

Statistical bulletin

Business investment in the UK: July to September 2024 revised results

Estimates of short-term indicators of investment in non-financial assets; business investment and asset and sector breakdowns of total gross fixed capital formation.

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1 . Main points

- UK business investment increased by 1.9% in Quarter 3 (July to Sept) 2024, revised up from a 1.2% increase in the provisional estimate.
- The largest contributors to business investment growth were increases in transport and buildings investment.
- UK business investment is 5.8% above where it was in the same quarter a year ago.
- UK whole economy investment (technically known as gross fixed capital formation (GFCF)), which includes business and public sector investment, increased by 1.3% in Quarter 3 2024, revised up from a 1.1% increase in the provisional estimate.
- UK GFCF is 3.9% above where it was in the same quarter a year ago.

2 . Business investment and whole economy investment data

This bulletin contains the latest updates to UK business investment and UK whole economy investment (technically known as gross fixed capital formation (GFCF)), which includes business and public sector investment data. Data are open to revision from Quarter 1 (Jan to Mar) 2023 to Quarter 3 (July to Sept) 2024 for current price data and chained volume measure (CVM) estimates.

Figure 1: Gross fixed capital formation (GFCF) and business investment both increased for the fourth consecutive quarter

UK business investment and whole economy investment, chained volume measure, seasonally adjusted, Quarter 1 (Jan to Mar) 1997 to Quarter 3 (July to Sept) 2024

Notes:

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to Quarter 3 (July to Sept) and Q4 refers to Quarter 4 (Oct to Dec).
2. UK business investment, chained volume measure, seasonally adjusted, excluding the reclassification of British nuclear fuels (BNFL) in Quarter 2 2005.
3. Quarter 2 2020 was the largest fall on record for GFCF, excluding the reclassification of BNFL in Quarter 2 2005.
4. Index is referenced to Quarter 1 (Jan to Mar) 2022 equals 100.

Download the data

Business investment

UK business investment increased by 1.9% in Quarter 3 2024 and is 5.8% above where it was in the same quarter a year ago.

The Quarter 3 2024 growth is mainly the result of positive contributions from transport and buildings. This is partially offset by negative contributions from intellectual property products, and ICT equipment and other machinery and equipment.

The increase in transport investment is partly the result of an increase in aircraft investment, with a lesser contribution from vehicle rentals.

Whole economy investment

UK GFCF increased by 1.3% in Quarter 3 2024 and is 3.9% above where it was in the same quarter a year ago. The main contributors to the growth in GFCF in the latest quarter are buildings, and transport. While intellectual property products (IPP) investment also increased, these positive contributions are partially offset by falls in dwellings, and ICT equipment and other machinery and equipment investment.

Government investment increased by 4.2% in Quarter 3 2024, revised up from a 3.4% increase in the provisional estimate.

