

Gross domestic product preliminary estimate 4th Quarter 2009



Date: 26 January 2010

Coverage: United Kingdom **Theme:** The Economy

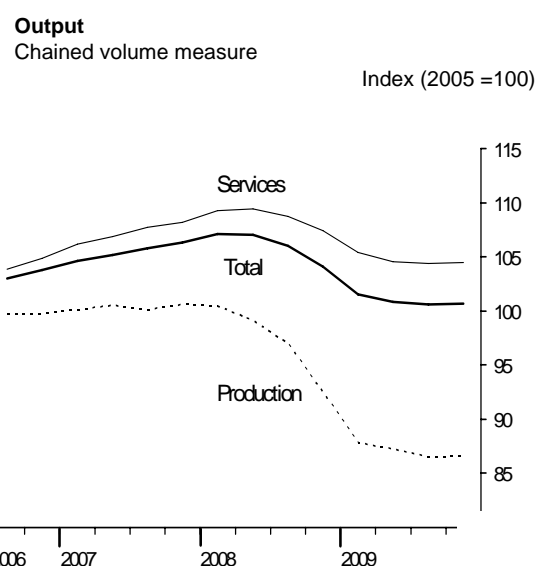
The chained volume measure of gross domestic product (GDP) increased 0.1 per cent in the fourth quarter of 2009.

The increase in output was due mainly to increases in distribution, hotels and restaurants and government and other services.

Output of the service industries increased 0.1 per cent.

Output in the production industries increased 0.1 per cent.

GDP decreased 3.2 per cent between 2009 Q4 and 2008 Q4 .



GDP at market prices

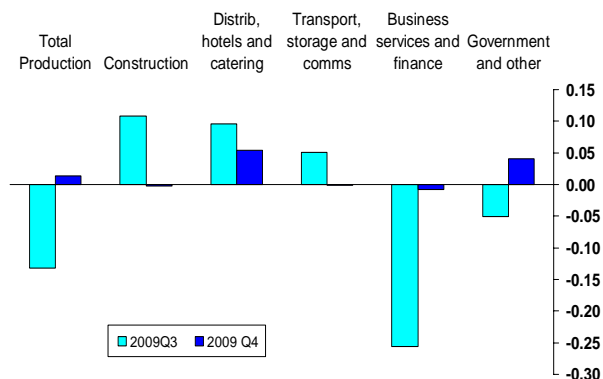
Percentage change: latest quarter on previous quarter

		Chained volume indices 2005=100	GDP	Total Production Industries	Total Services	
		Seasonally adjusted				
2007	Q4	106.3	0.5	0.5	0.4	
	2008	Q1	107.1	0.7	-0.2	1.0
		Q2	107.0	-0.1	-1.3	0.1
		Q3	106.0	-0.9	-2.1	-0.6
2009	Q4	104.1	-1.8	-4.6	-1.2	
	Q1	101.5	-2.5	-5.0	-1.9	
	Q2	100.8	-0.7	-0.6	-0.8	
	Q3	100.6	-0.2	-0.9	-0.2	
	Q4	100.7	0.1	0.1	0.1	

Contributions to growth

Distribution, hotels and restaurants was the largest contributor to the positive growth this quarter. Government and other services and total production also had significant contributions to the increase. This was partially offset by a small decrease in business services and finance. Construction and transport, storage and communication were flat over the quarter.

Contributions to GDP Growth
quarterly contributions



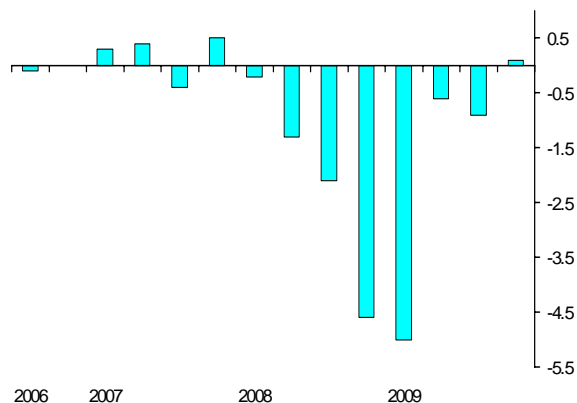
Index of Production

The production industries increased 0.1 per cent compared with a decrease of 0.9 per cent in the previous quarter.

