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In Brief

Articles

This month we feature three articles.

Richard Taylor of National Statistics outlines the development of a new inquiry to collect dividend data from unquoted companies, following the loss of ACT returns, the former source. The possibility of constructing estimates based on other information e.g. correlation with other data, was tested but did not produce an acceptable result. Following several pilot surveys, carried out to confirm the sampling strategy, a full statutory survey was launched at the end of September.

Gareth Jones of National Statistics describes the development of the Annual Business Inquiry (ABI), a new integrated survey of employment and accounting information from businesses and other establishments in most industry sectors of the economy. The ABI replaces a number of surveys including the Annual Censuses of Production and Construction (ACOP/C). It was first conducted in respect of 1998, with the results becoming available in February 2000.

Alex Clifton-Fearnside of National Statistics presents estimates of total and disposable household sector income by region for 1990 to 1998. The estimates are produced under the European System of Accounts 1995 (ESA95), and are consistent with the 1999 edition of UK National Accounts – The Blue Book. Due to the absence of key source data, estimates for 1997 and 1998 are presented as provisional. The major revision to the estimates included in this article result from conceptual and developmental changes that are described; these were also explained in the Household Income methodological article in the October 2000 edition of Economic Trends.

Recent economic publications

Annual
Share Ownership: A report on the end-1999 Share Register Survey. The Stationery Office, ISBN 0 11 621379 5. Price £39.50.

Quarterly
Consumer Trends: 2000 quarter 2 The Stationery Office, ISBN 0 11 621317 5. Price £45.
UK Economic Accounts: 2000 quarter 2. The Stationery Office, ISBN 0 11 621275 6. Price £26.
UK Trade in Goods Analysed in Terms of Industries (MQ10): 2000 quarter 1. The Stationery Office, ISBN 0 11 538056 6. Price £75 p.a.

Monthly
Consumer Price Indices (MM23): August 2000. The Stationery Office, ISBN 0 11 538014 0. Price £185 p.a.
Financial Statistics: October 2000. The Stationery Office, ISBN 0 11 621193 8. Price £23.50.
Monthly Review of External Trade Statistics (MM24): July 2000. The Stationery Office, ISBN 0 11 538022 1. Price £185 p.a.

All of these publications are available from The Stationery Office, telephone 0870 600 5522, fax 0870 600 5533, e-mail bookorders@theso.co.uk or The Stationery Office bookshops; details on the inside back cover.

Economic Update - November 2000

by Geoff Tily, Macro-Economic Assessment - Office for National Statistics

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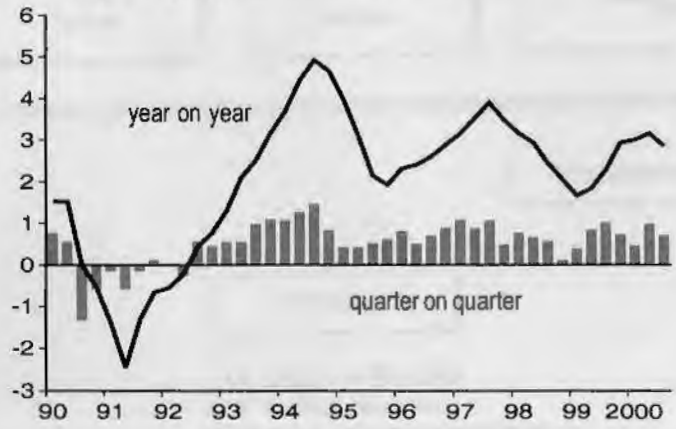
Overview

Growth continued in the third quarter of 2000 at a slightly slower rate than in the second quarter. This growth was underpinned by expansion in both the services and manufacturing sector. Dis-aggregated data however shows manufacturing growth continuing to be driven by only a few sectors, and in services there maybe some slowdown to the previously fast growing communication services data. External information broadly echoes the picture portrayed by NS data. Household demand slowed into the first half of 2000, but with retail sales accelerating into the third quarter. Investment demand continues to remain subdued, and is possibly associated with slower profits growth and rising corporate borrowing. On trade, demand for both imports and exports remains strong. Labour market information continues to show ongoing improvements to both employment and unemployment with acceleration in the rate of improvement, although there are falls in employment in the manufacturing sector, and some evidence that new jobs are going to female and part time workers. Low levels of unemployment continue to be accompanied by low inflation data. Average earnings growth remains subdued; goods consumer prices outside fuel are deflating and there is no acceleration in service inflation. Headline increases to producer input prices continue to be largely absorbed by firms' margins, and there is consequentially little evidence of an acceleration in inflation of prices leaving the factory gate.

GDP Activity

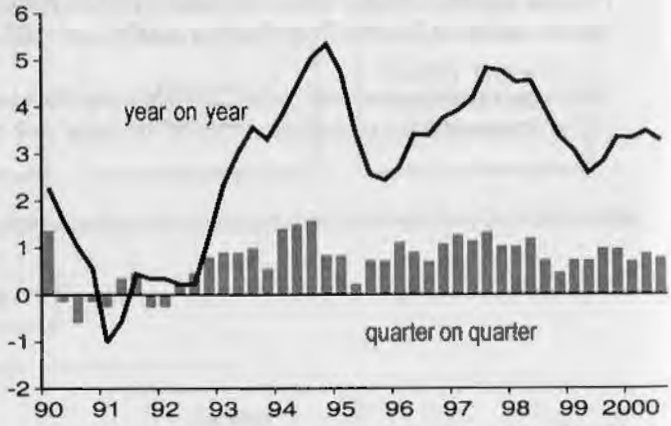
The preliminary estimate of GDP activity in the third quarter of year 2000 shows the long run of growth continuing at a slightly slower pace, than the stronger second quarter. Quarterly growth fell to 0.7 per cent compared with growth of 0.9 per cent in quarter two; at the same time annual growth fell to 2.9 per cent compared with 3.2 per cent (chart 1). The data published so far showed the main driver of this slowdown was slower services activity, along with energy output which was growing below the very strong pace seen in the second quarter.

Chart 1
Gross Domestic Product
percentage changes, quarters, seasonally adjusted



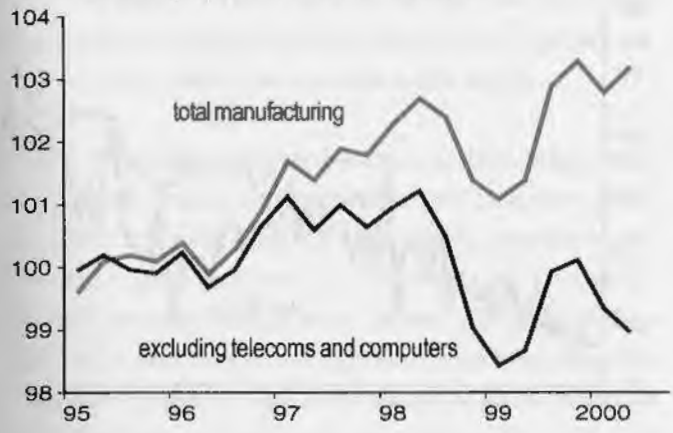
The service sector was estimated to have grown by 0.7 per cent, following 0.9 per cent in the second quarter (chart 2). The modest slowdown was driven by slower growth in the business services sector, which saw particularly vigorous growth in the second quarter, and hence the third quarter data might be regarded as more in line with earlier figures. Dis-aggregated data is not available yet but information also suggests that the slower pace of growth in the communications sector seen in the first two quarters of 2000 has continued into the third quarter. This is seen in the growth of the 'post and communications' sector, where the quarterly rate averaged 4.0 per cent a quarter in 1999, but has slowed to an average of 2.2 per cent a quarter in 2000.

Chart 2
Service Output
percentage changes, quarters, seasonally adjusted



Published data to August for the manufacturing sector shows the latest three monthly growth rate at 0.6 per cent, following a slight dip into July and larger pick-up into August. However dis-aggregated data continues to show that growth in most industries remained subdued, with the sector as a whole continuing to be driven by the growth in key industries. Chart 3 contrasts the very rapid growth of 'office machinery and computers' (26 per cent since January 2000) and 'radio, TV and telecommunications'

Chart 3
Index of Manufacturing
percentage change, quarters, seasonally adjusted



(17 per cent since January 2000), with the IOM excluding these sectors. Essentially these sectors are driving growth in the whole manufacturing sector, manufacturing growth excluding these sectors has fallen by 0.3 per cent since January.

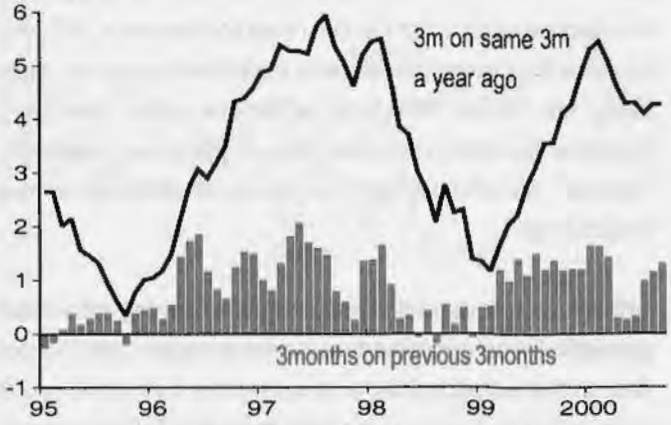
Recent external information for the manufacturing and services sectors continues to present a reasonably stable picture. Chart 4 shows the British Chamber of Commerce 'orders' data to the third quarter of 2000. Services growth saw a small fall in growth and manufacturing a small pick-up. Both of these series remain consistent with the story portrayed by NS data.

Chart 4
BCC Services and Manufacturing Deliveries
percentage balances, quarters

Domestic demand

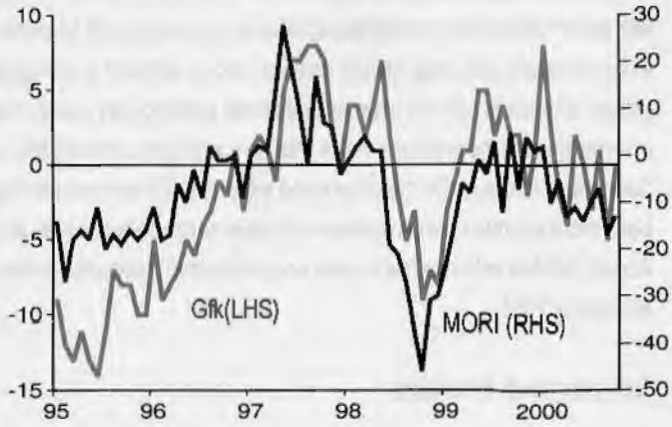
Figures so far in the year 2000 largely support a slowdown in domestic demand. National Accounts household final consumption data shows household demand growth of 0.8 per cent in the second quarter of 2000, following 0.6 per cent in the first quarter. This compares with average quarterly growth of 1.2 per cent in 1999. Annual growth comparing the latest quarter with the same quarter a year ago fell to 3.7 per cent from 4.0

Chart 5
Retail Sales
volume, months



per cent in quarter one. Looking ahead of the second quarter, monthly retail sales data has however shown some stronger increases, with growth in the three months to September comparing with the previous three months at 1.3% (chart 5). It remains notable that at an annual rate, retail sales volume growth in the three months to September was 4.3 per cent, while value growth was only 3.4 per cent, reflecting the falling goods prices seen in this sector. Other data is more ambiguous as to the trends in consumer demand. The Bank of England's data on lending to individuals shows growth of gross consumer credit in the latest three months compared with the previous three months slowing to only 0.5 per cent, way down on previous figures which vary between 2 and 5 per cent. Similarly chart 6 shows the trend in both GfK and MORI consumer confidence data continues to appear downwards, with some particularly sharp falls into September which may have been driven by concerns related to the fuel blockades.

Chart 6
Consumer Confidence
percentage balances, months

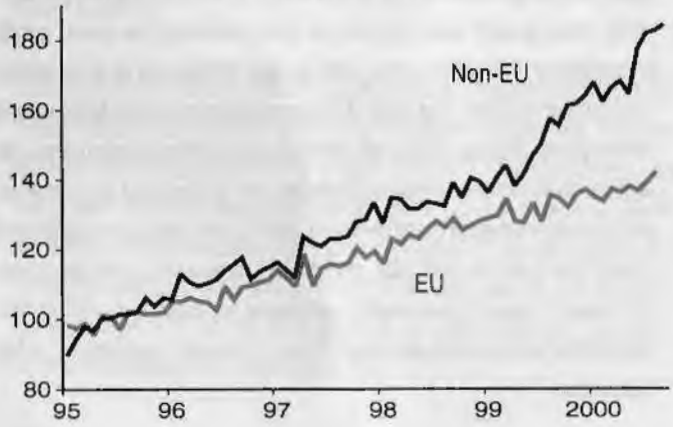


Turning to investment demand, data here continues to show an overall subdued picture. National Accounts data shows business investment growing by 0.5 per cent into the second quarter, following a decline of 0.1

per cent in the first quarter, and annual growth declining from 17.6 per cent in the first quarter of 1998 to 1.5 per cent in the latest quarter. This slowdown in investment may be driven by the overall financial position of the corporate sector, which has been a net borrower since 1997, over the period firms' savings, measured in the National Accounts by 'gross saving' has diverged from firms' expenditure capital expenditure. Essentially this situation has arisen because profits have slowed while investment and other payments such as interest and dividends have remained high.

Finally on domestic demand, import growth remains strong, with volumes growing by 3.4 per cent in the three months to August. Chart 7, import index number excluding oil and erratics, continues to show phenomenal import growth from non-EU economies dominating EU import growth. These imports are mainly intermediate and capital goods.

Chart 7
Imports
excluding oil and erratics, months, 1995=100



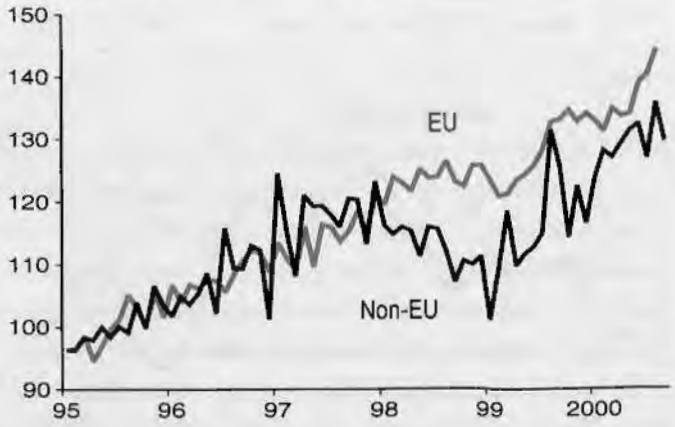
Overseas demand

Similarly overseas demand for UK products continues to remain strong, with growth in the three months to August of 2.5 per cent. Chart 10, export index numbers excluding oil and erratics, shows signs of a changing picture. Exports to non-EU countries had been growing very rapidly, but in recent months the position is much less clear with sharp monthly falls in September and July. On the other hand exports to EU economies had been more subdued but have shown a robust surge between May and August, this has led to the first surplus on goods with EU economies since November 1995.

Government finances

Outturn data for public sector finances in 2000-01 is recording an ongoing improvement over 1999-2000, with a surplus of £4.2 billion in April-September 2000 compared to borrowing of £1.6 billion in the same period

Chart 8
Exports
excluding oil and erratics, months, 1995=100

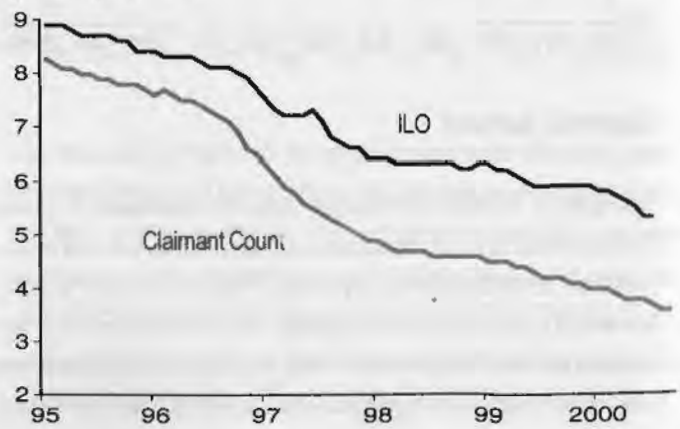


of the previous year. The improvement in overall finances is due to the continued growth in tax revenues which have more than accounted for the strong expenditure growth.

Labour Market

The latest labour market dataset shows ongoing improvements to both unemployment and employment, while wage inflation remains subdued. Labour force survey data shows employment increasing by 80,000 comparing June – August with March – May, growth of 0.3 per cent. However recent trends may suggest that the current growth in jobs has not been broadly based, in particular there is now some evidence that the majority of new jobs created are both female and part time. Over the two quarters full time employment fell by 11,000 while part time employment increased by 91,000 and similarly (and curiously) total males in employment fell by 11,000 and total females in employment rose by 91,000. Furthermore new jobs continue to be concentrated in the service sector. Manufacturing employment, which had showed some slight evidence of a slowdown in its rate of decline around the turn of the year, is now seeing resumed acceleration in job losses, with a decline of 50,000 jobs since January 2000.

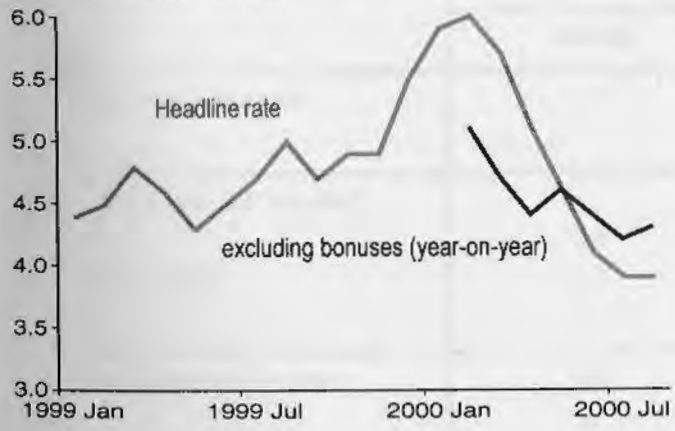
Chart 9
Unemployment
percentages, months



Turning to unemployment, the ILO unemployment rate and claimant count rates have seen sharp reductions since the start of the year (chart 9). The ILO rate stood at 5.3 per cent in June – August, down from 5.8 per cent at the turn of the year, while the claimant count rate in September was 3.6 per cent, down from 4.0 per cent at the start of the year.

As noted, despite this ongoing improvement in the labour market data, earnings growth continues to record low growth and little evidence of any acceleration. The headline rate of average earnings growth in August 2000 was 3.9 per cent, the same as in September and substantially below the recent peak of 6.0 per cent in February 2000 (chart 10). Both the fall and the peak have been exaggerated by high bonus payments over the millennium period. Chart 10 also includes the limited comparable data excluding bonuses; here growth over recent months is seen to be more stable, although with August data showing a modest increase to 4.3 per cent from 4.2 per cent in July. One feature which may be of concern was the sharp rise in the private sector service earnings on the month, which was offset in the aggregate data by more subdued figures in the manufacturing sector. Nevertheless headline growth in the services sector remains at only 3.8 per cent.

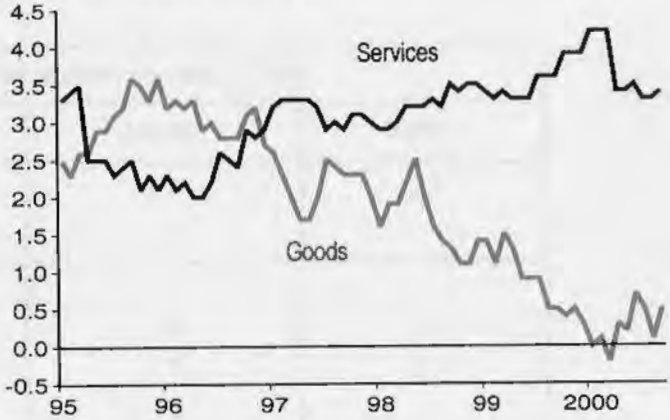
Chart 10
Average Earnings Index
percentage changes, months



Prices

Inflation as measured by the RPI increased to 3.3 per cent in the year to September 2000, following growth of 3.0 per cent in August. Annual growth in the Harmonised Index of Consumer Prices rose from 0.6 per cent in August to 1.0 per cent in September. Over the same period RPIX increased from 1.9 per cent to 2.2 per cent, although it remains well below the government's target rate of 2.5 per cent. Chart 11 shows the increase to the RPIX was mainly driven by an increase to goods inflation. This, in turn, was driven by the sharp increase to the price of fuel, as well as increases to the prices of furniture and household consumer goods (although these came following a particularly low September 1999).

Chart 11
Retail Price Index
months, annual percentage change



Nevertheless at an annual rate of only 0.5 per cent including the impact of fuel prices, goods inflation remains very subdued. Similarly service price inflation while higher at 3.4 per cent and seeing a modest increase on the month show few signs of any substantial acceleration.

Producer prices on the other hand continue to show accelerating inflation at annual rates, although headline rates continue to be distorted by changes to oil prices. Underlying rates (excluding food beverages, tobacco and petroleum) have shown some increases at an annual rate in recent months. Input prices grew by 4.4 per cent in the year to September, up from 4.3 per cent in August, and continuing an acceleration that has been underway for over a year. It is likely that the recent weakening in the strength of sterling against the dollar may be contributing to the increases seen in these prices. On the other hand, underlying output prices, while showing positive annual growth at 1.2 per cent, firstly have been showing little evidence of any acceleration and secondly continue to imply that the rising input prices are being taken largely as a hit on margins.

Forecasts for the UK Economy

A comparison of independent forecasts, October 2000

The tables below are extracted from HM Treasury's "FORECASTS FOR THE UK ECONOMY" and summarise the average and range of independent forecasts for 2000 and 2001, updated monthly.

	Independent Forecasts for 2000		
	Average	Lowest	Highest
GDP growth (per cent)	3.0	2.7	3.3
Inflation rate (Q4: per cent)			
- RPI	3.1	1.8	3.6
- RPI excl MIPs	2.1	1.5	2.4
Unemployment (Q4: mn)	1.05	0.98	1.11
Current Account (£ bn)	-15.9	-27.5	-9.0
PSNB *(2000-01: £ bn)	-15.5	-28.0	-8.0

	Independent Forecasts for 2001		
	Average	Lowest	Highest
GDP growth (per cent)	2.7	1.5	3.3
Inflation rate (Q4: per cent)			
- RPI	2.4	1.6	3.2
- RPI excl MIPs	2.4	1.3	3.7
Unemployment (Q4: mn)	0.98	0.84	1.10
Current Account (£ bn)	-18.2	-28.2	-7.2
PSNB* (2001-02: £ bn)	-9.9	-26.7	-1.9

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: 020-7270 4558). It is also available at the Treasury's internet site: http://www.hm-treasury.gov.uk.

* PSNB: Public Sector Net Borrowing (Treasury forecast excluding windfall taxes and associated spending).

International Economic Indicators - November 2000

by Craig Richardson, Macro-Economic Assessment - Office for National Statistics

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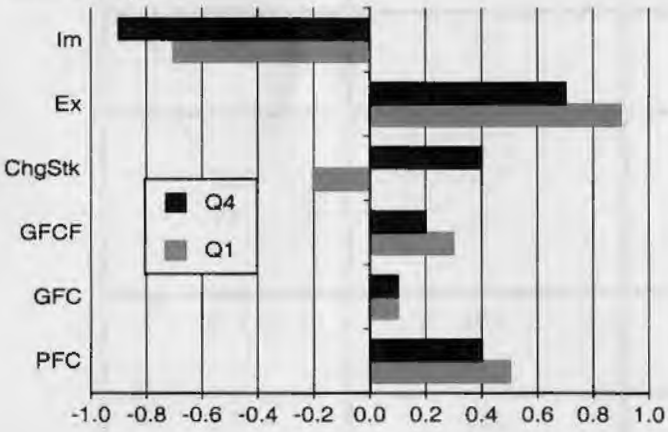
Overview

The EU15 average hides a significant variance in performance in the second quarter, with Germany doing well, France slowing when compared to 1999 but continuing to grow, and Italy, which saw its growth rate fall from 1.0 per cent in quarter one to 0.3 per cent in quarter two. US economic growth remained strong in quarter two, mainly due to a rise in stockbuilding as firms were caught off-guard by the sharp fall in consumer demand, the US trade deficit also continues to grow.The Japanese economy recorded its second consecutive quarter of positive economic growth, although the growth rate is significantly down on the first quarter. The fall in the world oil price in August is evident in the consumer and producer price inflation series of a number of countries.

EU 15

The EU15 economies continued their period of steady growth into quarter one 2000, with quarterly growth of 0.9 per cent, the same as the previous quarter. This was driven by a strong contribution from private final consumption and an improvement in the trade position, with the contribution of exports outweighing that of imports (chart 1). Annual growth of EU15 GDP was 3.3 per cent in quarter one, up from 3.1 per cent in quarter four 1999.

Chart 1
EU15 - Contributions to quarterly GDP growth
seasonally adjusted



Industrial production in the EU15 economies recovered strongly into the second quarter of 2000. Production had seen a decline in its growth rate from 1.2 per cent in quarter four 1999 to 0.4 per cent in quarter one, but it bounced back to 1.7 per cent in quarter two. Monthly data shows that this is mainly due to a strong figure for May, and comes despite a decline into June.

Echoing the strong growth in private final consumption, annual growth in retail sales was 4.0 per cent in quarter two 2000, following growth of 3.0 per cent in quarter one. This is mainly due to a very strong rise in the index in May 2000.

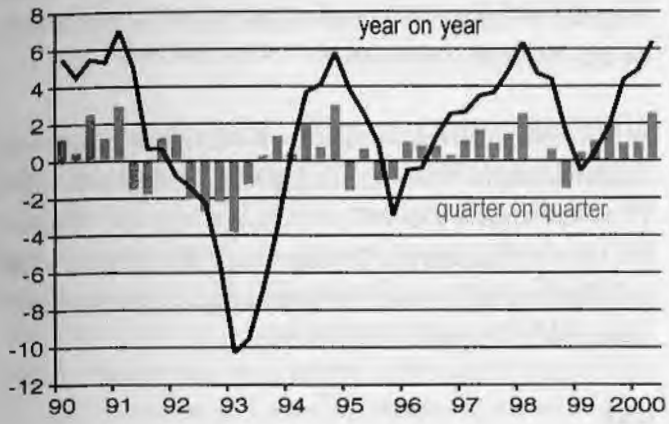
Annual growth in consumer prices in the EU15 economies remained at 2.5 per cent in August 2000, the same growth as in July and down from 2.6 per cent in June. The Harmonised Index of Consumer Prices (HICP) for the EU15 fell from 2.2 per cent in July to 2.0 per cent in August. The Monetary Union average rate fell from 2.4 per cent to 2.3 per cent over the same period, providing some comfort to the European Central Bank, whose target rate for the HICP is 2.5 per cent. The falling rate may be attributed to the lower oil price in August. The annual growth of the producer price index also fell marginally into August 2000, down 0.1 percentage points to reach 4.9 per cent.

Earnings growth over the year to quarter one 2000 was 3.6 per cent, the same rate as in quarter four 1999. Civilian employment growth remained strong into quarter two 2000, continuing to grow at 1.5 per cent on the year. Quarterly growth had slipped sharply into quarter one, but then recovered in quarter two. Unemployment remained at 8.3 per cent for the second consecutive month, the lowest rate seen since May 1991.

Germany

Despite a pessimistic business survey from West Germany, GDP for the German economy as a whole rose by 1.2 per cent in the second quarter of 2000, the highest quarterly rate seen since the first quarter of 1998. This follows two quarters of growth of 0.8 per cent on the quarter. This strong growth was driven mainly by private final consumption; after no contribution to growth in the first quarter of 2000, it contributed 0.7 percentage points to GDP in quarter two. Stockbuilding also added a significant amount to growth. The contribution of net trade in quarter two was zero, as the contribution of exports remained strong but that of imports rose. As a result of this, the German trade deficit deteriorated sharply into the second quarter after an improvement in the first quarter.

Chart 2
German industrial production
percentage change



German industrial production growth rose even further in the second quarter of 2000, with growth of 4.9 per cent following 6.4 per cent in quarter one (chart 2). Quarter two's figure would have been higher if it had not been for a decline in the index in June, which was subsequently reversed in July. New manufacturing orders from both domestic and foreign sources rose sharply into quarter two, suggesting that the robust growth may continue.

Annual growth of retail sales continues to show promising signs, with growth of 4.3 per cent in quarter two compared to a decline of 0.5 per cent in quarter one. However, the quarterly figure hides a sharp decline in the index into June, that was not entirely reversed in July. The quarterly figure corresponds with a rise in consumer confidence in the second quarter.

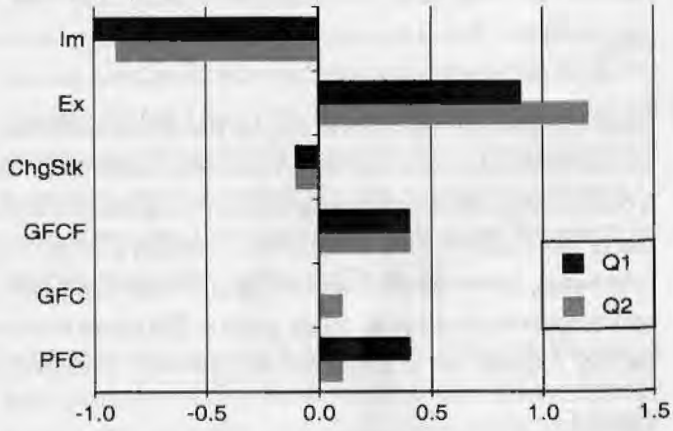
German consumer price inflation remained at 1.9 per cent in July, but then fell to 1.8 per cent in August 2000. The German HICP for August fell by 0.2 percentage points to reach 1.8 per cent. As food prices returned to inflation after a period of deflation, the inflation rates for energy and services both fell into August. Annual growth in the producer price index continued to rise into August after a series of increases since April, although it still remains considerably below the EU15 average level. It rose by 0.2 percentage points to reach 3.5 per cent in August 2000.

No new German earnings data has been available from the OECD since quarter four of 1999. Annual employment growth rose from 0.4 per cent in quarter one to 0.5 per cent in quarter two. The growth still remains low compared to the rates recorded at the start of 1999. Unemployment remained at 8.4 per cent in quarter two, following its decline from 8.7 per cent in quarter four. Monthly data shows that the rate has since fallen to 8.3 per cent in July and August 2000.

France

French GDP continued to grow at a reasonable pace in quarter two, although at a lower rate than was seen in the second half of 1999. Quarterly growth remained at 0.7 per cent in quarter two, whilst annual growth fell from 3.5 per cent in quarter one to 3.4 per cent in quarter two. Analysing contributions to the quarterly growth rate (chart 3) shows that the contribution of private final consumption fell sharply into quarter two, and the GDP growth rate was maintained by the strong rise in the contribution of net trade, as export contributions rose and imports fell. According to INSEE, the French statistics agency, the lower than expected GDP growth was caused by subdued purchases of energy, food and textiles, resulting from a number of factors, including the high oil price,

Chart 3
France - Contributions to quarterly GDP growth
seasonally adjusted



expectations of July sales and higher interest rates.

Despite GDP growth remaining strong, growth in the French index of production has been slipping over the last three quarters, with zero growth in quarter two after growth of 0.7 per cent in quarter one. Production of cars declined by 2.6 per cent in quarter two after growth of 3.1 per cent in the previous quarter, production of agricultural goods also continued to decline into quarter two. On the other hand, French capital utilisation continued the upwards trend that began at the start of 1999.

Annual growth in retail sales was 1.4 per cent in quarter two 2000, down from 2.1 per cent in quarter one. Monthly figures for quarter three suggest that the fall may continue. Consumer confidence also deteriorated sharply into the third quarter, perhaps as a result of the fuel shortages and the political events.

French annual consumer price inflation rose marginally in August 2000, up 0.1 percentage points to reach 1.8 per cent, INSEE suggest that the most likely cause of this is a post-sales rebound in prices.. The provisional estimate for the French HICP showed that the growth rate remained at 2.0 per cent for the second consecutive month in August. Annual producer price inflation as rose marginally into August, up by 0.1 per cent to 5.3 per cent. This series had been deflating by 1.4 per cent as recently as August

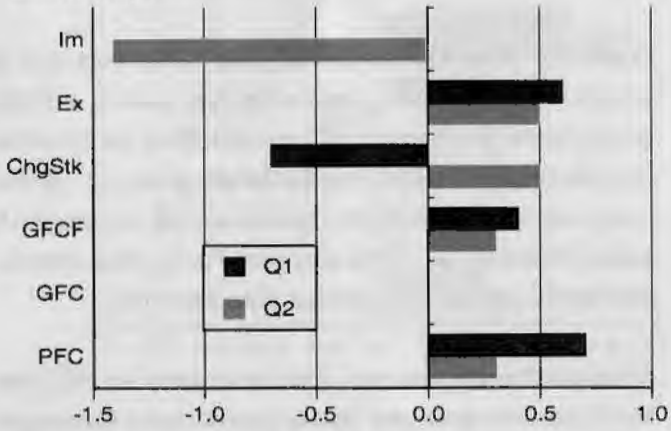
1999, the rapid change being mainly to do with the rise in oil prices.

Annual growth in earnings rose sharply into the first quarter, amid speculation that this was a millennium effect, with bonuses rather than a tightening labour market driving up the index. However, growth has remained strong in the second quarter, with the index growing by 5.4 per cent on the year, up from 5.2 per cent in quarter one. Employment growth had also risen quite sharply into quarter one 2000, up 0.4 percentage points to a quarterly growth rate of 0.9 per cent. Unlike earnings however, it then returned to 0.5 per cent in quarter two 2000. The French unemployment rate continues to fall, down from 10.3 per cent in quarter one to 9.8 per cent in quarter two, although it still remains 1.4 percentage points higher than the EU15 average. According to INSEE, the fall in unemployment was mainly driven by female jobs.

Italy

Italian GDP grew strongly in quarter one, but then fell into quarter two, with growth of 0.3 per cent compared to 1.0 per cent in quarter one. This is despite a large shift from destocking in quarter one to stockbuilding in quarter two. Quarter two saw a drop in the contribution of private final consumption, but the main effect was a very large increase in the negative contribution of imports (chart 4). Annual growth in GDP slipped from 3.0 per cent in quarter one to 2.6 per cent in quarter two, although this remains well above the average for 1999.

