Economic Trends

No 477
July 1993

Editor: ALAN HYDE

London: HMSO

Contents

Introduction

Economic Trends brings together all the main economic indicators. It contains three regular sections of tables and charts illustrating trends in the UK economy.

'Economic Update' is a feature giving an overview of the latest economic statistics. The content and presentation will vary from month to month depending on topicality and coverage of the published statistics. The accompanying table on main economic indicators is wider in coverage than the table on selected monthly indicators appearing in previous editions of *Economic Trends*. Data included in this section may not be wholly consistent with other sections which will have gone to press earlier.

The main section is based on information available to the CSO on the date printed at the foot of this page and shows the movements of the key economic indicators. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

The section on cyclical indicators shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The March, June, September and December issues carry further graphs showing separately the movements in all of the 27 indicators which make up the composite indices.

An article on international economic indicators appears monthly. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Quarterly articles on the national accounts and the balance of payments appear in a separate supplement to *Economic Trends* entitled *UK Economic Accounts* which is published every January, April, July and October.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. Some data, particularly for the latest time period, are provisional and may be subject to revisions in later issues.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Almost all quarterly data are seasonally adjusted; those not seasonally adjusted are indicated by NSA.

4. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

5. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

6. 'Billion' denotes one thousand million.

7. There may sometimes be an inconsistency between a table and the corresponding chart, because the data may be received too late to update the chart. In such cases it should be assumed that the table is correct.

8. There is no single correct definition of *money*. Consequently, several definitions of money stock are widely used:

M0 the narrowest measure consists of notes and coin in circulation outside the Bank of England and bankers' operational deposits at the Bank.

M2 comprises notes and coin in circulation with the public *plus* sterling retail deposits held by the UK private sector with UK banks and building societies.

M4 comprises notes and coin in circulation with the public, together with all sterling deposits (including *certificates of deposit*) held with UK banks and building societies by the rest of the private sector.

The Bank of England also publish data for liquid assets outside M4.

9. Symbols used:
   .. not available
   - nil or less than half the final digit shown
   + alongside a heading indicates a series for which measures of variability are given in the table on page 82
   † indicates that the data has been revised since the last edition; the period marked is the earliest in the table to have been revised
   * average (or total) of five weeks.

The Editor would welcome readers' suggestions for improvements to *Economic Trends*.

Central Statistical Office, 16 July 1993

Regional Economic Indicators

A new quarterly feature devoted to regional statistics appears in this month's *Economic Trends*.

It compares the latest major economic indicators for the "standard" regions of the United Kingdom and the text is supported by charts and tables.

Coverage may vary from quarter to quarter, depending on the range and timeliness of the data available. The next feature will be published in the September edition. Subsequently it will appear at intervals of three months - in December, March, June and September.

ECONOMIC UPDATE - JULY 1993

(includes data up to 23 July 1993)

Summary

- **Gross domestic product** at constant factor cost, rose by 0.5 per cent between 1993 Q1 and 1993 Q2. Excluding oil and gas extraction it also rose by 0.5 per cent.

- **UK claimant unemployment**, seasonally adjusted, fell by 7,600 in June; the fifth consecutive monthly fall.

- **Retail sales volume** rose by 0.5 per cent in the three months to June compared with the previous three months.

- The **retail prices index (RPI)** rose by 1.2 per cent in the year to June. **Excluding mortgage interest payments**, the annual rate remained at 2.8 per cent.

- The annual increase in **output prices of manufactured products**, excluding food, drink and tobacco, remained at 2.6 per cent in June. The annual increase in **input prices for manufacturing industry** rose from 7.5 per cent in May to 7.8 per cent in June.

- In the three months to May, **manufacturing productivity** was 8.7 per cent higher than one year earlier. Over the same period **unit wage costs** fell by 3.6 per cent; the largest annual fall in a three month period since records began in 1970.

- Annual growth in **whole economy underlying average earnings** for Great Britain fell from 4 per cent in April to $3^{3}/_{4}$ per cent in May.

- Annual growth of **M0**, seasonally adjusted, rose to 4.4 per cent in June from 3.3 per cent in May.

Output

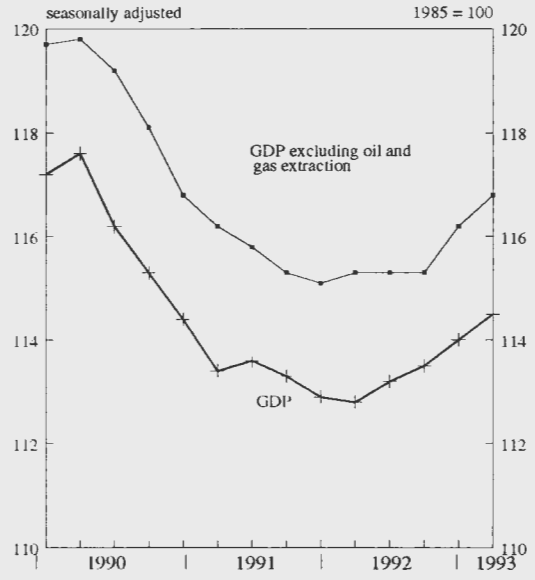
The preliminary estimate of **gross domestic product (GDP)** showed that output, at constant factor cost, rose by 0.5 per cent between 1993 Q1 and 1993 Q2. Excluding oil and gas extraction, GDP also rose by 0.5 per cent. Chart 1 shows movements in GDP since 1990.

2. Within GDP the **output of production industries** rose between 1993 Q1 and 1993 Q2. A fall in **energy output** was offset by rises in output in the **manufacturing** and **service sectors**.

Activity and expectations

3. The CSO's **coincident cyclical indicator** has maintained steady increases since its trough, provisionally dated in the spring of last year. The **shorter leading index** has been rising since last Autumn. The **longer leading index** has flattened in recent months as falls in share prices have offset positive contributions from other components.

Chart 1
Gross domestic product
at constant factor cost



4. The **CBI Monthly Trends Enquiry in manufacturing** suggested a slight fall in the balance (ups less downs), seasonally adjusted by the CSO, indicating **order books** below normal, from -23 per cent in May to -26 per cent in June. The balance for **export orders**, seasonally adjusted, worsened to -15 per cent in June from -7 per cent in May, but remained above levels recorded between summer 1990 and April of this year. **Output** expectations, seasonally adjusted by the CSO, fell in June, but remained positive for the sixth consecutive month.

5. In the three months to May, **total new construction orders** in Great Britain at constant prices, seasonally adjusted, rose by 2 per cent compared with the three previous months and were $5^{1}/_{2}$ per cent higher than the same period a year ago.

6. In the three months to May **the number of dwellings started** in Great Britain rose by 9 per cent, seasonally adjusted, compared with the three previous months and were 17 per cent up on the same period a year earlier.

Indicators of domestic demand

7. The **volume of retail sales**, seasonally adjusted, rose by 1.3 per cent in June. Sales by clothing and footwear retailers recovered from May when they were affected by adverse weather. In the three months to June, the volume of sales was 0.5 per cent higher than in the previous three months and 3.1 per cent higher than the same period last year.

8. **New car registrations**, seasonally adjusted, in the three months to May were 4.3 per cent down on the previous three months, but were 10.9 per cent up on a year earlier.

Chart 2
New car registrations - level and 3 month moving average

9. **Net lending to consumers**, on the narrower coverage, was £118 million in May. In the three months to May net lending to consumers rose to £508 million from £341 million in the three months to February 1993. Recent data suggest net lending has been rising since August of last year.

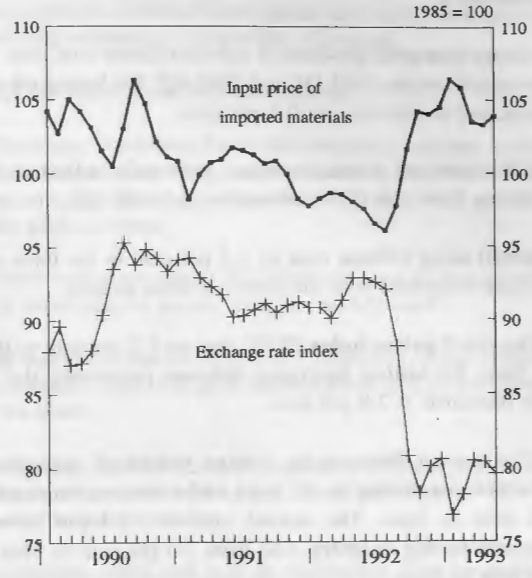
Prices and wages

10. In the year to June the increase in the **retail prices index** (RPI) was 1.2 per cent; the lowest 12-month rate since February 1964. **Excluding mortgage interest payments**, the annual rate remained at 2.8 per cent; well within the government's target range of 1 to 4 per cent.

11. The **output price index for manufactured products**, seasonally adjusted remained subdued. Excluding food, drink and tobacco, it rose by 0.3 per cent between May and June. The annual rise in the index remained at 2.6 per cent in June for the fifth successive month.

12. The **input price index for purchases by manufacturing industry**, seasonally adjusted, rose by 0.3 per cent between May and June. The annual increase in the index rose from 7.5 per cent in May to 7.8 per cent in June. A major factor in the rise in the annual index was the increase in the price of imported materials resulting largely from sterling's depreciation. The rise in input prices in the year to date is rather smaller than might have been expected if the fall in the exchange rate had been fully reflected in the price of imported materials. The price index of imported inputs and the effective exchange rate since sterling left the ERM are shown in Chart 3.

Chart 3
Input prices for materials imported and the exchange rate



13. **Output price expectations** suggest a continuation of low inflationary pressures. The **CBI Monthly Trends Enquiry for manufacturing** suggested a fall from 10 per cent in May to 9 per cent in June in the balance, seasonally adjusted by the CSO, of firms expecting to raise prices in the next four months.

14. The annual rise in underlying **whole economy average earnings** for Great Britain fell from 4 per cent in April to $3^{3}/_{4}$ per cent in May. The underlying increase for manufacturing remained at 5 per cent while for services it fell from $3^{1}/_{4}$ per cent in April to 3 per cent in May. The falls in average earnings growth are shown in Chart 4.

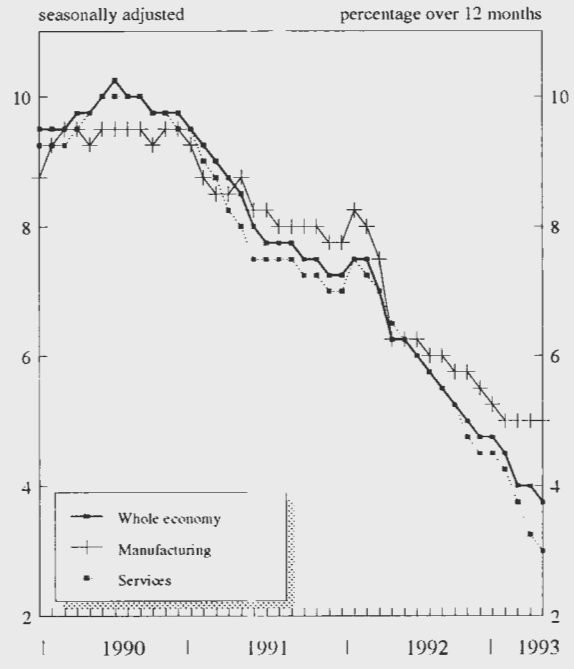
Labour market and productivity

15. **UK claimant unemployment**, seasonally adjusted, fell for the fifth successive month. Between May and June it fell by 7,600 to 2.909 million or 10.4 per cent of the workforce. The average monthly fall in the six months to June was 10,500 compared with an average rise of 41,700 per months in the sixth months to December 1992. Recent changes are shown in Chart 5

16. The **number of employees employed in manufacturing** in Great Britain fell by 15,000 between April and May. In the year to May, employment in manufacturing fell by 245,000. The Winter 1992/93 **Labour Force Survey** also showed a fall in employment. It fell by 156,000, seasonally adjusted, in Great Britain compared with the Autumn 1992 survey, to 24.7 million.

17. In the three months to May, **labour productivity in manufacturing** was 8.7 per cent above the level of one year earlier. This plus the reduction in earnings growth resulted in a fall in **unit wage costs in manufacturing** of

Chart 4
Whole economy underlying earnings in GB



3.6 per cent; the largest annual fall for a three month average since records began in 1970.

18. **Hours of overtime** per operative per week in the manufacturing industry rose from 3.0 in March to 3.6 in April. During the same period **hours lost through short-time working** per operative remained at about 0.1 hours.

Monetary indicators

19. The annual growth of narrow money (**M0**), seasonally adjusted, rose to 4.4 per cent in June from 3.3 per cent in May; just outside the Government's monitoring range of 0 to 4 per cent. The annual growth of broad money (**M4**), seasonally adjusted, fell provisionally to 3.3 per cent in June from 3.8 per cent in May, to remain at the lower end of the monitoring range of 3 to 9 per cent.

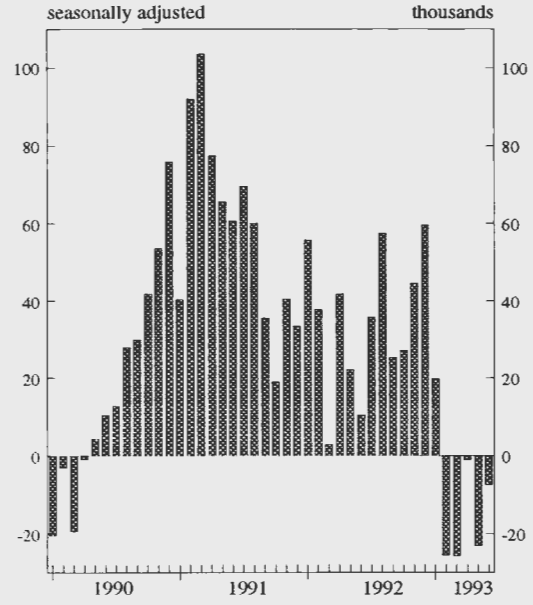
Government finances

20. The **public sector borrowing requirement (PSBR)** in June was £3.9 billion and £4.1 billion excluding privatisation proceeds. For the first three months of 1993-94 the **PSBR** was £13.2 billion compared with £10.7 billion in the same period last year. Excluding privatisation proceeds, in the first three months the PSBR was £14.8 billion compared with £12.6 billion in the same period last year.

Balance of payments

21. Figures on trade with non-EC countries reveal that the visible deficit narrowed again in June to a deficit of £0.6 billion to continue its trend reduction. **Export volumes, excluding oil and erratics**, rose by 5.3 per cent in the three months to June

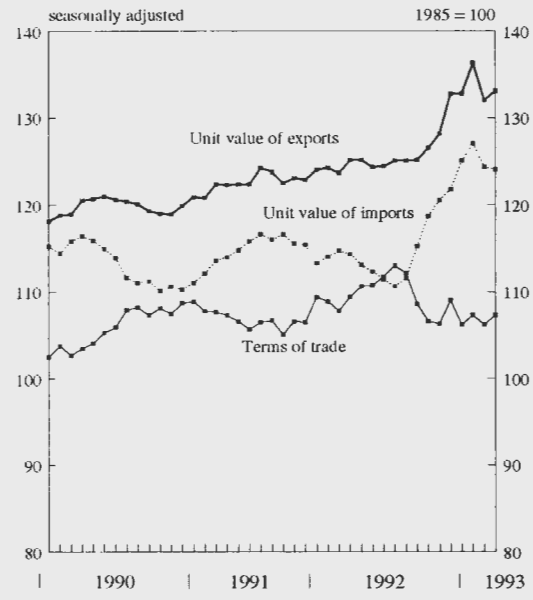
Chart 5
Changes in UK claimant unemployment



compared with the three previous months. On the same basis **imports** rose by 3.2 per cent.

22. In the three months to June the **unit value index of non-EC exports, excluding oil**, fell by 0.6 per cent compared with the three previous months. On the same basis the **unit value index of non-EC imports**, fell by 0.8 per cent. Movements in the unit value of exports, imports and the terms of trade (all excluding oil) are shown in Chart 6.

Chart 6
Unit value of exports, imports and the terms of trade - Non EC trade



INTERNATIONAL ECONOMIC INDICATORS

INTRODUCTION

The series presented here are taken from the Organisation of Economic Co-operation and Development's (OECD) Main Economic Indicators, except for the United Kingdom where several of the series are those most recently published. The series shown are for each of the G7 economies (United Kingdom, Germany, France, Italy, United States, Japan and Canada) and for the European Communities (EC) and OECD countries in aggregate. The data are those available at 21 July 1993.

