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Economic Trends

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Contents

In Brief

Articles

This month we feature two articles.

Leonidas Akritidis of ONS reports on the accuracy assessment of national accounts statistics. The project's aim was to review the accuracy of the basic data used in the National Accounts. To do this, it took each type of data source and analysed the effects of different types of adjustments applied during the compilation process in order to achieve accurate and coherent final estimates. The article describes the project's definitions of the quality, and the structure, of the compilation process used in the National Accounts estimates. Finally, it examines the results of the compilation (in current prices) for the year 2000 – consistent with the 2002 editions of ONS *Blue Book* and *UK Input-Output Analyses* and draws some conclusions.

Chris Daffin and Eunice Lau of ONS present new labour productivity data from the Annual Business Inquiry. In June 2002, the Office for National Statistics released estimates of approximate gross value added and other data from the 2000 Annual Business Inquiry. Recently year average employment numbers have been added to the available data, which enable users to calculate a current price labour productivity measure to the 4-digit SIC92 level. This article looks at issues regarding the quality of labour productivity measures derived from the ABI data as well as presenting results for 1998 to 2000.

Changes

Table 4.1 and **Table 4.3**
Labour market activity data in these tables have been adjusted to reflect the 2001 Census population data.

Table 4.2
The Labour market activity, not seasonally adjusted data table is not published this month, as 2001 Population census-based data are not yet available.

Table 4.5A
This table now shows unadjusted data; data have not been adjusted to reflect the 2001 Census population data. It is not possible to reliably adjust the regional LFS estimates because the 2001 census results have shown large regional variations in population changes. The non-seasonally adjusted data are consistent with mid-year population estimates based on the 1991 Census.

Recent economic publications

Annual

Economic Trends Annual Supplement 2002. TSO, ISBN 0 11 621493 7. Price £28.50.

Quarterly

Consumer Trends: 2002 quarter 2. Available for downloading from the National Statistics website **www.statistics.gov.uk/products/p242.asp**
United Kingdom Economic Accounts: 2002 quarter 2. TSO, ISBN 0 11 621546 1. Price £26. Also available for downloading from the National Statistics website **www.statistics.gov.uk/products/p1904.asp**
UK Trade in Goods analysed in terms of industries (MQ10): 2002 quarter 2. Available for downloading from the National Statistics website **www.statistics.gov.uk/products/p731.asp**

Monthly

Financial Statistics: November 2002. TSO, ISBN 0 11 621504 6. Price £23.50.
Focus on Consumer Price Indices: October 2002. Available for downloading from the National Statistics website **www.statistics.gov.uk/products/p867.asp**
Monthly Review of External Trade Statistics (MM24): October 2002. Available for downloading from the National Statistics website **www.statistics.gov.uk/products/p613.asp**

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Economic Update - December 2002

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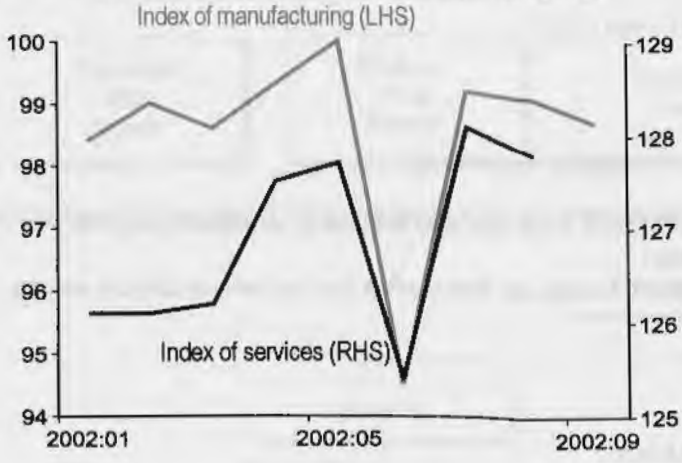
Overview

GDP data shows growth picked up in the second and third quarters of 2002. Although this came alongside faltering confidence in global financial markets from June. Growth in the third quarter was driven by positive growth in the manufacturing sector and stronger growth in the service sector. However these figures are strongly affected by Jubilee holidays, monthly data shows the situation weaker. In general external indices of output weakened a little into the third quarter. Household demand weakened into the third quarter, but evidence of a slowdown is still fairly limited. Investment demand is falling at an annual rate of twelve per cent, set against a background of high indebtedness, an increase in bankruptcies and rising interest rates on some corporate debt. Figures continue to show strong growth in Government demand, with the public sector finances returning to deficit, compounded by weak revenues. Trade demand deteriorated fairly abruptly into the third quarter, following a strong second quarter. Labour market signals show a marginal deterioration, with the employment count falling, the rate flat and the unemployment rate increasing slightly. By industry, manufacturing jobs are in decline, private sector service employment growth is weak but public sector job growth is accelerating. Price pressures remain subdued: earnings growth is below 4.0 per cent, producer price data remains weak and RPIX remains below target.

GDP activity - overview

The preliminary estimate showed gross domestic product (GDP) quarterly growth in the third quarter of 2002 at 0.8 per cent, up from 0.6 per cent in the second quarter and from 0.1 per cent in the first quarter of 2002. Growth comparing the third quarter of 2002 with the same quarter a year ago was 1.8 per cent, up from 1.3 per cent in the year to the second quarter of 2002. Annual growth has now been below 2 per cent for five consecutive quarters.

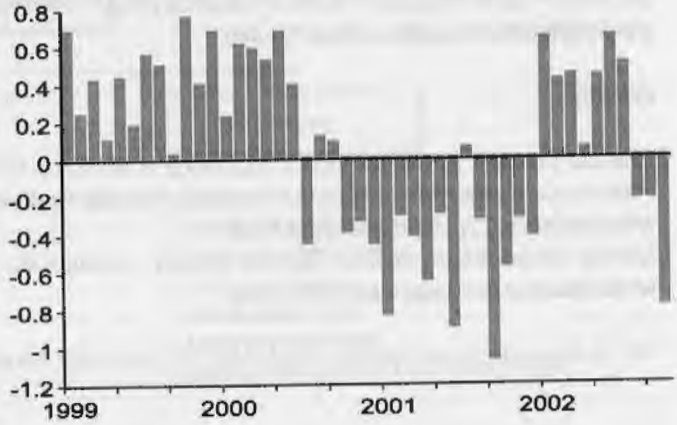
Figure 1
Monthly production indicators, indices 1995=100



The increased GDP growth in the latest quarter reflects the first positive growth in the manufacturing sector since the last quarter of 2002 and an increase in service sector growth, these were partly offset by weaker oil production. It should be noted however that the Jubilee holidays reduced June output in both the manufacturing and service sectors. Without this effect, growth in the second quarter would have been higher and growth into the third quarter would have been lower. Figure 1 showing monthly data suggests that manufacturing output is flat and the experimental index of service data suggests that services output growth is a little more subdued over recent months.

The pick-up in growth since the first quarter of the year comes alongside a degree of recovery in the main industrial economies in the first half of 2002. Much of this recovery was export led, and these fell back in the third quarter. The sharp decline in investment that was the primary cause of weakness in 2001 has not yet been reversed. Much focus remains on the United States. While US GDP growth accelerated to an annual rate of 4 per cent in the third quarter, monthly figures have been weaker, with industrial production in particular declining in each of the last three months (figure 2).

Figure 2
IOP: USA
growth, month on previous month



Financial Market activity

Recent economic events continue to be accompanied by a substantial degree of volatility in world stock market valuations of equity. The UK FTSE all share index fell 8.6 per cent in June, 9.4 per cent in July and 12.0 per cent in September – the latter fall the largest since the month of Black Monday in 1987. There was then abrupt recovery in October, with growth of 7.6 per cent and levels have been held into November.

In the medium term, according to the FTSE All-share index (measured at the end of the month), equity values peaked at 3207 in August 2000. At the end of October 2002 the index stood at 1938, a total decline of 40 per cent. This is the largest and most prolonged deterioration in FTSE since the decline in the early 1970s, where the all share index (average across the month) fell by 71 per cent between August 1972 and December 1974.

Outside the stock market concerns are echoed in the corporate bond market, which, alongside long-term loans from banks, has been the primary source of corporate borrowing since 2001. Some measures of spreads between corporate and government bonds show the highest spreads for at least a decade - particularly for lower rated paper.

Output

As noted manufacturing output grew in the third quarter, however this growth was affected by Jubilee holidays and the monthly figures suggest growth is flat. An alternative measure of growth is to compare the third quarter with the first quarter, this suggests weak growth of 0.4 per cent over the half year. Most industries show similar trends. Motor vehicle production however stands out; here growth in the year to the third quarter was 10.3 per cent, in contrast with a fall of 3 per cent for the manufacturing sector as a whole. This increase in production has been concentrated in the export market (e.g. exports of passenger cars grew by 32 per cent).

An acceleration in service sector growth was again dominated by the Jubilee and here monthly data suggests growth, but weaker growth. Taking the same comparison between quarter three and quarter one shows growth of 1.5 per cent over the half year, although the experimental IOS data shows this was dominated by a fairly abrupt pick up into April. Comparing with the same quarter a year ago annual growth was 2.3 per cent, the third consecutive quarter of growth below 3 per cent.

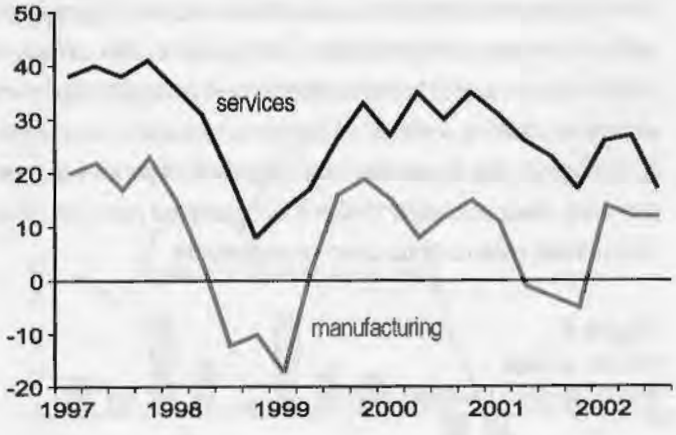
A broad industrial breakdown shows that the general slowdown in the service sector over the year has been driven by a sharp slowdowns to the previously very rapidly growing 'transport, storage and communications' industries (from recent peak annual growth of 10.0 per cent in Q3 2000 to 1.1 per cent in Q3 2002), a slowdown in 'business services and finance' (from 4.9 per cent in Q2 2001 to 2.0 per cent in Q3 2002). These declines have been offset to some extent by ongoing robust growth in distribution and government services.

Robust construction output growth has continued to support overall GDP growth. While growth was a little more subdued between the second and third quarters, annual growth was 6.5 per cent in the year to 2002 quarter three. Annual growth of 7.2 per cent in the year to quarter one was the highest growth since 1988. Lastly while energy output added to GDP in the second quarter it subtracted fairly substantially in the third, as oil companies extended maintenance over the summer.

External measures of output

External measures for both manufacturing and service sector suggest a broadly slightly weaker position than in earlier reports for 2002. Figure 3 shows the British Chamber of Commerce figures weakening into the third quarter for the service sector, and remaining fairly subdued in the manufacturing sector. Confederation of British Industry (CBI) figures for the manufacturing sector showed a deterioration between their October and July surveys, with new orders balances the lowest for three years.

Figure 3
BCC: manufacturing & services
balances



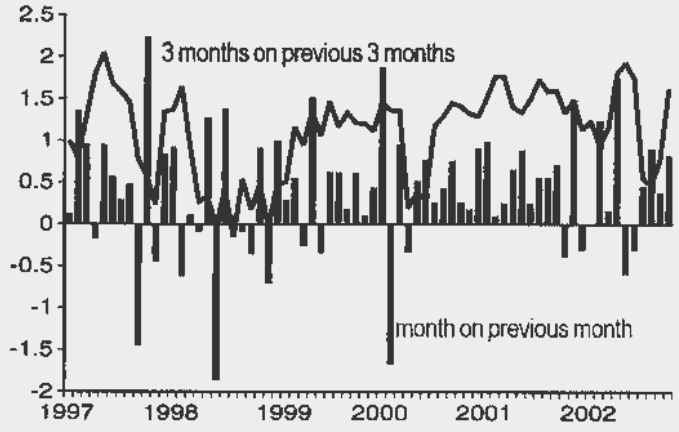
Household demand

National Accounts figures for the third quarter of 2002 showed an slowdown in quarterly growth to 0.8 per cent from 1.4 per cent in quarter two. Annual growth slowed slightly to 3.8 per cent. Other data is however mixed as to whether this weaker growth is likely to continue.

In particular retail sales data continues to show ongoing growth. There was monthly rise of 0.8 per cent in October, the fourth rise in succession. This has led to growth in the three months to October of 1.6 per cent, up

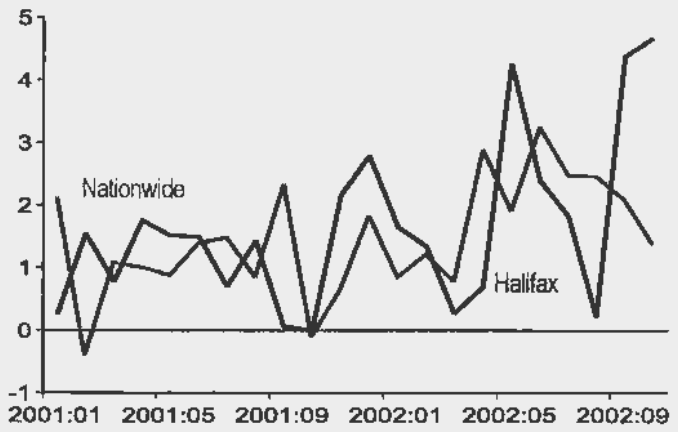
substantially from the 0.8 per cent recorded in quarter three (figure 4). Robust retail sales data continues to be supported by strong borrowing, quarterly growth in gross consumer credit was 2.6 per cent in quarter three, down from 3.3 per cent in quarter two. It is only external figures that are a little weaker. Both British Retail Consortium (BRC) and CBI figures continue to show sales weaker than this time last year, although a degree of improvement in latest months. Consumer confidence showed increased optimism through the start of the year, but this has now stalled.

Figure 4
Retail sales index
growth



More generally the prolonged period of high growth in consumer credit shows that the present level of consumer demand is supported by continued addition to the stock of household debt. Debt to income ratios continue at historic highs. As a result household demand is at least partly dependent on bank and building societies' willingness to lend and on households continuing to be able to meet the interest payments on previous and new borrowing. Many emphasise though that with interest rates low, these debt servicing costs continue to remain relatively low.

Figure 5
House prices
growth, month on previous month



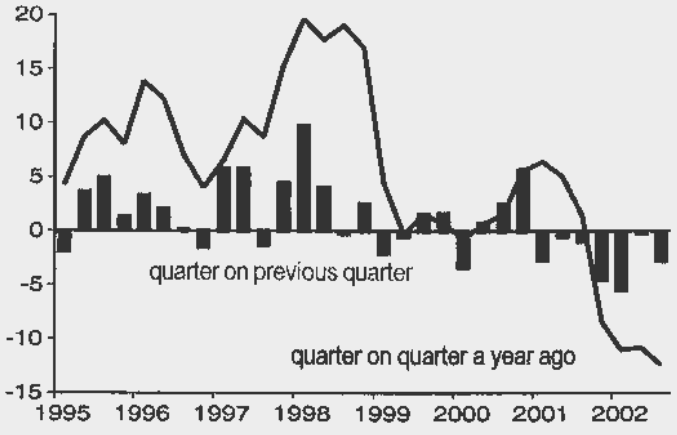
Part of this willingness to take on additional debt appears to be related to the very strong growth of house prices; here both the Nationwide and Halifax figures show annual inflation at around 24 per cent. Figure 5 shows conflicting monthly changes for the measures, with Halifax showing very sharp increases over the past two months but Nationwide showing slightly slowing increases. Both agree that the house price inflation has not ceased.

Business demand

In contrast to household demand, but echoing the position around the world, UK business investment demand is continuing to fall sharply relative to a year earlier.

Latest provisional figures business investment fell by 2.8 per cent between the second and third quarters of 2002, the seventh consecutive fall. Compared with the same quarter a year ago the decline was 12.4 per cent. This annual decline is the largest on record (figure 6).

Figure 6
Business investment
growth



The decline is seen in both the manufacturing and service sectors, with a similar pace in decline. Over the year manufacturing investment fell by 11.7 per cent and service investment fell by 13.7 per cent. An analysis by asset shows that the main area of investment decline is in other machinery and equipment. Previously the same asset had recorded high growth, peaking at annual growth of 26.4 per cent in the first quarter of 1998. These assets include high profile investment in information and communications technologies. The declines in other machinery and equipment are partially offset by annual growth in transport equipment.

As noted, the decline in investment is a global phenomenon that began between the end of 2000 and the start of 2001. In the year to the second quarter of 2002, overall investment (i.e. business investment and

government investment) declined by 2.9 per cent in the US, 6.4 per cent in Germany, 0.4 per cent in France, 6.2 per cent in Japan and 3.3 per cent in Italy. Comparable figures for the UK show a decline of 5.6 per cent in the year to the second quarter (the most recent quarter for which published comparable data exist).

On the other hand over the past year external indices have shown a degree of recovery that is not evident in the headline investment figures; although third quarter figures now suggest a weakening overall. BCC data showed a weakening in the service position set against a strengthening in the manufacturing position, whereas CBI figures show deterioration in the manufacturing position.

The cut-backs in investment have seen a recovery in the financial situation of the PNFC sector. Between quarter two of 2001 and quarter two of 2002 a net borrowing of £5.9 billion has given way to net lending of £2.6 billion, as investment has fallen by £4.6 billion and there has been a degree of recovery in profit revenues. The Bank of England's August 2002 *Inflation Report* suggested that the "recent weakness" in investment, may "in part reflect[s] the slowdown in demand and growing corporate sector financial pressures". It is notable that the overall indebtedness of the sector, while still at a high level, has moderated over the latest quarters as investment has been cut (figure 7). Lastly DTI data show fairly sharp increase in both company and individual insolvencies over the year to the third quarter, although company insolvency rates fell back a little between the third and second quarters.

Figure 7
PNFC debt to quarterly GDP ratio

Government demand

Set against the reasonably robust household demand and falling business demand, in recent quarters there has been very strong growth in government demand. In the third quarter of 2002 constant price government expenditure rose by 1.3 per cent compared with the previous quarter, following a decline of 2.7 per cent in the previous quarter. Compared with the third quarter of 2001, government demand was up 3.2 per cent. In cash terms government expenditure has grown by 8.8 per cent in the year to the third quarter.

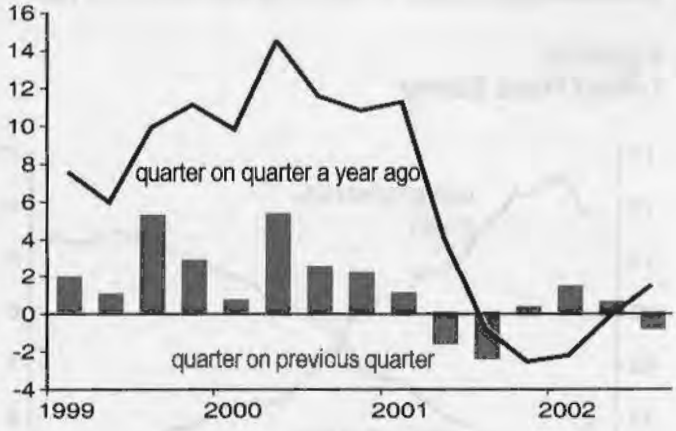
The stronger growth in government expenditure has come as revenue growth is slowing, reflecting the slowdown in the economy. The effect is that the central Government sector has returned to net borrowing for three consecutive quarters, following thirteen quarters of net lending.

Monthly public sector net borrowing data now extends to October 2002 and shows cumulative net borrowing for the financial year 2002-03 stands at £10.3 billion, this compares with a repayment of £2.6 billion over the same period of the previous financial year. The data also illustrate the weakness in Inland Revenue tax receipts, with corporation tax revenues particularly weak..

Imports

Following a pick-up in the first half of 2002, imports fell by 0.7 per cent in the third quarter (figure 8). Over the quarter, weakness was driven by a fall of imports from non-EU economies. Notably, despite the overall fall, imports of cars increased by 4.7 per cent.

Figure 8
Imports
growth

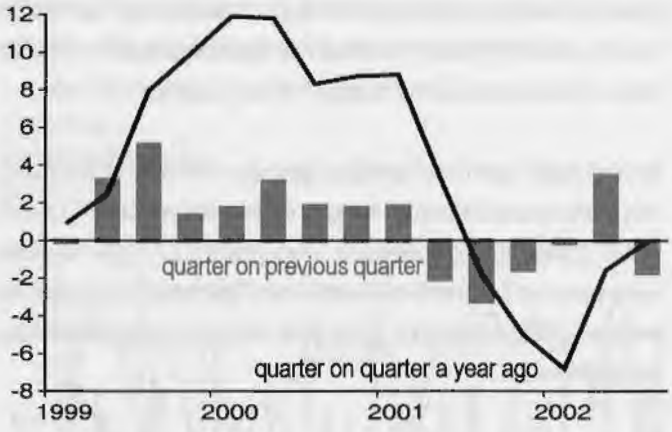


Overseas Demand

UK exports deteriorated sharply in the third quarter following the sharp increase in activity in the second (figure 9). Overall exports fell by 1.7 per cent in the third quarter following growth of 3.5 per cent in the second. The acceleration in growth was due to a sharp increase in goods exports to both non-EU and EU economies, the subsequent deterioration was dominated by 5.7 per cent fall of exports to EU economies. These falls

came despite a quarterly increase of 6.5 per cent in the export of cars.

Figure 9
Exports
growth

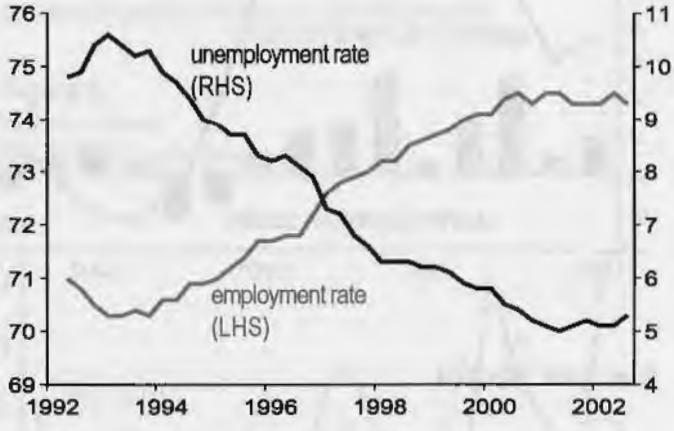


Labour Market

Labour market data perhaps shows a slight deterioration.

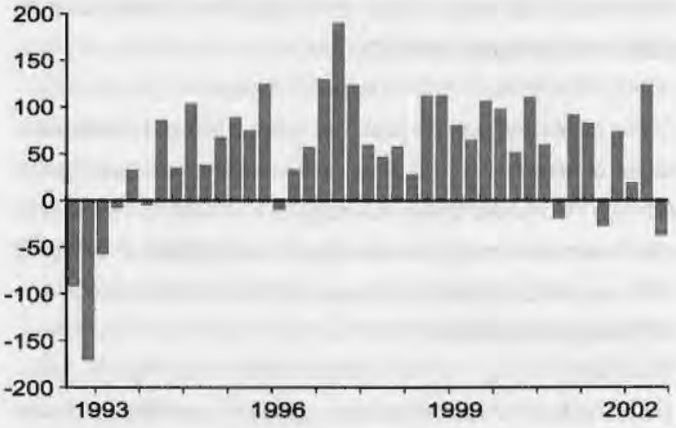
Figure 10 shows that the Labour Force Survey (LFS) employment rate has been flat at 74.3 per cent for nearly the whole of the past two years. The unemployment rate has edged up slightly, to 5.3 per cent in quarter three 2002 from 5.1 per cent in quarter three 2001. Although in slight contrast to the LFS figures, claimant count unemployment figures show the rate oscillating between 3.1 and 3.2 per cent over the past year.

Figure 10
Labour Force Survey



According to the LFS, counts of employment have continued to increase; 175,000 jobs were created in the year to the third quarter – although there was a fall of 36,000 between the second and third quarters (figure 11).

Figure 11
LFS employment
quarter minus previous quarter



It is also notable that the nature of any employment increases are changing. Firstly, recent job creation has been exclusively in part-time posts. Part-time employment increased by 198,000 over the year, while full-time jobs fell by 23,000; full time jobs also fell quite sharply – by 72,000 - between the second and third quarters. This change in work pattern may follow from firms' attempts to keep costs down. Secondly there has been a bias towards job creation in the private sector. The industry dis-aggregation from 'workforce jobs' figures shows that over the year to the second quarter: 154,000 manufacturing jobs have been lost, 34,000 new construction jobs created, and 166,000 service sector jobs created. Of the new service jobs however, 75 per cent were public sector jobs, also potentially suggesting a weaker private jobs market.

On the other hand, figures showed a fall in the amount of redundancies into Spring and Summer of 2002, following increases through 2001.

The average earnings index continues to echo the more subdued labour market. In September 2002 the headline rate was 3.8 per cent, the same is in August and well below the 4.5 per cent figure that the Bank of England consider broadly consistent with their inflation target (figure 12). Figures excluding bonuses show earnings growth lower than the headline rate.

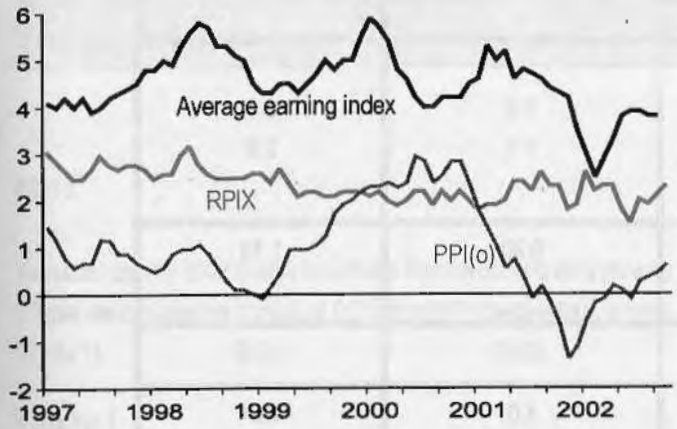
Prices

Over the past few months producer price inflation has shown slight increases on the output side and lesser falls on the input side. This continued into October with output prices growing by 0.6 per cent on the year, and input prices actually growing by 2.0 per cent. The latter figure was however dominated by the price of oil, the underlying figures excluding food, beverages, tobacco and petroleum showed continued falling prices - at 1.5 per cent on the year. More generally, the ongoing low outturns for

producer price inflation may follow from the deteriorating global conditions from 2001 with over-supply a significant phenomenon.

The September RPIX inflation figure was 2.3 per cent, up from 2.1 per cent in August but continuing the run of figures below the Monetary Policy Committee's target of 2.5 per cent (figure 12).

Figure 12
Prices
growth, month on a year ago



Consumer price inflation figures continue to be underpinned by different phenomena in goods and service markets. Goods prices are falling at an annual rate of 0.7 per cent, caused by low food price inflation, falling petrol prices on the year and a prolonged period of price falls for 'other goods' (including, for example, cars, consumer durables, clothing and DIY goods). On the other hand service prices have been inflating at rates between 4.5 and 4.8 per cent throughout 2002. This has been driven by a number of services where prices are rising above 5 per cent on the year: repairs and maintenance, dwelling insurance, domestic services, fees and subscriptions (including fast price rises in estate agents fees), personal services, maintenance of motor vehicles and holidays. The contrast may be due to exposure to international competition, with services prices shielded from price effects arising from any over-supply of goods on international markets.

Nevertheless, by historical standards, earnings and consumer and producer price pressures continue to remain very subdued.

Forecasts for the UK Economy

A comparison of independent forecasts, November 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 2002 and 2003, updated monthly.

	Independent Forecasts for 2002		
	Average	Lowest	Highest
GDP growth (per cent)	1.6	0.6	2.0
Inflation rate (Q4: per cent)			
- RPI	2.1	1.5	2.7
- RPI excl MIPs	2.2	1.5	2.6
Unemployment (Q4, mn)	0.97	0.90	1.10
Current Account (£ bn)	-18.7	-24.6	-13.3
PSNB * (2002-03, £ bn)	14.9	8.0	21.4

	Independent Forecasts for 2003		
	Average	Lowest	Highest
GDP growth (per cent)	2.4	-0.3	3.1
Inflation rate (Q4: per cent)			
- RPI	2.8	2.1	4.0
- RPI excl MIPs	2.3	1.7	3.3
Unemployment (Q4, mn)	0.99	0.82	1.25
Current Account (£ bn)	-21.5	-36.4	-13.8
PSNB* (2003-04, £ bn)	19.7	14.0	26.8

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 Claire Coast-Smith, Public Enquiry Unit 2/S2, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ (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 - December 2002

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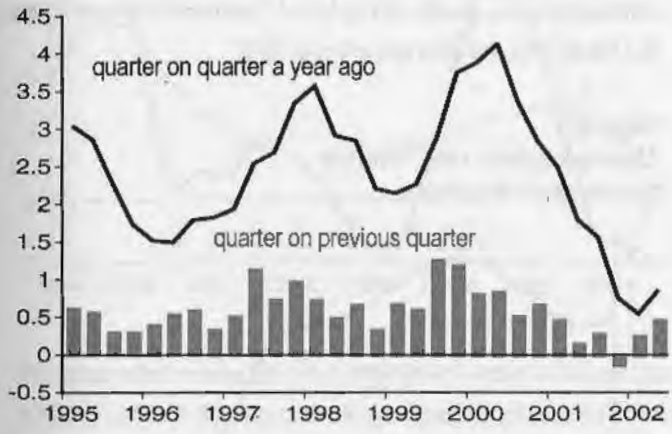
Overview

Having shown decline in the second half of 2001, major economies grew again in the first half of 2002. For the EU economies, growth in quarter two was mainly export driven, with domestic demand remaining subdued. Data for the third quarter on the US economy shows robust domestic demand holding up quarterly GDP. In all major economies, investment demand remained weak. Set against output, in most economies unemployment is at best broadly flat and employment growth is weakening and in decline. There is producer price deflation except in France and Italy and consumer price inflation remains subdued.

EU15

The latest data for 2002 quarter two shows that the EU economy grew by 0.5 per cent, following growth of 0.2 per cent in the previous quarter (figure 1).

Figure 1
GDP: EU15
growth



A breakdown of the contributors to GDP growth shows exports to be the main driver of growth in quarter two, contributing 0.7 percentage points to quarterly GDP. Imports growth also rebounded, although less sharply that exports, with trade adding 0.3 percentage points to GDP growth in quarter two. The households component of domestic demand contributed 0.3 percentage points to GDP growth, although government demand did not make a contribution and investment demand contracted. Inventories also did not make a contribution to quarterly GDP growth.

