

Statistical bulletin

GDP monthly estimate, UK: January 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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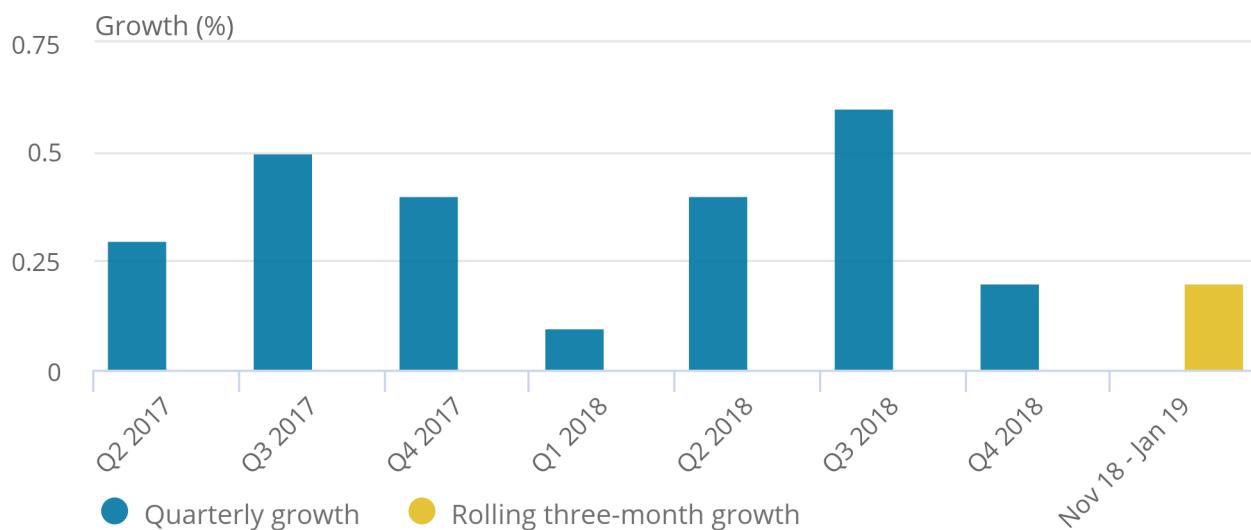
1 . UK gross domestic product (GDP) grew by 0.2% in the three months to January 2019

Figure 1: Rolling three-month growth remained at the same rate seen in Quarter 4 (Oct to Dec) 2018

UK GDP growth, Quarter 2 (Apr to June) 2017 to November 2018 to January 2019

Figure 1: Rolling three-month growth remained at the same rate seen in Quarter 4 (Oct to Dec) 2018

UK GDP growth, Quarter 2 (Apr to June) 2017 to November 2018 to January 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 November to January compared with the previous August to October.

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

"Across the latest three months, growth remained weak with falls in manufacture of metal products, cars and construction repair work all dampening economic growth. These were offset by strong performances in wholesale, IT and health services."

"This sluggish growth came despite the economy bouncing back from a weak December."

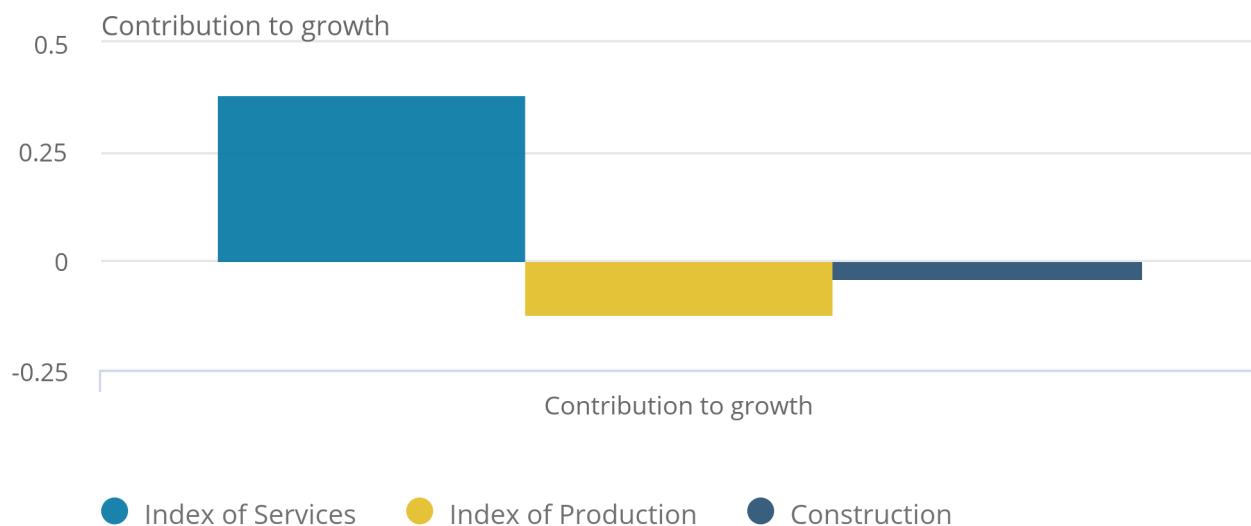
2 . The services sector was the main driver of GDP growth, while the production and construction sectors contracted

