

New Statistical Release: Gross Domestic Product – UK Regions and Countries: October to December 2018

Please note, the Gross Domestic Product (GDP) estimates are designed as experimental statistics and should be interpreted with some caution.

GDP measures the value of goods and services produced in the UK. It estimates the size of, and growth in, the economy.

Previously, GDP estimates were only available for the UK overall. As of September 2019, ONS has released for the first time estimates of quarterly GDP in the English regions and Wales.

The main data for GDP estimates is based on turnover data from approximately 1.9 million Value Added Tax (VAT) returns. The information from the Inter-Departmental Business register on workplace employment allows ONS to apportion the VAT turnover for each business based on their employment share within a region.

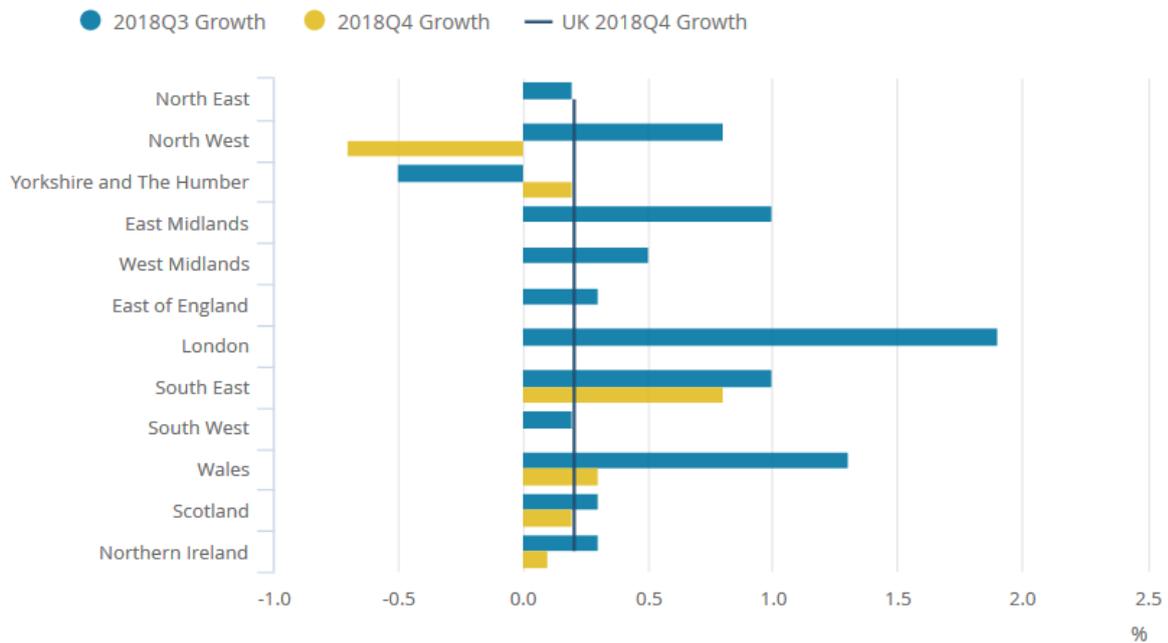
In Summary:

- The West Midlands is one of six areas within the UK that experienced no growth in GDP in Q4 (Oct – Dec) 2018. Overall the UK GDP growth was 0.2% in Q4 2018.
- The West Midlands had the second highest growth from Q4 2017 to Q4 2018, at 3.2% - above the UK growth of 1.5%.
- In Q4 2018, the construction sector increased by 3.0% (+0.18pp to GDP growth) in the West Midlands, there was no growth in the service sector and a decrease of 1.1% (-0.22pp negative contribution to growth) in the production sector.

In Detail:

- The West Midlands is one of six areas within the UK that experienced no growth in GDP in Q4 (Oct – Dec) 2018. The South East had the highest GDP growth with 0.8%, with the biggest fall seen in the North West (-0.7%). Overall, UK GDP growth was 0.2% in Q4 2018.