Manufacturing increased 0.4 per cent. Mining and quarrying increased 1.0 per cent and Electricity, gas and water supply decreased 3.3 per cent.

The production industries decreased 6.3 per cent between 2009 Q4 and 2008 Q4 .

Index of Production
quarter on quarter growth per cent

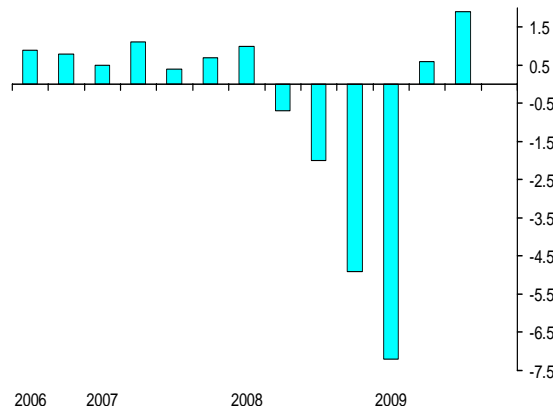


Construction

Construction growth was flat compared with an increase of 1.9 per cent in the previous quarter.

Construction decreased 4.9 per cent between 2009 Q4 and 2008 Q4 .

Construction
quarter on quarter growth per cent



Distribution, hotels and restaurants

Distribution, hotels and restaurants increased 0.4 per cent compared with an increase of 0.7 per cent in the previous quarter. Motor trades and retail made the largest contribution to the increase.

Distribution, hotels and restaurants decreased 0.5 per cent between 2009 Q4 and 2008 Q4 .

Distribution, hotels and restaurants
quarter on quarter growth per cent

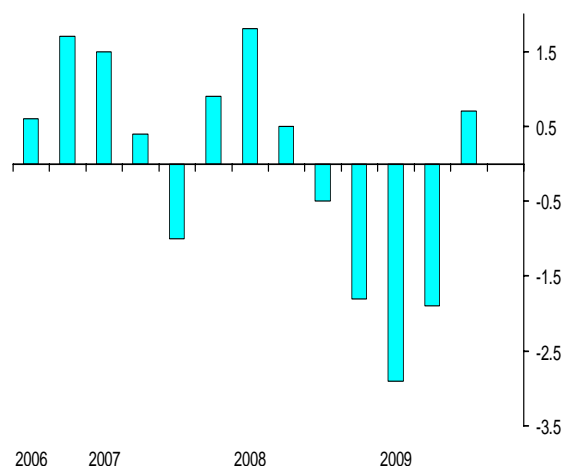


Transport, storage and communication

Transport, storage and communication growth was flat compared with an increase of 0.7 per cent in the previous quarter. The most significant positive contribution was from post and telecommunications. This was offset by a significant negative contribution from transport support.

Transport, storage and communication decreased 4.1 per cent between 2009 Q4 and 2008 Q4 .

Transport, storage and communication
quarter on quarter growth per cent

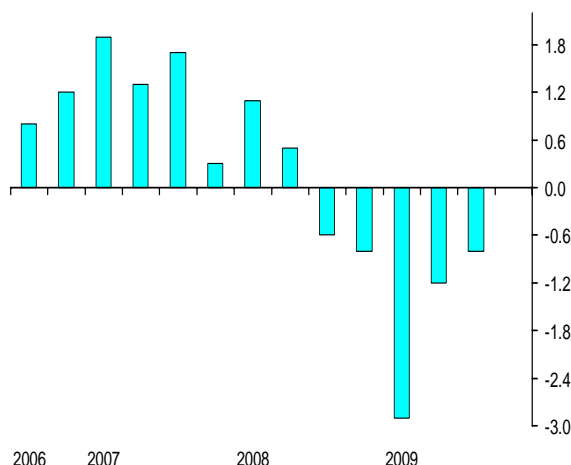


Business services and finance

Business services and finance growth was flat compared with a decrease of 0.8 per cent in the previous quarter. The most significant positive contribution was from real estate. This was offset by a significant negative contribution from banking.

