

# **Economic Trends**

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**London: The Stationery Office**

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# Introduction

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

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

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

Quarterly information on the national accounts and the balance of payments appears in *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 30 May 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.

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# Articles published in *Economic Trends*

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## 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

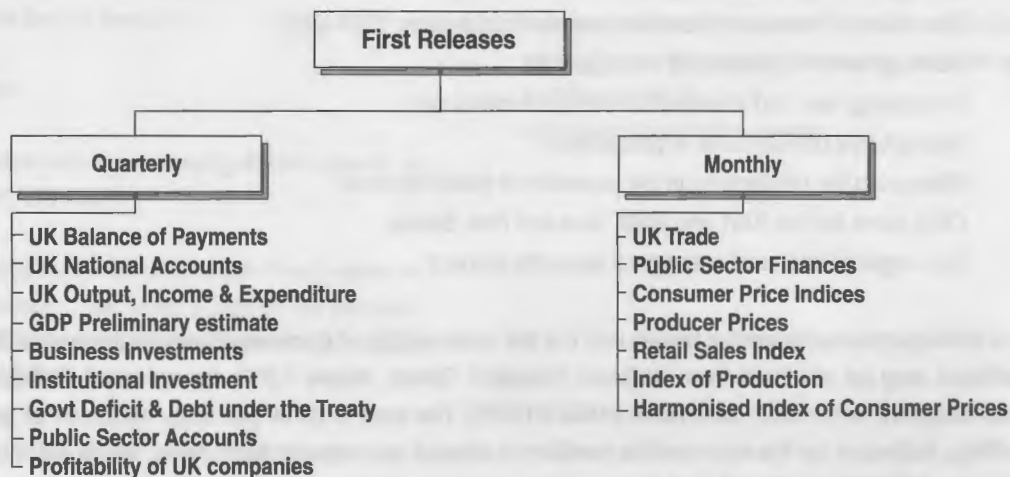
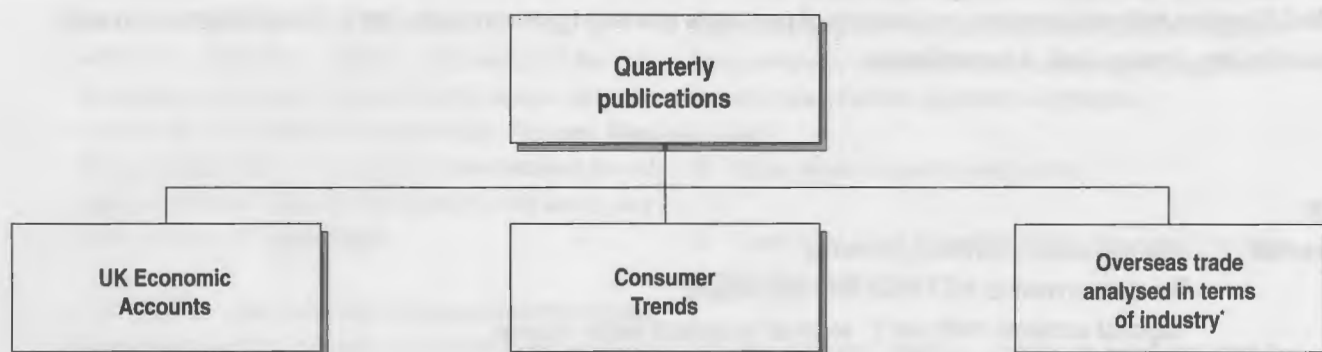
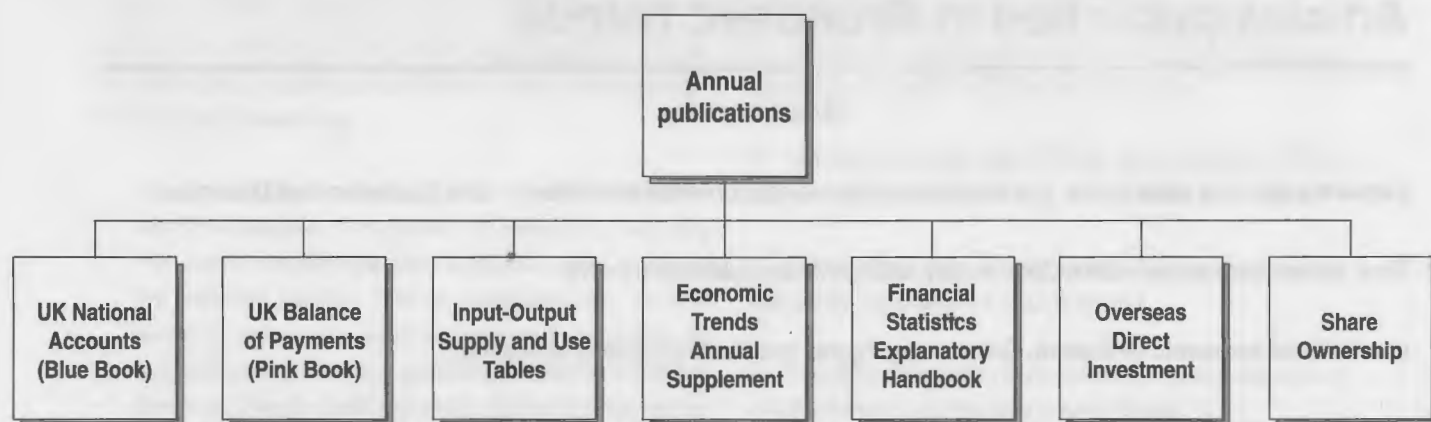
- November*      New estimates of dividend payments.  
The development of the Annual Business Inquiry.  
Regional accounts 1998 part 2 - regional household sector income.
- December*      International comparisons of company profitability.  
Introducing the experimental monthly index of services.  
Geographical breakdown of income in the balance of payments.  
UK regional gross domestic product methodological guide.

### 2001

- January*      Commodity flow analysis in quarterly balancing of GDP.  
Articles published in *Economic Trends* 1991–2000.
- February*      Recent trends in dividends payments and share buy-backs.
- March*      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
- April*      The effects of taxes and benefits on household income 1999–2000
- May*      Developments in productivity management  
Introducing new and improved labour productivity data  
International comparisons of productivity  
Measuring the productivity in the provision of public services  
ONS plans for the 2001 and 2002 Blue and Pink Books  
Sub-regional and local area gross domestic product

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:** - Labour Market Trends - National Accounts Concepts, Sources and Methods - Sector Classification Guide for the National Accounts

\* Available in electronic format only from the National Statistics website [www.statistics.gov.uk](http://www.statistics.gov.uk)

# In Brief

## Articles

This month we feature four articles.

Duncan MacGregor of the ONS provides commentary, tables and charts to illustrate changes in employment in the public and private sectors of the United Kingdom from the 1960s to 2000. The new General government and Public non-financial corporations sectors of the new ESA95 classification are defined and details of changes in coverage from 1997 provided.

Simon Humphries of the ONS updates progress made since December 1999 in the UK plans to deliver monthly balance of payments to the European Central Bank (ECB). First the article summarises developments since December 1999, and provides the current break-down of monthly key economic indicators requested by the ECB. Next, the quality of the methods for deriving MKIs is appraised and full quality measurements for 2000 Q1–Q4 are tabulated. Finally, plans are outlined for developing more detailed MKIs and forecasts in addition to non-euro area and sectoral splits.

John Walsh of the Ministry of Agriculture, Fisheries and Food discusses agricultural land prices statistics and indicators. The article first gives an overview of the main statistical series available i.e. the 'official' statistics produced by MAFF in association with the Valuation Office Agency (VOA) and the National Assembly for Wales Agriculture Department (NAWAD), the separate estimates that the VOA publish twice a year in their *Property Market Report (PMR)* and the data published by the Royal Institution of Chartered Surveyors (RICS). Statistics for the period from 1993–1999 are compared. The second part examines the VOA PMR series and compares it with the MAFF/NAWAD data and the third part conducts a comparative analysis of the RICS series. The fourth section considers methodological procedures and makes suggestions regarding the construction of short-term agricultural land price projections and is followed by a conclusion.

Phillip Lee of the ONS introduces the UK Health Accounts. The article begins by outlining the role of satellite accounts systems and the aims of health accounts. Other benefits are then discussed, including the promotion of the consistent treatment of health care provision. Finally, future plans for the development of the accounts are outlined.

## Corrections

### Table 4.7 - Productivity and Unit Wage Costs

The revisions to the output per filled job estimates include corrections to the annual data that were published in the May 2001 edition of *Economic Trends*. The annual indices for series LNNN, LNNW and LNNX have been revised up to the year 2000. It must be noted that the monthly and quarterly indices for these data series have not been affected by the corrections. National Statistics apologises for any inconvenience these changes may have caused.

## 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)*: March 2001. The Stationery Office, ISBN 0 11 538083 3. Price £185 p.a.

*Financial Statistics*: May 2001. The Stationery Office, ISBN 0 11 621304 3. Price £23.50.

*Monthly Review of External Trade Statistics (MM24)*: February 2001. The Stationery Office, ISBN 0 11 538094 9. 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](mailto:bookorders@theso.co.uk) or The Stationery Office bookshops; details on the inside back cover.

# Economic Update - June 2001

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

Address: D4/20, 1 Drummond Gate, London, SW1V 2QQ    Tel: 020 7533 5919,    E-mail: geoff.tily@ONS.gov.uk

## 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. On the other hand services growth has only slowed modestly and was driven partly by special factors. Demand data shows a mixed picture, with household demand weakening over the last two quarters, although goods demand is still strong, as seen in retail sales. Business investment is now seen to have accelerated in the second half of 2000 and into 2001, following some slowdown in the previous two years. Sector accounts data shows household savings low and business borrowing fairly high. On trade robust import growth outstripped export growth, and exports to the United States fell sharply into March and April. In the labour market, unemployment is still declining and employment is rising, although perhaps at a declining rate. There is still little inflationary pressure: average earnings growth excluding high city bonuses is reasonably subdued, retail price inflation remains low and producer price inflation also shows a deceleration.

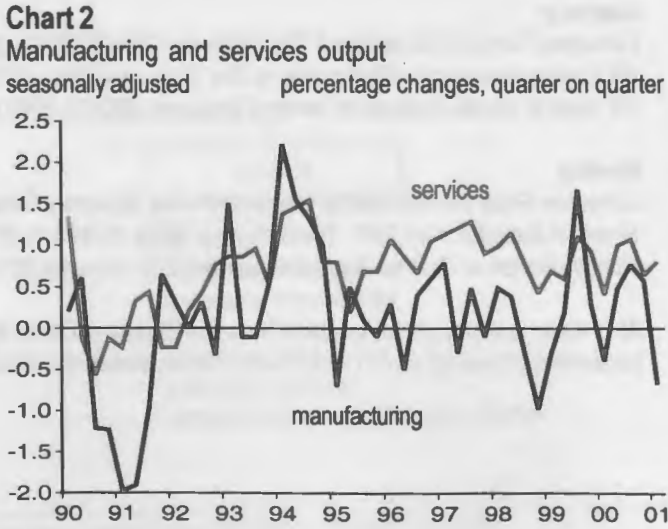
## GDP Activity

GDP in the first quarter of 2001 showed quarterly growth of 0.4 per cent, a second consecutive quarter of weaker growth (chart 1). Quarterly growth in the fourth quarter of 2000 was also 0.4 per cent following 0.9 per cent in the second quarter. On the other hand, comparing with the same quarter a year ago, annual growth was 2.6 per cent, the same as in the previous quarter. While the previous quarter's weaker growth was driven by a decline of growth in the energy sector, the latest quarter's slowdown was dominated by a fall in the output of the manufacturing indices. Service sector growth in both quarters has been weaker than previous quarters, but it still continues to grow at a brisk annual pace.

Turning first to the service sector, quarterly growth in the service sector was at 0.8 per cent in the first quarter of 2001, up slightly on 0.7 per cent in 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 3.7 per cent.

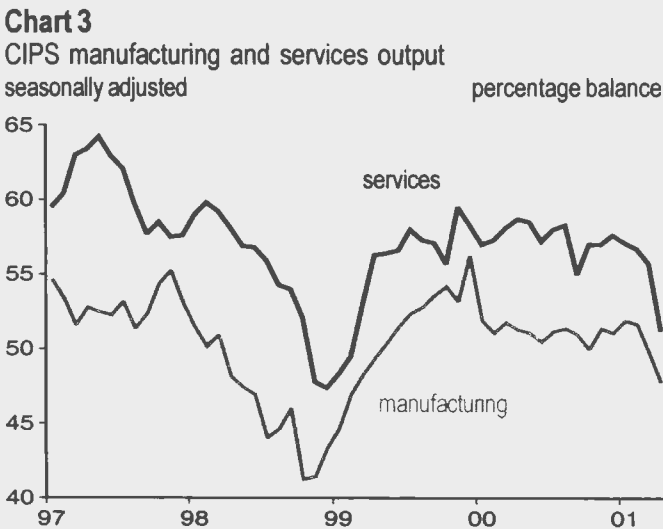
Following some resumed growth in the second half of 2000, the manufacturing sector saw a decline of 0.7 per cent into the first quarter of 2001 (also chart 2). The decline was fairly widespread: 'engineering and allied industries' fell by 0.9 per cent, 'chemicals and man made fibres' industries fell by 1.8 per cent, 'textiles leather and clothing' fell by 5.9 per cent and 'other manufacturing' fell by 0.4 per cent. Within the quarter the index of manufacturing monthly figures show most of the decline into January, the index level in February and declining modestly into March. Notable too is the decline of 3.3 per cent in the output of the 'electrical and optical equipment' industries, this was the first fall for the industries that have dominated recent manufacturing growth. That said, it is too early to say whether this is the start of an ongoing decline or just a fall back from





the very high production of these industries at the end of 2000.

External information on activity also echoes the official data, suggesting some concerns in the first quarter in the manufacturing sector, but not so much in the services sector. The British Chamber of Commerce (BCC) data shows modest declines in the measure for services orders, but the data remains within the range of recent figures; manufacturing data also falls into the first quarter, although the figure is robust when compared with figures for 1998. Chart 3 shows that the Chartered Institute of Purchasing and Supplies (CIPS) figures for both manufacturing and service industries were fairly robust into the start of 2001, but then declined quite sharply into April – perhaps exacerbated by recent foot and mouth fears.



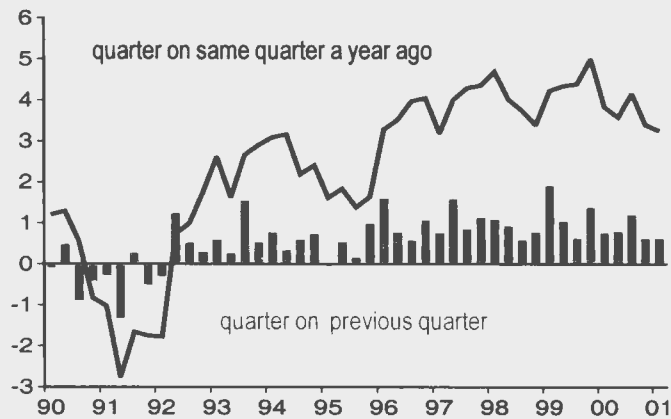
**Domestic demand**

Mixed messages continue about the state of household demand. The main signal of some slowdown in demand is from the National Accounts expenditure data showing quarterly growth falling to 0.6 per cent in both the first quarter of 2001 and the last quarter of 2000 (chart 4). Growth compared with the same quarter a year ago is now 3.3 per cent. In the fourth quarter the slowdown was driven by weak sales in the service sector and ongoing weakness of car sales, in the first quarter the weakness was driven by non durable goods, in particular tobacco and alcohol and energy consumption. Goods sales in both quarters, on the other hand, were still robust.

The robustness of sales of goods was seen in the retail sales data, which shows quarterly growth in the first quarter of 2001 at 1.5 per cent, up slightly on 1.3 per cent in the previous quarter. The monthly figures into April show growth continuing.

The medium term strength of consumer demand relative to income has led to a decline in the saving ratio over the past three years. Data for the first quarter of 2001 is not available, but the annual figure for 2000 at 4.5

**Chart 4**  
Household final consumption expenditure

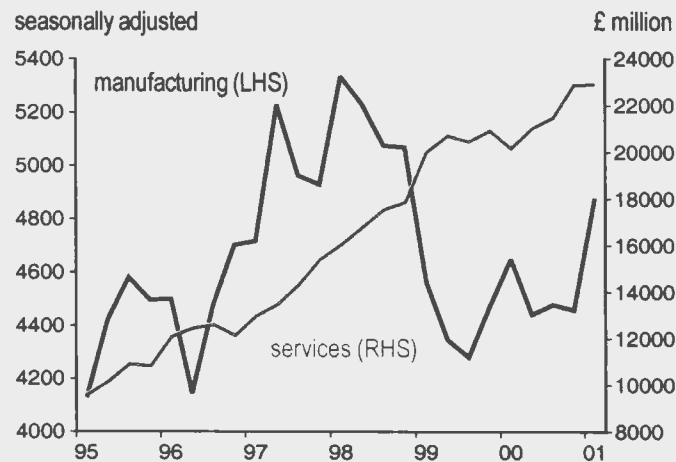


per cent was the lowest annual figure since 1988, when the ratio was 3.9 per cent.

External indicators of retailing show optimism high in all months of 2001. The CBI retailing sales volumes indicator has remained high between January and April 2001, following a decline at the end of 2000. The British Retail Consortium figures also show sales increasing throughout 2001. Consumer confidence indicators were sending conflicting messages, with the MORI index falling sharply into March and remaining at a low level in April, but the GfK index still showing strong confidence. However, the MORI index has recovered into May.

Turning to investment demand, new National Accounts data show some pick up of growth into the second half of the 2000 and into 2001. Investment grew by 1.1 per cent in the first quarter following growth of 2.6 per cent into the fourth quarter; annual growth was 5.7 per cent comparing the first quarter with the same quarter in 2000. Chart 5 shows that manufacturing investment actually picked up in the first quarter following a run of subdued figures, whereas service investment was flat, following its acceleration in 2000. It may be that this recovery in growth indicates that the previous

**Chart 5**  
Business investment  
seasonally adjusted

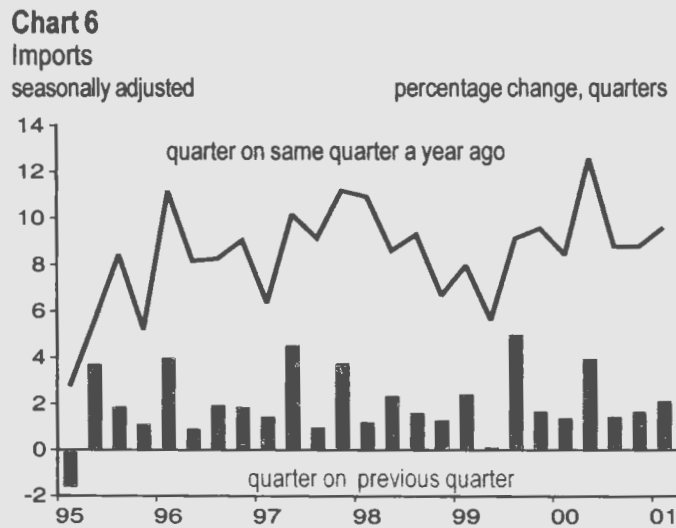




slowdown did reflect a pause in investment due to abnormal trends around the millennium period. On the other hand the BCC data on investment plans has recently showed some decline; the manufacturing figures have slowed for two consecutive quarters, while the service figures slowed into the latest quarter.

Alongside this increase in investment, the financial position of the corporate sector has been improving in the most recent quarters, although this improvement may have been driven by 'special' factors. Looking at annual figures, 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 £13.3 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.

Government demand saw only modest quarterly growth of 0.1 per cent into the first quarter, following 0.3 per cent in the fourth quarter; however comparing with the first quarter of 2000, the latest estimate of annual growth remains a robust 3.6 per cent. This increased expenditure comes alongside an ongoing improvement of government finances. Public sector net borrowing figures shows that there was a surplus of £15.9 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. The first borrowing figures for 2001-2002 showed a



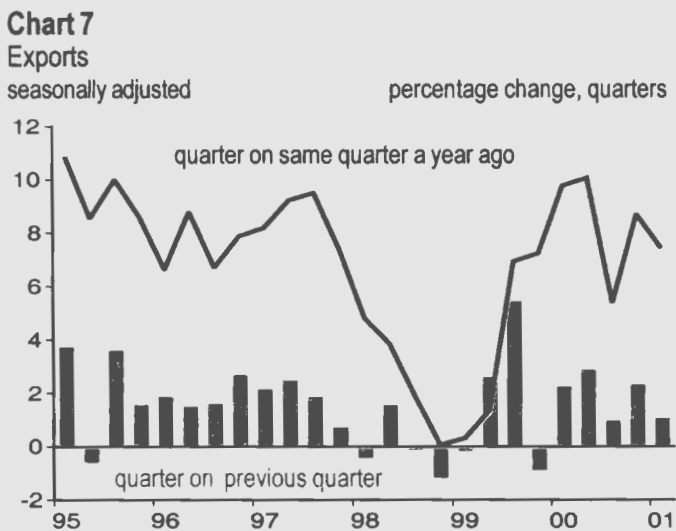
surplus of £0.9 billion for April.

Finally on domestic demand, import growth remains strong. Quarterly growth in the first quarter of 2001 was at 2.2 per cent, compared to 1.7 per cent in the fourth quarter (chart 6), and annual growth comparing the first quarter of 2001 with the same quarter of 2000, was at 9.6 per cent.

### Overseas demand

The international environment continues to pose a threat to the UK economy, with the present slowdown in the US a particular concern, and also some evidence of slowdown to the European economy.

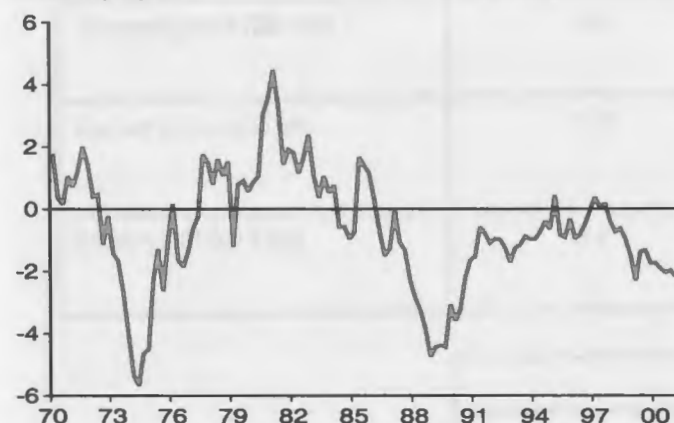
Perhaps reflecting this, first quarter data shows a slowdown in export growth to 1.1 per cent from 2.3 per cent in the fourth quarter of 2000 (chart 7). This slowdown was dominated by a slowdown in exports to non-EU countries, with trade with the United States still showing growth over the quarter, but at a slower pace than before. Looking at the monthly data underpinning the quarterly figures shows a sharp decline in exports



to the United States in March, and this lower level continuing into April. This fall may be indicative of some impact from events in the United States (chart 8).

Overall the first quarter strength of imports and weakness of exports echoes the same longer term trend, and has led to an ongoing balance of trade deficit. As a share of GDP, the first quarter balance of trade deficit was 2.2 per cent, the lowest figure since the first quarter of 1999, but still a way below the very large deficits of the late 1980s and mid-1970s (chart 9).

**Chart 9**  
Balance of trade as a percentage of GDP  
seasonally adjusted



## Labour Market

The labour market dataset continues to show employment increasing and unemployment falling, with some evidence, of a slowdown to the rate of improvement.

Chart 10 shows that the annual rate of growth (comparing quarters with the same quarter in the previous years) 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. The Labour Force Survey employment data had modest evidence of a slowdown across 2000 as a whole, but picked up into the first quarter of 2001, where growth on the same quarter a year ago was 1.0 per cent.

Both ILO and claimant count continue to show unemployment falling, with the ILO rate falling by 0.2 percentage points to 5.1 per cent in the three month period Jan – March 2001, and the claimant count rate falling to 3.2 per cent in April following 3.3 per cent in each of the previous three

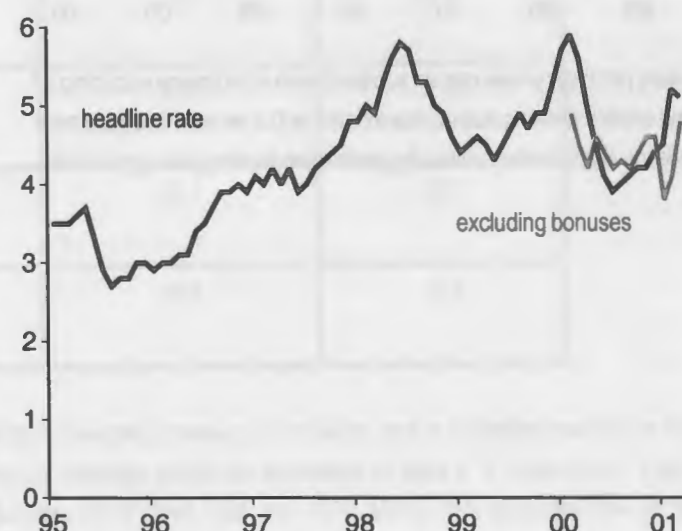
**Chart 10**  
Employment  
seasonally adjusted



months. Here it is difficult to see evidence of any slowdown in the rates of improvement in either of these series.

Earnings data remains fairly subdued despite perceptions of a tight labour market, although headline and underlying measures have accelerated. The headline rate was 5.1 per cent in March down marginally on 5.2 per cent in February, although these recent increases were largely accounted for by high city bonuses. The index excluding bonuses picked up sharply to 4.8 per cent in March from 4.1 per cent in February. Nevertheless external settlement data remains very subdued and there appear to be few concerns about wage inflation (chart 11).

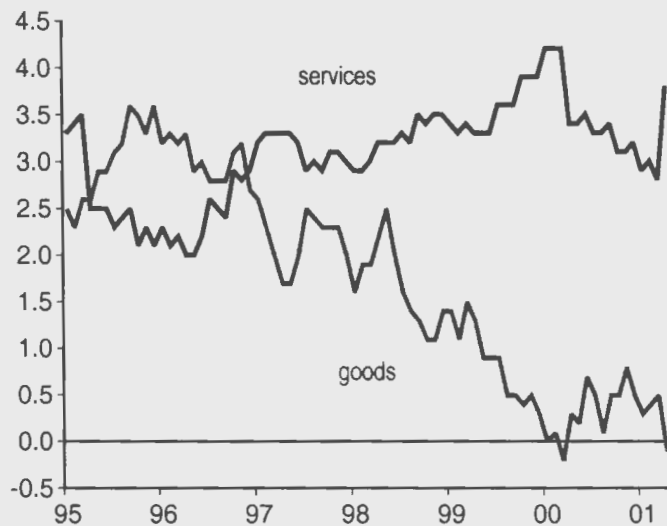
**Chart 11**  
Average earnings  
seasonally adjusted



Prices

RPIX inflation, the Bank of England's target measure was 2.0 per cent in April, up from 1.9 per cent in March and continuing a run of 25 months where inflation was below the government's target of 2.5 per cent. The headline figure masks sharp movements in component series. On one hand, services inflation accelerated sharply to 3.8 per cent in April from 2.8 per cent in March, driven primarily by increases to gas prices. On the other hand goods inflation fell into negative territory for only the second time since the series began in 1988, declining by 0.1 per cent following inflation of 0.5 per cent in March, due in particular to Budget changes (chart 12). Reflecting the latter, RPIY (inflation excluding mortgage interest payments and indirect taxes) rose to 2.2 per cent from 1.8 per cent.

**Chart 12**  
Goods and services inflation  
seasonally adjusted                      annual percentage change



Lastly producer prices remain subdued, with April figures excluding oil and erratics showing output price inflation at 0.3 per cent and input price inflation at 3.6 per cent and both growth rates declining throughout 2001.

# Forecasts for the UK Economy

## A comparison of independent forecasts, May 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	1.6	3.1
Inflation rate (Q4: per cent)			
- RPI	1.7	0.6	2.7
- RPI excl MIPs	1.9	1.3	2.7
Unemployment (Q4: mn)	1.00	0.90	1.10
Current Account (£ bn)	-19.6	-26.5	-10.0
PSNB *(2001-02: £ bn)	-8.3	-16.0	1.2

	Independent Forecasts for 2002		
	Average	Lowest	Highest
GDP growth (per cent)	2.7	0.4	3.3
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)	-21.0	-35.7	-9.8
PSNB* (2002-03: £ bn)	-2.9	-19.5	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 - June 2001

Cedrik Schurich, Macro-Economic Assessment - National Statistics

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Tel: 020 7533 5923

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## Overview

EU15 GDP growth, while it stopped declining in 2000 quarter four, remained relatively strong. However, the recent mild slowdown in GDP growth did not affect employment growth, which remained quite strong. Also, despite continued growth in employment and earnings, inflation moderated slightly in 2001 quarter one. Within the EU, German GDP growth slowed quite substantially in 2000 quarter three and four but employment growth remained strong. In contrast, French GDP growth continued to expand robustly, even though growth in quarterly industrial production declined in recent quarters. GDP growth in Italy was similar to that in France. Quarterly US GDP growth picked up slightly in 2001 quarter one but remained overall weak. Unemployment also increased significantly in the latest quarter. In Japan, GDP growth rebounded and employment growth was positive for the first time in many quarters, but deflation continued.

## EU15

Quarterly GDP growth slowed to 0.6 per cent in both 2000 quarter four and 2000 quarter three, down from a peak of 1.1 per cent in 1999 quarter three. Overall annual GDP growth in 2000, however, grew by a vigorous 3.4 per cent, up from 2.6 per cent in 1999.

The composition of contributions to change in GDP remained unchanged (except for change in stocks) in 2000 quarter four compared to 2000 quarter three. The quarterly contribution of consumption remained at 0.2 per cent, down from 0.5 per cent in 2000 quarter two. Investment contributed by 0.2 per cent. The quarterly contribution of investment has been remarkably stable, at around 0.2-0.3 per cent since 1998 quarter four. The contribution of net exports remained positive at 0.2 per cent, up from zero per cent in 2000 quarter two.

Quarterly industrial production growth has slowed in recent quarters (chart 1), from 1.9 per cent in 2000 quarter two to 1.0 per cent in 2000 quarter three and 0.6 per cent in 2000 quarter four. A fall of 0.7 per cent

in January 2001 and growth of only 0.5 per cent in February 2001 suggest that growth in 2001 quarter one is likely to remain subdued.

Echoing the slowdown in consumption, quarterly retail sales growth was zero in 2000 quarter four, after having fallen by 0.3 per cent in the previous quarter. In January 2001, however, it picked up quite vigorously by 1.8 per cent. On an annual basis, growth of 0.6 per cent in 2000 quarter four represents the first quarter of growth significantly below the average growth of around 2.0 per cent over the last three years.

Quarterly annual employment growth was 1.8 per cent in 2000 quarter four, slightly higher than in the previous quarter, despite the slight slowdown in GDP growth in recent quarters. Employment growth has been growing quite firmly by about 1.8 per cent per annum over the last three years. As a result, unemployment has steadily been falling for several years. It fell to 7.9 per cent in 2000 quarter four, down from 8.1 per cent in the previous quarter.

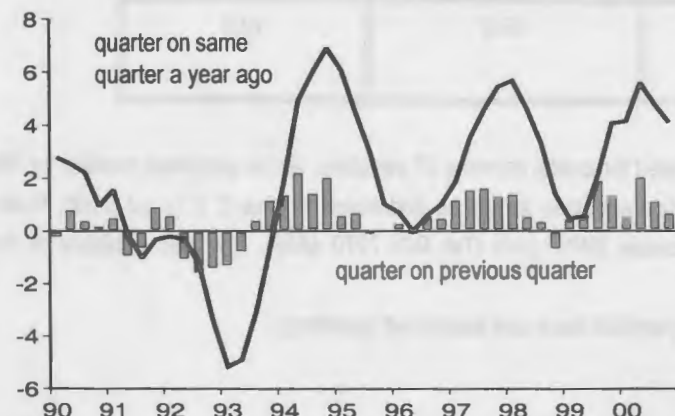
Perhaps reflecting sustained improvements to employment, annual earnings growth rose to 3.5 per cent in 2000, up from 3.0 per cent in 1999 and 2.5 per cent in 1998. Quarterly annual earnings growth remained at 3.5 per cent in 2000 quarter four, the same rate as in the previous quarter. The earnings series tends to be quite stable and quarterly annual earnings growth has averaged around 3.0 per cent since 1998.

Despite continued growth in employment and earnings, annual inflation moderated slightly in 2001 quarter one. Annual consumer price inflation was 2.8 per cent in 2001 quarter one, slightly lower than in the previous quarter, while annual producer price inflation slowed more substantially, from 5.1 per cent in 2000 quarter four to 3.3 per cent in 2001 quarter one. Over the last two years, however, consumer and producer price inflation has been increasingly mirroring higher oil prices. The more recent fall in oil prices at the end of 2000 is picked up by the monthly producer price

## Chart 1

EU15 - Industrial production  
seasonally adjusted

percentage changes, quarters



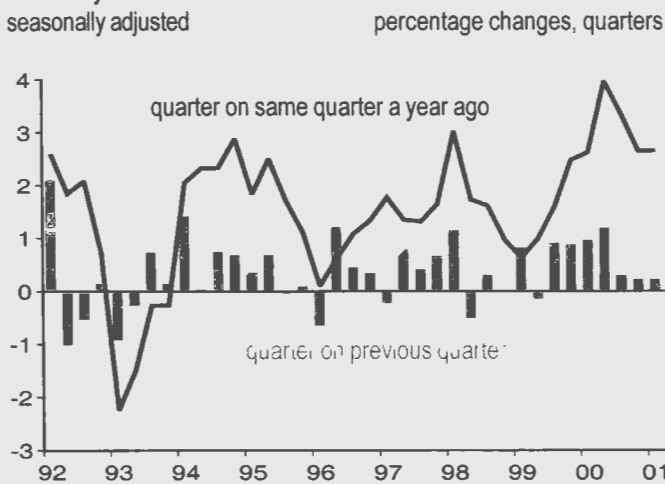
data (though not the consumer price data), which decreased from a peak rate of 5.6 per cent in October 2000 to 2.8 per cent in March 2001.

