

Statistical bulletin

GDP monthly estimate, UK: May 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.

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1 . UK GDP grew by 0.2% in the three months to May

Figure 1: Three-month growth to May increased at the same rate as in Quarter 1 (Jan to Mar) 2018

GDP growth, quarter on quarter and three-months on previous three-months

Figure 1: Three-month growth to May increased at the same rate as in Quarter 1 (Jan to Mar) 2018

GDP growth, quarter on quarter and three-months on previous three-months



Source: Office for National Statistics

Notes:

1. Rolling three-month growth to April was flat.
2. Rolling three-month data is calculated by comparing growth in a three-month period with growth in the previous three-month period, for example growth in March to May compared with the previous December to February.
3. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to Quarter 3 (July to Sep), Q4 refers to Quarter 4 (Oct to Dec).

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

"The first of our new rolling estimates of GDP shows a mixed picture of the UK economy with modest growth driven by the services sector, partly offset by falling construction and industrial output.

"Retailing, computer programming and legal services all performed strongly in the three months to May while housebuilding and manufacturing both contracted.

Services, in particular, grew robustly in May with retailers enjoying a double boost from the warm weather and the royal wedding. Construction also saw a return to growth after a weak couple of months."

Growth in the three months to May was higher than growth in the three months to April, which was flat. The weakness in growth in the three months to April was largely due to a negative drag on GDP from construction.

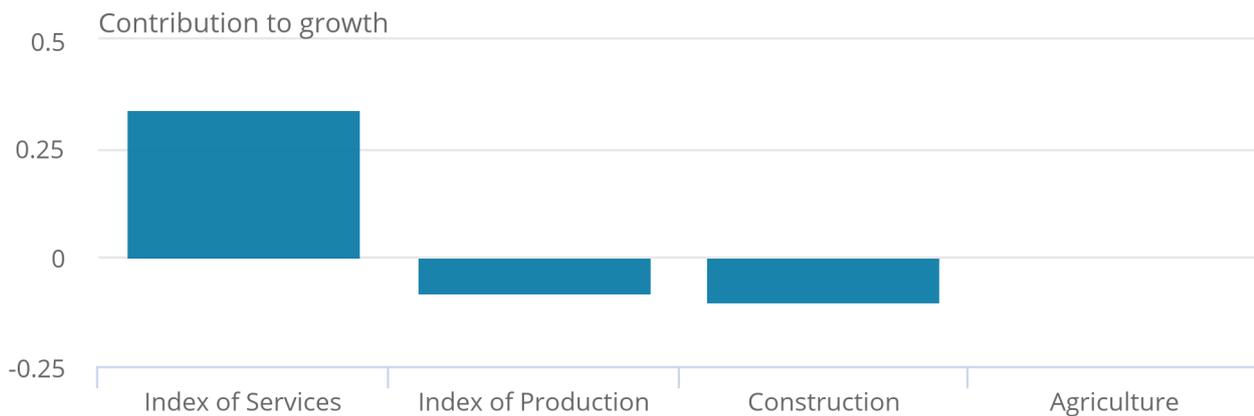
2 . GDP growth driven by services, with falls in construction and production

Figure 2: Services was the only positive contributor to GDP growth, contributing 0.34 percentage points

Contribution to three-months on previous three-months GDP growth, March 2018 to May 2018

Figure 2: Services was the only positive contributor to GDP growth, contributing 0.34 percentage points

Contribution to three-months on previous three-months GDP growth, March 2018 to May 2018



Source: Office for National Statistics

Notes:

1. Agriculture had no contribution to overall GDP growth.
2. Rolling three-month data is calculated by comparing growth in a three-month period with growth in the previous three-month period for example growth in March to May compared with the previous December to February.

Growth of 0.4% in the services industries in the three months to May had the biggest contribution to GDP growth. However, contraction in the production and construction industries meant that they each had negative contributions to GDP.

3 . Three-month growth up from flat growth seen in the three months to April

Figure 3: Rolling three-month growth increased by 0.2% in the three months to May

Output gross value added (GVA) growth, three-months on previous three-months, April 2016 to June 2016 to March 2018 to May 2018

Figure 3: Rolling three-month growth increased by 0.2% in the three months to May

Output gross value added (GVA) growth, three-months on previous three-months, April 2016 to June 2016 to March 2018 to May 2018



Source: Office for National Statistics

Notes:

1. Rolling three-month data is calculated by comparing growth in a three-month period with growth in the previous three-month period, for example growth in March to May compared with the previous December to February.

Rolling three-month growth has slowed since January, however, the growth rate increased in the three months to May 2018.

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 GDP, which include information on the expenditure and income approaches to measuring GDP.

4 . GDP increased by 0.3% in May

Table 1: Breakdown of GDP growth rates by month

	Mar-18	Apr-18	May-18
GDP	0.0%	0.2%	0.3%
Index of Services	0.2%	0.4%	0.3%
Index of Production	-0.3%	-1.0%	-0.4%
Construction	-1.8%	0.0%	2.9%
Agriculture	-0.2%	0.1%	0.2%

Source: Office for National Statistics

The monthly GDP growth rate was flat in March, followed by a growth of 0.2% in April. Overall GDP growth was 0.3% in May.

The monthly growth rate for 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 long-term trend of the economy.

5 . Retail and wholesale drove growth in services

Figure 4: Services industries grew by 0.4% in the three months to May

Growth, three-months on previous three-months, April 2017 to June 2017 to March 2018 to May 2018

Figure 4: Services industries grew by 0.4% in the three months to May
to May

Growth, three-months on previous three-months, April 2017 to June 2017 to March 2018 to May 2018



Source: Office for National Statistics

Notes:

1. Rolling three-month data is calculated by comparing growth in a three-month period with growth in the previous three-month period, for example growth in March to May compared with the previous December to February.

