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# Monthly Digest of Statistics

## Supplement

### Definitions and Explanatory Notes 1985 Edition



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CENTRAL STATISTICAL OFFICE

# Monthly Digest of Statistics

**Supplement**

**Definitions and  
Explanatory  
Notes**

**1985 Edition**

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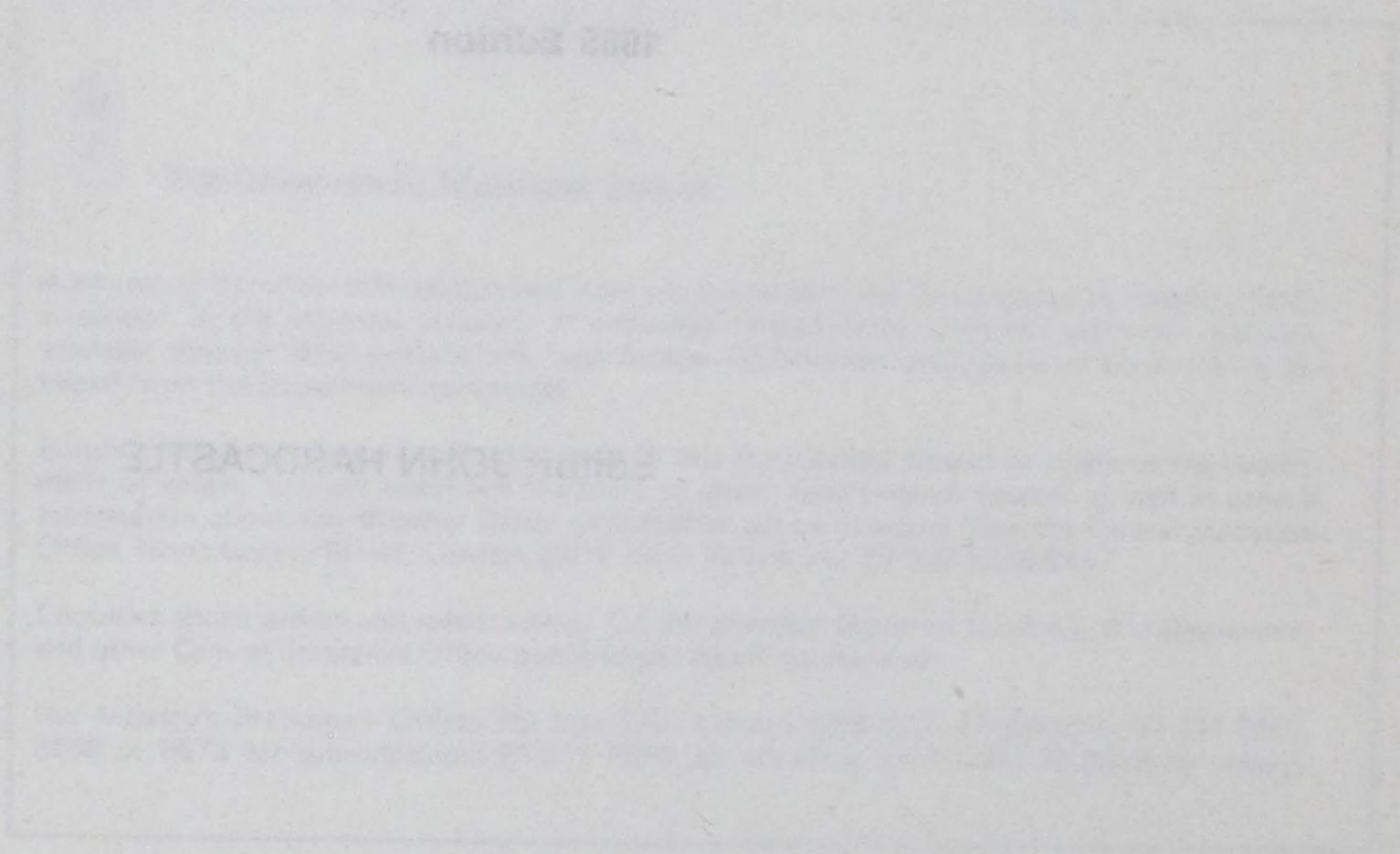
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## INTRODUCTION

This Supplement gives definitions of items and units employed in the Monthly Digest of Statistics in more detail than is possible in the headings and footnotes of the tables in the publication itself.

This issue replaces that published with the April 1984 edition of the Monthly Digest of Statistics.

The definitions relate to the tables as they appear in issue No. 469 of the Monthly Digest for January 1985. If further new series are added or changes are made in the content before the next issue of this Supplement, additional definitions will be given where necessary in the footnotes to the tables in the Digest.

The definitions in the Supplement also apply to corresponding items in the Annual Abstract of Statistics and Regional Trends prepared by the Central Statistical Office and published by HM Stationery Office.

When annual figures such as appear in the Monthly Digest are given in greater detail in the Annual Abstract, the additional explanatory notes are shown in the Annual Abstract.

Weekly averages are used in the Digest where the basic figures are collected on a weekly basis, and also in a few cases, indicated by footnotes, where the basic figures are for calendar months. Where weekly averages are given for months they represent the totals of four-week or five-week periods divided by four or five respectively. The average of a five-week period is indicated by an asterisk throughout the Digest.

Central Statistical Office,  
Great George Street,  
London, SW1P 3AQ.  
January 1985

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## 1. NATIONAL INCOME AND EXPENDITURE

The tables in this section are designed to bring up to date the estimates for calendar years given in United Kingdom National Accounts 1984 Edition (HMSO 1984) and the quarterly estimates given in Economic Trends, October 1984. A detailed description of the sources, methods and definitions used in making the regular estimates is given in National Accounts Statistics: Sources and Methods (HMSO 1968) and is brought up to date in the notes to United Kingdom National Accounts and Expenditure 1984 Edition. Further information on the structure and inter-relationships of the tables in the national accounts is given in The National Accounts - A Short Guide (HMSO 1981).

It is not always possible to record all the various items of expenditure in the tables on precisely the same basis or at the same point in time. For example, consumers' expenditure on alcoholic drink is estimated in practice from the quantities cleared from bond and not from the quantities sold; expenditure on goods and services by public authorities and capital expenditure by businesses during a given period may not coincide with the recorded output of the goods purchased, or with the incomes generated by this expenditure, during the same period. These inconsistencies, of course, affect the estimates for complete years; but they are likely to affect the estimates for shorter periods to a much greater extent. Hence only guarded conclusions should be drawn about changes in the pattern of expenditure, and in the relations between expenditure, income and output, from one quarter to another.

Each table has a section giving seasonally adjusted estimates which are designed to assist in the interpretation of the original unadjusted estimates.

### Gross domestic product

The gross domestic product is a measure of the value of the goods and services produced by United Kingdom residents before providing for depreciation (or capital consumption). The estimates of the gross domestic product are built up from largely independent data on incomes and final expenditure. But as it is not always possible to record all the various forms of expenditure and income on precisely the same basis or at the same point in time, there is a difference between the two sets of estimates. This difference appears as the residual error and is presented as though it were an item of income. The movements in the residual error reflect inconsistencies between the various data on income and expenditure; these inconsistencies are bound to be relatively larger for periods of less than one year than for complete years. The gross national product is equal to the gross domestic product plus net receipts from interest, profits and dividends earned abroad.

### Index numbers of output at constant factor cost

The output-based estimate of gross domestic product is calculated by combining indices of the output of individual industries and services valued at the prices of a base year, with weights proportional to the contribution of each industry to gross domestic product in the base year. The estimates in Table 1.3 are produced only on a quarterly, seasonally adjusted basis.

Detailed methodology is described in terms of the 1970 based index, in Studies in Official Statistics No. 25: The measurement of changes in production (HMSO 1976), updated to the basis 1980 = 100 by articles in Economic Trends, October and November 1983. Lists of the series and weights used to compile the current estimates are included in two Occasional Papers available from O.S.S Central Statistical Office, price £2.50 each (cash with order). The 1980-based estimates of output in Tables 1.3, 7.1 and 7.2 are classified according to the industrial analysis shown in the Standard Industrial Classification Revised 1980 (HMSO 1979).

### Personal income, expenditure and saving

The personal sector includes unincorporated enterprises and non-profit-making bodies. Income is shown before tax and before providing for depreciation and stock appreciation. The item Personal

saving before providing for depreciation, stock appreciation and additions to tax reserves, is obtained as a residual and is subject to a wide margin of error.

### Consumers' expenditure

Consumers' expenditure covers all personal expenditure on goods (durable and non-durable) and services, including the value of income in kind, imputed rents for owner-occupied dwellings and the purchase of second-hand goods less the proceeds of sales of used goods. It also includes final expenditure on goods and services for current use by private, non-profit-making bodies serving persons.

The following are not included: All business expenditure and expenses; interest and other transfer payments; improvements to dwellings and the purchase of land and dwellings (and associated costs) these last two items are treated as capital expenditure.

The classification of consumers' expenditure was revised in 1983. The component categories shown in Monthly Digest of Statistics correspond to the commodity classification in Tables 4.6 and 4.7 of United Kingdom National Accounts 1984 Edition. Full details of the changes can be found in an article entitled 'Consumers' Expenditure' in Economic Trends, September 1983 and also the Notes section of United Kingdom National Accounts.

### Value of physical increase in stocks and work in progress

The quarterly estimates for manufacturing, wholesaling and retailing are based on information about the book value or standard cost valuation of stocks supplied by a sample of companies to the Business Statistics Office. The figures for manufacturing are based on returns from a panel of companies covering about half of total manufacturers' stocks and including most of the larger companies, but those for wholesaling and retailing have a narrower coverage. The figures for the latest complete year and succeeding quarters are based at first on the quarterly inquiry but are revised in the light of the results of the censuses of production and the annual inquiries into the distributive and service industries when these become available.

The volume figures (expressed at constant 1980 prices) are derived from the basic book value figures at a detailed industry level by use of a wide range of price index numbers and other information, but where information about stocks valued at standard costs is supplied the reported changes are considered to represent the value of physical changes. Seasonal adjustment is carried out at the level of broad industry groups.

The figures are described in detail in Chapter XIII of National Accounts Statistics: Sources and Methods.

### Gross domestic fixed capital formation

This comprises expenditure on fixed assets, including their replacement and additions to existing fixed assets; expenditure on maintenance and repairs is excluded. Fixed assets include dwellings, other new buildings and works, vehicles, plant, machinery and other equipment. A further category of fixed asset is land and existing buildings, transactions in which, except for actual costs of transfer, net out to zero when aggregated across the economy as a whole. Transactions in land and existing buildings are included in the sectoral analyses of capital formation but are excluded from industrial analyses.

The acquisition of fixed assets is normally recorded at the time the expenditure takes place. However some assets which are imported are recorded at the time of delivery. These assets include some ships and aircraft and assets acquired by the extraction of mineral oil and natural gas industry.

More detailed figures of gross capital formation are published in United Kingdom National Accounts 1984 Edition.

The figures are described in detail in Chapter XII of National Accounts Statistics: Sources and Methods.

### **Fixed capital expenditure in the manufacturing, distributive and service industries**

The quarterly estimates are based on information supplied to the Department of Trade and Industry by panels of companies which account for about one half of the capital expenditure of the manufacturing industries and about one third in the case of the distributive and service industries. The figures for the latest complete year and succeeding quarters are based at first on the quarterly inquiry but are revised in the light of the censuses of production in the case of manufacturing industry, and the annual and biennial inquiries for the distributive and service industries when these become available.

Annual figures (by asset) at current prices are available from United Kingdom National Accounts 1984 Edition at a more detailed level.

The quarterly figures at current values are revalued at constant 1980 prices and are then seasonally adjusted. The figures for plant and machinery and for vehicles are net of receipts from sales of such assets.

## **2. POPULATION AND VITAL STATISTICS**

### **Population of the United Kingdom**

#### **Mid-year estimates**

Mid-year estimates are constructed from the latest full census, with allowance for births, deaths, migration into and out of the country and variation in the location of the armed forces since the census was taken. No adjustment is made, however, for the purely temporary seasonal net increase in visitors to this country in the summer months. The Resident population is persons usually resident in an area. Population estimates from 1981 onwards are based on the 1981 Census and use a different definition of population from that used in earlier years: residents who were outside the country on Census night are included and overseas visitors are excluded; previously the reverse was the case.

A revised series of estimates for the period 1971 to 1980 was produced early in 1984.

#### **Projected population**

Projections of the Total population of the United Kingdom last appeared as a Supplementary Table in the August 1980 issue of the Digest. Notes on the assumptions used in preparing these projections were also included. An account of the methods and results for the mid-1979 based projections appears in Population Projections, Microfiche PP2 No.11 1979-2019 (HMSO 1981).

An account of the methods and results for the mid-1981 based projections appeared in Population Projections, Microfiche PP2 No.12 1981-2021 (HMSO 1984).

Summary results of the projections of the populations of England and Wales, based on the provisional mid-1983 estimates of the resident (home) populations, have been published in OPCS Monitor PP2 84/1 (OPCS 1984).

#### **Births, marriages and deaths**

Births for England and Wales relate to occurrences in a period, while those for Scotland and Northern Ireland relate to births registered in a period. Marriages and deaths are those registered in the country during the periods shown.

The number of births registered in a period differs somewhat from the number which occur in that period because of the varying time-lag between a birth and its registration.

Deaths include those of members of the armed forces in the United Kingdom but exclude any which occur abroad.

Stillbirths are excluded throughout.

## **3. EMPLOYMENT**

Statistics of employees in employment are based on the census of employment. The census was held annually, in June, from 1971 to 1978 and then triannually from September 1981.

Estimates of employees in employment after September 1981 include an allowance for under estimation. The results of the 1983 Labour Force Survey were used to update the series and to provide more accurate estimates at industry level.

Prior to 1971, estimates of employees in employment were obtained by an annual count of National Insurance cards. To provide a link between the two methods of counting, both a card count and a census were taken in 1971. The census count was considerably lower mainly because it counted employees in a particular week in June, whereas the card count included anyone who had held a card during the year, even if only for part of the year. Another difference is that a person who had two regular jobs with different employers in the week of the census was counted twice in the census but only once in the card count, so that the census figures are higher than the card count in some industries and services where secondary employment is common.

Estimates of employees in employment on a continuous basis, which removed the discontinuities in the previously published figures, have been prepared by the Department of Employment from 1959 and published in the Department of Employment Gazette - see the March 1975 issue for Great Britain figures, the October 1975 issue for United Kingdom figures and the August 1976 issue for the standard regions. These estimates have now been incorporated into the Annual Abstract of Statistics and Monthly Digest of Statistics: they are on a census of employment basis with the industrial classification pertaining to the 1968 Standard Industrial Classification.

#### **Distribution of working population**

The figures, which relate to mid-month, are estimates of the total numbers at or seeking work, of all ages and occupations; the estimates include persons temporarily laid off and part-time workers as full units. The working population comprises the following four components:

- (i) employees in employment (excluding private domestic servants and civil servants temporarily stationed outside the United Kingdom);
- (ii) self-employed persons (with or without employees);
- (iii) HM Forces; and
- (iv) the registered unemployed.

#### **Employees in employment**

##### **Manufacturing industries**

Monthly figures for Great Britain are obtained by interpolating and extrapolating the results of the census of employment using percentage changes in the numbers employed, derived from the returns rendered by a sample of employers under the Statistics of Trade Act, 1947. For Northern Ireland, figures are only available quarterly, but interpolated estimates are used in order to provide monthly estimates for the United Kingdom as a whole.

##### **Non-manufacturing industries**

Quarterly estimates for Great Britain are obtained in a similar manner to those for manufacturing industries, but based partly on a sample of employers and partly on single returns rendered by centralised organisations in both the public and private sectors. Each centralised return identifies a substantial number of employees in an industry.

##### **Staff employed in the Civil Service**

The table sets out departmental totals by ministerial responsibility of UK-based staff in the Home Civil Service and the Diplomatic Service (but not the Northern Ireland Civil Service, the Northern Ireland Court Service and the Overseas Civil Service).

A civil servant is a servant of the Crown working in a civil capacity who is not the holder of a political (or judicial) office; nor the holder of certain other offices in respect of whose tenure of office special provision has been made; nor a servant of the Crown in a personal capacity paid from the Civil List. Staff who are locally engaged overseas, employees of grant aided bodies (except the Manpower Services Commission and its former agencies) and casual staff, normally engaged for a short period

only, are excluded. More comprehensive definitions and detailed figures are published annually in Civil Service Statistics.

The figures include non-industrial and industrial staff but exclude casual or seasonal staff (normally recruited for a short period only and not more than 12 months) and employees of the Northern Ireland Government. Part-time employees are counted as half units.

**EMPLOYMENT** - Includes Department of Employment; Health and Safety Executive; Advisory Conciliation and Arbitration Service; Manpower Services Commission; Employment Services Agency and Training Services Agency.

**SCOTLAND** - These are Departments of the Secretary of State for Scotland and the Lord Advocate.

**WALES** - Welsh Office

#### **Machinery of Government changes prior to 1 April 1983**

The responsibility for the Paymaster General's Office transferred from the Chancellor of the Exchequer's departments to other civil departments on 1 April 1981 (448 staff).

Work on efficiency and personnel management was transferred to the newly formed Management and Personnel Office (MPO) with 1,378 staff from the Civil Service Department on its closure. Certain other divisions from the CSD were transferred to the Treasury and responsibility for CISCO, HMSO, COI and the Government Actuary's Department were transferred to the Chancellor of the Exchequer (9,873 staff in all) on 2 December 1981.

From 1 October 1980, certain staff in PSA (1,276 involved) have been excluded from the Manpower count.

With effect from 1 April 1981, some 765 non-industrial environment, transport and common services staff employed on work for the Department of Transport and previously counted in the Department of the Environment were instead included in the former's figures.

#### **UK Service personnel - intake, outflow and strengths**

The table sets out figures for the total intake, the total outflow and the strengths of UK Service personnel of the Regular Forces. These personnel are normally recruited in the United Kingdom for whole-time service throughout the world. The figures exclude all reserve personnel, the Territorial Army, the Ulster Defence Regiment and personnel, such as Gurkha troops, who are recruited locally outside the United Kingdom.

The numbers for males include male members of the Queen Alexandra's Royal Naval Nursing Service and the Princess Mary's Royal Air Force Nursing Service. Also, for administrative reasons, the male numbers include professionally qualified females (currently about 150) serving as medical, dental, veterinary and legal officers, who are not commissioned in the Women's Services. The numbers for females comprise the Women's Services and female members of the Nursing Services.

The figures of intake comprise all entrants from civilian life, including those with previous service in the Armed Forces and entrants for commissioned service who had not, at the time of entry, been finally selected for officer training. The figures of outflow include personnel who leave for all reasons whether voluntarily or for other reasons such as completion of engagement. Some of these personnel will have a liability to serve in the Reserve Forces. The figures of strengths include personnel who are on loan to other UK Government departments or commercial undertakings or to the armed forces of other countries; personnel who are serving on an exchange basis with members of the armed forces of other countries; and personnel serving in United Nations or North Atlantic Treaty Organisation appointments or forces.

#### **Local authority manpower**

In March 1975, a new quarterly employment series was launched jointly by central government and the local authority associations of England and Wales for the purposes of a Joint Manpower Watch. The figures for this new series are compiled by the Local Authorities

Conditions of Service Advisory Board (LACSAB). Quarterly figures for England and Wales were published for the first time in the November 1976 Monthly Digest of Statistics and these were joined by figures for Scotland starting with the August 1977 issue. Separate figures for England, Wales and Scotland now appear in each issue of the Digest updated at quarterly intervals.

The series covers total employment in all the services for which local authorities are responsible, except those employees whose cost is directly reimbursed by central government, e.g. those employed under the Youth Training Scheme. For the purpose of converting part-time staff numbers to 'full-time equivalents' the following factors have been used: teachers and lecturers in further education 0.11, teachers in primary and secondary education and all other non-manual employees 0.53, manual employees 0.41. These factors derive mainly from an analysis of hours worked by local authority employees as reported for the New Earnings Survey 1974. Further analyses of the quarterly series for all Joint Manpower Watch categories appeared for the first time in the Department of Employment Gazette now Employment Gazette for November 1976 and these are also up-dated at quarterly intervals. Figures for Wales alone appear in Welsh Local Government Financial Statistics an annual Welsh Office publication which first appeared in September 1977. Figures also appear in Local Government Financial Statistics, England and Wales, published annually.

#### **Numbers of workers employed in agriculture**

The table shows the number of persons doing agricultural work on main agricultural holdings on the day of the census (this includes drainage, hedging and ditching, maintenance and repair work and the marketing of produce grown), together with managerial, supervisory and office staff and workers on minor holdings in England and Wales. The figures do not include workmen engaged in building or installing plant, gardeners, groundsmen, gamekeepers, grooms or similar estate workers, domestic staff employed in the farmhouse, schoolchildren or young workers engaged as trainees under the Youth Training Scheme.

Seasonal or casual workers are workers, family and hired, who are not regular workers but are working on the holding on the census date and include those supplied temporarily by agricultural contractors or gangmasters.

#### **Overtime and short-time in manufacturing industries**

Monthly statistics on overtime and short-time relate to operatives employed in manufacturing industries and therefore do not include administrative, technical and clerical workers. They are obtained from questions included in the monthly survey used to obtain estimates of the numbers of employees in manufacturing industries.

