	-6.4%	-18.0%	-6.0%	-1.9%	-7.0%	-7.0%
Jan-09	-21.7%	-5.6%	-23.0%	-5.7%	-2.8%	-8.0%	-8.2%
Feb-09	-22.0%	-4.5%	-26.4%	-7.5%	-3.2%	-9.0%	-9.5%
Mar-09	-18.7%	-4.1%	-26.0%	-9.2%	-2.3%	-8.9%	-9.6%
Apr-09	-11.8%	-5.3%	-19.2%	-9.1%	-2.2%	-7.3%	-8.0%
May-09	-6.7%	-7.3%	-8.6%	-8.1%	-1.3%	-5.5%	-6.1%
Jun-09	-2.3%	-9.4%	2.2%	-4.3%	-0.4%	-2.3%	-2.7%
Jul-09	-1.2%	-10.9%	7.8%	-3.0%	0.7%	-1.1%	-1.4%
Aug-09	-2.3%	-11.5%	9.0%	-1.3%	0.6%	-0.2%	-0.6%
Sep-09	-3.5%	-10.8%	7.6%	-0.7%	-0.8%	-0.4%	-0.8%
Oct-09	-5.4%	-8.4%	5.5%	-0.3%	-1.6%	-1.0%	-1.3%
Nov-09	-1.1%	-5.1%	3.1%	2.6%	-1.6%	1.1%	0.9%
Dec-09	1.9%	-2.1%	1.2%	1.8%	-0.8%	1.2%	1.2%

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