

Economic trends

No. 550
September 1999

Editor: Adele Barklem

Production Team: Ayaz Ahmad
Paul Dickman
Dermot Rhatigan

Artwork: DTP, Titchfield

London: The Stationery Office

Contents

Page

Introduction, symbols and definitions used	iv
Articles previously published in <i>Economic trends</i>	v
UK macro-economic statistics publications	vi

Articles

In brief	1
Economic update	2
Forecast for the UK economy	7
International economic indicators	9
Final expenditure prices index	21
New estimates of dividend payments	27

Tables

1. Summary	
1.1 Selected monthly indicators	T1
2. UK Economic Accounts	
2.1 National accounts aggregates	T2
2.2 Gross domestic product: by category of expenditure	T4
2.3 Gross domestic product and shares of income and expenditure	T6
2.4 Income, product and spending per head	T6
2.5 Households' disposable income and consumption	T8
2.6 Households' final consumption expenditure at constant 1995 prices	T8
2.7 Gross fixed capital formation	T10
2.8 Gross value added at constant 1995 basic prices by category of output	T12
2.9 Index numbers of gross value added at basic prices: service industries	T14
2.10 Summary capital accounts and net lending/net borrowing	T16
2.11 Private non-financial corporations: allocation of primary income account	T18
2.12 Private non-financial corporations: secondary distribution of income account and capital account	T20
2.13 Balance of payments: current account	T22
2.14 Trade in goods (on a balance of payments basis)	T24
2.15 Measures of UK competitiveness in trade in manufactures	T26
3. Prices	
3.1 Prices	T28
4. Labour market	
4.1 Labour market activity: seasonally adjusted	T30
4.2 Labour market activity: not seasonally adjusted	T32
4.3 Labour market activity by age: seasonally adjusted	T36
4.4 Jobs and claimant count	T38
4.5 Regional claimant count	T40
4.5A International Labour Organisation unemployment rates	T42
4.6 Average earnings	T44
4.7 Productivity and unit wage costs	T46
5. Selected output and demand indicators	
5.1 Output of production industries	T48
5.2 Total engineering: index numbers at constant prices	T50
5.3 Motor vehicle production and steel production and consumption	T52
5.4 Indicators of fixed investment in dwellings	T54
5.5 Number of property transactions	T56
5.6 Change in inventories at constant 1995 prices	T58
5.7 Inventory ratios	T58
5.8 Retail sales, new registrations of cars and credit business (Great Britain)	T60
5.9 Inland energy consumption	T62
6. Selected financial statistics	
6.1 Sterling exchange rates and UK official reserves	T64
6.2 Monetary aggregates	T66
6.3 Counterparts to changes in M4	T68
6.4 General government receipts and expenditure	T70
6.5 Financial transactions of the public sector	T70
6.6 Consumer credit and other personal sector borrowing	T72
6.7 UK banks' loans, advances and acceptances to UK residents	T72
6.8 Analysis of bank lending to UK residents	T74
6.9 Interest rates, security prices and yields	T76
6.10 A selection of asset prices	T78

Measures of variability of selected economic series	T79
---	-----

Index of sources	T80
------------------------	-----

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.

Articles on international economic indicators and the final expenditure prices index appear monthly and an article on regional economic indicators appears every February, May, August and November. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Quarterly information on the national accounts and the balance of payments appears in *UK Economic Accounts* which is published every January, April, July and October by The Stationery Office.

The main section is based on information available to the ONS on the date printed in note 1 below 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.

Economic trends is prepared monthly by the Office for National Statistics in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. All data in the tables and accompanying charts is current, as far as possible, to 25 August 1999.
2. The four letter identification code at the top of each column of data (eg, DJDD) is ONS's own reference to this series of data on our database. Please quote the relevant code if you contact us requiring any further information about the data.

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

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

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

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

7. 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.

8. 'Billion' denotes one thousand million.

9. There is no single correct definition of *money*. The most widely used aggregates are:

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

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.

10. 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 T79
 - † 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.

If you have any comments or suggestions about *Economic trends*, please write to Adele Barklem, ONS, Zone D4/19, 1 Drummond Gate, London, SW1V 2QQ or e-mail adele.barklem@ons.gov.uk

Office for National Statistics
September 1999

Articles published in *Economic trends*

Regular articles

International economic indicators. Commentary, figures and charts are published monthly.

Final expenditure prices index. Commentary and figures are published monthly.

Regional economic indicators. Commentary, figures and charts are published every February, May, August and November.

United Kingdom national accounts and balance of payments quarterly figures are published in *UK Economic Accounts* every January, April, July and October.

Other Articles

1998

<i>August</i>	PPI/RPI comparisons. Forthcoming changes to the national accounts. Research and experimental development (R & D) statistics 1996.
<i>September</i>	Development of the corporate services price index: a review of progress. Estimating and presenting short-term trends.
<i>October</i>	Environmental taxes in the United Kingdom. Measuring the output of non-market services. UK results from the Community Innovation Survey.
<i>November</i>	Improving the non-finance balance sheets. Developing the public sector balance sheet.
<i>December</i>	Geographical breakdown of the balance of payments current account. Harmonised index of consumer prices: historical estimates. The development of a Land Registry-based national house price index. Improving the quality of the producer price index.

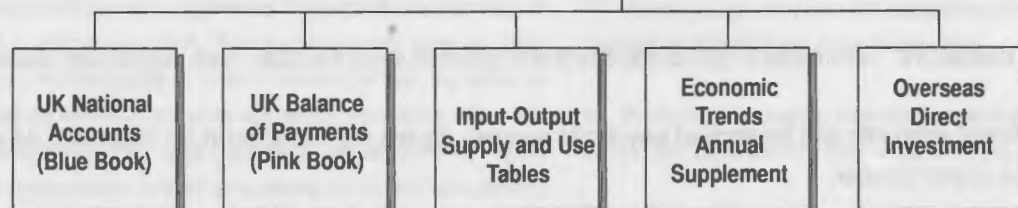
1999

<i>February</i>	Three year ownership programme on RPI methodology. Ownership of United Kingdom quoted companies at the end of 1997.
<i>March</i>	Regional Accounts 1997: Part 1. The capital stock of the United Kingdom - some new developments in coverage and methodology. An international comparison of taxes and social security contributions 1986-1996. Productivity measurement in the United Kingdom.
<i>April</i>	The effects of taxes and benefits in household income 1997-98
<i>May</i>	The seasonal adjustment of RPIY.
<i>June</i>	Employment in the public and private sectors.
<i>July</i>	ONS plans for the 1999 and 2000 Blue and Pink Books. Experimental constant price input-output supply-use balances. Financial market data for international financial stability.
<i>August</i>	Research and experimental development (R&D) Statistics 1997

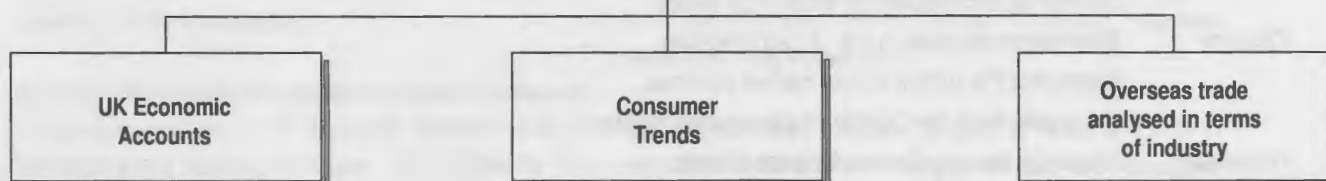
For articles published in earlier issues see the list in issue 509 (March 1996) of *Economic trends*. Copies of articles may be obtained from the National Statistics Library, Room 1.001, Government Buildings, Cardiff Road, Newport, NP10 8XG, telephone 01633 812973. The cost is £5.00 per copy inclusive of postage and handling. A cheque for the appropriate remittance should accompany each order, made payable to 'Office for National Statistics'. Credit card transactions can be made by phone; invoices cannot be issued.

United Kingdom Macro-Economic Statistics Publications

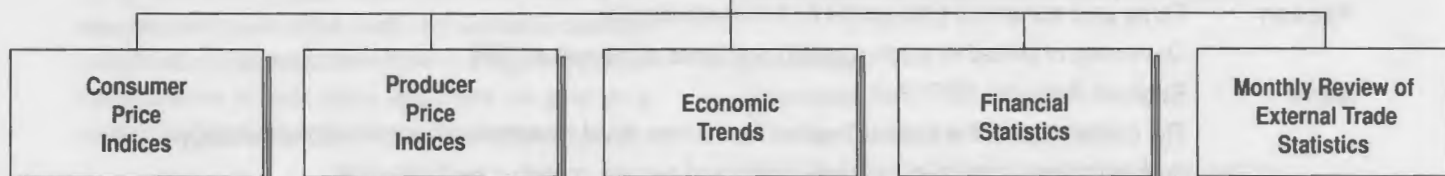
Annual Publications



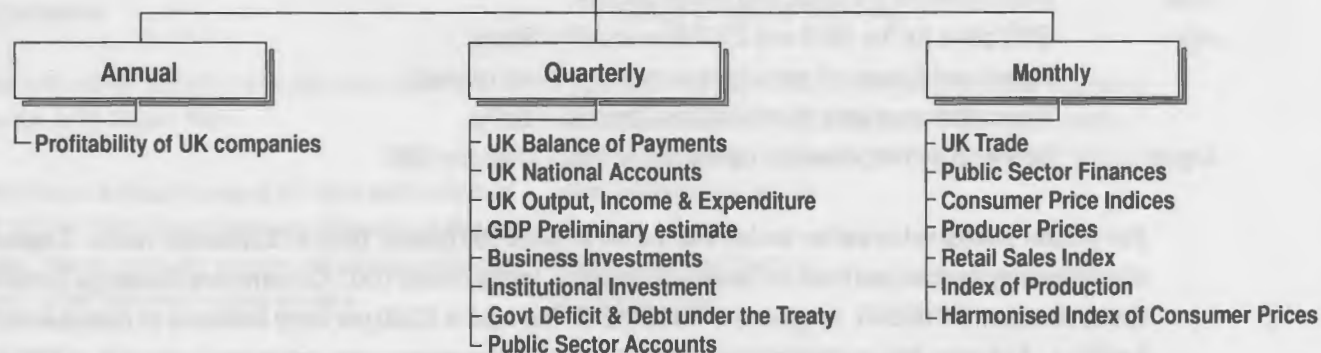
Quarterly Publications



Monthly Publications



First Releases



Other publications: - Retail Prices 1914-1990 - Labour Market Trends - National Accounts Concepts, Sources and Methods - Sector Classification Guide for the National Accounts - Share Ownership - Financial Statistics Explanatory Handbook

In brief

Articles

This month we feature one article.

Richard Walton and Caroline Duggan of ONS discuss New Estimates of Dividend Payments in the corporate and household sector accounts. They describe how the present source of dividend data from the Inland Revenue has come to an end and how new sources have been developed by the ONS. These have shown interesting trends in dividend payments made by the private non-financial sector and the proportion paid by unquoted companies.

Recent economic publications

Annual

UK Balance of Payments 1999 (ONS Pink Book). The Stationery Office, ISBN 0 11 621163 6. Price £39.50.

UK Input-Output Annual Supply and Use Tables 1997. The Stationery Office, ISBN 0 11 621261 6. Price £39.50.

UK National Accounts 1999 (ONS Blue Book). The Stationery Office, ISBN 0 11 621162 8. Price £39.50.

Quarterly

Consumer Trends: 1999 quarter 1. The Stationery Office, ISBN 0 11 621074 5, price £45.

UK Economic Accounts: 1999 quarter 1. The Stationery Office, ISBN 0 11 621138 5, price £26.

Monthly

Consumer Price Indices (MM23): June 1999. The Stationery Office, ISBN 0 11 537338 1, price £185 p.a.

Financial Statistics: August 1999. The Stationery Office, ISBN 0 11 621147 4, price £23.50.

Monthly Review of External Trade Statistics (MM24): May 1999. The Stationery Office, ISBN 0 11 537235 0, price £185 p.a.

All of these publications are available from The Stationery Office Publications Centre, telephone 0870 600 5522 or fax 0870 600 5533, or The Stationery Office bookshops; details on the inside back cover.

ECONOMIC UPDATE – SEPTEMBER 1999

By Geoff Tily, Macro-Economic Analysis - Office for National Statistics

Address: D4/20, 1 Drummond Gate, London, SW1V 2QQ Tel: 0171 533 5919

Email: geoff.tily@ons.gov.uk

Overview

Official figures show signs of improved activity in the UK economy echoing the pick up seen in forward looking private sector surveys. Second quarter GDP is estimated to have grown by 0.5 per cent. Underlying this, manufacturing output has picked up since the start of the year and the service growth was the same as in the previous quarter. Consumer demand is seen to be underpinning recovery with annual growth of 4.0 per cent. On the other hand business investment fell slightly into the second quarter and profits remains weak. Overall export demand is starting to show evidence of expansion and there is some evidence of a pick up in import growth. Labour market information shows employment growth slowing into the start of 1999 but unemployment has shown some falls following a flatter trend in the second half of 1998. On prices, headline earnings growth has fallen back from peaks in mid 1998, retail goods inflation continues to slow and underlying producer price inflation continues to fall.. Service price inflation is fairly flat although at a higher level than goods.

Indicators included	
	UK external trade – June/July
GDP output, income and expenditure – Q2	Money supply – July
Index of production – June	Consumer credit – June
CBI monthly industrial trend survey – July	Public sector net borrowing – July
CIPS report on manufacturing - July	Labour market statistics – April – June
Retail sales – June	Consumer prices – July
Business investment - provisional results - Q2	Producer prices – July

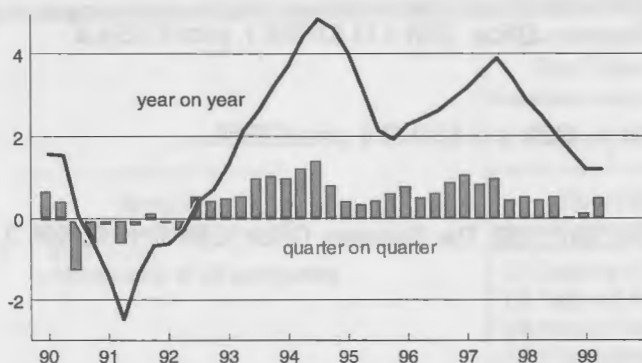
GDP Activity

In the second quarter of 1999 GDP is estimated to have grown by 0.5 per cent compared to growth of 0.1 per cent into the first quarter and flat growth into the fourth quarter of 1998 (chart 1). Annual growth is estimated as 1.2 per cent, the same as in quarter one.

Chart 1
GDP

seasonally adjusted

percentage change



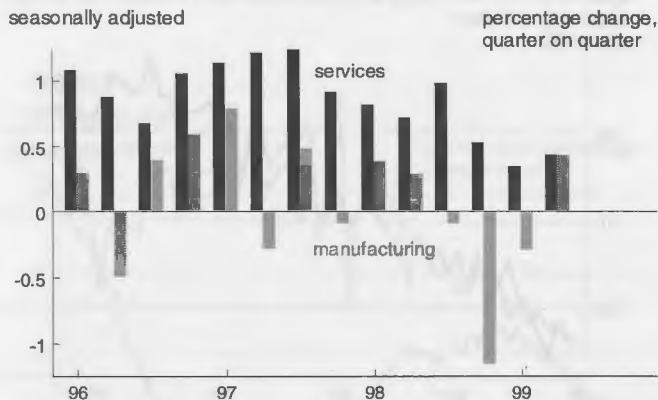
Output breakdown

While the latest index of manufacturing output data showed a slight decline into June, output for quarter two as a whole was 0.4 per cent above quarter one. This compares with falls of 0.3 per cent into the first quarter and 1.2 per cent into the fourth quarter of 1998. Services output in the second quarter is now estimated to have grown by 0.4 per cent, the same as in the first quarter. Chart 2 shows the steady decline in quarterly growth of services sector output since the third quarter of 1997 contrasted with more volatile manufacturing sector. We see that the recovery in growth of GDP is largely driven by the recent recovery to manufacturing sector growth, with the service sector trend of slowing growth little changed in the latest quarter.

Growth rates have now risen in most sectors of the manufacturing industry. The latest data showed improved growth into the second quarter for all industries except the engineering and allied industries, where output fell by 0.2 per cent compared with growth of 0.8 per cent into quarter one.

Chart 2

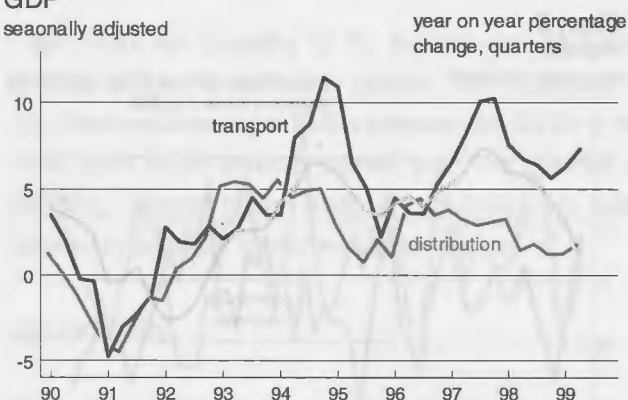
GDP- services
seasonally adjusted



Underpinning the reduced growth in service sector output have been slowdowns across most service industries. Since the recent peaks annual rates of growth have fallen from 3.2 per cent to 1.8 per cent for distribution, hotels and catering, from 10.2 per cent to 7.3 per cent in transport, storage and communication industries and from 7.4 per cent to just 1.3 per cent for business services and finance (chart 3).