Germany

Quarterly growth in the German economy slowed quite substantially in 2000 quarter three and four, to 0.3 per cent and 0.2 per cent respectively, set against growth in 2000 quarter two of 1.2 per cent (chart 2). The source of this slowdown was zero growth in the contribution of consumption and investment and a negative contribution of 0.3 per cent from net exports. Notwithstanding recent slower quarterly growth, GDP grew robustly in 2000, by 3.1 per cent, up from 1.4 per cent in 1999.

Chart 2

Germany - GDP  
seasonally adjusted



Looking at recent trends in the contribution of demand components, despite being volatile, the contribution of consumption has been rather robust in the last three years, in contrast to the last three quarters. This is at odds with the retail sales series, which has shown a more subdued picture. The contribution of investment has been similar to that of consumption in the last three years: volatile but overall robust, again in contrast to the last two quarters. Finally, the contribution from net exports has deteriorated in recent quarters, from 0.8 per cent in 2000 quarter one to a fall of 0.3 per cent in 2000 quarter four.

From an output perspective, quarterly growth in industrial production fell sharply, 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, with January and February suggesting a pick up in 2001 quarter one. Despite the sharp 2000 quarter four deterioration, growth in 2000 increased strongly to 6.2 per cent, from 1.6 per cent in 1999 and 4.2 per cent in 1998.

Despite the slowdown in GDP in 2000 quarter three and four, employment growth remained strong. Quarterly employment growth has been robust since 2000 quarter two, when it increased by 1.3 per cent, and 0.9 per cent in the next two quarters. As a result, unemployment has continued to decline, by 0.1 percentage point to 7.7 per cent in 2000 quarter four and 2001 quarter one, 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 and producer price inflation increased strongly in 2000 (albeit from a very low rate) compared to 1999: from 0.6 per cent to 1.9 per cent for consumer prices and minus 1.0 per cent to 3.4 per cent for producer prices. Quarterly annual growth in 2001 quarter one was pretty much unchanged compared to the previous quarter, at 2.5 per cent for consumer price inflation and 4.8 per cent for producer price inflation.

Quarterly annual earnings growth moderated somewhat, from 3.3 per cent in 2000 quarter three to 2.4 per cent in 2000 quarter four. The slowdown in 2000 quarter four halts a period of expansion in earnings growth, from 1998 quarter one, when it bottomed at 1.3 per cent, to 2000 quarter three. This period of acceleration in earnings growth has coincided with an increase in annual employment growth.

France

Quarterly GDP growth was strong in 2000 quarter four, increasing by 1.0 per cent, compared with 0.6 per cent in the previous quarter. Quarterly GDP growth has been very robust since 1997, with quarterly growth close to around 1.0 per cent in many quarters. 2000 quarter four was strongly driven by a 0.6 per cent contribution from investment and a 0.32per cent contribution from net exports. In contrast, consumption contributed only 0.2 per cent while stock building actually reduced growth by 0.1 per cent.

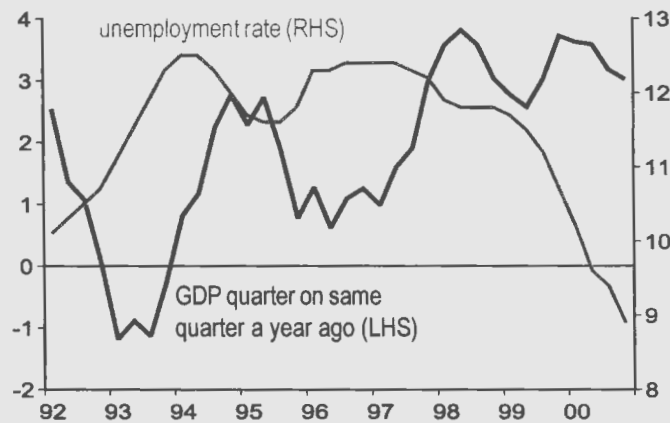
Notwithstanding the weak contribution of consumption in 2000 quarter four, its contribution to GDP has tended to be rather high throughout the expansion of the last three years. The contribution from investment has also been significant in that period. Strong consumption has been reflected in high quarterly annual retail sales growth, except in the last two quarters of 2000, where it was zero and minus 1.4 per cent respectively. But retail sales bounced back to 1.4 per cent in 2001 quarter one. Finally, the contribution from net exports has rather weak and often negative over the last three years.

Growth in quarterly industrial production declined from 1.4 per cent in 2000 quarter three to 0.7 per cent in 2000 quarter four. More generally, 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.

The robust expansion in GDP since 1997 has been accompanied by strong growth in employment. Quarterly employment growth grew strongly by 0.7 per cent in 2000 quarter four and continues an upward trend, 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, annual unemployment has been continuously falling in recent years, although it remains high, at 8.6 per cent in 2000 quarter four, down from its peak of 12.5 per cent in 1994 quarter two (chart 3). 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.

**Chart 3**  
France - GDP and unemployment  
seasonally adjusted



Despite relatively high earnings growth, annual consumer price inflation fell to 1.2 per cent in 2001 quarter one, after having been increasing over the last two years, in response to rising oil prices. Annual producer price inflation showed no sign of slackening, as it remained at 2.5 per cent in 2001 quarter one, the same rate as in the previous quarter. As with other EU economies, inflation in France has been falling in much of the 1990s.

**Italy**

Quarterly Italian GDP growth further increased in 2000 quarter four, to 0.9 per cent, up from 0.6 per cent in 2000 quarter three and 0.2 per cent in 2000 quarter two. Growth in 2000 was strong, reaching 2.9 per cent, significantly up from 1.6 per cent in the previous year.

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.

Growth in quarterly industrial production was 1.2 per cent in 2000 quarter four, up sharply from 0.1 per cent in the previous month. Growth has been quite strong since 1999 quarter three. In the 1990s, growth has been cyclical but has not displayed a clear trend on an annual basis.

Quarterly annual growth in employment has picked up quite significantly in the last two quarters of 2000, reaching 2.8 per cent in quarter four, up from a period in early 1998 characterised by rates of about 1.2 per cent. The recent pick up comes in response to strong GDP growth since late 1999 and in 2000. From a longer term perspective, quarterly employment growth, while volatile, has tended to improve since 1993. On an annual basis, growth became positive in 1995 quarter four.

Despite relatively strong growth in annual employment in recent years, the fall in unemployment has been more modest, from 11.8 per cent in 1998 quarter one to 10.0 per cent in 2000 quarter four (chart 4). Perhaps reflecting this high unemployment, annual earnings growth has remained subdued for several years, at around 2.0 per cent, and this is also the rate recorded in 2001 quarter one.

**Chart 4**  
Italy - Employment growth and unemployment  
seasonally adjusted



Annual Inflation signals from the consumer and producer price indices were mixed in 2001 quarter one, with consumer prices continuing their upward trend, from 2.6 per cent in 2000 quarter four to 2.9 per cent in the next quarter, but producer prices reversing the upward trend, falling quite significantly from 6.5 per cent to 4.9 per cent. Both measures started rising at the end of 1999, mainly fuelled by rising oil prices, after having followed a declining trend since the beginning of the 1990s, in line with other EU economies.

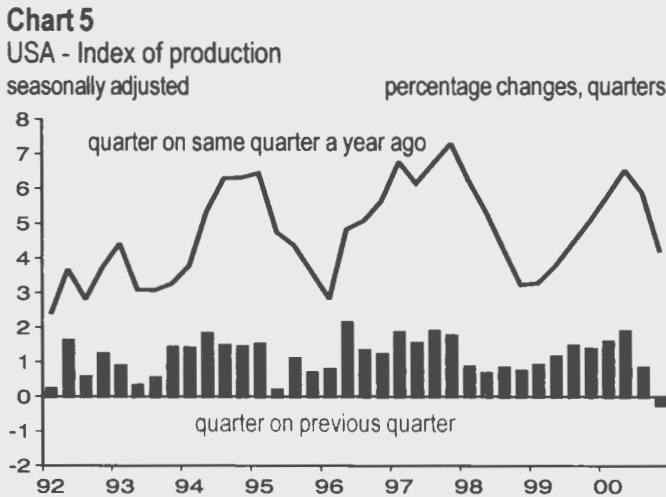


USA

The US continues to provide the greatest concern, with growth apparently now well below rates seen in the expansion over the last five years. However, quarterly GDP growth picked up a little in 2001 quarter one to 0.5 per cent, from 0.3 per cent in the previous quarter. Though this represents a slight improvement, it is also the third quarter of weak quarterly GDP growth, after a period of strong expansion. However, because the first two quarters of 2000 were very strong, GDP growth in 2000 increased by a vigorous 5.0 per cent, compared to 4.2 per cent in 1999.

Weak GDP growth in 2001 quarter one occurred despite a fairly high contribution from consumption, government expenditure and investment. It was high levels of destocking and net imports that put a drag on GDP growth. More generally both consumption and investment made strong contributions to GDP in 1999 and 2000, but both did slow 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 quarterly industrial production has been significant, with growth falling by 0.2 percentage points in 2000 quarter four and 1.2 per cent in 2001 quarter one (chart 5). 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. It picked up, however, to 0.4 per cent in March 2001.



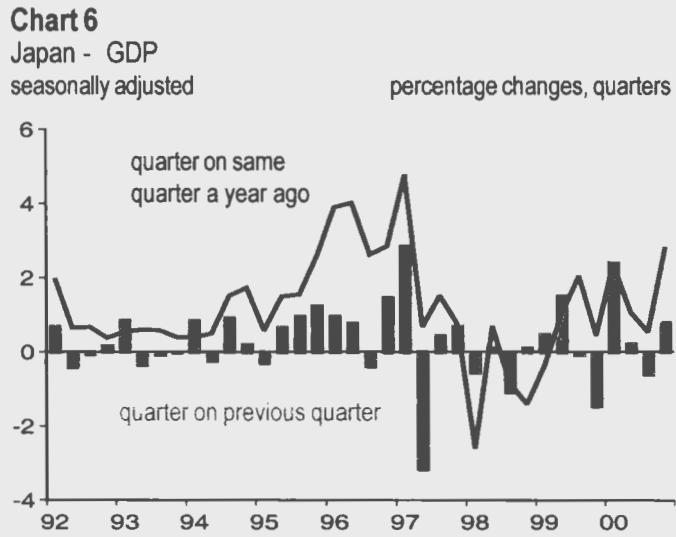
The US labour market showed significant weakening. Annual employment growth continued to weaken in 2001 quarter one, increasing by 0.7 per cent compared with 1.0 per cent in the previous quarter. Until 2000 quarter two, annual employment growth had been significantly above 1

per cent in most quarters in recent years. Employment growth was in fact high throughout the decade, even though growth has slowed down since 1997. Reflecting this slowdown in employment growth, unemployment picked up to 4.2 per cent in 2001 quarter one, after a long period of falling unemployment and the rate stabilising at 4.0 per cent in each quarter of 2000. In April 2001, unemployment increased by 0.2 percentage points to 4.5 per cent. Considering the low rate of unemployment, earnings growth has remained quite subdued, even slowing in 2001 quarter one, to 2.9 per cent, compared with 3.5 per cent in the previous quarter. April 2001 data, however, showed a quite sharp pick up in earnings.

There was some indication from consumer and producer price index data of a fall in already low inflation. While annual consumer prices remained flat at slightly above 3 per cent, producer prices fell from 3.4 per cent in 2000 quarter four to 2.1 per cent in 2001 quarter one. This reflected low earnings growth and perhaps lower oil prices.

Japan

Quarterly GDP growth in 2000 quarter four quarterly growth was 0.8 per cent, a strong rebound from the 0.6 per cent fall in the previous quarter (chart 6). 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. Growth in the Japanese economy resumed in 1999 but overall growth has remained weak and very volatile.



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

Quarterly growth in industrial production recovered strongly in 1999 quarter three but has shown signs of renewed weakness in the latest period; quarterly growth in production slowed sharply to 0.3 per cent in 2000 quarter four and then fell by 2.6 per cent in 2001 quarter one.

Possibly reflecting the pick up in GDP growth over the last two years, employment resumed positive annual growth of 0.2 per cent in 2000 quarter four, and this improvement was confirmed in 2001 quarter one, as employment increased by 0.5 per cent. However, these are the first positive annual rates since 1997 quarter four. As a result, unemployment has increased in most quarters since 1997, from 3.7 per cent in 1978 quarter one to 4.8 per cent in the first quarter of 2001.

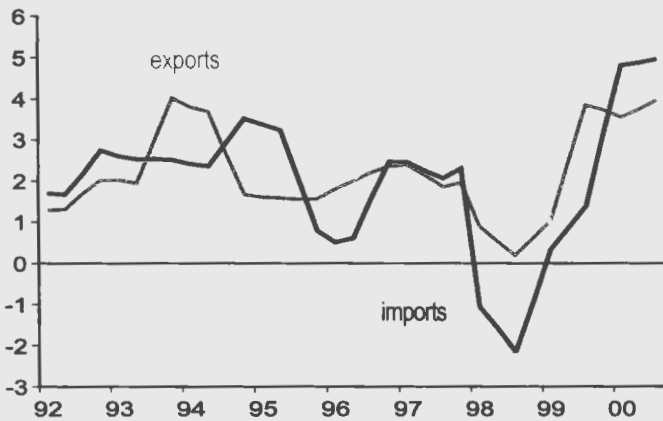
Despite increasing unemployment, but in line with rises in GDP and employment, earnings growth picked up in 2000 to 1.7 per cent, after having been falling in the two previous years, by 0.7 per cent and 0.8 per cent respectively. This contrasts with deflation for both annual consumer and producer prices in 2001 quarter one, minus 0.1 per cent and minus 0.3 per cent respectively. Japan has suffered from consumer price deflation since mid-1998. Similarly, producer prices have been falling in most quarters since 1998 quarter two, 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 1998 quarter three.

### World Trade

World trade data may show some sign of some slowdown to the global economy. OECD exports and imports of goods, which includes both manufactures and raw materials, slowed significantly in the last quarter of 2000. Quarterly exports of goods slowed to 1.3 per cent, from 2.7 per cent in the preceding quarter, while quarterly imports of goods slowed to 1.1 per cent in 2000 quarter four, from 2.8 per cent in the preceding quarter. This slowdown in OECD trade comes after a strong period of expansion since 1999 quarter two. As a result, OECD exports and imports of goods in 2000 were very high, at 11.8 per cent and 12.5 per cent respectively. Trade of non-OECD countries was also very robust in 1999 and 2000, after a poor performance in 1998, in the wake of the financial crisis in south-east Asia (chart 7).

Trends in exports and imports of manufactures (which excludes raw materials) were very similar to trends in goods trade; OECD quarterly exports growth fell to 1.5 per cent in 2000 quarter four, down from 2.7 per cent in the previous quarter, while the equivalent figures for imports were 1.4 per cent and 3.1 per cent. Manufactures trade for non-OECD countries was similar to trends observed for goods trade. Exports in particular reached a record 18.4 per cent in 2000.

**Chart 7**  
Non-OECD exports and imports in goods  
seasonally adjusted  
percentage changes, quarter on same quarter a year ago



In general, the slowdown in trade for both OECD and non-OECD countries in 2000 quarter four is likely to reflect the slowdown of the US economy, subdued growth in Japan and signs of slowdown in Europe, in particular Germany.

### 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.

# 1 European Union 15

## Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk <sup>1</sup>	Exports	Imports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
<b>Percentage change on a year earlier</b>															
	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	1.7	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	0.2	1.2	0.4	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	2.0	1.2	-	3.0	1.8	9.2	
2000	3.4	1.7	0.4	1.0	-	4.0	3.6	4.6	2.1	2.5	4.8	3.5	1.8	8.2	
1998 Q1	3.6	1.8	0.2	1.4	0.6	3.4	3.8	5.7	2.6	1.8	0.7	2.9	1.8	10.2	
Q2	2.9	1.8	0.2	1.1	0.4	2.5	3.2	4.6	2.6	2.2	0.2	2.8	1.7	10.0	
Q3	2.7	2.1	0.2	1.3	0.2	1.6	2.7	3.3	3.3	1.6	-0.8	2.8	1.7	9.9	
Q4	2.2	2.0	0.3	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	-	0.3	1.6	0.5	2.3	1.1	-1.8	2.8	1.6	9.5	
Q2	2.2	1.8	0.3	1.1	-0.2	0.8	1.7	0.6	1.2	1.1	-0.9	2.8	1.7	9.3	
Q3	2.6	1.9	0.4	1.1	-0.2	1.9	2.4	2.1	1.9	1.2	0.5	2.7	2.0	9.1	
Q4	3.4	1.9	0.4	1.1	-0.2	3.1	3.1	4.1	2.8	1.5	2.4	3.6	2.1	8.8	
2000 Q1	3.6	1.8	0.4	1.1	-0.2	3.9	3.4	4.1	2.4	2.2	4.1	3.6	1.8	8.6	
Q2	3.8	2.0	0.4	1.1	0.2	4.0	3.8	5.6	3.5	2.3	4.8	3.6	1.9	8.3	
Q3	3.4	1.7	0.4	0.9	0.1	3.9	3.7	4.8	1.9	2.7	5.1	3.5	1.7	8.1	
Q4	3.0	1.4	0.4	0.9	-0.2	4.0	3.4	4.1	0.6	2.8	5.1	3.5	1.8	7.9	
2001 Q1	..	..	..	..	..	..	..	..	..	2.7	3.3	..	..	7.8	
2000 Mar	..	..	..	..	..	..	..	4.9	0.9	2.2	4.6	..	..	8.5	
Apr	..	..	..	..	..	..	..	5.5	3.8	2.1	4.4	..	..	8.4	
May	..	..	..	..	..	..	..	6.5	4.7	2.2	4.9	..	..	8.3	
Jun	..	..	..	..	..	..	..	4.7	1.9	2.6	5.2	..	..	8.2	
Jul	..	..	..	..	..	..	..	4.8	0.9	2.5	5.0	..	..	8.1	
Aug	..	..	..	..	..	..	..	5.1	1.9	2.5	4.8	..	..	8.1	
Sep	..	..	..	..	..	..	..	4.5	2.8	2.9	5.3	..	..	8.0	
Oct	..	..	..	..	..	..	..	3.6	-	2.8	5.6	..	..	7.9	
Nov	..	..	..	..	..	..	..	3.9	0.9	2.9	5.2	..	..	7.9	
Dec	..	..	..	..	..	..	..	4.7	0.9	2.7	4.4	..	..	7.9	
2001 Jan	..	..	..	..	..	..	..	4.8	2.8	2.7	3.7	..	..	7.8	
Feb	..	..	..	..	..	..	..	3.9	..	2.7	3.3	..	..	7.8	
Mar	..	..	..	..	..	..	..	..	..	2.6	2.8	..	..	7.8	
<b>Percentage change on previous quarter</b>															
	ILGL	HUDY	HUDZ	HUEA	HUEB	HUEC	HUED	ILHF	ILHZ				ILIT		
1998 Q1	0.8	0.7	0.1	0.4	0.2	0.5	1.0	1.3	1.3				-0.2		
Q2	0.4	0.4	0.1	0.1	-0.1	0.4	0.5	0.5	0.7				1.0		
Q3	0.6	0.5	0.1	0.4	-0.1	0.1	0.3	0.3	0.7				0.7		
Q4	0.3	0.5	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	0.5	0.4	0.7				-0.4		
Q2	0.6	0.2	-	0.2	-0.3	0.9	0.6	0.6	-0.4				1.1		
Q3	1.1	0.5	0.1	0.3	-	1.1	1.0	1.8	1.3				1.1		
Q4	1.0	0.5	0.1	0.2	0.2	0.9	1.0	1.3	1.2				0.4		
2000 Q1	0.9	0.5	0.1	0.3	-0.1	0.9	0.8	0.4	0.3				-0.7		
Q2	0.8	0.5	0.1	0.2	0.1	1.0	1.0	1.9	0.6				1.1		
Q3	0.6	0.2	0.1	0.2	-0.1	1.0	0.8	1.0	-0.3				0.8		
Q4	0.6	0.2	0.1	0.2	-	1.0	0.8	0.6	-				0.5		
2001 Q1	..	..	..	..	..	..	..	..	..				..		
<b>Percentage change on previous month</b>															
								ILKF	ILKP						
2000 Mar								0.4	-0.9						
Apr								0.6	-						
May								1.2	2.8						
Jun								-0.9	-2.7						
Jul								1.0	-						
Aug								0.8	0.9						
Sep								-0.4	-						
Oct								-0.3	-0.9						
Nov								0.9	0.9						
Dec								0.7	-						
2001 Jan								-0.7	1.8						
Feb								0.5	..						
Mar								..	..						

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 13

## Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl <sup>1</sup>	Unempl
<b>Percentage change on a year earlier</b>														
	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	1.2	1.9	3.4	2.7	1.6	7.9
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	8.9
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	8.8
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	8.7
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	8.4
2000 Q1	2.6	0.5	0.3	0.9	-0.7	4.3	2.7	4.9	-0.9	1.7	2.3	2.8	1.6	8.1
Q2	4.0	1.6	0.4	0.8	-	4.0	2.8	7.0	4.3	1.6	2.6	2.4	2.0	8.0
Q3	3.3	1.0	0.1	0.5	0.7	3.9	2.9	7.3	1.9	2.0	3.7	3.3	1.5	7.8
Q4	2.6	0.8	0.3	0.5	0.5	4.8	4.2	5.6	-0.5	2.4	4.5	2.4	1.6	7.7
2001 Q1	..	..	..	..	..	..	..	..	..	2.5	4.8	..	..	7.7
2000 Mar	..	..	..	..	..	..	..	6.1	-4.1	1.9	2.4	..	..	8.1
Apr	..	..	..	..	..	..	..	6.8	6.4	1.5	2.1	..	..	8.0
May	..	..	..	..	..	..	..	8.9	7.4	1.4	2.7	..	..	8.0
Jun	..	..	..	..	..	..	..	5.2	-1.0	1.9	2.9	..	..	7.9
Jul	..	..	..	..	..	..	..	7.9	-0.3	1.9	3.3	..	..	7.9
Aug	..	..	..	..	..	..	..	6.7	2.0	1.8	3.5	..	..	7.8
Sep	..	..	..	..	..	..	..	7.2	4.1	2.5	4.3	..	..	7.8
Oct	..	..	..	..	..	..	..	5.4	-2.1	2.4	4.6	..	..	7.7
Nov	..	..	..	..	..	..	..	5.8	-0.2	2.4	4.7	..	..	7.7
Dec	..	..	..	..	..	..	..	5.6	0.9	2.2	4.2	..	..	7.7
2001 Jan	..	..	..	..	..	..	..	8.4	1.8	2.4	4.6	..	..	7.7
Feb	..	..	..	..	..	..	..	6.2	-2.4	2.6	4.7	..	..	7.7
Mar	..	..	..	..	..	..	..	..	..	2.5	4.9	..	..	7.7
<b>Percentage change on previous quarter</b>														
	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	-0.4					-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	-1.1					0.9
2001 Q1	..	..	..	..	..	..	..	..	..					..
<b>Percentage change on previous month</b>														
								ILKC	ILKM					
2000 Mar								0.3	-2.3					
Apr								1.3	2.8					
May								2.3	4.4					
Jun								-2.7	-7.5					
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								-	2.1					
2001 Jan								2.2	-0.5					
Feb								-0.2	-1.8					
Mar								..	..					

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CPI = Consumer Prices measurement not uniform among countries  
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Empl = Total Employment not seasonally adjusted  
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Source: OECD - SNA93

## Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI <sup>1</sup>	Earnings	Empl <sup>2</sup>	Unempl
<b>Percentage change on a year earlier</b>														
	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	1.1	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	3.5	2.0	—	1.3	0.8	2.1	2.6	5.3	2.6	0.8	−0.9	2.2	1.6	11.8
1999	3.0	1.7	0.5	1.2	−0.3	1.0	1.0	2.0	2.4	0.5	−1.6	2.5	1.9	11.3
2000	3.3	1.5	0.5	1.3	0.1	3.6	3.7	3.3	0.6	1.7	2.1	5.2	2.4	9.5
1998 Q1	3.6	1.5	—	1.1	0.8	3.3	3.2	7.7	2.3	0.9	0.5	2.4	1.2	11.9
Q2	3.8	2.1	—	1.3	1.1	2.6	3.3	6.8	3.2	1.1	−0.3	2.0	1.6	11.8
Q3	3.6	2.2	−0.1	1.4	0.5	1.9	2.3	4.0	2.4	0.7	−1.4	2.1	1.8	11.8
Q4	3.0	2.0	—	1.3	0.7	0.7	1.7	2.7	2.7	0.4	−2.3	2.0	1.8	11.8
1999 Q1	2.8	1.7	0.3	1.3	—	0.1	0.7	1.1	3.3	0.2	−2.7	2.0	2.0	11.7
Q2	2.6	1.5	0.4	1.1	−0.4	0.4	0.5	0.5	1.8	0.4	−2.3	2.0	1.9	11.5
Q3	3.0	1.7	0.5	1.1	−0.7	1.4	1.0	2.6	2.3	0.5	−1.6	2.7	1.8	11.2
Q4	3.7	1.7	0.6	1.1	−0.2	2.2	1.8	4.1	2.0	1.0	—	3.4	2.0	10.7
2000 Q1	3.6	2.0	0.5	1.0	—	3.1	3.0	3.8	2.1	1.5	1.2	5.2	2.2	10.2
Q2	3.6	1.7	0.6	1.2	−0.1	3.7	3.5	3.6	1.4	1.5	2.1	5.4	2.3	9.6
Q3	3.2	1.4	0.6	1.3	0.7	3.5	4.2	3.3	—	1.9	2.7	5.2	2.4	9.4
Q4	3.0	1.1	0.5	1.6	−0.1	4.1	4.2	2.4	−1.4	1.9	2.5	5.0	2.7	8.9
2001 Q1	..	..	..	..	..	..	..	..	1.4	1.2	2.5	..	..	8.6
2000 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	..	..	..	..	..	..	..	1.7	−1.4	2.2	2.4	..	..	8.9
Dec	..	..	..	..	..	..	..	3.0	−1.4	1.5	2.6	..	..	8.8
2001 Jan	..	..	..	..	..	..	..	3.0	2.1	1.1	2.6	..	..	8.7
Feb	..	..	..	..	..	..	..	2.4	0.3	1.3	2.5	..	..	8.6
Mar	..	..	..	..	..	..	..	..	1.9	1.2	2.3	..	..	8.6
<b>Percentage change on previous quarter</b>														
	ILGJ	HUBQ	HUBR	HUBS	HUBT	HUBU	HUBV	ILHD	ILHX				ILIR	
1998 Q1	1.0	0.4	−0.1	0.4	0.4	0.6	0.8	1.8	−0.1				0.4	
Q2	1.0	0.8	—	0.4	0.2	0.3	0.7	1.2	1.1				0.6	
Q3	0.6	0.4	—	0.2	−0.1	0.2	0.1	−0.5	0.7				0.5	
Q4	0.5	0.4	0.1	0.2	0.2	−0.4	0.1	0.2	1.1				0.3	
1999 Q1	0.7	0.2	0.2	0.4	−0.2	—	−0.1	0.2	0.5				0.6	
Q2	0.8	0.5	0.1	0.2	−0.2	0.7	0.5	0.5	−0.4				0.5	
Q3	1.0	0.6	0.1	0.2	−0.4	1.1	0.6	1.7	1.1				0.5	
Q4	1.1	0.4	0.2	0.3	0.7	0.4	0.9	1.6	0.8				0.5	
2000 Q1	0.6	0.4	0.1	0.3	−0.1	0.9	1.0	−0.1	0.6				0.8	
Q2	0.7	0.3	0.2	0.4	−0.2	1.3	1.0	0.3	−1.0				0.6	
Q3	0.6	0.3	0.1	0.3	0.3	0.8	1.3	1.4	−0.3				0.6	
Q4	1.0	0.2	0.1	0.6	−0.1	1.1	0.9	0.7	−0.7				0.7	
2001 Q1	..	..	..	..	..	..	..	..	3.4				..	
<b>Percentage change on previous month</b>														
								ILKD	ILKN					
2000 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								0.4	0.9					
Dec								0.1	−0.2					
2001 Jan								−0.2	3.4					
Feb								0.1	−1.0					
Mar								..	1.6					

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IoP = Index of Production

## Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
<b>Percentage change on a year earlier</b>														
	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	3.6	-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	5.7	-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	3.5	-	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	3.3	-1.3	2.6	6.5	1.9	2.8	10.0
2001 Q1	..	..	..	..	..	..	..	..	..	2.9	4.9	2.0	..	..
2000 Apr	..	..	..	..	..	..	..	4.1	-	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	..	..	..	..	..	..	..	2.8	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	..	..	..	..	..	..	..	2.5	-1.9	2.7	6.7	1.9	..	10.0
Dec	..	..	..	..	..	..	..	5.2	-1.0	2.7	6.2	1.9	..	10.0
2001 Jan	..	..	..	..	..	..	..	3.6	-1.0	3.0	5.4	1.9	..	9.9
Feb	..	..	..	..	..	..	..	1.9	-	3.0	5.0	2.0	..	..
Mar	..	..	..	..	..	..	..	..	..	2.8	4.2	2.1	..	..
Apr	..	..	..	..	..	..	..	..	..	3.1	..	..	..	..
<b>Percentage change on previous quarter</b>														
	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	0.8	-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	0.1	0.3				1.9	
Q4	0.9	0.1	0.1	-	0.1	0.4	-	1.2	-				0.6	
2001 Q1	..	..	..	..	..	..	..	..	..				..	
<b>Percentage change on previous month</b>														
								ILKE	ILKO					
2000 Apr								-0.7	1.0					
May								2.4	-					
Jun								-0.8	-					
Jul								-0.9	1.0					
Aug								1.3	-1.9					
Sep								-	1.9					
Oct								-0.6	-1.0					
Nov								0.9	1.0					
Dec								2.2	-1.0					
2001 Jan								-1.9	-1.0					
Feb								-	1.0					
Mar								..	..					
Apr								..	..					

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Source: OECD - SNA93

## Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl <sup>1</sup>	Unempl
<b>Percentage change on a year earlier</b>														
	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	4.2	4.1	3.4	3.4	3.5	1.0	4.0
2001 Q1	2.7	2.3	1.0	1.1	-0.5	0.5	0.8	1.3	2.1	3.2	2.1	2.9	0.7	4.2
2000 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	..	..	..	..	..	..	..	3.1	2.6	3.4	2.9	3.5	1.1	4.0
2001 Jan	..	..	..	..	..	..	..	2.0	2.9	3.5	2.9	2.6	0.8	4.2
Feb	..	..	..	..	..	..	..	1.1	1.6	3.4	1.9	2.6	0.7	4.2
Mar	..	..	..	..	..	..	..	0.9	1.8	2.8	1.3	3.5	0.6	4.3
Apr	..	..	..	..	..	..	..	..	..	..	..	4.3	..	4.5
<b>Percentage change on previous quarter</b>														
	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	0.5	0.5	0.7	0.4	-0.7	-0.1	-0.5	-1.2	0.8				-0.7	
<b>Percentage change on previous month</b>														
								ILKG	ILKQ				ILLA	
2000 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								-0.6	0.1				0.3	
2001 Jan								-0.5	1.1				-1.2	
Feb								-0.4	-0.2				0.2	
Mar								0.4	—				0.4	
Apr								..	..				..	

