

Economic Trends

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Editor: Paul Dickman**

CORRECTION

The effects of taxes and benefits on household income – article published in April 2001 issue:

We regret to inform you that there was an error in the top half of table 7 of the above article showing the distribution of households by household types. This affected the numerical breakdown of one adult households into men and women. This did not affect the other tables or analyses in the article which were based on other tables showing the percentage split. The corrected table is shown below:

TABLE 7 (Appendix 1) : Distribution of households¹ by household type, 1999-2000

	Retired households				Non-Retired households			
	1 adult Men	1 adult Women	All 1 adult	2 or more adults		1 adult Men	1 adult Women	All 1 adult
Decile groups of households ranked by equivalised disposable income Number of households (‘000s)								
Bottom	108	403	511	311		284	230	513
2nd	137	433	570	476		207	134	341
3rd	194	612	806	429		168	128	296
4th	147	393	540	415		158	146	304
5th	109	303	412	344		219	136	356
6th	67	237	305	251		260	138	398
7th	73	122	195	204		265	166	431
8th	54	93	147	206		300	183	484
9th	44	30	73	129		342	188	530
Top	17	48	65	101		490	204	694
All households in population (‘000s)	949	2 675	3 624	2 863		2 693	1 653	4 346
	Non-Retired households							
	2 adults	3 or more adults	1 adult with children	2 adults with 1 child	2 adults with 2 children	2 adults with 3 or more children	3 or more adults with children	All house- holds
Decile groups of households ranked by equivalised disposable income Number of households (‘000s)								
Bottom	277	104	360	89	148	135	86	2 532
2nd	169	136	405	112	131	143	48	2 531
3rd	228	78	272	103	144	122	58	2 534
4th	400	125	158	160	196	137	100	2 535
5th	372	222	89	180	299	123	138	2 535
6th	512	258	87	177	274	100	171	2 533
7th	637	364	68	201	222	89	123	2 534
8th	708	309	55	253	248	33	90	2 531
9th	832	306	34	288	239	18	86	2 534
Top	973	167	18	244	150	57	66	2 536
All households in population (‘000s)	5 108	2 068	1 546	1 807	2 051	957	965	25 334

¹ See Appendix 3 for definitions of retired households, adults and children.

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Introduction

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

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

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

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

The main section is based on information available to National Statistics on the date printed in note 1 below and shows the movements of the key economic indicators. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

Economic Trends is prepared monthly by National Statistics in collaboration with the Bank of England.

Notes on the tables

1. All data in the tables and accompanying charts is current, as far as possible, to 27 April 2001.
2. The four letter identification code at the top of each column of data is our own reference to this series of data on our database. Please quote the relevant code if you contact us requiring any further information about the data.

3. Some data, particularly for the latest time period, is provisional and may be subject to revisions in later issues.
4. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.
5. Almost all quarterly data are seasonally adjusted; those not seasonally adjusted are indicated by NSA.
6. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.
7. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.
8. 'Billion' denotes one thousand million.
9. There is no single correct definition of *money*. The most widely used aggregates are:

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

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

The Bank of England also publish data for liquid assets outside M4.
10. Symbols used:
 - .. not available
 - nil or less than half the final digit shown
 - + alongside a heading indicates a series for which measures of variability are given in the table on page T79
 - † indicates that the data has been revised since the last edition; the period marked is the earliest in the table to have been revised
 - * average (or total) of five weeks.

Articles published in *Economic Trends*

Regular articles

Corporate services price index. Commentary and figures are published every March, June, September and December.

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

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

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

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

Other articles

2000

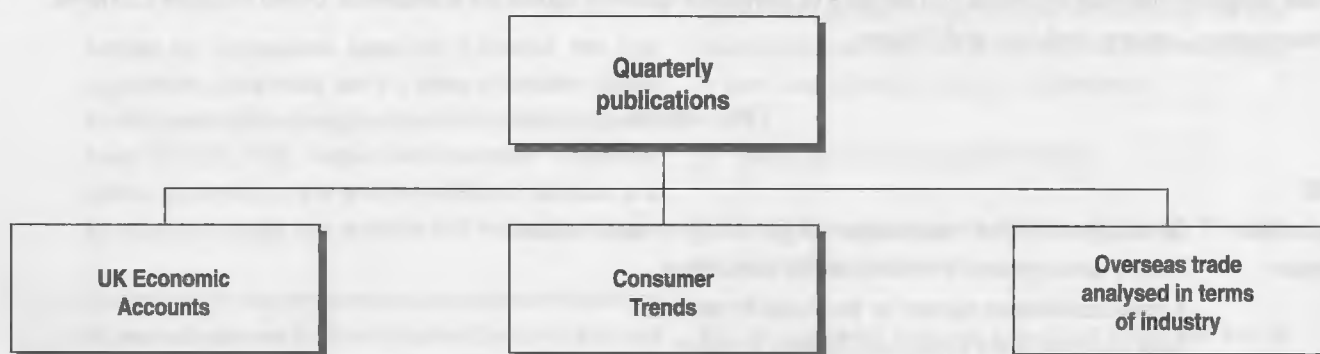
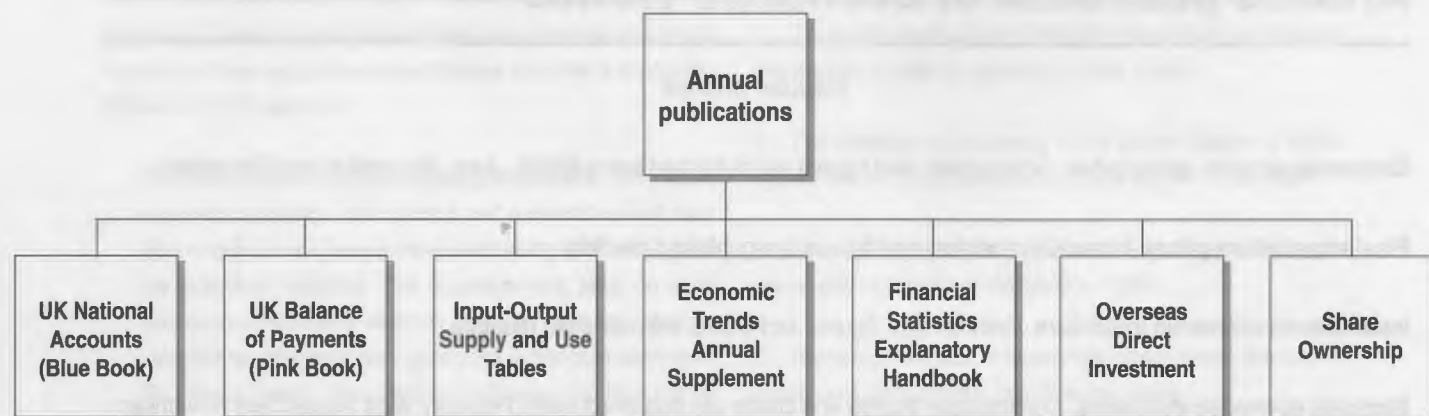
<i>September</i>	Developments in the measurement of general government output.
<i>October</i>	Recent developments in environmental accounting. A new classification system for the Retail Prices Index. Time use data in the Household Satellite Account. Update and review of the Regional Household Accounts Methodology.
<i>November</i>	New estimates of dividend payments. The development of the Annual Business Inquiry. Regional accounts 1998 part 2 - regional household sector income.
<i>December</i>	International comparisons of company profitability. Introducing the experimental monthly index of services. Geographical breakdown of income in the balance of payments. UK regional gross domestic product methodological guide.

2001

<i>January</i>	Commodity flow analysis in quarterly balancing of GDP. Articles published in <i>Economic Trends</i> 1991–2000.
<i>February</i>	Recent trends in dividends payments and share buy-backs.
<i>March</i>	Measuring e-commerce - the ONS approach. Harmonised index of Consumer prices: methodological improvements from January 2001 Revisions analysis of initial estimates of annual constant price GDP and its components Regional accounts 1999: Part 1 Developments in local area gross domestic product
<i>April</i>	The effects of taxes and benefits on household income 1999–2000

For articles published in earlier issues see the list in issue 566 of *Economic Trends* (January 2001). Copies of articles may be obtained from National Statistics Direct, Room 1.015, Government Buildings, Cardiff Road, Newport, NP10 8XG, telephone 01633 812078. The cost is £5.00 per copy inclusive of postage and handling. A cheque for the appropriate remittance should accompany each order, made payable to 'Office for National Statistics'. Credit card transactions can be made by phone; invoices cannot be issued.

United Kingdom Macro-Economic Statistics Publications



Other publications: - Retail Prices 1914-1990 - Labour Market Trends - National Accounts Concepts, Sources and Methods - Sector Classification Guide for the National Accounts

In Brief

Articles

This month we feature six articles. The first four are concerned with productivity, which gives a definite 'theme' to this edition.

Prabhat Vaze of ONS outlines developments in productivity measurement. The article introduces the next three articles on different aspects of productivity. The currently published measures of productivity have been improved and extended.

Chris Daffin of ONS introduces new and improved productivity data. For the first time, an 'output per hour' measure of productivity is being published and the methodology used to compile the 'output per job' data has been enhanced. New regional data on output per job and output per hours are being published also for the first time.

Chris Drew, Craig Richardson and Prabhat Vaze of ONS discuss developments on international comparisons of productivity. The article looks at measures of productivity of the UK relative to other countries. First it considers the context and importance of the international measurement of productivity. It then outlines the methodology used in the current measures. This is followed by details of the handover process for responsibility of international productivity from the Department of trade and Industry to ONS. The article then sets out areas of research and finally offers some conclusions.

Alwyn Pritchard of ONS discusses the measurement of productivity in the provision of public services. The article provides the background to this new initiative and gives an indication of what new measures can be expected to become available as a result of this project.

Jennie Tse of ONS outlines plans for the 2001 and 2002 Blue and Pink Books. The article first describes the key developments and changes which are being taken on for 2001, including the background or reasons behind the changes with some indications of their impact on the accounts. Next it gives some information on the publishing schedule for 2001 and plans for 2002. The article concludes by giving an indication of the development programme that is planned for the National Accounts and Balance of Payments during the period 2002-05.

Adam Douglas and Alex Clifton-Fearnside of the ONS present provisional estimates of sub-regional and local area gross domestic product at basic prices. These estimates are consistent with the estimates of UK GDP published in the 2000 edition of the *UK National Accounts: the Blue Book*, and the estimates of regional GDP included in an article in the March 2001 edition of *Economic Trends*. The entire time series in this article are provisional due to forthcoming changes to survey indicators used as regional indicators in the production of the estimates.

Changes

Index of Services (experimental)

From this edition, the experimental index of services is no longer published in *Economic Trends*. It will only be available via the National Statistics website www.statistics.gov.uk

Table 4.7 - Productivity and Unit Wage Costs

Series for output per hour worked for the whole economy, production industries and manufacturing industries are included for the first time.

Recent economic publications

Quarterly

Consumer Trends: 2000 quarter 4 The Stationery Office, ISBN 0 11 621319 1. Price £45.

UK Economic Accounts: 2000 quarter 4. The Stationery Office, ISBN 0 11 621400 7. Price £26.

UK Trade in Goods Analysed in Terms of Industries (MQ10): 2000 quarter 4. The Stationery Office, ISBN 0 11 538059 0. Price £75 p.a.

Monthly

Consumer Price Indices (MM23): February 2001. The Stationery Office, ISBN 0 11 538082 5. Price £185 p.a.

Financial Statistics: April 2001. The Stationery Office, ISBN 0 11 621303 5. Price £23.50.

Monthly Review of External Trade Statistics (MM24): January 2001. The Stationery Office, ISBN 0 11 538093 0. 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 - May 2001

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

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Overview

With concerns intensifying about the state of the world economy, UK GDP data shows economic growth weaker for the second quarter in a row. Driving this slowdown was a fall in the output of the so called high-tech manufacturing industries, where there was a particularly strong decline into January. Services growth has slowed a little, driven partly by special factors, and overall remains reasonably robust. Demand data shows a mixed picture, with household demand weakening into the fourth quarter of 2001, but retail sales strong in both the first quarter of 2001 and in the fourth quarter of 2000. Business investment is now seen to have accelerated in the second half of 2000, following some slowdown in the previous two years. Sector accounts data shows household saving low and business borrowing fairly high. On trade, imports and export growth is robust, but exports to the United States fell sharply into March. Labour market information continues to show increases to employment and decreases to unemployment at a steady pace, although perhaps some evidence of a slowdown in improvements to employment. Price data continues to remain fairly inconsistent with a portrayal of an overheating economy; average earnings growth excluding high city bonuses is subdued, retail price inflation continues to slow and producer price data also shows a deceleration in inflationary pressure.

GDP Activity

GDP in the first quarter of 2001 showed quarterly growth of 0.3 per cent, a second consecutive quarter of weaker growth (chart 1). Quarterly growth in the fourth quarter of 2000 was 0.4 per cent following 1.1 per cent in the third quarter. On the other hand, comparing with the same quarter a year ago, annual growth was 2.5 per cent, down only slightly from 2.6 per cent in the previous quarter. While the previous quarter's weaker growth was driven by a decline of growth in the energy sector, the latest quarters slowdown was dominated by a fall in the output of the manufacturing indices. The service sector in both quarters has been weaker than previous quarters, but still continues to grow at a brisk annual pace.

Turning first to the service sector, quarterly growth in the service sector remained at 0.7 per cent in the first quarter of 2001, the same as the previous quarter, but down from 1.1 per cent in the third quarter of 2000 (chart 2). Both quarters have seen some influence of erratic factors. The

railway disruption that reduced transport industry growth in the fourth quarter of 2000 recovered somewhat but not entirely, into the first quarter of 2001, and the foot and mouth crisis reduced the already weak hotel and catering business into the first quarter. Aside from these factors growth is only a little weaker throughout the rest of the service sector, and it is unclear at this stage whether this should be regarded as meaningful. At an annual rate growth in the service sector continues at a robust 3.6 per cent.

Following some resumed growth in the second half of 2000, the manufacturing sector saw a decline into the first quarter of 2001. The figure underpinning the estimate of first quarter GDP growth is not published, but monthly index of manufacturing figures are published up to February, these show that the quarterly rate in the three months to February was a decline of 0.1 per cent. This compares with growth of 0.6 per cent in the fourth quarter of 2000. However chart 3 shows that this decline was dominated by decline in the output of 'electrical and electronic engineering' and 'chemicals and man made fibres' industries into January and

Chart 1

Gross Domestic Product
seasonally adjusted

percentage changes, quarters

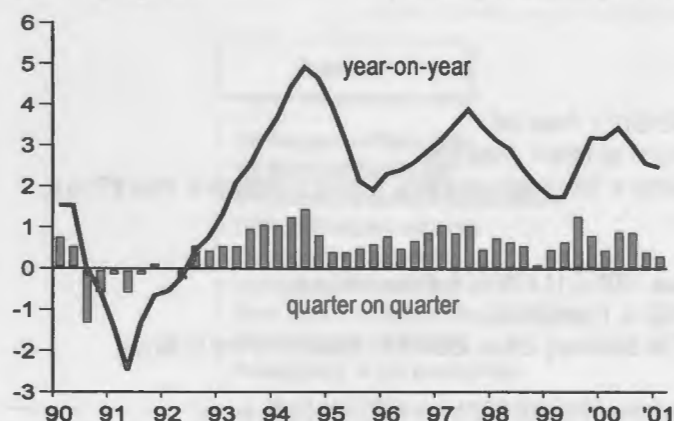
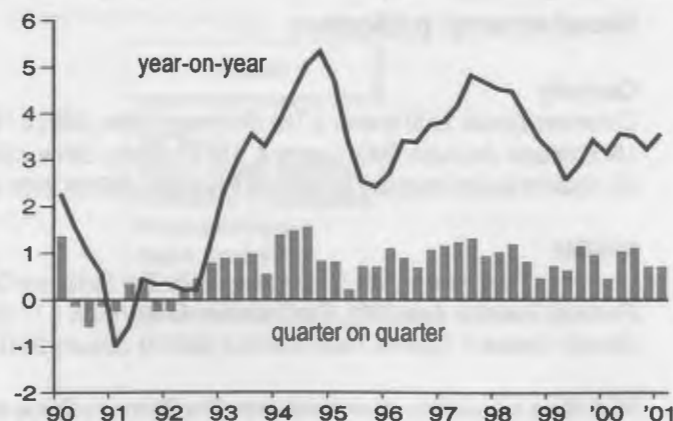


Chart 2

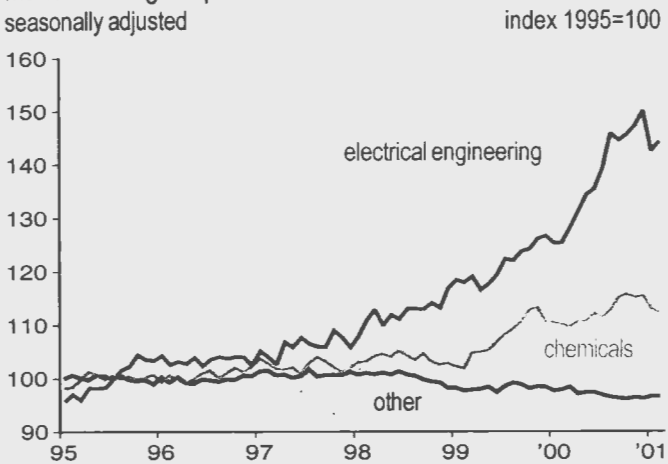
Services output
seasonally adjusted

percentage changes, quarters



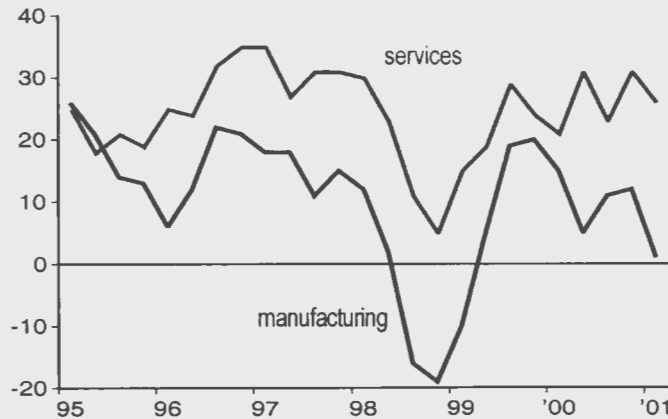
February; although the former industries did not see the decline continuing into February, but the index staying at the lower level. Chart 3 also shows how other industries showed only slight growth. Clearly it is too early to say whether this is the start of an ongoing decline or just a fall back from very high production of these 'high-tech' industries at the end of 2000.

Chart 3
Manufacturing output
seasonally adjusted



External information on activity also echoes the official data suggesting some concerns into the some concerns into the first quarter in the manufacturing sector, but not so much the services sector. On services, the British Chamber of Commerce (BCC) data (chart 4) shows a modest decline in the measure for services orders, but data remaining in line with the average of recent figures; Chartered Institute of Purchasing and Supply figures mirror this position. BCC manufacturing data also falls into the first quarter, although again the figure is robust when compared in particular with figures for 1998. The CBI quarterly industrial trends data for April however, while showing only modest declines in order books and output volumes, saw a sharp decline in business optimism, with the balance falling from -3 to -29.

Chart 4
BCC services and manufacturing orders
balances

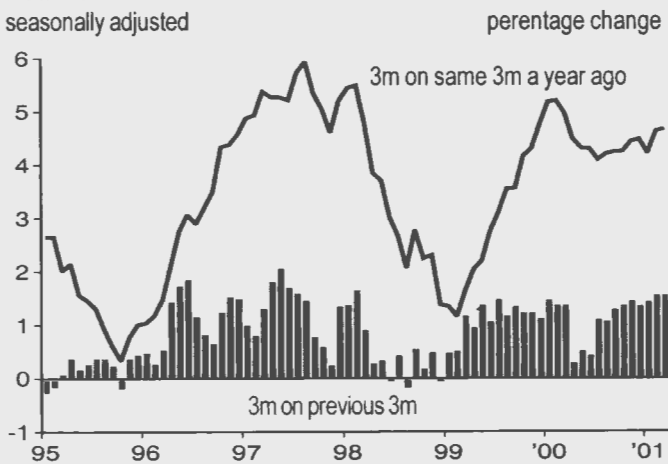


Domestic demand

Data continues to send mixed messages about the state of household demand. The main signal of some slowdown in demand is from the National Accounts expenditure data for the fourth quarter of 2000, which showed quarterly growth falling to 0.6 per cent compared with 1.2 per cent in the third quarter; annual growth while remaining robust also slowed to 3.4 per cent from 4.2 per cent in the third quarter. This slowdown was dominated by the service sector and ongoing weakness of car sales; goods sales, on the other hand were still robust. The robustness of sales of goods was seen in the retail sales data, and the latest figures show that this has continued into the first quarter.

Retail sales grew by 1.5 per cent in the first quarter of 2001, up from 1.3 per cent in the fourth quarter of 2000 (chart 5). The monthly indices show strong growth into both January and February, but only a slight increase into March. External indicators of retailing also show increased optimism into the first quarter, with both the CBI and BRC data up compared with the fourth quarter. Consumer confidence indicators are sending conflicting messages, with the MORI index falling sharply into February and remaining at a low level in March, but the GfK index is still robust.

Chart 5
Retail sales
seasonally adjusted

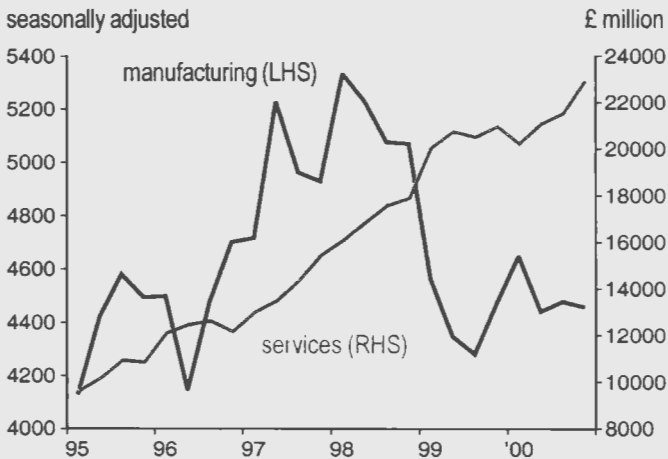


Turning to investment demand, new National Accounts data shows some pick up of growth into the second half of the year, with quarterly growth of 2.6 per cent into the fourth quarter, and annual growth of 3.2 per cent comparing the fourth quarter with the same quarter in 1999. The quarterly growth of business investment at 5.2 per cent was even stronger, however underlying this there were different trends in the manufacturing and services sectors. Chart 6 shows manufacturing investment has recently fallen back into decline, but the latest service data shows some improvement following a subdued period. It may be that this recovery is indicative that there was a pause in investment due to abnormal trends around the millennium period. Looking ahead, the BCC investment plans data has recently

showed some decline; the manufacturing figures have slowed for two consecutive quarters, while the service figures slowed into the latest quarter.

More generally, data for the year as a whole shows the changes in investment demand over the medium period, with growth of 2.6 per cent into 2000, following 5.4 per cent in 1999 and 10.1 per cent in 1998. It may be that this more general slowdown might alternatively have been influenced by the overall financial position of the corporate sector, which has been in deficit for the third successive year. While the net borrowing of the private non-financial corporation sector was £9.6 billion in 2000 compared with £19.1 billion in 1999, there are two particular factors that have driven this recovery. The first is a recovery in profits and the second is a reduction in the exceptionally high dividends that were paid in 1999. Profits recovered by £13.2 billion between the two years, of this £7.8 billion was accounted for by an increase to the profits of UK continental shelf companies following oil price increases and might therefore be regarded as exceptional and not relevant to the general financial situation of the sector. At the same time latest quarterly figures also suggest some decline in non-continental shelf companies profits, which may be echoing the perceptions of increased levels of profits warnings from UK private sector companies. These factors suggest that some of the improvements in corporate finances may be due to exceptional circumstance and profitability concerns may continue to be a threat.

Chart 6
Business investment
seasonally adjusted

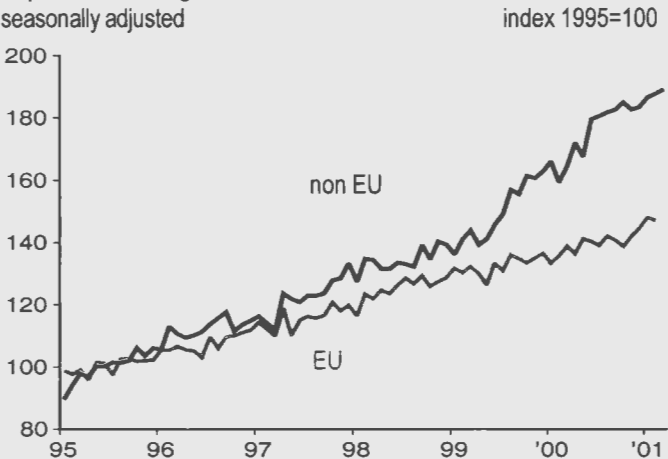


Government demand saw only modest quarterly growth of 0.3 per cent into the fourth quarter. Growth into the year 2000 as a whole is recorded as 2.7 per cent; this is below growth of 4.0 per cent into 1999, but significantly above growth of 1.1 per cent in 1998 and the fall of 1.4 per cent in 1997. This increased expenditure comes alongside an ongoing improvement of government finances. Public sector net borrowing for the latest financial year has now been released. This shows that there was a surplus of £16.5 billion in 2000-2001 compared to a surplus of £15.5 billion in the previous financial year. The improvement in overall finances is due to the

continued growth in tax revenues, which have more than accounted for the ongoing expenditure growth.

Finally on domestic demand, the National Accounts show that imports remained robust in the fourth quarter, with quarterly growth at 1.7 per cent, compared to 1.5 per cent in the third. Data into the first quarter shows this growth continuing at a brisk pace from both EU and non-EU economies (chart 7).

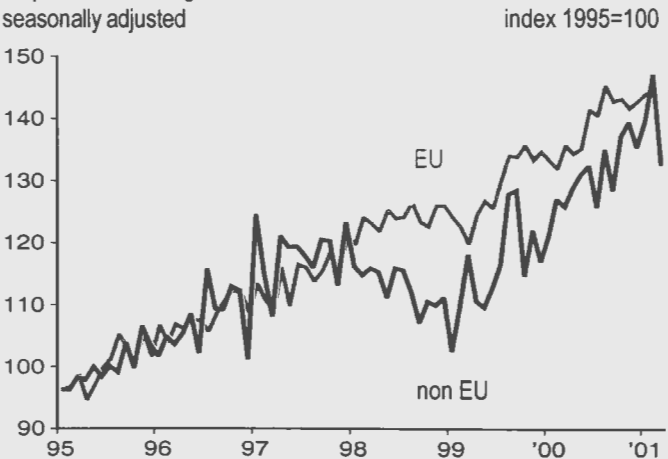
Chart 7
Imports excluding oil and erratics
seasonally adjusted



Overseas demand

The international environment continues to pose a threat to the UK economy, with the present slowdown in the USA a particular concern. While fourth quarter National Accounts data recorded exports growing by 2.3 per cent into the fourth quarter, up from 1.0 per cent in the third, data into 2001 showed ongoing growth into January and February, but a fall into March for non-EU economies (chart 8). These headline movements echo trends in trade with the US; growth in exports to the

Chart 8
Exports excluding oil and erratics
seasonally adjusted



United States in the fourth quarter at 10.1 per cent, and continued at a robust pace in to January and February, but then fell sharply into March. The monthly fall in to March was of 18.0 per cent, and may be indicative of some impact from events in the United States, although should at this stage be regarded with some caution as such falls are rare but not unique (the last fall of this magnitude was in 1994).

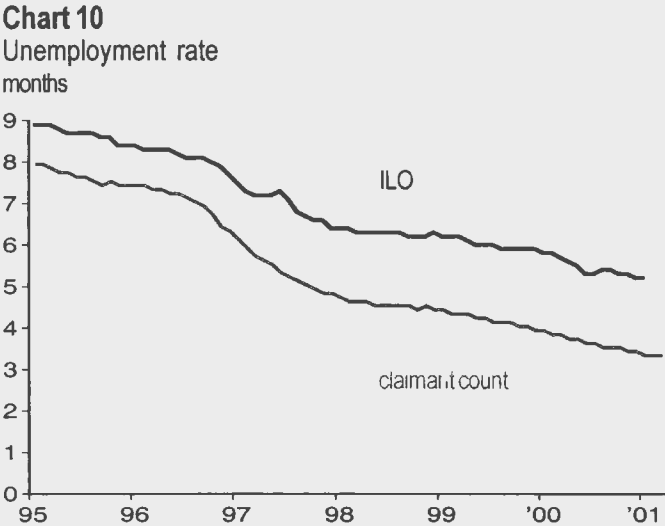
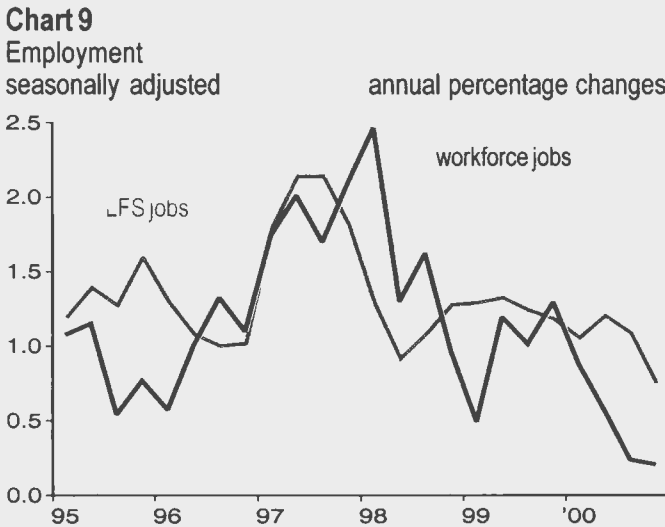
Labour Market

The labour market dataset continues to show employment increasing and unemployment falling, although there is some slight ambiguity about whether the rates of these improvements are slowing.

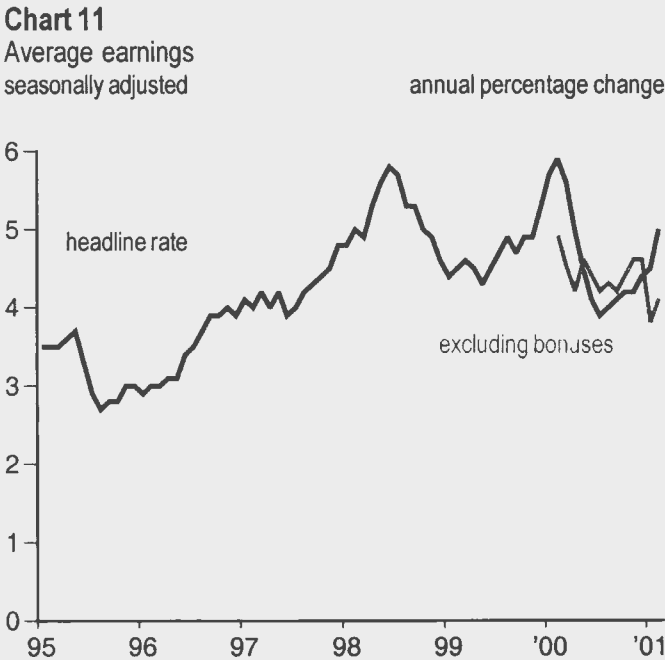
Chart 9 shows that the annual rate of growth in the 'workforce jobs' employment data (based on employer surveys) has been slowing really since 1998, with the latest estimate of annual growth at 0.2 per cent. On the other hand the Labour Force Survey (LFS) employment data annual growth is more stable with only slight evidence of a slowdown into the final quarter of 2000, where growth was 0.8 per cent (and the subsequent estimate for the period December 2000 – February 2001 up a little at 1.1 per cent). Part of the difference here is driven by the LFS not taking in to account those with more than one job and also timing issues.

Both ILO and claimant count continue to show unemployment falling, with the ILO rate falling by 0.2 percentage points to 5.2 per cent between Dec 2000–Feb 2001, and the claimant count rate at 3.3 per cent in the first quarter of 2001 down a little on 3.4 per cent in the last quarter of 2000. Here it is difficult to see much slowdown in the rates of improvement in either of these series (chart 10).

Earnings data remains subdued despite perceptions of a tight labour market. While the headline rate accelerated to 5.0 per cent in February



from 4.5 per cent in January, this increase was largely accounted for by high city bonuses (chart 11). The index excluding bonuses increased slightly to 4.1 per cent up from 3.8 per cent in January, but both figures in 2001 were quite a way lower than the figures seen in the latter part of 2000.



Prices

Similarly the governments' inflation target measure, RPIX, at 1.9 per cent in March, continues a run of low inflation figures, again with figures for 2001 and 2000 lower than in 1999. Lastly, there has also been a recent sharp fall in headline output producer prices. The recent acceleration of these prices since 1999 has been dominated by increases to the price of oil; the latest declines not only reflect the fall in the price of oil, but also falling inflation at the factory gate more generally.

Forecasts for the UK Economy

A comparison of independent forecasts, April 2001

The tables below are extracted from HM Treasury's "FORECASTS FOR THE UK ECONOMY" and summarise the average and range of independent forecasts for 2001 and 2002, updated monthly.

	Independent Forecasts for 2001		
	Average	Lowest	Highest
GDP growth (per cent)	2.4	1.7	3.2
Inflation rate (Q4: per cent)			
- RPI	1.7	0.5	2.9
- RPI excl MIPs	1.9	1.3	2.6
Unemployment (Q4: mn)	1.01	0.90	1.10
Current Account (£ bn)	-18.8	-25.6	-10.0
PSNB *(2001-02: £ bn)	-8.1	-16.0	-1.7

	Independent Forecasts for 2002		
	Average	Lowest	Highest
GDP growth (per cent)	2.7	0.4	3.4
Inflation rate (Q4: per cent)			
- RPI	2.5	1.1	3.5
- RPI excl MIPs	2.3	1.4	3.3
Unemployment (Q4: mn)	1.03	0.77	1.18
Current Account (£ bn)	-20.1	-36.2	-10.0
PSNB* (2002-03: £ bn)	-2.4	-24.0	10.0

NOTE: "FORECASTS FOR THE UK ECONOMY" gives more detailed forecasts, covering 27 variables, and is published monthly by HM Treasury, available on annual subscription, price £75. Subscription enquiries should be addressed to Miss C T Coast-Smith, Public Enquiry Unit, HM Treasury, Room 110/2, Parliament Street, London SW1P 3AG (Tel: 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 - May 2001

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Overview

In 2000 quarter three, EU15 quarterly GDP growth, while it moderated for the fourth consecutive quarter, remained relatively strong. Inflation was on a moderate upward trend and unemployment continued to fall. Within the EU, German GDP growth slowed sharply, but French GDP growth continued to expand robustly. GDP growth in Italy was similar to that in France. US GDP growth slowed sharply, driven primarily by investment. 2001 also saw US unemployment increasing. Industrial production fell for the first time since 1991. In Japan, GDP growth rebounded and employment growth was positive for the first time in many quarters, but it is unclear how firmly based this is and deflation continued.

EU15

EU15 quarterly GDP growth slowed a little to 0.6 per cent in 2000 quarter three, from 0.8 per cent in the previous quarter. 2000 quarter three is the fourth consecutive quarter in which growth has moderated (chart 1).

Chart 1

EU15 - GDP growth

Percentage change, quarters

Seasonally adjusted



Chart 1 shows how quarterly growth peaked in 1999 quarter three, at 1.1 per cent. Nevertheless, the slowdown was modest and overall, growth in 2000 is set to remain robust, with the rate comparing quarter three with the same quarter a year ago at 3.3 per cent.

The mild slowdown in 2000 quarter three was mainly due to the GDP contribution of consumption declining quite considerably to 0.2 per cent, from 0.5 per cent in the previous quarter. The increase in the contribution of investment and net exports, however, mitigated the weaker consumption contribution.

Industrial production grew robustly over the last two years, but slowed in the latest quarter, from 1.9 per cent in 2000 quarter two to 1.0 per cent and 0.6 per cent in quarter four. However, because the series is volatile,

not too much should necessarily be read into the deceleration in the last two quarters.

Echoing the slowdown in consumption, retail sales growth slowed sharply in 2000 quarter four. It fell by 0.3 per cent, from a 0.3 per cent increase in the previous quarter. On an annual basis, growth of 0.6 per cent in 2000 quarter four represents the first quarter of growth significantly below the trend growth of around 2.0 per cent over the last two years.

There were clear signs of inflationary pressures over the last two years, however, this was largely the result of rising oil prices. Consumer price inflation has steadily increased, from 1.1 per cent in 1999 quarter four to 2.8 per cent in 2000 quarter four. The equivalent figures for producer price inflation were minus 1.8 per cent and 5.0 per cent. The fall in oil prices at the end of 2000 is picked up by the monthly data: in December 2000, producer price inflation declined quite sharply by 0.8 percentage point to 4.4 per cent, but the decline in consumer price inflation was more modest.

Annual earnings growth declined moderately by 0.1 percentage points to 3.5 per cent in 2000 quarter four. The earnings series tends to be relatively stable. Since 1998, earnings growth has averaged around 3.0 per cent. Quarterly employment growth in the EU has slowed; from 1.1 per cent in 2000 quarter two to 0.9 per cent in 2000 quarter three and 0.5 per cent in 2000 quarter four. The series tends to be rather volatile and, as a result, the slowdown in employment growth in recent quarters is not necessarily indicative of a slackening in job creation. The unemployment rate has now been on a downward trend for several years. It reached 8.0 per cent in 2000 quarter four, down from 8.2 per cent in the previous quarter.

Germany

GDP growth slowed sharply in 2000 quarter three and four. After four quarters of robust growth, quarterly growth fell to 0.3 and 0.2 per cent

respectively, set against growth in 2000 quarter two of 1.2 per cent. The source of this slowdown in the 2000 quarter four GDP performance were zero growth in the contribution of consumption and investment, and a negative contribution of 0.3 per cent from net exports. Only government expenditure and stock building contributed to growth, by 0.1 and 0.3 per cent respectively.

Looking at recent trends in the contribution of demand components, despite being volatile, the contribution of consumption has been robust in the last three years. This is at odds with the retail sales series, which has shown a subdued picture. The series is also very volatile and does not appear to display any trend. Quarterly retail sales growth fell by 1.2 per cent in 2000 quarter four. The contribution of investment has been similar to that of consumption in the last three years: volatile but overall robust. Finally, the contribution of net exports has deteriorated since 2000 quarter two, after four quarters of relatively strong contribution.

From an output perspective, quarterly growth in industrial production fell sharply (chart 2), from 2.2 per cent in 2000 quarter three to a fall of 0.5 per cent in 2000 quarter four, following seven quarters of mostly strong expansion. Such falls have been seen in the past, so it is unclear whether it is indicative of future trends.



Despite the slowdown in GDP, employment growth remained robust. Quarterly employment growth has been strong since 2000 quarter two, recording 1.3 per cent, 0.9 per cent and 0.9 per cent consecutively. Unemployment has continued to decline, by 0.1 percentage point to 7.9 per cent in 2000 quarter four, after having peaked at 10.0 per cent in 1997 quarter four.

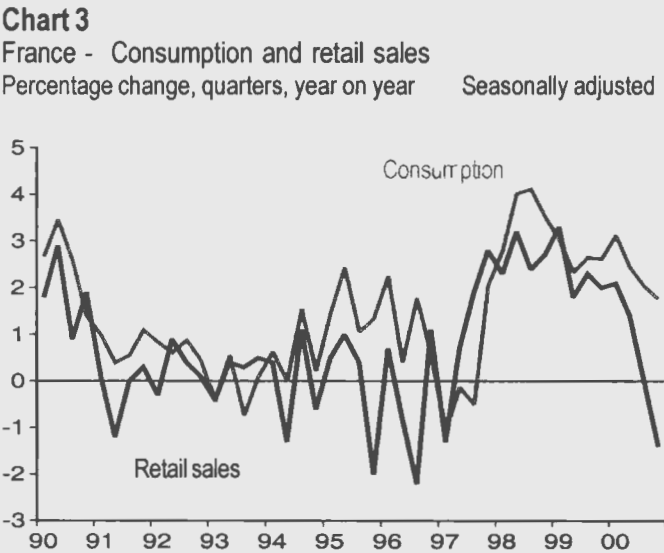
Perhaps reflecting stronger GDP growth in 1999 and certainly rising oil prices in that period, consumer price inflation has resumed an upward trend since 1999 quarter one, when it reached a trough at 0.3 per cent.

It stood at 2.4 per cent in 2000 quarter four. Producer price inflation, while more volatile, has followed a similar trend: it moved from a fall of 2.4 per cent in 1999 per cent to a rise of 4.5 per cent in 2000 quarter four. Annual earnings growth has resumed a mostly upward trend since 1998 quarter one, when it bottomed at 1.3 per cent, to 3.3 per cent in 2000 quarter four. This resumption in higher earnings growth coincides with an increase in annual employment growth.

France

GDP growth in France has been very strong since 1997 with quarterly growth close to around 1.0 per cent in most quarters. However, growth weakened a little in 2000 but then recovered in quarter four, with growth of 0.9 per cent up from 0.7 per cent in quarter three. 2000 quarter four was strongly driven by a 0.5 per cent contribution of investment and 0.3 per cent contribution of net exports. In contrast, consumption contributed only 0.2 per cent while stock building reduced growth by 0.1 per cent.

Despite its weak contribution in 2000 quarter four, consumption has been strong throughout the GDP expansion of the last three years. The same is true of investment growth, which has been exceptionally strong since 1997. Strong annual consumption was echoed by high levels of retail sales growth, peaking at above 3.0 per cent in 1999 quarter one (chart 3).



In 2000, however, quarterly retail sales growth fell off sharply and quarterly growth has been negative since 2000 quarter two. The interpretation of this is unclear, as this has only been echoed to a limited extent by the consumption data.

Growth in industrial production has been fairly volatile since 1997. Growth in 2000 saw an increase over 1999, but this was dominated by a

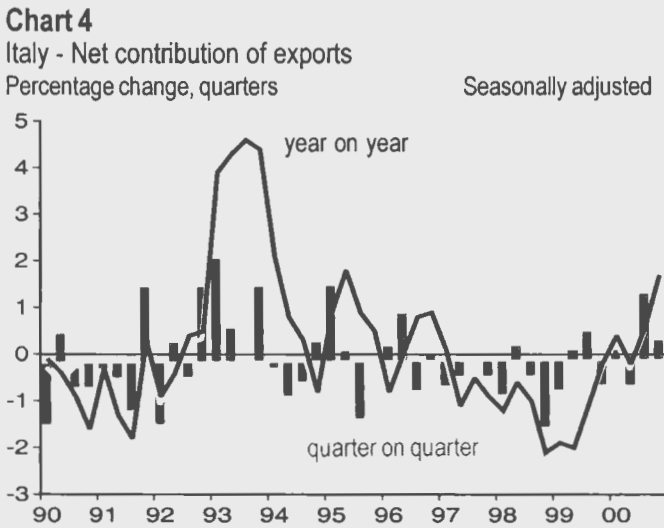
particularly strong third quarter. Subsequently, growth weakened in quarter four.

The robust expansion in GDP since 1997 has been accompanied by relatively strong growth in employment. The trend in employment growth has been clearly upward, with no signs of slackening. Quarterly employment growth of 0.8 per cent in 2000 quarter one represents the highest quarterly growth rate since 1989 quarter two. As a result, unemployment has been continuously falling in recent years, although it remains high, at 8.9 per cent in 2000 quarter four, down from its peak of 12.5 per cent in 1994 quarter two. Robust employment growth has been accompanied by higher annual earnings growth, which picked up strongly from 2.0 per cent in 1999 quarter two to 5.0 per cent in 2000 quarter four.

As with other EU economies, after falling in much of the 1990s, consumer price inflation has started increasing strongly in 1999, largely in response to rising oil prices. Consumer price inflation stood at 1.9 per cent in 2000 quarter three and four.

Italy

In line with France, Italian GDP growth was strong in 2000. In 2000 quarter four, quarterly GDP growth was 0.9 per cent, up from 0.6 per cent in the previous quarter. 2000 quarter four GDP growth was mainly driven by a strong contribution of 0.4 per cent from net exports. The contributions of consumption, government and stock building were all more modest and the contribution from investment was zero. This continues the medium term trend, whereby Italian GDP has been dominated by the economy shifting to being a net exporter rather than net importer, as seen in chart 4.