Chart 3

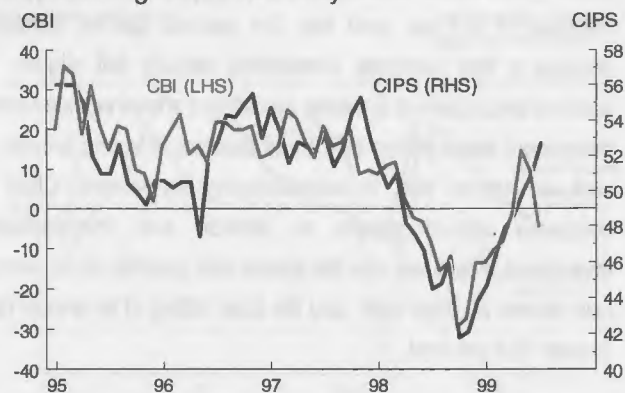
GDP
seasonally adjusted



The latest monthly information from the external indicators sends conflicting messages for manufacturing output. Chart 4 contrast the fall in CBI output expectations into July with the continued rise in the CIPS Purchasing managers index. External services information shows some recovery into the latest months which is not echoed by the official data.

Chart 4

Manufacturing: external surveys



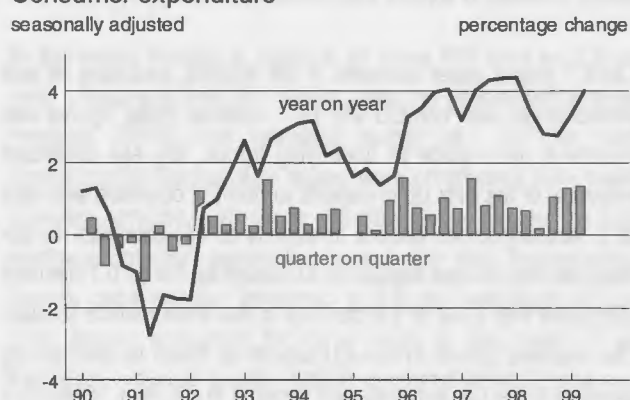
Domestic demand

Retail sales volumes rose strongly by 1.3 per cent in the three months to July compared with a rise of 0.9 per cent in the three months to June. The annual rate in the three months to July rose to 2.9 per cent compared with 2.6 per cent in the three months to June.

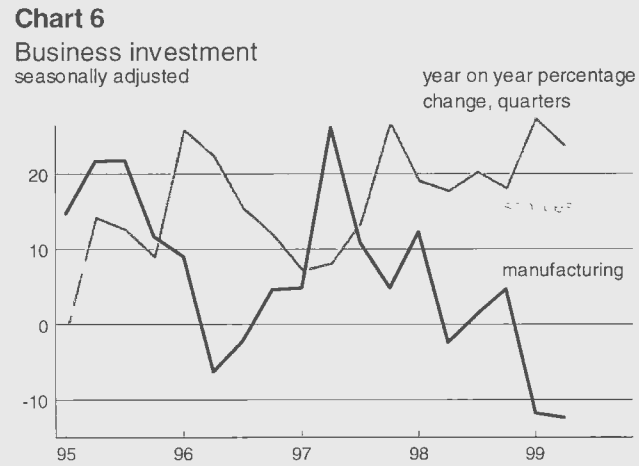
From the perspective of the expenditure breakdown of GDP household final consumption expenditure has now grown strongly for three quarters in a row. The robust growth in retail sales as well as strong expenditure on cars and energy products underpinned consumption growth of 1.4 per cent into the second quarter. The annual rate of consumers' expenditure increased to 4.0 per cent compared with 3.3 per cent into quarter one (chart 5).

Chart 5

Consumer expenditure



Investment demand continues to grow but at a slowing rate. The latest gross fixed capital formation data showed a modest increase of 0.4 per cent into the second quarter, although underlying this business investment actually fell slightly. A sectoral breakdown of business investment shows service sector investment levels falling after three quarters of strong growth as well as further falls in manufacturing investment. Chart 6 compares annual growth in service and manufacturing investment where we see the former still growing at an annual rate of over 20.0 per cent and the latter falling at an annual rate of over 10.0 per cent.



External demand and supply

The latest trade data shows the UK's deficit with the rest of the world in June provisionally estimated at £1.5 billion. This compares to revised deficits for May of £0.6 billion and for April of £1.4 billion. The widening of the deficit reflects mainly a strong increase in imports after earlier declines.

Chart 7 shows index numbers of UK exports, excluding oil and erratic items, with non-EU and EU countries; these figures can provide a good guide to underlying trends. We see continued evidence of the pick up in exports to non-EU countries and also of a recovery to the decline in exports to EU countries. In the three months to June exports to EU countries fell by 0.1 per cent compared with a fall of 1.4 per cent in the three months to May. The resumed growth in non-EU exports is driven by both strong demand in the US and resumed demand in SE Asia; although a resumption of demand from Japan is not evident.

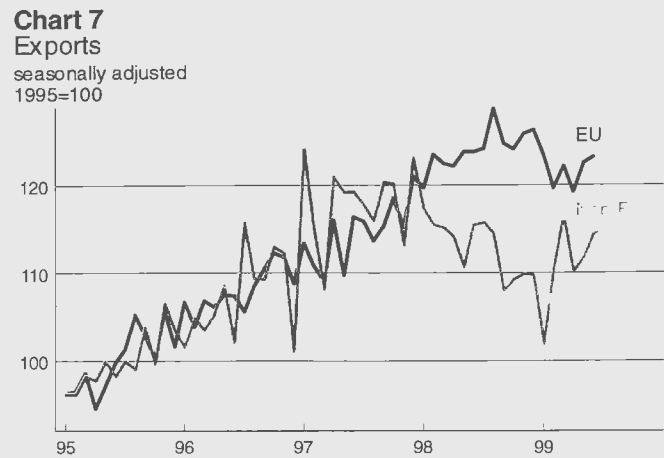
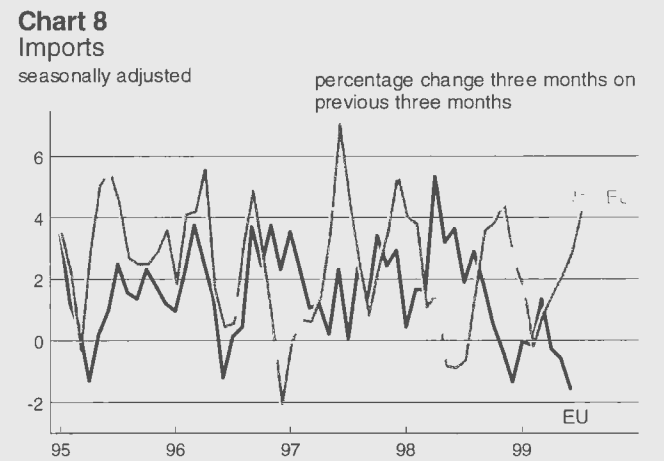


Chart 8 shows three month on previous three month growth rates for imports where we see strong growth from non-EU countries but a continued decline from EU countries. Growth in the volume of imports from non-EU countries was 4.2 per cent in the three months to July compared with growth of 2.9 per cent in the three months to June. On the other hand is growth in imports from the EU fell by 1.6 per cent in the three months to June compared with a fall of 0.6 per cent in the three months to May.



Monetary indicators and government finances

Broad money growth (M4) in July fell very sharply to annual growth of 3.5 per cent, this compares with growth of 5.5 per cent in June and 7.0 per cent in May. On the other hand the annual growth of narrow money (M0) in July was estimated as 7.4 per cent, an increase from the growth of 7.2 per cent in June.

Chart 9 shows the strong declining trend in broad money contrasted with a recent pick up in the growth of narrow money.

Chart 9

Money supply

seasonally adjusted



Consumer borrowing in June, as measured by gross consumer credit, increased moderately to £12.3 billion, from £11.8 billion in May. The annual growth in the three months to June, at 7.9 per cent was below the corresponding figure for May of 9.3 per cent. This sharp fall in the annual rate is partly due to the large figure for March falling out of the annual comparison.

Public sector net borrowing for the financial year 1999-2000 continues at lower levels than in 1998-99. The outturn data to July shows net borrowing of £2.6bn compared with £3.5bn in the same period of the previous financial year. This reduction in borrowing, despite higher levels of expenditure, is being achieved by increased Inland Revenue tax receipts.

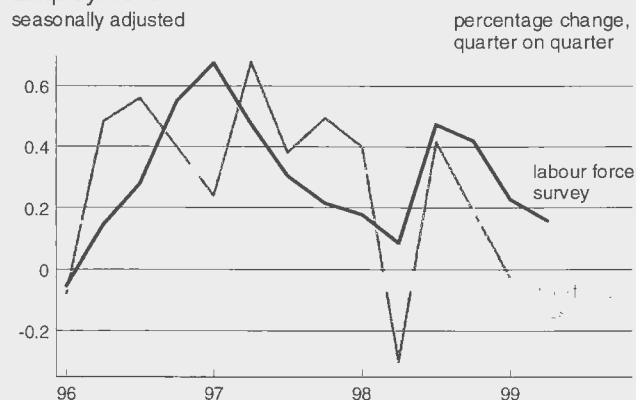
Labour Market

The latest labour force data continues to show a slowdown in the employment growth rate; which contrasts with continued falls in unemployment. The Labour Force Survey (LFS) data for April to June 1999 shows the employment rate at 74.0 per cent: the same as the rate in the previous three months. Similarly the quarter one figure for the employer based Workforce Jobs series was unchanged on the fourth quarter. Chart 10 shows the slowdown in quarterly growth for both the workforce jobs and labour force survey measures.

Chart 10

Employment

seasonally adjusted



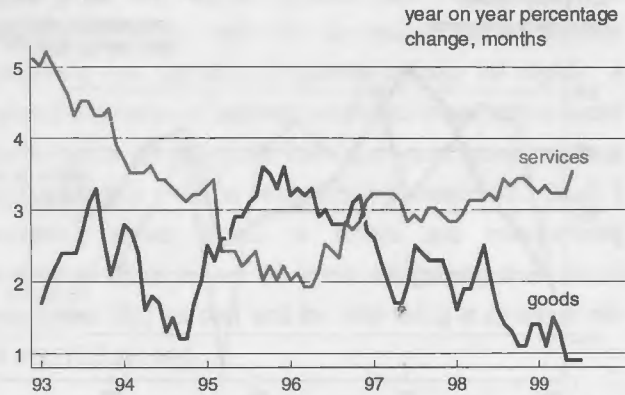
An improvement in unemployment is seen in both the ILO and claimant count measures. The ILO unemployment rate in April to June 1999 was 6.0 per cent, down on the January to March 1999 rate of 6.2 per cent; the claimant count rate was 4.3 per cent in July down on 4.4 per cent in June. It should however be noted that this improvement to ILO unemployment over the latest quarter is largely accounted for by an increase in those classified as economically inactive. The unemployment series may be further distorted by an increase in the numbers of students taking holiday work not being fully reflected in seasonal factors.

On earnings, the latest data shows a modest increase in the headline rates following a decrease into May. Across the whole economy the headline rate in June rose to 4.4 per cent compared to 4.3 per cent in May.

Prices

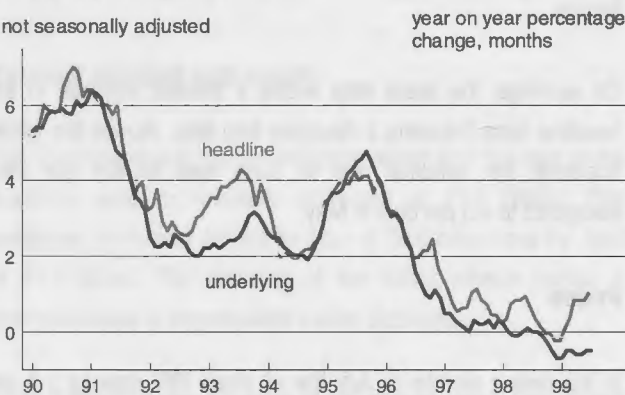
In the twelve months to July the all items RPI rose by 1.3 per cent, unchanged from the rate in June; the government's target measure (RPIX) also remained steady at 2.2 per cent. Underlying the flat headline figures were contrasting movements between services and goods inflation (these figures exclude mortgage interest payments, council tax and depreciation). Service price inflation increased to 3.6 per cent from 3.3 per cent, largely accounted for by a surge in the costs of car insurance, whereas goods inflation remained flat at 0.9 per cent (chart 11).

Chart 11
Retail price index



At the factory gate, headline producer price output inflation rose slightly to 1.1 per cent in July from 1.0 per cent in June. The growth in these prices continues to be accounted for by recent increases to the price of oil with the underlying measure excluding food, beverage, tobacco and petroleum products continuing to show an annual rate of decline (chart 10). This underlying decline was at an annual rate of 0.5 per cent in July the same as in June.

Chart 12
Producer output prices



Forecasts for the UK Economy

A comparison of independent forecasts, August 1999

The tables below are extracted from HM Treasury's "FORECASTS FOR THE UK ECONOMY" and summarise the average and range of independent forecasts for 1999 and 2000, updated monthly.

	Independent Forecasts for 1999		
	Average	Lowest	Highest
GDP growth (per cent)	1.1	0.5	2.0
Inflation rate (Q4: per cent)			
- RPI	1.1	0.6	2.1
- RPI excl MIPs	2.1	1.7	3.0
Unemployment (Q4, mn)	1.36	1.18	1.60
Current Account (£ bn)	-8.7	-15.0	2.0
PSNB *(1999-00, £ bn)	1.8	-9.2	8.0

	Independent Forecasts for 2000		
	Average	Lowest	Highest
GDP growth (per cent)	2.3	1.1	3.3
Inflation rate (Q4: per cent)			
- RPI	2.7	1.7	3.8
- RPI excl MIPs	2.4	1.7	3.1
Unemployment (Q4, mn)	1.41	1.10	1.80
Current Account (£ bn)	-11.4	-23.3	0.1
PSNB* (2000-01, £ bn)	5.4	-3.4	15.0

NOTE: "FORECASTS FOR THE UK ECONOMY" gives more detailed forecasts, covering 27 variables and is published monthly by HM Treasury, available on annual subscription, price £75. Subscription enquiries should be addressed to Miss C T Coast-Smith, Public Enquiry Unit, HM Treasury, Room 110/2, Parliament Street, London SW1P 3AG (Tel: 0171-270 4558). It is also available at the Treasury's internet site: <http://www.hm-treasury.gov.uk>.

* PSNB: Public Sector Net Borrowing.

International Economic Indicators – September 1999

by Brian Golden, Macro-Economic Assessment - Office for National Statistics

Address: D4/20, 1 Drummond Gate, London SW1V 2QQ

Tel: 0171 533 5923

Email: brian.golden@ons.gov.uk

Overview

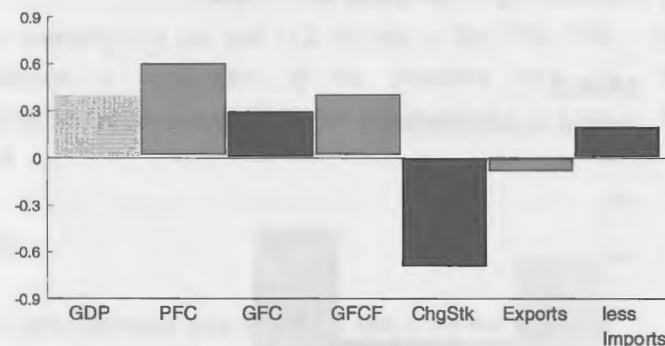
The European economies expanded moderately in the first quarter of 1999. In general, positive contributions to GDP growth came from private consumption, government spending and investment. Contributions from stock changes were negative. The effect of trade tended to be neutral or negative.

US GDP growth slowed in the second quarter, largely due to a slowdown in the rates of growth of private consumption and investment. Price indices in all countries have experienced inflationary pressure as oil prices rose.

EU15

The economies of the EU15 grew by 0.4 per cent in the first quarter of 1999, compared to growth of 0.2 per cent in the previous quarter. The annual rate of growth slipped to 1.7 per cent from 2.0 per cent. Domestic demand, excluding stockbuilding, was robust with private final consumption, government spending and investment all making strong contributions to GDP in the quarter. However, the rate of stockbuilding declined substantially from the considerable amount of stockbuilding that was undertaken throughout 1998, particularly in 1998 quarter four.

Chart 1
EU15 - contributions to GDP growth 1999 Q1



External demand also made a negative contribution to GDP in the quarter, with export volumes declining and import volumes increasing. The trade surplus of the EU15 narrowed for the third consecutive quarter in the first quarter of 1999, in volume terms. However, the value of the trade surplus increased, reflecting the depreciation of the euro in that quarter.

EU industrial production growth was almost flat in the first quarter of 1999, with growth of only 0.1 per cent. Monthly production figures for April and May indicate a continuation of

approximately flat growth. The annual rate of growth for May 1999 is a decline of 0.3 per cent. The performance of industrial production is dependent to a considerable degree on external demand. Both exports and industrial production have declined from buoyant rates of growth in 1997 to negative growth in the final quarter of 1998 and virtually flat growth in the first quarter of 1999.

