Department for Business & Trade

Economic indicators methodology

Industrial Strategy quarterly update economic indicators methodology, July to September 2025

07 October 2025

Economic indicators methodology

The Office for National Statistics (ONS) produces granular sector data on an annual basis. To provide more timely data, DBT have created a methodology using more aggregated quarterly data to estimate quarterly investment, employment, productivity and GVA for the IS-8.

Quarterly data is inherently volatile, and the granular estimates are likely to see notable revisions once the official annual data is released. Revisions will be more significant where the sectoral proportions of the economy shift significantly. Estimates may also be revised as DBT methodologies and data sources improve over time.

Estimating quarterly economic indicators for the IS-8

The IS-8 cannot be precisely mapped and measured by official statistics. Office for National Statistics (ONS) economic data uses the Standard Industrial Classification (SIC) system, which does not fully capture the detail and fast-changing nature of the IS-8 meaning coverage varies across them (see Table 1). Initial definitions for the IS-8 using SIC are set out on GOV.UK ([Industrial Strategy Sector definitions page](#)), and will continue to be used as our starting point.

Table 1: SIC-based definition coverage across the IS-8

AM	CEI	CI	D	D&T	LS	FS	PBS
			Partial		Partial		

Key: Green – well-defined by SIC; Amber – proxy SIC based definition; Red – not easily represented by SIC, with no or partial coverage.

Advanced Manufacturing (AM), Clean Energy Industries (CEI), Creative Industries (CI), Defence (D), Digital & Technologies (D&T), Life Sciences (LS), Financial Services (FS), Professional Business Services (PBS)

Where feasible we have mapped detailed SIC-4 against IS-8 sectors. The SIC system is tiered, with increasing granularity down from SIC-1 to SIC-4. The higher-level SIC classifications (that is, SIC-2) lack the necessary granularity to map easily against the IS-8, so we have used a list of SIC-4 codes mapped against IS-8 sectors to extract economic metrics.

Clean Energy cannot be proxied at all under the SIC system and thus is not captured here. While Defence and Life Science only have partial coverage. Thus, overall IS-8 estimates will not fully reflect all eight sectors. Estimates are at the IS-8 sector and not the frontier industry level for all frontier industries outlined in the Industrial Strategy White Paper.

Table 2: Data underpinning each economic metric

	CEI	AM	CI	DS	D&T	LS	FS	PBS
GVA	N/A	ONS GDP low-level aggregates, (apportioned with the Annual Business Survey)						
Business Investment	N/A	Industry-level data taken from ONS Gross Fixed Capital Formation by Industry and Asset, Volume Index Capital Services (VICS), Supply Use Tables, and Business Investment by Industry and Asset*, (apportioned with the Annual Business Survey)						

Employment	N/A	Payrolled Employees from Pay As You Earn (PAYE) Real Time Information (RTI), (apportioned with Inter-Departmental Business Register)
Output per Worker	N/A	ONS GDP low-level aggregates divided by ONS Productivity Jobs (apportioned using Annual Business Survey proxy)

*Coverage varies between ONS investment datasets so multiple sources are used, and merged together to give full coverage.

The Department for Business & Trade (DBT) are publishing estimates of the four metrics above to have more timely understanding of how the IS-8 sectors are faring. However, the relevant data sets are published at SIC-2 level, which is not granular enough to extract data on all IS-8 sectors – (which are defined at SIC-4 level). Financial Services and Professional Business Services can be directly mapped at SIC-2 level and is directly input to the quarterly summary figures. But where this mapping is not feasible at SIC-2, we use apportionment to disaggregate the SIC-2 level economic data to the SIC-4 level data using another data set that does provide data at the SIC-4 level (ONS's Annual Business Survey or the Inter-Departmental Business Register).

For Output Per Worker data, we use the sector GVA data calculated using the apportionment method and divide this by ONS Productivity Jobs figures. The apportionment for ONS Productivity Jobs uses the same method as the GVA breakdown, using the latest Annual Business Survey (*Non-financial business economy, UK: Sections A to S, 2025*). This keeps the methodologies for the numerator and denominator consistent.

We use 2022 prices for GVA, Investment and Output Per Worker because this is the Chained Value Measures base year in the ONS GDP low level aggregates dataset.

For more timely employment statistics, we use Pay As You Earn Real Time Information (PAYE RTI) to source monthly employment. We use the latest available Inter-Departmental Business Register data (2024) to source SIC-4 employment shares for the IS-8, which are then applied on to the latest monthly PAYE RTI data.

DBT will update these estimates in future reports with historic actuals and new sector mixes when more accurate or recent data is published by ONS.

Major new investments made in IS-8 sectors

The Quarterly Report summarises the major investments in the IS-8, and their related job numbers. These are listed in the accompanying [Investment total spreadsheet](#). We have recorded investment projects where government has been involved in the process or stem from policy decisions made as part of the Industrial Strategy. The figures are the nominal value over the lifetime of each investment.

Where announcements are updates from commitments made prior to the Industrial Strategy publication, we record the net increase and exclude the previously committed value. The first Quarterly Update publication will capture the investments announced since the Industrial Strategy White Paper was published and thus includes some announcements in June 2025. Subsequent Quarterly Update publications will only capture the announcements made in the relevant 3-month period.

Notes on specific quarterly reports

October 2025

About £28 billion in infrastructure financing was raised between January and August, including M&A, with the UK on track to raise a record >£42bn by end of the year. This statistic refers to debt issuances for infrastructure deals, mergers and acquisitions, and refinancing.

Data originally reported in US Dollars, converted at $1.36 per £1. Original data by Infralogic, reported by the Financial Times (paywall) on 8 September 2025.

Department for Business and Trade

The Department for Business and Trade is an economic growth department. We ensure fair, competitive markets at home, secure access to new markets abroad and support businesses to invest, export and grow. Our priorities are the industrial strategy, make work pay, trade and the plan for small business.

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**Published by
Department for Business and Trade**

07 October 2025