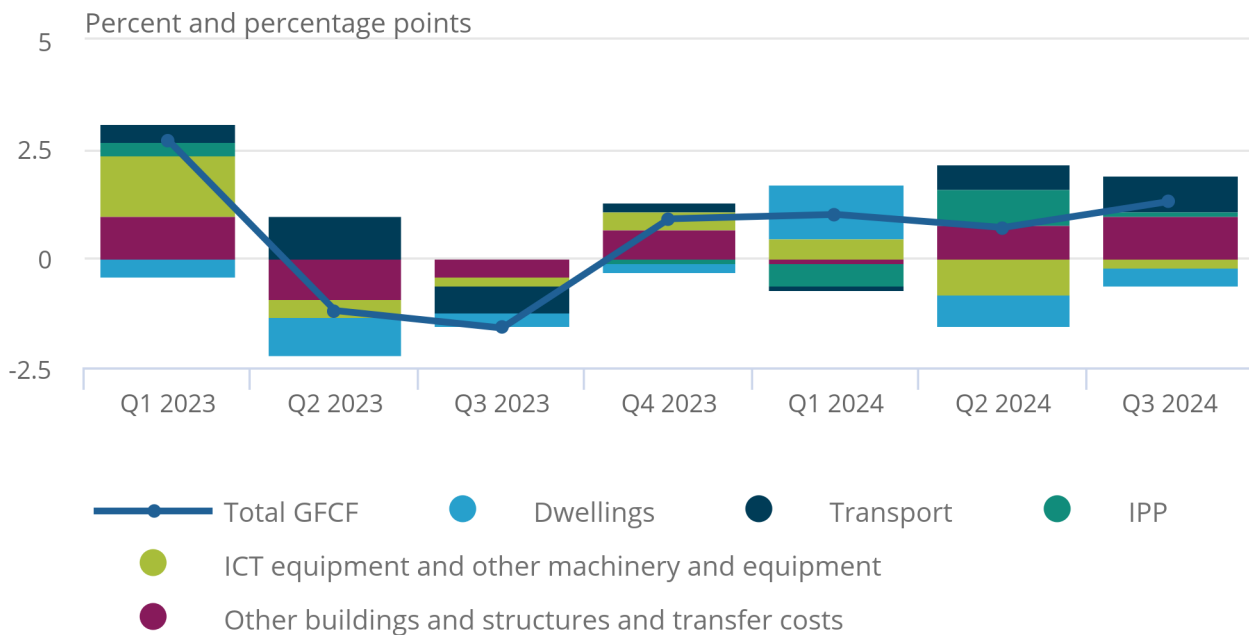
This is the fourth consecutive period of positive growth for GFCF, as shown in Figure 2, following falls in GFCF in Quarter 2 (Apr to June) and Quarter 3 2023. These falls in Quarter 2 and Quarter 3 2023 were partly a result of a fall in other machinery and equipment investment, after a strong Quarter 1 2023 growth. In Quarter 1 2023, an increase in other machinery and equipment investment partly reflected investment being brought forward in response to the super-deduction allowance, which ended on 31 March 2023.

Figure 2: Gross fixed capital formation (GFCF) has grown positively in the most recent four quarters, after declining in the middle of 2023

Contributions to UK whole economy investment growth by asset, chained volume measure, seasonally adjusted, Quarter 1 (Jan to Mar) 2023 to Quarter 3 (July to Sept) 2024

Figure 2: Gross fixed capital formation (GFCF) has grown positively in the most recent four quarters, after declining in the middle of 2023

Contributions to UK whole economy investment growth by asset, chained volume measure, seasonally adjusted, Quarter 1 (Jan to Mar) 2023 to Quarter 3 (July to Sept) 2024



Source: Business investment in the UK from the Office for National Statistics

Notes:

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to Quarter 3 (July to Sept) and Q4 refers to Quarter 4 (Oct to Dec).

3 . Revisions to business investment and whole economy investment data

Business investment

In this release, UK business investment for Quarter 3 (July to Sept) 2024 has been revised up to a 1.9% increase from a 1.2% increase in the provisional estimate. This revision is because of increased contributions from buildings and transport, which were slightly offset by a downward revision to information and communication technology (ICT) equipment and other machinery and equipment investment. Revisions from later survey data and revisions to seasonal adjustment are the main factors behind these revisions.

Broadly positive revisions to Business Investment between Quarter 1 (Jan to Mar) 2023 and Quarter 3 2024 were partially offset only by a downwards revision to Quarter 1 2024. Later survey data and revisions to seasonal adjustment were the reasons behind these revisions.

Whole economy investment

UK whole economy investment (technically known as GFCF), which includes business and public sector investment, increased by 1.3% in Quarter 3 2024, revised up from a 1.1% increase in the provisional estimate. This upwards revision is the result of positively revised contributions from buildings and intellectual property products (IPP) investment, partially offset by downwards revisions to dwellings, and ICT equipment and other machinery and equipment.