Chart 4
Italy - Contributions to quarterly GDP growth
seasonally adjusted



In contrast to GDP, Italian industrial production rose quite sharply into the second quarter of 2000, with growth of 1.3 per cent compared to 0.6 per cent in quarter one. This is despite two of the three months of the quarter recording falls in the index. Capital utilisation rose modestly into the second quarter. Business tendency surveys show that current order books for the second quarter are up on the first quarter, although the level of optimism about future orders in the second quarter has fallen.

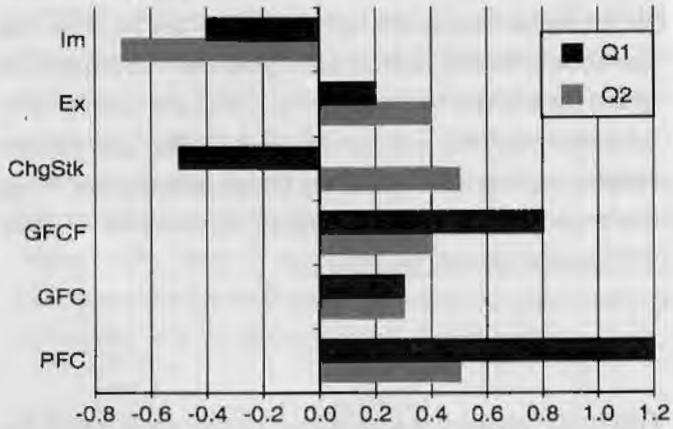
In line with the EU15 average, Italian consumer price inflation rose into June, but then fell slightly into July to reach 2.6 per cent, it then remained at this level in August. Annual growth of the Italian HICP for August was also 2.6 per cent. Annual growth in the producer price index dropped marginally into August, down 0.1 percentage points to 6.5 per cent, reflecting the drop in oil prices in the month.

No new earnings data has been available since December 1999. Growth in civilian employment continues, rising from 1.5 per cent in quarter two to 1.9 per cent in quarter three 2000, the annual rate rose from 1.5 per cent to 2.1 per cent in quarter two. Corresponding to the increasing trend in employment growth, unemployment continues to fall, from 11.0 per cent in quarter one to 10.6 per cent in quarter two.

USA

Although economic growth remained strong in the USA in quarter two, the quarter saw a marked change in the contributions from the various components of GDP. GDP itself grew by 1.4 per cent in quarter two, compared to 1.2 per cent in the first quarter. This was despite a sharp decrease in the contribution of private final consumption, from 1.2 percentage points in quarter one to just 0.5 points in quarter two (chart 5). The contribution of investment, gross fixed capital formation, fell from 0.8 percentage points to 0.4 points over the same period. Although the contribution of exports rose by 0.2 percentage points to reach 0.4 percentage points in quarter two, the contribution of imports rose by 0.3 percentage point, taking 0.7 percentage points off GDP. The main factor holding up the GDP growth rate was the high level of stockbuilding, which follows large destocking in the previous quarter. This suggests that the slowdown in consumption may have come as something of a surprise to many firms. Although the slowdown in consumer expenditure, if not just an erratic movement, may come of some relief to the Federal Reserve who control the US monetary policy, given that the trade balance continues to deteriorate.

Chart 5
USA - Contributions to quarterly GDP growth
seasonally adjusted



Growth in industrial production rose from 1.6 per cent in quarter one 2000 to 1.9 per cent in quarter two. Since the end of quarter two though the index has been more subdued, with no growth in July and slow growth in August. Capital utilisation follows this trend, with the rate dropping gradually in the first two months of quarter three.

Also in line with the falling contribution of private final consumption is the fall in the growth rates of retail sales in the US. Quarter two saw the annual growth rate decline from 8.5 per cent in quarter one to 7.0 per cent. The fall in the quarterly growth rate is more pronounced, from 2.7 per cent growth in quarter one to just 0.1 per cent in quarter two. This may be partially due to the rise in interest rates to 6.5 per cent in May 2000. Similarly consumer confidence appears to have peaked in quarter one 2000 and has declined gradually in the following two quarters.

Also of some comfort to the Federal Reserve is the annual inflation rate of consumer prices. Following two months at 3.7 per cent, the rate slipped down to 3.3 per cent in August 2000, although as with other countries this may simply reflect the lower oil price in this month. Annual growth in producer prices also fell sharply in August, down to 3.3 per cent from 4.0 per cent in July.

The US labour market remains healthy. Annual growth in earnings was only 2.9 per cent in the second quarter of 2000, following growth of 4.3 per cent in quarter one due to bonus payments and millennium effects. Monthly data for July and August suggests a similar rate for quarter three. Annual civilian employment growth in quarter two was 1.6 per cent, the same as in quarter one. Quarterly growth shows that employment has recovered from its fall of 0.5 per cent in quarter one to grow by 1.2 per cent in quarter two. The standardised unemployment rate fell to 4.0 per cent in the second quarter, although monthly data shows that the rate did pick up very marginally in August to reach 4.1 per cent.

Japan

The Japanese economy recorded its second consecutive quarter of positive economic growth in quarter two 2000. Although the growth rate of 1.0 per cent is significantly down on the quarter one figure of 2.5 per cent, this reflects the low GDP value for quarter four 1999 and consequently the high growth rate for quarter one rather than a low value figure in quarter two 2000. Comparing quarters one and two, the main difference in quarter two is the contribution of net trade. The contribution of exports slipped 0.2 percentage points, while the negative contribution of imports rose by 0.6 percentage points. Overall, net trade went from a positive contribution of 0.8 percentage points to GDP in quarter one to having no impact in quarter two. Private final consumption and government consumption also slipped in quarter two. Despite this, from a growth perspective, the Japanese economy does look healthier than it did six months ago.

Japanese industrial production continues in an erratic manner to show occasional promising signs. Following a dip in the growth rate to 0.7 per cent in quarter one, it then grew by 1.6 per cent in quarter two. Monthly data suggests that this trend may continue, although the index declined into July 2000, it grew strongly into August (however, it should be stressed that the monthly series has been rather erratic over the last year). Capital utilisation in manufacturing rose to its highest level in two years in June 2000, but then slipped back slightly into July. Business tendency surveys for both the current and future prospects all showed a sharp increase into the second quarter of 2000.

In contrast to the GDP figures, where the contribution of private final consumption declined into quarter two, annual growth in retail sales improved into the second quarter, although overall it still shows falls. Following a decline of 2.9 per cent in the year to quarter one, the decline for quarter two was 1.9 per cent. The quarterly growth rate shows that the index rose for the first time in five quarters. Monthly data suggests that this might not continue however, with both July and August showing no growth in the index. Consumer confidence in quarter two rose to the highest level seen since the third quarter of 1996.

Following an improvement in the deflation situation in July, it worsened again in August as the oil prices fell. Annual consumer prices deflated by 0.5 per cent in July and by 0.8 per cent in August. On the other hand, annual growth in producer prices rose by 0.1 percentage points to reach 0.3 per cent in August 2000.

The Japanese labour market has become distinctly less healthy in the recent month's figures. Annual growth in earnings fell very sharply into August, although we should not read too much into one figure, this does suggest that the annual growth rate for quarter three may be lower than the 2.3 per cent recorded in quarter two. Employment growth had been showing promising signs, with three months of strong positive growth between March and May, but this appears to have evaporated in the following three months. Despite this, the standardised unemployment rate continues to fall, down 0.1 percentage points in August to reach 4.6 per cent.

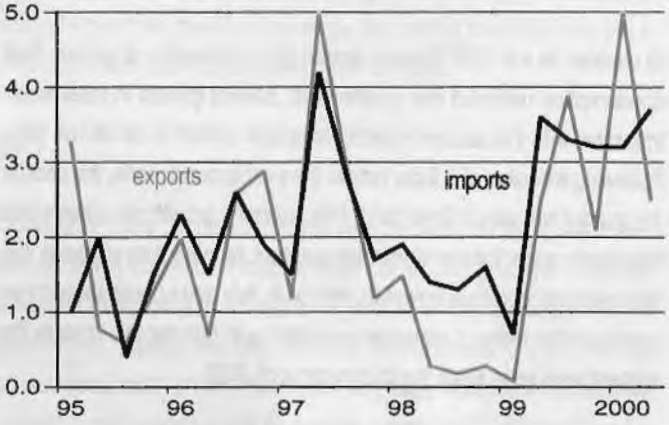
World Trade

The latest world trade data now goes up to quarter four 1999, and shows that quarterly growth of world trade in goods grew by 2.8 per cent in quarter four, following growth of 3.3 per cent in quarter one.

OECD trade data is available up to the second quarter of 2000. Exports of goods (which includes manufactures as well as food, beverages,

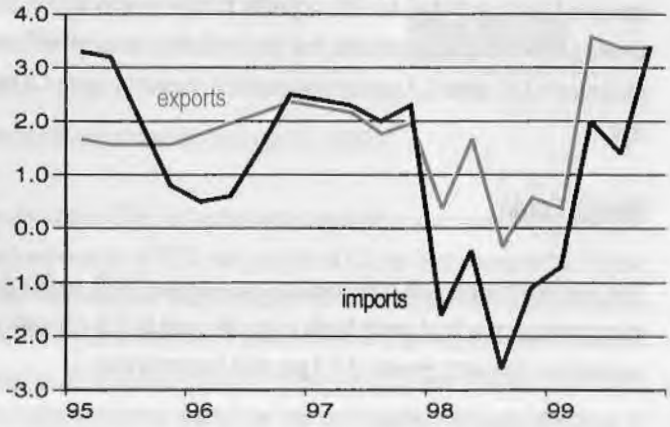
tobacco, basic materials and fuel) grew by 2.5 per cent in quarter two (chart 6), following strong growth of 5.0 per cent in quarter one. Within this, exports of manufactures alone grew by 2.7 per cent, down from 5.6 per cent in quarter one 2000. Growth of OECD imports of goods rose from 3.2 per cent in quarter one to 3.7 per cent in quarter two 2000. Within this, growth of imports of manufactures rose from 3.4 per cent in quarter one to 4.1 per cent in quarter two.

Chart 6
OECD imports and exports of goods
seasonally adjusted, quarterly percentage changes



Non-OECD exports of goods grew by 3.4 per cent in quarter four 1999, the same rate as in quarter three (chart 7). Exports of manufactures grew by 4.7 per cent in quarter three, 4.1 per cent in quarter four, and latest data shows that they grew by 3.3 per cent in quarter one 2000. Non-OECD imports of goods rose quite sharply into quarter four 1999, with growth rising from 1.4 per cent in quarter three to 3.4 per cent in quarter four. Over the same period, imports of manufactures grew by 2.3 per cent and then by 3.9 per cent in quarter four 1999.

Chart 7
Non-OECD imports and exports of goods
seasonally adjusted, quarterly percentage changes



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, Germany, Italy and the USA 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. 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

	GDP	Contribution to change in 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
1991	1.5	1.4	0.5	0.3	–0.2	0.4	0.9	–0.1	..	5.2	2.2	6.7	0.1	8.4
1992	1.0	0.9	0.5	–0.1	–0.2	0.8	0.9	–1.2	..	4.4	1.2	5.6	–1.8	9.1
1993	–0.4	–0.2	0.2	–1.2	–0.4	0.4	–0.9	–3.6	..	3.6	1.4	4.3	–2.0	10.7
1994	2.7	1.0	0.2	0.5	0.7	2.4	2.0	4.9	..	3.1	2.1	4.0	–0.2	11.1
1995	2.4	1.1	0.1	0.6	0.2	2.3	2.0	3.6	–0.3	3.1	4.5	3.4	0.5	10.7
1996	1.7	1.1	0.3	0.4	–0.5	1.4	1.2	0.6	0.2	2.5	0.6	3.7	0.5	10.8
1997	2.6	1.2	0.1	0.6	0.2	3.1	2.6	3.9	2.5	2.0	0.9	3.2	0.8	10.6
1998	2.7	1.8	0.3	1.2	0.4	2.0	2.9	3.6	3.2	1.7	–0.3	2.5	1.6	9.9
1999	2.4	1.8	0.3	1.1	–0.2	1.4	2.1	1.7	2.9	1.3	–	3.0	1.7	9.2
1998 Q1	3.5	1.8	0.2	1.4	0.6	3.3	3.7	5.5	2.6	1.8	0.8	2.9	1.5	10.2
Q2	2.8	1.7	0.2	1.0	0.5	2.5	3.1	4.6	2.6	2.1	0.3	2.8	1.3	10.0
Q3	2.5	1.9	0.2	1.3	0.2	1.5	2.6	3.2	3.9	1.7	–0.7	2.8	1.7	9.9
Q4	2.0	1.9	0.3	1.0	0.2	0.7	2.1	1.3	3.6	1.3	–1.6	1.8	1.8	9.7
1999 Q1	1.9	1.9	0.4	1.0	–	0.2	1.5	0.3	3.5	1.1	–1.7	2.8	1.8	9.5
Q2	2.1	1.7	0.3	1.2	–0.3	0.8	1.6	0.3	2.2	1.1	–1.0	2.8	2.0	9.3
Q3	2.5	1.7	0.3	1.2	–0.2	1.8	2.3	2.0	2.2	1.1	0.4	2.7	1.6	9.1
Q4	3.1	1.8	0.3	1.1	–0.2	2.9	2.8	3.9	3.7	1.6	2.2	3.6	1.6	8.9
2000 Q1	3.3	1.6	0.2	1.1	–0.1	3.7	3.2	4.3	3.0	2.2	4.0	3.6	1.5	8.7
Q2	..	..	..	..	..	..	..	5.3	4.0	2.3	4.9	..	1.5	8.4
1999 Aug	..	..	..	..	..	..	..	2.6	1.9	1.2	0.3	..	..	9.1
Sep	..	..	..	..	..	..	..	2.3	1.9	1.2	1.0	..	..	9.1
Oct	..	..	..	..	..	..	..	2.8	4.7	1.4	1.6	..	..	9.0
Nov	..	..	..	..	..	..	..	4.1	2.8	1.5	2.2	..	..	8.9
Dec	..	..	..	..	..	..	..	4.8	3.7	1.8	2.8	..	..	8.9
2000 Jan	..	..	..	..	..	..	..	2.8	3.7	2.0	3.5	..	..	8.8
Feb	..	..	..	..	..	..	..	4.9	3.7	2.1	4.1	..	..	8.8
Mar	..	..	..	..	..	..	..	5.0	1.8	2.2	4.4	..	..	8.6
Apr	..	..	..	..	..	..	..	5.1	3.7	2.1	4.3	..	..	8.5
May	..	..	..	..	..	..	..	6.5	5.6	2.2	5.0	..	..	8.4
Jun	..	..	..	..	..	..	..	4.4	2.8	2.6	5.3	..	..	8.4
Jul	..	..	..	..	..	..	..	4.4	..	2.5	5.0	..	..	8.3
Aug	..	..	..	..	..	..	..	..	..	2.5	4.9	..	..	8.3

Percentage change on previous quarter	ILGL	HUDY	HUDZ	HUEA	HUEB	HUEC	HUED	ILHF	ILHZ	ILIT
1998 Q1	0.8	0.6	0.1	0.4	–	0.5	0.9	1.1	1.6	–0.6
Q2	0.4	0.4	0.1	0.1	0.1	0.3	0.5	0.6	0.7	1.0
Q3	0.6	0.4	0.1	0.4	–0.2	0.2	0.3	0.2	0.9	1.2
Q4	0.3	0.4	0.1	0.2	0.3	–0.3	0.4	–0.6	0.3	0.2
1999 Q1	0.6	0.6	0.2	0.4	–0.2	0.1	0.3	0.1	1.6	–0.6
Q2	0.6	0.3	–	0.3	–0.1	0.8	0.6	0.6	–0.6	1.2
Q3	0.9	0.4	–	0.3	–0.2	1.3	1.0	1.9	0.9	0.9
Q4	0.9	0.4	0.1	0.2	0.4	0.7	0.9	1.2	1.8	0.2
2000 Q1	0.9	0.5	0.1	0.3	–0.2	0.9	0.7	0.4	0.9	–0.8
Q2	..	..	..	..	..	..	..	1.7	0.3	1.2

Percentage change on previous month	ILKF	ILKP
1999 Aug	0.6	–0.9
Sep	–0.3	–0.9
Oct	0.5	2.8
Nov	1.0	–
Dec	–0.1	–
2000 Jan	–1.1	0.9
Feb	1.6	–
Mar	0.5	–
Apr	0.2	–0.9
May	1.6	2.7
Jun	–1.3	–1.8
Jul	1.0	..
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

2 Germany

	GDP	Contribution to change in GDP: PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl[1]	Unempl
Percentage change on a year earlier	ILFY	HUBW	HUBX	HUBY	HUBZ	HUCA	HUCB	ILGS	ILHM	HVLL	ILAF	ILAO	ILIG	GABD
1991	..	..	..	..	..	..	..	3.3	5.6	4.1	2.2	6.1	1.9	4.2
1992	1.8	1.3	1.0	0.8	–0.6	–0.5	0.1	–2.5	–2.1	5.0	1.6	5.4	–1.4	4.5
1993	–1.1	0.1	–	–1.1	–0.1	–1.3	–1.2	–7.6	–4.2	4.5	0.1	5.1	–1.0	7.9
1994	2.4	0.6	0.5	0.9	0.3	1.7	1.6	3.6	–	2.7	0.7	3.7	–0.4	8.5
1995	1.8	1.3	0.3	–0.1	0.2	1.4	1.3	1.0	0.8	1.7	1.9	4.0	–0.2	8.2
1996	0.8	0.5	0.4	–0.2	–0.4	1.3	0.8	0.7	–1.1	1.4	–1.2	3.5	–0.3	8.9
1997	1.5	0.4	–0.2	0.2	0.2	2.9	2.1	3.7	–1.6	1.9	1.1	1.5	–0.4	9.9
1998	1.8	1.1	0.1	0.5	0.5	1.8	2.1	4.2	1.0	1.0	–0.4	1.8	0.7	9.4
1999	1.4	1.4	–	0.6	0.2	1.4	2.2	1.6	0.6	0.6	–1.0	2.6	0.9	8.7
1998 Q1	3.0	0.9	–	1.0	0.5	3.0	2.4	6.3	0.8	1.2	0.7	1.3	0.1	9.8
Q2	1.7	0.5	–	0.4	0.5	2.8	2.5	4.7	–0.8	1.4	0.2	1.8	0.4	9.6
Q3	1.6	1.4	0.1	0.5	0.2	1.3	1.9	4.4	2.4	0.7	–0.8	2.1	0.9	9.2
Q4	0.9	1.5	0.3	0.1	0.7	0.1	1.7	1.5	1.9	0.4	–1.7	2.2	1.4	9.0
1999 Q1	0.6	1.4	–	0.2	0.7	–0.1	1.5	–0.6	1.6	0.3	–2.4	2.5	1.5	8.8
Q2	1.0	1.5	–0.1	0.6	0.4	0.5	1.9	0.5	–0.1	0.5	–1.7	2.4	1.3	8.7
Q3	1.6	1.3	–	0.9	–0.1	1.9	2.4	1.9	–0.1	0.7	–0.7	2.7	0.7	8.8
Q4	2.4	1.3	–	0.9	–0.1	3.1	2.8	4.4	0.8	1.0	0.6	3.0	0.2	8.7
2000 Q1	2.3	0.4	0.3	0.9	–0.5	4.0	2.9	4.9	–0.5	1.7	2.3	..	0.4	8.4
Q2	3.6	1.3	0.3	0.5	0.5	4.1	3.0	6.4	4.3	1.6	2.6	..	0.5	8.4
1999 Aug	..	..	..	..	..	..	..	2.7	0.8	0.7	–0.7	..	..	8.8
Sep	..	..	..	..	..	..	..	3.1	–1.1	0.7	–0.5	..	..	8.8
Oct	..	..	..	..	..	..	..	3.5	2.0	0.8	0.2	..	..	8.7
Nov	..	..	..	..	..	..	..	4.9	–0.9	1.0	0.7	..	..	8.7
Dec	..	..	..	..	..	..	..	4.6	1.3	1.2	1.1	..	..	8.6
2000 Jan	..	..	..	..	..	..	..	2.7	–0.3	1.6	2.0	..	..	8.5
Feb	..	..	..	..	..	..	..	6.0	2.5	1.8	2.4	..	..	8.4
Mar	..	..	..	..	..	..	..	6.1	–3.6	1.9	2.4	..	..	8.4
Apr	..	..	..	..	..	..	..	6.3	6.0	1.5	2.1	..	..	8.4
May	..	..	..	..	..	..	..	8.5	8.2	1.4	2.7	..	..	8.4
Jun	..	..	..	..	..	..	..	4.5	–1.1	1.9	2.9	..	..	8.3
Jul	..	..	..	..	..	..	..	7.6	0.5	1.9	3.3	..	..	8.3
Aug	..	..	..	..	..	..	..	..	..	1.8	3.5	..	..	8.3
Percentage change on previous quarter	ILGI	HUCC	HUCD	HUCE	HUCF	HUCG	HUCH	ILHC	ILHW				ILIQ	
1998 Q1	1.2	1.0	0.3	0.3	–	0.3	0.8	2.4	1.4				–2.2	
Q2	–0.5	–0.3	–	–0.3	0.1	0.4	0.4	–	–0.7				1.5	
Q3	0.3	0.5	–0.1	0.2	–	–0.2	0.2	0.6	0.7				1.5	
Q4	–0.1	0.3	0.1	–0.2	0.5	–0.4	0.3	–1.5	0.4				0.6	
1999 Q1	0.9	0.9	–	0.4	–	0.1	0.6	0.4	1.2				–2.1	
Q2	–0.1	–0.1	–0.1	0.2	–0.2	1.0	0.9	1.0	–2.4				1.3	
Q3	0.9	0.3	–	0.5	–0.4	1.1	0.6	2.0	0.7				0.9	
Q4	0.8	0.3	–	–0.2	0.6	0.9	0.8	0.9	1.3				0.1	
2000 Q1	0.8	–	0.3	0.5	–0.4	1.0	0.6	0.9	–0.1				–1.9	
Q2	1.2	0.7	–0.1	–0.3	0.7	1.0	1.0	2.5	2.3				1.4	
Percentage change on previous month								ILKC	ILKM					
1999 Aug								1.7	–0.5					
Sep								–1.1	–2.2					
Oct								0.8	3.7					
Nov								0.4	–1.2					
Dec								0.1	0.4					
2000 Jan								–1.2	–0.6					
Feb								2.7	1.8					
Mar								0.3	–1.8					
Apr								0.9	2.6					
May								2.4	4.6					
Jun								–3.1	–7.9					
Jul								3.7	2.1					
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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IoP = Industrial Production
Sales = Retail Sales volume
CPI = Consumer Prices measurement not uniform among countries
PPI = Producer Prices (manufacturing)
Earnings = Average Earnings (manufacturing), definitions of coverage and treatment vary among countries
Empl = Total Employment not seasonally adjusted
Unempl = Standardised Unemployment rates: percentage of total workforce

Source: OECD - SNA93

1. Excludes members of armed forces

3 France

	GDP	Contribution to change in 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
1991	1.1	0.4	0.6	–0.3	–0.1	1.0	0.5	–0.2	–0.2	3.2	–1.2	4.7	0.1	9.5
1992	1.3	0.4	0.8	–0.3	–0.2	1.0	0.3	–1.1	0.3	2.3	–1.1	4.0	–0.6	10.4
1993	–0.9	–0.1	1.0	–1.3	–1.2	–	–0.7	–3.7	0.2	2.2	–2.2	3.0	–1.3	11.7
1994	1.8	0.3	0.1	0.3	1.0	1.6	1.6	3.9	–0.1	1.7	1.2	2.0	0.1	12.3
1995	1.8	0.9	–	0.4	0.5	1.7	1.6	2.5	–	1.7	5.2	2.4	0.9	11.7
1996	1.1	0.7	0.5	–	–0.5	0.7	0.3	0.9	–0.3	2.0	–2.7	2.6	0.2	12.3
1997	1.9	0.1	0.5	–	0.1	2.8	1.5	3.7	1.0	1.2	–0.6	2.6	0.7	12.3
1998	3.2	1.9	0.1	1.2	0.6	2.0	2.5	5.2	2.6	0.8	–0.9	2.2	1.6	11.8
1999	2.9	1.3	0.6	1.4	–0.4	1.0	0.9	2.1	2.4	0.5	–1.4	2.5	1.9	11.3
1998 Q1	3.3	1.5	0.1	1.1	0.6	3.2	3.1	7.5	2.3	0.9	0.5	2.4	1.2	11.9
Q2	3.5	2.1	–	1.2	0.9	2.4	3.1	6.7	3.1	1.1	–0.3	2.0	1.6	11.8
Q3	3.2	2.1	–	1.3	0.4	1.7	2.3	3.9	2.5	0.7	–1.4	2.1	1.8	11.8
Q4	2.9	1.8	0.1	1.3	0.7	0.5	1.6	2.6	2.7	0.4	–2.3	2.0	1.8	11.8
1999 Q1	2.5	1.5	0.5	1.5	–0.3	–0.1	0.5	1.3	3.4	0.2	–2.8	2.0	2.0	11.7
Q2	2.6	1.1	0.6	1.4	–0.3	0.3	0.5	0.5	1.8	0.4	–2.4	2.0	1.9	11.5
Q3	3.0	1.3	0.6	1.4	–0.8	1.4	0.9	2.7	2.2	0.5	–1.2	2.7	1.8	11.2
Q4	3.4	1.3	0.6	1.2	–0.3	2.3	1.7	4.0	1.9	1.0	0.8	3.4	2.0	10.8
2000 Q1	3.5	1.6	0.4	1.2	0.1	3.3	3.0	4.5	2.1	1.5	3.0	5.2	2.3	10.3
Q2	3.4	1.4	0.4	1.2	–	3.9	3.4	4.1	1.4	1.5	4.7	5.4	2.3	9.8
1999 Aug	..	..	..	..	..	..	..	2.5	–0.3	0.5	–1.4	..	..	11.2
Sep	..	..	..	..	..	..	..	3.2	2.8	0.7	–0.7	..	..	11.1
Oct	..	..	..	..	..	..	..	3.5	0.1	0.8	0.4	..	..	10.9
Nov	..	..	..	..	..	..	..	4.2	3.1	0.9	0.8	..	..	10.8
Dec	..	..	..	..	..	..	..	4.1	2.8	1.3	1.3	..	..	10.6
2000 Jan	..	..	..	..	..	..	..	3.9	1.8	1.6	2.3	..	..	10.5
Feb	..	..	..	..	..	..	..	5.0	2.4	1.4	3.0	..	..	10.3
Mar	..	..	..	..	..	..	..	4.7	2.0	1.5	3.4	..	..	10.2
Apr	..	..	..	..	..	..	..	4.5	–1.0	1.3	4.3	..	..	10.0
May	..	..	..	..	..	..	..	4.2	4.1	1.5	4.7	..	..	9.8
Jun	..	..	..	..	..	..	..	3.5	1.2	1.7	5.0	..	..	9.6
Jul	..	..	..	..	..	..	..	..	–1.5	1.7	5.2	..	..	9.6
Aug	..	..	..	..	..	..	..	..	1.5	1.8	5.3	..	..	9.6

Percentage change on previous quarter	ILGJ	HUBQ	HUBR	HUBS	HUBT	HUBU	HUBV	ILHD	ILHX	ILIR
1998 Q1	0.9	0.4	–0.1	0.3	0.6	0.6	0.9	1.5	–	0.4
Q2	0.8	0.7	–	0.4	–	0.2	0.5	1.3	1.0	0.6
Q3	0.6	0.3	0.1	0.3	–	0.1	0.2	–0.4	0.7	0.5
Q4	0.6	0.3	0.1	0.3	0.2	–0.4	0.1	0.2	1.1	0.3
1999 Q1	0.5	0.1	0.2	0.4	–0.5	–	–0.2	0.2	0.7	0.6
Q2	0.8	0.3	0.1	0.3	–	0.6	0.5	0.5	–0.6	0.5
Q3	1.0	0.5	0.1	0.3	–0.5	1.2	0.6	1.9	1.0	0.5
Q4	1.0	0.3	0.1	0.2	0.7	0.5	0.9	1.4	0.8	0.5
2000 Q1	0.7	0.4	–	0.4	–0.1	0.9	1.0	0.7	0.8	0.9
Q2	0.7	0.1	0.1	0.4	–0.1	1.2	0.9	–	–1.2	0.5

Percentage change on previous month	ILKD	ILKN
1999 Aug	–	–3.7
Sep	0.5	1.8
Oct	0.5	–0.2
Nov	1.3	1.8
Dec	–1.0	–0.4
2000 Jan	0.3	–0.5
Feb	1.0	1.1
Mar	0.1	0.6
Apr	–0.5	–4.0
May	0.6	3.7
Jun	–0.6	–1.0
Jul	..	–0.6
Aug	..	–0.8

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

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

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

Source: OECD - SNA93

4 Italy

	GDP	Contribution to change in 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
1991	1.4	1.7	0.3	0.2	–0.1	–0.3	0.5	–1.8	3.2	6.3	3.3	9.7	1.3	8.6
1992	0.8	1.2	0.1	–0.3	–0.1	1.4	1.6	–1.0	1.8	5.3	2.0	5.4	–1.0	8.9
1993	–0.9	–2.3	–	–2.2	–0.7	1.9	–2.5	–2.3	–2.9	4.6	3.7	3.6	–4.1	10.2
1994	2.2	0.9	–0.2	–	0.8	2.2	1.7	5.8	–6.2	4.1	3.7	3.4	–1.7	11.1
1995	2.9	1.0	–0.4	1.1	0.2	3.1	2.1	5.8	–5.1	5.3	7.9	3.1	–0.6	11.7
1996	1.1	0.7	0.2	0.7	–0.7	0.2	–0.1	–1.5	–1.4	4.0	1.8	3.1	0.5	11.7
1997	1.8	1.7	0.1	0.2	0.3	1.7	2.3	3.8	6.9	2.0	1.3	3.6	0.4	11.8
1998	1.5	1.4	0.1	0.8	0.6	0.9	2.2	1.3	3.0	2.0	0.1	2.8	1.2	11.8
1999	1.4	1.0	0.1	0.8	0.4	–0.1	0.9	–	..	1.7	–0.2	2.3	1.2	11.4
1998 Q1	2.8	1.5	0.1	1.2	1.1	2.4	3.5	5.2	3.8	2.0	1.2	2.2	1.0	11.8
Q2	1.5	1.2	0.1	0.8	0.3	1.4	2.3	2.7	0.4	2.1	0.6	3.1	0.9	11.9
Q3	1.5	1.3	0.1	0.8	0.2	0.7	1.7	0.3	3.2	2.1	–0.1	2.8	1.1	11.9
Q4	0.4	1.5	0.1	0.3	0.7	–0.7	1.5	–2.5	5.1	1.7	–1.2	3.0	1.5	11.8
1999 Q1	1.1	1.4	0.1	0.3	1.2	–1.5	0.5	–1.3	..	1.4	–1.8	3.0	1.2	11.6
Q2	1.1	1.0	0.1	0.8	0.9	–0.8	0.9	–2.6	..	1.4	–1.4	2.1	1.3	11.4
Q3	1.3	0.9	0.1	0.9	0.2	0.1	1.0	0.5	..	1.7	–	2.3	1.2	11.3
Q4	2.2	0.8	0.1	1.3	–0.6	1.6	1.1	3.2	..	2.1	2.2	1.8	1.4	11.1
2000 Q1	3.0	1.2	0.2	1.5	–1.0	2.6	1.5	3.4	..	2.4	4.6	..	1.2	11.0
Q2	2.6	1.2	0.2	1.4	–0.8	2.6	2.2	5.6	..	2.6	6.2	..	1.5	10.6
Q3	..	..	..	..	..	..	..	..	..	..	..	..	2.1	..
1999 Sep	..	..	..	..	..	..	..	–0.3	..	1.8	0.8	2.1	..	11.2
Oct	..	..	..	..	..	..	..	1.6	..	2.0	1.6	1.9	..	11.1
Nov	..	..	..	..	..	..	..	2.5	..	2.0	2.2	1.8	..	11.1
Dec	..	..	..	..	..	..	..	5.9	..	2.1	2.8	1.8	..	11.2
2000 Jan	..	..	..	..	..	..	..	1.8	..	2.2	3.8	..	..	11.2
Feb	..	..	..	..	..	..	..	4.8	..	2.4	4.7	..	..	11.0
Mar	..	..	..	..	..	..	..	3.6	..	2.5	5.4	..	..	10.8
Apr	..	..	..	..	..	..	..	4.1	..	2.3	5.3	..	..	10.6
May	..	..	..	..	..	..	..	7.8	..	2.5	6.4	..	..	10.6
Jun	..	..	..	..	..	..	..	4.8	..	2.7	6.9	..	..	10.6
Jul	..	..	..	..	..	..	..	2.8	..	2.6	6.6	..	..	10.5
Aug	..	..	..	..	..	..	..	..	..	2.6	6.5	..	..	..
Sep	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Percentage change on previous quarter	ILGK	HUCO	HUCP	HUCQ	HUCR	HUCS	HUCT	ILHE	ILHY	ILIS
1998 Q1	–0.4	0.4	–	0.2	–0.8	0.4	0.5	–0.9	5.1	–0.7
Q2	0.6	0.6	0.1	–	0.6	–0.2	0.4	0.6	–0.5	1.1
Q3	0.5	0.3	–	0.1	–0.2	0.2	–0.1	–0.9	–	1.4
Q4	–0.3	0.2	–	–	1.2	–1.0	0.7	–1.4	0.6	–0.3
1999 Q1	0.3	0.3	–	0.3	–0.3	–0.3	–0.4	0.4	..	–1.0
Q2	0.6	0.2	–	0.4	0.3	0.5	0.8	–0.8	..	1.2
Q3	0.7	0.2	0.1	0.3	–0.9	1.0	–0.1	2.3	..	1.3
Q4	0.5	0.1	0.1	0.4	0.3	0.5	0.8	1.3	..	–0.1
2000 Q1	1.0	0.7	–	0.4	–0.7	0.6	–	0.6	..	–1.2
Q2	0.3	0.3	–	0.3	0.5	0.5	1.4	1.3	..	1.5
Q3	..	..	..	..	..	..	..	..	..	1.9

Percentage change on previous month	ILKE	ILKO
1999 Sep	–0.3	..
Oct	0.6	..
Nov	1.1	..
Dec	0.1	..
2000 Jan	–1.0	..
Feb	1.5	..
Mar	0.3	..
Apr	–0.6	..
May	2.3	..
Jun	–0.9	..
Jul	–0.8	..
Aug	..	..
Sep	..	..

