

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
Regional economic indicators	20
Final expenditure prices index (experimental)	32
Labour productivity measures for the non-production industries	41
An update on development of pilot UK health accounts	57

Tables

1. Summary	
1.1 Selected monthly indicators	T1
2. UK Economic Accounts	
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
3. Prices	
3.1 Prices	T28
4. Labour market	
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
5. Selected output and demand indicators	
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
6. Selected financial statistics	
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 two articles.

Chris Daffin, Geoff Reed, and Prabhat Vaze of the ONS discuss Labour Productivity measures for the non-production industries. The article presents new experimental productivity data. It discusses the suitability of industry output series relating to the non-production section of the economy for the estimation of productivity changes. Finally, consideration is given to the way in which future improvements to sources can be expected to add to the range and quality of industry productivity estimates in the longer term. The new data will appear quarterly on the experimental area of the National Statistics website www.statistics.gov.uk

Phillip Lee of the ONS provides an update on the development of pilot UK health accounts. The focus of the article is on the methods for compiling total UK health expenditure. A limited set of actual figures for calculating some of the components of the total are provided. A full set of actual figures for the calendar years 1997-2000 based on this methodology, appears on the National Statistics website. Finally, the other areas in which ONS plans to conduct further development work on the pilot expenditure account are listed. Progress will be documented on the National Statistics website.

Changes

The Final Expenditure Prices Index (FEPI) is to be withdrawn and will not be published in further issues of *Economic Trends*. For more information, please see the FEPI article.

Recent economic publications

Annual

Economic Trends Annual Supplement 2001. The Stationery Office, ISBN 0 11 621356 6. Price £28.50.

Financial Statistics Explanatory Handbook 2002. The Stationery Office, ISBN 0 11 621397 3. Price £39.50.

United Kingdom Balance of Payments 2001 (the *Pink Book*). The Stationery Office, ISBN 0 11 621469 4. Price £39.50.

United Kingdom Input-Output Analyses 2001. The Stationery Office, ISBN 0 11 621476 7. Price £39.50.

United Kingdom National Accounts 2001 (the *Blue Book*). The Stationery Office, ISBN 0 11 621470 8. Price £39.50.

Quarterly

Consumer Trends: 2001 quarter 3. Available for downloading from the National Statistics website www.statistics.gov.uk/products/p242.asp

UK Economic Accounts: 2001 quarter 3. The Stationery Office, ISBN 0 11 621543 7. Price £26.

UK Trade in Goods analysed in terms of industries (MQ10): 2001 quarter 3. Available for downloading from the National Statistics website www.statistics.gov.uk/products/p731.asp

Monthly

Financial Statistics: January 2002. The Stationery Office, ISBN 0 11 621494 5. Price £23.50.

Focus on Consumer Price Indices: December 2001. Available for downloading from the National Statistics website

www.statistics.gov.uk/products/p867.asp

Monthly Review of External Trade Statistics (MM24): November 2001. Available for downloading from the National Statistics website

www.statistics.gov.uk/products/p613.asp

The Stationery Office publications are available by telephoning 0870 600 5522, fax 0870 600 5533, e-mail bookorders@theso.co.uk or online at www.clicktso.com

Economic Update - February 2002

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Overview

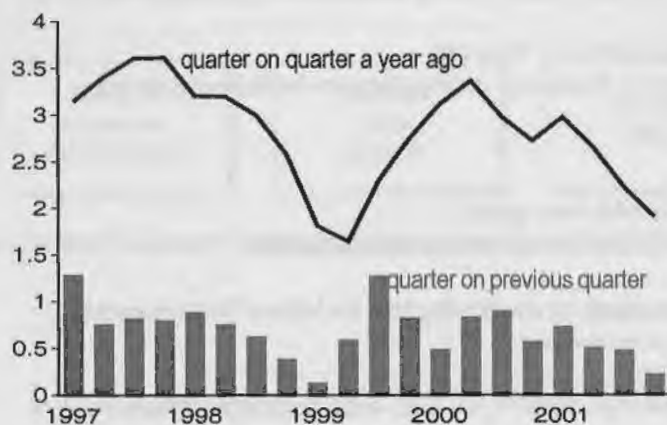
UK GDP growth weakened at the end of 2001 as concerns about the global economy were illustrated by falling GDP in Germany, Japan and the United States. The UK manufacturing sector is now in recession, driven to some extent by the sharp contraction in the ICT sector but also by ongoing declines in most other industries. Robust service sector output is supporting GDP growth, however external sources suggest weakening. Household demand continues to grow strongly, with little evidence of any slowdown, on the back of increased indebtedness. Investment has slowed and this comes against a background of falling measured profits and concerns again about the indebtedness of the company sector. Trade is in decline, with both exports and imports falling sharply in the second, third and into the fourth quarters. Labour market figures show some deterioration over the start of 2001, but remain ambiguous about whether a turning point has been reached. Prices figures show inflation low: earnings inflation slowed into the latest months, consumer prices remain subdued and producer figures show falling prices at the factory gate.

GDP activity

The preliminary estimate showed quarterly GDP growth at 0.2 per cent in the fourth quarter of 2001, down on 0.5 per cent in the previous quarter. Growth comparing the fourth quarter of 2001 with the same quarter a year ago was 1.9 per cent, down on 2.2 in the second quarter (chart 1). This is the third consecutive more subdued quarter with weakness driven on the output side by a manufacturing sector in recession and perhaps slightly less robust services growth, on the expenditure side by falling trade and investment and on the income side, weak profits.

Chart 1

GDP growth
percentage change



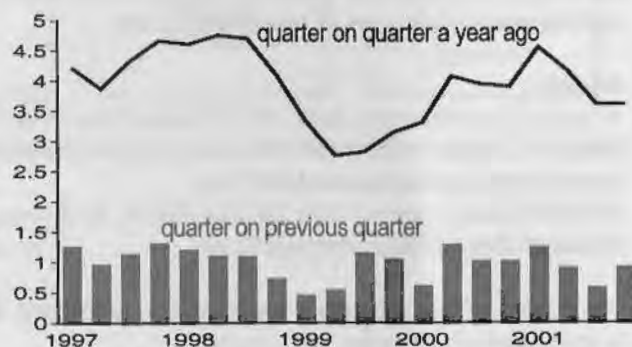
The slowdown in the UK is set alongside a deteriorating global environment. In the third quarter GDP declined in the world's three largest economies, Japan, the United States and Germany. From the corporate perspective, increasing numbers of companies have announced profit warnings and redundancies, credit agencies have reported higher level of debt default, spreads between corporate and government debt are at high levels and over the past year stock markets have seen large falls in

value all over the world. The terrorist attack on 11 September may have exacerbated a number of these trends, although the falls in stock markets in the wake of the attacks have rebounded to pre-attack levels.

UK GDP growth has for some time been supported by robust growth in the service sector. While data to the third quarter of 2001 suggested that growth might have been weakening slightly, provisional fourth quarter services data showed quarterly growth rebounding to 0.9 per cent, from 0.6 per cent in the third quarter. In the year to the fourth quarter growth remained a robust 3.6 per cent (chart 2). The stronger growth was driven by a surge in the output of telecommunication and computer service industries, following some weakening in previous quarters.

Chart 2

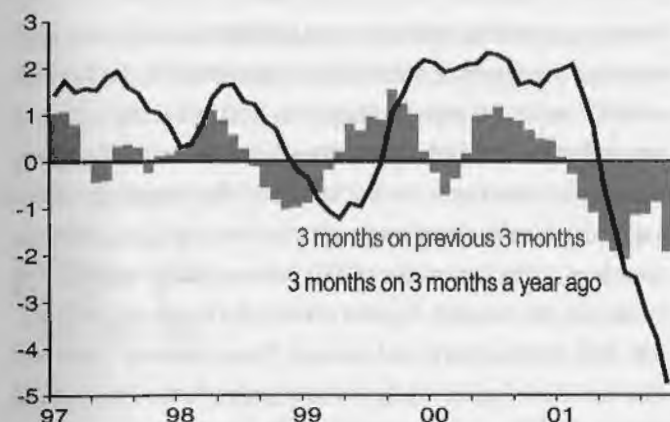
Services growth
percentage change



Overall though, declines to the manufacturing sector have dominated the weaker GDP growth in 2001. UK manufacturing output has been falling since its most recent peak in December 2000. While the quarter four manufacturing figure underpinning the latest estimate of GDP is partly based on imputation, actual monthly figures to November 2001 show the rate of decline at its fastest since the last recession in 1991. The decline in

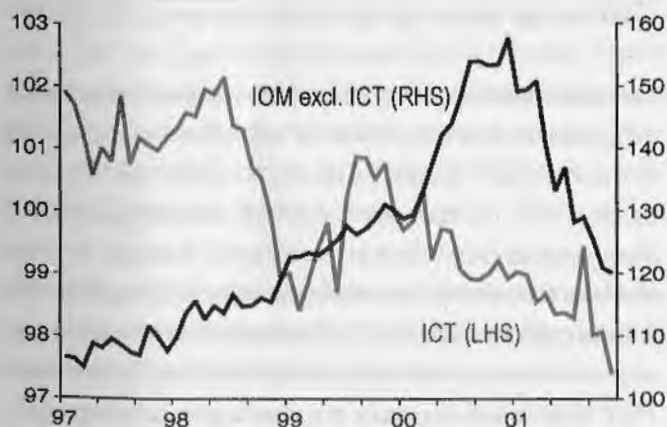
the three months to November was 4.7 per cent compared with the same period a year ago and 1.9 per cent compared with the previous three months (chart 3). The deterioration in the growth comparing with the previous three months has come as the high car production seen in the third quarter fell back.

Chart 3
Manufacturing output growth



The manufacturing decline was initially dominated by a sharp contraction in the output of the so-called information and communications technologies sectors (ICT, proxied by the NS series 'electrical and electronic engineering'). However an index constructed by excluding the ICT sector shows the large part of the manufacturing sector has been in decline, apart from a brief spell of growth at the start of 1999, since the middle of 1998, perhaps in the wake of the South East Asia crisis. While the rapidly increasing output of the ICT sector in this period meant that the overall manufacturing index continued to grow, this ceased to be the case when the ICT expansion ended (chart 4).

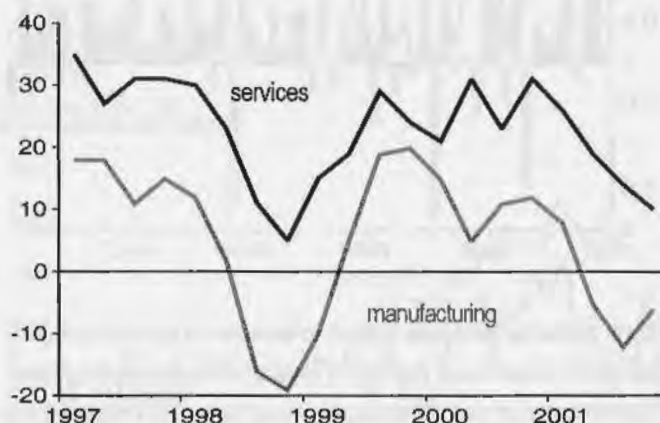
Chart 4
Manufacturing output indices, 1995=100



External figures suggest weakness in both manufacturing and services industries. However, as the British Chamber of Commerce data on chart

5 illustrates, such figures tend to see weakening in the service sector as more pronounced than the official figures, but a little less pronounced decline in the manufacturing sector.

Chart 5
BCC manufacturing & services balances

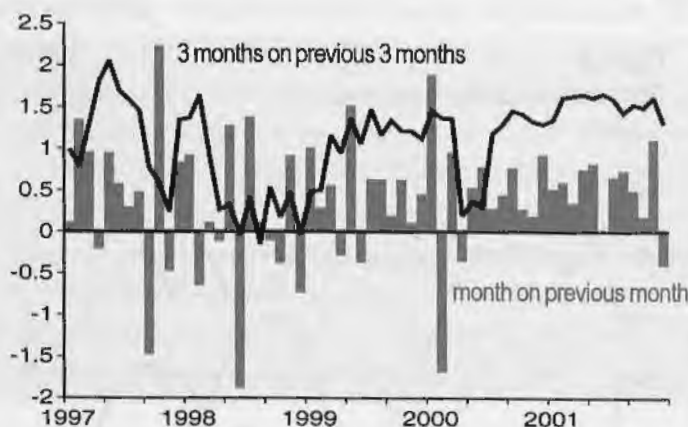


Lastly on output it is also notable that the slow growth in the fourth quarter was also influenced by a particularly sharp fall in energy output. Again figures here are based partially on imputation, but monthly production data shows a quarterly decline of 5.6 per cent in the three months to November of output in the mining and quarrying industries, primarily due to a fall in gas production.

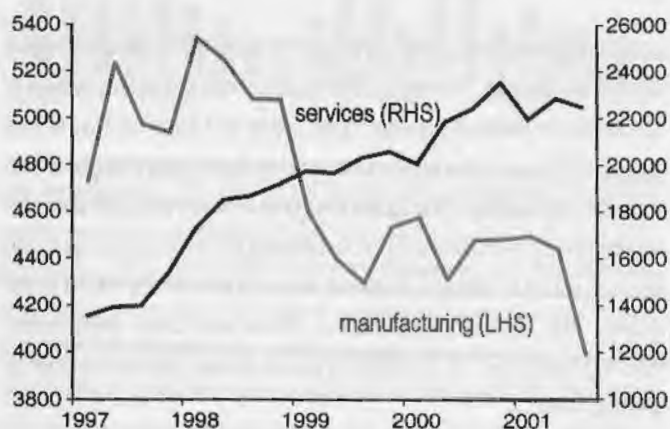
Domestic demand

Household demand has remained strong through 2001. National Accounts figures for the third quarter show household final consumption expenditure increasing by 1.1 per cent, the same growth as in the second quarter; growth comparing with the same quarter a year ago was 4.0 per cent. Similarly retail sales data that extends into the fourth quarter shows growth of 6.2 per cent between the fourth quarter of 2001 and 2002. The latter figure was the highest growth since the late 1980s, and emphatically illustrates the contrast between household demand and signs of weakness elsewhere in the economy.

Looking more closely at the fourth quarter data, there are only modest signs of weakening. The retail sales figures showed quarterly growth of 1.3 per cent in the fourth quarter, down a little on 1.5 per cent in the third quarter. While much attention has focussed on the monthly changes shown in chart 6, the volatility of the figures throughout the fourth quarter suggests caution should be exercised before drawing any conclusions as to the future direction of demand. External data supports a fairly robust fourth quarter, with confidence recovering after a very sharp deterioration following September 11, and retailing figures showing demand remaining at a high level.

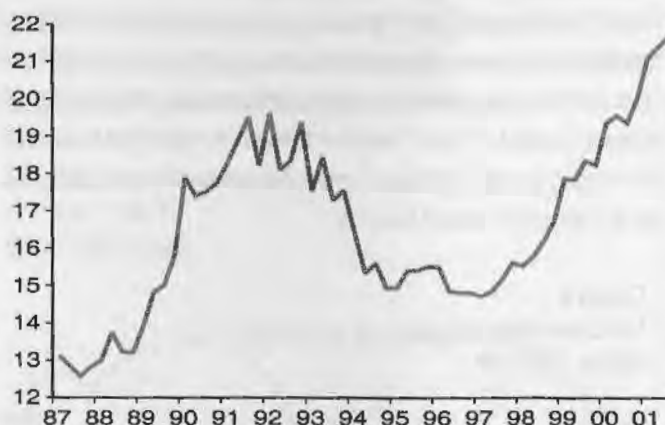
Chart 6Retail sales
percentage change

Fourth quarter demand again appears to have been supported by ongoing high growth in borrowing. Bank of England data showed quarterly growth of gross consumer credit increasing by 3.9 per cent in the three months to November, up on growth of 2.2 per cent in the third quarter. This continues the more general trend of strong growth in consumer demand being accompanied and perhaps to some extent sustained by high levels of borrowing. The Bank of England has recently emphasised how the stock of household debt through bank lending is at an unprecedented rate, and has questioned whether households have become too indebted. Households' stock of debt due to both secured and un-secured bank and building society lending (i.e. broadly mortgage borrowing and credit borrowing) as a share of gross disposable income are at unprecedented levels. Credit debt figures as a share of disposable income are at close to double their share in 1994. From this perspective household demand is at least partly dependent on both bank and building societies' willingness to lend and to households continuing to be able to meet the interest payments on previous and new borrowing. It should be noted however that with interest rates lower, household debt service payments are not out of line with historical experience.

Chart 7Business investment
£million

Business investment expenditure has slowed in 2001, but any evidence for a turning point is not conclusive. Third quarter figures show a fall in quarterly business investment growth of 1.6 per cent compared with a rise of 2.5 per cent in the second quarter. In the year to the third quarter of 2001 there was a decline of 0.3 per cent. The second and third quarter figures are increased by the inclusion of large imports (£800 million and £500 million respectively) of civil and military aircraft which are classified as service sector investment.

The main source of the decline has been sharp falls to investment in other machinery and equipment, which to some extent reflects the developments in the ICT sector. For example growth into 1998 as a whole was 24 per cent, in the year to the third quarter there was a decline of 3.6 per cent. By sector the slowdown in the first half of 2001 was largely been due to a slowdown in service investment, with manufacturing figures stable at a lower level. In the third quarter of 2001 however falls in manufacturing investment also resumed. External indices echo the general weakness, with BCC manufacturing and services figures showing investment intentions slowing quite rapidly and deteriorating further into the fourth quarter, and CBI manufacturing figures with a similar story.

Chart 8Corporations debt
gross non-equity liabilities/gross operating surplus

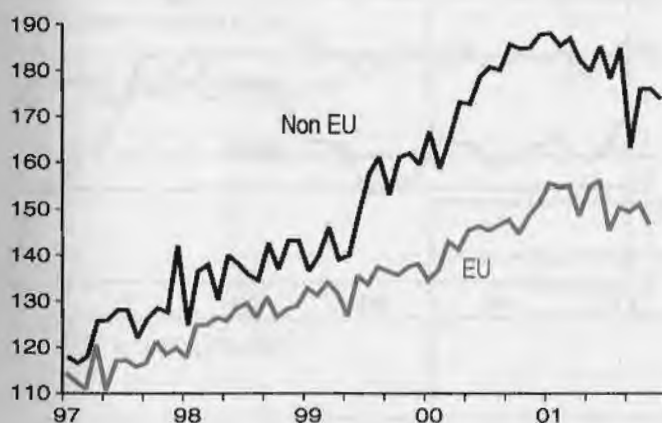
The weakening investment comes as profits of companies are in decline, with private non-financial corporations' gross operating surplus in the third quarter of 2001 standing 2.6 per cent below their level in the same quarter of 2000. This figure seems in line with external figures showing sharp increases in the volume of corporate profit warnings. There has also been concern over the overall indebtedness of the private non-financial corporate sector (PNFC). The Bank of England has focussed on gross liabilities as a share of corporate profits. Chart 8 shows overall PNFC liabilities excluding equity as a share of gross operating surplus, with figures showing such a measure of indebtedness at a historic high. It may be that investment is faltering as borrowing conditions become more stringent, and companies, as well as financial organisations, review

the sustainability of overall indebtedness.

Government output saw quarterly growth of 0.7 per cent into the third quarter following 0.8 per cent in the second. Comparing with the same quarter a year ago growth was 2.4 per cent. This output figure remains considerably weaker than current price government expenditure, which grew by 5.6 per cent in the year to the third quarter. Apart from inflation, the figures diverge because present increases in cash expenditure are unlikely to have an immediate impact on government output. Reflecting the increased cash expenditure, public sector net borrowing figures show that so far in 2001-02 the government surplus is less than it was in the same period of 2000-1: the net repayment in April-December 2001 was £6.3 billion compared with the repayment of £3.1 billion in the same period of the previous financial year.

Chart 9

Imports
indices, 1995 = 100



Finally on domestic demand, import data has showed a substantial decline. In the third quarter import volumes fell by 2.7 per cent compared with the previous quarter and 0.9 per cent compared with the same period of 2000. The latter was the largest annual decline since the recession of 1991. Monthly figures into the fourth quarter show the trend continuing, with a decline of 3.5 per cent into the three months to November. Chart 9 shows that while both EU and non-EU imports have fallen, declines are more marked for non-EU imports.

Overseas demand

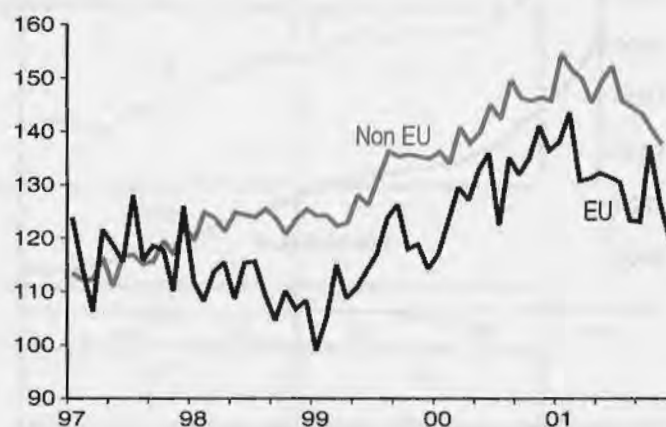
In line with the global deterioration, UK export growth declined sharply into the second and third quarters of 2001, with sales slowing and falling to not just the US but to markets all over the world.

In quarter three overall exports declined at a quarterly rate of 3.6 per cent. As with imports, comparing the third quarter of 2001 with the same quarter of 2000 the annual decline of 2.6 per cent was the largest annual

decline since the recession of 1991. Figures into the fourth quarter show the deterioration continuing, with a quarterly decline of 2.8 per cent in the three months to November, although as chart 10 shows there was what appears to be an erratically strong non-EU export figure in October. Chart 10 also illustrates the rapidly falling exports to EU economies, where exports fell at a quarterly rate of 4.8 per cent in the three months to November.

Chart 10

Exports
indices, 1995 = 100



The medium term movements of imports and exports are such that the balance of trade has been on a widening trend since 1997, with a further increase in the deficit to £5.4 billion in the third quarter from £5.1 billion in the second. Overall however the current account deficit saw a recovery in the third quarter largely due to a rebate from the European Union due to previous under-spending; third quarter figures show a current account deficit of £2.0 billion, down from 4.6 billion in the second quarter. More generally, the UK balance of payments has been negative in every year since 1985. The International Investment Position, reflecting the cumulative effect of these deficits, shows net financial liabilities of the UK at £69.8 billion, a relatively large figure historically speaking, although improved on figures of £133.4 billion in 1999.

Labour Market

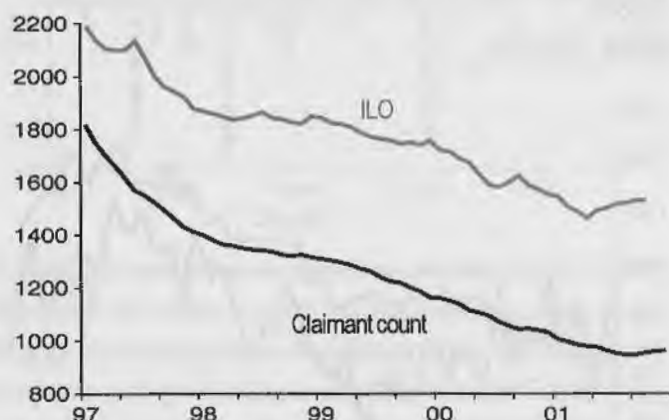
The latest labour market data continues to send mixed messages about whether the labour market has reached a turning point.

Unemployment data show counts of unemployment increasing for two consecutive quarters on the ILO definition, with unemployment up 69,000 to 1,522,000 between Sep–Nov 2001 and Mar–May 2001 (chart 11)). The unemployment rate increased by 0.2 per cent to 5.1 over the same period. However the increase between the latest two three month periods (Sep–Nov from Jun–Aug) showed a smaller deterioration than between the previous two periods. The claimant count data has showed the

unemployment count increasing for three consecutive months, but only by relatively small amounts leading to a total increase in measured unemployment of 16,700 between September and December. The claimant count rate has increased to 3.2 per cent in December, November and October following a low point of 3.1 per cent in August and September.

Chart 11

Unemployment
thousands



The labour force survey (LFS) employment rate figure shows a similar story to the ILO unemployment rate, with a fairly sharp decline to 74.6 per cent in Jun-Aug 2001 from 74.9 per cent in Mar-May, but then no change in the rate between Jun-Aug and the latest three months. The same figures also show the count of employment continues to grow, by 65,000 between the latest two three-month periods.

Other figures however broadly support a weakening position. Employment figures based on employer surveys showed a fall in employment into the third quarter, manufacturing employment is declining at its steepest rate since the 1991 recession, hours data recorded a fall into the latest three month period, redundancy data showed a rise over the year and external sources also reported a deteriorating position.

Prices

Price and wage data shows weakening inflationary pressures. Perhaps reflecting the potentially deteriorating labour market position, average earnings growth has slowed over the latest few months (chart 12). The headline rate fell to 4.2 per cent in November down from 4.3 per cent in October, and the rate excluding bonuses also slowed. Both manufacturing and service earnings growth has slowed across the second half of 2001.

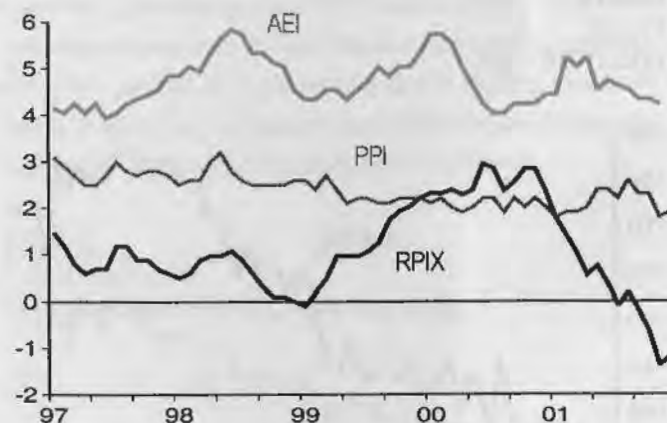
Similarly consumer and producer price figures show inflation is now at historically low levels. The December RPI was 0.7 per cent, the lowest annual inflation rate since the 1960s. RPIX was below the Government's

target at 1.9 per cent. The headline producer price figures show output prices falling by 1.2 per cent and input prices falling by 6.6 per cent in the year to December. The November output price inflation figure of an annual decline of 1.4 per cent was the largest fall since records began in 1958.

While falls to petrol and energy prices exert substantial downward pressure on measured inflation rates, producer price figures show falling prices excluding such effects. This low level of price inflation follows perhaps from the deteriorating global conditions, with over-supply becoming a significant phenomenon.

Chart 12

Prices & earnings



Forecasts for the UK Economy

A comparison of independent forecasts, January 2002

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)	2.3	1.9	2.5
Inflation rate (Q4: per cent)			
- RPI	1.4	0.9	2.7
- RPI excl MIPs	2.0	1.0	2.5
Unemployment (Q4, mn)	0.97	0.88	1.10
Current Account (£ bn)	-15.4	-23.3	-8.9
PSNB *(2001-02, £ bn)	-2.3	-10.7	4.0

	Independent Forecasts for 2002		
	Average	Lowest	Highest
GDP growth (per cent)	1.9	0.4	2.7
Inflation rate (Q4: per cent)			
- RPI	2.3	1.2	4.1
- RPI excl MIPs	2.2	1.5	3.1
Unemployment (Q4, mn)	1.09	0.94	1.33
Current Account (£ bn)	-23.3	-31.6	-18.0
PSNB* (2002-03, £ bn)	6.8	-6.7	15.0

NOTE: "FORECASTS FOR THE UK ECONOMY" gives more detailed forecasts, covering 27 variables and is published monthly by HM Treasury, available on annual subscription, price £75. Subscription enquiries should be addressed to Miss 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 - February 2002

James Hope, Macroeconomic Assessment - National Statistics

Gladys Asogbon, Macroeconomic Assessment - National Statistics

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Overview

The slowdown in the world's major economies is continuing, with several countries seeing unemployment increasing. Consumer price and producer price inflation fell considerably in the major economies in the third and fourth quarters of 2001. Quarterly GDP growth in the third quarter was negative in Germany and weak in Italy, although it picked up in France. In the US, quarterly GDP growth was negative in 2001 quarter three for the first time since 1993 quarter one. Industrial production declined sharply and unemployment rose. The Japanese economy remained weak in 2001 quarter three and GDP growth for the quarter was negative. Industrial production is in severe decline, unemployment is high and price deflation continues.

EU15

EU GDP growth remained weak, with quarterly growth of only 0.2 per cent in the third quarter of 2001 the same as in quarter two.

Demand data shows the main source of the slowdown has been a sharp deterioration in investment compared with the previous year, accompanied by sharp weakening in both exports and imports.

Index of Production data shows the potential source of the slowdown from the output perspective, with quarterly growth continuing to contract, although only by 0.2 per cent in 2001 quarter three, compared with a fall of 1.2 per cent in the previous quarter. The monthly figures are more erratic, with an increase of 1.5 per cent in August, followed by a fall of 0.9 per cent in September and subsequently a further fall of 0.7 per cent in October. Growth on an annual basis was negative at minus 0.7 per cent in the third quarter, down further from the weak growth of just 0.3 per cent in the second quarter.

The third quarter of 2001 saw producer price growth collapse to just 0.7 per cent from 2.5 per cent in the second quarter of 2001. Growth in consumer prices also weakened, with the rate now down to 2.5 per cent from 2.9 per cent in the previous quarter. Latest monthly figures indicate that inflationary pressures on the producer side became negative in October and moved further in that direction in November, whilst on the consumer side, inflation in November was below the ECB target of 2 per cent which, if sustained, might offer room for interest rate cuts.

