



NATIONAL INSTITUTE OF ECONOMIC AND SOCIAL RESEARCH ESTIMATES OF MONTHLY GDP

EMBARGO until 00.01 hours on 6th November 2008

OUTPUT FALLS OVER TWELVE MONTHS

Our latest GDP figures show that output fell by 0.5% in the three months ending in October. This is the same rate of recession as the ONS showed in its figures for the third calendar quarter of the year. It means that the output level in October is now below the level of October 2007 although the figures for individual months are inevitably volatile. This is the first time that this has happened since the 1990 recession.

While the Bank of England is widely expected to cut the interest rate, the reduced availability of bank credit means that interest rate reductions are unlikely to be as effective as they have been in the past and an early resumption of economic growth cannot be expected.

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.

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	
	Industry	GDP	Industry	GDP	Industry	GDP
Jan-07	100.5	109.3	100.4	109.2	-0.3%	0.9%
Feb-07	99.8	109.8	100.1	109.4	-0.6%	0.6%
Mar-07	100.3	110.7	100.2	109.9	-0.1%	0.9%
Apr-07	100.5	110.3	100.2	110.2	-0.2%	0.9%
May-07	101.5	111.0	100.8	110.6	0.6%	1.2%
Jun-07	101.5	111.1	101.2	110.8	1.0%	0.8%
Jul-07	101.2	111.4	101.4	111.2	1.2%	0.9%
Aug-07	101.1	111.6	101.3	111.4	0.5%	0.7%
Sep-07	100.8	111.7	101.1	111.6	-0.1%	0.8%
Oct-07	101.4	112.2	101.1	111.9	-0.3%	0.6%
Nov-07	101.2	112.1	101.1	112.0	-0.1%	0.5%
Dec-07	101.2	112.3	101.3	112.2	0.2%	0.5%
Jan-08	100.9	112.4	101.1	112.2	0.0%	0.3%
Feb-08	101.0	112.7	101.0	112.5	-0.1%	0.4%
Mar-08	100.6	112.4	100.8	112.5	-0.4%	0.3%
Apr-08	100.6	112.7	100.7	112.6	-0.4%	0.3%
May-08	99.9	112.6	100.4	112.6	-0.7%	0.1%
Jun-08	99.8	112.2	100.1	112.5	-0.7%	0.0%
Jul-08	99.5	112.1	99.7	112.3	-1.0%	-0.3%
Aug-08	98.8	111.8	99.4	112.0	-1.0%	-0.5%
Sep-08	98.6	111.8	99.0	111.9	-1.1%	-0.5%
Oct-08	98.2	111.5	98.5	111.7	-1.2%	-0.5%

More...

Table 2: Output by Sector (2003=100)

	Industry	Agriculture	Construction	Private Services	Public Services	GDP(B)	GDP
Jan-07	100.5	106.7	107.1	116.1	102.3	109.4	109.3
Feb-07	99.8	106.7	107.2	116.2	104.8	109.9	109.8
Mar-07	100.3	106.7	107.6	117.6	105.2	110.8	110.7
Apr-07	100.5	106.9	108.1	117.4	103.4	110.3	110.3
May-07	101.5	106.9	108.5	118.0	104.1	111.0	111.0
Jun-07	101.5	106.6	108.7	118.1	104.5	111.2	111.1
Jul-07	101.2	106.2	108.7	118.9	104.4	111.5	111.4
Aug-07	101.1	106.3	108.9	119.2	104.7	111.8	111.6
Sep-07	100.8	106.7	109.1	119.4	104.7	111.8	111.7
Oct-07	101.4	107.6	109.6	119.8	105.3	112.3	112.2
Nov-07	101.2	108.2	110.0	119.5	105.2	112.1	112.1
Dec-07	101.2	108.4	110.5	120.0	104.9	112.3	112.3
Jan-08	100.9	108.3	110.9	120.1	105.1	112.4	112.4
Feb-08	101.0	108.3	111.2	120.6	105.3	112.7	112.7
Mar-08	100.6	108.3	111.2	120.3	105.2	112.4	112.4
Apr-08	100.6	108.5	110.9	120.6	105.9	112.7	112.7
May-08	99.9	108.7	110.6	121.1	105.1	112.6	112.6
Jun-08	99.8	108.9	110.3	120.3	105.3	112.2	112.2
Jul-08	99.5	109.1	109.9	119.8	105.9	112.0	112.1
Aug-08	98.8	109.2	109.7	119.7	105.7	111.7	111.8
Sep-08	98.6	109.3	109.5	119.7	105.8	111.7	111.8
Oct-08	98.2	109.3	109.5	119.3	105.7	111.4	111.5

More...

