

# **Economic Trends**

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# Contents

## Page

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

## Articles

In brief .....	1
Economic update .....	2
Forecast for the UK economy .....	7
International economic indicators .....	8
Final expenditure prices index (experimental) .....	20
Corporate services price index (experimental) .....	28
ONS E-Commerce inquiry 2000 – further analysis .....	35
Computer services survey (SERVCOM feasibility study) – data for 2000 .....	41
Recording financial derivatives in the UK national accounts .....	48
Valuing informal childcare in the UK .....	51

## Tables

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

Measures of variability of selected economic series .....	T79
Index of sources .....	T80

## In Brief

### Articles

This month we feature four articles.

Magdalen Williams and Rachel Gibbins of ONS present further analyses, including regional breakdowns, from the first e-commerce inquiry to business, following the article published in the July *Economic Trends*. The inquiry was a survey of 9,000 businesses, stratified by size and industry sector that was carried out in January 2001. It requested information from respondents on their use of internet technology and levels of e-commerce sales and purchases during 2000. Full details of the methodology, the survey instrument and earlier analyses are available on the ONS website at: [www.statistics.gov.uk/themes/economy/Articles/e-commerce.asp](http://www.statistics.gov.uk/themes/economy/Articles/e-commerce.asp)

Debra Prestwood of ONS summarises the results of the pilot inquiry into the computer services sector collecting sales by type of service 'product'. It is the first National Statistics official source of detailed service sector sales by product. It is viewed as a study into the feasibility of a SERVCOM inquiry similar to the existing PRODCOM inquiry which measures sales of manufactured products. After a six-month development period, a detailed classification of computer services has been devised, according to which businesses have been able to provide data. The survey has been conducted and published within six months, with a 77 per cent response from sampled businesses.

Richard Dagnall and Philip Gooding of ONS introduce the first publication of securities dealers' gross positions in financial derivatives in a National Accounts format. Data are collected as part of the statistical inquiry into the assets and liabilities of securities dealers. These data will be included in the 2001 editions of the ONS *UK National Accounts* (the *Blue Book*) and *UK Balance of Payments* (the *Pink Book*). Following the new standards adopted from the *European System of Accounts* (ESA 95), financial derivatives have now been brought within the financial asset boundary. They will be valued at market value within the financial balance sheet like other financial instruments.

Sue Holloway and Sarah Tamplin of ONS introduce the new methodology being developed by the ONS to measure and value the output of the household production of childcare. It is part of a programme of work to produce a Household Satellite Account. After a brief definition of a Household Satellite Account (HHSA), the following section discusses the definitions of 'formal' and 'informal' childcare, clarifying the definition of household production of childcare used in the project. The third section outlines the methodology used to estimate the volume of formal childcare provision, and includes an initial estimate. The fourth section gives the methodology, assumptions and estimates of the volume and value of informal childcare and the fifth section examines the sensitivity of the volume and valuation estimates to a number of alternative assumptions. The conclusion highlights areas for future development.

### Recent economic publications

#### Quarterly

*Consumer Trends*: 2001 quarter 1. The Stationery Office, ISBN 0 11 621359 0. Price £45

*UK Economic Accounts*: 2001 quarter 1. The Stationery Office, ISBN 0 11 621401 5. Price £26.

*UK Trade in Goods analysed in terms of industries (MQ10)*: 2001 quarter 1. The Stationery Office, ISBN 0 11 538141 4. Price £75 p.a.

#### Monthly

*Consumer Price Indices (MM23)*: June 2001. The Stationery Office, ISBN 0 11 538086 8. Price £185 p.a.

*Financial Statistics*: August 2001. The Stationery Office, ISBN 0 11 621307 8. Price £23.50.

*Monthly Review of External Trade Statistics (MM24)*: May 2001. Available for downloading from the National Statistics website [www.statistics.gov.uk/products/p613.asp](http://www.statistics.gov.uk/products/p613.asp)

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 online at [www.clicktso.com](http://www.clicktso.com)



# Economic Update - September 2001

Geoff Tily, Macroeconomic Assessment - Office for National Statistics

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## Overview

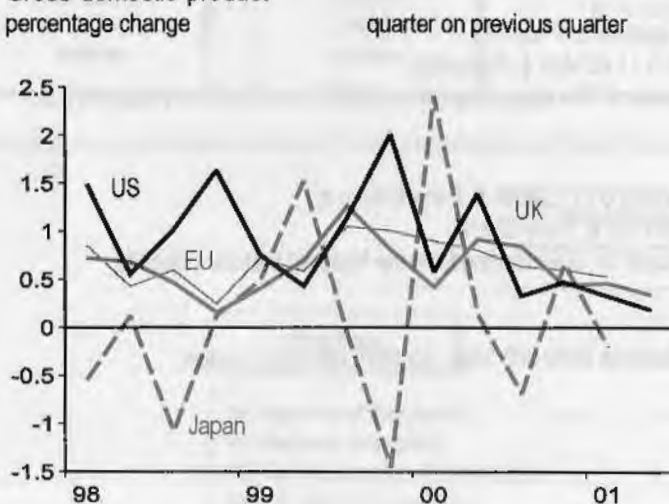
As concerns about the world economy increase, second quarter UK data shows GDP subdued for the third quarter in a row. The slower growth is particularly driven by the so-called high-tech industries, but other manufacturing industries are also declining, with the sector as a whole now in technical recession. On the other hand evidence now suggests that there has been little impact on the service sector. Household and business demand is diverging. Household demand, particularly for goods are robustly in the second quarter, with confidence still high. Investment data shows that businesses demand has weakened in 2001, against a background of falling measured profits in the wake of increased profit warnings and concerns about the indebtedness of the sector. Trade also weakened substantially in the second quarter of 2001. Exports declined sharply and imports weakened, with the overall imbalance as measured by the balance of trade deteriorating. Set against the National Accounts information is the labour market picture. The labour market continues to improve, with increases to employment and falls in unemployment, although there is now evidence of a slowdown in the rate of improvement on the employment side. Earnings inflation has also picked up a little in recent months. On the other hand, erratic factors apart, prices are very subdued.

## GDP Activity

GDP in the second quarter of 2001 showed quarterly growth of 0.3 per cent, down on 0.5 per cent in the first quarter (chart 1). Comparing with the same quarter a year ago, annual growth was 2.1 per cent in the second quarter, down on 2.7 per cent in the first. This is the third consecutive slower quarter and is driven by a manufacturing sector now in recession on the output side and falling trade and investment on the expenditure side.

Chart 1

Gross domestic product  
percentage change



This slowdown in the UK comes alongside a period of substantial concern over the condition of the global economy. While these concern originated with slower GDP growth in the United States, weaker growth is now seen in the EU economies, anxiety over the condition of the Japanese economy, in particular over bad debts, has re-emerged and a number of developing economies are experiencing some degree of financial stress (chart 1 shows other countries' GDP figures).

Chart 2

UK GDP

percentage change

quarter on previous quarter

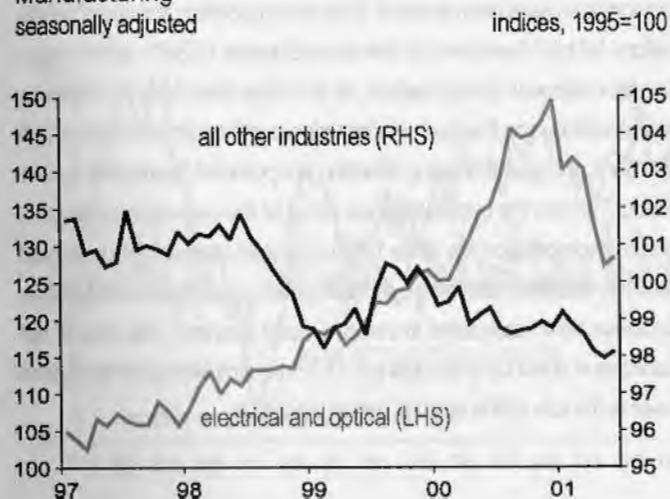


At the same time corporate announcements have seen an increasing volume of profit warnings and redundancy announcements, credit agencies are reporting a high level of debt default and spreads between corporate and government debt are at high levels and stock markets are in decline all over the world.

As noted the slower GDP growth in the UK has been dominated by a sharp decline in manufacturing output; this contrasts with ongoing strength in service output (chart 2). Between the first and second quarters manufacturing output declined by 2.0 per cent while services output grew by 0.8 per cent.

**Chart 3**

Manufacturing  
seasonally adjusted



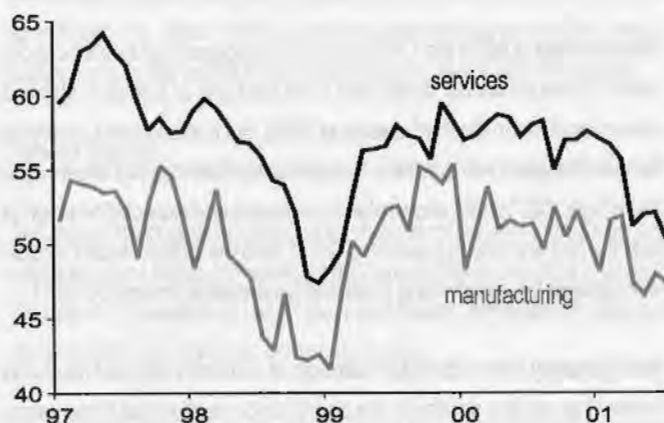
One must be careful not to read too much into quarter on quarter changes, but it is worth noting that this decline constituted the largest quarterly decline since the recession of 1991, and was larger than the decline of 1998 in the wake of the South East Asian economic crises. The difference between the two recent deteriorations is that while most industries declined in 1998, the so called high-tech industries (proxied by the NS series, 'electrical and optical equipment') continued to grow at a very rapid pace; the decline of output into 2001 has seen both the high-tech series and other industries decline in tandem (chart 3). The recent decline in the high-tech series has been particularly sharp, with a fall of 14.2 per cent in the six months since the peak in December 2000.

Turning to the service sector, the evidence here suggests that growth is continuing at a robust pace, with growth comparing with the same quarter a year ago slowing, but only to 3.5 per cent in the second quarter from 3.7 per cent in the first quarter. Growth was seen in most parts of the service sector, with particular strength in the transport and communications industries, and in retailing and business activities although there was evidence of some weakness in financial intermediation and hotels and restaurants.

External information on manufacturing from the British Chambers of Commerce, Confederation of British Industry and the Chartered Institute of Purchasing and Supply (CIPS) shows declines in orders and sales (CIPS figures on chart 4). On services external figures point to weaker activity than in the official data. BCC services figures showed the weakest position since 1998, although a position still above the lowest point of the figures in

**Chart 4**

CIPS  
monthly indices



1998. Similarly the Chartered Institute of purchasing and supply figures also deteriorated fairly abruptly into the second quarter (also on chart 4), with their release noting the sector was feeling a degree of contagion from other sectors of the economy "Panel members widely blamed lower orders and fewer enquiries from clients on the general market slowdown, while the downturn in the telecoms sector was particularly reported to have hit new contracts to business service providers."

### Domestic demand

The household demand situation remains difficult to interpret, but overall suggests ongoing robust growth, particularly in the light of the second quarter household demand figures. Here, National Accounts figures showed household demand increasing by 1.2 per cent from the first quarter, following two quarters of more subdued growth at 0.6 per cent.

**Chart 5**

Household demand  
percentage change



The second quarter figures are perhaps more in line with the signals from retail sales, which have recorded quarterly sales growth of over 1.5 per cent throughout 2001 (chart 5).

Other sources outside the ONS continue to suggest high household demand. Gross consumer credit data from the bank of England, showed some slowdown in the third quarter of 2000, but a subsequent acceleration into the latest two quarters. Consumer confidence data shows optimism high, CBI figures show retailing volumes and expectations high in both the first and second quarter of 2001, and the British Retail Consortium retailing figures showing a marked acceleration throughout 2001.

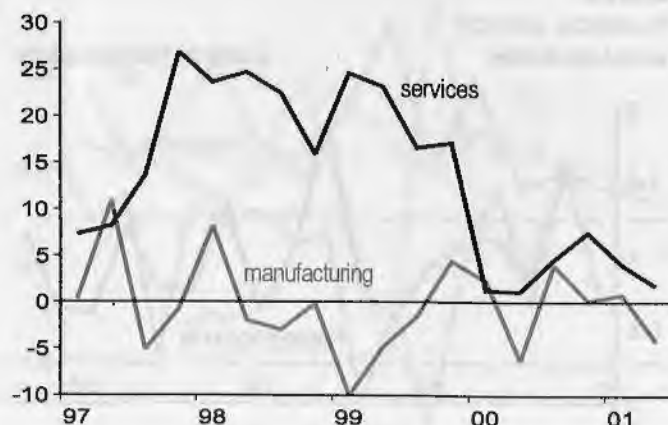
More generally, the medium term strength of consumer demand relative to income has led to a decline in the saving ratio over the past three years. Data for the first quarter of 2001 showed a saving ratio of 4.1 per cent, a figure comparable with the low figures seen during the boom of the late 1980s. The Bank of England have also recently emphasised how the stock of household debt through bank lending (M4 lending) is at an unprecedented level (in comparison to gross disposable income), and have questioned whether households have hence become too indebted.

Turning to investment demand, National Accounts data shows that business investment has stalled quite abruptly into 2001. Quarter one data showed a sharp fall of 5.0 per cent, while quarter two showed a quarterly increase of 0.8 per cent; this was strongly influenced by the import of £800 million of civil and military aircraft, excluding these, investment would have fallen. Comparing the second quarter with the same quarter of 2000, growth in business investment was 2.1 per cent. The services and manufacturing investment figures show how the recent slowdown in investment

**Chart 6**

Investment growth  
percentage change

quarter on quarter a year ago



has been driven by the service sector, where investment has slowed nearly to a standstill following the growth of over 20 per cent between 1997 and 1999 (chart 6). In 1998 the investment slowdown was driven

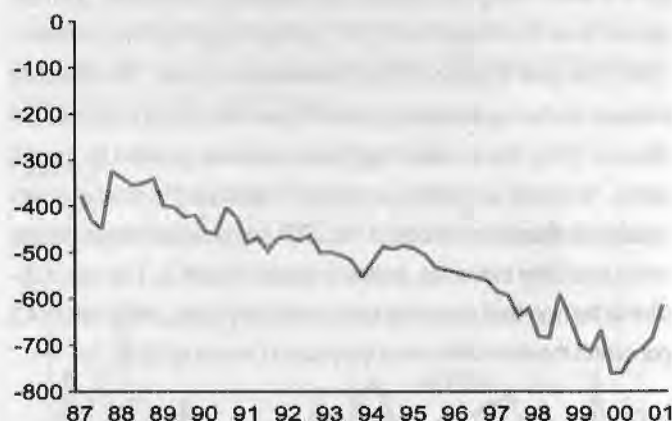
by falls in manufacturing investment; the sector recovered a little but latest figures show growth flat.

Looking ahead, external indices point to deterioration; for example BCC manufacturing and services investment intentions are weakening over the latest quarters, as are the CBI manufacturing figures.

The deteriorating investment comes as profits of private non-financial corporations have been slowing. Total gross operating surplus of corporations fell by 2.2 per cent into the second quarter of 2001, with the non-financial element driving matters. At the same time there has been an increased focus on the level of indebtedness of the corporate sector, with the Bank of England drawing attention to a potential "significant threat". Chart 7 shows the overall balance sheet of the corporate sector as a share of corporate profits; since 1987 companies have steadily increased their net liabilities, apart from a modest recent recovery as shares held as liabilities have decreased in value. Overall however, the ratio of net liabilities at about six times quarterly GDP remains well below the figures seen in the late 1980s and first half of the 1990s.

**Chart 7**

PNFC's net financial assets  
% of quarterly GDP



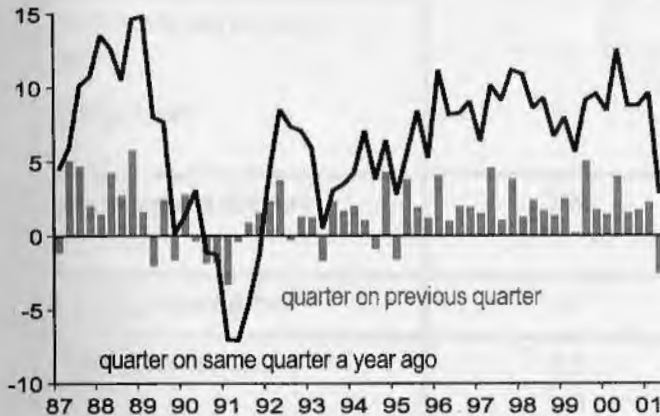
Government demand saw quarterly growth of 0.8 per cent into the second quarter, the same as in the previous quarter. Comparing with the second quarter of 2000, the latest estimate of annual growth is a robust 3.2 per cent. Public sector net borrowing figures shows that so far in 2001-02 the government had borrowed more than in the same period of 2000-01. Net borrowing in April-July 2001 stood at £1.7 billion compared with a repayment of £3.8 billion in the same period of the previous financial year.

Finally on domestic demand, import data showed a substantial decline of 2.5 per cent into the second quarter of 2001, following growth of 2.2 per cent in the first quarter. Growth comparing the current quarter with the



same quarter a year ago also declined sharply (chart 8). At a quarterly rate the decline in imports was the largest since the 1991 recession. Furthermore some degree of weakness has been offset by the import of the previously mentioned civil and military aircraft, and, looking ahead, July figures for non-EU imports are particularly weak.

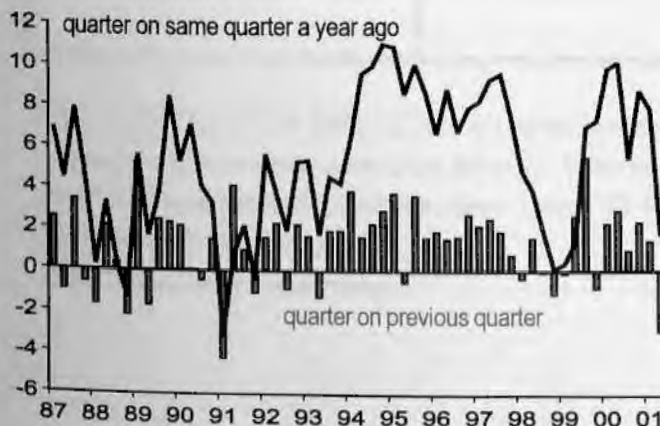
**Chart 8**  
Import volumes  
growth



#### Overseas demand

In line with the weakening global situation, UK export performance has now declined quite sharply. In the second quarter of 2001 exports declined at a quarterly rate of 2.9 per cent compared to growth of 1.9 per cent in the previous quarter. Chart 9 shows that this decline was again the worse since the recession of 1991. Dis-aggregated goods data shows that the decline into the second quarter was dominated by a quarterly fall in exports to the United States of 6.2 per cent, but exports to EU economies also dropped at 1.4 per cent, and there were falls in exports to other non-EU countries such as Japan (14%), Switzerland (5%) and Canada (5%). Services exports also declined sharply.

**Chart 9**  
Export volumes  
growth



Lastly on trade, the medium term movements of imports and exports are such that the balance of trade has been on a widening trend since 1997. The deficit was £8.5 billion in the second quarter down from £7.4 billion in the previous quarter, although the deterioration was mainly driven by the aircraft imports. Since 1997, apart from the first quarter of 2001, the UK balance of payments has been persistently in deficit over this period.

#### Labour Market

The labour market data continue to show employment increasing and unemployment falling. However, while there is little evidence of change to the rate of improvement in unemployment figures, employment data now show evidence of some slowdown to growth.

The ILO measure of unemployment shows the rate falling to 5.0 per cent in April – June 2001 from 5.1 per cent in January – March, and the claimant count rate falling to 3.2 per cent from 3.3 per cent over the same period. The latest claimant count figure shows the lowest rate since the September 1975.

**Chart 10**  
Employment growth  
percentage change

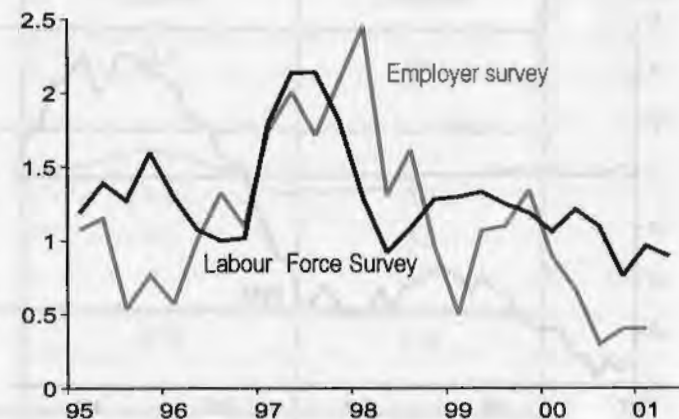


Chart 10 shows the slowdown in employment growth. This is seen most prominently in the workforce jobs employer survey data, where annual growth into the first quarter of 2001 was only 0.4 per cent (comparing with the same quarter a year ago), the same as annual growth in the previous quarter. The quarterly data also show growth flat between the fourth quarter of 2000 and the first quarter of 2001. The LFS data record higher growth of 0.9 per cent in the year to the second quarter, but chart 10 shows that the profile now suggests a modest degree of slowdown over the past two years. The LFS data also show the employment rate flat between the first and second quarters of 2001.

Earnings figures have been above 4.5 per cent in 2001, but latest data suggests some moderation in wage pressures. Growth slowed to 4.8 per cent in the year to the second quarter from 5.0 per cent in the year to the first quarter, and remains below recent peaks in 1998 and 2000.

## Prices

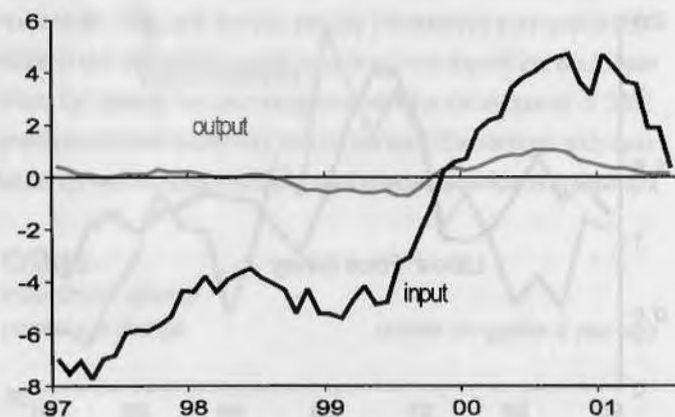
Apart from some erratic movements, prices data continues to show inflation remaining subdued.

Consumer price inflation, as measured by RPIX fell to 2.2 per cent in July, following two consecutive months at 2.4 per cent, as erratic increases to vegetable and pork prices reversed and petrol prices fell further.

Lastly, at the start of the price chain, producer prices continue to remain very subdued. Chart 11 shows output and input price inflation excluding food, beverages, tobacco and petroleum continuing to decelerate, with July 2001 figures showing an annual increase of 0.2 per cent for output prices, and 0.4 per cent for input prices.

### Chart 11

Underlying producer price inflation  
percentage change month on same month a year ago





# Forecasts for the UK Economy

## A comparison of independent forecasts, August 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)	2.2	1.6	2.8
Inflation rate (Q4: per cent)			
- RPI	1.8	1.1	2.9
- RPI excl MIPs	2.2	1.6	2.7
Unemployment (Q4, mn)	0.99	0.90	1.10
Current Account (£ bn)	-16.1	-23.5	-8.4
PSNB *(2001-02, £ bn)	-7.5	-17.2	-1.4

	Independent Forecasts for 2002		
	Average	Lowest	Highest
GDP growth (per cent)	2.6	0.4	3.2
Inflation rate (Q4: per cent)			
- RPI	2.6	1.1	3.9
- RPI excl MIPs	2.4	1.4	3.5
Unemployment (Q4, mn)	1.01	0.76	1.15
Current Account (£ bn)	-20.4	-26.9	-10.5
PSNB* (2002-03, £ bn)	-1.1	-9.2	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 B K Phamber, Public Enquiry Unit, HM Treasury, Room 88/2, 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.

# International Economic Indicators - September 2001

Cedrik Schurich, Macroeconomic Assessment - National Statistics

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## Overview

EU15 Quarterly GDP growth further slowed in the first quarter of 2001, mainly due to falling contributions of consumption and investment. Growth in the labour market remained, however, reasonably robust. Inflation remained stable and low in all major EU economies. Within the EU, German GDP slowed quite substantially since 2000 quarter three. French GDP growth started slowing more significantly only in 2001 quarter one, in line with earlier signals of weakness in industrial production. In contrast, Italian GDP growth remained overall strong. Outside the EU, GDP growth in the US remained weak in 2001 quarter one while unemployment started to pick up strongly and industrial production to fall sharply. Meanwhile, inflation remained low. In Japan, GDP growth was again negative and industrial production fell sharply, while the economy continued to suffer from deflationary pressures.

## EU15

Following strong growth of 3.4 per cent in 2000, EU GDP growth appears to have slowed somewhat and was 0.5 per cent in the first quarter of 2001 (chart 1). While demand movements underpinning the first quarter are not yet available, 2000 saw the contributions of households, government and investment weakening a little.

Index of Production data shows the potential source of the slowdown, with quarterly growth declining to 0.2 per cent in 2001 quarter one, following 0.5 and 1.0 per cent in the two previous quarters. Furthermore, monthly figures for March and April are now suggesting declines in output.

EU Employment data continues to show growth but at a slightly reduced rate, with annual growth in the year to the first quarter at 1.6 per cent following 1.8 per cent in the previous quarter. Unemployment continues to decline. Despite a fairly prolonged and robust spell of employment growth over the past three years, EU average earn-

ings, while accelerating, have remained reasonably subdued. Furthermore growth slowed to 2.6 per cent into the first quarter of 2001, following 3.5 per cent in the fourth quarter of 2000.

Price data has shown an acceleration in producer and consumer figures following the increases to the price of oil. The first quarter of 2001 however saw producer prices falling back to 3.3 per cent from 5.0 per cent in the fourth quarter of 2000, and consumer prices slowing slightly to 2.7 per cent following 2.8 per cent in the previous quarter.

## Germany

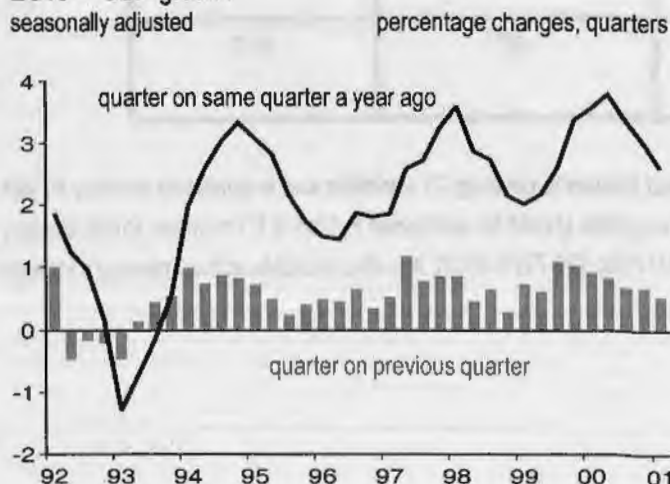
After having slowed quite substantially in 2000 quarter three and four, quarterly GDP growth picked up slightly in 2001 quarter one, growing by 0.4 per cent. This is much lower than the peak growth of 1.2 per cent seen in 2000 quarter two.