EU employment data continues to show growth but at a slightly reduced rate, with annual growth in the year to the second quarter at 1.2 per cent. Unemployment remained at 7.7 per cent in the third quarter, although the rate in both October and November was up slightly at 7.8 per cent. Reflecting this more subdued labour market, EU average earnings growth fell to 3.4 per cent in the second quarter of 2001.

Germany

German GDP growth into the third quarter fell by 0.1 per cent after zero growth in the second quarter. The weakness was evident amongst all components of GDP except exports. Households made a negative contribution of 0.1 per cent to growth, as did government, whilst investment made a negative 0.2 per cent contribution. Stocks resumed their decline after pausing in the previous quarter and made a large negative contribution of 0.8 per cent. Trade was the only area keeping German GDP from being worse in the third quarter. Exports made a positive contribution of 0.4 per cent, but imports, by declining contributed the most, adding 0.7 per cent to GDP growth in the third quarter. All told, trade contributed 1.1 per cent to growth against a negative 1.2 per cent from the other components. Echoing weakness in household demand, third quarter growth in sales was negative, falling by 0.6 per cent on the previous quarter, although they were up 1.0 per cent on an annual basis.

Quarterly growth in production declined by 0.3 per cent in the third quarter of 2001 following a decline of 1.7 per cent in the previous quarter. On an annual basis growth was negative, declining by 1.2 per cent, for the first time since the first quarter of 1999 (chart 1).

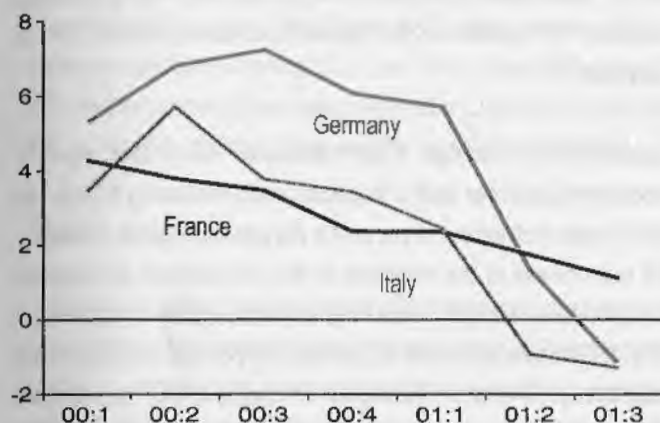
Perhaps reflecting the slowdown in activity but likely to be compounded by oil price falls, producer and consumer prices saw major falls in 2001 quarter three. Consumer price inflation slowed to 2.5 per cent, down from 3.2 per cent in quarter two. Producer price inflation saw a larger fall from 4.7 per cent in quarter two to 2.6 per cent in 2001 quarter three. The monthly figures (charts 2&3) show both measures continuing to slow, with producer price inflation being particularly subdued and consumer price inflation hitting the ECB target zone (of nought to two per cent) in October and being within it in November.

The slowdown in GDP in 2001 appears to be feeding through into the unemployment figures. Unemployment rose for the second time in nine

months and is now at 7.9 per cent in the third quarter, monthly figures stood at 8.0 per cent in both October and November (chart 4). Employment growth was very weak in the third quarter, up only 0.1 per cent on the same quarter a year ago.

Chart 1

IOP: Germany, France & Italy
percentage change, quarter on quarter a year ago



In line with a deteriorating labour market, annual earnings growth remained at a subdued 2.0 per cent for the second successive quarter.

France

Data for the third quarter of 2001 show the French economy picking up slightly after two weaker quarters. Quarterly GDP growth in 2001 quarter three was up 0.5 per cent after only growing by 0.2 per cent in the second quarter.

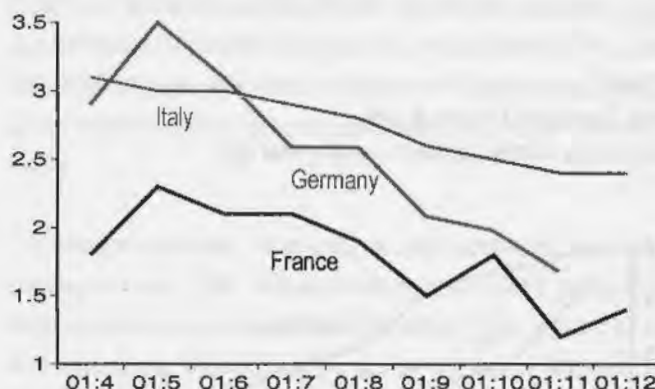
A strong 0.7 per cent contribution from household consumption drove the 2001 quarter three performance. Government contributed 0.2 per cent, while the investment contribution was zero and stocks made a negative contribution of 0.4 per cent. Trade made no overall contribution, as the 0.4 per cent negative contribution of exports was cancelled out by an equivalent fall in the contribution of imports. On the other hand, sales failed to mirror the growth in the economy, being down 0.7 per cent on the quarter and 0.8 per cent on the same quarter in 2000.

Following GDP, growth in quarterly industrial production improved in 2001 quarter three, growing by 0.5 per cent, an improvement on the previous quarter which saw a decline of 0.1 per cent. Annual growth was down to 1.1 per cent in the third quarter (chart 1). Overall, France's production continues to remain higher than its main competitors.

The inflationary position in France has improved, with respect to the ECB target, in the fourth quarter. Consumer price inflation fell to 1.4 per cent, down from 1.9 per cent in the previous quarter. Producer price inflation was 1.1 per cent in the third quarter, down from 1.8 per cent. The monthly figures (charts 2&3) point to continuing weakness on the producer side in the final months of 2001.

Chart 2

CPI: Germany, France & Italy
percentage changes, month on month a year ago



Despite the recent improvement in GDP growth, unemployment in France may now be deteriorating. Unemployment in the third quarter of 2001 was 9.0 per cent. The monthly figures show unemployment at 9.2 per cent in November after being 9.0 and 9.1 per cent in September and October respectively (chart 4). Employment grew by an annual rate of 2.1 per cent in 2001 quarter two.

Reflecting the general slowdown, annual earnings growth continued to slow, with growth now at 4.1 per cent in 2001 quarter three, down from 4.2 per cent in the previous quarter and further away from the 5 per cent plus rates seen in 2000.

Italy

The Italian economy grew by just 0.2 per cent in the third quarter of 2001, after posting zero growth in the previous quarter.

Households, government and investment all failed to contribute to growth in the third quarter. Trade continued to be weak, with a negative contribution of 0.3 per cent due to a particularly large decline in the contribution of exports. Inventories were the only real driver of growth in the quarter, with a contribution of 0.5 per cent. Echoing weakness in consumer demand, retail sales fell by 0.7 per cent and on an annual basis they were down by 1.9 per cent.

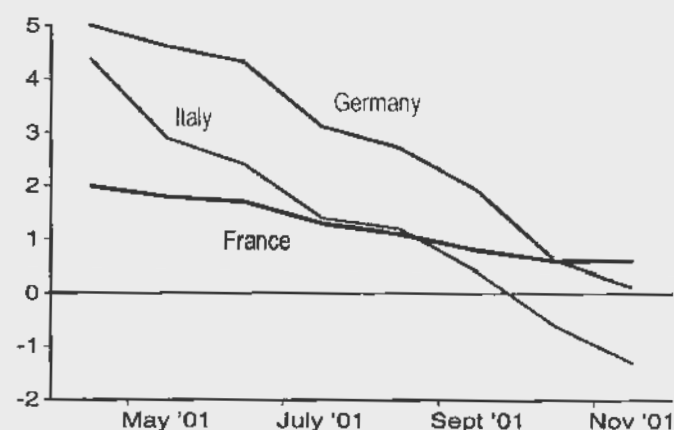
Quarterly growth in industrial production fell again, by 0.3 per cent

in 2001 quarter three. On an annual basis the decline has deteriorated, with the contraction in output now standing at 1.3 per cent in the third quarter (chart1).

As in Germany and France, consumer price and especially producer price inflation have eased in Italy at the end of 2001. Consumer price inflation fell to 2.5 per cent in the fourth quarter. Producer price inflation has seen an even more pronounced slowdown, with the rate in third quarter at just 0.9 per cent and a potential for deflation, with prices falling by 1.3 per cent in November after falling by 0.6 per cent in October (chart 3).

Chart 3

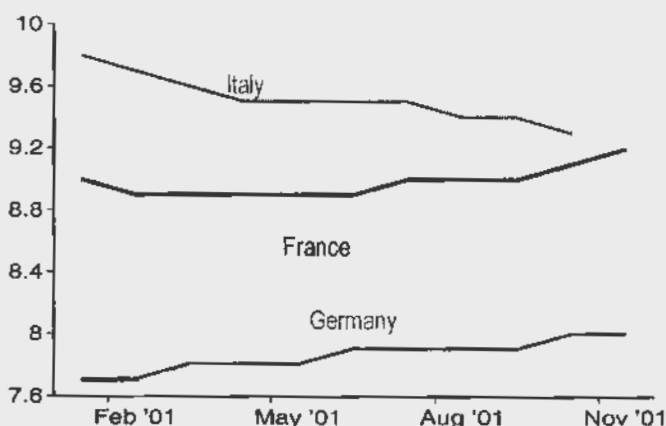
PPI: Germany, France & Italy
percentage change, month on month a year ago



Reflecting the weakening activity, annual growth in employment slowed to 1.8 per cent in the third quarter of 2001, its lowest rate since growth began to pick up in 2001 quarter two. On the other hand, unemployment was down to 9.4 per cent of the workforce in the third quarter and the rate in October was lower still, at 9.3 per cent (chart 4).

Chart 4

Unemployment: Germany, France & Italy
percentage of total labour force



Annual earnings growth continues to be weak, with growth in the third quarter of 2001 of 1.7 per cent, after growing by a record low of 1.3 per cent in the second quarter.

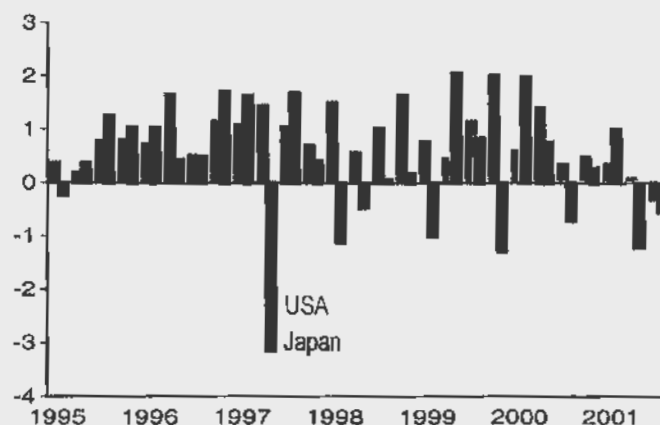
USA

The most recent data for the US economy show that in the third quarter of 2001, the economy contracted for the first time since 1993 quarter one. Quarterly GDP growth for 2001 quarter three was negative at 0.3 per cent (chart 5).

All contributors to changes in GDP are weak. The position was only moderated by a further decline in imports, which declined by 0.6 per cent after having declined by 0.4 per cent in the previous quarter. However, the main drivers of the weakness in the US economy are exports, investment and changes in stock which all made negative contributions to GDP in 2001 quarter three of 0.6 per cent, 0.4 per cent and 0.3 per cent respectively. The other contributors to change in GDP, private final consumption and government final consumption both remained positive but subdued, at 0.2 per cent and 0.1 per cent respectively.

Chart 5

GDP: USA & Japan
percentage change, quarter on previous quarter



Industrial production has declined sharply in 2001 (chart 6). Quarterly growth contracted by 1.1 per cent in 2001 quarter three following a decline of 1.4 per cent in 2001 quarter two. Annual growth figures show even larger and sharper contractions, as do the monthly figures. The latest monthly figure for industrial production growth in November shows a contraction of 6.0 per cent, this decline is even larger than the steepest fall in the recession of the early 1990's. Continuing falls in manufacturing output, low capacity utilisation undercutting the incentive for new investment and previous over-investment may be reasons for these sharp declines.

Consumer and producer prices continue to slow significantly, reflecting

the decline in industrial output and falling oil prices. The latest monthly PPI figures are negative for the first time since 1998. In the twelve months to November, producer prices declined by 1.6 per cent. Falling prices at the factory gate could also imply lower margins, as producers are reluctant to increase prices in an economy that is contracting. Consumer price growth also eased from 2.1 per cent in the twelve months to October to 1.8 per cent in November.

Unemployment has risen significantly in the latest period, with the unemployment figures showing 5.8 per cent of the workforce out of work in December up from 5.6 per cent in November. Earnings growth has also remained subdued at 3.4 per cent for the second half of 2001.

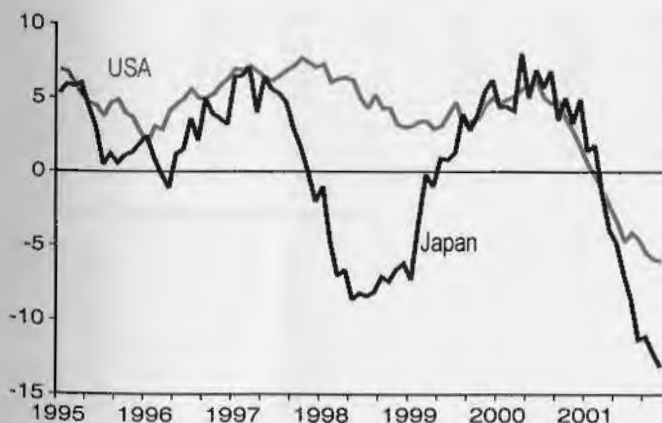
Japan

The latest quarter three data show that the Japanese economy contracted by 0.5 per cent following a decline of 1.2 per cent in 2001 quarter two (chart 5). Private final consumption made a very large negative contribution to change in GDP of 0.9 per cent as consumers refuse to spend in the face of persistent price deflation and job losses (echoed by a very substantial decline in retail sales). Exports and changes in stock also made negative contributions of 0.3 per cent and 0.1 per cent respectively. The position is moderated slightly by the positive contribution made by investment expenditure of 0.4 per cent from a negative contribution of 0.5 per cent in 2001 quarter two. The contribution of imports declined by 0.4 per cent in the third quarter, having declined by 0.2 per cent in the previous quarter.

Chart 6

IOP: USA & Japan

percentage changes, month on month a year ago



Japanese industrial production is in severe decline (chart 6). The monthly figures show a contraction in the twelve months to November 2001 of 13.1 per cent, unprecedented since at least before 1988. Quarter on quarter production growth declined by 3.1 per cent in quarter one and 4.0 per cent in both quarters two and three. This substantial

deterioration may reflect the structure of the Japanese economy. The economy's dependence on the high tech industry make it particularly vulnerable to the vagaries of that industry and with the present downturn in many other economies, it is likely to experience difficulties in its trade position.

The weakening economy, reflected mainly by deteriorating industrial production and persistent price deflation has led to severe job losses. The unemployment rate stood at 5.4 per cent of the workforce in November 2001, unprecedented since at least before 1960. Subsequently, earnings growth also contracted considerably with negative annual growth in 2001 quarter three of 0.4 per cent having grown by 0.6 per cent in 2001 quarter two. Monthly figures also show earnings growth deteriorating further by 0.9 per cent in November following a decline of 0.5 per cent in the previous month.

Consumer and producer prices continue to fall, continuing the deflation that began in mid-1998. Annual growth figures for 2001 quarter three show consumer and producer prices declined by 0.8 per cent and 1.0 per cent respectively. The signs are that quarter four may be worse for both CPI and PPI, given the figures for the first two months of the quarter.

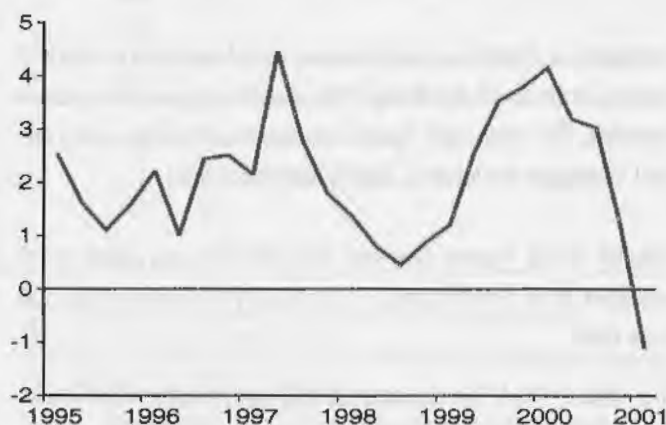
World Trade

With national figures showing weakness, world trade figures are now showing contraction in global trade (chart 7), albeit at a lag due to later production of these figures. Total export of manufactures contracted by 2.7 per cent in 2001 quarter two, following a decline of 0.7 per cent in the first quarter of 2001. OECD exports of manufactures declined by a significant 3.0 per cent compared to quarter one where the decline was only 0.7 per cent. Export of manufactures by non-OECD countries declined by 1.5 per cent in the same period. Exports of goods also show a similar picture for both OECD and non-OECD countries.

Chart 7

World trade

percentage changes, quarter on previous quarter



Imports have also contracted considerably. Total imports of manufactures contracted by 1.6 per cent in 2001 quarter on. OECD imports of both manufactures and goods declined by 2.4 per cent and 1.6 per cent respectively in the second quarter of 2001. Import figures by non-OECD countries also show the same story.

On a general note, the slowdown in trade for both OECD and non-OECD countries in recent quarters reflects the sharp slowdown of the US economy, the fragility of the Japanese economy and the slowdown in Europe.

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 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 EU15, France, Germany, Italy, the USA and Japan are all available on an SNA93 basis. Cross country comparisons are now more valid.

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1 European Union 15

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk ¹	Exports	Imports	less IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
Percentage change on a year earlier														
	ILGB	HUDS	HUDT	HUDU	HUDV	HUDW	HUDX	ILGV	ILHP	HYAB	ILAI	ILAR	ILIJ	GADR
1995	2.5	1.1	0.2	0.6	0.2	2.3	2.0	3.5	-0.3	3.1	4.5	3.4	0.6	10.7
1996	1.7	1.2	0.3	0.4	-0.5	1.5	1.2	0.6	0.6	2.5	0.7	4.0	0.5	10.8
1997	2.6	1.3	0.2	0.7	0.1	3.1	2.7	3.9	1.5	2.0	0.9	2.9	1.0	10.6
1998	2.9	1.9	0.3	1.3	0.4	2.1	3.0	3.7	2.8	1.8	-0.4	3.0	1.7	9.9
1999	2.6	2.0	0.4	1.0	-0.2	1.8	2.3	1.8	2.0	1.2	-	2.5	1.7	9.2
2000	3.5	1.7	0.4	1.0	-0.1	4.1	3.7	4.7	2.3	2.5	4.8	3.5	1.7	8.2
1998 Q3	2.9	2.1	0.3	1.4	0.3	1.6	2.8	3.3	2.9	1.6	-0.8	2.8	1.6	9.9
Q4	2.1	2.0	0.4	1.1	0.1	0.9	2.3	1.4	2.9	1.4	-1.7	2.8	2.0	9.6
1999 Q1	2.0	2.1	0.5	0.9	-0.3	0.6	1.9	0.5	2.3	1.1	-1.8	2.8	1.8	9.5
Q2	2.2	1.9	0.4	0.9	-0.2	1.1	1.9	0.6	1.2	1.1	-1.0	1.8	1.7	9.3
Q3	2.7	2.0	0.4	1.0	-0.3	2.1	2.5	2.1	1.9	1.2	0.5	2.7	1.9	9.0
Q4	3.5	2.0	0.5	1.1	-	3.2	3.1	4.0	2.8	1.6	2.4	2.7	1.7	8.8
2000 Q1	3.7	1.8	0.4	1.1	-0.2	3.8	3.2	4.1	2.4	2.2	4.1	3.6	1.6	8.6
Q2	3.9	2.1	0.4	1.2	0.1	4.1	4.0	5.6	3.1	2.3	4.9	3.6	1.8	8.3
Q3	3.3	1.7	0.3	1.0	-	4.2	4.0	4.8	2.1	2.7	5.1	3.5	1.6	8.1
Q4	2.9	1.4	0.3	0.9	-0.1	4.2	3.7	4.2	1.6	2.8	5.1	3.5	1.8	7.9
2001 Q1	2.7	1.3	0.4	0.5	-	3.2	2.7	3.7	2.5	2.7	3.3	2.6	1.7	7.8
Q2	1.9	1.2	0.4	0.2	-0.3	1.8	1.4	0.3	1.8	2.9	2.5	3.4	1.2	7.7
Q3	1.6	..	..	..	..	..	..	-0.7	1.5	2.5	0.7	..	..	7.7
2001 Jan	..	..	..	..	..	..	..	4.7	2.8	2.7	3.6	..	..	7.8
Feb	..	..	..	..	..	..	..	4.0	1.8	2.7	3.4	..	..	7.8
Mar	..	..	..	..	..	..	..	2.6	2.8	2.6	2.9	..	..	7.7
Apr	..	..	..	..	..	..	..	0.8	1.8	2.8	2.9	..	..	7.7
May	..	..	..	..	..	..	..	-0.4	0.9	3.2	2.6	..	..	7.7
Jun	..	..	..	..	..	..	..	0.8	2.8	2.9	2.1	..	..	7.8
Jul	..	..	..	..	..	..	..	-1.1	1.8	2.7	1.2	..	..	7.7
Aug	..	..	..	..	..	..	..	-0.1	1.8	2.7	0.9	..	..	7.7
Sep	..	..	..	..	..	..	..	-0.8	0.9	2.3	0.1	..	..	7.7
Oct	..	..	..	..	..	..	..	-1.4	-	2.2	-0.7	..	..	7.8
Nov	..	..	..	..	..	..	..	..	..	1.9	-1.1	..	..	7.8
Dec	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Percentage change on previous quarter														
	ILGL	HUDY	HUDZ	HUEA	HUEB	HUEC	HUED	ILHF	ILHZ				ILIT	
1998 Q3	0.6	0.5	0.1	0.2	-	0.1	0.3	0.2	1.0				0.6	
Q4	0.2	0.5	0.1	0.2	-	-0.3	0.4	-0.6	0.3				0.3	
1999 Q1	0.7	0.7	0.2	0.3	-0.1	0.3	0.6	0.3	0.7				-0.3	
Q2	0.7	0.2	-	0.2	-	0.9	0.5	0.7	-0.7				1.1	
Q3	1.1	0.6	0.1	0.4	-0.2	1.1	0.9	1.6	1.6				0.9	
Q4	1.0	0.5	0.1	0.2	0.3	0.8	1.0	1.3	1.2				0.1	
2000 Q1	0.9	0.6	0.1	0.3	-0.3	1.0	0.7	0.4	0.3				-0.4	
Q2	0.9	0.4	0.1	0.3	0.2	1.1	1.2	2.1	-				1.2	
Q3	0.5	0.2	-	0.2	-0.2	1.3	1.0	0.9	0.6				0.7	
Q4	0.6	0.2	0.1	0.1	0.1	0.8	0.7	0.7	0.6				0.3	
2001 Q1	0.6	0.5	0.1	-0.1	-0.1	0.1	-0.2	-	1.2				-0.5	
Q2	0.2	0.3	0.1	-	-0.1	-0.2	-0.1	-1.2	-0.6				0.7	
Q3	0.2	..	..	..	..	..	..	-0.2	0.4				..	
Percentage change on previous month														
								ILKF	ILKP					
2001 Jan								-0.9	0.9					
Feb								0.6	-					
Mar								-0.6	-					
Apr								-0.9	-0.9					
May								-0.3	-					
Jun								0.4	0.9					
Jul								-1.0	-					
Aug								1.5	-					
Sep								-0.9	-0.9					
Oct								-0.7	-0.9					
Nov								..	..			
Dec								..	..			

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

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

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl ¹	Unempl
Percentage change on a year earlier														
	ILFY	HUBW	HUBX	HUBY	HUBZ	HUCA	HUCB	ILGS	ILHM	HVLL	ILAF	ILAO	ILIG	GABD
1995	1.8	1.3	0.3	-0.1	0.3	1.4	1.3	0.9	1.1	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	0.1	0.2	-	2.9	2.0	3.7	-1.7	1.9	1.1	1.5	-0.3	9.9
1998	1.7	0.9	0.2	0.5	0.5	1.8	2.2	4.1	1.0	1.0	-0.4	1.8	1.5	9.3
1999	1.7	1.7	0.3	0.8	-0.4	1.5	2.3	1.6	0.3	0.6	-1.0	2.6	0.8	8.6
2000	3.2	0.9	0.2	0.6	0.3	4.2	3.1	6.2	1.6	1.9	3.4	2.7	0.5	7.9
1998 Q3	1.6	1.2	0.3	0.5	0.3	1.2	2.0	4.3	2.3	0.7	-0.8	2.1	1.1	9.1
Q4	0.6	1.4	0.5	-	0.2	0.1	1.6	1.1	2.0	0.4	-1.7	2.2	2.0	8.9
1999 Q1	0.7	1.8	0.4	0.3	-0.4	0.1	1.6	-0.5	1.4	0.3	-2.4	2.5	1.1	8.8
Q2	1.0	1.7	0.2	0.7	-0.5	0.7	1.9	0.5	-0.6	0.5	-1.7	2.4	0.3	8.7
Q3	2.0	1.7	0.3	1.0	-0.5	2.0	2.5	2.0	-0.4	0.7	-0.7	2.7	1.4	8.6
Q4	3.0	1.6	0.4	1.2	-0.4	3.3	3.0	4.2	0.9	1.0	0.6	3.0	0.7	8.4
2000 Q1	2.9	0.6	0.3	0.9	-0.5	4.3	2.6	5.2	0.1	1.7	2.3	2.8	0.4	8.1
Q2	4.3	1.8	0.4	0.8	0.3	4.0	2.8	6.7	4.5	1.6	2.6	2.4	0.6	7.9
Q3	3.2	1.1	0.1	0.6	0.3	4.2	3.0	7.1	1.9	2.0	3.7	3.3	0.3	7.9
Q4	2.5	0.4	0.2	0.4	1.1	4.5	4.1	6.0	0.2	2.4	4.5	2.4	0.5	7.7
2001 Q1	1.8	0.9	0.3	-0.4	0.3	2.9	2.2	5.6	0.9	2.5	4.8	2.0	0.4	7.7
Q2	0.6	0.7	0.3	-0.8	-0.4	2.4	1.6	1.3	0.3	3.2	4.7	2.0	0.2	7.8
Q3	0.4	0.7	0.3	-1.2	-1.1	1.7	-	-1.2	1.0	2.5	2.6	..	0.1	7.9
2001 Jan	..	..	..	..	..	..	..	7.3	2.1	2.4	4.6	..	..	7.7
Feb	..	..	..	..	..	..	..	6.0	-1.6	2.6	4.7	..	..	7.7
Mar	..	..	..	..	..	..	..	3.6	2.1	2.5	4.9	..	..	7.8
Apr	..	..	..	..	..	..	..	1.4	0.4	2.9	5.0	..	..	7.8
May	..	..	..	..	..	..	..	0.2	-0.4	3.5	4.6	..	..	7.8
Jun	..	..	..	..	..	..	..	2.2	0.9	3.1	4.3	..	..	7.9
Jul	..	..	..	..	..	..	..	-1.9	0.6	2.6	3.1	..	..	7.9
Aug	..	..	..	..	..	..	..	-0.1	1.0	2.6	2.7	..	..	7.9
Sep	..	..	..	..	..	..	..	-1.5	1.4	2.1	1.9	..	..	7.9
Oct	..	..	..	..	..	..	..	-3.2	-2.0	2.0	0.6	..	..	8.0
Nov	..	..	..	..	..	..	..	..	..	1.7	0.1	..	..	8.0
Dec	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Percentage change on previous quarter														
	ILGI	HUCC	HUCD	HUCE	HUCF	HUCG	HUCH	ILHC	ILHW				ILIQ	
1998 Q3	0.2	0.5	0.1	0.2	-0.2	-0.4	-	0.2	1.1				-0.1	
Q4	-0.1	0.6	-	-0.2	-	-0.4	0.1	-1.0	0.5				1.2	
1999 Q1	1.1	1.2	0.2	0.6	-0.3	0.4	0.9	0.3	0.7				-1.5	
Q2	-0.2	-0.6	-0.1	0.2	-	1.1	0.8	1.0	-2.9				0.7	
Q3	1.3	0.5	0.2	0.4	-0.2	0.9	0.6	1.7	1.3				1.0	
Q4	0.8	0.4	0.1	-	0.2	0.8	0.6	1.1	1.8				0.5	
2000 Q1	1.0	0.2	0.1	0.3	-0.4	1.4	0.5	1.2	-0.1				-1.8	
Q2	1.2	0.6	-	0.1	0.7	0.8	1.0	2.5	1.5				0.9	
Q3	0.1	-0.2	-0.1	0.2	-0.1	1.1	0.9	2.1	-1.3				0.7	
Q4	0.2	-0.3	0.2	-0.2	0.9	1.1	1.6	-	0.1				0.7	
2001 Q1	0.4	0.7	0.2	-0.5	-1.2	-0.1	-1.3	0.9	0.5				-1.8	
Q2	-	0.4	-	-0.3	-	0.3	0.4	-1.7	0.9				0.7	
Q3	-0.1	-0.1	-0.1	-0.2	-0.8	0.4	-0.7	-0.3	-0.6				0.6	
Percentage change on previous month														
								ILKC	ILKM					
2001 Jan								1.1	0.8					
Feb								0.1	-1.6					
Mar								-1.5	1.6					
Apr								-0.8	0.2					
May								-	0.5					
Jun								0.2	-0.5					
Jul								-1.3	-0.6					
Aug								2.0	0.6					
Sep								-1.4	-0.6					
Oct								-1.7	-3.0					
Nov								..	..			
Dec								..	..			