Retail sales contrast with the performance of industrial production, with volumes rising by 1.9 per cent in 1999 quarter one compared with growth of 0.6 per cent in the previous quarter. This underpins the steady contribution of private consumption to GDP in the quarter. This retail sales growth is consistent with high rates of consumer confidence, evident in European Commission surveys, which also contrast with the low rates of business confidence, seen in the same surveys.

Producer prices in the EU have been rising in each month since February 1999. This is reflected in a substantial deceleration in the annual rate of decline in producer prices from 2.1 per cent in February to 1.0 per cent in May 1999. Over this period, the euro depreciated and oil prices rose; both of these factors raise the cost of producer inputs.

Annual consumer price inflation was 1.0 per cent in June 1999. The downward trend in consumer price inflation since 1990 continued in 1999 but at a much slower rate than previously, with the inflation rate falling by just 0.2 percentage points between January and June 1999. This slower rate of decline in inflation rates is likely to reflect increasing producer prices. Both producer and consumer prices have risen by the same amount since February 1999.

The EU unemployment rate fell to 9.4 per cent in May 1999. This represents a fall of 0.7 percentage points from a rate of 10.1 per cent in May 1998, which in turn represented a fall of 0.6 percentage points from a rate of 10.7 per cent in May 1997. This consistent decline in unemployment rates over the past two years has resulted in the lowest rate of unemployment for the EU15 since November 1992.

Germany

The economy in Germany expanded by 0.4 per cent in the first quarter of 1999. Domestic demand, excluding stockbuilding, grew very strongly in the quarter, having been quite weak in the previous three quarters. Private consumption increased its contribution substantially. The increase in government spending in the quarter offset declines over the previous three quarters to recover to just above its level in 1998 quarter one. Investment spending also grew strongly in the first quarter of 1999 after a decline in the previous quarter. Investment contributed 0.7 per cent to GDP growth in the quarter, contributing 0.4 per cent in the year to 1999 quarter one. However, the contribution of changes in stock was large and negative and offset most of the positive contributions. It is worth noting that stocks continued to rise in the first quarter of 1999. The contribution to GDP growth was negative because this rise was much smaller than the considerable addition to stocks in the previous quarter.

Both export and import volumes declined marginally in the first quarter of 1999, making offsetting negative contributions to GDP of 0.1 per cent. The previous quarter saw a much larger fall in export volumes and a rise in import volumes.

Industrial production grew by 0.1 per cent in the first quarter of 1999, revised from a decline of 0.6 per cent in last month's published table. The annual rate of growth to 1999 quarter one was a decline of 0.8 per cent. The extent of the slowdown in German industrial production is shown by comparing current annual growth with the annual rate of growth to 1998 quarter one of 6.4 per cent. Industrial production declined substantially in September 1998. Since then, movements in the index have tended to offset each other. The decline in industrial production is consistent with IFO business surveys which show business sentiment declining from high levels in 1997 and the first half of 1998.

Retail sales grew by 0.9 per cent in the first quarter of 1999, having been revised from 0.6 per cent in last month's published table. Consumer surveys indicate that consumer confidence was high in this period. Data for April and May 1999 indicate that

retail sales volumes may have declined in the second quarter, with consumer confidence declining slightly in 1999 quarter two.

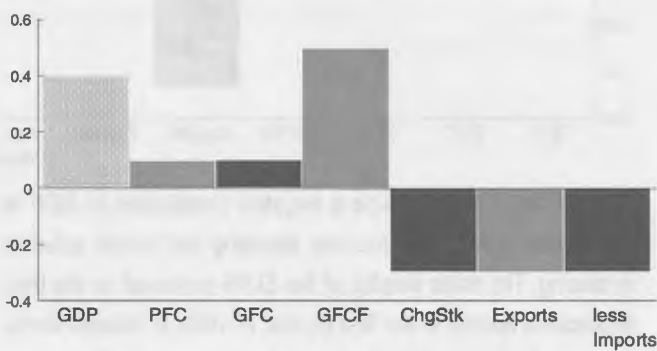
Annual inflation in consumer prices rose from 0.3 per cent in 1999 quarter one to 0.5 per cent in quarter two. At the same time, the decline in producer prices decelerated from 2.4 per cent in quarter one to 1.7 per cent in quarter two. The monthly breakdown shows that both consumer and producer prices rose significantly in April 1999, with growth in the other months of 1999 being virtually flat. This is likely to be due to an abrupt reaction to increased oil prices in Germany while the weakening euro might have arrested the downward trends in the indices.

The rate of unemployment was 9.1 per cent in May 1999. Prior to May, the rate had declined fairly consistently from a rate of 10.1 per cent in the final quarter of 1997 to a rate of 9.0 per cent in the first quarter of 1999.

France

The economy in France grew by 0.4 per cent in the first quarter of 1999, in line with overall economic expansion in Germany. However, in sharp contrast to German economic expansion in the quarter, private consumption made a contribution to GDP growth of just 0.1 per cent. The sharp rise in government spending in Germany in the quarter was not matched in France either. However, the decline in the level of stockbuilding was not as sharp in France in the quarter, primarily due to a lower level of stockbuilding in 1998 quarter four in France.

Chart 2
France - contributions to GDP growth 1999 Q1



A decline in export volumes was offset by a decline in import volumes. Therefore, the only substantially positive contribution to GDP, apart from declining imports, was investment which made its strongest quarterly contribution to GDP this decade.

French industrial production declined by 0.5 per cent in the first quarter of 1999. Data for April and May 1999 indicate that growth in the second quarter may be quite flat. This coincides with low levels of business confidence in the first five months of 1999. However, business confidence improved in June and July, perhaps indicative of future improvements in production levels.

Retail sales volumes declined by 0.5 per cent in the second quarter of 1999, with a decline in April and a substantial decline in May not being fully offset by a sharp rise in June. Declining retail sales are not matched by low levels of consumer confidence with surveys indicating that confidence has remained above its long term trend for the first seven months of 1999. Nevertheless, retail sales figures do not suggest that the contribution of private consumption to GDP will be significantly positive in the second quarter.

Producer prices declined substantially between October 1997 and February 1999. However, producer price growth has been flat from February to June 1999, resulting in decelerating rates of declines in annual producer prices. Consumer price growth was flat between March 1998 and February 1999. However, consumer prices rose by 0.6 per cent between February and April 1999, though growth was flat between April and June. Oil prices seem to have added some inflationary pressure to the indices. The effect of the weakening euro may also be contributing to the stabilisation of a declining trend in producer prices.

The unemployment rate was 11.2 per cent in May 1999. This represents a continuation of the downward trend in unemployment since June 1997 when the rate stood at 12.5 per cent.

Italy

The Italian economy grew by 0.2 per cent in the first quarter of 1999. This followed negative growth in the previous quarter and sluggish growth for 1998 as a whole. Domestic demand, excluding stockbuilding, contributed more to GDP than in any previous quarter since the first quarter of 1995. However, domestic demand in Italy underperformed that of the EU as a whole for the quarter, as has been the case for most quarters since 1995. Stockbuilding, though still quite strong, made a negative contribution to GDP as the amount added to stocks fell in the first quarter.

Exports recovered somewhat from a sharp fall in volumes in the previous quarter. However, import growth was significantly stronger resulting in both a narrowing trade surplus and a large negative contribution to GDP of 0.7 per cent from imports.

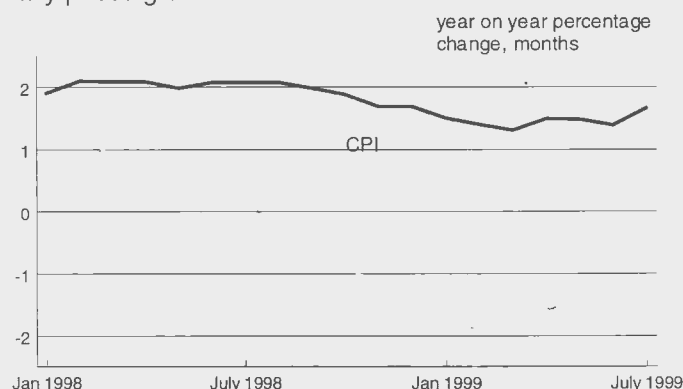
Industrial production was flat in the first quarter of 1999, though this followed declines in the previous two quarters. Production has increased in just one of the five quarters since 1997 quarter four, after a period of strong growth. Consequently, annual rates of production growth have been negative since October 1998. This fits in with a pattern of consistently strong stockbuilding since the second quarter of 1997 and weak domestic and external demand.

Retail sales figures have been extensively revised from last month's published table, though growth of 0.6 per cent in the latest quarter, 1998 quarter four, remains the same. Retail sales grew by 7.0 per cent in 1997 and 3.2 per cent in 1998, with very strong growth in the first quarters of both years which fell back somewhat over the rest of the year. Retail sales do not seem to strongly relate to private consumption in this data.

Annual consumer price inflation declined from 2.1 per cent in August 1998 to 1.3 per cent in March 1999. However, this downward trend ended in April when prices rose more strongly. Consumer prices also rose quite strongly in July resulting in a rise in the annual inflation rate to 1.7 per cent. Producer prices declined in the year to February 1999 but stabilised up to June, apart from a rise in April. Both price indices are following similar patterns to their counterparts in other countries. In this context, the wider significance of inflationary pressure in July remains to be seen.

Chart 3

Italy prices growth



The unemployment rate rose by 0.1 percentage points in April 1999 to 12.0 per cent, having fallen by 0.5 percentage points between September 1998 and March 1999, matching the decline in the unemployment rate of the EU15 over the period. The rate of unemployment has not been below 11.8 per cent since October 1994, though it has not risen above 12.4 per cent either.

USA

The US economy grew by 0.6 per cent in the second quarter of 1999, following growth of 1.1 per cent in the previous quarter. Growth in the second quarter is not particularly low in comparison to post-war trend GDP growth. However, in the context of GDP growth since the third quarter of 1995, only two of the previous fifteen quarters have recorded lower growth. Domestic demand slowed from its buoyancy in 1998 with growth in private consumption and investment slowing while government spending was virtually unchanged. The amount of stockbuilding declined for the third consecutive quarter in 1999 quarter two, following strong stockbuilding in 1997 and 1998.

Trade continued to make a significantly negative contribution to GDP in the second quarter with rising import volumes only being partially offset by a small rise in export volumes. Although export volumes slipped significantly in the second and third quarters of 1998, they fully recovered in the fourth quarter and have been relatively stable since. This may be related to signs of weakening in the US dollar seen in trade weighted indices since August 1998, after a period since the start of 1997 in which the currency appreciated considerably.

Industrial production grew by 0.9 per cent in the second quarter of 1998. Following strong growth in 1997, production growth slowed in 1998 and the first quarter of 1999 in the light of a significant accumulation of stocks. However, production growth quickened in the second quarter at the same time as the rate of stock accumulation fell. The rise in production growth in quarter two can be primarily attributed to growth in the production of machinery and equipment, and raw materials.

Retail sales volumes grew very strongly in 1998 and the first quarter of 1999, underpinning buoyancy in private consumption. Growth in the year to February 1999 was 9.4 per cent but retail sales volumes have fallen between February and April, reducing the annual rate of growth to 7.6 per cent. Domestic credit fell between January and March 1999, following strong growth in 1998. It grew in each of the following three months, particularly

in June, though the rates of growth were much lower than in 1998.

Consumer prices rose considerably in April 1999, resulting in a 0.5 percentage point increase in the annual rate of inflation in April to 2.3 per cent. In the following two months, the consumer price index remained unchanged, resulting in the annual rate of inflation falling to 2.0 per cent in June. Producer prices rose consistently from March to June 1999, having inflated by just 0.4 per cent in the year to February 1999. The annual inflation rate rose by 1.1 percentage points between February and June to 1.5 per cent. Oil prices and the US dollar, which had been dampening inflation, have recently switched to exerting some upward pressure on the price indices.

The rate of unemployment declined by 0.2 percentage points in the second half of 1998 to a rate of 4.3 per cent by December, the same as the rate of unemployment in June 1999. This may indicate that the downward trend in the unemployment rate since the third quarter of 1992 may have ended.

Chart 4
USA quarterly unemployment rate



Japan

The economy of Japan grew very strongly in the first quarter of 1999, having contracted substantially in each of the previous five quarters. Investment contributed most to this growth, with a contribution of 1.4 per cent to the change in GDP, having contributed negatively in the previous eight quarters. Prior declines in investment spending plays a major role in explaining the recession. Private consumption also improved markedly in quarter one, having fallen slightly in the previous three quarters. This coincides with a recovery in consumer confidence in the quarter. In contrast, business confidence remained low in quarter

one. Investment may be responding to very low interest rates, though it is also likely to include government funded public works. Stocks accumulated at the same rate in 1999 quarter one as in the previous quarter. This followed five consecutive quarters in which the rate of stock accumulation declined.

Export volumes were virtually unchanged in the quarter, declining only slightly. Import volumes grew in the first quarter, ending a downward trend that started in the second quarter of 1997. This is broadly in line with the path of domestic demand. Developments in quarter one resulted in a narrowing of Japan's trade surplus.

Industrial production recovered in June 1999 following negative growth in April and May. However, the result was negative growth for the second quarter of 0.9 per cent. Business confidence improved in the second quarter but still remained quite low. Industrial production had grown by 0.5 per cent in the previous quarter alongside buoyant domestic demand.

Retail sales volumes have increased by 0.4 and 0.3 per cent in the first and second quarters of 1999 respectively, having declined substantially from the second quarter of 1997 to the final quarter of 1998. Movements in retail sales volumes have been offsetting since September 1998 with volumes in that month equal to volumes in June 1999. This coincides with an improvement in consumer confidence in the first quarter of 1999, which only slipped back slightly in the second quarter, though consumer confidence still remains low.

Consumer prices were 0.3 per cent higher in June 1999 than February 1999. However, annual consumer price inflation was negative for the fifth consecutive month in June 1999. This partially reflects a sustained fall in consumer prices between October 1998 and February 1999. A declining trend may also have come to an end in producer prices. The producer price index stabilised into May and June, having declined consistently in the two years to April 1999. This stabilisation of producer prices underlies the deceleration in the annual rate of decline in May and June, which has decelerated from 2.2 per cent in January 1999 to 1.7 per cent in June. Decreases in the annual rate of decline from January to April 1998 were due to significant declines in producer prices from January to April 1997 falling out of the annual rates.

Earnings declined at an annual rate of 1.8 per cent in the year to the second quarter of 1999. This includes a very sharp fall in earnings in June 1999 which might be offset in the following months. Earnings growth has had a significant dampening effect on inflation rates for the price indices since the start of 1997.

Employment declined by 1.3 per cent in the year to June 1999. The rise of 2.2 per cent in the second quarter of 1999 seems attributable to seasonal variation. The rate of unemployment has risen by 0.6 percentage points to 4.8 per cent over the year to June 1999, in line with the trend in employment. The worst labour market situation in Japanese post-war history is a direct result of Japan's most severe post-war recession.

Notes

The series presented here are taken from the OECD's Main Economic Indicators and are shown for each of the G7 (except the UK) economies and for the European Union (EU15) countries in aggregate. The definitions and methodologies used conform to SNA 68 and SNA 93.

Comparisons of indicators over the same period should be treated with caution, as the length and timing of the economic cycles varies across countries.

Data for France and Germany has been updated to SNA93 basis. All other tables are on the SNA68 basis. The two bases are not directly comparable meaning that cross-country comparisons with countries on different bases are less valid. All the European data is likely to be put on the SNA93 basis in OECD data very soon. However, the current expectation is that data for the USA will be only partially compatible with SNA93 near the end of this year and Japan will not be available on SNA93 basis until near the end of 2000.