#### **Unemployment**

The current figures for the United Kingdom, Great Britain and standard regions, relate to people claiming benefit (that is unemployment benefit, supplementary benefits or national insurance credits) at Unemployment Benefit Offices on the day of the monthly count, who on that day were unemployed and able and willing to do any suitable work. Students claiming benefit during a vacation, but who intend to return to full-time education, and temporarily stopped workers are excluded.

For each region, separate figures are given of temporarily stopped workers and students claiming benefit during a vacation.

The number of unemployed people in Northern Ireland is shown in the general and regional tables.

#### **Seasonally adjusted unemployment statistics**

The seasonally adjusted unemployment figures relate to unemployed persons, excluding those under 18 who have not entered employment since terminating full-time education (described as school-leavers). The method of seasonal adjustment still depends partly upon information on claimants included in the old series of registrations. For a while there will continue to be some element of uncertainty in these

figures, though this will lessen gradually as more data on the new claimant-based series is included. Figures are given for the United Kingdom.

#### **Temporarily stopped**

Temporarily stopped workers are those registered at the date of the count who are suspended by their employers on the understanding that they will shortly resume work, and who claim benefit. They are not included in the numbers unemployed but figures for each region are shown in a separate table.

#### **Notified vacancies remaining unfilled**

The vacancy figures shown in the table do not represent all the vacancies in the economy but only those vacancies notified to Jobcentres and Careers Offices and remaining unfilled on the day of the count. During 1977 the Manpower Services Commission carried out a special National Survey of Engagements and Vacancies, which suggested that in the period 7 April-8 July 1977 just over a third of all vacancies were notified to Jobcentres.

Vacancies notified to Jobcentres are mainly for adults but include some that are suitable for young persons, while vacancies notified to Careers Offices are suitable for young persons but include some that are suitable for adults. Because of possible duplication the two series should not be added.

For Northern Ireland the table shows unfilled vacancies notified to the local offices of the Northern Ireland Department of Economic Development.

#### **Industrial stoppages**

This table shows the number of workers involved and the total number of working days lost in stoppages of work arising from industrial disputes in the United Kingdom connected with terms and conditions of employment. Stoppages involving fewer than 10 workers or lasting less than one day are excluded from the statistics, except where the aggregate of working days lost exceeds 100.

The figures include workers directly involved and those indirectly involved (i.e. thrown out of work but not themselves parties to the disputes) at establishments where the disputes occurred. Workers involved in stoppages beginning in one month and continuing into later months are counted in the month in which they first participated. Workers involved in more than one stoppage in the month have been counted in the total on each occasion.

The aggregate number of working days lost in any period is the number lost in that period through all stoppages in progress, irrespective of when the stoppages began. The figures exclude any loss of time, for example through shortages of material, which may be caused at other establishments by the stoppages which are included in the statistics.

There are difficulties in ensuring complete recording of stoppages, in particular those near the margins of the definitions, for example short disputes lasting only a day or so. Any under-recording would of course particularly bear on those industries most affected by this type of stoppage; and would have much more effect on the total of stoppages than of working days lost.

### **4. SOCIAL SERVICES**

#### **National insurance and child benefit**

##### **Sickness, invalidity and injury benefits**

Under the Social Security Acts, the whole of the civilian working population over school-leaving age but not yet retired can qualify for sickness and contributory invalidity benefit, including not only employed earners but also the self-employed. Exceptions are all men over age 70 and all women over age 65; members of the Armed Forces; mariners while at sea; most non-industrial civil servants and Post Office employees (who do not normally claim sickness benefit until illness has lasted 6 months); and married women and certain widows who have chosen not to be insured in their own right.

From 14 September 1980, spells of incapacity of 3 days or less do not count as periods of interruption of employment. Exceptions are for people being

treated weekly by dialysis, radiotherapy or chemotherapy where 2 days in any 6 consecutive days make up a period of interruption of employment, and those whose incapacity for work ends within 3 days of reaching maximum SSP entitlement.

At the beginning of a period of interruption of employment flat-rate sickness benefit is subject to 3 waiting days. It is normally replaced by invalidity benefit after 168 days in any period of interruption of employment. Where maximum entitlement to SSP is reached and incapacity for work continues or where maximum entitlement to SSP was reached not more than 8 weeks before sickness benefit starts, invalidity benefit is payable after 120 days of sickness benefit.

From 6 April 1983, most people who work for an employer and who pay National Insurance contributions as an employed person do not get sickness benefit for the early weeks of sickness. Instead, they are entitled to Statutory Sick Pay (SSP) from their employer(s) for a maximum of 8 weeks of sickness absence in a tax year. People who do not work for an employer, and employees who are excluded from the SSP scheme, or who have reached maximum entitlement to SSP and are still sick, can claim sickness benefit.

The numbers of new claims for sickness and invalidity benefits including non-contributory invalidity pension are derived from the number of first doctors' statements and self-certificates, received by the Department of Health and Social Security.

A small number of claims do not result in payment of benefit but, because they indicate incapacity for work, they are included in the figures.

#### **Non-contributory invalidity pension**

Non-contributory invalidity pension became payable from 20 November 1975 and is primarily for persons of working age who have been unable to work for some time but do not qualify for sickness or invalidity benefit due to insufficient contributions. From 17 November 1977 the provisions were extended to include married women. This is being replaced by severe disablement allowance which is being introduced in stages from 29 November 1984.

#### **Industrial injury benefit**

The industrial injury provisions of the Social Security Acts under which claims to injury benefit are made, apply to almost all civilians working as employed earners. The numbers of new claims for injury benefit because of industrial accident or occupational disease (that is, a disease prescribed for the purpose of the Act, such as lead poisoning) are obtained in the same ways as those for sickness benefit.

Under the 1975 Act, injury benefit was a daily benefit paid to a person who was incapable of work as a result of an industrial injury or prescribed disease. It was payable for a maximum of 6 months from the date of accident or date of development of the disease, and an increase of benefit could be paid for an adult dependant and for each dependent child.

Under the provisions of the Social Security and Housing Benefits Act 1982, injury benefit was abolished from 6 April 1983. However, regulation 18 of the Social Security (Abolition of Injury Benefit) (Consequential) Regulations 1983 enables the benefit to be paid transitionally until 3 October 1983 if the specified conditions are satisfied. Also, Section 39(4) of the 1982 Act provides that, where a person is incapable of work because of an industrial accident or prescribed disease, the contribution conditions for sickness benefit are treated as satisfied.

#### **Unemployment benefit**

This is payable to the unemployed who are capable of and available for employment provided they have paid, or been credited with sufficient contributions. Entitlement lasts up to 12 months in any period of interruption of employment. Self employed persons and married women paying reduced rate contributions cannot normally qualify for benefit.

### Retirement pensions

Retirement pensions, as the name implies, are payable on retirement from regular work provided the minimum age (65 for men, 60 for women) has been reached and the necessary contribution conditions are satisfied. From age 70 (65 for women) the retirement condition no longer applies.

A married woman, who does not qualify or only partially qualifies for a pension in her own right, can receive a pension through her husband's insurance provided that the retirement and age conditions are satisfied by both.

### Widows' pensions and widowed mothers' allowances

These are payable, subject to certain conditions, from the end of the initial period of 6 months from the date of widowhood, during which widows' allowances are paid at a higher rate. A widow's pension continues, unless the widow remarries, until she reaches the age of 65 or, after the age of 60, notifies retirement from work, when it is replaced by a retirement pension. A widowed mother's allowance continues generally speaking so long as a widow has at least one qualifying child of school age or a young person living at home under age 19.

### Child benefit

From 5 April 1977, child benefit replaced family allowance. This benefit is paid for each child in the family below the age limit. This is, in general the normal school-leaving age (16) but if the child is still at school full-time, or is an apprentice with low earnings, the benefit is paid until the 19th birthday.

### Family income supplement

Family income supplement is payable to families with one or more children where at least one parent is normally in full-time work (30 hours a week minimum) but the income of the family is low. For single parent families the minimum hours a week are 24.

### Supplementary benefits: pensions and allowances

**Benefits under the Supplementary Benefits Act** (as amended by the Social Security Act 1980)

Any person in Great Britain over the age of 16 who has left school but is not in full-time work and whose resources are insufficient to meet his requirements as defined under the Supplementary Benefits Act 1976 and the Supplementary Benefits Regulations may be entitled to supplementary benefit, which is designed to bring his income up to a minimum level fixed by Parliament. A person over pension age is entitled to a supplementary pension and under pensionable age to a supplementary allowance.

Regulations permit additions to be made to weekly benefit in respect of some special needs; in some circumstances single payments may also be made. Provision can also be made outside the normal rules in some urgent cases.

### National Health: hospital services

The figures are taken from returns made by authorities responsible for hospitals to the Department of Health and Social Security, the Welsh Office and the Information Services Division of the Common Services Agency, Scottish Health Service. Annual data for Scotland refer to the year ending 30 September.

### Staffed beds

The numbers of staffed beds allocated are taken from a census of all staffed beds, including beds temporarily unavailable, at 31 December. In Scotland, the figures shown represent the average allocated staffed beds over the period. (For 6 months ending March and September).

### Occupation of beds

The figures are obtained by taking the total of the daily numbers of in-patients for the year (at the night count) and dividing by the number of days in the year. In-patients, for this purpose, are persons (other than day-cases) who have gone through the full admission procedure of the hospital and occupy a bed in the in-patient department.

### Discharges and deaths

The figures shown include all patients who have gone through the full in-patient procedure and who have

subsequently been discharged or have died. Scottish figures in this publication vary from those published elsewhere because of the exclusion of transfers out.

### Waiting list

All patients listed as awaiting admission to hospital for in-patient treatment are included under this heading with the following exceptions:

- (a) expectant mothers booked for confinement;
- (b) deferred admission cases;
- (c) transfer cases, i.e. patients already occupying beds in hospital and awaiting transfer to another department or hospital;
- (d) day cases.

### Out-patient attendances

Each attendance of a course or series is included in the year in which the attendance occurred. Persons attending more than one department are counted in each department. These figures do not include out-patient attendances at ancillary departments.

### National Health: family practitioners' service

Under the National Health Service Act, 1946, 119 Executive Councils in England and 15 in Wales and, under the National Health Service (Scotland) Act, 1947, 25 in Scotland, administered the local medical, dental, pharmaceutical and general ophthalmic services until 31 March 1974. Under the National Health Service Reorganisation Act, 1973, these services have been administered in England and Wales since 1 April 1974 by Area Health Authorities through Family Practitioner Committees; under the National Health Service (Scotland) Act, 1972, 15 Health Boards have administered these services since 1 April 1974.

### Pharmaceutical services

These figures represent the number of National Health Service prescriptions of drugs, medicines and specified appliances dispensed by retail pharmacies, drug stores and suppliers of surgical appliances in contract with Committees (England and Wales) or Health Boards (Scotland). Most of the items are supplied on National Health Service prescriptions given by the family doctors, but a small number are given by dentists, at National Health Service hospitals and clinics, and at such stations of Service departments as have no dispensing facilities. Prescriptions which doctors themselves dispense for their patients are excluded.

### Dental services

A dentist in accepting a patient undertakes to provide the treatment needed to achieve dental fitness, except for occasional treatment where the treatment is limited to certain items (e.g. the extraction of one or two teeth or a denture repair). The course is complete when this treatment - or such of it as the patient is willing to undergo - has been carried out.

The figures include full courses of treatment and cases of occasional treatment which were scheduled for payment during the period.

### General ophthalmic services

These services provide for the testing of sight and, if necessary, the supply of glasses. They operate in conjunction with the Hospital Eye Service which provides for the diagnosis and treatment of diseases or defects of the eyes and for the supply of optical appliances.

Persons may have their sight tested by any ophthalmic medical practitioner or ophthalmic optician on the ophthalmic list of a Family Practitioner Committee (England and Wales) or Health Board (Scotland).

Prior to 1 January 1985 a prescription for glasses could only be dispensed by an ophthalmic or dispensing optician on an ophthalmic list, but from this date glasses may also be dispensed against a recent prescription by any unqualified person.

A range of frames is available under the National Health Service but patients are required to pay the current specified cost of the frames selected. Patients also pay for lenses provided under the service. Subject to certain conditions, lenses supplied under the general ophthalmic services may

be fitted to privately supplied frames at the applicant's specific request. Glasses for children under 16, or under 19 if in full-time education, are supplied to the patient free of charge provided that the frames are chosen from a special limited range of children's frames. Children over 10 may also receive free lenses if they choose a frame from the adult range, but in this case the frame must be paid for. The figures of glasses paid for include all the cases described above.

A number of prescriptions following sight tests result in glasses being supplied privately. These are not included in the figures of glasses paid for.

However from 1 April 1985 supply of glasses under the GOS will be restricted to children (as defined above), patients requiring more complex lenses, and patients claiming remission of charges on the grounds of low income.

## 5. LAW ENFORCEMENT

### Notifiable offences recorded by the police

Notifiable offences recorded by the police cover those offences for which any suspect apprehended, proceeded against at court and found to have a case to answer, would have to be tried by jury (unless the suspect was a juvenile); it also covers those offences for which a defendant could prior to July 1978 be tried by magistrates by virtue of s.19 of the Magistrates' Courts Act 1952 (i.e. indictable offences triable summarily with the consent of the accused). These figures have the same coverage as those referred to in 1979 and 1980 Criminal Statistics, England and Wales as 'serious offences recorded by the police' and in 1978 and earlier years as 'indictable offences recorded by the police'. The previous title used since 1978 was unsatisfactory in that although the series covers those types of offence for which severe penalties are possible the coverage includes some offences of attempt, other offences where the value of property stolen was small and many offences where the circumstances would not normally be considered 'serious'. The change in title in 1979 was necessitated by the redefinition of the coverage of 'indictable' offences in the Criminal Law Act 1977. From 1977 this collection included offences of criminal damage valued at £20 and under. From 1983 it also includes offences of trafficking in controlled drugs and gross indecency with a child.

### Crimes and offences recorded by the police (Scotland)

All crimes and offences involve contraventions of the criminal law; the term 'crimes' covers the most serious criminal acts (in many cases, contraventions of Scottish common law) and 'offences' the less serious acts (often contraventions of statutory law). When the police begin investigating an alleged criminal offence, they may have only limited information about it. As investigation proceeds, an incident may turn out not to be criminal and require deletion from the statistics. The assessment of the type of crime involved may change and the incident be allocated to a different category in the classification, both as the result of further investigation or (for crimes in group 1 and 2 only) following court proceedings against an accused person. Monthly figures come from returns giving the numbers of cases recorded during the month, based on the information available at the end of the month; thus they do not incorporate many of these amendments. Annual figures come from a return giving the number of cases during the year as known at 31 December, thus the majority of cases included will not be subject to any further amendment. In one criminal incident, several crimes or offences may occur, e.g. a house may be broken into and vandalised and the owner assaulted. In these multiple incidents, all the offences are counted rather than one for the incident as a whole; that is, the counting system is offence-based rather than incident-based. Prior to 1 January 1980, the series included crimes and offences reported to the Procurator Fiscal by agencies other than the police, such as the Department of Health and Social Security, in which a prosecution was taken. Since then, these cases are excluded. Offences (mostly parking) which are dealt with by the issue of a fixed penalty ticket are completely excluded from 1 January 1982; prior to

this the series included a small number of such cases where the offender failed to pay the ticket and was reported for possible prosecution.

## 6. AGRICULTURE AND FOOD

### Agricultural land

#### Area

For England and Wales, the figures for all years relate to all known agricultural holdings including minor holdings. For Scotland the figures relate to all known agricultural holdings with a labour requirement of 40 standard man days or more (a standard man day (smd) represents 8 hours' productive work by an adult worker under average conditions), whilst in Northern Ireland the figures for 1975 to 1980 relate to all holdings with 40 smd or more, or 4 hectares or more of total area, or one or more regular full-time workers (excluding the owner). From 1981 onwards they relate to all holdings with one European Size Unit (ESU) or more, or 6 hectares or more of total area or one or more full-time workers (excluding the owner).

The figures for specific crops relate to those which are actually in the ground on the date of the June census or for which the land is being prepared at that date. Any catch crops grown for livestock feed or for ploughing-in in the period between the harvest and the sowing of the next season's main crop will not be shown in the returns of agricultural area. The case is similar for horticultural crops.

Individual crop areas are returned to the nearest 0.1 hectare and include headlands and ditches and hedges attributable to the particular crop. Any crops not specified in the return or grown in patches of less than 0.1 hectare are shown under the heading Other crops.

#### Harvest

Except for sugar beet and hops, the estimates of the quantity harvested of agricultural crops are obtained by combining the production areas with estimates of yield per hectare, made by technical officers employed by the Ministry of Agriculture in England and Wales and the Department of Agriculture for Northern Ireland and by crop reporters in Scotland. The Scottish yield estimates for wheat, barley and oats are based on sample surveys of farms. In England and Wales the production area of cereals and fodder crops is the area returned at June less any areas on which the produce failed in the early stages, was ploughed in or, in the case of cereals only, cut green for fodder, after the June census date. The published estimates are prepared for all countries in November and are made on a county or parish basis in England and Wales, by region for Scotland and on a rural district basis in Northern Ireland. The production area of sugar beet is the area returned at June less that grown for seed; production figures are supplied by the British Sugar PLC and the yield per hectare is obtained by dividing the production figure by the production area. Production figures of hops are supplied by the Hops Marketing Board Ltd and the area returned at June is used to obtain a yield per hectare.

In the case of horticultural crops the quantity harvested in England and Wales is calculated by multiplying yield estimates supplied by Horticultural Crop Intelligence Committees (HCICs) by the appropriate cropped areas. For vegetables and small fruit, the cropped areas are based on one or more of the regular censuses covering horticultural crops and on estimates made by the HCICs. For top fruit, the area is based on the Orchard Fruit Censuses held every five years or so with HCIC estimates for the intervening years.

In Scotland the quantity harvested is calculated for four crops (raspberries, strawberries, tomatoes and peas for processing) by applying harvested yield estimates based on the results of a sample survey to areas returned at one of the two agricultural censuses, after making adjustments where necessary for double cropping. For other fruit and vegetables yield estimates are supplied by technical officers of the department.

In Northern Ireland the quantity harvested of all fruit and vegetables is calculated by multiplying yield estimates supplied by technical officers of the Department of Agriculture by the total crop area obtained from the June census. The working is on a county basis.

#### **Livestock**

The tables show the number of cattle, sheep, pigs and poultry as returned by occupiers of agricultural holdings defined previously under the heading Agricultural land-area.

At December, figures relate to a sample survey in England and Wales and also in Northern Ireland from 1981. A sample survey was introduced in Scotland in 1983. Full censuses were held in Scotland up to 1982 and in Northern Ireland up to 1980.

#### **Disposals of food and animal feedingstuffs**

Disposals are estimated from home production and imports, adjusted for changes in the known stocks held in warehouses, cold stores, etc., by wholesalers, importers, manufacturers and the government; they include deliveries to manufacturers of non-food products, and to exporters except where otherwise defined. As these deliveries are quantitatively important for potatoes, sugar and fish, separate figures of disposals for food in the United Kingdom are also given for these commodities. Disposals for food in the United Kingdom include use in the manufacture of other foods (e.g. sugar in jam, biscuits and sweets), certain disposals to HM Forces, and ingredients used in manufactured products which are exported. Disposals are, therefore, not the same as retail purchases.

#### **Cereals and cereal products**

##### **Sales of home grown grains for food**

For wheat the receipts of home grown supplies by flour millers are shown and small quantities subsequently sold again for animal feed are therefore included. For barley the receipts of home grown supplies by brewers, maltsters, flakers, roasters, distillers and pot barley manufacturers are shown and exported supplies are included. For oats the receipts by oatmeal millers of home-grown supplies for processing into human food are shown.

##### **Wheat and oat milling**

The tables show the quantities of home-produced and imported wheat milled and the amount of flour produced; the resulting production of wheat offals appears in the table of animal feedingstuffs. Stocks of wheat and flour include wheat and flour expressed in terms of wheat held by flour millers, cereal breakfast foods manufacturers, and importers and dealers. Flour disposals include exports.

Only the quantities of oats used in establishments milling primarily for human food are included in the series described as oats milled. The products of oat-milling are similarly restricted to all cuts of oatmeal, flakes, rolled oats, oat flour, groats and any other product produced for human food. Stocks of oats are those held by main processors, including oatmeal millers, provender millers and compound feedingstuffs manufacturers. The provender millers' figures relate to Great Britain only. Stocks held by importers and dealers are also included.

##### **Barley**

Disposals for food and brewing refer to the quantities of home grown and imported grain used by brewers, maltsters, flakers, roasters, distillers and pot barley manufacturers. Exports are included. Stocks are those held by main processors, including brewers, maltsters, distillers, provender millers and compound feedingstuffs manufacturers. The provender millers' and compounders' figures are in respect of Great Britain only. Stocks held by importers and dealers are also included.

##### **Biscuits**

The following types are included: chocolate biscuits, fully and partially coated; sweet and semi-sweet biscuits; plain and savoury biscuits; rusks, crisp-bread, matzos and oatcakes; wafers and cones.

