

Economic trends

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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 24 September 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
October 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

- August* PPI/RPI comparisons.
Forthcoming changes to the national accounts.
Research and experimental development (R & D) statistics 1996.
- September* Development of the corporate services price index: a review of progress.
Estimating and presenting short-term trends.
- October* Environmental taxes in the United Kingdom.
Measuring the output of non-market services.
UK results from the Community Innovation Survey.
- November* Improving the non-finance balance sheets.
Developing the public sector balance sheet.
- December* 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.

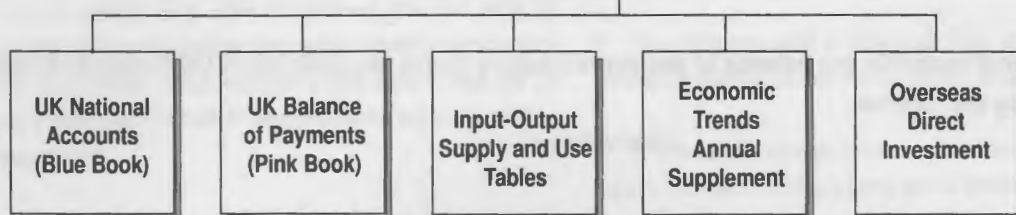
1999

- February* Three year ownership programme on RPI methodology.
Ownership of United Kingdom quoted companies at the end of 1997.
- March* 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.
- April* The effects of taxes and benefits in household income 1997-98
- May* The seasonal adjustment of RPIY.
- June* Employment in the public and private sectors.
- July* 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.
- August* Research and experimental development (R&D) Statistics 1997
- September* New estimates of dividend payments.

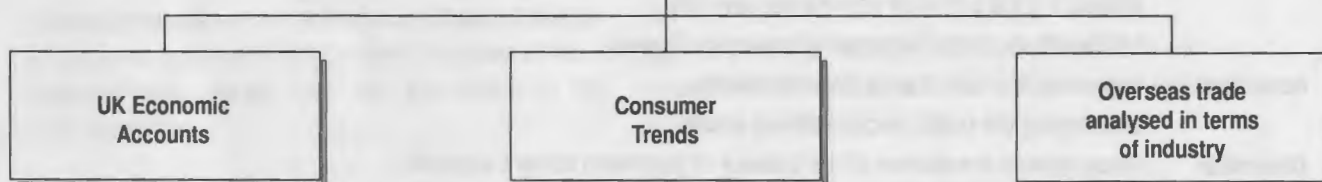
For articles published in earlier issues see the list in issue 509 (March 1996) of *Economic trends*. Copies of articles may be obtained from the National Statistics Library, Room 1.001, Government Buildings, Cardiff Road, Newport, NP10 8XG, telephone 01633 812973. The cost is £5.00 per copy inclusive 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

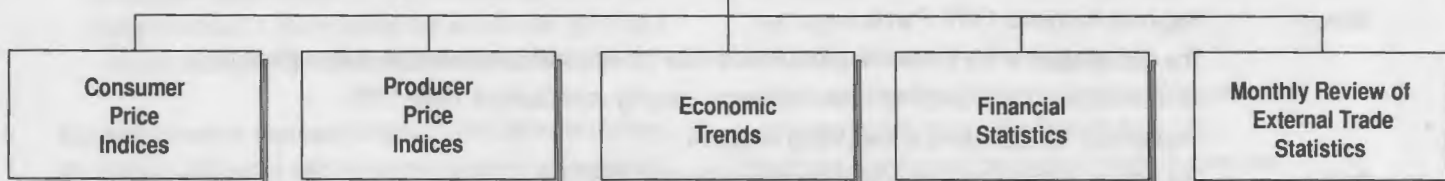
Annual Publications



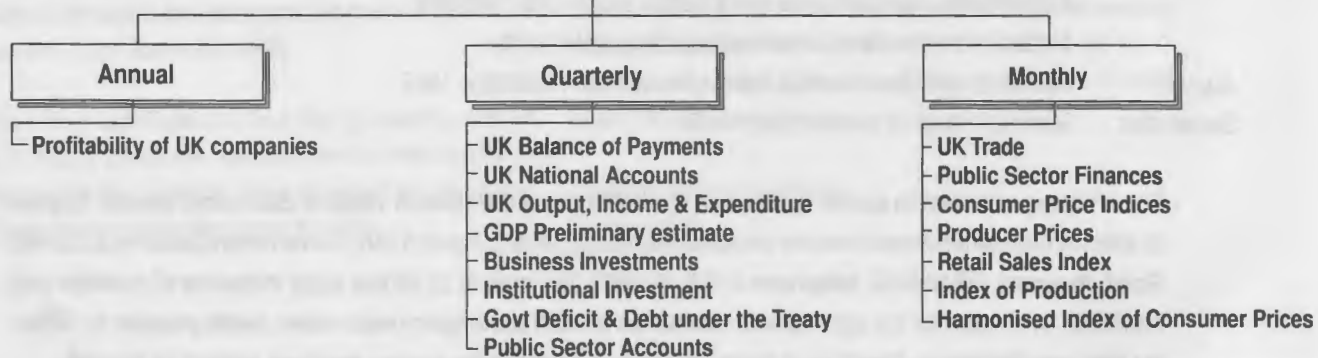
Quarterly Publications



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 three articles. Stephen Penneck and Sanjiv Mahajan of ONS explain the coherence adjustments included in the National Accounts. These are made for all years except the most recent (1998), because data sources used are subject to statistical error and complete coherence between measures of economic activity is not achieved without making specific adjustments. They are made at current prices using supply-use tables via the input-output framework. The article describes the background to the adjustments, shows how they are made and publishes the adjustments made to the 1999 *Blue Book* data (*page 27*).

Hugh Skipper and Ian Cope of ONS discuss their plans for the development of a monthly index of services (IOS). A prototype series covering the entire service sector is planned for release in December 2000. The conceptual basis of the present quarterly estimates of services output will provide the basis for the monthly IOS. The article summarises the proposed methodology, and discusses the main issues lying behind it. Practical issues in producing a monthly IOS are discussed, and finally a plan for the development of the IOS is outlined (*page 35*).

Regional Accounts 1997: Part 2 by Dev Virdee of ONS presents provisional estimates of total and disposable household income and individual consumption expenditure by region for 1997. These are the first regional figures for the household sector to be produced under the European system of accounts 1995 (ESA 95). Sub-regional household income figures will be published in the first half of 2000 (*page 41*).

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 2. The Stationery Office, ISBN 0 11 621239 X. Price £45.

UK Economic Accounts: 1999 quarter 2. The Stationery Office, ISBN 0 11 621139 3. Price £26.

Monthly

Consumer Price Indices (MM23): July 1999. The Stationery Office, ISBN 0 11 537339 X. Price £185 p.a.

Financial Statistics: September 1999. The Stationery Office, ISBN 0 11 621148 2. Price £23.50.

Monthly Review of External Trade Statistics (MM24): June 1999. The Stationery Office, ISBN 0 11 537236 9. 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 – OCTOBER 1999

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

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Overview

Official figures continue to show signs of improved activity in the UK economy. Second quarter GDP is now estimated to have grown by 0.6 per cent. Underlying this, manufacturing output has picked up since the start of the year and service growth was also estimated to have picked up following previous slowdowns. However in both sectors there remain areas of weakness as well as areas of strong growth. Consumer demand is seen to be strongly underpinning recovery with annual growth of 4.0 per cent in the second quarter of 1999. On the other hand investment has slowed into 1999 and profits continue to fall. On trade, exports show evidence of expansion but import growth remains only modest. The latest labour market information shows ongoing improvements to both employment and unemployment on top of the lowest claimant count rate for 20 years, although special factors may be distorting recent signals sent. Headline earnings growth continues to slow in the manufacturing sector but is reasonably strong, if not yet accelerating, in the services sector. Both producer and retail prices growth however remain subdued.

GDP Activity

In the second quarter of 1999 GDP at constant market prices is estimated to have grown by 0.6 per cent compared to growth of 0.2 per cent into the first quarter and flat growth into the fourth quarter of 1998. Annual growth is now estimated as 1.4 per cent, compared to 1.3 per cent in quarter one.

Output breakdown

Underpinning the growth into the second quarter is a recovery in manufacturing output, a modest pick-up in the quarterly service sector growth, strong energy output and a pick up in construction output.

Commerce data on service deliveries; the two series are seen to correspond closely.

A sectoral breakdown of service sector activity continues to paint a mixed picture. Chart 2 shows the quarterly growth rates for the main published aggregates except for the government and other sector. Overall service sector growth continues to be driven by strong output in the *telecommunications* industry; quarterly growth in the *business services and finance* and *distribution, hotels and catering* sectors remains quite subdued compared to growth in 1997 and 1998.

Chart 1
Services

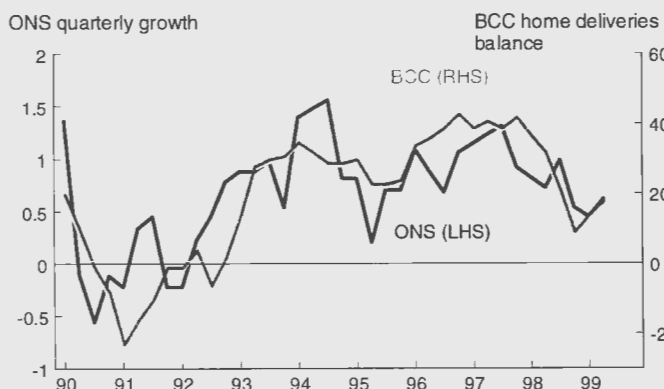
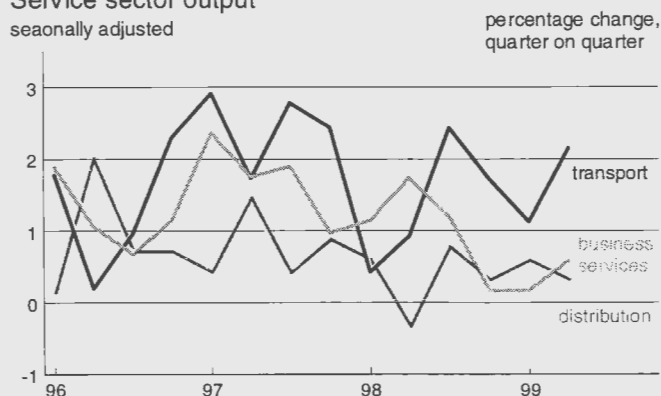


Chart 1 shows quarterly growth in service sector output has been slowing since the third quarter of 1997. Growth of 0.6 per cent in quarter two compared to 0.4 per cent in quarter one may thus mark the end of the slowdown in the growth rate. The same chart shows ONS data contrasted with the British Chambers of

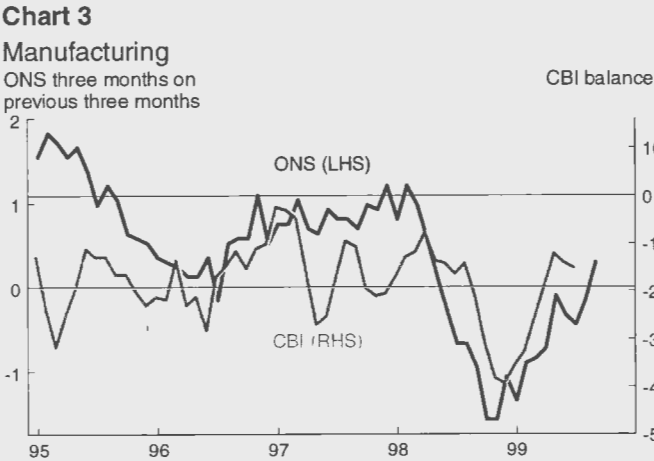
Chart 2

Service sector output
seasonally adjusted

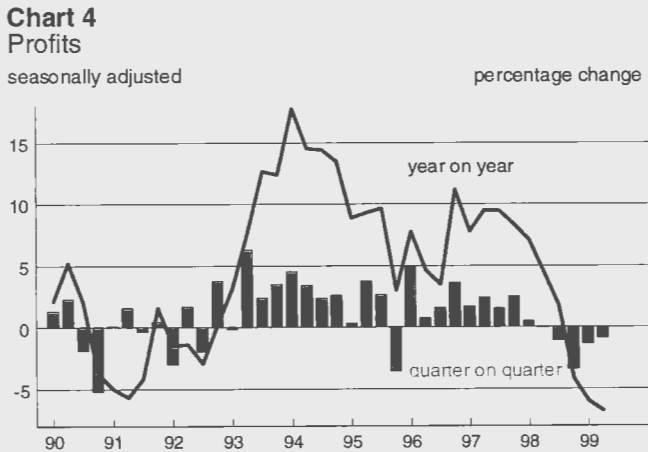


The main driver of the turnaround in overall GDP growth remains manufacturing output. The strong fall of 1.2 per cent was largely responsible for the flat GDP growth recorded in quarter four 1998. The subsequent recovery of GDP into the first and second quarters of 1999 to a large extent reflects the quick turnaround from negative growth seen in the manufacturing industry.

The latest index of manufacturing output data shows growth of 0.3 per cent in the three months to July, the same as growth in the three months to June. Chart 3 compares these quarterly growth rates with CBI data on *total order books*. Both series have recovered from the trough seen at the end of 1998, with latest information continuing to appear reasonably consistent.



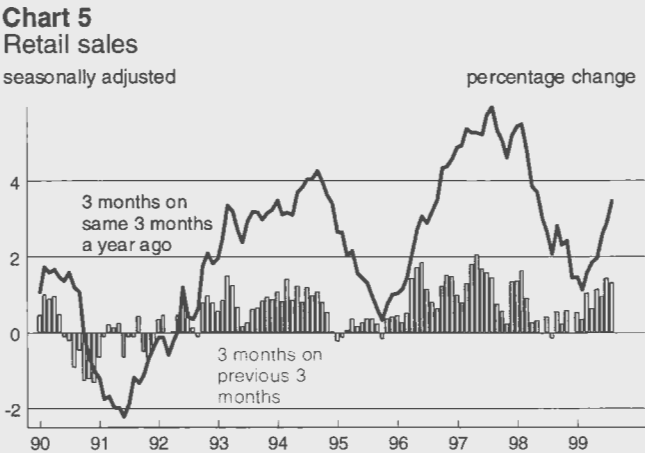
The aggregate position on company profits improved into the second quarter with gross operating surplus of corporations increasing by 1.8 per cent following a sharp decline between the middle of 1998 and the first quarter. This recovery however is partly driven buy improvements to financial corporation and UK continental shelf company profits; the latter reflecting the increase in the price of oil. Other private company profits (chart 4) continues to show a fall into the second quarter, although there is some evidence that the rate of decline is now improving.



Domestic demand

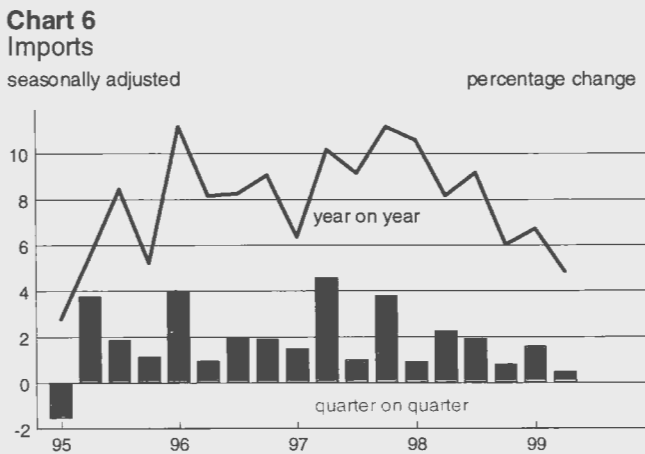
Consumers' expenditure grew strongly into the first and second quarters of 1999; with annual growth now standing at 4.0 per

cent. Underpinning this, expenditure on vehicles has been particularly strong in both quarters. The more forward looking retail sales figures also showed strong data for July and August and overall growth in the three months to August at 1.3 per cent comparing with the previous three months and 3.5 per cent compared with the same period in 1998.



Investment demand continues to grow but at a slowing rate. The latest gross fixed capital formation data showed a modest increase of 0.3 per cent into the second quarter following 0.4 per cent growth in the first quarter. Annual growth has now slowed to 6.8 per cent compared to what may have been a peak of 13.0 per cent in the first quarter of 1998.

On UK demand for overseas goods, National Accounts data shows that annual growth of imports has been slowing since the fourth quarter of 1997. Growth into quarter two was only 0.5 per cent, which was the lowest quarterly growth since 1995 quarter 1 (chart 6).

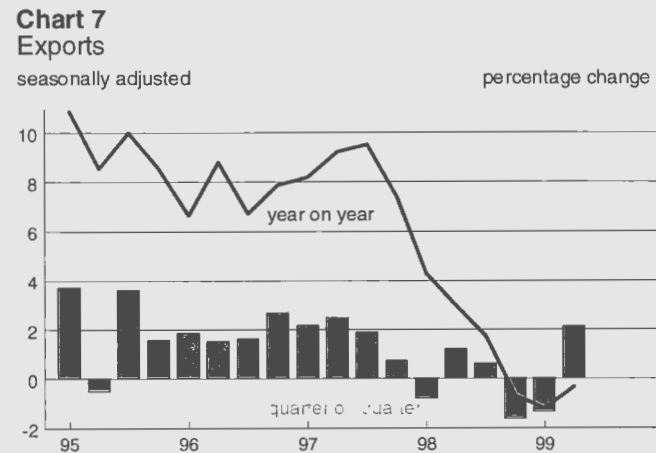


Later information shows that underlying imports from non-EU economies did actually pick up strongly at the end of the second quarter and the pick up was sustained into July and August,

leading to growth of 7.6 per cent into the latest three months. Such growth is not however seen in the underlying imports from EU economies, with data for the three months to July only 0.4 per cent above the previous three months.

Overseas demand and balance of payments

Chart 7 shows the strong recovery in export growth into the second quarter of 1999. Overall quarterly growth was 2.1 per cent compared with a decline of 1.4 per cent into the first quarter. This turnaround was mainly driven by a recovery of trade with South East Asia and the US.



July data for underlying trade with EU economies shows continued recovery following earlier declines with growth of 3.7 per cent comparing the latest three months with the previous three months. Similarly a very strong figure for August has led to 6.3 per cent growth in underlying exports to non-EU economies.

The stronger improvements in exports than increases to imports have led to a modest recovery to the UK's balance of trade in goods and services. With the July balance of £1.1 billion an improvement on £1.4 billion in June and, following on from earlier pick-ups, the ONS now estimates that the trend in the balance of trade is now flat.

Monetary indicators and government finances

Annual broad money growth picked up to 4.5 per cent in August from 3.7 per cent in July. The very low level of growth in this data is largely due to a sharp decline in the rate of growth of other financial corporations holdings of M4 assets. Annual growth in narrow money remained at 7.5 per cent in August, the same as in July.

Consumer borrowing in the three months to July increased by 1.3 per cent compared with growth of 0.6 per cent in the three months to June. Annual growth of 7.9 per cent in the three months to July was slightly up on annual growth in the three months to June but well below the peak growth rates of 20.0 per cent at the start of 1998. On the other hand borrowing secured on dwellings has increased substantially since the start of 1999. Gross lending secured on dwellings averaged £7.8bn a month in the second half of 1998; in the first half of 1999 gross lending averaged £8.8bn a month. Annual growth of gross lending secured on dwellings in July 1999 was 27.9 per cent. This clearly echoes the strong demand and price pressures in the housing market.

Public sector net borrowing for the financial year 1999-2000 continues at considerably lower levels than in 1998-99, despite a forecast for higher overall borrowing. The outturn data to August shows net borrowing of £2.9bn compared with £6.0bn in the same period of the previous financial year. This reduction in borrowing, despite higher levels of expenditure, is largely being achieved by increased Inland Revenue tax receipts.

Labour Market

The latest labour market data shows improvements to both employment and unemployment; chart 8 contrasts movements in the respective rates. Between May-Jul 1999 and February-April 1999 the employment rate improved by 0.1 to 74.0 per cent and the unemployment rate fell by 0.3 to 5.9 per cent. Looking at the trends in the data we see some levelling off of growth in the

employment rate but marked falls in unemployment. Some caution should be taken when interpreting these falls in unemployment as fully indicative of recovery because much of the improvement in unemployment has coincided with a substantial increase to the number of people classified as inactive. Between November – January 1999 and May – July 1999 unemployment fell by 109,000, at the same time inactivity rose by 88,000 (chart 9).

Chart 8
Employment and unemployment rates
seasonally adjusted

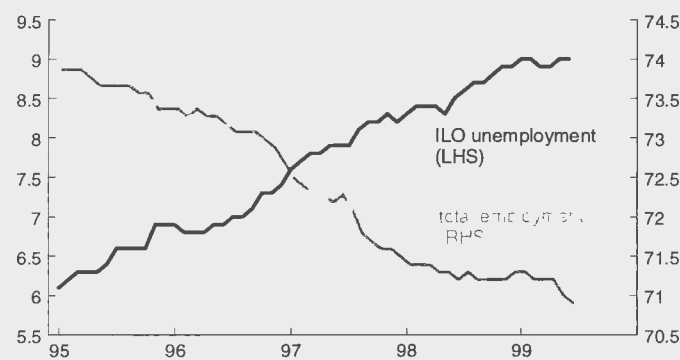
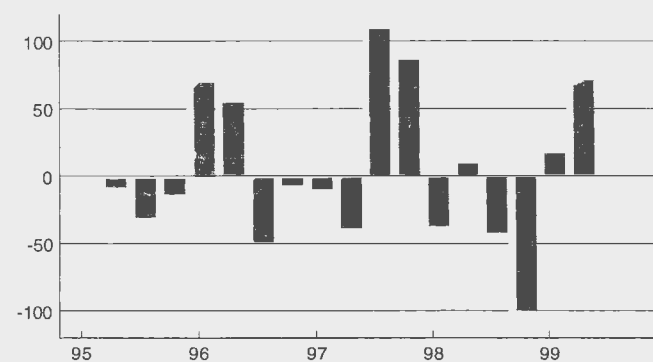


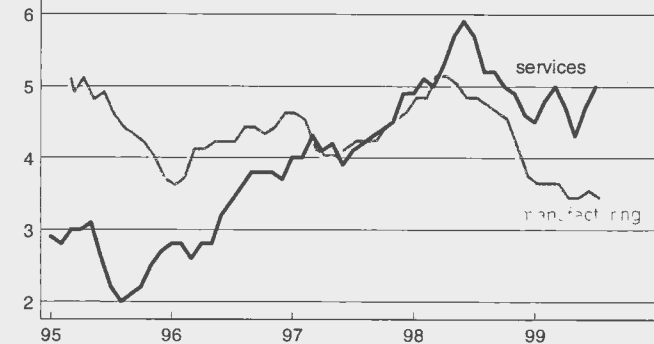
Chart 9
Change in inactivity levels
thousands



On the other hand the first estimate of workforce jobs for the second quarter of 1999 further supported a pick up in the labour market. This employer survey based data showed an improvement of 104,000 on the first quarter, with a rise of 129,000 in the services sector only partially offset by a decline of 26,000 in the manufacturing sector. Annual growth in this data of 0.9 per cent is now reasonably consistent with annual growth of 1.1 per cent recorded by the LFS.

This growth in the labour market does not appear to have given way to substantial increases in earnings. Chart 10 shows that manufacturing earnings growth still appears to be in decline. The services position is more volatile; the earlier decline in growth appears to have been arrested, but we are yet to see any significant upwards trend emerging outside perhaps the latest datapoint showing growth of 5.0 per cent. An erratic pattern of bonus payments is further making the series difficult to interpret.

Chart 10
Average earnings
seasonally adjusted
year on year percentage change 3 months on same three months



Prices

In the twelve months to July the all items RPI rose by 1.1 per cent, down from 1.3 per cent in June; the government's target measure (RPIX) fell to 2.1 per cent from 2.2 per cent. Widely expected upwards pressure from petrol prices following recent rises in oil prices were more than offset by strong reductions in, mainly seasonal, food prices. Reflecting the stronger services output, employment and wages growth, services inflation at 3.6 per cent remains substantially higher than goods inflation at 0.5 per cent.

Lastly at the factory gate, headline producer price output inflation continues to rise reflecting oil price increases. Headline output price inflation in August was 1.3 per cent compared with 1.1 per cent in July. The underlying measure excluding food, beverage, tobacco and petroleum products remains subdued, with the annual rate very stable throughout 1999, and the latest data showing a decline of 0.6 per cent in August.

Forecasts for the UK Economy

A comparison of independent forecasts, September 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)	1.4	0.5	2.0
Inflation rate (Q4: per cent)			
- RPI	1.2	0.7	2.0
- RPI excl MIPs	2.1	1.7	2.7
Unemployment (Q4, mn)	1.29	1.10	1.60
Current Account (£ bn)	-9.7	-15.0	-5.7
PSNB *(1999-00, £ bn)	1.0	-8.5	6.0

	Independent Forecasts for 2000		
	Average	Lowest	Highest
GDP growth (per cent)	2.5	1.5	3.3
Inflation rate (Q4: per cent)			
- RPI	2.8	1.8	3.8
- RPI excl MIPs	2.4	1.7	3.1
Unemployment (Q4, mn)	1.30	1.00	1.75
Current Account (£ bn)	-12.4	-22.3	-4.0
PSNB* (2000-01, £ bn)	3.6	-3.5	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 – October 1999

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

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Overview

The European economies expanded moderately in the first quarter of 1999. The French economy expanded by 0.6 per cent in quarter two with both exports and imports recovering. US GDP growth slowed in the second quarter and there are signs of increasing inflationary pressure. World trade slowed considerably in 1998 amid a number of financial crises, particularly in South East Asia.

