

Statistical bulletin

# Business investment in the UK: April to June 2024 revised results

Estimates of short-term indicators of investment in non-financial assets; business investment and asset and sector breakdowns of total gross fixed capital formation.

Contact:  
Gross Capital Formation team  
gcf@ons.gov.uk  
+44 1633 455250

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# 1 . Main points

- UK business investment increased by 1.4% in Quarter 2 (Apr to June) 2024, revised up from a 0.1% decrease in the provisional estimate.
- The largest contributors to business investment growth were increases in buildings and transport investment.
- UK business investment is 0.2% above where it was the same quarter a year ago.
- UK whole economy investment (technically known as gross fixed capital formation (GFCF)), which includes business and public sector investment, increased by 0.6% in Quarter 2 2024, revised up from a 0.4% increase in the provisional estimate.
- UK GFCF is 0.7% above where it was the same quarter a year ago.

## 2 . Business investment and whole economy investment data

This bulletin contains the latest updates to UK business investment and UK whole economy investment (technically known as gross fixed capital formation (GFCF)), which includes business and public sector investment data.

In line with the National Accounts Revisions Policy, this release contains data that are consistent with the UK National Accounts, the Blue Book 2024, which will be released on 31 October 2024. Our [Blue Book 2024: advanced aggregate estimates release](#) showed the pre-announced revisions to real business investment and GFCF quarterly growth up to 2022. This bulletin now includes revisions from 2023 onwards.

We have also moved the base year from 2019 to 2022, to fully reflect the changes in the composition of the economy for the first time following the coronavirus (COVID-19) pandemic.

### **Business investment has increased at a greater rate than gross fixed capital formation (GFCF) since 2022**

**UK business investment and whole economy investment, chained volume measure, seasonally adjusted, Quarter 1 (Jan to Mar) 1997 to Quarter 2 (Apr to June) 2024**

#### **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).
2. UK business investment, chained volume measure, seasonally adjusted, excluding the reclassification of British nuclear fuels (BNFL) in Quarter 2 2005.
3. Quarter 2 2020 was the largest fall on record for GFCF, excluding the reclassification of BNFL in Quarter 2 2005.
4. Index is referenced to 2022 equals 100.

## **Business investment**

UK business investment increased by 1.4% in Quarter 2 2024 and is 0.2% above where it was the same quarter a year ago.

The Quarter 2 2024 growth is driven by positive contributions from buildings, transport, and intellectual property products (IPP). This is partially offset by a negative contribution from information and communication technology (ICT) equipment and other machinery and equipment.

The largest contributions to business investment growth were increases in buildings and transport investment. The increase in transport investment is partly the result of an increase in purchases of fleet vehicles. This is further supported by new car registration data from the Society of Motor Manufacturers and Traders (SMMT), which show fleet vehicle registrations increased each month in Quarter 2 2024.

## Whole economy investment

UK GFCF increased by 0.6% in Quarter 2 2024 and is 0.7% above where it was the same quarter a year ago. The main contributors to the growth in GFCF in the latest quarter are buildings, IPP, and transport. These positive contributions are partially offset by falls in dwellings, and ICT equipment and other machinery and equipment investment.

Government investment increased by 2.1% in Quarter 2 2024, revised down from a 2.6% increase in the provisional estimate.

