



**NATIONAL INSTITUTE OF ECONOMIC AND SOCIAL RESEARCH
ESTIMATES OF MONTHLY GDP
Embargo until 0001 hours on 8th August 2006**

We project that the output of the economy in the three months ending in July was 0.8% higher than in the previous three months. This implies that the momentum identified in the ONS data for the second quarter of 2006 has been maintained into this quarter. There is no urgent need for a further interest rate increase but we expect that the Bank of England will gradually raise interest rates back towards normal levels above 5% p.a.

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 0.14% 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 has been published in the February 2005 volume of the *Economic Journal*. That methodology has been revised to take use the ONS Index of Services which has now become a National Statistic. This revision ensures that full use is made of the official monthly data as they accrue.

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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
Jan-05	100.2	104.4	100.7	104.3	0.6%	0.7%
Feb-05	100.3	104.6	100.5	104.4	0.2%	0.5%
Mar-05	98.5	104.2	99.7	104.4	-0.9%	0.2%
Apr-05	99.6	104.6	99.5	104.5	-1.3%	0.1%
May-05	99.5	104.8	99.2	104.5	-1.3%	0.1%
Jun-05	99.3	105.3	99.5	104.9	-0.2%	0.5%
Jul-05	99.2	105.1	99.3	105.1	-0.1%	0.6%
Aug-05	98.1	105.4	98.9	105.3	-0.3%	0.7%
Sep-05	98.6	105.7	98.7	105.4	-0.8%	0.4%
Oct-05	97.5	105.4	98.1	105.5	-1.3%	0.4%
Nov-05	98.1	106.0	98.1	105.7	-0.8%	0.4%
Dec-05	98.5	106.6	98.0	106.0	-0.6%	0.7%
Jan-06	98.8	106.6	98.5	106.4	0.4%	0.8%
Feb-06	98.4	106.6	98.6	106.6	0.5%	0.8%
Mar-06	99.1	107.3	98.8	106.8	0.8%	0.7%
Apr-06	98.5	107.2	98.7	107.0	0.2%	0.6%
May-06	98.7	108.0	98.8	107.5	0.2%	0.9%
Jun-06	98.6	107.9	98.6	107.7	-0.2%	0.8%
Jul-06	98.7	107.9	98.7	107.9	0.0%	0.8%

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Table 2: Output by Sector (2003=100)

	Industry	Agriculture	Construction	Private Services	Public Services	GDP(B)	GDP
Jan-05	100.2	100.0	105.8	106.4	103.0	104.5	104.4
Feb-05	100.3	100.6	106.0	106.3	103.6	104.7	104.6
Mar-05	98.5	101.2	106.2	106.6	103.1	104.3	104.2
Apr-05	99.6	102.0	106.5	106.7	103.4	104.7	104.6
May-05	99.5	102.2	106.4	106.9	103.8	104.9	104.8
Jun-05	99.3	102.1	106.0	107.8	104.1	105.4	105.3
Jul-05	99.2	101.6	105.2	107.2	104.5	105.2	105.1
Aug-05	98.1	101.2	104.7	108.0	104.8	105.3	105.4
Sep-05	98.6	100.9	104.4	108.4	104.9	105.7	105.7
Oct-05	97.5	100.7	104.4	108.6	104.8	105.5	105.4
Nov-05	98.1	100.8	104.4	109.2	105.2	106.1	106.0
Dec-05	98.5	101.1	104.7	110.2	105.4	106.7	106.6
Jan-06	98.8	101.6	105.1	109.7	105.8	106.7	106.6
Feb-06	98.4	101.8	105.4	109.9	105.4	106.7	106.6
Mar-06	99.1	101.7	105.7	110.7	106.0	107.3	107.3
Apr-06	98.5	101.2	105.9	110.7	106.0	107.2	107.2
May-06	98.7	100.8	106.0	111.9	106.4	107.9	108.0
Jun-06	98.6	100.7	106.1	111.4	106.7	107.8	107.9
Jul-06	98.7	100.7	106.1	111.4	106.7	107.8	107.9

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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-05	100.7	99.5	105.6	106.2	102.8	104.4	104.3
Feb-05	100.5	100.0	105.8	106.3	103.1	104.5	104.4
Mar-05	99.7	100.6	106.0	106.4	103.2	104.5	104.4
Apr-05	99.5	101.3	106.2	106.5	103.4	104.6	104.5
May-05	99.2	101.8	106.4	106.7	103.4	104.6	104.5
Jun-05	99.5	102.1	106.3	107.1	103.8	105.0	104.9
Jul-05	99.3	102.0	105.9	107.3	104.1	105.1	105.1
Aug-05	98.9	101.6	105.3	107.7	104.5	105.3	105.3
Sep-05	98.7	101.2	104.8	107.9	104.7	105.4	105.4
Oct-05	98.1	100.9	104.5	108.3	104.8	105.5	105.5
Nov-05	98.1	100.8	104.4	108.7	104.9	105.8	105.7
Dec-05	98.0	100.9	104.5	109.3	105.1	106.1	106.0
Jan-06	98.5	101.2	104.7	109.7	105.4	106.5	106.4
Feb-06	98.6	101.5	105.1	109.9	105.5	106.7	106.6
Mar-06	98.8	101.7	105.4	110.1	105.7	106.9	106.8
Apr-06	98.7	101.5	105.7	110.4	105.8	107.1	107.0
May-06	98.8	101.2	105.9	111.1	106.2	107.5	107.5
Jun-06	98.6	100.9	106.0	111.3	106.4	107.7	107.7
Jul-06	98.7	100.7	106.1	111.6	106.6	107.8	107.9

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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-05	2.4%	0.7%	3.3%	2.7%	2.6%	3.2%	2.8%
Feb-05	0.7%	3.2%	2.7%	1.5%	3.1%	2.3%	2.1%
Mar-05	-3.7%	5.8%	2.3%	1.6%	2.8%	1.2%	1.2%
Apr-05	-4.8%	7.3%	2.3%	1.2%	2.3%	0.5%	0.5%
May-05	-5.1%	7.5%	2.1%	1.7%	1.4%	0.4%	0.4%
Jun-05	-0.8%	6.1%	1.1%	2.6%	2.3%	1.9%	1.9%
Jul-05	-0.5%	2.8%	-1.3%	3.0%	3.1%	2.2%	2.4%
Aug-05	-1.3%	-0.8%	-3.9%	3.6%	4.0%	2.5%	2.8%
Sep-05	-3.3%	-3.5%	-5.5%	2.9%	3.5%	1.5%	1.9%
Oct-05	-5.0%	-4.0%	-5.1%	3.8%	2.6%	1.4%	1.6%
Nov-05	-3.2%	-3.1%	-3.4%	4.0%	1.9%	1.8%	1.7%
Dec-05	-2.4%	-1.2%	-1.1%	5.5%	1.5%	2.7%	2.3%
Jan-06	1.6%	1.1%	0.9%	5.2%	2.4%	3.8%	3.4%
Feb-06	2.1%	2.8%	2.5%	4.5%	2.2%	3.6%	3.4%
Mar-06	3.0%	3.2%	3.5%	2.8%	2.3%	3.1%	3.1%
Apr-06	0.8%	1.4%	3.6%	2.7%	1.4%	2.2%	2.5%
May-06	0.8%	-1.2%	3.1%	4.2%	2.5%	3.1%	3.5%
Jun-06	-0.7%	-3.1%	2.3%	4.6%	2.7%	2.8%	3.4%
Jul-06	0.0%	-3.1%	1.5%	4.2%	3.2%	2.9%	3.4%

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