On output, the index of production data picked up in quarters one and two following falls throughout 2001. However it may be weakening with quarterly growth of 0.4 per-cent in the second quarter, slightly weaker than the 0.5 per cent growth in the first.

The CPI shows consumer prices growing by 1.8 per cent in both July and August and 2.0 per cent in September, possibly due to recent rises in oil prices. The PPI in the year to September show prices at the factory gate increasing by 0.4 per cent compared with negative growth in the first half of 2002.

EU employment figures continue to show growth, although at a declining rate. Annual growth in the year to the second quarter was 0.6 per cent, down from 0.7 per cent in 2002 quarter one. The unemployment rate has been stable at 7.6 per cent of the workforce for four months since June, up from a trough of 7.3 per cent in the second and third quarters of 2001.

Annual earnings growth fell in the second quarter of 2002, showing growth of 2.5 per cent, compared with 3.4 per cent in the first quarter, but the figures are volatile.

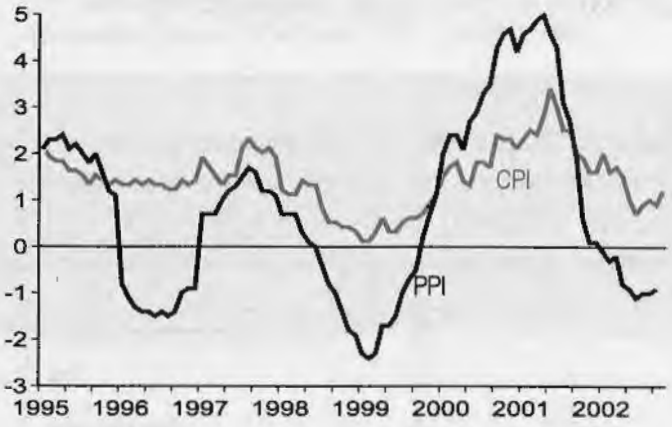
Germany

The latest data for Germany shows that quarterly GDP growth rebounded from two consecutive quarters of contraction to post positive growth of 0.3 per cent in both the first and second quarters of 2002.

However, in the second quarter, growth was mainly driven by a significant increase in stockbuilding, which contributed 0.8 percentage points to quarterly GDP. Export growth also continued to remain strong, with a contribution of 0.4 percentage points to quarterly GDP, import growth also rebounded strongly. However, household and government demand are still weak and investment contracted by much more than in quarter one.

The index of production grew by 0.4 per cent in the second quarter of 2002, following growth of 0.7 per cent in the previous quarter. Monthly figures suggest that industrial production is still somewhat volatile.

Figure 2
CPI & PPI: Germany
growth, month on a year ago



The CPI shows consumer prices growing by 1.3 per cent in the year to October, down from growth of 2.1 per cent growth seen in the index at the start of the year. Producer prices are still falling, with the PPI showing falls of 1.0 per cent in the year to July and August and 0.9 per cent in the year to September. The PPI has been negative since January 2002. Germany now has the lowest consumer price inflation and largest producer prices deflation of the largest Euro economies (figure 2).

8.3 per cent of the German workforce was unemployed as at September 2002, the same as in the previous month. There has been a gradual increase in the unemployment rate from the recent trough of 7.6 per cent in the fourth quarter of 2000 and quarter one. Similarly employment growth contracted in the second quarter of 2002, with annual growth figures for the quarter showing negative growth of 0.5 per cent, accelerating from negative growth of 0.3 per cent in the previous quarter.

In line with a deteriorating labour market, annual earnings growth has remained weak in the last four quarters, growing by just 1.0 per cent in the first and second quarters of 2002, which, after accounting for inflation in the quarter, implies a fall in real earnings.

France

The French economy grew by 0.4 per cent in 2002 quarter two, its second successive quarter of positive GDP growth, after two quarters of negative GDP growth in both 2001 quarter two and 2001 quarter four.

As with other European economies except for Germany, the main driver of the positive growth was exports, which contributed 0.3 percentage points to GDP growth in 2002 quarter two, from 0.4 percentage points in the previous quarter. This follows four consecutive quarters of contraction in export growth. A large fall in imports growth also ensured that trade made a positive contribution to quarterly GDP. In France most components of domestic demand with the exception of investment (which did not contribute to quarterly GDP growth), have made moderate contributions to GDP. However, a sharp fall in retail sales in September of 5.7 per cent could raise concerns about the robustness household consumption.

The French industrial production data has shown growth in 2002, with quarterly growth of 0.6 per cent for 2002 quarter two following growth of 0.4 per cent in the previous quarter. Monthly changes show a rise in August after a contraction in July.

Consumer prices increased by 1.8 per cent in the year to August and September, a slight rise over July. Producer prices growth has been positive in the last three months since July, having fallen prior to this since February.

The improvement in economic activity in the first half of 2002 has not translated into falling unemployment. The unemployment rate was 8.8 per cent of the workforce in quarter three, up from the recent trough of 8.5 per cent in quarters two to four of 2001(figure 3). Employment growth also continued its slowdown in the second quarter of 2002, with an annual rate of 0.2 per cent, well down on growth of 2.1 per cent at the start of 2001.

Following on from the labour market conditions, annual earnings growth continued to ease, slowing slightly from 4.1 per cent in the fourth quarter to 3.9 in the first and second quarters of 2002.

Figure 3
Unemployment rate: France
percentage of the workforce

Italy

Data for 2002 quarter two show the Italian economy growing by 0.2 per cent, following growth of 0.1 per cent in quarter one and a contraction of 0.2 per cent in the fourth quarter of 2001.

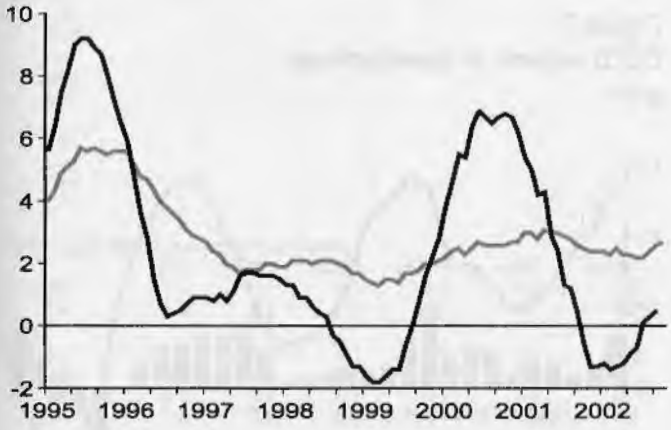
Again, as with most other EU economies, the main driver of this

performance has been exports, which contributed a strong 0.8 percentage points to quarterly GDP, from a negative contribution of 0.7 percentage points in the previous quarter. Overall trade contributed 0.1 percentage points to GDP in quarter two. However, domestic demand (households and government) is still weak and investment continues to contract. Inventories did not contribute to GDP growth in the second quarter.

Italian IOP data shows declines of 2001 arrested in 2002, but the figures remain rather volatile.

In Italy, consumer prices are accelerating, which may be partly as a result of the recent increase in oil prices, with the index showing growth of 2.6 per cent and 2.7 per cent in the year to September and October respectively. Figures show producer prices rising following falls in the first half of 2002. The PPI shows three months of positive growth since July (figure 4).

Figure 4
CPI & PPI: Italy
growth, month on a year ago



The Italian labour market shows unemployment stable for the past five months since March at 9.0 per cent of the workforce following improvements through to October 2001. Employment growth was 1.3 per cent in the year to the third quarter of 2002. This is the lowest employment growth since the last quarter of 2001.

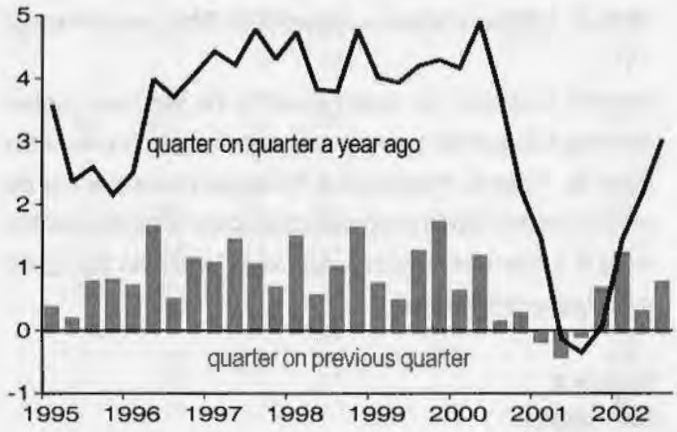
Earnings growth fell back to 2.3 per cent in the year to the third quarter after rising to 3.1 per cent in quarter two, but the figures are volatile.

USA

The latest figures for the US economy in 2002 quarter three show the economy growing by 0.8 per cent, following growth of 0.3 per cent in the previous quarter (figure 5).

The main driver of this performance is household consumption, which contributed 0.7 percentage points to quarterly GDP a considerable increase over the second quarter's contribution of 0.3 percentage points. Household spending has continued inspite of a fall in equity prices and has been held up by refinancing and mortgage equity withdrawal, prompted by low and falling interest rates. Strong car sales have also been an influencing factor in the strong household demand, although the momentum for car sales fell away in September. Government consumption has been flat over the last three quarters, and investment demand made no contribution to quarterly GDP, neither did inventories. With both import and export growth slowing notably, trade also did not make a contribution to quarterly GDP growth in the latest period.

Figure 5
GDP: USA
growth



Quarterly industrial production continues to show growth, with the index growing by 0.8 per cent in quarter three. However, the latest month on month changes shows contractions of 0.2 per cent in the index in both August and September, which may suggest a weaker index in the fourth quarter.

Inflationary pressures continued to remain subdued despite petroleum based energy costs rising markedly in September. The consumer prices index in the year to September was 1.5 per cent down from 1.8 per cent in the year to August. Producer prices also continued to fall, with annual figures showing the PPI declining by 1.1 per cent in the year to September compared to a year ago accelerating from a decline of 0.7 per cent in the previous month.

The US saw a sharp increase in unemployment in 2001 from 4.2 per cent in January to 5.8 per cent in December. The deterioration slowed somewhat in the first three months of 2002, but the volatility in the figures since then offers no clear signs of recovery. The latest data shows the unemployment rate rising by 0.1 percentage points in October over the previous month's 5.6 per cent to stand at 5.7 per cent of the workforce.

Having grown strongly in February and March 2002 by 4.2 per cent, earnings growth eased slightly to 3.3 per cent in the year to August 2002 and has remained at this rate for the past three months.

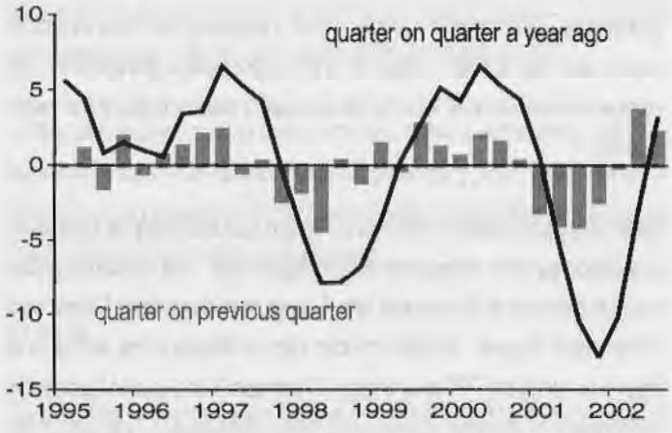
Japan

The Japanese economy grew by 0.6 per cent in the second quarter of 2002, following zero growth in the previous quarter and three quarters of negative growth in 2001.

Again, as with most other economies, this improvement is export led, with a contribution of 0.6 percentage points, a slight increase over the previous month's contribution of 0.5 percentage points. Overall trade contributed 0.4 percentage points to quarterly GDP. However, domestic demand was flat over quarters one and two and government demand still weak. Investment demand contracted for the fifth consecutive quarter.

Industrial production has shown growth in the latest two quarters reversing five quarters of consecutive negative growth in the index (figure 6). However, the strength of this recovery is uncertain, as the monthly change in September showed a contraction in the index, offsetting a rise of 1.2 per cent in the previous month, which was the highest monthly change since May.

Figure 6
IOP: Japan
growth



Consumer and producer price falls continue the deflation that began in mid-1998. Growth figures for the year to September show consumer prices falling by 0.7 per cent. Producer prices also show a similar story.

Despite the pick-up in economic activity, the unemployment rate does not show signs of substantial improvement despite a decrease of 0.1 percentage points in September to 5.4 per cent of the workforce, from 5.5 per cent in the previous month. Recent rates of unemployment are very high by historical standards for Japan (unprecedented since 1960 when OECD records began). Employment growth is also negative, declining by 1.0 per cent in the year to 2002 quarter three.

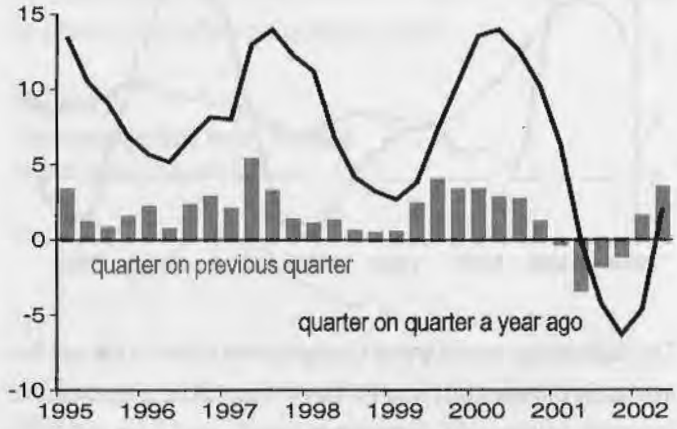
Earnings growth also contracted, in line with the weak labour market conditions, with workers earnings 2.7 per cent lower than a year ago in quarter three.

World Trade

The latest data for 2002 quarter two show a significant improvement in trade, reflecting the recent improvement in world trade activity.

Total export of manufactures show growth of 3.4 per cent in the second quarter up from 1.9 per cent in the previous quarter. A breakdown of these figures show OECD exports of manufactures growing by 3.4 per cent and non-OECD exports by 3.2 per cent (figure 7). The equivalent figures for goods exports are not yet available except for OECD goods exports which show growth of 3.0 per cent, a significant increase over the previous quarter's growth of 0.4 per cent.

Figure 7
OECD exports of manufactures
growth



Import data (available only for OECD economies at present) also shows a similar picture, with OECD import of manufactures growing by 3.4 per cent in the second quarter of 2002 and import of goods by 3.1 per cent in the same period.

3 France

	GDP	Contribution to change in GDP: PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI[1]	Earnings	Empl[2]	Unempl
Percentage change on a year earlier	ILFZ	HUBK	HUBL	HUBM	HUBN	HUBO	HUBP	ILGT	ILHN	HXAA	ILAG	ILAP	ILIH	GABC
1996	1.1	0.7	0.5	–	–0.6	0.7	0.4	0.9	–0.3	2.0	–2.7	2.6	0.3	11.9
1997	1.8	0.1	0.5	–	0.1	2.8	1.5	3.9	1.1	1.2	–0.6	2.6	0.7	11.8
1998	3.5	2.0	–	1.3	0.7	2.1	2.6	5.2	2.6	0.8	–0.9	2.2	2.0	11.4
1999	3.2	1.9	0.3	1.6	–0.3	1.1	1.5	2.0	2.4	0.5	–1.6	2.5	2.2	10.7
2000	4.2	1.5	0.7	1.6	0.4	3.6	3.7	3.6	0.5	1.7	2.1	5.2	2.7	9.3
2001	1.8	1.5	0.5	0.6	–1.0	0.4	0.2	0.8	–0.1	1.7	1.5	4.2	1.5	8.5
1999 Q3	3.2	2.0	0.3	1.6	–0.7	1.4	1.4	2.3	2.3	0.5	–1.6	2.7	2.2	10.6
Q4	4.1	1.9	0.6	1.6	–	2.4	2.4	4.3	2.2	1.0	–	3.4	2.5	10.2
2000 Q1	4.6	2.0	0.5	1.8	0.1	3.2	3.1	4.3	2.0	1.5	1.2	5.2	2.6	9.8
Q2	4.5	1.6	0.7	1.7	–	3.9	3.6	3.9	1.3	1.5	2.1	5.4	2.7	9.4
Q3	3.9	1.3	0.7	1.5	1.0	3.5	4.1	3.3	0.1	1.9	2.7	5.2	2.6	9.1
Q4	3.8	1.2	0.7	1.6	0.4	3.9	4.0	2.7	–1.3	1.9	2.4	5.0	2.5	8.8
2001 Q1	3.0	1.4	0.6	1.1	–0.5	2.8	2.4	2.3	1.3	1.2	2.5	4.3	2.1	8.6
Q2	2.0	1.4	0.5	0.6	–0.3	0.8	0.9	1.4	–0.4	2.1	1.8	4.2	1.8	8.5
Q3	2.0	1.8	0.6	0.5	–1.1	–0.1	–0.3	1.4	–0.7	1.9	1.1	4.2	1.2	8.5
Q4	0.2	1.5	0.5	–	–2.1	–1.7	–2.1	–1.9	–0.8	1.4	0.6	4.1	0.8	8.5
2002 Q1	0.5	1.0	0.6	–0.1	–0.8	–1.2	–1.0	–1.2	–1.4	2.2	–0.2	3.9	0.4	8.6
Q2	1.0	1.0	0.7	0.1	–1.1	–0.1	–0.3	–	–0.7	1.6	–0.1	3.9	0.2	8.7
Q3	..	..	..	..	..	..	..	..	1.0	1.8	0.3	..	..	8.8
2001 Oct	..	..	..	..	..	..	..	–1.2	–0.9	1.8	0.6	..	..	8.5
Nov	..	..	..	..	..	..	..	–2.0	–0.6	1.2	0.6	..	..	8.5
Dec	..	..	..	..	..	..	..	–2.4	–0.6	1.4	0.4	..	..	8.6
2002 Jan	..	..	..	..	..	..	..	–1.9	–3.5	2.3	–	..	..	8.6
Feb	..	..	..	..	..	..	..	–1.3	–0.6	2.1	–0.4	..	..	8.6
Mar	..	..	..	..	..	..	..	–0.3	–0.3	2.1	–0.3	..	..	8.7
Apr	..	..	..	..	..	..	..	0.4	–0.9	1.9	–0.1	..	..	8.7
May	..	..	..	..	..	..	..	–0.3	2.1	1.5	–0.1	..	..	8.7
Jun	..	..	..	..	..	..	..	–0.1	–3.0	1.5	–0.1	..	..	8.7
Jul	..	..	..	..	..	..	..	–1.4	1.7	1.7	0.2	..	..	8.8
Aug	..	..	..	..	..	..	..	–1.1	2.9	1.8	0.3	..	..	8.8
Sep	..	..	..	..	..	..	..	..	–1.5	1.8	0.4	..	..	8.8
Oct	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Percentage change on previous quarter	ILGJ	HUBQ	HUBR	HUBS	HUBT	HUBU	HUBV	ILHD	ILHX	ILIR
1999 Q3	1.1	0.5	0.1	0.4	–0.6	1.2	0.5	1.3	1.2	0.7
Q4	1.4	0.5	0.3	0.3	0.8	0.6	1.1	2.1	1.0	0.7
2000 Q1	1.1	0.4	0.1	0.6	–	1.0	1.0	0.1	–0.1	0.8
Q2	0.9	0.2	0.2	0.4	–0.1	1.1	0.9	0.3	–0.8	0.6
Q3	0.5	0.2	0.1	0.1	0.3	0.7	1.1	0.7	–	0.6
Q4	1.3	0.3	0.2	0.4	0.2	1.0	0.9	1.5	–0.4	0.6
2001 Q1	0.3	0.6	0.1	0.1	–1.0	–0.1	–0.6	–0.3	2.6	0.4
Q2	–0.1	0.2	0.1	–0.1	0.1	–0.8	–0.5	–0.6	–2.5	0.2
Q3	0.5	0.6	0.2	0.1	–0.4	–0.2	–0.2	0.7	–0.3	0.1
Q4	–0.5	0.1	0.1	–0.1	–0.8	–0.6	–0.8	–1.7	–0.5	0.2
2002 Q1	0.6	0.2	0.2	0.1	0.3	0.4	0.6	0.4	1.9	–0.1
Q2	0.4	0.2	0.2	–	–0.2	0.3	0.1	0.6	–1.8	–
Q3	..	..	..	..	..	..	..	..	1.4	..

Percentage change on previous month	ILKD	ILKN
2001 Oct	–1.2	–0.3
Nov	–	1.0
Dec	–0.7	–0.1
2002 Jan	0.5	–0.2
Feb	0.3	2.3
Mar	0.6	0.7
Apr	0.2	–3.5
May	–0.2	2.5
Jun	0.2	–3.1
Jul	–0.7	3.4
Aug	0.3	1.9
Sep	..	–5.7
Oct	..	..

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

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

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

Source: OECD - SNA93

1 European Union 15

	GDP	Contribution to change in GDP: PFC	GFC	GFCF	ChgStk[1]	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
Percentage change on a year earlier	ILGB	HUDS	HUDT	HUDU	HUDV	HUDW	HUDX	ILGV	ILHP	HYAB	ILAI	ILAR	ILIJ	GADR
1996	1.7	1.2	0.3	0.4	–0.5	1.5	1.2	0.6	0.5	2.5	0.7	3.5	0.4	10.2
1997	2.6	1.3	0.2	0.7	0.1	3.1	2.7	3.9	1.6	2.0	0.9	3.1	1.0	10.0
1998	2.9	1.9	0.3	1.3	0.3	2.1	3.1	3.8	2.7	1.8	–0.4	2.8	1.9	9.4
1999	2.8	2.1	0.4	1.1	–0.2	1.8	2.4	1.8	2.2	1.2	0.1	2.7	1.9	8.7
2000	3.6	1.8	0.4	1.0	–0.1	4.2	3.9	4.7	2.3	2.5	4.7	3.3	1.9	7.8
2001	1.6	1.3	0.4	–	–0.4	1.0	0.6	–	1.7	2.5	1.3	3.0	1.3	7.3
1999 Q3	2.9	2.1	0.4	1.2	–0.4	2.0	2.5	2.1	1.9	1.2	0.6	3.6	2.0	8.6
Q4	3.7	2.1	0.4	1.2	–	3.3	3.3	4.2	3.1	1.6	2.4	2.7	1.8	8.4
2000 Q1	3.9	1.9	0.4	1.1	–0.1	4.2	3.6	4.3	2.4	2.1	4.2	3.6	1.7	8.1
Q2	4.1	2.2	0.4	1.2	0.1	4.3	4.1	5.7	3.2	2.3	4.8	3.6	1.9	7.9
Q3	3.4	1.8	0.4	1.0	–	4.2	4.0	4.7	2.1	2.7	5.0	2.6	1.8	7.7
Q4	2.8	1.5	0.4	0.9	–0.2	4.2	3.9	4.3	1.6	2.7	5.1	3.5	2.1	7.5
2001 Q1	2.5	1.4	0.4	0.5	–0.3	3.0	2.6	3.9	2.5	2.7	3.3	2.6	1.9	7.4
Q2	1.8	1.3	0.4	0.2	–0.3	1.6	1.3	0.4	1.8	2.9	2.5	3.4	1.4	7.3
Q3	1.6	1.3	0.4	–0.1	–0.4	0.3	–0.1	–0.7	1.5	2.5	0.7	3.4	1.2	7.3
Q4	0.8	1.2	0.4	–0.5	–0.7	–1.0	–1.3	–3.5	0.9	2.1	–1.1	2.5	0.8	7.4
2002 Q1	0.5	0.7	0.5	–0.6	–0.2	–1.2	–1.3	–2.9	0.9	2.2	–0.7	3.4	0.7	7.5
Q2	0.9	0.7	0.4	–0.6	–0.3	–	–0.6	–1.1	1.2	1.9	–0.5	2.5	0.6	7.5
Q3	..	..	..	..	..	..	..	..	..	1.9	0.2	..	..	7.6
2001 Oct	..	..	..	..	..	..	..	–2.4	0.9	2.3	–0.8	..	..	7.4
Nov	..	..	..	..	..	..	..	–3.9	0.9	1.9	–1.4	..	..	7.4
Dec	..	..	..	..	..	..	..	–4.0	0.9	1.9	–1.2	..	..	7.4
2002 Jan	..	..	..	..	..	..	..	–3.1	–	2.3	–0.7	..	..	7.4
Feb	..	..	..	..	..	..	..	–3.4	1.8	2.0	–0.8	..	..	7.5
Mar	..	..	..	..	..	..	..	–2.2	0.9	2.2	–0.6	..	..	7.5
Apr	..	..	..	..	..	..	..	–1.1	1.8	2.2	–0.4	..	..	7.5
May	..	..	..	..	..	..	..	–0.9	0.9	1.9	–0.4	..	..	7.5
Jun	..	..	..	..	..	..	..	–1.3	0.9	1.7	–0.6	..	..	7.6
Jul	..	..	..	..	..	..	..	–0.3	1.8	1.8	–	..	..	7.6
Aug	..	..	..	..	..	..	..	–1.0	1.8	1.8	0.3	..	..	7.6
Sep	..	..	..	..	..	..	..	..	..	2.0	0.4	..	..	7.6
Oct	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Percentage change on previous quarter	ILGL	HUDY	HUDZ	HUEA	HUEB	HUEC	HUED	ILHF	ILHZ	ILIT
1999 Q3	1.3	0.6	0.1	0.4	–	1.1	1.0	1.6	1.3	0.9
Q4	1.2	0.5	0.1	0.2	0.3	1.0	1.0	1.6	1.2	0.1
2000 Q1	0.8	0.5	0.1	0.2	–0.3	1.2	1.0	0.3	0.3	–0.4
Q2	0.8	0.5	0.1	0.3	–	1.0	1.0	2.0	0.4	1.3
Q3	0.5	0.2	0.1	0.2	–0.1	1.0	0.9	0.7	0.3	0.7
Q4	0.7	0.2	0.1	0.1	0.1	1.0	0.9	1.2	0.6	0.4
2001 Q1	0.5	0.5	0.1	–0.1	–0.3	0.1	–0.2	–0.1	1.2	–0.6
Q2	0.1	0.3	–	–0.1	–	–0.5	–0.3	–1.4	–0.3	0.8
Q3	0.3	0.2	0.2	–0.1	–0.3	–0.2	–0.5	–0.4	–	0.6
Q4	–0.1	0.2	0.1	–0.2	–0.2	–0.4	–0.3	–1.6	–	–
2002 Q1	0.2	–	0.2	–0.2	0.2	–0.1	–0.2	0.5	1.2	–0.6
Q2	0.5	0.3	–	–0.1	–	0.7	0.4	0.4	–	0.7
Q3	..	..	..	..	..	..	..	..	..	..

Percentage change on previous month	ILKF	ILKP
2001 Oct	–1.3	–0.9
Nov	–0.6	0.9
Dec	0.7	–
2002 Jan	–0.1	–
Feb	0.2	1.8
Mar	0.6	–0.9
Apr	–0.1	–
May	0.2	–
Jun	–0.1	–
Jul	–0.2	–
Aug	0.5	0.9
Sep	..	..
Oct	..	..

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

1 Includes statistical discrepancy

2 Germany

	Contribution to change in GDP													
	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl[1]	Unempl
Percentage change on a year earlier														
	ILFY	HUBW	HUBX	HUBY	HUBZ	HUCA	HUCB	ILGS	ILHM	HVLL	ILAF	ILAO	ILIG	GABD
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	8.7
1997	1.5	0.4	0.1	0.2	–	2.9	2.0	3.7	–1.5	1.9	1.1	1.5	–0.3	9.6
1998	1.7	0.9	0.4	0.5	0.3	1.8	2.2	4.1	1.0	1.0	–0.4	1.8	1.5	9.1
1999	1.9	2.0	0.2	0.8	–0.4	1.5	2.3	1.6	0.4	0.6	–1.0	2.6	0.9	8.4
2000	3.1	0.9	0.2	0.7	0.1	4.4	3.3	6.2	1.3	1.9	3.4	2.7	0.6	7.8
2001	0.7	0.9	0.2	–1.1	–0.6	1.8	0.4	0.6	0.5	2.5	2.9	1.5	0.4	7.8
1999 Q3	2.3	2.2	0.2	1.0	–0.6	2.0	2.5	1.9	–0.2	0.7	–0.7	2.7	1.4	8.4
Q4	3.3	1.9	0.2	1.2	–0.2	3.3	3.0	4.3	0.8	1.0	0.6	3.0	0.8	8.2
2000 Q1	2.9	0.5	0.2	0.8	–0.1	4.4	2.8	5.1	–0.2	1.7	2.3	2.8	0.5	7.9
Q2	4.5	1.9	0.3	0.9	0.2	4.2	2.9	6.7	4.1	1.6	2.6	2.4	0.8	7.8
Q3	3.0	1.1	0.1	0.6	0.2	4.0	3.0	7.1	1.6	2.0	3.7	3.3	0.5	7.7
Q4	1.9	0.3	0.4	0.4	0.3	4.9	4.4	5.9	–0.1	2.4	4.5	2.4	0.8	7.6
2001 Q1	1.8	1.1	0.2	–0.4	–0.3	3.5	2.3	6.0	1.2	2.5	4.8	2.0	0.7	7.6
Q2	0.7	0.8	0.2	–0.9	–0.3	2.3	1.4	1.4	0.3	3.2	4.7	2.0	0.6	7.7
Q3	0.5	0.8	0.2	–1.5	–1.0	1.8	–0.1	–1.2	0.7	2.5	2.6	1.1	0.2	7.8
Q4	0.1	0.9	–	–1.6	–0.9	–0.2	–1.9	–3.7	–0.3	1.8	0.3	1.0	–0.1	7.9
2002 Q1	–0.2	–0.3	0.2	–1.2	–0.8	0.1	–1.8	–4.0	–3.5	1.9	–0.2	1.0	–0.3	8.0
Q2	0.1	–0.7	0.2	–1.4	–	0.6	–1.2	–1.8	–2.2	1.2	–0.9	1.0	–0.5	8.2
Q3	..	..	..	..	..	..	..	..	–2.1	1.0	–1.0	..	..	8.3
2001 Oct	..	..	..	..	..	..	..	–2.9	–1.3	2.0	0.6	..	..	7.9
Nov	..	..	..	..	..	..	..	–3.8	1.4	1.7	0.1	..	..	7.9
Dec	..	..	..	..	..	..	..	–4.3	–0.9	1.7	0.1	..	..	7.9
2002 Jan	..	..	..	..	..	..	..	–4.1	–4.1	2.1	–0.1	..	..	8.0
Feb	..	..	..	..	..	..	..	–4.7	–2.7	1.7	–0.3	..	..	8.0
Mar	..	..	..	..	..	..	..	–3.1	–3.5	1.8	–0.2	..	..	8.0
Apr	..	..	..	..	..	..	..	–1.4	–0.8	1.6	–0.8	..	..	8.0
May	..	..	..	..	..	..	..	–3.0	–3.1	1.1	–0.9	..	..	8.2
Jun	..	..	..	..	..	..	..	–0.8	–2.8	0.8	–1.1	..	..	8.3
Jul	..	..	..	..	..	..	..	–0.5	–2.1	1.0	–1.0	..	..	8.2
Aug	..	..	..	..	..	..	..	–0.6	–2.1	1.1	–1.0	..	..	8.3
Sep	..	..	..	..	..	..	..	..	–2.2	1.0	–0.9	..	..	8.3
Oct	..	..	..	..	..	..	..	..	..	1.3	..	..	..	..