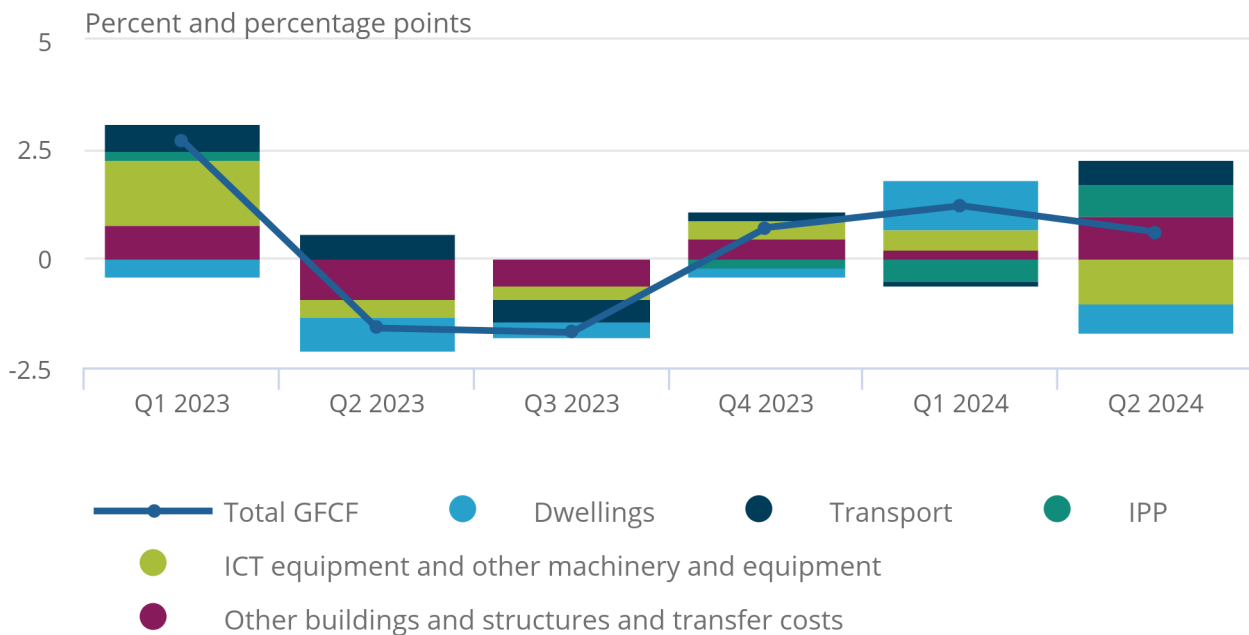
This is the third consecutive period of positive growth for GFCF, as shown in Figure 2, following falls in GFCF in Quarter 2 and Quarter 3 (July to Sep) 2023. These falls in Quarter 2 and Quarter 3 2023 were partly a result of a fall in other machinery and equipment investment, after a strong Quarter 1 2023 growth. In Quarter 1 2023, an increase in other machinery and equipment investment partly reflected investment being brought forward in response to the super-deduction allowance, which ended on 31 March 2023.

**Figure 2: Gross fixed capital formation (GFCF) had positive growth in the most recent three quarters, after declining in the middle of 2023**

Contributions to UK whole economy investment growth by asset, chained volume measure, seasonally adjusted, Quarter 1 (Jan to Mar) 2023 to Quarter 2 (Apr to June) 2024

Figure 2: Gross fixed capital formation (GFCF) had positive growth in the most recent three quarters, after declining in the middle of 2023

Contributions to UK whole economy investment growth by asset, chained volume measure, seasonally adjusted, Quarter 1 (Jan to Mar) 2023 to Quarter 2 (Apr to June) 2024



Source: Business investment in the UK from the 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) and Q4 refers to Quarter 4 (Oct to Dec).

## 3 . Revisions to business investment and whole economy investment data

### Business investment

In this release, UK business investment for Quarter 2 (Apr to June) 2024 has been revised up to a 1.4% increase from a 0.1% fall in the provisional estimate. This revision is because of increased contributions from buildings, transport, and intellectual property products (IPP) investment, and slightly offset by a downward revision to information and communication technology (ICT) equipment and other machinery and equipment investment. This is consistent with the data in our [Business investment in the UK: April to June 2024 provisional bulletin](#), where buildings, transport, and IPP also contributed positively to UK business investment. Revisions from later survey data have increased the positive contributions from each of these assets in the latest quarter.

In 2023, business investment was revised downwards in Quarter 2, 3 (July to Sep), and 4 (Oct to Dec) 2023. The downwards revision in Quarter 2 2023 was predominantly caused by transport investment. Transport investment can be particularly volatile because of the high value of some transport equipment. Transport investment was particularly high in Quarter 2 2023 because of increased investment in air transport, as airlines renewed their fleets. Though transport investment for Quarter 2 2023 has reduced slightly, it remains the only component of business investment to have contributed positively during that quarter. Downwards revisions to private sector buildings investment are the largest contributors to the Quarter 3 and 4 2023 revisions. The effect of these revisions can be seen in Figure 4, as they are the primary contributors to the gross fixed capital formation (GFCF) revisions in these periods.