All data is *seasonally adjusted* except for the following:

- Consumer Price Indices
- Producer Price Indices
- Earnings (excluding Japan)
- Employment

1 European Union 15

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk ¹	Exports	Imports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
Percentage change on a year earlier															
	ILGB	HUDS	HUDT	HUDU	HUDV	HUDW	HUDX	ILGV	ILHP	HYAB	ILAI	ILAR	ILIJ	GADR	
1990	3.1	1.7	0.5	0.9	-0.1	1.6	1.5	2.2	1.2	5.9	2.5	6.3	1.6	8.1	
1991	1.5	1.4	0.5	0.2	-0.2	0.4	0.8	-0.2	1.8	5.2	2.2	6.7	0.4	8.4	
1992	1.1	0.9	0.5	-0.1	-0.2	0.8	0.9	-1.3	0.2	4.4	1.3	5.6	-1.7	9.1	
1993	-0.4	-0.2	0.2	-1.2	-0.4	0.4	-0.8	-3.6	-1.2	3.6	1.4	4.3	-2.1	10.7	
1994	2.8	1.0	0.2	0.5	0.7	2.4	2.0	5.0	-0.5	3.1	2.1	4.0	-0.2	11.1	
1995	2.4	1.1	0.1	0.6	0.2	2.3	1.9	3.5	-0.3	3.1	4.5	3.4	0.7	10.7	
1996	1.6	1.0	0.3	0.4	-0.4	1.4	1.2	0.5	0.3	2.5	0.6	4.0	0.6	10.8	
1997	2.6	1.2	-	0.6	0.4	2.8	2.5	4.0	2.8	2.0	0.9	3.1	0.7	10.7	
1998	2.7	1.7	0.2	1.0	0.5	1.7	2.5	3.3	3.2	1.7	-0.3	3.1	1.4	10.0	
1997 Q1	1.9	0.9	0.1	0.5	-	1.8	1.5	1.9	1.0	2.2	0.3	3.9	0.5	10.8	
Q2	2.6	1.3	-	0.6	0.5	2.8	2.6	3.6	3.0	1.8	0.6	2.9	0.7	10.7	
Q3	2.7	1.1	-	0.6	0.4	3.4	2.8	4.7	3.0	2.1	1.4	2.9	0.7	10.6	
Q4	3.2	1.5	-	0.9	0.7	3.2	3.1	5.5	4.0	2.2	1.3	2.8	1.0	10.5	
1998 Q1	3.5	1.7	0.2	1.4	0.6	2.9	3.4	5.3	4.2	1.8	0.8	2.8	1.3	10.3	
Q2	2.7	1.6	0.3	0.8	0.5	2.3	2.7	4.3	2.2	2.1	0.3	3.8	1.2	10.1	
Q3	2.6	1.8	0.2	1.1	0.5	1.3	2.3	3.0	3.3	1.7	-0.7	2.8	1.4	10.0	
Q4	2.0	1.6	0.2	0.9	0.5	0.4	1.6	1.1	3.2	1.3	-1.8	2.8	1.4	9.8	
1999 Q1	1.7	1.7	0.3	1.0	-0.3	0.1	1.1	0.4	2.8	1.1	-2.0	2.8	1.1	9.6	
Q2	..	..	..	..	..	..	..	..	..	1.1	-1.2	..	..	..
1998 Jun	..	..	..	..	..	..	..	3.9	1.9	2.0	0.1	..	..	10.0	
Jul	..	..	..	..	..	..	..	3.1	2.9	1.8	-0.3	..	..	10.0	
Aug	..	..	..	..	..	..	..	3.2	3.9	1.6	-0.8	..	..	10.0	
Sep	..	..	..	..	..	..	..	2.8	2.9	1.6	-1.0	..	..	9.9	
Oct	..	..	..	..	..	..	..	1.8	1.9	1.5	-1.5	..	..	9.8	
Nov	..	..	..	..	..	..	..	1.7	4.9	1.3	-1.8	..	..	9.8	
Dec	..	..	..	..	..	..	..	-0.1	2.9	1.3	-1.9	..	..	9.7	
1999 Jan	..	..	..	..	..	..	..	1.2	1.9	1.2	-2.0	..	..	9.6	
Feb	..	..	..	..	..	..	..	-0.1	2.8	1.1	-2.1	..	..	9.6	
Mar	..	..	..	..	..	..	..	-0.1	3.7	1.2	-1.8	..	..	9.5	
Apr	..	..	..	..	..	..	..	-0.5	..	1.2	-1.4	..	..	9.5	
May	..	..	..	..	..	..	..	-0.3	..	1.0	-1.2	..	..	9.4	
Jun	..	..	..	..	..	..	..	..	..	1.0	-1.0	..	..	..
Percentage change on previous quarter															
	ILGL	HUDY	HUDZ	HUEA	HUEB	HUEC	HUED	ILHF	ILHZ					ILIT	
1997 Q1	0.3	0.3	-0.1	-0.1	0.3	0.4	0.4	1.1	2.0					-0.9	
Q2	1.2	0.5	-	0.5	0.2	1.1	1.0	1.6	1.7					1.0	
Q3	0.7	0.1	0.1	0.2	-0.1	1.1	0.7	1.7	-0.4					0.7	
Q4	0.8	0.6	-	0.3	0.3	0.5	0.9	1.0	0.7					0.2	
1998 Q1	0.6	0.5	0.1	0.4	0.1	0.2	0.7	0.8	2.2					-0.6	
Q2	0.5	0.4	-	-0.1	0.2	0.4	0.4	0.7	-0.3					0.9	
Q3	0.6	0.3	-	0.5	-	0.2	0.3	0.5	0.7					0.9	
Q4	0.2	0.4	-	0.2	0.3	-0.4	0.2	-0.8	0.6					0.2	
1999 Q1	0.4	0.6	0.3	0.4	-0.7	-0.1	0.2	0.1	1.9					-0.9	
Q2	..	..	..	..	..	..	..	..	..					..
Percentage change on previous month															
								ILKF	ILKP						
1998 Jun								0.2	-0.9						
Jul								1.0	0.9						
Aug								-0.7	-						
Sep								-0.6	-0.9						
Oct								0.4	0.9						
Nov								-0.5	0.9						
Dec								-0.7	-0.9						
1999 Jan								1.1	0.9						
Feb								-0.7	0.9						
Mar								0.4	1.8						
Apr								-0.3	..						
May								0.2	..						
Jun								..	..				

GDP = Gross Domestic Product at constant market prices
PFC = Private Final Consumption at constant market prices
GFC = Government Final Consumption at constant market prices
GFCF = Gross Fixed Capital Formation at constant market prices
ChgStk = Change in Stocks at constant market prices
Exports = Exports of goods and services
Imports = Imports of goods and services
IoP = Industrial Production

Sales = Retail Sales Volume
CPI = Consumer Prices, measurement not uniform among countries
PPI = Producer Prices (manufacturing)
Earnings = Average Wage Earnings (manufacturing), definitions of coverage and treatment vary among countries
Empl = Total Employment not seasonally adjusted
Unempl = Standardised Unemployment rates: percentage of total labour force
Source: OECD - SNA68

1 Includes statistical discrepancy

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl ¹	Unempl
Percentage change on a year earlier														
	ILFY	HUBW	HUBX	HUBY	HUBZ	HUCA	HUCB	ILGS	ILHM	HVLL	ILAF	ILAO	ILIG	GABD
1990	..	..	..	..	..	..	..	5.3	8.2	2.7	1.4	4.9	2.7	4.8
1991	..	..	..	..	..	..	..	3.2	5.7	4.1	2.1	6.1	2.0	4.2
1992	1.8	1.3	1.0	0.8	-0.7	-0.4	0.1	-2.5	-2.2	5.0	1.7	5.4	-1.4	4.5
1993	-1.1	0.2	-	-1.1	-0.1	-1.3	-1.2	-7.5	-4.2	4.5	0.1	5.1	-1.1	7.9
1994	2.4	0.6	0.5	0.9	0.3	1.7	1.6	3.5	0.8	2.7	0.7	3.7	-0.4	8.4
1995	1.8	1.2	0.3	-0.1	0.4	1.4	1.4	1.0	1.2	1.7	2.1	4.0	-0.1	8.2
1996	0.8	0.4	0.3	-0.2	-0.2	1.3	0.8	0.7	-0.2	1.4	0.2	3.5	-0.4	8.9
1997	1.9	0.5	-0.1	0.2	0.5	2.8	2.0	3.8	-0.6	1.9	0.7	1.5	-0.4	9.9
1998	2.0	0.9	-	0.3	1.1	1.7	2.0	4.2	0.9	1.0	-0.4	1.8	0.4	9.4
1997 Q1	2.2	0.7	0.1	1.0	-0.1	2.1	1.6	2.7	-1.4	1.8	0.3	1.6	-0.6	9.6
Q2	1.7	0.7	-0.2	-0.3	0.7	2.8	2.0	3.5	0.9	1.5	0.7	1.5	-0.5	9.9
Q3	1.7	0.1	-0.1	-0.1	0.7	3.6	2.4	3.6	-1.8	2.3	1.1	1.4	-0.4	10.1
Q4	1.8	0.5	-0.2	-	0.8	2.8	2.1	4.8	-0.1	2.1	1.0	1.6	-0.1	10.1
1998 Q1	3.0	0.9	0.2	0.9	0.5	2.8	2.4	6.4	3.0	1.2	0.6	1.3	0.1	9.8
Q2	1.9	0.5	0.3	-	1.0	2.5	2.3	4.7	-3.0	1.4	0.2	1.8	0.4	9.5
Q3	2.0	1.3	-0.1	0.3	1.1	1.1	1.7	4.5	1.8	0.7	-0.6	2.1	0.7	9.3
Q4	1.3	1.1	-0.4	-	1.9	0.2	1.5	1.4	1.9	0.4	-1.7	2.2	0.7	9.1
1999 Q1	0.8	1.2	-	0.4	-	-0.2	0.6	-0.8	0.4	0.3	-2.4	2.5	..	9.0
Q2	..	..	..	..	..	..	..	..	..	0.5	-1.7	..	..	..
1998 Jun	..	..	..	..	..	..	..	2.8	-5.4	1.4	-	..	..	9.4
Jul	..	..	..	..	..	..	..	3.8	1.2	0.9	-0.2	..	..	9.3
Aug	..	..	..	..	..	..	..	6.1	3.4	0.6	-0.7	..	..	9.3
Sep	..	..	..	..	..	..	..	3.5	0.9	0.6	-0.8	..	..	9.2
Oct	..	..	..	..	..	..	..	2.8	-1.4	0.5	-1.4	..	..	9.1
Nov	..	..	..	..	..	..	..	0.8	4.9	0.5	-1.8	..	..	9.1
Dec	..	..	..	..	..	..	..	0.7	2.3	0.4	-1.9	..	..	9.2
1999 Jan	..	..	..	..	..	..	..	1.1	1.0	0.2	-2.3	..	..	9.0
Feb	..	..	..	..	..	..	..	-1.0	-0.6	0.2	-2.4	..	..	9.0
Mar	..	..	..	..	..	..	..	-2.4	0.8	0.4	-2.3	..	..	9.0
Apr	..	..	..	..	..	..	..	-1.7	1.6	0.7	-1.7	..	..	9.1
May	..	..	..	..	..	..	..	-1.8	-	0.4	-1.7	..	..	9.1
Jun	..	..	..	..	..	..	..	..	..	0.4	-1.5	..	..	..
Percentage change on previous quarter														
	ILGI	HUCC	HUCD	HUCE	HUCF	HUCG	HUCH	ILHC	ILHW				ILIQ	
1997 Q1	-0.1	0.3	-	-0.5	0.2	0.3	0.5	0.9	-0.7				-1.9	
Q2	1.1	0.2	-0.2	0.2	0.3	0.9	0.4	1.6	3.1				0.9	
Q3	0.4	-0.5	0.1	0.2	-	1.3	0.8	1.3	-2.8				0.6	
Q4	0.5	0.5	-0.1	0.1	0.2	0.2	0.4	1.0	0.3				0.3	
1998 Q1	1.0	0.7	0.4	0.4	-	0.4	0.8	2.4	2.4				-1.7	
Q2	-	-0.3	-0.1	-0.7	0.7	0.6	0.3	-	-2.9				1.2	
Q3	0.5	0.3	-0.3	0.5	0.1	-0.1	0.1	1.1	2.0				0.9	
Q4	-0.1	0.3	-0.4	-0.2	1.0	-0.7	0.2	-2.0	0.4				0.3	
1999 Q1	0.4	0.9	0.8	0.7	-1.9	-0.1	-0.1	0.1	0.9				..	
Q2	..	..	..	..	..	..	..	..	..				..
Percentage change on previous month														
								ILKC	ILKM					
1998 Jun								-0.7	-2.1					
Jul								3.0	2.6					
Aug								-1.1	0.3					
Sep								-2.4	-1.2					
Oct								0.9	-0.3					
Nov								-1.7	3.2					
Dec								0.8	-2.1					
1999 Jan								1.6	-0.2					
Feb								-2.1	-0.4					
Mar								-0.1	5.4					
Apr								-0.1	-6.2					
May								0.2	1.4					
Jun								..	..			

GDP = Gross Domestic Product at constant market prices
PFC = Private Final Consumption at constant market prices
GFC = Government Final Consumption at constant market prices
GFCF = Gross Fixed Capital Formation at constant market prices
ChgStk = Change in Stocks at constant market prices
Exports = Exports of goods and services
Imports = Imports of goods and services
IoP = Industrial Production

Sales = Retail Sales volume
CPI = Consumer Prices measurement not uniform among countries
PPI = Producer Prices (manufacturing)
Earnings = Average Earnings (manufacturing), definitions of coverage and treatment vary among countries
Empl = Total Employment not seasonally adjusted
Unempl = Standardised Unemployment rates: percentage of total workforce
Source: OECD - SNA93

1 Excludes members of armed forces

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI ¹	Earnings	Empl ²	Unempl
Percentage change on a year earlier														
	ILFZ	HUBK	HUBL	HUBM	HUBN	HUBO	HUBP	ILGT	ILHN	HXAA	ILAG	ILAP	ILIH	GABC
1990	2.4	1.4	0.4	0.7	-0.1	1.0	1.0	1.5	1.9	3.6	-0.8	4.8	0.9	8.9
1991	1.1	0.5	0.6	-0.3	-0.1	1.0	0.5	-1.2	-0.2	3.2	-1.2	4.7	0.1	9.5
1992	1.4	0.5	0.8	-0.3	-0.2	1.0	0.3	-1.2	0.3	2.3	-1.1	4.0	-0.6	10.4
1993	-1.0	-0.2	1.0	-1.3	-1.2	-	-0.7	-3.8	0.2	2.2	-2.2	2.6	-1.3	11.7
1994	1.9	0.5	0.2	0.3	0.9	1.6	1.6	3.9	-0.1	1.7	1.2	1.9	0.1	12.3
1995	1.7	0.8	-	0.4	0.5	1.7	1.6	2.0	-	1.7	5.2	2.4	0.9	11.7
1996	1.2	0.8	0.5	-	-0.6	0.7	0.3	0.3	-0.3	2.0	-2.6	2.5	0.2	12.4
1997	2.0	0.1	0.4	0.1	0.3	2.4	1.3	3.8	1.0	1.2	-0.5	2.7	0.5	12.3
1998	3.3	1.9	0.3	1.0	0.5	1.7	2.1	4.5	2.6	0.8	-0.9	2.3	1.5	11.7
1997 Q1	1.1	-0.5	0.4	-0.2	0.4	1.3	0.2	0.6	-1.3	1.5	-2.3	2.9	0.1	12.4
Q2	1.8	-0.1	0.5	-	-0.1	2.3	0.9	3.5	0.7	0.9	-0.9	2.8	0.3	12.4
Q3	2.0	-0.3	0.4	0.1	0.9	2.9	2.0	5.1	1.8	1.3	0.3	2.7	0.7	12.4
Q4	3.0	1.2	0.4	0.5	0.1	3.2	2.3	6.2	2.8	1.2	0.7	2.8	1.0	12.2
1998 Q1	3.5	1.6	0.4	0.9	0.7	2.8	2.8	7.3	2.2	0.9	0.6	2.6	1.3	11.9
Q2	3.6	2.2	0.2	0.9	0.7	2.1	2.6	5.5	3.1	1.1	-0.3	2.4	1.5	11.7
Q3	3.3	2.1	0.2	1.1	-	1.6	1.7	3.3	2.3	0.7	-1.3	2.1	1.6	11.7
Q4	2.7	1.7	0.2	1.1	0.4	0.5	1.2	2.1	2.8	0.4	-2.4	2.0	1.5	11.6
1999 Q1	2.3	1.4	0.3	1.4	-0.5	-	0.3	0.6	3.4	0.2	-2.9	..	1.5	11.4
Q2	..	..	..	..	..	..	..	..	1.9	0.4	-2.5	..	..	..
1998 Jun	..	..	..	..	..	..	..	6.2	4.9	1.1	-0.7	..	..	11.6
Jul	..	..	..	..	..	..	..	3.2	2.9	1.0	-1.0	..	..	11.7
Aug	..	..	..	..	..	..	..	3.2	2.1	0.7	-1.3	..	..	11.7
Sep	..	..	..	..	..	..	..	3.4	1.9	0.5	-1.6	..	..	11.7
Oct	..	..	..	..	..	..	..	1.5	2.4	0.5	-2.2	..	..	11.6
Nov	..	..	..	..	..	..	..	3.7	4.5	0.2	-2.4	..	..	11.6
Dec	..	..	..	..	..	..	..	0.8	1.6	0.3	-2.5	..	..	11.5
1999 Jan	..	..	..	..	..	..	..	1.3	0.2	0.2	-2.7	..	..	11.4
Feb	..	..	..	..	..	..	..	0.5	3.6	0.2	-3.0	..	..	11.4
Mar	..	..	..	..	..	..	..	0.2	6.5	0.4	-3.1	..	..	11.4
Apr	..	..	..	..	..	..	..	-0.1	2.3	0.4	-2.8	..	..	11.3
May	..	..	..	..	..	..	..	-0.1	0.9	0.4	-2.5	..	..	11.2
Jun	..	..	..	..	..	..	..	..	2.4	0.3	-2.2	..	..	..
Percentage change on previous quarter														
	ILGJ	HUBQ	HUBR	HUBS	HUBT	HUBU	HUBV	ILHD	ILHX					ILIR
1997 Q1	0.4	-	0.1	-0.2	0.1	0.5	0.1	-0.1	0.4					0.1
Q2	0.7	0.1	0.2	0.3	-0.2	0.9	0.5	2.9	0.1					0.2
Q3	0.8	0.3	-	0.1	0.2	0.9	0.9	2.2	1.3					0.3
Q4	1.1	0.8	0.1	0.3	-0.1	0.8	0.7	1.0	1.0					0.4
1998 Q1	0.8	0.4	0.1	0.2	0.7	0.1	0.6	0.9	-0.2					0.4
Q2	0.8	0.7	-	0.3	-0.1	0.2	0.3	1.2	1.0					0.4
Q3	0.4	0.3	-	0.3	-0.5	0.4	0.1	0.1	0.5					0.4
Q4	0.6	0.4	0.1	0.2	0.3	-0.3	0.2	-0.2	1.5					0.3
1999 Q1	0.4	0.1	0.1	0.5	-0.3	-0.3	-0.3	-0.5	0.4					0.4
Q2	..	..	..	..	..	..	..	..	-0.5					..
Percentage change on previous month														
								ILKD	ILKN					
1998 Jun								0.5	1.3					
Jul								-0.3	0.9					
Aug								-	-1.0					
Sep								-0.3	-0.6					
Oct								0.2	2.7					
Nov								-	-0.6					
Dec								-0.6	-0.3					
1999 Jan								-0.1	0.5					
Feb								-0.5	-0.2					
Mar								1.2	1.1					
Apr								-0.7	-0.4					
May								0.6	-2.6					
Jun								..	2.8					

