

Statistical bulletin

GDP monthly estimate, UK: October 2018

Gross domestic product (GDP) measures the value of goods and services produced in the UK. It estimates the size of and growth in the economy.



Contact:
James Scruton
GDP@ons.gov.uk
+44 (0)1633 455284

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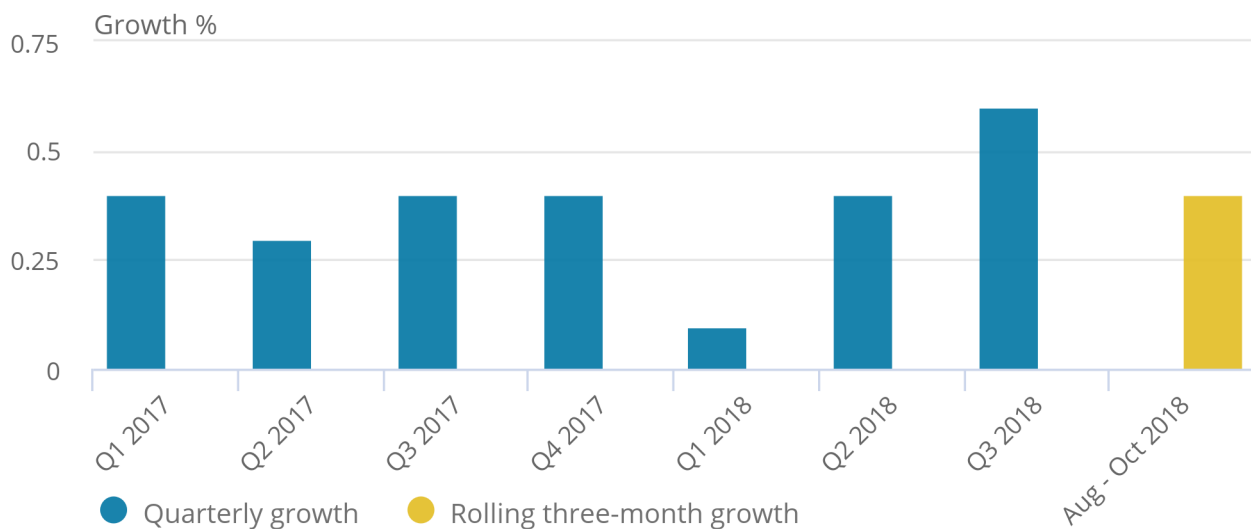
1 . UK gross domestic product (GDP) grew by 0.4% in the three months to October 2018

Figure 1: Rolling three-month growth was slightly lower than the relatively high growth seen in Quarter 3 2018

UK GDP growth, Quarter 1 (Jan to Mar) 2017 until August to October 2018

Figure 1: Rolling three-month growth was slightly lower than the relatively high growth seen in Quarter 3 2018

UK GDP growth, Quarter 1 (Jan to Mar) 2017 until August to October 2018



Source: Office for National Statistics, GDP monthly estimate

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), Q4 refers to Quarter 4 (Oct to Dec).
2. Rolling three-month data are calculated by comparing GDP in a three-month period with GDP in the previous three-month period, for example, GDP in August to October compared with the previous May to July.

Commenting on today's GDP figures for the three months to October, Head of National Accounts Rob Kent-Smith said:

“GDP growth slowed going into the autumn after a strong summer, with a softening in services sector growth mainly due to a fall in car sales. This was offset by a strong showing from IT and accountancy.

