



NATIONAL INCOME  
AND EXPENDITURE  
OF THE  
UNITED KINGDOM  
1946 to 1948

Presented to Parliament by the Financial Secretary to the Treasury  
by Command of His Majesty  
April 1949



CENTRAL STATISTICAL OFFICE

NATIONAL INCOME  
AND  
EXPENDITURE



Office for  
National Statistics

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National Income  
and Expenditure  
1972



HMSO 85p net

A publication of the Government Statistical Service



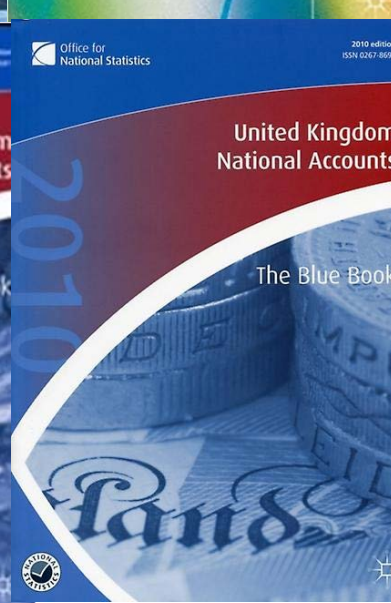
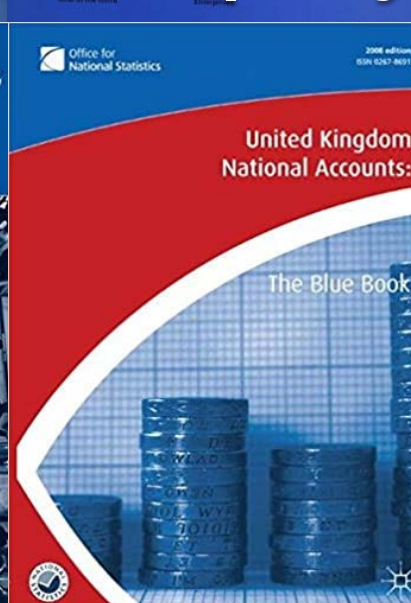
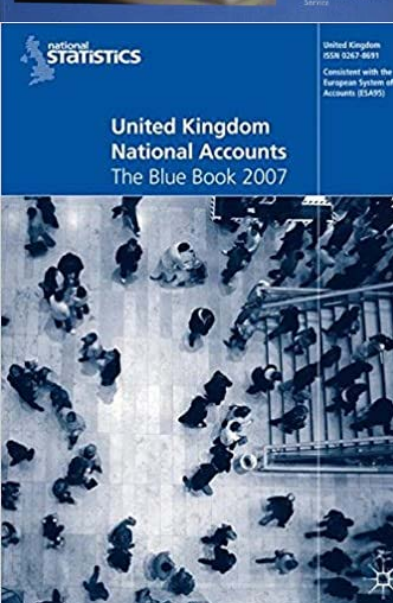
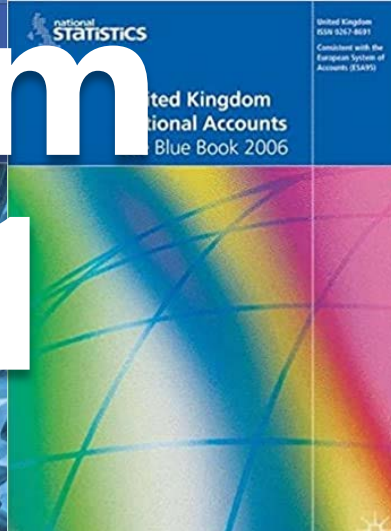
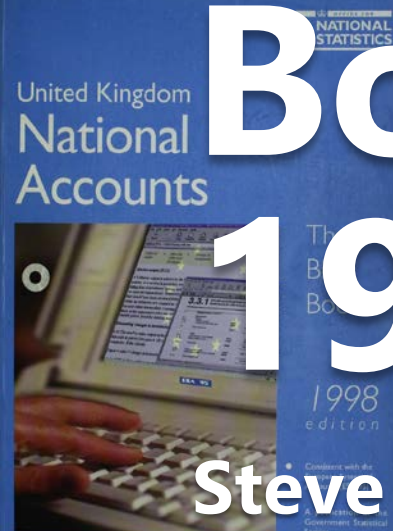
United  
Kingdom  
National  
Accounts

The  
Blue  
Book

1996  
A publication of  
the Government  
Statistical Service

# Summary of Blue Books from 1941-2021

Steve Drew | May 2022





# Blue Book Summaries | Historic Information

Steve Drew | Office for National Statistics | May 2022

## Executive Summary

This document pulls together a summary of all key changes made in each Blue Book from 1951. Whilst the first Blue Book appeared in 1941, at that time they were only papers presented to parliament each April. However, from 1951 onwards, the Blue Book structure we are familiar with started.

Whilst there has been a consistent evolution in the content and format of Blue Book, there was a degree of consistency up until 1998. The first Blue Books contained a section explaining the sources and methods within the Blue Book. This was later extracted into a separate Sources and Methods guide in 1956, and later updated in 1968, 1985 and 1998. Blue Books then referenced the changes that had been made to the last Sources and Methods and in effect became a change log for the next revision.

After 1998, this practice stopped, and only major changes were noted within specific chapters. This was around the time that the practice of using articles to explain upcoming revisions to Blue Books, and a series of articles explaining the detail were published. This effectively replaced the methodology section.

For each Blue Book, the following areas are covered:

- Key points – setting out the headline changes to the Blue Book
- Summary from preface – the summary at the beginning of Blue Book where available
- Sources & Methods – which edition of sources and methods the Blue Book relates to
- SIC Used – the version of the industrial classification used
- Revisions to data – this copies the revisions to data from the preface where available
- Changes in content – this copies the changes in content section from the preface
- Methodological notes – the changes which have been extracted where available from the Methodological Note section at the back of Blue Book. This has been done by browsing through and pulling out the key elements, but may not be exhaustive

Each Blue Book up until 2021 has been detailed.

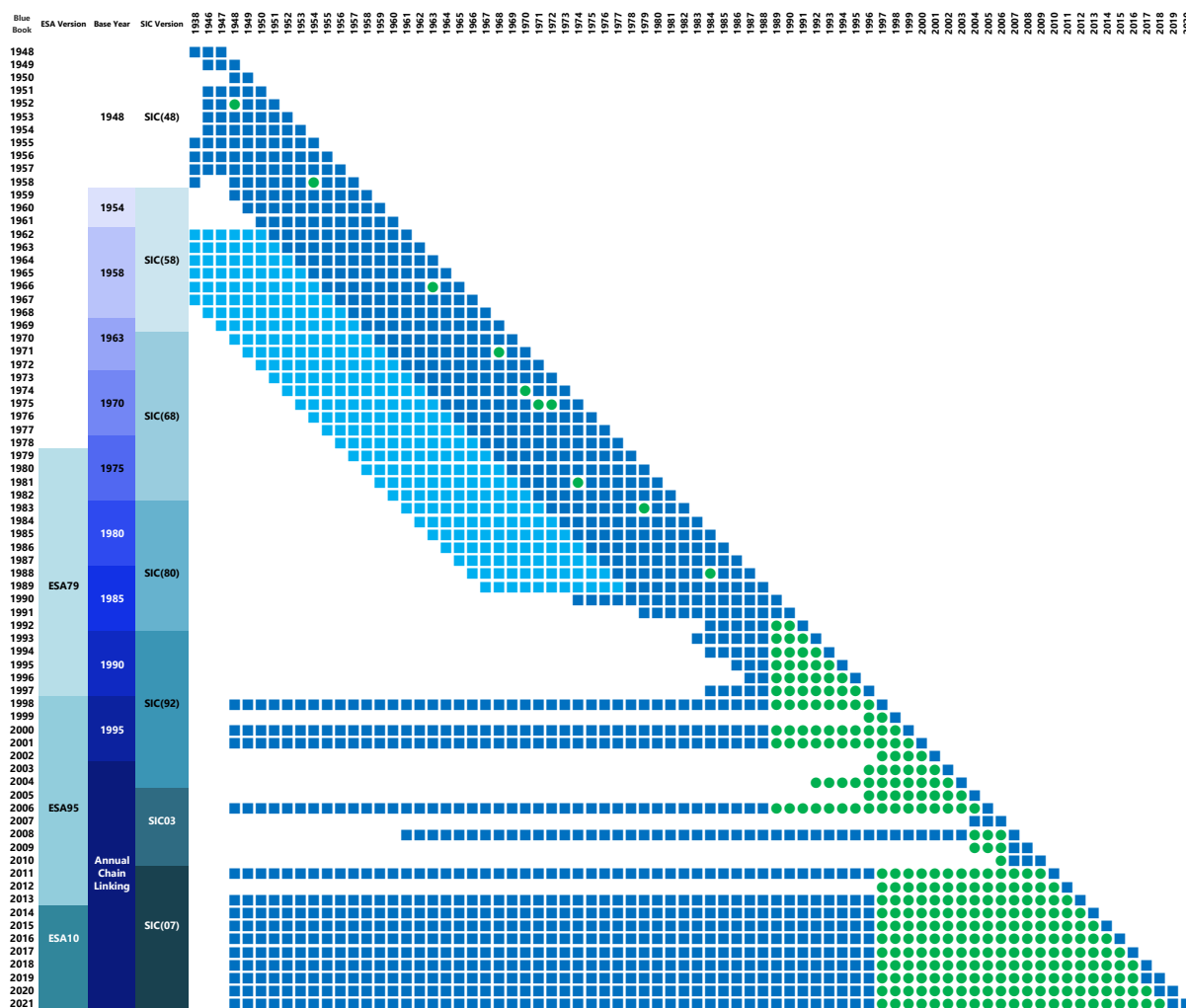
In the annex we also have two sections which detail:

- for volume GDP the base and link years employed through time
- since annual chain linking was introduced the practices relating to the fixed base tail

Note that the text has been extracted from scanned pdf files and in places there may be errors that have not been spotted.

## Overview of Blue Books

The following diagram shows the historic approach to revisions for each Blue Book from 1948 to the current period. Each blue square represents a year that was open for revision in the Blue Book publication. The lighter blue squares represent years where only data in summary tables were revised and detailed tables weren't. Green circles represent years where the supply and use tables were opened. On the left hand-side there are three columns illustrating the versions of the European System of Accounts, base year and industrial classification.



An interactive version of this time is available here: [link](#)

## Blue Books 1941-1950

Presented directly to parliament rather than published as we do now. Concentrates on data tables rather than additional information or commentary. Each year increases the number of tables as it is an ever-expanding framework.

The Blue Books for this period are available here: [link](#)

## Blue Book 1951

### Key Points

- More detailed analysis of company profits by industry
- Analysis of fixed capital formation by type of capital asset and by the industry
- More detailed analysis for capital expenditure in manufacturing industry
- General improved quality in data used to compile GDP

### Summary from Preface

No summary

### Sources & Methods

None

### SIC Used

SIC 1948

### Revisions to data

This paper gives estimates of the national product, income and expenditure of the United Kingdom of Great Britain and Northern Ireland for the calendar years 1938 and 1946 to 1950.

### Changes in Content

On two subjects the paper contains more detailed information than has been given in previous papers in this series. Table 8 gives an analysis of company profits by industry, based on data collected by the Commissioners of Inland Revenue in the course of assessing profits to income tax. The scope of these figures, and their relation to the statistics published by the Commissioners of Inland Revenue in their Annual Reports, are described in the notes to the table. Secondly, tables 30 and 31 give an analysis of fixed capital formation by type of capital asset and by the industry or service in which the capital formation took place, while table 32 gives a more detailed analysis for capital expenditure in manufacturing industry.

The improvement of basic statistical information has made it possible in some cases to improve the reliability of the estimates. Thus, the figures for gross output of various industrial groups

given in tables 1 and 5 are believed to be considerably more accurate than the corresponding figures in last year's National Income White Paper (Cmd. 7933). They are now given for a considerably larger number of separate industrial groups. Secondly, estimates of wages paid have been revised in the light of new information and are now more firmly based than before. Thirdly, recent changes in the basis and methods employed in the Balance of Payments White Paper have made it easier to cover this part of the field in a manner consistent with the treatment adopted elsewhere in this paper. Fourthly, the estimates of some items of personal consumption expenditure have been considerably revised. In particular, the estimates of expenditure on private motoring and on the services of hotels and catering establishments have been substantially raised.

A small number of changes of treatment and terminology have been made. The gross national product has been redefined so as to include net income from abroad. Employers' national insurance contributions have been treated as a direct tax and included for the first time in the national income. Both these changes have been made in the interests of international comparability. Thirdly, there has been a change in the treatment of the item which in last year's White Paper was called "inventory revaluation" (renamed "stock appreciation" in the present paper). This item was there excluded from the gross national product, though not from the national income or expenditure. In this paper, it has been excluded from gross national expenditure and from disposable income; the figures of national income are so presented as to make it possible to adopt whichever treatment is most convenient for the purpose in hand. Fourthly, the scope of the first table in the Social Accounts, formerly limited to the operating accounts of enterprises, has been extended to cover all the productive activities of the United Kingdom; its field is now coterminous with that of the gross domestic product as defined in this paper. Further details on these and other changes are given in the notes to the tables (Appendix).

## Methodological Notes

No Sources and Methods which could be referenced, hence the publication contains much of the methodological information within the Blue Book.

See changes to content for summary of changes.

[Link to Blue Book 1951](#)

# Blue Book 1952

## Key Points

- Tentative estimates of GDP in constant prices at 1950 prices published
- Six new tables published
- Changes and new tables as follows:
  - Table 13 "input-output" table for 1948
  - Table 20 gives estimates of the total receipts of public corporations from sales, etc.
  - Table 31 gives in summary form a separate capital account for each of the sectors of the economy
  - Table 34 gives estimates of gross fixed capital formation revalued at 1948 prices.
  - Tables 37 and 38 give tentative analyses of the increase in value of stocks divided between sectors and industries respectively

- Table 19 which gives company profits by industry
- Table 25 analyses current expenditure of local authorities by type of service.

## Summary from Preface

No summary

## Sources & Methods

None

## SIC Used

SIC 1948

## Revisions to data

This paper gives estimates of the national product, income and expenditure of the United Kingdom for the years 1946 to 1951. It is issued in fulfilment of the undertaking given in the foreword to the White Paper on Preliminary National Income and Expenditure Estimates, 1948 to 1951 (Cmd. 8486) of March 1952, to provide the detailed analyses which could not then be included and to revise the figures.

## Changes in Content

There are six new tables—Tables 13, 20, 31, 34, 37 and 38—apart from additions to old tables.

Table 13 describes the structure of the economy of the United Kingdom in the year 1948 by means of an “input-output” table. The object is to show on the one hand how much each major industry of the economy buys from other industries and from abroad and how much it pays for the services of factors of production ; and on the other hand to show how much it sells to other industries, to foreigners and to United Kingdom final buyers such as persons and public authorities.

Table 20 gives estimates of the total receipts of public corporations from sales, etc. and their current operating expenses (wages, materials, etc.).

Table 31 gives in summary form a separate capital account for each of the sectors of the economy distinguished in this paper. Previously these have always been shown combined.

Table 34 gives estimates of gross fixed capital formation revalued at 1948 prices.

Tables 37 and 38 give tentative analyses of the increase in value of stocks divided between sectors and industries respectively. The chief additions to the old tables are in Table 18 where there is more detail of dividends,

Table 19 which gives company profits by industry before as well as after deduction of depreciation, and

Table 25 which analyses current expenditure of local authorities by type of service.

There have been some changes in treatment since the National Income White Paper of April, 1951 (Cmd. 8203). Several of these are the consequences of an attempt to make a more consistent distinction than hitherto between domestic and overseas transactions, and in particular to exclude so far as possible from the reckoning of domestic income (though not, of course, from the national income) the profits of British companies operating abroad. This affects the figures for company trading profits and net income from abroad in Table 1 as well as the account of transactions with the rest of the world (Table 7) and the appropriation account for companies (Table 18).

Another important change—the redefinition of gross capital formation, depreciation and the gross national product so as to exclude current expenditure on building maintenance and repair—was made in March, 1952 and was commented on briefly in the White Paper of that date (Cmd. 8486).

The treatment of stock appreciation also follows that of Cmd. 8486 rather than that of Cmd. 8203. Further study of the available information confirms the view recorded in Cmd. 8486 that satisfactory estimates cannot be made of the division of this item (itself very imprecisely estimated) between sectors (companies, persons, Government, etc.). The income and saving of particular sectors are therefore presented, throughout gross of stock appreciation. Only in reckoning the income and saving of the economy as a whole has an adjustment been made. Stock appreciation therefore appears as a single figure with no sector analysis.

The introduction which follows this foreword gives a short account of the principles on which the estimates are constructed. It attempts (a) to explain the meaning of the national income and gross national product and to show how they are built up, (b) to describe the system of social accounts which underlies all the estimates, and (c) to define the aims of further development of the estimates. A final section includes some provisional estimates of the various items of national expenditure at constant prices, as a contribution to the measurement of real national resources and their allocation between various uses.

## Methodological Notes

No Sources and Methods which could be referenced, hence the publication contains much of the methodological information within the Blue Book.

See changes to content for summary of changes.

[Link to Blue Book 1952](#)

# Blue Book 1953

## Key Points

- More detail in table of “inter-industry transactions”
- More detailed analysis of the industrial composition of gross domestic product, by types of income
- An analysis:
  - Of consumers’ expenditure at constant factor cost
  - Of industry groups of the appropriation and capital accounts of the public corporations

- By type of service of current expenditure on goods and services, and of fixed capital formation, by public authorities
- By sector of stock appreciation (in Table 45).

## Summary from Preface

No summary

## Sources & Methods

None

## SIC Used

SIC 1948

## Revisions to data

Estimates are given in this publication of the national product, income and expenditure of the United Kingdom, and of their constituent parts, in the years 1946 to 1952. The book amplifies and revises the summary figures given in the White Paper "Preliminary Estimates of National Income and Expenditure, 1948 to 1952" (Cmd. 8803) issued in April 1953. Although the figures for recent years are on a firmer basis than those published in Cmd. 8803, much of the information for the more recent years is still to some extent provisional.

## Changes in Content

The latter publication contained tentative estimates of changes in final expenditure at constant prices in 1948 to 1951. In the present book (pages vii to x) these estimates have been revised, and extended to cover the period 1946 to 1952. In addition, new estimates are now given, analysing changes in output valued at constant prices during the same period; these estimates of output have been made in collaboration with the Department of Applied Economics at Cambridge University, and the benefit of their experience and assistance is gratefully acknowledged.

Other new features in this publication are:

- 1) A table of "inter-industry transactions" in 1950, giving particulars for more industry groups than have previously been shown (Table 13).
- 2) More detailed analysis of the industrial composition of gross domestic product, by types of income (Table 11).
- 3) An analysis of consumers' expenditure at constant factor cost (Table 19 ii).
- 4) An analysis by industry groups of the appropriation and capital accounts of the public corporations (Tables 25 and 26).
- 5) An analysis by type of service of current expenditure on goods and services, and of fixed capital formation, by public authorities (Tables 32 and 33).
- 6) An analysis by sector of stock appreciation (in Table 45). These estimates are put forward with all reserve and attention is called to the note on page 97 describing the reasons for



the uncertainty surrounding the related estimates of stock appreciation and of physical changes in the level of stocks.

Some changes of treatment from earlier publications in this series may be noted:

- 1) Residual error - The main aggregates in this publication are built up from largely independent estimates of income on the one hand and of final expenditure on the other. Hitherto discrepancies between, the two totals have been removed by a series of adjustments to the constituent figures. In the present book, a separate item described as "residual error", treated as an unidentifiable form of "income" (positive or negative), is shown. The treatment of it is explained in more detail on page 74 (item 19).
- 2) Provision for depreciation - Provision for depreciation is no longer stated separately (except in Table 21. and in the notes on page 95). This change follows the practice in the White Paper "Preliminary Estimates of National Income and Expenditure, 1948 to 1952" (Cmd. 8803), and was made largely because figures of profits after deducting provision for depreciation show somewhat arbitrary fluctuations due, for example, to various changes in the statutory allowances. Hence all figures of profits and similar forms of trading income now refer to gross trading profits, before deducting provision for depreciation.
- 3) Rent - Certain changes have been made in the definition of rent of land and buildings. Rental income accruing to trading concerns from the ownership of owner-occupied land and buildings is no longer separated from their trading profits; it is felt that the available data do not allow a sufficiently accurate estimate of the rent element in these cases. (See notes on page 74 against item 18.)
- 4) Fixed capital formation - All repair and maintenance work on fixed capital assets is now excluded from gross capital formation. Although normal current repairs and maintenance were already excluded from gross capital formation, any apparent excess of repairs done over normal repair requirements was treated as part of gross capital formation, while a deficiency was treated as a deduction from gross capital formation. The data available on "excess repairs" covered, however, only a part of fixed capital assets and the estimates were in some cases unreliable. It is therefore considered preferable to treat all expenditure on repair and maintenance as a deduction in arriving at gross trading profits or gross rental income, and no attempt is now made to identify "excess" or "deficient" repairs on buildings or other fixed assets. (See notes on page 94.)
- 5) Public authority trading concerns - Some additional services of the Central Government are now included in this category. (See notes on page 85.)

## Methodological Notes

No Sources and Methods which could be referenced, hence the publication contains much of the methodological information within the Blue Book.

See changes to content for summary of changes.

[Link to Blue Book 1953](#)

# Blue Book 1954

## Key Points

- Two new tables
- Thorough revision of major series within consumers' expenditure including the classification used

## Summary from Preface

No summary

## Sources & Methods

None

## SIC Used

SIC 1948

## Revisions to data

This publication contains estimates of the national product, income and expenditure of the United Kingdom in the years 1946 to 1953. Preliminary figures for 1953 have already been included, but in much less detail, in the White Paper "Preliminary Estimates of National Income and Expenditure, 1948 to 1953" (Cmd. 9118) issued in April, 1954.

## Changes in Content

New features in the present publication are:

1. Table 16—Production accounts for manufacturing industry 1950-1953.
2. Table 18—Distribution of personal incomes. Figures are now given for three years and for ten ranges of income.
3. Additional information relating to the company appropriation accounts will be found in the notes on pp. 84 and 85.

## Methodological Notes

No Sources and Methods which could be referenced, hence the publication contains much of the methodological information within the Blue Book.

## Revisions of estimates

The principal revisions of estimates, made since the last Blue Book, are listed below; some but not all of these revisions were incorporated in the White Paper "Preliminary Estimates of National Income and Expenditure 1948 to 1953" (Cmd. 9118) published in April, 1954.

- a) Consumers' expenditure. A thorough revision has been undertaken of several of the major series making up consumers' expenditure, in the light of new information available from the annual Censuses of Production, the Census of Distribution and Other Services, 1950 and other sources. In most years, these revisions have had the effect of adding something less than 1 per cent, to the estimated total of consumers' expenditure, but the effect on the figures has been proportionately greater for some categories (e.g. on the estimates for rent, household durable goods and clothing). At the same time, some changes have been made in the classification of consumers' expenditure (described on page 83); these changes have been introduced partly to divide up the large and heterogeneous group of "other goods", and partly to provide a grouping more closely in accordance with the pattern of retail distribution. Amended quarterly figures of consumers' expenditure on this new classification are shown in the Monthly Digest of Statistics for August, 1954.
- b) Fixed capital formation and changes in stocks. Some revisions have been made chiefly in the light of more complete and up-to-date figures available from the Censuses of Production and other sources. The estimates of stock appreciation, and consequently of the physical increase in stocks, have been somewhat revised.
- c) Exports, imports and income from abroad. The figures have been revised in accordance with the two latest half-yearly White Papers on the Balance of Payments (Child. 8976 and Cmd. 9119).
- d) Income from employment.—The principal revisions are due chiefly to an increase in the allowance included for various forms of income in kind (such as meals, or meal tickets, provided by the employer). The estimate for 1952 has also been amended following the completion of the analysis of P.A.Y.E. tax deduction cards for 1952-53.
- e) Trading incomes.—The estimates of income from self-employment and of the trading profits of companies have been amended; the revisions are due in part to new estimates of certain adjustments required to convert profits as assessed to tax to the definition and coverage required for statistics of national income and in part, for the most recent years shown, to new data available as tax assessments are completed.
- f) Company interest and dividends.—The series has been substantially revised from new information.

## ***Industrial input and output***

### ***Table 16—Production account for manufacturing industry (1950-53)***

This new table carries forward, in very summary form, a portion of the table of "inter-industry transactions" (Table 15). Table 16 is confined to the production of manufacturing industry (other than food, drink and tobacco manufacturing).

In the upper part of the table is shown

1. the value of the output (i.e. "gross output" including the value of the input from other industry groups or from imports) of the industry group measured free from duplication. i.e. it excludes (that part of the output of each establishment sold to other establishments within this industry group;
2. imports of comparable (or "competitive\*") products, including those reexported. which do not undergo further processing in manufacturing.

The sum of (1) and (2) thus represents the total available supply of the products of manufacturing industry (excluding food, drink and tobacco manufacturing) at 1950 prices

The lower part of Table 16 shows the distribution of these supplies between various uses, valued in each case at 1950 factory prices or 1950 c.i.f. prices in the case of imports. The category "industrial and business use \*\* represents sales of goods for use in other industries (i.e. "intermediate output") and enters into the current costs of production of these purchasing industries. The remaining categories represent sales to final buyers by the industry group. The category "value of physical investment in stocks and work in progress" represents investment in stocks and work in progress of the goods characteristically produced by the industry, whether held by the producing industry, by importers, by distributors or by the purchasing industry.

The estimates for 1950 are derived chiefly from Table 15 or from the material used in compiling that table. The estimates for later year are derived mainly by applying appropriate indices of the volume of production, imports or expenditure to the figures for 1950. Some of the estimates are very rough; this is particularly true of the category "industrial and business use" which is derived as a residue.

## Personal Income and Expenditure

### *Table 18—Distribution of personal income*

This table contains more detailed information than has previously been given of the distribution of personal income in 1949 and 1953 (the estimates for 1953 being provisional), together with comparable figures for 1938. The table shows the distribution only of those types of personal income which can be allocated to particular ranges of income. The ranges relate to the total of such incomes; and the table also shows the total amounts payable in income tax on the gross incomes in each range.

Personal income which cannot be allocated to any particular range consists of: employers' contributions to insurance, any parts of employees income (e.g. national insurance contributions and expenditure on tools) that are allowed to be deducted for income tax purposes, all income in kind other than that of domestic servants, the investment income of charities and life assurance funds, interest on national savings, dividends of co-operative societies, some of the grants to persons from public authorities and other income not included in the Inland Revenue returns. All people receiving incomes from any of these sources are believed to have other income, which is included in the allocation by ranges. On the other hand certain pensions, in particular those derived from privately financed schemes, are unavoidably included in the allocation by ranges but are not included in the total of personal income as defined for national income purposes. The total numbers of personal incomes, shown in the table, include people receiving such pensions.

The number of incomes in the various ranges above £250 are based on income tax returns, and the incomes of husband and wife are reckoned as one income. In estimating the total number of personal incomes, anyone whose income is less than £50 and is derived entirely from investment is excluded.

### *Tables 19-22—Consumers' expenditure*

In addition to the revision of data noted on p. 73, the classification of items of expenditure has been amended.

#### *Hotels and catering*

Expenditure in hotels and catering establishments is now included in three categories only: the estimated cost of food to the establishments is shown, as before, in item 16 (other personal expenditure on food); expenditure on alcoholic drink is, as before, included in item 2 (alcoholic drink); the rest of consumers' expenditure in hotels and catering establishments is included in item 17 (other services) instead of being spread over a number of items.



#### *Item 4 Housing*

This item consists of rent, rates and water charges as before, but now includes in addition all expenditure by tenants and owner-occupiers on repairs and maintenance. Hitherto expenditure on interior decoration was included in "other services". Item 6 Durable household goods.—The whole series has been revised and in addition some items have been differently classified. The major change in classification is that radio equipment is now included with hardware etc. instead of with furniture and furnishings.

#### *Item 8 Clothing*

The whole series has been revised in the light of data now available from the Censuses of Production and Distribution.

#### *Items 9, 10, 11, 12, 18. Other goods*

The item called "other goods" in previous Blue Books has been split into five parts. Recreational equipment (toys, sports goods etc.) is now included in item 9d. Chemists' goods, consisting of drugs, medical goods and toilet preparations, are shown separately as item 10. Cycles and parts are now grouped with private motoring in item 12. The income in kind of merchant seamen and fishermen is now grouped with the income in kind of the Forces in item 18. The remainder of the group is shown as "other goods" in item 11.

#### *Item 18 Income in kind*

This item now comprises the estimated value of food and clothing supplied to the Forces and of food supplied to merchant seamen and fishermen. In earlier Blue Books, the item related only to income in kind of the Forces. It should be noted that the item is not comprehensive. For example, concessionary coal for miners is included in item 5, food and lodging for domestic servants in item 16.

[Link to Blue Book 1954](#)

## Blue Book 1955

### Key Points

- Nine new tables added to Blue Book
- Improvements to consumers' expenditure.
- Gross fixed capital formation includes data on ships
- Improvements to wages and salaries.
- Self-employment estimates revised
- Revised layout of front of Blue Book – Foreword replaced by Preface

### Summary from Preface

No summary

### Sources & Methods

None

## SIC Used

SIC 1948

## Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other Government Departments. It contains estimates of the national product, income and expenditure for the year 1938 and for each of the years 1946 to 1954.

A guide to the methods of estimation and to the sources from which the estimates are derived will be given in a forthcoming publication.

## Changes in Content

A description of the main revisions which have been made to the estimates contained in the last National Income Blue Book (National Income and Expenditure, 1946-1953) is given on page 55. Explanatory notes to the tables, together with certain additional statistics, are given on pages 55-67. New features in this Blue Book are:

- Table 16 Production accounts for selected industry groups.
- Table 18 Total requirements per £100 of final demand in 1950.
- Table 19 Final output in terms of primary input in 1950.
- Table 20 Relation between changes in industrial output and final demand, 1948-1954,
- Table 26 Categories of personal income.
- Table 27 Capital account of the personal sector.
- Table 28 Distribution of personal income before and after tax.
- Table 42 Analysis of expenditure of combined public authorities.
- Table 49 Gross domestic fixed capital formation by industry group at 1948 prices.

## Methodological Notes

No Sources and Methods which could be referenced, hence the publication contains much of the methodological information within the Blue Book.

### *Summary of changes*

The principal revisions made to the estimates given in last year's National Income Blue Book are listed below. Some of these revisions were incorporated in the White Paper Preliminary Estimates of National Income and Expenditure 1948 to 1954 (Cmd.9423) published in March, 1955.

- a) Consumers' expenditure. A number of revisions have been made to the series for consumers' expenditure; these are described on page 62.
- b) Gross fixed capital formation and investment in stocks and work in progress. Revisions have been made to these series as more complete information has become available from the Censuses of Production. New estimates have been made of fixed capital formation in ships (described on page 67).
- c) Exports, imports and net income from abroad. Minor revisions to the figures for 1951 to 1953 have been made in the light of revised estimates given in the latest Balance of Payments White Paper (Cmd. 9430). At the same time, some changes have been made in

the allocation of the "invisible" items in the Balance of Payments White Papers between the categories used in this Blue Book.

- d) Wages and salaries. Revisions to the national wage and salary bill have been made following improved estimates of
  - i. the value of pensions to be deducted from the statistics of income charged to tax under in arriving at the estimates of the wage and salary bill, and
  - ii. the incomes below the tax deduction card limit.
- e) Pay in cash and kind of the Forces. In the Blue Book, 1954 this series included the pensions and retired pay of former ("non-effective") members of the Forces (other than pensions awarded for death or disability attributable to service in the Forces which are treated as current grants). In this Blue Book, these "non-effective" pensions and gratuities are included under employers' contributions to superannuation and other pension funds (see item (f) below).
- f) Employers' contributions to superannuation and other pension funds. A thorough review of this series has been made in the light of estimates contained in the Report on the Economic and Financial Problems of the Provision for Old Age (Cmd.9333) and other information.
- g) Farmers' income. The series has been revised to agree with the latest estimates of net income from farming given in the Annual Review and Determination of Guarantees, 1955 (Cmd.9406).
- h) Trading incomes. The estimates of trading profits of companies and of income from self-employment have been revised in the light of new data which have become available as tax assessments are completed.
- i) Rent. Substantial revisions have been made to the series for income from rent; these result from the revisions made to the estimates of consumers' expenditure on housing (described on page 62).
- j) Personal saving. The estimates of personal saving, before providing for depreciation and stock appreciation, are derived by subtracting total current expenditure from total personal income. The revisions to the figures of personal saving result from the revisions to the constituent items of personal income and expenditure noted above.

## ***Personal income and expenditure***

### *Tables 21 to 25. Consumers' expenditure*

A number of revisions have been made to the figures of consumers' expenditure.

- a) Food. The series for food have been revised in the light of new information.
- b) Beer. A new series for beer has been introduced incorporating improved information about average retail selling values, which are consistent with the series used in the Interim Index of Retail Prices.
- c) Housing. New series for housing have been introduced incorporating
  - a. revisions to the estimates of the numbers of owner-occupied dwellings;
  - b. adjustments to the imputed rent of owner-occupied dwellings (which previously represented pre-war schedule A values) to reflect changes in the average level of rents since 1938; and
  - c. (c) new information relating to rents paid by tenants and to expenditure on maintenance and repairs, derived from sample surveys, including the Household Expenditure Inquiry of 1953-54. The series for housing have now been divided into two parts:

- i. Rent, rates and water charges. This comprises the rent paid by tenants for accommodation plus the imputed rent of owner occupiers plus rates and water charges.
  - ii. Occupiers' maintenance costs. This comprises all expenditure by tenants and owner occupiers on repairs and maintenance and fire insurance.
- d) Private motoring and cycling. The coverage of the series for private motoring and cycling has been extended to include motor vehicle insurance, previously included under " other services. The series have now been divided into two parts:
  - a. Vehicles, new and second-hand. This comprises purchases of new passenger cars, motorcycles, motorised bicycles, cycle motors and pedal cycles plus the value of net purchases of these goods second-hand from other sectors plus dealers' margins on sales between persons. A major source of uncertainty in these estimates arises from the necessarily arbitrary division between consumers' and business purchases of passenger cars.
  - b. Running costs. This comprises consumers' expenditure on petrol, lubricating oil, spares and servicing costs, garage rents, motor vehicle taxation (excluding purchase tax) and motor vehicle insurance.
- e) Insurance. This series was previously included under " other services ". The figures are intended to represent consumers' purchases of " goods and services " from insurance which is measured here by expenses of management, commissions and shareholders' surplus. The categories of insurance include life (ordinary and industrial), accident, fire insurance on chattels, and the transactions of friendly and collecting societies, and exclude fire insurance on dwellings and insurance of motor vehicles. For each category, an assumption is made about the proportion of insurance business attributable to persons (including non-profit-making bodies).
- f) Other services. Several minor revisions have been made to the component series making up this item. In addition, motor vehicle insurance is now included under private motoring and cycling, and other insurance is shown separately.

It has now proved possible to allocate a somewhat larger proportion of the net taxes falling on consumers' expenditure. Of the unallocated taxes, over four-fifths are accounted for by local rates paid by business and by the taxation incurred by business in operating motor vehicles.

## Gross Capital Formation

### *Table 46. Gross fixed capital formation by type of asset*

The way in which the series for gross fixed capital formation in ships is made up is shown by the table below.

The figures for work done on new ships built in the United Kingdom represent the value of work done on ships for owners resident in the United Kingdom and exclude ships built for overseas owners. The construction of a ship extends over a long period and deliveries of completed ships are not therefore a reliable measure of capital expenditure. The series is based accordingly on the amount of work done in the year which corresponds with the treatment of shipbuilding in the Index of Industrial Production. This series is not comparable with any series showing values of ships completed.

[Link to Blue Book 1955](#)



# Blue Book 1956

## Key Points

- Capital consumption estimates included for first time
- Substantial improvements to consumers' expenditure
- Improved estimates of expenditure on new commercial buildings
- Improvements to wages and salaries estimates

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1956 \(1<sup>st</sup> Edition\)](#)

National Income Statistics: Sources and Methods, H.M.S.O., 1956

## SIC Used

SIC 1948

## Revisions to data

### *Preface*

This publication has been prepared by the Central Statistical Office in collaboration with other Government Departments. It contains estimates of the national product, income and expenditure for the year 1938 and for each of the years 1946 to 1955.

### *Methodological Notes*

The principal revisions to the estimates result from

- a) substantial improvements to the Board of Trade indices of changes in retail sales;
- b) revisions to the estimates of consumers' expenditure on housing (this has the effect of reducing both consumers' expenditure and rental income);
- c) improved estimates by the Ministry of Works of expenditure on new commercial buildings; and
- d) additions to the estimates of income in kind and other income of wage and salary earners outside the scope of the Inland Revenue P.A.Y.E. statistics.

## Changes in Content

A description is given in Section XIV of the main revisions which have been made to the estimates contained in the last National Income Blue Book (National Income and Expenditure, 1955).

A new feature in this year's Blue Book is the estimates of capital consumption at current and 1948 prices which are analysed by type of asset and by sector. These estimates are described and set out in Section XL

## Methodological Notes

Called revisions of estimates rather than the later terminology of either Notes or Methodological Notes.

### *Personal income and expenditure*

#### *Wages and salaries.*

Substantial revisions have been made to the estimates of income in kind and other income outside the scope of the P.A.Y.E. statistics. (See Sources and Methods pages 74 to 76.) Revisions have also been made to the industrial allocation of the wage and salary bill for 1952 to 1954 in the light of more complete information which has become available, particularly from the Censuses of Production. The estimates for these years are still not final. Several series have been revised throughout;

- a) agriculture, forestry and fishing amendments have been made to the estimates of wages paid by farms of less than one acre;
- b) metal goods not elsewhere specified—this series now includes the wages and salaries paid by establishments in the scrap metal processing trade;
- c) building and contracting—this series has been revised in the light of new estimates of the numbers of working proprietors included in the Census of Production figures of the numbers employed in small firms; and,
- d) other services this series is obtained as a residue and the revisions result from those noted above.

#### *Farmers' income.*

The series has been amended to agree with the latest estimates of net income from farming given in the Annual Review and Determination of Guarantees, 1956 (Cmd. 9721).

#### *Consumers' expenditure.*

Several of the series have been revised.

#### *Alcoholic drink: wines, spirits, cider, etc.*

In previous Blue Books five per cent of the estimated total expenditure on spirits and imported wines was deducted to allow for purchases charged to business account. This allowance was probably too small (see Sources and Methods page 112). It has now been revised upwards to ten per cent.

#### *Rent, rates and water charges.*

This series has been completely revised. The White Paper Distribution of Rateable Values between different classes of property in England and Wales (Cmd. 9718) provides information about rateable values classified according to different types of property both on the 1935 basis of valuation and on the basis used at present (1939 in the case of dwellings). This information has made possible a more thorough analysis of the information available from both the Ministry of Labour household expenditure enquiry for 1953-54 and a Social Survey enquiry for 1955 (see Sources and Methods, pages 113-114).

The new estimates are made in the following way.

Estimates of the total stock of dwellings are provided by the Population Census for 1951, and the distribution of dwellings by type of occupancy (council tenancies, other unfurnished tenancies, furnished tenancies, owner occupancy and rent-free dwellings) is estimated from the two surveys. The total stock of dwellings has been projected backwards and forwards by statistics of new buildings, conversions, demolition, etc. to obtain estimates of the stock of council and non-council dwellings in each of the years 1946 to 1955. Estimates of the numbers of owner-occupied dwellings, rent-free dwellings and furnished dwellings have been obtained by assuming that their proportions to the total stock, as revealed by the surveys, have remained constant throughout the post-war period.

The social Survey enquiry for 1955 provides a distribution of payments of rent plus rates by ranges of rateable value and by types of occupancy. This information, in conjunction with the estimates of the stock of dwellings, makes it possible to assess the average amount of rates paid for each category of dwelling, and therefore the amount of rent excluding rates.

Rents paid by tenants of council dwellings in each year are derived from Local Government Financial Statistics and are shown in Table 61. When these are compared with the estimates of the stock of council dwellings, they yield estimates of the average rents paid by council tenants.

The rents (excluding the element of rates estimated as described above) paid by non-council tenants in 1953- 1955 are derived from the results of the two surveys which show consistent results. A comparison of the rents paid in relation to rateable values, with the corresponding figures for 1938 derived from the Ministry of Labour household expenditure enquiry for that year, provides an estimate of the movement in average rent for non council tenancies between 1938 and 1955. This movement, which was small, was assumed to have taken place evenly over the post-war period.

For owner-occupiers, information from the Social Survey enquiry, together with estimates of the stock of owner-occupied dwellings in 1955, gives an estimate of net imputed rent based on 1935 rateable values. This was increased to give a figure on a 1939 basis of valuation. This was further inflated by a price index of rents obtained by taking a weighted average of the change between 1939 and 1955 in average rents of council and non-council tenancies.

The total amounts paid in rates on all dwellings in all years were estimated on the basis of the proportions given in Cmd. 9718 applied to the total receipts of rates given in Table 5.

To complete the calculation, additional estimates are made for rent payments by sub-tenants, water rates, expenditure on insurance by owner-occupiers and rent payments by non-profit-making bodies and residents of publicly-owned hostels (see Sources and Methods, pages 113-114).

The result of these revisions is to reduce slightly the estimate of total expenditure in the most recent years on rents, rates and water charges, a reduction in the estimate of actual payments being to some extent offset by an increase in the estimate of imputed rents of owner occupied dwellings. There is a corresponding reduction in the estimate of rental income (see this Blue Book, page 72).

From 1956, changes in expenditure on rent, rates and water charges will be derived by applying to the figure for 1955 the estimated changes in the stock of dwellings and the changes in the rent, rates and water charges component of the Ministry of Labour retail price index.

*Occupiers' maintenance costs.*

The analysis carried out for the revision of the estimates of rent has made possible more consistent use of earlier sample enquiries. The revised series now consists of the sample survey results directly interpolated and is no longer related to movements in total repairs expenditure (see Sources and Methods, page 114). The direct estimates of expenditure in 1953 and 1954 wrongly excluded expenditure on improvements and structural alterations. These have now been brought in.

*Durable household goods, clothing, other recreational goods, chemists' goods and other goods*

Statistics of retail sales are the principal source of information for estimates of consumers' expenditure on these goods. As was pointed out in Sources and Methods, page 100, footnote (», the sample of retailers supplying information has been considerably improved and statistics on the new basis, which became available early in 1956, show a somewhat greater expansion in sales since 1950 than had previously been estimated. The information collected from the improved sample relates to sales in 1955 and thereafter, but the figures for sales in 1955 are linked to sales in 1950 as shown by the Census of Distribution for that year. Figures from the new sample have not been collected for the years 1951 to 1954, but new estimates for these years have been interpolated by reference to the trend shown by the old figures. The result is that estimates of consumers' expenditure on household goods and clothing (and to a lesser extent on some of the other items) in each of the years 1951 to 1954 are significantly higher than the estimates previously published.

*Private motoring and cycling: vehicles, new and second-hand.*

This series formerly included in error net expenditure by farmers on cars for business purposes. These are now excluded.

*Revisions to the estimates of expenditure at factor cost.*

Several of the estimates of consumers' expenditure at factor cost have been revised; these in turn affect both the total residue of net taxes not directly allocable to particular items of expenditure, and the allocation of this residue between the various categories of final expenditure of which consumers' expenditure is the largest (see Sources and Methods, page 104).

In the Blue Book, 1955, an error was made in allocating food and agricultural subsidies. This has now been corrected. The estimate of the rates element in consumers' expenditure on rent, rates and water charges has also been revised. The revision of the proportion of total expenditure on spirits and imported wines attributed to business (see this Blue Book page 67) has altered the proportions of tax on these items allocated to persons and to the residue. The levy on the British Broadcasting Corporation revenue is now treated as a tax on entertainments.

## **Companies**

The estimates of trading profits of companies for 1952 to 1954 have been revised in the light of more accurate information which has become available as tax assessments are completed. Some revisions have been made to the adjustments required to convert the figures of profits as assessed to tax to the definition and coverage required for national income purposes (see Sources and Methods, pages 157 to 161).

- a) Revisions have been made to the estimates of bank interest which is added back to the Inland Revenue estimates of profits;
- b) now that the value of buildings destroyed by fire is deducted from fixed capital formation (see this Blue Book, page 72), the adjustment for insurance claims is no longer necessary;



- c) a new adjustment is now made to the Inland Revenue figures to allow for expenditure on scientific research which is not allowed by the Inland Revenue as a current expense but is regarded as such for national income purposes.

### **Central Government including National Insurance Funds**

#### *Table 37. Revenue account.*

##### *Taxes on expenditure.*

Two items previously included under Miscellaneous are now shown separately, namely the Transport levy and broadcast licence revenue retained by the Exchequer (see Sources and Methods, page 195, footnotes 2 and 3).

##### *Gross trading income.*

The error in the treatment of the Post Office Savings Bank (see Sources and Methods, page 199) has been corrected. The item is now subdivided between the gross trading income of the Post Office excluding the Savings Bank(') and the gross trading income of other trading bodies including the Post Office Savings Bank.

##### *Interest and dividends, etc.*

The revision to this series arises from the correction of the error in the treatment of the Post Office Savings Bank.

##### *Current expenditure on goods and services.*

A more detailed analysis by type of service is given. The classification of services is an abridged version of that adopted in the analysis of combined public authorities' expenditure in Table 42; it is described fully in Chapter X of Sources and Methods.

##### *Subsidies*

Fuel and power subsidies are now shown separately. Details of the composition of housing subsidies are given in Table 61.

##### *Debt interest.*

The error in the treatment of Post Office annuities (see Sources and Methods, page 202) has been corrected.

##### *Transfers to capital accounts:*

Cash paid to holders of government securities on conversion into other securities, previously included under Other capital grants, is now shown as a separate item.