Percentage change on previous quarter														
	ILGI	HUCC	HUCD	HUCE	HUCF	HUCG	HUCH	ILHC	ILHW				ILIQ	
1999 Q3	1.5	0.6	0.1	0.5	–	1.0	0.7	1.6	1.1				1.0	
Q4	1.2	0.5	–	–0.1	0.3	0.7	0.3	1.3	1.6				0.6	
2000 Q1	0.7	–	0.1	0.2	–	1.4	1.1	0.9	0.1				–1.8	
Q2	1.1	0.8	–	0.2	–	1.0	0.8	2.6	1.2				1.1	
Q3	–	–0.1	–	0.2	–	0.9	0.8	2.1	–1.4				0.7	
Q4	0.1	–0.3	0.3	–0.2	0.3	1.6	1.6	0.2	–				0.9	
2001 Q1	0.6	0.8	–0.1	–0.6	–0.5	–	–1.0	1.0	1.3				–1.9	
Q2	–	0.5	–	–0.3	–0.1	–0.2	–0.1	–1.8	0.3				1.0	
Q3	–0.2	–0.1	–	–0.4	–0.7	0.3	–0.7	–0.5	–0.9				0.3	
Q4	–0.3	–0.3	0.1	–0.3	0.3	–0.4	–0.2	–2.4	–1.0				0.6	
2002 Q1	0.3	–0.4	0.1	–0.2	–0.4	0.3	–0.8	0.7	–1.9				–2.1	
Q2	0.3	0.1	–	–0.5	0.8	0.4	0.5	0.4	1.6				0.8	
Q3	..	..	..	..	..	..	..	..	–0.8				..	

Percentage change on previous month		
	ILKC	ILKM
2001 Oct	–1.7	–1.8
Nov	–0.7	2.6
Dec	0.1	–1.5
2002 Jan	1.0	–2.0
Feb	–0.3	0.2
Mar	0.3	0.3
Apr	0.5	2.3
May	–1.2	–1.1
Jun	2.0	–0.8
Jul	–0.9	0.2
Aug	1.5	0.3
Sep	..	–0.9
Oct	..	..

GDP = Gross Domestic Product at constant market prices
PFC = Private Final Consumption at constant market prices
GFC = Government Final Consumption at constant market prices
GFCF = Gross Fixed Capital Formation at constant market prices
ChgStk = Change in Stocks at constant market prices
Exports = Exports of goods and services
Imports = Imports of goods and services
IoP = Industrial Production
Sales = Retail Sales volume
CPI = Consumer Prices measurement not uniform among countries
PPI = Producer Prices (manufacturing)
Earnings = Average Earnings (manufacturing), definitions of coverage and treatment vary among countries
Empl = Total Employment not seasonally adjusted
Unempl = Standardised Unemployment rates: percentage of total workforce

Source: OECD - SNA93

1 Excludes members of armed forces

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.

4 Italy

	GDP	Contribution to change in GDP: PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
Percentage change on a year earlier	ILGA	HUCI	HUCJ	HUCK	HUCL	HUCM	HUCN	ILGU	ILHO	HYAA	ILAH	ILAQ	ILII	GABE
1996	1.1	0.7	0.2	0.7	-0.7	0.2	-0.1	-1.6	1.2	4.0	1.9	3.1	0.5	11.5
1997	2.0	1.9	–	0.4	0.3	1.7	2.3	3.7	0.9	2.0	1.3	3.9	0.4	11.6
1998	1.8	1.9	–	0.7	0.3	1.0	2.2	1.5	1.0	2.0	0.1	3.0	1.1	11.7
1999	1.6	1.5	0.2	1.1	0.1	0.1	1.4	-0.1	1.0	1.7	-0.2	1.8	1.2	11.3
2000	2.9	1.7	0.3	1.3	-1.1	3.3	2.5	4.0	-0.5	2.5	6.0	2.0	1.9	10.4
2001	1.8	0.7	0.4	0.5	–	0.2	–	-1.0	-1.4	2.7	1.9	1.9	2.0	9.4
1999 Q3	1.4	1.4	0.2	1.2	-0.3	0.2	1.3	0.4	0.6	1.7	–	1.9	1.2	11.2
Q4	2.9	1.3	0.2	1.6	-0.1	2.0	2.1	3.2	2.3	2.1	2.2	1.5	1.4	11.0
2000 Q1	3.2	1.4	0.3	1.5	-1.3	4.1	2.9	3.5	-0.3	2.4	4.7	1.6	1.0	10.9
Q2	3.0	1.8	0.3	1.5	-0.8	2.9	2.6	5.8	-0.3	2.6	6.2	2.6	1.6	10.5
Q3	2.7	1.7	0.3	1.4	-1.6	3.6	2.7	3.5	–	2.6	6.7	1.9	2.1	10.3
Q4	2.6	1.6	0.3	0.7	-0.7	2.6	2.0	3.5	-1.3	2.6	6.5	1.8	2.8	9.9
2001 Q1	2.5	1.2	0.4	0.7	-0.2	0.9	0.4	2.4	-0.6	2.9	4.8	2.2	3.2	9.7
Q2	2.3	1.0	0.4	0.6	-0.2	1.4	0.9	-0.8	-1.0	3.0	3.2	1.3	2.0	9.5
Q3	1.7	0.4	0.4	0.3	1.2	-0.6	–	-1.4	-2.2	2.8	0.9	2.0	1.8	9.4
Q4	0.5	0.1	0.3	0.4	-0.6	-0.8	-1.1	-4.3	-1.9	2.5	-1.0	2.1	1.2	9.2
2002 Q1	–	-0.3	0.3	-0.4	1.1	-1.6	-0.9	-3.6	2.9	2.4	-1.3	2.2	1.7	9.1
Q2	0.2	-0.3	0.3	-0.7	1.0	-0.6	-0.5	-2.8	1.3	2.2	-1.0	3.1	1.9	9.0
Q3	..	..	..	..	..	..	..	..	..	2.4	0.4	2.3	1.3	..
2001 Oct	..	..	..	..	..	..	..	-1.5	-1.9	2.5	-0.6	2.0	..	9.3
Nov	..	..	..	..	..	..	..	-5.8	-1.9	2.4	-1.3	2.1	..	9.2
Dec	..	..	..	..	..	..	..	-5.7	-1.9	2.4	-1.3	2.1	..	9.1
2002 Jan	..	..	..	..	..	..	..	-3.3	2.9	2.4	-1.2	1.9	..	9.1
Feb	..	..	..	..	..	..	..	-3.1	2.9	2.3	-1.4	1.6	..	9.1
Mar	..	..	..	..	..	..	..	-4.4	2.9	2.5	-1.3	2.8	..	9.0
Apr	..	..	..	..	..	..	..	-3.4	1.0	2.3	-1.2	3.1	..	9.0
May	..	..	..	..	..	..	..	-1.8	1.9	2.3	-0.9	3.1	..	9.0
Jun	..	..	..	..	..	..	..	-3.2	1.0	2.2	-0.7	3.2	..	9.0
Jul	..	..	..	..	..	..	..	-1.6	2.9	2.2	0.1	2.2	..	9.0
Aug	..	..	..	..	..	..	..	-1.7	2.0	2.4	0.3	2.2	..	..
Sep	..	..	..	..	..	..	..	..	..	2.6	0.5	2.4	..	..
Oct	..	..	..	..	..	..	..	..	..	2.7	..	..	..	..

Percentage change on previous quarter	ILGK	HUCO	HUCP	HUCQ	HUCR	HUCS	HUCT	ILHE	ILHY	ILIS
1999 Q3	0.9	0.4	0.1	0.3	-0.5	0.7	0.1	2.0	–	1.4
Q4	1.0	0.4	0.1	0.5	0.4	1.0	1.3	1.4	1.3	-0.1
2000 Q1	0.7	0.6	0.1	0.3	-0.8	1.8	1.3	0.5	-1.9	-1.2
Q2	0.3	0.4	–	0.3	0.2	-0.6	-0.1	1.8	0.3	1.6
Q3	0.6	0.3	0.1	0.3	-1.2	1.3	0.2	-0.2	0.3	1.9
Q4	1.0	0.3	0.1	-0.1	1.2	0.1	0.6	1.4	–	0.6
2001 Q1	0.6	0.2	0.1	0.3	-0.3	0.1	-0.3	-0.5	-1.3	-0.8
Q2	0.1	0.1	0.1	0.2	0.2	-0.1	0.3	-1.5	–	0.4
Q3	0.1	-0.2	0.1	–	0.2	-0.7	-0.7	-0.7	-1.0	1.7
Q4	-0.2	0.1	0.1	-0.1	-0.6	-0.1	-0.4	-1.6	0.3	–
2002 Q1	0.1	-0.2	0.1	-0.5	1.4	-0.7	-0.1	0.2	3.6	-0.4
Q2	0.2	0.1	0.1	-0.1	–	0.8	0.7	-0.7	-1.6	0.6
Q3	..	..	..	..	..	..	..	..	..	1.1

Percentage change on previous month	ILKE	ILKO
2001 Oct	-0.1	–
Nov	-2.5	1.0
Dec	1.6	-1.0
2002 Jan	0.2	3.9
Feb	–	–
Mar	-0.7	–
Apr	-0.9	-1.9
May	1.5	1.0
Jun	-0.9	-1.0
Jul	0.6	1.0
Aug	0.4	-1.0
Sep	..	..
Oct	..	..

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 not seasonally adjusted

Source: OECD - SNA93

5 USA

	GDP	Contribution to change in GDP: PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl[1]	Unempl
Percentage change on a year earlier	ILGC	HUDG	HUDH	HUDI	HUDJ	HUDK	HUDL	ILGW	ILHQ	ILAA	ILAJ	ILAS	ILIK	GADO
1996	3.6	2.1	0.1	1.5	–	0.9	1.0	4.6	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	0.4	1.6	–0.2	0.4	1.6	3.7	8.8	2.1	1.8	2.9	1.5	4.2
2000	3.8	2.9	0.4	1.2	–	1.1	2.0	4.5	5.5	3.4	4.1	3.5	1.3	4.0
2001	0.3	1.7	0.5	–0.6	–1.4	–0.7	–0.5	–3.6	4.8	2.8	0.7	3.2	–0.2	4.8
1999 Q3	4.2	3.4	0.5	1.7	–0.3	0.7	1.8	3.7	9.6	2.4	2.4	3.7	1.4	4.2
Q4	4.3	3.3	0.5	1.3	0.1	0.6	1.7	4.4	8.2	2.6	3.2	3.6	1.5	4.1
2000 Q1	4.2	3.4	0.4	1.6	–0.4	1.0	2.0	4.8	7.8	3.2	4.6	4.2	1.6	4.0
Q2	4.9	3.0	0.6	1.4	0.7	1.3	2.2	5.9	5.8	3.3	4.4	3.3	1.6	4.0
Q3	3.7	2.9	0.4	1.0	0.2	1.4	2.2	4.8	5.2	3.5	3.9	2.9	1.1	4.1
Q4	2.3	2.4	0.3	0.7	–0.4	0.9	1.7	2.6	3.5	3.4	3.3	3.5	1.0	4.0
2001 Q1	1.5	1.9	0.5	0.1	–0.8	0.4	0.8	–0.4	2.9	3.4	2.1	2.6	0.7	4.2
Q2	–0.1	1.6	0.4	–0.5	–1.6	–0.4	–0.2	–3.5	4.5	3.4	2.1	3.5	–0.1	4.5
Q3	–0.4	1.2	0.5	–0.9	–1.4	–1.3	–1.2	–4.8	3.8	2.7	0.6	3.4	–0.2	4.8
Q4	0.1	1.9	0.7	–1.0	–1.7	–1.4	–1.4	–5.8	7.9	1.8	–1.5	3.4	–1.0	5.6
2002 Q1	1.4	2.0	0.7	–0.9	–	–1.1	–0.7	–3.7	5.9	1.2	–1.8	4.0	–1.4	5.6
Q2	2.2	2.1	0.7	–0.6	0.7	–0.4	0.4	–1.3	5.5	1.3	–1.7	3.4	–0.7	5.9
Q3	3.0	2.6	0.6	–0.2	0.7	0.3	1.0	0.7	7.2	1.5	–0.8	3.0	–0.2	5.7
2001 Oct	..	..	..	..	..	..	..	–5.9	9.5	2.1	–0.9	3.4	–0.6	5.4
Nov	..	..	..	..	..	..	..	–5.9	7.5	1.8	–1.7	3.4	–1.0	5.6
Dec	..	..	..	..	..	..	..	–5.8	6.7	1.6	–2.0	3.4	–1.4	5.8
2002 Jan	..	..	..	..	..	..	..	–4.4	5.6	1.1	–2.3	3.4	–1.8	5.6
Feb	..	..	..	..	..	..	..	–3.7	6.1	1.1	–2.0	4.2	–1.0	5.5
Mar	..	..	..	..	..	..	..	–3.0	6.0	1.5	–1.3	4.2	–1.4	5.7
Apr	..	..	..	..	..	..	..	–2.3	5.8	1.6	–1.4	3.4	–1.0	6.0
May	..	..	..	..	..	..	..	–1.5	4.4	1.2	–2.2	3.4	–0.6	5.8
Jun	..	..	..	..	..	..	..	–	6.2	1.1	–1.6	3.3	–0.6	5.9
Jul	..	..	..	..	..	..	..	0.4	6.9	1.5	–0.6	2.5	–0.8	5.9
Aug	..	..	..	..	..	..	..	0.5	6.6	1.8	–0.7	3.3	0.1	5.7
Sep	..	..	..	..	..	..	..	1.4	8.0	1.5	–1.1	3.3	0.1	5.6
Oct	..	..	..	..	..	..	..	..	..	..	..	3.3	0.3	5.7
Percentage change on previous quarter	ILGM	HUDM	HUDN	HUDO	HUDP	HUDQ	HUDR	ILHG	ILIA				ILIU	
1999 Q3	1.3	0.8	0.2	0.3	0.2	0.3	0.5	1.2	1.9				0.6	
Q4	1.7	0.8	0.2	0.2	0.5	0.4	0.4	1.5	2.0				0.3	
2000 Q1	0.6	0.9	–0.1	0.6	–0.5	0.2	0.5	1.4	2.2				–0.5	
Q2	1.2	0.5	0.3	0.2	0.5	0.4	0.7	1.7	–0.4				1.2	
Q3	0.1	0.6	–	–	–0.3	0.3	0.5	0.2	1.3				0.1	
Q4	0.3	0.3	0.1	–0.1	–	–0.1	–0.1	–0.7	0.4				0.2	
2001 Q1	–0.2	0.4	0.2	–	–0.9	–0.2	–0.3	–1.6	1.6				–0.7	
Q2	–0.4	0.2	0.1	–0.4	–0.3	–0.4	–0.3	–1.4	1.2				0.4	
Q3	–0.1	0.2	0.1	–0.4	–	–0.6	–0.5	–1.2	0.5				–	
Q4	0.7	1.0	0.3	–0.2	–0.4	–0.3	–0.2	–1.7	4.3				–0.6	
2002 Q1	1.2	0.5	0.1	0.1	0.8	0.1	0.3	0.7	–0.2				–1.1	
Q2	0.3	0.3	0.1	–0.1	0.4	0.4	0.8	1.0	0.8				1.0	
Q3	0.8	0.7	0.1	–	–	0.1	0.1	0.8	2.1				0.6	
Percentage change on previous month								ILKG	ILKQ				ILLA	
2001 Oct								–0.6	7.5				–	
Nov								–0.3	–2.4				–0.4	
Dec								–0.4	0.1				–0.1	
2002 Jan								0.7	0.2				–1.6	
Feb								0.4	0.7				0.9	
Mar								0.3	–0.4				–	
Apr								0.1	0.8				0.3	
May								0.5	–0.7				0.5	
Jun								0.7	1.6				0.5	
Jul								0.5	1.4				0.2	
Aug								–0.2	0.5				–0.2	
Sep								–0.2	–1.2				–	
Oct								..	..				0.2	

GDP = Gross Domestic Product at constant market prices
PFC = Private Final Consumption at constant market prices
GFC = Government Final Consumption at constant market prices
GFCF = Gross Fixed Capital Formation at constant market prices
ChgStk = Change in Stocks at constant market prices
Exports = Exports of goods and services
Imports = Imports of goods and services
IoP = Industrial Production
Sales = Retail Sales volume
CPI = Consumer Prices, measurement not uniform among countries
PPI = Producer Prices (manufacturing)
Earnings = Average Earnings (manufacturing), definitions of coverage and treatment vary among countries
Empl = Total Employment not seasonally adjusted
Unempl = Standardised Unemployment rates: percentage of total workforce

Source: OECD - SNA93

1 Excludes members of armed forces

6 Japan

	GDP	Contribution to change in GDP: PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP[1]	Sales	CPI	PPI	Earnings[2]	Empl	Unempl
Percentage change on a year earlier	ILGD	HUCU	HUCV	HUCW	HUCX	HUCY	HUCZ	ILGX	ILHR	ILAB	ILAK	ILAT	ILIL	GADP
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	–0.9	–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	1.6	–0.3	4.7
2001	–0.3	0.8	0.4	–0.6	–0.3	–0.7	–0.1	–7.0	–1.2	–0.7	–0.9	0.1	–0.5	5.0
1999 Q3	2.1	1.6	0.8	0.1	–0.3	0.3	0.3	2.7	–2.2	–	–1.3	–0.3	–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	–0.3	–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	1.9	–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	2.2	–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	0.4	0.5	4.7
Q2	–0.6	0.4	0.3	–0.3	–0.3	–0.7	0.1	–5.2	–1.1	–0.7	–0.6	0.6	–0.4	4.9
Q3	–0.5	1.1	0.4	–0.8	–0.4	–1.1	–0.2	–10.4	–2.6	–0.8	–1.0	–0.2	–0.8	5.1
Q4	–1.5	0.9	0.5	–1.7	–0.7	–1.3	–0.8	–12.8	–3.4	–1.0	–1.7	–0.6	–1.3	5.4
2002 Q1	–2.5	0.1	0.4	–2.1	–1.1	–0.6	–0.8	–10.1	–4.4	–1.4	–1.5	–1.5	–1.5	5.3
Q2	–0.7	0.4	0.4	–1.7	–0.7	0.6	–0.2	–3.0	–3.0	–0.9	–1.1	–0.7	–1.6	5.3
Q3	..	..	..	..	..	..	..	3.2	–2.3	–0.8	–0.9	–2.7	–1.0	5.4
2001 Oct	..	..	..	..	..	..	..	–12.2	–3.4	–0.8	–1.6	–0.4	–1.6	5.4
Nov	..	..	..	..	..	..	..	–13.1	–2.2	–1.0	–1.7	0.5	–1.1	5.4
Dec	..	..	..	..	..	..	..	–13.1	–4.5	–1.2	–1.8	–1.7	–1.2	5.5
2002 Jan	..	..	..	..	..	..	..	–11.1	–4.4	–1.4	–1.7	–2.7	–1.4	5.3
Feb	..	..	..	..	..	..	..	–10.8	–4.4	–1.6	–1.5	–0.8	–1.6	5.3
Mar	..	..	..	..	..	..	..	–8.5	–4.4	–1.2	–1.5	–1.0	–1.3	5.2
Apr	..	..	..	..	..	..	..	–6.4	–3.4	–1.1	–1.3	0.4	–1.4	5.2
May	..	..	..	..	..	..	..	–1.6	–2.3	–0.9	–1.1	–0.4	–1.9	5.4
Jun	..	..	..	..	..	..	..	–1.1	–3.4	–0.7	–1.0	–1.8	–1.4	5.4
Jul	..	..	..	..	..	..	..	1.7	–4.5	–0.8	–1.0	–5.0	–1.2	5.4
Aug	..	..	..	..	..	..	..	2.6	–1.1	–0.9	–1.0	–3.2	–1.1	5.5
Sep	..	..	..	..	..	..	..	5.5	–1.1	–0.7	–0.9	0.4	–0.7	5.4
Oct	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Percentage change on previous quarter	ILGN	HUDA	HUDB	HUDC	HUDD	HUDE	HUDF	ILHH	ILIB	ILIV
1999 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	–0.1	0.1	–0.6	–0.3	–0.6	–0.3	–4.0	–2.9	1.4
Q3	–0.7	–0.1	0.1	–0.4	–0.2	–0.3	–0.3	–4.0	–0.8	–0.4
Q4	–0.7	0.1	0.1	–0.6	–0.3	–0.2	–0.2	–2.4	–1.5	–0.5
2002 Q1	–	0.2	–	–0.4	–0.4	0.5	–	–0.1	0.8	–2.0
Q2	0.6	0.2	0.1	–0.2	0.2	0.6	0.2	3.7	–1.5	1.3
Q3	..	..	..	..	..	..	..	2.2	–	0.2

Percentage change on previous month	ILKH	ILKR	ILLB
2001 Oct	0.1	–1.1	0.1
Nov	–1.5	1.2	0.4
Dec	1.7	–2.3	–1.1
2002 Jan	–1.5	2.4	–1.4
Feb	0.9	–	–0.3
Mar	0.5	–1.1	0.7
Apr	0.3	–1.2	0.6
May	4.0	1.2	0.3
Jun	–0.2	–1.2	0.3
Jul	0.4	–1.2	–
Aug	1.2	2.4	–
Sep	–0.6	–	–0.3
Oct	..	..	..

GDP = Gross Domestic Product at constant market prices
PFC = Private Final Consumption at constant market prices
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Sales = Retail Sales volume
CPI = Consumer Prices, measurement not uniform among countries
PPI = Producer Prices (manufacturing)
Earnings = Average Earnings (manufacturing), definitions of coverage and treatment vary among countries
Empl = Total Employment not seasonally adjusted
Unempl = Standardised Unemployment rates: percentage of total workforce
IoP=Index of Production

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

Source: OECD - SNA93

7 World trade in goods[1]

	Export of manufactures			Import of manufactures			Export of goods			Import of goods			Total trade	
	Total	OECD	Other	Total	OECD	Other	Total	OECD	Other	Total	OECD	Other	manufact-ures	goods
Percentage change on a year earlier	ILIZ	ILJA	ILJB	ILJC	ILJD	ILJE	ILJF	ILJG	ILJH	ILJI	ILJJ	ILJK	ILJL	ILJM
1992	4.3	3.3	8.5	5.3	4.2	8.3	4.6	4.1	5.9	5.0	4.0	7.8	4.8	4.8
1993	4.7	2.1	15.4	3.8	0.7	12.5	4.2	2.5	9.1	3.0	0.5	10.4	4.3	3.6
1994	12.0	9.9	19.9	11.9	12.2	11.0	10.9	9.7	14.0	10.6	10.6	10.8	12.0	10.7
1995	9.6	10.0	8.6	10.9	10.2	12.5	9.0	9.4	7.8	9.9	9.1	12.2	10.3	9.4
1996	6.4	6.5	6.5	7.2	8.0	5.1	7.0	6.9	7.3	6.5	7.7	3.4	6.8	6.8
1997	11.3	11.8	9.3	11.1	11.3	10.8	10.5	11.0	9.1	9.7	9.6	10.0	11.2	10.1
1998	6.0	6.4	4.9	6.8	9.6	–0.5	5.4	5.7	4.6	5.9	8.0	0.3	6.4	5.6
1999	6.0	6.1	5.6	8.1	10.7	0.6	5.5	5.8	4.7	6.3	8.7	–0.4	7.0	5.9
2000	13.8	12.6	18.3	14.6	13.8	17.3	12.8	12.5	13.7	13.0	12.1	15.5	14.2	12.9
2001	–0.8	–1.0	0.2	0.2	–1.1	4.4	0.3	–	1.1	0.9	–0.4	4.8	–0.3	0.6
1996 Q3	6.6	6.8	6.1	7.1	8.8	3.1	7.2	7.3	7.2	6.1	8.2	1.0	6.9	6.7
Q4	7.8	8.2	6.5	8.3	8.9	6.7	8.7	9.1	7.5	7.5	8.7	4.4	8.0	8.1
1997 Q1	8.2	8.0	8.8	8.7	8.3	9.6	8.1	7.8	8.8	7.6	7.5	8.0	8.4	7.9
Q2	11.8	13.0	7.6	11.8	12.2	10.7	11.4	12.5	8.3	10.5	10.6	10.5	11.8	11.0
Q3	12.9	14.0	9.0	12.5	12.5	12.5	11.8	12.8	9.0	10.9	10.4	12.0	12.7	11.3
Q4	12.2	12.3	11.9	11.6	12.2	10.3	10.7	10.9	10.1	9.9	10.1	9.6	11.9	10.3
1998 Q1	10.7	11.2	8.8	10.5	12.9	4.2	9.8	10.6	7.7	9.4	11.1	4.9	10.6	9.6
Q2	7.2	6.9	8.5	7.9	9.7	3.3	6.2	6.0	6.7	6.7	8.0	3.3	7.6	6.4
Q3	4.2	4.2	4.2	4.8	7.9	–3.2	3.5	3.5	3.8	4.2	6.6	–2.3	4.5	3.9
Q4	2.1	3.2	–1.9	4.0	7.8	–6.1	2.0	2.6	0.2	3.3	6.3	–4.7	3.0	2.6
1999 Q1	1.6	2.7	–2.3	4.4	7.5	–4.1	1.5	1.9	0.4	3.3	5.7	–3.7	3.0	2.4
Q2	3.6	3.8	2.9	6.3	9.4	–2.6	3.7	3.8	3.6	4.8	7.6	–3.1	4.9	4.2
Q3	7.3	7.4	7.3	9.2	11.6	2.3	6.9	7.4	5.3	7.2	9.5	0.5	8.3	7.0
Q4	11.3	10.5	14.4	12.4	14.2	6.9	9.9	10.0	9.5	10.1	11.9	4.7	11.8	10.0
2000 Q1	14.7	13.6	18.6	14.2	14.5	13.1	13.2	13.4	12.5	12.3	12.6	11.2	14.4	12.7
Q2	14.9	14.0	18.3	15.5	15.0	17.2	13.6	13.6	13.7	13.8	13.1	15.8	15.2	13.7
Q3	14.1	12.6	19.5	15.8	14.6	19.8	13.3	12.5	15.6	14.2	12.9	18.3	15.0	13.7
Q4	11.6	10.2	16.6	13.0	11.1	19.1	11.2	10.6	13.1	11.7	10.0	16.8	12.3	11.4
2001 Q1	7.1	6.4	9.7	7.8	6.1	13.2	7.3	6.8	8.8	7.5	6.0	12.2	7.5	7.4
Q2	0.3	0.1	1.3	1.1	–0.1	5.0	1.3	1.1	1.6	1.6	0.5	5.0	0.7	1.4
Q3	–4.3	–4.2	–4.4	–3.3	–4.4	0.4	–2.9	–2.9	–2.8	–2.3	–3.5	1.3	–3.8	–2.6
Q4	–6.2	–6.3	–5.7	–4.7	–5.9	–0.9	–4.7	–5.2	–3.2	–3.3	–4.7	0.8	–5.4	–4.0
2002 Q1	–3.9	–4.7	–1.5	–2.7	–3.9	1.0	–3.3	–4.2	–0.9	–2.3	–3.5	1.4	–3.3	–2.8
Q2	2.5	2.0	4.2	..	1.6	..	..	1.5	..	..	1.3	..	..	..
Q3	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Percentage change on previous quarter	ILJN	ILJO	ILJP	ILJQ	ILJR	ILJS	ILJT	ILJU	ILJV	ILJW	ILJX	ILJY	ILJZ	ILKA
1996 Q3	1.9	2.3	0.7	2.4	2.7	1.5	2.5	2.8	1.6	2.3	2.6	1.3	2.2	2.4
Q4	2.5	2.8	1.2	2.5	2.2	3.4	2.9	3.4	1.6	2.4	2.1	3.1	2.5	2.6
1997 Q1	2.6	2.0	4.6	2.4	2.1	3.2	1.4	0.7	3.4	1.7	1.3	3.0	2.5	1.6
Q2	4.4	5.3	1.0	4.0	4.7	2.2	4.2	5.2	1.5	3.8	4.2	2.7	4.2	4.0
Q3	2.9	3.2	2.0	3.1	3.0	3.2	2.8	3.0	2.2	2.6	2.5	2.8	3.0	2.7
Q4	1.9	1.3	3.9	1.8	1.9	1.4	1.9	1.7	2.7	1.5	1.8	0.8	1.8	1.7
1998 Q1	1.2	1.0	1.7	1.3	2.7	–2.5	0.6	0.4	1.1	1.2	2.2	–1.4	1.2	0.9
Q2	1.1	1.2	0.7	1.6	1.7	1.2	0.7	0.8	0.6	1.3	1.3	1.1	1.3	1.0
Q3	–	0.6	–2.0	0.1	1.3	–3.3	0.2	0.6	–0.6	0.1	1.2	–2.8	–	0.2
Q4	–0.2	0.4	–2.2	1.0	1.9	–1.7	0.4	0.8	–0.9	0.6	1.4	–1.6	0.4	0.5
1999 Q1	0.6	0.5	1.3	1.7	2.4	–0.3	0.1	–0.3	1.3	1.2	1.7	–0.5	1.2	0.7
Q2	3.2	2.4	6.0	3.3	3.5	2.8	2.9	2.6	3.8	2.8	3.1	1.7	3.2	2.8
Q3	3.6	4.0	2.2	2.9	3.4	1.5	3.3	4.1	1.0	2.4	3.0	0.9	3.2	2.9
Q4	3.5	3.3	4.3	3.9	4.2	2.8	3.2	3.2	3.1	3.4	3.6	2.5	3.7	3.3
2000 Q1	3.7	3.3	5.0	3.3	2.7	5.4	3.2	2.8	4.1	3.2	2.4	5.7	3.5	3.2
Q2	3.4	2.8	5.7	4.6	4.0	6.5	3.3	2.8	4.8	4.1	3.5	5.9	4.0	3.7
Q3	2.8	2.7	3.3	3.2	3.0	3.8	3.0	3.1	2.7	2.8	2.8	3.1	3.0	2.9
Q4	1.3	1.1	1.7	1.3	1.0	2.2	1.3	1.5	0.9	1.1	1.0	1.2	1.3	1.2
2001 Q1	–0.5	–0.3	–1.2	–1.4	–1.9	0.2	–0.5	–0.8	0.2	–0.7	–1.4	1.5	–0.9	–0.6
Q2	–3.1	–3.4	–2.4	–1.9	–2.2	–1.2	–2.5	–2.7	–2.1	–1.6	–1.8	–0.8	–2.5	–2.0
Q3	–1.9	–1.8	–2.5	–1.3	–1.4	–0.8	–1.2	–1.0	–1.8	–1.1	–1.3	–0.6	–1.6	–1.2
Q4	–0.7	–1.1	0.4	–0.2	–0.6	0.9	–0.6	–0.9	0.4	–	–0.3	0.8	–0.5	–0.3
2002 Q1	1.9	1.5	3.1	0.7	0.2	2.2	1.0	0.4	2.6	0.4	–0.2	2.1	1.3	0.7
Q2	3.4	3.4	3.2	..	3.4	..	..	3.0	..	..	3.1	..	..	..
Q3	..	..	..	..	..	..	..	..	..	..	..	..	..	..