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

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

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	Imports	less	IoP	Sales	CPI	PPI ¹	Earnings	Empl ²	Unempl
Percentage change on a year earlier															
	ILFZ	HUBK	HUBL	HUBM	HUBN	HUBO	HUBP	ILGT	ILHN	HXAA	ILAG	ILAP	ILIH	GABC	
1995	1.9	0.8	-	0.4	0.5	1.7	1.6	2.4	-	1.7	5.2	2.4	0.9	11.8	
1996	1.1	0.7	0.5	-	-0.6	0.7	0.3	0.9	-0.3	2.0	-2.7	2.6	0.1	12.4	
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	2.0	-	1.3	0.8	2.1	2.6	5.3	2.6	0.8	-0.9	2.2	1.6	11.8	
1999	3.0	1.7	0.5	1.2	-0.4	1.0	1.0	2.0	2.4	0.5	-1.6	2.5	2.1	11.2	
2000	3.5	1.5	0.5	1.2	0.3	3.6	3.7	3.4	0.6	1.7	2.1	5.2	2.6	9.6	
2001	..	..	..	..	..	..	..	..	..	1.7	..	..	..	..
1998 Q3	3.7	2.2	-0.1	1.5	0.5	1.9	2.4	4.1	2.4	0.7	-1.4	2.1	1.7	11.8	
Q4	2.8	2.0	-	1.3	0.6	0.6	1.7	2.4	2.7	0.4	-2.3	2.0	1.9	11.7	
1999 Q1	2.8	1.8	0.3	1.4	-0.1	0.1	0.7	0.8	3.3	0.2	-2.7	2.0	2.0	11.6	
Q2	2.6	1.5	0.4	1.1	-0.4	0.5	0.5	0.5	1.8	0.4	-2.3	2.0	2.0	11.4	
Q3	2.9	1.8	0.5	1.0	-0.8	1.4	1.0	2.4	2.3	0.5	-1.6	2.7	2.0	11.0	
Q4	3.7	1.8	0.6	1.1	-0.2	2.1	1.8	4.2	2.0	1.0	-	3.4	2.3	10.6	
2000 Q1	3.7	1.9	0.5	1.1	0.1	3.1	3.0	4.3	2.1	1.5	1.2	5.2	2.5	10.2	
Q2	3.6	1.7	0.6	1.2	0.1	3.8	3.6	3.8	1.4	1.5	2.1	5.4	2.6	9.8	
Q3	3.4	1.5	0.6	1.2	1.0	3.4	4.2	3.5	-	1.9	2.7	5.2	2.7	9.5	
Q4	3.2	1.1	0.6	1.3	0.2	4.0	4.0	2.4	-1.4	1.9	2.4	5.0	2.7	9.1	
2001 Q1	2.9	1.5	0.5	1.1	-0.7	2.7	2.3	2.3	1.4	1.2	2.5	4.3	2.4	8.9	
Q2	2.2	1.3	0.5	0.6	-0.3	1.1	0.9	1.7	-0.4	2.1	1.8	4.2	2.1	8.9	
Q3	2.0	1.7	0.6	0.4	-1.2	-0.2	-0.6	1.1	-0.8	1.9	1.1	4.1	..	9.0	
Q4	..	..	..	..	..	..	..	..	..	1.4	..	..	..	..
2001 Jan	..	..	..	..	..	..	..	3.0	2.1	1.1	2.6	..	..	9.0	
Feb	..	..	..	..	..	..	..	2.3	0.3	1.3	2.6	..	..	8.9	
Mar	..	..	..	..	..	..	..	1.7	1.8	1.2	2.4	..	..	8.9	
Apr	..	..	..	..	..	..	..	1.4	-0.5	1.8	2.0	..	..	8.9	
May	..	..	..	..	..	..	..	1.8	-2.4	2.3	1.8	..	..	8.9	
Jun	..	..	..	..	..	..	..	1.8	1.9	2.1	1.7	..	..	8.9	
Jul	..	..	..	..	..	..	..	1.4	-1.0	2.1	1.3	..	..	9.0	
Aug	..	..	..	..	..	..	..	1.4	-0.1	1.9	1.1	..	..	9.0	
Sep	..	..	..	..	..	..	..	0.8	-1.2	1.5	0.8	..	..	9.0	
Oct	..	..	..	..	..	..	..	-0.3	-1.1	1.8	0.6	..	..	9.1	
Nov	..	..	..	..	..	..	..	..	-0.8	1.2	0.6	..	..	9.2	
Dec	..	..	..	..	..	..	..	..	..	1.4	..	..	..	..
Percentage change on previous quarter															
	ILGJ	HUBQ	HUBR	HUBS	HUBT	HUBU	HUBV	ILHD	ILHX						
1998 Q3	0.5	0.3	-	0.2	-0.2	0.2	0.1	-0.4	0.7					0.5	
Q4	0.3	0.4	0.1	0.1	0.2	-0.6	-	-0.3	1.1					0.4	
1999 Q1	0.8	0.2	0.2	0.4	-0.3	0.2	-	0.2	0.5					0.6	
Q2	0.9	0.5	0.1	0.3	-0.1	0.6	0.4	1.0	-0.4					0.5	
Q3	0.9	0.6	0.1	0.2	-0.5	1.1	0.6	1.4	1.1					0.6	
Q4	1.1	0.5	0.2	0.2	0.7	0.2	0.7	1.5	0.8					0.7	
2000 Q1	0.8	0.3	0.1	0.4	-	1.2	1.2	0.3	0.6					0.8	
Q2	0.9	0.3	0.2	0.4	-0.2	1.2	1.0	0.5	-1.0					0.6	
Q3	0.7	0.3	0.1	0.2	0.4	0.8	1.2	1.1	-0.3					0.7	
Q4	0.9	0.1	0.2	0.3	-0.1	0.8	0.5	0.4	-0.7					0.7	
2001 Q1	0.4	0.7	0.1	0.1	-0.8	-0.1	-0.5	0.3	3.4					0.6	
Q2	0.2	0.2	0.1	-0.1	0.2	-0.5	-0.3	-0.1	-2.8					0.2	
Q3	0.5	0.7	0.2	-	-0.4	-0.4	-0.4	0.5	-0.7					..	
Q4	..	..	..	..	..	..	..	..	..					..
Percentage change on previous month															
								ILKD	ILKN						
2001 Jan								0.2	3.4						
Feb								-	-1.0						
Mar								0.2	1.5						
Apr								-0.5	-4.7						
May								0.4	0.5						
Jun								0.1	3.3						
Jul								0.7	-3.0						
Aug								-	0.9						
Sep								-0.9	-1.4						
Oct								-0.6	-0.9						
Nov								..	1.3						
Dec													

GDP = Gross Domestic Product at constant market prices
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Earnings = Average Wage Earnings (manufacturing), definitions of coverage and treatment vary among countries
Empl = Total Employment not seasonally adjusted
Unempl = Standardised Unemployment rates: percentage of total workforce
LoD = Index of Production

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
Percentage change on a year earlier														
	ILGA	HUCI	HUCJ	HUCK	HUCL	HUCM	HUCN	ILGU	ILHO	HYAA	ILAH	ILAQ	ILII	GABE
1995	2.9	1.0	-0.4	1.1	0.2	3.1	2.1	5.8	0.6	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	1.2	4.0	1.8	3.1	0.5	11.7
1997	2.0	1.9	-	0.4	0.3	1.7	2.3	3.8	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	1.5	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	11.3
2000	2.9	1.8	0.3	1.2	-1.0	2.9	2.2	4.1	-0.6	2.5	5.9	2.1	1.9	10.5
2001	..	..	..	..	..	..	..	..	..	2.7	..	..	2.0	..
1998 Q3	1.9	1.8	0.1	0.8	0.2	0.4	1.4	0.4	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	1.0	1.9	0.2	0.5	0.4	-1.3	0.8	-1.3	1.3	1.2	-1.8	3.0	1.2	11.6
Q2	1.2	1.2	0.2	0.7	1.2	-0.9	1.1	-2.4	0.3	1.4	-1.4	2.1	1.3	11.5
Q3	1.4	1.3	0.3	1.0	-0.1	0.2	1.3	0.4	0.3	1.7	-	2.3	1.2	11.2
Q4	2.9	1.1	0.3	1.5	-0.1	2.0	2.0	3.1	2.3	2.1	2.2	1.8	1.4	11.1
2000 Q1	3.4	1.4	0.3	1.4	-0.5	2.1	1.3	3.4	-0.6	2.6	4.6	1.9	1.2	11.0
Q2	3.1	2.0	0.3	1.4	-0.3	2.3	2.6	5.7	-0.3	2.6	6.2	2.5	1.5	10.6
Q3	2.6	1.8	0.3	1.3	-1.5	4.0	3.2	3.7	-	2.6	6.7	2.0	2.1	10.3
Q4	2.5	1.8	0.2	0.7	-1.6	3.2	1.8	3.4	-1.3	2.6	6.5	1.9	2.8	10.0
2001 Q1	2.5	1.0	0.2	0.5	-0.6	3.7	2.3	2.5	-0.3	2.9	4.9	2.0	3.1	9.7
Q2	2.1	0.8	0.2	0.2	-1.0	2.4	0.6	-0.9	-1.0	3.0	3.2	1.3	2.1	9.5
Q3	1.9	0.6	0.1	-	1.4	-1.0	-0.8	-1.3	-1.9	2.8	0.9	1.7	1.8	9.4
Q4	..	..	..	..	..	..	..	..	..	2.5	..	..	1.1	..
2001 Jan	..	..	..	..	..	..	..	3.6	-1.0	3.0	5.4	1.9	..	9.8
Feb	..	..	..	..	..	..	..	1.8	-	3.0	5.0	2.0	..	9.7
Mar	..	..	..	..	..	..	..	2.2	-	2.8	4.3	2.1	..	9.6
Apr	..	..	..	..	..	..	..	-0.1	-1.0	3.1	4.4	1.6	..	9.5
May	..	..	..	..	..	..	..	-1.7	-1.0	3.0	2.9	1.0	..	9.5
Jun	..	..	..	..	..	..	..	-0.7	-1.0	3.0	2.4	1.1	..	9.5
Jul	..	..	..	..	..	..	..	-0.7	-2.9	2.9	1.4	1.7	..	9.5
Aug	..	..	..	..	..	..	..	-0.9	-	2.8	1.2	1.8	..	9.4
Sep	..	..	..	..	..	..	..	-2.1	-2.9	2.6	0.4	1.7	..	9.4
Oct	..	..	..	..	..	..	..	-1.3	-1.0	2.5	-0.6	1.7	..	9.3
Nov	..	..	..	..	..	..	..	..	..	2.4	-1.3	1.8	..	..
Dec	..	..	..	..	..	..	..	..	..	2.4	..	..	..	..
Percentage change on previous quarter														
	ILGK	HUCO	HUCP	HUCQ	HUCR	HUCS	HUCT	ILHE	ILHY				ILIS	
1998 Q3	0.6	0.3	-	0.1	0.5	-0.5	-0.2	-0.9	-				1.4	
Q4	-0.5	0.5	0.1	-	0.4	-0.7	0.7	-1.5	-0.6				-0.3	
1999 Q1	0.4	0.5	0.1	0.4	0.2	-0.2	0.6	0.4	1.0				-1.0	
Q2	0.7	-0.1	0.1	0.2	0.1	0.4	0.1	-0.4	-				1.2	
Q3	0.8	0.4	0.1	0.4	-0.7	0.7	-	2.0	-				1.3	
Q4	0.9	0.3	0.1	0.5	0.3	1.1	1.3	1.2	1.3				-0.1	
2000 Q1	0.9	0.8	0.1	0.3	-0.2	-0.1	-0.1	0.7	-1.9				-1.2	
Q2	0.4	0.5	-	0.3	0.3	0.6	1.3	1.8	0.3				1.5	
Q3	0.4	0.3	0.1	0.3	-1.9	2.3	0.6	0.1	0.3				1.9	
Q4	0.9	0.3	-	-0.1	0.3	0.3	-0.1	0.8	-				0.6	
2001 Q1	0.9	-	-	0.2	0.7	0.4	0.4	-0.3	-1.0				-0.8	
Q2	-	0.3	-	-0.1	-	-0.6	-0.4	-1.6	-0.3				0.5	
Q3	0.2	-	-	-	0.5	-1.1	-0.8	-0.3	-0.7				1.6	
Percentage change on previous month														
								ILKE	ILKO					
2001 Jan								-2.0	-1.0					
Feb								-0.2	1.0					
Mar								0.5	-1.0					
Apr								-2.1	-					
May								0.5	-					
Jun								-	-					
Jul								-0.6	-1.0					
Aug								0.7	1.0					
Sep								-0.9	-1.0					
Oct								-0.1	1.0					
Nov												
Dec												

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Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl ¹	Unempl
Percentage change on a year earlier														
	ILGC	HUDG	HUDH	HUDI	HUDJ	HUDK	HUDL	ILGW	ILHQ	ILAA	ILAJ	ILAS	ILIK	GADO
1995	2.7	2.0	—	0.9	-0.5	1.0	0.9	4.8	4.1	2.8	2.9	2.6	1.5	5.6
1996	3.6	2.1	0.1	1.5	—	0.9	1.0	4.8	5.6	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	7.0	4.9	2.3	0.3	3.2	2.3	4.9
1998	4.3	3.2	0.2	2.0	0.2	0.3	1.6	5.1	7.1	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	3.7	9.0	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	4.5	6.5	3.4	4.1	3.6	1.3	4.0
2001	..	..	..	..	..	..	..	..	..	..	..	3.2	-0.2	4.8
1998 Q3	3.8	3.1	0.1	1.7	0.2	-0.2	1.3	4.6	6.1	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	3.5	8.5	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	3.4	9.6	1.7	—	1.8	1.7	4.3
Q2	3.9	3.3	0.1	1.6	-0.1	0.3	1.4	3.2	8.2	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	3.7	9.7	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	4.4	8.5	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	4.8	8.6	3.2	4.6	4.2	1.6	4.0
Q2	5.2	3.3	0.6	1.6	0.5	1.3	2.2	5.9	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	4.8	6.3	3.5	3.9	2.9	1.1	4.1
Q4	2.8	2.8	0.2	1.1	-0.5	0.8	1.8	2.6	4.2	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	-0.4	2.7	3.4	2.1	2.6	0.7	4.2
Q2	1.2	2.2	0.3	—	-1.3	-0.2	-0.1	-3.5	4.0	3.4	2.1	3.2	-0.1	4.5
Q3	0.5	1.6	0.4	-0.5	-1.2	-1.2	-1.2	-4.8	3.4	2.7	0.6	3.4	-0.2	4.8
Q4	..	..	..	..	..	..	..	..	..	..	..	3.4	-1.0	5.6
2001 Jan	..	..	..	..	..	..	..	0.5	3.7	3.7	3.0	2.6	0.8	4.2
Feb	..	..	..	..	..	..	..	-0.3	2.6	3.6	2.0	2.6	0.7	4.2
Mar	..	..	..	..	..	..	..	-1.3	2.0	2.9	1.2	2.6	0.6	4.3
Apr	..	..	..	..	..	..	..	-2.4	4.4	3.3	2.3	2.6	-0.1	4.5
May	..	..	..	..	..	..	..	-3.4	3.7	3.6	2.6	3.5	0.1	4.4
Jun	..	..	..	..	..	..	..	-4.7	3.9	3.3	1.2	3.4	-0.2	4.6
Jul	..	..	..	..	..	..	..	-4.1	4.3	2.7	0.4	3.4	0.2	4.6
Aug	..	..	..	..	..	..	..	-4.6	4.5	2.7	0.9	3.4	-0.6	4.9
Sep	..	..	..	..	..	..	..	-5.5	1.4	2.6	0.7	3.4	-0.1	5.0
Oct	..	..	..	..	..	..	..	-5.9	9.1	2.1	-1.0	3.4	-0.6	5.4
Nov	..	..	..	..	..	..	..	-6.0	6.0	1.8	-1.6	3.4	-1.0	5.6
Dec	..	..	..	..	..	..	..	..	..	..	..	3.4	-1.4	5.8
Percentage change on previous quarter														
	ILGM	HUDM	HUDN	HUDO	HUDP	HUDQ	HUDR	ILHG	ILIA				ILIU	
1998 Q3	1.0	0.6	—	0.3	0.4	-0.1	0.2	0.7	0.5				0.6	
Q4	1.6	0.8	0.2	0.5	0.1	0.4	0.4	0.8	3.3				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	0.7	1.7				1.2	
Q3	1.1	0.7	0.2	0.3	0.1	0.3	0.5	1.2	1.9				0.6	
Q4	2.0	0.9	0.2	0.3	0.6	0.3	0.4	1.5	2.1				0.3	
2000 Q1	0.6	1.0	-0.1	0.6	-0.7	0.3	0.6	1.4	2.6				-0.5	
Q2	1.4	0.6	0.3	0.3	0.5	0.4	0.6	1.7	0.1				1.2	
Q3	0.3	0.7	-0.1	0.1	-0.3	0.3	0.5	0.2	1.3				0.1	
Q4	0.5	0.5	0.1	0.1	-0.1	-0.1	—	-0.7	0.1				0.2	
2001 Q1	0.3	0.5	0.2	0.2	-0.8	—	-0.2	-1.6	1.2				-0.7	
Q2	0.1	0.4	0.1	-0.3	-0.1	-0.4	-0.4	-1.4	1.4				0.4	
Q3	-0.3	0.2	0.1	-0.4	-0.3	-0.6	-0.6	-1.1	0.6				—	
Q4	..	..	..	..	..	..	..	..	..				-0.6	
Percentage change on previous month														
								ILKG	ILKQ				ILLA	
2001 Jan								-0.9	1.4				-1.2	
Feb								-0.2	—				0.2	
Mar								-0.4	-0.1				0.4	
Apr								-0.6	1.4				-0.1	
May								-0.3	—				—	
Jun								-0.9	0.1				0.6	
Jul								0.1	1.0				0.4	
Aug								-0.3	0.7				-1.1	
Sep								-0.8	-2.6				—	
Oct								-0.9	7.7				—	
Nov								-0.3	-3.5				-0.4	
Dec											-0.1	

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Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP ¹	Sales	CPI	PPI	Earnings ²	Empl	Unempl
Percentage change on a year earlier														
	ILGD	HUCU	HUCV	HUCW	HUCX	HUCY	HUCZ	ILGX	ILHR	ILAB	ILAK	ILAT	ILIL	GADP
1995	1.5	0.8	0.6	-	0.6	0.3	0.9	3.0	-	-0.1	-0.7	2.9	-	3.1
1996	3.6	1.3	0.4	2.0	0.3	0.6	1.0	2.2	0.6	0.1	-1.7	2.6	0.5	3.4
1997	1.8	0.5	0.2	0.2	-	1.1	0.1	4.0	-2.1	1.7	0.6	2.8	1.0	3.4
1998	-1.0	0.1	0.3	-1.2	-0.6	-0.2	-0.6	-6.7	-6.0	0.7	-1.3	-0.8	-0.6	4.1
1999	0.7	0.6	0.7	-0.2	-0.3	0.1	0.2	1.0	-2.6	-0.3	-1.4	-0.7	-0.8	4.7
2000	2.2	0.2	0.7	0.9	-0.1	1.3	0.8	5.2	-1.1	-0.7	0.1	1.7	-0.3	4.7
1998 Q3	-1.1	0.7	0.4	-1.7	-0.9	-0.2	-0.6	-7.9	-4.5	-0.2	-1.8	-1.8	-0.9	4.2
Q4	-1.3	0.7	0.3	-1.5	-0.9	-0.6	-0.6	-6.7	-5.2	0.5	-2.0	-0.7	-1.0	4.4
1999 Q1	-1.2	-0.4	0.4	-0.7	-0.6	-0.3	-0.3	-3.7	-4.6	-0.1	-2.2	-0.7	-1.2	4.6
Q2	1.3	1.3	0.8	-0.3	-0.3	-0.1	0.2	0.3	-2.5	-0.3	-1.7	-1.1	-1.1	4.7
Q3	2.1	1.6	0.8	0.1	-0.3	0.3	0.3	2.7	-2.2	-	-1.3	-0.4	-0.7	4.7
Q4	0.6	-	0.7	0.1	-0.2	0.7	0.8	5.1	-1.1	-1.0	-0.5	-0.5	-0.2	4.7
2000 Q1	3.6	1.7	0.8	0.6	-0.1	1.3	0.7	4.3	-2.2	-0.6	0.1	2.0	-0.5	4.8
Q2	2.3	0.3	0.8	0.7	-0.1	1.4	0.8	6.6	-1.5	-0.7	0.3	2.3	-0.4	4.7
Q3	0.7	-1.4	0.7	0.9	-	1.2	0.7	5.3	-0.4	-0.6	0.2	1.6	-0.4	4.7
Q4	2.3	0.2	0.7	1.3	0.1	1.0	0.9	4.4	-0.4	-0.8	-0.1	1.1	0.2	4.8
2001 Q1	1.4	0.8	0.6	0.4	-	0.2	0.7	0.6	2.3	-0.5	-0.4	0.5	0.5	4.8
Q2	-0.6	-	0.5	-0.2	-	-0.7	0.2	-5.2	-1.1	-0.7	-0.6	0.6	-0.4	4.9
Q3	-0.5	-0.2	0.5	0.2	-0.1	-1.1	-0.3	-10.4	-3.0	-0.8	-1.0	-0.4	-0.8	5.1
2001 Jan	..	..	..	..	..	..	..	1.4	2.2	-0.3	-0.3	0.1	0.1	4.9
Feb	..	..	..	..	..	..	..	1.8	2.2	-0.3	-0.4	0.8	0.7	4.7
Mar	..	..	..	..	..	..	..	-1.4	2.3	-0.7	-0.4	0.5	0.5	4.7
Apr	..	..	..	..	..	..	..	-3.9	-	-0.7	-0.6	-	-0.2	4.8
May	..	..	..	..	..	..	..	-4.8	-1.1	-0.7	-0.6	-0.2	-0.4	4.9
Jun	..	..	..	..	..	..	..	-6.9	-2.2	-0.8	-0.7	2.1	-0.6	4.9
Jul	..	..	..	..	..	..	..	-8.6	-2.2	-0.8	-0.8	0.6	-0.6	5.0
Aug	..	..	..	..	..	..	..	-11.3	-4.4	-0.7	-1.0	-1.2	-0.6	5.0
Sep	..	..	..	..	..	..	..	-11.1	-2.2	-0.8	-1.0	-0.6	-1.3	5.3
Oct	..	..	..	..	..	..	..	-12.2	-4.5	-0.8	-1.3	-0.5	-1.6	5.4
Nov	..	..	..	..	..	..	..	-13.1	-2.2	-1.0	-1.6	-0.9	-1.1	5.4
Dec	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Percentage change on previous quarter														
	ILGN	HUDA	HUDB	HUDC	HUDD	HUDE	HUDD	ILHH	ILIB				ILIV	
1998 Q3	0.1	0.7	0.1	-0.5	-0.2	-	-	0.3	-0.7				-0.4	
Q4	0.2	0.3	0.1	-0.1	-0.1	-0.2	-0.2	-1.1	-1.8				-1.1	
1999 Q1	-1.0	-1.3	0.1	0.4	-0.1	-	0.2	1.4	0.4				-1.8	
Q2	2.1	1.6	0.4	-	0.1	0.1	0.2	-0.3	-0.4				2.2	
Q3	0.8	1.0	0.1	-0.2	-0.2	0.3	0.2	2.7	-0.4				-	
Q4	-1.3	-1.3	0.1	-	-0.1	0.2	0.2	1.2	-0.7				-0.6	
2000 Q1	2.0	0.4	0.2	0.8	0.1	0.7	0.1	0.6	-0.7				-2.1	
Q2	0.8	0.2	0.4	0.1	-	0.3	0.3	1.9	0.4				2.3	
Q3	-0.7	-0.7	-	-	-0.1	0.1	0.1	1.5	0.8				-	
Q4	0.3	0.3	-	0.3	-	-	0.4	0.3	-0.7				-	
2001 Q1	1.0	1.0	0.2	-	-	-0.2	-	-3.1	1.9				-1.8	
Q2	-1.2	-0.6	0.3	-0.5	-	-0.5	-0.2	-4.0	-2.9				1.4	
Q3	-0.5	-0.9	-	0.4	-0.1	-0.3	-0.4	-4.0	-1.1				-0.4	
Percentage change on previous month														
								ILKH	ILKR				ILLB	
2001 Jan								-3.7	2.2				-1.2	
Feb								0.6	-				-0.1	
Mar								-2.0	-1.1				0.4	
Apr								-2.0	-2.2				0.7	
May								-1.0	-				0.8	
Jun								-0.7	-				-0.2	
Jul								-2.3	-				-0.2	
Aug								0.3	-2.3				-0.1	
Sep								-3.3	1.2				-0.7	
Oct								0.1	-2.3				0.1	
Nov								-1.5	2.4				0.4	
Dec								..	..				..