Business services and finance decreased 4.8 per cent between 2009 Q4 and 2008 Q4 .

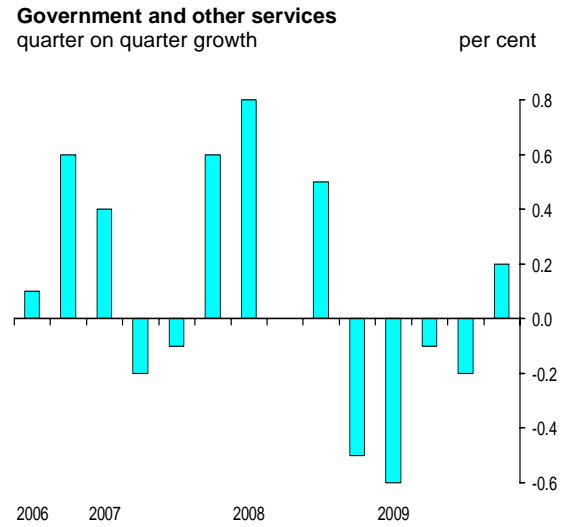
Business services and finance
quarter on quarter growth per cent



Government and other services

Government and other services increased 0.2 per cent, compared with a decrease of 0.2 in the previous quarter. Health made the largest contribution to the increase.

Government and other services decreased 0.7 per cent between 2009 Q4 and 2008 Q4 .



GDP QUARTERLY TABLES

Quarter-on-quarter percentage growth

Component	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4
Agriculture	-1.7	-0.9	-2.5	-2.8	-0.6
Total Production	-4.6	-5.0	-0.6	-0.9	0.1
Manufacturing	-5.3	-5.4	-0.2	-0.2	0.4
Extraction	-2.7	-4.0	-1.0	-5.7	1.0
Utilities	-1.3	-3.7	-2.8	0.2	-3.3
Construction	-4.9	-7.2	0.6	1.9	0.0
Total Services	-1.2	-1.9	-0.8	-0.2	0.1
Distribution, hotels & restaurants	-2.9	-1.1	-0.4	0.7	0.4
Transport, storage & communications	-1.8	-2.9	-1.9	0.7	0.0
Business services & finance	-0.8	-2.9	-1.2	-0.8	0.0
Government & other	-0.5	-0.6	-0.1	-0.2	0.2

Quarter-on-quarter contribution to growth

Component	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4
Agriculture	0.0	0.0	0.0	0.0	0.0
Total Production	-0.7	-0.8	-0.1	-0.1	0.0
Manufacturing	-0.7	-0.6	0.0	0.0	0.0
Extraction	-0.1	-0.1	0.0	-0.1	0.0
Utilities	0.0	-0.1	0.0	0.0	0.0
Construction	-0.3	-0.4	0.0	0.1	0.0
Total Services	-0.9	-1.5	-0.6	-0.2	0.1
Distribution, hotels & restaurants	-0.4	-0.2	-0.1	0.1	0.1
Transport, storage & communications	-0.1	-0.2	-0.1	0.1	0.0
Business services & finance	-0.3	-1.0	-0.4	-0.3	0.0
Government & other	-0.1	-0.1	0.0	-0.1	0.0

GDP ANNUAL TABLES

Year-on-year growth

Component	2005	2006	2007	2008	2009
Agriculture	7.6	0.7	-4.8	0.2	-5.1
Total Production	-1.3	0.0	0.3	-3.1	-10.4
Manufacturing	-0.2	1.6	0.6	-2.9	-10.8
Extraction	-8.9	-7.9	-1.5	-6.5	-9.6
Utilities	-0.3	-0.5	0.2	0.3	-8.1
Construction	1.1	1.1	2.7	-0.8	-10.5
Total Services	3.1	3.6	3.5	1.4	-3.7
Distribution, hotels & restaurants	1.5	3.4	3.1	-1.1	-4.6
Transport, storage & communications	3.7	2.4	3.5	1.7	-5.4
Business services & finance	5.1	6.0	5.5	2.4	-4.9
Government & other	1.4	1.0	1.0	1.3	-0.8