GDP = Gross Domestic Product at constant market prices  
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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	loP <sup>1</sup>	Sales	CPI	PPI	Earnings <sup>2</sup>	Empl	Unempl
<b>Percentage change on a year earlier</b>														
	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	—	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	—	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	-0.7	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	-0.9	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	-0.7	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	-0.2	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	-0.4	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	..	..	..	..	..	..	..	1.0	3.0	-0.1	-0.3	..	0.5	4.8
2000 Mar	..	..	..	..	..	..	..	4.7	-3.3	-0.5	0.2	1.9	-0.6	4.8
Apr	..	..	..	..	..	..	..	7.3	-3.3	-0.8	0.5	2.1	-0.5	4.8
May	..	..	..	..	..	..	..	4.7	-1.1	-0.7	0.3	1.9	-0.5	4.6
Jun	..	..	..	..	..	..	..	6.9	-1.1	-0.7	0.4	2.9	-0.3	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	-0.4	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	0.2	4.9
2001 Jan	..	..	..	..	..	..	..	1.4	2.2	0.1	-0.2	-0.5	0.1	4.9
Feb	..	..	..	..	..	..	..	2.2	4.5	-0.1	-0.3	..	0.7	4.7
Mar	..	..	..	..	..	..	..	-0.4	2.2	-0.4	-0.4	..	0.5	4.7
<b>Percentage change on previous quarter</b>														
	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				-1.6	
Q2	0.1	0.2	0.2	-0.2	-0.2	-0.1	-0.3	-4.3	-2.4				2.1	
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				-1.1	
1999 Q1	0.5	-0.1	0.2	0.5	0.1	—	0.2	1.4	0.8				-1.8	
Q2	1.5	1.1	0.2	0.3	—	0.2	0.2	-0.3	-0.3				2.2	
Q3	-0.1	0.7	0.2	-1.0	-0.1	0.3	0.2	2.7	—				—	
Q4	-1.5	-1.9	0.1	0.4	-0.1	0.3	0.3	1.2	-0.8				-0.6	
2000 Q1	2.4	1.1	0.2	0.6	0.2	0.5	—	0.7	-1.9				-2.1	
Q2	0.2	0.1	0.2	-0.2	0.1	0.4	0.3	1.6	0.8				2.3	
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				—	
2001 Q1	..	..	..	..	..	..	..	-2.6	2.2				-1.8	
<b>Percentage change on previous month</b>														
								ILKH	ILKR				ILLB	
2000 Mar								2.1	—				0.6	
Apr								-0.5	—				1.4	
May								0.2	1.1				1.0	
Jun								1.8	1.1				—	
Jul								-0.5	—				-0.2	
Aug								3.3	—				-0.1	
Sep								-3.5	-1.1				—	
Oct								1.3	—				0.4	
Nov								-0.5	—				-0.1	
Dec								1.7	—				-1.0	
2001 Jan								-3.7	2.2				-1.2	
Feb								0.6	1.1				-0.1	
Mar								-0.5	-2.2				0.4	

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ChgStk = Change in Stocks at constant market prices  
Exports = Exports of goods and services  
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Sales = Retail Sales volume  
CPI = Consumer Prices, measurement not uniform among countries  
PPI = Producer Prices (manufacturing)  
Earnings = Average Earnings (manufacturing), definitions of coverage and treatment vary among countries  
Empl = Total Employment not seasonally adjusted  
Unempl = Standardised Unemployment rates: percentage of total workforce  
loP=Index of Production

# 7 World trade in goods<sup>1</sup>

	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
<b>Percentage change on a year earlier</b>														
	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	11.2	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	6.2	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	7.1	6.2
2000	13.7	12.3	18.4	..	13.9	..	..	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	9.0	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	6.6	7.9	7.6	8.5	5.5	7.1	6.8	7.9	6.8	8.1	3.5	7.2	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	13.0	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	9.8
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	3.9	3.9	4.2	4.9	7.9	-2.8	3.4	3.2	3.7	4.3	6.9	-2.5	4.4	3.8
Q4	2.9	3.0	2.6	4.1	7.8	-5.8	2.3	2.3	2.4	3.1	6.4	-5.6	3.5	2.7
1999 Q1	2.4	2.4	2.4	4.1	7.0	-3.6	1.8	1.6	2.5	3.2	5.9	-4.3	3.3	2.5
Q2	3.9	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	7.1	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	10.1	9.5	11.6	10.5	12.0	5.8	11.5	10.3
2000 Q1	14.6	13.6	18.1	14.3	15.2	11.7	13.5	13.2	14.3	13.0	13.8	10.5	14.4	13.3
Q2	14.7	13.3	19.5	15.3	15.2	15.9	13.5	12.7	15.8	13.8	13.5	14.9	15.0	13.7
Q3	13.7	12.1	19.1	15.6	14.4	19.6	12.7	11.5	15.9	14.3	12.9	19.0	14.7	13.5
Q4	11.9	10.3	16.9	..	11.3	..	..	10.0	..	..	10.2	..	..	..
<b>Percentage change on previous quarter</b>														
	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	0.8	2.2	0.9	0.6	1.6	0.9	0.5	2.0	1.1	0.9
Q4	1.5	1.6	1.3	1.8	2.1	1.1	1.4	1.3	1.6	1.3	1.5	0.8	1.7	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	3.0	2.4	2.1	2.0	2.5	2.5	2.5
1997 Q1	2.2	2.0	2.8	2.0	1.8	2.5	1.5	1.2	2.4	1.6	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	2.8	3.1	2.0	2.8	2.9	2.3	2.6	2.9	1.9	2.4	2.6	2.1	2.8	2.5
Q4	1.5	1.3	2.2	2.2	2.0	2.5	1.5	1.4	2.0	2.0	1.9	2.3	1.8	1.8
1998 Q1	1.1	1.1	1.3	1.3	2.4	-1.7	1.0	1.0	0.9	1.1	1.9	-1.1	1.2	1.0
Q2	0.9	1.0	0.6	0.7	1.6	-1.7	0.6	0.6	0.6	0.7	1.6	-1.6	0.8	0.7
Q3	0.4	0.5	-	0.7	1.6	-1.8	0.2	0.2	0.2	0.4	1.3	-2.2	0.5	0.3
Q4	0.5	0.5	0.6	1.3	2.0	-0.7	0.5	0.5	0.6	0.9	1.5	-0.9	0.9	0.7
1999 Q1	0.6	0.5	1.2	1.3	1.6	0.6	0.5	0.3	1.1	1.2	1.4	0.3	1.0	0.8
Q2	2.4	2.2	3.1	2.9	3.5	1.2	2.5	2.5	2.5	2.6	3.2	0.9	2.7	2.5
Q3	4.1	3.9	5.1	3.3	3.8	1.8	3.7	3.7	3.9	2.9	3.3	1.4	3.7	3.3
Q4	3.4	3.1	4.6	4.0	4.2	3.4	3.0	2.8	3.7	3.5	3.6	3.2	3.7	3.3
2000 Q1	3.9	3.8	4.1	3.4	2.9	4.9	3.7	3.7	3.6	3.5	3.1	4.8	3.6	3.6
Q2	2.6	2.0	4.4	3.8	3.5	4.9	2.4	2.0	3.8	3.3	2.8	4.9	3.2	2.9
Q3	3.2	2.7	4.7	3.6	3.1	5.1	3.0	2.7	4.0	3.3	2.8	4.9	3.4	3.2
Q4	1.8	1.5	2.7	..	1.4	..	..	1.3	..	..	1.1	..	..	..

<sup>1</sup> Data used in the World and OECD aggregates refer to Germany after unification

Source: OECD - SNA68

# Final Expenditure Prices Index (Experimental) – April 2001

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

## Summary

The rate of inflation for the FEPI increased between March and April from 1.4 per cent to 1.7 per cent, mainly due to higher inflation for consumer prices.

## The FEPI annual percentage change

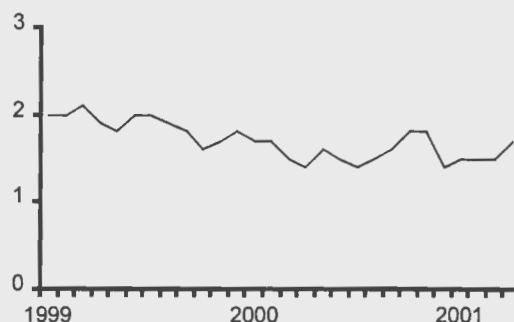


Table A

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	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
2001	Jan	123.7	1.1	118.9	1.8	124.2	2.1	130.4	2.9	122.9	1.5
	Feb	124.2	1.1	118.9	1.8	124.3	2.1	130.5	2.9	123.2	1.5
	Mar	124.6	1.1	119.0	1.4	124.2	2.1	130.7	3.1	123.4	1.4
	Apr	125.6	1.5	119.4	1.8	125.2	2.0	131.6	3.0	124.3	1.7

## The Index of Consumer Prices (ICP)

Consumer price inflation, as measured by the ICP, increased substantially from 1.1 per cent in March to 1.5 per cent in April, the highest figure recorded since September 1999.

Upward pressure came from:

- Transport services, where the annual rate of inflation increased from 3.0 per cent in March to 8.6 per cent in April, mainly due to the increased cost of air travel around Easter time.
- Housing goods and services, where the annual rate of inflation increased from minus 1.2 per cent in March to plus 4.2 per cent in April, largely due to increases in water charges this year compared with falls a year ago.

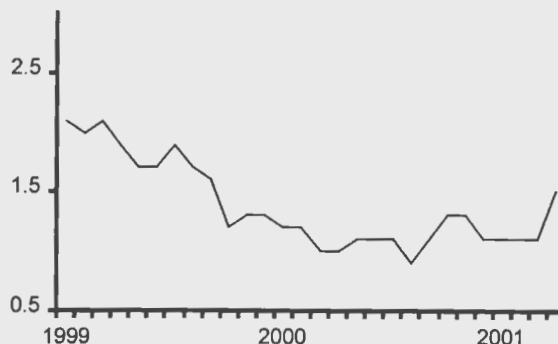
Downward pressure came from:

- Tobacco, where the annual rate of inflation fell from 10.5 per cent in March to 4.4 per cent in April; due to smaller

price increases this April compared with last year when there were substantial increases in tobacco duties.

- Clothing and footwear, where the annual rate of inflation was more negative in April, at minus 5.7 per cent, than in the previous month at minus 3.8 per cent. Prices for womens' and children's outerwear fell this April in contrast to rises last year.

## The ICP annual percentage change



The Index of Investment Prices (IIP)

Investment price inflation, as measured by the IIP increased from 1.4 per cent in March to 1.8 per cent in April.

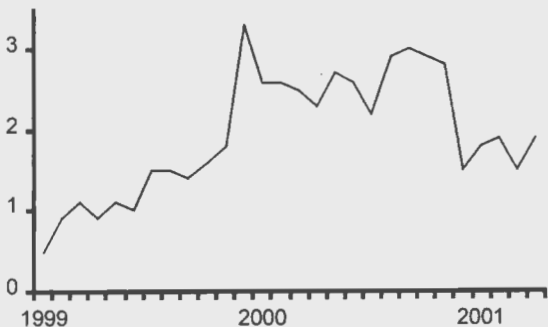
Upward pressure came from:

- Transport equipment, where the annual rate of inflation increased from minus 1.3 per cent in March to plus 0.2 per cent in April.
- Other machinery and equipment, where the annual rate of inflation was less negative in April, at minus 1.6 per cent, than in the previous month at minus 1.9 per cent.

Downward pressure came from:

- Other buildings and structures, where the annual rate of inflation fell from 3.3 per cent in March to 3.1 per cent in April.

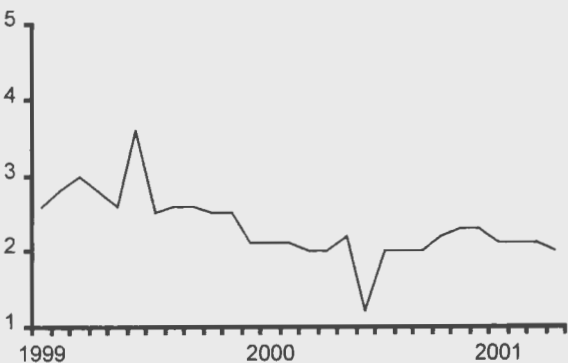
The IIP annual percentage change



The Index of Government Prices - IGP

The rate of inflation for the IGP fell from 2.1 per cent in March to 2.0 per cent in April; higher inflation for central government was outweighed by lower inflation 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	Nov	1.8	2.2	1.0	1.3	2.8
	Dec	1.4	2.0	0.9	1.1	2.4
2001	Jan	1.5	1.8	0.9	1.1	1.9
	Feb	1.5	1.9	0.8	1.1	1.4
	Mar	1.4	1.9	1.0	1.1	0.9
	Apr	1.7	2.0	1.1	1.5	0.5

NOTES

1. The headline measure of inflation is the Retail Prices Index (RPI). The RPI should be used as the main indicator of inflation affecting average households.
2. The Final Expenditure Prices Index (FEPI) is a measure of the change in the prices paid by UK households, 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.
8. An article providing further details about the FEPI appears on the National Statistics website:  
[\[http://www.statistics.gov.uk/themes/economy/Articles/PricesAndInflation/FEPI.asp\]](http://www.statistics.gov.uk/themes/economy/Articles/PricesAndInflation/FEPI.asp).
9. FEPI data are available in computer readable form from the National Statistics website:  
[\[http://www.statistics.gov.uk/press\\_release/experimental.asp\]](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 <sup>1</sup>	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 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	124.3 <sup>†</sup>	130.5	123.2 <sup>†</sup>	1.1	1.8	2.1	2.9	1.5 <sup>†</sup>
Mar	124.6	119.0 <sup>†</sup>	124.2	130.7 <sup>†</sup>	123.4	1.1	1.4 <sup>†</sup>	2.1 <sup>†</sup>	3.1 <sup>†</sup>	1.4
Apr	125.6	119.4	125.2	131.6	124.3	1.5	1.8	2.0	3.0	1.7

<sup>†</sup> 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 <sup>1</sup>	Electricity, Gas and Other Household Fuels	Furnishings, Household Equipment, etc.	Health	Purchase and Operation of Vehicles <sup>2</sup>	Fuels and Lubricants for Vehicles
January 1992=100											
COICOP Division	01	02	02	03	04	04	04	05	06	07	07
<b>Weights</b>											
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 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
Apr	115.8	116.2	207.2	95.1	155.5	140.3	98.2	112.4	167.8	114.8	177.5

## Annual Percentage Changes

	Food and Non- alcoholic Beverages	Alcoholic Beverages	Tobacco	Clothing and Footwear	Actual Rentals for Housing	Housing Goods and Services <sup>1</sup>	Electricity, Gas and Other Household Fuels	Furnishings, Household Equipment, etc.	Health	Purchase and Operation of Vehicles <sup>2</sup>	Fuels and Lubricants for Vehicles
	VASK	VASL	VASM	VASN	VASO	VASP	MKUP	MKUQ	MKUR	MKUS	MKUT
1999 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
Apr	4.2	0.8	4.4	-5.7	3.8	4.2	0.6	0.4	6.3	-0.2	-4.9

† 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
1999 Apr	VASA	VASB	VASC	VASD	VASE	VASF	VASG	VASH	VASI	VASJ
May	128.7	86.1	85.2	120.9	139.0	133.5	132.8	122.5	115.2	132.4
Jun	129.2	85.5	85.0	121.1	139.0	134.1	133.0	122.8	115.6	132.7
Jul	129.8	85.2	84.1	121.0	139.0	134.6	133.3	122.8	115.3	133.0
Aug	130.1	84.8	82.9	120.5	139.0	134.7	134.7	122.3	114.1	133.5
Sep	130.2	85.0	81.8	120.4	139.0	135.0	134.7	122.5	114.4	133.6
Oct	130.0	84.5	81.2	120.4	145.0	135.2	135.0	123.0	114.8	134.1
Nov	129.5	83.2	80.7	120.7	146.5	135.5	133.8	122.7	114.5	133.9
Dec	129.6	83.3	80.3	120.8	146.5	135.6	134.3	122.9	114.5	134.3
2000 Jan	129.7	83.8	80.3	120.8	146.5	135.7	134.8	123.2	114.8	134.5
Feb	130.3	83.6	79.6	120.5	146.5	136.2	135.1	122.4	113.2	135.0
Mar	130.4	83.2	79.4	120.9	146.5	136.5	135.3	122.9	113.8	135.2
Apr	130.4	83.1	78.6	121.1	146.5	136.9	135.7	123.2	114.2	135.5
May	132.7	82.5	78.6	121.6	146.5	137.7	135.5	123.7	114.7	136.1
Jun	133.1	82.1	78.5	122.0	146.5	138.6	136.0	124.1	114.9	136.6
Jul	133.5	81.9	77.2	122.0	146.5	139.0	136.3	124.2	114.9	137.0
Aug	134.5	82.8	76.2	121.7	146.5	139.6	136.0	123.6	113.6	137.3
Sep	135.1	81.2	76.5	121.7	146.5	140.3	136.3	123.6	113.4	137.6
Oct	134.7	80.6	76.0	122.3	150.5	140.7	136.9	124.3	114.3	138.0
Nov	135.4	80.3	75.6	122.4	153.9	141.0	136.9	124.3	114.0	138.4
Dec	135.3	80.4	75.2	121.8	153.9	141.3	137.3	124.5	114.4	138.5
2001 Jan	135.4	79.4	74.4	121.9	153.9	141.5	137.3	124.5	114.3	138.5
Feb	137.0	77.1	73.2	121.6	153.9	141.7	137.9	123.7	112.6	139.0
Mar	133.4	76.2	73.8	122.1	153.9	142.0	138.5	124.2	113.5	138.9
Apr	134.3	75.0	73.8	122.2	153.9	142.6	138.5	124.6	114.2	139.1
May	144.1	74.7	73.3	122.9	153.9	143.6	139.8	125.6	114.3	141.3

## 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
1999 Apr	MKUU	MKUV	MKUW	MKUX	MKUY	MKUZ	MKVA	MKVB	MKVC	MKVD
May	2.9	-2.2	-7.8	1.9	5.7	4.3	3.2	1.9	0.6	3.6
Jun	2.7	-2.7	-7.6	1.7	5.7	4.1	2.9	1.7	0.3	3.3
Jul	2.9	-3.0	-7.9	1.8	5.7	4.2	3.1	1.7	0.4	3.4
Aug	2.8	-3.1	-8.6	1.6	5.7	3.7	4.3	1.9	0.4	3.6
Sep	2.8	-1.8	-9.2	1.3	5.7	3.4	4.2	1.7	0.2	3.6
Oct	2.8	-2.3	-9.1	1.0	5.4	3.2	4.4	1.6	-	3.6
Nov	3.0	-3.8	-8.9	1.0	5.4	3.2	2.5	1.2	-0.1	3.0
Dec	3.0	-3.6	-9.3	1.0	5.4	3.0	2.4	1.3	-0.2	3.1
2000 Jan	3.1	-3.0	-9.0	0.9	5.4	2.8	2.5	1.3	-0.3	3.1
Feb	2.8	-3.2	-8.5	0.8	5.4	2.9	3.1	1.2	-0.4	3.3
Mar	2.4	-3.7	-8.0	0.9	5.4	2.9	3.0	1.2	-0.4	3.3
Apr	2.4	-3.8	-8.4	0.7	5.4	3.0	3.0	1.0	-0.8	3.3
May	3.1	-4.2	-7.7	0.6	5.4	3.1	2.0	1.0	-0.4	2.8
Jun	3.0	-4.0	-7.6	0.7	5.4	3.4	2.3	1.1	-0.6	2.9
Jul	2.9	-3.9	-8.2	0.8	5.4	3.3	2.3	1.1	-0.3	3.0
Aug	3.4	-2.4	-8.1	1.0	5.4	3.6	1.0	1.1	-0.4	2.8
Sep	3.8	-4.5	-6.5	1.1	5.4	3.9	1.2	0.9	-0.9	3.0
Oct	3.6	-4.6	-6.4	1.6	3.8	4.1	1.4	1.1	-0.4	2.9
Nov	4.6	-3.5	-6.3	1.4	5.1	4.1	2.3	1.3	-0.4	3.4
Dec	4.4	-3.5	-6.4	0.8	5.1	4.2	2.2	1.3	-0.1	3.1
2001 Jan	4.4	-5.3	-7.3	0.9	5.1	4.3	1.9	1.1	-0.4	3.0
Feb	5.1	-7.8	-8.0	0.9	5.1	4.0	2.1	1.1	-0.5	3.0
Mar	2.3	-8.4	-7.1	1.0	5.1	4.0	2.4	1.1	-0.3	2.7
Apr	3.0	-9.7	-6.1	0.9	5.1	4.2	2.1	1.1	-	2.7
May	8.6	-9.5	-6.7	1.1	5.1	4.3	3.2	1.5	-0.3	3.8

† 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 <sup>1</sup>	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 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	120.0 <sup>†</sup>	92.2	128.0 <sup>†</sup>	99.2	146.4	131.3 <sup>†</sup>	223.7	143.1	118.8
2001 Jan	119.7	91.9	127.6	98.9	147.2	131.6	227.0	143.7 <sup>†</sup>	118.9
Feb	119.9	91.7 <sup>†</sup>	128.9	98.8 <sup>†</sup>	146.8	132.0	228.4	143.9	118.9
Mar	120.1	91.3	129.1	98.6	148.1 <sup>†</sup>	132.1	230.5 <sup>†</sup>	144.6	119.0 <sup>†</sup>
Apr	120.1	90.9	129.3	98.2	150.7	132.3	236.6	146.0	119.4

Annual Percentage Changes									
	Equipment				Construction				Index of Investment Prices IIP
	Transport Equipment	Other Machinery and Equipment	Intangible Fixed Assets <sup>1</sup>	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 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	-2.5 <sup>†</sup>	-1.9	2.8 <sup>†</sup>	-1.8	5.6	3.3 <sup>†</sup>	11.1	4.8	1.5
2001 Jan	-1.6	-1.8	1.4	-1.6	7.2	3.4	10.5	5.4	1.8
Feb	-1.6	-2.2 <sup>†</sup>	2.2	-1.9 <sup>†</sup>	7.2	3.5	12.4	5.6	1.8
Mar	-1.3	-1.9	2.6	-1.5	5.3 <sup>†</sup>	3.3	10.2 <sup>†</sup>	4.7 <sup>†</sup>	1.4 <sup>†</sup>
Apr	0.2	-1.6	2.3	-1.1	5.8	3.1	9.6	4.7	1.8

<sup>†</sup> indicates earliest revision.

<sup>1</sup> 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

	Local Government Pay & Procurement	Central Government Pay & Procurement	Index of Government Prices	Annual percentage changes		
				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 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	124.3 <sup>†</sup>	2.6	1.8	2.1
Mar	128.8 <sup>†</sup>	121.4 <sup>†</sup>	124.2	2.6 <sup>†</sup>	1.8 <sup>†</sup>	2.1 <sup>†</sup>
Apr	130.4	122.0	125.2	2.1	1.9	2.0

<sup>†</sup> 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 <sup>1</sup>	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

	Local Government Pay & Procurement	Central Government Pay & Procurement	Index of Government Prices	Annual percentage changes		
				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.

# Corporate Services Price Index (Experimental) – 1st Quarter 2001

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## Introduction

This summary contains the latest quarter's results for the experimental Corporate Services Price Index (CSPI) and its industry-level component indices. "Corporate services" are those services purchased by businesses from other businesses to support them in their usual line of activity. Broadly, the CSPI is the services sector equivalent of the manufacturing Producer Price Index (PPI).

The number of component indices increased by 6 last quarter bringing the total to 28. The new indices and their relation to the Standard Industrial Classification (SIC) 1992 are:

- canteens and catering (SIC 55.50);
- real estate activities (70.30);
- market research (74.13);
- technical testing (74.30);
- contract packaging (74.82); and
- direct marketing and other secretarial services (part of 74.83).

Full background and details of the development of the CSPI were included in an article published in the July 2000 issue of *Economic Trends*.

The main uses of the CSPI are as:

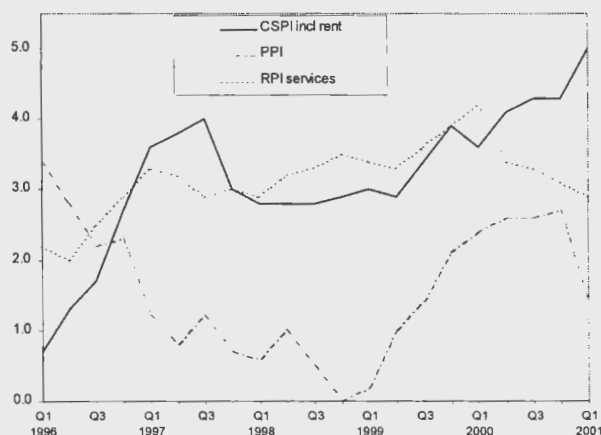
- a key indicator of inflation in the services sector;
- a deflator of service sector output for use in calculating GDP and the compilation of the Index of Services; and
- an information tool for business itself.

*N.B. Measurement of service sector prices is inherently difficult and challenging. When viewing the results it should be borne in mind that many of the indices shown are regarded as experimental, particularly those that have been added to the series more recently. Therefore some of the results will be subject to revision before the completion of the CSPI development project. The top-level index should also be viewed as experimental.*

## Results for Quarter 1, 2001

The top-level CSPI is constructed by weighting together the currently available industry-level indices. Coverage is now around 50% of the targeted corporate services sector.

**Experimental top-level CSPI compared with RPI for services and PPI for manufactured products: percentage change on same quarter a year ago**



The graph shows that the annual rate of increase for the CSPI rose to 5.0 per cent in Q1 2001, compared to 4.3 per cent for the previous quarter.

The top-level quarterly results are shown in the table that follows. Results are also shown with *property rental payments* excluded, due to its relatively high weighting (just under a third).

The historical top-level index has been recalculated on a slightly revised basis up to 1998 inclusive to avoid small discontinuities caused when new industries are introduced. Estimated "back histories" for each industry are now incorporated into the calculation. ("Back histories" are series estimated for the period covering the base year up to the start of data collection.) Under the new method there are only small revisions to the top-level index for 1998. Index values in 1997 change by 0.2 percentage points or less but changes in 1995 and 1996 are more significant, ranging from -1.4 to +0.9. The annual percentage changes are affected particularly for 1996 and 1997.

Experimental corporate services price index (CSPI), quarterly index values and percentage changes:

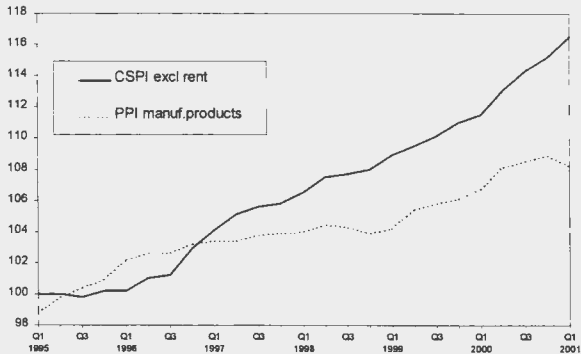
				Percentage change on same quarter in previous year (%)	
Quarterly CSPI index values (1995=100)					
		Including rent	Excluding rent	Including rent	Excluding rent
1995	Q1	99.8	100.0	.	.
	Q2	100.0	100.0	.	.
	Q3	99.9	99.8	.	.
	Q4	100.3	100.2	.	.
1996	Q1	100.5	100.2	0.7	0.2
	Q2	101.3	101.0	1.3	1.0
	Q3	101.6	101.2	1.7	1.4
	Q4	103.0	102.9	2.7	2.7
1997	Q1	104.2	104.1	3.6	4.0
	Q2	105.1	105.1	3.8	4.0
	Q3	105.6	105.6	4.0	4.3
	Q4	106.1	105.8	3.0	2.9
1998	Q1	107.0	106.5	2.8	2.2
	Q2	108.0	107.5	2.8	2.3
	Q3	108.6	107.7	2.8	2.0
	Q4	109.1	108.0	2.9	2.0
1999	Q1	110.3	108.9	3.0	2.2
	Q2	111.2	109.5	2.9	1.9
	Q3	112.2	110.1	3.4	2.2
	Q4	113.4	111.0	3.9	2.8
2000	Q1	114.2	111.5	3.6	2.4
	Q2	115.7	113.1	4.1	3.2
	Q3	117.0	114.3	4.3	3.8
	Q4	118.3	115.2	4.3	3.8
2001	Q1	119.9	116.5	5.0	4.5

In Q1 2001, the CSPI (including property rentals) rose by 1.4 per cent. The key rises contributing to this were charges for road freight and property rental payments.

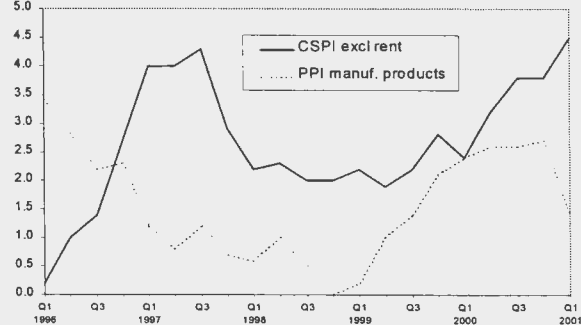
The top-level CSPI (excluding property rental payments) is compared to the net sector output PPI for manufactured products in the graph to the right. Prices of corporate services covered by this inquiry have shown a relatively smooth upward path since 1997 but have been rising at a greater rate over this period than that of the PPI.

Looking at the annual changes, increases in the CSPI from 1997 onwards have almost always been higher than those for the PPI. During 1999 the differences narrowed but since then there have been higher annual increases for the CSPI.

Experimental 'top-level' CSPI and PPI for manufactured products: index values (1995=100)



Experimental 'top-level' CSPI and PPI for manufactured products: percentage change on same quarter a year ago



## Industry-specific indices

The main table contains the series for the 28 industries for which indices of corporate services prices are currently available. The weighting for each index is shown separately for when property rentals are included and excluded. Some key points to note are:

- *bus and coach hire* prices show an increase of 6 per cent over the year for Q1 2001, mainly due to increases in fuel bills and drivers' wages according to the industry;
- the costs of *road freight* have continued to rise, reportedly due to the impact of increased fuel costs and drivers' wages and are 10 per cent higher than a year ago;
- the recovery in the prices for *sea and coastal water freight* appears to be continuing in the light of improved market conditions and an 8 per cent increase over the year has been shown;
- *business air fares* have continued to rise and now show a 16 per cent increase over last year, due to higher fares being reported across all distances of flights, reflecting increases in fuel costs according to the industry;
- After relatively little movement in previous years, prices for *canteens and catering* services show an increase of nearly 4 per cent in the year to Q1 2001, due to increases in food costs as reported by the industry.
- *property rental payments* have shown the biggest quarterly rise since 1996 (1.9 per cent) and are 6 per cent higher than a year ago; with renting of office properties being the main cause of the increase (as reported by the data suppliers, IPD)
- charges for *waste disposal* appear to have been affected in recent years by increases in the rate of Landfill Tax following its introduction in quarter 4 1996; recent quarters have seen small reductions in charges and their level is now less than 1 per cent higher than a year ago.

**The next set of CSPI results will be issued on 21<sup>st</sup> August 2001 via the National Statistics Website [www.statistics.gov.uk](http://www.statistics.gov.uk) (under "Experimental statistics").**

### Note to the main table:

There are external sources for the indices denoted by an asterisk, as follows:

Index	Source
Property rental payments	Investment Property Databank (IPD)
Car contract hire and maintenance and repair of motor vehicles	Yewtree.com Ltd
Construction plant hire	Construction Plant Association (CPA)
Business telecommunications	Published sources: Tarifica Telecom Pricing Intelligence and What Cellphone magazine
Sewerage services	OfWat (Office of the Water Regulator)
National post parcels	Parcel Force

# Corporate Services Price Indices (EXPERIMENTAL) (1995=100)

SIC(92):	Freight transport by road							
	Maintenance and repair of motor vehicles*	Canteens and catering	Bus and coach hire	Total	International component	Commercial vehicle ferries	Sea and coastal water freight	Business air fares
	50.20	55.50	60.23/1	60.24		61.10/1	61.10/2	62.10/1
1995 net sector weights (%):								
(including property rentals)	3.95	0.78	0.59	19.80		0.51	0.59	1.97
(excluding property rentals)	5.71	1.13	0.86	28.63		0.74	0.85	2.85
<b>Annual</b>								
1995	100.0	..	100.0	100.0	100.0	..	..	..
1996	99.8	..	103.0	103.8	101.1	..	..	103.4
1997	104.5	..	108.5	110.4	105.2	96.9	95.4	115.1
1998	106.0	112.0	115.2	113.4	105.4	96.4	88.6	123.5
1999	108.0	114.7	119.7	116.5	101.4	101.9	79.6	127.2
2000	110.0	115.8	130.6	123.6	103.4	101.3	82.2	135.2
<b>Percentage change, latest year on previous year</b>								
1996	-0.2	..	3.0	3.8	1.1	..	..	..
1997	4.7	..	5.4	6.3	4.0	..	..	11.3
1998	1.4	..	6.1	2.7	0.2	-0.4	-7.2	7.3
1999	1.9	2.5	3.9	2.7	-3.8	5.6	-10.2	3.0
2000	1.9	0.9	9.1	6.1	1.9	-0.5	3.3	6.3
<b>Quarterly results (not seasonally adjusted)</b>								
1996 Q1	99.1	..	101.9	102.3	101.6	..	..	101.4
Q2	99.5	..	102.4	103.4	100.0	..	..	101.8
Q3	99.9	..	103.5	103.6	100.2	103.4	97.2	101.8
Q4	100.8	..	104.2	105.9	102.5	100.9	96.3	108.5
1997 Q1	104.2	..	106.8	108.3	101.7	99.2	95.2	112.7
Q2	104.4	..	108.4	110.5	106.3	98.0	95.4	113.7
Q3	104.8	111.0	109.2	111.3	106.3	95.8	95.7	116.6
Q4	104.8	110.8	109.8	111.4	106.3	94.4	95.5	117.3
1998 Q1	105.4	110.8	111.9	112.2	105.2	97.0	93.7	119.8
Q2	106.4	111.9	115.5	113.3	105.8	96.3	88.4	124.2
Q3	106.3	112.4	116.2	113.9	106.0	95.9	88.1	124.9
Q4	106.1	112.8	117.1	114.3	104.6	96.6	84.0	125.1
1999 Q1	107.0	113.9	118.4	114.8	104.3	103.8	81.8	125.4
Q2	107.9	114.9	119.6	115.5	100.6	102.7	81.2	127.5
Q3	108.2	115.1	120.1	116.8	100.5	101.5	77.1	127.7
Q4	108.9	115.1	120.5	119.0	100.4	99.6	78.0	128.3
2000 Q1	109.2	115.1	126.6	119.3	102.3	102.1	79.3	129.5
Q2	109.5	115.9	130.8	121.9	102.3	101.5	81.3	132.4
Q3	110.1	116.1	131.9	124.9	102.9	101.4	82.9	135.9
Q4	111.2	116.1	133.0	128.3	106.2	100.3	85.1	143.2
2001 Q1	112.0	119.2	134.2	131.1	106.0	103.7	85.8	150.1
<b>Percentage change, latest quarter on previous quarter</b>								
1997 Q1	3.4	..	2.4	2.3	-0.8	-1.7	-1.1	3.9
Q2	0.2	..	1.5	2.0	4.6	-1.2	0.2	0.8
Q3	0.4	..	0.8	0.6	0.0	-2.3	0.3	2.6
Q4	0.0	-0.1	0.5	0.1	0.0	-1.4	-0.2	0.6
1998 Q1	0.6	0.0	1.9	0.8	-1.1	2.7	-1.9	2.2
Q2	0.9	1.0	3.2	0.9	0.6	-0.8	-5.7	3.7
Q3	-0.1	0.5	0.6	0.5	0.2	-0.4	-0.3	0.6
Q4	-0.2	0.4	0.8	0.3	-1.3	0.8	-4.6	0.1
1999 Q1	0.8	0.9	1.1	0.5	-0.3	7.4	-2.6	0.2
Q2	0.8	0.9	1.0	0.6	-3.6	-1.1	-0.7	1.7
Q3	0.4	0.2	0.5	1.2	-0.1	-1.2	-5.1	0.2
Q4	0.6	-0.1	0.3	1.9	-0.1	-1.8	1.1	0.5
2000 Q1	0.2	0.0	5.1	0.3	1.9	2.5	1.6	1.0
Q2	0.3	0.7	3.3	2.2	0.0	-0.6	2.6	2.2
Q3	0.5	0.1	0.8	2.5	0.6	-0.1	2.0	2.6
Q4	1.0	0.0	0.9	2.7	3.2	-1.0	2.7	5.4
2001 Q1	0.7	2.7	0.9	2.1	-0.1	3.4	0.8	4.9
<b>Percentage change, latest quarter on corresponding quarter of previous year</b>								
1997 Q1	5.1	..	4.8	5.9	0.1	..	..	11.2
Q2	5.0	..	5.9	7.0	6.3	..	..	11.7
Q3	4.9	..	5.5	7.4	6.1	-7.4	-1.6	14.5
Q4	4.0	..	5.3	5.1	3.8	-6.5	-0.8	8.1
1998 Q1	1.1	..	4.8	3.6	3.4	-2.2	-1.5	6.2
Q2	1.9	..	6.6	2.5	-0.5	-1.8	-7.3	9.3
Q3	1.4	1.3	6.4	2.4	-0.3	0.1	-7.9	7.1
Q4	1.3	1.8	6.6	2.6	-1.6	2.3	-12.0	6.7
1999 Q1	1.5	2.8	5.8	2.3	-0.9	7.0	-12.7	4.7
Q2	1.4	2.7	3.5	1.9	-4.9	6.6	-8.1	2.6
Q3	1.8	2.4	3.4	2.6	-5.2	5.8	-12.5	2.2
Q4	2.7	2.0	2.9	4.1	-4.1	3.1	-7.2	2.6
2000 Q1	2.0	1.1	6.9	3.9	-1.9	-1.6	-3.1	3.3
Q2	1.5	0.9	9.3	5.6	1.7	-1.1	0.1	3.8
Q3	1.7	0.8	9.8	7.0	2.4	-0.1	7.5	6.4
Q4	2.1	0.9	10.4	7.9	5.8	0.7	9.1	11.6
2001 Q1	2.6	3.6	6.0	9.9	3.7	1.6	8.3	15.9



