

# BUSINESS INTELLIGENCE

## Luton Gross Value Added

January 2017

### Introduction

Gross Value Added (GVA) is a measure of economic activity. The data are produced by the Office for National Statistics (ONS). The latest data were published in December 2016 and are available up to 2015. GVA is calculated at current prices so inflation is not taken into account.

### Headlines

- Economic growth as measured by GVA rose by 5 per cent in Luton between 2014 and 2015 which was faster than the national and regional growth rates.
- GVA per head grew by 3 per cent in Luton between 2014 and 2015 which is also faster than the national and regional growth rates.
- Luton's GVA per head index is 10% below the national figure and is ranked 66th out of 173 local areas.
- Transport, distribution, accommodation and food generate the highest proportion of GVA in Luton.
- The contribution to GVA of manufacturing has fallen over the years but it is still a significant industry in Luton with a higher percentage contribution to GVA than the national figure.

### Luton, Regional & National Gross Value Added

Table 1: Gross Value Added 2007-2015

GVA £ million	2007	2008	2009	2010	2011	2012	2013	2014	2015	14/15 growth
Luton	4,534	4,849	4,483	4,295	4,228	4,221	4,422	4,665	4,888	4.8%
UK	1,377,734	1,414,107	1,382,229	1,414,635	1,452,075	1,495,576	1,551,553	1,624,276	1,666,342	2.6%
East	120,204	124,558	119,990	122,728	124,885	128,469	134,692	141,806	145,651	2.7%

Source: Office for National Statistics

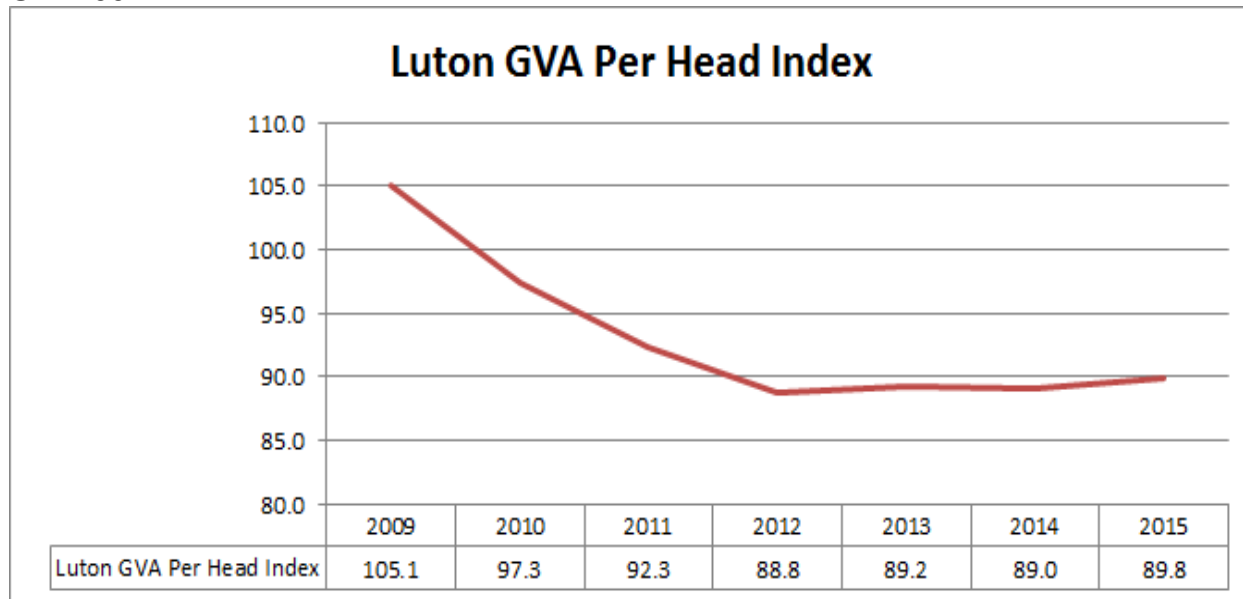
**Table 2: Gross Value Added Per Head, 2007-2015**

GVA per head £	2007	2008	2009	2010	2011	2012	2013	2014	2015	14/15 growth
Luton	23,896	25,242	22,937	21,521	20,760	20,505	21,260	22,114	22,766	2.9%
UK	22,468	22,873	22,201	22,541	22,945	23,477	24,203	25,145	25,601	1.8%
East	21,262	21,820	20,863	21,133	21,303	21,747	22,621	23,562	23,970	1.7%

Source: Office for National Statistics

GVA for Luton in 2015 was £4,888 million which increased by 4.8 per cent between 2014 and 2015, GVA increased both nationally and regionally but at a slower rate than Luton. GVA per head in Luton was £22,766 in 2015 which is an increase of 2.9 per cent from 2014.