EU15

The European Union economies collectively grew by 0.4 per cent in the first quarter of 1999, with annual growth to the quarter of 1.7 per cent. Private consumption contributed robustly to GDP growth in the quarter, with a contribution of 0.6 per cent. Government spending made its most significant contribution to quarterly GDP growth since the second quarter of 1992. It rose significantly in real terms from 1998 quarter four, largely due to strong fiscal expansion in Germany. Investment grew steadily, with its contribution matching GDP growth itself. However, changes in stock made a strongly negative contribution, of 0.7 per cent. Perhaps surprisingly, in the light of this, stockbuilding remained positive in the first quarter. However, the increase in stocks was much lower than the increase in 1998 quarter four when stocks increased by more than any quarter since the series began in 1960, probably linked to a sharp decline in external demand in that quarter.

Weak external demand lead to a slight decline in export volumes and a negative contribution of 0.1 per cent to GDP growth. Meanwhile, final domestic demand ensured that import volumes rose. However, imports declined in value terms. Therefore, the most recent OECD data shows that the trade surplus narrowed by much less in value than in volume.

EU industrial production was flat between the first and second quarters, following growth of just 0.1 per cent in the first quarter from the final quarter of 1998. The index of production has followed the same pattern as exports since 1997. Buoyant growth in that year was followed by slower growth in the first three quarters of 1998. Both fell sharply in 1998 quarter four and have been relatively flat since. Manufactured goods tend to have a greater weighting than services in trade than in the whole economy. European Commission surveys indicate that business confidence was low over the first half of 1999.

Retail sales growth of 1.6 per cent in quarter one underpinned robust growth in private consumption. However, the monthly data indicates that the strong growth in March has been almost completely offset by a decline in April. It is likely that retail sales growth in quarter two will be negative. This is despite high consumer confidence, as indicated by European Commission surveys, in both quarters, with only a slight fall into quarter two.

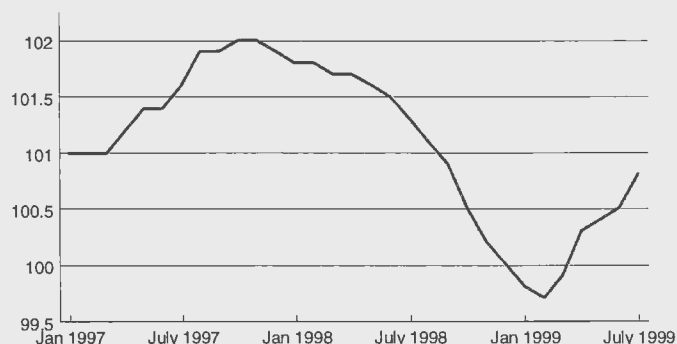
EU producer prices declined from November 1997 to February 1999. This coincided with a decline in the price of oil from October 1997 to February 1999. Both producer and oil prices have risen in every month since, with sharper rises in both in April and July. Consequently, the rate of decline in annual producer prices has decelerated from 2.1 per cent in February to 0.5 per cent in July 1999.

Chart 1

EU15 producer price index

not seasonally adjusted

1995 = 100



Annual consumer price inflation was 1.1 per cent in July 1999. The annual inflation rate has stabilised since February 1999, having declined from June 1998 up to then. This stabilisation of the rate of increase in consumer prices is likely to reflect increasing producer prices. Higher producer prices can only be

absorbed through lower profit margins for retailers or higher consumer prices.

The unemployment rate in the EU fell to 9.3 per cent in July 1999, having been unchanged in the previous two months. The trend of unemployment has been one of decline since June 1997 when the rate stood at 10.8 per cent. The rate has fallen by 1.5 percentage points in 25 months.

Germany

The German economy expanded by 0.4 per cent in the first quarter of 1999, mirroring the EU growth rate. As with the EU, positive contributions from private consumption, government spending and investment were partially offset by a strong negative contribution from changes in stocks. However, the magnitude of these contributions were much larger for Germany. Private consumption made its most positive contribution to quarterly GDP growth since the final quarter of 1992. Government spending recovered strongly to fully offset declines in the previous three quarters. Investment made a strong contribution also, particularly in the context of a poor growth performance since the data series began in 1991. However, the change in stocks made a very strong negative contribution to GDP growth, of 1.9 per cent. Remarkably, like the EU, stock accumulation remained positive in quarter one though the increase was much lower than the previous quarter. The rate of stock accumulation increased significantly in the final quarter of 1998 from already strong stockbuilding in the previous two quarters.

Both export and import volumes declined marginally in the first quarter of 1999, making offsetting negative contributions to GDP of 0.1 per cent. In value terms, exports rose and the trade surplus increased significantly.

Industrial production fell by 0.5 per cent in the second quarter, having fallen by 0.1 per cent in the previous quarter and by 1.6 per cent in 1998 quarter four. However, positive monthly growth for July returns the index to its level in January 1999. The annual rate of growth in quarter two was a decline of 1.4 per cent. The annual growth rate has declined in every quarter since the first quarter of 1998 when it stood at 6.3 per cent.

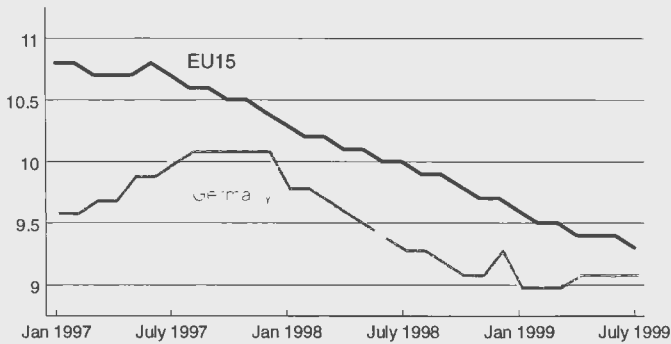
Retail sales grew by 0.9 per cent in 1999 quarter one. However, this included monthly growth of 5.4 per cent for March, which was completely offset by a decline of 6.2 per cent in April. Retail sales figures have fluctuated considerably between quarters since the start of 1997. Consumer confidence was high in quarter one, dipping slightly in quarter two.

Annual consumer price inflation was 0.7 per cent in August 1999, an increase from a rate of 0.6 per cent in July and 0.4 per cent in June. The rate of inflation has increased significantly from a trough of 0.2 per cent in the first two months of 1999. This is largely due to relatively sharp increases in consumer prices in April and July.

Producer prices declined at an annual rate of 1.0 per cent in July 1999. However, producer prices have not declined since February 1999 and increased substantially in April and July. This is reflected in a marked deceleration in the annual rate of decline from 2.4 per cent in February 1999. The timing of increases in both producer and consumer prices is closely linked to the timing of sharp increases in oil prices.

The rate of unemployment was 9.1 per cent in July 1999, the fourth consecutive month at this rate. Looking at quarters, the rate of 9.1 per cent for 1999 quarter two marks the end of a consistently downward trend in unemployment from 10.1 per cent in the final quarter of 1997 to 9.0 per cent in the first quarter of 1999. The German rate remains marginally below the average rate for the EU15. However, the trend in the EU unemployment rate remains downward.

Chart 2
Unemployment rates



France

The French economy grew by 0.6 per cent in the second quarter of 1999, having expanded by 0.4 per cent in the previous quarter. There were moderate changes in the components of domestic demand. Private consumption increased its contribution to 0.3 per cent, from just 0.1 per cent in quarter one. However, this was offset by a decline in the contribution of investment from 0.4 per cent in quarter one to 0.2 per cent in quarter two. Stocks continued to increase in quarter two. However, the rate of increase declined in the quarter, though not by as much as in quarter one.

The largest changes were in the trade components of GDP, though these were largely offsetting. Both export and import volumes increased significantly, though this is in the context of falls in both in the previous quarter and a fall in exports in 1998 quarter four. The improvement was largest in export volumes, resulting in a positive contribution from overall trade to GDP growth for the first time since 1997 quarter four. However, in value terms, imports rose faster than exports and the trade surplus narrowed.

Industrial production rose by 0.6 per cent in the second quarter of 1999, following a decline of 0.5 per cent in quarter one. The rise in quarter two was largely concentrated in consumer goods and, to a lesser extent, intermediate goods. This improvement coincided with a marked improvement in business confidence in the second quarter.

Retail sales volumes declined by 0.5 per cent in the second quarter of 1999. However, they have risen strongly in June and July, though the June figure did not fully offset declines in April and May. Consumer confidence has been high in the year to July 1999, which is consistent with annual retail sales growth of 4.2 per cent over the same period. In this context, the decline in May could be seen as something of an aberration.

Consumer prices rose at an annual rate of 0.4 per cent in July 1999. The index rose by just 0.2 per cent in the year to January 1999. However, looking at the monthly breakdown, prices rose by 0.9 per cent between January and April 1999. Since April, the index has been relatively flat. In July, large falls in food prices and the impact of summer sales on manufacturing goods prices were only partially offset by increases in energy and services prices.

The annual rate of decline in producer prices was 2.2 per cent in June 1999, compared with a rate of decline of 3.0 per cent in February 1999. This deceleration is due to flat growth in producer prices between the two months, after a period from October 1997 in which prices were in a sustained decline. When asked about price prospects, industrialists have higher expectations of inflation than consumers.

The ILO unemployment rate fell by 0.2 percentage points in July 1999 to 11.0 per cent. In the same month, claimant unemployment recorded its highest monthly fall since July 1995. Young people and the long-term unemployed recorded the highest falls. The ILO unemployment rate has declined by 1.5 percentage points from 12.5 per cent in June 1997. However, within the euro-zone, only Italy and Spain has a higher rate of unemployment than France.

Italy

The Italian economy grew by 0.2 per cent in the first quarter of 1999, offsetting the decline of 0.2 per cent in GDP in the previous quarter. Domestic demand, excluding stockbuilding, was robust, contributing 0.9 per cent to GDP growth in quarter one. Both private consumption and investment recovered from slight falls in 1998 quarter four. Government spending has been growing more briskly after a period of fiscal tightening in 1997 to meet convergence criteria for entry into the euro. Stockbuilding, though still quite strong, made a negative contribution to GDP as the amount added to stocks fell in the first quarter.

Both export and import volumes improved in the first quarter. Exports made a positive contribution, of 0.3 per cent, to GDP growth, having made a strongly negative contribution in 1998 quarter four. However, import growth was stronger in the quarter, making a negative contribution of 0.7 per cent to GDP growth. The trade surplus narrowed significantly in the first quarter, in both volume and value terms.

Industrial production declined by 0.9 per cent in the second quarter of 1999, following flat growth in the previous quarter. In the year to quarter two, the index declined by 2.6 per cent with no quarter recording positive growth. This is in line with declining exports in 1998 and strong stockbuilding. Business sentiment was weak in 1999 quarter two though it improved from April to June.

Retail sales volumes grew by 0.6 per cent in the final quarter of 1998. This coincided with signs of optimism in consumer confidence at the time, which was maintained in 1999 quarter one but slipped back in quarter two. The annual growth rate to December 1998 was 3.8 per cent.

Annual consumer price inflation was 1.7 per cent in August 1999. Consumer prices have increased by 0.8 per cent since March 1999 when the annual rate of inflation was 1.3 per cent. The most substantial increases were in April and July, in common with other countries. The trend had been one of decline in inflation from August 1998 to March 1999 when the annual rate fell by 0.8 percentage points from 2.1 per cent.

The annual rate of decline in producer prices decelerated to 0.7 per cent in July 1999. Producer prices had declined in the year to February 1999. However, they rose in April and, particularly, in June and have been flat in the other three months since February 1999. Again, oil prices appear to play a prominent role.

The rate of unemployment rose to 12.0 per cent in April 1999, having declined in each of the first three months of the year. This is the first monthly rise in the rate since July 1998. The unemployment rate has remained close to the current level for the past four years and is now the highest rate among the euro-zone economies studied here.

USA

The US economy grew by 0.4 per cent in the second quarter of 1999, having been revised down from 0.6 per cent due to an upward revision in the contribution of imports of 0.2 percentage points. This is the lowest quarterly rise in GDP since the second quarter of 1995, though this is in the context of buoyant growth in the intervening period. Private consumption continued to contribute strongly to GDP growth in quarter one. Within investment, machinery and equipment continued to grow strongly in the quarter. However, construction investment declined for the first quarter since 1997 quarter two. The rate of stock accumulation was low in the second quarter and made a negative contribution to GDP growth of 0.3 per cent.

Export volumes increased slightly in the second quarter of 1999. 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. However, strong domestic demand

continues to feed strong growth in import volumes. This results in strong negative contributions to GDP growth from imports and a trade deficit that has increased in almost every quarter since the final quarter of 1995. The trade deficit in 1999 quarter two was substantially larger than in any previous quarter since the data series began in 1960.

The index of production grew by 0.9 per cent in the second quarter of 1999. With strong monthly growth in July 1999, the annual rate of growth in that month was 3.6 per cent. Industrial production growth has been buoyant since the start of 1992. There was a slowdown in growth in the latter half of 1998 and the first quarter of 1999 as stocks accumulated strongly. Strong growth in the production of machinery and equipment coincides with strong investment growth in that area.

Retail sales volumes grew at an annual rate of 7.8 per cent in May 1999. Like industrial production, retail sales growth has been buoyant since the start of 1992. Retail sales grew particularly strongly in 1998 and 1999 quarter one alongside high levels of consumer confidence. These levels of consumer confidence have been maintained up to August 1999, the latest figure available from OECD data. Consumer credit rose in quarter two, having dipped in quarter one. However, it has not recovered to its peak in December 1998.

The annual rate of consumer price inflation was 2.1 per cent in July 1999. Annual consumer price inflation reached a trough in March 1998 of 1.3 per cent, having been on a downward trend since December 1996 when the annual rate stood at 3.4 per cent. However, the rate has crept upwards since and has been buoyed by a considerable increase in the price index in April 1999 of 0.7 per cent in the month.

Producer prices rose by 1.5 per cent in the year to July 1999. In a similar pattern to the CPI, producer price growth reached a trough in January 1998 when it declined at an annual rate of 1.7 per cent. This was the culmination of a downward trend in the index from 3.1 per cent annual inflation in October 1996. Since then, the trend has been upward. Producer prices in the US seem to be subject to considerably more inflationary pressure than in the EU. This suggests that strong growth, a tight labour market and a depreciating trade-weighted US dollar may have strong roles to play, along with rising oil and commodity prices which affect the EU also.

Earnings growth shows signs of picking up alongside both higher prices and a labour market showing signs of increasing

tightness. The annual rates of increase for July and August are considerably higher than annual rates at the start of the year. Earnings growth was faster in the first eight months of 1999 than for the whole of 1998.

Annual rates of employment growth remain strong with employment growing by 1.6 per cent in the year to August 1999. However, the level of employment in August 1999 was virtually the same as in January 1999. The rate of unemployment in August 1999 was 4.2 per cent. However, this is the same rate as in March 1999 and follows a period from June 1992 to March 1999 in which the rate declined from 7.8 per cent. Flat employment growth, an unemployment rate struggling to decline any further and increasing earnings growth paints a picture of inflationary pressure.

Japan

The Japanese economy grew by 2.0 per cent in the first quarter of 1999, having contracted in all four quarters of 1998 and two quarters of 1997. The primary contributor to this growth was investment, which made a positive contribution of 1.5 per cent, having made the most significant negative contribution to GDP growth in 1998. This upturn in investment came after eight successive quarters of falls. Business confidence improved in 1999 quarter one and nominal Bank of Japan interest rates remained close to zero. However, the investment figures probably include a fiscal expansion that the Japanese government undertook in quarter one through the inclusion of publicly funded investment. Private consumption also recovered strongly in the quarter. This coincided with a recovery in consumer confidence.

Export volumes were virtually unchanged and import volumes rose in the first quarter of 1999. This coincides with strong domestic demand and an appreciation in the real effective exchange rate of the yen in 1999 quarter one after a sharp appreciation in 1998 quarter four. Japan's trade surplus narrowed in both volume and value terms.

Industrial production declined by 0.8 per cent in the second quarter of 1999, having risen by 0.5 per cent in the first quarter. Business confidence improved significantly in the second quarter, in contrast to the production data though the surveys might be signalling a recovery in the near future. The annual rates of production growth improved from a decline of 8.0 per cent in January 1999 to a rise of 0.1 per cent in July 1999 as sharp declines in the first half of 1998 fall out of the annual rate.

Retail sales volumes increased by 0.3 per cent in 1999 quarter two, following an increase of 0.4 per cent in the previous quarter. This followed five successive quarters in which retail sales volumes declined. Consumer confidence in the first half of 1999 is higher than throughout 1998. The annual rate of retail sales growth in July 1999 is a decline of 2.1 per cent. This incorporates a sharp quarterly decline in retail sales in the final quarter of 1998, of 1.8 per cent.

Consumer prices declined at an annual rate of 0.3 per cent in June 1999. The level of consumer prices in June 1999 was almost the same as in February 1999. However, from November 1998 to February 1999, consumer prices declined by 1.3 per cent.

Producer prices declined at an annual rate of 1.5 per cent in July 1999. The level of producer prices declined consistently from April 1997 to April 1999. However, the level has stabilised since April 1999 and recorded a rise in July. Oil and commodity prices and a stronger yen may be providing some welcome inflation to Japan. Declining prices increase the real interest rate and encourage purchasers to postpone their buying.

Earnings declined at an annual rate of 2.0 per cent in July 1999. As the CPI only declined by 0.1 per cent over the same period, this marks a considerable erosion of real wages. The extent of this fall in earnings may be linked to the tendency for wages in Japan to be linked to profits. The earnings figures have been revised so that they no longer include such a sharp fall in June 1999. Accordingly, the quarterly growth rate for 1999 quarter two changes from a decline of 1.8 per cent to a decline of 1.0 per cent.

Falling earnings coincide with falling employment and rising unemployment. Employment declined by 1.3 per cent in the year to July 1999. At the same time, the rate of unemployment rose from 4.1 per cent in July 1998 to 4.9 per cent in July 1999. This represents the highest post-war unemployment rate for Japan. So far, there are many labour market participants for whom declining wages have not resulted in them gaining or retaining employment.

World Trade

Growth in world trade slowed considerably in 1998, having been strong in the previous four years. Quarterly growth of 0.3 per cent for trade in goods for the third quarter of 1998 was the lowest for any quarter since the first quarter of 1993. In 1998,

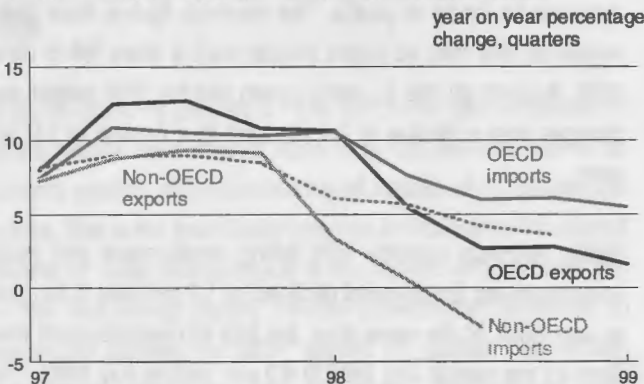
many economies were affected by financial turmoil, most particularly within the non-OECD area.

OECD exports of goods (which includes manufactures along with food, beverages and tobacco, basic materials and fuels) grew by 1.5 per cent in the final quarter of 1998, having grown by just 0.2 per cent in the previous two quarters. However, exports of manufactures alone grew by just 0.2 per cent in 1998 quarter four, having grown by 0.8 per cent in the previous quarter. In 1999 quarter one, exports of goods declined by 0.2 per cent.

Non-OECD exports recovered in 1998 after a poor performance in quarter one when quarterly goods export growth was flat and quarterly export growth declined by 0.4 per cent. In 1998 quarter four, exports of goods grew by 1.1 per cent. Many currencies in the non-OECD area devalued during the financial crises, aiding export growth. However, the benefits of a devalued currency may have been somewhat offset in many cases by companies in crisis not being able to fully capitalise on their increased price advantage in the international market. Also, figures in Table 7 are based on 1995 US dollars. Non-OECD export volumes probably increased by more after non-OECD currencies devalued against the US dollar.

Chart 3

World Trade in Goods - OECD and Non-OECD



OECD imports were least affected by the slowdown in 1998, reflecting the fact that the most severe financial crises occurred in South East Asia and Russia. Japan and South Korea were the worst affected OECD countries. They also reflected the buoyancy of domestic demand in the US and the increasing demand for imports there. Imports of goods grew by 1.8 per cent in 1998 quarter four while imports of manufactures grew by 1.6 per cent, expressed as 1995 US dollars. In 1999 quarter one, goods imports rose by 1.1 per cent

Non-OECD imports were worst affected in 1998 by the financial crises with imports of both goods and manufactures declining in each of the first three quarters of 1998. However, the rate of quarterly decline for goods decelerated from 3.3 per cent in quarter one to 1.0 per cent in quarter three with a similar pattern in manufactures. Annual growth rates turned negative in the third quarter, declining by 2.7 per cent for goods and 3.1 per cent for manufactures. Financial turmoil had a strong adverse effect on domestic demand in many non-OECD countries.

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	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	2.0	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	-3.5	-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	4.9	-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	3.7	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	3.2	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	2.8	1.4	10.0
1997 Q1	1.9	0.9	0.1	0.5	-	1.8	1.5	1.8	1.0	2.2	0.3	2.9	0.5	10.8
Q2	2.6	1.3	-	0.6	0.5	2.8	2.6	3.5	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	5.6	4.0	2.2	1.3	3.8	1.0	10.5
1998 Q1	3.5	1.7	0.2	1.4	0.6	2.9	3.4	5.4	4.2	1.8	0.8	2.9	1.3	10.2
Q2	2.7	1.6	0.3	0.8	0.5	2.3	2.7	4.3	2.2	2.1	0.3	2.8	1.2	10.1
Q3	2.6	1.8	0.2	1.1	0.5	1.3	2.3	2.9	3.3	1.7	-0.7	2.8	1.4	9.9
Q4	2.0	1.6	0.2	0.9	0.5	0.4	1.6	1.0	3.2	1.3	-1.8	2.8	1.4	9.7
1999 Q1	1.7	1.7	0.3	1.0	-0.3	0.1	1.1	0.4	2.5	1.1	-2.0	2.8	1.3	9.5
Q2	..	..	..	..	..	..	..	-0.3	..	1.1	-1.2	..	..	9.4
1998 Aug	..	..	..	..	..	..	..	3.2	3.9	1.6	-0.8	..	..	9.9
Sep	..	..	..	..	..	..	..	2.8	2.9	1.6	-1.0	..	..	9.9
Oct	..	..	..	..	..	..	..	1.7	1.9	1.5	-1.5	..	..	9.8
Nov	..	..	..	..	..	..	..	1.8	4.9	1.3	-1.8	..	..	9.7
Dec	..	..	..	..	..	..	..	-0.2	2.9	1.3	-1.9	..	..	9.7
1999 Jan	..	..	..	..	..	..	..	1.2	1.9	1.2	-2.0	..	..	9.6
Feb	..	..	..	..	..	..	..	-0.2	1.9	1.1	-2.1	..	..	9.5
Mar	..	..	..	..	..	..	..	-0.1	3.7	1.2	-1.8	..	..	9.5
Apr	..	..	..	..	..	..	..	-0.6	2.9	1.2	-1.4	..	..	9.4
May	..	..	..	..	..	..	..	-0.2	1.9	1.0	-1.2	..	..	9.4
Jun	..	..	..	..	..	..	..	-0.1	..	1.0	-1.0	..	..	9.4
Jul	..	..	..	..	..	..	..	..	..	1.1	-0.5	..	..	9.3
Aug	..	..	..	..	..	..	..	..	..	..	..	..	..	..
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	1.0	2.0					-0.9
Q2	1.2	0.5	-	0.5	0.2	1.1	1.0	1.7	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	1.1	0.7					0.2
1998 Q1	0.6	0.5	0.1	0.4	0.1	0.2	0.7	0.7	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	0.4	0.7					0.9
Q4	0.2	0.4	-	0.2	0.3	-0.4	0.2	-0.7	0.6					0.2
1999 Q1	0.4	0.6	0.3	0.4	-0.7	-0.1	0.2	0.1	1.6					-0.7
Q2	..	..	..	..	..	..	..	-	..					..
Percentage change on previous month														
								ILKF	ILKP					
1998 Aug								-0.5	-					
Sep								-0.5	-0.9					
Oct								0.3	0.9					
Nov								-0.4	0.9					
Dec								-0.8	-0.9					
1999 Jan								1.0	0.9					
Feb								-0.6	-					
Mar								0.4	2.8					
Apr								-0.3	-2.7					
May								0.3	0.9					
Jun								0.3	..					
Jul								..	..			
Aug								..	..			