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

Source: OECD - SNA93

Regional Economic Indicators - December 2002

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Overview

The regional picture, like the national one, is mixed, with, in general, production rising slightly but confidence falling and employment broadly stable. Most regions do well in some areas and poorly in others. Northern Ireland continues to improve its position relative to the rest of the UK, and the Midlands also generally do well. The North East and Yorkshire and the Humber continue to be below the national average, whilst London generally retains, but does not improve upon, its position relative to the other regions.

GDP at basic prices

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

ONS will be releasing regional GDP data for 2000 in January. These regional GDP estimates are residence based, locating the income of commuters to where they live rather than to their place of work.

In Table 1, London and the South East together accounted for 32.8 per cent of the UK's total GDP in 1999, with contributions of 16.7 per cent and 16.0 per cent respectively. For the South East this was a significant increase from 14.5 per cent in 1989. The other region to grow significantly faster than the average was Northern Ireland, which posted an 87.2 per cent increase in value terms from 1989 to 1999, although this only accounted for 2.2 per cent of the UK's total GDP in 1999. In 1999 overall GDP at basic prices rose by 4.3 per cent, compared to 6.2 per cent in 1998 (figure 1). The highest annual rate of increase was in the South East at 8.6 per cent, whilst the North East was the only region to have a fall in output, the change being -0.6 per cent.

Figure 1
GDP, UK, England, Wales, Scotland & Northern Ireland
growth, year on previous year
percentage change, 1997 to 1999

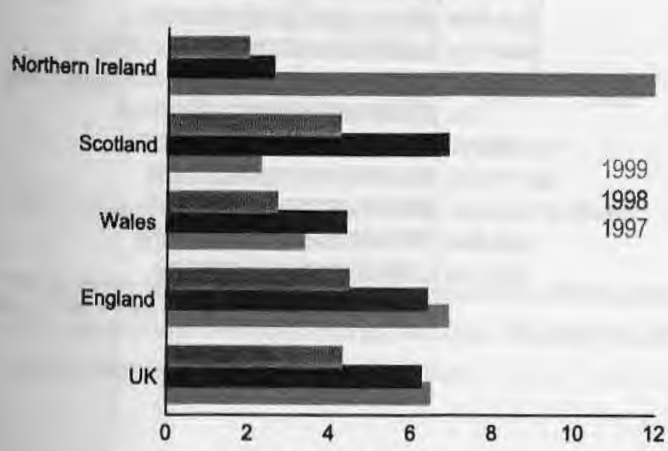


Table 2 compares GDP per head per region and on that basis it shows that London remains the richest region and the North East the poorest, with the North East also being the only region to experience a fall in output. The growth rate was the highest in the South East, at 7.4 per cent, with the North West and Scotland also growing above the UK average of 3.8 percent. Apart from the North East the weakest rates of increase were in the West Midlands, the South West and Northern Ireland.

Table 3 shows how household disposable income per head increased in the UK in 1999 by 4.6 per cent, compared to an increase of 1.9 per cent in 1998. London recorded the highest value in 1999 of £12,207 followed by the South East with £11,055, which continues medium term trends. Looking at annual percentage changes, Scotland recorded the largest rise of 7.8 per cent in 1999, while Yorkshire and the Humber was the slowest growing region, with growth of 2.4 per cent in 1999. Other slower growing regions were the South East, with 3.3 per cent, London, with 3.4 per cent, and the South West with growth of 3.6 per cent in 1999. Significant acceleration in the rates of increase in 1999 compared to 1998, of more than 4.5 per cent, was seen in the North East and Scotland, whilst growth fell in the Yorkshire and Humber region.

Table 4, shows individual consumption expenditure per head, with London again recording the highest monetary value of £12,250 in 1999, followed by the South East with £11,392 and the North East having the lowest expenditure. Looking at annual percentage changes, London also recorded the largest rise in consumption with growth of 8.8 per cent in 1999, while the North East recorded a decline of 1.0 per cent in the same period, compared to an increase of 4.4 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,

shows that, with the exception of the North West and the East, all regions saw growth in total employment in the first quarter of 2002, but at a slower pace. Employment growth in the UK as a whole increased by 0.3 per cent in the latest quarter, compared to an increase of 0.7 per cent in the previous quarter. However, the performance across regions differed to some extent, with the largest quarterly growth rate in employment in Northern Ireland (2.8 per cent), with London and Scotland next (both 0.7 per cent). Both the North East and the West Midlands employment grew by 0.2 per cent. Employment growth in Yorkshire and the Humber was 0.1 per cent. There was no significant growth in employment in 2002 quarter one in the South East.

National year-on-year growth to 2002 quarter one stood at 1.2 per cent, the same as in the year to the previous quarter. All regions except the North East, the North West and Scotland saw growth relative to the first quarter a year ago, with the highest employment growth in London, the South West, the East Midlands and Northern Ireland.

Employee jobs (from Employers Surveys), in table 11, on the other hand, showed employment in the UK declining over the year to 2002 quarter 2. Regionally, over the year, declines were observed in about half of the regions, with the declines in London and Scotland the largest; Northern Ireland and the South West showed strong growth. However, as noted previously, there appear to be seasonal factors present in the data.

The UK **claimant count rate**, table 8, was 3.1 per cent of the workforce in the UK in July through to October 2002. Over the year, while at the national level unemployment has fallen very slightly, at regional level many regions saw more substantial changes in their counts. Regions with falls of 0.3 percentage points or more were the North East, Yorkshire and the Humber and Northern Ireland. On the other hand, the East, London and the South East counts all grew, with London and the South East's counts both growing by 0.2 percentage points.

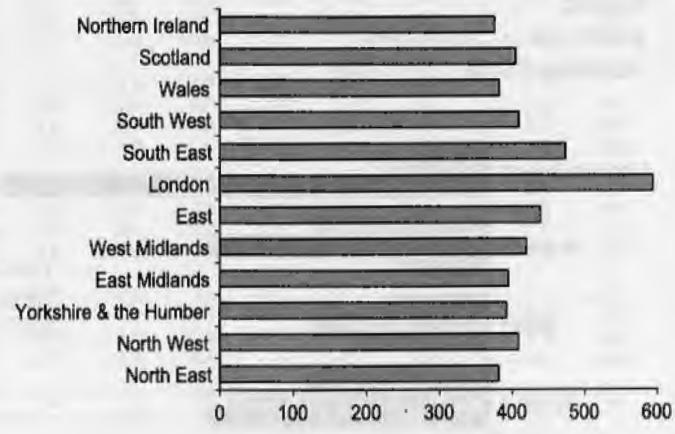
In Table 6, in contrast to the claimant count rate, the rate of **ILO unemployment** in the UK increased in 2002 quarter one to 5.2 per cent, from 5.1 per cent in 2001 quarter four, and 4.9 per cent in 2001 quarter one. However, there was a high degree of volatility between the latest quarters at the regional level. Increases in unemployment in 2002 quarter one were seen in all regions except the North East, the East Midlands, the West Midlands, the East and Northern Ireland, with the North East and Northern Ireland having the largest falls (0.7 percentage points). Over the year, London and Scotland saw the largest rise in unemployment, whilst Northern Ireland and the East Midlands saw the largest falls.

Long-term claimant count rates as a percentage of the unemployed, table 7, shows a significant fall over the year October 2001 to October 2002, with most of the fall coming at the end of 2001 and start of 2002, and October 2002 showing a slight rise compared with the previous month. This pattern is generally reflected across the regions, with London having the smallest recent increase and Northern Ireland the largest. There are substantial differences across regions in the level of the long term claimant count, with Northern Ireland followed by London having the highest levels and the South East followed by the East and the South West having the lowest. It is difficult to interpret the significance of the changes over the past year, 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 offset by a rise in the number of short-term unemployed.

Table 10 shows **redundancy rates** in the government office regions. Most regions saw no significant changes in redundancies between Spring 2001 and Spring 2002, with the exceptions being the West Midlands the East and the South East, which saw increases, and Scotland, which saw a fall in the redundancy rate.

Total average gross weekly pay (from the annual New Earnings Survey), in table 5, shows how all regions recorded an acceleration in the rate of growth of pay in the last two years, with the rate of increase generally being greater in 2001 than 2000. 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 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 of £593 and Northern Ireland the region with lowest weekly pay, £375 (figure 2).

Figure 2
Total average gross weekly pay
2001 April
seasonally adjusted

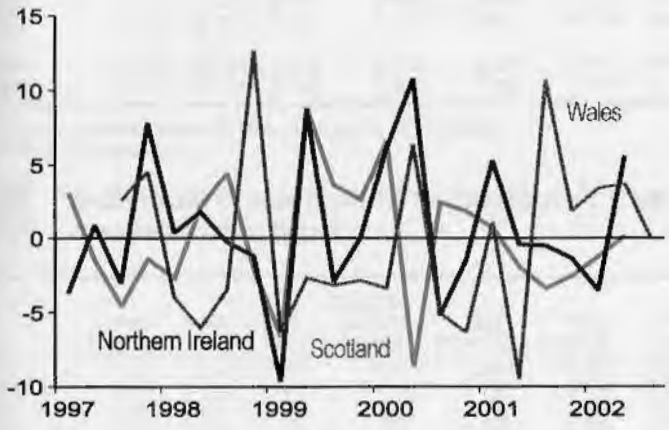


Industrial Production and Construction

UK industrial production output, table 12, grew slightly for the second quarter in a row with a rise of 0.3 per cent in 2002 quarters two and three. However, the preceding six successive quarters of decline mean that the industrial production was still lower than a year ago in both quarter two and three by 4.2 per cent and 3 per cent respectively. Scotland, Wales and Northern Ireland all grew faster than the UK as a whole in quarter two, with the latter two growing particularly fast at over 1 per cent. The strong recent growth in Wales has lead to 2002 quarter 2 industrial production in Wales being 0.5 per cent above that of the same quarter a year earlier. In contrast Scottish industrial production was 10.6 per cent lower in 2002 quarter two than in 2001 quarter two.

On the other hand, **UK construction output**, table 13, rose by 1.2 per cent in 2002 quarter two and 0.6 per cent in quarter three, this continues the recent positive growth but, particularly in quarter three, at a slower rate. Construction in Scotland and Northern Ireland rose after recent falls, with the Northern Irish recovery being much stronger (figure 3). Wales sustained its recent growth in construction in quarter two, but this ceased in quarter three. The index of construction in quarter two 2002 compared with the same quarter a year earlier shows a rise for the UK of 7.1 per cent, for Scotland a fall of 6.6 per cent, for Wales a rise of 20.8 per cent, with no change in the index for Northern Ireland.

Figure 3
Index of construction: Wales, Scotland & Northern Ireland
growth, quarter on previous quarter



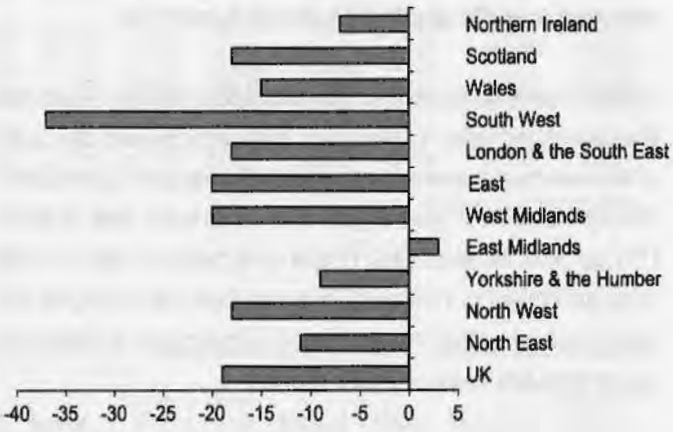
Manufacturing

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 substantial decrease in business optimism and in the volumes of new orders across most regions in its latest survey.

Table 14 shows that businesses in all regions were substantially less **optimistic about the business situation** in the October 2002 survey than the April survey, with most regions also being less optimistic than in the July survey. The only region that had a positive balance was the East Midlands, although this was still much less than in the April survey (figure 4).

Figure 4
Manufacturing industry
business optimism (balances)
October 2002



UK manufacturing output, as measured by CBI/BSL balances for **volume of output** in table 15, shows general deterioration in the volume of output over the past four months, but looking ahead an improvement is anticipated. The exceptions for the past four months are the East Midlands, Wales, Scotland and especially Northern Ireland, which has seen strong growth. Looking ahead, output is anticipated to deteriorate only in Yorkshire and the Humber and Scotland.

The overall CBI/BSL April 2002 balance for **volume of new orders,** table 16, shows a pattern of continued decline for the UK in the volume of new orders in the July and October surveys. The figures are volatile and those regions showing small recent increases generally have had large falls in earlier surveys. Looking ahead to the next four months, again, most regions anticipate improvements.

Volume of new export orders, table 17, for the next four months is showing a mixed picture from the April 2002 survey across the regions. Broadly the figures show continuing decline, with only the North East, North West, East Midlands and Northern Ireland showing strong recent growth but in all cases this is after major falls in earlier surveys. Looking ahead, most regions anticipate strong growth, the exceptions being

Scotland and Yorkshire and the Humber, which expect major falls in orders, and Northern Ireland and the East, which expect little change.

In contrast, the percentages of **firms working below capacity,** table 18, shows a decrease in the UK in the number of firms working below capacity from 72 percent in April 2002 to 67 per cent in July and October 2002, which is very similar to the level of January 2002. Despite this few regions showed the same stability with much volatility both across regions and within regions across time. The percentage of firms working below capacity fell significantly over 2002 in the North East, the North West, Wales and Scotland. The percentage rose significantly in Yorkshire and the Humber, the West Midlands and Northern Ireland.

The Housing Market

In Table 20, UK **house price growth** (not seasonally adjusted) accelerated in the third quarter, increasing by 8.3 per cent over the previous quarter after growth of 8.0 per cent in quarter two.

The latest quarterly data shows this increases occurs in most regions, but at a wide range of rates. The exception is Merseyside where, after a rise of 30.0 per cent in quarter two, prices fell by 2.7 per cent in quarter three. The highest levels of quarterly growth occurred in the West Midlands (13.7 per cent), the South East (11.4 per cent), the South West (12.8 per cent) and Wales (13.1 per cent). In quarter three the only region with lower house prices than in quarter one is Scotland, after a small rise in quarter three fails to undo the fall in quarter two.

The annual data shows a similar story. UK year-on-year growth to 2002 quarter three saw house prices increase by 18.9 per cent, and this was reflected in all regions. Regions with increases in house prices of over 25 per cent were the West Midlands (25.8 per cent), the South West (27.8 per cent) and Wales (30.0 per cent). The region with the lowest annual increase in house prices was Merseyside with 8.7 per cent.

In Table 19 the number of **permanent dwellings started** fluctuates quite widely from quarter to quarter with a significant seasonal factor involved. Year-on-year growth to quarter three shows an increase in the number of permanent dwellings started in all regions with the exception of the North East, the North West, the South East and London.

Business Start-Ups

VAT registrations and de-registrations, table 21, shows registrations outnumbering de-registrations by 12,700 for the calendar year 2001 which, is well up on the levels of 1999 and 2000, although well down on that recorded in 1998. In 2001 registrations outnumbered de-registrations in every region, except the North East, where there was a small net decline of 100 enterprises. The largest net gains were in London (2,800 businesses), the South East (3,900 businesses), the East (1,000 businesses) and the North West (1,400 businesses).

1 Gross domestic product[1] 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	452 038	17 282	47 235	34 770	28 918	42 676	43 137	73 003	65 371	33 921	386 312	19 558	36 840	9 328
1993	564 862	21 655	58 748	43 698	36 093	51 821	53 783	91 097	82 319	41 817	481 030	23 864	47 585	12 383
1994	596 800	22 349	61 965	45 368	37 409	55 712	56 960	96 580	87 342	44 128	507 812	25 473	50 237	13 278
1995	626 667	23 424	64 084	47 600	39 318	59 288	59 867	100 181	91 931	46 715	532 407	27 224	52 855	14 181
1996	663 162	24 316	67 445	50 835	42 333	62 316	63 305	105 158	99 173	49 553	564 433	28 575	55 223	14 931
1997	705 892	24 969	71 587	53 475	45 301	65 741	68 424	113 585	107 065	53 064	603 212	29 520	56 454	16 707
1998	749 826	25 656	75 598	55 261	47 824	69 107	72 964	124 385	115 348	55 420	641 563	30 805	60 326	17 133
1999	781 964	25 494	79 186	57 457	49 475	70 476	75 343	130 824	125 303	56 549	670 006	31 628	62 864	17 466

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

Source: National Statistics

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

Government Office Regions

£

	United Kingdom[2]	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	TMQJ	TMQK	TMQL	TMQM	TMQN	TMQO	TMQP	TMQQ	TMQR	TMQS	TMQT	TMQU	TMQV	TMQW
1989	7 881	6 663	6 888	7 026	7 240	8 143	8 472	10 738	8 593	7 255	8 080	6 816	7 228	5 892
1993	9 706	8 283	8 506	8 712	8 849	9 793	10 359	13 147	10 641	8 777	9 912	8 209	9 279	7 577
1994	10 219	8 546	8 962	9 023	9 126	10 509	10 918	13 873	11 236	9 210	10 427	8 740	9 772	8 073
1995	10 692	8 968	9 269	9 451	9 542	11 165	11 404	14 312	11 741	9 689	10 889	9 323	10 271	8 584
1996	11 277	9 326	9 764	10 084	10 226	11 712	11 980	14 910	12 578	10 233	11 500	9 773	10 750	8 962
1997	11 961	9 596	10 374	10 599	10 899	12 338	12 855	15 973	13 482	10 902	12 242	10 078	11 001	9 957
1998	12 658	9 880	10 956	10 944	11 467	12 950	13 599	17 353	14 426	11 316	12 966	10 494	11 761	10 128
1999	13 142	9 876	11 509	11 384	11 804	13 209	13 904	17 958	15 500	11 457	13 467	10 769	12 280	10 324

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

Source: National Statistics

3 Household disposable income[1]: £ per head

Government Office Regions

£

	United Kingdom[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	LRCH	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	8 497	7 522	7 874	7 780	7 869	7 939	9 011	10 102	9 282	8 606	8 592	7 742	8 287	7 678
1996	8 938	7 972	8 334	8 323	8 401	8 313	9 484	10 650	9 814	8 915	9 070	8 056	8 541	7 834
1997	9 513	8 554	8 900	8 776	8 835	8 748	10 025	11 485	10 579	9 511	9 674	8 389	8 977	8 365
1998	9 696	8 585	9 008	9 106	8 935	8 981	10 147	11 811	10 698	9 725	9 862	8 529	9 154	8 500
1999	10 142	9 018	9 501	9 325	9 409	9 541	10 638	12 207	11 055	10 073	10 284	8 870	9 870	8 998

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

Source: National Statistics

4 Individual consumption expenditure[1]: £ per head

Government Office Regions

£

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	TLZI	TLZJ	TLZK	TLZL	TLZM	TLZN	TLZO	TLZP	TLZQ	TLZR	TLZS	TLZT	TLZU	THZZ
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 pay[1]

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
	DEOG	LRCO	LSHZ	DCQI	DCQH	DCQG	LRCQ	DCPI	LRCR	DCQF	DCQL	DCQM	DCQN
1993 Apr	316.0	286.2	299.1	287.6	285.5	292.7	312.2	408.8	328.9	298.8	281.5	297.6	282.4
1994 Apr	324.7	294.6	307.7	297.0	292.6	300.1	322.9	420.6	339.4	306.9	290.5	301.9	286.5
1995 Apr	335.3	299.2	317.7	306.0	306.4	311.3	331.5	441.5	348.1	313.9	302.0	313.5	300.2
1996 Apr	350.2	314.1	329.6	316.4	317.9	324.3	345.7	454.3	367.4	326.5	313.1	324.9	306.2
1997 Apr	366.3	327.6	345.8	330.5	332.9	337.8	362.4	480.1	382.5	342.7	330.1	336.8	319.7
1998 Apr	383.1	339.2	361.6	344.9	350.4	358.8	378.6	500.9	405.5	354.0	343.9	350.3	332.6
1999 Apr	398.7	349.6	372.6	361.0	361.7	375.6	396.6	520.0	423.2	364.9	353.6	364.9	344.9
2000 Apr	418.1	368.0	389.0	375.1	374.4	387.2	416.2	561.7	443.3	380.6	368.4	383.0	360.4
2001 Apr	444.4	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.

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

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

Government Office Regions

Percentages

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland[2]
	MGSX	YCNC	YCND	YCNE	YCNF	YCNG	YCNH	YCNI	YCNJ	YCNK	YCNL	YCNM	YCNN	MGXW
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
Q4	5.1	7.6	5.1	5.0	4.7	5.6	3.8	6.8	3.3	3.5	4.9	5.3	6.6	6.1
2002 Q1	5.2	6.9	5.6	5.4	4.2	5.6	3.6	6.9	3.9	3.7	5.0	6.1	6.9	5.4

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

Source: Labour Force Survey, National Statistics

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

Government Office Regions

Percentages

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	LRFN	LRFO	LSIA	LRFR	LRFS	LRFT	LRFU	LRFV	LRFW	LRFX	LRFY	LRFZ	LRGA
2001 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*
2002 Jan	*16.8*	*17.4*	16.5	*15.9*	*15.6*	*19.5*	*13.0*	*20.6*	*12.0*	*12.0*	*15.9*	*14.4*	*29.5*
Feb	*16.4*	*17.3*	16.2	*15.6*	*15.3*	*19.0*	*12.5*	*20.0*	*11.4*	*11.5*	*15.3*	*14.1*	*28.4*
Mar	*16.3*	*17.4*	16.1	*15.4*	*15.1*	*18.9*	*12.4*	*19.8*	*11.3*	*11.8*	*15.3*	*14.0*	*27.6*
Apr	*16.6*	*17.8*	16.5	*15.8*	*15.8*	*19.2*	*12.7*	*19.8*	*11.6*	*12.6*	*15.8*	*14.2*	*27.7*
May	*16.7*	*18.1*	16.6	*15.8*	*15.9*	*19.2*	*12.7*	*19.7*	*11.6*	*12.9*	*16.1*	*14.2*	*27.4*
Jun	*16.7*	*18.1*	16.6	*15.7*	*16.1*	*19.0*	*12.8*	*19.6*	*11.8*	*13.1*	*16.3*	*14.1*	*26.2*
Jul	*16.2*	*17.7*	16.2	*15.2*	*15.7*	*18.2*	*12.4*	*19.3*	*11.6*	*12.8*	*15.6*	*13.5*	*23.8*
Aug	*15.9*	*17.7*	15.9	*14.9*	*15.2*	*17.6*	*12.1*	*19.2*	*11.4*	*12.3*	*15.1*	*13.4*	*23.3*
Sep	*16.1*	*18.1*	16.3	*14.9*	*15.4*	*17.7*	*12.3*	*19.2*	*11.7*	*12.6*	*15.2*	*14.2*	*23.3*
Oct	*16.3*	*18.2*	16.6	*15.2*	*15.6*	*17.9*	*12.5*	*19.3*	*12.0*	*12.6*	*15.6*	*14.4*	*23.9*

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
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*
2001	*3.2*	*5.5*	3.7	*4.0*	*3.2*	*3.7*	*2.1*	*3.3*	*1.6*	*2.1*	*3.9*	*4.2*	*5.0*
2001 Oct	*3.2*	*5.4*	3.7	*3.9*	*3.1*	*3.6*	*2.1*	*3.4*	*1.5*	*2.1*	*3.8*	*4.2*	*4.9*
Nov	*3.2*	*5.4*	3.7	*3.8*	*3.1*	*3.6*	*2.1*	*3.4*	*1.6*	*2.1*	*3.8*	*4.2*	*4.9*
Dec	*3.2*	*5.4*	3.7	*3.8*	*3.0*	*3.6*	*2.1*	*3.5*	*1.6*	*2.1*	*3.7*	*4.2*	*4.9*
2002 Jan	*3.2*	*5.3*	3.6	*3.7*	*3.0*	*3.6*	*2.1*	*3.5*	*1.6*	*2.0*	*3.7*	*4.1*	*4.8*
Feb	*3.1*	*5.2*	3.6	*3.7*	*2.9*	*3.5*	*2.1*	*3.5*	*1.6*	*2.0*	*3.7*	*4.1*	*4.8*
Mar	*3.1*	*5.2*	3.6	*3.7*	*2.9*	*3.5*	*2.1*	*3.5*	*1.6*	*2.0*	*3.6*	*4.1*	*4.8*
Apr	*3.2*	*5.1*	3.6	*3.7*	*2.9*	*3.5*	*2.1*	*3.6*	*1.7*	*2.0*	*3.6*	*4.2*	*4.8*
May	*3.2*	*5.1*	3.6	*3.7*	*2.9*	*3.5*	*2.2*	*3.6*	*1.7*	*2.0*	*3.6*	*4.1*	*4.7*
Jun	*3.2*	*5.1*	3.6	*3.7*	*2.9*	*3.5*	*2.2*	*3.6*	*1.7*	*2.0*	*3.6*	*4.1*	*4.7*
Jul	*3.1*	*5.1*	3.6	*3.7*	*2.9*	*3.5*	*2.2*	*3.6*	*1.7*	*2.0*	*3.6*	*4.1*	*4.6*
Aug	*3.1*	*5.0*	3.5	*3.6*	*2.9*	*3.5*	*2.2*	*3.6*	*1.7*	*2.0*	*3.6*	*4.0*	*4.5*
Sep	*3.1*	*5.0*	3.5	*3.6*	*2.9*	*3.5*	*2.2*	*3.6*	*1.7*	*2.0*	*3.6*	*4.0*	*4.5*
Oct	*3.1*	*4.9*	3.5	*3.6*	*2.9*	*3.5*	*2.2*	*3.6*	*1.7*	*2.0*	*3.6*	*4.0*	*4.5*

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
1999 Q1	27 540	1 058	3 023	2 287	2 009	2 454	2 652	3 391	4 049	2 372	23 295	1 238	2 309	694
Q2	27 592	1 062	3 064	2 291	1 998	2 461	2 656	3 394	4 046	2 374	23 346	1 231	2 318	693
Q3	27 696	1 077	3 077	2 311	2 006	2 475	2 664	3 389	4 053	2 360	23 411	1 244	2 335	705
Q4	27 769	1 089	3 093	2 320	2 019	2 459	2 661	3 406	4 057	2 390	23 494	1 244	2 333	702
2000 Q1	27 824	1 087	3 106	2 312	2 018	2 471	2 673	3 383	4 107	2 394	23 550	1 242	2 336	695
Q2	27 930	1 105	3 137	2 344	2 036	2 459	2 684	3 378	4 116	2 381	23 641	1 252	2 353	680
Q3	27 999	1 100	3 096	2 348	2 020	2 458	2 702	3 399	4 112	2 425	23 660	1 262	2 378	701
Q4	28 088	1 099	3 125	2 353	2 012	2 461	2 757	3 420	4 117	2 401	23 745	1 255	2 388	699
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
Q4	28 419	1 099	3 141	2 347	2 043	2 492	2 777	3 544	4 179	2 462	24 084	1 258	2 371	707
2002 Q1	28 511	1 101	3 129	2 349	2 056	2 498	2 771	3 569	4 180	2 477	24 134	1 262	2 388	727

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

Source: Labour Force Survey, National Statistics

10 Redundancies, not seasonally adjusted[1]

Government Office Regions

Rates[2]

	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	7	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	8	–[3]	6	–[3]
Winter 1998	9	16	9	6	8	9	6	10	8	9	12	11	–[3]
Spring 1999	8	–[3]	9	9	–[3]	11	8	6	7	7	10	10	–[3]
Summer 1999	7	–[3]	9	9	8	8	7	4	6	7	–[3]	8	–[3]
Autumn 1999	7	–[3]	10	6	9	6	6	6	7	8	–[3]	6	–[3]
Winter 1999	8	11	8	7	11	10	6	7	7	6	15	9	–[3]
Spring 2000	7	10	7	9	6	8	4	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]	8	7	7	8	6	6	6	6	–[3]	7	–[3]
Winter 2000	7	–[3]	9	6	7	9	5	6	6	8	9	6	–[3]
Spring 2001	7	–[3]	8	5	8	8	6	7	5	7	–[3]	10	–[3]
Summer 2001	7	–[3]	8	7	7	8	9	5	7	5	–[3]	8	–[3]
Autumn 2001	8	10	9	10	7	6	7	8	9	6	–[3]	7	–[3]
Winter 2001	9	12	10	5	8	9	8	8	10	8	10	10	–[3]
Spring 2002	8	–[3]	8	5	8	11	10	7	8	7	–[3]	8	–[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.
3 Sample size too small to provide a reliable estimate.

Source: Labour Force Survey, National Statistics

11 Employee jobs (all industries)

Government Office Regions

June 1996 = 100

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	YEKA	YEKB	YEKJ	YEKC	YEKD	YEKI	YEKE	YEKF	YEKG	YEKH	YEKK	YEKL	YEKM
1999	105.3	101.1	105.2	103.9	103.8	102.6	106.2	109.5	107.6	104.9	104.7	102.8	106.3
2000	106.9	113.2	101.8	110.3	107.0	105.9	106.6	102.8	103.6	104.5	105.7	105.2	108.2
2001	107.7	114.9	100.8	110.6	109.8	105.9	108.0	102.9	104.2	105.2	105.8	106.2	109.3
2000 Dec	107.9	102.2	107.2	105.6	103.3	102.2	110.0	118.3	111.4	106.8	106.5	104.8	110.1
2001 Mar	106.9	100.9	105.9	104.7	102.5	101.5	109.1	117.6	110.3	106.2	105.4	103.4	109.4
Jun	107.5	100.6	106.4	105.0	103.3	101.6	109.9	118.0	110.8	108.1	105.5	104.2	109.6
Sep	107.8	100.9	107.6	105.6	103.7	102.3	109.9	118.4	110.9	108.5	105.3	103.9	109.8
Dec	108.2	101.8	107.8	105.7	104.6	102.2	110.5	119.2	111.5	109.0	105.7	103.1	111.1
2002 Mar	107.2	100.6	106.7	104.3	103.6	101.7	109.6	117.5	110.3	108.5	104.5	102.4	110.4
Jun	107.3	100.8	106.9	104.3	103.5	101.5	109.6	117.3	110.5	109.5	105.2	102.0	110.8

Source: National Statistics

12 Index of industrial production[1]

Seasonally adjusted 1995 = 100

	United Kingdom	Scotland	Northern Ireland	Wales
	CKYW	LRFK	LRFL	TMQX
1998	103.4	111.5	110.5	100.0
1999	104.2	115.3	118.3	100.9
2000	105.9	115.7	128.0	103.1
2001	103.7	106.4	126.9	95.4
1999 Q3	105.1	116.4	121.1	102.2
Q4	105.3	116.7	122.3	101.8
2000 Q1	104.8	116.8	124.0	104.5
Q2	106.2	117.1	124.4	102.8
Q3	106.4	115.9	130.9	101.5
Q4	106.3	113.0	132.5	101.5
2001 Q1	105.8	110.3	134.5	97.9
Q2	104.5	109.4	126.2	94.5
Q3	103.5	105.1	125.6	94.9
Q4	101.0	100.5	121.3	94.1
2002 Q1	99.8	97.4	118.7	93.9
Q2	100.1	97.8	120.4	95.0
Q3	100.4	..	..	..

