

Statistical bulletin

# GDP monthly estimate, UK: July 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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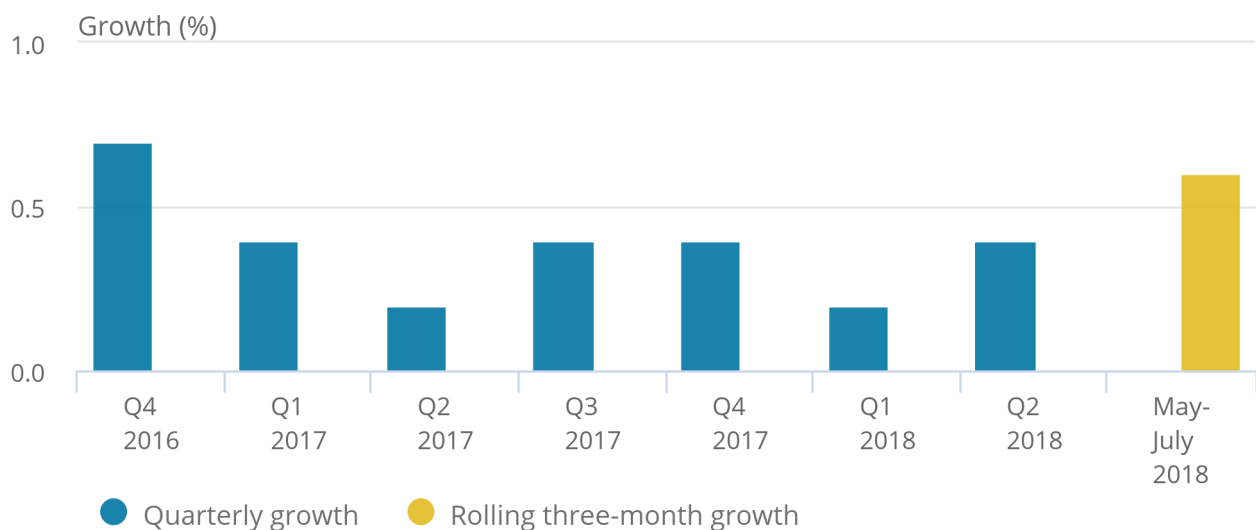
# 1 . UK gross domestic product (GDP) grew by 0.6% in the three months to July

Figure 1: Rolling three-month growth picked up from growth of 0.4% in Quarter 2 (Apr to June) 2018

UK GDP growth, Quarter 4 (Oct to Dec) 2016 until May to July 2018

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UK GDP growth, Quarter 4 (Oct to Dec) 2016 until May to July 2018



Source: Office for National Statistics

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 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.

Commenting on today's GDP figures, Head of GDP Rob Kent-Smith said:

"Growth in the economy picked up in the three months to July. Services grew particularly strongly, with retail sales performing well, boosted by warm weather and the World Cup. The construction sector also bounced back after a weak start to the year.

"However, production fell back, with manufacturing again slipping a little while energy generation and supply fell due to reduced demand.

"The dominant service sector again led economic growth in the month of July with engineers, accountants and lawyers all enjoying a busy period, backed up by growth in construction, which hit another record high level."

In today's headline figures, the three months of the current period (May, June and July) are being compared with the three months of the base period (February, March and April). While monthly growths in the current period weren't notably strong, the months in the base period had weak or negative growth. Therefore, at face value the current period growth appears strong when compared with the base period. When Quarter 3 (July to Sept) growth is calculated, the poor growths of February and March will have dropped out of the base period. For more information on these effects, see [A guide to interpreting monthly gross domestic product](#).

