Coal dispute cuts growth rate to 2.5%

By David Smith : Economics Correspondent

The economy grew by 2.5 per cent last year, according to official figures yesterday. Whitehall statisticians said that but for the miners' strike, growth would have been 3.6 per cent – the fastest since 1973 when it was 5.8 per cent.

The figures, for gross domestic product based on output data, show that, apart from a second quarter decline in GDP attributable to the coal dispute the recovery continued through 1984.

GDP increased by 1 per cent between the third and fourth quarters, to stand 2.1 per cent higher than in the fourth quarter of 1983.

Record North Sea oil and agricultural output helped in achieving a reasonably strong rate of growth. Manufacturing output contributed 0.9 per cent of the GDP increase, North Sea oil 0.4 per cent, transport and communications 0.4 per cent, distribution 0.4 per cent, other services 1.1 per cent and agriculture 0.1 per cent. The main effect of the miners's strike was a decline of 1 per cent in the contribution of the energy industries, excluding oil.

GDP figures have been revised back to the beginning of 1982 to take account of new information on manufacturing output. GDP growth of 2.5 per cent last year compared with 3 per cent in 1983 and 2 per cent in 1982.

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The Times (London, England), Wednesday, Feb 20, 1985; pg. 17; Issue 62067. (217 words)

Category: Business and Finance

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Gale Document Number: CS286625876