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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 not seasonally adjusted

Source: OECD - SNA93

5 USA

	GDP	Contribution to change in 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
1991	-0.5	-0.1	0.2	-0.9	-0.3	0.6	..	-2.0	-1.9	4.2	2.0	3.2	-0.8	6.8
1992	3.1	1.9	0.1	0.8	0.3	0.6	0.6	3.1	3.4	3.0	1.3	2.7	0.6	7.5
1993	2.7	2.2	-0.1	1.0	–	0.3	0.9	3.4	4.9	2.9	1.2	2.6	1.5	6.9
1994	4.0	2.5	–	1.2	0.7	0.9	1.2	5.5	6.5	2.6	0.6	2.4	2.3	6.1
1995	2.7	2.0	–	0.9	-0.5	1.0	0.9	4.8	3.6	2.8	1.9	2.6	1.5	5.6
1996	3.6	2.1	0.1	1.5	–	0.9	1.0	4.4	4.9	2.9	2.6	3.3	1.4	5.4
1997	4.4	2.4	0.3	1.6	0.4	1.4	1.7	6.3	4.1	2.3	0.4	3.1	2.3	4.9
1998	4.4	3.1	0.2	2.1	0.2	0.3	1.6	4.2	6.4	1.6	-0.9	2.5	1.5	4.5
1999	4.2	3.5	0.3	1.9	-0.4	0.3	1.5	3.5	8.6	2.1	1.9	2.9	1.5	4.2
1998 Q1	4.8	2.8	0.2	2.0	0.8	0.8	1.8	5.7	4.8	1.4	-1.5	2.8	1.9	4.7
Q2	4.1	3.4	0.2	2.2	-0.3	0.2	1.7	4.7	7.5	1.6	-0.8	2.8	1.5	4.4
Q3	3.9	3.0	0.2	1.9	0.3	-0.2	1.3	3.8	5.3	1.6	-0.6	2.5	1.1	4.5
Q4	4.6	3.3	0.3	2.2	–	0.3	1.5	2.9	7.7	1.5	-0.4	1.9	1.3	4.4
1999 Q1	3.9	3.4	0.4	2.0	-0.8	–	1.2	2.8	9.0	1.7	0.7	1.8	1.7	4.3
Q2	3.8	3.4	0.1	1.8	-0.5	0.2	1.4	3.3	7.8	2.2	1.3	2.8	1.4	4.3
Q3	4.3	3.5	0.3	1.9	-0.4	0.6	1.8	3.7	9.3	2.4	2.3	3.7	1.4	4.2
Q4	5.0	3.7	0.4	1.9	0.1	0.5	1.8	4.2	8.3	2.6	2.9	3.6	1.5	4.1
2000 Q1	5.3	4.0	0.7	2.2	-0.1	0.9	2.0	5.4	8.5	3.4	3.6	4.3	1.6	4.1
Q2	6.1	3.6	0.9	2.2	0.7	1.2	2.2	6.1	7.0	3.3	4.0	2.9	1.6	4.0
1999 Aug	..	..	..	..	..	..	..	3.1	10.2	2.3	2.3	3.7	1.6	4.2
Sep	..	..	..	..	..	..	..	3.4	8.7	2.6	3.1	3.6	1.2	4.2
Oct	..	..	..	..	..	..	..	3.7	7.8	2.6	2.8	3.7	1.5	4.1
Nov	..	..	..	..	..	..	..	4.3	8.3	2.6	3.0	3.6	1.5	4.1
Dec	..	..	..	..	..	..	..	4.7	8.9	2.6	2.8	3.6	1.4	4.1
2000 Jan	..	..	..	..	..	..	..	5.2	8.9	3.0	2.5	4.5	1.5	4.0
Feb	..	..	..	..	..	..	..	5.3	8.6	3.3	4.0	4.5	1.7	4.1
Mar	..	..	..	..	..	..	..	5.4	8.0	3.8	4.3	3.6	1.7	4.1
Apr	..	..	..	..	..	..	..	5.9	7.6	3.0	3.7	2.7	2.1	3.9
May	..	..	..	..	..	..	..	6.2	6.7	3.1	3.9	2.7	1.2	4.1
Jun	..	..	..	..	..	..	..	6.3	6.7	3.7	4.3	3.6	1.3	4.0
Jul	..	..	..	..	..	..	..	5.7	..	3.7	4.0	3.6	1.0	4.0
Aug	..	..	..	..	..	..	..	5.7	..	3.3	3.3	2.7	1.0	4.1
Percentage change on previous quarter	ILGM	HUDM	HUDN	HUDO	HUDP	HUDQ	HUDR	ILHG	ILIA				ILIU	
1998 Q1	1.6	0.8	-0.1	0.7	0.6	–	0.5	0.6	1.4				-1.0	
Q2	0.7	0.9	0.2	0.7	-0.7	-0.1	0.4	0.7	2.6				1.5	
Q3	0.9	0.7	–	0.3	0.1	-0.1	0.2	0.8	0.5				0.6	
Q4	1.4	0.8	0.1	0.5	–	0.4	0.4	0.8	2.9				0.2	
1999 Q1	0.9	0.9	–	0.6	-0.2	-0.2	0.2	0.5	2.6				-0.6	
Q2	0.6	0.9	–	0.4	-0.4	0.2	0.6	1.2	1.5				1.2	
Q3	1.4	0.8	0.2	0.4	0.3	0.3	0.6	1.2	2.0				0.6	
Q4	2.0	1.0	0.2	0.5	0.5	0.3	0.4	1.2	2.0				0.3	
2000 Q1	1.2	1.2	0.3	0.8	-0.5	0.2	0.4	1.6	2.7				-0.5	
Q2	1.4	0.5	0.3	0.4	0.5	0.4	0.7	1.9	0.1				1.2	
Percentage change on previous month								ILKG	ILKQ				ILLA	
1999 Aug								0.2	1.1				-0.4	
Sep								0.2	-0.1				-0.6	
Oct								0.7	0.5				0.7	
Nov								0.3	1.1				0.1	
Dec								0.4	1.4				0.1	
2000 Jan								0.7	0.8				-0.9	
Feb								0.4	1.0				0.4	
Mar								0.6	-0.2				0.5	
Apr								0.7	-0.3				0.6	
May								0.9	0.3				-0.2	
Jun								0.3	0.1				0.8	
Jul								–	..				–	
Aug								0.3	..				-0.4	

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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

6 Japan

	GDP	Contribution to change in 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
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	–	−3.4	−2.8	1.2	−1.6	0.3	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	2.2	0.1	2.9
1995	1.4	1.2	0.3	0.4	0.2	0.7	1.4	3.0	0.1	−0.1	−0.7	2.9	–	3.1
1996	5.2	1.8	0.2	3.4	0.4	0.8	1.3	2.2	0.7	0.1	−1.7	2.6	0.5	3.4
1997	1.6	0.3	0.1	−0.3	0.1	1.4	0.1	4.0	−1.9	1.7	0.6	2.9	1.0	3.4
1998	−2.6	−0.3	0.1	−2.3	−0.6	−0.3	−0.9	−6.7	−5.5	0.7	−1.3	−0.8	−0.6	4.1
1999	0.3	0.7	0.1	−0.3	0.1	0.2	0.6	1.0	−2.0	−0.3	−1.5	−0.6	−0.8	4.7
1998 Q1	−2.9	−2.1	0.3	−1.8	−0.1	0.3	−0.7	−4.2	−10.0	2.0	0.4	−0.2	–	3.7
Q2	−1.1	0.7	–	−1.8	−0.6	−0.5	−1.1	−7.9	−2.4	0.4	−1.9	−0.3	−0.7	4.1
Q3	−3.2	−0.2	0.2	−3.0	−0.9	−0.2	−1.0	−7.9	−3.8	−0.2	−1.8	−1.7	−0.9	4.2
Q4	−3.1	0.3	0.1	−2.6	−0.9	−0.9	−0.9	−6.7	−5.2	0.5	−2.0	−0.7	−1.0	4.4
1999 Q1	−0.4	0.6	0.2	−0.9	−0.2	−0.4	−0.4	−3.7	−4.2	−0.1	−2.1	−0.4	−1.2	4.6
Q2	0.7	1.1	0.1	−0.1	0.1	−0.1	0.5	0.3	−2.1	−0.3	−1.8	−1.1	−1.1	4.7
Q3	0.9	1.0	0.1	–	0.2	0.5	0.8	2.7	−1.4	–	−1.4	−0.3	−0.7	4.7
Q4	−0.2	0.1	–	–	0.2	1.0	1.5	5.1	−0.3	−1.0	−0.6	−0.3	−0.2	4.6
2000 Q1	0.7	0.6	–	−0.5	0.1	1.8	1.2	4.4	−2.9	−0.7	−0.1	2.0	−0.5	4.8
Q2	0.8	0.6	–	−0.5	–	2.2	1.5	6.3	−1.9	−0.7	0.4	2.3	−0.4	4.7
1999 Aug	..	..	..	..	..	..	..	3.9	−1.1	0.3	−1.4	0.4	−0.6	4.7
Sep	..	..	..	..	..	..	..	2.8	−1.1	−0.2	−1.1	1.6	−0.2	4.6
Oct	..	..	..	..	..	..	..	3.8	–	−0.7	−0.8	1.0	−0.4	4.6
Nov	..	..	..	..	..	..	..	5.4	−1.1	−1.2	−0.5	0.1	–	4.6
Dec	..	..	..	..	..	..	..	6.2	–	−1.1	−0.5	−2.2	−0.3	4.7
2000 Jan	..	..	..	..	..	..	..	4.4	−2.2	−0.9	−0.3	2.5	−0.4	4.7
Feb	..	..	..	..	..	..	..	4.0	−3.3	−0.6	−0.1	1.8	−0.4	4.9
Mar	..	..	..	..	..	..	..	4.7	−3.3	−0.5	0.2	1.7	−0.6	4.9
Apr	..	..	..	..	..	..	..	7.3	−3.3	−0.8	0.5	2.2	−0.5	4.8
May	..	..	..	..	..	..	..	4.7	−1.1	−0.7	0.3	2.1	−0.5	4.6
Jun	..	..	..	..	..	..	..	6.9	−1.1	−0.7	0.4	2.8	−0.3	4.7
Jul	..	..	..	..	..	..	..	5.7	−1.1	−0.5	0.2	1.3	−0.1	4.7
Aug	..	..	..	..	..	..	..	6.6	−1.1	−0.8	0.3	−1.2	−0.4	4.6
Percentage change on previous quarter														
	ILGN	HUDA	HUDB	HUDC	HUDD	HUDE	HUDF	ILHH	ILIB				ILIV	
1998 Q1	−1.2	0.2	−0.1	−0.8	−0.4	−0.4	−0.3	−1.7	−0.3				−1.6	
Q2	−0.2	0.1	–	−0.4	−0.2	−0.2	−0.5	−4.3	−2.4				2.1	
Q3	−1.2	–	0.1	−1.2	−0.2	0.1	–	0.3	−0.7				−0.4	
Q4	−0.5	–	0.1	−0.2	−0.1	−0.4	−0.1	−1.1	−1.8				−1.1	
1999 Q1	1.5	0.5	0.1	0.9	0.3	–	0.3	1.4	0.8				−1.8	
Q2	1.0	0.7	−0.1	0.4	0.1	0.2	0.3	−0.3	−0.3				2.2	
Q3	−1.0	−0.1	0.1	−1.1	−0.1	0.7	0.3	2.7	–				–	
Q4	−1.6	−1.0	–	−0.2	–	0.1	0.6	1.2	−0.8				−0.6	
2000 Q1	2.5	1.0	0.1	0.4	0.1	0.8	–	0.7	−1.9				−2.1	
Q2	1.0	0.6	−0.1	0.4	0.1	0.6	0.6	1.6	0.8				2.3	
Percentage change on previous month														
								ILKH	ILKR				ILLB	
1999 Aug								2.3	–				0.2	
Sep								−0.5	−1.1				0.1	
Oct								−0.1	–				−0.2	
Nov								1.2	–				−0.3	
Dec								0.2	–				−0.9	
2000 Jan								−0.4	−1.1				−1.1	
Feb								−0.2	−1.1				−0.7	
Mar								2.1	–				0.6	
Apr								−0.5	–				1.4	
May								0.2	1.1				1.0	
Jun								1.8	1.1				–	
Jul								−0.5	–				−0.2	
Aug								3.1	–				−0.1	

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

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

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

Source: OECD - SNA68

7 World trade in goods[1]

	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
1991	3.8	2.7	8.9	5.4	3.8	10.5	3.8	3.5	4.9	4.6	3.6	7.5	4.6	4.2
1992	4.3	3.3	8.4	5.2	4.2	7.9	4.2	3.7	5.7	5.0	4.1	7.5	4.7	4.6
1993	4.7	2.1	15.3	3.9	0.9	12.5	3.9	2.1	9.1	3.3	0.8	10.3	4.3	3.6
1994	12.1	9.9	20.1	12.0	12.4	11.1	10.6	9.4	14.1	10.9	10.9	10.8	12.1	10.8
1995	9.6	9.9	8.6	10.9	10.3	12.4	8.9	9.3	7.8	9.7	8.8	12.2	10.2	9.3
1996	6.6	6.2	7.8	7.3	7.6	6.6	6.5	6.1	7.7	6.5	7.2	4.9	6.9	6.5
1997	11.5	11.9	10.0	10.9	11.5	9.4	10.3	10.7	9.1	9.6	9.9	8.8	11.2	9.9
1998	7.0	7.5	5.2	6.7	9.5	–0.5	5.3	5.5	4.6	5.6	7.9	–0.3	6.8	5.4
1999	5.9	5.4	7.9	7.7	9.9	1.5	5.4	5.0	6.5	6.2	8.3	0.1	6.8	5.8
1995 Q1	13.3	13.5	12.6	13.7	14.1	12.8	12.2	13.0	10.1	12.4	12.2	12.8	13.5	12.3
Q2	10.1	10.4	8.9	12.2	11.6	13.8	9.6	10.2	7.9	11.3	10.3	13.7	11.1	10.4
Q3	8.6	9.1	6.9	10.5	9.6	12.9	7.8	8.2	6.7	9.3	7.9	12.7	9.5	8.5
Q4	6.8	6.9	6.4	7.4	6.3	10.3	6.2	6.0	6.6	6.3	5.0	9.8	7.1	6.2
1996 Q1	5.7	5.4	6.7	7.5	7.3	8.1	5.3	4.7	6.8	6.4	6.3	6.8	6.6	5.9
Q2	5.5	5.0	7.1	6.1	6.2	5.9	5.3	4.6	7.2	5.3	5.8	4.1	5.8	5.3
Q3	6.9	6.6	7.9	7.5	8.3	5.5	7.0	6.7	7.8	6.8	8.0	3.6	7.2	6.9
Q4	8.2	7.9	9.3	8.0	8.4	7.0	8.4	8.3	8.7	7.6	8.5	5.3	8.1	8.0
1997 Q1	8.2	7.6	10.0	7.9	7.9	8.1	8.0	7.5	9.2	7.5	7.6	7.3	8.1	7.7
Q2	12.2	12.7	10.5	11.5	12.3	9.5	11.4	12.2	9.5	10.1	10.5	9.1	11.8	10.8
Q3	12.7	13.4	10.1	11.9	12.6	10.0	11.5	12.5	9.0	10.5	10.8	9.5	12.3	11.0
Q4	12.8	13.7	9.5	12.2	13.0	9.9	10.1	10.7	8.6	10.3	10.6	9.3	12.5	10.2
1998 Q1	12.0	13.4	7.5	10.9	13.3	5.0	9.8	11.0	6.5	9.4	11.1	5.1	11.5	9.6
Q2	8.0	8.4	6.8	7.4	9.6	1.8	5.9	5.9	6.0	6.4	8.0	2.3	7.7	6.2
Q3	5.5	5.8	4.3	5.0	7.9	–2.6	3.3	3.2	3.8	4.0	6.4	–2.4	5.2	3.7
Q4	3.0	3.1	2.6	3.8	7.4	–5.8	2.3	2.3	2.4	3.0	6.3	–5.7	3.4	2.7
1999 Q1	1.8	1.7	2.2	3.5	6.3	–4.2	1.3	0.9	2.4	2.4	5.0	–4.8	2.6	1.8
Q2	3.7	3.4	4.8	6.1	8.7	–1.2	3.5	3.2	4.3	4.8	7.3	–2.4	4.9	4.1
Q3	7.9	7.2	10.3	9.3	11.3	3.3	7.3	7.0	8.1	7.5	9.5	1.6	8.6	7.4
Q4	10.2	9.0	14.2	11.9	13.1	8.3	9.4	8.8	11.1	10.0	11.2	6.3	11.1	9.7
2000 Q1	15.6	15.1	17.4	..	15.9	..	..	14.2	..	..	14.0	..	..	..
Q2	..	15.5	..	..	16.2	..	..	14.2	..	..	14.1	..	..	..
Percentage change on previous quarter														
	ILJN	ILJO	ILJP	ILJQ	ILJR	ILJS	ILJT	ILJU	ILJV	ILJW	ILJX	ILJY	ILJZ	ILKA
1995 Q1	3.1	3.4	1.8	2.0	1.5	3.4	2.8	3.3	1.7	1.7	1.0	3.3	2.6	2.2
Q2	1.1	1.0	1.7	2.2	1.8	3.2	1.0	0.8	1.6	2.3	2.0	3.2	1.7	1.7
Q3	1.0	0.8	1.5	1.2	0.8	2.2	0.8	0.6	1.6	0.9	0.4	2.0	1.1	0.9
Q4	1.5	1.5	1.3	1.8	2.0	1.1	1.4	1.3	1.6	1.3	1.5	0.8	1.6	1.3
1996 Q1	2.0	2.0	2.0	2.1	2.4	1.3	2.0	2.0	1.8	1.8	2.3	0.5	2.0	1.9
Q2	1.0	0.6	2.0	0.9	0.9	1.2	1.0	0.7	2.0	1.2	1.5	0.6	0.9	1.1
Q3	2.3	2.3	2.3	2.5	2.7	1.8	2.5	2.6	2.2	2.3	2.6	1.5	2.4	2.4
Q4	2.8	2.8	2.7	2.3	2.2	2.5	2.7	2.9	2.4	2.0	1.9	2.5	2.5	2.4
1997 Q1	2.0	1.8	2.7	2.0	1.9	2.4	1.5	1.2	2.3	1.7	1.5	2.4	2.0	1.6
Q2	4.7	5.3	2.5	4.3	5.0	2.5	4.3	5.0	2.2	3.7	4.2	2.3	4.5	4.0
Q3	2.7	3.0	1.8	2.9	3.1	2.2	2.6	2.9	1.8	2.6	2.8	2.0	2.8	2.6
Q4	2.9	3.1	2.2	2.5	2.5	2.5	1.4	1.2	2.0	1.9	1.7	2.3	2.7	1.6
1998 Q1	1.3	1.4	0.8	0.9	2.1	–2.2	1.2	1.5	0.4	0.9	1.9	–1.6	1.1	1.1
Q2	0.9	0.7	1.8	1.0	1.5	–0.6	0.6	0.3	1.7	0.9	1.4	–0.4	0.9	0.8
Q3	0.3	0.6	–0.5	0.5	1.5	–2.2	0.1	0.2	–0.3	0.3	1.3	–2.6	0.4	0.2
Q4	0.4	0.4	0.5	1.3	2.1	–0.9	0.4	0.3	0.6	0.9	1.6	–1.1	0.9	0.6
1999 Q1	0.1	–	0.5	0.6	1.0	–0.5	0.2	0.1	0.4	0.3	0.7	–0.7	0.4	0.3
Q2	2.8	2.4	4.3	3.5	3.8	2.5	2.8	2.5	3.6	3.2	3.6	2.0	3.2	3.0
Q3	4.4	4.3	4.7	3.6	4.0	2.3	3.7	3.9	3.4	2.9	3.3	1.4	4.0	3.3
Q4	2.6	2.1	4.1	3.8	3.8	3.9	2.4	2.1	3.4	3.2	3.2	3.4	3.2	2.8
2000 Q1	5.1	5.6	3.3	..	3.4	..	..	5.0	..	..	3.2	..	..	..
Q2	..	2.7	..	..	4.1	..	..	2.5	..	..	3.7	..	..	..

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

Source: OECD - SNA68

Regional Economic Indicators - November 2000

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Overview

London and the South East accounted for 31.5 per cent of the UK's total GDP in 1998. London remains the richest region on the basis of GDP per head and also recorded the highest monetary rate of individual consumption expenditure per head. Labour Force Survey data shows employment is growing more strongly in 2000 quarter two. The claimant count rate is at its lowest level since October 1975, though the rate of decline is continuing to slow across the regions.

UK production output increased, whilst UK construction declined in 2000 quarter two. Wales' construction grew strongly in 2000 quarter two, whilst Northern Ireland's industrial production recorded no growth in 2000 quarter two.

CBI/BSL balances provided evidence of a marked downturn in general business optimism across all regions except Wales in the latest survey.

UK house prices grew strongly in the second quarter of 2000, with particularly strong quarterly growth in the North East. Scotland recorded two successive quarters of negative growth.

Net business registrations decreased in 1999 compared to 1998 with some regions reporting a net loss of businesses.

GDP at basic prices

Regional data for GDP at basic prices and individual consumption expenditure for 1998 has recently become available and is presented in Tables 1, 2 and 4 respectively.

There have been significant conceptual and methodological changes since Regional GDP estimates were last published in January 1999, and thus these estimates cannot be directly compared with previously published figures. Figures for years back to 1989 have been recalculated using the revised methodology. These changes are part of the ongoing implementation of ESA95 and other methodological developments, which were discussed when the provisional 1997 estimates were published in January 1999. As part of ESA95 implementation, regional estimates of GDP are being published at basic prices for the first time. Estimates of regional GDP were previously published at factor cost, and thus excluded the effects of taxes and subsidies - these are included at basic prices.

In Table 1, London and the South East accounted for 31.5 per cent of the UK's total GDP in 1998, with contributions of 15.8 per cent and 15.7 per cent respectively. The South East has increased its share from 14.8 per cent in 1989 to 15.7 per cent in 1998. The North West's share has dropped from 11.0 per cent in 1989 to 10.3 per cent in 1998. Northern Ireland posted a 76.8 per cent increase in value terms from 1989 to 1998 from £9.0 billion in 1989 to £16.0 billion in 1998. However, it only accounted for 2.2 per cent of the UK's total GDP in 1998 (chart 1). These regional GDP estimates are residence based, locating the income of commuters to where they live rather than to their place of work.

Chart 1
Regional shares of GDP 1998
percentages

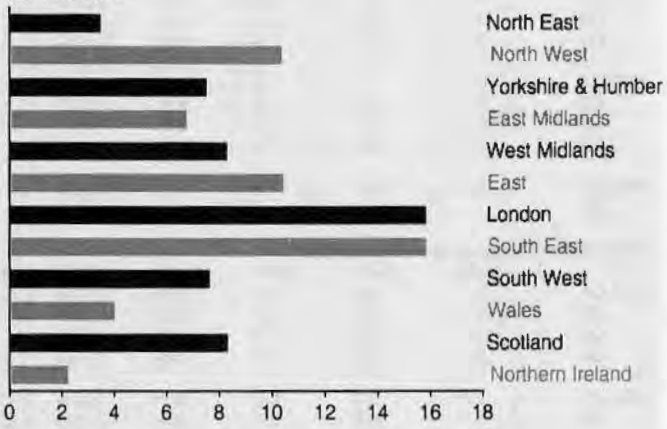


Table 2 shows that London remains the richest region on the basis of GDP per head and that this grew by 6.3 per cent in 1998, compared to 5.1 per cent nationally. The lowest growth rate was recorded in Northern Ireland of 2.4 per cent and the highest rate of 7.2 per cent occurred in the South East.

Table 4 shows individual consumption expenditure per head, with London recording the highest monetary rate in 1998 of £10,941, followed by the South East with £10,335. Looking at annual percentage changes the East recorded the largest rise of 8.8 per cent in 1998, whilst Wales recorded a decline of 0.3 per cent in 1998, compared to an increase of 4.1 per cent in 1997. The average growth for the UK as a whole was 5.0

per cent in 1998, following a decline of 6.1 per cent in 1997.

The Labour Market

Tables 5 to 11 concern the labour market. Tables 6, 8 and 9 are seasonally adjusted, tables 5, 7, 10 and 11 are not.

The **total in employment** (from the Labour Force Survey), table 9, continued to grow into the second quarter of 2000, increasing by 0.4 per cent, up on the previous quarter's growth of 0.2 per cent. This reverses the previous two quarters of slowing positive growth and is the highest rate of quarterly growth since 1999 quarter three. The latest regional figures show a mixed picture, with increases and decreases across the regions. The largest decline was seen in Northern Ireland of 2.2 per cent and is the largest rate of quarterly decline seen since 1996 quarter two when employment fell by 2.7 per cent. It should be noted that while the data is not seasonally adjusted, it has not followed previous year's trends. Quarterly declines of 0.5 per cent were recorded in both the West Midlands and the South West. Strong quarterly growth was seen in the North East of 1.7 per cent, 1.4 per cent in Yorkshire and the Humber and 1.0 per cent in the North West, with the North East and Yorkshire and the Humber reversing their declines seen in the previous quarter. National year-on-year growth to 2000 quarter two increased to 1.2 per cent, compared to 1.0 per cent in the previous quarter, reversing three quarters of slowing positive annual growth. All regions except the West Midlands, London and Northern Ireland showed positive growth over the year to 2000 quarter two. Northern Ireland's annual growth declined sharply by 1.9 per cent over the year compared to the previous quarter's annual growth of 0.1 per cent. This is the largest rate of annual decline seen since the series started in 1995 quarter one. London declined by 0.4 per cent and has now recorded two consecutive quarters of negative annual growth, the first time this has occurred since 1993 quarter three. On the other hand, employment increased over the same period by 2.4 per cent in the North West and by 2.3 per cent in Yorkshire and the Humber.

Employee jobs (from Employer Surveys), in table 11, increased in all regions in 2000 quarter two, except in Yorkshire and the Humber and the East Midlands, where they declined for two consecutive quarters. It should be noted that the data is not seasonally adjusted, but looking at quarterly percentage changes a clear seasonal pattern emerges, with employee jobs decreasing in 2000 quarter one and then increasing again in 2000 quarter two. However, the annual growth of employee jobs continues to grow in all regions except Yorkshire and the Humber which recorded a slight decline of 0.1 per cent and the North East which recorded zero growth. The North East has previously seen five consecutive quarters of negative growth. The largest quarterly growth was seen in the South West of 1.1 per cent. The largest annual increases were in the West Midlands, the South West and Northern Ireland all of which recorded annual growth of 1.9 per cent.

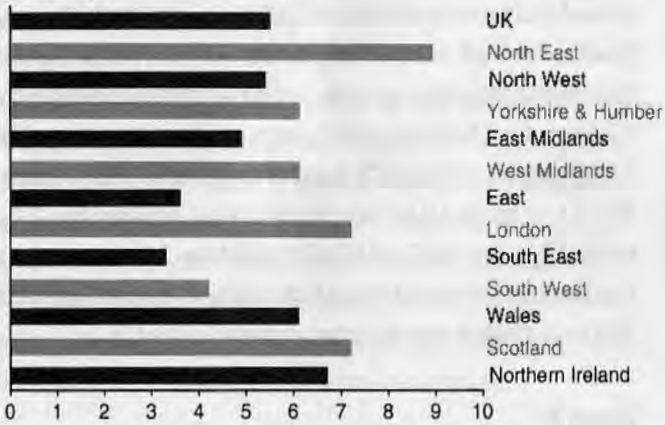
The downward trend in the UK **claimant count rate**, table 8, continued throughout the early summer of 2000, but the latest figures for July 2000 show that the rate has now slowed substantially in some regions. The only region not to show a decrease in the claimant count rate in July 2000 is Wales, where the rate has remained flat. The national rate now stands at 3.7 per cent, the lowest level since October 1975. The South East's rate of 1.9 per cent is the lowest since the series began in March 1986.

In Table 6, the rate of **ILO unemployment**, now seasonally adjusted and showing quarterly data, declined by 0.3 percentage points in the UK to stand at 5.5 per cent in 2000 quarter two, the lowest rate since the series began in 1992 quarter two. The national rate has been declining steadily since 1993 quarter one and during that period has declined by 5.1 percentage points. All regions recorded a decline in their unemployment rates apart from Northern Ireland, which increased by 0.1 percentage points to 6.7 per cent in quarter two, and the West Midlands where the rate remained at 6.1 per cent. On the other hand, the rate fell in the North West and Wales by 0.7 percentage points over the same period to stand at 5.4 per cent and 7.2 per cent respectively. The South East's rate of 3.3 per cent is the lowest for all of the regions since the statistics were first compiled in 1992 quarter two (chart 2).

Chart 2

ILO unemployment rate - 2000 Q2

percentages



Long-term claimant count rates as a percentage of the unemployed, table 7 (now including monthly data), is showing most regions recording a modest increase in the latest data, though most regions are showing a decline from the levels seen at the start of the year. For the UK as a whole, the rate decreased by 0.2 percentage points from the period January 2000 to September 2000 to stand at 22.2 per cent. The most significant decline over this period was seen in Northern Ireland, which has seen its rate decline by 4.1 percentage points to stand at 30.3 per cent, though this is still significantly higher than the UK rate of 22.2 per cent. London recorded a decline of 2.0 percentage points over the same period to stand at 26.9 per cent. The most significant rate increases over

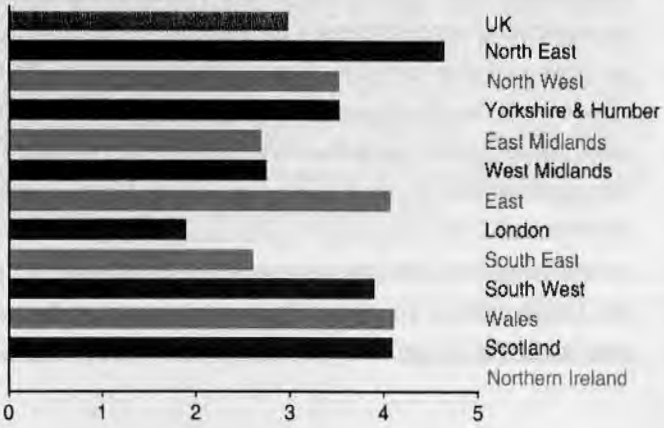
this period were seen in Scotland and the North West, where rates increased by 0.9 and 0.5 percentage points to stand at 20.9 and 20.4 per cent respectively. It is difficult to interpret the significance of these figures, as the data has only been available since January 1999, also a decline in these rates can be attributable either to a reduction in the number of long-term unemployed or a rise in the number of short-term unemployed.

Table 10 shows **redundancy rates** in the government office regions, with some variation evident. Increases in the rates in summer 2000 can be seen in the East Midlands, the East and the South East. On the other hand, the rate in Yorkshire and the Humber and Scotland fell significantly. Other declines were seen in the West Midlands and London.

Total average gross weekly pay, (from the annual New Earnings Survey), in table 5, shows a slowdown in the growth of UK average pay, but some regions recorded an acceleration. The UK average annual rise was 3.0 per cent in April 2000, compared with 4.1 per cent in April 1999, indicating a slowdown in wage rate growth between the two survey periods. The region showing the highest rate of growth is the North East, which recorded growth of 4.6 per cent. Other regions growing strongly are the East, Wales and Scotland, all growing at 4.1 per cent. The East Midlands, West Midlands, London and the South East all recorded below average growth rates of 2.7 per cent, 1.9 per cent and 2.6 per cent respectively. Surprisingly, London recorded the lowest rate of growth in April 2000 compared to April 1999 even though it had the highest monetary value of all of the regions in the April 2000 survey of £529.80. Comparing growth rates of April 1999 and April 2000 shows a mixed picture. Significant declines over this period were seen in the West Midlands declining from 4.8 per cent to 2.7 per cent and in London, which saw the rate slow from 3.8 per cent to 1.9 per cent. On the other hand, the North East increased from 3.1 per cent to 4.6 per cent, the North West increased from 3.0 per cent to 3.5 per cent, the South West increased from 3.1 per cent to 3.9 per cent and Wales increased from 2.8 per cent to 4.1 per cent. April 2000's data for Northern Ireland is current unavailable (chart 3).

Chart 3

Total average gross weekly pay - April 2000 on April 1999
annual percentage changes



Industrial Production and Construction

UK industrial production output, table 12, increased by 1.4 per cent in 2000 quarter two, reversing the negative growth of 0.8 per cent seen in the previous quarter. It should be noted that the data for the index of industrial production and construction are prone to revisions. Manufacturing output, which accounts for most of production, increased by 0.4 per cent in the second quarter of 2000 a reversal of the 0.5 per cent decline seen in the previous quarter. Over the year to quarter two, UK production output increased by 2.1 per cent, an increase from the previous quarter's annual growth of 1.6 per cent. This is the fourth consecutive quarter of positive annual growth.

UK construction output, table 13, declined by 0.6 per cent in 2000 quarter two, following the previous quarter's growth of 3.0 per cent and is the first negative growth recorded since the third quarter of 1998. At annual rates, output grew by 3.5 per cent in the second quarter of 2000, a decline from the previous quarter's annual growth of 4.7 per cent. However, this is the fifth consecutive quarter of positive annual growth. One possible explanation for the pattern in the first two quarters of 2000 is that the weather in quarter one was very mild, whereas quarter two was very wet and thus the unusual weather might have played a role in these figures.

Industrial production and construction output for Wales was published for the second time as a separate First Release since September 1998 in October 2000; although not included in tables 12 and 13 in the August 2000 edition of Economic Trends, the data is included in this article and will be summarised on a quarterly basis.

Wales' industrial production, table 12, followed a similar pattern to the UK as a whole between 1994 and 1998. More recently, a decline in output in Wales during 1998 has been reversed during 1999. The growth in Welsh production output during 1999 and the first two quarters of 2000 is mainly a consequence of growth in the manufacturing sector. The latest industrial production data shows a decrease in the quarterly rate of growth to 1.5 per cent in 2000 quarter two, compared with growth of 2.1 per cent in the previous quarter. Annual growth increased to 5.4 per cent in the second quarter of 2000, compared with 4.2 per cent in the first quarter of 2000.

Wales' construction output, table 13, shows in the latest data an increase of 9.6 per cent in 2000 quarter two compared with a decline of 4.8 per cent in the previous quarter. However, when annual rates are looked at the picture is a lot different with the latest figures showing a decline of 4.0 per cent, which is a marked increase from the year-on-year decline of 12.7 per cent in the previous quarter. Wales' construction sector accounted for 14.0 per cent of total production and construction output of Wales in 1995. Between 1995 and 1999 output has declined to stand at 8.0 per cent below 1995 levels, compared to growth of 6.0 per cent in the UK.

Most of this decline came between 1998 and 1999 when output fell by 5.8 per cent.

The latest production and construction data for Scotland is for the fourth quarter of 1999, whilst Northern Ireland data is available for the first quarter of 2000.