Quarterly industrial production growth has been cyclical in the 1990s but did not display a clear trend on an annual basis. Growth has been quite strong since 1999 quarter three and was 1:2 per cent in 2000 quarter

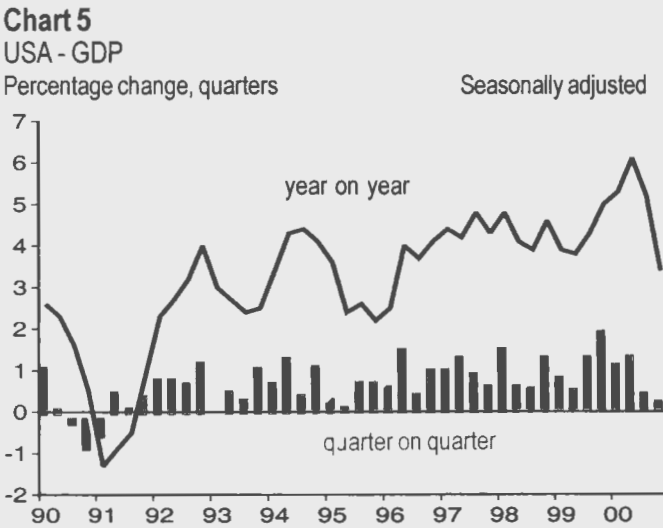
four, up from a particularly weak rate of 0.3 per cent in the previous month.

While extremely volatile, quarterly employment growth has tended to improve since 1993. On an annual basis, growth became positive in 1995 quarter four. It has been quite strong since 1999, reaching 2.8 per cent in 2000 quarter four. The recent strong growth in employment has been accompanied by a relatively modest fall in unemployment, from a peak of 11.9 per cent in 1998 quarter three to 10.0 per cent in 2000 quarter four.

Consumer price inflation has followed a declining trend in the 1990s, in line with other EU economies. Consumer price inflation started increasing again, however, from a trough of 1.2 per cent in 1999 quarter one to 2.9 per cent in 2001 quarter one. This was essentially caused by rising oil prices, as earnings have remained subdued, growing by 1.9 per cent in 2000 quarter four.

USA

Quarterly GDP growth fell sharply in 2000 quarter three to 0.5 per cent, from 1.4 per cent in the previous quarter (chart 5).



The slowdown continued in 2000 quarter four, with growth of only 0.3 per cent. Weak GDP growth in 2000 quarter four occurred despite a fairly high contribution of 0.5 per cent from consumption. Net exports and stock building reduced growth by 0.2 per cent and 0.1 per cent respectively, while the contribution from investment was only 0.1 per cent.

Both consumption and investment made strong contributions to GDP in 1999 and 2000, but both slowed in the second part of 2000. Net exports, however, have been a drag on GDP growth for both years, with the balance deteriorating significantly in 1997 and remaining at that level.

Over recent months, the decline in industrial production has been significant, with growth falling by 0.2 percentage points in 2000 quarter four and the falls continuing into 2001. This represents the first fall in industrial production since 1991 quarter one. On a monthly basis, industrial production has declined in every month between October 2000 and February 2001.

Employment growth was high throughout the decade, even though growth has slowed down since 1997. Annual growth slowed to 1.1 per cent and 1.0 per cent in 2000 quarter three and four respectively, from 1.6 per cent in the previous quarter. Following the long decline in unemployment, the rate stabilised at 4 per cent in each quarter of 2000; monthly data shows an increase to 4.2 per cent in January and February 2001.

Annual consumer price inflation has been increasing since 1999, from 1.7 per cent in 1999 quarter one to 3.4 per cent in 2000 quarter four. Producer price inflation started rising strongly in 1998, from deflation of 1.5 per cent in 1998 to inflation of 3.4 per cent in 2000 quarter four. Inflation has increased as a result of rising oil prices but also possibly due to a sharp increase in earnings growth since 1999. US earnings appeared to accelerate quite sharply in 1999 and in the start of 2000, but growth then moderated in the second quarter and finally picked up again to 3.5 per cent in quarter four, from 2.9 per cent in quarter three.

Japan

The growth of the Japanese economy resumed in 1999 but growth has remained subdued and very volatile. 2000 quarter four quarterly growth was 0.8 per cent, a strong rebound from the 0.6 per cent fall in the previous quarter. A similar sharp movement occurred in 2000 quarter one and two, when GDP growth moved from 2.4 per cent to 0.2 per cent. 1999 was no less volatile.

The economy's move out of recession in 1999 occurred despite the contribution from consumption deteriorating sharply since late 1997 and turning negative in 1999. Similarly, the contribution from investment over that period was either negative or weak. GDP growth was instead driven by government demand and a sharp increase in the contribution from net exports.

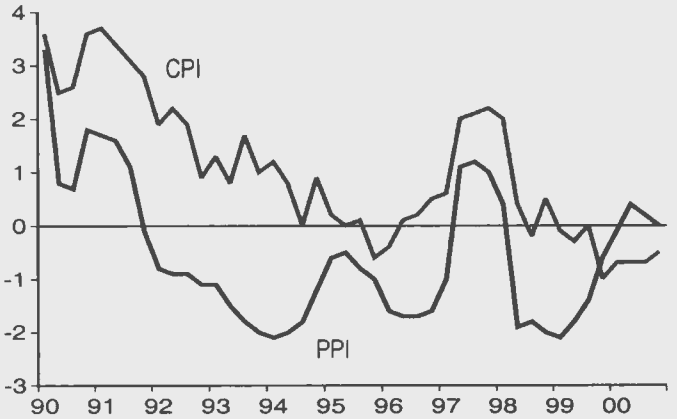
Quarterly industrial production growth has recovered strongly since 1999 quarter three but showed signs of renewed weakness in the latest period. Production slowed to 0.3 per cent in 2000 quarter four and then fell by 2.7 per cent in 2001 quarter one.

Employment resumed positive annual growth of 0.2 per cent in 2000 quarter four. This was the first positive annual rate since 1997 quarter four. Reflecting the weak employment growth performance, unemployment

has increased sharply since 1997 and in 2000 quarter four unemployment was 4.8 per cent.

Since mid-1998, Japan has suffered from consumer price inflation (chart 6).

Chart 6
Japan - Consumer and producer price inflation
Percentage change, quarters, year on year Seasonally adjusted



Consumer price deflation was 0.5 per cent in 2000 quarter four. Similarly, producer prices have been falling in most quarters since 1997 quarter three, except in 2000, where there has been some mild inflation or zero inflation. Deflation has occurred in Japan despite rising oil prices and some recovery in earnings growth since the beginning of 1999. Earnings growth was 1.6 per cent in 2000 quarter three and 1.1 per cent in quarter four.

World Trade

World trade in goods increased sharply in 1999 and stabilised at a high level in 2000. Quarterly export growth was 3.1 per cent in 2000 quarter three and 2.4 per cent in quarter two, while quarterly import growth was

Chart 7
World trade in goods
Percentage change, quarter on quarter Seasonally adjusted

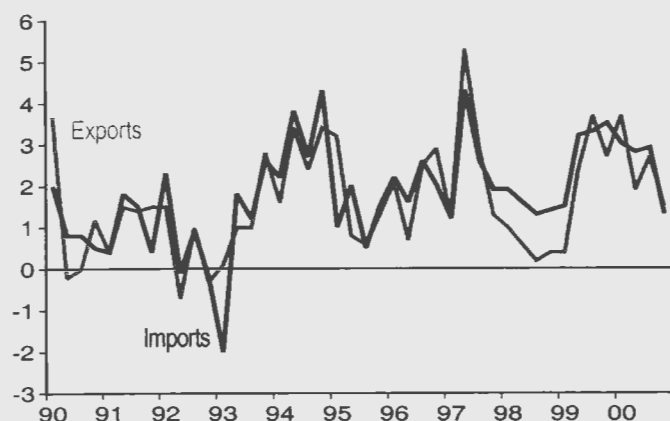


Chart 8

OECD Trade in Goods

Percentage change, quarter on quarter

Seasonally adjusted



3.4 per cent in 2000 quarter three and 3.3 per cent in the previous quarter (chart 7 and 8).

Movements in OECD goods trade were very similar to world trade, as OECD countries account for the bulk of international trade. OECD trade data is available in quarter four and shows a sharp fall in quarterly trade growth, with export and import growth of goods respectively falling from 2.7 and 2.9 per cent in 2000 quarter three to 1.5 and 1.3 per cent in 2000 quarter four. 2000 quarter four trade data reflects the slowdown of the US economy.

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.

For world trade, goods includes manufactures, along with food, beverages and tobacco, basic materials and fuels.

Data for France, Germany, Italy, the USA and Japan has been updated to SNA93 basis, EU 15 tables are only available on an 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.

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

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

1 European Union 15

Contribution to change in GDP														
	GDP	PFC	GFC	GFCF	ChgStk ¹	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
Percentage change on a year earlier														
	ILGB	HUDS	HUDT	HUDU	HUDV	HUDW	HUDX	ILGV	ILHP	HYAB	ILAI	ILAR	ILIJ	GADR
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	0.6	10.7
1996	1.6	1.1	0.3	0.4	-0.5	1.4	1.2	0.6	0.6	2.5	0.7	3.7	0.5	10.8
1997	2.6	1.3	0.1	0.7	0.2	3.1	2.7	3.9	1.5	2.0	0.9	3.2	0.8	10.6
1998	2.8	1.9	0.3	1.2	0.3	2.0	2.9	3.7	2.9	1.8	-0.4	2.5	1.8	9.9
1999	2.6	1.9	0.4	1.1	-0.2	1.6	2.2	1.8	2.1	1.2	-	3.0	1.7	9.2
2000	..	..	..	..	..	..	..	4.6	2.1	2.5	4.8	..	1.8	8.3
1998 Q1	3.6	1.8	0.2	1.4	0.5	3.4	3.8	5.7	2.6	1.8	0.7	2.9	1.7	10.2
Q2	2.8	1.8	0.2	1.0	0.4	2.5	3.1	4.6	2.6	2.2	0.2	2.8	1.7	10.0
Q3	2.7	2.1	0.3	1.3	0.2	1.5	2.6	3.3	3.3	1.6	-0.8	2.8	1.7	9.9
Q4	2.1	2.0	0.4	1.0	0.2	0.7	2.2	1.4	2.9	1.4	-1.7	1.8	1.8	9.7
1999 Q1	2.0	2.0	0.4	1.0	-0.1	0.3	1.6	0.5	2.3	1.1	-1.8	2.8	1.7	9.5
Q2	2.2	1.8	0.4	1.2	-0.2	0.8	1.7	0.6	1.6	1.1	-0.9	2.8	1.7	9.3
Q3	2.6	1.8	0.4	1.1	-0.2	1.9	2.4	2.1	1.9	1.2	0.5	2.7	1.9	9.1
Q4	3.4	1.9	0.4	1.2	-0.2	3.1	3.0	4.2	2.8	1.5	2.4	3.6	2.0	8.9
2000 Q1	3.6	1.7	0.3	1.2	-0.2	3.9	3.3	4.1	2.8	2.2	4.1	3.6	1.7	8.7
Q2	3.7	1.9	0.4	1.1	0.2	3.9	3.7	5.6	2.8	2.3	4.8	3.6	1.8	8.4
Q3	3.3	1.7	0.3	0.9	0.1	3.8	3.6	4.8	2.1	2.7	5.1	3.5	1.8	8.2
Q4	..	..	..	..	..	..	..	4.0	0.6	2.8	5.0	..	1.9	8.0
2001 Q1	..	..	..	..	..	..	..	..	..	..	..	..	..	..
2000 Feb	..	..	..	..	..	..	..	4.8	4.7	2.2	4.2	..	..	8.7
Mar	..	..	..	..	..	..	..	4.9	0.9	2.2	4.6	..	..	8.6
Apr	..	..	..	..	..	..	..	5.5	2.8	2.1	4.4	..	..	8.5
May	..	..	..	..	..	..	..	6.5	3.7	2.2	4.9	..	..	8.4
Jun	..	..	..	..	..	..	..	4.7	1.9	2.6	5.2	..	..	8.3
Jul	..	..	..	..	..	..	..	4.7	1.9	2.5	5.0	..	..	8.2
Aug	..	..	..	..	..	..	..	5.1	1.9	2.5	4.8	..	..	8.2
Sep	..	..	..	..	..	..	..	4.5	2.8	2.9	5.3	..	..	8.2
Oct	..	..	..	..	..	..	..	3.6	-	2.8	5.5	..	..	8.1
Nov	..	..	..	..	..	..	..	3.8	0.9	2.9	5.2	..	..	8.0
Dec	..	..	..	..	..	..	..	4.7	0.9	2.7	4.4	..	..	8.0
2001 Jan	..	..	..	..	..	..	..	..	..	2.7	3.7	..	..	8.0
Feb	..	..	..	..	..	..	..	..	..	2.7	3.3	..	..	8.0
Percentage change on previous quarter														
	ILGL	HUDY	HUDZ	HUEA	HUEB	HUEC	HUED	ILHF	ILHZ				ILIT	
1998 Q1	0.8	0.7	0.1	0.3	0.2	0.5	1.0	1.3	1.3				-0.3	
Q2	0.4	0.4	0.1	0.1	-0.1	0.4	0.5	0.5	0.7				1.1	
Q3	0.6	0.5	0.1	0.4	-	0.1	0.3	0.3	0.7				0.7	
Q4	0.3	0.4	0.1	0.2	0.2	-0.3	0.3	-0.6	0.3				0.3	
1999 Q1	0.7	0.6	0.1	0.3	-0.1	0.1	0.4	0.4	0.7				-0.4	
Q2	0.6	0.2	0.1	0.3	-0.2	0.9	0.6	0.6	-				1.1	
Q3	1.1	0.5	0.1	0.3	-	1.1	1.0	1.8	0.9				1.0	
Q4	1.0	0.5	0.1	0.2	0.2	0.9	1.0	1.4	1.2				0.4	
2000 Q1	0.9	0.5	0.1	0.3	-0.2	0.9	0.7	0.4	0.6				-0.7	
Q2	0.8	0.5	0.1	0.1	0.1	0.9	0.9	1.9	-				1.1	
Q3	0.6	0.2	0.1	0.2	-0.1	1.1	0.9	1.0	0.3				0.9	
Q4	..	..	..	..	..	..	..	0.6	-0.3				0.5	
2001 Q1	..	..	..	..	..	..	..	..	..				..
Percentage change on previous month														
								ILKF	ILKP					
2000 Feb								1.3	1.8					
Mar								0.5	-1.8					
Apr								0.6	-					
May								1.2	1.8					
Jun								-0.9	-1.8					
Jul								1.0	0.9					
Aug								0.8	-					
Sep								-0.4	-					
Oct								-0.3	-0.9					
Nov								0.9	0.9					
Dec								0.7	-					
2001 Jan								..	..			
Feb								..	..			

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

2 Germany

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl ¹	Unempl
Percentage change on a year earlier														
	ILFY	HUBW	HUBX	HUBY	HUBZ	HUCA	HUCB	ILGS	ILHM	HVLL	ILAF	ILAO	ILIG	GABD
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	0.1	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	-0.4	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	-0.3	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	1.4	9.3
1999	1.4	1.4	-	0.6	0.2	1.4	2.2	1.6	0.5	0.6	-1.0	2.6	1.0	8.6
2000	3.1	1.0	0.3	0.7	0.1	4.2	3.2	6.2	1.3	1.9	3.4	..	1.6	8.1
1998 Q1	3.0	0.9	-	1.0	0.5	3.0	2.4	6.2	0.8	1.2	0.7	1.3	1.1	9.8
Q2	1.7	0.5	-	0.4	0.5	2.8	2.5	4.8	-0.8	1.4	0.2	1.8	1.7	9.5
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	1.0	9.1
Q4	1.0	1.5	0.3	0.1	0.7	-	1.6	1.4	1.9	0.4	-1.7	2.2	1.8	8.8
1999 Q1	0.6	1.4	-	0.2	0.7	-0.1	1.5	-0.5	1.6	0.3	-2.4	2.5	0.8	8.7
Q2	1.0	1.5	-0.1	0.6	0.3	0.6	1.9	0.4	-0.3	0.5	-1.7	2.4	0.2	8.6
Q3	1.6	1.3	0.1	0.8	-0.1	1.9	2.4	1.8	-0.2	0.7	-0.7	2.7	1.7	8.6
Q4	2.5	1.3	-	0.9	-0.1	3.1	2.8	4.4	0.7	1.0	0.6	3.0	1.4	8.5
2000 Q1	2.6	0.5	0.3	0.9	-0.7	4.3	2.7	4.9	-0.7	1.7	2.3	2.8	1.6	8.2
Q2	4.0	1.6	0.4	0.8	-	4.0	2.8	7.0	4.5	1.6	2.6	2.4	2.0	8.1
Q3	3.3	1.0	0.1	0.5	0.7	3.9	2.9	7.3	2.1	2.0	3.7	3.3	1.5	8.0
Q4	2.6	0.8	0.3	0.5	0.5	4.8	4.2	5.6	-0.4	2.4	4.5	..	1.6	7.9
2001 Q1	-	..	..	..	..	..	..	..	..	..	..	..	..	..
2000 Feb	..	..	..	..	..	..	..	5.9	2.0	1.8	2.4	..	..	8.2
Mar	..	..	..	..	..	..	..	6.1	-3.9	1.9	2.4	..	..	8.2
Apr	..	..	..	..	..	..	..	6.8	6.6	1.5	2.1	..	..	8.2
May	..	..	..	..	..	..	..	8.9	7.6	1.4	2.7	..	..	8.1
Jun	..	..	..	..	..	..	..	5.2	-0.8	1.9	2.9	..	..	8.1
Jul	..	..	..	..	..	..	..	7.9	-0.1	1.9	3.3	..	..	8.0
Aug	..	..	..	..	..	..	..	6.7	2.2	1.8	3.5	..	..	8.0
Sep	..	..	..	..	..	..	..	7.2	4.4	2.5	4.3	..	..	7.9
Oct	..	..	..	..	..	..	..	5.4	-1.9	2.4	4.6	..	..	7.9
Nov	..	..	..	..	..	..	..	5.8	-	2.4	4.7	..	..	7.9
Dec	..	..	..	..	..	..	..	5.6	0.9	2.2	4.2	..	..	7.8
2001 Jan	..	..	..	..	..	..	..	8.4	1.9	2.4	4.6	..	..	7.8
Feb	..	..	..	..	..	..	..	..	..	2.6	4.7	..	..	7.8
Percentage change on previous quarter														
	ILGI	HUCC	HUCD	HUCE	HUCF	HUCG	HUCH	ILHC	ILHW					ILIQ
1998 Q1	1.1	0.9	0.3	0.3	0.1	0.3	0.8	2.4	1.4					-0.7
Q2	-0.5	-0.3	-	-0.3	0.1	0.5	0.5	-0.1	-0.7					1.5
Q3	0.3	0.5	-	0.3	0.1	-0.3	0.2	0.5	0.7					-0.1
Q4	-	0.3	0.1	-0.2	0.4	-0.5	0.1	-1.4	0.4					1.1
1999 Q1	0.8	0.9	-	0.4	0.1	0.2	0.7	0.6	1.2					-1.7
Q2	-0.1	-0.2	-0.1	0.1	-0.2	1.2	0.9	0.7	-2.6					0.9
Q3	0.9	0.4	0.1	0.5	-0.4	1.0	0.7	1.9	0.8					1.4
Q4	0.9	0.3	-	-0.1	0.5	0.7	0.5	1.1	1.3					0.8
2000 Q1	1.0	0.1	0.3	0.4	-0.6	1.4	0.6	1.1	-0.2					-1.5
Q2	1.2	0.8	-	-	0.4	0.9	1.0	2.7	2.5					1.3
Q3	0.3	-0.2	-0.1	0.2	0.3	0.9	0.8	2.2	-1.5					0.9
Q4	0.2	-	0.1	-	0.3	1.5	1.8	-0.5	-1.2					0.9
2001 Q1	..	..	..	..	..	..	..	..	..					..
Percentage change on previous month														
								ILKC	ILKM					
2000 Feb								1.9	2.5					
Mar								0.3	-2.3					
Apr								1.3	2.8					
May								2.3	4.4					
Jun								-2.7	-7.4					
Jul								3.1	1.4					
Aug								0.4	1.6					
Sep								-0.3	-0.5					
Oct								-0.8	-2.4					
Nov								0.6	0.6					
Dec								-	1.9					
2001 Jan								2.2	-0.3					
Feb												

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ChgStk = Change in Stocks at constant market prices
Exports = Exports of goods and services
Imports = Imports of goods and services
IoP = Industrial Production

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

3 France

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	Imports	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
1995	1.9	0.9	—	0.4	0.5	1.7	1.6	2.5	—	1.7	5.2		2.4	0.9	11.7
1996	1.0	0.7	0.5	—	-0.6	0.7	0.3	0.7	-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	3.9	1.0	1.2	-0.6		2.6	0.7	12.3
1998	3.3	2.0	0.1	1.2	0.6	2.0	2.5	5.3	2.6	0.8	-0.9		2.2	1.6	11.8
1999	3.2	1.5	0.6	1.4	-0.3	1.0	1.0	2.0	2.4	0.5	-1.6		2.5	1.9	11.3
2000	3.2	1.3	0.4	1.3	0.2	3.6	3.6	3.3	0.6	1.7	2.1		5.2	2.4	9.5
1998 Q1	3.3	1.5	0.1	1.1	0.5	3.2	3.1	7.7	2.3	0.9	0.5		2.4	1.2	11.9
Q2	3.6	2.2	—	1.2	0.9	2.4	3.1	6.8	3.2	1.1	-0.3		2.0	1.6	11.8
Q3	3.4	2.3	—	1.3	0.4	1.7	2.2	4.0	2.4	0.7	-1.4		2.1	1.8	11.8
Q4	3.0	1.9	0.1	1.3	0.7	0.6	1.6	2.7	2.7	0.4	-2.3		2.0	1.8	11.8
1999 Q1	2.9	1.7	0.5	1.5	-0.1	—	0.6	1.1	3.3	0.2	-2.7		2.0	2.0	11.7
Q2	2.8	1.3	0.6	1.4	-0.3	0.4	0.6	0.5	1.8	0.4	-2.3		2.0	1.9	11.5
Q3	3.2	1.5	0.6	1.3	-0.7	1.5	0.9	2.6	2.3	0.5	-1.6		2.7	1.8	11.2
Q4	3.7	1.4	0.6	1.3	-0.2	2.3	1.7	4.1	2.0	1.0	—		3.4	2.0	10.7
2000 Q1	3.6	1.7	0.4	1.2	-0.1	3.3	2.9	3.8	2.1	1.5	1.2		5.2	2.2	10.2
Q2	3.4	1.3	0.3	1.2	—	3.8	3.3	3.6	1.4	1.5	2.1		5.4	2.3	9.6
Q3	3.0	1.1	0.4	1.3	0.8	3.4	4.0	3.3	—	1.9	2.7		5.2	2.4	9.4
Q4	2.8	1.0	0.3	1.6	-0.1	4.0	4.0	2.3	-1.4	1.9	2.4		5.0	2.7	8.9
2001 Q1	..	..	..	..	..	..	..	..	..	..	..		..	..	..
2000 Feb	..	..	..	..	..	..	..	3.9	2.5	1.4	1.2		..	..	10.2
Mar	..	..	..	..	..	..	..	4.1	2.0	1.5	1.4		..	..	10.0
Apr	..	..	..	..	..	..	..	4.3	-0.9	1.3	1.9		..	..	9.8
May	..	..	..	..	..	..	..	3.2	4.1	1.5	2.1		..	..	9.6
Jun	..	..	..	..	..	..	..	3.2	1.1	1.7	2.2		..	..	9.4
Jul	..	..	..	..	..	..	..	3.7	-1.6	1.7	2.6		..	..	9.4
Aug	..	..	..	..	..	..	..	3.7	1.7	1.8	2.7		..	..	9.4
Sep	..	..	..	..	..	..	..	2.6	0.1	2.2	2.7		..	..	9.3
Oct	..	..	..	..	..	..	..	2.4	-1.2	1.9	2.5		..	..	9.1
Nov	..	..	..	..	..	..	..	1.6	-1.4	2.2	2.4		..	..	8.9
Dec	..	..	..	..	..	..	..	3.0	-1.4	1.5	2.5		..	..	8.8
2001 Jan	..	..	..	..	..	..	..	2.9	2.1	1.1	2.6		..	..	8.7
Feb	..	..	..	..	..	..	..	..	0.1	1.3	2.5		..	..	8.6
Percentage change on previous quarter															
	ILGJ	HUBQ	HUBR	HUBS	HUBT	HUBU	HUBV	ILHD	ILHX					ILIR	
1998 Q1	0.8	0.4	-0.1	0.3	0.4	0.6	0.9	1.8	-0.1					0.4	
Q2	1.0	0.8	—	0.4	0.1	0.3	0.6	1.2	1.1					0.6	
Q3	0.6	0.3	0.1	0.3	—	0.1	0.1	-0.5	0.7					0.5	
Q4	0.6	0.4	0.1	0.3	0.2	-0.3	0.1	0.2	1.1					0.3	
1999 Q1	0.7	0.1	0.2	0.5	-0.4	—	-0.2	0.2	0.5					0.6	
Q2	0.9	0.4	0.2	0.3	-0.1	0.6	0.5	0.5	-0.4					0.5	
Q3	1.0	0.5	0.1	0.2	-0.5	1.1	0.5	1.7	1.1					0.5	
Q4	1.1	0.3	0.1	0.3	0.7	0.5	0.9	1.6	0.8					0.5	
2000 Q1	0.6	0.4	—	0.4	-0.2	1.0	1.0	-0.1	0.6					0.8	
Q2	0.7	—	0.1	0.3	—	1.1	0.9	0.3	-1.0					0.6	
Q3	0.6	0.3	0.1	0.4	0.3	0.8	1.2	1.4	-0.3					0.6	
Q4	0.9	0.2	0.1	0.5	-0.1	1.1	0.8	0.6	-0.7					0.7	
2001 Q1	..	..	..	..	..	..	..	..	..					..
Percentage change on previous month															
								ILKD	ILKN						
2000 Feb								0.6	0.7						
Mar								0.3	—						
Apr								-0.2	-2.6						
May								0.1	2.5						
Jun								0.1	-1.0						
Jul								1.5	-0.2						
Aug								—	-0.1						
Sep								-0.4	-0.3						
Oct								0.6	-0.9						
Nov								0.3	0.9						
Dec								0.2	-0.2						
2001 Jan								-0.3	3.4						
Feb								..	-1.2						

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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

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
Percentage change on a year earlier														
	ILGA	HUCI	HUCJ	HUCK	HUCL	HUCM	HUCN	ILGU	ILHO	HYAA	ILAH	ILAQ	ILII	GABE
1995	2.9	1.0	-0.4	1.1	0.2	3.1	2.1	5.8	0.5	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	-1.6	1.3	4.0	1.8	3.1	0.5	11.7
1997	2.0	1.9	-	0.4	0.3	1.7	2.3	3.9	0.9	2.0	1.3	3.6	0.4	11.7
1998	1.8	1.8	0.1	0.8	0.3	1.0	2.2	1.4	1.1	2.0	0.1	2.8	1.2	11.8
1999	1.6	1.4	0.3	0.9	0.4	-	1.3	-0.1	1.1	1.7	-0.2	2.3	1.2	11.4
2000	2.9	1.8	0.3	1.2	-1.0	2.9	2.2	4.0	-0.6	2.5	5.9	2.1	1.9	10.5
1998 Q1	3.0	1.8	-	1.3	1.1	2.8	4.0	5.3	0.7	2.0	1.2	2.2	1.0	11.8
Q2	1.7	1.7	-	1.0	-0.5	1.4	2.0	2.5	1.7	2.1	0.6	3.1	0.9	11.9
Q3	1.9	1.8	0.1	0.8	0.2	0.4	1.4	0.3	1.0	2.1	-0.1	2.8	1.1	11.9
Q4	0.7	2.0	0.1	0.2	0.4	-0.6	1.5	-2.3	1.0	1.7	-1.2	3.0	1.5	11.8
1999 Q1	1.1	1.8	0.2	0.5	0.5	-1.2	0.7	-1.3	1.3	1.2	-1.8	3.0	1.2	11.6
Q2	1.3	1.2	0.2	0.7	1.3	-0.9	1.1	-2.5	0.3	1.4	-1.4	2.1	1.3	11.4
Q3	1.4	1.4	0.3	1.0	-0.2	0.2	1.3	0.5	0.3	1.7	-	2.3	1.2	11.3
Q4	2.7	1.3	0.3	1.4	-0.1	2.0	2.2	3.1	2.3	2.1	2.2	1.8	1.4	11.1
2000 Q1	3.3	1.5	0.3	1.4	-0.5	2.0	1.6	3.5	-0.6	2.6	4.6	1.9	1.2	11.0
Q2	2.9	2.1	0.3	1.4	-0.7	2.3	2.5	5.6	-0.3	2.6	6.2	2.5	1.5	10.6
Q3	2.7	1.9	0.2	1.2	-1.2	3.9	3.3	3.6	-	2.6	6.7	2.0	2.1	10.3
Q4	2.7	1.5	0.2	0.8	-1.5	3.3	1.6	3.4	-1.3	2.6	6.5	1.9	2.8	10.0
2001 Q1	..	..	..	..	..	..	..	..	..	2.9	..	..	..	..
2000 Mar	..	..	..	..	..	..	..	3.7	-1.9	2.5	5.4	1.9	..	10.8
Apr	..	..	..	..	..	..	..	4.0	-	2.3	5.3	2.1	..	10.6
May	..	..	..	..	..	..	..	7.8	-	2.5	6.4	2.7	..	10.6
Jun	..	..	..	..	..	..	..	5.0	-1.0	2.7	6.9	2.9	..	10.6
Jul	..	..	..	..	..	..	..	2.9	1.0	2.6	6.6	2.0	..	10.5
Aug	..	..	..	..	..	..	..	3.6	-1.9	2.6	6.5	2.0	..	10.3
Sep	..	..	..	..	..	..	..	3.9	1.0	2.6	6.8	2.0	..	10.2
Oct	..	..	..	..	..	..	..	2.3	-1.0	2.6	6.8	1.9	..	10.0
Nov	..	..	..	..	..	..	..	2.6	-1.9	2.7	6.7	1.9	..	10.0
Dec	..	..	..	..	..	..	..	5.3	-1.0	2.7	6.2	1.9	..	10.0
2001 Jan	..	..	..	..	..	..	..	3.7	-1.0	3.0	5.4	1.9	..	9.9
Feb	..	..	..	..	..	..	..	..	..	3.0	4.9	2.0	..	..
Mar	..	..	..	..	..	..	..	..	..	2.8	..	..	..	..
Percentage change on previous quarter														
	ILGK	HUCO	HUCP	HUCQ	HUCR	HUCS	HUCT	ILHE	ILHY				ILIS	
1998 Q1	0.1	0.6	-	0.1	0.2	0.5	1.2	-0.8	0.7				-0.7	
Q2	0.4	0.6	0.1	0.1	-0.6	0.1	-0.2	0.5	1.0				1.1	
Q3	0.6	0.3	-	0.1	0.5	-0.5	-0.2	-0.8	-				1.4	
Q4	-0.5	0.5	0.1	-	0.4	-0.7	0.7	-1.3	-0.7				-0.3	
1999 Q1	0.5	0.4	0.1	0.4	0.2	-0.1	0.5	0.3	1.0				-1.0	
Q2	0.6	-	0.1	0.2	0.1	0.4	0.2	-0.8	-				1.2	
Q3	0.7	0.5	0.1	0.4	-0.9	0.6	-	2.3	-				1.3	
Q4	0.8	0.5	0.1	0.4	0.4	1.1	1.6	1.3	1.3				-0.1	
2000 Q1	1.1	0.5	0.1	0.4	-0.1	-	-0.2	0.7	-1.9				-1.2	
Q2	0.2	0.6	-	0.2	-0.2	0.7	1.2	1.2	0.3				1.5	
Q3	0.6	0.2	-	0.1	-1.3	2.1	0.7	0.3	0.3				1.9	
Q4	0.9	0.1	0.1	-	0.1	0.4	-	1.2	-				0.6	
2001 Q1	..	..	..	..	..	..	..	..	..				..
Percentage change on previous month														
								ILKE	ILKO					
2000 Mar								0.3	-1.0					
Apr								-0.7	1.0					
May								2.5	-					
Jun								-0.8	-					
Jul								-0.8	1.0					
Aug								1.2	-1.9					
Sep								-	1.9					
Oct								-0.6	-1.0					
Nov								1.1	1.0					
Dec								2.1	-1.0					
2001 Jan								-1.8	-1.0					
Feb												
Mar												

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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

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl ¹	Unempl
Percentage change on a year earlier														
	ILGC	HUDG	HUDH	HUDI	HUDJ	HUDK	HUDL	ILGW	ILHQ	ILAA	ILAJ	ILAS	ILIK	GADO
1995	2.7	2.0	—	0.9	-0.5	1.0	0.9	4.8	3.6	2.8	2.9	2.6	1.5	5.6
1996	3.6	2.1	0.1	1.5	—	0.9	1.0	4.6	4.9	2.9	2.3	3.3	1.4	5.4
1997	4.4	2.4	0.3	1.6	0.4	1.4	1.7	6.7	4.1	2.3	0.3	3.1	2.3	5.0
1998	4.4	3.1	0.2	2.1	0.2	0.3	1.6	4.7	6.4	1.6	-1.1	2.5	1.5	4.5
1999	4.2	3.5	0.3	1.9	-0.4	0.3	1.5	4.2	8.6	2.1	1.8	2.9	1.5	4.2
2000	5.0	3.6	0.3	1.9	0.2	1.1	2.1	5.6	6.4	3.4	4.1	3.5	1.3	4.0
1998 Q1	4.8	2.8	0.2	2.0	0.8	0.8	1.8	6.3	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	5.3	7.5	1.6	-0.9	2.8	1.5	4.4
Q3	3.9	3.0	0.2	1.9	0.3	-0.2	1.3	4.3	5.3	1.6	-1.0	2.5	1.1	4.5
Q4	4.6	3.3	0.3	2.2	—	0.3	1.5	3.2	7.7	1.5	-0.9	1.9	1.3	4.4
1999 Q1	3.9	3.4	0.4	2.0	-0.8	—	1.2	3.3	9.0	1.7	—	1.8	1.7	4.3
Q2	3.8	3.4	0.1	1.8	-0.5	0.2	1.4	3.8	7.8	2.2	1.1	2.8	1.4	4.3
Q3	4.3	3.5	0.3	1.9	-0.4	0.6	1.8	4.4	9.3	2.4	2.4	3.7	1.4	4.2
Q4	5.0	3.7	0.4	1.9	0.1	0.5	1.8	5.1	8.3	2.6	3.2	3.6	1.5	4.1
2000 Q1	5.3	4.0	0.2	2.1	-0.1	0.9	2.0	5.8	8.5	3.4	4.6	4.3	1.6	4.0
Q2	6.1	3.6	0.5	2.2	0.7	1.2	2.2	6.5	7.0	3.3	4.4	2.9	1.6	4.0
Q3	5.2	3.5	0.3	1.9	0.4	1.3	2.3	5.9	6.3	3.5	3.9	2.9	1.1	4.0
Q4	3.4	3.0	0.1	1.5	-0.3	0.8	1.8	4.3	4.1	3.4	3.4	3.5	1.0	4.0
2001 Q1	..	..	..	..	..	..	..	..	..	..	..	..	..	..
2000 Feb	..	..	..	..	..	..	..	5.9	8.6	3.3	5.0	4.5	1.7	4.1
Mar	..	..	..	..	..	..	..	5.7	8.0	3.8	5.2	3.6	1.7	4.0
Apr	..	..	..	..	..	..	..	6.4	7.6	3.0	4.0	2.7	2.1	4.0
May	..	..	..	..	..	..	..	6.4	6.7	3.1	4.2	2.7	1.2	4.1
Jun	..	..	..	..	..	..	..	6.8	6.6	3.7	5.0	3.6	1.3	4.0
Jul	..	..	..	..	..	..	..	5.6	6.7	3.7	4.4	3.6	1.0	4.0
Aug	..	..	..	..	..	..	..	5.9	6.0	3.4	3.6	2.7	1.0	4.1
Sep	..	..	..	..	..	..	..	6.1	6.3	3.4	3.8	2.6	1.1	3.9
Oct	..	..	..	..	..	..	..	5.0	5.7	3.4	3.6	3.5	1.0	3.9
Nov	..	..	..	..	..	..	..	4.4	3.9	3.5	3.5	3.5	0.9	4.0
Dec	..	..	..	..	..	..	..	3.4	2.5	3.4	2.9	3.5	1.1	4.0
2001 Jan	..	..	..	..	..	..	..	2.2	..	3.5	2.9	2.6	0.8	4.2
Feb	..	..	..	..	..	..	..	1.2	..	3.4	1.9	2.6	0.7	4.2
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	0.9	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	0.9	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	0.9	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	1.5	2.0				0.6	
Q4	2.0	1.0	0.2	0.5	0.5	0.3	0.4	1.4	2.0				0.3	
2000 Q1	1.2	1.2	-0.1	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	
Q3	0.5	0.7	-0.1	0.1	-0.1	0.4	0.7	0.9	1.4				0.1	
Q4	0.3	0.5	—	0.1	-0.2	-0.2	-0.1	-0.2	-0.2				0.2	
2001 Q1	..	..	..	..	..	..	..	..	..				..
Percentage change on previous month														
								ILKG	ILKQ				ILLA	
2000 Feb								0.5	1.0				0.4	
Mar								0.6	-0.2				0.5	
Apr								0.7	-0.3				0.6	
May								0.7	0.3				-0.2	
Jun								0.5	0.1				0.8	
Jul								-0.2	0.9				—	
Aug								0.7	0.4				-0.4	
Sep								0.2	0.2				-0.5	
Oct								-0.2	—				0.6	
Nov								-0.3	-0.6				—	
Dec								-0.3	0.1				0.3	
2001 Jan								-0.6	..				-1.2	
Feb								-0.5	..				0.2	

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

Contribution to change in GDP																
	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP ¹	Sales	CPI	PPI	Earnings ²	Empl	Unempl		
Percentage change on a year earlier																
	ILGD	HUCU	HUCV	HUCW	HUCX	HUCY	HUCZ	ILGX	ILHR	ILAB	ILAK	ILAT	ILIL	GADP		
1995	1.6	0.8	0.6	—	0.6	0.3	0.9	3.0	0.1	-0.1	-0.7	2.9	0.1	3.1		
1996	3.4	1.0	0.4	2.0	0.3	0.6	1.0	2.2	0.7	0.1	-1.7	2.6	0.5	3.4		
1997	1.9	0.6	0.2	0.2	—	1.1	0.1	4.0	-1.9	1.7	0.6	2.8	1.0	3.4		
1998	-1.1	0.1	0.3	-1.2	-0.6	-0.2	-0.6	-6.7	-5.5	0.7	-1.3	-0.8	-0.6	4.1		
1999	0.8	0.7	0.6	-0.2	-0.2	0.1	0.2	1.0	-2.0	-0.3	-1.5	-0.7	-0.8	4.7		
2000	1.7	0.3	0.6	0.3	0.1	1.2	0.8	5.1	-1.7	-0.7	0.1	1.7	-0.3	4.7		
1998 Q1	-2.6	-2.4	0.2	-0.8	-0.1	0.2	-0.4	-4.2	-10.0	2.0	0.4	-0.4	-0.1	3.7		
Q2	0.7	1.3	0.3	-0.7	-0.6	-0.3	-0.6	-7.9	-2.4	0.4	-1.9	-0.3	-0.6	4.1		
Q3	-0.8	1.0	0.3	-1.8	-0.9	-0.2	-0.6	-7.9	-3.8	-0.2	-1.8	-1.8	-1.0	4.2		
Q4	-1.4	0.6	0.3	-1.5	-0.8	-0.6	-0.6	-6.7	-5.2	0.5	-2.0	-0.7	-1.0	4.4		
1999 Q1	-0.4	0.2	0.5	-0.7	-0.4	-0.4	-0.3	-3.7	-4.2	-0.1	-2.1	-0.7	-1.2	4.6		
Q2	1.0	1.1	0.5	-0.2	-0.2	-0.1	0.1	0.3	-2.1	-0.3	-1.8	-1.1	-1.1	4.7		
Q3	2.1	1.6	0.7	-0.1	-0.1	0.3	0.3	2.7	-1.4	—	-1.4	-0.4	-0.6	4.7		
Q4	0.4	-0.2	0.6	0.1	—	0.7	0.8	5.1	-0.3	-1.0	-0.6	-0.5	-0.3	4.7		
2000 Q1	2.4	1.0	0.6	0.2	—	1.2	0.7	4.4	-2.9	-0.7	-0.1	2.0	-0.5	4.8		
Q2	1.1	—	0.6	-0.2	0.1	1.4	0.8	6.3	-1.9	-0.7	0.4	2.3	-0.3	4.7		
Q3	0.5	-0.7	0.5	0.2	0.1	1.2	0.8	5.3	-1.1	-0.7	0.2	1.6	-0.4	4.7		
Q4	2.8	0.8	0.6	1.1	0.2	1.0	0.9	4.4	-1.1	-0.5	—	1.1	0.2	4.8		
2001 Q1	..	..	..	..	..	..	..	0.9	..	..	..	..	..	..
2000 Mar	..	..	..	..	..	..	..	4.7	-3.3	-0.5	0.2	1.9	-0.7	4.8
Apr	..	..	..	..	..	..	..	7.3	-3.3	-0.8	0.5	2.1	-0.3	4.8
May	..	..	..	..	..	..	..	4.7	-1.1	-0.7	0.3	1.9	-0.4	4.6
Jun	..	..	..	..	..	..	..	6.9	-1.1	-0.7	0.4	2.9	-0.2	4.7
Jul	..	..	..	..	..	..	..	5.7	-1.1	-0.5	0.2	1.4	-0.1	4.7
Aug	..	..	..	..	..	..	..	6.8	-1.1	-0.8	0.3	2.1	-0.5	4.6
Sep	..	..	..	..	..	..	..	3.5	-1.1	-0.8	0.1	1.4	-0.5	4.7
Oct	..	..	..	..	..	..	..	5.0	-1.1	-0.9	—	1.1	0.1	4.7
Nov	..	..	..	..	..	..	..	3.3	-1.1	-0.5	-0.1	-0.2	0.3	4.8
Dec	..	..	..	..	..	..	..	4.9	-1.1	-0.2	—	2.3	0.1	4.9
2001 Jan	..	..	..	..	..	..	..	1.6	2.2	0.1	-0.2	-0.5	0.1	4.9
Feb	..	..	..	..	..	..	..	1.6	..	-0.1	-0.3	..	0.7	4.7
Mar	..	..	..	..	..	..	..	-0.4	..	..	..	..	..	..
Percentage change on previous quarter																
	ILGN	HUDA	HUDB	HUDC	HUDD	HUDE	HUDF	ILHH	ILIB						ILIV	
1998 Q1	-0.6	0.3	—	-0.3	-0.4	-0.3	-0.1	-1.7	-0.3						0.1	
Q2	0.1	0.2	0.2	-0.2	-0.2	-0.1	-0.3	-4.3	-2.4						-0.5	
Q3	-1.1	0.3	—	-1.2	-0.2	-0.1	—	0.3	-0.7						-0.4	
Q4	0.1	-0.1	0.1	0.2	-0.1	-0.1	-0.2	-1.1	-1.8						-0.2	
1999 Q1	0.5	-0.1	0.2	0.5	0.1	—	0.2	1.4	0.8						-0.1	
Q2	1.5	1.1	0.2	0.3	—	0.2	0.2	-0.3	-0.3						-0.4	
Q3	-0.1	0.7	0.2	-1.0	-0.1	0.3	0.2	2.7	—						0.1	
Q4	-1.5	-1.9	0.1	0.4	-0.1	0.3	0.3	1.2	-0.8						0.1	
2000 Q1	2.4	1.1	0.2	0.6	0.2	0.5	—	0.7	-1.9						-0.3	
Q2	0.2	0.1	0.2	-0.2	0.1	0.4	0.3	1.6	0.8						-0.2	
Q3	-0.6	—	0.1	-0.6	—	—	0.1	1.8	0.8						—	
Q4	0.8	-0.3	0.2	1.3	—	0.1	0.4	0.3	-0.8						0.7	
2001 Q1	-2.7	
Percentage change on previous month																
									ILKH	ILKR						ILLB
2000 Mar									2.1	—						-0.5
Apr									-0.5	—						0.4
May									0.2	1.1						-0.1
Jun									1.8	1.1						-0.1
Jul									-0.5	—						-0.2
Aug									3.3	—						0.5
Sep									-3.5	-1.1						—
Oct									1.3	—						0.2
Nov									-0.5	—						0.9
Dec									1.7	—						-1.0
2001 Jan									-3.5	2.2						0.6
Feb									-0.2	..						—
Mar									0.1