##### *War gratuities and pay credits*

Now include gratuities etc paid to civil defence personnel, the police war reserve and the National Fire Service, as well as payments to Service personnel. The former payments were included under Other capital grants in the Blue Book, 1955,

##### *Town and country planning compensation.*

This represents payments made by the Ministry of Housing and Local Government, the Department for Health for Scotland and the Central Land Board under the Town and Country Planning Acts of 1954. The compensation arises inter alia from (a) depreciation in the value of land consequent upon the refusal or conditional grant of planning permission; (b) the levying of development charges under the Town and Country Planning Acts, 1947 (2); and (c) the compulsory acquisition of land by public authorities before 1 January 1955 at "existing use"

values. In case (c), the amount of compensation is generally recouped by the Central Land Board from the acquiring authority, and these recoupments have been deducted in arriving at the capital grants shown in the Blue Book).

Both the principal and interest elements of compensation payments are included. Payments to local authorities under the Acts of 1947 and 1954 are excluded; they appear under Capital grants to local authorities.

The annuities paid out of the Votes of the Ministry of Housing and Local Government and the Department of Health for Scotland to the Exchequer in reimbursement of issues from the Consolidated Fund under the Acts of 1954, and the corresponding receipt of these annuities into the Exchequer, are internal transactions of the Central Government; they do not appear in the Blue Book presentation of the Government accounts.

#### *War damage compensation.*

This now includes payments made by the Board of Trade to United Kingdom business interests whose property sustained war damage in Burma and to United Kingdom subjects whose private chattels in the Far East suffered war losses. These payments, made mainly in 1950, were previously included under Other capital grants.

#### *Other capital grants.*

The scope of this item has been reduced as compared with the Blue Book, 1955 transferring some elements to other headings, as already described. The estimates for the elements still remaining under this heading have been revised substantially.

#### *Table 38. Capital account.*

##### *Net receipts from settlements.*

The series from 1953 onwards has been substantially revised. As explained in Sources and Methods, page 206, the estimates for this item have hitherto been taken from balance of payments sources; these estimates, however, included a number of Government credits (such as reimbursements for services rendered) which, in the Blue Book, are treated as Government current receipts and appear as a deduction in the item Current expenditure on goods and services in the Central Government revenue account. To eliminate this inconsistency, the new figures from 1953 onwards have been derived from the accounts of the Central Government.

Major components of the figures in 1953 and later years are

- (i) receipts from the Korean Operations Pool Account—a scheme whereby the cost of maintaining Commonwealth forces in Korea was shared between the Governments concerned (£15 millions in 1953),
- (ii) receipts from the disposal of ex-German and ex-Japanese assets,
- (iii) the sterling equivalent of local currency provided by the German Government prior to the implementation of the Bonn Convention and issued as pay etc. to Service etc. personnel and
- (iv) the sterling equivalent of German currency which had been accumulated at the end of and immediately after the 1939-45 war as a result of illicit trading by Service etc. personnel and which was subsequently used to meet local expenditure chargeable to voted services.

The definition and source of the series for 1952 and earlier years are as described in Sources and Methods, page 206.

#### *New issues and sales of securities (net): long-term securities.*

Separate series are now shown for

- a) cash transactions in securities and
- b) issues {less some redemptions} made in connection with the acquisition (or disposal) by the Exchequer of the capital of certain undertakings.

Two of the components of the series (b) are referred to in Sources and Methods, page 208: namely, issues of stock as compensation to former colliery-owners; and (as a deduction) stock cancelled in connection with the return of the iron and steel industry to private ownership. The series (b) includes, however, certain items not previously included in the Blue Book under New issues and sales of securities; these additional items are:

- (i) The issue in 1946 of £58 millions of 3 per cent Treasury Stock (1966 or after) to holders of the capital stock of the Bank of England which was transferred to Treasury ownership.
- (ii) The issue in 1949 of stock of a market value of £32 millions to companies holding shares in Cable and Wireless, Ltd. as compensation for the transfer of the shares to Treasury ownership.
- (iii) The transfer in 1953 to the Consolidated Fund of liability for the £244 millions of 3½ per cent Guaranteed Stock (1979-1981) of the Iron and Steel Corporation of Great Britain (renamed 3 ½ per cent Treasury Stock (1979-1981)); under the Iron and Steel Act, 1953, the Exchequer thereby became entitled to receive the net revenue of the Iron and Steel Holding and Realisation Agency and any other funds surplus to requirements in the Iron and Steel Realisation Account (see also Sources and Methods, pages 198, 208 and 209).

These three issues of stock are balanced by a new item now shown on the payments side of the Central Government capital account, namely Acquisition of the capital of certain undertakings (See page 71 of this Blue Book).

*Receipts from certain pension "funds" {net}.*

This item was previously part of the residual heading Miscellaneous financial receipts {net} and changes in cash balances. It is defined in Sources and Methods, page 209, item (a).

In 1955, there is included an imputed receipt, provisionally assessed at £88 millions, representing the liability taken over by the United Kingdom Government from the Indian Government for the payment of pensions to certain members of the former India service and their dependants. In return for the United Kingdom Government assuming this liability, the outstanding amount of the loan from the Indian Government to the United Kingdom Government was reduced at 1st April, 1955 by £88 millions; this is reflected on the payments side of the capital account by the inclusion of £88 millions in the item Loan repayments to overseas governments. The payments of the pensions by the United Kingdom Government to the members of the former India service, beginning in April 1955, appear as a deduction in the item Receipts from certain pension funds {net}.

*Gross fixed capital formation.*

The classification by type of service is an abridged version (and in one or two respects an expanded version) of that adopted in the analysis of combined public authorities' expenditure in Table 42; it is described fully in Chapter X of Sources and Methods. The error in the treatment of machine tools imported under the Mutual Defence Assistance scheme (referred to in Sources and Methods, page 251) has been corrected.

*Sales of surplus war stores in the United Kingdom.*

From 1953 onwards, sales of surplus war stores have been treated as deductions from current expenditure on goods and services. For 1952 and earlier years, the treatment adopted in previous Blue Books (and described in Sources and Methods, page 211) has been continued, namely, to regard the sales as a change in stocks. The change in treatment from 1953 onwards has been made because of the smaller amount of the disposals and because of the increasing difficulty in segregating disposals of surplus war stores from sales of other categories of stores and equipment.

*Loan repayments to overseas governments.*

The figure for 1955 includes an amount, provisionally assessed at £88 millions, representing the part of the United Kingdom Government's debt to India which is to be cancelled under the pensions arrangements described above (see Receipts from certain pension funds).

*Coal compensation: issues of stock.*

The series now refers to the market value of the stock issued and not, as in former Blue Books, to the nominal value of the stock.

*Acquisition of the capital of certain other undertakings.*

This item has been introduced into the present Blue Book to bring the treatment of the acquisition of the capital of the Bank of England (in 1946), Cable and Wireless, Ltd. (in 1949) and the Iron and Steel Corporation of Great Britain (in 1953) into line with that adopted in previous Blue Books for the coal industry. The item is balanced by equal amounts included on the receipts side of the Blue Book capital account under the heading Long-term securities: on acquisition of the capital of certain undertakings.

## **Local authorities**

The estimates for local authorities given in this Blue Book are (excepting the figures of fixed capital formation and Government grants and loans) based on the following information (see also Sources and Methods, page 233):

### *England and Wales.*

The Local Government Financial Statistics for years to 1953/54, tabulation of a sample of local authorities' annual returns for 1954/55, and estimates prepared by the Ministry of Housing and Local Government for 1955/56.

### *Scotland.*

The Local Financial Returns (Scotland) for years to 1949/50. For later years detailed figures (i.e. figures giving an analysis by type of service) are not yet available, but provisional figures for the principal aggregates have been prepared by the Scottish Home Department for years to 1954/55 based on a special questionnaire circulated to Scottish local authorities. The Scottish Home Department have made estimates of certain aggregates for 1955/56.

### *Northern Ireland.*

The Local Taxation Returns for years to 1952/53.

## **Table 41. Capital account.**

*Capital grants from the Central Government.*

The grants are now analysed according to the service to which they are applied. The classification of services is the same as that adopted in the analysis of combined public authorities' expenditure in Table 42 (described in Chapter X of Sources and Methods). Except for the most



recent years the analysis is based mainly on the detail shown in the Local Government Financial Statistics. For 1953 and later years, the analysis by service is based in considerable measure on the Central Government accounts.

Although war damage compensation to local authorities is shown separately from other capital grants to local authorities in the Central Government revenue account (Table 37), in the local authority capital account it is not separately distinguished and appears under the service (e.g. housing or education) to which the receipt is credited by the local authority. The £20 millions shown under Harbours and docks in 1949 represents the payments made under the War Damage (Public Utility Undertakings, etc.) Act.

For further information, see Sources and Methods, page 240.

## **Combined public authorities**

### *Table 42. Analysis of expenditure.*

Two additional columns appear in this table. They show the division of the total expenditure on each service between expenditure borne by the Central Government and expenditure borne by local authorities. The first of these two columns represents Central Government expenditure on goods and services, subsidies and grants including grants towards specific local authority services; it therefore equals the sum of the Central Government components of the first eight columns of the table plus grants (both current and capital) to specific local authority services. The second column shows local authority expenditure on goods and services, subsidies and grants less the part financed from the Central Government grants towards specific services; it equals the sum of the local authority components of the first eight columns of the table less grants (both current and capital) from the Central Government.

Some Central Government grants to local authorities are not allocated to any specific service. Such grants are shown separately at the end of the table.

War damage compensation to local authorities, which is one of the components of the column showing expenditure borne by the Central Government, appears against the service (e.g., housing or education) to which the receipt is credited by the local authority; it does not appear against the service War damage compensation in Table 42. This treatment follows that adopted in analysing capital grants from the Central Government in the local authority capital account.

*Military defence: fixed capital formation (trading).*

The error in the treatment of machine tools imported under the Mutual Defence Assistance scheme (referred to in Sources and Methods, page 251) has been corrected.

*Education: fixed capital formation (non-trading).*

£1 million of Central Government expenditure is included in 1950 in respect of H.O.R.S.A. (see Sources and Methods, page 256, note 5).

*Transport and communication: capital grants.*

This item comprises payments to the British Transport Commission from the proceeds of the Transport levy (see Sources and Methods, page 263). Payments to shipowners under the Tonnage replacement schemes (also referred to in Sources and Methods, page 263) are no longer included here; these payments are part of the item War damage compensation (the major part of the payments referred to in item c on page 204 of Sources and Methods).

*Other industry and trade: subsidies.*

In 1954 and 1955 the principal component is the subsidy on coal paid by the Ministry of Commerce to certain industrial undertakings in Northern Ireland.

*Town and country planning, parks, etc.: capital grants.*

The item is defined on page 69 of this Blue Book.

*War damage compensation and disposal of surplus war stores in the United Kingdom.*

See notes on pages 69 and 71 of this Blue Book.

*Other services: current expenditure on goods and services.*

The local authority component of this series includes the expenditure (other than transfers) of certain special funds identified in the Local Government Financial Statistics, namely "other reserve funds", insurance funds, trust or charity funds and "other special funds", in the previous Blue Book this expenditure was spread pro rata over all the local authority services.

### **Gross fixed capital formation**

The detailed estimates of gross fixed capital formation have been revised, principally in the light of fuller information from the Censuses of Production. The results of the Board of Trade's quarterly inquiry into capital expenditure have been used to provide estimates for 1955. Some amendments have been made to the industry analysis given in Table 50. Items which are too small to show significant year to year changes have been amalgamated, and the grouping of certain of the public and social services has been revised to bring it into line with the grouping adopted in Table 42. The main changes are set out below:

#### *Agriculture.*

The estimates now include capital expenditure on farm cars, and the proceeds of sales to scrap of vehicles and equipment are now deducted.

#### *Government financed expenditure in manufacturing.*

Machine tools imported under the Mutual Defence Assistance scheme are now included. As pointed out in Sources and Methods, page 251, these were previously omitted in error.

#### *Manufacturing.*

A more detailed analysis is shown. This analysis should be used with caution. Although the detailed results are probably accurate in years when there was a full census of production (1951 and 1954), the estimates for individual industries may have considerable margins of error in years when there was only a sample census of production (1952 and 1953).

#### *Shipping.*

Additions have been made to allow for expenditure on repairs of a capital nature (see Sources and Methods, page 298, footnote 1); proceeds from sales to scrap and insurance compensation for ships lost are now deducted from gross expenditure.

#### *Distribution and other services.*

An improved series of estimates of expenditure on new buildings has been substituted for the smaller figures previously shown. Education. Includes child care, formerly shown separately, and libraries and museums, previously included under Other local authority services.

### *Health Services.*

Excludes care of the aged, handicapped and homeless previously included here; but includes expenditure by private doctors, previously included under Distribution and other services, and expenditure by local authorities on "other public health services", previously included under Other local authority services.

### *National assistance.*

This comprises local authority expenditure for care of the aged, handicapped and homeless.

### *Roads and public lighting.*

This now includes private street works previously included under Other local authority services.

### *Sewerage.*

This now includes refuse disposal previously included under Other local authority services. Other local authority expenditure. This now excludes libraries and museums, private street works, refuse disposal and "other public health services".

### *Destruction of buildings.*

A deduction is now made for the amount of insurance compensation received for buildings destroyed by fire. Hitherto, no allowance was made for this. The corresponding adjustment previously made to trading incomes to allow for insurance claims now becomes unnecessary (see Sources and Methods, page 160).

### *Expenditure at 1948 prices.*

Some revisions have been made to the price indices used for converting the current price estimates into 1948 prices. The new indices are derived mainly from the sources used for compiling the wholesale price indices prepared by the Board of Trade.

## ***Capital formation in stocks and work in progress***

The main revisions are the result of more complete information becoming available from the censuses of production.

### *Disposal of Government surplus stores.*

Stores accumulated during the war and surplus to peace time requirements were mostly sold by the end of 1952. Sales of Government stores since then are now treated as an off-setting item to Central Government current expenditure on goods and services (see page 70 of this Blue Book).

### *Wholesale distributive trades.*

The estimate of the value of stocks held by the wholesale distributive trades given in footnote 2 to Table 53 now excludes the value of the stocks of tobacco held in bonded warehouses. These remain in Other industries and services.

## ***Rent***

The estimates of rental income have been revised throughout to take account of revisions made to the estimates of

- a. consumers' expenditure on housing;
- b. expenditure on repairs to houses; and
- c. rent of farmland and buildings.

[Link to Blue Book 1956](#)

# Blue Book 1957

## Key Points

- No changes to methods
- Eight new tables added and seven deleted

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1956 \(1<sup>st</sup> Edition\)](#)

National Income Statistics: Sources and Methods, H.M.S.O., 1956

## SIC Used

SIC 1948

## Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other Government Departments. It contains estimates of the national product, income and expenditure of the United Kingdom for the year 1938 and for each of the years 1946 to 1956. Quarterly figures are not given, but these are published regularly in the Monthly Digest of Statistics and in Economic Trends

## Changes in Content

The principal revisions which have been made to the estimates contained in the last National Income Blue Book (National Income and Expenditure, 1956) are described in Section XII. This section consolidates all the changes in treatment and definitions which have been made since the publication of National Income Statistics: Sources and Methods.

### *New tables.*

The following new tables are included in this Blue Book:

- Table 15 Gross domestic product by sector and type of income.
- Table 17 The composition of final output.
- Table 22 Taxes on expenditure and subsidies by category of consumers' expenditure.
- Table 28 Combined appropriation and capital account of companies excluding insurance, banking and finance.
- Table 41 Combined current and capital account of public authorities.
- Table 43 Analysis of public authorities' current expenditure on goods and services.
- Table 54 Net fixed capital formation by type of asset.
- Table 55 Net fixed capital formation by sector.

Deletions. The following tables which appeared in last year's Blue Book are not included in this issue. The table numbers quoted refer to last year's issue.

- Table 9 Social accounts of the United Kingdom, 1955.
- Table 17 Inter-industry relations in 1950.
- Table 18 Total requirements per £100 of final demand in 1950.
- Table 19 Final output in terms of primary input in 1950.
- Table 20 Relation between changes in industrial output and final demand. 1953 to 1955.
- Table 24 Consumers' expenditure at current factor cost.
- Table 25 Consumers' expenditure at 1948 factor cost.

## Methodological Notes

### *Industrial input and output*

The tables listed below, which were included in previous National Income Blue Books, are not repeated in this issue:

- Inter-industry relations in 1950
- Total requirements per £100 of final demand in 1950
- Final output in terms of primary input in 1950
- Relation between changes in industrial output and final demand, 1953 to 1955.

The input-output table for 1950 was originally compiled in 1953. Since that date large numbers of revisions have been made to the estimates of final expenditure and to the basic source material, and it has now become impracticable to keep the input-output table completely in line with these latest estimates. The tables given in last year's National Income Blue Book however, are still sufficiently accurate for most purposes.

*Table 22. Taxes on expenditure and subsidies by category of consumer's expenditure.*

This table supersedes Tables 24 and 25 of last year's Blue Book.

### *Combined public authorities*

*Table 41. Combined current and capital account.*

This table summarizes the current and capital accounts of the Central Government and local authorities (Tables 36, 37, 39 and 40 of this Blue Book), and also gives a consolidated account for combined public authorities. The process of consolidation has not been carried to its furthest extent. Examples of transactions which have not been eliminated on consolidation are interest received by local authorities from the Central Government (e.g. interest on holdings of Government stock); taxes on expenditure levied by the Central Government and falling on local authority expenditure; and payments by the Central Government in lieu of local authority rates.

The analysis by service of combined public authorities' expenditure given in this table is an extract from Table 42.

*Net acquisition of financial assets.*

This represents the net balance of borrowing and lending transactions, that is the net balance of all items in the two capital accounts (Tables 37 and 40) other than the items showing surpluses carried from the revenue accounts, capital grants received and paid, gross fixed capital formation and increases in value of stocks.

*Table 43. Analysis of current expenditure on goods and services.*

This table analyses the left-hand column of Table 42 between wages and salaries and all other payments (net). The statistics of wages and salaries include employers' contributions (i.e. employers' national insurance contributions and employers' contributions to pension funds—or in many cases actual pension payments). In conformity with the definition of Central Government employed in the Blue Book, the figures of Central Government wages and salaries include wages and salaries paid by the United Kingdom Atomic Energy Authority, the Metropolitan Police, Regional Hospital Boards and Boards of Governors of Teaching Hospitals, etc. (including hospital consultants' fees but not general practitioners' remuneration in the National Health Service(1)).

The estimates of wages and salaries given in the table exclude wages and salaries paid in respect of trading services and wages and salaries of those directly employed on capital works. The amounts so excluded appear as a footnote to the table. Nevertheless, the figures of wages and salaries shown in the main part of the table are considerably wider in scope than the figures of income from employment shown in Table 13 under the headings Public administration and defence and Public health and educational services. The difference is due mainly to public authorities' employees classified to other headings in Table 13, principally persons employed by the following: the United Kingdom Atomic Energy Authority; H.M. Stationery Office; Service departments' industrial establishments (e.g. Admiralty shipbuilding, engineering and explosives establishments, Army R.E.M.E. establishments and Air Ministry Maintenance Units); Service departments' building and contracting units; and some local authorities' building and contracting departments.

Attention is drawn to one point in the classification by service of Central Government wages and salaries. Wages and salaries paid by a Government non-trading department A (e.g. Ministry of Labour) in providing services for another department B (e.g. National Insurance Funds) have been classified in the table according to the category of public service provided by A (e.g. against Employment services and not against National insurance, pensions and assistance). The payments made by B to A for these services, whether real or imputed as allied services, then appear in the column headed Other payments {net)—positively against the service provided by B and negatively against the service provided by A. The most important examples are wages and salaries paid by the Ministry of Works and H.M. Stationery Office, which appear against the service headed Other in the table and not against the public services receiving office accommodation, stationery, etc. from these two departments. This explains why the figures in the columns headed Other payments {net) shown against the service headed Other are so small.

The figures of Central Government wages and salaries in the table have been compiled mainly from an analysis of the Estimates, Appropriation Accounts, Trading Accounts and Balance Sheets, summary accounts of Regional Hospital Boards and so on. It follows that the statistics of Central Government wages and salaries exclude wages and salaries not identified as such in the Estimates, etc. (e.g. any wages included under a heading "maintenance"). For the most recent year advance estimates of wage and salary payments have been provided by departments. The figures for local authority wages and salaries have been derived from the wage and salary table in the Local Government Financial Statistics for England and Wales, an approximate addition being made to cover Scotland and Northern Ireland. For 1956/57 figures of local authority wages and salaries have been based on the quarterly wages and salaries questionnaire referred to on page 68 of this Blue Book.

[Link to Blue Book 1957](#)



# Blue Book 1958

## Key Points

- Input Output tables for 1954 included
- Major revision to the consumers' expenditure classification
- Consumers' expenditure at constant prices published at 1954 prices

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1956 \(1<sup>st</sup> Edition\)](#)

National Income Statistics: Sources and Methods, H.M.S.O., 1956

## SIC Used

SIC 1948

## Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other Government Departments. It contains estimates of the national product, income and expenditure of the United Kingdom for the year 1938 and for each of the years 1948 to 1957. Quarterly figures are not given, but these are published regularly in the Monthly Digest of Statistics and in Economic Trends

## Changes in Content

The principal revisions which have been made to the estimates contained in the last National Income Blue Book (National Income and Expenditure, 1957) are described in Section XII. This section consolidates all the changes in treatment and definitions which have been made since the publication of National Income Statistics: Sources and Methods.

A new feature in this year's Blue Book is the summary input-output table for 1954 (Table 18) and related tables (Tables 19 to 24).

## Methodological Notes

### *Industrial input and output*

Tables 18 to 24 are new tables which were not included in last year's Blue Book. Tables 18, 19, 22 and 23 are similar to those for the year 1950 previously published in the Blue Book for 1956 and described in Sources and Methods, pages 52 to 55. Table 20 is derived by applying net output/gross output ratios to the coefficients in Table 19 of this Blue Book and to an amended version of Table 18 of the Blue Book for 1956 (see below). Table 21 is derived by applying the

coefficients in Table 20 to the estimates of final expenditure given in Table 18. Table 24 is derived from Table 9 of this Blue Book.

The input-output table for 1954 is more firmly based than the one previously published for 1950, nevertheless, several of the estimates given in the table are necessarily very rough. Some of the estimates for 1950 have now been found to be incorrect, so it would be quite wrong to make detailed comparisons of the two input-output tables. However, the estimates for 1950 given in Tables 20 and 23 have been adjusted wherever possible to make them comparable with those for 1954.

## ***The personal sector***

### *Consumers' expenditure.*

Several important changes in classification have been made. These are described in the notes below.

#### *Durable goods.*

This new series differs considerably from the former category Durable household goods. The main changes are the inclusion of motor cars and motor and pedal cycles (formerly included under Private motoring and cycling), and the omission of hardware, minor electrical goods and household textiles and soft furnishings. The new category Furniture and floor coverings also includes mattresses. The new category Radio<sup>^</sup> electrical and other durable goods includes radio and television sets, gramophones, musical instruments, household appliances (e.g., electric and gas fires, paraffin heaters, washing machines, cookers, refrigerators, vacuum cleaners, sewing machines, lawn mowers), perambulators and pedal cycles.

The intention is to include under the category Durable goods all those goods which constitute a volatile element in consumers' expenditure and goods which are relatively costly, and which are generally available on credit terms. The category has been defined in the light of the information available and consequently excludes certain goods which could satisfy this criterion (e.g., expensive crockery and glass ware, jewellery, watches and items of clothing such as fur coats).

The Board of Trade's statistics of retail sales are the principal source of information for making the estimates of consumers' expenditure on durable goods.

#### *Other household goods.*

Two additional groups of goods are now included under this heading:

- (i) Household textiles and soft furnishings. These, together with the new item Furniture and floor coverings, previously comprised Furniture and furnishings.
- (ii) Hardware, etc. This comprises hardware, pottery, glassware, cutlery and minor radio and electrical goods. This item was previously under Hardware, radio and electrical goods.

The estimates of these two categories are based on the Board of Trade's statistics of retail sales. But the individual estimates are not considered sufficiently reliable to be shown separately in Tables 26 and 27. However, it is recognised that for certain purposes it is important to have estimates of these two items even though they are subject to very wide margins of error. The separate estimates, together with estimates of expenditure on pedal cycles, are, therefore, given in the table below.

### *Miscellaneous recreational goods.*

This category corresponds to the former series Other recreational goods plus gramophone records (previously included in the category Hardware, radio and electrical goods) less musical instruments (now included in the category Radio, electrical and other durable goods). The estimate of expenditure on gramophone records is based on the value of deliveries by manufacturers.

### *Other miscellaneous goods.*

This category includes clocks which were formerly included under Hardware, radio and electrical goods.

### *Consumers' expenditure revalued at constant prices.*

Estimates of consumers' expenditure at constant 1954 prices are given for the first time in Table 27. Estimates of expenditure at 1948 prices classified according to the old basis are given in Table 28. The constant price estimates of expenditure on travel and on newspapers have been revised. The constant price series for railway travel are now consistent with the British Transport Commission's estimates of passenger miles travelled. Expenditure at constant prices on newspapers is now measured by revaluing expenditure instead of by applying a volume index based on the circulation of national papers.

Companies

### *Gross trading profits*

The estimates of the gross trading profits of companies from 1955 onwards are on a new basis and are much closer to the profits actually earned in each calendar year than are the estimates for the earlier years. For the years up to and including 1954, the figures of profits in each year are in fact an aggregation of the profits earned in varying accounting years which on average end about the beginning of December (see Sources and Methods, page 153). For each year from 1955 the profit figures have been adjusted to allow for this variation in accounting years and they have been put, as far as possible, on to a true calendar year basis. The adjustment has been based on the new series of quarterly profits now being published, described in the July, 1958 issue of Economic Trends.

[Link to Blue Book 1958](#)

## Blue Book 1959

### Key Points

- New SIC(1958) introduced

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1956 \(1<sup>st</sup> Edition\)](#)

National Income Statistics: Sources and Methods, H.M.S.O., 1956

## SIC Used

SIC 1958

## Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other Government Departments. It contains estimates of the national product, income and expenditure of the United Kingdom for each of the years 1948 to 1958.

## Changes in Content

The principal revisions which have been made to the estimates contained in the last National Income Blue Book (National Income and Expenditure, 1958) are described in Section XII. This section also consolidates all the changes in treatment and definitions which have been made since the publication of National Income Statistics: Sources and Methods.

## Methodological Notes

### Introduction

In this Blue Book the analysis by industry of incomes, expenditure and output is now based, as far as possible, on the new *Standard Industrial Classification (1958)*. This has meant, in many cases, substantial revisions to the estimates previously published which were based on the old *Standard Industrial Classification*. The tables affected by this change in classification are Tables 10, 14, 16, 17, 29, 51, 52, 53, 58 and 60.

### Output and expenditure at constant prices

#### *Table 13. Output and expenditure at 1954 prices.*

In this table the various estimates of final expenditure and of the gross domestic product are valued at average 1954 prices; in previous Blue Books they were valued at average 1948 prices. In the upper part of the table, some details of public authorities' current expenditure on goods and services at constant prices are given for the first time. In the lower part of the table the estimates of the gross domestic product are derived by subtracting estimates of taxes on expenditure less subsidies, valued at average 1954 rates (<sup>^</sup>), and imports of goods and services, valued at average 1954 prices, from the estimates of total final expenditure valued at average 1954 market prices. The alternative way of estimating the gross domestic product, at constant factor cost, which was used in previous Blue Books, is to value each of the various forms of final expenditure at factor cost, to aggregate these estimates, and then deduct the value of imports of goods and services valued at constant factor cost. This method, in practice, can lead to appreciable errors because of the considerable statistical difficulties encountered in making constant factor cost estimates for each of the various forms of final expenditure separately. The procedure followed in Table 13 is more satisfactory because the estimates of total taxes on expenditure less subsidies at constant rates are more reliable than separate estimates for each category of final expenditure.

Net income from abroad revalued at average 1954 prices is derived by applying the average value index for imports of goods and services (shown in Table 15) to the current price estimates.

*Table 14. Index numbers of output at 1954 factor cost.*

The index numbers in this table are based on 1954; in previous Blue Books they were based on 1948. The industry classification generally follows the new Standard Industrial Classification, 1958. Wherever possible improvements have been made to the indicators previously used. Full details of the new weights and indicators will be published subsequently in an article in Economic Trends.

## **Industrial input and output**

### *Wages and salaries*

Considerable revisions have been made to the industrial allocation of the wage and salary bill in Tables 16 and 17 to ensure that it follows, as far as possible, the new Standard Industrial Classification, 1958.

### *Tables removed*

Tables 18 to 24 in last year's Blue Book are not repeated in this issue. All the tables were reproduced in an article in the December, 1958 issue of Economic Trends<sup>^</sup> which described the input-output tables and gave an account of their uses. This article has since been reprinted in New Contributions to Economic Statistics Studies in Official Statistics, No. 5, H.M.S.O., April, 1959.

## **The personal sector**

### *Consumers' expenditure*

In this year's Blue Book several of the component series of "Other services" have been revised in the light of information derived from a new continuing survey of family expenditure carried out by the Social Survey.

### *Consumers' expenditure revalued at 1954 prices.*

Estimates of consumers' expenditure at constant 1954 prices were published for the first time in last year's Blue Book. A comparison between the estimates at 1954 prices and at 1948 prices was given in the August, 1958 issue of Economic Trends. The constant price series for railway travel are now consistent with the British Transport Commission's estimates of passenger miles travelled. Expenditure at constant prices on newspapers is now measured by revaluing expenditure instead of by applying a volume index based on circulation of newspapers.

The paragraphs below list some of the revisions of method which have been made since the publication of Sources and Methods.

## **Gross fixed capital formation at home**

### *Industrial classification.*

The industrial classification used in Tables 51 to 53 follows the new Standard Industrial Classification, 1958.

## **Capital formation in stocks and work in progress**

The detailed estimates have been revised, principally to take account of fuller information from the censuses of production and of the new series of retail and wholesale stocks. A description of how the information on stocks held by manufacturers, wholesalers and retailers is used to produce estimates of stock changes was given in the March, 1959 issue of Economic Trends.

### *Industrial classification.*

The industrial classification in Tables 58 to 60 follows the new Standard Industrial Classification 1958.

### *Other industries and services.*

The estimates incorporate the new series of changes in wholesalers' stocks which were introduced in the Board of Trade Journal, January 16th, 1959. The estimates of the value of work in progress not covered by progress payments in the construction industry have been substantially reduced.

[Link to Blue Book 1959](#)

## Blue Book 1960

### Key Points

- New methods of estimating stock appreciation in manufacturing industry are being used

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1956 \(1<sup>st</sup> Edition\)](#)

National Income Statistics: Sources and Methods, H.M.S.O., 1956

### SIC Used

SIC 1958

### Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other Government Departments. It contains estimates of the national product, income and expenditure of the United Kingdom for each of the years 1949 to 1959.

### Changes in Content

The principal revisions which have been made to the estimates contained in the last National Income Blue Book (National Income and Expenditure, 1959) are described in Section XII. This section also consolidates all the changes in treatment and definitions which have been made since the publication of National Income Statistics: Sources and Methods.



## Methodological Notes

### Summary tables

*Table 14. Index numbers of output at 1954 factor cost.*

An article giving details of the weights and indicators used in compiling the table was published in the August, 1960 issue of Economic Trends.

### Capital formation in stocks and work in progress

The detailed estimates have been revised principally to take account of the results of the census of production for 1958 and improved methods of estimating construction work in progress not covered by progress payments. New methods of estimating stock appreciation in manufacturing industry are being used; they were described in the August, 1960 issue of Economic Trends.

[Link to Blue Book 1960](#)

## Blue Book 1961

### Key Points

- Two new tables in the financial accounts covering sales of financial assets by the public sector

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1956 \(1<sup>st</sup> Edition\)](#)

National Income Statistics: Sources and Methods, H.M.S.O., 1956

### SIC Used

SIC 1958

### Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other government Departments, it contains estimates of the national product, income and expenditure of the United Kingdom for each of the calendar years 1950 to 1960.

### Changes in Content

The principal revisions which have been made to the estimates contained in the last National Income Blue Book (National Income and Expenditure, 1960) are described in Section this section

also consolidates all the changes in treatment and definitions which have been made since the publication of National Income Statistics: Sources and Methods.

## Methodological Notes

### Financial Accounts

*Sales of financial assets by the public sector.*

*Table 49. Analysis by type of asset.*

*Table 50. Analysis by sector acquiring assets.*

These tables are included in the Blue Book for the first time and have been previously published in Economic Trends for January and June 1961: a detailed note on the definitions and sources of information used in the tables was included in the January, 1961 issue of Economic Trends.

The tables provide some detailed information about the Item Net acquisition of financial assets plus net investment abroad for the public sector shown in Table 48 which is the same, apart from the change in sign, as the total sales of financial assets by the public sector, as shown in Tables 49 and 50. Table 50 shows the net acquisition by other sectors of the various types of financial assets sold by the public sector. These assets are mostly liabilities of the public sector (such as Treasury bills, or local authority debt) but also include gold, which is treated as a financial asset, and some liabilities of other sectors such as foreign exchange reserves and the deposit liabilities of banks. Any one sector may acquire such assets either directly from the public sector or from any other sector, but the total net acquisitions of each type of financial asset by all the other sectors in any given period is equal to the net sales of that type of financial asset by the public sector. The Radcliffe banks comprise the London clearing banks, the Scottish banks, banking offices in Northern Ireland, accepting houses which are members of the Accepting Houses Committee, discount houses which are members of the London Discount Market Association and the offices in the United Kingdom of certain overseas and foreign banks. The figures for these banks cover a very large proportion of the total banking business done in the United Kingdom, but a number of important banks, in particular the United Kingdom banking offices of certain foreign banks are not covered by the statistics. The statistics for the transactions of these other banks have therefore unavoidably been included in the figures for the private sector and unidentified overseas holders.

[Link to Blue Book 1961](#)

## Blue Book 1962

### Key Points

- Rebased to 1958=100
- United Kingdom taxes paid by, or on behalf of, non-residents and foreign taxes paid by United Kingdom residents are now shown separately
- A new table, Table 52, analyses transactions in land and existing buildings.
- Table 64 has been extended to give a more detailed industrial analysis of stock building from 1956 onwards.

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1956 \(1<sup>st</sup> Edition\)](#)

National Income Statistics: Sources and Methods, H.M.S.O., 1956

## SIC Used

SIC 1958

## Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other Government Departments. It contains estimates of the national product and income and the expenditure of the United Kingdom for each of the calendar years 1951 to 1961. In addition, this year, Tables 1 to 7 are extended to cover 1938 and 1946 to 1950 on a consistent basis incorporating all the revisions since the figures were last published.

## Changes in Content

The principal revisions which have been made to the estimates contained in the previous National Income Blue Book (National Income and Expenditure 1961) are described in the notes in Section XIII. This section also consolidates all the changes in treatment and definitions which have been made since the publication of National Income Statistics: Sources and Methods.

The estimates of expenditure at constant prices given in Tables 13, 19, 51, 55, 57, 59, 61 and 64 are now based on revaluation at 1958 prices. This change was first introduced in Preliminary Estimates of National Income and Expenditure 1956 to 1961 (Cmnd, 1679). Similarly, the index numbers of output given in Table 14 are now based on 1958.

United Kingdom taxes paid by, or on behalf of, non-residents and foreign taxes paid by United Kingdom residents are now shown separately both in Table 7 (Transactions with the rest of the world) and, for the transactions involving companies, in Table 26 (Appropriation account of companies).

A new table, Table 52, analyses transactions in land and existing buildings.

Table 64 has been extended to give a more detailed industrial analysis of stock building from 1956 onwards.

## Methodological Notes

### Summary Tables

*Table 13. Output and expenditure at 1958 prices.*

The estimates of the gross domestic product at 1958 factor cost are derived by subtracting estimates of taxes on expenditure less subsidies, valued at average 1958 rates (<sup>^</sup>), and imports of

goods and services, valued at average 1958 prices, from the estimates of total final expenditure valued at average 1958 market prices. The alternative way of estimating the gross domestic product, at constant factor cost, which was used in earlier Blue Books, is to value each of the various forms of final expenditure at factor cost, to aggregate these estimates, and then deduct the value of imports of goods and services valued at constant factor cost. This method, in practice, can lead to appreciable errors because of the considerable statistical difficulties encountered in making constant factor cost estimates for each of the various forms of final expenditure separately. The procedure followed in Table 13 is more satisfactory because the estimates of total taxes on expenditure less subsidies at constant rates are more reliable than separate estimates for each category of final expenditure.

Net income from abroad revalued at average 1958 prices is derived by applying the average value index for imports of goods and services (shown in Table 15) to the current price estimates.

#### *Table 14. Index numbers of output at constant factor cost*

The index numbers in this table are compiled as described in the article published in the August 1960 issue of Economic Trends but with two modifications:

- i. Figures from 1958 have been obtained by combining the indicators using weights based on the contribution of each industry to the gross domestic product in 1958. Figures for earlier years have been derived by linking the 1954-weighted index to the new base year 1958.
- ii. Minor modifications have been made to the weights and the indicators used within the insurance, banking and finance industry. The weight for the whole industry is unchanged.

### **The personal sector**

#### *Consumers' expenditure revalued at 1958 prices.*

Estimates of consumers' expenditure at constant 1958 prices are given in this Blue Book; estimates at constant 1954 prices were published for the first time in the Blue Book for 1958. The constant price series for railway travel are now consistent with the British Transport Commission's estimates of passenger miles travelled. Expenditure at constant prices on newspapers and magazines is now measured by revaluing expenditure instead of by applying a volume index based on the circulation of newspapers and magazines. The retail price index is now used for revaluing at constant prices expenditure on house maintenance and repairs by occupiers, on kerosene (in Other fuel and light), on cinemas and other entertainment admissions and on domestic service. Expenditure on petrol is revalued at average 1958 prices for the three grades of petrol separately.

### **Companies**

#### *Table 26. Appropriation account of companies.*

This table was revised in the Blue Book for 1961 in the light of the new balance of payments estimates which were described in the March 1961 issue of Economic Trends. The opportunity was taken to make fuller use of balance of payments information than in previous years.

In the upper half of the table, the item Gross trading profits of companies operating in the United Kingdom was amended so as to exclude some overseas income of United Kingdom resident companies previously included as income earned in the United Kingdom. The amount of the income earned in the United Kingdom by companies resident abroad but still excluded from trading profits of companies operating in the United Kingdom is believed to be very small. As a result of the fuller use of Balance of Payments information therefore, the arbitrary element in the

allocation of profits between home and overseas mentioned in Sources and Methods, page 157, has been virtually removed. The item Non-trading income was divided into that part which arises in the United Kingdom, now shown separately, and that part which arises abroad, now included with trading profits earned abroad in the new item Income earned abroad. This new item represents that part of the interest, profits and dividends credit in the White Paper on the Balance of Payments which is estimated to accrue to companies. In line with other components of company income shown in the Blue Book, however, it is here reckoned before deducting tax whereas in the White Paper in the Balance of Payments it is shown net of tax. This estimate differs in some respects from that which was previously included, and which was based on statistics provided by the Board of Inland Revenue. The largest single source of difference is the changed treatment of retained profits earned abroad by companies which, for tax purposes, are treated as not resident in the United Kingdom. Broadly speaking, the Inland Revenue figures include only income remitted to the United Kingdom by these companies, but for balance of payments purposes and, therefore, in the Blue Book, if the companies are branches or subsidiaries of United Kingdom resident companies, total profits (or a proportion based on the degree of ownership) are included whether or not they are remitted to the United Kingdom.

Property income from abroad as reckoned in the balance of payments is now in exact agreement with the definitions used for national income statistics, and all of it forms part of the national income of the United Kingdom. It is, therefore, no longer necessary to show the Balance of payments adjustment separately in the Blue Book (see Sources and Methods, pp161, 162).

#### *Profits due abroad*

Profits due abroad are now shown separately from Taxes paid abroad. Up to the 1960 Blue Book profits due abroad were taken as the whole profits of branches of foreign companies operating in the United Kingdom and the dividend distributions of foreign-owned subsidiaries operating in the United Kingdom (see Sources and Methods, pp. 164, 165). In the 1961 and subsequent Blue Books in order to be in line with balance of payments statistics on the new basis introduced in 1961 the whole income earned in the United Kingdom by these subsidiaries is included with Profits due abroad whether or not it is remitted to the foreign owners.

There was also a change in the statistical sources for Dividend and interest payments. From 1959 there has not been a differential rate of profits tax on distributed profits. Profits tax statistics have therefore no longer been able to provide the statistical basis for the figures of dividend payments. These have been estimated from special reports made on companies with profits over £5,000—see Sources and Methods, page 155—which cover foreign-owned subsidiaries in addition to United Kingdom companies. Previously such subsidiaries were exempted from the higher rate of profits tax charged on distributed profits so that their distributions were excluded from Dividend and interest payments in the years before 1959. From 1959 onwards, however, they would be included in the estimates of dividend and interest payments based on the special reports if these were not adjusted. The adjustment is made using balance of payments information, and Dividend and interest payments as shown in the Blue Book excluded the dividend distributions of foreign owned subsidiaries operating in the United Kingdom.

Corresponding revisions were made in Tables 27 and 28.

Since Profits due abroad are now shown separately estimates have been made of the United Kingdom taxes accruing on these profits and the figures are shown separately in Table 26 together with the subdivision between payments and additions to reserves.

### **Gross fixed capital formation at home**

#### *Land*

A new table. Table 52, analyses by sector of ownership investment in land and existing buildings. Since transfers of land net out when aggregated for the whole country the total is necessarily equal to the sum of legal fees, stamp duties etc. incurred in the transfer of land and existing buildings shown at the bottom of Table 58; so improvement in agriculture is included in buildings and works in Table 58. The figures for persons are residual and include farmland and private dwellings; sales would appear much larger if it were possible to extract the fees incurred in buying and selling existing houses. The figures for property companies were published in the Board of Trade Journal for 28 April, 1961 and 8 December, 1961 which also contain figures for distribution and other services: figures for manufacturing companies were published in the Board of Trade Journal for 2 December 1960 and 15 December, 1961; figures are not yet available for 1961 and were not collected for years prior to 1959. The estimates for public corporations are based on their accounts. The estimates for local authorities are based on returns described on page 291 of Sources and Methods. Central Government figures are derived from Estimates and Appropriation Accounts.

[Link to Blue Book 1962](#)

## Blue Book 1963

### Key Points

- Estimates of consumers' expenditure on food for the whole post-war period revised
- Revisions to gross fixed capital formation in manufacturing from 1948 onwards

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1956 \(1<sup>st</sup> Edition\)](#)

National Income Statistics: Sources and Methods, H.M.S.O., 1956

### SIC Used

SIC 1958

### Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other Government Departments. It contains estimates of the national product and income and the expenditure of the United Kingdom for each of the calendar years 1952 to 1962. Because of revisions to the whole series of estimates of consumers' expenditure, Tables 1 to 7 are again extended to cover 1938 and 1946 to 1951 on a consistent basis.



## Changes in Content

The principal revisions which have been made to the estimates contained in the previous National Income Blue Book (National Income and Expenditure, 1962) are described in the notes in Section XIII. This section also consolidates all the changes in treatment and definitions which have been made since the publication of National Income Statistics: Sources and Methods.

Revisions have been made to the estimates of consumers' expenditure on food for the whole post-war period.

Revisions have been made to the estimates of gross fixed capital formation in manufacturing from 1948 onwards. Some of the detailed figures of gross fixed capital formation in the years 1948 to 1951 are given in a special combined table.

## Methodological Notes

### *The personal sector*

#### *Consumers' expenditure*

The estimates of consumers' expenditure on Food have been revised mainly as a result of a re-assessment of the distribution of consumption between households and caterers, and of the prices paid for their supplies by caterers. The re-assessment has been made in less detail for the earlier years than for later years and some further revision of the figures for the earlier years may prove necessary when these have been re-assessed in detail.

#### *Table 25. Capital account of the personal sector*

*Insurance companies: Loans and mortgages for house purchase.*

This represents house purchase loans made by United Kingdom members of the British Insurance Association and the largest collecting friendly societies. The figure for 1962 is from returns of investments made to the Board of Trade. Estimates for earlier years have been made using figures presented to the Radcliffe Committee on the working of the monetary system and annual analyses of company reports summarised by the Board of Trade.

*Loan on policies and personal security.*

This represents loans made by companies established in Great Britain as shown by reports summarised by the Board of Trade. The figures include some loans made to non-residents but do not include similar loans to United Kingdom residents made by companies established outside Great Britain. The figures for 1962 is from returns of investments made to the Board of Trade.

### *Gross fixed capital formation at home*

#### *Land.*

Table 52 analyses by sector of ownership investment in land and existing buildings. Since transfers of land net out when aggregated for the whole country the total is necessarily equal to the sum of legal fees, stamp duties etc. incurred in the transfer of land and existing buildings shown at the bottom of Table 58; soil improvement in agriculture is included in building and works in Table 58. The figures for persons are residual and include farm land and private dwellings; sales would appear much larger if it were possible to extract legal fees incurred in buying and selling existing houses. The figures for companies are based on information collected by the Board of Trade from 1959 onwards. Figures from this source are not yet available for 1962 but rough estimates have been made. The estimates for public corporations are based on their

accounts. The estimates for local authorities are based on the direct returns described on page 291 of Sources and Methods. Central Government figures are derived from Estimates and Appropriation Accounts. The figures for companies in the 1962 Blue Book were not comprehensive and this error has been corrected. Agriculture. The estimates include capital expenditure on cars; the proceeds of sales of vehicles and equipment for scrap are deducted. Coal mining. The estimates cover deep-mined coal only. Expenditure on equipment used in opencast coal mining is included under Construction,

### *Manufacturing*

The estimates for 1962 for private capital expenditure are derived from the quarterly Board of Trade sample inquiry.