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	Imports	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	0.8	-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	3.6	-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	4.3	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	9.8	
Q3	1.7	0.1	-0.1	-0.1	0.7	3.6	2.4	3.7	-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	6.3	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	1.5	1.9	0.4	-1.7	2.2	0.7	9.2	
1999 Q1	0.8	1.2	-	0.4	-	-0.2	0.6	-0.7	0.4	0.3	-2.4	2.5	..	9.0	
Q2	..	..	..	..	..	..	..	-1.4	..	0.5	-1.7	2.4	..	9.1	
1998 Aug	..	..	..	..	..	..	..	6.1	3.4	0.6	-0.7	..	..	9.3	
Sep	..	..	..	..	..	..	..	3.6	0.9	0.6	-0.8	..	..	9.2	
Oct	..	..	..	..	..	..	..	2.9	-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	..	..	9.3	
1999 Jan	..	..	..	..	..	..	..	1.0	1.0	0.2	-2.3	..	..	9.0	
Feb	..	..	..	..	..	..	..	-1.1	-0.6	0.2	-2.4	..	..	9.0	
Mar	..	..	..	..	..	..	..	-2.3	0.8	0.4	-2.3	..	..	9.0	
Apr	..	..	..	..	..	..	..	-1.7	1.6	0.7	-1.7	..	..	9.1	
May	..	..	..	..	..	..	..	-1.6	-	0.4	-1.7	..	..	9.1	
Jun	..	..	..	..	..	..	..	-0.7	..	0.4	-1.5	..	..	9.1	
Jul	..	..	..	..	..	..	..	-1.7	..	0.6	-1.0	..	..	9.1	
Aug	..	..	..	..	..	..	..	..	..	0.7	..	..	..	..
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	0.8	-0.7					-1.9	
Q2	1.1	0.2	-0.2	0.2	0.3	0.9	0.4	1.7	3.1					0.9	
Q3	0.4	-0.5	0.1	0.2	-	1.3	0.8	1.1	-2.8					0.6	
Q4	0.5	0.5	-0.1	0.1	0.2	0.2	0.4	1.2	0.3					0.3	
1998 Q1	1.0	0.7	0.4	0.4	-	0.4	0.8	2.2	2.4					-1.7	
Q2	-	-0.3	-0.1	-0.7	0.7	0.6	0.3	0.2	-2.9					1.2	
Q3	0.5	0.3	-0.3	0.5	0.1	-0.1	0.1	0.8	2.0					0.9	
Q4	-0.1	0.3	-0.4	-0.2	1.0	-0.7	0.2	-1.6	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	..	..	..	..	..	..	..	-0.5	..					..
Percentage change on previous month															
								ILKC	ILKM						
1998 Aug								-0.6	0.3						
Sep								-2.0	-1.2						
Oct								0.8	-0.3						
Nov								-1.8	3.2						
Dec								0.9	-2.1						
1999 Jan								1.0	-0.2						
Feb								-1.7	-0.4						
Mar								0.1	5.4						
Apr								-0.1	-6.2						
May								0.2	1.4						
Jun								0.3	..						
Jul								1.3	..						
Aug													

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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	2.6	1.5	0.6	0.7	-0.1	0.8	1.0	1.5	1.9	3.6	-0.8	4.8	0.9	8.9
1991	1.1	0.4	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	1.8	0.4	0.1	0.3	1.0	1.6	1.6	3.9	-0.1	1.7	1.2	1.9	0.1	12.3
1995	1.8	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	0.2	-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	1.4	3.9	1.0	1.2	-0.5	2.7	0.5	12.3
1998	3.4	2.0	0.3	1.1	0.4	1.7	2.1	4.4	2.6	0.8	-0.9	2.3	1.5	11.7
1997 Q1	1.2	-0.5	0.4	-0.2	0.5	1.3	0.3	0.6	-1.3	1.5	-2.3	2.9	0.1	12.4
Q2	1.7	-	0.4	-	-0.1	2.4	0.9	3.4	0.7	0.9	-0.9	2.8	0.3	12.4
Q3	2.1	-0.2	0.4	0.1	0.8	2.9	1.9	5.2	1.8	1.3	0.3	2.7	0.7	12.4
Q4	3.0	1.2	0.3	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	0.3	1.0	0.5	2.9	2.8	7.2	2.2	0.9	0.6	2.6	1.3	11.9
Q2	3.8	2.2	0.3	1.1	0.6	2.1	2.6	5.6	3.1	1.1	-0.3	2.4	1.5	11.7
Q3	3.4	2.2	0.2	1.2	-0.1	1.6	1.8	3.1	2.3	0.7	-1.3	2.1	1.6	11.7
Q4	2.9	1.8	0.2	1.1	0.6	0.4	1.2	2.2	2.8	0.4	-2.4	2.0	1.5	11.6
1999 Q1	2.3	1.5	0.2	1.3	-0.3	-0.2	0.3	0.7	3.4	0.2	-2.9	..	1.5	11.4
Q2	2.1	1.1	0.2	1.1	-0.2	0.1	0.4	-0.1	1.9	0.4	-2.5	..	..	11.2
1998 Aug	..	..	..	..	..	..	..	3.2	2.1	0.7	-1.3	..	..	11.7
Sep	..	..	..	..	..	..	..	3.0	1.9	0.5	-1.6	..	..	11.7
Oct	..	..	..	..	..	..	..	1.6	2.4	0.5	-2.2	..	..	11.6
Nov	..	..	..	..	..	..	..	4.0	4.5	0.2	-2.4	..	..	11.6
Dec	..	..	..	..	..	..	..	0.9	1.6	0.3	-2.5	..	..	11.5
1999 Jan	..	..	..	..	..	..	..	1.3	0.2	0.2	-2.7	..	..	11.4
Feb	..	..	..	..	..	..	..	0.4	3.6	0.2	-3.0	..	..	11.4
Mar	..	..	..	..	..	..	..	0.3	6.5	0.4	-3.1	..	..	11.4
Apr	..	..	..	..	..	..	..	-0.2	2.3	0.4	-2.8	..	..	11.3
May	..	..	..	..	..	..	..	-0.3	0.9	0.4	-2.5	..	..	11.2
Jun	..	..	..	..	..	..	..	0.2	2.5	0.3	-2.2	..	..	11.2
Jul	..	..	..	..	..	..	..	..	4.2	0.4	..	..	..	11.0
Aug	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Percentage change on previous quarter														
	ILGJ	HUBQ	HUBR	HUBS	HUBT	HUBU	HUBV	ILHD	ILHX				ILIR	
1997 Q1	0.4	-	0.1	-0.3	0.2	0.6	0.1	-0.2	0.4				0.1	
Q2	0.6	0.1	0.1	0.3	-0.3	0.9	0.5	2.9	0.1				0.2	
Q3	0.8	0.4	0.1	0.2	0.2	0.9	0.9	2.4	1.3				0.3	
Q4	1.1	0.8	-	0.3	-0.1	0.8	0.7	0.9	1.0				0.4	
1998 Q1	0.9	0.4	0.1	0.2	0.6	0.2	0.6	0.7	-0.2				0.4	
Q2	0.8	0.7	0.1	0.4	-0.2	0.2	0.3	1.4	1.0				0.4	
Q3	0.5	0.3	-	0.3	-0.4	0.3	0.1	-	0.5				0.4	
Q4	0.6	0.3	-	0.2	0.5	-0.4	0.2	-	1.5				0.3	
1999 Q1	0.4	0.1	0.1	0.4	-0.2	-0.3	-0.3	-0.7	0.4				0.4	
Q2	0.6	0.3	0.1	0.2	-0.1	0.5	0.4	0.6	-0.5				..	
Percentage change on previous month														
								ILKD	ILKN					
1998 Aug								-	-1.0					
Sep								-0.5	-0.6					
Oct								0.6	2.7					
Nov								0.1	-0.6					
Dec								-0.7	-0.3					
1999 Jan								-0.3	0.5					
Feb								-0.5	-0.2					
Mar								1.0	1.1					
Apr								-0.5	-0.4					
May								0.5	-2.6					
Jun								0.8	2.9					
Jul								..	2.5					
Aug												

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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	12.3
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	..	..	..	..	..	..	..	-2.6	..	1.4	-1.4	..	..	..
1998 Aug	..	..	..	..	..	..	..	-1.2	3.8	2.1	-0.3	3.0	..	12.3
Sep	..	..	..	..	..	..	..	1.2	1.9	2.0	-0.5	3.0	..	12.3
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	..	..	..	..	..	..	..	-2.0	..	1.4	-1.4	..	..	..
Jul	..	..	..	..	..	..	..	..	..	1.7	-0.7	..	..	..
Aug	..	..	..	..	..	..	..	..	..	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	..	..	..	..	..	..	..	-0.9	..					..
Percentage change on previous month														
								ILKE	ILKO					
1998 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								1.0	..					
Jul												
Aug												

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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	3.9	3.5	0.2	1.7	-0.3	0.5	1.7	2.1	..	2.2	1.3	2.8	1.4	4.3
1998 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	0.8	1.8	1.6	4.2
Apr	..	..	..	..	..	..	..	1.7	7.7	2.3	1.1	2.8	1.3	4.3
May	..	..	..	..	..	..	..	1.6	7.8	2.2	1.4	2.8	1.4	4.2
Jun	..	..	..	..	..	..	..	2.7	..	2.0	1.5	2.8	1.6	4.3
Jul	..	..	..	..	..	..	..	3.6	..	2.1	1.5	4.6	1.5	4.3
Aug	..	..	..	..	..	..	..	..	..	..	..	3.7	1.6	4.2
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	0.4	0.8	-	0.3	-0.3	0.1	0.6	0.9	..				1.2	
Percentage change on previous month														
								ILKG	ILKQ				ILLA	
1998 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	-0.5				0.2	
May								0.3	1.3				0.7	
Jun								0.2	..				0.7	
Jul								0.7	..				0.3	
Aug								..	..				-0.4	

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	0.1	0.5	0.1	-0.3	-0.2	-0.5	-0.5	-4.2	-4.5	-0.1	-2.1	-0.3	-1.2	4.6
Q2	..	..	..	..	..	..	..	-0.9	-1.8	-0.3	-1.8	-1.0	-1.1	4.8
1998 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	..	..	..	..	..	..	..	-	-1.1	-0.3	-1.7	-4.4	-1.3	4.8
Jul	..	..	..	..	..	..	..	0.1	-2.1	-0.1	-1.5	-2.0	-1.3	4.9
Aug	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Percentage change on previous quarter														
	ILGN	HUDA	HUDB	HUDC	HUDD	HUDE	HUDF	ILHH	ILIB	ILIC	ILID	ILIE	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	2.0	0.7	0.1	1.5	-	-	0.3	0.5	0.4	..	..	..	-1.8	
Q2	..	..	..	..	..	..	..	-0.8	0.3	..	..	..	2.2	
Percentage change on previous month														
								ILKH	ILKR				ILLB	
1998 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								3.3	-				-0.2	
Jul								-1.0	-				-0.4	
Aug								..	..				..

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
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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	12.7	13.0	11.9	13.3	13.5	12.8	11.3	11.7	10.1	11.7	11.3	12.8	13.0	11.5
Q2	10.0	10.5	8.6	11.7	11.0	13.8	9.0	9.4	7.8	10.6	9.5	13.7	10.9	9.8
Q3	8.6	9.2	6.7	10.2	9.1	12.9	7.7	8.0	6.7	9.0	7.6	12.7	9.4	8.3
Q4	7.0	7.2	6.3	7.7	6.7	10.3	6.3	6.2	6.6	6.3	4.9	9.8	7.3	6.3
1996 Q1	6.1	6.3	5.5	8.0	8.0	8.0	5.8	5.7	6.2	6.8	6.6	7.3	7.1	6.3
Q2	5.9	6.1	5.2	6.4	6.5	5.9	5.7	5.6	6.1	5.7	6.0	4.9	6.1	5.7
Q3	7.4	7.9	5.7	7.7	8.7	5.5	7.2	7.5	6.3	6.8	7.8	4.4	7.6	7.0
Q4	9.0	9.6	6.9	8.1	8.6	6.9	8.6	9.2	7.0	7.8	8.5	6.0	8.6	8.2
1997 Q1	8.8	8.7	8.9	8.0	8.0	7.9	8.0	8.0	8.1	7.3	7.3	7.2	8.4	7.6
Q2	12.8	13.5	10.3	11.8	12.8	9.2	11.5	12.5	8.8	10.2	10.8	8.7	12.3	10.8
Q3	13.5	14.4	10.4	11.8	12.7	9.8	11.7	12.7	8.9	10.1	10.5	9.4	12.7	10.9
Q4	11.6	12.2	9.7	11.3	12.1	9.5	10.2	10.8	8.4	9.9	10.2	9.1	11.5	10.0
1998 Q1	10.2	11.3	6.4	9.4	11.8	3.3	9.4	10.6	5.9	8.5	10.5	3.3	9.8	8.9
Q2	5.7	5.8	5.4	6.2	8.5	0.2	5.5	5.4	5.5	5.6	7.5	0.5	6.0	5.5
Q3	3.4	3.3	3.8	4.0	6.8	-3.1	3.1	2.7	4.0	3.5	5.9	-2.7	3.7	3.3
Q4	..	2.2	..	..	6.5	..	2.9	2.8	3.4	..	5.9	..	..	..
1999 Q1	..	..	..	..	..	..	..	1.6	..	..	5.4	..	..	..
Percentage change on previous quarter														
	ILJN	ILJO	ILJP	ILJQ	ILJR	ILJS	ILJT	ILJU	ILJV	ILJW	ILJX	ILJY	ILJZ	ILKA
1995 Q1	2.8	3.2	1.7	2.0	1.5	3.4	2.3	2.6	1.7	1.6	0.9	3.3	2.4	2.0
Q2	1.4	1.3	1.7	2.2	1.8	3.2	1.1	1.0	1.6	2.2	1.8	3.2	1.8	1.7
Q3	0.9	0.7	1.5	1.2	0.9	2.2	1.1	0.9	1.6	1.2	0.8	2.0	1.1	1.1
Q4	1.7	1.8	1.3	2.0	2.4	1.1	1.6	1.6	1.6	1.2	1.3	0.8	1.9	1.4
1996 Q1	2.0	2.4	1.0	2.2	2.6	1.3	1.9	2.1	1.2	2.1	2.5	1.0	2.1	2.0
Q2	1.1	1.1	1.3	0.7	0.5	1.2	1.1	0.9	1.5	1.1	1.2	0.9	0.9	1.1
Q3	2.4	2.5	2.0	2.6	2.9	1.8	2.5	2.7	1.8	2.3	2.5	1.6	2.5	2.4
Q4	3.2	3.3	2.5	2.4	2.4	2.5	2.9	3.2	2.2	2.1	2.0	2.3	2.8	2.5
1997 Q1	1.8	1.6	2.8	2.1	2.0	2.2	1.4	1.0	2.3	1.6	1.4	2.2	2.0	1.5
Q2	4.9	5.5	2.6	4.3	5.0	2.4	4.3	5.1	2.3	3.9	4.4	2.3	4.6	4.1
Q3	3.1	3.3	2.1	2.6	2.7	2.3	2.6	2.9	1.9	2.2	2.2	2.2	2.8	2.4
Q4	1.4	1.3	1.9	2.0	1.9	2.2	1.5	1.4	1.7	1.9	1.8	2.1	1.7	1.7
1998 Q1	0.5	0.7	-0.4	0.3	1.8	-3.6	0.6	0.9	-	0.3	1.7	-3.3	0.4	0.5
Q2	0.7	0.4	1.7	1.2	1.9	-0.6	0.6	0.2	1.9	1.1	1.6	-0.5	0.9	0.8
Q3	0.8	0.8	0.5	0.5	1.1	-1.0	0.3	0.2	0.4	0.3	0.7	-1.0	0.7	0.3
Q4	..	0.2	..	..	1.6	..	1.4	1.5	1.1	..	1.8	..	..	..
1999 Q1	..	..	..	..	..	..	..	-0.2	..	..	1.1	..	..	..

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

Source: OECD - SNA68

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Final Expenditure Prices Index (Experimental) – August 1999

Contact: David Wall

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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 August 1999, was 2.0 per cent. Consumer price inflation, as measured by the Index of Consumer Prices (ICP), was unchanged at 1.8 per cent. Investment price inflation, as measured by the Index of Investment Prices (IIP) was down to 1.2 per cent, from 1.5 per cent in July, while inflation as measured by the Index of Government Prices (IGP) was down to 3.2 per cent, from 3.7 per cent in July.

The FEPI annual percentage change

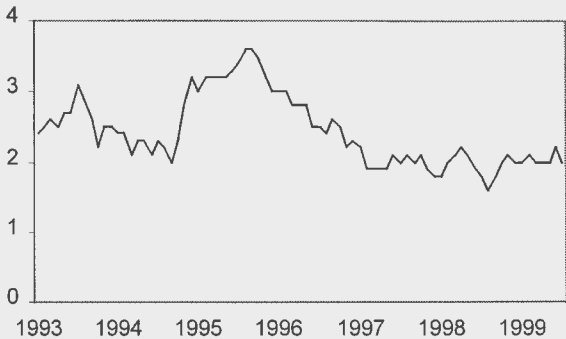


Table A

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	Mar	121.1	2.0	113.3	1.4	119.2	2.5	119.1	2.1
	Apr	121.7	2.0	113.8r	1.7r	119.1	2.4	119.5	2.0
	May	122.0	1.7	113.9r	1.3r	120.2	3.0	120.0r	2.0r
	June	122.0	1.8	114.2r	1.6r	120.6	3.0	120.1r	2.0
	July	121.4	1.8	114.4r	1.5r	121.3r	3.7r	119.9	2.2
	August	121.7	1.8	114.1	1.2	120.9	3.2	119.9	2.0

The Index of Consumer Prices (ICP)

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

Downward pressure came from:

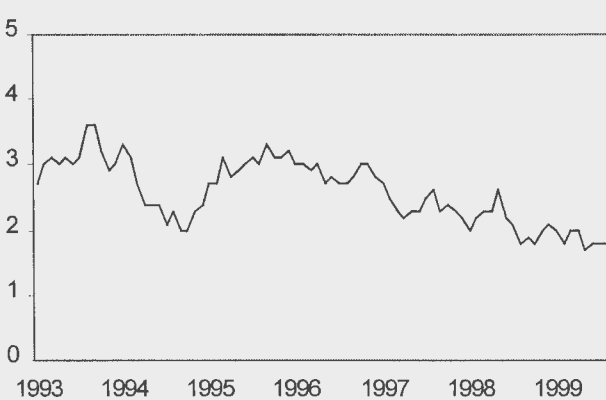
- Food, whose 12-month rate fell from 0.6 per cent to -1.0 per cent. The price change for potatoes was the main reason for the downward effect. Fresh vegetables especially lettuce and tomatoes also added to the fall in prices.
- Clothing and footwear, whose 12-month rate fell from -1.9 per cent to -2.4 per cent. This year's price recovery from summer sales of women's outerwear, was less than last year's.

Upward pressure came from:

- Fuel and power, whose 12-month rate rose from 0.1 per cent to 0.2 per cent. Petrol prices rose strongly as a result of higher crude oil prices.

- Transport and communication, whose 12-month rate rose from 1.5 per cent to 1.9 per cent. This upward effect came from costs of household services where mobile phones tariffs showed price recoveries in contrast to last August's price cut.

The ICP annual percentage change



The Index of Investment Prices (IIP)

Investment price inflation, as measured by the IIP, was 1.2 per cent over the 12 months to August, down from 1.5 per cent in July.

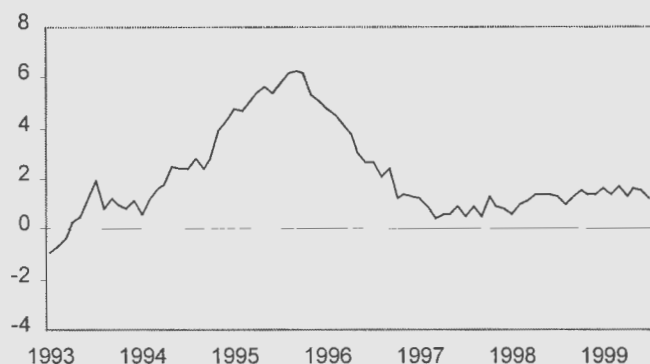
Upward pressure on the 12-month rate came from:

- Transfer costs of land and buildings, where the 12-month rate rose from 10.5 per cent in July to 11.3 per cent in August.
- New Dwellings, where the 12-month rate rose from 8.6 per cent in July to 9.0 per cent in August.

Downward pressure came from:

- Vehicles, whose 12-month rate fell from 2.3 per cent in July to 1.3 per cent in August.
- Plant and machinery, where the 12-month rate fell from -4.3 per cent in July to -4.6 per cent in August.

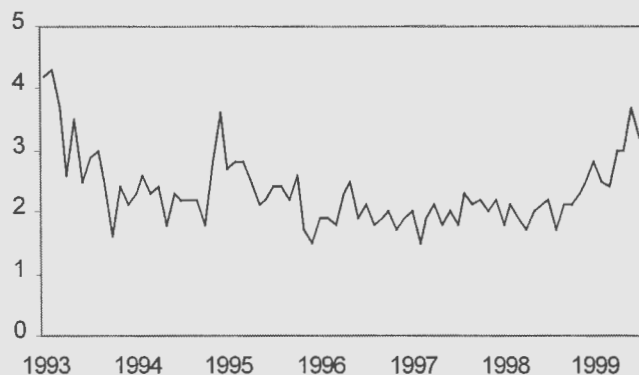
The IIP annual percentage change



The Index of Government Prices (IGP)

The IGP inflation rate fell from 3.7 per cent in July to 3.2 per cent in August.

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	Mar	2.1	2.7	1.7	0.5
	Apr	2.0	2.4	1.5	1.0
	May	2.0	2.1	1.3	1.0
	Jun	2.0	2.2	1.4	1.0
	Jul	2.2	2.2	1.3	1.1
	Aug	2.0	2.1	1.3	1.3

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 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	113.8r	119.1	119.5	2.0	1.7r	2.4	2.0
May	122.0	113.9r	120.2	120.0r	1.7	1.3r	3.0	2.0r
Jun	122.0	114.2r	120.6	120.1r	1.8	1.6r	3.0	2.0
Jul	121.4	114.4r	121.3r	119.9	1.8	1.5r	3.7r	2.2
Aug	121.7	114.1	120.9	119.9	1.8	1.2	3.2	2.0

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 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
Aug	113.0	128.1	184.7	98.8	134.3	97.4	113.1	124.2	110.1	133.7	121.7
Annual Percentage Changes											
	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
	CGAP	CGAQ	CGAR	CGAS	CGAT	CGAU	CGAV	CGAW	CGAX	CGAY	CGAZ
1997 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
Aug	-1.0	2.3	13.2	-2.4	2.8	0.2	0.8	1.9	-0.3	3.8	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 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	123.4	119.1	171.3	120.7	113.3
Apr	99.4r	123.5	119.3	178.8r	122.8	113.8r
May	98.9r	123.6	119.4	180.8r	124.4	113.9r
Jun	98.4r	123.9	119.7	182.6r	126.4r	114.2r
Jul	97.8r	123.2r	119.9	182.8r	129.1r	114.4r
Aug	96.8	122.8	120.2	183.8	130.2	114.1
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	CGBD	CGBA	CGBD	CGBE	CGBF
1997 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	-4.1r	3.5	4.1	12.0r	6.8	1.7r
May	-4.7r	2.7	3.8	12.8r	7.3	1.3r
Jun	-4.4r	3.2	3.8	13.4r	7.4r	1.6r
Jul	-4.3r	2.3r	3.5	10.5r	8.6r	1.5r
Aug	-4.6	1.3	3.5	11.3	9.0	1.2

The symbol r denotes revisions to previous months' data

4 FEPI - Index of Government Prices (Experimental)

					Annual percentage changes			
	Local Government Total	Central Government Total	Education Grants	Index of Government Prices IGP	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 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	123.6r	119.6	124.1	121.3r	2.7r	4.4	2.5	3.7r
Aug	123.4	119.0	124.1	120.9	3.2	3.2	2.5	3.2

The symbol r denotes revisions to previous months' data

Annual Coherence Adjustments in the National Accounts



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Summary

The national accounts aim to present a fully consistent picture of the UK economy. In practice the data sources used in the accounts are subject to statistical error and complete coherence between measures of economic activity is not achieved without making specific adjustments. For years except the most recent (up to 1997 in this year's ONS *Blue Book*) these adjustments are made at current prices using supply - use tables through the input-output framework. This note describes the background to the adjustments, shows how they are made, and publishes the adjustments made to the 1999 *Blue Book* data. It is our intention to update this table in future *Blue Books*.

The article is published for two reasons: as part of a continuing policy of publishing descriptions of national accounts methodology; and to provide users with a guide to an aspect of the quality of the accounts – Table 2 indicates that for 1997 coherence adjustments averaged 0.5 per cent of GDP.

The note does not cover the adjustments made to achieve coherence for the most recent periods, which are outside the input-output framework.