Scotland's industrial production, table 12, declined by 0.9 per cent in the fourth quarter, the first negative growth since 1998 quarter two. Year-on-year growth slowed to 1.9 per cent, compared to growth of 4.6 per cent in 1999 quarter three. Annual growth for 1999 as a whole was 2.8 per cent, compared to 2.6 per cent in 1998.

Scotland's construction output, table 13, is rather erratic due to revisions of the data. The latest quarterly figures show an increase in the rate of growth to 4.2 per cent in 1999 quarter four, compared to 2.5 per cent in the previous quarter. Annual growth increased to 7.5 per cent in the fourth quarter of 1999, compared with growth of 1.6 per cent in 1999 quarter three. This is the highest rate of annual growth since 1996 quarter one. Annual growth for 1999 as a whole was 2.5 per cent, compared to a decline of 2.8 per cent in 1998.

Northern Ireland's industrial production, table 12, recorded zero growth in the second quarter of 2000, compared to growth of 1.7 per cent in the previous quarter. This represents six consecutive quarters of positive growth. More generally, the growth since 1996 quarter three has been relatively strong, probably reflecting the impact of political developments on the economic situation. Annual growth slowed to 6.7 per cent in the second quarter of 2000 compared with growth of 9.2 per cent in the first quarter of 2000. This is the second successive quarter of declining annual growth, although annual growth has remained positive since 1996 quarter one. Annual growth for 1999 as a whole rose from 2.6 per cent in 1998 to reach 7.2 per cent, the highest rate of annual growth since the series began in 1995.

Northern Ireland's construction output, table 13, in the first quarter of 2000 was very strong at 6.5 per cent, following no growth in the previous quarter. Revisions to this data makes analysis difficult, as the series is very erratic. The annual rate improved dramatically to show 12.5 per cent growth in 2000 quarter one, compared with a decline of 4.5 per cent in the previous quarter. This has reversed the previous four consecutive quarters of negative growth and is the highest rate of annual growth since the series began in 1996 quarter one.

Manufacturing

(Almost all CBI data is presented on the basis of government office regions. However, London and the South East are combined in the same manner as the standard statistical region of the South East.)

Tables 14 to 18 show that CBI/BSL balances provided evidence of a marked downturn in general business optimism across all regions except Wales in the July surveys.

Table 14 shows that businesses in most regions were less **optimistic about the business situation** in July than in April, with only Wales and Northern Ireland recording a positive balance for manufacturing business optimism in the latest survey. Balances in the North West and Northern Ireland decreased substantially. The recovery in balances was strongest in Wales, which recorded its first positive balance since October 1999. Balances in the South West and Scotland all increased, although they remained negative.

UK manufacturing output, as measured by CBI/BSL balances for **volume of output** in table 15, declined in most regions in the July survey. The only regions to show an improvement were Yorkshire and the Humber and Northern Ireland, although the balances remained negative. Balances declined substantially in London and the South East and the South West. The East Midlands and Scotland were the only regions to record a positive balance in the latest survey.

The overall CBI/BSL balance for **volume of new orders,** table 16, showed a downturn in the July survey compared to the April survey in most regions. The East Midlands balance declined substantially and Scotland's balance was marginally down but these were the only two regions to record a positive balance. Balances declined substantially in the North West, following three consecutive quarters of positive balances, as well as in the East and London and the South East. Balances improved in the North East and Yorkshire but still remained negative.

Volume of new export orders, table 17, continued to show a downturn in the July survey compared to the April survey in most regions. The recovery in balances was strongest in Wales, which is the only region to record a positive balance. Balances worsened considerably in the North West, the East Midlands and West Midlands. Balances improved significantly in the North East and Yorkshire and the Humber although they still remained negative. Export order balances were largely in line

with those of new orders, apart from Wales where the balances for new export orders improved as the balances for new orders worsened.

The percentages of **firms working below capacity**, table 18, declined across more regions than it improved; however, the UK as a whole saw an improvement. Significant improvements can be seen in the East Midlands, Yorkshire and the Humber the East and West Midlands. On the other hand, percentages deteriorated significantly in Scotland and Northern Ireland.

The Housing Market

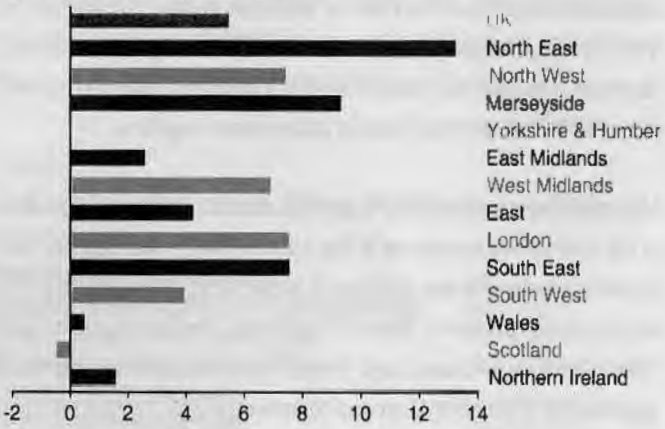
In Table 20, UK **house prices** growth increased to 5.4 per cent in the second quarter of 2000 after two successive quarters of growth of 2.6 per cent.

The latest quarterly data shows a reversal of the previous quarter's situation, with most regions recording positive growth except Scotland which recorded a decline of 0.5 per cent. Scotland has seen two successive quarters of negative growth. Yorkshire and the Humber recorded flat growth. The situation is difficult to interpret as quarter two has seen strong growth in some regions, whilst others are recording a slowdown in growth. The strongest quarterly growth occurred in the North East of 13.2 per cent reversing two quarters of negative growth. Strong quarterly growth was also seen in London and the South East with prices rising by 7.5 per cent (chart 4).

Chart 4

House prices - 2000 Q2 on 2000 Q1

quarterly percentage changes



Year-on-year growth to 2000 quarter two in the UK increased to 17.4 per cent; up from 16.1 per cent in the previous quarter, the highest rate of annual growth since the series began in 1993 quarter two. Annual growth was highest in London, at 26.8 per cent, a slight decline from 29.1 per cent in the previous quarter. This is the ninth consecutive quarter of strong growth above 16.0 per cent. Annual growth above 15.0 per cent was also recorded in the West Midlands, the East, the South East and the South West. The lowest rates of growth were recorded in Yorkshire and the Humber, Wales and Scotland of 4.4 per cent, 1.8 per cent and 4.4 per cent respectively. Other regions growing strongly include the North East, at 10.3 per cent compared to negative growth of 0.5 per cent in 2000 quarter one and the North West at 12.3 per cent, compared to growth of 6.8 per cent in the previous quarter. This is also the highest rate of annual growth seen since the series started in 1984 quarter one.

Looking at 1999 as a whole, annual growth in UK house prices was 11.5 per cent, up from 10.9 per cent in 1998. The regions growing above average were London at 23.4 per cent, an increase from 14.7 per cent in 1998, and the South East, at 11.6 per cent, down from 15.8 per cent in 1998. The region with the least growth was Merseyside, growing at 2.6 per cent in 1999, although this represents an improvement compared with a decline of 0.8 per cent in 1998. The East Midlands saw a sharp decline in its annual growth, down to 3.9 per cent in 1999 compared to 9.1 per cent in 1998, its slowest rate of annual growth since 1995.

In Table 19, the number of **permanent dwellings started** fluctuates quite widely from quarter to quarter with a significant seasonal factor involved. The latest data for 2000 quarter two shows a mixed picture across the regions. Data for the UK and Scotland is not available for 2000 quarters one and two. Data for 2000 quarter two is not available for Wales. Strong quarterly growth of 26.9 per cent occurred in London an increase from the previous quarter's growth of 11.1 per cent. The only other regions to record positive growth are Yorkshire and the Humber and the South East of 1.5 per cent and 4.4 per cent respectively. The North West and Northern Ireland recorded the greatest declines in the latest data of 13.2 per cent and 22.3 per cent respectively.

Year-on-year growth also shows a mixed picture. London recorded the highest rate of annual growth of 24.0 per cent from the previous quarter's decline of 23.9 per cent and reversed four quarters of negative growth. This is the highest rate of annual growth since 1997 quarter one. Other regions recording positive growth are the North East, the West Midlands, the South West and Northern Ireland of 4.6 per cent, 3.0 per cent, 4.5 per cent and 6.1 per cent respectively. The North West, Yorkshire and the Humber and the East Midlands recorded negative growth of 5.4 per cent, 10.4 per cent and 6.1 per cent respectively.

Annual rates for 1999 as a whole are now available for the United Kingdom and Scotland. The United Kingdom recorded a rate of 1.1 per cent in 1999 compared to a decline of 5.6 per cent in 1998, whilst Scotland reversed its negative growth of 12.9 per cent in 1998 to 17.7 per cent in 1999. Significant positive growth was seen in Wales at 9.7 per cent in

1999, compared to a decline of 6.5 per cent in 1998, and in the West Midlands, where growth was 5.5 per cent in 1999. Growth in the South West was negative, falling by 9.7 per cent in 1999 and by 8.5 per cent in 1998. The North East, the North West, the East, London and the South West all recorded negative growth in 1999. The West Midlands is the only region to record four years of positive growth at an average annual rate of 4.4 per cent over the period 1996 to 1999.

Business Start-Ups

Echoing the more moderate economic growth in 1999, table 21, **VAT registrations and de-registrations**, shows registrations outnumbering de-registrations by 6,500 for the calendar year 1999, a decline from the net gain of 30,300 registered enterprises seen in 1998. The net gain of 6,500 enterprises during 1999 shows a rise in the total business stock for the fourth consecutive year, however, all regions net gains were less than those recorded in 1998. In 1999 registrations outnumbered de-registrations in every region of England, except Yorkshire and the Humber, where there was a net loss of 700 businesses, the East Midlands with a net loss of 200 businesses, and the North East with a net loss of 100 businesses. There were also net losses in Wales of 700 businesses, in Scotland of 500 businesses and in Northern Ireland of 100 businesses. The largest net gains were in London of 4,600 businesses and in the South East of 6,900 businesses. Most newly registered companies in London are small local businesses, so this high rate can not be fully explained by the concentration of head offices in London.

1 Gross domestic product[1] at basic prices

Government Office Regions

£ million and percentages

		Percentage of the UK[2]												
	United Kingdom[2] (£m)	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	TMPV	TMPW	TMPX	TMPY	TMPZ	TMQA	TMQB	TMQC	TMQD	TMQE	TMQF	TMQG	TMQH	TMQI
1989	451 047	17 194	49 638	34 516	30 247	38 396	45 646	68 564	66 874	33 535	384 610	18 999	38 405	9 033
1993	561 318	21 227	60 265	42 393	36 860	47 491	55 757	87 043	83 846	42 302	477 185	23 195	48 811	12 127
1994	592 374	21 814	63 602	44 366	38 801	50 137	59 589	91 635	88 827	44 527	503 299	24 405	51 710	12 959
1995	620 958	22 774	65 806	46 837	40 786	52 781	62 151	94 399	93 082	47 373	525 991	25 860	55 249	13 858
1996	656 316	23 651	68 776	49 852	44 024	55 134	66 191	99 903	100 317	50 164	558 013	26 886	56 991	14 427
1997	699 055	24 321	72 475	53 002	47 289	58 053	72 229	108 645	107 630	53 453	597 096	27 912	58 578	15 468
1998	737 792	25 496	75 834	55 232	49 260	60 927	76 308	116 444	116 176	56 068	631 746	29 027	61 052	15 966

1 Based on the European System of Accounts 1995 (ESA95).
2 UK *less* Extra-Regio and statistical discrepancy.

Source: National Statistics

2 Gross domestic product[1] at basic prices: £ per head

Government Office Regions

£

	United Kingdom[2]	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	TMQJ	TMQK	TMQL	TMQM	TMQN	TMQO	TMQP	TMQQ	TMQR	TMQS	TMQT	TMQU	TMQV	TMQW
1989	7 864	6 628	7 239	6 975	7 573	7 326	8 965	10 085	8 791	7 172	8 045	6 621	7 535	5 706
1993	9 646	8 120	8 727	8 453	9 039	8 976	10 740	12 563	10 839	8 880	9 834	7 980	9 520	7 421
1994	10 144	8 342	9 200	8 825	9 466	9 459	11 424	13 164	11 428	9 295	10 336	8 374	10 060	7 880
1995	10 595	8 719	9 519	9 301	9 899	9 940	11 840	13 487	11 889	9 827	10 759	8 856	10 738	8 390
1996	11 162	9 072	9 958	9 890	10 635	10 363	12 528	14 167	12 724	10 360	11 371	9 196	11 096	8 660
1997	11 847	9 348	10 504	10 506	11 378	10 896	13 570	15 280	13 554	10 983	12 119	9 530	11 416	9 220
1998	12 455	9 819	10 990	10 939	11 812	11 417	14 222	16 245	14 529	11 448	12 768	9 888	11 902	9 438

1 Based on the European System of Accounts 1995 (ESA95).
2 UK *less* Extra-Regio and statistical discrepancy.

Source: National Statistics

3 Household disposable income[1]: £ per head

Government Office Regions

£

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	DEPZ	LRCG	LRCH	DEQB	DEQC	DEQH	LRCI	DEQE	LRCJ	DEQG	LREV	DEQJ	DEQK	DEQL
1989	5 553	4 613	5 114	5 011	5 305	5 059	6 128	6 922	6 245	5 643	5 683	4 712	5 090	4 639
1993	7 769	6 898	7 251	7 174	7 293	7 260	8 215	9 305	8 515	7 719	7 872	6 798	7 646	6 826
1994	8 020	6 941	7 439	7 387	7 541	7 502	8 539	9 667	8 904	7 923	8 140	7 018	7 741	7 125
1995	8 443	7 147	7 783	7 808	7 931	7 828	9 090	10 147	9 397	8 446	8 572	7 441	8 078	7 554
1996	8 870	7 523	8 157	8 140	8 195	8 240	9 740	10 776	9 980	8 704	9 027	7 702	8 332	7 947
1997	9 405	8 080	8 703	8 676	8 926	8 640	10 371	11 084	10 559	9 543	9 585	8 217	8 661	8 464

1 Based on the European System of Accounts 1995 (ESA95).

Source: National Statistics

4 Individual consumption expenditure[1]: £ per head

Government Office Regions

£

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	TLZI	TLZJ	TLZK	TLZL	TLZM	TLZN	TLZO	TLZP	TLZQ	TLZR	TLZS	TLZT	TLZU	THZZ
1990	6 033	..	..	5 324	5 857	5 637	..	7 394	..	6 126	6 147	5 409	5 663	4 891
1991	6 383	..	..	5 813	6 089	5 927	..	7 702	..	6 326	6 501	5 788	5 956	5 250
1992	6 687	..	..	6 175	6 310	6 069	..	8 010	..	6 632	6 805	6 076	6 279	5 562
1993	7 097	..	..	6 733	6 711	6 369	..	8 564	..	6 839	7 210	6 312	6 828	5 963
1994	7 441	6 601	7 101	7 076	7 202	6 940	7 508	8 793	8 388	7 066	7 550	6 481	7 235	6 551
1995	7 750	6 860	7 324	7 268	7 568	7 387	8 090	9 087	8 546	7 411	7 860	6 985	7 470	6 709
1996	8 255	7 335	7 792	7 744	7 937	7 700	8 698	9 518	9 170	8 059	8 358	7 703	7 955	7 119
1997	8 762	7 734	8 331	8 161	8 369	8 127	9 134	10 250	9 772	8 577	8 884	8 022	8 467	7 384
1998	9 202	7 862	8 710	8 689	8 628	8 499	9 940	10 941	10 335	8 791	9 361	7 995	8 896	7 588

1 Based on the European System of Accounts 1995 (ESA95).

Source: National Statistics

5 Total average gross weekly pay[1]

Government Office Regions

£

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	DEOG	LRCO	LSHZ	DCQI	DCQH	DCQG	LRCQ	DCPI	LRCR	DCQF	DCQL	DCQM	DCQN
1993 Apr	316.0	286.2	299.1	287.6	285.5	292.7	312.2	408.8	328.9	298.8	281.5	297.6	282.4
1994 Apr	324.7	294.6	307.7	297.0	292.6	300.1	322.9	420.6	339.4	306.9	290.5	301.9	286.5
1995 Apr	335.3	299.2	317.7	306.0	306.4	311.3	331.5	441.5	348.1	313.9	302.0	313.5	300.2
1996 Apr	350.2	314.1	329.6	316.4	317.9	324.3	345.7	454.3	367.4	326.5	313.1	324.9	306.2
1997 Apr	366.3	327.6	345.8	330.5	332.9	337.8	362.4	480.1	382.5	342.7	330.1	336.8	319.7
1998 Apr	383.1	339.2	361.6	344.9	350.4	358.8	378.6	500.9	405.5	354.0	343.9	350.3	332.6
1999 Apr	398.7	349.6	372.6	361.0	361.7	375.6	396.6	520.0	423.2	364.9	353.6	364.9	344.9
2000 Apr	410.6	365.8	385.7	373.7	371.4	385.9	412.7	529.8	434.2	379.1	368.1	379.8	..

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

Sources: New Earnings Survey, National Statistics; Department of Economic Development, Northern Ireland

6 ILO unemployment rates as a percentage of the economically active[1], seasonally adjusted

Government Office Regions

Percentages

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland[2]
	MGSX	YCNC	YCND	YCNE	YCNF	YCNG	YCNH	YCNI	YCNJ	YCNK	YCNL	YCNM	YCNN	MGXW
1997 Q2	7.2	9.9	7.2	7.5	5.8	6.8	6.3	9.3	5.2	5.8	6.9	8.3	8.6	8.0
Q3	6.8	8.8	7.3	7.4	5.1	7.2	5.5	9.2	4.7	5.2	6.6	7.5	8.2	8.7
Q4	6.6	8.5	6.9	7.1	5.3	6.5	5.3	9.2	4.5	5.1	6.4	7.0	7.4	8.7
1998 Q1	6.4	8.5	6.8	7.1	5.2	6.2	5.4	8.2	4.3	4.6	6.1	7.2	7.7	8.5
Q2	6.3	8.4	6.9	7.3	4.8	5.9	4.9	8.6	4.3	4.8	6.1	6.9	7.5	6.9
Q3	6.3	8.3	6.8	7.2	5.4	6.0	4.5	7.8	4.5	4.9	6.0	7.5	7.6	8.1
Q4	6.2	9.7	7.1	7.1	4.9	6.6	4.3	7.7	4.0	4.5	6.0	7.2	7.8	6.8
1999 Q1	6.2	9.7	6.7	6.8	5.1	7.0	4.2	7.8	3.9	4.9	6.0	7.2	7.5	7.2
Q2	6.0	9.6	6.3	6.3	5.3	6.9	4.2	7.4	3.9	4.5	5.8	7.5	7.2	7.6
Q3	5.9	9.7	6.3	6.1	5.6	6.3	4.0	7.5	3.8	4.4	5.7	7.3	7.0	7.3
Q4	5.9	8.4	6.0	6.1	5.6	6.8	4.2	7.1	4.1	4.2	5.6	7.4	7.2	6.6
2000 Q1	5.8	9.0	6.1	6.3	5.2	6.1	4.0	7.6	3.5	4.3	5.5	6.8	7.5	6.6
Q2	5.5	8.9	5.4	6.1	4.9	6.1	3.6	7.2	3.3	4.2	5.2	6.1	7.2	6.7

1 Periods are calendar quarters.
2 Estimates for Northern Ireland are not seasonally adjusted. The quarterly series starting in 1995 provides insufficient data to do this reliably.

Source: Labour Force Survey, National Statistics

7 Long-term claimant count as a percentage of the unemployed[1] (those out of work for 12 months or more)

Government Office Regions

Percentages

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	LRFN	LRFO	LSIA	LRFR	LRFS	LRFT	LRFU	LRFV	LRFW	LRFX	LRFY	LRFZ	LRGA
1999 Aug	*24.1*	*24.9*	21.3	*22.6*	*21.7*	*25.1*	*22.1*	*29.7*	*21.8*	*20.6*	*21.6*	*21.1*	*37.0*
Sep	*24.3*	*25.2*	21.5	*22.7*	*22.0*	*25.4*	*22.4*	*29.5*	*21.8*	*20.4*	*22.0*	*22.1*	*37.4*
Oct	*24.7*	*25.8*	21.9	*22.8*	*22.7*	*26.5*	*22.6*	*29.6*	*21.9*	*20.2*	*22.3*	*22.4*	*37.6*
Nov	*24.3*	*25.2*	21.8	*22.3*	*22.4*	*26.7*	*22.4*	*29.6*	*21.5*	*19.5*	*21.7*	*22.2*	*36.8*
Dec	*24.1*	*25.0*	21.5	*21.8*	*21.7*	*26.7*	*22.1*	*29.6*	*21.2*	*19.1*	*21.4*	*22.0*	*36.2*
2000 Jan	*22.4*	*22.9*	19.9	*20.4*	*19.8*	*25.3*	*20.5*	*28.9*	*19.6*	*17.5*	*19.8*	*20.0*	*34.4*
Feb	*22.1*	*22.7*	19.6	*20.0*	*19.5*	*25.2*	*20.1*	*28.4*	*19.5*	*17.1*	*19.6*	*19.7*	*33.4*
Mar	*22.2*	*22.7*	19.8	*20.2*	*19.6*	*25.4*	*20.3*	*28.2*	*19.7*	*17.4*	*19.8*	*19.9*	*33.0*
Apr	*22.5*	*23.0*	20.1	*20.7*	*20.0*	*25.6*	*20.4*	*28.1*	*20.2*	*17.9*	*20.2*	*20.5*	*32.7*
May	*22.9*	*23.1*	20.5	*21.0*	*20.2*	*25.7*	*21.0*	*28.3*	*20.5*	*18.2*	*20.7*	*20.7*	*32.8*
Jun	*23.1*	*23.4*	20.8	*21.1*	*20.6*	*25.7*	*21.3*	*28.3*	*20.8*	*18.6*	*20.7*	*21.0*	*32.4*
Jul	*22.3*	*22.9*	20.2	*20.5*	*20.0*	*24.8*	*20.7*	*27.8*	*20.0*	*18.0*	*19.6*	*19.9*	*29.9*
Aug	*21.8*	*22.9*	19.9	*20.1*	*19.5*	*24.0*	*20.2*	*27.2*	*19.4*	*17.6*	*19.1*	*19.7*	*29.4*
Sep	*22.2*	*23.1*	20.4	*20.3*	*20.0*	*24.3*	*20.3*	*26.9*	*19.5*	*17.8*	*19.5*	*20.9*	*30.3*

1 Computerised claims only.

Source: National Statistics

8 Claimant count rates as a percentage of total workforce

Government Office Regions

Seasonally adjusted

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	BCJE	DPDM	IBWC	DPBI	DPBJ	DPBN	DPDP	DPDQ	DPDR	DPBM	DPBP	DPBQ	DPBR
1996	7.2	10.2	7.7	7.8	6.7	7.2	5.9	8.5	5.0	6.1	8.0	7.6	10.7
1997	5.5	8.4	6.0	6.3	4.9	5.5	4.1	6.4	3.4	4.3	6.4	6.4	8.2
1998	4.7	7.5	5.3	5.5	4.0	4.7	3.3	5.3	2.7	3.5	5.6	5.7	7.4
1999	4.3	..	4.9	5.1	3.8	4.6	..	4.8	..	3.1	5.2	5.4	6.5
1999 Jul	4.2	7.2	4.9	5.1	3.8	4.6	2.9	4.6	2.3	3.1	5.1	5.2	6.4
Aug	4.2	7.2	4.8	5.0	3.8	4.6	2.9	4.6	2.3	3.0	5.0	5.2	6.2
Sep	4.2	7.1	4.8	5.0	3.7	4.5	2.9	4.5	2.3	3.0	5.0	5.2	6.1
Oct	4.1	7.0	4.8	5.0	3.7	4.5	2.8	4.5	2.3	2.9	4.9	5.2	6.0
Nov	4.1	6.9	4.8	4.9	3.7	4.4	2.8	4.5	2.2	2.9	4.9	5.1	5.9
Dec	4.0	6.8	4.7	4.9	3.7	4.4	2.8	4.4	2.2	2.8	4.8	5.1	5.8
2000 Jan	4.0	6.9	4.7	4.8	3.7	4.3	2.7	4.4	2.1	2.7	4.8	5.1	5.7
Feb	4.0	6.9	4.7	4.8	3.6	4.3	2.7	4.3	2.1	2.8	4.7	5.1	5.6
Mar	3.9	6.9	4.6	4.7	3.6	4.2	2.7	4.3	2.1	2.7	4.7	5.0	5.6
Apr	3.8	6.7	4.5	4.6	3.6	4.2	2.6	4.2	2.0	2.6	4.6	4.9	5.5
May[1]	3.8	6.7	4.4	4.6	3.6	4.2	2.5	4.1	2.0	2.6	4.6	4.9	5.5
Jun	3.8	6.6	4.4	4.5	3.5	4.2	2.5	4.0	2.0	2.6	4.6	4.8	5.4
Jul	3.7	6.5	4.3	4.4	3.4	4.1	2.4	3.9	1.9	2.5	4.6	4.7	5.3

1 Provisional.

Source: National Statistics

9 Total in employment[1,2], seasonally adjusted

Government Office Regions

Thousands

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland[3]
	MGRZ	YCJP	YCJQ	YCJR	YCJS	YCJT	YCJU	YCJV	YCJW	YCJX	YCJY	YCJZ	YCKA	YCPT
1997 Q2	26 982	1 080	3 007	2 243	1 972	2 437	2 546	3 280	3 905	2 296	22 765	1 232	2 292	688
Q3	27 055	1 086	2 982	2 250	1 974	2 423	2 591	3 266	3 935	2 327	22 834	1 216	2 307	698
Q4	27 117	1 079	3 004	2 245	1 981	2 454	2 604	3 251	3 949	2 317	22 884	1 214	2 326	698
1998 Q1	27 188	1 079	2 996	2 255	1 984	2 461	2 611	3 279	3 964	2 334	22 962	1 215	2 321	687
Q2	27 230	1 073	2 983	2 255	2 004	2 471	2 621	3 283	3 989	2 333	23 011	1 211	2 313	691
Q3	27 352	1 068	3 027	2 265	1 991	2 485	2 637	3 331	4 009	2 343	23 155	1 221	2 292	685
Q4	27 448	1 060	3 025	2 281	1 989	2 461	2 638	3 376	4 042	2 339	23 211	1 235	2 308	700
1999 Q1	27 540	1 058	3 023	2 287	2 009	2 454	2 652	3 391	4 049	2 372	23 295	1 238	2 309	694
Q2	27 592	1 062	3 064	2 291	1 998	2 461	2 656	3 394	4 046	2 374	23 346	1 231	2 318	693
Q3	27 696	1 077	3 077	2 311	2 006	2 475	2 664	3 389	4 053	2 360	23 411	1 244	2 335	705
Q4	27 769	1 089	3 093	2 320	2 019	2 459	2 661	3 406	4 057	2 390	23 494	1 244	2 333	702
2000 Q1	27 824	1 087	3 106	2 312	2 018	2 471	2 673	3 383	4 107	2 394	23 550	1 242	2 336	695
Q2	27 926	1 105	3 137	2 344	2 036	2 459	2 684	3 379	4 116	2 381	23 641	1 252	2 353	680

1 Includes employees, the self-employed, participants on Government-supported employment and training schemes and unpaid family-workers.
2 Periods are calendar quarters.
3 Estimates for Northern Ireland are not seasonally adjusted. The quarterly series starting in 1995 provides insufficient data to do this reliably.

Source: Labour Force Survey, National Statistics

10 Redundancies, not seasonally adjusted[1]

Government Office Regions

Rates[2]

	Great Britain	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland
	DCXD	LRDH	LRDI	DCXF	DCXG	DCXL	LRDJ	DCXI	LRDK	DCXK	DCXN	DCXO
Summer 1997	7	–[3]	8	6	7	8	9	6	6	6	–[3]	8
Autumn 1997	6	–[3]	7	7	6	5	6	6	5	6	–[3]	8
Winter 1997	7	11	8	6	8	7	6	7	5	8	–[3]	11
Spring 1998	7	–[3]	6	7	10	8	7	7	7	7	–[3]	10
Summer 1998	7	–[3]	7	8	9	9	5	5	7	6	–[3]	8
Autumn 1998	8	10	7	7	8	9	9	6	9	8	–[3]	6
Winter 1998	9	16	9	6	8	9	6	10	8	9	11	11
Spring 1999	8	–[3]	9	9	–[3]	11	8	6	7	7	10	10
Summer 1999	7	–[3]	9	9	8	8	7	4	6	7	–[3]	8
Autumn 1999	7	–[3]	10	6	8	6	6	6	7	8	–[3]	6
Winter 1999	8	11	7	7	11	10	5	7	7	6	15	9
Spring 2000	7	10	7	9	8	8	4	7	6	8	–	10
Summer 2000	6	–	7	5	9	7	5	4	7	8	–	6

1 The method of calculating redundancy estimates back to spring 1995 has changed from that used to calculate data previously published in this table Thus the data in this table are not comparable to those previously published. See pp255-229 of the May 2000 Labour Market Trends for more information.
2 Redundancies per 1,000 employees.
3 Sample size too small to provide a reliable estimate.

Source: Labour Force Survey, National Statistics

11 Employee jobs (all industries)

Government Office Regions

June 1996 = 100

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	YEKA	YEKB	YEKJ	YEKC	YEKD	YEKI	YEKE	YEKF	YEKG	YEKH	YEKK	YEKL	YEKM
1998	105.0	102.0	102.6	103.2	104.7	103.6	106.5	109.1	108.3	106.0	101.9	100.3	105.6
1999	106.1	100.7	103.2	103.9	105.1	103.9	108.7	110.7	109.9	107.8	104.0	100.7	107.0
1998 Dec	106.0	101.6	103.3	103.7	105.0	104.3	107.6	110.8	109.8	106.9	103.4	101.2	106.8
1999 Mar	105.1	100.5	102.2	103.0	104.5	103.0	107.0	109.9	108.5	106.0	102.9	100.1	106.1
Jun	105.7	100.1	102.7	103.6	104.8	103.3	108.2	110.1	109.6	107.7	103.6	100.5	106.3
Sep	106.5	100.8	103.7	104.2	105.2	103.9	109.2	110.8	110.4	108.9	105.0	101.1	107.1
Dec	107.2	101.5	104.4	104.6	106.0	105.6	110.3	112.1	111.1	108.7	104.6	101.1	108.5
2000 Mar	106.3	99.9	103.2	103.9	105.1	104.7	109.3	110.6	110.5	108.5	103.3	101.0	108.1
Jun	107.0	100.1	103.9	103.5	104.9	105.3	110.0	111.1	110.8	109.7	103.8	101.4	108.3

Source: National Statistics

12 Index of industrial production[1]

Seasonally adjusted 1995 = 100

	United Kingdom	Scotland	Northern Ireland	Wales
	CKYW	LRFK	LRFL	TMQX
1996	101.1	103.0	102.3	101.5
1997	102.1	108.8	107.6	101.3
1998	102.9	111.6	110.4	99.8
1999	103.4	114.7	118.3	100.7
1997 Q2	101.9	109.2	107.0	101.3
Q3	102.6	109.3	107.9	102.9
Q4	102.0	111.0	110.0	102.6
1998 Q1	102.3	111.4	108.8	101.3
Q2	103.4	111.0	111.1	99.8
Q3	103.3	111.0	110.9	99.3
Q4	102.6	112.9	110.7	99.0
1999 Q1	102.0	113.0	113.9	99.6
Q2	102.8	114.5	116.6	100.0
Q3	104.3	116.1	121.1	101.7
Q4	104.4	115.0	122.3	101.7
2000 Q1	103.6	..	124.4	103.8
Q2	105.0	..	124.4	105.4

1 The index of industrial production has been rebased from 1990=100 to 1995=100. Figures on the 1990=100 base are not being continued

Sources: National Statistics; Scottish Executive; Department of Economic Development, Northern Ireland

13 Index of construction[1]

Seasonally adjusted 1995 = 100

	United Kingdom	Scotland	Northern Ireland[2]	Wales
	GDQB	LRZR	LRFM	TMQY
1996	101.5	100.4	..	93.1
1997	104.7	101.1	..	99.7
1998	106.1	98.3	..	98.1
1999	106.4	100.8	..	92.4
1997 Q2	104.7	103.4	102.7	98.5
Q3	104.4	98.8	99.6	101.6
Q4	106.3	97.3	107.3	105.6
1998 Q1	109.0	96.9	107.8	99.9
Q2	105.3	96.3	109.7	95.6
Q3	105.0	100.7	109.4	92.6
Q4	105.1	99.2	108.1	104.1
1999 Q1	105.5	94.6	97.7	95.5
Q2	106.1	99.8	106.3	95.2
Q3	106.6	102.3	103.2	91.2
Q4	107.3	106.6	103.2	87.6
2000 Q1	110.5	..	109.9	83.4
Q2	109.8	..	..	91.4

1 The Index of construction has been rebased from 1990=100 to 1995=100. Figures on the 1990=100 base are not being continued

2 Provisional.

Sources: National Statistics; Scottish Executive; Department of Finance and Personnel, Northern Ireland

14 Manufacturing industry: optimism about business situation

Government Office Regions (London and the South East is still on an SSR basis)

Balance[1]

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
	DCMO	LRYS	LRYT	DCMU	DCMT	DCMS	LRYU	DCMP	DCMR	DCMX	DCMY	DCMZ
1999 Oct	13	46	13	–4	–2	10	13	17	15	23	–2	24
2000 Jan	9	6	18	14	13	–11	1	12	14	–22	13	–4
Apr	–2	8	14	–15	1	–25	8	–4	–38	–16	–17	51
Jul	–10	–2	–19	–9	–7	–26	–2	–9	–20	4	–3	1

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

Source: CBI/BSL Regional Trends Survey ISSN:0960 7781

15 Manufacturing industry: volume of output

Government Office Regions (London and the South East is still on an SSR basis)

Balance[1]

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
Past 4 months	DCLQ	LRYV	LRYW	DCLW	DCLV	DCLU	LRYX	DCLR	DCLT	DCLZ	DCMA	DCMB
1999 Oct	–1	28	15	–25	5	–17	8	8	–18	9	–6	7
2000 Jan	11	–3	7	25	4	4	10	23	33	34	34	1
Apr	–	–1	4	–18	26	4	8	13	13	14	16	–15
Jul	–8	–14	–20	–8	1	–14	–8	–10	–19	–6	12	–6
Next 4 months	DCMC	LRYY	LRYZ	DCMI	DCMH	DCME	LRZA	DCMD	DCMF	DCML	DCMM	DCMN
2000 Jul	3	–5	–7	–2	14	–18	–3	–9	6	3	20	21