### *Wholesale and retail trades-, insurance, banking and finance, other transport and services*

The estimates for 1962 (and for 1961 in the case of retailing) are based on the Board of Trade quarterly sample enquiry.

[Link to Blue Book 1963](#)

## Blue Book 1964

### Key Points

- Revisions to estimates of consumers' expenditure for the whole post-war period
- A new section gives figures for the public sector as a whole, covering public corporations and public authorities.
- A revised functional classification is introduced for all tables on public expenditure
- Financial accounts is expanded and includes accounts for the personal, banking and overseas sectors as well as the public sector
- A flow-of-funds account is presented for 1963

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1956 \(1<sup>st</sup> Edition\)](#)

National Income Statistics: Sources and Methods, H.M.S.O., 1956

### SIC Used

SIC 1958

### Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England. It contains estimates of the national product,

income and expenditure of the United Kingdom for each of the calendar years 1953 to 1963. The first summary table, Table 1, is extended to cover 1938 and 1946 to 1952 on a consistent basis. Where tables relate to years other than 1953 to 1963 the years covered are noted in the list of contents

## Changes in Content

The principal revisions which have been made to the estimates contained in the previous National Income Blue Book (National Income and Expenditure, 1963) are described in the notes in Section XIV. This section also consolidates all the changes in treatment and definitions which have been made since the publication of National Income Statistics: Sources and Methods.

Revisions have been made to the estimates of consumers' expenditure for the whole post-war period. Tables 18 and 19 are therefore extended to cover 1946 to 1952 on a consistent basis.

Estimates of output and expenditure at constant prices have been carried back to 1948 and are given in Tables 13 and 14.

A new section gives figures for the public sector as a whole, covering public corporations and public authorities. A revised functional classification is introduced for all tables on public expenditure. The new classification corresponds more closely with the classification adopted by the Treasury for forecasts of public expenditure.

The section on financial accounts is expanded and includes accounts for the personal, banking and overseas sectors as well as the public sector. A flow-of-funds account is presented for 1963

## Methodological Notes

### *The personal sector*

#### *Consumers' expenditure*

Tables 18 and 19 have been extended to give, on a consistent basis, detailed estimates of consumers' expenditure from 1946.

#### *Food*

In the 1963 Blue Book estimates of expenditure on Food were revised, mainly as a result of a re-assessment of the distribution of consumption between households and caterers, and of the prices paid for their supplies by caterers. The re-assessment then made for earlier years was in less detail than for later years, and the re-assessment has now been made in greater detail back to 1952. The main source of the revisions since 1952 has been the National Food Survey, which is considered to give for several commodity groups a better guide to consumers' expenditure as defined for the Blue Book, than the supply data on which the estimates were previously based. The scope of the Survey before 1952 was limited and does not provide a basis for detailed revision of the estimates for earlier years; therefore, no estimates for individual commodity groups are given before 1952, although total consumers' expenditure on food has been adjusted for the years 1946 to 1951 approximately in line with the revised figures for later years.

#### *Beer*

Estimates of expenditure on Beer have been revised for the years 1946 to 1950 in the light of additional information on prices from the trade.

#### *Maintenance, repairs and improvements by occupiers*

Estimates of expenditure on Maintenance, repairs and improvements by occupiers have been revised upwards for recent years. These estimates are based on the Family Expenditure Survey and since some individual expenditures by households on this item are large and infrequent, the sampling error of the estimates is high. The trend of expenditure can therefore be judged only from several years' data and the trend in the most recent years remains uncertain.

Provisional revisions were made in last year's Blue Book to several items of expenditure which are based on statistics of retail sales, in the light of the first results of the census of distribution for 1961. With the full results now available further revisions have been made affecting the estimates of expenditure on Clothing; Radio, electrical and other durable goods; hardware (in Household textiles, soft furnishings and hardware); Miscellaneous recreational goods; television and radio rental and relay services (in Entertainments: Other). Most of these revisions only affect the estimates back to 1958; the series for hardware and miscellaneous recreational goods, however, have been revised for earlier years as a result of a revision to the method of estimating these figures from census data for 1957.

#### *Motor cars and motor cycles*

The estimates of dealers' margins on sales of used motor vehicles (in Motor cars and motor cycles, new and second-hand) have been revised substantially upwards, in the light of the results of the motor trades inquiry for 1962 carried out by the Board of Trade.

#### *Miscellaneous recreational goods*

Miscellaneous recreational goods now includes estimates of consumers' expenditure on caravans, based on production data. Several revisions have been made to the constituent items of Other services. The main revisions are as follows. More detailed information on transactions in securities has led to revisions in the proportion of expenditure on stamp duties judged to be personal. New series on stockbrokers' and bank charges have been incorporated and the estimates of expenditure on betting have been revised, mainly in the light of information from the Report on Enquiry into Gaming, under Section 2 of Finance Act 1963 (Cmnd. 2275).

The estimates of Expenditure by foreign tourists, etc. in the United Kingdom now include estimates of expenditure by foreign diplomats and journalists.

### **Public sector**

#### *Table 47. Current and capital accounts*

This table summarises the transactions of central government, local authorities and public corporations. In addition to the consolidation carried out in Table 43 for public authorities the following transactions between central government and public corporations have been eliminated in this table:

- (i) Taxes on income paid by public corporations.
- (ii) Debt interest on loans by the central government to public corporations.
- (iii) Central government capital grants to public corporations.
- (iv) Net lending by the central government to public corporations.

#### *Table 48. Analysis of public expenditure*

This table differs in a number of respects from the analysis of public authorities' expenditure given in previous Blue Books. The figures now cover not only expenditure by public authorities but also gross fixed capital formation by public corporations and the increase in value of their stocks. Loans by the public sector are also included for the first time, and in addition the functional classification of expenditure has been considerably revised. The following notes

provide details of the main differences between the functional classification now adopted and that given in Chapter X of Sources and Methods.

*Military defence: Current expenditure on goods and services.*

Part of the imputed rent for the use of the fixed assets of the United Kingdom Atomic Energy Authority is included under this heading. See also notes on Table 36 on page 94

*Military defence: Gross fixed capital formation.*

The error in the treatment of machine tools imported under the Mutual Defence Assistance scheme (referred to in Sources and Methods, page 251) has been corrected.

*External relations.*

This item corresponds closely to that previously described as Overseas services. Expenditure by the Commonwealth War Graves Commission and Trade Commissioner establishments of the Board of Trade is now included. Loans to overseas governments and Net lending abroad for private industry, etc. appear for the first time.

*Roads and public lighting.*

As explained in the notes on Table 40 no imputed payment is included for the use of the fixed assets employed in this service.

*Transport and communication.*

This item now includes investment by public corporations.

*Employment services*

This item includes Ministry of Labour services to the disabled and local authority sheltered employment services, both previously under the heading National insurance, pensions and assistance. Local authority youth employment services, formerly shown under Education, are also included here.

*Other industry and trade.*

This item now excludes expenditure by the Department of Scientific and Industrial Research (classified mainly under Research), and the civil element of expenditure by the United Kingdom Atomic Energy Authority (classified under Research and Other services). Trade Commissioner establishments of the Board of Trade are now included under External relations. The investment of public corporations in the fuel and power and iron and steel industries is now included under this heading. Net lending to the private sector by the Board of Trade for the promotion of local employment is also included for the first time. The principal components of the figures for Subsidies in the years 1954 and later are the subsidy on coal paid by the Ministry of Commerce to certain industrial undertakings in Northern Ireland, and the deficit on letting of factories by the Board of Trade. Capital grants in 1960 and 1961 include the payment of grants and compensation under the Cotton Industry Act, 1959.

*Research.*

This is a new item covering expenditure on civil research and development by the United Kingdom Atomic Energy Authority, the Ministry of Aviation, the Department of Scientific and Industrial Research, the Medical and Agricultural Research Councils, the National Institute for Research in Nuclear Science and the Nature Conservancy.

*Agriculture and food.*

Expenditure by the Agricultural Research Council is now included in the item Research, Net lending to the agriculture and fishing industries is included for the first time. Housing. This now includes investment of the housing and New Town corporations. Net lending by central government and local authorities to building societies, housing associations and persons is shown under the heading Net lending to private sector. Lump sum payments by the central government towards the cost of newly-built houses (mainly in Northern Ireland) are no longer treated as Subsidies, and, to the extent that these payments have been to persons and companies they are now included under the heading Capital grants.

*Public health services.*

This comprises local authority port health and other public health services.

*Parks, pleasure grounds, etc.*

This comprises (i) central government expenditure on Royal Parks and Pleasure Gardens, and the preservation of historic buildings and ancient monuments; and (ii) local authority expenditure on parks, pleasure gardens and open spaces, baths, washhouses and open bathing places.

*Miscellaneous local government services.*

This is a new item which comprises local authority expenditure on council elections, weights and measures, general administrative costs and other miscellaneous services. It includes the expenditure (other than transfers) of certain special funds identified in Local Government Financial Statistics, namely 'other reserve funds', insurance funds, trust or charity funds and 'other special funds'. Administrative costs incurred by the Ministry of Housing and Local Government, Scottish Development Department and Northern Ireland Ministry of Health and Local Government, other than those which have been allocated to specific services such as housing, roads, etc. are also included here.

*Libraries, museums and arts.*

This comprises expenditure on libraries, museums and art galleries, and central government grants for the arts.

*Police.*

Pensions of the Royal Irish Constabulary are no longer included under this heading; they are included in the item Other services.

*Prisons.*

This item, which was formerly part of Prisons, courts, etc., is now shown separately.

*Parliament and law courts.*

In addition to the expenditure previously covered by the heading Prisons, courts, etc., this item also includes expenditure to provide for the Houses of Parliament. Expenditure on Prisons, however, is now shown separately and the cost of land registration is now included under the heading Records, registrations and surveys.

*Education.*

This comprises education in schools, technical institutions and universities, (including physical training and the school health service). The administrative costs of providing school meals and milk and the capital cost of school canteens are included under this heading. From April 1962, grants to the Colleges of Advanced Technology appear under the headings Current grants to persons and Capital grants whereas they previously appeared under local authorities' Current expenditure on goods and services and Gross fixed capital formation. Post-graduate training



awards by the Department of Scientific and Industrial Research are now included here under the heading Current grants to persons, and net lending to universities and private schools under the heading Net lending to private sector.

Expenditure on libraries, museums, art galleries and grants to the arts are now included under the heading Libraries, museums and arts. Expenditure by local authorities on the youth employment service is now included under the heading Employment services.

*National health service.*

This item comprises expenditure by the central government and local authorities under the national health service. Expenditure of the Medical Research Council is now included in the item Research. Local authority port health and other public health services are included under the heading Public health services.

*Local welfare services.*

This item covers expenditure by local authorities on care of the aged, handicapped and homeless. Expenditure on sheltered employment services, however, is included under the heading Employment services.

*Child care.*

This item comprises expenditure on approved schools, remand homes, children's homes and other services for the care and welfare of children.

*School meals, milk and welfare foods.*

The administrative costs of providing welfare foods are included under this heading.

*National insurance, pensions and assistance.*

Ministry of Labour services for the disabled and local authority sheltered employment services are now included under the heading Employment services. Other local authority expenditure on care of the aged, handicapped and homeless is now shown separately under is now shown separately under the heading Local welfare services.

*Records, registrations and surveys.*

This is a new item of which the main components are central government expenditure by the Land Registry, Ordnance Survey and the offices of the Registrars General, together with local authorities expenditure on the registration of electors and the registration of births, marriages and deaths.

*Other services.*

Local authority services formerly under this heading are now shown as expenditure on Miscellaneous local government services and Records, registrations and surveys. The main items included for the first time in central government expenditure under this heading are the civil element of expenditure by the United Kingdom Atomic Energy Authority other than research and development (previously classified under Other industry and trade), and pensions of the Royal Irish Constabulary (previously classified under Police). Investment by public corporations other than that shown under Transport and communication, Other industry and trade and Housing is also included here. The principal components of the figures for Current grants to persons for 1957 and 1958 are payments to or in respect of British subjects who had to leave Egypt, or who were dependent upon assets in Egypt, and were in distress.

*Treasury analysis of public expenditure*

The table on pages 108 to 110 gives figures of total public expenditure for the financial years 1959/60 to 1963/64 classified on the basis used by H.M. Treasury for surveys of future expenditure.

### **Financial accounts**

Tables 49 to 55 extend very much further the financial accounts published in previous Blue Books. Accounts are now included for the personal, banking and overseas sectors, and a fairly detailed flow-of-funds account is presented for the year 1963.

These accounts are designed to present in a systematic and summary form, information about the main flows of capital between the different sectors of the economy (defined below) and the associated changes in assets and liabilities, in so far as they can be identified. They provide an analysis of the net total of each sector's transactions in financial and overseas assets, that is, of its net acquisition of financial assets and net investment abroad. This total is equal to the excess of saving over investment, together with net receipts from capital transfers, and is derived for each sector in Table 49.

### *Definition of sectors*

The public sector comprises central government, local authorities and public corporations, except that only the Issue Department, but not the Banking Department, of the Bank of England is included.

The banking sector comprises the domestic banks (including Bank of England, Banking Department), overseas banks, accepting houses and the discount market.

Other financial institutions comprises insurance companies, hire purchase finance companies, building societies, superannuation funds (both private and public), unit and investment trusts, the special investment departments of trustee savings banks and certain special finance agencies,

Industrial and commercial companies are companies other than banks and other financial institutions.

The personal and overseas sectors are defined as for Tables 2 and 7 respectively.

### *Table 50. Analysis by sector and type of asset, 1963.*

This flow-of-funds table gives details of changes in the assets of each sector and the associated changes in the liabilities of each of the other sectors, in so far as they can be identified, for the year 1963. Most of the figures are taken from Tables 49 and 51 to 55, but some are taken from the tables included in Financial Statistics, (H.M.S.O., monthly), which give details of the sources and uses of funds of Other financial institutions and of capital issues.

### *Local authority debt.*

The figures cover all borrowing from outside the public sector including that from the banking sector and from the authorities' own superannuation funds. They are derived from returns made by local authorities.

### *Deposits with banking sector.*

The difference between gross deposits, which can be allocated by sector, and net deposits which cannot, is included in the column headed Unallocated. This difference represents cheques in course of collection and items in transit.

### *Company and overseas securities: Capital issues.*

The figures relate to issues by quoted public companies.

### *Table 51. The personal sector*

This table gives details of the transactions in financial assets of the personal sector, which were included in the capital account of the personal sector in previous Blue Books. Most of the series are taken from Financial Statistics, and are described in its supplement on Notes and definitions.

#### *National savings.*

The total differs from the figure shown in the central government capital account because it includes deposits with special investment departments of trustee saving banks and other securities on the Post Office register.

#### *Local authority debt.*

The figures are estimated from returns made by a sample of local authorities. They do not include purchases of quoted securities by the personal sector.

#### *Shares of retail co-operative societies.*

The figures are obtained from the Report of the Chief Registrar of Friendly Societies, Part 3.

#### *Hire purchase debt.*

The figures relate mainly to hire purchase agreements, but include other forms of instalment credit extended to consumers for the purchase of durable goods. The Board of Trade estimates of hire purchase debt outstanding have been adjusted to exclude charges due but not yet paid to finance houses.

#### *Loans for house purchase:*

##### *Local authorities.*

Figures are obtained from Local Government Financial Statistics, England and Wales and similar documents for Scotland and Northern Ireland.

##### *Insurance companies.*

Figures for 1962 and 1963 are taken from Financial Statistics. They cover loans made by United Kingdom members of the British Assurance Association and the largest collecting friendly societies. Estimates for earlier years have been made using figures presented to the Radcliffe Committee on the Working of the Monetary System and annual analyses of company reports summarised by the Board of Trade.

##### *Other loans and mortgages by insurance companies.*

Figures for 1962 and 1963 are taken from Financial Statistics. Figures for earlier years represent loans made by companies established in Great Britain as shown by reports summarised by the Board of Trade. The figures include some loans made to non-residents but do not include similar loans to United Kingdom residents made by companies established outside Great Britain.

##### *Life assurance and superannuation funds, etc.*

The figures represent the net increase in the funds. The revenue transactions of these funds are shown in Table 24.

##### *Unidentified items.*

Two important items about which information is still lacking are transactions by the personal sector in stocks and shares, and sales of unincorporated businesses to companies. It is estimated from the figures given in Table 50 that sales of stocks and shares by the personal sector in 1963 was of the order of £500 million or £600 million.

*Table 52. The banking sector*

The figures in this table are partly estimated. Comprehensive figures of transactions by the banking sector are available only from the second quarter of 1963; the amount of estimation for 1963 is therefore negligible. For earlier years the statistics do not cover a number of important banks, in particular the United Kingdom banking offices of certain overseas and foreign banks.

*Tables 53 and 55. The public sector*

Table 53 gives details of the various kinds of financial assets sold by the public sector to meet its financial deficit; Table 55 shows, as far as possible, which sectors acquired these assets. Many of the items also appear in Table 37, (the capital account of the central government). They are also shown in the Exchequer financing tables of Financial Statistics.

*Local authority debt.*

For the years 1961 to 1963 the figures of total borrowing are those derived from returns made by local authorities, which are given in Financial Statistics. Borrowing from within the public sector has been deducted. For earlier years, the figures are taken to be equal to net acquisition of financial and overseas assets by local authorities, shown in Table 49, plus loans for house purchase less borrowing from within the public sector.

*Trade and hire purchase debt at home {net}.*

This relates mainly to credit given or received by public corporations.

*Other identified home assets.*

This consists mainly of the items specified in Table 37 which are not shown separately in Table 53.

*Table 54. The overseas sector*

Most of the items in this table have been taken from United Kingdom Balance of Payments, 1964 and from Table 37. Transactions with the banking sector are those identified in Table 52.

Other assets:

Private sector is obtained as a residual.

[Link to Blue Book 1964](#)

## Blue Book 1965

### Key Points

- Revisions to consumers' expenditure for the whole post-war period.
- Estimates of income in kind have been extended to cover additional items
- Revisions to estimates of expenditure on rent
- Financial accounts revised considerably - new estimates of personal sector transactions in securities

### Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1956 \(1<sup>st</sup> Edition\)](#)

National Income Statistics: Sources and Methods, H.M.S.O., 1956

## SIC Used

SIC 1958

## Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England. It contains estimates of the national product income and expenditure of the United Kingdom for each of the calendar years 1954 to 1964\* In addition, Tables 1 to 7 are extended to cover 1938 and 1946 to 1953 on a consistent basis and tables 13 and 14 are carried back to 1948. Where tables relate to years other than 1954 to 1964 the years covered are noted in the list of contents.

## Changes in Content

The principal revisions which have been made to the estimates contained in the previous National Income Blue Book (National Income and Expenditure, 1964) are described in the notes in Section XIV. This section also consolidates all the changes in treatment and definitions which have been made since the publication of National Income Statistics: Sources and Methods.

Revisions have been made to the estimates of consumers' expenditure for the whole post-war period. Estimates of income in kind have been extended to cover additional items, with consequent increases in income from employment. Revisions to estimates of expenditure on rent have led to increases in the estimates of rent income.

The section on financial accounts has been revised considerably. In particular, new estimates of personal sector transactions in securities have led to large reductions in the unidentified items required to balance the accounts.

## Methodological Notes

### *The personal sector*

#### *Consumers' expenditure*

These notes describe first, the main revisions which have been made to the estimates of consumers' expenditure contained in last year's Blue Book; secondly, the changes in the classification of consumers' expenditure since Sources and Methods was published; and thirdly, the main changes in methods of estimation which have been made since the publication of Sources and Methods.

#### **Main revisions**

##### *Housing*

For this Blue Book, the estimates of rent, in Housing, have been revised substantially upward in all years for reasons which are given at the end of the notes on Rent, rates and water charges (page

95). The estimates for Housing have also been increased since the 1964 Blue Book to take account of rising expenditure on improvements, in particular, the installation of central heating. The estimates for Domestic service have been revised upwards in the light of information from the 1961 census of population. The revisions to the estimates of rent and expenditure on domestic service entail corresponding revisions on the income side of the accounts.

#### *Fuel and light*

Under Fuel and light, coke, which was formerly included under Other, is now classified with coal. Other fuel and light comprises paraffin, fuel oil, liquid gases and wood.

#### *Motor cars and motor cycles*

The estimates of expenditure on Motor cars and motor cycles are now based on the Board of Trade's monthly inquiry into the motor trades and show a sharper rise in expenditure in recent years than did the previous estimates. Running costs of motor vehicles now includes estimates of expenditure on driving lessons, driving tests and road vehicle tests, and incorporates revised estimates for recent years of expenditure on motor vehicle licences.

#### *Travel*

Under Travel, separate figures are now given for travel by Bus, coach and tram. Other travel comprises expenditure on taxis and private hire of motor cars, and sea and air travel.

#### *Other services*

Other services now includes payment of fines, and incorporates revised estimates of purchases less sales of second-hand goods, based on census of distribution data.

### **Classification changes**

Several changes in classification were made in the Blue Book for 1958. These are described in the following paragraphs.

#### *Durable goods.*

This category differs considerably from the former category Durable household goods. The main differences are the inclusion of motor cars and motor and pedal cycles (formerly included under Private motoring and cycling), and the omission of hardware, minor electrical goods and household textiles and soft furnishings. The present category Furniture and floor coverings also includes mattresses. The present category Radio, electrical and other durable goods includes radio and television sets, gramophones, musical instruments, household appliances (e.g. electric and gas fires, paraffin heaters, washing machines, cookers, refrigerators, vacuum cleaners, sewing machines, lawn mowers), perambulators and pedal cycles.

The intention is to include under the category Durable goods all those goods which constitute a volatile element in consumers' expenditure and goods which are relatively costly and which are generally available on credit terms. The category has been defined in the light of the information available and consequently excludes certain goods which could satisfy this criterion (e.g. expensive crockery and glassware, jewellery, watches and items of clothing such as fur coats).

The Board of Trade's statistics of retail sales are the principal source of information for making the estimates of consumers' expenditure on durable goods. Further details about this series were given in the August 1958 issue of Economic Trends.

#### *Other household goods.*

This category includes two additional groups of goods which were formerly included under the heading Durable household goods:



- (i) Household textiles and soft furnishings. These, together with the present item Furniture and floor coverings, previously comprised Furniture and furnishings.
- (ii) Hardware. This comprises hardware, pottery, glassware, cutlery and minor radio and electrical goods. This item was previously under Hardware, radio and electrical goods

The estimates of these two categories are based on the Board of Trade's statistics of retail sales. But the individual estimates are not considered sufficiently reliable to be shown separately in Tables 18 and 19. However, it is recognised that for certain purposes it is important to have estimates of these two items even though they are subject to rather wide margins of error. The separate estimates, together with estimates of expenditure on pedal cycles, are therefore given in the table below.

#### *Miscellaneous recreational goods.*

This category corresponds to the former series Other recreational goods plus gramophone records (previously included in the category Hardware, radio and electrical goods) less musical instruments (now included in the category Radio, electrical and other durable goods). The estimates of expenditure on gramophone records are based on the value of deliveries by manufacturers.

#### *Other miscellaneous goods.*

This category includes clocks which were formerly included under Hardware, radio and electrical goods.

### **Revisions to methods**

The paragraphs below list the main revisions of method which have been made since the publication of Sources and Methods.

#### *Food.*

Since the end of food rationing increasing use has been made of the National Food Survey in estimating consumers' expenditure on food. About half the estimates of household expenditure on food are now based on the continuing results of the Survey, an addition being made to this part of the estimates for purchases by caterers of the foods concerned. The balance of the estimates of consumers' expenditure on food is based, as far as quantities are concerned, on statistics of supplies, that is, farm or manufacturing output and imports, adjusted for exports and for amounts used in further processing, stock changes, wastage etc. This balance covers both household and caterers' purchases of the foods concerned and an analysis between the two types of purchase is estimated. Many of the quantity estimates of household purchases which are based on supply data are valued by means of average values taken from the National Food Survey so that the Survey is the basis for most of the valuation of household expenditure on food. Quantity estimates of purchases by caterers are valued at cost to caterers, that is, at or near wholesale prices.

Generally, the National Food Survey is used where supply statistics are unsuitable either because of the use of the food at several stages of manufacture or because information on wastage, stock changes, etc. is limited. But the estimates which are based on the National Food Survey are reconciled with available statistics of supplies. The main estimates based on the Survey are expenditure on bread, flour and cake, meat other than bacon or ham, meat products, most canned foods, sugar, potatoes and other vegetables, tea and some fresh fruit.

Consumers' expenditure on food is generally revalued commodity by commodity at the average unit values of 1958. But in the case of fresh fruit and vegetables (other than potatoes), where there is insufficient information to revalue each variety of food separately and where the

composition of each of the broad groups of varieties and the quality of their components change radically from quarter to quarter in the year, consumers' expenditure on each group of varieties is revalued at the average value for that group in the corresponding quarter of 1958. For the purposes of this revaluation the average value for the year 1958 as a whole is varied over the quarters of 1958 according to the average seasonal pattern of several years.

*Alcoholic drink:*

Wines, spirits, cider, etc. In estimating the service element in expenditure on spirits and imported wines it is assumed that the proportions sold by hotels, restaurants and public houses have declined in recent years while the proportions sold by off-licences have risen. The arbitrary allowance for business expenditure is now 10 per cent, and not 5 per cent, as stated in Sources and Methods, page 112.

Estimates are included of consumers' expenditure on perry, based on production data.

*Tobacco.*

Estimates of the average retail prices paid for all tobacco products are provided by the trade. Previously, H.M. Customs and Excise made estimates of average retail prices for imported products.

*Rent, rates and water charges.*

The White Paper Distribution of Rateable Values between different classes of property in England and Wales (Cmd. 9718) provides information about rateable values classified according to different types of property, both on the 1935 basis of valuation and on the basis used up to 1962 (i.e. 1939 rental in the case of dwellings). This information made possible a more thorough analysis of the information available from both the Ministry of Labour household expenditure enquiry for 1953-54 and a Social Survey enquiry for 1955 (see Sources and Methods, pages 113-114).

The estimates for 1946 to 1955 were made in the following way.

Estimates of the total stock of dwellings are provided by the population census for 1951, and the distribution of dwellings by type of occupancy (council tenancies, other unfurnished tenancies, furnished tenancies, owner-occupied and rent-free dwellings) was estimated from the two surveys. The total stock of dwellings was projected backwards and forwards by statistics of new buildings, conversions, demolitions, etc. to obtain estimates of the stock of council and non-council dwellings in each of the years 1946 to 1955. Estimates of the numbers of owner-occupied dwellings, rent-free dwellings and furnished dwelling were obtained by assuming that their proportions to the total stock, as revealed by the surveys, remained constant throughout the post-war period.

The Social Survey enquiry for 1955 provides a distribution of payments of rent plus rates by ranges of rateable value and by types of occupancy. This information, in conjunction with the estimates of the stock of dwellings, made it possible to assess the average amount of rates paid for each category of dwelling and therefore the amount of rent excluding rates.

Rents paid by tenants of council dwellings in each year were derived from Local Government Financial Statistics and are shown in Table 44. When these are compared with the estimates of the stock of council dwellings, they yield estimates of the average rents paid by council tenants.

The rents (excluding the element of rates estimated as described above) paid by non-council tenants in 1953-1955 were derived from the results of the two surveys, which show consistent results. A comparison of the rents paid in relation to rateable values with the corresponding

figures for 1938 derived from the Ministry of Labour household expenditure enquiry for that year, provided an estimate of the movement in average rent for non-council tenancies between 1938 and 1955. This movement, which was small, was assumed to have taken place evenly over the post-war period.

For owner-occupiers, information from the Social Survey enquiry, together with estimates of the stock of owner-occupied dwellings in 1955, gave an estimate of net imputed rent based on 1935 rateable values. This was increased to give a figure on a 1939 basis of valuation. This was further inflated by a price index of rents obtained by taking a weighted average of the change between 1939 and 1955 in average rents of council and non-council tenancies.

The total amounts paid in rates on all dwellings in all years were estimated on the basis of the proportions given in Cmd. 9718 applied to the total rates given in Table 5.

To complete the calculation, additional estimates were made for rent payments by sub-tenants, water rates, expenditure on insurance by occupier-occupiers and rent payments by non-profit-making bodies and residents of publicly-owned hostels (see Sources and Methods, pages 113-114).

Expenditure on rent, rates and water charges between 1956 and 1963 was estimated by applying to the figures for 1955 the change in aggregate rateable values of domestic property in England and Wales (which was available from the end of 1955 and was taken to be representative in its trend of changes in rateable values for the United Kingdom as a whole) and the change in the rent, rates and water charges component of the retail price index.

New information on housing expenditure is now available from the Family Expenditure Survey, which for several years has obtained rateable values of owner-occupied dwellings but from 1964 has also obtained information on the rateable values of rented dwellings and of dwellings provided rent-free.

The estimates of the imputed rent of owner-occupiers contained in the 1964 Blue Book were in effect based on 1939 rateable values for England and Wales projected forwards by indices of the volume of housing and a price index of rents. This produced an estimate of imputed rent which was much lower than an estimate derived from the Family Expenditure Survey for 1963, partly because no allowance had been included for increases since 1955 in the proportion of houses which were owner-occupied but mainly because the rateable values of owner-occupied dwellings on the 1963 basis of valuation were much higher than had been forecast by projecting the 1939 basis of valuation forwards by an index of rent. The estimates of imputed rent have therefore been revised substantially upward for recent years, the revisions being gradually tapered down to zero in 1939.

The information in the Family Expenditure Survey on the rateable values of rented dwellings has made it possible to estimate rent and rates separately for these dwellings. The resulting estimates for rent show that the previous estimates were too high, and the estimates have been revised downwards by progressively smaller amounts for the earlier years.

The information on the rateable values of dwellings provided rent-free by employers has provided a basis for extending the estimates of income in kind and including the imputed housing cost in consumers expenditure.

The net result of these revisions has been to increase the estimates of consumers\* expenditure on rent, with largely corresponding changes in the estimates of rent income and income in kind, on the income side of the accounts.

*Maintenance, repairs and improvements by occupiers.*

The estimates take account both of the results of the Family Expenditure Survey and of the statistics of total work done on house repairs collected by the Ministry of Works. The estimates are revalued at constant prices by appropriate sections of the retail price index.

*Fuel and light.*

Estimates of consumers' expenditure on liquid gases and gas oils are obtained from a trade source. Expenditure on kerosene is revalued at constant prices by the appropriate section of the retail price index.

*Motor cars and motor cycles, new and second-hand.*

The estimates of expenditure on cars for the years 1954 to 1961 were made as follows. A benchmark estimate of expenditure on new cars was made for the year 1960 from an analysis by make and engine capacity of registrations of new cars in Great Britain and from published data on retail prices, excluding purchase tax, in the benchmark year. This provided estimates for 1960 of the average values excluding purchase tax of new cars in broad engine capacity ranges and these were applied to quarterly figures of the numbers of new registrations for the engine capacity ranges from 1954 onwards. The resulting volume series, after grossing up to a United Kingdom basis, was converted to an expenditure series at current prices by means of an index of retail prices of new cars excluding purchase tax. Additions were then made for purchase tax and for delivery charges.

From these estimates of total expenditure on new cars were deducted rough estimates of business investment in cars (investment by the public sector, by companies and by persons on business account). The estimates of business investment were made as follows. Comprehensive figures were available of business investment in (that is, capital expenditure on) road vehicles as a whole; information was also available of investment in buses and rough estimates could be made of investment in other commercial vehicles, based on numbers registered. Subtracting investment in buses and other commercial vehicles from total business investment in road vehicles left, as a residual, an estimate of business investment in cars.

The business investment figures covered purchases of new and used vehicles less sales of used vehicles. The difference between the estimates of total purchases of new cars and the estimates of business investment in cars therefore represented an approximation to purchases of new cars by consumers together with the value (other than dealers' margins) of used cars sold by business to consumers.

For the years up to 1961 the estimates of consumers' expenditure on new motor cycles, including scooters, mopeds and three-wheeled vehicles, were based on production and import data plus estimated distributors' margins and the appropriate purchase tax.

Rough additions were made for dealers' margins on sales of used cars and used motor-cycles.

Estimates from 1962 are based on the Board of Trade's inquiries into the motor trades. The inquiry for 1962 provided the basis for an estimate of the sales in that year of all types of new and used motor vehicles less purchases by motor traders of new vehicles from other traders and of used vehicles from all sources. This estimate has been carried forward by the results of the Board of Trade's monthly inquiry into the motor trades. From these figures have been deducted the estimates which are made for the national accounts of business investment in road motor vehicles (investment by the public sector, by companies and by persons on business account). From the resulting estimates of personal expenditure on motor vehicles have been deducted personal exports of motor vehicles which are included in the export figures.

The current price estimates since 1962 have been revalued at 1958 prices by using a price index derived from a continuation of the estimates used for the years 1954 to 1961. In these estimates, purchases of motor cycles have been projected forwards in the same way as for motor cars, that is by the number of new registrations in conjunction with an index of retail prices.

Interest and administrative charges on hire purchase transactions in motor vehicles are excluded from consumers' expenditure. These charges are paid almost entirely to finance companies and are treated in the national accounts as transfer payments by persons. They are subtracted from personal income from rent, dividends and net interest (see page 98).

#### *Matches, soap and other cleaning materials, etc.*

Estimates of expenditure since 1957 on soap and other cleaning materials are based on the results of the Family Expenditure Survey and are revalued at constant prices by the appropriate sections of the retail price index. The general level of the estimates at constant prices for the years before 1957 have been adjusted slightly to make them consistent with the new estimates at constant prices. The estimates at current prices for these years have been derived from the revised constant price series by means of the appropriate sections of the retail price index.

#### *Books.*

In arriving at consumers' expenditure on books, deductions from estimates of total expenditure on books for expenditure by maintained schools are based on information for England and Wales published in Education Statistics (Institute of Municipal Treasurers and Accountants) with an approximate allowance for expenditure in Scotland based on numbers of pupils. Deductions for expenditure by public libraries are based on information for England and Wales published in Public Library Statistics (I.M.T.A.). The deductions for purchases by business firms remain conjectural (Sources and Methods, page 122).

#### *Newspapers and Magazines.*

Expenditure on newspapers and magazines is calculated at current and at 1958 prices from information on circulation and prices given in advertisers' and press guides. Miscellaneous recreational goods. The estimates of expenditure on manufactured pet foods are based on production data. Estimates for horticultural goods take account of the results of the Family Expenditure Survey. Estimates of expenditure on caravans, based on production data, are included in this item.

#### *Running costs of motor vehicles.*

Expenditure on petrol is revalued at average 1958 prices for the three grades of petrol separately. Expenditure at constant prices on maintenance and repairs, spare parts and accessories is assumed to be proportional to the consumption of petrol, and is revalued at current prices by means of the retail price index.

The proportion of expenditure on insurance of vehicles and on vehicle licences which is treated as personal is based on information from the Family Expenditure Survey.

Payments for driving tests and road vehicles tests, together with rough estimates of expenditure on driving lessons, are now included.

#### *Travel.*

The constant price series for railway travel are consistent with the British Railways Board's estimates of passenger miles travelled.

#### *Entertainments and recreational services.*

Estimates of expenditure on admissions to entertainments other than cinemas take account of the results of the Family Expenditure Survey. Statistics of expenditure on cinema admissions are compiled by the Board of Trade. Expenditure on admissions to cinemas and other entertainments are revalued at constant prices by the appropriate sections of the retail price index.

Estimates are included for the hire of radio and television sets and for the relay of sound and vision, based on information collected by the Board of Trade.

#### *Insurance.*

The proportion of expenditure on household, accident and miscellaneous insurance which is treated as personal is based on information from the Family Expenditure Survey.

#### *Other services:*

Medical services to private patients.

Estimates of expenditure take account of information from the Family Expenditure Survey.

National health service charges.

These are revalued at 1958 prices in the same way as is public expenditure on the national health service.

Private education.

A benchmark estimate of tuition fees paid to profit-making independent schools by private persons in 1959 is projected forwards by an index of numbers of pupils at independent schools. The resulting volume series is converted to a series at current prices by a price index of tuition fees at a sample of independent schools. An addition is made for private expenditure on fees at other profit-making educational establishments based on information from the Family Expenditure Survey.

Laundries and launderettes; dry cleaning, dyeing, etc.; miscellaneous repair services.

Estimates are based on the results of the Family Expenditure Survey and are revalued at constant prices by the appropriate sections of the retail price index.

#### *Betting*

Consumers' expenditure (stake less winnings) on football pools, fixed odds football betting and greyhound racing totalisators is calculated from tax receipts, from which stakes can be derived, and from information on the percentages of stakes retained by the pools promoters and by the greyhound racing totalisators. Amounts retained by horse-race totalisators are published in the annual reports of the Horse-race Totalisator Board. Information on gaming has been used from the Report on Enquiry into Gaming under Section 2 of Finance Act 1963 (Cmnd. 2275). There is no firm basis for estimating consumers' expenditure on other forms of betting and gambling and the additions for these are subject to a considerable margin of error. Expenditure is revalued at 1958 rates of tax and also at 1958 prices by means of the general consumer price index.

School meal services.

The costs of serving school meals are included partly under Food: Other personal expenditure (the cost of the food) and partly under Other services (the overheads). The overheads or non-food costs are estimated from information on school meal services collected by the Ministry of Education and published in the Annual Abstract of Statistics.

Fees paid to local authorities.

These include car parking meter fees.



Stockbrokers' charges.

A benchmark estimate of total stockbrokers' charges in 1961/62 has been made using Inland Revenue data and divided between the personal and company sectors in the same proportion as for stamp duties. It is projected backwards and forwards in line with the estimates of expenditure on stamp duty on stocks and shares, adjusted for changes in rates of duty. The charges are revalued at constant prices by means of the general consumer price index.

Bank charges.

A benchmark estimate of bank charges (actual payments by consumers) in 1963, based on a comparison of data from the Family Expenditure Survey and from banking sources, is projected backwards and forwards by an index of bank debit clearings. The charges are revalued at constant prices by means of the general consumer price index.

Fines.

Estimated payments of fines by consumers are now included.

#### *Table 20. Taxes on expenditure and subsidies by category of consumers' expenditure*

In this Blue Book extensive revisions have been made to the estimates but many of the allocations remain conjectural and are liable to further revision. Taxes on Tobacco are now estimated from the receipts of tax instead of from the estimates of consumption of tobacco. Purchase tax on radio and television sets rented by consumers has now been directly allocated to consumers expenditure on Entertainment and recreational services. Part of the subsidy to the British Railways Board has been allocated to consumers' expenditure on Travel according to the proportion of passenger receipts from consumers to total railway receipts for passenger and freight services.

### **Financial accounts**

#### *Table 69. The personal sector*

*British government and government guaranteed securities.*

The estimates are obtained as a residual and include unidentified transactions by industrial and commercial companies. The method of making the estimates was described in an article 'More light on personal saving' in the April 1965 issue of Economic Trends.

*Company and overseas securities.*

The estimates are obtained as a residual and include unidentified transactions by industrial and commercial companies. The method of making the estimates was described in an article 'More light on personal saving' in the April 1965 issue of Economic Trends.

[Link to Blue Book 1965](#)

## **Blue Book 1966**

### **Key Points**

- Input Output tables published for 1963
- Estimates of the net capital stock of each sector are published for first time
- Financial accounts includes two new tables, on the transactions of industrial and commercial companies and of financial institutions other than banks

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1956 \(1<sup>st</sup> Edition\)](#)

National Income Statistics: Sources and Methods, H.M.S.O., 1956

## SIC Used

SIC 1958

## Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England. It contains estimates of the national product, income and expenditure of the United Kingdom for each of the calendar years 1955 to 1965. In addition, Tables 1 to 7 are extended to cover 1938 and 1946 to 1954 on a consistent basis and Tables 14 and 15 are carried back to 1948. Where tables relate to years other than 1955 to 1965 the years covered are noted in the list of contents.

## Changes in Content

The principal revisions which have been made to the estimates contained in the previous National Income Blue Book (National Income and Expenditure, 1965) are described in the notes in Section XIV. This section also consolidates all the changes in treatment and definitions which have been made since the publication of National Income Statistics: Sources and Methods.

The section on industrial input and output includes provisional input-output tables for 1963. The capital account of the central government has been rearranged to show the Net balance, which provides the link with the Exchequer accounts. Estimates of the net capital stock of each sector are published for the first time in the section on capital formation. The section on financial accounts includes two new tables, on the transactions of industrial and commercial companies and of financial institutions other than banks, which complete the sector analysis of transactions in financial assets.

## Methodological Notes

### ***Industrial input and output***

#### *Input-output tables*

The three provisional input-output tables are designed to bring up to date the tables previously published for the year 1954 in Input-Output Tables for the United Kingdom, 1954, H.M.S.O., 1961. They were published, together with supplementary tables and a description, in the August 1966

issue of Economic Trends. The tables for 1963 follow the same conceptual framework as the summary tables for 1954, with which detailed definitions were given.

The study for 1963 differs from the one for 1954 in that it is not based on the detailed results of a census of production for the year in question. Such a census was taken for 1963, but so far only provisional and summary results are available and the tables for 1963 given in this Blue Book are derived partly by updating the 1954 data. For agriculture, coal mining, mineral oil refining and the gas, electricity and water industries, the figures of input and output were computed directly from departmental statistics for 1963.

For the other industries, the figures were derived by updating the 1954 figures of inputs and outputs, at estimated 1963 prices, to the totals of intermediate inputs and outputs of goods and services for these industries. The 1963 census figures of gross output, after allowing for estimated intra-industry transactions, provided the basis for the totals of intermediate inputs and outputs of goods and services. Final demand and primary inputs were estimated from national income data and the totals for inputs of goods and services and of total intermediate output were obtained by difference. The validity of this up-dating technique depends on how far assumptions derived from the overall trends in the usage of materials and services are applicable to the individual user industries.

The 1963 provisional exercise is designed to provide statistics for use in broad economic studies only. Because of the limitations of the up-dating process, it is not intended for detailed industry studies and even the estimates for the broad industry groups should be used with caution. More firmly based and more detailed input-output tables based on the detailed results of the census of production for 1963 will be published in due course. Whilst using the same conceptual framework and definitions as the 1954 study, full allowance may not have been made for the statistical changes which have taken place since that study. Also, the departmental statistics used are not always completely consistent with the census of production information, because of differences, for example, in timing and classification.

#### *Table 19. Summary input-output transactions matrix, 1963*

This is the basic inter-industry transactions matrix which shows, inter alia, how much of the output of the different industries is sold as intermediate output to other industries and as final output to persons and public authorities, for capital formation, and for exports. The columns of the table show the dependence of each industry on the output of the other industries and on imports.

#### *Table 20. Total requirements per £100 of final industrial output in terms of gross output, 1963*

On the assumption that the inputs required by each industry group are proportional to its total output the average relationships between the inputs (both direct and indirect) and the outputs of the different industries in 1963 can be derived from the intermediate transactions in Table 19. These relationships are given in this table in the form of estimates of the outputs (both direct and indirect) required on average to produce £100 of final output by each industry group in 1963. This process is generally referred to as 'inverting the matrix'. These relationships may not be the same as the marginal relationships which would apply for changes in output, but are nevertheless a useful approach to the assessment of the effect of changes in output of one industry on the demands of other industries.

#### *Table 21. Total requirements per £100 of final industrial output in terms of net output, 1963*

For many purposes it is more convenient to present the results of Table 20 in a different form so that the contribution of each of the different industries, of imports and of taxes on expenditure

less subsidies, to the output of a particular industry^ group adds to 100 per cent. The figures are derived by applying the appropriate ratios of net output to gross output to the figures for each industry given in Table 20.

### **Capital formation**

#### *Table 66. Net capital stock at current replacement cost by sector and type of asset*

These estimates were first made at 1958 prices and then converted to current prices. The net capital stock at the end of 1958 was estimated at 1958 prices for the various industries and the resulting total capital stock was then analysed by sector. These base-year estimates were then projected to earlier and to later years by estimates of net fixed capital formation at 1958 prices obtained by revaluing the estimates at current prices given in Table 65.

### **Financial accounts**

In this Blue Book two new tables (Tables 76 and 78) give details of the financial transactions of industrial and commercial companies and of financial institutions other than banks. These tables complete the sector analysis of transactions in financial assets.

#### *Table 76. Industrial and commercial companies*

*Cash expenditure on acquiring subsidiaries and trade investments:*

*In the United Kingdom.*

The estimates are based on information about bids and deals published in the daily press and on an analysis of the accounts of quoted companies. The figures include an allowance for cash purchases of unincorporated businesses as going concerns. Overseas expenditure by oil companies is excluded; it is included in Other identified overseas assets: Long-term.

*Overseas:*

The estimates are taken from the balance of payments accounts.

#### *Table 78. Financial institutions other than banks*

Except for the figures of net increase in the Funds of life assurance and superannuation schemes (which are taken from Table 24), the figures in this table are based on returns made by the main groups of financial institutions to government departments and the Bank of England. Details for each group are published in Financial Statistics.

[Link to Blue Book 1966](#)

## **Blue Book 1967**

### **Key Points**

- Employment figures included in summary tables for first time

### **Summary from Preface**

No summary

## Sources & Methods

Consistent with [Sources & Methods 1956 \(1<sup>st</sup> Edition\)](#)

National Income Statistics: Sources and Methods, H.M.S.O., 1956

## SIC Used

SIC 1958

## Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England. It contains estimates of the national product, income and expenditure of the United Kingdom for each of the calendar years 1956 to 1966. In addition, Tables 1 to 7 are extended to cover 1938 and 1946 to 1955 on a consistent basis and Tables 14 and 15 are carried back to 1948. Where tables relate to years other than 1956 to 1966 the years covered are noted in the list of contents.

## Changes in Content

The principal revisions which have been made to the estimates contained in the previous National Income Blue Book (National Income and Expenditure, 1966) are described in the notes in Section XIV. This section also consolidates all the changes in treatment and definitions which have been made since the publication of National Income Statistics: Sources and Methods.

The section on summary tables includes for the first time estimates of employment in the private and public sectors.