GDP = Gross Domestic Product at constant market prices
PFC = Private Final Consumption at constant market prices
GFC = Government Final Consumption at constant market prices
GFCF = Gross Fixed Capital Formation at constant market prices
ChgStk = Change in Stocks at constant market prices
Exports = Exports of goods and services
Imports = Imports of goods and services

Sales = Retail Sales volume
CPI = Consumer Prices, measurement not uniform among countries
PPI = Producer Prices (manufacturing)
Earnings = Average Wage Earnings (manufacturing), definitions of coverage and treatment vary among countries
Empl = Total Employment not seasonally adjusted
Unempl = Standardised Unemployment rates: percentage of total workforce
IoP = Index of Production

1 Producer prices in intermediate goods
2 Excludes members of armed forces

Source: OECD - SNA93

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
Percentage change on a year earlier														
	ILGA	HUCI	HUCJ	HUCK	HUCL	HUCM	HUCN	ILGU	ILHO	HYAA	ILAH	ILAQ	ILII	GABE
1990	2.2	1.4	0.2	0.7	0.1	1.2	1.6	-0.5	-2.0	6.4	4.2	7.3	1.4	9.1
1991	1.1	1.6	0.3	0.2	-0.2	-0.1	0.5	-1.8	3.2	6.3	3.3	9.7	1.3	8.8
1992	0.6	0.6	0.2	-0.4	-	1.1	1.1	-1.0	1.9	5.3	2.0	5.4	-1.1	9.0
1993	-1.2	-1.5	0.1	-2.6	-0.4	1.7	-1.7	-2.3	-3.0	4.6	3.7	3.6	-4.1	10.3
1994	2.2	0.9	-0.1	0.1	0.5	2.2	1.6	5.8	-6.1	4.1	3.7	3.4	-1.7	11.4
1995	2.9	1.1	-0.2	1.2	0.6	2.7	2.0	5.8	-5.1	5.3	7.9	3.1	-0.6	11.9
1996	0.9	0.3	0.3	0.4	-0.8	0.4	-0.3	-1.5	-1.7	4.0	1.8	3.1	0.4	12.0
1997	1.5	1.5	-0.1	0.2	0.8	1.2	2.2	3.8	7.0	2.0	1.3	3.6	-	12.1
1998	1.3	1.0	0.2	0.6	0.6	0.3	1.4	1.4	3.2	2.0	0.1	2.8	0.5	12.3
1997 Q1	-0.5	1.2	-	-0.3	-1.2	-0.1	-	-1.8	1.6	2.5	0.9	3.8	-	12.2
Q2	1.6	1.8	-0.1	-	1.7	1.3	3.0	4.1	8.0	1.9	1.2	3.8	0.1	12.1
Q3	1.9	1.7	-0.2	0.3	0.7	2.0	2.7	5.4	7.9	1.8	1.6	3.5	-	12.1
Q4	2.9	1.4	-0.1	0.7	2.0	1.8	2.9	7.6	10.6	2.0	1.6	3.5	-	12.1
1998 Q1	2.7	1.2	-	1.0	1.8	2.0	3.3	5.1	3.8	2.0	1.2	2.2	0.6	12.1
Q2	1.3	1.0	0.2	0.7	0.1	0.9	1.6	2.5	0.9	2.1	0.6	3.1	0.1	12.3
Q3	1.1	1.1	0.3	0.7	0.2	-0.3	0.8	0.4	3.4	2.1	-0.1	2.8	0.6	12.4
Q4	0.3	0.9	0.4	0.2	0.1	-1.3	-	-2.2	4.8	1.7	-1.2	3.0	0.9	12.2
1999 Q1	0.9	1.0	0.6	0.2	0.1	-0.8	0.2	-1.3	..	1.4	-1.8	3.0	1.0	12.0
Q2	..	..	..	..	..	..	..	..	..	1.4	-1.4	..	..	..
1998 Jul	..	..	..	..	..	..	..	1.2	4.8	2.1	0.3	2.4	..	12.4
Aug	..	..	..	..	..	..	..	-1.2	3.8	2.1	-0.3	3.0	..	12.3
Sep	..	..	..	..	..	..	..	1.2	1.9	2.0	-0.5	3.0	..	12.4
Oct	..	..	..	..	..	..	..	-1.9	2.9	1.9	-0.9	3.0	..	12.3
Nov	..	..	..	..	..	..	..	-0.3	7.8	1.7	-1.3	3.0	..	12.2
Dec	..	..	..	..	..	..	..	-4.6	3.8	1.7	-1.4	3.0	..	12.2
1999 Jan	..	..	..	..	..	..	..	-1.1	..	1.5	-1.6	3.4	..	12.1
Feb	..	..	..	..	..	..	..	-2.3	..	1.4	-1.9	3.3	..	12.0
Mar	..	..	..	..	..	..	..	-0.6	..	1.3	-1.8	2.1	..	11.9
Apr	..	..	..	..	..	..	..	-3.1	..	1.5	-1.6	2.2	..	12.0
May	..	..	..	..	..	..	..	-2.7	..	1.5	-1.4	2.1	..	..
Jun	..	..	..	..	..	..	..	..	..	1.4	-1.4	..	..	..
Jul	..	..	..	..	..	..	..	..	..	1.7	..	..	..	..
Percentage change on previous quarter														
	ILGK	HUCO	HUCP	HUCQ	HUCR	HUCS	HUCT	ILHE	ILHY				ILIS	
1997 Q1	-0.2	0.5	-0.1	-	-	-0.4	0.1	1.4	12.4				-1.5	
Q2	1.7	0.6	-	0.2	1.6	0.8	1.5	3.0	2.5				1.3	
Q3	0.8	0.2	-	0.1	-0.2	1.1	0.4	1.5	-3.3				1.1	
Q4	0.7	0.1	-	0.4	0.6	0.3	0.8	1.5	-0.7				-0.9	
1998 Q1	-0.4	0.3	0.1	0.3	-0.2	-0.2	0.6	-1.0	5.5				-0.9	
Q2	0.3	0.4	0.1	-0.1	-	-0.2	-0.2	0.5	-0.4				0.8	
Q3	0.6	0.3	0.1	0.1	-0.1	-0.1	-0.3	-0.6	-0.9				1.6	
Q4	-0.2	-0.1	0.2	-0.1	0.5	-0.8	-	-1.2	0.6				-0.6	
1999 Q1	0.2	0.4	0.2	0.3	-0.3	0.3	0.7	-	..				-0.8	
Q2	..	..	..	..	..	..	..	..	..				..
Percentage change on previous month														
								ILKE	ILKO					
1998 Jul								0.3	-0.9					
Aug								-2.4	-					
Sep								2.3	-1.8					
Oct								-1.1	0.9					
Nov								0.5	2.8					
Dec								-3.1	-2.7					
1999 Jan								2.1	..					
Feb								-0.9	..					
Mar								1.4	..					
Apr								-1.6	..					
May								-0.3	..					
Jun								..	..			
Jul								..	..			

GDP = Gross Domestic Product at constant market prices
PFC = Private Final Consumption at constant market prices
GFC = Government Final Consumption at constant market prices
GFCF = Gross Fixed Capital Formation at constant market prices
ChgStk = Change in Stocks at constant market prices
Exports = Exports of goods and services
Imports = Imports of goods and services
IoP = Industrial Production

Sales = Retail Sales volume
CPI = Consumer Prices, measurement not uniform among countries
PPI = Producer Prices (manufacturing)
Earnings = Average Wage Earnings (manufacturing), definitions of coverage and treatment vary among countries
Empl = Total Employment not seasonally adjusted
Unempl = Standardised Unemployment not seasonally adjusted

Source: OECD - SNA68

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl ¹	Unempl
Percentage change on a year earlier														
	ILGC	HUDG	HUDH	HUDI	HUDJ	HUDK	HUDL	ILGW	ILHQ	ILAA	ILAJ	ILAS	ILIK	GADO
1990	1.2	1.1	0.4	-0.2	-0.4	0.7	0.4	-0.1	0.6	5.5	5.0	3.4	1.3	5.6
1991	-0.9	-0.4	0.2	-1.1	-0.2	0.6	-0.1	-2.1	-2.5	4.2	2.0	3.2	-0.8	6.8
1992	2.7	1.9	-	0.8	0.2	0.6	0.8	3.2	3.2	3.0	1.3	2.7	0.6	7.5
1993	2.3	2.0	-	0.8	0.2	0.3	1.0	3.4	4.5	2.9	1.2	2.6	1.5	6.9
1994	3.5	2.2	0.1	1.1	0.6	0.8	1.4	5.4	5.7	2.6	0.6	2.4	2.3	6.1
1995	2.3	1.8	-0.1	0.8	-0.5	1.2	1.1	4.9	3.1	2.8	1.9	2.6	1.5	5.6
1996	3.4	2.2	0.1	1.4	-	1.0	1.2	4.5	4.6	2.9	2.6	3.3	1.4	5.4
1997	3.9	2.3	0.2	1.3	0.5	1.6	1.9	6.0	4.2	2.3	0.4	3.1	2.3	4.9
1998	3.9	3.3	0.2	1.8	-0.1	0.2	1.6	3.6	6.5	1.6	-0.9	2.6	1.5	4.5
1997 Q1	4.1	2.3	0.3	1.3	0.6	1.4	1.8	6.3	4.8	2.9	2.1	3.5	2.4	5.2
Q2	3.6	1.8	0.2	1.2	0.7	1.7	2.0	5.4	3.1	2.3	0.4	2.9	2.4	5.0
Q3	4.1	2.5	0.2	1.4	-	2.0	2.0	5.9	4.8	2.1	-0.2	2.9	2.1	4.9
Q4	3.8	2.5	0.2	1.3	0.5	1.2	2.0	6.7	4.0	1.9	-0.8	3.2	2.0	4.7
1998 Q1	4.2	2.8	0.1	1.8	0.5	0.9	1.9	5.3	5.1	1.4	-1.5	2.8	1.9	4.6
Q2	3.6	3.6	0.2	1.9	-0.5	0.1	1.7	4.6	7.6	1.6	-0.8	2.8	1.5	4.4
Q3	3.5	3.2	0.1	1.5	0.1	-0.3	1.3	3.0	5.6	1.6	-0.6	2.5	1.1	4.5
Q4	4.3	3.6	0.3	1.9	-0.3	0.1	1.5	1.9	7.9	1.5	-0.4	2.1	1.3	4.4
1999 Q1	4.0	3.7	0.4	1.8	-0.7	0.1	1.5	1.8	8.9	1.7	0.7	1.8	1.7	4.3
Q2	4.1	3.4	0.1	1.7	-0.2	0.5	1.5	2.1	..	2.2	1.3	2.8	1.4	4.3
1998 Jun	..	..	..	..	..	..	..	3.6	7.5	1.7	-0.7	2.8	1.3	4.5
Jul	..	..	..	..	..	..	..	2.7	5.5	1.7	-0.2	1.9	1.0	4.5
Aug	..	..	..	..	..	..	..	3.6	5.1	1.6	-0.7	2.8	1.0	4.5
Sep	..	..	..	..	..	..	..	2.6	6.1	1.5	-0.9	2.8	1.4	4.5
Oct	..	..	..	..	..	..	..	2.4	7.5	1.5	-0.7	2.8	1.3	4.5
Nov	..	..	..	..	..	..	..	1.8	7.8	1.5	-0.6	1.9	1.1	4.4
Dec	..	..	..	..	..	..	..	1.5	8.3	1.6	-	1.8	1.5	4.3
1999 Jan	..	..	..	..	..	..	..	1.6	8.5	1.7	0.9	1.9	1.9	4.3
Feb	..	..	..	..	..	..	..	1.8	9.4	1.7	0.4	1.9	1.6	4.4
Mar	..	..	..	..	..	..	..	2.0	8.9	1.8	0.9	1.8	1.6	4.2
Apr	..	..	..	..	..	..	..	1.8	7.6	2.3	1.1	2.8	1.3	4.3
May	..	..	..	..	..	..	..	1.6	..	2.2	1.4	2.8	1.4	4.2
Jun	..	..	..	..	..	..	..	2.7	..	2.0	1.5	2.8	1.6	4.3
Percentage change on previous quarter														
	ILGM	HUDM	HUDN	HUDO	HUDP	HUDQ	HUDR	ILHG	ILIA				ILIU	
1997 Q1	1.0	0.7	-	0.3	0.3	0.3	0.6	1.7	1.8				-0.8	
Q2	1.0	0.3	0.1	0.4	0.3	0.5	0.6	1.4	-0.2				1.9	
Q3	1.0	1.0	-	0.5	-0.4	0.3	0.5	1.8	2.1				1.0	
Q4	0.7	0.5	-	0.1	0.2	0.1	0.2	1.6	0.4				-	
1998 Q1	1.4	1.0	-0.1	0.8	0.3	-0.1	0.6	0.4	2.8				-1.0	
Q2	0.5	1.0	0.2	0.5	-0.7	-0.3	0.4	0.7	2.2				1.5	
Q3	0.9	0.7	-	0.2	0.2	-0.1	0.1	0.3	0.1				0.6	
Q4	1.5	0.8	0.2	0.5	-0.2	0.6	0.5	0.5	2.6				0.2	
1999 Q1	1.1	1.1	-	0.6	-0.1	-0.2	0.5	0.3	3.8				-0.6	
Q2	0.6	0.7	-	0.3	-0.2	0.1	0.4	0.9	..				1.2	
Percentage change on previous month														
								ILKG	ILKQ				ILLA	
1998 Jun								-0.9	0.3				0.6	
Jul								-0.2	-0.7				0.4	
Aug								1.5	0.1				-0.5	
Sep								-0.4	0.6				-0.2	
Oct								0.4	1.2				0.4	
Nov								-0.2	0.8				0.1	
Dec								0.1	1.0				0.2	
1999 Jan								-	1.5				-1.0	
Feb								0.2	2.0				0.2	
Mar								0.6	-				0.5	
Apr								0.3	-0.6				0.2	
May								0.2	..				0.7	
Jun								0.2	..				0.7	

GDP = Gross Domestic Product at constant market prices
PFC = Private Final Consumption at constant market prices
GFC = Government Final Consumption at constant market prices
GFCF = Gross Fixed Capital Formation at constant market prices
ChgStk = Change in Stocks at constant market prices
Exports = Exports of goods and services
Imports = Imports of goods and services
IoP = Industrial Production

Sales = Retail Sales volume
CPI = Consumer Prices, measurement not uniform among countries
PPI = Producer Prices (manufacturing)
Earnings = Average Earnings (manufacturing), definitions of coverage and treatment vary among countries
Empl = Total Employment not seasonally adjusted
Unempl = Standardised Unemployment rates: percentage of total workforce
Source: OECD - SNA68

