

# United Kingdom Balance of Payments The Pink Book 2007

Editor: John Bunday  
Office for National Statistics

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The Director of ONS is also the National Statistician and the Registrar General for England and Wales.

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# Preface

The annual National Statistics *Pink Book* contains estimates of the balance of payments of the United Kingdom. The presentation of the accounts is based on the *IMF Balance of Payments Manual 5th edition (BPM5)*.

## Pink Book data in computer-readable form

Free access to National Statistics data is available online at [www.statistics.gov.uk](http://www.statistics.gov.uk)

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Complete copies of this publication are available to download free of charge on the following web page:  
[www.statistics.gov.uk/products/p1140.asp](http://www.statistics.gov.uk/products/p1140.asp)

## Quarterly estimates

Quarterly estimates of the main components of the balance of payments for the last two years are published in a quarterly National Statistics First Release and in more detail in *UK Economic Accounts*.

Long run quarterly and annual estimates consistent with the *Pink Book* are published in the *Economic Trends Annual Supplement*. The latest estimates are also given in summary form in the *Monthly Digest of Statistics* and in *Financial Statistics*.

## Pink Book 2007

As explained in the recent article *Modernising the UK's National Accounts*, the 2007 edition of the *Pink Book* is a transition publication. As a result, the geographical breakdown of the UK's international investment position is not available in this edition and the analysis and charts accompanying each of the remaining chapters have also been withdrawn. The intention is to reinstate both the geographical breakdown and the accompanying analysis in the 2008 edition of the *Pink Book*.

The article *Modernising the UK's National Accounts* is available online at: [www.statistics.gov.uk/cci/article.asp?ID=1737](http://www.statistics.gov.uk/cci/article.asp?ID=1737)

## Comments and enquiries

The Office for National Statistics (ONS) is keen to receive comments on this publication and suggestions for improvements, which can be considered for future editions of the *Pink Book*. Comments can be sent in writing to:

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# An introduction to the United Kingdom balance of payments

## Introduction

The balance of payments is one of the UK's key economic statistical series. It measures the economic transactions between United Kingdom residents and the rest of the world. It also draws a series of balances between inward and outward transactions, provides a net flow of transactions between UK residents and the rest of the world and reports how that flow is funded. Economic transactions include:

- exports and imports of goods, such as oil, agricultural products, other raw materials, machinery and transport equipment, computers, white goods and clothing
- exports and imports of services such as international transport, travel, financial and business services
- income flows, such as dividends and interest earned by foreigners on investments in the UK and by the UK investing abroad
- financial flows, such as direct investment, investment in shares, debt securities, loans and deposits
- transfers, which are offsetting entries to any one-sided transactions listed above, such as foreign aid and funds brought by migrants to the UK

The international investment position measures the levels of financial investment with the rest of the world, inward and outward.

## International statistical standards

The Office for National Statistics (ONS) follows the international standards relating to balance of payments and international investment position statistics. There are several reasons for this. First, domestic and foreign analysts will be assured that the UK's official balance of payments and international investment position statistics comply with objective, coherent international standards that reflect current, global analytic needs. Second, the UK is a member of the international community and international users need comparable data for comparison between countries. Third, the UK, as a member of the European Union, as well as organisations such as the IMF and OECD, needs to compile its various economic statistics in conformity with standards set by those organisations. Fourth, the UK can compare and reconcile its data with those of other countries. Statistics need to be as comparable as possible in order to carry out this validation.

To facilitate such consistency and to provide guidelines for its members, the IMF issued the *Balance of Payments Manual*. The first edition appeared in 1948 and the most recent (fifth) edition in 1993. The conceptual framework of the UK balance of payments corresponds to that underlying the fifth edition of the IMF Manual, referred to as *BPM5*. *BPM5* was implemented in the UK's balance of payments accounts and international investment position statistics in September 1998.

A process of reviewing the existing international standards started in the mid 1980s with the specific objective of harmonising, to the maximum extent possible, the statistical concepts, definitions, statistical units, classifications and terminology. Release of the

revised standards started in 1993 with *BPM5* and the third edition of the *System of National Accounts (SNA93)*. *BPM5* was prepared by the IMF in close co-operation with national compilers and with the Statistical Office of the European Communities, the OECD, the United Nations and the World Bank. Those five organisations jointly published *SNA93*. In 1995, the EU produced its own version of *SNA93*, the *European System of Accounts (ESA95)*, upon which the UK's national accounts are based and which is consistent with *BPM5*. Both *SNA93* and *BPM5* were amended in 2000 to give more consistent guidance on the treatment of financial derivatives.

The United Nations Statistics Commission and the IMF Board of Directors have subsequently approved the comprehensive and parallel updating of the National Accounts and Balance of Payments manuals, in order to ensure their consistency and achieve greater harmonisation. ONS has developed the following webpage to inform users of progress and to invite their input:

[www.statistics.gov.uk/about/Consultations/NA/default.asp](http://www.statistics.gov.uk/about/Consultations/NA/default.asp)

## Conceptual framework definitions

### Balance of payments

Broadly speaking, the UK balance of payments is a statistical statement designed to provide a systematic record of the UK's economic transactions with the rest of the world. It may be described as a system of consolidated accounts in which the accounting entity is the UK economy and the entries refer to economic transactions between residents of the UK and residents of the rest of the world (non-residents).

The balance of payments accounts are concerned not only with payments made but also any economic transactions during a period that give rise to a payment in an earlier or later period, for example, goods may change ownership in one period, though payment may be made in an earlier period (pre-payment) or in a later period (trade credit). They also include transactions for which there may never be a payment, for example, goods shipped under foreign aid or goods shipped between related enterprises. There is also more than one 'balance': the balance of payments is a system of accounts in which many balances can be derived, such as the balance of goods and services, the balance on current account, and the balance on capital and financial account.

Balance of payments statements cover a wide range of economic transactions which include:

- (i) goods, services, income and current transfers; and
- (ii) capital transactions, such as capital transfers; and
- (iii) financial transactions involving the UK claims on, and liabilities to, non-residents.

Category (i) is shown in the current account, category (ii) in the capital account and category (iii) in the financial account.

### International investment position

The UK's international investment position is a closely related set of statistics. It can be viewed as the balance sheet recording the UK's stock (or level) of foreign financial assets and liabilities at a particular date. The net international investment position is the difference between the stock of foreign financial assets and foreign liabilities at a particular date.

Viewed more broadly, the international investment position can be shown as a reconciliation statement of the stock of investment at two different points in time by showing financial transactions and other changes (non-transaction changes) such as



price changes, exchange rate variations and other adjustments that occurred during the period. Financial transactions which are included in the reconciliation statement are equivalent to the transactions measured in the financial account of the balance of payments. ONS does not currently publish a full reconciliation of the international investment position showing price, exchange rate and other changes.

Classifications such as assets and liabilities, type of investment (direct, portfolio and other investment and reserve assets), and instrument of investment, are used consistently in both the balance of payments and the international investment position.

### Concepts of territory and residence

In compiling the UK balance of payments and international investment position, the UK economy is conceived as comprising the economic entities that have a closer association with the territory of the UK than with any other territory. Each such economic entity is described as a resident of the UK. Any economic entity which is not regarded as a resident of the UK is described as a non-resident. The concept of residency is not based on nationality.

The UK's economic territory is defined to include the territories lying within its political frontiers and territorial seas, and in the international waters over which it has exclusive jurisdiction. It also includes its territorial enclaves abroad holding embassies, consulates, military bases, scientific stations, information or immigration offices, aid agencies etc., whether owned or rented by the UK governments with the formal agreement of the countries where they are located.

The UK offshore islands – Jersey, Guernsey and Isle of Man – are classified as non-resident to the UK. Thus transactions between UK residents and the islands are in the balance of payments, but transactions between islanders are not counted in the UK balance of payments. The islands are not part of the EU, so statistics relating to them are not required under *ESA95* and they have to be excluded from the UK's economic territory to ensure full UK consistency with *ESA95*. This treatment is also technically consistent with *BPM5* recommendations which states that 'In a maritime country, economic territory includes islands that belong to the country and are subject to the same fiscal and monetary authorities as the mainland; goods and persons move freely to and from the mainland and islands...'. The offshore islands are subject to their own fiscal authorities and have their own tax systems. Furthermore, there are impediments to taking up residency on the Channel Islands.

For balance of payments purposes, residents of an economy are generally deemed to have a centre of economic interest in the economy and to be resident for at least one year. The residents of the UK comprise:

- Resident general government institutions including the Scottish Parliament, Welsh Assembly, Northern Ireland Assembly and local government authorities and statutory bodies. The UK embassies, consulates, military establishments, etc. physically located abroad are included in the UK's economic territory and are therefore residents; similar entities of other countries physically located within the UK are outside the UK's economic territory and are therefore non-residents.
- Resident financial and trading enterprises which include all enterprises engaged in the production of goods and services on a commercial or equivalent basis within the territory of the UK. Enterprises may be incorporated or unincorporated; privately or government owned and/or controlled; and locally or foreign owned and/or controlled. The definition of an enterprise in terms of the territory in which it is located often makes it necessary to divide a single legal entity into a head office operating in one economy and a branch operating in another economy. Resident enterprises include UK branches of foreign companies and exclude foreign branches of UK companies.

- Resident non-profit bodies, those in which individuals and/or enterprises combine, as owners, to produce goods and services within the territory of the UK for purposes other than to provide a financial return for themselves. Examples are churches, charitable organisations and representative business organisations such as Chambers of Commerce.
- Resident households and individuals which broadly encompass all persons residing in the territory of the UK for one year or more, whose general centre of economic interest is considered to be the UK. The UK's official diplomatic and consular representatives, the UK's armed forces, other UK government personnel stationed abroad and their dependants, and UK students studying abroad are also included even though they may all be abroad for one year or more. They are treated as UK residents since their centre of interest is considered to be the UK. Generally, the centre of economic interest of persons visiting the UK for less than one year is considered to be outside the UK and they are therefore regarded as non-residents, but if they stay for one year or more they are considered to be residents for balance of payments purposes. Irrespective of their length of stay, non-residents also include foreign diplomatic, consular, military and other government personnel, their dependants, and foreign students studying in the UK.

## Double-entry system

### Rules for the UK double entry system

**Credit entries**, changes in all economic resources provided by the UK to non-residents, including:

Exports of goods and services

Income accruing on the resources to UK from residents

Financial liabilities of the UK to non-residents

Transfers which are offsets to debit entries

**Debit entries**, changes in all economic resources received by the UK from non-residents, including:

Imports of goods and services

Income accruing on the resources to non-residents from UK

Financial claims of UK on non-residents

Transfers which are offsets to credit entries

### Examples of UK double entry recording

#### Credits

#### Debits

1. Sales of goods (value 100) to non-residents for foreign exchange (that is, goods provided and bank payment (a bank deposit) received in an account held abroad)  
 Goods 100  
 Bank deposits, foreign currency assets 100
2. Purchase of goods (value 120) from a non-resident using trade Credit (that is, goods received and a claim on a resident (trade credit liability) provided)  
 Goods 120  
 Trade credit liabilities 120
3. Food aid (value 5) provided to non-residents (that is, goods provided and transfer imputed)  
 Goods 5  
 Current transfers 5
4. payment of a loan (value 25) by a resident company to a non-resident lender (that is, liability to a non-resident reduced and a reduction in bank deposits held abroad)  
 Loan repayment -25  
 Bank deposits, foreign currency, assets -25

Conceptually, an economic transaction has two sides: something of economic value is provided and something of equal value is received. The balance of payments reflects this in a double-entry recording system of credits and debits. When an economic value is provided (for example, UK exports a car) a credit entry is made, and when the corresponding economic value is received (for example, a payment for the car) a debit entry is made. For example, when an exporter sells (provides) goods to a non-resident, the exporter may receive cash (a financial asset) or another type of financial asset (for example, a trade credit claim) in return. The export is represented by a credit entry and the financial asset acquired is represented by an offset debit entry. Similar entries are made when an importer buys a car (debit) and pays for it (credit). So a credit entry represents a change in rest of world ownership of any sort of UK asset (real or financial); a debit entry represents a change in UK ownership of rest of world assets.

An understanding of the double-entry recording system is necessary for a complete understanding of balance of payments statistics.

Under the double-entry system, by definition credit entries must equal debit entries. Credit entries are required for exports of goods and services, income receivable, and changes in financial liabilities. Likewise, debit entries are required for imports of goods and services, income payable, and changes in financial assets. Where something of economic value is provided without something of economic value in exchange (for example, without a *quid pro quo*) the double-entry system requires an offset to be imputed (a transfer entry) of equivalent value. For example, food exported as aid requires a credit entry for the goods provided and a debit transfer as the aid offset.

### Sign convention in the UK balance of payments statistics

The sign convention used in presenting the UK balance of payments statistics is to give a positive sign to an increase in either credit or debit entries and a negative sign to a decrease in credit or debit entries. Balances (calculated as credits /less debits) or items which are net credits have no sign, while balances which are net debits have a negative sign.

When considering making international comparisons it should be borne in mind that there is no unique or correct sign convention and other countries/institutions use variations. In particular the convention used by the IMF in their publications gives no sign to credit entries and a minus sign to all debit entries (for example, imports and acquisitions of assets).

### Errors and omissions

It follows that, in principle, under a double-entry accounting system, the difference between the sum of credit and debit entries must be zero. In practice, some transactions are not measured accurately (that is, errors) and some are not measured at all (that is, omissions). Data sources used to compile the accounts often measure the credit and debit sides from different data sources and may not always do so consistently. There could be many reasons why these sources may not measure the acquisition side of the transaction and the corresponding payments, either in the same accounting period or at the same value. To restore the equality of credit and debit entries, a net errors and omissions item is included in the balance of payments accounts. The item indicates whether credit or debit transactions would be needed to balance the accounts, but does not show where the discrepancy lies. Usually the financial account is considered to be the most likely source.

## Valuation

It is important that the balance of payments and international investment position statistics carry values that have economic meaning to enable useful analysis, and to provide meaningful indicators of cross-border economic activity. It is also important for the double-entry accounting system that a uniform valuation is adopted. This means that the credit and debit entries of each transaction – which in practice may be derived from independent sources – should be valued at the same price. In addition, a uniform valuation is essential to sum different types of transactions on a consistent and comparable basis. The use of a uniform valuation principle aids understanding by users. Moreover, statistics for different countries will not be comparable unless both parties to a transaction adopt the same valuation principle. It is also important to use a principle which is consistent with national accounting principles. For all these reasons, market price is used in UK economic statistics for valuing transactions.

Market price is the amount of money that a willing buyer pays to acquire something from a willing seller, when such an exchange is between independent parties and involves only commercial considerations. In practice, one or more of the conditions needed to establish a market price may be absent and other valuations may be used.

For the most part, the price at which a transaction is recorded in the accounts of the transactors or in the administrative records used as data sources will be the market price or a very close approximation of it. This valuation is known as the transactions price and is the practical valuation basis used in the balance of payments, both because it aids consistent recording of credits and debits and because of its usual proximity to the ideal market valuation. The following paragraph discusses a special case of transactions where market prices may not apply, namely transfer pricing between affiliated enterprises in different countries.

## Transfer pricing

Where transactions are between affiliated enterprises in different countries, the prices adopted in their books for recording transactions in goods and services and any associated indebtedness and interest – referred to as transfer prices – may not correspond to prices that would be charged to independent parties. There will be some departure from the market price principle if transfer prices are different from those charged to enterprises outside the group. However there are practical difficulties in identifying and suitably adjusting individual cases. Transfer pricing to avoid tax is illegal in the UK so the distortions in the international accounts caused by transfer pricing are not considered widespread. For both reasons, adjustments to account for transfer pricing are rarely made in practice.

## Assets and liabilities

As with all international investment position statistics, foreign financial assets and liabilities should, in principle, be valued at their current market price at the reference date. In practice this is not always possible and valuation guidelines are adopted in order to approximate market valuation, particularly for those financial assets and liabilities that are only rarely transacted. For example, in measuring the value of direct investment in equity capital, much of which is never traded or is traded infrequently, market value is approximated by one of the following methods: a recent transaction price; directors' value; or net asset value. Over time, this is likely to underestimate the true market value of Foreign Direct Investment.

### Unit of account and conversion

Transactions and stock positions originally denominated in foreign currencies need to be converted to pounds sterling using market rates of exchange prevailing at the time of the transaction (balance of payments) or at the reference date (international investment position). Transactions should be converted at the mid-point of the buying and selling exchange rates applying at the time of transaction. Stocks should be converted at the mid-point of the buying and selling exchange rates applying at the beginning or end of the period. In practice, the actual rate used varies according to the source of the transaction or stock data.

### Time of recording

#### Transactions

The time of recording of transactions in balance of payments and international investment position statistics is, in principle, the time of change of ownership (either actual or imputed). Under the double-entry system, both sides of a transaction should be recorded in the same period. This is consistent with the principle of accrual accounting, which requires that transactions be recorded when economic value is created, transformed, exchanged, transferred or extinguished.

Change of ownership is considered to occur when legal ownership of goods changes, when services are rendered and when income accrues. In the case of transfers, those which are imposed by one party on another, such as taxes and fines, should ideally be recorded at the moment at which the underlying transactions or other flows occur which give rise to the liability to pay; other transfers should be recorded when the goods, services etc. change ownership.

For financial transactions, the time of change of ownership is taken to be the time when transactions are entered in the books of the transactors. That is taken to be the time when a foreign financial asset or liability is acquired, relinquished by agreement, sold or repaid. The commitment or pledging of an asset does not constitute an economic transaction, and no entry should be shown unless a change of ownership actually occurs in the period covered. Likewise, the entries for loan drawings should be based on actual disbursements and not on commitments or authorisations. Entries for loan repayments should be recorded at the time they are due rather than on the actual payment date.

Both sides of a transaction should be recorded in the same period. In practice the time of recording of transactions in the balance of payments and international investment position statistics will reflect the practices in data sources, and may diverge from the principle of time of change of ownership. For the UK, transactions in goods credits (exported goods) are mainly recorded at the time when goods are shipped as this is assessed to be a generally good practical approximation of the time when ownership changes. Goods debits (imported goods) are recorded when customs records relating to the movement of the goods across the frontier are processed, again in the expectation that this is the best practical approximation to change of ownership that can be generally achieved. For the remainder of the current account, the time of the recording of transactions generally complies with the time of change of ownership. Exceptions occur mainly because the record-keeping practices of some data providers may not be on this basis. Financial account transactions usually are recorded appropriately, that is, when the parties record transactions in their books. However, some transactions may be derived from information supplied by intermediaries that are not party to the transactions and may not be aware of the time of change of ownership. Also, some enterprises may adopt accounting practices that lead to inconsistent time of recording; a simple example is that different enterprises may close off their accounts at different times of day.

## Stock

The time of recognising the stock of a foreign financial asset or liability follows naturally from the time of recording of a transaction in that asset or liability. For example, if a transaction is undertaken to acquire a foreign financial asset, there will also be a consequential increase in the stock of foreign financial assets at the end of that period. Of course, if the asset is disposed of before the end of the period, it will not contribute to the stocks statistics to be recorded for the period, but the disposal will have given rise to another transaction to be recorded for the period.

## Types of transactions in the balance of payments

An economic transaction occurs when something of economic value is provided by one party to another. Transactions that are considered to have economic value comprise those in goods, services, income and financial assets and liabilities. The transactions recorded in a balance of payments statement stem from dealings between two parties, one being a resident and the other a non-resident. The types of transactions included in the balance of payments are exchanges, one-sided transactions and imputed transactions.

## Exchanges

Exchanges are the most important and numerous type of transaction. They include transactions in which one transactor provides something of economic value to another transactor and receives in return something of equal value.

## Special cases of imputation/estimation

### *Migrants' transfers*

A special statistical treatment is required when a person migrates, that is when the person's status changes from non-resident to resident (or vice versa). When this change occurs, the property owned by the migrant becomes the property of a resident instead of that of a non-resident (or vice versa). This change of ownership of net worth between economies is included in the balance of payments. For example, any financial assets held abroad by the migrant become claims by the UK on the rest of the world.

Offset entries are made corresponding to the transfer of net worth and, by their nature, these are included as transfers in the capital account. This treatment amounts to envisaging a transfer of property from the person in their capacity as a non-resident to the person in their capacity as a resident (or vice versa). In principle, this transaction embraces all the migrant's property, whether or not it accompanies the migrant.

### *Reinvested earnings*

A number of special cases of imputed transactions feature in balance of payments compilation. One case involves the reinvestment of earnings in resident enterprises by their non-resident direct investors. These **reinvested earnings** are regarded as being paid out as investment income and then reinvested in the enterprises from which they originated. They are therefore recorded both as a component of investment income in the current account and as a component of direct investment in the financial account. It is considered analytically useful to identify these transactions separately in economic statistics because of the substantial contribution they make to the stock of direct investment finance in a country.

### *Financial services*

A further case relates to estimation for the implicit fees (financial services) associated with foreign exchange trading. Estimates of the implicit service fees being earned on foreign exchange trading with non-resident counterparties are made by splitting the

total service fees reported by exchange traders into resident/non-resident shares using a number of assumptions and other published information.

### Exceptions to change of ownership

In economic statistics, transactions are considered to occur when the goods and financial assets change ownership between transactors, when services are provided by one transactor to another, or when income is earned by one transactor from another. However, there are certain situations in which no change of ownership legally occurs, but where transactions are nonetheless considered to have occurred for balance of payments purposes. The situations include financial leases, goods imported into or exported from the UK for processing and return, and transactions between a head office in one country and a branch in another.

#### *Financial leases*

A financial lease is regarded as a method of obtaining all the rights, risks and rewards of ownership of real resources without holding legal ownership. Although legal ownership remains with the lessor during the term of the lease, all the risks and responsibilities apply to the lessee. In these cases, the basic nature of the transaction is given precedence over its legal form, by imputing a change of ownership of the resource to the lessee. As a result of this imputation, a financial liability is recognised and lease payments are classified as partly loan repayments in the financial account and partly interest in the current account, rather than as services in the current account.

#### *Goods for processing*

In economic statistics, the value of goods entering or leaving the UK for processing and returning to the country of origin after processing should be recorded on a gross basis, that is, recording the goods both when they enter (as imports) and when they leave (as exports), even though there is no legal change of ownership of those goods. Thus a good entering the UK to be processed and returned to the country of origin is recorded as an import at the appropriate value and subsequently as an export – recorded by the customs system at the original value plus the added value of the processing. A symmetrical treatment should be applied to UK goods exported for processing and return. The basis for this treatment is that such goods lose their identity during processing by being transformed or incorporated into different goods. On the other hand, for goods undergoing repairs only the value of the repair, not the gross value of the goods, is included in the goods credits or debits.

#### *Branches*

In economic statistics, it is usually necessary to split the activities of a legal entity and recognise two units, a head office in one country and a branch in another. Flows of goods, services, income and finance between the branch and its head office are therefore treated as transactions, even though they are legally part of the same unit. For example, goods and services sent from the head office to its branch are to be treated as exports of goods and services by the head office.

There are two cases where such splitting becomes necessary. The first occurs when production of goods and services is undertaken by the personnel, plant and equipment of the legal entity in an economic territory outside the economic territory of the head office, provided certain conditions apply. These conditions include: the intention to operate in the separate economy indefinitely or over a long period (12 months is used as a rule of thumb); keeping a set of accounts of the branch's activity (that is, income statement, balance sheet, transactions with the parent entity); eligibility to pay income tax in the host country; having a substantial physical presence; and receiving funds for the branch's work which are paid into its own bank account.



The second case occurs when a person or legal entity resident in one economy owns land and buildings located in another economy. Ownership of immovable assets is always attributed in balance of payments and international investment position statistics to residents of the economy in which the assets are located. Thus land in the domestic territory, which is in fact owned by a non-resident, is treated as being owned by a notional resident entity, which in turn has a foreign direct investment liability to the real owner. It should also be recalled that the territorial enclaves associated with embassies, military bases etc. are regarded as part of the economic territory of the economy they represent. When these institutions buy and sell the land in these enclaves they are effectively adding to and subtracting from the economic territory of their government. Such transactions in land owned by foreign embassies are recorded in the capital account as the acquisition/disposal of non-produced, non-financial assets.

### Other changes in the international investment position

In addition to the financial transactions included in the balance of payments, the international investment position reconciliation statement includes the other changes which contribute to differences between opening and closing positions for a period.

Other changes in position may occur through price changes, exchange rate changes and other adjustments. Price changes are valuation changes that occur because of changes in the market price of a financial instrument, such as a change in the price of a share or debt security, or through revaluing a company's net worth.

Exchange rate changes are due to fluctuations in the value of the pound, in which the accounts are compiled, relative to the currencies in which foreign assets and liabilities are denominated.

Other adjustments can arise from a number of causes such as write-off of bad debts, classification changes, monetisation/demonetisation of gold, and the allocation/cancellation of Special Drawing Rights. A reclassification would occur where a foreign investor's equity investment in an enterprise increased during the reporting period and the increase was sufficient to change the classification of the investor's total equity holding at the end of the period from portfolio investment to direct investment. Monetisation of gold occurs when the Bank of England monetises commodity stocks of gold and adds these to its monetary gold holdings as part of the UK's official reserve assets. Special Drawing Rights in the IMF are also included in the UK's official reserve assets. Allocations and cancellations of these instruments are included as other adjustments.

### Gross and net recording

Entries for current and capital account items are generally treated so that credits for each component are recorded separately from debits. Current and capital account transactions, in this context, are described as being recorded gross.

Gross recording contrasts to the recording of transactions in the financial account, which is mainly on a net basis, although for long-term trade credits and loans, gross drawings and repayments are included in the financial account. The net recording of other financial account items means that, for each item, credit transactions are combined with debit transactions to arrive at a single result – either a net credit or net debit – reflecting the net effect of all increases and decreases in holdings of that type of asset or liability during the recording period. There are several types of netting in the financial account, for example, the netting of purchases and sales within an instrument in an asset position, and netting of assets and liabilities as in the case of direct investment.

## Standard balance of payments classification

Balance of payments and international investment position statistics need to be arranged in a coherent structure to facilitate their use and adaptation for purposes such as policy formulation, analytical studies, projections, bilateral comparisons, and regional and global aggregations. *BPM5* contains a standard classification and list of standard components of the balance of payments and international investment position. These standards were developed taking into account the views of national compilers and analysts, and the requirement to harmonise concepts and definitions with related international statistical standards and classifications. The classification also reflects the separation of categories that may exhibit different economic behaviour, may be important in a number of countries, are readily collectable, and are needed for harmonising with other bodies of statistics.

The standard balance of payments classification comprises two main groups of accounts – the **current account** and the **capital and financial account**.

Transactions classified to the **current account** include goods and services, income and current transfers. Within the **capital and financial account**, the **capital account** includes capital transfers and the net acquisition or disposal of non-produced, non-financial assets. The **financial account** includes transactions in financial assets and liabilities.

Transactions in **current account** and **capital account** items are generally shown on a gross basis (gross debits and credits separately). Transactions in **financial account** items are mainly recorded on a net basis.

### Current account

Table A (opposite) shows the standard classification of the **current account**. Each of the broad categories is described briefly below, while individual component items are described in detail in subsequent chapters.

**Goods and services** are divided into separate accounts for **goods** and **services**. **Goods** comprise most movable goods that change ownership between UK residents and non-residents.

**Services** comprise services provided between UK residents and non-residents, together with some transactions in goods where, by international agreement, it is not practical to separate the goods and services components (for example, goods purchased by travellers are classified to services).

**Income** refers to income earned by UK residents from non-residents and vice versa. Income covers compensation of employees and investment income. **Compensation of employees** comprises wages, salaries and other benefits earned by individuals from economies other than those in which they are residents, as well as earnings from extraterritorial bodies such as foreign embassies, which often employ staff from the economy in which they are located. **Investment income** comprises income earned from the provision of financial capital and is classified by direct, portfolio and other investment income and income earned on the UK's reserve assets.

**Transfers** represent offsets to the provision of resources between residents and non-residents with no quid pro quo in economic value (for example, the provision of food aid). **Current transfers** are distinguished from **capital transfers**, which are included in the **capital account**. **Current transfers** represent the offset to the provision of resources that are normally consumed within a short period (less than twelve months) after the transfer is made. In the example of food aid, the food is presumed to be consumed within twelve months of it being received. The classification of current transfers is by general government and other sectors.

# A

## Summary of balance of payments in 2006

£ million

	Credits	Debits
<b>1. Current account</b>		
A. Goods and services	369 691	424 128
1. Goods	245 105	328 736
2. Services	124 586	95 392
2.1. Transportation	16 704	19 426
2.2. Travel	18 313	34 291
2.3. Communications	4 259	3 969
2.4. Construction	658	529
2.5. Insurance	3 525	960
2.6. Financial	28 420	5 845
2.7. Computer and information	6 489	2 658
2.8. Royalties and licence fees	7 381	5 407
2.9. Other business	34 733	18 884
2.10. Personal, cultural and recreational	2 031	746
2.11. Government	2 073	2 677
B. Income	241 350	222 795
1. Compensation of employees	1 047	1 785
2. Investment income	240 303	221 010
2.1 Direct investment	90 502	47 377
2.2 Portfolio investment	54 479	57 013
2.3 Other investment (including earnings on reserve assets)	95 322	116 620
C. Current transfers	16 165	28 064
1. Central government	4 245	13 828
2. Other sectors	11 920	14 236
<b>Total current account</b>	<b>627 206</b>	<b>674 987</b>
<b>2. Capital and financial accounts</b>		
A. Capital account	3 818	2 988
1. Capital transfers	3 393	2 358
2. Acquisition/disposal of non-produced, non-financial assets	425	630
B. Financial account	687 387	654 582
1. Direct investment	76 891	69 496
Abroad		69 496
1.1. Equity capital		16 047
1.2. Reinvested earnings		52 372
1.3. Other capital <sup>1</sup>		1 077
In United Kingdom	76 891	
1.1. Equity capital	56 000	
1.2. Reinvested earnings	23 073	
1.3. Other capital <sup>2</sup>	-2 182	
2. Portfolio investment	155 631	199 118
Assets		199 118
2.1. Equity securities		19 718
2.2. Debt securities		179 400
Liabilities	155 631	
2.1. Equity securities	-5 069	
2.2. Debt securities	160 700	
3. Financial derivatives (net)		-7 449
4. Other investment	454 865	393 843
Assets		393 843
4.1 Trade credits		36
4.2 Loans		117 376
4.3 Currency and deposits		276 513
4.4 Other assets		-82
Liabilities	454 865	
4.1. Trade credits	-	
4.2. Loans	121 012	
4.3. Currency and deposits	333 272	
4.4. Other liabilities	581	
5. Reserve assets		-426
5.1. Monetary gold		-4
5.2. Special drawing rights		51
5.3. Reserve position in the IMF		-225
5.4. Foreign exchange		62
<b>Total capital and financial accounts</b>	<b>691 205</b>	<b>657 570</b>
<b>Total current, capital and financial accounts</b>	<b>1 318 411</b>	<b>1 332 557</b>
Net errors and omissions	14 146	

1 Other capital transaction on direct investment abroad represents claims on affiliated enterprises less liabilities to affiliated enterprises

2 Other capital transactions on direct investment in the United Kingdom represents liabilities to direct investors less claims on direct investors

### Capital account

The **capital account** comprises both capital transfers and the acquisition and disposal of non-produced, non-financial assets (such as copyrights). The latter includes land purchases and sales associated with embassies and other extraterritorial bodies. Capital transfers entries are required where there is no quid pro quo to offset the transfer of ownership of fixed assets, or the transfer of funds linked to fixed assets (for example aid to finance capital works), or the forgiveness of debt. It also includes the counterpart to the transfer of net wealth by migrants, referred to as migrants' transfers.

### Financial account

The **financial account** comprises transactions associated with changes of ownership of the UK's foreign financial assets and liabilities. The main classifications used in the financial account are discussed in conjunction with the international investment position classification below.

The **international investment position** measures the UK's stock of external financial assets and liabilities, whereas the **balance of payments financial account** measures transactions in these assets and liabilities. Hence the classifications used in the **financial account** and **international investment position** need to be essentially the same.

### Major classifications of the financial account and international investment position

Items in the financial account and international investment position statement are classified on a number of bases. The main ones are **type of investment, assets and liabilities, instrument of investment, sector**, and **original contractual maturity of financial instruments**.

A comparison of the international investment position statement and the balance of payments financial account shows one minor difference. In the category of direct investment in the financial account, reinvested earnings are shown separately whereas, in the international investment position statement, where no separate market price valuation of reinvested earnings can exist, the reinvested earnings are grouped into a composite category for equity and reinvested earnings.

### Type of investment

The type of investment used in the UK's balance of payments and international investment position consists of five broad categories:

- (i) **Direct investment capital** refers to capital provided to or received from an enterprise, by an investor in another country (that is, an individual, enterprise or group of related individuals or enterprises) who is in a direct investment relationship with that enterprise. A **direct investment** relationship exists if the investor has an equity interest in an enterprise, resident in another country, of 10 per cent or more of the ordinary shares or voting stock. The **direct investment** relationship extends to branches, subsidiaries and to other businesses where the enterprise has significant shareholding.
- (ii) **Portfolio investment** refers to transactions in equity and debt securities (apart from those included in direct investment and reserve assets). Debt securities comprise bonds and notes and money market instruments. In comparison with direct investment, it indicates investment where the investor is not assumed to have any appreciable say in the operation of the enterprise (for example, less than 10 per cent of the ordinary share or voting stock).

- (iii) **Financial derivatives** cover any financial instrument the price of which is based upon the value of an underlying asset (typically another financial asset). Financial derivatives include options (on currencies, interest rates, commodities, indices, etc.), traded financial futures, warrants and currency and interest swaps. Under *BPM5*, transactions in derivatives are treated as separate transactions, rather than being included as integral parts of underlying transactions to which they may be linked as hedges. From 2005 onwards, financial derivatives comprise all UK banks' net derivative transactions. Prior to 2005, only estimates for the settlement receipts/payments on UK banks' interest rate swaps and forward rate agreements are included in financial derivatives.
- (iv) **Other investment** is a residual category that captures transactions not classified to direct investment, portfolio investment, financial derivatives or reserve assets of the compiling economy. **Other investment** covers trade credits, loans (including financial leases), currency and deposits, and a residual category for any other assets and liabilities.
- (v) **Reserve assets** refer to those foreign financial assets that are available to, and controlled by, the monetary authorities such as the Bank of England for financing or regulating payments imbalances. Reserve assets comprise: monetary gold, Special Drawing Rights, reserve position in the IMF, and foreign exchange held by the Bank.

### Assets and liabilities

A financial **asset** is generally in the form of a financial claim on the rest of the world that is either represented by a contractual obligation (such as a loan) or is evidenced by a security (such as a share certificate). Two financial assets – monetary gold and Special Drawing Rights in the IMF – are not claims on the rest of the world. They are, however, included in international investment assets because they are readily available for payment of international obligations. A financial **liability** represents a financial claim of the rest of the world on the UK. Assets and liabilities in the international investment position statement are components of the balance sheet of an economy with the rest of the world. In the financial account the asset and liability classifications in essence reflect, respectively, transactions in claims on non-residents (assets) and in claims by non-residents (liabilities).

In the international investment position, the difference between assets and liabilities is the net international investment position, also referred to as the net liability position/net asset position, depending on the balance.

For **direct investment**, in both the financial account and international investment position, the main classification is by direction of investment, that is, direct investment abroad and direct investment in the UK. Direct investment abroad is derived by netting liabilities of the UK direct investors to their direct investment enterprises against claims on their direct investment enterprises abroad. Similarly, direct investment in the UK is derived after netting claims of the UK direct investment enterprises against their liabilities to those direct investors abroad.

### Instrument of investment

Several instruments of investment are also identified. Some of these are only applicable to one type of capital, that is, the instrument **reinvested earnings** is only applicable to direct investment, while **monetary gold** and **Special Drawing Rights** are only used for reserve assets.

The major instruments and grouping of instruments identified in balance of payments and international investment statistics include:

- monetary gold
- Special Drawing Rights
- foreign exchange
- reserve position in IMF
- equity
- reinvested earnings
- debt securities
- financial derivatives
- trade credit
- loans
- currency and deposits
- other assets/liabilities

Holdings of financial derivatives data are presented as an annex to the international investment chapter.

Similar instruments may be combined into groups or combined with certain types of investment to make statistical presentations less cluttered.

For example:

- trade credit, loans, deposits, and other forms of finance including all debt securities, but excluding equity capital and reinvested earnings, between non-financial enterprises in a direct investment relationship, are combined and shown only as **other direct capital**. Similar aggregation applies to finance between a financial enterprise and a non-financial enterprise and between financial enterprises only in case of permanent debt
- bonds, bills, notes and money market instruments within portfolio investment are shown separately but under a heading of **debt securities**
- a number of financial assets, held as part of the UK's reserves assets (currency and deposits, bills, bonds, notes and money market instruments), are grouped under the category **foreign exchange** within the reserve assets category

### Foreign equity and debt

At a broader level, instruments may be combined to show foreign equity and foreign debt. Foreign equity includes equity capital, reinvested earnings and equity securities. Foreign debt is a residual item containing all other instruments. They may be compiled on a gross basis (for example foreign debt/assets and liabilities) or on a net basis (for example net foreign debt).

### Sectorisation

Transactor units within an economy may be grouped together into institutional sectors. Units within the same institutional sector may be expected to behave similarly in their financial and other dealings and in response to differing economic and political stimuli. The principle of classification by sector, or sectorisation, in the financial account and international investment position is to identify the sector of the domestic creditor for assets and the sector of the domestic debtor for liabilities.

Four sectors are generally distinguished in the standard components of the ONS balance of payments and international investment statistics: **monetary financial**

**institutions; central government; public corporations; and other.**

Within the current and capital accounts, sectorisation is also applied to current and capital transfers, where a split between **general government** and **other** is used.

### Original contractual maturity

The fifth edition of the balance of payments manual looks to distinguish between long-term or short-term investment. Investment longer than one year is deemed to be long-term and investment less than one year is deemed to be short-term.

### Other financial classifications

Other classifications in the financial account and international investment position include the domicile of liabilities issued by residents, drawings and repayments for long-term liabilities in the form of both trade credits and loans and the currency of assets and liabilities.

### Country classification

The general principles applying to the compilation of a global balance of payments statement for the UK can be applied to the preparation of a statement for the UK's transactions with an individual country or a group of countries.

### Reliability of estimates

All the value estimates are calculated as accurately as possible; however they cannot always be regarded as being absolutely precise to the last digit shown. Similarly, the index numbers are not necessarily absolutely precise to the last digit shown. Some figures are provisional and may be revised later; this applies particularly to many of the detailed figures for the latest years.

### Revisions since ONS *Pink Book* 2006

The current account balance is revised from 2005 onwards.

**Goods** – the data are revised from 2005 to reflect later data from HM Revenue & Customs and other data suppliers together with revised estimates of trading associated with Missing Trader Intra-Community (MTIC) VAT fraud.

**Services** – the data are revised back to 2005. These revisions are mainly caused by the use of the final results from the ONS's annual International Trade in Services Survey for 2005.

**Income, Financial Account and International Investment Position** – figures are revised from 2005 following the inclusion of later and corrected data from ONS and Bank of England inquiries. Estimates of non-resident holdings of UK equity securities have been revised to include the latest estimates for 2006 from the biennial Share Ownership Survey. Estimates of non-resident holding of UK equity securities have also been revised to include holdings held through UK securities dealers. UK subscriptions to the International Development Association have been reclassified from current transfers to the financial account following review by the Public Sector Accounts. Estimates of net derivative transactions have been revised from 2005 to include all UK banks' net derivative transactions and not just those for net interest rate swaps, as was previously published. Data for compensation of employees are revised back to 2005. These revisions reflect the use of the latest International Passenger Survey data on the number of short-term migrants and emigrants.

**Current transfers** – the data are revised back to 2005. These revisions reflect the latest results from the Expenditure and Food survey which are used to derive net non-life insurance claims, the latest data from annual direct investment inquiries which

provide estimates of taxes on investment income and some source data changes for transfers involving the UK government.

**Capital transfers** – the data are revised from 2005. These revisions reflect a correction in the timing of the recording of public corporations' debt forgiveness to Nigeria and the final results from the annual International Trade in Services survey for 2005.

## Symbols and conventions used in the tables

### Rounding

As figures have been rounded to the nearest final digit, there may be slight discrepancies between the sums of the constituent items and the totals as shown.

### Symbols

The following symbols are used throughout:

- .. = not available
- = nil or less than a million

### References

The internationally agreed framework for the presentation of the Balance of Payments and the National Accounts are described in the following publications:

*Balance of Payments Manual (5th edition 1993)*, International Monetary Fund (ISBN 1-55775-339-3). [www.imf.org/external/np/sta/bop/BOPman.pdf](http://www.imf.org/external/np/sta/bop/BOPman.pdf)

*Balance of Payments Textbook (1996)*, International Monetary Fund (ISBN 1-55775-570-1). [www.imf.org/external/np/sta/bop/BOPtex.pdf](http://www.imf.org/external/np/sta/bop/BOPtex.pdf)

*Balance of Payments and International Investment Position, Australia: Concepts, Sources and Methods (1998)* Australian Bureau of Statistics (ISBN 0-642-25670-5). [www.abs.gov.au/Ausstats/abs@.nsf/0/09998F91F5A8A7BFCA25697E0018FB0A?Open](http://www.abs.gov.au/Ausstats/abs@.nsf/0/09998F91F5A8A7BFCA25697E0018FB0A?Open)

*European System of Accounts (ESA 1995)*, Office for Official Publications of the European Communities (ISBN 92-827-7954-8)

*System of National Accounts (1993)*, (ISBN 92-1-161352-3). <http://unstats.un.org/unsd/sna1993/introduction.asp>

The United Nations Statistics Commission and the IMF Board of Directors have approved the comprehensive and parallel updating of the National Accounts and Balance of Payments manuals, in order to ensure their consistency and achieve greater harmonisation. ONS has developed the following webpage to inform users of progress and to invite their input: [www.statistics.gov.uk/about/Consultations/NA/default.asp](http://www.statistics.gov.uk/about/Consultations/NA/default.asp)



An aerial, top-down view of a large, crowded public space, possibly a train station or a busy plaza. The floor is made of light-colored square tiles. Numerous people are seen from above, walking in various directions. Some are carrying bags or backpacks. In the upper right corner, there are metal structures that look like escalators or stairs. The entire image is covered with a semi-transparent pink overlay.

Current account

# Part 1



# Chapter 1

## Summary of balance of payments

# 1.1 Summary of balance of payments

Balances (credits less debits)

£ million

Current account												
	Trade in goods	Trade in services	Total goods and services	Compensation of employees	Investment income	Total income	Current transfers	Current balance	Current balance as % of GDP <sup>1</sup>	Capital account	Financial account	Net errors & omissions
	LQCT	KTMS	KTMV	KTMP	HMBM	HMBP	KTNF	HBOG	AA6H	FKMJ	HBNT	HHDH
1946	-101	-274	-375	-20	76	56	166	-153	..	-21	181	-7
1947	-358	-197	-555	-19	140	121	123	-311	..	-21	552	-220
1948	-152	-64	-216	-20	223	203	96	83	0.7	-17	-58	-8
1949	-137	-43	-180	-20	206	186	29	35	0.3	-12	-103	80
1950	-54	-4	-58	-21	378	357	39	338	2.6	-10	-447	119
1951	-692	32	-660	-21	322	301	29	-330	-2.3	-15	426	-81
1952	-272	123	-149	-22	231	209	169	229	1.4	-15	-229	15
1953	-244	123	-121	-25	207	182	143	204	1.2	-13	-177	-14
1954	-210	115	-95	-27	227	200	55	160	0.9	-13	-174	27
1955	-315	42	-273	-27	149	122	43	-108	-0.6	-15	34	89
1956	50	26	76	-30	203	173	2	251	1.2	-13	-250	12
1957	-29	121	92	-32	223	191	-5	278	1.3	-13	-313	48
1958	34	119	153	-34	261	227	4	384	1.7	-10	-411	37
1959	-116	118	2	-37	233	196	-	198	0.8	-5	-68	-125
1960	-404	39	-365	-35	201	166	-6	-205	-0.8	-6	-7	218
1961	-144	51	-93	-35	223	188	-9	86	0.3	-12	23	-97
1962	-104	50	-54	-37	301	264	-14	196	0.7	-12	-195	11
1963	-123	4	-119	-38	364	326	-37	170	0.6	-16	-30	-124
1964	-551	-34	-585	-33	365	332	-74	-327	-1.0	-17	392	-48
1965	-263	-66	-329	-34	405	371	-75	-33	-0.1	-18	49	2
1966	-111	44	-67	-39	358	319	-91	161	0.4	-19	22	-164
1967	-601	157	-444	-39	354	315	-118	-247	-0.6	-25	179	93
1968	-708	341	-367	-48	303	255	-119	-231	-0.5	-26	688	-431
1969	-214	392	178	-47	468	421	-109	490	1.0	-23	-794	327
1970	-18	455	437	-56	527	471	-89	819	1.6	-22	-818	21
1971	205	590	795	-63	481	418	-90	1 123	2.0	-23	-1 330	230
1972	-736	665	-71	-52	407	355	-142	142	0.2	-35	477	-584
1973	-2 573	803	-1 770	-68	1 074	1 006	-336	-1 100	-1.5	-39	1 031	108
1974	-5 241	1 118	-4 123	-92	1 184	1 092	-302	-3 333	-4.0	-34	3 185	182
1975	-3 245	1 447	-1 798	-102	518	416	-313	-1 695	-1.6	-36	1 569	162
1976	-3 930	2 532	-1 398	-140	1 100	960	-534	-972	-0.8	-12	507	477
1977	-2 271	3 306	1 035	-152	-280	-432	-889	-286	-0.2	11	-3 286	3 561
1978	-1 534	3 777	2 243	-140	138	-2	-1 420	821	0.5	-79	-2 655	1 913
1979	-3 326	4 076	750	-130	155	25	-1 777	-1 002	-0.5	-103	864	241
1980	1 329	3 829	5 158	-82	-1 683	-1 765	-1 653	1 740	0.8	-4	-2 157	421
1981	3 238	3 951	7 189	-66	-1 058	-1 124	-1 219	4 846	1.9	-79	-5 312	545
1982	1 879	3 198	5 077	-95	-1 273	-1 368	-1 476	2 233	0.8	6	-1 233	-1 006
1983	-1 618	4 076	2 458	-89	280	191	-1 391	1 258	0.4	75	-3 287	1 954
1984	-5 409	4 491	-918	-94	1 284	1 190	-1 566	-1 294	-0.4	107	-7 130	8 317
1985	-3 416	6 767	3 351	-120	-877	-997	-2 924	-570	-0.2	185	-1 657	2 042
1986	-9 617	6 403	-3 214	-156	1 850	1 694	-2 094	-3 614	-0.9	135	-122	3 601
1987	-11 698	6 813	-4 885	-174	1 091	917	-3 570	-7 538	-1.8	333	10 764	-3 559
1988	-21 553	4 450	-17 103	-64	817	753	-3 500	-19 850	-4.2	235	17 201	2 414
1989	-24 724	3 643	-21 081	-138	-654	-792	-4 448	-26 321	-5.1	270	18 001	8 050
1990	-18 707	4 337	-14 370	-110	-2 869	-2 979	-4 932	-22 281	-4.0	497	15 083	6 701
1991	-10 223	4 102	-6 121	-63	-3 244	-3 307	-1 231	-10 659	-1.8	290	5 269	5 100
1992	-13 050	5 602	-7 448	-49	177	128	-5 534	-12 854	-2.1	421	5 090	7 343
1993	-13 066	6 741	-6 325	35	-226	-191	-5 243	-11 759	-1.8	309	11 332	118
1994	-11 126	6 509	-4 617	-170	3 518	3 348	-5 369	-6 638	-1.0	33	2 126	4 479
1995	-12 023	8 957	-3 066	-296	2 460	2 164	-7 574	-8 476	-1.2	533	2 552	5 391
1996	-13 722	11 204	-2 518	93	463	556	-4 755	-6 717	-0.9	1 260	2 811	2 646
1997	-12 342	14 106	1 764	83	3 231	3 314	-5 918	-840	-0.1	958	-8 771	8 653
1998	-21 813	14 672	-7 141	-10	12 330	12 320	-8 374	-3 195	-0.4	489	9 922	-7 216
1999	-29 051	13 597	-15 454	201	1 069	1 270	-7 533	-21 717	-2.4	747	21 416	-446
2000	-32 976	13 615	-19 361	150	4 390	4 540	-10 012	-24 833	-2.6	1 703	12 604	10 526
2001	-41 212	14 423	-26 789	66	11 598	11 664	-6 759	-21 884	-2.2	1 318	17 503	3 063
2002	-47 705	16 830	-30 875	67	23 376	23 443	-9 081	-16 513	-1.6	932	7 202	8 379
2003	-48 607	19 162	-29 445	59	24 587	24 646	-10 122	-14 921	-1.3	1 466	20 507	-7 052
2004	-60 893	25 918	-34 975	71	26 525	26 596	-10 949	-19 328	-1.6	2 063	5 641	11 624
2005	-68 789	24 611	-44 178	-610	26 344	25 734	-12 008	-30 452	-2.5	1 491	40 911	-11 950
2006	-83 631	29 194	-54 437	-738	19 293	18 555	-11 899	-47 781	-3.7	830	32 805	14 146

1 Using series YBHA: GDP at current market prices.

# 1.1R

## Summary of balance of payments

Revisions since ONS Pink Book 2006

£ million

	Current account										Capital account	Financial account	Net errors & omissions
	Trade in goods	Trade in services	Total goods and services	Compensati- on of employees	Investment income	Total income	Current transfers	Current balance	Current				
									balance as % of GDP <sup>1</sup>				
	LQCT	KTMS	KTMV	KTMP	HMBM	HMBP	KTNF	HBOG	AA6H	FKMJ	HBNT	HHDH	
1946	-	-	-	-	-	-	-	-	-	-	-	-	
1947	-	-	-	-	-	-	-	-	..	-	-	-	
1948	-	-	-	-	-	-	-	-	-	-	-	-	
1949	-	-	-	-	-	-	-	-	-	-	-	-	
1950	-	-	-	-	-	-	-	-	-	-	-	-	
1951	-	-	-	-	-	-	-	-	-	-	-	-	
1952	-	-	-	-	-	-	-	-	-	-	-	-	
1953	-	-	-	-	-	-	-	-	-	-	-	-	
1954	-	-	-	-	-	-	-	-	-	-	-	-	
1955	-	-	-	-	-	-	-	-	-	-	-	-	
1956	-	-	-	-	-	-	-	-	-	-	-	-	
1957	-	-	-	-	-	-	-	-	-	-	-	-	
1958	-	-	-	-	-	-	-	-	-	-	-	-	
1959	-	-	-	-	-	-	-	-	-	-	-	-	
1960	-	-	-	-	-	-	-	-	-	-	-	-	
1961	-	-	-	-	-	-	-	-	-	-	-	-	
1962	-	-	-	-	-	-	-	-	-	-	-	-	
1963	-	-	-	-	-	-	-	-	-	-	-	-	
1964	-	-	-	-	-	-	-	-	-	-	-	-	
1965	-	-	-	-	-	-	-	-	-	-	-	-	
1966	-	-	-	-	-	-	-	-	-	-	-	-	
1967	-	-	-	-	-	-	-	-	-	-	-	-	
1968	-	-	-	-	-	-	-	-	-	-	-	-	
1969	-	-	-	-	-	-	-	-	-	-	-	-	
1970	-	-	-	-	-	-	-	-	-	-	-	-	
1971	-	-	-	-	-	-	-	-	-	-	-	-	
1972	-	-	-	-	-	-	-	-	-	-	-	-	
1973	-	-	-	-	-	-	-	-	-	-	-	-	
1974	-	-	-	-	-	-	-	-	-	-	-	-	
1975	-	-	-	-	-	-	-	-	-	-	-	-	
1976	-	-	-	-	-	-	-	-	-	-	-	-	
1977	-	-	-	-	-	-	-	-	-	-	-	-	
1978	-	-	-	-	-	-	-	-	-	-	-	-	
1979	-	-	-	-	-	-	-	-	-	-	-	-	
1980	-	-	-	-	-	-	-	-	-	-	-	-	
1981	-	-	-	-	-	-	-	-	-	-	-	-	
1982	-	-	-	-	-	-	-	-	-	-	-	-	
1983	-	-	-	-	-	-	-	-	-	-	-	-	
1984	-	-	-	-	-	-	-	-	-	-	-	-	
1985	-	-	-	-	-	-	-	-	-	-	-	-	
1986	-	-	-	-	-	-	-	-	-	-	-	-	
1987	-	-	-	-	-	-	-	-	-	-	-	-	
1988	-	-	-	-	-	-	-	-	-	-	-	-	
1989	-	-	-	-	-	-	-	-	-	-	-	-	
1990	-	-	-	-	-	-	-	-	-	-	-	-	
1991	-	-	-	-	-	-	-	-	-	-	-	-	
1992	-	-	-	-	-	-	-	-	-	-	-	-	
1993	-	-	-	-	-	-	-	-	-	-	-	-	
1994	-	-	-	-	-	-	-	-	-	-	-	-	
1995	-	-	-	-	-	-	-	-	-	-	-	-	
1996	-	-	-	-	-	-	-	-	-	-	-	-	
1997	-	-	-	-	-	-	-	-	-	-	-	-	
1998	-	-	-	-	-	-	-	-	-	-	-	-	
1999	-	-	-	-	-	-	-	-	-	-	-	-	
2000	-	-	-	-	-	-	-	-	-	-	-	-	
2001	-	-	-	-	-	-	-	-	-	-	-	-	
2002	-	-	-	-	-	-	-	-	-	-	-	-	
2003	-	-	-	-	-	-	-	-	-	-	-	-	
2004	-	-	-	-	-	-	-	-	-	-	-	-	
2005	-1 491	1 555	64	-684	-3 453	-4 137	171	-3 902	-0.3	-911	23 435	-18 622	

1 Using series YBHA: GDP at current market prices.

# 1.2 Current account

£ million

		1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
<b>Credits</b>												
Exports of goods and services												
Exports of goods	<b>LQAD</b>	78 291	72 997	79 531	80 711	92 611	102 313	103 939	107 863	122 229	135 143	153 577
Exports of services	<b>KTMQ</b>	23 783	24 682	27 033	26 843	28 998	31 574	32 001	36 348	41 571	45 615	50 574
Total exports of goods and services	<b>KTMW</b>	102 074	97 679	106 564	107 554	121 609	133 887	135 940	144 211	163 800	180 758	204 151
Income												
Compensation of employees	<b>KTMN</b>	344	369	413	445	476	543	551	551	595	681	887
Investment income	<b>HMBN</b>	51 011	46 431	47 079	55 444	72 604	77 663	75 073	66 153	72 333	73 702	87 195
Total income	<b>HMBQ</b>	51 355	46 800	47 492	55 889	73 080	78 206	75 624	66 704	72 928	74 383	88 082
Current transfers												
Central government	<b>FJUM</b>	..	1 973	1 475	1 929	1 507	2 050	4 892	2 180	2 826	2 138	1 730
Other sectors	<b>FJUN</b>	..	4 374	4 468	4 878	5 947	7 445	9 335	10 397	9 613	9 521	10 821
Total current transfers	<b>KTND</b>	4 653	6 347	5 943	6 807	7 454	9 495	14 227	12 577	12 439	11 659	12 551
<b>Total</b>	<b>HBOE</b>	<b>158 082</b>	<b>150 826</b>	<b>159 999</b>	<b>170 250</b>	<b>202 143</b>	<b>221 588</b>	<b>225 791</b>	<b>223 492</b>	<b>249 167</b>	<b>266 800</b>	<b>304 784</b>
<b>Debits</b>												
Imports of goods and services												
Imports of goods	<b>LQBL</b>	81 707	82 614	91 229	102 264	117 335	121 020	114 162	120 913	135 295	146 269	165 600
Imports of services	<b>KTMR</b>	17 016	18 279	20 220	22 393	25 355	27 237	27 899	30 746	34 830	39 106	41 617
Total imports of goods and services	<b>KTMX</b>	98 723	100 893	111 449	124 657	142 690	148 257	142 061	151 659	170 125	185 375	207 217
Income												
Compensation of employees	<b>KTMO</b>	464	525	587	509	614	653	614	600	560	851	1 183
Investment income	<b>HMBO</b>	51 888	44 581	45 988	54 627	73 258	80 532	78 317	65 976	72 559	70 184	84 735
Total income	<b>HMBR</b>	52 352	45 106	46 575	55 136	73 872	81 185	78 931	66 576	73 119	71 035	85 918
Current transfers												
Central government	<b>FJUO</b>	..	1 261	1 449	2 433	2 275	2 125	3 450	3 812	4 343	4 977	5 022
Other sectors	<b>FJUP</b>	..	7 180	8 064	7 874	9 627	12 302	12 008	14 299	13 339	12 051	15 103
Total current transfers	<b>KTNE</b>	7 577	8 441	9 513	10 307	11 902	14 427	15 458	18 111	17 682	17 028	20 125
<b>Total</b>	<b>HBOF</b>	<b>158 652</b>	<b>154 440</b>	<b>167 537</b>	<b>190 100</b>	<b>228 464</b>	<b>243 869</b>	<b>236 450</b>	<b>236 346</b>	<b>260 926</b>	<b>273 438</b>	<b>313 260</b>
<b>Balances</b>												
Trade in goods and services												
Trade in goods	<b>LQCT</b>	-3 416	-9 617	-11 698	-21 553	-24 724	-18 707	-10 223	-13 050	-13 066	-11 126	-12 023
Trade in services	<b>KTMS</b>	6 767	6 403	6 813	4 450	3 643	4 337	4 102	5 602	6 741	6 509	8 957
Total trade in goods and services	<b>KTMY</b>	3 351	-3 214	-4 885	-17 103	-21 081	-14 370	-6 121	-7 448	-6 325	-4 617	-3 066
Income												
Compensation of employees	<b>KTMP</b>	-120	-156	-174	-64	-138	-110	-63	-49	35	-170	-296
Investment income	<b>HMBM</b>	-877	1 850	1 091	817	-654	-2 869	-3 244	177	-226	3 518	2 460
Total income	<b>HMBP</b>	-997	1 694	917	753	-792	-2 979	-3 307	128	-191	3 348	2 164
Current transfers												
Central government	<b>FJUQ</b>	..	712	26	-504	-768	-75	1 442	-1 632	-1 517	-2 839	-3 292
Other sectors	<b>FJUR</b>	..	-2 806	-3 596	-2 996	-3 680	-4 857	-2 673	-3 902	-3 726	-2 530	-4 282
Total current transfers	<b>KTNF</b>	-2 924	-2 094	-3 570	-3 500	-4 448	-4 932	-1 231	-5 534	-5 243	-5 369	-7 574
<b>Total (Current balance)</b>	<b>HBOG</b>	<b>-570</b>	<b>-3 614</b>	<b>-7 538</b>	<b>-19 850</b>	<b>-26 321</b>	<b>-22 281</b>	<b>-10 659</b>	<b>-12 854</b>	<b>-11 759</b>	<b>-6 638</b>	<b>-8 476</b>

# 1.2

## Current account

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>												
Exports of goods and services												
Exports of goods	<b>LQAD</b>	167 196	171 923	164 056	166 166	187 936	189 093	186 524	188 320	190 877	211 608	245 105
Exports of services	<b>KTMQ</b>	57 962	62 096	67 978	73 616	79 666	84 047	89 987	97 077	107 817	115 182	124 586
Total exports of goods and services	<b>KTMW</b>	225 158	234 019	232 034	239 782	267 602	273 140	276 511	285 397	298 694	326 790	369 691
Income												
Compensation of employees	<b>KTMN</b>	911	1 007	840	960	1 032	1 087	1 121	1 116	1 171	974	1 047
Investment income	<b>HMBN</b>	91 421	95 435	103 388	101 952	134 114	139 848	123 505	124 881	141 030	186 513	240 303
Total income	<b>HMBQ</b>	92 332	96 442	104 228	102 912	135 146	140 935	124 626	125 997	142 201	187 487	241 350
Current transfers												
Central government	<b>FJUM</b>	2 828	2 173	1 767	3 542	2 465	4 991	3 663	3 968	4 000	4 234	4 245
Other sectors	<b>FJUN</b>	17 201	10 898	10 597	9 678	8 076	9 453	8 572	8 235	8 917	13 021	11 920
Total current transfers	<b>KTND</b>	20 029	13 071	12 364	13 220	10 541	14 444	12 235	12 203	12 917	17 255	16 165
<b>Total</b>	<b>HBOE</b>	<b>337 519</b>	<b>343 532</b>	<b>348 626</b>	<b>355 914</b>	<b>413 289</b>	<b>428 519</b>	<b>413 372</b>	<b>423 597</b>	<b>453 812</b>	<b>531 532</b>	<b>627 206</b>
<b>Debits</b>												
Imports of goods and services												
Imports of goods	<b>LQBL</b>	180 918	184 265	185 869	195 217	220 912	230 305	234 229	236 927	251 770	280 397	328 736
Imports of services	<b>KTMR</b>	46 758	47 990	53 306	60 019	66 051	69 624	73 157	77 915	81 899	90 571	95 392
Total imports of goods and services	<b>KTMX</b>	227 676	232 255	239 175	255 236	286 963	299 929	307 386	314 842	333 669	370 968	424 128
Income												
Compensation of employees	<b>KTMO</b>	818	924	850	759	882	1 021	1 054	1 057	1 100	1 584	1 785
Investment income	<b>HMBO</b>	90 958	92 204	91 058	100 883	129 724	128 250	100 129	100 294	114 505	160 169	221 010
Total income	<b>HMBR</b>	91 776	93 128	91 908	101 642	130 606	129 271	101 183	101 351	115 605	161 753	222 795
Current transfers												
Central government	<b>FJUO</b>	5 297	5 260	6 787	7 482	8 015	7 584	9 296	10 944	12 304	13 663	13 828
Other sectors	<b>FJUP</b>	19 487	13 729	13 951	13 271	12 538	13 619	12 020	11 381	11 562	15 600	14 236
Total current transfers	<b>KTNE</b>	24 784	18 989	20 738	20 753	20 553	21 203	21 316	22 325	23 866	29 263	28 064
<b>Total</b>	<b>HBOF</b>	<b>344 236</b>	<b>344 372</b>	<b>351 821</b>	<b>377 631</b>	<b>438 122</b>	<b>450 403</b>	<b>429 885</b>	<b>438 518</b>	<b>473 140</b>	<b>561 984</b>	<b>674 987</b>
<b>Balances</b>												
Trade in goods and services												
Trade in goods	<b>LQCT</b>	-13 722	-12 342	-21 813	-29 051	-32 976	-41 212	-47 705	-48 607	-60 893	-68 789	-83 631
Trade in services	<b>KTMS</b>	11 204	14 106	14 672	13 597	13 615	14 423	16 830	19 162	25 918	24 611	29 194
Total trade in goods and services	<b>KTMV</b>	-2 518	1 764	-7 141	-15 454	-19 361	-26 789	-30 875	-29 445	-34 975	-44 178	-54 437
Income												
Compensation of employees	<b>KTMP</b>	93	83	-10	201	150	66	67	59	71	-610	-738
Investment income	<b>HMBM</b>	463	3 231	12 330	1 069	4 390	11 598	23 376	24 587	26 525	26 344	19 293
Total income	<b>HMBP</b>	556	3 314	12 320	1 270	4 540	11 664	23 443	24 646	26 596	25 734	18 555
Current transfers												
Central government	<b>FJUQ</b>	-2 469	-3 087	-5 020	-3 940	-5 550	-2 593	-5 633	-6 976	-8 304	-9 429	-9 583
Other sectors	<b>FJUR</b>	-2 286	-2 831	-3 354	-3 593	-4 462	-4 166	-3 448	-3 146	-2 645	-2 579	-2 316
Total current transfers	<b>KTNF</b>	-4 755	-5 918	-8 374	-7 533	-10 012	-6 759	-9 081	-10 122	-10 949	-12 008	-11 899
<b>Total (Current balance)</b>	<b>HBOG</b>	<b>-6 717</b>	<b>-840</b>	<b>-3 195</b>	<b>-21 717</b>	<b>-24 833</b>	<b>-21 884</b>	<b>-16 513</b>	<b>-14 921</b>	<b>-19 328</b>	<b>-30 452</b>	<b>-47 781</b>

# 1.3 Summary of international investment position, financial account and investment income

£ billion

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Investment abroad</b>												
International investment position												
Direct investment	<b>HBWD</b>	211.7	232.4	309.8	438.3	618.8	616.9	637.2	691.1	689.0	752.7	770.0
Portfolio investment	<b>HHZZ</b>	548.3	651.0	703.8	838.3	906.1	937.4	844.0	935.8	1 092.3	1 374.3	1 563.0
Other investment	<b>HLXV</b>	851.7	1 070.4	1 107.7	1 129.7	1 427.5	1 573.1	1 635.8	1 885.1	2 156.2	2 745.3	2 926.4
Reserve assets	<b>LTEB</b>	27.3	22.8	23.3	22.2	28.8	25.6	25.5	23.8	23.3	24.7	22.9
Total	<b>HBQA</b>	<b>1 638.9</b>	<b>1 976.5</b>	<b>2 144.7</b>	<b>2 428.5</b>	<b>2 981.2</b>	<b>3 153.1</b>	<b>3 142.4</b>	<b>3 535.8</b>	<b>3 960.7</b>	<b>4 897.0</b>	<b>5 282.3</b>
Financial account transactions												
Direct investment	<b>-HJYP</b>	23.5	37.3	73.8	125.6	155.6	42.8	35.0	40.9	53.8	50.0	69.5
Portfolio investment	<b>-HHZC</b>	59.8	51.9	32.1	21.4	65.6	86.6	1.0	36.3	140.9	160.3	199.1
Financial derivatives (net)	<b>-ZPNN</b>	-1.0	-1.2	3.0	-2.7	-1.6	-8.4	-1.0	5.4	7.9	-9.6	-7.4
Other investment	<b>-XBMM</b>	136.7	169.4	14.9	59.6	276.0	174.1	97.2	255.9	325.6	505.0	393.8
Reserve assets	<b>-LTCV</b>	-0.5	-2.4	-0.2	-0.6	3.9	-3.1	-0.5	-1.6	0.2	0.7	-0.4
Total	<b>-HBNR</b>	<b>218.5</b>	<b>255.1</b>	<b>123.6</b>	<b>203.2</b>	<b>499.5</b>	<b>292.0</b>	<b>131.8</b>	<b>336.9</b>	<b>528.3</b>	<b>706.5</b>	<b>654.6</b>
Investment income												
Direct investment	<b>HJYW</b>	28.6	29.5	29.9	33.1	45.0	46.7	51.5	55.1	64.4	79.4	90.5
Portfolio investment	<b>HLYX</b>	20.2	23.8	29.3	25.9	33.0	34.9	32.5	32.5	36.7	45.4	54.5
Other investment	<b>ATOP</b>	41.0	40.8	43.0	41.8	55.1	57.3	38.7	36.4	39.2	61.0	94.7
Reserve assets	<b>HRCB</b>	1.6	1.4	1.1	1.2	1.0	1.0	0.8	0.8	0.7	0.7	0.7
Total	<b>HMBN</b>	<b>91.4</b>	<b>95.4</b>	<b>103.4</b>	<b>102.0</b>	<b>134.1</b>	<b>139.8</b>	<b>123.5</b>	<b>124.9</b>	<b>141.0</b>	<b>186.5</b>	<b>240.3</b>
<b>Investment in the UK</b>												
International investment position												
Direct investment	<b>HBWI</b>	152.6	173.7	213.6	250.2	310.4	363.5	340.6	355.5	384.4	501.2	579.4
Portfolio investment	<b>HLXW</b>	480.0	583.3	692.7	828.8	998.2	958.5	892.3	1 047.3	1 177.8	1 431.3	1 652.6
Other investment	<b>HLVD</b>	1 061.7	1 274.3	1 355.0	1 403.9	1 696.4	1 889.6	1 945.8	2 177.1	2 509.4	3 108.0	3 342.2
Total	<b>HBQB</b>	<b>1 694.4</b>	<b>2 031.3</b>	<b>2 261.4</b>	<b>2 482.9</b>	<b>3 005.0</b>	<b>3 211.5</b>	<b>3 178.7</b>	<b>3 579.9</b>	<b>4 071.6</b>	<b>5 040.5</b>	<b>5 574.2</b>
Financial account transactions												
Direct investment	<b>HJYU</b>	17.6	22.9	45.1	55.1	80.6	37.3	16.8	16.8	42.4	107.8	76.9
Portfolio investment	<b>HHZF</b>	43.0	26.8	20.9	114.1	164.5	48.1	51.0	95.2	87.2	130.9	155.6
Other investment	<b>XBMM</b>	160.7	196.7	67.6	55.5	267.0	224.0	71.2	245.4	404.3	508.7	454.9
Total	<b>HBNS</b>	<b>221.3</b>	<b>246.4</b>	<b>133.5</b>	<b>224.6</b>	<b>512.1</b>	<b>309.5</b>	<b>139.0</b>	<b>357.4</b>	<b>534.0</b>	<b>747.4</b>	<b>687.4</b>
Investment income												
Direct investment	<b>HJYX</b>	16.6	14.9	8.6	17.0	27.4	21.4	16.0	21.9	27.9	35.9	47.4
Portfolio investment	<b>HLZC</b>	23.8	26.5	29.5	31.1	31.0	34.5	32.1	31.6	36.4	46.9	57.0
Other investment	<b>HLZN</b>	50.6	50.8	53.0	52.8	71.3	72.3	52.1	46.8	50.2	77.3	116.6
Total	<b>HMBO</b>	<b>91.0</b>	<b>92.2</b>	<b>91.1</b>	<b>100.9</b>	<b>129.7</b>	<b>128.3</b>	<b>100.1</b>	<b>100.3</b>	<b>114.5</b>	<b>160.2</b>	<b>221.0</b>
<b>Net investment</b>												
International investment position												
Direct investment	<b>HBWQ</b>	59.0	58.6	96.2	188.1	308.4	253.5	296.6	335.6	304.6	251.5	190.5
Portfolio investment	<b>CGNH</b>	68.3	67.7	11.1	9.5	-92.2	-21.1	-48.3	-111.5	-85.5	-57.0	-89.6
Other investment	<b>CGNG</b>	-210.1	-204.0	-247.3	-274.2	-268.9	-316.5	-310.0	-292.0	-353.2	-362.7	-415.8
Reserve assets	<b>LTEB</b>	27.3	22.8	23.3	22.2	28.8	25.6	25.5	23.8	23.3	24.7	22.9
Net investment position	<b>HBQC</b>	<b>-55.5</b>	<b>-54.8</b>	<b>-116.7</b>	<b>-54.4</b>	<b>-23.9</b>	<b>-58.4</b>	<b>-36.3</b>	<b>-44.1</b>	<b>-110.9</b>	<b>-143.5</b>	<b>-291.9</b>
Financial account transactions												
Direct investment	<b>HJYV</b>	-6.0	-14.4	-28.7	-70.5	-75.0	-5.5	-18.3	-24.1	-11.4	57.8	7.4
Portfolio investment	<b>HHZD</b>	-16.8	-25.2	-11.2	92.7	99.0	-38.4	50.0	59.0	-53.6	-29.5	-43.5
Financial derivatives	<b>ZPNN</b>	1.0	1.2	-3.0	2.7	1.6	8.4	1.0	-5.4	-7.9	9.6	7.4
Other investment	<b>HHYR</b>	24.1	27.3	52.8	-4.1	-9.0	49.9	-26.0	-10.5	78.7	3.7	61.0
Reserve assets	<b>LTCV</b>	0.5	2.4	0.2	0.6	-3.9	3.1	0.5	1.6	-0.2	-0.7	0.4
Net transactions	<b>HBNT</b>	<b>2.8</b>	<b>-8.8</b>	<b>9.9</b>	<b>21.4</b>	<b>12.6</b>	<b>17.5</b>	<b>7.2</b>	<b>20.5</b>	<b>5.6</b>	<b>40.9</b>	<b>32.8</b>
Investment income												
Direct investment	<b>HJYE</b>	12.0	14.6	21.3	16.1	17.6	25.3	35.5	33.2	36.5	43.6	43.1
Portfolio investment	<b>HLZX</b>	-3.5	-2.7	-0.2	-5.2	2.0	0.4	0.4	0.9	0.3	-1.6	-2.5
Other investment	<b>CGNA</b>	-9.5	-10.0	-10.0	-11.0	-16.2	-15.1	-13.3	-10.3	-11.0	-16.3	-22.0
Reserve assets	<b>HRCB</b>	1.6	1.4	1.1	1.2	1.0	1.0	0.8	0.8	0.7	0.7	0.7
Net earnings	<b>HMBM</b>	<b>0.5</b>	<b>3.2</b>	<b>12.3</b>	<b>1.1</b>	<b>4.4</b>	<b>11.6</b>	<b>23.4</b>	<b>24.6</b>	<b>26.5</b>	<b>26.3</b>	<b>19.3</b>



# Chapter 2

## Trade in goods

## 2.1 Trade in goods

### Summary table

£ million

			1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SITC <sup>1</sup>													
<b>Exports</b>													
Food, beverages and tobacco	<b>BQMV</b>	0+1	11 328	11 103	10 216	9 947	9 908	9 630	9 993	10 879	10 578	10 647	11 096
Basic materials	<b>ELBK</b>	2+4	2 790	2 753	2 512	2 284	2 603	2 571	2 855	3 335	3 771	3 981	4 910
Oil													
Crude oil	<b>BQNX</b>	333	7 508	6 452	4 473	6 148	10 522	10 489	9 804	9 241	9 338	10 948	12 840
Oil products	<b>BQNY</b>	334+335	3 420	3 787	2 545	2 975	5 062	4 326	4 517	5 367	6 862	8 846	10 374
Total oil	<b>BOKL</b>	33	10 928	10 239	7 018	9 123	15 584	14 815	14 321	14 608	16 200	19 794	23 214
Coal, gas and electricity	<b>BQNF</b>	32+34+35	650	777	495	806	1 473	1 571	1 679	1 950	1 685	1 702	2 109
Semi-manufactured goods													
Chemicals	<b>BQOB</b>	5	22 166	21 901	22 102	23 071	24 992	27 514	28 386	31 373	32 008	33 388	37 330
Precious stones and silver	<b>BQOD</b>	667+681.1	3 609	3 555	2 833	3 633	4 744	4 709	4 728	5 138	4 909	5 541	4 993
Other	<b>BQOC</b>	Rest of 6	19 533	19 120	18 410	16 669	17 929	18 072	17 109	17 981	19 549	20 951	22 777
Total semi-manufactured goods	<b>BQMX</b>	5+6	45 308	44 576	43 345	43 373	47 665	50 295	50 223	54 492	56 466	59 880	65 100
Finished manufactured goods													
Motor cars	<b>BQOE</b>	781	8 450	8 789	8 710	9 585	9 178	8 046	10 297	11 183	12 107	13 074	12 935
Other consumer goods <sup>2</sup>	<b>BQOF</b>		15 391	15 554	14 448	13 840	14 280	14 360	14 606	14 997	15 782	17 726	18 713
Intermediate goods <sup>2</sup>	<b>BQOG</b>		34 320	35 881	35 637	36 659	41 130	42 089	40 025	37 370	36 672	38 636	42 537
Capital goods <sup>2</sup>	<b>BQOH</b>		30 542	32 795	33 654	33 324	37 169	37 715	34 944	31 500	29 434	38 131	55 828
Ships and aircraft	<b>BQOI</b>	792+793	5 536	7 513	6 125	5 730	7 261	6 978	6 508	7 143	7 301	6 917	7 363
Total finished manufactured goods	<b>BQMQ</b>	7+8	94 239	100 532	98 574	99 138	109 018	109 188	106 380	102 193	101 296	114 484	137 376
Commodities and transactions not classified according to kind	<b>BOKJ</b>	9	1 953	1 943	1 896	1 495	1 685	1 023	1 073	863	881	1 120	1 300
<b>Total</b>	<b>LQAD</b>		<b>167 196</b>	<b>171 923</b>	<b>164 056</b>	<b>166 166</b>	<b>187 936</b>	<b>189 093</b>	<b>186 524</b>	<b>188 320</b>	<b>190 877</b>	<b>211 608</b>	<b>245 105</b>
<b>Imports</b>													
Food, beverages and tobacco	<b>BQMW</b>	0+1	17 422	16 911	17 250	17 787	17 660	18 485	19 375	21 187	22 147	23 695	25 112
Basic materials	<b>BQNA</b>	2+4	6 545	6 273	5 631	5 429	6 307	6 442	5 958	6 139	6 340	6 770	7 904
Oil													
Crude oil	<b>BQNM</b>	333	3 810	3 414	1 967	2 106	4 825	4 878	4 752	5 705	8 191	11 212	14 273
Oil products	<b>BQOA</b>	334+335	2 308	2 265	2 009	2 569	4 223	4 647	4 461	5 527	7 116	10 777	12 846
Total oil	<b>BQAQ</b>	33	6 118	5 679	3 976	4 675	9 048	9 525	9 213	11 232	15 307	21 989	27 119
Coal, gas and electricity	<b>BQNG</b>	32+34+35	1 166	1 145	916	753	968	1 270	1 066	1 079	2 240	3 932	4 952
Semi-manufactured goods													
Chemicals	<b>BQOJ</b>	5	18 095	17 405	17 379	18 619	20 633	22 745	23 987	26 139	27 927	29 208	31 849
Precious stones and silver	<b>BQOL</b>	667+681.1	3 630	3 873	4 025	4 788	5 454	5 260	4 247	4 346	4 673	5 238	6 132
Other	<b>BQOK</b>		25 070	24 134	23 670	22 142	23 778	24 905	24 488	25 560	27 626	28 231	31 563
Total semi-manufactured goods	<b>BQMR</b>	5+6	46 795	45 412	45 074	45 549	49 865	52 910	52 722	56 045	60 226	62 677	69 544
Finished manufactured goods													
Motor cars	<b>BQOM</b>	781	10 978	13 254	13 618	14 433	13 403	16 619	17 800	18 374	18 723	18 928	19 192
Other consumer goods <sup>2</sup>	<b>BQON</b>		20 662	22 237	23 792	24 905	28 011	29 953	32 414	33 477	35 096	37 684	40 791
Intermediate goods <sup>2</sup>	<b>BQOO</b>		38 077	36 506	37 091	41 538	48 455	46 085	44 829	40 893	42 124	45 877	52 957
Capital goods <sup>2</sup>	<b>BQOP</b>		27 434	29 222	30 190	32 256	37 944	38 463	39 473	38 251	40 221	49 233	69 910
Ships and aircraft	<b>BQOQ</b>	792+793	3 956	5 867	6 526	6 093	7 405	9 289	9 929	8 646	7 539	7 771	9 184
Total finished manufactured goods	<b>BQMY</b>	7+8	101 107	107 086	111 217	119 225	135 218	140 409	144 445	139 641	143 703	159 493	192 034
Commodities and transactions not classified according to kind	<b>BQAO</b>	9	1 765	1 759	1 805	1 799	1 846	1 264	1 450	1 604	1 807	1 841	2 071
<b>Total</b>	<b>LQBL</b>		<b>180 918</b>	<b>184 265</b>	<b>185 869</b>	<b>195 217</b>	<b>220 912</b>	<b>230 305</b>	<b>234 229</b>	<b>236 927</b>	<b>251 770</b>	<b>280 397</b>	<b>328 736</b>

1 Standard International Trade Classification, Revision 3.

2 Derived from the *Classification by Broad Economic Categories defined in terms of SITC, Revision 3*, published by the United Nations.

## 2.1 Trade in goods

### Summary table

continued

£ million

			1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SITC <sup>1</sup>													
<b>Balances</b>													
Food, beverages and tobacco	<b>BQOS</b>	0+1	-6 094	-5 808	-7 034	-7 840	-7 752	-8 855	-9 382	-10 308	-11 569	-13 048	-14 016
Basic materials	<b>BQOR</b>	2+4	-3 755	-3 520	-3 119	-3 145	-3 704	-3 871	-3 103	-2 804	-2 569	-2 789	-2 994
Oil													
Crude oil	<b>BQMG</b>	333	3 698	3 038	2 506	4 042	5 697	5 611	5 052	3 536	1 147	-264	-1 433
Oil products	<b>BQMH</b>	334+335	1 112	1 522	536	406	839	-321	56	-160	-254	-1 931	-2 472
Total oil	<b>BQNE</b>	33	4 810	4 560	3 042	4 448	6 536	5 290	5 108	3 376	893	-2 195	-3 905
Coal, gas and electricity	<b>BQNH</b>	32+34+35	-516	-368	-421	53	505	301	613	871	-555	-2 230	-2 843
Semi-manufactured goods													
Chemicals	<b>BQMI</b>	5	4 071	4 496	4 723	4 452	4 359	4 769	4 399	5 234	4 081	4 180	5 481
Precious stones and silver	<b>BQMK</b>	667+681.1	-21	-318	-1 192	-1 155	-710	-551	481	792	236	303	-1 139
Other	<b>BQMJ</b>	Rest of 6	-5 537	-5 014	-5 260	-5 473	-5 849	-6 833	-7 379	-7 579	-8 077	-7 280	-8 786
Total semi-manufactured goods	<b>BQOT</b>	5+6	-1 487	-836	-1 729	-2 176	-2 200	-2 615	-2 499	-1 553	-3 760	-2 797	-4 444
Finished manufactured goods													
Motor cars	<b>BQML</b>	781	-2 528	-4 465	-4 908	-4 848	-4 225	-8 573	-7 503	-7 191	-6 616	-5 854	-6 257
Other consumer goods <sup>2</sup>	<b>BQMM</b>		-5 271	-6 683	-9 344	-11 065	-13 731	-15 593	-17 808	-18 480	-19 314	-19 958	-22 078
Intermediate goods <sup>2</sup>	<b>BQMN</b>		-3 757	-625	-1 454	-4 879	-7 325	-3 996	-4 804	-3 523	-5 452	-7 241	-10 420
Capital goods <sup>2</sup>	<b>BQMO</b>		3 108	3 573	3 464	1 068	-775	-748	-4 529	-6 751	-10 787	-11 102	-14 082
Ships and aircraft	<b>BQMP</b>	792+793	1 580	1 646	-401	-363	-144	-2 311	-3 421	-1 503	-238	-854	-1 821
Total finished manufactured goods	<b>BQOV</b>	7+8	-6 868	-6 554	-12 643	-20 087	-26 200	-31 221	-38 065	-37 448	-42 407	-45 009	-54 658
Commodities and transactions not classified according to kind	<b>BQOU</b>	9	188	184	91	-304	-161	-241	-377	-741	-926	-721	-771
<b>Total</b>	<b>LQCT</b>		<b>-13 722</b>	<b>-12 342</b>	<b>-21 813</b>	<b>-29 051</b>	<b>-32 976</b>	<b>-41 212</b>	<b>-47 705</b>	<b>-48 607</b>	<b>-60 893</b>	<b>-68 789</b>	<b>-83 631</b>

1 Standard International Trade Classification, Revision 3.

2 Derived from the *Classification by Broad Economic Categories defined in terms of SITC, Revision 3, published by the United Nations.*

## 2.2 Trade in goods: volume indices

2003=100

			1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SITC <sup>1</sup>													
<b>Exports</b>													
Food, beverages and tobacco	<b>BQPP</b>	0+1	96	101	98	96	97	92	96	100	99	98	100
Basic materials	<b>BQPQ</b>	2+4	75	79	81	76	84	81	90	100	105	107	121
Oil													
Crude oil	<b>BOGH</b>	333	117	109	112	105	108	119	116	100	89	73	70
Oil products	<b>BOGO</b>	334+335	70	81	69	73	106	96	88	100	107	129	136
Total oil	<b>BONC</b>	33	96	96	93	91	106	110	106	100	95	94	95
Coal, gas and electricity	<b>BOGP</b>	32+34+35	28	36	32	47	73	82	90	100	74	64	65
Semi-manufactured goods													
Chemicals	<b>BQLB</b>	5	61	65	67	73	80	89	93	100	103	106	119
Precious stones and silver	<b>BQLD</b>	667+681.1	47	50	41	52	64	69	85	100	105	116	107
Other	<b>BQLC</b>	Rest of 6	101	104	104	98	104	104	99	100	107	110	116
Total semi-manufactured goods	<b>BQPR</b>	5+6	72	75	75	79	86	91	94	100	104	108	117
Finished manufactured goods													
Motor cars	<b>BQLE</b>	781	73	77	77	85	88	77	96	100	109	117	113
Other consumer goods <sup>2</sup>	<b>BQLF</b>		93	99	95	93	96	96	99	100	107	120	123
Intermediate goods <sup>2</sup>	<b>BQLG</b>		81	89	92	98	113	116	108	100	100	107	121
Capital goods <sup>2</sup>	<b>BQLH</b>		77	86	94	98	116	121	112	100	98	133	202
Ships and aircraft	<b>BQLI</b>	792+793	61	83	69	66	84	79	74	100	100	95	99
Total finished manufactured goods	<b>BQPS</b>	7+8	78	87	89	93	106	107	104	100	101	117	144
<b>Total</b>	<b>BPBP</b>		<b>78.4</b>	<b>84.9</b>	<b>85.8</b>	<b>88.6</b>	<b>99.3</b>	<b>101.5</b>	<b>100.3</b>	<b>100.0</b>	<b>101.5</b>	<b>111.0</b>	<b>128.3</b>
<b>Imports</b>													
Food, beverages and tobacco	<b>BQPT</b>	0+1	70	73	81	86	87	90	94	100	107	110	114
Basic materials	<b>BQPU</b>	2+4	102	103	98	96	105	109	101	100	100	102	110
Oil													
Crude oil	<b>BQPV</b>	333	89	92	84	61	80	90	91	100	123	115	123
Oil products	<b>BQPW</b>	334+335	103	107	108	101	97	117	87	100	114	122	124
Total oil	<b>ELAM</b>	33	95	99	94	78	87	102	89	100	118	118	123
Coal, gas and electricity	<b>BQPX</b>	32+34+35	80	88	81	85	107	111	116	100	177	259	278
Semi-manufactured goods													
Chemicals	<b>BQLQ</b>	5	59	62	65	73	78	87	95	100	107	107	114
Precious stones and silver	<b>BQLS</b>	667+681.1	60	68	69	81	88	93	90	100	118	129	144
Other	<b>BQLR</b>	Rest of 6	82	85	90	89	91	94	96	100	104	102	105
Total semi-manufactured goods	<b>BQPY</b>	5+6	69	73	77	81	85	91	95	100	106	106	112
Finished manufactured goods													
Motor cars	<b>BQLT</b>	781	55	69	71	75	72	93	97	100	104	106	108
Other consumer goods <sup>2</sup>	<b>BQLU</b>		58	64	71	75	81	86	96	100	109	118	129
Intermediate goods <sup>2</sup>	<b>BQLV</b>		70	73	82	94	107	104	105	100	106	112	126
Capital goods <sup>2</sup>	<b>BQLW</b>		49	58	67	73	87	91	100	100	108	138	197
Ships and aircraft	<b>BQLX</b>	792+793	52	80	89	82	91	103	112	100	90	88	102
Total finished manufactured goods	<b>BQPZ</b>	7+8	58	66	74	81	90	95	101	100	106	118	142
<b>Total</b>	<b>BQBJ</b>		<b>64.1</b>	<b>70.4</b>	<b>76.4</b>	<b>81.5</b>	<b>89.1</b>	<b>93.8</b>	<b>98.2</b>	<b>100.0</b>	<b>106.9</b>	<b>114.7</b>	<b>131.2</b>

1 Standard International Trade Classification, Revision 3.

2 Derived from the *Classification by Broad Economic Categories defined in terms of SITC, Revision 3*, published by the United Nations.

## 2.3 Trade in goods: price indices

2003=100

			1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SITC <sup>1</sup>													
<b>Exports</b>													
Food, beverages and tobacco	<b>BPAI</b>	0+1	105	98	95	95	94	96	96	100	99	100	102
Basic materials	<b>BPAW</b>	2+4	103	98	94	90	93	94	95	100	108	115	122
Oil													
Crude oil	<b>BQAC</b>	333	70	64	43	63	107	96	92	100	115	165	196
Oil products	<b>BQAD</b>	334+335	87	83	69	76	90	84	95	100	120	144	160
Total oil	<b>BQAL</b>	33	74	68	50	66	101	92	93	100	117	157	183
Coal, gas and electricity	<b>BQAF</b>	32+34+35	120	111	81	89	105	99	96	100	119	148	172
Semi-manufactured goods													
Chemicals	<b>BQLJ</b>	5	116	108	106	101	100	98	97	100	99	100	101
Precious stones and silver	<b>BQLL</b>	667+681.1	148	140	136	138	145	133	109	100	92	93	93
Other	<b>BQLK</b>	Rest of 6	108	102	99	95	96	96	96	100	102	105	107
Total semi-manufactured goods	<b>BQAA</b>	5+6	116	109	106	101	102	100	97	100	99	101	102
Finished manufactured goods													
Motor cars	<b>BQPM</b>	781	104	102	101	101	93	94	95	100	99	101	103
Other consumer goods <sup>2</sup>	<b>BQLM</b>		111	105	101	98	99	99	98	100	98	100	102
Intermediate goods <sup>2</sup>	<b>BQLN</b>		113	107	103	99	96	96	98	100	98	98	99
Capital goods <sup>2</sup>	<b>BQLO</b>		128	122	116	109	103	100	100	100	97	96	94
Ships and aircraft	<b>BQLP</b>	792+793	122	123	121	119	117	120	120	100	102	100	102
Total finished manufactured goods	<b>BQAB</b>	7+8	117	112	107	103	100	99	100	100	98	98	99
<b>Total</b>	<b>BQKR</b>		<b>111.9</b>	<b>106.1</b>	<b>100.9</b>	<b>98.8</b>	<b>99.9</b>	<b>98.3</b>	<b>98.2</b>	<b>100.0</b>	<b>100.3</b>	<b>104.3</b>	<b>107.5</b>
<b>Imports</b>													
Food, beverages and tobacco	<b>ELAN</b>	0+1	113	107	99	97	95	96	97	100	98	102	105
Basic materials	<b>ELAO</b>	2+4	103	99	95	92	97	96	96	100	103	108	117
Oil													
Crude oil	<b>ELAS</b>	333	74	64	41	60	107	96	92	100	116	168	202
Oil products	<b>ELAT</b>	334+335	41	38	34	47	79	71	92	100	114	162	192
Total oil	<b>ELBB</b>	33	56	50	37	53	91	82	92	100	115	165	197
Coal, gas and electricity	<b>ELAU</b>	32+34+35	141	127	110	88	94	109	93	100	150	200	232
Semi-manufactured goods													
Chemicals	<b>BQLY</b>	5	117	107	101	96	99	100	97	100	100	106	108
Precious stones and silver	<b>BQMA</b>	667+681.1	143	135	135	135	143	132	108	100	92	94	94
Other	<b>BQLZ</b>	Rest of 6	118	109	103	97	102	103	100	100	105	110	120
Total semi-manufactured goods	<b>ELAQ</b>	5+6	120	110	104	100	104	104	99	100	102	107	112
Finished manufactured goods													
Motor cars	<b>BQMB</b>	781	109	106	104	104	101	97	100	100	98	98	97
Other consumer goods <sup>2</sup>	<b>BQMC</b>		106	103	100	99	102	105	101	100	97	97	98
Intermediate goods <sup>2</sup>	<b>BQMD</b>		127	117	112	109	111	108	104	100	97	100	101
Capital goods <sup>2</sup>	<b>BQME</b>		134	123	118	115	113	110	105	100	97	92	91
Ships and aircraft	<b>BQMF</b>	792+793	88	85	85	86	94	103	102	100	96	102	105
Total finished manufactured goods	<b>ELAR</b>	7+8	119	112	108	106	107	106	103	100	97	97	97
<b>Total</b>	<b>BQKS</b>		<b>115.6</b>	<b>107.9</b>	<b>102.4</b>	<b>100.8</b>	<b>104.2</b>	<b>103.3</b>	<b>100.7</b>	<b>100.0</b>	<b>99.5</b>	<b>103.7</b>	<b>107.5</b>

1 Standard International Trade Classification, Revision 3.

2 Derived from the *Classification by Broad Economic Categories defined in terms of SITC, Revision 3*, published by the United Nations.