## Corporate Services Price Indices (EXPERIMENTAL) (1995=100) – continued

	Freight forwarding 63.40	National post parcels* 64.11	Courier services 64.12	Business telecomm-unications* 64.20	Property rental payments* 70.20	Real estate activities 70.30	Car contract hire* 71.10	Construction plant hire* 71.32
SIC(92):								
1995 net sector weights (%):								
(including property rentals)	5.78	4.28	0.97	7.40	30.84	1.18	1.34	1.99
(excluding property rentals)	8.35	6.19	1.40	10.71	0.00	1.71	1.94	2.88
Annual								
1995	..	..	..	..	100.0	..	..	..
1996	..	100.0	100.4	..	102.2	..	..	98.4
1997	103.9	103.7	101.4	85.8	105.4	..	96.4	96.5
1998	99.2	110.5	105.6	83.4	110.0	119.5	97.5	99.8
1999	95.5	113.3	107.0	83.4	116.0	125.5	99.2	103.9
2000	96.1	118.8	110.0	82.4	122.6	132.6	102.2	108.9
Percentage change, latest year on previous year								
1996	..	..	..	..	2.2	..	..	..
1997	..	3.7	1.0	..	3.1	..	..	-1.9
1998	-4.5	6.6	4.2	-2.7	4.3	..	1.2	3.4
1999	-3.7	2.5	1.3	0.0	5.4	5.0	1.7	4.1
2000	0.6	4.9	2.8	-1.1	5.7	5.7	3.0	4.8
Quarterly results (not seasonally adjusted)								
1996 Q1	..	100.0	99.7	..	101.4	..	..	98.4
Q2	..	100.0	100.3	..	101.8	..	93.4	99.7
Q3	..	100.0	100.8	..	102.3	..	93.2	99.0
Q4	..	100.0	100.6	..	103.2	..	94.1	96.7
1997 Q1	103.5	100.0	101.2	88.0	104.2	..	96.1	98.2
Q2	103.7	104.9	101.5	85.6	105.1	..	96.7	96.3
Q3	104.0	104.9	101.2	85.0	105.7	..	96.2	94.9
Q4	104.4	104.9	101.7	84.4	106.7	..	96.5	96.6
1998 Q1	102.2	104.9	102.7	83.5	108.4	117.0	97.6	101.3
Q2	99.7	112.4	105.8	83.1	109.3	119.0	98.4	99.8
Q3	98.1	112.4	106.8	83.5	110.5	120.9	96.9	99.1
Q4	96.7	112.4	107.3	83.5	111.7	121.3	97.3	99.1
1999 Q1	97.4	112.4	107.3	83.5	113.4	121.9	97.8	105.3
Q2	94.7	113.6	106.9	83.4	114.9	124.6	98.1	102.6
Q3	94.5	113.6	106.9	83.3	116.9	126.6	99.6	103.0
Q4	95.4	113.6	107.0	83.3	118.7	128.8	101.4	104.9
2000 Q1	95.2	113.6	108.5	83.7	120.3	130.3	102.3	105.6
Q2	95.7	120.5	108.6	83.7	121.7	132.2	102.7	108.7
Q3	96.3	120.5	109.3	83.0	123.3	133.4	102.2	111.1
Q4	97.1	120.5	113.6	79.3	125.3	134.6	101.6	110.2
2001 Q1	98.3	120.5	114.8	79.3	127.7	136.7	102.5	111.3
Percentage change, latest quarter on previous quarter								
1997 Q1	..	0.0	0.6	..	0.9	..	2.1	1.5
Q2	0.2	4.9	0.3	-2.8	0.8	..	0.6	-1.9
Q3	0.3	0.0	-0.4	-0.6	0.6	..	-0.5	-1.4
Q4	0.4	0.0	0.5	-0.8	0.9	..	0.3	1.8
1998 Q1	-2.1	0.0	1.0	-1.0	1.6	..	1.1	4.8
Q2	-2.5	7.1	3.1	-0.4	0.9	1.7	0.8	-1.4
Q3	-1.6	0.0	0.9	0.4	1.1	1.6	-1.5	-0.7
Q4	-1.4	0.0	0.5	0.0	1.1	0.4	0.4	0.0
1999 Q1	0.7	0.0	0.0	0.0	1.5	0.5	0.5	6.3
Q2	-2.8	1.1	-0.4	-0.1	1.3	2.2	0.3	-2.6
Q3	-0.2	0.0	0.0	-0.1	1.8	1.6	1.6	0.5
Q4	0.9	0.0	0.1	0.0	1.5	1.7	1.9	1.8
2000 Q1	-0.2	0.0	1.4	0.5	1.4	1.2	0.9	0.7
Q2	0.5	6.1	0.1	0.0	1.2	1.5	0.4	2.9
Q3	0.6	0.0	0.6	-0.8	1.3	0.8	-0.5	2.2
Q4	0.9	0.0	3.9	-4.5	1.6	0.9	-0.6	-0.7
2001 Q1	1.2	0.0	1.1	0.0	1.9	1.6	0.9	1.0
Percentage change, latest quarter on corresponding quarter of previous year								
1997 Q1	..	0.0	1.5	..	2.8	..	..	-0.2
Q2	..	4.9	1.2	..	3.2	..	3.5	-3.4
Q3	..	4.9	0.3	..	3.3	..	3.2	-4.1
Q4	..	4.9	1.1	..	3.3	..	2.5	-0.1
1998 Q1	-1.2	4.9	1.4	-5.2	4.0	..	1.5	3.1
Q2	-3.8	7.1	4.2	-2.9	4.1	..	1.8	3.6
Q3	-5.7	7.1	5.5	-1.8	4.5	..	0.8	4.4
Q4	-7.3	7.1	5.5	-1.0	4.8	..	0.8	2.5
1999 Q1	-4.7	7.1	4.5	0.0	4.7	4.2	0.2	4.0
Q2	-5.0	1.1	1.0	0.3	5.1	4.8	-0.3	2.8
Q3	-3.6	1.1	0.1	-0.3	5.8	4.7	2.7	4.0
Q4	-1.3	1.1	-0.3	-0.2	6.2	6.1	4.2	5.9
2000 Q1	-2.3	1.1	1.1	0.2	6.1	6.9	4.7	0.3
Q2	1.0	6.1	1.6	0.3	5.9	6.1	4.8	5.9
Q3	1.8	6.1	2.2	-0.3	5.4	5.3	2.6	7.8
Q4	1.8	6.1	6.1	-4.8	5.6	4.5	0.2	5.1
2001 Q1	3.3	6.1	5.9	-5.3	6.1	4.9	0.2	5.4

# Corporate Services Price Indices (EXPERIMENTAL) (1995=100) – continued

SIC(92):	Market research 74.13	Technical testing 74.30	Employment agencies 74.50	Security services 74.60	Industrial cleaning 74.70	Commercial film processing 74.81/9	Contract packaging 74.82
1995 net sector weights (%):							
(including property rentals)	1.28	1.21	6.32	1.15	2.27	0.09	0.49
(excluding property rentals)	1.85	1.75	9.14	1.66	3.29	0.12	0.71
<b>Annual</b>							
1995	..	..	..	..	100.0	100.0	..
1996	..	..	..	99.4	99.4	101.7	..
1997	..	..	108.9	99.5	98.8	104.7	..
1998	..	108.5	114.9	100.3	101.3	105.5	..
1999	112.2	112.3	120.6	103.0	101.8	105.6	109.4
2000	116.1	113.4	123.2	105.0	101.8	106.3	112.6
<b>Percentage change, latest year on previous year</b>							
1996	..	..	..	..	-0.6	1.7	..
1997	..	..	..	0.1	-0.5	2.9	..
1998	..	..	5.5	0.9	2.5	0.8	..
1999	..	3.5	4.9	2.7	0.5	0.1	..
2000	3.5	1.0	2.2	1.9	0.0	0.7	2.9
<b>Quarterly results (not seasonally adjusted)</b>							
1996 Q1	..	..	..	99.9	100.1	101.3	..
Q2	..	..	..	100.3	99.8	101.1	..
Q3	..	..	..	98.8	98.7	100.2	..
Q4	..	..	..	98.7	98.8	104.1	..
1997 Q1	..	..	107.0	98.9	98.8	104.4	..
Q2	..	..	108.4	99.2	98.6	104.4	..
Q3	..	..	109.9	99.7	98.9	104.7	..
Q4	..	..	110.4	100.0	99.0	105.3	..
1998 Q1	..	107.8	112.9	100.3	100.8	105.5	..
Q2	..	108.9	114.1	99.8	101.3	105.5	..
Q3	106.8	108.2	115.3	100.4	101.5	105.5	..
Q4	108.6	109.2	117.5	100.8	101.7	105.5	..
1999 Q1	111.7	110.6	119.4	101.4	101.8	105.5	109.2
Q2	112.0	112.0	120.7	102.5	101.9	105.6	109.5
Q3	112.4	113.1	121.0	103.9	101.9	105.6	109.5
Q4	112.8	113.7	121.3	104.3	101.7	105.6	109.5
2000 Q1	115.2	113.3	121.6	104.3	101.8	105.9	112.0
Q2	115.7	113.7	122.9	104.4	102.1	105.9	112.2
Q3	116.5	113.6	123.9	105.6	102.0	106.5	113.5
Q4	117.1	113.1	124.5	105.6	101.5	107.0	112.7
2001 Q1	120.2	113.9	124.1	106.7	101.1	107.0	112.6
<b>Percentage change, latest quarter on previous quarter</b>							
1997 Q1	..	..	..	0.2	0.0	0.3	..
Q2	..	..	1.2	0.3	-0.2	0.0	..
Q3	..	..	1.4	0.5	0.3	0.3	..
Q4	..	..	0.5	0.3	0.1	0.6	..
1998 Q1	..	..	2.2	0.3	1.8	0.2	..
Q2	..	1.1	1.1	-0.5	0.5	0.0	..
Q3	..	-0.6	1.0	0.6	0.2	0.0	..
Q4	1.6	0.9	1.9	0.3	0.1	0.0	..
1999 Q1	2.9	1.2	1.6	0.6	0.1	0.0	..
Q2	0.3	1.3	1.0	1.1	0.1	0.1	0.3
Q3	0.4	1.0	0.2	1.4	0.0	0.0	0.0
Q4	0.3	0.5	0.3	0.4	-0.2	0.0	0.0
2000 Q1	2.1	-0.3	0.2	0.0	0.0	0.3	2.3
Q2	0.5	0.3	1.1	0.1	0.3	0.0	0.1
Q3	0.7	-0.1	0.8	1.1	-0.2	0.5	1.2
Q4	0.6	-0.4	0.5	0.0	-0.4	0.5	-0.7
2001 Q1	2.6	0.7	-0.4	1.0	-0.4	0.0	-0.1
<b>Percentage change, latest quarter on corresponding quarter of previous year</b>							
1997 Q1	..	..	..	-1.0	-1.3	3.0	..
Q2	..	..	..	-1.1	-1.2	3.3	..
Q3	..	..	..	1.0	0.2	4.5	..
Q4	..	..	..	1.3	0.3	1.1	..
1998 Q1	..	..	5.5	1.4	2.1	1.1	..
Q2	..	..	5.3	0.6	2.8	1.1	..
Q3	..	..	4.9	0.7	2.6	0.8	..
Q4	..	..	6.4	0.8	2.6	0.2	..
1999 Q1	..	2.6	5.8	1.1	0.9	0.0	..
Q2	..	2.8	5.7	2.6	0.6	0.1	..
Q3	5.2	4.5	4.9	3.4	0.4	0.1	..
Q4	3.9	4.1	3.2	3.5	0.1	0.1	..
2000 Q1	3.1	2.5	1.8	2.9	0.0	0.4	2.6
Q2	3.3	1.5	1.9	1.9	0.2	0.3	2.4
Q3	3.6	0.4	2.5	1.6	0.0	0.8	3.7
Q4	3.9	-0.5	2.7	1.2	-0.2	1.3	2.9
2001 Q1	4.3	0.5	2.1	2.2	-0.7	1.0	0.5

# Corporate Services Price Indices (EXPERIMENTAL) (1995=100) – continued

SIC(92):	Direct marketing & other secretarial services 74.83 (part)	Translation & interpretation services 74.83 (part)	Adult education 80.42	Sewerage services 90.00/1	Waste disposal 90.00/2	Commercial washing & dry cleaning 93.01	TOP-LEVEL CSPI	
							Including property rentals	Excluding property rentals
1995 net sector weights (%):								
(including property rentals)	0.19	0.15	0.58	1.33	2.39	0.58	100.00	..
(excluding property rentals)	0.27	0.21	0.84	1.92	3.46	0.83	..	100.00
<b>Annual</b>								
1995	..	..	100.0	100.0	100.0	..	100.0	100.0
1996	..	..	103.4	105.5	111.3	..	101.6	101.3
1997	..	..	108.5	109.9	126.8	..	105.2	105.2
1998	108.0	106.9	111.1	114.1	129.0	108.9	108.2	107.4
1999	109.9	108.5	114.7	118.1	138.1	112.1	111.8	109.9
2000	109.9	108.6	118.9	107.8	144.7	114.7	116.3	113.5
<b>Percentage change, latest year on previous year</b>								
1996	..	..	3.4	5.5	11.3	..	1.6	1.3
1997	..	..	4.9	4.2	13.9	..	3.6	3.8
1998	..	..	2.4	3.8	1.8	..	2.8	2.1
1999	1.8	1.5	3.2	3.4	7.0	2.9	3.3	2.3
2000	0.0	0.0	3.7	-8.7	4.8	2.4	4.1	3.3
<b>Quarterly results (not seasonally adjusted)</b>								
1996 Q1	..	..	102.7	101.4	105.4	..	100.5	100.2
Q2	..	..	103.4	106.8	107.1	..	101.3	101.0
Q3	..	..	103.6	106.8	109.2	..	101.6	101.2
Q4	..	..	104.1	106.8	123.7	..	103.0	102.9
1997 Q1	..	..	107.2	106.8	126.4	..	104.2	104.1
Q2	..	..	107.3	111.0	125.9	..	105.1	105.1
Q3	..	106.5	108.8	111.0	126.8	106.5	105.6	105.6
Q4	..	106.6	110.7	111.0	128.0	107.7	106.1	105.8
1998 Q1	106.4	106.9	111.1	111.0	128.5	107.3	107.0	106.5
Q2	108.1	106.7	110.9	115.2	129.2	109.2	108.0	107.5
Q3	109.1	106.9	110.7	115.2	128.9	109.8	108.6	107.7
Q4	108.2	107.1	111.9	115.2	129.3	109.4	109.1	108.0
1999 Q1	109.3	108.5	113.9	115.2	130.9	110.5	110.3	108.9
Q2	110.4	108.6	114.4	119.0	139.6	112.5	111.2	109.5
Q3	109.7	108.5	115.0	119.0	140.8	112.4	112.2	110.1
Q4	110.0	108.5	115.4	119.0	140.9	112.9	113.4	111.0
2000 Q1	110.2	108.9	117.6	119.0	141.7	114.6	114.2	111.5
Q2	109.8	109.0	117.6	104.0	147.3	115.0	115.7	113.1
Q3	110.2	108.2	119.7	104.0	146.2	115.3	117.1	114.3
Q4	109.4	108.2	120.6	104.0	143.7	114.0	118.3	115.2
2001 Q1	107.0	108.2	121.8	104.0	142.6	115.0	119.9	116.5
<b>Percentage change, latest quarter on previous quarter</b>								
1997 Q1	..	..	3.0	0.0	2.2	..	1.1	1.2
Q2	..	..	0.1	3.9	-0.4	..	0.9	0.9
Q3	..	..	1.4	0.0	0.7	..	0.5	0.5
Q4	..	0.1	1.7	0.0	0.9	1.1	0.4	0.2
1998 Q1	..	0.2	0.3	0.0	0.4	-0.4	0.9	0.6
Q2	1.7	-0.1	-0.2	3.8	0.5	1.7	0.9	0.9
Q3	0.9	0.2	-0.2	0.0	-0.2	0.6	0.5	0.2
Q4	-0.8	0.2	1.1	0.0	0.3	-0.4	0.5	0.3
1999 Q1	1.0	1.3	1.8	0.0	1.2	1.0	1.0	0.8
Q2	1.0	0.0	0.4	3.3	6.7	1.8	0.8	0.6
Q3	-0.6	0.0	0.5	0.0	0.8	-0.1	0.9	0.5
Q4	0.3	0.0	0.4	0.0	0.1	0.5	1.1	0.8
2000 Q1	0.2	0.4	1.9	0.0	0.6	1.5	0.7	0.4
Q2	-0.4	0.0	0.0	-12.6	4.0	0.4	1.3	1.4
Q3	0.4	-0.7	1.8	0.0	-0.8	0.3	1.2	1.1
Q4	-0.7	0.0	0.8	0.0	-1.7	-1.1	1.1	0.9
2001 Q1	-2.3	0.0	1.0	0.0	-0.8	0.9	1.4	1.1
<b>Percentage change, latest quarter on corresponding quarter of previous year</b>								
1997 Q1	..	..	4.5	5.3	20.0	..	3.6	4.0
Q2	..	..	3.7	3.9	17.6	..	3.8	4.0
Q3	..	..	5.1	3.9	16.1	..	4.0	4.3
Q4	..	..	6.4	3.9	3.4	..	3.0	2.9
1998 Q1	..	..	3.6	3.9	1.6	..	2.8	2.2
Q2	..	..	3.3	3.8	2.6	..	2.8	2.3
Q3	..	0.4	1.7	3.8	1.7	3.1	2.8	2.0
Q4	..	0.4	1.1	3.8	1.1	1.5	2.9	2.0
1999 Q1	2.8	1.6	2.5	3.8	1.9	3.0	3.0	2.2
Q2	2.1	1.7	3.2	3.3	8.1	3.0	2.9	1.9
Q3	0.6	1.5	3.8	3.3	9.2	2.3	3.4	2.2
Q4	1.7	1.4	3.1	3.3	8.9	3.2	3.9	2.8
2000 Q1	0.8	0.4	3.2	3.3	8.2	3.7	3.6	2.4
Q2	-0.6	0.4	2.8	-12.6	5.5	2.2	4.1	3.2
Q3	0.5	-0.3	4.1	-12.6	3.8	2.6	4.3	3.8
Q4	-0.5	-0.3	4.5	-12.6	2.0	1.0	4.3	3.8
2001 Q1	-3.0	-0.7	3.6	-12.6	0.7	0.3	5.0	4.5

# Jobs in the Public and Private Sectors

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## Introduction

This article presents data (updated to June 2000) on jobs in the public and private sectors. A similar article that presented data to June 1999 was published in the June 2000 edition of *Economic Trends*. It shows the relative overall size of the two sectors (Table A) and gives a more detailed analysis of the types of jobs in the public sector. Table B compares UK Workforce jobs over ten years. Table C gives sector information by industry group (based on the Standard Industrial Classification (SIC) 1992). Table D gives information by public sector major category and also includes data on a full-time equivalent basis as well as by headcount. Please note all figures shown are unadjusted for seasonal variation.

## Revisions to the Workforce Jobs series

The Annual Business Inquiry (ABI) replaced the Annual Employment Survey (AES) on 11th April 2001 as the source of information for the Employee jobs component of the Workforce Jobs series. The ABI collects employee jobs data from the same sample of businesses that are asked to provide economic data that feed into the National Accounts. The AES collected site-level detail and built the aggregate statistics from the bottom up. The ABI collects a total from the business' headquarters and the total is spread across known sites by ONS using the results from the Annual Register Inquiry and other data held on the Inter-Departmental Business Register.

With the release of the ABI results the level of employee jobs for 1999 has shown an increase of just under one million compared with the figure published for 1999 in last year's article. To provide a consistent time series the employee jobs data have been revised back to 1959. An article relating to this subject was published in the May 2001 edition of *Labour Market Trends*.

The revisions (to earlier periods) have had the effect of increasing estimates of private sector employment while leaving public sector employment broadly unchanged. This is because the public sector jobs figures are obtained from a wide range of administrative sources unaffected by the ABI revisions while the private sector figure is derived as the residual once the public sector jobs are removed from the Workforce jobs total.

## Key Points

In 2000, for the second year running, public sector jobs showed an increase (93,000; 1.9 per cent), year on year, driven by rises in Education and NHS Trusts. The private sector increased by a smaller amount (71,000; 0.3 per cent). The main increases occurred in the following industries: Construction, Hotels and Restaurants and Real Estate Activities.

## Analysis by Sector (Table A and Chart 1)

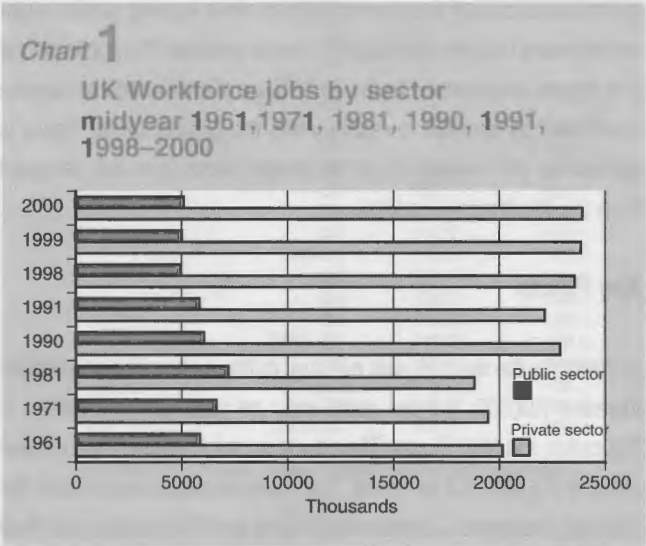
The total Workforce jobs increased by 164,000 between 1999 and 2000.

In 2000 the Public Sector increased by 93,000 jobs compared with the previous year.

In 2000, 82.4 per cent (23.9 million) of the Workforce jobs were in the private sector (this included 3.4 million Self-employment jobs). This is 71,000 higher than the previous year. In 2000, there were 5.1 million jobs in the public sector. This shows an increase of 93,000 (1.9 per cent) on the previous year and compares with an increase of 56,000 (1.1 per cent) in 1999 and a decrease 10,000 (-0.2 per cent) in 1998.

Jobs in General government increased by 72,000 (2.1 per cent) between 1999 and 2000. The biggest rise within Local government was in Education, an increase of 60,000 jobs (4.8 per cent). Jobs in Central government increased by 4,000 (0.5 per cent) over the same period, this increase was due in part to institutions (e.g. Scottish Homes) being reclassified from the Public Corporations sector when the Scottish Parliament and National Assembly for Wales were established.

Over the last 10 years, jobs within Public non-financial corporations (excluding NHS Trusts), have fallen by around 400,000 (-51 per cent) to 385,000 in June 2000. General government has fallen by 1.7 million (-32.4 per cent) over the same period. There was a decrease in Local government jobs of 277,000 (-9.3 per cent), particularly in education which fell by 131,000 (-9.2 per cent).



### Analysis of the UK Workforce jobs (Table B)

Since 1990 total Workforce jobs have increased by 91,000 (0.3 per cent); Self-employment jobs decreased by 505,000 (-12.9 per cent); HM Forces and Government-supported trainees totals have decreased by 96,000 (-31.7 per cent) and 313,000 (-74 per cent) respectively.

Within Employee jobs:

Education increased by	228,000 (12.3 per cent)
Public administration, defence, and compulsory social security fell by	57,000 (-3.9 per cent)
Production, construction, transport & utilities fell by	1,087,000 (-13.7 per cent)
Health, social work and other services provided to the public increased by	290,000 (11.4 per cent)
Other Services which includes the following industries: Agriculture, Wholesale & Retail Trade, Hotels & Restaurants, Financial & Business Services, Community & Social Activities increased by	1,632,000 (15.5 per cent)

Table A

Analysis of UK Workforce jobs by sector: headcount, midyear 1961, 1971, 1981, 1990, 1991 & 1998-2000

			Thousands							
			1961	1971	1981	1990	1991	1998	1999	2000
Total Workforce jobs	DYDA		26,008	26,084	26,001	28,920	27,992	28,498	28,847	29,011
Private sector	DYBI		20,149	19,457	18,816	22,868	22,144	23,554	23,847	23,918
Government-supported trainees	DYCZ		..	..	..	423	353	121	121	110
Public sector	FHCE		5,859	6,627	7,185	6,052	5,848	4,944	5,000	5,093
Public non-financial corporations	DYBH		2,200	2,009	1,867	785	723	1,497	1,509	1,530
National Health Service Trusts	CGXN		..	..	..	..	124	1,123	1,131	1,145
Other			2,200	2,009	1,867	785	599	374	378	385
General government	FHCA		3,659	4,618	5,318	5,267	5,125	3,447	3,491	3,563
Central government	FHBT		1,790	1,966	2,419	2,300	2,178	868	869	873
HM Forces	BCAH		474	368	334	303	297	210	208	207
National Health Service	FHBR		575	785	1,207	1,221	1,098	77	76	79
Other	FHBS		741	813	878	776	783	581	585	587
Local government	DYBG		1,869	2,652	2,899	2,967	2,947	2,579	2,622	2,690
Education	FHBU		785	1,297	1,454	1,431	1,416	1,204	1,240	1,300
Social services	FHBV		170	276	350	417	414	395	388	388
Police	FHBX		108	152	186	199	202	207	207	204
Construction	FHBW		103	124	143	114	106	61	59	59
Other	FHBY		703	803	766	806	809	712	728	739

TABLE B

UK Workforce jobs: midyear 1990

Thousands							
	Total employed	Male			Female		
		Total	Full-time	Part-time	Total	Full-time	Part-time
Workforce jobs	28,920	16,132	..	..	12,787	..	..
Self-employment jobs	3,928	2,941	..	..	987	..	..
HM Forces	303	286	..	..	18	..	..
Government supported trainees	423	260	..	..	163	..	..
Employee jobs	24,265	12,646	..	..	11,619	..	..
Education	1861	575	..	..	1286	..	..
Health, social work & other services provided to the public	2,535	483	..	..	2,052	..	..
Public administration, defence & compulsory social security	1,447	784	..	..	663	..	..
Production, construction, transport & utilities	7,924	5,859	..	..	2,064	..	..
Other	10,498	4,944	..	..	5,554	..	..

UK employment: midyear 2000

Thousands							
	Total employed	Male			Female		
		Total	Full-time	Part-time	Total	Full-time	Part-time
Workforce jobs	29,011	15,512	..	..	13,499	..	..
Self-employment jobs	3,423	2,479	..	..	944	..	..
HM Forces	207	190	..	..	16	..	..
Government supported trainees	110	64	..	..	46	..	..
Employee jobs	25,271	12,778	11,071	1,707	12,493	6,520	5,973
Education	2,089	574	410	164	1,515	651	864
Health, social work & other services provided to the public	2,825	541	391	150	2,284	1,015	1,269
Public administration, defence & compulsory social security	1,390	674	626	48	715	502	214
Production, construction, transport & utilities	6,837	5,092	4,901	191	1,745	1,320	425
Other	12,130	5,897	4,743	1,154	6,233	3,032	3,202

Analysis by Industry Group (Table C and Chart 2)

Chart 2 shows the distribution of public sector employee jobs by industry group. This is expanded further in Table C that shows the split between the public and private sector for certain industries. Public sector is defined here as including central government, local government and public non-financial corporations.

Public Sector Education has retained a similar share of total public sector jobs over the last 10 years; 24.9 per cent in 1990 and 26.5 per cent in 2000. However, the public element within the education sector dropped from 76.9 per cent to 62.2 per cent of total education jobs between 1990 and 2000. Public Sector Education jobs have increased each year since 1994, and the latest year on year increase is the largest over that period.

In 2000, 32.8 per cent (1.6 million) of all public sector employee jobs were in the Health and social work sector, compared with 28.5 per cent (1.6 million) in 1990. The public sector share of total jobs in these industries dropped from 64.6 per cent in 1990 to 57 per cent in 2000.

In 2000, 28.3 per cent (1.4 million) of all public sector jobs were in Public administration, defence and compulsory social security sector; compared with 25.2 per cent (1.4 million) in 1990. Total numbers have fallen by 57,000 over the same period.

Between 1990 and 2000 total jobs in industries covering Production, construction, transport and utilities decreased by 1.1 million (-13.7 per cent) to 6.8 million largely because of privatisations. The proportion of all public sector jobs in these industries fell from 15.6 per cent in 1990 to 9.1 per cent in 2000.

Availability of other data

Other employment data published by the ONS can be found in *Labour Market Trends*, the *Monthly Digest* and *Annual Abstract of Statistics* and *United Kingdom National Accounts* (the *ONS Blue Book*). Data underlying the figures for General government are produced quarterly and are available on request.

Chart 2  
UK Employee jobs, Total Public & Private sector levels

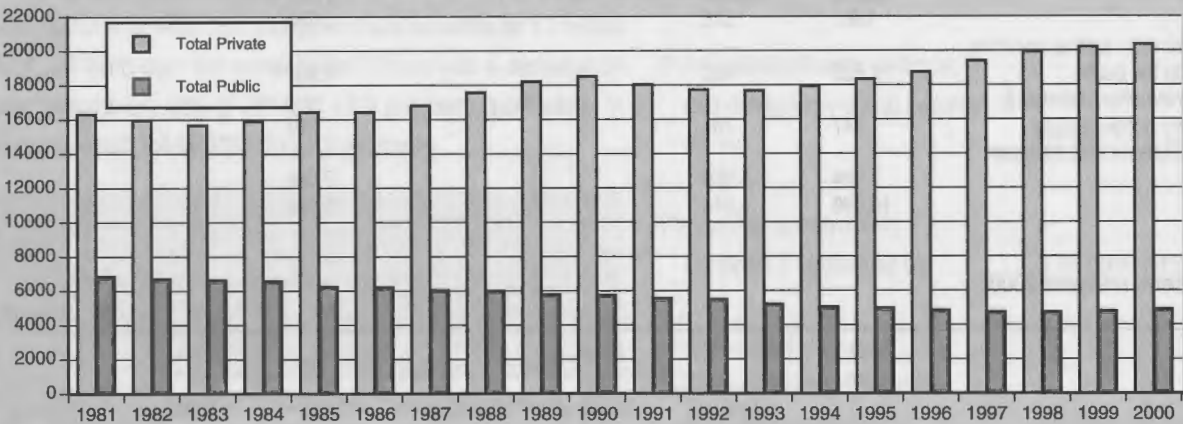


TABLE C

## UK employment by sector and industry group 1981–2000: headcount, midyear

Thousands

SIC 1992						Employee jobs													
						Education			Health, social work & other services provided to the public			Public admin- istration, defence & compulsory social security	Production, construction, transport & utilities			Other			
	Workforce jobs	Self-employ- ment jobs	HM Forces	Govern- ment supported trainees	Employee jobs	Total	Private	Public	Total	Private	Public	Public Total	Total	Private	Public	Total Public & Private	Total Private Sector	Total Public Sector	
	CGYL	CGYM	CGYN	CGYO	CGYP	CGYQ	CGYR	CGYS	CGYT	CGYU	CGYV	CGYW	CGYX	CGYY	CGYZ	CGZA	CGZD	CGZE	
1981	26,001	2,492	334	..	23,174	1,582	128	1,454	2,011	454	1,557	1,575	9,378	7,368	2,010	8,629	16,323	6,851	
1982	25,543	2,552	324	..	22,668	1,574	140	1,434	2,044	465	1,579	1,540	8,883	6,995	1,888	8,626	15,971	6,697	
1983	25,249	2,611	322	16	22,300	1,580	146	1,434	2,071	484	1,587	1,537	8,468	6,675	1,793	8,644	15,670	6,630	
1984	25,920	2,937	326	175	22,482	1,602	172	1,430	2,126	535	1,591	1,519	8,312	6,587	1,725	8,922	15,908	6,574	
1985	26,231	3,051	326	176	22,678	1,629	200	1,429	2,221	622	1,599	1,489	8,209	6,833	1,376	9,130	16,435	6,243	
1986	26,280	3,092	322	226	22,641	1,674	222	1,452	2,296	694	1,602	1,483	7,973	6,661	1,312	9,214	16,429	6,212	
1987	26,806	3,326	319	311	22,850	1,735	249	1,486	2,391	781	1,610	1,503	7,878	6,765	1,113	9,343	16,810	6,040	
1988	27,769	3,547	316	343	23,563	1,796	292	1,504	2,540	907	1,633	1,486	7,975	6,938	1,037	9,765	17,564	5,999	
1989	28,637	3,877	308	462	23,990	1,836	394	1,442	2,521	884	1,637	1,407	8,024	7,074	950	10,201	18,214	5,776	
1990	28,920	3,928	303	423	24,265	1,861	430	1,431	2,535	897	1,638	1,447	7,924	7,025	899	10,498	18,516	5,749	
1991	27,992	3,766	297	353	23,576	1,849	433	1,416	2,593	957	1,636	1,467	7,360	6,655	705	10,307	18,025	5,551	
1992	27,272	3,441	290	325	23,216	1,826	436	1,390	2,682	1,041	1,641	1,469	6,973	6,314	659	10,267	17,723	5,493	
1993	26,906	3,445	271	311	22,879	1,809	608	1,201	2,721	1,118	1,603	1,464	6,613	5,993	620	10,271	17,673	5,206	
1994	27,070	3,547	250	302	22,971	1,833	657	1,176	2,739	1,154	1,585	1,445	6,591	6,042	549	10,363	17,929	5,042	
1995	27,383	3,610	230	225	23,317	1,843	655	1,188	2,776	1,178	1,598	1,408	6,626	6,091	535	10,665	18,336	4,981	
1996	27,619	3,615	221	181	23,601	1,867	676	1,191	2,798	1,206	1,592	1,414	6,644	6,142	502	10,878	18,753	4,848	
1997	28,135	3,609	210	159	24,156	1,872	679	1,193	2,825	1,223	1,602	1,366	6,776	6,341	435	11,317	19,412	4,744	
1998	28,498	3,487	210	121	24,680	1,852	648	1,204	2,829	1,234	1,595	1,399	6,937	6,502	435	11,663	19,946	4,734	
1999	28,847	3,513	208	121	25,004	1,986	746	1,240	2,803	1,208	1,595	1,409	6,837	6,400	437	11,969	20,212	4,792	
2000	29,011	3,423	207	110	25,271	2,089	789	1,300	2,825	1,214	1,611	1,390	6,837	6,393	444	12,130	20,365	4,906	

Please note that employee jobs data have been revised between 1959 and 1999 with the release of the ABI results. The level of employee jobs for 1999 has shown an increase of just under one million compared with the figure published last year.



