GDP increased by 0.5% in Q4 2014 compared with Q3 2014

GDP and main components, Q4 2014
United Kingdom, 2001 - 2014

Source: Office for National Statistics

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GDP increased by 0.5% in the fourth quarter of 2014. The largest contribution to the increase came from the services sector, which increased by 0.8%. The increase in GDP followed growth of 0.8% in Q3 2014. In the latest quarter there were increases in two of the four main aggregates; output increased by 0.8% in services, 1.3% in agriculture. In contrast output decreased by 1.8% in construction and 0.1% in production.

GDP was 2.7% higher in Q4 2014 compared with the same quarter a year ago.

GDP in the UK grew steadily during the 2000s until a financial market shock affected UK and global economic growth in 2008 and 2009. Economic growth resumed towards the end of 2009,
but generally at a slower rate than the period prior to 2008. This growth was also erratic, with several quarters between 2010 and 2012 recording stagnant or declining GDP. This two-year period coincided with special events (severe winter weather in Q4 2010, the Diamond Jubilee in Q2 2012) that are likely to have affected growth. Since 2013, GDP has grown steadily, passing its pre-downturn peak in Q3 2013.

Industries have shown differing trends following the recent economic downturn. The construction and production industries were more acutely affected by the deterioration in economic conditions. Following the downturn, the services industries generally grew steadily, albeit slowly, with output exceeding its pre-downturn peak in Q3 2011.

Production and construction activity began to grow in 2010 – with manufacturing showing particular strength – but neither industry sustained this growth. Production output fell in both 2011 and 2012 to below levels seen at the height of the downturn in 2009. As long-term economic uncertainty acted as a deterrent on investment, construction output sharply decreased in 2012, and was close to its 2009 trough after further contraction in Q1 2013. However, clear improvement in construction has been seen in 2014 with output in 2014 6.0% higher than 2013. Although there has been widespread growth across all major components of GDP since the start of 2013, the service industries remain the largest and steadiest contributor to economic growth and the only component of GDP where output has exceeded its pre-downturn peak.

Background notes


2. Details of the policy governing the release of new data are available by visiting www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gsi.gov.uk

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