

Statistical bulletin

GDP monthly estimate, UK: August 2019

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 2019

Next release:
11 November 2019

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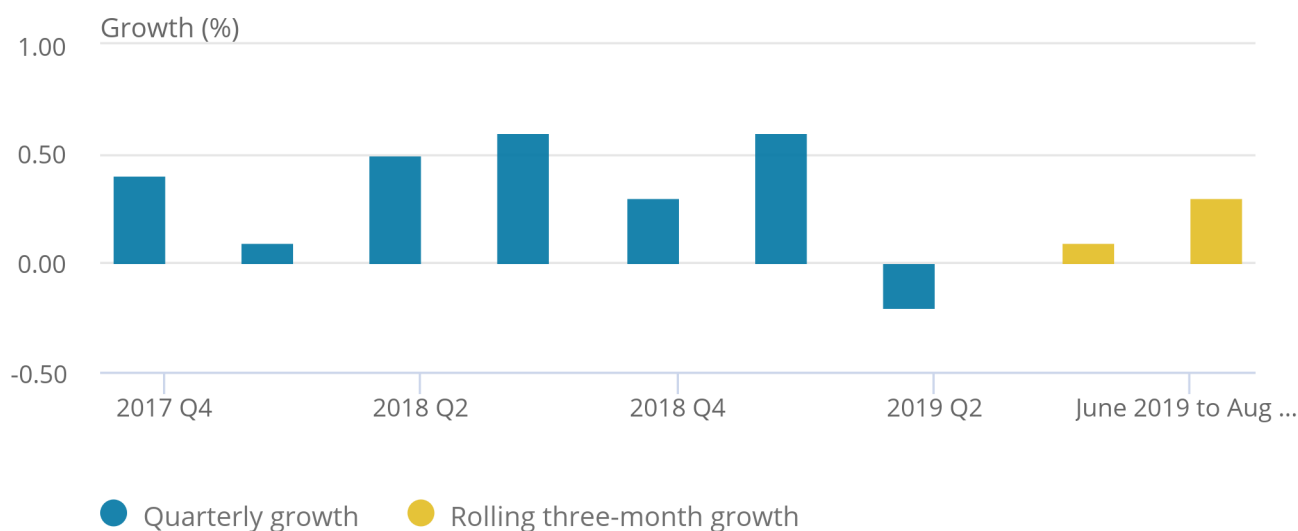
1 . UK GDP grew by 0.3% in the three months to August 2019

Figure 1: Rolling three-month GDP growth increased for the second consecutive month after falling in Quarter 2 2019

UK GDP growth, Quarter 4 (Oct to Dec) 2017 until June to August 2019

Figure 1: Rolling three-month GDP growth increased for the second consecutive month after falling in Quarter 2 2019

UK GDP growth, Quarter 4 (Oct to Dec) 2017 until June to August 2019



Source: Office for National Statistics – GDP monthly 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).
2. Rolling three-month estimates are calculated by comparing GDP in a three-month period with GDP in the previous three-month period. For example, GDP in June to August compared with the previous March to May.

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

"Growth increased in the latest three months, despite a weak performance across manufacturing, with TV and film production helping to boost the services sector."

2 . Services was the main driver to rolling three-month GDP growth in August 2019

Table 1: Services contributed 0.36 percentage points to GDP growth in the three months to August 2019

	Three-month growth (%)	Contribution to growth (percentage points)
Index of Services	0.4	0.36
Index of Production	-0.4	-0.06
Construction	0.1	0.00

Source: Office for National Statistics – GDP monthly estimate

The main contributor to gross domestic product (GDP) growth in the three months to August 2019 was the services sector, which grew by 0.4%. This was driven by widespread strength across the services industries in June and July, following a period of largely flat growth in the previous three months. Meanwhile, the production sector fell by 0.4% in the same period, while construction output grew by 0.1%.

