

Statistical bulletin

GDP monthly estimate, UK: August 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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Release date:
10 October 2018

Next release:
9 November 2018

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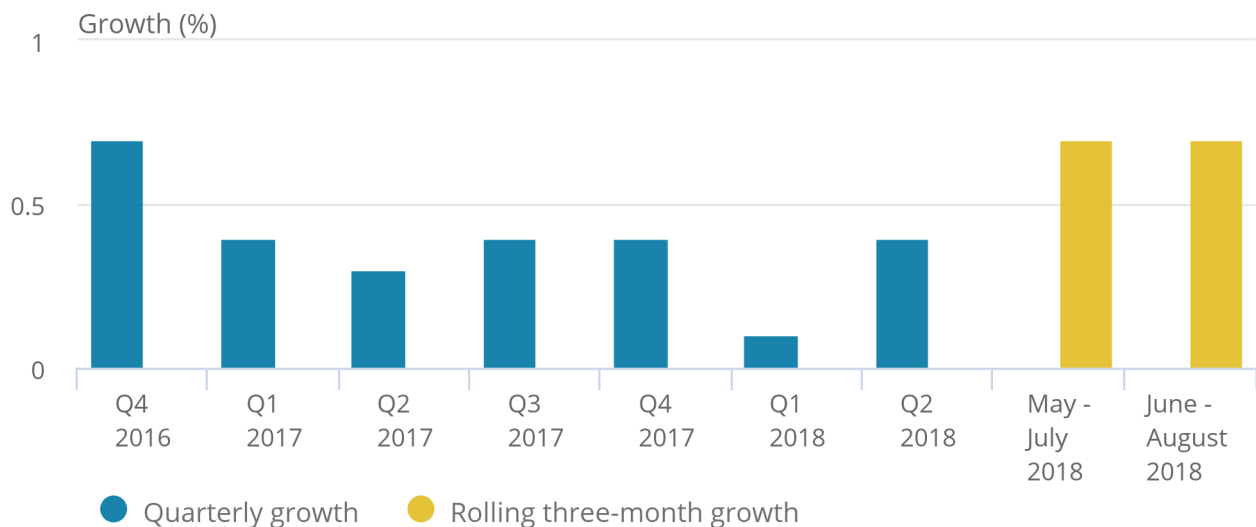
1 . UK gross domestic product (GDP) grew by 0.7% in the three months to August 2018

Figure 1: Rolling three-month growth continued to be boosted in part by warm weather

UK GDP growth, Quarter 4 (Oct to Dec) 2016 until June to August 2018

Figure 1: Rolling three-month growth continued to be boosted in part by warm weather

UK GDP growth, Quarter 4 (Oct to Dec) 2016 until June to August 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 are calculated by comparing growth in a three-month period with growth in the previous three-month period, for example, growth in June to August compared with the previous March to May.

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

"The economy continued to rebound strongly after a weak spring, with retail, food and drink production and housebuilding all performing particularly well during the hot summer months. However, long-term growth continues to lag behind its historical trend."

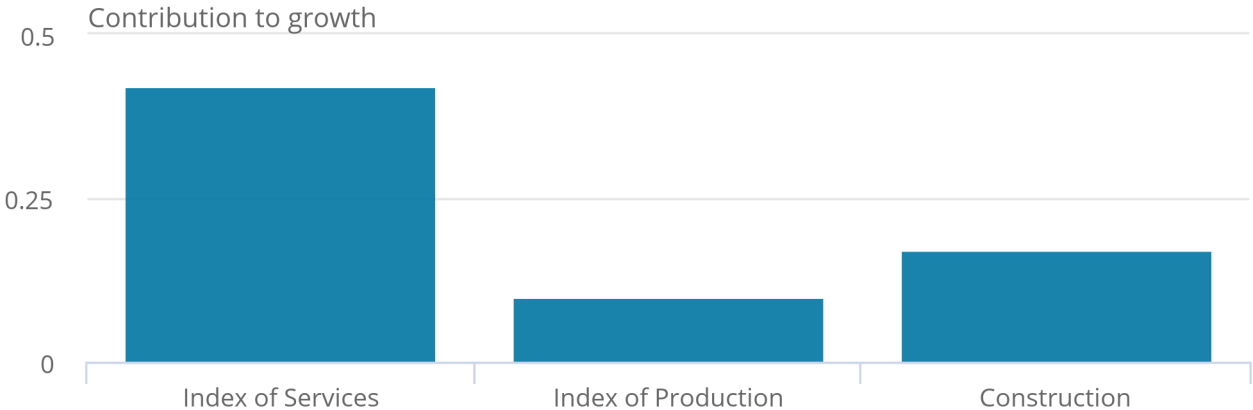
2 . All three main sectors contributed positively to GDP growth

