



## Press Release

### GDP growth of 0.3 per cent in three months to February 2018

**\*For Immediate release\***

Our monthly estimates of GDP suggest that output growth slowed to 0.3 per cent in the 3 months to February from 0.4 per cent in the 3 months to January and the official estimate of 0.4 per cent for the final quarter of 2017.

Amit Kara, Head of UK Macroeconomic Forecasting at NIESR, said “*We estimate that economic growth nudged lower to 0.3 per cent in the 3 months to February. Activity has eased slightly and is likely to slow further in March when the full impact of the recent extreme weather conditions will be realised. Economic growth continues to be driven by both the manufacturing and the service sectors, supported by a buoyant global economy, while construction output lags.*

*There is reason to interpret national accounts data for this period with some caution because of revisions that may well be larger than normal if previous severe weather episodes serve as a guide. Take for example the quarterly GDP growth for the final quarter of 2010 when the UK experienced a prolonged period of extreme cold weather. The economy was initially estimated to have shrunk by 0.5 per cent but subsequent data revisions show that the economy expanded by 0.1 per cent over this period.”*

NIESR’s latest quarterly forecast (published February 2018) projected GDP growth of 1.9 per cent per annum in 2018 and 1.9 per cent in 2019 (see [here](#) for the associated press release).

**Technical notes:** Our track record in producing early estimates of GDP suggests that our projection for the most recent three-month period has a root mean squared error (RMSE) of 0.224% point (for the full sample period 1999Q3-2015Q4) when compared to the first estimate produced by the ONS. For the period 2008Q1 to 2015Q4 the RMSE is 0.290% point. The impact of the adverse weather in 2010Q4 is a noticeable outlier. Excluding 2010Q4 from the analysis, the RMSE for the full sample period is 0.188% point, and for 2008Q1 to 2015Q4 the RMSE is 0.231% point. These comparisons 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*:

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.

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**Notes for editors:** For further information please contact the NIESR Press Office or Paola Buonadonna on 020 7654 1931/ [p.buonadonna@niesr.ac.uk](mailto:p.buonadonna@niesr.ac.uk)

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**Table 1: Summary Table of Quarterly Growth Rates (2015=100)**

	<b>Monthly Data</b>		<b>3 months ending in month shown</b>		<b>Quarterly Growth % per quarter</b>	
	<b>Industry</b>	<b>GDP</b>	<b>Industry</b>	<b>GDP</b>	<b>Industry</b>	<b>GDP</b>
Jan-17	103.4	103.1	103.2	103.1	2.2%	0.9%
Feb-17	102.5	103.2	103.2	103.1	1.8%	0.5%
Mar-17	101.8	103.0	102.6	103.1	0.4%	0.2%
Apr-17	102.1	103.4	102.1	103.2	-1.1%	0.1%
May-17	102.5	103.3	102.1	103.2	-1.1%	0.1%
Jun-17	103.2	103.5	102.6	103.4	0.0%	0.3%
Jul-17	103.6	103.6	103.1	103.5	0.9%	0.3%
Aug-17	103.9	104.0	103.6	103.7	1.4%	0.5%
Sep-17	104.7	104.1	104.1	103.9	1.4%	0.5%
Oct-17	104.8	104.2	104.5	104.1	1.3%	0.6%
Nov-17	105.1	104.6	104.9	104.3	1.3%	0.6%
Dec-17	103.8	104.1	104.6	104.3	0.5%	0.4%
Jan-18	105.1	104.9	104.7	104.5	0.2%	0.4%
Feb-18	105.4	104.8	104.8	104.6	-0.1%	0.3%

*More...*

**Table 2: Output by Sector (2015=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>
Jan-17	103.4	94.0	109.5	104.5	100.7	102.9	103.1
Feb-17	102.5	93.6	110.1	104.9	100.6	103.0	103.2
Mar-17	101.8	93.2	110.1	104.6	100.8	102.8	103.0
Apr-17	102.1	93.0	109.6	105.2	100.9	103.2	103.4
May-17	102.5	93.1	109.3	105.0	100.8	103.1	103.3
Jun-17	103.2	93.5	109.2	105.2	100.7	103.3	103.5
Jul-17	103.6	94.2	109.3	105.4	100.6	103.4	103.6
Aug-17	103.9	94.5	109.1	106.0	100.8	103.8	104.0
Sep-17	104.7	94.4	108.9	106.0	100.7	103.9	104.1
Oct-17	104.8	93.9	108.5	106.2	100.9	104.0	104.2
Nov-17	105.1	93.5	108.3	106.9	100.9	104.4	104.6
Dec-17	103.8	93.4	108.1	106.4	100.9	103.9	104.1
Jan-18	105.1	93.4	108.1	107.4	101.0	104.7	104.9
Feb-18	105.4	93.4	108.1	107.1	101.2	104.6	104.8

*More...*

**Table 3: Output in Quarter Ending in Month Shown (2015=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>
Jan-17	103.2	94.4	108.5	104.7	100.4	102.9	103.1
Feb-17	103.2	94.0	109.4	104.6	100.5	102.9	103.1
Mar-17	102.6	93.6	109.9	104.7	100.7	102.9	103.1
Apr-17	102.1	93.3	109.9	104.9	100.8	103.0	103.2
May-17	102.1	93.1	109.7	105.0	100.8	103.0	103.2
Jun-17	102.6	93.2	109.4	105.2	100.8	103.2	103.4
Jul-17	103.1	93.6	109.3	105.2	100.7	103.3	103.5
Aug-17	103.6	94.1	109.2	105.5	100.7	103.5	103.7
Sep-17	104.1	94.4	109.1	105.8	100.7	103.7	103.9
Oct-17	104.5	94.3	108.9	106.0	100.8	103.9	104.1
Nov-17	104.9	94.0	108.6	106.3	100.8	104.1	104.3
Dec-17	104.6	93.6	108.3	106.5	100.9	104.1	104.3
Jan-18	104.7	93.4	108.2	106.9	100.9	104.3	104.5
Feb-18	104.8	93.4	108.1	107.0	101.0	104.4	104.6

*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>
Jan-17	9.1%	1.1%	13.9%	2.5%	0.3%	3.6%	3.6%
Feb-17	7.6%	-1.8%	12.6%	-0.3%	1.3%	1.8%	1.8%
Mar-17	1.4%	-4.2%	9.6%	-0.4%	2.0%	0.8%	0.8%
Apr-17	-4.2%	-4.7%	5.3%	0.7%	1.6%	0.3%	0.3%
May-17	-4.2%	-3.8%	1.1%	1.4%	1.2%	0.5%	0.5%
Jun-17	0.1%	-1.7%	-1.8%	1.9%	0.4%	1.2%	1.2%
Jul-17	3.8%	1.5%	-2.4%	1.1%	-0.3%	1.1%	1.1%
Aug-17	5.7%	4.3%	-1.8%	2.2%	-0.5%	1.9%	1.9%
Sep-17	5.8%	5.3%	-1.1%	2.4%	-0.4%	2.0%	1.9%
Oct-17	5.4%	2.9%	-1.5%	3.1%	0.4%	2.4%	2.4%
Nov-17	5.1%	-0.6%	-2.4%	3.1%	0.5%	2.2%	2.2%
Dec-17	1.9%	-3.3%	-2.9%	2.6%	0.8%	1.6%	1.5%
Jan-18	0.8%	-3.6%	-2.5%	3.2%	0.5%	1.7%	1.7%
Feb-18	-0.4%	-2.5%	-1.6%	2.3%	0.8%	1.2%	1.2%

**ENDS**