## 2.4 Adjustments to trade in goods on a balance of payments basis

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Exports</b>												
Overseas trade statistics (f.o.b.)	<b>HGAA</b>	169 569	173 082	165 859	168 221	189 665	190 806	187 763	189 038	191 018	212 202	245 609
Coverage adjustments												
Second-hand ships	<b>HBK</b>	204	193	219	154	105	137	187	141	251	248	248
Repairs to ships and aircraft	<b>EPAQ</b>	12	12	12	12	12	12	12	12	12	12	12
Goods not changing ownership	<b>HCLJ</b>	-1 972	-2 351	-2 565	-2 291	-2 343	-2 761	-2 788	-2 744	-2 012	-2 753	-2 471
Goods procured in ports	<b>KTPB</b>	659	623	564	645	865	869	881	982	1 129	1 415	1 547
Industrial gold	<b>DEJO</b>	31	22	46	33	33	44	66	76	37	7	9
Other	<b>BQPO</b>	53	56	55	56	57	57	55	57	59	60	61
Total coverage adjustments	<b>EHHH</b>	-1 013	-1 445	-1 671	-1 391	-1 271	-1 642	-1 587	-1 476	-524	-1 011	-594
Other adjustments	<b>EPAR</b>	-1 360	286	-131	-664	-460	-71	348	758	383	417	90
<b>Total</b>	<b>LQAD</b>	<b>167 196</b>	<b>171 923</b>	<b>164 056</b>	<b>166 166</b>	<b>187 936</b>	<b>189 093</b>	<b>186 524</b>	<b>188 320</b>	<b>190 877</b>	<b>211 608</b>	<b>245 105</b>
<b>Imports</b>												
Overseas trade statistics (c.i.f.)	<b>HGAD</b>	186 153	189 107	192 025	199 926	224 413	229 510	228 608	236 934	253 148	272 850	303 373
Coverage adjustments												
Second-hand ships	<b>HBTY</b>	232	160	185	281	112	166	113	248	223	224	224
Ships delivered abroad	<b>CGER</b>	96	165	217	127	540	577	586	572	302	499	304
Repairs to ships and aircraft	<b>EPBA</b>	9	33	35	15	11	9	9	30	54	56	56
Goods not changing ownership	<b>HBYS</b>	-1 972	-2 351	-2 565	-2 291	-2 343	-2 761	-2 788	-2 744	-2 012	-2 753	-2 471
Goods procured in ports	<b>KTPC</b>	703	789	744	780	1 035	1 218	1 438	1 865	2 240	3 331	3 258
Industrial gold	<b>DEJP</b>	209	194	135	149	164	145	163	236	230	196	253
Smuggling - alcohol	<b>QHCP</b>	272	270	331	266	279	43	25	29	29	28	..
Smuggling - tobacco	<b>QHCT</b>	328	441	693	990	1 072	1 033	1 063	1 140	1 136	1 144	..
Other	<b>EHHI</b>	25	136	28	13	21	10	8	8	7	6	..
Total coverage adjustments	<b>EHJJ</b>	-98	-163	-197	330	891	440	617	1 384	2 209	2 731	2 803
Valuation adjustments												
Freight	<b>BPGF</b>	-3 945	-4 171	-4 362	-4 660	-5 106	-5 423	-5 450	-5 465	-5 494	-5 534	-5 549
Insurance	<b>ENAG</b>	-522	-556	-548	-594	-654	-662	-662	-704	-733	-774	-848
Total	<b>HCLT</b>	-4 467	-4 727	-4 910	-5 254	-5 760	-6 085	-6 112	-6 169	-6 227	-6 308	-6 397
Other adjustments												
Impact of MTIC fraud	<b>BQHF</b>	-	-	-	1 678	2 794	7 060	11 495	4 486	2 689	11 260	29 269
Other adjustments	<b>EPBB</b>	-670	48	-1 051	-1 462	-1 428	-620	-379	292	-49	-136	-312
Total other adjustments	<b>CLAK</b>	-670	48	-1 051	216	1 366	6 440	11 116	4 778	2 640	11 124	28 957
<b>Total</b>	<b>LQBL</b>	<b>180 918</b>	<b>184 265</b>	<b>185 869</b>	<b>195 217</b>	<b>220 912</b>	<b>230 305</b>	<b>234 229</b>	<b>236 927</b>	<b>251 770</b>	<b>280 397</b>	<b>328 736</b>

# Chapter 3

## Trade in services

# 3.1 Trade in services

## Summary table

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Exports</b>												
Transportation	<b>FJOD</b>	10 915	11 199	11 522	11 764	12 675	12 768	12 522	13 629	16 373	18 167	16 704
Travel	<b>FJPF</b>	13 691	13 805	14 302	14 060	14 446	13 110	13 595	13 876	15 414	16 871	18 313
Communications	<b>FJPH</b>	1 057	1 196	1 289	1 564	1 864	2 034	2 219	2 479	2 933	3 776	4 259
Construction	<b>FJPI</b>	173	266	332	275	220	174	195	245	303	625	658
Insurance	<b>FJPI</b>	2 656	3 191	2 851	3 280	2 680	3 667	5 601	5 427	4 965	1 552	3 525
Financial	<b>FJPK</b>	8 223	10 309	10 561	12 112	14 620	15 644	15 910	17 498	20 281	23 403	28 420
Computer and information	<b>FJPL</b>	1 090	1 357	1 826	2 433	2 865	3 253	3 954	4 986	6 373	6 186	6 489
Royalties and license fees	<b>FJPM</b>	4 253	4 148	4 270	5 092	5 389	5 673	5 786	6 174	6 704	7 585	7 381
Other business	<b>FJPN</b>	13 853	14 713	19 013	21 017	22 395	24 844	27 026	28 937	30 305	32 792	34 733
Personal, cultural and recreational	<b>FJPR</b>	774	820	880	962	1 305	1 358	1 601	1 892	2 145	2 243	2 031
Government	<b>FJPU</b>	1 277	1 092	1 132	1 057	1 207	1 522	1 578	1 934	2 021	1 982	2 073
<b>Total</b>	<b>KTMQ</b>	<b>57 962</b>	<b>62 096</b>	<b>67 978</b>	<b>73 616</b>	<b>79 666</b>	<b>84 047</b>	<b>89 987</b>	<b>97 077</b>	<b>107 817</b>	<b>115 182</b>	<b>124 586</b>
<b>Imports</b>												
Transportation	<b>FJPV</b>	11 916	13 291	13 799	14 180	15 972	16 282	16 922	17 416	18 671	20 330	19 426
Travel	<b>APQA</b>	16 642	17 443	20 201	22 930	25 385	26 376	27 697	29 355	30 873	32 781	34 291
Communications	<b>FJQZ</b>	1 340	1 381	1 582	1 805	1 867	1 993	2 040	2 158	2 372	3 531	3 969
Construction	<b>FJRA</b>	120	168	115	98	55	107	104	120	142	570	529
Insurance	<b>FJRB</b>	567	594	577	575	721	762	758	778	830	891	960
Financial	<b>FJRE</b>	1 629	1 859	1 968	2 308	2 959	3 314	3 553	4 073	3 982	5 088	5 845
Computer and information	<b>FJRF</b>	333	405	494	691	838	1 175	1 316	1 792	2 012	2 362	2 658
Royalties and license fees	<b>FJRG</b>	4 042	3 747	4 015	4 285	4 379	4 494	4 609	4 810	5 007	5 202	5 407
Other business	<b>FJRH</b>	7 128	6 695	8 557	10 143	11 206	12 424	13 464	13 928	14 547	16 489	18 884
Personal, cultural and recreational	<b>FJRL</b>	556	546	489	608	779	724	797	855	904	851	746
Government	<b>FJRO</b>	2 485	1 861	1 509	2 396	1 890	1 973	1 897	2 630	2 559	2 476	2 677
<b>Total</b>	<b>KTMR</b>	<b>46 758</b>	<b>47 990</b>	<b>53 306</b>	<b>60 019</b>	<b>66 051</b>	<b>69 624</b>	<b>73 157</b>	<b>77 915</b>	<b>81 899</b>	<b>90 571</b>	<b>95 392</b>
<b>Balances</b>												
Transportation	<b>FJRP</b>	-1 001	-2 092	-2 277	-2 416	-3 297	-3 514	-4 400	-3 787	-2 298	-2 163	-2 722
Travel	<b>FJSR</b>	-2 951	-3 638	-5 899	-8 870	-10 939	-13 266	-14 102	-15 479	-15 459	-15 910	-15 978
Communications	<b>FJST</b>	-283	-185	-293	-241	-3	41	179	321	561	245	290
Construction	<b>FJSU</b>	53	98	217	177	165	67	91	125	161	55	129
Insurance	<b>FJSV</b>	2 089	2 597	2 274	2 705	1 959	2 905	4 843	4 649	4 135	661	2 565
Financial	<b>FJTA</b>	6 594	8 450	8 593	9 804	11 661	12 330	12 357	13 425	16 299	18 315	22 575
Computer and information	<b>FJTB</b>	757	952	1 332	1 742	2 027	2 078	2 638	3 194	4 361	3 824	3 831
Royalties and license fees	<b>FJTC</b>	211	401	255	807	1 010	1 179	1 177	1 364	1 697	2 383	1 974
Other business	<b>FJTD</b>	6 725	8 018	10 456	10 874	11 189	12 420	13 562	15 009	15 758	16 303	15 849
Personal, cultural and recreational	<b>FJTH</b>	218	274	391	354	526	634	804	1 037	1 241	1 392	1 285
Government	<b>FJUL</b>	-1 208	-769	-377	-1 339	-683	-451	-319	-696	-538	-494	-604
<b>Total</b>	<b>KTMS</b>	<b>11 204</b>	<b>14 106</b>	<b>14 672</b>	<b>13 597</b>	<b>13 615</b>	<b>14 423</b>	<b>16 830</b>	<b>19 162</b>	<b>25 918</b>	<b>24 611</b>	<b>29 194</b>



## 3.2 Transportation

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Exports</b>												
Sea transport												
Passenger												
Passenger revenue	<b>FJAL</b>	705	697	462	463	630	488	569	993	846	696	527
Time charter receipts	<b>FJAM</b>	9	9	—	9	8	—	11	—	36	51	36
Total passenger	<b>FJOF</b>	714	706	462	472	638	488	580	993	882	747	563
Freight												
Dry cargo												
Freight on UK exports	<b>HECV</b>	409	416	322	375	400	406	481	525	444	544	530
Freight on cross-trades	<b>HDVI</b>	1 345	1 614	1 602	1 511	1 453	1 609	1 844	2 069	3 380	4 122	1 593
Time charter receipts	<b>FJAO</b>	125	138	109	90	140	106	118	196	640	912	1 056
Wet cargo												
Freight on UK exports	<b>HEIX</b>	71	68	60	59	98	82	96	126	173	174	129
Freight on cross-trades	<b>HECX</b>	550	536	442	350	458	497	420	742	1 305	1 519	1 741
Time charter receipts	<b>FJAP</b>	120	68	70	87	104	336	162	247	472	748	799
Total Freight	<b>FJOG</b>	2 620	2 840	2 605	2 472	2 653	3 036	3 121	3 905	6 414	8 019	5 848
Disbursements in the UK	<b>FJAR</b>	950	981	1 139	1 063	1 042	1 086	1 008	952	801	800	939
Total sea transport	<b>FJOE</b>	4 284	4 527	4 206	4 007	4 333	4 610	4 709	5 850	8 097	9 566	7 350
Air transport												
Passenger revenue	<b>FJOJ</b>	4 200	4 040	4 242	4 402	4 690	4 455	4 162	3 856	3 907	4 073	4 266
Freight on UK exports and cross trades	<b>FJOK</b>	428	407	408	380	428	365	350	368	394	397	391
Other												
Disbursements in the UK	<b>FJAX</b>	1 024	1 177	1 565	1 765	1 994	2 167	1 991	2 111	2 302	2 506	2 973
Other revenue	<b>HBWB</b>	221	242	236	294	303	258	247	240	267	182	183
Total other	<b>FJOL</b>	1 245	1 419	1 801	2 059	2 297	2 425	2 238	2 351	2 569	2 688	3 156
Total air transport	<b>FJOI</b>	5 873	5 866	6 451	6 841	7 415	7 245	6 750	6 575	6 870	7 158	7 813
Other transport												
Rail												
Passenger	<b>FJOS</b>	77	80	108	132	109	113	90	91	112	133	136
Freight	<b>FJOT</b>	11	8	16	17	20	16	12	15	16	17	17
Total rail	<b>FJOR</b>	88	88	124	149	129	129	102	106	128	150	153
Road												
Passenger	<b>FJOW</b>	—	—	—	—	—	—	—	—	—	—	—
Freight	<b>FJOX</b>	634	682	703	730	750	728	905	1 042	1 222	1 237	1 332
Total road	<b>FJOV</b>	634	682	703	730	750	728	905	1 042	1 222	1 237	1 332
Pipeline transport	<b>FJPD</b>	36	36	38	37	48	56	56	56	56	56	56
Total other transport	<b>FJOM</b>	758	806	865	916	927	913	1 063	1 204	1 406	1 443	1 541
<b>Total</b>	<b>FJOD</b>	<b>10 915</b>	<b>11 199</b>	<b>11 522</b>	<b>11 764</b>	<b>12 675</b>	<b>12 768</b>	<b>12 522</b>	<b>13 629</b>	<b>16 373</b>	<b>18 167</b>	<b>16 704</b>

## 3.2 Transportation

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Imports</b>												
Sea transport												
Passenger												
Passenger expenditure	<b>FJBP</b>	396	486	494	429	413	450	486	476	476	463	531
Time charter payments	<b>FJBQ</b>	70	92	22	24	24	19	19	15	25	15	26
Total passenger	<b>FJFX</b>	466	578	516	453	437	469	505	491	501	478	557
Freight												
Dry cargo												
Freight on UK imports	<b>HCJO</b>	1 846	2 008	2 063	2 202	2 531	2 552	2 698	3 023	2 851	2 779	3 003
Time charter payments	<b>FJBS</b>	145	190	217	122	149	316	236	221	667	562	131
Wet cargo												
Freight on UK imports	<b>HCNJ</b>	221	315	282	415	280	305	330	355	417	434	431
Time charter payments	<b>FJBT</b>	243	161	181	89	172	176	140	184	359	636	729
Freight on UK coastal routes	<b>HFAA</b>	132	135	135	135	172	202	199	190	177	194	193
Total Freight	<b>FJFY</b>	2 587	2 809	2 878	2 963	3 304	3 551	3 603	3 973	4 471	4 605	4 487
Other												
Disbursements - dry cargo	<b>FJBU</b>	1 375	1 670	1 291	953	1 036	1 231	1 528	1 508	1 917	2 505	1 199
Disbursements - wet cargo	<b>FJBW</b>	134	104	78	76	55	54	81	118	138	183	161
Total other	<b>FJFZ</b>	1 509	1 774	1 369	1 029	1 091	1 285	1 609	1 626	2 055	2 688	1 360
Total sea transport	<b>FJPW</b>	4 562	5 161	4 763	4 445	4 832	5 305	5 717	6 090	7 027	7 771	6 404
Air transport												
Passenger expenditure	<b>FJOB</b>	3 505	3 863	4 197	4 650	5 192	5 255	5 559	5 949	6 443	7 131	7 391
Freight	<b>FJQC</b>	481	543	583	685	740	822	818	768	681	688	666
Disbursements abroad	<b>FJCA</b>	2 764	3 015	3 372	3 336	3 951	3 468	3 132	2 880	2 692	2 798	2 996
Total air transport	<b>FJQA</b>	6 750	7 421	8 152	8 671	9 883	9 545	9 509	9 597	9 816	10 617	11 053
Other transport												
Rail												
Passenger	<b>FJQK</b>	85	98	121	154	167	168	172	151	167	170	188
Freight	<b>FJQL</b>	13	10	21	26	37	43	44	46	47	44	43
Total rail	<b>FJQJ</b>	98	108	142	180	204	211	216	197	214	214	231
Road												
Passenger	<b>FJQO</b>	—	—	—	—	—	—	—	—	—	—	—
Freight	<b>FJQP</b>	457	550	694	836	1 001	1 169	1 428	1 480	1 562	1 676	1 686
Total road	<b>FJQN</b>	457	550	694	836	1 001	1 169	1 428	1 480	1 562	1 676	1 686
Pipeline transport	<b>FJQV</b>	49	51	48	48	52	52	52	52	52	52	52
Total other transport	<b>FJQE</b>	604	709	884	1 064	1 257	1 432	1 696	1 729	1 828	1 942	1 969
<b>Total</b>	<b>FJPV</b>	<b>11 916</b>	<b>13 291</b>	<b>13 799</b>	<b>14 180</b>	<b>15 972</b>	<b>16 282</b>	<b>16 922</b>	<b>17 416</b>	<b>18 671</b>	<b>20 330</b>	<b>19 426</b>

## 3.2 Transportation

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Balances</b>												
Sea transport												
Passenger	<b>FJRR</b>	248	128	-54	19	201	19	75	502	381	269	6
Freight												
Dry cargo	<b>FJNJ</b>	-112	-30	-247	-348	-687	-747	-491	-454	946	2 237	45
Wet cargo	<b>FJNM</b>	277	196	109	-8	208	434	208	576	1 174	1 371	1 509
Other	<b>FJVC</b>	-132	-135	-135	-135	-172	-202	-199	-190	-177	-194	-193
Total Freight	<b>FJRS</b>	33	31	-273	-491	-651	-515	-482	-68	1 943	3 414	1 361
Other												
Dry cargo	<b>FJVF</b>	-1 375	-1 670	-1 291	-953	-1 036	-1 231	-1 528	-1 508	-1 917	-2 505	-1 199
Wet Cargo	<b>FJVG</b>	-134	-104	-78	-76	-55	-54	-81	-118	-138	-183	-161
Other	<b>FJVI</b>	950	981	1 139	1 063	1 042	1 086	1 008	952	801	800	939
Total other	<b>FJRT</b>	-559	-793	-230	34	-49	-199	-601	-674	-1 254	-1 888	-421
Total sea transport	<b>FJRQ</b>	-278	-634	-557	-438	-499	-695	-1 008	-240	1 070	1 795	946
<i>of which</i>												
<i>Ships owned or chartered-in by UK residents</i>	<b>FLMZ</b>	1 367	1 329	1 278	1 680	1 855	1 728	1 697	2 852	4 190	4 865	4 165
<i>Ships operated by non-residents</i>	<b>FLNF</b>	-1 645	-1 963	-1 835	-2 118	-2 354	-2 423	-2 705	-3 092	-3 120	-3 070	-3 219
Air transport												
Passenger	<b>FJRV</b>	695	177	45	-248	-502	-800	-1 397	-2 093	-2 536	-3 058	-3 125
Freight	<b>FJRW</b>	-53	-136	-175	-305	-312	-457	-468	-400	-287	-291	-275
Other	<b>FJRX</b>	-1 519	-1 596	-1 571	-1 277	-1 654	-1 043	-894	-529	-123	-110	160
Total air transport	<b>FJRU</b>	-877	-1 555	-1 701	-1 830	-2 468	-2 300	-2 759	-3 022	-2 946	-3 459	-3 240
Other transport												
Rail												
Passenger	<b>FJSE</b>	-8	-18	-13	-22	-58	-55	-82	-60	-55	-37	-52
Freight	<b>FJSF</b>	-2	-2	-5	-9	-17	-27	-32	-31	-31	-27	-26
Total rail	<b>FJSD</b>	-10	-20	-18	-31	-75	-82	-114	-91	-86	-64	-78
Road												
Passenger	<b>FJSI</b>	-	-	-	-	-	-	-	-	-	-	-
Freight	<b>FJSJ</b>	177	132	9	-106	-251	-441	-523	-438	-340	-439	-354
Total road	<b>FJSH</b>	177	132	9	-106	-251	-441	-523	-438	-340	-439	-354
Pipeline transport	<b>FJSP</b>	-13	-15	-10	-11	-4	4	4	4	4	4	4
Total other transport	<b>FJRY</b>	154	97	-19	-148	-330	-519	-633	-525	-422	-499	-428
<b>Total</b>	<b>FJRP</b>	<b>-1 001</b>	<b>-2 092</b>	<b>-2 277</b>	<b>-2 416</b>	<b>-3 297</b>	<b>-3 514</b>	<b>-4 400</b>	<b>-3 787</b>	<b>-2 298</b>	<b>-2 163</b>	<b>-2 722</b>

# 3.3 Travel

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Exports</b>												
Business												
Expenditure by seasonal & border workers <sup>1</sup>	<b>FJCQ</b>	60	53	132	114	147	163	219	169	203	234	419
Other	<b>FJNO</b>	3 246	3 533	3 857	3 998	4 084	3 615	3 618	3 478	3 735	4 110	4 600
Total business travel	<b>FJPG</b>	3 306	3 586	3 989	4 112	4 231	3 778	3 837	3 647	3 938	4 344	5 019
Personal												
Health related <sup>2</sup>	<b>FJCX</b>	105	112	79	93	66	83	64	144	68	71	78
Education related	<b>FJDD</b>	2 512	2 492	2 696	2 534	2 484	2 723	2 592	2 881	3 072	3 357	3 642
Other	<b>FJDG</b>	7 768	7 615	7 538	7 321	7 665	6 526	7 102	7 204	8 336	9 099	9 574
Total personal travel	<b>FJTU</b>	10 385	10 219	10 313	9 948	10 215	9 332	9 758	10 229	11 476	12 527	13 294
<b>Total</b>	<b>FJPF</b>	<b>13 691</b>	<b>13 805</b>	<b>14 302</b>	<b>14 060</b>	<b>14 446</b>	<b>13 110</b>	<b>13 595</b>	<b>13 876</b>	<b>15 414</b>	<b>16 871</b>	<b>18 313</b>
<b>Imports</b>												
Business												
Expenditure by seasonal & border workers <sup>1</sup>	<b>FJDO</b>	55	56	118	197	192	215	102	225	159	202	243
Other	<b>FJNP</b>	3 435	3 451	4 231	4 352	4 811	4 479	4 336	4 135	4 243	4 695	4 933
Total business travel	<b>FJQY</b>	3 490	3 507	4 349	4 549	5 003	4 694	4 438	4 360	4 402	4 897	5 176
Personal												
Health related <sup>2</sup>	<b>FJDT</b>	3	11	3	10	19	16	12	33	45	60	77
Education related	<b>FJDV</b>	118	111	133	180	99	108	110	102	117	165	153
Other	<b>APPW</b>	13 031	13 814	15 716	18 191	20 264	21 558	23 137	24 860	26 309	27 659	28 885
Total personal travel	<b>APQW</b>	13 152	13 936	15 852	18 381	20 382	21 682	23 259	24 995	26 471	27 884	29 115
<b>Total</b>	<b>APQA</b>	<b>16 642</b>	<b>17 443</b>	<b>20 201</b>	<b>22 930</b>	<b>25 385</b>	<b>26 376</b>	<b>27 697</b>	<b>29 355</b>	<b>30 873</b>	<b>32 781</b>	<b>34 291</b>
<b>Balances</b>												
Business												
Expenditure by seasonal & border workers <sup>1</sup>	<b>FJCR</b>	5	-3	14	-83	-45	-52	117	-56	44	32	176
Other	<b>FJCW</b>	-189	82	-374	-354	-727	-864	-718	-657	-508	-585	-333
Total business travel	<b>FJSS</b>	-184	79	-360	-437	-772	-916	-601	-713	-464	-553	-157
Personal												
Health related <sup>2</sup>	<b>FJCY</b>	102	101	76	83	47	67	52	111	23	11	1
Education related	<b>FJDE</b>	2 394	2 381	2 563	2 354	2 385	2 615	2 482	2 779	2 955	3 192	3 489
Other	<b>FJDH</b>	-5 263	-6 199	-8 178	-10 870	-12 599	-15 032	-16 035	-17 656	-17 973	-18 560	-19 311
Total personal travel	<b>FJTW</b>	-2 767	-3 717	-5 539	-8 433	-10 167	-12 350	-13 501	-14 766	-14 995	-15 357	-15 821
<b>Total</b>	<b>FJSR</b>	<b>-2 951</b>	<b>-3 638</b>	<b>-5 899</b>	<b>-8 870</b>	<b>-10 939</b>	<b>-13 266</b>	<b>-14 102</b>	<b>-15 479</b>	<b>-15 459</b>	<b>-15 910</b>	<b>-15 978</b>

1 There are no firm data for expenditure by seasonal & border workers before 1994, but for continuity some estimates have been included in other business travel.

2 There are no firm data for health related travel before 1994, but for continuity broad estimates have been included in other personal travel.

# 3.4 Communications services

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Exports</b>												
Postal and courier services												
Postal services	<b>FJTN</b>	85	93	88	109	118	97	110	112	124	133	138
Courier services	<b>FJTO</b>	23	15	13	52	29	80	67	111	120	378	369
Total postal and courier services	<b>FJED</b>	108	108	101	161	147	177	177	223	244	511	507
Telecommunications services	<b>FJAS</b>	949	1 088	1 188	1 403	1 717	1 857	2 042	2 256	2 689	3 265	3 752
<b>Total</b>	<b>FJPH</b>	<b>1 057</b>	<b>1 196</b>	<b>1 289</b>	<b>1 564</b>	<b>1 864</b>	<b>2 034</b>	<b>2 219</b>	<b>2 479</b>	<b>2 933</b>	<b>3 776</b>	<b>4 259</b>
<b>Imports</b>												
Postal and courier services												
Postal services	<b>FJTP</b>	217	200	218	239	260	200	200	225	181	203	194
Courier services	<b>FJTQ</b>	19	14	39	48	18	55	58	90	94	273	245
Total postal and courier services	<b>FJEI</b>	236	214	257	287	278	255	258	315	275	476	439
Telecommunications services	<b>FJAT</b>	1 104	1 167	1 325	1 518	1 589	1 738	1 782	1 843	2 097	3 055	3 530
<b>Total</b>	<b>FJQZ</b>	<b>1 340</b>	<b>1 381</b>	<b>1 582</b>	<b>1 805</b>	<b>1 867</b>	<b>1 993</b>	<b>2 040</b>	<b>2 158</b>	<b>2 372</b>	<b>3 531</b>	<b>3 969</b>
<b>Balances</b>												
Postal and courier services												
Postal services	<b>FJTR</b>	-132	-107	-130	-130	-142	-103	-90	-113	-57	-70	-56
Courier services	<b>FJTS</b>	4	1	-26	4	11	25	9	21	26	105	124
Total postal and courier services	<b>FJEE</b>	-128	-106	-156	-126	-131	-78	-81	-92	-31	35	68
Telecommunications services	<b>FJAQ</b>	-155	-79	-137	-115	128	119	260	413	592	210	222
<b>Total</b>	<b>FJST</b>	<b>-283</b>	<b>-185</b>	<b>-293</b>	<b>-241</b>	<b>-3</b>	<b>41</b>	<b>179</b>	<b>321</b>	<b>561</b>	<b>245</b>	<b>290</b>

## 3.5 Insurance services

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Exports</b>												
Life insurance and pension funds	<b>FJEU</b>	415	494	838	1 557	1 417	2 174	797	8	-712	-1 464	-1 394
Freight insurance	<b>FJJL</b>	31	82	76	47	41	49	80	129	90	72	-103
Other direct insurance <sup>1</sup>	<b>FJEW</b>	839	925	439	653	412	-579	2 164	1 935	3 350	729	3 228
Reinsurance	<b>FJEX</b>	339	718	331	-49	-296	1 011	1 473	2 241	1 023	970	393
Auxiliary insurance services (insurance brokers)	<b>FJEY</b>	1 032	972	1 167	1 072	1 106	1 012	1 087	1 114	1 214	1 245	1 401
<b>Total<sup>2</sup></b>	<b>FJFJ</b>	<b>2 656</b>	<b>3 191</b>	<b>2 851</b>	<b>3 280</b>	<b>2 680</b>	<b>3 667</b>	<b>5 601</b>	<b>5 427</b>	<b>4 965</b>	<b>1 552</b>	<b>3 525</b>
<b>Imports</b>												
Life insurance and pension funds	<b>FJRC</b>	-	-	-	-	-	-	-	-	-	-	-
Freight insurance	<b>FJRD</b>	567	594	577	575	721	762	758	778	830	891	960
Other direct insurance	<b>FJFC</b>	-	-	-	-	-	-	-	-	-	-	-
Reinsurance	<b>FJFD</b>	-	-	-	-	-	-	-	-	-	-	-
Auxiliary insurance services	<b>FJFE</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>FJRB</b>	<b>567</b>	<b>594</b>	<b>577</b>	<b>575</b>	<b>721</b>	<b>762</b>	<b>758</b>	<b>778</b>	<b>830</b>	<b>891</b>	<b>960</b>
<b>Balances</b>												
Life insurance and pension funds	<b>FJSW</b>	415	494	838	1 557	1 417	2 174	797	8	-712	-1 464	-1 394
Freight insurance	<b>FJSX</b>	-536	-512	-501	-528	-680	-713	-678	-649	-740	-819	-1 063
Other direct insurance	<b>FJJM</b>	839	925	439	653	412	-579	2 164	1 935	3 350	729	3 228
Reinsurance	<b>FJJN</b>	339	718	331	-49	-296	1 011	1 473	2 241	1 023	970	393
Auxiliary insurance services	<b>FJJO</b>	1 032	972	1 167	1 072	1 106	1 012	1 087	1 114	1 214	1 245	1 401
<b>Total</b>	<b>FJSV</b>	<b>2 089</b>	<b>2 597</b>	<b>2 274</b>	<b>2 705</b>	<b>1 959</b>	<b>2 905</b>	<b>4 843</b>	<b>4 649</b>	<b>4 135</b>	<b>661</b>	<b>2 565</b>

1 Other direct insurance by UK insurance companies includes facultative reinsurance on marine, aviation and transport business.

2 Exports of insurance services are net of expenditure abroad by UK insurance companies.

# 3.6 Financial services

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Exports</b>												
Monetary financial institutions (banks)												
Commissions and fees	<b>APUP</b>	1 269	1 778	2 108	2 506	3 041	2 986	3 215	2 677	3 458	4 198	5 562
Spread earnings	<b>APVA</b>	1 732	1 961	1 737	1 628	1 809	2 370	2 922	4 536	4 904	5 914	6 974
Total monetary financial institutions (banks)	<b>ZXTE</b>	3 001	3 739	3 845	4 134	4 850	5 356	6 137	7 213	8 362	10 112	12 536
Fund managers	<b>FNMM</b>	743	904	849	866	868	853	1 045	1 528	1 925	2 632	3 074
Securities dealers												
Commissions and fees	<b>CDFI</b>	2 103	2 761	2 831	3 996	5 632	5 211	4 290	3 922	4 316	4 628	6 316
Spread earnings	<b>QZCM</b>	934	1 253	1 233	1 209	1 033	1 492	1 168	1 316	1 666	1 918	2 517
Total securities dealers	<b>ZXTF</b>	3 037	4 014	4 064	5 205	6 665	6 703	5 458	5 238	5 982	6 546	8 833
Baltic Exchange	<b>APRJ</b>	280	340	320	320	336	377	357	398	577	777	744
Other	<b>ZSHJ</b>	1 162	1 312	1 483	1 587	1 901	2 355	2 913	3 121	3 435	3 336	3 233
<b>Total</b>	<b>FJPK</b>	<b>8 223</b>	<b>10 309</b>	<b>10 561</b>	<b>12 112</b>	<b>14 620</b>	<b>15 644</b>	<b>15 910</b>	<b>17 498</b>	<b>20 281</b>	<b>23 403</b>	<b>28 420</b>
<b>Imports</b>												
Monetary financial institutions (banks)	<b>APVW</b>	463	573	549	733	1 003	1 157	1 475	1 701	1 556	1 693	2 002
Fund managers	<b>FNMS</b>	150	155	171	143	160	229	219	336	420	527	606
Securities dealers <sup>1</sup>	<b>RWMG</b>	411	506	689	829	1 199	1 296	1 009	795	862	1 244	1 643
Baltic Exchange	<b>APSZ</b>	20	24	23	27	39	27	35	18	26	42	38
Other	<b>ZXTG</b>	585	601	536	576	558	605	815	1 223	1 118	1 582	1 556
<b>Total</b>	<b>FJRE</b>	<b>1 629</b>	<b>1 859</b>	<b>1 968</b>	<b>2 308</b>	<b>2 959</b>	<b>3 314</b>	<b>3 553</b>	<b>4 073</b>	<b>3 982</b>	<b>5 088</b>	<b>5 845</b>
<b>Balances</b>												
Monetary financial institutions	<b>ZXLV</b>	2 538	3 166	3 296	3 401	3 847	4 199	4 662	5 512	6 806	8 419	10 534
Fund managers	<b>ZXLW</b>	593	749	678	723	708	624	826	1 192	1 505	2 105	2 468
Securities dealers	<b>ZXLX</b>	2 626	3 508	3 375	4 376	5 466	5 407	4 449	4 443	5 120	5 302	7 190
Baltic Exchange	<b>ZXLY</b>	260	316	297	293	297	350	322	380	551	735	706
Other	<b>ZXLZ</b>	577	711	947	1 011	1 343	1 750	2 098	1 898	2 317	1 754	1 677
<b>Total</b>	<b>FJTA</b>	<b>6 594</b>	<b>8 450</b>	<b>8 593</b>	<b>9 804</b>	<b>11 661</b>	<b>12 330</b>	<b>12 357</b>	<b>13 425</b>	<b>16 299</b>	<b>18 315</b>	<b>22 575</b>

<sup>1</sup> For securities dealers, the move to a gross presentation means that imports of non-financial services are moved to the other business services accounts (see table 3.9).

## 3.7 Computer and information services

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Exports</b>												
Computer services	<b>FJCN</b>	956	1 183	1 640	2 056	2 478	2 725	3 328	3 705	4 977	4 892	5 051
Information services	<b>FJCO</b>	134	174	186	377	387	528	626	1 281	1 396	1 294	1 438
<b>Total</b>	<b>FJPL</b>	<b>1 090</b>	<b>1 357</b>	<b>1 826</b>	<b>2 433</b>	<b>2 865</b>	<b>3 253</b>	<b>3 954</b>	<b>4 986</b>	<b>6 373</b>	<b>6 186</b>	<b>6 489</b>
<b>Imports</b>												
Computer services	<b>FJDL</b>	283	339	473	593	745	859	1 122	1 478	1 600	1 987	2 311
Information services	<b>FJDM</b>	50	66	21	98	93	316	194	314	412	375	347
<b>Total</b>	<b>FJRF</b>	<b>333</b>	<b>405</b>	<b>494</b>	<b>691</b>	<b>838</b>	<b>1 175</b>	<b>1 316</b>	<b>1 792</b>	<b>2 012</b>	<b>2 362</b>	<b>2 658</b>
<b>Balances</b>												
Computer Services	<b>FJJP</b>	673	844	1 167	1 463	1 733	1 866	2 206	2 227	3 377	2 905	2 740
Information services	<b>FJJQ</b>	84	108	165	279	294	212	432	967	984	919	1 091
<b>Total</b>	<b>FJTB</b>	<b>757</b>	<b>952</b>	<b>1 332</b>	<b>1 742</b>	<b>2 027</b>	<b>2 078</b>	<b>2 638</b>	<b>3 194</b>	<b>4 361</b>	<b>3 824</b>	<b>3 831</b>

## 3.8 Royalties and license fees

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Exports</b>												
Film and television	<b>FJFO</b>	879	705	775	868	934	982	880	911	890	972	1 045
Other royalties and license fees	<b>FFVJ</b>	3 374	3 443	3 495	4 224	4 455	4 691	4 906	5 263	5 814	6 613	6 336
<b>Total</b>	<b>FJPM</b>	<b>4 253</b>	<b>4 148</b>	<b>4 270</b>	<b>5 092</b>	<b>5 389</b>	<b>5 673</b>	<b>5 786</b>	<b>6 174</b>	<b>6 704</b>	<b>7 585</b>	<b>7 381</b>
<b>Imports</b>												
Film and television	<b>FJFQ</b>	829	863	882	932	1 020	1 176	1 315	1 449	1 533	1 456	1 580
Other royalties and license fees	<b>FFVP</b>	3 213	2 884	3 133	3 353	3 359	3 318	3 294	3 361	3 474	3 746	3 827
<b>Total</b>	<b>FJRG</b>	<b>4 042</b>	<b>3 747</b>	<b>4 015</b>	<b>4 285</b>	<b>4 379</b>	<b>4 494</b>	<b>4 609</b>	<b>4 810</b>	<b>5 007</b>	<b>5 202</b>	<b>5 407</b>
<b>Balances</b>												
Film and television	<b>FFVV</b>	50	-158	-107	-64	-86	-194	-435	-538	-643	-484	-535
Other royalties and license fees	<b>FFWB</b>	161	559	362	871	1 096	1 373	1 612	1 902	2 340	2 867	2 509
<b>Total</b>	<b>FJTC</b>	<b>211</b>	<b>401</b>	<b>255</b>	<b>807</b>	<b>1 010</b>	<b>1 179</b>	<b>1 177</b>	<b>1 364</b>	<b>1 697</b>	<b>2 383</b>	<b>1 974</b>



# 3.9 other business services

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Exports</b>												
Merchanting and other trade related services												
Merchanting	<b>FJFS</b>	481	314	569	868	626	782	699	573	549	942	880
Other trade related services	<b>FJFX</b>	709	662	732	1 504	1 759	1 881	1 720	1 899	1 698	1 780	2 061
Total merchanting and other trade related services	<b>FJPO</b>	1 190	976	1 301	2 372	2 385	2 663	2 419	2 472	2 247	2 722	2 941
Operational leasing services	<b>FJPP</b>	129	113	40	92	299	248	190	239	342	329	479
Miscellaneous business, professional and technical services												
Legal, accounting and management consulting												
Law society	<b>FJGE</b>	565	675	824	760	1 171	1 339	1 465	1 335	1 470	1 615	2 139
Commercial bar association	<b>FJCP</b>	41	47	61	62	61	77	85	95	86	116	113
Other legal services <sup>1</sup>	<b>FJGD</b>	161	202	275	349	288	363	481	600	435	553	360
Accounting	<b>FJBX</b>	178	258	477	603	662	642	728	733	892	1 087	1 292
Business management and management consulting	<b>FJNV</b>	668	933	952	1 101	1 083	1 069	2 545	3 127	3 288	3 998	5 058
of which Recruitment and training	<b>TVLQ</b>	..	..	..	..	..	..	354	359	350	342	320
Advertising and market research	<b>FJGP</b>	717	1 022	1 174	1 150	1 432	1 622	1 703	2 155	1 965	2 403	2 093
Research and development	<b>FJDP</b>	1 311	1 616	2 300	2 801	2 421	2 933	2 899	3 467	4 463	4 705	4 645
Architectural, engineering and other technical services												
North Sea oil and gas <sup>2</sup>	<b>FJCV</b>	331	..	..	..	..	..	..	..	..	..	..
Architectural	<b>FJGT</b>	51	83	67	82	76	153	71	106	110	95	132
Engineering	<b>FJGU</b>	2 243	2 491	2 987	2 676	2 441	3 239	3 049	3 475	3 501	3 091	3 198
Surveying	<b>FJGV</b>	37	31	41	45	68	66	62	57	137	226	125
Other Technical	<b>FJGW</b>	807	798	1 083	1 027	1 113	1 220	1 931	1 629	1 698	1 616	1 357
Agricultural, mining and on-site processing services	<b>FJHC</b>	26	21	52	47	54	41	31	202	234	259	307
Other miscellaneous business services	<b>FJHH</b>	4 716	4 576	6 398	6 749	7 561	7 688	7 748	7 140	7 295	7 598	7 619
of which Other business services exported by UK banks	<b>APVQ</b>	622	505	1 008	1 325	1 414	1 277	1 490	2 118	1 892	2 134	2 156
Services between afiliated enterprises, n.i.e.	<b>FJHF</b>	682	871	981	1 101	1 280	1 481	1 619	2 105	2 142	2 379	2 875
Total miscellaneous business, professional, and technical services	<b>FJPO</b>	12 534	13 624	17 672	18 553	19 711	21 933	24 417	26 226	27 716	29 741	31 313
<b>Total</b>	<b>FJPN</b>	<b>13 853</b>	<b>14 713</b>	<b>19 013</b>	<b>21 017</b>	<b>22 395</b>	<b>24 844</b>	<b>27 026</b>	<b>28 937</b>	<b>30 305</b>	<b>32 792</b>	<b>34 733</b>
<b>Imports</b>												
Merchanting and other trade related services												
Merchanting	<b>FJHN</b>	110	44	65	38	71	55	148	35	81	80	81
Other trade related services	<b>FJHR</b>	652	444	633	884	965	952	854	752	1 122	608	602
Total merchanting and other trade related services	<b>FJRI</b>	762	488	698	922	1 036	1 007	1 002	787	1 203	688	683
Operational leasing services	<b>FJRJ</b>	194	196	193	226	560	457	450	456	784	687	1 090
Miscellaneous business, professional and technical services												
Legal, accounting and management consulting												
Legal <sup>1</sup>	<b>FJHX</b>	173	209	249	307	490	380	486	453	416	429	520
Accounting	<b>FJVJ</b>	128	98	108	119	213	228	251	300	324	328	356
Business management and management consulting	<b>FJNW</b>	310	327	371	387	456	569	1 428	1 924	2 328	2 601	2 678
of which Recruitment and training	<b>TVLV</b>	..	..	..	..	..	..	237	264	357	121	88
Advertising and market research	<b>FJID</b>	493	460	581	719	789	841	860	946	842	1 100	1 315
Research and development	<b>FJDQ</b>	767	657	753	781	723	661	644	1 148	1 806	2 021	2 092
Architectural, engineering and other technical services												
North Sea oil and gas <sup>2</sup>	<b>FJDR</b>	442	..	..	..	..	..	..	..	..	..	..
Architectural	<b>FJIF</b>	6	7	12	12	13	35	25	50	11	4	19
Engineering	<b>FJIG</b>	629	909	1 228	977	724	1 075	868	1 107	1 325	1 067	1 264
Surveying	<b>FJII</b>	17	36	26	15	55	31	29	24	48	88	39
Other Technical	<b>FJII</b>	232	358	435	410	429	431	463	368	384	556	371
Agricultural, mining and on-site processing services	<b>FJIN</b>	7	7	27	50	71	142	77	53	63	100	141
Other miscellaneous business services	<b>FJIP</b>	2 562	2 486	3 157	4 448	4 839	5 498	5 741	5 181	3 815	5 382	6 825
of which Other business services imported by UK banks	<b>APWA</b>	421	184	509	794	520	448	619	760	497	591	528
Other business services imported by Security dealers	<b>RWMH</b>	865	787	986	1 511	2 294	2 027	1 358	1 149	1 462	3 036	4 234
Services between afiliated enterprises, n.i.e.	<b>FJHG</b>	406	457	719	770	808	1 069	1 140	1 131	1 198	1 438	1 491
Total miscellaneous business, professional and technical services	<b>FJRK</b>	6 172	6 011	7 666	8 995	9 610	10 960	12 012	12 685	12 560	15 114	17 111
<b>Total</b>	<b>FJRH</b>	<b>7 128</b>	<b>6 695</b>	<b>8 557</b>	<b>10 143</b>	<b>11 206</b>	<b>12 424</b>	<b>13 464</b>	<b>13 928</b>	<b>14 547</b>	<b>16 489</b>	<b>18 884</b>

1 Other legal services are included indistinguishably within other miscellaneous business services for years before 1996.

2 North Sea oil and gas services are included indistinguishably within engineering services for years after 1996.

## 3.9 Other business services

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Balances</b>												
Merchanting and other trade related services												
Merchanting	<b>FJFT</b>	371	270	504	830	555	727	551	538	468	862	799
Other trade related services	<b>FJFY</b>	57	218	99	620	794	929	866	1 147	576	1 172	1 459
Total merchanting and other trade related services	<b>FJTE</b>	428	488	603	1 450	1 349	1 656	1 417	1 685	1 044	2 034	2 258
Operational leasing services	<b>FJTF</b>	-65	-83	-153	-134	-261	-209	-260	-217	-442	-358	-611
Miscellaneous business, professional and technical services												
Legal, accounting and management consulting												
Legal	<b>FJGG</b>	594	715	911	864	1 030	1 399	1 545	1 577	1 575	1 855	2 092
Accounting	<b>FJGI</b>	50	160	369	484	449	414	477	433	568	759	936
Business management and management consulting	<b>FJGK</b>	358	606	581	714	627	500	1 117	1 203	960	1 397	2 380
Advertising and market research	<b>FJGQ</b>	224	562	593	431	643	781	843	1 209	1 123	1 303	778
Research and development	<b>FJGS</b>	544	959	1 547	2 020	1 698	2 272	2 255	2 319	2 657	2 684	2 553
Architectural, engineering and other technical services	<b>FJGY</b>	2 143	2 093	2 477	2 416	2 477	3 106	3 728	3 718	3 678	3 313	3 119
Agricultural, mining and on-site processing services	<b>FJHD</b>	19	14	25	-3	-17	-101	-46	149	171	159	166
Services between affiliated enterprises, n.i.e.	<b>FJHL</b>	276	414	262	331	472	412	479	974	944	941	1 384
Other	<b>FJHI</b>	2 154	2 090	3 241	2 301	2 722	2 190	2 007	1 959	3 480	2 216	794
Total miscellaneous business, professional, and technical services	<b>FJTG</b>	6 362	7 613	10 006	9 558	10 101	10 973	12 405	13 541	15 156	14 627	14 202
<b>Total</b>	<b>FJTD</b>	<b>6 725</b>	<b>8 018</b>	<b>10 456</b>	<b>10 874</b>	<b>11 189</b>	<b>12 420</b>	<b>13 562</b>	<b>15 009</b>	<b>15 758</b>	<b>16 303</b>	<b>15 849</b>

## 3.10 Personal, cultural and recreational services

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Exports</b>												
Audiovisual and related services												
Film and television	<b>FKJO</b>	395	461	480	531	726	737	856	1 077	1 274	1 357	1 211
Other	<b>FFWH</b>	101	152	167	189	252	172	184	204	286	215	197
Total audiovisual and related services	<b>FJPS</b>	496	613	647	720	978	909	1 040	1 281	1 560	1 572	1 408
Other personal, cultural and recreational services	<b>FJPT</b>	278	207	233	242	327	449	561	611	585	671	623
<b>Total</b>	<b>FJPR</b>	<b>774</b>	<b>820</b>	<b>880</b>	<b>962</b>	<b>1 305</b>	<b>1 358</b>	<b>1 601</b>	<b>1 892</b>	<b>2 145</b>	<b>2 243</b>	<b>2 031</b>
<b>Imports</b>												
Audiovisual and related services												
Film and television	<b>FKJX</b>	441	450	411	496	532	512	615	463	587	584	462
Other	<b>FFWN</b>	25	22	35	40	55	46	39	59	89	44	63
Total audiovisual and related services	<b>FJRM</b>	466	472	446	536	587	558	654	522	676	628	525
Other personal, cultural and recreational services	<b>FJRN</b>	90	74	43	72	192	166	143	333	228	223	221
<b>Total</b>	<b>FJRL</b>	<b>556</b>	<b>546</b>	<b>489</b>	<b>608</b>	<b>779</b>	<b>724</b>	<b>797</b>	<b>855</b>	<b>904</b>	<b>851</b>	<b>746</b>
<b>Balances</b>												
Audiovisual and related services	<b>FJTI</b>	30	141	201	184	391	351	386	759	884	944	883
Other personal, cultural and recreational services	<b>FJTJ</b>	188	133	190	170	135	283	418	278	357	448	402
<b>Total</b>	<b>FJTH</b>	<b>218</b>	<b>274</b>	<b>391</b>	<b>354</b>	<b>526</b>	<b>634</b>	<b>804</b>	<b>1 037</b>	<b>1 241</b>	<b>1 392</b>	<b>1 285</b>

## 3.11 Government services

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Exports</b>												
Expenditure by foreign embassies and consulates in the UK	<b>FJUK</b>	393	357	371	385	385	389	393	397	401	405	409
Military units and agencies												
Expenditure by US forces in UK	<b>FJKB</b>	328	250	293	247	271	262	262	264	264	264	264
Other military receipts by UK government	<b>HCOJ</b>	91	56	40	21	58	48	67	248	312	286	366
Total military units and agencies	<b>FJIX</b>	419	306	333	268	329	310	329	512	576	550	630
Other												
EU institutions	<b>FKIE</b>	241	240	216	213	226	525	487	494	543	565	586
Other receipts	<b>HCQO</b>	224	189	212	191	267	298	369	531	501	462	448
Total other	<b>FJJA</b>	465	429	428	404	493	823	856	1 025	1 044	1 027	1 034
<b>Total</b>	<b>FJPU</b>	<b>1 277</b>	<b>1 092</b>	<b>1 132</b>	<b>1 057</b>	<b>1 207</b>	<b>1 522</b>	<b>1 578</b>	<b>1 934</b>	<b>2 021</b>	<b>1 982</b>	<b>2 073</b>
<b>Imports</b>												
Expenditure abroad by UK embassies and consulates	<b>FJUJ</b>	259	208	177	219	106	142	215	190	177	167	181
Expenditure abroad by UK military units and agencies	<b>FJJD</b>	2 030	1 418	1 116	1 972	1 584	1 629	1 494	2 144	1 892	1 817	2 127
Civil non-EU services	<b>FJJF</b>	196	235	216	205	200	202	188	296	490	492	369
<b>Total</b>	<b>FJRO</b>	<b>2 485</b>	<b>1 861</b>	<b>1 509</b>	<b>2 396</b>	<b>1 890</b>	<b>1 973</b>	<b>1 897</b>	<b>2 630</b>	<b>2 559</b>	<b>2 476</b>	<b>2 677</b>
<b>Balances</b>												
Embassies and consulates	<b>FJIW</b>	134	149	194	166	279	247	178	207	224	238	228
Military units and agencies	<b>FJIY</b>	-1 611	-1 112	-783	-1 704	-1 255	-1 319	-1 165	-1 632	-1 316	-1 267	-1 497
Other	<b>FJJB</b>	269	194	212	199	293	621	668	729	554	535	665
<b>Total</b>	<b>FJUL</b>	<b>-1 208</b>	<b>-769</b>	<b>-377</b>	<b>-1 339</b>	<b>-683</b>	<b>-451</b>	<b>-319</b>	<b>-696</b>	<b>-538</b>	<b>-494</b>	<b>-604</b>



# Chapter 4

## Income

# 4.1

## Income Summary table

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>												
Compensation of employees	<b>KTMN</b>	911	1 007	840	960	1 032	1 087	1 121	1 116	1 171	974	1 047
Investment income												
Earnings on direct investment abroad	<b>HJYW</b>	28 584	29 470	29 919	33 144	45 042	46 741	51 473	55 093	64 442	79 446	90 502
Earnings on portfolio investment abroad												
Earnings on equity securities	<b>HCPL</b>	4 768	5 449	6 061	7 773	9 872	9 861	10 530	10 385	11 220	13 165	15 278
Earnings on debt securities	<b>HLYW</b>	15 479	18 377	23 237	18 095	23 101	25 021	21 954	22 165	25 489	32 207	39 201
Total portfolio investment	<b>HLXX</b>	20 247	23 826	29 298	25 868	32 973	34 882	32 484	32 550	36 709	45 372	54 479
Earnings on other investment abroad	<b>AIOP</b>	41 039	40 767	43 039	41 779	55 114	57 264	38 728	36 447	39 174	61 036	94 670
Earnings on reserve assets	<b>HHCB</b>	1 551	1 372	1 132	1 161	985	961	820	791	705	659	652
Total investment income	<b>HMBN</b>	91 421	95 435	103 388	101 952	134 114	139 848	123 505	124 881	141 030	186 513	240 303
<b>Total</b>	<b>HMBQ</b>	<b>92 332</b>	<b>96 442</b>	<b>104 228</b>	<b>102 912</b>	<b>135 146</b>	<b>140 935</b>	<b>124 626</b>	<b>125 997</b>	<b>142 201</b>	<b>187 487</b>	<b>241 350</b>
<b>Debits</b>												
Compensation of employees	<b>KTMO</b>	818	924	850	759	882	1 021	1 054	1 057	1 100	1 584	1 785
Investment income												
Foreign earnings on direct investment in the UK	<b>HJYX</b>	16 630	14 916	8 585	17 003	27 435	21 437	16 016	21 919	27 936	35 878	47 377
Foreign earnings on portfolio investment in the UK												
Earnings on equity securities	<b>ZMRB</b>	7 359	8 601	9 930	13 542	9 899	13 189	14 054	13 674	14 002	17 704	21 075
Earnings on debt securities	<b>HLZB</b>	16 405	17 937	19 523	17 533	21 111	21 286	18 002	17 930	22 379	29 243	35 938
Total portfolio investment	<b>HLZC</b>	23 764	26 538	29 453	31 075	31 010	34 475	32 056	31 604	36 381	46 947	57 013
Earnings on other investment in the UK	<b>HLZN</b>	50 564	50 750	53 020	52 805	71 279	72 338	52 057	46 771	50 188	77 344	116 620
Total investment income	<b>HMBO</b>	90 958	92 204	91 058	100 883	129 724	128 250	100 129	100 294	114 505	160 169	221 010
<b>Total</b>	<b>HMBR</b>	<b>91 776</b>	<b>93 128</b>	<b>91 908</b>	<b>101 642</b>	<b>130 606</b>	<b>129 271</b>	<b>101 183</b>	<b>101 351</b>	<b>115 605</b>	<b>161 753</b>	<b>222 795</b>
<b>Balances (Net earnings)</b>												
Compensation of employees	<b>KTMP</b>	93	83	-10	201	150	66	67	59	71	-610	-738
Investment income												
Direct investment	<b>HJYE</b>	11 954	14 554	21 334	16 141	17 607	25 304	35 457	33 174	36 506	43 568	43 125
Portfolio investment												
Earnings on equity securities	<b>HLZO</b>	-2 591	-3 152	-3 869	-5 769	-27	-3 328	-3 524	-3 289	-2 782	-4 539	-5 797
Earnings on debt securities	<b>HLZP</b>	-926	440	3 714	562	1 990	3 735	3 952	4 235	3 110	2 964	3 263
Total portfolio investment	<b>HLZX</b>	-3 517	-2 712	-155	-5 207	1 963	407	428	946	328	-1 575	-2 534
Other investment	<b>CGNA</b>	-9 525	-9 983	-9 981	-11 026	-16 165	-15 074	-13 329	-10 324	-11 014	-16 308	-21 950
Reserve assets	<b>HHCB</b>	1 551	1 372	1 132	1 161	985	961	820	791	705	659	652
Total investment income	<b>HMBM</b>	463	3 231	12 330	1 069	4 390	11 598	23 376	24 587	26 525	26 344	19 293
<b>Total</b>	<b>HMBP</b>	<b>556</b>	<b>3 314</b>	<b>12 320</b>	<b>1 270</b>	<b>4 540</b>	<b>11 664</b>	<b>23 443</b>	<b>24 646</b>	<b>26 596</b>	<b>25 734</b>	<b>18 555</b>

## 4.2 Investment income

### Sector analysis

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>												
(Earnings of UK residents on investment abroad)												
Monetary financial institutions												
Banks	<b>CGNB</b>	48 587	49 302	56 219	52 883	69 599	72 606	54 837	54 348	58 339	81 790	116 054
Building societies	<b>GJXE</b>	119	103	134	176	292	333	337	276	282	325	426
Total monetary financial institutions	<b>CGND</b>	48 706	49 405	56 353	53 059	69 891	72 939	55 174	54 624	58 621	82 115	116 480
Central government	<b>CGNY</b>	1 561	1 380	1 267	1 165	989	965	823	795	707	667	661
Public corporations	<b>CGNP</b>	111	356	410	329	364	438	371	389	802	1 440	545
Other sectors	<b>CGNW</b>	41 043	44 294	45 358	47 399	62 870	65 506	67 137	69 073	80 900	102 291	122 617
<b>Total</b>	<b>HMBN</b>	<b>91 421</b>	<b>95 435</b>	<b>103 388</b>	<b>101 952</b>	<b>134 114</b>	<b>139 848</b>	<b>123 505</b>	<b>124 881</b>	<b>141 030</b>	<b>186 513</b>	<b>240 303</b>
<b>Debits</b>												
(Foreign earnings on investment in UK)												
Monetary financial institutions												
(banks and building societies)	<b>CGPN</b>	50 010	46 814	46 896	49 330	69 074	68 102	44 420	41 660	45 894	72 060	105 399
Central government	<b>CGNZ</b>	5 557	5 797	5 826	5 027	4 592	4 280	3 914	4 181	4 874	6 098	7 058
Local authorities	<b>CGOB</b>	30	21	16	12	7	4	2	—	—	—	—
Public corporations	<b>CGOD</b>	34	28	20	—	—	—	—	—	—	—	—
Other sectors	<b>CGSE</b>	35 327	39 544	38 300	46 514	56 051	55 864	51 793	54 453	63 737	82 011	108 553
<b>Total</b>	<b>HMBO</b>	<b>90 958</b>	<b>92 204</b>	<b>91 058</b>	<b>100 883</b>	<b>129 724</b>	<b>128 250</b>	<b>100 129</b>	<b>100 294</b>	<b>114 505</b>	<b>160 169</b>	<b>221 010</b>
<b>Balances</b>												
(Net earnings)												
Monetary financial institutions												
(banks and building societies)	<b>CGSO</b>	−1 304	2 591	9 457	3 729	817	4 837	10 754	12 964	12 727	10 055	11 081
Central government	<b>CGOE</b>	−3 996	−4 417	−4 559	−3 862	−3 603	−3 315	−3 091	−3 386	−4 167	−5 431	−6 397
Local authorities	<b>−CGOB</b>	−30	−21	−16	−12	−7	−4	−2	—	—	—	—
Public corporations	<b>CGOF</b>	77	328	390	329	364	438	371	389	802	1 440	545
Other sectors	<b>CGTX</b>	5 716	4 750	7 058	885	6 819	9 642	15 344	14 620	17 163	20 280	14 064
<b>Total</b>	<b>HMBM</b>	<b>463</b>	<b>3 231</b>	<b>12 330</b>	<b>1 069</b>	<b>4 390</b>	<b>11 598</b>	<b>23 376</b>	<b>24 587</b>	<b>26 525</b>	<b>26 344</b>	<b>19 293</b>

## 4.3 Earnings on direct investment

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>												
(Earnings of UK residents on direct investment abroad)												
Earnings on equity												
Dividends and distributed branch profits												
Dividends	<b>CNZN</b>	8 833	11 791	12 246	8 795	14 679	14 412	15 255	29 482	27 994	30 860	32 086
Distributed branch profits	<b>HDNG</b>	1 670	1 468	1 158	1 278	2 231	2 552	2 381	2 723	3 273	6 177	6 156
Total dividends and distributed branch profits	<b>HMAE</b>	10 503	13 259	13 404	10 073	16 910	16 964	17 636	32 205	31 267	37 037	38 242
Reinvested earnings	<b>-HDNY</b>	17 271	16 112	14 071	21 392	25 178	27 220	32 209	21 456	32 430	42 236	52 372
Earnings on property investment	<b>HBBW</b>	124	85	89	264	358	433	380	399	439	453	522
Total earnings on equity	<b>HMAK</b>	27 898	29 456	27 564	31 729	42 446	44 617	50 225	54 060	64 136	79 726	91 136
Earnings on other capital <sup>1</sup>	<b>HDNQ</b>	686	14	2 355	1 415	2 596	2 124	1 248	1 033	306	-280	-634
<b>Total</b>	<b>HJYW</b>	<b>28 584</b>	<b>29 470</b>	<b>29 919</b>	<b>33 144</b>	<b>45 042</b>	<b>46 741</b>	<b>51 473</b>	<b>55 093</b>	<b>64 442</b>	<b>79 446</b>	<b>90 502</b>
<b>Debits</b>												
(Foreign earnings on direct investment in the UK)												
Earnings on equity												
Dividends and distributed branch profits												
Dividends	<b>BCEA</b>	5 895	6 146	6 945	8 198	9 472	14 418	7 638	8 170	10 142	15 036	9 490
Distributed branch profits	<b>CYFD</b>	1 531	787	-2 534	323	2 713	2 251	-1 079	56	1 999	2 658	4 231
Total dividends and distributed branch profits	<b>HMAH</b>	7 426	6 933	4 411	8 521	12 185	16 669	6 559	8 226	12 141	17 694	13 721
Reinvested earnings	<b>CYFV</b>	7 873	6 386	1 522	4 607	10 788	-992	3 647	7 429	9 320	10 107	23 073
Earnings on property investment	<b>HESG</b>	219	234	259	1 167	1 258	1 398	1 507	1 614	1 663	1 796	1 901
Total earnings on equity	<b>HMAG</b>	15 518	13 553	6 192	14 295	24 231	17 075	11 713	17 269	23 124	29 597	38 695
Earnings on other capital <sup>1</sup>	<b>CYFN</b>	1 112	1 363	2 393	2 708	3 204	4 362	4 303	4 650	4 812	6 281	8 682
<b>Total</b>	<b>HJYX</b>	<b>16 630</b>	<b>14 916</b>	<b>8 585</b>	<b>17 003</b>	<b>27 435</b>	<b>21 437</b>	<b>16 016</b>	<b>21 919</b>	<b>27 936</b>	<b>35 878</b>	<b>47 377</b>
<b>Balances</b>												
(Net earnings)												
Earnings on equity												
Dividends and distributed branch profits												
Dividends	<b>LTMA</b>	2 938	5 645	5 301	597	5 207	-6	7 617	21 312	17 852	15 824	22 596
Distributed branch profits	<b>LTMB</b>	139	681	3 692	955	-482	301	3 460	2 667	1 274	3 519	1 925
Total dividends and distributed branch profits	<b>HHZA</b>	3 077	6 326	8 993	1 552	4 725	295	11 077	23 979	19 126	19 343	24 521
Reinvested earnings	<b>LTMC</b>	9 398	9 726	12 549	16 785	14 390	28 212	28 562	14 027	23 110	32 129	29 299
Earnings on property investment	<b>LTMD</b>	-95	-149	-170	-903	-900	-965	-1 127	-1 215	-1 224	-1 343	-1 379
Total earnings on equity	<b>HHYY</b>	12 380	15 903	21 372	17 434	18 215	27 542	38 512	36 791	41 012	50 129	52 441
Earnings on other capital <sup>1</sup>	<b>HMAH</b>	-426	-1 349	-38	-1 293	-608	-2 238	-3 055	-3 617	-4 506	-6 561	-9 316
<b>Total</b>	<b>HJYE</b>	<b>11 954</b>	<b>14 554</b>	<b>21 334</b>	<b>16 141</b>	<b>17 607</b>	<b>25 304</b>	<b>35 457</b>	<b>33 174</b>	<b>36 506</b>	<b>43 568</b>	<b>43 125</b>

<sup>1</sup> Earnings on other capital consists of interest accrued to/from direct investors from/to associated enterprises abroad.



## 4.4 Earnings on direct investment Sector analysis

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>												
(Earnings of UK residents on investment abroad)												
Monetary financial institutions (banks)	<b>HCVU</b>	1 409	1 407	1 682	2 613	3 639	4 596	4 464	5 700	5 806	8 036	8 920
Insurance companies	<b>CNZD</b>	1 270	1 600	793	1 488	930	790	628	2 326	3 555	4 384	3 973
Other financial intermediaries	<b>HCWW</b>	2 540	2 547	2 209	2 990	3 017	2 924	3 232	4 293	5 132	6 888	7 518
Private non-financial corporations	<b>HCUS</b>	23 266	23 823	25 136	25 944	37 335	38 269	42 949	42 499	49 663	59 715	69 723
Public corporations	<b>HDMG</b>	9	12	14	17	17	40	54	87	54	153	52
Household sector <sup>1</sup>	<b>HHLI</b>	90	81	85	92	104	122	146	188	232	270	316
<b>Total</b>	<b>HJYW</b>	<b>28 584</b>	<b>29 470</b>	<b>29 919</b>	<b>33 144</b>	<b>45 042</b>	<b>46 741</b>	<b>51 473</b>	<b>55 093</b>	<b>64 442</b>	<b>79 446</b>	<b>90 502</b>
<b>Debits</b>												
(Foreign earnings on direct investment in UK)												
Monetary financial institutions (banks)	<b>GPAZ</b>	2 379	1 037	-2 433	2 109	4 979	4 795	1 008	2 537	2 844	5 722	6 324
Insurance companies	<b>HDPK</b>	881	1 138	1 333	4	612	-955	179	898	1 842	2 241	2 957
Other financial intermediaries												
Securities dealers	<b>HDQX</b>	799	375	-643	1 124	1 495	1 272	1 337	449	1 476	1 488	3 185
Other	<b>HFBT</b>	204	237	415	361	780	593	829	1 754	1 237	2 200	4 293
Total other financial intermediaries	<b>HFCY</b>	1 003	612	-228	1 485	2 275	1 865	2 166	2 203	2 713	3 688	7 478
Private non-financial corporations	<b>BCEB</b>	12 367	12 129	9 913	13 405	19 569	15 732	12 663	16 281	20 537	24 227	30 618
<b>Total</b>	<b>HJYX</b>	<b>16 630</b>	<b>14 916</b>	<b>8 585</b>	<b>17 003</b>	<b>27 435</b>	<b>21 437</b>	<b>16 016</b>	<b>21 919</b>	<b>27 936</b>	<b>35 878</b>	<b>47 377</b>
<b>Balances</b>												
(Net earnings)												
Monetary financial institutions (banks)	<b>LTME</b>	-970	370	4 115	504	-1 340	-199	3 456	3 163	2 962	2 314	2 596
Insurance companies	<b>LTMF</b>	389	462	-540	1 484	318	1 745	449	1 428	1 713	2 143	1 016
Other financial intermediaries	<b>LTMG</b>	1 537	1 935	2 437	1 505	742	1 059	1 066	2 090	2 419	3 200	40
Private non-financial corporations	<b>LTMH</b>	10 899	11 694	15 223	12 539	17 766	22 537	30 286	26 218	29 126	35 488	39 105
Public corporations	<b>HDMG</b>	9	12	14	17	17	40	54	87	54	153	52
Households	<b>HHLI</b>	90	81	85	92	104	122	146	188	232	270	316
<b>Total</b>	<b>HJYE</b>	<b>11 954</b>	<b>14 554</b>	<b>21 334</b>	<b>16 141</b>	<b>17 607</b>	<b>25 304</b>	<b>35 457</b>	<b>33 174</b>	<b>36 506</b>	<b>43 568</b>	<b>43 125</b>

1 The household sector includes non-profit institutions serving households.

## 4.5 Earnings on portfolio investment

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>												
(Earnings of UK residents on portfolio investment abroad)												
Earnings on equity securities (shares) by:												
Monetary financial Institutions (banks)	<b>HHRX</b>	414	411	521	609	865	1 261	1 473	2 299	2 676	3 410	4 132
Central Government	<b>LOEN</b>	—	—	—	—	—	—	—	—	—	6	7
Insurance companies and pension funds												
Insurance companies	<b>CGOM</b>	1 490	1 511	1 715	1 939	2 237	2 289	2 455	2 075	2 191	2 430	2 797
Pension funds <sup>1</sup>	<b>HPDL</b>	1 544	1 388	2 023	2 132	1 861	1 543	1 598	1 456	1 827	2 428	2 827
Total insurance companies and pension funds	<b>CGOX</b>	3 034	2 899	3 738	4 071	4 098	3 832	4 053	3 531	4 018	4 858	5 624
Other financial intermediaries	<b>CGOY</b>	1 173	1 952	1 610	2 914	4 677	4 465	4 690	4 275	4 202	4 414	4 788
Private non-financial corporations	<b>EGMS</b>	5	8	9	10	41	124	127	110	126	135	166
Household sector <sup>2</sup>	<b>HEOG</b>	142	179	183	169	191	179	187	170	198	342	561
Total earnings on equity securities	<b>HCPL</b>	4 768	5 449	6 061	7 773	9 872	9 861	10 530	10 385	11 220	13 165	15 278
Earnings on debt securities												
Earnings on bonds and notes by:												
Monetary financial institutions												
Banks	<b>HHRX</b>	10 283	11 934	13 369	11 153	15 538	16 066	15 259	15 036	17 161	20 952	24 921
Building societies	<b>GJXE</b>	119	103	134	176	292	333	337	276	282	325	426
Total monetary financial institutions	<b>HPCQ</b>	10 402	12 037	13 503	11 329	15 830	16 399	15 596	15 312	17 443	21 277	25 347
Insurance companies and pension funds												
Insurance companies	<b>CGON</b>	718	770	1 122	1 075	1 121	1 370	1 718	1 998	1 770	2 161	2 115
Pension funds <sup>1</sup>	<b>HPDM</b>	361	317	415	509	517	565	621	703	866	931	1 086
Total insurance companies and pension funds	<b>CGOZ</b>	1 079	1 087	1 537	1 584	1 638	1 935	2 339	2 701	2 636	3 092	3 201
Other financial intermediaries	<b>CGPA</b>	2 679	3 759	3 759	2 807	2 762	3 468	2 071	2 206	2 808	4 886	7 073
Private non-financial corporations	<b>EGNF</b>	156	218	61	54	43	108	111	117	210	206	170
Household sector <sup>2</sup>	<b>HEOH</b>	396	336	312	266	286	260	240	255	238	269	278
Total earnings on bonds and notes	<b>HCPK</b>	14 712	17 437	19 172	16 040	20 559	22 170	20 357	20 591	23 335	29 730	36 069
Earnings on money market instruments by:												
Monetary financial institutions (banks)	<b>HBMX</b>	543	700	3 933	1 908	2 292	2 569	1 233	984	1 451	1 665	1 937
Central government	<b>LSPA</b>	—	—	—	—	—	18	26	19	9	2	—
Other financial intermediaries	<b>NHQV</b>	70	113	49	73	131	118	130	205	249	281	417
Private non-financial corporations	<b>HGBX</b>	154	127	83	74	119	146	208	366	445	529	778
Total earnings on money market instruments	<b>HCHG</b>	767	940	4 065	2 055	2 542	2 851	1 597	1 574	2 154	2 477	3 132
Total earnings on debt securities	<b>HLYW</b>	15 479	18 377	23 237	18 095	23 101	25 021	21 954	22 165	25 489	32 207	39 201
<b>Total</b>	<b>HLXX</b>	<b>20 247</b>	<b>23 826</b>	<b>29 298</b>	<b>25 868</b>	<b>32 973</b>	<b>34 882</b>	<b>32 484</b>	<b>32 550</b>	<b>36 709</b>	<b>45 372</b>	<b>54 479</b>

1 The pension funds data only covers self-administered funds, see glossary.

2 The household sector includes non-profit institutions serving households.

# 4.5 Earnings on portfolio investment

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Debits</b>												
(Foreign earnings on portfolio investment in the UK)												
Earnings on equity securities (shares) issued by:												
Monetary financial institutions (banks and building societies)	<b>HBQJ</b>	441	516	305	296	115	131	109	112	114	145	171
Other sectors <sup>1</sup>	<b>HBQK</b>	6 918	8 085	9 625	13 246	9 784	13 058	13 945	13 562	13 888	17 559	20 904
Total foreign earnings on UK equity securities	<b>ZMRB</b>	7 359	8 601	9 930	13 542	9 899	13 189	14 054	13 674	14 002	17 704	21 075
Earnings on debt securities												
Earnings on bonds and notes												
Issues by central government												
UK foreign currency bonds and notes	<b>ZMRA</b>	817	667	339	311	339	265	128	20	37	38	37
Earnings on British government stocks by:												
Foreign central banks (exchange reserves)	<b>HESK</b>	1 339	1 237	1 392	1 244	1 318	1 182	1 133	1 064	1 124	1 202	1 320
Other foreign residents	<b>HCEV</b>	3 232	3 779	4 014	3 418	2 918	2 743	2 562	3 019	3 539	4 672	5 498
Total foreign earnings on British government stocks	<b>HENI</b>	4 571	5 016	5 406	4 662	4 236	3 925	3 695	4 083	4 663	5 874	6 818
Total issues by central government	<b>HBQU</b>	5 388	5 683	5 745	4 973	4 575	4 190	3 823	4 103	4 700	5 912	6 855
Local authorities' bonds	<b>HHGH</b>	—	—	—	—	—	—	—	—	—	—	—
Public corporations' bonds	<b>HESY</b>	—	—	—	—	—	—	—	—	—	—	—
Issues by monetary financial institutions (banks and building societies)												
Bonds	<b>HGUV</b>	1 451	1 577	1 540	1 620	1 976	1 897	1 945	2 101	2 696	3 275	3 892
European medium term notes and other medium-term paper:												
Issued by UK banks	<b>HCEY</b>	897	1 025	1 071	1 035	1 138	1 350	1 418	1 788	2 587	3 417	4 409
Issued by UK building societies	<b>HCFB</b>	234	163	80	54	109	100	86	53	75	103	113
Total medium-term paper	<b>HGMM</b>	1 131	1 188	1 151	1 089	1 247	1 450	1 504	1 841	2 662	3 520	4 522
Total issues by monetary financial institutions	<b>HBOT</b>	2 582	2 765	2 691	2 709	3 223	3 347	3 449	3 942	5 358	6 795	8 414
Issues by other sectors <sup>1</sup>	<b>HGUV</b>	4 517	4 907	4 793	5 042	6 151	5 909	6 054	6 538	8 393	10 202	12 112
Total foreign earnings on UK bonds and notes	<b>HLZA</b>	12 487	13 355	13 229	12 724	13 949	13 446	13 326	14 583	18 451	22 909	27 381
Earnings on money market instruments												
Earnings on treasury bills (issued by central government)												
Sterling treasury bills	<b>XAMR</b>	64	29	49	38	3	13	20	24	126	144	151
Euro treasury bills	<b>HHNV</b>	85	67	18	3	—	—	—	—	—	—	—
Total earnings on treasury bills	<b>HHZU</b>	149	96	67	41	3	13	20	24	126	144	151
Earnings on certificates of deposit (Issued by monetary financial institutions)												
Issued by UK banks	<b>HCEB</b>	2 612	3 199	4 371	3 075	4 910	6 049	3 473	2 324	2 437	3 855	5 245
Issued by UK building societies	<b>HGUY</b>	37	26	19	21	35	20	17	40	70	60	66
Total earnings on certificates of deposit	<b>HCEE</b>	2 649	3 225	4 390	3 096	4 945	6 069	3 490	2 364	2 507	3 915	5 311
Earnings on commercial paper												
Issued by monetary financial institutions												
Issued by UK banks	<b>HCEC</b>	275	447	928	586	803	813	572	570	755	1 246	1 684
Issued by UK building societies	<b>HHBC</b>	205	140	51	100	161	110	36	42	86	197	370
Total earnings on mfi issued commercial paper	<b>HCEF</b>	480	587	979	686	964	923	608	612	841	1 443	2 054
Issued by other sectors <sup>1</sup>	<b>HHZT</b>	640	674	858	986	1 250	835	558	347	454	832	1 041
Total earnings on commercial paper	<b>HHBO</b>	1 120	1 261	1 837	1 672	2 214	1 758	1 166	959	1 295	2 275	3 095
Total foreign earnings on UK Money Market Instruments	<b>HLYZ</b>	3 918	4 582	6 294	4 809	7 162	7 840	4 676	3 347	3 928	6 334	8 557
Total foreign earnings on UK debt securities	<b>HLZB</b>	16 405	17 937	19 523	17 533	21 111	21 286	18 002	17 930	22 379	29 243	35 938
<b>Total</b>	<b>HLZC</b>	<b>23 764</b>	<b>26 538</b>	<b>29 453</b>	<b>31 075</b>	<b>31 010</b>	<b>34 475</b>	<b>32 056</b>	<b>31 604</b>	<b>36 381</b>	<b>46 947</b>	<b>57 013</b>

<sup>1</sup> These series relate to non-governmental sectors other than monetary financial institutions.

## 4.5 Earnings on portfolio investment

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Balances</b>												
(net earnings)												
Earnings on equity securities (shares)	<b>HLZO</b>	-2 591	-3 152	-3 869	-5 769	-27	-3 328	-3 524	-3 289	-2 782	-4 539	-5 797
Earnings on debt securities												
Earnings on bonds and notes	<b>HLZO</b>	2 225	4 082	5 943	3 316	6 610	8 724	7 031	6 008	4 884	6 821	8 688
Earnings on money market instruments	<b>HLZR</b>	-3 151	-3 642	-2 229	-2 754	-4 620	-4 989	-3 079	-1 773	-1 774	-3 857	-5 425
Total foreign earnings on UK debt securities	<b>HLZP</b>	-926	440	3 714	562	1 990	3 735	3 952	4 235	3 110	2 964	3 263
<b>Total</b>	<b>HLZX</b>	<b>-3 517</b>	<b>-2 712</b>	<b>-155</b>	<b>-5 207</b>	<b>1 963</b>	<b>407</b>	<b>428</b>	<b>946</b>	<b>328</b>	<b>-1 575</b>	<b>-2 534</b>

1 These series relate to non-governmental sectors other than monetary financial institutions.

## 4.6 Earnings on portfolio investment

### Sector analysis

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>												
(Earnings of UK residents on portfolio investment abroad)												
Earnings from portfolio investment abroad by UK:												
Monetary financial institutions												
Banks	<b>AINB</b>	11 240	13 045	17 823	13 670	18 695	19 896	17 965	18 319	21 288	26 027	30 990
Building societies	<b>GJXE</b>	119	103	134	176	292	333	337	276	282	325	426
Total monetary financial institutions	<b>AIND</b>	11 359	13 148	17 957	13 846	18 987	20 229	18 302	18 595	21 570	26 352	31 416
Central government	<b>LOEO</b>	—	—	—	—	—	18	26	19	9	8	7
Insurance companies and pension funds	<b>AINE</b>	4 113	3 986	5 275	5 655	5 736	5 767	6 392	6 232	6 654	7 950	8 825
Other financial intermediaries	<b>AINF</b>	3 922	5 824	5 418	5 794	7 570	8 051	6 891	6 686	7 259	9 581	12 278
Private non-financial corporations	<b>AINI</b>	315	353	153	138	203	378	446	593	781	870	1 114
Household sector <sup>1</sup>	<b>AINK</b>	538	515	495	435	477	439	427	425	436	611	839
<b>Total</b>	<b>HLYX</b>	<b>20 247</b>	<b>23 826</b>	<b>29 298</b>	<b>25 868</b>	<b>32 973</b>	<b>34 882</b>	<b>32 484</b>	<b>32 550</b>	<b>36 709</b>	<b>45 372</b>	<b>54 479</b>
<b>Debits</b>												
(Foreign earnings on portfolio investment in the UK)												
Foreign earnings from portfolio investment in UK:												
Monetary financial institutions (banks and building societies)	<b>HBXI</b>	6 152	7 093	8 365	6 787	9 247	10 470	7 656	7 030	8 820	12 298	15 950
Central government	<b>HBXM</b>	5 537	5 779	5 812	5 014	4 578	4 203	3 843	4 127	4 826	6 056	7 006
Local authorities	<b>HHGH</b>	—	—	—	—	—	—	—	—	—	—	—
Public corporations	<b>HESY</b>	—	—	—	—	—	—	—	—	—	—	—
Other sectors	<b>HBXR</b>	12 075	13 666	15 276	19 274	17 185	19 802	20 557	20 447	22 735	28 593	34 057
<b>Total</b>	<b>HLZC</b>	<b>23 764</b>	<b>26 538</b>	<b>29 453</b>	<b>31 075</b>	<b>31 010</b>	<b>34 475</b>	<b>32 056</b>	<b>31 604</b>	<b>36 381</b>	<b>46 947</b>	<b>57 013</b>
<b>Balances</b>												
(Net earnings)												
Monetary financial institutions	<b>LTMJ</b>	5 207	6 055	9 592	7 059	9 740	9 759	10 646	11 565	12 750	14 054	15 466
Central government	<b>ZPOF</b>	-5 537	-5 779	-5 812	-5 014	-4 578	-4 185	-3 817	-4 108	-4 817	-6 048	-6 999
Local authorities	<b>-HHGH</b>	—	—	—	—	—	—	—	—	—	—	—
Public corporations	<b>-HESY</b>	—	—	—	—	—	—	—	—	—	—	—
Other sectors	<b>LTMJ</b>	-3 187	-2 988	-3 935	-7 252	-3 199	-5 167	-6 401	-6 511	-7 605	-9 581	-11 001
<b>Total</b>	<b>HLZX</b>	<b>-3 517</b>	<b>-2 712</b>	<b>-155</b>	<b>-5 207</b>	<b>1 963</b>	<b>407</b>	<b>428</b>	<b>946</b>	<b>328</b>	<b>-1 575</b>	<b>-2 534</b>

<sup>1</sup> The household sector includes non-profit institutions serving households.

## 4.7 Earnings on other investment

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>												
(Earnings of UK residents on other investment abroad)												
Earnings on trade credit												
Central government	<b>XBGJ</b>	—	—	—	—	—	—	—	—	—	—	—
Other sectors <sup>1</sup>	<b>HGQD</b>	138	157	177	—	—	—	—	—	—	—	—
Total earnings on trade credit	<b>AIOM</b>	138	157	177	—	—	—	—	—	—	—	—
Earnings on loans												
Long-term												
Bank loans under ECGD guarantee	<b>AINM</b>	708	721	664	594	508	378	235	205	198	235	258
Inter-government loans by the UK	<b>XBGI</b>	10	8	9	4	4	4	3	4	2	2	2
Loans by Commonwealth Development Corporation (public corporations)	<b>HGEN</b>	102	110	123	115	101	74	74	74	74	74	74
Loans by the Export Credit Guarantee Department	<b>CY95</b>	..	234	273	197	246	324	243	228	674	1 213	419
Loans by specialist leasing companies <sup>1</sup>	<b>HBXC</b>	—	—	—	—	—	—	—	—	—	—	—
Total long-term loans	<b>AI00</b>	820	1 073	1 069	910	859	780	555	511	948	1 524	753
Short-term loans	<b>VTUN</b>	66	68	54	37	36	36	36	36	36	36	36
Total earnings on loans	<b>CGKJ</b>	886	1 141	1 123	947	895	816	591	547	984	1 560	789
Earnings on deposits												
By UK monetary financial institutions (banks)												
Sterling deposits	<b>CGEJ</b>	3 995	5 518	6 842	6 842	7 639	7 249	5 761	6 203	8 160	9 104	11 754
Foreign currency deposits	<b>HCAT</b>	31 231	28 606	29 205	29 164	39 118	40 487	26 412	23 921	22 887	38 388	64 132
Total deposits by UK banks	<b>CGGT</b>	35 226	34 124	36 047	36 006	46 757	47 736	32 173	30 124	31 047	47 492	75 886
Deposits by securities dealers	<b>HGTD</b>	1 272	1 080	789	854	1 376	2 908	1 733	1 762	1 904	3 338	5 186
Deposits by other UK residents <sup>1</sup>	<b>CGJK</b>	3 202	3 927	4 425	3 584	5 538	5 315	3 906	3 709	4 910	8 313	12 461
Total earnings on deposits abroad	<b>CGJQ</b>	39 700	39 131	41 261	40 444	53 671	55 959	37 812	35 595	37 861	59 143	93 533
Earnings on other assets												
(Non-governmental sectors other than monetary financial institutions)												
Trusts and annuities	<b>HHLF</b>	315	338	352	388	548	489	325	305	329	333	348
Miscellaneous central government receipts	<b>HPPK</b>	—	—	126	—	—	—	—	—	—	—	—
Total earnings on other assets	<b>CGKM</b>	315	338	478	388	548	489	325	305	329	333	348
<b>Total</b>	<b>AIOP</b>	<b>41 039</b>	<b>40 767</b>	<b>43 039</b>	<b>41 779</b>	<b>55 114</b>	<b>57 264</b>	<b>38 728</b>	<b>36 447</b>	<b>39 174</b>	<b>61 036</b>	<b>94 670</b>

<sup>1</sup> These series relate to non-governmental sectors other than monetary financial institutions (and securities dealers).

# 4.7 Earnings on other investment

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Debits</b>												
(Foreign earnings on other investment in the UK)												
Earnings on trade credit												
Public corporations	<b>XBGW</b>	—	—	—	—	—	—	—	—	—	—	—
Other sectors <sup>1</sup>	<b>HHLW</b>	152	143	140	—	—	—	—	—	—	—	—
Total earnings on trade credit	<b>CGMA</b>	152	143	140	—	—	—	—	—	—	—	—
Earnings on loans <sup>2</sup>												
Loans to:												
Central government	<b>CGLF</b>	20	18	14	13	14	77	71	54	48	42	52
Local authorities	<b>CGLG</b>	30	21	16	12	7	4	2	—	—	—	—
Public corporations	<b>CGLH</b>	34	28	20	—	—	—	—	—	—	—	—
Securities dealers	<b>CGLI</b>	3 354	5 293	5 120	4 762	7 502	9 525	6 722	6 853	6 557	9 613	13 061
Other <sup>1</sup>	<b>CGMD</b>	4 477	5 428	5 546	6 285	7 880	8 605	8 271	6 528	8 256	12 552	19 458
Total earnings on loans	<b>CGNO</b>	7 915	10 788	10 716	11 072	15 403	18 211	15 066	13 435	14 861	22 207	32 571
Earnings on deposits <sup>2</sup>												
(Monetary financial institutions)												
Deposits with UK banks												
Sterling deposits	<b>HCEG</b>	6 118	6 492	8 044	7 566	9 437	9 100	7 095	6 898	9 834	11 621	13 864
Foreign currency deposits	<b>HCEH</b>	34 931	31 837	32 653	32 644	45 101	43 508	28 477	25 016	24 173	42 139	68 942
Total deposits with UK banks	<b>HCEQ</b>	41 049	38 329	40 697	40 210	54 538	52 608	35 572	31 914	34 007	53 760	82 806
Deposits with UK building societies	<b>HHLS</b>	430	355	267	224	310	229	184	179	223	280	319
Total earnings on deposits	<b>HMAS</b>	41 479	38 684	40 964	40 434	54 848	52 837	35 756	32 093	34 230	54 040	83 125
Earnings on other liabilities												
(Non-governmental sectors other than monetary financial institutions)												
Imputed income to foreign households from UK insurance companies technical reserves	<b>HBWS</b>	1 018	1 135	1 200	1 299	1 028	1 290	1 235	1 243	1 097	1 097	924
Other liabilities	<b>CGME</b>	—	—	—	—	—	—	—	—	—	—	—
Total earnings on other liabilities	<b>CGMH</b>	1 018	1 135	1 200	1 299	1 028	1 290	1 235	1 243	1 097	1 097	924
<b>Total</b>	<b>HLZN</b>	<b>50 564</b>	<b>50 750</b>	<b>53 020</b>	<b>52 805</b>	<b>71 279</b>	<b>72 338</b>	<b>52 057</b>	<b>46 771</b>	<b>50 188</b>	<b>77 344</b>	<b>116 620</b>
<b>Balances</b>												
(Net earnings)												
Trade credit	<b>LTMK</b>	—14	14	37	—	—	—	—	—	—	—	—
Loans	<b>LTML</b>	—7 029	—9 647	—9 593	—10 125	—14 508	—17 395	—14 475	—12 888	—13 877	—20 647	—31 782
Currency and deposits	<b>LTMM</b>	—1 779	447	297	10	—1 177	3 122	2 056	3 502	3 631	5 103	10 408
Other investment	<b>LTMN</b>	—703	—797	—722	—911	—480	—801	—910	—938	—768	—764	—576
<b>Total</b>	<b>CGNA</b>	<b>—9 525</b>	<b>—9 983</b>	<b>—9 981</b>	<b>—11 026</b>	<b>—16 165</b>	<b>—15 074</b>	<b>—13 329</b>	<b>—10 324</b>	<b>—11 014</b>	<b>—16 308</b>	<b>—21 950</b>

1 These series relate to non-governmental sectors other than monetary financial institutions.

2 It is not possible to separate out earnings on foreign loans to UK banks from earnings on foreign deposits with UK banks. Earnings on such loans are therefore included indistinguishably within earnings on deposits.