## Methodological Notes

No clear revisions stated

[Link to Blue Book 1967](#)

# Blue Book 1968

## Key Points

- None of note

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

## SIC Used

SIC 1958

## Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England. It contains estimates of the national product, income and expenditure of the United Kingdom for each of the calendar years 1957 to 1967. In addition, Tables 1 to 7 are extended to cover 1946 to 1956 on a consistent basis and Tables 8, 14 and 15 are carried back to 1948. Where tables relate to years other than 1957 to 1967 the years covered are noted in the list of contents.

## Changes in Content

The principal revisions which have been made to the estimates contained in the 1967 Blue Book are described in the notes in Section XIV.

## Methodological Notes

None of note

[Link to Blue Book 1968](#)

# Blue Book 1969

## Key Points

- Rebased to 1963=100
- Table 15 (output at factor cost) introduces SIC(68)
- Rest of the publication still on SIC(1958)

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).



## SIC Used

SIC 1968

## Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England. It contains estimates of the national product, income and expenditure of the United Kingdom for each of the calendar years 1958 to 1968. In addition, Tables I to 7 are extended to cover 1947 to 1957 on a consistent basis and Tables 8, 14 and 15 are carried back to 1948. Where tables relate to years other than 1958 to 1968 the years covered are noted in the list of contents.

## Changes in Content

The principal revisions which have been made to the estimates contained in the 1968 Blue Book are described in the notes in Section XIV.

The estimates of expenditure and output at constant prices are now based on 1963. This change was first introduced in the White Paper Preliminary Estimates of National Income and Balance of Payments, 1963 to 1968 (Cmnd. 3983).

The three provisional input-output tables for 1963, included in last year's Blue Book, have not been repeated. A booklet containing various detailed input-output and other tables, consistent with the national accounts figures given in this Blue Book, is now being prepared and will be published later in 1969.

## Methodological Notes

### General

The analyses by industry are based as far as possible on the Standard Industrial Classification, 1958, except in the case of Table 15 which from 1963 is based on the Standard Industrial Classification, 1968

### Summary tables

#### *Expenditure and output at constant prices*

The tables in this section are now based on 1963 instead of 1958. This change was first introduced in the White Paper Preliminary Estimates of National Income and Balance of Payments, 1963 to 1968 (Cmnd. 3983).

#### *Table 14. Expenditure and output at 1963 prices*

The estimates for 1963 to 1968 have been calculated in detail in relation to the base year 1963. The main improvements in the indicators of price and volume changes since 1963 are given below. For the years 1958 to 1962 the estimates calculated on the base year 1958 have been linked to the new series, without detailed re-calculation of all the individual items, but linking has been carried out separately at least for each of the components published in the Blue Book and in rather greater detail where it seemed appropriate. A more detailed re-calculation was not thought worthwhile since the relative prices of 1958 are not less appropriate to this group of

years than those of 1963. For the years 1948 to 1957 the estimates related to 1958 have been linked to the new series separately only for the components included in this table

*Table 15: Index numbers of output at constant factor cost*

The indices from 1963 are weighted together according to the distribution of net output in 1963, as given by the total of factor incomes shown in Table 17 less stock appreciation, adjusted as far as possible to the Standard Industrial Classification, 1968. For the years 1958 to 1962 all the indices have been brought on to the new base year by a simple linking process, that is without re-weighting.

The weights relating to the base years 1958 and 1963 are given below (weights per 1,000):

	1958	1963
Agriculture, forestry and fishing	43	35
Mining and quarrying	34	24
Manufacturing	353	329
Construction	60	56
Gas, electricity and water	26	30
Transport and communication	85	91
Distributive trades	112	108
Insurance, banking, finance and business services	60	71
Ownership of dwellings	68	41
Professional and scientific services	63	81
Miscellaneous services	63	78
Public administration and defence	33	56
	1,000	1,000

An article describing the rebasing of the index of industrial production on 1963 was published in the August 1969 issue of Economic Trends.

### **Central government including National Insurance Funds**

*Table 39. Capital account*

Transactions in marketable securities on acquisition of the capital of certain undertakings. The figures for 1967 and 1968 include issues of stock as compensation for the capital of the steel companies vested in the British Steel Corporation. They are balanced by entries on the payments side of the account under the heading Steel compensation: issues of stock. The figure for 1968 also includes the transfer to the Treasury, under the Air Corporations Act, 1969, of liability for the £16 million of British European Airways guaranteed stock. This item is balanced by an entry on the payments side of the account under Net lending to public sector: public corporations.

#### *Capital grants to public corporations: on writing off debt.*

The figure of £33 million in 1968 represents the write-off on 1 January 1968 of the Raw Cotton Commission's outstanding liability to the central government (£8 million) and the write-off with effect from 1 April 1968 under the Air Corporations Act, 1969 of debt of the British European

Airways Corporation (£25 million). The corresponding notional repayments are shown under Net lending to public corporations: loans written off.

[Link to Blue Book 1969](#)

## Blue Book 1970

### Key Points

- SIC(1968) introduced fully – was only introduced partially previously

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

### SIC Used

SIC 1968

### Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England. It contains estimates of the national product, income and expenditure of the United Kingdom for each of the calendar years 1959 to 1969. In addition, Tables 1 to 8, 14 and 15 are extended to cover 1948 to 1958 on a consistent basis. Where tables relate to years other than 1959 to 1969 the years covered are noted in the list of contents.

### Changes in Content

The principal revisions which have been made to the estimates contained in the 1969 Blue Book are described in the notes in Section XIV.

No input-output tables are included in this year's Blue Book. Detailed tables relating to 1963, distinguishing 70 separate industry and commodity groups, were published earlier this year in Input-output tables for the United Kingdom, 1963, Studies in Official Statistics, No. 16, HMSO, 1970. The table on the distribution of personal income before and after tax has been dropped from the Blue Book (see notes on page 97).

## Methodological Notes

SIC(1968) introduced but there is no discussion in the Blue Book. The methodological notes make reference to footnotes on Tables 18 and 31, but they do not mention it either.

[Link to Blue Book 1970](#)

## Blue Book 1971

### Key Points

- New tables included for
  - Summary input-output transactions matrix for 1968.
  - Estimates of capital consumption and net domestic fixed capital formation by industry are published for the first time

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

### SIC Used

SIC 1968

### Revisions to data

#### *Preface*

This publication has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England. It contains estimates of the national product, income and expenditure of the United Kingdom for each of the calendar years 1960 to 1970. In addition, Tables 1 to 8, 14 and 15 are extended to cover 1949 to 1959 on a consistent basis. Where tables relate to years other than 1960 to 1970 the years covered are noted in the list of contents.

#### *Methodological notes*

### Changes in Content

The principal revisions which have been made to the estimates contained in the 1970 Blue Book are described in the notes in Section XIV.

The section on industrial input and output includes a summary input-output transactions matrix for 1968. Estimates of capital consumption and net domestic fixed capital formation by industry are published for the first time in the section on capital formation.

## Methodological Notes

### *Industrial input and output*

#### *Table 19. Summary input-output transactions matrix 1968*

The conceptual basis of this table and the definitions used are described in an article in the January 1971 issue of Economic Trends. Differences in the figures compared with the corresponding table in that article are the result of making Table 19 consistent with estimates given elsewhere in the Blue Book.

It is important to note that this table is based largely upon partial information from the 1968 census of production and is therefore provisional. Any comparisons between this table and the input-output analysis for 1963 (published in Input-Output Tables for the United Kingdom, 1963, Studies in Official Statistics, No. 16, HMSO, 1970) do not necessarily indicate changes in industrial structure between the two years. The table is based upon provisional figures of gross output from the 1968 census of production, data on purchases and sales for the fuel and certain other industries, and figures for final demand and primary inputs from elsewhere in the Blue Book. The remaining entries for purchases and sales between industries have been calculated by updating those observed for 1963.

### *Capital consumption and capital stock*

The estimates have been adjusted as far as possible to the Standard Industrial Classification, 1968 in the light of the effect of the changes in classification on the estimates of gross domestic fixed capital formation from 1959. The adjustments are necessarily approximate.

#### *Table 60. Capital consumption by industry group.*

This new table shows estimates of capital consumption at both current and constant prices analysed as far as possible by the industry groups shown in Tables 55 and 56. Because of the limitations of the analysis by industry of the gross capital stock, shown in Table 65, agriculture, forestry and fishing are included under Other industries and the figures for the distributive trades and other service industries are combined.

#### *Table 63. Net domestic fixed capital formation by industry group*

This new table is derived by subtracting the estimates of capital consumption given in Table 60 from the corresponding estimates of gross domestic fixed capital formation given in Tables 55 and 56.

### *Depreciation*

The estimates of depreciation, described on pages 385 and 388-9 of Sources and Methods are given in the table below. In this Blue Book the table has been rearranged to show separately the totals of investment allowances, initial allowances and other allowances.

[Link to Blue Book 1971](#)

# Blue Book 1972

## Key Points

- Newly designed cover
- No significant changes

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

## SIC Used

SIC 1968

## Revisions to data

### *Preface*

This publication has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England. It contains estimates of the national product, income and expenditure of the United Kingdom for each of the calendar years 1961 to 1971. In addition, Tables 1 to 8 and 14 to 16 are extended to cover 1950 to 1960 on a consistent basis. Where tables relate to years other than 1961 to 1971 the years covered are noted in the list of contents.

### *Methodological notes*

The table opposite shows for the years 1961 to 1970 the revisions which have been made since the 1971 Blue Book to the main components of current and constant price estimates of expenditure gross national product (Tables 1 and 14 respectively) and to the estimates of factor incomes (Table 1). Some of these revisions have been incorporated in the estimates given in the tables accompanying the quarterly articles on national income and expenditure which appeared in the January, April and July issues this year of Economic Trends. The April issue included estimates which had been given in the White Paper Preliminary Estimates of National Income and Balance of Payments 1966 to 1971 (Cmnd 4935). Reasons for the changes to some of the items within the main components of expenditure and income are given in the notes above, and in some cases the revisions have been quantified.

## Changes in Content

The principal revisions which have been made to the estimates contained in the 1971 Blue Book are tabulated in a separate section of the notes in Section XIV.



The summary input-output transactions matrix for 1968, given in the 1971 Blue Book, is not included this year as it is hoped that the final detailed input-output tables for 1968 will be published about the end of this year.

## Methodological Notes

### Summary tables

*Table 15. Index numbers of output at constant factor cost.*

In this Blue Book the table gives index numbers of output for each of the separate Orders within manufacturing. Although the detailed estimates had been published elsewhere in the past, revised, historical series have now been compiled. These were introduced in an article in the May 1972 issue of Economic Trends.

The indices from 1963 are weighted together according to the distribution of net output in 1963. The weights, which are given in the table, are based on the total of factor incomes shown in Table 17 of the 1969 Blue Book less stock appreciation, adjusted as far as possible to the Standard Industrial Classification, 1968. Prior to 1963, indices within the index of industrial production have been recalculated on the 1963 base. The methods of deriving and linking together the figures for different periods are described in the article referred to above. The indices for gross domestic product and the industries outside the index of production are simply linked by reference to their average levels in successive base years.

Full details of the weights and indicators used from 1963 are given in The Index of Industrial Production and Other Output Measures, Studies in Official Statistics, No. 17, HMSO, 1970.

[Link to Blue Book 1972](#)

## Blue Book 1973

### Key Points

- Rebased to 1970=100

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

### SIC Used

SIC 1968

## Revisions to data

### *Preface*

This publication has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England. It contains estimates of the national product, income and expenditure of the United Kingdom for each of the calendar years 1962 to 1972. In addition, Tables 1 to 8 and 14 to 16 are extended to cover 1951 to 1961 on a consistent basis. Where tables relate to years other than 1962 to 1972 the years covered are noted in the list of contents.

### *Methodological notes*

The table opposite shows for the years 1962 to 1971 the revisions which have been made since the 1972 Blue Book to the main components of current price estimates of the expenditure-based gross national product (Table 1) and to the estimates of factor incomes (also table 1). Some of these revisions have been incorporated in the estimates given in the tables accompanying the quarterly articles on national income and expenditure which appeared in the January, April and July issues this year of *Economic Trends*. The April issue included estimates which had been given in the White Paper Preliminary Estimates of National Income and Balance of Payments 1967 to 1972 (Cmnd 5261). Reasons for the changes to some of the items within the main components of expenditure and income are given in the notes above, and in some cases the revisions have been quantified.

It is not possible to show, as is usual, revisions to the constant price estimates of expenditure on the gross national product (Table 14), because in this Blue Book the base-year has been changed from 1963 to 1970. An assessment of the effects of rebasing, particularly on growth rates, will be published in due course in *Economic Trends*.

## Changes in Content

The principal revisions which have been made to the estimates at current prices contained in the 1972 Blue Book are tabulated in a separate section of the notes in Section XIV.

The estimates of expenditure and output at constant prices are now based on 1970. This change affects Tables 8, 14, 15, 16, 23, 50, 53, 55, 58, 59, 61, 62, 64, 65 and 68.

## Methodological Notes

### *Expenditure and output at constant prices*

In this Blue Book the tables in this section are based on 1970. Since the 1969 Blue Book they had been based on 1963.

#### *Table 14. Expenditure and output at 1970 prices*

The estimates for 1970 to 1972 have been calculated in detail in relation to the base year 1970. For the years 1963 to 1970 the estimates calculated on the base year 1963 have been linked to the series from 1970 based on 1970 without detailed re-calculation of all the individual items, but linking has been carried out separately at least for each of the components published in the Blue Book and in rather greater detail where it seemed appropriate. The estimates shown in this table are obtained from the sum of these linked components. A more detailed re-calculation was not

thought worthwhile since the relative prices of 1963 are no less appropriate to this group of years than those of 1970.

For the years 1951 to 1962 the estimates related to the base years 1958 and 1963 have been linked to the series from 1963 based on 1970 separately only for each of the items included in this table. The aggregates have been linked separately from the components so that the relative changes shown by estimates for 1951 to 1962 are not affected by the relative prices of 1970. Hence the components shown do not add to the totals for these years. The adjustments between the sum of the main components and the estimates of the gross domestic and national products at factor cost are shown in footnote (^) to the table.

### **Gross domestic fixed capital formation**

#### *Shipping*

Following the publication of this Blue Book Trends will, from the first quarter of 1973, include cumulated capital expenditure on imported ships at the time of delivery (i.e. the total cost) instead of when the expenditure is incurred. The purpose of recording gross domestic fixed capital formation in this way is to help to obtain consistency with the recording of imports and thus lead to a consistent expenditure-based estimate of gross domestic product.

In order to adjust the estimates of gross domestic product to a similar basis for years prior to 1973, the estimates of gross domestic fixed capital formation in ships by the shipping industry shown in Table 56 include retrospective adjustments from 1966, which bring the capital formation series into line with the visible trade statistics.

[Link to Blue Book 1973](#)

## **Blue Book 1974**

### **Key Points**

- Changed title of publication to include the time span covered
- Two new tables added
  - an analysis of industrial output by three types of market: consumer goods, investment goods and intermediate goods.
  - analysis, at S.I.C. Order level, of the contribution to gross domestic product by manufacturing industries

### **Summary from Preface**

No summary

### **Sources & Methods**

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

## SIC Used

SIC 1968

## Revisions to data

### *Preface*

This publication has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England. It contains estimates of the national product, income and expenditure of the United Kingdom for each of the calendar years 1963 to 1973. In addition, Tables 1 to 8 and 14, 15 and 17 are extended to cover 1952 to 1962 on a consistent basis. Where tables relate to years other than 1963 to 1973 the years covered are noted in the list of contents.

### *Methodological notes*

The table overleaf shows for the years 1963 to 1972 the revisions which have been made since the 1973 Blue Book to the main components of the current and constant price estimates of the expenditure-based gross national product and to the estimates of factor incomes. Some of these revisions have been incorporated in the estimates given in the tables accompanying the quarterly articles on national income and expenditure which appeared in the January, April and July issues this year of *Economic Trends*. The April issue included estimates which had been given in the White Paper Preliminary Estimates of National Income and Balance of Payments 1968 to 1973 (Cmnd 5575). Reasons for the changes to some of the items within the main components of expenditure and income are given in the notes above, and in some cases the revisions have been quantified

## Changes in Content

The principal revisions which have been made to the estimates contained in the 1973 Blue Book are tabulated in a separate section of the notes in Section XIV.

Two additional tables have been included in this Blue Book. The section on expenditure and output at constant prices includes an analysis of industrial output by three types of market: consumer goods, investment goods and intermediate goods. The section on industrial input and output contains an analysis, at S.I.C. Order level, of the contribution to gross domestic product by manufacturing industries

## Methodological Notes

### *Companies*

#### *Table 28. Appropriation account*

With the introduction of the imputation system of corporation tax from 6 April 1973, companies paying dividends, instead of deducting income tax which had to be accounted for to the Inland Revenue and paying the dividend net, have been liable to pay advance corporation tax to the Inland Revenue in respect of the dividend paid; the rate of advance corporation tax for the year ending 31 March 1974 was at three-sevenths of the dividend. These payments of advance corporation tax are mainly made in the first month following the end of the quarter in which dividends were paid; they can subsequently be set against companies' corporation tax liability.

This change in the taxation system is reflected in the company sector appropriation account so that for example, payments of ordinary dividends, previously shown gross of income tax, now appear as actual payments; the associated advance corporation tax is included within payments of United Kingdom taxes on income.

[Link to Blue Book 1974](#)

## Blue Book 1975

### Key Points

- Seven new tables added to Blue Book

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

### SIC Used

SIC 1968

### Revisions to data

#### *Preface*

This publication has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England. It contains estimates of the national and expenditure of the United Kingdom for each of the calendar years 1964 to 1974. In addition, Tables 1 to 7 and 14, 15 and 17 are extended to cover 1953 to 1963 on a consistent basis. Where tables relate to years other than 1964 to 1974 the years covered are noted in the list of contents.

#### *Methodological Notes*

The table opposite shows for the years 1964 to 1973 the revisions which have been made since the 1974 Blue Book to the main components of the current and constant price estimates of the expenditure-based gross national product and to the estimates of factor incomes. Some of these revisions have been incorporated in the estimates given in the tables accompanying the quarterly articles on national income and expenditure which appeared in the January, April and July issues this year of Economic Trends. The April issue included estimates which had been given in the White Paper Preliminary Estimates of National Income and Balance of Payments 1969 to 1974 (Cmnd 6019). Reasons for the changes to some of the items within the main components of

expenditure and income are given in the notes above, and in some cases the revisions have been quantified.

## Changes in Content

The principal revisions which have been made to the estimates contained in the 1974 Blue Book are tabulated in a separate section of the notes in Section XIV.

Seven additional tables have been included in this Blue Book. In Section IV income and expenditure accounts are shown separately for private non-profit making bodies serving persons and for the rest of the personal sector. A table has been introduced showing the distribution of household income by size. In Sections IV and VI tables have been introduced to show incomes and saving after providing for depreciation and stock appreciation in the personal sector, the companies sector, industrial and commercial companies and financial companies. The combined capital account has been redesigned to show more clearly the link with the financial accounts. An alternative presentation is also given, in terms of savings after providing for depreciation and stock appreciation, net domestic fixed capital formation and the value of the physical increase in stocks. Index numbers of gross national disposable income are now shown in Table 7 along with the index numbers of gross domestic product.

## Methodological Notes

### *Personal sector*

The tables in this section have been reorganised in this Blue Book to show a disaggregation of the personal sector current account into private non-profit-making bodies serving persons (Table 24), and the residual (mainly households—Table 25). In addition, the income of individuals has been further disaggregated to show distribution by income range in Table 28.

#### *Table 24. Income and expenditure account of private non-profit-making bodies serving persons*

This new table shows the current transactions of private non-profit-making bodies serving persons as a separate subsector of the personal sector. The sub sector includes charities, churches, universities, non-profit-making schools and colleges, trade unions, friendly societies and private housing associations. Details of the construction of this table and statistical sources used are given in an article in the May 1975 issue of Economic Trends.

#### *Table 28. Distribution of household income 1972/73*

This table resumes the series of estimates that were last made for 1967 and published in the 1969 Blue Book, Table 23. The current estimates are described in detail in an article in the August 1975 issue of Economic Trends. Broadly, they are based on the Inland Revenue half per cent annual sample survey of personal taxable incomes 1972/73, supplemented by information on non-taxable current grants from public authorities, on some income in kind and on income below the effective tax threshold derived from the Family Expenditure Survey and other sources. The unit of observation is the tax-unit (i.e. a married couple or a single person), not the individual or the household. The table covers about 84 per cent of income for the comparable period on the corresponding definition as shown in Table 27 (to total income of households including pensions and other benefits from life assurance and superannuation schemes).

## Local authorities

### Table 50: Current account

*Cemeteries.*

This heading was classified as a trading activity and was included as a deduction within the item Gross trading surplus until the 1975 Blue Book when it was reclassified to current expenditure on goods and services, and included in the residual Other heading.

[Link to Blue Book 1975](#)

# Blue Book 1976

## Key Points

- New table numbering system introduced
- New tables showing estimated retirements of fixed assets analysed by industry group

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

## SIC Used

SIC 1968

## Revisions to data

### Preface

This publication has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England. It contains estimates of the national product, income and expenditure of the United Kingdom for each of the calendar years 1965 to 1975. In addition, several of the tables in Sections 1 and 2 are extended to cover 1954 to 1964 on a consistent basis. Where tables relate to years other than 1965 to 1975 the years covered are noted in the list of contents.

### Methodological notes

The table opposite shows for the years 1965 to 1974 the revisions which have been made since the 1975 Blue Book to the main components of the current and constant price estimates of the expenditure-based gross national product and to the estimates of factor incomes. Some of these revisions have been incorporated in the estimates given in the tables accompanying the quarterly



articles on national income and expenditure which appeared in the January, April and July issues this year of Economic Trends. Reasons for the changes to some of the items within the main components of expenditure and income are given in the notes above, and in some cases the revisions have been quantified.

## Changes in Content

The principal revisions which have been made to the estimates contained in the 1975 Blue Book are tabulated in a separate section of the notes in Section 16.

The table 'Shares in the gross national product' (Table 9 in the 1975 Blue Book) has been discontinued. The series hitherto shown in that table are all derivable from figures published in this Blue Book. Details will be made available on request. New tables are included in Section 12 showing the estimated retirements of fixed assets analysed by industry group at current and constant prices and gross domestic fixed capital formation less retirements (the increase in gross capital stock) at current and constant prices, also analysed by industry group.

A new table numbering system has been introduced in this Blue Book for easier reference

## Methodological Notes

### Chapter 5: Companies

#### *Table 1: Appropriation account*

##### *Gross trading profits.*

In the 1976 Blue Book upward revisions to the estimates of gross trading profits for the years 1969 onwards have been made on the basis of changes to the methods of utilising the basic Inland Revenue corporation tax data. These changes include the introduction of more reliable methods of dealing with losses and nil assessment cases. It should be noted, however, that despite these improvements there still remains the possibility of further revisions to the estimates of company profits for the years following the introduction of corporation tax in 1965/66. This is partly because transition from the basic tax data to estimates of gross trading profits for the national accounts became more difficult with the introduction of the corporation tax system, and partly because the availability of final assessments for any given year is at present less timely than under the former system described on pages 219 to 222 of Sources and Methods.

#### *Table 5.9. Trading profits by industry*

In the 1976 Blue Book revised estimates analysed by industry are given based on the changes in methods of estimation referred to on page 114. The estimates are subject to the qualifications mentioned there and should therefore be interpreted with caution.

### Chapter 12. Stock of fixed capital

#### *Retirements*

The new tables 12.1 and 12.2 show retirements, analysed by industry group, at current and constant prices. Retirements are estimated as part of the calculation of gross capital stock—the difference between gross capital stock at the end of one year and the next is the annual gross fixed capital formation less retirements. The estimated retirements figures have, however, not previously been published.

Tables 12.5 and 12.6 show gross domestic fixed capital formation less retirements, analysed by industry group, at current and constant prices.

The retirements tables provide estimates of withdrawals of fixed capital which are different in concept to the related 'capital consumption' estimates shown in tables 12.3 and 12.4. Similarly, tables 12.5 and 12.6 provide alternative estimates of additions to the stock of capital which may be compared with the adjacent tables of 'net domestic fixed capital formation'. Some discussion of all these tables and some suggestions on how to make best use of them will be published in a special article in Economic Trends during Autumn 1976. An earlier article in Economic Trends, October 1975, described how the capital stock, consumption and retirements estimates are derived from capital expenditure survey data together with expected life lengths of assets

[Link to Blue Book 1976](#)

## Blue Book 1977

### Key Points

- 'General government' replaces the former 'public authorities' and public corporations separated out (except in the Financial Accounts)
- Large number of other minor changes

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

### SIC Used

SIC 1968

### Revisions to data

This publication has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England. It contains estimates of the national product, income and expenditure of the United Kingdom for each of the calendar years 1966 to 1976. In addition, several of the tables in Sections 1 and 2 are extended to cover 1955 to 1965 on a consistent basis. Where tables relate to years other than 1966 to 1976 the years covered are noted in the list of contents.

## Changes in Content

New section for general government.

Treasury analysis of public expenditure moved to Financial Statistics.

## Methodological Notes

### Preface

The principal revisions which have been made to the estimates contained in the 1976 Blue Book are tabulated in a separate section of the notes in Section 15.

There has been a change in the presentation of government income and expenditure. A new term 'general government' replaces the former 'public authorities' to denote the combined central government and local authority sector. General government is no longer consolidated with public corporations, except in the Financial Accounts, and the Public Sector section of the Blue Book (formerly Section 10) has been discontinued. These changes were described in an article published in the March 1977 issue of Economic Trends. The disappearance of the Public Sector section has meant that subsequent sections in this year's Blue Book have had to be re-numbered.

In Section 2, the sub-division of industries within total manufacturing, formerly shown in Table 2.2, is now shown in a new Table 2.3. In Section 4, the title and presentation of the former revenue account of life assurance and superannuation funds (Table 4.6) have been altered, and separate details are given for funded and unfunded schemes. In Section 5, the former appropriation account of non-nationalised companies (Table 5.8 in the 1976 Blue Book) has been discontinued. In Section 8, a new table 'Housing operating account' (Table 8.3) has been introduced which replaces Table 9.3 (Housing subsidies) in last year's Blue Book. In Section 9, new tables have been introduced showing general government total expenditure on goods and services at current and constant prices (Tables 9.2 and 9.3), and an analysis of general government expenditure by function and economic category (Table 9.4). Table 9.1 has been extended to show more details of financial transactions. In Section 13, a new table has been introduced showing the Public sector financial account. Also in this section Table 13.10 'Financing of the public sector borrowing requirement' replaces Table 14.9 in last year's Blue Book (Transactions in financial assets of the public sector—analysis by sector acquiring assets).

The Treasury analysis of public expenditure, previously given at the end of the Blue Book after the notes, has been transferred to Financial Statistics. A supplementary table in the August 1977 issue gave the Treasury figures for 1971/72 to 1975/76, with provisional figures for 1976/77, for the fifteen main programmes of the Public Expenditure Survey. A second table related the totals to the figures for financial years on a Blue Book basis. The September issue of Financial Statistics will contain the same tables revised to take account of later information about expenditure in the first quarter of 1977. Figures in the same detail as previously shown in the Blue Book may be obtained by writing to HM Treasury (GEA), Parliament Street, London SW1P 3AG.

## Chapter 2: Expenditure and output at constant prices

### Table 2.2. Index of numbers of output at constant factor cost

The methods used in the construction of the indices are described in The Measurement of Changes in Production, Studies in Official Statistics No. 25, HMSO, July 1976. This, in general, relates to the position as at mid-1975. Since then some further changes have been made mainly due to the increased use of the results of quarterly sales inquiries in the index of industrial

production, where they now account for 31 per cent of the total weight. The changes are set out in Statistical News, February 1977, pages 36.30 to 36.32.

For the years before 1968 the indices within the index of industrial production have been linked to the 1970 base and combined using the general methods described in the May 1972 issue of Economic Trends. In addition, the movements at industry level of output between 1963 and 1968 have been amended in accordance with the results of the census of production for those years. The index for gross domestic product and the series outside the index of industrial production have been linked simply by reference to their annual levels in 1968 on the 1963 and 1970 bases.

### **Chapter 3: Industrial input and output**

#### *Mining and quarrying.*

The estimates of gross profits and other trading income have been reduced by the allocation to other industries of that part of the trading surplus of the National Coal Board appropriate to its activities outside of collieries.

#### *Ownership of dwellings.*

The imputed rent of properties owned and occupied by private non-profit-making bodies is now excluded from this item. In its place an imputed charge for capital consumption by these bodies has been included under Other services: Gross profits and other income.

#### *Public administration and defence; Public health services:*

Local authority education services. An imputed charge is now shown which represents the amount of fixed capital resources used up during the year in providing these services.

### **Chapter 4: Personal sector**

#### *Table 4.2. Income and expenditure account*

Within rent, dividends and net interest, property income from abroad is now recorded net of tax paid abroad. The tax element continues to be shown as a footnote.

#### *Tables 4.9 and 4.10. Consumers' expenditure*

Rent, rates and water charges. The estimates from 1962 incorporate information on the total number of owner occupied houses derived from the full census of population for 1971. The estimates of imputed rent of owner-occupiers take account of the rateable values given by the revaluation in England and Wales in 1973, and the subsequent adjustment in April 1974 of the Statutory Deductions. The adjustment to allow for changes in the general level of rent between valuation years is now made using a specially constructed index which makes allowance for housing subsidies by local authorities and central government. An addition to the imputed rent of owner occupiers is no longer made to represent capital consumption of private non-profit-making bodies (see below). From the beginning of the financial year 1974/75, sewerage charges in England and Wales have been identified separately from the general domestic rates.

#### *Miscellaneous recreational goods.*

The estimates for expenditure on domestic pets now make more extensive use of the results of the Family Expenditure Survey.

### **Chapter 5: Companies and financial institutions**

Taxes paid abroad on income from abroad. From 1966 the figures are no longer estimated from information obtained by the Inland Revenue in connection with relief of United Kingdom tax

against foreign tax. The estimates are partly based on direct information from certain companies, and partly derived by applying the appropriate rates of tax to an analysis by country of other property income from abroad. From the 1977 Blue Book this item is no longer included in the appropriation account of companies and financial institutions but is shown in a footnote to the table. The balance (undistributed income) is not affected by this change.

#### *Table 5.1 Appropriation account*

United Kingdom taxes on income. The tax charge from 1966 was increased by the withdrawal of investment allowances and the changes in initial allowances from 17 January 1966 when investment grants were introduced. Investment grants were withdrawn and a new system of allowances introduced from 26 October 1970. The figures now exclude, but previously included, the difference between central government receipts and deductions at source of income tax, as follows: from 1964 onwards on wages and salaries, from 1966 onwards on companies' long-term interest and similar payments and, for 1966 to 1974 only, on company dividends.

#### *Taxes on capital.*

The Inland Revenue now estimates the division of these taxes between industrial and commercial companies and financial companies and institutions.

### **Chapter 6. Public corporations**

#### *Table 6.1, Operating account*

From 1967/68 the English and Scottish electricity boards changed their basis of recording income from sales of electricity. Previously this income was based on bills issued; it is now based on the consumption of electricity in the period. Both revenue sales and the gross trading surplus therefore reflect the inclusion of this unbilled revenue from 1 April 1967.

#### *Payments of interest and dividends*

The treatment of transactions guaranteed by the government under the exchange cover scheme is explained on page 123. *To central government.* This item now covers all other identified payments of interest and dividends as well as interest on loans. The additional items now included were previously included in 'Other interest and dividends', they are listed on page 242 of Sources and Methods.

### **Chapter 7: Central government including National Insurance Funds**

#### *Table 7.1. Current account*

##### *Income tax.*

A change has been made in this Blue Book to the basis of recording receipts of income tax. Income tax deducted under PAYE and income deducted from company distributions under Schedule 9 of the Finance Act 1970 and under Schedule 20 of the Finance Act 1975 are now recorded consistently with the way in which they are recorded as being paid by persons, that is at the time tax deductions from personal income are actually made. Previously central government receipts of income tax paid by persons were recorded at the time the taxes were actually paid over to Inland Revenue. The difference between the figures on the revised basis and the actual cash receipts is included in the capital account in the item accruals adjustment

##### *Selective employment tax.*

Net receipts from selective employment tax were previously calculated by deducting central government cash refunds of the tax from payments in the corresponding period. The net yield from the tax has now been adjusted closer to an accruals basis by deducting estimates of the

government liability for refunds from payments in the corresponding period. The difference between the liability for refunds and the actual cash refunds in the period is shown in the capital account under the heading Adjustment for selective employment tax.

*Television contractors: additional payments.*

Payments to the Exchequer under the Television Act, 1964 are now shown separately from Miscellaneous items.

*Miscellaneous taxes on expenditure.*

Certain fees for services provided by the central government previously included here are now classified as deductions from Current expenditure on goods and services. The amounts which were reclassified for each year from 1961 to 1970 were given in the notes to the 1972 Blue Book (page 103).

This item also includes from 1973 the levies paid by the coal and steel industries to the European Coal and Steel Community.

*Current expenditure on goods and services.*

This item now includes net expenditure on milk and welfare foods, and expenditure on legal aid, which are no longer regarded as grants to the personal sector but as direct expenditure on goods and services. The figures now also include as a deduction certain fees for services provided by the central government previously included in Taxes on expenditure (see note above). The figures also exclude certain expenditure by the Arts Council of Great Britain to assist private theatres, clubs and societies which has now been reclassified as Current grants to personal sector<sup>^</sup> and capital expenditure on British embassies abroad, which has been reclassified as Gross domestic fixed capital formation.

*Current grants to personal sector:*

Milk and welfare food schemes. This expenditure is now classified as Current expenditure on goods and services.

*Child care.*

This is now included in Other.

*Other.*

Expenditure on legal aid is now classified as Current expenditure on goods and services. From 1968 includes supplementary payments to elderly redundant mineworkers under the Coal Industry Acts. This item also includes rent rebates previously included in Current grants to local authorities. The figures record the payments made to persons from local authorities housing revenue accounts. Any difference between the figures recorded on this basis and the actual payments by central government to housing revenue accounts are included within accruals adjustment in the capital account.

## Table 7.2 Capital account

*Treasury bills.*

The counterpart of central bank assistance in support of the reserves in the form of swaps against sterling is now shown separately because it forms part of Overseas official financing.

*Redemption of government guaranteed stock.*

Before the 1974 Blue Book this item was treated as being outside the central government borrowing requirement. In this Blue Book it is now included. It represents receipts from the redemption by nationalised industries of their stocks on maturity. Central government purchases and sales of these stocks before maturity are included, as hitherto, under the heading of Government securities.

*Capital subscriptions to the International Monetary Fund and European Fund.*

Subscriptions in gold, which form part of the balance of payments accounts, are now shown separately. Subscriptions in sterling to the IMF, together with their counterpart mentioned in the item above are excluded from the balance of payments accounts. The figures for 1967 exclude the revaluation in sterling terms following devaluation.

*Increase in official reserves.*

Changes in official holdings of non-convertible currencies, now appear as a separate item in the table. The figure for the increase in official reserves for 1967 excludes the revaluation on devaluation of sterling in November 1967. As from August 23 1971 changes in the reserves has been valued at transactions rate of exchange. As from July 1972 transactions with the IMF affecting the UK reserve position in the fund (gold tranche) are included as changes in the official reserves; in 1972 they amounted to £259 million.

## Chapter 9. General government

This section, formerly termed 'combined public authorities', contains tables showing the consolidated accounts and expenditure of central and local government. The section which followed this one in previous issues of the Blue Book, showing accounts of the public sector, has been discontinued; accounts consolidating general government and public corporations are no longer produced except in respect of financial transactions. This change in presentation is described in an article published in the March 1977 issue of Economic Trends.

### *Table 9.1. Combined current and capital account*

This table has been rearranged to show separate accounts for government non-financial and financial transactions. The item linking the two accounts is the financial deficit, which corresponds to a negative figure of 'net acquisition of financial assets'. A new table, 13.9, shows how the combined financial deficit of general government and public corporations, together with their other financial outlays, is financed, by borrowing from the private sector and overseas (the public sector borrowing requirement) and by certain other financial receipts.

With the discontinuance of the table showing the current and capital accounts of the public sector. Table 9.1 has been generally expanded to show much the same amount of detail as the former table. In particular, an analysis of total expenditure shows separately that expenditure which can be broken down by functional group (see Table 9.4).

### *Tables 9.2 and 9.3. Total expenditure on goods and services at current and 1970 prices.*

Tables 9.2 and 9.3 have been introduced to show total general government expenditure on goods and services, analysed between current and capital expenditure, and with current expenditure further analysed into four major functional groups. Current expenditure on goods and services; Non-trading capital consumption; Total final consumption. See note on Non-trading capital consumption above.



*Table 9.4. Analysis of government expenditure.*

This new table, which shows a functional analysis of the consolidated expenditure of central and local government, replaces the former table entitled 'Analysis of public expenditure', which covered the combined expenditure of general government and public corporations. The new table differs from the old one in that the capital expenditure of public corporations has been taken out of the relevant functional groups and government payments to the corporations (capital grants and loans) have been substituted.

***International transactions******Goods.***

A coverage adjustment, additional to those described on pages 459-61 of Sources and Methods, has been made to the figures of imports and exports for bonded aircraft spare parts, which were included in the Overseas Trade Statistics until the end of 1967. In addition the figures include non-monetary gold which has been transferred from 'other services' and expanded to cover trade in gold coin.

The figures for Exports from 1964 include a net adjustment for the recording of exports in the Overseas Trade Statistics.

Until the 1977 issue, goods for process and repair have been excluded from both imports and exports in the visible trade figures on a balance of payments basis, on the grounds that the goods remained the property of the overseas supplier. In 1976 a survey, however, has shown that there was a change of ownership in most cases. The major part of the deduction for such goods is being discontinued and as a result there are exactly offsetting increases to exports and imports back to 1964. The figures for Imports from 1976 include estimates of goods imported directly from overseas to UK oil or gas production sites in the North Sea, not all of which are recorded in the Overseas Trade Statistics.

[Link to Blue Book 1977](#)

# Blue Book 1978

## Key Points

- Rebased to 1975=100

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

## SIC Used

SIC 1968

## Revisions to data

No mention in preface

## Changes in Content

The principal revisions which have been made to the estimates contained in the 1977 Blue Book are tabulated in a separate section of the notes in Section 15.

In Section 1, the former Table 1.1 has been divided into two separate Tables-1.1 and 1.2. The new Table 1.1 only contains details of the expenditure components of the gross national product, valued both at market prices and at factor cost. Factor incomes in the gross national product are now shown in the new Table 1.2, valued both before and after deducting stock appreciation. This change has led to a renumbering of most of the subsequent tables in Section 1.

The former Table 1.8 (gross domestic product by category of expenditure) has been discontinued as the details contained therein now appear in Table 1.1.

The estimates of expenditure and output at constant prices are now based on 1975. This change Affects Tables 1.12, 2.1, 2.2, 2.3, 2.4, 2.5, 4.10, 9.3, 10.2, 10.5, 10.7, 11.2, 11.4, 11.6, 11.8, 11.12, 11.13, 11.14 and 12.3. Further details of the methods used to produce the new constant price series will be found on page 114.

In Section 12, the industrial analysis given in Tables 12.2 and 12.3 has been expanded to match the detail shown in Table 12.1.

## Methodological Notes

### Chapter 2. Expenditure and output at constant prices

In this Blue Book the tables in this section and the tables given in terms of constant prices in Sections 4, 9, 10, 11 and 12 are, for the first time, based on 1975. The corresponding tables in the previous five issues of the Blue Book had been based on 1970; and in earlier Blue Books they had been based successively on 1948 1954, 1958 and 1963.

In rebasing, the estimates for the years 1973 to 1977 have whenever possible been recalculated in detail on average 1975 prices. For the years up to and including 1972 the estimates calculated on the base year 1970 have been linked to the series from 1973 based on 1975 without reweighting according to 1975 prices. Thus although the estimates of expenditure at constant prices for years before 1973 have been re-referenced to and expressed in terms of 1975 prices, their path in proportional terms has not been changed, except where revisions have been made in the light of new data which have become available. The year 1973 has been chosen as the link year since the end of that year was marked by a massive increase in oil prices which quickly led to substantial changes in the pattern of domestic prices. Thus while it is appropriate to measure changes in the economy from 1973 in terms of the 1975 pattern of prices, movements before 1973 are still more appropriately measured in terms of the 1970 pattern.

In order to re-reference to 1975 prices the constant price estimates for periods up to 1972, the value in 1970 prices of each category of expenditure has been multiplied by the factor:

$$1973 \text{ value at } 1975 \text{ prices divided by } 1973 \text{ value at } 1970 \text{ prices}$$

(The factors used for re-referencing constant price estimates of capital formation in stocks and work-in-progress (Section 12) for periods up to 1972 are derived from the levels of stocks at end-1972 valued at 1975 and at 1970 prices).

Sub-totals and totals have been re-referenced to 1975 prices by their appropriate factor independently of detailed components. The result is that, prior to 1973, the sub-totals and totals may not equal the sums of components. It would not be practicable to enter in the table all the differences between sums of components and sub-totals or totals, though they can, of course, be obtained by simple addition and subtraction. An illustration of the nature of the differences is given in the table below which shows the differences in Table 2.1 between the re-referenced estimates of gross domestic product at 1975 factor cost and the sums of the re-referenced components.

#### *Consumers' expenditure.*

See notes on Table 4.10.

#### *General government final consumption.*

Central government expenditure on wages and salaries is revalued at constant prices by reference to movements in the numbers employed. Volume indicators of the floor area of buildings occupied are used to estimate changes in rent and rates at constant prices, in place of revaluation by price indices. Expenditure on repair and maintenance of buildings is revalued by the index of construction costs calculated by the Department of the Environment, instead of by the appropriate section of the retail price index. The calculation methods have also been changed to incorporate a larger element of current weighting.

#### *Gross domestic fixed capital formation.*

See notes on page 137.

*Value of physical increase in stocks and work in progress.*

See notes on page 139.

*Exports and imports of goods and services.*

See notes on page 141.

## **Chapter: International transactions**

### *Valuation*

As the result of a methodological review it became clear that port charges would not normally be included in the Trade Account valuation and in the 1978 Blue Book this adjustment has therefore been dropped from 1963 onwards.

[Link to Blue Book 1978](#)

# **Blue Book 1979**

## **Key Points**

- No changes other than minor changes to detailed tables

## **Summary from Preface**

No summary

## **Sources & Methods**

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

## **SIC Used**

SIC 1968

## **Revisions to data**

No mention in preface

## **Changes in Content**

The principal revisions which have been made to the estimates contained in the 1978 Blue Book are tabulated in a separate section of the notes in Section 15.

In Section 6, the former tables 6.4 and 6.5 have been discontinued as there appears to be little demand for the detailed industrial analysis of public corporations' transactions shown therein.

Section 14 has been changed to a Glossary of Main Terms instead of the Definitions formerly shown. The reference numbers included in the summary tables are also shown where appropriate to provide a link between the two sections.

## Methodological Notes

No changes

[Link to Blue Book 1979](#)

# Blue Book 1980

## Key Points

- No changes of significance – some changes to layout and some new tables added
- Blue Book itself changed in style moving to a sans serif font, but the fundamental structure remained

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

## SIC Used

SIC 1968

## Revisions to data

No mention in preface

## Changes in Content

The principal revisions which have been made to the estimates contained in tables 1.1, 1.2, and 2.1 of the 1979 Blue Book are tabulated in a separate section of the notes in Section 15.

In Section 1, the former tables 1.5 and 1.6 have been consolidated into a summary current account for general government. The separate summary accounts for central government and local authorities are given in Sections 7 and 8 respectively. In table 1.6 (International transactions) property income from abroad is now shown net of foreign taxes, owing to difficulties in estimating the corresponding gross amounts. Property income paid abroad is now shown both gross and net of United Kingdom taxes. The analysis of employment by sector formerly shown in

table 1.11 has been incorporated in a new table 1.12 which also contains figures of the total United Kingdom population and an analysis by broad industry group of employees in employment.

In Section 2, a new table 2.2 has been introduced which shows, in index number form, most of the items included in table 2.1.

In Section 3, the contribution of each industry to the gross domestic product is now shown in table 3.1 both before and after deducting stock appreciation.

In Section 4, the separate income and expenditure accounts for private non-profit-making bodies and for the rest of the personal sector have been discontinued because of difficulties in producing reliable estimates for the transactions of private non-profit-making bodies. The table showing categories of household income (formerly 4.7) has been expanded and now shows both income and expenditure of households.

In Section 6, the financial transactions of public corporations are now shown in a separate table; previously they were included in the capital account. Similar changes have been introduced in Sections 7 and 8 for the financial transactions of the central government and local authorities.

These changes have led to some renumbering of tables in these Sections, as indicated on the Contents pages.

An alphabetical index has been added to the Blue Book this year.

## Methodological Notes

### Chapter 1. Summary tables

#### *Table 1.5. General government current account*

This is a new table and is a consolidation of the current accounts for central government and local authorities previously shown in tables 1.5 and 1.6. Separate summary accounts for these two sectors now appear in tables 7.1 and 8.1.

#### *Table 1.6. International transactions Property income from abroad net of foreign taxes*

This series is now shown net of foreign taxes because it is no longer possible to produce reliable estimates of the foreign tax element. Previously this element was estimated separately and added to figures for Interest, profits and dividends—UK credits, (published in United Kingdom Balance of Payments 1980 Edition) which are measured net of tax.

#### *Table 1.12. Population and employment*

This table, which appears for the first time in the 1980 Blue Book, is designed to provide some background details of population and employment changes that may be compared to changes in national income and expenditure. The Total population figures comprise persons usually resident in the United Kingdom plus the estimated numbers of HM Forces ordinarily resident who are serving overseas less Commonwealth and foreign armed forces and HM Forces present but not ordinarily resident in the United Kingdom.