Continued weak GDP growth in 2001 quarter one came from zero growth in the contribution of consumption (for the second consecutive quarter) and a large negative contribution from investment of 0.5 per cent. The investment decline was the worst since the first quarter of 1997. The zero contribution from consumption contrasts with the pick up in retail sales, from minus 1.1 per cent in 2000 quarter four to 1.2 per cent in 2001 quarter one, although the annual rate of 1.1 per cent is more subdued. The contribution from exports fell by 0.3 per cent but the net contribution from trade was however positive as imports fell by 1.2 per cent.

Quarterly growth in production recovered by 1.4 per cent in the first quarter of 2001 following a decline of 0.4 per cent in the previous quarter. However, monthly figures within the quarter show a steep decline of 1.7 in March. It then fell by 1.5 per cent in April. This suggests that industrial production might be heading for a slowdown,

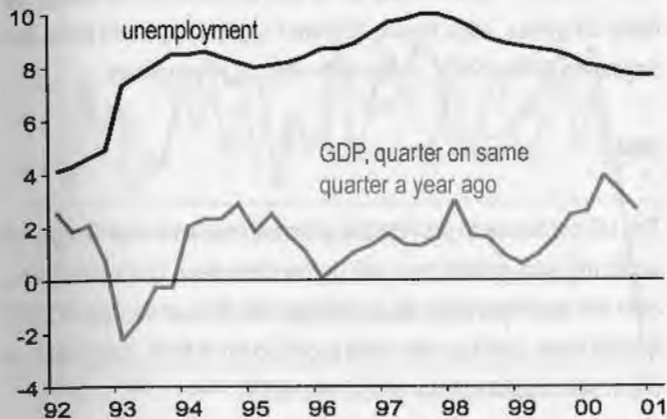
Chart 1

EU15 - GDP growth  
seasonally adjusted



## Chart 2

Germany - GDP growth and unemployment  
seasonally adjusted percentage changes, quarters



which would be in line with recent GDP trends.

Employment growth has remained fairly strong, but unemployment improvements have slowed. The rate stabilised at 7.7 per cent in the fourth quarter of 2000 and first quarter of 2001, and actually increased to 7.8 per cent in May (chart 2 contrasts GDP and quarterly unemployment). As unemployment improvements slowed, quarterly annual earnings growth has moderated somewhat, from 2.4 per cent in 2000 quarter four to 2.0 per cent in 2001 quarter one.

On the other hand, both producer and consumer prices continued growing in 2001, with May figures showing consumer price inflation quickening to 3.5 per cent and producer price inflation at 4.6 per cent, although this is a fall from the 5.0 per cent growth recorded in April. The acceleration may continue to be driven by the price of oil.

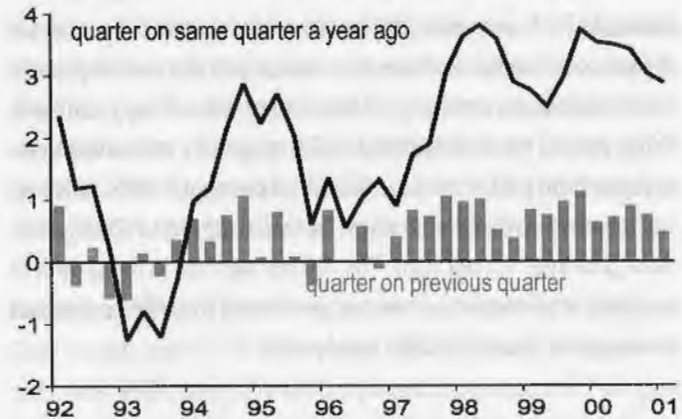
## France

In the first quarter of 2001, the French economy may have caught up with the general slowdown in the world economy. After three years of fairly vigorous expansion, quarterly GDP growth in 2001 quarter one slowed to 0.5 per cent, down from 0.7 per cent in the previous quarter.

The 2001 quarter one slowdown was dominated by declines in the contribution of exports and sharp destocking. Export growth made the weakest contribution to GDP growth since 1998 quarter four. The contribution of consumption, however, picked up strongly, relative to the lower figures in previous quarters. Exceptionally strong quarterly retail sales growth of 3.4 per cent echoed this movement in consumption in 2001 quarter one, following very robust growth in January. Retail sales, however, fell by 4.7 per cent in April, although there was a slight improvement in May, with an increase of 0.4 per cent. As with Germany, French GDP in the first quarter of 2001 was

## Chart 3

France - GDP growth  
seasonally adjusted percentage changes, quarters



also supported by a substantial fall in import growth. France's trade balance has been rather weak and often negative in recent years.

Growth in quarterly industrial production remained weak in 2001 quarter one, at 0.4 per cent, only slightly higher than the 0.3 per cent growth recorded in the previous quarter. Growth has been weak since 2000 quarter one, except for a blip of 1.4 per cent in 2000 quarter three.

Employment however continues to grow strongly; by an annual rate of 2.5 per cent in 2001 quarter one, one of the highest rates for a number of decades. As a result, unemployment, although it remains high, has been continuously falling in recent years, from a peak of 12.5 per cent in 1994 quarter two to 8.6 per cent in 2001 quarter one.

Annual earnings growth slowed to 4.3 per cent in 2001 quarter one, down from 5 per cent in the previous quarter. This represents a fairly significant decline in growth after four quarters of earnings growth of 5 per cent or more.

Producer and consumer prices have seen an acceleration since the increases in oil prices. 2001 quarter one, however, saw a sharp slowdown in consumer price inflation to 1.2 per cent, from 1.9 per cent in 2000 quarter four.

## Italy

Unlike other EU economies, data shows Italian quarterly GDP growth accelerating, growing by a robust 0.9 per cent in 2001 quarter one. Overall, GDP growth has been strong and following an upward trend since 1999 quarter one, except for some weakness in the second and third quarters of 2000. Overall, growth in 2000 was



significantly up on 1999, 2.9 per cent compared with 1.6 per cent.

However, the main factor for the stronger growth in the first quarter of 2001 was a recovery in the contribution of stockbuilding, which increased by 0.8 per cent in 2001 quarter one, up from 0.1 per cent in the previous quarter. Perhaps more importantly, the contributions of consumption, government and investment were all very subdued. While overall the contribution to GDP growth by consumption increased from 1.4 per cent in 1999 to 1.8 per cent in 2000, this was not reflected in retail sales, which fell by 0.6 per cent in 2000, down from growth of 1.1 per cent. The 1.0 per cent fall in the growth of quarterly retail sales may, however, be more in line with the subdued consumption figures for 2001 quarter one.

In contrast with the sustained quarterly GDP growth in 2001 quarter one, growth in industrial production fell by 0.1 per cent. In previous quarters, however, growth in industrial production has been mostly strong, in line with GDP growth.

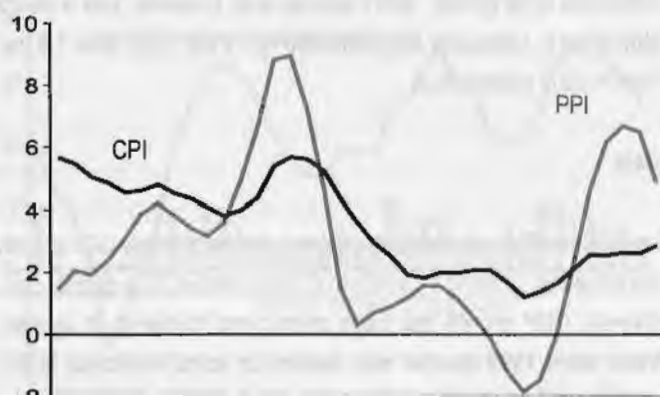
Sustained GDP growth has led to a strong acceleration in annual employment growth since 2000 quarter one, reaching 3.1 per cent in 2001 quarter one, up from a period in 1998 and 1999 characterised by rates of about 1.2 per cent. However, despite relatively strong growth in annual employment in recent years, the fall in unemployment has been more modest, from 11.7 per cent in 1998 quarter one to 10.0 per cent in 2000 quarter four.

Perhaps reflecting persisting high unemployment, annual earnings growth has remained subdued and is now showing a further sharp slowdown in May following on from that in April 2001.

Inflation signals from the consumer and producer price indices were mixed in 2001 quarter one (chart 4). Consumer prices continued

#### Chart 4

Italy - Producer and consumer price inflation  
seasonally adjusted percentage changes, quarters



their upward trend, from 2.6 per cent in 2000 quarter four to 2.9 per cent in the next quarter, and producer prices reversed 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 concerns over the global economy, with growth now well below rates seen in the expansion over the last five years. Quarterly growth slowed sharply in 2000 quarter three, and has remained subdued since then, with growth of 0.2 in the second quarter of 2001 (chart 5).

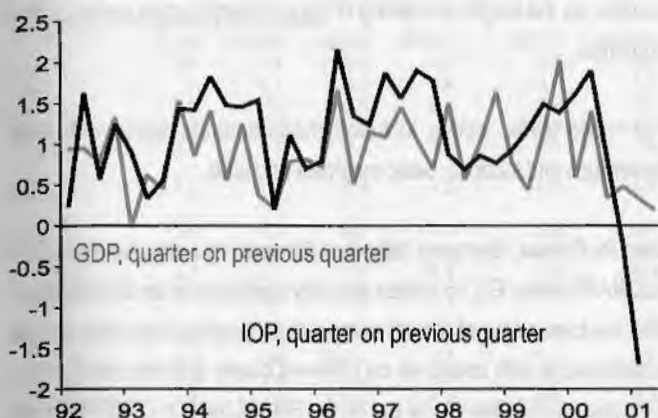
The slowdown in GDP growth has come from a number of sources. The contribution of consumption declined, but only moderately so. The main driver of the weak growth in quarter two was a sharp fall of 0.3 per cent in the contribution of investment expenditure, following a number of subdued quarters. Government consumption has made a modest positive contribution over the past three quarters. In addition, as with Germany and France, exports are beginning to decline sharply; with imports declining in parallel into the second quarter, the contribution of the trade balance was unchanged. In the second half of 2000 and the first quarter of 2001 low GDP growth was also driven by falls in the contribution of stock building, although this moderated in the second quarter. Nevertheless, this may still lend some support to the proposition that the current downturn in the US represents some form of inventory adjustment.

On the other hand, the decline in quarterly industrial production has been unambiguous (chart 5), from an increase of 0.9 per cent in 2000 quarter three, to a fall of 0.2 per cent in 2000 quarter four and 1.7 per cent in 2001 quarter one and ongoing declines in April and May. This represents the first period of declining industrial production since 1991 quarter one. On a monthly basis, industrial production has declined in every month since October 2000.

In contrast to European economies, the US labour market has responded fast to the GDP slowdown. Annual employment growth slowed to 0.7 per cent in 2001 quarter one, down from growth of 1.0 per cent in 2000 quarter four. Until 2000 quarter two, annual employment growth had been significantly above 1.0 per cent in most quarters in recent years. Monthly figures in April and May showed growth coming to a virtual standstill, with annual growth of minus 0.1 per cent and 0.1 per cent respectively. 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

## Chart 5

USA - GDP and index of production  
seasonally adjusted percentage changes, quarters



the rate stabilising at 4.0 per cent in each quarter of 2000. Both April and May show higher rates than in the first quarter.

More generally, considering the low rate of unemployment, earnings growth has remained quite subdued. The recent increases to unemployment may have contributed to the quite significant slowdown in earnings growth in the first quarter of 2001, to 2.6 per cent, compared with 3.5 per cent in the previous quarter. That said, May 2001 data showed a pick up in earnings.

There has been some indication from consumer and producer price index data of a fall in already low inflation. While annual consumer prices fell a little from 3.4 per cent to 3.2 per cent in 2001 quarter one, producer prices fell from 3.4 per cent to 2.1 per cent over the same period. This perhaps reflects low earnings growth as well as lower oil prices.

## Japan

Despite the rebound of 0.7 per cent in GDP growth in 2000 quarter four, from a fall of 0.7 per cent in the previous quarter, GDP fell again by 0.2 per cent in the first quarter of 2001. This latest movement in GDP growth represents a continuation of the overall weak and volatile growth pattern since early 1999, when growth in the Japanese economy resumed.

The standstill in GDP growth in 2001 quarter one came as all components made a zero contribution except trade, which made a net negative contribution as exports fell faster than imports.

General trends in the contributions of demand components have been for a subdued and deteriorating contribution from consumption, a fairly steady and positive contribution from government and

volatile but overall weak investment. On the trade side, in 2000 exports supported GDP, but these weakened substantially over the second half of the year, while imports remained higher.

Broadly, quarterly growth in industrial production had recovered strongly since 1999 quarter two but has shown renewed weakness in the latest periods (chart 6); quarterly growth in production slowed to 0.3 per cent in 2000 quarter four and then fell very sharply by 3.1 per cent in 2001 quarter one. There is an increasing likelihood that GDP growth in 2001 quarter two might be weak or even negative.

Annual employment growth has hardly responded to the pick up in GDP growth over the last two years, remaining mostly negative or zero. As a result, unemployment remained unchanged at 4.7 per cent in both 1999 and 2000 as a whole, with little additional information so far in the quarterly figures.

Despite no improvements to unemployment, but in line with rises in GDP, earnings growth picked up in 2000 to 1.7 per cent, after having been falling in the two previous years. 2001 quarter one data shows a resumed slowdown in earnings growth to 0.5 per cent, in line with the general overall economy slowdown.

This contrasts with consumer and producer prices having continued to fall in 2000. Japan has suffered from consumer and producer price deflation since mid-1998. This deflation has occurred in Japan despite rising oil prices and the slight recovery in earnings growth. 2001 quarter one data shows no sign of a reversal of this trend.

## World Trade

Echoing the national figures, world trade data showed signs of some slowdown in the global economy. OECD exports and imports of goods, which include both manufactures and raw materials, slowed

## Chart 6

Japan - Index of production  
seasonally adjusted percentage changes, quarters



significantly in the last quarter of 2000. Quarterly exports of goods slowed to 0.9 per cent, from 2.7 per cent in the preceding quarter, while quarterly imports of goods slowed to 0.9 per cent in 2000 quarter four, from 2.9 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, annual growth in OECD exports and imports of goods in 2000 remain very high, at 11.8 per cent and 12.5 per cent respectively (chart 7 shows OECD trade in goods, quarter on same quarter a year ago). 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, and has shown no sign of weakening in the latest period.

Trends in exports and imports of manufactures (which exclude raw materials) were very similar to trends in goods trade; OECD quarterly exports growth fell to 0.9 per cent in 2000 quarter four, down from 2.8 per cent in the previous quarter, while the equivalent figures for imports were 1.1 per cent and 3.2 per cent. Manufactures trade for non-OECD countries was similar to trends observed for goods trade.

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

### Chart 7

#### OECD exports and imports of goods

seasonally adjusted percentage changes, quarters  
quarter on quarter a year ago



### 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.



## Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk <sup>1</sup>	Exports	Imports <sup>less</sup>	toP	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	0.2	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	3.8	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	3.1	1.0	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	2.6	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	1.5	9.2
2000	3.4	1.7	0.4	1.0	-0.1	4.0	3.6	4.6	2.2	2.5	4.7	3.5	1.6	8.2
1998 Q1	3.6	1.9	0.2	1.4	0.6	3.4	3.8	5.7	2.6	1.8	0.7	2.9	1.7	10.2
Q2	2.9	1.8	0.2	1.1	0.5	2.5	3.2	4.7	2.6	2.2	0.2	2.8	1.7	10.0
Q3	2.7	2.1	0.2	1.3	0.2	1.5	2.7	3.3	3.3	1.6	-0.8	2.8	1.7	9.8
Q4	2.1	2.0	0.3	1.0	0.2	0.7	2.2	1.5	2.9	1.4	-1.7	1.8	1.8	9.6
1999 Q1	2.0	2.0	0.4	1.0	-	0.3	1.7	0.5	2.3	1.1	-1.8	2.8	1.5	9.5
Q2	2.2	1.8	0.4	1.1	-0.2	0.8	1.7	0.6	1.2	1.1	-1.0	2.8	1.4	9.3
Q3	2.6	1.9	0.4	1.1	-0.2	1.9	2.4	2.0	1.9	1.2	0.5	2.7	1.6	9.1
Q4	3.4	1.9	0.4	1.2	-0.2	3.1	3.0	4.0	2.8	1.5	2.4	3.6	1.5	8.8
2000 Q1	3.6	1.7	0.4	1.2	-0.3	3.9	3.4	4.2	2.4	2.2	4.1	3.6	1.4	8.6
Q2	3.8	2.0	0.4	1.1	0.2	4.1	3.9	5.6	3.2	2.3	4.9	3.6	1.6	8.3
Q3	3.4	1.7	0.4	1.0	0.1	4.0	3.7	4.8	2.1	2.7	5.1	3.5	1.5	8.1
Q4	3.0	1.4	0.3	0.9	-0.2	4.0	3.5	4.0	0.9	2.8	5.0	3.5	1.8	7.9
2001 Q1	2.6	..	..	..	..	..	..	3.6	1.8	2.7	3.3	2.6	1.6	7.7
2000 May	..	..	..	..	..	..	..	6.5	3.7	2.2	4.9	..	..	8.3
Jun	..	..	..	..	..	..	..	4.7	1.9	2.6	5.2	..	..	8.2
Jul	..	..	..	..	..	..	..	4.8	1.9	2.5	5.0	..	..	8.1
Aug	..	..	..	..	..	..	..	5.1	1.9	2.5	4.8	..	..	8.1
Sep	..	..	..	..	..	..	..	4.4	2.8	2.9	5.4	..	..	8.0
Oct	..	..	..	..	..	..	..	3.5	-	2.8	5.5	..	..	7.9
Nov	..	..	..	..	..	..	..	3.6	0.9	2.9	5.3	..	..	7.9
Dec	..	..	..	..	..	..	..	4.7	1.8	2.7	4.4	..	..	7.8
2001 Jan	..	..	..	..	..	..	..	4.7	2.8	2.7	3.7	..	..	7.8
Feb	..	..	..	..	..	..	..	3.7	0.9	2.7	3.3	..	..	7.7
Mar	..	..	..	..	..	..	..	2.5	1.8	2.6	2.8	..	..	7.7
Apr	..	..	..	..	..	..	..	1.0	..	2.8	2.9	..	..	7.6
May	..	..	..	..	..	..	..	..	..	3.1	2.6	..	..	7.6
<b>Percentage change on previous quarter</b>														
	ILGL	HUDY	HUDZ	HUEA	HUEB	HUEC	HUED	ILHF	ILHZ				ILIT	
1998 Q1	0.9	0.7	0.1	0.4	0.2	0.6	1.0	1.3	1.3				-0.3	
Q2	0.4	0.4	0.1	0.1	-0.1	0.4	0.5	0.6	0.7				1.1	
Q3	0.6	0.5	0.1	0.4	-0.1	0.1	0.3	0.3	0.7				0.7	
Q4	0.2	0.5	0.1	0.2	0.2	-0.3	0.3	-0.6	0.3				0.3	
1999 Q1	0.7	0.6	0.2	0.3	-	0.2	0.5	0.3	0.7				-0.6	
Q2	0.6	0.3	-	0.3	-0.3	0.8	0.5	0.6	-0.4				1.0	
Q3	1.0	0.5	0.1	0.3	-0.1	1.1	1.0	1.7	1.3				1.0	
Q4	1.0	0.5	0.1	0.3	0.2	0.9	1.0	1.3	1.2				0.2	
2000 Q1	0.9	0.4	0.1	0.3	-0.1	1.0	0.9	0.5	0.3				-0.7	
Q2	0.8	0.5	0.1	0.2	0.1	1.0	1.0	1.9	0.4				1.1	
Q3	0.6	0.2	0.1	0.2	-0.2	1.0	0.8	1.0	0.3				0.8	
Q4	0.6	0.2	0.1	0.1	-	1.0	0.8	0.5	-				0.5	
2001 Q1	0.5	..	..	..	..	..	..	0.2	1.2				-0.8	
<b>Percentage change on previous month</b>														
								ILKF	ILKP					
2000 May								1.1	1.8					
Jun								-0.9	-1.8					
Jul								0.9	0.9					
Aug								0.8	-					
Sep								-0.5	-					
Oct								-0.3	-0.9					
Nov								0.9	0.9					
Dec								0.8	0.9					
2001 Jan								-0.8	0.9					
Feb								0.6	-0.9					
Mar								-0.8	-					
Apr								-0.8	..					
May								..	..					

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

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

## Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	toP	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	1.5	0.4	0.6	-1.0	2.6	0.6	8.6
2000	3.1	1.0	0.3	0.7	0.1	4.2	3.2	6.3	1.0	1.9	3.4	2.7	0.4	7.9
1998 Q1	3.0	0.9	-	1.0	0.5	3.0	2.4	6.1	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	-0.9	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	-0.6	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	0.5	-0.2	0.5	-1.7	2.4	0.1	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	1.1	8.6
Q4	2.5	1.3	-	0.9	-0.1	3.1	2.8	4.4	0.6	1.0	0.6	3.0	0.4	8.4
2000 Q1	2.6	0.5	0.3	0.9	-0.7	4.3	2.7	5.4	-1.1	1.7	2.3	2.8	0.2	8.1
Q2	4.0	1.6	0.4	0.8	-	4.0	2.8	6.9	4.1	1.6	2.6	2.4	0.4	7.9
Q3	3.3	1.0	0.1	0.5	0.7	3.9	2.9	7.1	1.7	2.0	3.7	3.3	0.4	7.8
Q4	2.6	0.8	0.3	0.5	0.5	4.8	4.2	5.5	-0.6	2.4	4.5	2.4	0.8	7.7
2001 Q1	2.0	0.7	-	-0.4	0.9	3.1	2.3	5.6	1.1	2.5	4.8	2.0	0.7	7.7
2000 May	..	..	..	..	..	..	..	8.8	7.3	1.4	2.7	..	..	7.9
Jun	..	..	..	..	..	..	..	5.2	-1.2	1.9	2.9	..	..	7.9
Jul	..	..	..	..	..	..	..	7.6	-0.5	1.9	3.3	..	..	7.9
Aug	..	..	..	..	..	..	..	6.8	1.8	1.8	3.5	..	..	7.8
Sep	..	..	..	..	..	..	..	6.9	3.9	2.5	4.3	..	..	7.8
Oct	..	..	..	..	..	..	..	5.2	-2.3	2.4	4.6	..	..	7.7
Nov	..	..	..	..	..	..	..	5.6	-0.3	2.4	4.7	..	..	7.7
Dec	..	..	..	..	..	..	..	5.8	0.7	2.2	4.2	..	..	7.7
2001 Jan	..	..	..	..	..	..	..	7.6	2.0	2.4	4.6	..	..	7.7
Feb	..	..	..	..	..	..	..	5.8	-1.0	2.6	4.7	..	..	7.7
Mar	..	..	..	..	..	..	..	3.6	2.2	2.5	4.9	..	..	7.7
Apr	..	..	..	..	..	..	..	1.1	-0.4	2.9	5.0	..	..	7.7
May	..	..	..	..	..	..	..	..	..	3.5	4.6	..	..	7.8
<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	2.3	1.5				-0.7	
Q2	-0.5	-0.3	-	-0.3	0.1	0.5	0.6	-	-0.7				1.5	
Q3	0.3	0.5	-	0.3	0.1	-0.3	0.2	0.5	0.8				-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	0.4	1.2				-1.7	
Q2	-0.1	-0.2	-0.1	0.1	-0.2	1.2	0.9	1.0	-2.6				0.8	
Q3	0.9	0.4	0.1	0.5	-0.4	1.0	0.7	1.8	0.8				0.9	
Q4	0.9	0.3	-	-0.1	0.5	0.7	0.5	1.1	1.3				0.4	
2000 Q1	1.0	0.1	0.3	0.4	-0.6	1.4	0.6	1.3	-0.5				-1.9	
Q2	1.2	0.8	-	-	0.4	0.9	1.0	2.5	2.5				1.0	
Q3	0.3	-0.2	-0.1	0.2	0.3	0.9	0.8	2.1	-1.5				0.9	
Q4	0.2	-	0.1	-	0.3	1.5	1.8	-0.4	-1.1				0.8	
2001 Q1	0.4	-	0.1	-0.5	-0.2	-0.3	-1.2	1.4	1.2				-1.9	
<b>Percentage change on previous month</b>														
								ILKC	ILKM					
2000 May								2.3	4.5					
Jun								-2.5	-7.6					
Jul								2.8	1.4					
Aug								0.7	1.6					
Sep								-0.5	-0.5					
Oct								-0.8	-2.4					
Nov								0.6	0.7					
Dec								0.2	2.0					
2001 Jan								1.6	-0.3					
Feb								0.1	-0.6					
Mar								-1.7	0.9					
Apr								-1.5	0.2					
May								..	..					