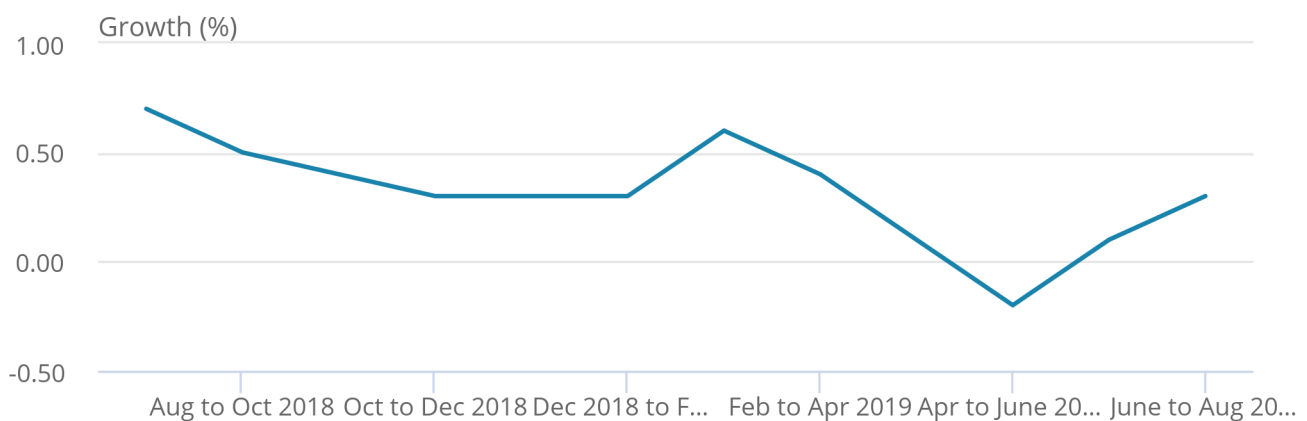
3 . Rolling three-month growth was 0.3% in the three months to August 2019

Figure 2: Rolling three-month growth continued to recover after contracting in June 2019

Growth, three months on previous three months, UK, July to September 2018 until June to August 2019

Figure 2: Rolling three-month growth continued to recover after contracting in June 2019

Growth, three months on previous three months, UK, July to September 2018 until June to August 2019



Source: Office for National Statistics – GDP monthly estimate

Notes:

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

Rolling three-month growth was 0.3% in August 2019. This followed a period of volatility throughout the first half of 2019, in part linked to changes in the timing of activity around the originally planned departure date of the UK from the European Union.

Rolling three-month growth is based on output gross value added (GVA) and so there will be discrepancies in the time series with our quarterly estimates of gross domestic product (GDP), which include information on the expenditure and income approaches to measuring GDP.

4 . GDP fell by 0.1% in August 2019

Table 2: Breakdown of GDP and its components' growth rates by month

	June 2019	July 2019	August 2019
GDP	0.1	0.4	-0.1
Index of Services	0.2	0.3	0.0
Index of Production	0.1	0.1	-0.6
Manufacturing	-0.3	0.4	-0.7
Construction	-1.1	1.8	0.2
Agriculture	0	0	-0.1

Source: Office for National Statistics – GDP monthly estimate

Monthly gross domestic product (GDP) growth was negative 0.1% in August 2019, following growth in both June and July 2019.

This release incorporates revisions to monthly data for the entire time series, consistent with the [Quarterly national accounts](#) published in September 2019. Overall, revisions to monthly GDP growth were small. However, both June and July 2019 have been revised up by 0.1 percentage points, giving extra strength to the most recent rolling three-month estimate.

The monthly growth rate for GDP is volatile and so 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.

