



NATIONAL INSTITUTE OF ECONOMIC AND SOCIAL RESEARCH ESTIMATES OF MONTHLY GDP

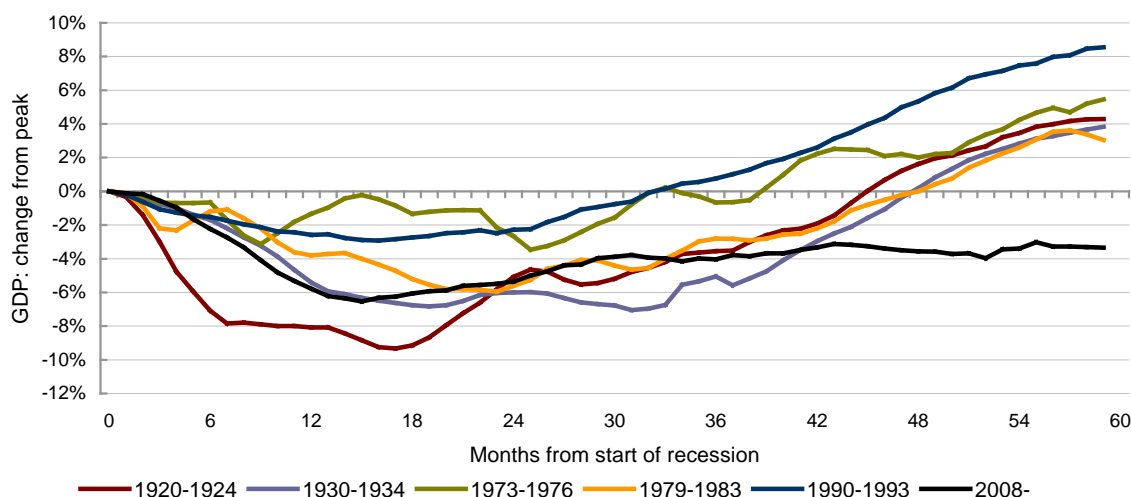
Embargo until 15.00 hours on 11th January 2013

Our monthly estimates of GDP suggest that output declined by 0.3 per cent in the three months ending in December after growth of 0.1 per cent in the three months ending in November 2012. These estimates suggest a growth rate of 0.0 per cent in 2012, down from 0.9 per cent in 2011. These estimates for the final quarter of the year are distorted due to an artificially high level of output in 2012Q3. Removing these distortions suggests an underlying economic performance that is best described as flat.

Notes: tickets for the Olympic Games were sold throughout 2011 and 2012. In the UK National Accounts these advance ticket sales have all been allocated to 2012Q3, inflating the level of output in this quarter. The Office for National Statistics estimates that these ticket sales boosted GDP by 0.2 percentage point in 2012Q3.

The construction sector output figures, presented in this release, are on a seasonally adjusted basis. The figures published today, by the ONS, are on a seasonally unadjusted basis.

Figure 1. The profile of recession and recovery



Notes: Calculated from centred three-month moving averages of monthly GDP, the effect of the miners' strike in 1921 is excluded from the 1920-1924 profile (the strike started on 31st March 1921 and ended on 28th June 1921).

The National Institute interprets the term “recession” to mean a period when output is falling or receding, while “depression” is a period when output is depressed below its previous peak. Thus, unless output turns down again, the recession is over, while the period of depression is likely to continue for some time. We do not expect output to pass its peak in early 2008 until 2014.

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*:

Mitchell, J. Smith, R. J., Weale, M. R., Wright, S. and Salazar, E. L. (2005) 'An Indicator of Monthly GDP and an Early Estimate of Quarterly GDP Growth', *Economic Journal*, No. 551, pp. F108-F129.

Available from: [http://onlinelibrary.wiley.com/journal/10.1111/\(ISSN\)1468-0297](http://onlinelibrary.wiley.com/journal/10.1111/(ISSN)1468-0297)

A paper describing the methodology used to produce the data for the inter-war period was published in the October 2012 volume of *Explorations in Economic History*:

Mitchell, J., Solomou, S. and Weale, M. (2012) 'Monthly GDP estimates for inter-war Britain', *Explorations in Economic History*, Vol. 49, No. 4, pp. 543-556.

Available from: <http://www.journals.elsevier.com/explorations-in-economic-history/>

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 Simon Kirby on 020 7654 1916.