## Whole economy investment

UK whole economy investment (technically known as GFCF), which includes business and public sector investment, increased by 0.6% in Quarter 2 2024, revised up from a 0.4% increase in the provisional estimate. This upwards revision is the result of positively revised contributions from transport, buildings, and IPP investment. Dwellings, and ICT equipment and other machinery and equipment contributions were revised downwards from the provisional estimate.

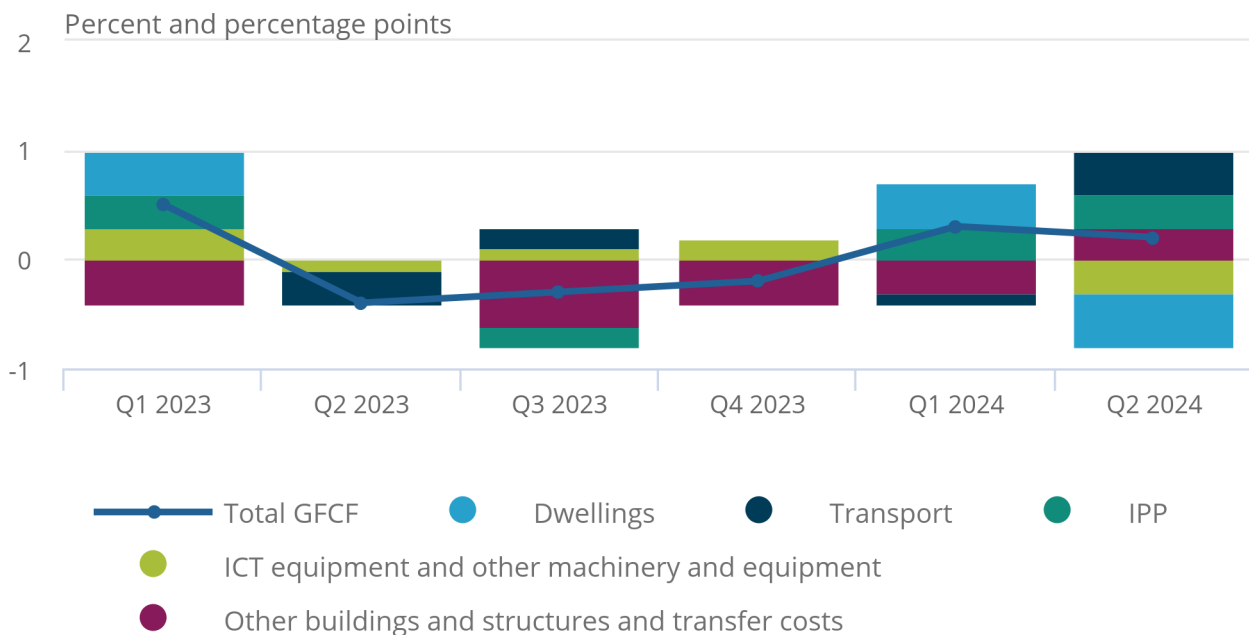
The revisions to contributions to GFCF growth since Quarter 1 (Jan to Mar) 2023 can be seen in Figure 3. The largest revision over this period occurred in Quarter 1 2023, where an upwards revision of 0.5 percentage points was caused by an increase in contributions from dwellings, IPP, and ICT equipment and other machinery and equipment.

**Figure 3: Gross fixed capital formation (GFCF) growth was revised upwards in the first two quarters of 2024**

Revisions to UK whole economy investment contributions to growth by asset, chained volume measure, seasonally adjusted, Quarter 1 (Jan to Mar) 2023 to Quarter 2 (Apr to Jun) 2024

### Figure 3: Gross fixed capital formation (GFCF) growth was revised upwards in the first two quarters of 2024

Revisions to UK whole economy investment contributions to growth by asset, chained volume measure, seasonally adjusted, Quarter 1 (Jan to Mar) 2023 to Quarter 2 (Apr to Jun) 2024



Source: Business investment in the UK from the 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) and Q4 refers to Quarter 4 (Oct to Dec).