Figure 2: The services sector was the only positive contributor to GDP growth, at 0.38 percentage points

Contribution to GDP growth, UK, November 2018 to January 2019

Figure 2: The services sector was the only positive contributor to GDP growth, at 0.38 percentage points

Contribution to GDP growth, UK, November 2018 to January 2019



Source: Office for National Statistics – GDP monthly estimate

The services sector was the largest contributor to rolling three-month gross domestic product (GDP) growth, increasing by 0.5% in the three months to January 2019. However, the production and construction sectors had negative contributions to GDP growth, contracting by 0.8% and 0.6%, respectively.

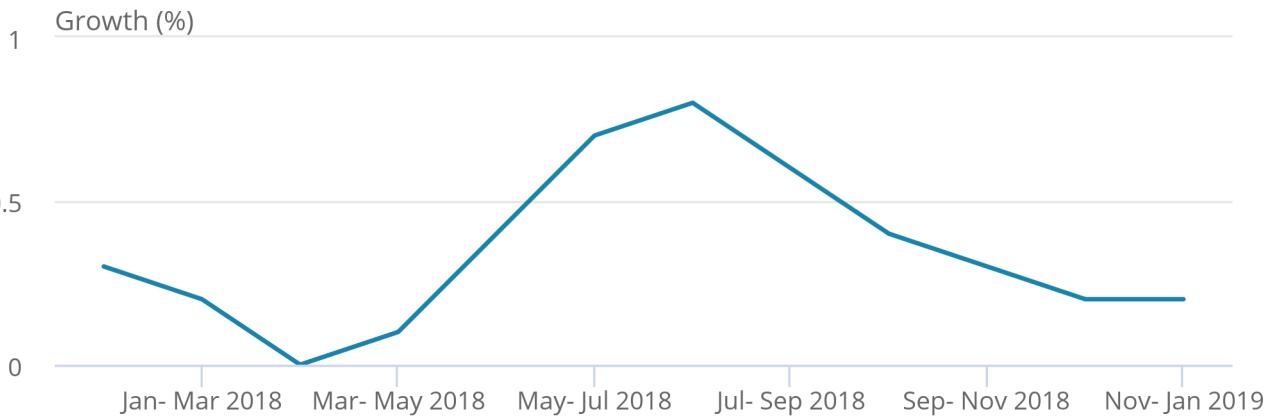
3 . Rolling three-month growth was 0.2% in the three months to January 2019

Figure 3: Rolling three-month growth remained subdued in January 2019 after slowing since August 2018

Growth, three-months on previous three-months, UK, December 2017 to February 2018 until November 2018 to January 2019

Figure 3: Rolling three-month growth remained subdued in January 2019 after slowing since August 2018

Growth, three-months on previous three-months, UK, December 2017 to February 2018 until November 2018 to January 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 November to January compared with the previous August to October.

Rolling three-month growth was 0.2% in January 2019, the same growth rate as in December 2018.

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 grew by 0.5% in January 2019

Table 1: Breakdown of GDP growth rates by month
UK, November 2018 to January 2019

	November 18	December 18	January 19
GDP	0.2%	-0.4%	0.5%
Index of Services	0.3%	-0.2%	0.3%
Index of Production	-0.3%	-0.5%	0.6%
Manufacturing	-0.1%	-0.7%	0.8%
Construction	0.1%	-2.8%	2.8%
Agriculture	0.5%	0.4%	-1.3%

Source: Office for National Statistics, GDP monthly estimate

Monthly gross domestic product (GDP) growth was 0.5% in January 2019, as the economy rebounded from the negative growth seen in December 2018. Services, production, manufacturing and construction all experienced positive month-on-month growth in January 2019 after contracting in December 2018.

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.

