

Gross domestic product preliminary estimate

3rd Quarter 2010



Date: 26 October 2010

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

The chained volume measure of gross domestic product (GDP) increased 0.8 per cent in the third quarter of 2010.

Growth in Q3 is lower than the 1.2 per cent growth in Q2. Allowing for the recovery in Q2 following the bad weather at the start of the year, the underlying growth in Q3 is broadly similar to that in Q2.

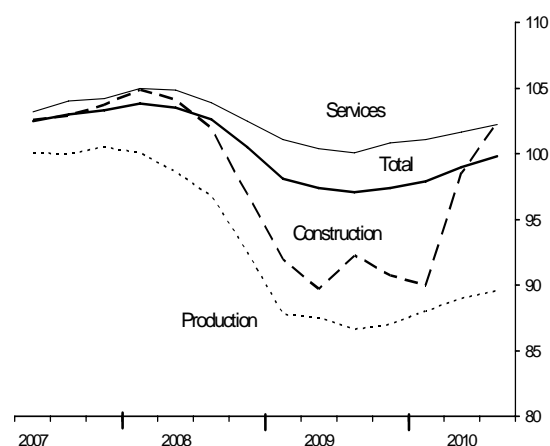
Output in the production industries increased 0.6 per cent.

Output in the construction sector increased 4.0 per cent.

Output in the service industries increased 0.6 per cent.

GDP increased 2.8 per cent in 2010 Q3 compared with 2009 Q3.

Output
Chained volume measure
Index (2006 =100)



GDP at market prices

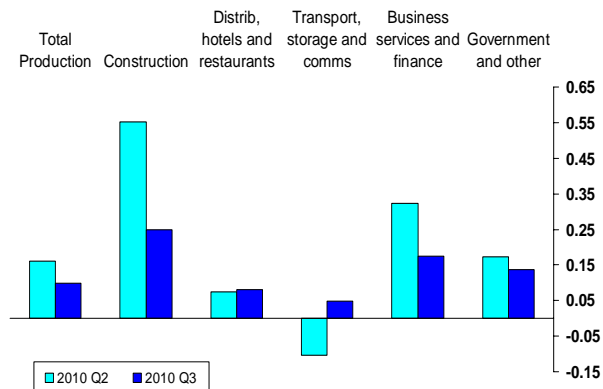
Percentage change: latest quarter on previous quarter

		Chained volume indices 2006=100	GDP	Total Production Industries	Construction	Total Services
Seasonally adjusted						
2009	Q4	100.5	-2.1	-4.4	-4.9	-1.4
	Q1	98.1	-2.3	-5.1	-5.1	-1.3
	Q2	97.4	-0.8	-0.3	-2.5	-0.7
	Q3	97.1	-0.3	-1.0	2.9	-0.3
2010	Q4	97.4	0.4	0.4	-1.7	0.7
	Q1	97.9	0.4	1.2	-0.8	0.2
	Q2	99.0	1.2	1.0	9.5	0.6
	Q3	99.8	0.8	0.6	4.0	0.6

Contributions to growth

Construction and business services and finance were the largest contributors to the positive growth this quarter. Growth was, however, widespread.

Contributions to GDP Growth
quarterly contributions



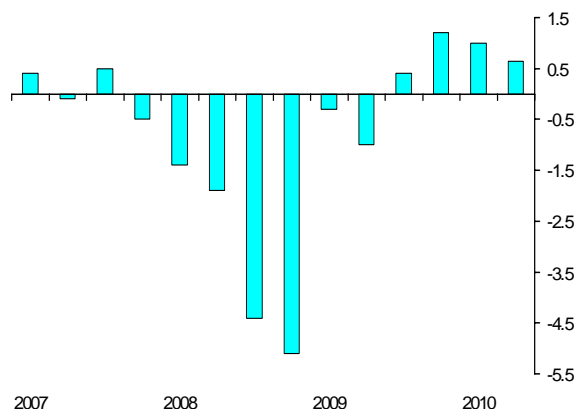
Index of Production

The production industries increased 0.6 per cent compared with an increase of 1.0 per cent in the previous quarter.

Manufacturing increased 1.0 per cent. Mining and quarrying decreased 0.7 per cent and Electricity, gas and water supply decreased 0.2 per cent.

The production industries increased 3.4 per cent between 2010 Q3 and 2009 Q3.