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

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

7 World trade in goods¹

	Export of manufactures			Import of manufactures			Export of goods			Import of goods			Total trade	
	Total	OECD	Other	Total	OECD	Other	Total	OECD	Other	Total	OECD	Other	manufactures	goods
Percentage change on a year earlier														
	ILIZ	ILJA	ILJB	ILJC	ILJD	ILJE	ILJF	ILJG	ILJH	ILJI	ILJJ	ILJK	ILJL	ILJM
1992	4.3	3.3	8.6	5.3	4.3	8.3	4.2	3.7	5.9	5.1	4.2	7.8	4.8	4.7
1993	4.8	2.2	15.3	4.0	1.0	12.5	4.0	2.2	9.1	3.3	0.8	10.3	4.4	3.6
1994	12.0	9.9	19.9	11.9	12.3	11.0	10.6	9.3	14.0	10.9	11.0	10.7	12.0	10.8
1995	9.6	9.9	8.6	10.9	10.4	12.4	8.9	9.4	7.8	9.8	8.9	12.2	10.3	9.4
1996	6.7	6.4	7.7	7.5	7.9	6.6	6.8	6.4	7.6	6.4	7.0	4.9	7.1	6.6
1997	11.5	11.9	10.3	10.8	11.3	9.5	10.6	11.1	9.2	9.5	9.7	8.9	11.1	10.0
1998	6.1	6.3	5.3	6.8	9.6	-0.4	5.5	5.8	4.7	5.9	8.3	-0.3	6.4	5.7
1999	6.4	5.9	7.9	7.8	10.3	0.8	5.8	5.6	6.4	6.4	8.7	-0.4	7.1	6.1
2000	14.1	12.5	19.4	14.4	13.9	16.3	12.9	12.0	15.1	12.9	11.9	16.0	14.3	12.9
2001	..	..	..	..	..	..	..	..	..	..	..	..	..	..
1995 Q3	8.6	9.1	6.8	10.5	9.6	12.9	7.8	8.2	6.7	9.3	8.1	12.7	9.5	8.6
Q4	6.7	6.8	6.3	7.3	6.2	10.3	6.1	6.0	6.6	6.3	5.0	9.7	7.0	6.2
1996 Q1	5.8	5.6	6.6	7.5	7.3	8.0	5.6	5.1	6.8	6.4	6.2	6.7	6.7	6.0
Q2	5.6	5.2	7.0	6.4	6.6	5.9	5.5	4.9	7.2	5.3	5.8	4.0	6.0	5.4
Q3	7.0	6.8	7.9	7.8	8.7	5.5	7.2	7.0	7.8	6.6	7.8	3.6	7.4	6.9
Q4	8.4	8.1	9.4	8.4	9.0	7.0	8.8	8.8	8.7	7.5	8.3	5.3	8.4	8.1
1997 Q1	8.5	8.0	10.3	8.2	8.2	8.2	8.1	7.6	9.4	7.3	7.2	7.4	8.3	7.7
Q2	12.5	13.1	10.6	11.5	12.3	9.5	11.7	12.5	9.5	10.2	10.6	9.1	12.0	10.9
Q3	13.2	14.0	10.3	11.7	12.4	10.1	11.9	13.0	9.2	10.3	10.6	9.6	12.4	11.1
Q4	11.8	12.4	9.8	11.6	12.2	10.1	10.5	11.2	8.7	10.2	10.4	9.5	11.7	10.3
1998 Q1	10.6	11.4	8.1	11.0	13.2	5.6	9.9	11.0	6.8	9.9	11.5	5.7	10.8	9.9
Q2	6.6	6.7	6.3	7.2	9.5	1.4	5.9	6.2	5.3	6.5	8.3	1.7	6.9	6.2
Q3	4.1	4.0	4.2	4.9	7.8	-2.7	3.5	3.3	3.9	4.3	6.8	-2.6	4.5	3.9
Q4	3.1	3.2	2.6	4.0	7.7	-5.8	2.6	2.5	2.9	3.0	6.4	-6.0	3.5	2.8
1999 Q1	2.5	2.5	2.5	4.1	7.1	-3.9	2.2	1.8	3.6	3.1	6.1	-5.1	3.3	2.7
Q2	4.0	3.8	4.8	6.3	9.0	-1.3	4.0	3.6	5.0	4.8	7.5	-2.9	5.2	4.4
Q3	7.8	7.3	9.6	9.0	11.3	2.1	7.1	7.2	7.1	7.3	9.5	0.8	8.4	7.2
Q4	11.2	10.2	14.5	11.9	13.7	6.5	9.9	9.9	10.1	10.3	11.8	5.7	11.5	10.1
2000 Q1	15.2	14.0	19.5	14.3	15.2	11.7	13.7	13.6	14.1	12.7	13.0	11.7	14.8	13.2
Q2	15.6	13.9	21.5	15.3	15.0	16.1	14.0	13.1	16.3	13.7	12.9	16.2	15.5	13.8
Q3	14.3	12.4	20.7	15.5	14.2	19.7	13.1	11.8	16.7	14.0	12.4	19.1	14.9	13.5
Q4	11.3	9.9	15.8	12.7	11.2	17.6	10.6	9.5	13.4	11.3	9.5	17.0	12.0	10.9
2001 Q1	5.9	5.4	7.6	6.7	5.5	10.6	5.7	5.2	6.9	..	5.0	..	6.3	..
Q2	0.3	..	1.3	..	-0.1	..	..	0.4	..	..	0.5	..	..	..
Q3	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Percentage change on previous quarter														
	ILJN	ILJO	ILJP	ILJQ	ILJR	ILJS	ILJT	ILJU	ILJV	ILJW	ILJX	ILJY	ILJZ	ILKA
1995 Q3	1.0	0.8	1.5	1.2	0.9	2.1	0.8	0.5	1.6	1.0	0.6	2.0	1.1	0.9
Q4	1.4	1.5	1.3	1.7	2.0	1.1	1.4	1.3	1.6	1.2	1.4	0.8	1.6	1.3
1996 Q1	2.1	2.2	2.0	2.3	2.6	1.3	2.2	2.3	1.8	1.8	2.3	0.5	2.2	2.0
Q2	1.0	0.6	2.0	1.1	1.0	1.2	1.1	0.7	2.0	1.1	1.3	0.6	1.0	1.1
Q3	2.3	2.3	2.3	2.6	2.8	1.8	2.4	2.5	2.2	2.3	2.5	1.6	2.4	2.3
Q4	2.7	2.7	2.7	2.3	2.2	2.5	2.8	3.0	2.4	2.1	1.9	2.5	2.5	2.4
1997 Q1	2.2	2.0	2.9	2.1	1.9	2.5	1.6	1.2	2.4	1.6	1.3	2.5	2.1	1.6
Q2	4.7	5.4	2.4	4.2	4.9	2.4	4.4	5.3	2.1	3.9	4.5	2.3	4.5	4.2
Q3	2.9	3.1	2.0	2.7	2.9	2.3	2.7	3.0	1.9	2.4	2.5	2.1	2.8	2.5
Q4	1.5	1.3	2.2	2.1	2.0	2.5	1.5	1.3	2.0	1.9	1.8	2.3	1.8	1.7
1998 Q1	1.2	1.2	1.3	1.6	2.8	-1.7	0.9	1.1	0.6	1.4	2.3	-1.0	1.4	1.2
Q2	0.9	1.0	0.6	0.6	1.5	-1.7	0.7	0.7	0.7	0.7	1.6	-1.6	0.8	0.7
Q3	0.4	0.5	..	0.5	1.3	-1.8	0.3	0.2	0.6	0.2	1.1	-2.3	0.4	0.3
Q4	0.5	0.5	0.6	1.2	1.9	-0.7	0.6	0.5	1.0	0.7	1.4	-1.2	0.9	0.7
1999 Q1	0.7	0.5	1.2	1.7	2.2	0.3	0.6	0.4	1.3	1.4	1.9	-0.1	1.2	1.0
Q2	2.4	2.3	2.9	2.7	3.3	0.9	2.4	2.5	2.0	2.4	2.9	0.7	2.6	2.4
Q3	4.0	3.9	4.5	3.0	3.5	1.5	3.4	3.6	2.6	2.6	2.9	1.5	3.5	3.0
Q4	3.7	3.2	5.2	3.9	4.0	3.5	3.3	3.0	3.9	3.5	3.5	3.6	3.8	3.4
2000 Q1	4.3	3.9	5.6	4.0	3.6	5.2	4.1	3.8	4.9	3.7	3.1	5.6	4.1	3.9
Q2	2.8	2.2	4.6	3.6	3.1	4.9	2.6	2.1	3.9	3.3	2.8	4.7	3.2	2.9
Q3	2.8	2.5	3.8	3.2	2.8	4.7	2.6	2.4	3.0	2.9	2.5	4.0	3.0	2.7
Q4	1.0	1.0	0.9	1.4	1.3	1.7	1.0	1.0	0.9	1.1	0.8	1.8	1.2	1.0
2001 Q1	-0.7	-0.3	-1.8	-1.6	-1.8	-1.0	-0.6	-0.4	-1.0	..	-1.1	..	-1.1	..
Q2	-2.7	-3.0	-1.5	..	-2.4	..	..	-2.5	..	..	-1.6	..	..	..
Q3	..	..	..	..	..	..	..	..	..	..	..	..	..	..

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

Regional Economic Indicators - February 2002

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Overview

- Unemployment on the ILO definition remained at 5.1 per cent of the workforce in the third quarter of 2001, however, the claimant count rose to 3.2 per cent in December.
- The total in employment in the UK reached its highest level since the series began in the second quarter of 1992.
- Wales saw the most growth in both industrial production and construction in the third quarter of 2001.
- Business optimism fell substantially in the October CBI survey.
- UK house prices continued to grow in the third quarter, up by 3.6 per cent on the previous quarter.

GDP at basic prices

Tables 1 to 4 concern National Accounts statistics for the regions.

In Table 1, London and the South East accounted for 31.7 per cent of the UK's total GDP in 1999, with contributions of 15.9 per cent and 15.8 per cent respectively. The South East has increased its share from 14.8 per cent in 1989 to 15.8 per cent in 1999. Northern Ireland posted an 82.3 per cent increase in value terms from 1989 to 1999 from £9.0 billion in 1989 to £17.0 billion in 1999. However, it only accounted for 2.2 per cent of the UK's total GDP in 1999. Annual growth for the UK was 3.8 per cent in 1999, compared to 6.1 per cent in 1998. The South East had the highest annual growth rate at 5.1 per cent, whilst the North East had the lowest annual growth of 2.3 per cent. These regional GDP estimates are residence based, locating the income of commuters to where they live rather than to their place of work.

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

Table 3, shows household disposable income per head increased in the UK in 1999 by 4.9 per cent, compared to an increase in of 2.1 per cent in 1998. London recorded the highest monetary rate in 1999 of £12,036 followed by the East with £11,255, which has overtaken the South East for the first time since 1992. Looking at annual percentage changes, the West Midlands recorded the largest rise of 6.8 per cent in 1999, while the North East was the slowest growing region, with growth of 3.1 per cent in 1999, compared to no growth in 1998. Other slow growing regions were, the

East Midlands with 3.4 per cent and the South West and London, both with growth of 3.7 per cent in 1998. All regions recorded an increase in the rate of increases in 1999 compared to 1998. Significant increases in the rates of increase in 1999 compared to 1998 of more than 3.2 per cent was seen in the West Midlands, Yorkshire and the Humber, the South East, Wales and Northern Ireland.

Table 4, shows individual consumption expenditure per head, with London recording the highest monetary rate in 1999 of £12,250, followed by the South East with £11,392. Looking at annual percentage changes, London recorded the largest rise of 8.8 per cent in 1999, whilst the North East recorded a decline of 1.0 per cent in 1999, compared to an increase of 4.4 per cent in 1998. The average growth for the UK as a whole was 5.9 per cent in 1999, following an increase of 6.2 per cent in 1998.

The Labour Market

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

The **total in employment** (from the Labour Force Survey), table 9, is continuing to show a mixed picture across the regions in the third quarter of 2001. The UK rate increased by 0.2 per cent in the latest quarter, having fallen for the first time in eight years the in previous quarter. The largest decline of 2.1 per cent was seen in Northern Ireland although this comes after two quarters of reasonable growth. Other regions to record a deterioration were the North West with a decline of 0.1 per cent compared to a fall of 1.1 per cent in the previous quarter, Yorkshire and the Humber with a decline of 0.2 per cent compared to a decline of 0.3 per cent in the previous quarter (declining for the third successive quarter), the South East which recorded a decline of 0.1 per cent compared with a rise of 0.4 per cent the previous quarter and Scotland which fell for the second successive quarter, this time by 0.1 per cent. Overall, England

experienced a rise of 0.3 per cent in the third quarter, having fallen by 0.1 per cent in the second quarter. Employment grew the most in the East Midlands, up by 1.6 per cent on the previous quarter.

National year-on-year growth to 2001 quarter three stood at 0.8 per cent, the same rate of growth as in the previous quarter. All regions apart from the North East, the North West, Yorkshire and the Humber and Wales saw growth over the third quarter a year ago. London at 2.2 per cent, the West Midlands at 1.9 per cent and the East Midlands at 1.6 per cent enjoyed the most growth compared with the same quarter a year ago.

Employee jobs (from Employers Surveys), in table 11, showed employment growth slowing in the majority of the regions in 2001 quarter three. Overall growth in the UK was not as strong as in the previous quarter, registering growth of 0.3 per cent in the third quarter having grown by 0.5 per cent in the second, although there appear to be seasonal factors present in the data. Annual growth in the UK in the third quarter was 0.6 per cent, down slightly on the 0.8 per cent growth seen in the second quarter. Only three regions posted a decline in growth in the third quarter, the North East, the South East and Wales, with Scotland showing no change. All the other regions grew in the third quarter, with strong growth in the East, the South West, London, the West Midlands and the East Midlands.

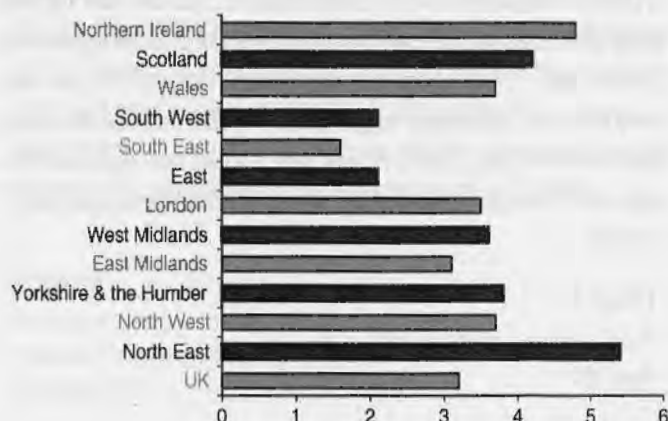
The downward trend in the UK **claimant count rate**, table 8, did not continue in the fourth quarter of 2001, with the rate being up 0.1 per cent over the previous 3 months. Only Yorkshire and the Humber, Wales and Northern Ireland saw their rates fall in the fourth quarter, with rates now down to 3.8 per cent, 3.7 per cent and 4.8 per cent respectively in December (chart 1). There was no change in claimant count rates in December compared to September in the East Midlands, the West Midlands, the East and the South West. Rates were up in the North East, the North West, London, the South East and Scotland although for all these regions bar London, the rates are at or below what they were at the beginning of the year.

In Table 6, the rate of **ILO unemployment**, remained the same in the UK at 5.1 per cent in the third quarter of 2001. The standstill in the national rate masked a high degree of movement at the regional level. There was a significant jump in the unemployment rate in London, where the rate increased from 6.3 per cent to 6.9 per cent in just one quarter. Northern Ireland and the North East saw their rates go up by 0.3 per cent and 0.2 per cent respectively. Unemployment rose less substantially in the North West, the West Midlands, the East, the South East and England as a whole. Other regions continued to experience a fall in unemployment and in the third quarter saw their rates decline by a significant amount. Wales fell by 0.5 per cent, whilst both Yorkshire and the Humber and the

East Midlands saw falls of 0.4 per cent. The rate in the South West also fell, with the rate remaining unchanged at 6.7 per cent in Scotland.

Chart 1

Claimant count as a percentage of total workforce
seasonally adjusted
December 2001



Long-term claimant count rates as a percentage of the unemployed, table 7 (now including monthly data), is showing all regions, with the exception of Northern Ireland, recording decreases in the latest data October to December 2001. It is difficult to interpret the significance of these figures, as the data has only been available since January 1999. Also a decline in these rates can be attributable either to a reduction in the number of long-term unemployed or a rise in the number of short-term unemployed (which may be coming into play now that the claimant count rose in the fourth quarter).

Chart 2

Redundancies - redundancies per 1000 employees
Autumn 2001
not seasonally adjusted



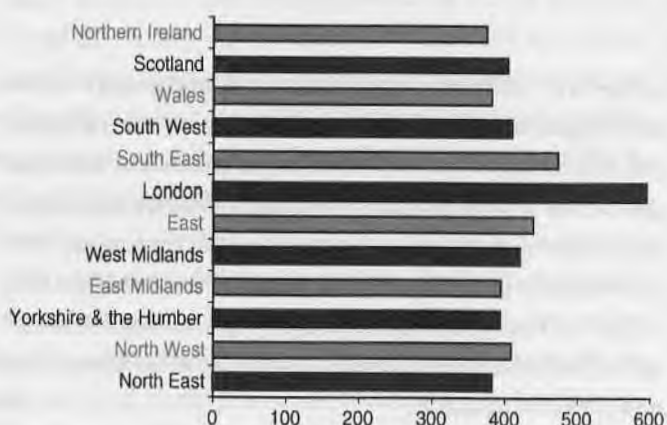
Table 10 shows **redundancy rates** in the government office regions.

Redundancy data mirrors to some extent the picture given by the claimant count figures, with modest evidence of an increase in the rates in some regions (chart2).

Total average gross weekly pay, (from the annual New Earnings Survey), in table 5, shows a majority of regions recording an acceleration in the rate of growth of pay. The West Midlands recorded the highest rate of growth in the year to April 2001, with a rate of 8.2 per cent, although this came after it had had the lowest rate of growth out of all the regions the previous year. Other regions recording growth in excess of 6.0 per cent were the South East where wages grew by 6.7 per cent and the South West, where wages grew by 7.3 per cent. London continues to be the region with the highest weekly pay, with its rate now standing at £593.7 (chart3).

Chart 3

Total average gross weekly pay
April 2001



Industrial Production and Construction

UK industrial production output, table 12, declined for the fourth quarter in a row, taking output in the third quarter of 2001 down to the level it was at in the second quarter of 1999. Manufacturing output, which accounts for the bulk of production, decreased by 0.8 per cent in the third quarter of 2001, a continuation of the previous quarter's decline, although not as steep. Within the manufacturing industries, the most significant falls were in the electrical and optical equipment industries and the basic metals and metal products industries. Over the year to quarter three, UK production output decreased by a massive 3.2 per cent, its steepest fall since the third quarter of 1991.

UK construction output, table 13, rose by 1.1 per cent in 2001 quarter three, the fourth successive quarter of positive growth, following the previous quarter's increase of 1.6 per cent. On an annual basis, output recorded a rise of 5.8 per cent in the third quarter of 2001; the largest rise since the first quarter of 1998.

Dis-aggregated data shows that Wales, Northern Ireland and Scotland are no longer declining to a greater extent than the UK itself. The latest production and construction data for Wales is for the third quarter of 2001, for Northern Ireland the data relates to quarters three and two respectively, whilst for Scotland data is available for the first quarter of 2001.

Wales' industrial production, table 12, showed a slight upturn in the third quarter of 2001. Growth in the third quarter was 0.7 per cent, representing the first quarter of growth in production since quarter one of 2000. The decline in annual growth slowed somewhat, with production down by 6.7 per cent in the third quarter compared to a decline of 9.3 per cent in the previous quarter. However, the rise in production output was due a rise in electricity, gas and water output offsetting a fall in manufacturing output. The fall in manufacturing output was mainly due to declines in the electrical and optical equipment industries, textile industries and basic metals and fabricated metal products.

Wales' construction output, table 13, shows output picking up strongly, after a substantial fall in the previous quarter. Construction output grew by 8.8 per cent in the third quarter having fallen by the same percent the previous quarter. On an annual basis, the pickup in the third quarter saw output at only 4.6 per cent below its rate in the same quarter of 2000, a significant improvement on the decline of 16.6 per cent observed in the second quarter. Wales has now had thirteen consecutive quarters of negative annual growth.

Scotland's industrial production, table 12, recorded negative growth of 2.2 per cent in the first quarter, following on from negative growth of 2.7 per cent in the previous quarter. Year-on-year growth recorded its third successive quarter of decline, this time of 5.3 per cent following on from the declines of 3.5 per cent and 1.4 per cent recorded in the fourth and third quarters of 2000 respectively. This is the largest decline since figures for this series became available in 1996 quarter one.

Scotland's construction output, table 13, shows in the latest figures quarterly growth of 2.4 per cent in 2001 quarter one, compared to a rise of 0.9 per cent in the previous quarter. This is the second successive quarter of positive growth and although the pace of growth has quickened, the index is still below what it was at the beginning of 2000, as it has yet to make up the substantial falls witnessed in quarters two and three of 2000. For this very reason growth on an annual basis declined by 2.3 per cent in the first quarter of 2001, compared with a decline of 0.8 per cent in 2000 quarter four. Annual growth for 2000 as a whole was 6.4 per cent, up from 3.4 per cent in 1999.

Northern Ireland's industrial production, table 12, recorded a fall of 0.6 per cent in the third quarter of 2001, having fallen by 5.7 per cent in the previous quarter. Whilst growth has declined in recent quarters,

output continues to remain above the levels recorded prior to the third quarter of 2000. Following the decline in production, annual growth in the third quarter, turned negative for the first time since the series began in 1996 quarter one.

Northern Ireland's construction output, table 13, provisionally, growth in the second quarter of 2001 fell by 0.8 per cent, after having grown by 5.3 per cent in the first, following successive falls in quarters three and four of 2000 of 5.2 per cent and 1.5 per cent respectively. The data is very volatile, more generally 2000 saw very strong growth on 1999, 2001 figures show some but perhaps reduced growth continuing.

Manufacturing

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

Tables 14 to 18 show that CBI/BSL balances reveal a deterioration in business optimism across most regions in the October survey.

Table 14 shows that businesses in all regions were more **pessimistic about the business situation** than optimistic in the October survey. Scotland and Northern Ireland were the only regions to see their balances improve and even these improvements were by no means sufficient to take them into positive figures. Substantial declines were seen in the North West, Yorkshire and the Humber, the East Midlands, the West Midlands and Wales.

UK manufacturing output, as measured by CBI/BSL balances for **volume of output** in table 15, varied across regions in the October survey, with only Yorkshire and the Humber, the East Midlands, the West Midlands, the South West and Northern Ireland all showing some improvement on their respective July balances. All regions with the exception of the East Midlands are reporting negative balances and in this region the expectation is that output in the coming four months will decline. Expectations of the volume of output in the coming four months are negative in all of the regions, with the South West standing out as a region where an increasing number of firms expect output to decline.

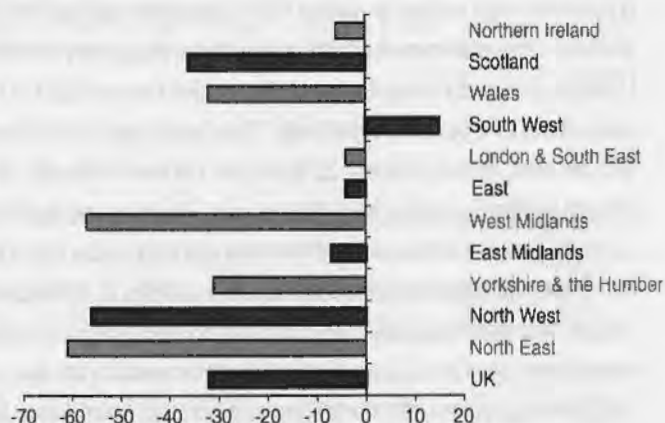
The overall CBI/BSL October balance for **volume of new orders**, table 16, shows a continuation of the deterioration seen in the July survey. The East Midlands and the South West were the only regions to improve their balances in October, with their respective improvements taking them positive. All other regions recorded negative and worsening balances in October, with the North West, the West Midlands, Wales and Scotland seeing the largest declines. The overall outlook for the coming four months was for further decline, with all regions showing negative balances,

although some regions were expecting their balances to improve.

Volume of new export orders, table 17, also showed a further deterioration in the October survey compared to the July survey, with only three regions improving their balances. The East Midlands, the East and the South West were the regions to see improvement, with strong rebounds in the balances of the East Midlands and the South West. There were major declines in the balances of the North East, the North West, the West Midlands, Wales and Scotland. Balances in all the remaining regions declined, so that in October the South West was the only region to record a positive balance (chart4). Looking ahead four months, all regions expect to see negative balances, with the balance in October's best performer, the South West, expected to decline substantially.

Chart 4

Manufacturing industry
volume of new export orders
October 2001



The percentages of **firms working below capacity** table 18, shows the UK as a whole seeing a perhaps surprising fall in the fourth quarter of 2001. All regions with the exception of the North East, the North West and Scotland saw falls, with only the latter actually seeing a rise. Of the remaining regions, the number of firms working below capacity is now below 50 percent in the East Midlands, the South West and Wales whilst, the West Midlands and Northern Ireland both saw double digit falls.

The Housing Market

In Table 20, UK **house prices** (not seasonally adjusted), growth continued in the third quarter, increasing by 3.6 per cent from the previous quarter, the same rate as seen in the second quarter.

The latest quarterly data showed this acceleration was seen across all regions bar the North East and Wales where prices fell by 0.2 per cent and 4.2 per cent respectively. The North West, the South West and

Merseyside posted the strongest growth, at 11.2 per cent, 8.9 per cent and 7.2 per cent respectively. Other regions showing growth above 5 per cent were, Yorkshire and the Humber, the East Midlands, the West Midlands and Northern Ireland. Due to continuing or renewed growth in the third quarter a large number of the regions are now at record highs.

In the UK, year-on-year growth to 2001 quarter three moved back into double figures, with growth of 10.0 per cent. Annual growth was highest in Merseyside at 16.7 per cent, an increase from 10.0 per cent in the previous quarter. Annual rates were in double figures in the North West at 13.9 per cent, the East Midlands at 12.4 per cent, the West Midlands and the East at 10.3 per cent, London at 15.8 per cent, the South East at 11.4 per cent, the South West at 13.2 per cent, Wales at 12.4 per cent and Northern Ireland at 15.6 per cent. Of the three remaining regions, only Yorkshire and the Humber saw a lower rate of growth in the third quarter compared with the second quarter.

In Table 19, the number of **permanent dwellings started** fluctuates quite widely from quarter to quarter with a significant seasonal factor involved. The latest data for 2001 quarter three shows only the East Midlands and London recording growth in the third quarter of 2001 of 1.1 per cent and 27.0 per cent respectively. There were major fall in Wales, 46.3 per cent, Northern Ireland, 23.3 per cent, the West Midlands, 19.9 per cent and the East with a fall of 19.4 per cent. However, only the North East with a fall of 13.4 per cent and Yorkshire and the Humber with a fall of 7.7 per cent experienced two consecutive quarters of contraction. Year-on-year growth highlights the strength of house building in London, where growth was up 41.3 per cent on the same period a year ago. Of the remaining regions, the North West and Northern Ireland were the only ones to show an improvement on the third quarter of 2000. There was significant contraction in Wales, the West Midlands and the North East.

Business Start-Ups

VAT registrations and de-registrations, table 21, shows registrations outnumbering de-registrations by 6,200 for the calendar year 2000 which, although a net gain, is well down on the level recorded in 1998, when there was a net gain of 30,300 registered enterprises. The net gain of 6,200 enterprises during 2000 shows a rise in the total business stock for the fifth consecutive year, however, all regions net gains were less than those recorded in 1998. In 2000 registrations outnumbered de-registrations in every region, except Yorkshire and the Humber, where there was a net loss of 800 businesses and Wales with a net loss of 200 businesses. Both the South West and Scotland recorded no change in their respective numbers of registered businesses. The largest net gains were in London of 2,700 businesses, the South East of 1,900 businesses, the East of 1,000 businesses and the North West with a net gain of 800 businesses.

1 Gross domestic product¹ at basic prices

Government Office Regions

£ million

	United Kingdom ² (£m)	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	TMPV	TMPW	TMPX	TMPY	TMPZ	TMQA	TMQB	TMQC	TMQD	TMQE	TMQF	TMQG	TMQH	TMQI
1989	452 437	17 156	49 365	34 848	30 439	37 956	45 885	68 907	66 979	34 118	385 653	19 007	38 448	9 329
1993	562 857	21 480	60 664	42 952	37 124	46 859	55 928	86 574	83 817	42 529	477 927	23 191	49 302	12 437
1994	593 931	22 074	63 938	44 752	39 023	49 577	59 824	91 118	88 936	44 607	503 851	24 463	52 273	13 344
1995	622 389	22 975	66 007	47 108	40 976	52 407	62 416	93 843	93 319	47 385	526 437	25 989	55 667	14 297
1996	657 775	23 755	68 937	50 043	44 184	54 851	66 484	99 490	100 614	50 128	558 483	27 017	57 338	14 936
1997	700 567	24 202	72 414	53 182	47 261	57 783	72 698	108 559	108 276	53 580	597 956	28 010	58 650	15 952
1998	743 314	25 294	75 275	55 457	49 413	61 130	77 962	118 499	116 024	56 064	635 117	29 541	62 153	16 501
1999	771 849	25 875	77 562	57 554	50 906	63 495	81 793	122 816	121 956	58 151	660 108	30 689	64 050	17 003

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

Source: National Statistics

2 UK less Extra-Region and statistical discrepancy.

2 Gross domestic product¹ at basic prices: £ per head

Government Office Regions

£

	United Kingdom ²	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	TMQJ	TMQK	TMQL	TMQM	TMQN	TMQO	TMQP	TMQQ	TMQR	TMQS	TMQT	TMQU	TMQV	TMQW
1989	7 888	6 614	7 199	7 042	7 621	7 242	9 012	10 135	8 805	7 297	8 069	6 624	7 544	5 893
1993	9 671	8 216	8 783	8 563	9 102	8 855	10 772	12 494	10 834	8 927	9 852	7 978	9 614	7 610
1994	10 170	8 441	9 248	8 901	9 519	9 352	11 467	13 088	11 441	9 311	10 349	8 393	10 168	8 114
1995	10 619	8 796	9 547	9 354	9 944	9 869	11 889	13 406	11 918	9 828	10 771	8 900	10 818	8 654
1996	11 185	9 111	9 980	9 927	10 673	10 309	12 582	14 107	12 761	10 351	11 384	9 240	11 162	8 964
1997	11 871	9 301	10 494	10 541	11 371	10 845	13 657	15 266	13 634	11 008	12 141	9 562	11 429	9 507
1998	12 548	9 741	10 909	10 983	11 848	11 455	14 530	16 532	14 510	11 447	12 845	10 063	12 117	9 754
1999	12 972	10 024	11 273	11 404	12 146	11 900	15 094	16 859	15 098	11 782	13 278	10 449	12 512	10 050

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

Source: National Statistics

2 UK less Extra-Region and statistical discrepancy.

3 Household disposable income¹: £ per head

Government Office Regions

£

	United Kingdom ²	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	DEPZ	LRCG	LRCN	DEQB	DEQC	DEQH	LRCI	DEQE	LRCJ	DEQG	LREV	DEQJ	DEQK	DEQL
1989	5 560	4 908	5 239	5 208	5 280	4 934	6 097	6 549	6 110	5 638	5 643	4 994	5 355	4 729
1993	7 771	7 053	7 313	7 232	7 214	7 112	8 248	9 311	8 519	7 608	7 867	6 986	7 704	6 540
1994	8 019	7 095	7 536	7 417	7 569	7 391	8 540	9 612	8 873	7 767	8 127	7 235	7 773	6 959
1995	8 442	7 423	7 912	7 740	7 883	7 871	9 909	10 123	9 306	8 290	8 545	7 703	8 199	7 428
1996	8 867	7 819	8 341	8 272	8 390	8 113	9 292	10 635	9 824	8 698	8 991	8 010	8 579	7 621
1997	9 403	8 108	8 761	8 589	8 931	8 405	10 233	11 358	10 503	9 368	9 559	8 338	8 918	8 150
1998	9 603	8 104	8 932	8 794	9 040	8 612	10 640	11 607	10 663	9 474	9 755	8 583	9 172	8 247
1999	10 078	8 353	9 375	9 305	9 346	9 195	11 255	12 036	11 249	9 825	10 237	9 113	9 558	8 659

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

Source: National Statistics

2 UK less Extra-Region

4 Individual consumption expenditure¹: £ per head

Government Office Regions

£

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	TLZ1	TLZJ	TLZK	TLZL	TLZM	TLZN	TLZO	TLZP	TLZQ	TLZR	TLZS	TLZT	TLZU	THZZ
1994	7 441	6 676	7 082	7 081	7 180	6 920	7 380	8 799	8 424	7 045	7 539	6 563	7 334	6 427
1995	7 762	6 973	7 336	7 306	7 583	7 364	7 915	9 011	8 697	7 408	7 865	6 997	7 537	6 775
1996	8 268	7 391	7 798	7 758	7 939	7 705	8 514	9 485	9 333	8 049	8 365	7 722	8 007	7 188
1997	8 776	7 744	8 331	8 177	8 370	8 128	8 963	10 248	9 938	8 584	8 895	8 041	8 488	7 463
1998	9 316	8 086	8 662	8 763	8 695	8 640	9 740	11 264	10 656	8 961	9 488	8 079	8 874	7 749
1999	9 864	8 003	9 321	8 907	9 057	9 262	10 077	12 250	11 392	9 600	10 057	8 206	9 459	8 281