GDP = Gross Domestic Product at constant market prices
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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
IoP = Index of Production

7 World trade in goods¹

	Export of manufactures			Import of manufactures			Export of goods			Import of goods			Total trade	
	Total	OECD	Other	Total	OECD	Other	Total	OECD	Other	Total	OECD	Other	manufactures	goods
Percentage change on a year earlier														
	ILIZ	ILJA	ILJB	ILJC	ILJD	ILJE	ILJF	ILJG	ILJH	ILJI	ILJJ	ILJK	ILJL	ILJM
1992	4.3	3.3	8.5	5.3	4.3	8.2	4.2	3.6	5.9	5.0	4.1	7.7	4.8	4.6
1993	4.8	2.2	15.4	4.0	1.0	12.5	4.0	2.2	9.1	3.3	0.9	10.4	4.4	3.6
1994	12.0	9.9	19.9	12.0	12.3	11.0	10.6	9.4	14.0	10.9	10.9	10.7	12.0	10.7
1995	9.6	9.8	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	7.7	7.4	7.7	6.6	6.6	6.3	7.6	6.6	7.2	4.8	6.9	6.6
1997	11.4	11.8	10.2	10.7	11.1	9.4	10.4	11.0	9.2	9.5	9.7	8.9	11.0	10.0
1998	5.9	6.1	5.2	6.6	9.4	-0.6	5.4	5.5	4.6	5.8	8.1	-0.3	6.3	5.5
1999	6.3	5.8	8.1	8.0	10.3	1.4	5.8	5.4	6.7	6.6	8.8	0.2	7.2	6.2
2000	..	..	..	..	13.8	..	..	11.8	..	..	12.5	..	..	..
1995 Q1	13.2	13.4	12.5	13.7	14.1	12.7	12.2	13.0	10.1	12.4	12.3	12.7	13.5	12.3
Q2	10.0	10.3	8.9	12.2	11.5	13.8	9.6	10.2	7.8	11.3	10.4	13.7	11.1	10.4
Q3	8.5	9.1	6.9	10.5	9.6	12.9	7.8	8.2	6.7	9.3	8.0	12.7	9.5	8.5
Q4	6.8	6.9	6.3	7.4	6.3	10.2	6.2	6.0	6.6	6.4	5.1	9.7	7.1	6.3
1996 Q1	5.6	5.3	6.6	7.5	7.2	8.1	5.4	4.9	6.8	6.5	6.4	6.7	6.5	5.9
Q2	5.6	5.1	7.1	6.2	6.3	5.9	5.5	4.8	7.2	5.4	5.9	4.0	5.9	5.4
Q3	6.9	6.5	7.9	7.6	8.5	5.5	7.1	6.8	7.9	6.8	8.1	3.5	7.3	6.9
Q4	8.1	7.8	9.4	8.1	8.6	7.0	8.5	8.5	8.7	7.6	8.6	5.3	8.1	8.1
1997 Q1	8.4	7.9	10.3	8.0	8.0	8.2	8.0	7.5	9.4	7.5	7.5	7.3	8.2	7.7
Q2	12.4	12.9	10.6	11.4	12.2	9.5	11.5	12.3	9.5	10.0	10.4	9.1	11.9	10.8
Q3	13.1	13.9	10.3	11.6	12.2	10.0	11.8	12.8	9.1	10.2	10.4	9.6	12.3	11.0
Q4	11.7	12.3	9.7	11.5	12.1	10.0	10.4	11.1	8.7	10.1	10.4	9.4	11.6	10.3
1998 Q1	10.5	11.3	8.1	10.7	12.8	5.5	9.9	10.9	7.1	9.6	11.2	5.6	10.6	9.7
Q2	6.5	6.6	6.3	7.1	9.3	1.3	5.9	6.1	5.4	6.5	8.2	1.7	6.8	6.2
Q3	4.0	3.9	4.2	5.0	7.9	-2.8	3.4	3.3	3.7	4.4	6.9	-2.5	4.5	3.9
Q4	2.9	3.0	2.6	4.1	7.9	-5.8	2.3	2.3	2.4	3.1	6.4	-5.6	3.5	2.7
1999 Q1	2.4	2.5	2.4	4.2	7.0	-3.6	1.9	1.6	2.5	3.2	5.9	-4.3	3.3	2.5
Q2	4.0	3.7	4.9	6.4	8.9	-0.7	3.7	3.4	4.4	5.1	7.6	-1.9	5.2	4.4
Q3	7.9	7.2	10.3	9.2	11.3	2.9	7.4	7.1	8.2	7.7	9.7	1.6	8.5	7.5
Q4	11.0	9.9	14.7	12.1	13.7	7.1	10.0	9.5	11.6	10.5	12.0	5.8	11.5	10.3
2000 Q1	14.5	13.5	18.1	14.2	15.0	11.7	13.5	13.1	14.3	12.9	13.7	10.5	14.3	13.2
Q2	14.6	13.2	19.5	15.2	15.0	15.9	13.4	12.6	15.7	13.7	13.3	14.9	14.9	13.6
Q3	13.6	12.1	19.0	15.5	14.2	19.6	12.7	11.5	15.9	14.3	12.8	18.9	14.6	13.5
Q4	..	..	..	..	11.2	..	..	10.3	..	..	10.4	..	..	..
Percentage change on previous quarter														
	ILJN	ILJO	ILJP	ILJQ	ILJR	ILJS	ILJT	ILJU	ILJV	ILJW	ILJX	ILJY	ILJZ	ILKA
1995 Q1	3.0	3.4	1.8	2.0	1.5	3.4	2.8	3.2	1.6	1.6	1.0	3.4	2.5	2.2
Q2	1.1	0.9	1.6	2.3	1.9	3.3	1.0	0.8	1.6	2.4	2.0	3.2	1.7	1.7
Q3	1.0	0.9	1.5	1.2	0.7	2.2	0.9	0.6	1.6	0.9	0.5	2.0	1.1	0.9
Q4	1.5	1.5	1.3	1.8	2.1	1.1	1.4	1.3	1.6	1.3	1.5	0.8	1.6	1.4
1996 Q1	1.9	1.9	2.0	2.1	2.4	1.3	2.0	2.1	1.8	1.7	2.2	0.5	2.0	1.9
Q2	1.0	0.7	2.1	1.0	0.9	1.2	1.1	0.7	2.0	1.3	1.6	0.6	1.0	1.2
Q3	2.3	2.3	2.3	2.6	2.9	1.8	2.4	2.5	2.2	2.3	2.6	1.6	2.4	2.3
Q4	2.7	2.7	2.7	2.3	2.2	2.5	2.8	2.9	2.4	2.1	2.0	2.5	2.5	2.4
1997 Q1	2.2	2.0	2.8	2.0	1.8	2.5	1.5	1.2	2.4	1.5	1.2	2.5	2.1	1.5
Q2	4.7	5.4	2.4	4.2	4.9	2.4	4.4	5.3	2.2	3.7	4.3	2.2	4.4	4.1
Q3	2.9	3.1	2.0	2.8	2.9	2.3	2.6	2.9	1.9	2.5	2.6	2.1	2.8	2.6
Q4	1.4	1.2	2.2	2.1	2.0	2.5	1.5	1.3	2.0	2.0	1.9	2.3	1.8	1.8
1998 Q1	1.2	1.1	1.3	1.3	2.4	-1.7	1.0	1.0	0.9	1.1	1.9	-1.1	1.2	1.1
Q2	0.9	1.0	0.6	0.7	1.7	-1.7	0.6	0.6	0.6	0.7	1.6	-1.6	0.8	0.7
Q3	0.4	0.6	-	0.7	1.6	-1.8	0.2	0.2	0.2	0.4	1.3	-2.2	0.6	0.3
Q4	0.4	0.4	0.6	1.3	2.0	-0.7	0.5	0.4	0.6	0.8	1.4	-0.9	0.9	0.7
1999 Q1	0.7	0.5	1.2	1.3	1.6	0.6	0.5	0.4	1.1	1.2	1.5	0.3	1.0	0.9
Q2	2.4	2.2	3.1	2.9	3.5	1.2	2.4	2.4	2.5	2.6	3.2	0.9	2.7	2.5
Q3	4.2	3.9	5.1	3.3	3.8	1.8	3.8	3.7	3.9	2.9	3.3	1.4	3.8	3.3
Q4	3.3	2.9	4.6	4.0	4.2	3.4	3.0	2.7	3.7	3.4	3.5	3.2	3.6	3.2
2000 Q1	3.9	3.8	4.1	3.3	2.7	4.9	3.7	3.7	3.5	3.4	3.0	4.8	3.6	3.5
Q2	2.5	2.0	4.4	3.8	3.5	4.9	2.4	1.9	3.8	3.3	2.8	4.8	3.2	2.9
Q3	3.3	2.9	4.7	3.6	3.2	5.1	3.1	2.7	4.0	3.4	2.9	4.9	3.5	3.2
Q4	..	..	..	..	1.4	..	..	1.5	..	..	1.3	..	..	..

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

Source: OECD - SNA68

Regional Economic Indicators - May 2001

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Overview

London and the South East accounted for 31.7 per cent of the UK's total GDP in 1999. 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 and household disposable income per head. Labour Force Survey data shows regional employment slowing in 2000 quarter four. The claimant count rate is at its lowest level since October 1975, though the rate of decline has stabilised across the regions.

UK production output recorded negative growth, whilst UK construction output rose in 2000 quarter four. Northern Ireland and Wales' construction recorded significant downturns in 2000 quarter four, while Northern Ireland's industrial production also showed a fall in 2000 quarter four.

CBI/BSL balances in the January 2001 survey provided weak evidence of a modest increase in general business optimism across most regions except most notably in the South West where there was a strong recovery in its balance in the latest survey.

UK house price growth picked up slightly in the fourth quarter of 2000 following some slowdown, with particularly strong quarterly growth in Merseyside and Northern Ireland. However, other regions are recording a slowdown in growth.

GDP at basic prices

Regional data for GDP at basic prices and GDP at basic prices per head for 1999 has recently become available and is presented in Tables 1 and 2 respectively, but note that these are provisional estimates. An article on sub-regional and local area gross domestic product is also available in this edition of Economic Trends.

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. The provisional estimates for 1999 are consistent with estimates of UK GDP published in the 2000 edition of the UK National Accounts - The Blue Book.

In Table 1, London and the South East accounted for 31.7 per cent of the UK's total GDP in 1999, with contributions of 15.9 per cent and 15.8 per cent respectively. The South East has increased its share from 14.8 per cent in 1989 to 15.8 per cent in 1999. Northern Ireland posted an 82.3 per cent increase in value terms from 1989 to 1999 from £9.0 billion in 1989 to £17.0 billion in 1999. However, it only accounted for 2.2 per cent of the UK's total GDP in 1999 (chart 1). Annual growth for the UK was 3.8 per cent in 1999, compared to 6.1 per cent in 1998. The South East had the highest annual growth rate at 5.1 per cent, whilst the North East had

Chart 1

Regional shares of GDP 1999
percentages



the lowest annual growth of 2.3 per cent. These regional GDP estimates are residence based, locating the income of commuters to where they live rather than to their place of work.

Table 2 and chart 2, shows that London remains the richest region on the basis of GDP per head although it grew by 2.0 per cent in 1999, compared to 3.4 per cent nationally. This is also the lowest growth rate of all the regions in 1999. The highest rate recorded was in the South East at 4.1 per cent. GDP per head for all of the regions was above £10,000 for the first time. London, the South East and the East all recorded figures above the UK average in 1999. The North East had the lowest regional GDP per head in 1999, followed by Northern Ireland and Wales (chart 2).

Table 3, shows household disposable income per head increased in the UK in 1998 by 1.6 per cent, compared to an increase of 6.0 per cent in 1997. London recorded the highest monetary rate in 1998 of £11,536 followed by the South East with £10,601. Looking at annual percentage

Chart 2
GDP, £ per head, 1999



changes, Scotland recorded the largest rise of 2.8 per cent in 1998, while Northern Ireland was the only region to record a decline, of 0.2 per cent in 1998, compared to an increase of 6.5 per cent in 1997. The regions to record the slowest rate of positive growth was the North East and the East Midlands both with 0.3 per cent and the South East and Wales, both with growth of 0.6 per cent in 1998. All regions recorded a decline in the rate of growth in 1998 compared to 1997. Significant slowdown in the rates of increase in 1998 compared to 1997 of more than 6.0 per cent was seen in the East, the South East and Northern Ireland.

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, is now showing a mixed picture across the regions in the fourth quarter of 2000. The UK rate increased modestly to 0.3 per cent in the latest quarter compared to an increase of 0.2 per cent in the previous quarter. The largest decline of 1.0 per cent was seen in the South West and this is the biggest rate of quarterly decline seen since the series began in 1992 quarter three. Other regions to record negative quarterly growth are the North East with a decline of 0.1 per cent compared to a fall of 0.5 per cent in the previous quarter; the East Midlands with a decline of 0.4 per cent

compared to a fall of 0.8 per cent in the previous quarter; Wales which recorded a decline of 0.6 per cent compared to an increase of 0.8 per cent and Northern Ireland which recorded a decline of 0.3 per cent compared to an increase of 3.1 per cent in the previous quarter. Positive growth of 2.0 per cent and 0.9 per cent occurred in the East and in the North West respectively, reversing the previous quarter's decline of 1.3 per cent.

National year-on-year growth to 2000 quarter four remained at 1.1 per cent for the second successive quarter. All regions except the East Midlands and Northern Ireland showed positive growth over the year to 2000 quarter four. The East Midlands recorded a decline of 0.3 per cent compared to an increase of 0.7 per cent in the previous quarter and Northern Ireland's annual growth slowed further to record negative growth of 0.4 per cent over the year in contrast to the previous quarter's decline in annual growth of 0.6 per cent. On the other hand, employment increased over the same period by 3.6 per cent in the East and by 2.4 per cent in Scotland, which has now recorded three successive quarters of increasing growth.

Employee jobs, in table 11 and claimant count data in tables 7 and 8 have been revised due to a major change in methodology. The Annual Business Inquiry has replaced the Annual Employment Survey as the source of information on employee jobs. The data series have been revised and therefore comparisons can not be made with the data published in February's Regional Economic Indicators Article in Economic Trends.

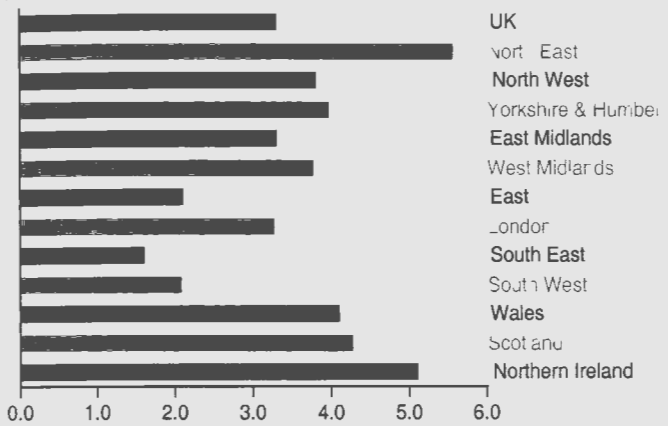
Employee jobs (from Employer Surveys), in table 11, increased in all regions in 2000 quarter four. It should be noted that the data is not seasonally adjusted, but looking at quarterly percentage changes it is difficult to detect any seasonal patterns. The picture is mixed across the regions with some regions reporting an improvement in employee jobs compared to the previous quarter whilst other regions have reported slowing positive growth. However, the annual growth of employee jobs is showing signs of slowing down in most regions. The only exception is the East Midlands, which recorded a fall in employee jobs, and the East, which recorded no growth. The regions to record a major improvement are Yorkshire and the Humber, the South West, Wales and Scotland.

Looking at 2000 as a whole, annual growth in the UK slowed to 0.9 per cent in 2000, compared to growth of 1.4 per cent in 1999. Negative annual growth was seen in the North West, the East, London, the South East, the South West, Wales and Scotland. The North East improved its growth, dramatically reversing the fall in growth in 1999 of 0.1 per cent to 10.4 per cent in 2000.

The downward trend in the UK **claimant count rate**, table 8, continued throughout the early part of 2001, but most regions have not declined any

further during the last couple of months of 2000. The national rate now stands at 3.3 per cent in March 2001, the lowest level since August 1975. The South East's rate of 1.6 per cent is the lowest since the series began in March 1986. The South West's rate fell to 2.1 per cent and was last seen at this rate in October 1974 (chart 3).

Chart 3
Claimant count rate - March 2001
percentages



In Table 6, the rate of **ILO unemployment**, now seasonally adjusted and showing quarterly data, declined by 0.2 percentage points in the UK to stand at 5.2 per cent in 2000 quarter four, 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 fallen by 5.4 percentage points. Most regions recorded a decline in their unemployment rates apart from the West Midlands, which increased by 0.2 percentage points to 6.0 per cent, the South East, which increased by 0.3 percentage points to 3.4 per cent, and Northern Ireland, which increased by 0.3 percentage points to 6.1 per cent. On the other hand, the rate fell sharply in the North East, by 1.0 percentage points over the same period, to stand at 8.0 per cent, its lowest rate since the series began in 1992 quarter two, and in Scotland by 0.9 percentage points, to stand at 6.0 per cent, also its lowest rate since the series began in 1992 quarter two. Rates also fell in Yorkshire and the Humber, the East and Wales.

Long-term claimant count rates as a percentage of the unemployed, table 7 (now including monthly data), is showing most regions recording a slight increase in the latest data, except for the West Midlands and London which both recorded a modest decrease in the latest month of 2001. For the UK as a whole, the rate increased by 0.1 percentage points from the period February 2001 to March 2001 to stand at 19.7 per cent. If the data is looked at from the start of 2001, the North East, the South West, Wales and Northern Ireland all increased slightly over this period. 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, presenting a mixed picture with around half the regions showing an increase and half showing a decline in the latest data of winter 2000.

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 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 £529.80 of all of the regions in the April 2000 survey. Comparing growth rates of April 1999 and April 2000 shows a mixed picture. Significant declines over this period were seen in the West Midlands falling 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 from 3.0 per cent to 3.5 per cent, the South West from 3.1 per cent to 3.9 per cent and Wales from 2.8 per cent to 4.1 per cent.

Industrial Production and Construction

UK industrial production output, table 12, recorded a decline of 0.7 per cent in 2000 quarter four, a reversal from the previous quarter's growth of 0.7 per cent. It should be kept in mind that the data for the index of industrial production and construction are prone to revisions. Manufacturing output, which accounts for the bulk of production, increased by 0.6 per cent in the fourth quarter of 2000, which represents a decrease of 0.2 percentage points on the previous quarter. In the first quarter of 2000, growth fell away to record a decline of 0.7 per cent because of parallel falls in the chemicals and engineering industries. Growth in the second quarter was largely due to a reversal of this decline in the engineering and allied industries. Furthermore, within the engineering and allied industries growth in recent quarters has also been very unevenly distributed. Over the year to quarter four, UK production output slowed to 0.7 per cent, a decrease from the previous quarter's annual growth of 1.3 per cent. However, this is the sixth consecutive quarter of positive annual growth. Annual growth in 2000 as a whole increased substantially to 1.5 per cent, compared to 0.5 per cent in 1999.

UK construction output, table 13, rose by 0.9 per cent in 2000 quarter

four, following the previous quarter's decline of 1.8 per cent. This reverses two consecutive quarters of negative growth. On an annual basis, output recorded a fall of 0.5 per cent in the fourth quarter of 2000, still an improvement from the previous quarter's decline of 0.9 per cent. Annual growth in 2000 as a whole rose to 1.6 per cent, compared to 0.8 per cent in 1999.

Wales' industrial production, table 12, followed a similar pattern to the UK as a whole between 1994 and 1998. More recently, the decline in output seen in 1998 has been reversed in 1999. The growth in Welsh production output in 1999 and the first two quarters of 2000 is mainly due to growth in the manufacturing sector. The latest industrial production data shows an improvement in quarterly growth to 0.8 per cent in 2000 quarter four, compared with a fall of 1.6 per cent in the previous quarter. Annual growth showed growth of 0.3 per cent in the fourth quarter of 2000, in contrast with a decrease of 0.8 per cent in the third quarter of 2000. Annual growth in 2000 as a whole increased to 1.8 per cent compared to 1.1 per cent in 1999.

Wales' construction output, table 13, shows in the latest data a sharp fall of 7.7 per cent in 2000 quarter four, compared with a decline of 3.5 per cent in the previous quarter and continues a long term trend of decline. On an annual basis the latest figures are showing a fall of 8.9 per cent, compared with the year-on-year decline of only 4.9 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. This is the eleventh consecutive quarter of negative annual growth. Between 1995 and 2000 output has declined to stand at 14.0 per cent below 1995 levels, compared to growth of 8.0 per cent in the UK. Annual growth in 2000 as a whole declined to 7.2 per cent, compared to negative growth of 5.2 per cent in 1999.

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

Scotland's industrial production, table 12, recorded negative growth of 1.0 per cent in the third quarter, compared to growth of 0.7 per cent in the previous quarter. Year-on-year growth recorded its first decline of 2.2 per cent for the first time since the data series began in 1996 quarter one. This compares with growth of 0.4 per cent in the previous quarter. Annual growth for 1999 as a whole rose to 3.0 per cent, compared to 2.5 per cent in 1998.

Scotland's construction output, table 13, shows in the latest figures quarterly negative growth of 2.8 per cent in 2000 quarter three, compared to a fall of 3.6 per cent in the previous quarter. This is the second successive quarter of negative growth. Annual growth slowed considerably to 1.8

per cent in the third quarter of 2000, compared with growth of 7.1 per cent in 2000 quarter two. Annual growth for 1999 as a whole was 3.5 per cent, compared to a decline of 2.8 per cent in 1998.

Northern Ireland's industrial production, table 12, recorded negative growth of 0.2 per cent in the fourth quarter of 2000, compared to positive growth of 4.8 per cent in the previous quarter. This is the first quarterly negative growth since the fourth quarter of 1998. More generally, growth since 1996 quarter three has been relatively strong, probably reflecting the impact of political developments on the economy. Annual growth has continued to be relatively robust but slowed to 6.7 per cent in the fourth quarter of 2000, compared with 7.5 per cent in the third quarter of 2000. Annual growth has been positive since 1996 quarter one. Annual growth for 2000 as a whole rose from 7.0 per cent in 1999 to 7.4 per cent, the highest rate increase since the series began in 1995.

Northern Ireland's construction output, table 13, growth in the fourth quarter of 2000 fell by a further 5.4 per cent, following a fall of 5.2 per cent in the previous quarter. Revisions to this data makes analysis difficult, as the series is very erratic but it now shows two successive quarters of negative growth. Annual growth slowed further to a modest 5.4 per cent in 2000 quarter four, compared with 11.4 per cent in the previous quarter. However before this decline the annual growth rate for 2000 quarter two of 14.1 per cent was the highest rate 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 provide evidence of an improvement in general business optimism across most regions in the January survey, with the South West improving in all areas.

Table 14 shows that businesses in most regions were more **optimistic about the business situation** in January than in October, but with more regions recording a negative balance for manufacturing business optimism in the latest survey. Most of the regions recorded an improvement though some of the balances still remained negative. Balances in the West Midlands and Wales decreased substantially. The recovery in balance was strongest in Yorkshire and the Humber as well as the South West.

UK manufacturing output, as measured by CBI/BSL balances for **volume of output** in table 15, increased in most regions in the January survey. The only regions to show a negative balance are the North East, the North West and Yorkshire and the Humber. Substantial increases were

seen in the South West and Scotland.

The overall CBI/BSL balance for **volume of new orders**, table 16, showed a different picture in the January survey compared to the October survey. The only three regions to record a negative balance were the North East, the North West and the West Midlands but all three regions did record an improvement in the latest survey. The East, the South West and Northern Ireland all moved from a negative balance in quarter three to a positive balance in quarter four.

Volume of new export orders, table 17, also showed an improvement in the January survey compared to the October survey. The recovery in balances was strongest in Yorkshire and the Humber, the East Midlands, the South West and Scotland. Balances worsened considerably in Wales and Northern Ireland in the latest survey. Export order balances were largely in line with those of new orders, apart from Northern Ireland where the balances for new export orders worsened as the balances for new orders improved.

The percentages of **firms working below capacity**, table 18, showed a fairly even picture in terms of increases and decreases across the regions; however, the UK as a whole saw a slight improvement. Significant improvements could also be seen in Yorkshire and the Humber and the South West, which recorded its best figure since the survey began in October 1994. On the other hand, percentages deteriorated significantly in Northern Ireland and to a lesser extent in the North West and the East.

The Housing Market

In Table 20, UK **house prices** growth picked up to 3.0 per cent in the fourth quarter of 2000, compared to 1.9 per cent in the previous quarter.

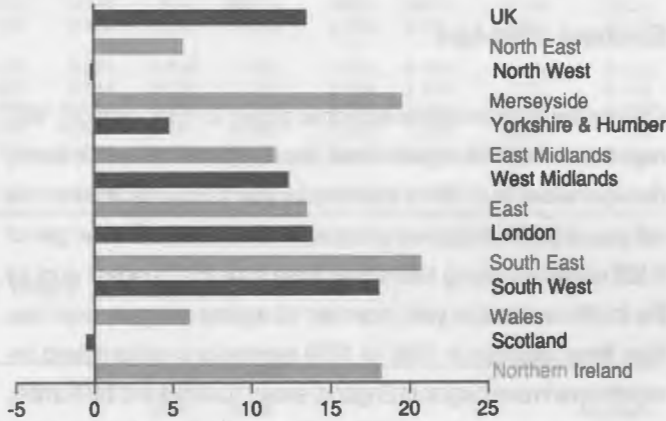
The quarterly growth in UK house prices is somewhat lower than earlier quarters, but there has still been an acceleration between the latest quarters. At the same time the picture is mixed across the regions. All regions except the North West, Yorkshire and the Humber and Scotland recorded positive growth. The strongest quarterly growth of 11.2 per cent occurred in Merseyside, compared to growth of 1.0 per cent in the previous quarter. This is the highest rate of quarterly growth since the series began in 1993 quarter three. Other regions, which recorded strong growth, are Northern Ireland of 8.5 per cent, the highest rate of quarterly growth since 1994 quarter three. This was followed by growth of 7.4 per cent in London, reversing the previous quarter's negative growth of 5.4 per cent. The decline worsened in the North West to 4.1 per cent in the latest quarter, compared to a fall of 0.7 per cent in the previous quarter. A sharp fall occurred in Yorkshire and the Humber, where negative growth of 1.3 per cent reversed the previous quarter's strong positive growth of 6.3 per cent. The situation is difficult to interpret, as quarter four has seen

modest growth in some regions, while others are recording a slowdown in growth.

Year-on-year growth to 2000 quarter four in the UK increased to 13.5 per cent, up from 13.0 per cent in the previous quarter. Annual growth was highest in the South East, at 20.8 per cent, an increase from 20.2 per cent in the previous quarter. This is the third consecutive quarter of annual growth above twenty per cent. Annual growth above 15.0 per cent was recorded in Merseyside, at 19.6 per cent to record its highest rate of annual growth since the series began in 1994 quarter one, the South West at 18.0 per cent, an increase from 16.9 per cent seen in the previous quarter and in Northern Ireland of 18.3 per cent, a significant increase from the previous quarter's growth of 8.7 per cent. The North East reversed the situation in the latest quarter to record annual growth of 5.7 per cent compared to negative growth of 5.5 per cent in the previous quarter. The North West recorded a sharp fall in annual growth to record negative growth of 0.2 per cent in 2000 quarter four, significantly down from the previous quarter's growth of 6.1 per cent. This is the first occurrence of negative growth since 1996 quarter two. Scotland recorded a second successive quarter of negative growth of 0.5 per cent, a slight worsening of the situation in the previous quarter where negative growth of 0.3 per cent was observed. Slowdown in annual growth rates was observed in the Yorkshire and the Humber and the East (chart 4).

Chart 4

House prices - 2000 Q4 on 1999 Q4
annual percentage change



Looking at 2000 as a whole, annual growth in UK house prices was 14.3 per cent, up from 11.5 per cent in 1999. The regions growing above the UK average were the East at 17.5 per cent, an increase from 8.5 per cent in 1999, London at 18.0 per cent, down from 23.4 per cent in 1999, the South East at 19.4 per cent, an increase from 11.6 per cent in 1999 and the South West, at 16.5 per cent, an increase from 11.4 per cent in 1999. The region with the least growth was Scotland, growing at 3.0 per cent in 2000, although this represents an improvement compared with the increase of 2.3 per cent in 1999.

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 four shows a worsening picture across the regions with all regions recording negative growth in the latest data. Data for the UK is not available for 2000 quarter four. Data for 2000 quarters two and three is now available for Scotland. Scotland recorded quarterly growth of 9.2 per cent in 2000 quarter three. Wales, the East and the South East recorded the greatest negative growth in the latest data of 40.5 per cent, 30.8 per cent and 30.0 per cent respectively.

Year-on-year growth also shows a slowdown in the latest data. London recorded the highest rate of annual growth of 9.8 per cent, a decrease from the previous quarter's annual growth of 32.7 per cent. The only other region to record positive growth was the North East of 3.2 per cent. The East Midlands and the South East recorded negative growth of 24.0 per cent and 20.9 per cent respectively. Scotland recorded annual growth of 10.5 per cent in 2000 quarter three, a decline from the previous quarter's growth of 18.9 per cent.

Annual rates for 2000 as a whole are now available for the all of the regions except Scotland. Significant positive growth was seen in London at 7.8 per cent in 2000, compared to a decline of 0.7 per cent in 1999, and in the Northern Ireland, where growth was 2.6 per cent in 1999. Growth in Yorkshire and the Humber was negative, falling by 9.1 per cent in 2000 compared to an increase of 2.7 per cent in 1999. All of the remaining regions except the North East, the East, the South West and Wales all recorded negative growth in 2000.

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 product¹ at basic prices

Government Office Regions

£ million and percentages

Percentage of the UK²

	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	452 437	17 156	49 365	34 848	30 439	37 956	45 885	68 907	66 979	34 118	385 653	19 007	38 448	9 329
1993	562 857	21 480	60 664	42 952	37 124	46 859	55 928	86 574	83 817	42 529	477 927	23 191	49 302	12 437
1994	593 931	22 074	63 938	44 752	39 023	49 577	59 824	91 118	88 936	44 607	503 851	24 463	52 273	13 344
1995	622 389	22 975	66 007	47 108	40 976	52 407	62 416	93 843	93 319	47 385	526 437	25 989	55 667	14 297
1996	657 775	23 755	68 937	50 043	44 184	54 851	66 484	99 490	100 614	50 128	558 483	27 017	57 338	14 936
1997	700 567	24 202	72 414	53 182	47 261	57 783	72 698	108 559	108 276	53 580	597 956	28 010	58 650	15 952
1998	743 314	25 294	75 275	55 457	49 413	61 130	77 962	118 499	116 024	56 064	635 117	29 541	62 153	16 501
1999	771 849	25 875	77 562	57 554	50 906	63 495	81 793	122 816	121 956	58 151	660 108	30 689	64 050	17 003

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

Source: National Statistics

2 UK less Extra-Region and statistical discrepancy.

2 Gross domestic product¹ 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	7 888	6 614	7 199	7 042	7 621	7 242	9 012	10 135	8 805	7 297	8 069	6 624	7 544	5 893
1993	9 671	8 216	8 783	8 563	9 102	8 855	10 772	12 494	10 834	8 927	9 852	7 978	9 614	7 610
1994	10 170	8 441	9 248	8 901	9 519	9 352	11 467	13 088	11 441	9 311	10 349	8 393	10 168	8 114
1995	10 619	8 796	9 547	9 354	9 944	9 869	11 889	13 406	11 918	9 828	10 771	8 900	10 818	8 654
1996	11 185	9 111	9 980	9 927	10 673	10 309	12 582	14 107	12 761	10 351	11 384	9 240	11 162	8 964
1997	11 871	9 301	10 494	10 541	11 371	10 845	13 657	15 266	13 634	11 008	12 141	9 562	11 429	9 507
1998	12 548	9 741	10 909	10 983	11 848	11 455	14 530	16 532	14 510	11 447	12 845	10 063	12 117	9 754
1999	12 972	10 024	11 273	11 404	12 146	11 900	15 094	16 859	15 098	11 782	13 278	10 449	12 512	10 050

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

Source: National Statistics

2 UK less Extra-Region and statistical discrepancy.

3 Household disposable income¹: £ 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	7 760	7 065	7 308	7 229	7 208	7 097	8 230	9 279	8 504	7 602	7 855	6 981	7 705	6 511
1994	8 007	7 105	7 529	7 415	7 562	7 381	8 520	9 584	8 857	7 759	8 116	7 228	7 772	6 913
1995	8 429	7 429	7 905	7 736	7 875	7 862	8 891	10 093	9 292	8 282	8 534	7 692	8 197	7 373
1996	8 855	7 819	8 335	8 270	8 383	8 106	9 269	10 608	9 810	8 693	8 980	7 997	8 570	7 559
1997	9 389	8 151	8 813	8 629	8 926	8 428	10 170	11 292	10 475	9 317	9 549	8 380	8 866	8 048
1998	9 542	8 177	8 987	8 835	8 956	8 613	10 372	11 536	10 601	9 370	9 704	8 428	9 113	8 033

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

Source: National Statistics

4 Individual consumption expenditure¹: £ 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 pay¹

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	LRGO	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	360.4

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 active¹, 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	YCNH	YCNH	YCNH	YCNJ	YCNK	YCNL	YCNM	YCNN	MGXW
1997 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
Q3	5.4	9.0	5.4	6.1	4.8	5.8	3.7	7.0	3.1	4.0	5.1	6.5	6.9	5.8
Q4	5.2	8.0	5.2	5.6	4.6	6.0	3.4	6.9	3.4	3.9	5.0	6.2	6.0	6.1

1 Periods are calendar quarters.

Source: Labour Force Survey, National Statistics

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

7 Long-term claimant count as a percentage of the unemployed¹ (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
2000 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
Oct	22.2	23.0	20.6	20.4	20.1	24.5	20.2	26.7	19.3	17.5	19.6	21.0	30.8
Nov	21.8	22.2	20.2	20.0	19.8	24.1	19.6	26.4	18.9	16.8	19.2	20.6	30.8
Dec	21.1	22.1	19.4	19.2	18.9	23.5	18.8	26.0	18.1	16.1	18.6	20.0	30.8
2001 Jan	19.8	20.9	18.1	17.9	17.4	22.2	17.3	25.4	16.9	14.7	17.3	18.3	30.2
Feb	19.6	21.0	18.0	17.6	17.1	21.8	16.6	25.0	16.7	14.5	17.2	18.1	30.6
Mar	19.7	21.3	18.1	17.8	17.3	21.7	16.6	24.7	16.8	14.8	17.5	18.3	31.3

1 Computerised claims only.

Source: National Statistics

	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
1997	5.3	8.1	5.9	6.1	4.7	5.3	4.0	6.2	3.3	4.2	6.2	6.2	8.1
1998	4.5	7.2	5.1	5.4	4.0	4.6	3.2	5.0	2.6	3.4	5.4	5.5	7.3
1999	4.2	7.0	4.6	5.0	3.7	4.5	2.9	4.5	2.3	3.1	5.0	5.1	6.4
2000	3.6	6.3	4.1	4.4	3.5	4.0	2.5	3.8	1.9	2.5	4.4	4.6	5.3
2000 Mar	3.8	6.6	4.3	4.6	3.6	4.1	2.6	4.0	2.0	2.7	4.5	4.9	5.5
Apr	3.7	6.4	4.2	4.5	3.5	4.1	2.6	3.9	1.9	2.6	4.4	4.8	5.4
May	3.7	6.4	4.2	4.5	3.5	4.1	2.5	3.8	1.9	2.6	4.4	4.7	5.4
Jun	3.6	6.4	4.2	4.4	3.5	4.0	2.5	3.8	1.9	2.5	4.4	4.7	5.3
Jul	3.6	6.2	4.1	4.3	3.4	4.0	2.4	3.7	1.8	2.5	4.4	4.5	5.2
Aug	3.5	6.1	4.0	4.3	3.4	4.0	2.4	3.6	1.8	2.4	4.3	4.5	5.2
Sep	3.5	6.0	4.0	4.2	3.4	3.9	2.3	3.6	1.7	2.4	4.3	4.5	5.2
Oct	3.5	6.1	4.0	4.2	3.4	4.0	2.3	3.6	1.7	2.3	4.3	4.5	5.2
Nov	3.4	6.0	3.9	4.2	3.4	4.0	2.3	3.5	1.7	2.3	4.3	4.5	5.3
Dec	3.4	6.0	3.9	4.2	3.4	4.0	2.3	3.5	1.7	2.3	4.3	4.4	5.3
2001 Jan	3.3	5.8	3.8	4.1	3.3	3.9	2.2	3.4	1.6	2.2	4.2	4.4	5.2
Feb	3.3	5.7	3.8	4.1	3.3	3.9	2.2	3.4	1.6	2.1	4.2	4.3	5.1
Mar ¹	3.3	5.6	3.8	4.0	3.3	3.8	2.1	3.3	1.6	2.1	4.1	4.3	5.1

1 Provisional.

Source: National Statistics

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	YCVJ	YCWJ	YCXJ	YCYJ	YCAJ	YCKA	YCPJ
1997 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	27 930	1 105	3 137	2 344	2 036	2 459	2 684	3 378	4 116	2 381	23 641	1 252	2 353	680
Q3	27 999	1 100	3 096	2 348	2 020	2 458	2 702	3 399	4 112	2 425	23 660	1 262	2 378	701
Q4	28 088	1 099	3 125	2 353	2 012	2 461	2 757	3 420	4 117	2 401	23 745	1 255	2 388	699

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

Redundancies, not seasonally adjusted¹

Government Office Regions

Rates²

	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	— ³	10
Summer 2000	6	— ³	7	5	9	7	5	4	7	8	— ³	6
Autumn 2000	7	— ³	8	7	6	8	6	6	6	6	— ³	7
Winter 2000	7	— ³	9	6	7	9	5	6	6	8	— ³	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	YKEG	YKEH	YEKK	YEKL	YEKM
1998	103.7	101.5	102.3	103.8	103.0	102.3	105.5	106.3	104.8	104.6	102.1	101.3	103.9
1999	105.1	101.4	105.1	103.9	103.3	102.0	106.2	109.4	107.6	104.9	104.7	102.7	106.0
2000	106.0	111.9	102.6	109.9	105.7	105.8	106.0	102.6	101.5	103.6	105.4	102.5	106.9
1999 Jun	104.6	100.4	104.5	103.7	103.3	101.3	105.7	108.2	106.8	104.7	104.3	102.9	105.4
Sep	105.7	101.4	105.7	104.2	103.0	101.8	105.9	110.0	108.7	106.1	106.4	103.7	106.5
Dec	106.3	103.1	106.3	104.1	102.6	103.1	106.2	112.2	110.0	105.9	105.6	102.1	107.1
2000 Mar	105.3	101.9	105.0	103.0	101.4	101.8	106.1	111.0	109.1	105.3	104.4	102.1	106.2
Jun	105.8	102.3	105.6	103.0	101.6	102.6	104.8	111.3	109.5	106.3	105.1	102.5	106.5
Sep	106.1	102.2	106.2	103.8	101.3	102.7	105.7	112.3	110.0	106.0	105.6	102.7	106.7
Dec	106.8	104.0	106.5	104.5	101.8	103.4	106.2	113.1	110.8	106.3	106.4	102.9	108.1

Source: National Statistics

12 Index of industrial production¹

Seasonally adjusted 1995 = 100

	United Kingdom	Scotland	Northern Ireland	Wales
	CKYW	LRFK	LRFL	TMQX
1997	102.1	108.9	107.5	101.3
1998	102.9	111.6	110.5	99.8
1999	103.4	114.9	118.2	100.9
2000	105.0	..	127.0	102.7
1997 Q4	102.0	111.0	109.8	102.9
1998 Q1	102.3	111.6	108.8	101.3
Q2	103.4	110.8	111.0	100.2
Q3	103.3	111.0	111.2	99.6
Q4	102.6	112.8	110.9	98.9
1999 Q1	102.0	113.4	113.8	99.3
Q2	102.7	114.6	116.4	100.3
Q3	104.5	116.3	121.1	102.3
Q4	104.5	115.0	121.7	102.0
2000 Q1	103.8	114.3	123.7	103.6
Q2	105.2	115.1	124.2	103.2
Q3	105.9	113.9	130.2	101.5
Q4	105.2	..	129.9	102.3

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 construction¹

Seasonally adjusted 1995 = 100

	United Kingdom	Scotland	Northern Ireland ²	Wales
	GDQB	LRZR	LRFM	TMQY
1997	104.7	101.1	..	99.6
1998	106.1	98.3	..	98.1
1999	106.9	101.7	..	93.0
2000	108.6	..	..	86.3
1997 Q4	106.3	97.5	107.4	105.5
1998 Q1	109.0	96.1	107.8	101.4
Q2	105.3	96.8	109.7	95.1
Q3	105.0	100.5	109.4	92.3
Q4	105.1	99.7	108.1	103.6
1999 Q1	105.5	93.5	97.7	97.2
Q2	106.1	100.8	106.2	94.0
Q3	107.8	103.1	103.1	92.0
Q4	108.4	109.2	103.1	88.7
2000 Q1	111.2	112.0	109.4	86.1
Q2	108.8	108.0	121.2	90.7
Q3	106.8	105.0	114.9	87.5
Q4	107.8	..	108.7	80.8

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)

Balance¹

	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	LYRS	LYRT	DCMU	DCMT	DCMS	LYRU	DCMP	DCMR	DCMX	DCMY	DCMZ
2000 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
Oct	-9	-32	-39	-11	-2	-8	-2	-24	-4	8	-6	31
2001 Jan	-3	-27	-10	14	1	-25	-11	-12	35	-20	-1	8

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)

Balance¹

	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	LYRV	LYRW	DCLW	DCLV	DCLU	LYRX	DCLR	DCLT	DCLZ	DCMA	DCMB
2000 Apr	-	-1	4	-18	26	4	8	13	13	14	16	-15
Jul	-8	-14	-20	-8	1	-14	-8	-10	-19	-8	12	-6
Oct	-3	-34	-15	-16	25	-12	3	-2	4	13	-5	10
2001 Jan	5	-9	-15	-1	14	2	6	3	30	19	9	16
Next 4 months	DCMC	LYRY	LYRZ	DCMI	DCMH	DCME	LRZA	DCMD	DCMF	DCML	DCMM	DCMN
2001 Jan	14	10	-12	13	20	8	15	10	40	35	-1	26

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)

Balance¹

	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
2000 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
Oct	-9	-37	-20	-4	21	-19	-9	-12	-3	1	-8	-4
2001 Jan	4	-11	-10	2	27	-1	5	1	18	-	6	9
Next 4 months	DCNM	LRZE	LRZF	DCNS	DCNR	DCNQ	LRZG	DCNN	DCNP	DCNV	DCNW	DCNX
2001 Jan	9	-2	-12	9	7	-2	21	22	10	34	-5	26

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)

Balance¹

	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
2000 Apr	-8	-22	20	-43	18	6	3	-1	-8	9	-4	-37
Jul	-18	-12	-14	-6	-14	-13	-7	-8	-13	11	-8	-35
Oct	-11	-12	-15	-32	2	-10	-15	10	11	-6	-2	-11
2001 Jan	-1	-1	-13	2	29	6	1	11	40	-19	13	-15
Next 4 months	DCOK	LRZK	LRZL	DCOQ	DCOP	DCOO	LRZM	DCOL	DCON	DCOT	DCOU	DCOV
2001 Jan	6	18	-12	10	21	-10	3	12	16	1	16	-

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
2000 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
Oct	59	51	59	74	47	63	53	54	65	55	47	68
2001 Jan	57	52	64	67	47	59	58	58	34	58	47	57

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

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
1999	188 473	6 977	18 705	15 230	15 911	15 615	18 463	13 364	25 168	16 707	9 311	22 154	10 868
2000	..	7 042	18 543	13 845	15 114	15 606	18 784	14 415	23 401	16 914	9 389	..	11 152
1997 Q4	44 025	1 540	4 138	3 739	3 268	2 840	4 576	4 291	6 030	4 719	1 838	4 519	2 529
1998 Q1	51 041	2 175	5 118	4 335	4 130	3 674	5 607	3 287	5 866	5 685	2 329	5 832	3 003
Q2	49 708	1 917	5 407	3 613	4 090	4 163	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	49 389	1 874	4 336	3 676	3 799	4 149	4 724	4 196	6 422	3 968	2 255	6 798	3 192
Q2	49 226	1 761	5 032	4 087	4 271	4 209	5 090	3 268	6 866	4 461	2 722	4 760	2 699
Q3	47 554	1 877	4 989	4 050	3 813	3 831	4 592	3 024	6 552	4 505	2 376	5 593	2 352
Q4 ²	42 304	1 465	4 348	3 417	4 028	3 426	4 057	2 876	5 328	3 773	1 958	5 003	2 625
2000 Q1 ²	52 031	2 041	5 481	3 606	4 172	4 649	5 299	3 194	6 450	4 775	2 205	6 567	3 592
Q2	50 404	1 791	4 764	3 660	4 010	4 377	5 153	4 052	6 713	4 656	2 749	5 661	2 818
Q3	48 041	1 698	4 521	3 582	3 872	3 661	4 925	4 012	6 021	4 280	2 781	6 179	2 509
Q4	..	1 512	3 777	2 997	3 060	2 919	3 407	3 157	4 217	3 203	1 654	..	2 233

- 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 prices¹

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
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
2000	165.3	126.9	132.6	122.1	123.2	141.7	147.5	172.8	209.7	188.1	169.1	130.9	124.0	188.6
1997 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
Q3	167.6	122.4	134.8	121.2	127.4	144.6	151.0	178.0	204.1	192.4	176.9	131.8	124.4	186.0
Q4	172.6	126.2	129.3	134.8	125.7	144.7	153.1	181.4	219.2	202.1	177.7	133.2	124.2	201.9

- 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 deregistrations¹: net change²

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) – March 2001

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E-mail: fepl@ons.gov.uk

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 the FEPI increased slightly between February and March from 1.4 per cent to 1.5 per cent, mainly due to consumer prices rising by slightly more than last year.