2. The length and periodicity of the series have been chosen to show their movement over a number of years as well as the recent past. There is no attempt here to make cross country comparisons across cycles. Further, because the length and timing of these cycles varies across countries, comparisons of indicators over the same period should be treated with caution.

COMMENTARY

3. Gross Domestic Product (GDP) at constant market prices continued to rise in the United Kingdom, increasing by 0.5 per cent between 1992 Q4 and 1993 Q1. In the rest of the EC, GDP fell by 1.4 per cent in Germany between 1992 Q4 and 1993 Q1. In France and Italy, GDP fell by 0.4 per cent and 0.5 per cent respectively between 1992 Q3 and 1992 Q4. Elsewhere GDP rose by 0.6 per cent in Japan and 1.0 per cent in Canada between 1992 Q4 and 1993 Q1. In the United States, the rate of increase slowed to 0.2 per cent from 1.1 per cent between 1992 Q3 and 1992 Q4.

4. Consumer price inflation fell slightly in the United Kingdom from 1.3 per cent in May to 1.2 per cent in June. In the United States consumer price inflation fell by 0.2 per cent to 3.2 per cent in June. In the rest of the EC, consumer price inflation remained at 4.2 per cent in Germany in June and rose from 4.0 per cent to 4.2 per cent in Italy. In France it remained at 2.0 per cent in May.

5. The standardised unemployment rate in the United States fell slightly to 6.8 per cent in May - a decline of 0.8 per cent since June 1992. In Japan unemployment rose by 0.2 per cent in May. The rate for the EC remained at 10.3 per cent in May. Within this, the rate for the United Kingdom fell by 0.1 per cent to 10.4 per cent, while unemployment rose by 0.1 per cent in Germany and France to levels of 5.9 per cent and 11.5 per cent respectively.

1 Gross domestic product at constant market prices: index numbers

1985 = 100

	United Kingdom	Germany[1]	France	Italy	EC	United States	Japan[2]	Canada	Major 7	OECD
	FNAO	GABI	GABH	GABJ	GAEK	GAEH	GAEI	GAEG	GAEO	GAEJ
1980	90.5	94.6	92.7	93.3	93.0	88.2	82.9	86.7	88.7	88.9
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	104.1	102.2	102.5	102.9	102.8	102.9	102.6	103.3	102.9	102.9
1987	109.1	103.6	104.8	106.1	105.8	106.1	107.1	107.6	106.2	106.3
1988	114.0	107.3	109.5	110.5	110.2	110.3	113.8	113.0	111.0	111.0
1989	116.4	111.0	114.2	113.7	114.0	113.0	119.3	115.7	114.4	114.5
1990	117.0	116.8	117.1	116.1	117.3	114.0	125.0	115.6	116.8	117.1
1991	114.4	121.2	117.9	117.6	118.7	112.6	130.0	113.6	117.3	117.8
1992	113.7	122.6	119.5	118.7	119.4	115.0	132.0	114.4	119.1	119.5
1990 Q1	117.9	114.7	116.7	115.7	116.8	114.3	122.6	116.4	116.4	116.7
Q2	118.2	115.8	116.9	115.6	117.0	114.6	124.6	116.0	117.0	117.3
Q3	116.5	117.9	117.7	116.9	117.6	114.1	125.9	115.5	117.2	117.5
Q4	115.3	118.9	117.0	116.4	117.5	112.9	127.1	114.3	116.7	117.1
1991 Q1	114.9	120.5	117.1	116.8	117.9	112.1	129.1	112.5	116.7	117.1
Q2	114.1	121.6	117.7	117.4	118.6	112.6	129.9	113.7	117.2	117.7
Q3	114.4	121.5	118.5	117.8	119.0	112.9	130.5	114.0	117.6	118.1
Q4	114.2	121.3	118.5	118.3	119.3	113.1	131.1	114.2	117.8	118.4
1992 Q1	113.5	123.3	119.4	119.0	119.5	113.9	132.5	114.2	118.6	119.1
Q2	113.4	123.0	119.6	119.2	119.5	114.3	132.5	114.2	118.8	119.3
Q3	113.8	122.6	119.8	118.6	119.5	115.3	131.7	114.3	119.1	119.6
Q4	114.2	121.5	119.3	118.0	119.2	116.6	131.7	115.0	119.7	120.1
1993 Q1	114.7	119.8	..	..	..	116.8	132.5	116.1	..	..
Percentage change, latest quarter on corresponding quarter of previous year										
1992 Q4	*0.0*	*0.2*	*0.7*	*−0.3*	*−0.1*	*3.1*	*0.5*	*0.7*	*1.6*	*1.4*
1993 Q1	*1.1*	*−2.8*	..	..	..	*2.5*	*0.0*	*1.7*	..	..
Percentage change, latest quarter on previous quarter										
1992 Q4	*0.3*	*−0.9*	*−0.4*	*−0.5*	*−0.3*	*1.1*	*0.0*	*0.6*	*0.5*	*0.4*
1993 Q1	*0.5*	*−1.4*	..	..	..	*0.2*	*0.6*	*1.0*	..	..

1 Western Germany (Federal Republic of Germany before unification)
2 GNP

2 Consumer prices[1] Percentage change on year earlier

	United Kingdom	Germany[2]	France	Italy	EC	United States	Japan	Canada	Major 7	OECD
1980	18.0	*5.5*	*13.6*	*21.0*	*13.7*	*13.5*	*8.0*	*10.1*	*12.7*	*13.7*
1985	6.1	*2.2*	*5.8*	*8.6*	*6.2*	*3.5*	*2.0*	*4.0*	*4.0*	*4.8*
1986	3.4	*–0.1*	*2.7*	*6.1*	*3.7*	*1.9*	*0.4*	*4.2*	*2.1*	*3.0*
1987	4.2	*0.2*	*3.1*	*4.6*	*3.4*	*3.6*	*–0.2*	*4.3*	*2.9*	*3.6*
1988	4.9	*1.3*	*2.6*	*5.0*	*3.6*	*4.1*	*0.5*	*4.0*	*3.3*	*4.3*
1989	7.8	*2.8*	*3.7*	*6.6*	*5.2*	*4.8*	*2.3*	*5.0*	*4.6*	*5.4*
1990	9.5	*2.7*	*3.4*	*6.0*	*5.6*	*5.5*	*3.1*	*4.8*	*5.0*	*5.8*
1991	5.9	*3.5*	*3.2*	*6.5*	*5.0*	*4.2*	*3.3*	*5.6*	*4.3*	*5.2*
1992	3.7	*4.0*	*2.4*	*5.3*	*4.3*	*3.0*	*1.6*	*1.5*	*3.1*	*4.1*
1992 Q2	*4.1*	*4.5*	*2.8*	*5.5*	*4.7*	*3.1*	*2.3*	*1.4*	*3.3*	*4.2*
Q3	*3.6*	*3.4*	*2.1*	*5.3*	*4.1*	*3.1*	*1.6*	*1.3*	*3.0*	*3.9*
Q4	*3.0*	*3.6*	*1.9*	*4.8*	*3.8*	*3.0*	*0.7*	*1.7*	*2.8*	*3.7*
1993 Q1	*1.8*	*4.3*	*2.1*	*4.3*	*3.5*	*3.2*	*1.2*	*2.0*	*2.8*	*3.7*
Q2	*1.3*	*4.2*	..	..	..	..	..	..	..	..
1992 Jun	3.9	*4.3*	*2.6*	*5.4*	*4.5*	*3.1*	*2.2*	*1.1*	*3.2*	*4.1*
Jul	3.7	*3.3*	*2.2*	*5.4*	*4.1*	*3.2*	*1.5*	*1.3*	*3.0*	*3.9*
Aug	3.6	*3.5*	*2.1*	*5.2*	*4.1*	*3.1*	*1.6*	*1.2*	*3.0*	*3.9*
Sep	3.6	*3.6*	*2.1*	*5.1*	*4.0*	*3.1*	*2.0*	*1.3*	*3.0*	*3.9*
Oct	3.6	*3.7*	*2.0*	*4.8*	*3.9*	*3.2*	*0.9*	*1.6*	*2.9*	*3.8*
Nov	3.0	*3.7*	*1.6*	*4.7*	*3.8*	*3.0*	*0.4*	*1.7*	*2.7*	*3.7*
Dec	2.6	*3.7*	*1.9*	*4.7*	*3.6*	*2.9*	*0.9*	*2.1*	*2.7*	*3.6*
1993 Jan	1.7	*4.4*	*2.1*	*4.2*	*3.5*	*3.3*	*1.1*	*2.1*	*2.9*	*3.8*
Feb	1.8	*4.2*	*2.0*	*4.4*	*3.4*	*3.3*	*1.3*	*2.3*	*2.9*	*3.8*
Mar	1.9	*4.2*	*2.2*	*4.2*	*3.4*	*3.1*	*1.3*	*1.9*	*2.8*	*3.7*
Apr	1.3	*4.3*	*2.0*	*4.2*	*3.3*	*3.2*	*0.6*	*1.8*	*2.7*	*3.8*
May	1.3	*4.2*	*2.0*	*4.0*	*3.3*	*3.2*	*0.7*	*1.8*	*2.7*	*3.8*
Jun	1.2	*4.2*	..	*4.2*	..	*3.0*	..	*1.6*	..	..

1 Components and coverage not uniform across countries
2 Western Germany (Federal Republic of Germany before unification)

3 Standardised unemployment rates: percentage of total labour force[1]

	United Kingdom	Germany[2]	France	Italy	EC[3]	United States	Japan	Canada	Major 7	OECD
	GABF	GABD	GABC	GABE	GADR	GADO	GADP	GADN	GAEQ	GADQ
1980	6.4	2.9	6.3	7.5	6.4	7.0	2.0	7.4	5.5	5.8
1985	11.2	7.1	10.2	9.6	10.8	7.1	2.6	10.4	7.2	7.8
1986	11.2	6.4	10.4	10.5	10.8	6.9	2.8	9.5	7.1	7.7
1987	10.3	6.2	10.5	10.9	10.6	6.1	2.8	8.8	6.7	7.3
1988	8.6	6.2	10.0	11.0	9.9	5.4	2.5	7.7	6.1	6.7
1989	7.2	5.6	9.4	10.9	9.0	5.2	2.3	7.5	5.7	6.2
1990	6.8	4.9	8.9	10.3	8.4	5.4	2.1	8.1	5.6	6.1
1991	8.7	4.4	9.4	9.9	8.7	6.6	2.1	10.2	6.3	6.8
1992	9.9	4.8	10.3	10.5	9.5	7.3	2.2	11.2	6.9	7.5
1992 Q1	9.6	4.5	10.0	9.9	9.1	7.2	2.1	10.7	6.7	7.2
Q2	9.7	4.6	10.2	10.0	9.3	7.4	2.1	11.2	6.8	7.4
Q3	10.1	4.8	10.4	10.1	9.5	7.4	2.2	11.5	7.0	7.6
Q4	10.4	5.1	10.7	9.3	9.7	7.2	2.3	11.5	6.9	7.6
1993 Q1	10.6	5.5	11.0	9.1	10.2	6.9	2.3	10.9	6.8	7.6
1992 May	9.7	4.7	10.3	–	9.3	7.4	2.1	11.1	6.8	7.4
Jun	9.8	4.7	10.4	–	9.3	7.6	2.1	11.5	7.0	7.5
Jul	10.0	4.8	10.4	10.1	9.4	7.5	2.2	11.5	6.9	7.5
Aug	10.1	4.8	10.4	–	9.5	7.5	2.2	11.5	6.9	7.5
Sep	10.2	4.9	10.5	–	9.6	7.4	2.2	11.3	6.9	7.5
Oct	10.2	5.0	10.6	9.3	9.6	7.3	2.3	11.3	6.9	7.5
Nov	10.4	5.1	10.7	–	9.7	7.2	2.3	11.7	6.9	7.6
Dec	10.6	5.2	10.9	–	9.9	7.2	2.4	11.4	6.9	7.7
1993 Jan	10.7	5.4	10.9	9.1	10.1	7.0	2.3	11.0	6.8	7.6
Feb	10.6	5.5	11.0	..	10.2	6.9	2.3	10.8	6.8	7.6
Mar	10.5	5.7	11.2	..	10.2	6.9	2.3	11.0	6.8	7.7
Apr	10.5	5.8	11.4	9.1	10.3	6.9	2.3	11.3	6.9	7.7
May	10.4	5.9	11.5	..	10.3	6.8	2.5	11.3	6.9	..

1 Uses an ILO based measure of those without work, currently available for work, actively seeking work or waiting to start a job already obtained
2 Western Germany (Federal Republic of Germany before unification)
3 Excludes Denmark, Greece and Luxembourg

4 Balance of payments current account as percentage of GDP

	United Kingdom	Germany[1,2]	France	Italy	United States[1]	Japan[1]	Canada
1980	1.2	–1.7	–0.6	–2.3	0.1	–1.0	–0.4
1985	0.8	2.7	–0.1	–0.9	–2.9	3.6	–0.6
1986	–	4.5	0.3	0.4	–3.5	4.3	–2.3
1987	–1.1	4.1	–0.6	–0.2	–3.6	3.6	–2.1
1988	–3.4	4.2	–0.5	–0.7	–2.6	2.7	–2.6
1989	–4.2	4.9	–0.5	–1.2	–1.9	2.0	–3.6
1990	–3.1	3.2	–0.8	–1.3	–1.6	1.2	–3.9
1991	–1.1	–1.3	–0.5	–1.8	–0.1	2.1	–4.3
1992	–1.9	–1.5	0.3	–2.1	..	..	..
1992 Q2	–2.0	–0.4	0.2	–0.4	–1.2	3.2	–3.9
Q3	–1.5	–0.5	–	–0.5	–1.2	..	..
Q4	–2.6	–0.3	0.2	–0.4	..	..	..
1993 Q1	–2.6	..	..	..	..	..	..

1 Balance as percentage of GNP
2 Western Germany (Federal Republic of Germany before unification)

5 Total industrial production: index numbers

1985 = 100

	United Kingdom	Germany[1]	France	Italy	EC	United States	Japan[2]	Canada[3]	Major 7	OECD[4]
	DVIM	HFGA	HFFZ	HFGB	GACY	HFGD	HFGC	HFFY	GAES	GACX
1980	92.6	97.3	101.9	103.6	97.2	89.1	84.4	86.2	91.0	91.1
1985	100.0	100.3	100.0	100.0	100.1	100.0	100.0	100.0	100.0	100.0
1986	102.4	102.3	100.9	103.6	102.3	100.9	99.8	99.3	101.1	101.2
1987	105.7	102.6	102.8	107.6	104.7	106.0	103.3	104.1	104.9	104.9
1988	109.5	106.3	107.7	114.1	109.0	110.7	113.7	109.6	110.7	110.7
1989	109.9	111.4	112.1	117.6	113.1	112.4	120.3	109.2	113.8	114.6
1990	109.3	117.2	114.2	117.6	115.2	112.4	125.4	104.6	115.3	116.7
1991	106.1	120.7	114.1	115.4	115.1	110.3	127.8	100.3	114.7	116.1
1992	105.8	118.4	113.0	114.8	..	112.9	120.4	101.2	114.1	..
1992 Q1	105.4	122.1	113.9	118.8	116.0	111.4	123.6	100.1	114.8	114.9
Q2	105.0	120.1	113.8	115.5	114.7	112.6	120.7	100.6	114.3	114.5
Q3	105.9	118.5	113.6	112.8	113.8	112.9	120.3	101.3	114.0	114.3
Q4	106.8	112.9	110.6	112.0	111.5	114.7	117.2	102.9	113.4	113.5
1993 Q1	107.0	109.5	..	113.1	110.3	116.3	117.8	104.9	114.0	113.9
1992 May	104.6	120.5	113.4	117.9	114.9	113.0	119.0	100.4	114.2	114.4
Jun	104.6	119.3	113.7	115.7	114.4	112.3	121.3	100.5	114.1	114.3
Jul	105.8	118.7	113.8	116.3	114.8	113.1	121.1	99.9	114.5	114.8
Aug	105.7	118.3	113.8	110.7	113.1	112.9	117.6	101.9	113.3	113.6
Sep	106.1	118.4	114.1	111.4	113.5	112.5	122.1	102.1	114.1	114.3
Oct	107.4	115.5	114.7	113.7	113.7	113.9	118.3	102.4	114.0	114.2
Nov	106.7	113.2	109.7	114.6	111.8	114.8	116.8	103.0	113.6	113.6
Dec	106.5	110.1	108.1	107.6	109.0	115.4	116.3	103.4	112.7	112.7
1993 Jan	106.4	109.8	108.5	113.4	109.5	115.8	115.9	103.7	113.3	113.0
Feb	107.9	108.4	111.0	114.1	111.0	116.4	117.2	104.7	114.0	114.1
Mar	106.8	110.4	109.9	111.9	110.6	116.6	120.3	106.2	114.7	114.5
Apr	106.6	109.0	109.2	..	109.5	116.7	117.1	105.4	113.9	113.6
May	108.7	110.5	..	..	..	116.9	114.6	..	..	..
Percentage change: average of latest three months on that of corresponding period of previous year										
1993 Mar	*1.5*	*–10.3*	*–3.4*	*–4.8*	*–4.9*	*4.4*	*–4.7*	*4.8*	*–0.6*	*–0.9*
Apr	*1.3*	*–10.3*	*–3.5*	..	*–4.7*	*4.1*	*–3.7*	*5.0*	*–0.5*	*–0.8*
May	*2.1*	*–8.9*	..	..	..	*3.8*	*–3.0*	..	..	..
Percentage change: average of latest three months on previous three months										
1993 Mar	*0.2*	*–3.0*	*–0.9*	*1.0*	*–1.0*	*1.4*	*0.6*	*1.9*	*0.5*	*0.3*
Apr	*0.5*	*–1.6*	*1.2*	..	*0.2*	*1.1*	*1.6*	*2.0*	*0.9*	*0.9*
May	*0.4*	*0.5*	..	..	..	*0.7*	*0.7*	..	..	..