The employment totals for all years shown in the table are on a 'census of employment' basis, and are consistent with the continuous series of employees in employment in the United Kingdom, published in the Department of Employment Gazette for October 1975,

## Chapter 2. Expenditure and output at constant prices

### Table 2.2. Index numbers of expenditure at 1975 prices

This is a new table in the 1980 Blue Book. The index numbers for each series given in the table have been derived by dividing each series by the values for 1975.

[Link to Blue Book 1980v](#)

## Blue Book 1981

### Key Points

- No key points

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

### SIC Used

SIC 1968

### Revisions to data

No mention in preface

### Changes in Content

The principal revisions which have been made to the estimates contained in tables 1.1, 1.2, and 2.1 of the 1980 Blue Book are tabulated in a separate section of the notes in Section 15.

In tables 1.9 and 3.1 separate figures are now given for the contribution of the professional and scientific services group to the gross domestic product.

In Section 4, the household account introduced last year (table 4.4) has been developed further towards an income and expenditure account as it might be perceived by householders. Table 4.5 has been expanded to show a breakdown of superannuation schemes between notionally funded and unfunded schemes. Separate figures are also shown for individual premiums for life policies. In Section 6, the public corporations' capital account now contains an analysis of fixed capital formation into six industry groups.



In Section 10, fixed capital formation by the insurance, banking, finance and business services group is now shown at both current and constant prices in tables 10.6 and 10.7 respectively.

Major changes have been made to Section 13. A standardized nomenclature for financial transactions has been introduced in the sector tables 13.2— 13.11, and separate tables are now included for public corporations, the central government, and local authorities

## Methodological Notes

No changes

[Link to Blue Book 1981](#)

# Blue Book 1982

## Key Points

- New section “Blue Book System of Accounts” added – covering current, capital and financial transactions
- No other changes made

## Summary from Preface

No summary

## Sources & Methods

C Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

## SIC Used

SIC 1968

## Revisions to data

Many of the detailed figures for 1981 for central government transactions are still affected by the after effects of the Civil Service industrial dispute in the early part of last year and are more provisional than usual. The estimates for exports of goods in 1981 are also liable to revision when firm data for the full year become available; the figures given in tables 1.6 and 2.1 for 1981 have been estimated on the basis of ten month's figures

## Changes in Content

The principal revisions which have been made to the estimates contained in tables 1.1, 1.2, and 2.1 of the 1981 Blue Book are tabulated in a separate section of the notes in Section 15.

In tables 1.4, 5.1, 5.4 and 6.2 details are now shown of payments of North Sea oil and gas royalties and licence fees by companies and public corporations. The treatment of these payments in the national accounts has also been changed—see the notes on page 106.

In Section 11, the tables containing estimates of retirements from capital stock and the associated tables showing gross domestic fixed capital formation after deducting retirements have been discontinued. Further details are given in the notes on page 121.

A new Section 16 had been introduced in this Blue Book entitled the Blue Book System of Accounts. This comprises the sub-section which previously formed part of Section 15, together with two new tables and explanatory text. The first presents a summary matrix of the current, capital and financial transactions of the institutional sectors in 1981, and the second brings together the unidentified transactions of each sector for the years 1971 - 1981 which appear in the tables in Section 13.

## Methodological Notes

No significant changes mentioned

[Link to Blue Book 1982](#)

# Blue Book 1983

## Key Points

- SIC(80) introduced for first time in national accounts
- Base year updated to 1980
- General government split out to central and local for the first time

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

## SIC Used

SIC 1980

## Revisions to data

## Changes in Content

The principal revisions which have been made to the estimates contained in tables 1.1 and 1.2 of the 1982 Blue Book are tabulated in a separate section of the notes in Section 16.

In this year's Blue Book two major changes have been introduced. First, the tables which contain industrial analyses are now classified in accordance with the Standard Industrial Classification, Revised 1980. This change affects tables 1.9, 1.12, 2.3-2.4, 3.1-3.3, 10.6-10.8, 11.1-11.4, 11.8, 11.10, and 12.1-12.3.

Further information is given in the notes in Section 16 where estimates are shown of the output, value added, fixed capital formation and stockbuilding of manufacturing industries, defined according to the former Standard Industrial Classification.

Secondly, the base year for the constant price estimates of expenditure and output has been changed from 1975 to 1980. This affects tables 1.11, 2.1-2.6, 4.7, 4.9, 10.2, 10.5, 11.2, 11.4, 11.8-11.10 and 12.3. Further details of the method used to produce the new constant price estimates are given on page 99 in the notes.

Other changes which have been made this year are as follows. Separate figures for the central government and local authority components of general government final consumption are shown in table 1.1 (at current prices) and in table 2.1 (at constant prices). In Section 3, the division of income from employment into wages and salaries and employers' contributions has been discontinued due to uncertainties about the reliability of the industrial analysis of employers' contributions. The change affects tables 3.1 and 3.3.

In Section 4, the detailed analysis of consumers' expenditure has been redesigned to follow more closely International recommendations. At the same time expenditure by private non-profit making bodies has been separated from household expenditure and shown as one total. Two new summary tables have been added to show total consumers' expenditure, classified by commodity. In the same groups that will appear in the quarterly national income articles in Economic Trends. Also in this section, tables 4.1 and 4.2 no longer contain details of additions to tax reserves. This change makes the definition of personal saving consistent with the quarterly estimates. Figures of personal saving after allowing for additions to tax reserves are still given in table 4.3. The former table 4.9 (Distribution of income before and after tax in 1978/79) has been dropped this year due to lack of data for a more recent year.

In Section 5, additions to tax and dividend reserves are no longer included in the company appropriation and capital accounts; this brings the annual figures of undistributed income onto the same basis as the quarterly estimates. Separate figures of changes to reserves are still shown in tables 5.3, 5.6, and 5.7. Also in this section the former table 5.8 which contained an industrial analysis of company profits before adjustment to national accounts definitions has been discontinued.

In Section 6, changes in tax, dividends and interest reserves are no longer shown separately in the appropriation and capital accounts of public corporations.

Two tables have been dropped from Section 7. The separate table of transactions of the National Insurance Fund and its counterpart—the current account of central government excluding National Insurance Fund (former tables 7.6 and 7.5) have been discontinued as little use is made of the figures.

In Section 9, separate figures of the central government and local authority components of total general government expenditure on goods and services are given in tables 9.2 and 9.3. Also, table 9.6 has been discontinued and the detailed analysis of wages and salaries paid by general

government has been incorporated into table 9.4. In the new table 9.6 (formerly 9.7), income tax on rent of land and buildings is now included with tax on dividends, interest and trading incomes.

## Methodological Notes

### *Analyses by industry*

In this Blue Book the tables which contain industrial analyses are based as far as possible on the Standard Industrial Classification, Revised 1980 (the 1980 SIC), described in an article in Economic Trends (No 353 March 1983). The main difference between this classification and its predecessor the 1968 SIC, is the grouping together of the energy-producing industries into a new category Energy and water supply which includes some industries formerly classified to mining and quarrying and to manufacturing. In the Blue Book tables the new manufacturing industries group has been labelled manufacturing (revised definition). However, users may wish to have figures on the former basis and the table below gives data for the latest 5 years for those items for which it is still possible to make reasonable estimates in accordance with the former definition

### *Chapter 2. Expenditure and output at constant prices*

From this Blue Book the tables in this section and the tables given in terms of constant prices in Sections 4, 9, 10, 11 and 12 are based on 1980. The corresponding tables in earlier Blue Books have been based successively on 1948, 1954, 1958, 1963, 1970 and 1975.

Further information on the reasons for rebasing and its effect is given in an article in Economic Trends (No. 353 March 1983).

In rebasing, as far as possible, the estimates for the years 1978 onwards have been recalculated in detail on average 1980 prices. For the years up to and including 1977 the estimates calculated on the base year 1975 have been linked to the series from 1978 based on 1980 without reweighting according to 1980 prices. Thus although the estimates of expenditure at constant prices for years before 1978 have been re-referenced to and expressed in terms of 1980 prices, their path in proportional terms has not been changed, except where revisions have been made in the light of new data which have become available. This achieves the main purpose of rebasing, which is to ensure that changes in the volumes of output and expenditure are measured in terms of the price structures ruling at the time.

In order to re-reference to 1980 prices the constant price estimates for periods up to 1977, the value in 1975 prices of each category of expenditure has been multiplied by the factor;

$$1978 \text{ value at } 1980 \text{ prices divided by } 1978 \text{ value at } 1975 \text{ prices}$$

(The factors used for re-referencing constant price estimates of capital formation in stocks and work-in-progress (Section 12) for periods up to 1977 are derived from the levels of stocks at end-1977 valued at 1980 and at 1975 prices.)

Sub-totals and totals have been re-referenced to 1980 prices by their appropriate factors, independently of their detailed components. The result is that, prior to 1978, the sub-totals and totals may not equal the sums of components. It would not be practicable to enter in the table all the differences between sums of components and sub-totals or totals, though they can, of course, be obtained by simple addition and subtraction. An illustration of the nature of the differences is given in the table below which shows the differences in table 2.1 between the re-referenced estimates of gross domestic product at 1980 factor cost and the sums of the re-referenced components.

[Link to Blue Book 1983](#)

## Blue Book 1984

### Key Points

- Own account dwelling payments for improvements capitalised for first time
- Change to the treatment of stock appreciation of Forestry Commission
- Changes to borrowing requirement definition for central government

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1968 \(2<sup>nd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Second edition (Studies in Official Statistics No 13, HMSO, 1968).

### SIC Used

SIC 1980

### Revisions to data

Nothing mentioned

### Changes in Content

The principal revisions which have been made to the estimates contained in tables 1.1, 1.2 and 2.1 of the 1983 Blue Book are tabulated in a separate section of the notes in Section 16.

In this year's Blue Book the tables which previously made up Sections 1 to 3 have been rearranged into Sections 1 and 2. Section 3 now contains the tables of derived percentages and growth triangles which formerly appeared in the October issue of Economic Trends each year. A list showing how the tables from Sections 1 to 3 of the 1983 Blue Book have been renumbered this year is given at the end of this Introduction.

In Section 1, two new summary tables have been included this year. Table 1.1 shows the main national accounts aggregates, either in £billion or as index numbers, for certain years and table 1.4 gives a summarized industrial analysis of the index numbers of output at constant factor cost. The two versions of the summary capital account which previously appeared as table 1.7 have been combined into one and renumbered as table 1.11.

In Section 7, the table giving details of the current transactions of the National Insurance fund which was dropped from last year's Blue Book has been reinstated as there is a demand for this information. In Section 9, tables 9.2 and 9.3 have been expanded to show the transactions of

the central government and local authorities separately. The tables also give details of sales of council houses and of other capital assets by local authorities.

In Section 13, the table containing financial transactions of financial institutions other than banks has been divided into two separate tables, one showing the transactions of life assurance and superannuation funds (table 13.6) and the other showing the financial transactions of the rest of the financial sector (table 13.7). As a consequence the following tables in this section have had to be renumbered.

## Methodological Notes

### Chapter 4. Personal sector

#### *Table 4.1. Income and expenditure account*

##### *Consumers' expenditure.*

As from the 1984 Blue Book, the scope of this series had been redefined to exclude payments made by occupiers to contractors for improvements to their dwellings (including central heating installations). These improvements are now Included in capital expenditure—see notes on page 129.

#### *Table 4.2. Capital account*

Gross domestic fixed capital formation: Dwellings. From the 1984 Blue Book this series includes all improvements by occupiers (reclassified from Consumers' expenditure see above) and by housing associations. Previously only grant-aided improvements were included

#### *Tables 4.6-4.9 Consumers' expenditure*

As from the 1984 Blue Book, the scope of consumers' expenditure has been redefined to exclude payments made by occupiers to contractors for improvements to their dwellings (including central heating installations). These improvements are now included in capital expenditure (see notes on page 129 and table on page 134).

### Chapter 7. Central government including National Insurance Fund

#### *Gross trading surplus*

From the 1984 Blue Book estimates of stock appreciation accruing to the Forestry Commission are no longer included.

#### *Borrowing requirement (net balance).*

Market transactions by the Issue Department of the Bank of England in local authority and commercial bills and borrowing by the Northern Ireland central government are included within the items financing the central government borrowing requirement. From the 1984 Blue Book deposits with banks are also included. The analysis of the borrowing requirement has been rearranged in order to show Overseas official financing. The Items Treasury bills. Increase in holdings of interest-free notes by the International Monetary Fund, Capital subscriptions to the International Monetary Fund and European Fund and Other direct borrowing (net) from overseas governments and institutions are affected as described below.

#### *Capital Account:*

##### *Agriculture, forestry, fishing and food:*

Increase in value of stocks. From 1 April 1972 the recasting of the Forestry Commission's accounts has resulted in a sharp fall in the value of the physical increase in stocks of growing timber. This increase is still measured by the net cost of forestry operations, but the net cost is considerably lower than before 1 April 1972 owing to a lower interest charge. Estimates of stock appreciation accruing to the Forestry Commission have been excluded from the 1984 Blue Book

*Expenditure on research and development:*

This supplementary item covers total expenditure on research and development (R and D) by general government including the purchase of and support for R and D carried out by other economic sectors. The figures include the R and D elements of all relevant functional groups and are therefore larger than those in the specific functional group entitled Research shown in the main part of the table. This latter group contains central government expenditure on civil R and D by the Atomic Energy Authority, the Research Councils and on certain elements of aerospace, industrial technology and educational services.

The series which appeared in earlier editions of the Blue Book has been amended by taking into account recently developed estimates for government expenditure on R and D in universities. Further details of this increase in coverage, and the background to the statistics generally, can be found in an article in the August 1984 issue of Economic Trends

## **Chapter 10. Gross domestic fixed capital formation**

### *Personal sector; Companies and financial institutions.*

From the 1984 Blue Book the allocations between persons and companies are based on an analysis of capital allowances due to Incorporated and unincorporated businesses for the years 1974-80, supplemented where appropriate by analyses of the results of the census of production for 1968 and the census of distribution for 1966. Part of Agriculture was first allocated to the company sector in the 1982 Blue Book—see page 119.

### *Forestry.*

From the 1984 Blue Book capital expenditure by this industry includes estimates of expenditure on the establishment and maintenance of forestry plantations. The figures include expenditure on private woodlands and by the Forestry Commission. Their counterpart changes to the figures of Stocks and work in progress (see page 130).

### *Dwellings*

From the 1984 Blue Book the private sector dwelling series, which hitherto included expenditure on Improvements only when they were grant-aided. Includes estimates of the total expenditure on improvement to private dwellings. The main source of this information is the Family Expenditure Survey but account has also been taken of the English House Conditions Survey 1981. The figures from the Family Expenditure Survey relate to expenditure on structural additions, enlargements and other improvements, including the installation of central heating. These expenditures appeared in Consumers' expenditure in the 1983 and earlier Blue Books. Estimates are also included for the first time of expenditure on renovations by housing associations. Rough estimates have also been included for expenditure by private landlords and developers on the improvement of existing dwellings.



## Chapter 11. Stock of fixed capital

### Forestry.

From the 1984 Blue Book Forestry stocks have been excluded from stockbuilding. Changes in forestry stocks were previously considered to be measured by expenditure on the establishment and maintenance of forestry plantations. This expenditure is now included in fixed capital formation—see page 128. This alteration makes the treatment of forestry in the Blue Book consistent with international guidelines for national accounts.

[Link to Blue Book 1984](#)

## Blue Book 1985

### Key Points

Blue Book published alongside updated Sources and Methods (3<sup>rd</sup> edition).

### Summary from Preface

Nothing mentioned

### Sources & Methods

Consistent with [Sources & Methods 1985 \(3<sup>rd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Third edition (Studies in Official Statistics No 37, HMSO, 1985).

### SIC Used

SIC 1980

### Revisions to data

### Changes in Content

In Section 1, table 1.1 has been expanded to show additional average measures for gross domestic product, gross national product and national income. Current price data are shown in £ billion and constant price data in index number form. Table 1.3 has been restricted to domestic incomes but net property income from abroad and capital consumption figures are still shown in table 1.2. The series which have been introduced in table 1.1 are also shown in table 1.15 annually for the whole period 1963 to 1984.

In Section 4, certain fees and fines paid by households to the central government have been excluded from consumers' expenditure and appear as a new category — miscellaneous current transfers — in table 4.1. This change brings the treatment of these transactions more into line

with international recommendations. Also in table 4.1 current transfers to and from abroad are now shown on a gross basis instead of net

In Sections 7 and 8 a new functional classification of central government and local authorities' expenditure on goods and services has been introduced affecting tables 7.2, 7.3, 8.2 and 8.3. This is based on the United Nations' classification of the functions of government — COFOG. However it has not been possible to reclassify all the data for the years before 1977 in accordance with COFOG. In addition in table 7.2 certain fees and fines received by the central government and formerly classified as taxes on expenditure have been reclassified to a new item — miscellaneous current transfers.

The analysis of total government expenditure in table 9.4 reflects the changes to the functional classification made in Sections 7 and 8.

In Section 10, tables 10.1 and 10.2 have been further sub-divided to show purchases less sales of land and existing buildings separately from expenditure on new buildings and works, other than dwellings, in each of the three broad sectors.

The detailed industrial analysis of Gross capital stock at 1980 replacement cost given in table 11.8 has been reduced. A breakdown of manufacturing industry is still available in table 11.10.

## Methodological Notes

### Chapter 1. Summary tables

Changes in sources, methods and definitions of items in tables 1.2 to 1.10 are described in the detailed sections of these Notes in which the items occur.

#### *Table 1.2 Gross national product by category of expenditure*

The estimates of gross domestic product and gross national product at market prices are defined to include taxes on expenditure levied on imports. Estimates excluding this element can be obtained by using the information given in the table below.

#### *Table 1.3 Gross domestic product by category of income*

This table has been redesigned this year and no longer contains the figures for the gross national product, capital consumption and national income which appear in Table 1.2 (SM 4.13).

The allowances for evasion (see SM 3.32-36) have been revised since Sources and Methods was published, because of revisions which have affected the initial residual difference. As a percentage of GDP, the total allowance now rises from 2 percent in the late 1960s to 3 per cent in the mid-1970s before falling to VA per cent in 1981 and V /a per cent thereafter.

#### *Table 1.5 Gross domestic product by category of expenditure*

Arising from the methods used to produce constant price estimates at 1980 prices for the years before 1978, sub-totals and totals may not equal the sums of their components. It would not be practicable to enter in the table all the differences between sums of components and sub-totals, though they can, of course, be obtained by simple addition and subtraction. An illustration of the nature of the differences is given in the following table which shows the differences between the gross domestic product at 1980 factor cost and the sums of its components.

#### *Table 1.14 Gross domestic product by sector and type of income*

The estimates of company sector rent income for the years up to 1982 are now based directly on data from Inland Revenue tax records. Similarly the estimates of personal sector income from

rent make more use of Inland Revenue tax data and the results of their Surveys of Personal Incomes. For subsequent years, where complete Inland Revenue data are not yet available, the estimates are derived from consumers' expenditure on private rents for dwellings and movements in the rateable values of commercial property and in office rents (SM Appendix ).

*Table 1.15 National accounts aggregates: index numbers (1980 = 100) and other average estimates*

This table now contains additional average measures for the gross domestic product, gross national product and net national product in index number form and also gives values (in £ billion) for some of these series (SM 4.40 ).

The table below shows the relationship at constant market prices between gross domestic product and gross national disposable income. Changes in gross national disposable income differ from changes in gross domestic product at constant prices both because the former takes account of net property income from abroad and net current transfers abroad, and because it also takes account of changes in the terms of trade, which affect the volume of domestic output which may be exchanged for overseas output (imports). The contribution which each of these three components makes to the total difference between the two index numbers is as follows:-

## **Chapter 4. Personal sector**

*Table 4.1 Income and expenditure*

Current transfers from overseas; current transfers abroad. Up until the 1984 Blue Book current transfers received from overseas were deducted from transfers abroad and the net balance was treated as a deduction from personal income. In this year's Blue Book, transfers to and from overseas are separately identified. Current transfers from overseas are included in total personal income and current transfers abroad are treated as a deduction from personal income.

The definition of current transfers abroad has been revised to include occupational pensions paid by the UK government. Previously these transfers were part of current grants paid abroad by central government (SM 6.29).

*Miscellaneous current transfers.*

This item, which has been introduced in the 1985 Blue Book, covers certain compulsory fees and fines paid by the personal sector to central government, for example, fees for passports and driving licences. These fees and fines were formerly treated as a tax on expenditure and were part of consumers' expenditure. They have been reclassified to a new category of receipts by central government, excluded from consumers' expenditure and treated as a deduction from personal income. The change does not affect personal sector saving (SM 6.30 - 33).

*Tables 4.6 — 4.9 Consumers' expenditure*

Food. In the table above estimates are shown of expenditure on food covering, in addition to household expenditure, all expenditure on food by both commercial and non-commercial catering establishments. These estimates are derived in the course of calculating household expenditure on food. They cover all expenditure on food for civilian consumption, including expenditure on food by public authorities for hospitals, prisons, homes for old people, etc. and for school meals, welfare foods and milk provided under National Milk Schemes. The cost of issues of food to HM Forces is excluded. The figures of household expenditure are at prices paid by the consumer while those of expenditure by catering establishments are generally at wholesale prices (SM 6.562).

### *Alcoholic drink*

The figures cover all expenditure on alcohol, whether or not it is consumed on licensed premises. For the purposes of international returns, however, drinks purchased in catering establishments (hotels, restaurants, pubs, clubs, etc.) have to be included with other expenditure in these establishments, leaving only 'off-licence' sales to be shown as expenditure on alcoholic drink. The estimates provided to the international organisations are based on the breakdown shown in the table below, but these estimates are not very reliable (SM 6 566 - 573).

### *Other services.*

From this Blue Book, certain fees and fines payable direct to the central government by consumers (e.g. driving licences, passport fees, court fines) have been excluded from this item and appear as Miscellaneous current transfers in Table 4.1 (SM 6 604 6.648).

## **Chapter 5 . Companies and financial institutions**

### *Gross trading profits (Tables 5.1 and 5.4).*

From this Blue Book the gross trading profits of industrial and commercial companies reflect firstly the change in classification of net Interest received under the fixed rate shipbuilding and export credit schemes as a subsidy, and secondly the reclassification of the IBA levy as a tax on Income. For further details see notes on Table 7.2 (SM 7.17 - 20).

### *Rent (Tables 5.1, 5.4 and 5.5)*

The figures of rent income are now based more directly on information provided by Inland Revenue — see Notes on Table 1.14 (SM 7.68).

### *U K taxes on income (Tables 5.1 and 5.4).*

This series now includes the IBA levy (SM 7.33).

## **Chapter 7. Central government including National Insurance Fund**

### *Table 7.1 Summary account*

For a description of miscellaneous current transfers formerly included in taxes on expenditure see notes to Table 7.2.

### *Table 7.2 Current account*

Taxes on income. The Independent Broadcasting Authority levy has been reclassified from taxes on expenditure to taxes on Income because it is a tax on excess profits (SM 9.64).

### *Taxes on expenditure.*

Separate figures are now shown for the sugar levy, which is collected from sugar producers to offset the costs of storage, refunds and other costs and penalties, and the European Coal and Steel Community levy which was formerly included in miscellaneous taxes on expenditure. Equivalent amounts are passed on to the European Communities (SM 9.66).

Figures for Customs and Excise revenue on hydrocarbon oils are now shown net of export rebates, shipbuilders' relief and bus fuel rebates and the separate detail of these rebates is no longer shown. Motor vehicle duties are shown after excluding receipts from driving licences and after deducting shipbuilders' relief. Driving licences are now included in a new item Miscellaneous current transfers. Other items formerly included as taxes on expenditure which now form part of miscellaneous current transfers are fines and penalties, passport fees, public service and heavy goods vehicle licence fees and certain other fees imposed by central

government. Accruals of Northern Ireland rates now include estimates of rate arrears (SM 9.56 - 66).

*Gross trading surplus.*

The management expenses of the National Savings Bank Ordinary accounts are now treated as current expenditure on goods and services and the NSB ordinary account is no longer regarded as a trading body (SM 9.71).

*Dividends and interest*

Receipts of interest arising from the shipbuilding credit scheme and the export credit scheme are no longer Included here, but are treated as offsets to payments under the schemes and recorded net under subsidies (SM 9.77).

*Miscellaneous current transfers.*

This is a new item and comprises receipts from driving licences, public service vehicle licence fees, heavy goods vehicle licence fees, passport fees, dog and gun licences, and fines and penalties in Magistrates and Scottish courts (SM 9.66).

*Final consumption.*

The functional analysis shown is consistent with the new analysis shown in table 9.4 which is on a "COFOG" basis. This is a revised analysis called the "classification of the functions of government" (COFOG) and is designed to standardise classification and improve international comparisons. A fuller description is to be found in the notes to table 9.4. The management expenses of the National Savings Bank ordinary account are now Included as an item of expenditure on goods and services (SM 9.83).

*Subsidies.*

This now includes net Interest support costs formerly included in interest payments and receipts. The new series is shown separately. The negative numbers arise because the interest due to ECGD exceeded that due to the banks (SM 9.88).

*Current grants to personal sector.*

Family benefits comprise child benefit, one parent benefit, family income supplement and maternity grants. Lump sum payments to pensioners (Christmas bonuses) other than those paid under the National Insurance scheme are now included in O the r social security benefits which in addition comprises old persons' pensions, attendance allowance, invalid care allowance and invalidity pension (SM 9.90).

*Current grants paid abroad.*

Credits from and debits to the European Community are shown separately. Pensions paid to former government employees are now regarded as private sector transfer payments (SM 9.94).

*Debt interest*

Interest support costs are now classified as a subsidy (SM 9.99).

*Table 7.3 Capital account*

*Gross domestic fixed capital formation .*

The functional analysis is consistent with the revised COFOG classification shown in table 9.4. The notes to table 9.4 contain a fuller description (SM 9.106).

*Capital transfers.*

Details of investment grants and regional development grants are no longer shown separately but are combined in the figures for transfers to the company sector. Other grants to the personal sector are now shown as a separate item (SM 9.109).

*Table 7.4 Financial accounts and balancing item.*

*Borrowing requirement*

The borrowing requirement has been reordered to show liabilities and assets separately. However net indebtedness to Bank of England Banking department is shown net of public sector deposits (an asset). Additional detail of British Government foreign currency bonds is now shown (SM 9.122 - 148).

*Cash expenditure on company securities.*

Purchases and sales of securities are now shown separately (SM 9.163).

*Table 7.5 Current account of National Insurance Fund.*

Separate information for contributions in respect of HM Forces is no longer given (SM 9.165).

## **Chapter 8. Local authorities**

The estimates for local authorities given in this Blue Book incorporate information from Local Government Financial Statistics (England and Wales), for the years up to 1983/84, and corresponding Information for Scotland and Northern Ireland.

The functional analysis of Current expenditure on goods and services (Table 8.2) and of Gross domestic fixed capital formation (Table 8.3) is consistent with the new analysis shown in table 9.4. This is based on the international classification of the functions of government (COFOG) which is designed to standardise classifications and improve international comparisons. Further details are given in the notes to table 9.4.

## **Chapter 9. General government**

*Table 9.1 Summary account*

This table now includes certain central government receipts classified as Miscellaneous current transfers. For details see notes to table 7.2.

*Table 9.4 Analysis of government expenditure*

This table shows a functional analysis of the consolidated expenditure of central and local government, sub-divided by economic category. From the 1985 Blue Book a new analysis of expenditure has been used called the "classification of the functions of government" (COFOG). This classification has been agreed for the purposes of international statistics and details of the new system are to be found in the United Nations publication produced by the Department of International Economic and Social Affairs, Statistical Office: *Statistical Papers, Series M, No. 70, Classification of the Functions of Government*

The classification contains three levels of details;

- i. 14 major groups (01 to 14);
- ii. groups (denoted by a third digit) and
- iii. sub-groups (denoted by a fourth digit).

The major groups may be thought of as broad objectives of government, while the groups and sub-groups detail the means by which these broad objectives are achieved. There are 14 major groups, 61 groups and 127 sub-groups.

The United Kingdom accounts are only published at the major group level although some sub-group totals are shown in order to be helpful for comparison with the previous analysis. A lower level of disaggregation is not available since complete consistency with COFOG at the detailed level is not possible.

The functions performed by Government fall under four main headings (a) General government services (major groups 01-03), (b) Community and social services (major groups 04-08), (c) Economic services (major groups 09-13) and (d) Other functions (major group 14).

#### *Current grants from general government to personal sector*

Estimates of tax deducted from statutory sick pay paid by the employer are now included in this item and not under Wages, salaries and forces' pay (SM 1 1 . 2 5 , 1 1 . 2 7 ) .

### **Chapter 10 .Gross domestic fixed capital formation**

#### *Revaluation at constant prices*

From this year's Blue Book the range of output price indices used to deflate expenditure on new building and works has been extended to enable a finer deflation of public sector works, in particular distinguishing price trends for building and civil engineering projects. (SM 12.98).

### **Chapter 11. Stock of fixed capital**

#### *Capital consumption*

As described in Sources and Methods (paragraphs 12.105 - 112) depreciation is estimated using the straight line method. From this year's Blue Book the asset life assumptions used in the calculations have been revised in relation to the Energy and water industries.

### **Chapter 12. Capital formation in stocks and work in progress**

#### *Construction*

Changes in stocks of materials on site are now taken into account. Also, stock appreciation is now calculated in respect of materials on site; private sector work in progress on uncompleted dwellings; private dwellings completed but not yet sold; and land banks of private housebuilders. It is no longer calculated for work in progress, other than on dwellings, by the private sector (SM 13.48 - 50).

#### *Stocks held abroad.*

Where stocks held abroad by UK-based enterprises can be identified separately from other stocks, they are now excluded from the estimates of stock changes (SM 13.13).

[Link to Blue Book 1985](#)

## **Blue Book 1986**

### **Key Points**

Minor changes to Blue Book as they were preparing for the bigger changes at Blue Book 1987

Some minor changes in terminology to align with the ESA79



## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1985 \(3<sup>rd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Third edition (Studies in Official Statistics No 37, HMSO, 1985).

## SIC Used

SIC 1980

## Revisions to data

Presented back to 1965

Revisions back to 1975

## Changes in Content

Although minor changes there were a number as listed below.

In Section 1, changes are largely presentational and intended to clarify the existing layout. Table 1.2 has been reorganised to show the composition of gross domestic product in slightly more detail and to separate out the subsequent derivations of gross national product and national Income The index-number version of gross domestic product (income) has been Included in table 1.3. In table 1.4 a line has been inserted for 'total services'.

In Section 2, a total for services has also been included in table 2.4

In Section 3, the growth-rates given in tables 3.11 to 3.17 have been calculated at annual compound rates rather than as an average of annual growth-rates (as hitherto). This is for consistency with other CSO publications; the results may differ by 0.1 to 0.2 per cent from those derived by the previous method but, in most instances, they are the same.

The terms 'social security benefits' and 'social security contributions' are adopted in tables 4.1, 4.4, 7.1, 7.2, and 9.1 in place of the previous usage 'national insurance, etc.'. This is to align with the conventions of international organisations. In the Central government accounts (Section 7), some new and re-defined entries are included and some deletions have been made. Under 'receipts', table 7.2 identifies the new London Regional Transport levy, and royalties are now distinguished separately from licence fees on oil and gas production. Under 'expenditure', table 7.3 no longer shows capital transfers to the overseas sector, as none are recorded since 1974. For the same reason table 7.4 contains no entry for Selective employment tax. Several changes have been made to the details given in table 7.4 of the financing of the Central government borrowing requirement.

The Local authority accounts (Section 8) are little changed in presentation. In the current account (table 8<sup>^</sup>21 under Final consumption. Housing benefit administration has been reclassified from Housing to Social Security, giving rise to a new entry; and 'Current grants to personal sector -

education' is now the title of the entry formerly called 'Scholarships and grants to universities, colleges etc'. The small entry for the Value added tax accruals adjustment has been dropped from the financial account (table 8.4).

In Section 9, table 9.4 (General government - analysis of total expenditure) has a new entry: Health — current grants abroad, to account for reimbursement of costs of medical treatment abroad and for subscriptions to international organisations.

In Section 13, the financial account for Financial institutions (other than monetary sector and life assurance and pension funds - table 13.7) contains a new line for Government foreign currency debt. That for the Overseas sector (table 13.12) now shows Issue Department's transactions in ECGD promissory notes. Table 13.14, on the Financing of the public sector borrowing requirement, has a revised presentation more in line with that given In United Kingdom Balance of Payments, 1986 Edition (the CSO Pink Book).

## Methodological Notes

### Chapter 1: Summary Tables

#### *Table 1.2: Gross national product by category of expenditure*

From the 1986 Blue Book, the following practices have been introduced (SM 4.7).

- At market prices, exports and imports of goods and of services have been separately itemised.
- The index-number version of gross domestic product (expenditure based) has been given both at market prices and at factor cost.
- The derivations of gross national product and of national income from gross domestic product have been shown separately for clarity

#### *Table 1.3: Gross domestic product by category of income.*

The index-number version of gross domestic product (income based) is shown, starting from the 1986 Blue Book.

### Chapter 2: Value Added

#### *Table 2.4: Index numbers of output by industry at constant factor cost.*

The line for total services was first introduced in the 1986 Blue Book (SM 4.58). By convention, it includes contributions from Ownership of Dwellings and from the Adjustment for Financial Services.

### Chapter 3. Percentage distributions and growth rates

#### *Tables 3.11 to 3.17: Rates of change of gross domestic product at factor cost.*

From the 1986 Blue Book, the growth rates have been calculated at annual compound rates. Previously the calculation used an average of annual year-on-year growth rates. The results may differ by about 0.1 to 0.2 per cent from those given by the previous method; but in most instances they are the same (SM 4.61).

## Chapter 4. Personal sector

*Table 4.1: Income and expenditure Social security benefits and social security contributions (tables 4.1 and 4.4).*

'Social Security has been adopted, from the 1986 Blue Book, in place of the previous usage 'national insurance, etc'. This is to align with the conventions of international organisations (SM 6.20, 6.21).

## Chapter 5: Companies and Financial Institutions

*Gross trading profits (Tables 5.1, 5.4 and 5.5).*

From the 1985 Blue Book the gross trading profits of Industrial and commercial companies reflect the reclassification of the IBA levy as a tax on income. Net interest received under the fixed-rate shipbuilding and export credit schemes was also reclassified as a subsidy from the 1985 Blue Book, when it was treated as a subsidy to industrial and commercial companies. From the 1986 Blue Book, it is treated as a subsidy to financial companies. For further details see notes on Table 7.2 (SM 7.65).

## Chapter 6: Public Corporations

*Table 6.1: Operating account.*

Subsidies. From the 1986 Blue Book, the total has been divided to show those subsidies which are included in the calculation of the Gross trading surplus and those which are included in Income from Rent.

## Chapter 7. Central government Including National Insurance Fund

*Social security contributions (tables 7.1, 7.2 and 7.4).*

This term has been adopted from the 1986 Blue Book, in place of the previous usage 'National insurance, etc contributions'. It is now consistent with the conventions of international organisations (SM 9.68).

*Table 7.2: Current account.:*

Taxes on expenditure: From the 1986 Blue Book, a new tax, *London regional transport levy*, is now included (SM 9.66, 9.67).

*Rent, dividends and interest, etc.*

From the 1986 Blue Book, royalty figures are no longer included with licence fees on oil and gas production, but are shown as a separate item (SM 9.76).

*Final consumption*

The Community Industry Scheme is from the 1986 Blue Book included as final consumption, but it was formerly classified to grants to non-profit-making bodies serving persons. See also entries below on other employment measures under Subsidies and Current grants to local authorities (SM 9.80, 9.90, 9.92).

*Subsidies*

The Community Programme Scheme is being classified from the 1986 Blue Book as current grants to local authorities and to non-profit-making bodies serving persons. The local authority element is classified to Community amenities in the COFOG analysis. The Youth Training Scheme

is being scored variously as grants to persons, final consumption and subsidies, whereas it was included previously as grants to non-profit-making bodies serving persons. These treatments are still under review and may be amended in due course. Launch aid for the aerospace industry is now included here and not in final consumption. See also entries on other employment measures under Final consumption above and Current grants to local authorities below (SM 9.80, 9.88 to 9.92).

#### *Current grants to local authorities.*

Two employment measures (technical and vocational education initiative, and work-related non-advanced further education initiative) are included as grants to local authorities, from the 1986 Blue Book. They are classified to Education in the COFOG analysis. See also entries above on other employment measures under Final consumption and Subsidies (SM 9.92).

#### *Table 7.4: Financial accounts and balancing item*

From the 1986 Blue Book, 'Borrowing requirement' includes details on HMG \$2.5 billion floating rate note issue. 'Miscellaneous direct borrowing (net) from overseas governments and institutions' less 'Capital subscriptions to the IMF' are no longer shown separately but are combined to form 'Miscellaneous direct official borrowing from overseas'. For compatibility with other publications (Pink Book) the subhead 'Overseas official financing' has been deleted. The entries related to this subhead are not affected. Transactions in ECGD backed promissory notes are now included in 'Commercial bills' (SM 9.122-148).

#### *Transactions in financial assets (net).*

For consistency with international returns, the heading 'National Insurance etc contributions' has, from the 1986 Blue Book, been replaced by 'Social security contributions' (SM 9.150).

### **Chapter 8. Local authorities**

The following are the main methodological changes to the local authorities' account from the 1986 Blue Book.

- (i) Housing benefit administration has been reclassified from Housing to Social security and welfare.
- (ii) Other trading subsidies are scored gross of any transfers from trading funds to the rate fund, which are now included in gross trading surplus.
- (iii) Certain advances and grants for industrial and commercial enterprises have been reclassified from current expenditure on goods and services to subsidies.
- (iv) The accruals adjustment on local authorities' payments of value added tax has been deleted.
- (v) Approximately, one half of the cost of the Community Programme is now recorded as local authority current expenditure on goods and services, financed by central government current grants to local authorities. See also notes on Central government (Section 7, entry in 'subsidies').

### **Chapter 9: General Government**

#### *Social security contributions.*

This term has been adopted, from the 1986 Blue Book, in place of the previous usage "National insurance, etc contributions". It is now consistent with the conventions of international organisations (SM 11.7-9).

Footnote 1. Royalties are included, from the 1986 Blue Book, in the total revenue figure (SM 11.7).

*Health.*

Reimbursement of costs of medical treatment and subscriptions to international organisations are included, from the 1986 Blue Book, as a new item under 'Current grants abroad' (SM 11.136-139 and 11.177-182).

**Chapter 10. Gross domestic fixed capital formation***Airline industry.*

From the 1986 Blue Book, fixed capital formation in aircraft has been estimated from the Civil Aviation Authority inquiry into the balance of payments and capital transactions of UK airlines (SM 12.76-77).

**Chapter 13. Financial Accounts***International transactions*

From the 1986 Pink Book, a change has been introduced in the way the Balance of Payments accounts are classified into groups. The entries previously included in the Pink Book under 'official financing' have been integrated with 'investment and other capital transactions' under new headings covering 'transactions in UK external assets' and 'transactions in UK external liabilities.' Within the accounts, oil companies direct investment has been associated with other direct investment entries.

[Link to Blue Book 1986](#)

## Blue Book 1987

**Key Points**

- Significant change to structure of Blue Book to align with the structure of the accounts
- National and sector balance sheets included in the Blue Book for the first time
- Six other minor revisions

**Summary from Preface**

No summary

**Sources & Methods**

Consistent with [Sources & Methods 1985 \(3<sup>rd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Third edition (Studies in Official Statistics No 37, HMSO, 1985).

**SIC Used**

SIC 1980

## Revisions to data

No mention in preface

## Changes in Content

This year the Blue Book is given a revised presentation. Six points should be noted. First, more emphasis is given now than formerly to the structure of the accounts. This is done by grouping the sixteen Chapters of tables into five Sections as described above, and by providing a brief description of the United Kingdom system of national accounts in an Introduction. Second, in many cases the table numbers, or the relationships between tables within sections, remain the same as in the 1986 Blue Book. The correspondence between table numbers in the present edition and in the 1986 Blue Book is shown in the Contents section. For quick reference, a look-up table showing the translation from the 1986 table numbers to those in the present edition is given on a foldout section of the back cover. Third, estimates of Gross national disposable Income, GNDI, and the average measure of GOP, GDP(A), are now given more fully in the revised Table 1.1. Fourth, the main industry analyses are concentrated in Section Two. Fifth, the sector accounts form the bulk of Section Three. In each sector chapter, 'whole-sector' tables are given first, followed by subsector tables. Sixth, it is intended that future changes will be absorbed readily into this revised structure to meet new requirements as they arise.

New information has been included, whilst no major item has been dropped. The main changes and additions to the tables are listed below, together with the main re-locations of material and the main changes of definition and method.

### *In Section One:*

Table 1.1 National accounts aggregates, now subsumes the previous Tables 1.1 and 1.15.

Table 1.7 Implied index numbers, now subsumes the previous Tables 1.6 and 1.16.

### *In Section Two:*

Table 2.5 Renumbered previous Table 1.14.

### *In Section Three:*

Tables 3.1 to 3.4 Renumbered previous Tables 1.7 to 1.10.

Table 3.3 A new category 'Social security benefits' replaces 'National insurance benefits' and covers additionally Redundancy Fund and Maternity Fund benefits as well as non-contributory benefits.

Tables 3.5 and 3.6 are the previous Tables 1.11 and 13.1.

They now extend over twenty-two years instead of eleven,

Table 3.7 is new: it summarises interest and dividend flows. It is intended, as resources permit, to enhance this table and a more detailed presentation may be given in future

Chapters 4 and 5 are resequenced. They contain, at Tables 4.3 and 5.5, new analyses of transactions in financial assets and liabilities.

Tables 5.1, 5.4 and 5.6: Agricultural companies' profits are now based on Inland Revenue data.

Chapter 7 In the central government accounts some new treatments should be noted, and the content of Table 7.5 has been changed.

Table 7.2 Figures for the revenue from various customs and excise duties are now recorded at the point where duty falls, rather than when HM Customs and Excise records receipt of duty. Accruals adjustments are given in Table 7.4.

Table 7.2 and 7.4 Launch aid has been reclassified from Subsidies (Table 7.2) in part to Lending to the private sector (Table 7.4), and in part to Final consumption (Table 7.2).

Table 7.4 Lending for house purchase now includes lending by the Housing Corporation.

Table 7.5 has been extended to provide a current account and a financial transactions account for Social security funds,

Table 9.5 has been extended to incorporate the previous Tables 4.10 and 9.5. A number of new items are also included,

Chapter 10 contains the former Section 13, except that the summary analysis by sector of financial surplus or deficit has been relocated in Table 3.6. Table 10.4 (showing financial institutions excluding the monetary sector) is new; and the public sector tables are now all grouped together.

Chapter 11 National and Sector balance sheets are new to the Blue Book.

### ***In Section Four:***

Chapters 12, 13 and 14 correspond with Sections 10, 11 and 12 respectively in previous issues.

### ***In Section Five:***

Chapter 15 corresponds with the previous Section 3.

Table 15.1 supercedes the previous Tables 3.1 and 3.4.

Table 15.3 supercedes the previous Tables 3.3, 3.5 and 3.6.

Tables 16.1 and 16.2 correspond with the previous Tables 1.17 and 2.5 respectively.

## **Methodological Notes**

Presentational changes as noted above

### ***Chapter 3: Summary Sector Accounts***

#### ***Table 3.7: Sector allocation of dividend and interest flows***

First published in the 1987 Blue Book, brings together the dividend and interest flows appearing in the various sector accounts. It demonstrates that, when summed over all sectors, dividend and interest payments and receipts balance out, reflecting the national accounts treatment of these flows as transfers. The figures for payments and receipts of dividends and interest by companies, public corporations, central government, local authorities and the overseas sector are drawn respectively from Blue Book Tables 5.1, 6.2, 7.2, 8.2, and 3.4; the personal sector figures are consistent with the net income figure shown in Table 4.1

### ***Chapter 4: Personal sector and its subsectors***

#### ***Table 4.1: Income and expenditure account.***

From the 1987 Blue book. Inland Revenue estimates of self-employment income have been adjusted to take account of nonallowable business expenses (S&M 6.91ff).



### *Table 4.3: Personal sector transactions in financial assets and liabilities*

First published in the 1987 Blue Book, is a regrouping of the figures shown in Table 10.2.

## **Chapter 5: Companies and financial institutions**

### *Gross trading profits*

From the 1987 Blue Book, agricultural companies' profits are based on Inland Revenue data (SM 7.62 (ii)).

From the 1987 Blue Book, launch aid, provided by central government for specific development projects by industrial and commercial companies, is classified as tending. It was formerly classified as a subsidy (SM 7.62). See also notes for Table 7.4.

From the 1987 Blue Book, estimates of those business entertainment expenses not allowable as a deduction (in computing taxable profits) have been subtracted from the Inland Revenue profits estimates for non-oil industrial and commercial companies (SM 7.62).

### *Table 5.5: Industrial commercial companies transactions in financial assets and liabilities,*

First published in the 1987 Blue Book, is a regrouping of the figures shown in Table 10.3.

## **Chapter 7: Central government\* including Social Security funds.**

### *Subsidies*

From the 1987 Blue Book, launch aid is classified as lending to the private sector except for expenditure on support for the Concorde aircraft which has been reclassified to final consumption. See also entries on other employment measures under Final consumption above and Current grants to local authorities below (SM 9.80, 9.88 to 9.92).

### *Net lending to private sector*

From the 1987 Blue Book, includes launch aid for the RB 211 engine, V2500 engine, Westland 30 helicopter, EH101 helicopter and the A320 aircraft. Commercial exploitation receipts are counted as repayment of lending. This is included in net lending to other industry and trade.

## **Chapter 9: General Government**

### *Table 9.5: Taxes on expenditure and subsidies: allocation by sector and by type of expenditure.*

From the 1987 Blue Book, the previous Table 4.10 has been combined with this table to show the allocation of taxes and subsidies by sector and type of expenditure. The table has also been expanded to give more detail of the sectoral allocation of taxes and subsidies on expenditure, in particular the allocation to intermediate expenditure and capital formation. These additional allocations are only approximate. The figures in Table 9.5 can therefore be taken only as a broad indication of the allocation between sectors (SM 6.664, 6.667, 11.21 and 11.22).