Table D

UK Public sector employment 1961–2000 by major categories: headcount and full time equivalents, midyear<sup>1</sup>

Thousands

	General government																	
	Central government				Local government							Public non-financial corporations <sup>2</sup>						
	HM Forces	National Health Service	Other central government	Total central government	Education	Social services	Construction	Police (incl. civilians)	Other local government	Local authorities community programme	Total local government	Total general government	Nationalised industries	NHS Trusts	Other public (nf) corporations	Total public (nf) corporations	Total public sector	of which: Civil Service <sup>6</sup>
Headcount	CGYN	FHBR	FHBS	FHBT	FHBU	FHBV	FHBW	FHBX	FHBY	CUKE	DYBG	FHCA	FHCB	CGXN	FHCC	DYBH	FHCE	CGXU
1961	474	575	741	1,790	785	170	103	108	703	..	1,869	3,659	2,152	..	48	2,200	5,859	672
1971	368	785	813	1,966	1,297	276	124	152	803	..	2,652	4,618	1,856	..	153	2,009	6,627	714
1975	336	1,042	923	2,301	1,508	309	164	171	765	..	2,917	5,218	1,816	..	219	2,035	7,253	717
1976	336	1,092	936	2,364	1,521	319	165	175	776	..	2,956	5,320	1,752	..	228	1,980	7,300	763
1977	327	1,099	932	2,358	1,506	322	155	172	766	..	2,921	5,279	1,866	..	223	2,089	7,368	762
1978	318	1,120	926	2,364	1,512	334	155	170	761	..	2,932	5,296	1,844	..	217	2,061	7,357	751
1979	314	1,152	921	2,387	1,539	344	156	176	782	..	2,997	5,384	1,849	..	216	2,065	7,449	739
1980	323	1,174	896	2,393	1,501	346	152	181	776	..	2,956	5,349	1,816	..	222	2,038	7,387	715
1981	334	1,207	878	2,419	1,454	350	143	186	766	..	2,899	5,318	1,857	..	210	1,867	7,185	698
1982	324	1,227	849	2,400	1,434	352	132	186	761	..	2,865	5,265	1,554	..	202	1,756	7,021	672
1983	322	1,227	835	2,384	1,433	360	130	187	768	27	2,905	5,289	1,465	..	198	1,663	6,952	654
1984	326	1,223	810	2,359	1,430	368	126	187	773	58	2,942	5,301	1,410	..	189	1,599	6,900	630
1985	326	1,223	811	2,360	1,429	376	125	187	774	67	2,958	5,318	1,131	..	120	1,251	6,569	608
1986	322	1,215	800	2,337	1,452	387	125	188	770	88	3,010	5,347	1,058	..	129	1,187	6,534	610
1987	319	1,212	781	2,312	1,486	398	128	191	763	96	3,062	5,374	884	..	121	985	6,359	599
1988	316	1,228	778	2,322	1,504	405	125	194	764	89 <sup>4</sup>	3,081	5,403	791	..	121	912	6,315	593
1989	308	1,226	781	2,315	1,442 <sup>3</sup>	411	119	195	771	..	2,938	5,253	719	..	112	831	6,084	586
1990	303	1,221	776	2,300	1,431	417	114	199	806	..	2,967	5,267	675	..	110	785	6,052	579
1991	297	1,098	783	2,178	1,416	414	106	202	809	..	2,947	5,125	497	124	102	723	5,848	576
1992	290	917	801	2,008	1,391	410	97	204	797	..	2,899	4,907	457	314	105	876	5,783	592
1993	271	543	792	1,606	1,201 <sup>5</sup>	398	90	207	783	..	2,679	4,285	437	662	93	1,192	5,477	579
1994	250	177	758	1,185	1,176	408	87	206	768	..	2,645	3,830	382	1,000	80	1,462	5,292	553
1995	230	97	708	1,035	1,188	412	83	207	749	..	2,639	3,674	345	1,085	107	1,537	5,211	532
1996	221	84	612	917	1,191	406	76	207	744	..	2,624	3,541	287	1,102	139	1,528	5,069	512
1997	210	78	582	870	1,193	403	65	206	726	..	2,593	3,463	242	1,121	128	1,491	4,954	493
1998	210	77	581	868	1,204	395	61	207	712	..	2,579	3,447	248	1,123	126	1,497	4,944	484
1999	208	76	585	869	1,240	388	59	207	728	..	2,622	3,491	247	1,131	131	1,509	5,000	481
2000	207	79	587	873	1,300	388	59	204	739	..	2,690	3,563	245	1,145	140	1,530	5,093	498
Full-time equivalents	CGYN	CGXY	CGXZ	CGYA	CULZ	CUMB	CGYB	CUMD	CGYC	CGYD	CGYE	CGYF	CGYG	CUMP	CGYH	CGYI	CGYJ	CGYK
1977	327	947	866	2,140	1,099	222	152	168	683	..	2,324	4,464	1,835	..	223	2,058	6,522	749
1978	318	957	885	2,160	1,105	228	152	165	675	..	2,325	4,485	1,843	..	217	2,060	6,545	739
1979	314	977	897	2,188	1,110	235	150	172	701	..	2,368	4,556	1,818	..	216	2,034	6,590	727
1980	323	1,001	872	2,196	1,087	235	146	176	699	..	2,343	4,539	1,785	..	222	2,007	6,546	703
1981	334	1,038	853	2,225	1,058	240	136	180	692	..	2,306	4,531	1,656	..	206	1,862	6,393	687
1982	324	1,047	827	2,198	1,041	241	131	180	681	..	2,274	4,472	1,538	..	198	1,736	6,208	662
1983	322	1,046	812	2,180	1,034	246	130	182	686	23	2,301	4,481	1,444	..	197	1,641	6,122	645
1984	326	1,032	787	2,145	1,027	251	126	182	689	45	2,320	4,465	1,390	..	188	1,578	6,043	622
1985	326	1,028	788	2,142	1,021	256	125	182	689	52	2,325	4,467	1,118	..	118	1,236	5,703	599
1986	322	1,016	776	2,114	1,029	263	125	184	675	76	2,352	4,466	1,043	..	127	1,170	5,636	600
1987	319	1,018	756	2,093	1,043	271	128	186	677	72	2,377	4,470	850	..	119	969	5,439	587
1988	316	1,013	751	2,080	1,046	277	125	189	674	67 <sup>4</sup>	2,378	4,458	775	..	119	894	5,352	580
1989	308	1,013	763	2,084	992 <sup>3</sup>	283	119	191	681	..	2,266	4,350	703	..	110	813	5,163	571
1990	303	1,008	765	2,076	990	288	114	194	692	..	2,278	4,354	659	..	108	767	5,121	562
1991	297	904	766	1,967	982	287	105	197	720	..	2,291	4,258	482	102	100	684	4,942	564
1992	290	750	783	1,823	970	286	97	199	706	..	2,258	4,081	442	256	103	801	4,882	573
1993	271	424	772	1,467	840 <sup>5</sup>	279	90	201	695	..	2,105	3,572	423	540	91	1,054	4,626	559
1994	250	158	733	1,141	818	288	86	201	685	..	2,078	3,219	367	794	78	1,239	4,458	534
1995	230	69	681	980	806	295	82	201	664	..	2,048	3,028	331	876	105	1,312	4,340	512
1996	221	65	584	870	817	288	75	202	632	..	2,014	2,884	273	889	137	1,299	4,183	492
1997	210	65	554	829	815	284	64	201	613	..	1,977	2,806	228	903	126	1,257	4,063	472
1998	210	64	552	826	819	277	59	202	597	..	1,954	2,780	234	905	124	1,263	4,043	463
1999	208	64	556	828	836	270	58	203	606	..	1,973	2,801	234	912	124	1,270	4,071	460
2000	207	66	564	837	845	268	58	200	603	..	1,974	2,811	233	923	129	1,285	4,096	475

1 The Appendix gives details of the definitions and coverage of sectors and success of the statistics and the many changes in them between 1981 and 1994 (except in the case of the Civil Service which is documented back to 1969).

2 Details of transfers of public corporations to the private sector, including the numbers of employees involved, are given in the Appendix.

3 Polytechnics were transferred to the private sector in April 1989.

4 Community Programme employees were transferred to the Employment Training Scheme during the third quarter of 1988.

5 FE colleges and 6th-form school employees were transferred to the private sector from April 1993.

6 Great Britain only.

## Appendix: Definition of the Sectors

The United Kingdom national accounts divide the economy into institutional sectors so as to display the relationships between the different parts of the economy and the different forms of economic activity in a way which aggregate statistics cannot do. The sectors bring together those institutional units, which are likely to play similar roles in economic activity and which may be expected to react in a broadly similar fashion to various market, fiscal and monetary forces.

The sectors used in this article are the same as in the national accounts. Full definitions of the sectors are given in *Sector Classification for the National Accounts*, and in *United Kingdom National Accounts: Concepts, Sources and Methods*.

Some of the estimates for the latest year are provisional and are subject to minor changes as final information becomes available. The figures for NHS Trusts and grant-funded education establishments may be subject to more substantial revision because they are estimated from a variety of sources.

The European System of Accounts (ESA95) which forms the basis for the UK economic accounts, consists of a coherent, consistent and integrated set of accounts based on a set of internationally agreed concepts, definitions, classifications and accounting rules. The accounts are compiled for a succession of time periods and cover economic activities, the economy's productive assets and the wealth of its inhabitants.

### General Government

This sector includes all institutional units which are non-market producers whose output is intended for individual and collective consumption, and are mainly financed by compulsory payments made by units belonging to other sectors. It also includes all institutional units principally engaged in the redistribution of the national income and wealth.

### Central Government

This sub-sector of general government includes all administrative departments of the State and other central agencies whose competence extends normally over the whole economic territory. In the UK the administration of social security funds is an integral part of central government concerning both its funding and decision-making, and so cannot be separately classified as social security funds.

Some trading bodies that were classified as central government under the previous system are now public non-financial corporations because they are market producers, manage their own finances, and have sufficient autonomy to be classified as institutional units. ECGD (Export Credit Guarantee Department) is also a market producer but its finances are not sufficiently independent of central government for it to be regarded as an institutional unit in its own right; it is therefore within the central government sector.

Consistent data for years since 1961 appears in the *Economic Trends Annual Supplement*.

### Civil Service

The Civil Service comprises the Home Civil Service and the Diplomatic Service but not the Northern Ireland Civil Service, locally engaged staff overseas or employees of Non Departmental Public Bodies.

Further analysis of Civil Service manpower figures at 1st April 2000 can be found in the publication *Civil Service Statistics 2000*.

### Local government

This sector consist of all local government authorities which both have power to raise funds by means of rates, levies and council tax, etc. and which are obliged to make annual returns of income and expenditure under successive local government acts. It includes all levels of administrative authorities (including parish councils) and also local authorities with special functions. It includes magistrates' courts, the probation service in England and Wales and police forces and their civilian staffs. It embraces all functions of such authorities (including, for example, their education services and construction departments) and includes trading activities of local authorities, such as housing, theatres, etc. From April 1999, grant maintained schools, which had been classified to central government, were reclassified to local authority status (the formal change was in September 1999, at the start of the new academic year). There are three new categories of mainstream school: community, foundation and voluntary. For GM schools, this means that, like other state schools, they will be maintained by their Local Education Authorities.

Polytechnics and Higher Education colleges were transferred from local authority control from April 1989, as were Further Education

and sixth form colleges from April 1993. These are all now regarded as part of the private sector (non-profit making bodies).

## Public non-financial corporations

Public corporations are defined as corporate enterprises which are publicly owned and controlled but which, at the same time, have substantial freedom to conduct their affairs along business lines. Examples include the BBC and the Scottish Water Authorities.

They are publicly controlled to the extent that the public authority, i.e. central or local government, usually appoints the whole or a majority of the board of management. Subsidiaries of public corporations are part of this sector if their accounts are consolidated with those of the parent corporation. Nationalised industries represent a group of particularly large and important public corporations. Examples include the Post Office and the Civil Aviation Authority.

Some bodies controlled by central government are classified as being public corporations rather than central government such as the Royal Mint.

From 1st April 1991 NHS Trust hospitals are also included in this sector.

## Public Sector

Comprises general government and public non-financial corporations.

## Private Sector

Private non-financial corporations, financial corporations including the Bank of England, households and the Non-profit institutions serving households.

## Classification by industry

Industries are classified according to the 'UK Standard Industrial Classification of Economic Activities 1992'.

## Sources of the statistics

The figures for total Workforce jobs and Government-supported trainees, together with the industrial analyses of employee jobs and the self-employment jobs are aggregated from those compiled by the Employment, Earnings and Productivity Division, (PBG) and

Labour Market Division (SESAG) of the Office for National Statistics; the Department of Enterprise, Trade and Investment, Northern Ireland and DfEE.

Estimates of employment in central government are obtained from a number of sources.

HM Forces and National Health Services figures are obtained from the EEPD within the Office for National Statistics. Other Central government consists largely of those employed in the Civil Service. These numbers are obtained from the Personnel Management & Conditions of Service Division of the Cabinet Office. The remainder of central government employees are derived from the Cabinet Office *Public Bodies* publication.

Public non-financial corporation's data are derived from the ONS Inter Departmental Business Register (IDBR) and other regular surveys carried out by the EEPD (responsible for Annual Business Inquiry and Short-term Employment Surveys).

The local government data sources for England and Wales are the quarterly local authority survey (EEPD), police data are obtained from the Home Office and Education and Health figures are produced by the EEPD. The source for Scotland is the Joint Staffing Watch survey by the Scottish Executive and COSLA (Convention of Scottish Local Authorities).

## Full-time equivalent employment

To provide a more refined measure of manpower inputs, many of the institutions in the public sector count their part-time workers in terms of full-time equivalents. This analysis appears in Table D. Measuring full-time equivalents is a somewhat imprecise process, with each institution having its own convention for making the calculation. In the case of the Civil Service from 1939 to 1995, part-time staff working 10 hours or more per week were each counted as half a member of staff in arriving at a full-time equivalent figure. From 1 April 1995, the method of counting part-time staff was changed in order to reflect more accurately the resources used. This change was made in recognition of the increase, over recent years, in the number of staff working part-time who are now included in the FTE total as a proportion of a full-time employee according to the proportion of full-time hours worked.

Part-time staff working fewer than 10 hours per week are now included in Headcount and FTE totals. Figures for earlier years were re-estimated on the basis of the new methodology to enable comparisons over time.

The full-time equivalents for local authorities are derived by applying factors to the numbers of part-time workers in three groups based on average hours worked in each group nationally.

The groups and factors for England and Wales are:

**Non-manual Employees**

Further education	0.11
Other	0.53
Manual workers	0.41

In other parts of the public sector, part-timers have been taken as half-units.

**Headcount employment**

Staff in post figures that give part-time staff equal weight with full-time staff.

**MAJOR SECTOR CHANGES; 1997 TO 2000**

**Definitions, Coverage and Consistency of Statistics**

**Central Government**

- The largest increases in the three months to 1 January 1997 occurred in:  
  
the Child Support Agency (280 up) due to changes in the Child Support act;  
  
an increase of 110 staff at MAFF, special units were set up in London and the Regional Offices in a response to dealing with BSE.
- 15 January 1997 the Office of Public Service IT support staff (6 staff) transferred to Digital.
- 31 January 1997 RAF Signals Engineering Establishment (an executive agency of the MoD) transferred 27 staff to Granada and 49 staff to SERCO.
- 2 February 1997 a new agency of the MoD was formed - RAF Personnel Management agency (475 staff)
- 19 March 1997 about 600 staff of the Building Research Establishment, an executive agency of the Department of the Environment, transferred to the private sector.

- 20 March 1997 the Crown Prosecution Service (749 staff) and Serious Fraud Office (177 staff) now operating on Next Steps lines.
- 31 March 1997:

RAF Training Group Defence agency (an executive agency of the MoD) transferred 29 non-industrial and 137 industrial staff to Brown & Root, and Marshall Aerospace. Also 22 non-industrial and 96 industrial staff to SERCO and 12 non-industrial and 147 industrial staff to Hunting Aviation Ltd.

Logistics Information Systems agency (an executive agency of the MoD) transferred 21 non-industrial staff to EDS.

- 1 April 1997:

ADAS - Agricultural Development Advisory Service (an executive agency of the MAFF) became ADAS plc 1,190 staff transferred to the private sector.

Farming and Rural Conservation agency (440 staff), formerly part of ADAS, formed to take over functions that remain in the public sector.

about 560 staff of Paymaster (an executive agency of HM Treasury) transferred to EDS, a private sector company.

DfEE Information Services Division (150 staff) transferred to FI Group plc.

the Benefits Agency (1,860 down), reflecting their "Change Programme" policy of working practices.

Centre for Environment, Fisheries and Aquaculture, became an executive agency (410 staff), formerly part of MAFF.

Government Car and Despatch Agency became an executive agency (220 staff), formerly part of SAFE (OPS).

A reduction of 26 staff resulted from the exclusion of the Crown Estates Office, none of whose staff are now classified as civil servants.

Child Support Agency (390 up), due to changes in the Child Support Act.

The following MoD agencies were formed:

Defence Estates Organisation (1,170);

Defence Medical Training Organisation (80);

Armed Forces Personnel Administration Agency (850);

Defence Vetting Agency (50).

- 24 April 1997 the MoD Support Services Division (DERA) sold to Cinven, a private sector company (1,440 staff).

- 3 May 1997 the following were renamed:

the Overseas Development Administration changed to Dept. for International Development and made independent of the Foreign & Commonwealth Office.

responsibility for voluntary organisations and charities (18 staff) was transferred from the Department for National Heritage to the Home Office.

- 6 May 1997 Competitiveness Division of the Office of Public Service (27 staff) transferred to the DTI.

- On 1 June 1997 a new agency of the MoD was formed – Specialist Procurement Services Agency (820 staff)

- 15 June 1997 the Departments of the Environment and Transport merged under one Minister to form the Department of the Environment, Transport and the Regions.

- In the three months to 1 July 1997 the largest reductions/transfers in permanent staff occurred in:

the Benefits Agency (920 down), reflecting organisational changes the DfEE (620 down) mainly due to transfer of 590 to DETR on 16 June.

the DTI (610 down) due to transfer to DETR again on 16 June.

- To the 1 July 1997 the Prison Service staff numbers increased by 530 and the Scottish Prison Service by 310 staff in response to the increasing prison population.
- 29 August 1997 the Commander-in-Chief of Land Command (MoD) contracted out 83 non-industrial staff to Primary Management Aldershot Ltd. (PMAL).

- In the three months to October 1997 the following reductions occurred:

the Benefits Agency (860 down);

the MoD (480 down);

the Inland Revenue (410 down).

- On the 31 December 1997 Armed Forces Personnel Administration contracted out some 650 staff to EDS.

- In the three months to January 1998 the following reductions occurred:

the Benefits Agency (1,700 down);

the MoD (790 down);

Customs & Excise (400 down).

- To the 1 January 1998 the prison service increased by 200 staff

- In the three months to April 1998 the following reductions occurred:

the Benefits Agency (2,200 down);

the MoD (1,500 down);

the Home Office (1,100 down).

- The main transfers of staff and functions out of the Civil Service in the three months to April 1998 were:

In March 1998 the Fleet Maintenance and Repair function of the Naval Bases and Supplies Agency (MoD) was transferred to Fleet Support Ltd. (1,140 staff).

1 April 1998 the Historic Royal Palaces Agency (Dept. for Culture, Media and Sport), became an Executive Non-Departmental Public Body (NDPB)<sup>1</sup> outside the Civil Service (455 staff).

1 April 1998 Marine Safety and Coastguard Agencies merged to form Maritime and Coastguard Agency (941 staff).

1 April 1998 the National Criminal Intelligence Service (Home Office) became a Service Authority (similar to a police authority) outside the Civil Service (564 staff).

1 April 1998 the Police Information & Technology Organisation (Home Office) became an Executive Non-Departmental Public Body (325 staff).

The largest increases in numbers of permanent staff leading up to April 1998 were 600 staff in HM Prison Service, in response to the increasing prison population. In the same period 260 additional staff were employed by the Driver and Vehicle Licensing Agency to support the introduction of the photocard licence.

1 April 1998 Defence Communication Services Agency (MoD) launched (517 staff).

- 23 July 1998 the Women's Unit transferred from the Dept. of Social Security to the Cabinet Office (43 non-industrial staff).
- The largest reductions in numbers of permanent staff in the three months to 1 October 1998 occurred in Benefits Agency (680 down), the Ministry of Defence (340 down) and the Customs and Excise (200 down).
- The largest increases in numbers of permanent staff in the three months to 1 October 1998 occurred in the Benefits Agency (680 down), the MoD (340 down) and the Customs and Excise (200 down).
- The largest increases in numbers of permanent staff in the three months to 1 October were in the Prison Service (450 up), in response to the increasing prison population.
- In the three months to 1 January 1999 the following staff increases occurred in:

the Benefits Agency increased by 920 in order to reduce the need for casual staff in future;

Employment Service by 680 due mainly to the rollout of the New Deal for Lone Parents and pilot schemes for the New Deal;

HM Prison Service by 190;

the Ministry of Agriculture, Fisheries and Food increased by 110;

UK Anti-Drugs Co-ordination Unit was transferred from the Privy Council Office to the Cabinet Office.

- The largest decreases in the three months to 1 January 1999 occurred in the Ministry of Defence down by 800 members of staff mainly due to natural wastage and non-replacement of leavers.

- 18 January 1999 Scottish Records Office changed name to The National Archives of Scotland.
- In the three months to 1 April 1999 the following changes occurred:

Majority of the Department of National Savings privatised (down 4,000);

1,600 staff reduction in HM Prison Service;

Privatisation and other reorganisation in MoD accounted for a decrease of 1,200 staff;

Office of the National Lottery became an NDPB<sup>1</sup> and renamed The National Lottery Commission, with a loss of 33 staff;

Lord Advocate's Department subsumed in the Scottish Office (19 staff);

Defence Codification Agency, subsumed by MoD RAF;

Defence Animal Centre merged with Army Training & Recruitment Agency;

Maintenance Group Defence Agency subsumed with Defence Aviation Repair Agency;

Contributions Agency transferred from DSS to the Inland Revenue (7,580 staff);

Staff numbers rose in the Benefits Agency by 1,200, the Employment Service by 200 and Driving Standards Agency by 500 in response to rising demand for driving tests. Staff numbers continued to rise slightly in the Scottish Office and Welsh Office dealing with devolution.

- May 1999:

The National Assembly for Wales was established. Small number of staff transferred from Welsh Office to the new Assembly to run the Office of the Presiding Officer.

Scottish Executive formed with no staff.

- 1 July 1999:

Office of Gas Supply & Office of Electricity Regulation merged to form OFGEM.

The Scottish Office was split into the Scottish Executive on devolution. Staff from the Scottish departments moved to the Scottish Executive which also absorbed Scottish Courts Administration and Office of Advocate General. Scottish Office Pension Agency renamed Scottish Public Pensions Agency.

Following devolution, staff in the Welsh Office moved to The National Assembly for Wales. The National Assembly also took in some 260 staff previously outside the Civil Service from Housing for Wales, Health Promotion for Wales and Welsh Health Common Services Agency. A small Office of Secretary of State for Wales formed at this time.

- 19 July 1999 OPRAF – Office of Passenger Rail Franchise renamed Shadow Strategic Rail Authority.
- 30 September 1999 Government Property Lawyers ceased to exist; remaining staff were absorbed into Treasury Solicitors.
- 1 October 1999:

The Rent Service, an Executive Agency of DETR was formed with 80 staff from DETR;

around 4,200 staff (some 3,500 full-time equivalents) from the Family Credit Unit in Benefits Agency transferred to the Tax Credit Office within the Inland Revenue.

- 1 April 2000:

In the six months to April 2000 the following increases in permanent staff occurred:

The Employment Service (up 1,300) to implement enhancements to New Deal programmes.

The Home Office (up 1,240) because staff were recruited to speed up consideration of immigration and asylum cases.

The Prison Service (up 1,530) due largely to growth in the prison population and the new accommodation programme. There was a reduction (of around 300) in the Scottish Prison Service.

The Benefit Agency, growth of 1,220 in permanent staff was offset by continuing and substantial reductions in casual staff numbers. Growth in permanent staff in the Child Support

agency (by 660) was due to increased workloads to implement reforms in Child Support.

The Rent Service, which had been established in October 1999, grew by around 800 as staff transferred in from Local Government.

HM Customs and Excise IT, staff numbers fell by some 400 including staff transferred to the ICL under the Private Finance Initiative.

NHS Purchasing and Supply Agency set up. Reporting to the Department of Health.

Office of Government Commerce set up reporting to Treasury Ministers with a small number of staff transferred from the Treasury. CCTA, PACE and The Buying Agency became agencies of OGC.

Food Standards Agency set up reporting to the Secretary of State for Health. Most of the staff were transferred from MAFF and Department of Health. Meat Hygiene Service became an Executive Agency of FSA.

Civil Service College ceases to be an Executive Agency, and now becomes a fully integrated part of the Centre for Management and Policy Studies within the Cabinet Office.

MOD, Army Technical Support Agency ceased to be an agency, now subsumed within MOD.

<sup>1</sup> Executive Non-Departmental Public Bodies (NDPB) - operate under statutory provisions, employ their own staff and have responsibility for their own budgets.

## Local Authorities

Polytechnics and higher education institutions in England transferred from the local authority sector in April 1989, reducing the numbers by 60,000 (3,900 FTE).

Both Further Education (FE) and sixth form college funding transferred from local authority control on 1 April 1993. This involved approximately 119,000 academic and non-academic staff (on a full-time equivalent basis) being transferred to the private sector at mid-1993.

## Public non-financial corporations

The public corporations in existence in June 2000 are listed below.

Name of corporation	Commencing or vesting date		
Air Travel Trust		Land Authority for Wales	April 1976
Audit Commission	April 1983	Local Authority Airports	From April 1987
British Broadcasting Corporation (BBC)	1927	Local Authority Bus and Tram Companies	October 1986
British Coal Corporation <sup>1</sup>	January 1947	London Regional Transport <sup>1</sup>	January 1970
British Hallmarking Council <sup>3e</sup>	April 1998	Medicines Control Agency <sup>3b</sup>	April 1995
British Nuclear Fuels plc (BNFL) <sup>4</sup>	April 1992	Meteorological Office <sup>3b</sup>	April 1996
British Railways Board	January 1963	National Health Service Trusts	From April 1991
British Shipbuilders		Navy, Army & Air Force Institute	April 1996
		New Millenium Experience Company Ltd <sup>1, 3d</sup>	February 1997
		NHS Estates <sup>3f</sup>	April 1999
		Northern Ireland Housing Executive	May 1971
		Northern Ireland Driver Vehicle Testing Agency <sup>3c</sup>	April 1996
British Waterways Board	January 1963	Northern Ireland Transport Holding Company	April 1968
Buying Agency, The <sup>3a</sup>	January 1995	North of Scotland Water Authority <sup>5</sup>	April 1996
Caledonian MacBrayne Ltd <sup>2</sup>	April 1990	Northern Lighthouse Board <sup>3e</sup>	April 1998
Central Office of Information <sup>3b</sup>	April 1995	Oil and Pipelines Agency	December 1985
Channel Four Television Company Ltd <sup>2</sup>	December 1980	Ordnance Survey <sup>3f</sup>	April 1999
Civil Aviation Authority (CAA)	April 1972	Passenger Transport Executives	October 1969 and various later dates
Commonwealth Development Corporation	February 1948	Patent Office <sup>3b</sup>	April 1995
Companies House <sup>3b</sup>	April 1995	Port of London Authority	April 1998
Covent Garden Market Authority	October 1961	Post Office	April 1961
Crown Agents Holding and Realisation Board	January 1980	Queen Elizabeth II Conference Centre <sup>3c</sup>	April 1997
Crown Estate Commissioners <sup>3b</sup>	April 1995	Registers of Scotland <sup>3b</sup>	April 1995
Defence Evaluation Research Agency <sup>3c</sup>	April 1996	Remploy Ltd <sup>3b</sup>	April 1995
Driver Vehicle Testing Agency <sup>3c</sup>	April 1996	Royal Mint	April 1975
Driving Standards Agency <sup>3d</sup>	April 1997	Scottish Enterprise <sup>1</sup>	December 1975
Eastern Shires Purchasing Organisation	January 1981	Securities and Investment Board <sup>3c</sup>	January 1996
East of Scotland Water Authority <sup>5</sup>	April 1996	Sianel Pedwar Cymru (S4C)	January 1981
Financial Services Authority <sup>3g</sup>	April 2000	Sypta Ltd	June 1986
Fire Service College <sup>3b</sup>	April 1995	Trinity House Lighthouse Service <sup>3e</sup>	April 1998
Food from Britain <sup>3e</sup>	April 1998	Trust Ports Northern Ireland	April 1974
Forensic Science Service <sup>3f</sup>	April 1999	United Kingdom Nirex Ltd	July 1982
Forest Enterprise <sup>1, 3b</sup>	April 1995	Vehicle Inspectorate <sup>3b</sup>	April 1995
General Lighthouse Fund <sup>3e</sup>	April 1998	Welsh Development Agency	January 1976
General Teaching Council for England	September 2000	West of Scotland Water Authority <sup>5</sup>	April 1996
General Teaching Council for Wales	September 2000		
Highlands and Islands Airports <sup>2</sup>	April 1965		
Highlands and Islands Enterprise <sup>1</sup>	November 1965		
Historic Royal Palaces Trust <sup>3e</sup>	April 1998		
Horse Race Totalisator Board <sup>3b</sup>	April 1995		
UK Hydrographic Office <sup>3b</sup>	April 1995		
Laganside Corporation	April 1989		
Land Registry, Her Majesty's <sup>3b</sup>	April 1995		

<sup>1</sup> Name changed. British Coal Corporation was formerly the National Coal Board with name change in March 1987; London Regional Transport was formerly London Transport Executive; Highlands and Islands Enterprise was formerly Highlands and Islands Development Board; Scottish Enterprise was formerly Scottish Development Agency; Scottish Homes was formerly Scottish Special Housing Association and Housing corporation



(Scotland). Forest Enterprise was previously named Forestry Enterprise Agency; New Millenium Experience Company Ltd. taken into public ownership on 12/7/97 previously named Millenium Central Ltd.	Merseyrail Electrics	January 1997
	National Railway Supplies Ltd.	January 1997
	Nationwide Fire Services	January 1997
	West Anglia Great Northern Railways Ltd.	January 1997
<sup>2</sup> Caledonian MacBrayne Ltd, was part of the former Scottish Transport Group; Channel Four Television Company Ltd was part of the Independent Television Commission; Highlands and Island Airports were part of the Civil Aviation Authority.	InterCity West Coast Ltd	February 1997
	Rail Operational Research Ltd.	February 1997
	Railtest Ltd	February 1997
	ScotRail Railways Ltd	February 1997
	Burnley & Pendle Transport	February 1997
<sup>3a</sup> Non ESA95 change: reclassified from central government in 1995q1.	BBC Transmissions	1997q1
<sup>3b</sup> As described for 3a but for 1995q2.	Birmingham Airport Limited	1997q1
<sup>3c</sup> As described for 3a but for 1996q2	Northern Call Centre Company Ltd	1997q1
<sup>3d</sup> As described for 3a but for 1997q2	Scottish Call Centre Company Ltd	1997q1
<sup>3e</sup> As described for 3a but for 1998q2	British Rail International Ltd	March 1997
<sup>3f</sup> As described for 3a but for 1999q2	Central Trains Ltd	March 1997
<sup>3g</sup> As described for 3a but for 2000q2	North West Regional Railways Ltd	March 1997
	North London Railways Ltd	March 1997
	Regional Railways North East Ltd	March 1997
<sup>4</sup> Began in April 1971, reclassified from a private NFC to a public NFC from April 1992	Thameslink Rail Ltd	March 1997
	Railpart (UK) Ltd	March 1997
	Railfreight Distribution	March 1997
<sup>5</sup> Reclassified from Local Authority	Crown Agents Foundation/Crown Agents Services Ltd	1997q1
	Crown Agents Financial services Ltd	1997q1
	Crown Agents Asset Management Ltd	1997q1
	Crown Agents International Ltd	1997q1
	Greenshields, Cowie & Co Ltd	1997q1
	Resource (Science & Technology Expertise) Ltd	1997q1
	DeCTA (previously The Developing Countries Trade Agency)	1997q1
	British Arabian Technical Co-operation Ltd	1997q1
	Four Millbank Holdings Ltd	1997q1
	Four Millbank Nominees Ltd	1997q1
	The Knight Line Ltd	1997q1
	Trade Supervision Ltd	1997q1
	Greenshield Shipping Services Ltd	1997q1
	Pheonix Travel (Greenshields Ltd)	1997q1
	Great Peter Nominees Ltd	1997q1
	Northern Call Centre Co. Ltd.	June 1997
	Scotland Call Centre Co. Ltd.	June 1997
	Defence Evaluation & Research Agency (Support Services Division)	1997q2
	Paymaster	1997q2
	ADAS	1997q2
	Building Research Establishment	April 1997

### Publicly owned institutions not classified to the public sector for statistical purposes

Institution	Classified to
Bank of England Banking Department	Financial institutions
British Nuclear Fuels Ltd <sup>1</sup>	Industrial and commercial companies
Girobank <sup>2</sup>	Financial institutions
International Military Services <sup>3</sup>	Industrial and commercial companies

<sup>1</sup> Until April 1992

<sup>2</sup> Until 1990

<sup>3</sup> Ceased Trading July 1991

### Corporations reclassified to the private sector since 1997

Anglia Railways Train Services Ltd.	January 1997	
BR Business Systems	January 1997	
Great Eastern Railway Ltd.	January 1997	
Cross-Country Trains Ltd.	January 1997	
London Call Centre Ltd.	January 1997	
		Merseyrail Electrics
		National Railway Supplies Ltd.
		Nationwide Fire Services
		West Anglia Great Northern Railways Ltd.
		InterCity West Coast Ltd
		Rail Operational Research Ltd.
		Railtest Ltd
		ScotRail Railways Ltd
		Burnley & Pendle Transport
		BBC Transmissions
		Birmingham Airport Limited
		Northern Call Centre Company Ltd
		Scottish Call Centre Company Ltd
		British Rail International Ltd
		Central Trains Ltd
		North West Regional Railways Ltd
		North London Railways Ltd
		Regional Railways North East Ltd
		Thameslink Rail Ltd
		Railpart (UK) Ltd
		Railfreight Distribution
		Crown Agents Foundation/Crown Agents Services Ltd
		Crown Agents Financial services Ltd
		Crown Agents Asset Management Ltd
		Crown Agents International Ltd
		Greenshields, Cowie & Co Ltd
		Resource (Science & Technology Expertise) Ltd
		DeCTA (previously The Developing Countries Trade Agency)
		British Arabian Technical Co-operation Ltd
		Four Millbank Holdings Ltd
		Four Millbank Nominees Ltd
		The Knight Line Ltd
		Trade Supervision Ltd
		Greenshield Shipping Services Ltd
		Pheonix Travel (Greenshields Ltd)
		Great Peter Nominees Ltd
		Northern Call Centre Co. Ltd.
		Scotland Call Centre Co. Ltd.
		Defence Evaluation & Research Agency (Support Services Division)
		Paymaster
		ADAS
		Building Research Establishment

Docklands Light Railways	1997q2
Magnox Electric (now a wholly owned subsidiary of BNFL)	1998q1
English Partnerships - replaced by Regional Development Bodies	21 April 1999
Kingston Communications	July 1999

### Corporations dissolved

National Film Finance Corporation abolished in December 1985, and replaced in the private sector by the British Screen Finance Consortium.