## Blue Book 2024-consistent revisions (before 2023)

This dataset is released annually and is consistent with the UK National Accounts Blue Book 2024. We have updated a number of data sources for our whole economy investment (technically known as GFCF) estimates.

This includes revisions to data from our Quarterly Acquisitions and Disposals of Capital Assets Survey (QCAS) and the Annual Business Survey (ABS). There have also been updates to central and local government data sources, including revisions to construction and weapons data.

This release also includes updates from the latest seasonal adjustment review. Each year, the seasonal adjustment models used to process GFCF data are reviewed to ensure they are still appropriate following revisions to the data.

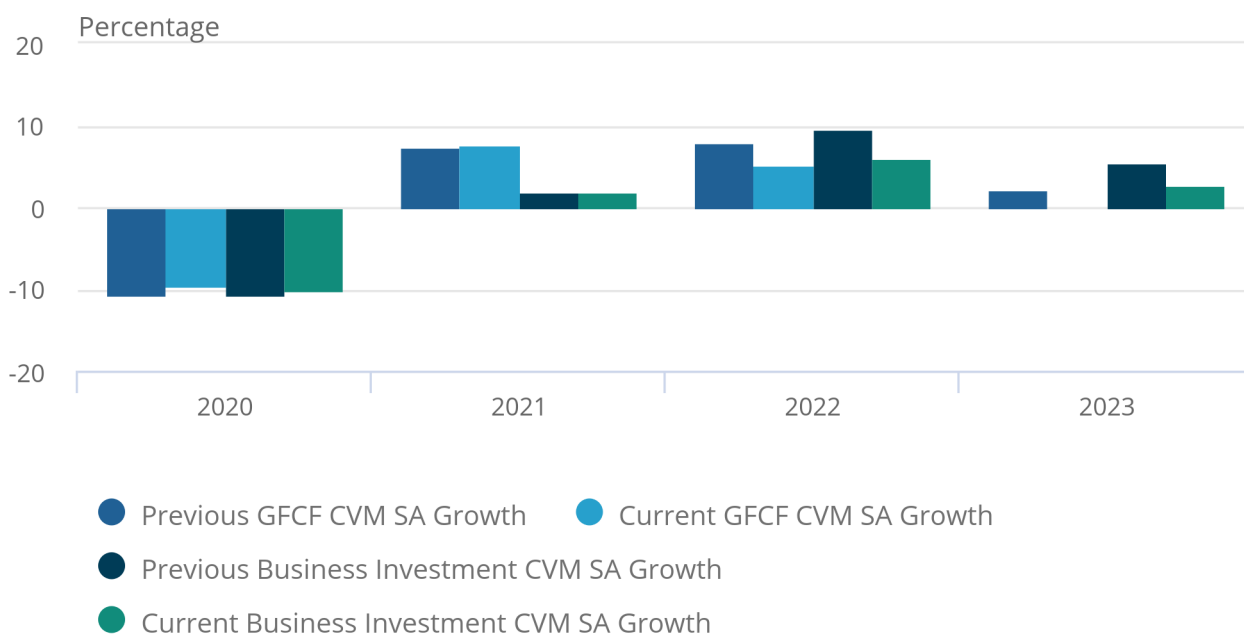
Between 2020 and 2023, annual GFCF and business investment both saw the largest absolute revisions in 2022, as shown in Figure 4. Buildings investment had the largest contribution to the revisions in 2022, and there were smaller downwards revisions for dwellings, transport, and IPP. This downwards revision was largely caused by revisions to the data from the QCAS and ABS, which are two of our largest data sources.

### Figure 4: Annual GFCF and business investment have had downwards revisions to growth in the latest two years

Annual gross fixed capital formation (GFCF) and business investment revisions to growth, chained volume measure, seasonally adjusted, 2020 to 2023

#### Figure 4: Annual GFCF and business investment have had downwards revisions to growth in the latest two years

Annual gross fixed capital formation (GFCF) and business investment revisions to growth, chained volume measure, seasonally adjusted, 2020 to 2023