Data sources

The national accounts are built up from a variety of data sources. For each component of the accounts the most appropriate data sources are chosen and adjusted as necessary to match national accounts concepts. The data sources used include administrative systems such as those at the Inland Revenue for PAYE and taxation of company profits, and a large number of monthly, quarterly and annual statistical surveys such as the ONS Annual Business Inquiry.

All data sources are subject to statistical error. Surveys are subject to sampling error, as samples do not include all the units for which measurement is needed. In addition, statistical surveys and administrative sources are both subject to non-sampling error¹ due to incomplete coverage, non-response, measurement error, etc. While sampling error increases the variability of the estimates used in the accounts, non-sampling error can introduce bias as well as

additional variation. Although the ONS has a programme to develop and publish sampling errors for economic statistics, attempts so far to research the size and causes of non-sampling error have – in common with work done in other National Statistical Institutes – brought little quantifiable insight.

The input-output framework

The UK input-output balance is derived annually at current prices using a supply-use framework containing 123 industries and products². The supply-use table is balanced when:

For each industry:	TOTAL INPUTS equal TOTAL OUTPUTS
For each product:	TOTAL SUPPLY equals TOTAL DEMAND

This is illustrated with data for 1997 in Table 1, which also highlights the components making up the three approaches to GDP. Achieving the supply-use equalities balances the three approaches to GDP -

Expenditure	
	£bn
Households final expenditure	517
Government final expenditure	148
Gross capital formation	139
Exports	229
Less imports	229
Less taxes on products	90
GDP	715

Production	
	£bn
Total output	1526
Less intermediate consumption	813
GDP	715

Income	
	£bn
Compensation of employees	432
Plus gross operating surplus	266
Plus taxes on production	17
GDP	715

When the supply-use table is completely balanced, as above, the statistical discrepancy between the measures of GDP is zero. The supply-use framework is widely used internationally as a means of determining GDP. It enables discrepancies between the three approaches to GDP to be examined and reconciled at a detailed industry and product level, and the statistical discrepancy (formerly known as the 'residual error') removed. Given the resources needed to do this work it is only worthwhile if the detailed data are of adequate quality. For the UK, such detailed data generally come from annual inquiries and administrative sources which take some time to become definitive. The quarterly accounts⁹ and the accounts for the most recent year are derived from less complete data sources and are not balanced using input-output frameworks. For these, less structured methods are used to bring growth rates into line, although a statistical discrepancy between the three measures remains, and is published. When data for these later years are eventually balanced in a supply-use framework, these initial quarterly adjustments are removed and the data reassessed.

National accounts adjustments

The process of achieving coherence in the accounts by balancing supply-use tables can most simply be explained as a series of different types of adjustment.

expenditure, production and income, as is shown for 1997 at basic prices below:

Conceptual adjustments

The established adjustments used to translate data sources into national accounts concepts are set out in *National Accounts Concepts, Sources and Methods*. Examples include adjustments to retail sales data used in the compilation of households final expenditure to exclude spending by businesses in shops, and adjustments to allow for undeclared income in the income measure. These adjustments are well-established and are made as part of the compilation of the accounts, before the component series are assessed in an input-output framework.

Quality adjustments

Once these conceptual adjustments have been made, further adjustments - quality adjustments - are made to the resulting series to allow for known biases and discontinuities in the source data. Any biases might be evident from analysis of revisions' performance. In practice the distinction between conceptual and quality adjustments is not well defined. For example, under-recording of a component may initially be corrected using a quality adjustment. Once the basis for this adjustment becomes clearer, it may eventually be consolidated into national accounts methodology as a conceptual adjustment.

Quality adjustments are limited to the error range of the series concerned. These are based on sampling errors, where relevant, and known revisions performance.

After these quality adjustments have been made it is inevitable, given the existence of statistical and other errors, that imbalances remain in the supply-use table.

Coherence adjustments

The estimates in the supply-use framework undergo additional validation against other data sources. At this stage the supply-use tables include separate estimates of industry gross value added derived from the income and production approaches and unbalanced estimates of supply and demand for products from the production and expenditure approaches. These estimates and related discrepancies are analysed by industry and product, together with other analyses over time, such as growth rates, value added to output ratios, breakdowns of GDP by industry, and taxes and margins as a proportion of supply and demand.

Scrutiny and validation involves checking the coherence and plausibility of estimates across all industries and products, and resolving issues in conjunction with data suppliers. As well as aiming to achieve the two sets of balancing constraints, the aim is for consistency over time and consistency with constant price estimates, by examining implied deflators. This process will be further strengthened with the development of constant price supply and use tables.

As the balancing process nears completion, balancing meetings within the ONS are held to discuss progress and identify remaining difficulties. At the final balancing meeting coherence adjustments are agreed to secure a balance between inputs and outputs, and between supply and demand. The adjustments reflect the known relative weaknesses in the accounts. They are derived and applied at the detailed industry/product level, and the adjusted and reconciled components determine GDP and other main aggregates. The aim is to limit coherence adjustments to be less than 1 per cent of the component being adjusted. Once coherence adjustments are agreed they are fed back to the data suppliers and form part of continuing discussions aimed at improving the quality of the data sources.

Once again, the borderline between quality adjustments and coherence adjustments is not clear cut. Quality adjustments are made in advance of balancing to correct known weaknesses and biases, and they are often, for any component, of uniform sign. Coherence adjustments are then made to secure a balanced dataset, and for each component are generally of variable sign.

Table 1
Supply and use tables for 1997 showing 3 approaches to GDP

							1997, £bn	
Supply Matrix								
	Domestic output Production	Services	Total domestic output	Imports of goods and services	Margins	Taxes less subsidies on products	Total Supply	
Products:								
Production	470	-	470	192	146	63	871	
Services	27	1,030	1,056	36	-146	27	974	
Total outputs	497	1,030	1,526	229		90	1,845	
Use matrix								
	Intermediate consumption			Households final expenditure	Govt final expenditure	Gross capital of goods formation	Exports and services	Total demand
	Production	Services	Total					
Products:								
Production	244	120	363	267	-	66	175	871
Services	60	390	449	250	148	72	55	974
Total	304	509	813	517	148	139	229	1,845
Taxes less subsidies on production	4	13	17					
Compensation of employees	111	322	432					
Gross operating surplus	78	186	266					
Total value added @ basic prices	193	521	715					
Total inputs	497	1,030	1,526					

Notes: 1. 'Services' includes construction, distribution and service trades industries (public and private)

'Production' includes agriculture, forestry and fishing, mining, manufacturing and energy

2. Totals do not equal sum of components due to rounding differences

3. Households final consumption expenditure includes that of Non-Profit Institutions Serving Households.

Quality and coherence adjustments in the 1999 *Blue Book*

The number of years balanced using supply-use tables in each *Blue Book* depends on the number of years open for revision. The quality and coherence adjustments agreed for the 1999 *Blue Book* dataset are shown in Table 2. A limited revisions policy was adopted with only annual data for 1997 and 1998 being open to revision. This requires benchmark revisions received for earlier years to be exactly offset by national accounts adjustments. In Table 2 the adjustments shown for 1987 to 1996 are as agreed for the 1998 *Blue Book* adjusted to offset revised benchmark data, while adjustments for 1997 are those calculated for the first time for the 1999 *Blue Book* using the input-output procedure. For each main GDP component the table shows the quality adjustment and the coherence adjustment used.

Adjustments for main components

The main reasons for the adjustments shown in Table 2 are:

Gross trading profits

- a) Non financial corporations
Past experience of annual Inland Revenue data shows a tendency for upward revision. This is generally anticipated in the national accounts with positive quality adjustments. Inland Revenue data received but not taken into the *Blue Book* due to the policy of restricting revisions to 1997 have been offset by negative adjustments. The data set also includes adjustments for under-recording in some industries. A number of administrative changes to the corporation tax system since 1993 are altering the timing and the pattern of revisions and the need for the future quality adjustments will be reassessed.
- b) Financial corporations
The positive quality adjustments allow for suspected under coverage of the financial auxiliaries data set.

Compensation of employees

The large negative adjustments for 1991 to 1993 reflect discontinuities in the Inland Revenue source data caused by a change in the method of estimation. The coherence adjustments reflect known weaknesses in the data following reconciliation with other income data sources. From 1998 the ONS Annual Business Inquiry will provide data on income consistent with output and expenditure, thereby providing the opportunity to improve the coherence of this component of the accounts.

Income from self employment

Revised data from Inland Revenue reflecting a review of self assessment is not yet included in the accounts and is offset by positive coherence adjustments.

Production approach

The quality adjustments reflect the results of validation exercises between a range of data sources at industry level. Coherence adjustments result from balancing with expenditure and income.

Households' final consumption expenditure

Coherence adjustments reflect known weaknesses in data sources; for example, purchases of services and second hand cars.

Gross fixed capital formation

Data sources have known weaknesses in coverage, particularly for new large projects. Positive coherence adjustments made to cover these have been incorporated into the compilation process (eliminating the need for further adjustments) from 1992.

General government final consumption

Estimates use HM Treasury final outturn accounts, which are on a financial year basis. Minor adjustments within the financial year are occasionally made to ensure calendar year coherence.

Trade in goods

There are no adjustments for trade in goods.

Trade in services

Data sources were improved with the launch of the overseas trade in services inquiry in 1996. However, coverage and sampling concerns imply that there is still likely to be some under recording in recent years.

Taxes and subsidies on products and production

The adjustments are for timing of tax payments.

Table 2 Quality and coherence adjustments in the 1999 *Blue Book*

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Income approach											
Private NFC's gross trading profits											
Quality adjustment	70	-1001	-1022	-27	400	-44	-420	-1353	-1348	-331	-123
Annual coherence adjustment	-	-	-	-	-	-	-	-	-	-	-
Total	70	-1001	-1022	-27	400	-44	-420	-1353	-1348	-331	-123
Employers' contributions											
Annual coherence adjustment	-	-	-500	-	-	-	-	-	-	-	-
Financial companies profits											
Quality adjustment	-726	912	-816	99	899	954	994	971	1248	1072	1100
Annual coherence adjustment	-	-	-	-	-	-	-	-	-	-	-83
Total	-726	912	-816	99	899	954	994	971	1248	1072	1017
Compensation of employees											
Quality adjustment	-	-	-	-	-6000	-5750	-1250	-	-	-	-
Annual coherence adjustment	168	-1741	-2699	172	2253	1155	2301	2880	3795	3539	2715
Total	168	-1741	-2699	172	-3747	-4595	1051	2880	3795	3539	2715
Rental income											
Annual coherence adjustment	165	146	-	-	-	-	419	59	154	218	437
Income from self employment											
Annual coherence adjustment	-	-	-	-	-	-	-87	7	348	581	522
Production approach											
Quality adjustment	-	-	-1558	-2341	-1144	490	1216	157	-203	-403	-1465
Annual coherence adjustment	9	-1171	-345	490	180	-679	-1099	-742	-2179	-3802	-3328
Total	9	-1171	-1903	-1851	-964	-189	117	-585	-2382	-4205	-4793
Expenditure approach											
Households final consumption expenditure											
Quality adjustment	-	-	-	-	-	-	-	-	-	-	-
Annual coherence adjustment	-1394	564	1794	1474	-50	-119	-483	885	242	2331	2231
Total	-1394	564	1794	1474	-50	-119	-483	885	242	2331	2231
Gross fixed capital formation											
Quality adjustment	734	1472	1896	2250	1663	-	-	-	-	-	-
Annual coherence adjustment	-100	780	610	535	-820	-	-	850	-	5118	1471
Total	634	2252	2506	2785	843	0	0	850	0	5118	1471
Central government final consumption											
Quality adjustment	-	-	-	-	-	-	-	-	-	-	-
Annual coherence adjustment	-	-	-	-	-	-	-	-	-300	300	300
Total	-	-	-	-	-	-	-	-	-300	300	300
Local authorities final consumption											
Quality adjustment	-	-	-	-	-	-	-	-	-	-682	-
Annual coherence adjustment	-	-	-	-	-	-	-	-	-	-	100
Total	0	0	0	0	0	0	0	0	0	-682	100
Trade in services (imports)											
Quality adjustment	-5	4	5	7	80	84	90	70	41	50	-
Annual coherence adjustment	-	-	-	-	-	-	-	-	160	100	150
Total	-5	4	5	7	80	84	90	70	201	150	150
Trade in services (exports)											
Quality adjustment	-1	-3	-	-3	457	358	289	137	-	-	-
Annual coherence adjustment	-	-	-	-	-	-	-	-	160	410	440
Total	-1	-3	0	-3	457	358	289	137	160	410	440
Taxes, subsidies on production and products											
Quality adjustment	-	-	-	-	-	-	-	-	-	-	-
Annual coherence adjustment	-	-	-	-	-	-	-	-	600	-800	-
Total	0	0	0	0	0	0	0	0	600	-800	0
Total adjustments											
Quality adjustments											
Income	-656	-89	-1838	72	-4701	-4840	-676	-382	-100	741	977
Production	-	-	-1558	-2341	-1144	490	1216	157	-203	-403	-1465
Expenditure	728	1473	1901	2254	2200	442	379	207	41	-632	0
Annual coherence adjustment											
Income	333	-1595	-3199	172	2253	1155	2633	2946	4297	4338	3591
Production	9	-1171	-345	490	180	-679	-1099	-742	-2179	-3802	-3328
Expenditure	-1494	1344	2404	2009	-870	-119	-483	1735	862	7459	4692
Total adjustments											
Income	-323	-1684	-5037	244	-2448	-3685	1957	2564	4197	5079	4568
Production	9	-1171	-1903	-1851	-964	-189	117	-585	-2382	-4205	-4793
Expenditure	-766	2817	4305	4263	1330	323	-104	1942	903	6827	4692

Conclusion

This article describes the different types of adjustments made to national accounts data and shows the size and allocation of these adjustments in the 1999 *Blue Book*. For recent years the effect has been to increase the income and expenditure components and reduce the production components. For 1997 coherence adjustments averaged 0.5 per cent of GDP.

The size of coherence adjustments gives users some indication of the reliability of the accounts, particularly of the main components. However they should be treated with caution: as explained above, the distinction between conceptual, quality and coherence adjustments is not easy to make; and coherence is only one aspect of the quality of the accounts – other attributes such as accuracy and relevance also need to be considered. Nevertheless it is hoped that publishing these adjustments regularly in the *Blue Book* will, over time, give users an insight into the quality of the accounts.

Concern about the size of coherence adjustments in some recent years has led to further improvements in statistical sources. The introduction of the Annual Business Inquiry, with its wider range of structural statistics, and the strengthening of the Annual Purchases Inquiry will lead to improvements in coherence of the national accounts. Also in the future, the development of constant price supply and use tables will enable GDP to be balanced using supply use tables at constant prices as well as current prices. This will ensure a more consistent approach to deflation and a more coherent constant price data set.

Footnotes

- ¹ A useful classification and discussion of non-sampling error is included in 'Measuring and improving data quality' by Vera Ruddock.
- ² See *Input-Output Methodological Guide*.
- ³ General descriptions of the quarterly adjustments are given in *Economic Trends*, October 1995 and November 1997.

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Plans for the Development of a Monthly Index of Services



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- The ONS is planning the development of a constant price monthly index of service sector output
- This is in response to demand from customers such as HM Treasury and the Bank of England and will mark a significant advance in the measurement of economic activity in the service sector
- It is an ambitious project which is both technically and operationally complex
- A prototype series, covering the entire service sector, is planned for release in December 2000
- A monthly Index of Distribution, covering wholesale, retail and motor trades, will be produced as a stepping-stone, with a prototype series to be released in December this year
- The monthly Index of Services will cover exactly the same industries as the present quarterly total services index which is a part of quarterly GDP. The monthly results will sum to the GDP quarterly services index
- Initially, there will be limitations on the achievable data quality but there will be a continuing programme to introduce improvements
- The development is still at the planning stage: comments are invited

1 Summary

1.1 The ONS is planning a major project to develop a constant price monthly Index of Services (IoS), which will mirror the established Index of Production (IoP) by indicating the month-on-month percentage changes in net output (gross value added) in the service sector. This builds on previous work by the ONS to develop the statistical information on the service sector¹ and has been identified as a top priority by both HM Treasury and the Bank of England.

1.2 In the UK, as in other countries, there is a scarcity of suitable monthly data for service industries and producing reliable output indicators for many types of services is technically challenging. The detailed methodological development of the monthly IoS is still to be planned. The conceptual basis of the present quarterly estimates of

services' output will provide the basis for the monthly IoS. However, in the long term, we recognise that a lot of conceptual and practical difficulties will need to be overcome if the quality of the IoS is to be improved. To address these difficulties, there will be a continuing programme of research and development, which may involve the use of a 'task force' approach and external expertise. For the next few years, however, the inherent difficulties of developing a monthly index will impose limitations on the data quality that is achievable. For that reason, the IoS will initially be released as a prototype indicator only.

1.3 In recognition of the priority attached to the development of a monthly IoS, the ONS has created a new division dedicated solely to taking this work forward. Work will be carried out under the guidance of a Steering Group, drawing on expertise in HM Treasury, the Bank of England and DTI.

1.4 This article aims to inform users of the broad thrust of the ONS's plans and to seek comments and advice. It will be followed, at the end of the year, by the release of a prototype monthly Index of Distribution, which will be the first step towards the launch of a full monthly Index of Services.

2 Coverage of the IoS

2.1 Apart from Section Q of the SIC, which covers bodies such as embassies and diplomatic missions and is not considered a significant element in GDP, it is intended that the IoS should cover the whole service sector, including both government services and those provided by the private sector. Together, these account for around 70% of gross domestic product (GDP), with private sector services alone making up over 50% of GDP.

The sections of the SIC 92 (Standard Industrial Classification) that the IoS will, therefore, cover are:

SIC section	1995 value-added weights (GDP= 1,000)	Description
G	116.9	Wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods. (To be covered by the Index of Distribution).
H	29.0	Hotels and restaurants
I	82.5	Transport, storage and communication
J	67.4	Financial intermediation
K	183.5	Real estate, renting and business activities
L	61.2	Public administration and defence; compulsory social security
M	56.0	Education
N	64.6	Health and social work
O	38.3	Other community, social and personal service activities
P	4.6	Private households with employed persons

3 Proposed methodology for the IoS: comparison with the IoP

The table below compares the main aspects of the proposed methodology with that of the IoP (which covers the manufacturing and production industries and is well established).

IoP	IoS
Short-term indicator of changes in gross value added (as opposed to turnover). Consistent with the methodology used in the quarterly estimation of gross domestic product by the output approach (GDP(O)). ² (Under the latest European System of Accounts, GDP(O) is renamed Gross Value Added (GVA)).	Same.
Monthly.	Same.
Constant basic prices.	Same, although current price equivalents will be produced where possible.
Based on monthly survey data covering the entire sector.	The longer-term aim but some interpolation/ forecasting will be necessary in the short to medium term, particularly for government services.
Based on deflated turnover and some volume indicators.	Deflated turnover indicators preferred but some use of volume and other proxy indicators (such as employment) especially in the short/medium term.
Component industries weighted on value added, rather than turnover. Currently rebased every 5 years.	Same.
Used as a component in the quarterly estimation GDP(O) and published in the same form.	In the longer term, the IoS and the values for quarterly GDP(O) in the service sector will probably be based on the same source data.
Not subject to national accounts balancing/ quality adjustments.	Will take national accounts adjustments but the exact mechanism is still to be decided.
Component indices published at 4-digit level of SIC.	Quality considerations mean that current plans are for publication of 2-digit level component indices only.
Generally published in seasonally adjusted form.	Same, although, in the first few years, a lack of back data will make the estimates of seasonality less reliable.
Adjusted for changes in inventories of finished goods and work- in- progress.	Practicality of work- in- progress adjustment to be evaluated. Adjustment for inventories of finished goods of companies' own production assumed not to be relevant in services. Inventories of goods bought for resale (e.g. retail stocks) not relevant unless data on purchases also collected.
Not currently benchmarked onto annual values.	Same, although individual monthly series may be revised in the light of annual survey results in some cases.

4 **IoS methodology: some of the main issues**

IoS to be a measure of the value added by the UK service sector

4.1 Users would ideally like a constant price index of gross value added, to provide a more timely indication of movements in the services component of GDP.

4.2 Conceptually: -

gross value added = (total) output **minus** inputs
= turnover **minus** purchases for
intermediate consumption* **plus** changes
in inventories (which include work-in-
progress) **plus** own account capital
formation³

* intermediate consumption consists of the value of the goods and services consumed as inputs by a process of production, excluding fixed assets.

4.3 However, in practice, it is difficult, and costly, to measure all of these components on a monthly (or quarterly) basis. Instead, in the IoS, as in the IoP and the quarterly GDP(O) series for the service sector, movements in value added will be proxied using indicators of total output. Provided it can be assumed that the ratio of outputs to inputs remains stable (at constant prices), movements in output will give a good approximation of movements in value added. In most cases, at least over the short term, that assumption is reasonable.

Deflated turnover indicators generally preferred wherever possible

4.4 In general, and in line with Eurostat recommendations, the preference will be to use turnover, deflated by an appropriate price index, as the output proxy indicator.

4.5 Particularly in the early stages, there will also be some use of volume measures (such as the number of railway passenger miles) and other output proxies (such as the deflated value of bank deposits). These are usually less satisfactory, however. They are likely to ignore any changes in the quality of the service and it is not normally possible to define the entire output of service industries in terms of such quantity measures.

4.6 In the case of government services and a few other areas, including parts of financial intermediation, it will also be necessary to use measures of inputs, such as employment or salaries, as indicators of output. Like volume output indicators, they may ignore changes in the quality of the service. In addition, even though

compensating adjustments are made where possible, it is difficult to take account of productivity gains reliably where input indicators are used.

Indicators weighted on value added: movements shown as index numbers

4.7 The indicators used in the IoS will be weighted together according to individual industries' contributions to gross value added in the base year (which will, initially, be 1995). Values for the IoS and its component series will be presented as constant price index numbers. In both these respects, therefore, the monthly IoS will be consistent with the methodology used for the IoP and quarterly GDP(O).

Coherence with quarterly GDP estimates

4.8 Potential users have made it clear that it is very important that the IoS should be coherent with other economic indicators. In particular, it is recognised that the IoS needs to be consistent with the values for the service sector in the quarterly estimates of GDP(O), as both will be measuring the same variable. The precise mechanism for achieving coherence has yet to be decided but the monthly IoS will, therefore, be constrained to the path of the quarterly GDP(O) series for the service sector. The IoS will also need to follow the same revisions policy and take on any adjustments that are applied to the service sector components of GDP(O) as part of the process of balancing the three measures of GDP.

4.9 In the longer term, the aim is that the IoS and GDP(O) should use the same methodology and source data across the whole service sector. It is intended that the development of new sources of proxy data should be a joint process between the IoS and GDP(O) teams, undertaken to meet both national accounts requirements and those of the new IoS. The improved survey data that will result from the IoS development programme will therefore be of direct benefit to the accuracy of the GDP estimates.

Coherence with annual surveys

4.10 As far as possible, users would also like the IoS to be coherent with the ONS's annual surveys into the service sector, in particular the Annual Business Inquiry (ABI). The ABI covers a large proportion of both production and service industries. The implications of this for the development of the IoS have yet to be considered, however.

Treatment of work-in-progress and other inventories

4.11 Inventories of finished goods of companies' own production (as opposed to inventories of goods purchased for resale) are assumed not to be significant in service industries. However, in theory, the proxy indicators used in the IoS should be adjusted for the value of changes in work-in-progress, as such changes correspond to changes in output. In practice, though, work-in-progress will only be significant in some industries (such as law and design consultancy) and measuring it on a monthly basis would require additional survey data. For these reasons, there will be a feasibility study before any decision is made to attempt to adjust for work-in-progress in the IoS.

4.12 If gross value added were measured directly, as shown in 4.2 above, then purchases of goods and services for intermediate consumption would be deducted. In that case, an adjustment for changes in inventories of goods purchased for resale, such as wholesale or retail stocks, would be needed.

4.13 In the IoS and Index of Distribution, gross value added will be proxied, generally using turnover where possible. That means that adjustment for changes in inventories of goods purchased for resale is not appropriate. Unlike work-in-progress, and inventories of finished goods of companies' own production, inventories of goods purchased for resale do not, in themselves, amount to output.

5 Practical issues in producing a monthly IOS

5.1 As already stated, the development of a monthly IoS is an ambitious project and, especially in the first few years after its release, it will be important that users be aware of the limitations that the practical difficulties impose. The next section gives a brief explanation of the main causes of difficulty and their impact on the IoS.

Monthly turnover data

5.2 Currently, only around 35% of the service sector as a whole and around 45% of private sector services are covered by established monthly output indicators or proxies. In addition, in areas such as financial intermediation, although monthly data are available, it is recognised that further work to improve the quality will be needed (see 5.9 below). This is in contrast with manufacturing, in which there are reasonably robust monthly data covering the entire sector. To remedy this, the ONS is committed to improving both the coverage and the quality of its monthly statistics on the service sector as part of the IoS development programme. Nevertheless, it needs to be recognised that, at least for the next 2-3 years, the scarcity of suitable monthly source data is still likely to be a constraint on the accuracy/

quality of the IoS. In order to achieve complete coverage, especially in the early stages, it will be necessary to interpolate a monthly path for those areas not covered by monthly data collection.