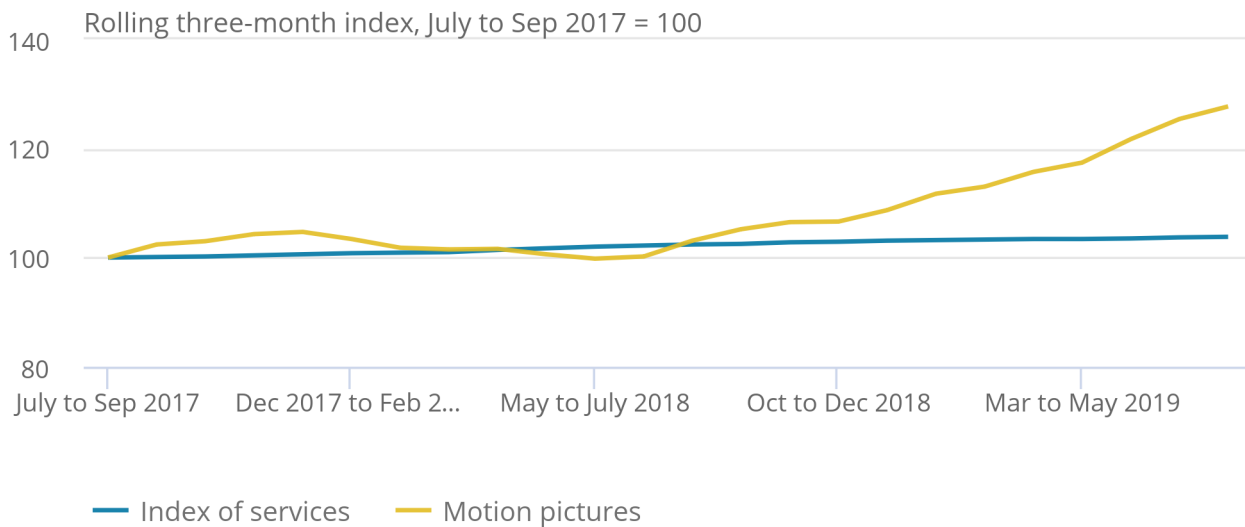
5 . The services sector grew by 0.4% in the three months to August 2019

Figure 3: The motion pictures industry has significantly outperformed services as a whole over the last two years, and is a significant factor in services growth in the most recent three months

Three-month index, July to September 2018 until June to August 2019, July to September 2017 = 100

Figure 3: The motion pictures industry has significantly outperformed services as a whole over the last two years, and is a significant factor in services growth in the most recent three months

Three-month index, July to September 2018 until June to August 2019, July to September 2017 = 100



Source: Office for National Statistics – GDP monthly estimate

Notes:

1. Rolling quarterly estimates are calculated by comparing GDP in a three-month period with GDP in the previous three-month period. For example, GDP in June to August compared with the previous March to May.

Rolling three-month services growth was 0.4% in August 2019, following growth of 0.3% in July 2019. The main contributor to services growth in the three months to August was the professional, scientific and technical sector, which experienced broad-based growth across its sub-industries. However, the sub-industry that had the largest contribution to gross domestic product (GDP) growth was motion pictures (including TV and music), which has been one of the best performing sectors over the last year, growing at a notably faster rate than services as a whole (see Figure 3). More detail can be found in a previous article on the [UK film industry](#).

In August, growth in services was flat, following growth of 0.2% in June and 0.3% in July 2019. The largest positive contributor to services growth was legal activities, which increased after several months of subdued growth, followed by wholesale and retail trade, and repair of motor vehicles. The largest negative contributors were employment activities, and food and beverage service activities.

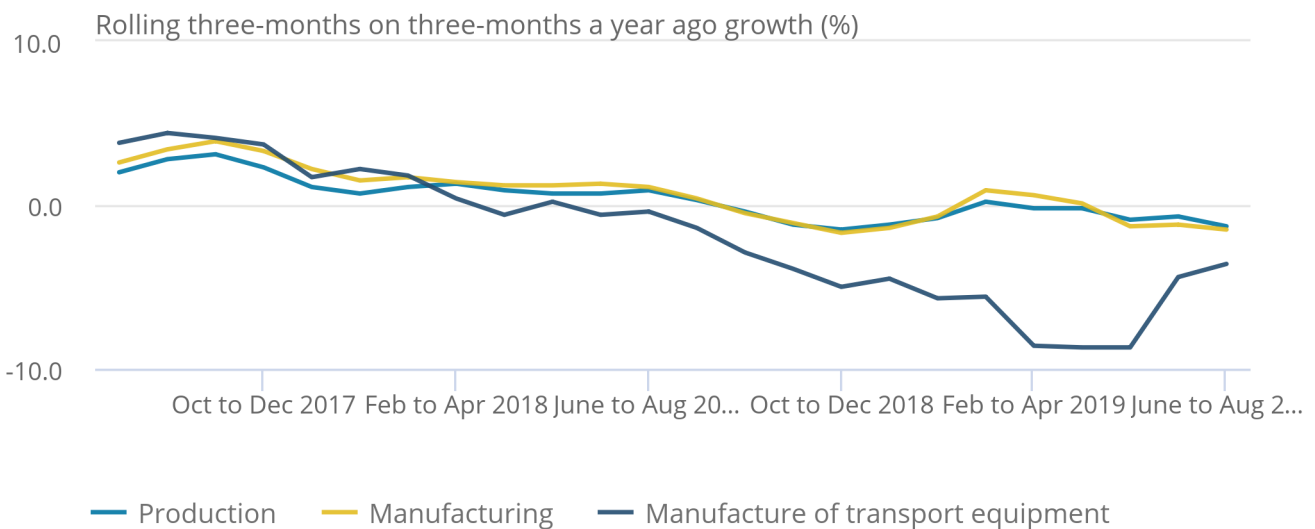
6 . Production and manufacturing showed continued signs of weakness in the three months to August 2019