The services industries experienced growth of 0.4% in the three months to May. Growth in consumer-facing industries (for example retail, hotels, restaurants) has been slowing over the past year. However, in the three months to May growth in these industries picked up, particularly in wholesale and retail trade.

This industry grew by 0.9% in the three months to May and contributed 0.1 percentage points to headline GDP. This was driven by high growth in the months of April and May, with the latter relating to the good weather seen at the time, as reported in [Retail sales, Great Britain: May 2018](#).

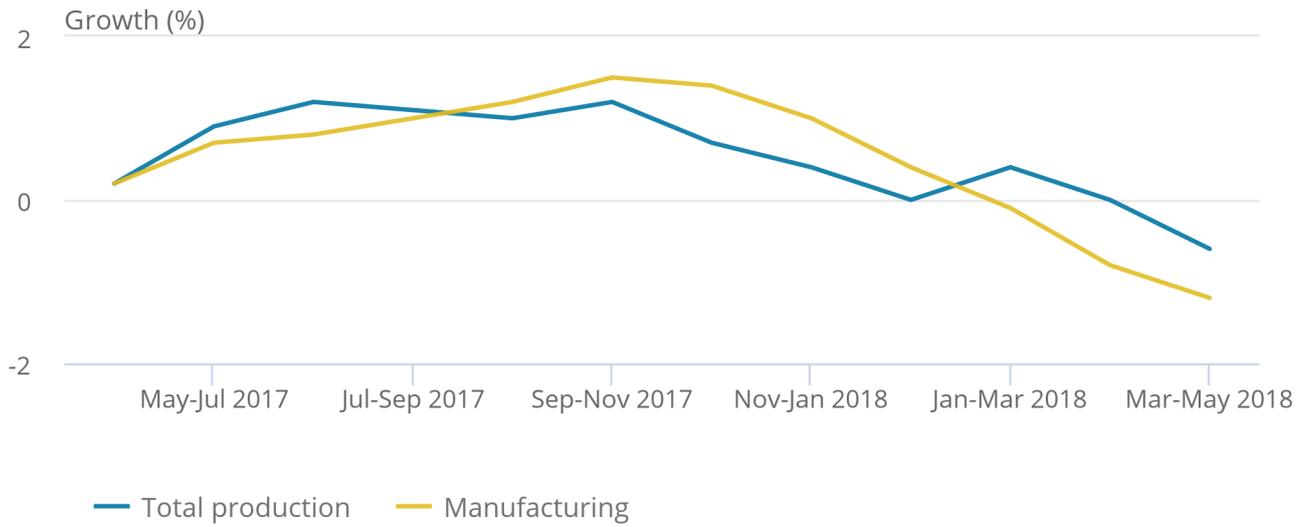
6 . Weak manufacturing pulled production growth down

Figure 5: Production contracted by 0.6% in the three months to May

Growth, three-months on previous three-months, April 2017 to June 2017 to March 2018 to May 2018

Figure 5: Production contracted by 0.6% in the three months to May

Growth, three-months on previous three-months, April 2017 to June 2017 to March 2018 to May 2018



Source: Office for National Statistics

Notes:

1. Rolling three-month data is calculated by comparing growth in a three-month period with growth in the previous three-month period, for example growth in March to May compared with the previous December to February.

Manufacturing growth in the three months to May of negative 1.2% contributed negative 0.12 percentage points to headline GDP. This was the third consecutive fall in manufacturing, and was driven by weak exports (see [UK index of production: May 2018](#)).

Mining and quarrying grew by 4.6% in the three months to May. This is despite a May growth figure of negative 4.6%, which was in part due to the Sullom Voe oil and gas terminal shutdown. Electricity and gas supply contracted by 0.5%, likely due to the warmer weather in this period.

7 . Weak activity in March was a drag on three-month construction growth

Figure 6: Construction contracted by 1.7% in the three months to May

Growth, three-months on previous three-months, April 2017 to June 2017 to March 2018 to May 2018

Figure 6: Construction contracted by 1.7% in the three months to May

Growth, three-months on previous three-months, April 2017 to June 2017 to March 2018 to May 2018



Source: Office for National Statistics

Notes:

1. Rolling three-month data is calculated by comparing growth in a three-month period with growth in the previous three-month period, for example growth in March to May compared with the previous December to February.

Construction growth decreased by 1.7% in the three months to May, despite a growth rate of 2.9% in the month of May (see Table 1). This contraction continues from negative growth in the previous two three-month on three-month periods, and contributed negative 0.1 percentage points to headline GDP. The largest contributors to growth were private housing repair and maintenance and private housing new work (see [Construction output in Great Britain: May 2018](#)).

8 . Things you need to know about this release

This release marks the launch of the new model for publishing gross domestic product (GDP). Further details about the new publishing model can be found in this [article](#). An explanation of how to interpret the new measures and growth rates used in monthly GDP releases can be found in our [user guide](#).

With the introduction of monthly GDP, a new bulletin format has been created. Further information about the new products associated with the new publication model can be found in this [article](#).

This bulletin is designed to give an overview of the latest data on the economy. More granular information is available in the [Index of Services](#), [Index of Production](#), and [Construction](#) bulletins.

In order to provide data for the European Union's flash GDP estimate, UK data will be sent to Eurostat (the statistical office for the European Union) for the three months to June. These data will assume that the average growth rate calculated based on April and May 2018 data from this release continues into June.

9 . Related links

[Index of Services, UK: May 2018](#)

[Construction output in Great Britain: May 2018](#)

[Index of Production, UK: May 2018](#)