

Statistical bulletin

# GDP, West Midlands: January to March 2019

Quarterly economic activity for the West Midlands including the construction, production and services industrial sectors.

Contact:  
Bethan West  
bethan.west@ons.gov.uk  
+44 (0)1633 456620

Release date:  
30 October 2019

Next release:  
To be announced

## Table of contents

1. [Other pages in this release](#)
2. [GDP growth in the West Midlands was 0.5% in Quarter 1 \(Jan to Mar\) 2019](#)
3. [Construction made the largest contribution to growth in Quarter 1 \(Jan to Mar\) 2019](#)
4. [Data](#)
5. [Glossary](#)
6. [Measuring the data](#)
7. [Strengths and limitations](#)
8. [More about regional and economic data](#)
9. [You may also be interested in](#)

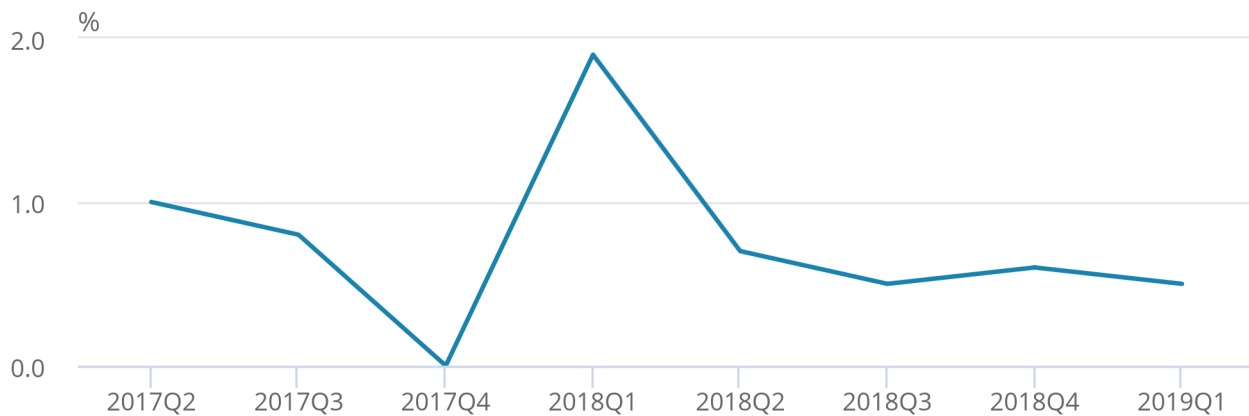
# 1 . Other pages in this release

- [Regions of the UK](#)
- [Methodology used to produce these estimates](#)
- [GDP in the North East](#)
- [GDP in the North West](#)
- [GDP in Yorkshire and The Humber](#)
- [GDP in the East Midlands](#)
- [GDP in the West Midlands](#)
- [GDP in the East of England](#)
- [GDP in London](#)
- [GDP in the South West](#)
- [GDP in the South East](#)
- [GDP in Wales](#)
- [GDP in Scotland](#), published by the Scottish Government
- [GDP in Northern Ireland](#), published by the Northern Ireland Statistics and Research Agency

## 2 . GDP growth in the West Midlands was 0.5% in Quarter 1 (Jan to Mar) 2019

Figure 1: Quarter-on-quarter GDP growth, Quarter 2 (Apr to June) 2017 to Quarter 1 (Jan to Mar) 2019 in the West Midlands

Figure 1: Quarter-on-quarter GDP growth, Quarter 2 (Apr to June) 2017 to Quarter 1 (Jan to Mar) 2019 in the West Midlands



Source: Office for National Statistics – Regional GDP estimate

Notes:

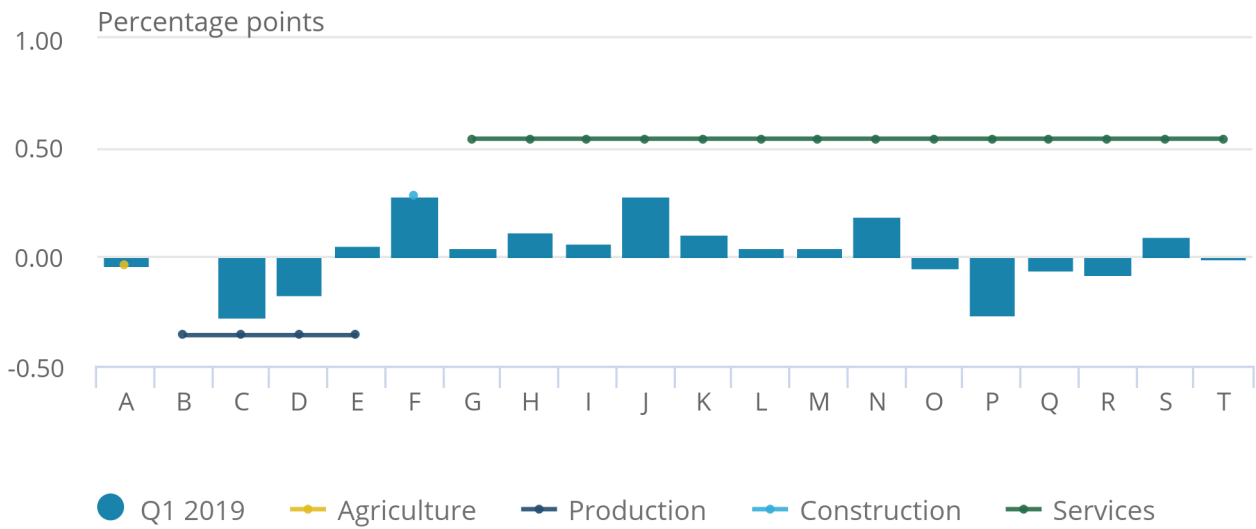
1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to Quarter 3 (July to Sept), Q4 refers to Quarter 4 (Oct to Dec).

Gross domestic product (GDP) in the West Midlands grew by 0.5% in Quarter 1 (Jan to Mar) 2019, following positive growth of 0.6% in Quarter 4 (Oct to Dec) 2018. Compared with the same quarter of the previous year, GDP grew by 2.3%.

### 3 . Construction made the largest contribution to growth in Quarter 1 (Jan to Mar) 2019

Figure 2: Contributions to GDP in the West Midlands in Quarter 1 (Jan to Mar) 2019, by industry section

Figure 2: Contributions to GDP in the West Midlands in Quarter 1 (Jan to Mar) 2019, by industry section



Notes:

Sector names

- A. Agriculture
- B - E. Production
- F. Construction
- G - T. Services

Industry names

- A. Agriculture
- B. Mining and quarrying
- C. Manufacturing
- D. Electricity, gas, steam and air conditioning supply
- E. Water supply; sewerage, waste management and remediation activities
- F. Construction
- G. Wholesale and retail trade; repair of motor vehicles and motorcycles
- H. Transportation and storage
- I. Accommodation and food service activities
- J. Information and communication
- K. Financial and insurance activities
- L. Real estate activities
- M. Professional, scientific and technical activities
- N. Administrative and support service activities
- O. Public administration and defence; compulsory social security
- P. Education
- Q. Human health and social work activities
- R. Arts, entertainment and recreation
- S. Other service activities
- T. Activities of households as employers; undifferentiated goods and services, producing activities of households for own use

The construction sector grew by 4.5% and made the biggest positive contribution to growth in the West Midlands at 0.28 percentage points. Meanwhile, manufacturing fell by 1.7%, education fell by 4.2% and energy fell by 6.5%, making the largest negative contributions in the region at negative 0.26, negative 0.26 and negative 0.17 percentage points respectively.

Within the main industrial groups, the services sector contributed positively to GDP growth in Quarter 1 (Jan to Mar) 2019 within the West Midlands, at 0.54 percentage points. Both the agriculture and production sectors contracted, and made negative contributions to growth at negative 0.04 and negative 0.36 percentage points respectively.

## 4 . 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).

## 5 . 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.

## 6 . 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.

## 7 . 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.

## 8 . 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)).

## 9 . You may also be interested in

### [GDP in Scotland](#)

Statistical publication | Released 30 October 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 | Published 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.