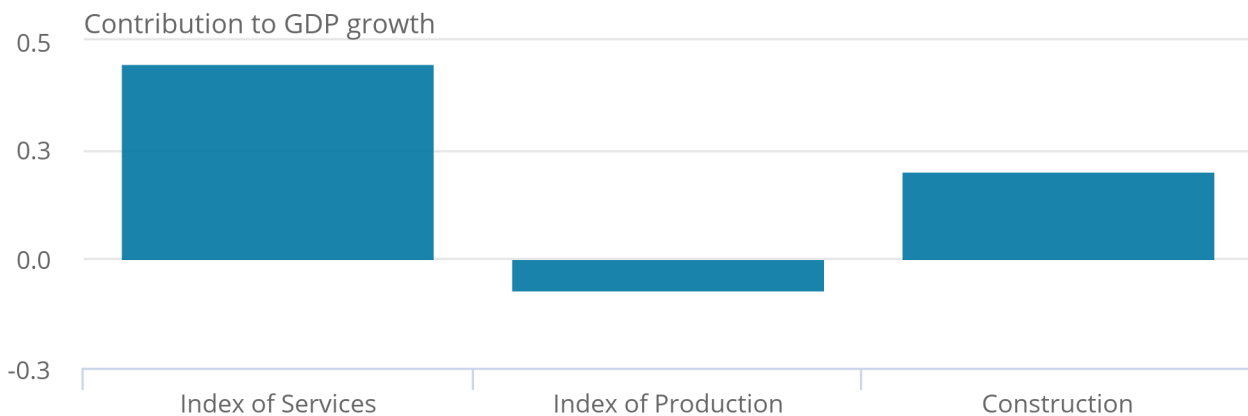
## 2 . GDP growth was driven by services and construction, with a small drag on growth from production

Figure 2: Services were the largest contributor to GDP growth at 0.45 percentage points

Contribution to UK GDP growth, May to July 2018

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Contribution to UK GDP growth, May to July 2018



Source: Office for National Statistics

Contributions to rolling three-month gross domestic product (GDP) growth in July followed a similar pattern to last month's figures, with a rolling three-month growth of 0.6% in the services industries resulting in a large positive contribution. Production industries had growth of negative 0.5%, dragging on GDP growth. However, construction had a larger contribution to GDP growth than last month, with a large rolling three-month growth of 3.3%.

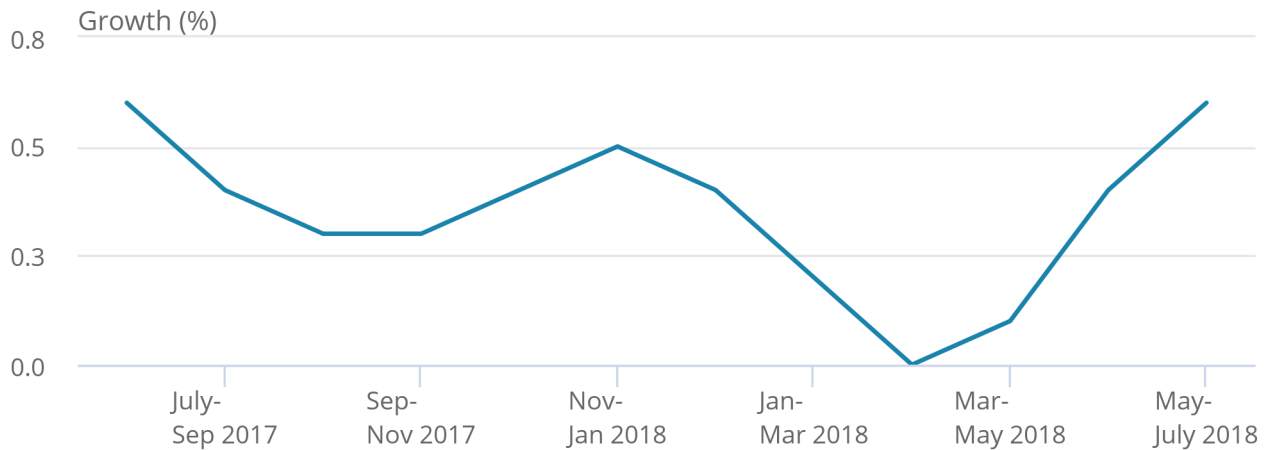
### 3 . Three-month growth highest since August 2017

Figure 3: Rolling three-month growth increased by 0.6% in the three months to July 2018

UK gross domestic product (GDP) growth, three-months on previous three-months, June to August 2017 until May to July 2018

Figure 3: Rolling three-month growth increased by 0.6% in the three months to July 2018

UK gross domestic product (GDP) growth, three-months on previous three-months, June to August 2017 until May to July 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 in July 2018 was the highest since August 2017, when it was also 0.6%. This continued a pickup from flat growth seen in April 2018, which was in some part related to the bad weather seen in the first quarter of 2018. Rolling three-month growth was last higher in February 2017 at 0.9%.