Year-on-year contribution to growth

Component	2005	2006	2007	2008	2009
Agriculture	0.0	0.0	0.0	0.0	0.0
Total Production	-0.2	0.0	0.0	-0.5	-1.6
Manufacturing	0.0	0.2	0.1	-0.4	-1.3
Extraction	-0.2	-0.2	0.0	-0.1	-0.2
Utilities	0.0	0.0	0.0	0.0	-0.1
Construction	0.1	0.1	0.2	0.0	-0.6
Total Services	2.4	2.7	2.7	1.0	-2.8
Distribution, hotels & restaurants	0.2	0.5	0.5	-0.2	-0.7
Transport, storage & communications	0.3	0.2	0.3	0.1	-0.4
Business services & finance	1.5	1.8	1.7	0.8	-1.6
Government & other	0.3	0.2	0.2	0.3	-0.2

Background Notes

Release policy

1. This release includes information available up to 20 January 2010.

Estimates of UK output, income and expenditure will be published on 26 February 2010. A full set of quarterly national accounts will be published on 30 March 2010. The preliminary estimate of GDP for the first quarter of 2010 will be published on 23 April 2010.

2. Revisions to data provide one indication of the reliability of key indicators. Tables 1 and 2 show summary information on the size and direction of the revisions which have been made to data covering a five year period. A statistical test has been applied to the average revision to find out if it is statistically significantly different from zero.

The result of the test is that the average revision is not statistically different from zero.

The data used are consistent with that used in more detailed analysis that have been published in *Economic Trends*. The most recent article was published on the National Statistics website on 11 December 2006 and can be found at:

<http://www.statistics.gov.uk/cci/article.asp?ID=1694>

Table 1 below shows the revisions between the early estimates of GVA. The analysis of revisions between month 1 and month 2 uses month 2 estimates published from February 2005 (2004q4) to November 2009 (2009q3). The analysis of revisions between month 2 and month 3 uses month 3 estimates published from March 2005 (2004q4) to December 2009 (2009q3).

Table 1: Revisions to early estimates of GVA growth

Revisions to GVA growth	GVA Growth in the latest period (per cent)	Revisions between early estimates of GVA growth (quarterly, CVM)	
		Average over the last five years	Average over the last five years without regard to sign (average absolute revision)
Between M1 and M2	0.1	-0.01	0.04
Between M2 and M3	0.1	-0.05	0.08

Table 2 below shows the revisions to GVA growth between the estimate published three months after the end of the quarter and the equivalent estimate three years later. The analysis uses month 3 estimates first published from March 2002 (2001q4) to December 2006 (2006q3).

Table 2: Revisions to month 3 estimates of GVA growth

	Value in latest period (per cent)	Revisions between first publication and estimates three years later	
		Average over the last five years	Average over the last five years without regard to sign (average absolute revision)
GVA growth (quarterly, CVM)	0.1	0.09	0.22

Spreadsheets giving revisions triangles (real time databases) of estimates from 1992 to date, and the calculations behind the averages in both tables is available on the National Statistics website at:

<http://www.statistics.gov.uk/statbase/Product.asp?vlnk=13560>

Revisions triangles for the main components of gross value added by industry are also available at the link above.

An article by E George and D Obuwa 'National Accounts' Revisions Analyses: A summary to April 2005' is available on the National Statistics website at :

<http://www.statistics.gov.uk/cci/article.asp?ID=1140>

This article presents a summary of revisions analyses published up to April 2005 in ONS First Releases, including some more detailed analysis of revisions to GDP.

