



Press Release

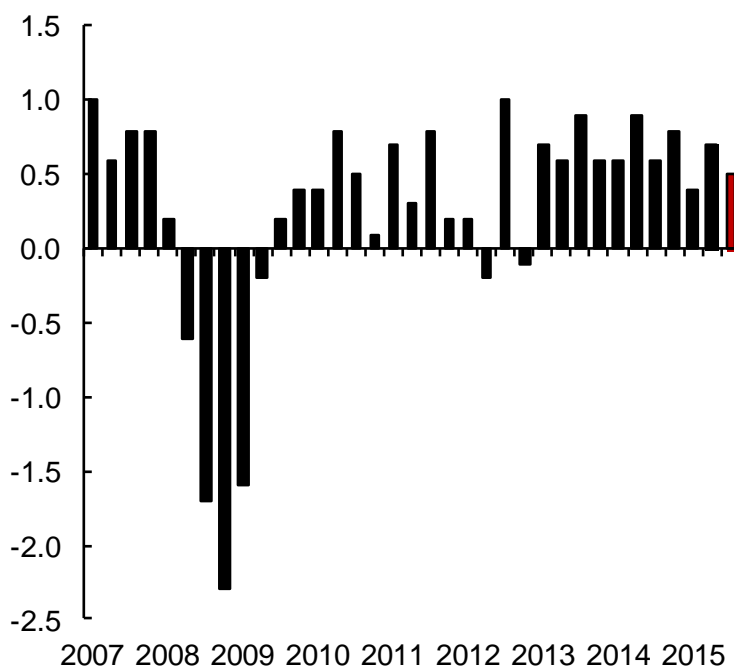
GDP growth of 0.5 per cent in 2015Q3 Embargo until 15.00 hours on 07th October 2015

Our monthly estimates of GDP suggest that output grew by 0.5 per cent in the three months ending in September after growth of 0.5 per cent in the three months ending in August 2015. This slight softening in the third quarter is expected to be temporary. It is consistent with our latest forecast for the year as a whole.*

Economic growth remains reasonable and, although we do not expect the Bank of England’s Monetary Policy Committee to vote to raise rates at its October meeting, we continue to expect the first rise in Bank Rate in the first half of 2016.

This estimate takes on the updated and revised data from the ONS, released at the end of September 2015. The broad story of output growth post-recession is little changed and the return to the pre-recession peak following the most recent recession remains the most protracted in the last 100 years.

Figure 1. Real GDP growth (per cent per quarter)



Source: ONS, NIESR.

Note: red bar indicates NIESR estimate for 2015Q3.

* NIESR’s latest quarterly forecast (published 5th August 2015) projects GDP growth of 2.5 per cent per annum in 2015 and 2.4 per cent in 2016 (see <http://niesr.ac.uk/media> 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 0.227% point (for the full sample period 1999Q3-2014Q4) when compared to the first estimate produced by the ONS. For the period 2008Q1 to 2014Q4 the RMSE is 0.309% 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 0.189% point, and for 2008Q1 to 2014Q4 the RMSE is 0.240% 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.

Notes for editors: For further information please contact the NIESR Press Office or Luca Pieri on 020 7654 1931/ l.pieri@niesr.ac.uk

National Institute of Economic and Social Research
2 Dean Trench Street
Smith Square
London, SW1P 3HE
United Kingdom

Switchboard Telephone Number: 020 7222 7665
Website: <http://www.niesr.ac.uk>

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Table 1: Summary Table of Quarterly Growth Rates
2012=100

	Monthly Data		3 months ending in month shown		Quarterly Growth % per quarter	
	Industry	GDP	Industry	GDP	Industry	GDP
Jan-14	99.7	103.4	99.7	103.5	0.0%	0.6%
Feb-14	100.7	104.1	100.1	103.8	0.4%	0.7%
Mar-14	100.4	104.1	100.3	103.9	0.5%	0.6%
Apr-14	100.8	104.8	100.6	104.3	0.9%	0.9%
May-14	100.4	104.8	100.5	104.6	0.4%	0.8%
Jun-14	100.3	105.1	100.5	104.9	0.2%	0.9%
Jul-14	100.7	105.3	100.5	105.1	-0.2%	0.7%
Aug-14	100.4	105.5	100.5	105.3	-0.1%	0.7%
Sep-14	100.9	105.7	100.7	105.5	0.2%	0.6%
Oct-14	100.8	106.0	100.7	105.7	0.2%	0.6%
Nov-14	100.8	106.4	100.8	106.0	0.4%	0.7%
Dec-14	100.7	106.5	100.8	106.3	0.1%	0.8%
Jan-15	100.6	106.4	100.7	106.4	0.0%	0.7%
Feb-15	101.0	106.8	100.8	106.6	-0.1%	0.5%
Mar-15	101.6	106.9	101.1	106.7	0.3%	0.4%
Apr-15	101.6	107.1	101.4	106.9	0.7%	0.5%
May-15	101.9	107.5	101.7	107.2	0.9%	0.6%
Jun-15	101.7	107.5	101.7	107.4	0.7%	0.7%
Jul-15	101.3	107.6	101.6	107.6	0.2%	0.6%
Aug-15	102.3	108.1	101.8	107.7	0.1%	0.5%
Sep-15	102.2	108.1	101.9	107.9	0.2%	0.5%

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Table 2: Output by Sector (2012=100)