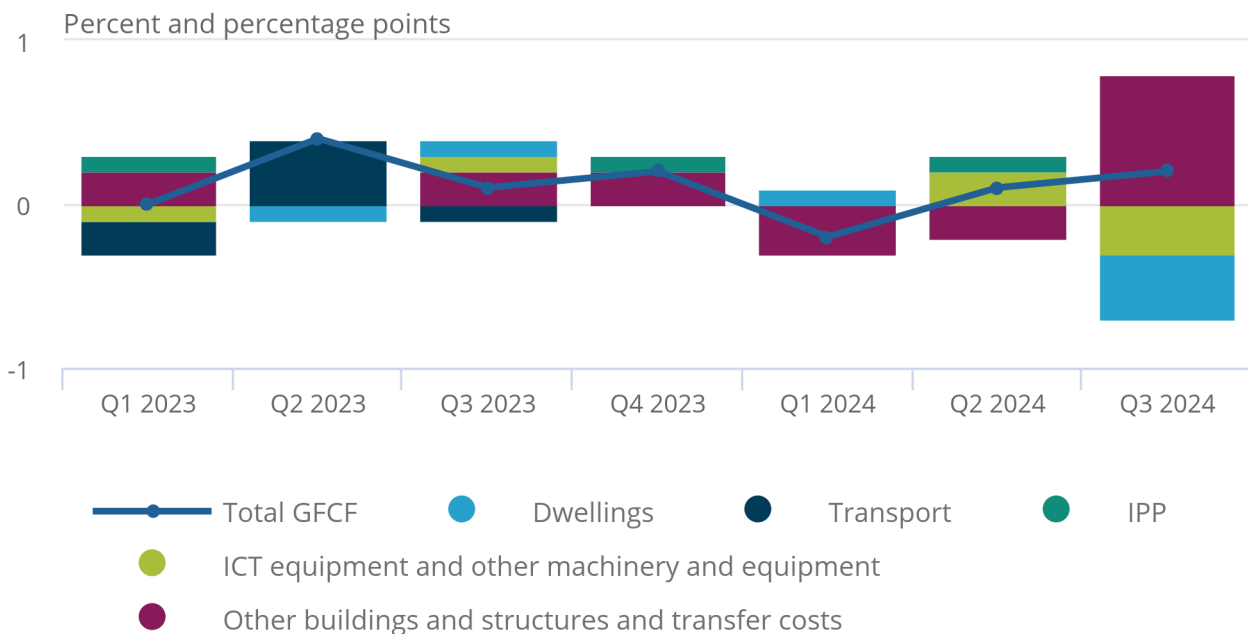
The revisions to contributions to GFCF growth since Quarter 1 2023 can be seen in Figure 3. The largest revision over this period occurred in Quarter 3 2024, where an upwards revision of 0.8 percentage points was caused by an increase in contributions from buildings. Other notable revisions include an upwards revision of 0.4 percentage points to transport's contribution in Quarter 2 (Apr to June) 2023 and a downwards revision of 0.4 percentage points to dwellings' contribution in Quarter 3 2024. These revisions are the result of a combination of revised seasonal adjustment and later survey data.

Figure 3: Gross Fixed Capital Formation Growth (GFCF) was revised upwards in most periods between Quarter 1 2023 and Quarter 3 2024

Revisions to UK whole economy investment contributions to growth by asset, chained volume measure, seasonally adjusted, Quarter 1 (Jan to Mar) 2023 to Quarter 3 (July to Sept) 2024

Figure 3: Gross Fixed Capital Formation Growth (GFCF) was revised upwards in most periods between Quarter 1 2023 and Quarter 3 2024

Revisions to UK whole economy investment contributions to growth by asset, chained volume measure, seasonally adjusted, Quarter 1 (Jan to Mar) 2023 to Quarter 3 (July to Sept) 2024



Source: Business investment in the UK from the Office for National Statistics

Notes:

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to Quarter 3 (July to Sept) and Q4 refers to Quarter 4 (Oct to Dec).

