

Statistical bulletin

# GDP, UK regions and countries: January to March 2019

Quarterly economic activity within the countries of the UK (England, Wales, Scotland and Northern Ireland) and the nine English regions (North East, North West, Yorkshire and The Humber, East Midlands, West Midlands, East of England, London, South East, South West).

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Release date:  
30 October 2019

Next release:  
7 February 2020

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# 1 . Other pages in this release

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- [GDP in Scotland](#), published by the Scottish Government
- [GDP in Northern Ireland](#), published by the Northern Ireland Statistics and Research Agency

## 2 . Main points

- Of the four countries of the UK, growth was highest in England (0.6%) and lowest in Wales (negative 0.5%) in Quarter 1 (Jan to Mar) 2019.
- Of the nine English regions, the area with the highest growth was London (1.2%).
- Estimates of quarterly GDP for the English regions and Wales are published here for the second time, alongside data previously published by the Scottish Government and the Northern Ireland Statistics and Research Agency (NISRA).

These estimates are designated as [Experimental Statistics](#) and should be interpreted with some caution. Regional data can be volatile and quarterly movements should be considered alongside the long-term trend. To assist with this, quarter on same quarter a year ago data are published alongside the latest quarter-on-quarter estimates.

Data are presented here for Quarter 2 (Apr to June) 2017 onwards. As earlier data are constrained to the annual estimates given in the regional accounts consistent with Blue Book 2018, regional accounts data for earlier periods will be misaligned with the Blue Book 2019-consistent [Quarterly national accounts](#) published on 30 September 2019. A consistent time series back to 2012 will be published in the Quarter 2 (Apr to June) 2019 release of quarterly country and regional GDP in January 2020, after the Blue Book 2019-consistent regional accounts estimates are published in December 2019.

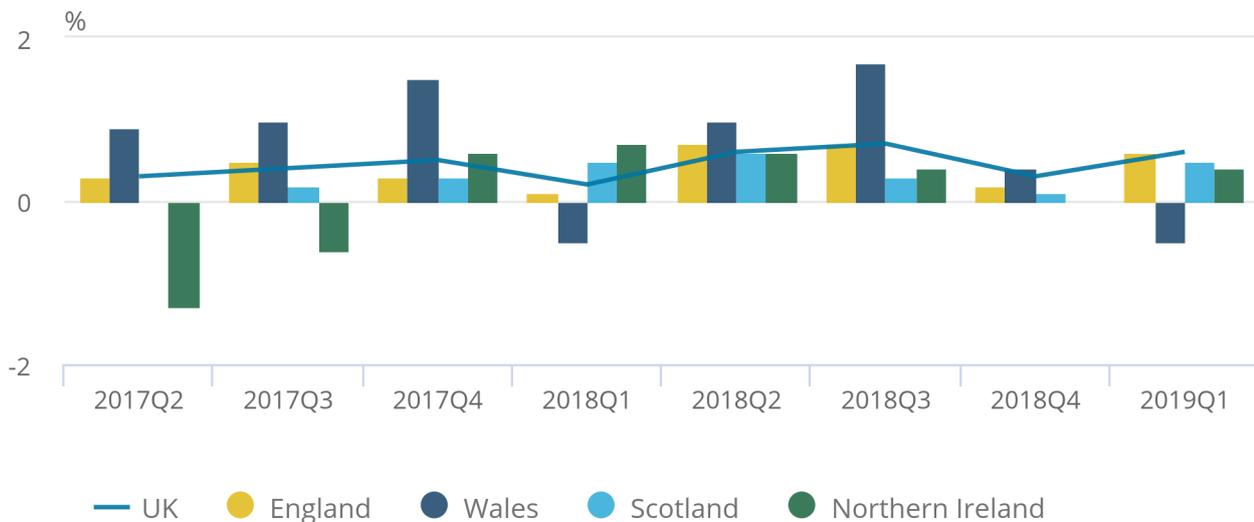
### 3 . Analysis of regional GDP growth

**Figure 1: All countries in the UK had positive growth in GDP for Quarter 1 (Jan to Mar) 2019, apart from Wales**

Quarter-on-quarter GDP growth for the UK and its countries, Quarter 2 (Apr to Jun) 2017 to Quarter 1 (Jan to Mar) 2019

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Quarter-on-quarter GDP growth for the UK and its countries, Quarter 2 (Apr to Jun) 2017 to Quarter 1 (Jan to Mar) 2019



Source: Office for National Statistics – Regional GDP 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).