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 July

**Table 1: Breakdown of GDP growth rates by month**

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	Growth (%)		
	May-18	Jun-18	Jul-18
GDP	0.3%	0.1%	0.3%
Index of Services	0.2%	0.0%	0.3%
Index of Production	-0.2%	0.4%	0.1%
Manufacturing	0.6%	0.4%	-0.2%
Construction	2.9%	1.4%	0.5%
Agriculture	0.2%	-0.2%	-0.1%

Source: Office for National Statistics

The month-on-month gross domestic product (GDP) growth rate was 0.3% in May 2018, 0.1% in June and 0.3% in July.

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 longer-term trend of the economy. However, it is useful in highlighting one-off changes that can be masked by three-month growth rates.

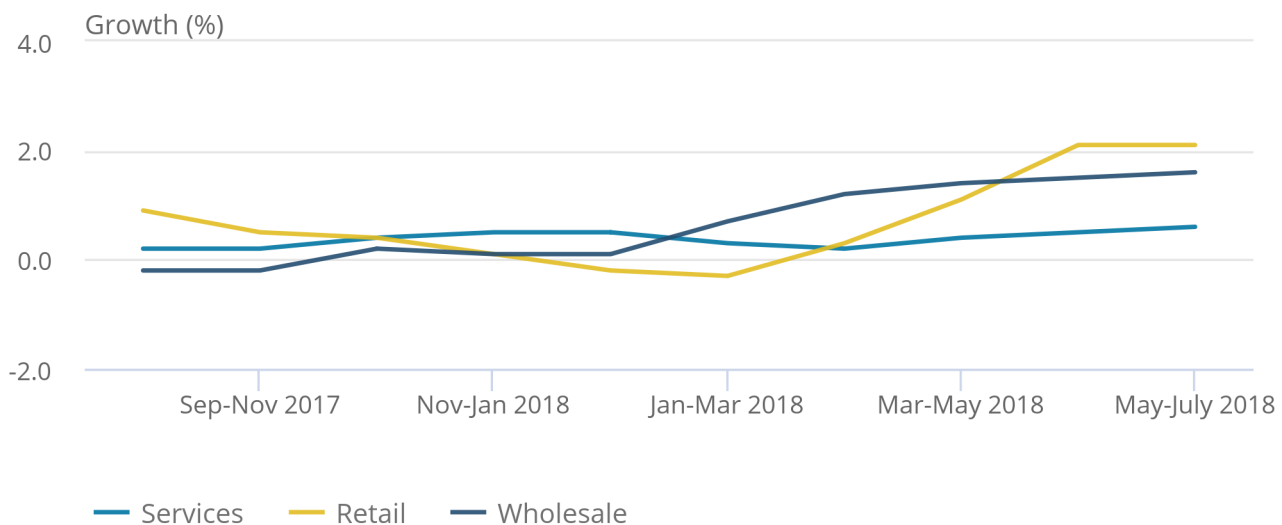
## 5 . Strong retail trade and wholesale trade drove services growth

**Figure 4: Services industries grew by 0.6% in the three months to July, while retail trade grew by 2.1% and wholesale trade by 1.6%**

Growth, three-months on previous three-months, August to October 2017 until May to July 2018

Figure 4: Services industries grew by 0.6% in the three months to July, while retail trade grew by 2.1% and wholesale trade by 1.6%

Growth, three-months on previous three-months, August to October 2017 until May to July 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.