## **Chapter 10: Sector financial accounts**

From the 1987 Blue Book, this Chapter supersedes the former Section 13: Financial accounts. The data formerly given in Table 13.1: Financial surplus or deficit: Summary analysis by sector, is now given in Tables 3.5 and 3.6, the summary capital accounts, which are now extended to cover 22 years.

An alternative source to Sources and Methods for information, about the financial accounts is Section 1 of the Financial Statistics Explanatory Handbook.

Table 10.4: Financial institutions excluding the monetary sector, first published in the 1987 Blue Book, represents the sum of the figures in Tables 10.6 and 10.7 after removing transactions between non-monetary sector financial institutions and life assurance and pension funds.

### ***Chapter 11: National and sector balance sheets***

These tables appear in the Blue Book for the first time in the 1987 edition. A description of the balance sheets to 1985 is given in Economic Trends No 403 for May 1987. The Blue Book tables give estimates for 1986 also. However, CSO has currently no plans to update these figures on an annual basis, except that the personal sector balance sheet, together with estimates of the financial assets and liabilities of all sectors, will continue to be published in Financial Statistics each year, as in the past. A detailed description of the sources and methods used to compile the estimates of tangible asset values appears in Economic Trends No 403 for May 1987. This article also includes a brief description of the sources and methods used in constructing the estimates of financial assets and liabilities.

[Link to Blue Book 1987](#)

## **Blue Book 1988**

### **Key Points**

- Rebased to 1985=100 from 1980
- Moved towards leading on Average GDP – GDP(A)
- Eleven other minor changes

### **Summary from Preface**

None

### **Sources & Methods**

Consistent with [Sources & Methods 1985 \(3<sup>rd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Third edition (Studies in Official Statistics No 37, HMSO, 1985).

### **SIC Used**

SIC 1980

### **Revisions to data**

Not mentioned in preface.

## Changes in Content

### *In Section Two:*

The following input-output tables are included:

- Table 2.6 Commodity flow matrix, 1984: Summary
- Table 2.6A Leontief inverse, 1984: Summary
- Table 2.6B Primary input content of final demand, 1984: Summary

### *In Section Three*

Table 5.8 Is a new table on the transactions of Financial companies in financial assets and liabilities.

Table 5.9 Is the former Table 5.8.

## Methodological Notes

### *Chapter 1; National income, product and expenditure*

#### *Table 1.1: National and domestic product: average estimates.*

From the 1988 edition greater prominence has been given to the average estimates of national and domestic product. Table 1.1 now shows the average estimate of Gross domestic product, GDP (A), along with derived estimates, such as GNP and RNDI, and the appropriate index numbers.

In concept all three measures of national and domestic product (based on expenditure, on income and on output) should agree. But problems of measurement lead inevitably to some divergence in the estimates made the average estimates are the best central estimates both of the levels of the main national accounts aggregates and, for periods of a year or more, of changes over time.

The level of GDP (A) is derived from the levels of the two broadly independent estimates of GDP based on expenditure and income; it pays regard also to changes in the volume of value added measured by the output-based estimate of GDP. From the 1988 Blue Book, this methodology has been refined. For each of the previous base years (that is 1958, 1963, 1970, 1975 and 1980) as well as for the current base year, 1985, the level of GDP (A) is estimated as the unweighted arithmetic average of GDP (E) and GDP (I). In this way, growth in GDP (A) between any two base years is determined entirely by GDP (E) and GDP (I). The contribution of the output-based measure is constrained so that movements in GDP (O) influence estimates of growth in, and levels of, annual GDP (A) only in the intervening periods separating the base years. For periods since the latest base year, 1985, the growth in and levels of GDP (A) are, as hitherto, determined by the unweighted arithmetic average of GDP (E), GDP (I) and GDP (O).

A detailed technical note will be published in Economic Trends for October 1988.

#### *Constant price series: rebasing to 1985 prices*

Rebasing. The base year for all constant price estimates and index numbers has been changed from 1980 to 1985. Further information is given in the Methodological notes at pages 126 and 127. An article outlining the reasons for rebasing and the rebasing process was published in the March 1988 issue of Economic Trends (No 413). A detailed analysis of the results of rebasing is scheduled to be published in Economic Trends in the next few months.

*Table 1.2: Gross national product by category of expenditure.*

The estimates of Gross domestic product and Gross national product at market prices are defined to include taxes on expenditure levied on imports. Estimates excluding this element can be obtained by using the information given in the table opposite.

From the 1988 Blue Book, the estimates of Gross national product and of National income are derived from the Average estimates of Gross domestic product. The footnotes give estimates derived from Gross domestic product (expenditure-based), which update the series given in the 1987 Blue Book at Table 1.2. The Statistical discrepancy (expenditure adjustment) is defined as Gross domestic product (average estimate) less Gross domestic product (expenditure-based estimate).

*Table 1.3: Gross domestic product by category of income.*

From the 1988 Blue Book, the average estimate of Gross domestic product at factor cost is included. The Statistical discrepancy (income adjustment) is defined as Gross domestic product (average estimate less Gross domestic product (income based estimate).

## **Chapter 2: Industrial and sector analyses**

*Table 2.4: Gross domestic product: output-based measure by industry at constant factor cost*

From the 1988 Blue Book, the output measure of GDP is based on constant price estimates of output at 1985 prices. The weight assigned to each component series is determined by the value added contribution made by the corresponding activity towards total gross domestic product in 1985.

From the 1988 Blue Book, the Index for Construction is compiled using estimates of value added by incorporated concerns and by the self-employed taken from the Annual Census of Construction and from Inland Revenue data. For the latest year the index is based on the growth in gross output of the construction industry compiled by the Department of Environment.

## **Chapter 3: Summary sector accounts.**

*Table 3.4: International transactions*

All trade in gold other than finished manufactures (e.g. jewellery) is now excluded from the overseas trade statistics. Following this exclusion, from the 1988 Blue Book, the method of adjustment to a balance of payments basis described in SM 15.57(g) has been revised. The net treatment of gold in visible trade is unchanged.

## **Chapter 4: Personal sector and its subsectors**

*Tables 4.5 —4.8: Consumers' expenditure.*

Catering (meals and accommodation). From the 1988 Blue Book, expenditure on accommodation now includes specific estimates for residential and nursing home care for the elderly, etc., and on board and lodging by others living outside households. Estimates of such non-household expenditure were previously based on an allowance related to data from the Family Expenditure Survey (SM 6.635 to 6.637).

## **Chapter 5: Companies and financial institutions.**

### *Gross trading profits (Tables 5.1, 5.4 and 5.7)*

From the 1988 Blue Book, profits earned abroad by branches of UK companies are deducted from the Inland Revenue profits estimates for non-oil industrial and commercial companies. The deduction uses balance of payments estimates (SM 7.62 (vii)).

From the 1988 Blue Book, profits and net interest receipts of monetary sector institutions are derived from returns made to the Bank of England. The figures now fully reflect the end-1981 coverage changes to the sector (SM 7.65 (i)).

From the 1988 Blue Book, the profits of general insurance companies are based on returns made to the Department of Trade and Industry. They are calculated as premiums less claims, commissions, management expenses and additions to technical reserves (SM 7.65 (vi)).

### *Table 5.8: Companies and financial institutions transactions in financial assets and liabilities*

First published in the 1988 edition, consolidates the data in Tables 10.4 and 10.5 and presents them in summary form.

## **Chapter 6: Public corporations.**

Dividends and interest, etc. From the 1988 Blue Book, receipts of interest arising from the shipbuilding credit scheme and the export credit scheme are included here, and are not treated as offsets to payments under the schemes and recorded net under subsidies (SM 9.77).

## **Chapter 7: Central government, including Social Security funds**

### *Table 7.2: Current account.*

Dividends and interest, etc. From the 1988 Blue Book, receipts of interest arising from the shipbuilding credit scheme and the export credit scheme are included here, and are not treated as offsets to payments under the schemes and recorded net under subsidies (SM 9.77).

### *Table 7.3: Capital account*

Value of physical increase in stocks. From the 1988 Blue Book Intervention Board for Agricultural Produce (IBAP) stocks are recorded on an accruals basis.

### *Table 7.4: Transactions in financial assets and liabilities. Borrowing requirement*

Accruals adjustments. The accruals adjustment for final consumption in respect of defence expenditure is now included with trade debtors and creditors in other identified financial liabilities (net) up to 1983 (SM 9.118). An accruals adjustment for Value of physical increase in stocks has been included for the 1988 Blue Book.

## **Chapter 14: Change in the book value of stocks**

Other industries. From the 1988 edition, stock appreciation has been calculated on silver stocks and other metals and this appreciation allocated to industrial and commercial companies.

Central government. From the 1988 edition, estimates of stockbuilding by the Intervention Board for Agricultural Produce (IBAP) are calculated directly from figures of IBAP ownership of physical stocks.

[Link to Blue Book 1988](#)

# Blue Book 1989

## Key Points

- More focus on addition of new sections in Blue Book over methods changes
- Some extra detailed added for banks and building societies
- Other than four minor improvements to HFCE and GOS

## Summary from Preface

No summary other than the change in content

## Sources & Methods

Consistent with [Sources & Methods 1985 \(3<sup>rd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Third edition (Studies in Official Statistics No 37, HMSO, 1985).

## SIC Used

SIC 1980

## Revisions to data

The principal revisions which have been made to the estimates contained in tables 1.2, 1.3 and 1.6 of the 1988 Blue Book are described and tabulated in a separate chapter within Section Six.

## Changes in Content

Some key changes to the format of Blue Book

### *In Section Two:*

The following input-output tables are included:

Table 2.6 Commodity flow matrix, 1985: summary

Table 2.6A Leontief inverse, 1985: summary

Table 2.6B Primary input content of final demand. 1985: summary

### *In Section Three:*

Chapter 10 International transactions, is new.

Table 11.1 Sector financial accounts summary, now extends to give a summary current account and to cover the most recent three calendar years.

Table 11.6 Now is a table of financial transactions by the Building Societies.

***Renumbered chapters:***

All chapters following the new International transactions chapter have been renumbered to accommodate it. The correspondence between this years' chapter and table numbers is shown in the quick reference pull-out on the back cover.

**Methodological Notes*****Section Two: Main Analyses***

From the 1989 Blue Book, the Total production and construction series is no longer produced.

***Section 4: Consumers' expenditure******Food.***

From the 1989 edition, the estimates of expenditure on food reflect an improvement in the method by which household results from the National Food Survey are grossed up for the population at large. The estimates also reflect a review of the methodology for several items, the changes to soft drinks being the most notable.

In Tables 4.7 and 4.8, the "food" headings from the 1989 edition have been changed as follows: confectionery is now shown separately from preserves; the latter is now subsumed within other manufactured food.

***Transport and communication: air travel.***

From the 1989 edition, consumers' expenditure on air travel reflects an improvement in the estimates of international travel by UK residents, based on data from the International Passenger Survey. In particular the estimates now cover the full cost of overseas journeys rather than payments only for flights immediately to and from the UK.

***Chapter 5: PNFC's******Gross Operating Surplus***

The financial charges adjustment to the Inland Revenue profits data for industrial and commercial companies includes certain costs associated with takeover activity (SM 7.62 (iv)). As from the 1989 Blue Book, those takeover costs which are not allowable as a deduction in computing taxable profits and are not already included in the financial charges adjustment have been subtracted from the Inland Revenue profits estimates. This new adjustment includes publicity, advertising, printing and opinion survey costs and consultants' fees.

***Miscellaneous current transfers***

Miscellaneous current transfers (Tables 5.1, 5.4 and 5.7), first shown in the 1989 Blue Book, comprise fees paid to OFTEL, OFGAS, the SIB and Companies House.

***Chapter 10: International Transactions***

New from Blue Book 1989

***Chapter 11: Sector Financial Accounts***

From the 1989 Blue Book, the term 'monetary sector' has been replaced by 'banks'. This reflects the fact that liabilities of these institutions have become less dominant in the definitions of monetary aggregates. Similarly, in this chapter, building societies have been detached from other



financial institutions because of the growing importance of their liabilities in the monetary aggregates. They are shown combined with banks in Table 11.1 and separately in Table 11.6.

A full set of estimates has not been prepared for the saving, the financial surplus/deficit, or the financial sector balancing item for banks or for building societies. Consequently, some entries are, in the 1989 edition, shown to be "not available" in Tables 11.5 11.6 and 11.8.

Partial estimates only have been included in the 1989 Blue Book for securities dealers and some other financial institutions which either do not yet report their financial activity or are not yet fully integrated into the system of financial returns.

### ***Chapter 14: Capital consumption and stock of fixed capital.***

General. The industrial analysis for 1988 of gross domestic fixed capital formation (and hence net domestic fixed capital formation and capital stocks) is, in the 1989 Blue Book, more limited than usual. See the notes to Chapter 13.

### ***Chapter 16: Percentage distributions and growth rates.***

Tables 16.1 to 16. 7: percentages and proportions from the 1989 edition, these proportions are each rounded individually, so that they may not add precisely to totals and subtotals in the table.

[Link to Blue Book 1989](#)

## **Blue Book 1990**

### **Key Points**

- Published August 1990
- Revisions back to 1973 only
- Latest Base Period 1985 (as from 1988 Blue Book)
- Improvements made to HHFCE
- Improvements made to royalty payments
- Reduced detail for GFCF industrial analysis

### **Summary from Preface**

No summary

### **Sources & Methods**

Consistent with [Sources & Methods 1985 \(3<sup>rd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Third edition (Studies in Official Statistics No 37, HMSO, 1985).

### **SIC Used**

SIC 1980

## Revisions to data

In the 1990 edition, estimates for the years prior to 1973 have not been reopened to incorporate revisions at current prices. The decision to close these years will be reviewed if significant revisions are suggested by later data. Revisions prior to 1973 to estimates expressed in 1985 prices or in index number form reflect only the rescaling necessitated by revisions made to data for later years.

## Changes in Content

### Methodological Notes

#### **Chapter 4: Consumers Expenditure**

##### *Housing: rents, rates and water charges.*

From the 1990 Blue Book the estimates of rent (and imputed rent in particular) reflect an improvement in the method by which Family expenditure survey results for owner-occupied dwellings and other tenure types are used. Estimates of domestic rates, including water charges, have also been reviewed and are consistent with information about total yields obtained from the official bodies concerned.

##### *Fuel and power: coal and coke; other fuel.*

From the 1990 Blue Book, more accurate national average prices for house coal and coke have been introduced. Similarly an improvement has occurred with respect to gas oil prices where scheduled prices have been replaced by national average domestic gas oil prices, from returns submitted by the oil companies.

##### *Petrol and Oil*

From the 1990 edition, estimates of petrol and oil reflect two changes: a review of the proportion of total diesel oil expenditure associated with consumers; and the use of better-weighted average quarterly prices for all grades of petrol (including unleaded petrol). The 1990 edition also reflects revisions to expenditure on motor vehicle repairs, subsumed within other running costs of vehicles.

These result from the addition of repairs financed specifically by insurance claims; these had previously been omitted because the Family expenditure survey does not record expenditure on repairs where the insurance company settles directly with the repairer.

##### *Other travel*

From the 1990 issue, expenditure on sea travel (within other travel) includes expenditure on board ship as well as on fares paid to or from British ports by UK residents.

##### *Recreation, entertainment and education: television and video hire charges, licence fees and repairs.*

From the 1990 edition, estimates of video hire charges now include video cassettes as well as the equipment. Estimates have been supplied by the British Videogram Association; such hire charges were previously assumed to be covered by the Retailing Inquiries. Revised estimates of expenditure on TV licences have been supplied by the NTVLRO from the 1990 Blue Book; these replace those previously supplied by the Post Office. The same edition also reflects improved

estimates of spending on cinema admissions (subsumed within other recreational and entertainment services); the revisions are now based on annual and quarterly inquiries to cinema exhibitors since 1987.

*Other goods and services: pharmaceutical products and medical equipment.*

From the 1990 Blue Book, estimates of spending on non-NHS spectacles have been revised following an improvement in the methodology; better use is being made of Family expenditure survey results together with a specific price index for spectacles which is available within the RPI.

*Final expenditure by private non-profit-making bodies (PNPMBs).*

See entry on Consumers' expenditure: Social security benefits and other current grants from central government in notes for Table 4.1, above. From the 1990 edition, polytechnics have been reclassified as PNPMBs; see page 144, item (vii).

## **Chapter 5: PNFC's**

Royalties and licence fees on oil and gas production (Tables 5.1 and 5.4 ). From the 1990 Blue Book, royalties are on a payments basis. In previous Blue Books they were on an accruals basis.

## **Chapter 13: GFCF**

The industrial analysis for 1989 of gross domestic fixed capital formation (and hence net domestic fixed capital formation and capital stocks) is, in the 1990 Blue Book, more limited than usual. See the notes to Chapter 13.

## **Chapter 16: Percentage distributions and growth rates**

Table 16.8: Rates of change in market price GDP(A). This presentation is introduced from the 1990 edition.

[Link to Blue Book 1990](#)

# **Blue Book 1991**

## **Key Points**

- Published August 1990
- Revisions back to 1979 only
- Latest Base Period 1985 (as from 1988 Blue Book)
- Change to treatment of finance leases
- Changes to estimates of self-employment adjustments
- Improvements to HFCE deflators and breakdown
- Changes to GTP adjustments to align better with factor costs

## Summary from Preface

This annual publication, the CSO 'Blue Book', contains estimates of the domestic and national product, income and expenditure of the United Kingdom. It covers the calendar years 1980 to 1990. The summary tables are extended to cover 1969 to 1979 on a consistent basis. Where tables cover other than 1980 to 1990, the years shown are noted in the list of contents.

## Sources & Methods

Consistent with [Sources & Methods 1985 \(3<sup>rd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Third edition (Studies in Official Statistics No 37, HMSO, 1985).

## SIC Used

SIC 1980

## Revisions to data

The principal revisions which have been made to the estimates contained in tables 1.1, 1.2, 1.3, 1.5 and 1.6 of the 1990 Blue Book are described and tabulated in a separate chapter within Section Six. In this 1991 edition, the years prior to 1978 have not been reopened to incorporate revisions. The decision to close these years will be reviewed if significant revisions are suggested by later data. Revisions prior to 1978 to estimates expressed in 1985 prices or in index number form reflect only the rescaling necessitated by revisions to data for later years.

## Changes in content

Sector balance sheets, which were included in the 1987 to 1990 editions of the Blue Book, were not available at the time that this edition was going to press. Advice on their availability will be given in the October 1991 issue of Economic Trends.

## Methodological Notes

Main points extracted relevant to the 1991 Blue Book

### Statistical Adjustments

The last two Blue Books included "National accounts statistical adjustments" to initial estimates of final expenditure in recent years. The adjustments were intended to anticipate revisions expected as further information became available and to reduce discrepancies between the expenditure, income and output approaches to estimating GDP.

Revisions which have occurred over the past year, partly as a result of improvements to data collection under the Chancellor's Initiative, have reduced the need for the earlier adjustments. In addition a systematic assessment of the discrepancies between estimates of supply and expenditure have made it possible to identify, and to a large extent eliminate, major remaining discrepancies between output and expenditure estimates. The earlier National accounts statistical adjustments have therefore been removed.

## Revisions

The principal revisions which have been made to the estimates contained in last year's National Accounts Blue Book (United Kingdom National Accounts 1990 Edition) are given following these Notes.

In the 1991 edition, estimates for the years prior to 1978 have not been reopened to incorporate revisions. The decision to close these years will be reviewed if significant revisions are suggested by later data. Revisions prior to 1978 to estimates expressed in index number form reflect only the rescaling necessitated by revisions made to data for later years.

### ***Asset on finance leases: Switch of recording from an "owner" to a "user" basis***

From the 1991 Blue Book, assets on finance leases are recorded on a "user" basis, with the lessees (users) regarded as undertaking capital formation with loans from the lessors (owners). The rental payments to the lessors are regarded as a mixture of loan repayments and finance charges. Previously, such assets were recorded on an "owner" basis, with the lessors regarded as undertaking the capital formation and receiving rent payments from the lessees.

This new treatment, which accords with SSAP 21, allocates the assets to the sector or industry using them to generate value added from productive activity. Assets on operating leases continue to be recorded on an "owner" basis.

Most finance lessors are financial companies or institutions. The change has therefore resulted in lower estimates of capital formation, and higher estimates of lending, by this sector. The estimates of the sector's trading profits are also more negative, and the estimates of its non-trading (interest) income are higher. There are equal and opposite effects on the estimates for the lessee sectors (notably, industrial and commercial companies).

The change has a small effect on the estimates of gross domestic product, but it has no effect on any of the sector balancing items. More details about the effects of the change, and a description of the estimates, will be published in the October 1991 issue of Economic Trends.

### ***Table 4.1: Income and expenditure account.***

In the 1991 Blue Book the estimates of income from employment and income from self-employment include CSO modifications to ensure closer consistency between the aggregates of the factor incomes, expenditures and output (see earlier section on National accounts statistical adjustments). The derived estimates of income from employment have been reduced by £1000 million in 1988 and £1500 million in 1989; those of income from self-employment have been reduced by £300 million in 1989 and increased by £700 million in 1990. These modifications take account of the likely error margins in the derived estimates as well as the discrepancies between the aggregates derived from the expenditure, output and income approaches to estimating GDP.

## ***4.3 - 4.8: Consumers' expenditure (SM 6.514 ff).***

### *Food*

From the 1991 edition, revised constant price estimates of food have been obtained by deflating the corresponding current price estimates using an appropriate component of the retail price index. The constant price estimates were previously based on the product of the weight

consumed and the price per unit weight in the base year (1985); this did not allow for changes in quality over time. The change, introduced from 1986, has resulted in substantial upward revisions except in 1986; for that year previous estimates at current and constant prices were judged to be overstated in relation to retail sales and other evidence, and the estimates have accordingly been adjusted downwards.

From the 1991 edition, bread and cereals has been broken down into three separate items: bread, cakes and biscuits, and other cereals (SM 6.560-564).

#### *Housing: rents, rates and water charges.*

From the 1990 Blue Book the estimates of rent (and imputed rent in particular) reflect an improvement in the method by which Family Expenditure Survey results for owner-occupied dwellings and other tenure types are used. Estimates of domestic rates, including water charges, have also been reviewed and are consistent with information about total yields obtained from the official bodies concerned.

From the 1991 edition, improved (higher) estimates of rate rebates have been incorporated within rates, sewerage and water charges. Estimates of contractors' charges and insurance have also been reviewed taking account of storm damage in recent years and the administrative costs of structural insurance (SM 6.588-594).

#### *Household goods and services.*

From the 1991 Blue Book, estimates of contents insurance within household and domestic services have been reviewed to better reflect the administrative costs of providing the service (SM 6.599).

#### *Transport and communication.*

From the 1991 edition, the quality adjustments after 1985 applied to the constant price estimates of cars and other vehicles have a firmer basis, being calculated using regular information from manufacturers.

#### *Other travel*

From the 1991 edition expenditure on taxis (within other travel) are now based on information from the National Travel Survey; previous estimates, obtained from the Family Expenditure Survey, were thought to be understated (SM 6.615).

#### *Recreation, entertainment and education.*

From the 1991 Blue Book, estimates of spending on books have been adjusted upwards to reflect expenditure by students and other purchases not covered by the Family Expenditure Survey. Use has also been made of a more representative index of book prices, compiled by the Publishers' Association, to obtain constant price estimates after 1985 (SM 6.585).

#### *Education*

From the same Blue Book, expenditure at constant prices on education provided by local authority and private colleges have been calculated using an improved deflator; the index used takes account of the costs of wages and salaries and of goods and services procured for education (SM 6.631-633).

#### *Catering*

From the 1991 edition, estimates of expenditure on catering reflect several changes. Estimates now explicitly allow for spending on private entertainment (e.g. parties, weddings, receptions,

etc) and for students living in university or college accommodation; the former is based on Family Expenditure Survey (FES) data; the latter is derived from Department of Education and Science (DES) sponsored surveys of student expenditure together with DES estimates of student numbers.

Adjustments to the catering estimates have also been made in relation to juvenile expenditure, taking account of survey evidence, and for food in kind associated with the armed forces (SM 6.635-637).

#### *Administrative costs of life assurance and pension schemes.*

From the 1991 edition, constant price estimates have been obtained using a deflator more closely related to an index of costs in the industry; previously, the expenses of the service being purchased were revalued at constant prices using the general consumers\* expenditure deflator (SM 6.641)

#### *Other improvements.*

From the 1991 edition, a number of changes have been incorporated in the estimates to make good small deficiencies in the coverage of certain retail sales. Among other retailers, these include adjustments to take account of certain goods sold by petrol filling and motorway service stations.

## **Chapter 5: Companies and financial institutions**

Gross trading profits (Tables 5.1, 5.4 and 5.7). In the 1991 Blue Book the estimates of non-oil industrial and commercial companies' profits and of financial companies' profits include CSO modifications to ensure closer consistency between the aggregates of factor incomes, expenditures and output (see earlier section on National accounts statistical adjustments). The derived estimates of non-oil industrial and commercial companies' profits have been reduced by £800million in 1986, £1200million in 1987, £1600 million in 1988 and £200 million in 1989; they have been increased by £900 million in 1990. The derived estimates of financial companies' profits have been reduced by £3000 million in 1988 and £200 million in 1989; they have been increased by £2800 million in 1990. These modifications take account of the likely error margins in the derived estimates as well as the discrepancies between the aggregates derived from the expenditure, output and income approaches to estimating GDP.

[Link to Blue Book 1991](#)

## **Blue Book 1992**

### **Key Points**

- Focus on a single measure of GDP
- Introduction of SUT framework for balancing GDP
- Changes to the definition of GDP and GNP from Eurostat
- IO Tables published in Blue Book

### **Summary from Preface**

No summary



## Sources & Methods

Consistent with [Sources & Methods 1985 \(3<sup>rd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Third edition (Studies in Official Statistics No 37, HMSO, 1985).

## SIC Used

SIC 1980

## Revisions to data

The principal revisions which have been made to the estimates contained in tables 1.1, 1.2, 1.3, 1.5 and 1.6 of the 1991 Blue Book are described and tabulated in a separate chapter within Section Six. In this 1992 edition, the years prior to 1984 have not been reopened to incorporate revisions. The decision to close these years will be reviewed if significant revisions are suggested by later data. Revisions prior to 1984 to estimates expressed in index number form reflect only the rescaling necessitated by revisions made to data for later years.

## Changes in Content

From this 1992 edition, changes have been made to the presentation of estimates of national and domestic product. Following the practice already adopted in the quarterly national accounts, references to different measures of gross domestic product (GDP) have been dropped and the accounts now focus on a single GDP estimate. Other main aggregates are similarly given on one basis only methodology notes page 136.

Sector balance sheets, which were included in the 1987 to 1990 editions of the Blue Book, were not available at the time that the 1991 edition was going to press. They have been included again in this edition.

Chapter 18 introduced in this 1992 edition, gives summary early results from the 1989 input - output tables exercise

## Methodological Notes

### General

In the preparation of the accounts for this 1992 edition, further action on strengthening data sources, the continuing scrutiny of supply and demand relationships and the use of an input-output table for 1989 have contributed to the arbitration between separately derived estimates of output, expenditure and income components of GDP in order to achieve coherence. These further examinations of the data have eliminated the need for such modifications.

### **Chapter 1: National income, product and expenditure**

#### *Table 1.1: National and domestic product*

From the 1992 edition, changes have been made to the presentation of estimates of national and domestic product. Following the practice already adopted in the quarterly national accounts, references to different measures of GDP have been dropped and the accounts focus on a single

GDP estimate. This estimate, without suffix, is the equivalent of the former average estimate, known as GDP(A), and fulfils the same role as the best central estimate of the level of this key economic aggregate and of changes over time. Table 1.1 shows estimates of GDP along with derived estimates, such as Gross national product (GNP) and National disposable income, and associated index numbers.

The level of GDP is derived from the levels of the two broadly independent analyses of GDP based on income and expenditure. Account is taken also of the changes in volume of value added derived from the output analysis of GDP, which is compiled only in index number format. The methodology was refined from the 1988 Blue Book and further modifications have been introduced in this 1992 edition for the years for 1985 onwards.

In concept, the sums of income, expenditure and output components of GDP should be the same. But, as a result of measurement and other errors, there inevitably are differences. For each of the base years (that is 1958, 1963, 1970, 1975, 1980 and 1985), the level of GDP is estimated as the unweighted arithmetic average of the sums of the income and expenditure components of GDP. In this way, the growth in GDP between any two base years is determined entirely by its income and expenditure components. The contribution of the aggregate derived from output components is constrained to influence estimates of growth in, and levels of, GDP only in the intervening periods separating the base years. A technical note describing the estimation was published in the October 1988 issue of Economic Trends (No.420).

For the years 1985 to 1989, a better reconciliation has been achieved between the broadly independent estimates of income and expenditure components at current prices than hitherto, reflecting better understanding of the basic sources and the use of information from the 1989 input-output table. The discrepancies remaining between the sums of income and expenditure components after the initial reconciliation were comparatively small and well within the margins of error of the aggregates. It was therefore decided to distribute the discrepancy, or residual error as it is conventionally known, equally between the income and expenditure aggregates. This process eliminates the residual error in those years. The table below shows the aggregate series before this final distribution and the amounts distributed.

Given the improved coherence of the income and expenditure data for the years 1986 to 1989, GDP at current prices has been set for those years, as in the base year 1985, at this arithmetic average of the sums of the income and expenditure components. GDP at constant prices has been estimated as the sum of expenditure components, including the distribution, at constant prices. This sum, of course, equals the total of income components deflated using the implied GDP deflator.

For the latest two years, 1990 and 1991, the expenditure and income components are less firm at this stage than the reconciled estimates for 1985 to 1989. For this reason the aggregate output indicators have also been used in the estimates of GDP for these years. GDP is estimated for 1990 and 1991 on the basis of the average of the growth rates shown by the total of the expenditure, income and output components applied to the level of GDP in 1989. As input-output tables become available annually, it will be possible to extend the number of years in which the residual error is zero.

From the 1988 edition, Real national disposable income is calculated by a slightly simplified formula, as follows (SM4.41):

$$\text{RNDI} = \text{TDE} + a + \text{NIA}/p$$

where:

*TDE* - is Total domestic expenditure at constant prices;

*a-* is an adjustment equal to the difference between the average and the expenditure-based estimates of the Gross domestic product at constant prices;

*NIA* - is Net investment abroad (at current prices); and

*P* - is the import price index.

Table 1.7 now contains all the remaining index numbers previously shown in Table 1.1.

#### *GDP(A), GDP(E), GDP(I), GDP(O)*

As explained in the notes to Table 1.1 with effect from the 1992 Blue Book references to four different measures of GDP (reached by the expenditure, income and output approaches or as an average of those three measures) have been dropped in favour of the use of a single measure of GDP. This follows the practice already adopted in the quarterly national accounts. The single GDP measure is presented without a descriptive suffix. It is regarded as the best central estimate both of the level and changes over time. The former expenditure and income measures are linked to the single measure through a statistical discrepancy term shown explicitly in the tables in Section 1. This enables easy reconstruction of the former measures (for example GDP less statistical discrepancy (expenditure adjustment) equals GDP (E). Reconstruction of GDP (O) involves combining the index numbers for components using appropriate weights. Tables showing the measures dropped from the current presentation are available from NAEA Branch, Central Statistical Office.

#### *European Community definition of Gross national product.*

The Statistical Office of the European Community uses in its publications a definition of Gross national product at market prices derived from the European system of integrated economic accounts (ESA). This definition is also used for statistical returns to the United Nations (UN) and to the Organisation for Economic Cooperation and Development (OECD). An estimate of this series can be obtained, using published series on UK definitions, as shown in the table above.

#### *Table 1.2: Gross national product by category of expenditure.*

The estimates of Gross domestic product and Gross national product at market prices are defined to include taxes on expenditure levied on imports. Estimates excluding this element can be obtained by using the information given in the table above.

From the 1992 Blue Book, the estimates of Gross national product and of National income are derived from the definitive estimate of Gross domestic product. The Statistical discrepancy (expenditure adjustment) is defined as Gross domestic product less total expenditure components of Gross domestic product.

#### *Table 1.3: Gross domestic product by category of income.*

From the 1992 Blue Book, the definitive estimate of Gross domestic product at factor cost is included. The Statistical discrepancy (income adjustment) is defined as Gross domestic product less total income components of Gross domestic product.

The allowances for evasion (see SM 3.32-36) have been revised since Sources and Methods was published, because of revisions which have affected the initial residual difference. As a percentage of GDP, the total allowance now rises from two per cent in the early 1970s to three per cent in the mid 1970s before falling to one and a half per cent in 1981 and to one and a quarter per cent from 1982.

### **Chapter 3: Summary sector accounts.**

#### *Table 3.7: Sector allocation of dividend and interest flows.*

As from the 1992 Blue Book, the sector allocation of interest flows for years 1984 onwards is based on the aggregation of separate calculations for each financial instrument. For most instruments these flows have been allocated across the sectors broadly pro rata to balance sheet holdings in the relevant period. Most important, this means the estimates for personal sector receipts and payments are improved in quality, being calculated directly rather than, as previously, by residual (SM 6.17). An article explaining the new methodology and giving detailed figures by sector and financial instrument will be published in the October 1992 issue of Economic Trends.

### **Chapter 4: Personal sector and its subsectors.**

#### *Table 4.1: Income and expenditure account.*

Wages and salaries (Table 4.1). In the 1992 Blue Book the estimates for the value of private use of company cars and fuel for periods since 1984 have been reviewed in the light of the revised tax scales introduced by the Inland Revenue in recent years (SM 6.72). The revisions to the estimates for the value of company car benefits are also included in the consumer's expenditure

#### *Income from self employment.*

From the 1987 Blue Book, Inland Revenue estimates of self-employment income have been adjusted to take account of non-allowable business expenses (SM 6.9 Iff).

From the 1992 Blue Book estimates for years since 1984 include income (net of allowable expenses) from furnished lettings. The coverage of income from fanning has been improved in the 1992 edition to include (from 1984) estimates of earnings from non-agricultural activity carried out on farm premises and from agriculture undertaken at other establishments (SM 6.92-93).

#### *Table 4.10: Life assurance and pension schemes.*

From the 1992 Blue Book the estimates for life assurance and insurance-invested pension schemes for years from 1986 are mainly sourced from income and expenditure data compiled within CSO, although some parts of the analysis continue to draw on information obtained from the Association of British Insurers (SM 6.117-118).

### **Chapter 5: Companies and financial institutions.**

#### *Gross trading profits (Tables 5.1, 5.4 and 5.7).*

From the 1992 Blue Book an adjustment is made to the estimates of the gross trading profits of banks to remove profits and losses from foreign exchange transactions (SM 7.64 (i)).

From the 1992 Blue Book the estimates of the gross trading profits of industrial and commercial companies include specific adjustments to convert the Inland Revenue assessments data to calendar years (SM 7.56). From 1991 the former Quarterly Profits Inquiry conducted by Inland Revenue has been replaced by an inquiry conducted by the Central Statistical Office. This inquiry covers about 1500 large company groups.

#### *Capital transfers (Tables 5.2 and 5.4).*

From the 1992 Blue Book, this series includes contributions by contractors to capital expenditure by local authorities, as well as payments to public corporations

## **Chapter 8: Local authorities**

(ix) From the 1992 Blue Book miscellaneous capital receipts include private sector contributions to local authority capital expenditure.

## **Chapter 18: Input-output balance for the United Kingdom 1989.**

This chapter, introduced in this 1992 edition, gives summary early results from the 1989 input-output tables exercise, which has informed the reconciliation of expenditure, output and income components of gross domestic product. An article, explaining methodology and giving further detailed tables will be published in Economic Trends in due course.

[Link to Blue Book 1992](#)

# **Blue Book 1993**

## **Key Points**

- Rebased to 1990=100
- Introduction of SIC(92)
- Re-structuring of Blue Book
- Change in cover format
- Improvements to the GDP(O) method
- Sector allocation of DIM published
- Improvements to HHFCE
- Central government payments to universities classified as government expenditure
- Charities survey incorporated into NPISH
- All tangible asset estimates updated

## **Summary from Preface**

No summary

## **Sources & Methods**

Consistent with [Sources & Methods 1985 \(3<sup>rd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Third edition (Studies in Official Statistics No 37, HMSO, 1985).

## **SIC Used**

SIC 1992

## **Revisions to data**

### **Preface**

The principal revisions which have been made to the estimates contained in tables 1.1, 1.2, and 1.4 of the 1992 Blue Book are described and tabulated in a separate chapter within Section Six.

### ***From methodology section:***

The years prior to 1983 have not in general been reopened to incorporate revisions. Revisions prior to 1983 to estimates expressed in index number form for both current and constant prices reflect both rescaling necessitated by revisions made to data for later years and the re-referencing of all index numbers on 1990.

In addition, there have been changes to constant price estimates of consumers' expenditure in tobacco. This has led to small changes in the growth rate of the GDP deflator for all years since 1948.

## **Changes in Content**

### ***Rebasing.***

The base year for all constant price estimates and index numbers has been changed from 1985 to 1990. Further information is given in the methodological notes on page 144. An article containing the reasons for rebasing and the rebasing process was published in the February 1993 issue of Economic Trends (No 472). A detailed analysis of the results of rebasing is scheduled to be published in Economic Trends shortly.

### ***Reclassification.***

The tables which contain industrial analyses have all been changed to reflect the main changes in the 1992 Standard Industrial Classification (SIC(92)). The series in the tables have been calculated using groups from the SIC(80) chosen to approximate the new classification. The new classification and the CSO's transition arrangements are described in an article in the February 1993 issue of Economic Trends (No 472).

### ***Renumbered tables.***

Tables within chapters 1 and 13 have been rearranged and the input-output use matrix, shown last year in chapter 18 has been incorporated in chapter 2 as Table 2.1 and the other tables in the chapter renumbered as a consequence. The following list shows how the tables have been renumbered:-

Edition 1992	Edition 1993
1.6	1.3
1.3	1.4
1.4	1.5
1.5	1.6
18.1	2.1
2.1	2.2
2.2	2.3
2.3	2.4
2.4	2.5
2.5	2.6
3.7	3.8

?	3.7
13.2	13.3
13.3	13.5
13.4	13.2
13.5	13.4

### **Balance sheets.**

The national and sector balance sheets (Chapter 12) have been updated to include estimates of tangible assets for all years up to 1992. This major review of the estimates will be described in detail in a future edition of Economic Trends.

## **Methodological Notes**

### ***Elaboration of vintages of GDP compilation***

#### *i) Estimates of GDP: years up to 1985*

In concept, the sums of income, expenditure and output components of GDP should be the same. But, as a result of measurement and other errors, there inevitably are differences. For each of the base years (that is 1958, 1963, 1970, 1975, 1980 and 1985), the level of GDP is estimated as the unweighted arithmetic average of the sums of the income and expenditure components of GDP. In this way, the growth in GDP between any two base years is determined entirely by its income and expenditure components. The contribution of the aggregate derived from output components is constrained to influence estimates of growth in, and levels of, GDP only in the periods between the base years. A technical note describing the estimation was published in the October 1988 issue of Economic Trends (No.420).

#### *ii) GDP: 1985 to 1988*

For the years 1985 to 1988, a better reconciliation has been achieved between the broadly independent estimates of income and expenditure components at current prices than hitherto, reflecting better understanding of the basic sources and the use of information from the 1989 and 1990 input-output tables. The discrepancies remaining between the sums of income and expenditure components at the initial reconciliation were comparatively small and well within the margins of error of the aggregates. It was therefore decided to distribute the discrepancy, or residual error as it is conventionally known, equally between the income and expenditure aggregates. This process eliminates the residual error in those years. The following table shows the aggregate series before this final distribution and the amounts distributed

Given the improved coherence between the income and expenditure data, GDP at current prices could thus be set for the years 1986 to 1988, as in the base year 1985, at this reconciled estimate of the aggregate of the sums of the income and expenditure components. GDP at constant prices has been estimated as the sum of expenditure components, including the residual error distribution, at constant prices. This sum, of course, equals the total of income components, including the residual error distribution, deflated using the implied GDP deflator.

#### *iii) GDP: 1989 and 1990*

As noted above, the levels of GDP in 1989 and 1990 and its income and expenditure components are derived from the balanced input-output tables for those years.



#### *iv) GDP: 1991 to 1992*

For the latest two years, 1991 and 1992, the expenditure and income components are less firm at this stage than those on which the reconciled estimates for 1985 to 1990 are based. For this reason the aggregate output indicators have also been used in the estimates of GDP for these years. GDP, is estimated for 1991 and 1992, on the basis of the average of the growth rates shown by the total of the expenditure, income and output components applied to the level of GDP in 1990. As input-output tables become available annually, it will be possible to extend the number of years in which the residual error is zero.

#### ***Constant price series: rebasing to 1990 prices***

Constant price series are estimates of the volume of economic activity expressed in the average prices of a selected base year. In order to keep abreast of the changing structure of prices in the economy, a new base year has, from time to time, to be introduced. From the 1993 Blue Book, constant price series are expressed in 1990 (rather than, as formerly, 1985) prices and index numbers take 1990= 100.

The relative prices in the base year of goods and services determine their weights in aggregate measures, such as Gross domestic product. Therefore choice of base year can affect the derived change over time in aggregate production. Because the constant price series used are of the chain linked form (see Introduction paragraphs 69 and 70), rebasing to 1990 prices will affect the growth rates only for comparisons involving the period from 1986 onwards.

Articles explaining rebasing, were published in the March 1988, January 1989 and February 1993 issues of Economic Trends (Nos. 413,423 and 472).

#### ***Chapter 2: Industrial and sector analyses.***

The estimates of the analysis of GDP by industry are based on classifying each economic unit (individual, enterprise etc) by industry, based on its main activity, and allocating all its activity to that industry. Subsidiary activities of these units are therefore included with the main activity. From the 1993 Blue Book, this general principle has been extended to treatment of Rent income, which is now allocated by industry according to the main activity of each rent-receiving unit. Also from the 1993 Blue Book, subdivision of total GDP by industry is derived from data for economic units which are classified by industry according to CSO's business register. Previously, it was based on summing industry-specific estimates for each income component, and was thus based on the industry classifications in the various data sources for these components. In Table 2.2, it has therefore been necessary to adjust the initial industry-specific estimates for each income component so that the totals agree with those derived above. The consequences have been carried over into Table 2.5.

#### ***Table 2.1: Input-output table for the United Kingdom 1990.***

This table, introduced in the 1992 edition as table 18.1, gives summary early results from the 1990 input-output tables exercise, which has informed the reconciliation of expenditure, output and income components of gross domestic product.

#### ***Table 2.5: Gross domestic product at constant factor cost: by industry of output (formerly table 2.4)***

From the 1993 Blue Book, the aggregate is derived from constant price estimates of output at 1990 prices (SM 5.18-19). The weight assigned to each component series is determined by the value added contribution made by the corresponding activity towards total Gross domestic product in 1990.

The weights in Table 2.5 are entirely consistent with the corresponding figures in the 1993 edition for total net income in 1990 in Tables 2.2 and 2.4 except that the weight for financial intermediation, real estate, renting and business activities is calculated before subtracting the adjustment for financial services and a separate negative weight is shown for the financial services adjustment (SM 5.45-50).

The line for total services was first introduced in the 1986 Blue Book (SM4.58). By convention, it includes contributions from Ownership of dwellings and from the Adjustment for financial services.

An examination of the output, expenditure and income measures of GDP before rebasing suggested that the growth in the output measure of GDP was over-stated by around half a per cent between 1987 and 1989. This was described in more detail in the 1992 Blue Book. In the rebased figures this overstatement has largely disappeared.

Small differences in growth for the measures of GDP were also evident for 1991, with the initial output-based estimate falling by more than the income and expenditure measures. The output measure is based, essentially, on gross output indicators. It is thought that, during the decline in economic activity such indicators are likely to overstate the fall in constant price net output. To allow for this an upwards adjustment of 0.4 per cent has been applied mainly to those industries which include employment and VAT as an annual output proxy. The industries covered in this way are construction, wholesaling, catering, rail transport, miscellaneous transport and supporting services to transport, banking, business services. R&D, sanitary services, education, health, social recreational and other personal services. The effect of this adjustment is to reduce the magnitude of the decline in the output measure of GDP in 1991, from -2.6 per cent to -2.4 per cent. This result is more in line with the declines shown by the expenditure and income measures. All adjustments are thought to be within the likely error range of the data and within the level of accuracy of those results indicated generally by the Central Statistical Office.

The previous methodology for estimating construction has been replaced completely at rebasing and is now based more closely on long-run Department of Environment data.

The industrial breakdown shown in this table reflects the new Standard Industrial Classification (1992 edition). The manufacturing breakdown follows the subsections of Section D-manufacturing- of SIC(92). For the service industries the breakdown shown follows the relevant sections of the SIC(92), there being no subsections. With the exception of other services and ownership of dwellings, each of the services rows correspond to a single section of the SIC(92).

### **Chapter 3: Summary sector accounts.**

*Table 3.3: General government current account.*

\*Final Consumption' includes, from the 1993 Blue Book, current payments (other than scholarship or maintenance grants) by central government to private sector educational institutions-see notes at Table 7.2 on final consumption.