Figure 4: Growth in the manufacture of transport equipment industry has reduced notably over the last two years

Growth, three months on same three months a year ago, July to September 2017 until June to August 2019

Figure 4: Growth in the manufacture of transport equipment industry has reduced notably over the last two years

Growth, three months on same three months a year ago, July to September 2017 until June to August 2019



Source: Office for National Statistics – GDP monthly estimate

Notes:

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

Rolling three-month growth in the production sector was negative 0.4% in August 2019, with growth in manufacturing at negative 1.1%.

There were widespread falls across manufacturing, offset partially by the manufacture of transport equipment, which is still seeing a bounce back from the weakness in April 2019 as a result of car production plants bringing forward their summer shutdowns. Despite this strength in the most recent period, the longer-term picture for the manufacture of transport equipment is one of weakening growth, as seen in Figure 4. Elsewhere, electricity, gas, steam and air conditioning supply performed well, growing by 3.2%.

Production fell by 0.6% in August 2019, following growth of 0.1% in July. Within production, manufacturing fell by 0.7%. This was driven largely by a fall-back in the often volatile manufacture of pharmaceuticals, following strong growth in July.

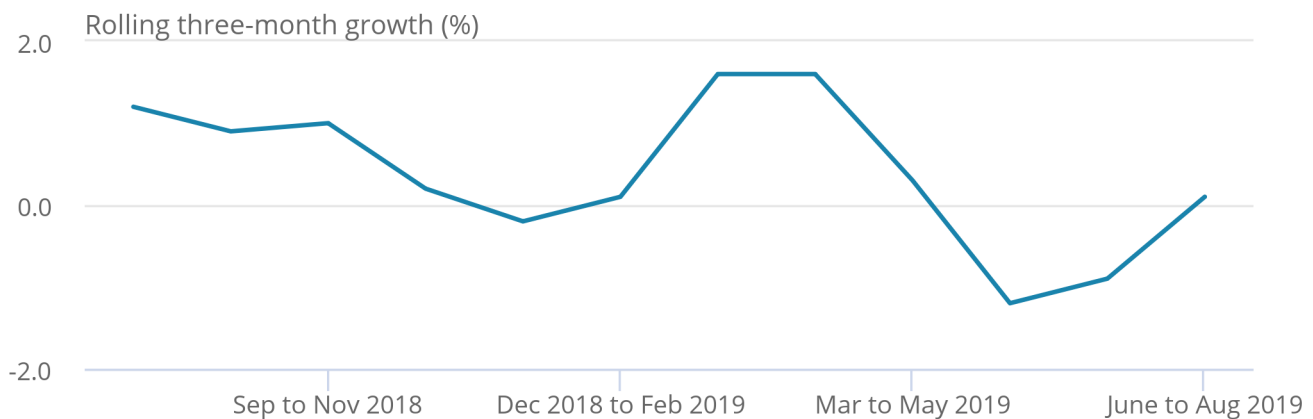
7 . Growth in the construction sector was 0.1% in the three months to August 2019

Figure 5: Output in the construction industry returned to growth in the three months to August 2019

Growth, three-months on three-months, July to September 2018 until June to August 2019

Figure 5: Output in the construction industry returned to growth in the three months to August 2019

Growth, three-months on three-months, July to September 2018 until June to August 2019



Source: Office for National Statistics – GDP monthly estimate

Notes:

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

Rolling three-month growth in the construction sector was 0.1% in August 2019, following a fall of 0.9% in July. This growth was driven by private new housing, public housing repair and maintenance, and private commercial.