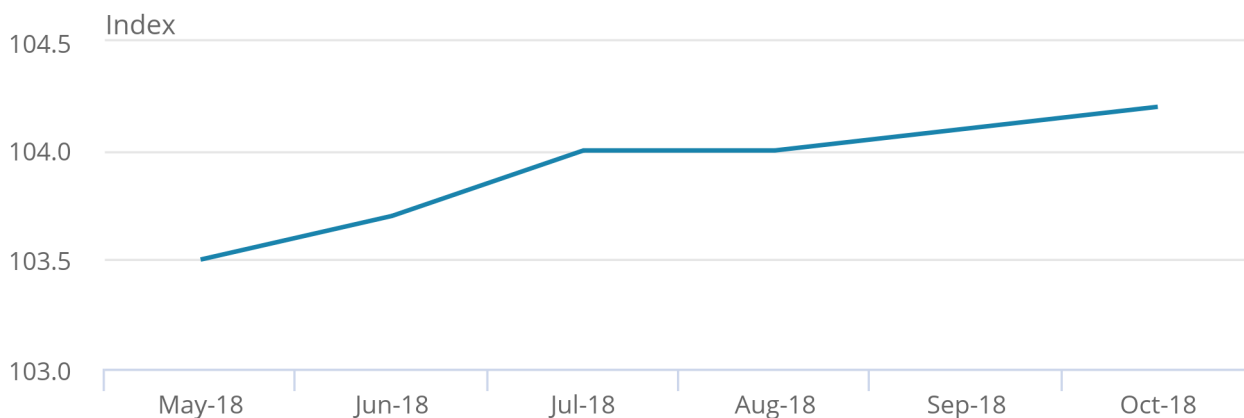
“Manufacturing saw no growth at all in the latest three months, mainly due to a decline in the often-erratic pharmaceutical industry. Construction, while slowing slightly, continued its recent solid performance with growth in housebuilding and infrastructure.”

Figure 2: Three-month growth reflected the lower level seen in the three months of the base period

Monthly index, UK, May 2018 to October 2018

Figure 2: Three-month growth reflected the lower level seen in the three months of the base period

Monthly index, UK, May 2018 to October 2018



Source: Office for National Statistics, GDP monthly estimate

In today's headline figures, the three months of August, September and October 2018 (the current period) are being compared with the months of May, June and July 2018 (the base period). While the three most recent monthly growths were broadly flat, the lower level in the base period gives a comparatively strong rolling three-month growth rate. This can be seen in Figure 2, where the levels for the current period are higher than the levels for the base period.

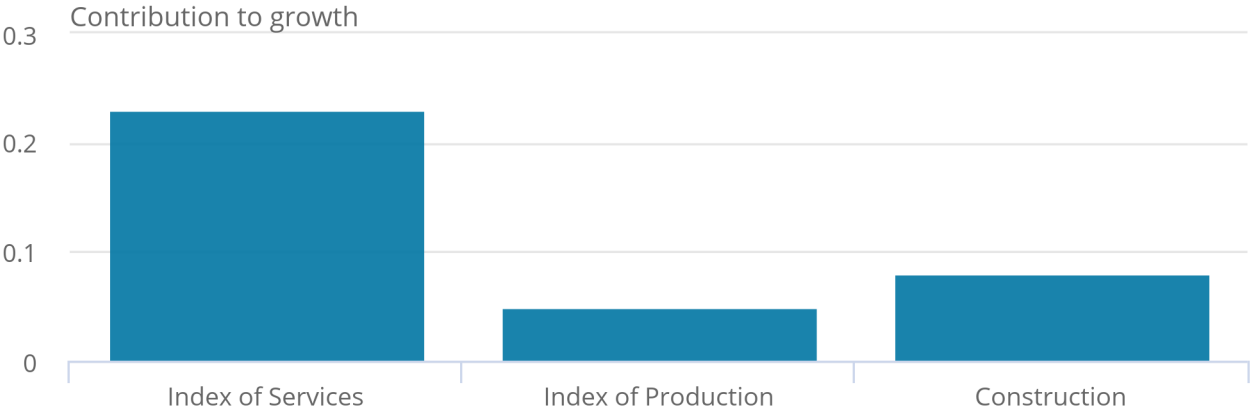
2 . GDP growth was driven mainly by the services sector, though the production and construction sectors were also positive contributors

Figure 3: The services sector contributed 0.23 percentage points to GDP growth

Contribution to GDP growth, UK, August to October 2018

Figure 3: The services sector contributed 0.23 percentage points to GDP growth

Contribution to GDP growth, UK, August to October 2018



Source: Office for National Statistics, GDP monthly estimate

Rolling three-month growth in the services sector was 0.3% in October 2018, contributing 0.23 percentage points to GDP growth. The production and construction sectors also had positive contributions, with rolling three-month growths of 0.3% and 1.2%, respectively.