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

Source: National Statistics

5 Total average gross weekly pay¹

Government Office Regions

£

	United Kingdom ²	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
1993 Apr	DEOG 316.0	LRGO 286.2	LSHZ 299.1	DCQI 287.6	DCQH 285.5	DCQG 292.7	LRCQ 312.2	DCPI 408.8	LRCR 328.9	DCQF 298.8	DCQL 281.5	DCQM 297.6	DCQN 282.4
1994 Apr	324.7	294.6	307.7	297.0	292.6	300.1	322.9	420.6	339.4	306.9	290.5	301.9	286.5
1995 Apr	335.3	299.2	317.7	306.0	306.4	311.3	331.5	441.5	348.1	313.9	302.0	313.5	300.2
1996 Apr	350.2	314.1	329.6	316.4	317.9	324.3	345.7	454.3	367.4	326.5	313.1	324.9	306.2
1997 Apr	366.3	327.6	345.8	330.5	332.9	337.8	362.4	480.1	382.5	342.7	330.1	336.8	319.7
1998 Apr	383.1	339.2	361.6	344.9	350.4	358.8	378.6	500.9	405.5	354.0	343.9	350.3	332.6
1999 Apr	398.7	349.6	372.6	361.0	361.7	375.6	396.6	520.0	423.2	364.9	353.6	364.9	344.9
2000 Apr	—	368.0	389.0	375.1	374.4	387.2	416.2	561.7	443.3	380.6	368.4	383.0	375.0
2001 Apr	—	380.8	408.3	392.1	394.3	419.1	438.7	593.7	473.0	408.5	381.8	404.5	375.0

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

2 Apr 2000 and Apr 2001 data for UK not available at time of publication.

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

6 ILO unemployment rates as a percentage of the economically active¹, seasonally adjusted

Government Office Regions

Percentages

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland ²
1998 Q3	MGSX 6.3	YCNC 8.3	YCND 6.8	YCNE 7.2	YCNF 5.4	YCNH 6.0	YCNH 4.5	YCNH 7.8	YCNJ 4.5	YCNK 4.9	YCNL 6.0	YCNM 7.5	YCNN 7.6	MGXW 8.1
Q4	6.2	9.7	7.1	7.1	4.9	6.6	4.3	7.7	4.0	4.5	6.0	7.2	7.8	6.8
1999 Q1	6.2	9.7	6.7	6.8	5.1	7.0	4.2	7.8	3.9	4.9	6.0	7.2	7.5	7.2
Q2	6.0	9.6	6.3	6.3	5.3	6.9	4.2	7.4	3.9	4.5	5.8	7.5	7.2	7.6
Q3	5.9	9.7	6.3	6.1	5.6	6.3	4.0	7.5	3.8	4.4	5.7	7.3	7.0	7.3
Q4	5.9	8.4	6.0	6.1	5.6	6.8	4.2	7.1	4.1	4.2	5.6	7.4	7.2	6.6
2000 Q1	5.8	9.0	6.1	6.3	5.2	6.1	4.0	7.6	3.5	4.3	5.5	6.8	7.5	6.6
Q2	5.5	8.9	5.4	6.1	4.9	6.1	3.6	7.2	3.3	4.2	5.2	6.1	7.2	6.7
Q3	5.4	9.0	5.4	6.1	4.8	5.8	3.7	7.0	3.1	4.0	5.1	6.5	6.9	5.8
Q4	5.2	8.0	5.2	5.6	4.6	6.0	3.4	6.9	3.4	3.9	5.0	6.2	6.0	6.1
2001 Q1	4.9	7.4	5.4	5.1	4.9	5.1	3.7	6.1	3.7	3.6	4.7	6.1	5.7	6.2
Q2	5.1	7.1	5.4	5.5	4.8	5.3	3.8	6.3	3.3	3.7	4.8	5.9	6.7	6.0
Q3	5.1	7.3	5.5	5.1	4.4	5.4	3.9	6.9	3.4	3.5	4.9	5.4	6.7	6.3

1 Periods are calendar quarters.

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

Source: Labour Force Survey, National Statistics

7 Long-term claimant count as a percentage of the unemployed¹ (those out of work for 12 months or more)

Government Office Regions

Percentages

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
2000 Nov	LRFN 21.8	LRFO 22.2	LSIA 20.2	LRFR 20.0	LRFS 19.8	LRFT 24.1	LRFU 19.6	LRFV 26.4	LRFW 18.9	LRFX 16.8	LRFY 19.2	LRFZ 20.6	LRGA 30.8
Dec	21.1	22.1	19.4	19.2	18.9	23.5	18.8	26.0	18.1	16.1	18.6	20.0	30.8
2001 Jan	19.8	20.9	18.1	17.9	17.4	22.2	17.3	25.4	16.9	14.7	17.3	18.3	30.2
Feb	19.6	21.0	18.0	17.6	17.1	21.8	16.6	25.0	16.7	14.5	17.2	18.1	30.6
Mar	19.7	21.3	18.1	17.8	17.3	21.7	16.6	24.7	16.8	14.8	17.5	18.3	31.3
Apr	19.9	21.5	18.2	17.8	17.6	21.8	17.0	24.5	16.8	15.0	18.2	18.7	31.7
May	20.3	22.0	18.7	18.3	18.0	22.2	17.2	24.3	17.1	15.5	18.8	19.0	32.2
Jun	20.6	22.4	19.2	18.7	18.4	22.7	17.6	24.3	17.3	15.9	19.7	18.9	32.2
Jul	20.0	21.7	18.8	18.4	18.1	22.2	17.1	23.9	16.6	15.4	19.2	18.0	30.1
Aug	19.5	21.4	18.5	17.9	17.9	21.5	16.4	23.3	15.8	14.9	18.7	17.4	29.7
Sep	19.7	21.3	18.9	18.1	18.2	21.8	16.1	22.9	15.5	14.8	18.9	18.0	30.7
Oct	19.5	20.6	19.0	18.2	18.2	21.9	15.7	22.6	15.0	14.5	18.8	17.4	31.5
Nov	18.9	19.8	18.5	17.7	17.6	21.7	15.0	21.9	14.1	13.7	18.1	16.6	31.5
Dec	18.0	18.7	17.7	16.9	16.9	20.7	14.2	21.0	13.0	13.0	17.0	15.9	30.8

1 Computerised claims only.

Source: National Statistics

8 Claimant count rates as a percentage of total workforce

Government Office Regions

Seasonally adjusted

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	BCJE	DPDM	IBWC	DPBI	DPBJ	DPBN	DPDP	DPDQ	DPDR	DPBM	DPBP	DPBQ	DPBR
1997	5.3	8.1	5.9	6.1	4.7	5.3	4.0	6.2	3.3	4.2	6.2	6.2	8.1
1998	4.5	7.2	5.1	5.4	4.0	4.6	3.2	5.0	2.6	3.4	5.4	5.5	7.3
1999	4.2	7.0	4.6	5.0	3.7	4.5	2.9	4.5	2.3	3.1	5.0	5.1	6.4
2000	3.6	6.3	4.1	4.4	3.5	4.0	2.5	3.8	1.9	2.5	4.4	4.6	5.3
2000 Dec	3.4	6.0	3.9	4.2	3.4	4.0	2.3	3.5	1.7	2.3	4.3	4.4	5.3
2001 Jan	3.3	5.8	3.8	4.1	3.3	3.9	2.2	3.4	1.6	2.2	4.2	4.4	5.2
Feb	3.3	5.7	3.8	4.1	3.3	3.9	2.2	3.4	1.6	2.1	4.2	4.3	5.1
Mar	3.3	5.6	3.8	4.0	3.3	3.8	2.1	3.3	1.6	2.2	4.1	4.3	5.1
Apr	3.2	5.5	3.8	4.0	3.2	3.8	2.1	3.3	1.6	2.2	4.0	4.2	5.1
May	3.2	5.5	3.8	4.0	3.2	3.8	2.1	3.3	1.6	2.2	4.0	4.2	5.1
Jun	3.2	5.4	3.7	4.0	3.2	3.7	2.1	3.3	1.5	2.1	3.9	4.1	5.0
Jul	3.2	5.3	3.7	3.9	3.2	3.6	2.1	3.2	1.5	2.1	3.9	4.1	5.0
Aug	3.1	5.3	3.6	3.9	3.1	3.6	2.1	3.2	1.5	2.1	3.8	4.1	4.9
Sep	3.1	5.3	3.6	3.9	3.1	3.6	2.1	3.3	1.5	2.1	3.8	4.1	4.9
Oct	3.2	5.4	3.7	3.9	3.1	3.6	2.1	3.3	1.5	2.1	3.8	4.2	4.9
Nov	3.2	5.4	3.7	3.9	3.1	3.6	2.1	3.4	1.6	2.1	3.8	4.2	4.9
Dec ¹	3.2	5.4	3.7	3.8	3.1	3.6	2.1	3.5	1.6	2.1	3.7	4.2	4.8

1 Provisional.

Source: National Statistics

9 Total in employment^{1,2}, seasonally adjusted

Government Office Regions

Thousands

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland ³
	MGRZ	YCJP	YCJQ	YCJR	YCJS	YCJT	YCJU	YCJV	YCJW	YCJX	YCJY	YCJZ	YCKA	YCPT
1998 Q3	27 352	1 068	3 027	2 265	1 991	2 485	2 637	3 331	4 009	2 343	23 155	1 221	2 292	685
Q4	27 448	1 060	3 025	2 281	1 989	2 461	2 638	3 376	4 042	2 339	23 211	1 235	2 308	700
1999 Q1	27 540	1 058	3 023	2 287	2 009	2 454	2 652	3 391	4 049	2 372	23 295	1 238	2 309	694
Q2	27 592	1 062	3 064	2 291	1 998	2 461	2 656	3 394	4 046	2 374	23 346	1 231	2 318	693
Q3	27 696	1 077	3 077	2 311	2 006	2 475	2 664	3 389	4 053	2 360	23 411	1 244	2 335	705
Q4	27 769	1 089	3 093	2 320	2 019	2 459	2 661	3 406	4 057	2 390	23 494	1 244	2 333	702
2000 Q1	27 824	1 087	3 108	2 312	2 018	2 471	2 673	3 383	4 107	2 394	23 550	1 242	2 336	695
Q2	27 930	1 105	3 137	2 344	2 036	2 459	2 684	3 378	4 116	2 381	23 641	1 252	2 353	680
Q3	27 999	1 100	3 096	2 348	2 020	2 458	2 702	3 399	4 112	2 425	23 660	1 262	2 378	701
Q4	28 088	1 099	3 125	2 353	2 012	2 461	2 757	3 420	4 117	2 401	23 745	1 255	2 388	699
2001 Q1	28 180	1 108	3 136	2 335	2 009	2 481	2 753	3 454	4 134	2 410	23 819	1 250	2 398	713
Q2	28 161	1 097	3 100	2 328	2 019	2 479	2 729	3 472	4 152	2 428	23 804	1 252	2 384	721
Q3	28 227	1 097	3 096	2 323	2 052	2 505	2 743	3 475	4 148	2 440	23 878	1 260	2 382	706

1 Includes employees, the self-employed, participants on Government-supported employment and training schemes and unpaid family-workers.

2 Periods are calendar quarters.

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

Source: Labour Force Survey, National Statistics

10 Redundancies, not seasonally adjusted¹

Government Office Regions

Rates²

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	DITA	LRDH	LRDI	DCXF	DCXG	DCXL	LRDJ	DCXI	LRDK	DCXK	DCXN	DCXO	DITB
Spring 1998	7	3	6	7	10	8	7	6	7	7	3	10	3
Summer 1998	7	3	7	9	9	9	5	5	7	6	3	8	3
Autumn 1998	7	10	7	7	8	9	9	6	9	7	3	6	3
Winter 1998	9	15	9	6	8	9	6	9	8	9	11	11	3
Spring 1999	8	3	9	8	3	11	8	6	7	6	10	10	3
Summer 1999	7	3	9	9	9	8	7	4	6	7	3	8	3
Autumn 1999	7	3	10	6	8	5	6	6	7	7	3	6	3
Winter 1999	8	10	8	6	11	9	6	7	6	6	15	9	3
Spring 2000	7	10	7	9	8	8	3	7	6	8	3	10	3
Summer 2000	6	3	7	5	9	7	5	4	7	8	3	6	3
Autumn 2000	7	3	6	7	6	8	6	6	6	6	3	7	3
Winter 2000	7	3	9	6	7	9	5	6	6	8	3	6	3
Spring 2001	7	3	8	5	8	8	6	7	5	7	3	9	3
Summer 2001	7	3	8	7	7	8	8	5	7	5	3	8	3
Autumn 2001	8	3	9	10	7	6	7	8	9	6	3	7	3

1 The method of calculating redundancy estimates back to spring 1995 has changed from that used to calculate data previously published in this table. Thus the data in this table are not comparable to those previously published. See pp225-229 of the May 2000 Labour Market Trends for more information.

2 Redundancies per 1,000 employees.

Source: Labour Force Survey, National Statistics

11 Employee jobs (all industries)

Government Office Regions

June 1996 = 100

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	YEKA	YEKB	YEKJ	YEKC	YEKD	YEKI	YEKE	YEKF	YEGG	YEKH	YEKK	YEKL	YEKM
1998	103.7	101.5	102.3	103.8	103.0	102.3	105.5	106.3	104.8	104.6	102.1	101.3	103.9
1999	105.6	102.0	105.5	104.1	103.9	102.7	106.3	109.6	107.8	105.0	105.0	103.1	106.2
2000	106.9	101.8	105.9	104.5	103.6	102.8	106.6	113.2	109.6	106.6	105.7	105.2	108.2
2000 Mar	105.8	101.4	105.7	103.7	103.2	102.5	106.1	111.5	109.3	105.5	104.3	102.5	107.4
Jun	106.6	101.7	105.7	103.8	103.4	102.9	105.7	112.6	109.0	107.2	105.6	104.9	107.7
Sep	107.2	101.8	106.1	104.8	103.6	102.8	106.6	113.7	109.5	106.8	106.2	106.0	108.0
Dec	108.0	102.4	106.2	105.6	104.1	103.2	108.0	114.9	110.9	106.9	106.6	107.2	109.5
2001 Mar	107.0	101.0	104.9	104.7	103.3	102.5	109.7	114.2	109.2	106.3	105.5	105.8	108.9
Jun	107.5	100.7	105.4	105.0	104.1	102.6	108.5	114.6	109.7	108.2	105.7	106.4	108.8
Sep	107.8	100.5	106.6	105.2	104.5	103.8	109.3	115.4	108.4	108.5	105.9	106.0	108.8

Source: National Statistics

12 Index of industrial production¹

Seasonally adjusted 1995 = 100

	United Kingdom	Scotland	Northern Ireland	Wales
	CKYW	LRFK	LRFL	TMQX
1997	102.4	108.8	107.5	101.6
1998	103.4	111.5	110.5	100.0
1999	104.2	114.9	118.3	100.9
2000	106.0	114.4	128.0	102.7
1998 Q3	103.7	110.8	111.2	99.5
Q4	103.1	112.9	110.9	98.7
1999 Q1	102.7	113.6	113.8	99.4
Q2	103.6	114.4	116.2	100.7
Q3	105.2	116.2	121.2	102.1
Q4	105.2	115.6	122.1	101.3
2000 Q1	104.6	115.2	124.1	104.0
Q2	106.2	116.2	124.4	103.9
Q3	107.0	114.6	131.3	101.7
Q4	106.2	111.5	132.1	101.5
2001 Q1	105.5	109.1	134.0	97.6
Q2	104.4	..	126.3	94.2
Q3	103.6	..	125.5	94.9

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

Sources: National Statistics;
Scottish Executive;

Department of Enterprise, Trade & Investment Northern Ireland;

13 Index of construction¹

Seasonally adjusted 1995 = 100

	United Kingdom	Scotland	Northern Ireland	Wales
	GDQB	LAZR	LRFM	TMQY
1997	105.7	101.1	..	99.6
1998	107.0	98.3	..	98.1
1999	107.8	101.6	..	93.0
2000	109.7	108.1	..	86.3
1998 Q3	105.9	100.9	109.4	92.3
Q4	106.0	99.4	108.1	103.3
1999 Q1	106.3	93.9	97.7	97.1
Q2	106.9	101.3	106.2	94.4
Q3	108.7	103.7	103.1	92.1
Q4	109.3	107.7	103.1	88.4
2000 Q1	112.1	112.0	109.4	85.9
Q2	109.7	107.8	121.2	91.2
Q3	107.9	105.8	114.9	86.8
Q4	109.2	106.8	113.2	81.1
2001 Q1	111.2	109.4	119.2 ²	83.4
Q2	113.0	..	118.3 ³	76.1
Q3	114.2	..	..	82.8

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

2 Revised.
3 Provisional.

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

14 Manufacturing industry: optimism about business situation

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

Balance¹

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
	DCMO	LRYS	LYYT	DCMU	DCMT	DCMS	LRYU	DCMP	DCMR	DCMX	DCMY	DCMZ
2001 Jan	-3	-27	-10	9	1	-25	-11	-12	35	-20	-1	8
Apr	-29	-28	-35	-30	-39	-35	-44	-47	-53	-16	-3	-10
Jul	-22	-28	-22	-27	3	-8	-29	-36	-41	-21	-52	-60
Oct	-54	-52	-74	-66	-47	-72	-40	-62	-72	-72	-47	-51

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

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

15 Manufacturing industry: volume of output

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

Balance¹

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
Past 4 months	DCLQ	LRVY	LRVW	DCLW	DCLV	DCLU	LRVY	DCLR	DCLT	DCLZ	DCMA	DCMB
2001 Jan	5	-9	-15	-1	14	2	6	3	30	19	9	16
Apr	-1	-34	-29	-13	-34	3	-9	1	19	8	7	52
Jul	-9	-19	-15	-24	-12	-7	-11	-14	2	-1	-21	-19
Oct	-11	-42	-41	-16	7	-5	-17	-15	17	-8	-34	-14
Next 4 months	DCMC	LRYY	LRYZ	DCMI	DCMH	DCME	LRZA	DCMD	DCMF	DCML	DCMM	DCMN
2001 Oct	-23	-24	-33	-31	-17	-22	-16	-16	-29	-16	-46	-20

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

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

16 Manufacturing industry: volume of new orders

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

Balance¹

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
Past 4 months	DCNA	LRZB	LRZC	DCNG	DCNF	DCNE	LRZD	DCNB	DCND	DCNJ	DCNK	DCNL
2001 Jan	4	-11	-10	2	27	-1	5	1	18	-	6	9
Apr	-1	-49	-33	-4	-12	-8	-8	13	13	-4	9	4
Jul	-6	-25	-28	-17	-17	-1	-6	-3	-15	-1	-24	-
Oct	-14	-27	-46	-26	8	-21	-17	-11	17	-19	-54	-2
Next 4 months	DCNM	LRZE	LRZF	DCNS	DCNR	DCNQ	LRZG	DCNN	DCNP	DCNV	DCNW	DCNX
2001 Oct	-25	-16	-29	-42	-27	-26	-4	-10	-52	-38	-43	-8

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

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

17 Manufacturing industry: volume of new export orders

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

Balance¹

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
Past 4 months	DCNY	LRZH	LRZI	DCOE	DCOD	DCOC	LRZJ	DCNZ	DCOB	DCOH	DCOI	DCOJ
2001 Jan	-1	-1	-13	2	29	6	1	11	40	-19	13	-15
Apr	-15	-25	-31	-7	2	-2	-22	2	12	3	11	-4
Jul	-20	-11	-22	-14	-28	-8	-16	8	-17	4	-4	3
Oct	-32	-61	-56	-31	-7	-57	-4	-4	15	-32	-36	-6
Next 4 months	DCOK	LRZK	LRZL	DCOQ	DCOP	DCOO	LRZM	DCOL	DCON	DCOT	DCOU	DCOV
2001 Oct	-34	-37	-41	-42	-12	-50	-10	-19	-62	-39	-38	-29

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

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

18 Manufacturing industry: firms working below capacity

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

Percentages

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
	DCOW	LRZN	LRZO	DCPC	DCPB	DCPA	LRZP	DCOX	DCOZ	DCPF	DCPG	DCPH
2001 Jan	57	52	64	67	47	59	58	58	34	58	47	57
Apr	64	86	80	63	65	51	71	63	49	61	37	41
Jul	67	90	73	73	52	68	66	70	48	56	49	84
Oct	59	90	73	62	43	55	63	65	41	41	54	72

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

19 Permanent dwellings started

Government Office Regions

Numbers

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales ³	Scotland ¹	Northern Ireland ³
	DEOI	LRDP	LRZQ	DCRX	DCRW	DCRV	LRDR	DCRR	LRDS	DCRU	BLIA	BLFA	BLGA
1999	189 652	7 030	18 804	15 184	15 953	15 593	18 586	13 508	25 268	16 782	9 311	22 765	10 868
2000	188 410	7 088	18 691	13 796	15 163	15 620	18 802	14 731	23 344	16 744	9 352	23 925	11 154
1998 Q3	47 984	1 837	4 439	3 901	4 266	4 083	5 136	3 216	6 588	4 542	2 220	5 203	2 553
Q4	38 626	1 418	4 357	3 067	3 471	2 884	3 868	3 479	4 943	3 363	1 692	4 212	1 872
1999 Q1	49 389	1 874	4 336	3 676	3 799	4 149	4 724	4 196	6 422	3 968	2 255	6 798	3 192
Q2	49 701	1 792	5 037	4 104	4 303	4 191	5 108	3 494	6 920	4 571	2 722	4 760	2 699
Q3	47 720	1 891	5 007	3 986	3 817	3 851	4 653	2 867	6 565	4 534	2 376	5 821	2 352
Q4	42 842	1 473	4 424	3 418	4 034	3 402	4 101	2 951	5 361	3 709	1 958	5 386	2 625
2000 Q1	52 120	2 071	5 546	3 571	4 161	4 566	5 350	3 240	6 316	4 688	2 205	6 814	3 592
Q2	50 618	1 786	4 806	3 661	4 025	4 470	5 148	4 340	6 778	4 595	2 749	5 457	2 803
Q3	48 252	1 712	4 560	3 580	3 890	3 657	4 926	3 963	6 028	4 259	2 781	6 406	2 490
Q4	37 420	1 519	3 779	2 984	3 087	2 927	3 378	3 188	4 222	3 202	1 617	5 248	2 269
2001 Q1	48 990	1 926	4 788	3 847	3 762	3 995	4 558	3 421	5 956	4 082	2 206	6 685	3 764
Q2 ²	52 177	1 733	5 008	3 794	3 759	3 995	5 707	4 408	7 122	4 429	2 703	5 739	3 780
Q3 ³	..	1 500	4 700	3 500	3 800	3 200	4 600	5 600	6 300	4 100	1 451	..	2 901

1 Includes estimates for outstanding returns for private sector.

2 Quarters 2 of 2001 and 3 of 2001 for the English regions are provisional.

3 Quarter 3 of 2001 is provisional for Wales and Northern Ireland.

Sources: Department of the Environment, Transport and the Regions;

National Assembly for Wales; Scottish Executive;

Department for Social Development, Northern Ireland

20 House prices¹

Government Office Regions

1993 = 100

	United Kingdom	North East	North West ²	Mersey-side	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	LRBH	LRDX	LRDY	LRBN	LRBJ	LRBK	LRBP	LRDZ	LRBM	LRBA	LRBO	LRBR	LRBS	LRBT
1999	144.6	121.7	124.4	113.1	117.4	127.7	130.6	147.1	177.7	157.5	145.2	124.1	120.4	170.0
2000	165.3	126.9	132.6	122.1	123.2	141.7	147.5	172.8	209.7	188.1	169.1	130.9	124.0	188.6
1998 Q3	134.2	116.3	120.9	108.6	110.9	123.8	121.9	141.0	153.0	146.5	134.1	114.9	121.4	155.6
Q4	133.6	108.0	117.7	111.7	113.1	124.3	123.5	139.7	152.9	145.9	134.2	117.6	116.7	161.1
1999 Q1	134.4	117.1	118.5	114.5	112.4	120.5	122.8	139.8	155.5	148.6	135.9	118.7	112.4	167.7
Q2	140.1	119.6	120.9	110.3	114.8	128.0	124.5	143.1	170.1	151.0	139.5	126.9	118.4	163.8
Q3	148.3	129.5	127.1	115.3	120.0	130.0	135.0	144.7	185.5	160.1	151.3	125.5	124.8	171.1
Q4	152.1	119.4	129.5	112.7	120.0	129.7	136.3	159.7	192.6	167.3	150.6	125.5	124.8	170.7
2000 Q1	156.0	116.5	126.5	109.8	119.9	137.3	137.5	163.7	200.7	171.6	157.7	128.6	124.2	181.5
Q2	164.5	131.9	135.8	120.0	119.9	140.8	146.9	170.6	215.7	184.5	163.8	129.2	123.6	184.3
Q3	167.6	122.4	134.8	121.2	127.4	144.6	151.0	178.0	204.1	192.4	176.9	131.8	124.4	186.0
Q4	172.6	126.2	129.3	134.8	125.7	144.7	153.1	181.4	219.2	202.1	177.7	133.2	124.2	201.9
2001 Q1	171.7	122.7	135.4	150.5	129.0	146.3	152.2	188.1	225.5	192.0	182.0	137.7	130.2	221.9
Q2	177.9	132.9	138.0	132.0	128.8	154.5	157.9	187.9	234.4	211.3	183.8	154.6	126.9	204.4
Q3	184.3	132.7	153.5	141.5	135.9	162.6	166.6	196.3	236.4	214.3	200.2	148.1	130.5	215.0

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

2 Excludes Merseyside.

Source: Department of the Environment, Transport and the Regions

21 VAT registrations and deregistrations¹: net change²

Government Office Regions

Thousands

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	DCYQ	LRER	LRZS	DCYT	DCYU	DCYY	LRER	DEON	LRER	DCYX	DCZA	DCZB	DCZC
1997	18.1	-0.2	1.0	-0.4	0.5	-0.3	2.5	8.9	4.3	0.9	-0.1	0.7	0.2
1998	30.3	0.2	2.5	0.5	1.2	1.7	2.7	11.3	6.9	1.7	-0.1	0.9	0.9
1999	6.5	-0.1	0.9	-0.7	-0.2	0.2	0.6	4.6	2.4	0.1	-0.7	-0.5	-0.1
2000	6.2	0.1	0.8	-0.8	0.2	0.3	1.0	2.7	1.9	-	-0.2	-	0.3

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

2 Registrations less deregistrations.

Source: Department of Trade and Industry

Final Expenditure Prices Index (Experimental) – December 2001

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Notice of withdrawal of the FEPI

The FEPI has been published as an experimental index since September 1997. An article in the February 2000 edition of Economic Trends identified three main areas where methodological improvements needed to be implemented in order for the FEPI to be relaunched as a mainstream economic indicator in March 2002:

- Development of zero-lag construction output indices
- Consistency with National Accounts
- Incorporation of implied government output prices into the FEPI

The first two criteria have been met, but it has not been possible to calculate reliable monthly indices for government output prices. In its present form the monthly government prices (IGP) component is on a different conceptual basis from the remainder of the FEPI being based on input rather than output prices.

A methodological review considered whether the FEPI could be published as a mainstream National Statistic in its present form and concluded that the use of input prices for the Index of Government Prices prevented this. As a result the production of the experimental FEPI is to cease with effect from the December index. Improved output indices are not expected to be available until 2004 at the earliest after which time the possibility of again producing the FEPI will be reviewed.

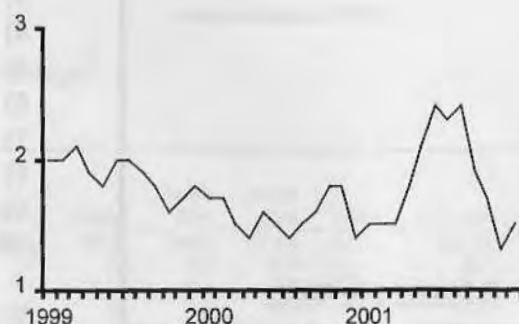
The final dataset produced is available in Excel format from the National Statistics website:

<http://www.statistics.gov.uk/fepi>

Summary

The annual rate of inflation for the FEPI rose from 1.3 per cent in November to 1.5 per cent in December, largely due to higher inflation for consumer prices.

The FEPI annual percentage change



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	Jul	126.0	1.9	121.0	2.4	126.6	2.8	133.4	3.2	125.2	2.3
	Aug	126.5	2.3	121.1	1.9	126.9	2.8	133.9	3.2	125.5	2.4
	Sep	126.4	1.7	120.4	1.1	127.1	2.8	134.2	3.4	125.4	1.9
	Oct	126.2	1.5	120.0	0.8	127.1	2.8	134.1	3.5	125.2	1.7
	Nov	125.7	1.0	120.5	1.1	127.0	2.5	133.8	3.2	124.9	1.3
	Dec	126.1	1.3	120.4	1.3	127.2	2.5	133.9	3.0	125.2	1.5

The Index of Consumer Prices (ICP)

Consumer price inflation, as measured by the ICP, increased from 1.0 per cent in November to 1.3 per cent in December.

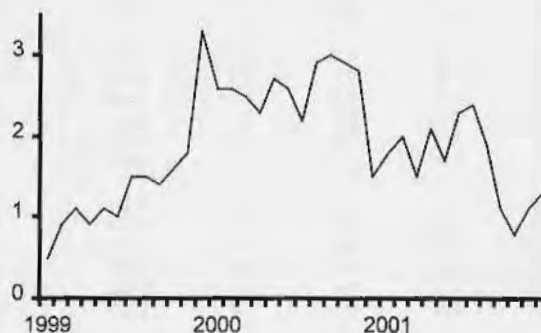
The largest upward effects came from:

- Transport services, where the annual rate of inflation was plus 1.7 per cent in December compared with minus 3.0 per cent in November, reflecting higher air fares.
- Food and non-alcoholic beverages, where the annual rate of inflation was 3.4 per cent in December compared with 2.9 per cent in November.
- Major durables for recreation and culture, where the annual rate of inflation was minus 3.9 per cent in December compared with minus 4.8 per cent in November.
- Communication, where the annual rate of inflation was minus 2.6 per cent in December compared with minus 3.9 per cent in November.