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

Source: CBI/BSL Regional Trends Survey ISSN:0960 7781

16 Manufacturing industry: volume of new orders

Government Office Regions (London and the South East is still on an SSR basis)

Balance[1]

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
Past 4 months	DCNA	LRZB	LRZC	DCNG	DCNF	DCNE	LRZD	DCNB	DCND	DCNJ	DCNK	DCNL
1999 Oct	–5	22	16	–19	–1	–19	–10	–1	–21	–2	–13	–20
2000 Jan	9	12	21	15	–1	14	13	25	2	22	11	–9
Apr	–4	–19	21	–15	27	4	14	22	–1	1	6	–22
Jul	–8	–2	–2	–4	3	–18	–7	–14	–2	–6	5	–14
Next 4 months	DCNM	LRZE	LRZF	DCNS	DCNR	DCNQ	LRZG	DCNN	DCNP	DCNV	DCNW	DCNX
2000 Jul	–9	–24	–4	–1	–	–18	11	2	1	–12	9	–4

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

Source: CBI/BSL Regional Trends Survey ISSN:0960 7781

17 Manufacturing industry: volume of new export orders

Government Office Regions (London and the South East is still on an SSR basis)

Balance[1]

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
Past 4 months	DCNY	LRZH	LRZI	DCOE	DCOD	DCOC	LRZJ	DCNZ	DCOB	DCOH	DCOI	DCOJ
1999 Oct	–14	38	1	–17	–11	–18	–9	–9	–24	4	–13	3
2000 Jan	–3	8	–15	–19	–12	–7	14	29	10	–10	8	–24
Apr	–8	–22	20	–43	18	8	3	–1	–8	9	–4	–37
Jul	–18	–12	–14	–6	–14	–13	–7	–8	–13	11	–8	–35
Next 4 months	DCOK	LRZK	LRZL	DCOQ	DCOP	DCOO	LRZM	DCOL	DCON	DCOT	DCOU	DCOV
2000 Jul	–15	–14	–13	–9	–4	–24	16	–3	1	1	3	–6

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

Source: CBI/BSL Regional Trends Survey ISSN:0960 7781

18 Manufacturing industry: firms working below capacity

Government Office Regions (London and the South East is still on an SSR basis)

Percentages

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
	DCOW	LRZN	LRZO	DCPC	DCPB	DCPA	LRZP	DCOX	DCOZ	DCPF	DCPG	DCPH
1999 Oct	*60*	*61*	*70*	*54*	*50*	*56*	*61*	*61*	*68*	*64*	*54*	*45*
2000 Jan	*61*	*75*	*56*	*67*	*54*	*68*	*55*	*50*	*51*	*56*	*44*	*51*
Apr	*62*	*62*	*63*	*78*	*67*	*60*	*59*	*47*	*62*	*53*	*41*	*50*
Jul	*56*	*66*	*64*	*64*	*50*	*56*	*51*	*52*	*61*	*58*	*50*	*62*

19 Permanent dwellings started
Government Office Regions

Numbers

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland[1]	Northern Ireland
	DEOI	LRDP	LRZQ	DCRX	DCRW	DCRV	LRDR	DCRR	LRDS	DCRU	BLIA	BLFA	BLGA
1998	187 303	7 347	19 321	14 916	15 957	14 804	20 065	13 460	24 341	18 497	8 482	19 789	10 459
1999	189 356	6 977	18 705	15 230	15 911	15 615	18 463	13 364	25 168	16 707	9 305	23 297	10 614
1997 Q2	..	1 858	5 980	4 380	4 040	3 716	5 885	3 685	7 215	5 110	2 720	5 105	3 088
Q3	..	2 318	5 051	3 964	3 771	3 553	5 078	3 294	6 970	4 784	2 227	5 954	2 571
Q4	..	1 519	4 162	3 689	3 283	2 868	4 656	4 199	5 875	4 678	1 838	4 519	2 529
1998 Q1	..	2 175	5 118	4 334	4 130	3 570	5 607	3 287	5 866	5 685	2 329	5 832	3 003
Q2	49 708	1 917	5 407	3 614	4 090	4 162	5 454	3 478	6 944	4 907	2 241	4 463	3 031
Q3	48 027	1 837	4 439	3 901	4 266	4 083	5 136	3 216	6 588	4 542	2 220	5 246	2 553
Q4	38 662	1 418	4 357	3 067	3 471	2 884	3 868	3 479	4 943	3 363	1 692	4 248	1 872
1999 Q1	49 490	1 874	4 336	3 676	3 799	4 149	4 724	4 196	6 422	3 968	2 255	6 931	3 160
Q2	49 864	1 761	5 032	4 087	4 271	4 209	5 090	3 268	6 866	4 461	2 722	5 467	2 630
Q3	47 590	1 877	4 989	4 050	3 813	3 831	4 592	3 024	6 552	4 505	2 370	5 687	2 300
Q4[2]	42 412	1 465	4 348	3 417	4 028	3 426	4 057	2 876	5 328	3 773	1 958	5 212	2 524
2000 Q1[2]	–	2 041	5 481	3 606	4 172	4 649	5 299	3 194	6 450	4 775	2 206	..	3 592
Q2	..	1 842	4 760	3 660	4 010	4 337	5 169	4 052	6 736	4 662	..	..	2 791

1 Includes estimates for outstanding returns for private sector.
2 Quarters 4 of 1999 and 1 of 2000 for the English regions are provisional.

Sources: Department of the Environment, Transport and the Regions; National Assembly for Wales; Scottish Executive; Department for Social Development, Northern Ireland

20 House prices[1]
Government Office Regions

1993 = 100

	United Kingdom	North East	North West[2]	Mersey-side	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	LRBH	LRDX	LRDY	LREN	LRBJ	LRBK	LRBP	LRDZ	LRBM	LREA	LRBO	LRBR	LRBS	LRBT
1998	129.7	112.9	116.0	110.2	110.6	122.9	121.1	135.6	144.0	141.1	130.3	115.0	117.7	154.9
1999	144.6	121.7	124.4	113.1	117.4	127.7	130.6	147.1	177.7	157.5	145.2	124.1	120.4	170.0
1997 Q2	114.2	107.7	107.9	113.4	104.3	110.5	111.4	118.2	120.5	117.2	115.1	109.0	110.6	133.7
Q3	120.0	109.3	110.0	110.0	110.6	111.5	114.4	123.4	131.4	126.4	119.4	109.7	113.6	142.6
Q4	119.1	112.2	112.8	115.0	107.3	118.3	115.1	121.7	125.9	123.4	120.5	111.6	113.8	141.9
1998 Q1	122.1	113.1	110.5	116.2	109.0	120.1	117.4	125.6	130.0	130.6	123.9	113.0	111.6	144.1
Q2	128.6	116.0	113.3	104.7	108.1	122.5	121.0	135.9	143.4	141.2	127.5	114.5	115.7	153.0
Q3	134.2	116.3	120.9	108.6	110.9	123.8	121.9	141.0	153.0	146.5	134.1	114.9	121.4	155.6
Q4	133.6	108.0	117.7	111.7	113.1	124.3	123.5	139.7	152.9	145.9	134.2	117.6	116.7	161.1
1999 Q1	134.4	117.1	118.5	114.5	112.4	120.5	122.8	139.8	155.5	148.6	135.9	118.7	112.4	167.7
Q2	140.1	119.6	120.9	110.3	114.8	128.0	124.5	143.1	170.1	151.0	139.5	126.9	118.4	163.8
Q3	148.3	129.5	127.1	115.3	120.0	130.0	135.0	144.7	185.5	160.1	151.3	125.5	124.8	171.1
Q4	152.1	119.4	129.5	112.7	120.0	129.7	136.3	159.7	192.6	167.3	150.6	125.5	124.8	170.7
2000 Q1	156.0	116.5	126.5	109.8	119.9	137.3	137.5	163.7	200.7	171.6	157.7	128.6	124.2	181.5
Q2	164.5	131.9	135.8	120.0	119.9	140.8	146.9	170.6	215.7	184.5	163.8	129.2	123.6	184.3

1 These indices adjust for the mix of dwellings (by size and type, whether new or second-hand) and exclude those bought at non-market prices and are based on a sample of mortgage completions by all lenders.
2 Excludes Merseyside.

Source: Department of the Environment, Transport and the Regions

21 VAT registrations and deregistrations[1]: net change[2]
Government Office Regions

Thousands

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	DCYQ	LREB	LRZS	DCYT	DCYU	DCYY	LRED	DEON	LREE	DCYX	DCZA	DCZB	DCZC
1996	11.2	–0.2	0.3	–0.2	–0.3	–	1.1	7.4	2.3	0.1	–0.4	0.3	0.8
1997	18.1	–0.2	1.0	–0.4	0.5	–0.3	2.5	8.9	4.3	0.9	–0.1	0.7	0.2
1998	30.3	0.2	2.5	0.5	1.2	1.7	2.7	11.3	6.9	1.7	–0.1	0.9	0.9
1999	6.5	–0.1	0.9	–0.7	–0.2	0.2	0.6	4.6	2.4	0.1	–0.7	–0.5	–0.1

1 Registrations and deregistrations of VAT-based enterprises. Not wholly comparable with figures for earlier years which counted VAT reporting units.
2 Registrations *less* deregistrations.

Source: Department of Trade and Industry

Final Expenditure Prices Index (Experimental) – September 2000

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Note that further development work is ongoing and the FEPI will be available only as an experimental index until this work has been completed.

Summary

The rate of inflation for both the FEPI and the FEPI(P), a variant version of the FEPI incorporating government output prices (see Note 6), increased between August and September 2000; the FEPI rate of inflation increased from 1.3 per cent to 1.6 per cent while the FEPI(P) rate of inflation increased from 1.3 per cent to 1.5 per cent. The increase in the rate of inflation between August and September was mainly due to higher inflation for consumer prices.

The FEPI and FEPI(P) annual percentage change

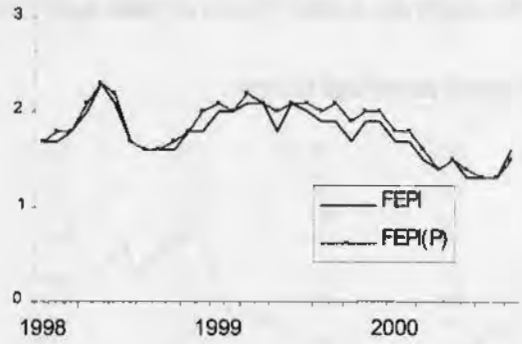


Table A

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

		ICP		IIP		IGP		IGP(P)		FEPI		FEPI(P)	
		Index	%change	Index	%change	Index	%change	Index	%change	Index	%change	Index	%change
2000	Apr	122.9	1.0	113.7	1.9	123.2	2.4	122.2	2.8	121.1	1.4	120.8	1.4
	May	123.2	1.0	114.5	2.4	123.5	2.3	122.4	2.7	121.5	1.5	121.2	1.5
	Jun	123.4	1.1	114.4	2.0	123.5	1.3	122.5	1.8	121.6	1.3	121.3	1.4
	Jul	122.6	1.0	114.5	1.9	123.5	2.0	122.6	2.2	121.1	1.3	120.9	1.3
	Aug	122.6	0.7	115.1	2.4	123.7	2.1	122.8	2.0	121.3	1.3	121.1	1.3
	Sep	123.4	1.1	115.6	2.8	124.2	2.3	123.1	2.0	121.9	1.6	121.7	1.5

The Index of Consumer Prices (ICP)

Consumer price inflation, as measured by the ICP, increased from 0.7 per cent in August (the lowest rate of inflation recorded) to 1.1 per cent in September 2000. Higher inflation was recorded in September for all categories within the ICP except clothing and footwear.

Upward pressure came from:

- Transport and communication, where the annual rate of inflation increased from 0.8 per cent to 1.3 per cent due to pump prices for petrol partially recovering from the price falls observed in August.

Downward pressure came from:

- Clothing and footwear, where the rate of inflation was minus 5.6 per cent in September compared with minus 5.2 per cent in August. Clothing and footwear has shown a negative rate of inflation for 27 consecutive months.

The ICP annual percentage change

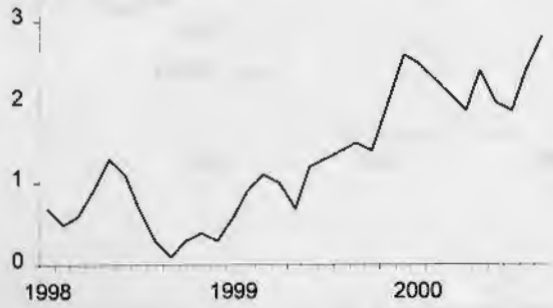
The Index of Investment Prices (IIP)

Investment price inflation, as measured by the IIP, increased from 2.4 per cent in August to 2.8 per cent in September. Higher inflation was recorded in September for all categories within the IIP.

The largest contribution towards the higher rate of inflation for the IIP came from Other Machinery & Equipment (ie, excluding transport equipment), where the annual rate of inflation was less negative, at minus 0.7 per cent, in September compared with minus 1.6 per cent in August.

The rate of inflation for Transfer Costs of Land and Buildings increased from 5.7 per cent in August to 7.2 per cent in September largely due to higher inflation for estate agents' fees.

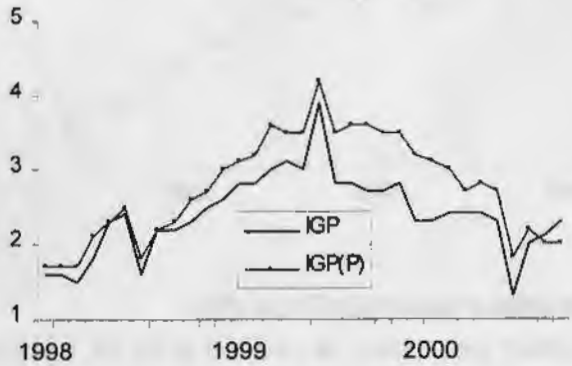
The IIP annual percentage change



The Index of Government Prices - IGP and IGP(P)

The rate of inflation for the IGP was higher in September, at 2.3 per cent, compared with 2.1 per cent in August, due to higher inflation for central government pay and procurement. The rate of inflation for the IGP(P), a variant version of the IGP which incorporates government output prices (see Note 6), was the same in September as in August at 2.0 per cent. Within the total IGP(P), lower inflation for local government pay and procurement was offset by higher inflation for central government.

The IGP and IGP(P) annual percentage change



Comparison between FEPI and other inflation measures

Table B
Measures of Inflation (annual percentage changes)

	FEPI	FEPI(P)	RPIX	HICP	ICP(FEPI)	PPI
2000 Apr	1.4	1.4	1.9	0.6	1.0	2.3
May	1.5	1.5	2.0	0.5	1.0	2.5
Jun	1.3	1.4	2.2	0.8	1.1	2.9
Jul	1.3	1.3	2.2	1.0	1.0	2.8
Aug	1.3	1.3	1.9	0.6	0.7	2.5
Sep	1.6	1.5	2.2	1.0	1.1	2.5

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 households, 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, businesses and government. The price indicators used are mainly Producer Price Indices (PPIs), implied import deflators, construction output price indices and average house price indicators.

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. The IGP(P) is a variant version of the IGP which incorporates government output prices for health, education, social security, legal aid, crown and county courts and magistrates courts (which comprise around 55% of general government final consumption expenditure) and therefore reflects movements in productivity. The IGP(P) feeds into a variant version of the FEPI, the FEPI(P), which differs from the FEPI solely because of the inclusion of government output prices.

7. Care should be taken when interpreting monthly movements in the IGP and IGP(P). These indices are 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.

8. An article describing the development and composition of the FEPI is included in Economic Trends, No 526, September 1997. Data are available in computer readable form from the National Statistics Databank service (telephone 020-7533 5675, fax 020-7533 5689 or e-mail sales.ons@gtnet.gov.uk).

1 Final Expenditure Prices Index - FEPI & FEPI(P) Summary Table

Experimental price indices

	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	595	180	225	1000				
1998	597	183	220	1000				
1999	608	182	210	1000				
2000	602	191	207	1000				

FINAL EXPENDITURE PRICES INDEX - FEPI

	CUSE	CUSK	CUSO	CUSP	CGAZ	CGBF	CGBJ	CGBK
1998 Sep	120.1	110.7	118.2	117.8	1.9	0.1	2.2	1.6
Oct	120.1	110.8	118.0	117.8	1.8	0.3	2.3	1.6
Nov	120.3	110.8	118.2	117.9	2.0	0.4	2.5	1.8
Dec	120.6	110.7	119.0	118.2	2.1	0.3	2.6	1.8
1999 Jan	120.0	110.8	119.2	118.0	2.0	0.6	2.8	2.0
Feb	120.4	111.0	119.1	118.3	1.8	0.9	2.8	2.0
Mar	121.1	111.3	119.1	118.7	2.0	1.1	3.0	2.1
Apr	121.7	111.6	120.3	119.4	2.0	1.0	3.1	2.1
May	122.0	111.8	120.7	119.7	1.7	0.7	3.0	1.8
Jun	122.0	112.2	121.9	120.0	1.8	1.2	3.9	2.1
Jul	121.4	112.4	121.1	119.5	1.8	1.3	2.8	2.0
Aug	121.7	112.4	121.2	119.7	1.8	1.4	2.8	1.9
Sep	122.1	112.4	121.4	120.0	1.7	1.5	2.7	1.9
Oct	121.9	112.3	121.2	119.8	1.5	1.4	2.7	1.7
Nov	122.1	113.0	121.5	120.1	1.5	2.0	2.8	1.9
Dec	122.4	113.6	121.7	120.5	1.5	2.6	2.3	1.9
2000 Jan	121.5	113.6	122.0	120.0	1.3	2.5	2.3	1.7
Feb	122.0	113.5	122.0	120.3	1.3	2.3	2.4	1.7
Mar	122.4	113.6	121.9	120.5	1.1	2.1	2.4	1.5
Apr	122.9	113.7†	123.2	121.1	1.0	1.9†	2.4	1.4
May	123.2	114.5	123.5	121.5	1.0	2.4	2.3	1.5
Jun	123.4	114.4	123.5	121.6	1.1	2.0	1.3	1.3
Jul	122.6	114.5	123.5†	121.1	1.0	1.9	2.0†	1.3
Aug	122.6	115.1	123.7	121.3†	0.7	2.4	2.1	1.3
Sep	123.4	115.6	124.2	121.9	1.1	2.8	2.3	1.6

FINAL EXPENDITURE PRICES INDEX INCORPORATING IMPLIED GOVERNMENT OUTPUT PRICES - FEPI(P)

			LGTZ	LGUA			GXVN	GXVO
1998 Sep	120.1	110.7	116.5	117.4	1.9	0.1	2.3	1.6
Oct	120.1	110.8	116.6	117.5	1.8	0.3	2.6	1.7
Nov	120.3	110.8	116.8	117.6	2.0	0.4	2.7	1.8
Dec	120.6	110.7	117.4	117.9	2.1	0.3	3.0	2.0
1999 Jan	120.0	110.8	117.7	117.7	2.0	0.6	3.1	2.1
Feb	120.4	111.0	117.9	118.0	1.8	0.9	3.2	2.0
Mar	121.1	111.3	118.2	118.5	2.0	1.1	3.6	2.2
Apr	121.7	111.6	118.9	119.1	2.0	1.0	3.5	2.1
May	122.0	111.8	119.2	119.4	1.7	0.7	3.5	2.0
Jun	122.0	112.2	120.3	119.6	1.8	1.2	4.2	2.1
Jul	121.4	112.4	120.0	119.3	1.8	1.3	3.5	2.1
Aug	121.7	112.4	120.4	119.5	1.8	1.4	3.6	2.0
Sep	122.1	112.4	120.7	119.9	1.7	1.5	3.6	2.1
Oct	121.9	112.3	120.7	119.7	1.5	1.4	3.5	1.9
Nov	122.1	113.0	120.9	120.0	1.5	2.0	3.5	2.0
Dec	122.4	113.6	121.2	120.3	1.5	2.6	3.2	2.0
2000 Jan	121.5	113.6	121.4	119.8	1.3	2.5	3.1	1.8
Feb	122.0	113.5	121.4	120.1	1.3	2.3	3.0	1.8
Mar	122.4	113.6	121.4	120.4	1.1	2.1	2.7	1.6
Apr	122.9	113.7†	122.2	120.8†	1.0	1.9†	2.8	1.4†
May	123.2	114.5	122.4	121.2	1.0	2.4	2.7	1.5
Jun	123.4	114.4	122.5	121.3	1.1	2.0	1.8	1.4
Jul	122.6	114.5	122.6	120.9	1.0	1.9	2.2	1.3
Aug	122.6	115.1	122.8	121.1	0.7	2.4	2.0	1.3
Sep	123.4	115.6	123.1	121.7	1.1	2.8	2.0	1.5

† Indicates earliest revision.

2 Final Expenditure Prices Index (FEPI) Index of Consumer Prices (ICP)

Experimental price indices

	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	*Of which: goods*	*Of which: services*
January 1992=100													
Weights													
1997	126	68	30	67	90	39	71	189	119	201	1000	595	405
1998	127	68	29	67	87	39	71	188	118	206	1000	597	403
1999	119	66	28	70	85	34	75	192	113	218	1000	600	400
2000	117	64	26	68	85	31	76	191	126	216	1000	595	405
	CURU	CURV	CURW	CURX	CURY	CURZ	CUSA	CUSB	CUSC	CUSD	CUSE	MJYH	MJYI
1998 Sep	113.7	125.3	163.2	105.8	130.8	97.3	112.9	121.9	111.0	128.7	120.1	*113.4*	*131.1*
Oct	113.9	125.6	163.4	104.7	131.1	97.5	112.4	121.5	111.2	129.5	120.1	*113.2*	*131.7*
Nov	113.8	125.2	163.4	105.3	131.3	97.4	113.6	121.1	111.2	130.2	120.3	*113.2*	*132.1*
Dec	114.7	125.1	168.2	104.7	131.4	97.2	115.7	120.5	111.0	130.6	120.6	*113.5*	*132.3*
1999 Jan	115.1	126.5	172.0	97.6	131.5	97.3	111.3	121.2	110.7	130.6	120.0	*112.4*	*132.6*
Feb	115.4	126.8	172.1	100.0	131.5	97.2	112.8	121.2	110.6	131.0	120.4	*113.0*	*132.8*
Mar	114.7	126.8	178.2	101.6	131.4	97.5	114.5	122.6	110.7	131.3	121.1	*113.8*	*133.3*
Apr	114.1	127.0	180.7	102.0	133.5	97.3	113.2	124.1	111.1	132.3	121.7	*114.0*	*134.6*
May	114.7	127.6	180.7	102.5	133.6	97.1	114.6	124.1	111.2	132.5	122.0	*114.3*	*134.9*
Jun	114.2	128.2	181.2	102.3	133.7	97.1	114.0	123.8	111.0	132.9	122.0	*114.1*	*135.1*
Jul	113.5	127.9	184.3	97.4	134.0	97.4	112.0	123.8	110.3	133.6	121.4	*113.0*	*135.5*
Aug	113.0	128.1	184.7	98.8	134.3	97.4	113.1	124.2	110.1	133.7	121.7	*113.3*	*135.7*
Sep	112.9	128.1	184.8	102.6	134.4	97.7	114.0	123.9	110.6	133.9	122.1	*113.8*	*136.2*
Oct	112.8	128.2	184.7	101.6	134.8	97.9	113.4	123.7	110.9	133.1	121.9	*113.4*	*136.0*
Nov	113.4	127.8	184.8	102.0	135.1	98.1	114.6	123.3	110.8	133.7	122.1	*113.5*	*136.4*
Dec	113.5	127.5	184.7	101.2	135.3	98.7	116.5	123.6	110.7	134.1	122.4	*113.7*	*136.8*
2000 Jan	113.4	128.4	184.9	94.4	136.0	98.6	111.5	124.1	110.3	133.9	121.5	*112.2*	*137.1*
Feb	113.4	128.5	186.7	97.5	136.1	98.6	112.6	124.2	110.8	134.1	122.0	*112.9*	*137.3*
Mar	112.7	128.7	186.9	98.9	135.9	98.7	113.9	125.2	110.7	134.7	122.4	*113.4*	*137.7*
Apr	112.6	129.0	198.5	100.2	135.7	97.4	113.8	125.9	111.2	134.6	122.9	*113.9*	*137.9*
May	113.6	129.6	198.6	100.0	135.9	96.7	114.3	126.0	111.5	135.2	123.2	*114.1*	*138.4*
Jun	113.9	129.9	199.0	99.4	136.2	96.2	113.7	126.8	111.2	135.5	123.4	*114.2*	*138.8*
Jul	115.0	129.7	199.1	92.0	136.6	96.1	111.5	126.7	110.6	135.7	122.6	*112.9*	*139.0*
Aug	114.0	129.9	200.2	93.7	137.0	96.1	112.6	125.2	110.8	136.1	122.6	*112.8*	*139.2*
Sep	114.1	130.1	201.6	96.9	137.3	96.7	113.9	125.5	111.6	136.7	123.4	*113.6*	*139.9*

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	*Of which: goods*	*Of which: services*
	CGAP	CGAQ	CGAR	CGAS	CGAT	CGAU	CGAV	CGAW	CGAX	CGAY	CGAZ	MJYJ	MJYK
1998 Sep	1.3	3.2	7.7	–0.5	3.3	–2.7	1.2	1.2	0.3	3.5	1.9	*0.7*	*3.5*
Oct	1.5	3.2	7.7	–1.2	3.4	–2.5	0.9	1.0	0.4	3.8	1.8	*0.7*	*3.5*
Nov	2.0	3.4	7.6	–1.8	3.5	–2.2	1.2	0.9	0.5	4.3	2.0	*0.7*	*3.9*
Dec	2.7	3.7	8.4	–1.9	3.5	–1.9	2.2	0.4	0.3	4.3	2.1	*1.0*	*3.8*
1999 Jan	3.0	3.6	8.0	–2.1	3.3	–1.1	1.4	0.5	0.4	4.1	2.0	*1.0*	*3.6*
Feb	3.3	3.0	7.9	–2.0	3.2	–1.5	1.2	0.3	0.1	3.6	1.8	*0.7*	*3.4*
Mar	2.9	2.7	11.7	–2.4	3.0	–1.4	1.2	1.5	0.3	3.5	2.0	*1.1*	*3.6*
Apr	2.1	2.8	11.5	–2.9	2.8	–1.6	1.0	1.6	0.3	3.7	2.0	*0.9*	*3.7*
May	1.1	2.5	11.1	–3.3	2.7	–1.2	1.1	1.5	0.1	3.4	1.7	*0.5*	*3.5*
Jun	1.0	3.1	11.3	–3.2	2.7	–0.5	1.2	1.3	0.3	3.5	1.8	*0.6*	*3.5*
Jul	0.6	2.4	13.1	–1.9	2.8	0.1	0.5	1.5	–0.1	3.9	1.8	*0.6*	*3.8*
Aug	–1.0	2.3	13.2	–2.4	2.8	0.2	0.8	1.9	–0.3	3.8	1.8	*0.4*	*3.7*
Sep	–0.7	2.2	13.2	–3.0	2.8	0.4	1.0	1.6	–0.4	4.0	1.7	*0.4*	*3.9*
Oct	–1.0	2.1	13.0	–3.0	2.8	0.4	0.9	1.8	–0.3	2.8	1.5	*0.2*	*3.3*
Nov	–0.4	2.1	13.1	–3.1	2.9	0.7	0.9	1.8	–0.4	2.7	1.5	*0.3*	*3.3*
Dec	–1.0	1.9	9.8	–3.3	3.0	1.5	0.7	2.6	–0.3	2.7	1.5	*0.2*	*3.4*
2000 Jan	–1.5	1.5	7.5	–3.3	3.4	1.3	0.2	2.4	–0.4	2.5	1.3	*–0.2*	*3.4*
Feb	–1.7	1.3	8.5	–2.5	3.5	1.4	–0.2	2.5	0.2	2.4	1.3	*–0.1*	*3.4*
Mar	–1.7	1.5	4.9	–2.7	3.4	1.2	–0.5	2.1	–	2.6	1.1	*–0.4*	*3.3*
Apr	–1.3	1.6	9.9	–1.8	1.6	0.1	0.5	1.5	0.1	1.7	1.0	*–0.1*	*2.5*
May	–1.0	1.6	9.9	–2.4	1.7	–0.4	–0.3	1.5	0.3	2.0	1.0	*–0.2*	*2.6*
Jun	–0.3	1.3	9.8	–2.8	1.9	–0.9	–0.3	2.4	0.2	2.0	1.1	*0.1*	*2.7*
Jul	1.3	1.4	8.0	–5.5	1.9	–1.3	–0.4	2.3	0.3	1.6	1.0	*–0.1*	*2.6*
Aug	0.9	1.4	8.4	–5.2	2.0	–1.3	–0.4	0.8	0.6	1.8	0.7	*–0.4*	*2.6*
Sep	1.1	1.6	9.1	–5.6	2.2	–1.0	–0.1	1.3	0.9	2.1	1.1	*–0.2*	*2.7*

† indicates earliest revision.

3 Final Expenditure Prices Index (FEPI) Index of Investment Prices (IIP)

Experimental price indices

	Transport Equipment	Other Machinery and Equipment	Dwellings	Other Buildings and Structures	Transfer Costs of Land and Buildings	Intangible Fixed Assets[1]	Index of Investment Prices IIP
January 1992=100							
Weights							
1997	95	382	187	270	32	34	1000
1998	97	392	181	262	35	33	1000
1999	98	390	178	260	42	32	1000
2000	97	383	180	267	41	32	1000
	CUSH	CUSG	CUSJ	CUSF	CUSI	MJYL	CUSK
1998 Sep	119.8	98.1	120.0	115.4	165.4	120.1	110.7
Oct	120.3	97.8	120.1	115.9	165.7	120.1	110.8
Nov	121.2	97.5	119.7	116.5	165.1	120.1	110.8
Dec	121.7	97.1	119.0	117.0	164.3	120.3	110.7
1999 Jan	121.2	97.3	118.7	117.3	167.0	120.0	110.8
Feb	121.8	97.2	118.9	117.6	168.0	120.4	111.0
Mar	121.9	96.8	120.6	117.9	170.2	120.9	111.3
Apr	122.1	96.6	122.7	118.1	171.6	121.4	111.6
May	122.1	96.0	124.3	118.3	175.4	121.5	111.8
Jun	122.3	95.7	126.3	118.5	179.9	121.4	112.2
Jul	121.5	95.2	128.5	118.8	182.5	121.1	112.4
Aug	121.3	94.2	130.8	119.0	185.3	121.3	112.4
Sep	121.2	93.6	131.4	119.2	186.0	121.5	112.4
Oct	121.0	93.0	131.9	119.7	189.4	121.4	112.3
Nov	122.8	93.5	133.2	120.0	186.4	121.7	113.0
Dec	123.7	93.8	135.2	120.4	186.1	121.9	113.6
2000 Jan	121.9	93.5	135.9	120.6	191.1	121.2	113.6
Feb	121.8	93.1	136.3	121.0	189.6	121.2	113.5
Mar	121.7	92.6	138.3	121.0	191.4	121.7	113.6
Apr	120.6†	92.1†	140.6	121.3	191.9	123.1	113.7†
May	121.7	92.9	141.9	121.4	191.7	124.1	114.5
Jun	122.1	92.4	142.2	121.6	193.5	123.3†	114.4
Jul	122.7	92.1	142.6†	122.0	194.2	122.2	114.5
Aug	122.3	92.7	144.5	122.3	195.8	121.9	115.1
Sep	122.8	92.9	145.4	122.7	199.4	122.4	115.6

Annual Percentage Changes

	Transport Equipment	Other Machinery and Equipment	Dwellings	Other Buildings and Structures	Transfer Costs of Land and Buildings	Intangible Fixed Assets[1]	Index of Investment Prices IIP
	CGBC	CGBB	CGBE	CGBA	CGBD	MJYM	CGBF
1998 Sep	1.9	–7.9	8.6	4.3	8.0	0.8	0.1
Oct	2.5	–7.9	8.9	4.4	8.9	0.8	0.3
Nov	3.7	–7.6	8.5	4.6	7.8	0.8	0.4
Dec	3.8	–7.8	7.8	4.7	8.0	0.9	0.3
1999 Jan	3.6	–6.8	7.4	4.5	10.4	1.1	0.6
Feb	4.3	–5.9	7.0	4.3	9.5	1.1	0.9
Mar	3.0	–5.2	6.7	4.2	10.1	1.4	1.1
Apr	3.4	–5.0	6.8	4.1	7.7	1.6	1.0
May	2.4	–5.8	7.2	3.9	9.6	1.0	0.7
Jun	2.9	–5.1	7.4	3.8	12.0	1.3	1.2
Jul	2.1	–4.7	8.1	3.7	10.6	1.4	1.3
Aug	1.3	–4.9	9.5	3.5	12.6	1.3	1.4
Sep	1.2	–4.6	9.5	3.3	12.5	1.2	1.5
Oct	0.6	–4.9	9.8	3.3	14.3	1.1	1.4
Nov	1.3	–4.1	11.3	3.0	12.9	1.3	2.0
Dec	1.6	–3.4	13.6	2.9	13.3	1.3	2.6
2000 Jan	0.6	–3.9	14.5	2.8	14.4	1.0	2.5
Feb	–	–4.2	14.6	2.9	12.9	0.7	2.3
Mar	–0.2	–4.3	14.7	2.6	12.5	0.7	2.1
Apr	–1.2†	–4.7†	14.6	2.7	11.8	1.4	1.9†
May	–0.3	–3.2	14.2	2.6	9.3	2.1	2.4
Jun	–0.2	–3.4	12.6	2.6	7.6	1.6	2.0
Jul	1.0	–3.3	11.0†	2.7	6.4	0.9†	1.9
Aug	0.8	–1.6	10.5	2.8	5.7	0.5	2.4
Sep	1.3	–0.7	10.7	2.9	7.2	0.7	2.8

† indicates earliest revision.