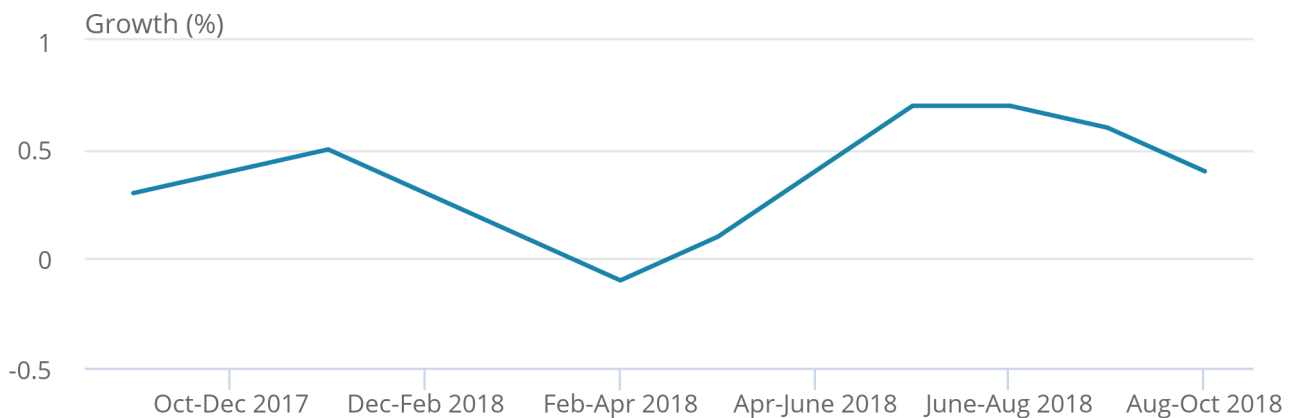
3 . Rolling three-month growth continued to slow slightly after a strong summer

Figure 4: Rolling three-month growth increased by 0.4% in October 2018

UK GDP growth, three-months on previous three-months, September to November 2017 until August to October 2018

Figure 4: Rolling three-month growth increased by 0.4% in October 2018

UK GDP growth, three-months on previous three-months, September to November 2017 until August to October 2018



Source: Office for National Statistics, GDP monthly estimate

Notes:

1. Rolling three-month data are calculated by comparing GDP in a three-month period with GDP in the previous three-month period, for example, GDP in August to October compared with the previous May to July.

Rolling three-month growth slowed to 0.4% in October 2018, following the strong growth seen in the summer months.

Rolling three-month growth is based on output gross value added (GVA) and therefore there will be discrepancies in the time series with our quarterly estimates of gross domestic product (GDP), which include information on the expenditure and income approaches to measuring GDP.

4 . GDP growth was 0.1% in October 2018

Table 1: Breakdown of GDP growth rates by month
UK, August, September and October 2018

	Aug-18	Sep-18	Oct-18
GDP	0.0%	0.0%	0.1%
Index of Services	0.0%	-0.1%	0.2%
Index of Production	0.0%	0.0%	-0.6%
Manufacturing	-0.1%	0.2%	-0.9%
Construction	-0.3%	1.7%	-0.2%
Agriculture	0.1%	0.1%	0.1%

Source: Office for National Statistics, GDP monthly estimate

Monthly growth rose to 0.1% in October 2018, following flat growth in August and September 2018.

The monthly growth rate for gross domestic product (GDP) is volatile and therefore it should be used with caution and alongside other measures such as the three-month growth rate when looking for an indicator of the longer-term trend of the economy. However, it is useful in highlighting one-off changes that can be masked by three-month growth rates.

