Statistical bulletin

GDP, UK regions and countries: January to March 2020

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, and South West).

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Next release:
January 2021

Notice

9 November 2020

We have delayed the production of the annual regional accounts measures of gross domestic product (GDP), gross value added (GVA) and gross disposable household income (GDHI) to support the production of additional coronavirus (COVID-19) statistics.

We plan to publish annual regional GDP and balanced GVA in May 2021 rather than December 2020. Following this, the next publication of regional GDHI is now planned for September 2021. These delays only affect annual estimates of regional GDP and outputs that use these estimates. Quarterly GDP statistics presented in this bulletin are not affected.

Data are for Quarter 1 (Jan to Mar) 2012 onwards. As earlier data are constrained to the annual regional accounts estimates (consistent with Blue Book 2019), data for earlier periods will not align to the Blue Book 2020-consistent Quarterly national accounts, published on October 2020. A consistent time series will be published in the quarterly country and regional GDP release in May 2021.

31 July 2026

We will be introducing substantial methods and data changes to our existing quarterly regional gross domestic product (GDP) outputs. We will introduce the changes in our Update on reinstating quarterly regional GDP estimates for England and Wales article series. When we fully reinstate the output we will start a new series for statistical articles, datasets, and a quality and methodology guide.

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1 . Other pages in this release

- Methodology used to produce these estimates
- Gross domestic product (GDP) in Scotland, published by the Scottish Government
- GDP in Northern Ireland, published by the Northern Ireland Statistics and Research Agency (NISRA)

2 . Main points

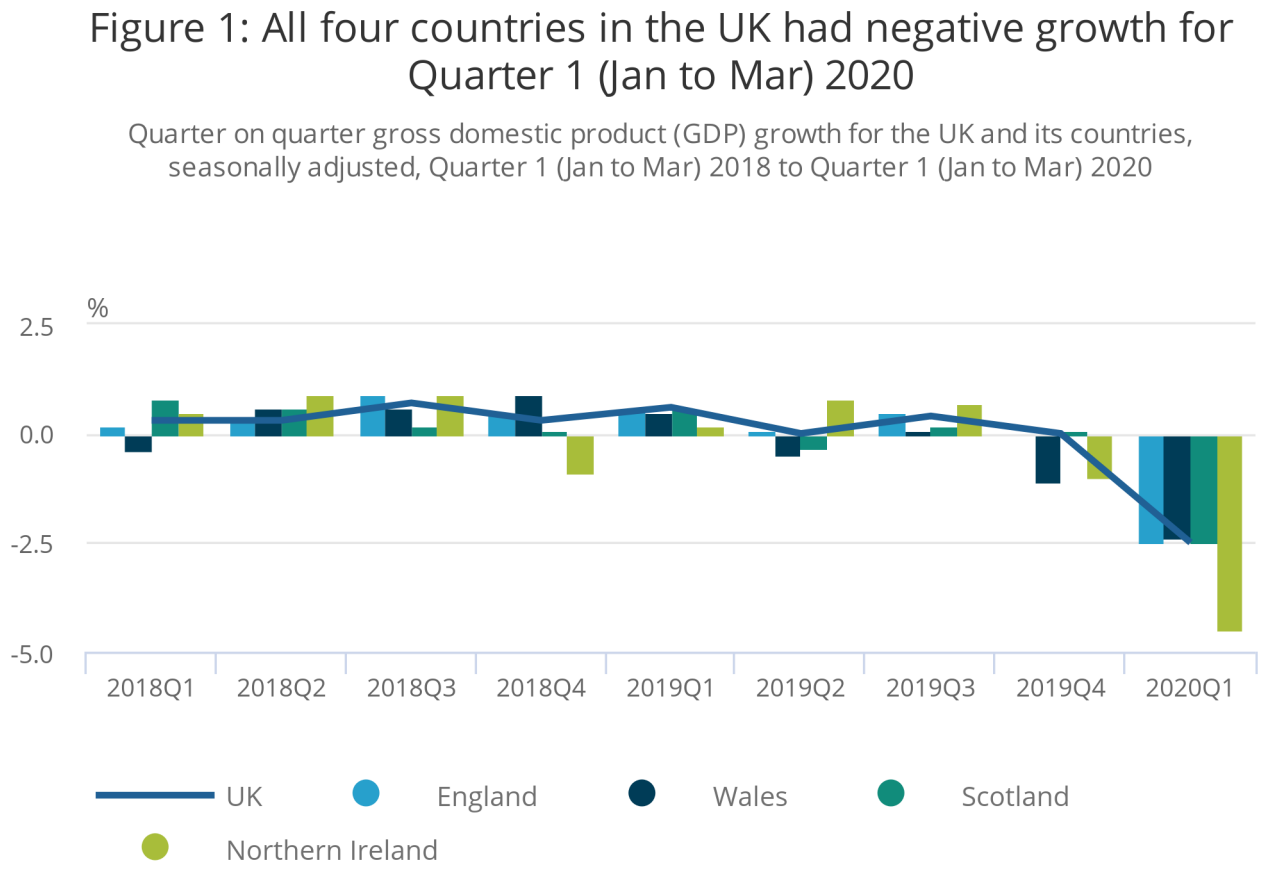
- In Quarter 1 (Jan to Mar) 2020, all four countries in the UK showed negative growth; Northern Ireland fell by 4.5%, England and Scotland both fell by 2.5%, and Wales fell by 2.4%.
- Wales' growth in Quarter 1 2020 was negative 2.4%; this follows a fall in Quarter 4 (Oct to Dec) 2019 of 1.1%.
- Of the nine English regions, the largest negative growth in Quarter 1 2020 was the East Midlands with negative 4.1%, while the smallest declines came from the East of England and London, both at negative 1.5%.
- The West Midlands showed the largest negative growth in gross domestic product (GDP) in Quarter 1 2020 when compared with the same quarter a year earlier, at 5.3%; London is the only region in the UK showing positive growth when compared with the same quarter a year earlier, at 1.5%.
- Estimates for Scotland and Northern Ireland in this release are consistent with those published by the Scottish Government and the Northern Ireland Statistics and Research Agency (NISRA) respectively.