	Industry	Agriculture	Construction	Private Services	Public Services	GDP(B)	GDP
Jan-14	99.7	108.7	105.4	105.0	102.5	103.4	103.4
Feb-14	100.7	111.3	105.9	106.0	102.5	104.1	104.1
Mar-14	100.4	112.8	107.0	106.0	102.6	104.1	104.1
Apr-14	100.8	113.1	108.5	106.8	102.8	104.8	104.8
May-14	100.4	113.6	109.7	106.7	103.1	104.8	104.8
Jun-14	100.3	114.1	110.6	107.2	102.9	105.1	105.1
Jul-14	100.7	114.7	111.1	107.6	103.1	105.3	105.3
Aug-14	100.4	115.5	111.5	107.9	103.1	105.5	105.5
Sep-14	100.9	116.3	111.8	108.3	102.9	105.7	105.7
Oct-14	100.8	117.4	112.0	108.9	103.0	106.0	106.0
Nov-14	100.8	117.5	112.1	109.7	102.6	106.4	106.4
Dec-14	100.7	116.7	112.1	109.7	103.0	106.5	106.5
Jan-15	100.6	115.1	112.0	109.8	102.8	106.4	106.4
Feb-15	101.0	114.2	112.2	110.1	103.3	106.7	106.8
Mar-15	101.6	114.0	112.7	110.0	103.1	106.7	106.9
Apr-15	101.6	114.5	113.5	110.5	103.1	107.0	107.1
May-15	101.9	114.9	113.9	111.0	103.2	107.4	107.5
Jun-15	101.7	115.0	114.0	111.0	103.3	107.4	107.5
Jul-15	101.3	115.0	113.7	111.3	103.3	107.5	107.6
Aug-15	102.3	115.0	113.5	111.8	103.4	108.0	108.1
Sep-15	102.2	115.0	113.4	111.9	103.4	108.0	108.1

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Table 3: Output in Quarter Ending in Month Shown (2012=100)

	Industry	Agriculture	Construction	Private Services	Public Services	GDP(B)	GDP
Jan-14	99.7	105.5	105.2	104.9	102.2	103.4	103.5
Feb-14	100.1	108.3	105.5	105.4	102.3	103.8	103.8
Mar-14	100.3	110.9	106.1	105.6	102.5	103.9	103.9
Apr-14	100.6	112.4	107.1	106.3	102.6	104.3	104.3
May-14	100.5	113.2	108.4	106.5	102.8	104.6	104.6
Jun-14	100.5	113.6	109.6	106.9	102.9	104.9	104.9
Jul-14	100.5	114.1	110.5	107.2	103.0	105.1	105.1
Aug-14	100.5	114.8	111.1	107.6	103.0	105.3	105.3
Sep-14	100.7	115.5	111.5	107.9	103.0	105.5	105.5
Oct-14	100.7	116.4	111.8	108.3	103.0	105.7	105.7
Nov-14	100.8	117.1	112.0	109.0	102.8	106.0	106.0
Dec-14	100.8	117.2	112.1	109.4	102.9	106.3	106.3
Jan-15	100.7	116.4	112.1	109.7	102.8	106.4	106.4
Feb-15	100.8	115.3	112.1	109.9	103.1	106.5	106.6
Mar-15	101.1	114.4	112.3	110.0	103.1	106.6	106.7
Apr-15	101.4	114.2	112.8	110.2	103.2	106.8	106.9
May-15	101.7	114.4	113.4	110.5	103.1	107.1	107.2
Jun-15	101.7	114.8	113.8	110.8	103.2	107.3	107.4
Jul-15	101.6	115.0	113.9	111.1	103.3	107.5	107.6
Aug-15	101.8	115.0	113.7	111.4	103.3	107.6	107.7
Sep-15	101.9	115.0	113.5	111.7	103.4	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-14	0.1%	15.7%	6.9%	3.1%	1.1%	2.2%	2.4%
Feb-14	1.5%	26.6%	5.3%	4.8%	0.6%	2.6%	2.7%
Mar-14	2.2%	33.4%	5.1%	4.4%	1.2%	2.3%	2.3%
Apr-14	3.7%	28.7%	7.7%	5.4%	1.5%	3.5%	3.5%
May-14	1.6%	19.0%	11.4%	4.2%	1.9%	3.3%	3.2%
Jun-14	0.9%	10.1%	13.9%	4.9%	1.6%	3.9%	3.9%
Jul-14	-0.7%	6.3%	13.0%	3.5%	1.6%	2.8%	2.9%
Aug-14	-0.3%	5.8%	10.3%	4.0%	0.8%	2.7%	2.7%
Sep-14	0.7%	6.9%	7.1%	3.8%	0.4%	2.3%	2.3%
Oct-14	0.9%	8.2%	4.9%	4.4%	0.0%	2.5%	2.5%
Nov-14	1.5%	8.3%	3.4%	5.2%	-0.6%	2.9%	2.8%
Dec-14	0.4%	6.0%	2.2%	5.8%	-0.4%	3.1%	3.1%
Jan-15	0.0%	0.2%	1.0%	5.2%	-0.6%	2.6%	2.7%
Feb-15	-0.3%	-5.8%	0.4%	3.4%	0.9%	1.8%	2.1%
Mar-15	1.2%	-9.2%	0.7%	1.9%	0.8%	1.1%	1.5%
Apr-15	2.8%	-7.4%	2.5%	1.6%	1.4%	1.6%	1.9%
May-15	3.8%	-3.0%	4.6%	2.3%	0.3%	2.1%	2.3%
Jun-15	2.7%	1.4%	5.5%	3.2%	0.4%	2.7%	2.7%
Jul-15	0.9%	2.7%	3.8%	3.4%	0.3%	2.4%	2.4%
Aug-15	0.3%	2.1%	1.2%	3.3%	0.7%	2.2%	2.1%
Sep-15	0.8%	0.8%	-1.0%	3.2%	0.7%	2.0%	2.0%

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