## 4.8 Earnings on other investment Sector analysis

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>												
(Earnings of UK residents on other investment abroad)												
Earnings from other investment by UK:												
Monetary financial institutions (banks)	<b>CGMM</b>	35 938	34 850	36 714	36 600	47 265	48 114	32 408	30 329	31 245	47 727	76 144
Central government	<b>CGMN</b>	10	8	135	4	4	4	3	4	2	2	2
Public corporations	<b>ZPOP</b>	102	344	396	312	347	398	317	302	748	1 287	493
Other sectors	<b>CGMR</b>	4 989	5 565	5 794	4 863	7 498	8 748	6 000	5 812	7 179	12 020	18 031
<b>Total</b>	<b>AIOP</b>	<b>41 039</b>	<b>40 767</b>	<b>43 039</b>	<b>41 779</b>	<b>55 114</b>	<b>57 264</b>	<b>38 728</b>	<b>36 447</b>	<b>39 174</b>	<b>61 036</b>	<b>94 670</b>
<b>Debits</b>												
(Foreign earnings on other investment in the UK)												
Foreign earnings from other investment in UK:												
Monetary financial institutions												
Banks	<b>HCEQ</b>	41 049	38 329	40 697	40 210	54 538	52 608	35 572	31 914	34 007	53 760	82 806
Building societies	<b>HHLS</b>	430	355	267	224	310	229	184	179	223	280	319
Total monetary financial institutions	<b>HMAS</b>	41 479	38 684	40 964	40 434	54 848	52 837	35 756	32 093	34 230	54 040	83 125
Central government	<b>CGLF</b>	20	18	14	13	14	77	71	54	48	42	52
Local authorities	<b>CGLG</b>	30	21	16	12	7	4	2	—	—	—	—
Public corporations	<b>CGMV</b>	34	28	20	—	—	—	—	—	—	—	—
Other sectors	<b>CGMZ</b>	9 001	11 999	12 006	12 346	16 410	19 420	16 228	14 624	15 910	23 262	33 443
<b>Total</b>	<b>HLZN</b>	<b>50 564</b>	<b>50 750</b>	<b>53 020</b>	<b>52 805</b>	<b>71 279</b>	<b>72 338</b>	<b>52 057</b>	<b>46 771</b>	<b>50 188</b>	<b>77 344</b>	<b>116 620</b>
<b>Balances</b>												
(Net earnings)												
Monetary financial institutions	<b>LTMQ</b>	-5 541	-3 834	-4 250	-3 834	-7 583	-4 723	-3 348	-1 764	-2 985	-6 313	-6 981
Central government	<b>LTMP</b>	-10	-10	121	-9	-10	-73	-68	-50	-46	-40	-50
Local authorities	<b>-CGLG</b>	-30	-21	-16	-12	-7	-4	-2	—	—	—	—
Public corporations	<b>LTMQ</b>	68	316	376	312	347	398	317	302	748	1 287	493
Other sectors	<b>LTMR</b>	-4 012	-6 434	-6 212	-7 483	-8 912	-10 672	-10 228	-8 812	-8 731	-11 242	-15 412
<b>Total</b>	<b>CGNA</b>	<b>-9 525</b>	<b>-9 983</b>	<b>-9 981</b>	<b>-11 026</b>	<b>-16 165</b>	<b>-15 074</b>	<b>-13 329</b>	<b>-10 324</b>	<b>-11 014</b>	<b>-16 308</b>	<b>-21 950</b>



# Chapter 5

## Current transfers

# 5.1 Current transfers

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>												
Central government												
Current taxes on income, wealth etc.	<b>FJKI</b>	376	402	354	337	357	398	527	375	374	544	625
Other taxes on production	<b>FJKH</b>	—	—	—	—	—	—	—	—	—	—	—
Other subsidies on production	<b>FJBC</b>	—	—	—	—	—	—	—	—	—	—	—
Social contributions	<b>FJBH</b>	28	32	29	29	24	25	24	23	22	22	26
Social benefits	<b>FJBL</b>	—	—	—	—	—	—	—	—	—	—	—
EU Institutions:												
(a) Abatement	<b>FKKL</b>	2 411	1 733	1 377	3 171	2 084	4 560	3 099	3 560	3 592	3 655	3 570
(b) Other EU receipts	<b>FKIJ</b>	13	6	7	5	—	8	13	10	12	13	24
Miscellaneous receipts <sup>1</sup>	<b>FKIK</b>	—	—	—	—	—	—	—	—	—	—	—
Total central government	<b>FJUM</b>	2 828	2 173	1 767	3 542	2 465	4 991	3 663	3 968	4 000	4 234	4 245
Other sectors												
Current taxes on income, wealth etc.	<b>FJBJ</b>	—	—	—	—	—	—	—	—	—	—	—
Other taxes on production	<b>FJGC</b>	—	—	—	—	—	—	—	—	—	—	—
Other subsidies on production	<b>FJBA</b>	—	—	—	—	—	—	—	—	—	—	—
Social contributions	<b>FJAB</b>	80	75	70	60	31	34	53	21	13	—8	28
EU Institutions:												
(a) Agricultural Guarantee Fund	<b>EBGL</b>	3 931	3 063	2 935	2 781	2 571	2 336	2 381	2 691	2 909	3 272	3 275
(b) Social Fund	<b>HDIZ</b>	804	615	783	434	659	370	412	427	433	900	1 305
(c) ECSC Grant	<b>FJKP</b>	29	5	1	—	—	1	—	—	2	—	—
Net non-life insurance premiums <sup>2</sup>	<b>NOQP</b>	9 763	4 423	4 168	3 663	2 144	3 998	3 009	2 364	2 846	6 126	4 537
Non-life insurance claims <sup>3</sup>	<b>FJFA</b>	5	5	7	10	18	25	19	19	47	16	27
Other receipts of households <sup>4</sup>	<b>FKIL</b>	2 589	2 712	2 633	2 730	2 653	2 689	2 698	2 713	2 667	2 715	2 748
Total other sectors	<b>FJUN</b>	17 201	10 898	10 597	9 678	8 076	9 453	8 572	8 235	8 917	13 021	11 920
<b>Total</b>	<b>KTND</b>	<b>20 029</b>	<b>13 071</b>	<b>12 364</b>	<b>13 220</b>	<b>10 541</b>	<b>14 444</b>	<b>12 235</b>	<b>12 203</b>	<b>12 917</b>	<b>17 255</b>	<b>16 165</b>
Of which: Receipts from EU institutions	<b>FKIM</b>	7 188	5 422	5 103	6 391	5 314	7 275	5 905	6 688	6 948	7 840	8 174

1 Includes contributions by other countries towards the UK's cost of the 1991 Gulf conflict.

2 Premiums paid to UK insurance companies.

3 Claims paid to UK residents by foreign insurance companies.

4 Includes estimates for workers' remittances and for non-profit institutions serving households.

# 5.1

## Current transfers

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Debits</b>												
Central government												
Current taxes on income, wealth etc.	<b>FJKK</b>	—	—	—	—	—	—	—	—	—	—	—
Other taxes on production	<b>FJKN</b>	—	—	—	—	—	—	—	—	—	—	—
Other subsidies on production	<b>FJCE</b>	—	—	—	—	—	—	—	—	—	—	—
Social contributions	<b>FJCH</b>	—	—	—	—	—	—	—	—	—	—	—
Social security benefits	<b>FJCK</b>	1 029	1 102	1 162	1 183	1 218	1 292	1 388	1 452	1 575	1 631	1 724
Contributions to international organisations												
EU Institutions:												
(a) GNP: 4th Resource	<b>HCSO</b>	2 488	2 655	3 516	4 403	4 243	3 859	5 259	6 622	7 565	8 597	8 358
(b) GNP adjustments	<b>HCSM</b>	—34	—197	404	229	136	—1	76	150	—16	135	163
(c) Inter governmental agreements	<b>HCBW</b>	—	—	—	—	—	—	—	—	—	—	—
(d) Other	<b>FKIN</b>	8	31	—1	11	6	24	10	18	—3	106	8
Other organisations:												
(a) Military	<b>HDKF</b>	112	168	139	118	157	195	192	152	169	182	214
(b) Multilateral economic assistance	<b>HCHJ</b>	273	268	314	245	503	434	539	367	546	488	702
(c) Other	<b>HCKL</b>	633	429	402	479	691	647	459	488	557	567	560
Bilateral aid:												
(a) Non-project grants	<b>FJKT</b>	214	131	142	133	175	185	206	268	303	572	627
(b) Technical cooperation	<b>FJKU</b>	543	644	692	651	859	904	1 038	1 320	1 478	1 224	1 337
Military grants	<b>HDJO</b>	31	29	17	30	27	45	129	107	130	161	135
Total central government	<b>FJUO</b>	5 297	5 260	6 787	7 482	8 015	7 584	9 296	10 944	12 304	13 663	13 828
Other sectors												
Current taxes on income, wealth etc.	<b>FJCI</b>	610	638	454	682	775	523	644	444	615	584	493
Other taxes on production	<b>FJLB</b>	—	—	—	—	—	—	—	—	—	—	—
Other subsidies on production	<b>FJCC</b>	—	—	—	—	—	—	—	—	—	—	—
Social contributions	<b>FJBG</b>	—	—	—	—	—	—	—	—	—	—	—
Social benefits	<b>FJCM</b>	80	75	70	60	31	34	53	21	13	—8	28
EU Institutions:												
(a) Customs duties and agricultural levies	<b>QYRD</b>	2 318	2 291	2 076	2 024	2 086	2 069	1 919	1 937	2 145	2 237	2 329
(b) Sugar levies	<b>GTBA</b>	26	91	42	46	44	31	25	18	25	24	—
(c) VAT based contributions	<b>HCML</b>	4 441	3 646	3 758	3 920	4 104	3 624	2 720	2 775	1 764	1 980	2 165
(d) VAT adjustments	<b>FSVL</b>	30	—249	470	—109	100	—49	88	—35	25	19	2
(e) ECSC Production levy	<b>GTBB</b>	—	—	—	—	—	—	—	—	—	—	—
Net non-life insurance premiums <sup>1</sup>	<b>FJDB</b>	5	5	7	10	18	25	19	19	47	16	27
Non-life insurance claims <sup>2</sup>	<b>NQOR</b>	9 763	4 423	4 168	3 663	2 144	3 998	3 009	2 364	2 846	6 126	4 537
Other payments by households <sup>3</sup>	<b>FKIQ</b>	2 214	2 809	2 906	2 975	3 236	3 364	3 543	3 838	4 082	4 622	4 655
Total other sectors	<b>FJUP</b>	19 487	13 729	13 951	13 271	12 538	13 619	12 020	11 381	11 562	15 600	14 236
<b>Total</b>	<b>KTNE</b>	<b>24 784</b>	<b>18 989</b>	<b>20 738</b>	<b>20 753</b>	<b>20 553</b>	<b>21 203</b>	<b>21 316</b>	<b>22 325</b>	<b>23 866</b>	<b>29 263</b>	<b>28 064</b>
Of which: Payments to EU institutions	<b>FKIR</b>	9 277	8 268	10 265	10 524	10 719	9 557	10 097	11 485	11 505	13 098	13 025

1 Premiums paid by UK residents to foreign insurance companies.

2 Claims paid by UK insurance companies to non-residents.

3 Includes estimates for workers' remittances and for non-profit institutions serving households.

# 5.1


## Current transfers

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Balances</b>												
Central government												
Current taxes on income, wealth etc.	<b>FJKJ</b>	376	402	354	337	357	398	527	375	374	544	625
Other taxes on production	<b>FJIZ</b>	—	—	—	—	—	—	—	—	—	—	—
Other subsidies on production	<b>FJBD</b>	—	—	—	—	—	—	—	—	—	—	—
Social contributions	<b>FJBI</b>	28	32	29	29	24	25	24	23	22	22	26
Social benefits	<b>FJBM</b>	-1 029	-1 102	-1 162	-1 183	-1 218	-1 292	-1 388	-1 452	-1 575	-1 631	-1 724
Other current transfers <sup>1</sup>	<b>FJKW</b>	-1 844	-2 419	-4 241	-3 123	-4 713	-1 724	-4 796	-5 922	-7 125	-8 364	-8 510
Total central government	<b>FJUQ</b>	-2 469	-3 087	-5 020	-3 940	-5 550	-2 593	-5 633	-6 976	-8 304	-9 429	-9 583
Other sectors												
Current taxes on income, wealth etc.	<b>FJHU</b>	-610	-638	-454	-682	-775	-523	-644	-444	-615	-584	-493
Other taxes on production	<b>FJHT</b>	—	—	—	—	—	—	—	—	—	—	—
Other subsidies on production	<b>FJHV</b>	—	—	—	—	—	—	—	—	—	—	—
Social contributions	<b>FJHJ</b>	80	75	70	60	31	34	53	21	13	-8	28
Social benefits	<b>FJJG</b>	724	540	713	374	628	336	359	406	420	908	1 277
Other current transfers <sup>1</sup>	<b>FJLT</b>	-2 480	-2 808	-3 683	-3 345	-4 346	-4 013	-3 216	-3 129	-2 463	-2 895	-3 128
Total other sectors	<b>FJUR</b>	-2 286	-2 831	-3 354	-3 593	-4 462	-4 166	-3 448	-3 146	-2 645	-2 579	-2 316
<b>Total</b>	<b>KTNF</b>	<b>-4 755</b>	<b>-5 918</b>	<b>-8 374</b>	<b>-7 533</b>	<b>-10 012</b>	<b>-6 759</b>	<b>-9 081</b>	<b>-10 122</b>	<b>-10 949</b>	<b>-12 008</b>	<b>-11 899</b>
Of which: EU institutions	<b>FKIS</b>	-2 089	-2 846	-5 162	-4 133	-5 405	-2 282	-4 192	-4 797	-4 557	-5 258	-4 851

<sup>1</sup> Includes an estimate for workers' remittances.

An aerial, top-down view of a large, crowded public space, possibly a train station or a busy plaza. The floor is made of light-colored square tiles. Numerous people are seen walking in various directions, some carrying bags or backpacks. The entire image is overlaid with a semi-transparent pink filter. The text is positioned in the upper left quadrant of the image.

# Capital account, financial account and international investment position

## Part 2



# Chapter 6

## Capital account

# 6.1 Capital account

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>												
Capital transfers												
Central government												
Debt forgiveness	<b>FJUU</b>	–	–	–	–	–	–	–	–	–	–	–
Other capital transfers	<b>FJLY</b>	–	–	–	–	–	–	–	–	–	–	–
Total central government	<b>FJMD</b>	–	–	–	–	–	–	–	–	–	–	–
Other sectors												
Migrants' transfers	<b>FJMG</b>	703	754	967	1 144	1 371	2 267	1 864	1 951	2 298	2 491	2 725
Debt forgiveness	<b>FJNC</b>	–	–	–	–	–	–	–	–	–	–	–
Other capital transfers												
EU Institutions:												
Regional development fund	<b>FKIT</b>	620	812	357	285	989	543	296	622	1 062	1 402	618
Agricultural guidance fund	<b>FJXL</b>	30	57	56	47	82	26	–	2	49	80	50
Other capital transfers	<b>EBGO</b>	524	178	43	–	–	322	–	–	–	–	–
Total EU institutions	<b>FKIV</b>	1 174	1 047	456	332	1 071	891	296	624	1 111	1 482	668
Total other sectors	<b>FJMU</b>	1 877	1 801	1 423	1 476	2 442	3 158	2 160	2 575	3 409	3 973	3 393
Total capital transfers	<b>FJMX</b>	1 877	1 801	1 423	1 476	2 442	3 158	2 160	2 575	3 409	3 973	3 393
Sales of non-produced, non-financial assets	<b>FJUX</b>	49	68	89	152	165	177	172	218	193	337	425
<b>Total</b>	<b>FKMH</b>	<b>1 926</b>	<b>1 869</b>	<b>1 512</b>	<b>1 628</b>	<b>2 607</b>	<b>3 335</b>	<b>2 332</b>	<b>2 793</b>	<b>3 602</b>	<b>4 310</b>	<b>3 818</b>
<b>Debits</b>												
Capital transfers												
Central government												
Debt forgiveness	<b>FJUV</b>	23	24	146	22	22	18	15	16	13	16	13
Other capital transfers (project grants)	<b>FJMB</b>	143	169	182	171	225	237	263	345	390	408	472
Total central government	<b>FJME</b>	166	193	328	193	247	255	278	361	403	424	485
Other sectors												
Migrants' transfers	<b>FJMH</b>	465	592	531	499	461	1 300	582	547	515	551	669
Debt forgiveness												
Monetary financial institutions <sup>1</sup>	<b>FJNF</b>	–	–	–	–	–	–	–	–	–	–	–
Public corporations <sup>2</sup>	<b>HMLY</b>	–	24	27	49	55	188	236	130	109	1 249	1 204
Total debt forgiveness	<b>IZZZ</b>	–	24	27	49	55	188	236	130	109	1 249	1 204
Other capital transfers	<b>FJMS</b>	–	–	–	–	–	–	–	–	–	–	–
Total other sectors	<b>FJMV</b>	465	616	558	548	516	1 488	818	677	624	1 800	1 873
Total capital transfers	<b>FJMY</b>	631	809	886	741	763	1 743	1 096	1 038	1 027	2 224	2 358
Purchases of non-produced, non-financial assets	<b>FJUY</b>	35	102	137	140	141	274	304	289	512	595	630
<b>Total</b>	<b>FKMI</b>	<b>666</b>	<b>911</b>	<b>1 023</b>	<b>881</b>	<b>904</b>	<b>2 017</b>	<b>1 400</b>	<b>1 327</b>	<b>1 539</b>	<b>2 819</b>	<b>2 988</b>
<b>Balances</b>												
Capital transfers												
Central government												
Debt forgiveness	<b>FJUW</b>	–23	–24	–146	–22	–22	–18	–15	–16	–13	–16	–13
Other capital transfers	<b>FJMC</b>	–143	–169	–182	–171	–225	–237	–263	–345	–390	–408	–472
Total central government	<b>FJMF</b>	–166	–193	–328	–193	–247	–255	–278	–361	–403	–424	–485
Other sectors												
Migrants' transfers	<b>FJMI</b>	238	162	436	645	910	967	1 282	1 404	1 783	1 940	2 056
Debt forgiveness	<b>FJNG</b>	–	–24	–27	–49	–55	–188	–236	–130	–109	–1 249	–1 204
Other capital transfers	<b>FJMT</b>	1 174	1 047	456	332	1 071	891	296	624	1 111	1 482	668
Total other sectors	<b>FJMW</b>	1 412	1 185	865	928	1 926	1 670	1 342	1 898	2 785	2 173	1 520
Total capital transfers	<b>FJMZ</b>	1 246	992	537	735	1 679	1 415	1 064	1 537	2 382	1 749	1 035
Non-produced, non-financial assets	<b>NHSG</b>	14	–34	–48	12	24	–97	–132	–71	–319	–258	–205
<b>Total</b>	<b>FKMJ</b>	<b>1 260</b>	<b>958</b>	<b>489</b>	<b>747</b>	<b>1 703</b>	<b>1 318</b>	<b>932</b>	<b>1 466</b>	<b>2 063</b>	<b>1 491</b>	<b>830</b>

<sup>1</sup> This series also appears in the Financial Account (see Table 7.7).

<sup>2</sup> This series also appears in the Financial Account (see Table 7.7) as series HMLW.



# Chapter 7

## Financial account

# 7.1 Financial account

## Summary table

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>UK investment abroad</b> (UK assets = net debits)												
Direct investment abroad												
Equity capital	-HJYM	6 070	20 358	47 640	101 897	147 679	16 890	26 155	20 639	18 469	15 983	16 047
Reinvested earnings	-HDNY	17 271	16 112	14 071	21 392	25 178	27 220	32 209	21 456	32 430	42 236	52 372
Other capital transactions	-HMAB	175	832	12 075	2 313	-17 275	-1 283	-23 323	-1 206	2 932	-8 220	1 077
Total direct investment abroad	-HJYP	23 516	37 302	73 786	125 602	155 582	42 827	35 041	40 889	53 831	49 999	69 496
Portfolio investment abroad												
Equity securities	-HBVI	10 361	-4 202	2 713	14 455	20 521	44 464	-3 189	19 684	56 647	64 050	19 718
Debt securities	-XBMW	49 399	56 143	29 360	6 935	45 042	42 087	4 200	16 583	84 206	96 282	179 400
Total portfolio investment abroad	-HHZC	59 760	51 941	32 073	21 390	65 563	86 551	1 011	36 267	140 853	160 332	199 118
Financial derivatives (net)	-ZPNN	-963	-1 156	3 043	-2 685	-1 553	-8 417	-1 001	5 401	7 875	-9 556	-7 449
Other investment abroad	-XBMM	136 669	169 420	14 887	59 557	276 028	174 086	97 185	255 863	325 588	505 032	393 843
Reserve assets	-LTCV	-510	-2 380	-164	-639	3 915	-3 085	-459	-1 559	196	656	-426
<b>Total</b>	<b>-HBNR</b>	<b>218 472</b>	<b>255 127</b>	<b>123 625</b>	<b>203 225</b>	<b>499 535</b>	<b>291 962</b>	<b>131 777</b>	<b>336 861</b>	<b>528 343</b>	<b>706 463</b>	<b>654 582</b>
<b>Investment in the UK</b> (UK liabilities = net credits)												
Direct investment in the UK												
Equity capital	HJYR	8 156	11 599	27 895	46 709	59 811	20 954	11 809	4 464	24 400	84 555	56 000
Reinvested earnings	CYFV	7 873	6 386	1 522	4 607	10 788	-992	3 647	7 429	9 320	10 107	23 073
Other capital transactions	HMAD	1 535	4 915	15 637	3 750	9 967	17 386	1 326	4 883	8 696	13 132	-2 182
Total direct investment in the UK	HJYU	17 564	22 900	45 054	55 066	80 566	37 348	16 782	16 776	42 416	107 794	76 891
Portfolio investment in the UK												
Equity securities	XBLW	6 073	4 793	37 785	72 127	113 593	23 065	3 164	9 738	-8 345	7 926	-5 069
Debt securities	XBLX	36 923	21 993	-16 932	41 979	50 950	25 083	47 846	85 484	95 592	122 943	160 700
Total portfolio investment in the UK	HHZF	42 996	26 786	20 853	114 106	164 543	48 148	51 010	95 222	87 247	130 869	155 631
Other investment in the UK	XBMN	160 723	196 670	67 640	55 469	267 030	223 969	71 187	245 370	404 321	508 711	454 865
<b>Total</b>	<b>HBNS</b>	<b>221 283</b>	<b>246 356</b>	<b>133 547</b>	<b>224 641</b>	<b>512 139</b>	<b>309 465</b>	<b>138 979</b>	<b>357 368</b>	<b>533 984</b>	<b>747 374</b>	<b>687 387</b>
<b>Net transactions</b> (net credits /less net debits)												
Direct investment												
Equity capital	HBWN	2 086	-8 759	-19 745	-55 188	-87 868	4 064	-14 346	-16 175	5 931	68 572	39 953
Reinvested earnings	HBWT	-9 398	-9 726	-12 549	-16 785	-14 390	-28 212	-28 562	-14 027	-23 110	-32 129	-29 299
Other capital transactions	HBWU	1 360	4 083	3 562	1 437	27 242	18 669	24 649	6 089	5 764	21 352	-3 259
Total net direct investment	HJYV	-5 952	-14 402	-28 732	-70 536	-75 016	-5 479	-18 259	-24 113	-11 415	57 795	7 395
Portfolio investment												
Equity securities	HBWV	-4 288	8 995	35 072	57 672	93 072	-21 399	6 353	-9 946	-64 992	-56 124	-24 787
Debt securities	HBWX	-12 476	-34 150	-46 292	35 044	5 908	-17 004	43 646	68 901	11 386	26 661	-18 700
Total net portfolio investment	HHZD	-16 764	-25 155	-11 220	92 716	98 980	-38 403	49 999	58 955	-53 606	-29 463	-43 487
Financial derivatives	ZPNN	963	1 156	-3 043	2 685	1 553	8 417	1 001	-5 401	-7 875	9 556	7 449
Other investment	HHYR	24 054	27 250	52 753	-4 088	-8 998	49 883	-25 998	-10 493	78 733	3 679	61 022
Reserve assets	LTCV	510	2 380	164	639	-3 915	3 085	459	1 559	-196	-656	426
<b>Total</b>	<b>HBNT</b>	<b>2 811</b>	<b>-8 771</b>	<b>9 922</b>	<b>21 416</b>	<b>12 604</b>	<b>17 503</b>	<b>7 202</b>	<b>20 507</b>	<b>5 641</b>	<b>40 911</b>	<b>32 805</b>

## 7.2 Financial account

### Summary table

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>UK investment abroad</b>												
(UK assets = net debits)												
By:												
Monetary financial institutions												
Banks	<b>-HFAM</b>	85 819	165 973	75 467	6 598	229 288	123 341	60 188	181 157	326 077	396 146	427 701
Building societies	<b>HEQN</b>	-369	2 557	1 334	949	4 382	1 476	-903	-1 786	706	-2 145	2 381
Total monetary financial institutions	<b>-HFAQ</b>	85 450	168 530	76 801	7 547	233 670	124 817	59 285	179 371	326 783	394 001	430 082
Central government	<b>-HFAN</b>	1 387	-2 263	-245	-311	4 251	-2 620	610	-2 325	511	1 455	713
Public corporations	<b>-HFAO</b>	92	91	-7	304	582	62	-164	-571	-180	-1 726	-4 345
Other sectors	<b>-HFAP</b>	131 543	88 769	47 076	195 685	261 032	169 703	72 046	160 386	201 229	312 733	228 132
<b>Total</b>	<b>-HBNR</b>	<b>218 472</b>	<b>255 127</b>	<b>123 625</b>	<b>203 225</b>	<b>499 535</b>	<b>291 962</b>	<b>131 777</b>	<b>336 861</b>	<b>528 343</b>	<b>706 463</b>	<b>654 582</b>
<b>Investment in the UK</b>												
(UK liabilities = net credits)												
In:												
Monetary financial institutions												
(banks and building societies)	<b>CGUL</b>	94 858	167 280	31 242	36 026	243 355	151 682	116 120	201 950	360 036	321 501	422 387
Central government	<b>HFAR</b>	5 301	-4 315	439	-4 434	-244	-96	-4 534	13 657	13 539	29 663	26 114
Local authorities	<b>HFAS</b>	13	-53	-87	-106	-188	22	26	204	633	134	232
Public corporations	<b>HFAT</b>	-14	-206	-5	-	-	-	-	-	-	-	-
Other sectors	<b>GGCJ</b>	121 125	83 650	101 958	193 155	269 216	157 857	27 367	141 557	159 776	396 076	238 654
<b>Total</b>	<b>HBNS</b>	<b>221 283</b>	<b>246 356</b>	<b>133 547</b>	<b>224 641</b>	<b>512 139</b>	<b>309 465</b>	<b>138 979</b>	<b>357 368</b>	<b>533 984</b>	<b>747 374</b>	<b>687 387</b>
<b>Net transactions</b>												
(net credits less net debits)												
In assets and liabilities of:												
Monetary financial institutions												
(banks and building societies)	<b>GGCK</b>	9 408	-1 250	-45 559	28 479	9 685	26 865	56 835	22 579	33 253	-72 500	-7 695
Central government	<b>HFAV</b>	3 914	-2 052	684	-4 123	-4 495	2 524	-5 144	15 982	13 028	28 208	25 401
Local authorities	<b>HFAS</b>	13	-53	-87	-106	-188	22	26	204	633	134	232
Public corporations	<b>HFAW</b>	-106	-297	2	-304	-582	-62	164	571	180	1 726	4 345
Other sectors	<b>GGCL</b>	-10 418	-5 119	54 882	-2 530	8 184	-11 846	-44 679	-18 829	-41 453	83 343	10 522
<b>Total</b>	<b>HBNT</b>	<b>2 811</b>	<b>-8 771</b>	<b>9 922</b>	<b>21 416</b>	<b>12 604</b>	<b>17 503</b>	<b>7 202</b>	<b>20 507</b>	<b>5 641</b>	<b>40 911</b>	<b>32 805</b>

# 7.3 Direct investment

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Direct investment abroad</b> (UK assets = net debits)												
Equity capital												
Claims on affiliated enterprises (net acquisition of ordinary shares)												
Purchases of ordinary shares	-HDOA	12 703	25 476	60 627	114 693	181 488	40 221	35 374	26 128	26 942	23 487	36 352
Sales of ordinary shares	-HDOC	-7 672	-4 041	-13 677	-13 620	-34 693	-25 073	-10 440	-8 479	-10 325	-8 868	-22 564
Total claims on affiliated enterprises	-HJYL	5 031	21 435	46 950	101 073	146 795	15 148	24 934	17 649	16 617	14 619	13 788
Net acquisition of property	-HHVG	1 039	-1 077	690	824	884	1 742	1 221	2 990	1 852	1 364	2 259
Total equity capital	-HJYM	6 070	20 358	47 640	101 897	147 679	16 890	26 155	20 639	18 469	15 983	16 047
Reinvested earnings	-HDNY	17 271	16 112	14 071	21 392	25 178	27 220	32 209	21 456	32 430	42 236	52 372
Other capital transactions <sup>1</sup>												
Claims on affiliated enterprises												
Debt securities issued by affiliated enterprises												
Purchases of debt securities	-HDOD	89	529	396	636	952	2 263	513	1 598	1 903	4 604	545
Sales of debt securities	-HDOE	-52	-117	-315	-578	-496	-304	-1 080	-2 312	-608	-1 743	-1 580
Other claims on affiliated enterprises												
Change in inter-company accounts	-HDOF	2 506	5 040	20 721	15 806	15 110	5 072	17 140	10 178	20 476	22 269	-10 100
Change in branch indebtedness	-HDOI	500	1 053	1 493	-483	-3 360	5 153	-610	1 783	-874	-4 132	-563
Total claims on affiliated enterprises	-HJYN	3 043	6 505	22 295	15 381	12 206	12 184	15 963	11 247	20 897	20 998	-11 698
Liabilities to affiliated enterprises												
Change in inter-company accounts	-HDOG	3 292	5 299	8 453	14 340	28 278	12 880	38 774	10 568	20 103	28 370	-12 768
Change in branch indebtedness	-HDOJ	-424	374	1 767	-1 272	1 203	587	512	1 885	-2 138	848	-7
Total liabilities to affiliated enterprises	-HJYO	2 868	5 673	10 220	13 068	29 481	13 467	39 286	12 453	17 965	29 218	-12 775
Total other capital transactions	-HMAB	175	832	12 075	2 313	-17 275	-1 283	-23 323	-1 206	2 932	-8 220	1 077
<b>Total</b>	<b>-HJYP</b>	<b>23 516</b>	<b>37 302</b>	<b>73 786</b>	<b>125 602</b>	<b>155 582</b>	<b>42 827</b>	<b>35 041</b>	<b>40 889</b>	<b>53 831</b>	<b>49 999</b>	<b>69 496</b>
<b>Direct investment in the UK</b> (UK liabilities = net credits)												
Equity capital												
Liabilities to direct investors												
Quoted ordinary shares												
Purchases of quoted ordinary shares	CYFY	6 510	7 434	24 660	40 393	16 253	3 502	5 951	1 739	15 380	68 445	48 933
Sales of quoted ordinary shares	CYFZ	-1 206	-1 293	-4 336	-10 526	-2 038	-1 185	-775	-1 200	-	-465	-42
Unquoted ordinary shares												
Purchases of unquoted ordinary shares	CYGA	3 039	5 055	7 147	20 721	48 154	20 381	11 068	4 238	10 645	19 311	13 925
Sales of unquoted ordinary shares	CYGB	-800	-447	-274	-4 692	-4 187	-2 535	-5 183	-708	-2 248	-3 333	-7 283
Total liabilities to direct investors	HJYQ	7 543	10 749	27 197	45 896	58 182	20 163	11 061	4 069	23 777	83 958	55 533
Net acquisition of property	CGLO	613	850	698	813	1 629	791	748	395	623	597	467
Total equity capital	HJYR	8 156	11 599	27 895	46 709	59 811	20 954	11 809	4 464	24 400	84 555	56 000
Reinvested earnings	CYFV	7 873	6 386	1 522	4 607	10 788	-992	3 647	7 429	9 320	10 107	23 073
Other capital transactions <sup>1</sup>												
Liabilities to direct investors												
Debt securities issued by affiliated enterprises												
Purchases of debt securities	CYGC	3	1 516	783	558	710	1 318	598	1 844	3 531	2 327	3 923
Sales of debt securities	CYGD	-	-22	-183	-567	-183	-571	-377	-484	-1 146	-231	-293
Other liabilities to direct investors												
Change in inter-company accounts	CYGH	1 915	5 571	25 700	17 253	11 338	17 420	10 756	-1 264	307	18 110	-2 958
Change in branch indebtedness	CYGL	112	629	392	-210	869	285	403	1 738	467	260	1 442
Total liabilities to direct investors	HJYT	2 030	7 694	26 692	17 034	12 734	18 452	11 380	1 834	3 159	20 466	2 114
Claims on direct investors												
Change in inter-company accounts	CYGF	423	3 575	11 199	13 266	2 495	561	9 990	-2 112	-5 324	6 451	4 285
Change in branch indebtedness	CYGK	72	-796	-144	18	272	505	64	-937	-213	883	11
Total claims on direct investors	HJYS	495	2 779	11 055	13 284	2 767	1 066	10 054	-3 049	-5 537	7 334	4 296
Total other capital transactions	HMAD	1 535	4 915	15 637	3 750	9 967	17 386	1 326	4 883	8 696	13 132	-2 182
<b>Total</b>	<b>HJYU</b>	<b>17 564</b>	<b>22 900</b>	<b>45 054</b>	<b>55 066</b>	<b>80 566</b>	<b>37 348</b>	<b>16 782</b>	<b>16 776</b>	<b>42 416</b>	<b>107 794</b>	<b>76 891</b>

<sup>1</sup> From Pink Book 2005 the presentation of Other capital transactions no longer mirror each other between UK assets and liabilities: both are now shown from the perspective of the direct investor.

## 7.3 Direct investment

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Net transactions</b> (net credits less net debits)												
Equity capital												
Net acquisition of ordinary shares	<b>LTMS</b>	2 512	-10 686	-19 753	-55 177	-88 613	5 015	-13 873	-13 580	7 160	69 339	41 745
Net acquisition of property	<b>LTMT</b>	-426	1 927	8	-11	745	-951	-473	-2 595	-1 229	-767	-1 792
Total equity capital	<b>HBWN</b>	2 086	-8 759	-19 745	-55 188	-87 868	4 064	-14 346	-16 175	5 931	68 572	39 953
Reinvested earnings	<b>HBWT</b>	-9 398	-9 726	-12 549	-16 785	-14 390	-28 212	-28 562	-14 027	-23 110	-32 129	-29 299
Other capital transactions	<b>HBWU</b>	1 360	4 083	3 562	1 437	27 242	18 669	24 649	6 089	5 764	21 352	-3 259
<b>Total</b>	<b>HJYV</b>	<b>-5 952</b>	<b>-14 402</b>	<b>-28 732</b>	<b>-70 536</b>	<b>-75 016</b>	<b>-5 479</b>	<b>-18 259</b>	<b>-24 113</b>	<b>-11 415</b>	<b>57 795</b>	<b>7 395</b>

## 7.4 Direct investment

Sector analysis

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Direct investment abroad</b> (UK assets = net debits)												
By:												
UK Monetary financial institutions (banks)	<b>-HCWJ</b>	1 444	169	971	1 028	3 378	4 283	2 825	1 942	16 231	9 533	11 337
Insurance companies	<b>-CNZE</b>	506	3 137	969	-2 135	2 166	-256	1 388	3 038	4 436	3 072	8 317
Other financial intermediaries	<b>-HCXL</b>	2 631	5 711	11 676	8 469	9 716	4 468	4 071	13 858	-1 543	2 279	2 987
Private non-financial corporations	<b>-HCVH</b>	17 684	29 132	59 663	117 330	139 101	32 575	25 859	18 598	33 216	33 392	46 683
Public corporations	<b>-HDND</b>	-9	68	20	280	574	201	258	-185	158	134	-1 621
Household sector <sup>1</sup>	<b>-AAQN</b>	1 260	-915	487	630	647	1 556	640	3 638	1 333	1 589	1 793
<b>Total</b>	<b>-HJYP</b>	<b>23 516</b>	<b>37 302</b>	<b>73 786</b>	<b>125 602</b>	<b>155 582</b>	<b>42 827</b>	<b>35 041</b>	<b>40 889</b>	<b>53 831</b>	<b>49 999</b>	<b>69 496</b>
<b>Direct investment in the UK</b> (UK liabilities = net credits)												
In:												
Monetary financial institutions (banks)	<b>GPBQ</b>	2 458	3 494	678	1 616	4 133	3 387	1 757	2 683	11 744	4 539	4 243
Insurance companies	<b>HDQI</b>	1 615	891	-138	1 763	2 492	1 304	312	876	1 659	-245	3 661
Other financial intermediaries												
Securities dealers	<b>HDRU</b>	905	338	-1 188	836	1 919	938	706	212	1 552	3 200	724
Other	<b>HFCL</b>	87	-34	9 865	-232	5 792	8 098	3 298	5 395	-3 840	-7 549	6 011
Total other financial intermediaries	<b>HFDR</b>	992	304	8 677	604	7 711	9 036	4 004	5 607	-2 288	-4 349	6 735
Private non-financial corporations	<b>BCEC</b>	12 499	18 211	35 837	51 083	66 230	23 621	10 709	7 610	31 301	107 849	62 252
<b>Total</b>	<b>HJYU</b>	<b>17 564</b>	<b>22 900</b>	<b>45 054</b>	<b>55 066</b>	<b>80 566</b>	<b>37 348</b>	<b>16 782</b>	<b>16 776</b>	<b>42 416</b>	<b>107 794</b>	<b>76 891</b>
<b>Net transaction</b> (net credits less net debits)												
In assets and liabilities of:												
Monetary financial institutions	<b>LTMU</b>	1 014	3 325	-293	588	755	-896	-1 068	741	-4 487	-4 994	-7 094
Insurance companies	<b>LTMV</b>	1 109	-2 246	-1 107	3 898	326	1 560	-1 076	-2 162	-2 777	-3 317	-4 656
Other financial intermediaries	<b>LTMW</b>	-1 639	-5 407	-2 999	-7 865	-2 005	4 568	-67	-8 251	-745	-6 628	3 748
Private non-financial corporations	<b>LTMX</b>	-5 185	-10 921	-23 826	-66 247	-72 871	-8 954	-15 150	-10 988	-1 915	74 457	15 569
Public corporations	<b>HDND</b>	9	-68	-20	-280	-574	-201	-258	185	-158	-134	1 621
Household sector <sup>1</sup>	<b>AAQN</b>	-1 260	915	-487	-630	-647	-1 556	-640	-3 638	-1 333	-1 589	-1 793
<b>Total</b>	<b>HJYV</b>	<b>-5 952</b>	<b>-14 402</b>	<b>-28 732</b>	<b>-70 536</b>	<b>-75 016</b>	<b>-5 479</b>	<b>-18 259</b>	<b>-24 113</b>	<b>-11 415</b>	<b>57 795</b>	<b>7 395</b>

<sup>1</sup> The household sector includes non-profit institutions serving households.

# 7.5 Portfolio investment

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Portfolio investment abroad</b>												
(UK assets = net debits)												
Transactions in equity securities (shares) by:												
Monetary financial Institutions (banks)	-VTWC	4 570	-3 138	4 549	100	7 195	-1 287	-11 767	18 824	31 597	36 515	21 524
Central Government	LOEQ	-	-	-	-	-	-	-	-	-	43	30
Insurance companies and pension funds												
Insurance companies	-HBHM	3 147	1 335	1 015	3 111	-4 297	6 520	2 959	-3 354	6 116	19 601	2 266
Pension funds <sup>1</sup>	-HBHO	2 828	-3 326	2 073	-518	-12 798	11 720	15 256	4 394	6 491	8 036	242
Total insurance companies and pension funds	-HBRD	5 975	-1 991	3 088	2 593	-17 095	18 240	18 215	1 040	12 607	27 637	2 508
Other financial intermediaries												
Securities dealers	-HGLG	-3 058	810	-7 634	5 783	13 673	24 128	-12 050	-796	9 734	-15 115	-7 549
Unit and Investment Trusts	-HBHQ	2 724	919	3 567	6 468	9 968	3 913	3 329	2 121	1 174	7 305	2 892
Other	-HBRC	-456	-831	-833	-1 300	-1 446	-1 077	-856	-1 563	-1 621	-1 668	-1 803
Total other financial intermediaries	-HBRE	-790	898	-4 900	10 951	22 195	26 964	-9 577	-238	9 287	-9 478	-6 460
Private non-financial corporations	-XBNL	188	-62	84	241	9 047	444	-52	17	-380	23	1 305
Household sector <sup>2</sup>	HALH	418	91	-108	570	-821	103	-8	41	3 536	9 310	811
Total transactions in equity securities	-HBVI	10 361	-4 202	2 713	14 455	20 521	44 464	-3 189	19 684	56 647	64 050	19 718
Transactions in debt securities												
Transactions in bonds and notes by:												
Monetary financial institutions												
Banks	-VTWA	19 034	17 442	43 090	11 011	34 007	37 604	3 774	-11 215	57 131	62 455	100 499
Building societies	RYWJ	67	691	1 417	1 099	2 464	854	-338	-1 498	767	263	1 734
Total monetary financial institutions	-HPCP	19 101	18 133	44 507	12 110	36 471	38 458	3 436	-12 713	57 898	62 718	102 233
Central Government	MDZJ	-	-	-	-	-	-	-	-	-	-	-
Insurance companies and pension funds												
Insurance companies	-HBHN	4 096	3 614	11 615	7 103	5 363	8 200	8 535	1 618	1 522	3 280	14 119
Pension funds <sup>1</sup>	-HBHP	1 650	4 696	3 581	2 933	5 875	1 267	-3 604	1 732	3 980	3 779	8 278
Total insurance companies and pension funds	-HBRF	5 746	8 310	15 196	10 036	11 238	9 467	4 931	3 350	5 502	7 059	22 397
Other financial intermediaries												
Securities dealers	CGFO	26 584	22 318	-33 645	-28 883	-1 935	-19 589	-1 114	9 912	21 829	21 539	35 474
Unit and investment trusts	-HBHR	351	195	1 452	1 121	664	1 478	720	2 445	1 531	1 430	6 093
Other	-HBRG	-35	45	-154	-38	-36	-57	-72	-76	-101	-119	-140
Total other financial intermediaries	-HBRH	26 900	22 558	-32 347	-27 800	-1 307	-18 168	-466	12 281	23 259	22 850	41 427
Private non-financial corporations	-XBNM	840	-2 370	553	-1 299	1 179	566	300	1 292	197	-727	-1 447
Household sector <sup>2</sup>	HBRI	-1 586	186	184	-380	256	88	88	88	88	88	88
Total transactions in bonds and notes	-HEPK	51 001	46 817	28 093	-7 333	47 837	30 411	8 289	4 298	86 944	91 988	164 698
Transactions in Money Market Instruments												
Transactions in commercial paper by:												
Monetary financial institutions:												
Banks	-HBXH	-3 547	7 295	4 112	9 729	-963	6 700	-3 980	7 583	-4 470	2 274	4 537
Building societies	TAIH	14	254	-169	66	899	635	-564	-191	99	-25	-78
Central government	-RUUR	-	-	-	-	-	458	467	-925	-1	-	-
Insurance companies and pension funds	-HBVK	292	617	-1 558	243	-106	-159	333	70	602	1 419	-5
Other financial intermediaries	-HGIS	1 206	611	-815	504	-2 077	2 505	-602	2 579	615	-861	4 451
Private non-financial corporations	-HBRL	438	279	-956	722	1 110	1 912	1 110	3 798	615	1 661	5 359
Total transactions in commercial paper	-HGLU	-1 597	9 056	614	11 264	-1 137	12 051	-3 236	12 914	-2 540	4 468	14 264
Transactions in certificates of deposit by:												
Monetary financial institutions												
(Building societies)	TAIF	2	261	210	-71	409	37	563	39	-248	-106	599
Other financial intermediaries	-RZUV	-7	9	443	3 075	-2 067	-412	-1 416	-668	50	-68	-161
Total transactions in certificates of deposit	HEPH	-5	270	653	3 004	-1 658	-375	-853	-629	-198	-174	438
Total transactions in Money Market Instruments	-HHZM	-1 602	9 326	1 267	14 268	-2 795	11 676	-4 089	12 285	-2 738	4 294	14 702
Total transactions in debt securities	-XBMW	49 399	56 143	29 360	6 935	45 042	42 087	4 200	16 583	84 206	96 282	179 400
<b>Total</b>	<b>-HHZC</b>	<b>59 760</b>	<b>51 941</b>	<b>32 073</b>	<b>21 390</b>	<b>65 563</b>	<b>86 551</b>	<b>1 011</b>	<b>36 267</b>	<b>140 853</b>	<b>160 332</b>	<b>199 118</b>

1 The pension funds data only covers self-administered funds, see glossary.

2 The household sector includes non-profit institutions serving households.

# 7.5 Portfolio investment

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Portfolio investment in the UK</b>												
(UK liabilities = net credits)												
Transactions in equity securities (shares) issued by:												
Monetary financial Institutions (banks and building societies)	<b>HBQG</b>	1 477	1 939	-5 798	-2 735	-2 901	135	-1 167	588	-329	57	626
Other sectors <sup>1</sup>	<b>HBQH</b>	4 596	2 854	43 583	74 862	116 494	22 930	4 331	9 150	-8 016	7 869	-5 695
Total transactions in equity securities	<b>XBLW</b>	6 073	4 793	37 785	72 127	113 593	23 065	3 164	9 738	-8 345	7 926	-5 069
Transactions in debt securities												
Transactions in bonds and notes												
Issues by central government												
UK foreign currency bonds and notes	<b>HEZP</b>	-1 632	-3 058	-1 660	241	988	-3 342	-2 811	886	38	-32	-138
Other central government bonds	<b>HHJM</b>	-	-	-	-	-	-	-	-	-	-	-
Transactions in British government stocks (gilts) by:												
Foreign central banks (exchange reserves)	<b>AING</b>	261	-1 586	1 692	489	1 049	1 157	-1 245	-748	-2 339	384	4 215
Other foreign residents	<b>VTWG</b>	7 604	2 244	1 802	-6 017	-2 338	1 512	424	11 059	14 920	30 320	20 824
Total transactions in British government stocks	<b>HEPC</b>	7 865	658	3 494	-5 528	-1 289	2 669	-821	10 311	12 581	30 704	25 039
Total issues by central government	<b>HBRY</b>	6 233	-2 400	1 834	-5 287	-301	-673	-3 632	11 197	12 619	30 672	24 901
Local authorities' bonds												
Public corporations' bonds	<b>HBQT</b>	-	-	-	-	-	-	-	-	-	-	-
	<b>HCEW</b>	-	-	-	-	-	-	-	-	-	-	-
Issues by monetary financial Institutions (banks and building societies)												
Bonds	<b>HBRY</b>	2 863	3 158	-1 163	6 574	1 905	506	4 887	15 129	13 214	18 921	17 306
European medium term notes and other medium-term paper:												
Issued by UK banks	<b>HCEZ</b>	5 585	3 137	1 881	4 244	891	3 425	1 706	12 117	16 525	19 240	26 148
Issued by UK building societies	<b>HCFC</b>	-315	-116	-140	252	1 814	630	69	1 754	2 222	3 498	-113
Total	<b>HBRY</b>	5 270	3 021	1 741	4 496	2 705	4 055	1 775	13 871	18 747	22 738	26 035
Total monetary financial institutions	<b>HMBD</b>	8 133	6 179	578	11 070	4 610	4 561	6 662	29 000	31 961	41 659	43 341
Issues by other sectors <sup>1</sup>	<b>HBRT</b>	9 466	9 835	-3 622	20 465	5 928	1 574	15 213	47 202	40 776	58 905	53 880
Total transactions in bonds and notes	<b>XBLY</b>	23 832	13 614	-1 210	26 248	10 237	5 462	18 243	87 399	85 356	131 236	122 122
Transactions in Money Market Instruments												
Transactions in treasury bills (issued by central government)												
Sterling treasury bills	<b>AARB</b>	-663	-183	-820	637	-251	304	-180	2 150	1 973	-1 059	663
Euro treasury bills	<b>HHNW</b>	425	-729	-913	-227	-	-	-	-	-	-	-
Total treasury bills	<b>HHZO</b>	-238	-912	-1 733	410	-251	304	-180	2 150	1 973	-1 059	663
Transactions in certificates of deposit (issued by UK monetary financial institutions)												
Issued by banks	<b>HBRS</b>	9 906	5 547	-16 985	11 500	34 653	19 911	4 080	-3 986	-1 359	-453	31 771
Issued by building societies	<b>HBHH</b>	23	157	-25	-6	301	-50	264	952	529	-1 059	972
Total certificates of deposit	<b>HBQX</b>	9 929	5 704	-17 010	11 494	34 954	19 861	4 344	-3 034	-830	-1 512	32 743
Transactions in commercial paper												
Issued by UK monetary financial Institutions												
Banks	<b>HBHI</b>	2 174	1 800	257	296	2 542	-599	14 950	-33	9 093	-3 568	5 034
Building societies	<b>HBHL</b>	-643	204	335	1 748	768	-182	-330	3 325	-259	556	3 609
Total monetary financial institutions	<b>HBRU</b>	1 531	2 004	592	2 044	3 310	-781	14 620	3 292	8 834	-3 012	8 643
Issued by other sectors <sup>1</sup>	<b>HHZN</b>	1 869	1 583	2 429	1 783	2 700	237	10 819	-4 323	259	-2 710	-3 471
Total transactions in commercial paper	<b>HBQW</b>	3 400	3 587	3 021	3 827	6 010	-544	25 439	-1 031	9 093	-5 722	5 172
Total transactions in Money Market Instruments	<b>HHZE</b>	13 091	8 379	-15 722	15 731	40 713	19 621	29 603	-1 915	10 236	-8 293	38 578
Total transactions in debt securities	<b>XBLX</b>	36 923	21 993	-16 932	41 979	50 950	25 083	47 846	85 484	95 592	122 943	160 700
<b>Total</b>	<b>HHZF</b>	<b>42 996</b>	<b>26 786</b>	<b>20 853</b>	<b>114 106</b>	<b>164 543</b>	<b>48 148</b>	<b>51 010</b>	<b>95 222</b>	<b>87 247</b>	<b>130 869</b>	<b>155 631</b>

<sup>1</sup> These series relate to non-governmental sectors other than monetary financial institutions.

## 7.5 Portfolio investment

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Net transactions</b> (net credits less net debits)												
Equity securities (shares)	<b>HBWV</b>	-4 288	8 995	35 072	57 672	93 072	-21 399	6 353	-9 946	-64 992	-56 124	-24 787
Debt securities												
Bonds and notes	<b>LTMV</b>	-27 169	-33 203	-29 303	33 581	-37 600	-24 949	9 954	83 101	-1 588	39 248	-42 576
Money Market Instruments	<b>LTMZ</b>	14 693	-947	-16 989	1 463	43 508	7 945	33 692	-14 200	12 974	-12 587	23 876
Total debt securities	<b>HBWX</b>	-12 476	-34 150	-46 292	35 044	5 908	-17 004	43 646	68 901	11 386	26 661	-18 700
<b>Total</b>	<b>HHZD</b>	<b>-16 764</b>	<b>-25 155</b>	<b>-11 220</b>	<b>92 716</b>	<b>98 980</b>	<b>-38 403</b>	<b>49 999</b>	<b>58 955</b>	<b>-53 606</b>	<b>-29 463</b>	<b>-43 487</b>

## 7.6 Portfolio investment

### Sector analysis

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Portfolio investment abroad</b> (UK assets = net debits)												
<b>Investment by:</b>												
Monetary financial institutions												
Banks	<b>-HBWF</b>	20 057	21 599	51 751	20 840	40 239	43 017	-11 973	15 192	84 258	101 244	126 560
Building societies	<b>HEPI</b>	83	1 206	1 458	1 094	3 772	1 526	-339	-1 650	618	132	2 255
Total monetary financial institutions	<b>-HBRJ</b>	20 140	22 805	53 209	21 934	44 011	44 543	-12 312	13 542	84 876	101 376	128 815
Central government	<b>LOFB</b>	-	-	-	-	-	458	467	-925	-1	43	30
Insurance companies and pension funds	<b>-HBRO</b>	12 013	6 936	16 726	12 872	-5 963	27 548	23 479	4 460	18 711	36 115	24 900
Other financial intermediaries	<b>-HBRP</b>	27 309	24 076	-37 619	-13 270	16 744	10 889	-12 061	13 954	33 211	12 443	39 257
Private non-financial corporations	<b>-HBRQ</b>	1 466	-2 153	-319	-336	11 336	2 922	1 358	5 107	432	957	5 217
Household sector <sup>1</sup>	<b>-HBRR</b>	-1 168	277	76	190	-565	191	80	129	3 624	9 398	899
<b>Total</b>	<b>-HHZC</b>	<b>59 760</b>	<b>51 941</b>	<b>32 073</b>	<b>21 390</b>	<b>65 563</b>	<b>86 551</b>	<b>1 011</b>	<b>36 267</b>	<b>140 853</b>	<b>160 332</b>	<b>199 118</b>

### Portfolio investment in the UK

(UK liabilities = net credits)

<b>Investment in securities issued by:</b>												
Monetary financial institutions (banks and building societies)	<b>CGPH</b>	21 070	15 826	-21 638	21 873	39 973	23 776	24 459	29 846	39 636	37 192	85 353
Central government	<b>HBSO</b>	5 995	-3 312	101	-4 877	-552	-369	-3 812	13 347	14 592	29 613	25 564
Local authorities	<b>HBQT</b>	-	-	-	-	-	-	-	-	-	-	-
Public corporations	<b>HCEW</b>	-	-	-	-	-	-	-	-	-	-	-
Other sectors	<b>CGPL</b>	15 931	14 272	42 390	97 110	125 122	24 741	30 363	52 029	33 019	64 064	44 714
<b>Total</b>	<b>HHZF</b>	<b>42 996</b>	<b>26 786</b>	<b>20 853</b>	<b>114 106</b>	<b>164 543</b>	<b>48 148</b>	<b>51 010</b>	<b>95 222</b>	<b>87 247</b>	<b>130 869</b>	<b>155 631</b>

### Net transactions

net credits less net debits)

<b>In assets and liabilities of:</b>												
Monetary financial institutions	<b>LTNA</b>	930	-6 979	-74 847	-61	-4 038	-20 767	36 771	16 304	-45 240	-64 184	-43 462
Central government	<b>ZPOG</b>	5 995	-3 312	101	-4 877	-552	-827	-4 279	14 272	14 593	29 570	25 534
Local authorities	<b>HBQT</b>	-	-	-	-	-	-	-	-	-	-	-
Public corporations	<b>HCEW</b>	-	-	-	-	-	-	-	-	-	-	-
Other sectors	<b>LTNB</b>	-23 689	-14 864	63 526	97 654	103 570	-16 809	17 507	28 379	-22 959	5 151	-25 559
<b>Total</b>	<b>HHZD</b>	<b>-16 764</b>	<b>-25 155</b>	<b>-11 220</b>	<b>92 716</b>	<b>98 980</b>	<b>-38 403</b>	<b>49 999</b>	<b>58 955</b>	<b>-53 606</b>	<b>-29 463</b>	<b>-43 487</b>

<sup>1</sup> The household sector includes non-profit institutions serving households.





# 7.7 Other investment

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Other investment abroad</b> (UK assets = net debits)												
Trade credit												
Long-term												
Central government	-XBMC	400	-	-	-	-	-	-	-	-	-	-
Other sectors <sup>1</sup>	-HCQK	-19	-	-	-	-	-	-	-	-	-	-
Total long-term trade credit	-HBRZ	381	-	-	-	-	-	-	-	-	-	-
Short-term												
Other sectors <sup>1</sup>	-XBMF	1 698	-635	-1 119	102	-42	-315	292	573	-336	-1 395	36
Total trade credit	-XBMB	2 079	-635	-1 119	102	-42	-315	292	573	-336	-1 395	36
Loans												
Long-term												
Bank loans under ECGD guarantee	-HGBS	-626	643	-7	-355	-1 476	187	-1 017	113	231	224	-467
Inter-government loans by the UK	-HEUC	-44	-51	-176	-19	-27	-20	-19	-19	-15	-18	-13
Loans by Commonwealth Development Corporation (public corporations)	-HETB	101	54	47	25	2	-	-	-	-	-	-
Loans by the Export Credit Guarantee Department	CY93	-	-31	-47	48	61	49	-186	-259	-229	-611	-1 520
Loans by specialist leasing companies <sup>1</sup>	-HGKU	-	-	-	-	-	-	-	-	-	-	-
Total long-term loans	-HBSG	-569	615	-183	-301	-1 440	216	-1 222	-165	-13	-405	-2 000
Short-term loans												
By monetary financial institutions												
By banks												
Sterling loans	NFBE	4 802	3 342	-613	2 621	1 869	4 863	4 768	360	6 871	20 209	22 120
Foreign currency loans	ZPON	34 157	27 803	1 581	14 299	55 631	43 228	12 416	70 447	105 144	115 008	97 257
Total banks	HEQO	38 959	31 145	968	16 920	57 500	48 091	17 184	70 807	112 015	135 217	119 377
By building societies	NFBG	-9	-	-	-	-	1	3	2	3	2	-1
Total monetary financial institutions	ZPOL	38 950	31 145	968	16 920	57 500	48 092	17 187	70 809	112 018	135 219	119 376
By other sectors	-XBLN	125	8	-133	3	-	-	-	-	-	-	-
Total short-term loans	VTUL	39 075	31 153	835	16 923	57 500	48 092	17 187	70 809	112 018	135 219	119 376
Total loans	-XBMG	38 506	31 768	652	16 622	56 060	48 308	15 965	70 644	112 005	134 814	117 376
Currency and deposits												
Transactions in foreign notes and coin												
Monetary financial institutions (banks)	TAAG	35	42	30	-63	-44	1	21	10	-2	-10	58
Other sectors <sup>1</sup>	-HETF	50	76	10	40	28	-4	33	20	48	24	45
Total foreign notes and coin	HEOV	85	118	40	-23	-16	-3	54	30	46	14	103
Deposits abroad by UK residents												
Deposits by monetary financial institutions												
Deposits by banks												
Sterling deposits	-HBQY	3 726	28 254	6 032	-12 470	20 713	7 296	-6 612	18 173	-2 946	34 282	47 364
Foreign currency deposits	-HBQZ	23 187	85 277	12 679	-16 617	110 531	28 883	60 761	69 519	108 415	125 212	130 921
Total deposits by UK banks	-XBMI	26 913	113 531	18 711	-29 087	131 244	36 179	54 149	87 692	105 469	159 494	178 285
Deposits by building societies	TAID	-443	1 351	-124	-145	610	-51	-567	-138	85	-2 279	127
Total deposits by monetary financial institutions	HCES	26 470	114 882	18 587	-29 232	131 854	36 128	53 582	87 554	105 554	157 215	178 412

<sup>1</sup> These series relate to non-governmental sectors other than monetary financial institutions.

# 7.7 Other investment

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Other investment abroad - continued</b>												
Currency and deposits - <i>continued</i>												
Deposits abroad by UK residents - <i>continued</i>												
Deposits by securities dealers	-HGTF	61 179	5 660	-6 117	45 920	47 567	58 756	-13 153	53 172	36 186	167 581	48 951
Deposits by other UK residents <sup>1</sup>	-HBSI	6 805	17 483	2 776	25 870	40 297	31 373	40 060	43 839	71 911	47 278	49 047
Total deposits abroad by UK residents	-HBXV	94 454	138 025	15 246	42 558	219 718	126 257	80 489	184 565	213 651	372 074	276 410
Total currency and deposits	-HBVN	94 539	138 143	15 286	42 535	219 702	126 254	80 543	184 595	213 697	372 088	276 513
Other assets												
Central government subscriptions to international organisations												
International Development Association <sup>2</sup>	-HEUB	..	..	..	..	..	..	..	..	..	375	468
Regional development banks	-HEUD	56	60	65	50	50	53	69	75	61	42	98
European Investment Bank (EIB)	-HEUE	16	-	-	-	-	-	-	-	-	-	-
Other subscriptions	-HEUF	9	3	2	41	3	3	21	51	37	58	223
Total central government subscriptions	-HGLR	81	63	67	91	53	56	90	126	98	475	789
Short-term central government assets	-LOEL	1 460	105	28	256	310	-29	531	52	233	299	333
Total central government other assets	-LOES	1 541	168	95	347	363	27	621	178	331	774	1 122
Debt forgiveness (monetary financial institutions) <sup>3</sup>	-FJNF	-	-	-	-	-	-	-	-	-	-	-
Other sectors (excluding monetary financial institutions)												
Long-term assets												
Short-term assets	-HHZH	-	-	-	-	-	-	-	-	-	-	-
Public corporations assets abroad	-HBSR	-	-	-	-	-	-	-	-	-	-	-
Public corporations debt forgiveness	HMLW	-	-24	-27	-49	-55	-188	-236	-127	-109	-1 249	-1 204
Other <sup>1</sup>	-HBSK	4	-	-	-	-	-	-	-	-	-	-
Total short-term assets of other sectors	-HHZI	4	-24	-27	-49	-55	-188	-236	-127	-109	-1 249	-1 204
Total other sectors	-XBLP	4	-24	-27	-49	-55	-188	-236	-127	-109	-1 249	-1 204
Total other assets	-XBMM	1 545	144	68	298	308	-161	385	51	222	-475	-82
<b>Total</b>	<b>-XBMM</b>	<b>136 669</b>	<b>169 420</b>	<b>14 887</b>	<b>59 557</b>	<b>276 028</b>	<b>174 086</b>	<b>97 185</b>	<b>255 863</b>	<b>325 588</b>	<b>505 032</b>	<b>393 843</b>

1 This series relates to non-governmental sectors other than monetary financial institutions.

2 Subscriptions to the International Development Association are included in other investment abroad from 2005. For earlier periods they are included in current transfers.

3 This series also appears in the capital account (see Table 6.1).

# 7.7 Other investment

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Other investment in the UK</b> (UK liabilities = net credits)												
Trade credit												
Long-term <sup>1</sup>	<b>CGJF</b>	18	—	—	—	—	—	—	—	—	—	—
Short-term <sup>1</sup>	<b>XBLQ</b>	13	-7	—	—	—	—	—	—	—	—	—
Total trade credit	<b>XBMO</b>	31	-7	—	—	—	—	—	—	—	—	—
Loans												
Long-term												
Drawings by:												
Central government	<b>HBSP</b>	—	—	—	—	—	—	—	—	—	—	—
Local authorities	<b>HBSQ</b>	150	58	9	17	—	—	—	—	—	—	—
Public corporations	<b>HHYT</b>	—	—	—	—	—	—	—	—	—	—	—
Other <sup>1</sup>	<b>HIBY</b>	—	—	—	—	—	—	—	—	—	—	—
Total long-term drawings	<b>HBST</b>	150	58	9	17	—	—	—	—	—	—	—
Repayments from:												
Central government	<b>HBSW</b>	-97	-254	-91	-105	-114	-45	-48	-45	-46	-65	7
Local authorities	<b>HBSX</b>	-139	-109	-96	-123	-188	22	26	204	633	134	232
Public corporations	<b>HHYU</b>	-14	-206	-5	—	—	—	—	—	—	—	—
Other <sup>1</sup>	<b>HIBZ</b>	—	—	—	—	—	—	—	—	—	—	—
Total long-term repayments	<b>HBSY</b>	-250	-569	-192	-228	-302	-23	-22	159	587	69	239
Total long-term loans	<b>HBSZ</b>	-100	-511	-183	-211	-302	-23	-22	159	587	69	239
Short-term loans to:												
Central government	<b>HBTA</b>	—	—	—	—	—	—	—	—	—	—	—
Local authorities	<b>HBTB</b>	2	-2	—	—	—	—	—	—	—	—	—
Public corporations	<b>HIAW</b>	—	—	—	—	—	—	—	—	—	—	—
Securities dealers	<b>HBTD</b>	73 904	32 764	14 901	28 746	65 410	60 790	-38 813	34 054	44 239	214 816	21 915
Other <sup>1</sup>	<b>HBSS</b>	8 314	16 929	266	14 429	1 289	38 503	20 413	42 822	51 708	13 291	98 858
Total short-term loans	<b>HBTC</b>	82 220	49 691	15 167	43 175	66 699	99 293	-18 400	76 876	95 947	228 107	120 773
Total loans	<b>XBMP</b>	82 120	49 180	14 984	42 964	66 397	99 270	-18 422	77 035	96 534	228 176	121 012
Currency and deposits												
Sterling notes and coin												
Notes (issued by Bank of England)	<b>HLVY</b>	32	45	98	77	67	-51	78	74	120	58	61
Coins (issued by Royal Mint)	<b>HMAT</b>	3	5	11	8	8	-6	8	7	13	6	7
Total notes and coin	<b>AASD</b>	35	50	109	85	75	-57	86	81	133	64	68
Deposits from abroad with UK residents												
Deposits with monetary financial institutions												
Deposits with banks												
Sterling deposits	<b>NWXP</b>	-431	16 550	13 800	23 179	32 508	16 381	11 181	22 785	26 660	45 822	56 984
Foreign currency deposits	<b>NFAS</b>	70 488	131 530	37 421	-11 261	166 107	107 666	78 337	146 075	281 571	232 594	275 125
Total deposits with banks	<b>HBWA</b>	70 057	148 080	51 221	11 918	198 615	124 047	89 518	168 860	308 231	278 416	332 109
Deposits with building societies	<b>NEWS</b>	1 241	-165	883	542	567	523	308	487	305	1 296	621
Total deposits with UK monetary financial institutions	<b>HDKE</b>	71 298	147 915	52 104	12 460	199 182	124 570	89 826	169 347	308 536	279 712	332 730
Deposit liabilities of UK central government	<b>HEUN</b>	-608	-759	304	693	528	-178	-24	232	-877	-57	474
Total deposits from abroad with UK residents	<b>HBXY</b>	70 690	147 156	52 408	13 153	199 710	124 392	89 802	169 579	307 659	279 655	333 204
Total currency and deposits	<b>HMAO</b>	70 725	147 206	52 517	13 238	199 785	124 335	89 888	169 660	307 792	279 719	333 272

<sup>1</sup> These series relate to non-governmental sectors other than monetary financial institutions.

# 7.7 Other investment

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Other investment in the UK - continued</b>												
Other liabilities												
Long-term												
Net equity of foreign households in life insurance reserves and in pension funds	<b>QZEP</b>	-2	-2	-2	-2	-4	-5	-1	-12	-20	-67	-19
Prepayments of premiums and reserves against outstanding claims	<b>NQMC</b>	6 793	264	3	-602	942	-157	335	-1 371	178	725	543
Total long-term liabilities	<b>VTUG</b>	6 791	262	1	-604	938	-162	334	-1 383	158	658	524
Short-term	<b>HJYF</b>	1 056	29	138	-129	-90	526	-613	58	-163	158	57
Total other liabilities	<b>XBMX</b>	7 847	291	139	-733	848	364	-279	-1 325	-5	816	581
<b>Total</b>	<b>XBMN</b>	<b>160 723</b>	<b>196 670</b>	<b>67 640</b>	<b>55 469</b>	<b>267 030</b>	<b>223 969</b>	<b>71 187</b>	<b>245 370</b>	<b>404 321</b>	<b>508 711</b>	<b>454 865</b>
<b>Net transactions</b> (net credits less net debits)												
Trade credit	<b>LTNC</b>	-2 048	628	1 119	-102	42	315	-292	-573	336	1 395	-36
Loans	<b>LTND</b>	43 614	17 412	14 332	26 342	10 337	50 962	-34 387	6 391	-15 471	93 362	3 636
Deposits	<b>LTNE</b>	-23 814	9 063	37 231	-29 297	-19 917	-1 919	9 345	-14 935	94 095	-92 369	56 759
Other	<b>LTNF</b>	6 302	147	71	-1 031	540	525	-664	-1 376	-227	1 291	663
<b>Total</b>	<b>HHYR</b>	<b>24 054</b>	<b>27 250</b>	<b>52 753</b>	<b>-4 088</b>	<b>-8 998</b>	<b>49 883</b>	<b>-25 998</b>	<b>-10 493</b>	<b>78 733</b>	<b>3 679</b>	<b>61 022</b>

## 7.8 Other investment Sector analysis

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Other investment abroad</b> (UK assets = net debits)												
<b>Investment by:</b>												
Monetary financial institutions												
Banks	<b>-HBSL</b>	65 281	145 361	19 702	-12 585	187 224	84 458	70 337	158 622	217 713	294 925	297 253
Building societies	<b>HEQR</b>	-452	1 351	-124	-145	610	-50	-564	-136	88	-2 277	126
Total monetary financial institutions	<b>HCET</b>	64 829	146 712	19 578	-12 730	187 834	84 408	69 773	158 486	217 801	292 648	297 379
Central government	<b>-HBSM</b>	1 897	117	-81	328	336	7	602	159	316	756	1 109
Public corporations	<b>-HBSV</b>	101	-1	-27	24	8	-139	-422	-386	-338	-1 860	-2 724
Other sectors	<b>-HBSN</b>	69 842	22 592	-4 583	71 935	87 850	89 810	27 232	97 604	107 809	213 488	98 079
<b>Total</b>	<b>-XBMM</b>	<b>136 669</b>	<b>169 420</b>	<b>14 887</b>	<b>59 557</b>	<b>276 028</b>	<b>174 086</b>	<b>97 185</b>	<b>255 863</b>	<b>325 588</b>	<b>505 032</b>	<b>393 843</b>
<b>Other investment in the UK</b> (UK liabilities = net credits)												
<b>Investment in:</b>												
Monetary financial institutions												
Banks	<b>CGOT</b>	70 089	148 125	51 319	11 995	198 682	123 996	89 596	168 934	308 351	278 474	332 170
Building societies	<b>NEWS</b>	1 241	-165	883	542	567	523	308	487	305	1 296	621
Total monetary financial institutions	<b>HBWG</b>	71 330	147 960	52 202	12 537	199 249	124 519	89 904	169 421	308 656	279 770	332 791
Central government	<b>HBWH</b>	-694	-1 003	338	443	308	273	-722	310	-1 053	50	550
Local authorities	<b>HBWJ</b>	13	-53	-87	-106	-188	22	26	204	633	134	232
Public corporations	<b>HBWL</b>	-14	-206	-5	-	-	-	-	-	-	-	-
Other sectors	<b>HBWM</b>	90 088	49 972	15 192	42 595	67 661	99 155	-18 021	75 435	96 085	228 757	121 292
<b>Total</b>	<b>XBMN</b>	<b>160 723</b>	<b>196 670</b>	<b>67 640</b>	<b>55 469</b>	<b>267 030</b>	<b>223 969</b>	<b>71 187</b>	<b>245 370</b>	<b>404 321</b>	<b>508 711</b>	<b>454 865</b>
<b>Net transactions</b> (net credits less net debits)												
<b>In assets and liabilities of:</b>												
Monetary financial institutions												
Banks	<b>LTNG</b>	4 808	2 764	31 617	24 580	11 458	39 538	19 259	10 312	90 638	-16 451	34 917
Building societies	<b>LTNH</b>	1 693	-1 516	1 007	687	-43	573	872	623	217	3 573	495
Total monetary financial institutions	<b>LTNI</b>	6 501	1 248	32 624	25 267	11 415	40 111	20 131	10 935	90 855	-12 878	35 412
Central government	<b>LTNJ</b>	-2 591	-1 120	419	115	-28	266	-1 324	151	-1 369	-706	-559
Local authorities	<b>HBWJ</b>	13	-53	-87	-106	-188	22	26	204	633	134	232
Public corporations	<b>LTNK</b>	-115	-205	22	-24	-8	139	422	386	338	1 860	2 724
Other sectors	<b>LTNL</b>	20 246	27 380	19 775	-29 340	-20 189	9 345	-45 253	-22 169	-11 724	15 269	23 213
<b>Total</b>	<b>HHYR</b>	<b>24 054</b>	<b>27 250</b>	<b>52 753</b>	<b>-4 088</b>	<b>-8 998</b>	<b>49 883</b>	<b>-25 998</b>	<b>-10 493</b>	<b>78 733</b>	<b>3 679</b>	<b>61 022</b>

## 7.9 Reserve assets Central government sector Net debits

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Monetary gold	-HBOX	-23	1 115	931	-412	-883	-786	-266	-	-2	-	-4
Special drawing rights	-HBOY	-31	84	-16	38	-73	-22	26	-2	-35	-8	51
Reserve position in the Fund	-HBOZ	57	410	751	626	-478	633	469	-251	-558	-1 911	-225
Foreign Exchange												
Currency and deposits												
With central banks	-HBPC	-418	-675	-1 822	239	-368	6	95	-79	33	28	-43
With other banks	-HBPD	1 509	400	-733	2 312	6	-900	-863	-586	-882	367	-403
Total currency and deposits	-HBPB	1 091	-275	-2 555	2 551	-363	-892	-767	-664	-849	395	-447
Securities												
Bonds and notes	-HBPG	-1 108	-2 937	-214	-3 105	5 418	-1 838	2 280	-390	1 551	370	-854
Money market instruments	-HBPH	-496	-777	939	-337	244	-185	-2 043	-62	107	1 465	1 363
Total securities	-HBPE	-1 604	-3 714	725	-3 442	5 662	-2 023	237	-452	1 658	1 835	509
Total foreign exchange	-HBPA	-513	-3 989	-1 830	-891	5 299	-2 915	-530	-1 116	809	2 230	62
Other claims	-HBPI	-	-	-	-	50	5	-158	-190	-18	345	-310
<b>Total</b>	<b>-LTCV</b>	<b>-510</b>	<b>-2 380</b>	<b>-164</b>	<b>-639</b>	<b>3 915</b>	<b>-3 085</b>	<b>-459</b>	<b>-1 559</b>	<b>196</b>	<b>656</b>	<b>-426</b>





# Chapter 8

## International investment position

# 8.1 International investment position

## Summary table

Balance sheets valued at end of year

£ billion

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>UK Assets</b>												
Direct investment abroad												
Equity capital and reinvested earnings	<b>CGMO</b>	201.0	223.3	283.9	412.3	586.3	582.2	619.3	670.7	664.2	747.9	763.1
Other capital assets	<b>HBWU</b>	10.7	9.0	25.9	26.0	32.5	34.8	17.9	20.5	24.7	4.8	6.9
Total direct investment abroad	<b>HBWD</b>	211.7	232.4	309.8	438.3	618.8	616.9	637.2	691.1	689.0	752.7	770.0
Portfolio investment abroad												
Equity securities	<b>HEPX</b>	238.3	282.3	303.7	419.9	429.3	404.6	305.9	372.0	455.3	620.5	693.8
Debt securities	<b>HHZX</b>	310.0	368.6	400.2	418.4	476.8	532.8	538.1	563.9	637.0	753.8	869.2
Total portfolio investment abroad	<b>HHZZ</b>	548.3	651.0	703.8	838.3	906.1	937.4	844.0	935.8	1 092.3	1 374.3	1 563.0
Other investment abroad	<b>HLXV</b>	851.7	1 070.4	1 107.7	1 129.7	1 427.5	1 573.1	1 635.8	1 885.1	2 156.2	2 745.3	2 926.4
Reserve assets	<b>LTEB</b>	27.3	22.8	23.3	22.2	28.8	25.6	25.5	23.8	23.3	24.7	22.9
<b>Total</b>	<b>HBQA</b>	<b>1 638.9</b>	<b>1 976.5</b>	<b>2 144.7</b>	<b>2 428.5</b>	<b>2 981.2</b>	<b>3 153.1</b>	<b>3 142.4</b>	<b>3 535.8</b>	<b>3 960.7</b>	<b>4 897.0</b>	<b>5 282.3</b>
<b>UK Liabilities</b>												
Direct investment in the UK												
Equity capital and reinvested earnings	<b>HBUY</b>	120.6	134.3	159.8	192.3	240.6	259.7	229.2	245.7	278.2	363.9	444.3
Other capital liabilities	<b>HBVC</b>	32.1	39.4	53.8	57.9	69.8	103.7	111.4	109.9	106.2	137.3	135.1
Total direct investment in the UK	<b>HBWI</b>	152.6	173.7	213.6	250.2	310.4	363.5	340.6	355.5	384.4	501.2	579.4
Portfolio investment in the UK												
Equity securities	<b>HLXX</b>	226.1	301.9	402.1	509.8	604.4	529.4	409.8	491.5	524.4	628.5	727.2
Debt securities	<b>HLXY</b>	253.9	281.4	290.6	319.0	393.8	429.1	482.6	555.8	653.4	802.8	925.4
Total portfolio investment in the UK	<b>HLXW</b>	480.0	583.3	692.7	828.8	998.2	958.5	892.3	1 047.3	1 177.8	1 431.3	1 652.6
Other investment in the UK	<b>HLVD</b>	1 061.7	1 274.3	1 355.0	1 403.9	1 696.4	1 889.6	1 945.8	2 177.1	2 509.4	3 108.0	3 342.2
<b>Total</b>	<b>HBQB</b>	<b>1 694.4</b>	<b>2 031.3</b>	<b>2 261.4</b>	<b>2 482.9</b>	<b>3 005.0</b>	<b>3 211.5</b>	<b>3 178.7</b>	<b>3 579.9</b>	<b>4 071.6</b>	<b>5 040.5</b>	<b>5 574.2</b>
<b>Net International Investment Position</b>												
Direct investment												
Equity capital and reinvested earnings	<b>HBSH</b>	80.4	89.0	124.1	220.0	345.7	322.4	390.1	425.0	386.0	384.0	318.8
Other capital	<b>CGKF</b>	-21.4	-30.4	-27.9	-31.9	-37.3	-69.0	-93.5	-89.4	-81.4	-132.5	-128.2
Total net direct investment	<b>HBWQ</b>	59.0	58.6	96.2	188.1	308.4	253.5	296.6	335.6	304.6	251.5	190.5
Portfolio investment												
Equity securities	<b>CGNE</b>	12.2	-19.5	-98.4	-90.0	-175.1	-124.8	-103.9	-119.5	-69.1	-8.1	-33.3
Debt securities	<b>CGNF</b>	56.0	87.2	109.6	99.5	82.9	103.7	55.6	8.1	-16.4	-49.0	-56.2
Total net portfolio investment	<b>CGNH</b>	68.3	67.7	11.1	9.5	-92.2	-21.1	-48.3	-111.5	-85.5	-57.0	-89.6
Other investment	<b>CGNG</b>	-210.1	-204.0	-247.3	-274.2	-268.9	-316.5	-310.0	-292.0	-353.2	-362.7	-415.8
Reserve assets	<b>LTEB</b>	27.3	22.8	23.3	22.2	28.8	25.6	25.5	23.8	23.3	24.7	22.9
<b>Total</b>	<b>HBQC</b>	<b>-55.5</b>	<b>-54.8</b>	<b>-116.7</b>	<b>-54.4</b>	<b>-23.9</b>	<b>-58.4</b>	<b>-36.3</b>	<b>-44.1</b>	<b>-110.9</b>	<b>-143.5</b>	<b>-291.9</b>
Allocations of Special Drawing Rights to the UK by the IMF	<b>HEVP</b>	1.6	1.6	1.6	1.6	1.7	1.7	1.6	1.6	1.5	1.6	1.5

## 8.2 International investment position

### Sector analysis

Balance sheets valued at end of year

£ billion

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>UK Assets</b>												
Monetary financial institutions												
Banks	<b>CGNI</b>	798.9	1 030.1	1 140.0	1 132.2	1 411.5	1 523.1	1 561.8	1 728.8	1 981.8	2 418.9	2 672.9
Building societies	<b>VTXF</b>	3.1	2.9	4.3	5.0	8.5	10.0	9.1	7.3	8.0	8.0	10.4
Total monetary financial institutions	<b>CGNJ</b>	801.9	1 033.0	1 144.3	1 137.2	1 419.9	1 533.0	1 570.9	1 736.0	1 989.7	2 427.0	2 683.3
Central government	<b>CGNK</b>	38.7	34.4	34.8	25.7	32.7	29.6	30.0	28.6	28.4	35.3	34.4
Public corporations	<b>CGNL</b>	1.9	4.4	4.2	4.5	4.6	3.8	4.2	4.2	4.5	4.4	3.4
Other sectors	<b>CGNM</b>	796.4	904.8	961.4	1 261.1	1 524.0	1 586.7	1 537.3	1 767.0	1 938.1	2 430.3	2 561.2
<b>Total</b>	<b>HBQA</b>	<b>1 638.9</b>	<b>1 976.5</b>	<b>2 144.7</b>	<b>2 428.5</b>	<b>2 981.2</b>	<b>3 153.1</b>	<b>3 142.4</b>	<b>3 535.8</b>	<b>3 960.7</b>	<b>4 897.0</b>	<b>5 282.3</b>
<b>UK Liabilities</b>												
UK Monetary financial institutions												
(banks and building societies)	<b>HBVJ</b>	916.5	1 113.0	1 182.8	1 197.0	1 485.9	1 623.4	1 707.0	1 892.8	2 179.8	2 582.2	2 819.3
Central government	<b>CGOG</b>	69.2	67.9	76.3	63.6	65.6	63.3	59.2	70.9	89.5	115.2	141.2
Local authorities	<b>CGOH</b>	1.2	1.1	1.2	1.1	0.8	0.8	0.9	1.1	1.7	1.9	2.1
Public corporations	<b>CGOI</b>	0.2	—	—	—	—	—	—	—	—	—	—
Other sectors	<b>HCON</b>	707.3	849.3	1 001.1	1 221.2	1 452.8	1 523.9	1 411.7	1 615.1	1 800.6	2 341.2	2 611.6
<b>Total</b>	<b>HBQB</b>	<b>1 694.4</b>	<b>2 031.3</b>	<b>2 261.4</b>	<b>2 482.9</b>	<b>3 005.0</b>	<b>3 211.5</b>	<b>3 178.7</b>	<b>3 579.9</b>	<b>4 071.6</b>	<b>5 040.5</b>	<b>5 574.2</b>
<b>Net International Investment Position</b>												
Monetary financial institutions												
(banks and building societies)	<b>HDIJ</b>	-114.6	-80.0	-38.5	-59.9	-66.0	-90.4	-136.1	-156.8	-190.0	-155.3	-136.0
Central government	<b>CGOK</b>	-30.5	-33.5	-41.6	-37.9	-32.9	-33.8	-29.2	-42.3	-61.1	-79.8	-106.8
Local authorities	<b>-CGOH</b>	-1.2	-1.1	-1.2	-1.1	-0.8	-0.8	-0.9	-1.1	-1.7	-1.9	-2.1
Public corporations	<b>CGOL</b>	1.7	4.3	4.2	4.5	4.6	3.8	4.2	4.2	4.4	4.3	3.4
Other sectors	<b>HDKB</b>	89.1	55.5	-39.6	39.9	71.2	62.8	125.6	151.8	137.6	89.1	-50.4
<b>Total</b>	<b>HBQC</b>	<b>-55.5</b>	<b>-54.8</b>	<b>-116.7</b>	<b>-54.4</b>	<b>-23.9</b>	<b>-58.4</b>	<b>-36.3</b>	<b>-44.1</b>	<b>-110.9</b>	<b>-143.5</b>	<b>-291.9</b>

# 8.3 Direct investment

Balance sheets valued at end of year

£ billion

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Direct investment abroad</b> (UK assets)												
Equity capital and reinvested earnings												
Ordinary share capital and reinvested earnings	CVWF	188.5	212.3	271.9	399.8	570.6	565.7	600.4	646.1	633.6	710.6	718.9
Holdings of property	HCHP	12.4	11.0	12.0	12.5	15.7	16.5	18.9	24.6	30.6	37.3	44.2
Total equity capital and reinvested earnings	CGMO	201.0	223.3	283.9	412.3	586.3	582.2	619.3	670.7	664.2	747.9	763.1
Other capital												
Claims on affiliated enterprises												
Debt securities issued by affiliated enterprises	CVWG	1.5	2.9	6.3	8.8	28.1	31.0	31.8	31.9	30.8	19.6	19.7
Other claims on affiliated enterprises												
Inter-company balance	CVOK	44.8	47.7	66.1	71.4	80.7	88.8	103.1	105.2	132.7	149.1	139.1
Branch indebtedness balance	CVOP	5.7	6.3	10.4	10.2	7.9	12.4	11.4	11.1	12.4	8.2	7.6
Total claims on affiliated enterprises	CGLS	52.0	57.0	82.8	90.3	116.8	132.2	146.3	148.2	176.0	176.9	166.4
Liabilities to affiliated enterprises												
Inter-company balance	-CVOL	-40.3	-47.1	-53.2	-61.8	-79.1	-93.2	-124.6	-122.4	-147.1	-167.3	-154.6
Branch indebtedness balance	-CVOQ	-1.0	-0.8	-3.7	-2.5	-5.2	-4.2	-3.9	-5.3	-4.1	-4.9	-4.9
Total liabilities to affiliated enterprises	-HHDJ	-41.3	-48.0	-56.9	-64.4	-84.3	-97.4	-128.4	-127.7	-151.2	-172.1	-159.5
Total other capital assets	HBWU	10.7	9.0	25.9	26.0	32.5	34.8	17.9	20.5	24.7	4.8	6.9
<b>Total</b>	<b>HBWD</b>	<b>211.7</b>	<b>232.4</b>	<b>309.8</b>	<b>438.3</b>	<b>618.8</b>	<b>616.9</b>	<b>637.2</b>	<b>691.1</b>	<b>689.0</b>	<b>752.7</b>	<b>770.0</b>
<b>Direct investment in the UK</b> (UK liabilities)												
Equity capital and reinvested earnings												
Share capital and reinvested earnings												
Quoted share capital and reinvested earnings <sup>1</sup>	CVVB	..	..	..	..	..	..	20.7	25.8	44.4	68.9	92.3
Unquoted share capital and reinvested earnings	CVVC	111.3	124.1	149.0	180.7	227.1	245.6	192.6	204.0	216.0	276.6	331.8
Total share capital and reinvested earnings	HBUX	111.3	124.1	149.0	180.7	227.1	245.6	213.3	229.8	260.4	345.5	424.1
Holdings of UK property	HCOM	9.3	10.2	10.9	11.7	13.5	14.1	15.9	15.9	17.8	18.4	20.2
Total equity capital and reinvested earnings	HBUY	120.6	134.3	159.8	192.3	240.6	259.7	229.2	245.7	278.2	363.9	444.3
Other capital												
Liabilities to direct investors												
Debt securities issued by affiliated enterprises	CVVD	6.3	6.7	6.6	7.0	11.0	17.5	17.3	16.0	18.9	29.5	33.1
Other liabilities to direct investors												
Inter-company balance	CVVJ	43.4	53.4	78.4	96.0	103.8	133.1	147.0	142.2	144.1	169.8	166.9
Branch indebtedness balance	CVVM	6.2	7.4	8.1	6.8	8.5	9.4	8.7	10.7	8.4	8.5	10.0
Total liabilities to direct investors	HBVB	55.9	67.5	93.2	109.8	123.2	160.0	173.0	168.9	171.4	207.8	210.0
Claims on direct investors												
Inter-company balance	-CVVI	-23.7	-27.7	-39.2	-51.8	-51.3	-53.4	-60.5	-55.6	-62.9	-66.5	-70.7
Branch indebtedness balance	-CVVL	-0.2	-0.3	-0.2	-0.1	-2.1	-2.9	-1.1	-3.5	-2.4	-4.1	-4.1
Total claims on direct investors	-HBVA	-23.9	-28.0	-39.4	-51.9	-53.4	-56.3	-61.6	-59.0	-65.3	-70.5	-74.8
Total other capital liabilities	HBVC	32.1	39.4	53.8	57.9	69.8	103.7	111.4	109.9	106.2	137.3	135.1
<b>Total</b>	<b>HBWI</b>	<b>152.6</b>	<b>173.7</b>	<b>213.6</b>	<b>250.2</b>	<b>310.4</b>	<b>363.5</b>	<b>340.6</b>	<b>355.5</b>	<b>384.4</b>	<b>501.2</b>	<b>579.4</b>
<b>Net international investment position</b> (UK assets less UK liabilities)												
Equity capital												
Ordinary share capital and reinvested earnings	LTNM	77.3	88.2	123.0	219.1	343.5	320.0	387.1	416.3	373.3	365.0	294.8
Holdings of property	LTNN	3.1	0.9	1.1	0.9	2.2	2.4	3.0	8.7	12.8	18.9	24.0
Total equity capital and reinvested earnings	HBSH	80.4	89.0	124.1	220.0	345.7	322.4	390.1	425.0	386.0	384.0	318.8
Total other capital	CGKF	-21.4	-30.4	-27.9	-31.9	-37.3	-69.0	-93.5	-89.4	-81.4	-132.5	-128.2
<b>Total</b>	<b>HBWQ</b>	<b>59.0</b>	<b>58.6</b>	<b>96.2</b>	<b>188.1</b>	<b>308.4</b>	<b>253.5</b>	<b>296.6</b>	<b>335.6</b>	<b>304.6</b>	<b>251.5</b>	<b>190.5</b>

<sup>1</sup> Prior to 2003 holdings of quoted share capital were included in series CVVC

# 8.4 Direct investment Sector analysis

Balance sheets valued at end of year

£ billion

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Direct investment abroad</b> (UK assets)												
By:												
Monetary financial institutions (banks)	<b>CVKH</b>	5.3	3.2	9.9	11.7	18.1	25.5	27.7	27.6	39.1	47.5	58.9
Insurance companies	<b>DPYH</b>	17.5	22.5	22.0	21.2	24.3	22.8	22.0	24.9	27.2	30.4	45.2
Other financial intermediaries	<b>CVWH</b>	11.5	15.8	26.9	26.8	34.9	37.8	42.0	44.2	31.4	32.2	35.3
Private non-financial corporations	<b>CVLX</b>	165.9	180.6	239.5	366.7	527.9	515.8	527.5	569.9	560.9	604.9	587.3
Public corporations	<b>CVOF</b>	0.7	0.8	0.8	1.1	1.7	0.8	1.5	1.4	1.6	1.9	1.3
Household sector <sup>1</sup>	<b>AQHH</b>	10.7	9.4	10.7	10.8	12.0	14.3	16.5	23.2	28.7	35.7	41.9
<b>Total</b>	<b>HBWD</b>	<b>211.7</b>	<b>232.4</b>	<b>309.8</b>	<b>438.3</b>	<b>618.8</b>	<b>616.9</b>	<b>637.2</b>	<b>691.1</b>	<b>689.0</b>	<b>752.7</b>	<b>770.0</b>
<b>Direct investment in the UK</b> (UK liabilities)												
In:												
Monetary financial institutions (banks)	<b>CVJW</b>	17.8	21.3	20.3	19.8	26.0	27.2	28.1	30.1	34.2	38.6	42.8
Insurance companies	<b>CVSM</b>	6.8	9.0	9.4	13.7	11.7	13.0	14.1	19.4	18.8	17.6	21.2
Other financial intermediaries												
Securities dealers	<b>CVTC</b>	8.0	8.4	7.2	8.2	9.5	11.0	11.9	12.4	13.0	18.7	19.5
Other	<b>CVTS</b>	2.8	4.9	8.1	7.4	15.8	27.3	29.1	30.3	26.9	25.9	31.9
Total other financial intermediaries	<b>CVUI</b>	10.8	13.3	15.2	15.6	25.2	38.3	41.0	42.7	39.9	44.7	51.4
Private non-financial corporations	<b>CVKW</b>	117.2	130.2	168.7	201.2	247.4	284.9	257.3	263.3	291.5	400.4	464.0
<b>Total</b>	<b>HBWI</b>	<b>152.6</b>	<b>173.7</b>	<b>213.6</b>	<b>250.2</b>	<b>310.4</b>	<b>363.5</b>	<b>340.6</b>	<b>355.5</b>	<b>384.4</b>	<b>501.2</b>	<b>579.4</b>
<b>Net international investment position</b> (UK assets less UK liabilities)												
Monetary financial institutions	<b>LTNO</b>	-12.5	-18.1	-10.5	-8.1	-8.0	-1.7	-0.5	-2.5	4.9	8.9	16.0
Insurance companies	<b>LTNP</b>	10.6	13.4	12.6	7.6	12.6	9.8	7.9	5.4	8.4	12.9	24.0
Other financial intermediaries	<b>LTNQ</b>	0.7	2.6	11.7	11.2	9.7	-0.5	1.0	1.4	-8.4	-12.5	-16.1
Private non-financial corporations	<b>LTNR</b>	48.7	50.4	70.8	165.5	280.4	230.8	270.2	306.6	269.4	204.5	123.3
Public corporations	<b>CVOF</b>	0.7	0.8	0.8	1.1	1.7	0.8	1.5	1.4	1.6	1.9	1.3
Household sector <sup>1</sup>	<b>AQHH</b>	10.7	9.4	10.7	10.8	12.0	14.3	16.5	23.2	28.7	35.7	41.9
<b>Total</b>	<b>HBWQ</b>	<b>59.0</b>	<b>58.6</b>	<b>96.2</b>	<b>188.1</b>	<b>308.4</b>	<b>253.5</b>	<b>296.6</b>	<b>335.6</b>	<b>304.6</b>	<b>251.5</b>	<b>190.5</b>

<sup>1</sup> The household sector includes non-profit institutions serving households.