Table 3: Output in Quarter Ending in Month Shown (2003=100)

	Industry	Agriculture	Construction	Private Services	Public Services	GDP(B)	GDP
Jan-07	100.4	106.9	107.1	115.5	103.5	109.3	109.2
Feb-07	100.1	106.7	107.2	115.8	103.6	109.5	109.4
Mar-07	100.2	106.7	107.3	116.6	104.1	110.0	109.9
Apr-07	100.2	106.8	107.6	117.1	104.5	110.3	110.2
May-07	100.8	106.8	108.0	117.7	104.2	110.7	110.6
Jun-07	101.2	106.8	108.4	117.8	104.0	110.8	110.8
Jul-07	101.4	106.6	108.6	118.3	104.3	111.2	111.2
Aug-07	101.3	106.4	108.7	118.7	104.5	111.5	111.4
Sep-07	101.1	106.4	108.9	119.2	104.6	111.7	111.6
Oct-07	101.1	106.9	109.2	119.5	104.9	111.9	111.9
Nov-07	101.1	107.5	109.6	119.6	105.1	112.1	112.0
Dec-07	101.3	108.1	110.0	119.7	105.1	112.2	112.2
Jan-08	101.1	108.3	110.5	119.8	105.0	112.2	112.2
Feb-08	101.0	108.3	110.9	120.2	105.1	112.4	112.5
Mar-08	100.8	108.3	111.1	120.3	105.2	112.5	112.5
Apr-08	100.7	108.4	111.1	120.5	105.5	112.6	112.6
May-08	100.4	108.5	110.9	120.6	105.4	112.6	112.6
Jun-08	100.1	108.7	110.6	120.7	105.4	112.5	112.5
Jul-08	99.7	108.9	110.3	120.4	105.4	112.3	112.3
Aug-08	99.4	109.1	109.9	119.9	105.6	112.0	112.0
Sep-08	99.0	109.2	109.7	119.7	105.8	111.8	111.9
Oct-08	98.5	109.3	109.6	119.6	105.7	111.6	111.7

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-07	-1.3%	-6.5%	3.3%	7.7%	-2.5%	3.4%	3.5%
Feb-07	-2.2%	-4.8%	1.9%	6.7%	-2.6%	2.7%	2.5%
Mar-07	-0.5%	-2.2%	1.1%	7.0%	-0.4%	3.7%	3.3%
Apr-07	-0.8%	-0.4%	1.9%	5.7%	4.0%	3.8%	3.7%
May-07	2.6%	0.5%	3.2%	6.5%	2.5%	4.5%	4.7%
Jun-07	3.9%	0.4%	4.2%	4.1%	-0.4%	2.9%	3.3%
Jul-07	4.9%	-0.7%	3.7%	4.4%	-0.5%	3.4%	3.6%
Aug-07	2.0%	-1.7%	2.6%	3.7%	1.2%	3.0%	2.8%
Sep-07	-0.5%	-1.5%	1.9%	4.7%	2.3%	3.3%	2.9%
Oct-07	-1.2%	1.1%	2.2%	3.8%	2.2%	2.6%	2.4%
Nov-07	-0.5%	4.4%	3.1%	2.8%	2.0%	2.1%	2.2%
Dec-07	0.9%	6.5%	4.1%	1.9%	1.9%	1.8%	2.2%
Jan-08	0.0%	5.5%	4.8%	1.3%	0.6%	1.0%	1.4%
Feb-08	-0.4%	3.0%	4.8%	2.2%	0.1%	1.4%	1.6%
Mar-08	-1.7%	0.7%	4.1%	1.9%	0.4%	1.1%	1.1%
Apr-08	-1.4%	0.2%	2.3%	2.1%	1.6%	1.4%	1.3%
May-08	-2.6%	0.7%	0.1%	1.5%	1.2%	0.5%	0.4%
Jun-08	-2.9%	1.5%	-1.8%	1.2%	0.8%	0.0%	0.0%
Jul-08	-3.9%	1.9%	-2.9%	-0.3%	-0.2%	-1.2%	-1.1%
Aug-08	-3.9%	2.0%	-3.4%	-2.4%	0.9%	-2.1%	-1.9%
Sep-08	-4.5%	1.9%	-3.2%	-3.1%	1.5%	-2.4%	-2.1%
Oct-08	-4.8%	1.4%	-2.5%	-2.7%	1.2%	-2.3%	-2.0%

ENDS