Index of Production
quarter on quarter growth per cent

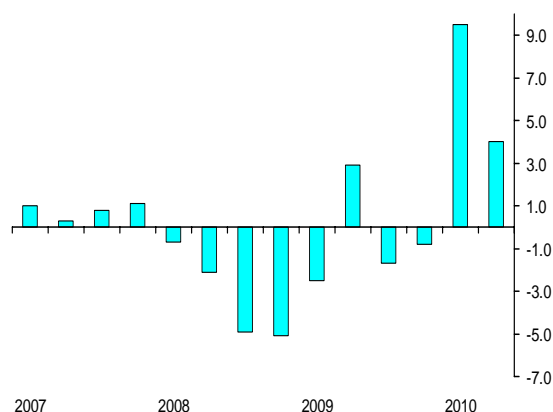


Construction

Construction increased 4.0 per cent compared with an increase of 9.5 per cent in the previous quarter.

Construction increased 11.0 per cent between 2010 Q3 and 2009 Q3.

Construction
quarter on quarter growth per cent

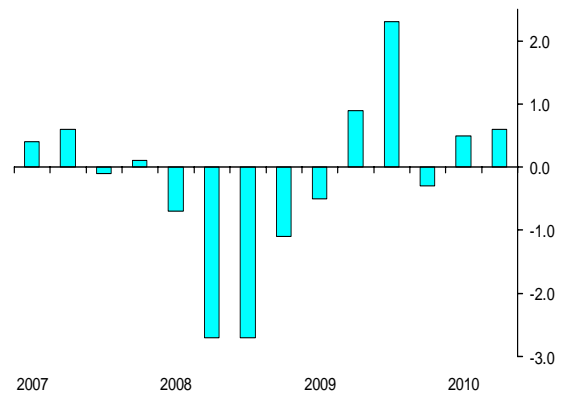


Distribution, hotels and restaurants

Distribution, hotels and restaurants increased 0.6 per cent compared with an increase of 0.5 per cent in the previous quarter. Retail made the largest contribution to the increase.

Distribution, hotels and restaurants increased 3.2 per cent between 2010 Q3 and 2009 Q3.

Distribution, hotels and restaurants
quarter on quarter growth per cent

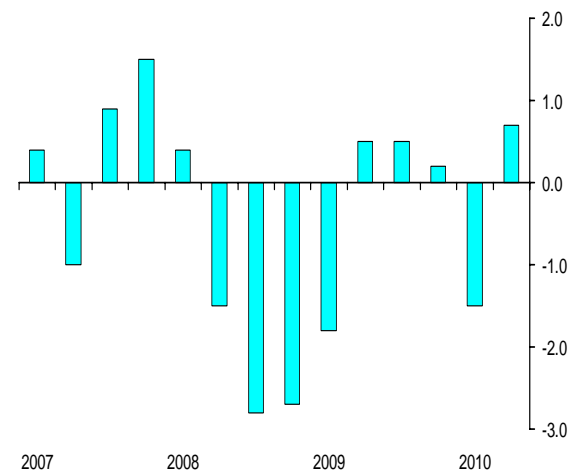


Transport, storage and communication

Transport, storage and communication increased 0.7 per cent compared with a decrease of 1.5 per cent in the previous quarter. The most significant positive contributions were from post and telecommunications and land transport.

Transport, storage and communication decreased 0.1 per cent between 2010 Q3 and 2009 Q3.

Transport, storage and communication
quarter on quarter growth per cent

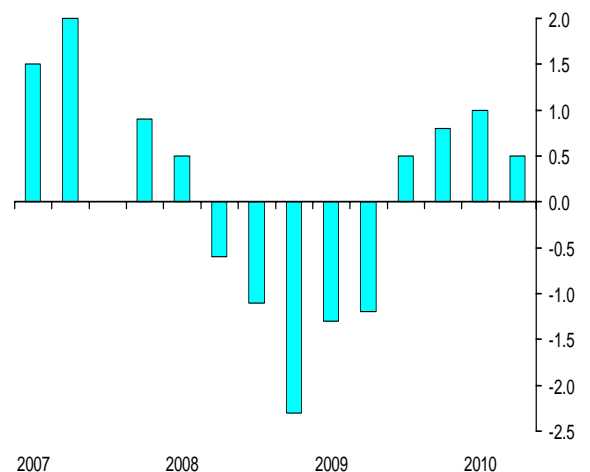


Business services and finance

Business services and finance increased 0.5 per cent, compared with an increase of 1.0 per cent in the previous quarter. The most significant positive contribution was from computer services.

