

Statistical bulletin

# GDP, North East: April to June 2019

Quarterly economic activity for the North East including the construction, production and services industrial sectors.

Contact:  
Ed Ryll  
ed.ryall@ons.gov.uk  
+44 (0)1633 456752

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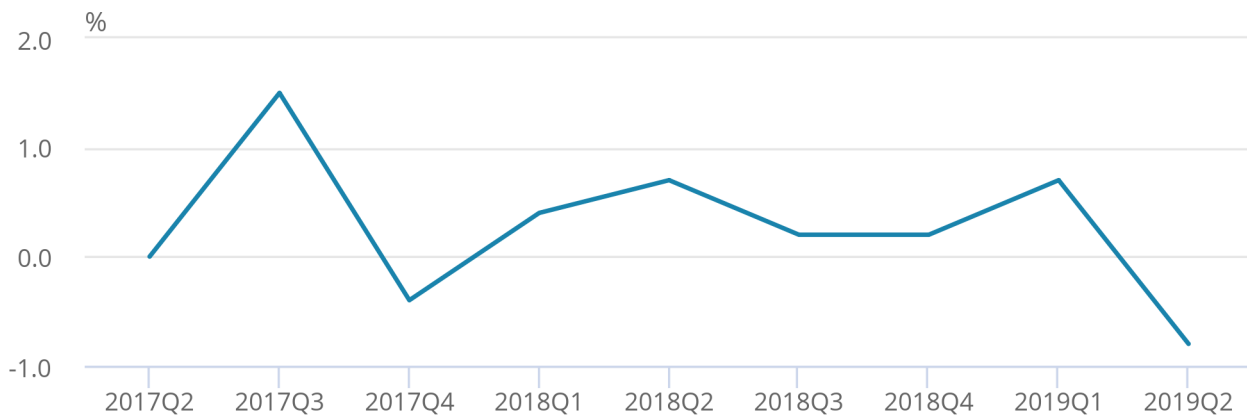
# 1 . Other pages in this release

- [Regions of the UK](#)
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## 2 . GDP growth in the North East was negative 0.8% in Quarter 2 (Apr to June) 2019

Figure 1: Quarter on quarter GDP growth Quarter 3 (July to Sept) 2017 to Quarter 2 (Apr to June) 2019 in the North East

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Source: Office for National Statistics – Regional GDP estimate

Notes:

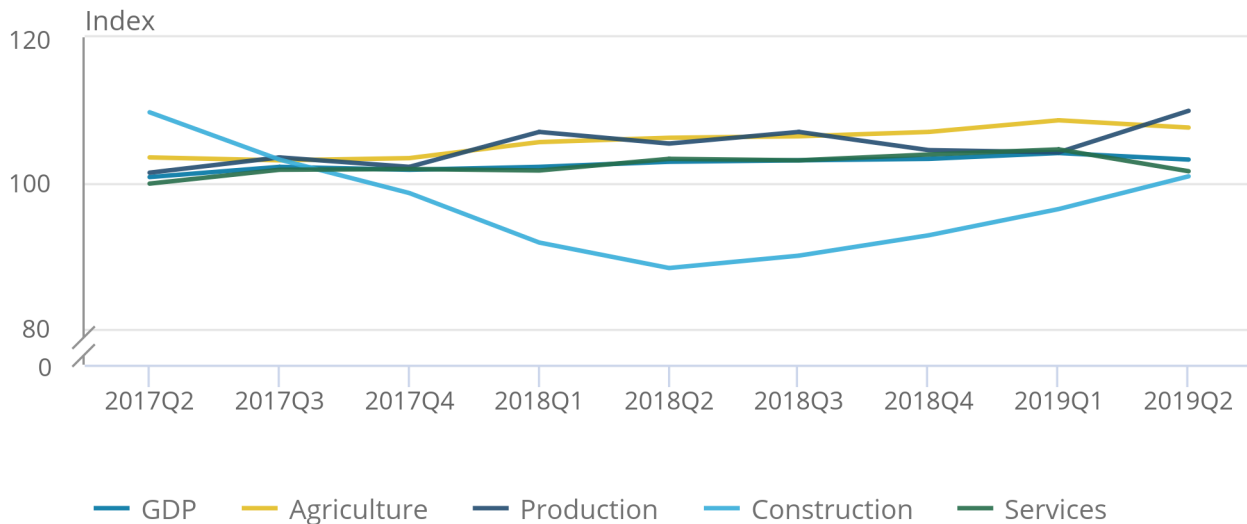
1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to Quarter 3 (July to Sept) and Q4 refers to Quarter 4 (Oct to Dec).

Gross domestic product (GDP) in the North East fell by 0.8% in Quarter 2 (Apr to June) 2019, following growth of 0.7% in Quarter 1 (Jan to Mar) 2019. Compared with the same quarter of the previous year, GDP grew by 0.3%.