#### **Animal feedingstuffs**

##### **Maize**

Not only maize and maize meal used as animal feed but supplies of maize used by manufacturers for the production of starch, glucose, cereal breakfast foods and for distilling are included. Stocks are those held by main processors, including cereal breakfast food manufacturers, provender millers and compound feedingstuffs manufacturers. Provender millers' and compounders' figures relate to Great Britain only. Stocks held by importers and dealers are also included. They include not only whole grain but some processed grain held by provender millers and compound feedingstuffs manufacturers.

##### **Oilcake and meal**

Production is a residual from the crushing in the United Kingdom of oilseeds and nuts for oil. Disposals relate to home-produced cake and meal and also imported cake and meal and include exports. Stocks are those held by main processors, including crushers, provender millers and compound feedingstuffs manufacturers. Provender millers' and compounders' figures relate to Great Britain only. Stocks held by importers and dealers are also included.

##### **Wheat milling offals**

Wheat milling offals (wheat feed) production is a residual from the milling of home-grown and imported wheat. Disposals comprise not only home-produced offals but also imported supplies and include exports. Stocks are those held by main processors, including flour millers, provender millers and compound feedingstuffs manufacturers. Provender millers' and compounders' stocks relate to Great Britain only. Stocks held by importers and dealers are also included.

##### **Compound feedingstuffs**

Only production by commercial manufacturers is included. Compound feedingstuffs include grain balancers and concentrates.

##### **Potatoes**

The figures relate to the United Kingdom; those for Great Britain have been provided by the Potato Marketing Board, and those for Northern Ireland by the Department of Agriculture for Northern Ireland.

Sales of potatoes from farms are the quantities sold for food, for processing and for export; they include an estimate for human consumption in farm households and the surplus potatoes fed to livestock or processed under schemes for implementing the Agriculture Act, 1947. Production on allotments and gardens, potatoes used for seed, potatoes fed to livestock outside the schemes and surpluses for which compensation has been paid, are excluded.

Disposals for food in the United Kingdom are the total quantities of potatoes moving into human consumption from all recorded sources, together with estimates of unrecorded sales.

##### **Sugar**

Production relates to refined and raw sugar (in terms of refined) from home-grown sugar beet, as recorded by the British Sugar Corporation.

Disposals for food in the United Kingdom include sugar used in the manufacture of products such as confectionery and jams for export, as well as for home consumption; they also include the refined equivalent of sugar used in the production of syrup and treacle and other sugars, for example, invert sugar and caramel. Stocks include imported and home-produced supplies of refined and raw sugar (in terms of refined) held in the United Kingdom by refiners and by the British Sugar PLC.

##### **Glucose**

The figures cover the production of liquid and solid glucose and dextrose monohydrate.

##### **Jam and marmalade**

The figures show the quantities produced and delivered by manufacturers. From 1975 figures are derived from the Business Statistics Office quarterly inquiries.

## **Animals slaughtered, meat produced and meat stocks**

### **Animals slaughtered**

The figures are those of animals slaughtered in the United Kingdom, including imported fat animals. From July 1954 they are derived from returns recording slaughtering in public and licensed slaughterhouses, including bacon factories. Unrecorded domestic slaughter and slaughter in knackeries are excluded. Slaughtering of poultry are derived through census returns together with statistics on chick-placings for, and packing-stations throughput of, table poultry.

### **Meat produced**

From July 1954 the figures represent the estimated production of carcass meat (including trimmings from bacon pigs) and offal from slaughtering, as defined in the preceding paragraph, and from information available on dressed carcass weights. Pig meat used for the production of bacon and ham is excluded.

### **Poultry meat**

Estimates of production are on the basis of dressed carcass weights (oven ready) and are published only in the Annual Abstract of Statistics.

### **Bacon and ham**

Production figures relate to the output of curing factories from both home-killed and imported carcasses; production by pig clubs or other domestic producers is excluded.

Disposals include supplies of home-produced or imported bacon and ham moving into consumption and also such supplies as are used for canning in the United Kingdom. They do not include any imported canned bacon and ham.

### **Canned meat**

Figures of production relate to all types of canned and bottled meat and meat products. Meat extracts and essences, soups and pastes are, however, excluded.

From 1975 figures are derived from the Business Statistics Office quarterly inquiries.

### **Meat stocks**

Prior to July 1983, the figures represent the stocks of imported meat only held in Public Cold Stores surveyed by the Ministry of Agriculture, Fisheries and Foods (MAFF). In July 1983 the coverage of the survey was extended and, in addition to an increase in the number of respondents, it now applies to stocks of meat from imported and home-produced sources. As a result, there is a discontinuity in stock levels recorded from July 1983. Prior to January 1964 meat stored below - 10C (14F) was excluded. Stocks held in cold stores reserved for private concerns or in undischarged cargoes are not included.

### **Fish and fish products**

#### **Fish**

Fish, fresh, frozen and cured, excluding shellfish.

UK landings, which exclude freshwater fish, are the quantities of fresh and frozen fish and edible offal landed by British fishing vessels. Frozen fish can be landed whole, headless or as fillets and is expressed as fresh landed weight equivalent.

Total disposals, which include disposals for export, include fresh, frozen and cured fish. They are expressed in terms of landed weight.

Disposals for food in the United Kingdom include fish used for canning (except the canning of pet foods) whether for home consumption or for export. The landed weight of fresh, frozen and cured fish which is exported, fish taken by fishmeal manufacturers, fish condemned or unsold, and fish used for pet food manufacture, is excluded. The column headed filleted weight shows the estimated edible equivalent, on a fresh fish basis, of the fresh, frozen and cured fish intended for human consumption.

#### **Oils and fats**

The quantity of oilseeds and nuts processed by crushing, expelling and extraction is recorded, and also the resulting production of crude vegetable oil.

The crude oil equivalent of the refined oils used in the manufacture of margarine and compound fat and other foods is included in the disposals of vegetable oils, together with the crude oils used as such for soap and other industrial purposes. Exported supplies are included in the disposals.

The crude oil equivalent of the refined marine oils used in the production of margarine and compound fat is recorded as the disposal of marine oils. Between 1954 and 1959 inclusive, disposals are only of whale oil.

Butter contained in butter-blended margarine is included in the production of margarine.

Stock figures include the quantities of oilseeds and nuts, vegetable oils and marine oils respectively held by seed crushers, hardeners and refiners of oil and manufacturers of margarine and compound fat.

Stocks of oilseeds and nuts held by seed crushers are expressed in terms of crude oil equivalent. Their stocks of crude vegetable oils are included with stocks of crude and refined oils held by hardeners and refiners of oil and by manufacturers of margarine and compound fat.

### **Milk and milk products**

#### **Milk**

The figures cover milk sold through the Milk Marketing Board schemes for use as liquid milk and for the manufacture of milk products including cream and farmhouse cheese. The quantity consumed by farm households and used on farms for butter and cream production or calf rearing is excluded.

#### **Milk products**

Figures for butter relate to the output of home creameries and are based on milk usage; production of butter on farms is excluded. Butter stocks represent quantities in public cold stores surveyed by MAFF. They exclude stocks in private stores or in undischarged cargoes. From July 1983 the scope of the survey was extended, with a resultant discontinuity in stock levels recorded. Estimates are given on each basis for July 1983 for comparison.

Figures for cheese relate to all home produced cheese other than the small quantities produced on farms outside the Farm Cheesemakers' Scheme. Figures for processed cheese are excluded as it is re-manufacture of home produced and imported cheese.

The condensed milk and milk powder relate throughout to quantities produced from fullcream or skimmed milk.

#### **Eggs in shell**

Disposals show the estimated quantities of hen and duck eggs produced for consumption in shell and for processing for human consumption in the United Kingdom, together with imported eggs. Sales for food relate to output for human consumption of hen and duck eggs.

### **Canned and bottled fruit, canned vegetables and soups**

Fruits canned or bottled in the United Kingdom include home grown plums, apples, all varieties of soft fruit, and rhubarb; fruits such as peaches, pears and pineapples, imported either fresh or in containers and canned here, are also included. Stocks are those held by manufacturers.

The chief varieties of vegetables canned are peas (either fresh or processed) and beans in tomato sauce, but carrots, potatoes and other roots, certain green vegetables, and macaroni and spaghetti in tomato sauce are also included. Stocks are those held by manufacturers.

Soups include the production of all soups whether ready-to-serve, condensed or powdered. Figures are derived from the Business Statistics Office quarterly inquiries.

Foods specially prepared for invalids, babies and young children are excluded.

### **Cocoa beans**

The figures show the quantities of raw cocoa beans used for grinding in the United Kingdom and are compiled by the Cocoa, Chocolate and Confectionery Alliance.

### **Chocolate and sugar confectionery**

Figures are collected by the Cocoa, Chocolate and Confectionery Alliance. Stocks are those held by manufacturers only. Medicated confectionery is excluded.

### **Tea**

Disposals are the quantities moving into consumption and exclude exports. Stocks comprise tea held in public warehouses, including the quantity entered for Customs but not yet landed, and amounts held by primary wholesalers.

### **Raw coffee**

Disposals are the total quantities destined for consumption in the United Kingdom. They include re-exports of raw beans and exports of processed coffee. Stocks comprise raw coffee in public warehouses and in transit to such warehouses and manufacturers' stocks.

### **Soft drinks**

The figures relate to sales by UK manufacturers taken (since 1973) from the Business Statistics Office quarterly inquiries.

Concentrated drinks include squashes, cordials and concentrated fruit juices. Unconcentrated drinks comprise carbonated drinks and other unconcentrated drinks and fruit juices. Glucose and diabetic drinks are included. Spa waters, soft drinks in solid form and flavouring compounds sold as such are excluded.

### **Tobacco products**

The figures are supplied by HM Customs and Excise. The statistics are derived from the quantities of finished products delivered to home use on which excise duty has been charged. The excise duty on cigarettes is charged on their number and value, and the statistics are expressed in numbers. The weight of cigarettes removed to home use is not available. For other tobacco products the excise duty is based on the weight of the finished product and quantities are expressed in kilogrammes.

### **Alcoholic drinks**

The figures are supplied by HM Customs and Excise, who can supply more detailed information if required.

### **Beer**

Production figures relate to the quantity of worts produced during the period less a standard deduction of 6 per cent, 'worts' being the liquid produced from the mash before fermentation has begun. The average gravity is now about 1,037.0 degrees.

The statistics of home production and consumption take account of high gravity brewing wherein some brewing liquor is added after fermentation. The figures in each case are given in hectolitres irrespective of the gravity at which they are brewed.

### **Wine of fresh grapes**

Wine is any fermented beverage made from fresh grapes, and includes fortified wines and vermouths. The consumption figures show the net quantities of still and sparkling wine released for home consumption analysed, in the case of still wine, by strength expressed as a percentage of alcohol by volume at 20 C.

More detailed statistics are available on subscription.

### **Made-wine**

Made-wine is any fermented beverage other than lower strength cider and perry, i.e. containing less than 8.7 per cent (8.5 from 14 March 1984) of alcohol by volume, wine of fresh grapes and beer. It includes cider and perry of artificially high strength.

More detailed statistics are available on subscription.

### **Cider and perry**

Cider and perry of a strength less than 8.7 per cent (8.5 from 14 March 1984) of alcohol by volume obtained from the fermentation of apple or pear juice without the addition of artificial colouring or flavourings, is liable to excise duty.

### **Spirits**

Home-produced whisky. These figures refer to spirits matured in warehouse for three years or more certified as Scotch or Northern Irish whisky released for home consumption. Before April 1983, these figures relate to all mature, home-produced spirits.

Other. These figures relate to all other spirits released for home consumption, including imports.

Production figures show the quantity of spirits distilled from malt and from un-malted grain for beverage consumption. More detailed statistics are available on subscription.

The quantities are given in litres of alcohol. A litre of alcohol is equivalent to about 3 1/3 rd 75cl size bottles at 40 per cent alcohol by volume, the typical strength at which most whisky is sold in the United Kingdom.

### **Household food expenditure and consumption**

#### **The sample**

In the course of a year the National Food Survey investigates the food budgets of about 7,500 households in 44 parliamentary constituencies (52 local authority districts from 1984), selected so as to be representative of Great Britain as a whole. In each household surveyed the housewife keeps a record for one week of all food purchased or entering the house without payment. A full description of the sampling methods of the National Food Survey is given in the Annual Report for 1982, Household Food Consumption and Expenditure: 1982 (HMSO 1984).

#### **Household**

A group of persons living in the same dwelling and sharing common catering arrangements. The size of household is defined in terms of the number of persons who spend at least four nights in the household during the week of survey and also have at least one meal a day from the household food supply on at least four days.

The head of the household and the housewife are regarded as persons in all cases.

#### **Old age pensioner households**

Households in which at least three-quarters of the total income is derived from national insurance retirement or similar pensions and/or supplementary pensions or allowances paid in supplementation or instead of such pensions. Such households will include at least one person over the national insurance retirement age.

#### **Adult**

A person aged 18 years or over.

#### **Child**

A person under 18 years of age.

#### **Food purchased**

Quantities of all foods purchased during the week for consumption in the home (but including purchases of milk at school). The Survey excludes food eaten outside the home (except packed meals prepared at home), chocolate and sugar confectionery, soft drinks, alcoholic drinks, vitamin preparations, and food obtained specifically for consumption by domestic pets. For a few minor miscellaneous items, expenditure is recorded, but not the quantity (e.g. artificial sweeteners, flavourings, colourings, etc.).

#### **Free food**

Quantity of food entering the household without payment for consumption during the Survey week. Milk supplied in schools is included although it does not actually enter the household. Food grown or produced by the household and stored in bulk is recorded only when it is withdrawn from store.

### Consumption

Averaged over a sufficiently large number of households and a sufficiently long period, the average quantity of food purchased plus the quantity of 'free' food will equal the average consumption if there is no general change in the level of larder stocks.

### Classification of foodstuffs

#### Other milk

Includes condensed milk, dried milk, yoghurt, goats' milk, skimmed milk (liquid and dried) and buttermilk.

#### Preserves

Include jams, jellies and curds, marmalade, syrup, treacle, honey and honey spreads.

#### Other cooked and canned meats

Include corned meat; luncheon meat; pressed or cooked beef, veal, mutton, lamb, pork; veal and ham; tongue; brawn; meat puddings and pies; ready meals (but not frozen).

#### Other meat products (not canned)

Include meat pies; sausage rolls; pasties; puddings; ready meals (includes frozen convenience meat products).

#### Fish, fresh and processed

Includes smoked, dried, salted, cooked; pastes, spreads, etc.

## 7. PRODUCTION, OUTPUT AND COSTS

### Index of output of the production industries

This index is prepared by the Central Statistical Office in collaboration with the statistics divisions of government departments. It has been calculated with 1980 as base year for each month from January 1978. The purpose and methods of compilation of the index of industrial production, which has been replaced by the index of output of the production industries, are described in terms of the 1970-based series in Studies in Official Statistics No. 25: The measurement of changes in production (HMSO 1976). An article in Economic Trends, No. 360, October 1983 'The rebased estimates of the index of the output of the production industries' by J A Perry gives a detailed assessment of the effects of the rebasing on to 1980. An Occasional Paper is available from OSS, Room 73/3, Central Statistical Office, price £2.50, (cash with order) describing the weights and indicators used in compiling the rebased and reclassified index.

The series published annually from 1948 and quarterly seasonally adjusted from 1952 have been derived from the 1975-based series classified to Standard Industrial Classification 1968, which have been reclassified as far as possible on to the Standard Industrial Classification 1980 and linked to the 1980-based data using 1978 as the link year.

The index is intended to provide a general measure of monthly changes in the volume of output of the production industries - Divisions 1 to 4 of SIC(80). Energy and water supply and manufacturing are included; but agriculture, construction, distribution, transport, communications, finance and all other public and private services are excluded. The index covers the production of intermediate, investment and consumer goods for the home market and for export.

The index is a weighted arithmetic average of 329 separate indicators, each of which describes the activity of a small sector of industry. To combine the individual production series, each industry has been given a weight proportional to its value added in 1980 derived from the 1980 Annual Census of Production for manufacturing industries and from national accounts income data sources for energy and water supply industries.

The indicators for the index of output of the production industries are obtained monthly where possible but, for a number of sectors, representing 18 per cent of activity, only quarterly data are available. Many of the basic series used to construct the index of output of the production industries measure either final production or deliveries. Neither type of series takes account of

changes in stocks of work in progress and series based on deliveries do not take account of changes in stocks of finished goods. All the index numbers in the Monthly Digest tables have been adjusted where necessary for estimated changes in manufacturers' stocks.

The level of production is expressed as a percentage of the average monthly production in 1980. All current value data is deflated to 1980 values using the appropriate producer price indices. To ensure comparability between different months, adjustments have been made (where the basic figures refer to calendar months) for variations in the number of days in each month, excluding for each industry those which are not normally working days. The index numbers, which are not seasonally adjusted, thus compare the average weekly rates of production in the different months. They reflect, however, any change in production resulting from public and other holidays and from seasonal factors, for which no adjustments have been made. The seasonally adjusted series exclude any changes in production resulting from public and other holidays and from other seasonal factors. The adjustments are designed to eliminate normal month to month fluctuations and thus to show the trend more clearly. The method of seasonal adjustment which is currently being used for this index is the X-II variant of the Census Method II Seasonal Adjustment Program which is described in Technical Paper No. 15 of the US Department of Commerce, Bureau of the Census.

### Industrial classification

The industrial analysis of the index is in conformity with the Standard Industrial Classification Revised 1980 (HMSO 1979), to which reference should be made for details of the composition of each industrial group.

### Market sector analysis

These groupings combine the output of industries which meet broadly similar categories of demand. They were introduced and described in Economic Trends, November 1973. An Occasional Paper is available from OSS, Central Statistical Office, which includes a detailed description of the market sectors on the basis of SIC (1980), price £2.50, cash with order.

### Output per head

For these series, output for the economy as a whole is the output-based measure of the gross domestic product. This series is used to achieve consistency with the industrial analysis, for which the measures of output are the constituent series of the index of output of the production industries. An additional seven groups, which give a comprehensive coverage of manufacturing activities plus two non-manufacturing industry groups, are published. Output per person employed includes employees in employment, self-employed persons (with or without employees), including both full-time and part-time workers as full units. Members of HM Forces are included in the indices for the whole economy. The indices of the employed labour force for the whole economy have been adjusted to reflect estimated employment levels for the quarter as a whole.

Index numbers of output per person employed are calculated by dividing an index of output by an index of the numbers employed. Output per person hour in manufacturing industry is derived in a similar way, by dividing the index of manufacturing output by an index of the total hours worked by persons in that sector, based on information for manual and non-manual staff. The operative hours data reflect fluctuations in overtime and short-time working, sickness absence and changes in normal basic hours. The non-manual staff hours are derived from the annual New Earnings Survey results, relating to one pay period in April for employees whose pay was not affected by absence from work.

### Indices of labour costs

The index of total home costs per unit of output is derived by dividing the estimate of gross domestic product at current factor cost based on expenditure data by the corresponding estimate valued at constant prices. In the series for both wages and salaries

and labour costs the denominator is the income-based gross domestic product at current prices deflated by the series for total home costs.

Labour costs include not only wages and salaries but also employers' national insurance contributions, selective employment tax less premiums and refunds, the national insurance surcharge, contributions to the Redundancy Fund and to superannuation schemes, pension funds, etc. Subsidies received by employers from the various Special Employment Measures are deducted.

Both the series for output per head and labour costs were first published in Economic Trends (October 1968) and the Employment and Productivity Gazette (October 1968). The article accompanying the series describes in greater detail the construction and significance of the figures.

A monthly index of wages and salaries per unit of output in manufacturing (revised definition) is compiled by the Department of Employment and Central Statistical Office using monthly indices of average earnings, employment and output. The construction and significance of the figures are described on pages 261-3 of Employment Gazette (June 1982). Annual and quarterly series are constructed from the monthly one, and figures for recent periods appear regularly in Table 5.7 of Employment Gazette and on page 40 of Economic Trends.

## 8. ENERGY

### Inland energy consumption: input of primary fuels and equivalents

#### Coal

Consumption by fuel producers plus disposals (including imports) to final users, plus (for annual figures only) net foreign trade and stock change in other solid fuels.

#### Petroleum

Inland deliveries for energy use plus refinery fuel and losses minus the differences between deliveries and actual consumption at power stations and gas works.

#### Natural gas

Indigenous natural gas (methane) produced, excluding gas flared or re-injected, plus imports, plus colliery methane piped to the surface and consumed at collieries or sold. Supplies for non-energy purposes are also included.

#### Nuclear electricity

Electricity generated by public supply nuclear power stations together with estimates of electricity generated for public supply by the United Kingdom Atomic Energy Authority and British Nuclear Fuels.

#### Hydro-electricity

Electricity generated by public supply and industrial natural flow hydro-electric power stations (excluding pumped storage stations) adjusted to take account of the net quantities of electricity imported.

#### Coal and oil equivalents

The conversion factors used are:

1 tonne of petroleum = 1.7 tonnes of coal  
250 therms of natural gas = 1 tonne of coal

Nuclear and hydro-electricity is expressed in coal or oil equivalent as the notional amount of fossil fuel that would have been needed to produce the same quantities of electricity at the efficiency of contemporary conventional steam power stations.

#### Temperature corrections

The corrections used are:

Temperature correction per centigrade degree  
Coal 2.1%  
Petroleum 0.7% (June-Aug)  
1.8% (Sept-May)

Natural gas is corrected based on a method developed by the British Gas Corporation.