*Tables 3.7 and 3.8: Sector allocation of dividend and interest flows*

Table 3.7 is new for the 1993 Blue Book. It shows, for each financial instrument, each sector's receipts and payments of dividends and interest in 1992. This follows the introduction for the 1992 Blue Book of a new framework for estimating these flows, which yield this extra detail. For more information see the article Sector allocation of dividend and interest flows - a new framework in the October 1992 issue of Economic Trends (No 468)

## Chapter 4: Personal sector and its subsectors.

*Tables 4.5 - 4.8: Consumers' expenditure (SM 6.514 ff).*

*Housing: rents, rates and water charges.*

From the 1993 Blue Book, the estimates of rent (including imputed rent), rates and water charges reflect different means of calculation. Rents at current prices up to 1990 are grossed up by reference to the estimated rateable value by tenure type; from 1991, the grossing ratios are derived from the estimated numbers of occupied dwellings by tenure type. From 1991, the path of constant price rents is based on the estimated

*Housing: maintenance etc by occupiers.*

From the 1993 Blue Book, estimates of DIY goods reflect several changes. The estimates incorporate the results of the extended commodity breakdown available from the 1990 Retailing Inquiry; this has provided a better split between DIY and hardware goods. DIY estimates now include expenditure on lighting previously included under hardware. Finally, the 1990 Wholesaling Inquiry has provided a firmer basis for the inclusion of direct sales from wholesalers to consumers. Estimates of contractors charges and insurance have been reviewed, in particular contractors' charges financed by insurance claims now make use of data provided by the Association of British Insurers. This has also resulted in an improvement to the estimates of the administrative costs of structural insurance (SM 6.554-559; 6.596-599).

*Household goods and services.*

From the 1991 Blue Book, estimates of contents insurance within household and domestic services have been reviewed to better reflect the administrative costs of providing the service (SM 6.600). From the 1993 edition, estimates of expenditure on hardware goods reflect the same changes as those affecting DIY goods; see Housing: maintenance etc by occupiers (SM 6.554-599).

*Catering (meals and accommodation).*

From the 1993 edition, estimates of expenditure by those living in residential and nursing homes are benchmarked on a 1993 survey of such establishments. New estimates of expenditure by military personnel living in barracks have also been obtained, using Ministry of Defence survey data relating to 1992 and earlier years (SM 6.635-637)

*Other services.*

From the 1993 edition, estimates of expenditure on financial services (within other services) have been reviewed in the light of better researched data on bank and unit trust charges (SM 6.645).

*Final expenditure by private non-profit making bodies (PNPMBs).*

See entry on Consumers' expenditure: Social security benefits and other current grants from central government in notes for Table 4.1, above.

From the 1993 edition, central government current payments (other than scholarships or maintenance grants) to private sector educational institutions (universities, polytechnics (from April 1989) and grant maintained schools (from April 1990)) are now regarded as central government final consumption. The institutions themselves remain classified as PNPMBs but their final consumption is lower than that shown in previous editions by the amount that has been attributed to central government final consumption - see the entry for final consumption for Table 7.2 Central Government Current Account, below.

From the 1993 Blue Book, estimates of final expenditure by PNPMBs incorporate the results of a 1993 survey of charities (SM 6.513, 6.656-657).

### *Other improvements.*

From the 1993 edition, use was made of the 1990 Wholesaling Inquiry to improve estimates of direct sales from wholesalers to consumers; such sales are not covered by the annual Retailing Inquiries.

### **Chapter 6: Public corporations.**

For statistical purposes within the National Accounts, the income and expenditure transactions of the Bank of England Banking Department have been reclassified from the 1993 Blue Book to the financial sector. Data have been revised back to 1984. There has been a similar reclassification of the Girobank transactions from 1984 to its privatisation in July 1990. Previously, only their financial transactions have been included in this sector.

From the 1993 Blue Book the fossil fuel levy on electricity distribution is now separately identified as a capital grant within the public corporation accounts. Until this Blue Book income generated was included in gross trading surplus. See chapter 7.

### **Chapter 7: Central government, including Social Security funds**

#### *Table 7.2 Current Account*

Taxes on expenditure. From the Blue Book the fossil fuel levy on electricity distribution is included. The distribution of the levy is included in capital grants. From the 1985 Blue Book, separate figures are shown for the sugar levy, which is collected from sugar producers to offset the costs of storage, refunds and other costs and penalties, and for the European Coal and Steel Community levy which was formerly included in miscellaneous taxes on expenditure. Equivalent amounts are passed on to the European Communities (SM 9.66).

### *Final consumption.*

From the 1993 Blue Book current payments (other than scholarships or maintenance grants) by central government to private sector educational institutions - universities, polytechnics (from April 1989) and grant maintained schools (from April 1990) - are treated as final consumption. In previous Blue Books, these payments to universities and polytechnics were treated as grants to persons financing consumers' expenditure, and grants to grant maintained schools were recorded as current grants to local authorities financing local authorities final consumption. Consumers' expenditure and local authorities final consumption are reduced correspondingly.

### **Chapter 12: National and sector balance sheets.**

For the 1993 Blue Book all the tangible asset estimates have been updated. A description of the sources and methods used for the estimates appearing in previous Blue Books is in the May 1987 issue of Economic Trends (No 403). A full description of the new sources and methods used for the 1993 Blue Book will appear in a future issue of Economic Trends.

[Link to Blue Book 1993](#)

## **Blue Book 1994**

### **Key Points**

- Minor improvements to HHFCE and assets

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1985 \(3<sup>rd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Third edition (Studies in Official Statistics No 37, HMSO, 1985).

## SIC Used

SIC 1992

## Revisions to data

### *Preface*

The principal revisions which have been made to the estimates contained in tables 1.1, 1.2, and 1.4 of the 1993 Blue Book are tabulated in a separate chapter within Section Six.

This annual publication, the CSO "Blue Book", contains estimates of the domestic and national product, income and expenditure of the United Kingdom. It covers the calendar years 1983 to 1993. The summary tables are extended to cover 1972 to 1982 on a consistent basis. Where tables cover other than 1983 to 1993, the years shown are noted in the list of contents.

### *Methodology Section*

The years prior to 1984 have not been reopened to incorporate revisions. There have been no revisions to GDP prior to 1991.

## Changes in Content

None noted.

## Methodological Notes

### *Chapter 4: Personal sector and its subsectors.*

Alcohol: From the 1994 edition a more accurate methodology for alcoholic drink has been introduced. Estimates for alcoholic drink, in both current and constant prices, are based on volume of sales and average prices of individual types of alcoholic beverages for both the "off" and "on" trades. This information is obtained from a continuous survey of retail outlets. The volume data extracted from this survey is grossed up to align with annual clearance figures from HM Customs & Excise.

## Chapter 5: Companies and financial institutions

### *Gross trading profits*

From the 1994 Blue Book the service earnings of banks' foreign exchange transactions have been included within gross trading profits. This change is made to bring the estimates of banks' gross trading profits into line with international standards shown.

From the 1992 Blue Book the estimates of the gross trading profits of industrial and commercial companies include specific adjustments to convert the Inland Revenue assessments data to calendar years (SM 7.56) From 1991 the former Quarterly Profits Enquiry conducted by the Inland Revenue has been replaced by an inquiry conducted by the Central Statistical Office. This inquiry covers about 1500 large company groups. From the 1994 edition the inquiry is used to estimate the sum of profits and rent.

## Chapter 11: Sector Financial Accounts

### *Table 11.1: Sector summary*

From the 1994 Blue Book, deposits with banks and building societies have been further sub-divided into ordinary deposits and money market instruments (commercial paper, certificates of deposit, medium term notes) for both sterling and foreign currency. The split between sight and time deposits with banks is no longer available.

From the 1994 Blue Book, deposits with other financial institutions are no longer shown. Only banks and building societies have been permitted to take deposits since 1982. Data for 1981 and earlier are available on request.

### *Chapter 12: National and sector balance sheets.*

From the 1994 Blue Book, deposits with banks and building societies have been further sub-divided into ordinary deposits and money market instruments (commercial paper, certificates of deposit, medium term notes) for both sterling and foreign currency. The split between sight and time deposits with banks is no longer available.

From the 1994 Blue Book, deposits with other financial institutions are no longer shown. Only banks and building societies have been permitted to take deposits since 1982. Data for 1981 and earlier are available on request

### *Dwellings*

From the 1994 Blue Book estimates of expenditure on improvements to existing dwellings reflect several changes. Expenditure is modelled using information on the output of the construction industry and from the Family Expenditure Survey and the English House Conditions Survey. (SM 12.9).

[Link to Blue Book 1994](#)

# Blue Book 1995

## Key Points

- No significant changes
- Introduction of national lottery
- Two new taxes included for insurance premiums and air passenger duty

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1985 \(3<sup>rd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Third edition (Studies in Official Statistics No 37, HMSO, 1985).

## SIC Used

SIC 1992

## Revisions to data

### *Preface*

This annual publication, the CSO "Blue Book", contains estimates of the domestic and national product, income and expenditure of the United Kingdom. It covers the calendar years 1984 to 1994. The summary tables are extended to cover 1973 to 1983 on a consistent basis. Where tables cover other than 1984 to 1994, the years shown are noted in the list of contents.

The principal revisions which have been made to the estimates contained in tables 1.1, 1.2, and 1.4 of the 1995 Blue Book are tabulated in a separate chapter within Section Six.

### *Methodology Section*

The principal revisions which have been made to the estimates contained in last year's National Accounts Blue Book (United Kingdom National Accounts 1994 Edition) are given following these Notes. The years prior to 1986 have not been reopened to incorporate revisions. There have been no revisions to GDP prior to 1992.

## Changes in Content

No changes

## Methodological Notes

### *Chapter 3: Summary sector accounts*

#### *Tables 3.7 and 3.8: Sector allocation of dividend and interest flows*

Table 3.7 was introduced in the 1993 Blue Book. It shows sectoral receipts and payments of dividends and interest, broken down by financial instruments, in the latest year. This follows the introduction for the 1992 Blue Book of a new framework for estimating these flows, which yield this extra detail. For more information see the article Sector allocation of dividend and interest flows - a new framework in the October 1992 issue of Economic Trends (No 468).



Table 3.8 was first presented in its detailed form in the 1993 edition, taking advantage of the greater amount of detail becoming available. The 1994 Blue Book presented this table on a consolidated basis, i.e. net of inter-sector flows. The 1995 edition reverts to a gross flows basis. An improved presentation to table 3.8 became available in the 1995 Blue Book.

#### *Chapter 4: Personal sector and its subsectors*

##### *Tables 4.5-4.8: Consumers' expenditure (SM 6.514 ff)*

Recreation, entertainment and education.

From the 1995 Blue Book estimates of betting and gaming include expenditure on the National Lottery based on data from OFLOT. The constant price estimates have been obtained using the Retail Price Index as the deflator. As with all other forms of gambling, consumers' expenditure on the National lottery is the cost to persons taking part in this activity, i.e. the amount staked less the amount returned in the form of winnings. (SM 6.505).

#### **Chapter 7: Central government, including Social Security funds.**

##### *Taxes on expenditure*

From the 1995 Blue Book, insurance premium tax and air passenger duty are included under Customs and Excise revenue

Proceeds from the National Lottery paid to the Lottery Distribution Fund are included here from the 1995 Blue Book.

[Link to Blue Book 1995](#)

## **Blue Book 1996**

### **Key Points**

- New design of Blue Book making use of DTP software no doubt
- Mention of the team involved in compiling Blue Book for the first time
- Improvements to telecoms methodology within HHFCE
- Accruals adjustments included in central government for national lottery
- New split of securities into quoted, unquoted and bonds and preference shares

### **Summary from Preface**

No summary

### **Sources & Methods**

Consistent with [Sources & Methods 1985 \(3<sup>rd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Third edition (Studies in Official Statistics No 37, HMSO, 1985).

## SIC Used

SIC 1992

## Revisions to data

### *Preface*

This annual publication, the ONS "Blue Book", contains estimates of the domestic and national product, income and expenditure of the United Kingdom. It covers the calendar years 1985 to 1995. The summary tables are extended to cover 1974 to 1984 on a consistent basis. Where tables cover other than 1985 to 1995, the years shown are noted in the list of contents.

The principal revisions which have been made to the estimates contained in tables 1.1, 1.2, and 1.4 of the 1996 Blue Book are tabulated in a separate chapter within Section Six.

### *Methodology Section*

The principal revisions which have been made to the estimates contained in last year's National Accounts Blue Book (United Kingdom National Accounts 1995 Edition) are given following these Notes.

The years prior to 1984 have not been reopened to incorporate revisions. There have been no revisions to GDP prior to 1991.

## Changes in Content

No change to layout, but new design.

## Methodological Notes

### *Chapter 4: Personal sector and its subsectors*

*Tables 4.5 - 4.8: Consumers' expenditure (SM 6.514 ff).*

Transport and communication.

From the 1996 Blue Book, a new, direct method has been introduced to estimate Consumers' Expenditure on new motor vehicles. Previously Consumers' Expenditure on new cars was taken as the residual after subtracting capital formation from the value of total new car registrations. It is now possible, using information on the V55 Registration Document to measure directly the number of vehicles sold to private individuals. These are valued using trade information and taking account of on the road costs. The method has been applied back to 1993.

### *Chapter 7: Central government, including Social Security funds*

*Table 7.4: Transactions in financial assets and liabilities*

Accruals adjustments.

The accruals adjustment for final consumption in respect of defence expenditure is now included with trade debtors and from the 1986 Blue Book: creditors in other identified financial liabilities (net) up to 1983 (SM 9.118). An accruals adjustment for value of physical increase in stocks has been included for the 1988 Blue Book. Other customs and excise duties have now been split into

the same level of detail as shown in Table 7.2. From the 1996 Blue Book, National Lottery accruals adjustments are also shown.

## **Chapter 11: Sector financial accounts**

### *Table 11.1: Sector summary*

From the 1996 Blue Book, UK company securities has been sub-divided into three separate financial instruments: quoted ordinary shares; unquoted ordinary shares; and bonds and preference shares in the tables in this Chapter. The individual components are shown in Table 11.16. This revised methodology has led to substantial revisions for some sectors in some years. Revised data have been compiled going back to 1990 but not earlier because of limitations in the data source. The estimate for bonds and preference shares exclude bonds and notes with an initial maturity of 1 -5 years issued by banks and building societies. Transactions in these securities appear under bank and building society sterling and foreign currency money market instruments.

## **Chapter 13: Gross domestic fixed capital formation**

For 1996, estimates of total fixed capital formation have been compiled using the same approach as for preceding years. However, the results of the annual benchmark surveys of business expenditure for 1996 are not available to help the industrial analysis. In their absence, estimates based on the statutory quarterly surveys have been used. These estimates are more robust than those based on the voluntary quarterly surveys of the past, so more detail is given than in earlier years Blue Books. Once the annual survey results are available the full range of industrial estimates will be shown.

[Link to Blue Book 1996](#)

# **Blue Book 1997**

## **Key Points**

- Blue Book trailed the upcoming ESA95 revision for Blue Book 1998 – hence only very minor revisions
- One change was Lloyd's UK underwriters (Names) have been included in income from self-employment

## **Summary from Preface**

No summary

## **Sources & Methods**

Consistent with [Sources & Methods 1985 \(3<sup>rd</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Third edition (Studies in Official Statistics No 37, HMSO, 1985).

## SIC Used

SIC 1992

## Revisions to data

### *Preface*

This annual publication, the ONS "Blue Book", contains estimates of the domestic and national product, income and expenditure of the United Kingdom. It covers the calendar years 1986 to 1996. The summary tables are extended to cover 1975 to 1985 on a consistent basis. Where tables cover other than 1986 to 1996, the years shown are noted in the list of contents.

The principal revisions which have been made to the estimates contained in tables 1.1, 1.2, and 1.4 of the 1996 Blue Book are tabulated in a separate chapter within Section Six.

### *Methodology Section*

The principal revisions which have been made to the estimates contained in last year's National Accounts Blue Book (United Kingdom National Accounts 1995 Edition) are given following these Notes. The years prior to 1984 have not been reopened to incorporate revisions. There have been no revisions to GDP prior to 1991.

## Changes in Content

No change in content but flagged up the upcoming revision of the accounts to ESA95.

## Methodological Notes

### *Chapter 4: Personal sector and its subsectors*

#### *Table 4.1: Income and expenditure account*

Income from self employment.

From the 1987 Blue Book, Inland Revenue estimates of self-employment income have been adjusted to take account of non-allowable business expenses (SM 6.91 ff). For this (the 1997) edition improved estimates of net income of Lloyd's UK underwriters (Names) have been included in income from self-employment (Lloyd's underwriters are classified to the personal sector for national accounts purposes).

### *Chapter 16: Percentage distributions and growth rates*

#### *Tables 16.9 to 16.14: Rates of change*

For the 1997 edition, tables 16.11 and 16.12 showing GDP per head have been introduced.

[Link to Blue Book 1997](#)

# Blue Book 1998

## Key Points

- Introduction of ESA 1995
- Rebasing to 1995=100
- Adoption of SNA/ESA coding of sectors, transactions, etc.
- Widespread change of CDIDs in publication
- Introduction of new business register for grossing survey results
- New approach to measuring the output of the public sector based on output indicators
- Methodology section removed

## Summary from Preface

See methodology section.

## Sources & Methods

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

## SIC Used

SIC 1992

## Revisions to data

### *Preface*

The revisions which result from introducing ESA95 and from other £billion denotes £1,000 million. changes are summarised within the introduction and are explained in the text which precedes the main tables in Section 1.

## Changes in Content

Main structure unchanged, but the numbering of tables updated alongside the ESA95 presentation. Also, ESA95 codes added to tables. CDIDs all changed.

Methodology section removed. This was alongside the publication of a new Sources and Methods.

## Methodological Notes

### *Preface*

The annual ONS "Blue Book", contains estimates of the domestic and national product, income and expenditure of the United Kingdom. This edition introduces the most extensive changes to

the accounts since the first publication of the National Income and Expenditure Blue Book in 1952.

The changes include the adoption of a new, internationally agreed, system of national accounts. In addition, there are a number of other significant changes. Price and volume series are rebased to 1995 = 100; survey data grossed from the new business register is included in the national accounts for the first time; and there are extensive methodological changes and data revisions, including a new approach to measuring the output of the public sector at constant prices.

The new system of accounts, the European System of Accounts 1995 (ESA95), is based on the System of National Accounts 1993 (SNA93), sponsored by all the major international economic organisations, which is being adopted worldwide. The European System is consistent with the SNA93 but more specific and prescriptive in certain parts. The United Kingdom has to produce ESA95-based accounts for use by the European Union from April 1999, although it can continue to present accounts in SNA93. In view of the worldwide move to the SNA93, the ONS concluded that it would be sensible to adopt it for both national and international use.

Production of a single set of accounts makes international comparison of UK data much more straightforward, as well as making the most economic use of the ONS's own compilation resources. The new accounts contain some changes in coverage compared with those published previously in the UK. They also look different. But this does not mean that everything in them has changed; many of the underlying data series are unchanged but grouped together differently.

#### *The new system of accounts*

The new internationally compatible accounting framework provides a systematic and detailed description of the UK economy. It includes the sector accounts, which provide, by institutional sector, a description of the different stages of the economic process from production through income generation, distribution and use of income to capital accumulation and financing; and the input-output framework, which describes the production process in more detail. It contains all the elements required to compile such aggregate measures as GDP, gross national income (previously known as gross national product), saving and the current external balance (the balance of payments). The economic accounts provide the framework for a system of volume and price indices, so that constant price measures of aggregates such as GDP can be produced. However, it should be noted that, in the new system, value added is measured at basic prices - including taxes and subsidies on production but not on products - rather than, as in the previous system, at factor cost - which excludes all taxes and subsidies on production. The system also encompasses measures of population and employment.

The whole economy is subdivided into institutional sectors. For each sector, current price accounts run in sequence from the production account through to the financial balance sheet. This structure is explained in the introduction.

The accounts for the whole UK economy and its counterpart, the rest of the world, follow a similar structure to the UK sectors, although several of the rest of the world accounts are collapsed into a single account because they can never be complete when viewed from a UK perspective. For the UK there is an extra, separate, account at the beginning of the system for goods and services used and produced in the economy (account 0). A similar account is shown for the rest of the world.

The table numbering system is designed to show the relationships between the UK, its sectors and the rest of the world. A 3-part numbering system (e.g. 5.2.7) has been adopted for the accounts drawn directly from the ESA95. The first two digits denote the sector (e.g. 5. for government, 5.1. for general government, 5.2. for central government, 5.3. for local government):

the third digit denotes the ESA account, so 1 is production account, 2 is generation of income account, 7 is capital account, etc. Not all sectors can have all types of account, so the numbering is not necessarily consecutive within each sector's chapter. For the rest of the world, the identified components of accounts 2-6 inclusive are given in a single account numbered 2. The UK whole economy ESA95 accounts are given in section 1.7. as time series and in 1.8. for the years 1995, 1996 and 1997 in matrix format with all sectors and the rest of the world identified as well as the UK total.

The ESA95 code for each series is shown in the left-hand column. The ESA95 codes use the prefix 'S' for the classification of institutional sectors, The ESA95 classification of transactions and other flows comprises transactions in products (prefix P), distributive transactions (prefix D), transactions in financial instruments (prefix F) and other accumulation entries (prefix K). Balancing items are classified using the prefix 'B'. The classification includes non-financial assets (prefix AN) and financial assets/liabilities (prefix AF).

The 4-character central database identifiers attached to the data series are almost all new. Although some series are unchanged in coverage, a great many, particularly higher aggregates, are different from the old versions in content as well as name. As in the previous UK system, a single, integrated set of data is being used to compile all the accounts and economic measures,

There is a variety of new terminology in the new system. This too is being adopted by the UK to avoid ambiguity. Thus, for example, "stocks" are now called inventories; the term "stock" is only used to denote a level of holding of an asset or liability in a balance sheet.

[Link to Blue Book 1998](#)

## Blue Book 1999

### Key Points

- Contacts for each compiler area included in Blue Book for first time
- Calendar of economic events included for first time

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

### SIC Used

SIC 1992

### Revisions to data

Not mentioned.



## Changes in Content

No changes

## Methodological Notes

Section removed

[Link to Blue Book 1999](#)

# Blue Book 2000

## Key Points

- New capital stock estimates introduced back to 1948

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

## SIC Used

SIC 1992

## Revisions to data

An analysis of revisions is shown in table B. Revisions to this year's Blue Book have been taken on for 1998 only. In addition new methodology has been used in the calculation of capital consumption which has been taken back to 1948. The effect on growth rates is minimal as the revisions for each year are of a similar magnitude.

Since last year's Blue Book, following the full balancing of the accounts through the Input-Output Supply and Use framework for 1998, the level of GDP has been revised upwards by £7.9 billion at current prices. The GDP growth rate expressed at constant market prices has been revised up to 2.6 per cent (from 2.2 per cent).

Within expenditure at current prices, there has been a significant upward revision in household expenditure due to new data from the ONS Annual Retailing Inquiry and new data on rents.

Within income, there have been large upward revisions to the gross operating surplus of corporations mainly due to new data from Inland Revenue for non-financial corporations. Operating surplus of households has also been revised upwards due to new data on rents.

Within the output measure at constant prices, growth in the output of service industries has been revised up partly reflecting new data and a reassessment of existing data.

## Changes in Content

### *Section on Hundred Years of GDP!*

See publication for details. The source for much of the data before 1948 is the publication 'One Hundred Years of Economic Statistics' compiled and written by Thelma Leisner published by 'The Economist Publications Ltd', in co-operation with the ONS in 1989. As definitions, methodology and sources have improved, it is clear that estimates in earlier periods are less firmly based than in later years.

## Methodological Notes

### *Chapter 10: Non-financial balance sheets*

Now that the main development work on the project is complete, detailed non-financial balance sheets are being included in the Blue Book as an integral part of the official National Accounts.

The layout of the tables is essentially the same as that used until 1997. There are two tables (10.1 and 10.2) covering the economy as a whole, firstly by sector and secondly by asset type. The remaining tables cover each sector in turn by type of asset. The only addition is the inclusion for the first time of intangible assets. These have been included in order to comply with ESA95. The different categories of intangible asset are not distinguished, but the total consists of the values of computer software, mineral exploration, and artistic originals. In future, although this format may change to give more detail and to include new classes of asset, it should not involve any further significant changes to the methodology used in producing the estimates published in this edition of the Blue Book.

[Link to Blue Book 2000](#)

## Blue Book 2001

### Key Points

- Incorporation of results from the new ABI
- Inclusion of estimates for alcohol and tobacco smuggling
- Expansion of use of direct output measures for government
- Trade in Services move from net to gross reporting of flows
- Review of taxes and subsidies
- Re-sectorisation of government market activities
- Revised treatment of interest rate swaps

### Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

## SIC Used

SIC 1992

## Revisions to data

### *Preface*

This edition of the Blue Book contains a number of significant changes and data revisions arising from the development of new methodology; new classifications; and new and enhanced data sources. In addition, there are a few changes that are the result of the implementation of further work to ensure consistency with ESA95. Although the programme of work to present these accounts on a ESA95 basis was largely completed for the 1998 edition of the Blue Book, the timetable for the full implementation of ESA95 extends to 2005. All of these changes have been taken back as far as data exists, which in some cases, is 1948.

## Changes in Content

### Methodological Notes

As explained in the Preface, this edition of the Blue Book contains a number of significant changes and data revisions that have been taken back as far as the data exists, which is 1948 for some series. These changes arise from the development of new methodology; new classifications; and new and enhanced data sources as well as a few changes to bring us in line with ESA95 recommendations. An analysis of revisions since last year's Blue Book is shown in table B.

This introduction does not aim to give a comprehensive description all the changes implemented this year, which are described more fully in an Economic Trends article published in May 2001 but rather to give users an overview of the more important changes.

The key developments and changes included this year are: the use of Annual Business Inquiry (ABI) data; estimates for personal imports and smuggling of alcohol and tobacco; expansion of the use of direct measures of government output; changes to the treatment of several taxes; re-sectorisation of government market activities; review of our adjustments to exclude the offshore territories from the UK; and a new treatment for interest rate swaps.

### *Inclusion of results for the new Annual Business Inquiry (ABI)*

An Economic Trends article published in November 2000 describes the development of the ABI in detail. This is a new, integrated survey of employment and accounting information replacing several annual survey systems. The ABI was first conducted in respect of the year 1998 and estimates for growth for that year were, therefore, included in last year's Blue Book. However, the less restrictive revisions policy for this year's exercise means that revisions to levels have been made as far as appropriate.

### ***Inclusion of estimates for personal imports and smuggling of alcohol and tobacco***

Under the ESA95 and the SNA93, estimates for tobacco and alcohol smuggling are included within the boundary of economic activity in the National Accounts. Until now, estimates for household final consumption expenditure for alcohol and tobacco were based on the duty received by HM Customs and Excise. As a result, imports and expenditure on smuggled alcohol and tobacco were not included. Associated retail or wholesale activity and mixed income were similarly not included in output measures, or in imports. Estimates for these have been derived through a research project by the ONS with the assistance of HM Customs and Excise and are included this year.

### ***Expansion of the use of direct measures of government output***

The ONS has, over the last few years been developing improved methodology for measuring government output at constant prices. This methodology measures the output of general government directly rather than deriving it using volumes of inputs such as staff numbers or deflated intermediate consumption. It is also, therefore, able to take account of productivity and efficiency changes and is recommended by SNA93. Around fifty three per cent of the government sector is already measured in this manner and the coverage of this methodology has been expanded this year to include Local Authority Personal Social Services (LAPSS) and Fire Brigades, increasing coverage to sixty one per cent. In addition, this year sees the application of all these new measures to earlier periods.

### ***Trade in Services***

Previously, flows for the majority of financial and other business services were measured on a net exports basis. This years estimates can now be shown on a gross basis showing exports and imports separately.

### ***Taxes and subsidies***

A number of changes to taxes and subsidies are included this year. There has been a review of the allocation of taxes and subsidies between those on products and those on production. We have also extended our methodology to measure taxes and subsidies on an accrued rather than cash basis.

### ***Re-sectorisation of government market activities***

Following a review of the implementation of ESA95, where separate institutional accounts are available, market activities previously included in the government sector have been reclassified to the public corporations sector. These include the Local Authority Housing Revenue Account, Export Credit Guarantee Department as well as some other local authority companies and central trading bodies.

### ***Economic territory***

The methodology used to derive adjustments made in 1998 to exclude the offshore territories from the UK territorial coverage, in line with ESA95 requirements, has been reviewed. As a result, the quality of these adjustments has been improved and the changes impact mostly on investment income.

### ***Interest rate swaps***

An article in the March 2000 edition of Economic Trends described our plans to reclassify the settlement flows on interest rate swaps and forward rate agreements. Previously they have been included in figures for portfolio investment income in line with the original version of SNA93. However SNA93 was revised at the end of 1999 and these flows have been reclassified to a special financial derivatives category within the financial account.

[Link to Blue Book 2001](#)

## **Blue Book 2002**

### **Key Points**

- No significant changes – preparation for annual chain linking underway

### **Summary from Preface**

No summary

### **Sources & Methods**

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

### **SIC Used**

SIC 1992

### **Revisions to data**

An analysis of revisions since last year's Blue Book is shown in Table B; data have been revised back to 1996. There have been no substantial methodological improvements introduced in this year's edition.

### **Changes in Content**

Change in the design of the Blue Book internally – use of new fonts, etc.

Main structure remains unchanged.

### **Methodological Notes**

#### ***Chapter 10: Non-financial balance sheets***

Revisions have been made to 1999 – 2000 housing stock numbers published in Blue Book 2001 for table 10.10 Households and non-profit institutions serving households (NPISH). This reflects

the receipt of the most up-to-date data. Other revisions have been made to the balance sheets back to 1993.

[Link to Blue Book 2002](#)

## Blue Book 2003

### Key Points

- Introduction of annual chain linking
- MTIC fraud revisions to Trade in Goods data

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

### SIC Used

SIC 1992

### Revisions to data

Output Supply and Use framework from 1996 onwards. Revisions to current price series therefore generally commence in 1996 although there are some minor revisions to current price data for earlier years. As usual, the Blue Book dataset reflects new data. In particular, for 2001 information from the Annual Business Inquiry, from the Inland Revenue and the annual International Trade in Services Inquiry (ITIS) have been included in the dataset. There have also been substantial upward revisions to imports of goods from 1999 reflecting initial adjustments for the impact of VAT Missing Trader Intra-Community (MTIC) fraud. These revisions to imports of goods are explained in an article published in the August 2003 edition of Economic Trends (7).

### Changes in Content

No changes

## Methodological Notes

### *Preface*

The main change introduced in this edition of the Blue Book is the introduction of an improved methodology, annual chain-linking, for the estimation of real GDP. The introduction of annual chain-linking is explained at Chapter 1 of this publication.

### *Annual chain linking*

The fixed-base chain-linking method, which was used in previous editions of the Blue Book, produced “constant price” estimates of GDP whereby the price structure prevailing in 1995 was used to compile data from 1994 onwards. For years prior to 1994 more appropriate pricing structures were used and, in order to link all of the “constant price” estimates to produce continuous time series, a process of chain-linking was used whereby blocks of constant price data with different price bases were linked together. In the link years, figures were calculated with reference to two consecutive base years to obtain a linking factor so that the whole time series could be shown with reference to the latest base year. This system of fixed-base chain-linking is described in more detail at pages 36 to 38 of the 2002 edition of the Blue Book.

In this edition of the Blue Book, the fixed-base chain-linking method has been replaced with an annual chain-linking process which produces “chained volume measures” of GDP. Chained volume measures are calculated by applying the price structure prevailing in the previous year for each year, except the most recent year (2002) where chained volume measures are calculated by applying the price structure prevailing in 2000. The year 2000 is therefore the “latest base year” for chained volume measures published in this edition of the Blue Book. Thus estimates for 2001 (and 2002) are based on 2000 prices, estimates for 2000 are based on 1999 prices and so on. These “previous years prices” data are annually chain-linked to produce continuous time series called “chained volume measures”, in a similar fashion to the fixed-based chain-linking described in the above paragraph.

These chained volume measure series are shown in £ million and referenced onto the “latest base year” which is 2000 in this edition of the Blue Book. Current price data therefore equals chained volume measures annually in 2000. The process of annually chain-linking “previous years prices” data onto a continuous time series referenced onto the latest base year results in a loss of additivity in the annual data prior to the latest base year. Thus chained volume measures prior to 2000 are nonadditive in this edition of the Blue Book. Each year the “latest base year” and therefore the “reference year” will move forward by one year. In the 2004 edition of the Blue Book, the “latest base year” and therefore the reference year will be 2001 and current price data will equal chained volume measures annually in 2001 rather than in 2000.

In the expenditure measure of GDP all of the components are annually chain-linked, as described above, and the chained volume measure of total GDP is aggregated from these. The output approach involves weighting together the detailed components using the contribution to current price GVA (or weight) in the immediately preceding year and annually chain-linking to produce a continuous time series. The application of annual chain-linking to the output measure of GDP is described in detail in an article published in the October 2001 edition of *Economic Trends* (4).

Annual chain-linking provides more accurate measures of growth in the economy than that provided by the old method of fixed-base chain linking because more up to date, and therefore more appropriate, price structures are used. The move to annual chain-linking is also consistent with international guidelines laid down in the System for National Accounts 1993 (SNA93).



### ***The effects of annual chain-linking***

The volume measures of GDP appearing in this edition of the Blue Book incorporate data revisions as well as the introduction of annual chain-linking. It is therefore not possible to evaluate the effects of annual chain-linking by comparing the estimates published in this edition of the Blue Book with those published in the 2002 edition. An article was published in the April 2003 edition of Economic Trends (6), however, which analysed the effects of annual chain-linking applied to the dataset published in the 2002 edition of the Blue Book. The results show that the effects on GDP growth rates published in the 2002 edition of the Blue Book as a result of annual chain-linking are no larger than +/- 0.2 per cent from 1995 to 2001.

Analysis of the results shows that the small net negative effect of annual chain-linking on recent annual growth can be attributed to expenditure on computers, investment in machinery and equipment and trade in "high tech" goods in the expenditure measure of GDP. A similar small net negative effect on the output measure of GDP can be attributed to the production of communication services partially counterbalanced by a positive contribution from manufacturing. These effects are in line with those predicted by economic theory.

### ***Index numbers and price indices***

Some chained volume measure series are expressed as index numbers in which the series are simply scaled proportionately to a value of 100 in the reference year. These index numbers are volume indices of the 'base weighted' or 'Laspeyres' form. (see Chapter 2 of Concepts, Sources and Methods<sup>1</sup>) Aggregate price indices are of the 'Paasche' or 'current-weighted' form. They are generally calculated indirectly by dividing the current price value by the corresponding chained volume measure and multiplying by 100. Examples are the GDP deflator and the households' consumption deflator.

Value indices are calculated by scaling current price values proportionately to a value of 100 in the reference year. By definition such a value index, if divided by the corresponding volume index and multiplied by 100, will give the corresponding price index.

[Link to Blue Book 2003](#)

## **Blue Book 2004**

### **Key Points**

- NHS Trusts reclassification
- New government health output indicator

### **Summary from Preface**

No summary

### **Sources & Methods**

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

## SIC Used

SIC 1992

## Revisions to data

An analysis of revisions in current prices since last year's Blue Book is shown in Table B. The accounts have been fully re-balanced through the Input-Output Supply and Use framework for 2001 and 2002. Revisions to current price series therefore generally commence in 2001 although there are some specific revisions to current price data for earlier years. As usual, the Blue Book dataset reflects new data. In particular, for 2002 information from the Annual Business Inquiry, from the Inland Revenue and the annual International Trade in Services Inquiry (ITIS) have been included in the dataset.

## Changes in Content

The main structural change introduced in this edition of the Blue Book is that the reference year for chained-volume levels series, expressed in £million or as indices, has been advanced from 2000 to 2001. The entire length of these levels series is affected by the re-referencing. Growth rates are affected for 2002 onwards; growth rates prior to 2002 are not affected by re-referencing. This re-referencing is a part of the annual chain linking methodology and will be a standard revision for each Blue Book. The introduction of annual chain-linking for the estimation of real GDP is explained in Chapter 1 of this publication.

## Methodological Notes

Specific revisions to earlier years include the effect of the reclassification of NHS Trusts from public corporations to central government, affecting current price estimates of GDP for 1991 onwards.

Chained volume estimates of GDP are affected by the fact that the reference year for chained volume levels series, expressed in £ million or as indices, has been advanced from 2000 to 2001. The entire length of these levels series is affected by the re-referencing. Growth rates are affected for 2002 onwards; growth rates prior to 2002 are not affected by re-referencing. This re-referencing is a part of the annual chain-linking methodology and will be a standard revision for each Blue Book.

A new methodology has been introduced for estimating the output of government health services. This affects chained volume estimates for 1996 onwards.

Chained volume measures have also been affected by an improved allocation of central government consumption expenditure to ensure that the functional breakdown correctly reflects recent machinery of government changes. This affects chained-volume measures for 1996 onwards.

Changes for Blue Book 2004 were outlined in an ET Article: [Revisions to GDP planned for the 2004 Blue Book – Fenella Maitland-Smith – ET 606, May 2004](#).

[Link to Blue Book 2004](#)

# Blue Book 2005

## Key Points

- Improvement of recording private pension contributions and receipts
- New government output indicator for education and social protection
- Improved allocation of government expenditure by COFOG to reflect changes in the machinery of government
- Allocation of FISIM was announced in the ET article but was not implemented – issues with implementation across systems
- Introduction of SIC 2003 from SIC 1992 (minor revision)

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

## SIC Used

SIC 2003

## Revisions to data

An analysis of revisions in current prices since last year's Blue Book is shown in Table B. The accounts have been fully re-balanced through the Input-Output Supply and Use framework for 2002 and 2003. Revisions to current price series therefore generally commence in 2002 although there are some specific revisions to current price data for earlier years. As usual, the Blue Book dataset reflects new data. In particular, for 2003 information from the Annual Business Inquiry, from the Inland Revenue and the annual International Trade in Services Inquiry (ITIS) have been included in the dataset

## Changes in Content

The main structural change introduced in this edition of the Blue Book is that the reference year for chained-volume levels series, expressed in £million or as indices, has been advanced from 2001 to 2002. The entire length of these levels series is affected by the re-referencing. Growth rates are affected for 2003 onwards; growth rates prior to 2003 are not affected by re-referencing. This re-referencing is a part of the annual chain-linking methodology and will be a standard revision for each Blue Book. The introduction of annual chain-linking for the estimation of real GDP is explained in Chapter 1 of this publication.

## Methodological Notes

Specific revisions to earlier years include the effect of improving the recording of private pension contributions and receipts, affecting current price estimates of GDP for 1991 onwards.

Chained volume estimates of GDP are affected by the fact that the reference year for chained volume levels series, expressed in £ million or as indices, has been advanced from 2001 to 2002. The entire length of these levels series is affected by the re-referencing. Growth rates are affected for 2003 onwards; growth rates prior to 2003 are not affected by re-referencing. This re-referencing is a part of the annual chain-linking methodology and will be a standard revision for each Blue Book.

A new methodology has been introduced for estimating the output of government education and social protection. This affects chained volume estimates for 1996 onwards.

Chained volume measures have also been affected by an improved allocation of central government consumption expenditure to ensure that the functional breakdown correctly reflects recent machinery of government changes. This affects chained-volume measures for 1996 onwards.

Changes for Blue Book 2005 were outlined in an ET Article: [Revisions to GDP planned for the 2005 Blue Book – Paul Cullinane, ET616 – January 2005](#)

[Link to Blue Book 2005](#)

## Blue Book 2006

### Key Points

- Industry review improvements to the short-term production measure for financial intermediaries, insurance, transportation, real estate and public administration
- Margin service charge included for securities and derivatives transactions from Bank of England data
- Improved estimates of consumption of fixed capital from 1948
- Reclassification of BBC and S4C from private non-financial corporations to central government

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

### SIC Used

SIC 2003

## Revisions to data

An analysis of revisions in current prices since last year's Blue Book is shown in Table B. The accounts have been fully re-balanced through the Input-Output Supply and Use framework for 2003 and 2004. Revisions to current price series therefore generally commence in 2003 although there are a number of specific revisions to current price data for earlier years. As usual, the Blue Book dataset reflects new data. In particular, for 2004, information from the Annual Business Inquiry, from HM Revenue and Customs have been included in the dataset, together with a number of updated quarterly and initial annual survey results for 2005.

## Changes in Content

The main structural change introduced in this edition of the Blue Book is that the reference year for chained-volume levels series, expressed in £million or as indices, has been advanced from 2002 to 2003. The entire length of these levels series is affected by the re-referencing. Growth rates are affected for 2004 onwards; growth rates prior to 2004 are not affected by re-referencing. This re-referencing is a part of the annual chain-linking methodology and will be a standard revision for each Blue Book. The introduction of annual chain-linking for the estimation of real GDP is explained in Chapter 1 of this publication.

## Methodological Notes

Chained volume estimates of GDP are affected by the fact that the reference year for chained volume levels series, expressed in £ million or as indices, has been advanced from 2002 to 2003. The entire length of these levels series is affected by the re-referencing. Annual growth rates are affected for 2004 onwards; growth rates prior to 2004 are not affected by rereferencing. This re-referencing is a part of the annual chain linking methodology and will be a standard revision for each Blue Book.

As part of the ongoing programme of industry reviews contributing to the development of the Index of Services, methodological changes have been made across a range of service industries, affecting the chained volume measures of service industries' output. The industries affected include financial intermediaries, insurance, transportation, real estate and public administration.

Additionally an estimate of financial corporation service earnings derived from the margin between the transaction price and mid-market price have been included for the first time for transactions in securities and derivatives. The changes have been agreed with the Bank of England and affect exports and imports of services, the profits of financial corporations and to a lesser extent household expenditure.

Changes for Blue Book 2006 were outlined in an ET Article: [Revisions planned for the 2006 annual Blue Book, Pink Book and Input-Output analyses - Simon Humphries, ET 629, April 2006.](#)

[Link to Blue Book 2006](#)

# Blue Book 2007

## Key Points

- Blue Book process suspended due to modernisation of UK National Accounts

- Only change introduced was improved software investment data

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

## SIC Used

SIC 2003

## Revisions to data

An analysis of revisions in current prices since last year's Blue Book is shown in Table B. Estimates for private investment in own-account computer software have been revised back to 1970 reflecting the adoption of an improved methodology in accordance with the recommendations of Eurostat and the OECD.

## Changes in Content

Blue Book publication produced but with limited revisions.

## Methodological Notes

The new methodology is a supply-side approach whereby investment in own-account software is measured using the costs of production. This previous method was based on an historic demand-side survey, updated using assumptions about labour input, by sector. It was recognised, however, that these estimates were likely to understate the activity actually taking place.

In the absence of full supply and use balancing this year, however, the new estimates have been incorporated into the accounts using a simplified approach which does not involve a detailed allocation of the production of own-account software across industries. This simplification is possible because all three measures of GDP are affected equally, that is, it is a balanced revision. Thus GDP levels are revised up through additions to production (value added), income (gross operating surplus) and expenditure (gross fixed capital formation intangible fixed assets). This has been implemented at the aggregate level in years up to and including 2004 (revisions to the detailed industry breakdown of value added is not possible without supply and use balancing).

From 2005, however, a balanced implementation is not possible for Blue Book 2007. Whilst revisions have been made to the income and expenditure measures, these will not be automatically reflected in the production measure. This is because the quarterly production measure is constructed using volume indices which are aggregated using industry weights obtained from the supply and use balance in the base year (currently 2003). Since the supply and

use balance has not been updated to reflect the own account software change, neither have the weights. This will be addressed in Blue Book 2008.

The impact of the new methodology is to increase levels of current price GDP in all years back to 1970; the revision in 2006, for example, is £8.3 billion. The effect on GDP volume growth is less than 0.1 percentage points a year, although the effect on growth is not smooth over the period; increased growth during the 1990s is followed by more variable effects on growth since 2000.

For further background: a summary of the main findings of the OECD task force on computer software is presented in Ahmad (2003: Measuring investment in software, STI Working paper, OECD). ONS's implementation of this method is described by Chamberlin, Clayton and Farooqui (May 2007: New measures of UK private sector software investment).

Announcement on Blue Book 2007 plans were outlined in an ELMR Article: [Modernising the UK's National Accounts – Jon Beadle, ELMR Vol 1 No 4, April 2007](#).

[Link to Blue Book 2007](#)

## Blue Book 2008

### Key Points

- New Supply and Use system implemented on the new national accounts time series platform (CORD) introduced
- FISIM allocation (only pre-2004 revision)
- UK Bank imputed dividend payments, securities dealers improvements, shares held by non-residents

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

### SIC Used

SIC 2003

### Revisions to data

An analysis of revisions in current prices since last year's Blue Book is shown in Table B.



## Changes in Content

The main structural change introduced in this edition of the Blue Book is the introduction of a revised method for the allocation of 'financial intermediation services indirectly measured' (FISIM). Further information on this method can be found in Chapter one of this publication, and the data in table 1.8. In addition, this year has seen the reintroduction of annual supply and use tables in Chapter two after a temporary suspension in 2007 to allow for the first stage of National Accounts modernisation.

## Methodological Notes

This is the first Blue Book in which a revised methodology for the output of financial intermediation services indirectly measured (FISIM) has been included.

Financial Intermediaries (FIs) charge explicit commissions and fees for their services to their customers, as well as implicit ones by paying or charging different rates of interest to borrowers and lenders. FIs pay lower rates of interest than would otherwise be the case to those that lend them money, and charge higher rates of interest to those who borrow from them. The resulting receipts of interest are used to offset their expenses and provide an operating surplus. This is reflected by the action of the FIs observed on the market: they do not charge customers individually for services provided, but benefit from the implicit margin between their interest rates on lending and deposit business. However, in this situation, the national accounts must use an indirect measure of the value of the services for which the FIs do not charge explicitly called FISIM.

FISIM output generated by FIs is allocated between the various users of the service for which no explicit charges are made. Hence it is treated in national accounts as: intermediate consumption by businesses; final consumption by households, general government, and non-profit institutions serving households; and exports to non-residents.