Three-month growth to July in services industries was driven by growth in retail trade and wholesale trade. Retail trade contributed 0.11 percentage points to three-month growth and wholesale trade contributed 0.06 percentage points. These two industries experienced strong growths in the months of May and July. High growth in these industries was due in part to the good weather experienced in the months May to July. According to [Met Office data](#), summer 2018 was the joint hottest summer in the UK since records began.

Month-on-month growth in services in July was 0.3%. This was mainly driven by professional, scientific and technical activities industries, with a monthly growth of 1.5% and a contribution of 0.12 percentage points to headline gross domestic product (GDP). This industry has shown substantial growth over the past two years. Within this industry, architectural and engineering activities was the largest contributor with a monthly growth of 4.4%, although this follows a month-on-month growth rate of negative 2.6% in June.

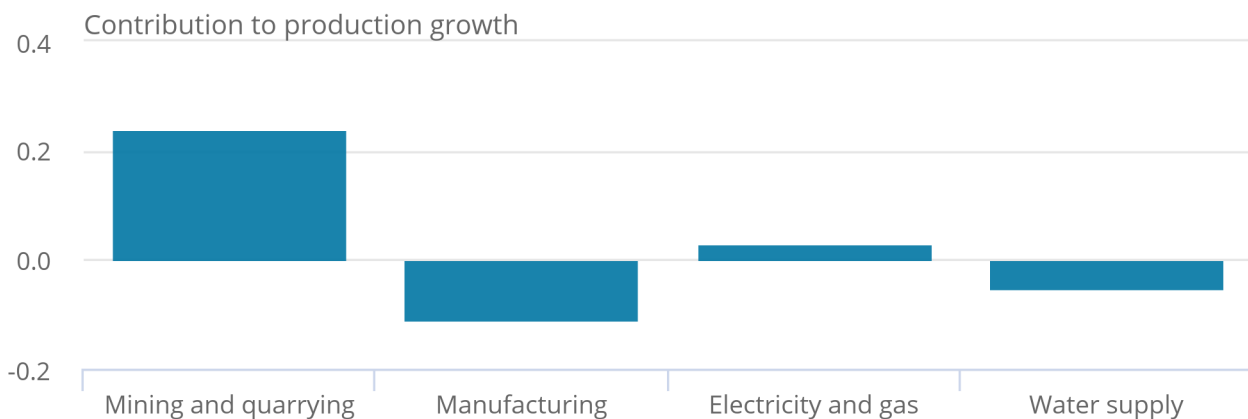
## 6 . Despite a large contribution from mining and quarrying, production growth slowed to 0.1% in July 2018

**Figure 5: Mining and quarrying and energy production had positive contributions to production growth, while manufacturing had a negative contribution**

Contribution to monthly production growth, July 2018

Figure 5: Mining and quarrying and energy production had positive contributions to production growth, while manufacturing had a negative contribution

Contribution to monthly production growth, July 2018



**Source: Office for National Statistics**

Rolling three-month growth in the production industries was negative 0.5%.

Within production, mining and quarrying had a monthly growth rate of 3.3%. This was due to a recovery following maintenance in May and June. However, this maintenance in part explained the negative 0.5% rolling three-month growth in July.

Manufacturing month-on-month growth in July was negative 0.2%, largely due to negative growth in pharmaceutical products, an industry that is known to be volatile. However, 8 out of 13 manufacturing industries experienced positive growth this month. Rolling three-month manufacturing growth to July was negative for the fifth consecutive rolling period at negative 0.1%.

Electricity, gas, steam and air conditioning supply month-on-month growth in July was 0.2%. Rolling three-month growth to July was negative 4.5%, the third consecutive rolling period of negative growth.