These estimates are designated as experimental statistics while they are still in development 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 earlier data are published alongside the latest quarter on quarter estimates.

3 . Analysis of regional GDP growth

Figure 1: All four countries in the UK had negative growth for Quarter 1 (Jan to Mar) 2020

Quarter on quarter gross domestic product (GDP) growth for the UK and its countries, seasonally adjusted, Quarter 1 (Jan to Mar) 2018 to Quarter 1 (Jan to Mar) 2020



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) and Q4 refers to Quarter 4 (Oct to Dec).

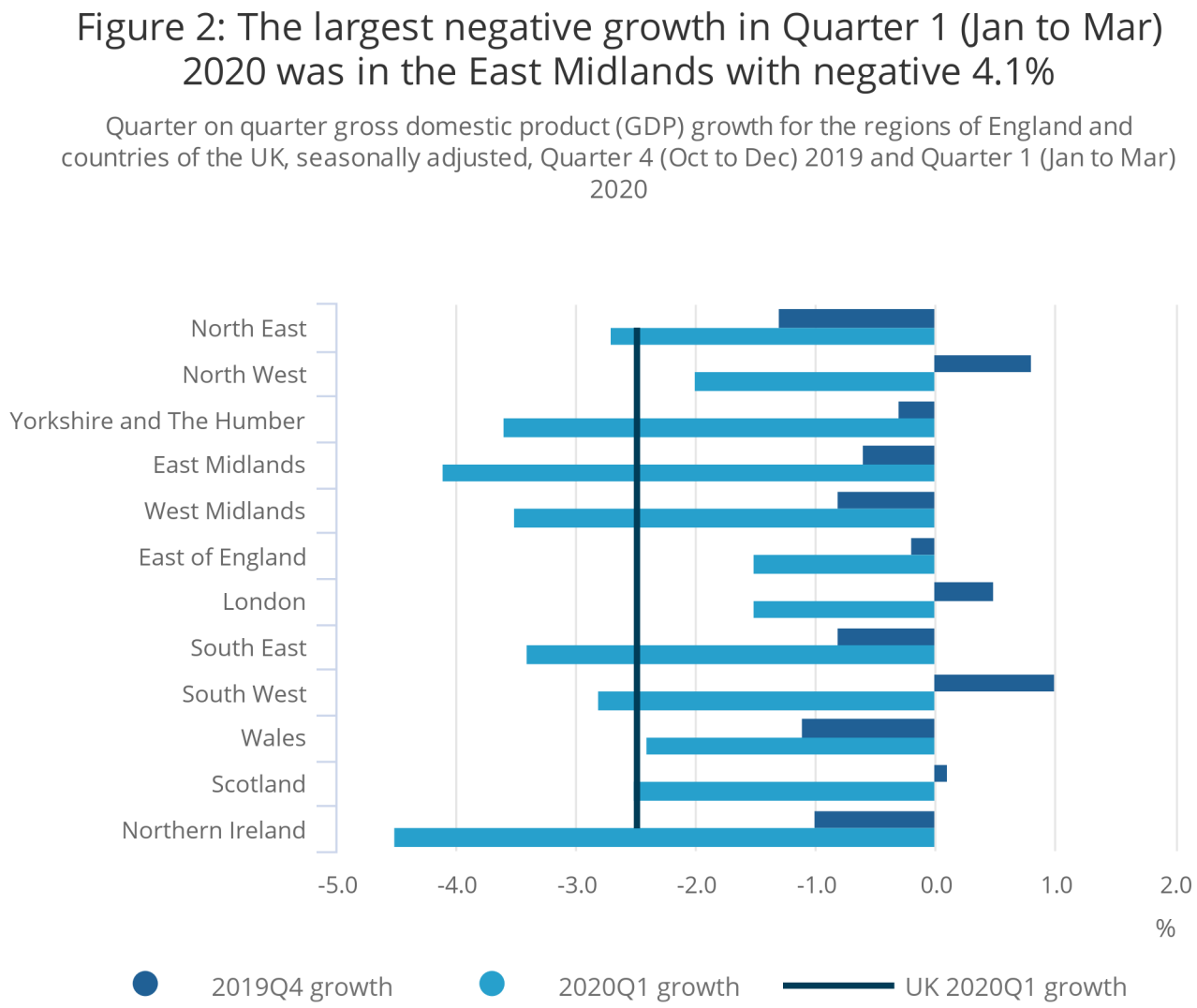
UK gross domestic product (GDP) growth was negative 2.5% in Quarter 1 (Jan to Mar) 2020. This followed flat growth in Quarter 4 (Oct to Dec) 2019.

All four countries in the UK had negative quarter on quarter growth in Quarter 1 2020. Northern Ireland fell by 4.5%, England and Scotland both fell by 2.5%, and Wales fell by 2.4%.

More information about the drivers for the changes in Scotland and Northern Ireland can be found in the accompanying dataset and the data published by the Scottish Government and Northern Ireland Statistics and Research Agency (NISRA).

Figure 2: The largest negative growth in Quarter 1 (Jan to Mar) 2020 was in the East Midlands with negative 4.1%

Quarter on quarter gross domestic product (GDP) growth for the regions of England and countries of the UK, seasonally adjusted, Quarter 4 (Oct to Dec) 2019 and Quarter 1 (Jan to Mar) 2020



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) and Q4 refers to Quarter 4 (Oct to Dec).

All nine English regions showed negative growth in Quarter 1 2020. The East Midlands and Yorkshire and the Humber showed the largest falls of 4.1% and 3.6% respectively. Wales fell by 2.4%. The smallest declines came from the East of England and London, both falling by 1.5% respectively.

Table 1 shows the growths across the countries and regions in Quarter 1 2020 compared with the previous growths in Quarter 4 2020.