The adjusted total inland energy consumption series includes temperature corrections for coal, petroleum and natural gas. Nuclear and hydro electricity are not corrected for temperature.

### Supply and use of fuels

#### Production of primary fuel

Coal. Includes all grades of coal, including slurry, whether recovered by the National Coal Board or by other operators.

Petroleum. Crude oil, condensates (C5 or heavier) and petroleum gases, ethane (C2), propane (C3), butane (C4), obtained from the onshore processing of associated and non-associated gas.

Natural gas. As described under inland energy consumption.

Primary electricity. Nuclear and hydro-electricity as described under inland energy consumption except that no adjustment is made for net quantities of electricity imported.

#### Non-energy use

Petroleum products not used as fuels i.e. feedstock for petroleum chemical plants, industrial and white spirits, lubricants, bitumen, waxes and miscellaneous products.

#### Total primary energy

This is the sum of the thermal contents of primary fuels consumed by secondary fuel producers and those consumed directly by final users and primary fuel producers. The difference between this total and the total thermal content of all fuels consumed by final users comprises:

(a) use of fuels by collieries (other than for generation of electricity for sale to the public supply) and oil refineries and by secondary fuel producers for other than conversion;

(b) losses in the distribution of primary and secondary fuels, losses by secondary fuel producers in conversion processes and fuel industries' own use.

The thermal content of primary fuels consumed by secondary fuel producers consists of their thermal inputs of coal, petroleum and natural gas plus the thermal equivalent of the fossil fuel which would be required to produce nuclear and hydro-electricity, as defined above under 'Coal and oil equivalents'.

#### Final consumption

Detailed definitions of the final consuming sectors are given in the Digest of United Kingdom Energy Statistics (HMSO) prepared by the Department of Energy.

#### Conversion to therms

In expressing fuel consumption in therms, no conversion is necessary for gases (except petroleum gases). Electricity is converted at 29.3071 kWh. = 1 therm. The estimated gross calorific values used to convert the statistics for petroleum gases and solid and liquid fuels are published in the Digest of United Kingdom Energy Statistics.

#### Coal: supply

##### Deep mined coal

Production figures relate to saleable output, i.e. the sum of the coal sold commercially, consumed by the colliery and supplied to ancillary works, and disposed of free and at concessionary prices plus the increase or less the decrease in colliery stocks of saleable coal. Slurry and coal recovered from colliery tips by the National Coal Board is included in deep mined production when sold or consumed at the colliery. Estimates for slurry, etc. recovered other than by the National Coal Board are included in total production only.

##### Opencast Coal

Coal which is not mined but is obtained from deposits near the surface mainly by contractors. Screening and washing losses are excluded.

#### Coal: imports and exports

The figures are derived from returns made by importers and exporters to HM Customs and Excise,

and published in summary form in the Overseas Trade Statistics of the United Kingdom (HMSO).

#### **Mined coal: manpower and productivity**

Figures for manpower and output per manshift relate only to collieries operated by the National Coal Board.

#### **Wage earners on colliery books**

Includes men in industrial grades employed at collieries, on colliery activities and salvage operations and trainees at training centres (excluding supervisory staff). Colliery activities include colliery labour pools, coal preparation and blending plants, stone and dirt disposal and treatment, coal stocking grounds and pumping stations.

Men absent with good reason are taken off colliery books after eighteen months absence. Men absent without good reason are normally removed from the books after three weeks.

#### **Average output per manshift**

Overall and underground (total): The total output of saleable revenue coal divided by the total revenue manshifts worked.

Underground (production): The output of saleable revenue coal from production faces divided by the number of manshifts worked by men directly engaged on the coal-getting operations, including craftsmen, trainees and officials.

From April 1980 certain drivages have been re-classified from revenue to capital account, and both the manshifts worked and the coal produced from those drivings are now excluded from the calculations.

#### **Coal: inland consumption**

##### **Collieries**

Coal used for boilers, colliery power stations and other purposes.

##### **Power stations**

Coal used for all purposes at public supply power stations.

##### **Coke ovens**

Coal carbonized, consumed for other purposes or lost in cleaning at coke ovens.

##### **Other conversion industries**

Consumption of coal at low temperature carbonization plants, briquette works and for all purposes at gas works making gas for public supply.

##### **Industry**

Coal used for all purposes at other industrial establishments. The figures relate to colliery and opencast disposals.

##### **Domestic**

House coal: The figures relate to colliery and opencast disposals and include coal supplied free of charge or at reduced prices to miners, officials, etc. in the coalfields.

Other: Figures include colliery and opencast disposals of anthracite and dry steam coal plus disposals of imports of these naturally smokeless fuels.

##### **Miscellaneous**

Colliery and opencast disposals to national and local authorities, commercial and non-industrial establishments, transport undertakings and shipments to the Channel Islands. From January 1984 includes coal for which no reliable allocation by users is available.

##### **Stocks**

Undistributed plus distributed stocks: Undistributed stocks are those held at collieries and opencast sites and distributed stocks are those held by the fuel conversion industries, by railways and by the armed services.

##### **Gas: public supply**

The public gas supply system consists of the British Gas Corporation and the gas supply undertakings in Northern Ireland.

##### **Natural gas supply**

This is the natural gas input into the British Gas Corporation's transmission system. Indigenous supplies include those purchased by the British Gas Corporation from operators on the United Kingdom part of the Continental Shelf as well as from those operating on land in this country.

##### **Gas sent out**

Includes town gas, substitute natural gas and natural gas for both energy and non-energy purposes.

##### **Electricity: public supply**

The public supply electricity industry comprises the Central Electricity Generating Board and Area Electricity Boards in England and Wales, the North of Scotland Hydro Electric Board, the South of Scotland Electricity Board and the Northern Ireland Electricity Service.

##### **Fuel used**

The factors used for conversion to coal equivalent are given under 'Coal and oil equivalents' above.

##### **Own use**

This is the difference between total electricity generated and electricity supplied, and is the electricity used at the works for lighting and auxiliary power, and for pumping at pumped storage stations.

##### **Total electricity available**

This comprises electricity supplied from public supply stations plus purchases from industrial producers (mainly nuclear power stations of the United Kingdom Atomic Energy Authority and British Nuclear Fuels) plus net imports from France and Eire.

##### **Sales of gas and electricity: public supply**

Gas sales include adjustments to the quantities billed to allow for the estimated consumption remaining unread at the end of each period. The figures of gas supplied to the iron and steel industry are based on information provided by that industry.

Sales of electricity are less than total electricity available because of losses in transmission and distribution, and include consumption by the supply industry's offices and showrooms. They include an adjustment to billed sales to allow for the estimated usage remaining unread at the end of each period.

##### **Electricity: public supply plant capacity Output capacity**

The maximum continuous rating of the generators after allowing for station consumption and any limitations in the capacity of prime movers. The change in output capacity may differ from the amount of new plant brought into commission, because of scrapping of old plant or the re-rating of plant continuing in use.

##### **Maximum load United Kingdom**

The simultaneous maximum load in Great Britain together with the maximum load met during the period, although not necessarily at the same time, in Northern Ireland. Annual figures are the maximum occurring near the end of the year or early in the following year.

Simultaneous maximum load is defined as the maximum load on the grid at any one time plus the load on stations not connected to the grid. For Great Britain it is the sum of the maximum load met by the Central Electricity Generating Board and the loads met at the same time by the two Electricity Boards in Scotland.

##### **Petroleum**

##### **Total indigenous production**

This is the aggregate amount of:  
(a) crude oil produced on land.

(b) crude oil produced in the United Kingdom part of the Continental Shelf and includes any petroleum gases and condensates separated from the oil at subsequent processing stages (prior to refining). This quantity is as recorded before any deduction for utilities use or adjustment for stock change on platform (including tanker-loading systems) or losses;

(c) condensates from gas fields (production is measured at the land terminal separation plant after the gas has been processed and condensates extracted).

#### Arrivals and shipments

The terms 'arrivals' and 'shipments' are used to distinguish figures recorded by importers and exporters of oil from import and export figures provided by HM Customs and Excise. Arrivals and shipments are used in order to be consistent with the other statistics reported by the petroleum industry.

#### Inland deliveries into consumption

Deliveries of all petroleum products in the United Kingdom and the Channel Islands including petroleum substitutes marketed by the petroleum industry. Coal tar fuels, natural gas (methane) and refinery fuel are excluded. Otherwise, the figures are inclusive of the petroleum industry's own use.

Gas/diesel and fuel oils used in coastal and fishing craft are included in inland deliveries, but deliveries under bunker contracts for ships engaged in foreign trade are excluded.

#### Products used as fuel

Propane - hydrocarbon containing three carbon atoms, gaseous at normal temperature but generally stored and transported under pressure as a liquid. Used mainly for industrial purposes and some domestic heating and cooking.

Butane - hydrocarbon containing four carbon atoms, otherwise as for propane. Additional uses - as a constituent of motor spirit to improve volatility and as a chemical feedstock.

Naphtha (light distillate feedstock) for gas works - petroleum distillate boiling predominantly below 200°C.

Aviation spirit - specially blended light hydrocarbons intended for use in aviation piston-engined power units, whether in the air, on land or water, including bench testing of aircraft engines.

Wide-cut gasoline - light hydrocarbon oils intended for use in aviation gas-turbine power units.

Motor spirit - blended light petroleum distillates used as a fuel for spark-ignition internal combustion engines other than aircraft engines.

Aviation turbine fuel - specially refined kerosene intended for use in aviation gas-turbine power units.

Burning oil (kerosene) - refined petroleum distillate intermediate in volatility between motor spirit and gas oil, used for lighting and heating. Excluding distillates which are included under white spirit and kerosene used for lubricant blends.

Premier - for use in free-standing, flue-less domestic burners.

Standard - for use in vaporising and atomising burners mainly used for domestic heating in appliances connected to flues.

Vaporising oil - blended kerosene-type petroleum distillate used in certain types of spark-ignition engines such as agricultural tractors, stationary engines and boats.

Gas/diesel oil - petroleum distillate having a distillation range intermediate between kerosene and light lubricating oil:

(a) Derv (Diesel Engined Road Vehicle) fuel-gas/diesel oil for use in high-speed, compression-ignition engines in road vehicles subject to Vehicle Excise Duty.

(b) Other - used in furnaces for the production of heat (e.g. for central heating) in engines of vehicles not subject to Vehicle Excise Duty (e.g. diesel locomotives, tractors, earth-moving equipment) and in stationary diesel

engines and gas turbines (e.g. for the generation of electricity and for air compressors, etc.). Also includes marine diesel oil - a heavier type of gas oil suitable for heavy industrial and marine compression-ignition engines.

Fuel oil - heavy petroleum distillates or petroleum residues or blends of these used in furnaces for the production of heat or power. Excluding fuel oil for grease making or lubricating oil and fuel oil sold as such for road making.

#### Products not used as fuel

Feedstock for petroleum chemical plants - all petroleum products intended for use in the manufacture of petroleum chemicals. (A deduction has been made from the deliveries equal to the quantity of feedstock used in making the conventional petroleum products which are produced during the processing of the feedstock.)

White spirit - a highly refined distillate with a boiling range of about 150 to 200 C used as a paint solvent and for dry cleaning purposes, etc.

Industrial spirits - refined petroleum fractions with boiling ranges up to 200 C dependent on the use to which they are put - e.g. seed extraction, rubber solvents, perfume, etc.

Lubricating oils (and greases) - refined heavy distillates obtained from the distillation of petroleum residues. Includes liquid and solid hydrocarbons sold by the lubricating oil trade, either alone or blended with fixed oils, metallic soaps and other organic and/or inorganic bodies.

Bitumen - the residue left after the production of lubricating oil distillates. Used mainly for road making and building construction purposes. Includes other petroleum products, creosote and tar mixed with bitumen for these purposes and fuel oil sold as such for road making.

Petroleum waxes - includes paraffin wax, which is a white crystalline hydrocarbon material of low oil content normally obtained during the refining of lubricating oil distillate, paraffin scale, slack wax, microcrystalline wax and wax emulsions. Used for candle manufacture, polishes, food containers, wrappings, etc.

Petroleum cokes - carbonaceous material derived from hydrocarbon oils, uses for which include electrode manufacture. An unknown quantity of this product may be used as a fuel.

Miscellaneous products - includes aromatic extracts, defoamant solvents and other minor miscellaneous products.

## 9. CHEMICALS

#### Fertilisers

Natural organic fertilisers are excluded from the statistics. Figures are of manufactured fertilisers. Manufactured fertilisers may be straight (i.e. containing only one of the three primary nutrients - P2O5, phosphate; N, nitrogen; and K2O, potash) or compound (i.e. containing either two or three of these primary nutrients).

#### Deliveries to UK agriculture

All figures include imported fertilisers. Nitrogen deliveries are expressed in nutrient content terms and are divided into straight nitrogen fertilisers and the nutrient content of nitrogen in compound fertilisers. Phosphate and potash delivery figures show the nutrient content tonnes of these primary nutrients in both straight and compound fertilisers. The total weight of compound fertilisers delivered to UK agriculture is stated separately.

#### Industrial ethyl alcohol

Figures show the quantities of ethyl alcohol produced for industrial purposes; industrial ethyl alcohol is distilled from molasses or derived from other processes. A small quantity of molasses spirit is used in beverage spirit production. This amounted

to about 14.8 thousand hectolitres of alcohol a month in the year ended 31 March 1984, and has already been deducted from the figures shown.

#### **Soap**

Figures relate to production of manufacturers employing 25 or more persons until fourth quarter 1980, and thereafter to those employing 50 or more, and represent production for all purposes, including export, of all types of soap except dentrifices. Lathering shaving soap, and cream and soap shampoos are included.

#### **Synthetic detergents**

The figures relate to sales of detergents by the larger United Kingdom manufacturers, defined as those employing 25 or more persons until fourth quarter 1980 and 50 or more thereafter, for use primarily for washing purposes. Surface-active material for use as disinfectants, wetters, spreaders and emulsifiers is excluded. Detergent precursors, e.g. dodecylbenzene, and abrasive and scouring preparations containing synthetic detergents are also excluded. The figures are free of double counting of materials at different stages of manufacture. Also excluded from first quarter 1980 are sales of household cleaning liquid detergent, and from first quarter 1981 paste synthetic detergents.

#### **Sulphur and sulphuric acid**

##### **Sulphur, etc**

The figures relate to acid sulphur, spent oxide, and zinc concentrates for use in the manufacture of sulphuric acid. Figures for acid sulphur include recovered sulphur and the sulphur content of filter cake, H<sub>2</sub>S and ferrous sulphate.

Stocks of acid sulphur and spent oxide are the quantities at acid works.

##### **Sulphuric acid (as 100 per cent acid)**

Consumption figures include recovered sulphuric acid.

#### **Dyestuffs and pigments: paint and varnish**

##### **Dyestuffs and pigments**

From first quarter 1981, figures relate to sales by manufacturers employing 100 or more persons, replacing the previous level of 25. The figure for synthetic dyestuffs includes the following groups: acid, azoic, basic, direct, disperse, mordant, sulphur, solvent and vat.

Synthetic organic pigments include toners and lakes.

Sales are stated in terms of actual weight i.e. the total weight of a pigment or dyestuff.

##### **Paint and varnish**

From first quarter 1981 figures relate to sales by manufacturers employing 50 or more persons, replacing the previous level of 25. Figures for cellulose-based paints, varnishes and lacquers include clear solutions and pigmented cellulose paints. Other includes oils and synthetic-based non-aqueous paints; marine paint (anti-fouling and anti-corrosive paints and compositions for use below water-line only); bituminous paints.

#### **Synthetic resins and plastics materials**

From first quarter 1981, figures refer to sales by manufacturers employing 75 or more persons, rather than the previous level of 25.

#### **Products of condensation, polycondensation and polyaddition**

These include alkyds, aminoplastics, phenolics, unsaturated polyesters, epoxide resins and other products including polyurethanes (non-foam forms). Casein products are excluded throughout whilst polyamides used for fibre spinning are included throughout. Other polyamides (including monomer cast forms) are included up to fourth quarter 1982 only.

#### **Products of polymerisation and copolymerisation**

These include acrylics, polyolefins, polyvinyl chloride, polyvinyl acetate, polystyrene and ABS.

#### **Cellulosics and other plastics and modified natural resins**

Figures for cellulosics and other plastics and modified natural resins consist only of regenerated cellulose film from first quarter 1983.

#### **Intermediate forms between resins and semi-finished products**

These comprise moulding and extrusion compounds of alkyds, unsaturated polyesters, and aminoplastics and plasticised and unplasticised compounds of polyvinyl chloride. Moulding and extrusion compounds of phenolics are included up to first quarter 1983.

#### **Semi-finished products**

These mainly comprise laminated thermosetting sheet and unconverted film and sheet.

#### **Production of selected organic chemicals**

From first quarter 1981, figures relate to sales by manufacturers employing 50 or more persons, replacing the previous level of 25.

## **10. METALS, ENGINEERING AND VEHICLES**

### **Iron and steel**

#### **Iron ore**

The ferrous content of home ore is about 22 per cent compared with an average of about 64 per cent for imported ore.

#### **Pig iron**

Blast furnace iron and blast furnace ferro-alloys.

Consumption in steel works and steel foundries, wrought iron and refined iron works and iron foundries. Excludes consumption in iron foundries of refined and cylinder iron made otherwise than in blast furnaces.

#### **Scrap**

Consumption in steel works and steel foundries, wrought scrap (including scrap arising in own works) consumed in steel melting furnaces and converters, blast furnaces, wrought iron and refined iron works, and iron foundries.

#### **Crude steel production**

Steel ingots, continuously cast blooms, billets and slabs and steel for castings.

#### **Crude steel stocks**

Ingots and the ingot equivalent of semi-finished and finished steel held at producers' works; excluding stocks held by consumers and stockholders.

#### **Net deliveries of finished steel**

Includes imported steel, but excludes all material for intra-industry conversion; exports are included.

#### **Consumers' and stockholders' stocks of finished steel**

Finished steel from all sources, i.e. produced in the United Kingdom or imported.

#### **Iron castings**

Weight of iron castings in the black state (up to and including fettling).

#### **Non-ferrous metals**

Stocks of non-ferrous metals relate to consumers' stocks, including stocks held by consumers in London Metal Exchange warehouses and other privately held stocks, but exclude all government held stocks. Stocks in transit in the United Kingdom are included throughout.

#### **Copper**

Primary copper is copper refined from imported blister. Secondary refined copper includes copper refined from scrap but excludes remelted copper. Consumption of refined copper (primary and secondary) is as reported by consumers.

Consumption of copper in scrap is obtained by the difference between copper content of output and consumption of refined copper. Monthly figures of scrap consumption are particularly affected by variations in the amount of work in progress and should be used with caution.

Production of wrought semi-manufactures includes wire, rods, bars, sections, sheet, strip, plate and tubes of copper and copper alloys (gross weight of alloys).

Production of castings includes both copper and copper alloys (gross weight of alloys).

Stocks of refined copper include copper in wire bars.

#### **Aluminium**

Primary production includes primary based alloy. Secondary production includes primary content of secondary.

Despatches includes despatches to home customers and exports. Primary despatches includes imported material. Wrought material includes wire, rods, bars, sections, sheet, strip, plate and tubes of aluminium and aluminium alloys.

#### **Lead**

For refined lead the series relate to soft and antimonial lead refined from secondary and scrap material, and from domestic ores, including that refined by consumers for their own use; also included is lead refined from bullion.

Home consumption of refined lead includes imported primary, domestically refined lead and lead imported for processing on toll. Stocks of refined lead include imported primary and secondary, and also domestically refined lead.

The consumption of scrap lead includes re-melted lead but excluding secondary antimonial (hard) lead recovered from scrap, whether for sale or own use, when used by the ultimate consumer.

#### **Tin**

Home consumption of tin is as reported by consumers.

#### **Zinc**

Slab zinc is unwrought zinc, excluding re-melted zinc.

Under 'consumption' other zinc (metal content) includes not only scrap (zinc content of brass and other alloy scrap, re-melted and scrap zinc metal and zinc content of residues) but also partially refined metal not classified as slab zinc and concentrates used directly in manufacturing processes such as galvanizing (but not used in zinc production).

#### **Engineering and allied products**

This table presents statistics based on those collected in the Business Statistics Office's quarterly sales inquiries and published in Business Monitors.

These statistics represent estimated total sales, by UK manufacturers, of the principal products of activity headings in Division 3 of the Standard Industrial Classification 1980, excluding ferrous and non-ferrous metal foundries (AH 3111/2), process engineering contractors (AH 3246), electrical equipment installation (AH 3480) and shipbuilding and repairing (AH 3610). Waste products and work done are also excluded. The sales of principal products of Division 3 by establishments not classified to that Division are included, together with estimates for such sales by establishments falling below the employment thresholds of the quarterly sales inquiries.

#### **Mechanical, instrument and electrical engineering seasonally adjusted volume index numbers**

These tables provide seasonally adjusted volume index numbers of total, home and export sales, orders on hand and new orders (net of cancellations) of the industries classified to Classes 32, 33, 34 and 37 of the Standard Industrial Classification 1980, excluding the ordnance and small arms industry and process plant engineering contractors. The basic data for the index numbers of home sales and orders-on-hand are obtained by subtracting exports from totals and data for new orders are derived from current sales and the change in orders on hand. Seasonally adjusted total indices are obtained by combining the seasonally adjusted home and export series.