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Gross Domestic Product by Gross Value Added¹ chained volume measures of industry output at basic prices

2005 = 100

Analysis by categories of output³

	Production					Service industries							Gross domestic product at market prices ^{4,5}	Gross value added excluding oil & gas
	Agriculture, hunting, forestry and fishing	Mining & quarrying inc oil & gas extraction	Manu- facturing	Electricity gas and water supply	Total	Construction	Distribution hotels and restaurants repairs	Transport, storage and commun- ication	Business services and finance	Government and other services	Total			
2005 Weights ²	7	25	133	15	172	63	146	72	304	236	759	1000	978	
Index numbers	GDQA					GDQB							YBEZ	JUNT
2005	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
2006	100.7	92.1	101.6	99.5	100.0	101.1	103.4	102.4	106.0	101.0	103.6	102.9	103.3	
2007	95.9	90.7	102.2	99.7	100.3	103.8	106.7	106.0	111.9	102.0	107.2	105.5	106.1	
2008	96.1	84.8	99.2	99.9	97.2	103.0	105.5	107.8	114.6	103.3	108.7	106.1	106.7	
2009	91.2	76.6	88.5	91.6	87.1	92.2	100.7	102.0	109.1	102.5	104.7	100.9	101.9	
2006 Q1	102.0	97.8	101.1	103.1	100.8	100.2	102.1	100.6	104.5	100.6	102.4	102.1	102.3	
Q2	100.2	91.3	101.5	99.2	99.8	100.5	103.1	102.0	105.5	100.8	103.3	102.5	102.9	
Q3	101.7	90.9	101.5	98.5	99.8	101.4	103.8	102.6	106.4	101.0	103.9	103.0	103.4	
Q4	99.0	88.5	102.2	97.1	99.8	102.2	104.8	104.3	107.7	101.5	104.9	103.8	104.3	
2007 Q1	96.8	91.0	102.0	98.4	100.1	102.6	105.6	105.9	109.8	102.0	106.2	104.6	105.0	
Q2	96.2	91.6	102.4	98.2	100.5	103.7	106.3	106.4	111.2	101.8	106.9	105.2	105.8	
Q3	95.0	90.4	101.9	99.7	100.1	104.1	107.2	105.3	113.2	101.7	107.7	105.8	106.4	
Q4	95.6	90.0	102.3	102.3	100.6	104.8	107.5	106.2	113.5	102.3	108.2	106.3	107.0	
2008 Q1	95.0	86.3	102.9	101.4	100.4	105.9	108.3	108.1	114.8	103.2	109.3	107.1	107.7	
Q2	97.3	85.8	101.3	101.1	99.1	105.2	107.5	108.7	115.3	103.1	109.4	107.0	107.6	
Q3	96.9	84.8	99.0	99.2	97.0	103.1	104.7	108.1	114.7	103.7	108.7	106.0	106.6	
Q4	95.3	82.5	93.7	97.9	92.5	98.1	101.7	106.2	113.8	103.2	107.4	104.1	104.7	
2009 Q1	94.3	79.2	88.7	94.3	87.8	91.0	100.6	103.1	110.5	102.6	105.4	101.5	102.3	
Q2	92.0	78.4	88.5	91.6	87.3	91.5	100.1	101.1	109.2	102.5	104.6	100.8	101.7	
Q3	89.4	74.0	88.3	91.8	86.5	93.2	100.8	101.8	108.3	102.3	104.4	100.6	101.7	
Q4	88.9	74.7	88.6	88.8	86.6	93.2	101.2	101.8	108.3	102.4	104.5	100.7	101.9	
Preliminary estimate														
2009 Q4	88.9	74.7	88.6	88.8	86.6	93.2	101.2	101.8	108.3	102.4	104.5	100.7	101.9	