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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

## 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	0.8	—	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	0.9	-0.3	2.0	-2.7	2.6	0.2	12.3
1997	1.9	0.1	0.5	—	0.1	2.8	1.5	3.8	1.0	1.2	-0.6	2.6	0.7	12.3
1998	3.5	1.9	—	1.3	0.8	2.1	2.6	5.2	2.6	0.8	-0.9	2.2	1.5	11.8
1999	3.0	1.7	0.5	1.2	-0.4	1.0	1.0	2.1	2.4	0.5	-1.6	2.5	2.0	11.2
2000	3.4	1.5	0.5	1.2	0.3	3.6	3.7	3.2	0.6	1.7	2.1	5.2	2.5	9.5
1998 Q1	3.6	1.5	—	1.1	0.9	3.3	3.2	7.8	2.3	0.9	0.5	2.4	1.2	11.9
Q2	3.8	2.1	—	1.4	1.1	2.5	3.3	6.6	3.2	1.1	-0.3	2.0	1.4	11.8
Q3	3.6	2.1	-0.1	1.4	0.5	1.9	2.3	3.7	2.4	0.7	-1.4	2.1	1.7	11.8
Q4	2.9	2.0	—	1.3	0.7	0.6	1.7	2.7	2.7	0.4	-2.3	2.0	1.9	11.7
1999 Q1	2.8	1.8	0.3	1.4	-0.1	0.2	0.8	1.1	3.3	0.2	-2.7	2.0	1.9	11.6
Q2	2.5	1.5	0.4	1.1	-0.4	0.4	0.5	0.6	1.8	0.4	-2.3	2.0	1.9	11.4
Q3	3.0	1.8	0.5	1.0	-0.7	1.4	1.0	2.5	2.3	0.5	-1.6	2.7	1.9	11.0
Q4	3.7	1.8	0.6	1.1	-0.3	2.2	1.8	4.2	2.0	1.0	—	3.4	2.1	10.6
2000 Q1	3.5	1.8	0.5	1.1	0.1	3.1	3.0	4.0	2.1	1.5	1.2	5.2	2.3	10.1
Q2	3.5	1.6	0.5	1.2	—	3.7	3.7	3.4	1.4	1.5	2.1	5.4	2.5	9.6
Q3	3.4	1.4	0.6	1.3	0.8	3.4	4.1	3.5	—	1.9	2.7	5.2	2.5	9.3
Q4	3.0	1.0	0.5	1.3	0.2	4.0	4.0	2.1	-1.4	1.9	2.4	5.0	2.6	9.0
2001 Q1	2.9	1.4	0.6	1.2	-0.8	2.8	2.3	2.3	1.4	1.2	2.5	4.3	2.5	8.6
2000 May	..	..	..	..	..	..	..	3.0	4.1	1.5	2.1	..	..	9.6
Jun	..	..	..	..	..	..	..	3.2	1.1	1.7	2.2	..	..	9.5
Jul	..	..	..	..	..	..	..	3.9	-1.6	1.7	2.6	..	..	9.4
Aug	..	..	..	..	..	..	..	3.9	1.7	1.8	2.7	..	..	9.3
Sep	..	..	..	..	..	..	..	2.5	0.1	2.2	2.7	..	..	9.2
Oct	..	..	..	..	..	..	..	2.1	-1.2	1.9	2.5	..	..	9.1
Nov	..	..	..	..	..	..	..	1.3	-1.4	2.2	2.4	..	..	8.9
Dec	..	..	..	..	..	..	..	3.0	-1.4	1.5	2.5	..	..	8.9
2001 Jan	..	..	..	..	..	..	..	3.1	2.1	1.1	2.6	..	..	8.7
Feb	..	..	..	..	..	..	..	2.3	0.3	1.3	2.6	..	..	8.6
Mar	..	..	..	..	..	..	..	1.7	1.8	1.2	2.3	..	..	8.6
Apr	..	..	..	..	..	..	..	1.9	-0.5	1.8	2.0	..	..	8.5
May	..	..	..	..	..	..	..	..	-2.5	2.3	1.8	..	..	8.5
<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	0.5	0.7	1.0	2.0	-0.1				0.5	
Q2	1.0	0.8	—	0.5	0.1	0.3	0.6	1.2	1.1				0.5	
Q3	0.5	0.3	—	0.2	-0.1	0.2	0.1	-0.5	0.7				0.5	
Q4	0.4	0.4	0.1	0.2	0.2	-0.5	—	0.1	1.1				0.4	
1999 Q1	0.8	0.2	0.2	0.4	-0.3	0.3	0.1	0.4	0.5				0.5	
Q2	0.7	0.5	0.1	0.2	-0.2	0.5	0.3	0.7	-0.4				0.5	
Q3	1.0	0.6	0.1	0.1	-0.4	1.0	0.5	1.3	1.1				0.6	
Q4	1.1	0.5	0.2	0.3	0.6	0.3	0.8	1.7	0.8				0.6	
2000 Q1	0.6	0.2	0.1	0.3	0.1	1.2	1.3	0.2	0.6				0.7	
Q2	0.7	0.3	0.2	0.4	-0.3	1.2	0.9	0.2	-1.0				0.7	
Q3	0.9	0.5	0.1	0.2	0.4	0.7	1.0	1.4	-0.3				0.6	
Q4	0.7	—	0.1	0.3	—	0.9	0.7	0.3	-0.7				0.7	
2001 Q1	0.5	0.6	0.1	0.2	-0.8	—	-0.4	0.4	3.4				0.6	
<b>Percentage change on previous month</b>														
								ILKD	ILKN					
2000 May								0.2	2.5					
Jun								0.1	-1.0					
Jul								1.5	-0.2					
Aug								—	-0.1					
Sep								-0.6	-0.3					
Oct								0.4	-0.9					
Nov								0.3	0.9					
Dec								0.3	-0.2					
2001 Jan								0.1	3.4					
Feb								0.2	-1.0					
Mar								-0.3	1.5					
Apr								-0.3	-4.7					
May								..	0.4					

GDP = Gross Domestic Product at constant market prices  
PFC = Private Final Consumption at constant market prices  
GFC = Government Final Consumption at constant market prices  
GFCF = Gross Fixed Capital Formation at constant market prices

Sales = Retail Sales volume  
CPI = Consumer Prices, measurement not uniform among countries  
PPI = Producer Prices (manufacturing)  
Earnings = Average Wage Earnings (manufacturing), definitions of coverage



## Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
Percentage change on a year earlier														
	ILGA	HUCI	HUCJ	HUCK	HUCL	HUCM	HUCN	ILGU	ILHO	HYAA	ILAH	ILAQ	ILII	GABE
1995	2.9	1.0	-0.4	1.1	0.2	3.1	2.1	5.8	0.4	5.3	7.9	3.1	-0.6	11.6
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	11.7
Q2	1.7	1.7	-	1.0	-0.5	1.4	2.0	2.5	1.6	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	11.7
1999 Q1	1.1	1.7	0.2	0.5	0.8	-1.2	1.0	-1.3	1.3	1.2	-1.8	3.0	1.2	11.6
Q2	1.3	1.2	0.2	0.6	1.2	-0.9	1.1	-2.3	0.3	1.4	-1.4	2.1	1.3	11.5
Q3	1.3	1.4	0.3	1.0	-0.2	0.1	1.2	0.5	0.3	2.0	-	2.3	1.2	11.3
Q4	2.8	1.3	0.3	1.5	-0.3	2.1	2.0	2.9	2.3	2.1	2.2	1.8	1.4	11.1
2000 Q1	3.3	1.5	0.3	1.4	-0.7	2.1	1.4	3.4	-0.6	2.6	4.6	1.9	1.2	11.0
Q2	3.0	2.1	0.3	1.5	-0.5	2.3	2.7	5.8	-0.3	2.6	6.2	2.5	1.5	10.6
Q3	2.7	1.8	0.2	1.2	-1.3	3.9	3.1	3.6	-	2.3	6.7	2.0	2.1	10.3
Q4	2.6	1.7	0.2	0.7	-1.4	3.2	1.7	3.3	-1.3	2.6	6.5	1.9	2.8	10.0
2001 Q1	2.4	1.0	0.2	0.5	-0.8	3.6	2.1	2.5	-0.3	2.9	4.9	2.0	3.1	..
2000 May	..	..	..	..	..	..	..	7.8	-	2.5	6.4	2.7	..	10.6
Jun	..	..	..	..	..	..	..	5.0	-1.0	2.7	6.9	2.9	..	10.6
Jul	..	..	..	..	..	..	..	2.9	1.0	1.7	6.6	2.0	..	10.4
Aug	..	..	..	..	..	..	..	3.6	-1.9	2.6	6.5	2.0	..	10.3
Sep	..	..	..	..	..	..	..	4.0	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	..	9.9
2001 Jan	..	..	..	..	..	..	..	3.6	-1.0	3.0	5.4	1.9	..	9.8
Feb	..	..	..	..	..	..	..	1.8	-	3.0	5.0	2.0	..	..
Mar	..	..	..	..	..	..	..	2.2	-	2.8	4.3	2.1	..	..
Apr	..	..	..	..	..	..	..	-	-1.0	3.1	4.4	1.6	..	..
May	..	..	..	..	..	..	..	..	..	3.0	2.9	1.1	..	..
Percentage change on previous quarter														
	ILGK	HUCO	HUCP	HUCQ	HUCR	HUCS	HUCT	ILHE	ILHY				ILIS	
1998 Q1	0.1	0.6	-	0.1	0.2	0.5	1.2	-0.8	0.7				-0.7	
Q2	0.4	0.6	0.1	0.1	-0.6	0.1	-0.2	0.5	1.0				1.1	
Q3	0.6	0.3	-	0.1	0.5	-0.5	-0.2	-0.8	-				1.4	
Q4	-0.5	0.5	0.1	-	0.4	-0.7	0.7	-1.3	-0.6				-0.3	
1999 Q1	0.5	0.3	0.1	0.4	0.6	-0.1	0.7	0.2	1.0				-1.0	
Q2	0.6	0.1	0.1	0.2	-0.2	0.4	-0.1	-0.5	-				1.2	
Q3	0.7	0.4	0.1	0.4	-0.9	0.6	-0.1	2.1	-				1.3	
Q4	0.9	0.4	0.1	0.5	0.3	1.2	1.4	1.2	1.3				-0.1	
2000 Q1	1.0	0.6	0.1	0.3	0.2	-	0.1	0.7	-1.9				-1.2	
Q2	0.3	0.6	-	0.3	-	0.6	1.2	1.8	0.3				1.5	
Q3	0.4	0.2	-	0.2	-1.6	2.1	0.4	-0.1	0.3				1.9	
Q4	0.8	0.3	0.1	-	0.1	0.5	-	0.9	-				0.6	
2001 Q1	0.9	-	-	0.1	0.8	0.4	0.5	-0.1	-1.0				-0.8	
Percentage change on previous month														
								ILKE	ILKO					
2000 May								1.8	-					
Jun								-0.8	-					
Jul								-0.9	1.0					
Aug								1.2	-1.9					
Sep								-	1.9					
Oct								-0.7	-1.0					
Nov								0.9	1.0					
Dec								2.1	-1.0					
2001 Jan								-1.9	-1.0					
Feb								-0.1	1.0					
Mar								0.5	-1.0					
Apr								-1.9	-					
May								..	..					

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

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

## Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	toP	Sales	CPI	PPI	Earnings	Empl <sup>1</sup>	Unempl
Percentage change on a year earlier														
	ILGC	HUDG	HUDH	HUDI	HUDJ	HUDK	HUDL	ILGW	ILHQ	ILAA	ILAJ	ILAS	ILIK	GADO
1995	2.7	2.0	-	0.9	-0.5	1.0	0.9	4.8	3.6	2.8	2.9	2.6	1.5	5.6
1996	3.6	2.1	0.1	1.5	-	0.9	1.0	4.6	4.9	2.9	2.3	3.3	1.4	5.4
1997	4.4	2.4	0.3	1.6	0.4	1.4	1.7	6.7	4.1	2.3	0.3	3.2	2.3	5.0
1998	4.3	3.2	0.2	2.0	0.2	0.3	1.6	4.7	6.4	1.6	-1.1	2.5	1.5	4.5
1999	4.1	3.3	0.3	1.6	-0.2	0.4	1.5	4.2	8.6	2.1	1.8	2.9	1.5	4.2
2000	4.1	3.3	0.4	1.4	-0.1	1.1	2.0	5.6	6.4	3.4	4.1	3.6	1.3	4.0
1998 Q1	4.7	2.8	0.2	2.0	0.8	0.8	1.9	6.3	4.8	1.4	-1.5	2.8	1.9	4.7
Q2	3.8	3.5	0.2	2.1	-0.6	0.2	1.7	5.3	7.5	1.6	-0.9	2.8	1.5	4.4
Q3	3.8	3.1	0.1	1.7	0.2	-0.2	1.3	4.3	5.3	1.6	-1.0	2.5	1.1	4.5
Q4	4.8	3.4	0.3	2.1	0.2	0.3	1.5	3.2	7.7	1.5	-0.9	1.9	1.3	4.4
1999 Q1	4.0	3.3	0.4	1.8	-0.3	0.1	1.3	3.3	9.0	1.7	-	1.8	1.7	4.3
Q2	3.9	3.3	0.1	1.6	-0.1	0.3	1.4	3.8	7.8	2.2	1.1	2.4	1.4	4.3
Q3	4.0	3.4	0.3	1.6	-0.4	0.6	1.7	4.4	9.3	2.4	2.4	3.7	1.4	4.2
Q4	4.4	3.4	0.4	1.4	0.1	0.5	1.7	5.1	8.3	2.6	3.2	3.6	1.5	4.1
2000 Q1	4.2	3.6	0.3	1.6	-0.6	1.0	2.0	5.8	8.5	3.4	4.6	4.2	1.6	4.0
Q2	5.2	3.3	0.6	1.6	0.5	1.3	2.2	6.5	7.0	3.3	4.4	3.6	1.6	4.0
Q3	4.4	3.3	0.4	1.4	0.1	1.3	2.2	5.9	6.3	3.5	3.9	2.9	1.1	4.0
Q4	2.8	2.8	0.2	1.1	-0.5	0.8	1.8	4.2	4.1	3.4	3.4	3.5	1.0	4.0
2001 Q1	2.5	2.4	0.4	0.6	-0.6	0.5	0.9	0.8	1.9	3.2	2.1	2.6	0.7	4.2
Q2	1.3	2.1	0.3	0.1	-1.1	-0.2	-	-	-	-	-	-	-	-
2000 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	-	-	-	-	-	-	-	1.7	2.9	3.5	2.9	2.6	0.8	4.2
Feb	-	-	-	-	-	-	-	0.8	1.4	3.4	1.9	2.6	0.7	4.2
Mar	-	-	-	-	-	-	-	-0.1	1.5	2.8	1.3	2.6	0.6	4.3
Apr	-	-	-	-	-	-	-	-1.3	2.5	3.3	2.2	2.6	-0.1	4.5
May	-	-	-	-	-	-	-	-2.8	-	3.6	2.4	3.5	0.1	4.4
Jun	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Percentage change on previous quarter														
	ILGM	HUDM	HUDN	HUDO	HUDP	HUDQ	HUDR	ILHG	ILIA				ILIU	
1998 Q1	1.5	0.8	-0.1	0.7	0.6	-	0.5	0.9	1.4				-1.0	
Q2	0.6	1.0	0.2	0.6	-0.8	-0.1	0.4	0.7	2.6				1.5	
Q3	1.0	0.6	-	0.3	0.4	-0.1	0.2	0.9	0.5				0.6	
Q4	1.6	0.8	0.2	0.5	0.1	0.4	0.4	0.8	2.9				0.2	
1999 Q1	0.8	0.8	-	0.4	-	-0.2	0.3	0.9	2.6				-0.6	
Q2	0.4	0.9	-	0.3	-0.6	0.1	0.5	1.2	1.5				1.2	
Q3	1.1	0.7	0.2	0.3	0.1	0.3	0.5	1.5	2.0				0.6	
Q4	2.0	0.9	0.2	0.3	0.6	0.3	0.4	1.4	2.0				0.3	
2000 Q1	0.6	1.0	-0.1	0.6	-0.7	0.3	0.6	1.6	2.7				-0.5	
Q2	1.4	0.6	0.3	0.3	0.5	0.4	0.6	1.9	0.1				1.2	
Q3	0.3	0.7	-0.1	0.1	-0.3	0.3	0.5	0.9	1.4				0.1	
Q4	0.5	0.5	0.1	0.1	-0.1	-0.1	-	-0.2	-0.2				0.2	
2001 Q1	0.3	0.5	0.2	0.2	-0.8	-	-0.2	-1.7	0.6				-0.7	
Q2	0.2	0.4	0.1	-0.3	-	-0.3	-0.3	-	-				-	
Percentage change on previous month														
								ILKG	ILKQ				ILLA	
2000 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								-0.9	1.1				-1.2	
Feb								-0.4	-0.4				0.2	
Mar								-0.2	-0.1				0.4	
Apr								-0.6	0.6				-0.1	
May								-0.8	-				-	
Jun								-	-				-	

GDP = Gross Domestic Product at constant market prices  
PFC = Private Final Consumption at constant market prices  
GFC = Government Final Consumption at constant market prices  
GFCF = Gross Fixed Capital Formation at constant market prices

Sales = Retail Sales volume  
CPI = Consumer Prices, measurement not uniform among countries  
PPI = Producer Prices (manufacturing)  
Earnings = Average Earnings (manufacturing), definitions of coverage and

## Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP <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	0.8	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	-2.1	-0.3	-1.5	-0.7	-0.8	4.7
2000	1.5	0.3	0.6	0.2	0.1	1.2	0.8	5.2	-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	-0.4	-1.0	-0.6	-0.5	-0.2	4.7
2000 Q1	2.4	1.0	0.6	0.2	—	1.2	0.7	4.3	-2.9	-0.7	-0.1	2.0	-0.5	4.8
Q2	1.0	—	0.6	-0.3	0.1	1.4	0.8	6.6	-1.8	-0.7	0.4	2.3	-0.4	4.7
Q3	0.3	-0.7	0.5	—	0.1	1.2	0.8	5.3	-1.1	-0.7	0.2	1.6	-0.4	4.7
Q4	2.5	0.8	0.6	0.8	0.2	1.0	0.9	4.4	-1.1	-0.5	—	1.1	0.2	4.8
2001 Q1	-0.1	-0.2	0.4	0.2	0.1	0.2	0.7	0.6	3.0	-0.1	-0.3	0.5	0.5	4.8
2000 May	..	..	..	..	..	..	..	5.0	-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	0.1	0.1	4.9
Feb	..	..	..	..	..	..	..	1.8	4.5	-0.1	-0.3	0.8	0.7	4.7
Mar	..	..	..	..	..	..	..	-1.4	2.2	-0.4	-0.4	0.5	0.5	4.7
Apr	..	..	..	..	..	..	..	-3.9	—	-0.4	-0.6	—	-0.2	4.8
May	..	..	..	..	..	..	..	-4.8	-1.1	-0.5	-0.5	-0.1	-0.4	4.9
<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	0.7				-1.8	
Q2	1.5	1.1	0.2	0.3	—	0.2	0.2	-0.3	-0.4				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	-0.7				-0.6	
2000 Q1	2.4	1.1	0.2	0.6	0.2	0.5	—	0.6	-1.8				-2.1	
Q2	0.1	0.1	0.2	-0.3	0.1	0.4	0.3	1.9	0.8				2.3	
Q3	-0.7	—	0.1	-0.7	—	—	0.1	1.5	0.7				—	
Q4	0.7	-0.3	0.2	1.2	—	0.1	0.5	0.3	-0.7				—	
2001 Q1	-0.2	—	—	—	—	-0.4	-0.2	-3.1	2.2				-1.8	
<b>Percentage change on previous month</b>														
								ILKH	ILKR				ILLB	
2000 May								-0.1	1.1				1.0	
Jun								1.5	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								-2.0	-2.2				0.4	
Apr								-2.0	-2.2				0.7	
May								-1.0	—				0.8	

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

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



# 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	3.4	8.6	5.3	4.3	8.2	4.2	3.7	5.9	5.1	4.2	7.7	4.8	4.6
1993	4.8	2.2	15.3	4.0	1.0	12.5	4.0	2.3	9.1	3.3	0.9	10.3	4.4	3.7
1994	12.0	9.9	20.0	11.9	12.3	11.0	10.6	9.3	14.1	10.8	10.9	10.7	12.0	10.7
1995	9.6	9.9	8.6	10.9	10.4	12.4	8.9	9.4	7.8	9.9	8.9	12.2	10.3	9.4
1996	6.6	6.2	7.8	7.3	7.7	6.6	6.6	6.3	7.7	6.6	7.3	4.9	6.9	6.6
1997	11.4	11.8	10.2	10.6	11.1	9.4	10.4	10.9	9.2	9.4	9.7	8.9	11.0	9.9
1998	6.0	6.2	5.3	6.7	9.4	-0.5	5.4	5.6	4.7	5.9	8.1	-0.2	6.3	5.6
1999	6.3	5.8	8.1	7.9	10.2	1.4	5.8	5.4	6.7	6.6	8.8	0.3	7.1	6.2
2000	13.6	12.2	18.4	14.6	13.9	16.6	12.6	11.8	15.1	13.3	12.5	15.8	14.1	13.0
1995 Q2	10.0	10.3	8.9	12.2	11.6	13.8	9.6	10.2	7.8	11.3	10.4	13.7	11.1	10.4
Q3	8.6	9.1	6.9	10.5	9.6	12.9	7.8	8.2	6.7	9.3	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	7.3	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	6.1	6.2	5.9	5.5	4.8	7.2	5.4	5.9	4.0	5.9	5.4
Q3	6.9	6.5	7.9	7.6	8.5	5.5	7.1	6.8	7.9	6.8	8.1	3.5	7.2	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	11.6	12.3	9.5	10.0	10.4	9.1	11.9	10.8
Q3	13.1	13.9	10.3	11.6	12.3	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	12.0	10.0	10.4	11.1	8.7	10.1	10.4	9.4	11.6	10.3
1998 Q1	10.6	11.3	8.1	10.8	12.8	5.5	9.9	10.9	7.1	9.7	11.2	5.6	10.7	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	5.0	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	4.0	7.8	-5.8	2.3	2.3	2.4	3.1	6.3	-5.6	3.5	2.7
1999 Q1	2.4	2.4	2.4	4.1	6.9	-3.6	1.8	1.6	2.5	3.1	5.8	-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	7.2	10.3	9.2	11.3	2.9	7.4	7.1	8.2	7.7	9.7	1.6	8.5	7.5
Q4	11.0	9.9	14.7	12.0	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	14.5	13.3
Q2	14.8	13.3	19.6	15.3	15.1	15.9	13.5	12.7	15.8	13.8	13.4	14.9	15.0	13.7
Q3	13.7	12.1	19.1	15.6	14.4	19.7	12.7	11.6	15.9	14.4	12.9	19.0	14.7	13.6
Q4	11.4	9.8	16.9	13.0	11.1	19.1	10.9	9.6	14.5	12.1	10.0	18.7	12.2	11.5
2001 Q1	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>Percentage change on previous quarter</b>														
	ILJN	ILJO	ILJP	ILJQ	ILJR	ILJS	ILJT	ILJU	ILJV	ILJW	ILJX	ILJY	ILJZ	ILKA
1995 Q2	1.1	0.9	1.6	2.2	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	1.1	0.7	2.2	0.9	0.6	1.6	0.9	0.5	2.0	1.1	0.9
Q4	1.5	1.5	1.3	1.8	2.1	1.1	1.4	1.3	1.6	1.3	1.5	0.8	1.7	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	1.5	0.6	1.0	1.2
Q3	2.3	2.2	2.3	2.6	2.8	1.8	2.4	2.5	2.2	2.3	2.6	1.6	2.4	2.3
Q4	2.7	2.7	2.7	2.3	2.2	2.5	2.8	2.9	2.4	2.1	2.0	2.5	2.5	2.4
1997 Q1	2.2	2.0	2.8	2.0	1.8	2.5	1.5	1.2	2.4	1.6	1.2	2.5	2.1	1.5
Q2	4.7	5.4	2.4	4.1	4.8	2.4	4.4	5.3	2.2	3.7	4.3	2.2	4.4	4.1
Q3	2.9	3.1	2.0	2.7	2.9	2.3	2.6	2.9	1.9	2.4	2.6	2.1	2.8	2.5
Q4	1.5	1.2	2.2	2.2	2.0	2.5	1.5	1.4	2.0	2.1	1.9	2.3	1.8	1.8
1998 Q1	1.1	1.1	1.3	1.3	2.5	-1.7	1.0	1.0	0.9	1.2	2.0	-1.1	1.3	1.1
Q2	0.9	1.0	0.6	0.7	1.5	-1.7	0.6	0.6	0.6	0.7	1.5	-1.6	0.8	0.6
Q3	0.4	0.5	-	0.7	1.6	-1.8	0.2	0.2	0.2	0.4	1.3	-2.2	0.6	0.3
Q4	0.4	0.4	0.6	1.3	1.9	-0.7	0.5	0.4	0.6	0.8	1.4	-0.9	0.9	0.7
1999 Q1	0.7	0.5	1.2	1.4	1.7	0.6	0.6	0.4	1.1	1.2	1.5	0.3	1.1	0.9
Q2	2.4	2.2	3.1	2.9	3.4	1.2	2.4	2.4	2.5	2.6	3.1	0.9	2.6	2.5
Q3	4.2	3.9	5.1	3.4	3.9	1.8	3.7	3.7	3.9	2.9	3.3	1.4	3.8	3.3
Q4	3.3	3.0	4.6	3.9	4.1	3.4	3.0	2.7	3.7	3.4	3.5	3.2	3.6	3.2
2000 Q1	3.9	3.9	4.1	3.5	3.0	4.9	3.7	3.8	3.6	3.5	3.2	4.8	3.7	3.6
Q2	2.5	2.0	4.4	3.7	3.4	5.0	2.5	2.0	3.8	3.3	2.8	4.9	3.1	2.9
Q3	3.2	2.8	4.7	3.7	3.2	5.1	3.0	2.7	4.0	3.4	2.9	5.0	3.5	3.2
Q4	1.3	0.9	2.7	1.6	1.1	3.0	1.3	0.9	2.4	1.4	0.9	2.9	1.4	1.4
2001 Q1	..	..	..	..	..	..	..	..	..	..	..	..	..	..

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

# Final Expenditure Prices Index (Experimental) – July 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 annual rate of inflation for the FEPI fell from 2.4 per cent in June to 2.3 per cent in July, largely due to lower inflation for consumer and government prices.

The FEPI annual percentage change

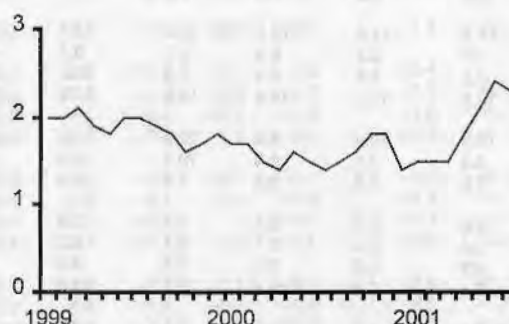


Table A

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
2001	Feb	124.2	1.1	119.0	1.9	124.2	2.1	130.5	2.9	123.2	1.5
	Mar	124.6	1.1	119.1	1.5	124.2	2.1	130.7	3.1	123.5	1.5
	Apr	125.6	1.5	119.8	2.1	125.3	2.1	131.3	2.7	124.4	1.8
	May	126.6	2.0	120.1	1.7	125.8	2.3	132.1	3.2	125.2	2.1
	Jun	126.9	2.2	120.8	2.2	127.0	3.2	132.8	3.4	125.7	2.4
	Jul	126.0	1.9	121.1	2.5	126.6	2.8	133.3	3.1	125.2	2.3

## The Index of Consumer Prices (ICP)

Consumer price inflation, as measured by the ICP, fell from 2.2 per cent in June to 1.9 per cent in July.

Downward effects came from:

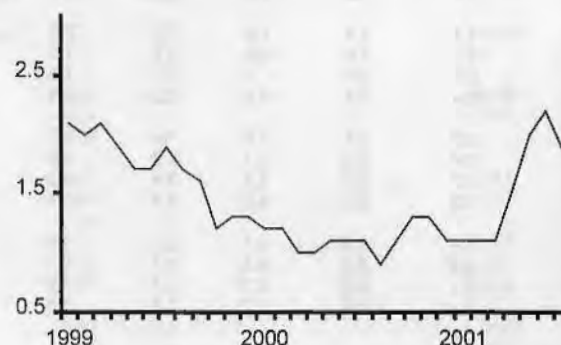
- Food, where the annual rate of inflation fell substantially from 6.2 per cent in June to 3.3 per cent in July, largely due to price reductions for potatoes and other fresh vegetables reflecting improved quantities of crops.
- Miscellaneous goods and services, where the annual rate of inflation fell from 3.4 per cent in June to 2.4 per cent in July. This was largely due to price reductions for financial services, particularly bank charges.

Upward effects came from:

- Transport services, where the annual rate of inflation increased from 10.4 per cent in June to 14.9 per cent in July, largely due to higher air fares.

- Purchase and operation of vehicles, where the annual rate of inflation increased from 1.0 per cent in June to 2.1 per cent in July; falls in car prices last July were not repeated this year.

The ICP annual percentage change



## The Index of Investment Prices (IIP)

Investment price inflation, as measured by the IIP, increased from 2.2 per cent in June to 2.5 per cent in July.

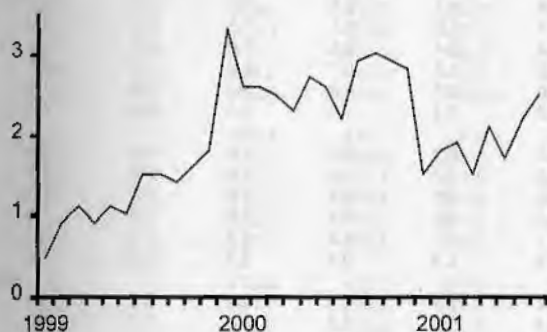
Upward effects came from:

- Other machinery and equipment, where the annual rate of inflation was less negative in July, at minus 1.7 per cent, than in June at minus 2.3 per cent.
- Dwellings, where the annual rate of inflation increased from 9.7 per cent in June to 10.4 per cent in July.

Downward effects came from:

- Transport equipment, where the annual rate of inflation was more negative in July, at minus 2.2 per cent, than in June at minus 1.3 per cent.