UK gross domestic product (GDP) growth was 0.6% in Quarter 1 (Jan to Mar) 2019. This was larger growth than the 0.3% in Quarter 4 (Oct to Dec) 2018.

All countries in the UK had positive quarter-on-quarter growth in Quarter 1 2019, apart from Wales. Growth was highest in England (0.6%) and lowest in Wales (negative 0.5%).

The strong growth seen in the UK estimate of GDP in Quarter 1 2019 was largely driven by the production sector. This was consistent with reports at the time of manufacturing businesses increasing activity ahead of the UK’s originally intended departure date from the European Union. This strength can be seen across all regions apart from Wales. However, despite this weakness in GDP growth for Wales in the most recent quarter, Welsh manufacturing showed strong growth of 1.6%.

More information about the drivers for these changes can be found in the [datasets](#) that accompany this bulletin and the data published by the [Scottish Government](#) and the [Northern Ireland Statistics and Research Agency](#).

**Figure 2: In Quarter 1 (Jan to Mar) 2019, growth in GDP was highest in London and lowest in Wales**

Quarter-on-quarter GDP growth for the regions of England and countries of the UK for Quarter 4 (Oct to Dec) 2018 and Quarter 1 (Jan to Mar) 2019

Figure 2: In Quarter 1 (Jan to Mar) 2019, growth in GDP was highest in London and lowest in Wales

Quarter-on-quarter GDP growth for the regions of England and countries of the UK for Quarter 4 (Oct to Dec) 2018 and Quarter 1 (Jan to Mar) 2019



Source: Office for National Statistics – Regional GDP estimate

**Notes:**

1. Q1 refers to Quarter 1 (Jan to Mar), Q4 refers to Quarter 4 (Oct to Dec).

Of the countries of the UK and the regions of England, Yorkshire and The Humber, the East Midlands and Wales had negative growth in Quarter 1 2019. This followed positive growth in all three regions in Quarter 4 2018. London had the highest growth in Quarter 1 2019, at 1.2%.

Only the North West, London and the South West had growth in Quarter 1 2019 higher than the UK (at 0.2%), at 1.0%, 1.2%, and 0.7% respectively.

Table 1: Percentage growth in the countries and regions of the UK, Quarter 4 (Oct to Dec) 2018 and Quarter 1 (Jan to Mar) 2019

<b>Country/Region</b>	<b>Growth in 2018 Quarter 4 (Oct to Dec)</b>	<b>Growth in 2019 Quarter 1 (Jan to Mar)</b>
<b>North East</b>	0.2%	0.4%
<b>North West</b>	-0.2%	1.0%
<b>Yorkshire &amp; The Humber</b>	0.5%	-0.2%
<b>East Midlands</b>	0.3%	-0.2%
<b>West Midlands</b>	0.6%	0.5%
<b>East of England</b>	-0.2%	0.3%
<b>London</b>	-0.1%	1.2%
<b>South East</b>	0.9%	0.5%
<b>South West</b>	0.3%	0.7%
<b>England</b>	0.2%	0.6%
<b>Wales</b>	0.4%	-0.5%
<b>Scotland</b>	0.1%	0.5%
<b>Northern Ireland</b>	0.0%	0.4%
<b>United Kingdom</b>	0.3%	0.6%