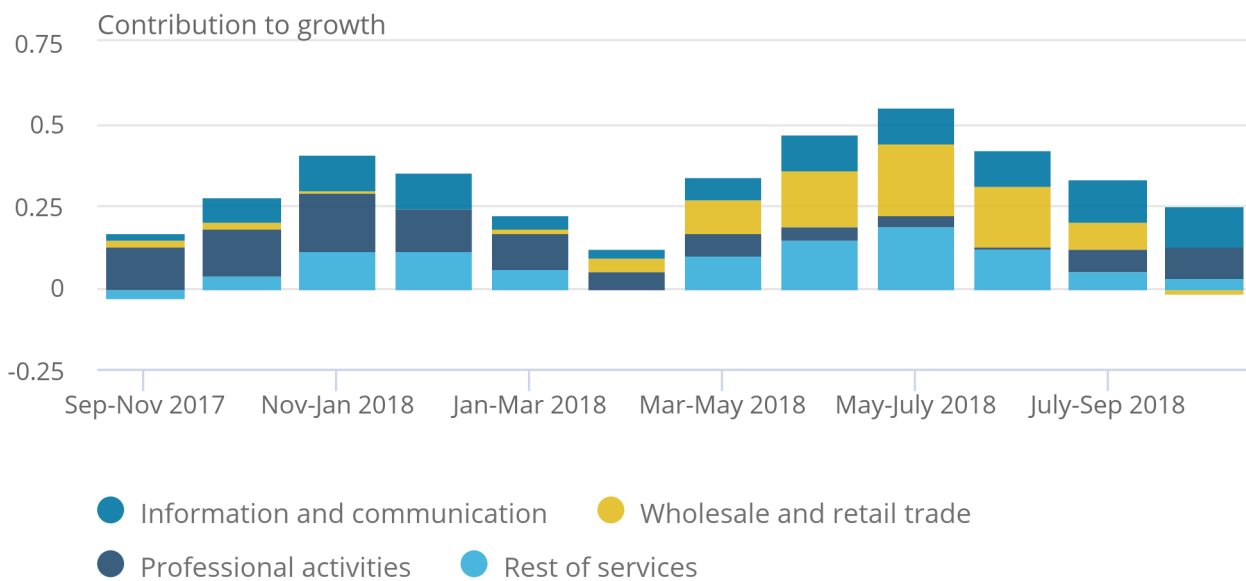
5 . Services sector rolling three-month growth in October 2018 was driven by accounting and computer programming

Figure 5: Rolling three-month growth in the services sector was 0.3%, slowing after stronger growths in the summer months

Contribution to growth, three-months on previous three-months, UK, September to November 2017 until August to October 2018

Figure 5: Rolling three-month growth in the services sector was 0.3%, slowing after stronger growths in the summer months

Contribution to growth, three-months on previous three-months, UK, September to November 2017 until August to October 2018



Source: Office for National Statistics, GDP monthly estimate

Notes:

1. Rolling three-month data are calculated by comparing GDP in a three-month period with GDP in the previous three-month period, for example, GDP in August to October compared with the previous May to July.

Rolling three-month growth in the services sector was 0.3%. This was driven by information and communication, with a growth of 1.7%, and professional activities, which grew by 1.3%. Within these industries, accounting and computer programming were the main drivers to rolling three-month gross domestic product (GDP) growth. Accounting contributed 0.08 percentage points to headline GDP growth, while computer programming contributed 0.07 percentage points.

As Figure 5 shows, the wholesale and retail trade sector's contribution to headline GDP was boosted over the summer months. This declined in September 2018 and became a negative contribution in October 2018, as October rolling three-month growth was negative 0.2%. This sector tends to be more influenced by external factors such as the weather. However, the information and communication industry and professional activities industry generally tend to have a large contribution to headline GDP.

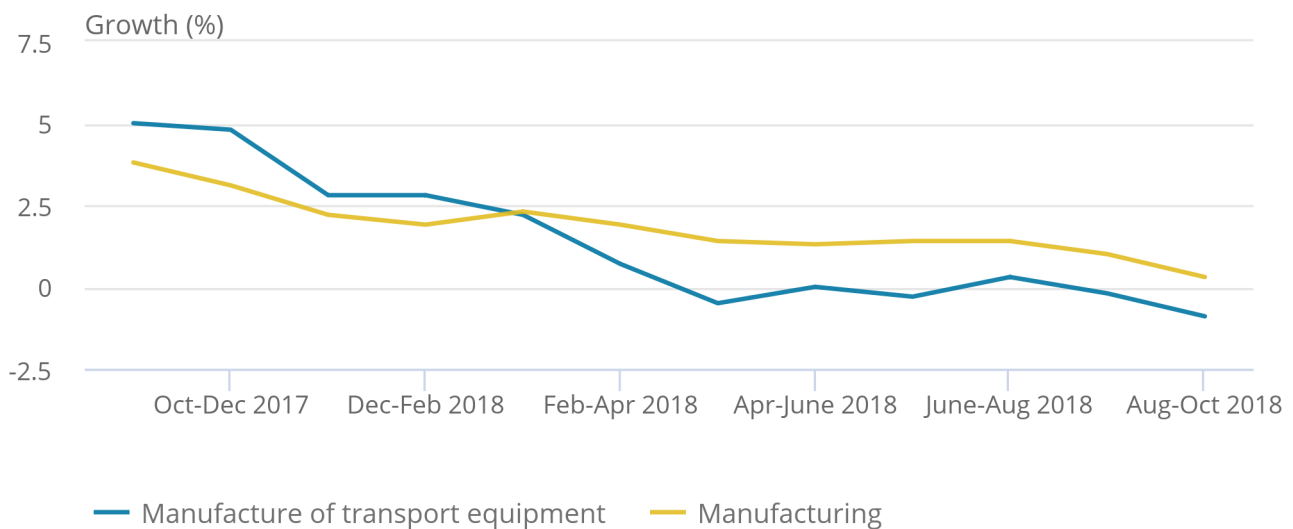
6 . Rolling three-month growth was flat in the manufacturing industries