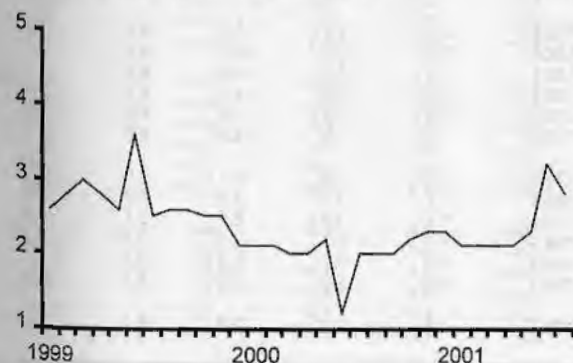
#### The IIP annual percentage change



#### The Index of Government Prices - IGP

The rate of inflation for the IGP fell from 3.2 per cent in June to 2.8 per cent in July. This was caused by a drop in local government inflation which was particularly high in June due to the implementation of the annual pay settlement for local government employees with back pay for April and May.

#### 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
2001	Feb	1.5	1.9	0.8	1.1	1.4
	Mar	1.5	1.9	1.0	1.1	1.0
	Apr	1.8	2.0	1.1	1.5	0.6
	May	2.1	2.4	1.7	2.0	0.7
	Jun	2.4	2.4	1.7	2.2	0.4
	Jul	2.3	2.2	1.4	1.9	0.1

#### NOTES

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

2. The Final Expenditure Prices Index (FEPI) is a measure of the change in the prices paid by UK 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 almost entirely 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>].

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 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	121.8	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	119.0 <sup>†</sup>	124.2	130.5	123.2	1.1	1.9 <sup>†</sup>	2.1	2.9	1.5
Mar	124.6	119.1	124.2	130.7	123.5	1.1	1.5	2.1	3.1	1.5
Apr	125.6	119.8	125.3 <sup>†</sup>	131.3 <sup>†</sup>	124.4 <sup>†</sup>	1.5	2.1	2.1 <sup>†</sup>	2.7 <sup>†</sup>	1.8 <sup>†</sup>
May	126.6	120.1	125.8	132.1	125.2	2.0	1.7	2.3	3.2	2.1
Jun	126.9	120.8	127.0	132.8	125.7	2.2	2.2	3.2	3.4	2.4
Jul	126.0	121.1	126.6	133.3	125.2	1.9	2.5	2.8	3.1	2.3

<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
Weights											
1998	124	19	29	69	46	28	38	64	17	80	30
1999	118	19	28	68	46	29	34	64	17	85	30
2000	115	19	28	66	47	30	30	64	17	85	30
2001	112	20	28	66	47	30	28	64	17	82	30
1999 Jul											
	VARP	VARQ	VARR	VARS	VART	VARU	VARV	VARW	VARX	VARY	VARZ
	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	112.6	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
May	118.8	115.9	207.3	95.2	155.8	140.5	98.4	113.2	168.6	115.5	182.7
Jun	119.4	116.5	207.3	95.1	155.9	140.9	98.5	113.0	168.1	116.0	184.3
Jul	117.1	116.3	207.4	89.3	156.0	139.9	98.4	110.9	170.0	116.5	181.7
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
1999 Jul											
	VASK	VASL	VASM	VASN	VASO	VASP	MKUP	MKUQ	MKUR	MKUS	MKUT
	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
May	5.9	0.4	4.4	-5.5	3.9	4.3	1.5	0.7	6.6	-	-1.6
Jun	6.2	0.9	4.2	-4.9	3.8	4.6	2.2	1.0	6.1	1.0	-5.4
Jul	3.3	1.0	4.2	-4.0	3.5	3.6	2.1	1.0	6.3	2.1	-7.5

† Indicates earliest revision.

<sup>1</sup> Includes materials and services for maintenance and repair of the dwelling

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

Experimental price indices

	Transport Services	Communication	Major Durables for Recreation and Culture	Other Recreation and Culture	Education	Restaurants and Hotels	Miscellaneous Goods and Services	Index of Consumer Prices ICP	Of which: goods	Of which: services
January 1992=100										
COICOP Division	07	08	09	09	10	11	12			
Weights										
1998	38	22	29	99	15	126	129	1000	556	444
1999	39	22	31	100	16	126	128	1000	554	446
2000	41	22	34	100	16	126	130	1000	548	452
2001	42	23	35	101	15	129	131	1000	544	456
	VASA	VASB	VASC	VASD	VASE	VASF	VASG	VASH	VASI	VASJ
1999 Jul	130.1	84.8	82.9	120.5	139.0	134.7	134.7	122.3	114.1	133.5
Aug	130.2	85.0	81.8	120.4	139.0	135.0	134.7	122.5	114.4	133.6
Sep	130.0	84.5	81.2	120.4	145.0	135.2	135.0	123.0	114.8	134.1
Oct	129.5	83.2	80.7	120.7	146.5	135.5	133.8	122.7	114.5	133.9
Nov	129.6	83.3	80.3	120.8	146.5	135.6	134.3	122.9	114.5	134.3
Dec	129.7	83.8	80.3	120.8	146.5	135.7	134.8	123.2	114.8	134.5
2000 Jan	130.3	83.6	79.6	120.5	146.5	136.2	135.1	122.4	113.2	135.0
Feb	130.4	83.2	79.4	120.9	146.5	136.5	135.3	122.9	113.8	135.2
Mar	130.4	83.1	78.6	121.1	146.5	136.9	135.7	123.2	114.2	135.5
Apr	132.7	82.5	78.6	121.6	146.5	137.7	135.5	123.7	114.7	136.1
May	133.1	82.1	78.5	122.0	146.5	138.6	136.0	124.1	114.9	136.6
Jun	133.5	81.9	77.2	122.0	146.5	139.0	136.3	124.2	114.9	137.0
Jul	134.5	82.8	76.2	121.7	146.5	139.6	136.0	123.6	113.6	137.3
Aug	135.1	81.2	76.5	121.7	146.5	140.3	136.3	123.6	113.4	137.6
Sep	134.7	80.6	76.0	122.3	150.5	140.7	136.9	124.3	114.3	138.0
Oct	135.4	80.3	75.6	122.4	153.9	141.0	136.9	124.3	114.0	138.4
Nov	135.3	80.4	75.2	121.8	153.9	141.3	137.3	124.5	114.4	138.5
Dec	135.4	79.4	74.4	121.9	153.9	141.5	137.3	124.5	114.3	138.5
2001 Jan	137.0	77.1	73.2	121.6	153.9	141.7	137.9	123.7	112.6	139.0
Feb	133.4	76.2	73.8	122.1	153.9	142.0	138.5	124.2	113.5	138.9
Mar	134.3	75.0	73.8	122.2	153.9	142.6	138.5	124.6	114.2	139.1
Apr	144.1	74.7	73.3	122.9	153.9	143.6	139.8	125.6	114.3	141.3
May	147.2	75.0	73.8	123.2	153.9	144.2	140.6	126.6	115.4	142.1
Jun	147.4	74.9	73.5	123.4	153.9	144.7	141.0	126.9	115.6	142.5
Jul	154.6	75.7	73.5	123.0	153.9	145.2	139.2	126.0	113.8	143.0

## Annual Percentage Changes

	Transport Services	Communication	Major Durables for Recreation and Culture	Other Recreation and Culture	Education	Restaurants and Hotels	Miscellaneous Goods and Services	Index of Consumer Prices ICP	Of which: goods	Of which: services
	MKUU	MKUV	MKUW	MKUX	MKUY	MKUZ	MKVA	MKVB	MKVC	MKVD
1999 Jul	2.8	-3.1	-8.6	1.6	5.7	3.7	4.3	1.9	0.4	3.6
Aug	2.8	-1.8	-9.2	1.3	5.7	3.4	4.2	1.7	0.2	3.6
Sep	2.8	-2.3	-9.1	1.0	5.4	3.2	4.4	1.6	-	3.6
Oct	3.0	-3.8	-8.9	1.0	5.4	3.2	2.5	1.2	-0.1	3.0
Nov	3.0	-3.6	-9.3	1.0	5.4	3.0	2.4	1.3	-0.2	3.1
Dec	3.1	-3.0	-9.0	0.9	5.4	2.8	2.5	1.3	-0.3	3.1
2000 Jan	2.8	-3.2	-8.5	0.8	5.4	2.9	3.1	1.2	-0.4	3.3
Feb	2.4	-3.7	-8.0	0.9	5.4	2.9	3.0	1.2	-0.4	3.3
Mar	2.4	-3.8	-8.4	0.7	5.4	3.0	3.0	1.0	-0.8	3.3
Apr	3.1	-4.2	-7.7	0.6	5.4	3.1	2.0	1.0	-0.4	2.8
May	3.0	-4.0	-7.6	0.7	5.4	3.4	2.3	1.1	-0.6	2.9
Jun	2.9	-3.9	-8.2	0.8	5.4	3.3	2.3	1.1	-0.3	3.0
Jul	3.4	-2.4	-8.1	1.0	5.4	3.6	1.0	1.1	-0.4	2.8
Aug	3.8	-4.5	-6.5	1.1	5.4	3.9	1.2	0.9	-0.9	3.0
Sep	3.6	-4.6	-6.4	1.6	3.8	4.1	1.4	1.1	-0.4	2.9
Oct	4.6	-3.5	-6.3	1.4	5.1	4.1	2.3	1.3	-0.4	3.4
Nov	4.4	-3.5	-6.4	0.8	5.1	4.2	2.2	1.3	-0.1	3.1
Dec	4.4	-5.3	-7.3	0.9	5.1	4.3	1.9	1.1	-0.4	3.0
2001 Jan	5.1	-7.8	-8.0	0.9	5.1	4.0	2.1	1.1	-0.5	3.0
Feb	2.3	-8.4	-7.1	1.0	5.1	4.0	2.4	1.1	-0.3	2.7
Mar	3.0	-9.7	-6.1	0.9	5.1	4.2	2.1	1.1	-	2.7
Apr	8.6	-9.5	-6.7	1.1	5.1	4.3	3.2	1.5	-0.3	3.8
May	10.6	-8.6	-6.0	1.0	5.1	4.0	3.4	2.0	0.4	4.0
Jun	10.4	-8.5	-4.8	1.1	5.1	4.1	3.4	2.2	0.6	4.0
Jul	14.9	-8.6	-3.5	1.1	5.1	4.0	2.4	1.9	0.2	4.2

† indicates earliest revision.



# 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 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	119.9	92.5	127.7	99.4	147.8	131.4	226.4	143.8	119.2
Dec	120.6	92.0	128.0	99.2	146.4	131.6	223.7	143.2	118.8
2001 Jan	120.3	91.7	127.7	98.9	147.2	131.9	227.0	143.9	118.9
Feb	121.1 <sup>†</sup>	91.5 <sup>†</sup>	129.0	98.9 <sup>†</sup>	146.8	132.2	228.4	144.0	119.0 <sup>†</sup>
Mar	121.0	91.0	129.1	98.5	148.1	132.4	230.5	144.7	119.1
Apr	120.9	90.8	130.7	98.3	152.3	132.7 <sup>†</sup>	238.5	146.9 <sup>†</sup>	119.8
May	120.2	90.9	131.4	98.4	153.4	132.9	240.9	147.6	120.1
Jun	119.9	90.7	131.9 <sup>†</sup>	98.1	157.8 <sup>†</sup>	133.1	247.6 <sup>†</sup>	149.7	120.8
Jul	119.5	91.0	131.7	98.3	158.3	133.3	249.0	150.0	121.1
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	
1999 Jul	CGBC	CGBB	MJYM	ZIWU	CGBE	CGBA	CGBD	ZIUV	CGBF
Aug	2.4	-4.6	2.5	-2.9	9.3	2.9	11.9	6.1	1.5
Sep	2.5	-4.8	2.4	-3.0	9.7	2.9	12.8	6.2	1.5
Oct	2.3	-4.5	1.5	-2.8	9.5	2.7	12.6	6.1	1.4
Nov	1.9	-4.8	1.6	-3.2	10.5	2.7	14.9	6.7	1.6
Dec	2.5	-4.0	0.9	-2.4	10.0	2.7	13.8	6.3	1.8
2000 Jan	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	-2.1	-1.4	2.6	-1.3	11.0	3.5	15.2	7.3	2.8
Dec	-2.0	-2.1	2.8	-1.8	5.6	3.5	11.1	4.9	1.5
2001 Jan	-1.2	-2.0	1.4	-1.6	7.2	3.6	10.5	5.5	1.8
Feb	-0.6 <sup>†</sup>	-2.5 <sup>†</sup>	2.3	-1.8 <sup>†</sup>	7.2	3.7	12.4	5.6	1.9 <sup>†</sup>
Mar	-0.6	-2.3	2.6	-1.6	5.3	3.5	10.2	4.8	1.5
Apr	0.8	-1.7	3.4	-1.0	7.0	3.4	10.5	5.4 <sup>†</sup>	2.1
May	-0.4	-2.4	3.1	-1.6	6.8	3.3	11.0	5.3	1.7
Jun	-1.3	-2.3	3.6 <sup>†</sup>	-1.8	9.7 <sup>†</sup>	3.1 <sup>†</sup>	13.3 <sup>†</sup>	6.5	2.2
Jul	-2.2	-1.7	3.6	-1.6	10.4	2.9	13.9	6.6	2.5

<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

	Annual percentage changes					
	Local Government Pay & Procurement	Central Government Pay & Procurement	Index of Government Prices	Local Government Pay & Procurement	Central Government Pay & Procurement	Index of Government Prices
January 1992=100						
<b>Weights</b>						
1998	383	617	1000			
1999	382	618	1000			
2000	382	618	1000			
2001	393	607	1000			
	CUSL	CUSM	CUSO	CGBG	CGBH	CGBJ
1999 Jul	124.6	118.5	120.8	3.1	2.2	2.5
Aug	124.7	118.7	121.0	3.1	2.3	2.6
Sep	125.3	118.7	121.2	3.2	2.2	2.6
Oct	125.2	118.2	120.9	3.3	2.1	2.5
Nov	125.4	118.4	121.1	3.3	2.0	2.5
Dec	125.5	118.8	121.3	2.6	1.9	2.1
2000 Jan	125.6	119.4	121.7	2.7	1.8	2.1
Feb	125.6	119.3	121.7	2.8	1.7	2.1
Mar	125.5	119.2	121.6	2.6	1.6	2.0
Apr	127.7	119.7	122.7	3.0	1.4	2.0
May	127.8	120.0	123.0	3.1	1.5	2.2
Jun	127.9	120.1	123.1	1.4	1.1	1.2
Jul	127.9	120.2	123.2	2.6	1.4	2.0
Aug	128.0	120.5	123.4	2.6	1.5	2.0
Sep	128.5	120.6	123.6	2.6	1.6	2.0
Oct	128.5	120.6	123.6	2.6	2.0	2.2
Nov	128.8	120.9	123.9	2.7	2.1	2.3
Dec	128.8	121.2	124.1	2.6	2.0	2.3
2001 Jan	128.8	121.4	124.2	2.5	1.7	2.1
Feb	128.9	121.4	124.2	2.6	1.8	2.1
Mar	128.8	121.4 <sup>†</sup>	124.2	2.6	1.8	2.1
Apr	130.6	122.1	125.3 <sup>†</sup>	2.3	2.0 <sup>†</sup>	2.1 <sup>†</sup>
May	130.7	122.8	125.8	2.3	2.3	2.3
Jun	133.4 <sup>†</sup>	123.2	127.0	4.3 <sup>†</sup>	2.6	3.2
Jul	131.8	123.4	126.6	3.0	2.7	2.8

<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.

<sup>1</sup> 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) – 2ND QTR 2001

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This summary contains the latest quarter's results for the experimental Corporate Services Price Index (CSPI) and the industry-level indices it encompasses. "Corporate services" are those services purchased by businesses and government 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).

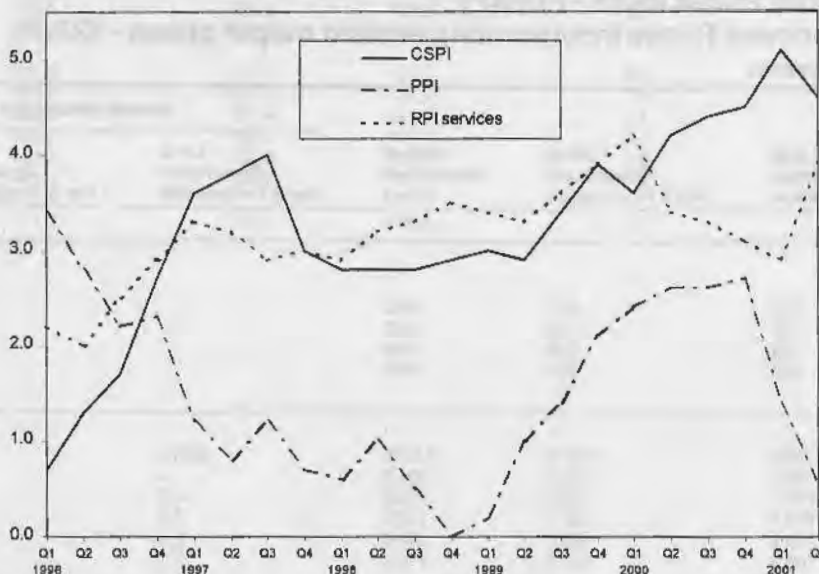
Full background and details of the development of the CSPI were included in an article published in the July 2000 issue of *Economic Trends*.

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 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 the indices shown are regarded as experimental**, particularly those that have been added to the series most 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**.

Experimental top-level CSPI compared with the Retail Price Index (RPI) for services and the PPI for manufactured products: percentage change on same quarter a year ago



### Results for Quarter 2, 2001

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

The graph above shows that the annual rate of increase for the CSPI reduced to 4.6 per cent in Q2 2001, compared to 5.1 per cent for the previous quarter. The top-level quarterly results are shown in the table on the next page. Results are also shown with *property rental payments* excluded, due to

its relatively high weighting within the top-level index (currently 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 - see the Q1 2001 results summary for details. Also, this latest summary includes some revisions to some of the indices in 2000 due to some new data received for key items: these affect the top-level CSPI by no more than 0.2 percentage points.

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

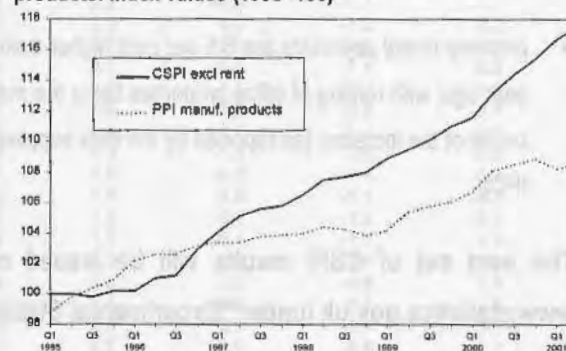
		Quarterly CSPI index values (1995=100)		Percentage change on same quarter in previous year (%)	
		Including rent	Excluding rent	Including rent	Excluding rent
1995	Q1	99.8	100.0	.	.
	Q2	100.0	100.0	.	.
	Q3	99.9	99.8	.	.
	Q4	100.3	100.2	.	.
1996	Q1	100.5	100.2	0.7	0.2
	Q2	101.3	101.0	1.3	1.0
	Q3	101.6	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	111.6	3.6	2.5
	Q2	115.8	113.2	4.2	3.4
	Q3	117.1	114.4	4.4	3.9
	Q4	118.5	115.4	4.5	4.0
2001	Q1	120.1	116.7	5.1	4.6
	Q2	121.2	117.5	4.6	3.7

In Q2 2001, the CSPI (including property rental payments) rose by 1.0 per cent. The key rises contributing to this were for property rental payments and road freight. Increases for national post parcels and construction plant hire are also significant when property rentals are excluded.

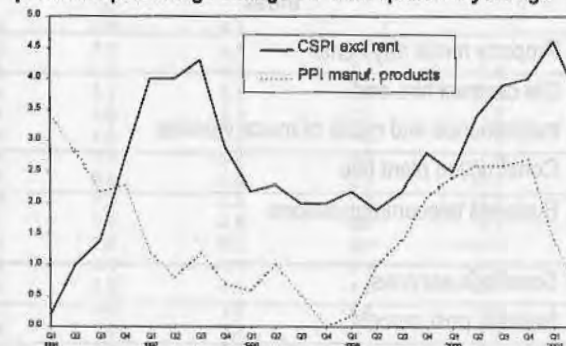
The top-level CSPI (excluding property rental payments) is compared to the net sector output PPI for manufactured products in the top graph on the right. Prices of corporate services covered by this inquiry have shown a relatively smooth upward path since 1997 but have been rising at a greater rate over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

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 significantly 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 tables on the next 4 pages contain 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:

- the increase in *bus and coach hire* prices has slowed to 3 per cent over the year for Q2 2001, as compared to 6 per cent last quarter and 10 per cent the quarter before that. Increases in fuel bills and drivers' wages are still the major factors, according to the industry;
- road freight* price increases were less than 1 per cent in the latest quarter although prices are more than 8 per cent higher than a year ago – apparently due to higher fuel costs mainly;
- the recovery in the prices for *sea and coastal water freight* appears to be continuing in the light of improved market conditions, and a 7 per cent increase over the year has been shown;
- 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 Q2 2001, due to increases in food costs as reported by the industry;
- property rental payments* are 6.5 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. The latest quarter shows a 2 per cent increase following small reductions in the preceding quarters, partly due to the extra 1 per cent on Landfill Tax from April 2000. Prices are now 1 per cent higher than a year ago;
- national post parcels* show an increase of 2 per cent since last period which is due to the annual price increase in April;
- increases in fuel bills and drivers' wages are reported to have been the main cause of a 7 per cent increase for *courier services* over the year, the largest such increase since the index began;
- price rises for *car contract hire* through 1999 and early 2000 have been offset by falls in recent quarters and prices now seem to be at their lowest level since 1997. This is apparently the net result of: an upward effect from the end of 1998 to the end of 2000 caused by leasing companies expecting lower sale values of their cars at the end of the lease; and a downward effect from June 2000 due to cheaper purchase prices of new cars in a declining retail market.
- a quarterly increase of 4.7 per cent has been reported for *construction plant hire*. The industry reports that this is partly caused by extra work created by recent adverse weather and a general increase in construction industry costs.

The next set of CSPI results will be issued on 20<sup>th</sup> November 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-hire Association (CPA)
Business telecommunications	Published sources: Tariffica Telecom Pricing Intelligence and What Cellphone magazine
Sewerage services	Owat (Office of the Water Regulator)
National post parcels	Parcelforce



# 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
Annual								
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	115.9	130.5	123.6	103.4	101.3	82.1	135.3
Percentage change, latest year on previous year								
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	1.0	9.1	6.1	1.9	-0.6	3.2	6.3
Quarterly results (not seasonally adjusted)								
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	106.5
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	84.4	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	79.6	129.5
Q2	109.5	116.1	130.8	121.9	102.3	101.5	81.9	132.4
Q3	110.1	116.2	131.9	124.9	102.9	101.4	83.1	135.9
Q4	111.2	116.3	133.0	128.3	106.1	100.3	83.8	143.3
2001 Q1	111.9	119.6	134.2	131.1	106.1	103.7	85.8	150.3
Q2	112.6	120.5	135.1	132.1	106.3	101.9	87.3	150.8
Percentage change, latest quarter on previous quarter								
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	2.1	1.0
Q2	0.3	0.9	3.3	2.2	0.0	-0.6	2.8	2.2
Q3	0.5	0.1	0.8	2.5	0.6	-0.1	1.5	2.6
Q4	1.0	0.1	0.8	2.7	3.1	-1.1	0.9	5.5
2001 Q1	0.6	2.8	0.9	2.2	0.0	3.4	2.4	4.9
Q2	0.6	0.8	0.7	0.8	0.2	-1.7	1.7	0.3
Percentage change, latest quarter on corresponding quarter of previous year								
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	8.2
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	6.8	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	-2.7	3.3
Q2	1.5	1.0	9.3	5.6	1.7	-1.1	0.8	3.8
Q3	1.7	1.0	9.8	7.0	2.4	-0.1	7.7	6.4
Q4	2.1	1.1	10.4	7.9	5.7	0.6	7.4	11.7
2001 Q1	2.5	3.9	6.0	9.9	3.7	1.5	7.8	16.0

# 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 agency 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	..	98.4	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	118.6	110.1	82.4	122.6	134.5	102.2	109.3
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	4.7	2.9	-1.1	5.7	7.2	3.0	5.1
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	120.1	131.8	102.3	105.6
Q2	95.7	120.3	108.6	83.7	121.7	133.9	102.7	110.1
Q3	96.3	120.3	109.3	83.0	123.3	135.2	102.2	111.1
Q4	97.1	120.3	114.0	79.3	125.2	137.2	101.6	110.2
2001 Q1	98.0	120.3	114.8	79.3	127.6	138.6	99.5	111.3
Q2	97.0	122.9	116.2	78.8	129.6	139.1	96.6	116.5
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	1.2	2.3	0.9	0.7
Q2	0.5	5.8	0.1	0.0	1.3	1.6	0.4	4.3
Q3	0.6	0.0	0.6	-0.8	1.3	1.0	-0.5	0.8
Q4	0.8	0.0	4.4	-4.5	1.6	1.4	-0.6	-0.7
2001 Q1	1.0	0.0	0.7	0.0	1.9	1.0	-2.1	1.0
Q2	-1.0	2.2	1.2	-0.6	1.5	0.4	-2.9	4.7
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	5.9	8.1	4.7	0.3
Q2	1.0	5.8	1.6	0.3	5.9	7.4	4.8	7.4
Q3	1.8	5.8	2.2	-0.4	5.4	6.8	2.6	7.8
Q4	1.7	5.8	6.6	-4.8	5.5	6.5	0.2	5.1
2001 Q1	3.0	5.8	5.8	-5.2	6.3	5.2	-2.8	5.4
Q2	1.4	2.2	7.0	-5.8	6.5	3.9	-6.0	5.8

# 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	113.7	124.4	105.0	102.0	106.3	112.7
<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	1.3	3.1	1.9	0.1	0.7	3.0
<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	113.7	121.9	104.3	102.0	105.9	112.0
Q2	115.7	113.6	124.4	104.4	102.1	105.9	112.2
Q3	116.5	113.9	125.1	105.6	102.0	106.5	113.5
Q4	117.1	113.7	126.0	105.7	101.7	107.0	113.0
2001 Q1	120.5	113.9	125.0	106.8	101.6	106.8	112.6
Q2	121.0	114.6	125.8	107.2	101.7	107.0	112.8
<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	0.8	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	0.0	0.5	0.0	0.3	0.3	2.3
Q2	0.5	0.0	2.0	0.1	0.1	0.0	0.1
Q3	0.7	0.3	0.6	1.1	-0.2	0.5	1.2
Q4	0.6	-0.2	0.7	0.2	-0.2	0.4	-0.5
2001 Q1	2.9	0.1	-0.8	1.0	-0.1	-0.2	-0.3
Q2	0.4	0.7	0.7	0.4	0.1	0.2	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	2.8	2.1	2.9	0.2	0.4	2.6
Q2	3.3	1.5	3.1	1.9	0.2	0.3	2.4
Q3	3.6	0.7	3.5	1.6	0.0	0.8	3.7
Q4	3.9	0.1	3.9	1.4	0.0	1.3	3.2
2001 Q1	4.6	0.2	2.5	2.4	-0.4	0.8	0.5
Q2	4.6	0.9	1.1	2.7	-0.5	1.0	0.5



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

SIC(92):	Direct marketing & 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

## Annual

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	108.9	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	109.5	108.6	118.8	107.8	145.2	114.8	116.4	113.7

## Percentage change, latest year on previous year

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	-0.3	0.0	3.6	-8.7	5.2	2.4	4.2	3.4

## Quarterly results (not seasonally adjusted)

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	109.1	117.6	119.0	141.7	114.6	114.2	111.6
Q2	109.8	109.1	117.8	104.0	147.3	114.9	115.8	113.2
Q3	110.2	108.2	119.7	104.0	146.2	115.3	117.1	114.4
Q4	107.8	107.9	120.4	104.0	145.5	114.4	118.5	115.4
2001 Q1	106.9	107.9	122.1	104.0	145.5	115.6	120.1	116.7
Q2	106.8	108.0	123.3	106.1	148.7	116.2	121.2	117.5

## Percentage change, latest quarter on previous quarter

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	0.5	1.9	0.0	0.6	1.5	0.7	0.5
Q2	-0.4	0.0	0.0	-12.6	4.0	0.2	1.4	1.5
Q3	0.4	-0.8	1.8	0.0	-0.8	0.4	1.1	1.0
Q4	-2.2	-0.2	0.6	0.0	-0.4	-0.7	1.1	0.9
2001 Q1	-0.8	0.0	1.4	0.0	-0.1	1.0	1.3	1.1
Q2	-0.1	0.0	0.9	2.0	2.2	0.5	1.0	0.7

## Percentage change, latest quarter on corresponding quarter of previous year

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	18.1	..	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	6.9	3.2	3.9	2.8
2000 Q1	0.8	0.5	3.2	3.3	8.2	3.7	3.6	2.5
Q2	-0.6	0.5	2.8	-12.6	5.5	2.1	4.2	3.4
Q3	0.5	-0.3	4.1	-12.6	3.8	2.6	4.4	3.9
Q4	-2.0	-0.6	4.4	-12.6	3.3	1.3	4.5	4.0
2001 Q1	-3.0	-1.0	3.8	-12.6	2.7	0.9	5.1	4.6
Q2	-2.7	-1.0	4.9	3.9	0.0	4.2	4.6	3.7

# ONS E-commerce Inquiry 2000 – Further analysis

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## Introduction

In May 2001, the Office for National Statistics (ONS) published the results of the first e-commerce inquiry to business. A report on the survey and its results was published in *Economic Trends* in July; this article sets out the results of further analyses, including regional breakdowns.

