

Statistical bulletin

GDP, North East: October to December 2018

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

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1 . Other pages in this release

- [Regions of the UK](#)
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2 . Main points

- Gross domestic product growth in the North East was 0.0% in Quarter 4 (Oct to Dec) 2018.
- Estimates of quarterly GDP in the English regions and Wales are published here for the first time, alongside data previously published by the Scottish Government and the Northern Ireland Statistics and Research Agency (NISRA).

These estimates are designated as [Experimental Statistics](#) and should be interpreted with some caution. Regional data can be volatile and quarterly movements should be considered alongside the long-term trend. To assist with this, quarter on same quarter a year ago data are published alongside the latest quarter-on-quarter estimates.

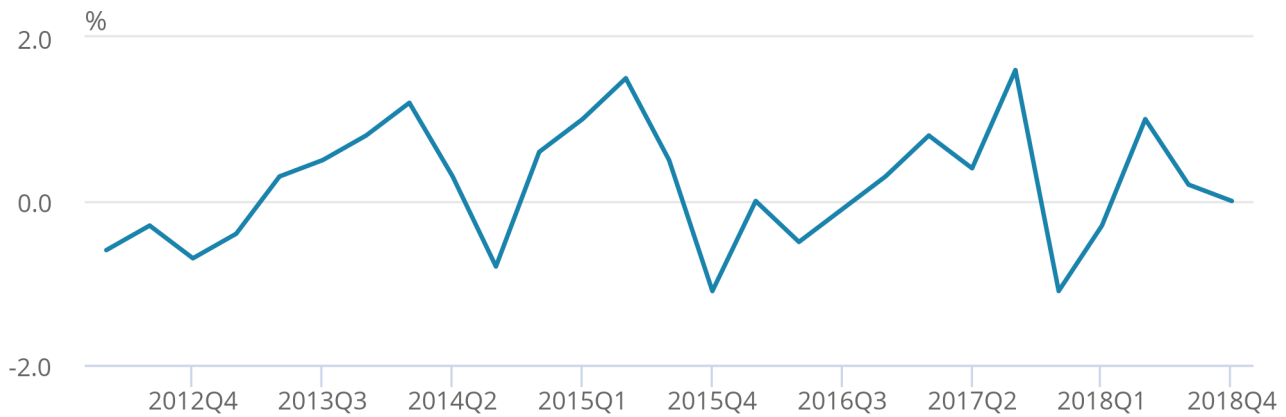
3 . GDP in the North East

Figure 1: Gross domestic product growth in the North East was 0.0% in Quarter 4 (Oct to Dec) 2018

Quarter on quarter gross domestic product growth, Quarter 2 (Apr to June) 2012 to Quarter 4 (Oct to Dec) 2018, the North East

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Quarter on quarter gross domestic product growth, Quarter 2 (Apr to June) 2012 to Quarter 4 (Oct to Dec) 2018, the North East



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), Q4 refers to Quarter 4 (Oct to Dec).