Month-on-month growth in construction was 0.2% in August 2019, following growth of 1.8% in July. The largest positive contributor to monthly growth was non-housing repair and maintenance, private commercial and public new housing.

8 . Things you need to know about this release

This release incorporates the revisions to the entire back series published in the [Quarterly national accounts](#) release on 30 September 2019. These data are consistent with the Blue Book 2019, which will be published on 31 October 2019.

A number of methodological changes have been made and improved source data have been used, in addition to revisions caused by taking on updated source data as would happen in all quarterly national accounts releases. Further details about the main changes affecting this release are provided in the latest [Quarterly national accounts](#) release, along with analysis of the revisions to each quarter from 2017 onwards.

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

[Construction output in Great Britain: August 2019](#)

Bulletin | Released 10 October 2019

Short-term measures of output by the construction industry in Great Britain and contracts awarded for new construction work in the UK.

[Index of Production, UK: August 2019](#)

Bulletin | Released 10 October 2019

Movements in the volume of production for the UK production industries: manufacturing, mining and quarrying, energy supply, and water and waste management.

[Index of Services, UK: August 2019](#)

Bulletin | Released 10 October 2019

Monthly movements in output for the services industries.

[Quarterly national accounts: April to June 2019](#)

Bulletin | Released 30 September 2019

Revised quarterly estimate of gross domestic product (GDP) for the UK. Uses additional data to provide a more precise indication of economic growth than the first estimate.

GVA3 Monthly GDP based on GVA (Gross Value Added) ¹
 Chained volume indices of gross value added at basic prices ^{2,3,4,5}