## Background to the E-commerce Inquiry

In recognition of the potential impact of e-commerce on the UK economy and its competitiveness in global markets, the Government set itself the aim to 'make the UK the best environment in the world for e-commerce'.<sup>1</sup>

To help monitor progress towards this goal, the ONS developed a strategy to measure e-commerce by business. One strand of this strategy was a survey of 9,000 businesses, stratified by size and industry sector, which was carried out in January 2001. It requested information from respondents on their use of internet technology

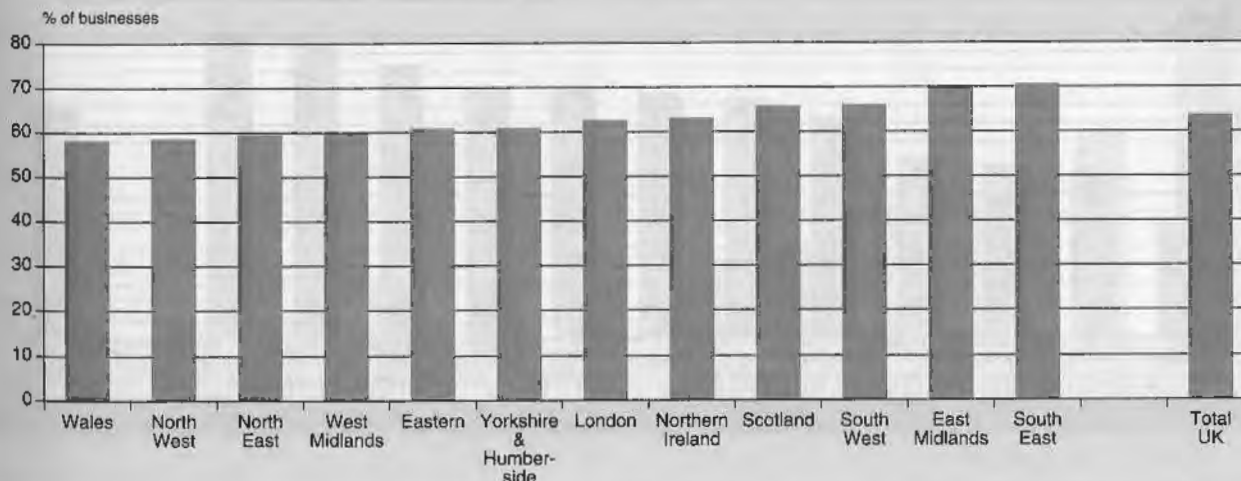
and levels of e-commerce sales and purchases during 2000. Full details of the methodology, the survey instrument and earlier analyses are available on the ONS website at: <http://www.statistics.gov.uk/themes/economy/Articles/e-commerce.asp>

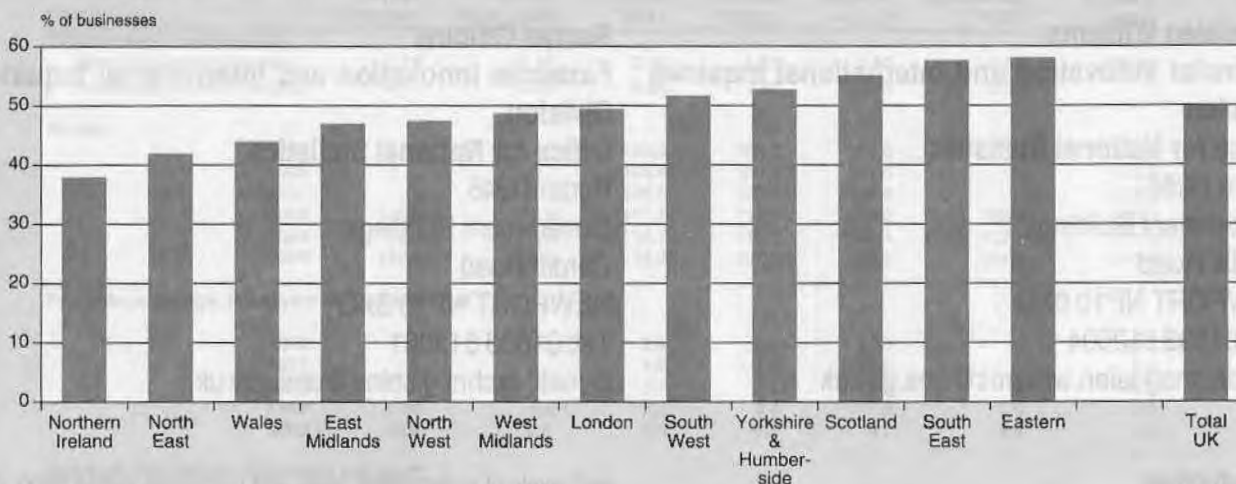
## Regional Analyses<sup>2</sup>

### Internet access and websites

There was a 12 per cent gap between the region with the least number of businesses, and that with the most businesses with access to the internet in 2000 (see Chart 1). With an overall level of 63 per cent of UK businesses with access to the internet, Wales had the lowest percentage at 58 per cent and the South East had the highest at 70 per cent. The range was much greater between the regions in terms of businesses having their own websites (see Chart 2). Only 38 per cent of businesses in Northern Ireland had their own website(s), compared with around 58 per cent in the South East and Eastern regions<sup>3</sup>.

**Chart 1**  
**Businesses with access to the internet in 2000**

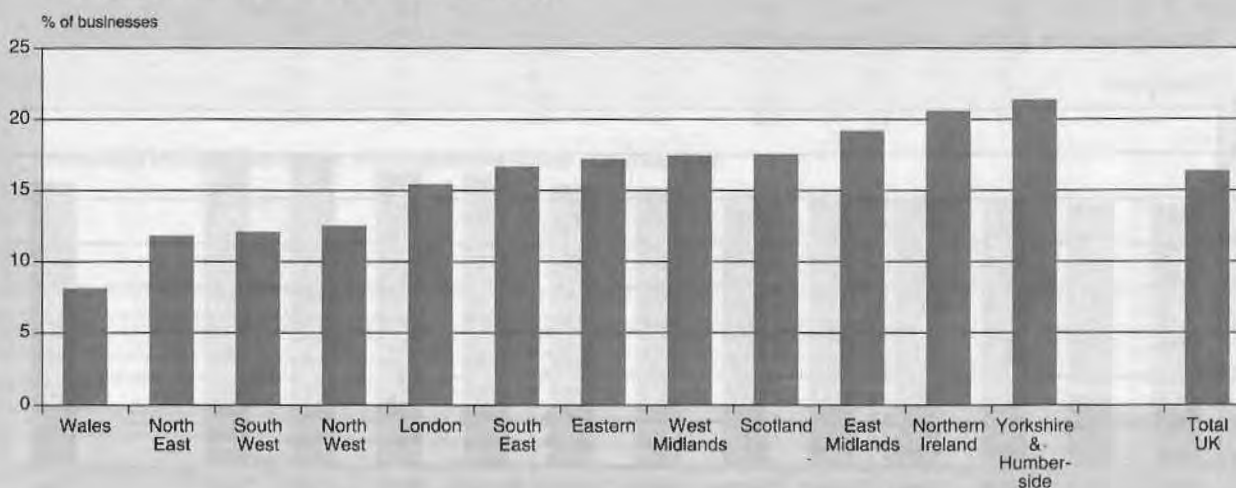


**Chart 2****Businesses with own website in 2000****Sales and Purchases**

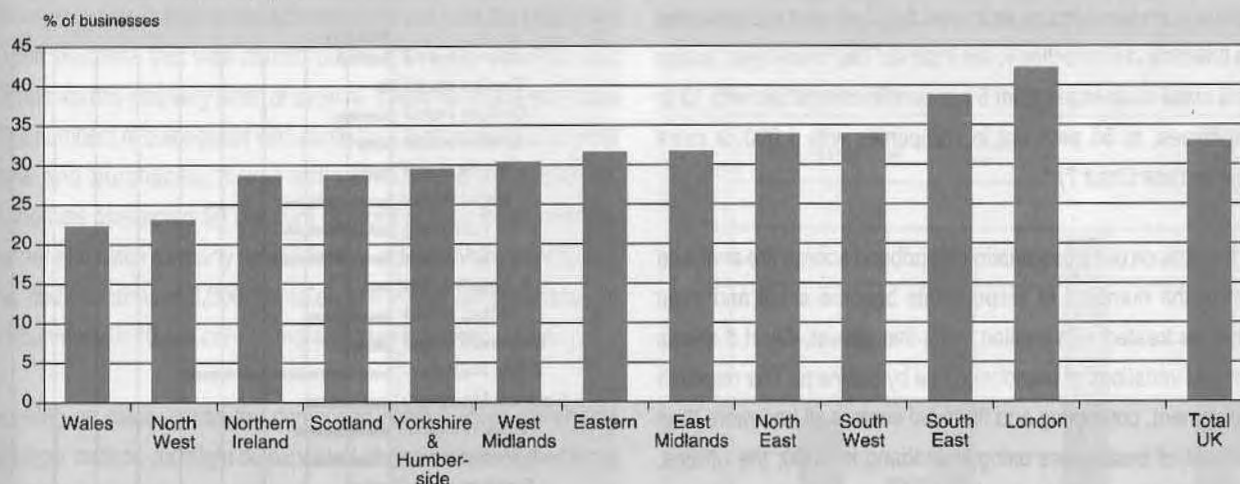
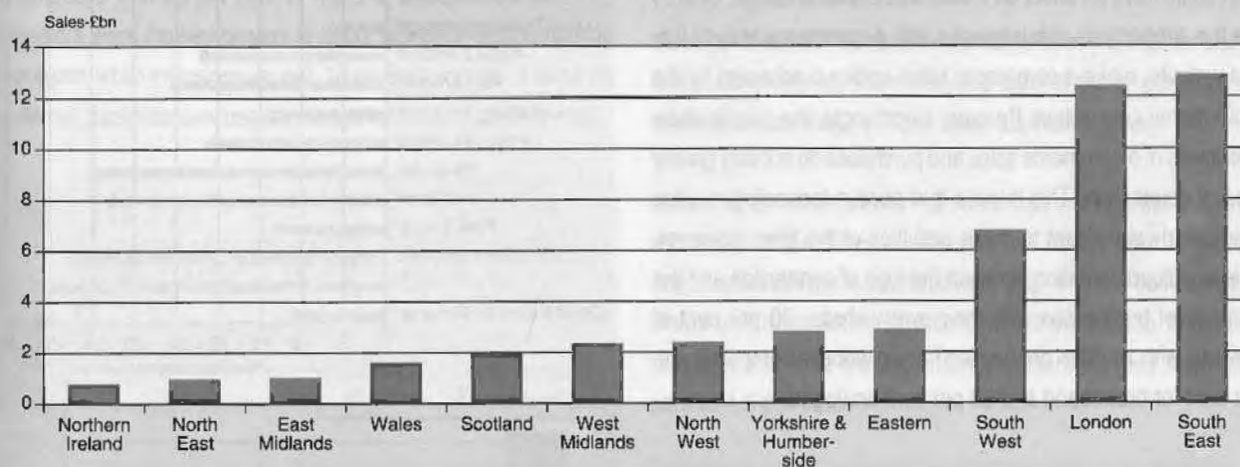
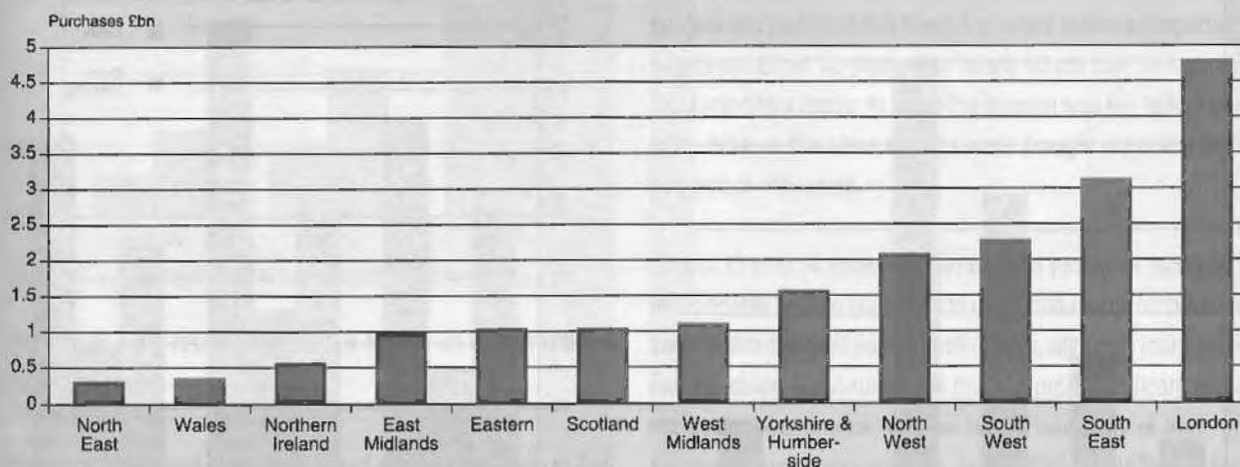
Charts 3 and 4 show the percentage of businesses carrying out sales and/or purchases using e-commerce\* in each region in 2000. Wales and the North West had less than the average percentage of businesses making sales and purchases via the internet, whilst in most regions, if there were fewer than average businesses carrying out e-commerce sales, then there were more than average businesses carrying out e-commerce purchases. In general the regions which had a higher percentage of businesses making e-commerce sales were not the same as those which had a higher percentage of businesses making e-commerce purchases. When comparing with the UK overall level, only the South East had a higher percentage of businesses making both e-commerce sales and purchases.

Chart 5 shows the estimates of the value of sales by businesses over the internet in the different regions in 2000. London and the South East both carried out more than £12bn of sales via the internet, with the next highest, the South West, having around half this amount. All of the other regions each made sales of around £3bn or less. It is likely that the high value of internet sales in London and the South East is attributable to the preponderance of financial organisations in those areas – the financial sector accounted for around 77 per cent of total e-commerce sales in the UK as a whole in 2000.

The variation in purchases by businesses over the internet across the regions was not as great as that for sales (see Chart 6). London made £4.8bn of internet purchases, while businesses in the North East, Wales, Northern Ireland and the East Midlands spent less than £1bn via the internet.

**Chart 3****Businesses making sales via e-commerce in 2000**



**Chart 4****Businesses making purchases using e-commerce in 2000****Chart 5****Value of sales by businesses made via the internet in 2000****Chart 6****Value of purchases made by businesses via the internet in 2000**

## Broadband Access

The 2000 e-commerce inquiry estimated that 8 per cent of businesses used a broadband connection to the internet. This level varied across different sized businesses from 5 per cent in companies with 10 to 49 employees, to 50 per cent in companies with 1,000 or more employees (see Chart 7).

When the data on businesses using broadband access are analysed by sector, the numbers of respondents become small and must therefore be treated with caution. With this caveat, Chart 8 shows the sectoral variations of broadband use by business. The research & development, computing and financial sectors all had more than 30 per cent of businesses using broadband in 2000; the utilities, post/telecomms, overseas transportation and office machinery industries had over 20 per cent.

It might appear logical to assume that the speed of access to the internet could have an effect on a business's level of usage. Chart 9 shows the proportions of businesses with e-commerce activity (i.e. have a website, make e-commerce sales and/or purchases) by the type of internet connection. Perhaps surprisingly, the results show that the levels of e-commerce sales and purchases do not vary greatly by type of connection. This implies that access technologies were not particularly significant to these activities at the time. However, there is significant variation between the type of connection and the percentage of businesses with their own website. 70 per cent of businesses with an ISDN connection have a website compared with 55 per cent for broadband and 53 per cent analogue.

Chart 8

Use of broadband by industry in 2000

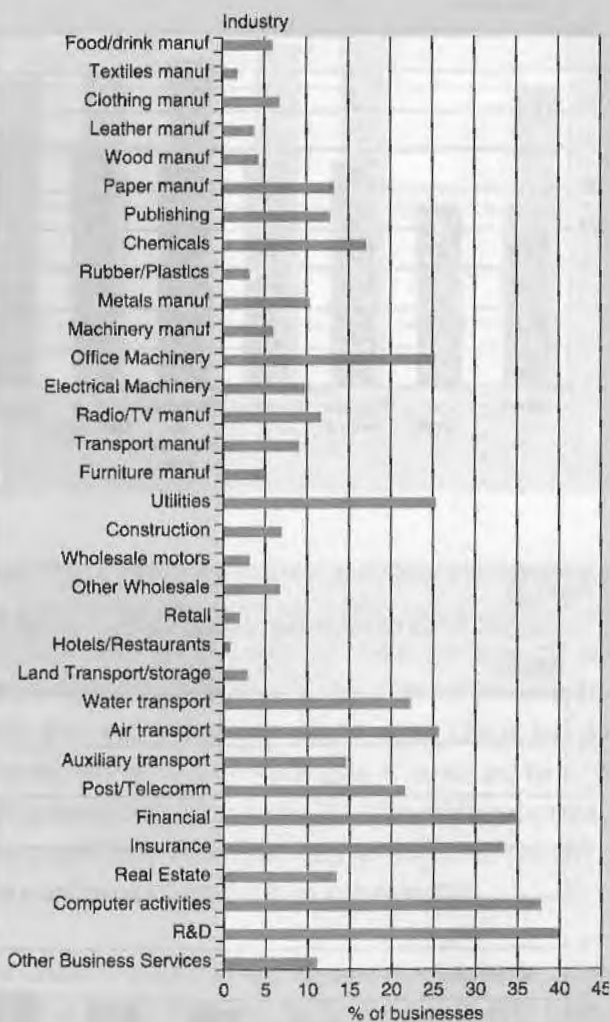


Chart 7

Use of broadband access to the internet by size of business in 2000

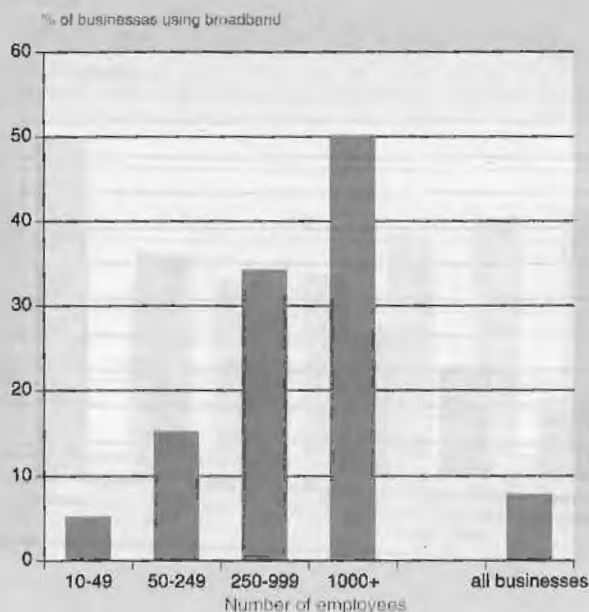
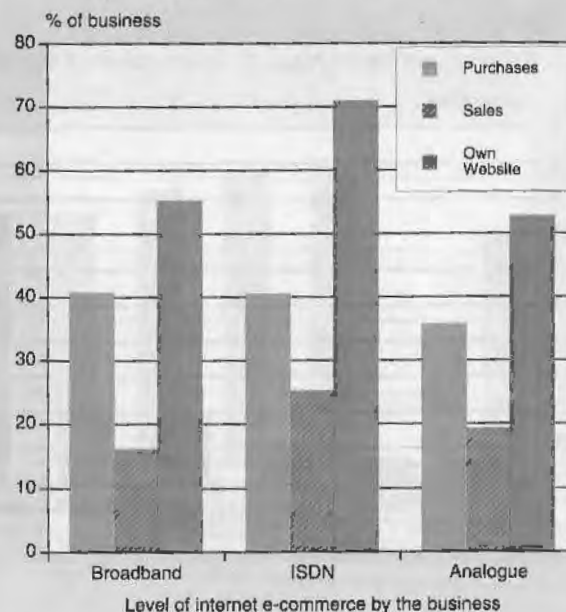


Chart 9

Level of business e-commerce activity by type of internet access used in 2000



## Businesses with higher levels of E-commerce

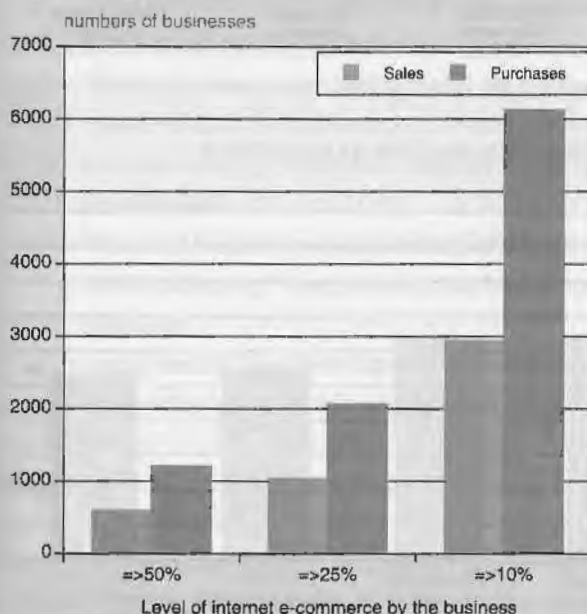
The e-commerce inquiry asked businesses to estimate the proportion of their business that was carried out over the internet. For most businesses this was very small or even nil. Chart 10 shows estimates of the numbers of businesses who carried out higher levels of internet sales and purchases. It was estimated that around 600 UK businesses conducted 50 per cent or more of their sales over the internet and twice as many used it for this extent of their purchases. This rises to around 3,000 for sales and 6,000 for purchases in companies with 10 per cent or more of their business online.

Focusing on sales, it was the computing sector, which dominated the larger traders, as might be expected. It was estimated that more than 200 of the 600 businesses with 50 per cent or more internet sales were from this sector, with travel agencies and the retail sector accounting for another 100.

In businesses with 25 per cent or more of sales via the internet, wholesalers were the key players in 2000, alongside the computing sector again, while in businesses with 10 per cent or more of sales via the internet, business services accounted for the largest proportion.