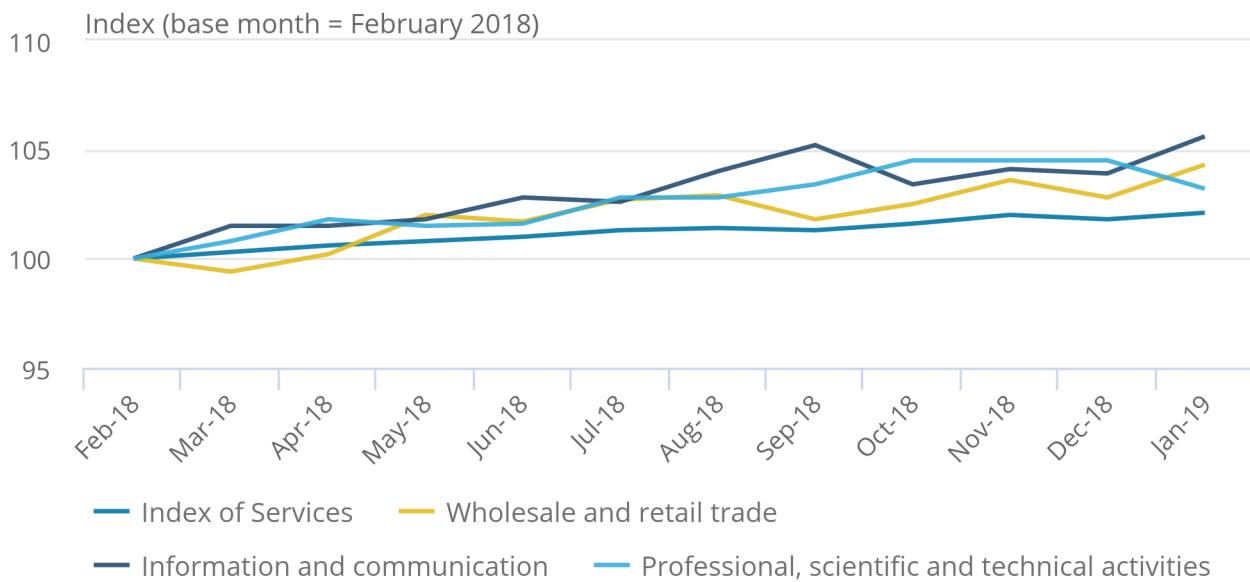
5 . The services sector grew by 0.5% in the three months to January 2019

Figure 4: Output in IT, wholesale and retail increased in January 2019, while professional activities output declined

Monthly index, UK, February 2018 to January 2019, base month February 2018

Figure 4: Output in IT, wholesale and retail increased in January 2019, while professional activities output declined

Monthly index, UK, February 2018 to January 2019, base month February 2018



Source: Office for National Statistics – GDP monthly estimate

The services sector grew by 0.3% in the month of January 2019. The main drivers of growth within services were wholesale and retail trade, with growth of 1.4%, and information and communication, with growth of 1.7%. These both saw a return to growth after falling slightly last month (Figure 4). The largest negative contributor to growth within services was professional, scientific and technical activities, which contracted by 1.3% on the month. This subsector saw a steep decline in output in January 2019, despite performing relatively well over the past year.

Rolling three-month growth in the services sector was 0.5% in January 2019. The main contributor to this was wholesale and retail trade, with growth of 1.1%. This was driven mostly by wholesale trade.

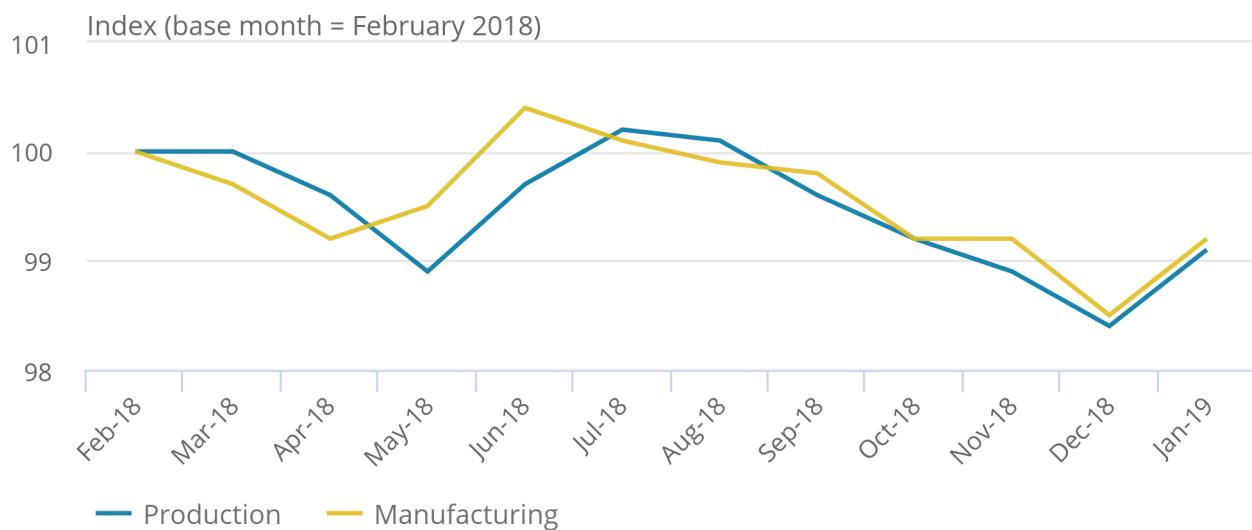
6 . Rolling three-month production growth fell, driven by manufacturing, despite both increasing on the month