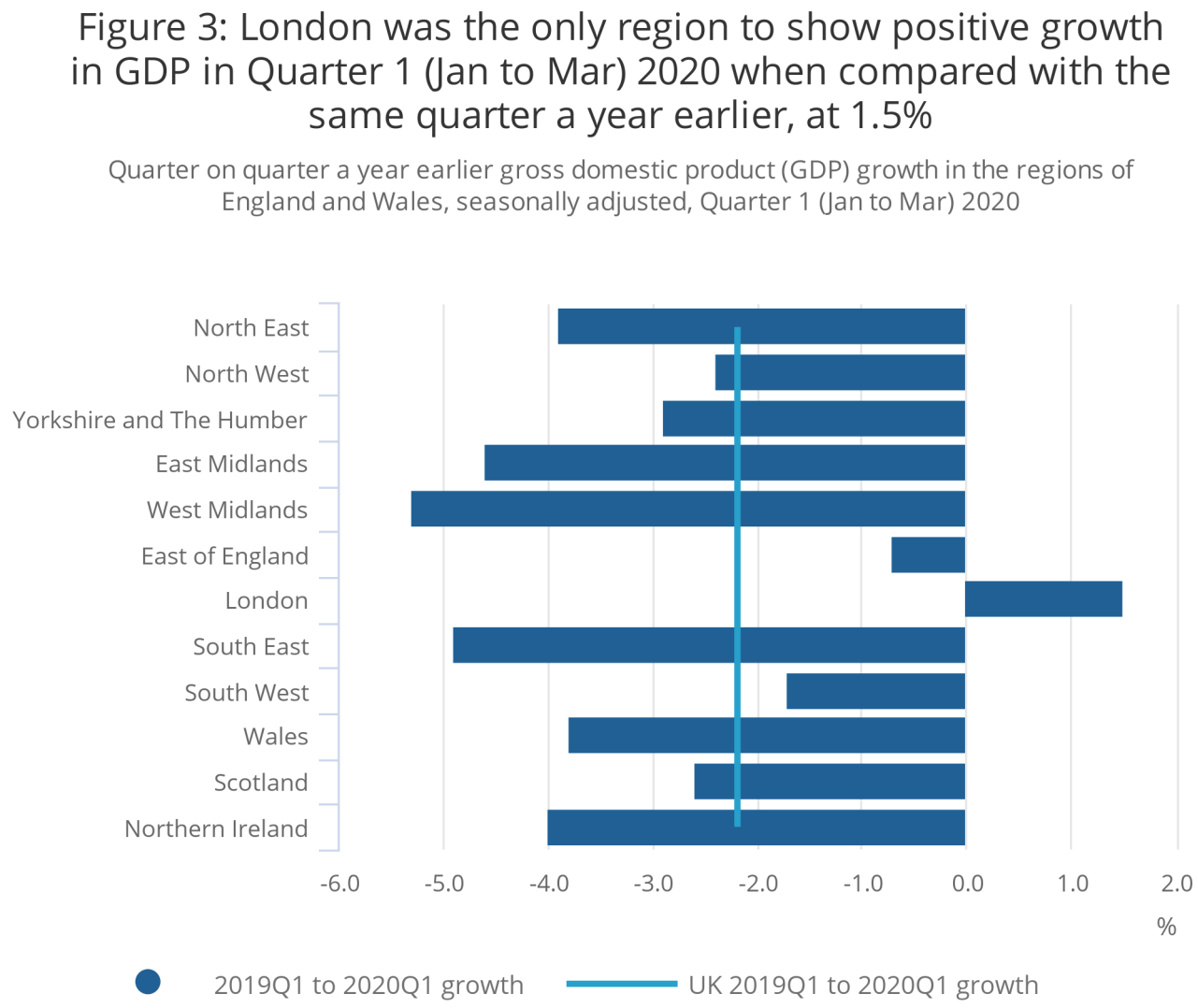
Table 1: Percentage growth in the countries and regions of the UK, seasonally adjusted, Quarter 4 (Oct to Dec) 2019 and Quarter 1 (Jan to Mar) 2020

Country or region	Growth in 2019 Quarter 4 (Oct to Dec)	Growth in 2020 Quarter 1 (Jan to Mar)
North East	-1.3%	-2.7%
North West	0.8%	-2.0%
Yorkshire and The Humber	-0.3%	-3.6%
East Midlands	-0.6%	-4.1%
West Midlands	-0.8%	-3.5%
East of England	-0.2%	-1.5%
London	0.5%	-1.5%
South East	-0.8%	-3.4%
South West	1.0%	-2.8%
England	0.0%	-2.5%
Wales	-1.1%	-2.4%
Scotland	0.1%	-2.5%
Northern Ireland	-1.0%	-4.5%
United Kingdom	0.0%	-2.5%