4 . International comparisons of whole economy investment for the G7 nations

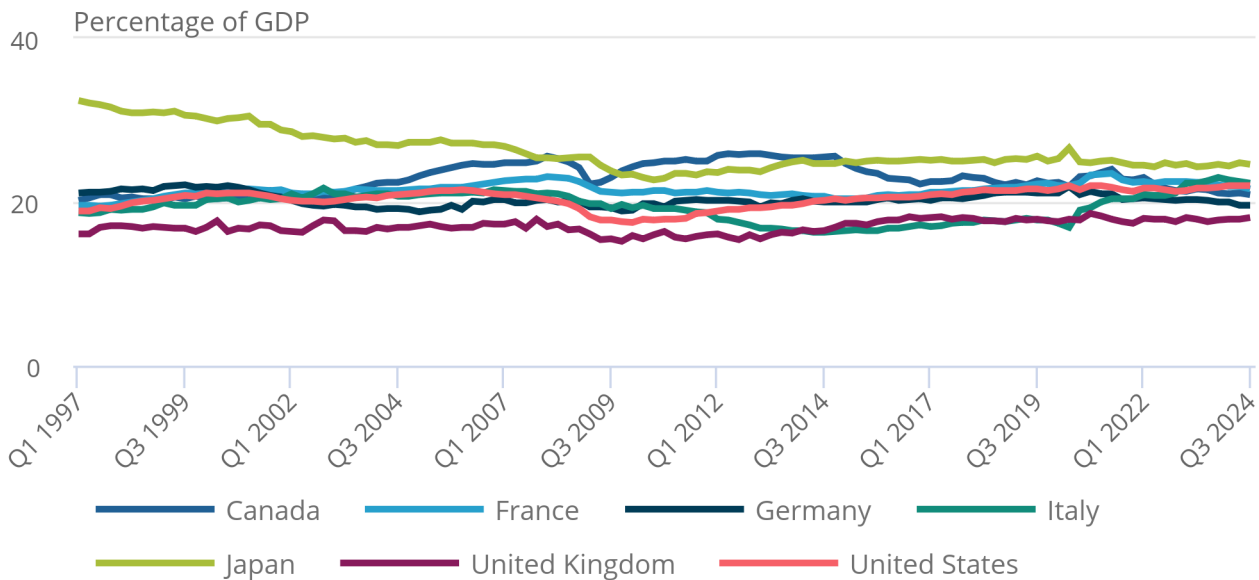
Using data collated by the Organisation for Economic Co-operation and Development (OECD) from relevant national statistical institutes, we can compare whole economy investment (labelled gross fixed capital formation (GFCF) in OECD data tables) within the G7 nations. Figure 4 shows quarterly whole economy investment as a percentage of GDP for the G7 nations from Quarter 1 (Jan to Mar) 1997, onwards. Whole economy investment in the UK was 18.1% of GDP in Quarter 3 (July to Sept) 2024, the lowest of the G7 nations.

Figure 4: G7 gross fixed capital formation (GFCF) as a percentage of GDP

G7 nations GFCF as a percentage of GDP, chained volume measures, seasonally adjusted, Quarter 1 (Jan to Mar) 1997 to Quarter 3 (July to Sept) 2024

Figure 4: G7 gross fixed capital formation (GFCF) as a percentage of GDP

G7 nations GFCF as a percentage of GDP, chained volume measures, seasonally adjusted, Quarter 1 (Jan to Mar) 1997 to Quarter 3 (July to Sept) 2024



Source: Business investment in the UK from the Office for National Statistics and OECD

Notes:

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to Quarter 3 (July to Sept) and Q4 refers to Quarter 4 (Oct to Dec).
2. The Group of 7 (G7) nations is an intergovernmental organisation consisting of Canada, France, Germany, Italy, Japan, the UK and the US.
3. Data for non-UK countries were sourced from [Organisation for Economic Co-operation and Development \(OECD\)](#) on 16 December 2024, and were the latest data available at the time of production of this bulletin and included provisional data and may subsequently have been revised.
4. Data for the UK were sourced from the latest GFCF and GDP series produced by the Office for National Statistics (ONS). Percentage figures were obtained by dividing GFCF by GDP for each country and quarter.

5 . Data on business investment

[Business investment by asset](#)

Dataset | Released on 23 December 2024

Detailed breakdown of business investment by asset, in current prices and chained volume measures, non-seasonally adjusted and seasonally adjusted, UK.