Figure 6: Three-months on three-months a year earlier growth in manufacture of transport equipment has been declining over the past year

Growth, three-months on the three-months a year earlier, UK, September to November 2017 until August to October 2018

Figure 6: Three-months on three-months a year earlier growth in manufacture of transport equipment has been declining over the past year

Growth, three-months on the three-months a year earlier, UK, September to November 2017 until August to October 2018



Source: Office for National Statistics, GDP monthly estimate

Rolling three-month growth in the production industries was 0.3%, while in manufacturing industries growth was flat. Production growth was driven by broad-based increases within the sector. However, monthly growth in manufacturing was negative 0.9%, driven by manufacture of transport equipment, which had monthly growth of negative 3.2%.

When looking at the long-term perspective, as seen in Figure 6, manufacture of transport equipment has seen a steady decline in growth. Three-months on a year ago growth for manufacture of transport equipment was negative 0.9%, the lowest growth rate since November 2009.

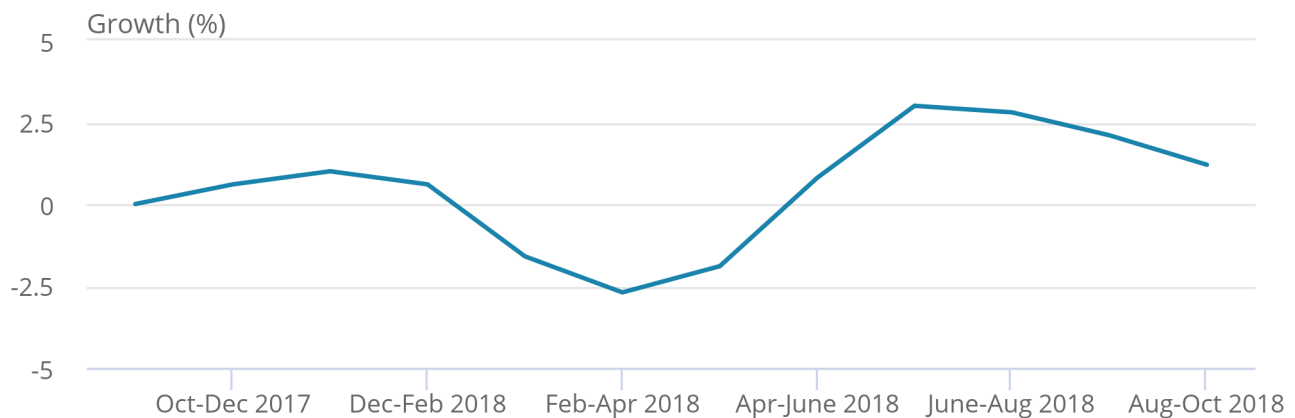
7 . Construction growth fell back slightly from the high growth in July 2018

Figure 7: Rolling three-month construction growth was 1.2% in October 2018

Growth, three-months on previous three-months, UK, September to November 2017 until August to October 2018

Figure 7: Rolling three-month construction growth was 1.2% in October 2018

Growth, three-months on previous three-months, UK, September to November 2017 until August to October 2018



Source: Office for National Statistics, GDP monthly estimate

Rolling three-month growth in the construction industry was 1.2% in October 2018. After peaking in July 2018, growth has slowed down slightly to levels seen before the atypical weather in the first half of 2018.