Source: Business investment in the UK from the Office for National Statistics

## 4 . International comparisons of whole economy investment for the G7 nations

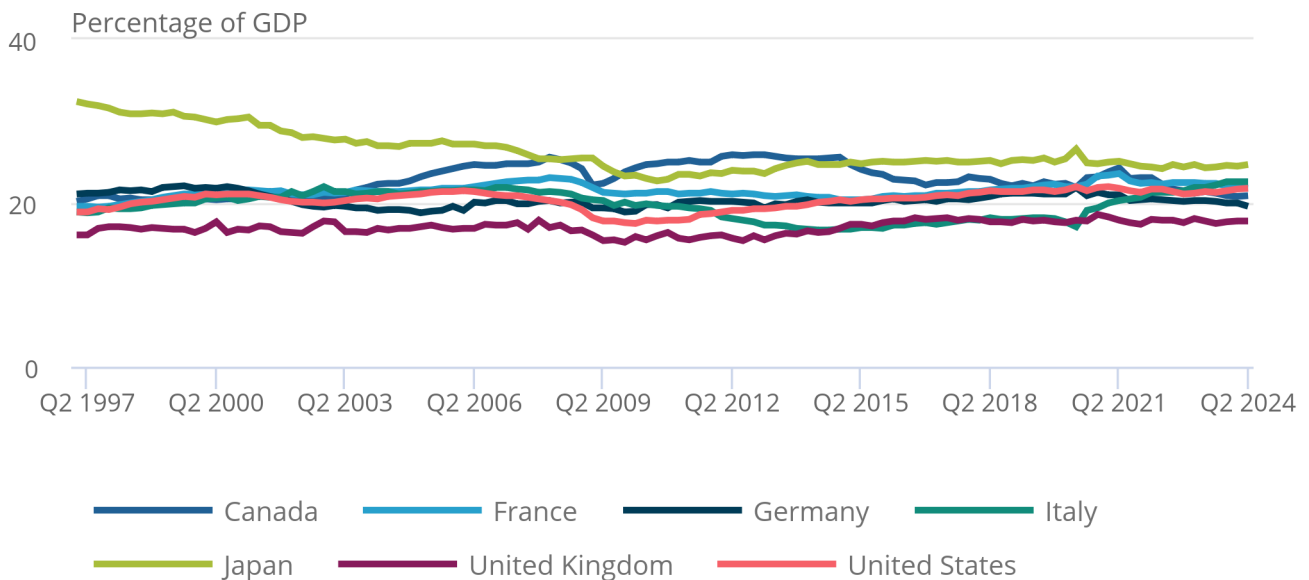
Using data collated by the Organisation for Economic Co-operation and Development (OECD) from relevant national statistical institutes, we can compare whole economy investment (labelled gross fixed capital formation (GFCF) in OECD data tables) within the G7 nations. Figure 5 shows quarterly whole economy investment as a percentage of GDP for the G7 nations from Quarter 1 (Jan to Mar) 1997, onwards. Whole economy investment in the UK was 17.8% of GDP in Quarter 2 (Apr to June) 2024, the lowest of the G7 nations.

**Figure 5: G7 nations gross fixed capital formation (GFCF) as a percentage of gross domestic product (GDP)**

Chained volume measures, seasonally adjusted, Quarter 1 (Jan to Mar) 1997 to Quarter 2 (Apr to June) 2024

### Figure 5: G7 nations gross fixed capital formation (GFCF) as a percentage of gross domestic product (GDP)

Chained volume measures, seasonally adjusted, Quarter 1 (Jan to Mar) 1997 to Quarter 2 (Apr to June) 2024



Source: Business investment in the UK from the Office for National Statistics and OECD

**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).
2. The Group of 7 (G7) nations is an intergovernmental organisation consisting of Canada, France, Germany, Italy, Japan, the UK and the US.
3. Data were sourced from the [Organisation for Economic Co-operation and Development](#) (OECD) on 23 September 2024. They were the latest available data at the time of production of this bulletin and included provisional data that may have been subsequently revised.



## 5 . Data on business investment

### [Business investment by asset](#)

Dataset | Released on 30 September 2024

Detailed breakdown of business investment by asset, in current prices and chained volume measures, non-seasonally adjusted and seasonally adjusted, UK.