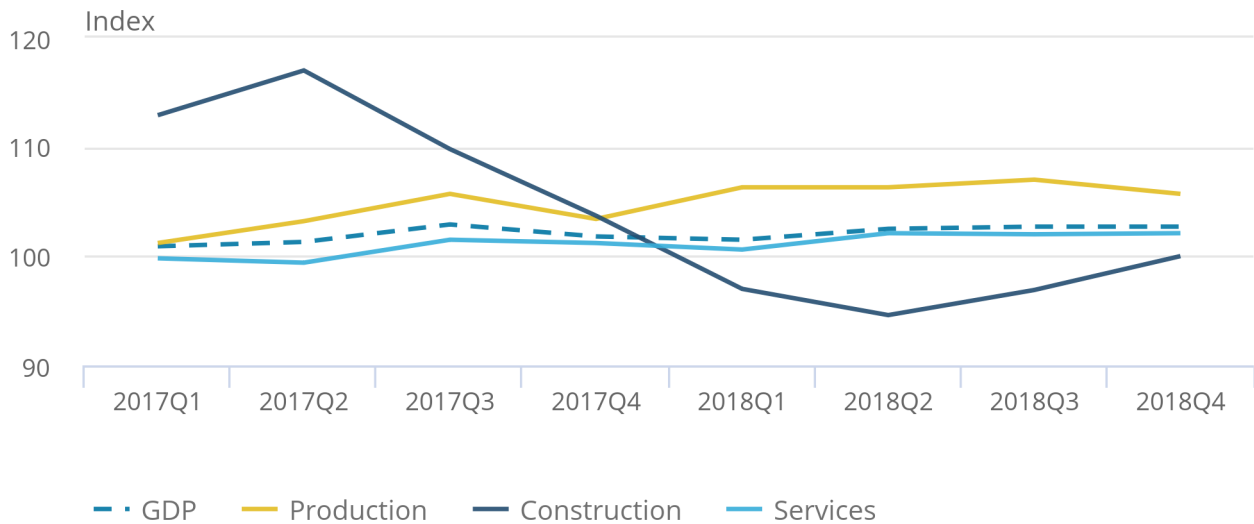
Gross domestic product (GDP) in the North East had flat growth to one decimal place in Quarter 4 (Oct to Dec) 2018, following positive growth of 0.2% in Quarter 3 (July to Sept) 2018. Compared with the same quarter of the previous year, GDP grew by 0.9%.

Figure 2: Production and services remained stable in 2018

Chained volume indices (2016=100) in GDP in the North East, 2017 to 2018

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Chained volume indices (2016=100) in GDP in the North East, 2017 to 2018



Source: Office for National Statistics – Regional GDP estimate

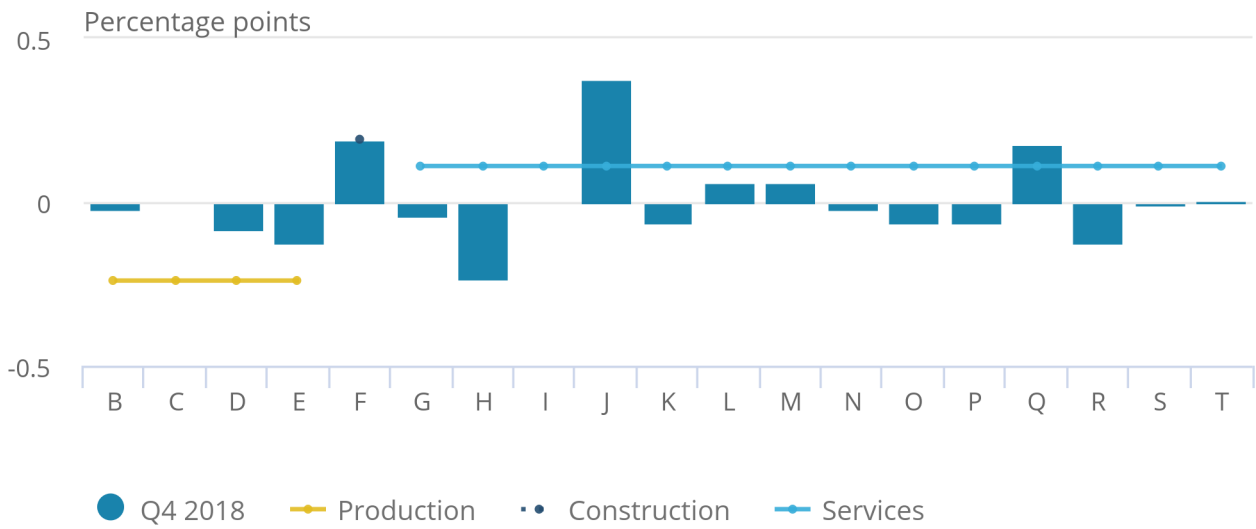
Production had the largest growth relative to 2016, and construction in the North East decreased from Quarter 2 (Apr to June) 2017 to Quarter 2 2018. Although increasing since Quarter 2 2018, construction has returned to its 2016 level.