The FEPI annual percentage change

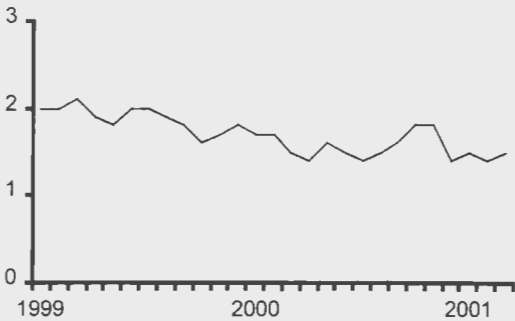


Table A

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

		ICP		IIP		IGP		INP		FEPI	
		Index	% change	Index	% change	Index	% change	Index	% change	Index	% change
2000	Oct	124.3	1.3	119.1	2.9	123.6	2.2	129.6	2.5	123.1	1.8
	Nov	124.5	1.3	119.2	2.8	123.9	2.3	129.7	2.5	123.3	1.8
	Dec	124.5	1.1	118.8	1.5	124.1	2.3	130.0	2.6	123.3	1.4
	Jan	123.7	1.1	118.9	1.8	124.2	2.1	130.4	2.9	122.9	1.5
2001	Feb	124.2	1.1	118.9	1.8	124.2	2.1	130.5	2.9	123.1	1.4
	Mar	124.6	1.1	119.4	1.8	124.0	2.0	130.5	2.9	123.5	1.5

The Index of Consumer Prices (ICP)

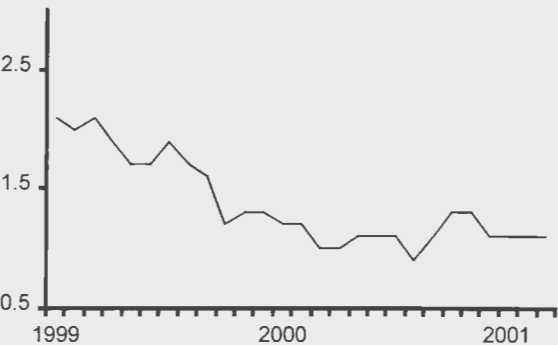
Consumer price inflation, as measured by the ICP, was 1.1 per cent in March 2001, the same as in the previous three months.

plus 2.8 per cent in February. Petrol and oil prices fell in March 2001 as a result of cuts in road fuel duty; in contrast pump prices increased in March 2000 reflecting increases in crude oil prices.

Upward pressure came from:

- Food, where the annual rate of inflation increased from 1.6 per cent in February to 3.4 per cent in March, the highest recorded figure since February 1999. Fresh meat prices increased in March as the availability of home-killed meat was affected by the outbreak of Foot and Mouth Disease. There were also upward effects from fresh vegetables as supplies were adversely affected by recent weather conditions.

The ICP annual percentage change



Downward pressure came from:

- Fuels and lubricants for vehicles, where the annual rate of inflation was minus 3.8 per cent in March compared with

The Index of Investment Prices (IIP)

Investment price inflation, as measured by the IIP, was 1.8 per cent in March 2001, the same as in the previous two months.

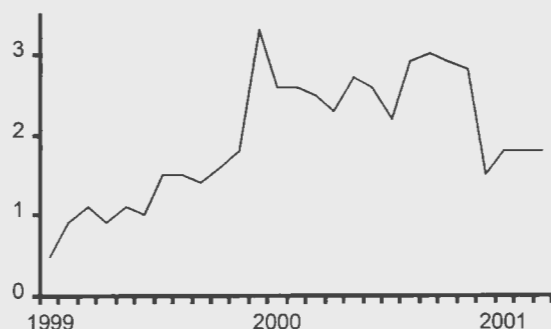
Upward pressure came from:

- Machinery and Equipment (other than Transport Equipment), where the annual rate of inflation was less negative in March, at minus 2.1 per cent, than in the previous month at minus 2.3 per cent.
- Dwellings, where the annual rate of inflation increased from 7.2 per cent in February to 7.5 per cent in March.

Downward pressure came from:

- Other buildings and structures, where the annual rate of inflation fell from 3.5 per cent in February to 3.4 per cent in March.

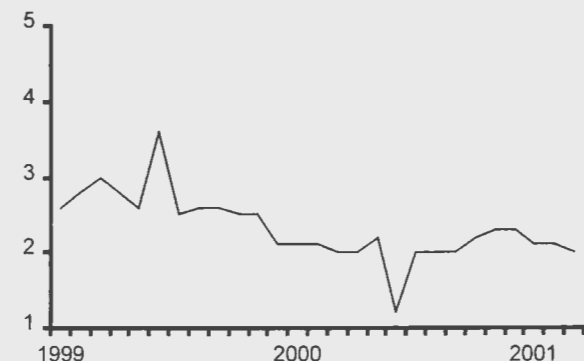
The IIP annual percentage change



The Index of Government Prices - IGP

The rate of inflation for the IGP fell from 2.1 per cent in February to 2.0 per cent in March. This was mainly due to lower inflation for central government pay and procurement, although lower inflation was also recorded for local government.

The IGP annual percentage change



Comparison between FEPI and other inflation measures

Table B

Measures of Inflation (annual percentage changes)

		FEPI	RPIX	HICP	ICP(FEPI)	PPI
2000	Oct	1.8	2.0	1.0	1.3	2.8
	Nov	1.8	2.2	1.0	1.3	2.8
	Dec	1.4	2.0	0.9	1.1	2.4
	Jan	1.5	1.8	0.9	1.1	1.9
2001	Feb	1.4	1.9	0.8	1.1	1.4
	Mar	1.5	1.9	1.0	1.1	0.8

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, businesses, government and non-profit institutions for final purchases of goods and services. Intermediate purchases by businesses are excluded. The FEPI is made up of four components:

- The Index of Consumer Prices (ICP)
- The Index of Investment Prices (IIP)
- The Index of Government Prices (IGP)
- The Index of Non-Profit Institutions Prices (INP).

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 businesses 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 INP measures inflation affecting non-profit institutions serving households (NPISHs); mainly universities, higher and further education colleges and charities. The price indicators used are mainly a higher education pay and prices index and an appropriate component of the Average Earnings Index.

7. The IGP(P) is a variant version of the IGP which incorporates government output prices for a number of areas of government expenditure (which comprise around 65% of general government final consumption expenditure) and therefore reflects movements in productivity. The most significant expenditure items covered by government output prices are health, education, local authority personal social services and social security administration. 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. The IGP(P) and FEPI(P) are only available as annual indices. An article describing the development of the FEPI(P) is included in Economic Trends, No 555, February 2000.

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 website: [http://www.statistics.gov.uk/press_release/experimental.asp].

1 Final Expenditure Prices Index (FEPI) Summary Table

Experimental price indices

	Index of Consumer Prices ICP	Index of Investment Prices IIP	Index of Government Prices IGP	Index of NPISH Prices INP ¹	Final Expenditure Prices Index FEPI	Annual percentage changes				
						ICP	IIP	IGP	INP	FEPI
January 1992=100										
Weights										
1998	601	178	198	23	1000					
1999	607	180	190	24	1000					
2000	605	186	185	24	1000					
2001	602	188	185	24	1000					
	VASH	CUSK	CUSO	ZIUS	CUSP	MKVB	CGBF	CGBJ	ZIUT	CGBK
1997 Feb	116.3	112.6	114.2	116.4	115.0	2.6	1.5	1.9	2.0	2.2
Mar	116.7	112.6	113.9	116.4	115.2	2.5	1.0	1.7	2.0	2.0
Apr	117.2	112.9	114.5	116.9	115.7	2.3	0.6	1.2	1.9	1.8
May	117.6	112.8	114.5	117.0	115.9	2.3	0.5	1.1	1.6	1.8
Jun	117.9	113.0	114.5	117.1	116.1	2.4	0.8	1.1	1.6	1.8
Jul	117.5	113.4	115.9	119.2	116.2	2.6	1.3	2.2	2.8	2.3
Aug	118.1	113.6	115.5	119.9	116.6	2.6	1.2	1.7	3.1	2.2
Sep	118.6	113.7	115.8	120.0	116.9	2.4	1.6	1.7	3.0	2.1
Oct	118.7	113.4	115.4	119.3	116.9	2.5	0.9	1.7	3.1	2.1
Nov	118.8	113.5	115.4	119.0	116.9	2.5	1.4	1.6	2.9	2.1
Dec	118.9	113.2	116.1	119.5	117.1	2.3	0.8	1.6	3.0	1.9
1998 Jan	118.4	113.2	116.2	119.6	116.8	2.1	0.8	1.6	3.0	1.7
Feb	119.0	112.8	116.0	119.7	117.1	2.3	0.2	1.6	2.8	1.8
Mar	119.5	113.2	115.7	119.6	117.4	2.4	0.5	1.6	2.7	1.9
Apr	120.2	113.7	117.0	120.5	118.2	2.6	0.7	2.2	3.1	2.2
May	120.8	113.7	117.3	120.9	118.6	2.7	0.8	2.4	3.3	2.3
Jun	120.7	114.1	117.4	121.2	118.6	2.4	1.0	2.5	3.5	2.2
Jul	120.0	114.0	117.8	122.1	118.3	2.1	0.5	1.6	2.4	1.8
Aug	120.5	113.9	117.9	122.6	118.6	2.0	0.3	2.1	2.3	1.7
Sep	121.1	114.0	118.1	122.7	119.0	2.1	0.3	2.0	2.2	1.8
Oct	121.2	113.9	117.9	122.4	119.0	2.1	0.4	2.2	2.6	1.8
Nov	121.3	113.9	118.1	122.3	119.1	2.1	0.4	2.3	2.8	1.9
Dec	121.6	113.4	118.8	122.9	119.4	2.3	0.2	2.3	2.8	2.0
1999 Jan	120.9	113.8	119.2	123.5	119.1	2.1	0.5	2.6	3.3	2.0
Feb	121.4	113.8	119.2	123.5	119.4	2.0	0.9	2.8	3.2	2.0
Mar	122.0	114.4	119.2	123.5	119.9	2.1	1.1	3.0	3.3	2.1
Apr	122.5	114.7	120.3	124.4	120.5	1.9	0.9	2.8	3.2	1.9
May	122.8	115.0	120.4	124.8	120.7	1.7	1.1	2.6	3.2	1.8
Jun	122.8	115.2	121.6	125.5	121.0	1.7	1.0	3.6	3.5	2.0
Jul	122.3	115.7	120.8	126.1	120.7	1.9	1.5	2.5	3.3	2.0
Aug	122.5	115.6	121.0	126.7	120.8	1.7	1.5	2.6	3.3	1.9
Sep	123.0	115.6	121.2	126.7	121.2	1.6	1.4	2.6	3.3	1.8
Oct	122.7	115.7	120.9	126.4	120.9	1.2	1.6	2.5	3.3	1.6
Nov	122.9	115.9	121.1	126.5	121.1	1.3	1.8	2.5	3.4	1.7
Dec	123.2	117.1	121.3	126.7	121.6	1.3	3.3	2.1	3.1	1.8
2000 Jan	122.4	116.8	121.7	126.7	121.1	1.2	2.6	2.1	2.6	1.7
Feb	122.9	116.8	121.7	126.8	121.4	1.2	2.6	2.1	2.7	1.7
Mar	123.2	117.3	121.6	126.8	121.7	1.0	2.5	2.0	2.7	1.5
Apr	123.7	117.3	122.7	127.8	122.2	1.0	2.3	2.0	2.7	1.4
May	124.1	118.1	123.0	128.0	122.6	1.1	2.7	2.2	2.6	1.6
Jun	124.2	118.2	123.1	128.4	122.8	1.1	2.6	1.2	2.3	1.5
Jul	123.6	118.2	123.2	129.3	122.4	1.1	2.2	2.0	2.5	1.4
Aug	123.6	118.9	123.4	129.7	122.6	0.9	2.9	2.0	2.4	1.5
Sep	124.3	119.1	123.6	129.8	123.1	1.1	3.0	2.0	2.4	1.6
Oct	124.3	119.1	123.6	129.6	123.1	1.3	2.9	2.2	2.5	1.8
Nov	124.5	119.2	123.9	129.7	123.3	1.3	2.8	2.3	2.5	1.8
Dec	124.5	118.8 [†]	124.1	130.0	123.3	1.1	1.5	2.3	2.6	1.4
2001 Jan	123.7	118.9	124.2	130.4 [†]	122.9	1.1	1.8 [†]	2.1	2.9 [†]	1.5
Feb	124.2	118.9	124.2	130.5	123.1 [†]	1.1	1.8	2.1	2.9	1.4 [†]
Mar	124.6	119.4	124.0	130.5	123.5	1.1	1.8	2.0	2.9	1.5

[†] indicates earliest revision.

1 NPISH = Non-profit institutions serving households.

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

Experimental price indices

	Food and Non- alcoholic Beverages	Alcoholic Beverages	Tobacco	Clothing and Footwear	Actual Rentals for Housing	Housing Goods and Services ¹	Electricity, Gas and Other Household Fuels	Furnishings, Household Equipment, etc.	Health	Purchase and Operation of Vehicles ²	Fuels and Lubricants for Vehicles
January 1992=100											
COICOP Division	01	02	02	03	04	04	04	05	06	07	07
Weights											
1998	124	19	29	69	46	28	38	64	17	80	30
1999	118	19	28	68	46	29	34	64	17	85	30
2000	115	19	28	66	47	30	30	64	17	85	30
2001	112	20	28	66	47	30	28	64	17	82	30
	VARP	VARQ	VARR	VARS	VART	VARU	VARV	VARW	VARX	VARY	VARZ
1999 Mar	113.7	115.2	178.1	102.5	142.8	134.5	97.4	113.9	146.6	116.9	157.3
Apr	113.0	115.0	180.7	102.6	145.4	136.4	97.3	112.3	149.6	117.3	165.5
May	113.7	115.3	180.7	103.2	145.5	136.4	97.1	113.6	149.9	117.1	165.4
Jun	113.2	116.1	181.2	103.1	145.5	136.9	97.1	112.9	150.2	117.0	164.8
Jul	112.3	115.3	184.2	98.2	145.7	137.1	97.4	110.7	153.1	116.3	167.1
Aug	111.8	115.7	184.6	99.6	146.0	137.3	97.5	112.0	153.4	115.6	171.7
Sep	111.8	115.5	184.7	103.5	146.3	137.1	97.8	113.0	153.7	115.2	171.5
Oct	111.7	115.7	184.6	102.6	146.5	137.1	97.9	112.0	154.7	114.6	173.0
Nov	112.2	114.7	184.7	102.8	146.6	137.6	98.2	113.5	155.0	113.8	172.3
Dec	112.4	113.6	184.7	102.0	146.9	137.9	98.9	115.5	155.2	113.0	176.7
2000 Jan	112.3	115.8	184.8	95.2	147.2	138.8	98.7	109.9	156.2	114.1	176.3
Feb	112.2	115.7	186.7	98.4	147.2	139.0	98.8	110.9	156.5	114.2	176.2
Mar	111.5	115.8	186.8	99.8	147.2	138.9	98.8	112.1	156.6	114.7	182.7
Apr	111.1	115.3	198.4	100.8	149.8	134.6	97.6	112.0	157.9	115.0	186.6
May	112.2	115.4	198.6	100.7	149.9	134.7	96.9	112.4	158.2	115.5	185.7
Jun	112.4	115.5	198.9	100.0	150.2	134.7	96.4	111.9	158.4	114.9	194.9
Jul	113.4	115.1	199.0	93.0	150.7	135.0	96.4	109.8	159.9	114.1	196.5
Aug	112.5	114.9	200.2	94.6	150.9	135.5	96.4	110.5	160.2	113.5	188.1
Sep	112.7	115.4	201.5	98.0	151.2	135.7	97.2	112.2	160.4	113.2	191.7
Oct	112.9	115.2	201.6	98.0	151.6	136.0	97.6	111.0	161.7	112.8	186.8
Nov	113.5	114.9	201.6	98.5	151.8	136.2	97.4	112.4	161.8	112.3	191.6
Dec	113.7	113.6	201.6	97.8	152.0	136.7	97.2	114.2	162.3	112.0	188.3
2001 Jan	113.9	115.7	201.6	91.7	152.2	136.9	96.8	109.8	164.1	113.6	180.4
Feb	114.0	116.0	203.6	94.4	152.2	137.5	96.9	111.3	164.2	113.8	181.1
Mar	115.3	116.0	206.4	96.0	152.3	137.3	96.8	112.9	165.6	114.3	175.8
Annual Percentage Changes											
	Food and Non- alcoholic Beverages	Alcoholic Beverages	Tobacco	Clothing and Footwear	Actual Rentals for Housing	Housing Goods and Services ¹	Electricity, Gas and Other Household Fuels	Furnishings, Household Equipment, etc.	Health	Purchase and Operation of Vehicles ²	Fuels and Lubricants for Vehicles
	VASK	VASL	VASM	VASN	VASO	VASP	MKUP	MKUQ	MKUR	MKUS	MKUT
1999 Mar	2.8	0.8	11.7	-2.2	3.0	4.2	-1.5	0.8	5.8	-0.8	7.4
Apr	2.0	0.9	11.5	-2.5	3.3	2.6	-1.5	0.6	6.0	-0.4	7.0
May	1.0	0.6	11.1	-3.0	3.3	2.5	-1.1	0.6	6.1	-0.7	6.4
Jun	1.0	1.8	11.3	-2.8	3.1	2.9	-0.4	0.6	5.8	-0.7	6.5
Jul	0.4	0.7	13.0	-1.6	3.1	2.9	0.2	-0.1	7.1	-0.9	7.5
Aug	-1.1	1.0	13.2	-2.3	3.1	2.9	0.4	0.4	7.3	-1.4	10.4
Sep	-0.8	0.6	13.2	-2.9	3.0	2.6	0.6	0.5	7.5	-1.9	10.9
Oct	-1.1	0.6	13.0	-2.7	2.9	2.4	0.4	0.4	6.0	-1.9	12.2
Nov	-0.4	1.0	13.0	-3.2	2.8	2.5	0.8	0.3	6.2	-2.0	12.5
Dec	-1.1	0.4	9.8	-3.4	2.8	2.8	1.7	-0.3	6.3	-1.9	17.1
2000 Jan	-1.7	0.6	7.4	-3.4	3.1	3.2	1.5	-0.4	6.8	-2.3	17.9
Feb	-1.9	0.2	8.5	-2.4	3.2	3.5	1.6	-1.0	6.8	-2.2	18.3
Mar	-1.9	0.5	4.9	-2.6	3.1	3.3	1.4	-1.6	6.8	-1.9	16.1
Apr	-1.7	0.3	9.8	-1.8	3.0	-1.3	0.3	-0.3	5.5	-2.0	12.7
May	-1.3	0.1	9.9	-2.4	3.0	-1.2	-0.2	-1.1	5.5	-1.4	12.3
Jun	-0.7	-0.5	9.8	-3.0	3.2	-1.6	-0.7	-0.9	5.5	-1.8	18.3
Jul	1.0	-0.2	8.0	-5.3	3.4	-1.5	-1.0	-0.8	4.4	-1.9	17.6
Aug	0.6	-0.7	8.5	-5.0	3.4	-1.3	-1.1	-1.3	4.4	-1.8	9.6
Sep	0.8	-0.1	9.1	-5.3	3.3	-1.0	-0.6	-0.7	4.4	-1.7	11.8
Oct	1.1	-0.4	9.2	-4.5	3.5	-0.8	-0.3	-0.9	4.5	-1.6	8.0
Nov	1.2	0.2	9.1	-4.2	3.5	-1.0	-0.8	-1.0	4.4	-1.3	11.2
Dec	1.2	-	9.1	-4.1	3.5	-0.9	-1.7	-1.1	4.6	-0.9	6.6
2001 Jan	1.4	-0.1	9.1	-3.7	3.4	-1.4	-1.9	-0.1	5.1	-0.4	2.3
Feb	1.6	0.3	9.1	-4.1	3.4	-1.1	-1.9	0.4	4.9	-0.4	2.8
Mar	3.4	0.2	10.5	-3.8	3.5	-1.2	-2.0	0.7	5.7	-0.3	-3.8

† indicates earliest revision.

1 Includes materials and services for maintenance and repair of the dwelling and other housing services excluding household fuels.

2 Excludes fuels and lubricants.

Final Expenditure Prices Index (FEPI) Index of Consumer Prices (ICP) Experimental price indices

	Transport Services	Communication	Major Durables for Recreation and Culture	Other Recreation and Culture	Education	Restaurants and Hotels	Miscellaneous Goods and Services	Index of Consumer Prices ICP	Of which: goods	Of which: services
January 1992=100										
COICOP Division	07	08	09	09	10	11	12			
Weights										
1998	38	22	29	99	15	126	129	1000	556	444
1999	39	22	31	100	16	126	128	1000	554	446
2000	41	22	34	100	16	126	130	1000	548	452
2001	42	23	35	101	15	129	131	1000	544	456
	VASA	VASB	VASC	VASD	VASE	VASF	VASG	VASH	VASI	VASJ
1999 Mar	127.4	86.4	85.8	120.2	139.0	132.9	131.7	122.0	115.1	131.2
Apr	128.7	86.1	85.2	120.9	139.0	133.5	132.8	122.5	115.2	132.4
May	129.2	85.5	85.0	121.1	139.0	134.1	133.0	122.8	115.6	132.7
Jun	129.8	85.2	84.1	121.0	139.0	134.6	133.3	122.8	115.3	133.0
Jul	130.1	84.8	82.9	120.5	139.0	134.7	134.7	122.3	114.1	133.5
Aug	130.2	85.0	81.8	120.4	139.0	135.0	134.7	122.5	114.4	133.6
Sep	130.0	84.5	81.2	120.4	145.0	135.2	135.0	123.0	114.8	134.1
Oct	129.5	83.2	80.7	120.7	146.5	135.5	133.8	122.7	114.5	133.9
Nov	129.6	83.3	80.3	120.8	146.5	135.6	134.3	122.9	114.5	134.3
Dec	129.7	83.8	80.3	120.8	146.5	135.7	134.8	123.2	114.8	134.5
2000 Jan	130.3	83.6	79.6	120.5	146.5	136.2	135.1	122.4	113.2	135.0
Feb	130.4	83.2	79.4	120.9	146.5	136.5	135.3	122.9	113.8	135.2
Mar	130.4	83.1	78.6	121.1	146.5	136.9	135.7	123.2	114.2	135.5
Apr	132.7	82.5	78.6	121.6	146.5	137.7	135.5	123.7	114.7	136.1
May	133.1	82.1	78.5	122.0	146.5	138.6	136.0	124.1	114.9	136.6
Jun	133.5	81.9	77.2	122.0	146.5	139.0	136.3	124.2	114.9	137.0
Jul	134.5	82.8	76.2	121.7	146.5	139.6	136.0	123.6	113.6	137.3
Aug	135.1	81.2	76.5	121.7	146.5	140.3	136.3	123.6	113.4	137.6
Sep	134.7	80.6	76.0	122.3	150.5	140.7	136.9	124.3	114.3	138.0
Oct	135.4	80.3	75.6	122.4	153.9	141.0	136.9	124.3	114.0	138.4
Nov	135.3	80.4	75.2	121.8	153.9	141.3	137.3	124.5	114.4	138.5
Dec	135.4	79.4	74.4	121.9	153.9	141.5	137.3	124.5	114.3	138.5
2001 Jan	137.0	77.1	73.2	121.6	153.9	141.7	137.9	123.7	112.6	139.0
Feb	133.4	76.2	73.8	122.1	153.9	142.0	138.5 [†]	124.2	113.5	138.9
Mar	134.3	75.0	73.8	122.2	153.9	142.6	138.5	124.6	114.2	139.1

Annual Percentage Changes

	Transport Services	Communication	Major Durables for Recreation and Culture	Other Recreation and Culture	Education	Restaurants and Hotels	Miscellaneous Goods and Services	Index of Consumer Prices ICP	Of which: goods	Of which: services
	MKUU	MKUV	MKUW	MKUX	MKUY	MKUZ	MKVA	MKVB	MKVC	MKVD
1999 Mar	2.8	-1.9	-7.7	2.0	5.7	4.2	3.3	2.1	0.9	3.6
Apr	2.9	-2.2	-7.8	1.9	5.7	4.3	3.2	1.9	0.6	3.6
May	2.7	-2.7	-7.6	1.7	5.7	4.1	2.9	1.7	0.3	3.3
Jun	2.9	-3.0	-7.9	1.8	5.7	4.2	3.1	1.7	0.4	3.4
Jul	2.8	-3.1	-8.6	1.6	5.7	3.7	4.3	1.9	0.4	3.6
Aug	2.8	-1.8	-9.2	1.3	5.7	3.4	4.2	1.7	0.2	3.6
Sep	2.8	-2.3	-9.1	1.0	5.4	3.2	4.4	1.6	-	3.6
Oct	3.0	-3.8	-8.9	1.0	5.4	3.2	2.5	1.2	-0.1	3.0
Nov	3.0	-3.6	-9.3	1.0	5.4	3.0	2.4	1.3	-0.2	3.1
Dec	3.1	-3.0	-9.0	0.9	5.4	2.8	2.5	1.3	-0.3	3.1
2000 Jan	2.8	-3.2	-8.5	0.8	5.4	2.9	3.1	1.2	-0.4	3.3
Feb	2.4	-3.7	-8.0	0.9	5.4	2.9	3.0	1.2	-0.4	3.3
Mar	2.4	-3.8	-8.4	0.7	5.4	3.0	3.0	1.0	-0.8	3.3
Apr	3.1	-4.2	-7.7	0.6	5.4	3.1	2.0	1.0	-0.4	2.8
May	3.0	-4.0	-7.6	0.7	5.4	3.4	2.3	1.1	-0.6	2.9
Jun	2.9	-3.9	-8.2	0.8	5.4	3.3	2.3	1.1	-0.3	3.0
Jul	3.4	-2.4	-8.1	1.0	5.4	3.6	1.0	1.1	-0.4	2.8
Aug	3.8	-4.5	-6.5	1.1	5.4	3.9	1.2	0.9	-0.9	3.0
Sep	3.6	-4.6	-6.4	1.6	3.8	4.1	1.4	1.1	-0.4	2.9
Oct	4.6	-3.5	-6.3	1.4	5.1	4.1	2.3	1.3	-0.4	3.4
Nov	4.4	-3.5	-6.4	0.8	5.1	4.2	2.2	1.3	-0.1	3.1
Dec	4.4	-5.3	-7.3	0.9	5.1	4.3	1.9	1.1	-0.4	3.0
2001 Jan	5.1	-7.8	-8.0	0.9	5.1	4.0	2.1	1.1	-0.5	3.0
Feb	2.3	-8.4	-7.1	1.0	5.1	4.0	2.4 [†]	1.1	-0.3	2.7
Mar	3.0	-9.7	-6.1	0.9	5.1	4.2	2.1	1.1	-	2.7

[†] indicates earliest revision.

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

Experimental price indices

	Equipment				Construction				Index of Investment Prices IIP
	Transport Equipment	Other Machinery and Equipment	Intangible Fixed Assets ¹	Total Equipment	Dwellings	Other Buildings and Structures	Transfer Costs of Land and Buildings	Total Construction	
January 1992=100									
Weights									
1998	97	392	33	521	181	263	35	479	1000
1999	98	389	32	519	178	260	42	481	1000
2000	99	382	32	513	179	267	41	487	1000
2001	109	376	28	514	174	263	49	486	1000
	CUSH	CUSG	MJYL	ZIWS	CUSJ	CUSF	CUSI	ZIWT	CUSK
1999 Mar	120.4	97.0	124.7	102.9	122.8	124.6	179.7	127.6	114.4
Apr	120.5	96.8	125.0	102.8	124.3	124.8	184.2	128.6	114.7
May	120.6	96.2	125.1	102.3	126.4	125.1	187.3	129.8	115.0
Jun	120.7	95.9	125.4	102.1	127.6	125.5	189.3	130.6	115.2
Jul	120.4	95.4	125.8	101.7	131.0	125.9	191.1	132.3	115.7
Aug	121.1	94.4	125.2	101.0	132.0	126.3	192.4	132.9	115.6
Sep	120.9	93.9	124.9	100.5	133.4	126.5	193.7	133.7	115.6
Oct	121.0	93.2	124.9	100.0	134.0	126.7	199.0	134.4	115.7
Nov	122.5	93.8	124.5	100.7	133.1	127.0	196.5	134.0	115.9
Dec	123.1	94.0	124.5	101.0	138.6	127.1	201.4	136.5	117.1
2000 Jan	121.7	93.6	125.9	100.5	137.3	127.3	205.4	136.4	116.8
Feb	121.8	93.8	126.1	100.7	137.0	127.5	203.2	136.3	116.8
Mar	121.7	93.1	125.8	100.1	140.7	127.9	209.1	138.1	117.3
Apr	119.9	92.4	126.4	99.3	142.4	128.3	215.9	139.4	117.3
May	120.7	93.1	127.4	100.0	143.7	128.7	217.1	140.2	118.1
Jun	121.5	92.8	127.3	99.9	143.8	129.1	218.5	140.5	118.2
Jul	122.2	92.6	127.1	99.9	143.4	129.6	218.6	140.7	118.2
Aug	121.3	93.1	126.8	100.1	145.9	130.0	222.1	142.1	118.9
Sep	122.1 [†]	93.3 [†]	127.1	100.4 [†]	145.4	130.3	224.3	142.2	119.1
Oct	121.6	92.8	126.9	99.9	146.7	130.6	225.0	142.9	119.1
Nov	119.7	92.6	127.7	99.5	147.8	131.0	226.4	143.6	119.2
Dec	119.9	92.2	127.9 [†]	99.2	146.4	131.4 [†]	223.7	143.1	118.8 [†]
2001 Jan	119.7	91.9	127.7	98.9	147.2	131.7	227.0	143.8 [†]	118.9
Feb	119.8	91.6	128.3	98.7	146.8 [†]	132.0	228.4 [†]	143.9	118.9
Mar	119.7	91.1	128.1	98.3	151.2	132.2	234.3	145.9	119.4

Annual Percentage Changes

	Equipment				Construction				Index of Investment Prices IIP
	Transport Equipment	Other Machinery and Equipment	Intangible Fixed Assets ¹	Total Equipment	Dwellings	Other Buildings and Structures	Transfer Costs of Land and Buildings	Total Construction	
	CGBC	CGBB	MJYM	ZIWU	CGBE	CGBA	CGBD	ZIWW	CGBF
1999 Mar	3.1	-5.1	2.4	-3.1	7.2	3.6	11.7	5.5	1.1
Apr	3.3	-4.8	1.9	-2.9	6.0	3.4	10.4	4.9	0.9
May	2.6	-5.6	1.4	-3.7	9.0	3.3	12.6	6.2	1.1
Jun	3.1	-4.9	2.2	-2.9	6.5	3.1	12.2	5.2	1.0
Jul	2.4	-4.6	2.5	-2.9	9.3	2.9	11.9	6.1	1.5
Aug	2.5	-4.8	2.4	-3.0	9.7	2.9	12.8	6.2	1.5
Sep	2.3	-4.5	1.5	-2.8	9.5	2.7	12.6	6.1	1.4
Oct	1.9	-4.8	1.6	-3.2	10.5	2.7	14.9	6.7	1.6
Nov	2.5	-4.0	0.9	-2.4	10.0	2.7	13.8	6.3	1.8
Dec	2.6	-3.3	0.5	-1.9	16.6	2.6	17.9	9.0	3.3
2000 Jan	1.6	-4.0	1.2	-2.6	14.3	2.6	18.0	8.3	2.6
Feb	1.1	-3.7	0.9	-2.5	14.6	2.6	16.2	8.3	2.6
Mar	1.1	-4.0	0.9	-2.7	14.6	2.6	16.4	8.2	2.5
Apr	-0.5	-4.5	1.1	-3.4	14.6	2.8	17.2	8.4	2.3
May	0.1	-3.2	1.8	-2.2	13.7	2.9	15.9	8.0	2.7
Jun	0.7	-3.2	1.5	-2.2	12.7	2.9	15.4	7.6	2.6
Jul	1.5	-2.9	1.0	-1.8	9.5	2.9	14.4	6.3	2.2
Aug	0.2	-1.4	1.3	-0.9	10.5	2.9	15.4	6.9	2.9
Sep	1.0 [†]	-0.6 [†]	1.8	-0.1 [†]	9.0	3.0	15.8	6.4	3.0
Oct	0.5	-0.4	1.6	-0.1	9.5	3.1	13.1	6.3	2.9
Nov	-2.3	-1.3	2.6	-1.2	11.0	3.1	15.2	7.2	2.8
Dec	-2.6	-1.9	2.7 [†]	-1.8	5.6	3.4 [†]	11.1	4.8	1.5
2001 Jan	-1.6	-1.8	1.4	-1.6	7.2	3.5	10.5	5.4	1.8 [†]
Feb	-1.6	-2.3	1.7	-2.0	7.2 [†]	3.5	12.4 [†]	5.6 [†]	1.8
Mar	-1.6	-2.1	1.8	-1.8	7.5	3.4	12.1	5.6	1.8

[†] indicates earliest revision.

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

4 Final Expenditure Prices Index - FEPI Index of Government Prices - IGP Experimental price indices

	Annual percentage changes					
	Local Government Pay & Procurement	Central Government Pay & Procurement	Index of Government Prices	Local Government Pay & Procurement	Central Government Pay & Procurement	Index of Government Prices
January 1992=100						
Weights						
1998	383	617	1000			
1999	382	618	1000			
2000	382	618	1000			
2001	393	607	1000			
	CUSL	CUSM	CUSO	CGBG	CGBH	CGBJ
1999 Mar	122.3	117.3	119.2	2.9	3.0	3.0
Apr	124.0	118.1	120.3	2.8	2.9	2.8
May	123.9	118.2	120.4	2.7	2.6	2.6
Jun	126.1	118.8	121.6	4.5	3.0	3.6
Jul	124.6	118.5	120.8	3.1	2.2	2.5
Aug	124.7	118.7	121.0	3.1	2.3	2.6
Sep	125.3	118.7	121.2	3.2	2.2	2.6
Oct	125.2	118.2	120.9	3.3	2.1	2.5
Nov	125.4	118.4	121.1	3.3	2.0	2.5
Dec	125.5	118.8	121.3	2.6	1.9	2.1
2000 Jan	125.6	119.4	121.7	2.7	1.8	2.1
Feb	125.6	119.3	121.7	2.8	1.7	2.1
Mar	125.5	119.2	121.6	2.6	1.6	2.0
Apr	127.7	119.7	122.7	3.0	1.4	2.0
May	127.8	120.0	123.0	3.1	1.5	2.2
Jun	127.9	120.1	123.1	1.4	1.1	1.2
Jul	127.9	120.2	123.2	2.6	1.4	2.0
Aug	128.0	120.5	123.4	2.6	1.5	2.0
Sep	128.5	120.6	123.6	2.6	1.6	2.0
Oct	128.5	120.6	123.6	2.6	2.0	2.2
Nov	128.8	120.9	123.9	2.7	2.1	2.3
Dec	128.8	121.2	124.1	2.6	2.0	2.3
2001 Jan	128.8	121.4	124.2	2.5	1.7	2.1
Feb	128.9	121.4	124.2	2.6	1.8	2.1
Mar	128.7	121.2	124.0	2.5	1.7	2.0

† indicates earliest revision.

5 Final Expenditure Prices Index - FEPI(P) Incorporating implied government output prices

Experimental price indices

	Index of Consumer Prices ICP	Index of Investment Prices IIP	Index of Government Prices IGP(P)	Index of NPISH Prices INP ¹	Final Expenditure Prices Index FEPI(P)	Annual percentage changes				
						ICP	IIP	IGP(P)	INP	FEPI(P)
January 1992=100										
Weights										
1998	601	178	198	23	1000					
1999	607	180	190	24	1000					
2000	605	186	185	24	1000					
2001	602	188	185	24	1000					
	VASH	CUSK	LGTZ	ZIUS	LGUA	MKVB	CGBF	GXVN	ZIUT	GXVO
1992	102.1	98.8	101.0	102.0	101.2	..	..	..	..	..
1993	105.5	99.8	103.8	106.3	104.0	3.3	1.0	2.8	4.2	2.8
1994	108.2	103.0	106.1	109.4	106.7	2.6	3.2	2.2	2.9	2.6
1995	111.6	108.5	107.9	112.4	110.1	3.1	5.3	1.7	2.7	3.2
1996	114.8	111.8	110.4	115.3	113.2	2.9	3.0	2.3	2.6	2.8
1997	117.7	113.1	111.2	118.1	115.3	2.5	1.2	0.7	2.4	1.9
1998	120.4	113.7	113.5	121.4	117.6	2.3	0.5	2.1	2.8	2.0
1999	122.4	115.2	118.2	125.4	120.1	1.7	1.3	4.1	3.3	2.1
2000	123.8	118.2	122.1	128.6	122.3	1.1	2.6	3.3	2.6	1.8

† indicates earliest revision.

1 NPISH = Non-profit institutions serving households.

6 Final Expenditure Prices Index - FEPI(P) Index of Government Prices incorporating implied output prices - IGP(P)

Experimental price indices

Experimental price index				Annual percentage changes		
	Local Government Pay & Procurement	Central Government Pay & Procurement	Index of Government Prices	Local Government Pay & Procurement	Central Government Pay & Procurement	Index of Government Prices
January 1992=100						
Weights						
1998	383	617	1000			
1999	382	618	1000			
2000	382	618	1000			
2001	393	607	1000			
	LGTU	LGTX	LGTZ	GXVL	GXVM	GXVN
1992	100.1	101.6	101.0	..	..	..
1993	101.1	105.5	103.8	1.0	3.8	2.8
1994	103.7	107.7	106.1	2.6	2.1	2.2
1995	106.2	109.0	107.9	2.4	1.2	1.7
1996	108.4	111.7	110.4	2.1	2.5	2.3
1997	110.0	112.0	111.2	1.5	0.3	0.7
1998	112.2	114.5	113.5	2.0	2.2	2.1
1999	116.0	119.6	118.2	3.4	4.5	4.1
2000	120.5	123.1	122.1	3.9	2.9	3.3

† indicates earliest revision.

Developments in productivity measurement

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In this issue, three articles are published on different aspects of productivity. Successive government documents have highlighted the importance of improving productivity, most recently in Treasury papers accompanying the Budget¹. The government proposes measures to encourage enterprise and innovation and to narrow the productivity gap between the UK and its competitors. The issues associated with measuring productivity have often been noted. The three papers in this issue outline the developments in this area.

Improvements and developments in productivity measures

Productivity, as the ratio of output to some measure of the inputs used in production, is most commonly measured by output per filled job. This measure of labour productivity has the advantage of being easily and widely understood. The currently published measures of productivity have been improved and extended. Chris Daffin's article discusses the changes that have followed from changes to the methodology, which includes incorporating the new Annual Business Inquiry (ABI). Labour productivity combines both output and labour input measures. The raw data for the productivity figures are ONS's series giving industry output and employment. Prior to 1996, the two series were collected separately with inquiries surveying different firms for their output figures to the firms surveyed for the employment figures. Collecting data from the same firms improves the correlation between the output and input data.

This shortcoming was resolved recently by asking firms about their outputs and labour inputs at the same time. The short-term indicators of employment and output - based on data collected in the production and turnover inquiries - have been collected on the same form since 1996. These map out the growth rates of output and employment over time. With regard to the level of output and employment, this is

collected annually in the Annual Business Inquiry (ABI). Again, employment and output are asked from the same firms. This innovation has also allowed ONS to crosscheck output and input changes at the firm level, scrutinising any large discrepancies further.

Improving the consistency between numerator and denominator has allowed new measures to be developed. In Chris Daffin's article, regional productivity measures are presented for the first time. The improved consistency of output and employment surveys provides some interesting findings. The carry into and out of regions through commuting between regions is shown to be a significant factor in measures of regional productivity. Chris Daffin's article also introduces a new output per hour measure of productivity. This combines Labour Force Survey (LFS) hours worked data and the workforce jobs series. This measure is needed because the hours worked in a job do vary over time. For example, the UK has moved towards increased part-time work so that output per filled job does not accurately reflect the labour input to production. The move has been particularly marked in the female labour force where reports² have contrasted UK's high labour utilisation in prime-age females with other European countries.

Such differences in trends across countries throw up a host of measurement issues. Chris Drew *et al* cover these in the second article. The article indicates the difficulties associated with measuring hours worked in an internationally comparable way and the progress made in this area by the ONS and DTI. A number of studies have highlighted that US workers typically work more hours: hence output per hour measures lessen the UK-US productivity gap. However, as French and German workers work fewer hours than the UK, the gap between the UK and these countries widens³. The international comparison of productivity paper also considers comparison of output measures using purchasing power parities.

Alwyn Pritchard's article sets out new possibilities for measuring productivity in the public sector. Until recently, the output of non-market services has been measured as being equivalent to the inputs used in producing them. This means that productivity was assumed rather than measured. ONS has been improving the measures of government output and Alwyn Pritchard raises the prospect of productivity measures for this large part of the economy.

Work on productivity measurement will continue. The level of industry breakdown is currently being reviewed and the results of this will be discussed in a future paper. There is a keen interest in measures of productivity for industries outside production, especially the service sectors. In September 2001 ONS will be publishing for the first time productivity data on non-production industries. Initially these data will be released on an experimental basis. An *Economic Trends* article that discusses the issues regarding the production of productivity measures for non-production industries will accompany this release. Also, measures of the productive capital stock and total factor productivity are being developed.

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Introducing new and improved labour productivity data

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Overview

On April 11 the Office for National Statistics (ONS) released new and enhanced labour productivity data for the whole economy, production and manufacturing sectors. This is part of a strategy of development of ONS productivity data that recognises the demand for extended and improved measures. For the first time the ONS is publishing an 'output per hour' measure of productivity. Enhancements have also been made to the methodology used to compile the 'output per job' data in order to improve the consistency between the output and input data. New regional data on output per job and output per hours are being published for the first time. The complete data set can be found on the productivity web page of the National Statistics web site.