1 Western Germany (Federal Republic of Germany before unification)
2 Not adjusted for unequal number of working days in a month
3 GDP in industry at factor cost and 1986 prices
4 Some countries excluded from area total

6 Producer prices (manufacturing)
Percentage change on a year earlier

	United Kingdom	Germany[1]	France[2]	Italy	EC	United States	Japan	Canada	Major 7	OECD
1980	*14.1*	*7.1*	*9.2*	..	..	*13.5*	*14.8*	*13.3*	..	..
1985	*5.3*	*1.9*	*4.4*	*7.8*	*5.0*	*0.9*	*−0.8*	*2.8*	*1.9*	*3.0*
1986	*4.3*	*−2.4*	*−2.8*	*0.2*	*−0.8*	*−1.4*	*−4.7*	*0.9*	*−1.5*	*−1.1*
1987	*3.8*	*−0.4*	*0.6*	*3.0*	*1.3*	*2.1*	*−2.9*	*2.8*	*1.1*	*1.5*
1988	*4.5*	*1.6*	*5.1*	*3.5*	*3.5*	*2.5*	*−0.2*	*4.4*	*2.5*	*3.5*
1989	*5.1*	*3.4*	*5.4*	*5.9*	*5.1*	*5.1*	*2.1*	*1.9*	*4.4*	*5.4*
1990	*5.9*	*1.5*	*−1.1*	*4.2*	*2.3*	*5.0*	*1.6*	*0.3*	*3.4*	*3.9*
1991	*5.6*	*2.0*	*−1.3*	*3.3*	*2.3*	*2.1*	*1.0*	*−1.1*	*2.0*	*2.6*
1992	*3.8*	*1.6*	*−1.6*	*1.9*	*1.4*	*1.2*	*−0.8*	*0.5*	*0.7*	*1.8*
1992 Q2	*3.6*	*2.4*	*−1.1*	*2.1*	*1.8*	*1.3*	*−0.9*	*−0.2*	*0.9*	*1.9*
Q3	*3.4*	*1.4*	*−0.9*	*1.9*	*1.4*	*1.5*	*−0.8*	*1.6*	*1.1*	*2.1*
Q4	*3.3*	*1.0*	*−1.5*	*2.3*	*1.2*	*1.5*	*−1.1*	*3.2*	*1.0*	*2.2*
1993 Q1	*3.7*	*0.7*	*−2.3*	*3.1*	*1.2*	*1.9*	*−1.1*	*4.0*	*1.2*	*2.5*
Q2	*4.0*	..	..	..	..	..	..	..	..	..
1992 Jun	*3.6*	*2.5*		*2.1*	*1.7*	*1.6*	*−1.0*	*0.4*	*1.1*	*2.0*
Jul	*3.6*	*1.6*		*1.9*	*1.6*	*1.7*	*−0.8*	*0.8*	*1.1*	*2.1*
Aug	*3.4*	*1.5*		*1.9*	*1.4*	*1.5*	*−0.9*	*1.6*	*1.0*	*2.0*
Sep	*3.4*	*1.2*		*1.9*	*1.3*	*1.6*	*−0.9*	*2.2*	*1.0*	*2.1*
Oct	*3.3*	*1.0*		*2.0*	*1.1*	*1.7*	*−1.1*	*3.0*	*1.1*	*2.2*
Nov	*3.3*	*1.0*		*2.2*	*1.2*	*1.4*	*−1.1*	*3.2*	*0.9*	*2.1*
Dec	*3.5*	*1.0*		*2.5*	*1.3*	*1.5*	*−1.2*	*3.7*	*1.0*	*2.2*
1993 Jan	*3.6*	*1.0*		*2.8*	*1.2*	*2.0*	*−1.1*	*4.4*	*1.2*	*2.6*
Feb	*3.7*	*0.7*		*2.9*	*1.2*	*1.8*	*−1.0*	*3.8*	*1.2*	*2.5*
Mar	*3.6*	*0.6*		*3.5*	*1.2*	*2.0*	*−1.2*	*3.8*	*1.2*	*2.6*
Apr	*3.8*	*0.3*		*3.7*	*1.1*	*2.3*	*−1.3*	*3.8*	*1.4*	*2.8*
May	*4.0*	*−0.1*		..	..	*2.0*	*−1.5*	*3.3*	..	..
Jun	*4.0*	..		..	..	..	..	..	..	..

1 Western Germany (Federal Republic of Germany before unification).
2 Producer prices in intermediate goods

7 Total employment: index numbers[1]

1985 = 100

	United Kingdom	Germany[2,3]	France[3]	Italy	EC	United States[3]	Japan	Canada[3]	Major 7	OECD
	DMBC	GAAR	GAAU	GAAS	GADW	GADT	GADU	GADS	GAEU	GADV
1980	103.5	102	101.1	100	..	93	95	95	..	..
1985	100.0	100	100.0	100	100	100	100	100	100	100
1986	100.1	101	100.5	101	101	102	101	103	101	101
1987	101.9	102	100.9	100	102	105	102	106	103	103
1988	105.2	103	102.0	102	104	107	104	109	105	105
1989	107.8	104	103.5	101	106	109	106	111	107	107
1990	108.5	107	104.6	103	107	110	108	112	108	109
1991	105.5	109	104.6	104	108	109	110	110	108	108
1992	102.6	109	104.2	103	106	110	111	109	108	108
1992 Q1	103.9	109	104.1	103	106	108	109	106	107	107
Q2	103.4	110	104.6	105	107	110	112	109	109	109
Q3	102.1	110	104.7	104	106	111	112	112	109	109
Q4	101.2	109	103.5	102	105	110	111	109	108	108
1993 Q1	100.8	108	103.2	101	104	109	109	107	107	107
1993 Jan	..	108	–	101	104	108	108	106	107	106
Feb	..	108	–	..	104	109	108	107	107	107
Mar	..	108	103.2	..	104	110	109	107	107	107
Apr	..	108	..	..	..	110	111	108	..	..
May	..	108	..	..	..	..	112	111	..	..
Percentage change, latest quarter on that of corresponding period of previous year										
1992 Q4	*−3.0*	*−0.9*	*−0.5*	*−1.9*	*−1.9*	*0.9*	*0.9*	*0.0*	*0.0*	*0.0*
1993 Q1	*−3.0*	*−0.9*	*−0.9*	*−1.9*	*−1.9*	*0.9*	*0.0*	*0.9*	*0.0*	*0.0*
Percentage change latest quarter on previous quarter										
1992 Q4	*−0.9*	*−0.9*	*−1.1*	*−1.9*	*−0.9*	*−0.9*	*−0.9*	*−2.7*	*−0.9*	*−0.9*
1993 Q1	*−0.4*	*−0.9*	*−0.3*	*−1.0*	*−1.0*	*−0.9*	*−1.8*	*−1.8*	*−0.9*	*−0.9*

1 Not seasonally adjusted except for the United Kingdom
2 Western Germany (Federal Republic of Germany before unification)
3 Excludes members of armed forces

8 Average wage earnings in manufacturing[1]
Percentage change on a year earlier

	United Kingdom[2]	Germany[3]	France	Italy	EC	United States	Japan	Canada	Major 7	OECD
1980	*17.8*	*6.5*	*15.2*	*18.7*	*10.3*	*8.6*	*7.5*	*10.9*	*9.0*	*9.1*
1985	*9.1*	*4.2*	*5.7*	*11.2*	*7.5*	*4.2*	*3.1*	*4.2*	*5.3*	*5.3*
1986	*7.7*	*4.0*	*3.9*	*4.8*	*5.0*	*2.0*	*1.4*	*3.0*	*3.0*	*4.0*
1987	*8.0*	*3.8*	*3.2*	*6.5*	*5.7*	*2.0*	*1.7*	*2.9*	*2.9*	*2.9*
1988	*8.5*	*4.6*	*3.1*	*6.1*	*5.4*	*2.9*	*4.6*	*3.8*	*4.7*	*4.7*
1989	*8.7*	*3.5*	*3.8*	*6.1*	*6.0*	*2.8*	*5.8*	*5.5*	*4.5*	*5.4*
1990	*9.4*	*5.1*	*4.5*	*7.2*	*7.3*	*3.6*	*5.4*	*5.2*	*5.2*	*5.9*
1991	*8.2*	*5.7*	*4.3*	*9.8*	*7.5*	*2.6*	*3.5*	*4.9*	*4.9*	*4.8*
1992	*6.6*	..	*3.6*	*5.4*	*6.3*	*2.6*	*1.0*	*3.9*	*3.9*	*3.8*
1992 Q2	*6.0*	..	*3.8*	*6.0*	*6.4*	*2.6*	*2.0*	*3.9*	*4.0*	*4.7*
Q3	*6.1*	..	*3.5*	*3.8*	*4.8*	*1.7*	*0.7*	*3.1*	*3.1*	*3.8*
Q4	*5.7*	..	*3.6*	*2.9*	*4.7*	*1.7*	*−0.1*	*3.1*	*2.2*	*3.6*
1993 Q1	*4.7*	..	*3.4*	*2.8*	*4.7*	*2.5*	*−0.5*	*3.0*	*2.4*	*3.1*
Q2	..	..	*2.6*	..	..	*2.5*	..	..	..	..
1992 Jun	*5.9*	..	..	*4.7*	*7.1*	*2.6*	*3.4*	*3.1*	*4.4*	*4.3*
Jul	*6.2*	..	*3.5*	*4.0*	*5.5*	*1.7*	*2.0*	*3.1*	*2.8*	*3.4*
Aug	*6.5*	..	..	*3.5*	*5.6*	*2.6*	*−1.8*	*3.9*	*2.4*	*3.1*
Sep	*5.7*	..	..	*3.7*	*4.8*	*2.5*	*1.1*	*3.1*	*3.3*	*4.0*
Oct	*6.2*	..	*3.6*	*4.1*	*5.4*	*2.5*	*1.2*	*3.9*	*3.3*	*3.9*
Nov	*5.6*	..	..	*2.1*	*4.7*	*1.7*	*1.2*	*3.1*	*3.2*	*3.1*
Dec	*5.4*	..	..	*2.4*	*5.4*	*2.5*	*−1.0*	*3.8*	*1.8*	*2.4*
1993 Jan	*5.0*	..	*3.4*	*2.8*	*5.4*	*3.4*	*−3.6*	*3.8*	*2.4*	*2.3*
Feb	*5.1*	..	..	*2.8*	*4.7*	*2.5*	*1.3*	*3.8*	*3.3*	*3.9*
Mar	*4.3*	..	..	*2.7*	*4.7*	*2.5*	*1.0*	*2.3*	*3.2*	*3.9*
Apr	*5.2*	..	*2.6*	*2.6*	..	*2.5*	*2.0*	*2.3*	..	..
May	..	..	..	*2.6*	..	*2.5*	*2.1*	..	..	..
Jun	..	..	..	..	..	*2.5*	..	..	..	..

1 Definitions of coverage and treatment vary among countries
2 Figures for Great Britain refer to weekly earnings; others are hourly
3 Western Germany (Federal Republic of Germany before unification)

9 Retail Sales (volume): index numbers

1985 = 100

	United Kingdom[2]	Germany[1]	France	Italy	EC	United States	Japan	Canada	Major 7	OECD
	FAAM	GADD	GADC	GADE	GADH	GADA	GADB	GACZ	GAEW	GADG
1980	86.2	103	101.0	83.1	94.6	84.0	103.2	83.6	89.9	90.7
1985	100.0	100	100.0	100.0	99.9	100.0	99.9	100.0	100.0	100.0
1986	105.2	103	102.4	106.8	104.3	105.5	101.5	104.6	104.5	104.4
1987	110.7	107	104.5	112.0	108.6	108.4	107.1	110.3	108.3	108.0
1988	117.7	111	108.0	109.5	111.7	112.1	112.2	114.6	111.9	111.6
1989	119.9	114	109.5	117.1	116.1	114.6	116.0	114.5	114.9	114.8
1990	120.4	123	110.1	114.4	119.1	115.0	121.8	112.0	116.6	116.7
1991	119.5	130	109.7	111.2	120.1	112.7	123.3	100.4	115.4	115.7
1992	120.3	128	108.9	116.5	120.4	117.7	119.6	101.6	117.5	117.5
1992 Q1	119.4	129	108.8	113.2	120.1	116.4	122.4	100.3	117.1	117.2
Q2	120.0	126	109.0	115.6	120.4	116.2	120.3	101.1	116.7	116.9
Q3	120.7	127	109.2	115.2	120.3	117.4	120.0	102.1	117.3	117.4
Q4	120.8	130	108.5	119.2	120.8	120.6	115.7	103.1	118.8	118.4
1993 Q1	123.1	123	108.7	..	117.9	120.3	116.0	103.8	117.8	117.3
1992 Jun	120.2	124	107.7	106.2	117.6	116.2	120.4	101.4	115.8	116.0
Jul	119.8	126	109.2	117.0	120.4	116.9	121.5	101.4	117.3	117.5
Aug	120.9	125	108.8	112.8	119.3	117.4	119.4	102.3	116.9	116.9
Sep	121.2	129	109.8	115.8	121.3	118.0	119.0	102.5	117.8	117.9
Oct	121.5	127	110.7	119.0	121.0	120.3	116.5	103.3	118.8	118.5
Nov	121.5	129	105.2	122.1	120.4	120.0	115.4	102.9	118.4	117.8
Dec	120.1	133	109.6	116.4	121.0	121.4	115.2	103.1	119.3	118.8
1993 Jan	122.7	122	110.5	124.8	120.6	121.1	117.3	104.8	119.4	118.7
Feb	123.0	123	106.5	110.9	117.8	120.5	117.1	103.3	117.9	117.5
Mar	123.5	125	109.1	..	115.5	119.4	113.5	103.4	116.1	115.7
Apr	123.0	125	112.1	..	..	120.5	..	104.6	..	..
May	123.1	..	104.0	..	..	..	..	..	..	..
Jun	124.9	..	..	..	..	..	..	..	..	..
Percentage change average of latest three months on that of corresponding period of previous year										
1993 May	*3.1*	..	*0.4*	..	..	..	..	..	..	..
Jun	*3.1*	..	..	..	..	..	..	..	..	..
Percentage change average of latest three months on previous three months										
1993 May	*1.0*	..	*−0.4*	..	..	..	..	..	..	..
Jun	*0.5*	..	..	..	..	..	..	..	..	..