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

Sources: National Statistics; Scottish Executive; Department of Enterprise, Trade & Investment Northern Ireland;

13 Index of construction[1]

Seasonally adjusted 1995 = 100

	United Kingdom	Scotland	Northern Ireland	Wales
	GDQB	LRZR	LRFM	TMQY
1998	107.0	98.3	..	98.1
1999	107.8	101.6	..	93.0
2000	109.7	109.3	..	86.3
2001	113.7	106.4	..	80.7
1999 Q3	108.7	104.9	103.1	91.5
Q4	109.3	107.7	103.1	88.9
2000 Q1	112.1	114.9	109.4	85.9
Q2	109.7	105.0	121.2	91.4
Q3	107.9	107.6	114.9	86.8
Q4	109.2	109.6	113.2	81.3
2001 Q1	111.5	110.4	119.2	82.2
Q2	112.9	108.3	118.7	74.4
Q3	114.1	104.7	118.1	82.4
Q4	116.1	102.1	116.5	83.9
2002 Q1	119.5	100.9	112.4[2]	86.7
Q2	120.9	101.1	118.7[3]	89.9
Q3	121.6	..	..	89.9

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)

Balance[1]

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
	DCMO	LRYS	LRYT	DCMU	DCMT	DCMS	LRYU	DCMP	DCMR	DCMX	DCMY	DCMZ
2002 Jan	−31	−14	−47	−34	−36	−59	−4	−9	−42	−33	−34	−18
Apr	21	11	13	14	15	−6	18	26	4	22	14	−2
Jul	4	−12	14	12	−4	−3	–	−8	10	−1	−7	−6
Oct	−19	−11	−18	−9	3	−20	−20	−18	−37	−15	−18	−7

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

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

15 Manufacturing industry: volume of output

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

Balance[1]

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
Past 4 months	DCLQ	LRYV	LRYW	DCLW	DCLV	DCLU	LRYX	DCLR	DCLT	DCLZ	DCMA	DCMB
2002 Jan	−13	−24	−46	−24	−5	3	−5	−8	3	−18	−26	7
Apr	−15	−3	−5	−24	−5	−17	−11	−9	−26	–	−33	−21
Jul	−10	1	7	−17	−12	−8	−9	1	−8	6	4	−4
Oct	−12	−17	−2	−20	6	−8	−26	−19	−17	12	1	24
Next 4 months	DCMC	LRYY	LRYZ	DCMI	DCMH	DCME	LRZA	DCMD	DCMF	DCML	DCMM	DCMN
2002 Oct	8	29	11	−18	27	10	4	10	−4	−2	−24	–

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

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

16 Manufacturing industry: volume of new orders

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

Balance[1]

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
Past 4 months	DCNA	LRZB	LRZC	DCNG	DCNF	DCNE	LRZD	DCNB	DCND	DCNJ	DCNK	DCNL
2002 Jan	−15	−13	−41	−28	−9	−2	−10	−10	−9	−20	−23	10
Apr	−14	7	9	−19	−1	−15	−10	−17	−22	−7	−30	−22
Jul	−11	−5	8	−17	−17	−17	−1	3	−22	6	−3	6
Oct	−16	7	1	−20	3	−6	−28	−20	−35	−8	−2	8
Next 4 months	DCNM	LRZE	LRZF	DCNS	DCNR	DCNQ	LRZG	DCNN	DCNP	DCNV	DCNW	DCNX
2002 Oct	8	37	8	2	22	10	8	19	−11	−11	−11	−10

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

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

17 Manufacturing industry: volume of new export orders

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

Balance[1]

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
Past 4 months	DCNY	LRZH	LRZI	DCOE	DCOD	DCOC	LRZJ	DCNZ	DCOB	DCOH	DCOI	DCOJ
2002 Jan	−32	−41	−48	−42	−23	−40	−17	−12	−18	−17	−35	−55
Apr	−17	7	−7	−18	−16	−33	−10	−12	−49	−3	−20	−31
Jul	−14	1	5	−12	−38	−27	−7	−9	−28	−10	7	20
Oct	−17	9	5	−3	10	−16	−24	−24	−6	2	−32	18
Next 4 months	DCOK	LRZK	LRZL	DCOQ	DCOP	DCOO	LRZM	DCOL	DCON	DCOT	DCOU	DCOV
2002 Oct	−1	34	14	−28	40	14	4	13	–	–	−30	−1

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
2002 Jan	*66*	*90*	*70*	*74*	*51*	*50*	*65*	*69*	*62*	*62*	*61*	*54*
Apr	*72*	*80*	*65*	*80*	*66*	*60*	*69*	*72*	*71*	*69*	*54*	*68*
Jul	*67*	*92*	*53*	*70*	*62*	*55*	*66*	*73*	*56*	*64*	*44*	*54*
Oct	*67*	*74*	*63*	*81*	*53*	*63*	*66*	*66*	*67*	*52*	*47*	*70*

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

19 Permanent dwellings started
Government Office Regions

Numbers

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland[1]	Northern Ireland
		LRDP	LRZQ	DCRX	DCRW	DCRV	LRDR	DCRR	LRDS	DCRU	BLIA	BLFA	BLGA
2000	188 852	7 094	18 683	13 813	15 130	15 780	18 686	15 300	23 440	16 741	9 352	23 679	11 154
2001	191 982	6 373	19 228	14 556	14 836	14 459	18 876	16 463	25 571	16 337	9 136	22 902	13 245
1999 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	52 100	2 071	5 546	3 571	4 161	4 566	5 350	3 240	6 316	4 688	2 205	6 794	3 592
Q2	50 641	1 793	4 804	3 661	3 992	4 464	5 074	4 466	6 776	4 595	2 749	5 464	2 803
Q3	48 140	1 712	4 554	3 594	3 890	3 663	4 871	4 119	6 078	4 258	2 781	6 130	2 490
Q4	37 971	1 518	3 779	2 987	3 087	3 087	3 391	3 475	4 270	3 200	1 617	5 291	2 269
2001 Q1	48 861	1 926	4 788	3 879	3 757	4 026	4 521	3 446	6 043	4 082	2 206	6 423	3 764
Q2	51 617	1 735	4 938	3 797	3 766	4 116	5 641	4 338	7 071	4 431	2 705	5 232	3 847
Q3	49 735	1 593	4 813	3 644	3 967	3 309	4 825	5 705	6 509	4 125	2 452	5 904	2 889
Q4	42 840	1 119	4 689	3 454	3 492	3 165	4 084	3 112	6 104	3 755	1 778	5 343	2 745
2002 Q1	50 629	1 768	5 258	3 328	3 580	4 079	5 391	4 765	6 431	4 672	2 159	5 817	3 381
Q2	..	1 764	5 093	3 765	4 439	3 621	4 403	4 152	7 145	4 372	2 794	..	3 510
Q3	..	1 585	4 671	4 214	4 948	4 030	5 968	4 641	6 215	4 419	2 506	..	..

1 Includes estimates for outstanding returns for private sector.
2 Estimates for 2002 Q2 & Q3 for the English regions are provisional.

Sources: Office of the Deputy Prime Minister; National Assembly for Wales; Scottish Executive; Department for Social Development, Northern Ireland

20 House prices[1]
Government Office Regions

1993 = 100

	United Kingdom	North East	North West[2]	Mersey-side	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	LRBH	LRDX	LRDY	LREN	LRBJ	LRBK	LRBP	LRDZ	LRBM	LREA	LRBO	LRBR	LRBS	LRBT
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
2001	179.2	132.1	143.5	141.9	132.5	157.1	160.5	192.9	231.8	207.5	191.3	146.4	129.3	207.8
1999 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
Q4	180.6	141.3	142.0	140.7	135.7	163.6	162.1	196.2	228.2	207.9	197.9	145.1	131.5	196.2
2002 Q1	187.3	139.6	144.5	121.6	141.7	173.8	168.9	222.2	226.6	211.0	201.2	168.3	146.2	210.7
Q2	202.3	144.0	169.9	158.1	156.0	190.5	184.3	227.7	253.1	228.1	226.8	170.2	141.0	222.1
Q3	219.1	153.6	172.3	153.8	164.2	202.4	209.6	239.4	268.5	254.1	255.9	192.5	145.3	237.9

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

Source: Department for Transport, Local Government and the Regions

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

Thousands

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	DCYQ	LREB	LRZS	DCYT	DCYU	DCYY	LRED	DEON	LREE	DCYX	DCZA	DCZB	DCZC
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
2001	12.7	–0.1	1.4	0.2	0.8	1.0	1.0	2.8	3.9	0.8	0.1	0.8	0.2

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

CORPORATE SERVICES PRICE INDEX (EXPERIMENTAL) – 3RD QTR 2002

What is the CSPI ?

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

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

The main uses of the CSPI are as:

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

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

Results for Quarter 3, 2002

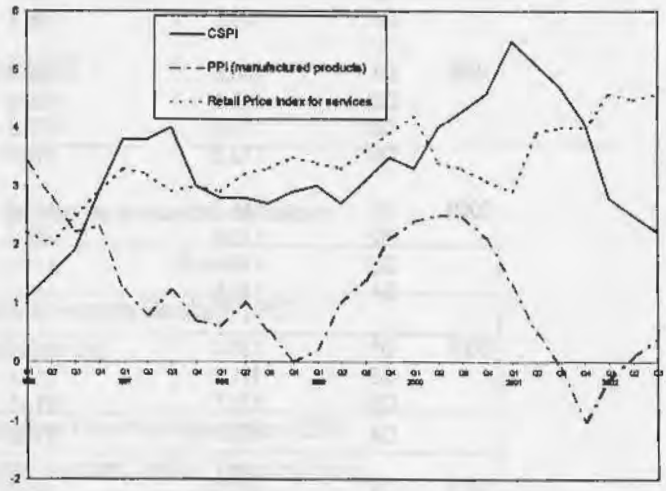
The graph opposite shows that the annual rate of increase for the CSPI reduced to 2.2 per cent in Q3 2002, compared to 2.5 per cent for the previous quarter.

The annual rate has fallen each quarter from a peak in Q1 2001 of 5.5 per cent and is currently at its lowest level for 6 years.

The graph also shows how the trend for the CSPI contrasts with those for the retail price index for services and the producer price index for manufactured products.

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

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

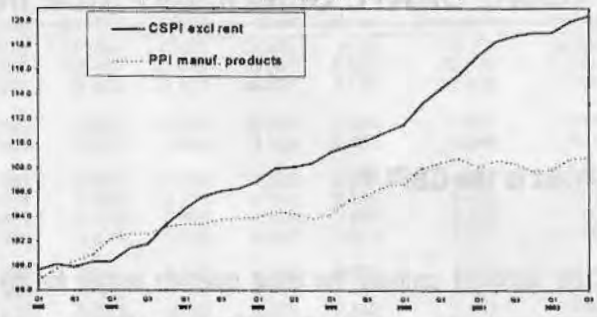


In Q3 2002, the CSPI (including property rental payments) rose by 0.5 per cent. The key contributions to this were price increases for property rentals, road freight and employment agencies, offset by a decrease for freight forwarding.

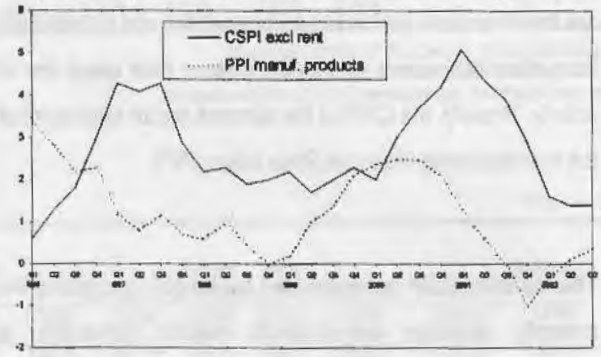
The top-level CSPI (excluding property rental payments) is compared to the net sector output PPI for manufactured products in the graphs on the right. Prices of corporate services covered by this inquiry have shown a relatively smooth upward path since 1997 but have been rising at a greater rate over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

The annual rate for the CSPI (excluding property rental payments) was 1.4 per cent in Q3 2002, unchanged from the previous quarter. This compares to the peak in Q1 2001 when the annual rate was 5.1 per cent. Annual rates for the PPI have risen slightly in the last three quarters after being in decline for over a year.

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



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



		Quarterly CSPI index values (1995=100)		Percentage change on same quarter in previous year (%)	
		Including rent	Excluding rent	Including rent	Excluding rent
1997	Q1	104.5	104.6	3.8	4.3
	Q2	105.4	105.6	3.8	4.1
	Q3	106.0	106.1	4.0	4.3
	Q4	106.4	106.3	3.0	2.9
1998	Q1	107.4	106.9	2.8	2.2
	Q2	108.4	108.0	2.8	2.3
	Q3	108.9	108.1	2.7	1.9
	Q4	109.5	108.4	2.9	2.0
1999	Q1	110.5	109.3	3.0	2.2
	Q2	111.4	109.8	2.7	1.7
	Q3	112.3	110.3	3.2	2.0
	Q4	113.3	110.9	3.5	2.3
2000	Q1	114.1	111.5	3.3	2.0
	Q2	115.8	113.2	4.0	3.0
	Q3	117.1	114.4	4.3	3.7
	Q4	118.6	115.6	4.6	4.2
2001	Q1	120.4	117.1	5.5	5.1
	Q2	121.7	118.2	5.1	4.4
	Q3	122.7	118.8	4.7	3.9
	Q4	123.4	119.0	4.1	2.9
2002	Q1	123.7	119.0	2.8	1.6
	Q2	124.8	119.9	2.5	1.4
	Q3	125.3	120.4	2.2	1.4

Industry-specific indices

The tables on the next 4 pages contain the series for the 28 industries for which indices of corporate services prices are currently available. The weighting for each index is shown separately for when property rentals are included and excluded. Some key points to note are:

- *bus and coach hire* prices continue to rise and are 1.8 per cent higher this quarter, the largest quarterly increase for two years. This is reportedly due to increased wages and insurance premiums;
- prices for *road freight* have risen by 1.5 per cent over the year. This is the smallest annual increase since mid-1999 and compares to a rate of over 10 per cent in Q1 2001.
- prices for *sea and coastal water freight* show an increase of 1.3 per cent this quarter, the first quarterly increase since Q2 2001. This is due to improved market conditions according to the industry;
- *freight forwarding* prices fell by 1.0 per cent this quarter, following a 1.0 per cent reduction in the previous quarter. This is reportedly due to increased competition in the industry;
- *property rental payments* are 3.8 per cent higher than a year ago, although this is the lowest annual increase since Q4 1997. The change mainly reflects lower rental payments for office properties compared to increases for retail and industrial properties, as reported by data suppliers IPD;
- prices for *employment agencies* have risen by 1.4 per cent this period, which is the first quarterly increase since Q3 2001, reportedly due to increased demand for temporary staff. The index is now at around the same level it was a year ago.

Next Results

The next set of CSPI results will be issued on 21st February 2003 via the National Statistics website www.statistics.gov.uk (search for "CSPI").

Further information.

- Inquiry Contact: Nick Palmer
  UK Office for National Statistics
  Tel: (01633) 813493 email: cspi@ons.gov.uk

Note to the main table: There are external sources for the indices denoted by an asterisk, as follows:

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

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

				Freight transport by road				
	Maintenance and repair of motor vehicles*	Canteens and catering	Bus and coach hire	Total	International component	Commercial vehicle ferries	Sea and coastal water freight	Business air fares
SIC(92):	50.20	55.50	60.23/1	60.24		61.10/1	61.10/2	62.10/1
1995 net sector weights (%):								
(including property rentals)	3.95	0.78	0.59	19.80		0.51	0.59	1.97
(excluding property rentals)	5.71	1.13	0.86	28.63		0.74	0.85	2.85
Annual								
1998	106.0	112.0	115.2	113.2	104.8	96.4	88.6	123.5
1999	108.0	114.8	119.7	115.8	102.0	101.9	79.6	127.2
2000	110.0	116.3	130.5	123.6	103.4	101.3	82.1	135.3
2001	112.6	120.9	135.6	132.9	104.9	101.2	84.9	153.5
Percentage change, latest year on previous year								
1998	1.4	..	6.1	2.8	0.1	-0.4	-7.2	7.3
1999	1.9	2.5	3.9	2.4	-2.7	5.6	-10.2	3.0
2000	1.9	1.3	9.1	6.7	1.3	-0.6	3.2	6.3
2001	2.4	3.9	3.9	7.5	1.5	-0.1	3.4	13.5
Quarterly results (not seasonally adjusted)								
1998 Q1	105.4	110.8	111.9	112.0	104.8	97.0	93.7	119.8
Q2	106.4	111.9	115.5	113.3	105.3	96.3	88.4	124.2
Q3	106.3	112.4	116.2	113.5	105.4	95.9	88.1	124.9
Q4	106.1	112.8	117.1	113.9	103.8	96.6	84.0	125.1
1999 Q1	107.0	113.9	118.4	114.2	103.5	103.8	81.8	125.4
Q2	107.9	114.9	119.5	114.8	101.8	102.7	81.2	127.5
Q3	108.2	115.1	120.1	116.1	101.5	101.5	77.1	127.7
Q4	108.9	115.4	120.5	116.2	101.4	99.6	78.0	128.3
2000 Q1	109.2	115.5	126.6	118.6	102.3	102.1	79.6	129.5
Q2	109.5	116.5	130.8	121.9	102.3	101.5	81.9	132.4
Q3	110.1	116.7	131.9	125.4	102.9	101.4	83.1	135.9
Q4	111.2	116.7	133.0	128.6	106.0	100.3	83.8	143.3
2001 Q1	111.9	120.0	134.2	131.3	106.0	103.7	85.6	150.3
Q2	112.6	120.9	135.1	132.3	106.3	101.9	87.3	150.8
Q3	113.1	120.9	136.1	133.6	102.2	100.2	85.2	154.9
Q4	112.8	121.6	137.0	134.5	105.2	98.9	81.2	157.9
2002 Q1	114.4	121.6	137.4	133.7	105.2	100.8	79.5	161.4
Q2	114.9	123.6	139.4	134.9	105.1	100.4	75.5	162.0
Q3	116.0	124.2	141.9	135.7	107.5	100.5	76.5	163.2
Percentage change, latest quarter on previous quarter								
1998 Q1	0.6	0.0	1.9	0.7	-1.0	2.7	-1.9	2.2
Q2	0.9	1.0	3.2	1.2	0.5	-0.8	-5.7	3.7
Q3	-0.1	0.5	0.6	0.3	0.0	-0.4	-0.3	0.6
Q4	-0.2	0.4	0.8	0.4	-1.5	0.8	-4.6	0.1
1999 Q1	0.8	0.9	1.1	0.3	-0.3	7.4	-2.6	0.2
Q2	0.8	0.9	1.0	0.5	-1.6	-1.1	-0.7	1.7
Q3	0.4	0.2	0.5	1.2	-0.3	-1.2	-5.1	0.2
Q4	0.6	0.3	0.3	1.9	-0.1	-1.8	1.1	0.5
2000 Q1	0.2	0.0	5.1	0.3	1.0	2.5	2.1	1.0
Q2	0.3	0.9	3.3	2.7	0.0	-0.6	2.8	2.2
Q3	0.5	0.1	0.8	2.9	0.5	-0.1	1.5	2.6
Q4	1.0	0.1	0.8	2.5	3.1	-1.1	0.9	5.5
2001 Q1	0.6	2.8	0.9	2.1	0.0	3.4	2.4	4.9
Q2	0.6	0.8	0.7	0.8	0.2	-1.7	1.7	0.3
Q3	0.5	0.0	0.7	1.0	-3.8	-1.7	-2.4	2.7
Q4	-0.3	0.6	0.7	0.6	2.9	-1.3	-4.6	2.0
2002 Q1	1.4	0.0	0.3	-0.6	0.0	1.9	-2.2	2.2
Q2	0.5	1.6	1.4	0.9	-0.1	-0.4	-4.9	0.4
Q3	1.0	0.5	1.8	0.6	2.3	0.1	1.3	0.7
Percentage change, latest quarter on corresponding quarter of previous year								
1998 Q1	1.1	..	4.8	3.7	3.0	-2.2	-1.5	6.2
Q2	1.9	..	6.6	2.8	-0.4	-1.8	-7.3	9.3
Q3	1.4	1.3	6.4	2.4	-0.4	0.1	-7.9	7.1
Q4	1.3	1.8	6.6	2.5	-1.9	2.3	-12.0	6.7
1999 Q1	1.5	2.8	5.8	2.0	-1.3	7.0	-12.7	4.7
Q2	1.4	2.7	3.5	1.3	-3.4	6.6	-8.1	2.6
Q3	1.8	2.4	3.4	2.2	-3.7	5.8	-12.5	2.2
Q4	2.7	2.3	2.9	3.8	-2.4	3.1	-7.2	2.6
2000 Q1	2.0	1.4	6.9	3.8	-1.1	-1.6	-2.7	3.3
Q2	1.5	1.4	9.3	6.2	0.5	-1.1	0.8	3.8
Q3	1.7	1.3	9.8	8.0	1.3	-0.1	7.7	6.4
Q4	2.1	1.1	10.4	8.8	4.6	0.6	7.4	11.7
2001 Q1	2.5	3.9	6.0	10.7	3.6	1.5	7.8	16.0
Q2	2.8	3.8	3.3	8.6	3.8	0.4	6.6	13.9
Q3	2.8	3.7	3.2	6.5	-0.6	-1.2	2.5	14.0
Q4	1.4	4.2	3.0	4.6	-0.8	-1.3	-3.1	10.2
2002 Q1	2.2	1.3	2.4	1.8	-0.8	-2.8	-7.4	7.4
Q2	2.1	2.2	3.1	2.0	-1.1	-1.5	-13.5	7.4
Q3	2.6	2.7	4.3	1.5	5.2	0.3	-10.2	5.4

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

	Freight forwarding	National post parcels*	Courier services	Business telecomm--unications*	Property rental payments*	Real estate agency activities	Car contract hire*	Construction plant hire*
SIC(92):	63.40	64.11	64.12	64.20	70.20	70.30	71.10	71.32
1995 net sector weights (%):								
(including property rentals)	5.78	4.28	0.97	7.40	30.84	1.18	1.34	1.99
(excluding property rentals)	8.35	6.19	1.40	10.71	0.00	1.71	1.94	2.88
Annual								
1998	99.2	119.8	105.6	83.4	110.0	119.5	97.5	99.8
1999	95.5	122.9	107.0	81.7	116.0	125.5	99.2	103.9
2000	96.1	128.6	109.9	77.7	122.6	134.5	102.2	109.3
2001	96.0	132.6	116.0	75.6	130.5	139.0	97.0	113.9
Percentage change, latest year on previous year								
1998	-4.5	6.6	4.2	-3.2	4.3	..	1.2	3.4
1999	-3.7	2.5	1.3	2.1	5.4	5.0	1.7	4.1
2000	0.6	4.7	2.7	-4.9	5.7	7.2	3.0	5.1
2001	-0.1	3.1	5.6	-2.6	6.5	3.3	-5.1	4.2
Quarterly results (not seasonally adjusted)								
1998 Q1	102.2	113.8	102.7	83.5	108.4	117.0	97.6	101.3
Q2	99.7	121.9	105.8	83.1	109.3	119.0	98.4	99.8
Q3	98.1	121.9	106.8	83.5	110.5	120.9	96.9	99.1
Q4	96.7	121.9	107.3	83.5	111.7	121.3	97.3	99.1
1999 Q1	97.4	121.9	107.3	83.5	113.4	121.9	97.8	105.3
Q2	94.7	123.2	106.9	83.0	114.9	124.6	98.1	102.6
Q3	94.5	123.2	106.9	81.5	116.9	126.6	99.6	103.0
Q4	95.4	123.2	107.0	78.7	118.7	128.8	101.4	104.9
2000 Q1	95.2	123.2	108.3	79.1	120.1	131.8	102.3	105.6
Q2	95.7	130.4	108.2	78.7	121.7	133.9	102.7	110.1
Q3	96.3	130.4	109.9	77.0	123.3	135.2	102.2	111.1
Q4	97.1	130.4	113.3	75.9	125.2	137.2	101.6	110.2
2001 Q1	98.0	130.4	113.8	75.9	127.6	138.6	99.5	111.3
Q2	97.0	133.3	115.6	75.5	129.6	139.1	96.6	118.0
Q3	94.9	133.3	117.2	75.5	131.4	139.2	96.2	114.8
Q4	94.0	133.3	117.6	75.6	133.3	139.1	95.7	111.4
2002 Q1	93.7	133.3	118.7	75.5	134.4	139.0	96.2	109.7
Q2	92.8	139.4	119.0	76.0	135.8	139.1	96.4	110.8
Q3	91.8	139.4	119.6	75.9	136.4	139.6	96.6	112.5
Percentage change, latest quarter on previous quarter								
1998 Q1	-2.1	0.0	1.0	-1.1	1.6	..	1.1	4.8
Q2	-2.5	7.1	3.1	-0.4	0.9	1.7	0.8	-1.4
Q3	-1.6	0.0	0.9	0.4	1.1	1.6	-1.5	-0.7
Q4	-1.4	0.0	0.5	0.0	1.1	0.4	0.4	0.0
1999 Q1	0.7	0.0	0.0	0.0	1.5	0.5	0.5	6.3
Q2	-2.8	1.1	-0.4	-0.5	1.3	2.2	0.3	-2.6
Q3	-0.2	0.0	0.0	-1.8	1.8	1.6	1.6	0.5
Q4	0.9	0.0	0.1	-3.5	1.5	1.7	1.9	1.8
2000 Q1	-0.2	0.0	1.2	0.5	1.2	2.3	0.9	0.7
Q2	0.5	5.9	-0.1	-0.5	1.3	1.6	0.4	4.3
Q3	0.6	0.0	1.5	-2.1	1.3	1.0	-0.5	0.8
Q4	0.8	0.0	3.1	-1.4	1.6	1.4	-0.6	-0.7
2001 Q1	1.0	0.0	0.5	0.0	1.9	1.0	-2.1	1.0
Q2	-1.0	2.2	1.5	-0.6	1.5	0.4	-2.9	6.1
Q3	-2.1	0.0	1.4	0.0	1.4	0.0	-0.4	-2.7
Q4	-1.0	0.0	0.3	0.1	1.5	0.0	-0.5	-3.0
2002 Q1	-0.3	0.0	0.9	-0.1	0.8	-0.1	0.5	-1.5
Q2	-1.0	4.5	0.2	0.7	1.0	0.1	0.2	1.0
Q3	-1.0	0.0	0.6	-0.2	0.5	0.4	0.2	1.5
Percentage change, latest quarter on corresponding quarter of previous year								
1998 Q1	-1.2	4.9	1.4	-5.5	4.0	..	1.5	3.1
Q2	-3.8	7.1	4.2	-3.5	4.1	..	1.8	3.6
Q3	-5.7	7.1	5.5	-2.4	4.5	..	0.8	4.4
Q4	-7.3	7.1	5.5	-1.1	4.8	..	0.8	2.5
1999 Q1	-4.7	7.1	4.5	0.0	4.7	4.2	0.2	4.0
Q2	-5.0	1.1	1.0	-0.1	5.1	4.8	-0.3	2.8
Q3	-3.6	1.1	0.1	-2.4	5.8	4.7	2.7	4.0
Q4	-1.3	1.1	-0.3	-5.8	6.2	6.1	4.2	5.9
2000 Q1	-2.3	1.1	0.9	-5.3	5.9	8.1	4.7	0.3
Q2	1.0	5.9	1.3	-5.3	5.9	7.4	4.8	7.4
Q3	1.8	5.9	2.8	-5.5	5.4	6.8	2.6	7.8
Q4	1.7	5.9	5.9	-3.5	5.5	6.5	0.2	5.1
2001 Q1	3.0	5.9	5.1	-3.9	6.3	5.2	-2.8	5.4
Q2	1.4	2.2	6.8	-4.1	6.5	3.9	-6.0	7.2
Q3	-1.4	2.2	6.8	-2.0	6.6	2.9	-5.9	3.4
Q4	-3.2	2.2	3.8	-0.4	6.5	1.4	-5.8	1.0
2002 Q1	-4.5	2.2	4.3	-0.6	5.3	0.3	-3.3	-1.4
Q2	-4.4	4.5	2.9	0.7	4.7	0.0	-0.2	-6.1
Q3	-3.3	4.5	2.1	0.5	3.8	0.3	0.4	-2.0