Introduction

On April 11 the Office for National Statistics (ONS) released new and enhanced labour productivity data for the whole economy, production and manufacturing sectors. This is part of a strategy of development of ONS productivity data that recognises the demand for extended measures as well as the need to resolve issues of inconsistency between the numerator and denominator used in the compilation of the figures. These issues were first noted in the April 1999 article in *Labour Market Trends* (LMT), 'Developments in Productivity'. A project to review the existing measures of productivity was established and its first output was a revised Workforce Hours series released in October 2000, (see the article in the October issue of LMT). This article presents the results of the next phase of the project.

The improvements to ONS productivity data are:

- The publication for the first time of an 'output per hour' measure of productivity. This will be published in addition to the current 'output per job' data, as it presents a different view on productivity that better captures the changing nature of working patterns.

- Enhancements have been made to the methodology used to compile the 'output per job' data in order to improve the consistency between the output and input data. The background and implication of these changes are explained below. The enhancements all affect the productivity denominator and are:

1. Changing the denominator from 'local unit' workforce jobs to the new 'reporting unit jobs'.
2. The employee data are now benchmarked to the new ABI employee data.
3. The quarterly and monthly self-employed data have been replaced by a new measure, 'working proprietors'. These data are benchmarked annually to an estimate of self-employed.

- New regional data on output per job and output per hour are being published for the first time.

The implications to published data and a detailed description of these changes are given in the rest of this report. The new data are in the tables at the end of this report and the full data set can be found on the National Statistics web site. In summary the main effects are as follows:

- *Whole economy output per job.* As reporting unit and local unit employees sum to the same value at the whole economy the main changes are caused by the ABI benchmarking and the introduction of working proprietors. Prior to Quarter 3 1996 the changes have had little effect on the year on year growth in output per job. Between Quarter 3 1996 and Quarter 4 1998 the changes are mainly due to the introduction of working proprietors. After Quarter 4 1998 the changes are caused by the introduction of both the new 1999 benchmark and the working proprietors. The largest change occurs in Quarter 4 1999 when annual growth is revised down from 2.1 per cent to 1.8.

- *Whole economy unit wage costs.* Introducing the ABI has little effect on this series and changes in growth are caused by the new methodology. The effect is to push up the growth for 1998 and down for 1999. The largest change occurs in Quarter 3 1998 when the growth increases from 2.9 to 3.3.
- *Manufacturing output per job.* The main effect of the changes has been to push up the year on year growth rate for 1998 and 2000. This is mainly due to the introduction of the reporting unit denominator. The ABI benchmark has little effect on this series as does the move to working proprietors. The largest change occurs in Quarter 1 1998 when the growth increases from -1.2 to 0.2 per cent.
- *Manufacturing unit wage costs.* The effect on unit wage costs is similar to manufacturing output per job but in the reverse direction. Again the cause is mainly the change to reporting unit employees, which pushes down growth for 1998 and 2000. The largest change occurs in Quarter 1 1998 where the growth decreases from 6.2 to 5.0.

Main Results

Reporting Unit Employees

As expected, for the whole economy there is no difference between the reporting unit and local unit levels of employees. However, differences are noticeable at the industry level. Chart 1 shows the difference between reporting unit and local unit employees for UK manufacturing industries. The local unit data includes ABI revisions. Here it can be seen that there is a positive difference due to a net carry in of employees from other industries to manufacturing. For example, in March 2000 there were around 60,000 employees that

are classified to manufacturing when data are compiled on a reporting unit basis that are classified as non-manufacturing when compiled on a local unit basis.

It can also be noted that the magnitude of the net carry in has changed over time, dropping from around 140,000 in March 1997 to 60,000 in March 2000. This indicates a structural change in the industry, which has knock on effects on analysing manufacturing productivity changes. It may be the result of changes such as contracting out of parts of the reporting unit business to non-production industries. This chart illustrates the importance of moving to a reporting unit input measure, as the output data used in the compilation of productivity measures is also reporting unit based.

Productivity

Output per Job

The effect of introducing the above changes on productivity can be seen in Chart 2 on the next page, which plots the percentage growth between a quarter and the quarter a year ago. The black broken line shows the currently published year on year growth for the whole economy. The blue line shows the effect of introducing the new ABI, with no other changes. The growth changes little up to Q4 1998, as expected. This is because up to Q4 1998 the local unit data has been scaled to account for differences between the AES and ABI surveys. The scaling has little effect on productivity growth. However, after Q4 1998 the Q4 1999 ABI benchmark has been incorporated into the local unit series. This has changed the productivity growth, pushing down the year on year productivity growth by at most 0.3 of a percentage point in Quarter 4 1999.

The black line shows the effect of changing the productivity denominator from reporting to local unit data as well as using working proprietors. As at the whole economy level reporting unit and local unit employees are the same, any difference between the new series and the old series with ABI revisions is due to the working proprietor change. The maximum change occurs in Q2 1999 when growth is increased from 0.6 to 0.8 percent.

However, significant differences between the reporting and local unit productivity measures do occur at the industry level. Chart 3 on the next page shows the percentage growth between a quarter and a quarter a year ago in productivity for UK manufacturing industries

The black broken line shows the currently published growth for manufacturing. The blue line shows the effect of introducing the new ABI, with no other changes. There is very little difference between these two series before Quarter 4 1999. The introduction of the new ABI benchmark pushes up the growth rate. The black line shows

Chart 1

**United Kingdom manufacturing employees.
New series less old series with ABI revisions**

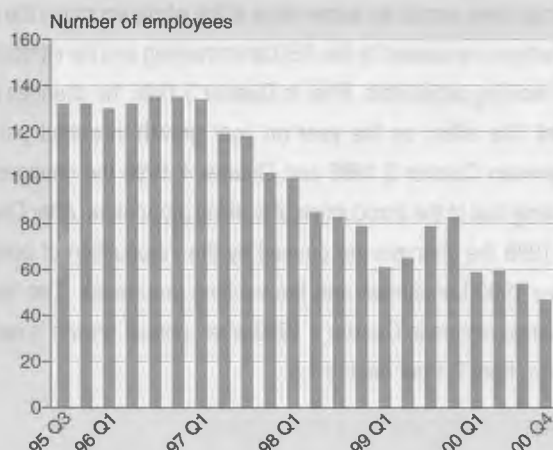


Chart 2

Whole economy output per job. Growth between current quarter and quarter a year ago

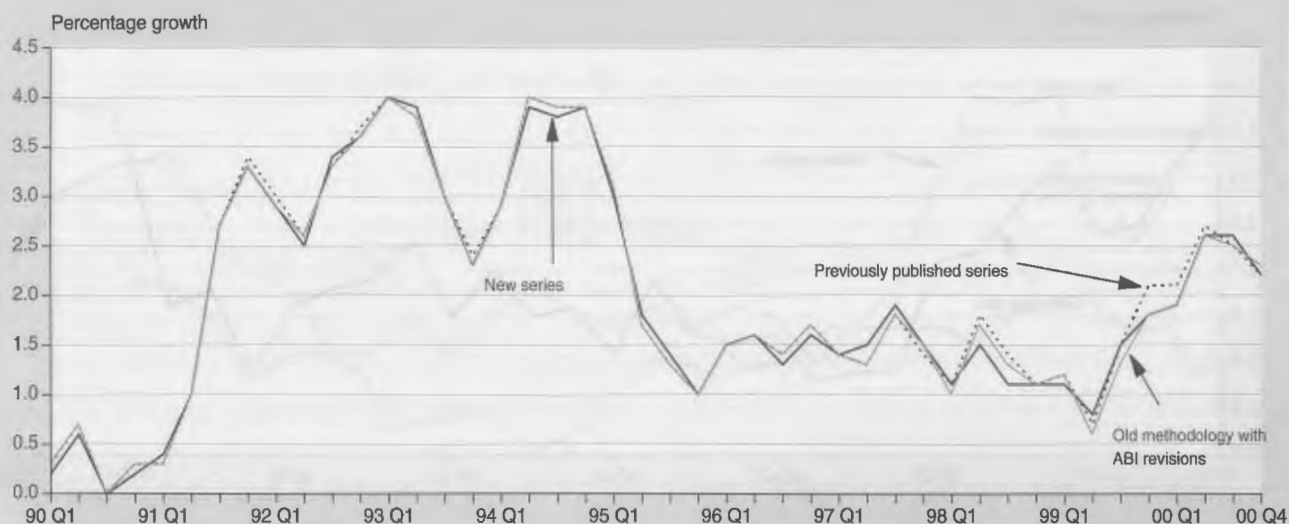
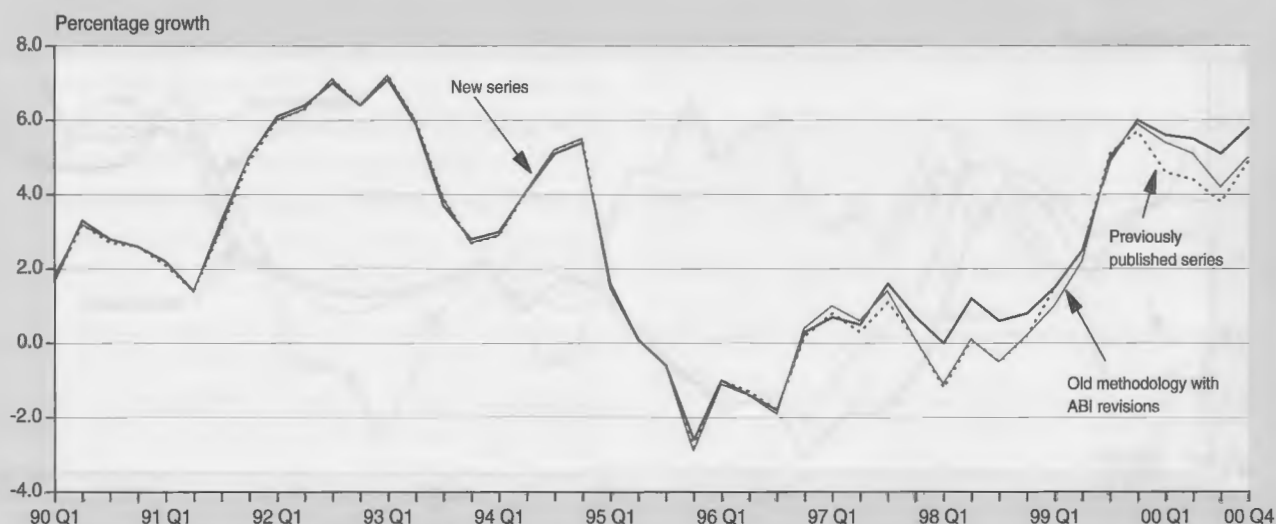


Chart 3

Manufacturing output per job. Growth between current quarter and quarter a year ago



the effect of changing the productivity denominator from RU to LU data as well as using working proprietors in place of LFS self employed.

The methodology changes have the effect of increasing productivity growth for 1998 and 2000 with little change elsewhere. Changing from self-employed to working proprietors has little effect and it is the move from local to reporting unit denominator that has the largest effect. The largest change occurs in March 1998 where growth increases from -1.2 to 0.0 percent. This indicates the impact of the new measure better associating industry output to that industry's labour input. Previous measures, by incorrectly allocating employment changes to manufacturing, lowered manufacturing productivity growth. It was noted earlier, that during the period 1997–98 the difference between reporting unit and local unit employees

declined from around 140,000 to 80,000, which accounts for a large part of the change in productivity growth. This difference affects the pattern of growth for this period, productivity growth is flat and positive for 1997–98, as opposed to the decline at the end of 1997 and start of 1998 indicated by the old data.

Output per Hour

Output per Hour is being published for the first time by the ONS. Chart 4 on the next page shows the year on year growth rates for the whole economy for both output per hour and per job. The hourly productivity measure tracks changes in people's working patterns. Some changes may reflect long-term shifts in working patterns, such as the increased occurrence of part-time work as working parents enter employment. Other changes, such as increases or decreases of overtime, may occur as a response to cyclical changes in the

Chart 4

Whole economy output per hour and job. Growth between current quarter and quarter a year ago

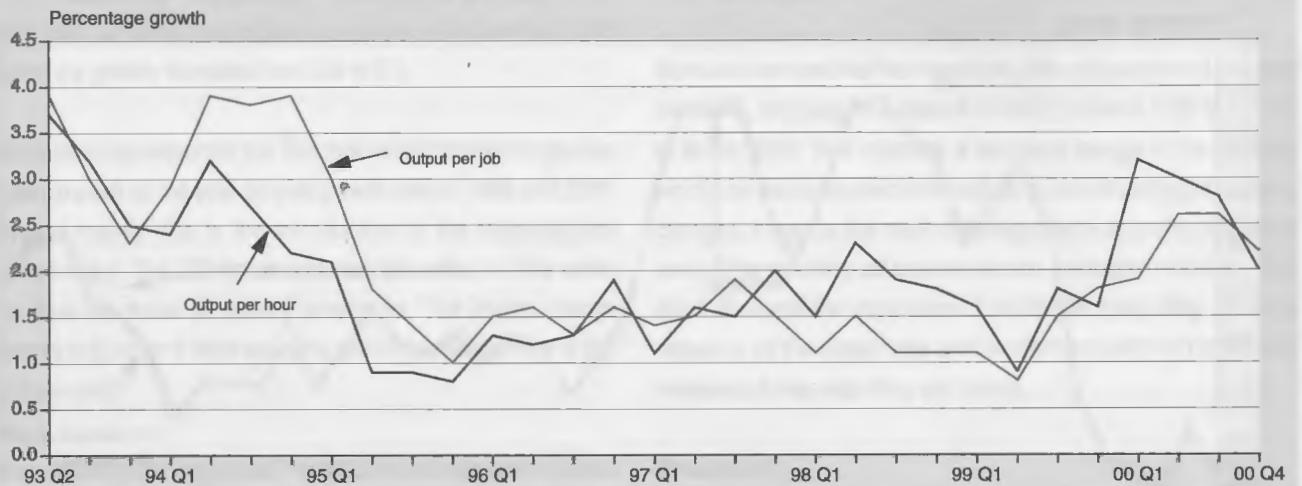
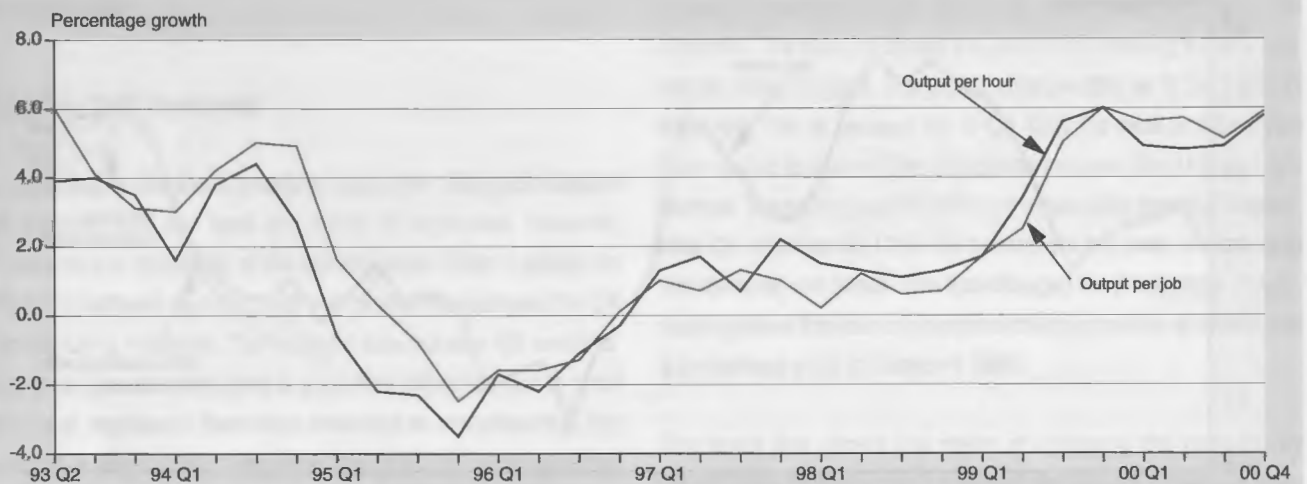


Chart 5

Manufacturing output per hour and job. Growth between current quarter and quarter a year ago



economy as employers vary working hours to meet short-term changes in demand. The hourly measure may precede a long-term shift. For example, the chart indicates how in the 1994–95 period output per job growth was higher than hourly productivity growth. This indicates that increased hours worked, as well as increased labour productivity, raised output. However, divergence between the growth of the two labour productivity measures is not sustained. The increases in hours worked foreshadow a number of years of employment growth.

Chart 5 above shows the year on year growth rates for the manufacturing for both output per hour and per job. There is less divergence in the two measures indicating that the manufacturing sector's average hours worked has remained stable. However, again,

the changes in the hourly measure are somewhat earlier than the per job measure.

Unit Wage Costs

The year on year growth in whole economy unit wage costs is given in Chart 6 on the next page. The ABI has little effect on this series and changes in growth are caused by the use of working proprietors. The effect is to push up the growth for 1998 and down for 1999. The largest change occurs in Quarter 3 1998 when the growth increases from 2.9 to 3.3.

Manufacturing unit wage costs growth is presented in Chart 7 on the next page. The effect on unit wage costs is similar to manufacturing output per job but in the reverse direction. Again the

Chart 6

Whole economy unit wage costs. Growth between current quarter and quarter a year ago

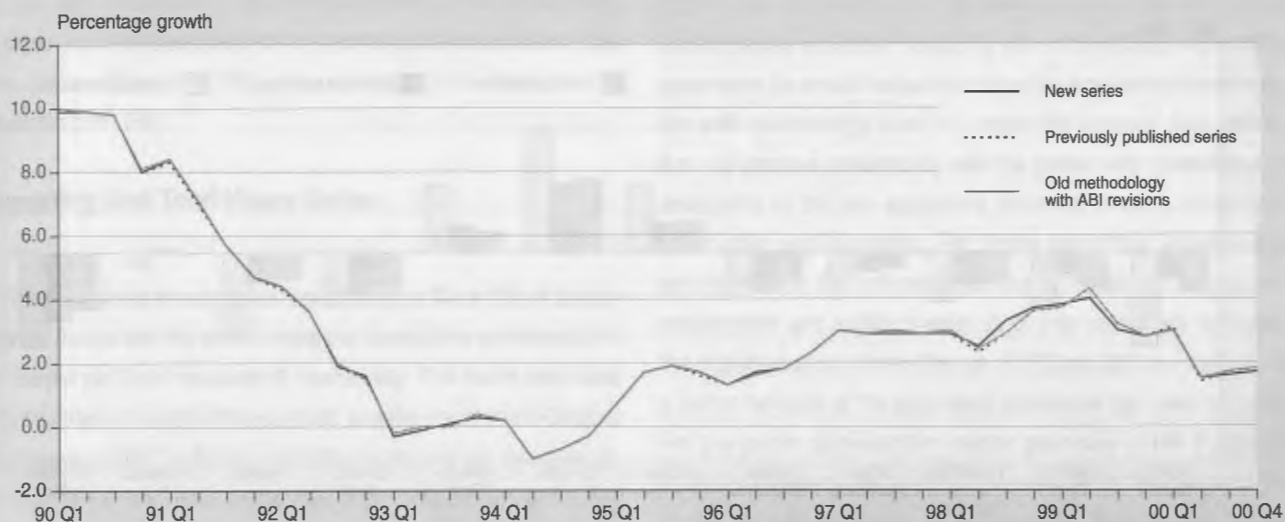
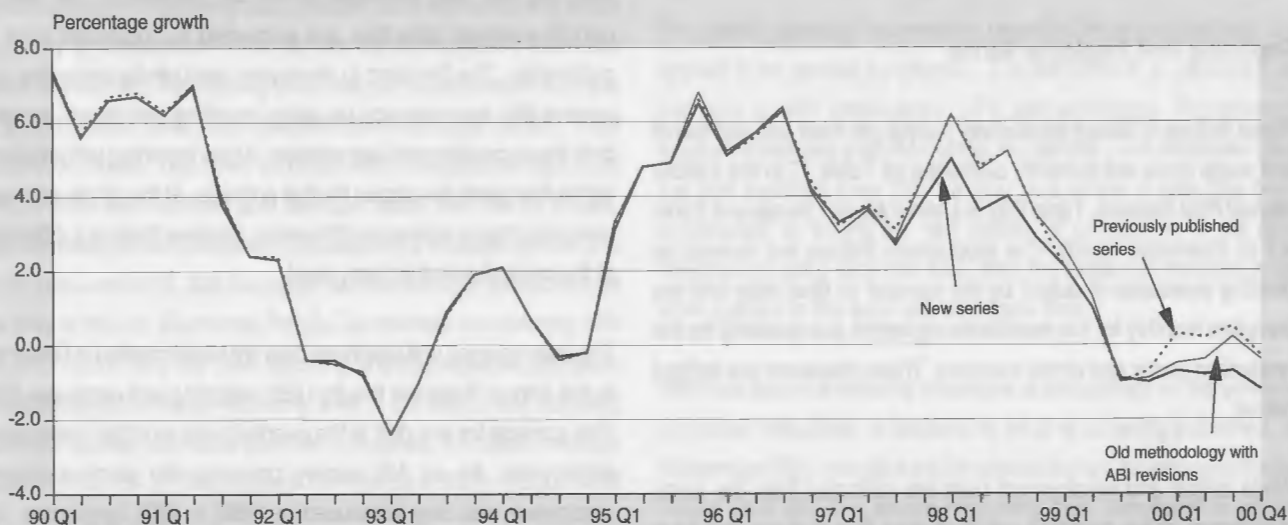


Chart 7

Manufacturing unit wage costs. Growth between current quarter and quarter a year ago



cause is mainly the change to reporting unit employees, which pushes down growth for 1998 and 2000. The largest change occurs in Quarter 1 1998 where the growth decreases from 6.2 to 5.0. The introduction of the 1999 ABI benchmark has also contributed to the decrease in the growth rate from Quarter 3 1999.

Regional Data

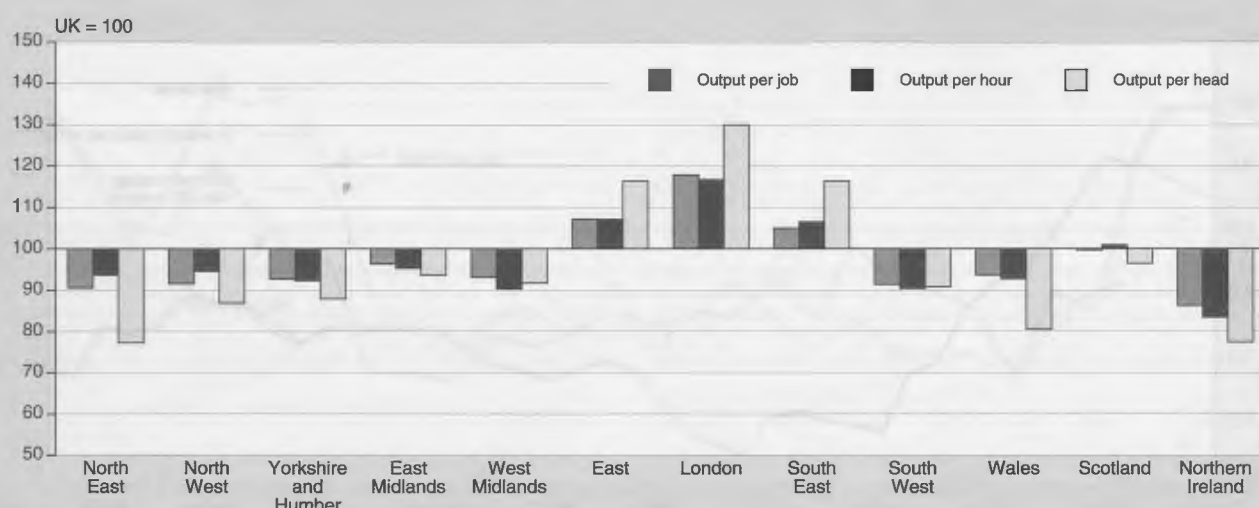
New data on regional productivity are being published by the ONS for the first time. There is little change over time in the distributions between regions for any of the three measures, output per job, per hour and per head of population, for the period 1996 to 1999.

However, there are differences within regions between the three measures, which is illustrated for 1999 in Chart 8 on the next page. Noticeably the index for London drops from 130 on a per head basis to 118 on a per job and 117 on a per hour. The effect of commuting is a main contributor to this drop as the output data in the 'per head' measures are compiled by place of residence as opposed to place of work.

For several other regions the index increases when moving from an output 'per head' to a 'per job' measure. For example in the North East the index increases from 77 to 91, most likely a reflection of lower economic activity rates for this area.

Chart 8

GDP per job, hour and head 1999, Index UK = 100



New methodology

Reporting Unit Employee Series

Three indices of labour productivity (output per filled job) and two of unit wage costs are currently published as Table 17 in the *Labour Market First Release*, Table B32 in *Labour Market Trends* and Table 4.7 in *Economic Trends*. The productivity indices are derived by dividing measures of output by the number of filled jobs and are compiled monthly for the manufacturing sector and quarterly for the production sector and whole economy. These measures are defined below:

While output and employment data are collected from the same businesses at the reporting unit level (see Box A at the end for a description of reporting and local unit), the above productivity measure uses 'reporting unit based' output with 'local unit'

employment. The published workforce jobs series originate from a reporting unit level employer survey but because of the need to publish regional data they are converted to 'local unit' data for publication. The first step in improving productivity estimates is to remove this inconsistency by using 'reporting unit based' series in both the numerator and denominator. A new reporting unit employee series has been developed for this purpose. At the whole economy level this change makes no difference, however there is a difference at the more detailed industry level.

The new reporting unit employee data are benchmarked in December to the Annual Business Inquiry (ABI) reporting unit employee data. This corrects for any drift in the quarterly and monthly measures of employees. As an ABI survey covering the whole economy employees was only introduced in 1998, a 1997 benchmark has been constructed from the 1997 Annual Employment Survey (AES). This uses scaling factors based on the 1998 AES and ABI surveys, see the ABI article in the May edition of LMT and on the National

Monthly:	Quarterly:
Productivity	
$\frac{\text{Index of Manufacturing}}{\text{Index of Manufacturing Workforce Jobs}}$	$\frac{\text{Index of Production}}{\text{Index of Production Workforce Jobs}}$
	$\frac{\text{Index of Gross value Added}}{\text{Index of Whole Economy Workforce Jobs}}$
Unit Wage Costs	
$\frac{(\text{Total UK workforce jobs in manufacturing}) \times \text{Average earnings Index for manufacturing}}{\text{Index of Manufacturing Output}}$	$\frac{\text{Total wages and salaries} \times \text{Workforce jobs}}{\text{GVA} \times \text{Employee jobs.}}$

Statistics web site for details. As constant scaling factors are used prior to 1998 the effect on productivity growth rates of introducing the new ABI level is small. Benchmarking to the ABI is another step in improving consistency with the output measure, which also makes use of the ABI survey. Reporting unit employee data are only available from 1997.

Reporting Unit Total Hours Series

A Total Workforce Hours series is published as Table B33 of *Labour Market Trends* and this series forms the basis of the denominator in an 'output per hour' measure of productivity. The hours data have recently been revised for this purpose, see the article in the October 2000 issue of LMT for details. As in the 'output per job' measure, for consistency a new hours series has been compiled using the new reporting unit data. The methodology used is the same as for the published workforce hours series, (again see the LMT article for details).

The best source of quarterly data on total hours worked for the whole economy is the Labour Force Survey (LFS). However, there are known issues with the industry level data on hours worked from the LFS and hence ONS has compiled another hours series, Total Workforce Hours. This uses a combination of employer data from ONS's short-term surveys and average hours from the LFS data. For international comparisons of productivity a variation on the LFS hours data are used, see the paper on international productivity in the May edition of *Economic Trends*. To maintain consistency with the LFS hours data the new reporting unit hours series has been constrained at the whole economy level to the seasonally adjusted calendar quarter estimates from the LFS series. To obtain calendar quarter data the LFS estimates for February, May, August and November are used.

Productivity

As well as changing the denominator used in the productivity series, other changes have been made to improve the consistency between the output and input data. Current estimates of productivity use the published workforce jobs data, which comprises local unit employees plus self-employed (from the Labour Force Survey); Government - supported trainees and HM Forces. The new productivity methodology changes this.

Quarterly movements for the whole economy (monthly for manufacturing) are calculated using the new RU employee data plus

working proprietors, GST and HM Forces. The data source for working proprietors is the Inter-Departmental Business Register (IDBR) and is defined as the difference between the employment and employee variables. Replacing self employed data with working proprietors for certain industries brings the employment measure in line with methodology used to compile the turnover data, which in turn will improve consistency with the productivity numerator. The exceptions to this are agriculture, fisheries, forestry, construction and public administration. For these industries (except public administration) the self-employed are a significant proportion of employment and explicit measures of their output are included in the output measure. Hence the use of LFS self-employed will provide a better indicator of the short-term movement for these industries. For the public administration sector estimates of HM Forces are added to employee jobs, again because explicit estimates of their output are included in the output measure. The output of the self-employed, while implicitly included in the short-term measures of output through the weighting process for all industries, has a small contribution outside of the agriculture and construction industries.

The above quarterly movements (monthly for manufacturing) are applied to an annual benchmark. The benchmark is calculated as the sum of ABI employees, LFS self-employed, Government supported trainees and HM Forces. As reporting unit employee data are only available from 1997, a long time series of data has been constructed by linking the new indices of productivity to the data constructed using local unit data, after the latest ABI revisions have been applied to the local unit employee data.

ONS has been considering measures of productivity for the services and other industries, in addition to what is currently published. In September 2001 new data will be released on an experimental basis. These data and the issues regarding their construction will be discussed in an article in *Economic Trends*.

The methodology used to calculate a new output per hour series is similar to that used for the output per job series. The difference is that the reporting unit jobs denominator has been replaced by reporting unit hours, see above for details of the hours data. Quarterly LFS data are only available from Quarter 2 1992 onwards and hence the quarterly hours series starts from the same point.

Employee data are used in the construction of the measures of unit wage costs. In order to improve the consistency between the various series used in compiling the estimates, local unit employee data has again been replaced by reporting unit data.

Regional labour productivity data

These data are calculated as the ratio of GDP output to labour input data and are presented as annual indices by Government Office Regions. The GDP data used are place of work measures at basic prices published by the ONS Regional Accounts Branch, (see the article 'Regional Accounts 1998: Part 1' in the August 2000 issue of *Economic Trends*). The data used exclude the extra-regio category. The GDP data are at current prices.

The two measures of labour inputs used to compile the productivity measures are both based on published local unit data. To compile the output per filled job measure the published regional employee jobs data have been extended to include employees, self-employed, Government supported trainees and members of HM Forces. The HM Forces data exclude those working outside of the UK and hence the UK total is different from that given in Table B11 of the *Labour Market Trends* publication. The quarterly workforce jobs data have been averaged to obtain estimates for a year.

The total hours worked data are also based on published data (see Table B33 of the *Labour Market Trends* publication). Hours are calculated by multiplying employee jobs from employer based surveys by the average hours worked from the LFS and then adding the hours worked by the self employed from the LFS. Details on how the quarterly hours data are compiled can be found in the *Labour Market Trends* articles for October 2000 page 465 and December 1995 page 467. The data used to compile the regional output per

total hours worked measure have been extended by adding estimates of hours worked by Government supported trainees and members of HM Forces. The HM Forces data again exclude those working outside of the UK and hence the UK totals are different from published data. The quarterly total hours worked data have been averaged to obtain estimates for a year.

The regional data are presented as an index calculated relative to the UK, which for each year equals 100. This makes comparisons between regions for any given year easier. Employee data by Government Office Region are only available from September 1995 onwards. Regional GDP data on a place of work basis are available from 1989 to 1999. This means that annual regional productivity data can only be derived for the period 1996 to 1999.

Further work

In September 2001 ONS will be publishing on an experimental basis measures of productivity for non-production industries. ONS is also taking over work on compiling productivity data for making international comparisons and also looking at government productivity measures; see the two articles in the May edition of *Economic Trends*. Research is also being done on multi-factor productivity measures.

For the regional series the possibility of compiling a longer time series of data going back to 1989 is being investigated. In addition the feasibility of producing a breakdown by main industry groups within regions will be looked at.

What is a reporting unit?

The term 'enterprise' is used by ONS to describe the structure of a company. Individual workplaces such as factories shops are known as 'local units' and a group of local units under common ownership is called the 'enterprise'. Reporting units are the parts of enterprises that return data to ONS. While the majority of reporting units and enterprises are the same, larger enterprises have been split into reporting units to make the reporting of data easier.

For most business surveys run by ONS, forms are sent to the reporting unit rather than the local units in other words, to the head office rather than the individual workplaces. This enables ONS to gather information on a far greater proportion of total business activity than would be possible by sending forms to a selection of local units. But it has the disadvantage that it is difficult to make regional estimates - all the employment of, say, a chain of shops would appear to be concentrated at the site of the head office.

Further differences between reporting unit and local unit data can be seen in the industry coding. Take, for example, a reporting unit with 3 cake shops and 1 bakery, each employing 5 people. The local unit analysis would put 15 employees in the retail sector and 5 employees in the manufacturing sector. But the reporting unit series puts all 20 people into the sector with the majority activity in this case, retailing. Detailed industry figures compiled using the local unit approach will therefore be different from industry figures derived using the reporting unit approach, although the totals will be the same at the whole economy level.

Labour Productivity

1 Output per Job

Seasonally adjusted (1995=100)

United Kingdom	Whole economy	Total production industries	Total manufacturing	Construction
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Section	A-Q	C,D,E	D	F
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Output per Job

	LNNN	LNNW	LNNX	LNOI
1998 Q1	103.7	100.3	100.1	106.4
Q2	104.4	101.5	100.5	103.6
Q3	104.5	101.8	100.7	103.3
Q4	104.6	102.2	100.7	102.9
1999 Q1	104.9	102.9	101.6	104.1
Q2	105.3	104.8	103.1	105.6
Q3	106.1	107.7	105.7	106.3
Q4	106.6	108.6	106.8	106.6
2000 Q1	106.9	109.0	107.4	108.7
Q2	108.0	111.4	108.8	105.1
Q3	108.9	113.5	111.0	103.0
Q4	108.9	114.0	113.0	103.8

Output per Job, Growth between period and period a year earlier

	LNNP	LNNT	LNNU	
1998 Q1	1.1	-0.3	0.0	0.0
Q2	1.5	1.2	1.2	-3.0
Q3	1.1	0.7	0.6	-2.0
Q4	1.1	1.7	0.8	-2.3
1999 Q1	1.1	2.6	1.5	-2.2
Q2	0.8	3.3	2.5	1.9
Q3	1.5	5.8	4.9	2.9
Q4	1.8	6.2	6.0	3.6
2000 Q1	2.0	5.9	5.6	4.4
Q2	2.5	6.3	5.5	-0.5
Q3	2.6	5.4	5.1	-3.1
Q4	2.3	5.0	5.8	-2.6

Output per Job, Growth between period and previous period

1998 Q1	0.2	-0.1	0.1	1.0
Q2	0.6	1.1	0.4	-2.6
Q3	0.1	0.4	0.2	-0.3
Q4	0.1	0.4	0.0	-0.4
1999 Q1	0.2	0.7	0.9	1.1
Q2	0.4	1.8	1.4	1.5
Q3	0.8	2.7	2.5	0.7
Q4	0.4	0.8	1.0	0.3
2000 Q1	0.4	0.4	0.6	2.1
Q2	0.9	2.2	1.3	-3.3
Q3	0.9	1.9	2.1	-1.9
Q4	0.1	0.4	1.7	-0.7

Labour Productivity

2 Output per Job, Manufacturing Subsections

Seasonally adjusted (1995=100)

United Kingdom	Manufacturing industries										
	Food, drink and tobacco	Textiles, footwear, clothing and leather	Pulp, paper, paper products, printing and publishing	Chemicals and man-made fibres	Rubber and Plastics	Other non metallic Mineral	Base metals and fabricated metals	Machinery and equipment	Electrical and optical equipment	Transport equipment	Wood, coke, petroleum, nuclear, NEC
Section	DA	DB,DC	DE	DG	DH	DI	DJ	DK	DL	DM	DD,DF,DN
Output per Job											
	LNNY	LNOG	LNOA	LNOB	LNOC	LZYM	LZYQ	LNOD	LNOE	LNOF	LOJC
1998 Q1	105.2	97.2	98.8	103.1	92.3	100.7	98.9	97.5	102.9	103.4	90.6
Q2	104.8	96.7	99.5	104.0	94.1	102.4	99.5	95.7	102.8	105.4	90.4
Q3	104.7	95.9	97.4	103.4	93.7	104.5	98.2	95.6	104.9	108.3	89.8
Q4	105.8	92.8	98.2	102.6	94.3	106.4	95.7	96.0	107.4	107.6	88.1
1999 Q1	106.9	93.8	99.5	101.9	93.2	106.5	95.8	93.6	113.4	109.7	87.2
Q2	106.8	96.7	101.7	104.8	94.3	107.7	96.3	95.6	113.4	111.1	87.1
Q3	106.6	98.7	103.8	109.0	97.1	108.0	98.1	98.8	118.4	115.5	87.5
Q4	105.5	99.5	104.3	112.8	96.3	108.0	98.8	100.2	121.5	116.8	86.2
2000 Q1	104.5	99.8	105.3	112.1	97.4	108.5	101.2	99.6	122.1	118.6	88.2
Q2	104.3	101.0	106.9	114.3	98.3	111.6	100.0	101.3	129.7	115.5	88.3
Q3	105.4	106.5	105.8	116.7	99.5	112.1	100.3	102.8	140.3	114.9	87.9
Q4	105.6	106.8	106.6	119.2	101.6	110.2	101.3	105.0	144.7	117.6	89.3
Output per Job, Growth between period and period a year earlier											
1998 Q1	0.9	-6.5	3.2	-1.2	-1.1	-1.0	-2.0	0.5	7.0	0.3	-6.2
Q2	0.9	-4.4	2.5	1.2	2.8	-0.1	-0.2	-0.6	4.1	4.7	-4.2
Q3	-1.5	-5.4	-2.5	-0.4	2.1	3.1	-2.2	-0.4	6.3	6.6	-1.8
Q4	-2.0	-6.3	-1.3	0.8	2.3	3.7	-3.3	0.7	7.2	4.8	-3.4
1999 Q1	1.6	-3.5	0.7	-1.1	1.0	5.8	-3.2	-4.0	10.2	6.1	-3.8
Q2	1.9	0.0	2.2	0.8	0.2	5.3	-3.2	-0.1	10.2	5.4	-3.7
Q3	1.8	3.0	6.6	5.5	3.6	3.4	-0.2	3.4	12.9	6.7	-2.6
Q4	-0.3	7.3	6.2	10.0	2.1	1.5	3.3	4.4	13.1	8.6	-2.2
2000 Q1	-2.3	6.4	5.9	9.9	4.5	1.9	5.7	6.4	7.7	8.1	1.2
Q2	-2.4	4.4	5.1	9.1	4.2	3.6	3.8	6.0	14.4	4.0	1.4
Q3	-1.1	7.8	1.9	7.1	2.4	3.8	2.3	4.0	18.5	-0.6	0.5
Q4	0.0	7.3	2.2	5.7	5.5	2.0	2.6	4.8	19.1	0.6	3.7
Output per Job, Growth between period and previous period											
1998 Q1	-2.6	-1.8	-0.8	1.4	0.1	-1.9	-0.1	2.3	2.6	0.7	-0.7
Q2	-0.3	-0.6	0.8	0.9	2.0	1.7	0.6	-1.9	0.0	1.9	-0.2
Q3	-0.1	-0.8	-2.2	-0.5	-0.5	2.0	-1.3	-0.1	2.0	2.8	-0.7
Q4	1.0	-3.2	0.8	-0.8	0.6	1.9	-2.6	0.4	2.5	-0.7	-1.9
1999 Q1	1.0	1.1	1.3	-0.6	-1.2	0.1	0.1	-2.5	5.5	1.9	-1.1
Q2	-0.1	3.1	2.3	2.8	1.2	1.2	0.6	2.1	0.0	1.3	-0.1
Q3	-0.2	2.1	2.1	4.1	3.0	0.2	1.8	3.4	4.4	4.0	0.4
Q4	-1.0	0.8	0.4	3.4	-0.9	0.0	0.7	1.4	2.6	1.1	-1.5
2000 Q1	-1.0	0.3	1.0	-0.6	1.2	0.4	2.4	-0.6	0.5	1.5	2.4
Q2	-0.2	1.2	1.5	2.0	0.9	2.9	-1.1	1.8	6.2	-2.6	0.1
Q3	1.1	5.4	-1.0	2.1	1.2	0.5	0.3	1.4	8.2	-0.5	-0.5
Q4	0.1	0.4	0.7	2.1	2.1	-1.7	1.0	2.2	3.1	2.3	1.6

Labour Productivity 3 Manufacturing Output per Job

Seasonally adjusted (1995=100)

United Kingdom	Manufacturing	Percentage change from year earlier	Percentage change 3 months on 3 months year ago
Section	D		
Output per Job			
	LNNX	LNNU	LOUV
1999 Jan	101.3	1.6	1.1
Feb	101.1	0.7	1.0
Mar	102.4	2.1	1.4
Apr	102.7	2.5	1.8
May	103.3	2.8	2.5
Jun	103.3	2.3	2.5
Jul	105.0	4.0	3.0
Aug	105.8	5.0	3.8
Sep	106.3	5.9	5.0
Oct	106.2	5.5	5.5
Nov	107.1	6.3	5.9
Dec	107.0	6.1	6.0
2000 Jan	106.7	5.4	5.9
Feb	107.1	5.8	5.8
Mar	108.3	5.7	5.7
Apr	108.0	5.2	5.6
May	108.9	5.4	5.4
Jun	109.5	6.0	5.5
Jul	110.0	4.7	5.4
Aug	111.5	5.4	5.4
Sep	111.8	5.1	5.1
Oct	112.3	5.7	5.4
Nov	113.1	5.6	5.5
Dec	113.7	6.3	5.9
2001 Jan	113.0	5.9	5.9
Feb	113.4	6.0	6.0

Labour Productivity 4 Output per Hour Worked

Seasonally adjusted (1995=100)

United Kingdom	Whole economy	Total production industries	Total manufacturing	Construction
Section	A-Q	C,D,E	D	F
Output per Hour Worked				
	LZVB	LZVK	LZVF	LZVS
1998 Q1	103.8	101.5	101.4	106.0
Q2	104.9	101.8	101.0	103.7
Q3	105.1	102.3	101.2	104.8
Q4	106.0	103.4	102.1	104.7
1999 Q1	105.5	104.4	103.1	104.2
Q2	105.9	106.3	104.5	104.8
Q3	106.9	108.7	106.8	105.9
Q4	107.7	110.1	108.2	106.2
2000 Q1	108.9	109.7	108.2	109.9
Q2	108.9	111.9	109.5	104.1
Q3	109.9	114.3	112.1	100.8
Q4	109.9	115.4	114.5	101.3
Output per Hour Worked, Growth between period and period a year earlier				
	LZVD	LZVM	LZVH	LZVU
1998 Q1	1.5	1.1	1.5	2.4
Q2	2.3	1.4	1.3	-1.2
Q3	1.9	1.3	1.1	-1.1
Q4	1.8	2.3	1.3	-0.2
1999 Q1	1.6	2.8	1.7	-1.7
Q2	0.9	4.4	3.4	1.1
Q3	1.8	6.2	5.6	1.1
Q4	1.6	6.4	6.0	1.5
2000 Q1	3.3	5.0	4.9	5.4
Q2	2.9	5.2	4.8	-0.7
Q3	2.8	5.2	4.9	-4.9
Q4	2.0	4.8	5.8	-3.7
Output per Hour Worked, Growth between period and previous period				
1998 Q1	-0.3	0.4	0.6	1.1
Q2	1.1	0.3	-0.3	-2.2
Q3	0.1	0.5	0.1	1.1
Q4	0.9	1.1	0.9	-0.2
1999 Q1	-0.5	0.9	1.1	-0.4
Q2	0.4	1.9	1.3	0.5
Q3	1.0	2.2	2.2	1.1
Q4	0.7	1.3	1.3	0.2
2000 Q1	1.2	-0.4	-0.1	3.5
Q2	0.0	2.0	1.3	-5.3
Q3	0.9	2.2	2.3	-3.2
Q4	0.0	0.9	2.1	1.5