Figure 2: The services sector was the largest contributor to GDP growth at 0.42 percentage points

Contribution to UK GDP growth, June to August 2018

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Contribution to UK GDP growth, June to August 2018



Source: Office for National Statistics

The services sector had a rolling three-month growth of 0.5%, resulting in a large positive contribution to headline GDP growth. The production industries and construction also had positive contributions to GDP growth, with rolling three-month growths of 0.7% and 2.9%, respectively.

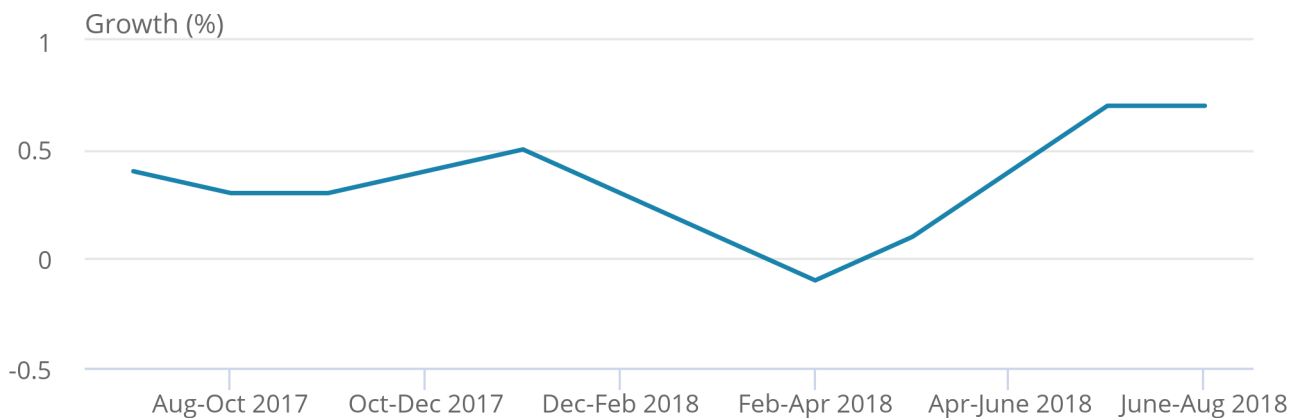
3 . Three-month growth in August 2018 was on par with an upwardly-revised three-month growth in July 2018

Figure 3: Rolling three-month growth increased by 0.7% in August 2018

UK GDP growth, three months on previous three months, July to September 2017 until June to August 2018

Figure 3: Rolling three-month growth increased by 0.7% in August 2018

UK GDP growth, three months on previous three months, July to September 2017 until June to August 2018



Source: Office for National Statistics

Notes:

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

Rolling three-month growth increased by 0.7% in August 2018, the same rate of growth as in July 2018. These were the highest growth rates since February 2017. The growth continued to pick up from the negative growth in April 2018, with the most recent period rebounding from this weak start to the year and being boosted by the warmer than usual weather in the summer months. Rolling three-month growth in July 2018 was revised up 0.1 percentage points to 0.7%, due to revisions to the services sector.

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 growth was flat in August 2018

Table 1: Breakdown of GDP growth rates by month

UK GDP growth, June 2018, July 2018 and August 2018

	Growth (%)		
	Jun-18	Jul-18	Aug-18
GDP	0.2%	0.4%	0.0%
Index of Services	0.0%	0.3%	0.0%
Index of Production	0.9%	0.4%	0.2%
Manufacturing	1.0%	0.0%	-0.2%
Construction	0.9%	0.5%	-0.7%
Agriculture	-0.2%	-0.2%	-0.2%

Source: Office for National Statistics

The month-on-month growth rate was flat in August 2018. Growth rates in June and July 2018 were both revised up by 0.1 percentage points to 0.2% and 0.4%, respectively.

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.