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

SIC(92):	Market research 74.13	Technical testing 74.30	Employment agencies 74.50	Security services 74.60	Industrial cleaning 74.70	Commercial film processing 74.81/9	Contract packaging 74.82
1995 net sector weights (%):							
(including property rentals)	1.28	1.21	6.32	1.15	2.27	0.09	0.49
(excluding property rentals)	1.85	1.75	9.14	1.66	3.29	0.12	0.71
Annual							
1998	..	106.7	114.9	100.3	101.3	105.5	..
1999	112.2	109.1	121.1	103.0	101.8	105.6	109.4
2000	116.1	109.8	123.8	105.0	102.0	106.3	112.7
2001	120.9	111.0	130.8	108.3	101.8	107.6	112.8
Percentage change, latest year on previous year							
1998	..	..	5.5	0.9	2.5	0.8	..
1999	..	2.2	5.3	2.7	0.5	0.1	..
2000	3.5	0.6	2.3	1.9	0.1	0.7	3.0
2001	4.1	1.0	5.7	3.1	-0.1	1.2	0.1
Quarterly results (not seasonally adjusted)							
1998 Q1	..	106.1	112.9	100.3	100.8	105.5	..
Q2	..	106.7	114.1	99.8	101.3	105.5	..
Q3	108.8	106.7	115.3	100.4	101.5	105.5	..
Q4	108.6	107.4	117.5	100.8	101.7	105.5	..
1999 Q1	111.7	109.1	119.4	101.4	101.8	105.5	109.2
Q2	112.0	109.1	120.7	102.5	101.9	105.6	109.5
Q3	112.4	109.0	121.9	103.9	101.9	105.6	109.5
Q4	112.8	109.3	122.3	104.3	101.7	105.6	109.5
2000 Q1	115.2	109.5	122.7	104.3	102.0	105.9	112.0
Q2	115.7	109.7	123.5	104.4	102.1	105.9	112.2
Q3	116.5	110.1	124.1	105.6	102.0	106.5	113.5
Q4	117.1	110.1	124.9	105.7	101.7	107.0	113.0
2001 Q1	120.5	109.5	127.5	106.8	101.6	106.8	112.6
Q2	121.0	110.9	130.8	108.0	101.7	107.0	112.8
Q3	120.7	111.5	132.6	108.1	101.4	108.2	112.7
Q4	121.4	111.9	132.4	110.3	102.7	108.5	112.9
2002 Q1	124.3	113.4	131.4	111.0	103.6	108.5	112.9
Q2	124.1	114.0	130.8	112.1	103.5	108.5	113.1
Q3	124.1	113.7	132.7	112.8	103.4	108.5	113.6
Percentage change, latest quarter on previous quarter							
1998 Q1	..	..	2.2	0.3	1.8	0.2	..
Q2	..	0.5	1.1	-0.5	0.5	0.0	..
Q3	..	0.0	1.0	0.6	0.2	0.0	..
Q4	1.6	0.7	1.9	0.3	0.1	0.0	..
1999 Q1	2.9	1.6	1.6	0.6	0.1	0.0	..
Q2	0.3	0.0	1.0	1.1	0.1	0.1	0.3
Q3	0.4	-0.2	1.0	1.4	0.0	0.0	0.0
Q4	0.3	0.3	0.3	0.4	-0.2	0.0	0.0
2000 Q1	2.1	0.2	0.3	0.0	0.3	0.3	2.3
Q2	0.5	0.2	0.7	0.1	0.1	0.0	0.1
Q3	0.7	0.3	0.5	1.1	-0.2	0.5	1.2
Q4	0.6	0.0	0.6	0.2	-0.2	0.4	-0.5
2001 Q1	2.9	-0.5	2.1	1.0	-0.1	-0.2	-0.3
Q2	0.4	1.2	2.6	1.1	0.1	0.2	0.1
Q3	-0.2	0.6	1.4	0.1	-0.2	1.2	0.0
Q4	0.6	0.3	-0.2	2.0	1.2	0.3	0.2
2002 Q1	2.4	1.4	-0.7	0.7	0.8	0.0	-0.1
Q2	-0.2	0.5	-0.5	1.0	0.0	0.0	0.2
Q3	0.0	-0.3	1.4	0.7	-0.1	0.0	0.5
Percentage change, latest quarter on corresponding quarter of previous year							
1998 Q1	..	..	5.5	1.4	2.1	1.1	..
Q2	..	..	5.3	0.8	2.8	1.1	..
Q3	..	..	4.9	0.7	2.6	0.8	..
Q4	..	..	6.4	0.8	2.6	0.2	..
1999 Q1	..	2.8	5.8	1.1	0.9	0.0	..
Q2	..	2.3	5.7	2.6	0.6	0.1	..
Q3	5.2	2.1	5.7	3.4	0.4	0.1	..
Q4	3.9	1.7	4.1	3.5	0.1	0.1	..
2000 Q1	3.1	0.3	2.7	2.9	0.2	0.4	2.6
Q2	3.3	0.5	2.3	1.9	0.2	0.3	2.4
Q3	3.6	1.0	1.9	1.6	0.0	0.8	3.7
Q4	3.9	0.7	2.1	1.4	0.0	1.3	3.2
2001 Q1	4.6	0.0	4.0	2.4	-0.4	0.8	0.5
Q2	4.6	1.1	5.9	3.4	-0.5	1.0	0.5
Q3	3.6	1.3	6.8	2.4	-0.5	1.6	-0.7
Q4	3.7	1.6	6.0	4.3	1.0	1.4	0.0
2002 Q1	3.2	3.5	3.1	3.9	1.9	1.7	0.2
Q2	2.6	2.8	0.0	3.8	1.9	1.5	0.3
Q3	2.8	1.9	0.0	4.4	2.0	0.3	0.8

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

SIC(92):	Direct marketing & secretarial services 74.83 (part)	Translation & interpretation services 74.83 (part)	Adult education 80.42	Sewerage services 90.00/1	Waste disposal 90.00/2	Commercial washing & dry cleaning 93.01	TOP-LEVEL CSPI Including property rentals	TOP-LEVEL CSPI Excluding property rentals
1995 net sector weights (%):								
(including property rentals)	0.19	0.15	0.58	1.33	2.39	0.58	100.00	..
(excluding property rentals)	0.27	0.21	0.84	1.92	3.46	0.83	..	100.00
Annual								
1998	108.0	106.9	111.1	114.1	129.0	108.9	108.5	107.9
1999	109.9	108.5	114.7	118.1	138.1	112.1	111.9	110.1
2000	109.5	108.6	118.8	107.8	145.2	114.8	116.4	113.7
2001	107.3	107.7	123.7	105.6	149.6	116.3	122.1	118.3
Percentage change, latest year on previous year								
1998	..	..	2.4	3.8	1.8	..	2.8	2.1
1999	1.8	1.5	3.2	3.4	7.0	2.9	3.1	2.0
2000	-0.3	0.0	3.6	-8.7	5.2	2.4	4.0	3.3
2001	-2.0	-0.8	4.1	-2.0	3.1	1.2	4.8	4.1
Quarterly results (not seasonally adjusted)								
1998 Q1	106.4	106.9	111.1	111.0	128.5	107.3	107.4	106.9
Q2	108.1	106.7	110.9	115.2	129.2	109.2	108.4	108.0
Q3	109.1	106.9	110.7	115.2	128.9	109.8	108.9	108.1
Q4	108.2	107.1	111.9	115.2	129.3	109.4	109.5	108.4
1999 Q1	109.3	108.5	113.9	115.2	130.9	110.5	110.5	109.3
Q2	110.4	108.6	114.4	119.0	139.6	112.5	111.4	109.8
Q3	109.7	108.5	115.0	119.0	140.8	112.4	112.3	110.3
Q4	110.0	108.5	115.4	119.0	140.9	112.9	113.3	110.9
2000 Q1	110.2	109.1	117.6	119.0	141.7	114.6	114.1	111.5
Q2	109.8	109.1	117.6	104.0	147.3	114.9	115.8	113.2
Q3	110.2	108.2	119.7	104.0	146.2	115.3	117.1	114.4
Q4	107.8	107.9	120.4	104.0	145.5	114.4	118.6	115.6
2001 Q1	106.9	107.9	122.1	104.0	145.5	115.6	120.4	117.1
Q2	106.8	108.0	123.3	106.1	148.3	116.2	121.7	118.2
Q3	107.6	107.7	124.3	106.1	152.0	116.1	122.7	118.8
Q4	107.7	107.3	125.3	106.1	152.7	117.1	123.4	119.0
2002 Q1	106.9	107.1	126.9	106.1	152.7	117.4	123.7	119.0
Q2	106.5	107.3	127.4	106.2	156.6	117.1	124.8	119.9
Q3	106.4	107.1	128.4	106.2	157.3	116.9	125.3	120.4
Percentage change, latest quarter on previous quarter								
1998 Q1	..	0.2	0.3	0.0	0.4	-0.4	0.9	0.6
Q2	1.7	-0.1	-0.2	3.8	0.5	1.7	1.0	1.0
Q3	0.9	0.2	-0.2	0.0	-0.2	0.6	0.4	0.1
Q4	-0.8	0.2	1.1	0.0	0.3	-0.4	0.5	0.3
1999 Q1	1.0	1.3	1.8	0.0	1.2	1.0	1.0	0.8
Q2	1.0	0.0	0.4	3.3	6.7	1.8	0.8	0.5
Q3	-0.6	0.0	0.5	0.0	0.8	-0.1	0.9	0.4
Q4	0.3	0.0	0.4	0.0	0.1	0.5	0.9	0.6
2000 Q1	0.2	0.5	1.9	0.0	0.6	1.5	0.7	0.5
Q2	-0.4	0.0	0.0	-12.6	4.0	0.2	1.5	1.5
Q3	0.4	-0.8	1.8	0.0	-0.8	0.4	1.1	1.1
Q4	-2.2	-0.2	0.6	0.0	-0.4	-0.7	1.2	1.1
2001 Q1	-0.8	0.0	1.4	0.0	-0.1	1.0	1.5	1.3
Q2	-0.1	0.0	0.9	2.0	2.0	0.5	1.1	0.9
Q3	0.8	-0.2	0.9	0.0	2.5	-0.1	0.8	0.5
Q4	0.1	-0.4	0.7	0.0	0.4	0.8	0.6	0.2
2002 Q1	-0.8	-0.3	1.3	0.0	0.0	0.3	0.2	0.0
Q2	-0.4	0.2	0.4	0.1	2.6	-0.3	0.8	0.8
Q3	-0.1	-0.2	0.8	0.0	0.4	-0.2	0.5	0.5
Percentage change, latest quarter on corresponding quarter of previous year								
1998 Q1	..	..	3.6	3.9	1.6	..	2.8	2.2
Q2	..	..	3.3	3.8	2.6	..	2.8	2.3
Q3	..	0.4	1.7	3.8	1.7	3.1	2.7	1.9
Q4	..	0.4	1.1	3.8	1.1	1.5	2.9	2.0
1999 Q1	2.8	1.6	2.5	3.8	1.9	3.0	3.0	2.2
Q2	2.1	1.7	3.2	3.3	8.1	3.0	2.7	1.7
Q3	0.6	1.5	3.8	3.3	9.2	2.3	3.2	2.0
Q4	1.7	1.4	3.1	3.3	8.9	3.2	3.5	2.3
2000 Q1	0.8	0.5	3.2	3.3	8.2	3.7	3.3	2.0
Q2	-0.6	0.5	2.8	-12.6	5.5	2.1	4.0	3.0
Q3	0.5	-0.3	4.1	-12.6	3.8	2.6	4.3	3.7
Q4	-2.0	-0.6	4.4	-12.6	3.3	1.3	4.6	4.2
2001 Q1	-3.0	-1.0	3.8	-12.6	2.7	0.9	5.5	5.1
Q2	-2.7	-1.0	4.8	2.0	0.7	1.2	5.1	4.4
Q3	-2.4	-0.4	3.9	2.0	4.0	0.7	4.7	3.9
Q4	-0.1	-0.6	4.0	2.0	4.9	2.3	4.1	2.9
2002 Q1	0.0	-0.8	4.0	2.0	5.0	1.5	2.8	1.6
Q2	-0.3	-0.6	3.4	0.1	5.6	0.8	2.5	1.4
Q3	-1.1	-0.6	3.3	0.1	3.4	0.7	2.2	1.4

Accuracy assessment of National Accounts statistics

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Summary

The Office for National Statistics (ONS) has recently completed a project under the auspices of the Statistical Office of the European Communities (Eurostat) entitled *Accuracy assessment of National Accounts statistics.*

The project's aim was to review the accuracy of the basic data used in the National Accounts (NA). To do this, it took each type of data source and analysed the effects of different types of adjustments applied during the compilation process with the aim of achieving accurate and coherent final estimates.

This present article describes the project's definitions of the quality and the structure of the compilation process used in the NA estimates.

The article examines the project results for the compilation process of the NA (in current prices) for the year 2000, which are consistent with the 2002 editions of the ONS *Blue Book* and the *United Kingdom Input – Output Analyses.*

Introduction

Critical attention has been paid to the compilation processes that transform basic data into the statistical estimates given in the National accounts. The quality of the statistical results is dependent not only on the quality of the underlying data, but also on the quality of the statistical process.

Quality, according to the Data Quality Assessment Framework of the International Monetary Fund, is composed of the following dimensions:

- **Integrity**
  Ensures that the principle of objectivity in the collection, processing and dissemination of statistics is firmly adhered to;

- **Methodological soundness**
  Ensures that the methodological basis for the statistics follows internationally accepted standards, guidelines or good practice;

- **Accuracy and reliability**
  Ensures that source data and statistical techniques are sound and that statistical outputs sufficiently portray reality;

- **Serviceability**
  Ensures that statistics are relevant, timely, consistent and follow a predictable revisions policy; and

- **Accessibility**
  Ensures that data and metadata are easily available and that assistance to users is adequate.

The measurement of accuracy of National Accounts estimates

National accounts aggregates derive from different types of source. The data sources include ONS statistical surveys, such as Annual Business Inquiry (ABI), ProdCom, Purchases Inquiry, Family Expenditure Survey (replaced by Expenditure and Food Survey), and Quarterly Profits Inquiry, as well as administrative systems, such as Governmental Expenditure Monitoring System and Inland Revenue records. The National accounts also use models, such as the Perpetual Inventory Model, which provides estimates for imputed capital consumption.

Accuracy, one of the dimensions of the internationally agreed definition of quality, is defined as the gap between the NA published estimate and the true value of the variable. As the true value of the variable is unknown, in consequence the accuracy is also unknowable.

All of the data sources have a different degree of accuracy. The errors can be divided into knowable sampling errors and unknowable non-sampling errors.

Sampling errors occur in sample survey data that are grossed up to the target population, and are affected by the design and size of the sample. Non-sampling errors are in all types of data sources and include coverage errors, measurement errors, processing errors, non-response errors and modelling errors.

All of these types of errors have an impact on the accuracy of the NA estimates. But whereas sampling errors can (in principle) be calculated by a variety of mathematical models, it is very difficult and costly to calculate the non-sampling errors (Bailar 1983).

Accuracy of estimates in National accounts is rendered even more difficult because many different data sources interact in a complex process, so that even the sampling errors cannot be calculated. Nevertheless, it is clear that some NA systems are more accurate than others, and that their accuracy is related to the accuracy of the same source data, as well as the methodology used to process the source data in order to produce the NA estimates.

However, readily comparable information on NA sources and procedure is difficult to find. Therefore, Eurostat has inaugurated a project to compile such information. The rest of this paper describes the UK's participation in this project.

The structure of the National Accounts compilation process

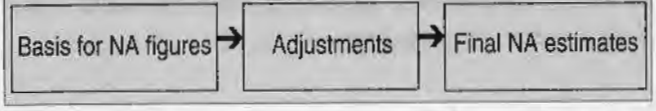
The compilation of the National Accounts is a very complex process, which draws together many different types of data and balances them against one another to produce an estimate of Gross Domestic Product (GDP) using three different approaches: production, expenditure and income. This estimate of GDP is then transformed into an estimate of Gross National Income.[1]

The structure of the NA compilation process starts with different types of data source as input. The process includes a series of adjustments to the basic data to make them consistent with each other and bring them in line with the NA concepts and methods (*See Figure 1*).

The basis for NA figures comprise different types of data source, such as survey and censuses, administrative data, and data obtained though extrapolations of benchmark year figures and models.

Figure 1

Structure of the National Accounts compilation process



The adjustments, which aim to improve the source data, can best be explained as a series of different types of adjustments

- **Data Validation Adjustments**
  There are made to correct biases, errors and discontinuities in the data sources;

- **Conceptual Adjustments**
  There are made to bring the NA figures in line with the European System of Accounts 1995 (ESA95) definitions (for example, inclusion of Income in Kind and moving the NA figures into basic prices);

- **Explicit Exhaustiveness Adjustments**
  These are made to cover hidden activities, such as illegal production, smuggling and evasion;

- **Balancing Adjustments**
  These are made to secure a balance between Industry Inputs and Outputs, and between Supply and Demand for products (*see*

Table 1 Percentage contributions to final GDP estimates by type of source data and adjustments in current prices for year 2000

Percentages

Compilation of GDP	Basis for NA figures				Adjustments			Final estimate
	Survey and Censuses	Administrative Data	Extrapolation Models and other	Total	Data Validation	Conceptual and Exhaustiveness	Balancing	
Production approach	67	22	10	99	-3.1	4.8	-0.4	100
Expenditure approach	59	23	17	98	0.3	0.5	0.9	100
Income approach	54	30	13	97	-2.3	5.6	0.1	100

Input-Output Supply and Use Tables). Balancing adjustments result from an optimisation method under linear constraints in which the statistically optimal adjustments depend on the accuracy of the input variables.

While each of these *adjustment* steps eliminates systematic deficiencies and thus increases accuracy, the adjustment itself is inevitably subject to a certain degree of uncertainty, which adds to the variance in the final estimates.

Results

In general, the distribution of data between the components of 'Basis for NA figures' and the components of various 'Adjustments' is more or less similar for all three approaches to the compilation of GDP Final estimate in 2000 (*see* Table 1).

There are substantial differences between the three GDP approaches in their Basis for NA figures.

- **Survey and Censuses**
  These sources made up the largest proportion of the '*Final estimate*' in all three GDP approaches. In the Production approach they contributed 67 per cent of the final estimate, somewhat higher than for the Expenditure (59 per cent) and Income (54 per cent) approaches respectively.

- **Administrative Data**
  These represented the second largest proportion of the '*Final estimate*' in all three GDP approaches. The Income approach gave the highest contribution, 30 per cent, compared to the Production (22 per cent) and Expenditure (23 per cent) approaches respectively.

- **Extrapolations Models and Other**
  These techniques came next in all GDP approaches. Their share in the Expenditure approach (17 per cent) was higher than for the Production and Income approaches (10 per cent and 13 per cent, respectively).

There were also substantial differences between the three approaches in the composition of the 'Adjustments'.

- **Data Validation Adjustments**
  These were bigger in the Production (-3.1 per cent) and Income (-2.3 per cent) approaches than in the Expenditure approach (0.3 per cent).

- **Conceptual and Exhaustiveness Adjustments**
  These were higher in the Production and Income approaches (4.8 per cent and 5.6 per cent, respectively), compared to those in the Expenditure approach (0.5 per cent).

- **Balancing Adjustments**
  These were relatively low in all approaches, but they have the highest share in the Expenditure approach (0.9 per cent).

Table 1 shows that the differences between the totals for the Basis of NA figures and the Final estimate are only 1 per cent, 2 per cent or 3 per cent. However, it would be wrong to infer that the total adjustments to the Basis of NA figures have had only a small effect on all three GDP approaches. When the *Data Validation* and *Conceptual and Exhaustiveness* adjustments are looked at in more detail, they can be seen to offset each other, hence the adjustments have a significant effect on the distribution of GDP.

Production approach

The Production approach uses the highest proportion of *Surveys and Censuses* of all three approaches. It contributed 67 per cent to the final estimate in 2000. NA figures derived from *Administrative Data* sources contributed 22 per cent of the final estimate but only 10 per cent of the final estimate came from *Extrapolations and Models*.

Most *Surveys and Censuses* data used in the Production approach are derived from the Annual Business Inquiry (ABI) which, according to *ABI 1998–2000 regional results*[2], provided £621 billion to the Gross

Value Added (GVA) in 2000. Although the ABI survey is used as the principal source for Output, Intermediate Consumption and Gross Value Added, it is supplemented or replaced with alternative surveys and administrative data that are judged to be of better quality. Surveys source data are mainly provided by:

- Ministry of Agriculture, Fisheries and Food (MAFF)[3] for the Agriculture (NACE A17 section A): 1 per cent of GVA;

- Department of Environment, Transport and Regions, which supplied data on output for Great Britain only for Construction industry (NACE A17 section F): 4 per cent of output.

However, the ABI data for Transport (NACE A17 section I), Education (NACE A17 section M) and Health (NACE A17 section N) industries have been replaced by a variety of surveys and administrative source data, such as:

- Civil Aviation Authority: 1 per cent of GVA;
- National Health Service (NHS) and NHS Trusts: 2 per cent of GVA.

The *Administrative Data* have been sourced mainly from HM Customs and Excise and from the Government Expenditure Monitoring System (GEMS) of HM Treasury, which covered taxes and subsidies on products worth £119 billion and £6.7 billion, respectively. In addition, a high proportion of *Administrative* Data derived from the GEMS and the Ministry of Defence records covered the Public administration and defence industries, and contributed £35 billion to GVA.

Extrapolations and Models data used in the Production approach have been sourced from models, such as the model that estimates owner-occupied dwelling services, and the Perpetual Inventory Model (PIM)[4] that estimates the non-market imputed consumption of capital. Data from the above models contributed £64 billion and £17 billion, respectively, to the Gross Value Added of Real estate, renting and business activity and Education industries.

Total *Adjustments* applied in the Production approach have a discernible impact on the final estimate. This is due to the fact that *Data Validation Adjustments* have been coincidentally offset by *Conceptual and Explicit Exhaustiveness Adjustments*. (*see* Table 1).

Data Validation Adjustments have reduced the GVA of the Basis for NA Figures. There are two main reductions. One is £15 billion in the GVA of Real estate, renting and business activities industry. The other main reduction of £12.6 billion is in the Wholesale and retail trade and repair of vehicles industry.

Whereas, *Conceptual Adjustment* has increased the value of the GVA of Wholesale and retail trade, and repair of vehicles industry by only £7.1 billion. Another high *Conceptual Adjustment* of £7 billion has been recorded in the GVA of Manufacturing. The above adjustments have been applied:

- to include Income in Kind;
- to include taxes on production to ensure that the GVA is at basic prices;
- to exclude the value of rent on land.

Further *Conceptual Adjustments* were required for Manufacturing industry, to include within output, the values of changes in inventories, artistic originals, insurance premium supplements and computer software.

The *Explicit Exhaustiveness Adjustments*, derived mainly from the GVA of the following industries, have completed the offset of the *Data Validation Adjustments*:

- Construction, which has adjusted the Basis for NA figures up by £3.3 billion;
- Transport, storage and communication, which revised the Basis for NA figures up by £2.3 billion;
- Wholesale and retail trade, repairs of vehicles industry, which revised the Basis for NA figures up by £1.7 billion.

The reason for *Explicit Exhaustiveness Adjustments* in the above components was to include unrecorded activities in the ABI and the Inter-Departmental Business Register (IDBR), as well as actively related to the smuggling of goods in the Retail Trade.

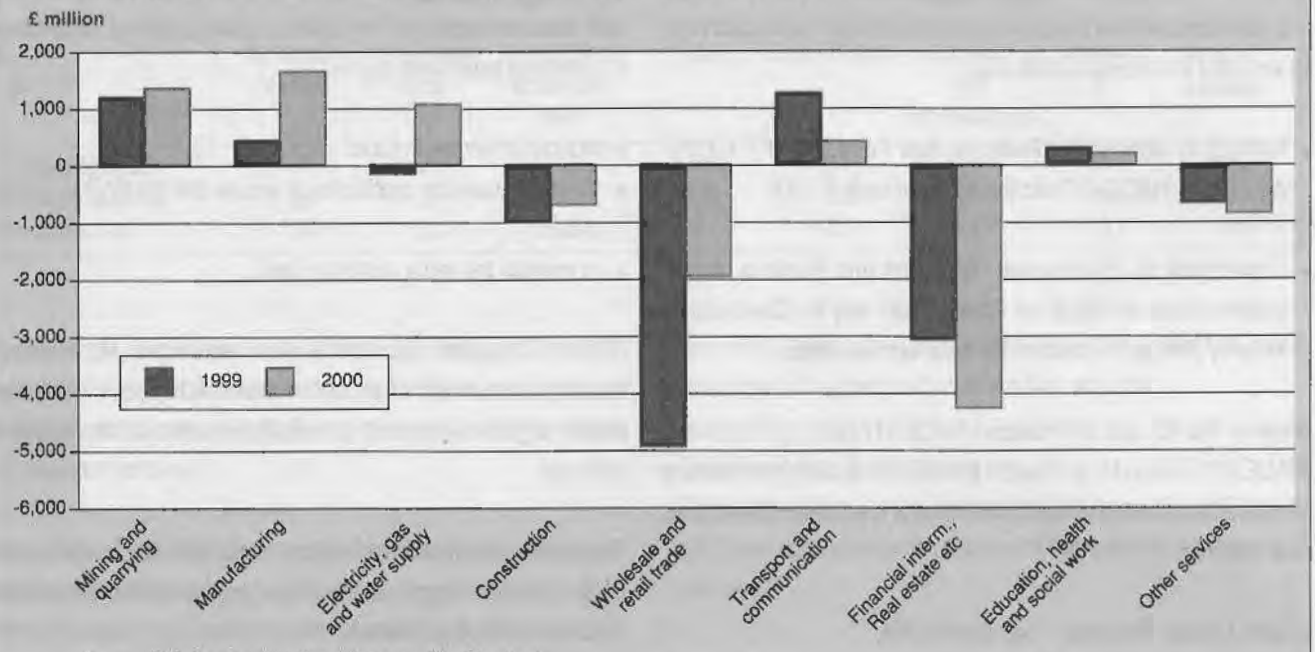
The balancing process has a rather small impact on the final estimates in the Production approach in 2000. This is the result of balancing adjustments of industries largely offsetting each other (*see* Figure 2).

However, the balancing process in the year 2000 has resulted in a relatively smaller balancing adjustment then the previous year (*see* Annex 1). An important contribution to this difference has been the GVA Wholesale and retail trade, where the balancing process reduced the basic NA figure by £2 billion in 2000, compared to a £5 billion reduction in 1999.

A high negative total *Balancing Adjustment* has also been recorded in the GVA of the Financial intermediation and Real estate, renting and business activities industries of minus £4.3 billion in 2000, when in 1999 it was minus £3 billion.

Figure **2**

Balancing Adjustments of the GDP production components in 1999–2000



Source: ONS (2002) *UK National Accounts: The Blue Book*

Expenditure approach

The Expenditure approach includes a high proportion of data derived from *Extrapolations and Models*, which contributed 17 per cent of the final estimate. However, data derived from *Surveys and Censuses* still form the largest source data, and *Administrative* Data are still as important as in the Production approach (*see* Table 1).

The greatest contribution of the data derived from the *Extrapolations and Models* in the Expenditure approach has been recorded in Household Final Consumption Expenditure (HHFCe) and Gross Fixed Capital Formation (GFCF), *see* Annex 2.

In HHFCe the following sections were the main ones subject to modelling:

- Housing, water, electricity, gas and other fuel (section 04) where £55 billion derived from the model that estimated owner-occupied dwelling services;
- Restaurants and hotels (section 11), £24 billion derived from a model that estimated data for alcoholic beverages, using administrative data on volume and commercial data on prices.

In GFCF the following divisions were the main ones subjected to modelling:

- Construction of housing (division 04), where £26 billion derived from a model that estimated expenditure on the construction of dwellings based on the production measure;
- Other Products (division 06), where £13 billion was derived from a model that estimated data for dual military use capital consumption expenditure.[5]

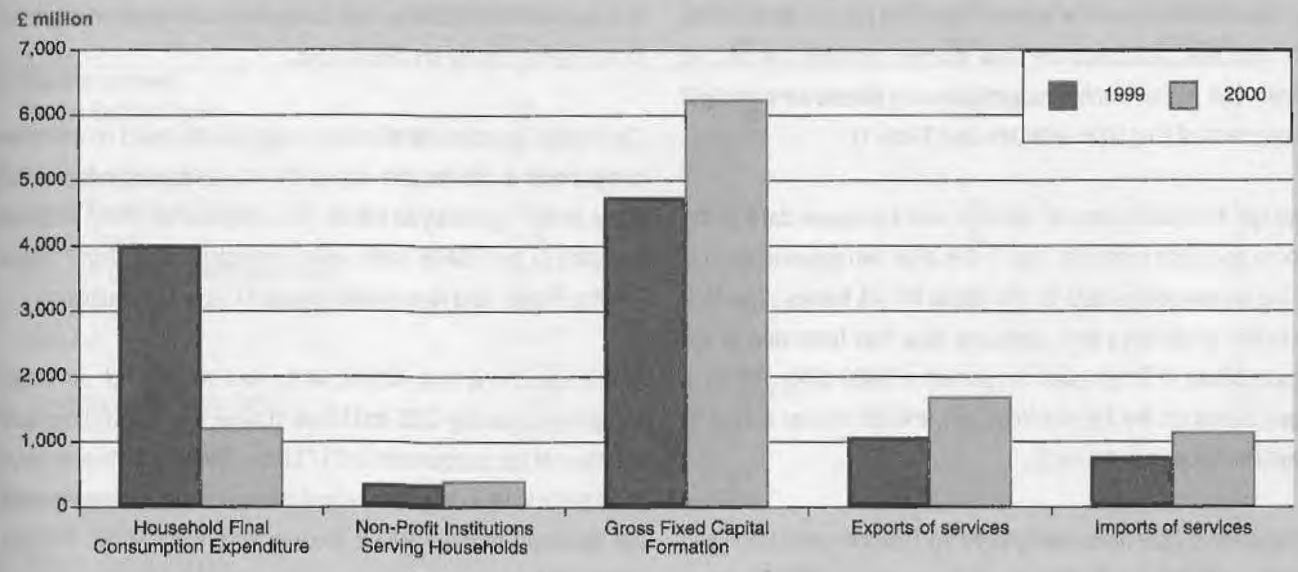
The *Administrative Data* in the Expenditure approach has been the largest contributor to General Government Final Consumption Expenditure and HHFCe components, which contributed £170 billion and £47 billion respectively. The above *Administrative Data* were obtained from the GEMS and British Telecommunications (BT), Office for Telecommunications (OFTEL), HM Customs and Excise, and the National Health Service.

A large proportion of *Surveys and Censuses* data in the Expenditure approach is derived from HHFCe and GFCF components, which contributed £444 billion and £96 billion, respectively.

HHFCe *Surveys and Censuses* data have mainly contributed to Transport (section 07: £81 billion), Miscellaneous goods and services (section 12: £72 billion), Recreation and culture (section 09: £59 billion) and Food and non-alcoholic beverages (section 01: £58 billion). These components have been obtained from the Family Expenditure Survey (FES) and National Food Survey (NFS).[6]

Figure 3

Balancing Adjustments of the GDP Expenditure components in 1999–2000



Source: ONS (2002) *UK National Accounts: The Blue Book*

GFCF *Surveys and Censuses* data have mainly contributed to Metal product and machinery equipment (division 2: £54 billion) and other construction (division 5: £30 billion). GFCF data have been obtained from ABI, Quarterly Capital Expenditure (CAPEX) inquiry, and various surveys provided by governmental institutions, such as the Ministry of Agriculture Fishery and Forestry (MAFF), HM Customs and Excise, and the Department of Trade and Industry (DTI).

All adjustments applied in the Expenditure approach have increased the Basis for NA figures by £17 billion. This is a much greater effect than the adjustments of the Production approach.

The highest *Data Validation Adjustments* have been recorded in the HHFCe component, of £3.8 billion. The following HHFCe COICOP[7] sections have been adjusted upwards:

- Restaurants and hotels (section 11) by £1.7 billion;
- Furnishing, household equipment and routine household equipment (section 05) by £0.8 billion;
- Miscellaneous goods and services (section 12), by £0.8 billion.

But downwards adjustments have been made to:

- Food and non-alcoholic beverages (section 01) by £0.3 billion;
- Transport (section 07) by £0.3 billion.

High *Data Validation Adjustments* have also been recorded in Export of Services reducing the final estimate by £1.2 billion, and in GFCF increasing the final estimate by £0.6 billion.

High *Balancing Adjustments* of £8.3 billion occurred in 2000. These adjustments were higher than in the other two approaches, but they were smaller than in 1999 (*see* Annex 1).