Price data for deflation

5.3 Given the general preference for the use of deflated turnover indicators, the availability of suitable price indices for use in deflation is a key factor in ensuring the reliability of the IoS. Monthly retail price indices are produced for the most important services sold directly to consumers, such as house insurance and motor vehicle repairs. However, just under half of the gross value added in private sector services comes from business-to-business or 'corporate' services such as industrial cleaning and corporate legal services.

Corporate Service Price Indices

5.4 For a number of years, the ONS has been developing Corporate Services Price Indices (CSPIs) to cover business-to-business services and already publishes 12 series for individual industries. In addition, a further 12 are produced in preliminary form and will soon be ready for publication. Together these account for around half of the value added by the corporate services sector. The aim is to cover the entire corporate services sector by the end of 2001 but this depends on some difficult development work. The industries in which development is less advanced include many of those for which production of robust price indices is most problematic, such as law, accountancy and most of the consulting-type industries.

5.5 In addition, CSPIs are currently produced on a quarterly basis only and monthly data collection is unlikely in the foreseeable future. The ONS will, therefore, need to devise methods to produce monthly paths between quarterly CSPI values. Options include interpolation and the use of alternative, though less appropriate, indicators such as retail price indices (RPIs) or wages and salaries. This will be a key area for methodological development in the run up to the release of the initial prototype IoS. It is also expected that this will be an area in which there will be a continuing need for development.

Sales information for the services industries

5.6 To produce indices suitable for use as deflators in the IoS, detailed CSPIs and/or RPIs need to be weighted together. However, reliable detailed data on the sales of individual services are lacking. It is, therefore, difficult to construct deflators that are truly representative of the pattern of each industry's sales. Manufacturing is covered by the PRODCOM survey, which collects quarterly or annual data on producers' sales at product (i.e. 8-digit SIC) level, but an equivalent survey in the service industries would be very costly and is not planned as yet.

Development of monthly output measures not always straightforward

5.7 Although there will be a general preference for measures of output (and, in particular, deflated turnover) as the proxies for gross value added, selecting or devising the most suitable methodology will not always be straightforward. To illustrate some of the difficulties that will need to be addressed, the examples of non-life insurance and financial intermediation are briefly discussed below.

SIC 66.03, Non-life insurance (weight in total GDP 0.55%)

5.8 Under the new European System of Accounts (ESA), gross output in non-life insurance = actual premiums earned **plus** investment income from technical reserves **minus** total claims due **minus** changes in technical provisions against outstanding risks. Values in quarterly GDP(O) are currently interpolated from annual data and the best way to produce a monthly series will require careful evaluation. There are quarterly data on premium income and collecting monthly information could certainly be considered. However, using premium income alone as an indicator of output could lead to significant inaccuracies if there were a spate of very large claims (e.g. in shipping) or a natural disaster such as a hurricane. Although monthly data collection on claims and investment income may also be an option in the longer term, it appears that many companies are likely to find this information difficult to provide on a monthly basis.

SIC 6511, 6512/1, central banking, banks (weight in total GDP 6.74%)

5.9 Turnover is not a meaningful measure of value added in the banking industry (or other financial services) and the relevant values in quarterly GDP are based on a combination of employment indicators, volumes of transactions and constant price measures of the value of loans and deposits. Most of these are available monthly and can, therefore, be used in the IoS for the short term. Under the present definition of banking output, they are rather crude proxies, however. Under the new ESA, the output of banks, and other financial intermediaries such as building societies, is given by FISIM (Financial Intermediation Services Independently Measured). In broad terms, FISIM is the difference between the interest rates charged to lenders and the rates paid to depositors and, within the next year or so, Eurostat will be producing some guidelines about the way this should be measured in practice. The ONS will then be in a position to start to develop its own measures of FISIM and the IoS will be an important part of that process. The practicalities of collecting value data and the construction of deflators are likely to take years to resolve, however.

Seasonal adjustment difficult: lack of monthly back histories

5.10 The intention is that the IoS will be produced on a seasonally adjusted basis and, to ensure consistency between the two indicators, the methodology will need to be consistent with that used in quarterly GDP(O). It will be difficult to carry out reliable monthly adjustments where new monthly series are introduced, however. At least 2 years' historical data are needed to estimate the seasonal pattern with reasonable accuracy but, as users would like a prototype monthly IoS to be produced on a shorter timescale, an element of compromise is inevitable.

6 Plans for the development of the IOS: an outline

6.1 To develop a comprehensive IoS as rapidly as possible, whilst, at the same time, introducing quality improvements, a multi-track approach is envisaged:

- the first track is to set up a monthly Index of Distribution (IoD), based on the current GDP(O) methods, data sources, and computer system. The aim is to produce this by December 1999.
- the second track is to produce, by December 2000, a monthly constant price index of services covering the entire service sector. To enable this, there will be an expansion of the ONS's Monthly Turnover Inquiries, together with improvements to the results processing methodology. Where the data used in quarterly GDP(O) are available monthly, they will be used in the IoS. Where GDP(O) turnover, price or proxy data are only available quarterly, a monthly path will be interpolated.
- the third track is to continue the expansion of the coverage of the Monthly Turnover Inquiries and the enhancements to the results processing methodology.
- the fourth track is to undertake, in parallel, reviews of the data sources and methods used in constructing the existing indicators for individual service industries in GDP(O) and the IoS. This will include the development of new methods and/or new types of data collection for 'difficult' industries.

Setting up an initial IoD/IoS

6.2 Users have identified coherence between the monthly IoS and the present GDP(O) quarterly total services index as a key requirement. The initial plan is therefore to create a monthly version of the existing (quarterly) GDP(O) computer system (the ONS' Central Shared Database - CSDB) and to populate it with the data series

used in GDP(O) which are already available monthly. This process is now well under way for the distribution sector (which is almost completely covered by existing monthly source data). The development of the CSDB system for the monthly IoS will follow and should be completed around autumn 2000.

6.3 Basing the IoS system on the existing GDP(O) system is efficient and also forces early consideration of coherence issues (e.g. how to deal with national accounts balancing adjustments to component series). In the IoD, coherence with GDP(O) will be achieved by constraining the monthly movements to the quarterly totals for the equivalent series in GDP(O).

Improvements to turnover estimates: coverage and data quality

6.4 The ONS currently runs a mixture of monthly and quarterly surveys (Monthly Turnover Inquiries and Quarterly Turnover Inquiries) which measure turnover in the services sector. The monthly surveys currently cover around 20% of the gross value added of non-government services, whilst the quarterly surveys cover a further 32%. Converting the Quarterly Turnover Inquiries to monthly would mean there were monthly source data covering just under 75% of gross value added in the non-government services sector (this figure includes other existing monthly sources such as volume indicators and Retail Sales Indices). Due to budgetary constraints, it is likely that the expansion of the Monthly Turnover Inquiries will be phased:

- starting with the conversion of those Quarterly Turnover Inquiries that are currently used within GDP(O)
- rolling out to the remaining service industries that are already covered by Quarterly Turnover Inquiries
- rolling out monthly turnover collection to those industries in which the ONS collects (quarterly) data on employment, but not turnover
- starting turnover collection in industries where there is, currently, no collection of either turnover or employment information

6.5 In addition to expanding the coverage of Monthly Turnover Inquiries, a number of measures to improve data quality are also planned:

- improvements to the results processing methodology
- introduction of an improved sample allocation
- industry consultation and reviews of procedures in industries

where monthly turnover collection has been attempted before but response rates were poor, e.g. SIC 55, 'Hotels, and restaurants'.

Results methodology

6.6 Preliminary work to review and improve the results processing methodology in the monthly and quarterly turnover inquiries has already begun and should be implemented during the second half of 2000. In particular, the introduction of a 'matched pairs' estimation methodology is to be evaluated. Currently, not all of the quarterly and monthly turnover inquiries are used in the calculation of GDP(O); in addition to the benefits for the IoS it is, therefore, hoped that the improved methodology will enable greater use of quarterly and monthly turnover inquiries in GDP(O).

Sample allocation

6.7 The introduction of a new optimal sample allocation for the monthly and quarterly turnover inquiries is also planned and should take place in the first half of 2000. This new allocation will redistribute the existing sample size to produce more robust results.

Review of data/methodology for the whole service sector

6.8 To ensure that the IoS is soundly based, a rolling programme to review and develop the monthly measurement of gross value added across the whole service sector is planned. This is seen as one of the main elements of the IoS development project and the process is expected to start in early 2000 and continue into 2001 (and possibly beyond). It will include:

- reviewing the quality of monthly turnover and price indicators where these already exist
- developing and implementing turnover/price indicators in the more difficult industries in which none currently exist
- recommending and developing new methods and/or new types of data collection. This will be aimed both at expanding the coverage of monthly data into industries for which deflated turnover indicators would be inappropriate and at improving the existing methodology where this is considered necessary

6.9 The reviews of more 'difficult' industries (such as banking and insurance), in particular, are likely to entail a 'task force' approach and draw on expertise and advice from outside the ONS. Methodological improvements that are recommended as a result of the review process will be taken forward as joint developments for both GDP(O) and the IoS. It needs to be recognised that reviews of

existing data sources and methods could mean that there are more revisions to back data than would normally be expected.

Administrative data: use of VAT

6.10 In addition to the expansion of monthly collection of turnover data, the feasibility of using administrative data will be explored. It is possible that turnover information collected along with Value Added Tax might yield monthly turnover estimates by industry. If this were achievable, there could be significant savings both for the ONS and for respondents to ONS surveys. However, there are difficult methodological and operational problems to overcome before any results can be produced. In addition, a new computer system would need to be developed. Even if the feasibility study proved successful, it is unlikely that any results could be produced until 2002 at the earliest.

7. Planned outputs: summary

The plan is to produce :

a **prototype** monthly Index of Distribution (covering section G of the SIC - the sale and repair of motor vehicles, wholesale and retail distribution) in December 1999.

a **prototype** monthly Index of Services (covering SIC sections G-P) in December 2000, followed by at least a year's further development work aimed at producing a developed Index of Services of sufficient quality to be published via an ONS First Release.

The IoD and IoS will not be released through a normal ONS First Release while still in a prototype stage.

8. Conclusion

This article has given a broad outline of the ONS's plans for developing a monthly Index of Services. These are still at a relatively early stage; comments or suggestions about the proposals would, therefore, be especially welcome. Such comments should be sent to the authors at the contact points given at the beginning of this article.

Footnotes

- ¹ See, for example, *ONS plans to extend publication of service sector statistics* by Derek Baskerville, Economic Trends No. 519, January 1997
- ² Details of the concepts and methods used in the calculation of output GDP and its relationship to the other GDP measures can be found in *Gross Domestic Product: Output methodological guide* (GSS Methodological Series no. 5) and *United Kingdom National Accounts Concepts, Sources and Methods 1998 Edition*.
- ³ This is a slight simplification and relates to marketed products and services. A full explanation of these terms and principles is given in the Eurostat publication *European System of accounts ESA 1995*

Regional Accounts 1997: Part 2



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Introduction

This article presents provisional estimates of total and disposable household income and individual consumption expenditure by region for 1997. This follows Regional Accounts 1997: Part 1 published in Economic Trends, March 1999 which contained first estimates of regional gross domestic product (GDP) for 1997. These are the first regional figures for the household sector to be produced under the European System of Accounts 1995 (ESA95) – the new national and regional accounts system now being used in the UK.

The latest figures published in this article show that, in 1997:

- Household income per head in London was 21 per cent higher than the UK average. In Wales, the North East and Northern Ireland it was 15 per cent lower (Table A)
- Social Security benefits (excluding pensions) accounted for about 16 per cent of household income in Northern Ireland, compared with about nine per cent for the UK as a whole, and six per cent for the East of England and South East regions (Table B).
- Compensation of Employees was the source of 58 per cent of household income in London, compared with about 50 per cent in Northern Ireland (Table B).
- Individual consumption expenditure per head is higher than the UK average only in London, the South East and East of England (Table C)

Household income

Table A shows, for 1997, the regional distribution of household income within the UK, with London and the South East each accounting for about 15 per cent of the UK total.

The year to year changes in the regions' shares of total household income per head are relatively small compared to the long-standing differences in levels. Thus household income per head in Wales, North East and Northern Ireland remains substantially below the UK average whilst that in London and the South East remains substantially above it. The figures for 1995 and 1997 suggest that the South East and East of England have grown most strongly. Growth in Scotland, on the other hand, was well below average between 1995 and 1997. It should be stressed however that undue reliance should not be placed on year on year comparisons as the estimates, particularly the provisional figures for 1997, may be revised substantially, as more accurate information becomes available.

Over a longer period, trends in regions' incomes can vary but some patterns do emerge. Appendix Table 1 shows total household income from 1989 to 1997. Over this period, total household incomes per head in Scotland increased steadily from 1989 to 1993 (relative to the UK average) but have declined since then.

The North East showed a similar trend to Scotland, peaking in 1993 and declining since then, but the trend is not as marked. Northern

Ireland showed a steady increase between 1990 and 1995, with relatively little change in subsequent years.

The gap in terms of total household incomes per head, relative to the UK average, between London and the South East has generally narrowed during the 1990's.

Table A
Household¹ Income (total and per head) **UK=100**

Region	% share of UK total		Household income per head indices	
	1995	1997 ²	1995	1997 ²
United Kingdom	100.0	100.0	100.0	100.0
North East	3.8	3.8	84.5	85.3
North West	10.8	10.7	91.3	91.7
Yorkshire & the Humber	7.9	7.8	91.5	91.3
East Midlands	6.6	6.6	94.3	94.5
West Midlands	8.4	8.3	93.0	92.2
East of England	9.6	9.8	107.8	108.7
London	14.5	14.6	121.9	121.3
South East	15.1	15.4	113.3	114.2
South West	8.0	8.1	97.9	98.6
England	84.8	85.1	101.7	102.0
Wales	4.3	4.2	85.8	85.1
Scotland	8.5	8.2	96.3	93.8
Northern Ireland	2.4	2.4	85.8	85.5

¹ Includes the income received by households and non-profit institutions serving households

² Provisional

European System of Accounts 1995 (ESA95)

This article contains regional household income and consumption expenditure figures on the ESA95 basis for the first time. ESA95 is based on the *System of National Accounts 1993 (SNA93)* which was sponsored by all major international organisations and is being adopted world-wide. The European system, which is being adopted by EU Member States, is consistent with SNA93 but is more specific and prescriptive in certain parts. It is now a legal requirement for EU Member States to compile national and regional accounts on the new basis.

The impact of ESA95 at the regional level is two-fold: (i) the incorporation of the conceptual changes at the national level and (ii) the implementation of changes specific to regional accounts. Further information on the changes is given in the background notes. Generally, at the national level, ESA95 has extended the scope of what constitute income and deduction items in the new household accounts. For consumption expenditure the main change has been to adopt a new classification system. At the regional level, conceptual and methodological changes have been agreed as part of the implementation of ESA95 across EU Member States.

The regional figures published in this article are consistent with the recently published *United Kingdom National Accounts – The Blue Book 1999*. The total and disposable household income and individual consumption figures published in this article are not comparable with similar totals published before the introduction of ESA95. There are differences in both sector coverage for the household sector and in methodology used to regionalise income, deduction and expenditure series (see background notes).

The next section describes some of the changes to household sector incomes and individual consumption expenditure as a result of the introduction of ESA95.

Household Accounts under ESA95

The new household sector includes persons living in households and institutions and certain unincorporated private businesses called sole traders. Also included are non-profit institutions serving households (NPISHs). Unincorporated household enterprises are those where the household enterprise cannot be separated from the household itself. The household enterprise is not incorporated as a separate legal entity from the household itself.

Gross operating surplus of the household sector includes imputed rent for owner occupied dwellings, as well as the sector's private rental income from buildings. The imputed element captures the

income the household receives in selling to itself housing services from the house it owns and occupies. Before ESA95, household sector income did not include owner occupied imputed rent. However, owner occupied imputed rent was included in the previous personal sector income.

The regional breakdown of the national totals is calculated using numbers of owner occupied dwellings, and private rent information from the Family Expenditure Survey (FES).

Gross mixed income is generally income that was previously known as self-employment income. However, under ESA95, mixed income only includes sole-traders' self-employment income - it does not include self-employment income from partnerships. The partnership element has been reclassified to the corporation sector. Households may also withdraw income from partnerships that they participate in, and this is treated in the same way as income from companies in which they may own shares. This is deemed to be income withdrawn on their investment, and is therefore regarded as property income.

Regional estimates are mainly based on information from Inland Revenue's self assessment system for the most recent years, from their Survey of Personal Incomes (SPI) for earlier years, and data on agricultural incomes from the Ministry of Agriculture, Fisheries and Food (MAFF).

Compensation of employees in cash or in kind is the remuneration received by employees in the household sector from employers, as payment for their labour services. This includes wages and salaries and employers' social contributions. Before ESA95, employers' social contributions did not form part of household income but were included in personal sector income.

Regional breakdowns are primarily based on the one per cent sample of tax and national insurance records held by Inland Revenue, supplemented by information from other sources.

Net property income is defined as the difference between the property income that is received by the household sector (a resource to the sector), and property income paid by households to other sectors (known as a use by the sector). Property income as an addition to household income is substantially larger than the similar items in the previous accounts. This total is made up of the following elements: interest received, dividends, withdrawals from quasi-corporations (mainly self-employment income withdrawn for own use by household members in partnerships), property income attributed to insurance policy holders, and rent received by households on agricultural land and sub-soil assets. Property income payments by households to other sectors have two main components: interest

and rent. Interest payments to other sectors mainly relate to interest paid on house and other loans. Rent payments by households relate to payment of rent for the use of agricultural land and sub-soil assets. Payments by households for rent on buildings are part of household consumption expenditure.

Various regional indicators are used to estimate the regional breakdown of the national totals, including Inland Revenue data based on the self assessment tax system and the SPI, numbers of households, wages and salaries estimates and population estimates.

State and private funded and unfunded pensions and other social benefits, under ESA95, are part of a wider concept of social benefits called 'Social benefits other than social transfers in kind'. This includes pensions paid by pension funds and pensions paid by insurance companies i.e. from personal pensions or company schemes.

Regional breakdowns of state pensions are based on data from Department of Social Security (DSS), whilst private pensions are based on information from Inland Revenue. Unfunded pensions are regionalised in line with the wages and salaries of public sector workers, and regional estimates of Social Benefits are based on data from DSS.

Net other income includes three transaction items: imputed social contributions, non-life insurance claims and miscellaneous current transfers. Imputed social contributions as a resource item refer to payments by employers to their employees during periods of sickness, maternity and redundancy. Under ESA95, at the national level, claims are offset by non-life premiums (premium payments are a deduction from income). Regional figures will be affected as regional indicators for non-life insurance claims and premiums differ, reflecting the fact that claims may not necessarily arise in the same region as payment of premiums. Miscellaneous current transfers cover income received by households in the form of gifts from the rest of the world sector and grants from central and local government.

Various regional indicators are used for regionalising the components of net income, including, for instance, road accidents for motor insurance claims and numbers of burglaries for property claims.

Disposable household income is derived as total household income less various deductions. Deduction items include:

- taxes on income and other current taxes such as council tax and motor vehicle duty
- employees' social contributions – both national insurance contributions and pension contributions

- social contributions by self-employed and non-employed
- employers' social contributions – payment of both national insurance contributions and pension contributions, paid by employers on behalf of their employees
- imputed social contributions – pensions paid out from unfunded schemes are assumed to be covered by contributions, which are imputed
- social benefits paid out by NPISHs
- miscellaneous transfers e.g. subscription payments to charities and trade unions.

A new concept to regional household and disposable income resulting from the implementation of ESA95 is the creation of an 'Extra-Regio' territory. This is made up of parts of the UK economic territory that cannot be attached directly to a single region. For the purposes of the household accounts the Extra-Regio territory is allocated two specific transactions: wages and salaries of UK workers working in UK embassies abroad, and wages and salaries of UK armed forces stationed in UK bases abroad. UK embassies and armed bases abroad are territorial enclaves, which are part of the UK under international treaties and agreements.

Individual Consumption Expenditure under ESA95

Individual consumption expenditure measures expenditure by households and non-profit institutions serving households resident in a region. In accordance with national accounts definitions it includes imputed rent for owner-occupied dwellings rather than mortgage payments and the administrative costs of life assurance and superannuation schemes. There are no estimates of individual consumption expenditure below the regional level (Government Office Regions – NUTS level 1).

Individual consumption expenditure, in line with the UK estimates in Blue Book 1999, is compiled for the first time under the Classification of Individual Consumption by Purpose (COICOP). There are several differences between this classification and that used in the regional accounts article published in June 1998. For this reason, categories are not directly comparable between the two classifications, even where the title has remained the same.

Central government current payments (other than scholarships or maintenance grants) to non-profit institutions serving households are regarded as central government final consumption.

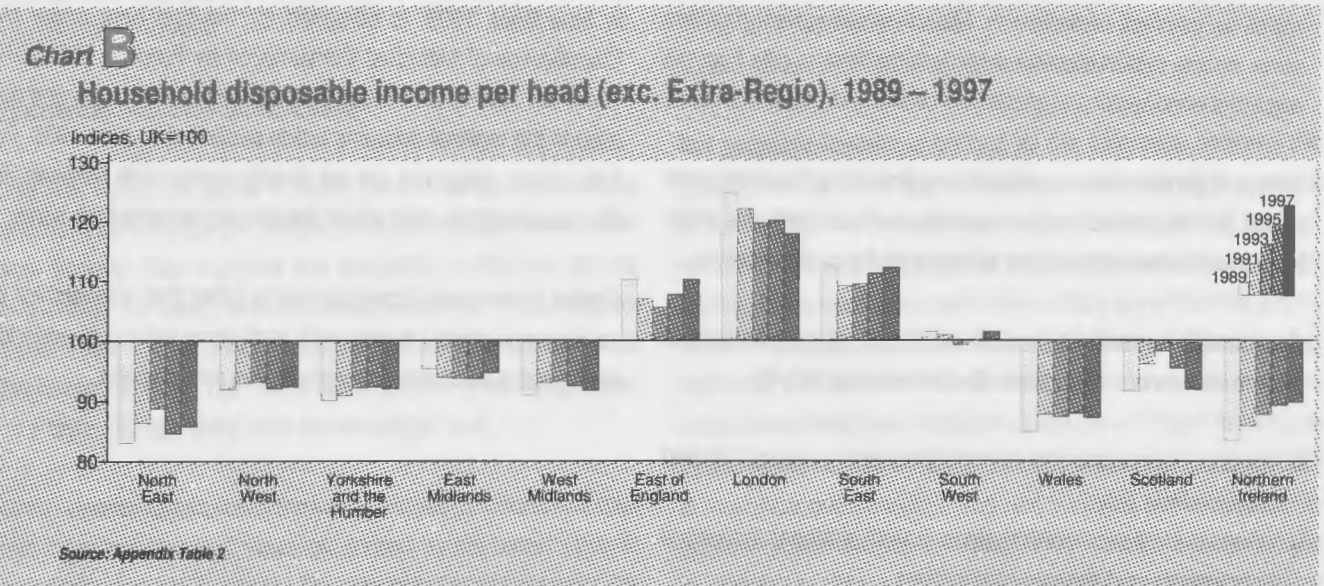
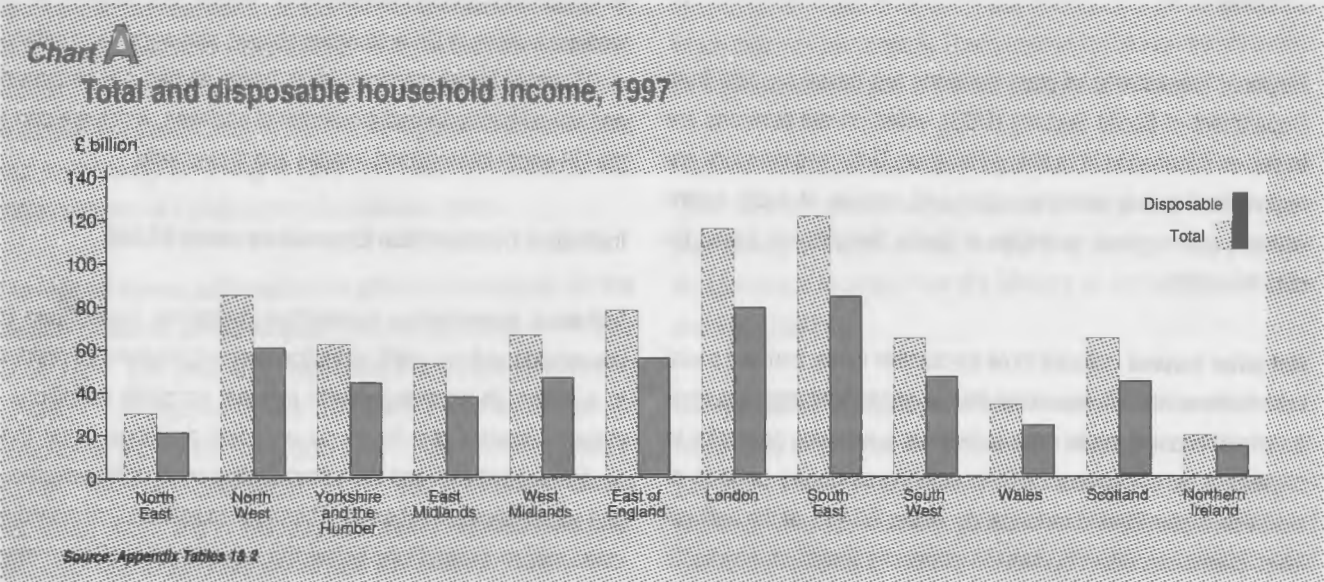
Total and disposable household income

Appendix Tables 1 and 2 show total household and disposable income by Government Office Region from 1989 to 1997 in total (£ millions), as percentages of the UK and on a per head basis (£ and per head index, UK = 100). Sub-regional figures are not yet available on the basis of ESA95, but are likely to be published in the first half of 2000. It should be noted that, due to the sources of data and methods of calculating regional household incomes, the estimates may tend to underestimate income in fast-growing areas and vice-versa.