Chart 10

Estimates of number of UK businesses with large E-commerce sales and purchases in 2000

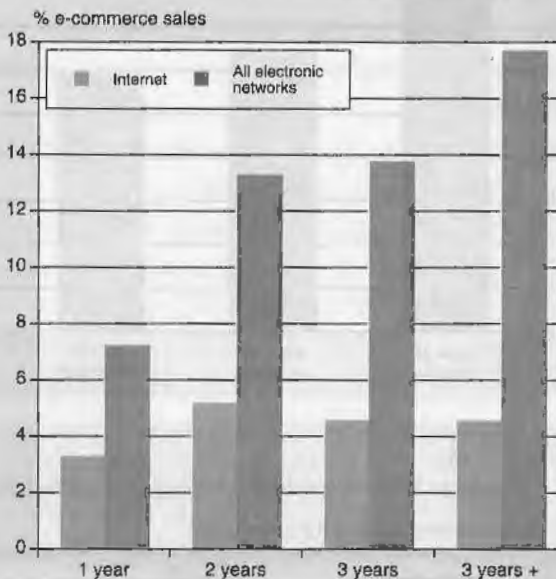


## Experience with technology as a factor in e-commerce sales

It might be assumed that businesses would increase the levels of their e-commerce over time, as they realise the potential of the technology and put the appropriate business processes in place. In order to assess

Chart 11

Relationship between the length of time businesses have been using technology and the level of their e-commerce sales in 2000



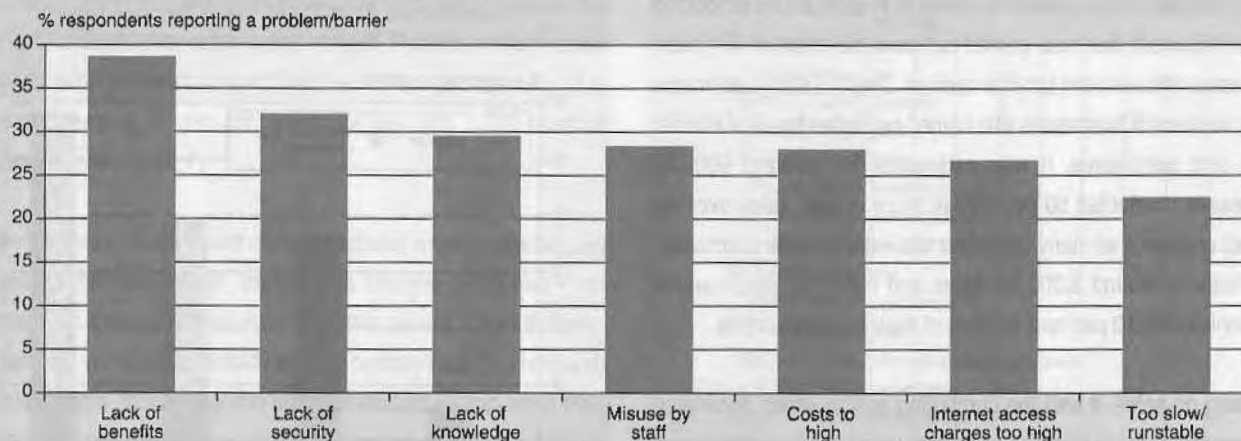
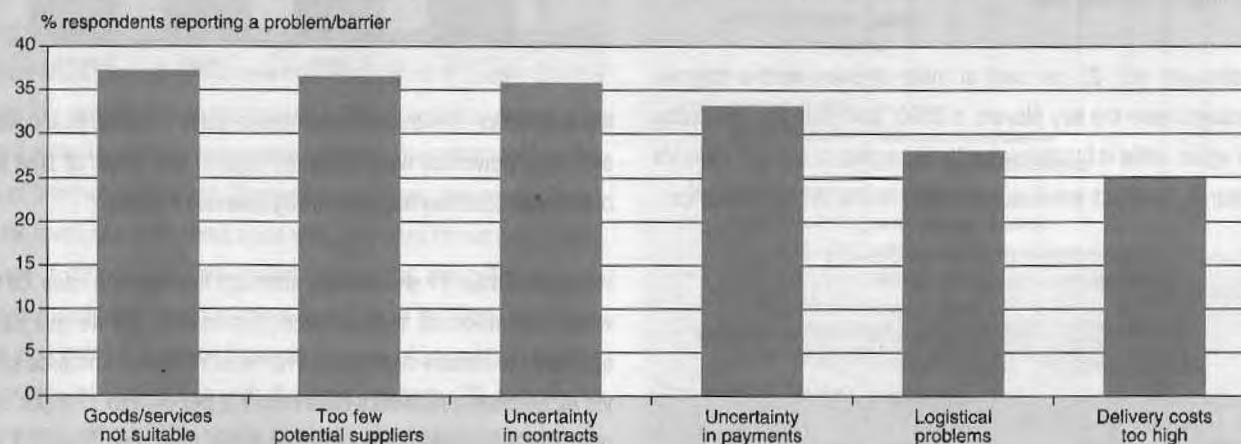
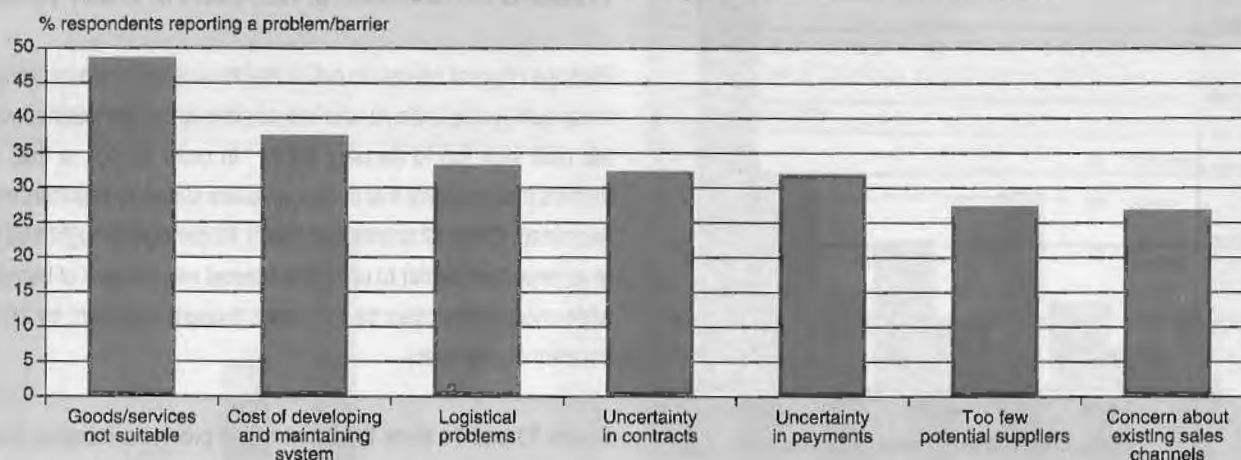
this supposition, the levels of e-commerce sales (via internet and via all electronic networks) were analysed against the length of time that businesses said they had been doing business this way.

However, Chart 11 shows that, although this was the case for the wider definition of e-commerce, the levels of internet sales appeared to remain more static over time. While e-commerce sales via all electronic networks rose from 7.2 per cent to 17.7 per cent over the four time-bands, internet sales only rose from 3.3 per cent to 4.5 per cent.

## Problems and Barriers for non-users of E-commerce

Perhaps of equal interest to policy-makers are the characteristics of those survey respondents who had no plans to use the internet within the next year (up to January 2002). In order to look at this, the barriers and problems that these non-users stated as important were examined. Chart 12 shows that nearly 40 per cent thought that the most important barrier to using the internet was the lack of benefits, while most of the other barriers were thought important by 25–30 per cent of non-users.

Charts 13 and 14 show the barriers and problems faced by those respondents who do not intend to use e-commerce for purchases or sales within the next year. In both cases, although more marked in making sales, respondents felt that the most significant reason for not using e-commerce was the lack of suitability of their, or their suppliers, goods and services, rather than any technical barriers. More than 30 per cent of both sets of respondents also stated that uncertainty with contracts and payments was a barrier.

**Chart 12****Reported problems/barriers facing businesses that do not plan to use the internet****Chart 13****Reported barriers/problems facing businesses that do not plan to make purchases via e-commerce****Chart 14****Reported problems/barriers facing businesses that do not plan to make sales via e-commerce**

For further information on the e-commerce inquiry and ONS's future plans for e-commerce statistics on business, please contact Magdalen Williams (details at beginning of article).

**References**

- 1 DTI White Paper. *Our Competitive Future: Building the Knowledge-Driven Economy*. CM4176. London: The Stationery Office (1998).
- 2 Based on Government Office Regions.
- 3 These figures relate to 'own website' only and do not include the 'third party website' figures previously published by ONS.
- 4 This includes all electronic networks, such as EDI, as well as internet.



# Computer Services Survey (SERVCOM Feasibility Study) Data for 2000

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## Summary

- The Office for National Statistics (ONS) has conducted a successful pilot inquiry into the computer services sector, collecting sales by type of service 'product'.
- The size of the computer services market in 2000 was £32.0bn, with IT consultancy, computer facilities management and systems integration being the largest three activities.
- This is the first National Statistics official source of detailed service sector sales by product.
- Following a development period of only six months, a detailed classification of computer services has been devised, according to which businesses have been able to provide data.
- The survey has been conducted and published within six months, achieving 77 per cent response from sampled businesses.
- Useful lessons have been learnt in surveying service sector industries for this type of detailed information.

## Background

This inquiry is viewed as a study into the feasibility of a SERVCOM inquiry (albeit possibly limited to key sectors) similar to the existing PRODCOM<sup>1</sup> (PROducts of the European COMMunity) Inquiry which measures sales of manufactured products.

The computer services industries (Division 72 of NACE<sup>2</sup> (the EC classification of economic activity)), were piloted following the Performance Innovation Unit Report *E-commerce @ its - best.uk*<sup>3</sup>, which supported DTI proposals for new five-digit codes for

e-commerce enabling industries within the UK Standard Industrial Classification<sup>4</sup> (SIC(92)). The computer services industries are amongst the most important of these enabling industries. However, it was felt that industry based proposals would be both difficult to implement and of limited value in the fast-moving and converging IT services industry. It was decided that a product based approach ("SERVCOM") would have more chance of success.

## Potential Benefits of Detailed Services Information

A range of initiatives has been put in place by the ONS over recent years to improve the quality and availability of service sector statistics, for example the newly developing Index of Services (IoS), the Corporate Services Price Index (CSPI) and improvements to the Monthly Inquiry into the Distributive Services Sector (MIDSS). However a gap exists in the availability of detailed 'product' statistics for services. SERVCOM type information would have important uses for a range of Government and non-Government users, providing a detailed breakdown of service sector activity classification and sales. Detailed services sector sales by type of product is not available from any other National Statistics source.

In addition to the specific interest of the e-Envoy's Office and DTI in terms of the IT services industry, the potential benefits of SERVCOM type information to Government and industry users would be:

- the provision of a breakdown of product sales for the service industries, useful for detailed industry analyses of market shares, etc;
- allowing for expansion of Current Price Input-Output product groupings used in the National Accounts;

- to improve the balancing of the components of Gross Domestic Product (GDP) through the Current Price Input-Output Supply and Use Tables;
- the provision of an improved weighting structure for the CSPI to underpin service sector price indices;
- improved deflation feeding into Constant Price Input-Output and product weighting structures for the IoS;
- the provision of improved sample targeting for the International Trade in Services survey (ITIS);
- insight into possible improvements to service sector classification and input to the next revision of NACE in 2007.

In addition the European Commission has an increasing interest in this area, particularly in the computer services and business services sectors, and Eurostat (the Statistical Office of the European Community) is currently running a pilot across European Community member states. The computer services data is also of interest to various Government Departments, the Bank of England and economists/commentators as part of the measurement of the "New Economy".

## Computer Services Pilot Survey

### Development of Detailed Classification of Computer Services

It is widely recognised that the NACE industry classification, and CPA<sup>5</sup> (EC classification of products by activity) classification are less developed for the service sector than for manufacturing. The ONS worked in partnership with industry and DTI to develop a service 'product' classification for the computer services sector. International sources and developments were also considered, for example Stats Canada (the Canadian Annual Survey of Software Development and Computer Services), and the US Bureau of Labor Statistics (the North American Industry Classification System (NAICS)).

The existing NACE industry classification is:

Division 72	Computer and Related Activities
72.10	Hardware consultancy
72.20	Software consultancy and supply
72.30	Data processing
72.40	Database activities
72.50	Maintenance and repair of office, accounting and computing machinery
72.60	Other computer related activities

This was used as a starting point – however it was not entirely suitable for defining services as principal products of a particular industry activity (the normal PRODCOM approach), being outdated. It was more appropriate to devise a product classification which reflected the existing industry structure and activity which could then be fed into the next NACE revision in 2007. The capability to map the computer services list back to NACE has been retained for comparability purposes; where a one-to-one or many-to-one relationship does not exist the mapping will be done using estimated splits provided by industry experts.

The main points that arose through developing the list with industry were that:

- Service product classifications may need to be less detailed than manufacturing, particularly in fast developing industries. The total number of computer services categories has been limited to 11, as many categories could become out of date in a very short time, and many services cannot be specifically defined so a broader list of services is appropriate.
- The existing NACE/CPA classifications are outdated for the industry and no doubt this will apply to some other sectors. In particular, the split in classifications between sales of software and hardware cannot be achieved fully in practice as they are often provided within the same contract.
- It is not possible to identify Web/Internet related categories separately as technology is converging to such an extent that a large proportion of software development, consultancy and other services can be described as Internet related. Consequently, much of it is indistinguishable, or irretrievably linked. In addition the revenue obtained from Internet related activity is often not directly attributable to the service given. For example, where computer services businesses provide links to the Internet, Web space, search engines etc. the revenue gained may be from advertising rather than from a fee for the ongoing service.

### Coverage

Presently, there are various non-ONS data sources for the computer services sector, but this is the first official source of detailed services data. Differing approaches in coverage have been taken by these sources which will be valid in different contexts. This survey has:

- Sampled from all sized GB firms within the sector, including businesses with less than 20 in employment. This means that all sales including subcontracting within the computer services industries have been recorded. This is consistent with PRODCOM and with the national accounts requirement to measure all sales and purchases within the economy.
- Measured total sales of services including exports.
- Excluded supply of software from sales of services and recorded this activity as wholesaling (in line with NACE classification).
- Covered businesses classified to Division 72, i.e. there is no full estimate for computer services activity conducted by firms outside Division 72.

### Related Services and Other Sales

The inquiry also collected data on sales of detailed services related to computer services, such as telecommunications services, and any other services provided, to enable the estimation of the non-computer services activity of the sector. This would be a requirement of any future SERVCOM inquiry for Current Price Input-Output GDP balancing purposes. Revenue from non-services activity, and total turnover were also collected to provide a complete picture of activity within the sector and for data validation purposes given the infancy of the inquiry.

### Sampling Approach

The sample was drawn with due regard for minimising the burden of form filling, in particular for the smaller firms. A stratified sample of 2000 GB firms was taken from the Inter-Departmental Business Register<sup>6</sup> (IDBR) (the ONS's register of UK firms), including coverage of the 0–9 employment sizeband given that a very significant proportion of firms classified within Division 72 are within this band (approximately 96 per cent). Northern Ireland based firms were not included in the pilot given that the resource involved in facilitating this operationally would not be justified by the small gain in turnover coverage. The sampling fractions used in the pilot survey are summarised in Table 1:

**Table 1 Sampling Fractions for the 2000 GB Computer Services Pilot Survey**

Employment Sizeband	Sampling fraction	Sampling fraction (per cent)
0–9	1 in 133	0.75
10–19	1 in 20	5
20–49	1 in 7	15
50 and over	1 in 1	100
<b>Total</b>	<b>1 in 65</b>	<b>1.5</b>

In addition a small number of large firms classified to sectors other than Division 72 (for example within NACE 64.20 Telecommunications, 51.64 Wholesale of Computer Equipment etc) thought to be significant in terms of computer services were added to the sample. This would provide a lower bound of computer services activity being carried out by firms classified outside Division 72.

### Conduct of Survey

The inquiry was conducted on a statutory basis under the Statistics of Trade Act 1947 to ensure reasonable response to feed into the computer services estimates. Good response rates were achieved for the inquiry: 77 per cent of forms were returned, corresponding to 84 per cent of the employment covered by the sample.

In order to minimise the burden of form filling on businesses, the questionnaire was tested on a small number of firms during the development of the list of detailed computer services. This provided feedback on the service product classification and the design of the questionnaire itself. A voluntary question on the form requesting completion time led to the original estimate of the time taken to complete the form (based on PRODCOM experience) to be reduced by half to around 45 minutes. In general the feedback from businesses was positive about the questionnaire design and the service categories used.

### Division 72 Computer and Related Activities Pilot Survey Results 2000

The 2000 GB estimate of computer services activity by firms classified to Division 72 is £32.0bn, with overall total turnover of £44.2bn. This does not include any estimate for computer services activity by firms classified to other sectors, given that a non-exhaustive sample of large firms outside the sector was drawn which cannot be grossed up. The survey total for computer services activity by firms classified outside Division 72 (based on this non-exhaustive sample) is £632m. Total sales of related services are £5.4bn.

An overall summary of the sales activity by GB firms classified to Division 72 is given below in Table 2. All results shown (with the exception of the non-Division 72 total above) have been grossed up to represent estimates of total population activity and relate to GB in 2000.



**Table 2 Summary of Overall Activity by Businesses Classified to Division 72**  
GB, 2000

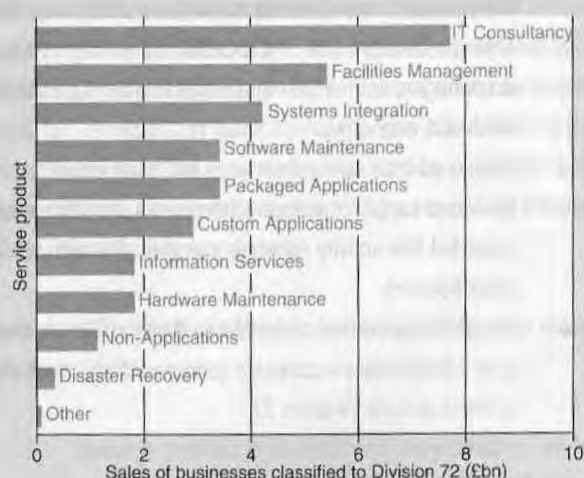
	£m
<b>Total turnover</b>	<b>44,231</b>
Total computer services (for breakdown see Table 3)	31,951
Total related services (for breakdown see Table 6)	5,413
Other services and non-services income	3,011
Balancing item*	3,855

\*For explanation of balancing item see Estimation Methods.

The total computer services sales are shown broken down by individual computer service in Chart 1 and Table 3 below. The detailed computer services breakdown is the key aspect of the pilot results and shows that of the total of computer services sales of businesses classified to division 72, 24 per cent of sales are IT consultancy service, followed by Computer facilities management (20 per cent) and Systems integration (13 per cent). **NB. Estimation for individual component variables of this nature is inherently**

**Chart 1**

**Computer Services by Size of Sales Activity (£bn)**



**difficult and challenging. The experimental nature of the results should be borne in mind as the methodology underlying the estimates is part of an ongoing program of development.**

**Table 3 Computer Services Pilot Survey Results by Service Type – by Businesses Classified to Division 72**

GB, 2000

Service Product Code	Service Description	£m
72001150	Computer Systems Integration Service - integration of different computer software products, with or without the associated hardware, to form a complete system.	4,190
72002350	Development of Custom Built Application Software products for customers.	2,875
72002550	Development of Packaged Application software products for customers i.e. programs developed and sold as a product. (Software licences included).	3,402
72003550	Development of Non-Application Software for customers, (System Software, Tools, Utilities) whether custom built or packaged. (Software licences included).	1,071
72004550	IT Consultancy Service.	7,687
72005150	Software Systems or Applications Maintenance and Support.	3,403
72005350	IT Disaster Recovery / Business Continuity Services.	317
72005550	Computer Facilities Management (outsourcing) / Data Processing Services (Includes: Operating the day to day running of clients' computer/network systems; Data entry, Data capture and imaging, Transaction processing; Application Service Provision (ASP) etc.)	5,407
72005750	Hardware Maintenance - Repair and/or Maintenance of office machinery, including computing equipment.	1,758
72009550	Electronic Information Services – Database Related Activities (without design of specific software) (Including: Database development, i.e. assembly of data from one or more sources; Data storage; On-line provision of information; Data mining; Directory and mailing list publishing. Excluding "Fulfilment Housing" activity.)	1,789
72009750	Other computer services nowhere else specified.	53



Table 4 analyses the total computer services sales and total turnover of businesses classified to division 72 in terms of how the businesses are currently classified on the IDBR. 72.60 Other computer related activities is the third largest industry (SIC) in terms of computer services sales and turnover. However some of the economic classifications of businesses classified to this industry are less reliable given its 'Other not elsewhere classified' status. The service products of these firms fall into the individual categories shown in Table 3; Table 3 shows that very few computer services sales (£53m) could not be allocated to a specific service.

Table 5 shows the Division 72 GB computer services activity by size of business. The businesses with employment between 0 and 9, and 50 or more contribute most of the sales of the sector. This is illustrated in Chart 2 and Table 5 below:

The estimate of related but non-computer services GB activity by firms classified to Division 72 is £5.4bn. These sales are broken down by individual service in Table 6 below:

### Estimation Methods

The estimation method used is a modified form of that used for production of the PRODCOM estimates (for further information see Chambers & Cruddas<sup>7</sup> (1996)). The methodology is based on an assumption about the relationship between the size of the firm (employment) and its sales, i.e. a form of ratio estimation is used. PRODCOM makes estimates for each manufactured product separately. Here some of the services have been aggregated for estimation to alleviate the problems associated with small sample sizes (at individual service level).

For the computer services pilot, for each SIC within Division 72, the total computer services activity (covering all 11 individual services) is first estimated, together with the total related services activity (covering all 7 individual services). Similarly all other services activity is grouped for estimation. Non-services revenue is estimated separately. Since the bias of a ratio estimator is of the order  $1/\sqrt{n}$  (where  $n$  is the number of businesses providing the service) the bias has been reduced by aggregating similar services.

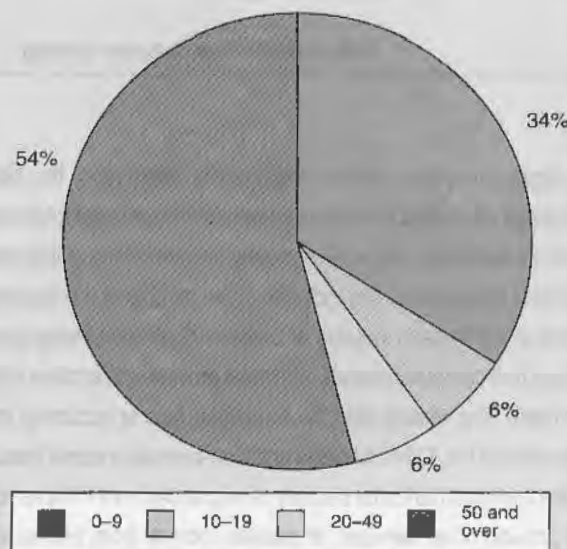
However even at this level of aggregation, bias still exists in the ratio estimator as is evident from the balancing item in Table 2. This is the difference between the grossed total turnover of firms classified to Division 72 and the sum of the grossed components. Further analysis has shown that the majority of the balancing item occurs in the 0-9 employment sizeband. This is not surprising given that the smaller firms tend to provide a smaller range of services, and is exacerbated by the small sampling fraction in this sizeband.

**Table 4 Computer Services and Total Turnover by Industry – by Businesses Classified to Division 72**

GB, 2000			
SIC	Title	Computer Services Activity £m	Total Turnover £m
72.10	Hardware consultancy	598	989
72.20	Software consultancy and supply	18,744	25,216
72.30	Data processing	6,553	8,259
72.40	Database activities	400	605
72.50	Maintenance and repair of office, accounting and computing machinery	591	945
72.60	Other computer related activities	5,066	8,218
<b>Total</b>		<b>31,951</b>	<b>44,231</b>

**Chart 2**

**Computer Services Sales by Size of Business**



**Table 5 Computer Services Sales by Size of Business - by Businesses Classified to Division 72**

GB, 2000		
Size of business (employment)	Number of businesses on IDBR	Computer Services Activity £m
0-9	124,235	10,998
10-19	2,545	1,983
20-49	1,005	1,915
50 and over	785	17,055
<b>Total</b>	<b>128,570</b>	<b>31,951</b>

**Table 6 Related Non-Computer Services Sales by Service Type - by Businesses Classified to Division 72**

GB, 2000

Service Product Code	Service Description	£m
64200001	Telecommunications Services (Including: Telephone service, Network design, Installation, Internet connectivity and access provision, Intranet services, email services, etc).	1,228
71330001	Leasing or Rental Services of Computing Machinery or Office Machinery or Equipment.	119
74500001	Recruitment and/or Provision of IT Specialised Personnel (Excluding: if as part of IT consultancy / support service).	309
80421001	"End-user" IT training, e.g. for training in use of packages such as Word, Excel etc. (Excluding: if as part of IT consultancy / support service).	297
80421002	Technical / programming IT training (Excluding: if as part of IT consultancy / support service).	144
93050001	Intellectual Property Rights (Including: Revenue from Patents, Trade marks, Copyrights, Royalties etc.) (Excluding: Software licences).	176
50000001	Wholesaling or Retailing - sales of goods (whether computers or software or not), purchased for resale without further processing (Excluding: goods included in the provision of an associated service such as consultancy or systems integration service).	3,140
<b>Total related but non-Computer Services.</b>		<b>5,413</b>

By aggregating like services together for estimation, the bias is effectively minimised in the total computer services and total related services estimates, since all (or nearly all in the case of the related services) respondents are included in the sample at this aggregate level (i.e. within each industry of Division 72 all businesses provide at least one computer service, and most provide one or more related services). This means that the remaining bias is occurring in the estimation of the 'Other services and Non-services income' variable, where there is a particular sparsity of responses from firms as not all will provide other services or receive income from non-services activity. The implication is that the vast majority of the balancing item is attributable to the 'Other services and Non-services income' variable.

Given the level of confidence in the estimates of computer services and related services activity, to produce the breakdown of individual services the simple unbiased expansion estimator was used. This grosses up the survey responses by the inverse of the sampling fraction. The individual services were grossed separately using the expansion estimator, and then the proportion that each contributed to the aggregate of computer services was applied to the grossed total at aggregate level obtained using the PRODCOM ratio estimator. A similar approach was used for related services.

### Sampling and Non-Sampling Errors

Any sample survey will lead to error in the estimates as a result of sampling. The standard deviation or standard error associated with the computer services and related services aggregates, together with total turnover, has been estimated. We can say that we are 95 per cent confident that the true value lies within approximately 2 standard deviations of the estimate i.e. the true value of computer services activity for Division 72 is £32.0bn +/- £1.3bn.

The standard error associated with each individual service cannot be estimated at present. This is because the estimator consists of two parts (the ratio estimation at 'service group' level and breakdown to individual service by using the simple expansion estimator) which means that it is a non-linear estimator. The derivation of the associated standard error is therefore non-trivial and will require further work.

**Table 7 Standard Errors for 2000 GB Division 72 Aggregates**

	95 per cent Confidence interval (£bn)	Standard error (per cent of estimate)
Total Computer Services	32.0 ± 1.3	2.1
Total Related Non-Computer Services	5.4 ± 0.6	5.4
<b>Total turnover</b>	<b>44.2 ± 1.6</b>	<b>1.8</b>

In addition to sampling error there will be errors in the estimates that are not associated with sampling, i.e. non-sampling error. This can arise through misinterpretation of the questionnaire by businesses given that this was the first inquiry, non-response to the questionnaire, incorrect coding of services on the questionnaire given the infancy of the detailed classification of services etc. At present mechanisms do not exist to measure the non-sampling error although any follow-on surveys would consider these issues.

## Future Work

Following the publication of these data, industry and Government users will be consulted on the success of the Study, and the usefulness and quality of the computer services classification and results. Depending upon its success and only if further funding is available to continue the work, the computer services survey may be repeated and consideration will be given to developing classifications for further services industries, for example related sectors such as the telecommunications industry (NACE 64.20). In addition, a review of the statistical methods underpinning the estimates would be carried out. A more limited computer services survey may be published in future as part of the European pilot study.

## Acknowledgements

The author would like to acknowledge with thanks the general support from her colleagues among ONS and DTL, and in particular the advice and assistance of the Computing Services and Software Association, the Association of Independent Computer Specialists and Ovum Holway in developing the computer services classification.

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# Recording financial derivatives in the UK National Accounts

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## Introduction

This article introduces the first publication of securities dealers' gross positions in financial derivatives in a National Accounts format. It provides background on why and how the ONS collects statistics on financial derivatives.

These data, together with data collected by the Bank of England covering UK banks' positions in financial derivatives, will be published for the first time in the 2001 edition of the ONS *United Kingdom National Accounts* (the *Blue Book*), Table 4.5, and the *United Kingdom Balance of Payments* (the *Pink Book*), Table 8.d. These tables (for the years 1998, 1999 and 2000) show the gross positions in sterling and foreign currency by main sector and the counterpart sectors. The Bank of England publish data quarterly in *Monetary and Financial Statistics* Table F1.1 for UK banks' financial derivatives positions. These data are also available on the Bank of England website at <http://www.bankofengland.co.uk/mfsd/>.

## Background

The internationally agreed *System of National Accounts* (SNA 93) and the fifth edition of the International Monetary Fund's *Balance of Payments Manual* (BPM5) give guidance on the statistical treatment of financial derivatives. The European version of the SNA, the *European System of Accounts* (ESA 95), on which the National Accounts has been based since the 1998 *Blue Book*, has been amended in line with the SNA treatment.

## Coverage

The new standards bring financial derivatives within the financial asset boundary, placing them alongside deposits and loans etc. Derivatives will be valued, in common with other financial instruments, at market value within the financial balance sheet.

However, implementation in full of the new requirements in respect of financial derivatives is an outstanding issue.<sup>1</sup> The development of inquiries to collect these data within the ONS for "other financial institutions" was vital to complete the United Kingdom picture following work at the Bank of England where data for UK banks' gross positions in financial derivatives have already been published.

## ONS data collection

The data on derivatives produced by the ONS are collected as part of the statistical inquiry into the assets and liabilities of securities dealers. This inquiry is conducted as a sample survey of 63 dealers. The sample is taken from a register of dealers supplied by the Securities and Futures Authority. The sample design is stratified by the type of securities dealer and total liabilities: all of the larger dealers are included in the sample but only a proportion of smaller businesses is included. The returned data are then grossed to estimate for the target population of securities dealing firms.

Data on derivatives were first collected as part of the inquiry in 1998. Initially there were problems with the response rate as dealers' systems were not set up to provide this information. The information provided has improved over time and particularly during the latter part of 2000. There is still much work to be done however before full details can be published on a regular basis.