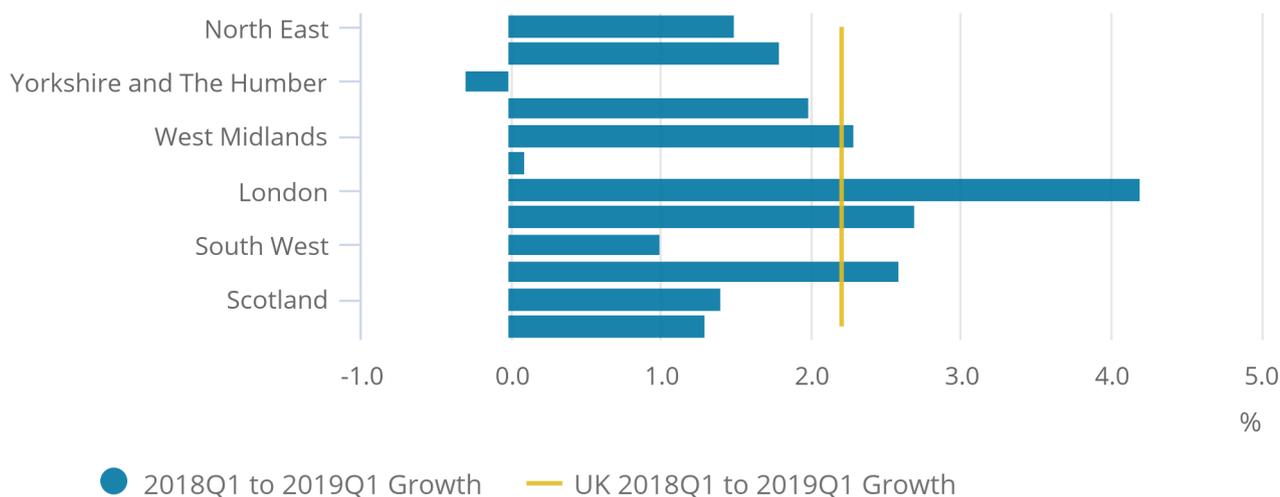
Source: Office for National Statistics – Regional GDP estimate

**Figure 3: Only Yorkshire and The Humber had negative growth in GDP for Quarter 1 (Jan to Mar) 2019 compared with the same quarter a year earlier**

Quarter-on-quarter a year earlier, GDP growth in the regions of England and Wales in Quarter 1 (Jan to Mar) 2019

Figure 3: Only Yorkshire and The Humber had negative growth in GDP for Quarter 1 (Jan to Mar) 2019 compared with the same quarter a year earlier

Quarter-on-quarter a year earlier, GDP growth in the regions of England and Wales in Quarter 1 (Jan to Mar) 2019



Source: Office for National Statistics – Regional GDP estimate

Notes:

1. Q1 refers to Quarter 1 (Jan to Mar)

Of the countries and regions of the UK, four had growth in Quarter 1 2019 that was above the UK level when compared with the same quarter a year earlier. These were the West Midlands (2.3%), London (4.2%), the South East (2.7%) and Wales (2.6%).

Only Yorkshire and The Humber had negative growth in Quarter 1 2019 when compared with the same quarter a year earlier, at negative 0.3%.

More information about the low-level industries for these changes can be found in the [datasets](#) for Wales and the regions of England, and the data published by the [Scottish Government](#) and [Northern Ireland Statistics and Research Agency \(NISRA\)](#).

## 4 . GDP growth by main industrial sector for the English regions and Wales

Data for Scotland and Northern Ireland are not shown here as they are published by the [Scottish Government](#) and the [Northern Ireland Statistics and Research Agency \(NISRA\)](#).

[Download the data](#)

More detail about the [growth in GDP in each region](#) can be found in the relevant pages.

These estimates are calculated based on site-level activity, so industry movements may differ to those at the national level, which are based on overall business activity.

## 5 . Data

[Quarterly country and regional GDP](#)

Dataset | Released 30 October 2019

Quarterly economic activity within Wales and the nine English regions (North East, North West, Yorkshire and The Humber, East Midlands, West Midlands, East of England, London, South East, South West).

## 6 . Glossary

### GDP

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.

### Production

Production is the process of combining various materials or other inputs in order to generate a product for consumption. It includes output in the manufacturing (the largest component of production), mining and quarrying, energy supply, and water supply and waste management industries.