1 Western Germany (Federal Republic of Germany before unification)
2 March to June estimates due to rebasing to 1990

Chart I: Gross domestic product

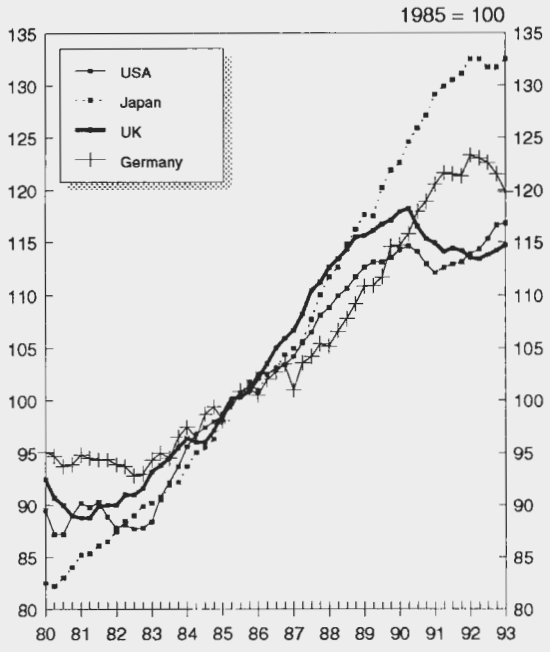


Chart II: Consumer price inflation

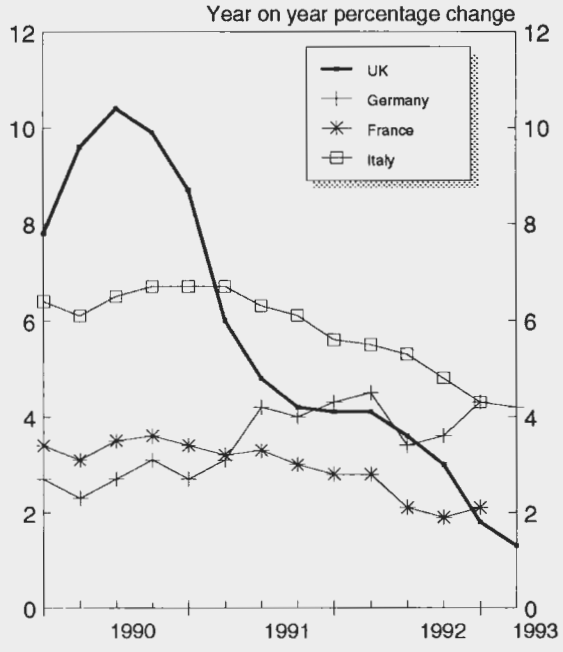


Chart III: Standardised unemployment

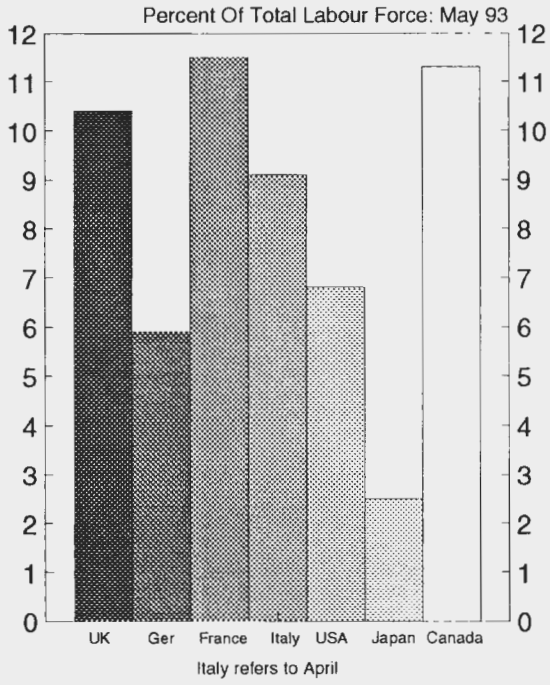


Chart IV: Current account balance - percentage of GDP at market prices

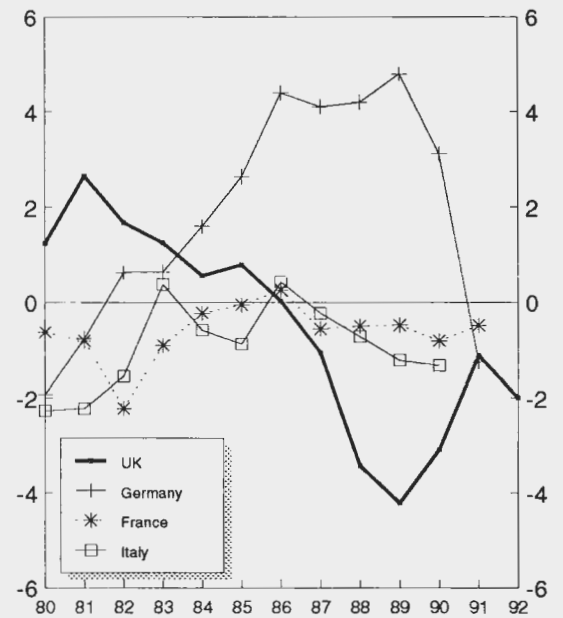


Chart V: Industrial production

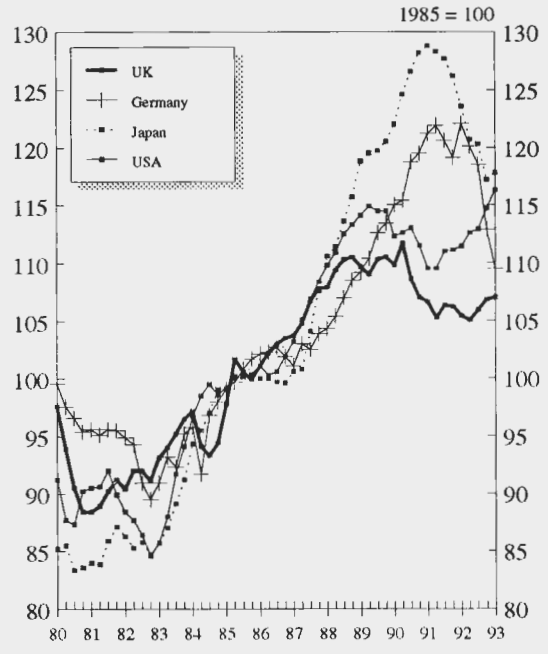


Chart VI: Producer price inflation

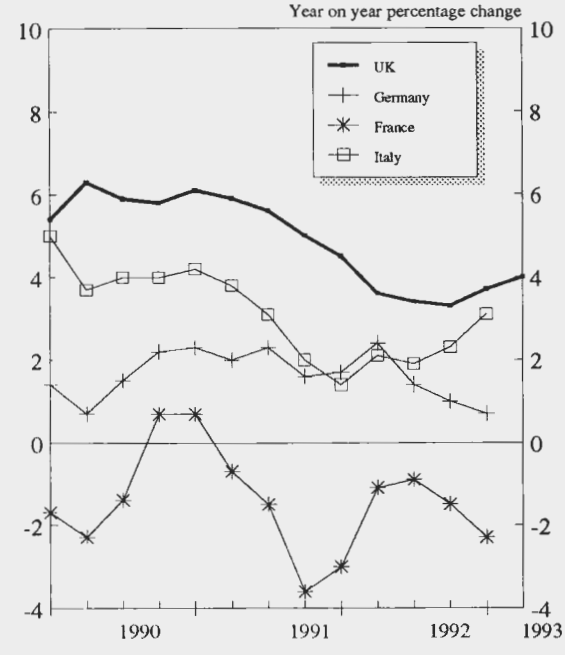


Chart VII: Employment

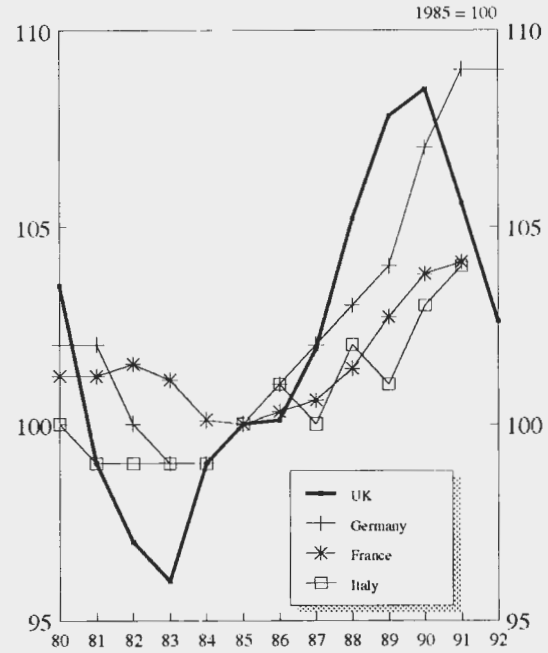
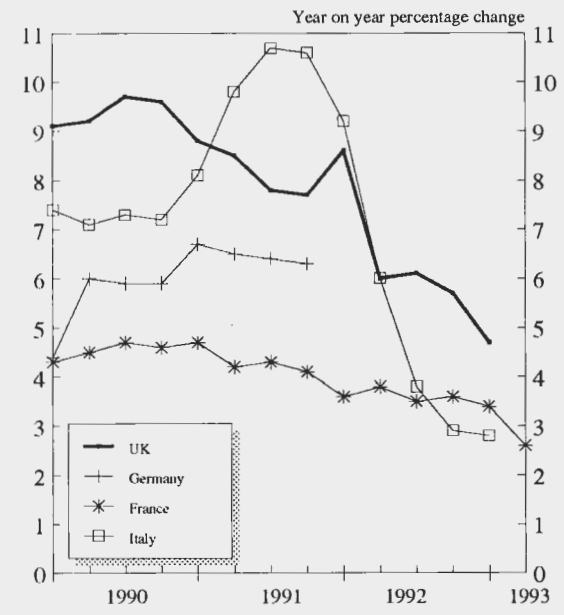


Chart VIII: Wage earnings (manufacturing)



REGIONAL ECONOMIC INDICATORS

(includes data up to 16 July)

Summary

- The **unemployment** rate fell or remained constant in all regions except the North in the three months to June.

- **Personal disposable incomes per head** for Greater London in 1991 were around one quarter higher than the UK average whereas in Wales and Northern Ireland they were about one seventh lower.

- **Consumers' expenditure per head** rose more in Wales than anywhere else in the UK between 1989 and 1991.

- The **workforce in employment** fell in all regions other than the South West between December 1992 and March 1993.

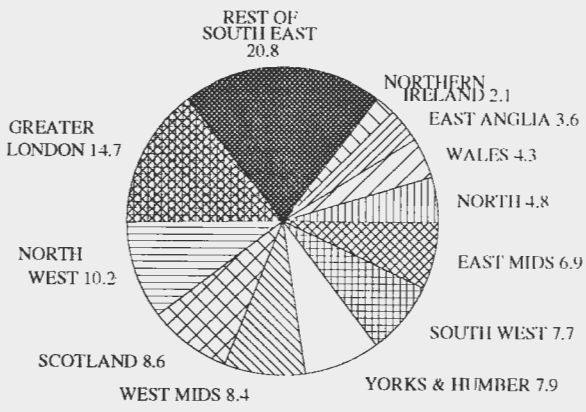
- CBI/BSL regional trends survey into manufacturing indicated **business optimism** improved across all regions in the three months to April 1993. **Output expectations** rose in all regions except Scotland.

- **House prices**, in 1993 Q1, rose in Yorkshire and Humberside, Greater London, the West Midlands and Wales.

Gross domestic product, income and expenditure (tables 1-4)

1. Chart 1 shows that in 1991 the Rest of the South East had the largest share of **GDP** and Northern Ireland the smallest. Between 1990 and 1991 the Rest of the South East share declined by 0.3 percentage points. The shares of Scotland, the North, East Midlands and the North West all rose.

Chart 1
Percentage shares of GDP at factor cost in 1991



2. **Personal disposable incomes per head** in Greater London in 1991 were around a quarter (or £2000) higher than the UK average of £7071; in Wales and Northern Ireland they were about a seventh (or £1000) lower.

3. **Consumers' expenditure per head** rose fastest in Wales (14.1 per cent) and slowest in Greater London (8.4 per cent) between 1989 and 1991.

Index of industrial production (table 5)

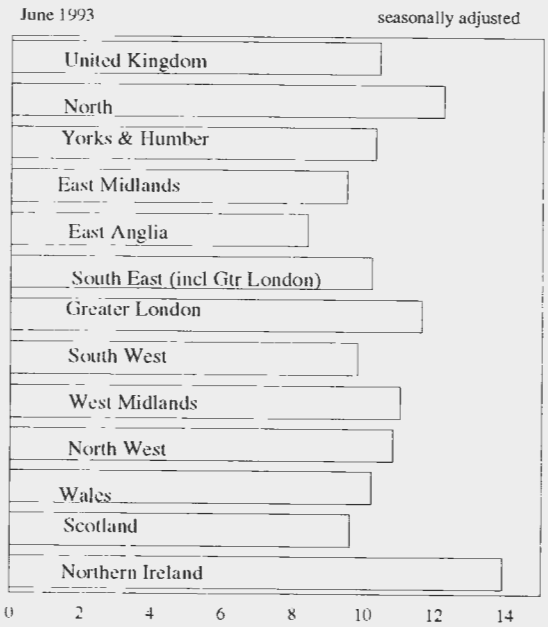
4. Between 1992 Q4 and 1993 Q1, there was an increase in **industrial production** of 0.2 per cent in the UK as a whole. Industrial production rose by 0.9 per cent in Wales between 1992 Q4 and 1993 Q1, while in Scotland it rose by 4.7 per cent between 1992 Q3 and 1992 Q4.

Unemployment and employment (tables 6 to 8)

5. The **unemployment** rate, as a percentage of the workforce, fell in the UK from 10.5 per cent to 10.4 per cent, in the three months to June. The rate fell 0.2 percentage points in Yorkshire and Humberside, the South West, the West Midlands, the North West and Northern Ireland and 0.1 percentage points in the East Midlands, East Anglia, the South East and Wales.

6. The **unemployment** rate as a percentage of the workforce, shown in chart 2, remains lowest in East Anglia (8.4 per cent) and highest in Northern Ireland (13.9 per cent).

Chart 2
Unemployment (claimant count)
as percentage of total workforce



7. The **long-term unemployment** rate rose in all regions except Scotland between January and April. The largest rise was in Greater London (0.3 percentage points). Northern Ireland has the highest rate (7.6 per cent).

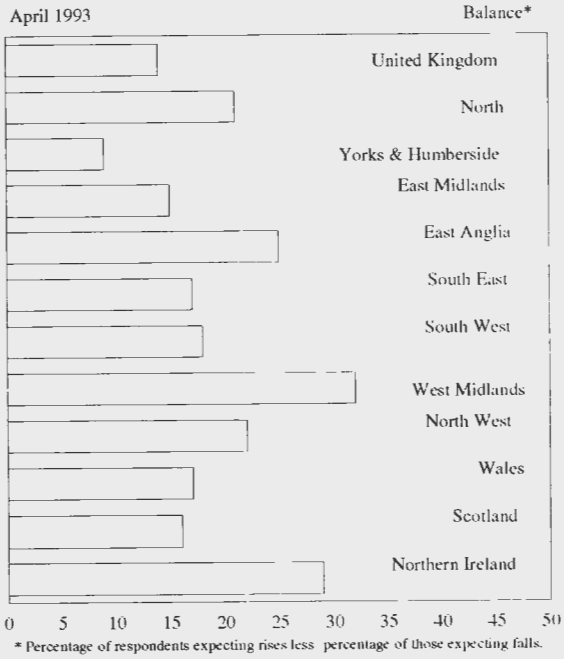
8. The **workforce in employment** fell in the UK by 0.7 per cent between December 1992 and March 1993. The largest falls were in the East Midlands (1.1 per cent), the North West (1.0 per cent) and Scotland (1.0 per cent). The only region to increase employment was the South West (0.2 per cent).

CBI/BSL regional trends in manufacturing (table 9)

9. In the four months to April, the strongest **output** balance (firms reporting rises in output less those reporting falls) were in Wales, the West Midlands and the South East. Those in Northern Ireland and the North reported the weakest (negative) variance indicating falling output.

10. **Output expectations**, shown in chart 3, were strongest in the West Midlands, Northern Ireland and East Anglia. They were weakest in Yorkshire and Humberside.

Chart 3
Volume of output (next 4 months)
CBI/BSL regional trends survey



* Percentage of respondents expecting rises less percentage of those expecting falls.

11. **Business optimism** improved across all regions. Optimism was strongest in the West Midlands.

12. The balance reporting increased **volumes of new export orders** (next 4 months) rose strongly in Northern Ireland, while in East Anglia it fell sharply.