National Oil Corporation, in March 1986, being replaced by the Oil and Pipelines Agency.

National Dock Labour Board in July 1989.

Electricity Council in March 1990, being replaced in the private sector by the Electricity Association.

The Crown Suppliers in March 1991.

Pilotage Commission in April 1991.

Six Local Authority Bus Companies from April 1989 to November 1994.

Scottish Nuclear plc in March 1996.

Nuclear Electric plc in March 1996.

Crown Agents for Overseas Governments and Administrations Ltd. (known as Crown Agents); replaced on privatisation by Crown Agents Ltd. on 21 March 1997.

London Regional Transport disbanded on 3 July 2000 and has been replaced by Transport Trading Ltd.

### Other changes

The Housing Corporation was reclassified in the 1987 *Blue Book* as a central government trading body and the data were revised back to 1974. The Independent Television Commission (other than Channel Four) was reclassified to the central government sector from October 1991. The Urban Regeneration Agency was established from November 1993, and incorporated the former English Industrial Estates Corporation from April 1994, trading as English Partnership. Letchworth Garden City Corporation became

Letchworth Garden City Heritage Foundation, a private charity from October 1995.

Parts of British Coal and British Railways Board have been sold since 1994. British Energy assumed most of the activities of Nuclear Electric plc and Scottish Nuclear plc in April 1996. AEA Technology, part of UKAEA, was sold in September 1996. East Kilbride and Glenrothes New Town Development Corporations were wound-up in December 1995. Cumbernauld, Irvine and Livingstone New Town Development Corporations were wound-up in December 1996. The Urban Development Corporations for Birmingham, Black Country, Bristol, Cardiff Bay, London Docklands, Merseyside, Plymouth, Teeside, Trafford Park and Tyne & Wear were wound up from March 1998.

The following were reclassified to Central Government:

Deeds of Assumption	March 1996
UKAEA	1996q3
Housing Action Trusts (Castle Vale, Liverpool, Stonebridge, Tower Hamlets, Waltham Forest)	January 1987
Railsale	November 1995
English Partnerships	April 1999
Scottish Development Agency	April 1999
Scottish Homes	April 2000
London Pensions Fund Authority	July 2000
Scottish Enterprise	April 2001
Highlands & Islands Enterprise	April 2001
Welsh Development Agency	April 2001

For statistical purposes within the National Accounts, the income and expenditure transactions of the Bank of England Banking Department have been reclassified from the 1993 *Blue Book* to the financial sector. Data have been revised back to 1984. This also applies to Girobank, until its privatisation in July 1990.

From the 1993 *Blue Book* the fossil fuel level on electricity distribution is now separately identified as a capital grant within the public corporation accounts. Until this *Blue Book* income generated was included in gross trading surplus.

### Availability of Quarterly Data

Quarterly data underlying the figures for general government are available on request from Duncan MacGregor, Office for National Statistics, EEPD, Room 249, East Lane House, East Lane, RUNCORN, WA7 2GJ. Telephone: 01928 792501; Fax: 01928 792659.

## References:

*Civil Service Statistics 2000* published on the Internet  
([www.cabinet-office.gov.uk/civilservice/index/statistics.htm](http://www.cabinet-office.gov.uk/civilservice/index/statistics.htm)),  
Enquiries can be made to:

Central Support: Statistics,  
Civil Service Corporate Management,  
Cabinet Office,  
Horse Guards Road,  
LONDON  
SW1P 3AL.  
Tel. 020 7270 5744 or Fax 020 7270 5221,  
E-mail: [psb@cabinet-office.x.gsi.gov.uk](mailto:psb@cabinet-office.x.gsi.gov.uk)

*Public Bodies 2000* published by The Stationery Office, price £24.95.  
Enquiries to: Cabinet Office, Central Secretariat, Horse Guards Road,  
LONDON SW1P 3AL.  
Tel. 020 7270 1868 or Fax 020 7270 1874.  
[www.cabinet-office.gov.uk/quango](http://www.cabinet-office.gov.uk/quango)

*United Kingdom Sector Classification for the National Accounts 1999 edition* (ESA 95) The Stationery Office, price £25.

*United Kingdom National Accounts Concepts, Sources and Methods 1999 edition* (ESA 95) The Stationery Office, price £75.

For more information about National Statistics publications  
Telephone: 01633 812078 or Fax: 01633 812762.

The ONS can also be contacted via the National Statistics  
Website: [www.statistics.gov.uk](http://www.statistics.gov.uk)

# Experimental monthly balance of payments

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## Summary

In the December 1999 issue of *Economic Trends*, the Office for National Statistics published an article outlining the progress made in developing a system to provide monthly balance of payments to the European Central Bank (ECB) for the purposes of monetary policy and foreign exchange operations in the Euro area. The UK has provided estimates of monthly key items (MKIs) since December 1999, as part of its preparations for possible future membership of Economic and Monetary Union (EMU). The UK aims to produce these monthly estimates without increasing burdens on business. Therefore, to avoid additional inquiries, the strategy has been to use monthly data where available and to develop modelling and forecasting solutions where no such data exist. This article updates progress made since December 1999 and highlights areas where the UK has enhanced, or is planning to enhance, its delivery systems to meet continuing ECB requirements. It coincides with the Experimental Monthly Balance of Payments Key Items dataset, which is sent to the ECB, becoming available on the National Statistics website ([www.statistics.gov.uk](http://www.statistics.gov.uk)).

## Developments since last article

Monthly key indicators have been delivered to the ECB to the 6-week deadline since December 1999 (containing data for October 1999). In July 2000 the level of detail was expanded to meet new ECB requirements for a breakdown of Current Account Income into its constituent parts, namely Direct Investment, Portfolio Investment, Other Investment and Compensation of Employees. These data have been largely developed using forecasting and interpolation techniques, although where monthly data exist, such as for acquisitions and mergers (A&M), these have been used.

In addition, the models developed for other MKI's have been monitored to determine how well they predict the next quarterly outturn. This is discussed in more detail below, but where performance has been poor, the modelling approach has been reviewed; in particular, whether another forecasting model would better predict the quarterly outturn more accurately is considered. Recently, research has begun to examine if a more sophisticated multivariate approach would produce better results for some of the financial account series that are more difficult to forecast.

Table MKI1, at the end of this article, gives the current breakdown of the MKIs requested by the ECB for European Union Member States that are not part of the single currency area. The table shows UK figures for February 2001. Table MKI2 shows the time series for the UK back to January 2000. The ECB require all data not seasonally adjusted at six-weeks after the relevant period. It is important to note that Monetary Union Member States (MUMS) are required to supply MKI transactions with non-euro area countries. The UK currently produces only global aggregates, but as preparation for potential entry, is exploring how best to develop a MUMS/non MUMS breakdown.

## Quality

In the previous article it was stated that it was too early, at that time, to say how well the methods for deriving MKI's would perform. After eighteen months experience, we can now provide some feedback. Performance has been mixed, with estimates for the Current Account MKI's much more closely aligned to published quarterly results than those for the Financial Account. This is not unexpected since the financial account data are inherently volatile and more difficult to forecast. In addition there are relatively few monthly financial account data, though the continued use of cross-border Acquisition and

Merger data, together with their equity and cash counterparts, does provide a monthly path that goes some way to reflect true economic activity. Table 1 below contains full quality measurements for 2000 Q1 - 2000 Q4.

Over the four quarters of 2000, the sum of the monthly Current Account credits and debits has on average been within 5 per cent of the first published quarterly estimates. Within the current account, the performance of the goods and services components, where there is a history of producing monthly data (if not to the ECB 6-week deadline), has been much better than the income and current transfers components. The focus must now be to improve the quality of the monthly income estimates in particular.

Within the Financial Account, however, performance has been much less satisfactory, with the sum of the monthly estimates being markedly different from the first quarterly published estimates. Two

main difficulties have been identified:

- Financial account transactions are on a net basis. That is, transactions in assets can be either positive (investment) or negative (disinvestment), and vice versa for liabilities. This, together with the inherent erraticism of the series, makes forecasting much more difficult.
- There is little monthly financial account data available. Where there is 'real' monthly data, such as cross-border Acquisition and Merger data, the performance gain is noticeable. The average error<sup>1</sup> on FDI net assets is 107 per cent, compared with 162 per cent for portfolio investment and 37 per cent for other investment, while for FDI net liabilities it is 74 per cent, compared with 85 per cent for portfolio investment and 48 per cent for other investment.

**Table 1 Quality Measurements of Monthly key items**

<i>Current Account Credits</i>	<i>2000 Q1</i>				<i>2000 Q2</i>				<i>2000 Q3</i>				<i>2000 Q4</i>			
	<i>Forecast</i>	<i>Actual</i>	<i>% Error<sup>1</sup></i>	<i>QR<sup>2</sup></i>	<i>Forecast</i>	<i>Actual</i>	<i>% Error</i>	<i>QR</i>	<i>Forecast</i>	<i>Actual</i>	<i>% Error</i>	<i>QR</i>	<i>Forecast</i>	<i>Actual</i>	<i>% Error</i>	<i>QR</i>
Current Account Total	94,215	95,677	-2%	42%	98,748	103,586	-5%	61%	103,419	107,970	-4%	104%	107,564	112,031	-4%	110%
Total Trade in Goods	43,532	44,790	-3%	243%	45,434	45,467	0%	5%	45,545	45,920	-1%	83%	50,679	50,312	1%	8%
Total Trade in Services	15,493	14,834	4%	97%	16,135	15,981	1%	13%	18,311	18,035	2%	13%	16,186	16,814	-4%	51%
Total Income	29,735	30,160	-1%	27%	32,729	37,440	-13%	65%	35,603	39,576	-10%	186%	36,340	39,860	-9%	1,239%
Total Current Transfers	5,455	5,893	-7%	21%	4,450	4,698	-5%	21%	3,960	4,439	-11%	185%	4,359	5,045	-14%	113%
Total Capital Account	493	497	-1%	7%	636	847	-25%	60%	589	598	-2%	4%	635	722	-12%	70%
<i>Current Account Debits</i>	<i>2000 Q1</i>				<i>2000 Q2</i>				<i>2000 Q3</i>				<i>2000 Q4</i>			
	<i>Forecast</i>	<i>Actual</i>	<i>% Error</i>	<i>QR</i>	<i>Forecast</i>	<i>Actual</i>	<i>% Error</i>	<i>QR</i>	<i>Forecast</i>	<i>Actual</i>	<i>% Error</i>	<i>QR</i>	<i>Forecast</i>	<i>Actual</i>	<i>% Error</i>	<i>QR</i>
Current Account Total	92,640	99,901	-7%	126%	99,841	106,071	-6%	101%	108,008	111,978	-4%	67%	110,519	115,979	-5%	137%
Total Trade in Goods	50,803	51,361	-1%	63%	53,366	53,120	0%	14%	54,195	54,000	0%	22%	57,423	57,218	0%	6%
Total Trade in Services	11,943	11,672	2%	42%	13,862	13,265	5%	38%	16,301	16,283	0%	1%	13,038	13,522	-4%	18%
Total Income	24,159	30,639	-21%	155%	27,362	34,073	-20%	195%	31,717	35,572	-11%	257%	34,121	38,821	-12%	145%
Total Current Transfers	5,735	6,229	-8%	37%	5,251	5,613	-6%	59%	5,795	6,123	-5%	64%	5,937	6,418	-8%	163%
Total Capital Account	328	279	18%	37%	217	161	35%	48%	193	159	21%	1,700%	164	209	-22%	90%
<i>Financial Account Assets</i>	<i>2000 Q1</i>				<i>2000 Q2</i>				<i>2000 Q3</i>				<i>2000 Q4</i>			
	<i>Forecast</i>	<i>Actual</i>	<i>% Error</i>	<i>QR</i>	<i>Forecast</i>	<i>Actual</i>	<i>% Error</i>	<i>QR</i>	<i>Forecast</i>	<i>Actual</i>	<i>% Error</i>	<i>QR</i>	<i>Forecast</i>	<i>Actual</i>	<i>% Error</i>	<i>QR</i>
Financial Account Total	-76,328	-247,650	-69%	68%	-111,223	-127,811	-13%	80%	5,789	-25,214	-123%	102%	-77,753	-65,359	19%	44%
Direct Investment	-5,148	-125,251	-96%	118%	-15,721	-32,309	-51%	18%	-30,289	-12,544	141%	90%	-14,853	-6,253	138%	137%
Portfolio Investment	-17,998	9,219	-295%	305%	-53,475	-53,475	-116%	99%	9,725	37,513	-135%	146%	8	-9,436	-100%	52%
Other Investment	-53,182	-131,618	-60%	49%	-42,027	-42,027	-34%	16%	26,353	-50,183	-29%	180%	-62,908	-49,670	27%	2,581%
<i>Financial Account Liabilities</i>	<i>2000 Q1</i>				<i>2000 Q2</i>				<i>2000 Q3</i>				<i>2000 Q4</i>			
	<i>Forecast</i>	<i>Actual</i>	<i>% Error</i>	<i>QR</i>	<i>Forecast</i>	<i>Actual</i>	<i>% Error</i>	<i>QR</i>	<i>Forecast</i>	<i>Actual</i>	<i>% Error</i>	<i>QR</i>	<i>Forecast</i>	<i>Actual</i>	<i>% Error</i>	<i>QR</i>
Financial Account Total	66,368	248,585	-73%	71%	59,940	91,548	-35%	57%	74,596	98,151	-24%	79%	93,834	76,501	23%	80%
Direct Investment	14,000	9,891	42%	51%	26,948	18,697	44%	94%	43,208	42,544	2%	3%	17,448	5,619	211%	32%
Portfolio Investment	4,055	104,731	-96%	106%	-6,134	33,725	-118%	56%	5,035	21,249	-76%	130%	15,992	31,883	-50%	149%
Other Investment	48,313	133,963	-64%	50%	39,126	39,126	-48%	63%	26,353	34,358	-23%	19%	60,394	38,999	55%	461%

<sup>1</sup> % Error: Displays the percentage difference between the forecast and the actual position. Calculated by  $((\text{Forecast} - \text{Actual}) / \text{Actual}) * 100$

<sup>2</sup> QR (Quality Ratio): Shows whether the previous Actual data position would have been a better predictor than the Forecast. If the Forecast was better, the value is less than 100%

A major area of work now is to explore ways to improve the performance of the financial account forecasts. One option is to determine whether there is any relationship between portfolio and other investment and movements in interest rate and bond yields. If such relationships are found, it may offer the possibility of using econometric solutions where these can be shown to have a significant effect on the results. It is hoped to elaborate on these in a later article.

## Future Plans

### More detail

Developmental work is continuing to expand on the level of MKI's currently delivered. For Direct Investment flows in the Financial Account, the ECB is seeking a breakdown into constituent components, namely Equity Capital, Reinvested Earnings and Other Capital Transactions. Some monthly data are available from the Acquisition and Mergers surveys.

### Improving forecasts

Work is continuing to improve the forecasts of Portfolio and Other Investment flows using econometric methods allied to key economic indicators on the one hand, and making use of monthly banks balance sheet information (from the Bank of England) on the other.

**MKI1** Experimental MKIs<sup>1</sup>  
European Central Bank delivery  
February 2001

	Credits	Debits	Net Flows
A. Goods	16 003	18 127	-2 124
B. Services	5 553	4 128	1 425
C. Income	12 966	13 043	-77
Compensation of employees	59	64	-5
Investment income	12 907	12 979	-72
Direct investment	4 446	3 594	852
Portfolio investment	2 952	3 126	-174
Other investment	5 509	6 259	-750
D. Current transfers	2 837	2 420	417
<b>I. Current account</b>	<b>37 359</b>	<b>37 718</b>	<b>-359</b>
<b>II. Capital account</b>	<b>130</b>	<b>112</b>	<b>18</b>
1. Direct investment			-1 925
Abroad			-1 159
In reporting country			1 637
2. Portfolio investment	-26 104	4 416	-21 688
equity securities	-22 021	967	
debt securities	-4 083	3 449	
bonds and notes	-7 631	-192	
money market instruments	3 548	3 641	
3. Financial derivatives <sup>2</sup>			
4. Other investment	-5 391	19 092	13 701
monetary authorities			
general government	-31	-161	
monetary financial institutions <sup>3</sup>	77	15 837	
other sectors	5 437	3 416	
5. Reserve assets	2 520		2 520
<b>III. Financial account</b>			<b>-7 392</b>
<b>IV. Net errors and omissions</b>			<b>7 733</b>

1 Further Development is ongoing and the MKIs will be available, as experimental data only, on the National Statistics web site ([www.statistics.gov.uk](http://www.statistics.gov.uk))  
2 Estimates for financial derivatives are not published for the UK except for interest rates swaps flows which currently appear under earnings on portfolio investment within investment income  
3 The UK does not currently compile estimates for monetary authorities separately; the issue and banking departments of the Bank of England are included within the MFIs

### Develop non-euro area split

The ONS is developing its methodology to provide non-euro area data for all MKI's, and as a first step is developing the breakdown for the components of the Current Account. As for the aggregate data, these estimates are based on monthly data when available, but when there are no monthly data, the estimates are derived by forecasting the quarterly estimates and interpolating a monthly path. The next step will be to develop a non-euro area breakdown of the Financial Account.

### Sectoral split

To allow the ECB to develop a 'monetary presentation' of the BoP account, euro-area members are being asked to develop a Monetary Financial Institutions (MFI's or broadly banks) split of the MKI's. The ONS with the Bank of England will need to consider this in the future work programme of the monthly BoP project.

The ONS welcomes comments on the Experimental Monthly Balance of Payments project. Please address these to the author.

**MKI2** Experimental MKIs  
European Central Bank delivery  
Not seasonally adjusted

	2000 Jan	2000 Feb	2000 Mar	2000 Apr	2000 May	2000 Jun	2000 Jul	2000 Aug	2000 Sep	2000 Oct	2000 Nov	2000 Dec	2001 Jan	2001 Feb
<b>Credits</b>														
Goods	13 373	14 524	16 904	14 062	15 447	16 589	14 632	15 146	16 142	17 125	17 626	15 561	15 890	16 003
Services	5 070	4 895	5 344	5 426	5 477	5 746	6 148	6 204	6 093	5 848	5 480	5 486	5 570	5 553
Income	0 075	10 326	10 747	11 416	12 268	12 723	12 856	12 946	13 016	13 237	13 413	13 212	12 833	12 966
Compensation of employees	54	48	55	74	94	106	111	109	106	98	90	80	68	59
Investment income	10 021	10 278	10 692	11 342	12 174	12 617	12 745	12 837	12 910	13 139	13 323	13 132	12 765	12 907
Direct investment	3 409	3 641	3 709	3 608	3 601	3 817	4 232	4 527	4 564	4 344	4 110	4 022	4 161	4 446
Portfolio investment	2 365	2 136	2 274	2 777	3 198	3 297	3 038	2 776	2 708	2 887	3 106	3 218	3 145	2 952
Other investment	4 247	4 501	4 709	4 957	5 375	5 503	5 475	5 534	5 638	5 908	6 107	5 892	5 459	5 509
Current transfers	2 795	1 755	1 586	1 595	1 778	1 732	1 523	1 483	1 446	1 640	1 658	1 747	2 911	2 837
Current account	31 313	31 500	34 581	32 499	34 970	36 790	35 159	35 779	36 697	37 850	38 177	36 006	37 204	37 359
<b>Debits</b>														
Goods	15 933	16 916	18 513	16 864	17 651	18 666	18 258	17 178	18 743	19 628	19 906	17 684	18 395	18 127
Services	3 994	3 826	4 118	4 452	4 527	5 049	5 238	5 947	5 593	5 094	4 403	4 025	4 278	4 128
Income	933	10 460	11 049	11 617	11 926	11 894	11 614	11 548	11 856	12 496	13 052	13 273	13 250	13 043
Compensation of employees	78	79	74	64	57	58	67	75	77	75	71	67	64	64
Investment income	9 855	10 381	10 975	11 553	11 869	11 836	11 547	11 473	11 779	12 421	12 981	13 206	13 186	12 979
Direct investment	2 604	2 902	3 160	3 327	3 298	3 071	2 738	2 580	2 694	3 061	3 440	3 681	3 708	3 594
Portfolio investment	2 441	2 502	2 593	2 697	2 767	2 785	2 763	2 774	2 846	2 974	3 093	3 162	3 166	3 126
Other investment	4 810	4 977	5 222	5 529	5 804	5 980	6 046	6 119	6 239	6 386	6 448	6 363	6 312	6 259
Current transfers	2 719	1 800	1 837	1 918	1 866	1 729	1 909	2 042	2 328	2 093	2 039	2 286	2 435	2 420
Current account	32 579	33 002	35 517	34 851	35 970	37 338	37 019	36 715	38 520	39 311	39 400	37 268	38 358	37 718
<b>Balances</b>														
Goods	-2 560	-2 392	-1 609	-2 802	-2 204	-2 077	-3 626	-2 032	-2 601	-2 503	-2 280	-2 123	-2 505	-2 124
Services	1 076	1 069	1 226	974	950	697	910	257	500	754	1 077	1 461	1 292	1 425
Income	142	-134	-302	-201	342	829	1 242	1 398	1 160	741	361	-61	-417	-77
Compensation of employees	-24	-31	-19	10	37	48	44	34	29	23	19	13	4	-5
Investment income	166	-103	-283	-211	305	781	1 198	1 364	1 131	718	342	-74	-421	-72
Direct investment	805	739	549	281	303	746	1 494	1 947	1 870	1 283	670	341	453	852
Portfolio investment	-76	-366	-319	80	431	512	275	2	-138	-87	13	56	-21	-174
Other investment	-563	-476	-513	-572	-429	-477	-571	-585	-601	-478	-341	-471	-853	-750
Current transfers	7 6	-45	-251	-323	-88	3	-386	-559	-882	-453	-381	-539	476	417
Current account	-1 266	-1 502	-936	-2 352	-1 000	-548	-1 860	-936	-1 823	-1 461	-1 223	-1 262	-1 154	-359
<b>Capital account</b>														
credits	256	98	183	296	435	160	158	230	233	219	183	320	152	130
debits	87	100	95	72	52	40	47	57	63	63	66	80	101	112
balances	169	-2	88	224	383	120	111	173	170	156	117	240	51	18

	2000 Jan	2000 Feb	2000 Mar	2000 Apr	2000 May	2000 Jun	2000 Jul	2000 Aug	2000 Sep	2000 Oct	2000 Nov	2000 Dec	2001 Jan	2001 Feb
<b>UK investment abroad</b> (UK assets = net debits)														
Direct investment	2 732	85 204	18 790	22 362	6 927	6 785	13 388	-135	2 783	-1 586	-1 514	9 353	7 793	1 159
Portfolio investment	-882	-19 152	11 380	15 250	23 008	19 166	5 592	134	21 570	1 627	10 036	-2 227	8 386	26 104
Equity securities	4 089	-31 018	-3 484	4 803	21 995	16 855	5 889	-4 455	15 261	-512	-3 545	-1 671	6 584	22 021
Debt securities	-4 971	11 866	14 864	10 447	1 013	2 311	-297	4 589	6 309	2 139	13 581	-556	1 802	4 083
Bonds and notes	-1 497	7 346	10 720	7 207	2 532	413	2 293	5 409	7 690	8 140	7 689	7 219	7 241	7 631
Money market instruments	-3 474	4 520	4 144	3 240	-1 519	1 898	-2 590	-820	-1 381	-6 001	5 892	-7 775	-5 439	-3 548
Financial derivatives														
Other investment	65 779	47 050	28 267	21 233	29 322	-18 394	18 181	-2 089	31 827	12 628	43 902	-6 860	50 592	5 391
Monetary authorities														
General government	22	12	6	5	6	7	6	12	25	44	58	60	50	31
Monetary financial institutions (excluding central banks)	52 603	26 453	9 853	14 051	31 265	-15 267	13 746	-13 707	26 552	7 878	41 063	-10 449	49 605	-77
Other sectors	13 154	20 585	18 408	7 177	-1 949	-3 134	4 429	11 606	5 250	4 706	2 781	3 529	937	5 437
Reserve assets	-2 612	-497	644	398	787	-639	1 983	-667	214	1 585	1 473	1 246	-813	-2 520
<b>Investment in the UK</b> (UK liabilities = net credits)														
Direct investment	3 384	2 446	5 874	5 019	11 458	5 083	7 748	25 155	14 413	368	4 728	522	1 235	1 637
Portfolio investment	6 153	69 825	17 952	25 407	4 160	2 404	9 493	3 654	3 661	8 243	8 040	15 600	9 712	4 416
Equity securities	2 231	66 964	12 923	18 637	259	314	6 687	1 491	1 639	1 305	874	8 535	687	967
Debt securities	3 922	2 861	5 029	6 770	3 901	2 090	2 806	2 163	2 022	6 938	7 166	7 065	9 025	3 449
Bonds and notes	3 667	3 158	3 136	2 981	1 794	456	-1 150	-2 507	-2 052	-148	1 328	1 962	1 151	-192
Money market instruments	255	-297	1 893	3 789	2 107	1 634	3 956	4 670	4 074	7 086	5 838	5 103	7 874	3 641
Financial derivatives														
Other investment	60 683	33 490	42 807	16 129	48 160	5 991	8 849	-13 024	39 689	1 589	27 911	9 500	54 334	19 092
Monetary authorities														
General government	-443	-556	-432	-103	201	350	302	204	146	159	170	127	8	-161
Monetary financial institutions (excluding central banks)	57 781	23 406	27 966	233	33 942	-5 278	728	-17 908	37 907	2 300	28 777	9 735	45 134	15 837
Other sectors	3 345	10 640	15 273	15 999	14 017	10 919	7 819	4 680	1 636	-870	-1 036	-362	9 192	3 416
<b>Net transactions</b> (Net credits less net debits)														
Direct investment	713	-82 485	-13 249	-17 234	4 510	-1 790	-5 711	25 233	11 758	1 735	6 128	-8 497	-6 876	-1 925
Portfolio investment	7 035	88 977	6 572	10 157	-18 848	-16 762	3 901	3 520	-17 909	6 616	-1 996	17 827	1 326	-21 688
Financial derivatives														
Other investment	-5 096	-13 560	14 540	-5 104	18 838	24 385	-9 332	-10 935	7 862	-11 039	-15 991	16 360	3 742	13 701
Reserve assets	2 612	497	-644	-398	-787	639	-1 983	667	-214	-1 585	-1 473	-1 246	813	2 520
Financial account	5 264	-6 571	7 219	-12 579	3 713	6 472	-13 125	18 485	1 497	-4 273	-13 332	24 444	-995	-7 392
Errors and omissions	-4 167	8 075	-6 371	14 707	-3 096	-6 044	14 874	-17 722	156	5 578	14 438	-23 422	2 098	7 733



# APPENDIX

## METHODOLOGY

### Summary

Since the UK compiles its balance of payments estimates primarily from a quarterly survey-based collection system, the monthly data have been derived in a number of ways. In general, estimates are produced at a lower level of disaggregation than the MKI requirements, although since July 2000 disaggregated estimates of Current Account Income have been supplied. For components where monthly data are available these have been incorporated directly. For other components where monthly data bearing a close relationship to the quarterly series have been collected, these have been used to approximate the actual monthly data. However, for the majority of components there are no monthly data or proxies yet identified, and estimates have been derived using univariate statistical modelling techniques.

### I Current account

#### A. Trade in goods

The basic sources of data on trade in goods are customs declarations (SADs, i.e. Single Administrative Documents) for trade with non-EU countries and INTRASTAT forms (Supplementary Declarations) for trade with EU countries. The time series for trade with the rest of the world are available on a BPM5 (*IMF Balance of Payments of Payments Manual, Fifth Edition, 1993*) basis monthly from 1980, with a split of the monthly data between EU and non-EU countries on a BPM5 basis available from 1988.

Monthly data on a BPM5 basis are published about three weeks after the end of the month, for trade with non-EU countries, and about seven weeks after the end of the month, for trade with EU countries. Overall MUMS data are published alongside the most recent data for trade with EU countries. The best method found for estimating figures for total trade with the EU is by using Auto Regressive Integrated Moving Average (ARIMA) models on the monthly time series to project the required month and MUMS data, the latter using a proportion of the EU forecast. The world figures are an aggregation of non-EU published data and EU estimates. Estimates will be replaced with published data with the following delivery of data to the ECB.

#### B. Trade in services

The approach, and much of the data, is the same as that used for the seasonally adjusted monthly estimates published alongside trade in goods in the *UK Trade First Release*. An article describing in detail the methods of deriving monthly trade in services estimates was published in *Economic Trends*, No. 526, September 1997.

Monthly estimates are produced at a high level of disaggregation, largely using models to produce estimates at the six-week stage. These modelled estimates are overwritten as real or proxy data become available at the eight-week stage (when published in the Trade First Release) and beyond.

Components for which monthly data are available comprise some 25 per cent of trade in services credits and 40 per cent of debits. The majority of these estimates are travel data, collected via the International Passenger Survey, as well as some insurance data. For the remainder, other monthly data sources continue to be investigated to assess their relationship to existing quarterly series and therefore their suitability as proxies, e.g. monthly data on UK airline traffic and passengers on overseas aircraft. Where no monthly data or proxies are available, ARIMA models are used to generate quarter ahead projections. A cubic spline is then applied to interpolate monthly paths from the quarterly series.

#### C. Income

Monthly estimates have been produced using a combination of monthly data as proxies, statistical models (usually ARIMA), and indicators based on rates of return. Other Investment credits are modelled in a way that allows the incorporation of monthly data and estimates from the Bank of England.

ARIMA models have been used where they provide a better projection than repeating the previous quarter: a quarterly estimate is extrapolated and then a cubic spline provides the monthly path. The models are reviewed regularly, as the behaviour of certain series might change significantly over time. Identification of ARIMA models and compilation of monthly estimates has been carried out using SAS (Statistical Analysis Software). In general, estimates of income from direct investment, portfolio investment and other investment are derived using extrapolation and interpolation techniques,

although for other investment credits around 80 per cent of the estimate is derived from monthly data formulated by the Bank of England from banks' balance sheets and average rates of return.

#### **D. Current transfers**

Components for which monthly data are available (mostly payments and receipts from EU Institutions) comprise around 40 per cent of total current transfer credits and debits. For the remainder, other monthly data sources have been examined to see whether they provide a good correlation with the existing quarterly series (such as monthly insurance premiums data from Lloyds of London). For those series with no monthly data or acceptable proxies, statistical modelling has been used to extrapolate a quarterly estimate and interpolate a monthly path. As most of the volatility in the current transfers data is driven by those series that are available on a monthly basis, this methodology should provide a realistic monthly profile and a good prediction of the quarterly outturn.

### **II Capital account**

Components for which monthly data are available comprise up to around 50 per cent of total capital account credits (receipts from EU Institutions). For the remainder, other monthly data sources have been examined to see whether they provide a good correlation with the existing quarterly series. For those series with no monthly data or acceptable proxies, statistical modelling will be used to extrapolate a quarterly estimate and interpolate a monthly path.

### **III Financial account**

#### **1. Direct investment**

The ONS maintains a continuous database of reported cross-border acquisition and merger deals, the results of which are used as proxies for that part of quarterly direct investment (around 82 per cent of the total in 2000). The residual part of the investment series is modelled using ARIMA modelling.