# 8.5 Portfolio investment

Balance sheets valued at end of year

£ billion

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Portfolio investment abroad</b>												
(UK assets)												
Investment in equity securities (shares) by:												
Monetary financial Institutions (banks)	<b>VTWF</b>	5.0	2.7	8.8	6.8	19.7	14.3	2.7	20.8	53.0	86.2	109.3
Central Government	<b>LOER</b>	—	—	—	—	—	—	—	—	—	0.2	0.2
Insurance companies and pension funds												
Insurance companies	<b>CGPB</b>	62.0	72.3	77.3	115.7	100.7	106.2	82.1	79.1	91.4	132.0	145.5
Pension funds <sup>1</sup>	<b>ZPOR</b>	84.2	104.2	108.9	148.3	135.5	127.9	104.4	125.7	140.3	192.1	210.0
Total insurance companies and pension funds	<b>CGPV</b>	146.2	176.5	186.2	264.0	236.2	234.1	186.5	204.9	231.7	324.0	355.5
Other financial intermediaries												
Securities dealers	<b>HCEA</b>	8.5	31.4	27.0	38.3	49.3	46.8	22.9	32.4	46.3	37.3	34.1
Unit and Investment Trusts	<b>CGSN</b>	68.4	60.7	69.0	93.6	99.1	88.0	77.3	94.1	100.0	131.0	145.9
Other	<b>CGTV</b>	—	—	—	—	—	—	—	—	—	—	—
Total other financial intermediaries	<b>HDIG</b>	76.9	92.1	96.0	131.8	148.4	134.8	100.2	126.5	146.2	168.3	180.0
Private non-financial corporations	<b>XBNN</b>	0.5	0.5	0.7	1.1	10.0	8.9	6.5	7.8	7.9	9.3	11.5
Household sector <sup>2</sup>	<b>HFLX</b>	9.8	10.6	11.9	16.1	15.0	12.5	10.0	12.0	16.5	32.6	37.3
Total investment in equity securities	<b>HEPX</b>	238.3	282.3	303.7	419.9	429.3	404.6	305.9	372.0	455.3	620.5	693.8
Investment in debt securities												
Investment in bonds and notes by:												
Monetary financial institutions												
Banks	<b>VTWJ</b>	154.7	181.9	224.8	239.0	282.8	312.9	326.0	318.2	349.5	403.2	467.0
Building societies	<b>HPEG</b>	1.6	1.6	3.0	4.1	5.8	6.7	6.3	4.8	5.6	5.9	7.6
Total monetary financial institutions	<b>HPCO</b>	156.4	183.5	227.8	243.1	288.7	319.6	332.3	323.1	355.1	409.1	474.6
Central Government	<b>MDZI</b>	—	—	—	—	—	—	—	—	—	—	—
Insurance companies and pension funds												
Insurance companies	<b>CGTU</b>	22.5	24.4	41.4	37.8	39.8	55.9	62.9	64.5	77.0	80.5	86.2
Pension funds <sup>1</sup>	<b>JIRX</b>	22.3	21.6	23.9	36.4	44.2	49.9	45.7	53.9	64.6	87.0	94.4
Total insurance companies and pension funds	<b>HBUM</b>	44.9	46.0	65.3	74.1	84.0	105.8	108.6	118.3	141.7	167.6	180.6
Other financial intermediaries												
Securities dealers	<b>HCDZ</b>	80.4	103.4	68.1	45.6	45.2	34.9	31.1	38.7	57.3	82.7	105.7
Unit and investment trusts	<b>HBXX</b>	3.0	3.6	4.7	5.8	6.8	8.4	7.7	10.7	13.4	20.6	24.4
Other	<b>HCNA</b>	—	0.1	—	—	—	—	—	—	—	—	—
Total other financial intermediaries	<b>HCOR</b>	83.5	107.1	72.8	51.4	52.1	43.3	38.8	49.4	70.7	103.2	130.1
Private non-financial corporations	<b>XBNN</b>	3.1	0.8	1.4	0.4	1.6	2.0	2.2	3.5	3.7	3.0	1.5
Household sector <sup>2</sup>	<b>HCJC</b>	6.4	6.7	7.1	6.9	7.5	7.6	7.8	7.7	7.7	7.7	7.5
Total investment in bonds and notes	<b>HEPW</b>	294.2	344.2	374.4	376.0	433.8	478.3	489.6	502.0	578.8	690.6	794.4
Investment in Money Market Instruments												
Investment in commercial paper by:												
Monetary financial institutions												
Banks	<b>HBWV</b>	8.6	16.6	21.3	31.3	33.2	39.7	32.3	40.6	35.2	37.9	40.4
Building societies	<b>TAIG</b>	0.1	0.3	0.2	0.2	1.1	1.8	1.2	1.0	1.1	1.1	1.0
Central government	<b>LSPI</b>	—	—	—	—	—	0.5	0.9	—	—	—	—
Insurance companies and pension funds	<b>HBXX</b>	1.4	2.0	1.1	1.4	1.3	1.1	1.4	1.5	2.1	3.5	3.5
Other financial intermediaries	<b>HGRJ</b>	3.4	3.0	1.1	4.1	2.2	4.7	4.2	7.2	7.9	7.1	10.6
Private non-financial corporations	<b>HFBN</b>	1.8	2.1	1.2	1.9	3.0	4.9	6.0	9.8	10.4	12.0	17.4
Total investment in commercial paper	<b>HGRK</b>	15.3	24.0	24.8	38.9	40.8	52.6	46.0	60.0	56.6	61.6	72.9
Investment in certificates of deposit by:												
Monetary financial institutions (Building societies)	<b>TAIE</b>	—	—	0.2	0.1	0.6	0.6	1.2	1.2	0.9	0.8	1.4
Other financial intermediaries	<b>CDHB</b>	0.5	0.5	0.8	3.4	1.6	1.2	1.4	0.7	0.7	0.7	0.5
Total transactions in certificates of deposit	<b>VTWN</b>	0.5	0.5	1.0	3.6	2.2	1.8	2.5	1.9	1.6	1.5	1.9
Total investment in Money Market Instruments	<b>HLVR</b>	15.8	24.5	25.8	42.5	43.0	54.5	48.5	61.9	58.2	63.2	74.8
Total investment in debt securities	<b>HHZX</b>	310.0	368.6	400.2	418.4	476.8	532.8	538.1	563.9	637.0	753.8	869.2
<b>Total</b>	<b>HHZZ</b>	<b>548.3</b>	<b>651.0</b>	<b>703.8</b>	<b>838.3</b>	<b>906.1</b>	<b>937.4</b>	<b>844.0</b>	<b>935.8</b>	<b>1 092.3</b>	<b>1 374.3</b>	<b>1 563.0</b>

1 The pension funds data only covers self-administered funds, see glossary.

2 The household sector includes non-profit institutions serving households.

# 8.5 Portfolio investment

Balance sheets valued at end of year

continued

£ billion

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Portfolio investment in the UK</b>												
(UK liabilities)												
Investment in equity securities (shares) issued by:												
Monetary financial Institutions (banks and building societies)	<b>HBQD</b>	9.7	14.8	11.0	9.1	5.9	5.1	3.0	4.2	4.2	5.0	6.5
Other sectors <sup>1</sup>	<b>HBQE</b>	216.3	287.1	391.1	500.7	598.5	524.4	406.8	487.3	520.2	623.5	720.7
Total investment in equity securities	<b>HLXX</b>	226.1	301.9	402.1	509.8	604.4	529.4	409.8	491.5	524.4	628.5	727.2
Investment in debt securities												
Investment in bonds and notes												
Issues by central government												
UK foreign currency bonds and notes	<b>HEWE</b>	10.0	6.4	5.1	4.7	6.5	3.3	0.9	1.6	1.5	1.7	1.5
Investment in British government stocks by:												
Foreign central banks (exchange reserves)	<b>HCCH</b>	14.7	14.1	18.0	16.7	18.1	18.7	17.3	15.9	21.0	21.0	25.2
Other foreign residents	<b>HEQF</b>	38.8	43.8	50.9	39.6	37.8	37.8	38.2	48.6	61.3	88.0	108.8
Total investment in British government stocks	<b>HEWD</b>	53.5	58.0	68.8	56.2	55.9	56.5	55.5	64.5	82.3	109.0	134.0
Total issues by central government	<b>HHGF</b>	63.5	64.4	73.9	60.9	62.4	59.9	56.4	66.1	83.8	110.7	135.5
Local authorities' bonds	<b>HHGG</b>	—	—	—	—	—	—	—	—	—	—	—
Public corporations' bonds	<b>HEWM</b>	—	—	—	—	—	—	—	—	—	—	—
Issues by monetary financial Institutions (banks and building societies)												
Bonds	<b>HMBL</b>	22.1	25.4	28.6	33.6	39.0	41.6	51.4	68.0	83.0	105.9	119.6
European medium term notes and other medium-term paper:												
Issued by UK banks	<b>HCFA</b>	19.6	24.9	27.7	33.5	35.8	39.2	40.4	49.5	64.5	85.6	105.0
Issued by UK building societies	<b>HCFD</b>	4.4	1.3	1.1	1.2	2.6	3.3	3.2	4.2	6.4	9.9	9.9
Total	<b>HHGI</b>	24.0	26.3	28.9	34.7	38.4	42.5	43.6	53.7	70.9	95.5	114.9
Total monetary financial institutions	<b>HMBF</b>	46.1	51.7	57.4	68.3	77.4	84.1	95.0	121.7	154.0	201.4	234.4
Issues by other sectors <sup>1</sup>	<b>HHGJ</b>	68.8	79.1	89.0	104.5	121.3	129.4	160.1	211.7	258.3	329.6	372.3
Total investment in bonds and notes	<b>HLXZ</b>	178.4	195.2	220.3	233.8	261.1	273.4	311.5	399.5	496.1	641.7	742.2
Investment in Money Market Instruments												
Investment in treasury bills (issued by central government)												
Sterling treasury bills	<b>ACQJ</b>	0.9	0.6	0.1	0.1	—	0.1	0.2	1.9	4.0	2.7	3.5
Euro treasury bills	<b>HHNX</b>	2.0	1.1	0.2	—	—	—	—	—	—	—	—
Total treasury bills	<b>HLJU</b>	3.0	1.7	0.3	0.1	—	0.1	0.2	1.9	4.0	2.7	3.5
Investment in certificates of deposit (issued by monetary financial institutions)												
Issued by UK banks	<b>HHGK</b>	51.1	59.1	41.6	53.9	92.8	115.0	108.4	96.2	87.9	95.1	116.1
Issued by UK building societies	<b>HHGL</b>	0.6	0.2	0.3	0.5	0.5	0.4	0.6	1.7	2.2	1.1	2.1
Total certificates of deposit	<b>HHGM</b>	51.7	59.3	42.0	54.4	93.3	115.4	108.9	97.8	90.1	96.2	118.2
Investment in commercial paper												
Issued by UK monetary financial Institutions												
UK banks	<b>HHGN</b>	6.3	11.1	11.4	10.1	14.7	14.9	28.9	27.0	35.1	33.9	35.6
Building societies	<b>HHGO</b>	3.2	0.7	1.0	2.7	2.9	2.8	2.4	5.7	5.5	6.0	9.7
Total monetary financial institutions	<b>HHGP</b>	9.5	11.8	12.4	12.8	17.7	17.7	31.4	32.8	40.6	39.9	45.2
Issued by other sectors <sup>1</sup>	<b>HLJQ</b>	11.3	13.4	15.6	17.8	21.7	22.5	30.6	23.7	22.6	22.2	16.3
Total investment in commercial paper	<b>HHGR</b>	20.9	25.2	28.0	30.6	39.4	40.2	62.0	56.5	63.3	62.1	61.5
Total investment in Money Market Instruments	<b>HLJY</b>	75.6	86.2	70.3	85.2	132.7	155.7	171.1	156.3	157.3	161.0	183.2
Total investment in debt securities	<b>HLXY</b>	253.9	281.4	290.6	319.0	393.8	429.1	482.6	555.8	653.4	802.8	925.4
<b>Total</b>	<b>HLXW</b>	<b>480.0</b>	<b>583.3</b>	<b>692.7</b>	<b>828.8</b>	<b>998.2</b>	<b>958.5</b>	<b>892.3</b>	<b>1 047.3</b>	<b>1 177.8</b>	<b>1 431.3</b>	<b>1 652.6</b>

<sup>1</sup> These series relate to non-governmental sectors other than monetary financial institutions.

## 8.5 Portfolio investment

Balance sheets valued at end of year

continued

£ billion

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Net international investment position</b> (UK assets less UK liabilities)												
Equity securities	CGNE	12.2	-19.5	-98.4	-90.0	-175.1	-124.8	-103.9	-119.5	-69.1	-8.1	-33.3
Debt securities												
Bonds and notes	LTNS	115.8	149.0	154.0	142.2	172.7	204.9	178.1	102.5	82.7	48.9	52.1
Money market instruments	LTNT	-59.8	-61.8	-44.5	-42.7	-89.8	-101.2	-122.6	-94.4	-99.1	-97.9	-108.4
Total debt securities	CGNF	56.0	87.2	109.6	99.5	82.9	103.7	55.6	8.1	-16.4	-49.0	-56.2
<b>Total</b>	<b>CGNH</b>	<b>68.3</b>	<b>67.7</b>	<b>11.1</b>	<b>9.5</b>	<b>-92.2</b>	<b>-21.1</b>	<b>-48.3</b>	<b>-111.5</b>	<b>-85.5</b>	<b>-57.0</b>	<b>-89.6</b>

## 8.6 Portfolio investment

Sector analysis  
Balance sheets valued at end of year

£ billion

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Portfolio investment abroad</b> (UK assets)												
<b>Investment by:</b>												
Monetary financial institutions												
Banks	HBRW	168.3	201.1	254.8	277.1	335.8	367.0	361.0	379.6	437.6	527.3	616.7
Building societies	VTWM	1.7	1.9	3.4	4.5	7.5	9.0	8.7	7.0	7.7	7.8	10.0
Total monetary financial institutions	HHGQ	170.1	203.1	258.2	281.6	343.2	376.0	369.7	386.7	445.3	535.1	626.7
Central government	LOFC	—	—	—	—	—	0.5	0.9	—	—	0.2	0.2
Insurance companies and pension funds	HHHH	192.4	224.4	252.7	339.5	321.4	341.0	296.5	324.7	375.4	495.1	539.6
Other financial intermediaries	HHNH	164.2	202.7	170.7	190.8	204.3	184.0	144.5	183.7	225.5	279.3	321.2
Private non-financial corporations	AIMH	5.4	3.4	3.2	3.4	14.7	15.8	14.6	21.0	21.9	24.3	30.4
Household sector <sup>1</sup>	AINA	16.2	17.3	19.0	23.0	22.4	20.2	17.7	19.7	24.2	40.3	44.8
<b>Total</b>	<b>HHZZ</b>	<b>548.3</b>	<b>651.0</b>	<b>703.8</b>	<b>838.3</b>	<b>906.1</b>	<b>937.4</b>	<b>844.0</b>	<b>935.8</b>	<b>1 092.3</b>	<b>1 374.3</b>	<b>1 563.0</b>
<b>Portfolio investment in the UK</b> (UK liabilities)												
<b>Investment in securities issued by:</b>												
Monetary financial institutions (banks and building societies)	CGPC	117.1	137.6	122.7	144.6	194.3	222.2	238.3	256.5	288.9	342.6	404.4
Central government	HHGS	66.5	66.1	74.3	61.1	62.4	60.0	56.5	68.0	87.8	113.4	139.0
Local authorities	HHGG	—	—	—	—	—	—	—	—	—	—	—
Public corporations	HEWM	—	—	—	—	—	—	—	—	—	—	—
Other sectors	CGPG	296.5	379.6	495.7	623.1	741.5	676.3	597.5	722.7	801.1	975.3	1 109.3
<b>Total</b>	<b>HLXW</b>	<b>480.0</b>	<b>583.3</b>	<b>692.7</b>	<b>828.8</b>	<b>998.2</b>	<b>958.5</b>	<b>892.3</b>	<b>1 047.3</b>	<b>1 177.8</b>	<b>1 431.3</b>	<b>1 652.6</b>
<b>Net international investment position</b> (UK assets less UK liabilities)												
Monetary financial institutions	LTNU	53.0	65.5	135.5	137.0	149.0	153.8	131.3	130.1	156.3	192.5	222.4
Central government	ZPOH	-66.5	-66.1	-74.3	-61.1	-62.4	-59.5	-55.6	-68.0	-87.8	-113.2	-138.8
Local authorities	HHGG	—	—	—	—	—	—	—	—	—	—	—
Public corporations	-HEWM	—	—	—	—	—	—	—	—	—	—	—
Other sectors	LTNV	81.7	68.3	-50.1	-66.5	-178.7	-115.4	-124.0	-173.6	-154.1	-136.4	-173.2
<b>Total</b>	<b>CGNH</b>	<b>68.3</b>	<b>67.7</b>	<b>11.1</b>	<b>9.5</b>	<b>-92.2</b>	<b>-21.1</b>	<b>-48.3</b>	<b>-111.5</b>	<b>-85.5</b>	<b>-57.0</b>	<b>-89.6</b>

<sup>1</sup> The household sector includes non-profit institutions serving households.





# 8.7 Other investment

Balance sheets valued at end of year

£ billion

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Other investment abroad</b> (UK assets)												
Trade credit												
Long-term												
Central government	<b>ZPOC</b>	8.2	8.2	8.2	—	—	—	—	—	—	—	—
Other sectors <sup>1</sup>	<b>HCLK</b>	0.5	0.5	0.5	—	—	—	—	—	—	—	—
Total long-term trade credit	<b>HHGU</b>	8.7	8.7	8.7	—	—	—	—	—	—	—	—
Short-term												
Other sectors <sup>1</sup>	<b>HLXU</b>	3.2	2.6	1.4	0.5	0.4	0.1	0.4	1.0	0.6	−0.7	−0.7
Total trade credit	<b>HLXP</b>	11.9	11.3	10.1	0.5	0.4	0.1	0.4	1.0	0.6	−0.7	−0.7
Loans												
Long-term												
Bank loans under ECGD guarantee	<b>HCFQ</b>	5.2	5.8	6.0	6.0	4.8	5.1	3.8	3.7	3.7	4.1	3.3
Inter-government loans by the UK and other central government assets	<b>HCFN</b>	0.5	0.5	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.1
Loans by Commonwealth Development Corporation (public corporations)	<b>HEWZ</b>	1.2	1.2	1.1	1.1	0.5	0.4	0.4	0.4	0.3	0.3	0.3
Loans by the Export Credit Guarantee Department	<b>CY94</b>	..	2.4	2.3	2.4	2.4	2.6	2.4	2.4	2.5	2.1	1.8
Loans by specialist leasing companies <sup>1</sup>	<b>HGIH</b>	—	—	—	—	—	—	—	—	—	—	—
Total long-term loans	<b>HFAX</b>	6.9	9.8	9.7	9.7	8.0	8.3	6.8	6.6	6.8	6.7	5.5
Short-term												
By monetary financial institutions												
By banks												
Sterling loans	<b>NLHN</b>	18.7	24.0	23.4	26.1	27.6	32.3	37.6	40.2	47.4	66.9	87.8
Foreign currency loans	<b>ZPOO</b>	127.8	168.6	180.1	189.1	252.5	290.9	291.0	358.3	448.9	575.6	621.3
Total banks	<b>HEQS</b>	146.5	192.6	203.5	215.3	280.1	323.2	328.6	398.4	496.3	642.4	709.1
By building societies	<b>NLHP</b>	—	—	—	—	—	—	—	—	—	—	—
Total monetary financial institutions	<b>ZPOM</b>	146.5	192.6	203.5	215.3	280.1	323.2	328.6	398.5	496.3	642.5	709.2
By other sectors	<b>HLXI</b>	0.7	0.7	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total short-term loans	<b>VTUM</b>	147.2	193.3	204.0	215.8	280.6	323.8	329.1	399.0	496.9	643.0	709.7
Total loans	<b>HLXQ</b>	154.2	203.1	213.7	225.5	288.6	332.1	335.9	405.6	503.6	649.7	715.2
Currency and deposits												
Foreign notes and coin												
Monetary financial institutions (banks)	<b>TAAF</b>	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Other sectors <sup>1</sup>	<b>CGML</b>	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5
Total foreign notes and coin	<b>HEOX</b>	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.7
Deposits abroad by UK residents												
Deposits by monetary financial institutions												
Deposits by banks												
Sterling deposits	<b>HFBB</b>	47.0	83.2	89.2	75.6	94.8	102.1	94.6	113.0	110.1	144.3	191.4
Foreign currency deposits	<b>HFBG</b>	426.3	544.1	576.5	546.4	677.8	700.1	746.1	806.3	894.8	1 053.1	1 093.3
Total deposits by UK banks	<b>HLXL</b>	473.4	627.3	665.7	621.9	772.7	802.2	840.7	919.3	1 004.9	1 197.4	1 284.7
Deposits by building societies	<b>TAIC</b>	1.3	1.0	0.9	0.5	1.0	0.9	0.4	0.2	0.3	0.2	0.3
Total deposits by monetary financial institutions	<b>VTWL</b>	474.7	628.3	666.5	622.4	773.7	803.2	841.1	919.5	1 005.2	1 197.6	1 285.1
Deposits by securities dealers	<b>HGUX</b>	129.8	129.1	111.5	152.2	206.1	261.9	242.0	289.7	315.7	497.4	504.8
Deposits by other UK residents <sup>1</sup>	<b>HHGW</b>	77.6	95.0	102.0	124.6	153.5	170.6	210.2	262.8	324.3	389.2	409.1
Total deposits abroad	<b>HBXS</b>	682.1	852.4	880.0	899.2	1 133.3	1 235.7	1 293.3	1 472.0	1 645.3	2 084.2	2 198.9
Total currency and deposits	<b>HBVS</b>	682.5	852.8	880.5	899.7	1 133.7	1 236.1	1 293.8	1 472.6	1 645.9	2 084.8	2 199.6

<sup>1</sup> These series relate to non-governmental sectors other than monetary financial institutions.

# 8.7 Other investment

Balance sheets valued at end of year

continued

£ billion

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Other investment abroad - continued</b>												
(UK assets)												
Other assets												
Central government assets												
Central government subscriptions to international organisations												
International Development Association <sup>1</sup>	HEXS	..	..	..	..	..	..	..	..	..	6.3	6.5
Regional development banks	HEXW	0.8	0.9	1.0	1.0	1.1	1.1	1.2	1.3	1.3	1.4	1.5
European Investment Bank (EIB)	HEXX	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other subscriptions	HEXZ	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.8
Total central government subscriptions	HLXO	1.6	1.6	1.7	1.8	1.8	1.9	2.0	2.1	2.2	8.6	9.2
Other long-term central government assets	XBJL	—	—	—	—	—	—	—	—	—	—	—
Other short-term central government assets	LOEM	1.1	1.2	1.2	1.5	1.8	1.7	2.3	2.5	2.7	1.8	2.2
Total central government	LOET	2.7	2.8	2.9	3.3	3.6	3.7	4.3	4.6	5.0	10.4	11.4
Other sectors assets												
Long-term assets <sup>2</sup>												
	HLXM	—	—	—	—	—	—	—	—	—	—	—
Short-term assets												
Public corporations assets abroad	HGJM	—	—	—	—	—	—	—	—	—	—	—
Other <sup>1</sup>	HHGY	0.5	0.4	0.5	0.8	1.1	1.1	1.4	1.3	1.1	1.1	0.9
Total short-term assets	HLXJ	0.5	0.4	0.5	0.8	1.1	1.1	1.4	1.3	1.1	1.1	0.9
Total other sectors	HLXN	0.5	0.4	0.5	0.8	1.1	1.1	1.4	1.3	1.1	1.1	0.9
Total other assets	HLXS	3.2	3.2	3.4	4.0	4.7	4.8	5.7	5.9	6.0	11.6	12.3
<b>Total</b>	<b>HLXV</b>	<b>851.7</b>	<b>1 070.4</b>	<b>1 107.7</b>	<b>1 129.7</b>	<b>1 427.5</b>	<b>1 573.1</b>	<b>1 635.8</b>	<b>1 885.1</b>	<b>2 156.2</b>	<b>2 745.3</b>	<b>2 926.4</b>

1 Subscriptions to the International Development Association are included in other investment abroad from 2005. For earlier periods they are included in current transfers.

2 These series relate to non-governmental sectors other than monetary financial institutions.

# 8.7 Other investment

Balance sheets valued at end of year

continued

£ billion

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Other investment in the UK</b> (UK liabilities)												
Trade credit												
Long-term <sup>1</sup>	<b>HBWC</b>	1.5	1.5	1.5	—	—	—	—	—	—	—	—
Short-term <sup>1</sup>	<b>HCGB</b>	1.2	1.2	1.2	1.0	1.1	1.1	1.0	0.9	0.9	1.0	0.8
Total trade credit	<b>HLYL</b>	2.7	2.7	2.7	1.0	1.1	1.1	1.0	0.9	0.9	1.0	0.8
Loans												
Long-term loans to:												
Central government	<b>HHGZ</b>	0.8	0.6	0.4	0.4	0.6	0.5	0.4	0.2	0.1	0.1	—
Local authorities	<b>HHHA</b>	1.2	1.1	1.2	1.1	0.8	0.8	0.9	1.1	1.7	1.9	2.1
Public corporations	<b>HHHB</b>	0.2	—	—	—	—	—	—	—	—	—	—
Other <sup>1</sup>	<b>AQBX</b>	—	—	—	—	—	—	—	—	—	—	—
Total long-term loans	<b>HHHC</b>	2.2	1.7	1.6	1.4	1.4	1.3	1.2	1.3	1.9	1.9	2.1
Short-term loans to:												
Central government	<b>HHHD</b>	—	—	—	—	—	—	—	—	—	—	—
Local authorities	<b>HHHE</b>	—	—	—	—	—	—	—	—	—	—	—
Securities dealers	<b>HHHF</b>	178.0	204.3	198.3	235.7	286.6	344.6	307.6	337.0	372.0	601.6	578.6
Other <sup>1</sup>	<b>HHHG</b>	80.1	94.2	95.5	116.3	127.8	154.3	179.9	218.2	265.5	286.0	370.9
Total short-term loans	<b>HHHJ</b>	258.1	298.5	293.8	352.0	414.4	498.9	487.4	555.2	637.5	887.6	949.5
Total loans	<b>HLXI</b>	260.2	300.2	295.4	353.4	415.8	500.2	488.6	556.5	639.3	889.5	951.6
Currency and deposits												
Sterling notes and coin												
Notes (issued by Bank of England)	<b>HLVG</b>	0.7	0.8	0.9	1.0	1.0	1.0	1.1	1.1	1.2	1.3	1.4
Coins (issued by Royal Mint)	<b>HLVH</b>	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Total notes and coin	<b>APME</b>	0.8	0.9	1.0	1.1	1.1	1.1	1.2	1.3	1.4	1.5	1.5
Deposits from abroad with UK residents												
Deposits with monetary financial institutions												
Deposits with banks												
Sterling deposits	<b>NLCZ</b>	106.5	134.4	147.2	167.5	200.4	215.9	228.0	251.7	279.6	331.3	389.0
Foreign currency deposits	<b>NLDA</b>	664.6	814.9	886.7	859.0	1 060.0	1 152.5	1 206.6	1 347.9	1 570.0	1 861.5	1 974.2
Total deposits with banks	<b>CGEH</b>	771.1	949.3	1 033.9	1 026.5	1 260.4	1 368.4	1 434.6	1 599.6	1 849.6	2 192.8	2 363.2
Deposits with building societies	<b>NLDB</b>	9.9	4.0	4.9	5.2	4.1	4.6	4.9	5.4	5.7	6.9	7.6
Total deposits with UK monetary financial institutions	<b>HDKG</b>	781.0	953.4	1 038.8	1 031.7	1 264.6	1 373.0	1 439.5	1 605.1	1 855.4	2 199.8	2 370.7
Deposit liabilities of UK central government	<b>HEYH</b>	1.1	0.3	0.6	1.3	1.8	1.7	1.6	1.9	1.0	0.9	1.4
Total deposits from abroad with UK residents	<b>HBYA</b>	782.1	953.7	1 039.5	1 033.0	1 266.4	1 374.7	1 441.1	1 606.9	1 856.4	2 200.7	2 372.1
Total currency and deposits	<b>HLVI</b>	782.9	954.6	1 040.4	1 034.1	1 267.5	1 375.8	1 442.3	1 608.2	1 857.8	2 202.1	2 373.7
Other liabilities												
Long-term												
Net equity of foreign households in life insurance reserves and in pension funds	<b>VTUE</b>	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Prepayments of premiums and reserves against outstanding claims	<b>NQLR</b>	14.7	15.5	15.0	14.1	10.8	10.7	12.6	10.2	10.4	14.2	14.8
Total long-term liabilities <sup>1</sup>	<b>VTUF</b>	14.8	15.7	15.2	14.3	11.0	10.9	12.9	10.4	10.6	14.4	15.0
Short-term <sup>1</sup>	<b>HBMV</b>	1.1	1.1	1.3	1.1	1.1	1.6	1.0	1.0	0.9	1.0	1.1
Total other liabilities	<b>HLYM</b>	16.0	16.8	16.5	15.4	12.0	12.5	13.8	11.4	11.5	15.5	16.1
<b>Total</b>	<b>HLVD</b>	<b>1 061.7</b>	<b>1 274.3</b>	<b>1 355.0</b>	<b>1 403.9</b>	<b>1 696.4</b>	<b>1 889.6</b>	<b>1 945.8</b>	<b>2 177.1</b>	<b>2 509.4</b>	<b>3 108.0</b>	<b>3 342.2</b>

<sup>1</sup> These series relate to non-governmental sectors other than monetary financial institutions.

## 8.7 Other investment

Balance sheets valued at end of year

continued

£ billion

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Net international investment position</b> (UK assets less UK liabilities)												
Trade credit	<b>LTNW</b>	9.2	8.6	7.4	-0.5	-0.7	-1.0	-0.6	0.1	-0.2	-1.7	-1.5
Loans	<b>LTNX</b>	-106.1	-97.2	-81.7	-127.8	-127.1	-168.1	-152.8	-150.9	-135.7	-239.8	-236.4
Currency and deposits	<b>LTNY</b>	-100.4	-101.7	-160.0	-134.4	-133.8	-139.7	-148.5	-135.6	-211.9	-117.4	-174.0
Other	<b>LTNZ</b>	-12.8	-13.7	-13.1	-11.4	-7.3	-7.7	-8.2	-5.5	-5.4	-3.9	-3.8
<b>Total</b>	<b>CGNG</b>	<b>-210.1</b>	<b>-204.0</b>	<b>-247.3</b>	<b>-274.2</b>	<b>-268.9</b>	<b>-316.5</b>	<b>-310.0</b>	<b>-292.0</b>	<b>-353.2</b>	<b>-362.7</b>	<b>-415.8</b>

## 8.8 Other investment

Sector analysis  
Balance sheets valued at end of year

£ billion

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Other investment abroad</b> (UK assets)												
<b>Investment by:</b>												
Monetary financial institutions												
Banks	<b>CGEI</b>	625.2	825.8	875.3	843.4	1 057.6	1 130.6	1 173.2	1 321.5	1 505.1	1 844.1	1 997.3
Building societies	<b>HEQT</b>	1.3	1.0	0.9	0.5	1.0	0.9	0.4	0.2	0.3	0.2	0.4
Total monetary financial institutions	<b>VTXD</b>	<b>626.6</b>	<b>826.8</b>	<b>876.2</b>	<b>843.9</b>	<b>1 058.6</b>	<b>1 131.6</b>	<b>1 173.5</b>	<b>1 321.8</b>	<b>1 505.4</b>	<b>1 844.3</b>	<b>1 997.7</b>
Central government	<b>CGEN</b>	11.4	11.5	11.4	3.5	3.9	3.9	4.5	4.8	5.1	10.6	11.5
Public corporations	<b>CGEO</b>	1.2	3.6	3.4	3.4	2.9	3.0	2.8	2.8	2.9	2.5	2.1
Other sectors	<b>CGGH</b>	212.5	228.5	216.7	278.9	362.1	434.6	454.9	555.7	642.8	888.0	915.1
<b>Total</b>	<b>HLXV</b>	<b>851.7</b>	<b>1 070.4</b>	<b>1 107.7</b>	<b>1 129.7</b>	<b>1 427.5</b>	<b>1 573.1</b>	<b>1 635.8</b>	<b>1 885.1</b>	<b>2 156.2</b>	<b>2 745.3</b>	<b>2 926.4</b>
<b>Other investment in the UK</b> (UK liabilities)												
<b>Investment in:</b>												
Monetary financial institutions												
Banks	<b>CGOV</b>	771.8	950.1	1 034.8	1 027.4	1 261.5	1 369.4	1 435.6	1 600.8	1 850.9	2 194.1	2 364.5
Building societies	<b>NLDB</b>	9.9	4.0	4.9	5.2	4.1	4.6	4.9	5.4	5.7	6.9	7.6
Total monetary financial institutions	<b>CGHB</b>	<b>781.7</b>	<b>954.2</b>	<b>1 039.7</b>	<b>1 032.7</b>	<b>1 265.6</b>	<b>1 374.0</b>	<b>1 440.6</b>	<b>1 606.2</b>	<b>1 856.6</b>	<b>2 201.1</b>	<b>2 372.1</b>
Central government	<b>CGHG</b>	2.7	1.8	2.1	2.5	3.2	3.4	2.6	2.8	1.7	1.8	2.3
Local authorities	<b>CGHX</b>	1.2	1.1	1.2	1.1	0.8	0.8	0.9	1.1	1.7	1.9	2.1
Public corporations	<b>ZPOX</b>	0.2	—	—	—	—	—	—	—	—	—	—
Other sectors	<b>CGNC</b>	275.9	317.3	312.0	367.7	426.9	511.3	501.8	567.0	649.3	903.3	965.7
<b>Total</b>	<b>HLVD</b>	<b>1 061.7</b>	<b>1 274.3</b>	<b>1 355.0</b>	<b>1 403.9</b>	<b>1 696.4</b>	<b>1 889.6</b>	<b>1 945.8</b>	<b>2 177.1</b>	<b>2 509.4</b>	<b>3 108.0</b>	<b>3 342.2</b>
<b>Net international investment position</b> (UK assets less UK liabilities)												
Monetary financial institutions												
Banks	<b>LTOA</b>	-146.6	-124.3	-159.5	-184.1	-203.8	-238.8	-262.4	-279.2	-345.8	-350.1	-367.2
Building societies	<b>LTOB</b>	-8.6	-3.0	-4.1	-4.7	-3.1	-3.7	-4.6	-5.2	-5.4	-6.7	-7.2
Total monetary financial institutions	<b>LTOC</b>	<b>-155.2</b>	<b>-127.4</b>	<b>-163.6</b>	<b>-188.8</b>	<b>-207.0</b>	<b>-242.5</b>	<b>-267.0</b>	<b>-284.4</b>	<b>-351.2</b>	<b>-356.8</b>	<b>-374.4</b>
Central government	<b>LTOD</b>	8.7	9.8	9.4	1.0	0.7	0.5	1.9	2.0	3.4	8.8	9.3
Local authorities	<b>-CGHX</b>	-1.2	-1.1	-1.2	-1.1	-0.8	-0.8	-0.9	-1.1	-1.7	-1.9	-2.1
Public corporations	<b>LTOE</b>	1.0	3.5	3.4	3.4	2.9	3.0	2.8	2.8	2.9	2.4	2.1
Other sectors	<b>LTOF</b>	-63.3	-88.7	-95.3	-88.7	-64.8	-76.7	-46.8	-11.3	-6.5	-15.3	-50.6
<b>Total</b>	<b>CGNG</b>	<b>-210.1</b>	<b>-204.0</b>	<b>-247.3</b>	<b>-274.2</b>	<b>-268.9</b>	<b>-316.5</b>	<b>-310.0</b>	<b>-292.0</b>	<b>-353.2</b>	<b>-362.7</b>	<b>-415.8</b>

## 8.9 Reserve assets

### Central government sector

Balance sheets valued at end of year

£ billion

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Monetary gold	<b>HCGD</b>	4.0	3.2	4.0	3.7	2.9	2.2	2.1	2.3	2.3	3.0	3.2
Special drawing rights	<b>HCGE</b>	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Reserve position in the Fund	<b>HCGF</b>	1.4	1.8	2.6	3.3	2.9	3.5	3.8	3.5	2.9	1.0	0.7
Foreign exchange												
Currency and deposits												
With central banks	<b>CGDE</b>	2.9	3.0	0.8	0.4	0.1	0.1	0.2	0.1	0.1	0.1	0.1
With other banks	<b>CGDF</b>	3.1	2.9	2.6	5.0	3.7	2.8	1.9	1.3	0.3	0.8	0.4
Total currency and deposits	<b>CGDD</b>	5.9	5.9	3.4	5.5	3.7	2.9	2.1	1.4	0.4	1.0	0.5
Securities												
Bonds and notes	<b>CGDH</b>	14.1	10.6	10.9	7.6	16.7	14.4	16.8	16.2	17.1	17.5	15.3
Money market instruments	<b>CGDL</b>	1.7	1.0	2.1	1.8	2.3	2.2	0.2	0.2	0.3	1.7	3.0
Total securities	<b>CGDG</b>	15.8	11.6	13.0	9.5	19.0	16.6	17.0	16.4	17.4	19.2	18.3
Total foreign exchange	<b>HCGG</b>	21.7	17.6	16.4	14.9	22.7	19.4	19.1	17.7	17.8	20.2	18.8
Other claims	<b>CGDM</b>	—	—	—	—	0.1	0.4	0.2	—	0.1	0.4	—
<b>Total</b>	<b>LTEB</b>	<b>27.3</b>	<b>22.8</b>	<b>23.3</b>	<b>22.2</b>	<b>28.8</b>	<b>25.6</b>	<b>25.5</b>	<b>23.8</b>	<b>23.3</b>	<b>24.7</b>	<b>22.9</b>

# 8.10

## External debt statement

Balance sheets valued at end of year

£ billion

		1999	2000	2001	2002	2003	2004	2005	2006
<b>General Government</b>									
Short-term									
Money market instruments	HL YU	0.1	—	0.1	0.2	1.9	4.0	2.7	3.5
Currency and deposits	HL VH	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Other liabilities	VT ZZ	1.3	1.8	1.7	1.6	1.9	1.0	0.9	1.4
Total short-term	ZAV F	1.5	2.0	1.9	1.9	3.9	5.1	3.8	5.1
Long-term									
Bonds and notes issued by central government	HH G F	60.9	62.4	59.9	56.4	66.1	83.8	110.7	135.5
Loans to central government	HH G Z	0.4	0.6	0.5	0.4	0.2	0.1	0.1	—
to local authorities	HH HA	1.1	0.8	0.8	0.9	1.1	1.7	1.9	2.1
Total long-term	ZAV G	62.3	63.7	61.2	57.6	67.4	85.7	112.6	137.6
Total General Government liabilities	ZAV H	63.9	65.7	63.0	59.5	71.4	90.8	116.4	142.6
<b>Monetary Authorities</b>									
Short-term									
Money market instruments	VT Z S	0.7	0.3	1.4	2.8	3.5	3.4	3.6	2.4
Currency and deposits	VT Z T	8.4	5.2	3.8	5.5	6.8	9.9	13.0	14.6
Total short-term	VT Z Y	9.1	5.5	5.2	8.3	10.3	13.3	16.5	16.9
Long-term									
Bonds and notes	VT Z U	—	—	—	—	—	—	—	—
Total long-term	VT Z V	—	—	—	—	—	—	—	—
Total Monetary Authorities liabilities	VT Z W	9.1	5.5	5.2	8.3	10.3	13.3	16.5	16.9
<b>Banks</b>									
Short-term									
Money market instruments									
Banks	ZAV C	63.3	107.3	128.5	134.5	119.7	119.7	125.4	149.3
Building societies	ZAV D	3.2	3.4	3.2	3.0	7.4	7.7	7.2	11.8
Total money market instruments	ZAV X	66.5	110.7	131.7	137.5	127.1	127.4	132.6	161.0
Currency and deposits									
Banks	VT Z X	1 018.1	1 255.2	1 364.6	1 429.1	1 592.8	1 839.7	2 179.9	2 348.6
Building societies	NL DB	5.2	4.1	4.6	4.9	5.4	5.7	6.9	7.6
Total short-term	ZAV I	1 089.8	1 370.0	1 500.9	1 571.5	1 725.4	1 972.9	2 319.4	2 517.2
Long-term									
Bonds and notes	HMB F	68.3	77.4	84.1	95.0	121.7	154.0	201.4	234.4
Total long-term	ZPO K	68.3	77.4	84.1	95.0	121.7	154.0	201.4	234.4
Total Banks liabilities	ZAV A	1 158.1	1 447.4	1 585.0	1 666.6	1 847.1	2 126.8	2 520.8	2 751.6
<b>Other sectors</b>									
Short-term									
Money market instruments	HL Y Q	17.8	21.7	22.5	30.6	23.7	22.6	22.2	16.3
Loans	ZL B Y	352.0	414.4	498.9	487.4	555.2	637.5	887.6	949.5
Trade credits	HC GB	1.0	1.1	1.1	1.0	0.9	0.9	1.0	0.8
Other liabilities	LS Y R	1.1	1.1	1.6	1.0	1.0	0.9	1.0	1.1
Total short-term liabilities	ZAV B	372.0	438.3	524.1	520.0	580.9	661.8	911.7	967.7
Long-term									
Bond and notes	HH G J	104.5	121.3	129.4	160.1	211.7	258.3	329.6	372.3
Loans	ZL B Z	—	—	—	—	—	—	—	—
Trade credits	HB WC	—	—	—	—	—	—	—	—
Other liabilities	VT U F	14.3	11.0	10.9	12.9	10.4	10.6	14.4	15.0
Total long-term liabilities	ZAV Q	118.8	132.3	140.3	172.9	222.1	268.9	344.0	387.3
Total other sectors liabilities	ZAV R	490.8	570.6	664.4	693.0	803.0	930.7	1 255.8	1 355.0
<b>Direct investment</b>									
Debt liabilities to affiliated enterprises	HH D J	64.4	84.3	97.4	128.4	127.7	151.2	172.1	159.5
Debt liabilities to direct investors	HB V B	109.8	123.2	160.0	173.0	168.9	171.4	207.8	210.0
Total liabilities to direct investors	ZAV Y	174.1	207.5	257.4	301.4	296.6	322.7	380.0	369.4
<b>GROSS EXTERNAL DEBT</b>	<b>ZAV S</b>	<b>1 896.0</b>	<b>2 296.7</b>	<b>2 575.1</b>	<b>2 728.7</b>	<b>3 028.4</b>	<b>3 484.3</b>	<b>4 289.4</b>	<b>4 635.7</b>

# FD

## Financial derivatives<sup>1</sup>

Balance sheets valued at end of year

£ billion

		1999	2000	2001	2002	2003	2004	2005	2006
<b>Financial derivatives assets</b>									
UK banks									
Sterling	<b>ZPNP</b>	29.4	49.8	43.5	56.7	44.1	46.1	51.3	62.9
Foreign currency	<b>ZPNQ</b>	360.8	340.6	481.0	626.2	579.3	663.3	768.8	790.9
Total UK banks	<b>ZPNA</b>	390.2	390.5	524.5	682.8	623.4	709.4	820.1	853.7
Other Financial Intermediaries									
UK securities dealers									
Sterling	<b>RUVI</b>	4.6	3.2	13.2	16.2	10.6	11.5	15.0	28.6
Foreign currency	<b>RUVJ</b>	58.0	52.6	51.9	70.9	144.0	104.7	186.5	234.5
Total UK securities dealers	<b>RVAP</b>	62.6	55.7	65.1	87.1	154.7	116.2	201.5	263.1
Other <sup>2</sup>	<b>D4AG</b>	0.2	0.5	0.6	0.7	1.1	0.4	0.5	..
Total Other Financial Intermediaries	<b>D4AH</b>	62.8	56.2	65.7	87.8	155.8	116.6	202.1	..
Insurance companies and pension funds									
Insurance companies <sup>3</sup>	<b>D4AE</b>	0.7	0.7	1.0	0.8	0.2	—	—	..
Pension funds <sup>4</sup>	<b>GOJU</b>	0.9	0.8	0.8	0.7	0.6	3.0	2.7	..
Total insurance companies and pension funds	<b>D4AF</b>	1.6	1.5	1.7	1.5	0.8	3.0	2.6	..
<b>Total UK assets</b>	<b>ZPNC</b>	454.6	448.2	592.0	772.1	780.0	828.9	1 024.8	..
<b>Financial derivative liabilities</b>									
UK banks									
Sterling	<b>ZPNR</b>	36.1	48.2	43.8	57.1	32.4	36.3	66.3	62.4
Foreign currency	<b>ZPNS</b>	351.9	351.8	485.8	631.5	600.0	678.8	764.8	828.1
Total UK banks	<b>ZPNB</b>	388.0	400.0	529.6	688.7	632.4	715.0	831.1	890.5
Other Financial Intermediaries									
UK securities dealers									
Sterling	<b>RUXE</b>	5.3	4.3	13.6	17.2	14.0	14.0	18.2	23.6
Foreign currency	<b>RUXF</b>	51.9	46.5	50.2	73.7	150.0	112.2	183.1	234.4
Total UK securities dealers	<b>RVAV</b>	57.1	50.9	63.8	90.9	163.9	126.2	201.3	258.0
Other <sup>2</sup>	<b>D4AK</b>	0.1	0.1	—	0.1	0.7	0.1	0.1	..
Total Other Financial Intermediaries	<b>D4AL</b>	57.2	51.0	63.8	91.0	164.6	126.3	201.4	..
Insurance companies and pension funds									
Insurance companies <sup>3</sup>	<b>D4AI</b>	0.3	0.3	0.2	0.5	0.2	0.1	—	..
Pension funds <sup>4</sup>	<b>GKGR</b>	1.0	0.6	0.7	0.4	0.4	3.1	2.8	..
Total insurance companies and pension funds	<b>D4AJ</b>	1.3	0.9	0.9	0.9	0.7	3.2	2.8	..
<b>Total UK liabilities</b>	<b>ZPND</b>	446.6	451.9	594.3	780.6	797.7	844.6	1 035.3	..
<b>Net international investment position</b>									
Banks	<b>ZPNE</b>	2.2	−9.5	−5.1	−5.8	−9.0	−5.6	−11.0	−36.8
Other Financial Intermediaries									
Securities dealers	<b>ZPNF</b>	5.5	4.9	1.3	−3.8	−9.3	−10.0	0.2	5.1
Other <sup>2</sup>	<b>D4AP</b>	0.1	0.3	0.6	0.6	0.4	0.3	0.4	..
Total Other Financial Intermediaries	<b>D4AQ</b>	5.6	5.2	1.9	−3.2	−8.8	−9.8	0.6	..
Insurance companies and pension funds									
Insurance companies <sup>3</sup>	<b>D4AM</b>	0.4	0.4	0.8	0.3	—	−0.1	−0.1	..
Pension funds <sup>4</sup>	<b>D4AN</b>	−0.2	0.2	—	0.3	0.1	−0.1	−0.1	..
Total insurance companies and pension funds	<b>D4AO</b>	0.3	0.6	0.8	0.6	0.1	−0.3	−0.2	..
<b>Total</b>	<b>ZPNG</b>	8.1	−3.7	−2.4	−8.5	−17.7	−15.7	−10.6	..

1 The data in this table are not included in the main aggregates of the UK's international investment position as the data are developmental. Work is continuing to validate and improve the estimates and to obtain more information on the type of derivatives traded. An article assessing the current position can be found at [http://www.statistics.gov.uk/articles/economic\\_trends/ET618Sem.pdf](http://www.statistics.gov.uk/articles/economic_trends/ET618Sem.pdf).

2 Includes unit and investment trusts and open-ended investment companies, finance leasing companies, credit grantors, factoring companies and building societies.

3 Includes both general and long-term insurance.

4 Includes self-administered pension funds only.



An aerial photograph of a crowded public space, possibly a train station or a busy plaza, with many people walking in various directions. The image is overlaid with a semi-transparent pink filter. The floor is made of light-colored square tiles. In the upper right, there are some structural elements like a staircase or platform edge.

# Geographical breakdown

# Part 3



# Chapter 9

## Geographical breakdown of current account

# 9.1

## Current account Summary transactions in 2006

£ million

	Trade in goods	Trade in services	Income	Current transfers	Current account
<b>Credits</b>					
<b>Europe</b>					
European Union (EU)					
Austria	1 723	581	1 515	46	3 865
Bulgaria	238	104	46	16	404
Belgium	13 537	2 621	3 983	231	20 372
Cyprus	969	320	174	8	1 471
Czech Republic	1 539	368	94	24	2 025
Denmark	3 743	2 242	1 811	43	7 839
Estonia	475	43	6	—	524
Finland	1 888	1 094	715	21	3 718
France	29 054	6 637	14 823	317	50 831
Germany	27 843	8 927	15 442	489	52 701
Greece	1 487	834	955	38	3 314
Hungary	864	465	270	7	1 606
Ireland	17 624	6 532	9 578	109	33 843
Italy	9 609	3 601	6 057	167	19 434
Latvia	396	111	49	7	563
Lithuania	242	125	21	10	398
Luxembourg	1 681	851	10 706	22	13 260
Malta	324	82	71	3	480
Netherlands	16 680	7 179	18 860	347	43 066
Poland	2 729	855	2 396	127	6 107
Portugal	2 390	600	985	24	3 999
Romania	645	139	121	14	919
Slovak Republic	275	103	62	15	455
Slovenia	201	46	37	4	288
Spain	12 430	4 234	6 205	146	23 015
Sweden	5 291	1 861	3 285	101	10 538
European Central Bank	—	—	—	—	—
EU Institutions	—	604	566	8 174	9 344
<b>Total EU27</b>	<b>153 877</b>	<b>51 159</b>	<b>25 958</b>	<b>10 510</b>	<b>314 379</b>
European Free Trade Association (EFTA)					
Iceland	188	177	222	37	624
Liechtenstein	20	35	31	3	89
Norway	2 123	1 847	2 025	80	6 075
Switzerland	4 190	4 945	8 945	120	18 200
<b>Total EFTA</b>	<b>6 521</b>	<b>7 004</b>	<b>11 223</b>	<b>240</b>	<b>24 988</b>
Other Europe					
Albania	16	2	—	—	18
Belarus	62	3	2	1	68
Croatia	144	97	388	8	637
Russia	2 063	1 364	2 895	41	6 363
Turkey	2 425	521	896	59	3 901
Ukraine	338	143	451	4	936
Serbia and Montenegro	88	43	24	3	158
Other	328	2 221	9 511	25	12 085
<b>Total Europe</b>	<b>165 862</b>	<b>62 557</b>	<b>124 223</b>	<b>10 891</b>	<b>363 533</b>
<b>Americas</b>					
Argentina	217	96	613	8	934
Brazil	918	440	1 072	27	2 457
Canada	3 893	1 780	3 969	120	9 762
Chile	184	82	856	19	1 141
Colombia	134	61	359	21	575
Mexico	747	340	1 078	91	2 256
United States of America	32 084	27 060	53 449	2 404	114 997
Uruguay	41	17	23	3	84
Venezuela	236	56	310	19	621
Other Central American Countries	855	3 201	16 960	420	21 436
Other	356	226	141	27	750
<b>Total Americas</b>	<b>39 665</b>	<b>33 359</b>	<b>78 830</b>	<b>3 159</b>	<b>155 013</b>
<b>Asia</b>					
China	3 265	1 460	813	29	5 567
Hong Kong	2 863	1 271	5 204	15	9 353
India	2 695	1 424	1 111	69	5 299
Indonesia	312	235	353	64	964
Iran	423	212	175	8	818
Israel	1 308	400	220	27	1 955
Japan	4 109	4 140	8 375	212	16 836
Malaysia	877	467	765	32	2 141
Pakistan	488	402	346	11	1 247
Philippines	242	109	198	9	558
Saudi Arabia	1 644	2 650	475	504	5 273
Singapore	2 319	2 910	3 405	22	8 656
South Korea	1 746	784	1 237	53	3 820
Taiwan	911	551	701	21	2 184
Thailand	567	268	293	19	1 147
Residual Gulf Arabian Countries	5 074	2 182	1 837	222	9 315
Other Near & Middle Eastern Countries	970	416	741	313	2 440
Other	677	1 286	800	58	2 821
<b>Total Asia</b>	<b>30 490</b>	<b>21 167</b>	<b>27 049</b>	<b>1 688</b>	<b>80 394</b>
<b>Australasia &amp; Oceania</b>					
Australia	2 479	2 777	5 361	171	10 788
New Zealand	373	376	491	53	1 293
Other	70	62	125	4	261
<b>Total Australasia &amp; Oceania</b>	<b>2 922</b>	<b>3 215</b>	<b>5 977</b>	<b>228</b>	<b>12 342</b>
<b>Africa</b>					
Egypt	578	419	468	19	1 484
Morocco	298	59	31	4	392
South Africa	2 182	1 249	2 141	71	5 643
Other North Africa	494	318	299	16	1 127
Other	2 614	2 213	1 727	89	6 643
<b>Total Africa</b>	<b>6 166</b>	<b>4 258</b>	<b>4 666</b>	<b>199</b>	<b>15 289</b>
<b>International Organisations</b>	—	30	605	—	635
<b>World Total</b>	<b>245 105</b>	<b>124 586</b>	<b>241 350</b>	<b>16 165</b>	<b>627 206</b>

# 9.1

## Current account

### Summary transactions in 2006

continued

£ million

	Trade in goods	Trade in services	Income	Current transfers	Current account
<b>Debits</b>					
<b>Europe</b>					
European Union (EU)					
Austria	2 900	899	1 017	42	4 858
Belgium	16 014	1 792	4 099	63	21 968
Bulgaria	208	281	64	10	563
Cyprus	1 725	1 346	269	39	3 379
Czech Republic	2 612	501	153	19	3 285
Denmark	6 414	949	1 359	52	8 774
Estonia	755	65	5	1	826
Finland	2 893	338	552	19	3 802
France	30 737	9 578	16 634	340	57 289
Germany	43 173	6 992	20 726	414	71 305
Greece	755	2 122	1 101	47	4 025
Hungary	2 061	310	42	14	2 427
Ireland	10 721	3 141	12 481	558	26 901
Italy	13 206	4 437	3 143	190	20 976
Latvia	1 362	56	24	1	1 443
Lithuania	279	75	22	15	391
Luxembourg	2 909	374	5 645	15	3 379
Malta	164	368	68	25	625
Netherlands	23 631	3 424	14 744	148	41 947
Poland	4 075	656	447	68	5 246
Portugal	3 486	1 520	596	52	5 654
Romania	867	162	56	13	1 098
Slovak Republic	628	80	69	6	783
Slovenia	290	49	10	4	353
Spain	13 771	10 155	3 907	179	28 012
Sweden	6 274	1 493	1 706	31	9 504
European Central Bank	—	—	—	—	—
EU Institutions	—	2	2 305	13 025	15 332
<b>Total EU27</b>	<b>191 910</b>	<b>51 165</b>	<b>91 244</b>	<b>15 390</b>	<b>349 709</b>
European Free Trade Association (EFTA)					
Iceland	402	86	87	4	579
Liechtenstein	38	6	85	3	132
Norway	14 438	1 021	1 770	69	17 298
Switzerland	4 376	2 306	10 791	157	17 630
<b>Total EFTA</b>	<b>19 254</b>	<b>3 419</b>	<b>12 733</b>	<b>233</b>	<b>35 639</b>
Other Europe					
Albania	—	8	3	5	16
Belarus	714	12	10	3	739
Croatia	67	146	56	19	288
Russia	5 767	725	2 324	56	8 872
Turkey	3 950	1 169	202	70	5 391
Ukraine	126	63	232	45	466
Serbia and Montenegro	64	47	22	34	167
Other	303	533	13 254	185	14 275
<b>Total Europe</b>	<b>222 155</b>	<b>57 287</b>	<b>120 080</b>	<b>16 040</b>	<b>415 562</b>
<b>Americas</b>					
Argentina	353	89	10	18	470
Brazil	1 912	239	184	52	2 387
Canada	4 995	1 232	3 173	261	9 661
Chile	521	45	59	25	650
Colombia	301	39	33	26	399
Mexico	449	326	129	92	996
United States of America	25 763	15 509	59 362	2 656	103 290
Uruguay	63	9	12	4	88
Venezuela	595	40	69	20	724
Other Central American Countries	1 386	2 563	10 928	692	15 569
Other	570	178	113	63	924
<b>Total Americas</b>	<b>36 908</b>	<b>20 269</b>	<b>74 072</b>	<b>3 909</b>	<b>135 158</b>
<b>Asia</b>					
China	15 303	784	463	140	16 690
Hong Kong	7 372	845	2 926	134	11 277
India	3 136	1 485	916	753	6 290
Indonesia	960	97	66	160	1 283
Iran	70	43	181	27	321
Israel	968	296	359	37	1 660
Japan	7 911	2 497	9 029	221	19 658
Malaysia	1 902	241	225	72	2 440
Pakistan	514	461	103	256	1 334
Philippines	744	161	103	39	1 047
Saudi Arabia	1 234	842	1 017	59	3 152
Singapore	3 773	944	3 261	112	8 090
South Korea	3 086	265	296	53	3 700
Taiwan	2 351	263	320	21	2 955
Thailand	1 932	625	188	51	2 796
Residual Gulf Arabian Countries	2 208	1 096	1 617	353	5 274
Other Near & Middle Eastern Countries	769	206	299	100	1 374
Other	2 494	932	372	929	4 727
<b>Total Asia</b>	<b>56 727</b>	<b>12 083</b>	<b>21 741</b>	<b>3 517</b>	<b>94 068</b>
<b>Australasia &amp; Oceania</b>					
Australia	2 121	1 860	2 149	299	6 429
New Zealand	605	503	126	96	1 330
Other	121	62	341	25	549
<b>Total Australasia &amp; Oceania</b>	<b>2 847</b>	<b>2 425</b>	<b>2 616</b>	<b>420</b>	<b>8 308</b>
<b>Africa</b>					
Egypt	665	549	360	45	1 619
Morocco	374	178	88	12	652
South Africa	3 924	983	1 353	329	6 589
Other North Africa	1 623	362	492	23	2 500
Other	3 513	1 202	7 857	2 293	7 857
<b>Total Africa</b>	<b>10 099</b>	<b>3 274</b>	<b>3 142</b>	<b>2 702</b>	<b>19 217</b>
<b>International Organisations</b>	—	54	1 144	1 476	2 674
<b>World total</b>	<b>328 736</b>	<b>95 392</b>	<b>222 795</b>	<b>28 064</b>	<b>674 987</b>

# 9.1 Current account

## Summary transactions in 2006

continued

£ million

	Trade in goods	Trade in services	Income	Current transfers	Current account
<b>Balances</b>					
<b>Europe</b>					
European Union(EU)					
Austria	-1 177	-318	498	4	-993
Belgium	-2 477	829	-116	168	-1 596
Bulgaria	30	-177	-18	6	-159
Cyprus	-756	-1 026	-95	-31	-1 908
Czech Republic	-1 073	-133	-59	5	-1 260
Denmark	-2 671	1 293	452	-9	-935
Estonia	-280	-22	1	-1	-302
Finland	-1 005	756	163	2	-84
France	-1 683	-2 941	-1 811	-23	-6 458
Germany	-15 330	1 935	-5 284	75	-18 604
Greece	732	-1 288	-146	-9	-711
Hungary	-1 197	155	228	-7	-821
Ireland	6 903	3 391	-2 903	-449	6 942
Italy	-3 597	-836	2 914	-23	-1 542
Latvia	-966	55	25	6	-880
Lithuania	-37	50	-1	-5	7
Luxembourg	-1 228	477	5 061	7	4 317
Malta	160	-286	3	-22	-145
Netherlands	-6 951	3 755	4 116	199	1 119
Poland	-1 346	199	1 949	59	861
Portugal	-1 096	-920	389	-28	-1 655
Romania	-222	-23	65	1	-179
Slovak Republic	-353	23	-7	9	-328
Slovenia	-89	-3	27	-	-65
Spain	-1 341	-5 921	2 298	-33	-4 997
Sweden	-983	368	1 579	70	1 034
European Central Bank	-	-	-	-	-
EU Institutions	-	602	-1 739	-4 851	-5 988
Total EU27	-38 033	-6	7 589	-4 880	-35 330
European Free Trade Association (EFTA)					
Iceland	-214	91	135	33	45
Liechtenstein	-18	29	-54	-	-43
Norway	-12 315	826	255	11	-11 223
Switzerland	-186	2 639	-1 846	-37	570
Total EFTA	-12 733	3 585	-1 510	7	-10 651
Other Europe					
Albania	16	-6	-3	-5	2
Belarus	-652	-9	-8	-2	-671
Croatia	77	-49	332	-11	349
Russia	-3 704	639	571	-15	-2 509
Turkey	-1 525	-648	694	-11	-1 490
Ukraine	212	80	219	-41	470
Serbia and Montenegro	24	-4	2	-31	-9
Other	25	1 688	-3 743	-160	-2 190
<b>Total Europe</b>	<b>-56 293</b>	<b>5 270</b>	<b>4 143</b>	<b>-5 149</b>	<b>-52 029</b>
<b>Americas</b>					
Argentina	-136	7	603	-10	464
Brazil	-994	201	888	-25	70
Canada	-1 102	548	796	-141	101
Chile	-337	37	797	-6	491
Colombia	-167	22	326	-5	176
Mexico	298	14	949	-1	1 260
USA	6 321	11 551	-5 913	-252	11 707
Uruguay	-22	8	11	-1	-4
Venezuela	-359	16	241	-1	-103
Other Central American Countries	-531	638	6 032	-272	5 867
Other America	-214	48	28	-36	-174
<b>Total Americas</b>	<b>2 757</b>	<b>13 090</b>	<b>4 758</b>	<b>-750</b>	<b>19 855</b>
<b>Asia</b>					
China	-12 038	676	350	-111	-11 123
Hong Kong	-4 509	426	2 278	-119	-1 924
India	-441	-61	195	-684	-991
Indonesia	-648	138	287	-96	-319
Iran	353	169	-6	-19	497
Israel	340	104	-139	-10	295
Japan	-3 802	1 643	-654	-9	-2 822
Malaysia	-1 025	226	540	-40	-299
Pakistan	-26	-59	243	-245	-87
Philippines	-502	-52	95	-30	-489
Saudi Arabia	410	1 808	-542	445	2 121
Singapore	-1 454	1 966	144	-90	566
South Korea	-1 340	519	941	-	120
Taiwan	-1 440	288	381	-	-771
Thailand	-1 365	-357	105	-32	-1 649
Residual Gulf Arabian Countries	2 866	1 086	220	-131	4 041
Other Near & Middle Eastern Countries	201	210	442	213	1 066
Other	-1 817	354	428	-871	-1 906
<b>Total Asia</b>	<b>-26 237</b>	<b>9 084</b>	<b>5 308</b>	<b>-1 829</b>	<b>-13 674</b>
<b>Australasia &amp; Oceania</b>					
Australia	358	917	3 212	-128	4 359
New Zealand	-232	-127	365	-43	-37
Other	-51	-	-216	-21	-288
<b>Total Australasia &amp; Oceania</b>	<b>75</b>	<b>790</b>	<b>3 361</b>	<b>-192</b>	<b>4 034</b>
<b>Africa</b>					
Egypt	-87	-130	108	-26	-135
Morocco	-76	-119	-57	-8	-260
South Africa	-1 742	266	788	-258	-946
Other North Africa	-1 129	-44	-193	-7	-1 373
Other	-899	1 011	878	-2 204	-1 214
<b>Total Africa</b>	<b>-3 933</b>	<b>984</b>	<b>1 524</b>	<b>-2 503</b>	<b>-3 928</b>
<b>International Organisations</b>	-	-24	-539	-1 476	-2 039
<b>World total</b>	<b>-83 631</b>	<b>29 194</b>	<b>18 555</b>	<b>-11 899</b>	<b>-47 781</b>



# 9.2

## Current account

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>												
<b>Europe</b>												
European Union (EU)												
Austria	CUGP	2 187	2 027	2 188	2 171	2 341	2 343	2 408	2 471	2 376	2 739	3 865
Belgium and Luxembourg	CTFH	13 708	13 854	14 469	15 354	19 180	19 283	19 253	19 576	21 186	23 142	33 632
of which Belgium	AA2Q	..	..	..	12 908	14 772	14 641	15 100	15 818	16 111	17 503	20 372
Luxembourg	AA2U	..	..	..	2 446	4 408	4 642	4 153	3 758	5 075	5 639	13 260
Bulgaria	ZWVI	116	139	116	165	166	250	289	296	324	343	404
Cyprus <sup>1</sup>	AA2R	..	..	..	497	613	588	627	608	726	774	1 471
Czech Republic	LEPQ	955	967	1 013	1 013	1 224	1 457	1 363	1 470	1 537	1 559	2 025
Denmark	LEQR	3 791	3 730	4 199	4 008	4 643	4 677	4 688	4 433	4 555	5 219	7 839
Estonia	ZWVK	67	95	86	70	110	105	127	125	141	164	524
Finland	LEUD	2 952	2 655	2 449	2 441	3 039	3 155	2 876	2 975	2 857	2 944	3 718
France	LEUM	26 881	25 949	26 972	28 162	31 838	34 309	32 010	32 184	33 606	38 709	50 831
Germany	LEQI	34 875	33 921	34 437	34 920	40 126	42 372	39 682	37 210	39 657	43 628	52 701
Greece	LEUV	2 602	2 804	2 446	2 892	3 115	2 865	2 733	2 907	2 974	3 172	3 314
Hungary	BFKO	606	763	756	872	1 268	1 139	1 328	1 417	1 688	1 775	1 606
Ireland	BFLV	13 112	14 251	15 043	16 457	19 201	22 382	23 822	22 502	26 140	31 076	33 843
Italy	BFOJ	15 388	15 612	18 077	15 912	17 670	17 773	16 438	16 586	16 605	17 481	19 434
Latvia	ZWVM	105	117	114	96	118	119	120	143	142	203	563
Lithuania	ZWVN	107	135	127	115	157	191	185	236	199	292	398
Malta <sup>1</sup>	AA2V	..	..	..	294	314	323	337	386	833	370	480
Netherlands	BFOF	24 329	25 797	25 412	27 322	32 846	36 338	34 744	34 337	28 826	35 880	43 066
Poland	BFRY	1 674	1 740	1 559	1 550	1 728	1 962	2 055	2 276	2 392	2 940	6 107
Portugal	BFSH	2 545	2 489	2 657	2 781	2 791	2 885	2 851	2 814	3 087	3 255	3 999
Romania	ZWVO	283	270	286	330	445	492	584	703	867	847	919
Slovak Republic	ZWVP	191	230	169	187	247	277	265	301	300	419	455
Slovenia	ZWVQ	147	174	163	218	229	293	294	281	301	253	288
Spain	LEST	10 775	10 701	11 456	11 826	13 209	13 105	13 258	14 159	15 732	19 346	23 015
Sweden	BFTI	7 217	7 144	7 309	7 116	8 028	7 988	7 570	7 363	8 461	8 892	10 538
European Central Bank	ZWVF	..	..	..	..	3	12	3	..	..	..	..
EU Institutions	CSFH	7 578	5 833	5 611	6 847	5 932	8 287	7 106	7 950	8 040	8 960	9 344
Total EU27	G970	..	..	..	183 616	210 581	224 970	217 016	215 709	223 552	254 382	314 379
European Free Trade Association (EFTA)												
Iceland	BFNH	266	268	274	257	334	286	263	304	345	468	624
Liechtenstein	BFFE	94	79	63	76	89	71	65	60	79	56	89
Norway	BFOO	3 844	4 268	4 585	3 935	4 132	3 871	3 907	4 059	4 355	5 762	6 075
Switzerland	LEOY	8 817	8 660	8 823	9 753	13 085	12 177	11 394	11 638	11 950	16 392	18 200
Total EFTA	CTFQ	13 021	13 275	13 745	14 021	17 640	16 404	15 629	16 061	16 729	22 678	24 988
Other Europe												
Albania	ZWVG	14	8	8	15	9	28	25	16	34	24	18
Belarus	ZWVH	33	42	33	30	64	37	43	49	59	69	68
Croatia	ZWVJ	171	144	131	134	127	150	178	231	216	230	637
Russia	BFSQ	1 543	1 857	1 665	1 041	1 371	1 904	2 225	2 706	3 648	4 800	6 363
Turkey	BFIJ	2 028	2 291	2 199	1 976	2 671	1 985	2 007	2 433	2 683	3 273	3 901
Ukraine	ZWVR	199	205	247	173	200	234	501	395	325	481	936
Serbia and Montenegro	BFWC	104	125	63	72	138	95	93	111	86	102	158
Other <sup>1</sup>	LEVM	3 616	5 013	4 818	3 895	4 814	4 109	4 359	6 050	8 015	9 305	12 085
Total Europe	LERA	192 920	194 357	200 023	204 973	237 615	249 916	242 076	243 761	255 347	295 344	363 533
<b>Americas</b>												
Argentina	ZWVT	932	1 104	1 097	720	967	834	328	414	589	528	934
Brazil	LENO	2 261	2 143	2 120	1 471	1 670	1 873	1 873	1 659	1 890	2 247	2 457
Canada	LEOP	5 187	5 418	5 935	6 057	7 302	7 403	6 578	6 991	7 596	8 147	9 762
Chile	ZWVU	588	565	500	399	477	444	451	519	1 083	1 260	1 141
Colombia	ZWVV	388	350	309	279	491	501	421	492	624	584	575
Mexico	BFPN	961	1 165	1 115	1 364	1 413	1 299	1 622	1 392	1 743	2 015	2 256
United States of America	BFBV	56 207	58 593	63 621	67 332	78 987	81 765	78 733	81 211	85 617	100 844	114 997
Uruguay	ZWVW	106	116	102	82	80	66	55	99	41	65	84
Venezuela	ZWVX	457	425	287	278	225	614	602	343	572	696	621
Other Central American Countries	JISS	2 853	3 151	6 781	6 350	7 979	8 273	8 789	9 040	10 160	14 189	21 436
Other	LEVE	1 395	1 897	923	885	746	678	634	728	973	622	750
Total Americas	LESK	71 512	75 211	82 772	85 217	100 337	103 749	100 085	102 888	110 888	131 197	155 013
<b>Asia</b>												
China	LEPH	1 197	1 382	1 387	1 945	2 228	2 854	2 653	3 250	4 290	5 021	5 567
Hong Kong	BFRJ	7 259	6 830	5 773	5 157	5 394	5 196	4 756	5 430	6 989	10 913	9 353
India	BFIY	2 389	2 452	2 154	2 368	3 111	2 958	3 041	3 667	3 846	4 868	5 299
Indonesia	BFKX	1 268	1 240	844	738	761	754	710	885	798	848	964
Iran	ZWWA	573	518	452	374	464	641	618	736	740	811	818
Israel	BFRP	1 754	1 664	1 481	1 922	2 039	1 963	1 931	1 830	1 876	2 026	1 955
Japan	BFOJ	14 497	13 892	12 794	13 847	16 424	14 868	12 438	12 872	13 225	15 010	16 836
Malaysia	BFPW	2 141	2 218	1 604	1 771	1 806	1 828	1 881	2 112	2 271	2 361	2 141
Pakistan	BFRP	772	707	569	593	517	646	600	678	825	1 189	1 247
Philippines	BFRG	678	859	549	478	643	733	602	686	630	635	558
Saudi Arabia	BFSZ	4 762	6 031	5 214	4 357	4 688	4 400	4 054	4 808	4 597	4 659	5 273
Singapore	BFTR	5 339	5 233	3 972	4 274	5 514	5 404	4 493	4 829	6 161	7 933	8 656
South Korea	BFOV	2 226	2 288	1 535	1 683	2 174	2 202	2 670	2 599	3 211	3 657	3 820
Taiwan	BFOV	1 384	1 493	1 290	1 320	1 564	1 471	1 572	1 623	2 012	2 123	2 184
Thailand	BFOV	1 523	1 369	694	788	1 001	1 065	977	1 136	1 196	1 271	1 147
Residual Gulf Arabian Countries	JITT	4 055	4 613	5 264	4 532	5 362	5 145	4 869	5 509	6 760	10 336	9 315
Other Near & Middle Eastern Countries	ZWMC	954	1 097	1 020	980	1 103	1 310	1 159	1 275	1 573	1 801	2 440
Other	LEWF	2 548	2 839	1 918	1 433	1 810	1 746	1 779	1 634	1 914	1 974	2 821
Total Asia	LETC	55 338	56 731	48 553	48 560	56 603	55 183	50 802	55 559	62 914	77 436	80 394
<b>Australasia &amp; Oceania</b>												
Australia	CWBG	6 534	6 272	5 573	5 929	6 955	6 890	6 919	7 039	8 994	9 776	10 788
New Zealand	BFOX	1 325	1 155	1 001	1 133	986	1 107	1 204	1 286	1 256	1 391	1 293
Other	LEVN	390	315	474	136	151	148	188	211	217	253	261
Total Australasia & Oceania	LETV	8 249	7 742	7 048	7 198	8 092	8 145	8 311	8 536	10 467	11 420	12 342
<b>Africa</b>												
Egypt	ZWWE	597	694	524	855	1 039	1 046	1 008	952	1 190	1 233	1 484
Morocco	ZWVF	390	413	424	435	499	482	438	425	413	333	392
South Africa	BFIW	3 553	3 360	3 324	3 507	3 670	4 093	4 716	4 851	6 084	6 893	5 643
Other North Africa	JIRU	623	801	844	571	790	797	675	1 010	916	1 006	1 127
Other	LEWO	4 117	3 953	4 709	4 198	4 158	4 550	4 726	5 139	5 116	6 101	6 643
Total Africa	LERS	9 280	9 221	9 825	9 566	10 156	10 968	11 562	12 377	13 719	15 566	15 289
<b>International Organisations</b>												
	CTEY	220	270	405	400	486	556	535	476	477	569	635
<b>World total</b>												
	HBOE	337 519	343 532	348 626	355 914	413 289	428 519	413 372	423 597	453 812	531 532	627 206

1 Cyprus and Malta are included within Other Europe before 1999.



# 9.2

## Current account

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Debits</b>												
<b>Europe</b>												
European Union (EU)												
Austria	CUGW	2 315	2 641	2 416	2 340	2 493	3 094	3 775	4 065	3 698	4 122	4 858
Belgium and Luxembourg	CTFI	14 732	14 565	15 652	16 221	17 784	19 488	20 378	20 323	21 915	24 728	30 911
of which Belgium	AA34	..	..	..	13 470	14 729	15 993	16 817	16 524	17 209	19 503	21 968
Luxembourg	AA38	..	..	..	2 751	3 055	3 495	3 561	3 799	4 706	5 225	8 943
Bulgaria	ZWML	207	218	196	165	189	188	250	245	341	463	563
Cyprus <sup>1</sup>	AA35	..	..	..	1 067	1 268	1 482	1 378	1 470	1 453	1 723	3 379
Czech Republic	LEPR	636	747	819	836	1 104	1 415	1 587	1 837	1 800	2 459	3 285
Denmark	LEQS	3 947	3 896	3 618	3 882	4 457	4 570	5 256	5 161	5 283	6 712	8 774
Estonia	ZWNW	194	212	214	237	373	321	348	302	431	423	826
Finland	LEUE	3 450	3 311	2 877	2 977	3 567	3 709	3 343	3 294	2 911	3 290	3 802
France	LEUN	27 669	28 602	29 907	32 585	34 006	34 979	34 373	36 539	38 488	43 826	57 289
Germany	LEGJ	41 157	37 977	36 939	39 774	45 294	44 765	45 034	49 654	53 516	63 495	71 305
Greece	LEUW	2 172	2 249	2 155	2 566	2 984	3 096	2 972	3 087	3 119	3 537	4 025
Hungary	BFKP	570	655	725	856	866	887	1 039	1 303	1 795	2 182	2 427
Ireland	BFLW	12 058	12 324	12 887	13 498	16 133	19 133	20 720	17 910	19 721	23 847	26 901
Italy	BFOE	14 401	15 457	15 764	15 077	15 435	16 066	15 741	17 194	18 189	19 910	20 976
Latvia	ZWNP	360	410	362	338	466	472	517	559	741	792	1 443
Lithuania	ZWQW	244	212	209	215	289	278	322	311	301	372	391
Malta <sup>1</sup>	AA39	..	..	..	380	410	460	465	513	559	586	625
Netherlands	BFOG	20 289	18 670	19 704	22 840	31 070	31 145	26 902	27 253	29 404	32 666	41 947
Poland	BFRZ	882	1 054	1 033	1 329	1 582	1 614	1 923	2 316	3 283	5 246	5 246
Portugal	BFSI	2 910	3 017	2 901	3 079	3 052	3 076	3 277	3 713	3 743	3 940	5 654
Romania	ZWNR	307	357	336	367	465	561	658	792	944	1 020	1 098
Slovak Republic	ZWVS	164	168	191	195	214	211	254	290	315	500	783
Slovenia	ZWWT	162	165	196	182	193	200	230	208	219	262	353
Spain	LESU	11 586	11 529	13 009	13 442	14 046	16 256	18 519	20 120	20 011	25 636	28 012
Sweden	BFTJ	7 060	6 506	6 117	6 894	7 174	6 880	6 530	6 701	7 209	8 054	9 504
European Central Bank	ZWVI	..	..	..	1	1	1	1	..	..	..	..
EU Institutions	CSFI	9 959	9 014	11 153	11 752	12 211	11 324	11 785	12 995	13 111	15 024	15 332
Total EU27	G97F	..	..	..	192 799	216 873	225 639	227 268	237 762	251 533	292 852	349 709
European Free Trade Association (EFTA)												
Iceland	BFNI	301	274	309	321	453	335	348	364	465	520	579
Liechtenstein	BFPF	155	158	163	114	144	123	72	90	70	86	132
Norway	BFOQ	5 855	6 033	4 100	4 261	6 748	6 857	7 211	7 848	9 998	14 392	17 298
Switzerland	LEOZ	13 558	12 781	12 316	14 731	18 808	16 302	12 896	11 422	10 995	14 662	17 630
Total EFTA	CTFR	19 869	19 246	16 888	19 427	26 153	23 617	20 527	19 724	21 528	29 660	35 639
Other Europe												
Albania	ZWVJ	53	63	115	48	41	28	26	24	27	14	16
Belarus	ZWNK	64	73	97	67	65	37	44	30	76	288	739
Croatia	ZWNM	136	136	273	123	136	157	150	152	166	245	288
Russia	BFSR	1 661	1 873	1 712	1 678	2 195	2 705	2 540	3 092	4 442	6 744	8 872
Turkey	BFUK	1 819	1 791	1 859	1 857	2 133	2 430	2 990	3 510	4 184	4 745	5 391
Ukraine	ZWUW	95	133	150	141	137	169	200	202	274	370	466
Serbia and Montenegro	BFWD	188	210	99	94	141	111	100	110	109	122	167
Other <sup>1</sup>	LEVX	6 121	7 282	8 284	6 759	8 357	8 845	7 362	6 666	8 017	10 684	14 275
Total Europe	LERB	207 437	204 763	208 867	222 993	256 231	263 738	261 207	271 272	290 356	345 724	415 562
<b>Americas</b>												
Argentina	ZWWV	373	380	344	337	373	369	314	317	348	389	470
Brazil	LENP	1 521	1 357	1 308	1 271	1 513	1 714	1 748	1 772	1 881	2 203	2 387
Canada	LEOQ	4 658	4 410	4 613	5 446	6 886	6 336	6 529	6 347	7 635	8 051	9 661
Chile	ZWXX	594	566	458	406	506	561	542	484	582	610	650
Colombia	ZWYV	442	319	330	282	331	421	287	278	326	373	399
Mexico	BFOO	645	681	746	815	1 152	1 356	937	880	859	881	996
United States of America	BFOV	55 577	56 539	58 681	62 835	69 597	75 802	67 525	66 606	70 095	83 416	103 290
Uruguay	ZWVZ	99	103	45	55	62	54	74	56	53	74	88
Venezuela	ZWXA	277	216	186	214	282	256	258	178	264	464	724
Other Central American Countries	JIST	2 857	3 387	6 118	5 851	7 156	6 388	5 109	5 824	6 918	10 105	15 569
Other	LEVY	1 434	2 012	1 109	1 135	1 302	1 621	1 145	942	889	889	924
Total Americas	LESL	68 689	70 376	74 085	78 647	89 160	94 878	84 468	83 684	89 850	107 455	135 158
<b>Asia</b>												
China	LEPI	2 532	2 791	3 283	3 917	5 552	6 566	7 570	9 067	11 320	14 113	16 690
Hong Kong	BFJS	6 332	6 387	6 933	8 454	9 988	9 692	8 162	7 529	7 830	9 224	11 277
India	BFMZ	2 652	2 807	2 686	2 839	3 161	3 510	3 373	3 639	4 328	5 407	6 290
Indonesia	BFKY	1 328	1 189	1 099	1 219	1 340	1 409	1 261	1 290	1 148	1 172	1 283
Iran	ZWZD	351	202	168	165	316	352	176	174	206	274	321
Israel	BFMQ	1 248	1 298	1 281	1 444	1 548	1 546	1 298	1 269	1 315	1 566	1 660
Japan	BFOF	17 060	16 456	17 356	18 385	23 061	20 703	16 770	13 615	14 931	17 680	19 658
Malaysia	BFPX	2 961	2 648	2 380	2 455	2 892	2 442	2 093	2 159	2 394	2 318	2 440
Pakistan	BFRQ	750	808	753	812	875	928	1 170	1 159	1 235	1 256	1 334
Philippines	BFRH	1 018	908	1 019	1 190	1 481	1 324	1 110	920	820	937	1 047
Saudi Arabia	BFTA	2 521	2 644	2 220	2 034	2 415	2 522	2 376	2 126	2 252	2 920	3 152
Singapore	BFTS	4 651	4 775	4 062	4 815	5 519	5 128	4 298	4 575	5 548	6 956	8 090
South Korea	BFOU	2 252	2 513	2 541	3 033	3 718	3 147	3 038	2 780	3 180	3 638	3 700
Taiwan	BFOV	2 287	2 504	2 444	2 874	3 867	3 153	2 705	2 501	2 716	2 805	2 955
Thailand	BFUB	1 549	1 562	1 671	1 702	2 155	2 287	2 192	2 255	2 505	2 501	2 796
Residual Gulf Arabian Countries	JITU	1 438	1 631	2 253	2 268	2 971	3 287	2 760	3 055	3 645	4 464	5 274
Other Near & Middle Eastern Countries	ZWKF	487	529	419	482	572	579	549	526	517	732	1 374
Other	LEWG	2 747	3 030	2 242	2 420	3 016	3 093	3 151	3 270	4 025	4 091	4 727
Total Asia	LETD	54 210	54 772	54 820	60 508	74 447	71 668	64 052	61 909	69 915	82 054	94 068
<b>Australasia &amp; Oceania</b>												
Australia	CWBO	3 438	3 845	3 858	3 794	3 700	3 852	4 334	4 777	4 873	6 283	6 429
New Zealand	BFOY	1 107	1 054	1 004	922	980	1 019	1 022	1 047	1 177	1 294	1 330
Other	LEVO	302	244	137	188	187	186	194	205	237	209	549
Total Australasia & Oceania	LETV	4 847	5 143	4 999	4 904	4 867	5 057	5 550	6 029	6 287	7 786	8 308
<b>Africa</b>												
Egypt	ZWXH	1 186	973	718	778	1 040	1 063	909	926	1 005	1 203	1 619
Morocco	ZWXI	432	489	511	567	606	625	621	605	680	633	652
South Africa	BFWV	1 997	2 149	2 459	3 144	4 029	4 427	4 344	4 915	5 261	6 319	6 589
Other North Africa	JIRV	724	838	770	679	1 201	1 055	976	949	1 185	1 547	2 500
Other	LEWP	3 276	3 594	3 428	4 173	4 556	5 863	5 837	6 687	6 689	7 091	7 857
Total Africa	LEPT	7 615	8 043	7 886	9 341	11 432	13 033	12 687	14 082	14 820	16 793	19 217
<b>International Organisations</b>												
	CTEZ	1 438	1 275	1 164	1 238	1 985	2 028	1 921	1 542	1 912	2 172	2 674
<b>World total</b>	<b>HBOF</b>	<b>344 236</b>	<b>344 372</b>	<b>351 821</b>	<b>377 631</b>	<b>438 122</b>	<b>450 403</b>	<b>429 885</b>	<b>438 518</b>	<b>473 140</b>	<b>561 984</b>	<b>674 987</b>