**Chart 1: Luton GVA Per Head Index 2009-2015**  
UK=100

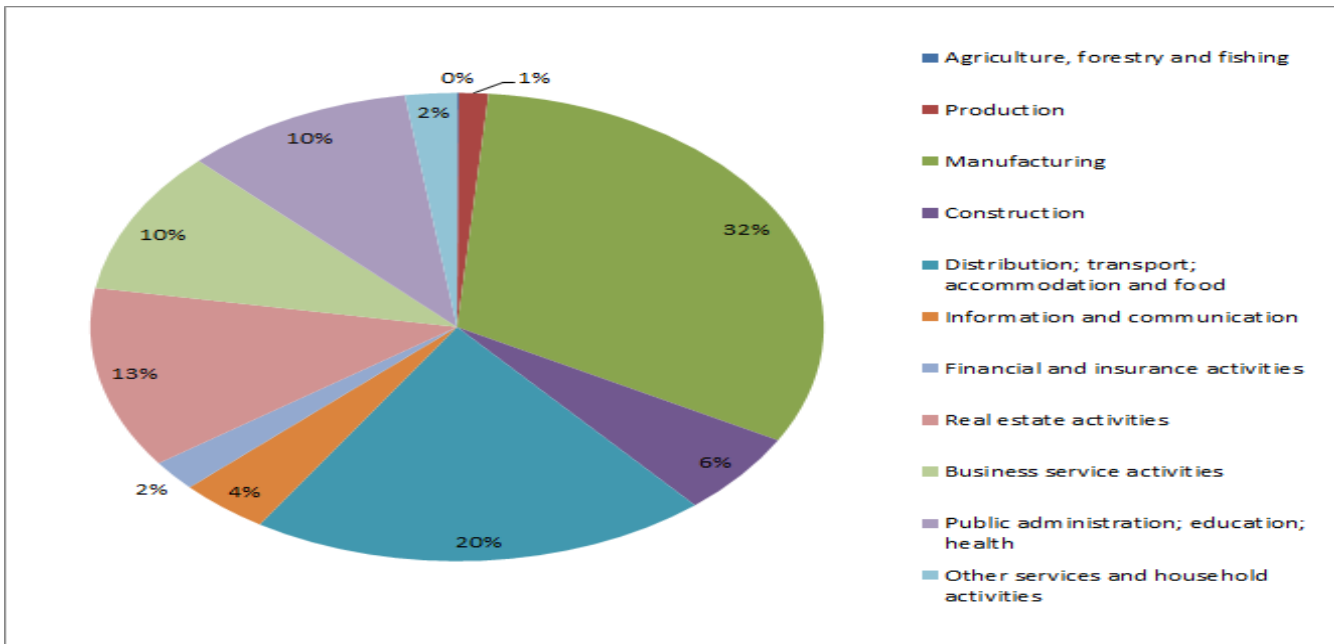


Source: Office for National Statistics

Luton's GVA per head is 10 per cent below the national average. Luton's GVA per head index has risen slightly since 2012.