Chart A shows the regional distribution of total and disposable

household income in £ billions for 1997. Chart B shows regional disposable household income on a per head basis from 1989 - 1997 compared to the UK average. Chart A and Appendix Tables 1 and 2 illustrate the levelling-out effect of taxes and benefits, which results in a narrower range in the distribution of disposable income compared with total income.

These also show that total and disposable household income per head in London, the South East and East of England have consistently remained above the UK average, whilst those in Northern Ireland, Wales and the North East have remained the lowest. However, Northern Ireland has shown an underlying upward trend in household disposable income during the 1990's, as has East of England since 1993. Generally speaking, there has been some narrowing of regional differences in total household and disposable income between 1989 and 1997.



Sources of household income

The sources of total household income by region for 1997 are shown in Table B and Appendix Table 3. For all regions, compensation of employees is by far the most important source of income, accounting for 55 per cent of the UK total in 1997. However, there is some variation between regions in the relative importance of the sources.

During 1997, in London, 58 per cent of income was from employment while in Northern Ireland it was 50 per cent, and in South West 51 per cent. Compensation of employees grew most strongly in the South West and East Midlands in 1997, whilst Scotland had the lowest growth.

The variations are even more marked for other components of household income due to demographic and economic reasons. For

example, due to the relatively large numbers of retired people in the South West and Wales, the proportion of household income derived from pensions in those regions in 1997 was 15 per cent, whereas in London pensions accounted for just nine per cent of the total. In 1997 pensions grew most strongly in the South West and the South East, whilst the North West had the least growth.

Social benefits other than pensions, as a proportion of total household income, were lowest in the South East and East of England, at six per cent, and highest in Northern Ireland, at 16 per cent.

Net property income resulting from ownership of assets also varies considerably across regions. In 1997, it accounted for 12 per cent of total household income in the South East but only six per cent in the North East. In 1997 the South West, and East Midlands had the strongest growth in net property income, while Scotland had the least growth.

Table B
Sources of household income ¹ by region, 1997 ²

Region	Percentage of total income:						£ million	percentage
	Gross Operating Surplus	Gross Mixed Income	Compensation of Employees	Net Property Income ³	All Pensions ⁴	Other Social Benefits ⁵	Net Other Income ⁶	Disposable Income as % of Total Income
United Kingdom	6	5	55	9	12	9	4	788,914 70
North East	5	3	55	6	14	11	5	29,649 71
North West	6	5	54	8	13	10	5	84,533 71
Yorkshire and the Humber	6	5	54	9	13	9	5	61,508 71
East Midlands	6	6	54	10	13	8	4	52,444 71
West Midlands	5	5	56	9	13	9	4	65,639 70
East of England	7	6	56	11	12	6	3	77,276 71
London	5	6	58	11	9	8	4	115,210 68
South East	7	6	54	12	13	6	3	121,148 69
South West	7	6	51	10	15	8	4	64,134 72
England	6	5	55	10	12	8	4	671,540 70
Wales	5	5	52	7	15	11	4	33,317 72
Scotland	4	5	56	7	13	11	4	64,299 69
Northern Ireland	5	6	50	8	11	16	4	19,152 74

1 Household income covers the income received by households and non-profit institutions serving households
2 Provisional
3 Net Property Income is the difference between Property Income (Uses) & Property Income (Resources)
4 All Pensions is composed of Retirement & Widows Pensions, Unfunded Social Benefits and Privately Funded Social Benefits
5 Social Benefits excluding pensions
6 Net Other Income is composed of Imputed Social Contributions, Non Life Insurance Claims and Miscellaneous Current Transfers (Resources)

Individual Consumption Expenditure

Appendix Table 4 shows regional individual consumption expenditure from 1994 to 1997, both in total and per head; Appendix Table 5 gives a breakdown by broad category of expenditure for the same years. The estimates for 1997 are provisional.

Individual consumption expenditure figures on the basis of Government Office Regions (GORs) are currently only available for the years 1994 to 1997, and longer GOR-based time series are expected to become available next year. In the meantime, Appendix Table 9 shows Standard Statistical Region (SSR) based estimates for 1990 to 1997.

Individual consumption expenditure measures the spending of UK residents, whether in the UK or abroad. These figures include the expenditure of non-profit institutions serving households and are therefore comparable in coverage with the estimates of total household income. However, the margins of error on both sets of figures make it unwise to compare the two in practice.

The estimates are largely based on the results of the Family Expenditure Survey (FES) and the accuracy of the estimates cannot be greater than that of the survey. The FES results are subject both to sampling error and non-response bias (see background notes).

Differences between regions in the level of individual consumption

expenditure per head are influenced by a number of factors, such as relative prices and spending patterns, but necessarily there is a strong correlation with levels of total household and disposable income.

The highest individual consumption expenditures per head in 1997 were in London and the South East, the lowest in Northern Ireland and the North East (see Chart C). The population structure influences levels of income and expenditure and thus the low average expenditure in Northern Ireland is partly explained by the high proportion of children in its population (see background note).

In Scotland, Northern Ireland and the North East, over 21 per cent of individual consumption expenditure in 1997 was on food, drink and tobacco, whereas in London and the South East, this accounted for only 17 per cent (Table C).

It is not yet possible to comment on long term trends in regions' shares of individual consumption expenditure on a GOR basis. London has been on a consistently downward trend since 1990 in terms of individual consumption expenditure per head, relative to the UK average (see Appendix Table 9). For the latest years see Chart C. The downward trend in household disposable income for a large part of this period may be part of the explanation for this decline. From 1990 to 1995 there was an increase in Northern Ireland's individual consumption expenditure per head compared to the UK average, but there has been a small decline in 1996 and 1997.

Table C
Individual consumption expenditure in 1997 ¹

Region	percentage of total ² on:							£ million	£
	Food, drink and tobacco	Clothing and footwear	Housing and fuel	Household goods and services	Vehicles, transport and communications	Recreation	Other goods and services	Consumption expenditure in the UK	Total Consumption expenditure
United Kingdom	19	6	18	6	17	11	22	497,362	8,777
North East	21	6	19	6	16	11	19	19,022	7,796
North West	20	7	18	6	16	11	21	55,771	8,457
Yorkshire and the Humber	20	6	18	7	16	11	22	38,935	8,186
East Midlands	19	6	19	7	16	11	22	33,655	8,532
West Midlands	19	6	18	7	18	11	21	40,878	8,117
East of England	18	6	20	6	17	11	22	45,376	8,921
London	17	7	18	6	18	9	25	71,337	9,955
South East	17	6	19	6	17	11	24	75,261	9,916
South West	18	6	21	6	15	11	23	40,709	8,679
England	18	6	19	6	17	11	23	420,944	8,887
Wales	20	6	19	7	16	10	22	22,818	8,186
Scotland	22	6	17	6	17	11	21	41,592	8,431
Northern Ireland	22	8	17	6	17	10	20	12,007	7,625

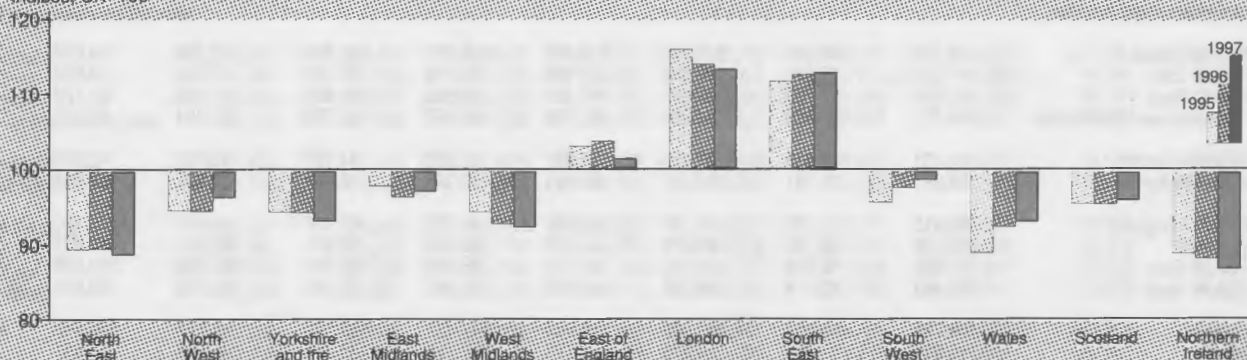
1. Provisional

2. Expenditure by UK households and foreign residents in the UK

Chart C

Individual consumption expenditure per head, 1995 – 1997

Indices, UK=100



Source: Appendix Table 4

Diversity of the Regions

There is much diversity between the regions of the UK. Scotland, Wales, Northern Ireland and the regions of England are all different in character, industrial structure and economic performance. The table below shows some of the differences in size of the regions. Scotland has the largest area, but has a small population relative to its size, London has by far the smallest area, but the second largest population - over 7 million. At the other extreme, Northern Ireland has only a population of 1.7 million. These large variations in the regions' populations are reflected in the size of regional GDP and incomes.

The wide variation in the size of the regions makes it difficult to compare the regions' economic performance using cash totals; comparisons are therefore usually expressed in terms of amounts per head of the population. However, it is important to note that the growth in totals may be quite different to the growth per head in regions where the population has increased or decreased. Furthermore, the level per head is determined both by the average amount of cash of the working population and by the proportion of dependants. In Northern Ireland, for example, households have a high proportion of children (25 per cent of the population was aged under 16 in 1997 compared with 19 to 21 per cent in other regions). This will tend to depress amounts per head. Ideally the age structure of the population should therefore be taken into account when comparing figures on a per head basis.

Key Regional Statistics - Percentages of the UK

Region	Area 1997	Population 1997	Total economically active March 97	GDP ¹ 1997	Individual Consumption Expenditure 1997	Household Income 1997
United Kingdom (=100%)	242,910 sq km	59.0m	28.7m	£677.9bn	£517.0bn	£788.3bn
North East	3.5	4.4	4.1	3.6	3.8	3.8
North West	5.8	11.7	11.2	10.6	11.3	10.7
Yorkshire & the Humber	6.3	8.5	8.4	7.6	8.0	7.8
East Midlands	6.4	7.0	7.3	6.7	6.8	6.7
West Midlands	5.4	9.0	9.0	8.4	8.3	8.3
East of England	7.9	9.0	9.4	9.2	9.2	9.8
London	0.6	12.1	12.3	15.1	13.7	14.6
South East	7.9	13.5	14.0	15.9	15.2	15.4
South West	9.8	8.3	8.4	8.1	8.2	8.1
England	53.7	83.5	84.2	85.3	84.5	85.2
Wales	8.6	5.0	4.6	4.1	4.6	4.2
Scotland	32.2	8.7	8.7	8.3	8.4	8.2
Northern Ireland	5.6	2.8	2.5	2.3	2.5	2.4

1. Excluding the Extra Region and the statistical discrepancy

2. Excluding the Extra Region

Table 1

Total household income¹ by Government Office Regions (GORs) 1989-97

	1989	1990	1991	1992	1993	1994	1995	1996	1997 ²
Total Household Income									£ million
United Kingdom	474,620	528,626	573,576	613,469	639,781	666,938	705,589	749,007	788,914
North East	17,675	19,671	22,065	23,990	25,150	25,569	26,552	28,038	29,649
North West	51,869	57,799	62,909	67,181	69,852	72,497	75,954	80,126	84,533
Yorkshire and the Humber	36,703	40,688	44,566	48,058	50,455	52,378	55,434	58,271	61,508
East Midlands	31,551	34,534	37,553	39,997	42,032	44,125	46,735	48,897	52,444
West Midlands	39,641	44,151	48,397	52,099	53,998	56,421	59,382	62,964	65,639
East of England	46,813	51,366	55,157	58,856	60,603	63,690	68,050	73,158	77,276
London	70,129	79,742	84,976	89,199	93,046	96,991	102,631	111,071	115,210
South East	71,865	79,534	85,015	90,510	95,045	100,445	106,665	114,976	121,148
South West	38,483	42,574	46,396	49,762	51,252	53,046	56,759	59,344	64,134
England	404,729	450,059	487,033	519,654	541,432	565,163	598,162	636,846	671,540
Wales	19,911	21,963	24,315	26,173	27,175	28,343	30,148	31,551	33,317
Scotland	38,821	44,422	48,543	52,886	55,366	56,846	59,634	61,971	64,299
Northern Ireland	10,564	11,556	13,036	14,100	15,169	16,038	17,046	18,095	19,152
Extra-Region ³	595	626	649	656	639	549	599	545	607
Regional shares of the UK									percentages (UK=100%)
United Kingdom	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
North East	3.7	3.7	3.8	3.9	3.9	3.8	3.8	3.7	3.8
North West	10.9	10.9	11.0	11.0	10.9	10.9	10.8	10.7	10.7
Yorkshire and the Humber	7.7	7.7	7.8	7.8	7.9	7.9	7.9	7.8	7.8
East Midlands	6.6	6.5	6.5	6.5	6.6	6.6	6.6	6.5	6.6
West Midlands	8.4	8.4	8.4	8.5	8.4	8.5	8.4	8.4	8.3
East of England	9.9	9.7	9.6	9.6	9.5	9.5	9.6	9.8	9.8
London	14.8	15.1	14.8	14.5	14.5	14.5	14.5	14.8	14.6
South East	15.1	15.0	14.8	14.8	14.9	15.1	15.1	15.4	15.4
South West	8.1	8.1	8.1	8.1	8.0	8.0	8.0	7.9	8.1
England	85.3	85.1	84.9	84.7	84.6	84.7	84.8	85.0	85.1
Wales	4.2	4.2	4.2	4.3	4.2	4.2	4.3	4.2	4.2
Scotland	8.2	8.4	8.5	8.6	8.7	8.5	8.5	8.3	8.2
Northern Ireland	2.2	2.2	2.3	2.3	2.4	2.4	2.4	2.4	2.4
Extra-Region ³	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Per head									£
United Kingdom	8,275	9,184	9,942	10,592	11,010	11,439	12,060	12,759	13,392
United Kingdom exc Extra-Region	8,264	9,173	9,931	10,581	10,999	11,430	12,050	12,749	13,382
North East	6,814	7,572	8,486	9,207	9,634	9,793	10,183	10,772	11,415
North West	7,564	8,418	9,149	9,754	10,129	10,503	11,006	11,620	12,273
Yorkshire and the Humber	7,416	8,199	8,962	9,626	10,074	10,435	11,027	11,579	12,213
East Midlands	7,899	8,604	9,331	9,879	10,321	10,782	11,363	11,832	12,640
West Midlands	7,564	8,410	9,205	9,883	10,220	10,661	11,203	11,854	12,341
East of England	9,194	10,046	10,749	11,401	11,690	12,229	12,986	13,869	14,543
London	10,315	11,637	12,367	12,933	13,448	13,955	14,688	15,776	16,231
South East	9,447	10,408	11,098	11,761	12,304	12,943	13,647	14,607	15,283
South West	8,231	9,070	9,859	10,516	10,774	11,090	11,794	12,276	13,200
England	8,466	9,378	10,125	10,760	11,174	11,624	12,256	12,998	13,653
Wales	6,939	7,632	8,429	9,041	9,363	9,741	10,343	10,809	11,394
Scotland	7,617	8,706	9,505	10,347	10,813	11,076	11,610	12,085	12,552
Northern Ireland	6,674	7,270	8,141	8,712	9,296	9,768	10,337	10,879	11,435
Per head, indices									UK exc Extra-Region = 100
United Kingdom exc Extra-Region	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
North East	82.5	82.5	85.4	87.0	87.6	85.7	84.5	84.5	85.3
North West	91.5	91.8	92.1	92.2	92.1	91.9	91.3	91.1	91.7
Yorkshire and the Humber	89.7	89.4	90.2	91.0	91.6	91.3	91.5	90.8	91.3
East Midlands	95.6	93.8	94.0	93.4	93.8	94.3	94.3	92.8	94.5
West Midlands	91.5	91.7	92.7	93.4	92.9	93.3	93.0	93.0	92.2
East of England	111.2	109.5	108.2	107.7	106.3	107.0	107.8	108.8	108.7
London	124.8	126.9	124.5	122.2	122.3	122.1	121.9	123.7	121.3
South East	114.3	113.5	111.8	111.2	111.9	113.2	113.3	114.6	114.2
South West	99.6	98.9	99.3	99.4	98.0	97.0	97.9	96.3	98.6
England	102.4	102.2	102.0	101.7	101.6	101.7	101.7	102.0	102.0
Wales	84.0	83.2	84.9	85.4	85.1	85.2	85.8	84.8	85.1
Scotland	92.2	94.9	95.7	97.8	98.3	96.9	96.3	94.8	93.8
Northern Ireland	80.8	79.3	82.0	82.3	84.5	85.5	85.8	85.3	85.5

¹ Household income covers the income received by households and non-profit institutions serving households

² Provisional

³ Parts of UK economic territory that cannot be attached to any particular region.

Table 2
Disposable household income¹ by Government Office Regions (GORs) 1989-97

	1989	1990	1991	1992	1993	1994	1995	1996	1997 ²
Disposable Household Income									<i>£ million</i>
United Kingdom	319,097	356,611	390,667	424,197	452,119	468,163	494,574	521,281	554,641
North East	11,967	13,355	15,193	16,787	18,007	18,123	18,636	19,581	20,988
North West	35,069	39,224	43,260	47,101	50,006	51,346	53,708	56,245	59,946
Yorkshire and the Humber	24,800	27,586	30,583	33,475	35,930	37,080	39,251	40,963	43,693
East Midlands	21,191	23,304	25,595	27,727	29,698	30,860	32,622	33,868	37,034
West Midlands	26,514	29,640	33,113	36,261	38,358	39,702	41,493	43,767	45,956
East of England	31,201	34,395	37,163	40,351	42,591	44,471	47,633	51,381	55,104
London	47,060	53,285	56,718	60,231	64,379	67,185	70,901	75,872	78,676
South East	47,508	52,696	56,590	61,140	65,772	69,099	73,447	78,553	83,705
South West	26,386	29,081	32,124	34,914	36,720	37,896	40,647	42,079	46,366
England	271,695	302,567	330,338	357,988	381,461	395,763	418,336	442,309	471,468
Wales	13,522	15,005	17,141	18,658	19,732	20,422	21,691	22,481	24,026
Scotland	25,942	30,268	33,233	36,780	39,148	39,730	41,492	42,728	44,365
Northern Ireland	7,343	8,145	9,305	10,115	11,139	11,699	12,456	13,219	14,175
Extra-Region ³	595	626	649	656	639	549	599	545	607
Regional shares of the UK									<i>percentages (UK=100%)</i>
United Kingdom	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
North East	3.8	3.7	3.9	4.0	4.0	3.9	3.8	3.8	3.8
North West	11.0	11.0	11.1	11.1	11.1	11.0	10.9	10.8	10.8
Yorkshire and the Humber	7.8	7.7	7.8	7.9	7.9	7.9	7.9	7.9	7.9
East Midlands	6.6	6.5	6.6	6.5	6.6	6.6	6.6	6.5	6.7
West Midlands	8.3	8.3	8.5	8.5	8.5	8.5	8.4	8.4	8.3
East of England	9.8	9.6	9.5	9.5	9.4	9.5	9.6	9.9	9.9
London	14.7	14.9	14.5	14.2	14.2	14.4	14.3	14.6	14.2
South East	14.9	14.8	14.5	14.4	14.5	14.8	14.9	15.1	15.1
South West	8.3	8.2	8.2	8.2	8.1	8.1	8.2	8.1	8.4
England	85.1	84.8	84.6	84.4	84.4	84.5	84.6	84.9	85.0
Wales	4.2	4.2	4.4	4.4	4.4	4.4	4.4	4.3	4.3
Scotland	8.1	8.5	8.5	8.7	8.7	8.5	8.4	8.2	8.0
Northern Ireland	2.3	2.3	2.4	2.4	2.5	2.5	2.5	2.5	2.6
Extra-Region ³	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1
Per head									<i>£</i>
United Kingdom	5,563	6,195	6,771	7,324	7,780	8,030	8,453	8,879	9,415
United Kingdom exc Extra-Region	5,553	6,184	6,760	7,313	7,769	8,020	8,443	8,870	9,405
North East	4,613	5,141	5,843	6,443	6,898	6,941	7,147	7,523	8,080
North West	5,114	5,712	6,292	6,839	7,251	7,439	7,783	8,157	8,703
Yorkshire and the Humber	5,011	5,559	6,150	6,705	7,174	7,387	7,808	8,140	8,676
East Midlands	5,305	5,806	6,360	6,849	7,293	7,541	7,931	8,195	8,926
West Midlands	5,059	5,646	6,298	6,879	7,260	7,502	7,828	8,240	8,640
East of England	6,128	6,727	7,242	7,816	8,215	8,539	9,090	9,740	10,371
London	6,922	7,776	8,254	8,733	9,305	9,667	10,147	10,776	11,084
South East	6,245	6,896	7,387	7,945	8,515	8,904	9,397	9,980	10,559
South West	5,643	6,196	6,827	7,378	7,719	7,923	8,446	8,704	9,543
England	5,683	6,305	6,868	7,413	7,872	8,140	8,572	9,027	9,585
Wales	4,712	5,214	5,942	6,445	6,798	7,018	7,441	7,702	8,217
Scotland	5,090	5,932	6,507	7,196	7,646	7,741	8,078	8,332	8,661
Northern Ireland	4,639	5,125	5,811	6,250	6,826	7,125	7,554	7,947	8,464
Per head, indices									<i>UK exc Extra-Region = 100</i>
United Kingdom exc Extra-Region	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
North East	83.1	83.1	86.4	88.1	88.8	86.5	84.7	84.8	85.9
North West	92.1	92.4	93.1	93.5	93.3	92.8	92.2	92.0	92.5
Yorkshire and the Humber	90.2	89.9	91.0	91.7	92.3	92.1	92.5	91.8	92.2
East Midlands	95.5	93.9	94.1	93.7	93.9	94.0	93.9	92.4	94.9
West Midlands	91.1	91.3	93.2	94.1	93.4	93.5	92.7	92.9	91.9
East of England	110.4	108.8	107.1	106.9	105.7	106.5	107.7	109.8	110.3
London	124.7	125.7	122.1	119.4	119.8	120.5	120.2	121.5	117.9
South East	112.5	111.5	109.3	108.6	109.6	111.0	111.3	112.5	112.3
South West	101.6	100.2	101.0	100.9	99.4	98.8	100.0	98.1	101.5
England	102.3	101.9	101.6	101.4	101.3	101.5	101.5	101.8	101.9
Wales	84.9	84.3	87.9	88.1	87.5	87.5	88.1	86.8	87.4
Scotland	91.7	95.9	96.3	98.4	98.4	96.5	95.7	93.9	92.1
Northern Ireland	83.5	82.9	86.0	85.5	87.9	88.8	89.5	89.6	90.0

¹ Household income covers the income received by households and non-profit institutions serving households

² Provisional

³ Parts of UK economic territory that cannot be attached to any particular region.