1 Excludes members of armed forces

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP ¹	Sales	CPI	PPI	Earnings ²	Empl	Unempl
Percentage change on a year earlier														
	ILGD	HUCU	HUCV	HUCW	HUCX	HUCY	HUCZ	ILGX	ILHR	ILAB	ILAK	ILAT	ILIL	GADP
1990	5.2	2.6	0.1	2.6	-0.2	0.7	0.8	4.2	5.2	3.1	1.6	5.0	2.0	2.1
1991	3.8	1.5	0.2	1.1	0.3	0.6	-0.3	1.9	2.5	3.2	1.2	3.5	1.9	2.1
1992	1.0	1.2	0.2	-0.5	-0.4	0.5	-	-5.7	-0.2	1.8	-1.0	1.3	1.1	2.1
1993	0.3	0.7	0.2	-0.6	-0.2	0.2	-	-3.6	-2.8	1.2	-1.6	0.4	0.2	2.5
1994	0.7	1.1	0.2	-0.2	-0.2	0.5	0.8	1.3	0.3	0.7	-1.8	2.1	0.1	2.9
1995	1.4	1.2	0.3	0.4	0.2	0.7	1.4	3.3	0.1	-0.1	-0.7	3.0	-	3.1
1996	5.2	1.7	0.2	3.4	0.4	0.8	1.3	2.4	0.7	0.1	-1.8	2.5	0.5	3.4
1997	1.4	0.6	0.1	-0.7	-0.1	1.4	0.1	3.5	-1.9	1.7	0.7	3.0	1.0	3.4
1998	-2.9	-0.7	0.1	-2.7	-0.1	-0.3	-0.9	-6.6	-5.5	0.7	-1.3	-0.7	-0.6	4.1
1997 Q1	3.8	2.7	-	0.6	-0.4	1.5	0.6	5.2	5.6	0.6	-0.9	5.0	1.6	3.3
Q2	0.9	-0.2	0.2	-1.0	-	2.0	0.1	5.8	-4.7	2.0	1.3	2.6	1.3	3.4
Q3	1.7	0.6	0.4	-0.8	0.1	1.4	-	4.0	-3.6	2.1	1.2	2.7	0.7	3.4
Q4	-0.8	-0.6	-0.1	-1.5	-	1.0	-0.4	-0.7	-4.9	2.2	1.0	1.6	0.7	3.5
1998 Q1	-3.6	-2.4	0.2	-2.4	0.2	0.3	-0.6	-4.1	-10.0	2.0	0.4	-0.1	-	3.7
Q2	-1.8	0.5	-	-2.7	-0.1	-0.5	-1.0	-8.0	-2.4	0.4	-1.9	-0.3	-0.7	4.1
Q3	-3.1	-0.5	-	-3.0	-0.3	-0.2	-1.0	-7.9	-3.8	-0.2	-1.8	-1.7	-0.9	4.2
Q4	-3.0	-0.1	0.1	-2.8	-0.3	-0.8	-0.9	-6.3	-5.2	0.5	-2.0	-0.6	-1.0	4.4
1999 Q1	-	0.5	0.1	-0.4	-0.2	-0.5	-0.6	-4.2	-4.5	-0.1	-2.1	-0.3	-1.2	4.6
Q2	..	..	..	..	..	..	..	-1.0	-1.8	-0.3	-1.8	-1.8	-1.1	4.8
1998 Jun	..	..	..	..	..	..	..	-6.8	-4.1	0.1	-1.9	-0.4	-1.1	4.2
Jul	..	..	..	..	..	..	..	-8.4	-3.1	-0.1	-1.9	-2.3	-1.1	4.1
Aug	..	..	..	..	..	..	..	-7.5	-4.1	-0.3	-1.8	-2.8	-0.7	4.3
Sep	..	..	..	..	..	..	..	-7.6	-4.2	-0.2	-1.9	-	-1.1	4.3
Oct	..	..	..	..	..	..	..	-8.0	-7.1	0.2	-1.9	0.5	-1.1	4.3
Nov	..	..	..	..	..	..	..	-4.6	-3.2	0.8	-2.1	1.8	-0.7	4.5
Dec	..	..	..	..	..	..	..	-6.4	-5.2	0.6	-2.0	-4.0	-1.0	4.4
1999 Jan	..	..	..	..	..	..	..	-8.0	-5.2	0.2	-2.2	-2.3	-1.2	4.5
Feb	..	..	..	..	..	..	..	-3.8	-4.2	-0.1	-2.1	0.5	-1.2	4.6
Mar	..	..	..	..	..	..	..	-0.6	-4.2	-0.4	-2.0	0.9	-1.3	4.7
Apr	..	..	..	..	..	..	..	-2.2	-2.1	-0.1	-1.9	1.1	-1.0	4.9
May	..	..	..	..	..	..	..	-0.6	-2.1	-0.4	-1.8	0.1	-1.0	4.6
Jun	..	..	..	..	..	..	..	-0.2	-1.1	-0.3	-1.7	-6.5	-1.3	4.8
Percentage change on previous quarter														
	ILGN	HUDA	HUDB	HUDC	HUDD	HUDE	HUDD	ILHH	ILIB				ILIV	
1997 Q1	1.6	2.1	-0.2	-0.2	-0.2	0.3	0.1	1.8	5.3				-0.9	
Q2	-2.5	-3.0	0.2	-0.7	0.3	0.5	-0.2	-0.1	-10.0				2.8	
Q3	1.0	0.9	0.1	-0.1	0.1	-	-0.1	-	0.7				-0.2	
Q4	-0.9	-0.5	-0.2	-0.5	-0.1	0.2	-0.2	-2.3	-0.4				-1.0	
1998 Q1	-1.2	0.2	0.1	-1.1	-0.1	-0.4	-0.1	-1.7	-0.3				-1.6	
Q2	-0.7	-0.1	-	-1.0	-0.1	-0.3	-0.7	-4.1	-2.4				2.1	
Q3	-0.3	-0.1	0.1	-0.4	-0.1	0.3	-	0.1	-0.7				-0.4	
Q4	-0.8	-0.1	-0.1	-0.3	-	-0.4	-0.1	-0.7	-1.8				-1.1	
1999 Q1	1.9	0.7	0.1	1.4	-	-	0.2	0.5	0.4				-1.8	
Q2	..	..	..	..	..	..	..	-0.9	0.3				2.2	
Percentage change on previous month														
								ILKH	ILKR				ILLB	
1998 Jun								2.7	-1.1				0.1	
Jul								-1.1	1.1				-0.4	
Aug								-0.4	-1.1				-0.5	
Sep								1.7	-1.1				-0.3	
Oct								-1.2	-1.1				-	
Nov								-0.8	1.1				-0.7	
Dec								-	-1.1				-0.6	
1999 Jan								-0.6	1.1				-1.0	
Feb								0.8	-				-0.7	
Mar								2.6	-1.1				0.8	
Apr								-3.1	1.1				1.3	
May								-1.0	-				1.0	
Jun								3.1	-				-0.2	

GDP = Gross Domestic Product at constant market prices
PFC = Private Final Consumption at constant market prices
GFC = Government Final Consumption at constant market prices
GFCF = Gross Fixed Capital Formation at constant market prices
ChgStk = Change in Stocks at constant market prices
Exports = Exports of goods and services
Imports = Imports of goods and services

Sales = Retail Sales volume
CPI = Consumer Prices, measurement not uniform among countries
PPI = Producer Prices (manufacturing)
Earnings = Average Earnings (manufacturing), definitions of coverage and treatment vary among countries
Empl = Total Employment not seasonally adjusted
Unempl = Standardised Unemployment rates: percentage of total workforce
IoP = Index of Production

1 Not adjusted for unequal number of working days in a month
2 Figures monthly and seasonally adjusted

Source: OECD - SNA68

7 World trade in goods¹

	Export of manufactures			Import of manufactures			Export of goods			Import of goods			Total trade	
	Total	OECD	Other	Total	OECD	Other	Total	OECD	Other	Total	OECD	Other	manufactures	goods
Percentage change on a year earlier														
	ILIZ	ILJA	ILJB	ILJC	ILJD	ILJE	ILJF	ILJG	ILJH	ILJI	ILJJ	ILJK	ILJL	ILJM
1990	5.9	5.9	5.5	5.5	5.5	5.4	4.5	5.6	1.6	4.5	5.2	2.8	5.7	4.5
1991	3.8	2.5	9.6	5.2	3.5	10.0	4.0	3.5	5.2	4.5	3.2	8.1	4.5	4.2
1992	4.5	3.7	7.7	5.1	4.5	6.7	4.5	3.8	6.1	5.0	4.3	6.7	4.8	4.7
1993	4.2	1.9	13.1	3.3	1.1	9.3	4.2	2.5	8.5	3.7	1.4	9.6	3.8	3.9
1994	11.2	10.2	14.7	12.3	12.8	11.1	10.1	9.2	12.2	10.6	10.7	10.3	11.7	10.3
1995	9.9	9.8	10.2	9.8	9.3	11.2	8.7	8.7	8.8	8.3	7.3	10.7	9.9	8.5
1996	5.6	6.4	3.0	5.6	7.0	2.2	5.0	6.0	2.7	5.1	6.1	2.6	5.6	5.0
1997	..	..	..	..	..	..	..	..	..	..	..	..	..	..
1995 Q1	13.5	13.5	13.6	13.8	14.0	13.1	11.6	12.1	10.1	12.0	11.6	12.9	13.6	11.8
Q2	10.7	10.9	9.9	12.1	11.4	14.0	9.2	9.7	7.9	10.8	9.6	13.9	11.4	10.0
Q3	9.3	9.8	7.5	10.4	9.4	13.1	8.0	8.5	6.8	9.1	7.7	12.9	9.9	8.6
Q4	7.4	7.7	6.4	7.6	6.6	10.4	6.6	6.6	6.7	6.2	4.9	9.9	7.5	6.4
1996 Q1	6.4	6.8	5.1	7.8	7.7	8.2	6.1	6.0	6.4	6.8	6.5	7.4	7.1	6.4
Q2	6.1	6.6	4.2	6.3	6.4	6.0	6.1	6.0	6.3	5.6	5.9	5.0	6.2	5.9
Q3	7.4	8.1	4.6	7.9	8.7	5.6	7.3	7.7	6.5	6.9	7.8	4.5	7.6	7.1
Q4	9.0	9.8	6.2	8.4	8.9	7.0	8.6	9.2	7.0	7.9	8.6	6.0	8.7	8.3
1997 Q1	9.1	9.3	8.5	8.2	8.3	7.9	8.3	8.4	8.0	7.3	7.4	7.1	8.7	7.8
Q2	13.2	14.0	10.2	12.0	13.0	9.2	11.7	12.8	8.7	10.2	10.8	8.6	12.6	10.9
Q3	14.2	15.2	10.6	11.8	12.5	9.6	12.0	13.1	8.8	10.0	10.3	9.2	13.0	11.0
Q4	12.2	12.8	9.9	11.4	12.1	9.4	10.3	11.1	8.3	9.8	10.1	8.9	11.8	10.1
1998 Q1	10.1	11.0	6.5	9.5	12.0	2.8	9.0	10.1	5.9	8.3	10.3	2.8	9.8	8.6
Q2	5.5	5.5	5.5	6.3	8.7	-0.5	5.1	4.9	5.5	5.4	7.5	-0.2	5.9	5.2
Q3	3.1	3.0	3.8	4.4	7.2	-3.7	2.7	2.3	4.0	3.5	6.0	-3.3	3.7	3.1
Q4	..	2.5	..	..	6.9	..	..	1.6	..	..	5.5	..	..	..
Percentage change on previous quarter														
	ILJN	ILJO	ILJP	ILJQ	ILJR	ILJS	ILJT	ILJU	ILJV	ILJW	ILJX	ILJY	ILJZ	ILKA
1995 Q1	3.2	3.5	1.9	2.1	1.6	3.4	2.5	2.8	1.7	1.6	1.0	3.4	2.6	2.1
Q2	1.4	1.3	1.9	2.3	1.9	3.3	1.1	0.9	1.6	2.2	1.8	3.3	1.8	1.7
Q3	1.0	0.9	1.4	1.2	0.9	2.2	1.2	1.1	1.6	1.2	0.9	2.1	1.1	1.2
Q4	1.7	1.8	1.0	1.9	2.2	1.1	1.6	1.6	1.6	1.1	1.2	0.9	1.8	1.4
1996 Q1	2.2	2.6	0.6	2.3	2.6	1.3	2.0	2.3	1.3	2.1	2.5	1.0	2.2	2.1
Q2	1.1	1.1	1.0	0.8	0.7	1.2	1.1	1.0	1.6	1.1	1.2	0.9	1.0	1.1
Q3	2.3	2.4	1.8	2.7	3.0	1.8	2.4	2.6	1.8	2.4	2.6	1.6	2.5	2.4
Q4	3.2	3.4	2.6	2.4	2.3	2.4	2.9	3.1	2.1	2.1	2.0	2.3	2.8	2.5
1997 Q1	2.3	2.1	2.8	2.1	2.0	2.2	1.7	1.5	2.3	1.6	1.4	2.1	2.2	1.6
Q2	4.9	5.5	2.7	4.3	5.0	2.4	4.3	5.1	2.2	3.8	4.4	2.3	4.6	4.1
Q3	3.2	3.5	2.2	2.5	2.6	2.2	2.6	2.9	1.9	2.2	2.2	2.1	2.9	2.4
Q4	1.4	1.2	2.0	2.0	2.0	2.2	1.4	1.2	1.7	1.9	1.8	2.1	1.7	1.6
1998 Q1	0.4	0.6	-0.4	0.3	1.9	-4.0	0.4	0.6	-	0.2	1.6	-3.6	0.4	0.3
Q2	0.5	0.2	1.7	1.3	2.0	-0.9	0.6	0.1	1.9	1.0	1.6	-0.7	0.9	0.8
Q3	0.9	1.0	0.5	0.6	1.2	-1.0	0.3	0.3	0.5	0.4	0.8	-1.0	0.8	0.3
Q4	..	0.7	..	..	1.6	..	..	0.5	..	..	1.3	..	..	..

1 Data used in the World and OECD aggregates refer to Germany after unification

Source: OECD - SNA68

Final Expenditure Prices Index (Experimental) – July 1999

Contact: David Wall

Tel: 0171 533 5823/5825; e-mail: david.wall@ons.gov.uk

Note that further development work, including the adjustment of the Index of Government Prices for productivity change, is ongoing and the FEPI will be available only as an experimental index until this work has been completed.

Summary

The rate of inflation, as measured by the Final Expenditure Prices Index (FEPI) for July 1999, was 2.2 per cent. Consumer price inflation, as measured by the Index of Consumer Prices (ICP), was unchanged at 1.8 per cent in July. Investment price inflation, as measured by the Index of Investment Prices (IIP) was at 0.8 per cent, down from 1.1 per cent in June; while inflation as measured by the Index of Government Prices (IGP) rose to 4.0 per cent, up from 3.0 per cent in June.

The FEPI annual percentage change

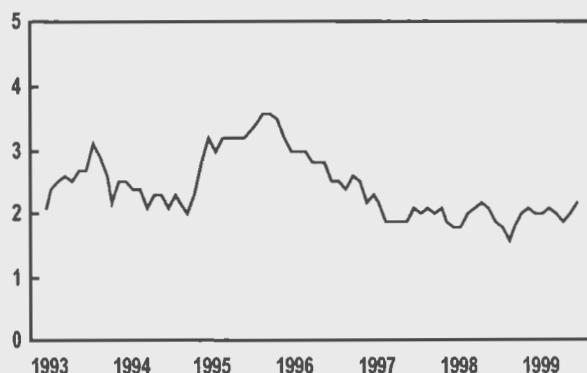


Table A

Final Expenditure Prices Index and components (January 1992=100 and annual percentage change)

		Index of Consumer Prices (ICP)		Index of Investment Prices (IIP)		Index of Government Prices (IGP)		Final Expenditure Prices Index (FEPI)	
		Index	Annual percentage change	Index	Annual percentage change	Index	Annual percentage change	Index	Annual percentage change
1999	Feb	120.4	1.8	113.1	1.6	119.2	2.8	118.6	2.0
	Mar	121.1	2.0	113.3	1.4	119.2	2.5	119.1	2.1
	Apr	121.7	2.0	113.4	1.3	119.1	2.4	119.5	2.0
	May	122.0	1.7	113.5r	1.0r	120.2	3.0	119.9	1.9
	June	122.0	1.8	113.6r	1.1r	120.6	3.0	120.0	2.0
	July	121.4	1.8	113.6	0.8	121.7	4.0	119.9	2.2

The Index of Consumer Prices (ICP)

Consumer price inflation, as measured by the ICP, was unchanged at 1.8 per cent in July.

- Clothing and footwear, whose 12-month rate rose from -3.2 per cent to -1.9 per cent. Last year's record sales for women's outerwear were not repeated.

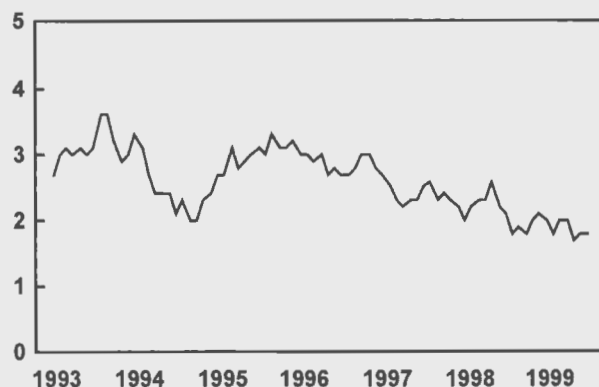
Downward pressure came from:

- Household goods and services, whose 12-month rate fell from 1.2 per cent to 0.5 per cent. Some special offers on household goods were observed, particularly for gas appliances.
- Alcoholic drinks, whose 12-month rate fell from 3.1 per cent to 2.4 per cent.

Upward pressure came from:

- Fuel and power, whose 12-month rate rose from -0.5 per cent to 0.1 per cent. Higher crude oil prices have contributed to this increase.
- Tobacco, whose 12-month rate rose from 11.3 per cent to 13.1 per cent. This upward effect came from manufacturer's increases in cigarette and tobacco.

The ICP annual percentage change



The Index of Investment Prices (IIP)

Investment price inflation, as measured by the IIP, was 0.8 per cent over the 12 months to July, down from 1.1 per cent in June.

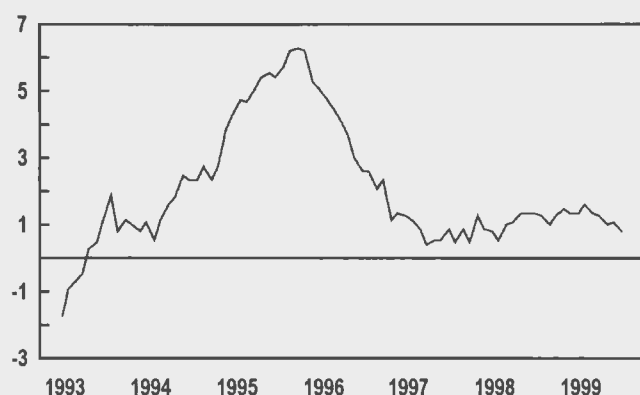
Upward pressure on the 12-month rate came from:

- Plant and machinery, where the 12-month rate rose from -5.0 per cent in June to -4.9 per cent in July.
- New Dwellings, where the 12-month rate rose from 6.9 per cent in June to 7.1 per cent in July.