Dwellings (tables 10-12)

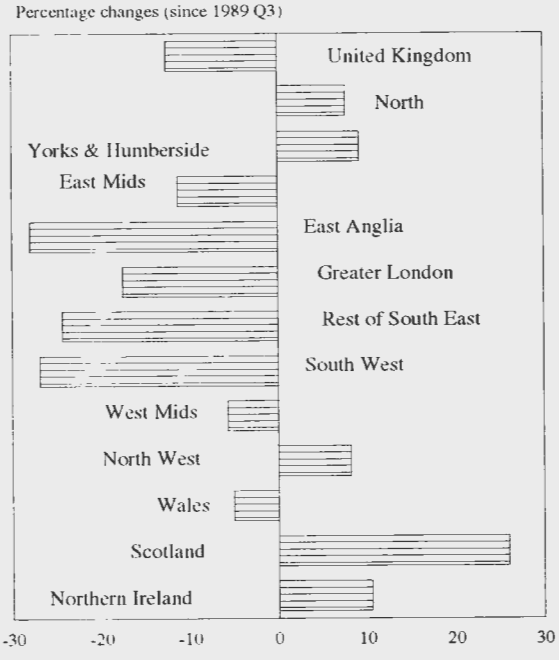
13. The number of **dwellings started** in England in 1993 Q1 was 8.2 per cent above 1992 Q1. This reversed a recent period of falls. In Scotland the number of **dwellings started** was 4.4 per cent above 1992 Q1, but in Wales it was 5.9 per cent below 1992 Q1.

14. **Housing starts** have fallen by over a third since they peaked in 1988 Q2 in England, 1989 Q2 in Wales and 1991 Q1 in Scotland.

15. Between 1992 Q1 and 1993 Q1 the number of **dwellings completed** in both England and Wales fell by 2.6 and 25.4 per cent respectively. By contrast Scotland saw a strong rise of 51.3 per cent.

16. The Department of the Environment's all dwellings **house prices** index for the UK remained unchanged between 1992 Q4 and 1993 Q1. House prices rose in Yorkshire and Humberside (12.4 per cent), Greater London (6.1 per cent), Wales (3.2 per cent) and the West Midlands (0.9 per cent). The largest falls in house prices were recorded in the North (8.4 per cent) and the South West (2.9 per cent). Over the longer term, chart 4 shows percentage changes since UK house prices peaked in 1989 Q3.

Chart 4
Regional house prices*



*Source: Department of the Environment

Earnings (table 13)

17. **Average gross weekly pay** rose most in Northern Ireland (9.6 per cent) and the North (9.4 per cent) in the year to April 1992. The lowest increases were in the East Midlands (5.7 per cent) and the South West (6.6 per cent).

18. Weekly pay in the South East remained much higher than elsewhere at £349 in April 1992. In other regions, averages were between £270 (Northern Ireland) and £288 (East Anglia).

Direct inward investment (table 14)

19. In 1992 the shares of total **overseas investment** in the UK were largest in Wales (28.5 per cent) and Scotland (16.8 per cent) and lowest in the East Midlands (negligible), the South West (1.8 per cent) and the South East (4.1 per cent).

1 Gross domestic product at factor cost: current prices as a percentage of UK[1]

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	Greater London	Rest of South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCIX	DCJF	DCJD	DCJC	DCIZ	DCPK	DCWH	DCJA	DCJB	DCJE	DCJG	DCJH	DCJI
1981	100	5.2	8.1	6.6	3.2	15.5	19.7	7.3	8.4	10.8	4.2	8.9	2.1
1985	100	4.9	8.0	6.7	3.5	15.0	20.4	7.5	8.5	10.5	4.1	8.7	2.2
1986	100	4.7	8.1	6.7	3.5	15.1	20.5	7.6	8.4	10.5	4.2	8.5	2.2
1987	100	4.8	7.9	6.7	3.5	15.2	20.6	7.6	8.4	10.3	4.3	8.4	2.1
1988	100	4.7	7.8	6.7	3.6	15.0	21.1	7.7	8.5	10.2	4.3	8.3	2.1
1989	100	4.7	7.9	6.8	3.6	15.0	21.1	7.7	8.4	10.1	4.3	8.2	2.1
1990	100	4.7	7.9	6.8	3.6	14.9	21.1	7.7	8.5	10.1	4.3	8.4	2.1
1991	100	4.8	7.9	6.9	3.6	14.7	20.8	7.7	8.4	10.2	4.3	8.6	2.1

1 UK less continental shelf and statistical discrepancy

Source: Central Statistical Office

2 Gross domestic product at factor cost: per head

£

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	Greater London	Rest of South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCJJ	DCJR	DCJP	DCJO	DCJL	DCWS	DCJK	DCJM	DCJN	DCJQ	DCJS	DCJT	DCJU
1981	3 882	3 438	3 381	3 555	3 539	4 700	3 985	3 420	3 329	3 460	3 070	3 542	2 882
1985	5 438	4 630	4 744	4 981	5 146	6 398	5 659	4 823	4 730	4 762	4 264	4 890	4 071
1986	5 781	4 927	5 265	5 458	5 691	7 116	6 261	5 325	5 160	5 255	4 708	5 336	4 517
1987	6 334	5 489	5 691	5 998	6 128	7 877	6 872	5 848	5 673	5 661	5 293	5 786	4 784
1988	7 029	6 043	6 262	6 667	6 908	8 767	7 837	6 539	6 419	6 329	5 978	6 411	5 318
1989	7 707	6 663	6 911	7 360	7 669	9 654	8 633	7 171	7 009	6 903	6 501	7 036	5 864
1990	8 351	7 150	7 493	7 988	8 338	10 349	9 336	7 801	7 677	7 469	7 035	7 747	6 362
1991	8 621	7 587	7 803	8 358	8 550	10 617	9 487	8 024	7 835	7 891	7 365	8 234	6 567

Source: Central Statistical Office

3 Total personal disposable income: per head

£

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	Greater London	Rest of South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCSD	DCSM	DCSK	DCSJ	DCSG	DCSF	DCWI	DCSH	DCSI	DCSL	DCSN	DCSO	DCSP
1981	3 154	2 983	2 958	3 027	2 976	3 985	3 356	3 087	2 857	2 982	2 815	3 004	2 673
1985	4 324	4 019	4 076	4 133	4 245	5 349	4 649	4 341	3 964	4 050	3 750	4 098	3 712
1986	4 683	4 249	4 430	4 462	4 535	5 866	5 049	4 779	4 257	4 312	4 025	4 467	4 032
1987	5 043	4 591	4 761	4 837	4 910	6 303	5 390	5 096	4 638	4 659	4 395	4 832	4 329
1988	5 606	4 995	5 166	5 275	5 496	7 038	6 257	5 507	5 160	5 165	4 865	5 209	4 800
1989	6 186	5 380	5 737	5 910	6 114	8 070	6 751	6 036	5 689	5 700	5 322	5 667	5 383
1990	6 656	5 927	6 150	6 271	6 509	8 836	7 122	6 355	6 196	6 162	5 537	6 382	5 642
1991	7 071	6 441	6 575	6 779	6 943	9 079	7 388	6 710	6 489	6 746	6 052	7 092	6 108

Source: Central Statistical Office

4 Consumers' expenditure: per head

£

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	Greater London	Rest of South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCVD	DCVM	DCVK	DCVJ	DCVG	DCVE	DCWD	DCVH	DCVI	DCVL	DCVN	DCVO	DCVP
1981	2 758	2 517	2 453	2 588	2 621	3 463	2 974	2 742	2 598	2 649	2 510	2 602	2 285
1985	3 867	3 374	3 429	3 513	3 859	4 784	4 423	3 845	3 486	3 573	3 512	3 699	3 150
1986	4 281	3 813	3 753	3 794	4 319	5 396	4 882	4 349	3 808	3 998	3 800	3 986	3 542
1987	4 699	4 120	4 150	4 170	4 663	5 978	5 301	4 860	4 207	4 460	4 061	4 340	3 821
1988	5 293	4 551	4 698	4 730	5 276	6 803	5 897	5 417	4 806	5 028	4 572	4 930	4 319
1989	5 775	4 962	5 134	5 340	5 795	7 354	6 412	5 852	5 339	5 480	5 045	5 272	4 747
1990	6 104	5 232	5 334	5 777	6 127	7 674	6 750	6 250	5 648	5 778	5 450	5 595	5 133
1991	6 381	5 468	5 580	5 948	6 395	7 974	7 068	6 552	5 904	6 112	5 755	5 821	5 349

Source: Central Statistical Office

5 Index of industrial production

1985 = 100

	United Kingdom	Wales	Scotland	Northern Ireland
	DVIM	DCPN	DCPO	DCXC
1981	89.7	95.2	93.0	95
1985	100.0	100.0	100.0	100
1986	102.4	102.9	97.8	100
1987	105.7	110.8	99.7	99
1988	109.5	118.5	107.1	102
1989	109.9	119.6	111.7	110
1990	109.3	119.6	114.3	113
1991	106.1	114.6	111.8	111
1992	105.8	115.4	109.8	113
1992 Q1	105.4	116.0	110.0	112
Q2	105.0	112.9	107.2	112
Q3	105.9	117.0	108.5	114
Q4	106.8	115.6	113.6	115
1993 Q1	107.0	116.6	..	..

Sources: Central Statistical Office; Welsh Office; Scottish Office; Northern Ireland Office

6 Unemployment (claimant count) as a percentage of total workforce

seasonally adjusted

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	South East	Greater London	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCKH	DCKP	DCKN	DCKM	DCKJ	DCKI	DCRA	DCKK	DCKL	DCKO	DCKQ	DCKR	DCPL
1988	8.1	11.9	9.3	7.1	5.2	5.4	6.6	6.2	8.9	10.4	9.8	11.2	15.6
1989	6.3	9.9	7.4	5.4	3.6	3.9	5.1	4.5	6.6	8.5	7.3	9.3	14.6
1990	5.8	8.7	6.7	5.1	3.7	4.0	5.0	4.4	5.9	7.7	6.6	8.1	13.4
1991	8.1	10.4	8.7	7.2	5.8	7.0	8.1	7.1	8.6	9.4	8.7	8.7	13.8
1992	9.7	11.3	9.9	8.9	7.6	9.4	10.6	9.1	10.7	10.5	9.7	9.5	14.2
1992 Jun	9.7	11.1	9.8	9.0	7.6	9.1	10.4	9.2	10.4	10.7	9.8	9.3	14.1
Jul	9.8	11.2	9.9	9.1	7.7	9.3	10.6	9.4	10.5	10.7	9.9	9.5	14.3
Aug	10.0	11.3	10.1	9.2	8.0	9.6	10.8	9.6	10.7	10.9	10.1	9.6	14.5
Sep	10.1	11.4	10.1	9.3	8.1	9.7	11.0	9.7	10.8	10.9	10.2	9.6	14.4
Oct	10.2	11.5	10.2	9.4	8.2	9.9	11.1	9.8	10.9	10.9	10.2	9.6	14.3
Nov	10.4	11.8	10.4	9.6	8.4	10.1	11.3	10.0	11.1	11.0	10.3	9.7	14.3
Dec	10.6	12.1	10.6	9.8	8.6	10.3	11.6	10.2	11.4	11.1	10.5	9.8	14.3
1993 Jan	10.6	12.1	10.7	9.9	8.7	10.4	11.6	10.2	11.4	11.2	10.6	9.8	14.3
Feb	10.6	12.1	10.6	9.8	8.6	10.4	11.6	10.1	11.3	11.0	10.4	9.8	14.3
Mar	10.5	12.0	10.5	9.6	8.5	10.3	11.6	10.0	11.2	10.9	10.3	9.6	14.2
Apr	10.5	12.0	10.5	9.6	8.5	10.3	11.6	10.0	11.2	11.0	10.3	9.6	14.1
May	10.4	12.1	10.4	9.6	8.4	10.2	11.6	9.8	11.1	10.8	10.2	9.6	13.9
Jun	10.4	12.2	10.3	9.5	8.4	10.2	11.6	9.8	11.0	10.8	10.2	9.6	13.9

Source: Department of Employment

7 Long-term unemployed as a percentage of total workforce (those out of work for 12 months or more)

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	South East	Greater London	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCKS	DCLA	DCKY	DCKX	DCKU	DCKT	DCRB	DCKV	DCKW	DCKZ	DCLB	DCLC	DCLD
1992 Jul	3.2	3.9	3.4	2.9	2.1	2.2	3.5	2.7	3.6	3.8	3.3	3.2	7.2
Oct	3.4	4.1	3.5	3.0	2.2	2.4	3.8	2.9	3.9	3.9	3.4	3.2	7.3
1993 Jan	3.7	4.3	3.7	3.3	2.5	2.8	4.1	3.2	4.2	4.1	3.6	3.4	7.5
Apr	3.8	4.4	3.9	3.4	2.6	3.0	4.4	3.3	4.4	4.2	3.7	3.4	7.6

Source: Department of Employment

8 Workforce in employment (all industries)

1990 = 100

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	South East	Greater London	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCLE	DCLM	DCLK	DCLJ	DCLG	DCLF	DCRC	DCLH	DCLI	DCLL	DCLN	DCLO	DCLP
1991	96.9	98.4	96.7	97.5	97.4	95.1	93.6	97.1	96.2	97.6	96.5	100.8	101.0
1992	94.5	96.7	95.1	96.0	94.8	91.9	90.4	94.6	92.7	95.2	94.6	100.2	101.0
1992 Jun	95.3	97.4	96.0	96.1	95.3	93.1	91.2	95.7	94.1	95.6	95.1	101.0	100.8
Sep	93.7	96.0	94.5	95.2	94.1	90.7	89.5	94.1	91.7	94.5	94.0	100.0	101.0
Dec	93.5	95.0	94.3	96.0	94.1	90.6	89.0	93.6	91.1	94.7	94.2	99.1	101.2
1993 Mar	92.8	94.1	93.6	94.9	93.6	89.8	88.3	93.8	90.3	93.8	94.1	98.1	100.8

Source: Department of Employment

9 CBI/BSL regional trends in manufacturing

balance[1]

Volume of output (past 4 months)

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCLQ	DCLY	DCLW	DCLV	DCLS	DCLR	DCLT	DCLU	DCLX	DCLZ	DCMA	DCMB
1992 Jul	−14	−10	−11	5	6	−24	−11	−6	−16	−1	−1	12
Oct	−25	−33	−20	−15	−32	−23	−26	−26	−38	−18	−25	−16
1993 Jan	−14	−37	−19	−4	−21	−19	−11	−14	−1	−2	−11	−9
Apr	−1	−10	−8	6	3	11	5	13	2	26	−8	−12

Volume of output (next 4 months)

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCMC	DCMK	DCMI	DCMH	DCME	DCMD	DCMF	DCMG	DCMJ	DCML	DCMM	DCMN
1992 Jul	−3	17	−1	−1	−11	−2	−6	7	4	14	−11	10
Oct	−7	−6	10	−10	−1	−10	−5	−6	3	−18	−21	−15
1993 Jan	2	−4	1	7	9	10	1	9	8	8	17	14
Apr	14	21	9	15	25	17	18	32	22	17	16	29

Optimism re:business situation

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCMO	DCMW	DCMU	DCMT	DCMQ	DCMP	DCMR	DCMS	DCMV	DCMX	DCMY	DCMZ
1992 Jul	−9	6	−22	−20	−23	−8	−31	–	−19	−17	3	9
Oct	−23	−29	−22	−26	−34	−25	−18	−31	−29	−51	−17	21
1993 Jan	11	6	6	1	6	21	25	24	16	22	11	7
Apr	31	15	8	25	43	44	41	51	32	35	12	30

Volume of new orders (past 4 months)

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCNA	DCNI	DCNG	DCNF	DCNC	DCNB	DCND	DCNE	DCNH	DCNJ	DCNK	DCNL
1992 Jul	−15	−1	−29	−6	−7	−19	−33	−19	−16	−2	−14	31
Oct	−28	−29	−28	−11	−39	−32	−21	−23	−33	−35	−18	7
1993 Jan	−13	−33	−16	−5	−30	−16	−21	−15	−8	13	−10	−10
Apr	–	−2	−4	−1	3	10	−9	23	7	30	−8	9

Volume of new orders (next 4 months)

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCNM	DCNU	DCNS	DCNR	DCNO	DCNN	DCNP	DCNQ	DCNT	DCNV	DCNW	DCNX
1992 Jul	−15	−1	−29	−6	−7	−19	−33	−19	−16	−2	−14	31
Oct	−28	−29	−28	−11	−39	−32	−21	−23	−33	−35	−18	7
1993 Jan	−13	−33	−16	−5	−30	−16	−21	−15	−8	13	−10	−10
Apr	20	15	15	23	24	28	20	39	22	27	7	45

Volume of new export orders (past 4 months)

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCNY	DCOG	DCOE	DCOD	DCOA	DCNZ	DCOB	DCOC	DCOF	DCOH	DCOI	DCOJ
1992 Jul	−10	−3	−12	6	−8	–	−24	−3	10	17	10	−11
Oct	−19	6	−20	−9	−22	−18	−1	−15	−1	−21	–	12
1993 Jan	−11	−34	−10	−9	−28	−8	−5	−18	7	12	9	−9
Apr	10	−3	–	−4	3	7	6	16	12	36	16	–