Figure 5: Monthly production and manufacturing output increased for the first time since mid-2018

Monthly index, UK, February 2018 to January 2019, base month February 2018

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Monthly index, UK, February 2018 to January 2019, base month February 2018



Source: Office for National Statistics – GDP monthly estimate

Production output grew by 0.6% in the month of January 2019. Three out of four main subsectors grew this month. Both the manufacturing subsector and the mining and quarrying subsector grew by 0.8%, while electricity and gas rose by 0.3%. Meanwhile, water supply fell by 0.9%. This was the first positive monthly manufacturing growth in seven months and the first positive monthly production growth in six months.

Rolling three-month growth in the production industries was negative 0.8%. This was driven by a fall of 0.7% in manufacturing, although mining and quarrying fell by 1.7% and electricity and gas also fell by 1.7%.

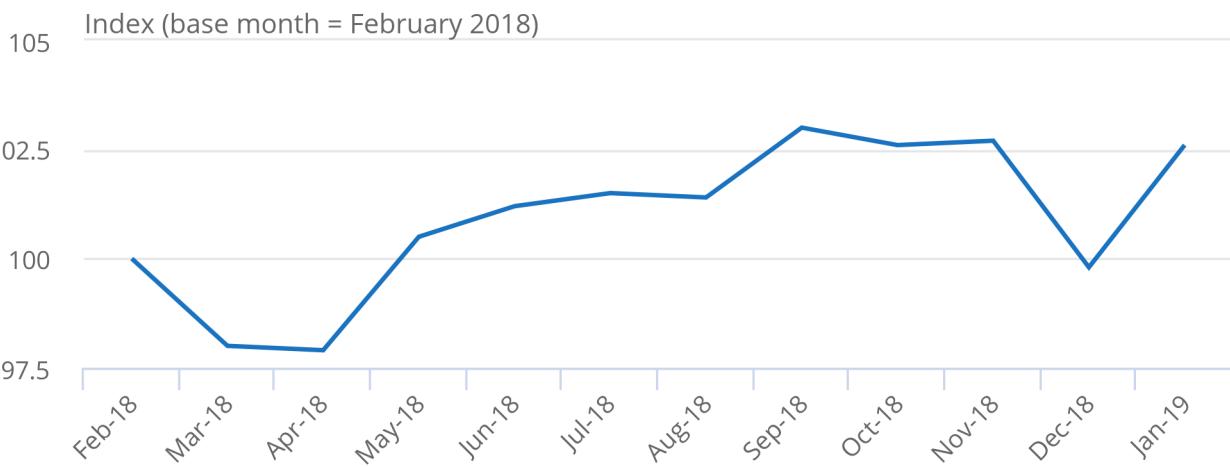
7 . Monthly growth in construction bounced back in January 2019 after negative growth in December 2018

Figure 6: Construction output has returned to a similar level to that in November 2018, after falling in December 2018

Monthly index, UK, February 2018 to January 2019, base month February 2018

Figure 6: Construction output has returned to a similar level to that in November 2018, after falling in December 2018

Monthly index, UK, February 2018 to January 2019, base month February 2018



Source: Office for National Statistics – GDP monthly estimate

Month-on-month growth in construction was 2.8% in January 2019. This was driven largely by non-housing repair and maintenance, and infrastructure. This followed a fall of 2.8% in December 2018, which was driven by private housing new work, although this industry had performed relatively strongly over the year.

Rolling three-month growth in construction was negative 0.6% in January 2019.

8 . Things you need to know about this release

Following the [announcement](#) by the UK Statistics Authority on 7 March 2019, Construction Output Price Indices, Great Britain Construction Output Statistics and Construction New Orders have been re-designated as National Statistics. For more information, see the [Construction output in Great Britain](#) 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