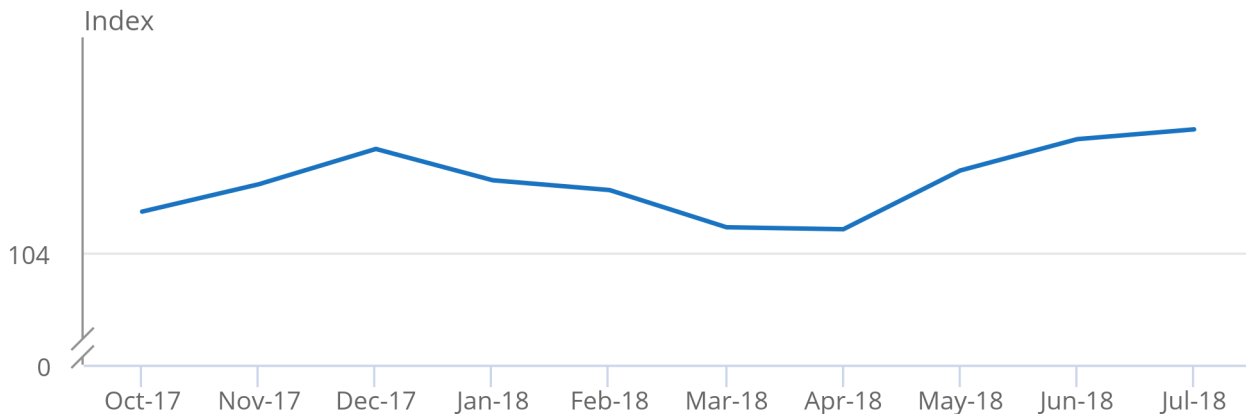
## 7 . Construction grew to a record high level

Figure 6: Construction growth continued to recover after a weak start to 2018

Monthly UK construction index, October 2017 to July 2018

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Monthly UK construction index, October 2017 to July 2018



Source: Office for National Statistics

Construction rolling three-month growth to July was 3.3%. The sector continued to recover from a period of negative growth in the start of 2018. This is the highest rolling three-month growth since February 2017 when growth was 4.1%. Growth was largely driven by repair and maintenance work.

Monthly growth for construction was 0.5%. This was largely driven by stronger than usual growth in housebuilding for this time of year. Construction output reached a record high level in July.

## 8 . Things you need to know about this release

On 15 June 2017, we announced that [automatic pre-release access to official statistics would end from 1 July 2017](#) and would only be considered in exceptional circumstances, where denying such access would significantly impede the taking of action in the public interest. In accordance with this, [exceptional pre-release access for the Bank of England has been granted for this release](#).

## 9 . 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

## 10 . Related links

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

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

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





**GVA3** Monthly GDP based on GVA (Gross Value Added) <sup>1</sup>  
Chained volume indices of gross value added at basic prices <sup>2,3,4</sup>