The following components of the Expenditure approach have the highest balancing adjustments (*see* Figure 3)

- GFCF's balancing adjustment has increased the final estimate by £6.2 billion. GFCF division 2 (Metal products and machinery equipment) and division 3 (Transport equipment), contributed £3.8 billion and £1.4 billion, respectively, to the total balancing adjustment.

- HHFCe's balancing adjustment has increased the final estimate by £1.2 billion in 2000. It is important to mention that the adjustment was significantly smaller than the £4 billion applied a year earlier.

- Export and Import of Services balancing adjustments, which were higher than in 1999, have increased the final estimate by £1.7 billion and £1.1 billion in 2000, respectively.

Income approach

In the Income approach, as in the other two approaches, *Surveys and Censuses* provided the highest proportion (54 per cent) of final GDP estimate. *Administrative Data* sources provided the second (30 per cent), highest, while *Extrapolations and Models* were smallest (13 per cent) of final GDP estimate *(see* Table 1).

Although the contribution of *Surveys and Censuses* data in the Income approach is smaller than in the other two approaches, it is still the crucial source data for the 'Basis for NA figures'. The high proportion of *Surveys and Censuses* data has been due to the Compensation of Employees component of £480 billion, which is largely based on the Pay-As-You-Earn (PAYE) Income survey of Inland Revenue (*see* Annex 2).

Administrative Data have mainly covered Taxes on production and imports, and Private Non-financial Corporations (PNFC) Gross Operating Surplus components, which contributed £137 billion and £113 billion, respectively. The Inland Revenue, and HM Customs and Excise have been the main data suppliers for the above components.

Data for *Extrapolations and Models* of £121 billion has been derived largely from Gross Operating Surplus (GOS) and Mixed Income components. Most of Mixed Income data were based on a model calculating Sole Traders' income.[8] Private Non-financial Corporations GOS component has also used a model to calculate the value of computer software, Patent Royalties, and a proportion of the tax-deductible interest. However, the greatest proportion of *Extrapolation and Models* data has been obtained from the Rental Income of Households component, where the model used calculates the imputed rents for owner-occupied housing.

The total of *Adjustments* in the Income approach have increased the Basis for NA figures by £32 billion. This is a much greater effect than the adjustments of the other two approaches. However, the *Data Validation Adjustments*, as in the case of the Production approach, have been offset by *Conceptual Adjustments* and *Explicit Exhaustiveness Adjustments*. (*see* Table 1)

The Data Validation Adjustment applied to the Compensation of Employees (CoE) component has decreased the NA figure downward by £22 billion, whereas the *Conceptual Adjustment and Exhaustiveness Adjustment* have increased the value of the CoE component by £21 billion and £8 billion, respectively.

The *Data Validation Adjustment* has been applied to the CoE to improve the quality of the component caused by the benchmark estimate of PAYE Income data being weaker than usual and unrepresentative of the population. However, the reason for the *Conceptual Adjustment* was to include Income in Kind. The *Exhaustiveness Adjustment* has been made to include incomes of those earning below tax thresh hold.

Conceptual Adjustments also have a significant impact on the other components in the Income approach, increasing the value of the Basis for NA figures by £8 billion. The components, which required adjusting to the ESA95 basis, were Financial Corporations' Gross Trading Profits, and Non-market Imputed Capital Consumption.

The *Exhaustiveness Adjustments* had an impact on other components, namely GOS and Mixed Income, which have increased the value of the components by £17 billion. These adjustments have been made to include an estimate of concealed employment income not declared through PAYE Income within the Mixed Income component.

The *Balancing* process has a minor impact on the final estimates in the Income approach. *Balancing Adjustments* have increased the Basis for NA figures by a mere £0.6 billion. This increase was due to a negating balancing adjustment of £0.5 billion to the GOS and Mixed Income being offset by a positive adjustment of £1.1 billion to the Compensation of Employees components (*see* Annex 2). It is worth mentioning that the *Balancing* process in 1999 resulted in much higher adjustments of £4 billion than in 2000 (*see* Annex 1).

Quality indicators of the major surveys and censuses

As surveys and censuses are an essential source of data in the National Accounts system, it is also important to present the quality of the main surveys and censuses. As mentioned at the beginning of the article, surveys are subject to various errors. All of the surveys have been designed to minimise the total error, which consists of the sampling error and the non-sampling error.

The standard error is the estimated value of the sampling error. The standard error shows the difference between the survey estimate and the value for the entire population. The estimate for a variable, plus and minus the standard error for the variable (presented as a percentage of the survey estimate), indicates a range in which the true unknown value for the population probably lies. The closer the standard error is to zero, the more reliable is the estimate.

Non-sampling errors are not easy to quantify and include inadequate coverage, measurement, processing, and non-response. The response rate gives an indication of the likely impact of a non-response error on the survey estimates.

Table 2 Contribution of major surveys and censuses to GDP and quality indicators in 2000

Percentages

	Approximate contribution to GDP	Response rate	Standard error	Sample coverage
Production approach				
Annual Business Inquiry	22 [a]	85	1.50 [in 1998]	73
	48 [b]			
Expenditure approach				
Family Expenditure Survey	18	62	1.00	1
Charity Survey	0.5		2.58	3
Quarterly Capital Expenditure Inquiry	10 [c]	82		34
Quarterly Stock Inquiry	0.5	90		68
IntraStat	11 [export]			
	-12 [import]	90		97
International Passenger Survey	2 [export]	89 [in 1998]		0.3 [in 1998]
	-3 [import]			
Income approach				
Inland Revenue National Income Survey (PAYE)	46	98	0.25	1
Quarterly Profits Inquiry	2 [d]	83		100

a Approximate contribution of the ABI data at basic prices for *Agricultural and Manufacturing sectors* (NACE A17: A to E) to the total GVA at basic prices

b Approximate contribution of the ABI data at factor cost *for Construction and Services sectors* (NACE A17: F to P) to the total GVA at basic prices. ABI data are adjusted to basic prices using governmental sources

c The CAPEX data are the principal source initial for the GFCF. Two years later the ABI data became available and replaced the CAPEX inquiry data. However, the CAPEX inquiry data are still the principal source for the GFCF assets breakdown, and results are benchmarked on estimates collected in the ABI.

d The QPI covers all privatised companies, ie companies that were formerly government-owned. The non-privatised companies are covered by the administrative data from the Inland Revenue, but two and half years later. In 2001, when the Inland Revenue data were not available, QPI covered approximately 11% of GDP.

Source: Office for National Statistics

Table 2 provides information on standard error and response rates of various surveys used in the NA compilation process.

In the Production approach, the largest proportion of data is derived from the Annual Business Inquiry (ABI). The approximate contribution of the ABI data at basic prices for Agricultural and Manufacture sectors (NACE A17: A to E) to the total GVA at basic prices was 22 per cent. The ABI data at factor cost for Construction and Services sectors (NACE A17: F to P) contributed 48 per cent of the total GVA at basic prices. The ABI data for construction and services sectors (NACE A17: F to P) are adjusted to basic prices using governmental sources.

The standard error of the total Gross Value Added data source derived from the ABI was 1.5 per cent in 1998. The ABI response rate was 85 per cent, and it covered 73 per cent of the total population in 2000.

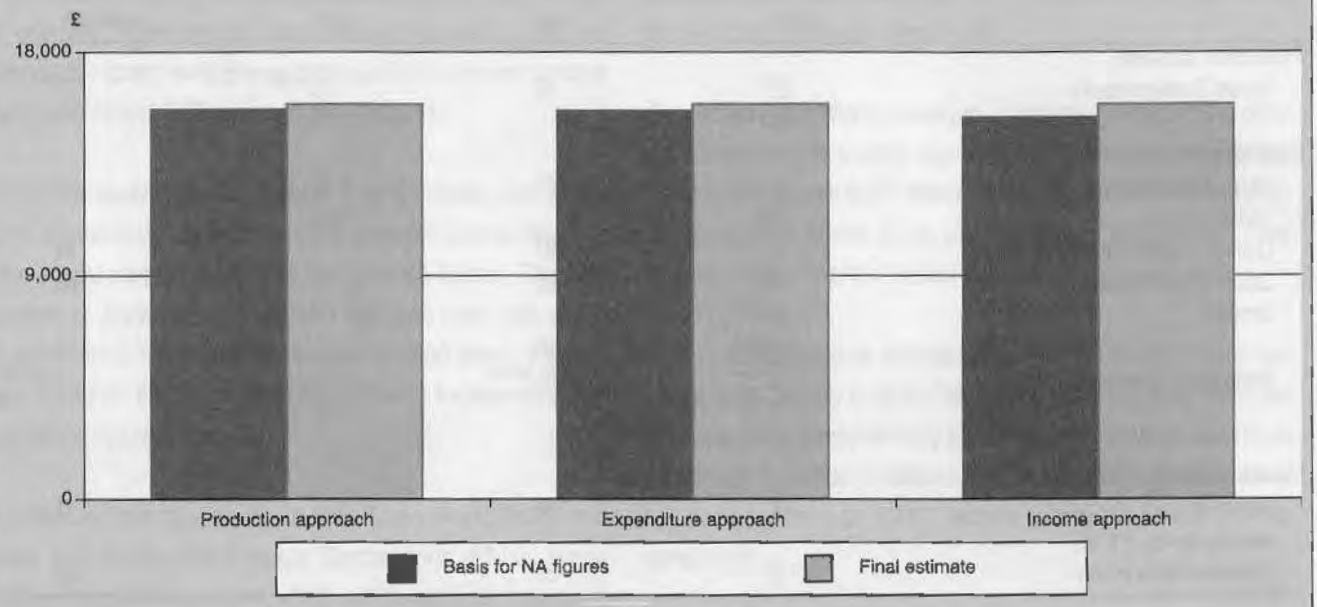
In the Expenditure approach, the Family Expenditure Survey (FES) formed an important part of the Household Final Consumption Expenditure component contributing 18 per cent of GDP, and therefore its quality contributes to the overall quality of the HHFCe data. The standard error of the total HHFCe components derived from the FES was 1 per cent in 2000. However, the highest standard error was the 6 per cent in the Miscellaneous goods and services component (section: 12), *see* ONS (2000) Family Spending. The response rate of the FES was 62 per cent in 2000 and it covered 1 per cent of the total population.

Other important surveys in the expenditure approach were the Quarterly Capital Expenditure (CAPEX) Inquiry and IntraStat, which contributed to approximately 10 per cent of the GDP in 2000. The CAPEX inquiry covered 34 per cent of the population and its response rate was 82 per cent. Slightly higher response rates can be observed in the IntraStat survey of 90 per cent, and 97 per cent coverage of the population, the highest coverage in the Expenditure approach.

The survey data source in the Income approach are dominated by the Pay-As-You-Earn (PAYE) part of the Inland Revenue National Income survey (46 per cent of GDP), which provides data for Wages and Salaries, a component of Compensation of Employees. The estimates of the PAYE system are derived from a 1 per cent sample of tax deducted documents, and are sufficient to estimate Wages and Salaries with a standard error of about 0.25 per cent and response rate of 98 per cent.

Figure **4**

GDP per capita in 2000 at curent prices



Source: Author's estimations based on ONS (2002) *UK National Accounts: The Blue Book*

Impact on GDP per capita

A noticeable impact on GDP per capita has been seen in the Income approach, where the Basis for NA Figure has been adjusted by £531, or 3.5 per cent of the final GDP estimate. The smallest impact has been observed in the Production approach, where the Basis for NA figure has been adjusted upwards by £221 or 1.4 per cent of the final GDP estimate (see Figure 4).

Conclusions

Undoubtedly, the Eurostat project on *Accuracy assessment of National Accounts statistics* has provided important information on the accuracy of NA statistics. It has confirmed that the majority of National Accounts data derive from *Surveys and Censuses* and *Administrative* Data sources, and the compilation process has a smaller impact on the final estimates.

It can be inferred from the article that, although the adjustments added to the Basis for NA figures have discernible impact on the Final estimate, in Production and Income approaches, high *Data Validation, Conceptual and Exhaustiveness Adjustments* have been applied, which offset one another.

The GDP components that have mostly been affected by the NA process were:

- **In the Production approach**
  Real estate, Constructions, Wholesale and retail trade industries;
- **In the Expenditure approach**
  Household Final Consumption Expenditure and Gross Fixed Capital Formation;
- **In the Income approach**
  Compensation of Employees.

Although the adjustments were small and have very little effect on the final estimate for any given year, their results from year to year could have a considerable effect on the annual rates of change.

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Notes:

1. Gross National Income (GNI) is used in calculating the top limit of financial contributions to the European Union (EU) and forms the basis of the *4th Resource* contribution. The GNI data are also used in calculating the UK's VAT base, which forms the *3rd Resource* contribution. The other two contributing resources to the EU's budget are customs duties paid at the external frontier of the single market and certain levies required by the Common Agriculture Policy (CAP).

2. *ONS (2002)* Annual Business Inquiry. *Regional data for 1998 – 2000 has been available since 18 September 2002. Online at www.statistics.gov.uk.abi/regional.asp*

3. Now known as DEFRA (Department for Environment, Food and Rural Affairs).

4. The PIM is used in the UK accounts to estimate the level of assets held at a particular point in time. This is done by cumulating the acquisitions of such assets over a period, and then subtracting the disposals of such assets over that period. Adjustments are made for price changes over time.

5. Dual military use covers assets that are for both military and civil use, such as buildings, telecommunications and transport equipment.

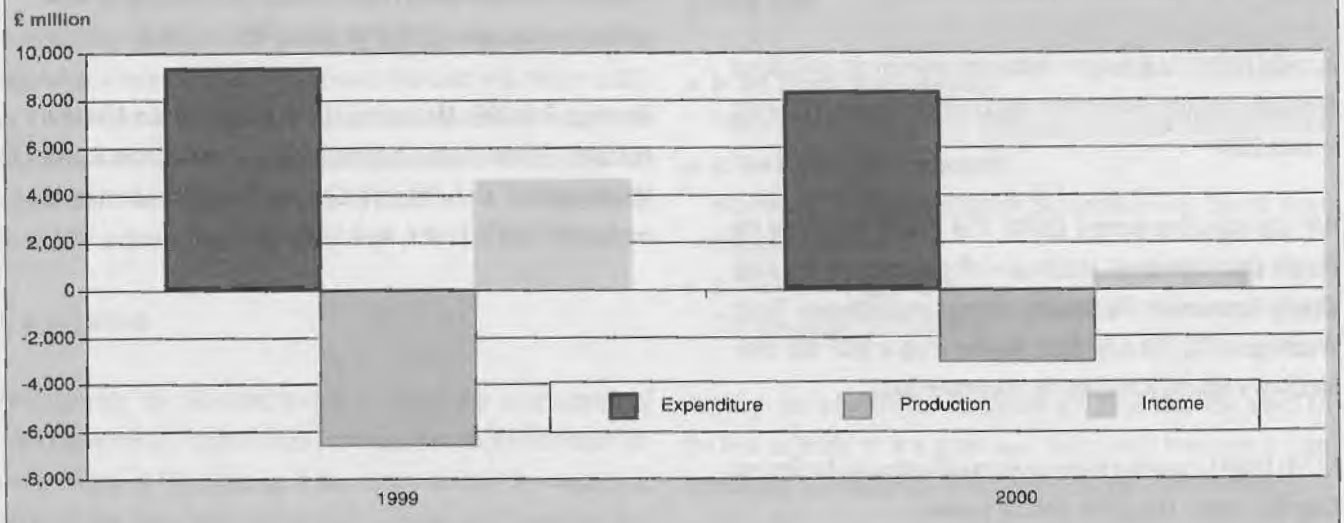
6. The Family Expenditure Survey and National Food Survey were combined in September 2001 to form the Expenditure and Food Survey.

7. COICOP (Classification of Individual Consumption by Purpose) is an international classification that groups consumption according to its function or purpose. For example, the heading Clothing (section 03) covers expenditure on garments, clothing materials, laundry, and repairs.

8. The usual administrative benchmark data were not available, therefore the 1999 benchmark data were extrapolated forward.

Annex 1

Balancing Adjustments in 1999 and 2000 at current prices Based on: ONS (2002), *UK National Accounts: The Blue Book*



Production Approach	1999	2000
Agriculture	28	- 2
Mining and quarrying	1,192	1,348
Manufacturing	432	1,639
Electricity, gas and water supply	- 150	1,067
Construction	- 997	- 700
Wholesale and retail trade	-4,933	-1,955
Transport and communication	,260	142
Financial interm., Real estate etc	-3,064	-4,260
Education, health and social work	296	203
Other services	- 660	- 847

Expenditure Approach	1999	2000
Household Final Consumption Expenditure	3,990	1,190
Non-Profit Institutions Serving Households	330	380
Gross Fixed Capital Formation	4,722	6,216
Exports of services	1,040	1,660
Imports of services	740	1,120

Income Approach	1999	2000
Compensation of Employees	2,845	1,124
Financial Corporations	650	-
Private Non-Financial Corporations	907	-400

Annex 2 Quantitative overview of the National Accounts process

Compilation of GNI	Level of Details	Basis for NA Figures					Adjustments				Final estimate
		Surveys & Censuses	Administrative Data	Extrapolations & models	Other	Total	Data validation	Conceptual	Explicit exhaustiveness	Balancing	
PRODUCTION APPROACH											
NACE A17	**TOTAL**										
Output of goods and services (at basic prices)		**1,293,737**	**193,935**	**221,595**		**1,709,267**	**-2,360**	**62,780**	**24,771**	**28,962**	**1,823,420**
Intermediate consumption (at purchasers' prices)		**659,888**	**95,591**	**128,922**		**884,401**	**26,879**	**30,043**	**11,611**	**32,421**	**985,355**
Gross value added (at basic prices)		**633,849**	**98,344**	**92,673**		**824,866**	**-29,239**	**32,737**	**13,160**	**-3,459**	**838,065**
A	**Agriculture, hunting and forestry**										
Output of goods and services (at basic prices)		16,975	3			**16,978**	-285	203	2,693	-2	**19,587**
Intermediate consumption (at purchasers' prices)		10,188				**10,188**	-315	-99	1,455		**11,229**
Gross value added (at basic prices)		6,787	3			**6,790**	30	302	1,238	-2	**8,358**
B	**Fishing**										
Output of goods and services (at basic prices)		879	3			**882**	-146	12			**748**
Intermediate consumption (at purchasers' prices)		517				**517**	-215	2			**304**
Gross value added (at basic prices)		362	3			**365**	69	10			**444**
C	**Mining and quarrying**										
Output of goods and services (at basic prices)		33,789	2			**33,791**	527	510		-80	**34,748**
Intermediate consumption (at purchasers' prices)		10,905	1			**10,906**	1	-38		-1,428	**9,441**
Gross value added (at basic prices)		22,884	1			**22,885**	526	548		1,348	**25,307**
D	**Manufacturing**										
Output of goods and services (at basic prices)		410,797				**410,797**	-53	6,096	1,000	1,359	**419,199**
Intermediate consumption (at purchasers' prices)		265,781				**265,781**	-3	-922	400	270	**265,526**
Gross value added (at basic prices)		145,016				**145,016**	-50	7,018	600	1,089	**153,673**
E	**Electricity**										
Output of goods and services (at basic prices)		44,865				**44,865**		1,764		1,504	**48,133**
Intermediate consumption (at purchasers' prices)		32,226				**32,226**		-260		437	**32,403**
Gross value added (at basic prices)		12,639				**12,639**		2,024		1,067	**15,730**
F	**Construction**										
Output of goods and services (at basic prices)		71,699		1,483		**73,182**	1,740	33,727	6,327	738	**115,714**
Intermediate consumption (at purchasers' prices)		30,582		880		**31,462**	3,650	32,120	2,997	1,438	**71,667**
Gross value added (at basic prices)		41,117		603		**41,720**	-1,910	1,607	3,330	-700	**44,047**

Annex 2 - *continued* **Quantitative overview of the National Accounts process**

Compilation of GNI	Level of Details	Basis for NA Figures					Adjustments				Final estimate
		Surveys & Censuses	Administrative Data	Extrapolations & models	Other	Total	Data validation	Conceptual	Explicit exhaustiveness	Balancing	
	G Wholesale and retail trade, repair of vehicles and personal and HH goods										
Output of goods and services (at basic prices)		185,960				**185,960**	4,785	6,901	2,153	3,926	**203,725**
Intermediate consumption (at purchasers' prices)		76,520				**76,520**	17,425	-154	457	7,146	**101,394**
Gross value added (at basic prices)		109,440				**109,440**	-12,640	7,055	1,696	-3,220	**102,331**
	H Hotels and restaurants										
Output of goods and services (at basic prices)		38,365		1,427		**39,792**	-210	3,713	707	40	**44,042**
Intermediate consumption (at purchasers' prices)		17,397		680		**18,077**	-1,205	-56	154	-1,225	**15,745**
Gross value added (at basic prices)		20,968		747		**21,715**	995	3,769	553	1,265	**28,297**
	I Transport, storage and communication										
Output of goods and services (at basic prices)		120,451	13,240			**133,691**	4,085	3,651	4,384	3,259	**149,070**
Intermediate consumption (at purchasers' prices)		64,025	8,347			**72,372**	3,386	-305	2,113	2,661	**80,227**
Gross value added (at basic prices)		56,426	4,893			**61,319**	699	3,956	2,271	598	**68,843**
	J Financial intermediation										
Output of goods and services (at basic prices)		28,991	64	81,507		**110,562**			4,150	11,702	**126,414**
Intermediate consumption (at purchasers' prices)		-20,107	4,923	81,426		**66,242**			2,685	11,702	**80,629**
Gross value added (at basic prices)		49,098	-4,859	81		**44,320**			1,465		**45,785**
	K Real estate, renting and business activity										
Output of goods and services (at basic prices)		201,795	-69	101,849		**303,575**	-10,432	2,386	1,759	2,581	**299,869**
Intermediate consumption (at purchasers' prices)		75,539	-19,064	37,577		**94,052**	4,542	-170	641	6,841	**105,906**
Gross value added (at basic prices)		126,256	18,995	64,272		**209,523**	-14,974	2,556	1,118	-4,260	**193,963**
	_K Services of owner-occupied dwellings										
Output of goods and services (at basic prices)				73,427		**73,427**			-439		**72,988**
Intermediate consumption (at purchasers' prices)				9,677		**9,677**					**9,677**
Gross value added (at basic prices)				63,750		**63,750**			-439		**63,311**

Annex 2 - *continued* **Quantitative overview of the National Accounts process**

Compilation of GNI	Level of Details	Basis for NA Figures					Adjustments				Final estimate
		Surveys & Censuses	Administrative Data	Extrapolations & models	Other	Total	Data validation	Conceptual	Explicit exhaustiveness	Balancing	
	L Public administration and defence; compulsory social security										
Output of goods and services (at basic prices)			72,864	6,078		**78,942**					**78,942**
Intermediate consumption (at purchasers' prices)			38,094			**38,094**					**38,094**
Gross value added (at basic prices)			34,770	6,078		**40,848**					**40,848**
	M Education										
Output of goods and services (at basic prices)		18,669	29,193	19,728		**67,590**		567			**68,157**
Intermediate consumption (at purchasers' prices)		8,433	7,839	2,761		**19,033**		-39			**18,994**
Gross value added (at basic prices)		10,236	21,354	16,967		**48,557**		606			**49,163**
	N Health and social work										
Output of goods and services (at basic prices)		63,575	68,767	3,178		**135,520**	-195	776		307	**136,408**
Intermediate consumption (at purchasers' prices)		25,628	53,732	889		**80,249**	-415	-25		104	**79,913**
Gross value added (at basic prices)		37,947	15,035	2,289		**55,271**	220	801		203	**56,495**
	O Other community, social and personal service activities										
Output of goods and services (at basic prices)		56,927	5,818	6,345		**69,090**	-2,176	2,474	1,598	3,628	**74,614**
Intermediate consumption (at purchasers' prices)		24,495	1,529	4,709		**30,733**	28	-11	709	4,475	**35,934**
Gross value added (at basic prices)		32,432	4,289	1,636		**38,357**	-2,204	2,485	889	-847	**38,680**
	P Private households with employed persons										
Output of goods and services (at basic prices)			4,050			**4,050**					**4,050**
Intermediate consumption (at purchasers' prices)											
Gross value added (at basic prices)			4,050			**4,050**					**4,050**
Financial Intermediation Services Indirectly Measured		**-37,759**	**-190**			**-37,949**					**-37,949**
Taxes on products			**119,003**			**119,003**					**119,003**
Value added type taxes			64,917			**64,917**					**64,917**
Other taxes on products			54,086			**54,086**					**54,086**
Subsidies on products			**6,653**			**6,653**					**6,653**
Residual item											
Gross domestic product		**633,849**	**210,694**	**92,673**		**937,216**	**-29,239**	**32,737**	**13,160**	**-3,459**	**950,415**

Annex 2 - *continued* **Quantitative overview of the National Accounts process**

Compilation of GNI		Level of Details	Basis for NA Figures: Surveys & Censuses	Administrative Data	Extrapolations & models	Other	Total	Adjustments: Data validation	Conceptual	Explicit exhaustiveness	Balancing	Final estimate
EXPENDITURE APPROACH												
Total final consumption expenditure			**449,201**	**228,205**	**118,259**		**795,665**	**3,764**	**-154**	**3,540**	**1,570**	**804,385**
Household final consumption expenditure		**COICOP (2dig) Total**	**443,879**	**47,435**	**103,749**		**595,063**	**3,764**		**3,540**	**1,190**	**603,557**
		Net tourism	6,949				**6,949**					**6,949**
	1	Food and non-alcoholic beverages	57,845				**57,845**	-251			125	**57,719**
	2	Alcoholic beverages and tobacco		11,851	10,310		**22,161**	75		2,680		**24,916**
	3	Clothing and footwear	34,973	88			**35,061**	15				**35,076**
	4	Housing, water, electricity, gas and other fuel	37,828	13,878	55,153		**106,859**	254			300	**107,413**
	5	Furnishing, household equipment and routine HH maintenance	34,666				**34,666**	753			-270	**35,149**
	6	Health	5,929	2,740			**8,669**	302			-100	**8,871**
	7	Transport	80,556	7,744			**88,300**	-321			300	**88,279**
	8	Communication	13,298				**13,298**	1				**13,299**
	9	Recreation and culture	58,913	9,018	5,191		**73,122**	456			325	**73,903**
	1	Education			9,634		**9,634**					**9,634**
	11	Restaurant and hotels	40,914	751	24,321		**65,986**	1,720			720	**68,426**
	12	Miscellaneous goods and services	72,008	1,365			**73,373**	760			-210	**73,923**
NPISH final consumption expenditure			**5,322**	**10,898**	**6,581**		**22,801**		**-154**		**380**	**23,027**
General government final consumption expenditure				**169,872**	**7,929**		**177,801**					**177,801**
Gross fixed capital formation	**Pi6**	**Total**	**96,088**	**14,352**	**40,017**		**150,457**	**640**	**1,605**		**6,216**	**158,918**
	1	Products of agriculture, forestry, fishery and aquaculture	499				**499**					**499**
	2	Metal products and machinery equipment	54,351	1,777	205		**56,333**	640	577		3,810	**61,360**
	3	Transport equipment	11,334	359	40		**11,733**		387		1,428	**13,548**
	4	Construction of housing		1,791	25,648		**27,439**					**27,439**
	5	Other constructions	29,556	10,425	719		**40,700**		641		978	**42,319**
	6	Other products	348		13,405		**13,753**					**13,753**

Annex 2 - *continued* **Quantitative overview of the National Accounts process**

Compilation of GNI	Level of Details	Basis for NA Figures					Adjustments				Final estimate
		Surveys & Censuses	Administrative Data	Extrapolations & models	Other	Total	Data validation	Conceptual	Explicit exhaustiveness	Balancing	
Changes in inventories		5,097	-513	1,011		5,595					5,595
Acquisitions less disposals of valuables				5		5					5
Exports of goods and services		184,739	79,946			264,685	-1,210			1,660	265,135
goods		107,990	79,946			187,936					187,936
services		76,749				76,749	-1,210			1,660	77,199
Imports of goods and services		175,502	107,001			282,503				1,120	283,623
goods		111,261	107,001			218,262					218,262
services		64,241				64,241				1,120	65,361
Residual item											
Gross domestic product		559,623	214,989	159,292		933,904	3,194	1,451	3,540	8,326	950,415
INCOME APPROACH											
Compensation of employees		480,099	37,010			517,109	-22,330	21,318	7,669	1,124	524,890
Gross operating surplus and Mixed Income		29,475	120,365	121,672		271,512	327	7,503	16,676	-534	295,484
Taxes on production and imports			137,484			137,484					137,484
Subsidies			7,443			7,443					7,443
Residual item											
Gross domestic product		509,574	287,416	121,672		918,662	-22,003	28,821	24,345	590	950,415
GROSS NATIONAL INCOME											
Compensation of employees received from the rest of the world		185	829			1,014					1,014
Compensation of employees paid to the rest of the world		501	370			871					871
Property income received from the rest of the world		125,878	6,527	1,818		134,223					134,223
Property income paid to the rest of the world		83,346	7,939	33,430	339	125,054					125,054
Taxes on production and imports			4,072			4,072					4,072
Subsidies			292			292					292
Gross national income		638,306	320,862	-2,689	-339	956,140	-29,239	19,345	13,160	-3,459	955,947

Labour Productivity Measures from the Annual Business Inquiry

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Overview

This article presents new labour productivity data from the Annual Business Inquiry. In June 2002 the Office for National Statistics released estimates of approximate Gross Value Added and other data from the 2000 Annual Business Inquiry. Recently year average employment numbers have been added to the available data, which enable users to calculate a current price labour productivity measure to the four-digit SIC92 level. This article looks at issues regarding the quality of labour productivity measures derived from the ABI data as well as presenting results for 1998 to 2000.

Background

Between 1998 and 2001 the Office for National Statistics (ONS) introduced a new survey, the Annual Business Inquiry (ABI). This survey has several advantages over its predecessors: it brings together accounting and employment data in the same survey; and it uses common statistical methodology in the estimation process. These changes have greatly improved the consistency between output and labour measures, making the compilation of detailed labour productivity measures feasible. This article takes a look at such measures, noting the issues involved in particular.

Current quarterly measures of labour productivity are published for certain industries of the Standard Industrial Classification (Revised 1992) (SIC92). Indices for the whole economy, production, manufacturing, and manufacturing sub-sections are also published. In addition experimental data are published for sections G and H, (SIC92 industry divisions 50–55, Distribution, Hotels and Catering combined) and for G to P (SIC92 industry divisions 50–95, Services combined). These use the ratio of indices of Gross Value Added (GVA) to indices of employment. The GVA measure is that produced by the National Accounts system, at constant 1995 basic prices. The employee part of the employment measures uses data compiled from Short–Term Employment Surveys (STES). These quarterly employee jobs data are benchmarked on to the annual ABI employee jobs results. The GVA and employment measures used for compiling productivity data therefore have a basis in the ABI, but the consistency of the two measures is diminished due to adjustments made by National Accounts to the value added for coherence (balancing). While indices of productivity allow for the comparison over time of a particular industry, value levels of productivity are needed to make comparisons between industries. Value data on GVA are available from the Current Price Input Output (CPIO) data, but again their consistency with the employment data is diminished through the National Accounts adjustments.