The index numbers for the combined engineering industries are initially published, together with a commentary, in British business. Business Monitor PM 1000 contains a more comprehensive set of tables, together with full notes and an expanded commentary. Quarterly indices of home and export sales, orders on hand and new orders for individual census industries within the engineering sector, may be found in Business Monitor PQ 1001.

The indices are based upon the results of three separate monthly and quarterly inquiries, estimates being made for non-respondents. A more detailed description of the methods used to construct the indices is given in Business Monitor PM 1000.

#### **Motor vehicles**

The production figures for individual months are totals for periods of four or five weeks.

#### **Passenger cars**

Taxis, estate cars and station wagons are included but three-wheeled vehicles are excluded.

#### **Commercial motor vehicles other than buses and coaches**

The following types of vehicles are included: lorries and vans, ambulances, motive units for articulated vehicles and special-type vehicles other than armoured fighting vehicles for the Services. Chassis delivered as such by motor manufacturers are included.

#### **Buses and coaches**

The figures include complete single-deck omnibuses and coaches designed with eight to fifteen seats, excluding the driver's.

## **11. TEXTILES AND OTHER MANUFACTURES**

#### **Indices of production in the textile and clothing industries**

These indices provide a general measure of the changes in the volume of production in the textile and clothing industries. For further information regarding the compilation of these indices, see Section 7.

#### **Textiles**

##### **Raw cotton**

Home consumption figures show the quantities used for cotton spinning.

Stocks figures represent the estimated weight of raw cotton held in Liverpool and Manchester certified warehouses and in Manchester docks, and by spinners in mills and up-country warehouses.

##### **Single yarn spun in the cotton industry**

Production is the total conditioned weight of single yarn spun whether for sale or for further manufacture by the same firm. Yarn spun on commission is included.

Cotton yarn excludes waste yarns and mixture yarns.

Cotton waste yarns are yarns spun from cotton waste and from raw cotton on the condenser and other waste spinning systems.

Spun man-made fibre and mixture yarns are spun yarns of rayon, nylon and other man-made fibres, mixture yarns of cotton and man-made fibres and of cotton and wool, and waste yarns other than those wholly of cotton waste and raw cotton.

##### **Woven cloth of cotton and man-made fibres**

The figures include cloth made for sale, cloth which is made up into household textiles, etc., by the same firm, and cloth woven on commission. Cloth for industrial uses such as tyre fabric is included as well as cloth for clothing and for household textiles. The figures represent the length in metres of cloth in the loom state before undergoing finishing processes: but cloth intended for splitting is included in length as split (for example, one metre of cloth intended to be split into two pieces is shown as two metres).

Man-made fibre and mixture cloth is cloth made wholly from continuous filament and spun rayon, nylon and other man-made fibres and mixture cloth,

containing not less than 85 per cent by weight of man-made continuous filament yarn and yarns spun in the cotton industry, as defined above, or similar yarns spun abroad.

#### **Man-made fibres**

Figures relate to output of man-made fibres in commercial production in the United Kingdom.

#### **Woollen yarn**

Production figures are estimated from the weight of all fibres including man-made fibres, consumed by spinners of yarn on the woollen system. All types of yarn are covered, including hand-knitted and carpet and rug yarns.

#### **Woven wool fabrics**

The figures represent the total deliveries of all fabrics woven in the wool textile industry. Woven woollen fabrics are fabrics which are mainly woollen by weight of components; similarly, woven worsted fabrics are fabrics which are mainly worsted by weight of components.

#### **Wool blankets (including mixtures and man-made fibres)**

The following factors apply: 1 full size blanket = 4.51 square metres, 1 cot blanket = 1.17 square metres.

#### **Hosiery and other knitted goods**

The figures relate to sales by establishments employing 25 or more persons. These figures include garments made-up from knitted fabrics of all types by establishments engaged in knitting, except those engaged mainly in warp knitting. The figures exclude garments made-up from knitted fabrics by establishments not engaged in knitting.

#### **Timber**

##### **Softwood and hardwood**

Deliveries of imported softwood and hardwood are based on imports as recorded in Overseas Trade Statistics adjusted for stock changes notified by importers.

Pitwood is excluded. Hardwood figures include logs for veneer production.

##### **Plywood**

Deliveries are calculated from imports, as recorded in Overseas Trade Statistics, adjusted for stock changes notified by importers.

Includes all plywood, blockboard, laminboard and batten-board.

##### **Pitwood**

All mining timber specially prepared for use underground in coal mines for propping or shoring or as pit sleepers. Figures are shown in solid cubic metres (3.57 solid cubic metres equivalent to a Gothenburg standard of round wood and 3.12 solid cubic metres equivalent to a Gothenburg standard of sawnwood).

Round pitwood comprises pitprops, props split, round bars and long pitwood.

Production figures are based on National Coal Board consumption of home-grown timber.

##### **Domestic furniture**

Estimated sales of mainly wooden and upholstered domestic furniture (excluding beds and mattresses) by establishments in the United Kingdom employing 35 or more people from 1980.

##### **Paper and board**

Production figures are weekly averages for four or five week periods. The figures for imports and exports have been taken from the monthly Overseas Trade Statistics and converted to seven day weekly averages. The figures for stocks relate to quantities held by paper and board makers. Board excludes building board.

##### **Paper-making materials other than woodpulp**

Consumption figures relate to consumption by paper and board mills. Stock figures show the quantities held at these mills.

##### **Paper equivalent**

The paper equivalent figures show the approximate amount of paper which it is estimated can be produced from the paper-making materials other than woodpulp shown as consumed or in stock. They are: straw 43 per cent, rags, etc., 66.67 per cent, waste paper 85 per cent, esparto 42 per cent, pulpwood other than round, 37.5 per cent. The paper equivalent of one tonne of round pulpwood is estimated at 0.63 tonnes.

##### **Pulpwood**

Pulpwood includes home-grown pulpwood, wood waste, chippings and rejected pitprops.

##### **Woodpulp for paper-making**

This consists of imported woodpulp of the following types: Chemical woodpulp, that is, chemical sulphite (unbleached and bleached), chemical sulphate and soda (unbleached, semi-bleached, partly bleached and bleached) and semi-chemical woodpulp; Mechanical woodpulp (including knotted and screenings).

Both are in terms of air dry weight used or held by paper-makers and manufacturers of cellulose wadding. Pulp derived from imported and home-produced pulpwood, rejected pitprops and wood waste is excluded.

##### **Rubber**

Figures for new tyres and tubes relate to sales by manufacturers employing 300 or more people from first quarter 1981, the previous employment level having been 25 people. Figures for retreads, belting, hose and tubing and other rubber products refer to sales by firms employing 25 or more people up to fourth quarter 1980 and by those employing 100 or more people thereafter. Some plastics products are included in the belting, hose and tubing and other rubber products categories. Other rubber products includes such items as coated fabrics, cellular products, footwear components, fluid seals, rubber compounds, and visions moulded, bonded, extruded, hand built dipped and cast products. Figures for synthetic rubber refer to sales by firms employing 25 or more people.

##### **Carbon black**

Production includes lamp and vegetable black but excludes acetylene and bone black.

##### **Brushes**

Up to the 4th quarter 1980 figures relate to firms employing 25 or more persons, and thereafter to those employing 50 or more persons. Other brushes include painting rollers, artists' brushes, cosmetic and bottle brushes, brushes for machines and other industrial brushes.

##### **Floorcoverings**

The figures relate to sales by establishments employing 25 or more persons.

##### **Carpets and rugs**

The term Carpets includes carpeting and carpet type rugs. The figures for All types include those for items not shown separately, namely: non-woven carpets, carpeting and carpet type rugs, including needleloom, and rugs other than carpet type rugs.

##### **Floorcoverings of linoleum and plastics materials**

With effect from the first quarter 1981 figures relate to sales by manufacturers employing 100 or more (replacing the previous level of 25) and making floor coverings of both textile and non-textile based linoleum and plastics.

## **12. CONSTRUCTION**

### **Value and volume of constructional work and new orders obtained**

Figures for the construction industry are based on Division 5 of the 1980 Standard Industrial Classification.

The value of output represents the value of construction work done during the quarter in Great Britain and is derived from returns made by private contractors and public authorities with their own

direct labour forces. The series (and the accompanying index of the volume of output) include estimates of the output of small firms and self-employed workers not recorded in the regular quarterly output inquiry.

The new orders statistics are collected from private contractors and analysed by the principal types of construction work involved. The series includes speculative work for eventual sale or lease undertaken on the initiative of the respondent where no formal contract or order is involved.

#### **Building materials and components**

The figures relate to the actual production and stocks as given in the returns submitted by producers.

The stocks figures relate to stocks at work, including sold and unsold. Production figures will relate to calendar months or periods of four or five weeks.

#### **Building bricks**

The figures include common, facing and engineering bricks made from shale, sand lime, clay or concrete, but exclude glazed bricks and all types of refractory bricks.

#### **Cement and cement clinker**

Cement production figures show the actual quantity of Portland cement and Portland blast furnace cement ground ready for sale.

Clinker, the product of calcination of chalk and clay or similar materials, is cement prior to grinding. Stocks of clinker thus represent the tonnage awaiting grinding.

#### **Gypsum**

The figures refer to quantities mined but exclude anhydrite.

#### **Plaster**

The figures exclude plaster used in the production of plasterboard.

#### **Asbestos cement sheets**

From 1 January 1980 the inquiry has been conducted on a quarterly basis.

#### **Plasterboard**

Includes all plasterboard for ceilings, partitions and insulation.

#### **Concrete building blocks**

Information refers to dense aggregate, lightweight aggregate and aerated concrete blocks. From July 1979 onwards the inquiry covering those establishments employing more than 25 persons has been conducted on a sample basis and the results are grossed up accordingly. From January 1983, monthly figures are based on production.

#### **Concrete roofing tiles**

From 1 January 1980 the inquiry has been conducted on a quarterly basis. Figures relate to area of roof coverage.

#### **Ready-mixed concrete**

Figures are for production in the United Kingdom and are derived from a quarterly summary provided by the British Ready-Mixed Concrete Association, British Aggregate Construction Materials Industries and separate returns made by non-members of the Association.

#### **Slate**

From 1 January 1980 the inquiry has been conducted on a quarterly basis. The figures cover slate mined or quarried for all purposes including roofing and damp proof courses, architectural and cladding uses. From 1976 the inquiry was extended to include use as powder, granules and fill.

#### **Sand and gravel**

The figures embrace land-won and marine dredged production of (a) building sand, including sand used in the manufacture of sand lime bricks and for asphaltting, (b) concreting sand, (c) gravel (including hoggins used for all purposes).

Annual statistics for sand and gravel production have been derived from the figures collected in the Annual Minerals Raised Inquiry (AMRI).

The quarterly inquiry is however conducted on a sample basis and from the beginning of 1980, relates to sales rather than production. Thus, differences between the sum of the four quarterly inquiries, conducted on a sample basis, and the AMRI, a census, can be attributed to the different methods of collection, the incompleteness of the sampling frame used in the quarterly inquiry, and, latterly to a change in the basis of data collection.

#### **Crushed rock aggregate**

Includes limestone, sandstone and igneous rock sold for use as roadstone, concrete aggregate, fill and ballast as reported in the AMRI.

#### **Housing**

The table on housing relates to permanent houses and flats built for local authorities, private owners, housing associations and government departments. Temporary houses and mobile homes are excluded.

The figures for local authorities include houses provided by the Commission for the New Towns and new town development corporations and, in Scotland, by the Scottish Special Housing Association and in Northern Ireland, by the Northern Ireland Housing Executive (formerly by the Northern Ireland Housing Trust); these figures exclude those for houses provided by local authorities other than under Housing Act powers (e.g. for parks, welfare, water undertakings), and these are included under the heading Other authorities. Also included under the latter heading are houses provided or authorised by government departments for the families of police, prison staff, the armed forces and certain other services, and those provided by housing associations with the exception of the Scottish Special Housing Association.

### **13. TRANSPORT**

#### **Road vehicles in Great Britain**

The figures for months up to September 1974 are compiled from information received by the Department of the Environment from all registration and licensing authorities (county, county borough and borough councils in Great Britain which administer the Vehicles (Excise) Act 1971, (and previous similar Acts)). The figures from October 1974 onwards are obtained from Driver and Vehicle Licensing Centre (DVLC) at Swansea which took over responsibility for new registrations from that date. The statistics are thus a by-product of administration and the classes shown correspond in the main to taxation classes. The figures include all vehicles which pay tax and certain vehicles which are exempt from the payment of tax. Most of the latter carry a form of licence known as a 'nil' licence. The figures exclude vehicles registered by the armed forces or as personal or direct export and trade licences issued to manufacturers and repairers of and dealers in, motor vehicles.

Exempt vehicles fall into two groups:

Vehicles which are designed and used for particular purposes:

Some vehicles in this group (such as invalid vehicles, snow ploughs and certain road construction vehicles) are registered when they are first brought into use and, although they pay no tax, they carry 'nil' licence. Other vehicles of this type (viz. fire appliances, ambulances and road rollers) do not carry a licence disc.

Vehicles which make little or no use of public roads:

Vehicles which make little use of public roads (that is, travel not more than six miles per week while passing between different parts of the owner's land) are registered but carry no licence.

Vehicles which are never used on public roads (that is, on roads repairable at the public expense) are not required to bear a licence and are registered

only if the roads they use (e.g. certain industrial estates) are accessible to the public. These vehicles only appear in the statistics of current licences, from 1979.

Vehicles owned by government authorities:  
Vehicles belonging to the armed forces operate under a special registration and licensing system. Such vehicles are not included in either table.

All other vehicles owned by government departments are registered but pay no tax. From 1951, these vehicles have operated under Certificates of Crown Ownership and are shown separately in statistics of current licences, but are combined with exempt vehicles in statistics of new registrations.

#### Method of collecting statistics of licences current

Up to 1974 the figures are based on a sample of one-tenth or one-twelfth of all vehicles registered by most authorities; a complete census was carried out by those authorities with fewer than 10,000 registered vehicles. A vehicle is included if it had a licence current at any time during the third quarter of the year.

From 1974 the census method underlying the count of stock of licensed vehicles has been changing as vehicle records have gradually been transferred from local taxation offices to the Driver and Vehicle Licensing Centre (DVLC). Consequently, stock figures from 1974 to 1978 are not comparable. In 1975 and 1976 the figures were derived from the records held by local licensing authorities and from the records held by DVLC. At DVLC, only those vehicles licensed at 30 September were included. No census results are available for 1977. From 1978 the census is based on the count of licensed vehicle stock at 31 December.

#### Road traffic and inland goods transport in Great Britain

The index of tonne-kilometres of road goods transport is estimated from a continuing sample survey of goods vehicles. Up until mid-year 1981, samples were taken from the population of heavy goods vehicles subject to Operator Licensing. From mid-year 1981 onwards samples were taken from the population of heavy goods vehicles licensed to use the public road network. Quarterly index numbers for road transport are obtained by dividing each quarter's figure of tonne-kilometres performed by road by the quarterly average in 1973. The quarterly figures relate to 13-week periods and not to three calendar months, so no adjustment for differences in the length of calendar months is necessary. Annual index numbers are obtained in a similar way by dividing the estimated annual road tonne-kilometres by the corresponding figure in 1973.

#### Road casualties in Great Britain

These figures are compiled from information received by the Department of Transport, the Scottish Development Department and the Welsh Office from police forces throughout Great Britain. Only those casualties from road accidents occurring on the public highway, (including footways) in which a vehicle was concerned, and which were reported to the police are included.

Casualties are classified according to the degree of injury sustained. The degrees of injury are defined as follows:

**Killed:** Died within 30 days of the accident.

**Serious injury:** An injury for which a person is detained in hospital as an in-patient, either immediately or later; or any of the following injuries whether or not he is detained in hospital: fracture, concussion, internal injury, crushing, severe cuts and lacerations, severe general shock requiring hospital treatment, injuries causing death 30 or more days after the accident.

**Slight injury:** An injury of a minor character such as a sprain or bruise, or a cut or laceration not judged to be severe. Cases of shock are only included if they need roadside attention.

#### Road passenger transport

The annual figures for buses and coaches are derived from a return from operators in both the public and private sectors. Quarterly figures are based on a separate return from most public sector operators, accounting for 90 per cent of passenger journeys and nearly 80 per cent of passenger receipts. Estimates are made for a small number of other public operators, accounting for less than 1 per cent of all journeys and receipts and for private operators. At the end of each year the quarterly figures are adjusted to sum to those taken from the annual return.

#### Indices of stage bus fares

Information required for the calculation of the index of stage service fares is based on a panel of large undertakings which account for over 90 per cent of all stage carriage operations.

The value of an index at the end of a quarter is derived from multiplying the value of the index at the end of the preceding quarter by a ratio. This ratio is the level of annual receipts accruing to members of the panel from fare rises awarded in the quarter (on the assumption of no resultant change in the level and volume of passengers carried) to the level of annual receipts expected if there had been no fare change (and the level and volume of passengers carried had also remained constant). For those undertakings on the panel which did not have a change in fares in the quarter, which is usually the case for the majority of undertakings, the figure of expected annual receipts accruing without a fare change in that quarter is used in both numerator and denominator of the ratio.

From 1977, the concessionary fare payments to operators from local authorities on behalf of old age pensioners, the blind and the disabled, have been excluded from the passenger receipts figures. Revenue support, including concessionary fare payments for children, always has been so that the change in the index over a quarter now measures the change in the average fare as paid directly by the passenger.

#### Passenger journeys

The figures of passenger journeys show the number of journeys originating on the British Rail and London Transport systems. Passenger journeys commencing on one system and terminating on the other are included in the figures for both British Rail and London Transport. Return tickets are counted as two journeys. Season ticket journeys are allocated on a pro-rata basis over the period covered by one ticket. For British Rail, annual season ticket journeys are estimated on a basis of 480 journeys per annum; journeys on season tickets of shorter validity are estimated on a basis of 540 journeys per annum. For London Transport, journeys on all season tickets are estimated on a basis of 600 journeys per annum.

#### Freight traffic

##### British Rail

The figures include all trainload and wagonload revenue-earning traffic.

All departmental traffic (i.e. goods carried by British Rail for its own purposes either on revenue-earning trains or special departmental trains) is excluded.

##### Civil aviation

The statistics cover the scheduled services of British Airways and UK private companies.

Scheduled services are defined as those where all the cargo capacity and at least 50 per cent (or such other percentage as may be specified in the licence) of the passenger carrying capacity of the aircraft has been made available by the operator or his agent (without the intervention of a charterer) for purchase by the public.

The figures refer only to revenue kilometres and traffic and therefore exclude such items as training, positioning and test flights and non revenue passengers and cargo.

In combining kilometre statistics, distances have been calculated on the great circle distance between two traffic stops. If a technical stop intervenes the distance is the sum of the two stages caused by the technical stop.

#### **Domestic services**

Services flown entirely within the United Kingdom, Isle of Man and Channel Islands.

#### **International services**

Services flown between the United Kingdom, Isle of Man, Channel Islands and places outside, and services flown between points outside the United Kingdom, Isle of Man and Channel Islands.

#### **Aircraft kilometres**

Aircraft kilometres equal the sum of the products obtained by multiplying the number of flights performed by the stage distance.

#### **Passengers uplifted**

The number of passengers uplifted is obtained by counting each revenue passenger on a particular flight (with one flight number) once only and not repeatedly on each individual stage of that flight. A revenue passenger is defined as one who pays 25 per cent or more of the normal applicable fare.

#### **Seat kilometres used**

A seat kilometre is used when a revenue passenger is carried one kilometre. Calculation of seat kilometres used equals the sum of the products obtained by multiplying the number of revenue passengers carried on each stage flight by the stage distance.

#### **Cargo**

The weight of property carried on an aircraft including, for example, the weight of vehicles, excess baggage, diplomatic bags but excluding mail, passengers' and crews' permitted baggage.

#### **Cargo (or mail) tonne kilometres used**

A metric tonne of cargo carried one kilometre. Cargo tonne kilometres used equal the sum of the products obtained by multiplying the number of tonnes of cargo on each stage flight by the stage distance. Mail tonne kilometres are calculated in the same way.

#### **Merchant vessels of 500 gross tons and over registered in the United Kingdom**

##### **Passenger vessels**

Any vessel permitted to carry more than 12 passengers.

##### **Cargo liners**

Vessels which carry dry cargo over a definite route on fixed schedules, other than container ships, but including roll-on/roll-off vessels.

##### **Container ships**

Fully cellular container ships.

##### **Tramps**

Dry cargo vessels not used for providing a regular service, including bulk carriers of under 10,000 dwt. and general purpose vessels (usually multi-deck).

##### **Bulk carriers**

Dry cargo, ore/oil and ore/bulk/oil carriers of 10,000 dwt. and over.

##### **Tankers**

Oil, gas, chemical and other specialised tankers.

##### **Miscellaneous craft**

Government owned vessels, offshore supply vessels, non-cargo and/or passenger carrying sea-going vessels, sailing vessels, tugs, fishing vessels, dredgers, river and other non-seagoing vessels.

##### **Gross tonnage**

Gross tonnage is the total volume of all the enclosed spaces of a vessel. The unit of measurement is a ton of 100 cubic feet.

##### **Deadweight tonnage**

Deadweight tonnage is the total maximum weight in tons that a ship can legally carry, that is, the total weight of cargo, bunkers, stores and crew.