Volume of new export orders (next 4 months)

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCOK	DCOS	DCOQ	DCOP	DCOM	DCOL	DCON	DCOO	DCOR	DCOT	DCOU	DCOV
1992 Jul	4	33	−4	–	6	7	−5	−2	12	17	6	32
Oct	6	1	18	12	5	2	29	18	15	−13	1	1
1993 Jan	18	12	22	18	32	21	25	15	25	25	25	9
Apr	18	12	9	14	4	21	19	30	18	29	10	42

Firms working below capacity percentage

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCOW	DCPE	DCPC	DCPB	DCOY	DCOX	DCOZ	DCPA	DCPD	DCPF	DCPG	DCPH
1992 Jul	67	61	70	64	64	74	84	83	61	63	60	70
Oct	68	68	63	60	68	75	57	83	71	77	71	69
1993 Jan	73	74	71	64	63	76	73	81	65	66	61	86
Apr	63	70	62	61	80	68	68	75	65	56	65	79

1 Balance in percentage of firms reporting rises less those reporting falls.

Source: CBI/BSL regional trends survey ISSN:0960 7781

10 Permanent dwellings started

Numbers

	England	North	Yorks & Humber	East Midlands	East Anglia	Greater London	Rest of South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	BLHA	DCRZ	DCRX	DCRW	DCRT	DCRR	DCWL	DCRU	DCRV	DCRY	BLIA	BLFA	BLGA
1990	131 563	9 154	11 923	13 539	8 625	9 822	30 232	15 094	15 862	17 312	10 196	20 655	7 527
1991	130 551	7 496	12 755	12 828	10 064	10 418	31 597	14 813	14 653	15 927	9 393	20 618	7 458
1992	127 989	7 681	12 625	12 768	7 502	11 491	31 168	14 151	14 436	16 167	8 911	19 181	6 046
1992 Q1	34 191	2 137	3 506	3 235	1 931	2 402	8 549	3 865	4 035	4 531	2 377	4 503	1 729
Q2	36 196	2 055	3 600	4 074	2 195	3 576	8 312	3 790	3 649	4 945	2 496	4 780	2 341
Q3	32 059	1 770	3 073	3 081	1 872	2 891	8 222	3 355	3 879	3 916	2 024	5 198	1 976
Q4	25 543	1 719	2 446	2 378	1 504	2 622	6 085	3 141	2 873	2 775	2 014	4 700	..
1993 Q1	36 979	..	..	..	..	..	..	..	..	..	2 237	4 701	..

Source: Department of the Environment

11 Permanent dwellings completed

Numbers

	England	North	Yorks & Humber	East Midlands	East Anglia	Greater London	Rest of South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	BLHI	DCVZ	DCVX	DCVW	DCVT	DCVR	DCWM	DCVU	DCVV	DCVY	BLII	BLFI	BLGI
1990	159 911	8 841	12 760	14 687	12 031	17 143	41 225	19 447	16 374	17 403	10 175	19 978	7 919
1991	148 120	7 810	13 301	15 395	10 624	13 981	36 632	17 140	15 879	17 358	10 098	19 236	6 910
1992	139 404	7 871	13 118	13 624	9 229	13 948	34 511	15 553	14 897	16 653	9 624	18 471	5 821
1992 Q1	36 036	1 635	3 491	3 608	2 478	4 083	9 117	4 049	3 622	3 953	2 400	3 573	2 014
Q2	32 549	1 974	3 168	2 900	2 252	3 129	7 847	3 545	3 606	4 128	2 372	4 553	1 958
Q3	35 386	1 811	3 157	3 436	2 290	3 257	9 172	4 469	3 891	3 903	2 512	4 945	1 849
Q4	35 433	2 451	3 302	3 680	2 209	3 479	8 375	3 490	3 778	4 669	2 340	5 400	..
1993 Q1	35 086	..	..	..	..	..	..	..	..	..	1 791	5 406	..

Source: Department of the Environment

12 Regional house prices[1]

1985 = 100, seasonally adjusted

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	Greater London	Rest of South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCPQ	DCPY	DCPW	DCPV	DCPS	DCPJ	DCPR	DCPT	DCPU	DCPX	DCPZ	DCQA	DCQB
1990	199	193	211	207	197	199	198	198	223	212	201	161	131
1991	196	193	220	203	191	191	187	192	224	215	197	175	141
1992	189	202	216	198	181	173	175	182	217	218	194	182	144
1992 Q1	193	192	218	200	175	187	181	188	223	220	205	181	137
Q2	188	205	221	200	180	172	172	181	222	217	192	181	142
Q3	189	203	219	199	184	172	174	182	216	219	192	185	146
Q4	182	214	201	190	174	163	167	173	211	215	186	185	150
1993 Q1	182	196	226	190	170	173	165	168	213	211	192	183	147

1 These indices adjust for the mix of dwellings (by size and type, whether new or second-hand) and exclude those bought at non-market prices.

Source: Department of the Environment

13 Total average gross weekly pay[1]

£

	Great Britain	North	Yorks & Humber	East Midlands	East Anglia	South East	Greater London	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCQC	DCQK	DCQI	DCQH	DCQE	DCQD	DCPI	DCQF	DCQG	DCQJ	DCQL	DCQM	DCQN
1991 Apr	284.70	258.00	257.90	261.30	268.90	326.70	361.10	265.60	261.10	267.10	252.20	265.30	245.90
1992 Apr	304.60	282.30	277.30	276.10	288.40	348.60	385.30	283.10	279.90	285.50	270.90	286.70	269.60

1 Average gross weekly earnings of full-time employees on adult rates whose pay for the survey pay-period was not affected by absence.

Source: Department of Employment

14 Direct inward investment

Percentage of total UK

	United Kingdom	North	Yorks & Humber	East Midlands	East Anglia	South East	South West	West Midlands	North West	Wales	Scotland	Northern Ireland
	DCQO	DCQW	DCQU	DCQT	DCQQ	DCQP	DCQR	DCQS	DCQV	DCQX	DCQY	DCQZ
1990	100.0	8.5	8.7	2.9	8.2	17.3	0.7	14.2	12.1	7.2	16.2	4.0
1991	100.0	6.9	11.4	2.0	6.6	17.5	0.3	9.2	13.9	19.0	8.6	4.6
1992	100.0	9.3	5.3	–	8.4	4.1	1.8	9.8	6.6	28.5	16.8	9.3

Source: DTI Invest in Britain Bureau

INTEGRATING THE BUILDERS ADDRESS FILE WITH THE CSO BUSINESS REGISTER

John Perry, Central Statistical Office

Summary

The Department of the Environment (DOE) conducts statistical inquiries within the construction industry to provide regular information on output, employment and new orders within the industry in Great Britain. The DOE has maintained its own register, the Builders Address File (BAF), which notionally lists all businesses whose main activity is construction and a register of direct labour organisations of public bodies. Samples for inquiries are extended down to the smallest firms to maintain quality and to provide information, which is also used to estimate work done by firms and the self-employed not covered by the register.

The Central Statistical Office (CSO) runs an annual inquiry into the output of the construction industry as part of its annual census of production. The Northern Ireland Department of Economic Development deals with construction activity in the province. The integration process described in this article covered all activity in Great Britain, although the CSO business register covers the UK as a whole and is used for UK based statistical inquiries.

Historical background

Until the early 1980's, the DOE maintained the BAF from its own sources (regional offices, Yellow Pages etc). In the late 1970's, the Business Statistics Office (BSO), now part of the CSO, began to use data for traders registered for Value Added Tax (VAT) to create and maintain its business register. This, together with concern about its own samples, led the DOE to consider VAT as a supplementary source for maintaining the BAF. Since the early 1980's, the DOE has received details of new VAT registrations from the CSO and has relied increasingly on this source for adding businesses to the BAF.

The scrutiny report of government economic statistics (1) published in 1989 stated:

> "DOE currently maintain a separate register of construction firms (the builders address file) for their surveys measuring construction activity. Although this register draws heavily on the BSO register, the two were not identical. We believe that integration of the two registers would lead to more consistent coverage of business across sectors, and the maintenance of a joint register would be more cost-effective. We recommend that BSO and DOE should jointly investigate ways of integrating the registers and report by June 1989."

This report was not the first to recognise the problem: the Rayner report on statistical services had, in 1980, included a recommendation that the BSO should take over the maintenance of the BAF.

Options for change

The CSO business register is based on data supplied by HM Customs and Excise in the administration of VAT. As well as basic identification information, turnover and classification are provided to the CSO under the 1983 VAT Act. The classification used is the VAT trade code, which is consistent with the construction trade codes used by DOE. VAT registrations include all businesses other than those in exempt trades (mainly health and education) with annual turnover above the VAT threshold (£37,600 in 1993/94) and some businesses below this. Changes to the threshold are announced each year in the Budget statement.

Prior to integration, the BAF comprised a file of business units known at some date to have construction activity. By 1990, almost without exception, new units were identified by information on new VAT traders and on existing VAT traders changing their classification into the construction industries. Notification by CSO of VAT trader details followed each weekly VAT update. On receipt by DOE, register proving letters were generated for each potential addition to the BAF. Following a positive response, the units were added to the BAF. Although VAT references were held on the BAF, they were not mandatory and were often incomplete or out-of-date.

The main benefits of integration of the two registers were:

- greater control over the quality of the BAF through direct links with VAT, and
- the possibility of reducing or eliminating the need for register proving letters.

To achieve this a number of options were considered ranging from continuing with existing practice to full integration of the DOE inquiries into the CSO. Consideration of operational requirements resulted in a decision to retain the separate BAF held by DOE. For DOE to attempt to use the CSO business register directly would have had an adverse effect on the computer systems used for running the DOE construction industry inquiries. The additional cost and complexity of keeping two registers in line was accepted as the price for maintaining continuity of existing DOE processing systems.

The chosen option involved matching units on the BAF with the CSO business register using VAT registration numbers, names and addresses. Inevitably, many BAF units would remain unmatched, partly due to differences in names and addresses but also because many had ceased trading. A register proving letter mailing was to be undertaken to establish the matches where appropriate. Units for which a response to proving could not be obtained were to be discarded from the BAF, to be replaced by VAT traders from the CSO business register.

Prior to this integration process, BAF units with employment of 20 or more had already been added to the CSO business register. As a result, matching was to concentrate on the smaller businesses.

The industrial coverage of the BAF was slightly wider than the Standard Industrial Classification (Revised 1980) definition. It

included plant-hire without operatives (a distribution activity) and opencast coal (a production activity). As part of the integration process units active in these areas were moved to their current industrial classifications.

Results of integration

The integration process took one year and was completed in September 1992. The CSO version was available in time for the 1992 annual census of production selection but the publication of the results from the third quarter DOE inquiries was delayed by one week.

Before the process of integration started, the links between VAT units and BAF units with employment of 20 or more were checked. These larger construction businesses had formed the basis of the samples for the CSO annual census of construction. Businesses with apparently both construction and other activity were examined as were businesses reporting on a divisional basis. By this route duplication among the larger businesses was eliminated.

Legal units on the CSO business register can be classified as either "proven" or "unproven". Proven units are VAT units which have been checked either through matching BAF information or through register proving. Unproven units are VAT traders for whom only information from VAT is available. For these units, employment is imputed from turnover, and DOE trade code from VAT trade code.

CSO register counts (for the UK including direct labour organisations) were taken prior to integration and at the end of the integration process (table 1). Before integration, only units with employment of 20 or more had been proven. After integration most units with employment of eight or more had been checked. Smaller units that remained unmatched on the BAF were then discarded and replaced by unmatched VAT units.

Table 1 - CSO Register Before and After Integration

Business units Classified to Construction

	October 1991 [before integration]	October 1992 [after integration]
Proven	6,467	136,124
Unproven	199,576	69,512
Total	206,043	205,636

Counts were taken at the end of September 1992 from the BAF following integration (table 2). The new BAF count overall is slightly less than the CSO business register count due to the exclusion of Northern Ireland and direct labour organisations. There are also slight differences due to timing.

Table 2 - Builders Address File After Integration, by Size of Unit

Employment	Business units on BAF
1	92,660
2-3	67,035
4-7	30,112
8 or more	13,627
Total	203,434

The BAF counts exclude plant hire without operatives and opencast coal, which were previously on the BAF but which have been moved to the distribution trades and to the production industries respectively to reflect the later Standard Industrial Classification (revised 1980).

The overall effect of the register integration on estimates of output and employment in the construction industry will be included in revised series to be published later this year, which will also take on board improvements in methodology and new classifications, including a category covering infra-structure.

Maintenance

The BAF and CSO business registers are now checked quarterly. Proving within DOE is limited to businesses with employment estimated at eight or more. Previously all VAT units were proved. In place of proving, the information from VAT is used to generate trade code and employment, pending inclusion in the regular DOE construction inquiries. This results in a substantial reduction in the burden on small businesses.

Industrial Classification

There is generally a close correspondence between the VAT trade code and the SIC (Revised 1992). The classification of units is not being checked individually. Instead the correspondence table (as shown in table 3) is being used to re-code units automatically. This approach minimises the burden on businesses and the cost to the departments in making the transition. The new classification will be used for the 1993 annual census of construction in the CSO.

Inter-Departmental Business Register

The integration of the BAF and CSO business registers was a first step towards creating an Inter-Departmental Business Register (IDBR). Work on this started in April 1992, once approval and funding had been provided by Ministers. The IDBR seeks to merge the existing CSO business register with the Employment Department register (2).

Having established and maintained a link between the BAF unit and the VAT unit, the IDBR will provide a further link to information about "Pay As You Earn" tax employers. This extension will have four direct effects on the DOE series:

. it will improve the coverage of businesses that have employees but operate below the VAT threshold,
. it will provide estimates of employment for all construction businesses with employees,
. it will improve the quality of industrial classifications within the construction industry, and
. it will provide consistent estimates of employment for construction businesses.

Development is now in progress and the resulting improvements are expected to begin during 1994.

For technical reasons the IDBR will not replace the BAF which will continue to form the sampling frame for DOE construction industry inquiries at least in the short term. The IDBR will provide an input to the BAF. The two systems will be kept consistent and effectively provide a sampling frame for the major inquiries in the CSO, Employment Department and the DOE.

References

1. "Government Economic Statistics - A Scrutiny Report" (HMSO 1989)
2. "The Inter-Departmental Business Register" - *Economic Trends*, April 1992 (HMSO)

Table 3 - Builders Address File After Integration, by Classification of Unit

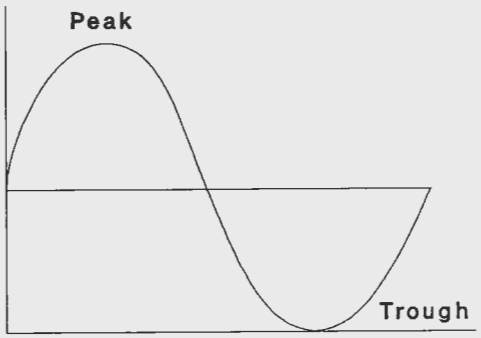
BAF Trade Code	Description	VAT Trade Code	Units on new BAF	SIC (Revised 1992)
01	General builders	5001	73,375	45210
02	Building and civil engineering contractors	5002	6,138	45210
03	Civil engineering contractors	5003	4,273	45210
04	Plumbers	5004	14,399	45330
05	Joiners and carpenters	5005	14,044	45420
06	Painters and decorators	5006	10,586	45440
07	Roofing contractors	5007	7,388	45220
08	Plastering contractors	5008	3,854	45410
09	Glazing contractors	5009	6,938	45440
10	Demolition contractors	5011	703	45110
11	Scaffolding specialists	5012	1,780	45250
12	Reinforced concrete specialists	5013	828	45250
13	Heating and ventilating engineers	5014	9,733	45330
14	Electrical contractors	5015	21,566	45310
15	Asphalt and tar spraying contractors	5016	1,137	45230
16	Plant hirers (with operatives)	5017 (Part)	5,626	45500
17	Flooring contractors	5018	2,348	45430
18	Constructional engineers	5019	2,715	45250
19	Insulating specialists	5021	1,264	45320
20	Suspended ceiling specialists	5022	1,747	45450
21	Wall and floor tiling specialists	5023	1,598	45430
22	Specialists not elsewhere specified	5029	11,394	45250
Total	All trade codes 1 to 22	-	203,434	-
23	Opencast coal mining	5030	-	-
24	Plant Hirers (without operatives)	5017 (Part)	-	-

A REVIEW OF CSO CYCLICAL INDICATORS

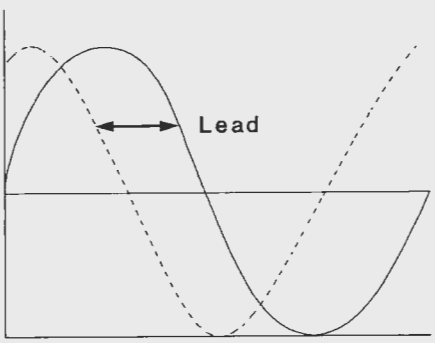
Brian Moore,
Central Statistical Office

1. Introduction

The four composite series which comprise the cyclical indicators for the UK predict and monitor changes in the economy; in particular, the leading indices provide early indications of cyclical turning points in economic activity. The composite series are concerned with identifying cyclical variations about a long term trend. They do not measure absolute levels of output or actual rates of growth. The series are published monthly and reported here in *Economic Trends*.