For the purposes of the inquiry, derivatives are defined as instruments that are linked to the price performance of an underlying instrument and which involve the transfer of financial risk. Examples of the underlying instrument include commodities, foreign exchange rates, stock indices and interest rates. Types of derivative instrument include options, futures/forwards, swaps, forward rate agreements and warrants.



The inquiry collects information on holdings by type of instrument and counterpart. The instrument detail comprises interest rate swaps, forward rate agreements and a residual category, other derivatives, each broken down into sterling or foreign currencies. Counterpart information is collected on UK banks, Bank of England, UK building societies, other UK financial institutions, other UK residents and the rest of the world.

The Bank of England have been publishing data on financial derivatives for periods from 1998 covering UK banks' gross positions by derivative product and risk type and by counterpart sector.

## Data comparisons

The data presented in this article are a first set of estimates. They are not directly comparable with the other financial intermediaries counterpart detail from the Bank of England due to the different

coverage. Initial comparisons suggest that, at the end of 2000, ONS coverage of securities dealers' assets held against banks and securities dealers' liabilities to banks are around 80 per cent of the Bank of England's counterpart figures for banks' liabilities to, and assets against, other financial intermediaries as a whole.

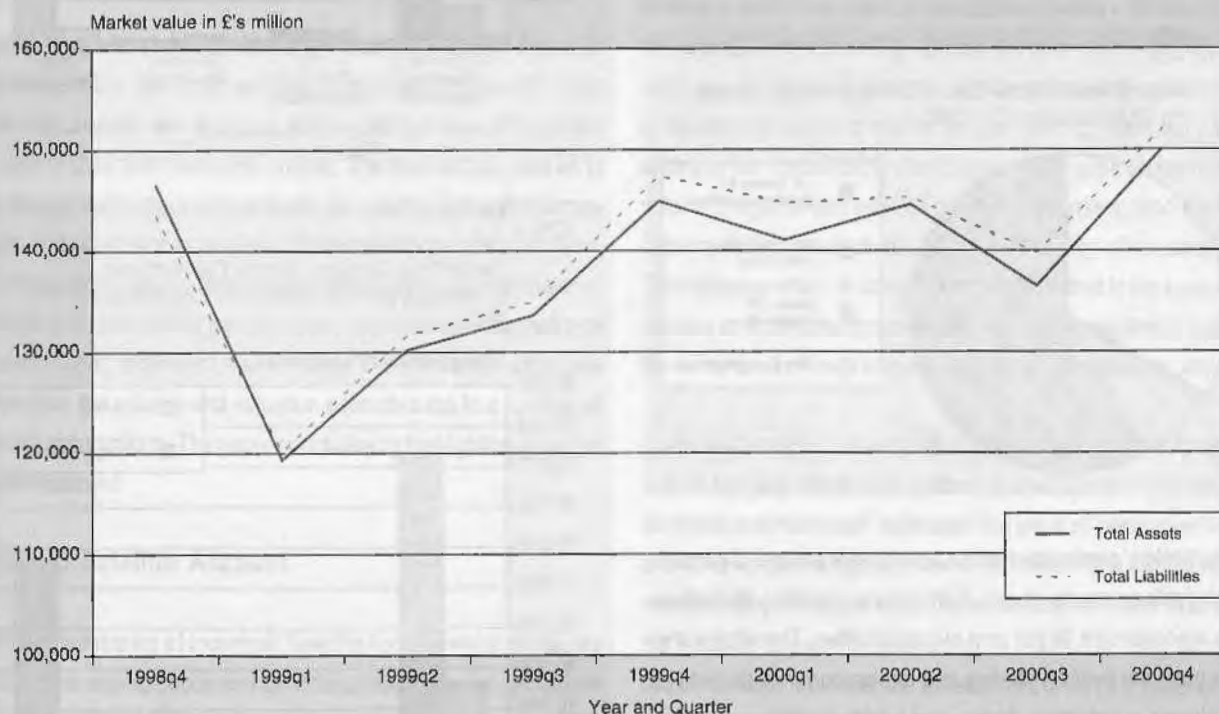
## Data analysis

Total assets held by securities dealers at the end of 2000 were around £150.0 billion. This is an increase on the 1999 figure of £144.9 billion, which in turn was lower than the end 1998 level of £146.8 billion.

Total liabilities were around £152.0 billion at end 2000 compared to £147.5 billion at end 1999 and £143.7 billion at end 1998. The net position has thus moved from net assets of £3.1 billion in 1998 to net liabilities of £2.5 billion in 1999 and £2.0 billion in 2000.

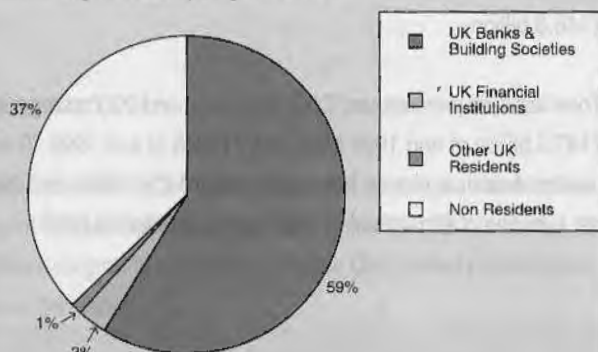
**Chart 1**

### Securities Dealers' Gross Derivatives Positions

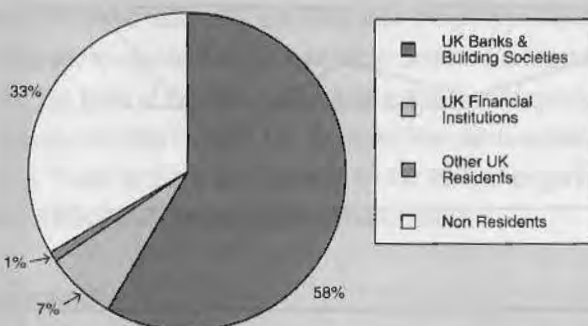


Banks and building societies are the main counterpart for UK securities dealers, for both assets and liabilities. At the end of 2000 they accounted for around 59 per cent of securities dealers' total derivatives assets and around 58 per cent of liabilities. This is a little higher than the 52 per cent of each at the end of 1999. Non residents were the next most important counterpart. Assets held with them were around 37 per cent of the end 2000 total and liabilities 33 per cent, (see charts 2 and 3).

**Chart 2**  
Securities Dealers' Gross Derivatives Assets  
by Counterparty Q4 2000



**Chart 3**  
Securities Dealers' Gross Derivatives Liabilities  
by Counterparty Q4 2000



Securities dealers' sterling derivatives assets were around 10 per cent of total derivatives assets at end 2000 whereas sterling derivatives liabilities accounted for 16 per cent of total liabilities. The relationship between positions held on sterling and foreign currency derivatives varied between counterpart. Assets and liabilities held by securities dealers with other UK residents were largely in sterling, over 75 per cent of each. In contrast, assets and liabilities held with the rest of the world were dominated by foreign currencies, over 90 per cent of each, (see charts 4 and 5).

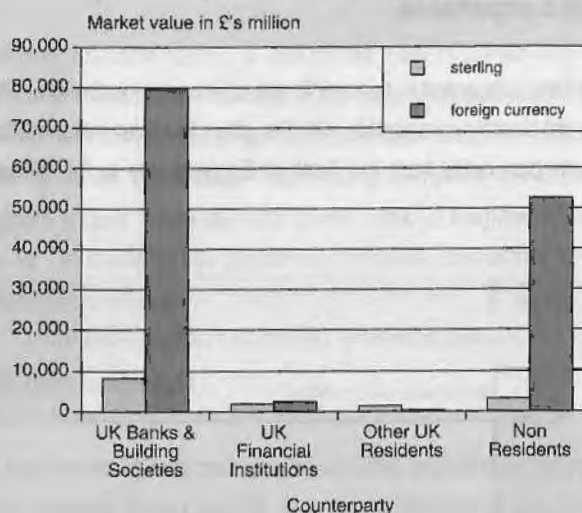
### Future Work

Work is continuing to validate and improve the estimates and obtain more information on the types of derivatives traded. It is hoped that,

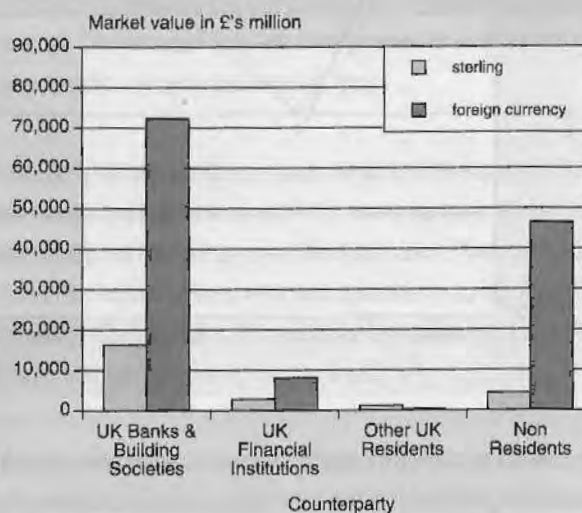
in time, the ONS data will be comparable to the Bank of England data in coverage and detail so that a more comprehensive set of data can be published in the National Accounts.

Work also continues, at the ONS and the Bank of England, on the collection and measurement and validation of transactions in financial derivatives. Certain conceptual issues regarding the validation and interpretation of the transactions data need to be addressed before these data can be incorporated into the National Accounts framework.

**Chart 4**  
Securities Dealers' Gross Derivatives Assets  
by Currency and Counterparty Q4 2000



**Chart 5**  
Securities Dealers' Gross Derivatives  
Liabilities by Currency and Counterparty Q4  
2000



### Note

- Up to now the only derivatives data included in the UK National Accounts and Balance of Payments are settlement flows for Interest Rate Swaps and Forward Rate Agreements.

# Valuing Informal Childcare in the UK - September 2001

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## Introduction

The purpose of this article is to invite feedback from potential users on a new methodology being developed by the ONS to measure and value the output of the household production of childcare. This includes all care given by parents, family members, friends, and focuses on the numbers of children looked after, rather than those giving the care. It is part of a programme of work to produce a Household Satellite Account (HSA). The approach is experimental and the authors welcome comments about the methodology and underlying assumptions, as well as suggestions about additional data sources. The figures quoted in the article are provisional and should be interpreted cautiously, bearing in mind their sensitivity to some of the assumptions. A more detailed description of the assumptions and the results of sensitivity tests can be found at [www.statistics.gov.uk/hhsa/childcare](http://www.statistics.gov.uk/hhsa/childcare).

The article starts with a brief definition of a Household Satellite Account. In the following section, the varied and often conflicting definitions of 'formal' and 'informal' childcare are discussed, clarifying the definition of household production of childcare used in this project. The third section goes on to outline the methodology used to estimate the volume of formal childcare provision, and includes an initial attempt to estimate this by type of provision. The fourth section gives the methodology, assumptions and estimates of the volume and value of informal childcare, and includes a discussion of the issues relating to different market prices. The fifth section examines how sensitive the volume and valuation estimates are to a number of alternative assumptions. The paper concludes by highlighting areas for future development.

## Household Satellite Account

The ONS is developing a Household Satellite Account which measures and values the unpaid goods and services produced by households in the UK. Conventional National Accounts measurements, such as GDP, do not fully take into account non-market production for own final consumption. The National Accounts production boundary includes, in theory, all production of goods for own use, although in practice different countries make adjustments for different parts of this category. For example, in the UK National Accounts, self-build dwellings are included, but there is, at present, no data on vegetables grown and consumed within the household. Many of the goods for own final consumption will be included implicitly or explicitly in the HSA. With the exception of housing services produced by owner-occupiers, services produced within households

are excluded from the National Accounts, unless they are produced by an employed person e.g. a domestic nanny. This limits the usefulness of the National Accounts as a tool to analyse areas of social concern.<sup>1</sup>

The HSA uses the national accounting framework but extends the production boundary to include all activity that could be delegated to another person - the "third party criterion" developed by Margaret Reid<sup>2</sup>. This activity is divided into six principal functions - providing housing, transport, nutrition, clothing and laundry services, care (of adults and children), and voluntary work. The approach being taken by the ONS is to focus on the outputs of these principal functions.

The output method values what the household produces, rather than focussing on the time spent on productive activities - the input approach. For example, when providing nutrition, the output is the number of meals, which are produced. The volume of different types of meals is multiplied by appropriate market prices to obtain a value for this output. The value added by the household is then calculated by subtracting from this the value of the goods and services purchased in order to produce the meals (intermediate consumption) and the contribution of household capital. This 'effective return to labour' can then be linked to the input of time to produce an hourly rate for meal production. The methodology is essentially the same for all of the principal functions except voluntary work.

Clark<sup>3</sup> estimated the value of the output of household services using the cost of keeping adults and children in institutions in the UK in 1958. Suviranta and Heinonen<sup>4</sup> estimated the value of 'unsalaried home care of children under the age of seven' in Finland in 1979 using a very similar method to the one outlined below. Suviranta and Mynttinen<sup>5</sup> also estimated the value of 'unpaid housecleaning' in Finland in 1980 based on the output approach. However, the development of the UK Household Satellite Account is the first attempt to estimate the volume of outputs for each of the principle functions and to produce a value for total household production based on this approach.

## Definitions and scope

The definitions of formal and informal childcare vary between different surveys and projects. Formal childcare can be defined as provision that is registered<sup>a</sup> and paid for, e.g. registered childminder places for the

<sup>a</sup> registered for the purpose of regulation under the Children Act 1989



under 8s. Information on registered and paid childcare provision is collected by national surveys such as the DfEE (now DfES) Children's Day Care Facilities. Another definition of formal childcare is care which is formalised by payment but unregistered, e.g. unregistered childminders and nannies.

Informal childcare is often defined as unpaid care. This usually refers to care given by family members such as grandparents and siblings, as well as friends. Babysitting is probably the most significant example of this type of care, although carers could be 'paid' in favours or by small gifts. This definition of informal care does not usually include care given by parents. Alternatively, informal childcare can be defined as care which is unregistered even if paid for, so paid babysitters and unregistered childminders could fall into this category. This is still referred to as informal care because the arrangements are not formalised with contracts or employment rights.

As most of the childcare carried out by the household members or their networks (family members or neighbours) could be delegated to another person, it is deemed to be part of the productive role of households. We have not tried to distinguish between physical acts of supervision or help and the building of parent-child relationships, which obviously cannot be delegated. Therefore the HHSA definition of informal childcare is all care which does not involve a monetary transaction. It is the total amount of childcare required (total number of children in the population multiplied by twenty four hours a day) less any formal childcare, defined as all paid childcare, whether it is registered or unregistered. However, we have not been able to include in our estimates some paid care, which we know takes place, but for which we have been unable to find any data. This includes care by babysitters and au-pairs, as well as out-of-school clubs and holiday play schemes for children over 8 years old. The authors would be pleased to hear about any potential data sources, both quantitative and qualitative, which they may have overlooked for this information. If and when such data becomes available, it will be included in the estimates.

As children get older, some of them are left unsupervised for varying amounts of time. An allowance has been made for this, so that the amount of informal care is reduced for older children. There is limited hard data on the actual amount of unsupervised time. If, in fact, the assumptions we have made lead to informal childcare being underestimated (i.e. we have included too much unsupervised time), this will be offset to some extent by the unmeasured formal care which has not been included.

By using a residual approach to estimate informal childcare we are accounting for all the time a child needs supervision. This supervision can be 'active' or 'passive'. Passive care includes the time when an adult may not be directly interacting with the child, but is still responsible for them. The important point is that if no unpaid carer were available, a third

person would have to be paid to take their place. Therefore passive care is part of the productive role of households and is included in our estimates. One simple way of distinguishing between passive and active childcare is to look at waking and sleeping time. If we assume a child under 5 sleeps for twelve hours, we can say that 50 per cent of their childcare is passive, and so on. Using a set of assumptions about the relative proportions of waking and sleeping time for children of different ages as proxies, we can value separately active and passive informal childcare.

## Formal Hours

### Methodology

Information on different types of formal care has been collected for each UK country. This mainly takes the form of the numbers of childcare places available, and in all cases we have assumed 100 per cent take-up of places. The requirement for and use of formal childcare varies for children of different ages, so the places have been allocated to the following categories:

Age Group 1	under 5 years old
Age Group 2	5-10 years old
Age Group 3	11-15 years old

As formal childcare availability varies by the time of the year, the year has been split into four types of day:

Weekend	= 104 days
Week Day - School Day	= 180 days (36 weeks x 5 days)
Week Day -Working Holiday	= 28 days (4 weeks x 5 days plus 8 bank holidays)
Week Day - School Holiday	= 53 days(12 weeks holiday minus working holiday and bank holidays)

The estimates for each age group by time and type of day have been aggregated to obtain a figure for the total number of hours spent by all children in the UK in formal care in any one year.

### Assumptions

For each separate type of day and age group, assumptions have been made about the length of time the various types of childcare provision are available. For example, an average school day is assumed to be 6.5 hours long, and includes lunchtime supervision at school. Assumptions about the average length of day spent with a childminder are based on the childcare module from the DSS (now DWP) Family Resources Survey, which asks for average weekly hours used in term-time and during school holidays. This suggests that, in those households using



childminders, on average under 5s spend 25 hours per week with them, while 5-10s and 11-15s spend 10 hours per week with them. Information from the DfES on Children's Day Care Facilities suggest that, on average, playgroups offer 5 sessions per week, so we have assumed one 3-hour session per day per playgroup place. We have assumed that day nursery places are filled for 5 hours each day, that out-of-school clubs run for two hours on each weekday in term-time, and that holiday clubs are open for 6 hours each weekday during the school holidays.

We have assumed those children in foster places and children's homes are cared for 24 hours a day all year round, with the exception of attending school for 6.5 hours a day. Similarly, full time boarders are assumed to be in formal care 24 hours a day on school days and at weekends. Weekly boarders are assumed to be in formal care 24 hours a day on weekdays in term time. This means that for some individual children we may be double counting the total number of hours spent in formal care. For example, a foster child, a child living in a children's home or a boarder may attend other formal care activities. They may attend a holiday play scheme, or out of school club. Due to this double counting, the total number of formal hours may be slightly over estimated, which will result in an underestimate of informal hours.

Assumptions have also been made in order to divide the data on places between the three different age groups. If the data is already broken down into different age groups from the ones outlined above, then the data is prorated using the UK country and year specific population age structure. If only the total number of children in a care category is available, then the proportion in each age group from the England data has been applied to the total numbers. Finally if data is split down into the age groups for only some years, then the average split between the age groups has been applied to the years when only the total is available. Missing data points have been estimated by predicting the trend between existing data points.

The total number of children in the population in Great Britain (as estimated by the Population Estimates Unit, ONS) is higher than the total number of pupils on the school rolls (aggregating estimates from DfES, the Scottish Executive and the Welsh Assembly). We have assumed that the number of children who are not accounted for in the school rolls are those children who are taught at home, children who are under special arrangements for the education of travellers' children, or refugees and asylum seekers. As the population figures are estimates only and the school rolls and population figures are often taken at different times of the year, this will also account for some of the differences. For Northern Ireland, however, there is the additional problem that the number of pupils attending school from across the land-border cannot be separated from those resident in Northern Ireland. The number of school places in Northern Ireland is much higher than the relevant population figures. Therefore we have

assumed that all 5-15 year olds resident in Northern Ireland attend school there, and the population figures have been used in place of the number of school places.

Full details of the data sources and assumptions made about each type of formal provision can be found at [www.statistics.gov.uk/hhsa/childcare/methodology.asp](http://www.statistics.gov.uk/hhsa/childcare/methodology.asp).

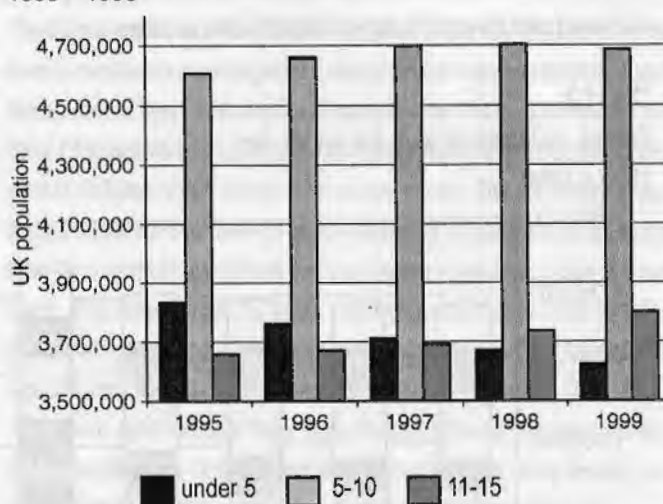
## Results

### Formal childcare places

The number of children in the population will affect some formal childcare places more immediately than others. If the population increases, the number of school places will increase. Provision for the under 5s will be more sensitive to changes in demand and supply as a result of changing preferences, changes in the labour market and/or government policy.

### Chart 1

UK Child Population  
1995 - 1999



Source: ONS

Chart 1 shows the population changes over 1995-1999. The under 5 population has declined by 5.5 per cent over the period, which contrasts with the increase in population of 3.9 per cent for the 11-15 age group. The number of children in the 5-10 age group increased by 1.6 per cent over the period, in spite of a small fall between 1998 and 1999.

As most paid childcare for children under 5 must be registered, there is more information on non-school provision than for the other age groups. Table 1 (below) shows that the total number of UK places increased by approximately 13 per cent between 1995 and 1999, in spite of a fall in the under 5 population. These include playgroups, childminders, schools, nursery schools, day nursery and school places. The increase is dominated by provision in England, given that approximately 83 per cent

**Table 1**

Total places for under 5s in nursery classes, nursery schools, maintained schools, day nurseries, playgroups and childminders

1995 - 1999

Year	England	Scotland	Wales	Northern Ireland	UK*
1995	1,496,100	261,200	109,300	63,600	1,930,300
1996	1,510,200	262,500	111,500	65,000	1,949,200
1997	1,510,100	281,600	112,100	66,300	1,970,100
1998	1,548,800	286,900	112,100	66,000	2,013,700
1999	1,715,700	284,600	108,700	67,000	2,176,000

Source: DFES, Scottish Executive, National Assembly for Wales, DHSSPSNI & DENI

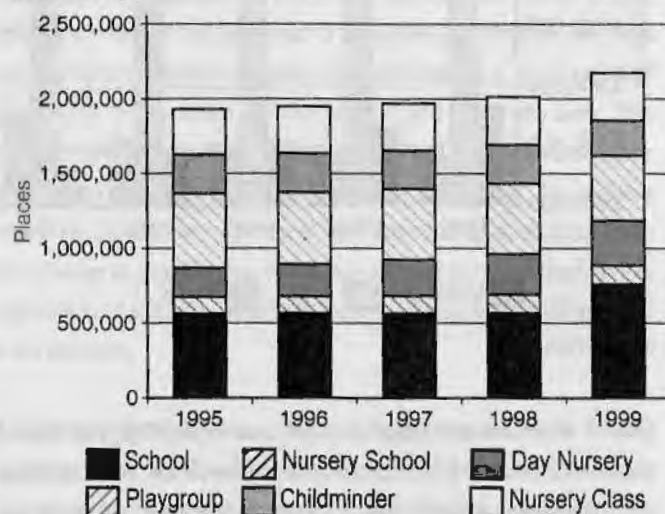
\*Totals may differ due to rounding

of under 5s in the UK as a whole live there. Scotland and Northern Ireland have also seen an overall increase in places of 9 and 5 per cent respectively. Although the number of places fell slightly (by under 1 per cent) in Wales between 1995 and 1999, the number of places per child increased over the period, as it did in all the UK countries.

**Chart 2**

Formal childcare places for under 5s

1995 - 1999



Source: DFES, Scottish Executive, National Assembly for Wales, DHSSPSNI & DENI

Chart 2 shows the total number of formal care places for the under 5s by type. In spite of an overall growth in places between 1995 and 1999, the number of registered playgroup places and childminder places in the UK declined between 1998 and 1999. This was offset by an increase in day nursery and maintained school places.

## Formal childcare hours

Formal childcare hours are a reflection of the time spent being cared for as well as the number of places. However, as the time spent in each type of formal childcare is assumed to remain constant over the period, the changes actually reflect changes in the number of places.

**Table 2**

Estimated UK formal childcare hours

1995 - 1999

million						
Year	1995	1996	1997	1998	1999	% change 1995-99*
<b>Under 5</b>						
Population	3.84	3.76	3.71	3.67	3.62	-5.5
Formal Hours	2,040	2,070	2,080	2,110	2,300	+12.7
<b>5-10</b>						
Population	4.61	4.66	4.70	4.70	4.69	+1.6
Formal Hours	5,670	5,760	5,820	5,900	5,950	+5.0
<b>11-15</b>						
Population	3.66	3.67	3.69	3.74	3.80	+3.9
Formal Hours	4,870	4,850	4,830	4,840	4,900	+0.6
<b>Total</b>						
Population	12.11	12.10	12.11	12.11	12.11	+0.1
Formal Hours	12,580	12,680	12,740	12,850	13,150	+4.5

Source: ONS (population) and HHSA estimates (hours)

Totals may differ due to rounding

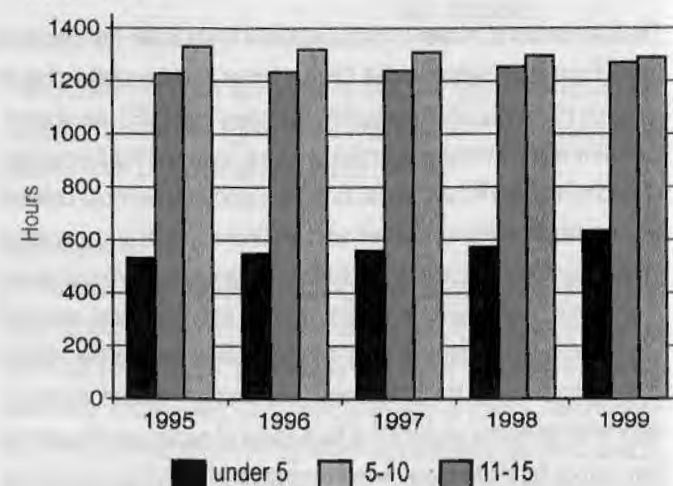
\* percentage changes based on unrounded figures

As Table 2 shows, total formal childcare hours increased by 4.5 per cent between 1995 and 1999 in the UK. This is driven by the increase in formal childcare hours for children under 10, and, also shown in Chart 2, this increase is especially marked for the under 5s.

**Chart 3**

Annual formal hours per child

1995 - 1999



Source: HHSA estimates

Chart 3 shows that, on average, children in the 11-15 age group spend more time in formal care in a year than those in the 5-10 age group. This is because of the higher numbers of older children in foster homes, children's homes and boarding schools. The length of time spent in a year in these types of care is far greater than for other types of provision e.g. 24 hours spent in foster care and children's homes every day of the year with the exception of 6.5 hours per day at school. Although only 2 per cent of the 11-15s are in boarding schools, this compares with approximately 0.5 per cent in the 8-10 age group and less than 0.05 per cent of 5-7s. In a similar way, approximately 0.6 per cent of 11-15s are in foster care, children's homes or hospitals compared with less than 0.2 per cent of 5-10 years olds.

### Valuation of formal childcare

The total number of formal hours in Table 2 can be split down into types of care e.g. childminders, schools etc. These annual hours are the number of places available multiplied by the number of hours and days in which they are used.