## **14. RETAILING**

### **Retail sales and stocks**

#### **Sales**

The monthly retail sales estimates, expressed as index numbers, cover the retail trades (excluding the motor trades) in Great Britain. The indices are compiled on a kind of business, rather than a commodity basis and take account of the results of the larger inquiries into retailing for 1980 and 1982.

The statistics are based on returns from a voluntary panel of retailers and all sizes and types of retailers are represented including those trading by mail order. At present the panel consists of about 3,200 small retailers (with turnover less than £2 million in 1980) and about 350 large retailers who account for about 80 per cent of the total sales of all large retailers.

Contributing retailers report their total sales through all their outlets and by mail order. This means that the statistics include an allowance when shops are opened or closed by a contributor but it is not generally possible to make allowances when an existing retailer goes out of business or when a new retailer starts up. The statistics are inclusive of VAT (before the introduction of VAT on 1 April 1973, sales were inclusive of purchase tax), from services to customers (for example, repairs) and rentals received for goods (for example, television sets). Hire purchase and other instalment credit sales are valued at the credit price of the goods (that is including deposits and, where credit is provided by the shop, credit charges). Figures of credit sales relate only to the period during which the transactions took place; that is cash received from credit sales in previous periods is not included. Sales by chemists exclude receipts under the National Health Service. The statistics, being on a kind of business, and not on a commodity basis, do not cover sales of goods by establishments not classified to the kinds of businesses in the statistics; for example, they do not cover the sale of cigarettes in public houses or garages or the sale of goods in restaurants and cafes.

The basic estimates of the value of sales each month are constructed by comparison with the same month of the preceding year, 'chaining' back to the base year - (1980 at present).

The series has been further adjusted so that the index numbers for each kind of business agree with the estimates of the growth in turnover shown by the more comprehensive retailing inquiries.

The latest summary statistics are published each month in British business; detailed unadjusted statistics appear each month in Business Monitor SDM28 Retail Sales. More information on the construction of the Retail Sales Index is given in articles in British business dated 29 February 1980, 19 February 1982 and 2 March 1984.

#### **Stocks**

Quarterly information on retailers' stocks is collected as part of the retail sales inquiry with the series being aligned to the book value of retailers' stocks collected in the annual retailing inquiries. The data collected relate to Great Britain, although an adjustment is made for Northern Ireland; published estimates relate to the United Kingdom. The reporting sample is confined to large retailers and accounts for about one third of total retail stocks.

## **15. EXTERNAL TRADE**

### **Visible trade on an Overseas Trade Statistics basis**

The statistics of overseas trade are compiled from the declarations made to HM Customs and Excise by importers and exporters or their agents, which are subject to verification by customs officials. They comprise all merchandise imported into or exported from the United Kingdom, with the exception of the items mentioned below, (Coverage of statistics), whether or not the imports are intended at the time of importation for use in the United Kingdom or for re-export, and whether or not the exports are from

Customs bonded warehouses. The statistics of imports, therefore, include British goods re-imported and goods imported for processing or for incorporation with other goods and subsequent re-exportation. This system is known as the 'general' system of recording trade statistics. Re-exports are not separately distinguished and are included with exports of United Kingdom produce.

The processing of trade documents was interrupted between March and August 1981 by industrial action by civil servants at HM Customs. The import figures for these months were subsequently fully processed and the results published in the normal detail.

For exports however, resources were sufficient just to allow the processing of a 10 per cent sample of trade documents for the months of March to August inclusive and this produced publishable estimates only for certain broad aggregates. The figures for the detailed commodities and the commodity by country analysis were not sufficiently reliable to justify publication of the individual monthly results, but estimates for the year as a whole have been published.

#### Definition of the United Kingdom

For the purposes of trade statistics 'United Kingdom' is defined as Great Britain, Northern Ireland, the Isle of Man, the Channel Islands and the Continental Shelf (United Kingdom part). The figures include the trade of the Channel Islands and the Continental Shelf (UK part) with overseas countries other than the United Kingdom, but exclude trade between the different parts of the United Kingdom.

#### Commodity classification

Since January 1978 the grouping of commodities in the Monthly Digest is based on the Standard International Trade Classification (Revision 2) of the United Nations. The headings of the SITC (Revision 2) correspond directly with those of the revised Customs Co-operation Council Nomenclature (CCCN).

#### Changes in the coverage

Changes in the coverage of the Overseas Trade Statistics are made from time to time, but as far as possible all earlier figures in the Digest are adjusted to conform to the coverage and definitions in operation in the latest period shown.

In some cases it is not possible to adjust figures for all periods to a comparable basis, and the following discontinuities should be noted. Since 1970 low value imports and exports, other than by parcel post and other than imports subject to excise duty, of an individual value less than £200 have been aggregated under SITC(R1) or SITC(R2) sub-group 931.0 as 'special transactions and commodities not classified according to kind'. This trade, accounting for a very small proportion of total trade, is not analysed either by commodity or country so that figures for individual commodity and country headings are deficient to the extent of these amounts.

From January 1971 certain imports and exports used solely for servicing Continental Shelf installations have not been classified by commodity but have been similarly aggregated under SITC (Revision 1) or SITC (Revision 2) sub-group 931.0 as 'special transactions and commodities not classified according to kind'. Also, with effect from January 1978, figures for trade in floating and submersible drilling platforms for continental shelf oil and gas operations, previously comprising SITC (Revision 1) item 718.43, are included under SITC (Revision 2) item 793.82.

#### Coverage of the statistics

The following classes of goods are excluded from Overseas Trade Statistics:

- (a) seagoing vessels and aircraft sold or purchased whilst abroad, details of which therefore have not been notified to Customs;
- (b) aircraft temporarily imported or exported for repair, maintenance or servicing without change of ownership;

- (c) banknotes after issue into circulation, being legal tender in any country; issued stock, share and bond certificates and similar titles of ownership;
- (d) goods benefitting from diplomatic and consular or similar immunity; gifts to a foreign head of state or to members of a foreign government or parliament; British government owned stores exported for British government use overseas or returned from such use;
- (e) stores and equipment imported or exported by Commonwealth and foreign government forces in the United Kingdom solely for their own use (including American Post Exchange Stores), and such stores and equipment re-exported;
- (f) stores and equipment exported for use by United Kingdom forces or returned from such use. (Stores shipped abroad for NAAFI, the YMCA and similar organisations are, however, included);
- (g) fish and other natural produce of the sea on first landing in the United Kingdom, after being taken by vessels of British registration;
- (h) stores and fuel as follows;
  - (i) on board ships, aircraft and vehicles and intended for consumption en route,
  - (ii) ships' stores, unless ex-warehouse or subject to licence, exported as cargo in transit to specific vessels lying overseas;
- (i) personal and household effects; legacies;
- (j) temporary importations or exportations and subsequent return of the following;
  - (i) precious stones for valuation, grading, etc., where ownership has not changed,
  - (ii) goods, including works of art, intended for fairs and exhibitions,
  - (iii) merry-go-rounds and other fairground attractions,
  - (iv) professional effects (e.g. survey, film and radio equipment, tools of trade, theatrical effects, musical instruments and the like),
  - (v) goods for technical examination and standards testing,
  - (vi) commercial samples and advertising films,
  - (vii) means of transport, containers and equipment connected with transport,
  - (viii) packaging, and
- (k) the following goods provided they are not the subject of a commercial transaction;
  - (i) printed advertising material, instructions for use, price lists,
  - (ii) ballast, dunnage, oil sludge and tank cleanings, waste for dumping at sea, and other goods which have become unusable or which cannot be used for industrial purposes,
- (l) imports and exports of monetary gold (i.e. refined gold bullion which is the subject of London Gold Market or inter-bank dealings).

#### Parcel post

Imports and exports by parcel post are, generally speaking, included in Section 9 under the heading Postal packages not classified according to kind (SITC(R2) sub-group 911.0). Consequently the figures for the descriptions of particular goods in the tables are deficient to the extent of the volume of this parcel post trade.

The figures for these imports and exports relate to goods sent through the Post Office as parcel post; as a general rule they do not include packets sent by letter post or by printed paper post.

The value of parcel post trade is estimated by applying average values of parcels to the number of parcels. These average values are derived from occasional sample surveys and subsequent extrapolation based on appropriate unit value indices.

#### **Period covered by the monthly Overseas Trade Statistics**

In general, the figures show the trade as declared by importers and exporters on the completed documents received in the Statistical Office of HM Customs and Excise at Southend during a month.

Importers are usually required to present their documents before they can obtain Customs clearance and remove the goods. Further, the import figures include those recorded in documents lodged at the ports in the month, which reach Southend up to the third working day after the end of the month. The import figures therefore correspond fairly closely to goods actually imported during the calendar month.

Until October 1981, registered exporters were allowed fourteen days after the shipment of the goods within which to deliver their documents. Moreover the processing of export documents begins shortly before the end of the calendar month. Thus the export statistics compiled for a month do not correspond with goods shipped in the calendar month.

New procedures introduced on 1 October 1981 require the submission of an export document, either partial or complete, prior to the shipment of goods; if not provided initially, complete documentation must be submitted within fourteen days of shipment. Exporters are thus encouraged to submit complete documents at the outset, and a greater number are now received by Customs prior to shipment. An initial consequence was that the detailed export figures for October 1981 related to trade occurring in a period greater than one month. The balance of payments figures for that month have been adjusted to compensate for this effect. More generally, the new procedures have had the effect of improving the degree of correspondence between the actual date of exportation and the month to which the figures are ascribed, thus reducing the disparity in the recording of exports and imports.

#### **Quantities and values**

Both quantities and values are based on the declarations of importers and exporters or their agents and may be verified by Customs officials. A new valuation code, which embodies the rules on customs valuation forming the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade came into force on 1 July 1980. Information about the value for Customs purposes is given in paragraph 17 of Part 3A of the Tariff and Overseas Trade Classification and for exports under paragraph 6 (Box 29) of Part 3B(vi).

#### **(a) Imports**

For goods subject to duty ad valorem the statistical value is the same as the value for Customs purposes. This value is arrived at by the use of specified methods of valuation which have to be applied in strict hierarchical order. Thus if a value cannot be determined under the first method, the second is tried and so on. The first method is the 'transaction value' of the imported goods, broadly the price paid or payable for those goods. The other methods are, in order of precedence, the transaction value of similar goods, the deductive method (value derived from the selling price of the goods in the country of importation) and computed value based on the built-up cost of the imported goods. (At the importer's request, the order of application of the last two methods, the deductive and computed value methods, can be reversed.) There is finally a fallback provision for those exceptional cases where none of the specified methods is practicable.

The 'place' for valuation purposes is the point where the imported goods are introduced into the customs territory of the Community. This means that costs for delivery of the imported goods to that place have to be included in the customs value irrespective of the valuation method appropriate to the importation. For conversion to sterling of an amount expressed in foreign currency the most recent selling rate published at the date of acceptance of the entry should be used.

For all other goods, i.e. goods free or exempted from duty and goods subject to a specific duty, the statistical value is to be determined in relation to the point at which the goods enter the United Kingdom. This means that the value must include freight, insurance, commission and all other costs, charges and expenses incidental to the sale and delivery of the goods to the port or place of importation into the United Kingdom with the exception of any duty or tax chargeable in the United Kingdom. When the goods are re-imported after process or repair abroad the value to be declared must include the cost of the process or repair and the value of the goods when exported.

#### **(b) Exports**

The values of exports are on an f.o.b. (free on board) basis, viz. the cost of the goods to the purchaser abroad, including packing, inland and coastal transport in the United Kingdom, dock dues, loading charges, and all other costs, profits, charges and expenses (for example, insurance and commission) accruing up to the point where the goods are deposited on board the exporting vessel or aircraft or at the land boundary of Northern Ireland.

#### **Transit trade**

Goods in transit through the United Kingdom are not included in the statistics. Goods entered for transshipment may be either dutiable or free of duty, and either for removal from a vessel in one port and conveyance to another port for re-shipment abroad, or for removal under the same conditions from one vessel to another in the same port.

Goods transhipped under bond are to be distinguished from goods which are entered for storage in bonded warehouses and are afterwards exported therefrom, these latter goods being included in the figures of imports and exports under the 'general' system of recording.

#### **Seasonally adjusted figures of UK trade**

An explanation of the methods used to compute the seasonally adjusted figures was given in Economic Trends, February 1981.

#### **Trade by countries and areas**

Particulars of imports are given according to the country from which the goods are consigned; this is the country from which the goods were originally despatched to the United Kingdom with or without breaking bulk in the course of transport, but without any commercial transaction in any intermediate country. The country from which goods are consigned is not necessarily the country of shipment, origin or manufacture.

Particulars of exports are given according to the country of destination; this is the country which at the time of exportation is the final country to which the goods are being despatched from the United Kingdom. Exports of newly built seagoing ships are normally classified as despatched to the country of registration.

Goods consigned direct to the United Kingdom from fishing vessels other than those of UK registration are classified as consigned from the country in which the vessel is registered.

#### **Grouping of countries**

The designations of countries and territories against which figures of overseas trade are presented are selected for statistical purposes and do not necessarily correspond to customs areas, administrative areas or political units.

The areas used are defined as follows:

- (i) European Community, comprising France, Belgium and Luxembourg, Netherlands, Federal Republic of Germany, Italy, Irish Republic, Denmark and Greece.
- (ii) Rest of Western Europe, comprising Iceland, Faroe Islands, Norway, Sweden, Andorra, Gibraltar, Vatican City, Malta, Yugoslavia and Turkey.
- (iii) North America, comprising Greenland, Canada, United States of America, Puerto Rico and St. Pierre and Miquelon.
- (iv) Other developed countries, comprising Australia, New Zealand, South Africa and Japan.
- (v) Oil exporting countries, comprising Algeria, Libya, Nigeria, Gabon, Saudi Arabia, Kuwait, Bahrain, Qatar, Abu Dhabi, Sharjah, etc., Oman, Iraq, Iran, Brunei, Indonesia, Dubai, Trinidad and Tobago, Venezuela and Ecuador.
- (vi) Centrally planned economies, comprising Soviet Union, German Democratic Republic, Poland, Czechoslovakia, Hungary, Romania, Bulgaria, Albania, Vietnam, Mongolia, China and North Korea.
- (vii) Other developing countries, i.e. all countries other than those listed above.

#### Import and export volume index numbers

The volume index numbers are designed to show movements in our imports and exports after eliminating variations due to price changes. They are prepared by estimating what the value of the goods imported (or exported) in the current period would have been if their prices had been those of the base period. This estimate is then divided by the value of goods actually imported or exported in the base year; the indices thus give a measure of changes in the value of imports and exports at constant prices.

#### Import and export unit value index numbers

These index numbers are intended as guides to changes in the prices of imports and exports. They are not called price indices however, because they are calculated using unit values for each of a selection of commodities in the Overseas Trade Statistics instead of true price quotations. The unit values are obtained by dividing the value of trade recorded in the month for each heading by a corresponding quantity (numbers, tonnes, etc.). As far as possible only those headings which cover a sufficiently homogeneous group of commodities for their unit values to move in much the same way as true prices are used in the calculation. The headings are chosen to give as wide and representative a coverage as possible; over 2500 unit values are calculated for each of exports and imports, covering in the 1980-based series about 75 per cent by value of total trade in each direction. The indices are constructed by weighting the growth in unit values by the value of trade in the base year.

Details of the methods used in calculating the 1980-based series can be obtained from the Department of Trade and Industry, Room 259, 1, Victoria Street, London SW1P 3AP.

#### Visible trade on a balance of payments basis

The statistics of the value of imports and exports on a balance of payments basis are obtained by making various adjustments to the value of trade recorded in Overseas Trade Statistics. These adjustments relate to either the coverage of statistics or the valuation of items which are recorded. Overseas Trade Statistics includes, with a few exceptions, all goods entering or leaving the country whether or not their ownership changes and coverage adjustments are necessary to remove items where there is no change of ownership (for example, goods imported or exported and later returned to e.g. their original owner because the contract of sale is not completed) and to bring in items which are not included in Overseas Trade Statistics (e.g. new ships built and delivered abroad direct to UK owners). The main valuation adjustment is made to imports, which are valued c.i.f. in Overseas Trade Statistics, i.e. their value includes the freight and insurance costs of bringing them to this country; for balance of payments purposes these costs are deducted from the value of imports since freight and insurance payments to foreign companies are included in invisible items in the balance of payments and those to UK companies are regarded as domestic

transactions. Other adjustments include, for example, for exports the addition of an allowance for the net under-recording of exports when necessary; and for both imports and exports, adjustments to exclude Forces parcels. These adjustments are described in greater detail in an article, 'How UK's overseas trade is measured', in British business 8 May 1981, and in the annual Pink Books United Kingdom Balance of Payments. The Pink Book also gives a more detailed breakdown of the value of the adjustments.

The import and export unit value and volume index numbers for commodity groups are calculated from the data recorded in Overseas Trade Statistics. In order to provide index numbers comparable with the statistics of the value of trade on a balance of payments basis, index numbers are also constructed for total imports and exports on a balance of payments basis.

The terms of trade series is derived by dividing the total export unit value index by the total import unit value index, both being on a balance of payments basis.

#### Import penetration and export sales ratios for the products of manufacturing industry

The measures of import penetration and export sales ratios comprise the following:-

- Ratio 1 Imports/Home demand
- Ratio 2 Imports/Home demand plus exports
- Ratio 3 Exports/Manufacturers' sales
- Ratio 4 Exports/Manufacturers' sales plus imports

The ratios, based on current price data and available for more than two hundred sectors of manufacturing industry, were introduced in the August 1977 issue of Economic Trends. That issue also included notes on the conceptual and measurement problems involved in constructing the figures. Only one major methodological change has taken place since the ratios were first published. For ratios classified according to the Standard Industrial Classification (1980) second-hand goods and waste products have been excluded from the trade figures throughout; previously, on the 1968 classification, only trade in second-hand ships, aircraft, and aero-engines was excluded. This change was made in order to make the trade figures more comparable with the sales figures used in calculating the ratios.

The ratios are better suited to indicating changes in performance over time than to assessing absolute levels. (The figures are, therefore, not suitable for making comparisons between the performances of different industries or for comparing the performance of UK industry with that of another country.)

To an extent the four ratios complement each other, but one measure of import penetration or export performance may be more appropriate than the other in a particular circumstance. A simple rule is that where the questions posed are 'what proportion of the UK market for a particular product is taken by imports?' or 'what proportion of their output or sales do manufacturers export?', Ratios 1 and 3 are appropriate. Where, however, the question is directed at the import/export performance of an industry it is more relevant to take into account both imports and exports in the calculation of each ratio and to use Ratios 2 and 4.

Nevertheless, given these general guidelines, it is important to be aware of the advantages and defects of the different measures. The simpler measures (1 and 3) are in particular subject to distortion since for several industries there is a significant volume of imports for re-export which, because it is not possible to distinguish imports for UK consumption separately, exaggerate both import penetration and the percentage of manufacturers' sales exported. The inclusion in the trade figures of goods exported and subsequently re-imported has a similarly distorting effect. Another disadvantage of the pair of simple ratios is that they cannot, in theory, be directly related to each other when trying to assess whether import penetration has risen faster than export performance. This is often a consideration

in longer term studies since both import penetration and export shares have tended to increase with the growth in world trade.

Ratios 2 and 4 suffer less from the disadvantage of the inclusion of re-exports and re-imports because trade in the other direction is included in the denominator. Furthermore, since they have an identical denominator (home demand plus exports = manufacturers' sales plus imports) absolute differences between different years can be compared directly. Thus Ratio 4 less Ratio 2 represents the crude trade gap for the particular sector proportionate to its size, and is a useful comparison for assessing an industry's overseas trade performance over time.

It is important to note that, unlike the other tables on external trade, these figures are based on the Standard Industrial Classification (1980). Further, they do not relate to the total sales, imports and exports of an industry but to the sales, imports and exports of the goods that are principal products of the industry. Thus the sales of the food and drink industry exclude goods produced by this industry but principally produced elsewhere and include goods produced by other industries but principally produced in the food and drink industry.

For certain products the calculation of the ratios is either inappropriate (e.g. electrical equipment installation), or suitable data for one or more of the underlying series (i.e. manufacturers' sales, imports or exports) is not available. In such cases the ratios would not be meaningful and the products are excluded from the analysis.

The latest ratios for the full detail within manufacturing are shown in Business Monitor MQ12 published quarterly by HMSO. The underlying series for imports and exports classified to the Standard Industrial Classification are published quarterly in Business Monitor MQ10 and sales of the principal products of most manufacturing industries can be derived from figures in the PQ series of Business Monitors.

An article 'Manufacturing industry in the seventies: an assessment of import penetration and export performance' in the June 1980 edition of Economic Trends, discussed the trends in these figures and presented the annual ratios from 1970 to 1979.

## 16. OVERSEAS FINANCE

### Balance of payments

The items in this table are more fully defined in United Kingdom Balance of Payments 1984 edition - the CSO Pink Book (HMSO 1984).

### Current account

#### Exports f.o.b., and imports f.o.b.

The Overseas Trade Statistics of the United Kingdom are the basis of the balance of payments figures, but certain adjustments are made in respect of valuation and coverage. The principal adjustment is the deduction of freight and insurance from the Trade Statistics figures of imports.

#### Visible balance

Exports f.o.b. less imports f.o.b.