Business services and finance increased 2.9 per cent between 2010 Q3 and 2009 Q3.

Business services and finance
quarter on quarter growth per cent

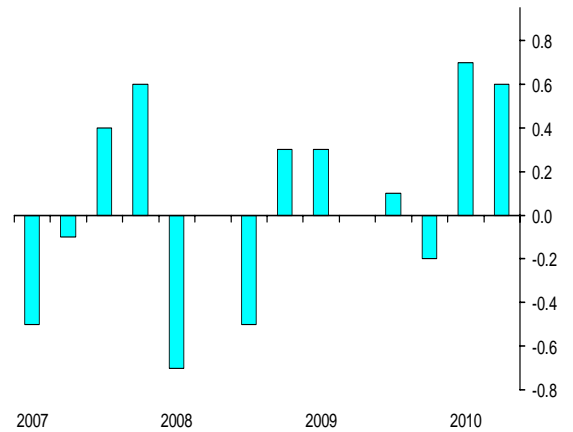


Government and other services

Government and other services increased 0.6 per cent, compared with an increase of 0.7 per cent in the previous quarter. Recreation and health made the largest contribution to the increase.

Government and other services increased 1.1 per cent between 2010 Q3 and 2009 Q3.

Government and other services
quarter on quarter growth per cent



GDP QUARTERLY TABLES

Quarter-on-quarter percentage growth

Component	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3
Agriculture	-1.3	-1.4	-2.2	2.7	-0.3
Total Production	-1.0	0.4	1.2	1.0	0.6
Manufacturing	-0.6	1.0	1.5	1.6	1.0
Extraction	-4.6	-0.5	-0.2	0.0	-0.7
Utilities	1.4	-2.3	1.0	-1.3	-0.2
Construction	2.9	-1.7	-0.8	9.5	4.0
Total Services	-0.3	0.7	0.2	0.6	0.6
Distribution, hotels & restaurants	0.9	2.3	-0.3	0.5	0.6
Transport, storage & communications	0.5	0.5	0.2	-1.5	0.7
Business services & finance	-1.2	0.5	0.8	1.0	0.5
Government & other	0.0	0.1	-0.2	0.7	0.6

Quarter-on-quarter contribution to growth

Component	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3
Agriculture	0.0	0.0	0.0	0.0	0.0
Total Production	-0.2	0.1	0.2	0.2	0.1
Manufacturing	-0.1	0.1	0.2	0.2	0.1
Extraction	-0.1	0.0	0.0	0.0	0.0
Utilities	0.0	0.0	0.0	0.0	0.0
Construction	0.2	-0.1	0.0	0.6	0.2
Total Services	-0.2	0.6	0.2	0.5	0.4
Distribution, hotels & restaurants	0.1	0.3	0.0	0.1	0.1
Transport, storage & communications	0.0	0.0	0.0	-0.1	0.0
Business services & finance	-0.4	0.2	0.3	0.3	0.2
Government & other	0.0	0.0	-0.1	0.2	0.1

GDP ANNUAL TABLES

Year-on-year growth

Component	2005	2006	2007	2008	2009
Agriculture	7.6	0.8	-4.8	-0.2	-5.0
Total Production	-1.3	0.0	0.1	-3.1	-10.1
Manufacturing	-0.2	1.6	0.5	-2.9	-10.7
Extraction	-8.9	-7.9	-1.9	-6.3	-9.4
Utilities	-0.3	-0.5	0.2	0.0	-6.2
Construction	1.1	1.0	2.7	-0.7	-10.6
Total Services	3.1	4.0	3.5	0.5	-3.3
Distribution, hotels & restaurants	1.5	3.3	2.8	-2.1	-4.0
Transport, storage & communications	3.7	2.5	3.7	0.6	-6.3
Business services & finance	5.1	7.0	5.6	2.0	-4.7
Government & other	1.4	1.2	1.1	0.1	0.0