Labour Productivity
5 Output per Hour Worked, Manufacturing Subsections

Seasonally adjusted (1995=100)

United Kingdom	Manufacturing industries										
	Food, drink and tobacco	Textiles, footwear, clothing and leather	Pulp, paper, paper products, printing and publishing	Chemicals and man-made fibres	Rubber and Plastics	Other non metallic Mineral	Base metals and fabricated metals	Machinery and equipment	Electrical and optical equipment	Transport equipment	Wood, coke, petroleum, nuclear, NEC
Section	DA	DB,DC	DE	DG	DH	DI	DJ	DK	DL	DM	DD,DF,DN
Output per Hour Worked											
	LZWQ	LZVW	LZWY	LZXC	LZXG	LZWA	LZWU	LZXK	LZXO	LZXS	LZWI
1998 Q1	105.6	95.5	99.9	105.5	93.9	101.2	100.9	98.8	105.2	105.9	92.4
Q2	102.8	95.7	102.3	105.4	95.7	101.6	98.2	95.8	104.1	107.2	93.2
Q3	102.3	97.5	97.6	103.7	95.0	107.2	96.9	94.7	107.9	109.9	92.7
Q4	102.2	95.7	100.0	104.7	97.8	112.5	95.6	98.8	109.5	108.8	90.4
1999 Q1	105.5	97.1	101.5	100.7	94.1	106.7	97.8	96.0	115.2	111.2	90.0
Q2	106.5	98.8	102.7	103.0	96.3	112.6	99.2	96.5	115.3	112.9	89.3
Q3	103.1	101.2	106.0	108.8	99.3	106.1	100.3	101.5	122.3	117.2	87.5
Q4	103.8	101.7	105.4	113.6	98.6	105.7	102.4	102.4	124.5	118.5	87.7
2000 Q1	101.6	100.5	107.0	112.4	101.1	108.3	102.9	99.7	123.1	120.3	89.9
Q2	100.9	103.0	110.0	115.5	97.0	112.0	102.4	102.1	129.9	117.3	89.0
Q3	105.6	106.9	109.6	118.8	100.4	112.8	103.3	102.2	137.1	117.5	89.1
Q4	106.8	107.4	111.3	119.5	101.5	112.3	102.9	104.7	144.9	120.2	91.8
Output per Hour Worked, Growth between period and period a year earlier											
	LZWS	LZVY	LZXA	LZXE	LZXI	LZWC	LZWW	LZXM	LZXQ	LZXU	LZWK
1998 Q1	2.2	-7.3	4.4	1.7	3.0	-2.3	-0.6	3.6	10.2	-0.4	-6.3
Q2	-1.0	-6.0	6.1	3.6	4.6	-1.1	-0.6	-1.1	5.2	4.5	-5.3
Q3	-3.1	-1.8	-2.9	0.8	6.0	2.4	-3.1	0.0	9.9	6.5	-3.9
Q4	-4.5	-2.5	-1.5	1.9	7.6	6.0	-2.7	4.5	8.4	2.5	-5.1
1999 Q1	-0.1	1.6	1.6	-4.6	0.2	5.5	-3.1	-2.9	9.5	5.0	-2.5
Q2	3.6	3.2	0.3	-2.4	0.6	10.9	1.1	0.8	10.8	5.3	-4.1
Q3	0.8	3.8	8.6	4.9	4.6	-1.0	3.5	7.1	13.4	6.6	-5.6
Q4	1.6	6.3	5.3	8.5	0.8	-6.1	7.1	3.7	13.7	8.9	-3.0
2000 Q1	-3.6	3.5	5.5	11.6	7.4	1.5	5.3	3.9	6.8	8.2	-0.2
Q2	-5.3	4.3	7.2	12.2	0.8	-0.5	3.1	5.8	12.7	3.9	-0.4
Q3	2.4	5.7	3.3	9.2	1.1	6.3	3.0	0.8	12.1	0.2	1.9
Q4	2.9	5.7	5.6	5.2	2.9	6.3	0.5	2.2	16.4	1.4	4.6
Output per Hour Worked, Growth between period and previous period											
1998 Q1	-1.4	-2.7	-1.7	2.7	3.3	-4.7	2.6	4.6	4.2	-0.3	-3.1
Q2	-2.7	0.2	2.5	-0.1	1.9	0.4	-2.7	-3.1	-1.1	1.2	0.9
Q3	-0.5	1.8	-4.6	-1.7	-0.8	5.6	-1.3	-1.1	3.6	2.6	-0.5
Q4	-0.1	-1.9	2.5	1.0	3.0	5.0	-1.3	4.3	1.5	-1.0	-2.5
1999 Q1	3.2	1.5	1.4	-3.8	-3.8	-5.2	2.2	-2.8	5.3	2.2	-0.4
Q2	1.0	1.8	1.2	2.2	2.3	5.5	1.5	0.6	0.1	1.5	-0.8
Q3	-3.2	2.4	3.3	5.7	3.2	-5.8	1.1	5.2	6.0	3.8	-2.0
Q4	0.7	0.5	-0.6	4.4	-0.7	-0.3	2.1	0.9	1.8	1.1	0.3
2000 Q1	-2.1	-1.2	1.6	-1.0	2.5	2.5	0.5	-2.6	-1.1	1.5	2.5
Q2	-0.7	2.5	2.8	2.7	-4.1	3.4	-0.6	2.4	5.6	-2.5	-1.0
Q3	4.6	3.8	-0.4	2.8	3.5	0.7	0.9	0.1	5.5	0.1	0.2
Q4	1.2	0.5	1.6	0.6	1.1	-0.4	-0.4	2.4	5.7	2.3	3.0

Labour Productivity

6 Employment and Hours Worked

Seasonally adjusted (1995=100)

United Kingdom	Whole economy	Total production industries	Total manufacturing	Construction
Section	A-Q	C,D,E	D	F

Employment

	LNNM	LNOJ	LNOK	LOIU
1998 Q1	104.2	102.0	102.2	102.5
Q2	104.5	101.9	102.2	101.7
Q3	104.8	101.5	101.6	101.7
Q4	104.8	100.4	100.7	102.1
1999 Q1	105.0	99.1	99.5	101.4
Q2	105.3	98.0	98.3	100.5
Q3	105.7	97.0	97.5	101.4
Q4	106.0	96.3	96.8	101.7
2000 Q1	106.0	95.2	95.8	102.3
Q2	106.0	94.4	95.0	103.6
Q3	106.0	93.3	93.8	103.7
Q4	106.2	92.3	92.8	103.9

Seasonally adjusted (1995=100)

United Kingdom	Whole economy	Total production industries	Total manufacturing	Construction
Section	A-Q	C,D,E	D	F

Total Hours Worked

	LZVA	LZVJ	LZVE	LZVR
1998 Q1	104.1	100.8	100.9	102.8
Q2	104.0	101.5	101.6	101.6
Q3	104.3	100.9	101.2	100.2
Q4	103.5	99.2	99.4	100.4
1999 Q1	104.4	97.7	98.0	101.2
Q2	104.7	96.6	96.9	101.3
Q3	104.9	96.2	96.4	101.8
Q4	104.9	94.9	95.4	102.1
2000 Q1	104.1	94.7	95.1	101.2
Q2	105.0	94.0	94.4	104.5
Q3	105.0	92.6	93.0	106.0
Q4	105.4	91.2	91.5	105.4

Labour Productivity
7 Unit Wage Costs

Seasonally adjusted (1995=100)

United Kingdom	Whole economy		Manufacturing				
		Percentage change from year earlier	Percentage change from previous quarter		Percentage change from year earlier	Percentage change 3 months on previous 3 months	
Section	A-Q	D					
Unit Wage Costs							
		LNNK	LOJE		LNNQ	LOUW	
1998 Q1		106.8	2.9	1.0	111.9	5.0	0.9
Q2		107.1	2.5	0.3	112.7	3.6	0.7
Q3		108.3	3.3	1.1	113.6	4.0	0.8
Q4		109.6	3.7	1.2	114.1	2.9	0.4
1999 Q1		110.8	3.8	1.1	114.3	2.1	0.2
Q2		111.4	4.0	0.5	113.8	1.0	-0.4
Q3		111.5	3.0	0.2	112.5	-0.9	-1.1
Q4		112.7	2.8	1.0	113.0	-1.0	0.4
2000 Q1		114.1	3.0	1.2	113.4	-0.7	0.4
Q2		113.0	1.5	-1.0	112.9	-0.8	-0.5
Q3		113.4	1.6	0.3	111.7	-0.7	-1.0
Q4		114.6	1.7	1.1	111.6	-1.2	-0.1
1999 Jan					114.2	2.4	0.1
Feb					114.8	2.7	0.0
Mar					113.9	1.3	0.2
Apr					114.0	1.1	0.1
May					113.4	0.6	-0.4
Jun					114.0	1.2	-0.4
Jul					112.7	-0.4	-0.7
Aug					112.6	-0.9	-0.6
Sep					112.3	-1.6	-1.1
Oct					113.1	-1.0	-0.6
Nov					112.4	-1.6	-0.4
Dec					113.3	-0.4	0.4
2000 Jan					114.3	0.1	0.6
Feb					113.5	-1.1	1.0
Mar					112.5	-1.2	0.4
Apr					113.2	-0.7	-0.2
May					113.0	-0.3	-0.7
Jun					112.4	-1.4	-0.5
Jul					112.3	-0.3	-0.5
Aug					111.2	-1.2	-0.9
Sep					111.7	-0.6	-1.0
Oct					111.5	-1.4	-1.0
Nov					111.5	-0.8	-0.4
Dec					111.7	-1.4	-0.1
2001 Jan					112.3	-2.0	0.3
Feb					112.4	-1.0	0.4

Labour Productivity
8: Productivity Measures by Region 1996–1999

(UK = 100)

	1996	1997	1998	1999
GDP per filled job				
United Kingdom	100.0	100.0	100.0	100.0
North East	95.4	92.3	91.4	90.6
North West	95.3	95.0	94.0	91.6
Yorkshire and the Humber	92.1	92.7	91.3	92.7
East Midlands	97.8	97.4	96.7	96.3
West Midlands	92.0	92.1	91.7	93.1
East	103.8	104.4	105.7	107.2
London	117.6	118.7	119.1	117.9
South East	103.0	103.8	104.6	105.0
South West	91.0	90.4	90.2	91.4
Wales	94.4	93.8	94.3	93.7
Scotland	101.9	100.1	100.2	99.7
Northern Ireland	90.0	89.5	87.0	86.3
GDP per total hours worked				
United Kingdom	100.0	100.0	100.0	100.0
North East	98.2	93.1	94.7	93.7
North West	95.0	95.6	95.0	94.6
Yorkshire and the Humber	93.6	94.0	92.0	92.3
East Midlands	98.2	96.8	96.1	95.3
West Midlands	91.2	90.7	90.2	90.3
East	104.3	105.0	106.8	107.1
London	115.1	117.6	117.2	116.7
South East	103.9	103.9	105.1	106.5
South West	91.1	90.6	90.1	90.4
Wales	93.1	92.9	92.6	92.8
Scotland	103.8	102.0	102.1	100.9
Northern Ireland	86.7	85.9	84.0	83.5
GDP per head				
United Kingdom	100.0	100.0	100.0	100.0
North East	81.5	78.4	77.6	77.3
North West	89.2	88.4	86.9	86.9
Yorkshire and the Humber	88.8	88.8	87.5	87.9
East Midlands	95.4	95.8	94.4	93.6
West Midlands	92.2	91.4	91.3	91.7
East	112.5	115.0	115.8	116.4
London	126.1	128.6	131.7	130.0
South East	114.1	114.9	115.6	116.4
South West	92.5	92.7	91.2	90.8
Wales	82.6	80.6	80.2	80.5
Scotland	99.8	96.3	96.6	96.5
Northern Ireland	80.1	80.1	77.7	77.5

International Comparisons of Productivity – An update on developments

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Overview

This paper looks at measures of productivity of the UK relative to other countries. This is an area of great policy interest and the paper gives the latest measures produced by the Department of Trade and Industry. It then outlines the methodology used in the current measures, detailing some of the measurement issues in making international comparisons. Work in this area is due to be handed over to the Office for National Statistics.

Introduction

The January 1998 edition of *Economic Trends* contained an article by Ed Harley and James Owen, then both of the Department of Trade and Industry (DTI), on the international comparisons of productivity. This article will give an update on developments in this area and present details of future work in the field. The paper will describe the methods used in comparing productivity measures across countries.

Elsewhere in this issue of *Economic Trends*, Chris Daffin outlines how the results of the Annual Business Inquiry (ABI) have been integrated into the UK productivity measures, improving the consistency of the labour input numbers to the output numerator. He notes that the level rise in the workforce jobs does not in itself affect the UK's productivity growth because growth rates of employment are unaffected by the rise. One common misconception is that the levels change in the workforce jobs series would affect the UK's productivity performance relative to other countries. As this paper indicates in its second section, international comparisons of productivity generally use employment figures based on household surveys, not enterprise surveys such as the ABI. Thus, the UK's international standing on productivity remains unchanged after ABI.

This paper will firstly consider the context and importance of the international measurement of productivity. The paper then turns to how the indicators are currently produced, covering issues such as the problem of calculating a consistent hours worked series. The paper then considers some of the other measures currently published. The paper then sets out the areas of current and future research. This includes a project sponsored by the DTI, HM Treasury and ONS at the National Institute of Economic and Social Research (NIESR); the OECD initiatives in productivity measurement; and Eurostat's recent Structural Indicators programme, part of a European leaders' initiative. Finally, the paper offers some conclusions and invites comments.

Policy context of international measurement of productivity

A number of papers, such as the recent HM Treasury (2001) 'Productivity in the UK: Progress Towards a Productive Economy', explain that productivity growth is expected to be a major contributor to long term GDP growth. In order to benchmark the UK against its main competitors, DTI's Competitiveness Indicators (DTI 2001) use two measures of labour productivity: output per worker and output per hour worked. The calculation show that the UK's performance is significantly lower than most of its major competitors.

This highlights the importance of improving the UK's productivity performance. International comparisons of productivity also form the basis for measuring a joint DTI and HM Treasury Public Service Agreement (PSA). The target set out in the agreement is to narrow the productivity gap, agreed as part of the last Spending Review. While it is important to monitor performance on both measures outlined above, output per worker is the most straightforward to measure and also has the advantage of being consistent with the government's broader objective of raising trend growth.

This objective was expressed in the 1999 Pre-Budget Report, which sets the Government a goal that UK productivity would, over the next decade, rise faster than that of its major competitors. Various documents have detailed Government strategies to improve investment, skills, innovation, enterprise and competition, seen as the drivers of productivity growth.

The most recent calculations of the productivity gap were used in the 2001 Budget Report. The table (table 1) below shows the size of this gap in 1999 (the most recently available data), both in terms of GDP per worker and GDP per hour. Both of these series have been produced until now by the DTI; the output per hour series uses the Harley/Owen methodology outlined in the 1998 article.

International productivity comparisons are also coming into the fore at European level, as part of the Lisbon process on structural indicators. In

Table 1 - International comparisons of productivity

Country	GDP per worker (UK=100)	GDP per hour (UK=100)
Italy	130	132
US	145	126
France	119	123
Germany	107	114
Canada	118	114*
Japan	100	93*
UK	100	100

Source: Department of Trade and Industry; 1999 figures except * where 1998

the March 2000 meeting, European leaders agreed a programme of economic reform. In order to produce a 'road-map' for the reforms, as well as showing the degree of progress in achieving these reforms, a list of structural indicators was drawn up relating to employment, innovation, economic reform and social cohesion. These indicators have been designed, as far as possible in the limited time available, with data compatible between the various European Member States, as well as with other leading economies (notably the US and Japan). The UK played a leading role in the development of these indicators. The first set of indicators was published by the European Commission on 7 February 2001, along with a synthesis report on progress for the Stockholm European Council in March 2001. The list of indicators includes: labour productivity and the level of hourly productivity per hour worked.

Current UK methodology

The 1998 *Economic Trends* article provides an outline of the methodology for the hours worked series, but it is worth providing some more detail here on how the data for both series are derived (Harley and Owen, 1998). The current UK methodology draws heavily on data produced by the Organisation for Economic Co-operation and Development (OECD), who have themselves undertaken considerable work in the area of productivity measurement across countries (Schreyer and Pilat, 2001).

Output measures

The first element in calculating any productivity measure based on output is to have a harmonised measure of output (i.e. GDP). For these calculations, data are taken for each country from the *Economic Outlook* database of the OECD. Most OECD countries have implemented the System of National Accounts (1993 revision) or the similar European System of Accounts (1995 revision) so the output measures are consistent across the countries.¹ The data are converted to a single currency basis using Purchasing Power Parity (PPP) rates calculated by the OECD. The OECD is one of a number of international agencies calculating PPP's

on a regular basis – Eurostat, the United Nations and the World Bank have published their findings in this area. There are a number of standard methods to calculate the PPP and some differences arise due to methodology. Scarpetta et al. (2000) found the impact of different calculation methods to be modest for comparisons between OECD member countries. They considered the two most common methods of calculation – Geary-Khamis and EKS (OECD, 1999).

A further issue is the year to which the PPP is benchmarked. Benchmarking updates the basket used to calculate PPP's, reflecting the differing patterns across countries. A general rule is to use the most up-to-date benchmark, and Schreyer and Pilat (2001) find the sensitivity of comparisons to the base year to be generally low, except when the 1985 base year is used.

GDP per worker

Two data sources are available for the employment series required for the denominator in this productivity measure: household data and establishment data. Household data count the number of employed people, while the establishment surveys focus on the number of jobs. Differences in the two series arise from a number of sources, for example due to the treatment of people with more than one job, or due to the calculation of the number of self-employed.

As noted in Chris Daffin's earlier paper, establishment employment surveys have the advantage of being consistent with output data, which is also collected from establishments. However, for the purposes of making international productivity comparisons, establishment data (i.e. from employers) may not be sufficient on their own. This is due to a number of reasons. Firstly, the surveys only collect from a subset of people in employment, covering wage and salary workers. The most notable omission is the self-employed, although agricultural workers and unpaid-family workers are also often omitted. Secondly, not all countries have a time series from establishment surveys that can be combined with an appropriate hours worked measure.

An additional consideration is comparability of surveys. All countries undertake their household labour force surveys but differ in terms of frequency, sampling and coverage. One attempt at standardisation across a subset of countries (the European Union) is the European Labour Force Survey (ELFS). The UK meets this EU initiative by providing the data from the ONS spring Labour Force Survey. The availability of this reasonably consistent household-based dataset for all EU countries argues strongly for it forming the basis of international comparisons. For these reasons, the Harley/Owen methodology has been based (for the EU comparison element) on the ELFS. In some distinct areas, this has been supplemented with establishment data where appropriate.

¹ SNA93/ESA95 adoption has generally added to national GDP's – see Scarpetta et al. (2000, p.94) for the impact.

A second attempt at standardisation of total employment data based on household surveys is the OECD Quarterly Labour Force Statistics (QLFS). This covers all employment: i.e. "all persons who during the reference week did any work for pay or profit, or were not working but had jobs from which they were temporarily absent. Family workers are also included". The OECD dataset covers non-EU countries, such as the USA. The added advantage of the QLFS is that it is more frequent than the ELFS, although it is restricted in its coverage of EU countries. The data are on a per person basis, and are consistent with the hours worked methodology outlined below.

GDP per hour worked

Most international comparisons of labour productivity focus on output per person employed. However, this does not allow for differences in hours worked across countries. Hours worked can vary significantly with differences in holiday entitlements, legal working times, and the composition of the labour force. For example, differences in female participation rates across countries could lead to differences in the average numbers of hours worked because of the higher propensity for female part-time working and flexible working arrangements (such as job-sharing).

The various country labour force surveys ask about hours worked. The first problem is that the ELFS data only covers the spring of each year (March to May), although some Member States (such as the UK) conduct their own Labour Force Survey at other times of the year as well. This leads to a seasonality issue if the spring data are simply grossed up to an annualised equivalent. Most paid leave is taken at certain times of the year and the pattern of public holidays is such that some countries (e.g. the UK's two May bank holidays) have them concentrated in the spring quarter. Using the results for actual hours worked from the Spring ELFS alone could bias annualised estimates of working time. For this reason, the methodology takes usual hours worked and adjusts for time off due to sickness, training, industrial disputes, and other non-holiday reasons for time-off. A further adjustment is then made on the amount of holiday taken by employees using information available from Eurostat. For non-EU countries, the OECD's QLFS is used, which does not suffer so much from seasonality due to its frequency.

Furthermore, there are some inconsistencies between the UK data contained in the ELFS and the results of the domestic Labour Force Survey (LFS). When these are found, the current methodology adjusts to use the domestic LFS data, as this has been considered the most appropriate representation of the UK domestic situation. The reasons for these inconsistencies are thought to include realignment differences in calendar data and seasonal adjustment methods.

Other adjustments made at this stage include:

- accounting for people who hold more than one job. This issue is not always considered in other methodologies, which may only pick up the hours worked in the primary job. This issue could become more relevant during different phases of the economic cycle; for example when there is a relatively tight labour market. The data required for this adjustment are provided by the ELFS, which gives the number of people holding more than one job, and the hours they work in those jobs;
- the incorporation of "zero hours" into the hours worked series. This refers to people who are in employment but who worked zero hours in the reference week. These people are not included when the average hours per week are calculated, although conceptually these should be included. An adjustment is made based on the proportion of employed people with zero hours; and
- allowing for people in employment who work different hours from usual hours in the reference week.

Methodology of Other Studies

The OECD has undertaken a significant amount of work to refine a methodology for looking at relative productivity between countries (see Schreyer and Pilat, 2001). The OECD uses household survey data to assess the hours worked and the employment numbers used in the productivity denominator for the UK. However, in some countries, labour measures combine household surveys with enterprise surveys to arrive at labour input measures. The GDP output measures are made comparable using their purchasing power parity measures. Some adjustments of the GDP output measures are made to account for the differences across countries in adoption of ESA95/SNA93. The aim of the OECD research is also to establish what factors determine international productivity differences, incorporating activity and unemployment rates, as well as working hours. Work is underway in the ONS and DTI to reconcile the OECD figures with the UK produced estimates.

Eurostat (2001) gives regular measures of productivity to compare across the European Union members. The data for GDP per person employed are calculated using national GDP data converted using PPP's in the standard fashion (EKS, 1996 weights), divided by the number of persons employed. Persons employed covers both employees and the self employed. It also covers persons temporarily not at work because of illness, injury, holiday or vacation, strike or training.

For the hours worked calculation, Eurostat have used national estimates provided to the OECD. Eurostat data on actual hours worked will not be available until 2003.

A recent study by Crafts and O'Mahony (2001) presents 1999 figures calculated for five countries. The study updates O'Mahony (1999). OECD PPP's are employed in the conversion of the aggregate country GDP's to be comparable across countries, with the benchmark year being 1993 in the more recent calculations. In looking at the labour inputs for each country, the study considers the data available from each of the five countries, combining enterprise and household survey data to give hourly productivity measure. In the case of the UK, labour input figures make greater use of enterprise survey data.

Comparison of methodological results

We can compare the published UK data with that of different methodologies outlined above. Tables 2 and 3 highlight the different results. Table 2 shows that there is little difference in the output per worker measures using the UK and OECD methods. As noted above, the UK methodology has been based on OECD data so this result is unsurprising. In the case of Japan, the OECD results presented include the changes occurring through the adoption of SNA93. The more current DTI measures do not include this, since the data has not yet been published by the OECD. The results of the Eurostat analysis show more of a difference across countries. The methodology and core dataset used for the Eurostat analysis is somewhat different to the UK and OECD figures, and this may explain the divergence.

Table 3 indicates more divergence in the output per hour results of the different studies. It has generally been acknowledged that an internationally comparable measure of hours worked presents the most difficulties in calculation. It can be surmised that differences in hourly productivity measures come from the average hours worked as calculated by the different methods.

Tables 2 and 3 indicate the differences of results due to differences in methods. Nonetheless, both output per worker and per hour show the

Table 2 - GDP per worker in 1999 (UK=100)

Country	GDP per worker (UK=100)	GDP per worker (UK=100)	GDP per worker (UK=100)
	UK methodology	OECD methodology	EU
Italy	130	128	117
US	145	141	..
France	119	116	114
Germany	107	107	105
Canada	118	113	..
Japan	100	107	93
UK	100	100	100

Source: UK – DTI; OECD — Schreyer and Pilat (2001) ; EU – Eurostat (2001)

Table 3 - GDP per hour in 1999 (UK=100)

Country	GDP per hour (UK=100)	GDP per hour (UK=100)	GDP per hour (UK=100)	GDP per hour (UK=100)
	UK methodology	OC	OECD methodology	EU methodology
Italy	132	..	123	..
US	126	126	118	123
France	123	133	113	..
Germany	114	128*	107	116
Canada	114*	..	99*	..
Japan	93*	88	91*	..
UK	100	100	100	100

Source: UK – DTI; OC – O'Mahony and Crafts; OECD – Schreyer and Pilat (2001); EU – Eurostat (2001) *West Germany * 1998

UK to have a significant productivity gap with its major competitors.

Current and future areas of productivity work

The data on the international comparisons of productivity are currently produced by the DTI. With the advent of National Statistics, as these data are not only used by HM Treasury in the Budget, but also form the indicator for a joint PSA target between DTI and HM Treasury to close the productivity gap with the UK's major competitors, it was agreed that these data should be produced by the ONS. This will allow the results to become part of the standard ONS outputs, and will bring the methodology within the scope of National Statistics. The ONS has therefore agreed to produce quality assured international comparisons of productivity for the 2001 Pre-Budget Report. This will allow the economic statisticians producing the comparisons to reappraise the methodology, which is now over 3 years old, and to allow for new sources where these have come on stream. To achieve this, the ONS is planning to review and quality assure the existing methodological framework set out above, and to develop an appropriate system for their calculation in future. For at least the first year, this will be undertaken in parallel with the DTI system, so that the consistency of the results is assured. These data should then be published on at least a twice-yearly basis, at a convenient time for the Pre-Budget and Budget Reports, as well as the DTI Competitiveness Indicators Reports. The exact timing of the publication will continue to be dependent on the availability of data from external sources, notably the OECD and Eurostat.

The ONS is undertaking research in a number of areas related to productivity. The results of this are detailed in other articles in this edition of *Economic Trends*, notably the implications of the new ABI series. The transfer of international comparisons from DTI to ONS will allow for the results of these projects, and the methodologies underlying these results, to be considered when refining the Harley/Owen methodology for new sources.

The DTI, HM Treasury and ONS are also co-sponsoring research by the National Institute for Economic and Social Research (NIESR) on Britain's relative productivity performance, updating previous work by NIESR in this area (O'Mahony, 1999). The project also includes research on the importance of the new economy, the measurement of new economy inputs and the links between ICT activities and UK productivity gaps. Relative productivity will be measured at the sector level to enable estimates of the contribution of specific sectors to the aggregate UK productivity gap.

The project will also extend NIESR's sectoral database to include more variables (including new economy indicators) and more countries. This should lead to a paper on Britain's relative productivity performance. Again, the ONS will be considering the implications of this work in the refinement of the current methodology.

The ONS will also be looking to play a leading role in the development of the European Statistical Indicators, and where there are relevant developments, these will be considered in terms of the data produced for DTI's Competitiveness Indicators and for the Pre-Budget and Budget Reports. Similarly, the work of the OECD will continue to be monitored in this regard.

Conclusions

This article has highlighted the importance of high quality indicators of relative productivity for analytical and policy making purposes. The UK has a good track record of producing such indicators, both in terms of official statistics and through NIESR. The transfer of responsibility for production of official indicators from the DTI to the ONS is a suitable point to review the methodology to ensure that it continues to use the most appropriate data sources, and to produce consistent series that meet National Statistics quality standards.

The ONS will be working to ensure this review produces the most appropriate system for measuring the UK's competitiveness, and would welcome the views and inputs of users and producers of such indicators. The ONS intends to gradually expand the range of international comparison data to cover other key indicators relevant to the government's policy agenda, such as investment. Comments should be addressed to:

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Measuring productivity in the provision of public services

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The ONS has embarked on a project which has as its ultimate aim to provide a measure of productivity in the provision of public services. This article provides the background to this new initiative and gives an indication of what new measures can be expected to become available as a result of the project.

Background

The Government has a central policy objective of achieving high and stable levels of economic growth and employment. Improving productivity is one of the major ways of achieving this goal. UK labour productivity is some way behind that of the USA, France and Germany, according to OECD figures. The Government's policy proposals are outlined in *Productivity in the UK: The Evidence and the Government's Approach*¹. This document also outlines policies for achieving higher productivity in the provision of public services.

A shortcoming of existing productivity measures lies in the sharp differences between the market and non-market sectors as regards the way productivity is measured. The money value of output by market producers has long been adjusted to derive its equivalent at constant prices. Improvements to the quality of goods and services are normally taken into account by adjusting downwards the price indices used to deflate the money value of this output: better products are reflected as more output at constant prices. This approach did not prove possible for the non-market sector, which is composed mainly of government services, often provided free of charge at the point of consumption. For such cases, it is often unclear whether a transaction has taken place at all let alone what its value is. Until recently, the practice – in the UK as in other countries – was to assume that productivity in producing government services was constant and that, over time, there was no change in the quality of the services produced. To the extent that each country differs as regards what was supplied by government, comparisons of

productivity have suffered. This is likely to prove a substantial shortcoming, given the large size of the government sector in most countries.

Given the actions taken in recent years to improve government sector productivity, there developed a greater emphasis on measuring it. The *System of National Accounts* and the *European System of Accounts* both encourage this measurement of productivity where it is feasible. The United Kingdom has been in the forefront of these developments. Articles describing the progress made in measuring certain government outputs in real terms have appeared in recent issues of *Economic Trends*². The share of general government output which is measured, like the market sector, in volume terms – has now climbed to over 50 per cent. Following on this progress, the ONS has embarked on a project to measure productivity trends in the provision of government services. In brief, this will measure the extent to which growth in the volume of output exceeds (or otherwise) growth in the volume of inputs.

It is hoped that this project will lead to the publication of indicators of productivity for some or all of the main functions of government. It is expected that publication of the functional indicators will follow the pattern already used in *National Income and Expenditure*³, which has the United Nations' COFOG classification⁴ as its basis. The project will also seek to extend the scope of the work beyond labour productivity to cover the use of capital and the cost of capital as inputs. This is particularly appropriate given the imminent introduction of resource accounting and budgeting for government through which departmental budgets are charged the cost of the capital employed in their business. The intention is that the output of the project will be published in *Economic Trends*. Results are expected during the early part of 2002 and will initially take the form of experimental statistics. At the very least, the statistics will cover complete years but would be made available quarterly if that is justified by the data

quality. The project is also to examine the availability of the basic data required to compile these functional productivity indicators. Should the work reveal shortcomings in the nature of the basic data available on government transactions, recommendations will be made to correct that.

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- ¹ Available at:
www.hm-treasury.gov.uk/pdf/2000/productivity7_11.pdf
- ² The measurement of real public sector output in the National Accounts, February 1998; Measuring the output of non-market services, October 1998; Developments in the measurement of general government output, September 2000.
- ³ See *United Kingdom National Income and Expenditure 2000*, Table 11.2, General government: analysis of total outlays by classification of function of government (COFOG).
- ⁴ Classification of the Functions of Government, available at www.un.org/depts/unsd/class/class1.html

ONS plans for the 2001 and 2002 Blue and Pink Books and Supply & Use Tables

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Introduction

The United Kingdom National Accounts and Balance of Payments are under continuous development. The majority of the programme to implement the *European System of Accounts 1995* (ESA95) is now complete, including the framework, new terminology and treatment of new concepts. However, the timetable for the implementation of the remainder of ESA95 extends to 2005. In addition a number of other significant changes and data revisions will be implemented in this year's *Blue Book* arising from the development of new methodology; new classifications; and new and enhanced data sources.

As part of our policy to inform users about forthcoming changes to the National Accounts and Balance of Payments, we have for the past few years published articles describing developments planned for subsequent *Blue Books*, *Pink Books* and related publications such as the *Input-Output (I-O) Supply and Use Tables*. The most recent of these articles was published in March 2000 and covered publications in 2000 and 2001. This article updates the plans described there and provides new information on other developments for both 2001 and 2002.

The first part of this article describes the key developments and changes which are being taken on for 2001, including the background or reasons behind the changes and in some cases an indication of their impact on the accounts. The article then continues to give some brief information on the publishing schedule for 2001 and our current plans for 2002. At the time of writing, however, the revisions policy for 2002 has not been set, so detailed information for 2002 cannot be given. The article concludes by giving an indication of the development programme that is planned for the National Accounts and Balance of Payments during the period 2002–05.

New in 2001

During 2000 we embarked on a review of methodology, including a rigorous process to ensure that new methodology is subject to extensive scrutiny before it is adopted. Reviews of specific areas of the accounts were accompanied by peer group appraisals, and this process has allowed a substantial package of improvements to be included in the 2001 *Blue Book*, *Pink Book* and *I-O Supply and Use Tables*. The key developments to be included in the national accounts this year are:

Inclusion of results for the new Annual Business Inquiry (ABI), the PRODCOM inquiry and the annual all-industry Purchases Inquiry.

An *Economic Trends* article published in November 2000 describes the development of the ABI in detail. This new, integrated survey of employment and accounting information replaces the following annual survey systems:

- Annual Employment Survey (AES);
- Annual Censuses of Production and Construction (ACOP/C), including the Purchases Inquiry (PI) for the production industries;
- The six annual Distribution and Services (DSI) inquiries: Wholesale, Retail, Motor Trades, Catering, Property, and Service Trades.

Major improvements in methodology have also been implemented and as a result the ABI provides more coherent and consistent annual industrial statistics across the whole economy. This will also lead to improved estimates for the distribution of value added by industry in the national accounts, and provide considerable improvements to the quality of the *I-O Supply and Use Tables*. The ABI was first conducted in respect of the year 1998 and results for that year started

to become available in February 2000. These results were, therefore, included in last year's *Blue Book* and *I-O Supply and Use Tables* for the years 1998 and 1999. However, the less restrictive revisions policy for this year's exercise means that revisions have been made back as far as data exists.

In addition, various aspects of data consistency between the new and old inquiries and discontinuities arising from the introduction of the Inter-Departmental Business Register (IDBR) have been reviewed. The IDBR provides the sampling frame for all ONS business inquiries and as such is an important base for many ONS statistics. A project to address quality improvements to this register was completed last year and covered the following areas:

- Quality improvements on the register in terms of coverage and industrial classification;
- Improvements to the use of administrative data on the business register;
- Treatment of small enterprises and complex enterprises on the business register in relation to sample selection and estimation of survey results.

An article "Experimental Constant Price Input-Output Supply-Use Balances: An approach to improving the quality of the national accounts" was published in July 1999. This described how the development of Constant Price Supply and Use Tables had identified inconsistencies in the distribution of value-added at the industry level for the period 1994–1996. These issues will be addressed in this year's *Blue Book* through the rebalancing of the 1989–98 Current Price *I-O Supply and Use Tables* with the new ABI estimates, and taking on the improvements in the quality of the IDBR. In addition the *I-O Supply and Use Tables* will fully reflect the ABI levels for 1999, together with a range of specific improvements including results from various pilot surveys.

The overall effect of these changes is to increase the level of GDP in recent years, although changes to growth rates will not be significant. The changes to GDP will also lead to revisions to the industry weights in the base year (1995) which are used in the calculation of the production measure of GDP as well as the Index of Production (IOP). As a result, gross value added indices will be revised back to 1995.

ONS and Department of Trade and Industry (DTI) Estimates for Oil & Gas Extraction Industry

DTI and ONS have historically published similar estimates of economic activity for the extraction of oil and gas industry based on a single source, DTI's PQ1100 inquiry. This was set up in 1976 to

measure all activity, connected solely with the upstream UK Continental Shelf (UKCS).

Through 1999 and 2000, a joint DTI /ONS working group was set up to investigate differences between the PQ1100 results and those from the new ABI. Following completion of investigations by the working group, they recommended that:

- The UK National Accounts should reflect the results of the ABI, covering all of Division 11, Extraction of oil and gas and incidental service activities, and
- PQ1100 should continue in its present form, except that it was now unnecessary to include coverage of Group 11.2 - service activities incidental to oil and gas extraction (for a fuller description of this industry, see the Standard Industrial Classification 1992 (SIC92)).

This change will be reflected in the 2001 *Blue Book* and *Annual I-O Supply and Use Tables* as well as the corresponding DTI *Brown Book* and *Energy Trends*.

Inclusion of estimates for personal imports and smuggling of alcohol and tobacco

Under the ESA95 and its international equivalent (the *System of National Accounts 1993* (SNA93) issued by the United Nations), estimates for tobacco and alcohol smuggling must be included within the boundary of economic activity in the National Accounts. Illegal actions that fit the characteristics of transactions, notably where there is mutual agreement between the parties, should be treated in the same way as legal actions. Currently, estimates for household final consumption expenditure for alcohol and tobacco are based on the duty received by HM Customs and Excise. Consequently, imports and expenditure on smuggled alcohol and tobacco are not included. Associated retail or wholesale activity and mixed income is not included in output measures, or in imports. A research project to look into the effects of tobacco and alcohol smuggling has been undertaken by the ONS with the assistance of HM Customs and Excise. The results of this investigation will be introduced in 2001 and will result in increased estimates of household final consumption expenditure, imports of goods (and, therefore, decrease the Current Account of the Balance of Payments), household income and value added of the distribution sector.

Reclassification of detailed series for individual consumption expenditure to ESA95 definitions

Household final consumption expenditure is to be reclassified for 2001 to conform to the ESA95 functional classification known as the Classification of Individual Consumption by Purpose (COICOP). Data

collection systems (from the 2001 Annual Business Inquiry and the 2001 Expenditure and Food Survey) have been amended to collect data on this basis. In future, estimates for household final consumption expenditure in First Releases will be presented on the COICOP basis. The emphasis will mean a change from the current goods and services split shown in Tables 6.2 and 6.3 of the *Blue Book*, to the presentation by 12 functional divisions, as shown in Tables 6.4 and 6.5.

Expansion of the use of direct measures of government output

Before 1998, government output and consumption expenditure at constant prices was derived using volumes of inputs such as staff numbers or deflated intermediate consumption. This approach did not take full account of productivity and efficiency changes and is not recommended by SNA93. A project to measure the output of general government directly has been underway in recent years, most recently described in an *Economic Trends* article published in September 2000. In 1998, this procedure was first implemented for three areas of government; education, health and social security. Since then other areas including Administration of Justice and Agricultural Intervention have also been implemented although introduction to the published figures was partially restricted by our revisions policy since the 1998 *Blue Book*. The coverage of this methodology will be further expanded in 2001 to include Local Authority Personal Social Services (LAPSS) and Fire Brigades. These cover 8 per cent of Government, so coverage of government consumption expenditure at constant prices by this method will increase from 53 per cent to 61 per cent. The LAPSS measure is a cost-weighted activity index (CWAI) of a range of social services, from adoption to old age homes. The Fire Brigades measure is also a CWAI; it covers fires, non-fire incidents, fire prevention inspections and community work. The application of all these new measures to earlier periods will also be included in the 2001 *Blue Book*.

Clarification of the treatment of taxes and subsidies

A number of changes to taxes and subsidies will be included this year:

- Extending the current methodology of using moving averages of cash receipts for accruing VAT, to data for 1996 and earlier;
- A review of taxes on production and subsidies; changes to the allocation of taxes and subsidies between those on products and those on production;
- Converting estimates of agricultural subsidies received from the European Union onto an accrued basis from their current cash basis. This will reflect the reality of the payment being made to cover a full year.

Treating the General Government sector as non-market

Following a review of the implementation of ESA95 in the General Government Sector, the treatment of output and income of public sector market bodies will be amended in 2001. Market activities previously included in the government sector will be reclassified to the public corporations sector where separate institutional accounts are available. Operations allocated to the public corporations' sector will include the Local Authority Housing Revenue Account, many local authority companies and some central trading bodies.

Government Source Data

Another important change happening at the time of *Blue Book* publication will be that to the source data for Central Government. Government departments will start producing data on a Resource Accounting basis, similar to the accrual accounting basis adopted by the commercial sector. This will have the benefit of improving the quality of the accrued data in the accounts, but could also present a period of uncertainty as the source data moves onto this new basis.

For the 2001 *Pink Book* we have taken the opportunity to review sources and methodology as part of the wider review of Sector and Financial Accounts. A number of changes will result, the most significant are:

Exclusion of the offshore territories from the UK

The adoption of ESA95 in 1998 saw the redefinition of UK territorial coverage. Prior to ESA95, the offshore territories (Isle of Man, Channel Islands) were included indistinguishably as part of the UK for Balance of Payments purposes. However, the islands are not part of the EU, so statistics relating to them are not required under ESA95 and they have to be excluded from the UK's economic territory to ensure full UK consistency with ESA95. Adjustments were made to the affected series at the time of the 1998 *Pink Book* to reflect the exclusion of these offshore territories. These were derived from limited information available through the Bank of England at the time of the reclassification on offshore-related interest payments and receipts. The ONS has subsequently reviewed the results of this process, and the methodology applied, as part of an ongoing series of transaction reviews. While no new information has become available, the review nevertheless recommended a number of changes be made to the existing methodology to improve the quality of the adjustments. The changes impact mostly on investment income, reducing both credits and debits, although the overall effect is to reduce the current balance in all years. The new methodology has been subject to internal peer group appraisal and validated with the help of colleagues at the Bank of England.

Sampling frame for foreign direct investment (FDI)

The FDI register previously used information from Dun and Bradstreet's "Who Owns Whom" updated with information from the ONS's Acquisitions and Mergers survey. A new register based on Dun and Bradstreet's "Worldbase" has identified additional outward and inward investment.

Reassessment of tax paid on direct investment income

The implementation of the *IMF Balance of Payments Manual 5th edition* (BPM5) led to investment income being recorded gross of tax, with an offsetting entry of the value of tax being recorded in current transfers. The review in this area has, however, concluded that the tax paid has been overestimated, being based on corporation tax, rather than withholding tax. The main impact of this will be to reduce direct investment tax on debits.

Treatment for interest rate swaps

The March 2000 *Economic Trends* article described our plans to reclassify the settlement flows on interest rate swaps (IRS) and forward rate agreements (FRA). Figures currently presented in the *Pink Book* and the quarterly Balance of Payments First Release for portfolio investment income include these settlement flows. This treatment is in line with the original version of the BPM5.

Following worldwide discussion of the treatment of financial derivatives in general, BPM5 and SNA were both revised at the end of 1999. These flows should be classified in a special financial derivatives category within the financial account. The reasoning behind this is that interest income is defined as the return on capital but interest rate swap contracts do not provide any capital at their inception. It had been intended to implement this change in the 2001 *Blue Book* as it was anticipated that the change would have been finalised within the ESA95 Regulation by this time. However, at the time of writing, this is not the case and it is unclear whether the reclassification will be made in the 2001 *Blue Book* or *Pink Book*, or be held over to a future exercise.

Publications in 2001

There will be few changes to presentation in the 2001 *Blue Book* or *Pink Book*. The only significant change will be within the environmental accounts chapter. This chapter was introduced in the 1999 *Blue Book* and expanded last year with new analyses of the accounts for natural assets, energy, air emissions and environmental taxes. This year, we plan to publish several new or expanded tables: material flow analysis showing the total material requirement and direct material input of the UK economy; new analyses on land accounts; updated data in the environmental expenditure table including a new section on spending by the public

sector; extra detail in the oil and gas reserves tables showing a monetary balance sheet.

Timetable for 2001 publication

As a consequence of the major programme of improvements described in this article, the implementation of new methodologies and sources and the associated longer-run revisions, publication of the 2001 *Blue* and *Pink Book* electronic datasets will be on 25 September 2001. Electronic versions of the I-O Supply and Use tables will also be available on the same day. The *Blue Book*, *Pink Book* and *Input-Output Supply-Use Tables* will appear shortly afterwards.

Input-Output analytical tables for 1995 covering symmetric input-output tables for domestic uses and imports will also be produced later in the year, ahead of the original schedule to meet Eurostat Regulations for delivery in 2002.