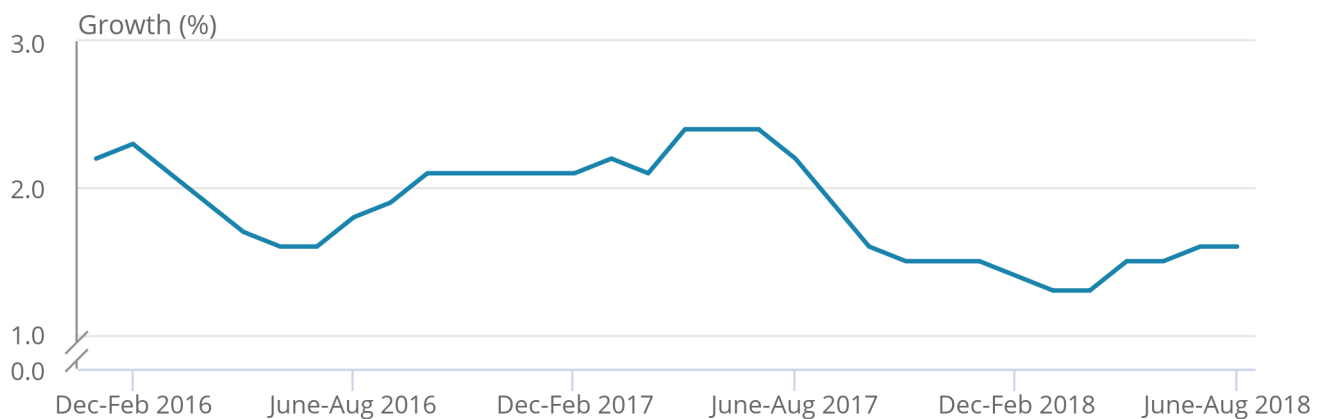
5 . Long-term perspective shows subdued growth in the services sector

Figure 4: The services sector grew by 1.6% in June to August 2018 compared with the same period a year earlier

Services growth, three months on three months a year earlier, November to January 2016 until June to August 2018

Figure 4: The services sector grew by 1.6% in June to August 2018 compared with the same period a year earlier

Services growth, three months on three months a year earlier, November to January 2016 until June to August 2018



Source: Office for National Statistics

Growth within the services sector has been comparatively subdued, as seen when examining the current three-month period compared with the same three months a year earlier. Growth rates remained broadly constant throughout 2016 and most of 2017, however, there has been a slowdown in growth since July 2017. Since then, three-month on a year ago growth was lowest in March and April 2018, with a slight recovery in more recent periods.

Rolling three-month services growth was 0.5%. There was broad-based growth, with 8 out of 14 subsectors showing positive growth. Notably, wholesale and retail trade showed strong growth, in part due to warmer than usual weather in the summer months.

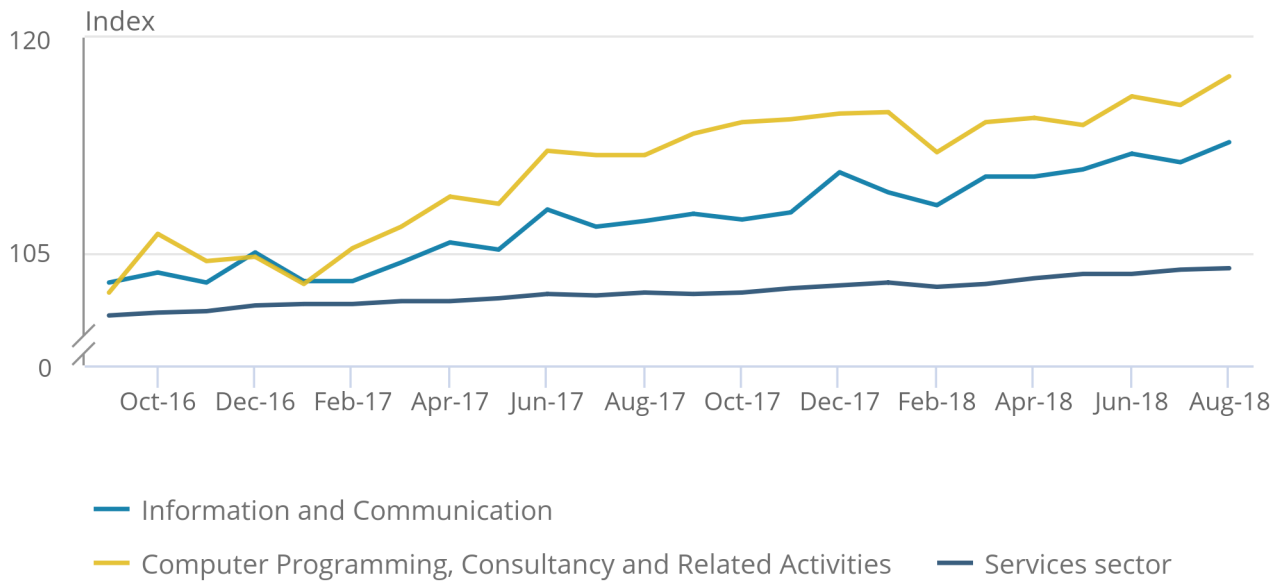
Monthly growth in the services sector was flat. Accommodation and food service activities was the biggest drag with growth of negative 1.6%, falling back from high growth in July 2018. This was offset by a rise in motor trade in August 2018, with a growth of 1.7%. The [Society of Motor Manufacturers and Traders \(SMMT\)](#) also reported higher demand than usual for the month of August, ahead of regulatory changes in September 2018.