1 This covers mineral exploration, computer software and entertainment, literary and artistic originals.

4 Final Expenditure Prices Index - FEPI & FEPI(P)
Index of Government Prices - IGP & IGP(P)

Experimental price indices

	Local Government Pay & Procurement	Central Government Pay & Procurement	Education Grants	Index of Government Prices	Annual percentage changes: Local Government Pay & Procurement	Central Government Pay & Procurement	Education Grants	Index of Government Prices
January 1992=100								
Weights								
1997	354	569	77	1000				
1998	353	570	77	1000				
1999	351	567	82	1000				
2000	352	569	79	1000				
	INDEX OF GOVERNMENT PRICES - IGP							
	CUSL	CUSM	CUSN	CUSO	CGBG	CGBH	CGBI	CGBJ
1998 Sep	121.2	116.1	120.6	118.2	2.5	1.9	2.0	2.2
Oct	121.1	115.8	120.6	118.0	2.5	2.2	2.0	2.3
Nov	121.3	116.0	120.7	118.2	2.5	2.7	2.1	2.5
Dec	122.1	116.7	121.4	119.0	2.7	2.5	2.3	2.6
1999 Jan	122.0	117.1	122.3	119.2	2.7	2.8	2.5	2.8
Feb	122.0	117.0	122.3	119.1	2.7	3.1	2.5	2.8
Mar	122.1	116.9	122.3	119.1	2.9	3.2	2.6	3.0
Apr	123.7	117.7	123.7	120.3	2.7	3.2	3.0	3.1
May	123.7	118.5	123.7	120.7	2.6	3.2	3.0	3.0
Jun	125.9	119.3	123.7	121.9	4.4	3.7	3.0	3.9
Jul	124.4	118.7	124.7	121.1	3.2	2.6	3.4	2.8
Aug	124.5	118.8	124.7	121.2	3.1	2.6	3.4	2.8
Sep	125.1	118.8	124.8	121.4	3.2	2.3	3.5	2.7
Oct	125.1	118.4	124.8	121.2	3.3	2.2	3.5	2.7
Nov	125.2	118.9	124.9	121.5	3.2	2.5	3.5	2.8
Dec	125.3	119.2	124.9	121.7	2.6	2.1	2.9	2.3
2000 Jan	125.3	119.5	124.9	122.0	2.7	2.0	2.1	2.3
Feb	125.3	119.6	124.9	122.0	2.7	2.2	2.1	2.4
Mar	125.3	119.5	124.9	121.9	2.6	2.2	2.1	2.4
Apr	127.5	120.2	126.9	123.2	3.1	2.1	2.6	2.4
May	127.6	120.5	126.9	123.5	3.2	1.7	2.6	2.3
Jun	127.7	120.6	126.9	123.5	1.4	1.1	2.6	1.3
Jul	127.7	120.6†	126.8	123.5†	2.7	1.6†	1.7	2.0†
Aug	127.8	120.9	126.8	123.7	2.7	1.8	1.7	2.1
Sep	128.4	121.3	126.9	124.2	2.6	2.1	1.7	2.3
	INDEX OF GOVERNMENT PRICES INCORPORATING IMPLIED OUTPUT PRICES - IGP(P)							
	LGTU	LGTX		LGTZ	GXVL	GXVM		GXVN
1998 Sep	114.5	117.4	120.6	116.5	1.9	2.6	2.0	2.3
Oct	114.6	117.4	120.6	116.6	2.0	2.9	2.0	2.6
Nov	115.0	117.7	120.7	116.8	2.3	3.2	2.1	2.7
Dec	115.5	118.2	121.4	117.4	2.7	3.2	2.3	3.0
1999 Jan	115.9	118.4	122.3	117.7	3.2	3.1	2.5	3.1
Feb	116.3	118.6	122.3	117.9	3.6	3.3	2.5	3.2
Mar	116.7	118.8	122.3	118.2	4.0	3.5	2.6	3.6
Apr	117.3	119.4	123.7	118.9	3.6	3.4	3.0	3.5
May	117.7	119.7	123.7	119.2	3.9	3.3	3.0	3.5
Jun	120.1	120.2	123.7	120.3	5.9	3.4	3.0	4.2
Jul	119.1	120.2	124.7	120.0	4.9	2.8	3.4	3.5
Aug	119.6	120.6	124.7	120.4	5.1	2.9	3.4	3.6
Sep	120.3	120.6	124.8	120.7	5.1	2.7	3.5	3.6
Oct	120.5	120.5	124.8	120.7	5.1	2.6	3.5	3.5
Nov	120.8	120.7	124.9	120.9	5.0	2.5	3.5	3.5
Dec	121.0	121.0	124.9	121.2	4.8	2.4	2.9	3.2
2000 Jan	121.1	121.2	124.9	121.4	4.5	2.4	2.1	3.1
Feb	121.3	121.2	124.9	121.4	4.3	2.2	2.1	3.0
Mar	121.3	121.2	124.9	121.4	3.9	2.0	2.1	2.7
Apr	122.3	121.7	126.9	122.2	4.3	1.9	2.6	2.8
May	122.4	121.9	126.9	122.4	4.0	1.8	2.6	2.7
Jun	122.6	122.1	126.9	122.5	2.1	1.6	2.6	1.8
Jul	122.6	122.2	126.8	122.6	2.9	1.7	1.7	2.2
Aug	122.7†	122.4	126.8	122.8	2.6†	1.5	1.7	2.0
Sep	123.2	122.6	126.9	123.1	2.4	1.7	1.7	2.0

† indicates earliest revision.

Index of Distribution (Prototype) – July 2000

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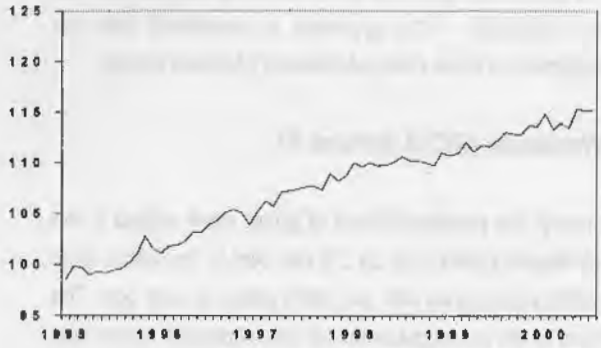
In July, the prototype Index of Distribution (IoD) showed distribution industries' gross value added rising by 3.0 per cent in the latest three months compared with the same three months a year ago. The strongest growth was in the component for the retail trades. The level of the IoD was at 115.2 in July.

The prototype IoD shows the monthly movements in volume terms of gross value added in the distribution sector (SIC92 section G), which consists of the motor trades, wholesaling and retailing. Index numbers are based on 1995=100 and all values are seasonally adjusted.

Prototype Index of Distribution

seasonally adjusted: 1995=100



Prototype IoD and components at constant 1995 basic prices (1995=100 index and 3 month-on-3 month annual percentage change)

seasonally adjusted

		Index of Distribution		Motor trades		Wholesale		Retail	
1995 weights		*1000*		*179*		*388*		*433*	
		Index	Latest 3 mth on same 3 mth a year ago: % change	Index	Latest 3 mth on same 3 mth a year ago: % change	Index	Latest 3 mth on same 3 mth a year ago: % change	Index	Latest 3 mth on same 3 mth a year ago: % change
1999	Jul	112.2	1.5	111.6	-1.0	106.1	1.0	118.0	2.9
	Aug	113.0	1.8	111.5	-0.8	107.2	1.2	118.9	3.2
	Sep	112.8	2.2	111.6	0.1	106.5	1.6	119.0	3.5
	Oct	112.8	2.5	110.8	-0.1	105.8	1.7	119.9	4.3
	Nov	113.7	2.9	110.6	0.4	107.5	1.9	120.5	4.5
	Dec	113.6	2.9	112.0	0.0	106.9	1.8	120.4	4.9
2000	Jan	114.9 r	3.3	112.6 r	0.7	107.1 r	2.1	122.8	5.3
	Feb	113.3	2.8	113.3	0.3	104.3	1.1	121.3	5.3
	Mar	113.9	2.5	111.3	0.5	106.2	0.7	121.9 r	4.8
	Apr	113.5	1.9	110.3	-0.4	105.8	0.2	121.7	4.2
	May	115.3	2.3	113.2	0.1	108.0	1.3	122.7	4.0
	Jun	115.2	2.8	111.3	0.6	107.9	2.1	123.3	4.3
	Jul	115.2	3.0	110.0	0.5	108.3	2.5	123.6	4.5

The symbol 'r' indicates that the index data have been revised since the previous month's release. The values marked are the earliest shown in this table to have been revised.

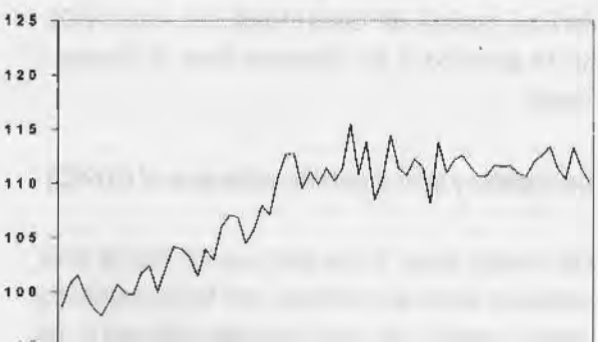
Tables following this note show data back to January 1996.

Motor trades (SIC92 division 50)

In July, the prototype index of gross value added in the motor trades rose by 0.5 per cent in the latest three months compared with the same period a year ago. The level of the prototype index for the motor trades was at 110.0 in July. Values for 1999 and 2000 should be treated with caution, however, as the new seasonal pattern in vehicle sales, following the change in the vehicle registration system, is not yet clear. Data are therefore liable to be revised more than usual.

Prototype component index for motor trades

seasonally adjusted: 1995=100



Until a consistent seasonal pattern emerges, the seasonally adjusted series for the affected components will be derived by extending the underlying trend of the series from quarter 4 1998, taking into account movements in the unadjusted data. This explains why the seasonally adjusted series shows a smoother profile in 1999/2000. The approach is consistent with the treatment of other affected National Statistics series.

Wholesale (SIC92 division 51)

In July, the prototype index of gross value added in the wholesale trades rose by 2.5 per cent in the latest three months compared with the same period a year ago. The level of the prototype index for the wholesale trades was at 108.3 in July.

Prototype component index for wholesale

seasonally adjusted: 1995=100

Retail (SIC92 division 52)

In July, the prototype index of gross value added in the retail trades rose by 4.5 per cent in the latest three months compared with the same period a year ago. The growth in the retail index was driven mainly by sales through predominantly non-food stores. The level of the prototype index for the retail trades was at 123.6 in July.

Prototype component index for retail

seasonally adjusted: 1995=100

Experimental monthly Index of Services

The experimental monthly Index of Services, which covers the entire services sector, will be released for the first time on 6 December. From then onwards, the prototype IoD will be shown as a component of this new index. An article describing the experimental Index of Services, together with tables of data up to August 2000, will be published in the December issue of Economic Trends.

Consistency with quarterly estimates of GDP(O)

The monthly figures for the prototype IoD and its three component series are consistent with the corresponding [illegible] industries contained in the quarterly estimates of GDP by the output measure (GDP(O)), published on 27 September.

Revisions to the back data

The prototype IoD figures in this release have been revised back to January 2000, to reflect revisions to GDP(O). The quarterly GDP(O) estimates published on 27 September were open to revisions back to quarter 1 2000.

Component series for retail: differs from the Retail Sales Index

The prototype IoD component for the retail trades shown in this release differs from the established Retail Sales

Index (RSI) in that the IoD retail series is designed to indicate movements in retailing gross value added, whereas the RSI is an index of sales. The two series may therefore follow slightly different paths, although the broad trends in each are very similar.

Notes

Further details of the data sources and methods used in this prototype index are given in the article, 'Release of a prototype monthly Index of Distribution', by Hugh Skipper and Ian Cope, which appeared in the December 1999 issue of *Economic Trends* (no. 553).

Identifiers for the quarterly GDP(O) series that correspond to the IoD and its three main components are given in the footnotes to the tables that follow.

1 IOD: Index of Distribution (PROTOTYPE)

Index numbers of gross value added at constant basic prices[1,2,3]

1995=100, seasonally adjusted

	Component series							
	SIC Section G: IoD[4]				SIC50: Motor trades[4]			
		percentage change				percentage change		
	Index	month on month	latest 3 months on previous 3 months	latest 3 months on same 3 months a year ago	Index	month on month	latest 3 months on previous 3 months	latest 3 months on same 3 months a year ago
	FVVR	FVVK	FVVL	FVVM	FVVO	FVVB	FVVC	FVVD
1996 Jan	101.1	-0.4	1.5	3.5	100.0	-2.3	1.3	5.1
Feb	101.8	0.7	0.1	2.5	102.1	2.1	1.1	3.2
Mar	101.9	0.1	-0.2	2.2	104.1	2.0	0.8	1.9
Apr	102.3	0.5	0.2	2.5	103.9	-0.2	2.0	2.7
May	103.2	0.8	1.0	3.1	103.1	-0.8	2.2	3.9
Jun	103.2	–	1.3	3.8	101.4	-1.7	0.7	4.3
Jul	103.9	0.7	1.4	4.2	103.9	2.4	-0.5	4.5
Aug	104.3	0.3	1.3	4.4	102.9	-0.9	-0.9	3.6
Sep	105.1	0.8	1.5	4.7	106.0	2.9	1.4	4.4
Oct	105.4	0.3	1.5	4.7	107.0	1.0	2.4	5.2
Nov	105.1	-0.3	1.4	3.8	106.9	-0.1	3.8	6.2
Dec	103.9	-1.1	0.4	3.0	104.4	-2.3	1.8	4.8
1997 Jan	105.2	1.2	-0.2	2.9	105.7	1.2	0.3	4.3
Feb	106.2	0.9	-0.1	3.6	107.9	2.1	-0.6	4.5
Mar	105.7	-0.4	0.9	4.1	107.1	-0.8	0.7	4.7
Apr	107.1	1.3	1.5	4.3	110.6	3.2	2.7	4.9
May	107.2	–	1.5	4.1	112.7	1.9	3.8	6.1
Jun	107.4	0.3	1.5	4.2	112.7	–	4.7	8.9
Jul	107.6	0.1	1.0	3.8	109.5	-2.8	2.8	8.5
Aug	107.7	0.1	0.9	3.7	111.1	1.4	0.9	8.1
Sep	107.3	-0.4	0.3	3.0	109.9	-1.1	-1.6	5.6
Oct	108.9	1.4	0.5	2.9	111.4	1.4	-0.7	5.2
Nov	108.2	-0.6	0.5	2.8	110.2	-1.1	-0.5	3.6
Dec	108.7	0.4	1.0	3.6	111.3	1.0	0.7	4.6
1998 Jan	110.0	1.2	0.9	4.0	115.5	3.7	1.4	6.3
Feb	109.6	-0.3	1.2	4.1	110.8	-4.1	1.8	6.1
Mar	110.0	0.3	1.2	3.9	113.8	2.7	2.1	6.0
Apr	109.7	-0.3	0.8	3.2	108.5	-4.7	-1.2	2.3
May	109.8	0.1	0.4	3.0	110.4	1.8	-1.4	0.7
Jun	110.1	0.3	–	2.4	114.4	3.6	-2.0	-0.8
Jul	110.6	0.4	0.3	2.6	111.3	-2.7	0.9	0.4
Aug	110.2	-0.3	0.4	2.5	110.8	-0.5	1.1	1.0
Sep	110.2	–	0.4	2.6	112.2	1.3	0.3	1.2
Oct	110.0	-0.2	–	2.0	111.4	-0.7	-0.5	0.6
Nov	109.7	-0.2	-0.3	1.7	108.1	-3.0	-1.4	0.1
Dec	111.0	1.1	-0.1	1.5	113.8	5.3	-0.3	0.1
1999 Jan	110.7	-0.2	0.3	1.4	110.9	-2.5	-0.5	-1.2
Feb	110.9	0.2	0.8	1.3	112.2	1.2	1.6	-0.2
Mar	112.0	1.0	0.9	1.2	112.5	0.3	0.7	-1.3
Apr	111.1	-0.8	0.8	1.5	111.5	-0.9	1.0	1.0
May	111.7	0.5	0.7	1.7	110.6	-0.8	-0.7	0.6
Jun	111.6	-0.1	0.2	1.5	110.7	–	-0.9	-0.1
Jul	112.2	0.6	0.4	1.5	111.6	0.9	-1.0	-1.0
Aug	113.0	0.7	0.6	1.8	111.5	-0.1	-0.3	-0.8
Sep	112.8	-0.2	1.1	2.2	111.6	0.1	0.6	0.1
Oct	112.8	–	0.9	2.5	110.8	-0.7	0.3	-0.1
Nov	113.7	0.7	0.7	2.9	110.6	-0.2	-0.2	0.4
Dec	113.6	–	0.6	2.9	112.0	1.2	-0.4	–
2000 Jan	114.9†	1.1†	1.0†	3.3†	112.6†	0.5†	0.3	0.7†
Feb	113.3	-1.4	0.7	2.8	113.3	0.7	1.4†	0.3
Mar	113.9	0.6	0.6	2.5	111.3	-1.7	1.1	0.5
Apr	113.5	-0.4	-0.4	1.9	110.3	-0.9	–	-0.4
May	115.3	1.6	0.3	2.3	113.2	2.6	-0.9	0.1
Jun	115.2	-0.1	0.5	2.8	111.3	-1.7	-0.7	0.6
Jul	115.2	0.1	1.5	3.0	110.0	-1.2	-0.1	0.5

1 Indices are valued at constant basic prices, which exclude taxes and subsidies on production.

2 Estimates cannot be regarded as accurate to the last digit shown.

3 Any apparent inconsistencies between the index numbers and the percentage changes shown in these tables are due to rounding.

4 The equivalent quarterly index series, released electronically as part of the GDP(O) estimates, have identifiers EWAD (motor), EWAE (wholesale), EWAF (retail) and GDQC (IoD). For further information about obtaining these series please telephone 020 7533 5675, fax 020 7533 5688, or email bill.roberts@ons.gov.

Sources: For further information on these data please;
telephone 01633 813388;
fax 01633 812575;
or email hugh.skipper@ons.gov.uk

2 IOD: Index of Distribution (PROTOTYPE) continued

Index numbers of gross value added at constant basic prices[1,2,3]

1995=100, seasonally adjusted

	Component series							
	SIC51: Wholesale [4]				SIC52: Retail [4]			
		percentage change				percentage change		
	Index	month on month	latest 3 months on previous 3 months	latest 3 months on same 3 months a year ago	Index	month on month	latest 3 months on previous 3 months	latest 3 months on same 3 months a year ago
	FVVP	FVVE	FVVF	FVVG	FVVQ	FVVH	FVVI	FVVJ
1996 Jan	101.5	-0.1	1.6	3.3	101.1	0.2	1.5	3.1
Feb	100.3	-1.2	-0.4	1.8	102.9	1.8	0.1	3.0
Mar	101.3	1.0	-0.8	1.9	101.5	-1.4	–	2.7
Apr	101.4	0.1	-1.1	1.7	102.5	1.1	0.6	3.0
May	102.3	0.9	0.5	2.6	104.0	1.4	1.0	3.3
Jun	102.5	0.2	1.0	3.1	104.5	0.4	1.8	4.2
Jul	103.0	0.5	1.6	3.6	104.7	0.2	2.1	4.5
Aug	102.6	-0.4	1.0	3.5	106.3	1.5	2.4	5.6
Sep	103.3	0.7	0.9	3.0	106.4	0.1	2.1	6.3
Oct	103.8	0.5	0.6	2.7	106.3	-0.2	1.9	6.2
Nov	102.8	-0.9	0.6	1.7	106.3	0.1	1.1	4.7
Dec	102.1	-0.7	–	1.0	105.3	-0.9	0.1	4.0
1997 Jan	103.6	1.5	-0.3	0.7	106.4	1.0	-0.3	4.3
Feb	103.7	0.1	-0.1	1.9	107.7	1.2	0.1	4.8
Mar	102.0	-1.6	0.2	2.1	108.5	0.7	1.5	5.6
Apr	103.9	1.8	0.4	2.2	108.6	0.1	2.1	5.8
May	102.9	-1.0	-0.2	1.3	108.7	0.1	2.0	5.8
Jun	103.4	0.5	0.3	1.3	108.9	0.2	1.1	4.9
Jul	104.0	0.6	0.2	0.8	110.0	0.9	0.9	4.6
Aug	103.7	-0.4	0.7	1.0	110.0	–	1.0	4.2
Sep	104.2	0.5	0.5	1.0	109.1	-0.8	0.9	3.7
Oct	104.5	0.3	0.7	0.9	111.7	2.4	1.0	3.7
Nov	104.4	-0.1	0.7	1.1	110.8	-0.8	0.8	3.9
Dec	104.4	-0.1	0.5	1.5	111.5	0.6	1.5	5.0
1998 Jan	105.0	0.6	0.4	1.7	112.8	1.2	1.3	5.3
Feb	106.0	1.0	0.7	1.9	112.0	-0.7	1.4	5.3
Mar	105.3	-0.7	0.9	2.2	112.4	0.4	1.0	4.5
Apr	105.7	0.4	1.0	2.4	113.1	0.6	0.8	4.0
May	103.8	-1.8	-0.2	1.9	115.1	1.7	1.3	4.6
Jun	104.2	0.4	-0.8	1.1	113.9	-1.0	1.5	4.9
Jul	105.2	0.9	-1.2	0.9	115.1	1.0	1.9	5.0
Aug	105.0	-0.1	-0.1	1.1	114.6	-0.4	0.9	4.5
Sep	104.6	-0.4	0.3	0.9	114.4	-0.2	0.5	4.5
Oct	104.5	-0.1	0.3	0.6	114.3	-0.1	-0.3	3.8
Nov	104.7	0.2	-0.2	0.2	115.3	0.9	0.1	3.7
Dec	105.3	0.6	-0.1	0.4	114.4	-0.7	–	3.0
1999 Jan	104.6	-0.7	0.2	0.3	115.7	1.1	0.6	3.1
Feb	104.9	0.3	0.3	-0.1	116.1	0.4	0.7	3.0
Mar	105.8	0.9	0.3	-0.3	117.4	1.1	1.5	3.6
Apr	104.9	-0.9	0.3	-0.4	116.6	-0.7	1.4	3.7
May	105.1	0.2	0.3	0.3	118.1	1.3	1.7	3.3
Jun	105.0	-0.1	-0.1	0.4	117.8	-0.2	0.9	3.0
Jul	106.1	1.0	0.2	1.0	118.0	0.2	1.1	2.9
Aug	107.2	1.0	0.8	1.2	118.9	0.8	0.8	3.2
Sep	106.5	-0.6	1.5	1.6	119.0	0.1	1.0	3.5
Oct	105.8	-0.7	1.0	1.7	119.9	0.8	1.1	4.3
Nov	107.5	1.6	0.5	1.9	120.5	0.5	1.3	4.5
Dec	106.9	-0.5	0.1	1.8	120.4	-0.1	1.4	4.9
2000 Jan	107.1†	0.2†	0.6†	2.1†	122.8	2.0†	1.6	5.3
Feb	104.3	-2.6	-0.5	1.1	121.3	-1.2	1.4	5.3
Mar	106.2	1.8	-0.8	0.7	121.9†	0.5	1.5†	4.8
Apr	105.8	-0.4	-1.6	0.2	121.7	-0.2	0.3	4.2
May	108.0	2.1	0.5	1.3	122.7	0.9	0.5	4.0†
Jun	107.9	-0.1	1.3	2.1	123.3	0.5	0.5	4.3
Jul	108.3	0.4	2.5	2.5	123.6	0.3	1.3	4.5

For footnotes see table 1 of this article.

Sources: For further information on these data please;
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New Estimates of Dividend Payments

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Introduction

An article by Walton and Duggan in September 1999[1] described the abolition of Advance Corporation Tax (ACT) and its implications for the national accounts: ACT returns had provided ONS with a complete report of dividends paid by UK private non-financial corporations (PNFCs). The loss of this source seriously affected the accounts across all sectors: in 1999 PNFCs' dividend payments were £64 billion, equivalent to a little over 7 per cent of GDP. The authors detailed replacement sources of dividends data which had replaced ACT returns, but acknowledged that more work was necessary to produce reliable estimates of dividends paid and received by PNFCs not quoted on the London Stock Exchange. Unquoted companies' dividends are a significant component responsible for 49 per cent of dividends paid by private corporations in the UK in 1997 (£32.3 billion from a total of £66.3 billion). However they generally receive little attention from analysts compared to the quoted, thus leaving us with no readily available commercial or administrative data sources. This article briefly outlines the development of a new ONS inquiry to collect the dividend data from unquoted companies.

The Business Case for an Inquiry

ONS remains conscious of the burdens its work places on business, and only considers implementing new inquiries when all other alternatives have been thoroughly examined but found insufficient.

The lack of existing information has made an inquiry necessary in the case of unquoted companies. The work which led to the last article demonstrated the lack of interest in the sector from financial information companies. By comparison with the quoted sector, a small number of large companies, there are approximately 1.3 million unquoted companies on the Inter-Departmental Business Register (IDBR)[2] (see table). Unquoted companies cover a wide range of organisations. Some are wholly owned subsidiaries of other UK or overseas companies. Others are private family owned businesses. Some are rather larger, with a range of shareholders but choosing not to get a Stock Exchange listing. Many unquoted companies have relatively low turnover and/or employment. It is therefore rare to find unified sources of information on them. The few that exist, for example *Macmillan's Unquoted Companies*, get their information from published annual accounts, usually filed at least ten months after the end of a financial year. They therefore aren't timely or frequent enough to inform quarterly economic accounts; they also give most attention to larger companies which will interest investors, while ONS needs information on all companies.

Table 1 - Coverage of UK Business by the Inter-Departmental Business Register

Total number of businesses in UK	3.7 million
Total number of businesses on IDBR	2 million
Number of businesses (including shelf companies)which are limited companies	1.3 million
Number of "shelf" companies[3]	0.5 million

The possibility of constructing estimates based on other information was tested by ONS time series methodologists. It seemed possible, for example, that dividend payments by unquoted companies might be strongly correlated with information ONS already possesses: combinations of profits, employment, turnover and dividend payments by quoted companies were all considered. Unfortunately the relationships were not very strong, particularly in the months preceding the abolition of ACT, and cross-sectional relationships are weak, especially with disaggregated data. The work suggested

that there could be errors of up to 50 per cent. In absolute terms this would mean variations of £15 billion in national accounts lines and the method was therefore deemed unacceptable, even as support for a periodic inquiry.

An International Perspective

It is worth noting here that ONS attempted to use the experience of other countries as a guide, but were unsuccessful. Some countries rely entirely on tax returns, for example the United States, while others use a mixture of sampling and tax data. France and the Netherlands are two examples of this method. Full information on French dividends is available from highly detailed tax returns 18 months after the end of a financial year; a small sample is used to produce estimates until then. In Holland, PNFCs with annual turnover greater than 11 million Euro are sampled while data on the remainder comes from the tax authorities. However, we could find no example of an alternative methodology which might allow us to avoid an inquiry.

Chronology

The cost-benefit analysis for the inquiry took place between August and December 1999 and the business case was provisionally approved by the ONS Survey Control Unit in January 2000. An initial telephone survey of large companies allowed us to estimate how easily companies could provide dividends data, to draft an inquiry form and consider the best media for inquiry response. A pilot voluntary postal survey of 400 companies was carried out in February 2000, achieving a 60 per cent response rate. The results confirmed our compliance estimates and showed that the inquiry form was basically satisfactory, but they also demonstrated that work was still needed to make the Inter-Departmental Business Register (IDBR) a suitable universe (see below). It was decided that a second pilot would be needed after this work had been carried out. This survey was launched in July 2000 and went to 1200 companies. It was accompanied by telephone inquiries to 200 businesses with less than 9 employees, in order to obtain extra information on how common dividends in lieu of salary were. This allowed the sampling strategy to be confirmed and a full, statutory, survey was launched at the end of September 2000.

The Problems of Sampling for Dividends

The process described above has demonstrated the particular requirements of a dividends inquiry. These have demanded a different survey strategy from other large business inquiries.

First, the reporting units for this inquiry are different to those of other ONS inquiries as they need to cover all unquoted companies, as strictly defined by the Companies Act. Theoretically these are included on the IDBR but the needs of other inquiries have led to the development of reporting units which reflect the functional, rather than legal, structure of the economy. It was therefore necessary to check the quality of the reporting units for the dividends inquiry.

Second, we need to record dividend payments between companies under ESA95. It is therefore necessary to sample all subsidiary companies individually.

Third, dividend payments aren't continuous. Dividends are typically paid only once or twice a year, and never paid by many unquoted companies. The pilot surveys found that in any one quarter, 85 per cent of unquoted companies report zero dividends. This causes problems to standard methods of sample design and estimation.

Fourth, companies with small employment and turnover can pay some of the largest dividends. It is even possible they are paid by "shelf companies" which do not appear on IDBR and only file balance sheets at Companies House. In this context, it is difficult to construct a stratified sample by standard techniques.

Some Provisional Solutions

Staff from various ONS divisions have attempted to find solutions to these problems. Major features of the work have been:

- Business Registers Unit has now adapted the IDBR to give the universe necessary for the inquiry. A special exclusion list has been created to keep quoted companies out of the population. In cases where reporting units did not equate to companies, inquiry-specific reporting units have been created and maintenance programmes initiated to ensure they are kept up to date. One significant exception is the case of reporting units which combine two or more companies. In these cases, for reasons of cost, inquiry-specific reporting units will only be created when companies within a reporting unit are known to pay dividends to each other. These companies will be identified if their reporting units are selected to be in the sample. A group is also examining the issue of how to sample shelf companies, which are excluded from the population until a solution can be found.
- On the basis of data from the two pilot surveys and telephone samples, the Business Statistics Methods Team has advised on the sample design. Sample size will be 1,200 companies per quarter, stratified into broad industry and turnover bands. However a special stratified sample is being drawn for companies in Standard Industrial Classification 74.15 - holding companies - to measure dividends in this important area.

Assuming businesses with low turnover outside this class are more likely to be small businesses in the commonly understood sense, it has been decided not to sample companies with annual turnover below 1 million. This reduces the proportion of population we sample from and the compliance burden on those businesses which feel it most keenly. It should also increase accuracy, based on two assumptions: that all holding companies are correctly classed in SIC 74.15 and that the payment of dividends in lieu of pay (particularly with the introduction of tax regulation IR35) is not a wide-spread phenomenon – as our phone surveys and pilot responses have suggested. These assumptions will be monitored. The sample is designed to capture all companies with turnovers above certain levels, which vary between industries. See table 2.

Table 2 - Lower Limits of "1 in 1" Strata

Industry	100 per cent Sampling Cutoff Point
Agriculture, Hunting, Forestry and Fishing	£50m
Mining and Quarrying	£200m
Manufacturing	£1bn
Electricity, Gas and Water Supply	£1bn
Construction	£200m
Wholesale and Retail Trade	£1bn
Hotels and Restaurants	£50m
Transport, Storage and Communication	£1bn
Financial Intermediation[4]	£50m
Real Estate Renting and Business Activities	£1bn
Holding Companies	£1bn
Education, Health and Social Work	£50m
Other Community, Social and Personal Services	£1bn

- ONS Overseas and Financial Co-ordination Division, which will run the inquiry, have implemented systems for estimation. Having also run the last pilot survey, they have produced much of the analysis of response trends to inform sample design. They will continue to monitor these trends to ensure that the sample is performing as expected. There may be a benchmarking exercise in summer 2001, resources permitting, when companies have filed accounts for 1999/2000. This will reinforce estimates of sample error.

It should be emphasised that these are provisional solutions to new problems. While they have been successfully piloted, their performance will continue to be evaluated by all groups involved, as each new set of quarterly responses becomes available.

Compliance Costs

The compliance costs of the inquiry are low. Dividends paid and received are already required for statutory financial reporting. As we ask for the figures on the same basis as financial reporting standards, companies should be able simply to extract information directly from their internal accounting systems. Also, a large proportion of companies sampled will not pay dividends and can therefore respond very quickly. Pilot surveys suggest that average response time is under five minutes, and inconvenience will be lessened when touch-tone dialling response is introduced in the third quarter of 2000.

Conclusions

Dividends strain standard sampling techniques. The replacement of a comprehensive administrative source by a sample inquiry will therefore inevitably mean a reduction in data quality. However, the inquiry which has been launched has been through a long process of design and testing which will continue. We are therefore confident that it can provide useable estimates of dividends payments and receipts to inform the national accounts and economic analysis. An article analysing dividends trends based on new inquiry data will be published after the inquiry has run for two quarters.

Notes

1 Richard Walton and Caroline Duggan "New Estimates of Dividend Payments", *Economic Trends* 550, September 1999.

2 The IDBR is the database which ONS maintains for business surveys by all government departments. It is constantly updated using information from Customs and Excise, Inland Revenue, Companies House and commercial sources.

3 "Shelf" companies, discussed below, are limited companies which have no enterprise attached on the IDBR. The category includes non-trading and dormant companies.

4 All parts of this industry except investment trusts are covered by other ONS inquiries.

The Development of the Annual Business Inquiry

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Introduction

This article describes the development of the Annual Business Inquiry (ABI), a new integrated survey of employment and accounting information from businesses and other establishments in most industry sectors of the economy. The ABI replaces the following annual survey systems:

- Annual Employment Survey (AES)
- Annual Censuses of Production and Construction (ACOP/C), which include the Purchases Inquiry (PI)
- The six annual Distribution and Services (DSI) inquiries, viz:
  - Annual Wholesale Inquiry
  - Annual Retail Inquiry
  - Annual Motor Trades Inquiry
  - Annual Catering Inquiry
  - Annual Property Inquiry
  - Annual Service Trades Inquiry

The ABI was first conducted in respect of the year 1998 and results for that year started to become available in February 2000.

The project has been managed by the Office for National Statistics (ONS) in close consultation with other government departments, including the Department for Education and Employment (DfEE), the Department of Trade and Industry (DTI), H.M. Treasury, the Scottish Executive, the National Assembly for Wales and the Northern Ireland Office. There has also been consultation with representatives of Local Authorities. A Steering Group and several lower level working groups were set up to ensure good user consultation and effective project management.

In addition to the restructuring and integration of inquiries, major improvements in methodology have been implemented in a standardised way across the ABI. The ABI is expected to provide more coherent and consistent annual industrial statistics covering a range of variables for the whole economy. Various outputs from the ABI will help to improve the quality of the national accounts. In particular, it will contribute to the current price Input-Output annual Supply and Use Tables and the benchmarking of household final consumption and gross fixed capital formation, all of which improve the measurement of Gross Domestic Product. Also, the quality of "per head" type statistics, for example output per head will be improved considerably.

Background

In 1996, the Office for National Statistics (ONS) began work on a project to integrate a range of its annual inquiries into a single system known as the Annual Business Inquiry. The objectives of this project are described below, but possibly the most important was a desire for greater consistency and simplicity to be achieved by replacing a wide range of inquiries by a single integrated system.

The development of the ABI took place against the background of two significant developments in business statistics:

- The successful implementation of the Inter-departmental Business Register (IDBR) during 1994 and 1995. This laid the foundation for a more integrated "whole economy" inquiry.
- The introduction by Eurostat (the Statistical Office of the European Communities (EC)) of a new EC Regulation on Structural Business Statistics (SBS) which extended the data requirements of earlier EC Directives in a number of ways.