### [Business investment by industry and asset](#)

Dataset | Released on 30 September 2024

Detailed breakdown of business investment by industry and asset, in current prices and chained volume measures, non-seasonally adjusted and seasonally adjusted, UK, Quarter 1 (Jan to Mar) 1997 to Quarter 2 (Apr to June) 2024.

### [Gross fixed capital formation – by sector and asset](#)

Dataset | 30 September 2024

Sector and asset breakdowns of gross fixed capital formation (GFCF), including business investment and revisions.

### [Quarterly Stocks Survey \(QSS\) and Quarterly Acquisitions and Disposals of Capital Assets Survey \(QCAS\) textual data analysis - Office for National Statistics](#)

Dataset | Released 30 September 2024

Based on qualitative responses from businesses to our Quarterly Acquisitions and Disposals of Capital Assets Survey (QCAS) and Quarterly Stocks Survey (QSS).

### [Annual Gross fixed capital formation by industry and asset](#)

Dataset | Released 31 October 2023

Annual estimates of gross fixed capital formation (investment) by industry and asset, in current prices and chained volume measures, consistent with the UK National Accounts.

## 6 . Glossary

## 7 . Data sources and quality

Quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in our [Business investment quality and methodology information \(QMI\)](#).

### Revisions

In line with the [National Accounts Revisions Policy](#), this release contains data that are consistent with the UK National Accounts, the Blue Book 2024, which will be released on 31 October 2024. Our [Blue Book 2024: advanced aggregate estimates release](#) showed the pre-announced revisions to real business investment and GFCF quarterly growth up to 2022. This bulletin now includes revisions from 2023 onwards.

### Data in this bulletin

All data in this bulletin are presented in chained volume measure (CVM), unless otherwise specified. This means the effect of price changes is removed from the data (in other words, the data are deflated).

In Quarter 1 2024, the Quarterly Acquisitions and Disposals of Capital Assets Survey (QCAS), the largest data source for gross fixed capital formation (GFCF) and business investment, had a response rate of 75.9% for estimates used in the revised release.

## Adjustments

Large capital expenditure tends to be reported later in the data collection period than smaller capital expenditure. This means that larger expenditures are often included in the revised (month three) results but are not reported in time for the provisional (month two) results. This can result in upward revisions in the later estimates for business investment and GFCF. Following investigation of the impact of this effect, from Quarter 3 (July to Sept) 2013, the option for a bias adjustment was introduced in the provisional estimate.

This adjustment was suspended in Quarter 2 2020 because of uncertainties surrounding the effect of the coronavirus (COVID-19) pandemic. However, after further investigation and analysis of its impact, the option for a bias adjustment was reintroduced to business investment and GFCF from Quarter 4 (Oct to Dec) 2021. As usual, we have removed the bias adjustment for the revised release.

## Accredited official statistics

These accredited official statistics were independently reviewed by the Office for Statistics Regulation in September 2013. They comply with the standards of trustworthiness, quality and value in [the Code of Practice for Statistics](#) and should be labelled “accredited official statistics”.

## 8 . Related links

### [GDP quarterly national accounts UK: January to March 2024](#)

Bulletin | Released 30 September 2024

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.

### [The national balance sheet and capital stocks, preliminary estimates, UK: 2024](#)

Bulletin | Released 13 June 2024

Preliminary annual estimates of the national balance sheet, by type of financial and non-financial asset for the UK. Includes estimates of net capital stocks that are used in the production process and their loss of value over time.

### [Capital stocks and fixed capital consumption, UK: 2023](#)

Bulletin | Released 8 December 2023

Annual estimates of the value and types of non-financial assets used in the production of goods or services within the UK economy and their loss in value over time.

### [Experimental regional gross fixed capital formation \(GFCF\) estimates by asset type, UK: 1997 to 2022](#)

Article | Released 8 December 2023

Gross fixed capital formation estimates broken down by asset type, international territorial levels and local authority districts.

### [A short guide to gross fixed capital formation and business investment](#)

Article | Released 25 May 2017

This article provides a useful background of how to interpret, compare and analyse statistics regarding gross fixed capital formation and business investment.

## 9 . Cite this statistical bulletin

Office for National Statistics (ONS), released 30 September 2024, ONS website, statistical bulletin, [Business investment in the UK: April to June 2024 revised results](#)