Source: Office for National Statistics – Regional GDP estimate

Figure 3: London was the only region to show positive growth in GDP in Quarter 1 (Jan to Mar) 2020 when compared with the same quarter a year earlier, at 1.5%

Quarter on quarter a year earlier gross domestic product (GDP) growth in the regions of England and Wales, seasonally adjusted, Quarter 1 (Jan to Mar) 2020



Source: Office for National Statistics – Regional GDP estimate

Notes:

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

Only three regions in the UK had growth in Quarter 1 2020 above the UK level when compared with the same quarter in 2019. These were London at 1.5%, the East of England at negative 0.7% and the South West at negative 1.7%. All other regions fell below the UK level of negative 2.2%. The West Midlands and South East fell the most by 5.3% and 4.9% respectively.

More information regarding the sub-industries contributing to these quarterly changes can be found in the data tables for Wales and the regions of England as well as the data published by the Scottish Government and 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 Northern Ireland Statistics and Research Agency (NISRA).

Figure 4: Interactive maps by main industrial sector for the English regions and Wales

Quarter on quarter gross domestic product (GDP) growth, seasonally adjusted, Quarter 1 (Jan to Mar) 2020

Data download

Figure 5: Interactive chart by area for the English regions and Wales

Quarter on quarter gross domestic product (GDP) growth, seasonally adjusted, Quarter 1 (Jan to Mar) 2020

Data download

Figure 6: Interactive time series charts by main sections for the English regions and Wales

Quarter on quarter gross domestic product (GDP) growth, seasonally adjusted, Quarter 1 (Jan to Mar) 2018 to Quarter 1 2020

Data download

More detail about the growth in gross domestic product (GDP) in each region can be found in our regional GDP dataset.

These estimates are calculated based on site-level (local unit) activity. Industry movements may differ to those at the national level, which are based on overall (reporting unit) business activity.

5 . GDP, UK regions and countries data

Quarterly country and regional GDP
Dataset | Released 9 November 2020
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, and 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 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 service 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 have 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.

This release includes a consistent time series of growth rates and indices back to 2012. These are consistent with the balanced regional accounts estimates published in December 2019. We use a statistical algorithm to automatically align our datasets to ensure consistency. Revisions back to 2012 reflect statistical improvements and ongoing changes to methods used in compiling these estimates as the Office for National Statistics (ONS) develops these experimental statistics.

Data are presented in this release for Quarter 1 (Jan to Mar) 2012 onwards. As earlier data are constrained to the annual estimates given in the regional accounts consistent with Blue Book 2019, regional accounts data for earlier periods will not align to the Blue Book 2020-consistent quarterly national accounts that were published in October 2020.

A consistent time series will be published in the release of quarterly country and regional gross domestic product (GDP) after the Blue Book 2020-consistent regional accounts estimates are published in May 2021.

We welcome feedback and comments on this publication, including on presentation, further development or other data sources.

8 . Strengths and limitations

These data are designated as experimental statistics. These are statistics that are in the testing phase. 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 gross domestic product (GDP) are broadly similar, there are some clear differences. For example, in the extent to which Value Added Tax (VAT) data are used in the compilation of these estimates.

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 using automated statistical methods. 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.

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 Statistics status in due course. Any developments in this area will in turn lead to improved accuracy in the regional GDP estimates.

9 . Related links

GDP monthly estimate, UK: August 2020
Bulletin | Released 9 October 2020
Gross domestic product (GDP) measures the value of goods and services produced in the UK.

Regional economic activity by gross domestic product, UK: 1998 to 2018
Bulletin | Released 19 December 2019
Annual estimates of economic activity by UK country, region and local area using GDP. Estimates are available in current market prices and in chained volume measures and include a full industry breakdown of balanced regional gross value added (GVA(B)).

GDP in Scotland
Statistical publication | Released 29 July 2020
This publication includes GDP for Scotland (updated second estimate) for Quarter 1 (Jan to Mar) 2020, produced by the Scottish Government.

Northern Ireland Composite Economic Index
Release | Released 8 October 2020
The Northern Ireland Composite Economic Index (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 22 October 2020
Data showing the short-term movements in the output of industries in the production, construction and market services sectors.