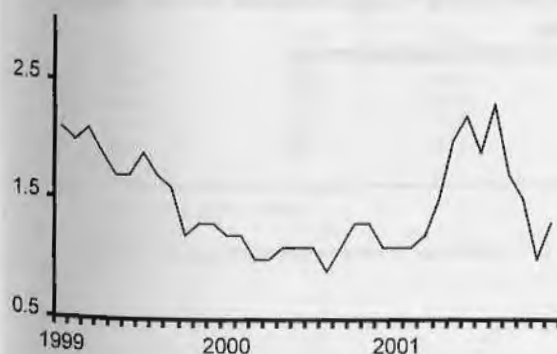
The Index of Investment Prices (IIP)

Investment price inflation, as measured by the IIP, increased from 1.1 per cent in November to 1.3 per cent in December. The largest upward effects came from dwellings, where the annual rate of inflation increased from 8.1 per cent in November to 9.4 per cent in December, and transfer costs of land and buildings, where the annual rate of inflation increased from 11.6 per cent in November to 13.2 per cent in December.

The IIP annual percentage change



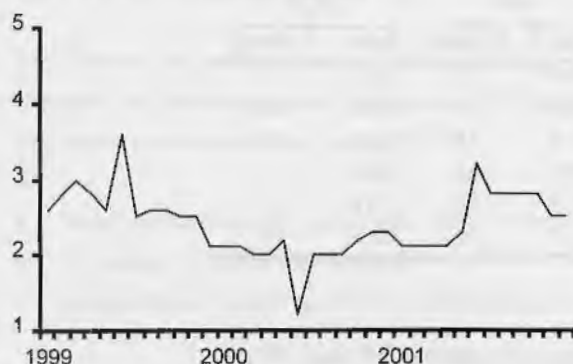
The ICP annual percentage change



The Index of Government Prices (IGP)

The annual rate of inflation for the IGP was unchanged in December at 2.5 per cent.

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	Jul	2.3	2.2	1.4	1.9	-0.1
	Aug	2.4	2.6	1.8	2.3	0.2
	Sep	1.9	2.3	1.3	1.7	-0.2
	Oct	1.7	2.3	1.2	1.5	-0.6
	Nov	1.3	1.8	0.8	1.0	-1.4
	Dec	1.5	1.9	1.0	1.3	-1.2

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 the National Statistics website:

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

Final Expenditure Prices Index (FEPI)

Summary Table

Experimental price indices

	Index of Consumer Prices ICP	Index of Investment Prices IIP	Index of Government Prices IGP	Index of NPISH Prices INP ¹	Final Expenditure Prices Index FEPI	Annual percentage changes				
						ICP	IIP	IGP	INP	FEPI
January 1992=100										
Weights										
1998	601	178	198	23	1000					
1999	607	180	190	24	1000					
2000	605	186	185	24	1000					
2001	602	188	185	24	1000					
	VASH	CUSK	CUSO	ZIUS	CUSP	MKVB	CGBF	CGBJ	ZIUT	CGBK
1997 Nov	118.8	113.5	115.4	119.0	116.9	2.5	1.4	1.6	2.9	2.1
Dec	118.9	113.2	116.1	119.5	117.1	2.3	0.8	1.6	3.0	1.9
1998 Jan	118.4	113.2	116.2	119.6	116.8	2.1	0.8	1.6	3.0	1.7
Feb	119.0	112.8	116.0	119.7	117.1	2.3	0.2	1.6	2.8	1.8
Mar	119.5	113.2	115.7	119.6	117.4	2.4	0.5	1.6	2.7	1.9
Apr	120.2	113.7	117.0	120.5	118.2	2.6	0.7	2.2	3.1	2.2
May	120.8	113.7	117.3	120.9	118.6	2.7	0.8	2.4	3.3	2.3
Jun	120.7	114.1	117.4	121.2	118.6	2.4	1.0	2.5	3.5	2.2
Jul	120.0	114.0	117.8	122.1	118.3	2.1	0.5	1.6	2.4	1.8
Aug	120.5	113.9	117.9	122.6	118.6	2.0	0.3	2.1	2.3	1.7
Sep	121.1	114.0	118.1	122.7	119.0	2.1	0.3	2.0	2.2	1.8
Oct	121.2	113.9	117.9	122.4	119.0	2.1	0.4	2.2	2.6	1.8
Nov	121.3	113.9	118.1	122.3	119.1	2.1	0.4	2.3	2.8	1.9
Dec	121.6	113.4	118.8	122.9	119.4	2.3	0.2	2.3	2.8	2.0
1999 Jan	120.9	113.8	119.2	123.5	119.1	2.1	0.5	2.6	3.3	2.0
Feb	121.4	113.8	119.2	123.5	119.4	2.0	0.9	2.8	3.2	2.0
Mar	122.0	114.4	119.2	123.5	119.9	2.1	1.1	3.0	3.3	2.1
Apr	122.5	114.7	120.3	124.4	120.5	1.9	0.9	2.8	3.2	1.9
May	122.8	115.0	120.4	124.8	120.7	1.7	1.1	2.6	3.2	1.8
Jun	122.8	115.2	121.6	125.5	121.0	1.7	1.0	3.6	3.5	2.0
Jul	122.3	115.7	120.8	126.1	120.7	1.9	1.5	2.5	3.3	2.0
Aug	122.5	115.6	121.0	126.7	120.8	1.7	1.5	2.6	3.3	1.9
Sep	123.0	115.6	121.2	126.7	121.2	1.6	1.4	2.6	3.3	1.8
Oct	122.7	115.7	120.9	126.4	120.9	1.2	1.6	2.5	3.3	1.6
Nov	122.9	115.9	121.1	126.5	121.1	1.3	1.8	2.5	3.4	1.7
Dec	123.2	117.1	121.3	126.7	121.6	1.3	3.3	2.1	3.1	1.8
2000 Jan	122.4	116.8	121.7	126.7	121.1	1.2	2.6	2.1	2.6	1.7
Feb	122.9	116.8	121.7	126.8	121.4	1.2	2.6	2.1	2.7	1.7
Mar	123.2	117.3	121.6	126.8	121.7	1.0	2.5	2.0	2.7	1.5
Apr	123.7	117.3	122.7	127.8	122.2	1.0	2.3	2.0	2.7	1.4
May	124.1	118.1	123.0	128.0	122.6	1.1	2.7	2.2	2.6	1.6
Jun	124.2	118.2	123.1	128.4	122.8	1.1	2.6	1.2	2.3	1.5
Jul	123.6	118.2	123.2	129.3	122.4	1.1	2.2	2.0	2.5	1.4
Aug	123.6	118.9	123.4	129.7	122.6	0.9	2.9	2.0	2.4	1.5
Sep	124.3	119.1	123.6	129.8	123.1	1.1	3.0	2.0	2.4	1.6
Oct	124.3	119.1	123.6	129.6	123.1	1.3	2.9	2.2	2.5	1.8
Nov	124.5	119.2	123.9	129.7	123.3	1.3	2.8	2.3	2.5	1.8
Dec	124.5	118.8	124.1	130.0	123.3	1.1	1.5	2.3	2.6	1.4
2001 Jan	123.7	118.9	124.2	130.4	122.9	1.1	1.8	2.1	2.9	1.5
Feb	124.2	119.1	124.2	130.5	123.2	1.1	2.0	2.1	2.9	1.5
Mar	124.7	119.1	124.1	130.6	123.5	1.2	1.5	2.1	3.0	1.5
Apr	125.6	119.8	125.3	131.3	124.4	1.5	2.1	2.1	2.7	1.8
May	126.6	120.1	125.8	132.1	125.2	2.0	1.7	2.3	3.2	2.1
Jun	126.9	120.9	127.0	132.8	125.7	2.2	2.3	3.2	3.4	2.4
Jul	126.0	121.0	126.6	133.4	125.2	1.9	2.4	2.8	3.2	2.3
Aug	126.5	121.1	126.9	133.9	125.5	2.3	1.9	2.8	3.2	2.4
Sep	126.4	120.4	127.1	134.2	125.4	1.7	1.1	2.8	3.4	1.9
Oct	126.2	120.0 [†]	127.1 [†]	134.1 [†]	125.2 [†]	1.5	0.8 [†]	2.8 [†]	3.5 [†]	1.7 [†]
Nov	125.7	120.5	127.0	133.8	124.9	1.0	1.1	2.5	3.2	1.3
Dec	126.1	120.4	127.2	133.9	125.2	1.3	1.3	2.5	3.0	1.5

[†] Indicates earliest revision.¹ NPISH = Non-profit Institutions serving households.

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

Experimental price indices

	Food and Non- alcoholic Beverages	Alcoholic Beverages	Tobacco	Clothing and Footwear	Actual Rentals for Housing	Housing Goods and Services	Electricity, Gas and Other Household Fuels	Furnishings, Household Equipment, etc.	Health	Purchase and Operation of Vehicles	Fuels and Lubricants for Vehicles
January 1992=100											
COICOP Division	01	02	02	03	04	04	04	05	06	07	07
Weights											
1998	124	19	29	69	46	28	38	64	17	80	30
1999	118	19	28	68	46	29	34	64	17	85	30
2000	115	19	28	66	47	30	30	64	17	85	30
2001	112	20	28	66	47	30	28	64	17	82	30
	VARP	VARQ	VARR	VARS	VART	VARU	VARV	VARW	VARX	VARY	VARZ
1999 Dec	112.4	113.6	184.7	102.0	146.9	137.9	98.9	115.5	155.2	113.0	176.7
2000 Jan	112.3	115.8	184.8	95.2	147.2	138.8	98.7	109.9	156.2	114.1	176.3
Feb	112.2	115.7	186.7	98.4	147.2	139.0	98.8	110.9	156.5	114.2	176.2
Mar	111.5	115.8	186.8	99.8	147.2	138.9	98.8	112.1	156.6	114.7	182.7
Apr	111.1	115.3	198.4	100.8	149.8	134.6	97.6	112.0	157.9	115.0	186.6
May	112.2	115.4	198.6	100.7	149.9	134.7	96.9	112.4	158.2	115.5	185.7
Jun	112.4	115.5	198.9	100.0	150.2	134.7	96.4	111.9	158.4	114.9	194.9
Jul	113.4	115.1	199.0	93.0	150.7	135.0	96.4	109.8	159.9	114.1	196.5
Aug	112.5	114.9	200.2	94.6	150.9	135.5	96.4	110.5	160.2	113.5	188.1
Sep	112.7	115.4	201.5	98.0	151.2	135.7	97.2	112.2	160.4	113.2	191.7
Oct	112.9	115.2	201.6	98.0	151.6	136.0	97.6	111.0	161.7	112.8	196.8
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	118.5	181.7
Aug	116.9	116.7	207.4	91.6	156.0	140.8	98.3	111.9	170.2	116.6	179.8
Sep	116.7	116.1	209.7	94.1	156.2	141.0	99.1	113.4	170.4	116.3	178.8
Oct	117.0	116.6	209.9	93.6	156.5	140.8	98.7	112.3	170.5	115.7	175.9
Nov	116.8	115.6	209.9	93.8	156.6	140.8	98.5	113.7	171.1	114.7	166.7
Dec	117.6	113.7	210.3	93.4	156.8	141.2	98.3	115.5	171.1	114.5	163.8

Annual Percentage Changes

	Food and Non- alcoholic Beverages	Alcoholic Beverages	Tobacco	Clothing and Footwear	Actual Rentals for Housing	Housing Goods and Services	Electricity, Gas and Other Household Fuels	Furnishings, Household Equipment, etc.	Health	Purchase and Operation of Vehicles	Fuels and Lubricants for Vehicles
COICOP Division	01	02	02	03	04	04	04	05	06	07	07
	VASK	VASL	VASM	VASN	VASO	VASP	MKUP	MKUQ	MKUR	MKUS	MKUT
1999 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
Aug	3.9	1.6	3.6	-3.2	3.4	3.9	2.0	1.3	6.2	2.7	-4.4
Sep	3.5	0.6	4.1	-4.0	3.3	3.9	2.0	1.1	8.2	2.7	-6.7
Oct	3.6	1.2	4.1	-4.5	3.2	3.5	1.1	1.2	5.4	2.6	-5.8
Nov	2.9	0.6	4.1	-4.8	3.2	3.4	1.1	1.2	5.7	2.1	-13.0
Dec	3.4	0.1	4.3	-4.5	3.2	3.3	1.1	1.1	5.4	2.2	-13.0

† Indicates earliest revision.

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 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	73.9	122.2	153.9	142.6	138.5	124.7	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	73.9	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
Aug	157.8	77.0	73.1	123.4	153.9	145.5	139.5	126.5	114.2	143.7
Sep	143.1	77.0	72.7	123.7	157.7	145.9	139.5	126.4	114.7	142.6
Oct	139.1	77.5	72.1	123.6	160.8	146.4	139.7	126.2	114.2	142.7
Nov	131.3	77.3	71.6	123.8	160.8	146.7	139.8	125.7	113.8	142.1
Dec	137.7	77.3	71.5	124.0	160.8	146.9	140.2	126.1	114.0	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
COICOP Division	07	08	09	09	10	11	12			
	MKUJ	MKUV	MKUW	MKUX	MKUY	MKUZ	MKVA	MKVB	MKVC	MKVD
1999 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	-6.0	0.9	5.1	4.2	2.1	1.2	-	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	-5.9	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
Aug	16.8	-5.2	-4.4	1.4	5.1	3.7	2.3	2.3	0.7	4.4
Sep	6.2	-4.5	-4.3	1.1	4.8	3.7	1.9	1.7	0.3	3.3
Oct	2.7	-3.5	-4.6	1.0	4.5	3.8	2.0	1.5	0.2	3.1
Nov	-3.0	-3.9	-4.8	1.6	4.5	3.8	1.8	1.0	-0.5	2.6
Dec	1.7	-2.6	-3.9	1.7	4.5	3.8	2.1	1.3	-0.3	3.2

3

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

Experimental price indices

	Equipment				Construction				Index of Investment Prices IIP
	Transport Equipment	Other Machinery and Equipment	Intangible Fixed Assets ¹	Total Equipment	Dwellings	Other Buildings and Structures	Transfer Costs of Land and Buildings	Total Construction	
January 1992=100									
Weights									
1998	97	392	33	521	181	263	35	479	1000
1999	98	389	32	519	178	260	42	481	1000
2000	99	382	32	513	179	267	41	487	1000
2001	109	376	28	514	174	263	49	486	1000
1999 Dec	CUSH 123.1	CUSG 94.0	MJYL 124.5	ZIWS 101.0	CUSJ 138.6	CUSF 127.1	CUSI 201.4	ZIWT 136.5	CUSK 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	91.6	129.0	99.0	146.8	132.1	228.4	144.0	119.1
Mar	120.9	91.2	129.1	98.6	148.1	132.4	230.5	144.7	119.1
Apr	120.8	90.7	130.7	98.3	152.3	132.6	238.5	146.8	119.8
May	120.0	91.0	131.4	98.4	153.4	132.8	240.9	147.5	120.1
Jun	120.0	90.8	131.8	98.3	157.8	133.1	247.7	149.6	120.9
Jul	119.6	90.6	131.2	98.0	158.8	133.4	249.5	150.3	121.0
Aug	119.9 [†]	89.6	131.2	97.3	161.5	133.7	253.9	151.6	121.1
Sep	119.9	89.3 [†]	131.7 [†]	97.0	158.3	134.0	248.9	150.4	120.4
Oct	120.2	88.5	132.0	96.5 [†]	157.5 [†]	134.2	248.7 [†]	150.3 [†]	120.0 [†]
Nov	121.6	88.3	131.5	96.5	159.8	134.4	252.6	151.4	120.5
Dec	122.0	87.6	131.7	96.1	160.1	134.7	253.3	151.7	120.4

Annual Percentage Changes

	Equipment				Construction				Index of Investment Prices IIP
	Transport Equipment	Other Machinery and Equipment	Intangible Fixed Assets ¹	Total Equipment	Dwellings	Other Buildings and Structures	Transfer Costs of Land and Buildings	Total Construction	
1999 Dec	CGBC 2.6	CGBB -3.3	MJYM 0.5	ZIWU -1.9	CGBE 16.6	CGBA 2.6	CGBD 17.9	ZIWW 9.0	CGBF 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	-2.3	2.3	-1.7	7.2	3.6	12.4	5.6	2.0
Mar	-0.7	-2.0	2.6	-1.5	5.3	3.5	10.2	4.8	1.5
Apr	0.8	-1.8	3.4	-1.0	7.0	3.4	10.5	5.3	2.1
May	-0.6	-2.3	3.1	-1.6	6.8	3.2	11.0	5.2	1.7
Jun	-1.2	-2.2	3.5	-1.6	9.7	3.1	13.4	6.5	2.3
Jul	-2.1	-2.2	3.2	-1.9	10.7	2.9	14.1	6.8	2.4
Aug	-1.2 [†]	-3.8	3.5	-2.8	10.7	2.8	14.3	6.7	1.9
Sep	-1.8	-4.3 [†]	3.6 [†]	-3.4	8.9	2.8	11.0	5.8	1.1
Oct	-1.2	-4.6	4.0	-3.4 [†]	7.4 [†]	2.8	10.5 [†]	5.2 [†]	0.8 [†]
Nov	1.4	-4.5	3.0	-2.9	8.1	2.3	11.6	5.3	1.1
Dec	1.2	-4.8	2.9	-3.1	9.4	2.4	13.2	5.9	1.3

[†] Indicates earliest revision.

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

Final Expenditure Prices Index - FEPI Index of Government Prices - IGP

Experimental price indices

	Annual percentage changes					
	Local Government Pay & Procurement	Central Government Pay & Procurement	Index of Government Prices	Local Government Pay & Procurement	Central Government Pay & Procurement	Index of Government Prices
January 1992=100						
Weights						
1998	383	617	1000			
1999	382	618	1000			
2000	382	618	1000			
2001	393	607	1000			
	CUSL	CUSM	CUSO	CGBG	CGBH	CGBJ
1999 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	121.3	124.1	2.6	1.8	2.1
Apr	130.6	122.0	125.3	2.3	1.9	2.1
May	130.7	122.8	125.8	2.3	2.3	2.3
Jun	133.4	123.1	127.0	4.3	2.5	3.2
Jul	131.8	123.4	126.6	3.0	2.7	2.8
Aug	131.9	123.8	126.9	3.0	2.7	2.8
Sep	132.3	123.9	127.1	3.0	2.7	2.8
Oct	132.3 [†]	123.9 [†]	127.1 [†]	3.0 [†]	2.7 [†]	2.8 [†]
Nov	132.3	123.8	127.0	2.7	2.4	2.5
Dec	132.4	124.1	127.2	2.8	2.4	2.5

[†] indicates earliest revision.

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

	Index of Consumer Prices ICP	Index of Investment Prices IIP	Index of Government Prices IGP(P)	Index of NPISH Prices INP ¹	Final Expenditure Prices Index FEPI(P)	Annual percentage changes				
						ICP	IIP	IGP(P)	INP	FEPI(P)
January 1992=100										
Weights										
1998	601	178	198	23	1000					
1999	607	180	190	24	1000					
2000	605	186	185	24	1000					
2001	602	188	185	24	1000					
	VASH	CUSK	LGTZ	ZIUS	LGUA	MKVB	CGBF	GXVN	ZIUT	GXVO
1992	102.1	98.8	100.9	102.0	101.2	..	..	..	..	..
1993	105.5	99.8	103.6	106.3	103.9	3.3	1.0	2.7	4.2	2.7
1994	108.2	103.0	106.3	109.4	106.7	2.6	3.2	2.6	2.9	2.7
1995	111.6	108.5	108.0	112.4	110.1	3.1	5.3	1.6	2.7	3.2
1996	114.8	111.8	110.3	115.3	113.2	2.9	3.0	2.1	2.6	2.8
1997	117.7	113.1	111.6	118.1	115.4	2.5	1.2	1.2	2.4	1.9
1998	120.4	113.7	114.1	121.4	117.7	2.3	0.5	2.2	2.8	2.0
1999	122.4	115.2	119.5	125.4	120.3	1.7	1.3	4.7	3.3	2.2
2000	123.8	118.2	123.6	128.6	122.6	1.1	2.6	3.4	2.6	1.9

† indicates earliest revision.

1 NPISH = Non-profit institutions serving households.

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

	Local Government Pay & Procurement	Central Government Pay & Procurement	Index of Government Prices	Annual percentage changes		
				Local Government Pay & Procurement	Central Government Pay & Procurement	Index of Government Prices
January 1992=100						
Weights						
1998	383	617	1000			
1999	382	618	1000			
2000	382	618	1000			
2001	393	607	1000			
	LGTU	LGTX	LGTZ	GXVL	GXVM	GXVN
1992	100.1	101.4	100.9	..	..	..
1993	101.1	105.3	103.6	1.0	3.8	2.7
1994	103.6	108.0	106.3	2.5	2.6	2.6
1995	106.1	109.2	108.0	2.4	1.1	1.6
1996	108.2	111.7	110.3	2.0	2.3	2.1
1997	110.5	112.4	111.6	2.1	0.6	1.2
1998	113.1	114.8	114.1	2.4	2.1	2.2
1999	118.7	120.1	119.5	5.0	4.6	4.7
2000	122.1	124.6	123.6	2.9	3.7	3.4

† indicates earliest revision.

Labour productivity measures for the non-production industries

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Overview

This article presents new experimental productivity data. It discusses the suitability of industry output series relating to the non-production section of the economy for the estimation of productivity changes. Finally, consideration is given to the way in which future improvements to sources can be expected to add to the range and quality of industry productivity estimates in the longer term. The new data will appear quarterly on the experimental area of the National Statistics website.

Introduction

Productivity data are central in monitoring the economy and have a high political profile. However, productivity is difficult to measure accurately as it combines data on output and employment, and these have historically been measured using different surveys and different methodologies.

The Office for National Statistics (ONS) has instituted a range of developments to improve the measurement of productivity. The foundation for these has been the development of the new, comprehensive Annual Business Inquiry, which collects output and employment data together across the whole economy. The existing employment data have been reconciled with this, and the resultant new productivity series were published in April 2001. See the article 'Introducing New and Improved Productivity Data' published in the May 2001 edition of *Economic Trends*. This and the most recent productivity measures published by ONS can also be found on the productivity web page at www.statistics.gov.uk/productivity

These publications provide monthly and quarterly data: monthly output per job indices for manufacturing, quarterly output per job and output per hour indices for the whole economy, production, and manufacturing sub-sections. These are largely based on data from the monthly production inquiry, which collects data on turnover and labour from a sample of firms in the production industries.

Until now, ONS has not published productivity estimates for the services industries because of known quality issues with the data. However, a range of improvements are now being made to the output measures and these provide an opportunity for ONS to re-assess the potential for extending productivity estimates to the services industries.

For each industry section outside the production section, this paper examines the case for producing productivity measures. It concludes that quarterly measures should be produced for sections G/H (Distribution, Hotels and Catering combined) and for G-P (services combined) as well as annual measures for sections A/B (Agriculture, forestry and fishery combined). In addition the publication of a measure for the construction industry cannot be defended on quality issues and therefore has been withdrawn.

Background

Outside the production section, the data on output and labour come from a variety of sources. ONS has consistently placed a high priority on improving measures of service section output, and is far more advanced than most statistical institutes. During the 1990s a range of surveys was developed for the services industries, including those gathering information on quarterly turnover and on prices. This was taken further with the establishment of the new Index of Services (IoS) project, which is working towards the production of a monthly

Index of Services by improving the data and methods used for estimating the output of service sector industries. Further detail on the IoS project can be found in the December 2000 edition of *Economic Trends* or on the website at www.statistics.gov.uk/ios

For many services, firms are asked for the turnover of their business, for others it is not considered practicable or appropriate to collect turnover data. Where turnover is used as a service industry output indicator it is deflated using the most appropriate available price indices and aggregated using weights based on the gross value added (GVA) of the industry. In this way indices approximating the growth in constant price gross value added of the industry are produced. Underlying such short-term estimate indicators is the assumption of a consistent ratio between turnover and value added.

Measuring labour productivity for the non-production industries

Recent changes to the 'labour' part of the labour productivity measure have been made that improve the consistency between the output and input data.¹ Productivity measures for the production industries (the IoP) have been published for some time by ONS and are considered to be of acceptable quality and hence are not reviewed in this article. This section describes the composition of the output measures for the non-production industries and highlights features that could have a detrimental effect on the quality of some labour productivity measures compiled for these industries. Some output measures use employment numbers as a proxy and in others the series use deflators that are related to employment, such as an earnings index. These assumptions along with the use of an employment denominator mean that the relationship between the output and input data has to be considered before the usefulness of producing labour productivity measures for non-production industries can be assessed.

Agriculture, forestry and fishery

(SIC92: industry divisions 1–5, sections A/B).

These industries (SIC industry divisions 1–5, sections A and B) account for 1.8 per cent of GVA.^{2,3} Agriculture dominates, representing over 90 per cent of the total weight of these divisions taken together.

Although the annual measures of the change in output at constant prices for agriculture are of sufficient quality to allow the calculation of useful productivity measures, this does not hold for short period data. The annual figures do not use an earnings index to deflate nor

employment figures to proxy output: the annual measure is a double deflated estimate of GVA, derived from a large survey collecting farming inputs and outputs and their product prices in great detail. However the quarterly data are of limited coverage and the seasonality of agricultural output makes the creation of consistent output and employment data particularly problematic.

In addition, 'Forestry' output information is available only annually, although 'Fishing' data are supplied quarterly.

As a result of data and seasonality difficulties we consider that a useful short-term measure of productivity for these industries cannot be produced. Our initial investigation suggests that it should be feasible to produce a sound annual measure of productivity, given the quality of the annual data. Therefore annual measures will be produced on an experimental basis to allow ONS to further assess their usefulness. The new data will appear quarterly on the experimental area of the National Statistics website www.statistics.gov.uk/press_release/Experimental.asp

Construction

(SIC92: industry division 45, section F).

Construction accounts for 5.2 per cent of Gross Value Added (GVA)^{2,3} of the whole economy. About three quarters of employees in this section are employed in firms included in the IDBR; for these firms output is based on turnover data from business surveys. However, about a quarter of the employment in the construction industry is self-employed or working in firms not registered for VAT. To estimate the output of these self-employed, an assumed productivity level is multiplied by an estimate of the number of self-employed in the industry.

A productivity measure was published for this section until September 2001. However, the use of a self-employed estimate as a direct component of the output estimate means that the output and the labour parts of the calculation are not independent of each other: each is derived in part from some of the same self-employed figures. This reduces the data content in the present construction productivity estimate. See Box A for more details.

As long as a large part of the estimate of construction output is based on the labour input we cannot recommend the continued production or publication of an estimate of construction productivity. As a consequence the ONS will no longer publish construction productivity data and existing data have been withdrawn.

Box A: The measurement of construction productivity

Construction output is calculated through a survey, which forms the basis of the short-term output indicator. Around 12,000 firms are surveyed each quarter (from about 160,000 in total). The results are stratified by size of firm (14 categories). The survey follows an eight quarterly rotation, i.e. each firm remains in the survey for eight consecutive quarters and then drops out. The sample is drawn from the Builders Address File, which in turn is drawn from the Inter-departmental Business Register (IDBR). The figures obtained are in current price terms and are then deflated by DTI produced price indices and seasonally adjusted.

In addition, DTI estimates the contribution to construction section output of the self-employed sector and the non-VAT registered sector, both legitimate and illegitimate. Those firms not on the IDBR due to these reasons would not be included in the output survey and therefore need to be directly estimated by DTI. The section consists primarily of sole contractors, carrying out construction work on small housing. It accounts for around one-quarter of total construction output. To value this output, an average output figure for similar sized (small) businesses that are enumerated in the output survey is calculated. The Labour Force Survey is then compared with the survey measure to estimate the number of workers whose output would be missing in the output survey and the imputed output per worker is used to estimate the additional output of the unmeasured section of the industry.

The issue of circularity in the productivity measure then becomes pertinent. The labour measure in the productivity denominator is based on reporting unit data for the employees and LFS for the self-employed. The self-employed output and labour input would be used jointly to calculate productivity. It is necessary to decide whether the calculated productivity for the industry would then be meaningful. It can be noted that the output imputation method extends a measured productivity across the part of the section that is not measured in the construction output survey.

The construction section highlights some of the measurement issues in the areas of the economy where labour input proxies output. In the case of construction, surveyed output of comparable businesses is used to proxy the unmeasured output. In industries where such data is unavailable, industry productivity measures will not be published.

Distribution, hotels and catering

(SIC92: industry divisions 50–55, sections G/H).

These industries consist of motor trades, wholesale trade, retail trade, hotels, restaurants and catering and account for 14.5 per cent of total GVA (or 21.9 per cent of the published total service industries output series within GDP(O)). Divisions 50, 51, 52 and 55 individually account for 2.1, 4.5, 5.0 and 2.9 per cent of total GVA (or 3.2, 6.9, 7.6 and 4.3 per cent of the service industries output respectively).

ONS and other surveys covering these industries collect a combination of turnover and other direct volume measures of output.^{2,3} Where turnover is used, it has to be deflated to construct constant price output measures.