1 Cyprus and Malta are included in Other Europe before 1999.

# 9.2

## Current account

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Balances</b>												
<b>Europe</b>												
European Union (EU)												
Austria	CUGX	-128	-614	-228	-169	-152	-751	-1 367	-1 594	-1 322	-1 383	-993
Belgium and Luxembourg	CTFJ	-1 024	-711	-1 183	-867	1 396	-205	-1 125	-747	-729	-1 586	2 721
of which Belgium	AA4H	..	..	..	-562	43	-1 352	-1 717	-706	-1 098	-2 000	-1 596
Luxembourg	AA4L	..	..	..	-305	1 353	1 147	592	-41	369	414	4 317
Bulgaria	ZWKO	-91	-79	-80	-	-23	62	39	51	-17	-120	-159
Cyprus <sup>1</sup>	AA4I	..	..	..	-570	-655	-894	-751	-862	-727	-949	-1 908
Czech Republic	LEPS	319	220	194	177	120	42	-224	-367	-263	-900	-1 260
Denmark	LEQT	-156	-166	581	126	186	107	-568	-728	-728	-1 493	-935
Estonia	ZWQO	-127	-117	-128	-167	-263	-216	-221	-177	-290	-259	-302
Finland	LEUP	-498	-656	-428	-536	-528	-554	-467	-319	-54	-346	-84
France	LEUO	-788	-2 653	-2 935	-4 423	-2 168	-670	-2 363	-4 355	-4 882	-5 117	-6 458
Germany	LEQG	-6 282	-4 056	-2 502	-4 854	-5 168	-2 393	-5 352	-12 444	-13 859	-19 867	-18 604
Greece	LEUX	430	555	291	326	131	-231	-239	-180	-145	-365	-711
Hungary	BFXQ	36	108	31	16	402	252	289	114	-107	-407	-821
Ireland	BFLX	1 054	1 927	2 156	2 959	3 068	3 249	3 102	4 592	6 419	7 229	6 942
Italy	BFOF	987	155	2 313	835	2 235	1 707	697	-608	-1 584	-2 429	-1 542
Latvia	ZWXS	-255	-293	-248	-242	-348	-353	-397	-416	-599	-589	-880
Lithuania	ZWXT	-137	-77	-82	-100	-132	-87	-137	-75	-102	-80	7
Malta <sup>1</sup>	AA4M	..	..	..	-86	-96	-137	-128	-127	274	-216	-145
Netherlands	BFOH	4 040	7 127	5 708	4 482	1 776	5 193	7 842	7 084	-578	3 214	1 119
Poland	BFSJ	792	686	516	517	399	380	441	353	76	-343	861
Portugal	BFSJ	-365	-528	-244	-298	-261	-191	-426	-899	-656	-685	-1 655
Romania	ZWUO	-24	-87	-50	-37	-20	-69	-74	-89	-77	-173	-179
Slovak Republic	ZWVU	27	62	-22	-8	33	66	11	11	-15	-81	-328
Slovenia	ZWVU	-15	9	-33	36	36	93	64	73	82	-9	-65
Spain	LESV	-811	-828	-1 553	-1 616	-837	-3 151	-5 261	-5 961	-4 279	-6 290	-4 997
Sweden	BFTK	157	638	1 192	222	854	1 108	1 040	662	1 252	838	1 034
European Central Bank	ZWXL	-	-	-	-1	2	11	2	-	-	-	-
EU Institutions	CSFJ	-2 381	-3 181	-5 542	-4 905	-6 279	-3 037	-4 679	-5 045	-5 071	-6 064	-5 988
Total EU27	G977	..	..	..	-9 183	-6 292	-669	-10 252	-22 053	-27 981	-38 470	-35 330
European Free Trade Association (EFTA)												
Iceland	BFNJ	-35	-6	-35	-64	-119	-49	-85	-60	-120	-52	45
Liechtenstein	BFPQ	-61	-79	-100	-38	-55	-52	-7	-30	9	-30	-43
Norway	BFOQ	-2 011	-1 765	485	-326	-2 616	-2 986	-3 304	-3 789	-5 643	-8 630	-11 223
Switzerland	LEPA	-4 741	-4 121	-3 493	-4 978	-5 723	-4 125	-1 502	216	955	1 730	570
Total EFTA	CTFS	-6 848	-5 971	-3 143	-5 406	-8 513	-7 213	-4 898	-3 663	-4 799	-6 982	-10 651
Other Europe												
Albania	ZWXX	-39	-55	-107	-33	-32	-	-1	-8	7	10	2
Belarus	ZWXM	-31	-31	-64	-37	-1	-	-1	19	-17	-219	-671
Croatia	ZWXP	35	8	-142	11	-9	-7	28	79	50	-15	349
Russia	BFSJ	-118	-16	-47	-637	-824	-801	-315	-386	-794	-1 944	-2 509
Turkey	BFUL	209	500	340	119	538	-445	-983	-1 077	-1 501	-1 472	-1 490
Ukraine	ZWXX	104	72	97	32	63	65	301	193	51	111	470
Serbia and Montenegro	BFWU	-84	-85	-36	-22	-3	-16	-7	1	-23	-20	-9
Other <sup>1</sup>	LEVY	-2 505	-2 269	-3 466	-2 864	-3 543	-4 736	-3 003	-616	-2	-1 379	-2 190
Total Europe	LERC	-14 517	-10 406	-8 844	-18 020	-18 616	-13 822	-19 131	-27 511	-35 009	-50 380	-52 029
<b>Americas</b>												
Argentina	ZWXX	559	724	753	383	594	465	14	97	241	139	464
Brazil	LEWQ	740	786	812	200	157	159	125	-113	9	44	70
Canada	LEOR	545	897	1 189	611	416	1 067	49	644	-39	96	101
Chile	ZWYA	-6	-1	42	-7	-29	-117	-91	35	501	650	491
Colombia	ZWYB	-54	31	-21	-3	160	80	134	214	298	211	176
Mexico	BFPF	316	484	369	549	261	-57	685	512	884	1 134	1 260
United States of America	BFDV	109	1 605	4 379	4 497	9 390	5 963	11 208	14 605	15 522	17 428	11 707
Uruguay	ZWYC	7	13	57	27	18	12	-19	43	-12	-9	-4
Venezuela	ZWYD	180	209	101	64	-57	358	344	165	308	232	-103
Other Central American Countries	JISU	-4	-236	663	499	823	1 885	3 680	3 216	3 242	4 084	5 867
Other	LEVQ	-39	-115	-186	-250	-556	-943	-511	-214	84	-267	-174
Total Americas	LESM	2 823	4 835	8 687	6 570	11 177	8 871	15 617	19 204	21 038	23 742	19 855
<b>Asia</b>												
China	LEPJ	-1 335	-1 409	-1 896	-1 972	-3 324	-3 712	-4 917	-5 817	-7 030	-9 092	-11 123
Hong Kong	BFTJ	927	443	-1 160	-3 297	-4 594	-4 496	-3 406	-2 099	-841	1 689	-1 924
India	BFAA	-263	-355	-532	-471	-50	-552	-332	28	-482	-539	-991
Indonesia	BFKZ	-60	51	-255	-481	-579	-655	-551	-405	-350	-324	-319
Iran	ZWYG	222	316	284	209	148	289	442	562	534	537	497
Israel	BFRM	506	366	200	478	491	417	633	561	561	460	295
Japan	BFOO	-2 757	-2 659	-4 656	-4 538	-6 637	-5 835	-4 332	-743	-1 706	-2 670	-2 822
Malaysia	BFPY	-820	-430	-776	-684	-1 086	-614	-212	-47	-123	43	-299
Pakistan	BFRN	22	-101	-184	-219	-358	-282	-570	-481	-410	-67	-87
Philippines	BFRJ	-340	-49	-470	-712	-838	-591	-508	-234	-190	-302	-489
Saudi Arabia	BFTB	2 241	3 387	2 994	2 323	2 273	1 878	1 678	2 682	2 345	1 739	2 121
Singapore	BFTT	688	458	-90	-541	-5	276	195	254	613	977	566
South Korea	BFOX	-26	-225	-1 006	-1 350	-1 544	-945	-368	-181	31	19	120
Taiwan	BFIU	-903	-1 011	-1 154	-1 554	-2 303	-1 682	-1 133	-878	-704	-682	-771
Thailand	BFOV	-26	-193	-977	-914	-1 154	-1 222	-1 215	-1 119	-1 309	-1 230	-1 649
Residual Gulf Arabian Countries	JITV	2 617	2 982	3 011	2 264	2 391	1 858	2 109	2 454	3 115	5 872	4 041
Other Near & Middle Eastern Countries	ZWYI	467	568	601	498	531	731	610	749	1 056	1 069	1 066
Other	LEWH	-199	-191	-324	-987	-1 206	-1 347	-1 372	-1 636	-2 111	-2 117	-1 906
Total Asia	LETE	1 128	1 959	-6 267	-11 948	-17 844	-16 485	-13 250	-6 350	-7 001	-4 618	-13 674
<b>Australasia &amp; Oceania</b>												
Australia	CWJK	3 096	2 427	1 715	2 135	3 255	3 038	2 585	2 262	4 121	3 493	4 359
New Zealand	BFOZ	218	101	-3	211	6	88	182	239	79	97	-37
Other	LEVQ	88	71	337	-52	-36	-38	-6	6	-20	44	-288
Total Australasia & Oceania	LETW	3 402	2 599	2 049	2 294	3 225	3 088	2 761	2 507	4 180	3 634	4 034
<b>Africa</b>												
Egypt	ZWYK	-589	-279	-194	77	-1	-17	99	26	185	30	-135
Morocco	ZWYL	-42	-76	-87	-132	-107	-143	-183	-180	-267	-300	-260
South Africa	BFWW	1 556	1 211	865	363	-359	-334	372	-64	823	574	-946
Other North Africa	JIRN	-101	-37	74	-108	-411	-258	-301	61	-269	-541	-1 373
Other	LEVQ	841	359	1 281	25	-398	-1 313	-1 111	-1 548	-1 573	-990	-1 214
Total Africa	LERU	1 665	1 178	1 939	225	-1 276	-2 065	-1 125	-1 705	-1 101	-1 227	-3 928
<b>International Organisations</b>												
	CTFA	-1 218	-1 005	-759	-838	-1 499	-1 472	-1 386	-1 066	-1 435	-1 603	-2 039
<b>World total</b>												
	HBOG	-6 717	-840	-3 195	-21 717	-24 833	-21 884	-16 513	-14 921	-19 328	-30 452	-47 781

1 Cyprus and Malta are included in Other Europe before 1999.



# 9.3 Trade in goods and services

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Exports</b>												
<b>Europe</b>												
European Union (EU)												
Austria	LGHT	1 617	1 458	1 533	1 551	1 539	1 610	1 668	1 658	1 507	1 834	2 304
Belgium and Luxembourg	LGHU	10 045	10 124	10 400	11 503	12 707	12 236	13 195	14 366	14 134	14 857	18 690
of which Belgium	A7RS	..	..	..	11 037	12 142	11 578	12 466	13 521	13 087	13 896	16 158
Luxembourg	A7RV	..	..	..	466	565	658	729	845	1 047	961	2 532
Bulgaria	ZWLR	100	98	95	117	127	157	209	221	233	312	342
Cyprus <sup>1</sup>	A7RT	..	..	..	389	458	419	485	548	650	665	1 289
Czech Republic	LGIN	832	830	896	883	1 093	1 256	1 208	1 243	1 304	1 413	1 907
Denmark	LGHV	3 076	2 956	3 089	3 014	3 479	3 633	4 076	3 663	3 605	3 821	5 985
Estonia	ZWLX	63	79	73	65	108	97	121	117	135	152	518
Finland	LGHW	2 376	2 115	1 967	2 008	2 421	2 479	2 261	2 355	2 311	2 370	2 982
France	LGHX	20 452	20 136	20 629	21 603	23 901	25 118	24 545	24 824	24 891	26 105	35 691
Germany	LGHY	25 312	25 422	25 841	25 939	29 264	30 481	29 150	28 043	29 306	31 686	36 770
Greece	LGHZ	1 693	1 676	1 732	1 994	2 065	1 936	1 964	2 033	2 124	2 257	2 321
Hungary	XUXI	426	545	581	624	819	817	966	1 082	1 308	1 407	1 329
Ireland	LGIA	10 897	11 671	12 155	13 305	15 172	17 395	19 592	17 365	19 634	22 796	24 156
Italy	LGIB	9 979	10 293	10 978	10 530	11 051	11 177	11 401	11 460	11 689	12 415	13 210
Latvia	ZWMP	94	112	102	93	114	117	115	142	141	195	507
Lithuania	ZWME	102	126	123	111	148	183	181	232	198	278	367
Malta <sup>1</sup>	A7RW	..	..	..	254	263	267	288	332	335	310	406
Netherlands	LGIC	15 947	16 783	16 189	17 655	19 613	19 308	18 480	18 685	18 450	19 351	23 859
Poland	LGIO	1 546	1 592	1 463	1 435	1 581	1 629	1 704	1 868	1 919	2 452	3 584
Portugal	LGID	2 058	2 078	2 172	2 282	2 086	2 045	2 024	1 966	2 237	2 327	2 990
Romania	ZWMH	241	245	262	286	425	414	508	606	747	774	784
Slovak Republic	ZWMJ	140	161	127	145	196	246	231	273	270	359	378
Slovenia	ZWMI	147	166	141	162	181	192	221	192	203	223	247
Spain	LGIE	8 182	8 137	8 934	9 587	10 527	10 556	11 039	11 731	11 937	14 331	16 664
Sweden	LGIF	5 452	5 607	5 752	5 441	5 808	5 551	5 316	5 482	6 019	6 315	7 152
European Central Bank	ZWLL	..	..	..	..	3	12	3	..	..	..	..
EU Institutions	LGIG	247	248	228	232	248	544	544	511	578	600	604
Total EU27	GC8Q	..	..	..	131 208	145 397	149 875	151 495	150 998	155 865	169 605	205 036
European Free Trade Association (EFTA)												
Iceland	LGII	200	212	206	189	266	213	195	213	256	313	365
Liechtenstein	LGIJ	19	21	25	34	42	30	42	39	55	37	55
Norway	LGIK	3 109	3 577	3 870	3 123	3 039	2 772	3 124	3 174	3 423	3 971	3 970
Switzerland	LGIL	5 105	4 983	5 274	5 183	5 593	6 608	6 653	6 896	6 773	9 498	9 135
Total EFTA	LGIM	8 433	8 793	9 375	8 529	8 940	9 622	10 014	10 322	10 507	13 819	13 525
Other Europe												
Albania	ZWLP	14	7	8	15	9	28	25	16	34	24	18
Belarus	ZWLS	33	42	33	30	64	36	36	42	59	64	65
Croatia	ZWMC	155	124	118	118	110	122	147	186	166	160	241
Russia	LGTP	1 351	1 594	1 370	822	1 075	1 347	1 543	2 123	2 332	2 921	3 427
Turkey	LGIT	1 810	2 065	1 895	1 592	2 145	1 537	1 651	2 033	2 263	2 658	2 946
Ukraine	ZWMK	191	204	231	170	199	231	483	367	276	370	481
Serbia and Montenegro	ZWMN	47	76	63	68	135	92	90	105	87	92	131
Other <sup>1</sup>	ZWLM	2 089	2 371	1 647	1 167	1 310	1 146	1 412	1 931	2 203	2 731	2 549
Total Europe	LGIS	135 147	137 934	140 202	143 719	159 384	164 036	166 896	168 123	173 792	192 444	228 419
<b>Americas</b>												
Argentina	ZWLQ	451	601	668	456	471	453	210	217	321	266	313
Brazil	LGIT	1 126	1 328	1 321	1 108	1 117	1 190	1 193	1 151	1 097	1 199	1 358
Canada	LGIU	2 944	3 286	3 546	3 892	4 857	4 791	4 597	4 772	5 075	4 974	5 673
Chile	ZWLT	216	267	295	221	211	235	202	202	219	238	266
Colombia	ZWLU	250	229	242	155	157	245	169	205	208	184	195
Mexico	LGIV	431	593	679	791	937	959	962	950	978	941	1 087
United States of America	LGVI	33 394	35 528	36 614	41 463	48 175	47 759	50 135	51 714	53 307	54 810	59 144
Uruguay	ZWML	74	87	79	75	64	53	35	90	42	53	58
Venezuela	ZWMM	225	254	314	273	305	424	405	245	289	331	292
Other Central American Countries	ZWLW	1 426	1 736	2 193	1 959	2 269	2 091	2 686	2 796	3 272	3 776	4 056
Other	ZWLZ	752	918	837	828	648	652	556	647	495	510	582
Total Americas	LGTY	41 289	44 827	46 788	51 221	59 211	58 851	61 149	62 989	65 303	67 282	73 024
<b>Asia</b>												
China	LGIZ	977	1 145	1 161	1 659	1 910	2 286	2 203	2 796	3 641	4 190	4 725
Hong Kong	LGJA	3 820	4 107	3 632	3 315	3 659	3 688	3 341	3 590	3 690	4 351	4 134
India	LGJB	2 102	2 151	1 726	1 960	2 606	2 436	2 378	2 989	3 216	3 944	4 119
Indonesia	LGJC	1 002	900	568	549	595	514	494	613	584	557	547
Iran	ZWMD	444	448	412	333	411	596	578	687	676	656	635
Israel	LGJD	1 587	1 550	1 387	1 818	1 957	1 861	1 850	1 718	1 790	1 891	1 708
Japan	LGJE	6 609	6 552	5 740	6 244	6 921	6 925	7 104	7 243	7 761	7 991	8 249
Malaysia	LGJF	1 669	1 708	1 219	1 322	1 292	1 398	1 275	1 443	1 537	1 540	1 344
Pakistan	LGJG	697	575	471	515	383	505	409	468	572	889	890
Philippines	LGJH	500	734	394	362	456	570	457	518	443	419	351
Saudi Arabia	LGJI	4 163	5 400	4 528	3 619	3 907	3 639	3 336	4 109	3 870	3 658	4 294
Singapore	LGJJ	2 613	2 551	2 155	2 690	2 659	2 796	2 512	3 117	3 819	4 690	5 229
South Korea	LGJK	1 775	1 705	1 153	1 353	1 738	1 680	1 956	1 930	2 385	2 398	2 530
Taiwan	LGJL	1 188	1 306	1 101	1 113	1 295	1 165	1 214	1 268	1 446	1 490	1 462
Thailand	LGJM	1 232	1 139	616	668	773	809	731	902	954	893	835
Residual Gulf Arabian Countries	ZWMA	3 483	3 941	3 632	3 251	3 654	3 800	3 887	4 622	5 736	8 855	7 256
Other Near & Middle Eastern Countries	ZWMB	564	645	641	607	620	813	760	884	1 113	1 185	1 386
Other	ZWLN	2 096	2 317	1 782	1 245	1 451	1 444	1 233	1 393	1 567	1 650	1 963
Total Asia	LGJO	36 521	38 874	32 318	32 623	36 287	36 924	35 717	40 290	44 800	51 247	51 657
<b>Australasia &amp; Oceania</b>												
Australia	LGJP	3 931	3 961	3 638	3 744	4 273	4 236	3 908	4 269	4 716	5 299	5 256
New Zealand	LGJQ	727	687	656	677	606	609	584	646	799	840	749
Other	LGJR	156	145	89	99	127	137	152	179	176	147	132
Total Australasia & Oceania	LGJS	4 814	4 793	4 383	4 520	5 006	4 982	4 644	5 094	5 691	6 286	6 137
<b>Africa</b>												
Egypt	ZWLY	515	610	604	813	772	784	681	687	983	909	997
Morocco	ZWLG	324	384	405	406	468	450	396	406	403	308	357
South Africa	LGJT	2 609	2 473	2 451	2 396	2 381	2 651	2 594	2 838	2 941	3 190	3 431
Other North Africa	ZWLV	515	701	731	501	680	658	694	867	821	848	812
Other	ZWLO	3 350	3 346	4 107	3 548	3 367	3 745	3 662	4 040	3 921	4 228	4 827
Total Africa	LGJV	7 313	7 514	8 298	7 664	7 668	8 288	8 026	8 838	9 069	9 483	10 424
<b>International Organisations</b>												
	LGJW	74	77	45	35	46	57	78	63	39	48	30
<b>World total</b>												
	KTMW	225 158	234 019	232 034	239 782	267 602	273 140	276 511	285 397	298 694	326 790	369 691

1 Cyprus and Malta are included in Other Europe before 1999.

# 9.3 Trade in goods and services

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Imports</b>												
<b>Europe</b>												
European Union (EU)												
Austria	LGJY	1 532	1 736	1 865	1 900	1 879	2 390	3 079	3 431	3 086	3 318	3 799
Belgium and Luxembourg	LGJZ	10 223	10 637	11 160	11 766	12 490	13 837	15 065	15 184	15 801	17 099	21 089
of which Belgium	A8EO	..	..	..	11 515	12 213	13 394	14 135	14 243	14 567	15 944	17 806
Luxembourg	A8ER	..	..	..	251	277	443	930	941	1 234	1 155	3 283
Bulgaria	ZWNX	140	122	103	105	123	153	212	228	326	426	489
Cyprus <sup>1</sup>	A8EP	..	..	..	952	1 093	1 302	1 224	1 339	1 289	1 486	3 071
Czech Republic	LGKS	453	555	701	726	970	1 296	1 500	1 749	1 720	2 352	3 113
Denmark	LGKA	2 869	2 808	2 649	2 960	3 289	3 559	4 318	4 151	4 166	5 273	7 363
Estonia	ZWOD	145	149	155	194	342	310	345	299	425	416	820
Finland	LGKB	2 883	2 729	2 545	2 670	3 168	3 325	3 073	2 977	2 620	2 787	3 231
France	LGKC	21 141	22 755	23 661	25 052	26 139	27 620	28 608	28 605	28 539	31 113	40 315
Germany	LGKD	31 560	29 071	28 782	31 417	33 000	35 208	37 570	38 865	41 278	46 192	50 165
Greece	LGKE	1 314	1 341	1 414	1 834	2 076	2 362	2 462	2 590	2 571	2 668	2 877
Hungary	ZWOJ	468	537	617	757	778	836	975	1 271	1 763	2 136	2 371
Ireland	LGKF	8 881	9 033	9 546	10 818	12 474	14 427	15 423	12 413	13 044	13 621	13 862
Italy	LGKG	10 750	11 506	12 064	11 978	12 336	12 830	13 780	14 871	15 681	16 908	17 643
Latvia	ZWOM	297	336	295	286	431	459	504	554	732	770	1 418
Lithuania	ZWOL	181	143	147	163	253	251	305	310	291	346	354
Malta <sup>1</sup>	A8ES	..	..	..	323	349	400	406	464	504	524	532
Netherlands	LGKH	14 364	14 162	15 449	16 139	18 338	18 454	19 409	19 899	21 415	23 904	27 055
Poland	LGKT	664	726	797	851	1 089	1 366	1 452	1 769	2 133	2 881	4 731
Portugal	LGKI	2 445	2 591	2 615	2 827	2 756	2 739	2 965	3 327	3 325	3 459	5 006
Romania	ZWOO	203	220	244	304	400	525	606	770	911	971	1 029
Slovak Republic	ZWOQ	77	81	103	130	166	191	238	281	294	437	708
Slovenia	ZWOP	114	107	112	118	151	166	196	193	203	249	339
Spain	LGKJ	9 286	9 643	10 940	11 885	12 625	14 575	17 013	18 194	18 192	20 917	23 926
Sweden	LGKK	5 413	5 208	4 892	5 415	5 773	5 491	5 148	5 688	6 249	6 761	7 767
European Central Bank	ZWNR	..	..	..	1	1	1	1	..	..	..	..
EU Institutions	LGKL	2	1	10	6	3	5	14	17	4	4	2
Total EU27	GCU9	..	..	..	141 577	152 492	164 078	175 891	179 439	186 562	207 018	243 075
European Free Trade Association (EFTA)												
Iceland	LGKN	286	263	297	307	440	325	331	342	412	419	488
Liechtenstein	LGKO	18	27	53	30	28	32	23	36	22	17	44
Norway	LGKP	5 307	5 262	3 963	4 044	6 099	6 170	6 523	7 129	9 243	13 057	15 459
Switzerland	LGKQ	6 453	5 738	6 148	6 787	7 048	6 062	6 221	5 502	5 198	6 177	6 682
Total EFTA	LGKR	12 064	11 290	10 461	11 168	13 615	12 589	13 098	13 009	14 875	19 670	22 673
Other Europe												
Albania	ZWNV	1	2	1	7	7	9	15	17	20	8	8
Belarus	ZWNY	16	15	25	21	36	22	34	26	73	279	726
Croatia	ZWOI	75	67	77	60	68	106	115	123	139	194	213
Russia	LGKU	1 387	1 577	1 588	1 461	1 684	2 265	2 246	2 757	4 014	5 559	6 492
Turkey	LGKV	1 491	1 569	1 665	1 728	1 971	2 238	2 868	3 407	4 064	4 559	5 119
Ukraine	ZWOR	29	51	64	56	78	104	168	117	151	186	189
Serbia and Montenegro	ZWOU	24	44	41	45	45	61	63	75	76	85	111
Other <sup>1</sup>	ZWNS	2 055	2 210	2 234	888	1 289	1 238	1 252	1 206	1 094	1 146	836
Total Europe	LGKX	142 547	143 022	147 022	157 011	171 285	182 710	195 750	200 176	211 068	238 704	279 442
<b>Americas</b>												
Argentina	ZWNW	313	295	268	265	256	283	291	300	334	370	442
Brazil	LGKY	1 051	1 028	1 023	1 066	1 288	1 510	1 616	1 653	1 766	2 003	2 151
Canada	LGKZ	3 116	3 272	3 385	3 994	5 114	4 849	4 644	4 658	5 223	5 303	6 227
Chile	ZWNZ	383	394	372	370	486	512	508	457	546	560	566
Colombia	ZWOA	229	201	259	226	270	342	247	255	302	337	340
Mexico	LGLA	442	520	554	620	896	1 078	841	802	778	747	775
United States of America	LGLB	32 635	34 509	36 277	37 005	41 546	42 750	38 457	37 307	36 819	37 486	41 272
Uruguay	ZWOS	74	72	59	44	42	45	70	47	46	66	72
Venezuela	ZWOT	208	174	155	190	253	202	218	147	234	421	635
Other Central American Countries	ZWOC	1 436	1 523	1 745	1 817	2 492	2 001	2 055	2 366	2 959	3 327	3 949
Other	ZWOF	650	598	575	757	956	1 368	976	822	772	739	748
Total Americas	LGLD	40 537	42 586	44 672	46 354	53 599	54 940	49 923	48 814	49 779	51 359	57 177
<b>Asia</b>												
China	LGLE	2 268	2 544	3 035	3 650	5 118	6 116	7 222	8 805	10 972	13 670	16 087
Hong Kong	LGLF	4 382	4 729	4 892	5 512	6 476	6 348	6 172	6 200	6 473	7 344	8 217
India	LGLG	1 984	2 038	1 936	2 099	2 315	2 632	2 612	2 903	3 385	4 094	4 621
Indonesia	LGLH	1 030	989	958	1 081	1 206	1 249	1 142	1 172	1 017	939	1 057
Iran	ZWOK	115	46	57	54	73	65	62	74	102	78	113
Israel	LGLI	956	1 027	1 082	1 211	1 291	1 253	1 082	1 074	1 144	1 254	1 264
Japan	LGLJ	9 666	10 119	10 278	10 341	11 774	10 799	9 463	9 751	9 685	10 679	10 408
Malaysia	LGLK	2 479	2 175	2 145	2 147	2 515	2 130	1 924	2 037	2 234	2 088	2 143
Pakistan	LGLL	544	554	534	606	663	701	870	905	985	965	975
Philippines	LGLM	917	789	919	1 071	1 361	1 237	1 044	868	767	856	905
Saudi Arabia	LGLN	1 024	1 297	1 242	1 309	1 530	1 576	1 979	1 779	1 880	2 285	2 076
Singapore	LGLO	2 734	2 921	2 646	2 687	2 711	2 443	2 366	3 068	3 994	4 494	4 717
South Korea	LGLP	2 050	2 291	2 330	2 919	3 557	2 935	2 913	2 749	3 331	3 321	3 351
Taiwan	LGLQ	2 107	2 330	2 325	2 745	3 717	2 932	2 564	2 371	2 539	2 533	2 614
Thailand	LGLR	1 382	1 402	1 572	1 598	1 987	2 065	2 071	2 159	2 406	2 336	2 557
Residual Gulf Arabian Countries	ZWOG	823	973	1 219	1 254	1 509	1 675	1 820	2 258	2 632	3 012	3 304
Other Near & Middle Eastern Countries	ZWOH	181	160	159	219	243	288	340	328	316	434	975
Other	ZWNT	1 672	1 770	1 652	1 696	2 227	2 200	2 276	2 629	3 145	2 929	3 426
Total Asia	LGLT	36 314	38 154	38 981	42 199	50 273	48 644	47 922	51 130	57 007	63 311	68 810
<b>Australasia &amp; Oceania</b>												
Australia	LGLU	2 052	2 209	2 324	2 380	2 733	3 027	3 118	3 260	3 256	3 965	3 981
New Zealand	LGLV	831	788	744	814	808	829	859	899	1 017	1 095	1 108
Other	LGLW	265	199	150	151	149	114	129	153	184	180	183
Total Australasia & Oceania	LGLX	3 148	3 196	3 218	3 345	3 690	3 970	4 106	4 312	4 457	5 240	5 272
<b>Africa</b>												
Egypt	ZWOE	429	386	394	484	701	773	729	782	843	894	1 214
Morocco	ZWON	355	424	468	520	568	586	594	584	660	597	552
South Africa	LGLY	1 597	1 742	1 838	2 116	3 081	3 439	3 369	3 870	4 201	4 962	4 907
Other North Africa	ZWOB	548	550	612	551	1 022	864	851	834	1 070	1 289	1 985
Other	ZWNU	2 129	2 128	1 904	2 600	2 664	3 940	4 102	4 311	4 547	4 569	4 715
Total Africa	LGLA	5 058	5 230	5 216	6 271	8 036	9 602	9 645	10 381	11 321	12 311	13 373
<b>International Organisations</b>												
	LGMB	72	67	66	56	80	62	40	29	37	43	54
<b>World total</b>												
	KTMX	227 676	232 255	239 175	255 236	286 963	299 929	307 386	314 842	333 669	370 968	424 128

1 Cyprus and Malta are included in Other Europe before 1999.



# 9.3 Trade in goods and services

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Balances</b>												
<b>Europe</b>												
European Union (EU)												
Austria	LGMD	85	-278	-332	-349	-340	-780	-1 411	-1 773	-1 579	-1 484	-1 495
Belgium and Luxembourg	LGME	-178	-513	-760	-263	217	-1 601	-1 870	-818	-1 667	-2 242	-2 399
of which Belgium	A8HC	..	..	..	-478	-71	-1 816	-1 669	-722	-1 480	-2 048	-1 648
Luxembourg	A8HF	..	..	..	215	288	215	-201	-96	-187	-194	-751
Bulgaria	ZWSK	-40	-24	-8	12	4	4	-3	-7	-93	-114	-147
Cyprus <sup>1</sup>	A8HD	..	..	..	-563	-635	-883	-739	-791	-639	-821	-1 782
Czech Republic	LGMX	379	275	195	157	123	-40	-292	-506	-416	-939	-1 206
Denmark	LGMP	207	148	440	54	190	74	-242	-488	-561	-1 452	-1 378
Estonia	ZWSQ	-82	-70	-82	-129	-234	-213	-224	-182	-290	-264	-302
Finland	LGMG	-507	-614	-578	-662	-747	-846	-812	-622	-309	-417	-249
France	LGMH	-689	-2 619	-3 032	-3 449	-2 238	-2 502	-4 063	-3 781	-3 648	-5 008	-4 624
Germany	LGMI	-6 248	-3 649	-2 941	-5 478	-3 736	-4 727	-8 420	-10 822	-11 972	-14 506	-13 395
Greece	LGMI	379	335	318	160	-11	-426	-498	-557	-447	-411	-556
Hungary	ZWSW	-42	8	-36	-133	41	19	-9	-189	-455	-729	-1 042
Ireland	LGMK	2 016	2 638	2 609	2 487	2 698	2 968	4 169	4 952	6 590	9 175	10 294
Italy	LGML	-771	-1 213	-1 086	-1 448	-1 285	-1 653	-2 379	-3 411	-3 992	-4 493	-4 433
Latvia	ZWSZ	-203	-224	-193	-193	-317	-342	-389	-412	-591	-575	-911
Lithuania	ZWSY	-79	-17	-24	-52	-105	-68	-124	-78	-93	-68	13
Malta <sup>1</sup>	A8HG	..	..	..	-69	-86	-133	-118	-132	-169	-214	-126
Netherlands	LGMM	1 583	2 621	740	1 516	1 275	854	-929	-1 214	-2 965	-4 553	-3 196
Poland	LGMY	882	866	666	584	492	263	252	99	-214	-429	-1 147
Portugal	LGNN	-387	-513	-443	-545	-670	-694	-941	-1 361	-1 088	-1 132	-2 016
Romania	ZWTB	38	25	18	-18	25	-111	-98	-164	-164	-197	-245
Slovak Republic	ZWTD	63	80	24	15	30	55	-7	-8	-24	-78	-330
Slovenia	ZWTC	33	59	29	44	30	26	25	-1	-	-26	-92
Spain	LGMO	-1 104	-1 506	-2 006	-2 298	-2 098	-4 019	-5 974	-6 463	-6 255	-6 586	-7 262
Sweden	LGMP	39	399	860	26	35	60	168	-206	-230	-446	-615
European Central Bank	ZWSE	-	-	-	-1	2	11	2	-	-	-	-
EU Institutions	LGMQ	245	247	218	226	245	539	530	494	574	596	602
Total EU27	GD6Q	..	..	..	-10 369	-7 095	-14 203	-24 396	-28 441	-30 697	-37 413	-38 039
European Free Trade Association (EFTA)												
Iceland	LGMS	-86	-51	-91	-118	-174	-112	-136	-129	-156	-106	-123
Liechtenstein	LGMT	1	-6	-28	4	14	-2	19	3	33	20	11
Norway	LGMU	-2 198	-1 685	-93	-921	-3 060	-3 398	-3 955	-5 820	-9 086	-11 489	-11 489
Switzerland	LGWV	-1 348	-755	-874	-1 604	-1 455	546	432	1 394	1 575	3 321	2 453
Total EFTA	LGWV	-3 631	-2 497	-1 086	-2 639	-4 675	-2 967	-3 084	-2 687	-4 368	-5 851	-9 148
Other Europe												
Albania	ZWSI	13	5	7	8	2	19	10	-1	14	16	10
Belarus	ZWSL	17	27	8	9	28	14	2	16	-14	-215	-661
Croatia	ZWSV	80	57	41	58	42	16	32	63	27	-34	28
Russia	LGMY	-36	17	-218	-639	-609	-918	-703	-634	-1 682	-2 638	-3 065
Turkey	LGNA	319	496	230	-136	174	-701	-1 217	-1 374	-1 801	-1 901	-2 173
Ukraine	ZWTE	162	153	167	114	121	127	315	250	125	184	292
Serbia and Montenegro	ZWTH	23	32	22	23	90	31	27	30	11	7	20
Other <sup>1</sup>	ZWSF	34	161	-587	279	21	-92	160	725	1 109	1 585	1 713
Total Europe	LGNC	-7 400	-5 088	-6 820	-13 292	-11 901	-18 674	-28 854	-32 053	-37 276	-46 260	-51 023
<b>Americas</b>												
Argentina	ZWSJ	138	306	400	191	215	170	-81	-83	-13	-104	-129
Brazil	LGND	75	300	298	42	-171	-320	-423	-502	-669	-804	-793
Canada	LGNE	-172	14	161	-102	-257	-58	-47	114	-148	-329	-554
Chile	ZWSM	-167	-127	-77	-149	-275	-277	-306	-255	-327	-322	-300
Colombia	ZWSN	21	28	-17	-71	-113	-97	-78	-50	-94	-153	-145
Mexico	LGNF	-11	73	125	171	41	-119	121	148	200	194	312
United States of America	LGNG	759	1 019	337	4 458	6 629	5 009	11 678	14 407	16 488	17 324	17 872
Uruguay	ZWTF	-	15	20	31	22	8	-35	43	-4	-13	-14
Venezuela	ZWTF	17	80	159	83	52	222	187	98	55	-90	-343
Other Central American Countries	ZWSP	-10	213	448	142	-223	90	631	430	313	449	107
Other	ZWSS	102	320	262	71	-308	-716	-420	-175	-277	-229	-166
Total Americas	LGNI	752	2 241	2 116	4 867	5 612	3 911	11 226	14 175	15 524	15 923	15 847
<b>Asia</b>												
China	LGNI	-1 291	-1 399	-1 874	-1 991	-3 208	-3 830	-5 019	-6 009	-7 331	-9 480	-11 362
Hong Kong	LGNN	-562	-622	-1 260	-2 197	-2 817	-2 660	-2 831	-2 783	-2 993	-4 083	-4 083
India	LGNI	118	113	-210	-139	291	-196	-234	86	-169	-150	-502
Indonesia	LGNN	-28	-89	-390	-532	-611	-735	-648	-559	-433	-382	-510
Iran	ZWSX	329	402	355	279	338	531	516	613	574	578	522
Israel	LGNN	631	523	305	607	666	608	768	644	646	637	444
Japan	LGNO	-3 057	-3 567	-4 538	-4 097	-4 853	-3 874	-2 359	-2 508	-1 924	-2 688	-2 159
Malaysia	LGNP	-810	-467	-926	-825	-1 223	-732	-649	-594	-697	-548	-799
Pakistan	LGNO	153	21	-63	-91	-280	-196	-461	-437	-413	-76	-85
Philippines	LGNN	-417	-55	-525	-709	-905	-667	-587	-350	-324	-437	-554
Saudi Arabia	LGNS	3 139	4 103	3 286	2 310	2 377	2 063	1 357	2 330	1 990	1 373	2 218
Singapore	LGNT	-121	-370	-491	3	-52	353	146	49	-175	196	512
South Korea	LGNU	-275	-586	-1 177	-1 566	-1 819	-1 255	-957	-819	-946	-923	-821
Taiwan	LGNV	-919	-1 024	-1 224	-1 632	-2 422	-1 767	-1 350	-1 103	-1 093	-1 043	-1 152
Thailand	LGNN	-150	-263	-956	-930	-1 214	-1 256	-1 340	-1 257	-1 452	-1 443	-1 722
Residual Gulf Arabian Countries	ZWST	2 660	2 968	2 413	1 997	2 145	2 125	2 067	2 364	3 104	5 843	3 952
Other Near & Middle Eastern Countries	ZWSU	383	485	482	388	377	525	420	556	797	751	411
Other	ZWSG	424	547	130	-451	-776	-756	-1 043	-1 236	-1 578	-1 279	-1 463
Total Asia	LGNY	207	720	-6 663	-9 576	-13 986	-11 720	-12 205	-10 840	-12 207	-12 064	-17 153
<b>Australasia &amp; Oceania</b>												
Australia	LGNI	1 879	1 752	1 314	1 364	1 540	1 209	790	1 009	1 460	1 334	1 275
New Zealand	LGOA	-104	-101	-88	-137	-202	-220	-275	-253	-218	-255	-359
Other	LGOB	-109	-54	-61	-52	-22	23	23	26	-8	-33	-51
Total Australasia & Oceania	LGOB	1 666	1 597	1 165	1 175	1 316	1 012	538	782	1 234	1 046	865
<b>Africa</b>												
Egypt	ZWSR	86	224	210	329	71	11	-48	-95	140	15	-217
Morocco	ZWTA	-31	-40	-63	-114	-100	-136	-198	-178	-257	-289	-195
South Africa	LGOD	1 012	731	613	280	-700	-788	-775	-1 032	-1 260	-1 772	-1 476
Other North Africa	ZWSO	-33	151	119	-50	-342	-206	-157	33	-249	-441	-1 173
Other	ZWSH	1 221	1 218	2 203	948	703	-195	-440	-271	-626	-341	112
Total Africa	LGOF	2 255	2 284	3 082	1 393	-368	-1 314	-1 619	-1 543	-2 252	-2 828	-2 949
<b>International Organisations</b>	LGOG	2	10	-21	-21	-34	-5	38	34	2	5	-24
<b>World total</b>	KTMV	-2 518	1 764	-7 141	-15 454	-19 361	-26 789	-30 875	-29 445	-34 975	-44 178	-54 437

1 Cyprus and Malta are included in Other Europe before 1999.



# 9.4 Trade in goods

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Exports</b>												
<b>Europe</b>												
European Union (EU)												
Austria	QBRY	1 263	1 159	1 190	1 168	1 146	1 224	1 265	1 264	1 094	1 332	1 723
Belgium and Luxembourg	QBSB	8 522	8 451	8 445	9 241	10 322	9 893	10 552	11 374	10 511	11 394	15 218
of which Belgium	QDOH	..	..	..	9 117	10 102	9 609	10 182	11 073	10 250	11 182	13 537
Luxembourg	QDOK	..	..	..	124	220	284	370	301	261	212	1 681
Bulgaria	QAMP	88	78	81	76	85	122	134	154	155	220	238
Cyprus <sup>1</sup>	QDNZ	..	..	..	259	311	291	272	317	322	359	969
Czech Republic	QDLF	719	709	698	733	927	1 075	1 031	1 003	975	1 080	1 539
Denmark	QBSE	2 214	2 093	2 057	2 054	2 315	2 267	2 729	2 180	2 042	2 314	3 743
Estonia	QAMN	56	64	68	51	96	83	100	95	106	115	475
Finland	QBSH	1 810	1 570	1 434	1 354	1 471	1 611	1 442	1 493	1 362	1 514	1 888
France	QDJD	17 093	16 601	16 449	16 907	18 577	19 249	18 757	18 885	18 564	19 931	29 054
Germany	QDJJ	20 715	20 685	20 590	20 464	22 789	23 655	22 064	20 805	21 671	23 025	27 843
Greece	QDJG	1 147	1 047	1 045	1 206	1 251	1 156	1 234	1 286	1 418	1 367	1 487
Hungary	QDLI	351	435	486	486	613	612	750	856	933	834	864
Ireland	QDJJ	8 661	9 357	9 604	10 783	12 372	13 835	15 422	12 224	14 133	16 294	17 624
Italy	QDJM	8 027	8 214	8 608	7 831	8 429	8 404	8 506	8 603	8 401	8 790	9 609
Latvia	QAMO	82	85	86	69	84	84	77	113	92	103	396
Lithuania	QAMP	84	107	116	96	131	137	149	189	142	167	242
Malta <sup>1</sup>	QDOC	..	..	..	189	206	215	228	260	258	240	324
Netherlands	QDJP	13 484	13 923	12 983	13 632	15 167	14 599	14 011	13 597	12 030	12 716	16 680
Poland	QDLL	1 358	1 354	1 178	1 169	1 299	1 297	1 318	1 462	1 413	1 653	2 729
Portugal	QDJT	1 677	1 752	1 722	1 712	1 660	1 579	1 518	1 453	1 580	1 698	2 390
Romania	QAMQ	213	213	233	242	381	341	432	509	610	647	645
Slovak Republic	QAMR	106	132	103	114	157	203	201	237	224	259	275
Slovenia	QAMS	131	149	136	140	157	160	182	161	162	169	201
Spain	QDJW	6 725	6 745	7 171	7 526	8 302	8 363	8 490	8 943	9 100	10 677	12 430
Sweden	QDJZ	4 420	4 451	4 392	4 035	4 211	3 951	3 873	3 823	4 355	4 588	5 291
European Central Bank	QARP	..	..	..	..	..	..	..	..	..	..	..
EU Institutions	EOAY	..	..	..	..	..	..	..	..	..	..	..
Total EU27	LGCJ	..	..	..	101 537	112 459	114 406	114 737	111 286	111 653	121 486	153 877
European Free Trade Association (EFTA)												
Iceland	QDKW	152	157	158	159	193	150	131	141	167	179	188
Liechtenstein	EPDW	14	10	4	2	6	3	2	3	6	2	20
Norway	QDKZ	2 039	2 609	2 658	1 999	2 018	1 813	1 696	1 886	1 937	2 211	2 123
Switzerland	QDLC	3 166	2 955	2 892	2 768	3 061	3 496	3 080	2 786	2 840	4 985	4 190
Total EFTA	EPOT	5 371	5 731	5 712	4 928	5 278	5 461	4 909	4 816	4 950	7 377	6 521
Other Europe												
Albania	QAMC	14	7	8	12	7	23	19	10	12	16	16
Belarus	QAME	27	35	32	27	37	33	32	38	53	57	62
Croatia	QAMM	137	105	106	80	72	88	94	138	125	118	144
Russia	QDLO	1 018	1 233	929	532	668	893	981	1 420	1 466	1 869	2 063
Turkey	QDLR	1 545	1 734	1 562	1 198	1 800	1 150	1 287	1 638	1 903	2 160	2 425
Ukraine	QAMT	145	166	166	147	156	202	182	245	224	279	338
Serbia and Montenegro	QAMW	34	37	43	29	32	51	62	65	66	58	88
Other <sup>1</sup>	BOQE	693	682	604	133	196	185	134	176	204	249	328
Total Europe	EPLM	107 930	109 104	108 037	108 623	120 705	122 492	122 437	119 832	120 656	133 669	165 862
<b>Americas</b>												
Argentina	QAOM	335	486	458	293	288	264	127	134	178	167	217
Brazil	QDLU	853	1 030	899	739	775	808	880	825	790	836	918
Canada	QATH	1 963	2 146	2 147	2 532	3 487	3 203	3 107	3 239	3 339	3 277	3 893
Chile	QAMG	168	211	171	115	115	132	115	123	135	150	184
Colombia	QAML	182	170	175	107	101	105	83	108	118	117	134
Mexico	QDLX	316	428	516	577	675	681	704	687	629	638	747
United States of America	QAMH	19 753	20 853	21 082	24 040	29 276	29 244	28 197	28 672	28 576	30 913	32 084
Uruguay	QAMU	66	78	68	66	57	48	30	30	32	39	41
Venezuela	QAMV	182	206	242	205	222	314	306	143	190	234	236
Other Central American Countries	BOQQ	669	758	785	922	979	684	690	712	620	677	855
Other	BOQT	555	655	589	596	431	437	409	491	352	332	356
Total Americas	EPLO	25 042	27 021	27 132	30 192	36 406	35 919	34 647	35 164	34 959	37 380	39 665
<b>Asia</b>												
China	QDMA	741	922	860	1 211	1 468	1 709	1 493	1 924	2 372	2 811	3 265
Hong Kong	QDMD	2 943	3 215	2 671	2 312	2 673	2 683	2 411	2 481	2 632	3 088	2 863
India	QDMG	1 718	1 576	1 242	1 450	2 058	1 772	1 755	2 284	2 235	2 798	2 695
Indonesia	QDMJ	809	674	369	385	404	313	324	452	398	366	312
Iran	QAON	385	380	320	237	292	434	397	471	442	452	423
Israel	QDMH	1 277	1 178	1 079	1 295	1 516	1 357	1 428	1 359	1 389	1 352	1 308
Japan	QAMJ	4 296	4 180	3 127	3 300	3 672	3 673	3 583	3 710	3 862	3 900	4 109
Malaysia	QDMP	1 169	1 206	677	934	907	1 029	877	1 028	995	1 088	877
Pakistan	QDMS	347	271	228	221	207	229	240	291	344	461	488
Philippines	QDMV	398	601	301	239	273	392	352	377	315	279	242
Saudi Arabia	QDMY	2 425	3 656	2 605	1 481	1 557	1 525	1 388	1 819	1 611	1 559	1 644
Singapore	QDNB	2 158	2 047	1 598	1 597	1 625	1 592	1 445	1 582	1 710	2 078	2 319
South Korea	QDNE	1 314	1 222	666	949	1 350	1 262	1 461	1 468	1 482	1 677	1 746
Taiwan	QDNH	945	1 036	867	865	1 015	875	848	897	951	939	911
Thailand	QDNK	981	863	386	463	582	594	529	572	637	638	567
Residual Gulf Arabian Countries	BOQW	2 756	3 127	2 640	2 258	2 586	2 749	2 620	3 353	4 027	6 952	5 074
Other Near & Middle Eastern Countries	QARJ	456	498	466	406	393	481	499	632	776	744	970
Other	BORB	1 005	1 186	771	592	644	564	510	600	608	580	677
Total Asia	EPLP	26 123	27 838	20 873	20 195	23 222	23 232	22 159	25 300	26 786	31 762	30 490
<b>Australasia &amp; Oceania</b>												
Australia	QDNN	2 492	2 454	2 188	2 155	2 699	2 298	2 114	2 289	2 455	2 580	2 479
New Zealand	QDNQ	474	409	336	324	305	309	311	348	418	415	373
Other	EGTZ	54	84	42	38	43	42	55	64	43	81	70
Total Australasia & Oceania	EPLQ	3 020	2 947	2 566	2 517	3 047	2 649	2 480	2 701	2 916	3 076	2 922
<b>Africa</b>												
Egypt	QDNT	434	501	505	539	498	452	463	458	667	543	578
Morocco	QAOD	284	356	348	359	407	368	346	358	341	261	298
South Africa	QDNW	1 894	1 646	1 520	1 281	1 413	1 534	1 597	1 766	1 877	2 073	2 182
Other North Africa	BORU	390	451	440	386	419	445	478	587	540	484	494
Other	BOQH	2 079	2 059	2 635	2 074	1 819	2 000	1 917	2 154	2 135	2 360	2 614
Total Africa	EPLN	5 081	5 013	5 448	4 639	4 556	4 799	4 800	5 323	5 560	5 721	6 166
<b>International Organisations</b>												
	EPLR	..	..	..	..	..	..	..	..	..	..	..
<b>World total</b>	<b>LQAD</b>	<b>167 196</b>	<b>171 923</b>	<b>164 056</b>	<b>166 166</b>	<b>187 936</b>	<b>189 093</b>	<b>186 524</b>	<b>188 320</b>	<b>190 877</b>	<b>211 608</b>	<b>245 105</b>

1 Cyprus and Malta are included in Other Europe before 1999.



# 9.4 Trade in goods

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Imports</b>												
<b>Europe</b>												
European Union (EU)												
Austria	QBRZ	1 172	1 393	1 411	1 453	1 410	1 888	2 396	2 776	2 354	2 461	2 900
Belgium and Luxembourg	QBSB	9 026	9 390	9 831	10 156	10 927	12 159	13 201	13 205	13 845	15 155	18 923
of which Belgium	QDOI	..	..	..	10 079	10 795	11 859	12 449	12 481	12 909	14 238	16 014
Luxembourg	QDOL	..	..	..	77	132	300	752	724	936	917	2 909
Bulgaria	QAMZ	111	88	74	69	85	101	116	124	150	169	208
Cyprus <sup>1</sup>	QDOA	..	..	..	186	208	243	247	251	205	272	1 725
Czech Republic	QDLG	353	450	555	580	802	1 097	1 250	1 412	1 291	1 883	2 612
Denmark	QBSF	2 393	2 316	2 156	2 341	2 630	2 922	3 595	3 399	3 357	4 393	6 414
Estonia	QAND	139	147	150	188	309	283	327	264	379	363	755
Finland	QBTG	2 682	2 544	2 328	2 365	2 765	2 965	2 791	2 663	2 336	2 431	2 893
France	QDJB	16 873	18 020	17 956	18 410	18 644	20 127	20 798	20 389	20 132	22 184	30 737
Germany	QDJE	27 597	25 632	25 095	26 812	28 462	30 192	32 442	33 667	35 380	39 169	43 173
Greece	QDJH	401	396	363	408	459	476	555	613	625	703	755
Hungary	QDLJ	402	465	535	668	683	710	846	1 120	1 579	1 860	2 061
Ireland	QDJK	7 342	7 391	7 802	8 705	10 261	12 141	13 176	9 920	10 133	10 411	10 721
Italy	QDJN	8 900	9 548	9 744	9 383	9 514	9 860	10 675	11 481	12 186	12 673	13 206
Latvia	QANE	294	331	290	274	406	439	485	525	694	725	1 362
Lithuania	QANF	178	140	140	158	247	235	268	285	271	273	279
Malta <sup>1</sup>	QDOD	..	..	..	127	126	144	168	185	184	177	164
Netherlands	QDJQ	12 596	12 328	13 408	13 768	15 380	15 395	16 143	16 692	18 195	20 436	23 631
Poland	QDLM	570	597	653	676	905	1 166	1 265	1 545	1 834	2 320	4 075
Portugal	QDUJ	1 686	1 763	1 790	1 822	1 735	1 625	1 761	1 966	1 928	2 018	3 486
Romania	QANG	174	195	222	253	336	448	522	679	786	803	867
Slovak Republic	QANH	62	71	71	102	136	177	211	259	261	370	628
Slovenia	QANI	104	95	100	104	122	149	173	169	169	201	290
Spain	QDJX	5 120	5 102	5 738	5 966	6 141	7 360	9 190	9 247	9 120	11 450	13 771
Sweden	QDKA	4 840	4 693	4 361	4 648	4 951	4 671	4 330	4 568	5 118	5 463	6 274
European Central Bank	QARQ	..	..	..	..	..	..	..	..	..	..	..
EU Institutions	EOBS	..	..	..	..	..	..	..	..	..	..	..
Total EU27	LGDB	..	..	..	109 622	117 644	126 973	136 931	137 404	142 512	158 363	191 910
European Free Trade Association (EFTA)												
Iceland	QDKX	255	229	251	282	365	281	289	296	355	346	402
Liechtenstein	EPOX	17	26	20	23	22	25	22	25	18	13	38
Norway	QDLA	4 751	4 666	3 440	3 546	5 563	5 523	5 258	6 423	8 479	12 078	14 438
Switzerland	QDLB	5 183	4 636	4 755	5 341	5 485	4 544	4 595	3 759	3 439	3 882	4 376
Total EFTA	EPOU	10 206	9 557	8 466	9 192	11 435	10 373	10 164	10 503	12 291	16 319	19 254
Other Europe												
Albania	QAMX	..	2	..	1	2	..	2	3	..	..	..
Belarus	QAMY	13	14	20	20	34	18	31	22	72	271	714
Croatia	QANC	36	34	40	39	41	51	68	50	55	54	67
Russia	QDLP	1 222	1 418	1 406	1 324	1 496	2 047	1 950	2 454	3 511	5 009	5 767
Turkey	QDLS	892	990	1 103	1 204	1 450	1 669	2 164	2 619	3 246	3 511	3 950
Ukraine	QANJ	22	37	50	47	64	71	143	94	108	91	126
Serbia and Montenegro	QANM	12	30	30	14	23	23	30	34	38	42	64
Other <sup>1</sup>	BOQF	378	345	407	172	177	271	261	283	283	325	303
Total Europe	EPMM	115 796	115 522	116 295	121 635	132 366	141 496	151 744	153 466	162 116	183 985	222 155
<b>Americas</b>												
Argentina	QAOP	273	258	198	190	181	209	236	252	265	282	353
Brazil	QDLV	942	911	883	910	1 114	1 279	1 365	1 477	1 547	1 739	1 912
Canada	QATI	2 409	2 480	2 519	3 026	4 009	3 664	3 563	3 664	4 187	4 155	4 995
Chile	QANA	359	374	329	328	451	464	460	414	474	478	521
Colombia	QDLB	203	178	199	191	231	311	212	223	278	298	301
Mexico	QDLY	326	371	366	395	613	680	505	490	411	446	449
United States of America	QAMI	22 287	24 329	24 785	24 360	28 416	29 345	25 149	22 857	22 067	22 184	25 763
Uruguay	QANK	73	70	53	40	36	36	47	43	41	58	63
Venezuela	QANL	181	150	115	144	207	160	183	113	208	386	595
Other Central American Countries	BOQR	678	680	712	871	1 044	616	766	1 000	1 101	1 187	1 386
Other	BOQU	413	388	410	542	700	1 220	852	692	661	568	570
Total Americas	EPMO	28 144	30 189	30 569	30 997	37 002	37 984	33 338	31 225	31 240	31 781	36 908
<b>Asia</b>												
China	QDMB	2 110	2 379	2 816	3 384	4 826	5 741	6 726	8 342	10 405	12 963	15 303
Hong Kong	QDME	3 904	4 146	4 391	4 909	5 917	5 754	5 561	5 500	5 771	6 601	7 372
India	QDMH	1 542	1 546	1 382	1 426	1 651	1 816	1 804	2 093	2 290	2 783	3 136
Indonesia	QDMK	852	862	854	931	1 081	1 128	1 006	875	917	839	960
Iran	QAOQ	102	29	32	33	30	28	33	29	41	34	70
Israel	QDMN	796	839	875	996	1 025	939	880	861	923	1 002	968
Japan	QAMK	8 545	9 031	9 124	9 118	10 214	9 080	8 079	8 085	8 106	8 670	7 911
Malaysia	QDMQ	2 280	1 931	1 892	1 961	2 288	1 939	1 731	1 867	2 024	1 814	1 902
Pakistan	QDMT	375	362	340	318	363	421	472	519	554	487	514
Philippines	QDMW	858	726	855	983	1 155	1 155	944	713	657	712	744
Saudi Arabia	QDMZ	654	841	791	783	977	933	677	715	1 158	1 714	1 234
Singapore	QDNC	2 465	2 585	2 343	2 348	2 395	2 067	1 959	2 672	3 382	3 829	3 773
South Korea	QDNF	1 935	2 147	2 201	2 784	3 416	2 756	2 728	2 563	3 083	3 064	3 086
Taiwan	QDNI	2 001	2 230	2 217	2 626	3 561	2 784	2 385	2 198	2 344	2 225	2 351
Thailand	QDNL	1 140	1 166	1 264	1 291	1 602	1 607	1 550	1 646	1 762	1 719	1 932
Residual Gulf Arabian Countries	BOQX	597	734	847	833	1 109	1 138	1 225	1 516	1 724	2 012	2 208
Other Near & Middle Eastern Countries	QARK	123	87	81	135	118	133	189	177	111	233	769
Other	BORD	1 065	1 138	1 117	1 217	1 596	1 665	1 719	1 984	2 244	2 078	2 494
Total Asia	EPMP	31 344	32 779	33 422	36 076	43 324	41 084	39 668	42 355	47 496	52 779	56 727
<b>Australasia &amp; Oceania</b>												
Australia	QDNO	1 230	1 320	1 363	1 338	1 543	1 776	1 688	1 789	1 868	2 100	2 121
New Zealand	QDNR	602	555	517	565	544	542	522	552	584	592	605
Other	EFKP	203	164	124	122	124	94	96	125	130	130	121
Total Australasia & Oceania	EPNQ	2 035	2 039	2 004	2 025	2 211	2 412	2 306	2 466	2 582	2 822	2 847
<b>Africa</b>												
Egypt	QDNU	271	256	277	255	411	406	416	432	496	350	665
Morocco	QAOR	290	331	349	383	454	439	453	443	510	420	374
South Africa	QDNX	1 170	1 323	1 351	1 636	2 553	2 841	2 685	2 949	3 277	3 938	3 924
Other North Africa	BORW	367	323	280	333	699	515	588	568	736	935	1 623
Other	BOQJ	1 501	1 503	1 322	1 877	1 892	3 127	3 031	3 023	3 317	3 387	3 513
Total Africa	EPMN	3 599	3 736	3 579	4 484	6 009	7 328	7 173	7 415	8 336	9 030	10 099
<b>International Organisations</b>												
	EPMR	..	..	..	..	..	..	..	..	..	..	..
<b>World total</b>												
	LQBL	180 918	184 265	185 869	195 217	220 912	230 305	234 229	236 927	251 770	280 397	328 736

<sup>1</sup> Cyprus and Malta are included in Other Europe before 1999.

# 9.4 Trade in goods

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Balances</b>												
<b>Europe</b>												
European Union (EU)												
Austria	QBSA	91	-234	-221	-285	-264	-664	-1 131	-1 512	-1 260	-1 129	-1 177
Belgium and Luxembourg	QBSD	-504	-939	-1 386	-915	-605	-2 266	-2 649	-1 831	-3 334	-3 761	-3 705
of which Belgium	QDOJ	..	..	..	-962	-693	-2 250	-2 267	-1 408	-2 659	-3 056	-2 477
Luxembourg	QDOM	..	..	..	47	88	-16	-382	-423	-675	-705	-1 228
Bulgaria	QANP	-23	-10	7	7	-	21	18	30	5	51	30
Cyprus <sup>1</sup>	QDOB	..	..	..	73	103	48	25	66	117	87	-756
Czech Republic	QDLH	366	259	143	153	125	-22	-219	-409	-316	-803	-1 073
Denmark	QBSG	-179	-223	-99	-287	-315	-655	-866	-1 219	-1 315	-2 079	-2 671
Estonia	QANT	-83	-83	-82	-137	-213	-200	-227	-169	-273	-248	-280
Finland	QBTLL	-872	-974	-894	-1 011	-1 294	-1 354	-1 349	-1 170	-974	-917	-1 005
France	QDJJC	220	-1 419	-1 507	-1 503	-67	-878	-2 041	-1 504	-1 568	-2 253	-1 683
Germany	QDJFC	-6 882	-4 947	-4 505	-6 348	-5 673	-6 537	-10 378	-12 862	-13 709	-16 144	-15 330
Greece	QDJI	746	651	682	798	792	680	679	673	793	664	732
Hungary	QDLK	-51	-30	-49	-182	-70	-98	-96	-264	-646	-1 026	-1 197
Ireland	QDJLL	1 319	1 966	1 802	2 078	2 111	1 694	2 246	2 304	4 000	5 883	6 903
Italy	QDJJO	-873	-1 334	-1 136	-1 552	-1 085	-1 456	-2 169	-2 878	-3 785	-3 883	-3 597
Latvia	QANU	-212	-246	-204	-205	-322	-355	-408	-412	-602	-622	-966
Lithuania	QANV	-94	-33	-24	-62	-116	-98	-119	-96	-129	-106	-37
Malta <sup>1</sup>	QDOE	..	..	..	62	80	71	60	75	74	63	160
Netherlands	QDJJR	888	1 595	-425	-136	-213	-796	-2 132	-3 095	-6 165	-7 720	-6 951
Poland	QDLN	788	757	525	493	394	131	53	-83	-421	-667	-1 346
Portugal	QDJV	-9	-11	-68	-110	-75	-46	-243	-513	-348	-320	-1 096
Romania	QDJV	39	18	11	-11	45	-107	-90	-170	-176	-156	-222
Slovak Republic	QAOG	44	61	32	12	21	26	-10	-22	-37	-111	-353
Slovenia	QAOH	27	54	36	36	35	11	9	-8	-7	-32	-89
Spain	QDJY	1 605	1 643	1 433	1 560	2 161	1 003	-700	-304	-20	-773	-1 341
Sweden	QDKV	-420	-242	31	-613	-740	-720	-457	-745	-763	-875	-983
European Central Bank	QARR	-	-	-	-	-	-	-	-	-	-	-
EU Institutions	EOCM	-	-	-	-	-	-	-	-	-	-	-
Total EU27	LGCF	..	..	..	-8 085	-5 185	-12 567	-22 194	-26 118	-30 859	-36 877	-38 033
European Free Trade Association (EFTA)												
Iceland	QDKY	-103	-72	-93	-123	-172	-131	-158	-155	-188	-167	-214
Liechtenstein	EPOY	-3	-16	-16	-21	-16	-22	-20	-22	-12	-11	-18
Norway	QDLB	-2 712	-2 057	-782	-1 547	-3 545	-3 710	-3 562	-4 537	-6 542	-9 867	-12 315
Switzerland	QDLE	-2 017	-1 681	-1 863	-2 573	-2 424	-1 048	-1 515	-973	-599	1 103	-186
Total EFTA	EPOV	-4 835	-3 826	-2 754	-4 264	-6 157	-4 912	-5 255	-5 687	-7 341	-8 942	-12 733
Other Europe												
Albania	QANN	14	5	8	11	5	23	17	7	12	16	16
Belarus	QANO	14	21	12	7	3	15	1	16	-19	-214	-652
Croatia	QANS	101	71	66	41	31	37	26	88	70	64	77
Russia	QDLQ	-204	-185	-477	-792	-828	-1 154	-969	-1 034	-2 045	-3 140	-3 704
Turkey	QDLT	653	744	459	-6	350	-519	-877	-981	-1 343	-1 351	-1 525
Ukraine	QAOT	123	129	116	100	92	131	39	151	116	188	212
Serbia and Montenegro	QAOL	22	7	13	15	9	28	32	31	28	16	24
Other <sup>1</sup>	BOQS	315	337	197	-39	19	-86	-127	-107	-79	-76	25
Total Europe	EPNM	-7 866	-6 418	-8 258	-13 012	-11 661	-19 004	-29 307	-33 634	-41 460	-50 316	-56 293
<b>Americas</b>												
Argentina	QAOS	62	228	260	103	107	55	-109	-118	-87	-115	-136
Brazil	QDLW	-89	119	16	-171	-339	-471	-485	-652	-757	-903	-994
Canada	QBRV	-446	-334	-372	-494	-522	-461	-456	-425	-848	-878	-1 102
Chile	QANQ	-191	-163	-158	-213	-336	-332	-345	-291	-339	-328	-337
Colombia	QANR	-21	-8	-24	-84	-130	-206	-129	-115	-160	-181	-167
Mexico	QDLZ	-10	57	150	182	62	1	199	197	218	192	298
United States of America	QBRP	-2 534	-3 476	-3 703	-320	860	-101	3 048	5 815	6 509	8 729	6 321
Uruguay	QAQJ	-7	8	15	26	21	12	-17	-13	-9	-19	-22
Venezuela	QAOK	1	56	127	61	15	154	123	30	-18	-152	-359
Other Central American Countries	BOQS	-9	78	73	51	-65	68	-76	-288	-481	-510	-531
Other	BOQV	142	267	179	54	-269	-783	-443	-201	-309	-236	-214
Total Americas	EPNO	-3 102	-3 168	-3 437	-805	-596	-2 065	1 309	3 939	3 719	5 599	2 757
<b>Asia</b>												
China	QDMC	-1 369	-1 457	-1 956	-2 173	-3 358	-4 032	-5 233	-6 418	-8 033	-10 152	-12 038
Hong Kong	QDMF	-961	-931	-1 720	-2 597	-3 244	-3 071	-3 150	-3 019	-3 139	-3 513	-4 509
India	QDMI	176	30	-140	24	407	-44	-49	191	-55	15	-441
Indonesia	QDML	-43	-188	-485	-546	-677	-815	-682	-423	-519	-473	-648
Iran	QAOT	283	351	288	204	262	406	364	442	401	418	353
Israel	QDMO	481	339	204	299	491	418	548	498	466	350	340
Japan	QBRR	-4 249	-4 851	-5 997	-5 818	-6 542	-5 407	-4 496	-4 375	-4 244	-4 770	-3 802
Malaysia	QDMR	-1 111	-725	-1 215	-1 027	-1 381	-910	-854	-839	-1 029	-726	-1 025
Pakistan	QDMU	-28	-91	-112	-97	-156	-192	-232	-228	-210	-26	-26
Philippines	QDMX	-460	-125	-554	-744	-882	-763	-592	-336	-342	-433	-502
Saudi Arabia	QDNA	1 771	2 815	1 814	698	580	592	711	1 104	453	-155	410
Singapore	QDND	-307	-538	-745	-751	-770	-475	-514	-1 090	-1 672	-1 751	-1 454
South Korea	QDNG	-621	-925	-1 535	-1 835	-2 066	-1 494	-1 267	-1 095	-1 601	-1 387	-1 340
Taiwan	QDNJ	-1 056	-1 194	-1 350	-1 761	-2 546	-1 909	-1 537	-1 301	-1 393	-1 286	-1 440
Thailand	QDNM	-159	-303	-878	-828	-1 020	-1 013	-1 021	-1 074	-1 125	-1 081	-1 365
Residual Gulf Arabian Countries	BORA	2 159	2 393	1 793	1 425	1 477	1 611	1 395	1 837	2 303	4 940	2 866
Other Near & Middle Eastern Countries	QARL	333	411	385	271	275	348	310	455	665	511	201
Other	BORE	-60	48	-346	-625	-952	-1 101	-1 209	-1 384	-1 636	-1 498	-1 817
Total Asia	EPNP	-5 221	-4 941	-12 549	-15 881	-20 102	-17 852	-17 509	-17 055	-20 710	-21 017	-26 237
<b>Australasia &amp; Oceania</b>												
Australia	QDNP	1 262	1 134	825	817	1 156	522	426	500	587	480	358
New Zealand	QDNS	-128	-146	-181	-241	-239	-233	-211	-204	-166	-177	-232
Other	HFKK	-149	-80	-82	-84	-81	-52	-41	-61	-87	-49	-51
Total Australasia & Oceania	EPNQ	985	908	562	492	836	237	174	235	334	254	75
<b>Africa</b>												
Egypt	QDNV	163	245	228	284	87	46	47	26	171	193	-87
Morocco	QAOU	-6	25	-1	-24	-47	-71	-107	-85	-169	-159	-76
South Africa	QDNY	724	323	169	-355	-1 140	-1 307	-1 088	-1 183	-1 400	-1 865	-1 742
Other North Africa	BORX	23	128	160	53	-280	-70	-110	19	-196	-451	-1 129
Other	BOQK	578	556	1 313	197	-73	-1 127	-1 114	-869	-1 182	-1 027	-899
Total Africa	EPNN	1 482	1 277	1 869	155	-1 453	-2 529	-2 373	-2 092	-2 776	-3 309	-3 933
<b>International Organisations</b>												
	EPNR	-	-	-	-	-	-	-	-	-	-	-
<b>World total</b>												
	LQCT	-13 722	-12 342	-21 813	-29 051	-32 976	-41 212	-47 705	-48 607	-60 893	-68 789	-83 631

1 Cyprus and Malta are included in Other Europe before 1999.



# 9.5 Trade in services

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Exports</b>												
<b>Europe</b>												
European Union (EU)												
Austria	FYVC	354	299	343	383	393	386	403	394	413	502	581
Belgium and Luxembourg	FYVD	1 523	1 673	1 955	2 262	2 385	2 343	2 643	2 992	3 623	3 463	3 472
of which Belgium	A7RX	..	..	..	1 920	2 040	1 969	2 284	2 448	2 837	2 714	2 621
Luxembourg	A7S2	..	..	..	342	345	374	359	544	786	749	851
Bulgaria	ZWKO	12	20	14	41	42	35	75	67	78	92	104
Cyprus <sup>1</sup>	A7RY	174	156	126	130	147	128	213	231	328	306	320
Czech Republic	FYVW	113	121	198	150	166	181	177	240	329	333	368
Denmark	FYVE	862	863	1 032	960	1 164	1 366	1 347	1 483	1 563	1 507	2 242
Estonia	ZWKU	7	15	5	14	12	14	21	22	29	37	43
Finland	FYVF	566	545	533	654	950	868	819	862	949	856	1 094
France	FYVG	3 359	3 535	4 180	4 696	5 324	5 869	5 788	5 939	6 327	6 174	6 637
Germany	FYVH	4 597	4 737	5 251	5 475	6 475	6 826	7 086	7 238	7 635	8 661	8 927
Greece	FYVI	546	629	687	788	814	780	730	747	706	890	834
Hungary	GYWJ	75	110	95	138	206	205	216	226	375	573	465
Ireland	FYVJ	2 236	2 314	2 551	2 522	2 800	3 560	4 170	5 141	5 501	6 502	6 532
Italy	FYVK	1 952	2 079	2 370	2 699	2 622	2 773	2 895	2 857	3 288	3 625	3 601
Latvia	ZWLC	12	19	16	24	30	33	38	29	49	92	111
Lithuania	ZWLB	18	19	7	15	17	46	32	43	56	111	125
Malta <sup>1</sup>	A7S3	105	125	67	65	57	52	60	72	77	70	82
Netherlands	FYVL	2 463	2 860	3 206	4 023	4 446	4 709	4 469	5 088	6 420	6 635	7 179
Poland	FYVX	188	238	285	266	282	332	386	406	506	799	855
Portugal	FYVM	381	326	450	570	426	466	506	513	657	629	600
Romania	ZWLE	28	32	29	44	44	73	76	97	137	127	139
Slovak Republic	ZWLG	34	29	24	31	39	43	30	36	46	100	103
Slovenia	ZWLF	16	17	5	22	24	32	39	31	41	54	46
Spain	FYVN	1 457	1 392	1 763	2 061	2 225	2 193	2 549	2 788	2 837	3 654	4 234
Sweden	FYVO	1 032	1 156	1 360	1 406	1 597	1 600	1 443	1 659	1 664	1 727	1 861
European Central Bank	KNWZ	..	..	..	..	3	12	3	..	..	..	..
EU Institutions	FYVP	247	248	228	232	248	544	544	511	578	600	604
Total EU27	GC8R	..	..	..	29 671	32 938	35 469	36 758	39 712	44 212	48 119	51 159
<b>European Free Trade Association (EFTA)</b>												
Iceland	FYVR	48	55	48	30	73	63	64	72	89	134	177
Liechtenstein	FYVS	5	11	21	32	36	27	40	36	49	35	35
Norway	FYVT	1 070	968	1 212	1 124	1 021	959	1 428	1 288	1 486	1 760	1 847
Switzerland	FYVU	1 939	2 028	2 382	2 415	2 532	3 112	3 573	4 110	3 933	4 513	4 945
Total EFTA	FYVV	3 062	3 062	3 663	3 601	3 662	4 161	5 105	5 506	5 557	6 442	7 004
<b>Other Europe</b>												
Albania	ZWKM	..	..	..	3	2	5	6	6	22	8	2
Belarus	ZWKP	6	7	1	3	27	3	4	4	6	7	3
Croatia	ZWKZ	18	19	12	38	38	34	53	48	41	42	97
Russia	FYVY	333	361	441	290	407	454	562	703	866	1 052	1 364
Turkey	FYVZ	265	331	333	394	345	387	364	395	360	498	521
Ukraine	ZWLH	46	38	65	23	43	29	301	122	52	91	143
Serbia and Montenegro	ZWLK	13	39	20	39	103	41	28	40	21	34	43
Other <sup>1</sup>	ZWKJ	1 117	1 408	850	1 034	1 114	961	1 278	1 755	1 999	2 482	2 221
<b>Total Europe</b>	<b>FYWB</b>	<b>27 217</b>	<b>28 830</b>	<b>32 165</b>	<b>35 096</b>	<b>38 679</b>	<b>41 544</b>	<b>44 459</b>	<b>48 291</b>	<b>53 136</b>	<b>58 775</b>	<b>62 557</b>
<b>Americas</b>												
Argentina	ZWKN	116	115	210	163	183	189	83	83	143	99	96
Brazil	FYWC	273	298	422	369	342	382	313	326	307	363	440
Canada	FYWD	981	1 140	1 399	1 360	1 370	1 588	1 490	1 533	1 736	1 697	1 780
Chile	ZWQO	48	56	124	106	96	103	87	79	84	88	82
Colombia	ZWKR	68	59	67	48	56	140	86	97	90	67	61
Mexico	FYWE	115	165	163	214	262	278	258	263	349	303	340
United States of America	FYWF	13 641	14 675	15 532	17 423	18 899	18 515	21 938	23 042	24 731	23 897	27 060
Uruguay	ZWLI	8	9	11	9	7	5	5	60	10	14	17
Venezuela	ZWLJ	43	48	72	68	83	110	99	102	99	97	56
Other Central American Countries	ZWKT	757	978	1 408	1 037	1 290	1 407	1 996	2 084	2 652	3 099	3 201
Other	ZWKW	197	263	248	232	217	215	147	156	143	178	226
<b>Total Americas</b>	<b>FYWH</b>	<b>16 247</b>	<b>17 806</b>	<b>19 656</b>	<b>21 029</b>	<b>22 805</b>	<b>22 932</b>	<b>26 502</b>	<b>27 825</b>	<b>30 344</b>	<b>29 902</b>	<b>33 359</b>
<b>Asia</b>												
China	FYWI	236	223	301	448	442	577	710	872	1 269	1 379	1 460
Hong Kong	FYWJ	877	892	961	1 003	986	1 005	930	1 109	1 058	1 263	1 271
India	FYWK	384	575	484	510	548	664	623	705	981	1 146	1 424
Indonesia	FYWL	193	226	199	164	191	201	170	161	186	191	235
Iran	ZWLA	59	68	92	96	119	162	181	216	234	204	212
Israel	FYWM	310	372	308	523	441	504	422	359	401	539	400
Japan	FYWN	2 313	2 372	2 613	2 944	3 249	3 252	3 521	3 533	3 899	4 091	4 140
Malaysia	FYWO	500	502	542	388	385	369	398	415	542	452	467
Pakistan	FYWP	350	304	243	294	176	276	169	177	228	428	402
Philippines	FYWQ	102	133	93	123	183	178	105	141	128	140	109
Saudi Arabia	FYWR	1 738	1 744	1 923	2 138	2 350	2 114	1 948	2 290	2 259	2 099	2 650
Singapore	FYWS	455	504	557	1 093	1 034	1 204	1 067	1 535	2 109	2 612	2 910
South Korea	FYWT	461	483	487	404	388	418	495	462	903	721	784
Taiwan	FYWU	243	270	234	248	280	290	366	371	495	551	551
Thailand	FYWW	251	276	230	205	191	215	202	330	317	255	268
Residual Gulf Arabian Countries	ZWKX	727	814	992	993	1 068	1 051	1 267	1 269	1 709	1 903	2 182
Other Near & Middle Eastern Countries	ZWKY	108	147	175	201	227	332	261	252	337	441	416
Other Asian Countries	ZWKK	1 091	1 131	1 011	653	807	880	723	793	959	1 070	1 286
<b>Total Asia</b>	<b>FYWX</b>	<b>10 398</b>	<b>11 036</b>	<b>11 445</b>	<b>12 428</b>	<b>13 065</b>	<b>13 692</b>	<b>13 558</b>	<b>14 990</b>	<b>18 014</b>	<b>19 485</b>	<b>21 167</b>
<b>Australasia &amp; Oceania</b>												
Australia	FYWY	1 439	1 507	1 450	1 589	1 574	1 938	1 794	1 980	2 261	2 719	2 777
New Zealand	FYWZ	253	278	320	353	301	300	273	298	381	425	376
Other	FYXA	102	61	47	61	84	95	97	115	133	66	62
<b>Total Australasia &amp; Oceania</b>	<b>FYXB</b>	<b>1 794</b>	<b>1 846</b>	<b>1 817</b>	<b>2 003</b>	<b>1 959</b>	<b>2 333</b>	<b>2 164</b>	<b>2 393</b>	<b>2 775</b>	<b>3 210</b>	<b>3 215</b>
<b>Africa</b>												
Egypt	ZWKV	81	109	99	274	274	332	218	229	316	366	419
Morocco	ZWLD	40	28	57	47	61	82	50	48	62	47	59
South Africa	FYXC	715	827	931	1 115	968	1 117	997	1 072	1 064	1 117	1 249
Other North Africa	ZWKS	125	250	291	115	261	213	216	280	281	364	318
Other	ZWKL	1 271	1 287	1 472	1 474	1 548	1 745	1 745	1 886	1 786	1 868	2 213
<b>Total Africa</b>	<b>FYXE</b>	<b>2 232</b>	<b>2 501</b>	<b>2 850</b>	<b>3 025</b>	<b>3 112</b>	<b>3 489</b>	<b>3 226</b>	<b>3 515</b>	<b>3 509</b>	<b>3 762</b>	<b>4 258</b>
<b>International Organisations</b>												
	FYXF	74	77	45	35	46	57	78	63	39	48	30
<b>World total</b>	<b>KTMQ</b>	<b>57 962</b>	<b>62 096</b>	<b>67 978</b>	<b>73 616</b>	<b>79 666</b>	<b>84 047</b>	<b>89 987</b>	<b>97 077</b>	<b>107 817</b>	<b>115 182</b>	<b>124 586</b>

1 Cyprus and Malta are included in Other Europe before 1999.

# 9.5 Trade in services

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Imports</b>												
<b>Europe</b>												
European Union (EU)												
Austria	GGOR	360	343	454	447	469	502	683	655	732	857	899
Belgium and Luxembourg	GGOS	1 197	1 247	1 329	1 610	1 563	1 678	1 864	1 979	1 956	1 944	2 166
of which Belgium	ABET	..	..	..	1 436	1 418	1 535	1 686	1 762	1 658	1 706	1 792
Luxembourg	ABEW	..	..	..	174	145	143	178	217	298	238	374
Bulgaria	ZWMU	29	34	29	36	38	52	96	104	176	257	281
Cyprus <sup>1</sup>	ABEU	708	771	802	766	885	1 059	977	1 088	1 084	1 214	1 346
Czech Republic	GGPL	100	105	146	146	168	199	250	337	429	469	501
Denmark	GGOT	476	492	493	619	659	637	723	752	809	880	949
Estonia	ZWNA	6	2	5	6	33	27	18	35	46	53	65
Finland	GGOU	201	185	217	305	403	360	282	314	284	356	338
France	GGOV	4 288	4 735	5 705	6 642	7 495	7 493	7 810	8 216	8 407	8 929	9 578
Germany	GGOW	3 963	3 439	3 687	4 605	4 538	5 016	5 128	5 198	5 898	7 023	6 992
Greece	GGOX	913	945	1 051	1 426	1 617	1 886	1 907	1 977	1 946	1 965	2 122
Hungary	GXXH	86	72	82	89	95	126	129	151	184	276	310
Ireland	GGOY	1 539	1 642	1 744	2 113	2 213	2 286	2 247	2 493	2 911	3 210	3 141
Italy	GGOZ	1 850	1 958	2 320	2 595	2 822	2 970	3 105	3 390	3 495	4 235	4 437
Latvia	ZWNI	3	5	7	12	25	20	19	29	38	45	56
Lithuania	ZWNH	3	3	7	5	6	16	37	25	20	73	75
Malta <sup>1</sup>	ABEX	175	186	198	196	223	256	238	279	320	347	368
Netherlands	GGPA	1 768	1 834	2 041	2 371	2 958	3 059	3 266	3 207	3 220	3 468	3 424
Poland	GGPM	94	129	144	175	184	200	187	224	299	561	656
Portugal	GGPB	759	828	825	1 005	1 021	1 114	1 204	1 361	1 397	1 441	1 520
Romania	ZWNK	29	25	22	51	64	77	84	91	125	168	162
Slovak Republic	ZWNM	15	10	32	28	30	14	27	22	33	67	80
Slovenia	ZWNL	10	12	12	14	29	17	23	24	34	48	49
Spain	GGPC	4 166	4 541	5 202	5 919	6 484	7 215	7 823	8 947	9 072	9 467	10 155
Sweden	GGPD	573	515	531	767	822	820	818	1 120	1 131	1 298	1 493
European Central Bank	KOFJ	—	—	—	1	1	1	1	—	—	—	—
EU Institutions	GGPE	2	1	10	6	3	5	14	17	4	4	2
Total EU27	GCV2	..	..	..	31 955	34 848	37 105	38 960	42 035	44 050	48 655	51 165
European Free Trade Association (EFTA)												
Iceland	GGPG	31	34	46	25	75	44	42	46	57	73	86
Liechtenstein	GGPH	1	1	33	7	6	7	1	11	4	4	6
Norway	GGPI	556	596	523	498	536	647	1 265	706	764	979	1 021
Switzerland	GGPJ	1 270	1 102	1 393	1 446	1 563	1 518	1 626	1 743	1 759	2 295	2 306
Total EFTA	GGPK	1 858	1 733	1 995	1 976	2 180	2 216	2 934	2 506	2 584	3 351	3 419
Other Europe												
Albania	ZWMS	1	—	1	6	5	9	13	14	20	8	8
Belarus	ZWMV	3	1	5	1	2	4	3	4	1	8	12
Croatia	ZWNF	39	33	37	21	27	55	47	73	84	140	146
Russia	GGPN	165	159	182	137	188	218	296	303	503	550	725
Turkey	GGPO	599	579	562	524	521	569	704	788	818	1 048	1 169
Ukraine	ZWNN	7	14	14	9	14	33	25	23	43	95	63
Serbia and Montenegro	ZWNQ	12	14	11	31	22	38	33	41	38	43	47
Other <sup>1</sup>	ZWMP	794	908	827	716	1 112	967	991	923	811	821	533
<b>Total Europe</b>	<b>GGPQ</b>	<b>26 751</b>	<b>27 500</b>	<b>30 727</b>	<b>35 376</b>	<b>38 919</b>	<b>41 214</b>	<b>44 006</b>	<b>46 710</b>	<b>48 952</b>	<b>54 719</b>	<b>57 287</b>
<b>Americas</b>												
Argentina	ZWMT	40	37	70	75	75	74	55	48	69	88	89
Brazil	GGPR	109	117	140	156	174	231	251	176	219	264	239
Canada	GGPS	707	792	866	968	1 105	1 185	1 081	994	1 036	1 148	1 232
Chile	ZWMW	24	20	43	42	35	48	48	43	72	82	45
Colombia	ZWMX	26	23	60	35	39	31	35	312	24	39	39
Mexico	GGPT	116	149	188	225	283	398	336	312	367	301	326
United States of America	GGPU	10 348	10 180	11 492	12 645	13 130	13 405	13 308	14 450	14 752	15 302	15 509
Uruguay	ZWNO	1	2	6	4	6	9	23	4	5	8	9
Venezuela	ZWNP	27	24	40	46	46	42	35	34	26	35	40
Other Central American Countries	ZWMZ	758	843	1 033	946	1 448	1 385	1 289	1 366	1 858	2 140	2 563
Other	ZWNC	237	210	165	215	256	148	124	130	111	171	178
<b>Total Americas</b>	<b>GGPW</b>	<b>12 393</b>	<b>12 397</b>	<b>14 103</b>	<b>15 357</b>	<b>16 597</b>	<b>16 956</b>	<b>16 585</b>	<b>17 589</b>	<b>18 539</b>	<b>19 578</b>	<b>20 269</b>
<b>Asia</b>												
China	GGPX	158	165	219	266	292	375	496	463	567	707	784
Hong Kong	GGPY	478	583	501	603	559	594	611	700	702	743	845
India	GGPZ	442	492	554	673	664	816	808	810	1 095	1 311	1 485
Indonesia	GGQA	178	127	104	150	125	121	136	297	100	100	97
Iran	ZWNG	13	17	25	21	43	37	29	45	61	44	43
Israel	GGQB	160	188	207	215	266	314	202	213	221	252	296
Japan	GGQC	1 121	1 088	1 154	1 223	1 560	1 719	1 384	1 666	1 579	2 009	2 497
Malaysia	GGQD	199	244	253	186	227	191	193	170	210	274	241
Pakistan	GGQE	169	192	194	288	300	280	398	386	431	478	461
Philippines	GGQF	59	63	64	88	206	82	100	155	110	144	161
Saudi Arabia	GGQG	370	456	451	526	553	643	1 302	1 064	722	571	842
Singapore	GGQH	269	336	303	339	316	376	407	396	612	665	944
South Korea	GGQI	115	144	129	135	141	179	185	186	248	257	265
Taiwan	GGQJ	106	100	108	119	156	148	179	173	195	308	263
Thailand	GGQK	242	236	308	307	385	458	521	513	644	617	625
Residual Gulf Arabian Countries	ZWND	226	239	372	421	400	537	595	742	908	1 000	1 096
Other Near & Middle Eastern Countries	ZWNE	58	73	78	84	125	155	151	151	205	201	206
Other	ZWMQ	607	632	535	479	631	535	557	645	901	851	932
<b>Total Asia</b>	<b>GGQM</b>	<b>4 970</b>	<b>5 375</b>	<b>5 559</b>	<b>6 123</b>	<b>6 949</b>	<b>7 560</b>	<b>8 254</b>	<b>8 775</b>	<b>9 511</b>	<b>10 532</b>	<b>12 083</b>
<b>Australasia &amp; Oceania</b>												
Australia	GGQN	822	889	961	1 042	1 190	1 251	1 430	1 471	1 388	1 865	1 860
New Zealand	GGQO	229	233	227	249	264	287	337	347	433	503	503
Other	GGQP	62	35	26	29	25	20	33	28	54	50	62
<b>Total Australasia &amp; Oceania</b>	<b>GGQQ</b>	<b>1 113</b>	<b>1 157</b>	<b>1 214</b>	<b>1 320</b>	<b>1 479</b>	<b>1 558</b>	<b>1 800</b>	<b>1 846</b>	<b>1 875</b>	<b>2 418</b>	<b>2 425</b>
<b>Africa</b>												
Egypt	ZWNB	158	130	117	229	290	367	313	350	347	544	549
Morocco	ZWNJ	65	93	119	137	114	147	141	141	150	177	178
South Africa	GGQR	427	419	487	480	528	598	684	921	924	1 024	983
Other North Africa	ZWNY	181	227	332	218	323	349	263	266	334	354	362
Other	ZWNR	628	625	582	723	772	813	1 071	1 288	1 230	1 182	1 202
<b>Total Africa</b>	<b>GGQT</b>	<b>1 459</b>	<b>1 494</b>	<b>1 637</b>	<b>1 787</b>	<b>2 027</b>	<b>2 274</b>	<b>2 472</b>	<b>2 966</b>	<b>2 985</b>	<b>3 281</b>	<b>3 274</b>
<b>International Organisations</b>	<b>GGQU</b>	<b>72</b>	<b>67</b>	<b>66</b>	<b>56</b>	<b>80</b>	<b>62</b>	<b>40</b>	<b>29</b>	<b>37</b>	<b>43</b>	<b>54</b>
<b>World total</b>	<b>KTMR</b>	<b>46 758</b>	<b>47 990</b>	<b>53 306</b>	<b>60 019</b>	<b>66 051</b>	<b>69 624</b>	<b>73 157</b>	<b>77 915</b>	<b>81 899</b>	<b>90 571</b>	<b>95 392</b>