Figure 5: Information and communication output continues to rise, driven by computer programming

Monthly index, September 2016 to August 2018

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Monthly index, September 2016 to August 2018



Source: Office for National Statistics

The information and communication industry also provided a strong contribution to monthly growth (0.08 percentage points), continuing the trend seen over the past two years. Figure 5 shows the index for this industry has grown well above the index for the services sector as a whole. Within information and communication, computer programming has been particularly strong (see Index of Services bulletin).

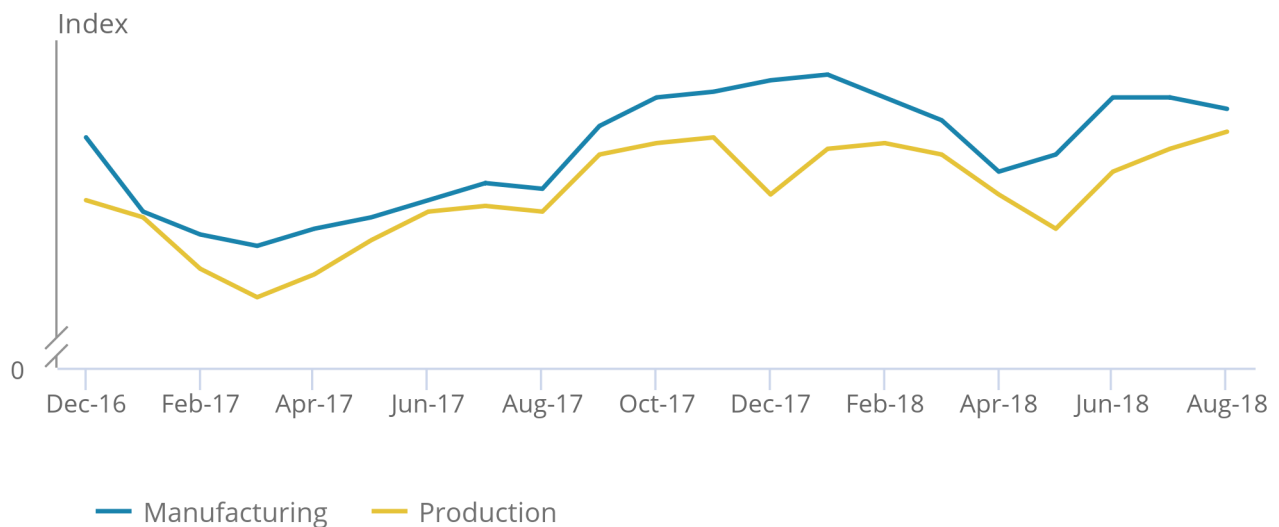
6 . Production and manufacturing return to similar levels seen in late 2017

Figure 6: Production recovers but manufacturing slips slightly in August 2018

Monthly index, December 2016 to August 2018

Figure 6: Production recovers but manufacturing slips slightly in August 2018

Monthly index, December 2016 to August 2018



Source: Office for National Statistics

Monthly production growth was 0.2%. Within production, manufacturing had growth of negative 0.2%. 7 out of 13 manufacturing industries experienced negative growth in August 2018.

Rolling three-month growth was 0.7% in production. Mining and quarrying saw growth of 1.8%, continuing the bounceback seen in rolling three-month growth in July 2018. Manufacturing grew by 0.8%, driven by pharmaceuticals, and food and beverage production.