For these industries adequate output indicators are used throughout. Direct volume indicators of output are used for motor trades. For the rest of distribution, hotels and catering deflated turnover is used as the output indicator, though, for parts of wholesale the series do not relate directly to the industry they proxy (i.e. estimate the short term change for). See the Annex for more detail.

In the light of the adequate quality of the present output a potentially useful quarterly productivity measure should be possible for these combined industry sections. We therefore propose to publish an experimental quarterly productivity series for SICs 50–55 as a whole. The possibility of producing separate measures for sections G and H will be considered.

Transport and communication

(SIC92: industry divisions 60–64, section I).

These industry divisions account for 8.0 per cent of GVA (or 12.1 per cent of total services output).

Volume indicators are used for rail, for air transport and for postal services. For most other parts of these industries, such as telecomms and industries supporting transport, the output indicator used is turnover deflated by price indices other than earnings series.

An important issue for these industries is that they often take a large part of any adjustments made to the output measure of GDP as a result of the national accounts quarterly and annual balancing processes (see Box B). The purpose of these adjustments is to alter

the rate of growth in the output measure for GDP(O) overall and hence for these industries. They will change that rate of growth without any corresponding change in the underlying data received for the output indicators themselves. This means that a quarterly productivity estimate for this industry may be as indicative of movements in these balancing adjustments as in the underlying productivity change estimated for the industry. Furthermore the estimate can be sharply revised for reasons which do not relate directly to the output indicators for this industry.

We conclude that the present quarterly estimates of output change in this industry section are not suitable as a basis for a productivity estimate.

Finance and business services

(SIC92: industry divisions 65–74, sections J and K).

Together these industries account for 21.2 per cent of GVA (or 32.1 per cent of total services' output).

A number of output indicator, measurement and other difficulties have to be considered in our evaluation of the merits of any productivity estimate for these industries. In some parts of the financial intermediation industry (section J), and in real estate, renting and business services (section K), either employee numbers are used as a direct output indicator, or earnings series are used to deflate the turnover series which is used as the output indicator. Where either of these is the case, changes in these output estimates are directly dependent on changes to the employment figures (as with the discussion on construction - see Box A). The use of earnings deflators for the business services' indicators in particular is widespread, relating to most of section K.

This widespread use of employment related output indicators or deflators is a sufficient impediment to using the resulting output estimates as a basis for conceptually defensible productivity measures. But additional concerns exist. Some parts of the financial industry use, as output indicators, a measure of the assets under firms' management (at constant prices). While this has the merit, approved by the European Union, of avoiding using employment as an output indicator, these indicators do not necessarily reflect well any constant price changes in compensation of employees; the most significant component of gross value added (GVA). Furthermore industry sections J and K also take national accounts quarterly and annual balancing to a significant extent. The position in this respect is similar to that for industry section I. Indeed it is industry sections I, J and K which usually carry most (though not all) of any quarterly

and annual national accounts balancing adjustments⁴ to their industry growths.

Due to these factors it would be inappropriate to produce a productivity estimate for the service industry sections J and K.

Government and other services

(SIC92: industry divisions 75–95, sections L to P).

Together these service industries account for 22.4 per cent of GVA (about 33.8 per cent of total published services' output).

They include most of the public sector activities in the UK economy. They also include a wide range of personal service activities in the private sector. However the majority of activity here, as measured by its contribution to GVA, lies in the public sector.

Some of the output indicators have limitations from a productivity point of view similar to those of finance and business services. These industries make more use of employment as a direct indicator of output (as a proportion of GVA) than other service industry sections.

Following a national accounts convention, output estimates produced for the public sector where employment is used as the indicator of change do not include any factor for increased productivity. This might be considered helpful in removing a spurious or arbitrary productivity estimate from a wider productivity result. However a zero productivity assumption is itself an arbitrary assumption; and when employment numbers feature directly in the numerator and the denominator of any resulting productivity estimate, the result will always be: no productivity change for those components.

For parts of the public sector, progress has been made in deriving directly measured output volumes: the methods developed - which are not constrained by any assumption of unchanging productivity - currently cover education, health, social security and a few other public services.⁵ Even so, the results do not allow acceptable estimates to be made of output per job. A different approach is being developed for public services. It will compare the volume of output of that service, whether produced within government or outside, with the volume of inputs used in its production. But this cannot be expressed as a figure per worker. See the article on productivity in the public services in *Economic Trends*, May 2001.⁶

At present it would be inappropriate to produce a productivity estimate for the service industries under industry sections L to P.

Total services

(SIC92: industry divisions 50–95, sections G to P).

Together the service industries – SIC industry divisions 50–95 – account for 66.2 per cent of the total gross value-added (GVA) in the UK economy. This heterogeneous group of industries covers distribution and catering, transport and communication, finance and business services and government and other services.

For many parts of the service industries the measurement of output has qualitative or conceptual flaws. These limit the interpretation of any productivity indicator produced for 'Total Services' from the present set of services output indicators and the way they are used in the national accounts.

In the wider context of a productivity measure for 'Total Services' the limitations discussed above for some of the more detailed service industry measures retain their distorting effect though the magnitude is less. The dangers of misinterpretation – to this lesser extent – are still real and users would need to bear this carefully in mind if any estimate of change in 'Total Services' productivity were produced. On the other hand the strength of user demand for such an indicator is recognised, as well as its economic importance as a high level planning tool.

Hence, on balance and as long as its publication is accompanied by suitable warning caveats – about the conceptual limitations of some services indicators and the use of some service industries as residuals for national accounts balancing purposes – a productivity indicator for 'Total Services' will be published.

Experimental results for industry sections A/B, G/H and G-P

The new labour productivity measures for sections A/B, G/H and G-P are published as experimental series and the full data sets are available from the experimental area of the National Statistics website www.statistics.gov.uk/press_release/Experimental.asp

This will allow ONS to assess the suitability of the new measures and to receive further feedback from potential users. The results up to Q3 2001 are given below.

Productivity measures are compiled using the ratio of output and reporting unit jobs data.¹ Constructing a long time series is problematic, as ONS first started to collect employee data on a reporting unit basis in 1997. However, the need for long time series is recognised. For combined

Box B: The National Accounts' balancing process.

The ONS produces quarterly and annual national accounts' estimates of UK gross domestic product (GDP) using three different approaches: the output, income and expenditure approaches.⁸ These three approaches use data sources that are, as far as possible, independent of each other – thereby giving a greater confidence in the quality of the resulting estimate of UK GDP. Nevertheless, inevitably and naturally, the three resulting GDP estimates are usually different. However, as they are trying to estimate the same UK GDP it is assumed that any differences are the results of measurement inaccuracies of various sorts. The process by which a single estimate of UK GDP, with output, income and expenditure breakdowns, is derived from these three virtually independent estimates, is called the national accounts' balancing process.

Of the three, the output approach is regarded as giving the best estimate of short-term constant price (or volume) change in the economy. Its construction^{2,8} means that it is not a suitable means of estimating long term constant or current price GDP changes or levels and these are set through the expenditure and income estimates. And eventually, when suitable data comes available, the annual estimates of GDP are derived through the annual input-output framework.

The quarterly balancing process involves the use of judgement and the application of alignment adjustments^{7,8} to remove differences in growth between the estimates from the three approaches. At the early stages most of the short-term adjustments are taken by the expenditure and income measures.⁴ However, in the longer term, when balanced annual estimates of change are derived and the other approaches have greater weight, then the output estimate may have to take annual 'coherence' adjustments to reduce any discrepancies between it and the other approaches.

These coherence adjustments are made to individual industry divisions within the output estimate. They can be revised each year, following revisions to the expenditure and income estimates, and can vary considerably from year to year. The industries to which they are applied, and their sizes, are described in chapter two of the annual National Accounts *Blue Book*.⁹ They are now usually applied to industries where supply side modelling⁷ suggests the greatest imbalances exist. While these imbalances can occur in any industry, they tend to appear most frequently in a limited set of service industries; their effects on industry growths are most significant in the 'transport and communication' and the 'business services and finance' industry sections of GDP(O). In this they are probably reflecting the extent to which measurement difficulties are relatively great in these industries.

services industries, productivity data prior to 1997 has been constructed by applying growth rates from the published workforce jobs data to the reporting unit level productivity jobs data. This causes a methodology discontinuity between 1996 Q4 and 1997 Q1. However, the effect on productivity growth rates should be minimal as the size of the difference between local and reporting unit jobs for non-services industries (around 70,000 in 1999¹) compared to the total number of jobs in services is small. For sections A/B the difference is consistently around zero and therefore there is little problem in constructing a back series. However, this difference for sections G/H has changed over time (around 150,000 in 1996 to 30,000 in 1999) and therefore no attempt has been made to construct data earlier than 1997. Only data from 1997 are presented in this article.

Quarterly data on hours worked are available from quarter 2 1992. This is because the hours data uses average hours information from the quarterly Labour Force Survey, which moved from an annual to a quarterly survey at this time.

Agriculture, forestry and fishery

(SIC92: industry divisions 1-5, sections A/B)

Figure 1 shows the annual index of output per job and hourly productivity for agriculture since 1979. The graph indicates the steady rise in both productivity measures over the entire period, with a slight flattening in the mid-1980s and 1990s. During the late 1990s, output was steady with productivity growth coming mainly from falls in agricultural jobs. During the 1980s, the converse appears the case. Output grew at the same time as steady employment levels.

Figure 2 gives the growth rates of the four series. One feature of agriculture that the growth rates highlight is the stability of the average hours worked indicated by the way that hourly productivity tracks output per job from 1995 onwards.

Distribution, hotels and catering

(SIC92: industry divisions 50-55, sections G/H).

Figure 3 shows rising productivity in the industry since 1997, despite increasing employment in the section. The hourly productivity measure charts a slightly higher path indicating the fall in average hours worked within the industry.

Figure 1

Productivity measures: Sections A/B

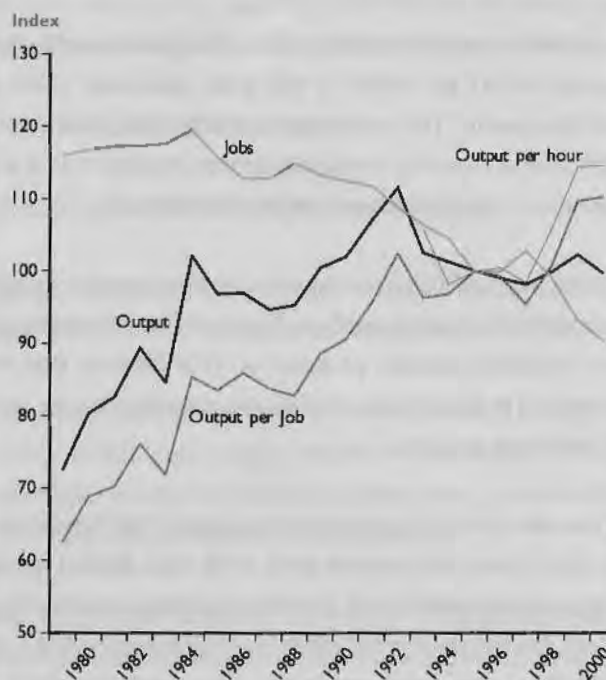


Figure 2

Productivity measures: Sections A/B
change on a year ago

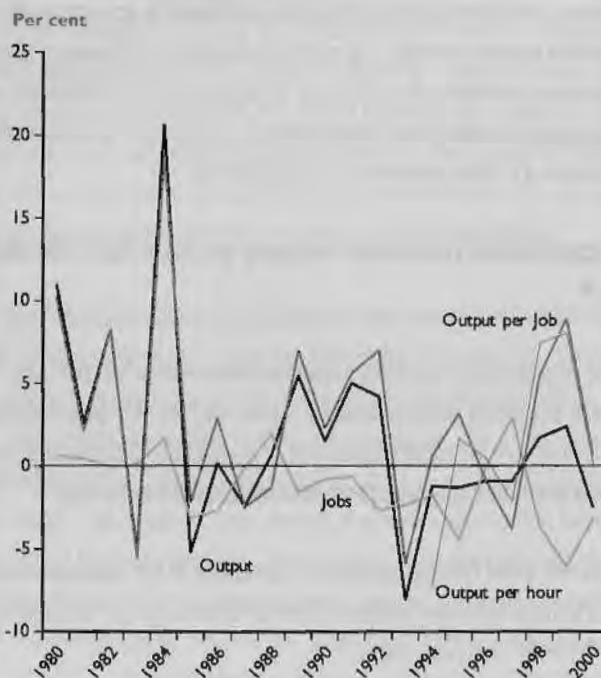
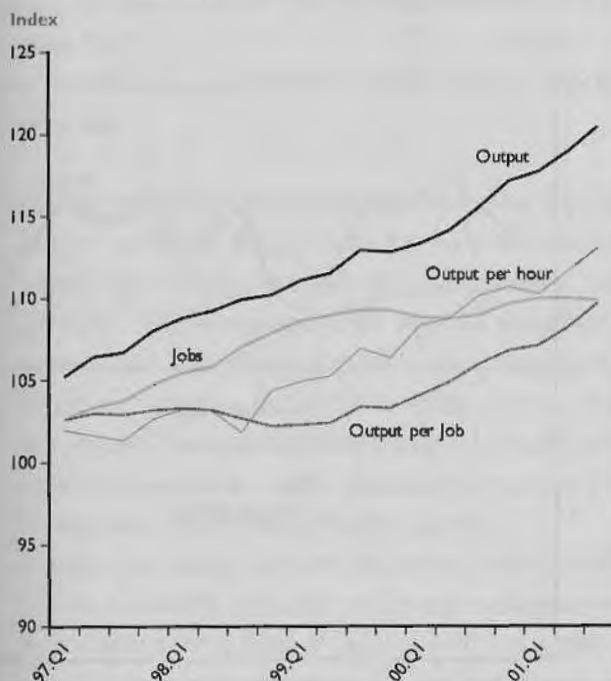


Figure 3

Productivity measures: Sections G/H



Figures 4 and 5 consider the growth paths of the series. The data set is a short time series so it is difficult to infer too much from it. Output growth did not keep pace with employment growth in the 1998–99 period causing a fall in productivity as measured by output per job. However, one reason the output growth was lower than employment growth was due to the falling hours worked. Hourly productivity growth has remained positive during this period.

Figure 5 gives an indication of the quarterly growth picture and illustrates the variability in the productivity measures in the short-term.

The path of annual growth of the productivity index for G/H changes after 1999. The growth in employment falls and drops to zero. High output growth throughout this period dominates the modest growth in employment resulting in faster productivity growth.

Figure 4

Productivity measures: Sections G/H
change on a year ago

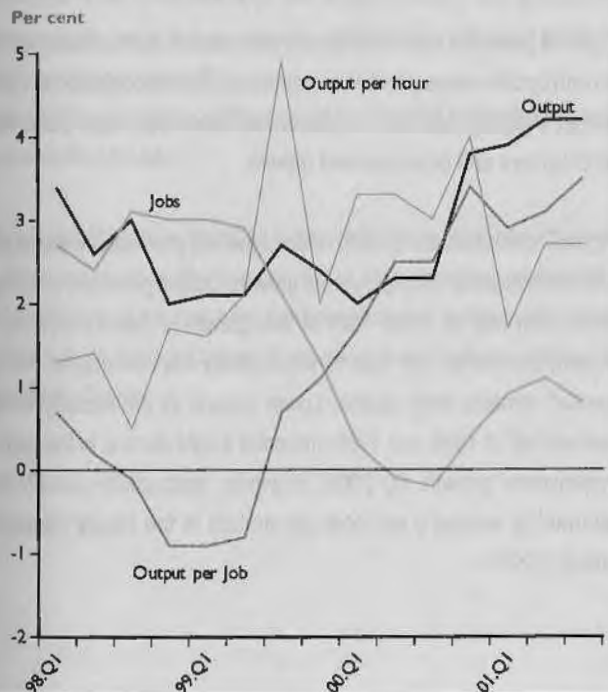


Figure 5

Productivity measures: Sections G/H
change on previous quarter



Figure 6

Productivity measures: Sections G-P

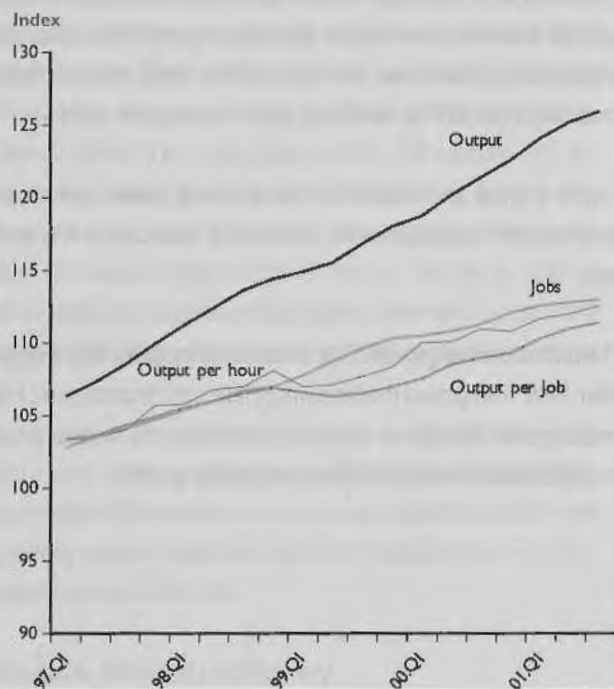


Figure 8

Productivity measures: Sections G-P
change on a previous quarter

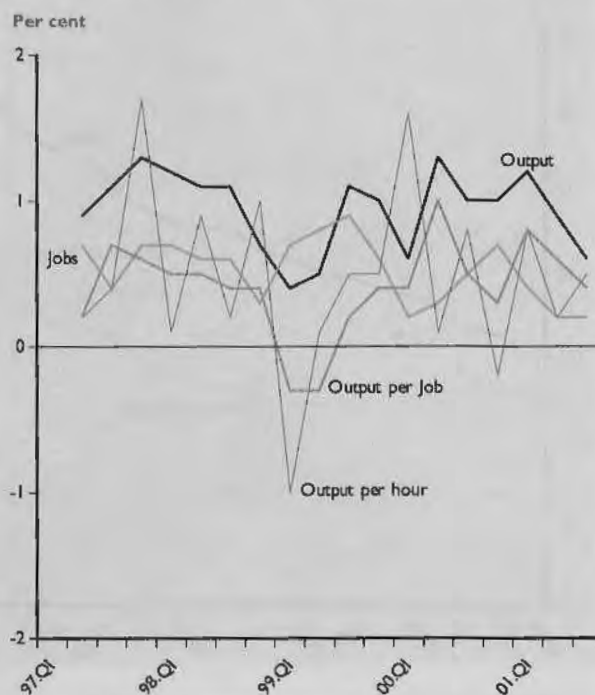
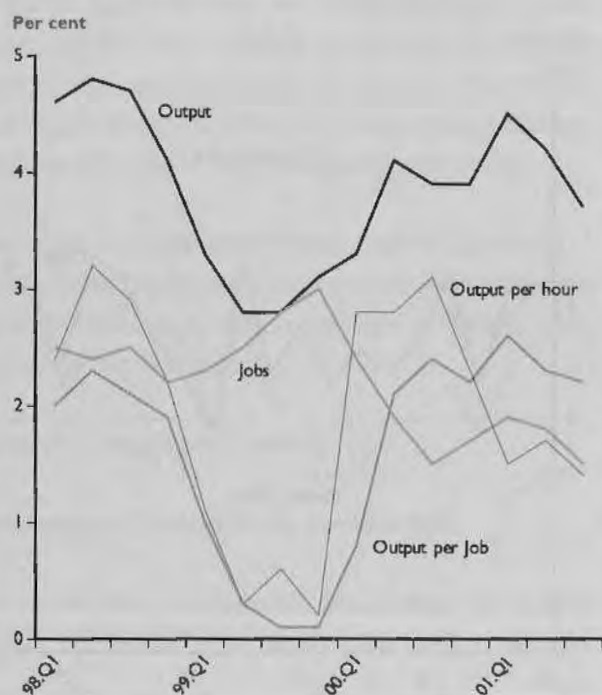


Figure 7

Productivity measures: Sections G-P
change on a year ago



Total services

(SIC92: industry divisions 50-95, sections G to P).

Figure 6 gives the results for the service section. Annual productivity growth by both measures has remained positive throughout the 1997-period implying that output growth has more than kept pace with employment and hours worked growth.

Figure 7 compares the growth rates of the two productivity measures with both output and employment growth. Output growth is very high in the first half of 1998. Part of the growth is due to the rise in employment and part due to productivity improvements. Hours worked remains fairly stable. Lower growth of productivity in the second half of 1998 and 1999 precedes a light decline in the rate of employment growth. By 2000, however, productivity growth has returned to around 3 per cent per annum in the hourly measure, falling in 2001.

Future developments to the services' estimates.

The recent Short Term Output Indicators Review (STOIR) report proposes, and has stimulated, a range of improvements to services estimates. See

www.statistics.gov.uk/methods_quality/quality_review/economy.asp

- Amongst these is a recommendation to assign the national accounts balancing adjustments on a more widespread, transparent and well-justified basis across all industries. This part of the STOIR recommendations is ambitious: a successful implementation will be difficult and possibly costly. Consequently, the timescale may be quite long for the implementation of this improvement. The completion of this work should nevertheless allow the production of a useful productivity estimate for the Transport and Communication industry - section I.
- A range of data quality improvements are being taken forward. ONS is now devoting resources to a project to establish a new experimental monthly Index of Services (IoS).¹⁰ In addition, industry-by-industry reviews of the data and methods used in the services industries have been initiated. These reviews are likely to lead to more use of deflated turnover indicators in the services industries and hence enable more reliable productivity estimates to be produced.

In addition a separate development project is under way to improve the concepts and sources used to estimate the output of parts of public sector services. See

www.statistics.gov.uk/themes/economy/Articles/General/Extracts/May01.asp

It is expected that the benefits of these developments should result in improvements in the quality of the new services productivity estimates, and in the long term, further extensions to those estimates. Users will be kept informed of developments through articles in *Economic Trends*.

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Table 1 Experimental output per job

(1995=100)

United Kingdom		Whole economy (not experimental)			Total Services			Distribution, Hotels and Catering		
		Index	Percentage change on quarter a year ago	Percentage change on previous quarter	Index	Percentage change on quarter a year ago	Percentage change on previous quarter	Index	Percentage change on quarter a year ago	Percentage change on previous quarter
Section		A-Q	A-Q	A-Q	G-P	G-P	G-P	G/H	G/H	G/H
		LNNN	LNNP							
1978	Q3	72.3	2.5	0.7	82.4					
	Q4	72.2	1.3	-0.2	82.5		0.1			
1979	Q1	71.2	-0.6	-1.3	81.4		-1.3			
	Q2	73.7	2.6	3.4	83.8		3.0			
	Q3	72.1	-0.2	-2.1	82.4	0.0	-1.6			
	Q4	72.4	0.3	0.3	82.6	0.2	0.2			
1980	Q1	71.5	0.4	-1.2	82.1	0.9	-0.6			
	Q2	71.2	-3.4	-0.5	81.4	-2.9	-0.9			
	Q3	71.5	-0.8	0.5	81.0	-1.7	-0.5			
	Q4	71.2	-1.7	-0.5	80.9	-2.1	-0.1			
1981	Q1	71.4	-0.1	0.4	81.8	-0.4	1.1			
	Q2	72.4	1.7	1.3	82.3	1.1	0.6			
	Q3	73.8	3.1	1.9	82.8	2.1	0.5			
	Q4	74.3	4.4	0.7	82.7	2.2	0.0			
1982	Q1	74.7	4.5	0.5	83.3	1.8	0.7			
	Q2	76.0	5.0	1.8	83.3	1.2	0.0			
	Q3	76.5	3.7	0.6	83.8	1.3	0.7			
	Q4	77.2	3.9	0.9	84.8	2.5	1.1			
1983	Q1	78.9	5.8	2.3	85.9	3.1	1.3			
	Q2	78.8	3.7	-0.2	85.8	3.0	-0.1			
	Q3	79.3	3.7	0.6	85.9	2.4	0.1			
	Q4	79.6	3.2	0.4	85.8	1.2	-0.1			
1984	Q1	79.8	1.1	0.3	86.5	0.8	0.8			
	Q2	78.9	0.1	-1.2	86.1	0.4	-0.5			
	Q3	78.7	-0.8	-0.2	86.3	0.5	0.2			
	Q4	79.4	-0.2	0.9	86.9	1.3	0.7			
1985	Q1	80.3	0.5	1.1	87.0	0.5	0.1			
	Q2	81.9	3.9	2.0	87.1	1.1	0.1			
	Q3	81.5	3.6	-0.5	87.2	1.1	0.2			
	Q4	81.8	3.0	0.3	87.9	1.2	0.8			
1986	Q1	82.6	2.9	1.1	89.0	2.3	1.2			
	Q2	83.7	2.2	1.3	89.5	2.8	0.6			
	Q3	84.3	3.4	0.6	90.0	3.2	0.6			
	Q4	85.2	4.2	1.1	90.6	3.1	0.7			
1987	Q1	85.1	3.0	-0.1	90.4	1.6	-0.2			
	Q2	85.6	2.3	0.6	91.3	2.0	1.0			
	Q3	86.3	2.4	0.8	91.8	2.0	0.5			
	Q4	86.3	1.3	-0.1	91.4	0.8	-0.4			

Table 1 Experimental output per job - continued

(1995=100)

United Kingdom		Whole economy (not experimental)			Total Services			Distribution, Hotels and Catering		
		Index	Percentage change on quarter a year ago	Percentage change on previous quarter	Index	Percentage change on quarter a year ago	Percentage change on previous quarter	Index	Percentage change on quarter a year ago	Percentage change on previous quarter
Section		A-Q	A-Q	A-Q	G-P	G-P	G-P	G/H	G/H	G/H
		LNNN	LNNP							
1988	Q1	86.8	2.0	0.6	92.0	1.8	0.7			
	Q2	86.5	1.0	-0.3	91.4	0.1	-0.7			
	Q3	87.1	0.9	0.6	91.6	-0.2	0.2			
	Q4	87.2	1.0	0.1	91.8	0.4	0.2			
1989	Q1	86.4	-0.4	-0.8	91.1	-1.0	-0.8			
	Q2	86.3	-0.3	-0.1	91.0	-0.4	0.0			
	Q3	86.1	-1.1	-0.2	90.8	-0.9	-0.3			
	Q4	86.2	-1.1	0.1	90.4	-1.4	-0.4			
1990	Q1	86.8	0.5	0.7	91.2	0.1	0.8			
	Q2	87.0	0.8	0.1	90.6	-0.4	-0.6			
	Q3	86.3	0.2	-0.7	89.8	-1.0	-0.9			
	Q4	86.6	0.5	0.3	90.0	-0.5	0.2			
1991	Q1	87.2	0.4	0.7	90.2	-1.1	0.2			
	Q2	88.0	1.2	1.0	90.9	0.3	0.8			
	Q3	88.8	2.8	0.8	91.6	2.0	0.8			
	Q4	89.5	3.3	0.8	91.8	2.0	0.2			
1992	Q1	89.9	3.2	0.5	91.4	1.4	-0.4			
	Q2	90.4	2.8	0.6	91.8	1.1	0.5			
	Q3	91.8	3.5	1.6	93.1	1.6	1.4			
	Q4	92.9	3.9	1.2	93.9	2.4	0.9			
1993	Q1	93.7	4.2	0.8	94.5	3.4	0.6			
	Q2	94.1	4.1	0.5	95.0	3.4	0.5			
	Q3	94.7	3.1	0.6	95.4	2.5	0.4			
	Q4	95.3	2.6	0.7	95.7	1.9	0.3			
1994	Q1	96.7	3.2	1.4	96.8	2.4	1.2			
	Q2	98.0	4.1	1.3	98.1	3.3	1.4			
	Q3	98.6	4.2	0.7	99.0	3.7	0.9			
	Q4	99.3	4.1	0.7	99.2	3.6	0.2			
1995	Q1	99.8	3.2	0.5	99.9	3.2	0.7			
	Q2	99.8	1.9	0.0	99.7	1.6	-0.2			
	Q3	100.0	1.4	0.3	100.1	1.1	0.4			
	Q4	100.4	1.1	0.3	100.3	1.2	0.3			
1996	Q1	101.2	1.4	0.8	101.4	1.5	1.1			
	Q2	101.5	1.8	0.4	102.2	2.5	0.7			
	Q3	101.6	1.5	0.0	102.1	2.0	0.0			
	Q4	102.3	1.9	0.7	102.7	2.3	0.5			
1997	Q1	102.8	1.6	0.5	103.4	1.9	0.7	102.6		
	Q2	102.8	1.3	0.0	103.6	1.4	0.2	103.0		0.4
	Q3	103.2	1.6	0.3	104.3	2.1	0.7	102.9		-0.1
	Q4	103.6	1.3	0.4	104.9	2.2	0.6	103.2		0.3

Table 1 Experimental output per job - continued

(1995=100)