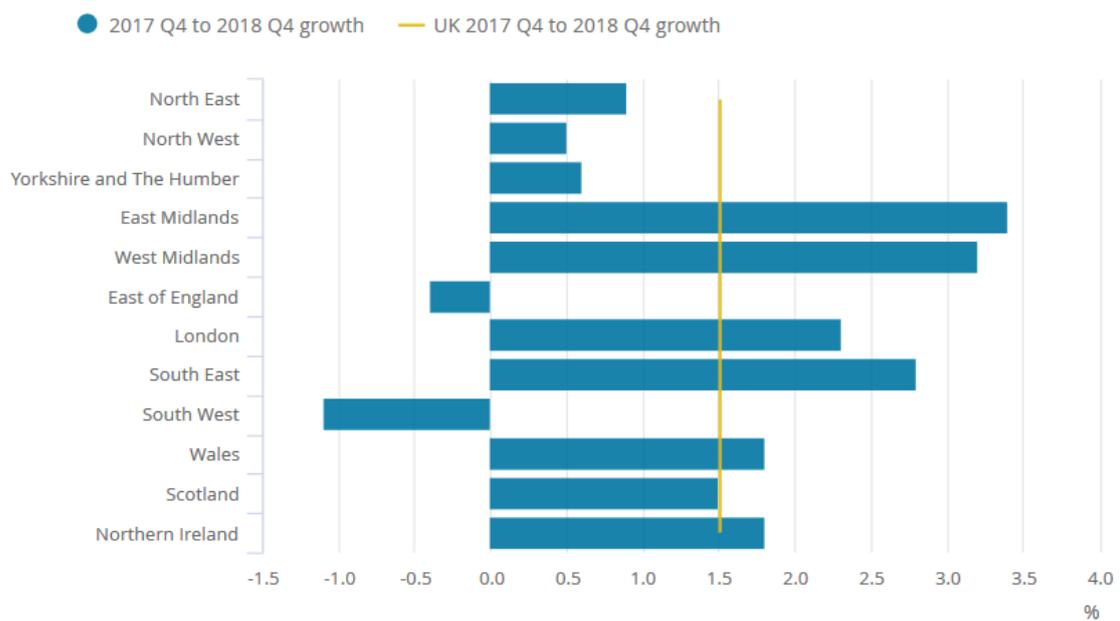
Figure 1: GDP growth for the regions of England and countries of the UK for Q3 (July – Sept) 2018 and Q4 (Oct – Dec) 2018



Source: Office for National Statistics (ONS) – Regional GDP estimate

- The West Midlands had the second highest growth from Q4 2017 to Q4 2018, at 3.2%. In contrast, the South West and East of England had negative growth (-1.1% and -0.4% respectively). Overall, the UK increased by 1.5%.

Figure 2: Quarter-on-quarter a year earlier, GDP growth in the countries and regions of the UK for Q4 2018