There is also an estimate for imported FISIM, generated by the non-resident FIs, and allocated into intermediate and final consumption. To calculate FISIM output and allocate it into the user sectors, detailed sectorised interest and stocks data on loans and deposits are required. The FISIM output series generated by banks and building societies are compiled differently for each of the two time periods:

- From 1999 onwards, the FISIM series were compiled by the Bank of England using detailed data sourced from its own specially designed enquiries
- Before 1998, the series were compiled by ONS using detailed stocks data sourced from the Bank of England. The required interest data were derived from the effective interest rates used elsewhere in the National Accounts

The remaining FISIM output generated by the other financial intermediaries and the FISIM import series were compiled by ONS using the ONS enquiries and the Balance of Payment statistics data sources.

See Akritidis for a more detailed description of the methodology, an update and analysis of the results, and assessment of the impact of FISIM on GDP in both nominal and real terms. The data produced using these methods can be found in table 1.8 of this publication.

Apart from FISIM, the revisions to the aggregate GDP levels and growth from 2004 to 2006 follow the re-introduction of the supply use processes and the incorporation of annual benchmark survey estimates, especially the Annual business Inquiry. In Blue Book 2006, 2003 and 2004 were

balanced. In this year's Blue Book, 2004 has been re-balanced and 2005 and 2006 have been balanced for the first time. More details can be found in chapter 2 of this publication.

Update on the improvements to the national accounts and impact on the Blue and Pink Book were announced in: [Modernisation of the UK's National Accounts: progress and plans for Blue Book and Pink Book 2008 – Simon Humphries, ELMR Vol 2 No 6, June 2008](#).

[Link to Blue Book 2008](#).

## Blue Book 2009

### Key Points

- No changes due to continued modernisation of the national accounts

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

### SIC Used

SIC 2003

### Revisions to data

An analysis of revisions in current prices since last year's Blue Book is shown in Table B. The revisions to the aggregate GDP levels and growth from 2004 to 2007 are as a result of balancing of those years through the supply and use framework and the incorporation of annual benchmark survey estimates, especially the Annual business Inquiry. In this year's Blue Book, 2004, 2005 and 2006 have been re-balanced and 2007 has been balanced for the first time. More details can be found in chapter 2 of this publication.

There are no revisions to current price data before 2004. Chained volume estimates and index numbers have been updated as the reference year has been advanced from 2003 to 2005. This change has an impact on the entire time series for affected series although there are no significant changes to growth rates before 2004.

### Changes in Content

There are few changes to the structure in this edition of the Blue Book in comparison to last year. Following the introduction of a revised method for the allocation of 'financial intermediation services indirectly measured' (FISIM) in the 2008 edition an additional analyses has been included, Table 1.8C, showing the impact on D.41 interest transactions.

## Methodological Notes

No methodological changes made.

Main announcement was the progress on modernising the national accounts and the establishment of a new program and plans: [Update on ONS plans for improving the UK National Accounts – Robin Youll, ELMR Vol 3 No 9, September 2009](#).

[Link to Blue Book 2009](#)

## Blue Book 2010

### Key Points

- Introduced Average Weekly Earnings instead of Average Earnings Index

### Summary from Preface

No summary

### Sources & Methods

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

### SIC Used

SIC 2003

### Revisions to data

The revisions to the aggregate GDP levels and growth from 2006 to 2008 are as a result of balancing of those years through the supply and use framework and the incorporation of annual benchmark survey estimates, especially the Annual business Inquiry. In this year's Blue Book, 2006 and 2007 have been re-balanced and 2008 has been balanced for the first time. More details can be found in chapter 2 of this publication. There are no revisions to current price data before 2006.

Chained volume estimates and index numbers have been updated as the reference year has been advanced from 2005 to 2006. This change has an impact on the entire time series for affected series although there are no significant changes to growth rates before 2006.

### Changes in Content

While the structure in this edition of the Blue Book remains very close to last years publication, the reference year has been moved on one year, so that the latest base year for the chained volume measure of GDP is 2006.

## Methodological Notes

This was a limited Blue Book and the main point was flagging up the significant changes planned for 2011: [Plans for Blue Book 2010 – Glenn Everett, ELMR Vol 4 No 4, April 2010](#).

[Link to Blue Book 2010](#).

# Blue Book 2011

## Key Points

- Introduction of SIC 2007 and CPA 2008
- Replacement of RPI with CPI
- More harmonisation of deflator usage across the national accounts
- Improved data for derivatives
- Introduction of new data for child trust funds and social security administration
- Introduction of new suite of GDP systems on new time series platform (CORD)
- Introduction of X12-ARIMA for seasonal adjustment and forecasting

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

## SIC Used

SIC 2007

## Revisions to data

An analysis of revisions in current prices since last year's Blue Book is shown in Table B. The revisions to the aggregate GDP levels and growth from 1997 to 2009 are as a result of balancing of those years through the supply and use framework and the incorporation of annual benchmark survey estimates, especially the Annual Business Survey. In this year's Blue Book, 1997 to 2008 have been re-balanced and 2009 has been balanced for the first time. More details can be found in chapter 2 of this publication. Current price data have been revised from 1997. Chained volume estimates and index numbers have been updated as the reference year has been advanced from 2006 to 2008. This change has an impact on the entire time series for affected series.

## Changes in Content

While the structure in this edition of the Blue Book remains very close to last years publication, significant changes have been introduced; new industrial and product classifications (SIC 2007 and CPA 2008).

## Methodological Notes

New industrial and product classifications (SIC 2007 and CPA 2008), improved methods of deflation and some additional improvements, largely in improved methods for the Financial Services and planned revisions to data. The reference year has been moved on two years, so that the latest base year for the chained volume measure of GDP is 2008.

Note that the Blue Book did not set-out the main revisions as the changes were flagged up in a separate article published alongside: Methods Changes in the 2011 Blue Book – [Glenn Everett, Non-Journal Article, September 2011](#).

[Link to Blue Book 2011](#)

# Blue Book 2012

## Key Points

- Improved measurement of insurance to align with the ESA 1995 methodology

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

## SIC Used

SIC 2007

## Revisions to data

The revisions to the aggregate GDP levels and growth from 1987 to 2010 are as a result of an improved method for the measurement of insurance services, balancing of those years through the supply and use framework and the incorporation of annual benchmark survey estimates, especially the Annual Business Survey. In this year's Blue Book, 1997 to 2009 have been re-balanced and 2010 has been balanced for the first time. More details can be found in chapter 2 of this publication. Current price data have been revised from 1987.

Chained volume estimates and index numbers have been updated as the reference year has been advanced from 2008 to 2009. This change has an impact on the entire time series for affected series.

There are also revisions resulting from the incorporation of new data, replacement of forecasts and improvements to seasonal adjustment. There may also be small revisions resulting from the implementation of minor processing improvements following the previous Blue Book publication.

## Changes in Content

The structure in this edition of the Blue Book remains very close to last years publication. Although the publication moved from a proper desktop publishing document to a simplified format.

## Methodological Notes

The significant methodological change that has been introduced relates to the measurement of insurance services. The previous methodology did not fully reflect conventions set out in ESA95. The new method fully complies with ESA95 and Eurostat Task Force guidance. The new series are fully on an accruals basis for both life and non-life insurance services, and incorporate reinsurance services for the first time. The series are calculated using regulatory Financial Services Authority (FSA) and Lloyd's of London syndicate information. Additionally, the reference year has been moved on one year, so that the latest base year for the chained volume measure of GDP is 2009.

[Link to Blue Book 2012](#)

# Blue Book 2013

## Key Points

- Public Sector Finances and National Accounts reconciliation
- overseas deposits of private non-financial corporations
- Supply and Use Table quality improvements
- Bonds
- Imputed rental improvements for housing
- Gross fixed capital formation improvements: Own-account software mark-up and Artistic Originals
- Blue Book PDF withdrawn

## Summary from Preface

No summary

## Sources & Methods

Consistent with [Sources & Methods 1998 \(4<sup>th</sup> Edition\)](#)

United Kingdom National Accounts: Sources and Methods Fourth edition 1998

## SIC Used

SIC 2007

## Revisions to data

No section included

## Changes in Content

Published Blue Book included tables only – the rest of the Blue Book was made available as web only.

## Methodological Notes

The 2013 edition of Blue Book incorporates a number of methodological, classification and other changes. These include improved estimation of:

- gross fixed capital formation (Own-account software mark-up and Artistic Originals)
- imputed rental of owner occupiers,
- overseas deposits of private non-financial corporations,
- bonds.

Blue Book 2013 also includes improved alignment of the national accounts with the public sector finances. In addition, the latest base year and reference for chained volume estimates have been moved forward by one year to 2010 so that the estimates better reflect the industrial structures and prices currently seen in the economy.

[Link to Blue Book 2013 tables.](#)

[Link to Blue Book 2013 webpage](#) with full information.

# Blue Book 2014

## Key Points

- Major revision to the national accounts, balance of payments and government finance statistics through implementing the new ESA 2010, BPM6 and GFS standards
- This was accompanied by an overhaul of the EU Transmission Programme for dissemination of economic statistics and the introduction of SDMX as a file standard
- A number of ESA 1995 reservation improvements were also introduced
- Improvements to the measurement of gross fixed capital formation and inventories
- Rebasing of producer prices to 2010 (from 2005)

## Summary from Preface

No summary



## Sources & Methods

National Accounts no longer consistent with previous Sources and Methods and no update is available on an ESA 2010 basis.

## SIC Used

SIC 2007

## Revisions to data

No section included

## Changes in Content

In Blue Book 2014, there were noticeable changes to table layouts, the addition of new time series data and the removal of others, and changes to some series identifiers.

## Methodological Notes

Changes required under international standards and guidelines; European System of Accounts 2010 (ESA 2010); Balance of Payments Manual 6 (BPM6) and the updated Manual on Government Deficit and Debt.

Changes from ensuring comparability in measuring Gross National Income (GNI) across European Union countries.

Other changes to meet user needs, including implementing the review of public sector finances, improved methods for inventories and gross fixed capital formation; updating the latest base year and reference year from 2010 to 2011; Producer Price Index and Services Producer Price Index rebasing from 2005 to 2010.

Link to page holding [full list of articles](#) published in build-up to Blue Book 2014

[Link to Blue Book 2014 tables.](#)

[Link to Blue Book 2014 webpage](#) with full information.

# Blue Book 2015

## Key Points

- ESA95 GNI Reservations (including exhaustiveness, cross-border property income, vehicle registration tax, treatment of roads, repairs and maintenance of dwellings)
- Public sector classification changes
- Methodological improvements to the estimation of Capital Stocks and Consumption of Fixed Capital for Blue Book 2015
- Methodological improvements to GFCF

## Summary from Preface

No summary

## Sources & Methods

National Accounts no longer consistent with previous Sources and Methods and no update is available on an ESA 2010 basis.

## SIC Used

SIC 2007

## Revisions to data

Revisions throughout the published time series are as a result of implementing the changes above in Blue Book 2015. Revisions between 1997 and 2010 were due to methods changes, whilst the years 2011 to 2013 were fully open for revision to allow the incorporation of new data from sources such as the Annual Business Survey.

## Changes in Content

No changes noted.

## Methodological Notes

### *Gross National Income Reservations on an ESA1995 basis*

Improvements will be made to address a number of UK-specific reservations and transversal reservations. Transversal reservations highlight inconsistencies in treatment between member states or detail areas in which all member states need to make improvements.

The UK-specific and transversal reservations that ONS will address in Blue Book 2015 are as follows:

UK-specific;

- The estimation of consumption of fixed capital on roads, bridges, etc and road renewals
- The measurement of minor and major repairs and maintenance of dwellings by owner occupiers

Transversal;

- The measurement of cross border income
- The recording of vehicle registration tax

### *Classification changes*

ONS has an ongoing responsibility to classify units to the correct sector based on a set of rules. Often these classifications are straightforward and can be routinely incorporated into the accounts and most reclassifications relate to cases where a unit switches from the private to the public sector or vice versa. Under the new ESA2010 international standards, classification changes are planned to be incorporated into the National Accounts in Blue Book 2015 as follows:

- Re-classification of Network Rail from the Private Non-Financial Corporations sector to become a Central Government body
- Re-classification of most of the subsidiaries of Transport for London from the Public Corporations sector to Local Government
- Re-classification of 3G/4G phone spectrum sales from an asset transaction into a rent transaction
- A change to the treatment of payable tax credits so they form part of government expenditure
- A change to the treatment of payments made from national government to Multilateral Development Banks (MLDBs).

### **Other Methodological changes**

#### **a) Gross Fixed Capital Formation (GFCF) changes:**

As announced in the article [Investment - Impact Analysis of Changes to the Estimation of Gross Fixed Capital Formation and Business Investment](#) published on 30 September, 2014, ONS has reviewed the price index used to deflate the GFCF software asset. After consultation with external and internal experts and users regarding the current method used, ONS will implement the use of a price index for pre-packaged software from the US, adjusted using purchasing power parity. ONS will consider whether, in the longer term, a UK purchased software price index can be developed.

Removal of an element of the costs associated with the transfer of non-produced assets; in Blue Book 2014, and previously, estimates of investment in buildings included a component of costs associated with the transfer of land.

#### **b) Base year and reference year changes:**

In order for estimates to better reflect the changing industrial structures and prices in the economy, it is planned that the last base year and reference year for chained volume estimates will be moved forward by one year, from 2011 to 2012, in Blue Book 2015 and Pink Book 2015.

Changes [article](#) published in January 2015.

Link to page holding [full list of articles](#) published in build-up to Blue Book 2015

[Link to Blue Book 2015 webpage](#) with full information.

## **Blue Book 2016**

### **Key Points**

- Improvements to imputed rentals of owner-occupied dwellings
- VAT fraud
- Additional detail published for non-market output
- Improved benchmarking functions (introducing Cholette-Dagum method)
- Reconciliation between the Public Sector Finance statistics and the National Accounts
- A minor improvement to the methodology used in estimating illegal activities
- Public Sector classification changes introduced into the national accounts
- Incorporation of a methodology change made by HM Revenue & Customs for the import and export of gas
- Industry review changes for the water transport industry and post and courier industry

## Summary from Preface

No summary

## Sources & Methods

National Accounts no longer consistent with previous Sources and Methods and no update is available on an ESA 2010 basis.

## SIC Used

SIC 2007

## Revisions to data

Revisions throughout the published time series are likely as a result of implementing any changes. Revisions between 1997 and 2011 will be mainly due to methods changes, whilst the years 2012 to 2014 will also be fully open for revision to allow the incorporation of new data from sources such as the Annual Business Survey.

## Changes in Content

No changes

## Methodological Notes

### *Key Methodological improvements*

- a) Data sources and methodology used in measuring the estimates for imputed rental.
- b) Introduction of a method for calculating explicit adjustments for VAT fraud.
- c) The sub-division of non-market output (P.13) into:
  - P.131: payments for non-market output (which consists of various fees and charges),
  - P.132: non-market output, other (which is output provided for free at point of consumption),
  - and consequent reclassification of certain sales and fees income received by Government and Non-Profit Institutions Serving Households (NPISH) from market output (P.11) to the new payments for non-market output (P.131) transaction.
- d) The classification and recording of social transfers in kind market production (transaction D.632) for the first time. This is government purchases of goods and services delivered directly to households by the market producer (for example prescription medicines).
- e) Implementation of improved functionality for benchmarking purposes throughout the National Accounts.
- f) Transition from output at purchaser's prices to basic prices. This will have no impact on data but will lift the final GNI reservation on an ESA95 basis.

g) Base year and reference year changes. In order for estimates to better reflect the changing industrial structures and prices in the economy, it is planned that the last base year and reference year for chained volume estimates will be moved forward as part of the regular production process.

Please note that points c and d above will mean that non-market output (P.13) will no longer equal final consumption expenditure (P.3) for the Government and NPISH sectors. Instead other nonmarket output (P.132) will equal final consumption expenditure (P.3) less social transfers in kind (D.632). These changes will also give rise to some other changes in the identities used for nonmarket producers in the National Accounts' publications. Data users may therefore need to update their own models correspondingly.

### **Other improvements**

- Continued reconciliation between the Public Sector Finance statistics and the National Accounts,
- A minor improvement to the methodology used in estimating illegal activities,
- Implementing the Transport for London classification changes into the estimates for Capital Stocks and thereby capital consumption,
- Re-classification of London Continental Railway to the Public Corporations sub-sector from Central Government,
- Inclusion of the London Crossrail Business rates supplement,
- Incorporation of a methodology change made by HM Revenue & Customs for the import and export of gas,
- Industry review changes for the water transport industry and post and courier industry.

Link to [article](#) announcing scope of Blue Book 2016.

[Link to Blue Book 2016.](#)

## **Blue Book 2017**

### **Key Points**

- Actual rental and imputed rental improvements
- GFCF improvements
- Separating estimates for the households and non-profit institutions serving households sector
- Unfunded public sector pensions methodology review
- Improvement to illegal activities
- Revised estimates of exhaustiveness and concealed income adjustment
- Revised estimates of Value Added Tax fraud
- BBC data update
- Public sector finances alignment

### **Summary from Preface**

No summary

## Sources & Methods

National Accounts no longer consistent with previous Sources and Methods and no update is available on an ESA 2010 basis.

## SIC Used

SIC 2007

## Revisions to data

No section

## Changes in Content

We have included the “Revaluation account” and the “Other changes in volume account”. This has led to the renumbering of some tables to ensure that the sequence of accounts set out in the European System of Accounts 2010 can be maintained. This has resulted in the financial balance sheets in Chapters 1 and 3 changing their last digit from previously published .9 to .11.

The new table numbering system for Chapters 3, 4, 5, 6 and 7 is as follows.

- .9 - Other changes in volume of assets account
- .10 - Revaluations account
- .11 - Financial balance sheets
- All other tables remain unchanged.

For more detailed information surrounding these changes please see [Impact of method changes to the national accounts and sector accounts: Quarter 1 1997 to Quarter 2 2017](#)

## Methodological Notes

### *Actual rental and imputed rental*

The new approach for private actual rentals brings consistency with the [methods for imputed rentals introduced in Blue Book 2016](#). It also removes the discontinuity in the current price data at 2010, which was due to an interim solution in place since Blue Book 2014. As part of the process of bringing the sources and methods for private actual rentals into line with imputed rentals, we identified and implemented some further improvements to imputed rentals.

### *Improvements to the recording of GFCF*

Following a quality review of software in gross fixed capital formation (GFCF), analysis has shown that elements in the estimates of purchased software – a component of intellectual property products (IPP) – have been double-counted from 2001; this change removes the double-counted element.

The IPP asset will also be impacted as a result of updated data for entertainment, literary or artistic originals.

The recording of transfer costs has also been improved through the use of updated House Price Index (HPI) data and the inclusion of transfer costs (fees and taxes) associated with the buying and selling of players in the sports industries.

### ***Other GDP-impacting improvements include:***

- impacts from separating estimates for the households and non-profit institutions serving households sector
- unfunded public sector pensions methodology review
- improvement to illegal activities
- revised estimates of exhaustiveness and concealed income adjustment
- revised estimates of Value Added Tax fraud
- BBC data update
- public sector finances alignment

This Blue Book also includes a range of improvements to the sector and financial accounts. The largest have been separating the households and non-profit institutions serving households (NPISH) accounts; improving the data sources, especially for dividend income of the self-employed; introducing the new securities dealers survey data and methods; and improving the treatment of corporate bonds, shares and dividends methods and data sources.

[Impact analysis article](#) – contains links to other relevant articles for Blue Book 2017.

[Link to Blue Book 2017](#)

## **Blue Book 2018**

### **Key Points**

- Net spread earnings improvements
- Gross fixed capital formation – purchased software
- Pension schemes enhancements
- Trade in Goods processing system improvements

### **Summary from Preface**

No summary

### **Sources & Methods**

National Accounts no longer consistent with previous Sources and Methods and no update is available on an ESA 2010 basis.

### **SIC Used**

SIC 2007



## Revisions to data

No section

## Changes in Content

No changes noted

## Methodological Notes

The main gross domestic product (GDP) impacting improvements implemented to the Blue Book 2018 are as follows.

### *Net spread earnings*

Some companies make a return by trading in financial assets. They buy assets at a price that is typically lower than the prevailing market price and sell them at a price that is typically above the market price. These margins (or differences) together are referred to as net spread earnings (NSE). In the national accounts, NSE are considered to be the value of the production and income associated with this trading. NSE do not include the income that comes from the ownership of these assets (that is, dividends), therefore, estimates for this aspect are unaffected by this change.

Since its introduction in 2004, the Bank of England has collected NSE generated from trading in foreign exchange, securities and derivatives using its profit and loss (PL) form. This collection of NSE has proved challenging as the reporting units are not required to report under financial regulations. The closest concept is trading profits, which encompasses other types of income alongside NSE. The Bank of England has recently emphasised the importance of these data and targeted some of the main reporters to ensure that NSE are correctly reported. This has led to more comprehensive coverage and revisions to our estimates.

### *Gross fixed capital formation – purchased software*

A change was made in Blue Book 2017 to correct the estimation of elements of purchased software, which were being double-counted from 2001 onwards, along with discrepancies in the modelled data prior to 2001. During further quality assurance, we have identified that this adjustment did not fully address the issue and an additional amendment to other machinery and equipment, and information and communication technology (ICT) equipment is required. Purchased software is unaffected by this additional amendment.

### *Pension schemes*

Improvements have been made to the data and methods used to calculate figures for funded public sector employee pensions in the financial corporations sector, where the employer or “pension manager” is in local government or central government. These changes follow on from decisions made by our Economic Statistics Classification Committee and improve the method for calculating employer-imputed social contributions, as defined in the European System of Accounts 2010: ESA 2010.

Employer-imputed social contributions reflect any shortfall in actual contributions received as well as possible experience effects, where the outcome differs from the modelling assumptions. The improved method will calculate employer-imputed social contributions to funded defined benefit pension schemes as a residual after accounting for balances, transactions and other flows

on an actuarial basis, whereas the current method involves modelling them as a percentage of wages and salaries.

As a result of these changes the estimate of compensation of employees (D.1) has changed. This affects the current price value of government output, of which compensation of employees (D.1) is a component. The majority of government output is provided free of charge or sold at economically insignificant prices and is therefore valued by summing the costs of production.

The estimate of the pension scheme service charge (D.61SC) has also changed. This affects market output (P.11) for the financial corporations (S.12) sector.

### ***Trade in goods processing systems***

As outlined in the [UK Trade Development Plan](#), a new processing system for trade in goods data has been developed. The new system has been built to provide faster and more streamlined processing for the monthly UK Trade statistics, as well as the production of quarterly and annual trade statistics for other national accounts publications. This will enable more detailed analysis of trade statistics. In particular, the new trade in goods system will provide more granular data for analysis – commodity by country on a balance of payments basis. The system will also be flexible to support future improvements to methods and data sources. A summary on [UK trade data impact assessment from new developments, 1997 to 2016](#) was published on 8 May 2018.

The new system produces more detailed statistics and, in aggregate, the impact on GDP and net trade compared with the previous system is generally small. There is some impact at the more detailed level, and to gross imports and exports. These changes arise mainly from processing data at a more granular level, but also a review of historical national accounts conceptual adjustments. Further details were published in the article [UK Trade data impact assessment from new developments](#) on 8 May 2018.

### ***Other improvements***

Smaller improvements, impacting both GDP and sector and financial accounts include:

- Motor Vehicle Duty
- government alignment
- Reclassification of Rail for London, moved from local government to public corporations, effective from April 2011

There are also some smaller changes which only impact sector and financial accounts, these include:

- Corporation Tax
- listed shares change
- other households, and non-profit institutions serving households (NPISH) improvements

Reclassification of Housing Associations, registered social landlords and housing associations in [Scotland, Northern Ireland and Wales](#) ("devolved housing associations") from the private non-financial corporations sector to the public corporations sector. This reclassification is effective from July 2008.

[Blue Book 2018 Scope Article](#)

[Link to Blue Book 2018](#)

# Blue Book 2019

## Key Points

- Balancing of current price and volume estimates through the SUTs framework for the first time
- Use of a wider set of more appropriate product deflators for each transaction
- Full integration of institutional sectors into the balancing process of the supply and use tables (SUTs) framework
- Improvements to data sources to give information on the diversification of the services economy and the costs incurred by businesses through the introduction of the Annual Survey of Goods and Services and the reintroduction of the Annual Purchases Survey
- Range of other methods improvements set-out below

## Summary from Preface

No summary

## Sources & Methods

National Accounts no longer consistent with previous Sources and Methods and no update is available on an ESA 2010 basis.

## SIC Used

SIC 2007

## Revisions to data

No section

## Changes in Content

No changes noted

## Methodological Notes

Considerable progress has been made in improving how we compile estimates of gross domestic product (GDP), where we have used the foundations of the “H-Approach” to inform headline GDP estimates in this Blue Book. This progress includes:

- a wider set of more appropriate product deflators for each transaction
- full integration of institutional sectors into the balancing process of the supply and use tables (SUTs) framework
- improvements to data sources to give information on the diversification of the services economy and the costs incurred by businesses through the introduction of the Annual Survey of Goods and Services and the reintroduction of the Annual Purchases Survey

## ***New, improved data sources***

The Annual Survey of Goods and Services, which estimates the goods and services produced by each industry, providing a more complete picture of output by product.

The Annual Purchases Survey, which identifies the purchasing patterns of businesses through the collection of information about their expenditure on energy, services, goods and materials that are used up or transformed by the business activity.

## ***Methods improvements***

### Capital stocks

Improvements have been introduced to the estimation of capital stocks and therefore the consumption of fixed capital (CFC), which include:

- a review of the life length of fixed assets, delivering improved consistency with the approach taken in other countries
- improvements to the classification of stocks by asset, industry and the institutional sector
- implementation of hyperbolic age-efficiency, where an asset loses little of its productive value in the early years of its life but loses much more of this value as it nears the end of its life length

### Change in inventories

This is now calculated on an industry by product basis allowing for a more accurate estimate to be produced. Deflation is now carried out on a product by asset basis for the first time, rather than at industry level. Comparisons between estimates produced from inventories against output measured from other sources have been made resulting in mismatches being identified and addressed, such as the removal of inventories work-in-progress from the services industries.

### Research and development

Expenditure on research and development (R&D) is capitalised as a fixed asset in the UK National Accounts. More up-to-date survey returns, mostly affecting 2013 onwards, have been taken on in this Blue Book to better align the measures across the national accounts so that R&D is treated as a fully balanced concept. More consistent treatment across all components when calculating the sum-of-costs for non-market sectors has also been applied.

### Value Added Tax

We have collaborated with HMRC and HM Treasury to review the recording of estimates of Value Added Tax (VAT) refunds within the national accounts. This has improved the recording of refunds associated with the NHS, academies, the BBC and police commissioners; resulting in an increase in the value of government final and intermediate consumption and the sum-of-costs output of government. As this tax is recorded as income and expenditure for both local government and central government respectively, any updates to VAT refunds data have no impact on general government net borrowing.

### Trade

Improvements implemented in the Blue Book 2019 have led to revisions to current price and volume estimates of gross trade flows. These include the following areas:

- Estimates of the handling of intragroup transactions between resident and non-resident companies, which are part of the same group entity. Intragroup fees include those that relate to investment banking, advisory, brokerage, underwriting, insurance, loans and advances, while intragroup cost recharges are applied when the costs of a centrally

managed service are allocated and charged to each group entity. Whilst transactions between UK institutions have been captured in the income and output measures of GDP, transactions between residents and non-residents will now be captured accordingly within trade in services for the first time.

- Improvements to the adjustments applied so that trade in goods estimates are consistent with the balance of payments. HM Revenue and Customs (HMRC) records the physical movement of goods in and out of the UK. However, for the purposes of the balance of payments, adjustments need to be applied so that they are on a change of economic ownership basis.
- Updating the method to produce the price index used to deflate fuel for trade, to incorporate more comprehensive granular information and so provide a more accurate estimate of the volumes of each commodity traded on an import and export basis.
- Improvements to how deflation is carried out for trade in services, which will better capture the currency mix of those transactions that are carried out in a foreign currency.

#### A new framework for gross domestic product

Historically, in the UK National Accounts, volume estimates of GDP have been produced using the expenditure approach to deflate nominal GDP. As part of our wider transformational programme, a new framework will be fully implemented over the coming years with the improvements made in the Blue Book 2019 being the first major step in our journey to inform how real GDP estimates are produced. These improvements will deliver several benefits, which include:

- more emphasis on data confrontation in the balancing of current price and volume estimates through the SUTs framework
- identifying the best deflator at a product level for each transaction in the UK National Accounts from those deflators that are currently available
- introduction of institutional sector accounts into the SUTs framework, allowing this information to feed into the balancing process
- the provision of an integrated framework for identifying the main areas for further development

[Blue Book 2019 scope article](#)

[Link to Blue Book 2019](#)

## Blue Book 2020

### Key Points

- Professional fees improvements in gross fixed capital formation
- Financial intermediation services indirectly measured (FISIM) improvements to other financial intermediaries
- Introduction of chain-linking of business prices and improvements to trade data in the national accounts

### Summary from Preface

No summary

## Sources & Methods

National Accounts no longer consistent with previous Sources and Methods and no update is available on an ESA 2010 basis.

## SIC Used

SIC 2007

## Revisions to data

No section

## Changes in Content

No changes noted

## Methodological Notes

Several important methodological improvements have been incorporated into Blue Book 2020, impacting on current price and volume estimates of gross domestic product (GDP) as well as the sector and financial accounts and the balance of payments. The main improvements are in the areas of professional fees, financial intermediation services indirectly measured (FISIM), the chain-linking of business prices and improvements to trade data.

Further information about these improvements, and their associated data impacts, is available in Impact of Blue Book 2020 changes on current price and volume estimates and GDP and Detailed assessment of changes to sector and financial accounts, balance of payments and quarterly GDP: 1997 to 2018.

### ***Professional fees in gross fixed capital formation***

Gross fixed capital formation (GFCF) refers to the acquisition less disposals of fixed assets and includes the costs of ownership transfer of those assets. In Blue Book 2020, we have reviewed how we estimate the professional fees element of transfer costs, particularly those that relate to the purchase and sale of residential and non-residential buildings.

### ***Residential buildings***

We previously estimated the professional fees associated with residential buildings using a fixed proportion of the total expenditure on these buildings, taking the average property price in a given year and the number of transactions to estimate the total expenditure, of which we took a fixed proportion as referring to professional fees. In Blue Book 2020, we have incorporated direct estimates of these professional fees to help create a proportion that changes over time. This reflects information that is available from other government sources, price comparison websites and industry surveys to capture the expenditure on each component of residential professional fees. These include those fees for estate agents, conveyancing, home surveys, local authority searches and energy performance certificates (EPCs). This proportion will then be applied to the

total expenditure on residential properties to estimate the total amount spent on professional fees.

### ***Non-residential buildings***

There are numerous estimation challenges for professional fees on non-residential property as there is no complete information available on these property transactions or average property prices. We only currently have an estimate for “land fees”. As part of this year’s Blue Book, we have taken on improved estimates of these professional fees, with which we are able to calculate a proportion for non-residential properties. This covers a similar scope of transfer costs for non-residential properties – for example, estate agents and conveyancing. Data are only available for 2018, so we have produced a backcast series based on information for residential buildings.

### ***Financial intermediation services indirectly measured***

Financial intermediaries explicitly charge commissions and fees to their customers, but there is also an implicit charge on these financial services, which reflects the interest margin. Financial intermediaries generally pay lower rates of interest to those that lend them money and charge higher rates of interest to those who borrow from them. Financial intermediation services indirectly measured (FISIM) is then calculated as the difference between these effective rates of interest payable and receivable and a “reference” rate of interest, which is a proxy of the pure cost of borrowing funds.

As part of Blue Book 2020, we have improved our estimates of FISIM in relation to other financial intermediaries (OFIs), a subsector of the financial sector. This incorporates updated estimates of loans to consumers collected by the Financial Services Survey (FSS) and loans secured on dwellings collected by the Bank of England survey to specialist mortgage institutions. We have also replaced the inter-bank reference rate that is used as a proxy for the cost of borrowing by OFIs. A new OFI-specific reference rate has been used, leading to improved estimates of margins. This has revised FISIM estimates produced by OFIs, including mortgage lenders and other credit grantors that charge an implicit margin on loans. It has also led to revised estimates of the consumption of FISIM by households.

### ***Chain-linking***

Chain-linked business prices have been implemented in Blue Book 2020 in line with international best practice and to improve consistency with other price indices such as the Consumer Prices Index (CPI). This was previously announced as part of a consultation and is a significant improvement to the weighting and linking of business inflation statistics, which include Producer Price Index (PPI), Export Producer Price Index (EPI), Import Producer Price Index (IPI) and Services Producer Price Index (SPPI). The implementation of chain-linking is recommended by Eurostat (PDF, 2.21MB), to ensure international comparability, as the weighting structures are updated more frequently. As such, these are more representative of the structure of the UK economy and any changes that take place over time. We also reflect some additional changes to our methods to support the implementation of chain-linking.

GDP is initially measured in current prices, with estimates valued in the prices of the period when the activity occurred. It is then deflated to remove the effects of price changes to give volume GDP, specifically using the expenditure approach to set the annual level of volume GDP. The implementation of chain-linked business prices has therefore had an impact on how we produce volume estimates of GDP, given how these improvements will impact upon our range of expenditure deflators. There is also an impact upon our current price estimates of GDP, as there are instances in which we use price estimates to reflate our volume estimates to produce our



current price estimates. For example, within our inventories' estimates, current price acquisitions and disposals of stock are calculated using volume estimates and deflators.

### ***Trade including disbursements***

We have continued to develop UK trade statistics as set out in the trade development plan, and we have introduced further improvements as part of the Blue Book 2020. This includes new data sources for road freight transport and the addition of cabotage, the transport of goods or passengers between two places in the same country by a transport operator from another country and cross trades to exports of freight services for the first time. For rail freight, we have updated tonnage information for the Eurotunnel and Northern Ireland to Republic of Ireland border along with updated cross-border freight rates. For air freight, data from the Civil Aviation Authority have been added so that existing financial data received from airports and airlines can be grossed up in a more representative way, which will better reflect fluctuations in the industry.

The majority of UK travel is collected via the International Passenger Survey (IPS) via air and seaports around Great Britain and Northern Ireland. However, no form of surveying takes place over the land border between Northern Ireland and the Republic of Ireland; therefore, "pseudo estimates" are currently used to compensate for this. The pseudo estimates have been re-calculated using data from the Northern Ireland Statistics and Research Agency's (NISRA's) Northern Ireland Passenger Survey (NIPS) and Continuous Household Survey (CHS) as well as the Central Statistics Office's (CSO's) Household Travel Survey (HTS).

In addition to these changes, trade in services has also been revised through the annual reconciliation of the three approaches to GDP: income, output and expenditure, enabling a single estimate of GDP to be determined through the production of supply and use tables.

### ***Public sector finances alignment***

Data published in the UK public sector finances (PSF) are not fully consistent with the core UK National Accounts. The differences between the outputs have existed for many years and are the result of different revisions policies in the UK National Accounts and the PSF, the former being revised less frequently because of the added complexity and integrated nature of the UK National Accounts, which need to balance across all sectors of the economy and not just the public sector.

While ensuring that the PSF reflects the most up-to-date picture of government finances, we regularly compare this with the UK National Accounts and seek to improve alignment where possible. On 30 September 2019, we published analysis that highlights the largest sources of differences between the PSF and national accounts measurement of net borrowing. These tables will be updated on 30 September 2020 to show the differences existing between the quarterly national accounts, published on 30 September 2020, and PSF, published on 25 September 2020. Please also see Alignment between PSF and national accounts.

### ***Other changes***

- Further improvements to the collection of non-monetary gold have been introduced building on previous work to improve its measurement.
- Having identified that our GFCF estimates did not previously cover higher education institutions, so we have benchmarked our GFCF estimates for Standard Industrial Classification (SIC) 85 – Education to those of the Office for National Statistics's (ONS's) Annual Business Survey (ABS).
- An improved sector allocation of data series on Securities Dealers introduced in Blue Book 2017 has been implemented, following a detailed review of survey responses.

- The balance of payments uses data from the quarterly and annual foreign direct investment (FDI) surveys; in the short term, the quarterly survey is used within the balance of payments, before later being revised when the more comprehensive annual survey data become available, known as the FDI benchmark process; this benchmark process is an annual reconciliation between the quarterly and annual surveys used in the production of FDI data.
- In line with usual practice, updated data sources have also been introduced, including pension data changes that replace a mixture of forecasts and imputations from 2016 onwards.

[Blue Book 2020 Scope Article](#)

[Link to Blue Book 2020](#)

## Blue Book 2021

### Key Points

- Produced volume estimates of GDP in the supply and use table (SUT) framework for the first time
- This includes the first published estimates of double deflation along with improved reconciliation of current price and volume estimates
- Improved data from the Financial Services Survey
- Removal of historic link factors and improvements to household expenditure exhaustiveness
- Improvements to estimates of freight services for trade in services
- Introduced improved telecoms deflator which includes data on business-to-consumer sales, broadband and mobile data
- Improvements to the measurement of valuables
- Improvements to pension fund balance sheets

### Summary from Preface

No summary

### Sources & Methods

National Accounts no longer consistent with previous Sources and Methods and no update is available on an ESA 2010 basis.

### SIC Used

SIC 2007

### Revisions to data

No section

## Changes in Content

No changes noted

## Methodological Notes

Several important methodological improvements have been incorporated into Blue Book 2021, impacting on current price and volume estimates of gross domestic product (GDP) as well as the sector and financial accounts and the balance of payments. The main improvements are in the areas of volume estimates of GDP, double deflation, the financial services sector and household expenditure.

Further information about these improvements, and their associated data impacts, is available in Impact of Blue Book 2021 changes on current price and volume estimates and GDP, Detailed assessment of changes to institutional sector accounts: 1997 to 2019 and Detailed assessment of changes to balance of payments annual estimates: 1997 to 2019.

We have produced volume estimates of GDP in the supply and use table (SUT) framework for the first time, including the first published estimates of double deflation along with improved reconciliation of current price and volume estimates. SUTs are used to set the annual current price level of GDP, linking industry outputs, inputs, and gross value added (GVA). In Blue Book 2021, these annual SUTs have been used to compile volume estimates of GVA, which enables us to implement double deflation. This is recognised as the best approach for producing volume estimates of GVA (that is output minus intermediate consumption). Further detail is available in Double deflation methods and deflator improvements to UK National Accounts: Blue Book 2021.

## Financial Services Survey

Continued improvement is being made to the quality of estimates for financial services using information from the Financial Services Survey (FSS), including the output and intermediate consumption of other financial institutions and financial auxiliaries. This involves implementation of new estimates on fees and commissions for industries K64 (financial service activities, except insurance and pension funding) and K66 (activities auxiliary to financial services and insurance activities). This real survey data replaces the previously extrapolated data used in the national accounts. With the introduction of the FSS data, we have taken this opportunity to review and improve our national accounts balancing adjustments applied across all transactions, including those indirectly impacted.

## ***Removal of historic link factors and improvements to household expenditure exhaustiveness***

In the early 2000s, the Living Costs and Food Survey (LCF) and Annual Business Survey (ABS) went through significant changes, so link factors were introduced to remove structural breaks in the historical estimates. With more recent survey estimates having been collected, these link factors are no longer required. Blue Book 2021 implements the removal of these adjustments, whereby data prior to the early 2000s are modified to align to current levels. This has led to a reduction in national accounts balancing adjustments and improved alignment for the expenditure approach to GDP, leading to revisions to household expenditure on various products. To achieve improved exhaustiveness of household expenditure, Blue Book 2021 includes uplifts to account for diary fatigue in the LCF, and ABS-sourced retail sales by non-retail businesses. It also includes methods

changes to estimates of household spending on machine and remote gambling, and maintenance and repair of major durables.

### **Trade**

We have implemented improvements to estimates of freight services in recent years for all modes of transport excluding sea freight. In Blue Book 2021 we have reviewed and replaced outdated estimates of sea freight data with Vessels Value data and UK Chamber of Shipping data. Other changes impacting trade include improved estimates on transactions of second-hand ships, and new methods of approximating the import and export adjustments for ship repairs. The changes also include improved methodology for calculating disbursements in the UK by foreign operators.

### **Deflators**

The telecoms deflator has been updated to include data on business-to-consumer sales, broadband and mobile data. This captures the effect of bundling of services, tackles the under-representation of internet services, and improves the handling of access charges, leading to new estimates of price changes within telecommunications. We have also implemented improvements to the clothing deflator, impacting the retail sales index and household expenditure.

### **Valuables**

There are several changes to measuring valuables, for example, improving sources, sector allocation and deflation. Imports and exports of valuables are sourced from HM Revenue and Customs (HMRC) data (now identified at a more granular level of product). Imports and exports of non-monetary gold are supplied by the Bank of England. Valuables now include acquisitions of domestically produced valuables such as art, jewellery, and coin.

Costs associated with the transfer of valuables from one unit to another are now included and measured as follows:

- distributors' trading margins – using Annual Business Survey (ABS) data from retailers to determine margins made on sale of valuables
- commission paid – using a mix of ABS and web-scraped auction house data, estimating the number of valuables sold and their total value
- taxes - standard VAT rates for imported and domestic items are used unless VAT exemption applies

### **Pension funds balance sheets**

From Blue Book 2021, the new Financial Survey of Pension Schemes (FSPS) will be the data source used to calculate the Defined Contribution (DC) pensions element of pension entitlements. The FSPS data provides an improved coverage of DC, as it includes DC parts of hybrid schemes and very small schemes, unlike The Pension Regulator (TPR)'s publication DC Trust which is currently used to compile these liabilities. FSPS data are used for 2019 and onwards, with a revised historical series back to 1997.

### **Other changes**

For Blue Book 2021, methods are being introduced to improve the coherence in the calculations of debt securities in the Household and non-profit institutions serving households (NPISH) sectors and data are being taken on from the Office for National Statistics' (ONS') Wealth and Assets Survey, for households' stock holdings of:

- debt securities (for example bonds) issued by UK government and by UK corporations

- debt securities issued by the rest of the world
- shares issued by the rest of the world
- shares issued by UK mutual funds

[Blue Book 2021 Scope Article](#)

[Link to Blue Book 2021](#)

## Annex A. Volume GDP

### Chain Linking Blocks

Prior to the implementation of annual chain linking in 2003, the base year was kept fixed for a number of years and updated every five years or so. This process became more regular over time. The following table sets out the detail of the different blocks of chain linking. The base year sets out the year in which the prices for that block are expressed. The link year denotes the year in which two different blocks are linked together.

Start Span	End Span	Base Year	Link Year	BB Date From	BB Date To	Span	Min Lag	Max Lag
1948	1958	1948	1958	1938	1958	21		
1948	1958	1954	1954	1959	1961	3	5	7
1959	1962	1958	1958	1962	1968	7	4	10
1963	1968	1963	1968	1969	1972	4	6	9
1968	1972	1970	1973	1973	1977	5	3	7
1973	1977	1975	1978	1978	1982	5	3	7
1978	1983	1980	1980	1983	1987	5	3	7
1983	1986	1985	1983	1988	1992	5	3	7
1986	1994	1990	1986	1993	1997	5	3	7
1994	2002	1995	1994	1998	2002	5	3	7

In the table above the start and end span refer to the time series, where as BB from and to denotes the publication dates. For example in the last row, the base year 1995 was introduced in the 1998 Blue Book and the base year corresponds to the data from 1994 to 2002.

The separate spans are more easily visualised using the following diagram:

Ref Year	Base Year									
	1948	1954	1958	1963	1970	1975	1980	1985	1990	1995
1946	■									
1947	■									
1948	■									
1949	■									
1950	■									
1951	■									
1952	■									
1953	■									
1954	■									
1955	■									
1956	■									
1957	■									
1958	■									
1959		■								
1960		■								
1961		■								
1962			■							
1963			■							
1964			■							
1965			■							
1966			■							
1967			■							
1968			■							
1969				■						
1970				■						
1971				■						
1972				■						
1973					■					
1974					■					

Ref Year	Base Year									
	1948	1954	1958	1963	1970	1975	1980	1985	1990	1995
1975					■					
1976					■					
1977					■					
1978						■				
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1998										■
1999										■
2000										■
2001										■
2002										■



## Annex B. Fixed Base Tail

Since the introduction of annual chain linking in 2003 the volume weights were updated every year, but the UK maintained the approach of a fixed base tail. The data required to produce a fully balanced picture of the economy are not available until several years after the reference period and the data have been processed through the Supply and Use Tables framework. Therefore, for the years beyond the annual balancing process a fixed base tail has been employed using the weights of the last base year.

When originally introduced, the approach was to use the first fully balanced year through the SUT process (t-3 years). This tail was extended from 2007 when the SUT framework was suspended and was reset back to t-3 years in 2011. In 2017, the approach was changed to use the first year balanced through the SUT process (t-2 years). This approach has been maintained since that time, apart from 2019 when major changes were introduced for balancing volume GDP through the SUT framework.

The following chart illustrates the practice by year:

			Reference Year																										
BB	LBV	FB Tail	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2018	2018	2019	2020	2021
2003	2000	3	●	●	●	●	●	●	■	■	■																		
2004	2001	3	●	●	●	●	●	●	●	■	■	■																	
2005	2002	3	●	●	●	●	●	●	●	●	■	■	■																
2006	2003	3	●	●	●	●	●	●	●	●	●	■	■	■															
2007	2003	4	●	●	●	●	●	●	●	●	●	■	■	■	■														
2008	2003	5	●	●	●	●	●	●	●	●	●	■	■	■	■	■													
2009	2005	4	●	●	●	●	●	●	●	●	●	●	●	■	■	■	■												
2010	2006	4	●	●	●	●	●	●	●	●	●	●	●	●	■	■	■	■											
2011	2008	3	●	●	●	●	●	●	●	●	●	●	●	●	●	●	■	■	■										
2012	2009	3	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	■	■	■									
2013	2010	3	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	■	■	■								
2014	2011	3	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	■	■	■							
2015	2012	3	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	■	■	■						
2016	2013	3	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	■	■	■					
2017	2015	2	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	■	■	■				
2018	2016	2	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	■	■	■			
2019	2016	3	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	■	■	■		
2020	2018	2	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	■	■		
2021	2019	2	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	■	■
●	Annual chain-linked																												
■	Fixed base tail																												