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 ⁶	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
2017 Aug	2.0	7.1	1.7	-2.1	2.4	-0.6	0.7	6.7	1.6	3.3	1.7	1.7	4.6	-4.0	-0.9	4.7	5.2	1.0	1.6	1.1	5.1	2.6	-0.7
Sep	1.8	7.3	2.7	4.9	3.0	0.2	1.8	5.9	1.3	2.3	1.4	0.0	3.8	-3.8	-1.4	5.4	3.5	1.1	1.8	1.0	4.7	2.6	1.6
Oct	1.8	6.0	4.1	15.9	4.9	-4.4	1.6	4.3	1.1	1.5	1.7	1.4	4.0	-3.9	-1.6	4.4	5.0	1.1	1.5	0.2	7.1	2.5	0.1
Nov	1.7	4.8	2.4	7.0	3.7	-5.5	-0.1	6.0	1.2	1.6	2.1	1.2	4.3	-2.9	-1.7	4.8	5.3	1.0	0.8	0.2	3.7	0.9	1.6
Dec	1.5	2.5	0.5	-13.7	1.3	0.8	-0.1	5.9	1.3	0.6	2.2	1.9	5.1	-1.9	-1.1	4.5	5.8	1.1	0.5	0.5	3.1	-0.4	4.3
2018 Jan	1.4	-2.0	0.3	1.4	1.7	-5.7	-4.7	0.2	1.7	2.0	0.2	0.9	5.2	-0.5	0.5	3.9	5.0	0.5	-0.5	1.3	1.2	2.5	12.9
Feb	1.3	-3.6	1.3	2.4	1.6	3.3	-4.0	-0.4	1.5	2.1	-1.2	-1.7	4.0	-0.1	1.0	4.1	3.6	0.3	-0.6	1.2	0.6	3.0	12.0
Mar	1.2	-4.2	1.6	-2.2	1.7	9.9	-5.5	-3.0	1.5	0.9	-1.9	-0.3	5.1	-0.5	1.4	4.5	2.9	0.1	-0.2	1.0	-0.1	2.9	13.0
Apr	1.5	-4.0	0.9	7.8	0.8	1.8	-2.1	-2.1	1.9	1.9	-0.3	0.0	3.8	-0.5	1.5	6.0	6.9	-0.3	0.1	0.6	0.1	1.0	11.3
May	1.6	-4.2	0.1	5.3	1.1	-8.0	-1.2	-0.4	2.1	4.3	0.8	1.2	4.0	-0.3	1.5	4.7	3.8	-0.1	0.4	0.4	1.8	0.4	9.6
Jun	1.8	-4.6	0.9	0.7	1.7	-5.2	1.9	0.5	2.1	3.1	2.5	3.4	2.5	-0.1	1.6	4.2	5.1	0.5	0.4	0.6	4.2	2.0	6.7
Jul	2.1	-5.1	1.0	7.6	1.0	-2.0	0.5	0.9	2.5	4.6	2.2	1.2	3.9	-0.1	1.6	5.2	4.3	1.4	0.4	1.0	2.8	1.7	5.8
Aug	1.9	-5.3	0.9	9.9	0.7	-2.3	1.1	-0.6	2.4	3.9	2.2	2.0	5.1	0.2	1.4	4.5	3.5	1.8	0.4	1.4	2.7	-0.7	8.2
Sep	1.7	-5.0	-0.9	2.6	-0.6	-4.8	-0.9	0.9	2.3	3.0	1.6	3.0	5.6	0.4	1.6	4.1	2.4	1.6	0.6	1.7	2.8	-1.6	8.8
Oct	2.1	-3.5	-1.3	3.7	-1.6	-0.2	-2.0	2.8	2.6	3.7	2.5	3.8	4.0	0.7	1.5	5.5	3.3	1.3	1.3	2.6	1.3	-1.0	13.1
Nov	2.0	-3.2	-1.4	-0.3	-1.1	-2.6	-2.3	0.5	2.7	4.5	3.3	4.2	5.0	-0.1	1.2	4.8	3.0	1.1	1.8	2.5	1.4	-1.7	13.1
Dec	1.3	-3.7	-1.7	22.4	-2.4	-6.1	-2.1	-3.7	2.3	3.7	3.4	4.1	5.0	-0.7	1.3	3.8	1.1	1.3	2.1	2.2	2.0	-2.2	10.9
2019 Jan	1.8	-2.1	-0.4	1.0	-0.6	0.9	-0.6	1.4	2.2	4.5	3.5	4.4	7.8	-2.2	0.5	1.9	2.2	2.2	2.5	1.2	1.9	-4.0	2.2
Feb	2.4	-2.0	-0.2	5.9	0.8	-9.3	-0.9	4.6	2.7	4.2	4.2	5.3	8.9	-3.2	0.5	3.9	4.5	2.7	2.6	1.3	3.3	-3.0	-0.7
Mar	2.4	-1.7	1.1	10.7	2.4	-11.8	0.4	5.3	2.4	5.4	4.7	3.9	6.9	-3.2	0.5	2.7	3.2	3.0	2.6	1.4	3.2	-4.8	-5.8
Apr	1.5	-1.7	-1.6	-2.0	-1.4	-5.0	0.7	3.2	1.9	4.1	3.7	2.5	7.5	-3.6	0.5	1.2	2.4	2.9	2.6	1.7	1.1	-5.4	-6.6
May	1.4	-1.4	0.0	0.4	-0.7	3.5	1.7	2.1	1.6	2.3	2.0	1.4	7.3	-3.1	0.6	1.3	3.1	2.6	2.7	2.0	-0.6	-5.4	-7.8
Jun	1.1	-1.1	-1.0	0.7	-1.8	4.5	-0.8	0.1	1.6	2.1	0.8	2.5	7.4	-2.6	0.5	2.3	0.7	2.0	2.9	2.1	0.1	-5.8	-8.6
Jul	1.3	-0.8	-1.1	-5.9	-0.9	-0.4	-0.4	1.9	1.6	1.5	1.5	1.5	8.2	-2.4	0.6	1.5	2.6	1.5	3.2	2.2	-0.5	-4.4	-10.2
Aug	1.1	-1.0	-1.8	-7.5	-1.7	-1.1	0.4	2.4	1.5	1.8	0.5	1.4	5.3	-2.0	0.7	2.4	1.8	1.2	3.3	2.2	0.1	-3.4	-11.2

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.

6 Monthly data from the construction survey are only available from January 2010, therefore the data prior to this period are derived using statistical methods from the available quarterly data, and should therefore be treated with some caution.

Sources: For further information on these data please telephone 01633 456724 or E-mail gdp@ons.gov.uk