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	-0.3	-0.2	-0.1	-0.2	-0.2
Utilities	0.0	0.0	0.0	0.0	-0.1
Construction	0.1	0.1	0.2	0.0	-0.7
Total Services	2.3	3.0	2.7	0.4	-2.5
Distribution, hotels & restaurants	0.2	0.5	0.4	-0.3	-0.6
Transport, storage & communications	0.3	0.2	0.3	0.0	-0.5
Business services & finance	1.5	2.1	1.7	0.6	-1.5
Government & other	0.3	0.3	0.3	0.0	0.0

Background Notes

Release policy

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

Estimates of UK output, income and expenditure will be published on 24 November 2010. A full set of quarterly national accounts will be published on 22 December 2010. The preliminary estimate of GDP for the fourth quarter of 2010 will be published on 25 January 2011.

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 November 2005 (2005Q3 to August 2010 (2010Q2). The analysis of revisions between month 2 and month 3 uses month 3 estimates published from December 2005 (2005Q3) to September 2010 (2010Q2).

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	0.8	0.02	0.05
Between M2 and M3	0.8	-0.04	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 December 2002 (2002Q3) to September 2007 (2007Q2).

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)	0.8	0.06	0.19

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.

Next publication: **Wednesday 24 November 2010**

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

2006 = 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	Manufacturing	Electricity gas and water supply	Total loP	Construction	Distribution hotels and restaurants	Transport, storage and communication	Business services and finance	Government and other services	Total Services			
2006 Weights²	7	27	128	17	172	63	144	71	310	234	758	1000	975	
Index numbers														
	GDQA					GDQB	GDQE	GDQH	GDQN	GDQU	GDQS	YBEZ	JUNT	
2005	99.2	108.6	98.5	100.5	100.0	99.0	96.8	97.6	93.4	98.8	96.1	97.3	96.9	
2006	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	
2007	95.2	98.1	100.5	100.2	100.1	102.7	102.8	103.7	105.6	101.1	103.5	102.7	102.9	
2008	95.0	91.9	97.6	100.3	97.0	101.9	100.6	104.3	107.7	101.2	104.0	102.6	103.0	
2009	90.3	83.3	87.1	94.1	87.2	91.2	96.7	97.7	102.6	101.2	100.6	97.5	98.1	
2006 Q4	98.4	96.3	100.9	97.6	100.0	101.2	101.3	101.6	101.5	100.5	101.2	100.9	101.1	
2007 Q1	95.6	97.8	100.3	98.4	99.7	101.6	102.2	103.7	103.4	101.3	102.6	101.9	102.1	
Q2	96.0	98.7	100.5	99.1	100.1	102.6	102.6	104.1	105.0	100.9	103.2	102.5	102.7	
Q3	94.3	98.5	100.2	100.7	100.0	102.9	103.2	103.0	107.0	100.8	104.0	103.0	103.3	
Q4	95.0	97.3	100.9	102.8	100.5	103.7	103.2	104.0	107.0	101.2	104.2	103.3	103.6	
2008 Q1	94.8	93.5	101.3	101.2	100.1	104.8	103.3	105.5	107.9	101.8	104.9	103.8	104.3	