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Table 1: Summary Table of Quarterly Growth Rates
2009=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-11	103.5	102.5	103.1	102.2	0.4%	-0.1%
Feb-11	102.3	102.1	102.9	102.1	0.1%	0.0%
Mar-11	102.4	102.6	102.7	102.4	-0.1%	0.4%
Apr-11	101.1	102.3	101.9	102.3	-1.1%	0.1%
May-11	101.6	102.6	101.7	102.5	-1.1%	0.4%
Jun-11	101.8	102.6	101.5	102.5	-1.2%	0.1%
Jul-11	101.5	103.0	101.6	102.7	-0.3%	0.4%
Aug-11	101.2	103.1	101.5	102.9	-0.2%	0.4%
Sep-11	101.2	103.2	101.3	103.1	-0.2%	0.6%
Oct-11	100.1	102.8	100.8	103.0	-0.8%	0.3%
Nov-11	99.8	102.8	100.4	103.0	-1.1%	0.1%
Dec-11	100.2	102.8	100.0	102.8	-1.3%	-0.3%
Jan-12	99.7	102.5	99.9	102.7	-1.0%	-0.3%
Feb-12	99.9	102.6	99.9	102.6	-0.4%	-0.3%
Mar-12	99.5	102.7	99.7	102.6	-0.3%	-0.2%
Apr-12	98.8	102.1	99.4	102.5	-0.5%	-0.2%
May-12	100.0	102.8	99.4	102.5	-0.5%	-0.1%
Jun-12	97.6	101.7	98.8	102.2	-0.9%	-0.4%
Jul-12	100.5	103.8	99.4	102.8	-0.1%	0.3%
Aug-12	100.0	102.9	99.4	102.8	-0.1%	0.3%
Sep-12	97.9	102.9	99.5	103.2	0.7%	0.9%
Oct-12	97.1	103.0	98.3	102.9	-1.0%	0.2%
Nov-12	97.3	102.9	97.4	102.9	-1.9%	0.1%
Dec-12	97.2	102.8	97.2	102.9	-2.3%	-0.3%

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Table 2: Output by Sector (2009=100)

	Industry	Agriculture	Construction	Private Services	Public Services	GDP(B)	GDP
Jan-11	103.5	95.7	109.2	102.2	101.0	102.6	102.5
Feb-11	102.3	98.9	109.5	101.6	101.3	102.2	102.1
Mar-11	102.4	100.0	110.0	102.3	101.6	102.7	102.6
Apr-11	101.1	99.2	110.8	102.2	101.4	102.4	102.3
May-11	101.6	98.2	111.1	102.5	101.5	102.7	102.6
Jun-11	101.8	97.0	111.1	102.3	101.5	102.7	102.6
Jul-11	101.5	95.6	110.6	103.1	101.8	103.1	103.0
Aug-11	101.2	94.7	110.7	103.4	101.7	103.2	103.1
Sep-11	101.2	94.1	111.1	103.5	101.9	103.3	103.2
Oct-11	100.1	93.9	112.0	103.0	101.8	102.9	102.8
Nov-11	99.8	93.7	111.4	103.1	101.9	102.9	102.8
Dec-11	100.2	93.6	109.3	102.9	102.3	102.9	102.8
Jan-12	99.7	93.5	105.8	102.8	102.6	102.6	102.5
Feb-12	99.9	93.0	103.5	103.3	102.7	102.7	102.6
Mar-12	99.5	92.2	102.1	103.4	103.0	102.8	102.7
Apr-12	98.8	90.9	101.8	102.7	102.8	102.2	102.1
May-12	100.0	90.7	101.0	103.6	102.9	102.9	102.8
Jun-12	97.6	91.7	99.8	102.4	103.2	101.8	101.7
Jul-12	100.5	93.7	98.2	104.9	104.3	103.9	103.8
Aug-12	100.0	95.1	98.0	102.9	105.4	103.0	102.9
Sep-12	97.9	95.8	99.0	104.0	104.2	103.0	102.9
Oct-12	97.1	95.8	101.5	104.2	103.6	103.1	103.0
Nov-12	97.3	95.8	103.2	103.8	103.6	103.0	102.9
Dec-12	97.2	95.8	104.0	103.7	103.4	102.9	102.8

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Table 3: Output in Quarter Ending in Month Shown (2009=100)