Downward pressure came from:

- Vehicles, whose 12-month rate fell from 3.2 per cent in June to 2.2 per cent in July.
- Transfer costs of land and buildings, where the 12-month rate fell from 10.2 per cent in June to 7.1 per cent in July.
- New buildings and works, whose 12-month rate fell from 3.8 per cent in June to 3.5 per cent in July.

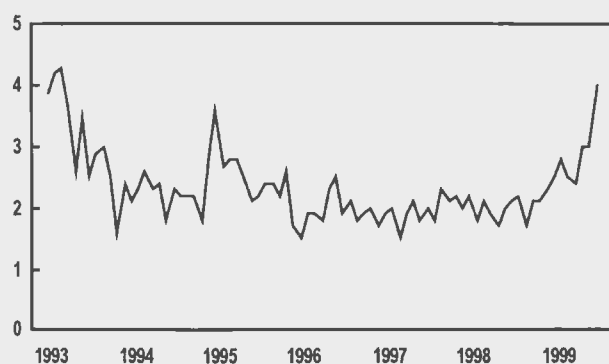
The IIP annual percentage change



The Index of Government Prices (IGP)

The IGP inflation rate was rose from 3.0 per cent in June to 4.0 per cent in July.

The IGP annual percentage change



Comparison between the FEPI and other inflation measures

Table B

Measures of Inflation (annual percentage changes)

		FEPI	RPIX	HICP	PPI
1999	Feb	2.0	2.4	1.5	0.2
	Mar	2.1	2.7	1.7	0.5
	Apr	2.0	2.4	1.5	1.0
	May	1.9	2.1	1.3	1.0
	Jun	2.0	2.2	1.4	1.0
	Jul	2.2	2.2	1.3	1.1

NOTES

1. The headline measure of inflation is the Retail Prices Index (RPI). The RPI should be used as the main indicator of inflation affecting average households.

2. The Final Expenditure Prices Index (FEPI) is a measure of the change in the prices paid by UK consumers, business and Government for final purchases of goods and services. Intermediate purchases by business are excluded. The FEPI is made up of three components:

The Index of Consumer Prices (ICP)

The Index of Investment Prices (IIP)

The Index of Government Prices (IGP).

3. The ICP measures inflation affecting all consumers in the UK. The price indicators used in the ICP are taken mainly from the Retail Prices Index (RPI).

4. The IIP is a measure of the change in the prices paid for capital goods by business and by Government. It also covers new construction projects and dwellings built for consumers, business and government. The price indicators used are mainly Producer Price Indices (PPIs), Construction Output Price Indices and an average house price indicator.

5. The IGP measures inflation affecting Government. It covers expenditure by Central and Local Government on pay and on procurement. The price indicators used are mainly Average Earnings Indices (to reflect labour costs), PPIs and RPIs (to reflect the cost of goods consumed by Government).

6. Care should be taken when interpreting monthly movements in the IGP. This index is particularly volatile on a month-to-month basis, so a fall one month is often offset by a rise the next and vice-versa. The data are of greatest value if trends rather than individual monthly movements are observed.

7. An article describing the development and composition of the FEPI is included in *Economic Trends*, No 526, September 1997. Longer runs of the FEPI back to January 1992, are available in computer readable form from the ONS Sales Office (telephone 0171 533 5670) or on paper from David Wall.

1 Final Expenditure Prices Index (Experimental)

	Index of Consumer Prices ICP	Index of Investment Prices IIP	Index of Government Prices IGP	Final Expenditure Prices Index FEPI	Annual percentage changes			
					ICP	IIP	IGP	FEPI
January 1992=100								
Weights								
1997	605	165	230	1000				
1998	605	169	226	1000				
1999	609	182	209	1000				
	CUSE	CUSK	CUSO	CUSP	CGAZ	CGBF	CGBJ	CGBK
1997 Jul	116.7	111.1	114.6	115.1	2.5	0.9	2.0	2.1
Aug	117.5	111.2	114.6	115.5	2.6	0.5	1.8	2.0
Sep	117.9	111.4	114.9	115.9	2.3	0.9	2.3	2.1
Oct	118.0	111.2	115.1	115.9	2.4	0.5	2.1	2.0
Nov	117.9	111.1	115.6	116.0	2.3	1.3	2.2	2.1
Dec	118.1	111.1	115.6	116.1	2.2	0.9	2.0	1.9
1998 Jan	117.6	111.3	116.2	116.0	2.0	0.8	2.2	1.8
Feb	118.3	111.3	115.9	116.3	2.2	0.6	1.8	1.8
Mar	118.7	111.7	116.3	116.7	2.3	1.0	2.1	2.0
Apr	119.3	111.9	116.3	117.2	2.3	1.1	1.9	2.1
May	120.0	112.4	116.7	117.7	2.6	1.4	1.7	2.2
Jun	119.8	112.4	117.1	117.7	2.2	1.4	2.0	2.1
Jul	119.2	112.7	117.0	117.3	2.1	1.4	2.1	1.9
Aug	119.6	112.7	117.1	117.6	1.8	1.3	2.2	1.8
Sep	120.1	112.5	116.9	117.8	1.9	1.0	1.7	1.6
Oct	120.1	112.6	117.5	118.0	1.8	1.3	2.1	1.8
Nov	120.3	112.8	118.0	118.3	2.0	1.5	2.1	2.0
Dec	120.6	112.7	118.3	118.5	2.1	1.4	2.3	2.1
1999 Jan	120.0	112.9	119.1	118.3	2.0	1.4	2.5	2.0
Feb	120.4	113.1	119.2	118.6	1.8	1.6	2.8	2.0
Mar	121.1	113.3	119.2	119.1	2.0	1.4	2.5	2.1
Apr	121.7	113.4	119.1	119.5	2.0	1.3	2.4	2.0
May	122.0	113.5r	120.2	119.9	1.7	1.0r	3.0	1.9
Jun	122.0	113.6r	120.6	120.0	1.8	1.1r	3.0	2.0
Jul	121.4	113.6	121.7	119.9	1.8	0.8	4.0	2.2

The symbol r denotes revisions to previous months' data

2 FEPI - Index of Consumer Prices (Experimental)

	Food	Alcoholic Drink	Tobacco	Clothing and Footwear	Housing	Fuel and Power	Household Goods and Services	Transport and Communication	Recreation, Entertainment and Education	Other Goods and Services	Index of Consumer Prices ICP
January 1992=100											
Weights											
1997	126	68	30	67	90	39	71	189	119	201	1000
1998	127	68	29	67	87	39	71	188	118	205	1000
1999	119	66	27	70	85	34	75	192	114	218	1000
	CURU	CURV	CURW	CURX	CURY	CURZ	CUSA	CUSB	CUSC	CUSD	CUSE
1997 Jul	111.3	121.1	149.3	100.3	126.2	102.8	109.6	119.4	110.3	123.4	116.7
Aug	112.6	121.3	151.2	102.3	126.4	102.8	110.8	120.0	110.2	124.0	117.5
Sep	112.2	121.4	151.5	106.3	126.6	100.0	111.6	120.4	110.7	124.4	117.9
Oct	112.2	121.7	151.7	106.0	126.8	100.0	111.4	120.3	110.8	124.8	118.0
Nov	111.6	121.1	151.8	107.2	126.9	99.6	112.3	120.0	110.7	124.8	117.9
Dec	111.7	120.6	155.1	106.7	127.0	99.1	113.2	120.0	110.7	125.2	118.1
1998 Jan	111.7	122.1	159.3	99.7	127.3	98.4	109.8	120.6	110.3	125.4	117.6
Feb	111.7	123.1	159.5	102.0	127.4	98.7	111.5	120.8	110.5	126.4	118.3
Mar	111.5	123.5	159.5	104.1	127.6	98.9	113.1	120.8	110.4	126.9	118.7
Apr	111.8	123.6	162.1	105.0	129.9	98.9	112.1	122.1	110.8	127.6	119.3
May	113.5	124.5	162.6	106.0	130.1	98.3	113.3	122.3	111.1	128.1	120.0
Jun	113.1	124.4	162.8	105.7	130.2	97.6	112.7	122.2	110.7	128.4	119.8
Jul	112.8	124.9	163.0	99.3	130.4	97.3	111.4	122.0	110.4	128.6	119.2
Aug	114.1	125.2	163.1	101.2	130.6	97.2	112.2	121.9	110.4	128.8	119.6
Sep	113.7	125.3	163.2	105.8	130.8	97.3	112.9	121.9	111.0	128.7	120.1
Oct	113.9	125.6	163.4	104.7	131.1	97.5	112.4	121.5	111.2	129.5	120.1
Nov	113.8	125.2	163.4	105.3	131.3	97.4	113.6	121.1	111.2	130.2	120.3
Dec	114.7	125.1	168.2	104.7	131.4	97.2	115.7	120.5	111.0	130.6	120.6
1999 Jan	115.1	126.5	172.0	97.6	131.5	97.3	111.3	121.2	110.7	130.6	120.0
Feb	115.4	126.8	172.1	100.0	131.5	97.2	112.8	121.2	110.6	131.0	120.4
Mar	114.7	126.8	178.2	101.6	131.4	97.5	114.5	122.6	110.7	131.3	121.1
Apr	114.1	127.0	180.7	102.0	133.5	97.3	113.2	124.1	111.1	132.3	121.7
May	114.7	127.6	180.7	102.5	133.6	97.1	114.6	124.1	111.2	132.5	122.0
Jun	114.2	128.2	181.2	102.3	133.7	97.1	114.0	123.8	111.0	132.9	122.0
Jul	113.5	127.9	184.3	97.4	134.0	97.4	112.0	123.8	110.3	133.6	121.4
Annual Percentage Changes											
	CGAP	CGAQ	CGAR	CGAS	CGAT	CGAU	CGAV	CGAW	CGAX	CGAY	CGAZ
1997 Jul	0.5	2.3	6.9	1.1	3.5	-2.9	0.7	4.5	1.3	3.8	2.5
Aug	0.7	2.5	8.2	1.8	3.6	-2.7	0.6	4.3	0.9	3.9	2.6
Sep	1.3	2.4	8.1	0.9	3.7	-5.5	0.7	3.5	1.0	3.8	2.3
Oct	1.9	2.4	8.2	0.5	3.8	-5.3	0.9	3.4	0.9	3.7	2.4
Nov	1.7	2.1	8.4	0.6	3.7	-5.1	0.8	3.4	0.5	3.7	2.3
Dec	1.8	2.2	8.6	0.1	3.7	-5.4	0.8	2.8	0.5	3.7	2.2
1998 Jan	1.0	3.0	9.4	-0.8	3.2	-5.6	0.9	2.6	0.4	3.9	2.0
Feb	1.3	3.2	9.1	-	3.1	-5.4	1.6	2.3	0.4	4.3	2.2
Mar	1.5	3.6	8.8	0.1	3.0	-5.3	1.3	2.4	0.5	4.4	2.3
Apr	1.5	3.3	9.3	-0.5	3.3	-5.1	0.9	3.5	0.5	4.2	2.3
May	2.3	3.4	9.2	-	3.3	-5.2	1.5	3.6	0.5	4.1	2.6
Jun	1.2	3.2	9.1	0.3	3.2	-5.5	1.2	3.1	0.2	4.1	2.2
Jul	1.3	3.1	9.2	-1.0	3.3	-5.4	1.6	2.2	0.1	4.2	2.1
Aug	1.3	3.2	7.9	-1.1	3.3	-5.4	1.3	1.6	0.2	3.9	1.8
Sep	1.3	3.2	7.7	-0.5	3.3	-2.7	1.2	1.2	0.3	3.5	1.9
Oct	1.5	3.2	7.7	-1.2	3.4	-2.5	0.9	1.0	0.4	3.8	1.8
Nov	2.0	3.4	7.6	-1.8	3.5	-2.2	1.2	0.9	0.5	4.3	2.0
Dec	2.7	3.7	8.4	-1.9	3.5	-1.9	2.2	0.4	0.3	4.3	2.1
1999 Jan	3.0	3.6	8.0	-2.1	3.3	-1.1	1.4	0.5	0.4	4.1	2.0
Feb	3.3	3.0	7.9	-2.0	3.2	-1.5	1.2	0.3	0.1	3.6	1.8
Mar	2.9	2.7	11.7	-2.4	3.0	-1.4	1.2	1.5	0.3	3.5	2.0
Apr	2.1	2.8	11.5	-2.9	2.8	-1.6	1.0	1.6	0.3	3.7	2.0
May	1.1	2.5	11.1	-3.3	2.7	-1.2	1.1	1.5	0.1	3.4	1.7
Jun	1.0	3.1	11.3	-3.2	2.7	-0.5	1.2	1.3	0.3	3.5	1.8
Jul	0.6	2.4	13.1	-1.9	2.8	0.1	0.5	1.5	-0.1	3.9	1.8

The symbol r denotes revisions to previous months' data

3 FEPI - Index of Investment Prices (Experimental)

	Plant and Machinery	Vehicles, etc	New Buildings and Works	Transfer Costs of Land and Buildings	New Dwellings	Index of Investment Prices IIP
January 1992=100						
Weights						
1997	390	103	267	33	207	1000
1998	387	103	277	37	196	1000
1999	413	106	256	40	185	1000
	CUSG	CUSH	CUSF	CUSI	CUSJ	CUSK
1997 Jul	108.0	118.1	110.2	150.8	109.8	111.1
Aug	107.2	118.4	111.1	151.9	110.5	111.2
Sep	107.1	118.6	111.5	153.4	110.6	111.4
Oct	106.6	118.4	112.0	152.2	110.4	111.2
Nov	105.9	118.1	112.4	153.1	110.5	111.1
Dec	105.8	118.5	112.8	152.2	110.5	111.1
1998 Jan	105.6	119.1	113.3	151.7	110.6	111.3
Feb	105.0	118.8	113.8	153.6	111.2	111.3
Mar	104.5	119.5	114.3	154.9	113.1	111.7
Apr	103.7	119.3	114.6	159.6	115.0	111.9
May	103.8	120.4	115.0	160.3	115.9	112.4
Jun	102.9	120.1	115.3	161.0	117.7	112.4
Jul	102.2	120.4	115.8	165.4	118.9	112.7
Aug	101.5	121.2	116.1	165.1	119.5	112.7
Sep	100.5	120.9	116.5	165.9	120.0	112.5
Oct	100.3	121.3	117.1	166.1	120.2	112.6
Nov	100.3	122.4	117.7	165.6	119.7	112.8
Dec	99.8	123.0	118.2	164.8	119.1	112.7
1999 Jan	100.2	122.8	118.5	167.4	118.8	112.9
Feb	100.1	123.4	118.8	168.7	119.0	113.1
Mar	99.7	123.4r	119.1	171.3	120.7	113.3
Apr	98.7	123.5	119.3	174.1	122.8	113.4
May	98.2	123.6r	119.4r	176.0r	124.4r	113.5r
Jun	97.8r	123.9r	119.7r	177.5r	125.8r	113.6r
Jul	97.2	123.0	119.9	177.2	127.4	113.6

Annual Percentage Changes

	Plant and Machinery	Vehicles, etc	New Buildings and Works	Transfer Costs of Land and Buildings	New Dwellings	Index of Investment Prices IIP
	CGBB	CGBC	CGBA	CGBD	CGBE	CGBF
1997 Jul	-4.8	-0.8	3.5	9.2	7.6	0.9
Aug	-6.0	-1.0	3.9	9.1	7.6	0.5
Sep	-5.3	-0.9	3.9	10.1	7.7	0.9
Oct	-5.7	-0.7	4.0	8.0	7.4	0.5
Nov	-4.2	0.4	4.0	8.7	7.3	1.3
Dec	-4.7	0.9	4.0	7.9	6.5	0.9
1998 Jan	-5.0	0.8	4.1	8.9	6.0	0.8
Feb	-5.6	0.1	4.3	8.3	6.5	0.6
Mar	-5.1	0.5	4.5	8.9	7.1	1.0
Apr	-5.6	0.7	4.7	11.8	7.6	1.1
May	-5.1	1.6	5.1	10.7	7.7	1.4
Jun	-5.4	1.5	5.4	11.1	8.4	1.4
Jul	-5.4	1.9	5.1	9.7	8.3	1.4
Aug	-5.3	2.4	4.5	8.7	8.1	1.3
Sep	-6.2	1.9	4.5	8.1	8.5	1.0
Oct	-5.9	2.4	4.6	9.1	8.9	1.3
Nov	-5.3	3.6	4.7	8.2	8.3	1.5
Dec	-5.7	3.8	4.8	8.3	7.8	1.4
1999 Jan	-5.1	3.1	4.6	10.3	7.4	1.4
Feb	-4.7	3.9	4.4	9.8	7.0	1.6
Mar	-4.6	3.3	4.2	10.6	6.7	1.4
Apr	-4.8	3.5	4.1	9.1	6.8	1.3
May	-5.4	2.7	3.8r	9.8r	7.3r	1.0r
Jun	-5.0r	3.2r	3.8r	10.2r	6.9r	1.1r
Jul	-4.9	2.2	3.5	7.1	7.1	0.8