Q2	96.1	92.8	99.3	102.4	98.6	104.1	102.5	105.9	108.5	101.1	104.8	103.5	103.9	
Q3	95.3	92.5	97.3	99.1	96.7	101.9	99.7	104.4	107.8	101.2	103.9	102.6	102.8	
Q4	93.9	88.6	92.6	98.3	92.5	96.9	97.1	101.4	106.6	100.6	102.5	100.5	100.8	
2009 Q1	92.4	85.1	87.4	94.8	87.8	92.0	96.0	98.7	104.1	100.9	101.1	98.1	98.6	
Q2	90.8	85.4	87.1	93.7	87.5	89.7	95.6	96.9	102.8	101.2	100.4	97.4	97.8	
Q3	89.6	81.5	86.6	95.0	86.6	92.3	96.4	97.4	101.5	101.3	100.1	97.1	97.7	
Q4	88.4	81.0	87.5	92.8	87.0	90.7	98.7	97.8	102.1	101.4	100.8	97.4	98.3	
2010 Q1	86.4	80.9	88.8	93.7	88.1	90.0	98.4	98.0	102.9	101.1	101.1	97.9	98.6	
Q2	88.8	80.9	90.2	92.5	89.0	98.5	98.9	96.5	104.0	101.9	101.7	99.0	99.8	
Q3	88.5	80.3	91.1	92.3	89.5	102.4	99.5	97.2	104.5	102.4	102.2	99.8	100.6	
Preliminary estimate														
2010 Q3	88.5	80.3	91.1	92.3	89.5	102.4	99.5	97.2	104.5	102.4	102.2	99.8	100.6	
Percentage changes: annual and latest quarter on previous quarter														
	GDQV					GDQW	GDQZ	GDRC	GDRI	GDRP	GDRN	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	2.8	
2006	0.8	-7.9	1.6	-0.5	-	1.0	3.3	2.5	7.0	1.2	4.0	2.8	3.2	
2007	-4.8	-1.9	0.5	0.2	0.1	2.7	2.8	3.7	5.6	1.1	3.5	2.7	2.9	
2008	-0.2	-6.3	-2.9	-	-3.1	-0.7	-2.1	0.6	2.0	0.1	0.5	-0.1	-	
2009	-5.0	-9.4	-10.7	-6.2	-10.1	-10.6	-4.0	-6.3	-4.7	-	-3.3	-5.0	-4.7	
2006 Q4	-2.6	-1.8	0.7	-1.7	0.1	1.0	1.3	1.6	1.0	0.5	1.0	IHYQ	JUNU	
2007 Q1	-2.8	1.6	-0.6	0.9	-0.2	0.4	0.9	2.0	1.9	0.8	1.4	0.8	0.9	
Q2	0.4	0.9	0.2	0.7	0.4	1.0	0.4	0.4	1.5	-0.5	0.6	1.0	1.0	
Q3	-1.7	-0.1	-0.3	1.6	-0.1	0.3	0.6	-1.0	2.0	-0.1	0.8	0.6	0.6	
Q4	0.7	-1.2	0.7	2.1	0.5	0.8	-0.1	0.9	-	0.4	0.2	0.5	0.6	
2008 Q1	-0.2	-3.9	0.3	-1.5	-0.5	1.1	0.1	1.5	0.9	0.6	0.7	0.5	0.6	
Q2	1.3	-0.8	-1.9	1.1	-1.4	-0.7	-0.7	0.4	0.5	-0.7	-0.1	-0.3	-0.3	
Q3	-0.8	-0.3	-2.0	-3.2	-1.9	-2.1	-2.7	-1.5	-0.6	-	-0.9	-0.9	-1.1	
Q4	-1.5	-4.2	-4.9	-0.8	-4.4	-4.9	-2.7	-2.8	-1.1	-0.5	-1.4	-2.1	-2.0	
2009 Q1	-1.6	-4.0	-5.5	-3.6	-5.1	-5.1	-1.1	-2.7	-2.3	0.3	-1.3	-2.3	-2.2	
Q2	-1.7	0.4	-0.4	-1.2	-0.3	-2.5	-0.5	-1.8	-1.3	0.3	-0.7	-0.8	-0.7	
Q3	-1.3	-4.6	-0.6	1.4	-1.0	2.9	0.9	0.5	-1.2	-	-0.3	-0.3	-0.1	
Q4	-1.4	-0.5	1.0	-2.3	0.4	-1.7	2.3	0.5	0.5	0.1	0.7	0.4	0.5	
2010 Q1	-2.2	-0.2	1.5	1.0	1.2	-0.8	-0.3	0.2	0.8	-0.2	0.2	0.4	0.3	
Q2	2.7	-	1.6	-1.3	1.0	9.5	0.5	-1.5	1.0	0.7	0.6	1.2	1.2	
Q3	-0.3	-0.7	1.0	-0.2	0.6	4.0	0.6	0.7	0.5	0.6	0.6	0.8	0.8	
Preliminary estimate														
2010 Q3	-0.3	-0.7	1.0	-0.2	0.6	4.0	0.6	0.7	0.5	0.6	0.6	0.8	0.8	
Percentage changes: latest quarter on corresponding quarter of previous year														
	GDRQ					GDRR	GDRU	GDRX	GDSD	GDSK	GDSI	IHYR	JUNV	
2010 Q3	-1.3	-1.5	5.3	-2.8	3.4	11.0	3.2	-0.1	2.9	1.1	2.1	2.8	2.9	

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.

Next publication: **Wednesday 24 November 2010**

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