The underlying assumption is that there is a regular cycle in the economy.



Leading indicators predict changes in the economy.

The current methodology for determining and aggregating the behaviour of the component series used in compiling the four composite indicators has been in place with only minor changes since the last major review, reported in *Economic Trends* for October 1983. The series used in the longer and shorter leading indices, which had given reasonably good results in predicting turning points in the coincident index prior to 1983, have been less satisfactory subsequently. Of course, in the mid-1980's, the economy had a noticeably less cyclical pattern than in earlier periods.

Identification of the turning point in 1984, close to the time of the miners' dispute, thus presented particular difficulties. In the latter part of the 1980's, the cyclical deviations of the economy have appeared more pronounced. The previously established leading indicators did not, however, perform well in predicting the timing of the last two turning points in the coincident index. Structural changes in the economic and financial environment may have contributed to this breakdown of previous relationships. It was clear that the cyclical indicator system was in need of review. Furthermore, there were some new series available which covered a sufficient time span to make an investigation of their usefulness worthwhile.

2. The present system

The cyclical indicators consist of 20 long-established time series of data grouped into four composite indicators of five series each. These are listed in Table 1 with an analysis of their performance. The component series were chosen because they demonstrated some measure of consistency in their turning points when compared with identified turning points in the growth of aggregate economic activity in the UK. In the 1983 report, the 'reference' activity cycle was derived from GDP, with a weight of 3, combined with the index of production (IOP) and the retail sales index (RSI), each with a weight of one. The intention was that the IOP and RSI would bring a monthly dimension to the assessment. From 1988, the composite coincident indicator itself, with somewhat wider coverage, has been regarded as revealing the economic growth cycle and the predictive abilities of the leading indicators have been measured against the behaviour of the coincident indicator rather than against the behaviour of GDP itself. The revised system will revert to the use of GDP as the measure which best represents the economy.

TURNING POINTS IN THE ECONOMIC CYCLE

	EXISTING COINCIDENT INDEX	GDP
Trough	MAY 1958	Q3 1958
Peak	FEB 1960	Q1 1961
Trough	FEB 1963	Q1 1963
Peak	NOV 1964	Q1 1965
Trough	JAN 1967	Q3 1967
Peak	MAY 1969	Q3 1968
Trough	FEB 1972	Q1 1972
Peak	JUL 1973	Q2 1973
Trough	AUG 1975	Q3 1975
Peak	MAY 1979	Q3 1979
Trough	FEB 1981	Q1 1981
Peak	FEB 1984	Q1 1984
Trough	JAN 1986	Q4 1985
Peak	JAN 1989	Q1 1990
Trough	APR 1992*	Q2 1992

* This is a provisional date.

Each composite cyclical indicator is constructed by a series of calculations:

a) The underlying trend is removed from each component series to give a detrended series;

b) Monthly series are smoothed;

c) As individual series are expressed in a variety of different units (index numbers, values, thousands of persons etc.) each detrended

series is scaled to give each series a comparable weight when compiling the composite index; and

d) The five detrended scaled component series are combined to form the composite index.

Turning points (peaks or troughs) are said to occur at maxima or minima of the detrended series.

The UK cyclical indicator system involves four composite indices (known as the Longer Leading index, the Shorter Leading index, the Coincident index and the Lagging index). Practices vary in other systems - in the USA, the Graduate School of Business Studies at Columbia University, for example, has 3 composite indices with only one leading indicator with 12 component series which has a median lead of 4 months.

3. Performance of the system.

Revisions to the initial observations of the cyclical indicators arise from two main sources:

a) when later data are added to the time series, the underlying trend is reassessed. This can cause revisions up to 30 months earlier. These revisions are smooth with very small changes, if any, in the earliest period rising steadily to reach a maximum in the most recent period. These revisions rarely cause changes to turning points.

b) when revisions are made to earlier values in a component series. This is the more disruptive type of revision as the results of the changes are unpredictable. When determining which series is a useful component for cyclical indicator use, regard is paid to the vulnerability of initial estimates to revision. A series which tracks the economy reliably in a historical context may not be a very useful series for cyclical indicators if initial estimates are subject to large revisions. It is, after all, the latest results of the composite indices which are of the greatest interest to commentators.

i) Performance from 1983 to 1988

The series used in the longer and shorter leading indices gave reasonably good results in predicting turning points in the reference cycle for the four turning points prior to the 1983 review of cyclical indicators. The longer leading index led by 7, 12, 18 and 12 months, and the shorter leader led by 5, 6, 0 and 4 months. The coincident index satisfactorily tracked the reference cycle. The peak of 1984 and the trough of 1986 were both of much smaller magnitude than earlier turning points in the reference cycle. The turning points were also less clearly defined both because of the overall flatness of the series in the mid 1980's and because of the effect of the noise introduced by the miners' strike.

ii) 1988 to 1990

The 1989 peak in the coincident indicator was similarly not clearly defined. This peak was identified initially at January 1989 with a "chart value" of 107.1. The indicator had been flat (at 107.0) from August to December 1988 and, although it fell back in the middle of 1989, it subsequently rose to nearly the same level in May 1990. Later and final estimates for component series, which could affect the assessment of underlying trend and thus the final path of the indicator, could easily move the location of this turning point to another position between August 1988 and May 1990. This clearly presents great difficulties both in interpretation of the reference cycle and in assessments of the performance of the series employed to predict such an ill-defined turning point.

iii) 1990 to date

The longer leading index reached a trough in May 1990. As can be seen from the chart in Annex 1 the coincident index stopped declining in spring 1992. Its upturn is thus 23 months behind the longer leader, whereas the median lead is 10 months. Until June 1992, it appeared that the shorter leading index had reached a trough in May 1991, implying a lead of at least 9 months compared with a median lead of 4 months. The shorter leading index has subsequently been revised, mainly as a result of changes to the series for consumer credit (which now takes account of debt write-offs), and the turning point was relocated in January 1992. Latest data revisions to the consumer credit series have once again moved the trough back to mid 1991.

4. Consideration of component series and performance of composite indicators

Annex 1 charts the current composite indices. Annex 2 charts the five smoothed trend eliminated series used in the composite coincident indicator. The peaks and troughs identified are based on the coincident index as a reference cycle. These charts illustrate some of the problems which arise in analysing the cyclical behaviour of series:

(a) In Annex 1 a peak in the coincident index is shown at February 1984 but, following a fall due to the effects of the miners' strike, a further peak occurs in February 1985. It would have required only a slightly different figure for one of the component series for either period and the latter peak could have been higher than the first thus moving the turning point by twelve months.

(b) Similar behaviour is demonstrated by all the components of the composite coincident index in Annex 2, showing the sensitivity of the results to the margins of error in the component series and to the detrending and smoothing processes.

(c) For GDP, Annex 2 shows clearly defined turning points for 1981 and earlier but, after that, there is a period until 1990 in which the locations of turning points are much less easily determined.

Over time, series show different degrees of variability from the trend. At a given turning point it is possible for one series, which is in a highly variable phase, to be 20 points from the trend. At the same time another series, in a low variable phase, may be only 4 points from the trend. When calculating the aggregate index these figures are averaged effectively giving a very high weighting to the series which is in a highly variable phase.

5. Review proposals

Because the difficulties experienced in interpreting turning points in the mid-1980's have recurred in the recent cycle, the system for detecting change clearly needs some modification. The objective of the cyclical indicator system is that the composite indicators should chart the economy over the business cycle, predicting and revealing turning points in the growth of economic activity. It is clear that the system should focus on the cyclical movement in GDP, the macro-economic aggregate which best describes the outcome of resident units' production activity.

Proposed changes in methodology

The findings of CSO's recent studies suggest that the underlying methodology, introduced in 1983, remains broadly sensible and comprehensible and should be retained for the time being. It is, however, proposed to investigate some of the advances in time series

methodology in future. Some improvements seem feasible and merit further investigation. In the meantime the following modifications will be implemented:

(a) Reference cycle. In reverting to real GDP as being the series which best reveals turning points in economic activity, it is appropriate that the GDP series should be after adjustment for special events (such as the miners' dispute) which distort the growth profile in ways that are not connected with the business cycle as such.

(b) Scaling. It is necessary to scale each of the series in order to bring them to a common scale of measurement from the diverse units used in the original series before calculating a composite index. At present this is done by averaging the detrended values of the series over the complete time span of available data. This has two important disadvantages. Firstly any series will demonstrate different deviations from the trend at different turning points. As a result some turning points in the composite indices are determined by one series which has a very large difference from the trend, and thus contributes a very high input to the average used to form the composite index.

The second disadvantage in using 'full-period' scaling is that it causes revisions over the full time span of the series whenever new data is added. Changing the values for 1960 as the result of adding data for 1993 is clearly undesirable.

In order to mitigate these effects the revised methodology being introduced now uses five year moving average scaling. The most recent 30 months use the factor obtained from the last five year centred average obtainable. This limits revisions to an absolute maximum of 5 years and the input of differing series to the calculation of the composite index is at more comparable levels.

(c) Components. Examination of the series currently in use shows that some are not performing well in predicting or revealing turning points, particularly for recent periods.

Many alternative series have been tried but few proved satisfactory. Many had relatively short runs of data and thus covered too few turning points for confirmation of the existence of stable relationships with the business cycle. Others did not appear to be cyclical or the cycles were so ill-defined that they were judged to be unusable.

The criteria for selection of a series were that it should itself be a good indicator of turning points in GDP (special event adjusted) and that, when in combination with other series to form a composite index, the composite index was a good indicator of turning points in GDP. This is unlikely to be achieved when series, which individually may be good indicators, have median leads which vary greatly. This is because, in combination, they yield a flat topped or multi-peaked composite index.

The planned changes for the components of the four composite indicators are given below. The detailed analysis of components is given in Table 2 for the full period of analysis - 1958 to 1992.

i) The longer leading index.

The objective here is to construct an indicator which predicts, with reasonable regularity, turning points in economic activity a year or more in advance.

It is planned to move the share index, which has a relatively short median lead time (8 months when measured against GDP), to the shorter leading indicator. The inverted yield curve (3 month inter-bank interest rated less long dated [20 year] par yield) will replace shares in the longer leader. It has a median lead time of 21 months. The resulting composite index has a median lead of 18 months when measuring turning points against GDP. This compares with 13 months median lead for the existing index.

[N.B. In the existing system the median lead time is 10 months measured against the coincident index.]

The resulting index is also a much more reliable predictor. The lead times achieved under the existing system, measured against GDP, was between a 2 month lag and a longest lead of 31 months, a range of 33 months. For the proposed index these leads are from 7 to 26 months, a range of 19 months.

A long lead is desirable as a turning point cannot be firmly established until a few months after it has occurred. For example, a few months of upturn following a possible low turning point are required before it is clear that the upturn is not going to be reversed and the possible turning point becomes merely a hesitation in a more prolonged decline.

ii) The shorter leading index.

This composite index is unsatisfactory in the present system as its median lead is only 4 months when assessed against peaks and troughs of the coincident index. The delay in establishing a turning point is even more important for an index with a short lead time as there is a high probability that the economy will be past its turning point before an indicator with a short lead time has established its own turning point. However when measured against GDP the component series had a longer lead time (8 months) which was a desirable result for a shorter leading index. Of the five series currently used four of them are quarterly series, two of which are subject to substantial revisions. Monthly series with no revisions were sought to replace the quarterly series.

The 500 share index, whose lead time was rather short for use in the longer leading index, was considered along with other share indices. The 500 share index is slightly more consistent in predicting turning points in GDP than other share indices and will be used here. The EC/ Gallup consumer confidence index will also be used; it has a median lead time of 9 months on GDP. Gross trading profits and the CBI inquiry into changes in stocks will no longer be used, both are quarterly and have relatively short (4 months) lead times. The profits series is also very prone to revisions which can go back over several quarters and is therefore not a good indicator of current economic conditions. The reliability of the proposed index incorporating this approach is better at predicting turning points in GDP than the existing index and its median lead on GDP is six months. It also has the advantage of having two monthly series instead of one. Monthly series help to establish turning points sooner than quarterly series.

iii) The coincident index.

All of the series currently in use will be retained and the monetary aggregate M0 (deflated by the GDP deflator) will be added. This will bring the number of component series up to six, slightly improve the correlation with turning points in GDP and add a monthly series to the group.

iv) The lagging index.

The engineering orders series is less than satisfactory, it has an extra cycle with a peak in December 1978 and a trough in December 1980. This cycle has a slightly smaller amplitude than the cycle immediately following it.

Manufacturing employment has been in general decline for a number of years and a replacement series that is more representative of the whole economy has been sought. Total employees in employment

was tried but it lags GDP less consistently than manufacturing employment and is only available quarterly whereas manufacturing employment information is available monthly. The employment in manufacturing series will be retained.

Other series have being investigated but no satisfactory replacement has been found to date.

The new indicator system is listed below. The constant price series, based on 1985 prices in the historical analysis, will be calibrated in 1990 prices.

Longer leading index

Rate of interest, 3 months prime bank bills (inverted)
Financial surplus/deficit of industrial and commercial companies, divided by GDP deflator (£million, 1990 prices)
Total dwellings started, Great Britain (thous)
CBI survey: optimism balance
Yield curve (inverted)

Shorter leading index

Financial times - Actuaries 500-share index (April 1962=100)
Consumer credit: changes in total borrowing outstanding, divided by GDP deflator (£million, 1990 prices)
New car registrations (thous)
EC/Gallup survey: Consumer confidence index
CBI survey: new orders, past 4 months, balance

Coincident index

GDP factor cost constant prices, (1990=100)
Output of the production industries (1990=100)
Index of volume of retail sales (1990=100)
CBI survey: below capacity utilization, percentage (inverted)
CBI survey: change in stocks of raw materials balance
M0 divided by GDP deflator, (£million 1990 prices)

Lagging index

Adult unemployment index (1990=100, inverted)
Employment in manufacturing industries UK (thous)
Investment in plant and machinery, manufacturing industry (£million, 1990 prices)
Level of stocks and work in progress, manufacturing industry (£million, 1990 prices)
Engineering orders on hand (1990=100)

As the data available for the yield curve, the EC/Gallup consumer confidence series and M0 provide only 9 ,7 and 9 turning points respectively, an analysis over the same,shorter, time periods of the other components of the longer and shorter leading indicators is given in Table 3. An analysis of coincident and lagging series on a similar basis is also included. This enables a comparison to be made between the component series of each of the composite indices over the same, recent, time period.