The scale of changes to methodology underlying the data in the 2001 *Blue Book* suggests that there will be a need to make available details of the new methodologies through a revised version of *National Accounts Concepts Sources and Methods*. Users are being consulted whether they would prefer a completely new edition, or a package of amendments. In any case it is our intention to make the new version available through the National Statistics website. A new edition of the *Methodological Guide to Input-Output Supply-Use Tables* based on ESA95 will be issued early next year.

Issues for the 2002–05 *Blue Book*, *Pink Book* and Supply and Use Tables

Much of the National Accounts development programme is driven by ESA95 requirements. The developments after the 2001 *Blue Book* are focused on two main areas: the production of analytical input-output tables and associated analyses; and improvements to constant price estimates. There are two programmes that contribute to the latter:

- i) over the period to 2005 we will be contributing to the harmonisation of constant price estimates across EU member states by improving deflation. Improvements to Constant price methodology will follow from this;
- ii) we will improve the international comparability of UK estimates of growth by introducing chain-linked estimates of GDP and its components in 2003.

A summary of changes is shown below.

Development	Date of implementation
Input-Output supply and use tables at constant prices (1995–1999)	2002
Input- output analytical tables: covering symmetric input-output tables for domestic uses and imports	2002 (this is the Eurostat deadline but we intend to publish at the end of 2001)
Annually chain linked estimates of constant price GDP and its components	2003
5-yearly cross-classification by industry (year 2000):	2003
<ul style="list-style-type: none"> ● Production accounts by industry (60 industries) and sector ● Capital formation by industry and product (31 industry x 3 product groups) at current and constant prices. ● Fixed assets by industry and product (31 industry x 3 product groups) 	
Improvements to deflation methodology and constant price estimates	2001-2005
Financial intermediation services indirectly measured	implementation date not yet determined
Amended treatment of monetary gold	by 2005

It is currently too early to give precise indications of more specific changes that may be implemented in the 2002 *Blue Book*. As yet, the revisions policy for next year's *Blue Book* has not been finalised but it is unlikely to be extensive. However, some areas of development that may be included are:

- A review of treatment of government interest payments and receipts, with conversion of data onto a more accrued basis.
- Creation of levels for "equity" held by government in public corporations. This is likely to be closely linked with work on

valuing the share capital of private unquoted companies.

- Additional direct measures of government output such as environmental protection, roads and immigration.
- The implementation of recommendations resulting from a process of industry reviews on short term indicators of services output.
- The inclusion of results within the I-O Supply and Use Tables from new developments such as the SERVCOM pilot inquiry.

We welcome the views of national accounts users on any of the issues raised in this article. Contact names are given below.

	contact	e-mail
2001 Blue Book	Jennie Tse	jennie.tse@ons.gov.uk
2001 Pink Book	Perry Francis	perry.francis@ons.gov.uk
Current Price I-O Annual Supply and Use tables, Production Accounts and I-O analytical tables	Sanjiv Mahajan	sanjiv.mahajan@ons.gov.uk
Constant Price I-O Annual Supply and Use tables	David Caplan	david.caplan@ons.gov.uk
National accounts developments 2001 and beyond	Jennie Tse	jennie.tse@ons.gov.uk
Government output at constant prices	Michael Baxter	michael.baxter@ons.gov.uk
Environmental Accounts	Rocky Harris	rocky.harris@ons.gov.uk
Fax number: 020 7533 5937		

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Sub-regional and local area gross domestic product

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This article presents provisional estimates of sub-regional and local area gross domestic product (GDP) at basic prices first published in an Office for National Statistics (ONS) news release on 26 April 2001. These data are consistent with the estimates of UK GDP published in the 2000 edition of the *UK National Accounts - The Blue Book*¹. They are also consistent with workplace-based estimates of regional GDP published on 27 February 2001, which were included in an article in the March 2001 edition of *Economic Trends*². These estimates have been endorsed by statisticians within the ONS, other government departments and the devolved administrations as the most accurate estimates that can currently be produced. The time series in this article are **provisional** due to forthcoming changes to survey data used as regional indicators in the production of the estimates.

The provisional estimates show that:

- In 1998, sub-regional GDP per head was highest in Inner London, at £30,700, nearly two and half times the UK average of £12,500. Cornwall & the Isles of Scilly had the lowest GDP per head at £8,200 (Table 1).
- Between 1997 and 1998, GDP per head grew by more than two per cent in every sub-region of the UK (Table 1).
- At the local area level, in 1998, GDP per head was highest in Inner London - West, at £57,300, and lowest in Sefton, East Lothian and Midlothian, and Wirral, between about £7,300 and £7,500 per head (Table A & Table 3).

Gross domestic product by sub-region (NUTS-2)

Table 1 shows estimates of GDP at current basic prices, GDP per head of population, and GDP per head indexed to the UK average (UK=100), for Government Office Regions (GORs) and sub-regions (NUTS-2) areas. NUTS-2 estimates of GDP per head indexed to a UK=100 average for 1998 are also shown in Chart A.

In 1998, Inner London had the highest level of GDP per head, at nearly two and a half times the UK average. Cornwall & the Isles of Scilly had the lowest GDP per head at 65 per cent of the UK average. Between 1997 and 1998, growth in GDP per head was highest in the Berkshire, Buckinghamshire & Oxfordshire NUTS-2 area at over nine per cent. The East Riding & North Lincolnshire NUTS-2 area showed the lowest growth in GDP per head, at just over two per cent.

Gross domestic product by local area (NUTS-3)

Table 2 shows estimates of GDP at current basic prices for all UK NUTS-3 areas. Estimates of GDP per head of population, and GDP per head indexed to the UK average are shown in Tables 3 and 4.

GDP per head was highest in Inner London - West in 1998, at more than four and a half times the UK average. Sefton, East Lothian and Midlothian, and Wirral had the lowest GDP per head,

at around 60 per cent of the UK average. Between 1997 and 1998, the highest growth in GDP per head was in the Western Isles of Scotland, Berkshire, and Warwickshire, which all grew by 12 per cent. Lowest growth in GDP per head was in East Ayrshire, Gwent, Sefton, East of Northern Ireland, and Wiltshire county council, which all showed little change between 1997 and 1998.

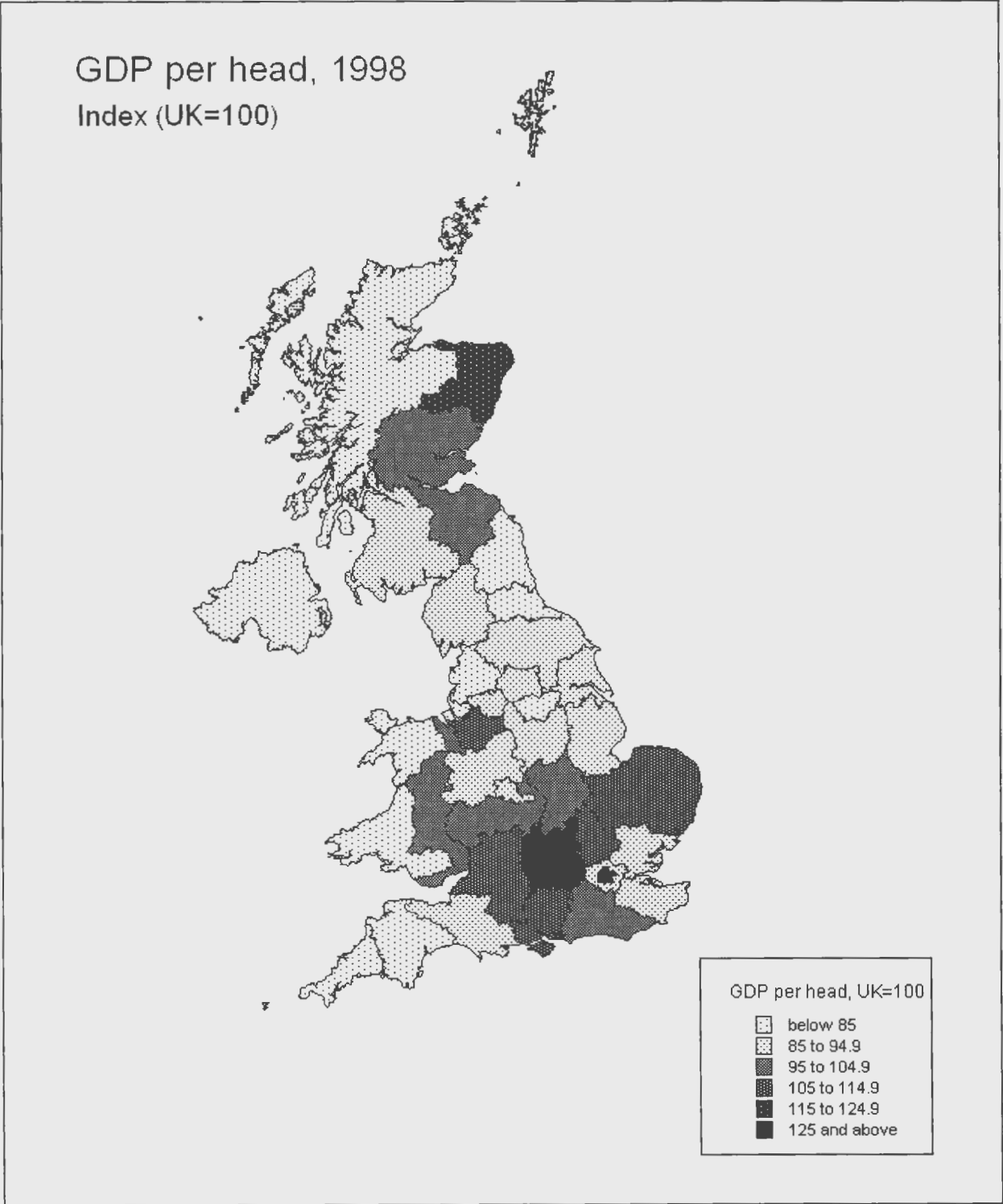
Comparing all NUTS-3 areas to the average for the UK in 1998, 41 out of the 133 NUTS-3 areas were above the UK average.

Table A: Local areas with the highest / lowest GDP per head, 1998.

Local area (NUTS-3)	GDP £ per head	GDP per head index UK=100
Inner London - West	57,300	456
Berkshire	19,000	151
Edinburgh, City of	18,400	147
Swindon	18,100	144
Portsmouth	18,000	144
...		
UNITED KINGDOM¹	12,500	100
...		
West and South of Northern Ireland	7,900	63
East Sussex county council	7,800	63
Wirral	7,500	60
East Lothian and Midlothian	7,500	60
Sefton	7,300	58

1. Excluding GDP for Extra-region, which comprises compensation of employees and gross operating surplus which cannot be assigned to regions.

Chart A



NUTS geographies

The geographies used in the text and tables of this article are those introduced by the ONS in the summer of 1998, following reorganisation of the local government structure in the UK. The Nomenclature of Units for Territorial Statistics (NUTS) provides a single uniform breakdown for the production of regional statistics for the European Union. There are five levels of NUTS in the UK, although GDP estimates are only published for the first three. These are:

NUTS-1	Government Office Regions and Scotland, Wales, and Northern Ireland.
NUTS-2	37 areas – often referred to as sub-regions.
NUTS-3	133 areas – generally groups of unitary authorities or districts, also known as local areas.

Some areas appear at more than one level, for example Northern Ireland appears at NUTS level 1 and 2, and Lincolnshire appears at NUTS level 2 and 3. Maps of the NUTS-2 and NUTS-3 areas are given in chapters 14 through to 17 of the 2000 edition of *Regional Trends*³.

GDP estimates for English counties

Estimates of workplace GDP for the old administrative counties of England are included in table 5 of this article. These have been produced on the basis of 1998 unitary authority boundaries, which are then aggregated to give estimates for the old administrative counties. These estimates are being published as part of a transitional arrangement. This is the last time that GDP estimates for these geographies will be published.

Producing estimates for England on this basis causes a minor anomaly, due to ward changes across county boundaries in Buckinghamshire, Berkshire and Surrey. When the Slough unitary authority, part of the county of Berkshire, was formed, it was created from the addition of the old Slough local authority area, plus one ward from Spelthorne in Surrey (The Moors), and one ward from South Buckinghamshire local authority (Iver Colnbrook). The new Slough unitary authority therefore crosses former county boundaries. The estimates of GDP for Berkshire, Buckinghamshire, and Surrey given in table 5 therefore reflect the inclusion of these two wards within the old county of Berkshire rather than in Surrey and Buckinghamshire, where they should theoretically be on the basis of actual former county boundaries.

The reorganisation of local authorities in Scotland and Wales replaced all former Scottish regions and Welsh counties with unitary authorities, many of which crossed former administrative area

boundaries. As a result, no estimates have been produced for former Scottish regions or Welsh counties.

Prior to the reorganisation of the NUTS classification in 1998, the entire region of Northern Ireland was simultaneously classified as NUTS level 1, level 2, and level 3. It is not, therefore, necessary to produce estimates on an old basis for Northern Ireland.

Extra-regio

The contribution to GDP of UK embassies abroad and UK forces stationed overseas is included in Extra-regio, along with the element of GDP relating to activities taking place on the continental shelf. As these cannot be assigned to specific regions they are assigned as 'Extra-regio GDP'.

Treatment of commuting in regional estimates of GDP

Regional (NUTS-1) GDP can be calculated both on a workplace and a residence basis. Residence based GDP allocates the incomes of commuters to where they live, whereas workplace based GDP allocates their incomes to where they work. **All of the estimates presented in this release are on a workplace basis.**

Workplace based estimates of GDP per head are calculated by dividing the estimate of **workplace** GDP for an area by the **resident** population. Areas with high levels of inward commuting and low resident populations will have significantly higher levels of GDP per head. Conversely, areas with significant levels of outward commuting and high resident populations will have lower estimates of GDP per head.

Gross value added at basic prices

Under ESA95, the term gross value added (GVA) is used to denote estimates that were previously known as GDP at basic prices. Under ESA95 the term GDP denotes GVA plus taxes (less subsidies) on products, i.e. at market prices.

Regional Accounts are currently only published at basic prices so should be referred to as GVA rather than GDP. To avoid confusion, the term GDP is used as synonymous with GVA at basic prices in this release, thereby maintaining continuity with the regional GDP release published in February 2001. From 2002, the term GVA will be used throughout.

Methods and revisions

1. General

In general, the methodology for the sub-regional and local area estimates mirrors the methodology used in the production of the regional estimates of GDP. Differences occur where sources are not available below the regional level, as with the Short Term Employment Survey (STES), and the mix-adjusted house price indices. In these instances, best available sub-regional indicators are used, and are constrained to the regional totals. An article describing the methodology used to produce the regional GDP estimates was published in the December 2000 edition of *Economic Trends*⁴.

2. Accounting basis

The last sub-regional and local area GDP estimates published by ONS were released in October 1998. These were calculated on a European System of Accounts 1979 (ESA79) basis and were published at factor cost. The estimates included in this article are consistent with the European System of Accounts 1995 (ESA95)⁵ and are at basic prices. Additionally, ONS has revised the local area GDP methodology as a result of changes to the regional methodology and quality issues. These changes were pre-announced in an article published in the March 2001 edition of *Economic Trends*⁶.

3. Gross operating surplus / profits estimates

Due to unresolved quality issues concerning Annual Business Inquiry (ABI) local area profits estimates, the manufacturing gross operating surplus (GOS) element of GDP has been allocated to local areas using compensation of employees (CoE) as an indicator instead of the (preferable) ABI series. Whilst this is not the preferred theoretical approach, it is supported by the European Statistical Office (Eurostat) as the secondary methodology when actual profits data are not used or are not available⁷.

Using CoE as an indicator for allocating GOS at the local area level is only a temporary measure. When the manufacturing profits data from the ABI have been fully quality assured they will be reintroduced as an indicator within the local area GDP estimates.

4. Taxes on production

The estimates included in this release are at basic prices, i.e. they include taxes (less subsidies) on production. Separate sub-regional estimates have been calculated for all of the major taxes. The only significant taxes on production are national non-domestic rates (business rates in Northern Ireland), motor vehicle duty, and the ITC franchise levy. Between them, these account for over 98 per cent of all taxes on production. No subsidies on production are

currently included within the UK or regional estimates of GDP.

5. Regionalisation of oil workers

In the present employee jobs indicator, used to regionalise the CoE component of NUTS-3 GDP, some offshore (North Sea) oil workers are allocated to onshore areas. An estimate of the number of these employees has therefore been deducted from those areas affected. The most perceptible effects of this change in methodology have occurred in the North East of Scotland and in particular in the combined Aberdeen City, Aberdeenshire and North East Moray NUTS-3 area. There were also some slight changes in the Shetland and Orkney Isles NUTS-3 areas.

6. Financial Intermediation Services Indirectly Measured

Financial Intermediation Services Indirectly Measured (FISIM) represents income of the financial sector resulting from differences in interest rates rather than payment for a service. This should not be included within GDP, and therefore needs deducting from the total gross operating surplus.

In previous years local area estimates of profits were constrained to regional profits totals from which FISIM was already discounted. As such, FISIM was not directly deducted at the local area level.

In order to bring the sub-regional methodology on to the same basis as the Regional GDP methodology, profits for all industries are now allocated to sub-regions without first deducting FISIM from the regional control totals. FISIM totals consistent with published estimates of regional GDP are now allocated to NUTS-3 areas separately (using employment in the financial intermediation industry, as with NUTS-1), and deducted from total profits in the final stage of calculations.

7. Rental income

Improvements have been made to the methodology used to allocate the rental income component of GDP to areas below the regional level. The most significant of these has been a change to the source data used to allocate the rental income of financial and non-financial corporations to sub-regions and local areas. Estimates of actual local authority receipts of national non-domestic rates (NNDR) from businesses have replaced the previous indicator, which was based on total NNDR valuation, i.e. reflecting the potential NNDR receipts for each area. The impact of this change has been minimal, but does have a slight effect on some NUTS-3 areas which contain large industrial centres.

Future changes

NUTS-2 and NUTS-3 estimates of GDP at basic prices for 1999 are scheduled for publication in the first half of 2002. It is expected that the following changes will be introduced when the estimates are next published:

1. Introduction of the ABI employee jobs series:

On 11 April 2001, ONS published new estimates of regional and sub-regional employee jobs estimates based on the Annual Business Inquiry (ABI), which replaces the Annual Employment Survey (AES) as the source of employee jobs estimates. This move has led to certain survey structure and methodological changes, leading to revised UK, regional and sub-regional employment levels *as well as* regional and sub-regional shares of UK employment.

The estimates presented in this GDP release are consistent with UK estimates published in the 2000 edition of *the Blue Book*, which used the **AES** employee jobs series as a component of CoE. The new ABI employee jobs series will not be used as an indicator within the regional accounts until after it has been included in the UK estimates of GDP, as part of the 2001 *Blue Book*.

2. The term *GDP at basic prices* will no longer be used to describe the estimates. These will instead be referred to as gross value added (GVA) at basic prices. Under ESA95 this is the recognised terminology for gross value added plus taxes (*less* subsidies) on production.

3. Estimates of subsidies on production will be included within the regional and sub-regional estimates of GDP at basic prices for the first time. Currently no subsidies on production are included within the UK or regional estimates of GDP.

4. Changes to the total level of GDP for all areas as a result of methodological and data revisions to the UK total included in *Blue Book* 2001.

5. Changes to the regional and sub-regional profits data as a result of the quality review of ABI profits indicators and the introduction of new ABI data.

6. Industry estimates of sub-regional GDP will be published for the first time. Under the ESA95 regulation, member states are obliged to publish estimates of NUTS-3 GDP for three industries, (Agriculture & Mining, Manufacturing, and Services), and NUTS-2 GDP for seventeen industries.

An *Economic Trends* article, giving details of forthcoming revisions and other changes, will be published in the autumn of 2001.

1 Gross domestic product (GDP) by NUTS level 2 area at current basic prices^{1, 2, 3}

£Million

NUTS Level 1 NUTS Level 2	Gross Domestic Product (£million)					
	1993	1994	1995	1996	1997	1998
UNITED KINGDOM⁴	562,857	593,931	622,389	657,775	700,567	743,314
ENGLAND	477,927	503,851	526,437	558,483	597,956	635,117
North East	21,480	22,074	22,975	23,755	24,202	25,294
Tees Valley and Durham	9,283	9,693	10,202	10,507	10,771	11,199
Northumberland and Tyne and Wear	12,197	12,381	12,773	13,248	13,431	14,095
North West	60,664	63,938	66,007	68,937	72,414	75,275
Cumbria	4,866	5,158	5,284	5,277	5,412	5,634
Cheshire	10,619	11,473	12,028	12,629	13,550	14,112
Greater Manchester	22,886	23,994	24,764	25,895	27,536	28,629
Lancashire	11,877	12,628	13,129	13,857	14,120	14,515
Merseyside	10,416	10,687	10,802	11,278	11,797	12,386
Yorkshire and the Humber	42,952	44,752	47,108	50,043	53,182	55,457
East Riding and North Lincolnshire	8,214	8,600	9,025	9,713	10,195	10,413
North Yorkshire	6,821	7,012	7,262	7,746	8,478	8,788
South Yorkshire	9,587	9,796	10,146	10,818	11,589	12,134
West Yorkshire	18,330	19,345	20,675	21,766	22,920	24,123
East Midlands	37,124	39,023	40,976	44,184	47,261	49,413
Derbyshire and Nottinghamshire	17,046	17,938	18,818	20,369	21,595	22,674
Leicestershire, Rutland and Northamptonshire	14,986	15,798	16,651	17,829	19,281	20,047
Lincolnshire ⁵	5,091	5,287	5,507	5,986	6,385	6,692
West Midlands	46,859	49,577	52,407	54,851	57,783	61,130
Herefordshire, Worcestershire and Warwickshire	10,067	11,118	12,211	12,993	13,610	14,735
Shropshire and Staffordshire	11,617	12,381	13,195	14,281	14,920	16,023
West Midlands	25,176	26,079	27,001	27,578	29,253	30,372
East	50,052	53,631	55,989	60,070	64,982	69,607
East Anglia	21,327	23,016	24,051	25,916	27,987	29,663
Bedfordshire and Hertfordshire	15,988	16,589	16,972	18,089	19,457	21,201
Essex	12,736	14,023	14,963	16,064	17,537	18,743
London	97,769	103,021	106,759	112,033	122,014	133,081
Inner London	61,715	65,150	67,666	70,446	77,280	84,488
Outer London	36,054	37,871	39,093	41,586	44,735	48,591
South East	78,498	83,227	86,831	94,484	102,536	109,797
Berkshire, Buckinghamshire and Oxfordshire	24,209	25,731	26,890	28,952	30,833	33,972
Surrey, East and West Sussex	23,554	24,835	25,987	28,175	31,568	33,588
Hampshire and Isle of Wight	17,316	18,018	18,316	20,830	22,647	23,956
Kent	13,420	14,644	15,641	16,528	17,489	18,282
South West	42,529	44,607	47,385	50,128	53,580	56,064
Gloucestershire, Wiltshire and North Somerset	21,485	22,646	24,143	25,840	27,458	28,561
Dorset and Somerset	9,582	10,094	10,739	11,226	12,031	12,862
Cornwall and Isles of Scilly ⁵	3,006	3,107	3,265	3,525	3,793	4,009
Devon	8,457	8,761	9,238	9,534	10,299	10,630
Wales	23,191	24,463	25,989	27,017	28,010	29,541
West Wales and the Valleys	12,992	13,648	14,442	15,162	15,772	16,490
East Wales	10,199	10,815	11,547	11,855	12,239	13,051
Scotland	49,302	52,273	55,667	57,338	58,650	62,153
North Eastern Scotland	6,946	7,071	7,283	7,571	7,556	7,723
Eastern Scotland	18,570	19,792	21,172	22,127	22,658	23,870
South Western Scotland	20,839	22,358	24,036	24,423	25,130	27,100
Highlands and Islands	2,947	3,052	3,176	3,217	3,306	3,461
Northern Ireland⁵	12,437	13,344	14,297	14,936	15,952	16,501

1. Estimates for all years are provisional.

2. Includes taxes less subsidies on production.

3. Components may not sum to totals due to rounding.

4. Excluding GDP for Extra-region, which comprises compensation of employees and gross operating surplus which cannot be assigned to regions.

5. This area is represented at more than one NUTS level.

1 Gross domestic product (GDP) by NUTS level 2 area at current basic prices^{1, 2, 3}

£ per head

NUTS Level 1 NUTS Level 2	Gross Domestic Product (£ per head)					
	1993	1994	1995	1996	1997	1998
UNITED KINGDOM⁴	9,671	10,170	10,619	11,185	11,871	12,548
ENGLAND	9,852	10,349	10,771	11,384	12,141	12,845
North East	8,216	8,441	8,796	9,111	9,301	9,741
Tees Valley and Durham	7,942	8,289	8,723	8,994	9,229	9,602
Northumberland and Tyne and Wear	8,437	8,563	8,854	9,206	9,359	9,854
North West	8,783	9,248	9,547	9,980	10,494	10,909
Cumbria	9,912	10,505	10,759	10,742	10,995	11,418
Cheshire	10,937	11,762	12,291	12,878	13,786	14,327
Greater Manchester	8,870	9,290	9,588	10,032	10,680	11,099
Lancashire	8,368	8,863	9,196	9,705	9,891	10,160
Merseyside	7,206	7,421	7,536	7,907	8,310	8,759
Yorkshire and the Humber	8,563	8,901	9,354	9,927	10,541	10,983
East Riding and North Lincolnshire	9,289	9,680	10,130	10,920	11,490	11,759
North Yorkshire	9,428	9,669	9,952	10,554	11,496	11,854
South Yorkshire	7,334	7,489	7,763	8,280	8,867	9,285
West Yorkshire	8,726	9,184	9,805	10,310	10,844	11,402
East Midlands	9,102	9,519	9,944	10,673	11,371	11,848
Derbyshire and Nottinghamshire	8,614	9,035	9,451	10,209	10,801	11,318
Leicestershire, Rutland and Northamptonshire	9,994	10,466	10,956	11,656	12,534	12,978
Lincolnshire ⁵	8,484	8,746	9,031	9,734	10,319	10,751
West Midlands	8,855	9,352	9,869	10,309	10,845	11,455
Herefordshire, Worcestershire and Warwickshire	8,480	9,309	10,204	10,854	11,309	12,165
Shropshire and Staffordshire	7,912	8,413	8,938	9,654	10,057	10,747
West Midlands	9,550	9,897	10,238	10,429	11,075	11,530
East	9,640	10,280	10,665	11,368	12,208	12,973
East Anglia	10,183	10,945	11,357	12,133	12,983	13,635
Bedfordshire and Hertfordshire	10,401	10,728	10,911	11,570	12,364	13,363
Essex	8,162	8,945	9,491	10,138	11,005	11,690
London	14,110	14,798	15,251	15,885	17,159	18,566
Inner London	23,328	24,504	25,305	26,120	28,386	30,734
Outer London	8,417	8,801	9,037	9,548	10,194	10,996
South East	10,147	10,706	11,090	11,983	12,912	13,731
Berkshire, Buckinghamshire and Oxfordshire	12,110	12,784	13,206	14,053	14,826	16,207
Surrey, East and West Sussex	9,507	9,982	10,383	11,193	12,446	13,137
Hampshire and Isle of Wight	10,077	10,431	10,531	11,901	12,861	13,535
Kent	8,707	9,474	10,080	10,615	11,179	11,621
South West	8,927	9,311	9,828	10,351	11,008	11,447
Gloucestershire, Wiltshire and North Somerset	10,241	10,729	11,367	12,111	12,794	13,222
Dorset and Somerset	8,399	8,791	9,279	9,643	10,270	10,904
Cornwall and Isles of Scilly ⁵	6,303	6,486	6,774	7,286	7,800	8,185
Devon	8,064	8,319	8,732	8,988	9,685	9,952
Wales	7,978	8,393	8,900	9,240	9,562	10,063
West Wales and the Valleys	6,927	7,268	7,689	8,084	8,420	8,810
East Wales	9,888	10,430	11,082	11,308	11,589	12,269
Scotland	9,614	10,168	10,818	11,162	11,429	12,117
North Eastern Scotland	13,683	13,815	14,216	14,821	14,868	15,414
Eastern Scotland	9,871	10,483	11,171	11,679	11,938	12,576
South Western Scotland	8,800	9,438	10,162	10,354	10,676	11,478
Highlands and Islands	7,943	8,199	8,515	8,634	8,898	9,369
Northern Ireland⁵	7,610	8,114	8,654	8,964	9,507	9,754

see footnotes on first page of table.

1 Gross domestic product (GDP) by NUTS level 2 area at current basic prices^{1, 2, 3}

per head index UK=100

NUTS Level 1 NUTS Level 2	Gross Domestic Product per head index UK=100					
	1993	1994	1995	1996	1997	1998
UNITED KINGDOM⁴	100	100	100	100	100	100
ENGLAND	102	102	101	102	102	102
North East	85	83	83	81	78	78
Tees Valley and Durham	82	82	82	80	78	77
Northumberland and Tyne and Wear	87	84	83	82	79	79
North West	91	91	90	89	88	87
Cumbria	102	103	101	96	93	91
Cheshire	113	116	116	115	116	114
Greater Manchester	92	91	90	90	90	88
Lancashire	87	87	87	87	83	81
Merseyside	75	73	71	71	70	70
Yorkshire and the Humber	89	88	88	89	89	88
East Riding and North Lincolnshire	96	95	95	98	97	94
North Yorkshire	97	95	94	94	97	94
South Yorkshire	76	74	73	74	75	74
West Yorkshire	90	90	92	92	91	91
East Midlands	94	94	94	95	96	94
Derbyshire and Nottinghamshire	89	89	89	91	91	90
Leicestershire, Rutland and Northamptonshire	103	103	103	104	106	103
Lincolnshire ⁵	88	86	85	87	87	86
West Midlands	92	92	93	92	91	91
Herefordshire, Worcestershire and Warwickshire	88	92	96	97	95	97
Shropshire and Staffordshire	82	83	84	86	85	86
West Midlands	99	97	96	93	93	92
East	100	101	100	102	103	103
East Anglia	105	108	107	108	109	109
Bedfordshire and Hertfordshire	108	105	103	103	104	106
Essex	84	88	89	91	93	93
London	146	146	144	142	145	148
Inner London	241	241	238	234	239	245
Outer London	87	87	85	85	86	88
South East	105	105	104	107	109	109
Berkshire, Buckinghamshire and Oxfordshire	125	126	124	126	125	129
Surrey, East and West Sussex	98	98	98	100	105	105
Hampshire and Isle of Wight	104	103	99	106	108	108
Kent	90	93	95	95	94	93
South West	92	92	93	93	93	91
Gloucestershire, Wiltshire and North Somerset	106	105	107	108	108	105
Dorset and Somerset	87	86	87	86	87	87
Cornwall and Isles of Scilly ⁵	65	64	64	65	66	65
Devon	83	82	82	80	82	79
Wales	82	83	84	83	81	80
West Wales and the Valleys	72	71	72	72	71	70
East Wales	102	103	104	101	98	98
Scotland	99	100	102	100	96	97
North Eastern Scotland	141	136	134	133	125	123
Eastern Scotland	102	103	105	104	101	100
South Western Scotland	91	93	96	93	90	91
Highlands and Islands	82	81	80	77	75	75
Northern Ireland⁵	79	80	82	80	80	78

see footnotes on first page of table.

2 Gross domestic product (GDP) by NUTS level 3 area at current basic prices^{1, 2, 3}

£million

NUTS Level 1 NUTS Level 2 NUTS Level 3	Gross Domestic Product (£million)					
	1993	1994	1995	1996	1997	1998
UNITED KINGDOM⁴	562,857	593,931	622,389	657,775	700,567	743,314
ENGLAND	477,927	503,851	526,437	558,483	597,956	635,117
North East	21,480	22,074	22,975	23,755	24,202	25,294
Tees Valley and Durham	9,283	9,693	10,202	10,507	10,771	11,199
Hartlepool and Stockton-on-Tees	2,298	2,420	2,562	2,670	2,790	2,964
South Teeside	2,513	2,629	2,775	2,801	2,878	2,930
Darlington	916	972	1,048	1,067	1,117	1,142
Durham cc	3,556	3,671	3,817	3,970	3,987	4,163
Northumberland and Tyne and Wear	12,197	12,381	12,773	13,248	13,431	14,095
Northumberland	2,187	2,355	2,521	2,524	2,541	2,732
Tyneside	7,789	7,748	7,870	8,282	8,390	8,663
Sunderland	2,220	2,278	2,382	2,441	2,500	2,700
North West	60,664	63,938	66,007	68,937	72,414	75,275
Cumbria	4,866	5,158	5,284	5,277	5,412	5,634
West Cumbria	2,302	2,391	2,511	2,450	2,398	2,506
East Cumbria	2,564	2,767	2,772	2,828	3,014	3,127
Cheshire	10,619	11,473	12,028	12,629	13,550	14,112
Halton and Warrington	3,499	3,788	3,973	4,217	4,544	4,581
Cheshire cc	7,119	7,685	8,055	8,413	9,005	9,531
Greater Manchester	22,886	23,994	24,764	25,895	27,536	28,629
Greater Manchester South	14,766	15,371	15,757	16,394	17,649	18,363
Greater Manchester North	8,120	8,623	9,008	9,501	9,887	10,266
Lancashire	11,877	12,628	13,129	13,857	14,120	14,515
Blackburn With Darwen	1,187	1,294	1,376	1,385	1,449	1,598
Blackpool	1,143	1,166	1,163	1,231	1,296	1,345
Lancashire cc	9,548	10,168	10,589	11,242	11,374	11,572
Merseyside	10,416	10,687	10,802	11,278	11,797	12,386
East Merseyside	2,358	2,372	2,328	2,477	2,526	2,759
Liverpool	4,333	4,412	4,465	4,529	4,836	5,045
Sefton	1,767	1,846	1,894	2,053	2,109	2,112
Wirral	1,958	2,057	2,115	2,219	2,325	2,469
Yorkshire and the Humber	42,952	44,752	47,108	50,043	53,182	55,457
East Riding and North Lincolnshire	8,214	8,600	9,025	9,713	10,195	10,413
Kingston Upon Hull, City of	2,503	2,632	2,781	2,919	3,068	3,120
East Riding of Yorkshire	2,484	2,583	2,689	3,030	3,102	3,140
North and North East Lincolnshire	3,227	3,385	3,556	3,764	4,025	4,153
North Yorkshire	6,821	7,012	7,262	7,746	8,478	8,788
York	1,837	1,968	2,052	2,205	2,424	2,534
North Yorkshire cc	4,984	5,044	5,209	5,541	6,054	6,255
South Yorkshire	9,587	9,796	10,146	10,818	11,589	12,134
Barnsley, Doncaster and Rotherham	4,890	5,005	5,183	5,698	6,041	6,194
Sheffield	4,697	4,791	4,962	5,119	5,548	5,940
West Yorkshire	18,330	19,345	20,675	21,766	22,920	24,123
Bradford	3,811	3,976	4,207	4,549	4,794	5,004
Leeds	7,339	7,852	8,522	8,890	9,270	9,708
Calderdale, Kirklees and Wakefield	7,180	7,517	7,947	8,327	8,856	9,410

1. Estimates for all years are provisional.

2. Includes taxes less subsidies on production.

3. Components may not sum to totals due to rounding.

4. Excluding GDP for Extra-region, which comprises compensation of employees and gross operating surplus which cannot be assigned to regions.

5. This area is represented at more than one NUTS level.

2 Gross domestic product (GDP) by NUTS level 3 area at current basic prices^{1, 2, 3}

£million

NUTS Level 1 NUTS Level 2 NUTS Level 3	Gross Domestic Product (£million)					
	1993	1994	1995	1996	1997	1998
East Midlands	37,124	39,023	40,976	44,184	47,261	49,413
Derbyshire and Nottinghamshire	17,046	17,938	18,818	20,369	21,595	22,674
Derby	2,416	2,603	2,779	3,057	3,227	3,452
East Derbyshire	1,841	1,998	2,151	2,239	2,288	2,378
South and West Derbyshire	3,461	3,779	4,086	4,362	4,719	4,821
Nottingham	3,966	4,079	4,209	4,566	4,708	4,993
North Nottinghamshire	3,271	3,284	3,284	3,643	4,036	4,267
South Nottinghamshire	2,091	2,196	2,308	2,502	2,616	2,763
Leicestershire, Rutland and Northamptonshire	14,986	15,798	16,651	17,829	19,281	20,047
Leicester	3,551	3,698	3,841	4,067	4,090	4,115
Leicestershire cc and Rutland	5,480	5,910	6,369	6,633	7,453	7,722
Northamptonshire	5,955	6,189	6,440	7,129	7,738	8,211
Lincolnshire ⁵	5,091	5,287	5,507	5,986	6,385	6,692
West Midlands	46,859	49,577	52,407	54,851	57,783	61,130
Herefordshire, Worcestershire and Warwickshire	10,067	11,118	12,211	12,993	13,610	14,735
Herefordshire, County of	1,353	1,521	1,682	1,733	1,786	1,842
Worcestershire	4,243	4,749	5,274	5,614	5,845	6,168
Warwickshire	4,471	4,848	5,256	5,646	5,979	6,725
Shropshire and Staffordshire	11,617	12,381	13,195	14,281	14,920	16,023
Telford and Wrekin	1,452	1,606	1,780	1,934	2,067	2,208
Shropshire cc	2,118	2,291	2,459	2,553	2,684	2,859
Stoke-on-Trent	2,293	2,373	2,460	2,633	2,678	2,715
Staffordshire cc	5,753	6,110	6,495	7,160	7,492	8,241
West Midlands	25,176	26,079	27,001	27,578	29,253	30,372
Birmingham	10,603	10,944	11,255	11,398	12,308	12,652
Solihull	1,860	2,109	2,367	2,460	2,490	2,625
Coventry	3,012	3,075	3,136	3,320	3,557	3,663
Dudley and Sandwell	5,237	5,412	5,600	5,708	6,043	6,292
Walsall and Wolverhampton	4,464	4,539	4,643	4,692	4,855	5,140
East	50,052	53,631	55,989	60,070	64,982	69,607
East Anglia	21,327	23,016	24,051	25,916	27,987	29,663
Peterborough	1,898	2,055	2,173	2,384	2,655	2,686
Cambridgeshire cc	5,695	6,419	6,975	7,574	8,259	8,851
Norfolk	7,155	7,424	7,505	8,072	8,709	9,319
Suffolk	6,579	7,118	7,398	7,887	8,363	8,807
Bedfordshire and Hertfordshire	15,988	16,589	16,972	18,089	19,457	21,201
Luton	1,945	2,042	2,115	2,202	2,409	2,632
Bedfordshire cc	3,457	3,761	3,955	4,052	4,208	4,425
Hertfordshire	10,586	10,787	10,903	11,835	12,840	14,143
Essex	12,736	14,023	14,963	16,064	17,537	18,743
Southend-on-Sea	1,281	1,395	1,464	1,634	1,854	1,940
Thurrock	1,256	1,321	1,354	1,466	1,576	1,747
Essex cc	10,198	11,307	12,145	12,964	14,107	15,056
London	97,769	103,021	106,759	112,033	122,014	133,081
Inner London	61,715	65,150	67,666	70,446	77,280	84,488
Inner London - West	41,504	43,999	45,952	48,182	52,165	57,424
Inner London - East	20,212	21,151	21,714	22,264	25,115	27,064
Outer London	36,054	37,871	39,093	41,586	44,735	48,591
Outer London - East and North East	9,456	9,970	10,362	11,030	11,765	12,313
Outer London - South	8,931	9,501	9,996	10,426	11,050	11,838
Outer London - West and North West	17,667	18,400	18,734	20,130	21,920	24,440

see footnotes on first page of table.

2 Gross domestic product (GDP) by NUTS level 3 area at current basic prices^{1, 2, 3}

£million

NUTS Level 1 NUTS Level 2 NUTS Level 3	Gross Domestic Product (£million)					
	1993	1994	1995	1996	1997	1998
South East	78,498	83,227	86,831	94,484	102,536	109,797
Berkshire, Buckinghamshire and Oxfordshire	24,209	25,731	26,890	28,952	30,833	33,972
Berkshire	10,635	11,214	11,637	12,650	13,506	15,212
Milton Keynes	2,309	2,510	2,699	2,912	3,225	3,547
Buckinghamshire cc	4,666	5,101	5,451	5,936	6,191	6,616
Oxfordshire	6,598	6,905	7,104	7,454	7,910	8,598
Surrey, East and West Sussex	23,554	24,835	25,987	28,175	31,568	33,588
Brighton and Hove	1,963	2,040	2,112	2,218	2,461	2,600
East Sussex cc	2,981	3,192	3,390	3,530	3,694	3,850
Surrey	11,351	11,658	11,936	13,354	15,428	16,914
West Sussex	7,258	7,945	8,549	9,072	9,986	10,225
Hampshire and Isle of Wight	17,316	18,018	18,316	20,830	22,647	23,956
Portsmouth	2,515	2,610	2,515	2,863	3,285	3,430
Southampton	2,457	2,600	2,710	2,958	3,130	3,168
Hampshire cc	11,551	11,972	12,207	14,040	15,224	16,295
Isle Of Wight	792	836	883	970	1,009	1,064
Kent	13,420	14,644	15,641	16,528	17,489	18,282
Medway	1,847	1,977	2,096	2,197	2,332	2,572
Kent cc	11,572	12,666	13,545	14,331	15,157	15,710
South West	42,529	44,607	47,385	50,128	53,580	56,064
Gloucestershire, Wiltshire and North Somerset	21,485	22,646	24,143	25,840	27,458	28,561
Bristol, City of	4,513	4,764	5,142	5,416	6,093	6,224
North and North East Somerset, South Gloucestershire	5,111	5,359	5,666	6,265	6,456	6,980
Gloucestershire	5,302	5,703	6,120	6,431	6,810	7,143
Swindon	2,563	2,633	2,765	3,009	3,147	3,241
Wiltshire cc	3,997	4,186	4,450	4,719	4,951	4,974
Dorset and Somerset	9,582	10,094	10,739	11,226	12,031	12,862
Bournemouth and Poole	2,744	2,885	3,044	3,144	3,294	3,670
Dorset cc	2,759	2,920	3,152	3,392	3,703	3,874
Somerset	4,079	4,289	4,543	4,690	5,035	5,318
Cornwall and Isles of Scilly ⁵	3,006	3,107	3,265	3,525	3,793	4,009
Devon	8,457	8,761	9,238	9,534	10,299	10,630
Plymouth	2,624	2,580	2,672	2,666	2,888	2,910
Torbay	775	838	904	920	1,023	1,066
Devon cc	5,058	5,343	5,662	5,948	6,388	6,654
Wales	23,191	24,463	25,989	27,017	28,010	29,541
West Wales and the Valleys	12,992	13,648	14,442	15,162	15,772	16,490
Isle of Anglesey	458	466	479	510	526	531
Gwynedd	933	965	1,002	1,013	1,056	1,164
Conwy and Denbighshire	1,357	1,357	1,367	1,522	1,622	1,679
South West Wales	2,406	2,530	2,691	2,793	2,788	2,921
Central Valleys	1,972	2,089	2,229	2,316	2,324	2,514
Gwent Valleys	2,082	2,246	2,441	2,580	2,669	2,655
Bridgend and Neath Port Talbot	1,966	2,111	2,264	2,462	2,665	2,737
Swansea	1,817	1,884	1,969	1,967	2,122	2,289
East Wales	10,199	10,815	11,547	11,855	12,239	13,051
Monmouthshire and Newport	2,090	2,239	2,388	2,464	2,533	2,800
Cardiff and Vale of Glamorgan	4,686	4,927	5,246	5,241	5,388	5,605
Flintshire and Wrexham	2,501	2,670	2,870	3,055	3,171	3,371
Powys	922	980	1,042	1,095	1,147	1,276

see footnotes on first page of table.