We estimate that childminders in the UK accounted for approximately 497 million child hours of care in 1995, increasing to 503 million hours in 1996 and declining to 462 million hours in 1999, the changes due to the changes in the number of childminder places. The value of actual childminding provision in the UK can be crudely calculated using the average hourly wage that National Childminding Association (NCMA) members receive, multiplied by the number of hours estimated above. The NCMA ask their members for a full-time weekly rate, and the hourly rate will depend on the definition of 'full-time'. If full-time is 40 hours per week, i.e. 9.00 a.m. to 5.00 p.m. five days a week, the value of childminding is £0.8bn in 1995, rising to £1.1bn in 1999. If full-time is 8.00 a.m. to 6.00 p.m. five days a week, the hourly rate (full-time weekly rate divided by 50 hours) is lower, and the value falls to £0.7bn and £0.9bn respectively.

We looked at average weekly hours and costs in term-time and school holidays for households in Great Britain using childminders, playgroups/day nurseries and crèches, using the Family Resources Survey (FRS) childcare module. While the HHSA hours for these types of provision look in line with FRS estimates, our costs are higher. The FRS shows average hourly costs falling as children get older, but if we try to break this down by type of provision, the sample sizes become very small for older children. In the HHSA we have used the average childminder rate as outlined above, which is the same for children of all ages, plus information on prices for day nurseries, out-of-school clubs and holiday clubs. We estimate that these types of formal childcare provision in the UK were worth in the region of £2.2bn in 1999.

## Informal Hours

### Methodology

We estimate the volume of informal care by subtracting the hours spent in formal care plus an allowance for the hours a child aged 12-15 may be left unsupervised, from the child population multiplied by the total number of hours in a year. As with formal care, the total hours of informal care can be broken down by age group and time and type of day.

### Assumptions

The assumption about the time children aged between 11 and 15 spend unsupervised is critical in calculating informal hours, and is perhaps the hardest to support with hard evidence. To estimate the number of hours spent in informal care, the number of hours a child is left unsupervised needs to be subtracted from the total population hours in addition to the hours spent in formal childcare activities. This time unsupervised by adults could be when a child is spending time with their friends, being looked after by an older sibling or on their own.

The data available on when children are left unsupervised by their parents is very sensitive to reporting errors, due to social norms and beliefs about the amount of time children should spend alone. A survey carried out by Kids' Club Network in 1997, sponsored by Nestlé, estimated that 6 per cent of children return home to an empty house. The sensitivity of the issues suggests that there is under-reporting by parents, which leads Kids' Club Network to estimate that the true figure would be closer to 9 per cent<sup>6</sup>. The Family Working Lives Survey carried out by DfES in 1996 found that 5 per cent of respondent households reported that their school age children look after themselves in term-time and school holidays, and 2 per cent reported that they were looked after by an older sibling. Because of the lack of data about the length of time left unsupervised, we have started from the working assumption outlined below.

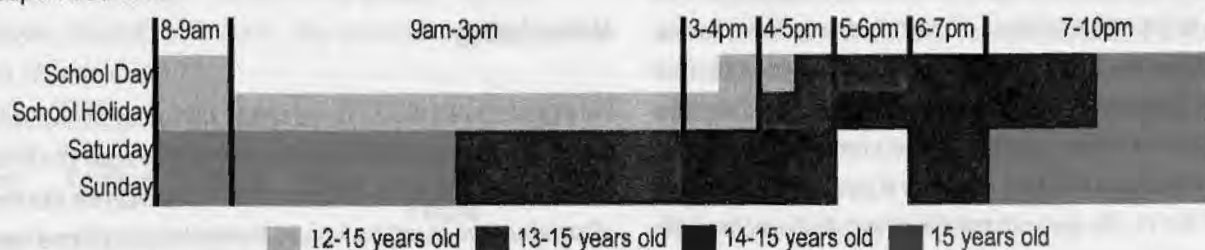
In the HHSA we have assumed that no child aged 11 or under is left unsupervised and that 10 per cent of 12 year olds, 20 per cent of 13 year olds, 30 per cent of 14 year olds and 50 per cent of 15 year olds spend time without adult supervision. In every case, we have not included any allowance for time spent unsupervised during four weeks holiday plus Bank Holidays. These assumptions can be interpreted as a mix of two extremes. We could say that 10 per cent of children aged 12 are left unsupervised all the time. We could also say that out of 337 days (365 days minus 4 weeks paid holiday of carer minus 8 days bank holiday) an individual 12-year-old would spend a total of 10 per cent of their time unsupervised.

As Chart 4 (below) shows, for a 12 year old, this unsupervised time could typically include an hour in the morning before school, plus an hour and



**Chart 4**

Unsupervised time



Source: HHSA assumptions

a half after school (e.g. walking themselves to and from school), plus being left unsupervised by an adult between 8.00 a.m. and 4.00 p.m. in the school holidays, while a parent is at work. This scenario assumes no time unsupervised in the evenings or at the weekends. For a 15-year-old, the assumption includes the same times of day as a 12 year old, plus additional hours after school on school days, in the evenings in the school holidays and at the weekend.

Informal care in the HHSA is therefore care of children by adults, as care of children by other children is included in the assumption of time unsupervised.

## Results

### Informal hours

**Table 3**

Estimated UK informal childcare hours  
1995 - 1999

Year	1995	1996	1997	1998	1999	% change 1995-99*
million						
<b>Under 5</b>						
Population	3.84	3.76	3.71	3.67	3.62	-5.5
Informal Hours	31,560	30,900	30,450	30,060	29,450	-6.7
<b>5-10</b>						
Population	4.61	4.66	4.70	4.70	4.69	+1.6
Informal Hours	34,730	35,090	35,340	35,310	35,100	+1.1
<b>11-15</b>						
Population	3.66	3.67	3.69	3.74	3.80	+3.9
Informal Hours	22,080	22,250	22,460	22,800	23,240	+5.2
<b>Total</b>						
Population	12.11	12.10	12.11	12.11	12.11	+0.1
Informal Hours	88,370	88,240	88,260	88,160	87,790	-0.7

Source: ONS (population) and HHSA estimates (hours)  
Totals may differ due to rounding

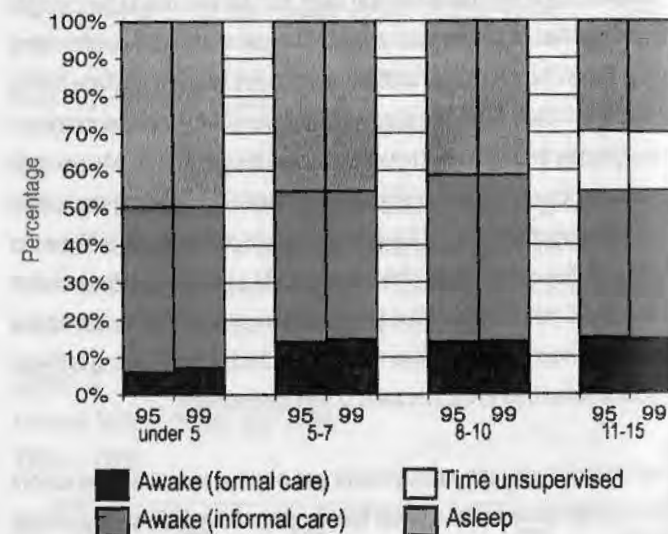
\* percentage changes based on unrounded figures

Table 3 shows that total informal hours have changed very little between 1995 and 1999. Even though the total child population has increased (see Chart 1), this has been more than compensated for by the increase in informal hours. In the same way that there may be different movements

in different constituent countries of the UK, the movements can also vary by age group. For example, informal hours have decreased for the under 5s. This is partly due to an increase in the number of formal childcare hours, but is compounded by the fact there are fewer under 5s in the UK population. At the same time, informal hours for 11-15 year olds have increased, due to a decrease in formal childcare hours (fewer children in children's homes and boarding schools), combined with an increase in the population.

**Chart 5**

Percentage of time spent in formal and informal care  
1995 - 1999



Source: HHSA estimates

Chart 5 shows the percentage of time spent in formal and informal care for four different age groups, with informal care divided between the sleeping and waking day. We have assumed that under 5s sleep for 12 hours per day, 5-7s for 11 hours per day, 8-10s for 10 hours per day and 11-15s for 9 hours per day, on average. Based on this assumption, the under 5s spend roughly 44 per cent of their day being actively cared for, compared with approximately 40 per cent for the 11-15 age group.

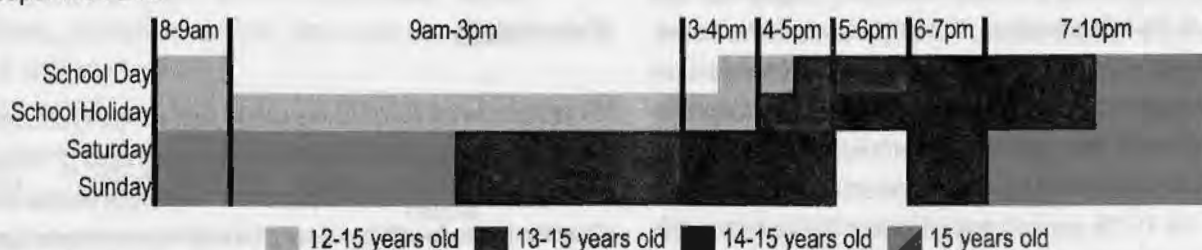
### Valuation of informal childcare

As mentioned earlier the requirement for and use of informal childcare varies for children of different ages, as well as by different times of the day.



**Chart 4**

Unsupervised time



Source: HHSA assumptions

a half after school (e.g. walking themselves to and from school), plus being left unsupervised by an adult between 8.00 a.m. and 4.00 p.m. in the school holidays, while a parent is at work. This scenario assumes no time unsupervised in the evenings or at the weekends. For a 15-year-old, the assumption includes the same times of day as a 12 year old, plus additional hours after school on school days, in the evenings in the school holidays and at the weekend.

Informal care in the HHSA is therefore care of children by adults, as care of children by other children is included in the assumption of time unsupervised.

## Results

### Informal hours

**Table 3**

Estimated UK informal childcare hours  
1995 - 1999

Year	1995	1996	1997	1998	1999	% change 1995-99*
million						
<b>Under 5</b>						
Population	3.84	3.76	3.71	3.67	3.62	-5.5
Informal Hours	31,560	30,900	30,450	30,060	29,450	-6.7
<b>5-10</b>						
Population	4.61	4.66	4.70	4.70	4.69	+1.6
Informal Hours	34,730	35,090	35,340	35,310	35,100	+1.1
<b>11-15</b>						
Population	3.66	3.67	3.69	3.74	3.80	+3.9
Informal Hours	22,080	22,250	22,460	22,800	23,240	+5.2
<b>Total</b>						
Population	12.11	12.10	12.11	12.11	12.11	+0.1
Informal Hours	88,370	88,240	88,260	88,160	87,790	-0.7

Source: ONS (population) and HHSA estimates (hours)

Totals may differ due to rounding

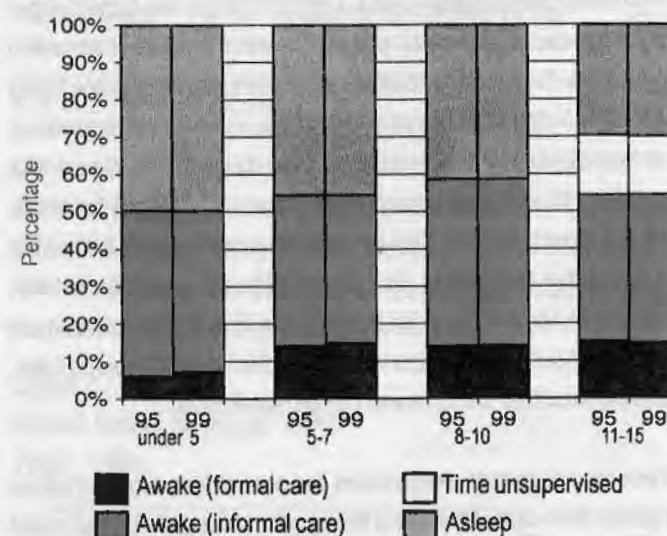
\* percentage changes based on unrounded figures

Table 3 shows that total informal hours have changed very little between 1995 and 1999. Even though the total child population has increased (see Chart 1), this has been more than compensated for by the increase in total formal hours. In the same way that there may be different movements

in different constituent countries of the UK, the movements can also vary by age group. For example, informal hours have decreased for the under 5s. This is partly due to an increase in the number of formal childcare hours, but is compounded by the fact there are fewer under 5s in the UK population. At the same time, informal hours for 11-15 year olds have increased, due to a decrease in formal childcare hours (fewer children in children's homes and boarding schools), combined with an increase in the population.

**Chart 5**

Percentage of time spent in formal and informal care  
1995 - 1999



Source: HHSA estimates

Chart 5 shows the percentage of time spent in formal and informal care for four different age groups, with informal care divided between the sleeping and waking day. We have assumed that under 5s sleep for 12 hours per day, 5-7s for 11 hours per day, 8-10s for 10 hours per day and 11-15s for 9 hours per day, on average. Based on this assumption, the under 5s spend roughly 44 per cent of their day being actively cared for, compared with approximately 40 per cent for the 11-15 age group.

### Valuation of informal childcare

As mentioned earlier the requirement for and use of informal childcare varies for children of different ages, as well as by different times of the day

and different days of the year. It is possible to value all informal hours at a single market price or to take into consideration the time of the year, time of the day and the age of the child. Because we are valuing the output of childcare, i.e. the number of children cared for multiplied by the total time in a year when they receive this care, the market price must also be a rate per child.

**Table 4**

Average weekly net wages - live-in nanny  
1995 - 1999

Year	Net	Gross wage and National Insurance contributions
1995	£113	£119
1996	£131	£171
1997	£136	£177
1998	£139	£180
1999	£169	£223

Source: PN/Nannytax Annual Survey of Nannies' Wages 1999, Nanny Tax Payroll Services

The services provided by an employed live-in nanny are deemed to be the nearest market equivalent to the services provided by parents and other informal carers, so their rate per child hour has been used to value informal care. The wages of live-in nannies have been taken from the Professional Nanny/Nannytax Annual Survey, which gives average wages by geographical area and for the UK. The average weekly net wages are given in Table 4.

As the table shows, there have been sharp increases in average wages between 1995 and 1996, and between 1998 and 1999. While there are likely to be many factors which have caused this growth, one of the key influences in the latest increase is the introduction of the National Minimum Wage in April 1999. A shortage of nannies may also have led to an increase in their average wage.

The averages in Table 4 conceal considerable variation. Daycare Trust found that, in 2000, the average monthly cost of a nanny ranged from £540 to £1340 per month, an estimated £135-£335 per week. The PN/Nannytax Annual Survey also found considerable regional variation, with the net mean hourly wage for the East Midlands at £3.90 but £4.30 in the South East. We have used the average wage for 'other cities' - i.e. excluding London.

**Payment in kind** A live-in nanny is paid not just in wages but also in accommodation and food, with some nannies receiving additional perks such as the use of a car. Because of this the live-in nanny wage rate is lower than the daily nanny rate. The PN/Nannytax Annual Survey of nannies' wages found that the net weekly wage rate for 1999 for a live-in nanny was £169. For a daily nanny this was £196 per week. We have

made an adjustment for payment in kind using data from the Agency Nannies Training Survey 1999, comparing the live-in and daily rate for nannies working the same number of hours per week. This results in an upward adjustment to the net wage rate of 8.5 per cent and the gross wage rate of 10 per cent.

**Table 5**

Estimated rate per child hour (net and gross)  
1995 - 1999

Year	Net	Gross wage and National Insurance contributions
1995	£1.28	£1.38
1996	£1.48	£1.97
1997	£1.54	£2.03
1998	£1.57	£2.07
1999	£1.91	£2.56

Source: HNSA estimates

**Rate per child hour** Nannies do not charge for their services by the hour or per child. Based on the findings of the Annual Nannies Survey 1999, we have assumed that the average live-in nanny works 48 hours a week looking after an average of 2 children. This information is used to adjust the gross and net weekly wages and the rate per child hour is shown in Table 5.

**Table 6**

Estimated value of UK informal childcare  
(rate per child hour based on gross and net nanny wages)  
1995 - 1999

billion hours/£bn						
Year	1995	1996	1997	1998	1999	% change 1995-99*
<b>Under 5</b>						
Informal Hours	31.6	30.9	30.5	30.1	29.5	-6.7
Value - gross	44	61	62	62	75	+73.0
Value - net	40	46	47	47	56	+39.0
<b>5-10</b>						
Informal Hours	34.7	35.1	35.3	35.3	35.1	+1.1
Value - gross	48	69	72	73	90	+88.0
Value - net	44	52	54	55	67	+51.0
<b>11-15</b>						
Informal Hours	22.1	22.3	22.5	22.8	23.2	+5.2
Value - gross	30	44	46	47	59	+95.0
Value - net	28	33	35	36	44	+57.0
<b>Total</b>						
Informal Hours	88.4	88.2	88.3	88.2	87.8	-0.7
Value - gross	122	174	179	182	225	+84.0
Value - net	113	131	136	138	168	+48.0

Source: HNSA estimates

Totals may differ due to rounding

\*percentage changes based on unrounded figures

The value of informal childcare using both the gross and net rate per child hour is shown in Table 6. The value using a rate based on gross wages is equivalent to the cost to households were they to employ a nanny to provide the care that their children receive from informal providers. The value based on net wages is the equivalent of what informal carers would receive were they to be paid at the same rate as nannies. The value of informal childcare increased between 1995 and 1999, both in total and for each age group. Any fluctuation in informal hours has been outweighed by the increase in the underlying nanny wage rate.

Using the 40 hours per week childminder rate to value informal hours

**Table 7**

Estimated value of UK informal childcare  
(rate per child hour based on childminder hourly rate)  
1995 - 1999

billion hours/£bn						
Year	1995	1996	1997	1998	1999	% change 1995-99*
Total Informal Hours	88.4	88.2	88.3	88.2	87.8	-0.7
Value - nanny (gross)	122	174	179	182	225	+84.0
Value - CM (50 hr/wk)	124	141	138	142	176	+42.0
Value - CM (40 hr/wk)	155	176	172	178	219	+42.0

Source: HHSA estimates

\*percentage changes based on unrounded figures

gives estimates which are similar to those using the price based on adjusted gross nanny wages, as Table 7 shows. As mentioned above, the figures for childminding costs are based on a full-time weekly rate, and the hourly rate depends on the definition of "full-time".

The valuations of informal childcare as a percentage of GDP range from 19 to 25 per cent in 1999 depending on the rate used. This falls to a minimum of 9 per cent and a maximum of 13 per cent in 1999 if we value only the waking hours of informal care, using the assumptions outlined above (see Chart 5). We can compare our results for the under 7s with the Finnish study<sup>4</sup>, which used a lower rate for care between 10.00 p.m. and 7.00 a.m., based on the salary of a 'municipal childminder'. Suviranta and Heinonen found that the value of informal childcare for the under 7s in 1979 in Finland was approximately 6 per cent of GDP. Our estimates for the value of informal care of the under 8s between 1995 and 1999 are equivalent to between 4 per cent and 6 per cent of GDP (depending on the rate used and year chosen), if we do not value any of the passive/sleeping care.

## Sensitivity Tests

To examine how the different assumptions affect the total valuation of informal childcare, a number of sensitivity tests were done. These have been confined to the valuation based on adjusted live-in nanny gross wages.

### Time unsupervised

If the number of hours spent unsupervised is underestimated for 11-15s, then informal hours will be overestimated and valuation of informal childcare will be too high, and vice versa. We test for the effect of this by altering our assumptions about the numbers of children who are left unsupervised 1) by increasing the proportions of each age group by 10 percentage points, so that 10 per cent of 11 year olds, 20 per cent of 12 year olds, 30 per cent of 13 year olds, 40 per cent of 14 year olds and 50 per cent of 15 year olds spend their non-school time unsupervised, and 2) by assuming that no child under 16 is ever left unsupervised. The results are shown in Table 8.

**Table 8**

Sensitivity of total informal hours to time unsupervised  
assumption  
1995 - 1999

million			
Year	Total informal hours (11-15s) - as above	Total informal hours (11-15s) - adjustment 1	Total informal hours (11-15s) - adjustment 2
1995	22,080	19,550	27,180
1996	22,250	19,710	27,320
1997	22,460	19,910	27,510
1998	22,800	20,210	27,890
1999	23,240	20,610	28,400

Source: HHSA estimates

Increasing the numbers of children in the 11-15 age group spending time unsupervised by 10 percentage points decreases the total value of informal childcare for all age groups by approximately 3 per cent. Assuming that all 11-15s need supervision all the time increases the value of informal childcare by nearly 6 per cent.

### Other

The assumption that the difference between the number of school places and the child population is accounted for by informal childcare can be altered. If we assume that no informal care of school age children occurs during the school day, i.e. between the hours of 9.00 a.m. and 3.30 p.m., then total informal hours are reduced by less than 1 per cent. The total value of informal care also falls by less than 1 per cent.

The assumption that all children in foster homes and children's homes are



not receiving any additional formal care has the potential to cause an overestimation of the total number of formal hours. This is because a possible double counting of some children may occur. However less than 0.5 per cent of the UK under 16 population are in care, so this is likely to have a negligible impact.

If we assume that only three quarters of formal childcare places are taken up, this affects our total valuation of informal care by less than 1 per cent.

Details of the all the sensitivity analysis can be found at [www.statistics.gov.uk/hhsa/childcare/sensitivity.asp](http://www.statistics.gov.uk/hhsa/childcare/sensitivity.asp).

## Future Plans

The work described above is the first step in developing a methodology. The results do not answer the question 'who is providing informal care?', as the outputs of childcare are not gendered. This question is addressed by looking at time use survey data, but when respondents are asked to record only their main activity in Time Use diaries, most of the care which is carried on simultaneously with other activities, such as cooking, cleaning or gardening, does not get recorded. The time use information collected on the Omnibus Survey in May 1995 and May 1999 was such an instrument.

ONS has commissioned Ipsos-RSL to carry out a UK Time Use Survey. This is co-funded by ONS, the Department of Transport, Local Government and the Regions, the Department for Culture Media and Sport, the Department for Education and Skills, the Department of Health, and the Economic and Social Research Council. Fieldwork began in June 2000 and will be completed at the end of September 2001. Respondents complete two 24-hour diaries, one on a weekday and one at the weekend, writing a brief description of their activities in their own words. These time diaries also collect information on secondary activities, as well as where you were and who you were with at the time.

In the childcare estimates in the Household Satellite Account, we plan to link the output of childcare in the year 2000 to the input of care recorded in the UK Time Use Survey. We will be able to look at the reported relative contributions of men and women, as well as of parents and other informal carers, to this output. We will be able to convert the effective return to labour for childcare to an hourly rate using the time recorded in the survey and compare this with the hourly rate of people working in childcare related occupations or average wages in the economy.

ONS plans to publish these estimates, along with estimates of the output of the other categories of household production for the year 2000, in March 2002.

## Conclusion

This article summarises the work done by the Household Satellite Account team to value household production of childcare. This is achieved by subtracting formal care from the amount of care required in any year – the total child population multiplied by the number of hours in a year – and making an adjustment for time spent unsupervised by adults. This volume measure of informal care is then multiplied by a market rate – in this case the wages of a live-in nanny adjusted for hours worked, number of children looked after and payment in kind.

The use of data for formal childcare provision that is mainly for registered places only, may result in too high a value for informal childcare. The sensitivity tests show that, of all the assumptions we have made, the value of informal childcare in the UK is most sensitive to the assumption about the time that 11-15s spend unsupervised.

This methodology is experimental and the figures are provisional and should be interpreted with caution. We welcome comments and feedback on all aspects of the methodology we have used and the assumptions we have made, and suggestions for further/alternative data sources.

## Acknowledgements

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<sup>1</sup>(1993) *System of National Accounts* Chapter 1, Commission of the European Communities – Eurostat, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations, World Bank & (1998) *National Accounts Sources & Methods* Chapter 3, London: The Stationery Office

<sup>2</sup> Margaret Reid (1934) *Economics Of Household Production* New York

<sup>3</sup> C. Clark (1958) *The Economics of Housework* Bulletin of the Oxford Institute of Statistics

<sup>4</sup> A. Suviranta and M. Heinonen (1980) *The value of unsalaried home care of children under the age of seven in 1979 in Housework Study* Finland Ministry of Social Affairs and Health, Research Department

<sup>5</sup> A. Suviranta and A. Mynttinen *The value of unpaid housecleaning in 1980 in Housework Study* Finland Ministry of Social Affairs and Health, Research Department

<sup>6</sup> Kids' Club Network (1997) *Home Alone Too? Latchkey Kids – The Solution* Kids' Club Network

## Annex 1 - Data Sources

### England registered childcare places

*Department for Education and Skills (formerly Department for Education and Employment)*

provided information on nursery school places, nursery classes, maintained schools, special need schools, independent schools and boarding schools

*Department of Health*

provided information on children's homes, long stay and short stay hospital places and foster places

*Statistics of Education - Children's Day Care Facilities at 31 March 2000 - Tables 1-6: DfEE (2000)*

childminder places, day nursery, playgroups, out-of-school places and holiday places for the 5-7s

### Wales registered childcare places

*Education, Training and Economic Statistics Unit, National Assembly for Wales*

provided information on nursery school places, children attending maintained schools, special need schools and independent schools

*Social Services Statistics Wales - Health Statistics and Analysis Unit, National Assembly for Wales*

provided information on childminder places, day nursery places, playgroups, children's home, foster places, out-of-school places, holiday play scheme places, long stay and short stay hospital places

### Northern Ireland registered childcare places

*Department for Education Northern Ireland*

provided information on nursery school places, nursery schools places, nursery classes, maintained schools and special need schools

*Department of Health Social Services and Public Spending Northern Ireland*

provided information on childminder places, day nursery places, play groups, children's homes, foster places, long stay and short stay hospital places, holiday play scheme places and out-of-school places

### Scotland registered childcare places

*Education Statistics Division - Scottish Executive*

provided information on childminders, children's homes, day nurseries, foster places, nursery education, playgroups, maintained schools and special need schools

*Hospital and Community Information Unit - Scottish Executive*

provided information on long stay and short stay hospital places

### UK childcare places

*ISIS Annual Census Independent School Councils 1995-2000, Table 3 and 4*

Statistical Survey of Independent Schools, Independent Schools Information Service

*Labour Force Survey 1995 - 1999*

estimated number of UK nannies

### Other data sources

*Agency Nannies Training Survey 1999 Report- July 2000, page 24-27*

Prepared by the Employment Surveys and Research Unit of the Employers Organisation for Local Government for: Early Years National Training Organisation, Department for Education and Employment, Syniad

*Day Care Services for children. A survey carried out on behalf of the Department of Health in 1990*

Howard Meltzer Office of Population Census and Surveys

*Family Resources Survey 1995 and 1999*

Childcare module used to calculate average time in formal childcare provision for playgroups and day nurseries and childminders

*Home Alone too? Latchkey Kids - The Solution*

Kids Club Network and Nestle 1996

*Registered Childminders Workforce Survey 1998 (England), June 1999*

Early Years National Training Organisation, Department for Education and Employment, National Childminding Association, Improvement and Development Agency

*Women and Men in the UK - Facts and figures 2000, page 44: Providers of childcare 1996-1997*

The Womens Unit, Cabinet Office

### Prices

*Day Care Trust*

provided information on formal childcare costs

*Family Resources Survey 1995 and 1999*

Childcare module used to calculate weekly cost of childcare in termtime and school holiday

*Nanny Tax Payroll Services*

Net wages from PN/Nannytax Annual Survey of Nannies Wages 1999, as published in Professional Nanny and Childcarer, January 2000 page 7  
provided gross wages

*National Childminding Association*

Membership Services Survey results on childminding rates 1983-1999