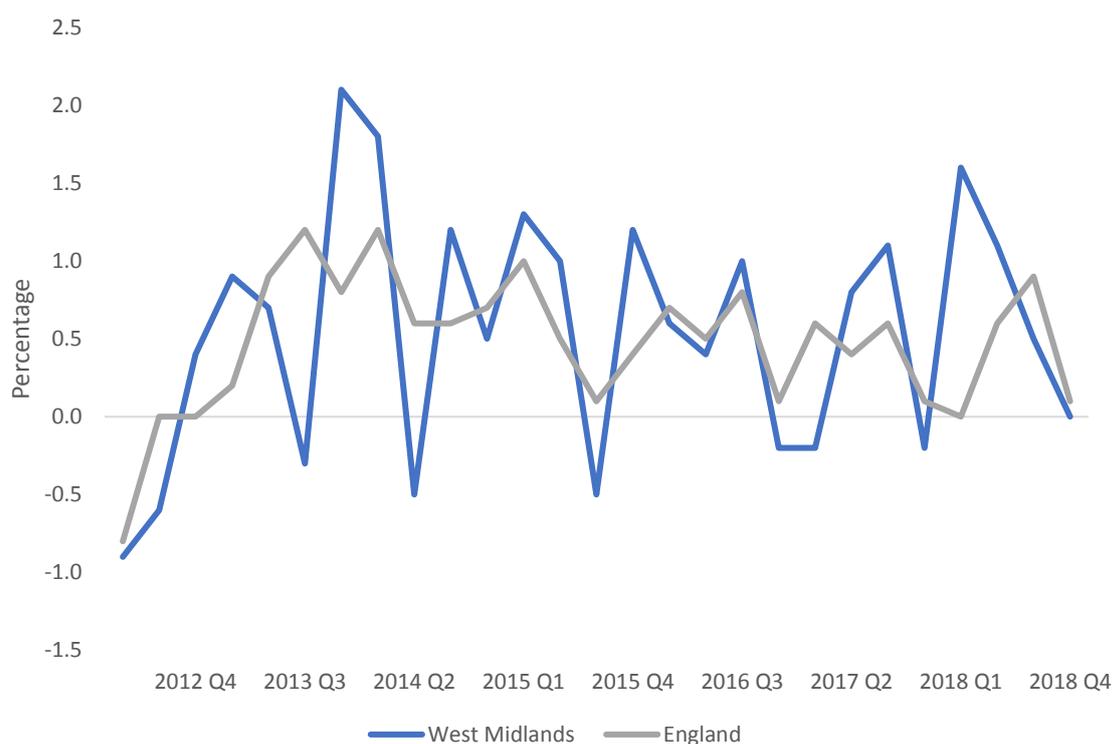


Source: ONS – Regional GDP estimate

In Detail: West Midlands

- The following figure shows the fluctuations in GDP growth from Q2 2012 for the West Midlands; the highest growth can be seen in Q4 2013 at 2.1%, followed by Q1 2018 (+1.6%).
- The West Midlands broadly mirrors the England trend since 2012, though with more volatility.

Figure 3: Quarter on quarter GDP growth, Q2 2012 to Q4 2018, West Midlands Region and England

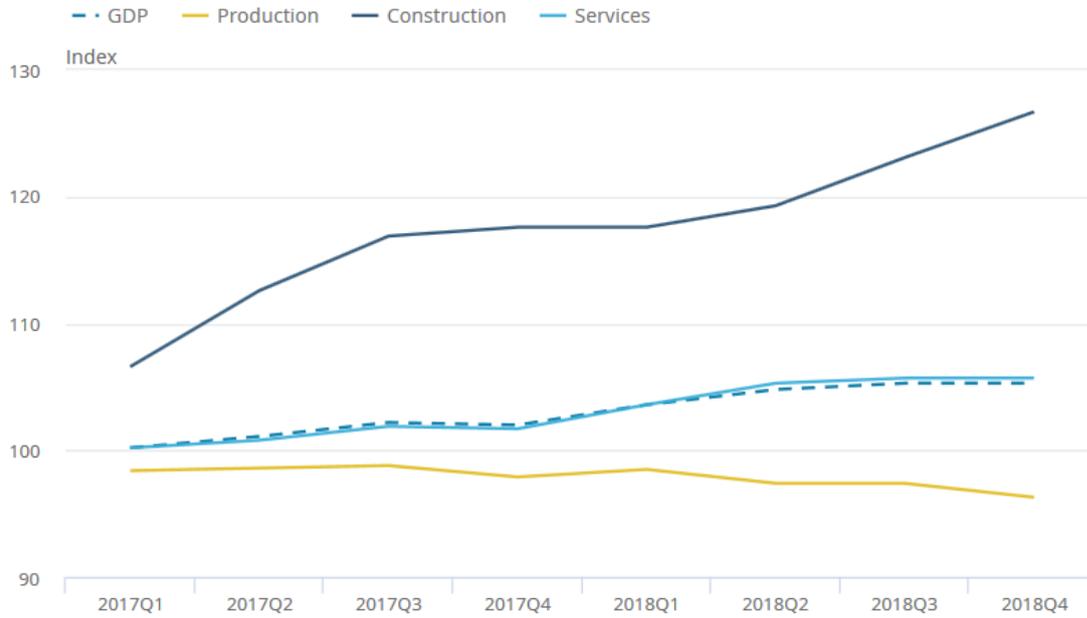


Source: ONS – Regional GDP estimate

- In Q4 2018, the construction sector increased by 3.0% (+0.18pp to GDP growth) in the West Midlands. There was no growth in the service sector and a decrease of 1.1% (-0.22pp negative contribution to growth) in the production sector.
- Compared to 2016, there has been strong growth in the construction sector in the West Midlands. The services sector has seen growth; however, the production sector has fallen back, with growth below that seen in 2016.
- Within industrial sectors, the highest industry growth was in administration and support services (+8.7%) which made the biggest positive contribution to growth in the West Midlands at 0.40pp. Manufacturing fell by 1.5% which is a negative contribution of 0.24pp. The largest percentage decrease was seen in information and communication (-5.0%) which is a negative contribution of 0.21pp.

Figure 4: GDP growth by main industrial sector, Q1 2017 to Q4 2018 for the West Midlands Region

Chained volume indices (2016=100) in GDP in the West Midlands, 2017 to 2018



Source: ONS – Regional GDP estimate

Source: ONS, GDP, UK regions and Countries: October to December 2018 – released 5th September 2019

<https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpukregionsandcountries/octobertodecember2018>