### Services

Services are activities that people, or businesses provide for a consumer or other businesses. The main components of the services industries are: wholesale and retail; hotels and restaurants; transport, storage and communication; business services and finance; and government and other services.

## 7 . Measuring the data

The main data for these estimates are turnover data from approximately 1.9 million Value Added Tax (VAT) returns. Information from the [Inter-Departmental Business Register \(IDBR\)](#) on workplace employment allows us to apportion the VAT turnover for each business based on their employment share within a region. The [quality assurance of administrative data](#) (QAAD) report for VAT data is available.

Other volume measure data are used where appropriate, or where VAT data has insufficient coverage. A full list of other data sources is included in the [methodology article](#).

A [detailed analysis](#) of these new data was published in the Economic Review on 21 October 2019.

As part of the quality assurance process, the Department for Environment, Food and Rural Affairs (Defra) previously notified us that they have improved their methodology for estimating regional breakdowns of the agricultural accounts. Unfortunately we were unable to process these data in time for the previous (September) release. These new estimates have now been used in the compilation of this release and the breakdown of agriculture included in the tables.

Another omission in the previous (September) release was that of the Extra-Regio region. This is economic activity that cannot be assigned to a region, such as North Sea exploration work and the activity of UK embassies abroad. In the previous release there were quality issues with the data, which have now been resolved and estimates for Extra-Regio are now presented in the tables.

## 8 . Strengths and limitations

These data are designated as [Experimental Statistics](#). These are statistics that are in the testing phase and not yet fully developed. We will continue to develop these statistics and seek users' views on their uses and needs for these data.

While the data sources and methods used in both our regional and national estimates of GDP are broadly similar, there are some clear differences. For example, in the extent to which Value Added Tax (VAT) data are used.

These estimates aim to produce the best estimates at a subnational level. However, the sum of the UK regions may not equal the national total, reflecting that there are some differences in data sources and methods. We have constrained our regional GDP estimates in such a way that minimises the changes to the region by industry quarterly growth rates. While the overall impact of this constraining on the regional estimates is small, we will continue to examine the impact of this method and consider options to determine which one is best suited to these data in advance of applying to be assessed as [National Statistics](#).

Please note that the one industry that is not fully constrained is mining and quarrying. In this industry there were challenges in chain-linking the data from the regional accounts. We will address this in the regional accounts publication in December 2019 allowing subsequent quarterly releases to be fully constrained.

Following the [announcement](#) by the UK Statistics Authority in March 2019, Construction Output Price Indices, Great Britain construction output statistics and Construction new orders were re-designated as National Statistics. It was noted, however, that the [subnational and subsector breakdowns](#) were excluded from consideration because of concerns around the path of the subnational estimates of construction output. We have worked closely with the Construction Statistics Steering Group and Consultative Committee on Construction Industry Statistics (CCCIS) on improving these estimates.

While these users have acknowledged the improvements in the modelling of these estimates, there is ongoing development work to improve these lower-level estimates as we ultimately look to regain National Statistic status in due course. Any developments in this area will in turn lead to improved accuracy in the Regional GDP estimates.

## 9 . More about regional and economic data

### [GDP monthly estimate, UK: August 2019](#)

Bulletin | Released 10 October 2019

Gross domestic product (GDP) measures the value of goods and services produced in the UK.

### [Regional economic activity by gross value added \(balanced\), UK: 1998 to 2017](#)

Bulletin | Released 12 December 2018

Annual estimates of economic activity by UK country, region and local area using balanced regional gross value added (GVA(B)).

## 10 . You may also be interested in

### [GDP in Scotland](#)

Statistical publication | Released 30 October 2019 2019

This publication includes the updated second estimate of onshore GDP growth in real terms, additional breakdowns of GDP in nominal (cash) terms, and main household sector statistics.

### [Northern Ireland Composite Economic Index](#)

Release | Released 10 October 2019

The NICEI is an experimental quarterly measure of the performance of the Northern Ireland economy based on available official statistics.

### [Welsh Short-Term Output Indicators](#)

Report | Released 16 October 2019

Data showing the short-term movements in the output of industries in the production, construction and market services sectors.