#### Invisible balance

The net total of all invisible transactions, comprising:

UK government current expenditure and receipts not appropriate to visible trade or other invisible transactions; sea transport; civil aviation; travel.

Financial services:  
net service earnings of financial institutions, including insurance, banking (excluding interest earnings), commodity trading, merchanting, brokerage and solicitors;

Other services (including commissions, advertising, royalties, construction work overseas, education, overseas governments' expenditure in the United Kingdom and services associated with exploration for and production of oil and natural gas); interest, profits and dividends; and government and private transfers.

## Investment and other capital transactions

### Overseas investment in UK public sector

This consists of portfolio investment by overseas residents in British government and government guaranteed stocks (excluding those with overseas monetary authorities), British government foreign currency bonds (offered to overseas official holders of sterling), local authority securities and mortgages, and public corporations' and local authorities' net issues abroad other than under the exchange cover scheme.

### UK and overseas private investment

UK private investment overseas covers direct, portfolio and other investment. Overseas investment in the UK private sector covers direct investment, portfolio investment in UK company securities, and other investment.

Direct investment comprises investment by UK companies in their overseas branches, subsidiaries and associates, and by overseas companies in their UK affiliates; the figures include the reinvestment of retained profits. Certain transactions of a number of public corporations are included in outward investment. Government departments and oil companies are excluded.

UK portfolio investment overseas represents net acquisitions and realisations by UK residents of overseas government, municipal and company securities.

Overseas investment in UK company securities represents net acquisitions and realisations by overseas residents of UK company securities by way of portfolio investment, including international issues (by oil companies, only from mid-1980).

Other (oil and miscellaneous) investment includes UK oil companies' investment abroad and overseas oil companies' investment in the United Kingdom on a basis comparable with the estimates of other direct investment. Also includes international issues by oil companies prior to mid-1980 (subsequently treated as inward portfolio investment). Miscellaneous investment includes identified real estate transactions and non-bank financial institutions' loans and mortgages to overseas residents.

### Official long-term capital

This consists of inter-government loans and other UK official long-term capital (net).

Inter-government loans cover drawings and repayments of loans between the United Kingdom government and overseas governments.

Other official long-term capital includes capital subscriptions to international lending bodies, other than the IMF; net loans and investments overseas by the Commonwealth Development Corporation; repayments (as guarantor) to the International Bank for Reconstruction and Development of loans to Rhodesia; and transactions in the shares of the Compagnie Financiere de Suez.

### Trade credit

Import credit consists of the net change in trade credit received by UK businesses from overseas businesses other than affiliates and parent companies, less changes in advance and progress payments from the United Kingdom. From 1983 only ships, commercial aircraft and North Sea installations are covered.

Export credit consists of the net change in credit extended by banks in the United Kingdom and trade credit extended by UK businesses to overseas businesses other than affiliates and parent companies

less changes in advance and progress payments (including advances by UK banks). There is also some credit extended by UK merchants on third-country trade. From 1983, only bank credit under ECGD schemes and certain public corporations transactions are covered.

#### **Foreign currency borrowing or lending abroad by UK banks**

This comprises external borrowing and lending in foreign currencies by UK-resident banks and certain other institutions (for 1982 onwards UK monetary sector institutions only). It covers the financing of UK banks' net foreign currency business with UK residents (subject to the exclusions mentioned below) plus any switching by the banks between foreign currencies and sterling.

The series excludes lending in the form of export credit in foreign currencies under ECGD schemes (introduced from the third quarter 1977) which is included in UK banks' export credit, commercial bills lodged with UK banks for their customers which are part of trade credit and, for 1975 onwards, excludes acceptances. Also excluded are borrowings to finance lending to HM Government and to UK public bodies under the exchange cover scheme, which are included under official financing, and banks' net purchases of overseas securities, which are included in direct or portfolio investment as appropriate.

#### **Exchange reserves in sterling**

This item provides a broad measure of the changes in sterling reserves of overseas countries and international organisations (other than the International Monetary Fund) as reported by UK banks, etc. (for 1982 onwards UK monetary sector institutions only). Transactions in British government stocks and banking and money market liabilities, etc., are shown separately.

#### **Other external banking and money market liabilities in sterling**

This item consists of the changes in UK external banking and money market liabilities in sterling to overseas residents, other than central monetary institutions and international organisations. For 1982 onwards these data relate only to transactions reported by UK monetary sector institutions.

#### **External sterling lending by UK banks**

Changes in the level of sterling advances and overdrafts provided to overseas residents by UK banks, etc. (for 1982 onwards UK monetary sector institutions only) and in the value of sterling commercial bills discounted and acceptances, other than bills connected with UK export credit.

#### **Other external borrowing or lending**

This comprises borrowing or lending abroad, net of repayments, by UK residents other than UK banks. From 1982 onwards, it includes transactions by financial institutions previously included as UK banks but subsequently not included as UK monetary sector institutions. It covers transactions with banks, EC institutions (e.g. EIB, ECSC), unrelated companies and some persons abroad and excludes borrowing under the exchange cover scheme by public corporations and local authorities.

#### **Other transactions**

Consists of official short-term transactions (n.e.i.) and other commercial short-term transactions (net).

#### **Remainder of account**

#### **Balancing item**

Represents the net total of errors and omissions in other items.

#### **Allocation of Special Drawing Rights**

The UK share of the allocation by the International Monetary Fund of the reserve asset, Special Drawing Rights.

#### **Official financing**

##### **Net transactions with overseas monetary authorities**

UK drawings (including those under the oil facility) and repurchases, and drawings and repurchases in sterling by other countries which affect the UK's

repurchase obligations to the International Monetary Fund. Transactions affecting the UK reserve position in the Fund, which are treated as changes in the official reserves, are excluded.

#### **Other foreign currency borrowing**

##### **(i) By HM Government**

Drawings on (+)/repayments of (-) two Euro-dollar facilities for HM Government to borrow \$2,500 million and \$1,500 million. The transactions are allocated to the debtor (HM Government) rather than the transactor (the banks). Also included is a \$350 million bond issue in New York and assignments to HM Government of other public sector debt involving equal and offsetting reductions in other public sector foreign currency liabilities taken out under the exchange cover scheme.

##### **(ii) By public bodies under exchange cover scheme**

Foreign currency borrowing by public bodies under exchange cover schemes

This is all borrowing by UK public corporations, local authorities and other public bodies under the exchange cover scheme.

These borrowings (net of repayments) are in the form of issues abroad, borrowing from banks, etc. overseas or through UK banks and are included in official financing since they are regarded as primarily motivated by considerations of reserve management, the foreign currency generated being added to the official reserves. Loans to the Northern Ireland Central Government and British Nuclear Fuels Ltd. are included.

#### **Drawings on/additions to official reserves**

Drawings on (+)/additions to (-) the official holdings of gold, Special Drawing Rights, European Currency Units and convertible currencies and, changes in the UK reserve position in the IMF. Drawings on/additions to the official reserves are valued in sterling at market related rates of exchange.

#### **Official financing liabilities and official reserves**

The figures in the table show the end of period levels of official financing liabilities and official reserves as described above, valued in sterling at the end of period rates described in the footnotes to the table, and in more detail in the Financial Statistics Explanatory Handbook and in the notes to the Pink Book. Changes in the levels reflect not only the transactions in the balance of payments, but also the effect of exchange rate changes upon the existing stock of liabilities and reserves.

## **17. HOME FINANCE**

#### **Central government financial transactions**

This table is a summary of receipts and payments on the Consolidated Fund and the National Loans Fund and changes in balances on the National Insurance Fund and certain other central government funds and accounts. The net result is the amount the government needs to borrow i.e. the central government borrowing requirement. The operation of the Consolidated Fund is governed by the Exchequer and Audit Departments Act 1866 (as amended by the National Loans Act 1968) which provides that gross tax revenue (less repayments) and all other public moneys payable to the Exchequer shall be paid into 'The Account of Her Majesty's Exchequer'. The Consolidated Fund is at any point of time the amount standing to the credit of this Exchequer Account which is held at the Bank of England.

The National Loans Act 1968 provides that all money raised by the creation of debt is payable into the National Loans Fund together with receipts representing repayments of loans made by the State from the Fund and interest on those loans. The majority of government lending is made from the National Loans Fund which is thus the channel through which pass all the government's borrowing transactions and most of its domestic lending transactions. (Loans charged on Votes continue to be met from the Consolidated Fund.) Further details can be found in table 3.12 of Financial Statistics.

### Public sector borrowing requirement

The public sector borrowing requirement (PSBR) indicates the extent to which the public sector borrows from other sectors of the economy and overseas to finance the balance of expenditure and receipts arising from its various activities. The PSBR can be defined in terms of the receipts and expenditure of the consolidated public sector accounts, but it is usually more helpful to consider it in terms of the borrowing requirements of the sub-sectors of the public sector: central government, local authorities and public corporations.

The table shows the contributions by the three sub-sectors and an analysis by broad sector providing the funds. The total PSBR is also shown seasonally adjusted constrained to financial year totals. Further details can be found in tables 2.5 and 2.6 of Financial Statistics.

### Selected financial statistics

This table shows a selection of financial statistics. Further details are to be found in Financial Statistics.

### Money stock and liquidity

There is no single, universally accepted, definition of money. Any definition must, therefore, to some extent be arbitrary, and different monetary aggregates will be useful for different purposes.

The current targetted aggregates are M0 and £M3, while M2 and PSL2 assist in the interpretation of M0 and £M3.

The current definitions of these aggregates are as follows:-

M0 and M2 are definitions of 'narrow' money. M0 comprises notes and coin, both in circulation with the public and held in banks' tills, and banks' operational balances with the Bank of England. For the major components of M0, the level for each banking month is the average of the levels on all the Wednesdays of that month, and the changes are the differences between those average levels. M2 comprises notes and coin in circulation with the public, plus retail bank deposits and short-term building society deposits and some short-term National Savings deposits.

£M3 and PSL2 are definitions of 'broad' money. £M3 is made up of notes and coin in circulation with the public, together with all deposits (including certificates of deposit) denominated in sterling and held by the UK private sector. 60 per cent of the net debit value of sterling transit items is deducted, and deposits are confined to deposits with institutions included in the monetary sector (comprising recognised banks, licensed deposit takers, Trustee Savings Banks, National Girobank and the Banking Department of the Bank of England and those institutions in the Channel Islands and Isle of Man which opted to adhere to the monetary control arrangements introduced in August 1981).

PSL2 is made up of £M3, excluding deposits with an original maturity of over two years, plus the UK private sector's holdings of money-market instruments, certificates of tax deposit, building society deposits (excluding term shares and SAYE) and short-term National Savings deposits. Building societies' holdings of £M3 and money-market instruments are netted out of PSL2.

For further details see the Bank of England Quarterly Bulletin March 1979, June 1979, September 1979, March 1981, June 1982, December 1982, March 1983 and March 1984. A fuller analysis of the figures is shown in Financial Statistics and in the Bank of England Quarterly Bulletin.

Adjustments have been incorporated to allow for the effect of varying days of the week on which a quarter begins and ends. These will not usually cancel out over the year since successive years end on different days of the week. (For a further explanation see page 30 of United Kingdom Flow of Funds Accounts: 1963-1976, published by the Bank of England in May 1978.)

Because the monthly and quarterly series have been seasonally adjusted separately, it is not possible to draw reliable conclusions about the underlying change in the money stock in the short period between a mid-monthly reporting date and the end of the quarter. (For further details of the method of adjustment of the monthly figures see the Bank of England Quarterly Bulletin, June 1978, June 1981 and June 1983.)

### Selected interest rates, exchange rates and security prices

Figures are mainly for the last Friday in the month. Further details of the series may be found in Financial Statistics.

## 18. PRICES AND WAGES

### Retail Prices Index

The Retail Prices Index measures the percentage changes month by month in the average level of prices of the commodities and services purchased by the great majority of households in the United Kingdom, including practically all wage earners and most small and medium salary earners. The weights used for combining the indices for the various groups of items are revised annually on the basis of information from the Family Expenditure Survey for the year ended in the previous June.

The index is divided into eleven main groups for which the weights for recent years are shown in the table in the Digest.

The index is calculated monthly in respect of a Tuesday near the middle of each month.

Expenditure covered by the index does not include income tax payments, national insurance contributions, life insurance premiums and payments to pension funds, premiums for household insurance (other than insurance of the building), subscriptions to trade unions, friendly societies, hospital funds, church collections, etc., cash gifts, pools and other betting payments, doctors', dentists, etc, fees, and the capital element of mortgage payments for house purchase or major structural alterations.

For expenditure coming within the scope of the index a representative list of items has been selected and the prices of these items are collected at regular intervals. Quotations are obtained from retail outlets typical of those from which the majority of households commonly make their purchases, in a large number of urban and rural centres throughout the United Kingdom. The prices used are the prices actually charged. So far as possible they relate to goods of unchanged quality at successive dates.

An account of the method used for computing the index was given in an article in the October 1975 issue of the Department of Employment Gazette. Reference may also be made to reports of the Retail Prices Index (formally Cost of Living) Advisory Committee (Commd.9710, Commd.1657, Commd.3677 and Commd.5905).

### Family Expenditure Survey (FES)

The notes below relate to the tables in the Annual Abstract of Statistics and Regional Trends formerly Regional Statistics. The survey covers all types of private households in the United Kingdom. It is a continuing inquiry in which a sample of nearly 11,000 addresses is selected annually. An effective sample of some 10,400 households is obtained, of which around 70 per cent co-operate. Results of the survey will be found in annual Family Expenditure Survey Reports (HMSO), together with a full list of definitions and items on which information is collected.

The Department of Employment features the principal survey results (both annually and quarterly) in the monthly Employment Gazette, while detailed information on the conduct of the survey is provided by the technical handbook Family Expenditure Survey, Handbook on Sampling, Fieldwork, Coding Procedures and related methodological experiments (HMSO). A comprehensive guide to the survey is also given in

the recently revised Family Expenditure: a plain mans guide to the FES, available on application from the Department of Employment (01-213 4038 or 01-213 3806).

Changes made in definitions from year to year may affect annual comparisons. A list of the main changes is set out in each annual report together with the years in which they became effective. A summary of the main definitions in current use is given in the following paragraphs.

#### Household

The FES is strictly a household inquiry. The household is defined as including all those who live at the same address and who share common catering facilities. The members of a household thus defined are not necessarily related by blood or marriage. Resident domestic servants are included. As the survey covers only private households, people living in hostels, hotels, boarding houses or institutions are excluded.

#### Household income

Household income is the aggregate of the gross incomes of the individual members of the household before deduction of income tax, national insurance contributions and any other deductions at source. Income as thus defined excludes money received by one member from another member of the household, proceeds from the sale of cars, furniture or other capital assets, and receipts from legacies, maturing insurance policies and windfalls. With the exceptions of luncheon vouchers and an imputed amount for owner-occupied and rent-free accommodation, income in kind is also excluded.

#### Expenditure

Expenditure is taken as representing current expenditure on goods and services. It excludes savings or investments (e.g. purchase of national savings certificates or shares; life assurance premiums; contributions to pension funds). Income tax payments and national insurance contributions, and mortgage and other payments for purchase of or major additions to dwellings are also excluded. Special procedures are applied to purchases under hire purchase and other credit arrangements.

#### Housing expenditure

Housing expenditure of households living in unfurnished or furnished rented dwellings consists of the payments by such households for rent, rates, water and any insurance of the structure. For households living in rent-free accommodation housing expenditure is estimated in the same way as for rented dwellings except that a notional amount of rent based on the rateable value of the accommodation is included. Expenditure of households living in their own dwellings consists of the payments by these households for rates, water, ground rent and insurance of the structure together with the weekly equivalent of the rateable value of the dwelling.

#### Persons working

These are persons aged 16 or more in the following categories:

Employees at work - those gainfully employed or absent on holiday only.

Employees temporarily away from work - those with a job to go to but absent from it for a reason other than holiday.

Employees out of a job - those who have left a job for up to one year through sickness or other reason, but who indicate that they intend to seek work.

Self employed, except those earning minimal amounts from part-time work. (The definitions in this paragraph incorporate minor changes introduced in 1982 and explained in the FES Annual Report for 1982.)

#### Purchasing power of the pound

Changes in the internal purchasing power of a currency may be defined as the 'inverse' of changes in the levels of prices; when prices go up, the amount which can be purchased with a given sum of money goes down. From January 1962 onwards,

movements in the internal purchasing power of the pound are based on the Retail Price Index (RPI). If the purchasing power of the pound is taken to be 100p in a particular year, the comparable purchasing power in a subsequent year is

$$100 \times \frac{\text{average price index for earlier year}}{\text{average price index for later year}}$$

A long series on the purchasing power of the pound back to 1914, the latest information and a detailed explanation of the estimation of changes in the purchasing power of the pound are given in 'The Internal Purchasing Power of the Pound', a leaflet obtainable from the Press and Information Section, Central Statistical Office, Great George Street, London SW1P 3AQ.

#### Tax and price index

The purpose and methodology of the Tax and Price Index (TPI) were described in an article in the August 1979 issue (No. 310) of Economic Trends (HMSO 1979). The TPI measures the increase in gross taxable income needed to compensate taxpayers for any increase in retail prices. That is, while the RPI measures changes in retail prices, the TPI also takes account of the changes in liability to direct taxes (including employees' national insurance contributions) facing a representative cross-section of taxpayers. It is thus an additional, more comprehensive, index.

#### Coverage

Non-taxpayers and those with incomes over £17,000 a year at January 1984 are excluded from the TPI. Non-taxpayers are excluded because the RPI, or the associated indices for pensioner household, already provide a measure of the change needed to maintain the purchasing power of their incomes. Those with high incomes are excluded because the changes in their tax liabilities are not necessarily representative of the majority of taxpayers, and because broadly the same percentage (the top 4 per cent) is already excluded from the households on whose expenditure patterns the RPI is based. Otherwise everybody is included, whether working, unemployed or retired, so long as they pay tax. Non-taxable income, such as child benefit, is excluded from the TPI, and for consistency, so are the child tax allowances and taxed family allowances of earlier years.

The TPI reflects changes in people's tax liabilities. If the index were instead to reflect actual payments it would be subject to highly erratic movements, which would be difficult to interpret and could be misleading.

#### Calculation of the TPI

The current composition and distribution of gross taxable incomes are estimated from Inland Revenue's Survey of Personal Incomes (SPI). After excluding those with high incomes, the sample comprises 37,500 tax units (tax units are either single people or married couples). The gross income used in the calculation of the index is the taxable income of these tax units, i.e. their pay, self-employment income, pensions, taxable benefits and investment income. The estimated gross income, and tax liability, of each sample tax unit at the turn of the calendar year forms the basis of the TPI.

#### The Survey of Personal Incomes

This survey consists of a stratified sample of all tax units about whom information is available to the local offices of the Inland Revenue.

The survey results are normally available in the summer a year after the end of the financial year to which they refer.

This means, for example, that the calculation of the TPI throughout 1984 had to be based on the 1981/82 SPI.

Inland Revenue produce estimates of the distribution of gross incomes at the turn of the calendar year by projecting forward the income of each sample tax unit. Different projection factors are applied to income from each source, these factors being derived

from aggregate data on incomes. The change in total tax liability resulting from any uniform increase in gross incomes can be estimated from this. So the change in gross income needed to offset a particular RPI increase can be found.

#### **Budgets**

At the time of a Budget the movement of the TPI relative to the RPI depends on the changes made to direct taxes. Between Budgets the TPI normally rises slightly faster than the RPI (a more than proportionate increase in gross income being needed to offset any rise in prices, since all the extra income is fully taxed). However, it is the changes over twelve months which should be the focus of interest.

#### **Index numbers of producer prices**

The producer price indices were formerly called the wholesale price indices. The change of name was made to describe more precisely the purpose of the indices in measuring manufacturers' prices and to confirm with the established international nomenclature. At the time of the change the indices were rebased and re-referenced on to 1980 and the 1980 Standard Industrial Classification (SIC) was adopted.

The index numbers are calculated from the price movements of about 10,000 closely defined materials and products representative of goods purchased and manufactured by UK industry. The indices for manufacturing industry express the current prices as a percentage of their annual average price in 1980, the reference year of the series.

Individual commodity price index numbers are combined to give index numbers for both materials purchased by manufacturing industry and the output of manufacturing industry; the industrial sectors are defined by the 1980 SIC. One result of the adoption of the 1980 SIC for the 1980 = 100 series was that the definition of manufacturing industry was revised and figures prior to 1974 are not available on a comparable basis. In building up the index numbers the weighting patterns used for both purchases and sales are those of 1979. Thus the index numbers express the cost of a 1979 basket of goods as a percentage of what the same basket cost in 1980. The 1979 weighting patterns were adopted because the latest source of detailed information on purchases was the 1979 Purchases Inquiry; the selection of 1980 rather than 1979 as the reference year is in accordance with the national accounts practice and international recommendations.

The weights were derived from the quarterly production inquiries and the 1979 Purchases Inquiry and supplemented by the trade accounts, information supplied by trade associations and various other sources. The value of goods for which no price series are available is imputed to prices series which may be expected to move similarly.

The values of sales or purchases used for weighting are net; that is, transactions between undertakings within manufacturing industry are excluded. For example, steel is included in the index for all manufactured products only to the extent that it is sold outside manufacturing, such as to the construction industries; steel sold within the manufacturing sector is excluded. However sales of capital goods are all treated as sales outside manufacturing industry, in accordance with national income accounting practice, which treats capital formation as a separate sector.