Conclusion

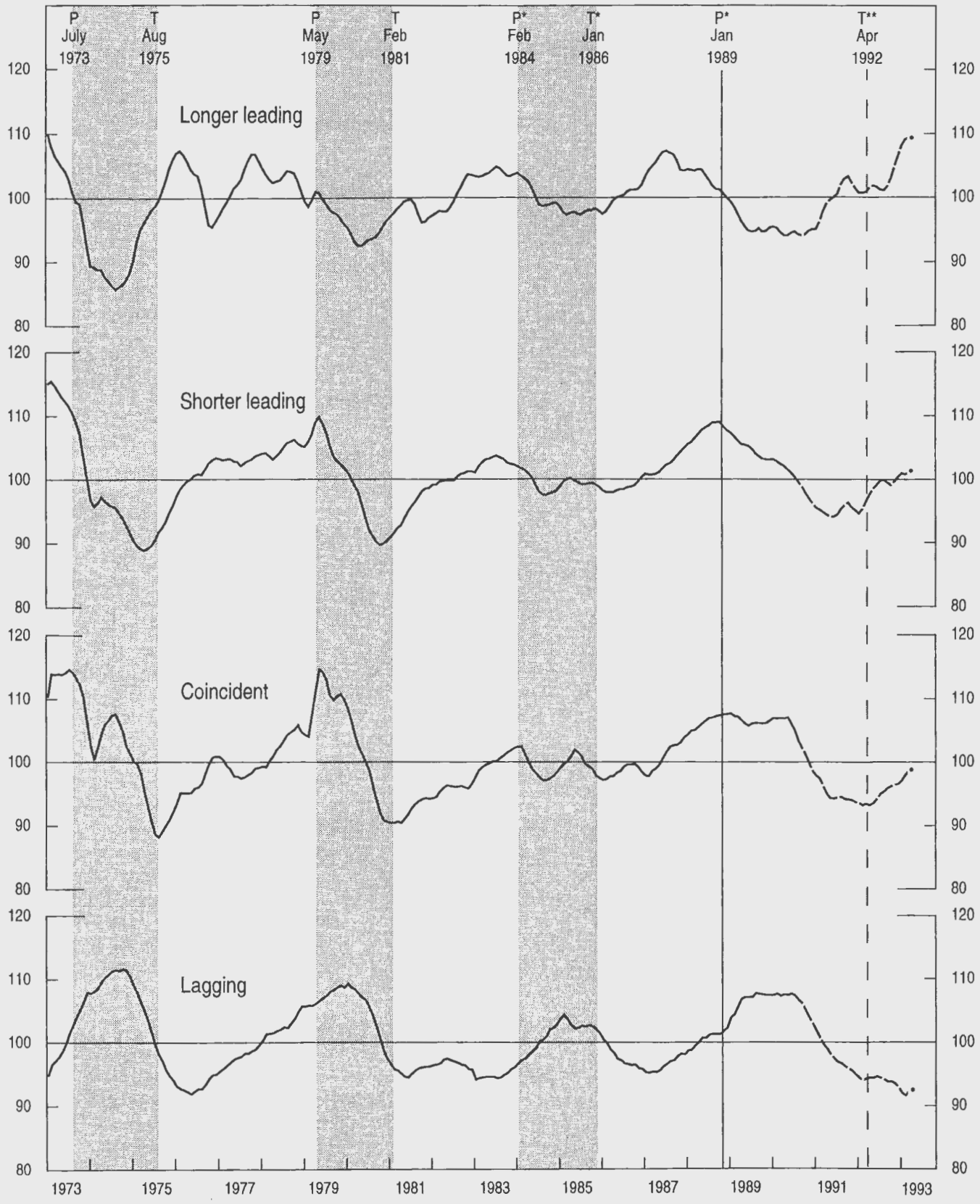
These improvements to the CSO's cyclical indicators methodology will be incorporated for the first time in the CSO's First Release of cyclical indicators in October by which time quarterly data, expressed in 1990 prices, will be available to recalibrate the GDP reference cycle. The system will be kept under constant review and some further changes can be expected in both the indicators and the methodology as further work is completed. In the meantime the CSO would be grateful for readers comments on the system.

Cyclical indicators

ANNEX 1

Composite indices of indicator groups

Long term trend=100



Subject to revision due to trend re-estimation

Based on incomplete data

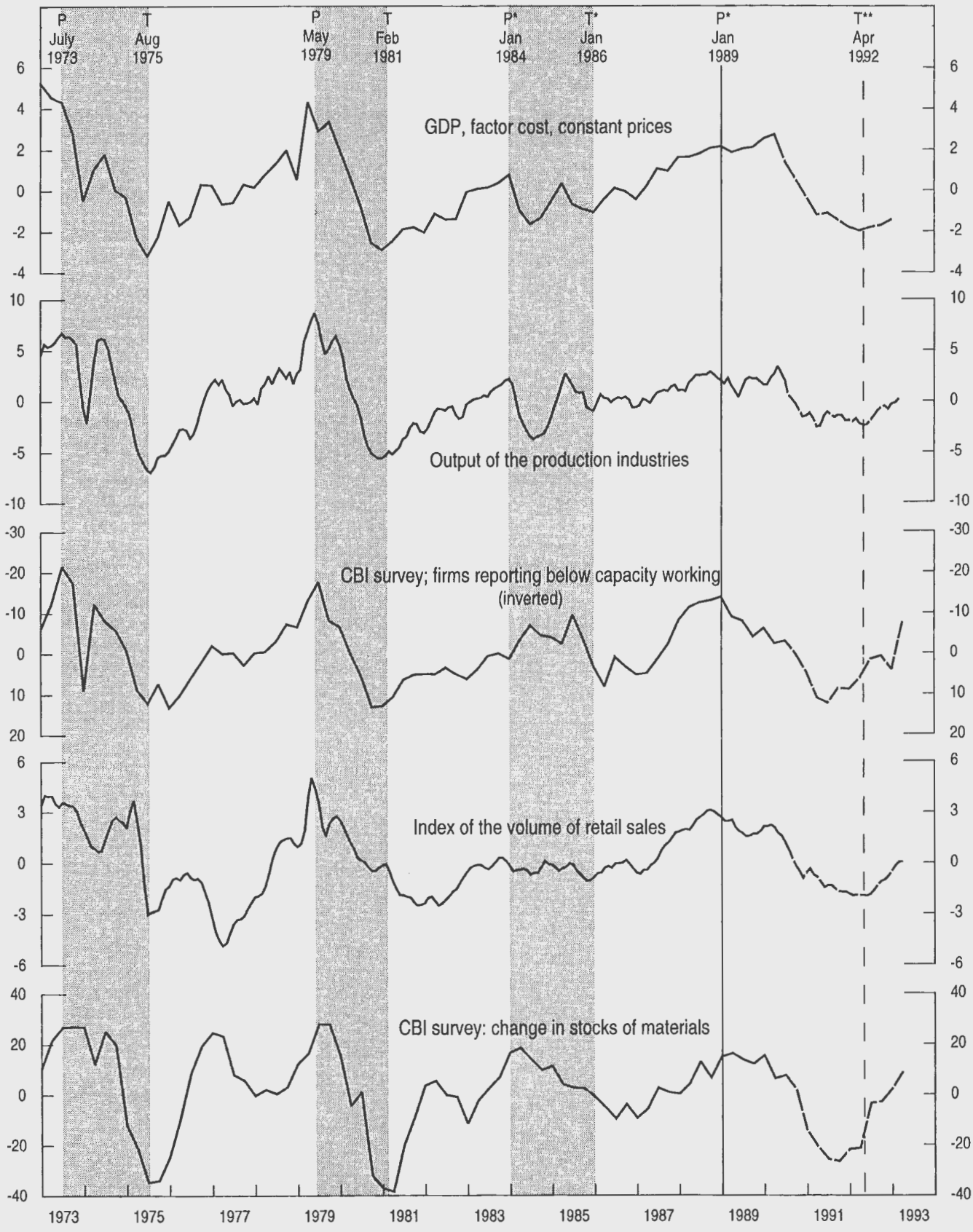
* These turning points are less marked than previous peaks and troughs

** Provisional date

Cyclical indicators by timing classification

ANNEX 2

Coincident indicators. Smoothed trend-elimimated series



* Peaks and troughs less marked than previous peaks and troughs

** Provisional date

– – – Subject to revision due to trend re-estimation

Table 1

THE CURRENT INDICATORS AND THEIR TIMING CHARACTERISTICS

Timing relative to coincident index dates*

(-) leads (+) lags months

Indicators	Median	Earliest	Latest	M.D.F.M.(1)
LONGER LEADING				
Composite longer leading index	-10	-39	-3	6.8
Component series:				
Financial surplus/deficit, industrial and commercial companies, divided by GDP deflator (£m, 1985 prices)	-15	-32	-11	3.3
CBI quarterly survey: change in optimism (percentage balance)	-9	-34	5	6.7
Financial Times - Actuaries 500 share index (April 1962=100)	-7	-20	8	6.2
Rate of interest, 3 months prime bank bills	-17	-28	0	5.8
Total dwellings started, Great Britain (thous)	-12	-40	2	8.5
SHORTER LEADING				
Composite shorter leading index	-4	-16	0	3.5
Component series:				
Consumer credit: change in total borrowing outstanding, divided by GDP deflator (£m, 1985 prices)	-6	-30	0	5.9
Gross trading profits of companies, excluding stock appreciation and mineral oil and natural gas extraction, divided by GDP deflator (£m, 1985 prices)	-6	-21	9	6.1
New car registrations (thous)	-5	-26	5	6.0
CBI quarterly survey: change in new orders - past 4 months (percentage balance)	-5	-28	3	5.8
CBI quarterly survey: expected change in stocks of materials (percentage balance)	-5	-34	6	5.6
COINCIDENT				
Composite coincident index	N/A	N/A	N/A	
Component series:				
GDP factor cost constant prices, (1985=100) ***	0	-6	16	2.8
Output of the production industries (1985=100)	0	-2	16	2.6
CBI quarterly survey: below capacity utilization** (percentage)	2	-9	9	3.5
Index of volume of retail sales (1990=100)	0	-15	20	5.2
CBI quarterly survey: change in stocks of raw materials** (percentage balance)	2	-6	6	3.0
LAGGING				
Composite lagging index	12	1	23	4.3
Component series:				
Adult Unemployment index (1985=100) ***	6	1	20	4.5
Employment in manufacturing industries UK (thous)	11	1	25	5.2
Investment in plant and machinery, manufacturing industry (£m, 1985 prices)	12	4	25	4.9
Engineering industries, volume index for orders on hand (Average, 1985=100)	11	-5	32	6.3
Level of stocks and work in progress, manufacturing industry (£m, 1985 prices)	14	3	21	4.6

(1) Mean Deviation From the Median

N/A Not applicable

All series seasonally adjusted, unless otherwise indicated.

* Assessed on performance up to last identified trough, April 1992

** Not seasonally adjusted

*** See Standard Notes on Compilation

Table 2

THE CURRENT AND PROPOSED INDICATORS AND THEIR TIMING CHARACTERISTICS

Timing relative to GDP index dates*

(-) leads (+) lags months

Indicators	Median	Earliest	Latest	M.D.F.M.(1)	No. of turning points
LONGER LEADING					
Composite longer leading index (previous components)	-13	-31	2	6.8	12
Composite longer leading index (new components)	-18	-30	-6	6.3	12
Component series:					
Financial surplus/deficit, industrial and commercial companies, divided by GDP deflator (£m, 1985 prices)	-17	-36	-6	6.2	12
CBI quarterly survey: change in optimism (percentage balance)	-16	-37	8	7.9	14
Financial Times - Actuaries 500 share index (April 1962=100)	-8	-31	8	8.3	12
Rate of interest, 3 months prime bank bills (inverted)	-16	-29	1	6.6	15
Total dwellings started, Great Britain (thous)	-13	-43	-1	7.8	15
Yield Curve (inverted)	-21	-32	1	8.1	9
SHORTER LEADING					
Composite shorter leading index (previous components)	-8	-16	2	4.4	14
Composite shorter leading index (new components)	-6	-19	1	3.8	12
Component series:					
Consumer credit: change in total borrowing outstanding, divided by GDP deflator (£m, 1985 prices)	-8	-33	-3	5.5	12
Gross trading profits of companies, excluding stock appreciation and mineral oil and natural gas extraction, divided by GDP deflator (£m, 1985 prices)	-7	-21	9	7.5	14
New car registrations (thous)	-8	-26	-3	4.5	14
CBI quarterly survey: change in new orders - past 4 months (percentage balance)	-7	-31	5	6.6	14
CBI quarterly survey: expected change in stocks of materials (percentage balance)	-9	-37	8	7.7	14
EC/Gallup Consumer confidence index	-8	-25	4	8.6	7
Financial Times - Actuaries 500 share index (April 1962=100)	-8	-31	8	8.3	12
COINCIDENT					
Composite coincident index (previous components)	-1	-15	9	3.9	15
Composite coincident index (new components)	0	-17	9	3.1	15
Component series:					
GDP factor cost constant prices, (1985=100) ***	N/A	N/A	N/A	N/A	15
Output of the production industries (1985=100)	0	-16	9	4.3	15
CBI quarterly survey: below capacity utilization** (percentage)(inverted)	-1	-13	5	4.3	15
Index of volume of retail sales (1990=100)	-3	-16	20	6.1	15
CBI quarterly survey: change in stocks of raw materials** (percentage balance)	0	-19	8	4.9	14
M0 divided by GDP deflator (£m, 1985 prices)	1	-17	-17	5.7	9
LAGGING					
Composite lagging index	8	1	27	5.7	12
Component series:					
Adult Unemployment index (1985=100)(inverted)***	4	1	29	4.9	14
Employment in manufacturing industries UK (thous)	16	3	43	9.0	12
Investment in plant and machinery, manufacturing industry (£m, 1985 prices)	9	-9	27	6.9	14
Engineering industries, volume index for orders on hand (Average, 1985=100)	9	-10	20	7.4	11
Level of stocks and work in progress, manufacturing industry (£m, 1985 prices)	9	-6	27	7.1	14

(1) Mean Deviation From the Median

N/A Not applicable

All series seasonally adjusted, unless otherwise indicated.

* Assessed on performance up to last identified trough, April 1992

** Not seasonally adjusted

*** See Standard Notes on Compilation

Table 3

THE CURRENT AND PROPOSED INDICATORS AND THEIR TIMING CHARACTERISTICS - A COMPARISON OVER COMPARABLE PERIODS

Timing relative to GDP index dates*

(-) leads (+) lags months

Indicators	Median	Earliest	Latest	M.D.F.M.(1)	No. of turning points
LONGER LEADING					
Composite longer leading index (previous components)	-16	-31	-7	6.6	9
Composite longer leading index (new components)	-19	-30	-6	6.9	9
Component series:					
Financial surplus/deficit, industrial and commercial companies, divided by GDP deflator (£m, 1985 prices)	-15	-36	-9	6.7	9
CBI quarterly survey: change in optimism (percentage balance)	-16	-37	8	9.0	9
Financial Times - Actuaries 500 share index (April 1962=100)	-8	-31	8	9.8	9
Rate of interest, 3 months prime bank bills (inverted)	-16	-29	1	7.0	9
Total dwellings started, Great Britain (thous)	-12	-43	-4	8.2	9
Yield Curve (inverted)	-21	-32	1	8.1	9
SHORTER LEADING					
Composite shorter leading index (previous components)	-7	-16	-3	4.4	7
Composite shorter leading index (new components)	-5	-19	-3	3.7	7
Component series:					
Consumer credit: change in total borrowing outstanding, divided by GDP deflator (£m, 1985 prices)	-6	-18	-3	3.9	7
Gross trading profits of companies, excluding stock appreciation and mineral oil and natural gas extraction, divided by GDP deflator (£m, 1985 prices)	-6	-18	9	8.1	7
New car registrations (thous)	-7	-14	-3	3.3	7
CBI quarterly survey: change in new orders - past 4 months (percentage balance)	-7	-31	5	9.0	7
CBI quarterly survey: expected change in stocks of materials (percentage balance)	-7	-37	8	10.3	7
EC/Gallup Consumer confidence index	-8	-25	4	8.6	7
Financial Times - Actuaries 500 share index (April 1962=100)	-8	-31	8	9.8	9
COINCIDENT					
Composite coincident index (previous components)	0	-15	2	2.9	9
Composite coincident index (new components)	-1	-17	2	2.8	9
Component series:					
GDP factor cost constant prices, (1985=100) ***	N/A	N/A	N/A	N/A	9
Output of the production industries (1985=100)	0	-16	2	4.0	9
CBI quarterly survey: below capacity utilization** (percentage)(inverted)	-1	-13	5	5.0	9
Index of volume of retail sales (1990=100)	-3	-16	20	7.9	9
CBI quarterly survey: change in stocks of raw materials** (percentage balance)	2	-19	8	4.3	9
M0 divided by GDP deflator (£m, 1985 prices)	1	-17	17	5.7	9
LAGGING					
Composite lagging index	9	4	27	5.5	11
Component series:					
Adult Unemployment index (1985=100)(inverted)***	7	1	29	5.4	11
Employment in manufacturing industries UK (thous)	16	7	43	8.6	11
Investment in plant and machinery, manufacturing industry (£m, 1985 prices)	12	-9	27	7.6	11
Engineering industries, volume index for orders on hand (Average, 1985=100)	9	-10	20	7.4	11
Level of stocks and work in progress, manufacturing industry (£m, 1985 prices)	18	-6	27	7.4	11

(1) Mean Deviation From the Median

N/A Not applicable

All series seasonally adjusted, unless otherwise indicated.

* Assessed on performance up to last identified trough, April 1992

** Not seasonally adjusted

*** See Standard Notes on Compilation