2 Gross domestic product (GDP) by NUTS level 3 area at current basic prices^{1, 2, 3}

£million

NUTS Level 1 NUTS Level 2 NUTS Level 3	Gross Domestic Product (£million)					
	1993	1994	1995	1996	1997	1998
Scotland	49,302	52,273	55,667	57,338	58,650	62,153
North Eastern Scotland (Aberdeen City, Aberdeenshire and North East Moray)	6,946	7,071	7,283	7,571	7,556	7,723
Eastern Scotland	18,570	19,792	21,172	22,127	22,658	23,870
Angus and Dundee City	2,410	2,517	2,653	2,648	2,764	2,929
Clackmannanshire and Fife	3,274	3,435	3,597	3,745	3,912	4,091
East Lothian and Midlothian	991	1,055	1,135	1,205	1,235	1,281
Scottish Borders	829	884	948	968	983	1,062
Edinburgh, City of	6,596	7,058	7,601	7,880	7,839	8,306
Falkirk	1,198	1,352	1,508	1,624	1,632	1,765
Perth and Kinross and Stirling	1,970	2,109	2,262	2,468	2,592	2,643
West Lothian	1,302	1,382	1,467	1,590	1,702	1,792
South Western Scotland	20,839	22,358	24,036	24,423	25,130	27,100
East and West Dunbartonshire, Helensburgh and Lomond	1,729	1,810	1,897	1,858	1,865	1,952
Dumfries and Galloway	1,371	1,401	1,452	1,434	1,514	1,633
East Ayrshire and North Ayrshire Mainland	1,728	1,873	2,022	2,015	2,096	2,141
Glasgow City	7,321	7,821	8,364	8,733	9,294	10,240
Inverclyde, East Renfrewshire and Renfrewshire	2,978	3,245	3,547	3,550	3,545	3,698
North Lanarkshire	2,353	2,556	2,776	2,860	2,836	3,133
South Ayrshire	1,074	1,165	1,271	1,275	1,289	1,368
South Lanarkshire	2,284	2,488	2,706	2,696	2,690	2,934
Highlands and Islands	2,947	3,052	3,176	3,217	3,306	3,461
Caithness and Sutherland and Ross and Cromarty	669	685	700	702	708	751
Inverness and Nairn and Moray, Badenoch and Strathspey	910	923	932	952	982	1,030
Lochaber, Skye and Lochalsh and Argyll and the Islands	737	781	833	836	856	873
Eilean Siar (Western Isles)	213	215	218	227	241	267
Orkney Islands	154	161	171	175	179	192
Shetland Islands	264	288	323	324	340	347
Northern Ireland⁵	12,437	13,344	14,297	14,936	15,952	16,501
Belfast	3,756	3,965	4,165	4,413	4,741	4,942
Outer Belfast	2,358	2,518	2,670	2,822	2,979	3,091
East of Northern Ireland	2,445	2,633	2,916	3,024	3,238	3,279
North of Northern Ireland	1,696	1,842	2,009	2,085	2,217	2,316
West and South of Northern Ireland	2,182	2,387	2,538	2,591	2,777	2,873

see footnotes on first page of table.

3 Gross domestic product (GDP) by NUTS level 3 area at current basic prices^{1, 2, 3}

£ per head

NUTS Level 1 NUTS Level 2 NUTS Level 3	Gross Domestic Product (£ per head)					
	1993	1994	1995	1996	1997	1998
UNITED KINGDOM⁴	9,671	10,170	10,619	11,185	11,871	12,548
ENGLAND	9,852	10,349	10,771	11,384	12,141	12,845
North East	8,216	8,441	8,796	9,111	9,301	9,741
Tees Valley and Durham	7,942	8,289	8,723	8,994	9,229	9,602
Hartlepool and Stockton-on-Tees	8,525	8,947	9,460	9,847	10,265	10,872
South Teeside	8,635	9,061	9,574	9,717	10,062	10,299
Darlington	9,137	9,667	10,401	10,549	11,019	11,254
Durham cc	7,001	7,225	7,512	7,818	7,849	8,199
Northumberland and Tyne and Wear	8,437	8,563	8,854	9,206	9,359	9,854
Northumberland	7,109	7,646	8,184	8,198	8,232	8,818
Tyneside	9,273	9,225	9,397	9,913	10,081	10,469
Sunderland	7,453	7,645	8,019	8,259	8,499	9,209
North West	8,783	9,248	9,547	9,980	10,494	10,909
Cumbria	9,912	10,505	10,759	10,742	10,995	11,418
West Cumbria	9,516	9,944	10,493	10,265	10,068	10,556
East Cumbria	10,297	11,045	11,011	11,194	11,865	12,217
Cheshire	10,937	11,762	12,291	12,878	13,786	14,327
Halton and Warrington	11,321	12,207	12,759	13,509	14,540	14,660
Cheshire cc	10,758	11,554	12,073	12,583	13,435	14,172
Greater Manchester	8,870	9,290	9,588	10,032	10,680	11,099
Greater Manchester South	10,596	11,019	11,288	11,756	12,685	13,204
Greater Manchester North	6,843	7,259	7,588	8,005	8,329	8,636
Lancashire	8,368	8,863	9,196	9,705	9,891	10,160
Blackburn With Darwen	8,529	9,236	9,796	9,882	10,374	11,420
Blackpool	7,464	7,566	7,550	8,029	8,522	8,899
Lancashire cc	8,471	8,994	9,346	9,910	10,016	10,173
Merseyside	7,206	7,421	7,536	7,907	8,310	8,759
East Merseyside	7,007	7,065	6,949	7,409	7,565	8,270
Liverpool	9,052	9,263	9,435	9,632	10,363	10,886
Sefton	5,989	6,282	6,482	7,057	7,277	7,313
Wirral	5,841	6,155	6,352	6,707	7,065	7,525
Yorkshire and the Humber	8,563	8,901	9,354	9,927	10,541	10,983
East Riding and North Lincolnshire	9,289	9,680	10,130	10,920	11,490	11,759
Kingston Upon Hull, City of	9,319	9,787	10,325	10,886	11,538	11,850
East Riding of Yorkshire	8,268	8,487	8,741	9,799	9,996	10,051
North and North East Lincolnshire	10,236	10,741	11,325	12,059	12,939	13,402
North Yorkshire	9,428	9,669	9,952	10,554	11,496	11,854
York	10,583	11,303	11,750	12,565	13,742	14,305
North Yorkshire cc	9,063	9,153	9,386	9,922	10,790	11,085
South Yorkshire	7,334	7,489	7,763	8,280	8,867	9,285
Barnsley, Doncaster and Rotherham	6,309	6,449	6,673	7,342	7,788	7,992
Sheffield	8,825	9,007	9,358	9,653	10,443	11,171
West Yorkshire	8,726	9,184	9,805	10,310	10,844	11,402
Bradford	7,949	8,255	8,707	9,400	9,903	10,339
Leeds	10,133	10,820	11,738	12,225	12,724	13,322
Calderdale, Kirklees and Wakefield	8,004	8,362	8,834	9,252	9,830	10,423

1. Estimates for all years are provisional.

2. Includes taxes less subsidies on production.

3. Components may not sum to totals due to rounding.

4. Excluding GDP for Extra-regio, which comprises compensation of employees and gross operating surplus which cannot be assigned to regions.

5. This area is represented at more than one NUTS level.

3 Gross domestic product (GDP) by NUTS level 3 area at current basic prices^{1, 2, 3}

£ per head

NUTS Level 1 NUTS Level 2 NUTS Level 3	Gross Domestic Product (£ per head)					
	1993	1994	1995	1996	1997	1998
East Midlands	9,102	9,519	9,944	10,673	11,371	11,848
Derbyshire and Nottinghamshire	8,614	9,035	9,451	10,209	10,801	11,318
Derby	10,585	11,319	12,000	13,108	13,736	14,629
East Derbyshire	6,774	7,353	7,921	8,255	8,456	8,802
South and West Derbyshire	7,681	8,352	8,989	9,543	10,260	10,404
Nottingham	14,017	14,414	14,840	16,054	16,464	17,373
North Nottinghamshire	7,750	7,773	7,775	8,638	9,593	10,176
South Nottinghamshire	6,467	6,739	7,053	7,641	7,999	8,448
Leicestershire, Rutland and Northamptonshire	9,994	10,466	10,956	11,656	12,534	12,978
Leicester	12,339	12,673	13,019	13,752	13,877	13,973
Leicestershire cc and Rutland	8,841	9,482	10,165	10,511	11,733	12,139
Northamptonshire	10,061	10,414	10,767	11,825	12,718	13,369
Lincolnshire ⁵	8,484	8,746	9,031	9,734	10,319	10,751
West Midlands	8,855	9,352	9,869	10,309	10,845	11,455
Herefordshire, Worcestershire and Warwickshire	8,480	9,309	10,204	10,854	11,309	12,165
Herefordshire, County of	8,303	9,276	10,212	10,512	10,780	11,011
Worcestershire	7,995	8,884	9,883	10,557	10,931	11,467
Warwickshire	9,059	9,778	10,545	11,281	11,887	13,288
Shropshire and Staffordshire	7,912	8,413	8,938	9,654	10,057	10,747
Telford and Wrekin	10,175	11,207	12,339	13,375	14,164	14,843
Shropshire cc	7,808	8,406	8,952	9,229	9,663	10,231
Stoke-on-Trent	9,054	9,342	9,659	10,331	10,531	10,738
Staffordshire cc	7,182	7,621	8,093	8,916	9,299	10,176
West Midlands	9,550	9,897	10,238	10,429	11,075	11,530
Birmingham	10,474	10,814	11,091	11,166	12,075	12,456
Solihull	9,256	10,464	11,670	12,073	12,152	12,757
Coventry	9,882	10,121	10,330	10,867	11,625	12,013
Dudley and Sandwell	8,638	8,919	9,222	9,414	9,996	10,428
Walsall and Wolverhampton	8,722	8,884	9,124	9,237	9,584	10,191
East	9,640	10,280	10,665	11,368	12,208	12,973
East Anglia	10,183	10,945	11,357	12,133	12,983	13,635
Peterborough	12,157	13,058	13,676	15,004	16,836	17,158
Cambridgeshire cc	10,847	12,146	13,093	14,003	14,981	15,783
Norfolk	9,351	9,666	9,723	10,402	11,146	11,825
Suffolk	10,152	10,969	11,306	11,944	12,571	13,143
Bedfordshire and Hertfordshire	10,401	10,728	10,911	11,570	12,364	13,363
Luton	10,945	11,342	11,654	12,116	13,243	14,400
Bedfordshire cc	9,575	10,386	10,868	11,058	11,385	11,874
Hertfordshire	10,602	10,742	10,793	11,658	12,562	13,717
Essex	8,162	8,945	9,491	10,138	11,005	11,690
Southend-on-Sea	7,692	8,254	8,569	9,501	10,641	11,016
Thurrock	9,561	10,043	10,279	11,091	11,898	13,055
Essex cc	8,078	8,923	9,533	10,125	10,962	11,640
London	14,110	14,798	15,251	15,885	17,158	18,566
Inner London	23,328	24,504	25,305	26,120	28,386	30,734
Inner London - West	43,937	46,326	47,970	49,568	52,758	57,281
Inner London - East	11,883	12,376	12,653	12,907	14,486	15,496
Outer London	8,417	8,801	9,037	9,548	10,194	10,996
Outer London - East and North East	6,188	6,520	6,775	7,205	7,674	8,017
Outer London - South	8,113	8,582	8,961	9,264	9,733	10,358
Outer London - West and North West	10,677	11,038	11,145	11,846	12,743	14,045

see footnotes on first page of table.

3 Gross domestic product (GDP) by NUTS level 3 area at current basic prices^{1, 2, 3}

£ per head

NUTS Level 1 NUTS Level 2 NUTS Level 3	Gross Domestic Product (£ per head)					
	1993	1994	1995	1996	1997	1998
South East	10,147	10,706	11,090	11,983	12,912	13,731
Berkshire, Buckinghamshire and Oxfordshire	12,110	12,784	13,206	14,053	14,826	16,207
Berkshire	13,957	14,607	14,965	16,044	16,974	19,008
Milton Keynes	12,620	13,443	14,130	14,910	16,209	17,557
Buckinghamshire cc	9,998	10,868	11,540	12,507	12,984	13,813
Oxfordshire	11,234	11,724	11,932	12,387	13,008	13,983
Surrey, East and West Sussex	9,507	9,982	10,383	11,193	12,446	13,137
Brighton and Hove	7,997	8,285	8,530	8,900	9,783	10,206
East Sussex cc	6,250	6,660	7,028	7,280	7,576	7,847
Surrey	10,927	11,196	11,425	12,749	14,637	15,945
West Sussex	10,134	11,018	11,741	12,332	13,435	13,622
Hampshire and Isle of Wight	10,077	10,431	10,531	11,901	12,861	13,535
Portsmouth	13,268	13,776	13,241	15,028	17,230	18,012
Southampton	11,757	12,332	12,723	13,784	14,538	14,675
Hampshire cc	9,671	9,959	10,079	11,510	12,387	13,173
Isle Of Wight	6,318	6,694	7,059	7,730	8,013	8,397
Kent	8,707	9,474	10,080	10,615	11,179	11,621
Medway	7,591	8,161	8,687	9,149	9,710	10,639
Kent cc	8,916	9,719	10,337	10,883	11,445	11,800
South West	8,927	9,310	9,828	10,352	11,008	11,447
Gloucestershire, Wiltshire and North Somerset	10,241	10,729	11,367	12,111	12,794	13,222
Bristol, City of	11,347	11,938	12,833	13,510	15,197	15,472
North and North East Somerset, South Gloucestershire	8,894	9,263	9,742	10,721	10,959	11,730
Gloucestershire	9,756	10,414	11,085	11,577	12,188	12,772
Swindon	14,731	15,140	15,897	17,243	17,862	18,129
Wiltshire cc	9,793	10,169	10,707	11,278	11,755	11,708
Dorset and Somerset	8,399	8,791	9,279	9,643	10,270	10,904
Bournemouth and Poole	9,245	9,676	10,162	10,466	10,910	12,078
Dorset cc	7,456	7,825	8,351	8,901	9,642	10,016
Somerset	8,605	8,995	9,457	9,717	10,369	10,877
Cornwall and Isles of Scilly ⁵	6,303	6,486	6,774	7,286	7,800	8,185
Devon	8,064	8,319	8,732	8,988	9,685	9,952
Plymouth	10,144	10,004	10,394	10,371	11,287	11,437
Torbay	6,374	6,855	7,311	7,425	8,295	8,655
Devon cc	7,566	7,940	8,360	8,749	9,336	9,636
Wales	7,978	8,393	8,900	9,240	9,562	10,063
West Wales and the Valleys	6,927	7,268	7,689	8,084	8,420	8,810
Isle of Anglesey	6,596	6,759	7,051	7,581	7,876	8,047
Gwynedd	8,006	8,253	8,511	8,578	8,947	9,876
Conwy and Denbighshire	6,765	6,730	6,740	7,494	8,007	8,295
South West Wales	6,838	7,171	7,609	7,903	7,895	8,258
Central Valleys	6,600	6,987	7,454	7,746	7,774	8,422
Gwent Valleys	6,200	6,692	7,292	7,733	8,013	7,981
Bridgend and Neath Port Talbot	7,278	7,790	8,352	9,102	9,865	10,121
Swansea	7,826	8,129	8,516	8,523	9,204	9,943
East Wales	9,888	10,430	11,082	11,308	11,589	12,269
Monmouthshire and Newport	9,548	10,138	10,727	11,017	11,288	12,424
Cardiff and Vale of Glamorgan	11,073	11,580	12,269	12,131	12,335	12,714
Flintshire and Wrexham	9,331	9,933	10,654	11,352	11,753	12,404
Powys	7,602	8,043	8,523	8,863	9,172	10,144

see footnotes on first page of table.

3 Gross domestic product (GDP) by NUTS level 3 area at current basic prices^{1, 2, 3}

£ per head

NUTS Level 1 NUTS Level 2 NUTS Level 3	Gross Domestic Product (£ per head)					
	1993	1994	1995	1996	1997	1998
Scotland	9,614	10,168	10,818	11,162	11,429	12,117
North Eastern Scotland (Aberdeen City, Aberdeenshire and North East Moray)	13,683	13,815	14,216	14,821	14,868	15,414
Eastern Scotland	9,871	10,483	11,171	11,679	11,938	12,576
Angus and Dundee City	9,090	9,553	10,078	10,126	10,645	11,387
Clackmannanshire and Fife	8,176	8,554	8,967	9,390	9,832	10,275
East Lothian and Midlothian	5,975	6,316	6,765	7,151	7,263	7,503
Scottish Borders	7,865	8,349	8,914	9,112	9,239	9,974
Edinburgh, City of	14,914	15,884	16,953	17,525	17,389	18,417
Falkirk	8,385	9,468	10,543	11,331	11,373	12,227
Perth and Kinross and Stirling	9,271	9,839	10,498	11,444	11,930	12,203
West Lothian	8,863	9,309	9,792	10,527	11,151	11,683
South Western Scotland	8,800	9,438	10,162	10,354	10,676	11,478
East and West Dunbartonshire, Helensburgh and Lomond	7,375	7,706	8,089	7,960	7,988	8,489
Dumfries and Galloway	9,258	9,460	9,798	9,700	10,262	11,063
East Ayrshire and North Ayrshire Mainland	6,717	7,285	7,866	7,862	8,186	8,191
Glasgow City	11,698	12,523	13,500	14,143	15,167	16,495
Inverclyde, East Renfrewshire and Renfrewshire	8,406	9,158	9,969	10,018	10,015	10,510
North Lanarkshire	7,189	7,809	8,481	8,761	8,671	9,573
South Ayrshire	9,407	10,166	11,073	11,106	11,198	11,934
South Lanarkshire	7,451	8,077	8,788	8,755	8,738	9,544
Highlands and Islands	7,943	8,199	8,515	8,634	8,898	9,369
Caithness and Sutherland and Ross and Cromarty	7,437	7,618	7,771	7,797	7,882	8,467
Inverness and Nairn and Moray, Badenoch and Strathspey	8,496	8,539	8,586	8,763	9,036	9,456
Lochalsh, Skye and Lochalsh and Argyll and the Islands	7,238	7,640	8,145	8,192	8,405	8,630
Eilean Siar (Western Isles)	7,230	7,335	7,500	7,853	8,523	9,555
Orkney Islands	7,785	8,093	8,569	8,825	8,996	9,799
Shetland Islands	11,540	12,557	13,949	14,071	14,759	15,107
Northern Ireland⁵	7,610	8,114	8,654	8,964	9,507	9,754
Belfast	12,641	13,324	14,012	14,819	15,869	17,159
Outer Belfast	6,670	7,084	7,468	7,793	8,175	8,282
East of Northern Ireland	6,522	6,979	7,683	7,899	8,363	8,351
North of Northern Ireland	6,535	7,038	7,615	7,817	8,270	8,502
West and South of Northern Ireland	6,249	6,767	7,169	7,266	7,726	7,862

see footnotes on first page of table.

4 Gross domestic product (GDP) by NUTS level 3 area at current basic prices^{1, 2, 3}

per head index UK=100

NUTS Level 1 NUTS Level 2 NUTS Level 3	Gross Domestic Product per head index UK=100					
	1993	1994	1995	1996	1997	1998
UNITED KINGDOM⁴	100	100	100	100	100	100
ENGLAND	102	102	101	102	102	102
North East	85	83	83	81	78	78
Tees Valley and Durham	82	82	82	80	78	77
Hartlepool and Stockton-on-Tees	88	88	89	88	86	87
South Teeside	89	89	90	87	85	82
Darlington	94	95	98	94	93	90
Durham cc	72	71	71	70	66	65
Northumberland and Tyne and Wear	87	84	83	82	79	79
Northumberland	74	75	77	73	69	70
Tyneside	96	91	88	89	85	83
Sunderland	77	75	76	74	72	73
North West	91	91	90	89	88	87
Cumbria	102	103	101	96	93	91
West Cumbria	98	98	99	92	85	84
East Cumbria	106	109	104	100	100	97
Cheshire	113	116	116	115	116	114
Halton and Warrington	117	120	120	121	122	117
Cheshire cc	111	114	114	112	113	113
Greater Manchester	92	91	90	90	90	88
Greater Manchester South	110	108	106	105	107	105
Greater Manchester North	71	71	71	72	70	69
Lancashire	87	87	87	87	83	81
Blackburn With Darwen	88	91	92	88	87	91
Blackpool	77	74	71	72	72	71
Lancashire cc	88	88	88	89	84	81
Merseyside	75	73	71	71	70	70
East Merseyside	72	69	65	66	64	66
Liverpool	94	91	89	86	87	87
Sefton	62	62	61	63	61	58
Wirral	60	61	60	60	60	60
Yorkshire and the Humber	89	88	88	89	89	88
East Riding and North Lincolnshire	96	95	95	98	97	94
Kingston Upon Hull, City of	96	96	97	97	97	94
East Riding of Yorkshire	85	83	82	88	84	80
North and North East Lincolnshire	106	106	107	108	109	107
North Yorkshire	97	95	94	94	97	94
York	109	111	111	112	116	114
North Yorkshire cc	94	90	88	89	91	88
South Yorkshire	76	74	73	74	75	74
Barnsley, Doncaster and Rotherham	65	63	63	66	66	64
Sheffield	91	89	88	86	88	89
West Yorkshire	90	90	92	92	91	91
Bradford	82	81	82	84	83	82
Leeds	105	106	111	109	107	106
Calderdale, Kirklees and Wakefield	83	82	83	83	83	83

1. Estimates for all years are provisional.

2. Includes taxes less subsidies on production.

3. Components may not sum to totals due to rounding.

4. Excluding GDP for Extra-region, which comprises compensation of employees and gross operating surplus which cannot be assigned to regions.

5. This area is represented at more than one NUTS level.

4 Gross domestic product (GDP) by NUTS level 3 area at current basic prices^{1, 2, 3}

per head index UK=100

NUTS Level 1 NUTS Level 2 NUTS Level 3	Gross Domestic Product per head index UK=100					
	1993	1994	1995	1996	1997	1998
East Midlands	94	94	94	95	96	94
Derbyshire and Nottinghamshire	89	89	89	91	91	90
Derby	109	111	113	117	116	117
East Derbyshire	70	72	75	74	71	70
South and West Derbyshire	79	82	85	85	86	83
Nottingham	145	142	140	144	139	138
North Nottinghamshire	80	76	73	77	81	81
South Nottinghamshire	67	66	66	68	67	67
Leicestershire, Rutland and Northamptonshire	103	103	103	104	106	103
Leicester	128	125	123	123	117	111
Leicestershire cc and Rutland	91	93	96	94	99	97
Northamptonshire	104	102	101	106	107	107
Lincolnshire ⁵	88	86	85	87	87	86
West Midlands	92	92	93	92	91	91
Herefordshire, Worcestershire and Warwickshire	88	92	96	97	95	97
Herefordshire, County of	86	91	96	94	91	88
Worcestershire	83	87	93	94	92	91
Warwickshire	94	96	99	101	100	106
Shropshire and Staffordshire	82	83	84	86	85	86
Telford and Wrekin	105	110	116	120	119	118
Shropshire cc	81	83	84	83	81	82
Stoke-on-Trent	94	92	91	92	89	86
Staffordshire cc	74	75	76	80	78	81
West Midlands	99	97	96	93	93	92
Birmingham	108	106	104	100	102	99
Solihull	96	103	110	108	102	102
Coventry	102	100	97	97	98	96
Dudley and Sandwell	89	88	87	84	84	83
Walsall and Wolverhampton	90	87	86	83	81	81
East	100	101	100	102	103	103
East Anglia	105	108	107	108	109	109
Peterborough	126	128	129	134	142	137
Cambridgeshire cc	112	119	123	125	126	126
Norfolk	97	95	92	93	94	94
Suffolk	105	108	106	107	106	105
Bedfordshire and Hertfordshire	108	105	103	103	104	106
Luton	113	112	110	108	112	115
Bedfordshire cc	99	102	102	99	96	95
Hertfordshire	110	106	102	104	106	109
Essex	84	88	89	91	93	93
Southend-on-Sea	80	81	81	85	90	88
Thurrock	99	99	97	99	100	104
Essex cc	84	88	90	91	92	93
London	146	146	144	142	145	148
Inner London	241	241	238	234	239	245
Inner London - West	454	456	452	443	444	456
Inner London - East	123	122	119	115	122	123
Outer London	87	87	85	85	86	88
Outer London - East and North East	64	64	64	64	65	64
Outer London - South	84	84	84	83	82	83
Outer London - West and North West	110	109	105	106	107	112

see footnotes on first page of table.

4 Gross domestic product (GDP) by NUTS level 3 area at current basic prices^{1, 2, 3} per head index UK=100

NUTS Level 1 NUTS Level 2 NUTS Level 3	Gross Domestic Product per head index UK=100					
	1993	1994	1995	1996	1997	1998
South East	105	105	104	107	109	109
Berkshire, Buckinghamshire and Oxfordshire	125	126	124	126	125	129
Berkshire	144	144	141	143	143	151
Milton Keynes	130	132	133	133	137	140
Buckinghamshire cc	103	107	109	112	109	110
Oxfordshire	116	115	112	111	110	111
Surrey, East and West Sussex	98	98	98	100	105	105
Brighton and Hove	83	81	80	80	82	81
East Sussex cc	65	65	66	65	64	63
Surrey	113	110	108	114	123	127
West Sussex	105	108	111	110	113	109
Hampshire and Isle of Wight	104	103	99	106	108	108
Portsmouth	137	135	125	134	145	144
Southampton	122	121	120	123	122	117
Hampshire cc	100	98	95	103	104	105
Isle Of Wight	65	66	66	69	67	67
Kent	90	93	95	95	94	93
Medway	78	80	82	82	82	85
Kent cc	92	96	97	97	96	94
South West	92	92	93	93	93	91
Gloucestershire, Wiltshire and North Somerset	106	105	107	108	108	105
Bristol, City of	117	117	121	121	128	123
North and North East Somerset, South Gloucestershire	92	91	92	96	92	93
Gloucestershire	101	102	104	104	103	102
Swindon	152	149	150	154	150	144
Wiltshire cc	101	100	101	101	99	93
Dorset and Somerset	87	86	87	86	87	87
Bournemouth and Poole	96	95	96	94	92	96
Dorset cc	77	77	79	80	81	80
Somerset	89	88	89	87	87	87
Cornwall and Isles of Scilly ⁵	65	64	64	65	66	65
Devon	83	82	82	80	82	79
Plymouth	105	98	98	93	95	91
Torbay	66	67	69	66	70	69
Devon cc	78	78	79	78	79	77
Wales	82	83	84	83	81	80
West Wales and the Valleys	72	71	72	72	71	70
Isle of Anglesey	68	66	66	68	66	64
Gwynedd	83	81	80	77	75	79
Conwy and Denbighshire	70	66	63	67	67	66
South West Wales	71	71	72	71	67	66
Central Valleys	68	69	70	69	65	67
Gwent Valleys	64	66	69	69	67	64
Bridgend and Neath Port Talbot	75	77	79	81	83	81
Swansea	81	80	80	76	78	79
East Wales	102	103	104	101	98	98
Monmouthshire and Newport	99	100	101	98	95	99
Cardiff and Vale of Glamorgan	114	114	116	108	104	101
Flintshire and Wrexham	96	98	100	101	99	99
Powys	79	79	80	79	77	81

see footnotes on first page of table.

4 Gross domestic product (GDP) by NUTS level 3 area at current basic prices^{1, 2, 3}

per head index UK=100

NUTS Level 1 NUTS Level 2 NUTS Level 3	Gross Domestic Product per head index UK=100					
	1993	1994	1995	1996	1997	1998
Scotland	99	100	102	100	96	97
North Eastern Scotland (Aberdeen City, Aberdeenshire and North East Moray)	141	136	134	133	125	123
Eastern Scotland	102	103	105	104	101	100
Angus and Dundee City	94	94	95	91	90	91
Clackmannanshire and Fife	85	84	84	84	83	82
East Lothian and Midlothian	62	62	64	64	61	60
Scottish Borders	81	82	84	81	78	79
Edinburgh, City of	154	156	160	157	146	147
Falkirk	87	93	99	101	96	97
Perth and Kinross and Stirling	96	97	99	102	100	97
West Lothian	92	92	92	94	94	93
South Western Scotland	91	93	96	93	90	91
East and West Dunbartonshire, Helensburgh and Lomond	76	76	76	71	67	68
Dumfries and Galloway	96	93	92	87	86	88
East Ayrshire and North Ayrshire Mainland	69	72	74	70	69	65
Glasgow City	121	123	127	126	128	131
Inverclyde, East Renfrewshire and Renfrewshire	87	90	94	90	84	84
North Lanarkshire	74	77	80	78	73	76
South Ayrshire	97	100	104	99	94	95
South Lanarkshire	77	79	83	78	74	76
Highlands and Islands	82	81	80	77	75	75
Caithness and Sutherland and Ross and Cromarty	77	75	73	70	66	67
Inverness and Nairn and Moray, Badenoch and Strathspey	88	84	81	78	76	75
Lochaber, Skye and Lochalsh and Argyll and the Islands	75	75	77	73	71	69
Eilean Siar (Western Isles)	75	72	71	70	72	76
Orkney Islands	80	80	81	79	76	78
Shetland Islands	119	123	131	126	124	120
Northern Ireland⁵	79	80	82	80	80	78
Belfast	131	131	132	132	134	137
Outer Belfast	69	70	70	70	69	66
East of Northern Ireland	67	69	72	71	70	67
North of Northern Ireland	68	69	72	70	70	68
West and South of Northern Ireland	65	67	68	65	65	63

see footnotes on first page of table.

5 Gross domestic product by old administrative county for England at current basic prices^{1, 2, 3}

£million

NUTS Level 1 Counties or Former Counties	Gross Domestic Product (£million)					
	1993	1994	1995	1996	1997	1998
UNITED KINGDOM⁴	562,857	593,931	622,389	657,775	700,567	743,314
ENGLAND	477,927	503,851	526,437	558,483	597,956	635,117
North East	21,480	22,074	22,975	23,755	24,202	25,294
Former county of Cleveland	4,811	5,050	5,337	5,471	5,667	5,894
Durham	4,472	4,643	4,865	5,037	5,104	5,305
Northumberland	2,187	2,355	2,521	2,524	2,541	2,732
Tyne and Wear	10,009	10,026	10,252	10,724	10,890	11,363
North West	60,664	63,938	66,007	68,937	72,414	75,275
Cumbria	4,866	5,158	5,284	5,277	5,412	5,634
Cheshire	10,619	11,473	12,028	12,629	13,550	14,112
Greater Manchester	22,886	23,994	24,764	25,895	27,536	28,629
Lancashire	11,877	12,628	13,129	13,857	14,120	14,515
Merseyside	10,416	10,687	10,802	11,278	11,797	12,386
Yorkshire and the Humber	42,952	44,752	47,108	50,043	53,182	55,457
Former county of Humberside	8,214	8,600	9,025	9,713	10,195	10,413
North Yorkshire	6,821	7,012	7,262	7,746	8,478	8,788
South Yorkshire	9,587	9,796	10,146	10,818	11,589	12,134
West Yorkshire	18,330	19,345	20,675	21,766	22,920	24,123
East Midlands	37,124	39,023	40,976	44,184	47,261	49,413
Derbyshire	7,718	8,379	9,016	9,658	10,234	10,651
Leicestershire	9,031	9,608	10,211	10,700	11,543	11,837
Lincolnshire	5,091	5,287	5,507	5,986	6,385	6,692
Northamptonshire	5,955	6,189	6,440	7,129	7,738	8,211
Nottinghamshire	9,329	9,559	9,801	10,711	11,361	12,023
West Midlands	46,859	49,577	52,407	54,851	57,783	61,130
Former county of Hereford and Worcestershire	5,596	6,270	6,956	7,347	7,631	8,010
Shropshire	3,570	3,898	4,239	4,488	4,751	5,067
Staffordshire	8,047	8,483	8,956	9,793	10,170	10,956
Warwickshire	4,471	4,848	5,256	5,646	5,979	6,725
West Midlands (Met County)	25,176	26,079	27,001	27,578	29,253	30,372
East	50,052	53,631	55,989	60,070	64,982	69,607
Cambridgeshire	7,593	8,474	9,148	9,957	10,914	11,537
Norfolk	7,155	7,424	7,505	8,072	8,709	9,319
Suffolk	6,579	7,118	7,398	7,887	8,363	8,807
Bedfordshire	5,402	5,803	6,069	6,254	6,617	7,057
Essex	12,736	14,023	14,963	16,064	17,537	18,743
Hertfordshire	10,586	10,787	10,903	11,835	12,840	14,143
London	97,769	103,021	106,759	112,033	122,014	133,081
South East	78,498	83,227	86,831	94,484	102,536	109,797
Berkshire	10,635	11,214	11,637	12,650	13,506	15,212
Buckinghamshire	6,975	7,611	8,150	8,848	9,416	10,162
East Sussex	4,944	5,232	5,503	5,748	6,155	6,449
Hampshire	16,523	17,182	17,438	19,860	21,638	22,893
Isle of Wight	792	836	883	970	1,009	1,064
Kent	13,420	14,644	15,641	16,528	17,489	18,282
Oxfordshire	6,598	6,905	7,104	7,454	7,910	8,598
Surrey	11,351	11,658	11,936	13,354	15,428	16,914
West Sussex	7,258	7,945	8,549	9,072	9,986	10,225
South West	42,529	44,607	47,385	50,128	53,580	56,064
Former county of Avon	9,624	10,124	10,808	11,681	12,549	13,204
Cornwall	3,006	3,107	3,285	3,525	3,793	4,009
Devon	8,457	8,761	9,238	9,534	10,299	10,630
Dorset	5,503	5,805	6,196	6,536	6,996	7,544
Gloucestershire	5,302	5,703	6,120	6,431	6,810	7,143
Somerset	4,079	4,289	4,543	4,690	5,035	5,318
Wiltshire	6,559	6,820	7,215	7,728	8,098	8,214

1. Estimates for all years are provisional.

2. Includes taxes less subsidies on production.

3. Components may not sum to totals due to rounding.

4. Excluding GDP for Extra-regio, which comprises compensation of employees and gross operating surplus which cannot be assigned to regions.

5 Gross domestic product by old administrative county for England at current basic prices^{1, 2, 3}

£ per head

NUTS Level 1 Counties or Former Counties	Gross Domestic Product (£ per head)					
	1993	1994	1995	1996	1997	1998
UNITED KINGDOM*	9,671	10,170	10,619	11,185	11,871	12,548
ENGLAND	9,852	10,349	10,771	11,384	12,141	12,845
North East	8,216	8,441	8,796	9,111	9,301	9,741
Former county of Cleveland	8,582	9,006	9,519	9,780	10,161	10,580
Durham	7,353	7,629	7,990	8,271	8,376	8,708
Northumberland	7,109	7,646	8,184	8,198	8,232	8,818
Tyne and Wear	8,797	8,812	9,036	9,481	9,668	10,140
North West	8,783	9,248	9,547	9,980	10,494	10,909
Cumbria	9,912	10,505	10,759	10,742	10,995	11,418
Cheshire	10,937	11,762	12,291	12,878	13,786	14,327
Greater Manchester	8,870	9,290	9,588	10,032	10,680	11,099
Lancashire	8,368	8,863	9,196	9,705	9,891	10,160
Merseyside	7,206	7,421	7,536	7,907	8,310	8,759
Yorkshire and the Humber	8,563	8,901	9,354	9,927	10,541	10,983
Former county of Humberside	9,289	9,680	10,130	10,920	11,490	11,759
North Yorkshire	9,428	9,669	9,952	10,554	11,496	11,854
South Yorkshire	7,334	7,489	7,763	8,280	8,867	9,285
West Yorkshire	8,726	9,184	9,805	10,310	10,844	11,402
East Midlands	9,102	9,519	9,944	10,673	11,371	11,848
Derbyshire	8,119	8,783	9,414	10,044	10,600	10,986
Leicestershire	9,950	10,500	11,079	11,545	12,413	12,720
Lincolnshire	8,484	8,746	9,031	9,734	10,319	10,751
Northamptonshire	10,061	10,414	10,767	11,825	12,718	13,369
Nottinghamshire	9,071	9,268	9,486	10,363	10,989	11,630
West Midlands	8,855	9,352	9,869	10,309	10,845	11,455
Former county of Hereford and Worcestershire	8,067	8,976	9,960	10,547	10,895	11,359
Shropshire	8,624	9,372	10,118	10,652	11,213	11,833
Staffordshire	7,632	8,035	8,470	9,257	9,595	10,310
Warwickshire	9,059	9,778	10,545	11,281	11,887	13,288
West Midlands (Met County)	9,550	9,897	10,238	10,429	11,075	11,530
East	9,640	10,280	10,665	11,368	12,208	12,973
Cambridgeshire	11,147	12,355	13,227	14,230	15,394	16,083
Norfolk	9,351	9,666	9,723	10,402	11,146	11,825
Suffolk	10,152	10,969	11,306	11,944	12,571	13,143
Bedfordshire	10,027	10,704	11,129	11,409	11,998	12,705
Essex	8,162	8,945	9,491	10,138	11,005	11,690
Hertfordshire	10,602	10,742	10,793	11,658	12,562	13,717
London	14,110	14,798	15,251	15,885	17,158	18,566
South East	10,147	10,706	11,090	11,983	12,912	13,731
Berkshire	13,957	14,607	14,965	16,044	16,974	19,008
Buckinghamshire	10,737	11,601	12,286	13,207	13,933	14,924
East Sussex	6,843	7,211	7,538	7,830	8,327	8,653
Hampshire	10,373	10,723	10,803	12,223	13,235	13,931
Isle of Wight	6,318	6,694	7,059	7,730	8,013	8,397
Kent	8,707	9,474	10,080	10,615	11,179	11,621
Oxfordshire	11,234	11,724	11,932	12,387	13,008	13,983
Surrey	10,927	11,196	11,425	12,749	14,637	15,945
West Sussex	10,134	11,018	11,741	12,332	13,435	13,622
South West	8,927	9,310	9,828	10,352	11,008	11,447
Former county of Avon	9,898	10,355	11,003	11,856	12,675	13,239
Cornwall	6,303	6,486	6,774	7,286	7,800	8,185
Devon	8,064	8,319	8,732	8,988	9,685	9,952
Dorset	8,252	8,647	9,152	9,591	10,200	10,924
Gloucestershire	9,756	10,414	11,085	11,577	12,188	12,772
Somerset	8,605	8,995	9,457	9,717	10,369	10,877
Wiltshire	11,269	11,645	12,239	13,033	13,556	13,610

See footnotes on first page of table

5 Gross domestic product by old administrative county for England

at current basic prices^{1, 2, 3}

per head index UK=100

NUTS Level 1 Counties or Former Counties	Gross Domestic Product per head index UK=100					
	1993	1994	1995	1996	1997	1998
UNITED KINGDOM*	100	100	100	100	100	100
ENGLAND	102	102	101	102	102	102
North East	85	83	83	81	78	78
Former county of Cleveland	89	89	90	87	86	84
Durham	76	75	75	74	71	69
Northumberland	74	75	77	73	69	70
Tyne and Wear	91	87	85	85	81	81
North West	91	91	90	89	88	87
Cumbria	102	103	101	96	93	91
Cheshire	113	116	116	115	116	114
Greater Manchester	92	91	90	90	90	88
Lancashire	87	87	87	87	83	81
Merseyside	75	73	71	71	70	70
Yorkshire and the Humber	89	88	88	89	89	88
Former county of Humberside	96	95	95	98	97	94
North Yorkshire	97	95	94	94	97	94
South Yorkshire	76	74	73	74	75	74
West Yorkshire	90	90	92	92	91	91
East Midlands	94	94	94	95	96	94
Derbyshire	84	86	89	90	89	88
Leicestershire	103	103	104	103	105	101
Lincolnshire	88	86	85	87	87	86
Northamptonshire	104	102	101	106	107	107
Nottinghamshire	94	91	89	93	93	93
West Midlands	92	92	93	92	91	91
Former county of Hereford and Worcestershire	83	88	94	94	92	91
Shropshire	89	92	95	95	94	94
Staffordshire	79	79	80	83	81	82
Warwickshire	94	96	99	101	100	106
West Midlands (Met County)	99	97	96	93	93	92
East	100	101	100	102	103	103
Cambridgeshire	115	121	125	127	130	128
Norfolk	97	95	92	93	94	94
Suffolk	105	108	106	107	106	105
Bedfordshire	104	105	105	102	101	101
Essex	84	88	89	91	93	93
Hertfordshire	110	106	102	104	106	109
London	146	146	144	142	145	148
South East	105	105	104	107	109	109
Berkshire	144	144	141	143	143	151
Buckinghamshire	111	114	116	118	117	119
East Sussex	71	71	71	70	70	69
Hampshire	107	105	102	109	111	111
Isle of Wight	65	66	66	69	67	67
Kent	90	93	95	95	94	93
Oxfordshire	116	115	112	111	110	111
Surrey	113	110	108	114	123	127
West Sussex	105	108	111	110	113	109
South West	92	92	93	93	93	91
Former county of Avon	102	102	104	106	107	106
Cornwall	65	64	64	65	66	65
Devon	83	82	82	80	82	79
Dorset	85	85	86	86	86	87
Gloucestershire	101	102	104	104	103	102
Somerset	89	88	89	87	87	87
Wiltshire	117	115	115	117	114	108

See footnotes on first page of table

BACKGROUND NOTES

European System of Accounts 1995 (ESA95)

1. The estimates of GDP published here are consistent with the *European System of Accounts 1995* (ESA95). ESA95 is based on the *System of National Accounts 1993*⁸ (SNA93) which was sponsored by all major international organisations and is being adopted world wide. The European system, which is being adopted by EU Member States, is consistent with SNA93 but is more specific and prescriptive in certain parts. *Introducing the European System of Accounts 1995*⁹, *National Accounts Concepts Sources & Methods 1998*¹⁰, & *Regional Accounts Methods* give more detail of the changed system of accounts, and the particular effects on the UK.

Regional gross domestic product - concepts and definitions

2. The estimates of workplace GDP included in this article are consistent with the 2000 edition of the *UK National Accounts - The Blue Book*. They are also consistent with the regional estimates of workplace GDP published in a National Statistics news release on the 27 February 2001, and included as an article in the 2001 edition of *Economic Trends*.
3. In this article sub-national estimates of GDP are measured as the sum of incomes earned from the production of goods and services in each area. Insufficient information is available to estimate GDP for all regions and sub-regions of the UK using either the production or expenditure approaches.
4. The estimates presented here are on a workplace basis. The income (referred to as compensation of employees under ESA95) of commuters is allocated to the local area where they work.

Extra-regio

5. The contribution to GDP of UK embassies abroad and UK forces stationed overseas is included in Extra-regio, along with the element of GDP relating to activities taking place on the continental shelf. As these cannot be assigned to specific regions or sub-regions they are assigned as "Extra-regio GDP". The estimates of total UK GDP included in this article are shown excluding Extra-regio GDP.

General

6. All the items in regional accounts are measured in current prices which means that increases over time reflect inflation as well as real growth. Trends in total GDP per head cannot be analysed easily without deflating the data. However, there are no sub-national price indices that could be used to remove the

effect of inflation from the figures. Comparisons of trends can therefore be based either on the difference between regional increases at current prices or on movements in the amount relative to the UK average. Both approaches would be misleading if the rate of inflation in any area was different from the national average.

7. In the regional accounts it is usual to look at changes per head relative to the UK average over time. However, this obscures the effect of changes in population size. In areas where the population is increasing most rapidly, growth in total GDP would be expected to grow relatively strongly; conversely, areas with a low or negative population growth would be expected to grow more slowly.
8. There are currently no analyses of GDP by industry available for areas below the regional level. As part of the UK's fulfilment of the ESA95 regulation, broad industry estimates will be produced for NUTS-2 and NUTS-3 areas from 2002.

Accuracy

9. As with the national accounts, the regional and sub-regional estimates, although calculated as reliably as possible, cannot be regarded as accurate to the last digit shown.
10. The sub-national GDP estimates are partly based on sample surveys and the quality of the results therefore varies according to sample size. This means that the results for areas with smaller populations are subject to a greater degree of uncertainty than those for more populated areas.
11. For up to date details of the availability of sub-national economic statistics please contact:
Regional Accounts Branch, Office for National Statistics, B4/10, 1, Drummond Gate, London SW1V 2QQ, tel: 020-7533 5793, fax: 020-7533 5799, email: philip.papaiah@ons.gov.uk.
12. The estimates and text presented in this article were produced by members of the Regional Accounts Branch of the Office for National Statistics. Regional Accounts Branch are: David Vincent, Alex Clifton-Fearnside, Adam Douglas, Nosa Okunbor, Janette Conquest, Aubrey Stoll, Hara Sidiropoulou & Philip Papaiah. The authors would also like to acknowledge the contribution made by Lawrence Mahmood.

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