Table 3
Sources of household income¹ by Government Office Region (GORs) 1995-97

<i>£ millions</i>										
	Gross Operating Surplus	Gross Mixed Income	Compensation of Employees	Net Property Income ³	All Pensions ⁴	Other Social Benefits ⁵	Net Other Income ⁶	Total Income	Disposable Income	Disposable Income as % of Total Income
1995										
United Kingdom	39,321	40,239	385,101	62,739	82,479	66,755	28,955	705,589	494,574	70
North East	1,282	1,007	14,875	1,453	3,520	3,056	1,358	26,552	18,636	70
North West	4,070	3,894	40,872	5,368	9,419	8,717	3,615	75,954	53,708	71
Yorkshire and Humber	2,941	3,054	29,987	4,570	6,836	5,288	2,758	55,434	39,251	71
East Midlands	2,514	2,872	25,350	4,316	5,592	4,040	2,050	46,735	32,622	70
West Midlands	3,071	3,128	33,283	4,801	6,995	5,504	2,600	59,382	41,493	70
East of England	4,385	4,299	37,477	6,961	7,764	4,754	2,411	68,050	47,633	70
London	5,729	6,049	57,872	10,494	8,726	9,989	3,772	102,631	70,901	69
South East	7,030	6,391	57,540	11,905	12,748	7,360	3,690	106,665	73,447	69
South West	3,705	3,885	28,761	5,419	7,857	4,828	2,305	56,759	40,647	72
England	34,726	34,580	326,017	55,287	69,457	53,537	24,558	598,162	418,336	70
Wales	1,443	1,580	15,681	2,098	4,299	3,729	1,318	30,148	21,691	72
Scotland	2,239	2,979	34,052	4,094	7,043	6,844	2,383	59,634	41,492	70
Northern Ireland	912	1,101	8,751	1,260	1,680	2,646	695	17,046	12,456	73
Extra-Region ⁷	-	-	599	-	-	-	-	599	599	-
1996										
United Kingdom	41,105	41,570	404,614	68,643	89,426	67,003	36,646	749,007	521,281	70
North East	1,340	982	15,180	1,719	3,837	3,254	1,728	28,038	19,581	70
North West	4,254	4,002	42,342	5,921	10,215	8,818	4,574	80,126	56,245	70
Yorkshire and Humber	3,075	3,203	30,466	5,008	7,454	5,542	3,522	58,271	40,963	70
East Midlands	2,625	2,982	25,926	4,635	6,110	4,013	2,606	48,897	33,868	69
West Midlands	3,209	3,168	34,806	5,279	7,630	5,568	3,303	62,964	43,767	70
East of England	4,595	4,407	40,492	7,636	8,399	4,600	3,030	73,158	51,381	70
London	6,002	6,366	63,159	11,605	9,408	9,690	4,840	111,071	75,872	68
South East	7,325	6,763	62,356	12,970	13,794	7,112	4,656	114,976	78,553	68
South West	3,868	3,964	29,705	5,764	8,392	4,751	2,899	59,344	42,079	71
England	36,293	35,837	344,431	60,537	75,239	53,349	31,158	636,846	442,309	69
Wales	1,518	1,630	16,015	2,300	4,659	3,787	1,642	31,551	22,481	71
Scotland	2,339	2,957	34,606	4,422	7,679	7,019	2,948	61,971	42,728	69
Northern Ireland	955	1,146	9,016	1,384	1,849	2,848	898	18,095	13,219	73
Extra-Region ⁷	-	-	545	-	-	-	-	545	545	-
1997²										
United Kingdom	44,217	41,665	432,471	74,152	97,534	67,711	31,164	788,914	554,641	70
North East	1,480	971	16,410	1,881	4,186	3,274	1,447	29,649	20,988	71
North West	4,695	4,018	45,805	6,459	11,012	8,727	3,817	84,533	59,946	71
Yorkshire and Humber	3,384	3,151	32,982	5,437	8,052	5,602	2,900	61,508	43,693	71
East Midlands	2,910	2,916	28,556	5,081	6,696	4,081	2,204	52,444	37,034	71
West Midlands	3,538	3,136	36,671	5,615	8,278	5,609	2,790	65,639	45,956	70
East of England	5,122	4,340	43,156	8,213	9,130	4,682	2,632	77,276	55,104	71
London	5,517	6,444	66,673	12,473	10,282	9,773	4,049	115,210	78,676	68
South East	8,109	6,961	65,655	14,019	15,151	7,243	4,010	121,148	83,705	69
South West	4,272	3,917	32,916	6,357	9,338	4,837	2,497	64,134	46,366	72
England	39,025	35,853	368,825	65,536	82,125	53,828	26,347	671,540	471,468	70
Wales	1,649	1,617	17,245	2,480	5,104	3,788	1,433	33,317	24,026	72
Scotland	2,516	3,020	36,235	4,655	8,282	6,994	2,597	64,299	44,365	69
Northern Ireland	1,027	1,174	9,559	1,481	2,023	3,100	787	19,152	14,175	74
Extra-Region ⁷	-	-	607	-	-	-	-	607	607	-

¹ Household income includes income received by households and non-profit institutions serving households

² Provisional

³ Net Property Income is the difference between Property Income (Uses) & Property Income (Resources)

⁴ Includes Retirement & Widows Pensions, Unfunded Social Benefits and Privately Funded Social Benefits

⁵ Social Benefits excluding pensions

⁶ Includes Imputed Social Contributions, Non Life Insurance Claims and Miscellaneous Current Transfers

⁷ Parts of UK economic territory that cannot be attached to any particular region.

Table 4
Individual consumption expenditure by Government Office Regions (GORs) 1994-97

	1994	1995	1996	1997 ¹		1994	1995	1996	1997 ¹
Individual consumption expenditure	£ million				Regional shares of the UK	percentages UK=100			
United Kingdom	433,829	454,171	485,418	517,032	United Kingdom	100.0	100.0	100.0	100.0
North East	17,234	18,113	19,276	20,250	North East	4.0	4.0	4.0	3.9
North West	49,015	50,696	53,916	58,253	North West	11.3	11.2	11.1	11.3
Yorkshire and the Humber	35,516	36,873	39,267	41,229	Yorkshire and the Humber	8.2	8.1	8.1	8.0
East Midlands	29,474	31,271	32,959	35,398	East Midlands	6.8	6.9	6.8	6.8
West Midlands	36,730	38,886	40,786	43,169	West Midlands	8.5	8.6	8.4	8.3
East of England	39,103	41,989	45,329	47,401	East of England	9.0	9.2	9.3	9.2
London	61,112	62,988	66,431	70,661	London	14.1	13.9	13.7	13.7
South East	65,100	67,863	73,371	78,603	South East	15.0	14.9	15.1	15.2
South West	33,797	35,792	39,064	42,171	South West	7.8	7.9	8.0	8.2
England	367,080	384,470	410,397	437,136	England	84.6	84.7	84.5	84.5
Wales	18,857	20,151	22,337	23,937	Wales	4.3	4.4	4.6	4.6
Scotland	37,135	38,155	40,529	43,188	Scotland	8.6	8.4	8.3	8.4
Northern Ireland	10,756	11,395	12,155	12,771	Northern Ireland	2.5	2.5	2.5	2.5
Per head	£				Per head, indices	UK = 100			
United Kingdom	7,441	7,763	8,269	8,777	United Kingdom	100.0	100.0	100.0	100.0
North East	6,601	6,947	7,406	7,796	North East	88.7	89.5	89.6	88.7
North West	7,101	7,346	7,819	8,457	North West	95.4	94.6	94.6	96.4
Yorkshire and the Humber	7,076	7,335	7,803	8,186	Yorkshire and the Humber	95.1	94.5	94.4	93.2
East Midlands	7,202	7,603	7,975	8,532	East Midlands	96.8	97.9	96.5	97.2
West Midlands	6,940	7,336	7,679	8,117	West Midlands	93.3	94.5	92.9	92.4
East of England	7,508	8,013	8,593	8,921	East of England	100.9	103.2	103.9	101.6
London	8,793	9,015	9,435	9,955	London	118.2	116.1	114.1	113.5
South East	8,388	8,683	9,321	9,916	South East	112.7	111.9	112.7	113.0
South West	7,066	7,437	8,081	8,679	South West	95.0	95.8	97.7	98.8
England	7,550	7,878	8,376	8,887	England	101.5	101.5	101.3	101.2
Wales	6,481	6,913	7,652	8,186	Wales	87.1	89.1	92.5	93.2
Scotland	7,235	7,428	7,903	8,431	Scotland	97.2	95.7	95.6	96.1
Northern Ireland	6,551	6,910	7,308	7,625	Northern Ireland	88.0	89.0	88.4	87.0

1. Provisional.

Table 5
Individual consumption expenditure by broad function by region (GORs) 1994-97

£ million

	Food, drink and tobacco	Clothing and footwear	Housing and fuel	Household goods and services	Vehicles, transport and comm- unications	Recreation	Other goods and services	Consump- ¹ tion expenditure in the UK	Total ² Consump- tion expenditure
1994									
United Kingdom	83,746	27,625	79,772	24,758	68,382	41,750	91,254	417,287	433,829
North East	3,883	1,111	3,020	933	2,588	1,557	3,125	16,219	17,234
North West	10,009	3,144	8,914	2,962	7,621	4,514	9,708	46,873	49,015
Yorkshire and the Humber	7,195	2,211	6,169	2,186	5,100	3,238	7,427	33,527	35,516
East Midlands	5,874	1,755	5,322	1,657	4,441	3,120	5,917	28,085	29,474
West Midlands	7,149	2,082	6,748	2,035	6,163	3,524	7,193	34,894	36,730
East of England	7,033	2,246	7,540	2,405	6,674	3,698	7,924	37,520	39,103
London	10,758	4,642	11,617	3,281	10,091	5,868	15,221	61,477	61,112
South East	11,422	3,900	12,277	3,714	10,429	6,397	14,458	62,597	65,100
South West	6,429	2,036	6,855	1,898	5,016	3,324	7,129	32,688	33,797
England	69,755	23,127	68,463	21,069	58,125	35,241	78,101	353,879	367,080
Wales	3,913	1,120	3,500	1,060	2,865	1,767	3,561	17,786	18,857
Scotland	7,802	2,563	6,049	1,998	5,768	3,762	7,605	35,548	37,135
Northern Ireland	2,275	815	1,761	631	1,624	980	1,988	10,074	10,756
1995									
United Kingdom	86,730	29,140	83,473	25,767	71,316	45,236	96,247	437,909	454,171
North East	3,875	1,174	3,224	959	2,672	1,813	3,344	17,061	18,113
North West	10,405	3,220	9,134	2,929	7,891	4,905	9,910	48,395	50,696
Yorkshire and the Humber	7,329	2,273	6,445	2,249	5,074	3,476	8,046	34,891	36,873
East Midlands	5,974	1,949	5,610	1,777	4,656	3,444	6,360	29,770	31,271
West Midlands	7,659	2,222	6,858	2,129	6,656	3,883	7,517	36,924	38,886
East of England	7,418	2,540	8,091	2,503	7,023	4,319	8,444	40,339	41,989
London	10,946	4,915	12,452	3,530	10,506	6,138	15,698	64,186	62,988
South East	11,861	3,992	12,843	3,817	10,719	6,796	15,117	65,145	67,863
South West	6,671	2,221	7,208	1,926	5,285	3,503	7,655	34,469	35,792
England	72,139	24,506	71,863	21,819	60,482	38,278	82,091	371,179	384,470
Wales	4,064	1,164	3,676	1,150	3,035	2,024	4,002	19,115	20,151
Scotland	8,157	2,584	6,119	2,078	6,045	3,896	7,967	36,846	38,155
Northern Ireland	2,370	887	1,815	720	1,753	1,038	2,187	10,769	11,395
1996									
United Kingdom	92,131	30,370	87,440	28,032	76,283	48,247	104,897	467,400	485,418
North East	4,005	1,198	3,515	1,024	2,833	1,995	3,556	18,127	19,276
North West	11,078	3,487	9,365	3,048	8,337	5,465	10,727	51,507	53,916
Yorkshire and the Humber	7,656	2,354	6,812	2,359	5,503	3,737	8,629	37,050	39,267
East Midlands	6,277	1,988	5,777	1,986	4,879	3,465	6,977	31,350	32,959
West Midlands	8,007	2,333	7,005	2,411	6,837	4,015	8,041	38,649	40,786
East of England	7,933	2,774	8,608	2,685	7,340	4,803	9,296	43,440	45,329
London	11,438	5,017	12,678	3,899	11,450	6,202	16,653	67,336	66,431
South East	12,672	4,166	13,587	4,079	11,594	7,458	16,821	70,377	73,371
South West	7,288	2,307	7,685	2,165	5,758	3,778	8,710	37,691	39,064
England	76,356	25,624	75,032	23,655	64,533	40,918	89,411	395,528	410,397
Wales	4,426	1,231	4,057	1,405	3,341	2,192	4,618	21,271	22,337
Scotland	8,787	2,591	6,373	2,233	6,538	4,077	8,518	39,116	40,529
Northern Ireland	2,562	924	1,978	739	1,870	1,060	2,351	11,484	12,155
1997³									
United Kingdom	94,046	31,978	91,855	30,881	83,965	53,334	111,303	497,362	517,032
North East	4,054	1,223	3,618	1,182	3,137	2,145	3,664	19,022	20,250
North West	11,365	3,869	10,295	3,372	9,089	6,185	11,595	55,771	58,253
Yorkshire and the Humber	7,763	2,471	7,132	2,560	6,170	4,193	8,647	38,935	41,229
East Midlands	6,506	2,021	6,322	2,281	5,350	3,826	7,349	33,655	35,398
West Midlands	7,911	2,440	7,468	2,738	7,206	4,499	8,616	40,878	43,169
East of England	8,021	2,904	8,861	2,768	7,861	5,206	9,756	45,376	47,401
London	11,907	5,238	12,544	4,296	12,917	6,612	17,824	71,337	70,661
South East	12,798	4,472	14,049	4,457	13,058	8,354	18,073	75,261	78,603
South West	7,516	2,360	8,422	2,463	6,264	4,284	9,399	40,709	42,171
England	77,840	26,999	78,711	26,115	71,052	45,305	94,924	420,944	437,136
Wales	4,508	1,303	4,268	1,629	3,683	2,370	5,056	22,818	23,937
Scotland	9,048	2,698	6,874	2,374	7,199	4,516	8,883	41,592	43,188
Northern Ireland	2,651	978	2,002	763	2,031	1,143	2,440	12,007	12,771

1. Expenditure by UK households and foreign residents in the UK.

2. Expenditure by UK consumers, including non-profit institutions serving households and UK households abroad but excluding expenditure in the UK by foreign residents in the UK.

3. Provisional.

Table 6
Total household income¹ by Standard Statistical Regions (SSRs) 1989-97

	1989	1990	1991	1992	1993	1994	1995	1996	1997 ²
Total Household Income	£ million								
United Kingdom	474,620	528,626	573,576	613,469	639,781	666,938	705,589	749,007	788,914
North	21,683	24,095	26,797	29,031	30,303	30,839	32,100	33,846	35,753
North West	47,861	53,375	58,176	62,140	64,699	67,227	70,406	74,319	78,429
Yorkshire and Humberside	36,703	40,688	44,566	48,058	50,455	52,378	55,434	58,271	61,508
East Midlands	31,551	34,534	37,553	39,997	42,032	44,125	46,735	48,897	52,444
West Midlands	39,641	44,151	48,397	52,099	53,998	56,421	59,382	62,964	65,639
East Anglia	16,943	18,815	20,533	22,091	22,797	23,669	24,940	26,374	28,059
South East	171,863	191,827	204,614	216,475	225,897	237,457	252,406	272,831	285,573
Greater London	70,129	79,742	84,976	89,199	93,046	96,991	102,631	111,071	115,210
Rest of South East	101,735	112,085	119,639	127,276	132,850	140,466	149,775	161,760	170,364
South West	38,483	42,574	46,396	49,762	51,252	53,046	56,759	59,344	64,134
England	404,729	450,059	487,033	519,654	541,432	565,163	598,162	636,846	671,540
Wales	19,911	21,963	24,315	26,173	27,175	28,343	30,148	31,551	33,317
Scotland	38,821	44,422	48,543	52,886	55,366	56,846	59,634	61,971	64,299
Northern Ireland	10,564	11,556	13,036	14,100	15,169	16,038	17,046	18,095	19,152
Extra-Region ³	595	626	649	656	639	549	599	545	607
Regional shares of the UK	percentages (UK=100%)								
United Kingdom	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
North	4.6	4.6	4.7	4.7	4.7	4.6	4.5	4.5	4.5
North West	10.1	10.1	10.1	10.1	10.1	10.1	10.0	9.9	9.9
Yorkshire and Humberside	7.7	7.7	7.8	7.8	7.9	7.9	7.9	7.8	7.8
East Midlands	6.6	6.5	6.5	6.5	6.6	6.6	6.6	6.5	6.6
West Midlands	8.4	8.4	8.4	8.5	8.4	8.5	8.4	8.4	8.3
East Anglia	3.6	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.6
South East	36.2	36.3	35.7	35.3	35.3	35.6	35.8	36.4	36.2
Greater London	14.8	15.1	14.8	14.5	14.5	14.5	14.5	14.8	14.6
Rest of South East	21.4	21.2	20.9	20.7	20.8	21.1	21.2	21.6	21.6
South West	8.1	8.1	8.1	8.1	8.0	8.0	8.0	7.9	8.1
England	85.3	85.1	84.9	84.7	84.6	84.7	84.8	85.0	85.1
Wales	4.2	4.2	4.2	4.3	4.2	4.2	4.3	4.2	4.2
Scotland	8.2	8.4	8.5	8.6	8.7	8.5	8.5	8.3	8.2
Northern Ireland	2.2	2.2	2.3	2.3	2.4	2.4	2.4	2.4	2.4
Extra-Region ³	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Per head	£								
United Kingdom	8,275	9,184	9,942	10,592	11,010	11,439	12,060	12,759	13,392
United Kingdom exc Extra-Region	8,264	9,173	9,931	10,581	10,999	11,430	12,050	12,749	13,382
North	7,033	7,804	8,673	9,379	9,773	9,945	10,363	10,942	11,575
North West	7,516	8,370	9,109	9,713	10,100	10,484	10,982	11,603	12,261
Yorkshire and Humberside	7,416	8,199	8,962	9,626	10,074	10,435	11,027	11,579	12,213
East Midlands	7,899	8,604	9,331	9,879	10,321	10,782	11,363	11,832	12,640
West Midlands	7,564	8,410	9,205	9,883	10,220	10,661	11,203	11,854	12,341
East Anglia	8,288	9,142	9,919	10,594	10,901	11,275	11,798	12,368	13,040
South East	9,847	10,931	11,630	12,251	12,736	13,325	14,078	15,111	15,702
Greater London	10,315	11,637	12,367	12,933	13,448	13,955	14,688	15,776	16,231
Rest of South East	9,548	10,478	11,158	11,815	12,281	12,923	13,688	14,687	15,364
South West	8,231	9,070	9,859	10,516	10,774	11,090	11,794	12,276	13,200
England	8,466	9,378	10,125	10,760	11,174	11,624	12,256	12,998	13,653
Wales	6,939	7,632	8,429	9,041	9,363	9,741	10,343	10,809	11,394
Scotland	7,617	8,706	9,505	10,347	10,813	11,076	11,610	12,085	12,552
Northern Ireland	6,674	7,270	8,141	8,712	9,296	9,768	10,337	10,879	11,435
Per head, indices	UK exc Extra-Region = 100								
United Kingdom exc Extra-Region	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
North	85.1	85.1	87.3	88.6	88.9	87.0	86.0	85.8	86.5
North West	90.9	91.2	91.7	91.8	91.8	91.7	91.1	91.0	91.6
Yorkshire and Humberside	89.7	89.4	90.2	91.0	91.6	91.3	91.5	90.8	91.3
East Midlands	95.6	93.8	94.0	93.4	93.8	94.3	94.3	92.8	94.5
West Midlands	91.5	91.7	92.7	93.4	92.9	93.3	93.0	93.0	92.2
East Anglia	100.3	99.7	99.9	100.1	99.1	98.6	97.9	97.0	97.4
South East	119.1	119.2	117.1	115.8	115.8	116.6	116.8	118.5	117.3
Greater London	124.8	126.9	124.5	122.2	122.3	122.1	121.9	123.7	121.3
Rest of South East	115.5	114.2	112.4	111.7	111.7	113.1	113.6	115.2	114.8
South West	99.6	98.9	99.3	99.4	98.0	97.0	97.9	96.3	98.6
England	102.4	102.2	102.0	101.7	101.6	101.7	101.7	102.0	102.0
Wales	84.0	83.2	84.9	85.4	85.1	85.2	85.8	84.8	85.1
Scotland	92.2	94.9	95.7	97.8	98.3	96.9	96.3	94.8	93.8
Northern Ireland	80.8	79.3	82.0	82.3	84.5	85.5	85.8	85.3	85.5

¹ Household income covers the income received by households and non-profit institutions serving households

² Provisional

³ Parts of UK economic territory that cannot be attached to any particular region.

Table 7
Disposable household income¹ by Standard Statistical Regions (SSRs) 1989-97

	1989	1990	1991	1992	1993	1994	1995	1996	1997 ²
Disposable Household Income	<i>£ million</i>								
United Kingdom	319,097	356,611	390,667	424,197	452,119	468,163	494,574	521,281	554,641
North	14,638	16,273	18,374	20,271	21,673	21,855	22,554	23,622	25,299
North West	32,397	36,307	40,079	43,618	46,340	47,614	49,790	52,205	55,635
Yorkshire and Humberside	24,800	27,586	30,583	33,475	35,930	37,080	39,251	40,963	43,693
East Midlands	21,191	23,304	25,595	27,727	29,698	30,860	32,622	33,868	37,034
West Midlands	26,514	29,640	33,113	36,261	38,358	39,702	41,493	43,767	45,956
East Anglia	11,395	12,649	13,987	15,336	16,234	16,645	17,543	18,393	19,874
South East	114,375	127,727	136,482	146,386	156,508	164,110	174,438	187,413	197,612
Greater London	47,060	53,285	56,718	60,231	64,379	67,185	70,901	75,872	78,676
Rest of South East	67,315	74,442	79,765	86,155	92,129	96,925	103,537	111,541	118,936
South West	26,386	29,081	32,124	34,914	36,720	37,896	40,647	42,079	46,366
England	271,695	302,567	330,338	357,988	381,461	395,763	418,336	442,309	471,468
Wales	13,522	15,005	17,141	18,658	19,732	20,422	21,691	22,481	24,026
Scotland	25,942	30,268	33,233	36,780	39,148	39,730	41,492	42,728	44,365
Northern Ireland	7,343	8,145	9,305	10,115	11,139	11,699	12,456	13,219	14,175
Extra-Region ³	595	626	649	656	639	549	599	545	607
Regional shares of the UK	<i>percentages (UK=100%)</i>								
United Kingdom	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
North	4.6	4.6	4.7	4.8	4.8	4.7	4.6	4.5	4.6
North West	10.2	10.2	10.3	10.3	10.2	10.2	10.1	10.0	10.0
Yorkshire and Humberside	7.8	7.7	7.8	7.9	7.9	7.9	7.9	7.9	7.9
East Midlands	6.6	6.5	6.6	6.5	6.6	6.6	6.6	6.5	6.7
West Midlands	8.3	8.3	8.5	8.5	8.5	8.5	8.4	8.4	8.3
East Anglia	3.6	3.5	3.6	3.6	3.6	3.6	3.5	3.5	3.6
South East	35.8	35.8	34.9	34.5	34.6	35.1	35.3	36.0	35.6
Greater London	14.7	14.9	14.5	14.2	14.2	14.4	14.3	14.6	14.2
Rest of South East	21.1	20.9	20.4	20.3	20.4	20.7	20.9	21.4	21.4
South West	8.3	8.2	8.2	8.2	8.1	8.1	8.2	8.1	8.4
England	85.1	84.8	84.6	84.4	84.4	84.5	84.6	84.9	85.0
Wales	4.2	4.2	4.4	4.4	4.4	4.4	4.4	4.3	4.3
Scotland	8.1	8.5	8.5	8.7	8.7	8.5	8.4	8.2	8.0
Northern Ireland	2.3	2.3	2.4	2.4	2.5	2.5	2.5	2.5	2.6
Extra-Region ³	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1
Per head	<i>£</i>								
United Kingdom	5,563	6,195	6,771	7,324	7,780	8,030	8,453	8,879	9,415
United Kingdom exc Extra-Region	5,553	6,184	6,760	7,313	7,769	8,020	8,443	8,870	9,405
North	4,748	5,270	5,947	6,549	6,990	7,048	7,281	7,637	8,191
North West	5,088	5,693	6,276	6,818	7,234	7,426	7,767	8,150	8,698
Yorkshire and Humberside	5,011	5,559	6,150	6,705	7,174	7,387	7,808	8,140	8,676
East Midlands	5,305	5,806	6,360	6,849	7,293	7,541	7,931	8,195	8,926
West Midlands	5,059	5,646	6,298	6,879	7,260	7,502	7,828	8,240	8,640
East Anglia	5,574	6,146	6,757	7,354	7,763	7,929	8,298	8,625	9,236
South East	6,553	7,278	7,758	8,284	8,824	9,209	9,729	10,380	10,866
Greater London	6,922	7,776	8,254	8,733	9,305	9,667	10,147	10,776	11,084
Rest of South East	6,318	6,959	7,439	7,997	8,517	8,917	9,462	10,127	10,726
South West	5,643	6,196	6,827	7,378	7,719	7,923	8,446	8,704	9,543
England	5,683	6,305	6,868	7,413	7,872	8,140	8,572	9,027	9,585
Wales	4,712	5,214	5,942	6,445	6,798	7,018	7,441	7,702	8,217
Scotland	5,090	5,932	6,507	7,196	7,646	7,741	8,078	8,332	8,661
Northern Ireland	4,639	5,125	5,811	6,250	6,826	7,125	7,554	7,947	8,464
Per head, indices	<i>UK exc Extra-Region = 100</i>								
United Kingdom exc Extra-Region	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
North	85.5	85.2	88.0	89.6	90.0	87.9	86.2	86.1	87.1
North West	91.6	92.1	92.8	93.2	93.1	92.6	92.0	91.9	92.5
Yorkshire and Humberside	90.2	89.9	91.0	91.7	92.3	92.1	92.5	91.8	92.2
East Midlands	95.5	93.9	94.1	93.7	93.9	94.0	93.9	92.4	94.9
West Midlands	91.1	91.3	93.2	94.1	93.4	93.5	92.7	92.9	91.9
East Anglia	100.4	99.4	100.0	100.6	99.9	98.9	98.3	97.2	98.2
South East	118.0	117.7	114.8	113.3	113.6	114.8	115.2	117.0	115.5
Greater London	124.7	125.7	122.1	119.4	119.8	120.5	120.2	121.5	117.9
Rest of South East	113.8	112.5	110.0	109.4	109.6	111.2	112.1	114.2	114.0
South West	101.6	100.2	101.0	100.9	99.4	98.8	100.0	98.1	101.5
England	102.3	101.9	101.6	101.4	101.3	101.5	101.5	101.8	101.9
Wales	84.9	84.3	87.9	88.1	87.5	87.5	88.1	86.8	87.4
Scotland	91.7	95.9	96.3	98.4	98.4	96.5	95.7	93.9	92.1
Northern Ireland	83.5	82.9	86.0	85.5	87.9	88.8	89.5	89.6	90.0

¹ Household income covers the income received by households and non-profit institutions serving households

² Provisional

³ Parts of UK economic territory that cannot be attached to any particular region.