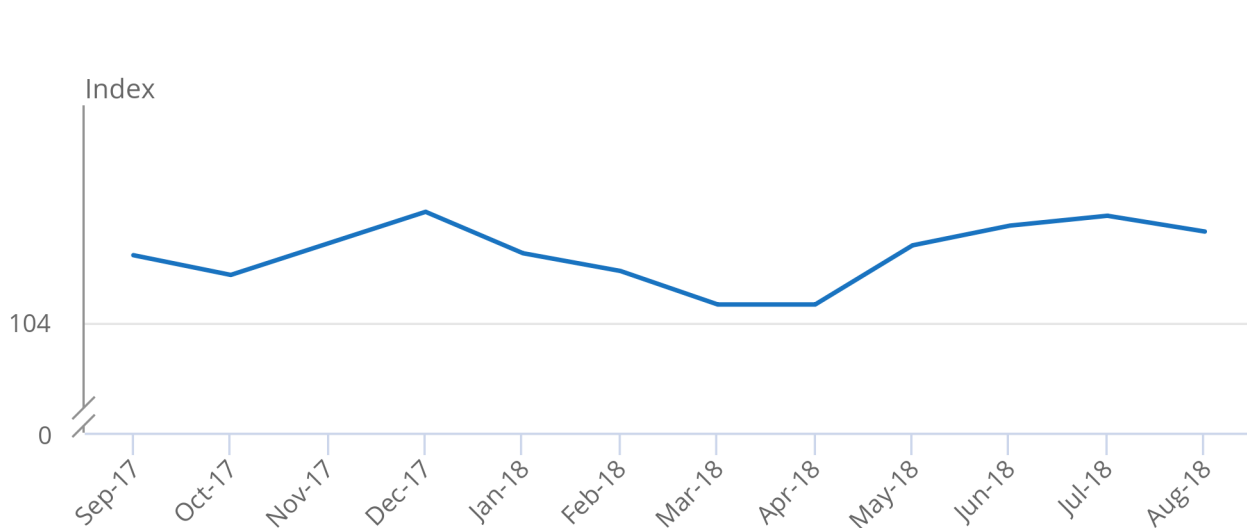
7 . Construction continued a strong rebound after weakness earlier in the year

Figure 7: Construction slipped slightly after recovering from a fall at the start of 2018

Monthly construction index, September 2017 to August 2018

Figure 7: Construction slipped slightly after recovering from a fall at the start of 2018

Monthly construction index, September 2017 to August 2018



Source: Office for National Statistics

Rolling three-month construction growth was 2.9% in August 2018. Strong growth in this period in part reflected weakness in March and April 2018, which fall into the base period to which the current three months are being compared. This is apparent when examining the monthly index as seen in Figure 7. Private housing new work was the largest contributor to rolling three-month growth.

Monthly growth in construction in August 2018 was negative 0.7%. This was due to broad-based weakness within the sector.

8 . Things you need to know about this release

Please note that the tables associated with this release now include contributions data.

As per our revisions policy, this release reflects the revisions that were published as part of the Quarterly national accounts (QNA) on 28 September 2018. Due to timing issues, these revisions did not include the most recent retail sales figures published on 20 September 2018. For this release, we are constrained to the published QNA data up to Quarter 2 (Apr to June) 2018. Therefore, while we have taken on the most recent retail sales figures for July and August, the three-month on three-month estimates for the retail industry may not be fully consistent with the latest retail sales publication. This has no impact on GDP growth to one decimal place.

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: August 2018](#)

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

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

GVA3 Monthly GDP based on GVA (Gross Value Added) ¹
Chained volume indices of gross value added at basic prices ^{2,3,4}