United Kingdom		Whole economy (not experimental)			Total Services			Distribution, Hotels and Catering		
		Index	Percentage change on quarter a year ago	Percentage change on previous quarter	Index	Percentage change on quarter a year ago	Percentage change on previous quarter	Index	Percentage change on quarter a year ago	Percentage change on previous quarter
Section		A-Q	A-Q	A-Q	G-P	G-P	G-P	G/H	G/H	G/H
		LNNN	LNNP							
1998	Q1	103.9	1.1	0.3	105.5	2.0	0.5	103.3	0.7	0.1
	Q2	104.5	1.6	0.6	106.0	2.3	0.5	103.2	0.2	-0.1
	Q3	104.7	1.5	0.2	106.5	2.1	0.4	102.7	-0.1	-0.4
	Q4	105.1	1.5	0.4	106.9	1.9	0.4	102.2	-0.9	-0.5
1999	Q1	104.9	0.9	-0.2	106.6	1.0	-0.3	102.3	-0.9	0.1
	Q2	105.1	0.5	0.2	106.3	0.3	-0.3	102.4	-0.8	0.1
	Q3	105.7	0.9	0.6	106.5	0.1	0.2	103.4	0.7	1.0
	Q4	106.2	1.0	0.5	107.0	0.1	0.4	103.3	1.1	-0.1
2000	Q1	106.6	1.6	0.4	107.5	0.8	0.4	104.1	1.7	0.7
	Q2	107.6	2.4	0.9	108.5	2.1	1.0	104.9	2.5	0.8
	Q3	108.3	2.4	0.7	109.0	2.4	0.5	106.0	2.5	1.0
	Q4	108.4	2.1	0.2	109.3	2.2	0.3	106.8	3.4	0.7
2001	Q1	108.9	2.2	0.4	110.3	2.6	0.8	107.1	2.9	0.3
	Q2	109.2	1.5	0.3	111.0	2.3	0.6	108.2	3.1	1.0
	Q3	109.7	1.3	0.4	111.4	2.2	0.4	109.7	3.5	1.4

Table 2 Experimental output per hour worked

(1995=100)

United Kingdom	Whole economy (not experimental)			Total Services			Distribution, Hotels and Catering		
	Index	Percentage change on quarter a year ago	Percentage change on previous quarter	Index	Percentage change on quarter a year ago	Percentage change on previous quarter	Index	Percentage change on quarter a year ago	Percentage change on previous quarter
Section	A-Q	A-Q	A-Q	G-P	G-P	G-P	G/H	G/H	G/H
	LNNN	LNNP							
1992	Q2	92.1		92.3					
	Q3	93.1	1.2	93.4		1.1			
	Q4	94.4	1.4	94.2		0.9			
1993	Q1	95.0	0.7	94.5		0.3			
	Q2	95.6	3.8	95.3	3.2	0.9			
	Q3	96.3	3.4	95.8	2.6	0.5			
	Q4	97.0	2.8	96.2	2.2	0.5			
1994	Q1	97.6	2.7	96.9	2.6	0.7			
	Q2	98.8	3.4	98.2	3.0	1.3			
	Q3	99.2	3.0	98.9	3.3	0.7			
	Q4	99.3	2.4	98.7	2.6	-0.2			
1995	Q1	99.9	2.3	99.8	3.0	1.1			
	Q2	99.8	1.0	99.7	1.5	-0.1			
	Q3	100.1	0.9	100.2	1.3	0.5			
	Q4	100.2	0.9	100.3	1.6	0.2			
1996	Q1	101.1	1.2	101.6	1.8	1.3			
	Q2	101.1	1.3	102.0	2.3	0.4			
	Q3	101.6	1.5	102.4	2.2	0.4			
	Q4	102.4	2.2	103.4	3.0	1.0			
1997	Q1	102.5	1.3	103.4	1.7	0.0	101.9		
	Q2	102.6	1.4	103.5	1.5	0.2	101.6		-0.3
	Q3	102.9	1.3	104.0	1.5	0.4	101.3		-0.3
	Q4	104.2	1.8	105.7	2.3	1.7	102.6		1.3
1998	Q1	104.3	1.8	105.8	2.4	0.1	103.2	1.3	0.6
	Q2	105.1	2.5	106.8	3.2	0.9	103.1	1.4	-0.2
	Q3	105.2	2.3	107.0	2.9	0.2	101.8	0.5	-1.2
	Q4	106.2	1.9	108.1	2.2	1.0	104.3	1.7	2.4
1999	Q1	105.6	1.2	107.0	1.1	-1.0	104.9	1.6	0.5
	Q2	106.0	0.9	107.1	0.3	0.1	105.2	2.1	0.3
	Q3	106.9	1.5	107.7	0.6	0.5	106.9	4.9	1.6
	Q4	107.8	1.5	108.3	0.2	0.5	106.3	2.0	-0.5
2000	Q1	109.0	3.3	110.0	2.8	1.6	108.3	3.3	1.9
	Q2	109.2	3.0	110.1	2.8	0.1	108.7	3.3	0.3
	Q3	110.2	3.1	111.0	3.1	0.8	110.1	3.0	1.3
	Q4	110.2	2.2	110.8	2.3	-0.2	110.6	4.0	0.5
2001	Q1	110.5	1.4	111.7	1.5	0.8	110.2	1.7	-0.4
	Q2	110.6	1.3	112.0	1.7	0.2	111.6	2.7	1.3
	Q3	111.1	0.9	112.6	1.4	0.5	113.0	2.7	1.3

Table 3 Experimental output per job and hour worked

(1995=100)

United Kingdom	Agriculture, Forestry and Fishing			
	Output per job		Output per hour worked	
	Index	Percentage change on previous year	Index	Percentage change on previous year
	A/B	A/B	A/B	A/B
1979	62.5			
1980	68.8	10.2		
1981	70.3	2.1		
1982	76.1	8.3		
1983	71.9	-5.6		
1984	85.4	18.8		
1985	83.5	-2.2		
1986	85.9	2.9		
1987	83.8	-2.5		
1988	82.8	-1.3		
1989	88.6	7.0		
1990	90.6	2.3		
1991	95.7	5.6		
1992	102.4	7.0		
1993	96.3	-5.9	105.8	
1994	96.8	0.6	98.3	-7.1
1995	100.0	3.2	100.0	1.7
1996	99.2	-0.8	100.6	0.6
1997	95.4	-3.8	98.5	-2.1
1998	100.7	5.5	105.9	7.5
1999	109.6	8.9	114.5	8.1
2000	110.3	0.7	114.7	0.2

Annex

Detail on the compilation of output measures for the distribution, hotels and catering industries.

(SIC92: industry divisions 50–55, sections G/H)

ONS surveys covering these industries collect a combination of turnover and other direct volume measures of output.^{2,3} Where turnover is used, it has to be deflated to construct constant price output measures.

Motor Trades (SIC industry division 50)

This industry consists of the sale, maintenance and repair of motor vehicles and motorcycles plus the retail sale of automotive fuel. This industry accounts for 2.1 per cent of total GVA (or 3.2 per cent of the published total service industries output series within GDP(O)).

Motor trades output is currently measured by a combination of volume indices for sales of: new cars, used cars, petrol and oil, other new vehicles and other motor trade sales. The weights given to these volume measures in the compilation of the indices for this industry vary across the industry sub-categories. For example, the output from the sale of motor vehicles sub-category – over half the total GVA of the motor trades industry – is estimated using the new cars series for 23 per cent of the total weight, other new vehicles for 2 per cent of the total, used cars for 29 per cent and petrol for 46 per cent. For other components of motor trades the sale of new cars is used with a low weight and petrol sales predominates as an indicator. This use of the same set of indicator series with different weights for each sub-category reflects the overlapping nature of the activities carried out by businesses, whichever classifications they are allocated to within motor trades.

Wholesale trade (SIC industry division 51).

This industry consists of wholesale trade and commission trade, except motor trades. It accounts for 4.5 per cent of total GVA (or 6.9 per cent of total services' output).

Commission trade accounts for around 5 per cent of Division 51 and is measured by deflated turnover data, the deflator being a combination of Producer Price Indices (PPI).

Wholesale trade accounts for the remaining 95 per cent of this division and is also measured by deflated turnover data. Some of these data are collected directly for use as a wholesale trade indicator. The exceptions are considerable however. The 'Food, beverages and tobacco & household goods' category, which represents 42 per cent

of all wholesale activity by GVA weight, uses the volume of retail sales and the 'Other intermediate products, machinery, equipment, supplies & other wholesale' category, for which IoP component proxies are used represents 36 per cent of wholesale output.

For each of these large components of wholesale trade the indicators used consist ultimately of deflated turnover series. Both come from short period turnover inquiries deflated by appropriate producer or retail prices. Their limitation is that the inquiries relate to retail sales or manufacturing, not wholesaling; so non-wholesale turnover is serving as part of the proxy set for wholesale activity.

Retail trade (SIC industry division 52).

This industry consists of retail trade, except motor vehicles and motorcycles and accounts for 5.0 per cent of total GVA (or 7.6 per cent of total services' output).

The industry is broken down into three categories of business for output measurement purposes: predominantly food; predominantly non-food; non-store and repair.

For each of these categories a GVA weight is given on the basis of their estimated proportion of the total value-added for retail activity.

The indicator series used for each category are deflated retail sales data that have been collected primarily for the published monthly retail sales volume estimates. The published constant price retail sales figures are weighted by turnover rather than value-added. So, to use these data as an output indicator, special sub-sets are produced for these three retail industry categories. Then these three series are combined using value-added weights to produce an overall estimate of the change in the output of retail trades. This follows the common practice in GDP(O) of aggregating gross output indicators by means of value-added weights (rather than, in this case using total retail sales directly as the industry output indicator).

Hotels, Restaurants and Catering (SIC industry Division 55)

This industry consists of six groups: 'Hotels', 'Camping sites and other short-stay accommodation', 'Restaurants', 'Licensed clubs with entertainment', 'Public houses and bars', and 'Canteens and catering'. It accounts for 2.9 per cent of total GVA (or 4.3 per cent of total published services' output).

All the groups except licensed clubs use VAT turnover data as an indicator. Licensed clubs, which represents 5 per cent of the total industry weight, uses ONS quarterly turnover data. Amongst the groups that use VAT as an indicator, three – Hotels, Restaurants and Pubs – each contribute just over a quarter to the value-added total for the industry.

Each of the six groups is deflated by a different weighted mean of four price components: two quarterly Household Expenditure series and two quarterly Retail Price Index series. These price series are for price changes in: accommodation, food, drink, and tobacco.

The weighting combinations used to create industry deflators for each of the six industry groups reflect the proportions each of these products are estimated to contribute to each group.

Each of the six groups is deflated by a different weighted mean of four price components: two quarterly Household Expenditure series and two quarterly Retail Price Index series. These price series are for price changes in: accommodation, food, drink, and tobacco.

The industry deflator for the Wholesale Trade (SIC Industry Division 57) is constructed by deflating the total sales of the industry by a weighted mean of four price components: two quarterly Household Expenditure series and two quarterly Retail Price Index series. The weights are based on the estimated contribution of each product to the total sales of the industry.

The industry deflator for the Wholesale Trade (SIC Industry Division 57) is constructed by deflating the total sales of the industry by a weighted mean of four price components: two quarterly Household Expenditure series and two quarterly Retail Price Index series. The weights are based on the estimated contribution of each product to the total sales of the industry.

The industry deflator for the Wholesale Trade (SIC Industry Division 57) is constructed by deflating the total sales of the industry by a weighted mean of four price components: two quarterly Household Expenditure series and two quarterly Retail Price Index series. The weights are based on the estimated contribution of each product to the total sales of the industry.

The industry deflator for the Wholesale Trade (SIC Industry Division 57) is constructed by deflating the total sales of the industry by a weighted mean of four price components: two quarterly Household Expenditure series and two quarterly Retail Price Index series. The weights are based on the estimated contribution of each product to the total sales of the industry.

The industry deflator for the Wholesale Trade (SIC Industry Division 57) is constructed by deflating the total sales of the industry by a weighted mean of four price components: two quarterly Household Expenditure series and two quarterly Retail Price Index series. The weights are based on the estimated contribution of each product to the total sales of the industry.

Detail on the compilation of output measures for the distribution, hotels and catering industries.

(SIC) industry divisions 50-52, sections 100-102

One of the main reasons for the inclusion of the distribution, hotels and catering industries in the output measures is that they are considered to be part of the private sector.

Motor Vehicle (SIC Industry Division 33)

The industry deflator for the Motor Vehicle (SIC Industry Division 33) is constructed by deflating the total sales of the industry by a weighted mean of four price components: two quarterly Household Expenditure series and two quarterly Retail Price Index series. The weights are based on the estimated contribution of each product to the total sales of the industry.

The industry deflator for the Motor Vehicle (SIC Industry Division 33) is constructed by deflating the total sales of the industry by a weighted mean of four price components: two quarterly Household Expenditure series and two quarterly Retail Price Index series. The weights are based on the estimated contribution of each product to the total sales of the industry.

Wholesale Trade (SIC Industry Division 57)

The industry deflator for the Wholesale Trade (SIC Industry Division 57) is constructed by deflating the total sales of the industry by a weighted mean of four price components: two quarterly Household Expenditure series and two quarterly Retail Price Index series. The weights are based on the estimated contribution of each product to the total sales of the industry.

Construction (SIC Industry Division 15)

The industry deflator for the Construction (SIC Industry Division 15) is constructed by deflating the total sales of the industry by a weighted mean of four price components: two quarterly Household Expenditure series and two quarterly Retail Price Index series. The weights are based on the estimated contribution of each product to the total sales of the industry.

An update on development of pilot UK health accounts

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Introduction

This article provides an update on work by ONS to develop pilot Health Accounts for the United Kingdom, which was originally announced in *Health Statistics Quarterly* 10¹ and in the June 2001 issue of *Economic Trends*.²

UK Health Accounts are currently at an experimental stage in their development. ONS is keen to involve potential users early in this development to maximise quality assurance as well as to familiarise users with the new data.

The focus of this article is on the methods used for compiling total UK health expenditure. A limited set of actual figures for calculating some of the components of the total are provided. A full set of actual figures for the calendar years 1997–2000, based on this methodology, appears on the National Statistics website www.statistics.gov.uk/healthaccounts

Background

A pilot set of UK Health Expenditure Accounts is being developed according to an internationally agreed framework of concepts, definitions, classifications and accounting rules, drawn up by the Organisation for Economic Co-operation and Development (OECD) with assistance from the World Health Organisation and the European Commission. This framework is described in *A System of Health Accounts*³ and is consistent with the *System of National Accounts*⁴, which sets out the definitions and classifications to be used in the compilation of economic aggregates. It defines total expenditure on health, as well as three classifications for use in health expenditure analyses:

- *Source of financing* classification. This identifies whether the money is being spent by government, charities, insurance companies, or households.

- *Provider* classification. This identifies whether the healthcare intervention is provided, for example, by hospitals, nursing care facilities, ambulatory care centres, retailers, and so on.
- *Function* (or purpose) classification. This identifies what is being provided, for example, a good, a service (inpatient, outpatient, day cases or home care and whether it's preventative, curative, rehabilitative or long-term nursing care), or health administration.

Progress to date and further work planned on expenditure data

Total expenditure on health

Total expenditure on health is defined in *A System of Health Accounts* as the cost of health care goods and services including administration and health insurance (see Box) plus the cost of capital formation in health provider industries, or investment in fixed assets.

The concept of health care underlying the design of the ICHA-HC functional classification

Activities of **healthcare** in a country comprise the sum of activities performed either by institutions or individuals pursuing, through the application of medical, paramedical and nursing knowledge and technology, the goals of:

- promoting health and preventing disease;
- curing illness and reducing premature mortality;
- caring for persons affected by chronic illness who require nursing care;
- caring for people with health-related impairment, disability, and handicaps who require nursing care;
- assisting patients to die with dignity;*
- providing and administering public health;
- providing and administering public health programmes, health insurance and other funding arrangements.

Source: SHA, OECD 2000, page 42

* eg. hospice care

The total UK health expenditure figure, supplied by ONS for *OECD Health Data 2001*⁵, is known to deviate from this definition and has been annotated as such. The UK figure is built up from a number of components, which are described below with the methods investigated to improve on them.

1. Government expenditure on health care

The estimate for government expenditure on health is published in the *Blue Book*⁶. According to the *Blue Book*, government spent over £54 billion on health care in the UK in 2000. Note that this figure does not include government expenditure on capital, which is covered in section 5 below.

This estimate covers expenditure by health administrations in England, Wales, Scotland and Northern Ireland as well as the NHS. The primary purpose of some of this expenditure is not health care but Research & Development (R&D) or Education & Training (E&T). As such, expenditure on R&D and on E&T by health administrations and the NHS needs to be excluded from total expenditure on health. The international framework recognises the importance to a country's health system of R&D into new medical procedures and of E&T of health professionals, and treats them as health related functions rather than health care.

An annual government survey is carried out to quantify R&D expenditure, with results published in *Science, Engineering and Technology (SET) Statistics*.⁷ The survey shows that, for example, expenditure by the Department of Health and NHS in England on R&D in the financial year 1999/2000 was just over £400 million. Data are also available for Wales, Scotland and Northern Ireland. To convert these financial year data to the calendar year basis on which Health Accounts are presented, a method of apportionment is used. For example, 1999 figures are estimated as one quarter of those for 1998/1999 and three quarters of those for 1999/2000.

There are no similar data for quantifying government expenditure on E&T. ONS has focused initial attention on estimating E&T expenditure in England by the Department of Health and the NHS. To do this, ONS worked with the Department of Health to identify items of E&T expenditure within the Departmental and NHS budgets. This was then grossed up to a UK estimate by assuming that public expenditure per head of population on E&T in Wales, Scotland and Northern Ireland was the same as it is in England. Further work to investigate this assumption is planned. For example different levels of staffing outside England may lead to different levels of staff E & T.

2. Household expenditure on health care

The estimate for household expenditure on health is also published in the *Blue Book*.⁶ It covers private expenditure by UK-resident households, for example individuals' purchases of medicines or payments for treatment in private hospitals, and is estimated at just over £10 billion in 2000. The definition currently used is based on an internationally recognised classification by purpose, which is consistent with the functional classification used in the international framework of Health Accounts.

Estimates for other years have been constructed using the same classification. Further details on household expenditure and the classifications used are available at www.statistics.gov.uk/themes/economy/articles/nationalaccounts/sectoraccounts/consumertrends.asp

3. Non-profit institutions serving households expenditure on health care

Non-profit institutions serving households (NPISH) are charities and similar relief and aid organisations, trade unions, some higher education institutions, friendly societies and religious organisations. They are financed by donations from the public, government and business and provide goods or services to households free, or at prices that are not economically significant.

No information is available on health expenditure by the NPISH sector that is consistent with other components of the total UK health expenditure figure. There is only a figure for overall total expenditure of this sector of the economy, which is produced by ONS and is published in the *Blue Book*.⁶ As such, NPISH health expenditure has not previously been included in total UK expenditure on health.

In order to identify total health expenditure within the NPISH sector, it is first necessary to identify which parts of this sector incur health expenditure. It is thought that charities and religious organisations are the only ones that do so, for example as health care providers (e.g. hospices) or as contributors to the health care of specific conditions such as AIDS, Parkinson's Disease and so on.

The Caritas publication⁸ of the top 3,000 charities in the UK contains a range of information on these charities, including income, expenditure and purpose. To reduce the task of examining individual charities' expenditure, a systematic sample was taken from this list of 3,000 charities. Although there are many more charities in the UK, these 3,000 make the most significant contribution to total

expenditure. The publication was therefore considered to be an adequate sampling frame for estimating the proportion of charity expenditure devoted to health care.

It was not possible to establish separate figures for health and non-health expenditure for every charity. Instead, all expenditure by a charity whose main purpose was health was treated as health expenditure. Conversely, all expenditure by charities whose main purpose was not health was treated as not being health expenditure. Examination of the expenditure of the few charities for which it was possible to separate between health and non-health suggested that the errors introduced by this treatment are of similar magnitude and should therefore have little net effect.

It was not possible to separate expenditure on health care from capital expenditure, which may lead to a bias in the results. Further work needs to be carried out to improve this method.

The sample analysis suggested that the percentage of total expenditure by charities spent on health in 1997 was 17 per cent. No equivalent information for religious organisations has been found, so an assumption was made that the health to total expenditure proportion is the same as for charities.

Total expenditure by the NPISH sector in 1997 was £19,602 million, of which 35 per cent was incurred by charities and religious organisations. Therefore, health expenditure by the NPISH sector was estimated to be about £1.2 billion.

As this estimate is based on the results of a sample, it is subject to sampling error. On this basis the value is likely to lie between £0.8 billion and £1.9 billion with 95 per cent confidence. Any deviation from the assumptions made will also affect the precision of the estimate.

Estimates for other years have been produced, by assuming that the proportion of total NPISH expenditure on health care did not vary over time.

4. Costs incurred by Local Authorities and private individuals on nursing care in nursing homes

The current estimate of total UK health expenditure only includes expenditure on nursing care for those residents in nursing homes who are funded by the NHS. It does not include expenditure for residents who are self-funded or Local Authority supported. The international framework for Health Accounts includes all expenditure on nursing care in nursing homes in its definition of total health expenditure. For international comparisons, it is therefore important

that non-NHS expenditure is included in the figure for total health expenditure in the UK.

Payment for nursing care in nursing homes is progressively being taken over by the NHS, as follows. Nursing home residents who are self-funding will have their nursing care paid for by the NHS in England from October 2001, in Wales from December 2001, in Scotland from July 2002 and in Northern Ireland from October 2002.

As the NHS takes responsibility for this expenditure, it will be included in the NHS accounts and therefore automatically be counted in the compilation of UK expenditure on health. Adjustments to the total UK health expenditure are only required for the years preceding completion of these changes in funding arrangements. There are a number of potential data sources to help identify the amount of expenditure on nursing care provided in nursing homes.

Local Authority Personal Social Services financial returns identify expenditure on nursing placements in independent homes. However, this covers the total cost of the placement in the home, i.e. it also includes the residential and personal care costs, which, according to the international definition should not be included as expenditure on health. It is not possible to separate health care costs from the other care costs using this data source.

In calculating the cost of nursing care, the Royal Commission on Long Term Care for the Elderly and the devolved administrations estimated this figure from the difference between the fees for a nursing home placement and a residential care home placement.

Laing & Buisson, in their annual *Care of Elderly People Market Survey*,⁹ provide estimates of the numbers of residents and the average weekly fees in private care homes in the UK. These data are derived from their annual survey of all care homes, to which they receive a 30 per cent response rate.

Table 1 Calculation of average weekly cost of nursing care in nursing homes, UK

Year	Nursing Home fee	Residential care home fee	Average weekly cost of nursing care (£) (= difference between weekly fees)
	average weekly fees (£)		
1997	338	247	91
1998	352	252	100
1999	360	258	102
2000	370	268	102

Source: Laing & Buisson: *Care of Elderly People Market Survey* 2001

Table 1 shows an average weekly cost of nursing care in the UK calculated from the difference between average weekly nursing and residential care home fees published in Laing & Buisson.

For England, these data have been combined with an estimate of the number of residents who are not NHS funded in nursing homes to produce an estimate of the annual amount of expenditure on nursing care in nursing homes. It is necessary to exclude those residents who are NHS funded, as expenditure relating to these people is already included in the NHS accounts, thus an estimate including them would result in some double-counting.

To produce a UK figure the estimates for England are grossed up on the basis of the number of residents in nursing homes in the different administrations. The results of these calculations are summarised in Table 2.

Table 2 Expenditure on non-NHS funded nursing care in nursing homes, UK

Year	Expenditure, £m
1997	789
1998	872
1999	956
2000	909

ONS recognise that the methodology used to produce the UK figure is crude. However, it is felt that this makes best use of the available data.

5. Capital expenditure by healthcare providers

The available estimates for capital expenditure on health are not entirely consistent with either the other economic aggregates in the *Blue Book*⁶ or the *System of Health Accounts*.³ The main difference is the treatment of investment in computer software, although there are other slight inconsistencies. However it is thought that the effect of all these deviations is small, so no attempt has been made to adjust the available estimates. In 2000, capital investment in medical facilities was estimated at £3 billion.

6. Provision of healthcare services in the home and of healthcare goods and services by employers

The provision of healthcare services in the home takes the form of, for example, nursing of elderly relatives or sick members of the household. There is no payment involved and as such this type of service has been ignored in compiling the total UK health expenditure figure.

The provision of healthcare goods and services by employers to employees is entitled "occupational healthcare" in the international

framework. It includes surveillance of employee health and therapeutic care on or off business premises, and has also been ignored in the compilation of total UK health expenditure.

It is recognised by many countries compiling Health Accounts, including the UK, that identifying and/or valuing these expenditures is difficult. In this early stage of development of Health Accounts, most countries are ignoring these expenditures. ONS is not planning to examine either of these components in the current phase of development, unless specific user demand for their inclusion is identified.

Disaggregation of total UK health expenditure by function, provider and source of finance

This part of the article provides two examples of how data from health administrations is being brought into the Health Accounts framework. These are indicative examples. At this early stage, ONS advises that the data are not suitable for making comparisons between administrations.

English Reference Costs

The public sector in England accounts for the majority of expenditure on health in the UK. Reference Costs,¹¹ published by the Department of Health, are average national costs for a range of treatments and procedures classified by Healthcare Resource Groups (HRGs) and by whether the service was delivered as inpatient, outpatient or day case care. They are accompanied by information on quantity - for example number of procedures performed or number of bed days - which can be used in the calculation of total expenditure for each HRG.

This work is being developed by the Department of Health and already covers over 60 per cent of expenditure by hospitals and community health services in England, approximately £14 billion in the year ending March 2000. Reference Costs for the year ending March 2001 are expected to cover 83 per cent of hospital and community health services.

With the assistance of the Department of Health, Reference Costs have been mapped to the Health Accounts classifications. As Reference Costs only cover NHS payments to NHS providers this was straightforward. Table 3 provides the English Reference Costs 2000 as they appear in UK Health Accounts.

Scottish Health Service Costs

*Scottish Health Service Costs (SHSC)*¹² is an annual publication that can be accessed at www.show.scot.nhs.uk/isd. It contains

Table 3 English Reference Costs 1999/2000 in a UK Health Accounts format

£ million

		Provider		
		HP.1 Hospitals	HP.3.4.1 Family Planning Centres	Grand Total
Function				
HC.1.1	Inpatient curative	8,700	-	8,700
HC.1.2	Day cases curative	1,101	-	1,101
HC.1.3.1	Outpatient curative: basic medical and diagnostic	2,043	-	2,043
HC.1.3.2	Outpatient curative: dental	71	-	71
HC.1.3.3	Outpatient curative: other	1,662	-	1,662
HC.1.4	Home curative	194	-	194
HC.2.1	Inpatient rehabilitative	63	-	63
HC.2.2	Day cases rehabilitative	-	-	-
HC.2.3	Outpatient rehabilitative	249	-	249
HC.3.1	Inpatient long term nursing	33	-	33
HC.3.2	Day cases long term nursing	66	-	66
HC.6.1	Maternal & child health	-	63	63
HC.6.2	School health	15	-	15
HC.6.9	Miscellaneous public health	81	-	81
Grand Total		14,280	63	14,343

Table 4 Scottish Health Service Costs 2000/01 in UK Health Accounts format

£ million

		Provider										
		HP.1.1	HP.1.2	HP.1.3	HP.2	HP.3.1	HP.3.2	HP.3.3	HP.3.4	HP.3.9.1	HP.5	Grand Total
		Gen hosp	Mental hosp	Other spec- ialty hosp	Nursing care facilities	Offices of phys	Offices of dentists	Other of offices	Out- patient care centres	Amb- ulance services	Admin	
Function												
HC1.1	Inpatient curative	1,202	1	158	-	-	-	-	-	-	-	1,361
HC1.2	Day cases curative	152	-	13	-	-	-	-	-	-	-	166
HC1.3.2	Outpatient curative: dental	9	-	15	19	-	170	-	1	-	-	213
HC1.3.9	Outpatient curative: other	394	-	39	240	378	18	748	7	-	-	1,824
HC1.4	Home curative	-	-	-	107	-	-	-	-	-	-	107
HC2.1	Inpatient rehabilitative	6	-	11	-	-	-	-	-	-	-	17
HC2.2	Day cases rehabilitative	-	-	-	-	-	-	-	-	-	-	-
HC2.3	Outpatient rehabilitative	1	-	-	-	-	-	-	-	-	-	1
HC3.1	Inpatient long term nursing*	114	262	349	-	-	-	-	-	-	-	725
HC3.2	Day cases long term nursing	12	37	38	-	-	-	-	2	-	-	89
HC3.3	Home long term nursing	-	-	-	119	-	-	-	-	-	-	119
HC4.3	Patient transport	-	-	-	-	-	-	-	-	91	-	91
HC6.3	Prevention communic. diseases	-	-	-	4	-	-	-	-	-	-	4
HC6.9	Miscellaneous public health	-	-	-	-	-	-	-	-	-	52	52
HC7.1.1	Govt admin	-	-	-	-	-	-	-	-	-	44	44
Grand Total		1,892	300	623	489	378	188	748	11	91	96	4,815

* Includes long term care provided to day patients

information on approximately 99 per cent of public sector expenditure on health in Scotland, mostly at the level of individual hospitals.

ONS and the Information and Statistics Division (ISD) of the NHS in Scotland have mapped the SHSC data to the Health Accounts classifications. The mapping is thought to be broadly comparable with the work done on English Reference Costs. Further planned work on both mappings will help to ensure this. However SHSC are published by specialty, rather than by the Healthcare Resource Groups used in England. Further work is therefore required to clarify the comparability of these mappings.

Table 4 shows how the data from *Scottish Health Service Costs* can be represented in the format of Health Accounts.

Further work

There are a number of other areas in which ONS plans to conduct further development work on the pilot expenditure account and progress will be documented on the National Statistics website. These are:

- disaggregation of NPISH health expenditure;
- more detailed disaggregation of household health expenditure;
- disaggregation (and reconciliation) of the remainder of UK public sector health expenditure, including Wales and Northern Ireland.

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