Table 8
Sources of household income¹ by Standard Statistical Region (SSRs) 1995-97

£ millions										
	Gross Operating Surplus	Gross Mixed Income	Compensation of Employees	Net Property Income ³	All Pensions ⁴	Other Social Benefits ⁵	Net Other Income ⁶	Total Income	Disposable Income	Disposable Income as % of Total Income
United Kingdom	39,321	40,239	385,101	62,739	82,479	66,755	28,955	705,589	494,574	70
North	1,542	1,357	17,727	1,984	4,299	3,599	1,591	32,100	22,554	70
North West	3,810	3,544	38,020	4,836	8,640	8,174	3,382	70,406	49,790	71
Yorkshire and Humberside	2,941	3,054	29,987	4,570	6,836	5,288	2,758	55,434	39,251	71
East Midlands	2,514	2,872	25,350	4,316	5,592	4,040	2,050	46,735	32,622	70
West Midlands	3,071	3,128	33,283	4,801	6,995	5,504	2,600	59,382	41,493	70
East Anglia	1,398	1,726	13,281	2,452	3,237	1,872	973	24,940	17,543	70
South East	15,745	15,013	139,608	26,909	26,001	20,232	8,900	252,406	174,438	69
Greater London	5,729	6,049	57,872	10,494	8,726	9,989	3,772	102,631	70,901	69
Rest of South East	10,017	8,963	81,736	16,414	17,275	10,242	5,128	149,775	103,537	69
South West	3,705	3,885	28,761	5,419	7,857	4,828	2,305	56,759	40,647	72
England	34,726	34,580	326,017	55,287	69,457	53,537	24,558	598,162	418,336	70
Wales	1,443	1,580	15,681	2,098	4,299	3,729	1,318	30,148	21,691	72
Scotland	2,239	2,979	34,052	4,094	7,043	6,844	2,383	59,634	41,492	70
Northern Ireland	912	1,101	8,751	1,260	1,680	2,646	695	17,046	12,456	73
Extra-Region ⁷	-	-	599	-	-	-	-	599	599	-
1996										
United Kingdom	41,105	41,570	404,614	68,643	89,426	67,003	36,646	749,007	521,281	70
North	1,611	1,324	18,215	2,198	4,682	3,796	2,020	33,846	23,622	70
North West	3,983	3,660	39,306	5,442	9,370	8,276	4,282	74,319	52,205	70
Yorkshire and Humberside	3,075	3,203	30,466	5,008	7,454	5,542	3,522	58,271	40,963	70
East Midlands	2,625	2,982	25,926	4,635	6,110	4,013	2,606	48,897	33,868	69
West Midlands	3,209	3,168	34,806	5,279	7,630	5,568	3,303	62,964	43,767	70
East Anglia	1,458	1,718	14,020	2,638	3,496	1,822	1,222	26,374	18,393	70
South East	16,464	15,818	151,987	29,573	28,104	19,581	11,305	272,831	187,413	69
Greater London	6,002	6,366	63,159	11,605	9,408	9,690	4,840	111,071	75,872	68
Rest of South East	10,462	9,452	88,828	17,968	18,697	9,890	6,464	161,760	111,541	69
South West	3,868	3,964	29,705	5,764	8,392	4,751	2,899	59,344	42,079	71
England	36,293	35,837	344,431	60,537	75,239	53,349	31,158	636,846	442,309	69
Wales	1,518	1,630	16,015	2,300	4,659	3,787	1,642	31,551	22,481	71
Scotland	2,339	2,957	34,606	4,422	7,679	7,019	2,948	61,971	42,728	69
Northern Ireland	955	1,146	9,016	1,384	1,849	2,848	898	18,095	13,219	73
Extra-Region ⁷	-	-	545	-	-	-	-	545	545	-
1997²										
United Kingdom	44,217	41,665	432,471	74,152	97,534	67,711	31,164	788,914	554,641	70
North	1,778	1,305	19,691	2,397	5,098	3,785	1,699	35,753	25,299	71
North West	4,397	3,684	42,524	5,943	10,100	8,216	3,565	78,429	55,635	71
Yorkshire and Humberside	3,384	3,151	32,982	5,437	8,052	5,602	2,900	61,508	43,693	71
East Midlands	2,910	2,916	28,556	5,081	6,696	4,081	2,204	52,444	37,034	71
West Midlands	3,538	3,136	36,671	5,615	8,278	5,609	2,790	65,639	45,956	70
East Anglia	1,617	1,576	15,295	2,809	3,832	1,865	1,066	28,059	19,874	71
South East	17,130	16,169	160,190	31,896	30,731	19,833	9,626	285,573	197,612	69
Greater London	5,517	6,444	66,673	12,473	10,282	9,773	4,049	115,210	78,676	68
Rest of South East	11,613	9,725	93,517	19,423	20,449	10,059	5,577	170,364	118,936	70
South West	4,272	3,917	32,916	6,357	9,338	4,837	2,497	64,134	46,366	72
England	39,025	35,853	368,825	65,536	82,125	53,828	26,347	671,540	471,468	70
Wales	1,649	1,617	17,245	2,480	5,104	3,788	1,433	33,317	24,026	72
Scotland	2,516	3,020	36,235	4,655	8,282	6,994	2,597	64,299	44,365	69
Northern Ireland	1,027	1,174	9,559	1,481	2,023	3,100	787	19,152	14,175	74
Extra-Region ⁷	-	-	607	-	-	-	-	607	607	-

¹ Household income includes income received by households and non-profit institutions serving households

² Provisional

³ Net Property Income is the difference between Property Income (Uses) & Property Income (Resources)

⁴ Includes Retirement & Widows Pensions, Unfunded Social Benefits and Privately Funded Social Benefits

⁵ Social Benefits excluding pensions

⁶ Includes Imputed Social Contributions, Non Life Insurance Claims and Miscellaneous Current Transfers

⁷ Parts of UK economic territory that cannot be attached to any particular region.

Table 9
Individual consumption expenditure by Standard Statistical Regions (SSRs) 1990-97

	1990	1991	1992	1993	1994	1995	1996	1997 ¹
Individual consumption expenditure								<i>£ million</i>
United Kingdom	347,247	368,232	387,312	412,398	433,829	454,171	485,418	517,032
North	16,045	17,403	18,510	19,887	20,445	21,268	22,846	24,326
North West	36,786	38,895	40,393	43,381	45,804	47,541	50,345	54,178
Yorkshire and Humberside	26,420	28,906	30,830	33,719	35,516	36,873	39,267	41,229
East Midlands	23,511	24,506	25,548	27,332	29,474	31,271	32,959	35,398
West Midlands	29,593	31,161	31,992	33,650	36,730	38,886	40,786	43,169
East Anglia	12,094	12,995	13,801	14,375	14,798	15,472	16,546	17,399
South East	121,810	129,078	136,171	144,508	150,518	157,367	168,585	179,267
Greater London	50,670	52,921	55,244	59,254	61,112	62,988	66,431	70,661
Rest of South East	71,140	76,157	80,927	85,253	89,406	94,379	102,154	108,606
South West	28,756	29,769	31,383	32,533	33,797	35,792	39,064	42,171
England	295,014	312,713	328,629	349,384	367,080	384,470	410,397	437,136
Wales	15,566	16,696	17,589	18,322	18,857	20,151	22,337	23,937
Scotland	28,893	30,416	32,093	34,962	37,135	38,155	40,529	43,188
Northern Ireland	7,773	8,407	9,001	9,730	10,756	11,395	12,155	12,771
Regional shares of the UK								<i>percentages (UK=100%)</i>
United Kingdom	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
North	4.6	4.7	4.8	4.8	4.7	4.7	4.7	4.7
North West	10.6	10.6	10.4	10.5	10.6	10.5	10.4	10.5
Yorkshire and Humberside	7.6	7.8	8.0	8.2	8.2	8.1	8.1	8.0
East Midlands	6.8	6.7	6.6	6.6	6.8	6.9	6.8	6.8
West Midlands	8.5	8.5	8.3	8.2	8.5	8.6	8.4	8.3
East Anglia	3.5	3.5	3.6	3.5	3.4	3.4	3.4	3.4
South East	35.1	35.1	35.2	35.0	34.7	34.6	34.7	34.7
Greater London	14.6	14.4	14.3	14.4	14.1	13.9	13.7	13.7
Rest of South East	20.5	20.7	20.9	20.7	20.6	20.8	21.0	21.0
South West	8.3	8.1	8.1	7.9	7.8	7.9	8.0	8.2
England	85.0	84.9	84.8	84.7	84.6	84.7	84.5	84.5
Wales	4.5	4.5	4.5	4.4	4.3	4.4	4.6	4.6
Scotland	8.3	8.3	8.3	8.5	8.6	8.4	8.3	8.4
Northern Ireland	2.2	2.3	2.3	2.4	2.5	2.5	2.5	2.5
Per head								<i>£</i>
United Kingdom	6,033	6,383	6,687	7,097	7,441	7,763	8,269	8,777
North	5,197	5,633	5,980	6,414	6,593	6,866	7,386	7,876
North West	5,769	6,090	6,313	6,772	7,143	7,416	7,860	8,470
Yorkshire and Humberside	5,324	5,813	6,175	6,733	7,076	7,335	7,803	8,186
East Midlands	5,857	6,089	6,310	6,711	7,202	7,603	7,975	8,532
West Midlands	5,637	5,927	6,069	6,369	6,940	7,336	7,679	8,117
East Anglia	5,876	6,278	6,619	6,874	7,049	7,319	7,759	8,085
South East	6,941	7,337	7,706	8,148	8,447	8,777	9,338	9,857
Greater London	7,394	7,702	8,010	8,564	8,793	9,015	9,435	9,955
Rest of South East	6,651	7,103	7,512	7,881	8,225	8,625	9,275	9,794
South West	6,126	6,326	6,632	6,839	7,066	7,437	8,081	8,679
England	6,147	6,501	6,805	7,210	7,550	7,878	8,376	8,887
Wales	5,409	5,788	6,076	6,312	6,481	6,913	7,652	8,186
Scotland	5,663	5,956	6,279	6,828	7,235	7,428	7,903	8,431
Northern Ireland	4,891	5,250	5,562	5,963	6,551	6,910	7,308	7,625
Per head, indices								<i>UK = 100</i>
United Kingdom	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
North	86.1	88.3	89.4	90.4	88.6	88.4	89.3	89.7
North West	95.6	95.4	94.4	95.4	96.0	95.5	95.1	96.5
Yorkshire and Humberside	88.3	91.1	92.3	94.9	95.1	94.5	94.4	93.2
East Midlands	97.1	95.4	94.4	94.6	96.8	97.9	96.5	97.2
West Midlands	93.4	92.9	90.8	89.7	93.3	94.5	92.9	92.4
East Anglia	97.4	98.4	99.0	96.9	94.7	94.3	93.8	92.1
South East	115.1	115.0	115.2	114.8	113.5	113.1	112.9	112.3
Greater London	122.6	120.7	119.8	120.7	118.2	116.1	114.1	113.5
Rest of South East	110.2	111.3	112.3	111.0	110.5	111.1	112.2	111.6
South West	101.6	99.1	99.2	96.4	95.0	95.8	97.7	98.8
England	101.9	101.9	101.8	101.6	101.5	101.5	101.3	101.2
Wales	89.7	90.7	90.9	88.9	87.1	89.1	92.5	93.2
Scotland	93.9	93.3	93.9	96.2	97.2	95.7	95.6	96.1
Northern Ireland	81.1	82.3	83.2	84.0	88.0	89.0	88.4	87.0

1. Provisional.

Table 10
Individual consumption expenditure by broad function by region (SSRs) 1994-97

£ million

	Food, drink and tobacco	Clothing and footwear	Housing and fuel	Household goods and services	Vehicles, transport and comm- unications	Recreation	Other goods and services	Consump- ¹ tion expenditure in the UK	Total ² Consump- tion expenditure
1994									
United Kingdom	83,746	27,625	79,772	24,758	68,382	41,750	91,254	417,287	433,829
North	4,511	1,294	3,618	1,163	3,082	1,891	3,774	19,334	20,445
North West	9,381	2,961	8,316	2,732	7,128	4,181	9,059	43,758	45,804
Yorkshire and Humberside	7,195	2,211	6,169	2,186	5,100	3,238	7,427	33,527	35,516
East Midlands	5,874	1,755	5,322	1,657	4,441	3,120	5,917	28,085	29,474
West Midlands	7,149	2,082	6,748	2,035	6,163	3,524	7,193	34,894	36,730
East Anglia	2,745	838	2,761	930	2,419	1,440	3,173	14,306	14,798
South East	26,469	9,950	28,673	8,469	24,775	14,522	34,430	147,288	150,518
Greater London	10,758	4,642	11,617	3,281	10,091	5,868	15,221	61,477	61,112
Rest of South East	15,711	5,308	17,056	5,188	14,684	8,654	19,209	85,811	89,406
South West	6,429	2,036	6,855	1,898	5,016	3,324	7,129	32,688	33,797
England	69,755	23,127	68,463	21,069	58,125	35,241	78,101	353,879	367,080
Wales	3,913	1,120	3,500	1,060	2,865	1,767	3,561	17,786	18,857
Scotland	7,802	2,563	6,049	1,998	5,768	3,762	7,605	35,548	37,135
Northern Ireland	2,275	815	1,761	631	1,624	980	1,988	10,074	10,756
1995									
United Kingdom	86,730	29,140	83,473	25,767	71,316	45,236	96,247	437,909	454,171
North	4,508	1,378	3,845	1,135	3,163	2,176	3,931	20,136	21,268
North West	9,772	3,016	8,513	2,753	7,401	4,542	9,323	45,321	47,541
Yorkshire and Humberside	7,329	2,273	6,445	2,249	5,074	3,476	8,046	34,891	36,873
East Midlands	5,974	1,949	5,610	1,777	4,656	3,444	6,360	29,770	31,271
West Midlands	7,659	2,222	6,858	2,129	6,656	3,883	7,517	36,924	38,886
East Anglia	2,955	938	2,978	955	2,503	1,578	3,214	15,120	15,472
South East	27,271	10,509	30,408	8,895	25,745	15,676	36,045	154,549	157,367
Greater London	10,946	4,915	12,452	3,530	10,506	6,138	15,698	64,186	62,988
Rest of South East	16,325	5,593	17,956	5,366	15,239	9,538	20,347	90,364	94,379
South West	6,671	2,221	7,208	1,926	5,285	3,503	7,655	34,469	35,792
England	72,139	24,506	71,863	21,819	60,482	38,278	82,091	371,179	384,470
Wales	4,064	1,164	3,676	1,150	3,035	2,024	4,002	19,115	20,151
Scotland	8,157	2,584	6,119	2,078	6,045	3,896	7,967	36,846	38,155
Northern Ireland	2,370	887	1,815	720	1,753	1,038	2,187	10,769	11,395
1996									
United Kingdom	92,131	30,370	87,440	28,032	76,283	48,247	104,897	467,400	485,418
North	4,740	1,430	4,155	1,242	3,382	2,444	4,206	21,599	22,846
North West	10,343	3,254	8,726	2,830	7,789	5,016	10,077	48,035	50,345
Yorkshire and Humberside	7,656	2,354	6,812	2,359	5,503	3,737	8,629	37,050	39,267
East Midlands	6,277	1,988	5,777	1,986	4,879	3,465	6,977	31,350	32,959
West Midlands	8,007	2,333	7,005	2,411	6,837	4,015	8,041	38,649	40,786
East Anglia	3,132	1,098	3,248	963	2,455	1,748	3,461	16,105	16,546
South East	28,911	10,859	31,625	9,700	27,928	16,715	39,310	165,049	168,585
Greater London	11,438	5,017	12,678	3,899	11,450	6,202	16,653	67,336	66,431
Rest of South East	17,473	5,842	18,948	5,801	16,479	10,513	22,656	97,712	102,154
South West	7,288	2,307	7,685	2,165	5,758	3,778	8,710	37,691	39,064
England	76,356	25,624	75,032	23,655	64,533	40,918	89,411	395,528	410,397
Wales	4,426	1,231	4,057	1,405	3,341	2,192	4,618	21,271	22,337
Scotland	8,787	2,591	6,373	2,233	6,538	4,077	8,518	39,116	40,529
Northern Ireland	2,562	924	1,978	739	1,870	1,060	2,351	11,484	12,155
1997³									
United Kingdom	94,046	31,978	91,855	30,881	83,965	53,334	111,303	497,362	517,032
North	4,887	1,479	4,377	1,465	3,740	2,647	4,406	23,000	24,326
North West	10,532	3,614	9,536	3,090	8,486	5,683	10,853	51,793	54,178
Yorkshire and Humberside	7,763	2,471	7,132	2,560	6,170	4,193	8,647	38,935	41,229
East Midlands	6,506	2,021	6,322	2,281	5,350	3,826	7,349	33,655	35,398
West Midlands	7,911	2,440	7,468	2,738	7,206	4,499	8,616	40,878	43,169
East Anglia	3,170	1,174	3,263	1,032	2,590	1,978	3,712	16,919	17,399
South East	29,556	11,440	32,191	10,488	31,246	18,195	41,940	175,055	179,267
Greater London	11,907	5,238	12,544	4,296	12,917	6,612	17,824	71,337	70,661
Rest of South East	17,649	6,202	19,647	6,192	18,329	11,583	24,117	103,718	108,606
South West	7,516	2,360	8,422	2,463	6,264	4,284	9,399	40,709	42,171
England	77,840	26,999	78,711	26,115	71,052	45,305	94,924	420,944	437,136
Wales	4,508	1,303	4,268	1,629	3,683	2,370	5,056	22,818	23,937
Scotland	9,048	2,698	6,874	2,374	7,199	4,516	8,883	41,592	43,188
Northern Ireland	2,651	978	2,002	763	2,031	1,143	2,440	12,007	12,771

1. Expenditure by UK households and foreign residents in the UK.

2. Expenditure by UK consumers, including private non-profit institutions serving households and UK households abroad but excluding expenditure in the UK by foreign residents in the UK.

3. Provisional.

BACKGROUND NOTES

General

1. The regional accounts presented in this release are consistent with the national accounts published in the *United Kingdom National Accounts – The Blue Book 1999*, which also defines the terms used. Specifically the regional figures are a breakdown of national totals presented on Tables 6.1.3, 6.1.4, 6.1.4S and 6.4 of Blue Book 1999.

2. County information on total and disposable household income up to 1996 was published in June 1998. Sub-regional estimates in the future will be based on different geographies, due largely to the reorganisation of local government throughout England, Wales and Scotland. The local government changes have been reflected in a revised European classification of areas, known as the *Nomenclature of Units for Territorial Statistics (NUTS)*. This nomenclature provides a breakdown of the European Union's economic territory for producing regional statistics, which are comparable across the Union. Government Office Regions constitute NUTS level 1. Sub-regional (NUTS levels 2 & 3) household income figures will be published in the first half of 2000. Information on the revised NUTS classification was published as an ONS news release, number 199, on 29th June 1998.

Changes due to ESA95

3. This article contains household income and consumption expenditure figures on the ESA95 basis for the first time. ESA95 is based on the *System of National Accounts 1993 (SNA93)* which was sponsored by all major international organisations and is being adopted world-wide. The European system, which is being adopted by EU Member States, is consistent with SNA93 but is more specific and prescriptive in certain parts. It is now a legal requirement for EU Member States to compile national and regional accounts on the new basis.

4. The impact of ESA95 at the regional level is two-fold: (i) the incorporation of the conceptual changes at the national level and (ii) the implementation of changes specific to regional accounts. The national changes are summarised in an article in the August 1998 edition of *Economic Trends*, and were described in detail in a family of six publications in 1998. *UK National Accounts Concepts, Sources and Methods 1998 edition*, the *Blue Book 1998* and *Introducing the European System of Accounts 1995 in the United Kingdom* publications are particularly relevant, and the recently published *Blue Book 1999* also provides useful information. Generally, ESA95 has

extended the scope of what constitute income and deduction items in the new household accounts. For consumption expenditure the main change has been to adopt a new classification system.

5. The effects of the regional breakdown of the national changes are reflected in the figures published here. At the regional level, conceptual and methodological changes have been agreed as part of the implementation of ESA95 across EU Member States.

6. A major change under ESA95 is that the personal sector no longer exists. The personal sector included persons living in households and institutions, and unincorporated private businesses (sole traders & partnerships) such as farms. It also included private non-profit making bodies serving persons (PNPMBs), private trusts and the funds of life assurance companies and pension schemes. Under ESA95, some of these sub-sectors of the personal sector have been redefined and classified under different sector headings. The new household sector still includes persons living in households and institutions, and sole traders. However, partnerships are now excluded; they form part of the new corporate sector. PNPMBs have been retitled non-profit institutions serving households (NPISH), and form a separate sector under ESA95. Separate data of sufficient quality are not yet available for NPISHs, and therefore, the household and NPISH sectors have been combined for the time being. Consequently, the figures given here refer to total household and NPISH income and disposable income. Pension schemes have been reclassified to form part of the financial corporations sector viz. insurance corporations and pension funds. However, the savings by individuals put into life insurance and pension schemes is still included in household sector income and disposable income, via a transfer between the sectors in the income accounts. For further details on sectorial changes due to ESA95 users should consult the *United Kingdom Sector Classification for the National Accounts (MA23)* as well as the *1998 Blue Book*.

Individual Consumption Expenditure

7. The individual consumption expenditure estimates are based mainly on the Family Expenditure Survey (FES), supplemented by information from other sources e.g. on rent and education. The FES, like all surveys, is subject to both sampling and non-sampling errors. The data are smoothed to reduce the effect of sampling error using a centered moving average with a 1:2:1 weighting, but no adjustments are made for non-sampling error except that the FES data are grossed up using regional population estimates.

8. GOR-based estimates are currently only available from 1994 to 1997, and are based on the same data sources as those used for

the longer SSR-based time series. Therefore, it is not yet possible to comment on long term trends in regions' shares of individual consumption expenditure on a GOR basis.

9. Taking into account sampling and non-sampling error, the margin of error on the regional shares of individual consumption expenditure is thought to range from one and a half per cent in the South East (SSR) to more than three per cent in East Anglia. Recent years' estimates for Northern Ireland are thought to be more accurate than those for earlier years reflecting improvements to the selection and size of the sample.

Regional Trends and other products

10. *Regional Trends* provides a unique description of the regions of the United Kingdom. In 17 chapters it covers a wide range of demographic, social, industrial and economic statistics, taking a look at most aspects of life. *Regional Trends 34* was published in September 1999, price £39.50.

11. Complementing the full regional overview provided each year by *Regional Trends*, there is now a range of publications focusing on individual countries or regions of the UK. The *Regional Focus* series presents more detailed regional, unitary authority and local authority level data for the region or country in question. Titles in the series so far are *Focus on London 99*; *Focus on the South East*; *Focus on the East Midlands*; *Focus on Northern Ireland*; *A Statistical Focus on Wales* and *Focus on the South West*.

12. Regional and sub-regional statistics can be found in a range of other GSS publications, statistical bulletins and regular press releases. Details of these sources are contained in the *ONS Guide to Official Statistics* (published by The Stationery Office). In addition, *StatBase*, ONS's database of information about sources of statistics together with some key social and economic statistics, is available via the internet. Further information can be obtained via the *StatBase* helpline on 020 7533 5672.

The regional accounts database

13. The tables presented in this article are only a summary of the regional accounts available. More detailed information on sub-transactions of total household income and deductions, as well as information on individual consumption expenditure, is available on payment of a fee, either on paper, or electronically.

14. Further details are available from Philip Papaiah, *Regional Accounts Branch, Office for National Statistics, Zone B5/03, 1 Drummond Gate, London SW1V 2QQ. Telephone: 020-7533 5793, fax: 020-7533 5799, philip.papaiah@ons.gov.uk*

15. Details of the policy governing the release of new data, including a description of the release categories featured on the front page of ONS releases, are available from the press office.

16. The figures and text in this article have been compiled by the following persons: Dev Virdee, Mohamed Norat, David Lacey, Emma Fox, Ian Hillis, Philip Papaiah.