1 Cyprus and Malta are included in Other Europe before 1999.

# 9.5 Trade in services

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Balances</b>												
<b>Europe</b>												
European Union (EU)												
Austria	GGQW	-6	-44	-111	-64	-76	-116	-280	-261	-319	-355	-318
Belgium and Luxembourg	GGQX	326	426	626	652	822	665	779	1 013	1 667	1 519	1 306
of which Belgium	ASHH	..	..	..	484	622	434	598	686	1 179	1 008	829
Luxembourg	ASHK	..	..	..	168	200	231	181	327	488	511	477
Bulgaria	ZWTO	-17	-14	-15	5	4	-17	-21	-37	-98	-165	-177
Cyprus <sup>1</sup>	ASHI	-534	-615	-676	-636	-738	-931	-764	-857	-756	-908	-1 026
Czech Republic	GGRO	13	16	52	4	-2	-18	-73	-97	-100	-136	-133
Denmark	GGQY	386	371	539	341	505	729	624	731	754	627	1 293
Estonia	ZWTU	1	13	-	8	-21	-13	3	-13	-17	-16	-22
Finland	GGQZ	365	360	316	349	547	508	537	548	665	500	756
France	GGRA	-909	-1 200	-1 525	-1 946	-2 171	-1 624	-2 022	-2 277	-2 080	-2 755	-2 941
Germany	GGRB	634	1 298	1 564	870	1 937	1 810	1 958	2 040	1 737	1 638	1 935
Greece	GGRC	-367	-316	-364	-638	-803	-1 106	-1 177	-1 230	-1 240	-1 075	-1 288
Hungary	GXYT	9	38	13	49	111	79	87	75	191	297	155
Ireland	GGRD	697	672	807	409	587	1 274	1 923	2 648	2 590	3 292	3 391
Italy	GGRE	102	121	50	104	-200	-197	-210	-533	-207	-610	-636
Latvia	ZWUC	9	22	11	12	5	13	19	-	11	47	55
Lithuania	ZWUB	15	16	-	10	11	30	-5	18	36	38	50
Malta <sup>1</sup>	ASHL	-70	-61	-131	-131	-166	-204	-178	-207	-243	-277	-286
Netherlands	GGRF	695	1 026	1 165	1 652	1 488	1 550	1 203	1 881	3 200	3 167	3 755
Poland	GGRR	94	109	141	91	98	132	199	182	207	238	199
Portugal	GGRG	-378	-502	-375	-435	-595	-648	-698	-848	-740	-812	-920
Romania	ZWUE	-1	7	7	-7	-20	-4	-8	6	12	-41	-23
Slovak Republic	ZWUG	19	19	-8	3	9	29	3	14	13	33	23
Slovenia	ZWUF	6	5	-7	8	-5	15	16	7	7	6	-3
Spain	GGRH	-2 709	-3 149	-3 439	-3 858	-4 259	-5 022	-5 274	-6 159	-6 235	-5 813	-5 921
Sweden	GGRI	459	641	829	639	775	780	625	539	533	429	368
European Central Bank	ZWTI	-	-	-	-1	2	11	2	-	-	-	-
EU Institutions	GGRJ	245	247	218	226	245	539	530	494	574	596	602
Total EU27	GD6R	..	..	..	-2 284	-1 910	-1 636	-2 202	-2 323	162	-536	-6
European Free Trade Association (EFTA)												
Iceland	GGRL	17	21	2	5	-2	19	22	26	32	61	91
Liechtenstein	GGRM	4	10	-12	25	30	20	39	25	45	31	29
Norway	GGRN	514	372	689	626	485	312	163	582	722	781	826
Switzerland	GGRO	669	926	989	969	969	1 594	1 947	2 367	2 174	2 218	2 639
Total EFTA	GGRP	1 204	1 329	1 668	1 625	1 482	1 945	2 171	3 000	2 973	3 091	3 585
Other Europe												
Albania	ZWTM	-1	-	-1	-3	-3	-4	-7	-8	2	-	-6
Belarus	ZWTP	3	6	-4	2	25	-1	1	-	5	-1	-9
Croatia	ZWTZ	-21	-14	-25	17	11	-21	6	-25	-43	-98	-49
Russia	GGRS	168	202	259	153	219	236	266	400	363	502	639
Turkey	GGRT	-334	-248	-229	-130	-176	-182	-340	-393	-458	-550	-648
Ukraine	ZWUH	39	24	51	14	29	-4	276	99	9	-4	80
Serbia and Montenegro	ZWUK	1	25	9	8	81	3	-5	-1	-17	-9	-4
Other <sup>1</sup>	ZWTJ	323	500	23	318	2	-6	287	832	1 188	1 661	1 688
Total Europe	GGRV	466	1 330	1 438	-280	-240	330	453	1 581	4 184	4 056	5 270
<b>Americas</b>												
Argentina	ZWTN	76	78	140	88	108	115	28	35	74	11	7
Brazil	GGRW	164	181	282	213	168	151	62	150	88	99	201
Canada	GGRX	274	348	533	392	265	403	409	539	700	549	548
Chile	ZWTQ	24	36	81	64	61	55	39	36	12	6	37
Colombia	ZWTR	42	36	7	13	17	109	51	65	66	28	22
Mexico	GGRY	-1	16	-25	-11	-21	-120	-78	-49	-18	2	14
United States of America	GGRZ	3 293	4 495	4 040	4 778	5 769	5 110	8 630	8 592	9 979	8 595	11 551
Uruguay	ZWUI	7	7	5	5	1	-4	-18	56	5	6	8
Venezuela	ZWUJ	16	24	32	22	37	68	64	68	73	62	16
Other Central American Countries	ZWTT	-1	135	375	91	-158	22	707	718	794	959	638
Other	ZWTW	-40	53	83	17	-39	67	23	26	32	7	48
Total Americas	GGSB	3 854	5 409	5 553	5 672	6 208	5 976	9 917	10 236	11 805	10 324	13 090
<b>Asia</b>												
China	GGSC	78	58	82	182	150	202	214	409	702	672	676
Hong Kong	GGSD	399	309	460	400	427	411	319	409	356	520	426
India	GGSE	-58	83	-70	-163	-116	-152	-185	-105	-114	-165	-61
Indonesia	GGSF	15	99	95	14	66	80	34	-136	86	91	138
Iran	ZWUA	46	51	67	75	76	125	152	171	173	160	169
Israel	GGSG	150	184	101	308	175	190	220	146	180	287	104
Japan	GGSH	1 192	1 284	1 459	1 721	1 689	1 533	2 137	1 867	2 320	2 082	1 643
Malaysia	GGSI	301	258	289	202	158	178	205	245	332	178	226
Pakistan	GGSJ	181	112	49	6	-124	-4	-229	-209	-203	-50	-59
Philippines	GGSK	43	70	29	35	-23	96	5	-14	18	-4	-52
Saudi Arabia	GGSL	1 368	1 288	1 472	1 612	1 797	1 471	646	1 226	1 537	1 528	1 808
Singapore	GGSM	186	168	254	754	718	828	660	1 139	1 497	1 947	1 966
South Korea	GGSN	346	339	358	269	247	239	310	276	655	464	519
Taiwan	GGSO	137	170	126	129	124	142	187	198	300	243	288
Thailand	GGSP	9	40	-78	-102	-194	-243	-319	-183	-327	-362	-357
Residual Gulf Arabian Countries	ZWTX	501	575	620	572	668	514	672	527	801	903	1 086
Other Near & Middle Eastern Countries	ZWTY	50	74	97	117	102	177	110	101	132	240	210
Other	ZWTK	484	499	476	174	176	345	166	148	58	219	354
Total Asia	GGSR	5 428	5 661	5 886	6 305	6 116	6 132	5 304	6 215	8 503	8 953	9 084
<b>Australasia &amp; Oceania</b>												
Australia	GGSS	617	618	489	547	384	687	364	509	873	854	917
New Zealand	GGST	24	45	93	104	37	13	-64	-49	-52	-78	-127
Other	GGSU	40	26	21	32	59	75	64	87	79	16	-
Total Australasia & Oceania	GGSV	681	689	603	683	480	775	364	547	900	792	790
<b>Africa</b>												
Egypt	ZWTV	-77	-21	-18	45	-16	-35	-95	-121	-31	-178	-130
Morocco	ZWUD	-25	-65	-62	-90	-53	-65	-91	-93	-88	-130	-119
South Africa	GGSW	288	408	444	635	440	519	313	151	140	93	266
Other North Africa	ZWTS	-56	23	-41	-103	-62	-136	-47	14	-53	10	-44
Other	ZWTL	643	662	890	751	776	932	674	598	556	686	1 011
Total Africa	GGSY	773	1 007	1 213	1 238	1 085	1 215	754	549	524	481	984
<b>International Organisations</b>												
	GGSZ	2	10	-21	-21	-34	-5	38	34	2	5	-24
<b>World total</b>	<b>KTMS</b>	<b>11 204</b>	<b>14 106</b>	<b>14 672</b>	<b>13 597</b>	<b>13 615</b>	<b>14 423</b>	<b>16 830</b>	<b>19 162</b>	<b>25 918</b>	<b>24 611</b>	<b>29 194</b>

1 Cyprus and Malta are included in Other Europe before 1999.





# 9.6

## Income

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>												
<b>Europe</b>												
European Union (EU)												
Austria	CUGY	528	534	621	585	772	701	707	762	834	867	1 515
Belgium and Luxembourg	CTFK	3 395	3 508	3 820	3 605	6 249	6 824	5 811	4 977	6 813	8 022	14 689
of which Belgium	AA2K	..	..	..	1 646	2 421	2 857	2 404	2 079	2 803	3 365	3 983
Luxembourg	AA2O	..	..	..	1 959	3 828	3 967	3 407	2 898	4 010	4 657	10 706
Bulgaria	ZWYR	16	41	21	48	37	93	72	74	90	23	46
Cyprus <sup>1</sup>	AA2L	..	..	..	106	153	166	139	56	72	105	174
Czech Republic	LEPT	109	130	113	125	125	198	152	195	214	130	94
Denmark	LEQU	623	722	1 064	952	1 136	1 008	571	741	913	1 353	1 811
Estonia	ZWYT	3	13	13	5	2	8	6	8	6	12	6
Finland	LEUG	540	518	464	415	594	659	599	527	530	557	715
France	LEUP	5 904	5 472	5 992	6 227	7 656	8 836	7 129	7 162	8 419	12 285	14 823
Germany	LEQL	8 917	8 031	8 130	8 525	10 469	11 475	10 088	8 783	9 915	11 441	15 442
Greece	LEUY	799	1 069	655	845	1 010	882	721	833	804	860	955
Hungary	BFKR	180	218	175	248	448	321	354	334	379	363	270
Ireland	BFLY	1 909	2 389	2 698	2 998	3 913	4 809	4 075	5 021	6 352	8 114	9 578
Italy	BFOG	5 067	5 139	6 929	5 229	6 516	6 459	4 914	5 022	4 757	4 886	6 057
Latvia	ZWYU	..	1	8	..	2	..	..	..	..	1	49
Lithuania	ZWYV	5	8	4	4	9	7	4	4	1	7	21
Malta <sup>1</sup>	AA2P	..	..	..	39	51	55	48	53	496	58	71
Netherlands	BFQI	7 962	8 679	8 904	9 343	12 909	16 705	15 890	15 358	10 039	16 153	18 860
Poland	BFSB	111	119	91	110	144	329	337	401	444	381	2 396
Portugal	BFSK	460	391	466	480	677	824	806	833	829	908	985
Romania	ZWYW	42	25	22	42	20	78	65	96	118	66	121
Slovak Republic	ZWYX	51	69	37	38	51	29	31	28	30	47	62
Slovenia	ZWYY	..	8	22	56	48	101	68	89	97	29	37
Spain	LESW	2 428	2 444	2 402	2 124	2 589	2 444	2 114	2 341	3 678	4 878	6 205
Sweden	BFTL	1 594	1 424	1 449	1 571	2 131	2 339	2 157	1 796	2 341	2 470	3 285
European Central Bank	ZWYO	..	..	..	..	..	..	..	..	..	..	..
EU Institutions	CSFK	143	163	280	224	370	468	657	751	514	520	566
Total EU27	GNF6	..	..	..	43 944	58 081	65 818	57 515	56 245	58 685	74 536	98 833
European Free Trade Association (EFTA)												
Iceland	BFNQ	25	20	32	32	35	38	33	27	55	121	222
Liechtenstein	BFPH	64	52	34	39	45	39	21	20	23	19	31
Norway	BFOR	586	605	632	734	1 032	1 030	703	817	861	1 704	2 025
Switzerland	LEPB	3 517	3 569	3 448	4 477	7 432	5 490	4 661	4 676	5 098	6 789	8 945
Total EFTA	CTFT	4 192	4 246	4 146	5 282	8 544	6 597	5 418	5 540	6 037	8 633	11 223
Other Europe												
Albania	ZWYP	..	..	..	..	..	..	..	..	..	..	..
Belarus	ZWYQ	..	..	..	..	..	..	7	..	..	4	2
Croatia	ZWYS	4	14	9	13	15	26	29	43	48	70	388
Russia	BFST	130	234	269	196	286	541	666	571	1 299	1 855	2 895
Turkey	BFUM	158	190	268	349	498	415	322	369	385	576	896
Ukraine	ZWYZ	8	..	16	3	..	3	18	21	34	109	451
Serbia and Montenegro	BFWF	57	49	..	1	1	1	1	1	..	10	24
Other <sup>1</sup>	LEVZ	1 476	2 616	3 146	2 712	3 494	2 933	2 931	4 102	5 804	6 560	9 511
Total Europe	LERD	46 811	48 464	52 234	52 500	70 919	76 334	66 907	66 892	72 290	92 353	124 223
<b>Americas</b>												
Argentina	ZWZB	437	484	410	249	488	368	107	190	261	257	613
Brazil	LENR	1 079	790	776	342	543	665	664	496	782	1 036	1 072
Canada	LEOS	1 615	1 825	2 093	1 891	2 268	2 371	1 772	2 051	2 300	2 906	3 969
Chile	ZWZC	339	283	190	166	259	196	240	310	856	1 012	856
Colombia	ZWZD	68	92	41	100	320	224	235	261	403	385	359
Mexico	BFPQ	455	535	404	543	458	315	632	420	741	1 042	1 078
United States of America	BFVE	18 709	21 181	25 226	23 996	29 599	31 524	26 904	28 206	30 906	41 858	53 449
Uruguay	ZWZE	32	29	23	7	16	13	20	9	..	12	23
Venezuela	ZWZF	184	149	..	..	..	176	185	89	271	350	310
Other Central American Countries	JISP	819	1 150	4 331	4 163	5 566	5 989	5 922	6 099	6 697	10 155	16 960
Other	LEVH	599	960	67	41	90	12	65	67	466	97	141
Total Americas	LESN	24 211	27 431	33 212	31 484	39 519	41 853	36 746	38 198	43 682	59 110	78 830
<b>Asia</b>												
China	LEPK	174	217	206	268	309	554	437	444	637	819	813
Hong Kong	BFJU	3 253	2 589	2 065	1 771	1 685	1 445	1 375	1 810	3 265	6 526	5 204
India	BFNB	251	284	411	387	490	496	638	664	606	894	1 111
Indonesia	BFLP	181	303	238	159	149	215	192	227	198	273	353
Iran	ZWZG	118	64	36	38	50	42	37	47	61	151	175
Israel	BFMS	56	59	42	56	52	63	46	78	57	101	220
Japan	BFOZ	7 543	7 190	6 921	7 453	9 404	7 808	5 204	5 530	5 350	6 882	8 375
Malaysia	BFPZ	418	481	356	423	497	404	585	620	714	800	765
Pakistan	BFRS	62	123	93	72	131	136	187	181	249	297	346
Philippines	BFJR	133	103	136	101	179	150	134	161	179	206	198
Saudi Arabia	BFTC	127	144	195	232	296	264	230	199	247	511	475
Singapore	BFTU	2 679	2 661	1 797	1 565	2 846	2 589	1 966	1 698	2 321	3 215	3 405
South Korea	BFOY	407	564	363	310	427	506	694	658	806	1 231	1 237
Taiwan	BFUV	163	172	174	195	262	293	343	332	555	618	701
Thailand	BFUD	268	221	70	112	223	249	237	228	235	368	293
Residual Gulf Arabian Countries	JITQ	368	493	1 454	1 102	1 546	1 174	810	718	851	1 302	1 837
Other Near & Middle Eastern Countries	ZWZH	117	158	85	67	189	197	104	97	168	317	741
Other	LEWI	328	415	71	125	305	236	502	202	307	283	800
Total Asia	LETF	16 646	16 222	14 714	14 436	19 040	16 821	13 721	13 894	16 806	24 794	27 049
<b>Australasia &amp; Oceania</b>												
Australia	CXAT	2 227	2 075	1 724	1 983	2 523	2 466	2 808	2 600	4 052	4 209	5 361
New Zealand	BFRA	493	390	276	392	327	436	562	588	396	491	491
Other	LEVQ	222	164	381	33	21	8	33	30	36	101	125
Total Australasia & Oceania	LETX	2 942	2 629	2 381	2 408	2 871	2 910	3 403	3 218	4 484	4 801	5 977
<b>Africa</b>												
Egypt	ZWZJ	69	79	..	37	264	259	323	239	201	315	468
Morocco	ZWZK	55	23	15	26	29	30	40	17	8	24	31
South Africa	BFWX	703	761	748	995	1 207	1 339	2 039	1 941	3 055	3 598	2 141
Other North Africa	JIRR	83	87	98	58	100	128	..	122	82	143	299
Other	LEWR	666	553	547	603	757	762	1 022	1 063	1 155	1 828	1 727
Total Africa	LERV	1 576	1 503	1 327	1 719	2 357	2 518	3 392	3 382	4 501	5 908	4 666
<b>International Organisations</b>												
	CTFB	146	193	360	365	440	499	457	413	438	521	605
<b>World total</b>	<b>HMBQ</b>	<b>92 332</b>	<b>96 442</b>	<b>104 228</b>	<b>102 912</b>	<b>135 146</b>	<b>140 935</b>	<b>124 626</b>	<b>125 997</b>	<b>142 201</b>	<b>187 487</b>	<b>241 350</b>

1 Cyprus and Malta are included in Other Europe before 1999.



# 9.6

## Income

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Debits</b>												
<b>Europe</b>												
European Union (EU)												
Austria	CUGZ	763	882	535	422	591	682	672	609	584	770	1 017
Belgium and Luxembourg	CTFL	4 381	3 820	4 416	4 375	5 216	5 552	5 215	5 033	5 994	7 537	9 744
of which Belgium	AA2W	..	..	..	1 888	2 446	2 513	2 595	2 186	2 535	3 481	4 099
Luxembourg	AA32	..	..	..	2 487	2 770	3 039	2 620	2 847	3 459	4 056	5 645
Bulgaria	ZWZP	67	96	93	52	54	27	24	10	10	33	64
Cyprus <sup>1</sup>	AA2X	..	..	..	104	157	160	127	105	133	203	269
Czech Republic	LEPU	163	177	104	88	125	109	76	76	66	93	153
Denmark	LEQV	989	1 034	920	872	1 131	973	902	979	1 078	1 385	1 359
Estonia	ZWZR	49	59	59	43	31	11	3	2	2	4	5
Finland	LEUH	540	569	320	295	377	368	256	304	276	487	552
France	LEUQ	6 070	5 590	5 999	7 191	7 597	7 044	5 432	7 662	9 636	12 365	16 634
Germany	LEQM	9 084	8 556	7 846	8 040	11 998	9 245	7 098	10 468	11 838	16 842	20 726
Greece	LEUZ	758	860	692	688	858	682	464	450	491	805	1 101
Hungary	BFKS	89	101	90	82	72	39	45	22	21	34	42
Ireland	BFLZ	2 411	2 541	2 543	2 267	3 187	4 248	4 821	4 988	6 119	9 617	12 481
Italy	BFOH	3 265	3 707	3 446	2 915	2 964	3 077	1 811	2 188	2 339	2 795	3 143
Latvia	ZWZS	50	67	63	45	33	11	11	4	8	22	24
Lithuania	ZWZT	60	66	62	44	35	12	3	1	2	17	22
Malta <sup>1</sup>	AA33	..	..	..	48	46	43	41	30	33	39	68
Netherlands	BFQJ	5 702	4 360	4 119	6 527	12 544	12 537	7 315	7 225	7 810	8 558	14 744
Poland	BFSC	163	266	190	146	182	169	112	102	126	343	447
Portugal	BFSL	436	398	260	220	248	300	272	345	371	434	596
Romania	ZWZU	91	124	78	53	51	25	32	12	20	38	56
Slovak Republic	ZWZV	82	79	78	58	43	17	10	6	20	57	69
Slovenia	ZWZW	46	56	83	56	42	29	30	15	15	12	10
Spain	LESX	2 128	1 754	1 925	1 383	1 295	1 548	1 365	1 774	1 647	4 548	3 907
Sweden	BFTM	1 525	1 230	1 169	1 413	1 367	1 347	1 343	977	919	1 252	1 706
European Central Bank	ZWZM	..	..	..	..	..	..	..	..	..	..	..
EU Institutions	CSFL	680	745	878	1 222	1 489	1 762	1 674	1 493	1 602	1 922	2 305
Total EU27	G97L	..	..	..	38 649	51 733	50 017	39 154	44 880	51 160	70 212	91 244
European Free Trade Association (EFTA)												
Iceland	BFNR	4	5	8	11	9	7	11	20	51	100	87
Liechtenstein	BFPJ	126	125	106	81	114	89	47	53	47	69	85
Norway	BFQS	409	687	63	121	592	619	625	663	685	1 258	1 770
Switzerland	LEPC	6 910	6 937	6 071	7 840	11 665	10 135	6 551	5 827	5 681	8 339	10 791
Total EFTA	CTFU	7 449	7 754	6 248	8 053	12 380	10 850	7 234	6 563	6 464	9 766	12 733
Other Europe												
Albania	ZWZN	50	59	112	39	28	10	-1	-	-	-	3
Belarus	ZWZO	46	56	70	42	29	9	-1	1	1	7	10
Croatia	ZWZQ	49	56	188	58	60	45	29	24	21	40	56
Russia	BFSU	159	196	20	141	421	381	271	285	368	1 129	2 324
Turkey	BFUN	269	184	156	92	134	155	81	70	78	138	202
Ukraine	ZWZX	46	58	63	43	29	11	17	57	82	144	232
Serbia and Montenegro	BFWG	161	165	58	40	29	11	6	5	5	10	22
Other <sup>1</sup>	LEWA	3 935	4 936	5 909	5 745	6 942	7 455	5 954	5 270	6 754	9 362	13 254
Total Europe	LERE	51 756	50 601	48 792	52 902	71 785	68 944	52 744	57 155	64 933	90 808	120 080
<b>Americas</b>												
Argentina	ZWZZ	14	64	55	55	101	66	5	3	-	5	10
Brazil	LENS	402	290	244	162	189	155	75	83	77	161	184
Canada	LEOT	855	769	874	1 104	1 504	1 163	1 570	1 405	2 064	2 343	3 173
Chile	ZXAA	173	151	19	8	35	21	17	24	24	36	59
Colombia	ZXAB	137	81	38	23	38	42	18	8	5	16	33
Mexico	BFPF	122	119	152	157	231	250	65	56	56	101	129
United States of America	BFVF	18 453	19 771	20 337	23 725	26 599	30 412	27 176	27 776	31 567	41 474	59 362
Uruguay	ZXAC	24	30	-15	10	19	8	3	8	6	7	12
Venezuela	ZXAD	25	23	12	8	20	39	27	21	17	27	69
Other Central American Countries	JISQ	542	1 292	3 756	3 507	4 231	3 938	2 628	3 083	3 523	6 268	10 928
Other	LEVI	674	1 345	375	286	266	153	73	55	48	85	113
Total Americas	LESO	21 598	24 263	25 990	29 056	33 206	36 261	31 661	32 515	37 387	50 523	74 072
<b>Asia</b>												
China	LEPL	145	155	139	164	352	360	223	184	210	315	463
Hong Kong	BFJV	1 799	1 559	1 949	2 806	3 394	3 214	1 857	1 202	1 214	1 726	2 926
India	BFNC	305	370	343	314	357	341	204	232	318	606	916
Indonesia	BFLQ	119	96	39	53	80	109	68	50	48	56	66
Iran	ZXAE	213	133	91	91	223	269	95	83	83	172	181
Israel	Bfmt	180	220	149	186	223	249	174	159	134	269	359
Japan	BFOQ	7 053	6 184	6 934	7 883	11 190	9 774	7 175	3 761	5 124	6 854	9 029
Malaysia	BFQA	412	430	192	241	332	265	120	75	108	169	225
Pakistan	BFRF	57	71	61	54	68	64	67	71	52	78	103
Philippines	BFRT	31	63	48	79	90	51	31	19	18	43	103
Saudi Arabia	BFTD	1 452	1 324	957	683	844	901	346	298	320	586	1 017
Singapore	BFTV	1 856	1 814	1 374	2 046	2 732	2 605	1 844	1 416	1 446	2 344	3 261
South Korea	BFOZ	157	202	189	91	150	195	104	20	-172	288	296
Taiwan	BFUW	147	158	104	112	143	207	126	120	166	257	320
Thailand	BFUE	137	140	81	79	139	190	81	65	63	115	188
Residual Gulf Arabian Countries	JITR	494	561	945	915	1 388	1 523	852	603	684	1 093	1 617
Other Near & Middle Eastern Countries	ZXAF	262	318	214	206	262	213	132	125	109	209	299
Other	LEWJ	789	944	307	418	385	351	266	111	124	310	372
Total Asia	LETG	15 636	14 814	14 110	16 421	22 352	20 881	13 765	8 594	10 049	15 490	21 741
<b>Australasia &amp; Oceania</b>												
Australia	CXCM	926	1 297	1 200	1 165	749	566	941	1 248	1 287	1 922	2 149
New Zealand	BFRB	163	181	178	49	106	111	83	68	70	99	126
Other	LEVR	5	13	-38	5	27	61	42	30	27	4	341
Total Australasia & Oceania	LETY	1 094	1 491	1 340	1 219	882	738	1 066	1 346	1 384	2 025	2 616
<b>Africa</b>												
Egypt	ZXAH	746	582	324	265	315	266	153	118	127	271	360
Morocco	ZXAI	58	54	34	36	30	31	19	12	11	27	88
South Africa	BFWY	112	216	421	778	690	687	666	729	718	1 005	1 353
Other North Africa	JIRS	136	254	115	103	169	177	111	88	95	237	492
Other	LEWS	292	510	539	522	623	596	372	288	298	475	849
Total Africa	LEWR	1 344	1 616	1 433	1 704	1 827	1 757	1 321	1 235	1 249	2 015	3 142
<b>International Organisations</b>												
	CTFC	348	343	243	340	554	690	626	506	603	892	1 144
<b>World total</b>	<b>HMBR</b>	<b>91 776</b>	<b>93 128</b>	<b>91 908</b>	<b>101 642</b>	<b>130 606</b>	<b>129 271</b>	<b>101 183</b>	<b>101 351</b>	<b>115 605</b>	<b>161 753</b>	<b>222 795</b>

<sup>1</sup> Cyprus and Malta are included in Other Europe before 1999.

# 9.6

## Income

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Balances</b>												
<b>Europe</b>												
European Union (EU)												
Austria	CUHA	-235	-348	86	163	181	19	35	153	250	97	498
Belgium and Luxembourg	CTFM	-986	-312	-596	-770	1 033	1 272	596	-56	819	485	4 945
of which Belgium	AA3A	..	..	..	-242	-25	344	-191	-107	268	-116	-116
Luxembourg	AA3E	..	..	..	-528	1 058	928	787	51	551	601	5 061
Bulgaria	ZXAN	-51	-55	-72	-4	-17	66	48	64	80	-10	-18
Cyprus <sup>1</sup>	AA3B	..	..	..	2	-4	6	12	-49	-61	-98	-95
Czech Republic	LEPV	-54	-47	9	37	-	89	76	119	148	37	-59
Denmark	LEQW	-366	-312	144	80	5	35	-331	-238	-165	-32	452
Estonia	ZXAP	-46	-46	-46	-38	-29	-3	3	6	4	8	1
Finland	LEUI	-	-51	144	120	217	291	343	223	254	70	163
France	LEUR	-166	-118	-7	-964	59	1 792	1 697	-500	-1 217	-80	-1 811
Germany	LEQN	-167	-525	284	485	-1 529	2 230	2 990	-1 685	-1 923	-5 401	-5 284
Greece	LEVA	41	209	-37	157	152	200	257	383	313	55	-146
Hungary	BFKT	91	117	85	166	376	282	309	312	358	329	228
Ireland	BFML	-502	-152	155	731	726	561	-746	33	233	-1 503	-2 903
Italy	BFOI	1 802	1 432	3 483	2 314	3 552	3 382	3 103	2 834	2 418	2 091	2 914
Latvia	ZXAQ	-50	-66	-55	-45	-31	-11	-11	-4	-8	2	25
Lithuania	ZXAR	-55	-58	-58	-40	-26	-5	1	3	-1	-10	-1
Malta <sup>1</sup>	AA3F	..	..	..	-9	5	12	7	23	463	19	3
Netherlands	BFQK	2 260	4 319	4 785	2 816	365	4 168	8 575	8 133	2 229	7 595	4 116
Poland	BFSB	-52	-147	-99	-36	-38	160	225	299	318	38	1 949
Portugal	BFSM	24	-7	206	260	429	524	534	488	458	474	389
Romania	ZXAS	-49	-99	-56	-11	-31	53	33	84	98	28	65
Slovak Republic	ZXAT	-31	-10	-41	-20	8	12	21	22	10	-10	-7
Slovenia	ZXAU	-46	-48	-61	-	6	72	38	74	82	17	27
Spain	LESY	300	690	477	741	1 294	896	749	567	2 031	330	2 298
Sweden	BFTN	69	194	280	158	764	992	814	819	1 422	1 218	1 579
European Central Bank	ZXAK	-	-	-	-	-	-	-	-	-	-	-
EU Institutions	CSFM	-537	-582	-598	-998	-1 119	-1 294	-1 017	-742	-1 088	-1 402	-1 739
Total EU27	G97D	..	..	..	5 295	6 348	15 801	18 361	11 365	7 525	4 324	7 589
European Free Trade Association (EFTA)												
Iceland	BFNU	21	15	24	21	26	31	22	7	4	21	135
Liechtenstein	BFPJ	-62	-73	-72	-42	-69	-50	-26	-33	-24	-50	-54
Norway	BFOI	177	-82	569	613	440	411	78	154	176	446	255
Switzerland	LEPD	-3 393	-3 368	-2 623	-3 363	-4 233	-4 645	-1 890	-1 151	-583	-1 550	-1 846
Total EFTA	CTFV	-3 257	-3 508	-2 102	-2 771	-3 836	-4 253	-1 816	-1 023	-427	-1 133	-1 510
Other Europe												
Albania	ZXAL	-50	-59	-112	-39	-28	-10	1	-	-	-	-3
Belarus	ZXAM	-46	-56	-70	-42	-29	-9	8	-1	-1	-3	-8
Croatia	ZXAO	-45	-42	-179	-45	-45	-19	-	19	27	30	332
Russia	BFSV	-29	38	249	55	-135	160	395	286	931	726	571
Turkey	BFUO	-111	6	112	257	364	260	241	299	307	438	694
Ukraine	ZXAV	-38	-58	-47	-40	-29	-8	1	-36	-48	-35	219
Serbia and Montenegro	BFWH	-104	-116	-58	-39	-28	-10	-5	-4	-7	-	2
Other <sup>1</sup>	LEWB	-2 459	-2 320	-2 763	-3 033	-3 448	-4 522	-3 023	-1 168	-950	-2 802	-3 743
Total Europe	LERF	-4 945	-2 137	3 442	-402	-866	7 390	14 163	9 737	7 357	1 545	4 143
<b>Americas</b>												
Argentina	ZXAX	423	420	355	194	387	302	102	187	261	252	603
Brazil	LENT	677	500	532	180	354	510	589	413	705	875	888
Canada	LEOU	752	1 047	1 204	787	764	1 208	202	646	236	563	796
Chile	ZXAY	166	132	123	147	251	161	219	293	832	976	797
Colombia	ZXAZ	-69	11	3	77	282	182	217	253	398	369	326
Mexico	BFPB	333	416	252	386	227	65	567	364	685	941	949
United States of America	BFBG	156	1 239	4 721	271	3 000	1 112	-272	430	-661	384	-5 913
Uruguay	ZXBA	8	-1	38	-3	-3	5	17	1	-7	5	11
Venezuela	ZXBB	159	126	-60	-22	-108	137	158	68	58	323	241
Other Central American Countries	JISR	277	-142	575	656	1 335	2 051	3 294	3 016	3 174	3 887	6 032
Other	LEVJ	-75	-385	-308	-245	-176	-141	-8	12	418	12	28
Total Americas	LESP	2 613	3 168	7 222	2 428	6 313	5 592	5 085	5 683	6 295	8 587	4 758
<b>Asia</b>												
China	LEPM	29	62	67	104	-43	194	214	260	427	504	350
Hong Kong	BFWJ	1 454	1 030	116	-1 035	-1 709	-1 769	-482	608	2 051	4 800	2 278
India	BFND	-54	-86	68	73	133	155	434	432	288	288	195
Indonesia	BFLR	62	207	199	106	69	106	124	177	150	217	287
Iran	ZXBC	-95	-69	-55	-53	-173	-227	-58	-36	-22	-21	-6
Israel	BFMU	-124	-161	-107	-130	-171	-186	-128	-81	-77	-168	-139
Japan	BFOR	449	951	-59	-430	-1 786	-1 966	-1 971	1 769	226	28	-654
Malaysia	BFOB	6	51	164	182	165	139	465	545	606	631	540
Pakistan	BFRU	5	52	32	18	63	72	120	110	197	219	243
Philippines	BFRJ	102	40	88	22	89	99	103	142	161	163	95
Saudi Arabia	BFTS	-1 325	-1 180	-762	-451	-548	-637	-116	-99	-73	-75	-542
Singapore	BFTW	823	847	423	-481	114	-16	122	282	875	871	144
South Korea	BFXA	250	362	174	219	277	311	590	638	978	943	941
Taiwan	BFXU	16	14	70	83	119	86	217	212	389	361	381
Thailand	BFUF	131	81	-11	33	84	59	156	163	172	253	105
Residual Gulf Arabian Countries	JITS	-126	-68	509	187	158	-349	-42	115	167	209	220
Other Near & Middle Eastern Countries	ZXBD	-145	-160	-129	-139	-73	-16	-28	-28	59	108	442
Other	LEWK	-461	-529	-236	-293	-80	-115	236	91	183	-27	428
Total Asia	LETH	1 010	1 408	604	-1 985	-3 312	-4 060	-44	5 300	6 757	9 304	5 308
<b>Australasia &amp; Oceania</b>												
Australia	CYAA	1 301	778	524	818	1 774	1 900	1 867	1 352	2 765	2 287	3 212
New Zealand	BFRZ	330	209	98	343	221	325	479	520	326	392	365
Other	LEVS	217	151	419	28	-6	-53	-9	-	9	97	-216
Total Australasia & Oceania	LETZ	1 848	1 138	1 041	1 189	1 989	2 172	2 337	1 872	3 100	2 776	3 361
<b>Africa</b>												
Egypt	ZXBF	-677	-503	-405	-228	-51	-7	170	121	74	44	108
Morocco	ZXBG	-3	-31	-19	-10	-1	-1	21	5	-3	-3	-57
South Africa	BFWZ	591	545	327	217	517	652	1 373	1 212	2 337	2 593	788
Other North Africa	JIRT	-53	-167	-17	-45	-69	-49	-143	34	-13	-94	-193
Other	LEWT	374	43	8	81	134	166	650	775	857	1 353	878
Total Africa	LERX	232	-113	-106	15	530	761	2 071	2 147	3 252	3 893	1 524
International Organisations	CTFD	-202	-150	117	25	-114	-191	-169	-93	-165	-371	-539
World total	HMBP	556	3 314	12 320	1 270	4 540	11 664	23 443	24 646	26 596	25 734	18 555

1 Cyprus and Malta are included in Other Europe before 1999.



# 9.7

## Current transfers

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>												
<b>Europe</b>												
European Union (EU)												
Austria	GXVQ	42	35	34	35	30	32	33	51	35	38	46
Belgium and Luxembourg	GXVR	268	222	249	246	224	223	247	233	239	263	253
of which Belgium	A7PL	..	..	..	225	209	206	230	218	221	242	231
of which Luxembourg	A7PO	..	..	..	21	15	17	17	15	18	21	22
Bulgaria	KOLZ	..	..	..	..	2	..	8	1	1	8	16
Cyprus <sup>1</sup>	A7PM	..	..	..	2	2	3	3	4	4	4	8
Czech Republic	GXWK	14	7	4	5	6	3	3	32	19	16	24
Denmark	GXVS	92	52	46	42	28	36	41	29	37	45	43
Estonia	LHMG	1	3	..	..	..	..	..	..	..	..	..
Finland	GXVT	36	22	18	18	24	17	16	93	16	17	21
France	GXVU	525	341	351	332	281	355	336	198	296	319	317
Germany	GXVV	646	468	466	456	393	416	444	384	436	501	489
Greece	GXVW	110	59	59	53	40	47	48	41	46	55	38
Hungary	HZXT	..	..	..	..	..	1	8	1	..	5	7
Ireland	GXVX	306	191	190	154	116	178	155	116	154	166	109
Italy	GXVY	342	180	170	153	103	137	123	104	159	180	167
Latvia	LHWC	11	4	4	3	2	2	5	1	1	7	7
Lithuania	LYTR	..	1	..	..	..	1	..	..	..	7	10
Malta <sup>1</sup>	A7PP	..	..	..	1	..	..	1	1	2	2	3
Netherlands	GXVZ	420	335	319	324	324	325	374	294	337	376	347
Poland	GXWL	17	29	5	5	3	4	14	7	29	107	127
Portugal	GXWA	27	20	19	19	28	16	21	15	21	20	24
Romania	HZXV	..	..	2	2	..	..	11	1	2	7	14
Slovak Republic	HZXX	..	..	5	4	..	2	3	..	..	13	15
Slovenia	HZXY	..	..	..	..	..	..	5	..	1	1	4
Spain	GXWB	165	120	120	115	93	105	105	87	117	137	146
Sweden	GXWC	171	113	108	104	89	98	97	85	101	107	101
European Central Bank	KNWK	..	..	..	..	..	..	..	..	..	..	..
EU Institutions	GXWD	7 188	5 422	5 103	6 391	5 314	7 275	5 905	6 688	6 948	7 840	8 174
Total EU27	GC84	..	..	..	8 464	7 103	9 277	8 006	8 466	9 002	10 241	10 510
European Free Trade Association (EFTA)												
Iceland	GXWF	41	36	36	36	33	35	35	64	34	34	37
Liechtenstein	GXWG	11	6	4	3	2	2	2	1	1	..	3
Norway	GXWH	149	86	83	78	61	69	80	68	71	87	80
Switzerland	GXWI	195	108	101	93	60	79	80	66	79	105	120
Total EFTA	GXWJ	396	236	224	210	156	185	197	199	185	226	240
Other Europe												
Albania	HZZP	..	1	..	..	..	..	..	..	..	..	..
Belarus	HZZQ	..	..	..	..	..	1	..	7	..	1	1
Croatia	HZZR	12	6	4	3	2	2	2	2	2	..	8
Russia	GXWM	62	29	26	23	10	16	16	12	17	24	41
Turkey	GXWN	60	36	36	35	28	33	34	31	35	39	59
Ukraine	HZZA	..	1	..	..	1	..	..	7	15	2	4
Serbia and Montenegro	LTVE	..	..	..	3	2	2	2	5	1	..	3
Other <sup>1</sup>	HKJF	51	26	25	16	10	30	16	17	8	14	25
Total Europe	GXWP	10 962	7 959	7 587	8 754	7 312	9 546	8 273	8 746	9 265	10 547	10 891
<b>Americas</b>												
Argentina	HZYJ	44	19	19	15	8	13	11	7	7	5	8
Brazil	GXWQ	56	25	23	21	10	18	16	12	11	12	27
Canada	GXWR	636	312	300	274	177	241	209	168	221	267	120
Chile	HZYL	33	15	15	12	7	13	9	7	8	10	19
Colombia	HZYM	70	29	26	24	14	32	17	26	13	15	21
Mexico	GXWS	75	37	32	30	18	25	28	22	24	32	91
United States of America	GXWT	4 398	2 210	2 060	1 873	1 213	2 482	1 694	1 291	1 404	4 176	2 404
Uruguay	HZYN	..	..	..	..	..	..	..	..	..	..	3
Venezuela	HZYO	48	22	21	19	8	14	12	9	12	15	19
Other Central American Countries	HZYG	608	265	257	228	144	193	181	145	191	258	420
Other	HZYI	44	19	19	16	8	14	13	14	12	15	27
Total Americas	GXWV	6 012	2 953	2 772	2 512	1 607	3 045	2 190	1 701	1 903	4 805	3 159
<b>Asia</b>												
China	GXWW	46	20	20	18	9	14	13	10	12	12	29
Hong Kong	GXWX	186	134	76	71	50	63	40	30	34	36	15
India	GXWY	36	17	17	21	15	26	25	14	24	30	69
Indonesia	GXWZ	85	37	38	30	17	25	24	45	16	18	64
Iran	HZYQ	11	6	4	3	3	3	3	2	3	4	8
Israel	GXXA	111	55	52	48	30	39	35	34	29	34	27
Japan	GXXB	364	175	171	150	99	135	130	99	114	137	212
Malaysia	GXXC	54	29	29	26	17	26	21	49	20	21	32
Pakistan	GXXD	13	9	5	6	3	5	4	29	4	3	11
Philippines	GXXE	45	22	19	15	8	13	11	7	8	10	9
Saudi Arabia	GXXF	472	487	491	506	485	497	488	500	480	490	504
Singapore	GXXG	47	21	20	19	9	19	15	14	21	28	22
South Korea	GXXH	44	19	19	20	9	16	20	11	20	28	53
Taiwan	GXXI	33	15	15	12	7	13	15	23	11	15	21
Thailand	GXXJ	23	9	8	8	5	7	9	6	7	10	19
Residual Gulf Arabian Countries	HZYS	204	179	178	179	162	171	172	169	173	179	222
Other Near & Middle Eastern Countries	HZYU	273	294	294	306	294	300	295	294	292	299	313
Other	HZVR	124	107	65	63	54	66	44	39	40	41	58
Total Asia	GXXL	2 171	1 635	1 521	1 501	1 276	1 438	1 364	1 375	1 308	1 395	1 688
<b>Australasia &amp; Oceania</b>												
Australia	GXXM	376	236	211	202	159	188	203	170	226	268	171
New Zealand	GXXN	105	78	69	64	53	62	58	52	61	60	53
Other	GXXO	12	6	4	4	3	3	3	2	5	5	4
Total Australasia & Oceania	GXXP	493	320	284	270	215	253	264	224	292	333	228
<b>Africa</b>												
Egypt	LZDN	13	5	1	5	3	3	4	26	6	9	19
Morocco	HICY	11	6	4	3	2	2	2	2	2	1	4
South Africa	GXXQ	241	126	125	116	82	103	83	72	88	105	71
Other North Africa	HICX	25	13	15	12	10	11	13	21	13	15	16
Other	HZUI	101	54	55	47	34	43	42	36	40	45	89
Total Africa	GXXS	391	204	200	183	131	162	144	157	149	175	199
<b>International Organisations</b>												
	GXXT	..	..	..	..	..	..	..	..	..	..	..
<b>World total</b>	<b>KTND</b>	<b>20 029</b>	<b>13 071</b>	<b>12 364</b>	<b>13 220</b>	<b>10 541</b>	<b>14 444</b>	<b>12 235</b>	<b>12 203</b>	<b>12 917</b>	<b>17 255</b>	<b>16 165</b>

<sup>1</sup> Cyprus and Malta are included in Other Europe before 1999.

# 9.7

## Current transfers

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Debits</b>												
<b>Europe</b>												
European Union (EU)												
Austria	GXXV	20	23	16	18	23	22	24	25	28	34	42
Belgium and Luxembourg	GXXW	128	108	76	80	78	99	98	106	120	92	78
of which Belgium	ABBV	..	..	..	67	70	86	87	95	107	78	63
Luxembourg	ABBY	..	..	..	13	8	13	11	11	13	14	15
Bulgaria	LTQA	..	..	..	8	12	8	14	7	5	4	10
Cyprus <sup>1</sup>	ABBW	..	..	..	11	18	20	27	26	31	34	39
Czech Republic	GXXP	20	15	14	22	9	10	11	12	14	14	19
Denmark	GXXX	89	54	49	50	37	38	36	31	39	54	52
Estonia	LWQY	..	4	..	..	..	..	..	1	4	3	1
Finland	GXXY	27	13	12	12	22	16	14	13	15	16	19
France	GXXZ	458	257	247	342	270	315	333	272	313	348	340
Germany	GXYA	513	350	311	317	296	312	366	321	400	461	414
Greece	GXYB	100	48	49	44	50	52	46	47	57	46	47
Hungary	HIEC	13	17	18	17	16	12	19	10	11	12	14
Ireland	GXYC	766	750	798	413	472	458	476	509	558	609	558
Italy	GXYD	386	244	254	184	135	159	150	135	169	207	190
Latvia	LYON	13	7	4	7	2	2	2	1	1	9	1
Lithuania	LYYJ	3	3	..	8	1	15	14	..	8	..	15
Malta <sup>1</sup>	ABBZ	..	..	..	9	15	17	18	19	22	23	25
Netherlands	GXYE	223	148	136	174	188	154	178	129	179	204	148
Poland	GXYQ	55	62	56	36	58	47	50	52	57	59	68
Portugal	GXYF	29	28	26	32	48	37	40	41	47	47	52
Romania	HIEE	13	13	14	10	14	11	20	10	13	11	13
Slovak Republic	HIEG	5	8	10	7	5	3	6	3	1	6	6
Slovenia	HIEH	2	2	1	8	..	5	4	..	1	1	4
Spain	GXYG	172	132	144	174	126	133	141	152	172	171	179
Sweden	GXYH	122	68	56	66	34	42	39	36	41	41	31
European Central Bank	KOEJ	..	..	..	..	..	..	..	..	..	..	..
EU Institutions	GXYI	9 277	8 268	10 265	10 524	10 719	9 557	10 097	11 485	11 505	13 098	13 025
Total EU27	GCR2	..	..	..	12 573	12 648	11 544	12 223	13 443	13 811	15 622	15 390
European Free Trade Association (EFTA)												
Iceland	GXYK	11	6	4	3	4	3	6	2	2	1	4
Liechtenstein	GXYL	11	6	4	3	2	2	2	1	1	..	3
Norway	GXYM	139	84	74	96	57	68	63	56	70	77	69
Switzerland	GXYN	195	106	97	104	95	105	124	93	116	146	157
Total EFTA	GXYO	356	202	179	206	158	178	195	152	189	224	233
Other Europe												
Albania	HIDY	2	2	2	2	6	9	12	7	7	6	5
Belarus	HIDZ	2	2	2	4	..	6	11	3	2	2	3
Croatia	HIEA	12	13	8	5	8	6	6	5	6	11	19
Russia	GXYR	115	100	104	76	90	59	23	50	60	56	56
Turkey	GXYX	59	38	38	37	28	37	41	33	42	48	70
Ukraine	HIEJ	20	24	23	42	30	54	15	28	41	40	45
Serbia and Montenegro	LWHC	3	1	..	9	67	39	31	30	28	27	34
Other <sup>1</sup>	HZWJ	131	136	141	126	126	152	156	190	169	176	185
Total Europe	GXYU	13 134	11 140	13 053	13 080	13 161	12 084	12 713	13 941	14 355	16 212	16 040
<b>Americas</b>												
Argentina	HIES	46	21	21	17	16	20	18	14	14	14	18
Brazil	GXYV	68	39	41	43	36	49	57	36	38	39	52
Canada	GXYW	688	370	356	348	268	324	315	284	348	405	261
Chile	HIEU	38	21	19	17	12	14	13	10	12	14	25
Colombia	HIEV	76	37	33	33	23	37	22	15	19	20	26
Mexico	GXYX	81	42	40	38	25	28	31	22	25	33	92
United States of America	GXYX	4 523	2 336	2 117	2 105	1 452	2 640	1 892	1 523	1 709	4 456	2 656
Uruguay	HIEW	1	1	1	1	1	1	1	1	1	1	4
Venezuela	HIEW	44	19	19	16	9	15	13	10	13	16	20
Other Central American Countries	HIEP	879	572	617	527	433	449	426	375	436	510	692
Other	HIER	110	69	159	92	80	100	96	65	69	65	63
Total Americas	GXZA	6 554	3 527	3 423	3 237	2 355	3 677	2 884	2 355	2 684	5 573	3 909
<b>Asia</b>												
China	GXXB	119	92	109	103	82	90	125	78	138	128	140
Hong Kong	GXXC	151	99	92	136	118	130	133	127	143	154	134
India	GXXD	363	399	407	426	489	537	557	504	625	707	753
Indonesia	GXXE	179	104	102	85	54	51	51	68	83	177	160
Iran	HIEZ	23	23	20	20	20	18	19	17	21	24	27
Israel	GXXF	112	51	50	47	34	44	42	36	37	43	37
Japan	GXXG	359	171	160	161	97	130	132	103	122	147	221
Malaysia	GXXH	70	43	43	67	45	47	49	47	52	61	72
Pakistan	GXXI	149	183	158	152	144	163	233	183	198	213	256
Philippines	GXXJ	70	56	52	40	30	36	35	33	35	38	39
Saudi Arabia	GXXK	45	23	21	42	41	45	51	49	52	49	59
Singapore	GXXL	61	40	42	82	76	80	88	91	108	118	112
South Korea	GXXM	45	20	22	23	11	17	21	11	21	29	53
Taiwan	GXXN	33	16	15	17	7	14	15	10	11	15	21
Thailand	GXXO	30	20	18	25	29	32	40	31	36	50	51
Residual Gulf Arabian Countries	HIFB	121	97	89	99	74	89	88	194	329	359	353
Other Near & Middle Eastern Countries	HIFD	44	51	46	57	67	78	77	73	92	89	100
Other	HZWN	286	316	283	306	404	542	609	530	756	852	929
Total Asia	GXXQ	2 260	1 804	1 729	1 888	1 822	2 143	2 365	2 185	2 859	3 253	3 517
<b>Australasia &amp; Oceania</b>												
Australia	GXXR	460	339	334	249	218	259	275	269	330	396	299
New Zealand	GXXS	113	85	82	59	66	79	80	80	90	100	96
Other	GXXT	32	32	25	32	11	11	23	22	26	25	25
Total Australasia & Oceania	GXXU	605	456	441	340	295	349	378	371	446	521	420
<b>Africa</b>												
Egypt	LZIF	11	5	..	29	24	24	27	26	35	38	45
Morocco	HIYZ	19	11	9	11	8	8	8	9	9	9	12
South Africa	GXXV	288	191	200	250	258	301	309	316	342	352	329
Other North Africa	HIYX	40	34	43	25	10	14	14	27	20	21	23
Other	HZUA	855	956	985	1 051	1 269	1 327	1 363	2 088	1 844	2 047	2 293
Total Africa	GXXZ	1 213	1 197	1 237	1 366	1 569	1 674	1 721	2 466	2 250	2 467	2 702
<b>International Organisations</b>												
	GXXY	1 018	865	855	842	1 351	1 276	1 255	1 007	1 272	1 237	1 476
<b>World total</b>	<b>KTNE</b>	<b>24 784</b>	<b>18 989</b>	<b>20 738</b>	<b>20 753</b>	<b>20 553</b>	<b>21 203</b>	<b>21 316</b>	<b>22 325</b>	<b>23 866</b>	<b>29 263</b>	<b>28 064</b>

1 Cyprus and Malta are included in Other Europe before 1999.

# 9.7

## Current transfers

continued

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Balances</b>												
<b>Europe</b>												
European Union (EU)												
Austria	GZDU	22	12	18	17	7	10	9	26	7	4	4
Belgium and Luxembourg	GZDV	140	114	173	166	146	124	149	127	119	171	175
of which Belgium	A8H2	..	..	..	158	139	120	143	123	114	164	168
Luxembourg	A8H5	..	..	..	8	7	4	6	4	5	7	7
Bulgaria	ZWRH	..	..	..	-8	-10	-8	-6	-6	-4	4	6
Cyprus <sup>1</sup>	A8H3	..	..	..	-9	-16	-17	-24	-22	-27	-30	-31
Czech Republic	GZCJ	-6	-8	-10	-17	-3	-7	-8	20	5	2	5
Denmark	GZDW	3	-2	-3	-8	-9	-2	5	-2	-2	-9	-9
Estonia	ZWRN	1	-1	..	..	..	..	..	-1	-4	-3	-1
Finland	GZDX	9	9	6	6	2	1	2	80	1	1	2
France	GZDY	67	84	104	-10	11	40	3	-74	-17	-29	-23
Germany	GZDZ	133	118	155	139	97	104	78	63	36	40	75
Greece	GZEA	10	11	10	9	-10	-5	2	-6	-11	-9	-9
Hungary	GYWH	-13	-17	-18	-17	-15	-11	-11	-9	-10	-7	-7
Ireland	GZEB	-460	-559	-608	-259	-356	-280	-321	-393	-404	-443	-449
Italy	GZEC	-44	-64	-84	-31	-32	-22	-27	-31	-10	-27	-23
Latvia	ZWRV	-2	-3	..	-4	..	..	3	..	..	7	6
Lithuania	ZWRU	-3	-2	..	-8	-1	-14	-14	..	-8	-2	-5
Malta <sup>1</sup>	A8H6	..	..	..	-8	-15	-16	-17	-18	-20	-21	-22
Netherlands	GZED	197	187	183	150	136	171	196	165	158	172	199
Poland	GZCK	-38	-33	-51	-31	-55	-43	-36	-45	-28	48	59
Portugal	GZEE	-2	-8	-7	-13	-20	-21	-19	-26	-26	-27	-28
Romania	ZWRX	-13	-13	-12	-8	-14	-11	-9	-9	-11	-4	1
Slovak Republic	ZWRZ	-5	-8	-5	-3	-5	-1	-3	-3	-1	7	9
Slovenia	ZWRY	-2	-2	-1	-8	..	-5	1	..	..	..	..
Spain	GZEF	-7	-12	-24	-59	-33	-28	-36	-65	-55	-34	-33
Sweden	GYRO	49	45	52	38	55	56	58	49	60	66	70
European Central Bank	ZWRB	..	..	..	..	..	..	..	..	..	..	..
EU Institutions	GYRP	-2 089	-2 846	-5 162	-4 133	-5 405	-2 282	-4 192	-4 797	-4 557	-5 258	-4 851
Total EU27	GD6K	..	..	..	-4 109	-5 545	-2 267	-4 217	-4 977	-4 809	-5 381	-4 880
European Free Trade Association (EFTA)												
Iceland	GXEL	30	30	32	33	29	32	29	62	32	33	33
Liechtenstein	GXEM	..	..	..	..	..	..	..	..	..	..	..
Norway	GXEN	10	2	9	-18	4	1	17	12	1	10	11
Switzerland	GZCH	..	2	4	-11	-35	-26	-44	-27	-37	-41	-37
Total EFTA	GZCI	40	34	45	4	-2	7	2	47	-4	2	7
Other Europe												
Albania	ZWRF	-2	-1	-2	-2	-6	-9	-12	-7	-7	-6	-5
Belarus	ZWRI	-2	-2	-2	-4	..	-5	-11	4	-2	-1	-2
Croatia	ZWRS	..	-7	-4	-2	-6	-4	-4	-3	-4	-11	-11
Russia	GZCL	-53	-71	-78	-53	-80	-43	-7	-38	-43	-32	-15
Turkey	GZCM	1	-2	-2	-2	..	-4	-7	-2	-7	-9	-11
Ukraine	ZWSA	-20	-23	-23	-42	-29	-54	-15	-21	-26	-38	-41
Serbia and Montenegro	ZWSD	-3	-1	..	-6	-65	-37	-29	-25	-27	-27	-31
Other <sup>1</sup>	ZWRC	-80	-110	-116	-110	-116	-122	-140	-173	-161	-162	-160
Total Europe	GZCO	-2 172	-3 181	-5 466	-4 326	-5 849	-2 538	-4 440	-5 195	-5 090	-5 665	-5 149
<b>Americas</b>												
Argentina	ZWRG	-2	-2	-2	-2	-8	-7	-7	-7	-7	-9	-10
Brazil	GZCP	-12	-14	-18	-22	-26	-31	-41	-24	-27	-27	-25
Canada	GZCQ	-52	-58	-56	-74	-91	-83	-106	-116	-127	-138	-141
Chile	ZWRJ	-5	-6	-4	-5	-5	-1	-4	-3	-4	-4	-6
Colombia	ZWRK	-6	-8	-7	-9	-9	-5	-5	11	-6	-5	-5
Mexico	GZCR	-6	-5	-8	-8	-7	-3	-3	..	-1	-1	-1
United States of America	GZCS	-125	-126	-57	-232	-239	-158	-198	-232	-305	-280	-252
Uruguay	ZWSB	-1	-1	2	3	-1	-1	-1	-1	-1	-1	-1
Venezuela	ZWSC	4	3	2	3	-1	-1	-1	-1	-1	-1	-1
Other Central American Countries	ZWRM	-271	-307	-360	-299	-289	-256	-245	-230	-245	-252	-272
Other	ZWRP	-66	-50	-140	-76	-72	-86	-83	-51	-57	-50	-36
Total Americas	GZCU	-542	-574	-651	-725	-748	-632	-694	-654	-781	-768	-750
<b>Asia</b>												
China	GZCV	-73	-72	-89	-85	-73	-76	-112	-68	-126	-116	-111
Hong Kong	GZCW	35	35	-16	-65	-68	-67	-93	-97	-109	-118	-119
India	GZCX	-327	-382	-390	-405	-474	-511	-532	-490	-601	-677	-684
Indonesia	GZCY	-94	-67	-64	-55	-37	-26	-27	-23	-67	-159	-96
Iran	ZWRT	-12	-17	-16	-17	-17	-15	-16	-15	-18	-20	-19
Israel	GZCZ	-1	4	2	1	-4	-5	-7	-2	-8	-9	-10
Japan	GZDA	5	4	11	-11	2	5	-2	-4	-8	-10	-9
Malaysia	GZDB	-16	-14	-14	-41	-28	-21	-28	2	-32	-40	-40
Pakistan	GZDC	-136	-174	-153	-146	-141	-158	-229	-154	-194	-210	-245
Philippines	GZDD	-25	-34	-33	-25	-22	-23	-24	-26	-27	-28	-30
Saudi Arabia	GZDE	427	464	470	464	444	452	437	451	428	441	445
Singapore	GZDF	-14	-19	-22	-63	-67	-61	-73	-77	-87	-90	-90
South Korea	GZDG	-1	-1	-3	-3	-2	-1	-1	..	-1	-1	..
Taiwan	GZDH	..	-1	..	-5	..	-1	..	13	..	..	..
Thailand	GZDI	-7	-11	-10	-17	-24	-25	-31	-25	-29	-40	-32
Residual Gulf Arabian Countries	ZWRQ	83	82	89	80	88	82	84	-25	-156	-180	-131
Other Near & Middle Eastern Countries	ZWRR	229	243	248	249	227	222	218	221	200	210	213
Other	ZWRD	-162	-209	-218	-243	-350	-476	-565	-491	-716	-811	-871
Total Asia	GZDK	-89	-169	-208	-387	-546	-705	-1 001	-810	-1 551	-1 858	-1 829
<b>Australasia &amp; Oceania</b>												
Australia	GZDL	-84	-103	-123	-47	-59	-71	-72	-99	-104	-128	-128
New Zealand	GZDM	-8	-7	-13	5	-13	-17	-22	-28	-29	-40	-43
Other	GZDN	-20	-26	-21	-28	-8	-8	-20	-20	-21	-20	-21
Total Australasia & Oceania	GZDO	-112	-136	-157	-70	-80	-96	-114	-147	-154	-188	-192
<b>Africa</b>												
Egypt	ZWRO	2	..	1	-24	-21	-21	-23	..	-29	-29	-26
Morocco	ZWRW	-8	-5	-5	-8	-6	-6	-6	-7	-7	-8	-8
South Africa	GZDP	-47	-65	-75	-134	-176	-198	-226	-244	-254	-247	-258
Other North Africa	ZWRL	-15	-21	-28	-13	..	-3	-1	-6	-7	-6	-7
Other	ZWRE	-754	-902	-930	-1 004	-1 235	-1 284	-1 321	-2 052	-1 804	-2 002	-2 204
Total Africa	GZDR	-822	-993	-1 037	-1 183	-1 438	-1 512	-1 577	-2 309	-2 101	-2 292	-2 503
<b>International Organisations</b>												
	GZDS	-1 018	-865	-855	-842	-1 351	-1 276	-1 255	-1 007	-1 272	-1 237	-1 476
<b>World total</b>												
	KTNF	-4 755	-5 918	-8 374	-7 533	-10 012	-6 759	-9 081	-10 122	-10 949	-12 008	-11 899

1 Cyprus and Malta are included in Other Europe before 1999.



# 9.8 Current account

## Transactions with Europe and USA<sup>1 2</sup>

£ million

		1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>									
Exports of goods									
EMU members	<b>QATL</b>	91 910	101 620	103 696	103 408	100 054	100 021	108 907	136 147
EU members	<b>LG CJ</b>	101 537	112 459	114 406	114 737	111 286	111 653	121 486	153 877
Total Europe	<b>EPLM</b>	108 623	120 705	122 492	122 437	119 832	120 656	133 669	165 862
USA	<b>QAMH</b>	24 040	29 276	29 244	28 197	28 672	28 576	30 913	32 084
Exports of services									
EMU members	<b>GFS6</b>	26 155	28 887	30 817	32 100	34 590	38 397	41 645	43 737
EU members	<b>GC8R</b>	29 671	32 938	35 469	36 758	39 712	44 212	48 119	51 159
Total Europe	<b>FYWB</b>	35 096	38 679	41 544	44 459	48 291	53 136	58 775	62 557
USA	<b>FYWF</b>	17 423	18 899	18 515	21 938	23 042	24 731	23 897	27 060
Income									
EMU members	<b>G99N</b>	40 432	53 402	60 719	52 922	51 708	53 067	69 000	89 861
EU members	<b>GNF6</b>	43 944	58 081	65 818	57 515	56 245	58 685	74 536	98 833
Total Europe	<b>LERD</b>	52 500	70 919	76 334	66 907	66 892	72 290	92 353	124 223
USA	<b>BFVE</b>	23 996	29 599	31 524	26 904	28 206	30 906	41 858	53 449
Current transfers									
EMU members	<b>GFP7</b>	1 905	1 656	1 851	1 907	1 616	1 857	2 073	1 961
EU members	<b>GC84</b>	8 464	7 103	9 277	8 006	8 466	9 002	10 241	10 510
Total Europe	<b>GXPW</b>	8 754	7 312	9 546	8 273	8 746	9 265	10 547	10 891
USA	<b>GXTT</b>	1 873	1 213	2 482	1 694	1 291	1 404	4 176	2 404
<b>TOTAL CREDITS</b>									
EMU members	<b>G99K</b>	160 402	185 565	197 083	190 337	187 968	193 342	221 625	271 706
EU members	<b>G97O</b>	183 616	210 581	224 970	217 016	215 709	223 552	254 382	314 379
Total Europe	<b>LERA</b>	204 973	237 615	249 916	242 076	243 761	255 347	295 344	363 533
USA	<b>BFVB</b>	67 332	78 987	81 765	78 733	81 211	85 617	100 844	114 997
<b>Debits</b>									
Imports of goods									
EMU members	<b>QBRM</b>	99 332	105 812	114 337	123 301	122 788	126 403	139 292	164 486
EU members	<b>LGDB</b>	109 622	117 644	126 973	136 931	137 404	142 512	158 363	191 910
Total Europe	<b>EPMM</b>	121 635	132 366	141 496	151 744	153 466	162 116	183 985	222 155
USA	<b>QAMI</b>	24 360	28 416	29 345	25 149	22 857	22 067	22 184	25 763
Imports of services									
EMU members	<b>GG2B</b>	29 053	31 613	33 597	35 343	37 761	39 352	42 943	44 821
EU members	<b>GCV2</b>	31 955	34 848	37 105	38 960	42 035	44 050	48 655	51 165
Total Europe	<b>GGPQ</b>	35 376	38 919	41 214	44 006	46 710	48 952	54 719	57 287
USA	<b>GGPU</b>	12 645	13 130	13 405	13 308	14 450	14 752	15 302	15 509
Income									
EMU members	<b>G99I</b>	34 379	46 917	45 312	34 751	41 061	47 120	64 770	84 655
EU members	<b>G97L</b>	38 649	51 733	50 017	39 154	44 880	51 160	70 212	91 244
Total Europe	<b>LERE</b>	52 902	71 785	68 944	52 744	57 155	64 933	90 808	120 080
USA	<b>BFVF</b>	23 725	26 599	30 412	27 176	27 776	31 567	41 474	59 362
Current transfers									
EMU members	<b>GFX3</b>	1 798	1 708	1 762	1 870	1 750	2 059	2 254	2 071
EU members	<b>GCR2</b>	12 573	12 648	11 544	12 223	13 443	13 811	15 622	15 390
Total Europe	<b>GXYU</b>	13 080	13 161	12 084	12 713	13 941	14 355	16 212	16 040
USA	<b>GXYX</b>	2 105	1 452	2 640	1 892	1 523	1 709	4 456	2 656
<b>TOTAL DEBITS</b>									
EMU members	<b>G99F</b>	164 562	186 050	195 008	195 265	203 360	214 934	249 259	296 033
EU members	<b>G97F</b>	192 799	216 873	225 639	227 268	237 762	251 533	292 852	349 709
Total Europe	<b>LERB</b>	222 993	256 231	263 738	261 207	271 272	290 356	345 724	415 562
USA	<b>BFVC</b>	62 835	69 597	75 802	67 525	66 606	70 095	83 416	103 290
<b>Balances</b>									
Trade in goods									
EMU members	<b>QBRX</b>	504	4 375	-994	-11 416	-14 906	-18 007	-30 385	-28 339
EU members	<b>LGCF</b>	-8 085	-5 185	-12 567	-22 194	-26 118	-30 859	-36 877	-38 033
Total Europe	<b>EPNM</b>	-13 012	-11 661	-19 004	-29 307	-33 634	-41 460	-50 316	-56 293
USA	<b>QBRP</b>	-320	860	-101	3 048	5 815	6 509	8 729	6 321
Trade in services									
EMU members	<b>GG3L</b>	-2 898	-2 726	-2 780	-3 243	-3 171	-955	-1 298	-1 084
EU members	<b>GD6R</b>	-2 284	-1 910	-1 636	-2 202	-2 323	162	-536	-6
Total Europe	<b>GGRV</b>	-280	-240	330	453	1 581	4 184	4 056	5 270
USA	<b>GGRZ</b>	4 778	5 769	5 110	8 630	8 592	9 979	8 595	11 551
Income									
EMU members	<b>G99D</b>	6 053	6 485	15 407	18 171	10 647	5 947	4 230	5 206
EU members	<b>G97D</b>	5 295	6 348	15 801	18 361	11 365	7 525	4 324	7 589
Total Europe	<b>LERF</b>	-402	-866	7 390	14 163	9 737	7 357	1 545	4 143
USA	<b>BFVG</b>	271	3 000	1 112	-272	430	-661	384	-5 913
Current transfers									
EMU members	<b>GG3E</b>	107	-52	89	37	-134	-202	-181	-110
EU members	<b>GD6K</b>	-4 109	-5 545	-2 267	-4 217	-4 977	-4 809	-5 381	-4 880
Total Europe	<b>GZCO</b>	-4 326	-5 849	-2 538	-4 440	-5 195	-5 090	-5 665	-5 149
USA	<b>GZCS</b>	-232	-239	-158	-198	-232	-305	-280	-252
<b>CURRENT BALANCE</b>									
EMU members	<b>G997</b>	-4 160	-485	2 075	-4 928	-15 392	-21 592	-27 634	-24 327
EU members	<b>G977</b>	-9 183	-6 292	-669	-10 252	-22 053	-27 981	-38 470	-35 330
Total Europe	<b>LERC</b>	-18 020	-18 616	-13 822	-19 131	-27 511	-35 009	-50 380	-52 029
USA	<b>BFVD</b>	4 497	9 390	5 963	11 208	14 605	15 522	17 428	11 707

1 EMU Members: Austria, Belgium, Finland, France, Germany, Greece, Irish Republic, Italy, Luxembourg, Netherlands, Portugal, Slovenia, Spain.

2 EU and Europe include transactions with European Union institutions.

# 9.9 UK official transactions with institutions of the EU

£ million

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Credits</b>												
Exports of services												
UK charge for collecting duties and levies(net) <sup>1</sup>	<b>QWUE</b>	235	240	212	208	217	525	487	489	544	565	583
Current transfers												
Other sectors												
Agricultural Guarantee Fund <sup>2</sup>	<b>EBGL</b>	3 931	3 063	2 935	2 781	2 571	2 336	2 381	2 691	2 909	3 272	3 275
European Social Fund	<b>HDIZ</b>	804	615	783	434	659	370	412	427	433	900	1 305
European Coal & Steel Community Grant	<b>FJKP</b>	29	5	1	—	—	1	—	—	2	—	—
Central government												
Fontainebleau abatement	<b>FKKL</b>	2 411	1 733	1 377	3 171	2 084	4 560	3 099	3 560	3 592	3 655	3 570
Other EU receipts	<b>GCSL</b>	13	6	7	5	—	8	13	10	12	13	24
Capital transfers												
Other sectors												
Agricultural Guidance Fund	<b>FJXL</b>	30	57	56	47	82	26	—	2	49	80	50
European Regional Development Fund	<b>HBZA</b>	620	812	357	285	989	543	296	622	1 062	1 402	618
Other capital transfers from EU Institutions <sup>2</sup>	<b>EBGO</b>	524	178	43	—	—	322	—	—	—	—	—
<b>Total credits</b>	<b>GCSL</b>	8 597	6 709	5 771	6 931	6 602	8 691	6 688	7 801	8 603	9 887	9 425
<b>Debits</b>												
Current transfers												
Other sectors												
Customs duties and agricultural levies <sup>3</sup>	<b>FJWD</b>	2 318	2 291	2 076	2 024	2 086	2 069	1 919	1 937	2 145	2 237	2 329
Sugar levies <sup>3</sup>	<b>GTBA</b>	26	91	42	46	44	31	25	18	25	24	—
European Coal & Steel Community production levy <sup>3</sup>	<b>GTBB</b>	—	—	—	—	—	—	—	—	—	—	—
VAT based contribution <sup>4</sup>	<b>HCML</b>	4 441	3 646	3 758	3 920	4 104	3 624	2 720	2 775	1 764	1 980	2 165
VAT adjustment <sup>4</sup>	<b>FSVL</b>	30	—249	470	—109	100	—49	88	—35	25	19	2
Central government												
GNP fourth resource <sup>5</sup>	<b>HCSO</b>	2 488	2 655	3 516	4 403	4 243	3 859	5 259	6 622	7 565	8 597	8 358
GNP adjustments <sup>5</sup>	<b>HCSM</b>	—34	—197	404	229	136	—1	76	150	—16	135	163
Total GNP based fourth own resource contribution	<b>NMFH</b>	2 454	2 458	3 920	4 632	4 379	3 858	5 335	6 772	7 549	8 732	8 521
Inter-government agreements	<b>HCBW</b>	—	—	—	—	—	—	—	—	—	—	—
EU non-budget (miscellaneous)	<b>HRTM</b>	—	—	—	—	—	—	—	—	—	—	—
Other current transfers to EU institutions	<b>GVEG</b>	8	31	—1	11	6	24	10	18	—3	106	8
<b>Total debits</b>	<b>GCSM</b>	9 277	8 268	10 265	10 524	10 719	9 557	10 097	11 485	11 505	13 098	13 025
<b>Balance (UK net contribution to the EU)</b>	<b>BLZS</b>	—680	—1 559	—4 494	—3 593	—4 117	—866	—3 409	—3 684	—2 902	—3 211	—3 600

1 Before 1989 this is netted off the VAT contribution but cannot be identified separately.

2 Other capital transfers from EU institutions are included indistinguishably with Agricultural Guarantee Fund receipts before 1996.

3 EU traditional own resource.

4 Third own resource contribution.

5 Fourth own resource contribution.



# 9.10 Trade in services

## By type of service 2005

£ million

	Transportation	Travel	Communications	Construction	Insurance	Financial	Computer and information	Royalties and license fees	Other business services	Personal, cultural and recreational	Government	Total services
<b>Exports</b>												
<b>European Union (EU27) total</b>	<b>6 681</b>	<b>7 643</b>	<b>2 481</b>	<b>353</b>	<b>584</b>	<b>9 254</b>	<b>3 577</b>	<b>2 385</b>	<b>13 449</b>	<b>958</b>	<b>754</b>	<b>48 119</b>
Belgium and Luxembourg	426	284	79	..	29	983	..	45	1 234	29	6	3 463
Denmark	480	225	21	2	25	177	63	82	343	86	3	1 507
France	1 057	1 000	205	20	99	1 393	401	203	1 639	140	17	6 174
Germany	1 021	1 107	429	17	104	2 051	566	308	2 876	158	24	8 661
Ireland	754	962	505	254	68	617	1 085	591	1 598	61	7	6 502
Italy	626	648	289	..	95	837	..	128	704	..	12	3 625
Netherlands	794	488	358	13	58	1 343	406	384	2 709	67	15	6 635
Russia	80	152	19	..	16	394	..	22	280	41	12	1 052
Spain	908	822	233	19	32	739	132	81	640	38	10	3 654
Switzerland	182	432	46	..	61	794	..	376	2 043	76	4	4 513
Turkey	105	125	13	..	14	89	..	12	109	..	9	498
Argentina	26	25	2	..	4	17	..	5	..	..	4	99
Brazil	136	100	..	..	10	30	5	28	36	..	7	363
Canada	222	461	37	..	178	255	22	79	413	11	..	1 697
Chile	35	9	2	..	8	..	..	3	..	..	3	88
Mexico	67	49	1	..	26	55	..	25	..	..	5	303
United States of America	4 122	2 518	476	17	-194	5 126	1 462	1 968	7 357	615	430	23 897
China	418	513	19	..	9	112	18	52	217	8	..	1 379
Hong Kong	360	231	47	..	24	282	17	24	238	..	3	1 263
India	291	315	22	..	20	108	19	33	..	..	82	1 146
Japan	627	326	148	..	86	1 331	30	387	1 108	41	..	4 091
Malaysia	76	151	15	..	10	57	10	20	103	6	4	452
Philippines	81	19	1	..	7	5	..	3	17	..	2	140
Saudi Arabia	119	141	10	..	9	72	..	14	..	..	4	2 099
Singapore	417	119	14	..	23	167	20	..	238	..	1	2 612
South Korea	186	90	13	1	23	166	..	44	167	..	5	721
Taiwan	88	86	..	2	12	184	8	27	..	..	20	551
Thailand	77	57	13	..	8	54	4	10	25	..	..	255
Australia	889	665	66	3	127	235	..	145	380	120	..	2 719
South Africa	309	248	23	..	55	115	35	76	214	29	..	1 117
Other	3 188	4 503	..	..	506	..	..	..	..	..	..	23 906
<b>Global total</b>	<b>18 167</b>	<b>16 871</b>	<b>3 776</b>	<b>625</b>	<b>1 552</b>	<b>23 403</b>	<b>6 186</b>	<b>7 585</b>	<b>32 792</b>	<b>2 243</b>	<b>1 982</b>	<b>115 182</b>
<b>Imports</b>												
<b>European Union (EU27) total</b>	<b>11 168</b>	<b>19 205</b>	<b>1 811</b>	<b>382</b>	<b>470</b>	<b>2 276</b>	<b>1 382</b>	<b>1 512</b>	<b>8 378</b>	<b>361</b>	<b>1 710</b>	<b>48 655</b>
Belgium and Luxembourg	398	453	84	2	46	182	74	..	552	11	..	1 944
Denmark	462	106	34	9	13	27	30	50	121	19	9	880
France	1 657	3 765	330	7	71	370	169	561	1 852	38	109	8 929
Germany	1 520	752	380	73	113	537	502	250	1 812	32	1 052	7 023
Ireland	536	1 080	238	143	38	180	271	70	608	19	27	3 210
Italy	1 158	1 740	146	..	34	204	31	41	736	..	58	4 235
Netherlands	866	576	131	39	62	421	83	301	902	64	23	3 468
Russia	114	99	26	..	14	61	..	1	218	..	3	550
Spain	2 419	5 882	181	85	32	144	29	31	474	36	154	9 467
Switzerland	337	459	63	6	11	220	127	342	670	57	3	2 295
Turkey	287	676	24	..	9	16	..	1	27	..	..	1 048
Argentina	16	35	..	..	..	6	..	3	15	..	..	88
Brazil	96	84	13	..	5	..	..	2	30	..	6	264
Canada	224	528	45	..	13	54	10	82	139	..	..	1 148
Chile	47	18	1	..	..	..	..	1	..	..	1	82
Mexico	70	195	6	..	1	8	..	..	12	..	..	301
United States of America	2 622	3 830	397	9	114	1 202	561	2 662	3 165	344	396	15 302
China	305	222	18	..	35	11	..	2	99	..	4	707
Hong Kong	279	151	23	..	21	110	..	4	146	..	..	743
India	319	620	75	..	7	14	151	4	116	..	..	1 311
Japan	349	167	28	1	23	378	11	350	689	..	..	2 009
Malaysia	64	113	..	..	5	8	..	..	73	..	2	274
Philippines	41	78	9	..	..	..	..	..	..	..	..	144
Saudi Arabia	72	63	..	..	5	9	..	..	..	..	1	571
Singapore	143	64	18	..	13	61	11	..	317	..	..	665
South Korea	80	39	4	..	..	51	..	..	71	..	2	257
Taiwan	50	28	..	..	6	56	..	..	150	..	..	308
Thailand	123	428	12	..	5	..	..	1	22	..	2	617
Australia	447	992	48	..	9	61	31	70	184	..	4	1 865
South Africa	313	494	31	..	11	36	15	20	88	10	..	1 024
Other	4 916	9 044	..	..	..	..	..	..	..	..	..	19 842
<b>Global total</b>	<b>20 330</b>	<b>32 781</b>	<b>3 531</b>	<b>570</b>	<b>891</b>	<b>5 088</b>	<b>2 362</b>	<b>5 202</b>	<b>16 489</b>	<b>851</b>	<b>2 476</b>	<b>90 571</b>

Symbols used in this table:

.. Indicates that data might be disclosive and have therefore been omitted

- Indicates that the data is nil or less than £500,000

# 9.11 Trade in services

## By type of service 2006

£ million

	Transportation	Travel	Communications	Construction	Insurance	Financial	Computer and information	Royalties and license fees	Other business services	Personal, cultural and recreational	Government	Total services
<b>Exports</b>												
<b>European Union (EU27) total</b>	<b>6 792</b>	<b>8 366</b>	<b>2 626</b>	<b>339</b>	<b>428</b>	<b>11 518</b>	<b>3 547</b>	<b>2 285</b>	<b>13 754</b>	<b>760</b>	<b>744</b>	<b>51 159</b>
Belgium and Luxembourg	399	310	96	34	16	1 155	..	65	1 159	17	..	3 472
Denmark	919	245	83	..	22	346	111	78	362	71	..	2 242
France	883	1 096	361	13	77	1 791	382	177	1 763	78	16	6 637
Germany	938	1 212	440	13	80	2 808	637	300	2 360	114	25	8 927
Ireland	775	1 052	392	198	14	691	1 179	503	1 673	51	4	6 532
Italy	425	709	339	7	77	834	..	242	705	..	5	3 601
Netherlands	819	533	316	26	21	1 539	382	368	3 091	68	16	7 179
Russia	65	167	29	6	27	659	..	22	329	17	..	1 364
Spain	940	899	226	21	30	1 037	..	83	815	44	..	4 234
Switzerland	217	473	54	21	66	996	..	264	2 236	..	3	4 945
Turkey	93	136	15	1	29	102	16	12	106	3	8	521
Argentina	17	29	12	..	6	8	..	6	..	..	4	96
Brazil	90	111	16	6	21	..	39	23	73	..	6	440
Canada	311	502	41	..	51	413	29	44	363	11	..	1 780
Chile	15	10	7	..	15	3	..	2	..	..	3	82
Mexico	58	54	8	..	71	52	7	23	59	..	..	340
United States of America	3 387	2 754	590	11	1 709	5 956	1 505	2 098	8 030	608	412	27 060
China	391	563	26	..	22	182	23	67	170	..	11	1 460
Hong Kong	317	252	31	..	5	337	..	29	235	..	3	1 271
India	290	344	40	..	48	142	30	54	377	11	..	1 424
Japan	570	358	37	1	138	1 816	29	313	822	52	4	4 140
Malaysia	62	165	13	..	18	55	22	11	114	..	..	467
Philippines	42	20	..	..	6	7	8	2	16	..	2	109
Saudi Arabia	106	152	24	3	14	..	..	9	..	1	10	2 650
Singapore	522	129	22	..	16	211	24	..	..	..	..	2 910
South Korea	150	99	..	..	41	177	..	76	193	..	5	784
Taiwan	84	95	..	..	16	165	10	26	..	1	20	551
Thailand	76	63	..	..	15	54	..	6	32	..	5	268
Australia	694	729	57	..	40	407	..	155	485	100	8	2 777
South Africa	336	271	41	1	21	163	60	67	260	18	11	1 249
Other	2 713	4 781	..	..	793	..	..	..	..	..	..	25 074
<b>Global total</b>	<b>16 704</b>	<b>18 313</b>	<b>4 259</b>	<b>658</b>	<b>3 525</b>	<b>28 420</b>	<b>6 489</b>	<b>7 381</b>	<b>34 733</b>	<b>2 031</b>	<b>2 073</b>	<b>124 586</b>
<b>Imports</b>												
<b>European Union (EU27) total</b>	<b>11 173</b>	<b>20 269</b>	<b>2 035</b>	<b>305</b>	<b>544</b>	<b>2 413</b>	<b>1 555</b>	<b>1 918</b>	<b>8 962</b>	<b>349</b>	<b>1 642</b>	<b>51 165</b>
Belgium and Luxembourg	454	478	80	7	52	184	70	129	677	8	27	2 166
Denmark	479	112	31	6	..	33	39	53	149	14	..	949
France	1 745	3 962	302	22	90	537	155	..	1 746	36	..	9 578
Germany	1 058	795	458	118	120	625	542	261	1 898	43	1 074	6 992
Ireland	561	1 140	214	53	37	155	266	72	607	12	24	3 141
Italy	1 163	1 837	231	1	35	174	45	41	792	..	..	4 437
Netherlands	807	608	144	35	65	303	112	319	955	55	21	3 424
Russia	122	104	27	..	15	116	5	2	326	..	2	725
Spain	2 541	6 212	290	24	35	147	36	19	709	28	114	10 155
Switzerland	350	485	55	18	12	242	95	344	648	53	4	2 306
Turkey	292	715	21	..	10	19	..	1	105	..	..	1 169
Argentina	12	37	4	..	..	..	..	3	..	..	3	89
Brazil	67	88	10	..	5	..	..	1	37	..	6	239
Canada	226	558	40	11	15	64	34	83	168	..	..	1 232
Chile	14	19	4	..	..	..	..	2	..	..	1	45
Mexico	65	208	10	..	1	10	..	6	21	..	..	326
United States of America	2 338	4 040	425	7	105	1 436	615	2 355	3 330	281	577	15 509
China	292	237	24	14	39	31	..	..	138	..	4	784
Hong Kong	221	159	27	..	21	166	5	5	233	..	..	845
India	286	655	68	..	8	23	202	2	236	..	..	1 485
Japan	297	175	31	..	20	492	8	435	1 025	..	8	2 497
Malaysia	65	119	15	..	5	12	..	..	20	..	..	241
Philippines	38	85	7	..	..	..	..	..	..	..	4	161
Saudi Arabia	57	66	8	..	..	11	..	..	..	..	..	842
Singapore	116	69	22	..	11	70	15	13	602	..	..	944
South Korea	62	41	5	..	8	50	..	..	92	..	..	265
Taiwan	46	30	..	..	6	59	..	..	91	..	..	263
Thailand	122	452	11	..	..	8	..	..	23	..	2	625
Australia	333	1 050	42	..	..	92	16	77	227	13	3	1 860
South Africa	195	521	29	..	10	45	17	24	128	7	..	983
Other	5 002	9 234	..	..	..	..	..	..	..	..	..	21 115
<b>Global total</b>	<b>19 426</b>	<b>34 291</b>	<b>3 969</b>	<b>529</b>	<b>960</b>	<b>5 845</b>	<b>2 658</b>	<b>5 407</b>	<b>18 884</b>	<b>746</b>	<b>2 677</b>	<b>95 392</b>

Symbols used in this table:

.. Indicates that data might be disclosive and have therefore been omitted

- Indicates that the data is nil or less than £500,000

# 9.12 Trade in goods and services

## Top fifty UK trading partners

Exports				Imports			
Goods (£245bn in 2006)		Services (£125bn in 2006)		Goods (£329bn in 2006)		Services (£95bn in 2006)	
	06 05		06 05		06 05		06 05
USA	1 1	USA	1 1	Germany	1 1	USA	1 1
France	2 3	Germany	2 2	France	2 2	Spain	2 2
Germany	3 2	Netherlands	3 3	USA	3 3	France	3 3
Ireland	4 4	France	4 5	Netherlands	4 4	Germany	4 4
Netherlands	5 5	Ireland	5 4	Belgium	5 5	Italy	5 5
Belgium	6 6	Switzerland	6 6	China	6 6	Netherlands	6 6
Spain	7 7	Spain	7 8	Norway	7 8	Ireland	7 7
Italy	8 8	Japan	8 7	Spain	8 9	Japan	8 9
Sweden	9 11	Italy	9 9	Italy	9 7	Switzerland	9 8
Switzerland	10 10	Singapore	10 12	Ireland	10 10	Greece	10 10
Japan	11 12	Australia	11 10	Japan	11 11	Australia	11 11
Canada	12 13	Saudi Arabia	12 13	Hong Kong	12 12	Belgium	12 12
United Arab Emirates <sup>1</sup>	13 9	Belgium	13 11	Denmark	13 15	Portugal	13 13
Denmark	14 18	Denmark	14 18	Sweden	14 13	Sweden	14 15
China	15 15	Sweden	15 16	Russia	15 14	India	15 14
Hong Kong	16 14	Norway	16 15	Canada	16 16	Cyprus	16 16
Poland	17 26	Canada	17 17	Switzerland	17 18	Canada	17 17
India	18 16	The Channel Islands	18 14	Poland	18 25	Turkey	18 18
Australia	19 17	Cayman Islands	19 19	Turkey	19 20	Norway	19 20
Turkey	20 20	China	20 20	South Africa	20 17	South Africa	20 19
Portugal	21 24	India	21 22	Singapore	21 19	Denmark	21 21
Singapore	22 21	Russia	22 24	Portugal	22 28	Singapore	22 27
South Africa	23 22	Hong Kong	23 21	India	23 22	Austria	23 22
Norway	24 19	South Africa	24 23	South Korea	24 21	Hong Kong	24 23
Russia	25 23	Finland	25 26	Luxembourg	25 38	Saudi Arabia	25 30
Finland	26 28	Nigeria	26 33	Austria	26 23	Barbados	26 25
South Korea	27 25	Kazakhstan	27 29	Finland	27 24	China	27 24
Austria	28 31	Poland	28 27	Czech Republic	28 29	United Arab Emirates <sup>1</sup>	28 26
Luxembourg	29 –	Luxembourg	29 28	Taiwan	29 26	Russia	29 32
Saudi Arabia	30 27	Greece	30 25	Australia	30 27	Poland	30 31
Czech Republic	31 33	United Arab Emirates <sup>1</sup>	31 31	Hungary	31 30	Thailand	31 29
Greece	32 29	South Korea	31 30	Thailand	32 33	Egypt	32 33
Israel	33 30	Bermuda	33 31	Brazil	33 32	New Zealand	33 34
Cyprus	34 48	British Virgin Islands	34 34	Malaysia	34 31	Czech Republic	34 36
Brazil	35 35	Portugal	35 35	Cyprus	35 –	Kazakhstan	35 37
Taiwan	36 34	Austria	36 39	Latvia	36 41	Pakistan	36 35
Malaysia	37 32	Taiwan	37 37	Saudi Arabia	37 34	The Channel Islands	37 28
Hungary	38 36	Turkey	38 40	Botswana	38 36	Luxembourg	38 50
Nigeria	39 37	Malaysia	39 41	United Arab Emirates <sup>1</sup>	39 35	Cayman Islands	39 40
Mexico	40 40	Hungary	40 36	Israel	40 37	Malta	40 39
Romania	41 38	Brazil	41 46	Indonesia	41 39	Bermuda	41 43
Egypt	42 41	Kuwait	42 44	Algeria	42 –	Finland	42 38
Thailand	43 39	Egypt	43 45	Romania	43 40	Mexico	43 42
Pakistan	44 42	Qatar	44 47	Vietnam	44 43	Hungary	44 44
Qatar	45 49	Pakistan	45 42	Greece	45 44	Israel	45 49
Estonia	46 –	Israel	46 38	Bangladesh	46 45	Bulgaria	46 47
Azerbaijan	47 –	New Zealand	47 43	Philippines	47 42	South Korea	47 47
Kuwait	48 44	Angola	48 48	Kuwait	48 –	Taiwan	48 41
Iran	49 43	Czech Republic	49 49	Belarus	49 –	Malaysia	49 45
Latvia	50 –	Mexico	50 –	Egypt	50 –	Brazil	50 46

1 United Arab Emirates includes Abu Dhabi, Dubai, Sharjah, Ajman, Umm al Qaiwain, Ras al Khaimah and Fujairah

# 9.13 Trade in Services By Trading Partner<sup>1</sup>

## Exports

	2006	2005		2006	2005		2006	2005
USA	27 060	23 897	Lithuania	125	111	Rwanda	9	8
Germany	8 927	8 661	Bangladesh	118	98	Seychelles	9	9
Netherlands	7 179	6 635	Latvia	111	92	Senegal	9	9
France	6 637	6 174	Ghana	110	103	Andorra	8	9
Ireland	6 532	6 502	Philippines	109	140	Belize	8	8
Switzerland	4 945	4 513	Bulgaria	104	92	Chad	8	8
Spain	4 234	3 654	Slovakia	103	100	Bosnia & Herzegovina	7	8
Japan	4 140	4 091	Croatia	97	42	Gambia	7	7
Italy	3 601	3 625	Argentina	96	99	Mauritania	7	7
Singapore	2 910	2 612	Algeria	96	109	Dominican Republic	6	6
Australia	2 777	2 719	Jordan	85	90	Kyrgyzstan	6	5
Saudi Arabia	2 650	2 099	Chile	82	88	Marshall Islands	6	7
Belgium	2 621	2 714	Malta	82	70	Nepal	6	5
Denmark	2 242	1 507	Peru	82	67	Suriname	6	4
Sweden	1 861	1 727	Bahamas	68	66	Turks & Caicos Islands	6	5
Norway	1 847	1 760	Equatorial Guinea	66	62	Aruba	5	5
Canada	1 780	1 697	Colombia	61	67	Congo	5	5
The Channel Islands	1 747	1 953	Morocco	59	47	St Kitts & Nevis	5	5
Cayman Islands	1 499	1 451	Mauritius	59	55	Macao	5	5
China	1 460	1 379	Guyana	58	45	Democratic Republic of Congo	4	4
India	1 424	1 146	Venezuela	56	97	Grenada	4	4
Russia	1 364	1 052	Barbados	55	53	Paraguay	4	3
Hong Kong	1 271	1 263	Gabon	51	48	America Samoa	3	3
South Africa	1 249	1 117	Lebanon	48	51	Burundi	3	3
Finland	1 094	856	Ecuador	47	37	Belarus	3	7
Nigeria	913	653	Slovenia	46	54	Dominica	3	3
Kazakhstan	886	738	Tanzania	46	43	Guam	3	3
Poland	855	799	Uganda	44	41	Cambodia	3	2
Luxembourg	851	749	Serbia & Montenegro	43	34	North Korea	3	3
Greece	834	890	Estonia	43	37	Lesotho	3	3
United Arab Emirates <sup>2</sup>	784	683	Botswana	39	36	Madagascar	3	2
South Korea	784	721	Netherlands Antilles	38	37	Nicaragua	3	2
Bermuda	705	683	Trinidad & Tobago	38	37	Tajikistan	3	3
British Virgin Islands	662	641	Viet Nam	38	32	Turkmenistan	3	3
Portugal	600	629	Brunei	37	31	Albania	2	8
Austria	581	502	Liechtenstein	35	35	Armenia	2	2
Taiwan	551	551	Panama	34	33	Bhutan	2	1
Turkey	521	498	Yemen	33	29	Costa Rica	2	2
Malaysia	467	452	Fiji	32	34	Cuba	2	2
Hungary	465	573	Tunisia	32	37	Laos	2	1
Brazil	440	363	Sudan	31	29	Saint Lucia	2	2
Kuwait	432	378	Liberia	30	28	Moldova	2	2
Egypt	419	366	Mozambique	30	28	Myanmar	2	1
Qatar	408	355	Cameroon	28	26	El Salvador	2	1
Pakistan	402	428	Zimbabwe	28	26	Togo	2	2
Israel	400	539	Jamaica	27	26	Burkina Faso	1	1
New Zealand	376	425	Georgia	26	28	Benin	1	1
Angola	374	348	Macedonia	25	28	Cape Verde	1	1
Czech Republic	368	333	Ethiopia	24	22	Djibouti	1	1
Mexico	340	303	Guinea	23	22	Guatemala	1	1
Cyprus	320	306	Afghanistan	22	18	Guinea-Bissau	1	1
Thailand	268	255	Antigua & Barbuda	22	22	Honduras	1	1
Gibraltar	240	268	Swaziland	21	20	Kiribati	1	1
Azerbaijan	235	248	Zambia	21	19	Mongolia	1	1
Indonesia	235	191	Syria	20	22	Montserrat	1	1
Iran	212	204	Cote d'Ivoire	19	18	St Helena	1	1
Isle of Man	190	212	Falkland Islands	18	14	San Marino	1	1
Libya	190	218	Uruguay	17	14	Somalia	1	1
Iraq	182	159	Papua New Guinea	15	16	Tonga	1	1
Iceland	177	134	Uzbekistan	15	12	Vatican City State	1	1
Bahrain	174	151	Eritrea	13	12	St Vincent & the Grenadines	1	1
Oman	169	148	Malawi	13	12	U.S. Virgin Islands	1	1
Ukraine	143	91	Sierra Leone	12	11	Vanuatu	1	1
Romania	139	127	Bolivia	11	8			
Kenya	132	123	Namibia	10	9			
Sri Lanka	125	104	Maldives	9	7			

<sup>1</sup> Any country not included in this table is estimated having Trade in Services of less than £500,000

<sup>2</sup> United Arab Emirates includes Abu Dhabi, Dubai, Sharjah, Ajman, Umm al Qaiwain, Ras al Khaimah and Fujairah

# 9.13 Trade in Services

## By Trading Partner<sup>1</sup>

continued

**Imports**

	2006	2005		2006	2005		2006	2005
USA	15 509	15 302	Kuwait	102	93	Nicaragua	7	6
Spain	10 155	9 467	Indonesia	97	100	Syria	7	6
France	9 578	8 929	Saint Lucia	96	80	Guatemala	6	5
Germany	6 992	7 023	Peru	94	90	Liechtenstein	6	4
Italy	4 437	4 235	Maldives	92	84	Mozambique	6	6
Netherlands	3 424	3 468	Trinidad & Tobago	91	76	Paraguay	6	6
Ireland	3 141	3 210	Argentina	89	88	Seychelles	6	6
Japan	2 497	2 009	Iraq	88	80	Botswana	5	5
Switzerland	2 306	2 295	Libya	88	86	Solomon Islands	5	4
Greece	2 122	1 965	Iceland	86	73	Congo	4	4
Australia	1 860	1 865	Dominican Republic	84	70	Falkland Islands	4	3
Belgium	1 792	1 706	Antigua & Barbuda	83	70	Gabon	4	4
Portugal	1 520	1 441	Tanzania	83	80	Gambia	4	4
Sweden	1 493	1 298	Slovakia	80	67	Malawi	4	4
India	1 485	1 311	Lithuania	75	73	Uzbekistan	4	3
Cyprus	1 346	1 214	Bahamas	71	59	Bosnia & Herzegovina	3	5
Canada	1 232	1 148	Estonia	65	53	Eritrea	3	3
Turkey	1 169	1 048	Ukraine	63	95	Madagascar	3	3
Norway	1 021	979	Gibraltar	60	92	Rwanda	3	3
South Africa	983	1 024	Latvia	56	45	Sierra Leone	3	3
Denmark	949	880	Viet Nam	54	49	Chad	3	3
Singapore	944	665	Slovenia	49	48	Vanuatu	3	2
Austria	899	857	Serbia & Montenegro	47	43	Guinea	2	1
Hong Kong	845	743	Ecuador	47	46	Cambodia	2	2
Saudi Arabia	842	571	Chile	45	82	Liberia	2	2
Barbados	832	695	Iran	43	44	Lesotho	2	2
China	784	707	Oman	42	38	Macedonia	2	4
United Arab Emirates <sup>2</sup>	759	693	British Virgin Islands	41	34	Mali	2	2
Russia	725	550	Venezuela	40	35	Myanmar	2	2
Poland	656	561	Zimbabwe	40	39	Montserrat	2	1
Thailand	625	617	Colombia	39	39	San Marino	2	2
Egypt	549	544	Bahrain	37	34	Sao Tome & Principe	2	2
New Zealand	503	503	Jordan	36	35	Togo	2	2
Czech Republic	501	469	Fiji	35	28	Tuvalu	2	2
Kazakhstan	468	429	Qatar	35	32	Anguilla	1	1
Pakistan	461	478	Uganda	35	33	Armenia	1	1
The Channel Islands	415	638	Andorra	33	51	America Samoa	1	1
Luxembourg	374	238	Yemen	33	30	Burkina Faso	1	1
Cayman Islands	371	309	Zambia	27	26	Benin	1	—
Malta	368	347	Costa Rica	26	22	Brunei	1	1
Bermuda	357	297	North Korea	25	22	Bhutan	1	—
Finland	338	356	Ethiopia	24	24	Cape Verde	1	1
Mexico	326	301	Honduras	24	20	Djibouti	1	1
Hungary	310	276	Sudan	22	21	Dominica	1	1
Israel	296	252	Netherlands Antilles	18	15	Georgia	1	1
Bulgaria	281	257	Equatorial Guinea	18	18	Guam	1	1
South Korea	265	257	Belize	17	15	St Kitts & Nevis	1	1
Taiwan	263	308	Grenada	17	15	Laos	1	1
Malaysia	241	274	Isle of Man	17	27	Moldova	1	2
Brazil	239	264	Papua New Guinea	15	12	Macao	1	—
Jamaica	206	172	Cameroon	14	13	Niger	1	1
Cuba	191	160	Bolivia	13	12	St Helena	1	1
Kenya	184	178	Democratic Republic of Congo	13	13	Somalia	1	1
Morocco	178	177	Guyana	13	13	Suriname	1	1
Nigeria	176	194	Belarus	12	8	El Salvador	1	1
Mauritius	162	156	Lebanon	12	12	Swaziland	1	1
Romania	162	168	Mauritania	11	11	Tajikistan	1	1
Angola	161	154	Cote d'Ivoire	10	10	St Vincent & the Grenadines	1	1
Philippines	161	144	Panama	10	8			
Tunisia	159	155	Senegal	9	8			
Azerbaijan	149	146	Uruguay	9	8			
Croatia	146	140	Afghanistan	8	8			
Bangladesh	145	132	Albania	8	8			
Ghana	138	132	Haiti	8	6			
Sri Lanka	119	109	Nepal	8	8			
Algeria	115	113	Namibia	7	6			

<sup>1</sup> Any country not included in this table is estimated having Trade in Services of less than £500,000

<sup>2</sup> United Arab Emirates includes Abu Dhabi, Dubai, Sharjah, Ajman, Umm al Qaiwain, Ras al Khaimah and Fujairah

# 9.14

## World total and G7 countries trade in services<sup>1</sup>

	US\$ million									%	
										The UK as a percentage of:	
	World	US	Canada	Japan	France	Germany	Italy	UK <sup>2</sup>	G7 total	World	G7
Exports											
1995	1 230 521	217 460	26 128	65 274	84 090	81 838	61 619	79 816	616 225	6.5	13.0
1996	1 315 397	236 890	29 243	67 712	83 529	85 408	65 660	90 531	658 973	6.9	13.7
1997	1 364 176	254 317	31 596	69 303	80 790	82 735	66 991	101 701	687 433	7.5	14.8
1998	1 391 526	260 806	33 836	62 412	84 958	84 507	67 549	112 640	706 708	8.1	15.9
1999	1 439 645	279 610	36 117	60 998	82 085	83 922	58 788	119 133	720 653	8.3	16.5
2000	1 521 995	295 965	40 230	69 238	80 917	83 150	56 556	120 790	746 846	7.9	16.2
2001	1 526 185	283 054	38 804	64 516	82 298	88 714	57 676	121 028	736 090	7.9	16.4
2002	1 640 780	288 789	40 481	65 712	86 130	103 140	60 439	135 214	779 905	8.2	17.3
2003	1 887 097	299 392	43 778	77 621	98 759	123 272	71 767	158 682	873 271	8.4	18.2
2004	2 265 700	340 932	49 111	97 611	109 516	143 189	84 535	197 521	1 022 415	8.7	19.3
2005	2 498 003	376 788	53 647	110 210	115 986	154 935	89 960	209 597	1 111 123	8.4	18.9
Imports											
1995	1 255 631	141 500	33 473	122 626	66 117	127 200	55 050	65 680	611 646	5.2	10.7
1996	1 335 402	150 629	35 906	129 988	67 275	135 977	57 605	73 031	650 411	5.5	11.2
1997	1 371 654	166 478	38 013	123 454	64 164	129 647	59 227	78 598	659 581	5.7	11.9
1998	1 394 827	180 666	38 156	111 833	67 728	134 799	63 379	88 328	684 889	6.3	12.9
1999	1 451 359	199 204	40 573	115 158	63 524	141 001	57 707	97 129	714 296	6.7	13.6
2000	1 542 701	223 740	44 118	116 864	61 044	137 254	55 601	100 147	738 768	6.5	13.6
2001	1 556 341	221 764	43 843	108 249	56 861	141 916	57 753	100 259	730 645	6.4	13.7
2002	1 659 483	231 049	45 069	107 940	68 907	144 811	63 166	109 926	770 868	6.6	14.3
2003	1 891 142	250 239	52 227	111 528	82 863	172 240	74 332	127 360	870 789	6.7	14.6
2004	2 239 544	290 278	58 914	135 514	98 462	194 816	83 255	150 039	1 011 278	6.7	14.8
2005	2 449 981	314 575	64 956	134 256	106 102	202 855	90 605	164 812	1 078 161	6.7	15.3
Balances											
1995		75 960	-7 345	-57 352	17 973	-45 362	6 569	14 136	4 579		
1996		86 261	-6 663	-62 276	16 254	-50 569	8 055	17 500	8 562		
1997		87 839	-6 417	-54 151	16 626	-46 912	7 764	23 103	27 852		
1998		80 140	-4 320	-49 421	17 230	-50 292	4 170	24 312	21 819		
1999		80 406	-4 456	-54 160	18 561	-57 079	1 081	22 004	6 357		
2000		72 225	-3 888	-47 626	19 873	-54 104	955	20 643	8 078		
2001		61 290	-5 039	-43 733	25 437	-53 202	-77	20 769	5 445		
2002		57 740	-4 588	-42 228	17 223	-41 671	-2 727	25 288	9 037		
2003		49 153	-8 449	-33 907	15 896	-48 968	-2 565	31 322	2 482		
2004		50 654	-9 803	-37 903	11 054	-51 627	1 280	47 482	11 137		
2005		62 213	-11 309	-24 046	9 884	-47 920	-645	44 785	32 962		

<sup>1</sup> G7 country data is not yet available for 2006

<sup>2</sup> The analysis of UK data is based on the all accounts totals shown in table 3.1

Sources: G7 and world data provided by IMF;  
UK data provided by ONS

An aerial, top-down view of a large, crowded public space, possibly a train station or a busy plaza. The floor is made of light-colored square tiles. Numerous people are scattered throughout the scene, some walking, some standing in groups, and some sitting. In the upper right, there are metal structures that look like stairs or a walkway. The entire image is covered with a semi-transparent pink overlay.