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 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	3.2	4.2	2.4	5.3	5.8	9.0	2.2	2.4	2.7	3.0	5.9	2.7	0.1	6.7	3.6	-0.9	0.2	-0.1	2.0	5.1	-7.5
Feb	2.3	1.7	2.4	0.8	2.7	-1.3	6.7	7.9	1.8	2.8	2.8	4.4	5.9	2.6	-0.2	3.9	2.4	-0.7	0.0	-0.6	1.0	2.2	-6.6
Mar	2.9	2.7	1.8	2.6	2.8	-7.6	6.6	11.3	2.4	2.9	4.7	3.5	7.6	2.4	0.0	5.1	4.8	-0.1	0.8	-0.6	0.6	4.9	-8.0
Apr	2.1	2.8	-0.4	0.2	0.6	-8.7	3.7	7.0	2.2	2.6	2.1	5.1	8.7	2.0	0.6	2.2	1.8	0.3	1.1	-0.3	4.4	6.1	-10.9
May	2.6	2.9	1.2	1.8	1.8	-2.7	1.2	7.9	2.4	1.7	2.7	3.5	8.5	1.3	1.3	4.0	5.9	0.7	0.3	-0.2	2.0	6.8	-13.9
Jun	2.8	3.3	2.0	3.9	2.7	-2.9	2.3	8.3	2.6	3.2	1.2	1.7	10.3	0.7	1.3	4.8	5.4	0.7	0.4	-0.4	1.6	6.1	-11.7
Jul	2.4	3.9	2.0	-6.4	3.5	-0.2	1.5	6.2	2.2	2.7	2.2	5.8	6.5	-0.6	1.5	4.1	5.0	0.5	0.6	-0.5	0.2	4.9	-10.2
Aug	2.4	4.3	1.9	-3.4	2.8	0.6	1.5	8.9	2.0	2.4	1.6	1.6	5.3	-0.9	1.6	4.1	5.3	0.4	0.7	-0.8	4.6	6.4	-8.7
Sep	2.0	4.3	2.9	1.9	3.1	3.4	1.9	6.2	1.5	1.1	1.1	0.0	4.6	-1.6	1.6	4.7	3.2	0.4	0.9	-0.7	3.2	6.3	-6.7
Oct	2.1	3.8	4.5	13.1	5.0	-2.2	2.4	5.0	1.4	0.2	1.3	0.9	3.5	-1.3	1.5	4.5	4.5	0.6	0.8	-0.5	4.0	3.1	-5.2
Nov	1.9	3.1	2.3	4.5	3.4	-4.8	1.1	5.0	1.6	1.0	-2.0	1.3	4.8	-1.4	1.5	4.8	4.6	0.7	0.4	-0.2	1.7	-1.1	-3.4
Dec	1.4	2.5	0.0	-14.5	1.0	1.9	1.9	4.2	1.4	-0.1	0.9	1.6	5.3	-0.9	1.5	4.4	4.7	0.8	0.0	-0.2	1.3	-3.1	3.2
2018 Jan	1.4	0.8	1.2	2.6	2.3	-3.7	-2.3	0.9	1.5	1.4	0.3	2.1	5.9	-1.5	1.2	5.0	4.2	0.8	-0.5	0.0	-0.2	-2.9	4.9
Feb	1.3	-0.4	2.1	1.2	2.4	3.8	-2.2	0.2	1.2	1.6	-1.1	-0.9	5.2	-1.2	1.2	5.0	1.9	0.7	-0.7	0.0	1.3	-2.1	7.4
Mar	1.2	-0.7	2.5	-3.8	2.2	11.1	-2.0	-1.9	1.2	0.5	-2.2	0.6	5.7	-1.0	1.1	5.2	1.5	0.6	-0.2	0.0	3.9	-2.5	11.2
Apr	1.4	-0.5	1.4	5.2	1.0	3.5	-2.1	-1.7	1.6	1.6	0.5	0.6	4.4	-0.9	0.7	7.1	4.2	0.4	0.3	-0.2	3.2	-2.9	7.4
May	1.4	-0.3	0.2	-1.9	1.1	-3.4	-0.7	1.2	1.6	3.6	1.0	1.7	5.3	-0.8	0.5	5.2	1.2	0.3	0.6	-0.2	5.2	-4.5	3.5
Jun	1.3	-0.8	0.7	-6.1	1.8	-2.0	1.6	1.6	1.4	2.1	2.8	3.9	3.7	-0.7	0.3	3.6	0.9	0.2	0.5	0.1	6.4	-3.7	-2.2
Jul	1.7	-1.5	1.0	1.0	1.4	-1.8	1.7	2.8	1.8	3.3	2.6	2.5	4.3	-0.2	0.4	5.7	1.3	0.2	0.4	0.4	6.6	-3.1	-7.6
Aug	1.5	-2.0	1.3	3.5	1.3	-0.4	2.6	0.3	1.6	2.9	2.3	2.7	5.2	0.0	0.3	5.1	0.2	0.2	0.3	0.8	3.2	-4.8	-7.6

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