	Industry	Agriculture	Construction	Private Services	Public Services	GDP(B)	GDP
Jan-11	103.1	92.0	109.3	101.7	100.5	102.2	102.2
Feb-11	102.9	95.2	109.3	101.6	100.9	102.2	102.1
Mar-11	102.7	98.2	109.6	102.0	101.3	102.5	102.4
Apr-11	101.9	99.3	110.1	102.0	101.4	102.4	102.3
May-11	101.7	99.1	110.7	102.3	101.5	102.6	102.5
Jun-11	101.5	98.1	111.0	102.3	101.5	102.6	102.5
Jul-11	101.6	96.9	111.0	102.6	101.6	102.8	102.7
Aug-11	101.5	95.8	110.8	103.0	101.7	103.0	102.9
Sep-11	101.3	94.8	110.8	103.4	101.8	103.2	103.1
Oct-11	100.8	94.2	111.3	103.3	101.8	103.1	103.0
Nov-11	100.4	93.9	111.5	103.2	101.9	103.1	103.0
Dec-11	100.0	93.7	110.9	103.0	102.0	102.9	102.8
Jan-12	99.9	93.6	108.8	102.9	102.3	102.8	102.7
Feb-12	99.9	93.4	106.2	103.0	102.6	102.7	102.6
Mar-12	99.7	92.9	103.8	103.2	102.8	102.7	102.6
Apr-12	99.4	92.0	102.5	103.1	102.9	102.6	102.5
May-12	99.4	91.3	101.7	103.2	102.9	102.6	102.5
Jun-12	98.8	91.1	100.9	102.9	103.0	102.3	102.2
Jul-12	99.4	92.0	99.7	103.6	103.5	102.9	102.8
Aug-12	99.4	93.5	98.7	103.4	104.3	102.9	102.8
Sep-12	99.5	94.9	98.4	104.0	104.6	103.3	103.2
Oct-12	98.3	95.6	99.5	103.7	104.4	103.0	102.9
Nov-12	97.4	95.8	101.2	104.0	103.8	103.0	102.9
Dec-12	97.2	95.8	102.9	103.9	103.5	103.0	102.9

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-11	1.4%	-14.6%	-6.7%	0.5%	-0.1%	0.0%	-0.2%
Feb-11	0.4%	13.1%	-3.8%	-0.2%	2.2%	0.1%	-0.2%
Mar-11	-0.3%	38.6%	0.0%	2.0%	4.5%	2.0%	1.6%
Apr-11	-4.5%	35.8%	3.2%	1.1%	3.8%	0.9%	0.6%
May-11	-4.6%	17.6%	5.1%	2.7%	2.6%	1.6%	1.4%
Jun-11	-4.7%	-0.4%	5.2%	1.2%	0.8%	0.4%	0.4%
Jul-11	-1.2%	-9.4%	3.1%	2.5%	0.7%	1.5%	1.6%
Aug-11	-0.8%	-12.8%	0.5%	2.5%	0.7%	1.5%	1.5%
Sep-11	-0.8%	-12.8%	-0.7%	4.1%	1.2%	2.4%	2.4%
Oct-11	-3.1%	-10.7%	1.1%	2.6%	0.7%	1.3%	1.3%
Nov-11	-4.4%	-7.7%	2.6%	0.9%	0.7%	0.3%	0.3%
Dec-11	-4.9%	-4.6%	0.4%	-1.4%	0.8%	-1.2%	-1.2%
Jan-12	-3.7%	-2.6%	-8.4%	-1.4%	1.9%	-1.4%	-1.4%
Feb-12	-1.7%	-2.1%	-17.7%	-0.7%	2.8%	-1.2%	-1.2%
Mar-12	-1.3%	-3.4%	-23.3%	0.7%	3.2%	-0.8%	-0.8%
Apr-12	-2.0%	-6.5%	-21.4%	0.8%	2.4%	-0.9%	-0.9%
May-12	-2.0%	-8.7%	-16.0%	0.9%	1.5%	-0.5%	-0.5%
Jun-12	-3.6%	-7.5%	-10.7%	-1.1%	0.8%	-1.5%	-1.6%
Jul-12	-0.1%	0.0%	-10.4%	1.9%	2.4%	1.1%	1.1%
Aug-12	-0.3%	10.2%	-11.3%	0.7%	5.3%	1.2%	1.2%
Sep-12	2.7%	17.8%	-9.5%	4.2%	6.4%	4.0%	4.0%
Oct-12	-4.1%	16.4%	-0.8%	0.3%	3.4%	0.7%	0.7%
Nov-12	-7.6%	10.3%	10.8%	2.3%	-2.0%	0.5%	0.5%
Dec-12	-8.8%	4.0%	19.6%	-0.2%	-4.2%	-1.2%	-1.2%

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