8 . Quality and methodology

The [Gross domestic product \(GDP\) Quality and Methodology Information](#) report contains important information on:

- the strengths and limitations of the data and how it compares with related data
- uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data

9 . Related links

[Index of Services](#)

[Index of Production](#)

[Construction output in Great Britain](#)

GVA3 Monthly GDP based on GVA (Gross Value Added) ¹
Chained volume indices of gross value added at basic prices ^{2,3,4}

seasonally adjusted 2016=100

Section	Industry sections (SIC2007)																						
	Total GVA at basic prices	Agriculture, forestry and fishing	Total production industries	Mining & quarrying	Manufacturing	Electricity gas, steam and air	Water supply, sewerage etc	Construction	Total service industries	Wholesale and retail: motor vehicles and motorcycles	Transport and storage	Accommodation and food service activities	Information and communication	Financial and insurance activities	Real estate activities	Professional, scientific and technical activities	Administrative and support service activities	Public administration and defence	Education	Human health and social work activities	Arts, entertainment and recreation	Other service activities	Activities of households as employers, undifferentiated goods and services
	A-T	A	B-E	B	C	D	E	F	G-T	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
2016 weights	1000	7	138	10	100	17	10	60	796	104	43	30	63	73	138	75	48	47	59	75	15	21	4