The symbol r denotes revisions to previous months' data

4 FEPI - Index of Government Prices (Experimental)

	Local Government Total	Central Government Total	Education Grants	Index of Government Prices IGP	Annual percentage changes			
					Local Government Total	Central Government Total	Education Grants	Index of Government Prices IGP
January 1992=100								
Weights								
1997	347	589	64	1000				
1998	342	591	67	1000				
1999	350	567	83	1000				
	CUSL	CUSM	CUSN	CUSO	CGBG	CGBH	CGBI	CGBJ
1997 Jul	117.0	112.7	118.5	114.6	2.4	1.6	3.5	2.0
Aug	117.2	112.7	118.5	114.6	2.7	1.1	3.4	1.8
Sep	117.2	113.2	118.6	114.9	2.7	2.1	3.5	2.3
Oct	117.5	113.4	118.6	115.1	2.6	1.7	3.5	2.1
Nov	118.4	113.6	118.6	115.6	2.8	1.8	3.3	2.2
Dec	117.8	113.9	118.7	115.6	2.5	1.4	3.3	2.0
1998 Jan	118.3	114.6	119.8	116.2	2.5	1.8	3.7	2.2
Feb	118.2	114.1	119.8	115.9	2.3	1.2	3.7	1.8
Mar	118.9	114.4	119.7	116.3	2.5	1.6	3.6	2.1
Apr	118.6	114.7	119.8	116.3	2.5	1.6	3.7	1.9
May	120.1	114.3	120.7	116.7	2.6	1.0	3.6	1.7
Jun	120.7	114.7	120.6	117.1	2.6	1.6	3.5	2.0
Jul	120.4	114.6	121.1	117.0	2.9	1.7	2.2	2.1
Aug	119.6	115.3	121.1	117.1	2.0	2.3	2.2	2.2
Sep	119.6	114.9	121.1	116.9	2.0	1.5	2.1	1.7
Oct	120.2	115.5	121.1	117.5	2.3	1.9	2.1	2.1
Nov	121.1	115.9	121.2	118.0	2.3	2.0	2.2	2.1
Dec	120.5	116.7	121.2	118.3	2.3	2.5	2.1	2.3
1999 Jan	121.0	117.5	122.9	119.1	2.3	2.5	2.6	2.5
Feb	120.9	117.8	122.9	119.2	2.3	3.2	2.6	2.8
Mar	121.1	117.7	122.9	119.2	1.9	2.9	2.7	2.5
Apr	121.1	117.6	122.9	119.1	2.1	2.5	2.6	2.4
May	122.6	118.3	124.2	120.2	2.1	3.5	2.9	3.0
Jun	122.7	119.0	124.2	120.6	1.7	3.7	3.0	3.0
Jul	125.0	119.6	124.1	121.7	3.8	4.4	2.5	4.0

The symbol r denotes revisions to previous months' data

New Estimates of Dividend Payments

Caroline Duggan, National Expenditure and Income Division

Richard Walton, National Expenditure and Income Division

Office for National Statistics

Zone D3/03

1 Drummond Gate

LONDON SW1V 2QQ

Tel: 020 7533 6012

E-mail: richard.walton@ons.gov.uk



Overview

Dividend payments are an important component in the accounts of the corporate and household sectors. This article describes how the present source of dividend data has come to an end and how alternative sources have been developed by the ONS. These new sources of data were developed in an internal ONS project which was carried out by Caroline Duggan between September 1998 and June 1999. They have revealed interesting trends in dividend payments made by the private non-financial sector and the proportion paid by unquoted companies.

Introduction

Dividend payments are both a distribution of income by companies and a form of property income received by shareholders. They are an important variable in the National Accounts, shown among uses in the allocation of the primary income account of non-financial and financial corporations' sectors and among resources in the allocation of the primary income account of the shareholders' sectors. As such, dividends affect the money available for capital expenditure and consumer spending.

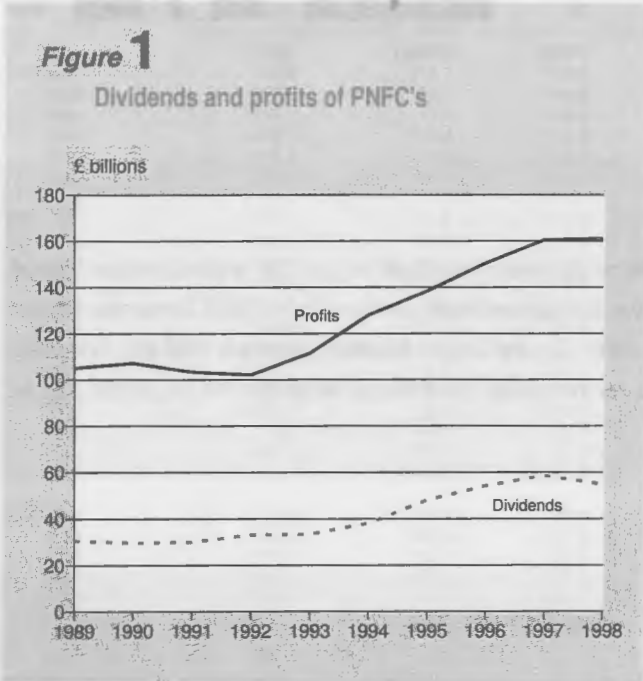
Until 6 April 1999, all companies had to account to the Inland Revenue for Advance Corporation Tax (ACT) on the dividends and other qualifying distributions they paid. This indirectly provided the ONS with its main source of aggregate data on dividend payments. However, ACT was abolished on dividends paid on or after 6 April 1999, as part of the major reforms of the payment system for corporation tax (and tax credits) which the Government began in July 1997. A system of quarterly instalment payments of corporation tax has been introduced for large companies which pay about 85 per cent of the total tax, to counter the effects of ACT abolition. Nonetheless, as the level of dividends paid is no longer directly relevant to corporation tax liability, that information is no longer supplied and a valuable source of National Accounts data has been lost.

How ACT Worked

When a company paid a dividend, it became liable for ACT on the balance of the dividends paid in the relevant reporting period (usually an accounting quarter) over the dividends received. The tax was due for payment 14 days after the end of the reporting period. Within a limit, ACT could be set against the corporation tax liability of the accounting year in which the dividend was paid, with the remaining tax liability being referred to as 'mainstream' corporation tax ('MCT'). At the time the tax was abolished, ACT represented 25 per cent of the net dividend paid. In 1998/99, £11 billion was raised from ACT, compared with £19 billion from MCT. One purpose of ACT was to finance the tax credit attached to the dividend which in certain circumstances was payable to a shareholder. From 2 July 1997, the payment of tax credits to pension schemes and UK companies was abolished, with similar changes for other shareholders from 6 April 1999.

Growth in dividends and profits of Private non-financial corporations (PNFCs)

Dividend statistics are used by the City to derive trends in the return made on shareholdings and in monitoring companies' dividend yields and pay-out ratios. Dividend payments are also included by the ONS in the calculation of the corporate sector's financial position.



Despite the decline in profits made by the corporate sector in 1991 and 1992, companies maintained their dividend payments. The higher level of dividend payments in 1992, compared with levels of dividends paid of £30 billion in each of the years between 1989-91 was due to dividend payments which were made for the first time by the water and regional electricity companies and by the power generators, following privatisation. Coming out of the 1990/92 recession, dividend payments recovered and recorded a growth rate of 14.3 per cent in 1994 and 12.6 per cent in 1996. 1995 was a peak year for the growth in dividends paid when they rose by a record 26.3 per cent. With corporate profitability coming under pressure from Q1 1998, dividends fell by 6.1 per cent in 1998, reversing the growth in 1997 and providing the first fall since 1990.

Dividend payments in 1999

Indications for 1999 are that dividend growth is being further constrained. Amongst the reasons are the weak profitability profile of the corporate sector and the opportunities companies are taking to re-invest profits, rather than by returning cash to shareholders. Companies investing in research and development are said to be offering capital growth rather than a cash return to shareholders.

The plan to abolish ACT was first announced in November 1997. Many companies chose to gain a cashflow advantage by deferring their dividend payments until after 5 April 1999. On the other hand, subsidiaries of overseas companies received a benefit by bringing forward their dividend payments to before 6 April 1999. This was because, from that date, there was a pre-announced reduction in the rate of tax credit on dividends from 20 per cent to 10 per cent. One effect of this was to reduce substantially the recovered amount of the tax credit allowed under the UK's double taxation agreements to many inward investors into the UK.

The removal of ACT made 'share buy-backs' more attractive (they are not now subject to ACT). Companies thus have more 'freedom' to determine capital and balance sheet structures and to change their optimal level of gearing, by buying back shares and issuing debt.

Table 1: Profits, dividends and the financial position of Private non-financial corporations

	£ billion				
	Gross Trading Profits	Dividends	Interest payments	Investment	Net lending or borrowing(-)
1989	105.0	30.6	26.1	58.6	-21.0
1990	107.1	29.8	33.3	63.4	-23.4
1991	103.3	30.2	31.5	58.3	-8.6
1992	102.0	33.4	28.6	54.4	-6.7
1993	111.4	33.7	22.2	55.2	4.1
1994	128.0	38.5	21.4	56.5	12.2
1995	138.3	48.7	24.5	64.0	-0.4
1996	150.3	54.8	23.7	72.9	3.4
1997	160.4	59.3	26.0	81.6	-5.5
1998	161.0	55.6	31.7	90.6	-13.6
1999 Q1	38.0	7.9	7.6	24.0	1.4

Private non-financial companies' net borrowing (the financial deficit which the corporate sector had to borrow through incurring financial liabilities) in 1998 was £13.6 billion, compared with £5.5 billion in 1997. This was despite the fall in dividend payments of £3.7 billion. Companies' financial position deteriorated, as profits rose by only £0.6 billion, interest payments rose by £5.7 billion and companies increased their investments by £9.0 billion.

Historic sources of data

Between 1973 and April 1999, the source of data for dividend payments¹ in aggregate and by sector of the economy was the Inland Revenue.

The Inland Revenue compiled dividend estimates by monitoring the ACT returns of companies each quarter. These contained information

1 The Central Government, Local Government, Life Assurance, Pension Funds, Households, Non-Profit Institutions Serving Households and the Rest of the World sectors do not make dividend payments on UK company shares.

on dividends paid and received. To provide the ONS with aggregates, the information for a large sample of companies was then reconciled to agree with the total of ACT received corresponding to the same reporting period. Both gross and net dividends estimates were made. Among large groups, it is common for subsidiary companies to pass income up through the group as dividends. So the totality of gross dividend payments can be considerably larger than net dividends paid out of the corporate sector. In line with National Accounts definitions, the Inland Revenue excluded share buy-backs from their estimates which could, in part, attract ACT. The Inland Revenue had no means of separating dividends paid to overseas shareholders from those paid to UK shareholders.

Data for **dividends paid to overseas investors** are shown separately in the financial accounts. Some of these data are collected using a quarterly ONS survey of overseas direct investment. In total, payments of dividends to non-residents by private non-financial corporations were £8.0 billion in 1997 and £6.7 billion in 1998.

An additional source of data was required for **scrip dividends** which are payments in shares rather than in cash and were not subject to ACT. The London Stock Exchange provided estimates of scrip dividends. **Enhanced scrip dividends** (an additional amount more in shares than in cash) are calculated separately, using announcements listed in Weekly Official Intelligence, published by Extel. **Share buy-backs** are not treated as dividend payments in the National Accounts.

Payments of **dividends by public corporations** are, at present, either made to central government or to local authorities.

Dividend payments (and receipts) by monetary financial institutions are collected using quarterly returns which are used in the estimation of aggregates for financial companies for the National Accounts. The Bank of England collects these returns. For **insurance companies** and **securities dealers**, information on dividends are collected by ONS quarterly surveys of these sectors.

As all dividend payments were liable to ACT, **the institutional coverage** was all private non-financial corporations and financial corporations in the UK. This included quoted companies (e.g., Hamleys Plc and British Telecommunications Plc), unquoted companies (e.g., Harrods Ltd, Esso Exploration and Production Ltd, International Publishing Corporation and Shell UK Limited) and inter-company payments.

New sources of information

The first quarter of 1999 marked the last receipts of data on dividends from the Inland Revenue and the second quarter of 1999 marked the first time period in which the new sources of data were used.

Because there are an estimated 3.7 million companies 'active' in the United Kingdom, the project selected a manageable population to survey. This population covered the 3,500 quoted companies and 20,000 unquoted companies.

For **quoted companies**, Financial Times Information Ltd provides the ONS with the data of dividend payments (including scrip dividend payments), on a daily basis, for the 3,500 UK listed companies. The information lists the rate of dividend in pence per share paid on each security. These data can be matched to the companies' securities database which is maintained by the ONS. From this database, the number of shares in issue and the sector holding the shares can be used to calculate total dividends paid by each company and to which sector.

To provide a comprehensive picture of dividend payments by **unquoted companies**, it was necessary to sample this population. Unquoted companies are identified by the publication, Macmillans' Unquoted Companies 1998 which gives the financial profiles of the top 20,000 unquoted companies (by turnover). The project analysed the unquoted company sector using Macmillan's Unquoted Companies as a basis for sampling the population. Macmillan's provides financial information over a three-year period for 20,000 companies. Company accounts from Companies House for the top 100 companies by profits and for a further sample of unquoted companies were analysed for turnover, profits before and after tax and for dividends paid, for 1994-1997.

Analysis of the top 100 unquoted companies based on profits showed only a weak relationship between profits and dividend payments. A wider population of unquoted companies' annual accounts were then sampled by turnover and this provided more accurate correlation estimates with dividend payments. The population of unquoted companies was stratified into five turnover bands and the companies allocated to strata according to the turnover value. A sample of companies from each strata of turnover was used to calculate total dividends for each stratum. The sample was not large enough to provide coverage of companies with turnover less than £20 million. It was, therefore, supplemented by assuming that for these companies (70 per cent of the total population), the mean dividend was the same as the mean dividend for the companies in the £20 million to £38 million turnover band (15 per cent of the total).

Results of new estimates

Data from these new sources were used to calculate the series of dividends paid (excluding dividends paid to overseas investors, see above) for 1997 and 1998 and for 1999 Q1. These series were then compared to the existing data provided by the Inland Revenue.

Table 2: Dividends paid by the Private corporations

				£ billion	
	Quoted Companies	Unquoted Companies	Total	Private non- financial corporations	Financial Corporations
1997	34.0	32.3	66.3	51.2	15.1
1998	35.5	30.0	65.5	48.9	16.6
1997 Q1	4.8	6.0	10.8	9.6	1.2
Q2	9.8	9.5	19.3	13.9	5.4
Q3	10.4	5.6	16.0	12.6	3.4
Q4	9.0	11.2	20.2	15.1	5.1
1998 Q1	5.9	8.7	14.6	12.6	2.0
Q2	11.9	5.2	17.1	12.9	4.2
Q3	8.1	5.6	13.7	10.7	3.0
Q4	9.6	10.5	20.1	12.7	7.4
1999 Q1	3.9	3.9	7.8	4.8	3.0

In 1997, dividend payments by *quoted companies* accounted for approximately £34 billion or 51 per cent out of a total of £66 billion paid by private non-financial and financial corporations. Payments by *unquoted companies* were £32 billion or 49 per cent of total dividend payments.

1997 was the latest year in which collection of data for the unquoted companies was possible. Company accounts are required to be lodged at Companies House ten months after the end of the relevant accounting period; this period can be extended to thirteen months. 1997 became the base year in the estimates of dividend payments by the unquoted company sector and used the accounts for financial years ending between January 1997 and December 1997. Dividends announced for 1997 were assumed to have been paid in that year.

The data we collected for the unquoted private non-financial companies in 1997 are significantly higher than we expected. The principal reason was the size of inter-group payments by unquoted companies. The top 100 unquoted companies by profit in 1997 made dividend payments of £9.5 billion or 29 per cent of the unquoted company sector. Just over forty per cent of these payments in 1997 were inter-company payments to a UK holding company.

1998 annual data for unquoted companies from annual accounts will not be available until the year 2000. For dividends paid by the unquoted sector in 1998, we, therefore, assumed the data were the total payments from the old series less the quoted data available under the new information from the FT. The modelling of dividend payments by unquoted companies in 1998 and in 1999 was difficult. No firm relationship was identified between quoted dividends and unquoted dividends paid by private non-financial corporations over the two-year period. But, the very limited amount of data available suggested that the impact of quoted dividends did influence unquoted dividends. For 1999 as a whole, we projected dividends paid by the unquoted company sector would fall by the same percentage as they did in 1998 (-7.1 per cent).

The quarterly profile for unquoted companies' dividends in 1999 was allocated using the quarterly profile of unquoted dividends which were available from the 'old' series. Two adjustments were made to the first quarter of 1999. The first was to take account of the large fall (by one-third) in the quoted dividends between the first quarter of 1998 and the first quarter of 1999. The second was to allow for the postponement of dividend payments in the first quarter of 1999, as unquoted companies delayed payments until after ACT was abolished. This adjustment will be reversed in the second quarter of 1999, as unquoted companies 'release' previously announced dividends.

Data for dividend payments will be prepared on the new basis of measurement for the second quarter of 1999 and published on 22 September with estimates for GDP in the second quarter of 1999.

The ONS would welcome comments on the findings of this project and suggestions on alternative sources of data for dividends paid by the unquoted company sector. Because of the significance of this data series, the ONS is to produce a cost/benefit analysis to determine how new sources for dividend payments paid by the unquoted company sector should be developed. One possibility for providing quicker data is a new inquiry to a sample of individual unquoted companies. The earliest date for the introduction of a new and separate survey would be in the second half of 2000, and would require a strong business case and cost benefit analysis.