Prices obtained for goods produced in the United Kingdom may be on an ex-works or delivered basis, according to the practice in the trade concerned. Where a producer supplies ex-works and also delivers, generally only the more important basis is reported on. Prices of imported goods are measured as closely as practicable to a delivered basis. The prices collected are those that are quoted for current orders placed, which are not necessarily the same as those at which current deliveries are being received. This means, for example, that price changes in imported materials are generally reflected in the index numbers of materials purchased in advance of the corresponding changes in the unit values of imports entering the country.

An article explaining the introduction of the 1980 series was published in British business on 15 April 1983. The series were first published in respect of July 1983 but monthly figures are available from January 1974. Brief notes on the former wholesale prices were given in British business on 6 May 1983. A more comprehensive description of the compilation of the wholesale price indices is available in Studies in Official Statistics No. 32, 'Wholesale price index: principles and procedures', published by the Government Statistical Service and available through HMSO.

#### **Construction output index**

The index relates to quarterly changes in the price of new building and civil engineering work done in Great Britain, excluding repairs and maintenance. It is a base weighted combination of the separate prices indices for contractors' output in five work sectors. A description of the methodology of the indices was given in Economic Trends No. 297, July 1978.

#### **Index numbers of the average price of new dwellings for private owners**

The index is compiled from information provided by a panel of building societies. Each society completes a return, every month, showing the number and total purchase price of dwellings mortgaged. Separate figures are provided for new and other dwellings; and for mortgages at approval and completion stages. The approval stage figures provide the more up-to-date indicator of price trends whereas the series based on completions gives more accurate figures for dwellings actually purchased because a small, but significant number of mortgages approved do not result in completed transactions. The types, sizes, location and nature of the title of dwellings may vary from quarter to quarter. The index gives an indication of the changes in the price of new dwellings but not changes in the cost of building.

#### **Average weekly earnings and hours worked in manufacturing and certain other industries**

The industries covered are production industries (except coal mining) and transport and communication (except sea transport). The figures are based on returns from employers showing, for a particular week in October, the number of manual workers actually at work, for at least part of the reference week, their aggregate earnings and the total number of hours worked. The returns received cover about three million manual workers, but in calculating the general averages the figures for individual industries have been weighted on the basis of the estimated number of manual workers employed in each industry.

Percentage changes in average earnings represent the combined effect of a number of factors, including (a) increases in rates of wages; (b) changes in the number of hours actually worked and in the proportion of hours paid for at overtime, weekend and night-shift, etc. rates; (c) extensions of systems of payment by results in some industries, and increased output by the workers affected and (d) changes in the relative numbers of workers employed in different industries.

Separate figures are calculated for males and females, for those paid on adult rates and on other rates, and for the various standard regions. They are published in the February or March issue of Employment Gazette. Information on earnings in certain industries not covered by these surveys, e.g. coal mining and agricultural workers, is given from time to time in the Employment Gazette, previously the Department of Employment Gazette, the Employment and Productivity Gazette and the Ministry of Labour Gazette.

#### **Index of average earnings of all employees (monthly inquiry)**

The whole economy series of average weekly earnings in Great Britain was introduced in January 1976. It was described in the April 1976 issue of Employment Gazette. The present series is based on January 1980 = 100 and begins at January 1980. Indices are given for 26 industry groups of Standard Industrial

Classification (1980), all manufacturing industries, production industries and the whole economy. The last three indices are given both before and after seasonal adjustment.

#### **Index of purchase prices of the means of agricultural production**

##### **Index of producer prices of agricultural products**

The monthly and annual index numbers of agriculture prices in the United Kingdom cover all the main agricultural products and also the main groups of materials currently consumed by agriculture. The indices, based on the calendar year 1980, are designed to provide short-term and medium-term indications of movement in these prices. All annual series are base weighted Laspeyres type, using value weights derived from the Economic Accounts for Agriculture 1980 prepared for the Statistical Office of the European Community. The monthly indices for producer prices use a seasonal weighting pattern derived from the base year. Base prices are weighted averages of monthly prices for the calendar year 1980. The monthly indices for purchase prices do not use a seasonal weighting pattern. The base prices are simple averages of the monthly prices. Prices are measured exclusive of VAT. For practical reasons, it has generally been necessary to measure the prices received by producers (outputs) at the first marketing stage and prices of materials (inputs) ex-supplier. These indices now replace the 1975 = 100 series (now discontinued) from the April 1984 issue of the Digest.

The construction of the indices enables them to be combined with similar indices for other member countries of the European Community to provide an overall indication of price trends within the Ten, which appears in the Community's Eurostat series of publications.

## **19. ENTERTAINMENT**

### **Broadcast receiving licences current**

These figures are compiled by the Post Office and represent the total number of annual licences in force at the end of the period. They include about 41,000 licences issued at a reduced fee to the blind.

### **Cinema statistics**

The figures are based on four-weekly returns submitted by cinemas to HM Customs and Excise for British Film Fund Levy purposes. These cinemas account for about 85-90 per cent of total box office takings and an estimate for the remainder is based on the results of the annual exhibitors' inquiry conducted by the Department of Trade and Industry.

## **20. WEATHER**

### **Air temperature**

Between January 1974 and December 1983, averages of air temperature for 1941-70 were used as standards for comparison. These were replaced in January 1984 by the averages for 1951-80, the average at each station having first been reduced to sea level by adding 0.6° Centigrade for 100m above sea level.

The monthly and annual values of mean daily air temperature at sea level for individual years are estimates obtained by calculating the means of the differences from the long-period averages at 47 stations in England and Wales, 22 in Scotland and 5 in Northern Ireland and adding these mean differences algebraically to the long-period averages for the territories concerned.

### **Rainfall**

Up to December 1983, averages of areal rainfall for 1941-70 were used. These were replaced in January 1984 by the averages for 1951-80.

The values for individual years are estimates obtained by calculating the means of the percentages of the averages for about 3,700 stations in England and Wales, 1,250 in Scotland, and 270 in Northern Ireland. These mean percentage values are then applied to the average in millimetres for the respective territories. The procedure is carried out each month, and the monthly totals summed to give values for the year.

### **Sunshine**

Between January 1974 and December 1983, averages of bright sunshine for 1941-70 were used as standards for comparison. These were replaced in January 1984 by the averages for 1951-80.

The mean daily amounts of sunshine for individual years are estimates obtained by calculating the means of the percentages of the average for 42 stations in England and Wales, 19 in Scotland and 5 in Northern Ireland, and applying these mean percentage values to the long-period averages for the respective territories.

Further details on weather statistics and particulars of longer series of values may be obtained from the Director-General, Meteorological Office, Met.O.3, London Road, Bracknell, Berkshire RG12 2SZ.

### **Conversion factors**

#### **Temperature**

To convert degrees centigrade into degrees fahrenheit: multiply by 9, divide by 5, and add 32.

#### **Rainfall**

1 millimetre = 0.0394 inch.

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## APPENDIX

### Standard regions for statistical purposes

The boundaries of the Economic Planning Regions in England were adjusted on 1 April 1974 to take account of local government reorganisation under the Local Government Act, 1972. It has been decided that the standard regions for statistical purposes will coincide with the revised Economic Planning Regions.

### Standard regions at 31 March 1974 (1)

#### North

Cumberland, Durham, Northumberland, Westmorland, and the North Riding of Yorkshire.

#### Yorkshire and Humberside

The East and West Ridings of Yorkshire (including City of York) and Lincolnshire (Parts of Lindsey excluding Lincoln C.B.).

#### East Midlands

Derbyshire (except the High Peak District, which is included in the North West Region), Leicestershire, Lincolnshire (Part of Holland, Parts of Kesteven and Lincoln C.B.), Northamptonshire, Nottinghamshire and Rutland.

#### East Anglia

Cambridgeshire, and Isle of Ely, Huntingdon and Peterborough, Norfolk and Suffolk.

#### South East

Bedfordshire, Hertfordshire, Essex, Berkshire, Buckinghamshire, Oxfordshire, London (Greater London Council area), Kent, Surrey, Sussex, Hampshire, Isle of Wight and the Borough of Poole. (2)

#### South West

Cornwall (including the Isles of Scilly), Devon, Dorset (excluding the Borough of Poole (2)), Gloucestershire, Somerset and Wiltshire.

#### West Midlands

Herefordshire, Shropshire, Staffordshire, Warwickshire and Worcestershire.

#### North West

Cheshire, Lancashire and the High Peak District of Derbyshire (the Boroughs of Buxton and Glossop, the urban districts of New Mills and Whaley Bridge and the rural district of Chapel en le Frith).

#### Wales

The whole of Wales.

#### Scotland

The whole of Scotland.

#### Northern Ireland

Antrim, Down, Armagh, Fermanagh, Tyrone, Londonderry, Belfast C.B., Londonderry C.B.

The lists below give definitions of the standard regions for statistical purposes on both the boundaries of 31 March and 1 April 1974. Statistical News No. 27, November 1974 (HMSO) contains an article and a map relating to these boundary changes.

### Standard regions at 1 April 1974 (1)(3)

#### North

Tyne and Wear\*, Cleveland, Cumbria, Durham, Northumberland.

#### Yorkshire and Humberside

South Yorkshire\*, West Yorkshire\*, Humberside, North Yorkshire.

#### East Midlands

Derbyshire, Leicestershire, Lincolnshire, Northamptonshire, Nottinghamshire.

#### East Anglia

Cambridgeshire, Norfolk, Suffolk.

#### South East

Greater London\*, Bedfordshire, Berkshire, Buckinghamshire, East Sussex, Essex, Hampshire, Hertfordshire, Isle of Wight, Kent, Oxfordshire, Surrey, West Sussex.

#### South West

Avon, Cornwall, Devon, Dorset, Gloucestershire, Somerset, Wiltshire.

#### West Midlands

West Midlands\*, Hereford and Worcester, Shropshire, Staffordshire, Warwickshire.

#### North West

Greater Manchester\*, Merseyside\*, Cheshire, Lancashire.

#### Wales

The whole of Wales: Clwyd, Dyfed, Gwent, Gwynedd, Mid Glamorgan, Powys, South Glamorgan, West Glamorgan.

#### Scotland

The whole of Scotland: Highlands, Grampian, Tayside, Fife, Lothian, Borders, Central Strathclyde, Dumfries and Galloway and Islands (Orkney, Shetland and the Western Isles).

#### Northern Ireland

Antrim, Down, Armagh, Fermanagh, Tyrone, Londonderry, Belfast C.B., Londonderry C.B.

Regional figures provided by the Department of Employment are built up by aggregating the appropriate local employment exchange areas. The boundaries of such areas, however, do not in all cases agree precisely with county or regional boundaries.

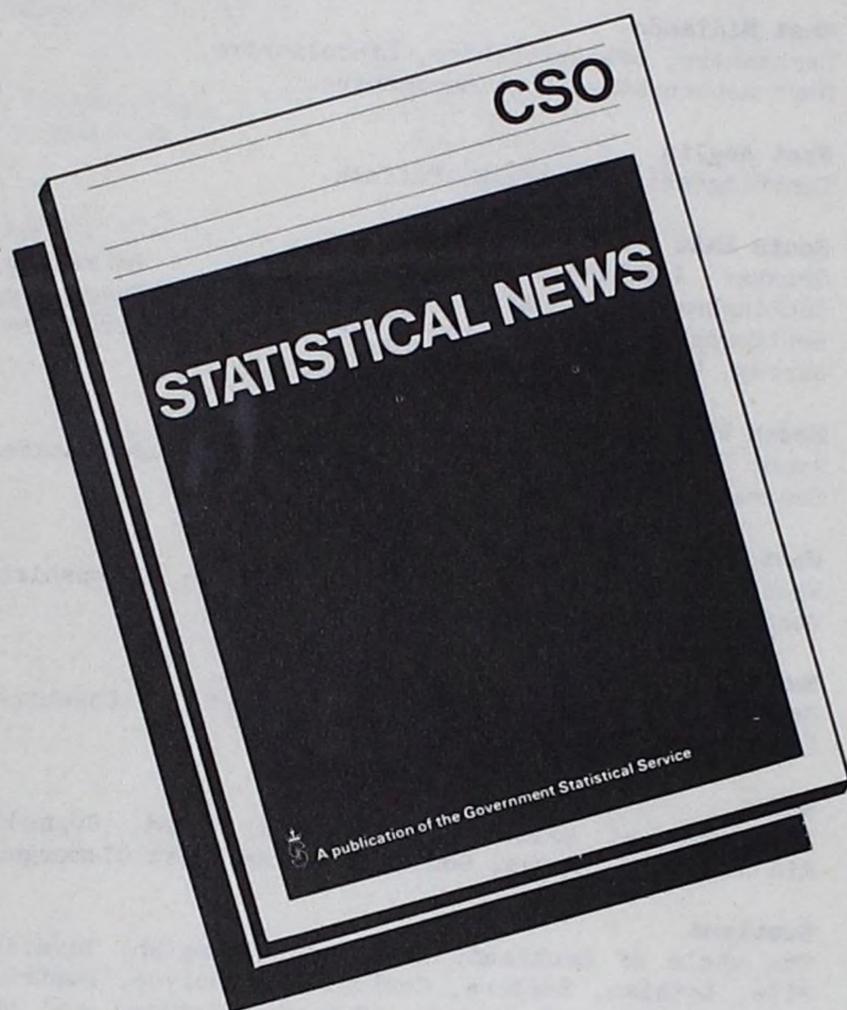
(1) The lists are classified according to local authority areas in existence at the stated time.

(2) Poole was in the South West Economic Planning Region but had been included in the South East statistical region pending the report of the Local Government Commission on this area.

(3) Metropolitan counties are marked by \*. Greater London is not a metropolitan county but it is shown as if it were in those tables where metropolitan county data is included.

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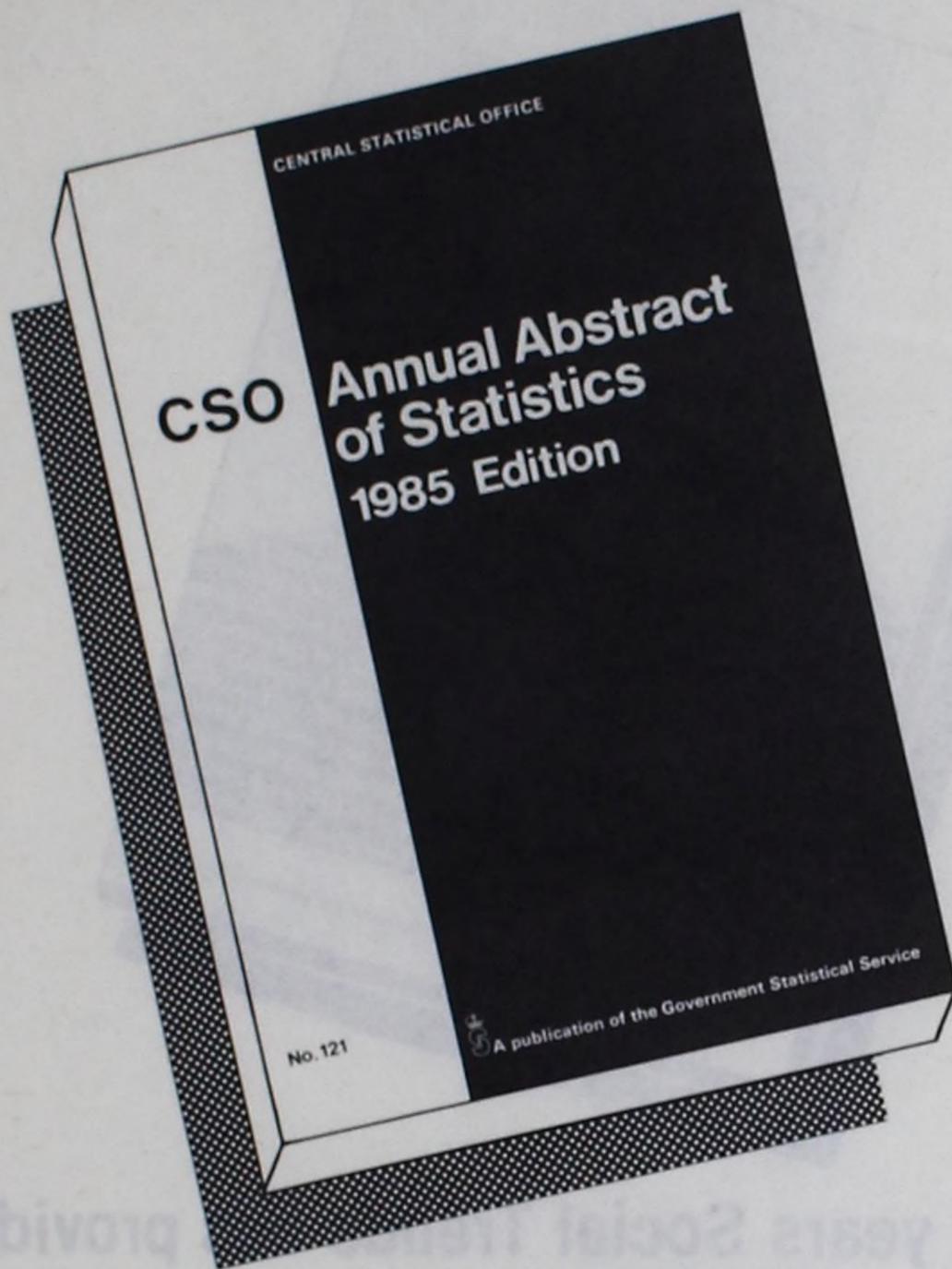
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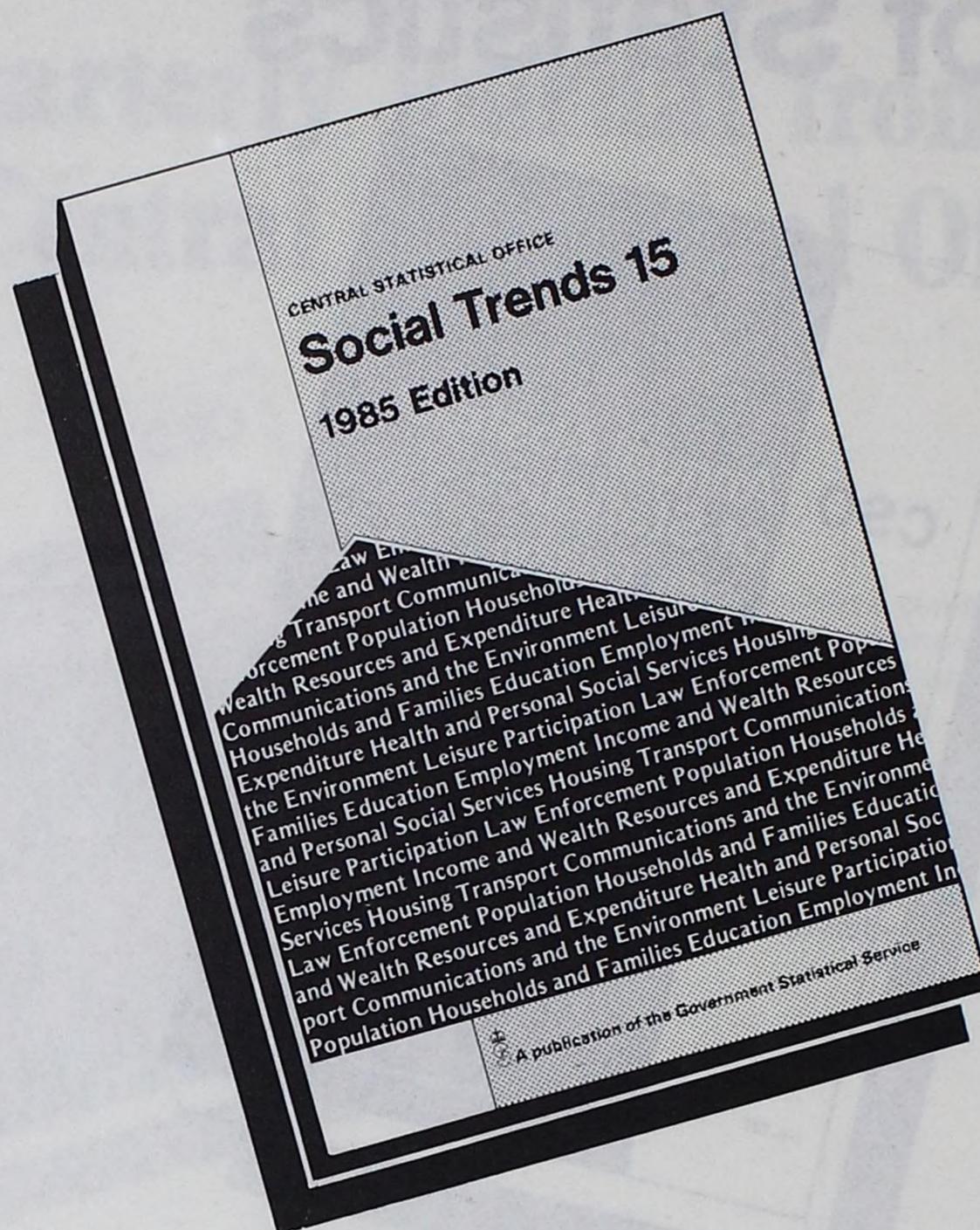
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