# Part 4

## Supplementary information



# Balance of payments and the relationship to national accounts

*This section is intended to help users of the Pink Book gain a better understanding of how the data fit within the broader economic accounts framework. It can be read as a stand-alone, although it makes several references to Blue Book tables and so readers are advised to have access to these if possible.*

## Introduction

Conceptually, the balance of payments, including the international investment position, form part of the broader system of the UK national accounts. The national accounts provide a comprehensive and systematic set of statistics for the UK economy, with information on economic transactions, other changes in the levels of assets and liabilities, and the levels of assets and liabilities themselves. The UK national accounts have generally been compiled according to the *European System of Accounts (ESA95)*. Linkages between the UK balance of payments and national accounts are reinforced by the fact that the UK balance of payments are compiled at the same time as the national accounts, as a component of the sector accounts and using many common data sources.

The national accounts are a closed system in which both ends of every transaction involving a resident economic entity are recorded. A set of accounts is introduced to capture transactions that involve economic relationships with non-resident entities. These accounts are known as the *rest of the world accounts* and are presented from the perspective of non-residents rather than residents. Consequently, entries in the balance of payments (which show transactions from the perspective of residents) are reversed in the presentation of the rest of the world accounts. The accounts for resident entities, which consist of the production,

income and accumulation accounts, are described in more detail below.

Two important accounting differences occur when one compares the balance of payments and the national accounts. First, each transaction is recorded twice in the balance of payments (double entry) and four times in the national accounts (quadruple entry). This is because in the balance of payments the activity of only one transactor is recorded, that of the resident entity (with a non-resident entity), whereas in the national accounts the activity of both transactors is recorded (i.e. the activity of either two residents or a resident and a non-resident). Second, in the balance of payments, transactions are shown from the perspective of the resident entity; whereas in the national accounts, transactions are shown from the perspective of the resident in the production, income and accumulation accounts, and from the perspective of the non-resident in the rest of the world account.

## Relationship between national accounts and balance of payments concepts and classifications

Because the balance of payments, including the international investment position, forms an integral part of the national accounts, there is complete concordance between them in concept and classification, although the extent of cross-classifications may differ between the two systems.

The balance of payments and national accounts identify resident producers and consumers identically, and both invoke the same concepts of economic territory and centre of economic interest. Both use market prices as the primary concept of valuation of transactions and they adopt identical concepts of accrual

accounting. The systems use identical conversion procedures to convert transactions which take place in foreign currency, to UK currency.

While for some purposes it would be convenient if classifications used in the rest of the world accounts and the balance of payments accounts were identical, differences between the two are justifiable because on occasion they serve different purposes. For example, in the balance of payments financial account, precedence is given to classification of transactions by type of investment (i.e. direct, portfolio, reserve assets, other), whereas in the rest of the world financial account the instrument of investment is the primary classification. More important is the fact that concepts, definitions and classifications are consistent between the two systems.

## The production, income and capital accounts of the national accounts

The national accounts tables reflect the basic aspects of economic life (production, income, consumption, accumulation and wealth). For many analysts, *Gross Domestic Product (GDP)* is the key economic aggregate as it measures the total value added for the UK economy in any period. GDP may be measured as:

- the total value of output less the cost of goods and services used in the production process (intermediate consumption). This is referred to as the *output (or production) approach*;
- the value of income accruing from the production process to each of the factors of production (plus net taxes on production and imports). This is referred to as the *income approach*; or
- total final expenditure on goods and services during the period referred to as the *expenditure approach*.



Conceptually these measures are equal, but because different and imperfect data sources are used to measure each approach the measures may differ in practice. This difference is reflected in the statistical discrepancy item. The national accounts are regularly benchmarked to balanced annual supply and use (input-output) tables. This ensures that, except for the latest year, the three measures of GDP are equal on an annual basis, though there will still be a statistical discrepancy between the quarterly estimates based on the three approaches.

*Blue Book* table 1.2 presents the *Gross Domestic Product Account* for the whole economy, the derivation of GDP using the expenditure approach and the income approach. Table 1.7.1, the *Production Account*, shows the derivation of GDP using the production approach.

- The expenditure based measure of GDP is derived as final consumption expenditure by government and households, plus investment in fixed capital formation and changes in inventories, plus exports minus imports of goods and services, plus (or minus) the statistical discrepancy. Exports and imports are the same as the balance of payments components, exports and imports of goods and services.
- The income based measure of GDP shows the components of factor income, namely compensation of employees, gross operating surplus and mixed incomes, plus taxes less subsidies on production and imports.
- The production based measure of GDP is shown as total gross output at purchasers' prices less intermediate consumption.

For the purpose of discussion here, all values are in current prices.

*Blue Book* table 1.7.3 presents the *National Income and Use of Income Account*, showing the derivation of gross national income, gross disposable income and use of gross disposable income. Gross national income is equivalent to

GDP plus primary income receivable from non-residents, less primary income payable to non-residents. These primary income items are the same as the balance of payments income components which are used in the derivation of gross saving (gross disposable income less consumption) and net saving (gross saving less consumption of fixed capital). Table 1.7.3 illustrates how the various balance of payments income and current transfers components affect the nation's saving. To derive gross disposable income, net secondary income receivable from non-residents is added to gross national income; secondary income items are equivalent to the net current transfer components in the balance of payments. The segment of table 1.7.3 dealing with use of gross disposable income shows the derivation of gross saving (gross disposable income less consumption) and net saving (gross saving less consumption of fixed capital).

*Blue Book* table 1.7.7, the *National Capital Account*, shows the link between gross saving and net lending/borrowing (to/from the rest of the world). The latter is derived as gross saving plus net capital transfers from non-residents less investment in fixed capital and inventories and the net acquisitions of non-produced, non-financial assets from non-residents. The items net capital transactions and net acquisitions of non-produced non-financial assets are both sourced from the balance of payments capital account. The capital account was introduced into the balance of payments to emphasise this clear relationship between the balance of payments and the national accounts.

### The financial account and balance sheet of the national accounts

Net lending/borrowing is also the balance shown in *Blue Book* table 1.7.8, the *Financial Account*. The financial account shows how the net lending/borrowing is financed through a combination of transactions in financial assets and liabilities. As table 1.7.8 is a summary

account for the economy, transactions between resident sectors are offset and eliminated. Therefore table 1.7.8 is also equivalent to the balance of payments financial account. However, there are some important differences in classification emphasis between table 1.7.8 and the balance of payments financial account. In table 1.7.8 the emphasis is on instrument of investment (currency and deposits, securities, loans, equity, etc.), while in the balance of payments financial account, the emphasis is on type of investment (direct investment, portfolio investment, and other investment). Both presentations give emphasis to the asset and liability classification.

It is worth noting that, if table 1.7.8 were expanded to include the financial transactions taking place between the various resident sectors, it would show the full financial account for the economy (which is published monthly in *Financial Statistics* and quarterly in *UK Economic Accounts*).

*Blue Book* table 1.7.9, the *National Balance Sheet*, shows the UK's non-financial assets (fixed assets, inventories, tangible and intangible non-produced assets such as land, copyright, etc.), financial assets, and liabilities and net worth at the end of the period. As table 1.7.9 is a summary account for the economy, financial assets and liabilities only measure financial claims by residents on non-residents and liabilities by residents to non-residents. In other words, in this table the financial assets and liabilities components are the international investment position statement for the UK. Claims and liabilities between resident sectors have been offset and eliminated. Again, there are some important classification differences between table 1.7.9 and the international investment position statement. In table 1.7.9 the emphasis is on instrument of investment, while in the international investment position statement the emphasis is on type of investment. Both presentations give emphasis to the asset and liability classification.

## Rest of the world accounts of the national accounts

There are five accounts for the rest of the world in the national accounts shown in the *Blue Book*. These are:

- (i) table 7.1.0, *the External account of goods and services*;
- (ii) table 7.1.2, *the External account of primary incomes and current transfers*;
- (iii) table 7.1.7, *the External capital account*;
- (iv) table 7.1.8, *the External Financial Account*; and
- (v) table 7.1.9, *the External Balance Sheet Accounts*.

The *External Financial Account* is published quarterly in *UK Economic Accounts*. As mentioned earlier, these accounts are required to close the system of national accounts and, while essentially the same as the balance of payments accounts and international investment position statement, they are compiled from the perspective of the non-resident transactor. Table 7.1.2 is essentially the current account of the balance of payments, table 7.1.7 the capital account, table 7.1.8 the financial account, and table 7.1.9 the international investment position. The reader should be able to readily identify the counterpart entries in all of these tables.

## Transactions with the EU

*Blue Book* table 12.1 shows UK official transactions with institutions of the EU from a UK national accounts perspective. It has been re-created in the *Pink Book* as table 9.9 using balance of payments terminology.

# Methodological notes

## Trade in goods (chapter 2)

### Introduction

*The IMF Balance of Payments Manual, 5th edition (BPM5)* defines trade in goods as covering general merchandise, goods for processing, repairs on goods, goods procured in ports by carriers, and non-monetary gold.

General merchandise (with some exceptions) refers to moveable goods for which real or imputed changes of ownership occur between UK residents and the rest of the world.

**Goods for processing:** this covers goods that are exported or imported for processing and that comprise two transactions: the export of a good and the re-importation of the good on the basis of a contract and for a fee OR the import of a good and the re-exportation of the good on the basis of a contract and for a fee. The inclusion of these transactions on a gross basis is an exception to the change of ownership principle. The value of the good before and after processing is recorded. This is included in total trade in goods but cannot be separately identified.

**Repairs on goods:** this covers repairs that involve work performed by residents on movable goods owned by non-residents (or vice versa). Examples of such goods are ships, aircraft and other transport equipment. The value recorded is the value of the repairs (fee paid or received) rather than the value of the goods before and after repair.

**Goods procured in ports:** this covers goods such as fuels, provisions, stores and supplies procured by UK resident carriers abroad or by non-resident carriers in the UK.

**Non-monetary gold:** this is defined as all gold not held as reserve assets (monetary gold) by the authorities. Non-monetary gold can be subdivided into gold held as a store of value and other (industrial) gold – for further information see page 143.

### Coverage and other adjustments

The balance of payments statistics of trade in goods compiled by the Office for National Statistics (ONS) are derived principally from data provided by HM Revenue & Customs (HMRC) on the physical goods exported from and imported to the UK. However, this information is on a different basis to that required for balance of payments statistics. Accordingly in order to conform to the IMF definitions ONS has to make various adjustments to include certain transactions which are not reported to HMRC and to exclude certain transactions which are reported to them but where there is no change of ownership. In addition, the value required for balance of payments purposes is the value of goods at the point of export (that is, Customs

border of the exporting country) rather than the value of goods as they arrive in the UK. Therefore, the freight and insurance costs of transporting the goods to the UK needs to be deducted from the values recorded by HMRC. Table 2.4 summarises this transition onto a balance of payments for each of the last 11 years.

### Overseas trade statistics compiled by HM Revenue & Customs (HMRC)

Statistics of the UK's overseas trade in goods have been collected for over 300 years by HMRC, formerly HM Customs and Excise (HMCE). Since 1993 these data comprise statistics of UK imports from and exports to countries outside the EU and statistics on trade with other EU Member States. Data are compiled from declarations made to HMRC by importers, exporters or their agents AND statistics of UK arrivals (imports) from and dispatches (exports) to other member states of the EU compiled from the Intrastat returns submitted by traders or their agents to HMRC.

Prior to 1993 statistics of UK imports from and exports to all countries in the world were compiled from declarations made to HMRC by importers, exporters or their agents.

### Information on trade with EU countries

The Intrastat system has applied since 1993, with minor variations, in all EU member states. In the UK all VAT registered businesses are required to complete two additional boxes on their VAT returns, which are normally submitted quarterly. These show the total value of exports of goods to customers in other member states (dispatches) and the total value of imports of goods from suppliers in other member states (arrivals).

Traders whose annual value of arrivals or dispatches exceed given thresholds are required to provide an Intrastat declaration each month, showing full details of their arrivals and dispatches during the month. These thresholds are reviewed annually. For the calendar year 2006, the thresholds were £251,000 both for arrivals and for dispatches. These detailed Intrastat declarations cover approximately 97 per cent of the value of trade.

### Link with VAT

The information on the VAT returns serves three purposes:

- to establish a register of traders and to determine which exceed the thresholds
- to provide a cross-check with the Intrastat declarations

- to provide an estimate of the total value of trade carried out by traders below the Intrastat thresholds

Traders not registered for VAT and private individuals who move goods within the EU have no obligations under the Intrastat system and their trade is therefore not included in the statistics. Examples of commodities where this trade can be significant are works of art and racehorses.

### Below threshold trade

The total values of arrivals and dispatches by traders below the Intrastat thresholds are available from their VAT returns. The figures are included in the month in which the VAT return is received by HMRC, although the VAT return itself may relate to a period of more than one month. Detailed information on below threshold trade is not available. However, it has been established that the pattern of that trade before the Intrastat system was introduced in 1 January 1993 was similar to that of traders just above the thresholds. Thus estimates enabling detailed allocations of below threshold trade can be made on this basis by HMRC.

### Late response

Traders who have a legal responsibility to provide Intrastat declarations are required to do so by the end of the calendar month following the month to which the declaration relates. However, where traders have failed to provide returns to Intrastat by the due date, estimates of the total value of such trade are included. These are based on the trade reported by these traders in a previous period, and the growth rate since that period experienced by comparable traders who have provided returns for the current month.

Late declarations of trade with EU countries are subsequently incorporated into the month's figures to which they relate with a corresponding reassessment of the initial estimates for late response.

The methodology used to collect EU (Intrastat) data on Natural Gas and Electricity was amended by the Commission of the European Communities (EC regulation no 1982/2004). As a result, from January 2005, HM Revenue & Customs (HMRC) has changed to collecting information relating to the trade in Natural Gas and Electricity directly from the pipeline and grid operators. This has removed the need for individual companies to submit Intrastat (EU) import and export declarations for these goods. The new methodology records the physical flow of Natural Gas and Electricity between the UK and its EU trading partners. Value data are estimated using the relevant market prices for gas and electricity.

## Information on trade with non-EU countries

In general the figures for trade with non-EU countries show the trade as declared by importers and exporters or their agents and for which documentation has been received and processed by HMRC during the month.

Importers are usually required to present a Customs declaration before they can obtain Customs clearance and remove the goods. The great majority of imports are cleared immediately by a computerised system. Furthermore the import statistics include documents received by HMRC up to the third working day after the end of the month. Therefore the import figures correspond fairly closely to goods actually imported during the calendar month. Generally speaking about 90 per cent by value and 85 per cent by number of all entries relate to the calendar month with the bulk of the remainder relating to the immediately preceding month.

Under the procedures for the control of exports, the principle is the same – namely that goods cannot be cleared for export until a Customs declaration has been made. Traders can, if they wish, submit a simplified declaration so that the goods can be exported, which has to be followed within 14 days after date of shipment with a complete export declaration. Moreover the processing of these complete export documents begins three working days before the end of the calendar month (two working days for December). Thus the export statistics compiled for a month (which are based on the date of receipt of the complete export documents) do not correspond with goods actually shipped in the calendar month. Generally both in terms of the value and the number of documents, 70 per cent relates to the calendar month with the bulk of the remaining 30 per cent relating to the immediately preceding month.

HMRC's New Export System (NES), which replaces manual (paper) Customs declarations with electronic submissions, requires electronic messages from the trade once the goods have been exported in order to provide the departure date. The new system has led to greater efficiency; improving processing and thereby speeding up the flow of information. This means that, in terms of the value of trade, the proportion allocated to the correct month has increased from September 2003 onwards.

## Basis of valuation

For statistical purposes the UK adopts the valuation bases recommended in the *International Trade Statistics Concepts & Definitions* published by the United Nations.

The valuation of exports (dispatches) is on a free on board (f.o.b.) basis, that is, the cost of goods to the purchaser abroad, including:

- packaging
- inland and coastal transport in the UK
- dock dues
- loading charges
- all other costs such as profits, charges and

expenses (for example, insurance) 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.

The valuation of imports (arrivals) is on a **cost, insurance and freight** (c.i.f.) basis including:

- the cost of the goods
- charges for freight and insurance
- all other related expenses in moving the goods to the point of entry into the UK (but excluding any duty or tax chargeable in the UK)

When goods are re-imported after process or repair abroad the value includes the cost of the process or repair as well as the value of the goods when exported.

## Arrivals from and dispatches to EU countries

As part of the simplification procedure to reduce the burden on business, in the UK most traders are permitted to provide a valuation for trade in goods with EU countries based on the invoice value. Large traders, currently those who have more than £14 million of trade in the year, are required to supply information on their delivery terms. Regular sample surveys to all traders are conducted by HMRC to establish conversion factors to adjust the invoice values to produce the valuation basis required for statistical purposes. Separate factors are imputed for a range of different delivery terms and for trade with each member state.

The value recorded for arrivals and dispatches includes any duties or levies that have been applied to goods originating in non-EU countries but which have since cleared EU Customs procedures in one EU country prior to moving onto other EU countries.

## Imports from non-EU countries

The statistical value of imports of goods subject to duty is the same as the value for Customs purposes. This value is arrived at by the use of specific methods of valuation in the following order of preference:

- the transaction value of the imported goods (that is, the price paid or payable for the goods)
- the transaction value of identical goods
- the 'deductive method' – value derived from the selling price in the country of importation
- computed value based on the built-up cost of the imported goods

Imported goods are valued at the point where the goods are introduced into the Customs territory of the EU. This means that costs for delivery of the imported goods to that point have to be included in the Customs value.

For all other goods (that is, goods free or exempted from duty and goods subject to a specific duty) the statistical value is determined in relation to the point at which the goods enter the UK.

An amount expressed in foreign currency is converted to sterling by the importer using a system of 'period rates of exchange' published

by HMRC. These rates are normally operative for a four weekly period unless there is a significant movement in the exchange rate.

## Treatment of Taxes

As described above, the value of all goods moving into and out of the UK is based on the transaction value recorded for Customs purposes or, in the case of trade in goods with EU countries, the invoice or contract value. In line with this principle, the values recorded exclude VAT. For trade in goods with non-EU countries, all other taxes such as duties and levies applied to goods after arrival in the UK are excluded. For trade in goods with EU countries, the value recorded for imports and exports includes any duties or levies that have been applied to goods originating in non-EU countries but which have since cleared Customs procedures prior to moving onto other EU countries. However excise duties are excluded from the value recorded for trade.

## Balance of payments statistics for trade compiled by ONS

Table 2.4 summarises the transition from trade in goods statistics on an Overseas Trade Statistics basis (compiled and published by HMRC) to those on a Balance of Payments basis (compiled by ONS).

## Valuation adjustments

Freight: the cost of freight services for the sea legs of dry cargo imports is estimated by applying freight rates (derived from the rates for a large sample of individual commodities imported from various countries) to tonnages of goods arriving by sea. For the land legs, estimates of freight rates per tonne-kilometre for different commodities and estimated distances are used. Estimates of rail freight through the Channel Tunnel are estimated from data provided by Le Shuttle and freight operators. The cost of freight on imports arriving by air is derived from information on the earnings of UK airlines on UK imports and the respective tonnages landed by UK and foreign airlines at UK airports. Pending investigations of an alternative methodology the cost of freight and insurance on oil and gas imports is projected from data formerly supplied by the Department of Trade and Industry.

*Sources: tonnages from HMRC; information on freight rates from Chamber of Shipping, Civil Aviation Authority and road hauliers; information from Eurotunnel*

**Insurance:** the cost of insurance premiums on non-oil imports is estimated as a fixed percentage of the value of imports.

*Source: ONS estimate*

## Coverage adjustments

**Second-hand ships:** to include purchases and sales of second-hand ships which are excluded from the Overseas Trade Statistics as the transactions are not notified to HMRC.

*Source: inquiries to UK ship owners conducted by the Department for Transport until late 2005. Estimates are now provided by HMRC*



**New ships delivered abroad:** to include deliveries of new ships built abroad for UK owners while the vessel is still in a foreign port as the transactions are not notified to HMRC.

*Source: inquiries to UK ship owners conducted by the Department for Transport until late 2005. Estimates are now provided by HMRC*

**North Sea installations:** to include goods (including drilling rigs) directly exported from and imported to the UK production sites in the North Sea. This adjustment is also used when there is a redistribution of the resources of fields which lie in both UK and non-UK territorial waters (for example, the Frigg, Murchison and Statfjord). In these circumstances the contribution to (or reimbursement of) a proportion of the development costs has been treated as a purchase (or sale) of fixed assets at the date of the re-determination and appears as an adjustment to imports (exports) of goods.

*Source: ONS inquiries to the petroleum and natural gas industry*

**NAAFI:** to exclude goods exported by the Navy, Army and Air Force Institute for the use of UK forces abroad since these are regarded as sales to UK residents.

*Source: quarterly returns from NAAFI*

**Goods not changing ownership:** the Overseas Trade Statistics exclude temporary trade (that is, goods that are to be returned to the original country within two years and there is no change of ownership). However, goods may well have originally been recorded as 'genuine' trade but which are subsequently returned to the original country. Examples of these 'returned goods' are goods traded on a 'sale or return' basis; goods damaged in transit and returned for replacement or repair; and contractor's plant. The same amount is deducted from both imports and exports for the month in which the return movement is declared to Customs.

*Source: HMRC (non EU trade in goods identified by reference to Customs Procedure codes (CPCs) and by 'Nature of Transaction Code' on Intrastat submissions)*

**Gold:** trade in gold (that is, gold bullion, gold coin, unwrought or semi-manufactured gold and scrap) is reported to HMRC but it is excluded from the statistics of total exports and imports published in the Overseas Trade Statistics. However, trade in ores and concentrates and finished manufactures of gold (for example, jewellery) are included in total exports and imports.

For Balance of Payments purposes, all trade in non-monetary gold should be included under trade in goods. Non-monetary gold is defined as all gold not held as reserve assets (monetary gold) by the authorities. Non-monetary gold can be subdivided into gold held as a store of value and other (industrial) gold. The UK currently makes adjustments to include industrial gold. In exports, the adjustment reflects the value added in refining gold and producing proof coins. In imports, the adjustment reflects the value of gold used in finished manufactures (such as jewellery and dentistry).

Within the transactions of the London Bullion Market, the UK cannot currently distinguish

between monetary gold and non-monetary gold held as a store of value. Accordingly, the UK has obtained an exemption from adopting IMF recommendations, as specified in BPM5 and for the time being these transactions are included in the Financial Account.

The treatment of non-monetary gold is being reviewed as part of the worldwide process to revise the IMF Balance of Payments manual. Current proposals can be found on the IMF website [www.imf.org/external/np/sta/bop/iss.htm](http://www.imf.org/external/np/sta/bop/iss.htm). The main proposal is that the concept of non-monetary gold would be replaced by two categories – allocated gold (a commodity) and unallocated gold (a financial instrument). UK BoP will continue current practice until the treatments defined in the revised manual are implemented.

*Source: ONS estimate*

**Letter post:** to include exports by letter post which are not included in the Overseas Trade Statistics.

*Sources: books – ONS estimate based on historic information from publishers and booksellers; other items – ONS estimate based on historic sample inquiry made by the former Post Office*

**Additions and alterations to ships:** to include work carried out abroad on UK owned ships and work carried out in UK yards on foreign owned ships.

*Sources: Inquiries to UK ship owners conducted by the Department for Transport, (imports) until late 2005, then HMRC, and ONS estimates (exports)*

**Repairs to aircraft:** to include the value of repairs carried out in the UK on foreign owned aircraft.

*Source: ONS estimate*

**Goods procured in ports:** to include fuels, provisions, stores and supplies purchased for commercial use in ships, aircraft and vehicles. (Estimates of goods dispatched are recorded by HMRC.)

*Sources: Chamber of Shipping and Civil Aviation Authority for goods procured in foreign ports by UK transport companies (imports); UK oil companies, Civil Aviation Authority, BAA, municipal airports and port authorities for goods procured in UK ports by overseas transport companies (exports)*

**Smuggling of alcohol and tobacco:** Customs provide volume figures for smuggled goods entering the UK based on published estimates of revenue loss and revenue evasion through smuggling. This information is supplemented by information on the average prices for alcohol and tobacco goods in France and Belgium from the published sources of the statistical and banking institutions in those countries in order to estimate the value of smuggled alcohol and tobacco entering the UK.

*Sources: HMRC, INSEE and National Bank of Belgium*

**Territorial coverage adjustment:** for the purposes of the Overseas Trade Statistics, 'UK' is defined as Great Britain, Northern Ireland, the Isle of Man, the Channel Islands and the Continental Shelf (UK part). Therefore the

Overseas Trade Statistics exclude trade between these different parts of the UK but include their trade with other countries.

For balance of payments purposes the Channel Islands and the Isle of Man are not considered part of the UK economic territory. Adjustments are made to exports to include UK exports to those islands and to exclude their exports to other countries; and to imports to include UK imports from those islands and to exclude their imports from other countries.

*Source: ONS estimate*

## Other adjustments

**Diamonds:** much of the world's trade in rough (uncut) diamonds is controlled from London by the Diamond Trading Company, part of De Beers. Prior to 2001, in order not to distort the trade statistics, all imports into and exports from the UK of uncut diamonds which remain in the ownership of foreign principles are excluded from the Overseas Trade Statistics by HMRC. In addition the value of diamonds imported into the UK can be reassessed after the diamonds have been cleared by Customs. Prior to 2001, this adjustment reflects these changes in valuation. From 2001 the procedure for recording movements of diamonds was changed so that all trade was included in the Overseas Trade Statistics by HMRC. From 2001, this adjustment removes movements of diamonds where no change of ownership has taken place.

*Source: Diamond Trading Company*

### Adjustments to imports for the impact of VAT Missing Trader Intra-Community (MTIC) fraud:

VAT intra-Community missing trader fraud is a systematic, criminal attack on the VAT system, which has been detected in many EU Member States. In essence, fraudsters obtain VAT registration to acquire goods VAT free from other Member States. They then sell on the goods at VAT inclusive prices and disappear without paying over the VAT from their customers to the tax authorities. The fraud is often carried out very quickly, with the fraudsters disappearing by the time the tax authorities follow up the registration with their regular assurance activities.

**Acquisition fraud** is where the goods are imported from the EU into the UK by a trader who then goes missing without completing a VAT return or Intrastat declaration. The 'missing trader' therefore has a VAT free supply of goods, as they make no payment of the VAT monies due on the goods. He sells the goods to a buyer in the UK and the goods are available on the home market for consumption.

**Carousel fraud** is similar to acquisition fraud in the early stages, but the goods are not sold for consumption on the home market. Rather, they are sold through a series of companies in the UK and then re-exported to another Member State. Goods may be imported and exported several times, hence the goods moving in a circular pattern or 'carousel'.

The VAT system (and therefore the Intrastat collection of trade statistics) picks up the exports of any 'carouselled' goods, but does not pick up the associated import at the time the carouselled goods entered the UK. As a

consequence, UK import statistics have been under reported.

Originally, most carousel chains only involved EU member states. More recently (from the beginning of 2004), there has been an increase in carousel chains that involve non-EU countries, for example, Dubai and Switzerland. However, the MTIC trade adjustments are added to the EU import estimates derived from Intrastat returns as it is this part of the trading chain that is not recorded. Changes to the pattern of trading associated with MTIC fraud can therefore make it difficult to analyse trade by commodity group and by country. In particular, adjustments affect trade in capital goods and intermediate goods – these categories include mobile phones and computer components.

ONS and HMRC have agreed a methodology to estimate for the impact of MTIC on the trade statistics. The method used relies heavily on information uncovered during HMRC's operational activity. As such it cannot be detailed for risk of prejudicing current activity, including criminal investigations and prosecutions and more generally undermining HMRC's ability to tackle the fraud effectively. The method specifically excludes adjustments for the acquisition variant of the fraud which cannot be quantified at present. HMRC set up a project in 2005 to review the methodology for producing the estimates of the impact on the trade statistics. Estimates may change as the analysis of the fraud continues. The UK is the first member state to make adjustments in their trade statistics for this type of fraud.

Source: HMRC estimate

**Adjustment for under-recording and for currency and other valuation errors:** these adjustments compensate for the following types of error:

- failure on the part of traders or their agents to submit details of shipments
- incorrect valuations recorded
- declarations wrongly given in foreign currency instead of sterling

Regular reviews show the adjustments for non-EU trade remaining broadly constant over time. Those for EU trade have reduced since the early days of the Intrastat system. The adjustments, expressed as percentages of total trade excluding oil and erratics, are shown in Table 1.

**Adjustments to estimates for late response:** a review of the introduction of the Intrastat system carried out in 1994 identified a number of difficulties in the initial monthly estimates of trade with EU countries provided by HMRC. The following describes the adjustments made by ONS to cope with these difficulties.

The HMRC method of estimation for late response relies on linking the values of trade reported by traders in the current period with previous periods. Problems can arise when traders change their VAT registration (perhaps as a result of an internal reorganisation, mergers or sales). Similarly problems can arise when a trader starts submitting returns for the first time. If the trader then becomes a late responder there may be no history of previous trade upon which to base an estimate. The

current HMRC adjustments make an allowance for this, but recent changes in the overall trader profile, with an increasing proportion of smaller traders, means the current methodology needs to be revised. In the meantime, ONS and HMRC have agreed that ONS makes an initial adjustment of +£30 million to both exports and imports (reducing to zero over the following two months).

Furthermore, some traders may submit first declarations for a month that do not include all their trade in that month. Later declarations are then received for the rest of their trade. The pattern of receipt at HMRC of these partial returns is analysed to enable ONS to make initial adjustments to both exports and imports to anticipate these later declarations. These initial adjustments are progressively reduced in subsequent months as late declarations are processed.

Currently the profile of these adjustments is as shown in Table 2.

When Intrastat was introduced it was envisaged that all declarations in respect of any particular month would be made within six months of the end of that month. As a consequence HMRC computer programs were designed to recalculate its initial estimates for late response for six months after those estimates first appear in the Overseas Trade Statistics. However the reality is that some declarations are still being received and processed after that six month period. These are being included as additions to the value of reported trade with no corresponding reduction in the value of estimated trade. Accordingly, in order to eliminate this element of double counting ONS makes a negative adjustment to the value of estimated trade equal to the value of these late amendments. Note where the value of late amendments exceeds the value of estimated trade the level of estimated trade is set to zero.

Source: ONS estimate

## Price and volume indices

Any difference between time periods in the total value of trade reflects changes in prices as well as changes in the levels of the underlying economic activity (for example, the physical amounts of goods exported or imported). Separation of these changes greatly enhances the interpretation of the data and, for this reason, ONS compiles separate data measuring changes in price and changes in volume. These data are presented in index number form.

## References

Aggregate estimates of trade in goods, seasonally adjusted and on a balance of payments basis, are published monthly by National Statistics in a First Release. More detailed figures are available from the Time Series Data Service and are also contained in the *Monthly Review of External Trade Statistics (Business Monitor MM24)* which is available, free of charge, in electronic format as a PDF on the National Statistics website.

The latest *Trade in goods First Release* can be found at: [www.statistics.gov.uk/StatBase/Product.asp?vlnk=1119](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=1119)

*The Monthly Review of External Trade Statistics, previously published as MM24*, can be found at: [www.statistics.gov.uk/StatBase/Product.asp?vlnk=613&Pos=&ColRank=2&Rank=256](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=613&Pos=&ColRank=2&Rank=256)

An article entitled 'UK visible trade statistics – the Intrastat system' was published in *Economic Trends*, August 1994.

An article describing MTIC fraud and its effect on BoP and the UK National Accounts was published in *Economic Trends No. 597*, August 2003. A copy can be found at: [www.statistics.gov.uk/cc/article.asp?id=402](http://www.statistics.gov.uk/cc/article.asp?id=402). A follow-up report was published on 17 February 2005 which summarises the work carried out since July 2003 to review the estimates of the impact on the trade figures; a copy can be found at [www.statistics.gov.uk/cc/article.asp?id=1066](http://www.statistics.gov.uk/cc/article.asp?id=1066)

A fuller version of these methodological notes appears in *Statistics on Trade in Goods (Government Statistical Service Methodological Series 10)*. It also describes the methodology employed to derive volume and price indices and is available on the National Statistics website at: [www.statistics.gov.uk/StatBase/Product.asp?vlnk=3134](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=3134).

## Trade in services (chapter 3)

### Introduction

Trade in services covers the provision of services by UK residents to non-residents and vice versa. Trade in services are disaggregated into eleven broad categories of services, as follows:

- Transportation (Sea, Air and Other) – Passenger, freight and other
- Travel (Business and Personal)
- Communications services

Table 1

	Exports to:		Imports from:	
	EU	non-EU	EU	non-EU
Under recording	+1/4%	+1 1/2%	+1/4%	0
Currency errors	0	-1/2%	0	0
Other valuation errors	0	-1/4%	0	0

\* (+1% for 1997 & +1 1/2% 1993–1996)

Source: Sample surveys made by HMRC

- Construction services
- Insurance services
- Financial services
- Computer and information services
- Royalties and licence fees
- Other business services (Merchanting and other trade-related services; operational leasing services; miscellaneous business, professional and technical services)
- Personal, cultural and recreational services (Audio-visual and related services; other cultural and recreational services)
- Government services

Separate tables appear at Chapter 3 of this publication for each of the above categories except construction services, which are shown in the trade in services summary Table 3.1.

The change from an industry to product based presentation on implementation of BPM5 in 1998 meant that trade in services data at the individual product level could not always be constructed back in time. Preparation to collect trade in services by product commenced in 1996, with the introduction of the International Trade in Services (ITIS) survey. A full product based dataset is available from this date. Account totals, and some additional product estimates have been constructed back to 1991 or 1992, based on the relationship between the new ITIS data and the previous industry based data. It was not valid to project this relationship further back in time. For the transport, travel, royalties and government services accounts, there were only small changes from the industry based data, and it was possible to construct longer time series.

### Construction services (shown within Table 3.1)

Construction services cover work done on construction projects and installations by employees of an enterprise in locations outside their resident economic territory. The source of information is the International Trade in Services (ITIS) survey. For construction services, where a permanent base is established which is intended to operate for over a year, the enterprise becomes part of the host economy and its **transactions are excluded from the trade in services account**. Transactions where a permanent base is established are recorded under direct investment, within investment income.

### Transportation services (Table 3.2)

The transportation account covers sea, air and other (that is, rail, land, and pipeline) transport. It includes the movement of passengers and freight, and other related transport services, including chartering of ships or aircraft with crew, cargo handling, storage and warehousing, towing, pilotage and navigation, maintenance and cleaning, and commission and agents' fees associated with passenger/freight transportation.

### Freight and the valuation of UK trade in goods

The trade in goods estimates included in the balance of payments value **imports** as they arrive in the UK f.o.b. (free on board) at the frontiers of the exporting country. This is net of the **cost of freight** to the UK border and any loss and damage incurred in transit to the UK. For UK importers who purchase goods f.o.b. and arrange transport themselves, their payment for the goods at the exporting countries' frontiers comprises:

- the value included in the trade in goods estimates (which is net of subsequent loss and damage)
- the value of loss and damage incurred in transit.

In addition, such importers bear the costs of:

- freight services outside the exporting countries
- insurance services (the excess of insurance premiums paid for the journeys over claims made).

Where importers purchase goods c.i.f. (cost, insurance and freight) on arrival in the UK, items (ii) to (iv) are paid by the foreign exporters in the first instance. The c.i.f. prices are set accordingly, however, and the UK importers are regarded as bearing the costs of items (i) to (iv).

Therefore, irrespective of the payment basis, items (ii) to (iv) represent costs to UK importers additional to the trade in goods entries (item i). Item (ii), the value of loss and damage, is part of the price paid to the foreign exporter and so always represents a debit entry in the balance of payments accounts. Items (iii) and (iv), freight and insurance services, also represent debit entries when provided by non-residents; where such services are provided by UK residents there

is no balance of payments entry. The debit entries above relating to freight are included in imports of transportation services.

The estimates of trade in goods cover exports valued f.o.b. The valuation of exports at the UK frontier must, by definition, include any subsequent loss or damage en route to the importer. Therefore, unlike imports, there is no need to make an explicit adjustment for loss and damage to exports. However, foreign importers must additionally bear the costs of freight and insurance services for the journeys outside the UK and where such services are provided by UK residents this gives rise to credit entries in the services accounts.

The f.o.b. value for UK imports includes the cost of transport within the exporting country. Where this service is provided by a UK operator then the trade valuation of imports overstates the balance of payments effect and an offsetting credit entry is therefore included under 'road transport'. Similarly, an offsetting debit entry is included for foreign operators' carriage of UK exports within the UK.

### Sea transport

Exports by UK operators consist of freight services on UK exports (but not imports – see 'Freight and the valuation of UK trade in goods', above) and on cross-trades, the carriage of non-resident passengers and the provision to them of services, and the chartering of ships to non-residents. Exports also include port charges and other services purchased in the UK by non-resident operators. Conversely, imports comprise services purchased abroad by UK operators, their chartering of ships from non-residents, and the carriage by non-resident operators of UK imports (but not exports) and goods on UK coastal routes and UK passengers.

Statistics relating to UK operators are provided by the Chamber of Shipping (CoS), which conducts inquiries into its members' participation in foreign trade. Until 1995, inquiries covering all CoS members were made every four years, with sample surveys for intervening years. Since 1995, the CoS has surveyed all its members annually.

### Exports

**Passenger revenue:** the value of services provided to non-resident passengers comprises fares and passengers' expenditure on board. Since UK operators are not able to distinguish between fares received from UK residents and non-residents, fares collected abroad are assumed to represent fares received from non-residents (passenger revenue collected abroad from UK residents is thought to be small and is likely to be counter-balanced by that collected in the UK from foreign residents). An estimate of passengers' expenditure on board is added, taking the non-residents' proportionate share of the total to be the same as for fares.

**Freight:** earnings consist of freight services on UK exports and are based on data supplied to the Chamber of Shipping. Time charter receipts include receipts for charters with crew. Time charters without crew are included within the operational leasing component of Other Business Services (Table 3.9).

Table 2

	£ million	
	Exports	Imports
First published estimates	+600	+650
Second estimates	+250	+250
Third estimates	+120	+150
Fourth estimates	+50	+70
Fifth estimates	+10	+20
All subsequent estimates	0	0

Source: HRMC



**Disbursements:** estimates of disbursements in the UK by foreign operators are formed from a variety of sources. UK income from port charges, towage, handling costs and other port related services was collected in 1996 from a survey of port authorities. Crews' expenditure is estimated from information on numbers of visiting seamen, supplied by the Home Office. Regular returns are received on light dues from Trinity House. Estimates of expenditure on ships stores and on bunkers are now included within the trade in goods data. Time charter payments made to UK residents are included under 'Ships owned or chartered-in by UK residents'.

### Imports

**Passenger revenue:** estimates of passenger fares paid to non-resident operators are derived mainly from the results of the International Passenger Survey which is described in the notes below on 'Travel'. A further allowance is made for on board sales of goods and services. Passenger fares paid to non-resident operators for fly-cruises, however, together with other expenditure by UK passengers on board non-resident shipping, is included, but not separately identified, in 'Travel' imports.

**Freight:** estimates of freight services on UK imports provided by non-resident operators are compiled as follows; the estimates of total freight services (provided by ALL operators) on the sea legs of UK imports of goods are taken as the starting point, as described in Chapter 9. Chamber of Shipping estimates of the element provided by UK operated ships are then deducted to obtain the non-resident operators' element which is then used in the transportation account. Charter payments cover payments for charters with crew.

**Disbursements:** disbursements abroad include payments for canal dues, the maintenance of shore establishments, port charges, agency fees, handling charges, crews' expenditure, pilotage and towage, light dues and other miscellaneous port expenditure abroad. Payments for bunkers, ships stores and other goods purchased are now included within the trade in goods data.

### Air transport

The exports of UK airlines comprise the carriage of non-resident passengers to, from or outside the UK, the carriage of UK exports of goods (but not imports – see 'Freight and the valuation of UK trade in goods', above) and cross-trades and the chartering of aircraft to non-residents. Exports also include airport charges and services purchased in the UK by foreign airlines. Purchases of fuel and other goods are included within trade in goods.

Imports include expenditure abroad by UK airlines on airport charges, crews' expenses, charter payments, etc. They also include payments to foreign airlines for the carriage etc. of UK imports of goods (but not exports) and of UK mail; and for the carriage of UK passengers on flights covered by tickets for journeys to or from the UK (the carriage of UK passengers on other non-resident flights is included under 'Travel').

The transactions of UK airlines are derived from returns supplied by the airlines to the Civil Aviation Authority.

### Exports

**Passenger revenue:** this relates to all tickets sold outside the UK and used on UK aircraft, together with receipts from carrying passengers' excess baggage. An exercise by British Airways plc demonstrated that the value of tickets sold abroad to UK residents is roughly counter-balanced by sales in the UK to non-residents.

**Freight:** this consists of freight services on UK exports and the carriage of non-resident airmails, and is based on data supplied to the Civil Aviation Authority.

**Disbursements and other revenue:** these comprise expenditure in the UK by non-resident airlines on landing fees, other airport charges, handling charges, crews' expenses, office rentals and expenses, salaries and wages of staff at UK offices, commissions to agents and advertising. The estimates are based on returns from the Civil Aviation Authority, BAA plc and municipal airports on their receipts from non-resident airlines for air traffic control, landing fees and other airport charges; and survey information collected from large non-resident airlines operating in the UK on their other UK expenses. Purchases of fuel and other goods are now included within trade in goods.

Also included are receipts from the charter or hire of aircraft, and gross receipts of sums due from non-resident airlines under pooling arrangements and for services such as consultancy and engine overhaul.

### Imports

**Passenger:** the information on fares paid by UK passengers to non-resident airlines is derived from the International Passenger Survey; see notes on 'Travel' below.

**Freight:** estimates of non-resident airlines' freight on UK imports are derived by subtracting from the estimates of total freight on imports of goods arriving by air (see Chapter 9) the element provided by UK airlines, the residual being the freight services supplied by non-resident airlines. Other imports comprise payments to non-resident airlines for carrying UK airmails as reported by the Royal Mail Group to the Civil Aviation Authority.

**Disbursements and other payments:** disbursements abroad include airport landing fees, other airport charges, charter payments, crews' expenses, the operating costs of overseas offices, agents' commissions, advertising, settlements with non-resident airlines under pooling arrangements, and miscellaneous expenditure abroad. Purchases of fuel and other goods are now included within trade in goods.

### Other Transport

This covers the movement of passengers and freight, and other related transport services, by rail, road and pipeline.

**Rail:** this consists primarily of expenditure on fares and rail freight through the Channel tunnel. Passenger revenue estimates are based on numbers of passengers through the tunnel and average fare information. Estimates of rail freight through the tunnel are based on data provided by Le Shuttle and freight operators.

As the tunnel operators are a joint UK/French enterprise, half of passenger and freight transactions are taken to accrue to the UK part of the business. All tickets sold in France are assumed to be sold to non-UK residents (likewise, all tickets sold in the UK are assumed sold to UK residents). Of these, 50 per cent are assumed to accrue to the UK as they represent exports of rail transport services.

**Road:** exports comprise the earnings of UK road hauliers for the carriage outside the UK of UK exports of goods and the carriage within the exporting countries of UK imports (although such earnings from lorries leaving the UK via the Northern Ireland land boundary are only included from 2002). Estimates of numbers of journeys to various countries are derived from the International Road Haulage Survey, and rates for each journey are estimated from trade and other sources.

Imports include payments to all non-resident land transport operators for the carriage of UK imports of goods between the frontiers of the exporting countries and the foreign sea ports. Estimates are made by subtracting from the estimate of total freight on imports for land legs (as described in Chapter 9) an estimate of the element earned by UK operators (derived as for exports). Imports also include the earnings of non-resident road hauliers for carrying UK exports and imports within the UK, although estimates of the trade with the Republic of Ireland are only included from 1996. These are estimated from the statistics of ferry movements of foreign registered lorries, average loads, and average lengths of haul within the UK and estimated freight rates. The disbursements abroad by UK road hauliers, and in the UK by non-resident road hauliers, are included within 'Travel'.

**Pipeline:** this covers the cost of transport of oil freight via undersea pipelines. Data are derived from a survey of North Sea Oil and Gas companies.

### Travel (Table 3.3)

Travel covers goods and services provided to UK residents during trips of less than one year abroad (and provided to non-residents during similar trips in the UK). Transport to and from the UK is excluded and shown as passenger services under transportation (see above). Internal transport within the country being visited is included within travel.

A traveller is defined as an individual staying, for less than one year, in an economy of which he/she is not a resident. The exceptions are those military and diplomatic personnel, whose expenditure is recorded under government services. The one year rule does not apply to students and medical patients, who remain residents of their country of origin, even if the length of stay in another economy is more than a year.

The estimates are based primarily on the International Passenger Survey, which seeks information on expenditure from samples of non-resident visitors leaving the UK and of UK residents returning from abroad. For package tourists, estimates of the transport elements are deducted from the reported total package costs.



Estimates of the expenditure of UK residents visiting the Republic of Ireland and of Irish residents visiting the UK have been covered by the survey since the second quarter of 1999. Prior to this, data were derived from statistics published by the Irish Central Statistics Office.

## Business travel

Business travel is divided into expenditure by seasonal and border workers (individuals who work some or all of the time in economic territories that differ from their resident households) and other business travel. Estimates are based on the International Passenger Survey.

## Personal travel

Personal travel covers holidays, visits to friends and relatives, the expenditures of people visiting for education and health reasons and miscellaneous purposes. Visits for more than one purpose, where none is distinguished as the main purpose, are classified as other.

Education related travel exports covers the tuition fees and other expenditure of students who are funded from abroad and studying in the UK (imports covers the expenditure of UK students studying abroad). The figures also include the fees and other expenditure of pupils in UK private schools and students at other colleges and language schools. Income received direct from abroad by examining bodies and correspondence course colleges is included within personal, cultural and recreational services.

Fees and other expenditure paid by non-resident students for higher education are collected via a special International Passenger Survey (IPS) trailer which commenced in 1997.

Health related travel covers the cost of medical and other expenses of those travelling abroad for medical treatment. Estimates are based on information supplied to the IPS.

## Communication services (Table 3.4)

Communication services covers two main categories of international transactions: telecommunications (telephone, telex, fax, e-mail, satellite, cable and business network services) and postal and courier services. Information is obtained through the ONS International Trade in Services survey (ITIS) and direct from the Royal Mail Group.

## Insurance services (Table 3.5)

Insurance services cover the provision of various types of insurance to non-residents by resident insurance enterprises and vice versa. Insurance services include freight insurance on goods being imported or exported, direct insurance (life, accident, fire, marine, aviation, etc.) and reinsurance. The amounts recorded in the accounts reflect the service charge earned on the provision of insurance services. This is equal to net premiums from abroad (premiums less claims), plus property income attributed to policy holders, less the change in the reserves for foreign business, less foreign expenses. The figures for insurance companies' and brokers' underwriting activities are derived from

annual inquiries conducted by ONS. Lloyd's of London underwriting activity is based on data supplied by the Corporation of Lloyd's; they also include receipts for management services provided to overseas members of Lloyd's syndicates.

## Life insurance and pension funds

Life insurance covers underwriting services associated with long term policies. Data are collected in the ONS inquiry into insurance companies. Pension fund services include service charges relating to occupational and other pension schemes, but not compulsory social security services.

## Freight

Treatment of freight insurance is consistent with the f.o.b. valuation of trade in goods (see 'freight and the valuation of trade in goods' above). That is, non-resident importers pay for freight and insurance on journeys outside the UK. Where such services are provided by UK residents, this gives rise to a credit entry.

## Other direct insurance

Other direct insurance covers accident and health insurance; marine, aviation and other transport insurance; fire and property insurance; pecuniary loss insurance; general liability insurance, and other (such as travel insurance and insurance related to loans and credit cards).

## Reinsurance

Reinsurance represents subcontracting parts of risks, often to specialised operators, in return for a proportionate share of the premium income. Reinsurance may relate to packages which mix several types of risks. Exports of services are estimated as the balance of flows between resident reinsurers and non-resident insurers. Imports are estimated as the balance of flows between resident insurers and non-resident reinsurers.

## Auxiliary insurance services

This covers insurance broking and agency services, insurance and pension consultancy services, evaluation and adjustment services, actuarial services, salvage administration services, regulatory and monitoring services on indemnities and recovery services. These are measured by net brokerage earnings on business written in foreign currencies, and sterling business known to relate to non-residents. The main source of information on auxiliary insurance services is the ITIS survey.

## Financial services (Table 3.6)

Financial services cover financial intermediary and auxiliary services other than those of insurance companies and pension funds. They include intermediary service fees associated with letters of credit, bankers' acceptances, lines of credit, financial leasing and foreign exchange transactions. Also included are commissions and other fees related to transactions in securities; for example, brokerage, underwriting, arrangements of swaps, options and other hedging instruments etc.; commissions of

commodity futures traders; and services related to asset management, financial market operational and regulatory services, security custody services etc. Estimates are based on returns from the Bank of England (for banks), ITIS, and directly from other sources including the Baltic Exchange.

From the 2001 edition of the *Pink Book*, the service earnings of financial institutions are presented on a gross exports and imports basis. This treatment is consistent with the BPM5 edition of the accounts. Trade in services transactions covered by type of financial institution are detailed below:

## Monetary financial institutions (banks and building societies)

This covers UK banking services giving rise to:

- commissions for credit and bill transactions such as advising, opening and confirming documentary credits, collection of bills, etc
- spread earnings (net service earnings through spreads on market making) including those on transactions in foreign exchange, securities and derivatives
- fees and commissions on foreign exchange dealing
- commission on new issues of securities, investment management and securities transactions
- commission on derivatives transactions
- banking charges, income arising from lending activities, fees and commissions in respect of current account operations, overdraft facilities, executor and trustee services, guarantees, securities transactions and similar services

Estimates are based on inquiries carried out annually from 1986 to 1990 and for some earlier years. A quarterly survey was run in 1991. A new survey was introduced in 1992 to collect data on UK banks' current account transactions including services. A further new survey was introduced in 2004, which enabled the collection of spread earnings on foreign exchange, securities and derivatives transactions – the data prior to 2004 is estimated by the Bank of England largely on the basis of information on the volumes of transactions and movements in spreads. The survey is completed quarterly by a selected sample of banks and annually by the full UK banking population.

## Fund management companies

From 2001, information on investment management fees and fees generated from advisory and other related functions has been collected via the ITIS survey. Earlier estimates were derived from a survey of companies whose main activity is fund management. Earnings are net of any foreign expenses by the institutions concerned. They exclude earnings of insurance companies, which are covered by separate returns made to ONS (see above, under 'Insurance Services').

## Securities Dealers

The earnings of securities dealers are derived from a survey run by ONS. From the 1998

edition of the *Pink Book*, security dealers' spread earnings (service earnings through market making activities) are included as part of securities dealers' overseas earnings. This treatment is consistent with the domestic accounts as described in the European System of Accounts (1995). Estimates of these spread earnings are based on information on acquisitions and realisations of various classes of securities derived from ONS inquiries, together with the bid and offer prices for certain international bonds.

### Baltic Exchange

This covers the brokerage and other service earnings of members of the Exchange for chartering, sales and purchases of ships and aircraft and other associated activities. Estimates are based on a survey of Exchange members.

### Other

This includes commissions etc. received from abroad by UK residents (other than MFIs and oil companies, whose earnings are included elsewhere) for dealings in physical goods and in futures and options contracts. From 1990 to 2004 ONS carried out an annual survey of dealers in physical commodities. This data is now collected via the ITIS survey. The foreign earnings of financial futures and options dealers are assumed to have moved in line with the corresponding total earnings of such dealers reported in statutory returns to supervisory bodies.

This component also includes those financial services not included elsewhere, including financial service transactions (exports and imports) picked up from the ITIS survey, service charges on purchases of International Monetary Fund resources and estimates of imports of net spread earnings, which are based on the UK's share of world turnover data for cross-border foreign exchange and derivatives transactions and the UK's share of global imports of financial services.

### Computer and information services (Table 3.7)

Computer and information services cover computer data and news related service transactions including databases, such as development, storage and on-line time series; data processing; hardware consultancy; software implementation; maintenance and repair of computers and peripheral equipment; news agency services; and direct, non-bulk subscriptions to newspapers and periodicals. Information is obtained from the ITIS survey.

### Royalties and license fees (Table 3.8)

Royalties and licence fees cover the exchange of payments and receipts for the authorised use of intangible, non-produced, non-financial assets and proprietary rights (such as patents, copyrights, trademarks, industrial processes, franchises etc.) and with the use, through licensing agreements, of produced originals or prototypes (such as manuscripts and films).

The heading includes royalties, licenses to use patents, trade marks, designs, copyrights, etc.;

manufacturing rights and the use of technical 'know-how'; amounts payable or receivable in respect of mineral royalties; and royalties on printed matter, sound recordings and performing rights. Data are obtained through the ITIS survey. Film royalties from the ONS Films and TV inquiry are also included. Royalties incorporated in the contract prices of UK exports and imports of goods are recorded under 'Trade in Goods'. The outright sale of a copyright is treated as a sale of a non-produced, non-financial asset and is recorded within the Capital Account (Table 6.1).

### Other business services (Table 3.9)

Other business services cover a range of services including merchanting and other trade-related services, operational leasing (rental) without operators and miscellaneous business, professional and technical services.

### Merchanting and other trade related services

Merchanting is defined as the purchase of a good by a resident from a non-resident and the subsequent resale of the good to another non-resident, without the good entering the compiling economy. The difference between the purchase and sale price is recorded as the value of merchanting services provided.

Estimates of the net profits of UK firms from third country trade in goods are derived from ONS surveys. From 1990 to 2004 ONS carried out a specific sample survey of export houses, but information from these institutions is now collected via the ITIS survey, which has always collected information from other institutions on merchanting and trade related services. This component also covers fees charged for ship classifications and other related services, including information supplied by Lloyd's Register of Shipping.

### Operational leasing

Operational leasing covers leasing (other than financial leasing) and charters of ships, aircraft and other transportation equipment without crews. Operational leasing data are derived from the ITIS survey and from the Chamber of Shipping.

### Miscellaneous business, professional and technical services

Miscellaneous services include legal, accounting, management consulting, recruitment and training and public relations; advertising and market research and development; architectural, engineering and other technical services; agricultural, mining and on-site processing services associated with agricultural crops (protection against disease or insects), forestry, mining (analysis of ores) etc.; and other services such as placement of personnel, security and investigative services, translation, photographic etc. This item includes data from a number of different data sources, the most important of which is the ITIS survey.

Estimates of the earnings of solicitors are based on surveys held in respect of 1980 and annually since 1986 by the Law Society (in which amounts forwarded to barristers are included). From the 2000 edition of *Pink Book*, earnings of solicitors are collected as part of the ITIS survey. Other legal services also included estimates of the overseas earnings of UK barristers as supplied by the Commercial Bar Association.

Estimates of banks' and securities dealers' management services appear in the other business services account.

The North Sea oil and gas exports data mainly consists of work done abroad by UK owned drilling rigs and offshore supply boats and by UK seismic survey contractors, services provided by UK residents to the owners of foreign drilling rigs, the treatment of Norwegian oil and gas at the Seal Sands and St. Fergus terminals and the transporting of Norwegian gas to the latter terminal and receipts of the UK company operating the Murchison field from the Norwegian partners in respect of their share of the operating costs of the field. The imports item comprises services such as the hire of drilling rigs and marine support vessels, consultancy, diving and insurance (premiums less claims). The estimates are based on returns to the ITIS survey by companies classified to the industry (Class 11.20 of the Standard Industrial Classification, 1992).

### Personal, cultural and recreational services (Table 3.10)

Personal, cultural and recreational services are divided into audio-visual and related services and other. The first category covers services and associated fees relating to the production of motion pictures (on film or video tape), radio and television programmes (live or on tape), and musical recordings. It includes rentals, fees received by actors, directors, producers etc. The second category covers all other personal, cultural and recreational services including those associated with museums, libraries, archives, provision of correspondence courses by teachers or doctors etc. Income received direct from abroad by examining bodies and correspondence course colleges is also included. Most of the information is obtained from the ITIS survey but there is a special ONS inquiry for the film and television industry.

### Government services (Table 3.11)

Government services include all transactions by embassies, consulates, military units and defence agencies with residents of staff, military personnel etc. in the economies in which they are located. Other services included are transactions by other official entities such as aid missions and services, government tourist information and promotion offices, and the provision of joint military arrangements and peacekeeping forces (for example, United Nations). Information comes directly from government departments (including the Ministry of Defence and the Foreign and Commonwealth Office), foreign embassies and United States Air Force bases in the UK.

## Exports

**Expenditure by foreign embassies/consulates in the UK:** this comprises the cost of operating and maintaining Commonwealth High Commission offices, foreign embassies and consulates in the UK, including the personal expenditure of diplomatic staff, but excluding the salaries of locally engaged staff which are included within income; and similar expenditure by the UK offices of non-territorial organisations. In 1993 ONS conducted an inquiry to all high commission offices, embassies, consulates and international organisations in the UK. This figure has been updated for subsequent years using information obtained from several key high commissions and embassies and information on the number of diplomats in the UK.

**Military units and agencies:** this includes expenditure by the United States Air Force (USAF) in the UK (excluding the pay of locally engaged staff which is included within compensation of employees), together with receipts for services provided by UK military units in the UK and elsewhere to non-residents, such as military training schemes, which is sourced from the Defence Analytical Services Agency (DASA).

**European Union institutions exports:** these are services of the UK government in collecting the UK contributions to the EU Budget, and services provided at the site of the EU's Joint European Torus project in Oxfordshire.

**Other:** this comprises goods and services which the government provides to non-residents under its economic aid programmes (these are offset under 'Bilateral aid' transfer debits) and miscellaneous goods and services supplied by the UK government to foreign countries, including the reimbursement from other member states of the EU for treatment given by the National Health Service to their nationals.

## Imports

**Expenditure abroad by UK embassies and consulates:** goods and services provided by local residents to UK embassies, High Commission offices, Consulates and the British Council account for most of this heading. It also includes the goods and services provided by local residents to UK diplomatic and other non-military personnel stationed abroad, excluding the salaries of locally engaged staff. The source for this information is the Foreign and Commonwealth Office.

**Expenditure abroad by UK military units and agencies:** this includes expenditure on food, equipment, fuel and services purchased locally. These items are recorded partly on a net basis – that is, after deducting receipts arising locally. The source for this information is DASA.

**Other:** this includes goods and services provided by local residents to the UK Government, excluding military and diplomatic expenditure. It covers expenditure abroad of the British Council and the reimbursement to other member states of the EU for medical treatment given to UK nationals.

## References

*United Kingdom Trade in Services, UKA1.* UKA1 has been discontinued as a separate publication. All of the tables that were in Section A of UKA1 are now included in the *Pink Book*. New tables that were formerly in UKA1 but not in the *Pink Book* have been added to Chapter 9. The tables that were formerly in Sections B and C of UKA1 are now in a web-only publication which focuses on the results of the ITIS survey.

Old editions of UKA1 can be found at the following web address: [www.statistics.gov.uk/StatBase/Product.asp?vlnk=3343&Pos=&ColRank=1&Rank=256](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=3343&Pos=&ColRank=1&Rank=256)

The publication containing the ITIS survey results can be found at the following web address:

[www.statistics.gov.uk/StatBase/Product.asp?vlnk=14407&Pos=1&ColRank=2&Rank=240](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=14407&Pos=1&ColRank=2&Rank=240)

## Sea transport

An annual analysis describing the international activities of the UK shipping industry is published by the Department for Transport, in *Transport Statistics Great Britain* (The Stationery Office).

*Transport Statistics Great Britain, 2006 edition* can be found at: [www.dft.gov.uk/pgr/statistics/datatablespublications/tsgb/](http://www.dft.gov.uk/pgr/statistics/datatablespublications/tsgb/)

## Air transport

Information relating to passenger expenditure is published by the Civil Aviation Authority in CAA Monthly and Annual Statistics.

CAA statistics are available at: [www.caa.co.uk/pdf/default.aspx?catid=80&pagetype=90](http://www.caa.co.uk/pdf/default.aspx?catid=80&pagetype=90)

## Travel

Details are published regularly in National Statistics monthly *First Releases* and quarterly *Business Monitors (MQ6)*, both titled *Overseas Travel and Tourism*, and in the annual publication *Travel Trends*.

*Overseas Travel and Tourism First Releases* can be found at: [www.statistics.gov.uk/StatBase/Product.asp?vlnk=8168&Pos=1&ColRank=1&Rank=192](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=8168&Pos=1&ColRank=1&Rank=192)

MQ6 can be found at: [www.statistics.gov.uk/StatBase/Product.asp?vlnk=1905&Pos=&ColRank=1&Rank=192](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=1905&Pos=&ColRank=1&Rank=192)

*Travel Trends* can be found at: [www.statistics.gov.uk/statbase/Product.asp?vlnk=1391](http://www.statistics.gov.uk/statbase/Product.asp?vlnk=1391)

## Income (chapter 4)

### Introduction

The income account covers compensation of employees and investment income. For compensation of employees, estimates for total credits, debits and the balance appear at Table 4.1 but no detailed breakdown of the account is available. Investment income is broken down into four main categories; direct investment, portfolio investment, other investment and reserve assets.

## Compensation of employees

Compensation of employees comprises wages, salaries, and other benefits, in cash or in kind, earned by individuals in economies other than those in which they are residents, for work paid for by residents of those economies. Employees in this context, include seasonal or other short term workers (less than one year), and border workers who have centres of economic interest in their own economies. Compensation of employees also includes pay received by local (host country) staff of embassies, consulates and military bases as such entities are considered non-resident of the host economy.

Personal expenditure made by non-resident seasonal and border workers in the economies in which they are employed is recorded under travel within trade in services. Wages and salaries are recorded gross, with taxes paid recorded under current transfers.

## Credits

There are three components:

- wages, salaries and other benefits earned by UK seasonal and border workers, together with employers' contributions. The International Passenger Survey has been amended to collect information alongside expenditure of non-resident seasonal and border workers from 1998. Estimates for earlier years are based on the growth of travel and average earnings data
- wages and salaries earned by UK employees in US military bases in the UK. Information has been supplied to ONS by US military bases
- wages and salaries earned by UK employees of foreign embassies in the UK. In 1993, ONS conducted an inquiry to all high commission offices, embassies, consulates and international organisations in the UK, asking for information on expenditure – including that on locally employed staff. This figure has been updated for subsequent years using information from a small sample of key embassies

## Debits

There are two components:

- wages, salaries and other benefits earned by non-resident workers employed in the UK for less than one year. The International Passenger Survey has been amended to collect information alongside expenditure of non-resident seasonal and border workers from 1998. Estimates for earlier years are based on the growth of travel and average earnings data;
- wages, salaries and other benefits earned by foreign workers working in UK embassies and military bases abroad. Information on **pay of locally engaged staff** in UK embassies and military bases abroad is obtained from HM Treasury's Combined Online Information System (COINS), the Foreign and Commonwealth Office (FCO) and the Ministry of Defence (MOD).



## Investment income (Table 4.1 and 4.2)

The investment income account covers earnings (for example, profits, dividends and interest payments and receipts) arising from foreign investment in financial assets and liabilities. Credits are the earnings of UK residents from their investments abroad and other foreign assets. Debits are the earnings of foreign residents from their investments and funds held in the UK and other UK liabilities. The flow of investment is recorded separately from the earnings in the **Financial account**, although reinvested earnings of companies with foreign affiliates are a component of both – see **Earnings on direct investment** below. The total value of UK assets and liabilities held at any time is also recorded separately under the **International Investment Position**. The presentation of these three sections is almost identical, although there are small differences in coverage in some cases, mainly because full information is not available for all items.

Earnings on the credit side of the account cover such items as interest on UK residents' deposits with banks abroad, profits earned by UK companies from their foreign affiliates, and dividends and interest received by UK investors on their portfolio investments in foreign companies' securities, etc. Similarly, debits cover earnings by foreign investors on deposits held with UK banks, profits of foreign companies from their investments in their affiliates in the UK, and dividends and interest paid to foreign investors on their holdings of UK bonds and shares, including British government stocks, etc.

Earnings on assets and liabilities are defined to include all profits earned and interest and dividends paid to UK residents from non-residents or to non-residents by UK residents. They are, where possible, measured net of income or corporation taxes payable without penalty during the recording period by the enterprise to the economy in which that enterprise operates and, in the case of profits, after allowing for depreciation. Dividends are recorded when they are paid (on a cash basis), whereas interest is recorded on an accruals basis.

Profits and dividends include the (credit) earnings from foreign affiliates of UK registered companies and the (debit) earnings of profits and dividends by UK based affiliates of foreign based companies. Conceptually, stock appreciation and other unrealised capital gains and losses should be excluded from the flows entered in the balance of payments accounts, because they represent only valuation changes. However, data on these are included in banking sector statistics provided by the Bank of England. Profits retained abroad by foreign affiliates or retained in the UK by affiliates of foreign companies are included in the flows of earnings and offset in the financial account. All interest flows between UK residents and non-residents are in principle included.

## Earnings on direct investment (Table 4.3 and 4.4)

A direct investment relationship exists if the investor has an equity holding in an enterprise,

resident in another country, of 10 per cent or more of the ordinary shares or voting stock. The direct investment relationship extends to branches, subsidiaries and to other businesses where the enterprise has significant shareholding.

### Credits

Direct investment earnings include interest on loan capital, profits from branches or other unincorporated enterprises abroad and the direct investor's share of the profits of subsidiary and associate companies. It includes the direct investor's portion of reinvested earnings, which is also treated as a new investment flow out of the parent's country into the affiliate's and appears in the financial account (Table 7.3) as an offsetting entry to the earnings one.

Estimates of profits are made after providing for depreciation, the companies' own estimates of depreciation being used. Although depreciation is estimated at replacement cost in the national accounts, there is little doubt that the estimates in the balance of payments are, in the main, measured at historic cost (different treatments of depreciation result in different entries in the current and financial accounts, but the sum of the two entries will always be the same). Refunds of tax made retrospectively under double-taxation agreements are included in the period when they were made rather than the earlier periods in which they could be deemed to have accrued. Dividend receipts and payments include subsidiaries payments of withholding tax. Estimates for reinvested earnings are not collected separately but are derived by deducting dividends paid from total subsidiaries' profits.

### Monetary financial institutions (banks):

information on the direct investment earnings of UK registered banks, from their foreign branches, subsidiaries and associates are collected by the Bank of England from a selection of banks quarterly and from all banks which are, or have, a direct investment enterprise annually.

### Insurance companies and other financial intermediaries:

an annual inquiry forms the basis for estimates of direct investment earnings by UK insurance companies and other financial intermediaries; these results are supplemented by a quarterly survey. Earnings from foreign property by financial companies are also included here. They are estimated from the levels of such assets held by financial companies and information on their total income from abroad. In line with international standards, the earnings of other financial intermediaries include those of all holding companies.

### Private non-financial and public

**corporations:** earnings, both credits and debits, of all private and public non-financial corporations are estimated from the results of the ONS' annual direct investment inquiry. This inquiry covers a sample of UK companies that either have foreign affiliates or are affiliated to a foreign parent. Returns are imputed for companies which are not approached in the inquiry but which are known to have direct investment links. Results of the annual inquiry are available about twelve months after the end of the year and are published in a *National*

*Statistics First Release* and in *Business Monitor MA4*. The estimates for the latest year are based on a quarterly inquiry.

Copies of the FDI First Release can be found at: [www.statistics.gov.uk/StatBase/Product.asp?vlnk=728&Pos=1&ColRank=1&Rank=224](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=728&Pos=1&ColRank=1&Rank=224)

Copies of the FDI Business Monitor can be found at: [www.statistics.gov.uk/StatBase/Product.asp?vlnk=9614&Pos=1&ColRank=1&Rank=224](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=9614&Pos=1&ColRank=1&Rank=224)

### Earnings on foreign assets by the

**household sector:** this comprises household sector investment in property abroad. Investment in property includes the ownership of 'second homes' located outside the UK. Estimates of property ownership are based on information from the Department for Communities and Local Government (DCLG)'s Survey of English Housing (SEH). The SEH collects information from English households on the number of properties owned outside the UK. These estimates have been grossed to include all UK households. Average dwelling prices are applied as well as an estimate of property rental. These methodological changes have resulted in revisions to property flows, levels and income. For more information see the *Economic Trends* article: [www.statistics.gov.uk/CCI/article.asp?ID=1176&Pos=6&ColRank=2&Rank=224](http://www.statistics.gov.uk/CCI/article.asp?ID=1176&Pos=6&ColRank=2&Rank=224)

### Debits

Estimates for income earned from direct investment in the UK are based on the same inquiries to banks, financial institutions and private non-financial corporations as credits.

## Earnings on portfolio investment (Table 4.5 and 4.6)

### Credits

A large part of the total earnings of UK residents on equity securities and bonds and notes are earned on investments that are not considered to have led to the acquisition of a foreign affiliate (that is, less than 10 per cent ownership), and so are classified as portfolio rather than direct investment.

Earnings of UK residents on portfolio investment abroad are sub-divided into earnings on equity securities and earnings on debt securities; earnings on debt securities are further sub-divided into earnings on bonds and notes and earnings on money market instruments.

**Earnings on equity securities:** earnings on equity securities consist of dividends received by UK residents on their holdings of shares of foreign registered companies.

**Earnings on debt securities:** earnings on bonds and notes consist of interest received by UK residents on their holdings of foreign government and municipal loan stock and bonds of foreign registered companies; earnings on money market instruments consist of earnings of UK residents on holdings of foreign issued commercial paper, certificates of deposit, etc.

Estimates of earnings by monetary financial institutions (banks and building societies) are derived from statutory inquiries conducted by the Bank of England.

Estimates of earnings by insurance companies and pensions funds, and securities' dealers, are largely derived from ONS inquiries.

Estimates of earnings by other financial intermediaries and private non-financial corporations are derived from survey-based asset levels to which rates of return on comparable assets shown by financial institutions are applied.

Estimates of the household sector largely consist of earnings by members of Lloyd's of London which are supplied annually by Lloyd's. They include portfolio investment income on funds which are held abroad to support business underwritten in those countries. This income, which is generally reinvested in these foreign funds (see **Portfolio Investment**), is net of earnings distributed to Lloyd's foreign members. Also included are estimates of income from holdings of foreign equities acquired by UK households in exchange for their holdings of UK equities following an acquisition by a foreign direct investor. Typically, such acquisitions are funded by the issuance of shares by the investing company, rather than a cash payment. Significant levels of household ownership are most likely to exist when the UK company is a demutualised building society or privatised public utility.

## Debits

Foreign earnings on portfolio investment in the UK are sub-divided into earnings on equity securities and earnings on debt securities; earnings on debt securities are further sub-divided into earnings on bonds and notes and earnings on money market instruments.

**Earnings on equity securities:** Estimates of foreign earnings from UK equity securities consist of dividends paid to foreign holders of UK company ordinary shares. These estimates are calculated from Stock Exchange data on dividend payments, which are applied pro-rata to levels of non-resident holdings of UK shares derived from the ONS' share ownership surveys.

### Earnings on debt securities:

- **Earnings on bonds and notes:** Interest on UK foreign currency bonds and notes issued by central government relates to bonds issued by HM Government (the latest of which is the \$3 billion 5-year eurobond issued in 2003). Data are estimated from the liability level and known interest rates. Foreign earnings on British government stocks (gilts) are estimated from information on the levels outstanding and appropriate rates of interest. These earnings are calculated gross of UK income tax. Most gilts are issued by the UK government at a discount to the redemption value. This is recorded as interest accruing over the lifetime of the gilt.
- **Earnings on money market instruments:** Foreign earnings on UK money market instruments consist of earnings on foreign holdings of UK treasury bills, certificates of deposit and commercial paper. Estimates of interest paid to foreign holders of treasury bills are calculated on the basis of levels outstanding and appropriate interest rates. Estimates of foreign earnings on holdings of

UK certificates of deposit and commercial paper are derived from statistical inquiries conducted by ONS and the Bank of England, and from information supplied by the UK's Debt Management Office.

## Earnings on other investment (Table 4.7 and 4.8)

### Credits

Earnings of UK residents on other investment abroad are sub-divided into earnings on trade credit, loans, deposits and other assets.

**Trade credit:** only a minimal amount of data is available within trade credit. See Financial account notes for detail.

**Earnings on loans:** earnings on loans are sub-divided into earnings on long-term loans and earnings on short-term loans; short-term loans are those which are repaid in full within one year.

It is not possible to separate out UK monetary financial institutions' (MFIs) earnings on lending abroad from their earnings on deposits abroad. Estimates for earnings on such loans are therefore included indistinguishably within earnings on deposits (see below).

On long-term loans, earnings which are separately identifiable consist of earnings on loans by UK banks guaranteed by the Export Credit Guarantee Department (ECGD), earnings on loans by the ECGD, and earnings on loans by the Commonwealth Development Corporation (CDC). Data on earnings from these loans are derived from information supplied by the Bank of England, the ECGD and the CDC.

On short-term loans, the earnings which are separately identifiable mainly consist of earnings on loans by non-governmental sectors other than MFIs. Earnings on such loans are derived from banking statistics.

**Earnings on deposits:** estimates of earnings on deposits relate to private sector earnings.

Estimates for MFIs' earnings abroad are sub-divided into earnings on sterling deposits abroad and earnings on foreign currency deposits abroad.

Included under the heading of MFIs' earnings on deposits are earnings on MFIs' foreign lending as it is not possible to separate out UK banks' earnings on their lending abroad from earnings on their deposits abroad. Earnings from lending consist of the interest received by UK banks on overdrafts and loans to non-residents. In this context UK banks means all banks in the UK, including (with effect from 1 April 1998) the Banking Department of the Bank of England. The figures are based on returns made by banks to the Bank of England.

Estimates of securities dealers' earnings on deposits abroad are derived from an ONS statistical inquiry.

Estimates of earnings on deposits abroad for the UK private sector other than banks and securities dealers are largely estimated from levels of such assets (mainly those reported in banking statistics of countries in the BIS reporting area) and appropriate rates of interest. Adjustments are made to remove as far as

possible the effects of incomplete coverage and breaks in the reported assets series.

**Earnings on other assets:** until 2001 earnings from trusts and annuities were estimated from Inland Revenue data on all reported interest and dividend receipts from abroad. From 2001 Inland Revenue have ceased to collect this data, and from this point the data should be regarded as being of lower quality.

### Debits

Foreign earnings on other investment in the UK are subdivided into earnings on trade credit, loans, deposits and other liabilities.

**Trade credit:** Only a minimal amount of data is available within trade credit. See Financial account notes for detail.

**Earnings on loans:** this covers interest on loans raised from commercial banks abroad and the European Investment Bank (EIB).

It is not possible to separate out earnings on foreign loans to UK banks from earnings on foreign deposits with UK banks. The estimates for foreign earnings on UK banks' loans from abroad are therefore included indistinguishably within earnings on deposits.

Interest paid on central government long-term fixed-interest loans such as Lend-Lease and the Lines of Credit is reported by HM Treasury. Interest on the Very Short-term Financing Facility (VSTFF) taken out during 1992 and repaid in 1993 is also included here. Estimates of interest on local authorities' and public corporations' borrowing from abroad are made by the Bank of England on the basis of levels outstanding and appropriate discount rates.

Estimates of foreign earnings on securities dealers' loans from abroad are derived from an ONS statistical inquiry.

For estimates of foreign earnings on loans to the UK private sector (excluding monetary financial institutions and securities dealers) most interest payments are estimated from levels of liabilities to banks abroad (as published in the BIS international banking statistics) and appropriate interest rates. Information on interest paid by the UK non-bank private sector to the EIB is supplied by the EIB.

**Earnings on deposits:** foreign earnings on deposits with UK MFIs are sub-divided into earnings on deposits with banks, and earnings on deposits with building societies.

It is not possible to separate out foreign earnings on deposits with UK banks from foreign earnings on loans to UK banks. The estimates for foreign earnings on loans to UK banks are therefore included indistinguishably within earnings on deposits. Foreign earnings on deposits with UK banks consist of interest on foreign residents' deposits in sterling and foreign currencies. They include the interest paid on deposits which are the counterpart to foreign currency loans made to HM Government and, under the public sector Exchange Cover Scheme, to local authorities and other public bodies. Estimates are made from banking statistics.

Estimates of interest paid abroad on deposits with UK building societies are estimated by

applying appropriate interest rates to levels outstanding.

**Earnings on other liabilities:** imputed income to foreign households from UK insurance companies' technical reserves is recorded in the balance of payments because households are regarded as owning the net equity of pension funds and life assurance reserves; i.e., the funds set aside for the purpose of satisfying the claims and benefits foreseen. The estimates are derived from data collected on ONS statistical inquiries.

## Earnings on reserve assets (Table 4.1)

Interest received on the official foreign exchange reserves and on the UK's holdings of Special Drawing Rights with the IMF and other remuneration received from the IMF (related to its holdings of sterling), is recorded within the Exchange Equalisation Account by the Bank of England.

## Current transfers (chapter 5)

### Introduction

Most entries in the balance of payments accounts represent resources provided (goods and services exported or imported or the use of investments) or changes in financial assets and liabilities. Most transactions between UK residents and non-residents give rise to two such entries, which are theoretically recorded in the accounts with opposite signs. For some transactions however, only one such entry appears. Examples are a gift of goods sent abroad (which appears as a positive entry under 'Trade in Goods') and a transfer to abroad of financial assets (which appears as a positive entry in the financial account). Some of the entries in this section represent the counterpart to such entries (the value of the gift of goods or of the assets transferred, with a negative sign in both the examples).

Transfers are separately identified as either current or capital. Capital transfers relate to the transfer of ownership of a fixed asset, or the forgiveness of a liability by a creditor, when no counterpart is received in return. Counterparts to the financial account entries resulting from money being brought to, or taken from, the UK by migrants are included within the **Capital account**.

Current transfers are sub-divided into those of central government and other sectors. UK's contributions to and receipts from the European Union budget are recorded on a gross basis.

### Central government current transfers

Central government transfers include receipts, contributions and subscriptions from or to European Union (EU) institutions and other international bodies, bilateral aid and military grants. Information mainly comes from government departments (HM Treasury, Foreign & Commonwealth Office and Department for International Development).

### Credits

These mainly comprise receipts of the UK central government from EU institutions, taxes on income, and social contributions paid by non-resident workers.

**Current taxes on income and wealth:** these are the receipts of the UK government from taxes on the incomes of non-resident seasonal and border workers working in the UK (the incomes themselves are recorded as compensation of employees) and withholding taxes paid to the UK by non-resident direct investment corporations. The former are estimated on the basis of the compensation of employees information derived from the International Passenger Survey and the latter from the ONS inquiries into foreign direct investment.

**Social contributions:** these represent social contributions paid to the UK National Insurance Fund by non-residents.

**EU institutions:** these receipts comprise the VAT Abatement and other smaller, miscellaneous EU receipts. From the 1998 edition of the *Pink Book*, the VAT Abatement is treated as a credit entry to the UK balance of payments, rather than simply netted off VAT based contributions.

### Debits

These comprise payments by the UK central government to international organisations and other non-residents.

**Social Security benefits:** these mainly consist of National Insurance Fund retirement and war pensions paid abroad.

**European Union institutions:** these payments are mainly the Central Government part of the UK contribution to the EU budget.

**Other international organisations:** this includes contributions to the military budget of NATO, contributions to the European Regional Development Fund and agencies of the United Nations to provide economic assistance to developing countries, and subscriptions to cover the administrative expenses of various other international bodies.

**Bilateral Aid:** this covers technical co-operation and non-project grants (project grants are included within capital transfers as they fund capital projects). Technical co-operation covers the provision of technical 'know-how' to developing and transitional countries either as qualified manpower or as facilities for the training of nationals of these countries. It is wholly-funded by the UK Government and is included as a credit in Trade in Services. Non-project grants are cash grants to developing countries for use in financing imports and budgetary support, together with the value of goods and services provided by the UK government as food aid or disaster relief.

**Military Grants:** these consist of cash grants for military purposes and the value of goods and services of a military nature provided without charge to foreign countries and international organisations by the UK government.

### Other sectors' transfers

Other sectors' transfers cover current taxes paid, receipts and payments to EU institutions, net non-life insurance premiums and claims, and other payments and receipts of households, including workers remittances.