[Business investment by industry and asset](#)

Dataset | Released on 23 December 2024

Detailed breakdown of business investment by industry and asset, in current prices and chained volume measures, non-seasonally adjusted and seasonally adjusted, UK, Quarter 1 (Jan to Mar) 1997 to Quarter 3 (July to Sept) 2024.

[Gross fixed capital formation - by sector and asset](#)

Dataset | 23 December 2024

Sector and asset breakdowns of gross fixed capital formation (GFCF), including business investment and revisions.

[Quarterly Stocks Survey \(QSS\) and Quarterly Acquisitions and Disposals of Capital Assets Survey \(QCAS\) textual data analysis - Office for National Statistics](#)

Dataset | Released 23 December 2024

Based on qualitative responses from businesses to our Quarterly Acquisitions and Disposals of Capital Assets Survey (QCAS) and Quarterly Stocks Survey (QSS).

[Annual Gross fixed capital formation by industry and asset](#)

Dataset | Released 01 November 2024

Annual estimates of gross fixed capital formation (investment) by industry and asset, in current prices and chained volume measures, consistent with the UK National Accounts.

6 . Glossary

7 . Data sources and quality

Quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in our [Business investment quality and methodology information \(QMI\)](#).

Revisions

In line with our [National Accounts Revisions Policy](#), the data are open to revision from Quarter 1 (Jan to Mar) 2023 to Quarter 3 (July to Sept) 2024 for current price data, and chained volume measure (CVM) estimates.

Data in this bulletin

All data in this bulletin are presented in chained volume measure (CVM), unless otherwise specified. This means the effect of price changes is removed from the data (in other words, the data are deflated).

In Quarter 3 2024, the Quarterly Acquisitions and Disposals of Capital Assets Survey (QCAS), the largest data source for gross fixed capital formation (GFCF) and business investment, had a response rate of 79.6% for estimates used in the revised release.

Adjustments

Large capital expenditure tends to be reported later in the data collection period than smaller capital expenditure. This means that larger expenditures are often included in the revised (month three) results but are not reported in time for the provisional (month two) results. This can result in upward revisions in the later estimates for business investment and GFCF. Following investigation of the impact of this effect, from Quarter 3 2013, a bias adjustment was introduced in the provisional estimate.

This adjustment was suspended in Quarter 3 2020 because of uncertainties surrounding the effect of the coronavirus (COVID-19) pandemic. However, the bias adjustment was reintroduced to business investment and GFCF, after further investigation and analysis of its impact since Quarter 4 (Oct to Dec) 2021. As usual, we have removed the bias adjustment for the revised release.

8 . Related links

[GDP quarterly national accounts UK: July to September 2024](#)

Bulletin | Released 23 December 2024

Revised quarterly estimate of gross domestic product (GDP) for the UK. Uses additional data to provide a more precise indication of economic growth than the first estimate.

[National balance sheet estimates for the UK: 2024](#)

Bulletin | Released 11 December 2024

Annual estimates of the market value of financial and non-financial assets for the UK, providing a measure of the nation's wealth.

[Capital stocks and fixed capital consumption, UK: 2024](#)

Bulletin | Released 29 November 2024

Annual estimates of the value and types of non-financial assets used in the production of goods or services within the UK economy and their loss in value over time.

[Experimental regional gross fixed capital formation \(GFCF\) estimates by asset type, UK: 1997 to 2022](#)

Article | Released 8 December 2023

Gross fixed capital formation estimates broken down by asset type, international territorial levels and local authority districts.

[Investment in intangible assets in the UK: 2022](#)

Article | Released 25 November 2024

Estimates of investment, both purchased and own-account production, of intangible assets, and investment in intangible assets by industry. These are official statistics in development.

[A short guide to gross fixed capital formation and business investment](#)

Article | Released 25 May 2017

This article provides a useful background of how to interpret, compare and analyse statistics regarding gross fixed capital formation and business investment.

9 . Cite this statistical bulletin

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