

A1: Gross Domestic Product

GDP grew by 1.0% in the final quarter of 2020 (October-December)

Real Gross Domestic Product seasonally adjusted		
	% change on qtr	% change on yr
2018	...	1.3
2019	...	1.4
2020	...	-9.9
2019 Q4	0.0	1.2
2020 Q1	-2.9	-2.2
Q2	-19.0	-21.0
Q3	16.1	-8.7
Q4	1.0	-7.8

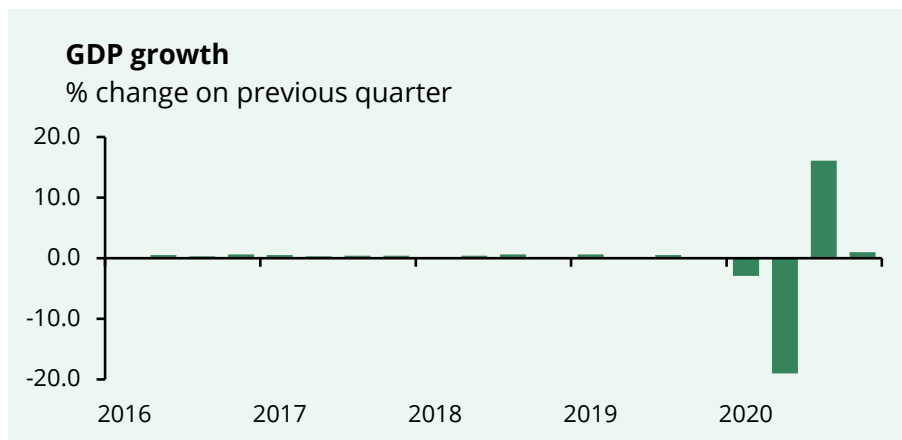
Source: ONS, series: IHYP, IHYQ, IHYR

compared to the previous three-month period (July-September), and grew by 1.2% in December 2020 compared to November. However, December GDP was 6.3% below the pre-pandemic levels seen in February 2020.

Annual average GDP fell by 9.9% in 2020, which is the largest annual decline since records began.

The services sector was the main driver of the growth in December. Growth in this sector was 1.7%, while production also grew marginally by 0.2%. Output in both of these sectors remain lower than in February, by 6.9% in services and 3.6% in production. The construction sector fell by 2.9% in December, and is 3.5% below the February level.

In cash terms, GDP was £2,218 billion in 2019.



Forecasts

In their November [Economic and fiscal outlook](#), the Office for Budget Responsibility's (OBR) central economy forecast was 5.5% in 2021 and 6.6% in 2022.

The Treasury's February 2021 [survey of independent forecasts](#) showed an average forecast of 4.4% for 2021 and 5.7% for 2022.

Annual GDP growth forecasts (%)	2021	2022
OBR Central economy forecast (Nov 20)	5.5	6.6
HM Treasury average of independent forecasts (Feb 21)	4.4	5.7

Source:

OBR, *Economic and fiscal outlook*, November 2020

HMT, *Forecasts for the UK economy: a comparison of independent forecasts*, February 2021

Subject Specialist

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Updates

ONS, [GDP monthly estimate](#), 12 March 2021

ONS, [GDP national accounts](#), 31 March 2021

HM Treasury, [Forecasts for the UK economy](#), 17 March 2021

OBR, [Economic and fiscal outlook](#), Spring 2021