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 Jul	1.6	-6.8	1.4	9.1	0.4	1.5	3.4	3.5	1.5	2.9	-1.5	0.3	5.2	6.5	-0.1	3.2	-0.3	-1.5	-0.8	1.1	0.3	-4.2	28.0
Aug	2.0	-6.5	0.8	0.3	0.6	0.8	5.6	4.9	2.0	4.8	-0.2	3.3	5.9	6.2	-0.4	4.2	0.2	-1.4	-1.1	1.2	-0.6	-3.4	25.3
Sep	2.1	-6.1	0.4	0.7	0.2	-2.1	6.3	5.8	2.2	4.9	0.0	1.6	10.7	6.1	-0.7	3.3	2.5	-1.2	-1.3	1.0	-1.6	-6.4	12.8
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	3.0	4.4	2.3	5.6	5.1	9.0	2.1	2.4	2.6	2.9	5.6	2.5	0.1	6.7	3.5	-0.9	0.2	-0.1	0.1	5.2	-7.3
Feb	2.1	1.8	2.3	1.1	2.6	-0.9	6.2	7.6	1.7	2.7	2.8	4.4	5.5	2.1	-0.1	4.1	2.3	-0.7	0.1	-0.6	-2.0	1.6	-7.4
Mar	2.7	2.7	1.5	2.2	2.6	-7.9	6.0	10.9	2.3	3.0	4.7	3.6	7.2	1.8	0.2	5.1	4.9	-0.1	1.0	-0.6	-2.8	4.5	-8.8
Apr	1.9	2.9	-0.6	-0.5	0.4	-8.2	3.0	6.8	2.0	2.6	2.1	5.2	7.7	1.3	0.8	2.2	1.4	0.5	1.4	-0.4	0.6	5.7	-11.3
May	2.4	2.9	0.8	0.3	1.5	-3.2	1.2	8.0	2.3	1.9	2.8	3.5	7.7	0.8	1.4	4.0	5.3	0.8	0.8	-0.3	-1.7	6.1	-13.7
Jun	2.7	3.2	1.7	1.8	2.5	-3.5	2.5	8.5	2.4	3.4	1.4	1.8	9.2	0.3	1.4	4.5	4.8	0.7	1.0	-0.5	-1.9	5.6	-12.2
Jul	2.3	3.8	1.8	-5.4	3.2	-0.8	1.6	6.3	2.1	3.0	2.4	6.4	5.4	-0.7	1.6	3.9	4.3	0.5	1.2	-0.6	-3.5	4.1	-11.0
Aug	2.2	4.2	1.9	-3.1	2.8	0.4	1.4	8.8	1.8	2.5	1.5	1.7	4.2	-0.9	1.7	3.7	4.5	0.3	1.4	-0.7	0.4	6.0	-9.7
Sep	1.8	4.2	2.7	1.7	2.9	3.6	0.5	6.0	1.3	1.2	1.1	0.3	3.8	-1.7	1.7	4.2	2.4	0.4	1.6	-0.7	-1.5	5.8	-8.5
Oct	1.9	3.8	4.4	13.0	4.9	-2.1	1.9	4.7	1.2	0.2	1.2	1.1	3.1	-1.5	1.7	4.2	3.6	0.5	1.6	-0.4	-1.1	2.4	-7.3
Nov	1.7	3.1	2.4	4.5	3.4	-4.3	1.3	4.5	1.4	0.9	1.8	1.2	4.3	-1.7	1.7	4.4	3.9	0.7	1.4	-0.1	-3.9	-1.4	-5.3
Dec	1.2	2.5	0.1	-14.4	1.0	2.5	2.2	4.0	1.2	-0.2	0.3	1.5	5.0	-1.0	1.7	3.7	4.3	0.8	1.1	0.0	-5.6	-2.6	1.4
2018 Jan	1.4	0.6	1.5	2.5	2.4	-3.2	0.6	1.0	1.4	1.4	-0.2	2.4	5.9	-1.5	1.1	4.3	4.3	0.7	0.6	0.1	-5.6	-2.4	3.4
Feb	1.4	-0.7	2.6	1.0	2.6	4.3	1.4	1.1	1.2	1.6	-1.5	-1.1	5.8	-0.9	1.1	4.0	2.5	0.6	0.4	0.2	-4.2	-0.2	6.6
Mar	1.2	-1.2	3.1	-3.8	2.5	11.9	1.8	-1.2	1.1	0.2	-2.7	-0.5	6.1	-0.5	1.1	4.3	1.8	0.3	0.6	0.4	-1.6	-0.5	8.2
Apr	1.5	-1.0	1.9	5.6	1.1	3.8	2.6	-1.3	1.6	1.5	0.2	-1.4	5.3	-0.5	0.8	5.9	5.5	0.0	0.7	0.4	-1.9	-0.7	6.4
May	1.5	-0.8	1.2	-0.2	1.5	-1.4	3.9	1.5	1.6	3.2	0.4	-0.8	5.8	-0.6	0.9	4.1	2.4	-0.3	0.8	0.5	0.1	-2.1	3.0
Jun	1.3	-1.2	1.1	-4.4	1.5	-0.1	5.3	2.2	1.3	1.5	1.7	0.8	4.5	-0.7	0.8	2.7	2.1	-0.3	0.7	0.8	1.1	-1.2	-0.7
Jul	1.6	-1.7	0.9	-0.7	1.1	-1.4	5.1	3.5	1.5	2.4	1.4	-0.3	5.0	-0.5	0.8	4.4	3.1	-0.3	0.3	1.0	1.0	-0.3	-5.7

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](mailto:gdp@ons.gov.uk)