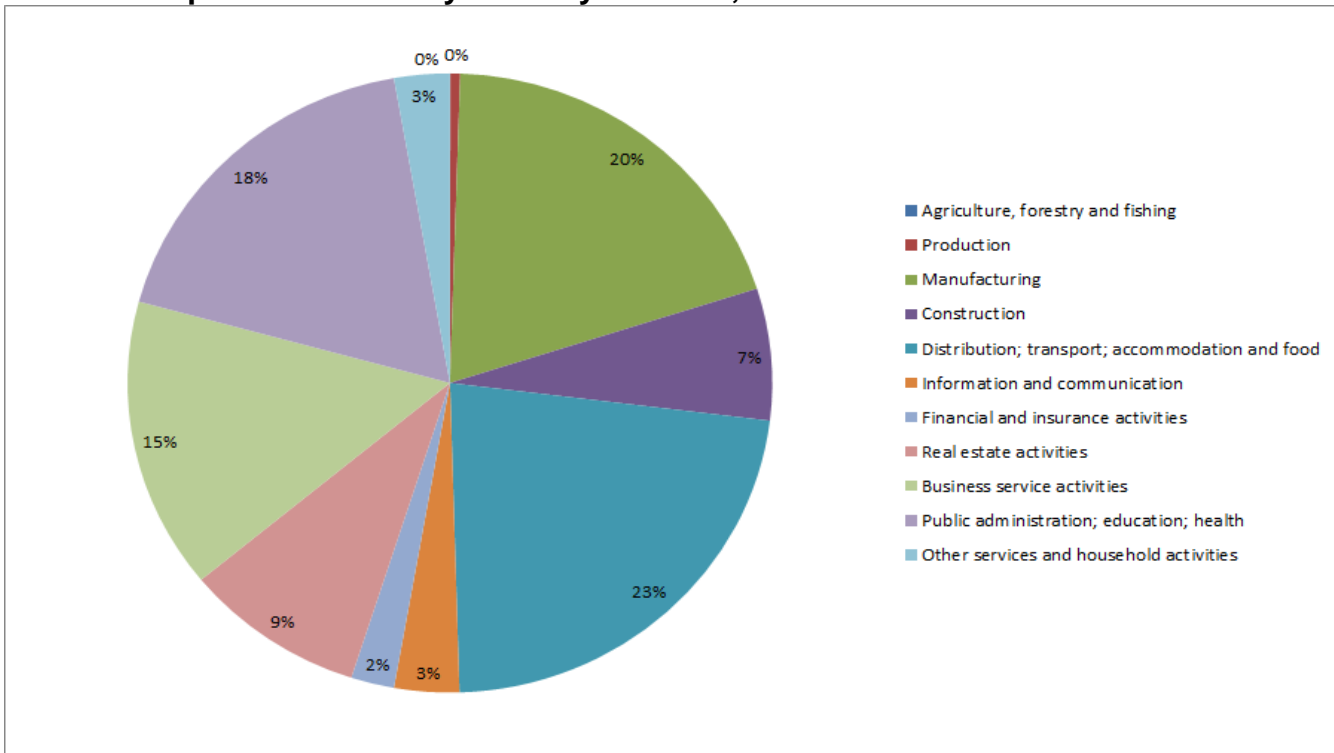
The Industrial Composition of Luton

Chart 2: Proportion of GVA by Industry in Luton, 1997



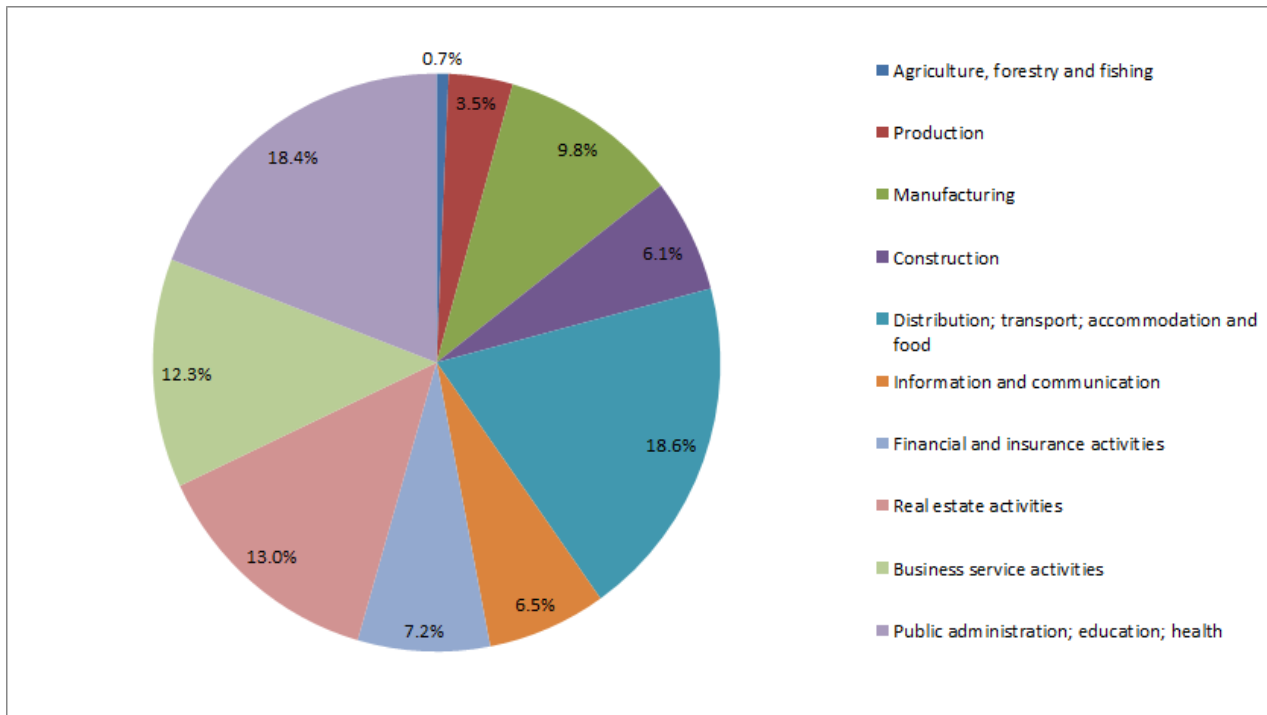
Source: Office for National Statistics

Chart 3: Proportion of GVA by Industry in Luton, 2015



Source: Office for National Statistics

Chart 4: Proportion of GVA by Industry UK, 2015



Source: Office for National Statistics

Distribution, transport, accommodation and food contribute the highest proportion of GVA in Luton at 23 per cent which reflects the importance of the airport. Despite the decline in manufacturing, it is still a major contributor to the Luton economy. The manufacturing sector generates 20 per cent of GVA in Luton in comparison to 10 per cent nationally.

Comparing charts 2 & 3 shows the change in industrial contribution to GVA between 1997 and 2015. In 1997 the manufacturing industry made up 32 per cent of the GVA in Luton. This has fallen to 20 per cent in 2015. However this is still larger than the proportion of GVA for the UK economy as a whole which is 10 per cent. The service sector is now the dominant area in both Luton and the UK.

The complete GVA data publication can be found in the found in the following link: [GVA](#)

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