In particular the SBS regulation covered the Services sectors of the economy for the first time. The regulation contains requirements for data from 1995 onwards. However, there is also provision for a transitional period during which Member States could request derogations from the regulation. This transitional period covered the years 1995 to 1998 inclusive so that the full requirements of the regulation effectively come into force for the 1999 survey year.

The systems replaced by the ABI are listed in the introduction above. The Annual Employment Survey collected information on number of employees (with a four way split between male/female, full/part time) and industry classification according to the Standard Industrial Classification, SIC (92). These data were collected separately for each site used by businesses in the survey sample. The AES (which began in 1995) was used primarily for the annual estimates of employee jobs made in September each year and itself replaced earlier censuses of employment which had been carried out less frequently in earlier years. The data obtained from the AES also provided important information for the updating of the business register (IDBR), particularly with regard to the internal structure of enterprises, the so-called "local units" or individual sites at which enterprises operate. Such information is important in producing regional or other geographical analyses of business data.

The Annual Censuses of Production and Construction and the Annual Distribution and Services Inquiries were sample surveys collecting annual accounting information from businesses, usually in more detail than is obtainable from company accounts. The Annual Census of Production also collected some data on employment, though on a slightly different basis to the AES. The accounting data obtained from these surveys is used for a variety of purposes. One of the most important is the estimation of Gross Value Added which is used in the National Accounts for the estimation of Gross Domestic Product (GDP). The Purchases Inquiry was a subsample of the ACOP sample from which was collected more detailed information on the breakdown of purchases of goods and services by businesses. Approximately one fifth of industries in the Production sector were surveyed each year on a rotating five-yearly basis.

Objectives of the ABI project

The objectives of the ABI project can be categorised under four broad headings:

- Consistency, standardisation and improved methodology
- Meeting international requirements
- New analyses, especially in the Services sectors
- Quality assessment and improved maintenance of the IDBR.

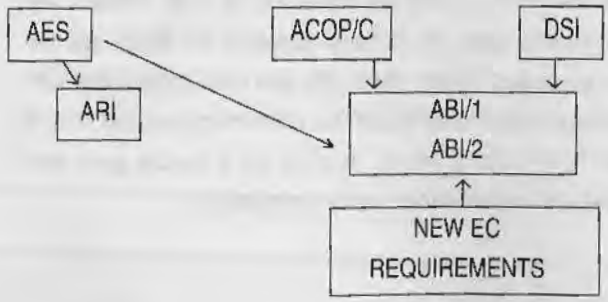
By combining the collection of employment and accounting data into the same survey the validity of productivity measures is improved since value added and employment are estimated on a consistent basis. The lack of comparability between employment and value added had been a serious problem with the previous systems. The integration of industry sectors into one survey avoids the problems of omissions and double counting which were previously possible. A common methodology is also applied across all industry sectors, including standardisation of definitions. Also, the ABI has UK coverage as required for the National Accounts and Eurostat whereas the AES did not cover Northern Ireland.

The EC SBS Regulation set additional requirements which are largely being met by adding questions to the 1999 ABI. The Regulation also requires the use of standard definitions for international comparability. A set of standard analyses is also specified and has been adopted for the ABI. These analyses include regional and size breakdowns as well as the more traditional industry analyses. Many of the EC requirements as well as other analyses available from the ABI system cover all industry sectors, including services. In particular, regional analyses of value added in the service industries will become available. In addition to the SBS regulation, ABI questions and definitions have been put on a basis consistent with the requirements of the EC regulation on the European System of National Accounts (ESA95).

As will be explained below, a second inquiry known as the Annual Register Inquiry (ARI) has been developed in parallel with the ABI. The ARI serves the purposes of annually measuring various aspects of register quality and also improving the updating of the register and consequently its quality. It is designed in such a way as to meet the requirements for register updating laid down in the EC Business Registers Regulation and provides information on size (measured by employment), industry classification and location of both complete enterprises and the individual sites at which they operate (local units).

Structure of the ABI system

Figure 1 below shows the relationships between the previous systems and the ABI and ARI.



Employment data are now collected along with accounting data in ABI and the sectoral inquiries ACOP/C and DSI are merged. The ABI form is in two parts, one dealing with employment data (ABI/1) and the other with accounting data (ABI/2). The employment data relate to a December reference date and both parts of the form are despatched around the end of the year. The main reason for splitting the form into two parts is that the employment data are available from businesses much earlier than their accounting information. Data collection for ABI/1 is closed down at the end of March of the following year whereas the closedown for ABI/2 is about six months later in order to allow businesses to provide information from their own annual accounts (which can be up to the year ending fifth April). The early return of the ABI/1 part of the form allows publication of employment estimates to follow a timetable similar to that which has existed for the AES. Another reason for using a two-part form is that employment information and accounting information are often provided by different parts of an organisation and the two sections of the form can be addressed to different individuals.

The sample size of ABI/1 in 1998 was approximately 78,500 enterprises. ABI/2 is a subsample of ABI/1 in which some of the industry sectors are not covered and has a sample size of approximately 75,000. ABI/1 covers divisions 2–93 inclusive of SIC(92) - i.e. all divisions except Agriculture, Private Households with employed persons and Extra-territorial organisations. In 1998 ABI/2 covered the above industries except for divisions 2 (Forestry), 5 (Fishing), 65–67 (Financial Services), 75 (Public Administration) and the public sector in Education (division 80) and in Health and Social Work (division 85). Doctors, dentists and charitable organisations in division 85 were also omitted. It is expected that the industry coverage of ABI/2 will be expanded in future years (e.g. SIC divisions 2 (Forestry) and 5 (Fishing) are being covered in the 2000 ABI/2).

The Purchases Inquiry has been retained as a sub-sample of ABI/2, the additional questions on purchases detail being added to the ABI/2 forms for the relevant industry sectors. A phased expansion of the PI is taking place. Current plans are to expand the industry coverage each year until all ABI/2 industries are covered every year from 2001 onwards. This is a major development being undertaken as part of a package of improvements to economic statistics agreed with H.M. Treasury and Bank of England. The industry coverage of the PI in the transitional years is planned to be as follows:

- 1999 - All production SICs plus 44 distribution and services classes/subclasses
- 2000 - All production, and over two thirds of distribution and services SICs
- 2001 & after - All production, construction, distribution and services SICs.

As mentioned above, the introduction of the ABI has also been accompanied by the development of another inquiry, the Annual Register Inquiry (ARI) which began operation in July 1999. The ARI subsumes previous register proving activity and also replaces the AES in updating the local unit structures of enterprises and is designed for this latter purpose rather than for the direct measurement of employment. Large enterprises are covered every year and medium sized enterprises (20-99 employment) every four years. Below the employment threshold of 20 there is no systematic proving of enterprises due to the very large numbers of such businesses. However, part of the ARI sample is allocated to quality assessment of various register characteristics (especially industry classification). Another part of the sample is available for targeting, on an ad hoc basis, areas of the register where quality problems are known to exist. The ARI is thus a very flexible tool for updating the IDBR and for assessing and improving its quality. Approximately 400,000 local units in 68,000 enterprises are covered. The ARI has to date been treated as an annual inquiry. However, in future, it is planned to spread the workload more evenly by designing the sample so that four quarterly despatches of forms are made.

Outline Project Timetable

The phased introduction of the ABI system is represented by the outline timetable below. The dates shown here are the survey years to which the data relate and not the dates when results become available.

- 1996 AES, ACOP/C, DSI
- 1997 AES, modified ACOP/C and DSI for parallel run
- 1998 AES, ABI
- 1999 ARI, ABI (with full EC requirements)

The first changes were made for the 1997 inquiries. The ACOP/C and DSI inquiries were modified to collect employment information on a basis which would be comparable with the AES for 1997. In the case of ACOP/C this meant an extension of existing employment questions and a change in definition from a year average figure to one at a given reference date. The same questions were introduced into DSI which had not previously contained questions on employment. The purpose of these changes was to meet the requirements of customers for a parallel run of the ABI methodology against that of the previous systems. The ABI results and analysis software was written for first use on the 1997 data even though the data were collected via the previous survey systems. The parallel run was intended both to evaluate the new methodology and also to

estimate any discontinuities introduced in time series by making the methodological change.

Other changes made in 1997 included a move in DSI from the use of turnover to the use of employment for size stratification of the sample design, putting DSI on the same basis as ACOP/C and the filling of some minor gaps in the industry coverage of ACOP/C and DSI. Some work on the quality of the IDBR in these industries was undertaken to support this extension of coverage. Additionally, the data collection software for ACOP/C was brought into line with DSI which already used standard data collection software.

A further change made in 1997 was the introduction of a question on retail turnover in all industry sectors. The purpose of this is to capture retail activity outside of the retail sector, this being required for consumers' expenditure estimation within the national accounts. The previous method of measuring such activity was to maintain on the register so-called "retail carry-in" units. These were parts of non-retail enterprises which by one means or another had been identified as having retail activity. Such units were sent a shortened version of the DSI retail form even though the enterprises to which they belonged would also be sent other forms appropriate to their industry sector. This practice was continued for 1997 alongside the use of the new retail turnover question, again for parallel run purposes. The use of the retail carry-in units ceased in 1998 as it was felt that the new arrangements gave a more complete picture of retail activity.

The ABI was introduced for the 1998 inquiry year and completed the integration of the ACOP/C and DSI systems. This involved a full review of sample design, form types, questions and definitions with the perspective of a single system rather than a set of separate sectoral inquiries. The AES was retained for 1998 alongside ABI to provide a more complete parallel run for the employment questions. ABI/1 has the same industry sector coverage as AES, whereas ACOP/C and DSI had the narrower sectoral coverage associated with ABI/2 and so could not provide a full parallel run.

The transition to the new ABI and ARI systems was completed for the 1999 survey year with the launch of the ARI in July 1999 and the addition of extra questions to the 1999 ABI to meet the full requirements of the SBS Regulation. The expansion of the Purchases Inquiry will not however be complete until 2001 as described above.

The adoption of estimates of employee jobs from ABI/1 in preference to those obtained from AES was complicated by the fact that 1998 ABI/1 estimates were significantly higher than those obtained from the 1998 AES. The difference was of the order of 500,000 – 750,000 and an extensive research programme was needed to establish the reasons behind this difference before the ABI/1 data could be adopted as the official estimates of employee jobs. The 1998 and 1999 ABI/1 employee jobs estimates will be published in April 2001. An article in the September 2000 edition of *Labour Market Trends* described the reasons behind the discrepancy and gave more details of the schedule for launching ABI/1 employee jobs estimates and revised back data.

Form Types, Questions and Definitions

In the run up to the launch of the ABI at the end of 1998 a thorough review was undertaken of all form types to be used, the questions they contained and the definitions of those questions. This was undertaken in consultation with national accounts customers to ensure consistency with ESA95 requirements.

An attempt was made to minimise the number of form types while also maintaining form content which would appear relevant to the businesses which received the forms. The form types are customised for industry sectors and sub-sectors and in 1998 there were 3 basic form types for ABI/1 and 21 for ABI/2. In addition, for each basic form type there is usually a short form equivalent which collects information on the main totals but not the more detailed breakdowns which appear on the basic form types. Short forms are used to reduce the burden of form filling on businesses. In ABI/2 a proportion of businesses in the sample receive the short form, this proportion increasing as the size of businesses becomes smaller. The businesses receiving the short forms are subsampled randomly from the total sample in each stratum. In ABI/1 a different approach is taken, the short forms being used for businesses which have also been sampled for the ARI or the fourth quarter short-term employment survey and also for all Northern Ireland businesses. (Special arrangements, described later, have been agreed with the Northern Ireland Office for the production of Northern Ireland employment estimates from ABI). Imputation methods are used to expand the information on short forms to the detailed breakdowns required for analysis.

The main questions asked in ABI/1 are the number of employees with a four-way split between male/female, full/part time (as in the AES) and also the number of working proprietors/partners and the number of other unpaid workers (e.g. family workers) as well as total employment which includes all of the above. Also the definitions used are consistent with the AES definition of employees. The questions relate to a reference date in mid-December and for comparison with AES (which uses a September reference date) and for estimation of the year average, data from the monthly and quarterly employment and turnover inquiries are used to convert from one basis to another.

The ABI/2 forms in general contain many more questions than ABI/1 and the range of questions is more variable across industry sectors. However there is a core set of questions covering turnover (i.e. sales of goods and services), employment costs, purchases of goods and services, taxes and subsidies, inventories and capital investment which occur on nearly all form types. The basic form types also tend to contain more detailed breakdowns of these aggregates. Definitions of these quantities have been reviewed and standardised. In general the definitions used are now consistent with the requirements of the SBS Regulation which in turn are usually consistent with the European System of Accounts (ESA).

Additionally, ABI/2 contains a number of "filter questions" which are used to identify businesses with particular types of activity so as to improve the sampling frame for other more detailed inquiries. Filter questions for Research and Development activity and International Trade in Services have been included and questions on E-Commerce are planned for the ABI 2000 forms.

Analyses Available

The table below summarises the range of analyses potentially available from ABI, subject to considerations of accuracy and confidentiality.

Collected	Derived	Analysed by
Employment	Gross Value Added (GVA)	SIC Industry
Turnover	Total Output	Geography
Employment Costs	Operating Surplus	Size (Employment or Turnover)
Purchases	GVA/Turnover	Legal Status
Taxes/Subsidies	Labour Productivity	Country of Ownership
Inventories	Unit Wage Costs	Time (i.e.time series)
Investment	Inventory Ratios	
	Investment Ratios	

For most of the main variables collected, breakdowns are also available. For example, employment costs are subdivided into wages and salaries, pension contributions, social security contributions and redundancy payments. The breakdowns available for turnover vary by industry sector and in the retail sector there is a detailed breakdown by product. In addition, the Purchases Inquiry provides considerable purchases detail for the industries it covers.

A number of important variables can be derived from the data collected, notably gross value added and total output, both at basic prices, operating surplus, labour productivity and unit wage costs. Both the collected and derived variables can be analysed by a number of other variables mostly taken from the IDBR. In addition to analyses by SIC industry and size, businesses can be classified and analysed by country of ownership and by legal status (i.e. whether they are companies, partnerships, single proprietor businesses, public corporations, non-profit making bodies, central or local government). Geographical analyses are also possible according to the EC NUTS hierarchical classification system. NUTS has five levels in the hierarchy which approximately follow the organisation of local government:

NUTS1	Region
NUTS2	Group of Counties or Unitary Authorities
NUTS3	County or Unitary Authority
NUTS4	District or Unitary Authority
NUTS5	Ward

In addition to the above it is also of course possible to compare different years and build up time series as required.

Dissemination of ABI data

The first preliminary results of the 1998 ABI/2 were published in a News Release in February 2000. This publication timetable will be accelerated in future years. For the 1998 ABI/2 other publications follow the same form as in earlier years (i.e. sector reviews for the distribution and services sectors and a summary volume for the production and construction sectors). More detailed results will be available on the Internet (via ONS' StatBase®). In addition it is also possible to obtain customised analyses on payment terms via ONS' Data Analysis Service.

For the 1999 inquiry a review of publications is taking place. In addition to new printed publications, the CD-ROM product PacStat may be extended to cover all ABI/2 industry sectors. In the slightly longer term the Annual Respondent Database (ARD) may also be extended to all ABI/2 sectors. The ARD provides longitudinal data for individual businesses and is available for use by external researchers subject to a confidentiality undertaking.

ABI/2 results will be reflected in the national accounts according to the following timetable. The 2000 *Blue Book* and *Input-Output Annual Supply and Use Tables* published in August 2000 incorporated the growth rates from the 1998 ABI/2 data and the 1997 ABI/2 parallel run data as input to the balancing and setting of annual current price GDP for 1998. The 2001 *Blue Book* and *Input-Output Annual Supply*

and Use Tables to be published in September/October 2001 will incorporate the correct levels from the 1997 ABI/2 parallel run and the 1998 and 1999 ABI/2 data. The pre-1997 data will be linked onto 1997 using appropriate link factors and included as part of a larger package of revisions to the national accounts.

Plans for the publication of ABI/1 data have been set out in an article in the September 2000 edition of *Labour Market Trends*. ABI/1 results together with derived statistics on productivity and the claimant count unemployment rate will be made available in April 2001 on the day of the Labour Market Statistics First Release. Both 1998 and 1999 ABI/1 results will be published along with revised back data for earlier years. Subsequently ABI/1 results will appear within the quarterly workforce jobs series in the Labour Market Statistics First Release, and, in more detail, in *Labour Market Trends*. ABI/1 data (and derived results using ABI/1 and ABI/2) for 1998 will not be published before April 2001.

Future Developments

In addition to the continued development of the Purchases Inquiry section of ABI/2, three further areas of work are planned:

- Further refinements in form types and questionnaire design with a view to reducing the compliance burden, especially for small businesses.
- Investigation of whether the accuracy of employment estimates could be further improved by using Pay-as-you-earn (PAYE) data as auxiliary information in estimation.
- Research into a better method of outlier treatment (see methodological annex), especially with a view to using a two-sided rather than one-sided method.

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Methodological Aspects of the ABI

Sampling and Data Editing

The ABI is sampled from the population of reporting units on the IDBR. A reporting unit (RU) is usually a single complete business but in some cases arrangements have been made with businesses to collect data either for several businesses combined or for parts of businesses of heterogeneous nature. Each RU on the IDBR also consists of one or more local units (i.e. individual sites) at which it operates. Local units are particularly important when considering any kind of geographical analysis.

The sample size of ABI/1 in 1998 was approximately 78,500. The ABI/2 sample size is slightly lower at about 75,000 because of the industry sectors not covered. Sampling is done for ABI/1 and the ABI/2 sample then automatically results by excluding the appropriate industry sectors. The sample design is a stratified random one with three stratification dimensions. Strata are defined in terms of:

- six employment sizebands (1–9, 10–19, 20–49, 50–99, 100–249, 250+).
- region (viz: England & Wales combined/Scotland/Northern Ireland).
- SIC industry.

Within England and Wales industry stratification is at 4 digit SIC level. Within Northern Ireland it is at 2 digit SIC level and within Scotland at a hybrid 2/3/4 digit level. All stratification variables are taken from the IDBR. Special arrangements have been agreed with the Scottish and Northern Ireland Offices to allocate larger than proportional sample sizes to these two regions (viz: 9,000 and 3,000 respectively).

Subject to the sample size constraints above, the sample has been allocated to strata using the Neyman optimum allocation method which minimises the expected variance of total turnover over all strata. This results in the strata corresponding to the largest businesses being completely enumerated in all industries. In most cases some of the strata in sizebands below this are also completely enumerated. In addition, cases with high register turnover and low register employment (defined as £50m or greater turnover and less than 10 employment) are also completely enumerated. This provides a limited form of stratification by the turnover variable and significantly reduces the expected variance of estimates derived from the sample. In 1999 this procedure was extended to provide complete enumeration of all businesses with high register turnover regardless of their register employment.

Below the threshold for complete enumeration, the sample is rotated as follows. Businesses with less than 10 employment are completely replaced each year. Businesses with employment from 10 up to the threshold for complete enumeration are given a rotation rate of 50 per cent (i.e. half are replaced each year). This system of rotation is designed to spread the form filling burden on businesses while retaining a reasonable degree of matching of the sample between consecutive years which improves the accuracy of estimates of change between years.

A variety of credibility checks is applied to data received from businesses and an attempt is made to correct or confirm data failing these checks. In addition checks are carried out against data received from the same businesses by other ONS inquiries (in particular, the monthly and quarterly turnover inquiries and PRODCOM). At present this form of checking is limited by resource constraints to businesses with 250 or greater employment.

National Analyses

Data obtained from the sample are grossed up to the population of the IDBR using the combined ratio estimator, which is similar to the standard ratio estimator except that strata corresponding to different sizebands may be combined if the sample size would otherwise be too small. This estimator makes use of register auxiliary variables to improve the accuracy of estimation. The auxiliary variable used in grossing the employment data in ABI/1 and the employment costs data in ABI/2 is the IDBR employment. For all other data in ABI/2 the auxiliary variable used is register turnover. The choice of auxiliary variable was determined by examination of the size of expected sampling errors using different auxiliary variables.

In order to improve the robustness of the above estimator a procedure for dealing with atypical observations (outliers) has been adopted. This consists of creating additional post-strata into which the outliers

are placed as though they had been completely enumerated at the sampling stage (they are also removed from their "natural" strata). The criteria for marking businesses as outliers have been determined empirically so as to provide robust estimates. In ABI/1 a business is treated as an outlier if the ratio of its reported employment to its register employment exceeds 20. In ABI/2 a business is treated as an outlier if either it is an outlier for ABI/1 or if the ratio of its reported turnover to its register turnover exceeds 50. If a business is marked as an outlier it is treated as such for all variables collected in the survey.

Another aspect of the grossing methodology is the way in which births and deaths are treated. The issue to be addressed is one of time lags from the birth or death of a business and this event being recorded on the IDBR. This is usually several months. Some births which exist in reality will not therefore be part of the register population at the time of inquiry selection. Also some of the units selected will turn out to be dead. Inferences could be drawn about the number of unrecorded deaths in the population from sample information but the same is not true of unrecorded births.

The ABI uses the method applied in nearly all ONS inquiries which gross to the IDBR population. This consists of assuming that the smaller unrecorded deaths are counter-balanced by an equal number of unrecorded births and that the larger unrecorded deaths are not compensated for at all by unrecorded births. In the case of the ABI a threshold of 50 (in all industries) for the IDBR employment has been set to distinguish large from small deaths. The above assumptions are known to be imperfect because of differences in the balance of births and deaths between industries and also over the economic cycle. However there is little information available at present to improve on the above and no clear evidence of systematic bias.

The extent of the sampling error which can be expected with the above sample size/design and associated estimator is as follows. The coefficient of variation of the estimate of total employment across all industries is about 0.4 per cent and the coefficient of variation of total value added across all industries is about 1.5 per cent. This means that the 95 per cent confidence interval for total employment is $\pm$0.8 per cent and the 95 per cent confidence interval for total value added is $\pm$3 per cent.

Local unit apportionment

Since the data collected in ABI is for reporting units (usually complete enterprises), the first stage in any analyses at sub-national level is to apportion reporting unit data across the local units (LUs) within the reporting unit. This apportionment is carried out by modelling the ratio R =X divided by register employment for each variable of interest X. The model is in two parts. Firstly, the probability of a non-zero value is assumed to be given by a logistic linear model with independent variables register employment sizeband, register SIC and register region code. Secondly, given a non-zero value, R is assumed to follow a log-linear model with the same set of independent variables as for the logistic model. The parameters estimated for these models are then used to derive proportions for each local unit (adding to unity across all local units in a reporting unit) which determine the apportionment of the reporting unit total across the local units.

The models are fitted to the reporting unit data and then applied to local units to conduct the apportionment (the independent variables being available on the IDBR for both reporting units and local units). In order to make this switch from reporting unit to local unit as reliable as possible, the larger reporting units were excluded from consideration in fitting the model (in fact, only reporting units with less than 100 employment and less than 3 local units were used to fit the model).

The modelling process also required decisions concerning the most appropriate degree of aggregation of sizebands, SIC codes and region codes for use as independent variables. It was decided to work at as high a degree of aggregation as possible without sacrificing a significant degree of "goodness of fit" of the model. This has led to the following groupings which have been used for all survey variables:

- Employment Sizebands: 1–2, 3–4, 5–9, 10–19, 20–49, 50–99, 100–249, 250+.
- Industries: 2 digit SIC for the logistic model and 3 digit SIC for the log linear model
- Regions: NUTS2 level

For the questions on employees in ABI/1 (i.e. total employees and the 4-way split) there are other data sources which may be used to apportion from RU to LU level, viz: the ARI in Great Britain and the 2-yearly Censuses of Employment in Northern Ireland. The information on local unit distribution of employees from these sources is potentially better than that obtained from the above modelling process and so is used in preference to modelling where possible. The use of this approach is however limited to the 5 variables referred to above and to ABI reporting units which are also present in ARI or the NI censuses.

Sub-national Analyses

Sub-national analyses of ABI data are obtained by a combination of conventional and synthetic estimation methods. At high levels of

aggregation conventional estimation is used, while at lower aggregation levels conventional methods are supplemented by synthetic estimation using IDBR data. These procedures are described below.

A post-stratification of all local units in the RU sample and population is used. The post-stratification variables are the LU region, the parent RU sizeband and the parent RU SIC industry of the LU. The parent RU sizeband is the same as is used for stratification in national analyses. Otherwise the aggregation levels are LU NUTS1 region and 2 digit parent RU SIC, except that some miscellaneous aggregation of post-strata (both in terms of region and SIC) is necessary to provide adequate sample sizes. The estimator used is the standard (uncombined) ratio estimator with register LU employment as the auxiliary variable.

The use of a different post-stratification for sub-national analyses to that used for national analyses gives rise to a problem of consistency between national and sub-national results in so far as the total of all regional results for the UK may not equal the UK value obtained from the national estimation system. To overcome this problem scaling factors have been introduced for each survey variable. These are applied to the weights arising from the sub-national estimation system and are set so as to ensure that additivity as described above is achieved. Furthermore, it has been agreed with the Northern Ireland Office to constrain ABI results for the 5 employee variables for Northern Ireland to the values obtained from the Northern Ireland December Quarterly Employment Survey which has a high coverage. The constraining is conducted at the level at which the NI results are published (viz. 2 digit SIC), and requires the introduction of additional scaling factors for these 5 variables. Finally it should be noted that totals and other forms of derived variables are calculated after grossing up the sample data and are not grossed separately in the sub-national system as this would give rise to another form of non-additivity or incoherence.

In principle the above methodology will provide estimates for any required sub-population (or domain, in the terminology used below), including very small areas such as local authority wards. However, in practice, the sampling errors for very small domains are extremely large. Also some domains will contain no sampled units so that the resulting estimate for them will be zero. Although a zero estimate may be within sampling error expectations, it is presentationally troublesome since it may be known in advance that the correct domain estimate should be greater than zero.

It is not therefore realistic to use this estimation methodology for very small domains and a set of "minimum domains" for which it may be used has been imposed. These minimum domains are two-dimensional in the sense that they are defined in terms of a given level of SIC disaggregation and a given level of geographical disaggregation, each of which may be different for any particular minimum domain. The minimum domains have been defined taking into account both the sampling error associated with them and their sample size in terms of the number of local units they contain.

Below the level of minimum domains a form of synthetic estimation is used to obtain the required estimates. Essentially, if a domain is a subset of a minimum domain, estimates for it are obtained by pro-rating on the basis of the total register employment of the domain of interest and the total register employment of the minimum domain. Sampled units are removed before prorating and added back afterwards. If a domain straddles two or more minimum domains it is split into smaller domains which do not cross minimum domain boundaries. These are then estimated separately and the results added. The use of synthetic estimation for very small domains means that estimates of error are not available. Sampling error does not increase beyond minimum domain level, but other forms of error may be introduced and these are not quantifiable.

Regional Accounts 1998: Part 2
Regional Household Sector Income

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This article presents estimates of total and disposable household sector income by region for 1990 to 1998. The estimates published in this article are produced under the European System of Accounts 1995 (ESA95), and are consistent with the 1999 edition of *the UK National Accounts – The Blue Book*. Due to the absence of key source data, estimates for 1997 and 1998 are presented as provisional.

The latest figures published in this article show that, in 1998:

- Household income per head in London was 23 per cent higher than the UK average. In Wales, the North East and Northern Ireland it was 15 to 20 per cent lower (Table A).
- Social Security benefits (excluding pensions) accounted for about 17 per cent of household income in Northern Ireland, compared with about 8 per cent for the UK as a whole, and 6 per cent for the East and South East regions (Table B).

Household Sector Income by region

Introduction

This article presents revised estimates of Household Total and Disposable Income for 1990 to 1998. The major revisions to the estimates included in this article result from conceptual and developmental changes described within the relevant sections below. They were also explained in the Household Income methodological article published in the October 2000 edition of Economic Trends. A timetable of future Regional Accounts publications is also given in this article.

As part of the National Statistics commitment to quality, the estimates contained in this article, and the methodology supporting them have been quality assured by statisticians within ONS, other government departments and the devolved administrations. The methodologies used to produce these estimates are under continual review. Further details are available later in the article.

Latest figures and recent trends

Table A shows, for 1998, the regional distribution of household sector income within the UK, with London and the South East each accounting for about 15 per cent of the UK total. It also shows, for 1996 and 1998, the household income per head indices for each region. 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.

Between 1996 and 1998, Scotland, Wales, and the North East have all fallen by more than 2 percentage points relative to the UK average, whilst East and London have risen by 2 to 3 percentage points.

Undue reliance should not, however, be placed on year on year comparisons, as the estimates may be revised as better information becomes available. This is particularly true for the provisional estimates for 1997 and 1998, where the absence of key sources makes revision more likely.

Table A
Household[1] Income (total and per head) *UK=100*

Region	% share of UK total		Household income per head indices	
	1996	1998[2]	1996	1998[2]
United Kingdom	*100.0*	*100.0*	*100.0*	*100.0*
North East	*3.8*	*3.7*	*86.7*	*84.5*
North West	*10.9*	*10.7*	*92.6*	*92.2*
Yorkshire & the Humber	*7.9*	*7.8*	*92.2*	*91.7*
East Midlands	*6.7*	*6.6*	*94.8*	*94.2*
West Midlands	*8.3*	*8.2*	*91.9*	*90.6*
East	*9.5*	*9.9*	*106.3*	*109.3*
London	*14.6*	*14.9*	*121.8*	*123.4*
South East	*15.1*	*15.4*	*112.9*	*113.9*
South West	*8.0*	*8.0*	*96.7*	*96.5*
England	*84.8*	*85.2*	*101.7*	*102.0*
Wales	*4.3*	*4.2*	*87.2*	*84.9*
Scotland	*8.5*	*8.2*	*96.9*	*95.3*
Northern Ireland	*2.3*	*2.3*	*82.2*	*80.4*

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

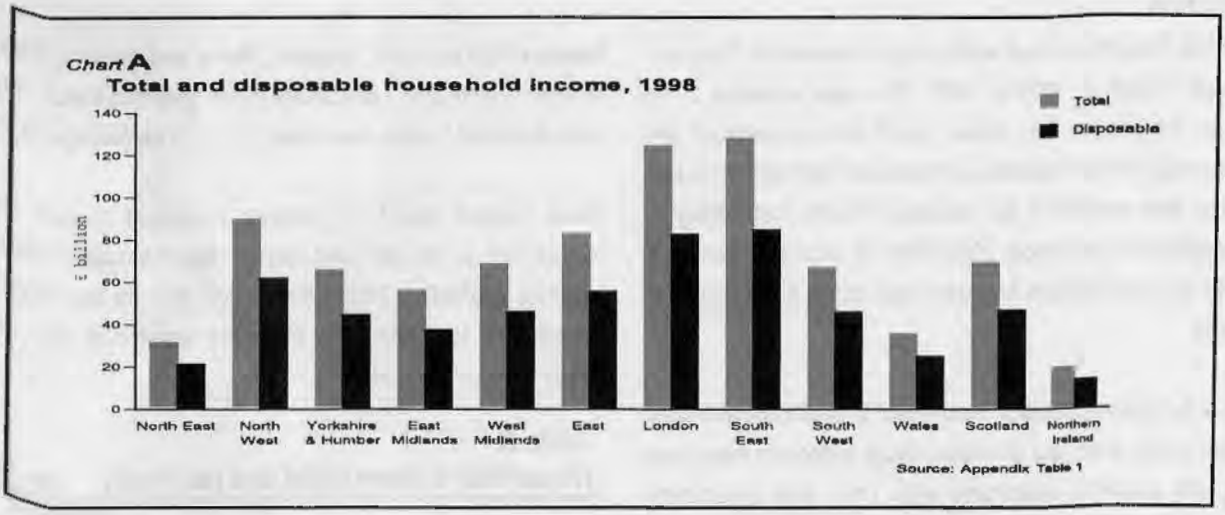
Total and disposable household income

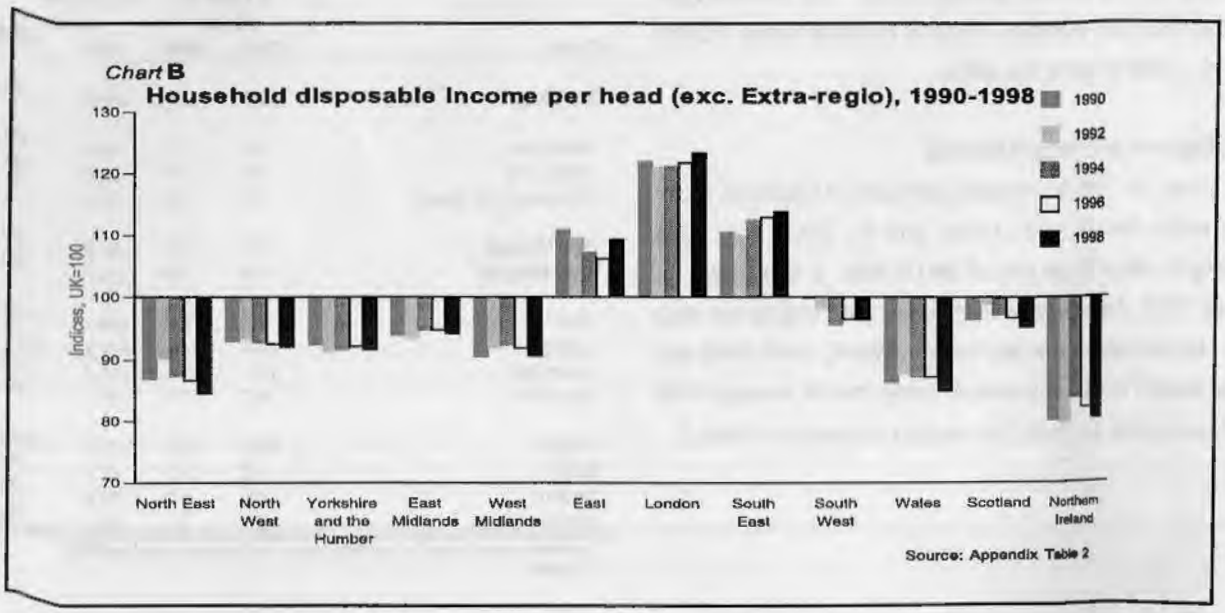
Appendix table 1 shows household income per head estimates for each region from 1990 to 1998, indexed to the UK average. Whilst some regions such as the North West and Yorkshire & the Humber show no definite pattern in their per head indices over the time period shown, others (such as the North East and Scotland) show a general decline in level since 1992. For Wales and Northern Ireland it is the latest years that show a sharper decline. The gap between London and the South East, in terms of total household incomes per head indexed to the UK average, has marginally narrowed during the 1990's.

Appendix Tables 1 and 2 show total household and disposable income by Government Office Region (GOR) from 1990 to 1998 in total (£ millions), as percentages of the UK, and on a per head basis (£ and per head index, UK = 100).