Figure 3: Information and communication industry made the biggest contribution to growth in Quarter 4 (Oct to Dec) 2018

Contributions to GDP growth in the North East, Quarter 4 (Oct to Dec) 2018, by industry section

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Contributions to GDP growth in the North East, Quarter 4 (Oct to Dec) 2018, by industry section



Notes:

Sector names

B - E. Production
F. Construction
G - T. Services

Industry names

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 4 (Oct to Dec) 2018, the information and communication and construction industries grew by 6.8% and 3.2% respectively and made the largest positive contributions to growth in the North East at 0.38 percentage points and 0.19 percentage points respectively. The transportation and storage industry experienced negative growth of 5.8% and made the largest negative contribution in the region at 0.23 percentage points. Within the North East, services sectors contributed positively to GDP growth in Quarter 4 2018, with a contribution of 0.11 percentage points. Output in the production sector contracted, at negative 0.24 percentage points.

4 . Data

[Quarterly country and regional GDP](#)

Dataset | Released 5 September 2019

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).

5 . 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

Sections B to E.

Construction

Section F.

Services

Sections G to T.

6 . Measuring these 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 their employment share within a region. There is also a [quality assurance of administrative data \(QAAD\) report for VAT data](#).

Other volume measure data are used where appropriate, or where VAT data has insufficient coverage. A full list of other data sources is included in the [methodology article](#).

Detailed [methodology](#) for these statistics is available.

A detailed analysis of these new data is planned for the Economic review to be published in October 2019.

7 . Strengths and limitations

These data are designated as [Experimental Statistics](#). These are statistics that are in the testing phase and not yet fully developed. We will continue to develop these statistics and seek users' views on their use 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.

This means that while regional GDP aims to produce the best estimates at a regional level, the sum of the regions (adding in published estimates for Scotland and Northern Ireland) may not equal the national total. To address this, we have constrained our regional GDP estimates to the national totals in such a way that minimises changes to the region by industry quarter-on-quarter growth rates. The overall impact of this constraining on the regional estimates is small.

There are different possible methods available to us for carrying out this constraining. We continue to examine the impact of the range of different methods before deciding which one is best suited to these data in advance of applying to be assessed as [National Statistics](#).

Please note that the one industry that is not fully constrained is mining and quarrying. In this industry there were challenges in chain linking the data from the regional accounts. We will address this in the regional accounts publication in December 2019 allowing subsequent quarterly releases to be fully constrained.

As part of the quality assurance process the Department for Environment, Food and Rural Affairs (Defra) notified us that they have improved their methodology for estimating regional breakdowns of the agricultural accounts. Defra has since provided us with data produced using the new methodology but unfortunately we were unable to process that data in time for this release. Data based on the old methodology is included in the compilation of headline GDP for the English regions and Wales, but will have little effect on these aggregates given the comparatively small size of the agriculture industry. However, we have taken the decision not to include a breakdown of agriculture in this release and we will process the new data and provide a breakdown in our Quarter 1 (Jan to Mar) 2019 release.

8 . More about regional and economic data

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

Bulletin | Released 9 August 2019

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

[Regional economic activity by gross value added \(balanced\), UK: 1998 to 2017](#)

Bulletin | Released 12 December 2018

Annual estimates of economic activity by UK country, region and local area using balanced regional gross value added (GVA(B)).

9 . You may also be interested in

[GDP in Scotland](#)

Statistical publication | Released 7 August 2019

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

[NI Composite Economic Index](#)

Release | Published 18 July 2019

The NICEI is an experimental quarterly measure of the performance of the NI economy based on available official statistics.

[Welsh short-term output indicators](#)

Report | Published 18 July 2019

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