#### **2. Portfolio investment**

Monthly portfolio investment data are not available from ONS surveys, although some data are provided by the Bank of England on money market instruments flows. Extrapolation and interpolation techniques are being used as the basis to derive monthly estimates.

#### **3. Financial derivatives**

Estimates for financial derivatives are not published for the UK except for interest rate swaps flows which currently appear under earnings on portfolio investment within investment income. Monthly data are entirely consistent with published quarterly estimates and, therefore, the MKIs supplied to the ECB will not include financial derivatives as a separate financial account category in the near future.

#### **4. Other investment**

The Bank of England produces monthly financial account other investment transactions for banks using monthly balance sheet levels. As for portfolio investment these are used as proxy data, in conjunction with statistical modelling, to estimate the residual part of the series (including trade credits and loans/deposits by non-banks).

#### **5. Reserve assets**

The Bank of England compiles monthly data from administrative sources.

# Agricultural land prices statistics and indicators

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## Introduction

This article gives an overview of the main statistical series available on current (and recent) agricultural land prices in England and, to some extent, Wales. It focuses on the most well-established series that are widely used by analysts interested in current land market conditions. The series that are considered are the 'official' statistics produced by the Ministry of Agriculture, Fisheries & Food (MAFF) in association with the Valuation Office Agency (VOA) and the National Assembly for Wales Agriculture Department (NAWAD),<sup>1</sup> the separate specialised valuation estimates that the VOA publish twice a year in *Property Market Report (PMR)*, (which is compiled differently from the 'official' series (see below)) and the data that the Royal Institution of Chartered Surveyors (RICS), publish. Other reports or data specifically focus on different segments of the market, e.g. those compiled by the Oxford Institute / Savills,<sup>2</sup> but are outside the scope of this article.

The existence of numerous well established data series is an indication that the land market is seen as an important aspect of the agricultural sector. It is also significant as an indicator of foreseeable profitability prospects in farming, because current prices will reflect, *inter alia*, expectations of net returns (or 'rents') to be earned from farmland (Walsh, 1997).<sup>3</sup>

The foregoing data series are designed to serve quite different purposes and are compiled in substantially different ways. This article attempts a brief comparison of the respective statistics for the period from 1993 to 1999. It considers whether at least some of them might be partly aligned to co-ordinate with each other in order to provide a focussed and up-to-date picture of agricultural land market developments.

The contents of this article and any comments expressed are the sole responsibility of the author and do not represent or necessarily reflect the views of MAFF.  
g Note that terms marked are defined in the glossary.

The potential benefit would be that it could help to lay the foundation for developing a sensitive leading indicator for the official MAFF agricultural land prices. This indicator would be a barometer of prospective future developments within a certain time horizon in farming. This could also assist analysts and policy-makers in making informed assessments of prospects for the industry.

In the first section a brief outline of the main data series is given. As explanatory information on the MAFF data are readily accessible (e.g. on the website [www.maff.co.uk](http://www.maff.co.uk)...),<sup>4</sup> attention in this section will be mainly directed at certain relevant non-MAFF market data sources. However one important aspect of the MAFF series is the timing factor. At present it is estimated that over half of transactions are likely to be included within nine months of the sale and the initial estimates for any quarter will therefore be published with a nine-month lag.

In the second part of the article the VOA *PMR* series are examined in order to conduct a comparative analysis with the MAFF data. The third section conducts a comparative analysis of the RICS series. In the fourth section methodological procedures are considered and suggestions made regarding the construction of short-term agricultural land price projections in the context of developing a leading indicator. A final section concludes.

## Market Data Sources: outline

### VOA's Property Market Report

The data and tables in this publication are compiled from the knowledge and opinions of the VOA's District Valuers and also from transactions data recorded on the Particulars Delivered forms (PDs, see footnote 4). Valuers analyse these forms based on their local knowledge of the farms and the background to the transactions in order to arrive at an opinion of value of a typical property type. The estimates that appear, e.g. in the tables on pp. 16 & 19, are not

directly empirical statistics. Some farms that are deemed to be representative or 'typical property types' are designated and their value is reconsidered every six months.

Where property specifications have changed, the representative type will be redefined to maintain the representation of the market, (although this does not occur frequently for agricultural properties). Hence the tables provide data (unweighted) that are valuers' estimates of the value of a consistent set (and subsets) of representative property types comprising fully equipped farms, (rather than prices paid for properties that have actually been sold).

RICS

In 1995 RICS initiated a new land price series which was intended to fill a gap left by the demise of the ADAS/AMC/CLA<sup>9</sup> series known as the CALP.<sup>5</sup> The overall RICS data represent the outcomes of

actual sales and not updated judgements of general valuation, as in the case of the VOA *PMR* estimates. The data are recorded as prices agreed where contracts have been exchanged and comprise a range of transactions types.

Comparing VOA *PMR* and MAFF/NAWAD Data

The estimates published in the VOA's *Property Market Report (PMR)* relate to April and October, hence a semi-annual time series can be compiled. The average values in England and Wales are based on valuers' opinions formed at 49 locations for mixed farm land, 40 for arable land, 32 for dairy land, 17 for hill land. The published estimates are simple averages of all the reported locations in each region/country. In a few instances there are no entries, which indicates that the farmland type is not typical in the area. The results are presented in the form of a typology associated directly with the foregoing locational groups.

Table 1 VOA *Property Market Report (PMR)*

Value of Agricultural Land with Vacant Possession England & Wales					£ per ha.
	Type of Farmland				
	Arable	Dairy	Mixed	Hill	
Apr. 98	8,358	8,245	7,304		3,006
Oct. 98	8,013	8,307	7,294		3,011
Apr. 99	7,709	8,030	6,936		2,932
Oct. 99	7,659	7,958	6,741		2,808
Apr. 00	7,585	7,808	6,674		2,717

VOA Weighted Agricultural Land Prices England & Wales					£ per ha.
Components proportionally adjusted by weighting to be summed to provide the weighted total.					
Half-year centred on	Type of farm				Weighted Total Agricultural Land Prices
	Arable	Dairy	Mixed	Hill	
Apr. 93	1,327	1,509	1,769	310	4,915
Oct. 93	1,350	1,531	1,787	313	4,981
Apr. 94	1,401	1,573	1,830	328	5,132
Oct. 94	1,494	1,626	1,912	327	5,359
Apr. 95	1,660	1,730	1,999	353	5,742
Oct. 95	1,892	1,753	2,023	382	6,050
Apr. 96	1,990	1,860	2,185	372	6,408
Oct. 96	2,204	1,973	2,360	396	6,934
Apr. 97	2,331	1,983	2,473	393	7,180
Oct. 97	2,383	2,019	2,551	411	7,363
Apr. 98	2,423	1,912	2,593	370	7,298
Oct. 98	2,323	1,926	2,590	371	7,210
Apr. 99	2,234	1,862	2,463	361	6,920
Oct. 99	2,220	1,845	2,394	346	6,805
Apr. 00	2,199	1,811	2,370	335	6,714
Mean (93 1 – 99 2)					6,307

Source: VOA Property Market Report, various issues

Consequently the data are disaggregated by broad type of farmland, namely arable, dairy, mixed and hill. The estimates for recent years for land values (vacant possession) are provided in Table 1.

In order to conduct a directly comparable analysis with the published MAFF-based statistical series, the data need to be converted on to a similar basis. The separate farmland type series in the VOA *PMR* are amalgamated into a composite overall series, by weighting the farm type data-sets by the proportion of the farms sampled in that type. This gives a combined (weighted) total for England and Wales, presented in Table 1

The MAFF-based series will be converted to a similar periodicity, i.e. semi-annual (by taking quarterly averages) up to the latest available which is end-1999. To enable overall comparability the published land prices figures for England and Wales can be combined. The land prices data are adjusted accordingly by taking averages weighted by areas. Unfortunately MAFF's quarterly series relate to 'All Sales' (AS), while that for vacant possession (VP) is available only annually. On an annual average basis for the period 1993 to 1999 the ratio of VP to AS transactions prices equals 101.59 per cent. The MAFF data can be adjusted accordingly. The results are presented in Table 2, which also includes the differences between these and the VOA *PMR* weighted prices.

It is apparent that the differences between the two series are substantial with the VOA *PMR* prices consistently higher than those

**Table 2 MAFF & WAD Semi-annual Agricultural Land Prices\* and Differences with VOA *PMR* Weighted Prices**

Half-year centred on	MAFF/WAD	MAFF/WAD		VOA -
	All sales		Adjusted for	MAFF/WAD
	England & Wales		Vacant Possession	(VP)
	Semi-Ann			Differences
				£ per ha.
		Ratio of		
		V.P. to A.S.		
Apr. 93	3,545	1.0099	3,580	1,335
Oct. 93	3,808	1.0099	3,846	1,135
Apr. 94	3,848	1.0223	3,934	1,198
Oct. 94	4,321	1.0223	4,417	942
Apr. 95	4,040	1.0329	4,173	1,569
Oct. 95	5,153	1.0329	5,322	728
Apr. 96	5,176	1.0122	5,239	1,169
Oct. 96	6,349	1.0122	6,426	508
Apr. 97	5,862	1.0191	5,974	1,206
Oct. 97	6,549	1.0191	6,674	689
Apr. 98	5,603	1.0084	5,650	1,648
Oct. 98	6,430	1.0084	6,484	726
Apr. 99	5,862	1.0062	5,898	1,022
Oct. 99	6,974	1.0062	7,017	-212

\* All Sales and adjusted for Vacant Possession

Sources: Agricultural Land Sales and Prices in England and Agricultural Land Prices in Wales, various issues

for MAFF except the preliminary estimates for October 1999. This may be due in part to the inclusion of Welsh figures here in the official series, since they are regularly considerably lower than corresponding values for England.<sup>6</sup> Although the VOA *PMR* data is meant to represent England and Wales, because only a few Welsh locations are included and hence because it is difficult to reflect the underlying proportions.<sup>7</sup> Wales is actually under-represented in that series.

Hence to enhance comparability it was decided to exclude Welsh figures from the official series for this exercise. Thus a comparison will be made between the VOA *PMR* series and the calculated semi-annual MAFF estimates for England. These are presented in Table 3.1 and graphed in Chart 1.

It can be seen that the differences are sizeable and fairly consistent in direction. Moreover the patterns of movements of the respective series over time are quite different in that the VOA *PMR* series is much smoother. By contrast the MAFF estimates are subject to greater intra-year variability.<sup>8</sup> Therefore the VOA *PMR* estimates would be unlikely to be very successful as a leading indicator to forecast short-term movements over the general period.

However when the overall time-span is divided into two sub-periods, a contrast emerges. Taking the sub-period April 1993 to April 1996 (half the available observations) the mean percentage difference is

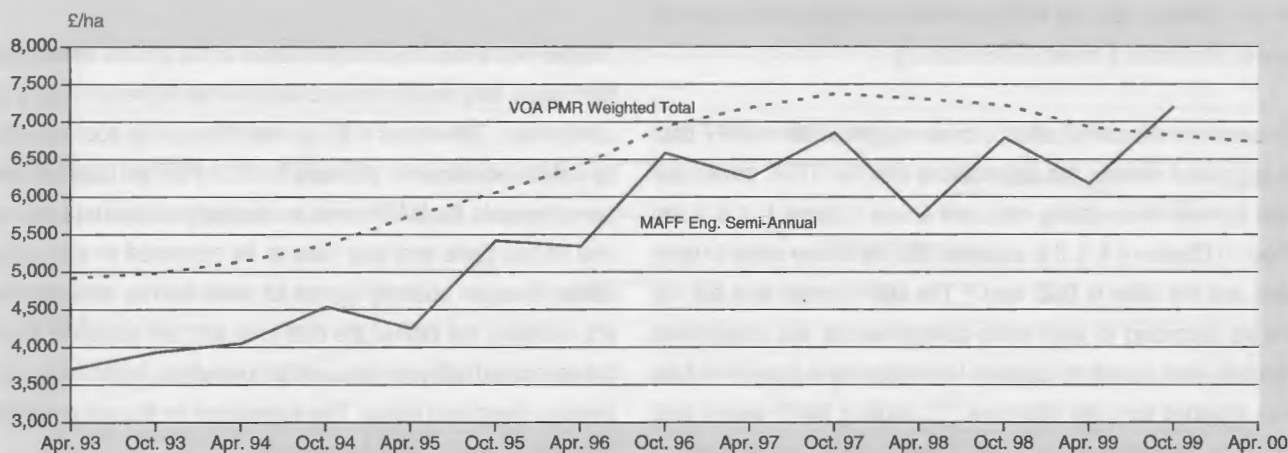
**Table 3.1 Semi-annual (derived) MAFF England series and Differences with VOA *PMR* Weighted Prices**

Semi-annual period	MAFF All Sales	MAFF Adjusted for vacant Possession	VOA - MAFF (VP)	
			Diffs.	Δ % of MAFF (VP)
	ENG. ALP Semi-Ann			
Apr. 93	3,669	3,705	1,210	32.64
Oct. 93	3,888	3,927	1,054	26.85
Apr. 94	3,958	4,046	1,086	26.83
Oct. 94	4,433	4,532	827	18.25
Apr. 95	4,107	4,242	1,500	35.36
Oct. 95	5,238	5,410	640	11.83
Apr. 96	5,271	5,335	1,073	20.11
Oct. 96	6,497	6,576	358	5.44
Apr. 97	6,127	6,244	936	15.00
Oct. 97	6,716	6,844	519	7.58
Apr. 98	5,676	5,724	1,574	27.51
Oct. 98	6,721	6,777	433	6.38
Apr. 99	6,124	6,162	758	12.30
Oct. 99	7,145	7,189	-384	-5.35
Mean (93 1 – 99 2)	5,398	5,480	827	17.20

Sources : as previous tables

Chart 1

Semi-Annual Land Values: VOA PMR Estimates & MAFF (England)



Source: VOA Property Market Report (various issues) and MAFF ALP statistics (website)

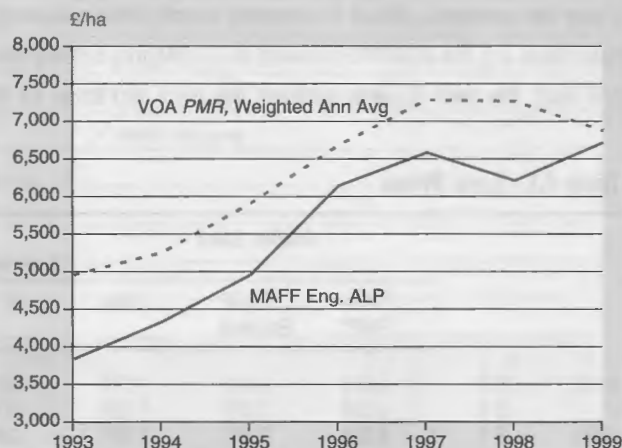
24.6 per cent. The corresponding figure for October 1996 to October 1999 equals 9.8 per cent. Therefore it would appear that there was some tendency towards greater convergence in the more recent period.

Moreover, the correlation coefficient between the VOA PMR and the MAFF-based English series is quite high at 0.92. This might suggest that at least some of the components in the respective movements would have reasonable affinity. In order to focus on underlying medium term patterns and avoid focusing on short-term fluctuations, the data are annualised and compared. The annualised VOA PMR data are presented with the published MAFF English data in Table 3.2 and graphed in Chart 2.

Whilst it is difficult to draw definite conclusions because of the paucity of observations, longer-term underlying movements, as distinct from

Chart 2

Annual Land Values: VOA PMR & MAFF



Source: VOA Property Market Report (various issues) and MAFF ALP statistics (website)

Table 3.2 Land Prices: Annualised series

	VOA PMR	MAFF All Sales	MAFF Adjusted for vacant Possession	VOA - MAFF (VP)	
					£ per ha.
	Weighted Ann Avg	England		Diffs	Δ %
1993	4,948	3,791	3,829	1,119	29.24
1994	5,245	4,229	4,323	922	21.32
1995	5,896	4,788	4,945	951	19.22
1996	6,671	6,058	6,132	539	8.79
1997	7,272	6,449	6,572	700	10.65
1998	7,254	6,146	6,198	1,056	17.05
1999	6,863	6,662	6,703	160	2.38
Mean	6,307	5,446	5,529	778	15.52

Sources: as previous table

levels (especially in the early years), seem to be tracked reasonably satisfactorily. A likely explanation for this is that the underlying values of MAFF's series (in the form of averages) show a decrease in short-term fluctuations and thus show similar characteristics to the generalised estimates of the VOA valuers. Therefore if not exclusively used for short-term fluctuations, the VOA PMR estimates may be of potential benefit to indicate underlying trend changes in the market place and indirectly in the MAFF-based data.

It is useful to conduct a decomposition analysis<sup>9</sup> in order to consider the basic factors that affect the patterns of the overall series. The VOA PMR disaggregate their estimates by a two-way categorisation, involving regions and farm types. However in attempting to analyse these PMR estimates disaggregated by farm type, a problem arises because the primary data supplied to MAFF have a different set of

farm type categories. The latter contains a dairy category, whilst the former has a broader marker for livestock (STCK). This marker in MAFF's primary data may well contain both land assigned to dairying and to beef cattle & sheep (B&S) farming.

To overcome this complication, a cross categorisation in MAFF data is suggested whereby the observations with the 'STCK' marker are split between those falling into Land Grade Classes 1, 2 & 3 and those in Classes 4 & 5. It is assumed that the former relate to dairy land and the latter to B&S land.<sup>10</sup> The MAFF-based data are not issued according to such cross-categorisations but unpublished quarterly data based on category breakdown by a proxy farm type was provided from the database.<sup>11</sup> Compiling MAFF-based land prices by farm type on the basis of the foregoing assumptions, a contrasting pattern is displayed by the prices for land categorised as beef & sheep compared to the others.

Whilst this could be due to the assumptions on land class, the divergence is not entirely implausible given the severe difficulties experienced by these livestock enterprises in recent years. Although it may be somewhat difficult to compare directly certain farm-type categories, e.g. the VOA PMR's lowest value category is designated 'Hill land', the clear disparity between this price and those for the

other categories (see Appendix 1, Chart A1), replicates the outcome in the MAFF-derived series.

Despite some lack of correspondence in the precise definitions of farm types, they would not be so dissimilar as to prevent meaningful comparison. Differences in the periodicities can be accommodated by suitable adjustments. Whereas the VOA PMR are based on semi-annual periods, the MAFF series are normally collated on a quarterly and annual basis and thus have to be converted to semi-annual series. Because quarterly figures for areas sold by farm type were not available, the ratio of the total area sold per quarter to that for the associated half-year was used as a weighting factor to determine average (weighted) prices. The estimations for this are provided in Tables A2.1 and A2.2 in Appendix 2.

The results for the comparisons between the VOA PMR and MAFF data for the separate farm types are presented in Tables 4.1 below and 4.2 overleaf. See also the accompanying graphs (Charts 3–6).

The higher land values at the aggregate level that the VOA PMR series almost invariably have relative to the MAFF estimates, are generally repeated at the farm type level. Broadly speaking, movements in the respective data series over time are tracked

Table 4.1 Land Prices

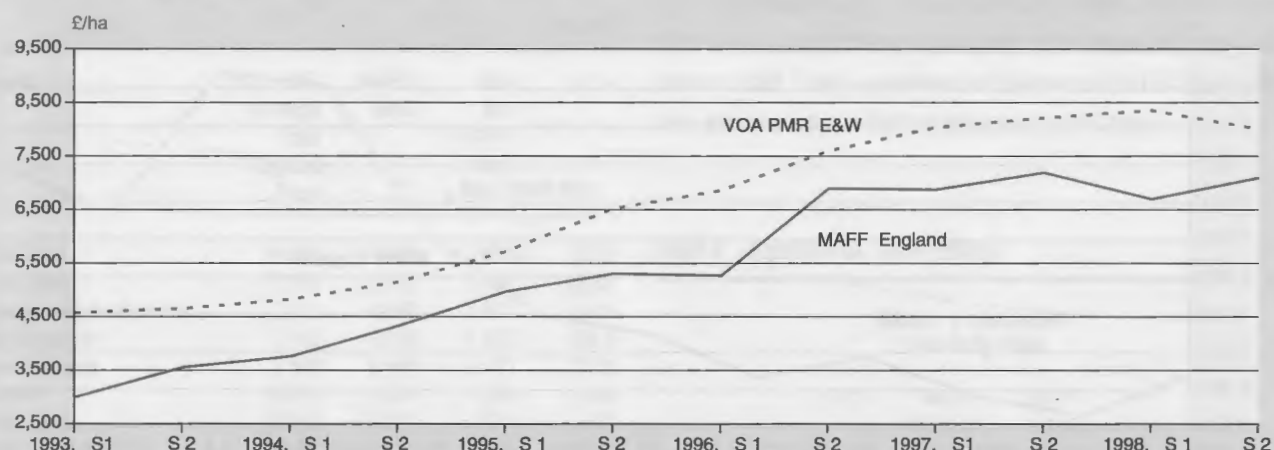
		Arable Land				Dairying Land			
		£ per ha.				£ per ha.			
		VOA PMR*	MAFF England	Diffs.	Δ %	VOA	MAFF PMR*	Diffs. England	Δ %
1993,	S 1	4,580	3,006	1,574	52.3	6,506	4,499	1,574	52.3
	S 2	4,659	3,563	1,095	30.7	6,603	4,654	1,095	30.7
1994,	S 1	4,834	3,767	1,067	28.3	6,783	4,171	1,067	28.3
	S 2	5,155	4,337	818	18.9	7,010	4,879	818	18.9
1995,	S 1	5,728	4,976	752	15.1	7,461	5,291	752	15.1
	S 2	6,526	5,311	1,215	22.9	7,561	6,156	1,215	22.9
1996,	S 1	6,867	5,275	1,592	30.2	8,020	6,024	1,592	30.2
	S 2	7,605	6,900	705	10.2	8,509	7,724	705	10.2
1997,	S 1	8,043	6,880	1,163	16.9	8,550	7,262	1,163	16.9
	S 2	8,221	7,198	1,023	14.2	8,705	7,190	1,023	14.2
1998,	S 1	8,358	6,703	1,655	24.7	8,245	6,705	1,655	24.7
	S 2	8,013	7,101	912	12.8	8,307	7,371	912	12.8
		Mean 23.1				Mean 32.2			
		RMS 1,174				RMS 1,772			

\* England & Wales

Sources: VOA and MAFF databases

**Chart 3**

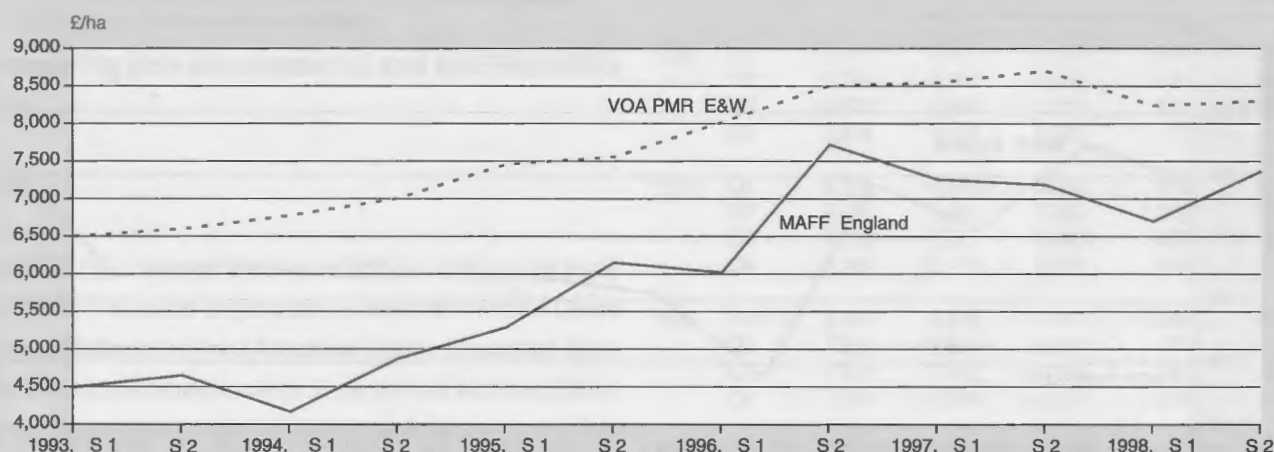
**VOA PMR & MAFF Data: Arable Land Prices**



Source: VOA Property Market Report (various issues) and MAFF ALP database

**Chart 4**

**VOA PMR & MAFF Data: Dairy Land Prices**



Source: VOA Property Market Report (various issues) and MAFF ALP database

**Table 4.2 Land Prices**

		Mixed Enterprise Land				Hill - Beef/Sheep Land			
		£ per ha.				£ per ha.			
		VOA PMR*	MAFF England	Diffs.	Δ %	VOA PMR*	MAFF England	Diffs.	Δ %
1993,	S 1	4,982	4,222	760	18.0	2,519	3,958	-1,438	-36.3
	S 2	5,034	3,671	1,363	37.1	2,537	4,256	-1,719	-40.4
1994,	S 1	5,155	3,941	1,214	30.8	2,660	3,584	-924	-25.8
	S 2	5,385	4,453	931	20.9	2,655	3,945	-1,289	-32.7
1995,	S 1	5,629	4,179	1,450	34.7	2,862	2,398	464	19.4
	S 2	5,698	4,755	943	19.8	3,097	3,067	30	1.0
1996,	S 1	6,155	4,992	1,163	23.3	3,021	3,173	-152	-4.8
	S 2	6,647	6,003	644	10.7	3,214	3,217	-3	-0.1
1997,	S 1	6,964	8,049	-1,085	-13.5	3,190	3,198	-8	-0.2
	S 2	7,185	8,218	-1,033	-12.6	3,335	3,274	61	1.9
1998,	S 1	7,304	6,338	966	15.2	3,006	3,200	-194	-6.1
	S 2	7,294	6,995	299	4.3	3,011	4,105	-1,094	-26.6
		Mean 15.7				Mean -12.6			
		RMS 1,033				RMS 867			

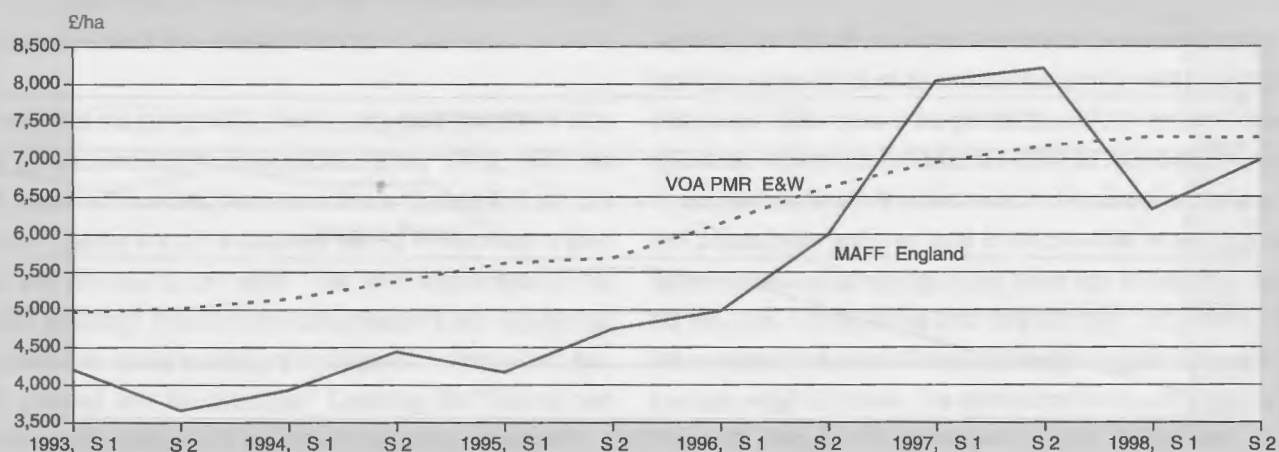
\* England & Wales

Sources: VOA and MAFF databases



## Chart 5

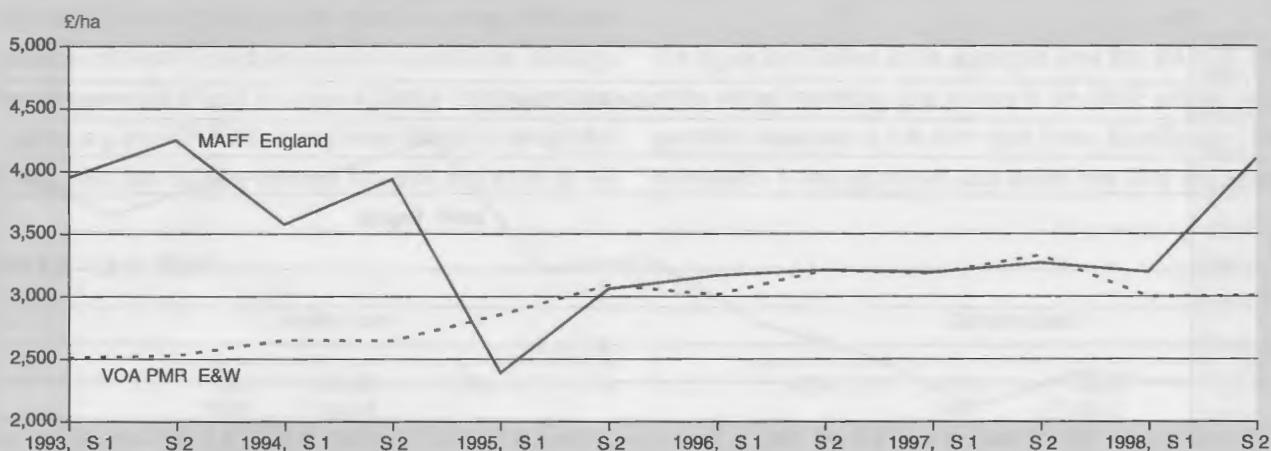
### VOA PMR & MAFF Data: Mixed Farm Land Prices



Source: VOA Property Market Report (various issues) and MAFF ALP database

## Chart 6

### VOA PMR & MAFF Data: Beef/Sheep-Hill Land Prices



Source: VOA Property Market Report (various issues) and MAFF ALP database

reasonably satisfactorily, apart from some divergent fluctuations in the case of mixed enterprise farm land in 1997–98 and hill-beef/sheep type land in the early years up to 1995. The latter land type achieved both the lowest mean percentage difference and the lowest RMS<sup>9</sup> of the differences between the respective series. Allowing for underlying complications, the VOA PMR could potentially provide some useful broad indications of land market movements at this farm type level of disaggregation.

### Regional Level

Disaggregation at the regional level is also a matter of interest. To put the data on a comparable basis, adjustments were made to the VOA PMR figures similar to those carried out at the national level.<sup>12</sup> The consolidated estimates for the year are compared with official regional estimates in Table 5.

In terms of regional distribution, the largest disparities occur in the North East, Yorkshire & Humberside and East Midlands, all of which have differences greater than 25 per cent. There is a substantial positive difference between the valuers' estimates and the MAFF/NAWAD data in most cases. The main exception is the South East region, which may be because although the MAFF data exclude sales of agricultural land for development, it does include land that may have an element of some development value.

On the other hand the VOA PMR estimates relate exclusively to land devoted to various types of farming. It will be interesting in a subsequent study to examine if this regional pattern emerging here is maintained consistently over time, because the regional estimates contribute to the derivation of the national figures and hence may provide an insight into the source of divergences between the respective data series at the aggregate level.

Table 5 VOA PMR & MAFF/WAD Regional Sales Price average for 1998

Region	£ per ha.			
	VOA PMR Average Total Weighted Price	MAFF/ WAD	VOA less MAFF/ WAD	Δ %
North East	6,882	3,801	3,080	81.0
North West	7,599	6,161	1,438	23.3
Yorkshire & Humberside	7,112	4,578	2,534	55.3
East Midlands	7,948	6,143	1,805	29.4
West Midlands	7,892	6,481	1,411	21.8
Eastern	8,279	6,935	1,344	19.4
South East	7,665	8,237	-572	-6.9
South West	6,890	6,750	140	2.1
England	7,254	6,146	1,108	18.0
Wales	5,638	4,669	969	20.8

Source: VOA Property Market Report, Agricultural Land Sales and Prices in England and Agricultural Land Prices in Wales, various issues for 1998

Comparing Non-Governmental and MAFF/NAWAD Data

RICS

The RICS data comprise all sales, including auction, private treaty and tender. The returns are processed in association with the Centre for Rural Studies at the Royal Agricultural College, Cirencester. Sales where residential interest exceeds 50 per cent are excluded. Before the data are analysed, a run-list of all transactions is printed, in date order, and by descending order of total price paid. The price per hectare for each transaction is included, together with farm type (e.g. dairy, arable, beef/sheep, residential), whether the property was land, land plus buildings or land plus dwelling/s and buildings, and whether the sale was with vacant possession or sitting tenant. No specific criteria are applied to determine outliers, but an appraisal is made of figures outside a broad band between £4,000/ha and £10,000/ha.<sup>13</sup>

For the first half of 1998, the present RICS survey covered about 15 per cent of the reported number of sales and almost 20 per cent of sales by area traded.<sup>14</sup> For the latest quarter the complete sample is normally not fully available and the estimates are subject to revision. For example for the last two available quarters of 1999 the sample sizes were the following:

	No. of Sales	Area covered (000s ha)
1999 Q2	129 (112)	4.261 (3.598)
1999 Q3	108	6.067

The figures in brackets for the second quarter of 1999 are the initial data reported, which have been subsequently revised up. Revisions occur on a frequent basis. As explained previously, the RICS returns commenced as a continuous quarterly series of vacant possession prices in 1995. The comparative results between the RICS and MAFF data are presented in Table 6 and graphed in Chart 7.