### Credits

**Private social contributions:** this consists of the actual social contributions paid by non-residents, plus the imputed contribution supplement, less the service charge. Data is sourced from ONS surveys to pension funds.

**Receipts from EU institutions:** comprise those in respect of the EU's Agricultural Guarantee Fund and Social Fund. They are treated as non-government transfers within the national accounts and balance of payments, as the UK government acts as an agent for the ultimate beneficiary of the transfer.

**Net non-life insurance premiums:** comprise the actual premiums received from non-residents plus the imputed premium supplement, less the insurance service charge. The sources for these data are the ONS surveys of insurance corporations, which collect premiums by type of insurance product, and Lloyd's of London.

**Non-life insurance claims:** these are based on information supplied to the International Trade in Services survey on insurance claims received from non-resident insurance companies.

**Other receipts of households:** consists of three main components:

- workers remittances, estimated as the savings from work of UK nationals temporarily resident in Middle East oil exporting countries, estimated from the number of UK passport holders resident in these countries, and assumed average savings per worker. These data are supplemented by information in the global transfer debits of the countries concerned
- pension payments and other transfers (excluding immigrants assets) from OECD countries, estimated mainly from information supplied by these countries on their payments to the UK
- similar transfers from other countries. These are estimated from published current transfer debits figures, supplemented by bilateral information on payments to the UK, supplied directly to ONS. Also included are UK receipts from voluntary aid agencies or non-profit institutions serving households (NPISHs)

### Debits

**Current taxes on income:** these are taxes on the incomes of UK seasonal and border workers (recorded as Compensation of employees) working abroad and withholding taxes paid abroad by UK direct investment corporations. The former are estimated on the basis of the compensation of employees information derived from the International Passenger Survey and the latter from the ONS inquiries into foreign direct investment.



**Private social benefits:** comprise private pensions paid abroad, plus the change in net equity in pension fund reserves of non-residents. The data source is the ONS survey of pension funds.

**Payments to EU institutions:** these comprise agricultural and sugar levies, customs duties and VAT based contributions.

**Net non-life insurance premiums:** this covers premiums paid by UK companies to non-resident insurance companies collected via the International Trade in Services survey.

**Non-life insurance claims:** this covers settlement of claims by UK insurance companies to non-resident claimants, which are regarded as a transfer debit. The total of claims equals the total of net premiums (service charges having been deducted), as the essential function of non-life insurance is to redistribute resources. The sources for these data are the ONS surveys of insurance corporations, and Lloyd's of London.

**Other payments of households:** these include a number of separate components:

- cash transfers from UK households to non-residents. Data were obtained from exchange control records until 1979. Estimates for later years are based on counterpart information supplied by a number of countries on their receipts from the UK. These data are used in conjunction with historical information collected in the Family Expenditure Survey and, for recent years, the trend in UK personal disposable income
- payments abroad by voluntary aid agencies or non-profit institutions serving households (NPISHs). These estimates are based on data supplied by the Institutions
- the estimated value of gifts sent abroad by parcel post

## Capital account (chapter 6)

The capital account comprises two components: capital transfers and the acquisition/disposal of non-produced, non-financial assets.

## Capital Transfers

Capital transfers are those involving transfers of ownership of fixed assets, transfers of funds associated with the acquisition or disposal of fixed assets, and cancellation of liabilities by creditors without any counterparts being received in return. As with current transfers, they can be sub-divided into central government transfers and other sectors transfers. The main sources of information are government departments (Department for International Development (DfID) and HM Treasury) and the Bank of England. Compensation payments from the EU related to the destruction of animals to combat BSE and foot and mouth disease are also included here.

## Central government capital transfers

These consist of debt forgiveness and project grants (there are no receipts in recent years).

## Debits

Debt forgiveness is defined as the voluntary cancellation of debt between a creditor, in this case the UK government, and a debtor in another country. Data are supplied by DfID. Project grants are cash grants to developing countries for the establishment of production and infrastructure facilities. Such transfers are distinguished from current transfers as they are conditional on the acquisition of fixed assets. Data are supplied by DfID.

## Other sectors capital transfers

These include migrant's transfers, debt forgiveness and capital transfers from European Union Institutions.

## Credits

**Migrants' Transfers:** these are recorded as being equal to the net worth of the migrants, as they arrive in the UK. Estimates are based on information on number of migrants and average assets being transferred as supplied to the International Passenger Survey. These data are supplemented by information on migrants to and from Ireland and asylum seekers, which are not covered by the IPS.

**Transfers from EU Institutions:** regional development fund and agricultural guidance fund receipts from the EU are considered to be capital rather than current transfers as they relate to infrastructure projects. Data are supplied by HM Treasury. Other capital transfers include agricultural compensation scheme payments relating to the destruction of animals to combat BSE and Foot and Mouth Disease.

## Debits

**Migrants' transfers:** these represent the net worth of emigrants as they leave the UK. Estimates are based on information on the number of migrants and average assets being transferred as supplied to the International Passenger Survey. These data are supplemented by information on migrants to and from Ireland, which are not covered by the IPS.

**Debt forgiveness:** this consists of non-government debt forgiveness by monetary financial institutions and public corporations. Data on monetary financial institutions is supplied by the Bank of England and data on public corporations is supplied by the Export Credit Guarantee Department.

## Sales/Purchases of non-produced, non-financial assets

This heading covers intangibles such as patents, copyrights, franchises, leases and other transferable contracts, goodwill etc. and transactions involving tangible assets that may be used or needed for the production of goods and services but have not themselves been produced, such as land and sub-soil assets. The use of such assets is recorded under trade in services as royalties and license fees; only the outright purchase or sale of such assets is recorded in the capital account.

The International Trade in Services (ITIS) survey has collected information on the sale and

purchase of copyrights, patents and transferable contracts from 1996. Such transactions are indistinguishable from other areas of the current account for years before 1996.

## Financial account (chapter 7)

## Introduction

The financial account covers transactions which result in a change of ownership of financial assets and liabilities between UK residents and non-residents. The financial account is broken down into five main categories: direct investment, portfolio investment, financial derivatives, other investment and reserve assets.

In the balance of payments accounts, the term 'investment' has a wide coverage. It does not refer only to the creation of physical assets but also, for example, to the purchase (or sale) of paper assets, such as shares, bonds and other securities. Investment also covers the financing of trade movements and other financial transactions between related companies in the UK and abroad. These 'other financial transactions' consist mainly of borrowing and lending by banks, both transactions by UK banks with non-residents and transactions of banks abroad with UK residents. Such borrowing and lending may be associated with UK trade in goods. For example, a non-resident may borrow from a UK bank to pay a UK exporter; alternatively he may use money already on deposit with the bank. Such borrowing or use of deposits will be included in the appropriate item in the financial account offsetting the entry under trade in goods.

Banking transactions may also arise from the financing of other financial transactions. For example, a UK company may borrow from a foreign bank in order to finance investment ('direct investment') in one of its subsidiary companies abroad. In this case, both the bank borrowing and the investment would be recorded in this section of the accounts and the two entries would offset each other; the investment would increase UK assets abroad while the borrowing would increase UK liabilities to foreign residents.

The total value of assets and liabilities held at the end of each year is recorded separately under the International Investment Position (see Chapter 8) and the income earned from them is recorded under investment income within the income account (see Chapter 4). The presentations of these sections are almost identical although there are small differences in coverage in some cases, mainly because full information is not available for all items. The financial account tables appearing at Chapter 7 show net debits (UK assets) above net credits (UK liabilities), in order to allow easier read across with the investment income and international investment position tables which appear at Chapters 4 and 8.

## Direct investment (Table 7.3 and 7.4)

The term 'direct investment' defines a group of transactions between enterprises, usually companies, that are financially and

organisationally related and are situated in different countries. Such related enterprises – ‘affiliates’ – comprise subsidiaries, associates and branches. Further details are given in the Glossary. Direct investment refers to investment that is made to add to, deduct from, or acquire, a lasting interest in an enterprise operating in an economy other than that of the investor and which gives the investor an effective voice in the management of the enterprise. Equity investment in which the investor does not have an effective voice in the management of the enterprise (that is, the investor has less than 10 per cent of the voting shares) are regarded as portfolio investments. The estimates of direct investment include the investor’s share of the reinvested earnings of the subsidiary or associated company, the net acquisition of equity capital, changes in inter-company accounts and changes in branch/head office indebtedness.

## Investment abroad by UK residents

**Direct investment abroad by UK residents** comprises net investment by UK companies in their foreign branches, subsidiaries or associated companies. The figures of outward investment also cover the transactions of a number of concerns which were previously classified as public corporations. Transactions of central government are excluded from direct investment.

Direct investment abroad includes property transactions by both institutional investors and households. Investment in property includes the ownership of ‘second homes’ located outside the UK and is based on information from the DCLG’s Survey of English Housing (SEH). The SEH collects information from English Households on the number of properties owned outside the UK. These estimates have been grossed to include all UK households.

For further information on property investment, see **Earnings on Direct Investment** under the **Investment Income** section.

## Investment in the UK by foreign residents

**Direct investment in the UK by foreign residents** predominantly includes net investment by foreign companies in branches, subsidiaries or associated companies in the UK.

Estimates of direct investment are mainly derived from quarterly and annual inquiries by ONS and the Bank of England, the combined results of which are published periodically in *National Statistics First Releases and Business Monitor MA4*; the latter provides geographical analyses.

Copies of the First Release can be found at: [www.statistics.gov.uk/StatBase/Product.asp?vlnk=728&Pos=1&ColRank=1&Rank=224](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=728&Pos=1&ColRank=1&Rank=224)

Copies of *Business Monitor MA4* can be found at: [www.statistics.gov.uk/StatBase/Product.asp?vlnk=9614&Pos=1&ColRank=1&Rank=224](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=9614&Pos=1&ColRank=1&Rank=224)

Limited information on property transactions is obtained by HM Revenue & Customs, ONS and the Bank of England. Some of this is published in *Financial Statistics*, and that relating to

transactions by insurance companies and pension funds, in *Business Monitor MQ5*. From 2003 the former Inland Revenue ceased to collect this data, and from this point the data should be regarded as being of lower quality.

Copies of *Business Monitor MQ5* can be found at: [www.statistics.gov.uk/StatBase/Product.asp?vlnk=502&Pos=&ColRank=1&Rank=256](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=502&Pos=&ColRank=1&Rank=256)

## Portfolio investment (Table 7.5 and 7.6)

Portfolio investment is sub-divided into investment in equity securities and investment in debt securities; investment in debt securities is further sub-divided into investment in bonds and notes and investment in money market instruments.

## Investment abroad by UK residents

**Transactions in equity securities:** these represent net transactions by UK residents in shares of foreign registered companies.

**Transactions in bonds and notes:** transactions in bonds and notes, within debt securities, consists of net transactions in foreign government and municipal loan stock, and bonds of foreign registered companies.

Investment abroad by Lloyd’s of London, including in members’ premiums trust funds and overseas regulatory deposits, is included under household sector transactions in bonds and notes.

Estimates of portfolio investment transactions by insurance companies and pension funds, and other financial intermediaries, are obtained from inquiries. Prior to 2006, portfolio transactions by UK MFIs were based on reported transactions. From 2006 onwards, estimates of net transactions in both equity and debt securities by UK MFIs are derived from changes in reported balance sheets. Estimates for securities dealers’ foreign investment, within other financial intermediaries, are based on integrated financial returns, with transactions aligned with changes in balance sheets. Adjustments are made to the reported data for insurance companies to remove the commission charges and other local costs included in the gross acquisitions and sales figures which are not appropriate to the financial account.

Estimates of portfolio investment transactions of private non-financial corporations are derived from asset levels at each year-end, measured in the ONS’s Financial Assets and Liabilities inquiry.

**Transactions in money market instruments:** these consist of transactions in foreign issued commercial paper and certificates of deposit. Estimates are derived from statistical surveys undertaken by ONS and the Bank of England.

## Investment in the UK by foreign residents

**Transactions in equity securities:** the main sources for estimates of transactions in ordinary shares are a range of statistical inquiries conducted by the ONS. Data are adjusted to take account of total levels of foreign investment

in shares as indicated by the results of the ONS’ biennial Share Register Survey.

### Transactions in debt securities:

**Transactions in bonds and notes:** this includes foreign net acquisitions and disposals of bonds and notes.

Foreign transactions in bonds and notes issued by HM Government are subdivided into transactions in UK foreign currency bonds and notes and transactions in other central government bonds.

Foreign transactions in British government stocks consists of net transactions by central banks, international organisations and private foreign residents in government and government guaranteed stocks. It is measured from banking statistics and other Bank of England sources. Most gilts are issued by the UK government at a discount to the redemption value.

Foreign transactions in bonds issued by local authorities and public corporations have been zero in recent years. They are measured from official records.

Total foreign transactions in bonds and notes issued by non-governmental sectors are obtained by assuming that any net transactions in UK securities not attributable to the domestic sectors of the UK (using all available data sources) are attributable to foreign residents. The further breakdown of these data by sector and instrument is derived from data provided by the Bank of England supplemented by best estimates.

**Transactions in money market instruments:** these consist of net acquisitions of UK treasury bills, certificates of deposit and commercial paper. Foreign residents’ net transactions in Treasury bills exclude any bills held by the Bank of England as the sterling counterpart of foreign currency deposits arising from central bank assistance. Estimates of foreign transactions in UK certificates of deposit and commercial paper are derived from statistical inquiries conducted by ONS and the Bank of England, and from information supplied by the UK’s Debt Management Office.

## Financial derivatives (Table 7.1)

**Financial derivatives** include options (on currencies, interest rates, commodities, indices, etc.), traded financial futures, warrants and currency and interest rate swaps. Estimates for financial derivatives are currently unavailable except for net transactions by UK banks. Prior to 2005, the banks’ transaction only covered net settlement receipts/payments on interest rate swaps and forward rate agreements. From 2005 onwards, the coverage is for all UK bank derivative transactions, data for which are supplied by the Bank of England. An article examining the use of derivatives in the UK accounts was published in the May 2005 edition of *Economic Trends*. It can be found at: [www.statistics.gov.uk/downloads/theme\\_economy/ET618.pdf](http://www.statistics.gov.uk/downloads/theme_economy/ET618.pdf)



## Other investment (Table 7.7 and 7.8)

Other investment is sub-divided into trade credit, loans, currency and deposits, and transactions in other assets.

### Investment abroad by UK residents

**Trade credit:** represents the extent to which the flows of payments for imports and exports follow or precede the flows of goods or services in the current account. Lending activity to facilitate trade, including those loans underwritten by the Export Credit Guarantee Department (ECGD), is treated as loans and not trade credit within the accounts (see *loans*). Trade credit between related firms (that is, credit received or extended between a UK business and a foreign affiliate or parent company) is treated as an investment in the affiliate or parent company, and is therefore recorded under direct investment.

At present only a minimal amount of data is recorded within trade credit. Some data previously recorded in this area has been reclassified as bank lending (see above), and is now within the loans data in other investment abroad. Other data are no longer suitable for inclusion and have been removed from the accounts, generally back to 1999.

**Loans:** these are sub-divided into long-term and short-term loans; short term loans are those which are repaid in full within one year. Long-term loans consist of inter-government loans by the UK central government, loans by the Commonwealth Development Corporation (CDC) (a public corporation), loans by UK banks guaranteed by the ECGD, and loans by the ECGD itself. Inter-government loans covers drawings on and repayments of loans between the UK government and foreign governments. Estimates for loans by the CDC are obtained directly from the Corporation, UK banks' loans data are supplied by the Bank of England, whilst information on loans by the ECGD is supplied direct by the Department.

Estimates for short-term loans mainly consist of loans by UK banks and other financial institutions (within 'other sectors') and are derived from banking statistics.

**Currency and deposits:** estimates of UK residents' deposits abroad relate to private sector deposits.

Deposits abroad by UK MFIs are sub-divided into sterling and foreign currency deposits by UK banks. Some transactions in banks' foreign assets and liabilities taking place between two UK residents are also included, sometimes indistinguishably. However, these are matched by offsetting entries elsewhere in the accounts.

Estimates of MFIs' sterling deposits abroad are derived from banking statistics. Estimates for foreign currency deposits abroad have been calculated from the end-quarter balance sheets as reported by all UK banks and similar institutions to the Bank of England. Adjustments have been made to the reported changes in balance sheets to exclude revaluations resulting from changes in exchange rates.

Estimates of securities dealers' deposits abroad are derived from their asset levels reported to ONS.

Estimates of the UK private sector (excluding monetary financial institutions and securities dealers) are based on counterpart information obtained from the Bank for International Settlements (BIS). Due to limitations in the coverage of the BIS data, statistical adjustments have been applied from 1994 to improve the overall coherence of the sector financial accounts. The financial flows are estimated from changes in levels adjusted for exchange rate movements. They omit, as far as possible, the effects of any discontinuities in the levels series.

Estimates for transactions in foreign notes and coin by the UK private sector other than monetary financial institutions are based on tourists' expenditure. Transactions in non-monetary gold are included here. Net transactions in gold which is held as a financial asset by listed institutions in the London Bullion Market (LBM) are covered. These estimates are currently derived from data collected from banking statistics. The treatment of non-monetary gold is being reviewed as part of the worldwide process to revise the IMF Balance of Payments manual. Current proposals can be found on the IMF website [www.imf.org/external/np/sta/bop/iss.htm](http://www.imf.org/external/np/sta/bop/iss.htm). The main proposal is that the concept of non-monetary gold would be replaced by two categories – allocated gold (a commodity) and unallocated gold (a financial instrument). UK BoP will continue current practice until the treatments defined in the revised manual are implemented.

**Other assets:** this includes central government subscriptions to international organisations and covers capital subscriptions to international lending bodies other than the IMF, that is, regional development banks, the International Finance Corporation and the International Fund for Agricultural Development. Some transactions are in the form of non interest-bearing promissory notes and are included in the accounts as the subscriptions fall due, irrespective of the time of encashment of the notes. The information is obtained from official records.

The entry for UK banks' and ECGD's debt forgiveness offsets the corresponding entry in the capital account. Other sectors' short-term assets largely relate to assets of UK insurance companies and pension funds and other financial intermediaries other than those classified under portfolio investment, estimates for which are obtained from ONS statistical inquiries.

### Investment in the UK by foreign residents

**Trade credit:** only a minimal amount of data is recorded within trade credit. See outward investment notes for details.

**Loans:** these are sub-divided into long-term and short-term loans; the former are further sub-divided into drawings and repayments. It is not possible to separate out loans from abroad to UK banks from foreign deposits with UK banks; all such transactions are therefore assumed to be deposits.

Long-term loans consist of drawings and repayments by central government, local authorities and public corporations. Public corporations' borrowing directly from foreign residents under the exchange cover scheme is included. Repayments under the scheme by former public corporations that have since been privatised are included under repayments from central government, to whom their foreign debt was transferred following privatisation; such debt is known as novated debt. In recent years only local authorities have engaged in long-term borrowing from abroad; estimates are obtained from the Department for Communities and Local Government (DCLG). Estimates for other long-term loans are largely obtained from the Bank of England.

Estimates for central government short-term loans from abroad cover the Very Short-term Financing Facility (VSTFF), which was taken out during 1992 and repaid in 1993. Estimates for securities dealers' short-term loans from abroad are estimated from levels of liabilities reported in an ONS inquiry. Since 1995 statistical adjustments have been applied to the data for securities dealers' short-term loans in order to improve the overall coherence of the sector financial accounts.

Estimates of borrowing by UK residents other than banks are based on data reported to the Bank for International Settlements (BIS), and are generally confined to borrowing from commercial banks based within the BIS reporting area (see glossary). The data relate to levels of liabilities; flows have been estimated from changes in levels, adjusted to remove the effects of exchange rate movements and discontinuities in coverage. Due to limitations in coverage of the BIS data, statistical adjustments have been applied to the estimates since 1994 in order to improve the overall coherence of the sector financial accounts. Additional information on borrowing from the European Investment Bank (EIB) is obtained from the EIB.

**Currency and deposits:** these are sub-divided into transactions in sterling notes and coins, and deposits from abroad with UK monetary financial institutions including deposit liabilities of the UK central government.

Estimates of transactions in sterling notes and coin by private foreign residents (other than monetary financial institutions) are based on ONS statistics of tourists' expenditure. While sterling bank notes are issued by the Bank of England, which is classified to monetary financial institutions, coins are issued by the Royal Mint, which is classified to the central government sector. In the absence of any separate data for notes and coin, it is assumed that notes make up 90 per cent of total notes and coin.

Foreign deposits with UK monetary financial institutions are sub-divided into deposits with banks and deposits with building societies. It is not possible to separate out foreign deposits with UK banks from foreign loans to UK banks. The estimates for foreign loans to UK banks are therefore included indistinguishably within deposits.

Within deposits with UK monetary financial institutions, estimates for sterling deposits are derived from banking statistics and include both

current and deposit accounts. Foreign currency deposits comprise all external borrowing denominated in foreign currencies by UK banks (sometimes described as Euro currency transactions). They consist of changes in deposits with, and other lending to, UK banks from abroad. These transactions may be a reflection of (that is, the counterpart to) a variety of other foreign or domestic transactions by UK banks. These other transactions could be: foreign currency lending to UK residents (which are not balance of payments transactions); net purchases of foreign securities by the banks (which are included in direct or portfolio investment abroad as appropriate); any switching of banks' liabilities between foreign currencies (including gold) and sterling; or any change in the amount of foreign currency capital raised by banks.

Estimates for foreign currency deposits with UK monetary financial institutions have been calculated from the end-quarter balance sheets as reported by all UK banks and building societies to the Bank of England. Adjustments have been made to the reported changes in balance sheets to exclude revaluations resulting from changes in exchange rates.

Deposit liabilities of UK central government include short-term inter-government loans and transactions with non-residents under minor government accounts in the form of changes in balances not attributable elsewhere in the accounts. In recent years this has consisted entirely of balances held by the Paymaster General on the European Union (EU) account.

**Other liabilities:** these are sub-divided into long-term and short-term liabilities.

Long-term liabilities consist of net equity of foreign households in life assurance reserves and in pension funds and prepayments of premiums and reserves against outstanding claims which are recorded in the balance of payments because households are regarded as owning the net equity of pension funds and life assurance reserves; that is, the funds set aside for the purpose of satisfying the claims and benefits foreseen. The estimates are derived from data collected on ONS statistical inquiries.

Short-term liabilities largely consists of additions to insurance companies' technical reserves, estimates for which are derived from ONS statistical inquiries, and non-interest bearing notes, estimates for which are obtained from the Bank of England. Non-interest-bearing notes are issued by HM government and are held by international organisations.

## Reserve assets (Table 7.9)

This item consists of the sterling equivalent, at current rates of exchange, of drawings on, and additions to the gold, convertible currencies and Special Drawing Rights (SDRs) held in the Exchange Equalisation Account; and of changes in the UK reserve position in the IMF. From July 1979 convertible currencies also include European Currency Units acquired from swaps with the European Monetary Co-operation Fund (until December 1993), the European Monetary Institute (until December 1997) and the European Central Bank (from 1998). The swap arrangement was terminated in December 1998.

## International investment position (chapter 8)

### Introduction

The international investment position brings together the available estimates of the levels of identified UK external assets (foreign assets owned by UK residents) and identified UK external liabilities (UK assets owned by foreign residents) at the end of each calendar year.

The presentation of the international investment position is almost identical to the presentation of investment income, within the income account (see Chapter 4) and the financial account (see Chapter 7) although there are small differences in coverage in some cases, mainly because full information is not available for all items.

Changes in balance sheet levels will reflect not only transactions in the corresponding assets and liabilities but also changes in valuation and certain other changes. Changes in valuation will occur in the following circumstances:

- where assets and liabilities are denominated in foreign currencies, their sterling value may change because of changes in foreign exchange rates
- where assets and liabilities are regularly bought and sold (for example, British government stocks, UK and foreign company securities), the current market value may be different from the value at which they were acquired
- where the holders of assets and liabilities change their values in preparing their accounts to reflect what is thought to represent the current position (for example, bad debts may be written off and direct investment assets may be written up or down in the books of the investing company).

In addition to changes in the valuation of identical underlying assets and liabilities, changes in recorded levels of external assets and liabilities will also reflect some changes in coverage which introduce discontinuities in the series.

### Assessment of the international investment position

Because of the very varied data sources used to derive the estimates for the international investment position, there are some inconsistencies between the different figures in the tables, resulting particularly from different methods of valuation. Wherever possible, figures are at market values. However, for significant items such as direct investment, the figures are at book values and are subject to all the limitations of data taken from accounting balance sheets as a reflection of current market values. To the extent that the conventional valuation basis for direct investment is book values, or, in the case of banks, often historical cost values, an up-to-date valuation closer to market values is likely to be higher.

In addition, some assets and liabilities are measured very imperfectly (for example, for a number of items levels of assets and liabilities

are not directly reported but derived from cumulating recent identified transactions and allowing for estimated valuation changes). The balance between the estimates of identified external assets and liabilities has always been an imperfect measure of the UK's debtor/creditor position with the rest of the world.

To the extent that net errors and omissions reflect unrecorded or misrecorded financial transactions, the external balance sheet will tend to fail to capture the corresponding levels of assets and liabilities, although much will depend on the categories of assets and liabilities concerned:

- where both levels and transactions are reported (for example, portfolio investment by most financial intermediaries), there may be similar deficiencies to estimates of both levels and transactions, although levels may tend to be more accurate to the extent they are derived from annual accounting data
- where only levels are reported and transactions are derived from changes in levels, allowing as far as possible for valuation changes, (for example, non-portfolio transactions of UK and foreign banks), there may be errors in the estimates of transactions (for example, in allowing for valuation changes) with no corresponding error in levels
- where only transactions are reported and levels are calculated by cumulating transactions and allowing for valuation changes, for example, inward portfolio investment in UK company bonds, errors in recording transactions will lead to corresponding errors in levels. Thus if part of the net errors and omissions represents such missing portfolio investment inflows, the identified net assets figures will be overstated

### Allocation of Special Drawing Rights

These are issued to the UK by the IMF but are not regarded by them as a liability of the UK and do not form part of total external liabilities in this table.

### Direct investment levels (Table 8.3 and 8.4)

#### Investment abroad by UK residents

**Direct investment abroad by UK residents:** this represents the stock of investment in foreign branches, subsidiaries and associates and in real estate abroad. Figures for insurance companies, other financial intermediaries and private non-financial corporations are based on ONS survey data. The annual Foreign Direct Investment Inquiry collects balance sheet information to produce estimates of the net book value of direct investment for the end of each year. The figures to 2005 are based on the annual inquiry data and the 2006 figures are obtained from the quarterly inquiry for the fourth quarter of 2006..

The surveys relate to total net asset values attributable to investing companies, that is book values of fixed assets less accumulated depreciation provisions plus current assets less

current liabilities. The book values of direct investments are likely to be less than the values at written down replacement cost and less than the market values. There are no official estimates of the market value of UK direct investment assets and liabilities. However, research by Cliff Pratten (Department of Applied Economics, University of Cambridge) indicated that, on certain assumptions, the market value of UK direct investments abroad at end-1989 might be about double their book value, while the market value of foreign direct investment in the UK might be just under double their book values at the same point of time. However there are considerable uncertainties in making such estimates.

The comparison between transactions in the balance of payments account and changes in total assets and liabilities is not affected by allowances for depreciation of fixed assets as charged to the profit and loss account; such allowances are deducted before arriving at the earnings included in the current account, and the provision for depreciation is regarded as maintaining the total book value of the existing assets. Similarly, the comparison is unaffected by the treatment of reinvested earnings from direct investments, since these appear both in the current account as earnings and in the financial account as a flow of capital adding to the stock of assets. However, the values are affected by the treatment applied in their consolidated accounts by UK companies to value newly acquired foreign companies. Under both merger and acquisition accounting the increase in the net book value can be less than the net investment to complete the acquisition. The difference represents goodwill and the other costs associated with the transaction that are written off directly against reserves.

Direct investment by insurance companies and the household sector include estimates of all property investments together with related foreign loans of non-bank financial institutions. For more information on household property investment, see the **Investment income** section.

The figures for UK MFIs have been based on periodic censuses of foreign assets and liabilities carried out by the Bank of England, the latest data available is for end-2006; values for other years are estimated by similar methods to those used for other companies. From December 1998 a new annual report form was introduced for banks. The level of investment is defined as the sum of reporting institutions' investment in ordinary and preference shares, loan and working capital and other capital funds and reserves of their foreign affiliates; less certain funds raised by foreign affiliates through the issue of loan stocks and subsequently redeposited with their UK parents.

## Investment in the UK by foreign residents

**Direct investment in the UK by foreign residents:** this represents the stock of investment by companies incorporated abroad in their UK branches, subsidiaries and associates. The estimates relate to book values and are measured in the same way as those for direct investment abroad. The latest year estimates are based on accumulated flows. Foreign direct

investment in private non-financial corporations includes foreign residents' holdings of UK real estate not held through companies trading in the UK. It is estimated from the financial flows and appropriate indicators of market prices.

## Portfolio investment levels (Table 8.5 and 8.6)

Portfolio investment abroad is sub-divided into equity securities and debt securities; debt securities are further sub-divided into bonds and notes and money market instruments.

## Investment abroad by UK residents

**Equity securities, and debt securities: bonds and notes:** equity securities consists of UK residents' holdings of shares of foreign registered companies. Investment in bonds and notes consists of holdings by UK residents of foreign government and municipal loan stock and bonds of foreign registered companies.

The total is calculated using a combination of banking statistics, the results of the Bank of England's portfolio investment inquiry to banks on their customers' transactions, and information from ONS statistical inquiries to insurance companies and pension funds and other financial intermediaries including securities dealers.

Estimates for Lloyd's of London fall within household sector investment in bonds and notes; estimates are derived from data supplied by Lloyd's. Estimates of assets held by the household sector other than Lloyd's of London, together with estimates of assets held by private non-financial corporations, are derived from the quarterly Financial Assets and Liabilities survey.

**Debt securities: money market instruments:** this consists of holdings of foreign issued commercial paper and certificates of deposit. Estimates are derived from statistical surveys undertaken by ONS and the Bank of England.

## Investment in the UK by foreign residents

**Equity securities:** the market value of inward portfolio investment in listed ordinary shares is based on the results of the now biennial share ownership surveys. Adjustments are made to exclude holdings of a direct investment nature and to establish the beneficial ownership of nominee share and third party share holdings (the latest Share Ownership Report, covering end-2006, was published by ONS in July 2007).

Editions of the Share Ownership Report can be found at: [www.statistics.gov.uk/StatBase/Product.asp?vlnk=930&Pos=1&ColRank=1&Rank=272](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=930&Pos=1&ColRank=1&Rank=272)

**Debt securities:**

**Bonds and notes:** Levels of investment in UK foreign currency bonds and notes issued by HM Government are translated to sterling at end-year middle-market rates.

Levels of British government stocks held by foreign central banks, international organisations and private foreign residents are measured from banking statistics and other

Bank of England sources including the Central Gilts Office.

Levels of inward investment in bonds and notes issued by UK MFIs and other sectors are estimated from information derived from Bank of England and London Stock Exchange records of UK company bond issues, accumulated financial transactions, and price and exchange rate movements.

**Money market instruments:** this consists of foreign holdings of UK treasury bills, commercial paper and certificates of deposit. Estimates are derived from statistical surveys undertaken by ONS and the Bank of England, and from information supplied by the UK's Debt Management Office.

## Other investment levels (Table 8.7 and 8.8)

### Investment abroad by UK residents

Other investment abroad by UK residents is sub-divided into trade credit, loans, currency and deposits, and other assets. For notes on trade credit, loans, and central government subscriptions to international organisations, see under 'Other investment abroad by UK residents' under **Financial account** (Chapter 7).

**Currency and deposits:** Estimates of UK residents' holdings of foreign notes and coins and of deposits abroad relate to the private sector.

Estimates of foreign notes and coin covers estimated holdings (excluding gold coin) by UK residents. Data for MFIs are obtained from the Bank of England. Data for other sectors are derived from transactions with an allowance for exchange rate movements.

Deposits abroad by UK MFIs are derived from banking data collected by the Bank of England. Estimates of securities dealers' deposits abroad are derived from an ONS statistical inquiry.

Estimates of other UK private sector deposits with banks abroad are derived from the banking statistics of countries in the BIS reporting area (as defined in the Glossary) obtained from the Bank for International Settlements. They include the working balances of various UK companies. Due to the limitations in the coverage of the BIS data, statistical adjustments have been applied to the financial flows data since 1994 to improve the overall coherence of the sector financial accounts. In order to maintain consistency between financial flows and balance sheet levels corresponding coherence adjustments have been applied to the International Investment Position.

**Other assets:** Other sectors' long-term and short-term assets largely relate to assets other than bonds and shares of UK insurance companies, pension funds and other financial intermediaries. Estimates are obtained from ONS statistical inquiries.

### Investment in the UK by foreign residents

Other investment in the UK by foreign residents is sub-divided into trade credit, loans, currency and deposits, and other liabilities. For notes on



trade credit, and loans to central government, local authorities, public corporations and securities dealers, see under 'Other investment in the UK by foreign residents' under **Financial account** (Chapter 7).

**Short-term loans to the UK private sector other than MFIs and securities dealers:** estimates for such loans are derived mainly from the banking statistics of countries in the BIS reporting area. Adjustments have been made to eliminate overlap with other items. The limitations in the BIS data has resulted in statistical adjustments being applied to the financial flows data from 1994 to improve the overall coherence of the sector financial accounts. In order to maintain consistency between financial flows and balance sheet levels corresponding coherence adjustments have been applied to the IIP. Borrowing from the European Investment Bank is also included.

**Currency and deposits:** levels of sterling notes and coin held by private foreign residents (other than MFIs) are estimated from the financial flows.

Foreign deposits with UK MFIs are sub-divided into deposits with banks and deposits with building societies. It is not possible to separate out foreign deposits with UK banks from foreign loans to UK banks. The estimates for foreign loans to UK banks are therefore included indistinguishably with deposits. Estimates are derived from banking statistics collected by the Bank of England.

Deposit liabilities of UK central government include short-term inter-government loans and transactions with non-residents under minor government accounts in the form of balances not attributable elsewhere in the accounts. Since 1973 this has consisted entirely of balances held by the Paymaster General on the European Union (EU) account.

**Other liabilities:** Long-term liabilities consist of net equity of foreign households in life assurance reserves and in pension funds and prepayments of premiums and reserves against outstanding claims which are recorded in the balance of payments because households are regarded as owning the net equity of pension funds and life assurance reserves; that is, the funds set aside for the purpose of satisfying the claims and benefits foreseen. The estimates are derived from data collected on ONS statistical inquiries.

Short-term liabilities largely consist of non-interest bearing notes, estimates for which are obtained from the Bank of England. Non-interest-bearing notes are issued by HM Government and are held by international organisations.

## Reserve asset levels (Table 8.9)

These comprise gold, convertible foreign currencies, IMF Special Drawing Rights (SDRs) and the UK's reserve position in the IMF. Currencies may be held in the form of financial instruments. Until 1999 securities are valued at historic cost but translated to sterling as set out below. From July 1979 convertible currencies also include European Currency Units acquired when 20 per cent of the gold and dollar holdings in the reserve assets were deposited on

a swap basis with the European Monetary Co-operation Fund, the swap arrangement being renewed quarterly. As from January 1994 the swap was with the European Monetary Institute and as from January 1998 was with the European Central Bank. The swap arrangement was terminated in December 1998.

Gold is valued at the ruling official price of 35 SDRs per fine ounce until end-1977 and at end-year market rates from end-1978 to end 1999. SDRs and convertible currencies (including ECUs) are valued throughout at closing middle market rates of exchange. Since 2000 all reserve assets are valued at end-period market prices and exchange rates.

## External Debt (Table 8.10)

Gross external debt is defined as the outstanding amount of those actual current, and not contingent, liabilities that require payment(s) of principal and/or interest by the debtor at some point(s) in the future and that are owed to non-residents by residents of an economy.

UK External Debt data are compiled according to the IMF's External Debt Statistics: guide for compilers and users ([www.imf.org/external/pubs/ft/eds/Eng/Guide/index.htm#Guide](http://www.imf.org/external/pubs/ft/eds/Eng/Guide/index.htm#Guide)). The data are consistent with those contained in the UK's IIP statement.

End period stocks of external liabilities are classified according to institutional sector (General Government, Monetary Authorities, Banks and Other sectors); type of instrument; and original maturity of instrument. Direct investment liabilities are separately identified.

## Financial derivatives (Table FD)

Financial derivatives are defined as financial instruments that are linked to the price performance of an underlying asset and which involve the trading of financial risk. Examples of the underlying asset might include a financial instrument, commodity, bilateral foreign exchange rate, movement in stock index, or interest rate. Financial derivatives include options, futures/forwards, swaps, FRAs, warrants and certain credit derivatives. The rationale for separate recording of derivatives contracts in the financial account is to keep the distinction between them and other transactions (for example, securities) to which they may be linked for hedging purposes. Derivatives are valued at current market prices.

Data on UK Banks' gross asset and liability positions in derivatives are collected quarterly by the Bank of England; no data are available prior to 1998. Data on securities dealers' assets and liabilities are collected by ONS; similarly there are no data available prior to 1998.

Data published in table FD form supplementary information as estimates for financial derivatives have yet to be fully implemented in either the UK international investment position or in the UK's national accounts balance sheets. Work is continuing to validate and improve the estimates and obtain more information on the types of derivatives traded, and the underlying transactions.

## Geographical breakdown on the current account (chapter 9)

### Introduction

The geographical data is broadly consistent with level 2 of Eurostat's Vade Mecum (66 individual countries, nine geographical regions and five continents). Data for the European Union (EU) relate to the membership following the enlargement of 1 May 2004. EU Institutions are included in the EU aggregate and are excluded from the International Organisations total. Separate data for Belgium and Luxembourg are not available for periods before 1999. Data for China exclude Hong Kong, which is shown as an individual item.

### Reliability of estimates

The United Kingdom's (UK) balance of payments accounts are primarily compiled on a global basis. Not all of the data sources used in preparing the accounts attempt to distinguish transactions on a full country basis, although the majority do. Where individual country information is not reported, estimates are made by using the geographical detail for a related category; for example, the geographical breakdown of financial assets and liabilities is used to allocate some components of investment income.

In addition to the imputation of geographical detail for some categories where the data are incomplete, there remains a margin of uncertainty regarding the accuracy of reported data by country. The finer the level of geographical detail sought the greater the likelihood of misallocation. Enterprises are encouraged to make their best estimates, when asked to report geographical data, but as country allocation may not be a crucial aspect of the information from which details are extracted, a significant degree of estimation may occur.

Given these conceptual and practical limitations, these estimates should be seen as a broad indication of the economic relationships between the UK and the rest of the world economies. They will be more reliable and meaningful in terms of broad geographical areas and major partner countries than for smaller partners. Estimates for recent years are currently more reliable than those for earlier years, since some data sources do not extend back over the whole published period.

### Approach for country allocation

The following notes summarise the main criteria of country allocation adopted for the various categories of the current account. In general the figures are not likely to be consistent with those recorded by countries which allocate regional balance of payments estimates on a cash settlements basis. An analysis of UK asymmetries with its EU and US partners was published in the March 2005 edition of *Economic Trends*, which can be found at: [www.statistics.gov.uk/downloads/theme\\_economy/ET616.pdf](http://www.statistics.gov.uk/downloads/theme_economy/ET616.pdf).

### Trade in goods

Exports of goods are allocated to the country of destination; imports of goods are allocated

according to the country of consignment. However, export figures from a country (A) to another country (B) may over-estimate the value of goods actually consumed in that country (B) if the importer forwards the goods on to another country (C). There are several reasons for this: 'the Rotterdam/Antwerp effect' (exports are properly attributed to the country where the port of discharge is located, following international convention, but are then re-exported to the country of final destination); other transit trade (goods passing straight through the country); and triangular trade (where goods are sold from Member state A to B and onto C, but the goods move directly from A to C). 'The Rotterdam/Antwerp effect' is a particular issue with the UK because of exports routed through Rotterdam in the Netherlands and Antwerp in Belgium. No information is available on the value of UK exports that are subsequently shipped on to other countries, although investigations are taking place. The principal data source for trade in goods is HMRC (see methodological chapter on Trade in Goods for more details).

## Trade in services

The geographical breakdown of exports and imports of services are largely based on the existing sources of information for the global estimates, although there is some use of proxy information for some components. The change from an industry to a product based presentation with the introduction of the fifth edition of the IMF Balance of Payments Manual in 1998, and the consequent change to data collection, means that data from 1996 onwards is largely based on reported geographical breakdowns of the new products. Earlier geographical estimates are based on the industry based geographical breakdowns in the fourth edition of the IMF Balance of Payments Manual, adjusted to take the changes to the trade in services classification into account.

**Sea transport:** estimates relating to ships owned or chartered by UK operators are taken from inquiries carried out by the Chamber of Shipping.

Geographical breakdowns of freight services on exports and cross trades are allocated using the ports at which the goods are unloaded. For non-resident operators' freight on UK imports, the nationality of the exporting country is used as a proxy to allocate the freight payments. The resulting proportions are used to calculate the shares of non-resident operators' disbursements in the UK. Disbursements abroad by UK operators are supplied annually by the Chamber of Shipping.

Passenger revenue export estimates are derived from information supplied annually by the Chamber of Shipping. Passenger revenue import estimates are based on assumptions about the likely markets for cruises and on other information relating to the movements of UK shipping.

**Air transport:** passenger revenue exports are based on information supplied to ONS by the Civil Aviation Authority, which gives the required country analysis of fares paid. Other transactions with foreign airlines are allocated by nationality of airline. Receipts by UK airlines from foreign

passengers are allocated to the countries in which the ticket is purchased. Freight services on UK imports earned by foreign airlines are allocated to the countries of consignment of the imports.

**Other transport:** rail passenger exports are based on assumptions of the likely nationality of channel tunnel users. Rail imports are allocated entirely to France. Estimates for road freight exports and imports are based on information supplied by the Road Haulage Association. This information includes details of the vehicles' load and country of destination or country of origin. Pipeline transport is based on those countries that are assumed to import / export North Sea oil and gas.

**Travel:** a detailed geographical split of travel expenditure, both exports and imports, are obtained from the International Passenger Survey. Allocation of expenditure of overseas visitors to the UK is by country of residence. UK residents' expenditures abroad are allocated to the country in which most time was spent, or, if this cannot be determined, the furthest country visited. As a result, expenditure in countries with appreciable numbers of transit tourists may be understated.

**Other services:** data for communication, construction, computer and information, royalties, other business and personal services is largely based on information supplied to the ITIS survey, supplemented with information from Royal Mail, the ONS's Film and Television inquiries and Lloyd's registry for shipping.

**Insurance services:** estimates are based on detailed geographical data provided by Lloyd's of London, as well as the ITIS survey for insurance imports provided to non-insurance institutions. The geographical split of trade in goods' imports is used as a proxy for freight insurance imports. Geographical splits for other insurance services are based on fixed weights.

**Financial services:** regular geographical information on gross flows is obtained from the Bank of England for banking services, and from the ITIS survey for financial service exports and imports from non-financial institutions. The geographical breakdown of non-bank financial corporation service exports are imputed using banking geographical data as a proxy.

**Government services:** for the major components, detailed geographical information on the location of those receiving or making payments is available from returns provided by the Ministry of Defence, Department for Work and Pensions, and the Foreign and Commonwealth Office. The United States Air Force has also provided data on expenditure of US Forces in the UK. Expenditure by foreign embassies and consulates in the UK is based on information supplied by some overseas embassies and statistical institutions, supplemented by information on numbers of accredited diplomats by country.

## Income

**Compensation of employees:** estimates of the geographical breakdown of seasonal and border workers earnings are based on information supplied to the International Passenger Survey. Figures for the earnings of

locally engaged staff are based on information supplied by government departments.

## Investment income

**Direct investment income:** figures are based on the annual foreign investment inquiries and include reinvested profits. Geographical information is based on the country of registration of the immediate foreign parent company and the location of the foreign affiliate, except for banks where the information relates to the country of residence of the ultimate owner (for inward investment) or the country of residence in which the direct investment enterprise is located.

**Portfolio investment income:** credits are the earnings accruing to UK residents from their investment in equities and debt securities, in the form of bonds and notes and money market instruments, issued by foreign institutions. Global estimates are derived from surveys of UK end-investors (banks, securities dealers, unit and investment trusts, insurance companies, pension funds and some non-financial companies).

Deriving a geographical breakdown of portfolio investment income flows has been one of the most problematic areas of Balance of Payments compilation. Portfolio investment income is particularly difficult to allocate correctly to the actual country owning or issuing the security, as the transactions are often made through financial intermediaries in a third country. However, with the launch and subsequent expansion of the IMF's Co-ordinated Portfolio Investment Survey (CPIS), an important new data source has become available. Participants in the CPIS collect a geographical breakdown of their portfolio investment assets, which are co-ordinated and disseminated by the IMF.

Data on the geographical breakdown of portfolio investment credits are derived from the UK's contribution to the CPIS exercise from 2001. (An article detailing the results of the 2001 and 2002 surveys was published in the June 2004 edition of *Economic Trends*. The results for 2005 are presented in this publication.) For banks, Bank of England information on the geographical breakdown of levels is applied to the estimates of global earnings obtained by surveys of UK banks. Similarly for non-banks, a geographical breakdown of portfolio investment income is derived from the geographical breakdown of portfolio investment assets.

Information on the geographical breakdown of UK portfolio investment debits (dividends and interest payments made to overseas residents by issuers of UK securities), are based on other countries' participation in the CPIS exercise. The IMF act as a central clearing house for the compilation of aggregate data from countries that have participated in the CPIS and disseminate the information to BoP compilers. These data can provide us with information on participating countries' holdings of UK issued equity and debt securities. For earlier years, surveys of share ownership are used to allocate portfolio holdings of UK equity securities and associated dividends by country of holder. For interest on holdings of debt securities, data derived from the CPIS exercises from 2001

onwards have been used to estimate the geographical breakdown.

Other investment income: gross interest flows between UK banks and the rest of the world are estimated by the Bank of England by allocating global interest receipts and payments in proportion to the corresponding levels of assets and liabilities of UK banks. Interest flows for UK non-bank deposits with, and borrowing from, banks in the BIS reporting area are allocated in proportion to the levels supplied by the BIS. The interest on reserve assets is estimated from official records. Figures for UK banks are used as proxies to estimate a country breakdown for the remaining components of earnings on other investment.

Adjustments applied to the global earnings on other investment to exclude the Channel Islands and the Isle of Man have been used to estimate other investment income between the UK and the offshore islands. These data are included within 'Other Europe'.

## Current transfers

There are very few data sources for current transfers that allocate transactions on a country basis – these are outlined below. The geographical allocation of withholding taxes are based on the geographical allocation of inward and outward direct investment as published in *Business Monitor MA4*. The geographical allocation of insurance premiums is based on information supplied by Lloyd's of London. Data on EU transfers are provided by the Treasury, and the geographical allocation of social security and aid payments are supplied by the Department for Work and Pensions and the Department for International Development, respectively. Other geographical breakdowns are based on proxy data and global transfer estimates.

## UK official transactions with institutions of the EU. (Table 9.9)

This table presents all the official transactions between the UK Government and the Institutions of the European Union. The series are the same as those shown in Table 12.1 of the *Blue Book* but the presentation here reflects Balance of Payments rather than National Accounts classification of transactions.

Some of the transfers are classified to Other sectors (rather than Central government) as they are paid by or to non-government sectors; however they are still classified as official transactions because the money is collected from or paid to non-government sectors by the UK Government on behalf of the EU. The source for much of the data is HM Treasury (HMT), who are responsible for the UK's official transactions with the EU. These data represent the cash movements in and out of Government bank accounts for Transactions with the EU. Any divergences from this source – to accord with the reporting conventions required for Balance of Payments and National Accounts – are detailed below. The data sourced from HMT are also available in Table 3 of the HMT White Paper on EU Finances found at the following web address: [www.hm-treasury.gov.uk/media/2/8/ecbudget220507a.pdf](http://www.hm-treasury.gov.uk/media/2/8/ecbudget220507a.pdf)

## Credits

**Exports of services:** this series represents the part of the collected import levies that the UK government is allowed to keep to cover the costs of collection. The percentage retained was 10 per cent up until 2000 and has been 25 per cent from 2001 onwards. It is treated as an export of a government service. The exports of services to EU Institutions series in Table 9.3 differs from this one in that that series includes services provided to EU Institutions by UK private companies.

**Other sectors current transfers:** these largely comprise of receipts from the Agricultural Guarantee Fund and the European Social Fund. The receipts from the Agricultural Guarantee Fund are classified as subsidies and are recorded on an accruals basis based on the subsidies paid to farmers by the Rural Payments Agency.

**Central government current transfers:** these mainly comprise the Fontainebleau Abatement but also include a small number of miscellaneous payments to EU institutions and research councils. Since 1984 the UK's contribution to the VAT own resource has been abated in recognition of the relatively low level of its receipts, compared with its contributions to the Community Budget. Broadly, the UK receives a VAT abatement of its gross contributions equal to two-thirds of the difference between its unabated contribution and its receipts. This is deducted a year in arrears. Since the 1998 edition of the Pink Book, this abatement has been treated as a credit entry to the UK balance of payments rather than simply being netted off VAT based contributions.

**Other sectors capital transfers:** in most years these consist entirely of receipts from the Agricultural Guidance Fund and the European Regional Development Fund. Other capital transfers from EU institutions are payments to farmers under agricultural compensation schemes related to the destruction of animals during the BSE and Foot and Mouth disease outbreaks.

## Debits

**Other sectors current transfers:** these comprise the UK's traditional own resource and third own resource contributions to the EU. The former are customs duties paid on a range of products imported from non-member states, and levies charged on the production of sugar to recover part of the costs of subsidising the export of surplus EU sugar on to the world market. EU third own resources are VAT based contributions which represent a notional extra one per cent on the VAT base, but are capped at one-half of one per cent of Gross National Income (GNI), hence the adjustment to VAT contributions. Payments of both traditional and third own resource contributions are classified as taxes paid direct to the EU. Estimates are sourced from HMRC and are converted to an accruals basis using agreed methodologies.

**Central government current transfers:** this mainly consists of the UK Government's fourth own resource contribution. This is calculated as a fixed percentage of UK GNI, increased or rebated according to whether within the EU

budget as a whole expenditure exceeds or falls short of revenue. There are also a small number of miscellaneous payments to EU institutions under this heading.

## Trade in Goods and Services additional tables (Tables 9.10, 9.11, 9.12, 9.13 and 9.14)

Tables 9.10 and 9.11 show imports and exports of services from and to selected partner countries broken down by the eleven broad categories of services for the latest two years. The details of the methods of country allocation are outlined in the trade in services section above. To avoid disclosing data on individual companies the tables have been arranged to remove these disclosive items. This is done wherever possible by suppressing the item so that non-disclosing headings are preserved.

Table 9.12 shows the top 50 trading partners for import and exports of goods and services for the last two years for which data is available. Again the details of the methods of country allocation are outlined above in the goods and services sections.

Table 9.13 shows estimates of the UK's exports and imports of services with all partner countries for the latest two years. Countries not listed in the tables are assumed to have total transactions in services with the UK of less than £0.5 million. The details of the methods of country allocation are outlined in the section on trade in services above. The data sources which have full country breakdowns of transactions in services are the ITIS Survey and the IPS, which between them account for around 70 per cent of the source data for total trade in services. Data from these sources have been used as proxies to estimate the very detailed country breakdowns where these are not available for other data sources.

Table 9.14 shows the UK's data for trade in services compared with world totals and those for G7 countries. The data for these are sourced from the IMF. This data is not available for the latest year as it will not have been published yet. No world balance is included as this should in theory be zero, but in practise because of asymmetries it tends to have either positive or negative values.



# Further information on UK balance of payments

The following articles relating to UK balance of payments statistics have been published since the last *Pink Book*:

## Revisions Analysis to Quarterly Current Account Balance of Payments Data

An analysis of revisions made to Balance of Payments quarterly current account data between 1998 Q4 and 2003 Q3, an update of the previous article published in the August 2005 issue of *Economic Trends*.

**Author:** Mala Mistry

This article focuses on revisions to current account credits and debits and how these influence revision to the current account balance. The article also explores the chronological evolution of revisions, revisions to current account components and provides explanation for more prominent revisions occurring over the period analysed.

[www.statistics.gov.uk/cci/article.asp?ID=1800&Pos=1&ColRank=1&Rank=1](http://www.statistics.gov.uk/cci/article.asp?ID=1800&Pos=1&ColRank=1&Rank=1)

## Previous articles

Other published articles of interest, but not published since last *Pink Book*, are as follows

## CPIS 2004 Data – Preliminary Results

Analysis of the UK's preliminary CPIS results 2004 including total portfolio investment assets by type of investment

**Author:** Ellie Turner

This paper analyses preliminary UK results for the Coordinated Portfolio Investment Survey (CPIS) 2004. Data was delivered to the International Monetary Fund (IMF) on 1 November 2005 and was published on their website in January 2006.

[www.statistics.gov.uk/CCI/article.asp?ID=1303&Pos=&ColRank=1&Rank=224](http://www.statistics.gov.uk/CCI/article.asp?ID=1303&Pos=&ColRank=1&Rank=224)

## Analysis of past revisions to UK Trade statistics

The past revisions performance for UK Trade statistics explained.

**Author:** David Ruffles

This article presents an analysis of the past revisions performance for UK Trade statistics, looks at the statistically significant mean or average revisions seen in the figures for Total trade, identifies the main causes of these revisions, and describes what is being done to improve the first published estimates.

[www.statistics.gov.uk/articles/nojournal/ukTrade.pdf](http://www.statistics.gov.uk/articles/nojournal/ukTrade.pdf)

## Current Account Asymmetries with the European Union, Annual Report 2004

A report on current account asymmetries for 2004.

**Author:** Libby Cox

Current account asymmetries occur when one country's data does not correspond to the same data for the same transaction reported by its partner countries. This report analyses asymmetries between the UK current account and the rest of the European Union. Additional data is presented regarding asymmetries between the UK and the US.

[www.statistics.gov.uk/articles/economic\\_trends/ET616Cox.pdf](http://www.statistics.gov.uk/articles/economic_trends/ET616Cox.pdf)

## Report on impact of MTIC on UK Trade statistics

Report on further research into the impact of Missing Trader Fraud on UK Trade Statistics, Balance of Payments and National Accounts.

**Authors:** David Ruffles, Tricia Williams (HM Revenue & Customs)

This article is a follow-up to the article published in the August 2003 edition of *Economic Trends* which is available on the National Statistics website. It summarises the work carried out since July 2003 to review the estimates of the impact of Missing Trader Intra-Community (MTIC) VAT Fraud on UK Trade Statistics, Balance of Payments and National Accounts, and to investigate potential methods of estimating acquisition fraud.

[www.statistics.gov.uk/articles/nojournal/Further\\_Missing\\_Trader\\_Fraud\\_Research.pdf](http://www.statistics.gov.uk/articles/nojournal/Further_Missing_Trader_Fraud_Research.pdf)

Following a change in the pattern of trading associated with Missing Trader Intra-Community (MTIC) fraud, identified by HMRC, interpretation of the breakdown between EU and non-EU trade is more difficult. HMRC have set up a project to review the methodology for producing the estimates of the impact on the trade statistics. An interim progress report was published by HMRC on 16 January 2006 at [www.uktradeinfo.com/index.cfm?task=news&id=384&startrow=1](http://www.uktradeinfo.com/index.cfm?task=news&id=384&startrow=1).

## Methodological improvements to UK foreign property investment statistics

New methodology to measure ownership of foreign property by UK households and estimates the value of property owned at end 2003 to be £23 billion.

**Author:** Deborah Nicole Aspden

This article presents new methodology to measure ownership of foreign property by UK

households. It is based on the Office of the Deputy Prime Minister's (ODPM) Survey of English Housing (SEH). The new methodology estimates the value of foreign property ownership in 2003/04 to be just above £23 billion – more than double the estimate for 1999/00. Investment is highest in Europe, with Spain and France being the preferred locations for investment.

[www.statistics.gov.uk/articles/economic\\_trends/ET619\\_Aspden.pdf](http://www.statistics.gov.uk/articles/economic_trends/ET619_Aspden.pdf)

## Financial Derivatives in the UK Sector Balance Sheets and Financial Accounts

Although the availability and quality of data on financial derivatives has improved, a number of methodology and coverage issues remain outstanding.

**Author:** Graham Semken

This article re-assesses the area of derivatives statistics following expanded data availability. It examines a number of issues, both conceptual and practical, which will need to be resolved before the collective data on derivatives can be integrated into the UK accounts.

[www.statistics.gov.uk/articles/economic\\_trends/ET618Sem.pdf](http://www.statistics.gov.uk/articles/economic_trends/ET618Sem.pdf)

## Other articles

Older articles which may be of interest, published in *Economic Trends*, include:

"Overseas trade in services: publication of monthly estimates", September 1997;

"Geographical breakdown of exports and imports of UK trade in services by component", January 1998;

"Geographical breakdown of income in the balance of payments", November 1999 and December 2000.

[www.statistics.gov.uk/cci/article.asp?id=44](http://www.statistics.gov.uk/cci/article.asp?id=44)

[www.statistics.gov.uk/cci/article.asp?id=61](http://www.statistics.gov.uk/cci/article.asp?id=61)

"IMF Co-ordinated Portfolio Investment Survey", May 2003.

[www.statistics.gov.uk/articles/economic\\_trends/ET\\_May03\\_Humphries.pdf](http://www.statistics.gov.uk/articles/economic_trends/ET_May03_Humphries.pdf)

"Geographical breakdown of the UK International Investment Position", June 2004.

[www.statistics.gov.uk/articles/economic\\_trends/ET607Humphries.pdf](http://www.statistics.gov.uk/articles/economic_trends/ET607Humphries.pdf)





# Glossary

## Acceptances

See Bills and acceptances.

## Accrued interest

A method of recording transactions to relate them to the period when the exchange of ownership of the goods, services or financial asset applies. For example, value added tax accrues when the expenditure to which it relates takes place, but Customs and Excise receive the cash some time later. The difference between accruals and cash results in the creation of an asset and liability in the financial accounts, shown as amounts receivable or payable.

## Advance and progress payments

Payments made for goods in advance of completion and delivery of the goods.

## Affiliates

Branches, subsidiaries or associate companies.

## Allocation of SDRs

See Special Drawing Rights.

## Arbitrage

Buying in a market in one centre and selling in a similar market in another centre, in order to exploit a temporary misalignment of prices at little or no risk.

## Assets

This term commonly refers to financial assets that are claims on non-residents, from whose point of view the same item is a liability to a UK resident. Among reserve assets, however, gold and SDRs have a value which exists independently of any corresponding liabilities. Real assets such as merchandise, although they may be entered in company accounts as assets, are seldom described as assets in balance of payments analysis.

## Associated companies

Companies in which the investing company has a substantial equity interest (usually this means that it holds between 10 per cent and 50 per cent of the equity share capital) and is in a position to exercise a significant influence on the company. (See Subsidiary.)

## Balancing item

See Net Errors and Omissions.

## Bank of England – Issue Department

This part of the Bank of England deals with the issue of bank notes on behalf of central government. It was formerly classified to central government though it is now part of the central bank/monetary authorities sector. Its activities include, inter alia, market purchases of commercial bills from UK banks.

## Bank for International Settlements (BIS)

An international institution based in Basle, Switzerland, established in 1930. Its main functions today are to promote international monetary co-operation; to observe the work of the IMF, Finance Ministers and Central Bank Governors of the Group of Ten countries; and to provide monetary research. The most recent BIS data used within the UK balance of payments accounts covers non-bank borrowing from banks in the following countries: Australia, Austria, the Bahamas, Bahrain, Belgium/Luxembourg, Bermuda, Brazil, Canada, Cayman Islands, Chile, Denmark, Finland, France, Germany, Greece, Guernsey, Hong Kong SAR, India, Ireland, Isle of Man, Italy, Japan, Jersey, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Portugal, Singapore, Spain, Sweden, Switzerland, Taiwan, Turkey and United States of America. The data used for balance of payments purposes are locational banking statistics on a residence basis.

## Banking statistics

A term used in this publication to denote an integrated set of returns, covering all UK banks, and collected by the Bank of England. The returns were first introduced in late 1974 and during 1975. Since then, various reviews of the requirements of data from banks have been conducted and forms amended, introduced or dropped as necessary. The data collected covers all listed banks up to the end of 1981 and the revised group of institutions classified as UK banks from 1982 onwards. It collects on a regular basis extensive information relating to the levels of, and changes in, assets and liabilities. Revised banking returns were introduced from the end of 1997 to reflect the requirements of the IMF Balance of Payments Manual 5th edition and to remove the Channel Islands and the Isle of Man from the definition of the economic territory of the United Kingdom.

## Banks (UK)

Banks are defined as all financial institutions recognised by the Bank of England as UK banks. For statistical purposes, this includes:

- institutions which have a permission under Part 4 of the Financial Services and Markets Act 2000 (FSMA) to accept deposits, other than (i) credit unions, (ii) firms which have a permission to accept deposits only in the course of carrying out contracts of insurance in accordance with that permission, (iii) friendly societies, and (iv) building societies;
- European Economic Area credit institutions with a permission under Schedule 3 to FSMA to accept deposits through a UK branch; and
- the Banking and Issue Departments of the Bank of England (the latter from April 1998).

Prior to December 2001, banks were defined as all financial institutions recognised by the Bank

of England as UK banks for statistical purposes, including the UK offices of institutions authorised under the Banking Act 1987, the Banking and Issue Departments of the Bank of England (the latter from April 1988), and deposit-taking UK branches of 'European Authorised Institutions'. This includes UK branches of foreign banks, but not the offices abroad of these or of any British owned banks.

An updated list of banks appears regularly in the Bank of England's *'Monetary and Financial Statistics'* publication. The most recent list can also be found on the Financial Services Authority website at: [www.fsa.gov.uk/pubs/list\\_banks/2007/lob\\_jan07.pdf](http://www.fsa.gov.uk/pubs/list_banks/2007/lob_jan07.pdf).

## Bills and acceptances

A bill is an unconditional order in writing addressed by the drawer to the drawee to pay to the drawer a fixed sum on a specified date. A UK resident may draw a bill in Sterling on a foreign resident representing credit extended by the UK resident to the foreign resident. If the UK resident sells the bill to a UK bank, generally at a price less than the nominal value of the bill, the bank is said to discount the bill, and the claim on the foreign resident is transferred to the UK bank.

A bill is known as an acceptance when the drawee accepts the bill. A UK bank may accept a bill on behalf of a foreign resident in which case the UK resident draws the bill on the UK bank and not on the foreign resident. The accepting bank has a claim on the foreign resident and expects to be paid by him before the bill matures.

## Bond

A financial instrument that usually pays interest to the holder. Bonds are issued by governments as well as companies and other institutions, for example, local authorities. Most bonds have a fixed date on which the borrower will repay the holder. Bonds are attractive to investors since they can be bought and sold easily in a secondary market. Special forms of bonds include deep discount bonds, equity warrant bonds, Eurobonds, and zero coupon bonds.

## BPM5

The Balance of Payments Manual, 5th Edition, published in 1993 by the IMF.

## Branch

An unincorporated enterprise, wholly or jointly owned by a direct investor.

## Branch indebtedness

Net amounts owed by a branch to its head office (or vice versa).

## British government stocks

Securities issued or guaranteed by the UK government. Also known as gilts.

### Building societies

Building societies are mutual institutions specialising in accepting deposits from members of the public and in long-term lending to members of the public, mainly to finance the purchase of dwellings; such lending being secured on dwellings. Their operations are governed by special legislation which places restrictions on their recourse to other sources of funding and other avenues of investment.

### Capital account

The capital account consists of capital transfers (see Transfers) and acquisition/disposal of non-produced, non-financial assets (see separate entry in glossary).

### Capital transfers

See Transfers.

### Certificate of deposit

A short term interest-paying instrument issued by deposit-taking institutions in return for money deposited for a fixed period. Interest is earned at a given rate. The instrument can be used as security for a loan if the depositor requires money before the repayment date.

### c.i.f. (cost, insurance and freight)

The basis of valuation of imports for Customs purposes, it includes the cost of insurance premiums and freight services. These need to be deducted to obtain the free on board valuation consistent with the valuation of exports which is used in the economic accounts.

### Collective Investment Institution (CII)

Incorporated (investment companies or investment trusts) and unincorporated undertakings (mutual funds or unit trusts) that invest the funds, collected from investors by means of issuing shares/units (other than equity), in financial assets (mainly marketable securities and bank deposits) and real estate. (See also Trusts).

### Commercial paper

This is an unsecured promissory note for a specific amount and maturing on a specific date. The commercial paper market allows companies to issue short term debt direct to financial institutions who then market this paper to investors or use it for their own investment purposes.

### Commodity gold

See Gold.

### Commonwealth Development Corporation

A public corporation which finances development projects abroad.

### Compensation of employees

Total remuneration payable to employees in cash or in kind. Includes the value of social contributions payable by the employer.

### Coordinated Portfolio Investment Survey (CPIIS)

A survey coordinated and disseminated by the IMF. Participants in the CPIIS collect a geographical breakdown of their portfolio investment assets.

### Counterpart items

Certain items in the balance of payments exist only as counterpart items, introduced to balance the inclusion of other items that do not fall naturally into the double-entry system. The allocation of SDRs is an example of an artificial counterpart item introduced into the balance of payments to offset the corresponding increase in SDR holdings within official reserves (as SDRs are no one sector's liabilities). (For SDRs see Special Drawing Rights).

### Cross-trades

See Merchanting.

### Currency swaps

A currency swap, also known as a cross-currency interest-rate swap contract, consists of an exchange of cash flows related to interest payments and, at the end of the contract, an exchange of principal amounts in specified currencies at a specified exchange rate.

### Current account

The account of transactions in respect of trade in goods and services, income and current transfers.

### Current balance

The balance of current account transactions.

### Current transfers

See Transfers.

### Debt forgiveness

The voluntary cancellation of all or part of a debt within a contractual arrangement between a creditor in one country and a debtor in another country.

### Debt securities

Debt securities cover bonds, debentures, notes etc., and money market instruments. These are split into long and short (up to one year) term, based on original maturity.

### Derivatives

See Financial Derivatives.

### Direct investment

Net investment by UK/foreign companies in their foreign/UK branches, subsidiaries or associated companies. A direct investment in a company means that the investor has a significant influence on the operations of the company, defined as having an equity interest in an enterprise resident in another country of 10 per cent or more of the ordinary shares or voting stock. (See Branch indebtedness, Subsidiary and Associated companies.) Investment covers not only acquisition of fixed assets, stock building and stock appreciation, but also all other financial transactions, such as: additions to or payments of working capital; other loans and trade credit; and acquisitions of securities. Estimates of investment flows allow for depreciation in any undistributed profits. Funds raised by the subsidiary or associate company in the economy in which it operates are excluded as they are locally raised and not sourced from the parent company.

### Disbursements

Operating expenses, for example by operators of ships or aircraft.

### Dividend

A payment made to company shareholders from current or previously retained profits. Dividends are recorded when they become payable.

### Equity

Equity is ownership or potential ownership of a company. Equities differ from other financial instruments in that they confer ownership of something more than a financial claim. Shareholders are owners of the company whereas bond holders are outside creditors.

### Equity securities

Equity securities are shares issued by companies to shareholders. Purchases of equity securities in which the purchaser does not have any significant degree of control over the company (that is, less than 10 per cent of the equity capital) fall within portfolio investment; otherwise it falls within direct investment. Equity securities include mutual fund shares.

### Euro area

The euro area encompasses those Member States of the European Union in which the euro has been adopted as the single currency and in which a single monetary policy is conducted under the responsibility of the decision-making bodies of the European Central Bank. The euro area currently comprises Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, and Slovenia.

### Eurocurrency market

All borrowing and lending by banks in currencies other than that of the country in which the banks are situated.

### Euro/European Currency Unit (ECU)

The ECU was officially introduced in 1979 in connection with the start of the European Monetary System (EMS). In the EMS, the ECU served as the basis for determining exchange rate parities and as a reserve asset and means of settlement. It was a composite currency which contained specified amounts of the currencies of the member states of the European Union. The currencies making up the ECU were weighted according to their economic importance and use in short-term finance. As from September 1989 the weightings of the ECU were revised to include both the Spanish peseta and Portuguese escudo. The ECU was converted into the Euro at the start of European Monetary Union on 1 January 1999, with Greece joining on 1 January 2001. From 1 January 2003, the Euro became the currency of the member states of the European Monetary Union.

### European Central Bank (ECB)

The Monetary Authority for the Euro currency, based in Frankfurt. The ECB, together with the national central banks of the member states, manages monetary policy and the banking system across the European Monetary Union area.

### European Investment Bank (EIB)

This was set up to assist economic development within the European Union. Its members are the member states of the EU.

### European Monetary System (EMS)

The EMS was established in March 1979. Its most important element was the mechanism known as the ERM (Exchange Rate Mechanism) whereby the exchange rates between the currencies of the participating member states were kept within set ranges. The UK joined the ERM on 8 October 1990. On 16 September 1992 the UK's membership of the ERM and the EMS was suspended. The EMS was superceded by the single currency when eleven of the participating member states joined European Monetary Union on 1 January 1999, with Greece joining on 1 January 2001.

### Eurosystem

The Eurosystem comprises the European Central Bank (ECB) and the national central banks of the Member States which have adopted the euro in Stage Three of Economic and Monetary Union (EMU). There are currently 13 national central banks in the Eurosystem. The Eurosystem is governed by the Governing Council and the Executive Board of the ECB and has assumed the task of conducting the single monetary policy for the euro area since 1 January 1999. Its primary objective is to maintain price stability.

### Exchange control

A legal control imposed by governments on the ability of persons, businesses and others to hold, receive and transfer foreign currency. The extent of the Exchange Control Act of 1947 was considerably reduced in June and July 1979 and the Act was repealed in 1987.

### Exchange cover scheme (ECS)

A scheme first introduced in 1969 whereby UK public bodies raise foreign currency from abroad, either directly or through UK banks, and generally surrender it to the EEA (see below) in exchange for sterling for use to finance expenditure in the United Kingdom. HM Treasury sells the borrower foreign currency to service and repay the loan at the exchange rate that applied when the loan was taken out. The transactions relate to net borrowing by British Nuclear Fuels plc and repayment by HM Government following the privatisation of other former public corporations (see Novations).

### Exchange Equalisation Account (EEA)

The government account with the Bank of England in which transactions in reserve assets are recorded. These transactions are classified to the central government sector. It is the means by which the government, through the Bank of England, influences exchange rates.

### Export credit

Credit extended abroad by UK institutions, primarily in connection with UK exports but also including some credit in respect of third-country trade.

### Export credit; identified long-term

Credit extended by UK banks under the ECGD's buyer credit and specific bank guarantees schemes.

### Export Credits Guarantee Department (ECGD)

A government department, classified to the public corporations sector, the main function of which is to provide insurance cover for export credit transactions.

### External debt

A measure of balance sheet liabilities owing to non-residents. Liabilities relating to trade credit, debt securities, and loans and deposits (including inter-company liabilities within direct investment) are included; equity liabilities are excluded.

### Financial account

The financial account records transactions in external assets and liabilities of the UK, for example, the acquisitions and disposals of foreign shares by UK residents. The financial account consists of direct investment, portfolio investment, other investment, financial derivatives and reserve assets.

### Financial auxiliaries

Auxiliary financial activities are ones closely related to financial intermediation but which are not financial intermediation themselves, such as the repackaging of funds, insurance broking and fund management. Financial auxiliaries therefore include insurance brokers and fund managers.

### Financial corporations

All bodies recognised as independent legal entities whose principal activity is financial intermediation and/or the production of auxiliary financial services. However, the United Kingdom currently treats financial auxiliaries as non-financial corporations.

### Financial derivatives

Any financial instrument the price of which is based upon the value of an underlying asset (typically another financial asset). Financial derivatives include options (on currencies, interest rates, commodities, indices, etc.), traded financial futures, warrants, and currency and interest swaps. Under BPM5, transactions in derivatives are treated as separate transactions, rather than being included as integral parts of underlying transactions to which they may be linked as hedges. Only estimates for settlement receipts/payments on UK banks' interest rate swaps and forward rate agreements are currently included.

### Financial gold

See Gold.

### Financial Leasing

See Leasing.

### Financial surplus or deficit (FSD)

The former term for Net lending(+)/Net borrowing(-), the balance of all current and capital account transactions for an institutional sector or the economy as a whole.

### f.o.b. (free on board)

A f.o.b. price excludes the cost of insurance and freight from the country of consignment but includes all charges up to the point where the goods are deposited on board the exporting/importing vessel or aircraft. Trade in goods exports are valued on a f.o.b. basis in the balance of payments accounts.

### Foreign

In this publication 'foreign' denotes residence outside the United Kingdom rather than nationality. In some contexts 'external', 'abroad' or 'non-resident' are used with the same meaning. (See Residency).

### Other Financial Intermediaries (OFIs)

A diverse group of units constituting all financial corporations other than depository corporations, insurance corporations, pension funds, and financial auxiliaries. They generally raise funds by accepting long-term or specialised types of deposits and by issuing securities and equity. These intermediaries often specialise in lending to particular types of borrowers and in using specialised financial arrangements such as financial leasing, securitised lending, and financial derivative operations.

### Forwards

In a forward contract, the counterparties agree to exchange, on a specified date, a specified quantity of an underlying item (real or financial) at an agreed-upon contract price (the strike price). If a future exchange of currencies is carried out in a forward contract, the counterparties exchange, in accordance with prearranged terms, cash flows based on the reference prices of the underlying items. Forward rate agreements and forward foreign exchange contracts are common types of forward contracts.

### Futures

Futures are forward contracts traded on organised exchanges. They give the holder the right to purchase a commodity or a financial asset at a future date.

### Gilts

Bonds issued or guaranteed by the UK government. Also known as gilt-edged securities or British government securities.

### Gold

In the accounts a distinction is drawn between gold held as a financial asset (financial gold) and gold held like any other commodity (commodity gold). Transactions in commodity gold are recorded in the trade in goods account and include foreign trade in finished manufactures together with net domestic and foreign transactions in gold moving into or out of finished manufactured form (that is, for jewellery, dentistry, electronic goods, medals and proof – but not bullion – coins).

All other transactions in gold (that is those involving semi-manufactures such as rods, wire, etc., or bullion, bullion coins or banking-type assets and liabilities denominated in gold, including reserve assets) are treated as financial gold transactions and included in the financial

account. The distinction between commodity and financial gold differs from that drawn by the IMF, in its *Balance of Payments Manual* (5th edition, 1993), between non-monetary and monetary gold. The United Kingdom has obtained an exemption from adopting the BPM5 recommendations on treatment of gold in order to avoid distortion of its trade in goods account by the substantial transactions of the London Bullion Market.

The treatment of non-monetary gold is being reviewed as part of the worldwide process to revise the IMF Balance of Payments manual. Current proposals can be found on the IMF website [www.imf.org/external/np/sta/bop/iss.htm](http://www.imf.org/external/np/sta/bop/iss.htm). The main proposal is that the concept of non-monetary gold would be replaced by two categories – allocated gold (a commodity) and unallocated gold (a financial instrument). UK BoP will continue current practice until the treatments defined in the revised manual are implemented.

### Gross

The separate identification of both credit/debit, export/import for any particular transaction.

### Hedging

Hedging is accomplished by the temporary purchase or sale of futures/swaps contracts to offset the position or anticipated position in the cash markets. This may benefit banks, financial institutions, pension funds and corporate treasuries who hold interest rate, exchange rate or stock price sensitive assets or liabilities.

### Holding companies

A holding company is a company that usually confines its activities to owning stock in and supervising management of other companies. A holding company usually owns a controlling interest in the companies whose stock it holds. Holding companies exist for legal, commercial and tax reasons. In line with international standards, holding companies are classified as other financial intermediaries.

### Households

Individuals or small groups of individuals as consumers and in some cases as entrepreneurs producing goods and market services.

### Import credit: long-term agreements

Credit received on imported ships, commercial aircraft and certain North Sea installations.

### Income

The income account forms part of the current account and consists of compensation of employees and investment income, both of which have separate entries in this glossary.

### Inter-company accounts

Accounts recording transactions between parent and subsidiary or associated companies, and balances owed by one to the other.

### Interest rate swaps

An obligation between two parties to exchange interest-related payments in the same currency from fixed rate into floating rate, or vice versa, or from one type of floating rate to another. A

swap can be used to reshape the coupon payments of either new or existing debt. The only movement of funds is a net transfer of interest payments between the two parties. The interest payments are calculated on an agreed principal amount, which is not exchanged. The settlement receipts/payments on UK banks' interest rate swaps appear in the financial account under financial derivatives.

### International Investment Position (IIP)

The international investment position records end of period balance sheet levels of UK external assets and liabilities. The IIP consists of direct investment, portfolio investment, other investment and reserve assets. Financial derivatives are not currently included in the IIP, but presented separately in table FD.

### International Monetary Fund (IMF)

A Fund set up as a result of the Bretton Woods Conference of 1944 and which began operations in 1947. It includes most of the major countries of the world. The Fund was set up to supervise the fixed exchange rate system agreed at Bretton Woods and to make available to its members a pool of foreign exchange resources to assist them when they have balance of payments difficulties. Further definitions relating to the IMF are given in the IMF section in the 1981 and earlier editions of this publication. (See also Special Drawing Rights).

### Intervention Board for Agricultural Produce (IBAP)

The UK government agency which used to operate the support arrangements of the EU Common Agricultural Policy within the United Kingdom. It has now been replaced by the Rural Payments Agency (RPA).

### Investment

In a balance of payments context this is categorised as either direct, portfolio or other investment. See appropriate headings for definitions.

### Investment income

All investment income accruing to UK residents from non-residents or payable abroad by UK residents after allowing for depreciation. The balance on credits and debits equals 'net property income from abroad' as shown in the National Accounts.

### Investment trust

See Trusts.

### Leasing

In the balance of payments accounts all financial leases and some long-term operating leases (for example for aircraft) are regarded as loans to finance the purchase of goods. The lessor thus makes a loan to the lessee who subsequently repays this with interest. The lessee is regarded as the purchaser of the goods.

### Liabilities

In balance of payments terminology, liabilities are the financial claims of non-residents on the UK.

### LIBOR

London Interbank Offered Rate. The rate of interest at which banks borrow funds from other banks, in marketable size, in the London Interbank market.

### Local authorities

Elected councils responsible for the administration of certain services in particular areas within the United Kingdom.

### Merchanting

Merchanting is defined as the purchase of a good by a resident from a non-resident and the subsequent resale of the good to another non-resident, without the good entering the compiling economy. The difference between the purchase and sale price is recorded as the value of merchanting services provided.

### Miscellaneous financial institutions

These include certain institutions not classified as UK banks whose main function is to extend credit abroad, and certain listed institutions in the London Bullion Market which are not UK banks.

### Monetary Authorities

Institutions (usually central banks) which control the centralised monetary reserves and the supply of currency in accordance with government policies, and which act as their governments' bankers and agents. In the United Kingdom this is equivalent to the Bank of England and part of the Treasury (the Exchange Equalisation Account). Data is not separately available in the UK accounts for monetary authorities.

### Monetary financial institutions

Banks and building societies.

### Monetary gold

See Gold.

### Money market

The market in which short-term loans are made and short-term securities traded. 'Short term' usually applies to periods up to one year but can be longer in some instances.

### Money market instruments

Money market instruments, within portfolio investment, generally give the holder the unconditional right to receive a stated, fixed sum of money on a specified date. These are short-term instruments usually traded at a discount; the discount being dependent upon the interest rate and the time remaining to maturity. Included are such instruments as acceptances, treasury bills, commercial paper and certificates of deposit.

### MTIC

VAT missing trader intra-Community fraud. A systematic, criminal attack on the VAT system, which has been detected in many EU Member States. In essence, fraudsters obtain VAT registration to acquire goods VAT free from other Member States. They then sell on the goods at VAT inclusive prices and disappear



without paying over the VAT paid by their customers to the tax authorities.

### **Navy, Army and Air Force Institute (NAAFI)**

A body which provides goods and services for use by the UK armed forces abroad.

### **Net**

In this presentation of the balance of payments accounts, the term 'net' is generally applied only to transactions in financial assets or liabilities. Purchases of assets are recorded net of sales; similarly with liabilities. In the current and capital accounts, where the operations of UK and foreign residents are taken together in particular transactions areas, the term "balance" is used.

### **Net Errors and Omissions**

The item included to bring the sum of all balance of payments entries to zero. Also known as the balancing item.

### **Non-monetary gold**

See Gold.

### **Non-produced, non-financial assets**

Non-produced, non-financial assets, within the capital account, include land purchased or sold by a foreign embassy, patents, copyrights, trade marks, franchises and leases and other transferable contracts, but not finance leasing. Only the purchase and sale of such assets are proper to the capital account; earnings from them are recorded under trade in services.

### **Novations**

This term defines the reassignment of debt (for balance of payments, usually foreign debt) of public corporations to central government following the privatisation of the public corporation. This does not normally change the overall balance of payments situation as the debt is still regarded as a UK liability.

### **NPISH**

Non-profit institutions serving households.

### **Official reserves**

See Reserve assets.

### **Offshores**

The economic territory of a country consists of the geographic territory administered by a government; within this territory, persons, goods, and capital circulate freely. In the context of the UK, the offshore islands of the Channel Islands and the Isle of Man are subject to their own fiscal authorities and have their own tax systems, there are impediments to taking up residency, and they are not part of the EU. They are therefore not recognised as part of the economic territory of the UK for BOP purposes and are classified as non-resident in the UK.

### **Operating leasing**

Operational leasing (rental) covers resident/non-resident leasing (other than financial leasing), charter of ships, aircraft and transportation

equipment without crew. Leasing of ships, aircraft and transportation equipment with crew are included in the transportation account.

### **Ordinary share**

The most common type of share in the ownership of a corporation. Holders of ordinary shares receive dividends. (See also Equity).

### **Other Investment**

Investment other than direct and portfolio investment. Includes trade credit, loans, currency and deposits and other assets and liabilities.

### **Parent**

In a balance of payments context this means a company with direct investments in other countries.

### **Pension funds**

The institutions that administer pension schemes. Pension schemes are significant investors in securities. Self-administered funds are classified in the financial accounts as pension funds. Those managed by insurance companies are treated as long-term business of insurance companies. They are part of S.125, the Insurance corporations and pension funds sub-sector.

### **Portfolio investment**

Investment in equity and debt securities issued by foreign registered companies, other than that classed as direct investment, and in equity and debt securities issued by foreign governments. A portfolio investment, unlike a direct investment, does not entitle the investor to any significant influence over the operations of the company or institution, and represents less than 10 per cent of the equity capital.

### **Preference share**

This type of share guarantees its holder a prior claim on dividends. The dividend paid to preference share holders is normally more than that paid to holders of ordinary shares. Preference shares may give the holder a right to a share in the ownership of the company (participating preference shares). However in the UK they usually do not, and are therefore classified as bonds.

### **Private sector**

Private non-financial corporations, financial corporations other than the Bank of England (and Girobank when it was publicly owned), households and the NPISH sector.

### **Promissory note**

A security which entitles the bearer to receive cash. These may be issued by companies or other institutions. (See Commercial paper).

### **Public corporations**

These are public trading bodies which usually have a substantial degree of financial independence from the public authority which created them. A body is normally treated as a trading body when more than half its income is financed by fees. A public corporation is publicly controlled to the extent that the public

authorities appoint a majority of the board of management or when public authorities can exert significant control over general corporate policy through other means. Since the 1980s many public corporations, such as British Telecom, have been privatised and reclassified within the accounts as private non-financial corporations.

### **Public sector**

Central government, local authorities and public corporations.

### **Refinanced export credit**

Identified long-term credit extended for UK exports initially by banks and refinanced with the ECGD, the Trustee Savings Banks and the Central Trustee Savings Bank.

### **Reinvested earnings**

The direct investor's share of earnings not distributed as dividends (by subsidiaries) or branch profits. As this income remains with the foreign subsidiary or branch (it is reinvested by the parent) an amount will appear in the financial account equal to (and with opposite sign) the corresponding entry within direct investment income.

### **Related companies**

Branches, subsidiaries, associates or parents.

### **Related import or export credit**

Trade credit between related companies included in direct investment.

### **Repo**

This is short for 'sale and repurchase agreement'. One party agrees to sell bonds or other financial instruments to other parties under a formal legal agreement to repurchase them at some point in the future – usually up to six months – at a fixed price. Repo transactions are treated as borrowing/lending within other investment, rather than as transactions in the underlying securities.

### **Reserve assets**

Short term assets which can be very quickly converted into cash. They comprise the UK's official holdings of gold, convertible currencies, Special Drawing Rights, and changes in the UK reserve position in the IMF. Also included between July 1979 and December 1998 are European Currency Units acquired from swaps with the European Cooperation Fund, EMI and the ECB. Reserve assets were referred to as 'official reserves' in editions of the *Pink Book* prior to 1998.

### **Reserve position in the Fund**

The United Kingdom's position in the IMF's General Resources Account. This position is the sum of the UK's reserve tranche purchases, and any indebtedness of the Fund (under a loan agreement) that is readily payable to the UK.

### **Residency**

UK residents are those with a centre of economic interest within the UK of at least one year's duration – nationality does not play a part

in determining residency status. There are a number of exceptions to the standard residency classification: UK embassies and military bases abroad are deemed to be residents of the UK (conversely other nations' embassies and military bases in the UK are classed as non-residents), as are students studying abroad or patients being treated abroad who are normally resident in the UK. (See also Offshores).

### Royalties

These form part of trade in services. They represent payments for services by, or to, UK residents in respect of the right to use processes and other information, for examples licences to use patents, trade marks, designs, copyrights, etc. Sales and purchases of patents are included within the capital account.

### Rural Payments Agency (RPA)

The UK government agency which operates the support arrangements of the EU Common Agricultural Policy within the United Kingdom. This replaced the Intervention Board for Agricultural Produce (IBAP).

### Securities dealers

Securities and futures dealers are those institutions whose main activity is dealing in securities and futures either on their own account or on behalf of customers and clients. This activity also includes Stock Exchange money brokers, Inter-dealer brokers and dealing in commodities for investment purposes. They should not be confused with monetary financial institutions (Banks and Building Societies) who are licenced as able to take deposits.

### Security

Security against loans involves the depositing of a document or asset which is retained by the bank as a charge for an advance. This form of security may include stocks and share certificates, debentures, and insurance policies.

### Smuggling

Smuggling is the importation of goods acquired duty free or duty paid in another country for re-sale in the UK without payment of UK duty and (where appropriate) VAT. (See also MTIC).

### Special Drawing Rights (SDRs)

These are reserve assets created and distributed by decision of the members of the IMF. Participants accept an obligation to provide convertible currency, when designated by the IMF to do so, to another participant, in exchange for SDRs equivalent to three times their own allocation. Only countries with a sufficiently strong balance of payments are so designated by the IMF. SDRs may also be used in certain direct payments between participants in the scheme and for payments of various kinds to the IMF.

### Spread earnings

Net spread earnings are the part of market making activities that represent payment for the performance of a service. The value of the spread earning for each transaction is calculated as the margin earned between the transaction price and the mid-market price at the time of the

transaction. This represents the 'added value' gained from market making activities. Spread earnings can be made on, for example, foreign exchange, securities and derivatives transactions.

### Subsidiary

A registered company in which another registered company has ownership of the majority of the voting share capital, that is greater than 50 per cent.

### Subsidies

Current unrequited payments made by general government or the European Union to enterprises. Those made on the basis of a quantity or value of goods or services are classified as 'subsidies on products'. Other subsidies based on levels of productive activity (for example, numbers employed) are designated 'Other subsidies on production'.

### Suppliers' credit

Export credit extended abroad directly by UK firms other than to related concerns (see Export credit).

### Swaps

See interest-rate swaps and currency swaps.

### Trade credit

See Export credit and Import credit.

### Trade in goods

Trade in goods covers general merchandise, goods for processing, repairs on goods, goods procured in ports by carriers and commodity gold (see Gold). General merchandise is defined for BOP purposes as covering, with a few exceptions, all movable goods for which actual or imputed changes of ownership occur between residents and non-residents.

### Trade in services

Provision of services between UK residents and non-residents, and transactions in goods which are not freighted out of the country in which the transactions take place, for example purchases for local use by foreign forces in the United Kingdom and by UK forces abroad, and purchases by tourists. Transactions in goods which are freighted into/out of the United Kingdom are included under trade in goods.

### Transfers

Transfers are payments or receipts where there is no corresponding exchange of an actual good or service. These transfers are split between current transfers, which form part of the current account, and capital transfers which form part of the capital account. Most transfer payments are central government transfers; that is, receipts from and payments to institutions of the European Union.

### Travel

The travel account gives the earnings from and expenditure on international traveller and business and other travel, but excludes transport between the UK and other countries (included within the transportation account). An international traveller is defined as a resident of

one country who visits another country and stays there for a period of less than 12 months. This definition excludes travellers who visit another country to take up pre-arranged employment or education there, military and diplomatic personnel, merchant seamen and airline crews on duty.

### Treasury bills

Short-term securities or promissory notes which are issued by government in return for funding from the money market. In the United Kingdom, every week, the Bank of England invites tenders for sterling Treasury bills from the financial institutions operating in the market. ECU/Euro-denominated bills were issued by tender each month but this programme has now wound down; the last bill was redeemed in September 1999. Treasury bills are an important form of short-term borrowing for the government, generally being issued for periods of three or six months.

### Trusts (Unit and Investment)

Unit trusts are institutions through which investors pool their funds to invest in a diversified portfolio of securities. Individual investors purchase units in the fund representing an ownership interest in the large pool of underlying assets, that is, they have an equity stake. The selection of assets is made by professional fund managers. Unit trusts therefore give individual investors the opportunity to invest in a diversified and professionally-managed portfolio of securities without the need for detailed knowledge of the individual companies issuing the stocks and bonds. Unit trust units are issued and bought back on demand by the managers of the trust, the value of the unit reflecting the value of the underlying pool of securities.

Investment trusts are institutions that invest capital in a wide range of other companies' shares. Investment trusts issue shares (which are listed on the stock market) to raise this capital. The price of shares is driven by the usual market forces.

Unit trusts are 'open-ended funds' which means the fund gets bigger as more people invest and gets smaller as people withdraw their money. Investment trusts are 'close-ended funds' because there are a set number of shares and this number does not change regardless of the number of investors. (See also Collective investment institutions.)

### Very short term financing facility (VSTFF)

This is a facility available within the EMS where a central bank makes short term credit facilities in its own currency available to another central bank.

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