

Britain's recession deepens as GDP falls 0.7 pct in Q2

LONDON, July 25 (Xinhua) -- Britain's economy sank far deeper in recession than expected, as the country's economy shrank 0.7 percent in the second quarter of this year.

Latest official figures released Wednesday by the Office for National Statistics (ONS) suggested that Britain's gross domestic product (GDP) decreased by 0.7 percent between April and June.

The ONS attributed the downturn mainly to steep falls in the construction and manufacturing sectors. An extra day's holiday for the queens Diamond Jubilee celebrations, budget austerity and eurozone crisis were also to blame for the drop of economy, it said.

Britain was already in recession after posting negative growth for two successive quarters since late 2011. The economy shrank 0.4 percent in the fourth quarter of last year and by 0.3 percent in the first quarter of 2012.

However the ONS cautioned that Wednesday's figure was a preliminary estimate and could be revised in the coming months.

"The bottom line from all this is that the underlying performance of the economy was probably somewhat better than the headline figure of 0.7 percent drop would suggest having regard to the extra bank holiday and to the poor weather," Joe Grice, chief economist and executive director responsible for Social and Public Services Analyses and Reporting with the ONS told local media BBC.

"How much that effect might be is something we won't be able to say or to quantify until we have further experience against which to judge," Grice said.

According to ONS, output of the production industries decreased by 1.3 percent in the second quarter compared with the previous three months.

Construction sector output also decreased by 5.2 percent in April-June compared with the previous three months, and output of the service

industries decreased by 0.1 percent in the same period.