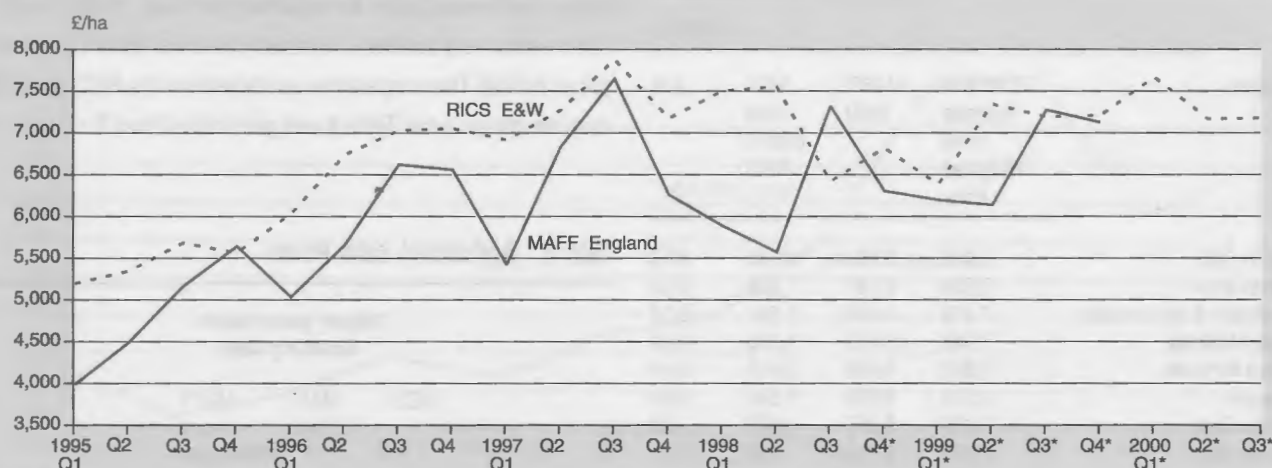
Table 6 Agricultural Land Prices

		Vacant possessions Quarterly Data			£ per ha.	
		RICS	MAFF All Sales	MAFF Vacant Possession	RICS - MAFF VP	
		England & Wales	England	England		
					Diff.	Δ %
1995	Q1	5,187	3,851	3,978	1,209	30.4
	Q2	5,336	4,341	4,484	852	19.0
	Q3	5,672	4,986	5,150	522	10.1
	Q4	5,556	5,454	5,633	-77	-1.4
1996	Q1	6,023	4,963	5,024	999	19.9
	Q2	6,731	5,584	5,652	1,079	19.1
	Q3	7,019	6,530	6,610	409	6.2
	Q4	7,046	6,470	6,549	497	7.6
1997	Q1	6,906	5,312	5,413	1,493	27.6
	Q2	7,263	6,694	6,822	441	6.5
	Q3	7,870	7,496	7,639	231	3.0
	Q4	7,166	6,134	6,251	915	14.6
1998	Q1	7,494	5,830	5,879	1,615	27.5
	Q2	7,545	5,519	5,565	1,980	35.6
	Q3	6,411	7,253	7,314	-903	-12.3
	Q4*	6,812	6,245	6,297	515	8.2
1999	Q1*	6,376	6,151	6,189	187	3.0
	Q2*	7,337	6,091	6,129	1,208	19.7
	Q3*	7,186	7,223	7,268	-82	-1.1
	Q4*	7,225	7,075	7,119	106	1.5
2000	Q1*	7,660	n.a.			
	Q2*	7,160	n.a.			
	Q3*	7,174	n.a.			
Mean	'95Q1- '99Q4	6,707	5,960	6,048		12.2
Mean	Absolute					13.7

\* Provisional

Sources: RICS Rural Market Research and Agricultural Land Sales and Prices in England, various issues

**Chart 7**  
**RICS & MAFF Estimates of Agricultural Land Prices**



Source: RICS Rural Market Research (various issues) and MAFF ALP statistics (website)

Given the relatively short time period, it is quite difficult to compare definitively the performances of the two sets of estimates. When comparing the overlapping time spans of the respective time series, the mean difference between the RICS and MAFF series is less than that for corresponding VOA *PMR* data.<sup>15</sup> In particular the MAP<sup>9</sup> difference for this quarterly series at 13.7 per cent appears to compare favourably with that for the semi-annual VOA *PMR* series which equalled 17.9 per cent overall. However, over the more recent period from the first quarter of 1997, whereas the RICS MAPD came down only slightly to 13.4 per cent, that for VOA *PMR* improved to 12.35 per cent. However, these differences would need to be tested more robustly when additional data become available.

In terms of the tracking compatibility of RICS and MAFF, there would appear to be a distinction between the sub-periods before and after 1997. Up to that year, the profiles of the two series (e.g. first and second differences) broadly matched each other (apart from an occasional lag). However, from 1997 either the corresponding signs differed (with the exception of Quarter 1 1999) or the second differences (rates of change) diverged markedly. It is possible that the respective series have asymmetric dynamic properties under generally rising market conditions and situations displaying fluctuations around a hypothetical series which may be at least partly characterised by stationarity<sup>9</sup> features.

The distinction between the pre- and post-1997 Quarter 1 periods can also be seen in terms of the correlation coefficients<sup>9</sup>. For the period overall the coefficient equals 0.72, but if the period from the first quarter of 1997 is taken, the coefficient falls to 0.07. However the RICS may still be a worthwhile indicator of the MAFF data, if it is used cautiously and in association with others. It could be useful, particularly for appraising aspects of short-term market conditions.

## Regional Level

RICS provide results of sales at the regional level in the second and fourth quarters and it is a useful background exercise to compare their estimates with the official figures at a disaggregated level. This is attempted for 1998 but some regions do not correspond exactly, e.g. Eastern and East Anglia, and for some regions, RICS occasionally have omissions in data. Nonetheless it is interesting to compare the respective estimates, which are presented in Table 7.

The effects noted previously with the VOA *PMR* estimates in relation to the South East, appear to be repeated here. Apart from Yorkshire & Humberside, the overall range of the differences *vis-à-vis* the MAFF/NAWAD data seems rather less than is the case with the VOA *PMR*. However RICS did not have estimates from the northern region for this year.

**Table 7 RICS & MAFF/WAD Regional Sales Price average for 1998: excluding residential farm types**

Region	RICS Weighted Average Price	MAFF/ WAD	£ per ha.	
			RICS - MAFF/ WAD	Δ %
Yorkshire & Humberside	9,098*	4,578	4,520	98.73
East Anglia/Eastern	6,307	6,935	-628	-9.06
West Midlands	8,252	6,481	1,771	27.33
South West	7,162	6,750	412	6.10
South East	7,732	8,237	-505	-6.13
East Midlands	6,805	6,143	662	10.78
Wales	5,458	4,669	789	16.90

\* Yorkshire & Humberside had no observations in the second quarter and only 6 in the fourth and hence this figure is not reliable.

Sources: RICS Rural Market Research and Agricultural Land Sales and Prices in England, various issues for 1998

## Assessment

Whilst it is difficult to draw categorical deductions from the foregoing detailed comparative analysis, some general inferences can be made. It is apparent that inter-relationships between some of the datasets can be made operationally functional and the potential indicator roles that certain data might perform can be clarified. However, while indicating this, the results also show that because the various series are compiled on different foundations and for contrasting purposes, one should exercise considerable caution when attempting to link them together.

The most desirable roles that industry analysts and policy-makers want the specialist surveys or time series to perform are to provide approximate indications of current or impending changes in land prices, with reasonable reliability. The results obtained so far would suggest that this problem could be approached at two levels.

The first is at the basic level of determining the underlying core trends in farm land prices. It would appear that the VOA *PMR* estimates could play a useful role in fulfilling this function. They aim to indicate broad but up-to-date trends in the value of typical property types. As such they give less weight to certain factors that would generate short-term variability, such as transitory and unusual disturbances, or the composition of transactions, although other extraneous factors obviously remain.

It was seen from the annualised series for VOA *PMR* and the MAFF data that these tracked each other quite well. Moreover at the sub-annual periodicity, the average differences between them narrowed over time. Therefore the VOA *PMR* data may be taken as reflecting the core values in the land market and could be used to give an indication of prospective movements in underlying changes over a medium term time horizon, i.e. 8–9 months, in the MAFF series.

It was observed that the VOA *PMR* estimates had almost universally and systematically higher values than MAFF's. Therefore in order to use the former to project the latter forward in time, it will have to be adjusted downwards. For the semi-annual data the difference for the period from 1997 equalled 10.5 per cent and hence a reasonable adjustment factor would appear to be 10 per cent. The VOA *PMR* figure, adjusted downwards, could be taken as an approximate predictor of prospective underlying core MAFF land values that will not be published until later. Given the scheduling of releases, this would usually provide up to a nine months lead indicator of the upcoming MAFF estimates.

Having established a preliminary estimate of the underlying core movement in land prices, there is need to recognise short-term

fluctuations around the core values. It was seen that MAFF's quarterly series is characterised by considerable volatility.<sup>16</sup> A means of incorporating this variability property into the construction of a lead indicator would help to make the projections more realistic.

In order to allow for such short-term changes, the most suitable data with short periodicity would be the quarterly estimates provided by RICS. In the sub-period for which data are available for both this series and MAFF's, i.e. 1995 Q1 to 1999 Q4, the scale of the deviations are not very dissimilar. For RICS the standard deviation and the standard deviation to mean ratio are 780.75 and 0.116 respectively, while for MAFF VP they are 963.7 and 0.159 (respectively). Therefore by identifying the volatility vectors in the RICS series, one could map this characteristic onto the constructed series.

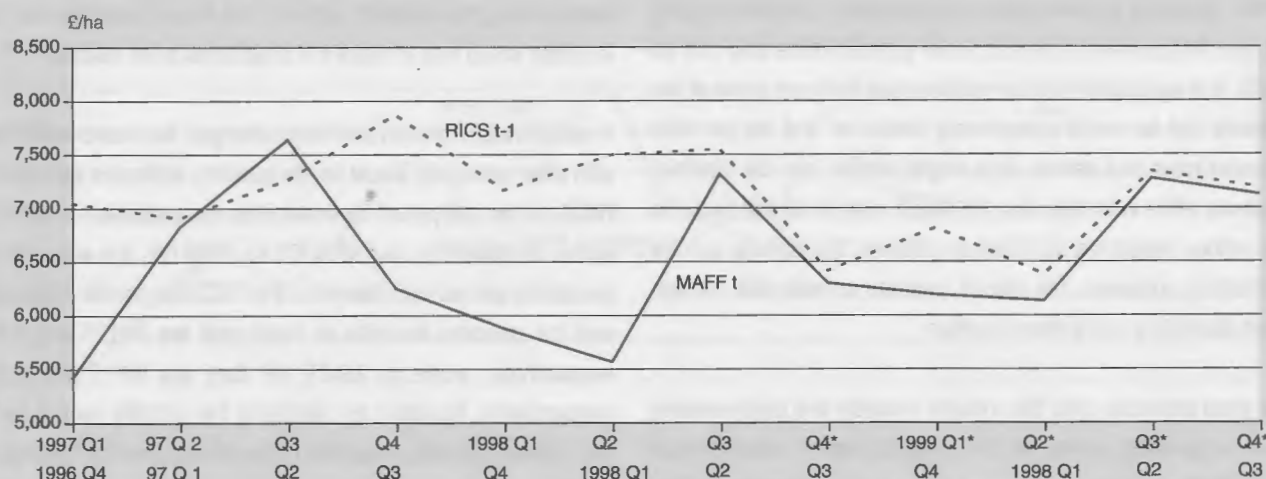
A complication with this procedure arises from the phenomenon noted earlier that there appears to be a disjuncture in the tracking relationship between the RICS series and MAFF's around 1997. If one examines Chart 7 with respect to tracking performance, one can distinguish the period up to 1997 when the first and second differences characterising the turning-points were largely matched (with a few minor exceptions<sup>17</sup>). However in 1997 the two series appear to have been dislocated. There are insufficient observations to conduct detailed statistical tests to establish the optimal relationship between RICS and MAFF data in the subsequent sub-period. However a scrutiny of the series (see Chart 8) would indicate that taking a first order lag on the RICS data would improve the performance in terms of tracking the majority of turning-points. The divergent path at the beginning of the period (i.e. Q1 to Q2 1997) is not altogether surprising and scarcely relevant for future projections, as this would have been a transition period in the adjustment from the earlier configuration to the later one. Although RICS data, lagged 1 quarter, do not match the scale of the fluctuations in MAFF's series, after the initial reference period they broadly correspond in the majority of cases with respect to the direction of change.

Examining the data suggests that there was an alteration in the general direction of long-run movements in land prices during the course of 1997 and into 1998. Whereas from 1993 up to this period the long-run trend in agricultural land prices tended upwards, from around this time a medium/long-run levelling or downturn was experienced (albeit with appreciable fluctuations). This underlying alteration in the market conditions would affect perceptions and expectations of price movements.

Whilst in the years from 1993/94 to 1997/98 a projection of trends that had been experienced in the recent past would have been a reasonable mechanism for determining expectation formation, the

## Chart 8

### MAFF (Current) & RICS (1st order) lag prices



novel conditions under the changed market circumstances would have required more elaborate assessments with greater demands on specialist information and processing. There certainly appears to be a perception in the market-place that conditions were becoming more changeable and unpredictable.<sup>18</sup>

In such unfamiliar circumstances, a body or organisation with market research facilities and a capability to process information that is received on an on-going basis would have an advantage in forming knowledgeable predictions of forthcoming market developments. Having expanded their information base, the surveyors' institution, RICS, is in a position to try to perform this function for their clients. In conditions largely characterised by market continuity the outcomes of expert predictions would be unlikely to be substantially different from 'naïve' commonly available projections in any period. However when greater uncertainty prevails, one would anticipate more sizeable dissimilarities, particularly with respect to timing.

This market situation would also be characterised by an asymmetric distribution of information between those market participants who acquired expert advice and the majority with imperfect information. Therefore the subset of sales being reported by chartered surveyors would not be typical of general out-turns at that specific point in time, but they would be likely to anticipate prospective developments in the wider market. Thus under conditions prevailing since around 1997 the first order (quarterly) lag on the RICS price would correspond approximately with the current quarter value of the MAFF price.

Attempting to establish a correspondence between  $MAFF_t$  and  $RICS_{t-1}$  could generate problems if the primary, MAFF, quarterly data were characterised by seasonality. The Central Association

of Agricultural Valuers (CAAV) indicated that they were not aware of any significant seasonal dimension to agricultural land prices nor had they perceived such seasonality.<sup>19</sup> In order to test this with respect to quarterly seasonality, a simple econometric model was tested. The results are presented in Appendix 3 and confirm the observation of the CAAV over the long-term period.

Whilst larger models with more exogenous variables could be estimated, this requires more observations and is unlikely to materially affect the overall underlying results on quarterly seasonality given the very low significance levels attained. Although occasional temporary seasonal phenomena cannot be tested here because of degrees of freedom constraints, such effects are unlikely to be systemic or long-term.<sup>20</sup> Therefore, establishing a correspondence between a lagged and a current quarter land price estimate would not generate significant seasonality complications.

Looking overall at the foregoing components that could be used to construct a leading indicator for agricultural land prices to foreshadow current (and immediately preceding) quarter values of the MAFF series, there are a number of precise ways in which these could be combined to construct a composite gauge. To obtain an estimate of the intermediate-term tendencies in underlying 'core' movements, the VOA PMR semi-annual estimates could be taken and adjusted by their observed ratio to the equivalent MAFF data. Thereafter to allow for short-term fluctuations, recourse could be had to the RICS quarterly data.

Short-run variability could be measured by subtracting each of the observed RICS quarterly values over the projection period from the successive four quarter mean (up to and including that quarter). The proportionate variation so calculated could be applied to the

derived underlying core value to determine the 'shadow' or leading indicator of the MAFF series. As explained above, the first order lag on the rate of change in the RICS series would be the relevant predictor for the current rate of change in the shadow indicator series. The outturn from this method would provide a composite lead indicator of up to nine months for MAFF's land prices data.<sup>21</sup>

## Conclusion

The importance attached to measuring dynamic conditions in the agricultural land market by a broad range of interested parties demonstrates the significance of prices as a barometer not only of current but also of expectations of future states of the agricultural sector. There is a wide-ranging interest in obtaining estimates of market prices as up-to-date as is practicable. This forms the background to the present article in which various time series for land prices have been examined and compared. It is recognised that each of those available is constructed for a different purpose to the others and accordingly each has different advantages and disadvantages. Although direct or simple comparisons cannot be made, if they are carefully analysed some

may serve potentially interrelated functions. The main strength of the 'official' MAFF series is its comprehensiveness, while its chief limitation lies in the time needed to process the primary legal returns.

In general there is no simple means of satisfying these two requirements. The procedure outlined in this article would hardly attain optimal outcomes in a mathematical or strictly scientifically proven sense. However this does not preclude the advantage of establishing a paradigm that draws on a number of different sources to derive up-to-date, even if provisional and approximate, estimates of agricultural land prices. There is an ongoing need on the part of analysts and policy-makers to obtain early predictive indications of prospective conditions in the agricultural sector.

It is hoped that the system proposed will provide at least a heuristic methodology that will address that need and assist in timely land market analysis. It aims to establish the building blocks for the construction of a leading indicator for land prices series, which could play a very useful role in making balanced short-term projections for agriculture. It might also act as a starting point for the development of robust forecasting models of agricultural land prices.



# Appendix 1

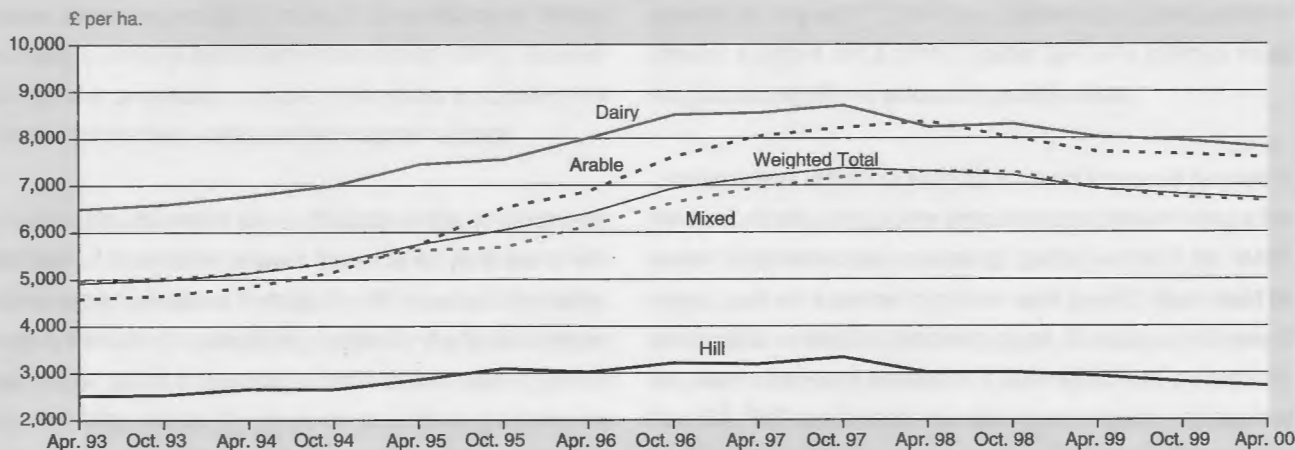
Table A1 VOA Property Market Report (PMR)

Value of Agricultural Land with Vacant Possession England & Wales					£ per ha.
	Arable	Type of Farmland Dairy	Mixed	Hill	Weighted Total
Apr. 93	4,580	6,506	4,982	2,519	4,915
Oct. 93	4,659	6,603	5,034	2,537	4,981
Apr. 94	4,834	6,783	5,155	2,660	5,132
Oct. 94	5,155	7,010	5,385	2,655	5,359
Apr. 95	5,728	7,461	5,629	2,862	5,742
Oct. 95	6,526	7,561	5,698	3,097	6,050
Apr. 96	6,867	8,020	6,155	3,021	6,408
Oct. 96	7,605	8,509	6,647	3,214	6,934
Apr. 97	8,043	8,550	6,964	3,190	7,180
Oct. 97	8,221	8,705	7,185	3,335	7,363
Apr. 98	8,358	8,245	7,304	3,006	7,298
Oct. 98	8,013	8,307	7,294	3,011	7,210
Apr. 99	7,709	8,030	6,936	2,932	6,920
Oct. 99	7,659	7,958	6,741	2,808	6,805

These are graphed in Figure A1

Sources : VOA database

Chart A1  
Agricultural Land Values, England & Wales: VOA PMR



# Appendix 2

Table A2.1 MAFF Quarterly figures: average prices

		Land Use (by Farm) Type				£ per ha.	
Year		Arable	Dairy	Beef & Sheep	Mixed Enterprise	Total Area sold	Proportions of Semi-annual Sales
						(ha.)	
1993	Q 1	2,887	4,140	3,528	4,265	17,862	0.513
	Q 2	3,131	4,876	4,410	4,177	16,985	0.487
	Q 3	3,739	4,859	4,090	3,325	19,369	0.443
	Q 4	3,424	4,491	4,387	3,945	24,391	0.557
1994	Q 1	3,512	4,304	3,153	3,853	18,948	0.510
	Q 2	4,032	4,279	2,368	4,116	18,213	0.490
	Q 3	4,129	5,307	3,276	4,382	22,728	0.460
	Q 4	4,514	4,350	3,973	4,870	26,687	0.540
1995	Q 1	4,895	5,126	1,705	3,054	17,370	0.478
	Q 2	5,050	5,443	3,032	5,210	18,961	0.522
	Q 3	5,017	5,890	3,948	5,462	25,341	0.460
	Q 4	5,561	6,383	2,316	4,152	29,699	0.540
1996	Q 1	4,863	5,768	2,551	4,741	19,056	0.503
	Q 2	5,692	6,283	3,802	5,247	18,827	0.497
	Q 3	6,982	7,898	1,699	6,150	30,234	0.446
	Q 4	6,834	7,584	4,436	5,885	37,625	0.554
1997	Q 1	6,664	8,459	1,313	7,374	23,042	0.414
	Q 2	7,032	6,415	4,531	8,526	32,566	0.586
	Q 3	7,246	7,900	3,639	9,103	27,791	0.424
	Q 4	7,163	6,668	3,005	7,567	37,806	0.576
1998	Q 1	6,116	6,878	3,095	6,094	25,656	0.497
	Q 2	7,283	6,534	3,303	6,579	25,989	0.503
	Q 3	7,248	8,129	5,947	7,203	18,594	0.493
	Q 4	6,959	6,634	2,314	6,792	19,130	0.507
1999	Q 1	6,138	5,773	4,583	6,816	12,220	

Sources: as previous

Table A2.2 MAFF-Based Semi-annual figures: average (Weighted) Prices (weighted by area sold )

		Land by Farm Type				£ per ha.
Year, Semi-annual.		Arable	Dairy	Beef & Sheep	Mixed Enterprise	
1993,	S1	3,006	4,499	3,958	4,222	
	S2	3,563	4,654	4,256	3,671	
1994,	S1	3,767	4,171	3,584	3,941	
	S2	4,337	4,879	3,945	4,453	
1995,	S1	4,976	5,291	2,398	4,179	
	S2	5,311	6,156	3,067	4,755	
1996,	S1	5,275	6,024	3,173	4,992	
	S2	6,900	7,724	3,217	6,003	
1997,	S1	6,880	7,262	3,198	8,049	
	S2	7,198	7,190	3,274	8,218	
1998,	S1	6,703	6,705	3,200	6,338	
	S2	7,101	7,371	4,105	6,995	

Sources: as previous



## Appendix 3

The regression model is specified as follows :

$$LP_M = b + a_1 S_1 + a_2 S_2 + a_3 S_3 + u$$

where

$LP_M$  = MAFF agricultural land prices (all sales)

$b$  = intercept

$S_1$  = Quarter 1 dummy

$S_2$  = Quarter 2 dummy

$S_3$  = Quarter 3 dummy

The results are :

### Ordinary Least Squares Estimation

26 observations used for estimation from 1993 Q1 to 1999 Q2

Dependent variable :  $LP_M$

Regressor Coefficient Standard Error T-Ratio

$b$	5515.0	490.06	11.25
$S_1$	- 715.42	667.84	-1.07
$S_2$	- 408.43	667.84	-.61
$S_3$	197.33	693.05	.28

$R^2$ : 0.0934  $R\text{-Bar}^2$ : -0.0302

S.E. of Regression 1200.4 F-stat.  $F_{(3,22)} 0.756$

Mean of Dependent Variable 5258.0 S.D. of Dependent Variable 1182.7

Residual Sum of Squares 3.17E+07

The low values of the t-ratios indicate that the null hypotheses regarding quarterly seasonality of land prices cannot be rejected over this time period.

### Footnotes

<sup>1</sup> Strictly speaking it is the Statistical Directorate of Wales that collect these data rather than the NAWAD itself.

<sup>2</sup> This which is published as an annual series is one of the longest land price time series with its origins going back to 1945 when it was known as the Oxford Institute series. The series was taken over by Savills' research department in 1989.

<sup>3</sup> Walsh, *Valuation of Agricultural Land*, Conference Paper, 1997, p.3. It is recognised, of course, that the land price is not necessarily a definitive or infallible indicator. Numerous exogenous factors can influence land prices and agricultural profitability independently. One of the clearest examples of this is the demand from non-farmers for residential properties with some land attached, which can affect prices particularly within a reasonable vicinity of conurbations and motorways leading from them. The importance of this locational factor was pointed out to me in a private communication from Mr. Jeremy Moody of the Central Association of Agricultural Valuers, 9.4.2001. For the significance to land values of proximity to metropolitan areas see also Harvey & Willis, (1997), pp. 57, 66-67.

<sup>4</sup> The data in this series are supplied to MAFF directly by the VOA. The primary data source is the VOA's 'Particulars Delivered' forms for property transactions. These contain the details of all sales of agricultural land that are required to be notified to the Inland Revenue under Authority of the Finance Act 1931, as amended by the Land Commission Act 1967 and section 89 of the Finance Act 1985. The transactions are analysed by MAFF who produce the tables for publication. The sales are analysed according to the date of the sale. Because of the variability in the length of time it takes to notify sales to the VOA and to process the data, it is unavoidably the case that a proportion of transactions will not have been entered and processed in the system at the time of initial publication.

<sup>5</sup> Current Agricultural Land Prices series was compiled jointly by Agricultural Development & Advisory Service, Agricultural Mortgage Corporation and Country Landowners Association (ADAS/AMC/CLA).

<sup>6</sup> On average Welsh agricultural land prices (all sales) represent approximately 77 per cent (76.8 per cent for the period 1993 to 1999) of corresponding English prices. An exception to this pattern occurred in the Qr 2 of 1999 when the Welsh estimates were affected by a small number of transactions, which were untypical.

<sup>7</sup> There are 8 locations in Wales compared to 130 in England, representing 6.15 per cent. The area of agricultural land sold in Wales amounted to 13.04 per cent of corresponding areas in England in 1999 and the total tillage & grass (excluding rough grazing) areas in Wales represented 15.2 per cent of that in England (June 1999 Census).

<sup>8</sup> The difference between the VOA *PMR* and the MAFF English (semi-annual) series are almost uniformly positive (with one exception) and relatively large. The null hypothesis, that the mean = 0, can be rejected at the 5 per cent confidence level. In addition the dynamic profiles of the series show contrasting features, e.g. for the range of 14 observations available, on as many as five occasions turning-points in the official series were not tracked and between two other time periods (Oct.'95-Apr 96 and Oct.'97-Apr. 98) although the signs of the first differences were similar, the rate of acceleration or deceleration were substantially different.

<sup>9</sup> This involves disaggregating the datasets and analysing the relevant isolated components.

<sup>10</sup> One recognises that this would be only an approximation because Class 3 could occasionally be devoted to either type, depending on region.

<sup>11</sup> This proxy breakdown analysis for the most recent provisional data for 1999 was not available at the time of writing.

- <sup>12</sup> Thus the values by farm type were weighted by the number of observational examples as previously, to obtain the weighted average semi-annual estimates. These were in turn averaged to derive a set of regional values for 1998 to correspond to the MAFF regional figures for that year, which are taken here because although still deemed provisional they will be subject to less revision than those for 1999.
- <sup>13</sup> For data producing a price below this range a check is made (by going back to the original sale return received) for a reason, e.g. sitting tenant, low grade land (4), upland type farm, etc. For a figure above this range a check is made for an explanation, such as small area of land where premium is paid, high grade land (1 or 2), and also whether the residential property element (or even development value) has been appropriately considered. If a satisfactory explanation can be found the data remain. If it needs to be reclassified (e.g. as a residential sale or 'other') then this is done. If the data simply seem erroneous, it is deleted.
- <sup>14</sup> The RICS data recorded 246 sales covering an area of 10,700 ha (private communication from RICS, 14.3.2001).
- <sup>15</sup> Regarding hypothesis testing, as in the earlier VOA *PMR* case, for RICS also the null hypothesis (that the mean = 0) can be rejected at the 5 per cent confidence level.
- <sup>16</sup> For the population of all sales from 1993 1 to 1999 4 the standard deviation was 1215.82, which had a ratio to the mean of 0.225.
- <sup>17</sup> Q4 1995, Q1 & Q4 1996.
- <sup>18</sup> *FPDSavills Market Survey*, Autumn/Winter 2000, p.2.
- <sup>19</sup> Private communication from Mr. Jeremy Moody of the Central Association of Agricultural Valuers, 28.5.1999.
- <sup>20</sup> Even if seasonality features were to emerge, this would not be critical to the indicator function because adjustments to the data could be made to allow for this.
- <sup>21</sup> For the alternate quarters that VOA *PMR* does not appear, an interim one quarter projection of the core value could be derived using the mean of the RICS data. The Royal Agricultural College has indicated that provisional, unadjusted RICS data are produced immediately at the end of every quarter (private communication from RICS, 14.3.2001). Utilising these data could speed up the issuing of the indicator estimates.

## Glossary

(brief, generalised, description of some technical terms)

**ADAS/AMC/CLA:** Agricultural Development & Advisory Service, Agricultural Mortgage Corporation and Country Landowners Association; co-sponsors of CALP (Current Agricultural Land Prices), now superseded.

**Correlation coefficient,  $\rho_{xy}$ :** It can be regarded as a measure of the relation between the statistical distributions of two random variables with the variances  $\sigma_x^2$  and  $\sigma_y^2$  respectively.

The correlation coefficient is defined as follows :

$$\rho_{xy} = \frac{\text{Cov}(X, Y)}{\sigma_x \sigma_y}$$

where:  $-1 \leq \rho_{xy} \leq 1$  and:

$$\text{Cov}(X, Y) = \frac{1}{n} \sum_{i=1}^n (x_i - \mu_x)(y_i - \mu_y)$$

**MAPD:** Mean absolute percentage difference.

**RMS:** The root mean square:  $\sqrt{\frac{\sum x^2}{n}}$

**Standard deviation:** It is a measure of how widely values are dispersed from the average value (the mean).

$$\sqrt{\frac{n \sum x^2 - (\sum x)^2}{n(n-1)}}$$

**Stationarity:** A time series is stationary when it does not contain a trend and/or exhibit cycles with increasing or decreasing amplitude over time.

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# UK Health Accounts

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## Introduction

The compilation of information on the economy is well-established, having a history charting back several centuries. The present system of measurement – the National Accounts are a set of coherent, consistent and integrated accounts based on an internationally agreed framework of concepts, definitions, classifications and accounting rules – has been around for about half a century.

More recently, work has begun on examining systems other than the economy in the same manner. For example, work on Environmental Accounts began in 1995. These accounts re-organise environmental information onto a common basis with economic information, thus enabling the relationship between economic activity and environmental impact to be more rigorously assessed. The accounts have been used to assess the incidence of new environmental taxes such as the Climate Change Levy and to identify the environmental performance of individual industrial sectors.

Work on Health Accounts has similar aims of organising health information and linking it with economic information. The confrontation and re-organisation of individual pieces of information within an agreed framework permit improved analyses of the efficiency and effectiveness of health services and allow us to understand the whole process of health care provision. Health outputs and outcomes can be linked with the various inputs (numbers of beds, doctors, nurses, and other professions associated with medicine...), throughputs (number of operations performed, beds occupied, hospital episodes, GP consultations...) and systems in place (types of provider, sources of funding...).

The framework for Health Accounts has been developed according to National Accounts principles by the Organisation for Economic Co-operation and Development (OECD) in consultation with member

states and the World Health Organisation, and is set out in the OECD publication *A System of Health Accounts*.

Comparison with other countries' health care systems can be a powerful tool for judging the performance of our own system. The use of the OECD's framework in the compilation of UK Health Accounts will allow more meaningful comparison to be made across countries, as well as over time.

Compiling UK Health Accounts will bring further benefits. For example, by investigating information, which could feed into the accounts, descriptive information about health care provision in the UK will be pulled together and maintained, along with guidance on how this information should be used. The existence of UK Health Accounts will help to promote a consistent treatment of such information, for example price indices, employment, income redistribution and international trade. 'Continuity of care' means that there is an inability to distinguish between expenditure on health and on social protection. The UK Health Accounts will provide the framework to help resolve this.

Most information to be fed into this framework already exists including, for example, expenditure by the health departments of constituent UK countries, health employment, sources of funding, registers of nursing homes, use of health services, prescribing, outcomes, and so on. There is also a substantial amount of information on health status of the population and on determinants of health.

Much of the relevant information is provided to the OECD for publication in their annual Health database, which contains information for 29 countries. However, the UK information supplied is not always available on a basis that allows the compilation of coherent and consistent figures for the UK as a whole. The NHS in

each of the constituent countries of the UK account for their information in different ways, thus resulting in series for Great Britain or England only. The Health Accounts will bring together information on health care provision in the whole of the UK, including wherever possible the same information from all constituent UK countries and from both the public and the private sectors.

## **Where do we go from here?**

The first stage in the production of UK Health Accounts will focus on expenditure on health, as recommended by the OECD.

In a later stage, further information will be brought into the framework to allow analysis of other aspects of health care provision in the UK, and to allow study of the linkage between outcomes, throughputs and inputs. One important step in this later stage will be the investigation of expenditure on health outside the usual National Accounts boundary: occupational health (also known as intermediate consumption of health in the corporate sector) and household production of health services. Other important steps will be the consideration of how non-expenditure variables should fit into the accounts.

The ONS proposes that a Project Board is set up to steer the development work on UK Health Accounts and to ensure adequate consultation of users' wants and needs. It will be very useful to have people from a variety of backgrounds represented. The ONS would be pleased to accept nominations for members of the Board. The ONS hopes that the Board can meet for the first time in early summer 2001.

The ONS would welcome any comments on this work, and invites readers to contact the Project Manager, Phillip Lee by e-mail or by post (see addresses above).