Percentage change, latest month on same month a year ago

	ED2R	ED2S	ED2T	ED2U	ED2V	ED2W	ED2X	ED2Y	ED2Z	ED32	ED33	ED34	ED35	ED36	ED37	ED38	ED39	ED3A	ED3B	ED3C	ED3D	ED3E	ED3F
2016 Oct	1.8	-5.4	-0.7	-7.6	-0.4	-1.7	5.4	4.5	2.2	6.2	0.6	0.2	8.5	5.0	-0.4	2.8	2.0	-1.2	-1.2	0.6	0.9	-1.8	1.7
Nov	2.4	-4.4	2.5	-1.0	1.6	8.5	6.6	7.1	2.0	5.4	0.7	2.0	6.3	4.3	-0.4	4.3	3.0	-1.2	-1.1	0.3	0.5	-0.9	-8.7
Dec	2.7	-3.0	4.5	0.2	4.4	8.6	4.1	6.8	2.1	4.3	2.0	1.0	10.0	2.1	-0.7	5.0	3.6	-1.3	-0.9	0.3	-0.8	2.5	-12.3
2017 Jan	2.7	-0.4	3.2	4.2	2.4	5.3	5.8	9.0	2.2	2.4	2.7	3.0	5.9	2.7	0.1	6.7	3.6	-0.9	0.2	-0.1	2.0	5.1	-7.5
Feb	2.3	1.7	2.4	0.8	2.7	-1.3	6.7	7.9	1.8	2.8	2.8	4.4	5.9	2.6	-0.2	3.9	2.4	-0.7	0.0	-0.6	1.0	2.2	-6.6
Mar	2.9	2.7	1.8	2.6	2.8	-7.6	6.6	11.3	2.4	2.9	4.7	3.5	7.6	2.4	0.0	5.1	4.8	-0.1	0.8	-0.6	0.6	4.9	-8.0
Apr	2.1	2.8	-0.4	0.2	0.6	-8.7	3.7	7.0	2.2	2.6	2.1	5.1	8.7	2.0	0.6	2.2	1.8	0.3	1.1	-0.3	4.4	6.1	-10.9
May	2.6	2.9	1.2	1.8	1.8	-2.7	1.2	7.9	2.4	1.7	2.7	3.5	8.5	1.3	1.3	4.0	5.9	0.7	0.3	-0.2	2.0	6.8	-13.9
Jun	2.8	3.3	2.0	3.9	2.7	-2.9	2.3	8.3	2.6	3.2	1.2	1.7	10.3	0.7	1.3	4.8	5.4	0.7	0.4	-0.4	1.6	6.1	-11.7
Jul	2.4	3.9	2.0	-6.4	3.5	-0.2	1.5	6.2	2.2	2.7	-2.2	5.8	6.5	-0.6	1.5	4.1	5.0	0.5	0.6	-0.5	0.2	4.9	-10.2
Aug	2.4	4.3	1.9	-3.4	2.8	0.6	1.5	8.9	2.0	2.4	1.6	1.6	5.3	-0.9	1.6	4.1	5.3	0.4	0.7	-0.8	4.6	6.4	-8.7
Sep	2.0	4.3	2.9	1.9	3.1	3.4	1.9	6.2	1.5	1.1	1.1	0.0	4.6	-1.6	1.6	4.7	3.2	0.4	0.9	-0.7	3.2	6.3	-6.7
Oct	2.1	3.8	4.5	13.1	5.0	-2.2	2.4	5.0	1.4	0.2	1.3	0.9	3.5	-1.3	1.5	4.5	4.5	0.6	0.8	-0.5	4.0	3.1	-5.2
Nov	1.9	3.1	2.3	4.5	3.4	-4.8	1.1	5.0	1.6	1.0	2.0	1.3	4.8	-1.4	1.5	4.8	4.6	0.7	0.4	-0.2	1.7	-1.1	-3.4
Dec	1.4	2.5	0.0	-14.5	1.0	1.9	1.9	4.2	1.4	-0.1	0.9	1.6	5.3	-0.9	1.5	4.4	4.7	0.8	0.0	-0.2	1.3	-3.1	3.2
2018 Jan	1.4	0.8	1.2	2.6	2.3	-3.7	-2.3	0.9	1.5	1.4	0.3	2.1	5.9	-1.5	1.2	5.0	4.2	0.8	-0.5	0.0	-0.2	-2.9	4.9
Feb	1.3	-0.4	2.1	1.2	2.4	3.8	-2.2	0.2	1.2	1.6	-1.1	-0.9	5.2	-1.2	1.2	5.0	1.9	0.7	-0.7	0.0	1.3	-2.1	7.4
Mar	1.2	-0.7	2.5	-3.8	2.2	11.1	-2.0	-1.9	1.2	0.5	-2.2	0.6	5.7	-1.0	1.1	5.2	1.5	0.6	-0.2	0.0	3.9	-2.5	11.2
Apr	1.4	-0.5	1.4	5.2	1.0	3.5	-2.1	-1.7	1.6	1.6	0.5	0.6	4.4	-0.9	0.7	7.1	4.2	0.4	0.3	-0.2	3.2	-2.9	7.4
May	1.4	-0.3	0.2	-1.9	1.1	-3.4	-0.7	1.2	1.6	3.6	1.0	1.7	5.3	-0.8	0.5	5.2	1.2	0.3	0.6	-0.2	5.2	-4.5	3.5
Jun	1.3	-0.8	0.7	-6.1	1.8	-2.0	1.6	1.6	1.4	2.1	2.8	3.9	3.7	-0.7	0.3	3.6	0.9	0.2	0.5	0.1	6.4	-3.7	-2.2
Jul	1.7	-1.1	1.0	0.9	1.3	-0.2	0.5	2.5	1.8	3.3	2.7	2.6	4.5	0.2	0.3	5.3	1.3	0.3	0.4	0.3	5.6	-3.1	-6.5
Aug	1.4	-1.4	1.0	2.1	1.3	-0.9	1.0	0.5	1.6	3.1	1.8	3.3	5.6	0.5	0.1	4.4	0.1	0.3	0.3	0.7	3.8	-4.9	-4.1
Sep	1.5	-1.4	0.0	-1.8	0.5	-1.8	0.2	3.1	1.6	1.8	1.3	3.6	6.4	0.3	0.4	4.2	0.0	0.2	0.5	1.0	5.4	-4.1	-0.4
Oct	1.5	-1.2	-0.8	-1.7	-1.0	1.2	-1.0	3.8	1.8	2.1	2.0	3.6	4.8	0.4	0.6	5.4	0.5	0.1	0.8	1.1	3.0	-2.5	4.2

1 The GVA output is designated as a National Statistic.
2 Indices reflect values measured at basic prices, which exclude "taxes less subsidies on products".
3 Estimates cannot be regarded as accurate to the last digit shown.
4 Any apparent inconsistencies between the index numbers and the percentage changes shown in these tables are due to rounding.
5 A complete run of data is available on the ONS website.

Sources: For further information on these data please telephone 01633 456724 or E-mail gdp@ons.gov.uk