### 3 . Services fell in Quarter 2 (Apr to June) 2019

Figure 2: Chained volume indices (2016=100) in GDP in the North East, between Quarter 3 (July to Sept) 2017 and Quarter 2 (Apr to June) 2019

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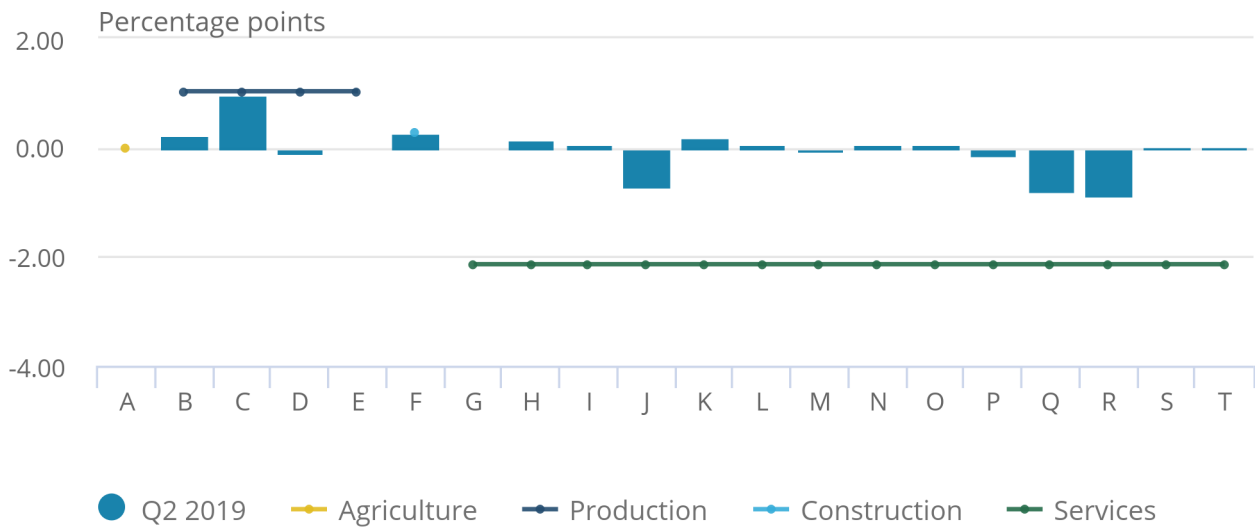
In Quarter 2 (Apr to June) 2019, half of the sectors fell. The services sector had the largest negative growth, at 2.9%, while production grew by 5.4%.

Over the last two years, the North East has shown moderate growth in the production sector. The services sector had been steadily increasing since Quarter 2 2018, but it fell in Quarter 2 2019. Construction fell up until Quarter 2 2018, but this sector saw a recovery in 2018 and continues to show growth.

## 4 . The services sector made the biggest negative contribution to growth in Quarter 2 (Apr to June) 2019

Figure 3: Contributions to GDP in the North East in Quarter 2 (Apr to June) 2019, by industry section

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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

In Quarter 2 (Apr to June) 2019, the arts, entertainment and recreation and human health and social work activities industries fell by 56.0% and 7.4% respectively and made the largest negative contributions to growth in the North East, at negative 0.87 percentage points and negative 0.79 percentage points respectively. The manufacturing industry experienced growth of 6.7% and made the largest positive contribution in the region, at 0.98 percentage points. Within the North East, services sectors contributed negatively to growth in gross domestic product (GDP) in Quarter 2 2019, with a contribution of negative 2.14 percentage points. Output in the production sector positively contributed, at 1.03 percentage points.

## 5 . GDP, UK regions and countries data

[Quarterly country and regional GDP](#)

Dataset | Released 07 February 2020

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).

## 6 . 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 service industries are: wholesale and retail; hotels and restaurants; transport, storage and communication; business services and finance; and government and other services.

## 7 . 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 its employment share within a region. The [quality assurance of administrative data \(QAAD\) report for VAT turnover data](#) is available.

Other volume measure data are used where appropriate or where VAT data have 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.

Additional analysis has allowed us to now publish a longer back series. This includes data from Quarter 2 (Apr to June) 2012. This publication includes a consistent time series of growth rates and indices back to 2012; these data are consistent with the Blue Book 2019-consistent regional accounts estimates published in December 2019. We use a statistical algorithm to automatically align our datasets, to ensure consistency.

We welcome feedback and comments on this publication, including on presentation and further development of other data sources.

## 8 . Strengths and limitations

These data are designated as [Experimental Statistics](#). These are statistics that are in the testing phase. 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 gross domestic product (GDP) are broadly similar, there are some clear differences. For example, in the extent to which Value Added Tax (VAT) data are used in the compilation of these estimates.

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 using automated statistical methods. 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](#).

Following the [announcement](#) by the UK Statistics Authority (UKSA) in March 2019, [Construction Output Price Indices \(OPIs\), UK](#); [Construction output in Great Britain](#); 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.

## 9 . Related links

### [GDP monthly estimate, UK: November 2019](#)

Statistical bulletin | Released 13 January 2020

Gross domestic product (GDP) measures the value of goods and services produced in the UK.

### [Regional economic activity by gross domestic product, UK: 1998 to 2018](#)

Statistical bulletin | Released 19 December 2019

Annual estimates of economic activity by UK country, region and local area using GDP. Estimates are available in current market prices and in chained volume measures and include a full industry breakdown of balanced regional gross value added (GVA(B)).

### [GDP in Scotland](#)

Statistical publication | Released 18 December 2019

This publication includes the updated second estimate of onshore GDP growth in real terms, additional breakdowns of GDP in nominal (cash) terms, and the main household sector statistics.

### [Northern Ireland Composite Economic Index](#)

Release | Released 16 January 2020

The Northern Ireland Composite Economic Index (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 23 January 2020

Data showing the short-term movements in the output of industries in the production, construction and market services sectors.