Chart A shows the regional distribution of total and disposable household income per head in 1998. This chart also illustrates the levelling-out effect of taxes and benefits, which results in a narrower range in the distribution of disposable income compared with total income. This trend is in line with analysis published in the April 2000 edition of Economic Trends which suggests that the tax and benefit system in the UK is progressive, and that there is a redistrubitive effect between regions.

Chart B and Appendix Tables 1 and 2 show that total and disposable household income per head in London, the South East and East have consistently remained above the UK average. Total and disposable income per head for all other regions have remained consistently below the UK average, with Northern ireland, Wales and the North East displaying he lowest relative levels. Only London and the South East have shown an underlying upward trend in household disposable income relative to the UK between 1990 and 1998. 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.





Sources of household income

The sources of total household income by region for 1998 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 56 per cent of the UK total in 1998. There is some variation between regions in the relative importance of the sources, but, as mentioned in the introduction to this article, the absence of key source data for 1997 and 1998 means that undue reliance should not be placed on the estimates for these years.

During 1998, in London, 60 per cent of household income was derived from employment while in Northern Ireland and the South West regions the equivalent proportions were both 51 per cent.

Between 1997 and 1998, the contribution that compensation of employees made to household income grew most strongly in Scotland and London, whilst the lowest growth was in Northern Ireland and Wales.

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 1998 was 15 to 16 per cent, whereas in London and Northern Ireland pensions accounted for just 9 per cent of the total. Between 1997 and 1998, pensions grew most strongly in the North West and the West Midlands, whilst the North East had the lowest growth.

Social benefits other than pensions, as a proportion of total household income in 1998, were lowest in the South East and East regions, at 6 per cent, and highest in Northern Ireland, at 17 per cent.

In the latest estimates, net property income (NPI) resulting from ownership of assets showed little variance across regions. Ths reduced variation is accounted for by the introduction of a new methodology for regionalising interest paid (principally mortgage interest), which is netted off property income received. In 1998, NPI accounted for between 7 and 10 per cent of Household income for all regions of the UK.

Table B

Sources of household income[1], by region, 1998[2]

	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]	Total Income	Disposable Income as % of Total Income
United Kingdom	6	5	56	8	13	8	4	788,914	70
North East	4	4	56	7	13	11	5	29,679	71
North West	5	4	55	8	14	10	4	85,200	71
Yorkshire and the Humber	5	5	56	10	12	9	5	61,398	70
East Midlands	5	5	56	9	13	8	4	52,802	69
West Midlands	5	4	58	8	12	9	4	64,420	69
East	6	6	58	9	12	6	3	77,542	69
London	6	7	60	8	9	8	3	116,189	68
South East	7	6	56	8	14	6	3	120,464	68
South West	6	6	51	9	16	7	4	63,307	71
England	6	5	56	8	13	8	4	671,003	69
Wales	5	5	52	8	15	11	4	33,744	72
Scotland	4	4	57	9	13	9	4	65,067	70
Northern Ireland	4	6	51	9	9	17	4	18,484	72

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

Revisions

A number of methodological enhancements have taken place since the last time these estimates were published. The major changes are explained below. Details of the current methodologies used to regionalise Household Income components were broadly outlined in an article in the October 2000 edition of Economic Trends, and are reproduced within the Methodology section and the Revisions section below:

- Regional Wages and Salaries, i.e. the earnings available to Households from employment, are now directly linked to the Wages and Salaries estimates calculated for residence-based Gross Domestic Product (GDP). The remaining differences between estimates of wages and salaries for residence based GDP and estimates of household income lie in the treatment of the offshore oil industry, and activities associated with UK Armed Forces and Embassies overseas.

- Regional Income from Pensions. This has now been brought onto a fully ESA95 consistent basis, using Survey of Personal Income (SPI) and Self Assessment data from the Inland Revenue to regionalise UK estimates of total pensions. Smoothing of the regional indicators has been treated consistently with other regional GDP and Household Income components. This method is explained later in the section on smoothing.

- The calculation of the regional Household Income from Investments component, (i.e. savings accounts and securities), has also undergone revision. The methods we use to smooth regional indicator data were based on standard error estimates that we now consider outdated. An alternate smoothing method, based on standard deviations has been applied to these figures, which more accurately reflects the trends that presently exist within regions.

- The method used to apportion the Gross Operating Surplus of Households (GOS) to regions has also been updated. Household GOS is made up of three components, the value of the accommodation 'service' both generated and consumed by homeowners; renting of property by private landlords; and the holding gains of non-profit institutions serving households. The first two of these, which make up the main part of Household GOS are equivalent to the *Household Rent* component that forms part of Regional Gross Domestic Product (GDP). The method used to calculate Regional Household GOS is now directly based on the method used to calculate Household Rent for Regional GDP. This method was detailed in the Regional Accounts 1998: part 1 article, published in the August 2000 edition of *Economic Trends*.

In addition, there have been a number of updates to the methods used to allocate cash benefits (both government and private), included in Total Household Income:

- The allocation of Jobseekers Allowance, Income Support and Redundancy Fund Benefits across regions are now based on Claimant Count unemployment estimates.

- The process used to calculate regional estimates of Statutory Sick and Maternity Pay received by Households has been updated. Smoothing methods have been applied as described later in the article.

- The most notable change to the Social Benefits component of the Total Household Income series concerns how State, Unfunded (Local and Central Government) and Private pension schemes are attributed to regions. Taken together, these account for well over half of total Social Benefits in cash. Previously, the regional allocation of each pension component was calculated separately. Due to constraints in the detail of the data available, all of these components were combined and allocated to regions as one total. In addition to this, the system has now been brought on to an ESA95-consistent basis. The latter has involved some changes to the indicator data, and the smoothing techniques which are employed.

- An error in the regionalisation of local authorities rent rebates and allowances has been corrected, and these payments are now regionalised using administrative data from the Local Authority Housing Revenue Accounts

There have also been a series of improvements to how Employees' and Employers' Social Contributions, and Taxes on Income and Wealth are allocated to regions:

- The system used to calculate regional taxes on income and wealth has undergone changes similar to some of those applied to the Regional pensions system, and smoothing methods have been updated as described below.

- The changes made to the regional allocation of Employees' Social Contributions are similar to those made to the calculation of regional investments. Smoothing techniques have also been updated as described below.

One further change not included in the October 2000 Methodology article concerns the treatment of net property income. Net property income is equal to income received by households in respect of property *minus* property income paid out (e.g. mortgage interest payments). Previously this component was regionalised using numbers of households. This method, however, takes no account of differing average levels of mortgage interest being paid in the regions of the UK. Since a reasonable link can be made between property prices and levels of mortgages, this methodology has been replaced by one that relies on regional owner occupied imputed rent estimates, (which are derived from information on regional property prices and stocks of housing). National Statistics will be looking at further refining this method in the future.

The effect of the change in methodology is to lower the levels of net property income in regions where average property prices are high, and raise them in regions where they are low. This is because the property interest payments are being *subtracted* from the interest income received by households, and the previous methodology understated the negative effect of high mortgage interest payments, particularly in London and the South East.

ESA95

The European System of Accounts 1995 (ESA95) was implemented in the UK Household Income estimates published in the 1998 edition of the *UK National Accounts – The Blue Book*, and provisionally implemented in the regional estimates of Household Income published in October 1999. ESA95 is based on the *System of National Accounts 1993* (SNA93), but is more specific and prescriptive in certain areas.

The current revisions represent a continuation of the ESA95 implementation in the UK, as well as an ongoing improvement of our methods. These revisions have affected the regional allocation of both Total and Disposable Household Income.

Household Accounts under ESA95

Under ESA95 the household sector includes persons living in households and institutions and certain unincorporated private businesses called sole traders. It also includes non-profit institutions serving households (NPISHs). Unincorporated household enterprises are those where the household enterprise cannot be separated from the household itself.

Methodology

Details of the methodological and accounting principles behind the estimation of Household Income are included in the 1998 edition of *United Kingdom National Accounts Concepts, Sources and Methods*. A brief overview of the main components, and the regional methodologies is given below:

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 is deemed to capture the income that households would receive if they were renting out their property rather than living in it (a service that they are therefore selling to themselves).

The regional breakdown of the national totals is calculated using the same methodology as that used for Household Rent within regional GDP. Regionalisation for the imputed rents is based on house price information from administrative data supplied by the Land Registry (in respect of England and Wales), Registers of Scotland, and the Northern Ireland Valuations of Land Agency.

Gross mixed income is generally income that was previously known as self-employment income. However, under ESA95, mixed income only includes the income of sole-traders - it does not include self-employment income from partnerships. The partnership element has been reclassified to the corporate 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 of mixed income included within Household Income are consistent with those calculated for Regional GDP, and are 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 (CoE) 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.

Regional household wages and salaries estimates are now directly linked to the estimates calculated for residence-based Gross Domestic Product (GDP). The remaining differences between estimates of wages and salaries (W&S) for residence based GDP and estimates of W&S for household income lie in the treatment of

the offshore oil industry, and activities associated with UK Armed Forces and Embassies overseas. Regional breakdowns are primarily based on the one per cent sample of tax and national insurance data held by DSS on their database, and supplied by Inland Revenue, supplemented by information from other sources. In the absence of the 1% tax sample data for 1997 and 1998, estimates for these years were produced by rolling forward 1996 regional totals using the growth rates from the Short Term Employment Survey (STES) and New Earnings Survey (NES). Since both of these surveys are workplace based rather than residence based, using theses surveys to forecast the residence based national insurance data includes the inherent assumption that there is no difference in growth between the residence and workplace measures for each region. Alternative regional sources for projecting forward on a residence basis are currently being investigated.

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 under ESA95 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 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 Survey of Personal Incomes (SPI), Regional Owner Occupied Imputed Rent estimates, wages and salaries estimates, data from the Family Resources Survey (FRS), and numbers of households.

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. Social benefits include cash benefits provided by government (such as Jobseekers allowance and other DSS cash benefits, and rent rebates), but do not include social transfers such as education and health provision.

The regional breakdown of pensions is based on SPI and self assessment data from the Inland Revenue. Social benefits in cash are primarily regionalised using administrative data from the DSS and other government sources.

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, non-life assurance claims are offset by 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 other income, including, for instance, road accidents for motor insurance claims and numbers of burglaries for property claims. Miscellaneous Current Transfers (MCTs) are regionalised using numbers of households.

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

- taxes on income and wealth, 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 people
- 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.

Under ESA95, the concept of "Extra-Regio" territory has been introduced within regional total household and disposable income.

Extra-Regio 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 only two specific transactions are allocated to the Extra-Regio territory: 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 forces bases abroad are UK territorial enclaves, which form part of the UK under international treaties and agreements.

Smoothing

Some of the individual components of Household Sector Income are 'smoothed' due to high levels of volatility and sampling error, which exist in some of the regional indicators, (for example, regional Household Sector income from pensions and investments).

- Typically, the smoothing is based on a weighted (1:2:1) or non-weighted (1:1:1) 3 year moving average across certain regional component time-series, with various regressive techniques used to 'impute' estimates for the last year.

- This year, the implementation of these techniques has been reviewed and updated to reflect recent trends at the regional level, and the introduction of a system which calculates the Household Sector Income components solely on a Government Office Region (GOR) basis. Previously, the estimates were produced on a Standard Statistical Region (SSR) basis, and converted to GORs using latest available county data.

- The decision to smooth any given regional time-series is based on the quality of the regional indicator. Specifically, if the standard error of the indicator for a region is above a predetermined level then smoothing is applied. Should the standard error fall within the acceptable limits then the raw indicator for that region is used directly.

Future Changes

Consistent with the aims of National Statistics, the methodologies employed in the production of the Regional Household Accounts estimates are under continual review. A Regional Accounts Advisory Group is being set up to assist in the development and quality assurance of the regional methodology and data. This Group will include statisticians from government departments and from the devolved administrations, as well as academics and private sector econometricians.

Delays in the supply of key administrative tax data for latest years also means that the current estimates are more likely to be revised than normal. For this reason, estimates for 1997 and 1998 should both be considered as provisional.

Regional Accounts Publication Timetable

The planned timetable for publication of regional GDP and Household Income data sets is given below. Estimates are first published in National Statistics *News Releases* or as an article within *Economic Trends*, and then feed into the first available editions of *Regional Trends*, *Social Trends*, and DTI's *Regional Competitiveness Indicators*. Details of future publications can also be found in the Updates section of the National Statistics website (www.statistics.gov.uk)

2000 *(publications consistent with the 1999 Blue Book)*

November	*Regional Accounts 1998 Part 2: Household Income (Economic Trends)*
December	*UK Regional GDP Methodology Article (Economic Trends)*

2001 *(publications consistent with the 2000 Blue Book)*

February	*Regional Accounts 1999 Part 1: Regional GDP (Economic Trends)*
April	*Local Area GDP 1993-1998 (Economic Trends)*
June	*Regional Accounts 1999 Part 2: Household Income and Individual Consumption Expenditure (Economic Trends)*

National Statistics will also be publishing *Local Area Household Income*, including estimates of sub-regional Household Incomes on the new geography (NUTS-3), towards the end of 2001.

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 (24 per cent of the population were aged under 16 in 1998 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 1998	Population 1998	Total economically active March 98	GDP[1] 1998	Individual Consumption Expenditure 1998	Household Income[2] 1998
United Kingdom (=100%)	242910 sq km	59.23m	26.5m	£737.8bn	£545.1bn	£824.7bn
North East	*3.5*	*4.4*	*4.1*	*3.5*	*3.7*	*3.7*
North West	*5.8*	*11.7*	*11.2*	*10.3*	*11.0*	*10.7*
Yorkshire & the Humber	*6.3*	*8.5*	*8.4*	*7.5*	*8.0*	*7.8*
East Midlands	*6.4*	*7.0*	*7.3*	*6.7*	*6.6*	*6.6*
West Midlands	*5.4*	*9.0*	*9.0*	*8.3*	*8.3*	*8.2*
East	*7.9*	*9.0*	*9.4*	*10.3*	*9.8*	*9.9*
London	*0.6*	*12.1*	*12.3*	*15.8*	*14.4*	*14.9*
South East	*7.9*	*13.5*	*14.0*	*15.7*	*15.2*	*15.4*
South West	*9.8*	*8.3*	*8.4*	*7.6*	*7.9*	*8.0*
England	*53.7*	*83.5*	*84.2*	*85.6*	*85.0*	*85.2*
Wales	*8.6*	*5.0*	*4.6*	*3.9*	*4.3*	*4.2*
Scotland	*32.2*	*8.7*	*8.7*	*8.3*	*8.4*	*8.2*
Northern Ireland	*5.6*	*2.8*	*2.5*	*2.2*	*2.4*	*2.3*

1. Excluding the Extra-Regio and the statistical discrepancy.
2. Excluding the Extra-Regio.

1 Total household income[1] by Government Office Regions (GORs) 1990-98

	1990	1991	1992	1993	1994	1995	1996	1997	1998[2]
Total Household Income									*£ million*
United Kingdom	528,626	573,576	613,469	639,780	666,938	705,588	749,007	788,914	824,655
North East	20,672	22,912	24,820	25,662	26,071	27,300	28,751	29,679	30,523
North West	58,514	64,182	67,946	70,407	73,276	76,920	81,397	85,200	88,468
Yorkshire and the Humber	42,065	45,736	48,144	50,920	52,636	55,186	59,141	61,398	64,406
East Midlands	34,579	37,375	39,980	41,744	44,368	46,620	49,953	52,802	54,676
West Midlands	43,552	47,317	51,204	53,333	55,934	59,755	62,238	64,420	67,282
East	51,991	55,661	59,811	60,961	63,841	67,422	71,452	77,542	81,576
London	76,606	82,998	88,216	92,661	96,311	102,052	109,338	116,189	123,079
South East	77,366	83,716	89,468	94,644	99,722	105,590	113,335	120,464	126,652
South West	42,976	46,004	49,166	50,741	52,360	56,109	59,564	63,307	65,763
England	448,322	485,902	518,754	541,071	564,520	596,954	635,170	671,003	702,425
Wales	22,772	24,974	26,850	27,768	29,028	30,915	32,461	33,744	34,679
Scotland	45,184	49,301	53,533	55,730	57,097	60,393	63,334	65,067	68,023
Northern Ireland	11,676	12,711	13,629	14,677	15,718	16,766	17,423	18,484	18,912
Extra-Regio[3]	672	689	704	533	576	560	619	616	616
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	*3.9*	*4.0*	*4.0*	*4.0*	*3.9*	*3.9*	*3.8*	*3.8*	*3.7*
North West	*11.1*	*11.2*	*11.1*	*11.0*	*11.0*	*10.9*	*10.9*	*10.8*	*10.7*
Yorkshire and the Humber	*8.0*	*8.0*	*7.8*	*8.0*	*7.9*	*7.8*	*7.9*	*7.8*	*7.8*
East Midlands	*6.5*	*6.5*	*6.5*	*6.5*	*6.7*	*6.6*	*6.7*	*6.7*	*6.6*
West Midlands	*8.2*	*8.2*	*8.3*	*8.3*	*8.4*	*8.5*	*8.3*	*8.2*	*8.2*
East	*9.8*	*9.7*	*9.7*	*9.5*	*9.6*	*9.6*	*9.5*	*9.8*	*9.9*
London	*14.5*	*14.5*	*14.4*	*14.5*	*14.4*	*14.5*	*14.6*	*14.7*	*14.9*
South East	*14.6*	*14.6*	*14.6*	*14.8*	*15.0*	*15.0*	*15.1*	*15.3*	*15.4*
South West	*8.1*	*8.0*	*8.0*	*7.9*	*7.9*	*8.0*	*8.0*	*8.0*	*8.0*
England	*84.8*	*84.7*	*84.6*	*84.6*	*84.6*	*84.6*	*84.8*	*85.1*	*85.2*
Wales	*4.3*	*4.4*	*4.4*	*4.3*	*4.4*	*4.4*	*4.3*	*4.3*	*4.2*
Scotland	*8.5*	*8.6*	*8.7*	*8.7*	*8.6*	*8.6*	*8.5*	*8.2*	*8.2*
Northern Ireland	*2.2*	*2.2*	*2.2*	*2.3*	*2.4*	*2.4*	*2.3*	*2.3*	*2.3*
Extra-Regio[3]	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*
Per head									*£*
United Kingdom	9,184	9,922	10,576	10,994	11,421	12,040	12,738	13,369	13,921
United Kingdom exc Extra-Regio	9,172	9,910	10,564	10,985	11,411	12,030	12,727	13,359	13,911
North East	7,957	8,794	9,511	9,817	9,970	10,452	11,028	11,407	11,754
North West	8,522	9,316	9,850	10,195	10,599	11,127	11,785	12,348	12,821
Yorkshire and the Humber	8,477	9,179	9,628	10,153	10,470	10,959	11,733	12,170	12,756
East Midlands	8,615	9,268	9,860	10,236	10,824	11,315	12,068	12,705	13,110
West Midlands	8,296	8,982	9,699	10,080	10,553	11,254	11,699	12,091	12,608
East	10,169	10,826	11,568	11,743	12,239	12,844	13,524	14,569	15,204
London	11,179	12,055	12,771	13,374	13,836	14,580	15,504	16,341	17,171
South East	10,124	10,907	11,608	12,235	12,830	13,487	14,375	15,171	15,839
South West	9,156	9,757	10,374	10,651	10,930	11,639	12,301	13,007	13,427
England	9,342	10,082	10,725	11,151	11,593	12,210	12,943	13,619	14,196
Wales	7,913	8,640	9,260	9,554	9,960	10,588	11,103	11,521	11,814
Scotland	8,856	9,634	10,458	10,869	11,107	11,737	12,331	12,680	13,261
Northern Ireland	7,346	7,922	8,408	8,982	9,558	10,150	10,458	11,017	11,179
Per head, indices									*UK excluding Extra-Regio = 100*
United Kingdom exc Extra-Regio	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*
North East	*86.8*	*88.7*	*90.0*	*89.4*	*87.4*	*86.9*	*86.7*	*85.4*	*84.5*
North West	*92.9*	*94.0*	*93.2*	*92.8*	*92.9*	*92.5*	*92.6*	*92.4*	*92.2*
Yorkshire and the Humber	*92.4*	*92.6*	*91.1*	*92.4*	*91.8*	*91.1*	*92.2*	*91.1*	*91.7*
East Midlands	*93.9*	*93.5*	*93.3*	*93.2*	*94.9*	*94.1*	*94.8*	*95.1*	*94.2*
West Midlands	*90.4*	*90.6*	*91.8*	*91.8*	*92.5*	*93.5*	*91.9*	*90.5*	*90.6*
East of England	*110.9*	*109.2*	*109.5*	*106.9*	*107.3*	*106.8*	*106.3*	*109.1*	*109.3*
London	*121.9*	*121.6*	*120.9*	*121.7*	*121.2*	*121.2*	*121.8*	*122.3*	*123.4*
South East	*110.4*	*110.1*	*109.9*	*111.4*	*112.4*	*112.1*	*112.9*	*113.6*	*113.9*
South West	*99.8*	*98.5*	*98.2*	*97.0*	*95.8*	*96.7*	*96.7*	*97.4*	*96.5*
England	*101.8*	*101.7*	*101.5*	*101.5*	*101.6*	*101.5*	*101.7*	*101.9*	*102.0*
Wales	*86.3*	*87.2*	*87.7*	*87.0*	*87.3*	*88.0*	*87.2*	*86.2*	*84.9*
Scotland	*96.6*	*97.2*	*99.0*	*98.9*	*97.3*	*97.6*	*96.9*	*94.9*	*95.3*
Northern Ireland	*80.1*	*79.9*	*79.6*	*81.8*	*83.8*	*84.4*	*82.2*	*82.5*	*80.4*

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.

2 Gross disposable household income[1] by Government Office Regions (GORs) 1990-98

	1990	1991	1992	1993	1994	1995	1996	1997[2]	1998[2]
Disposable Household Income									*£ million*
United Kingdom	356,611	390,667	424,197	452,118	468,163	494,573	521,281	554,641	565,851
North East	14,298	15,988	17,541	18,469	18,578	19,403	20,384	21,208	21,233
North West	39,920	44,381	47,739	50,468	52,052	54,645	57,566	60,805	62,014
Yorkshire and the Humber	26,979	31,681	33,536	36,257	37,277	38,959	41,685	43,532	44,609
East Midlands	23,313	25,349	27,619	29,394	30,998	32,448	34,701	37,097	37,352
West Midlands	28,957	31,915	35,184	37,551	39,124	41,746	43,125	44,905	45,962
East	34,818	37,555	41,110	42,728	44,444	46,672	48,971	54,128	55,648
London	49,998	54,752	59,309	64,290	66,716	70,647	74,807	80,288	82,686
South East	50,817	55,737	60,555	65,780	68,846	72,751	77,341	83,176	84,764
South West	29,646	31,867	34,469	36,213	37,170	39,928	42,090	45,345	45,893
England	300,745	329,225	357,061	381,151	395,204	417,198	440,670	470,483	480,161
Wales	15,806	17,748	19,296	20,289	21,064	22,461	23,380	24,545	24,741
Scotland	31,083	33,998	37,448	39,505	39,950	42,175	44,019	45,494	46,743
Northern Ireland	8,304	9,007	9,688	10,640	11,369	12,179	12,593	13,503	13,590
Extra-Regio[3]	672	689	704	533	576	560	619	616	616
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	*4.0*	*4.1*	*4.1*	*4.1*	*4.0*	*3.9*	*3.9*	*3.8*	*3.8*
North West	*11.2*	*11.4*	*11.3*	*11.2*	*11.1*	*11.0*	*11.0*	*11.0*	*11.0*
Yorkshire and the Humber	*8.1*	*8.1*	*7.9*	*8.0*	*8.0*	*7.9*	*8.0*	*7.8*	*7.9*
East Midlands	*6.5*	*6.5*	*6.5*	*6.5*	*6.6*	*6.6*	*6.7*	*6.7*	*6.6*
West Midlands	*8.1*	*8.2*	*8.3*	*8.3*	*8.4*	*8.4*	*8.3*	*8.1*	*8.1*
East	*9.8*	*9.6*	*9.7*	*9.5*	*9.5*	*9.4*	*9.4*	*9.8*	*9.8*
London	*14.0*	*14.0*	*14.0*	*14.2*	*14.3*	*14.3*	*14.4*	*14.5*	*14.6*
South East	*14.3*	*14.3*	*14.3*	*14.5*	*14.7*	*14.7*	*14.8*	*15.0*	*15.0*
South West	*8.3*	*8.2*	*8.1*	*8.0*	*7.9*	*8.1*	*8.1*	*8.2*	*8.1*
England	*84.3*	*84.3*	*84.2*	*84.3*	*84.4*	*84.4*	*84.5*	*84.8*	*84.9*
Wales	*4.4*	*4.5*	*4.5*	*4.5*	*4.5*	*4.5*	*4.5*	*4.4*	*4.4*
Scotland	*8.7*	*8.7*	*8.8*	*8.7*	*8.5*	*8.5*	*8.4*	*8.2*	*8.3*
Northern Ireland	*2.3*	*2.3*	*2.3*	*2.4*	*2.4*	*2.5*	*2.4*	*2.4*	*2.4*
Extra-Regio[3]	*0.2*	*0.2*	*0.2*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*
Per head									*£*
United Kingdom	6,195	6,758	7,313	7,770	8,017	8,439	8,865	9,399	9,552
United Kingdom exc Extra-Regio	6,184	6,746	7,301	7,760	8,007	8,429	8,855	9,389	9,542
North East	5,504	6,137	6,722	7,065	7,105	7,429	7,819	8,151	8,177
North West	5,814	6,442	6,921	7,308	7,529	7,905	8,335	8,813	8,987
Yorkshire and the Humber	5,840	6,358	6,707	7,229	7,415	7,736	8,270	8,629	8,835
East Midlands	5,808	6,286	6,811	7,208	7,562	7,875	8,383	8,926	8,956
West Midlands	5,516	6,058	6,664	7,097	7,381	7,862	8,106	8,428	8,613
East	6,810	7,304	7,951	8,230	8,520	8,891	9,269	10,170	10,372
London	7,296	7,952	8,586	9,279	9,584	10,093	10,608	11,292	11,536
South East	6,650	7,261	7,857	8,504	8,857	9,292	9,810	10,475	10,601
South West	6,316	6,759	7,273	7,602	7,759	8,282	8,693	9,317	9,370
England	6,267	6,831	7,382	7,855	8,116	8,534	8,980	9,549	9,704
Wales	5,493	6,140	6,655	6,981	7,228	7,692	7,997	8,380	8,428
Scotland	6,092	6,644	7,316	7,705	7,772	8,197	8,570	8,866	9,113
Northern Ireland	5,224	5,614	5,977	6,511	6,913	7,373	7,559	8,048	8,033
Per head, indices									*UK excluding Extra-Regio = 100*
United Kingdom exc Extra-Regio	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*
North East	*89.0*	*91.0*	*92.1*	*91.0*	*88.7*	*88.1*	*88.3*	*86.8*	*85.7*
North West	*94.0*	*95.5*	*94.8*	*94.2*	*94.0*	*93.8*	*94.1*	*93.9*	*94.2*
Yorkshire and the Humber	*94.4*	*94.3*	*91.9*	*93.2*	*92.6*	*91.8*	*93.4*	*91.9*	*92.6*
East Midlands	*93.9*	*93.2*	*93.3*	*92.9*	*94.4*	*93.4*	*94.7*	*95.1*	*93.9*
West Midlands	*89.2*	*89.8*	*91.3*	*91.5*	*92.2*	*93.3*	*91.5*	*89.8*	*90.3*
East	*110.1*	*108.3*	*108.9*	*106.1*	*106.4*	*105.5*	*104.7*	*108.3*	*108.7*
London	*118.0*	*117.9*	*117.6*	*119.6*	*119.7*	*119.7*	*119.8*	*120.3*	*120.9*
South East	*107.5*	*107.6*	*107.6*	*109.6*	*110.6*	*110.2*	*110.8*	*111.6*	*111.1*
South West	*102.1*	*100.2*	*99.6*	*98.0*	*96.9*	*98.3*	*98.2*	*99.2*	*98.2*
England	*101.3*	*101.3*	*101.1*	*101.2*	*101.4*	*101.2*	*101.4*	*101.7*	*101.7*
Wales	*88.8*	*91.0*	*91.2*	*90.0*	*90.3*	*91.3*	*90.3*	*89.3*	*88.3*
Scotland	*98.5*	*98.5*	*100.2*	*99.3*	*97.1*	*97.2*	*96.8*	*94.4*	*95.5*
Northern Ireland	*84.5*	*83.2*	*81.9*	*83.9*	*86.3*	*87.5*	*85.4*	*85.7*	*84.2*

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.

3 Sources of household income[1] by Government Office Region (GORs) 1996-98

£ 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
1996										
United Kingdom	41,105	41,570	404,614	68,643	89,426	67,003	36,646	749,007	521,281	70
North East	1,129	997	15,725	2,266	3,526	3,419	1,689	28,751	20,384	71
North West	4,043	3,790	43,196	7,117	9,759	8,967	4,525	81,397	57,566	71
Yorkshire and the Humber	2,745	2,927	31,470	6,114	6,754	5,675	3,455	59,141	41,685	70
East Midlands	2,526	2,695	27,135	4,839	6,051	4,121	2,587	49,953	34,701	69
West Midlands	3,382	3,101	34,588	5,358	6,725	5,793	3,290	62,238	43,125	69
East	4,074	4,752	39,791	6,939	8,153	4,662	3,082	71,452	48,971	69
London	6,875	7,060	62,120	9,429	9,579	9,514	4,761	109,338	74,807	68
South East	7,528	6,796	60,777	10,220	16,094	7,127	4,794	113,335	77,341	68
South West	3,843	3,790	29,276	5,826	9,201	4,687	2,940	59,564	42,090	71
England	36,145	35,907	344,078	58,108	75,843	53,965	31,123	635,170	440,670	69
Wales	1,693	1,635	16,339	2,887	4,381	3,858	1,668	32,461	23,380	72
Scotland	2,634	2,821	34,852	5,985	7,731	6,335	2,976	63,334	44,019	70
Northern Ireland	633	1,207	8,725	1,663	1,471	2,843	879	17,423	12,593	72
Extra-Regio[7]	-	-	619	-	-	-	-	619	619	-
1997[2]										
United Kingdom	44,217	41,665	432,471	74,152	97,534	67,711	31,164	788,914	554,641	70
North East	1,261	1,051	16,251	2,416	3,727	3,553	1,421	29,679	21,208	71
North West	4,243	3,724	45,625	7,749	11,156	8,917	3,785	85,200	60,805	71
Yorkshire and the Humber	2,847	2,877	33,715	6,062	7,312	5,720	2,866	61,398	43,532	71
East Midlands	2,698	2,640	29,210	5,263	6,596	4,193	2,201	52,802	37,097	70
West Midlands	3,577	2,856	36,533	5,346	7,481	5,840	2,787	64,420	44,905	70
East	4,457	4,782	43,875	8,040	8,973	4,737	2,678	77,542	54,128	70
London	7,347	7,495	67,161	10,436	10,253	9,496	4,000	116,189	80,288	69
South East	8,218	7,102	65,348	11,227	17,271	7,194	4,105	120,464	83,176	69
South West	4,114	3,658	31,562	6,557	10,144	4,739	2,532	63,307	45,345	72
England	38,762	36,185	369,282	63,095	82,913	54,389	26,375	671,003	470,483	70
Wales	1,789	1,661	17,252	2,905	4,836	3,863	1,439	33,744	24,545	73
Scotland	2,945	2,602	35,940	6,417	8,186	6,379	2,598	65,067	45,494	70
Northern Ireland	721	1,217	9,381	1,734	1,599	3,078	753	18,484	13,503	73
Extra-Regio[7]	-	-	616	-	-	-	-	616	616	-
1998[2]										
United Kingdom	45,602	43,379	463,474	69,794	103,317	66,874	32,215	824,655	565,851	69
North East	1,287	1,105	17,154	2,264	3,817	3,471	1,428	30,523	21,233	70
North West	4,253	3,859	48,383	7,141	12,094	8,816	3,922	88,468	62,014	70
Yorkshire and the Humber	2,925	2,924	36,080	6,167	7,754	5,615	2,943	64,406	44,609	69
East Midlands	2,744	2,727	30,744	5,001	7,024	4,164	2,272	54,676	37,352	68
West Midlands	3,633	2,854	38,819	5,192	8,101	5,787	2,895	67,282	45,962	68
East	4,676	4,988	47,270	7,408	9,588	4,872	2,775	81,576	55,648	68
London	7,605	8,052	73,340	9,969	10,662	9,294	4,156	123,079	82,686	67
South East	8,629	7,484	70,662	10,451	18,195	7,005	4,226	126,652	84,764	67
South West	4,242	3,781	33,770	5,936	10,686	4,732	2,614	65,763	45,893	70
England	39,993	37,775	396,223	59,527	87,920	53,756	27,229	702,425	480,161	68
Wales	1,823	1,753	17,995	2,686	5,124	3,817	1,480	34,679	24,741	71
Scotland	3,036	2,657	38,941	5,933	8,572	6,173	2,712	68,023	46,743	69
Northern Ireland	750	1,195	9,699	1,647	1,701	3,127	793	18,912	13,590	72
Extra-Regio[7]	-	-	616	-	-	-	-	616	616	-

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.

BACKGROUND NOTES

General

1. The regional household income estimates 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, and 6.1.4S 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 latter half of 2001. 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 estimates on an ESA95 basis. ESA95 is based on the System of National Accounts 1993 (SNA93) which was sponsored by all major international organisations and is being adopted worldwide. 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 an ESA95 basis.

4. The impact of ESA95 at the regional level is twofold: (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. Generally, ESA95 has extended the scope of what constitute income and deduction items in the new household accounts.

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 sectoral changes due to ESA95 users should consult the *United Kingdom Sector Classification for the National Accounts* and the 1999 edition of the *UK National Accounts - The Blue Book*.

The regional accounts database

7. The tables presented in this article include only a summary of the regional accounts available. More detailed information on sub-transactions of total household income and deductions is available on payment of a fee, either on paper, or electronically.

8. Further details are available from Philip Papaiah, Regional Accounts Branch, Office for National Statistics, Zone B4/10, 1 Drummond Gate, London SW1V 2QQ. Telephone: 020-7533 5793; fax: 020-7533 5799; email: philip.papaiah@ons.gov.uk

9. The estimates and text presented in this article were produced by the Regional Accounts branch of the Office for National Statistics. Regional Accounts Branch are Dave Vincent, Alex Clifton-Fearnside, Adam Douglas, Ian Hillis, Lawrence Mahmood, Aubrey Stoll, and Philip Papaiah.