Percentage changes: annual and latest quarter on previous quarter														
	GDQV					GDQW							IHYP	JUNW
2005	7.6	-8.9	-0.2	-0.3	-1.3	1.1	1.5	3.7	5.1	1.4	3.1	2.2	2.6	
2006	0.7	-7.9	1.6	-0.5	-	1.1	3.4	2.4	6.0	1.0	3.6	2.9	3.3	
2007	-4.8	-1.5	0.6	0.2	0.3	2.7	3.1	3.5	5.5	1.0	3.5	2.6	2.7	
2008	0.2	-6.5	-2.9	0.3	-3.1	-0.8	-1.1	1.7	2.4	1.3	1.4	0.5	0.5	
2009	-5.1	-9.6	-10.8	-8.1	-10.4	-10.5	-4.6	-5.4	-4.9	-0.8	-3.7	-4.8	-4.5	
2006 Q1	1.8	1.2	1.6	2.9	1.6	0.9	0.5	-1.0	1.9	0.2	0.8	1.1	1.1	
Q2	-1.7	-6.6	0.4	-3.7	-0.9	0.3	1.0	1.3	1.0	0.3	0.8	0.4	0.6	
Q3	1.5	-0.5	0.1	-0.8	-0.1	0.9	0.7	0.6	0.8	0.1	0.6	0.5	0.5	
Q4	-2.6	-2.6	0.6	-1.4	-	0.8	0.9	1.7	1.2	0.6	1.0	0.8	0.9	
2007 Q1	-2.3	2.8	-0.2	1.4	0.3	0.5	0.8	1.5	1.9	0.4	1.2	0.7	0.7	
Q2	-0.5	0.8	0.4	-0.3	0.4	1.1	0.7	0.4	1.3	-0.2	0.7	0.6	0.7	
Q3	-1.3	-1.4	-0.5	1.6	-0.4	0.4	0.8	-1.0	1.7	-0.1	0.8	0.5	0.6	
Q4	0.6	-0.5	0.4	2.6	0.5	0.7	0.3	0.9	0.3	0.6	0.4	0.5	0.6	
2008 Q1	-0.7	-4.1	0.6	-0.9	-0.2	1.0	0.7	1.8	1.1	0.8	1.0	0.7	0.6	
Q2	2.4	-0.6	-1.5	-0.3	-1.3	-0.7	-0.8	0.5	0.5	-	0.1	-0.1	-0.1	
Q3	-0.4	-1.1	-2.3	-1.9	-2.1	-2.0	-2.6	-0.5	-0.6	0.5	-0.6	-0.9	-0.9	
Q4	-1.7	-2.7	-5.3	-1.3	-4.6	-4.9	-2.9	-1.8	-0.8	-0.5	-1.2	-1.8	-1.8	
2009 Q1	-0.9	-4.0	-5.4	-3.7	-5.0	-7.2	-1.1	-2.9	-2.9	-0.6	-1.9	-2.5	-2.3	
Q2	-2.5	-1.0	-0.2	-2.8	-0.6	0.6	-0.4	-1.9	-1.2	-0.1	-0.8	-0.7	-0.6	
Q3	-2.8	-5.7	-0.2	0.2	-0.9	1.9	0.7	0.7	-0.8	-0.2	-0.2	-0.2	-	
Q4	-0.6	1.0	0.4	-3.3	0.1	-	0.4	-	-	0.2	0.1	0.1	0.2	
Preliminary estimate														
2009 Q4	-0.6	1.0	0.4	-3.3	0.1	-	0.4	-	-	0.2	0.1	0.1	0.2	
Percentage changes: latest quarter on corresponding quarter of previous year														
2009 Q4	GDRQ	-6.7	-9.4	-5.5	-9.3	-6.3	GDRR	-4.9	GDRU	-0.5	GDRX	-4.1	GDS	-4.8
													GDSI	-2.7
													IHYR	-3.2
													JUNV	-2.7

1 Estimates are not accurate to the last digit shown.

2 Weights may not sum to the totals due to rounding.

3 Components of output are valued at basic prices, which excludes taxes less subsidies on products, whereas GDP is valued at market prices.

4 Includes an implicit statistical discrepancy compared with the sum of the previous columns, because the GDP aggregate takes account of other information based on income and expenditure.

5 In this, the preliminary estimate of GDP, series YBEZ (GDP chained volume indices) appears alongside GVA industry components as output is the sole contributor to GDP change for the latest quarter at this stage.

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