A user consultation process was recently undertaken as preparation for a strategy for productivity development within ONS. The consultation noted user demands for more detailed data on productivity, in particular for the services industries as well as for levels of productivity in order to facilitate comparisons between industries.

In June 2002 ONS released estimates of approximate GVA and other data from the 2000 ABI/2 inquiry, and has recently added year average employment numbers to the available data. While these data enable users to calculate a current price labour productivity measure to the four-digit SIC92 level by simply dividing the two series, there are still issues that users should be aware of.

Data Issues

The GVA measures compiled from the ABI are approximate, as the full range of variables necessary to calculate the true GVA is not available and the estimates differ from Input-Output final numbers. Adjustments are made to the Input-Output data to account for differences in coverage, concepts and valuation. For these reasons any GVA per job measures compiled from the ABI will also be approximate. Industries where the approximate GVA per job data are considered to be too misleading are therefore not published.

For these reasons the approximate GVA per job data for certain industries should be treated with caution. In particular for the following industries:

- For SIC92 industry division 70, GVA is not an appropriate measure as it excludes capital expenditure. Approximate GVA per job figures are therefore not published for this industry.
- SIC92 industry divisions 73, 91.1 and 91.3 are affected by the exclusion of grants. This can result in negative GVA data for parts of these industries.
- For SIC92 industry divisions 80 and 85, the approximate GVA per job data for sections M and N are much lower than the average, for two reasons. Firstly the coverage is different because the part of the ABI that collects turnover data does not go out to public bodies in health or education. Secondly for the part of the private sector that is covered by the ABI, grants received from Government are not included, resulting in some negative GVAs. GVA per job figures are therefore not published for these industries.
- The ABI does not collect turnover data for SIC92 industry divisions 1, 65–67 and 75, although SIC92 industry divisions 65–67 are now starting to be covered. Turnover data for SIC92 divisions 2 and 5 have been collected since 2000, but are not included in this article. Hence no approximate GVA data are available for these industries. Due to disclosure issues, GVA and employment data for some SIC92 industry divisions at the four-digit level are also not published. However, the missing data are included in the aggregated SIC92 section for these industries.
- The productivity data for SIC92 sections involving tobacco and alcohol (SIC92 industry divisions 15.9, 16 and 51.3) should be treated with caution due to reporting issues. The GVA estimates for these industries can be volatile, as they are particularly affected by the timing of the release of goods from bonded warehouses in order to minimise duty payments. This can be seen in SIC92 industry division 51.35–51.37 where the productivity values ranged from 6.5 in 1998 through 117.3 in 1999 to 37.5 in 2000.
- For industries that involve oil and gas (SIC92 industry division 23.2), there is also a reporting issue: a business can change the point at which it reports paying duty, so one year the duty will appear in wholesale and the next in refining.

The problem of reclassification of the industry to which data are assigned between one year and the next, noted above for SIC92 division 23.2, is a general problem that can affect other industries. While ONS does manage these changes so as to minimise differences between years, care needs to be exercised in comparing data between years for some industries.

The denominator used in the calculation of approximate GVA per job is the year average employment data, (*see* inset box 'Methodology for calculating ABI year average employment'). These data are calculated by adjusting the annual December point in time ABI employee data by quarterly STES employee data. While this loses some of the consistency between the numerator and denominator data, the year average data is still preferred, in particular as any seasonality is removed.

In the tables at the end of this article, data for SIC divisions 1–5, 12, 13, 40, 65–67, 70, 73 and 75–85 have been suppressed to avoid disclosure problems or where the estimates are not of sufficient statistical quality. Where the estimate of year average employment is less than 500, the data have been suppressed.

Methodology for calculating ABI year average employment

Approximate GVA per job = (ABI approximate GVA) / (ABI year average employment)

ABI year average employment is defined as ABI year average employees plus ABI working proprietors plus ABI unpaid workers.

Year average employees are calculated from the reporting unit ABI employee data by applying factors from local unit STES data to the December point in time ABI data. For, say 2000 they are:

(December 1999+3*March 2000+3*June 2000+3*September 2000+2*December 2000)/12*December 2000

These are done separately for each of the male/female/full/part time splits by STES SIC section building block. They are applied to the December returns before grossing, to bring them to a year average level.

There are no STES data on working proprietors or unpaid workers that can be used to adjust these series. Working proprietor data exist on the IDBR and unpaid workers data are available from the LFS, but these two series cannot be considered as reliable enough to adjust the ABI data at the three-digit SIC level. These data are therefore December estimates and may contain seasonality.

Pre ABI data

GVA data are published from 1995, while employment data that are consistent with the GVA measure are only available from 1998. Between 1995 and 1998 employee data were collected by the Annual Employment Survey (AES). While AES employee data exist from 1995, there are several differences between the AES and ABI data. There is a known difference in level between the AES and ABI data for 1998 that has been dealt with by scaling the AES data using factors derived from the overlapping 1998 data sets (Partington 2000). In addition, the primary ABI employment outputs are produced according to the SIC of the local unit, and the AES results were produced in the same way. However, unlike the AES, the ABI results are also available according to the SIC of the reporting unit. This is completely consistent with the classification approach taken for financial variables, it means that GVA per head estimates can now be derived with confidence. Given the differences between the AES and ABI employee data in terms of methodology, SIC coding and level, and the importance of maintaining consistency between the output and labour data, the AES data are not used to compile productivity measures prior to 1998.

Future work

ABI GVA is at current prices. In order to compare different years the data need to be deflated. A similar problem is being looked at by the Business Data Linking Project (BDLP) in the context of the Annual Respondents Database. The deflation used until now by the BDLP has been relatively simple. In particular, Producer Price Indices (PPI) output deflators (at two, three or four-digit level) have been used directly to deflate both total output and value added. This single deflation method makes a very strong assumption: that the share of intermediate inputs in total output is relatively stable. This method was used primarily to get at some fairly quick results on the basis that it would be a reasonable approximation, which is more likely to be the case for shorter periods. In addition some analysis has been done on the basis of Multi-factor Productivity where total output, intermediates and capital are used and deflated separately. Future work of the BDLP will include looking at these deflation issues in more detail, primarily through implementing double deflation. In addition it is planned to use the work done in the Constant Price Input Output (KPIO) with regard to the completeness of deflators, as the PPIs exclude export prices. The stability of the relationship between intermediates and gross output will also be examined. As this work progresses and results are made available the usefulness in the construction of a constant price productivity measure can be assessed.

The ABI does not collect data on hours worked and therefore there is no measure of total hours worked that has the same consistency with the GVA measure as there is for the employment measure. It is possible to construct an approximate GVA per hour measure using average hours from either the Labour Force Survey (LFS) or the New Earnings Survey (NES) (Jenkins and Bird, 2002). Actual or paid hours data are available from the LFS while only paid hours are available from the NES. Work is being done to look at the feasibility of constructing an hours measure based on employer survey data as part of the Labour Cost Index feasibility study and this may be used to improve existing published productivity measures. However, it is unlikely that this work will lead to the compilation of GVA per hour worked measures from the ABI as the consistency obtained by collecting output and labour measures from the same survey would be lost.

Analysis of the results for 1998–2000

At present, the available approximate GVA per job figures from the ABI are at current prices; they allow comparisons of productivity level across sectors, but not across time. This additional information complements the published official series on productivity growth. Furthermore, the sectoral breakdown from the ABI is more comprehensive than that of the quarterly productivity series, especially in the service sector, and offers some insight into the dominant sector of the economy where information about its productivity performance has so far been relatively sparse. This is not to say that the ABI offers all the answers that we are looking for about the service sector. As outlined above, among other things, financial intermediation (section J) and public administration (section L) are not covered, and data collected on education and health (sections M and N respectively) do not give representative estimates of their productivity performance.

Table 1(a) ABI approximate GVA per job at current prices

£ thousands

SIC92 section	Description	1998	1999	2000
C–O*	All sections covered by ABI	28.8	30.3	31.3
C–E	Production sector	38.6	40.4	43.2
C–F	Production sector plus construction	36.1	38.0	40.2
G–O*	Service sector	25.3	26.8	27.4

* *Excludes SIC92 sections J, L, M, N and division 70 (in section K)*

Table 1(b) ABI Approximate GVA per job at current prices

Ratio all sectors (C-O*) = 1.00

SIC92 section	Description	1998	1999	2000
C–O*	All sections covered by ABI	1.00	1.00	1.00
C–E	Production sector	1.34	1.33	1.38
C–F	Production sector plus construction	1.25	1.25	1.28
G–O*	Service sector	0.88	0.88	0.88

* *Excludes SIC92 sections J, L, M, N and division 70 (in section K)*

The service sector is generally believed to have lower labour productivity than the production sector, both in terms of level and growth. This is because traditionally services tend to be more labour-intensive and less apt than the production sector in adopting technological advancement. (However this may be changing with the advancement in information and communications technologies that are as relevant to the service sector as to the production sector, having the potential to transform the production process and widen the product range.) Table 1(a) presents the results of approximate GVA per job at current prices based on the ABI by broad sector; it lends support to this general perception. The service sector does seem to be systematically falling behind the production sector in terms of productivity performance. Table 1(b) shows that services achieved only around 88 per cent of the average productivity of all sectors, compared with more than 130 per cent achieved by the production sector. This is not surprising when, among other things, real productivity growth in services (all sectors from Sections G–Q) has been lower than in the production sector in the past two decades, except for a brief period in 1995–98 (see Figure 1).

Table 2 shows that the service sector (SIC92 sections G–O excluding J, L, M, N and division 70 of section K) provided around three times as many jobs as the production sector but managed only to deliver less than twice as much approximate GVA. Consequently, service sector labour productivity is about two-thirds that of the production sector. It should be noted that this is a labour productivity measure and as such will be affected by different levels of capital intensity in each sector. During the three years studied, there was a displacement of jobs from production, especially in manufacturing, to the service sector. However this had not worsened the productivity gap between production and services.

Table 2 Ratio of service sector (G–O) to production sector (C–E)

ratio

	1998	1999	2000
Employment	2.66	2.84	3.02
Approximate GVA	1.74	1.88	1.91

The comparisons of broad sectors have masked the variation of performance within them. To study that, industry divisions (i.e. up to two-digit SIC) are ranked according to their relative productivity performance in terms of their approximate GVA per job at current prices, in descending order from 1 to 46. Figure 2 shows the ranking against industry division for each of the three years between 1998–2000. The production sector is represented by divisions 10 to 41, within which divisions 15 to 37 mark the manufacturing sector. The service sector is represented by division 50 onwards, whereas division 45 represents construction. Figure 2 has excluded division 13 (mining of metal ores), because its 2000 figure is not available

Figure 1

Average annual real growth rates of output per job

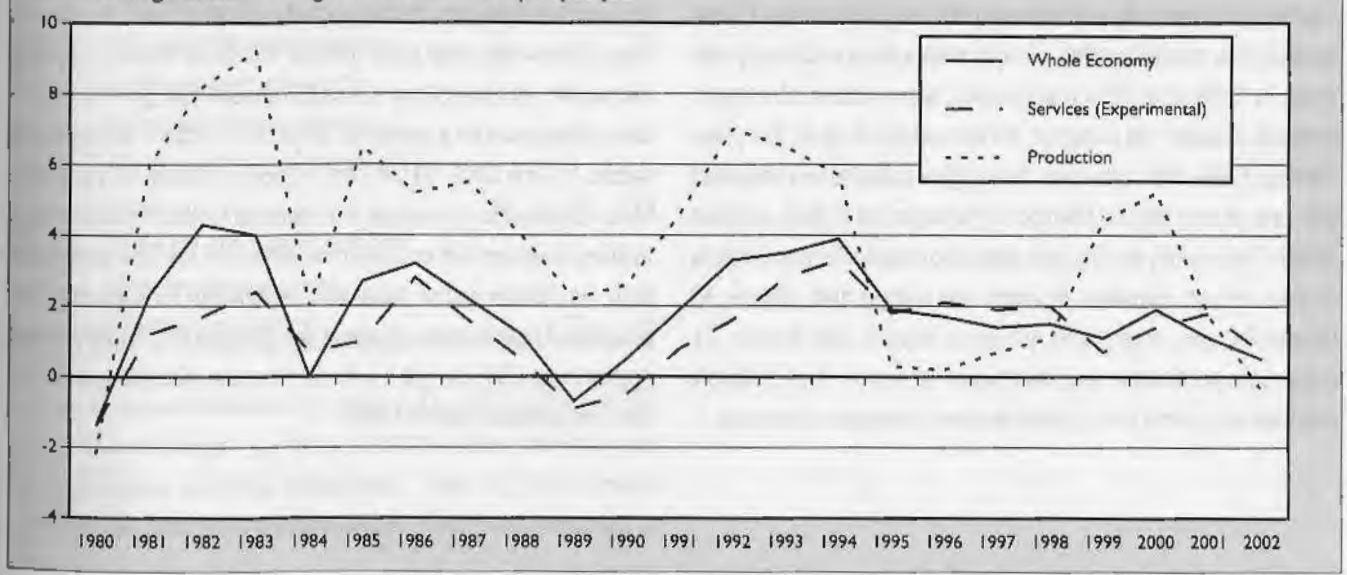
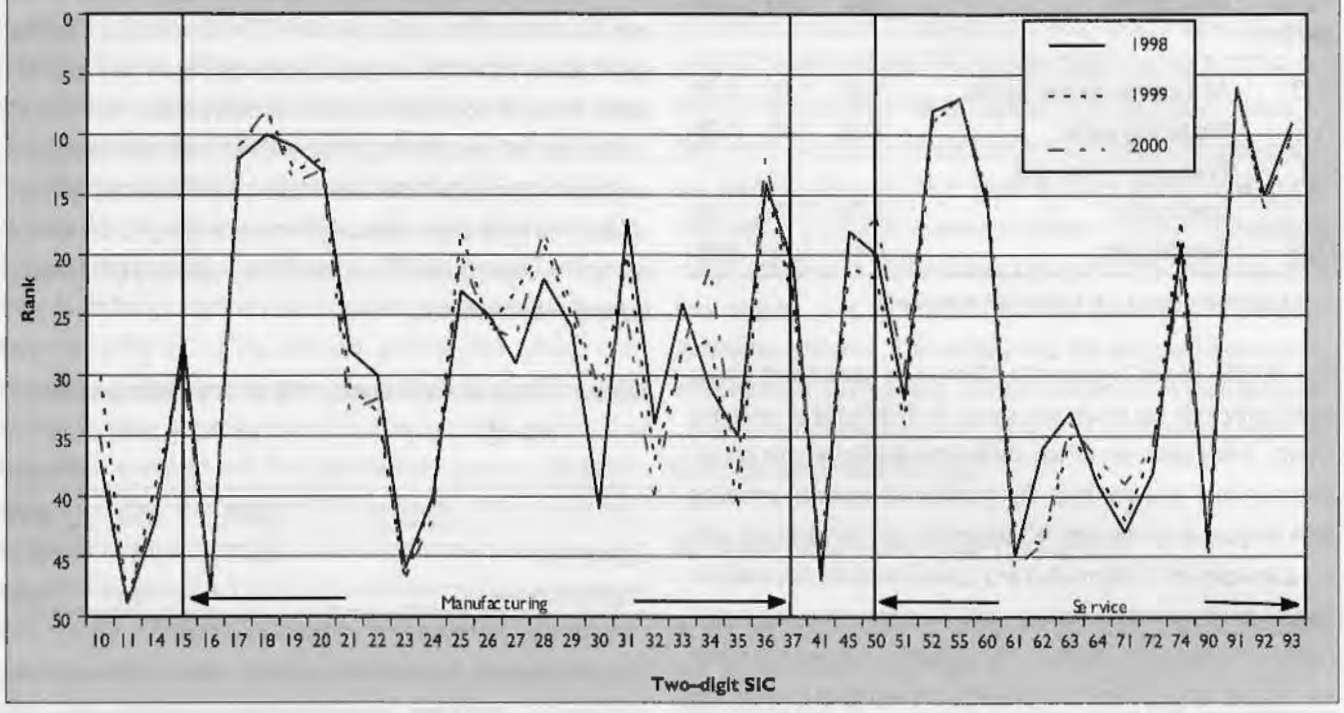


Figure **2**

Relative productivity performance



but is known not to be very large, and divisions 80 (education) and 85 (health and social work) because these figures are unlikely to be representative, as previously described.

Figure 2 shows that productivity performance varies greatly across sectors and that little change in relative performance occurred during 1998–2000. Industry division 11 (extraction of crude petroleum and natural gas) tops the table for all the three years under concern. However, it should be noted firstly that its approximate GVA per job at current prices is very much affected by the volatile movements in oil prices and secondly that it is a very capital-intensive sector. This most likely explains why approximate GVA per job of division 11 was ten times the median in 1998, rising to twelve times and twenty-one times in 1999 and 2000 respectively. Manufacture of tobacco products (division 16) occupied the second place for all the years between 1998–2000. However, these figures need to be interpreted with care as they may be affected by the treatment of duty, as noted earlier. Consistently scoring high were also division 23 (manufacture of coke, refined petroleum products and nuclear fuel), division 40 (electricity, gas, steam and hot water supply) and division 41 (collection, purification and distribution of water). This probably reflected automated and capital-intensive production processes.

There were a number of high scorers within the service sector too, which were water transport (division 61), renting of machinery and equipment without operator and of personal and household goods (division 71), and sewage and refuse disposal, sanitation and similar activities (division 90). There was a big contrast between wholesale trade (division 51) and retail trade (division 52), with the former hovering just above the median while the latter came close to the bottom. This is not surprising as the retail trade is expected to be labour intensive, which is confirmed by the fact that it was the biggest employer in terms of number of jobs for all the three years studied. That said, as the job count here does not distinguish between part-time and full-time jobs, the productivity measure used here is very likely to show the retail trade (and for the same reason, hotel and restaurants, division 55) in a less favourable light given that part-time jobs account for a significant proportion of jobs in this particular sector. In June 2002, 59 per cent of jobs in division 55 were part-time, compared to an average of 31 per cent for the whole economy. Industry divisions that occupied the bottom of the rank both came from the service sector: hotel and restaurants (division 55), and activities of membership organisations (division 91). Table 3 shows approximate GVA per job for the key service industries, on which data are available from the ABI.

Table 3: Approximate GVA per job at current prices for the major service sectors

£ thousands

SIC division	Description	1998	1999	2000
51	Wholesale trade and commission trade, except of motor vehicles and motorcycles	38.5	40.3	38.8
52	Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	14.8	16.4	16.7
55	Hotels and restaurants	11.3	11.9	12.5
Section I	Transport, storage and communication	38.8	40.4	41.0

Table 4 shows that the productivity performance of those ICT-related industry divisions was better than average (with the median rank being 22 or 23). It is interesting to note the change in the relative positions of divisions 30 and 32 during this very short time period. The ranking of the former fell from 10 in 1998 to 20 in 2000, whereas that of the latter improved from 17 to 11.

Table 4: Productivity performance of industrial subsections handling ICT

Ranking

SIC division	Description	1998	1999	2000
30	Manufacture of office machinery and computers	10	19	20
32	Manufacture of radio, televisions and communication equipment and apparatus	17	14	11
64	Post and telecommunications	12	13	14
71	Renting of machinery and equipment without operator and of personal and household goods	8	9	12
72	Computer and related activities (including hardware and software consultancy)	13	15	15

This analysis demonstrates the potential of the ABI in filling the data gap in labour productivity for the service sector and for more comprehensive industrial breakdown. That said, the currently available ABI data have their limitations, which have prevented us from drawing more definitive conclusions beyond the tentative ones presented here. As discussed above, erratic and rapidly changing price movements in specific sectors, like those in the oil industry and computers, could render even comparisons across sectors invalid. Appropriate deflators will be required to allow more meaningful comparisons both across time and across sectors. In addition, there are no data on financial intermediation (section J) and public administration and defence (section L), two key service sectors, although the former is starting to be covered by the ABI. Finally, there remains the general difficulty in measuring service sector output, where quality matters as much as, if not more than, quantity.

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Table 5: Current price 'approximate GVA per job' for 1998 to 2000, industry section (excluding SIC divisions 65-67, 70 and 75-85)

£ thousands

Section	1998	1999	2000	Section	1998	1999	2000
C–O	28.8	30.3	31.3	DG	52.5	55.2	59.9
C–F	36.1	38.0	40.2	DH	29.8	28.9	30.6
C–E	38.6	40.4	43.2	DI	32.8	33.5	34.6
G–O	25.3	26.8	27.4	DJ	30.9	29.5	30.9
H–O	26.9	28.2	29.3	DK	33.0	32.7	33.3
				DL	35.2	36.6	40.3
C	166.5	198.3	312.0	DM	39.9	42.8	39.2
CA	240.4	295.7	527.3	DN	25.6	26.3	25.3
CB	55.6	52.8	54.6	E	108.8	114.9	103.0
D	34.0	35.2	36.5	F	27.2	29.8	30.5
DA	36.0	37.4	38.9	G	22.7	24.5	24.1
DB	19.6	18.7	19.5	H	11.3	11.9	12.5
DC	19.6	24.4	26.3	I	38.8	40.4	41.0
DE	36.1	39.4	40.8	K	31.1	32.1	33.9
DF	84.0	120.0	116.0	O	23.0	25.0	24.6

Table 6: Current price 'approximate GVA per job' for 1998 to 2000, two-digit SIC (excluding SIC divisions 12, 13, 40, 65–67, 70, 73 and 75–85)

£ thousands

SIC92	1998	1999	2000	SIC92	1998	1999	2000
10	46.6	37.0	41.7	34	37.4	33.8	31.2
11	333.5	419.2	758.6	35	43.6	55.5	50.2
14	56.0	52.9	54.6	36	25.5	26.1	24.9
15	33.9	35.3	36.9	37	28.9	30.9	31.4
16	166.4	188.4	198.5	41	94.6	91.8	76.9
17	21.8	21.1	22.5	45	27.2	29.8	30.5
18	17.0	15.9	16.1	50	28.2	30.2	29.7
19	19.6	24.4	26.3	51	38.5	40.3	38.8
20	25.0	23.3	25.9	52	14.8	16.4	16.7
21	35.1	37.9	41.0	55	11.3	11.9	12.5
22	36.4	39.9	40.7	60	25.9	27.3	27.8
23	84.0	120.0	116.0	61	70.1	61.9	84.4
24	52.5	55.2	59.9	62	43.6	70.1	70.0
25	29.8	28.9	30.6	63	42.3	42.4	41.2
26	32.8	33.5	34.6	64	50.1	48.1	48.0
27	35.4	30.6	35.2	71	59.0	57.1	52.6
28	29.6	29.2	29.7	72	46.7	47.0	44.2
29	33.0	32.7	33.3	74	27.3	28.2	31.3
30	52.9	38.2	40.5	90	66.0	74.7	65.6
31	26.8	29.8	33.5	91	11.2	10.6	8.0
32	42.9	47.8	52.8	92	25.7	27.6	27.9
33	32.6	34.0	36.3	93	16.6	19.2	20.6

Table 7: Current price 'approximate GVA per job' for 1998 to 2000, four-digit SIC (excluding divisions 12, 13, 40, 65–67, 70, 73 and 75–85)

£ thousands

Mining and quarrying including oil and gas extraction			
SIC92	1998	1999	2000
1010	47.2	36.9	42.0
1100	333.5	419.2	758.6
1411	51.6	28.3	46.6
1412	58.0	59.3	53.9
1421	64.4	58.7	58.7
1422	36.7	44.6	47.8
1430	44.6	39.1	37.9
1440	72.9	76.2	81.0
1450	18.7	38.6	58.7

Manufacturing			
SIC92	1998	1999	2000
1511	22.9	25.5	22.7
1512	17.5	17.2	20.1
1513	26.4	24.2	25.1
1520	17.7	17.6	16.5
1531	38.1	60.3	57.7
1532	30.1	51.6	54.2
1533	31.7	29.5	28.6
1551	34.9	31.0	36.9
1552	34.6	27.5	27.2
1561	66.9	62.6	62.0
1562	77.2	48.3	65.7
1571	29.0	38.9	29.5
1572	63.2	58.7	64.5
1581	17.2	18.5	20.6
1582	23.9	24.4	26.9
1584	46.3	45.7	55.7
1586	52.5	78.1	100.3
1587	39.9	35.9	32.8
1589	*	36.0	36.4
1591	85.2	72.3	78.5
1596	57.1	74.9	77.4
1597	48.1	36.0	40.3
1598	54.2	63.3	59.6
1600	166.4	188.4	198.5
1711	22.8	18.9	30.3
1712	22.5	27.8	25.6
1713	18.0	20.4	28.5
1716	26.6	16.6	21.8
1721	21.5	17.5	22.2
1722	20.8	29.3	18.1
1723	25.0	21.7	19.2
1724	27.2	27.1	25.4
1725	26.8	12.7	19.1
1730	25.9	23.2	25.7
1740	16.5	21.0	19.9

Manufacturing			
SIC92	1998	1999	2000
1751	25.9	25.4	26.2
1752	28.8	25.2	26.3
1753	37.3	32.7	31.4
1754	25.8	19.0	24.2
1760	28.1	21.6	24.8
1771	22.4	20.5	15.7
1772	16.1	16.0	20.2
1810	25.6	33.6	25.0
1821	17.2	16.0	24.8
1822	14.9	17.1	14.9
1823	20.1	14.6	17.4
1824	17.8	14.2	14.1
1910	22.1	29.8	28.5
1920	20.3	26.2	22.5
1930	18.8	22.8	27.5
2010	27.1	27.5	23.5
2020	43.4	38.4	37.9
2030	21.3	20.4	26.0
2040	28.6	21.8	25.2
2051	23.3	21.2	22.7
2052	25.6	18.5	29.0
2110	43.7	49.5	47.2
2121	31.9	30.8	33.2
2122	44.8	43.9	70.8
2123	29.8	35.4	36.2
2124	24.8	55.2	32.9
2125	29.5	35.3	40.3
2211	44.2	59.0	51.5
2212	51.1	53.8	53.8
2213	42.4	45.2	46.3
2214	99.7	26.7	46.1
2215	10.9	24.7	29.5
2222	31.9	33.7	35.3
2223	27.4	26.9	25.6
2225	29.8	30.8	38.3
2231	62.2	45.9	63.6
2232	51.6	53.3	43.5
2233	43.2	47.9	21.9
2320	114.4	171.3	168.7
2330	60.5	84.0	68.8
2413	33.5	35.5	42.5
2414	81.6	63.4	68.0
2415	37.8	41.1	55.8
2416	41.9	39.1	51.5
2417	41.5	46.3	52.2
2420	69.6	69.6	83.9
2430	38.4	37.5	41.7

Manufacturing			
SIC92	1998	1999	2000
2441	35.0	52.7	39.3
2442	73.7	76.4	82.2
2451	31.7	40.0	37.2
2452	38.5	49.8	63.8
2461	35.1	29.0	33.4
2462	51.2	42.8	53.2
2463	40.4	42.3	48.1
2464	70.8	121.7	50.0
2465	34.1	44.4	38.2
2466	52.5	47.1	59.0
2470	52.7	53.9	68.9
2511	43.4	44.0	36.8
2512	21.1	22.4	24.0
2513	27.6	26.9	30.3
2521	33.9	32.3	38.0
2522	34.7	31.7	31.5
2523	25.7	25.6	27.8
2524	26.6	26.5	27.7
2611	*	*	58.6
2612	*	*	23.2
2613	40.7	44.8	43.7
2614	34.6	34.0	35.8
2615	28.1	17.4	47.5
2621	18.1	15.7	16.9
2622	36.0	44.1	41.4
2624	41.8	23.4	26.6
2625	11.2	14.7	18.6
2626	28.6	31.5	33.1
2630	29.5	22.2	21.3
2640	36.8	36.9	33.1
2651	64.4	77.2	91.9
2661	33.0	33.2	32.9
2662	122.6	124.6	114.2
2663	47.6	55.0	41.1
2664	49.4	28.4	42.1
2665	27.0	30.7	32.4
2666	22.9	24.8	33.2
2670	24.5	23.5	23.4
2681	35.5	24.7	29.0
2682	36.8	33.0	44.1
2710	38.7	32.1	35.3
2721	23.1	23.5	65.3
2722	33.1	29.8	29.3
2731	21.9	22.6	26.8
2732	45.2	37.5	32.2
2733	37.3	26.9	32.7
2734	26.5	38.9	27.3
2735	32.6	23.0	57.9
2741	66.0	99.5	118.5
2742	56.3	39.8	38.4
2743	31.4	24.2	36.9

Manufacturing			
SIC92	1998	1999	2000
2744	33.2	24.4	45.5
2745	45.7	35.4	41.8
2751	26.7	24.8	27.2
2752	24.2	24.2	27.1
2753	23.6	20.0	26.5
2754	24.2	24.2	34.3
2811	34.8	33.5	30.9
2812	30.0	25.1	26.0
2821	26.2	27.6	28.0
2822	34.9	37.4	31.1
2830	38.6	32.9	38.4
2840	27.8	27.7	29.2
2851	30.0	27.5	24.7
2852	28.4	28.7	31.9
2861	30.7	30.0	18.3
2862	31.2	24.1	31.1
2863	20.3	25.1	22.2
2871	26.4	29.5	23.5
2872	52.4	59.7	59.8
2873	26.3	32.8	30.1
2874	25.7	25.7	25.3
2875	24.6	26.5	25.7
2911	53.3	42.2	34.5
2912	36.8	33.2	38.4
2913	34.9	33.7	35.8
2914	32.7	29.9	32.6
2921	25.3	27.2	33.7
2922	30.6	31.8	35.6
2923	33.3	31.0	28.1
2924	30.2	30.2	30.0
2931	49.7	36.0	41.4
2932	23.3	29.1	35.0
2940	32.7	42.6	38.3
2951	37.4	25.3	25.8
2952	39.8	46.0	31.6
2953	29.9	34.2	32.3
2954	21.3	20.9	27.7
2955	25.4	19.6	38.5
2956	35.5	32.2	33.5
2960	32.1	32.7	37.0
2971	27.0	25.0	30.0
2972	24.1	28.4	28.4
3001	20.1	18.3	30.5
3002	62.5	43.4	43.2
3110	24.3	29.9	41.8
3120	31.8	32.7	30.7
3130	26.7	26.2	34.4
3140	28.2	26.3	34.2
3150	22.1	26.4	27.1
3161	19.3	29.8	32.5
3162	28.4	30.6	33.7

Table 7 (Contd): **Current price 'approximate GVA per job' for 1998 to 2000, four-digit SIC (excluding divisions 12, 13, 40, 65–67, 70, 73 and 75–85)**

£ thousands

Manufacturing			
SIC92	1998	1999	2000
3210	36.5	38.6	43.4
3220	63.2	69.3	69.2
3230	25.8	26.0	34.2
3310	31.3	36.1	37.3
3320	33.0	33.0	38.5
3330	39.4	39.3	38.0
3340	30.4	32.9	25.7
3350	21.0	23.7	28.8
3410	44.2	38.3	33.9
3420	26.1	26.2	26.1
3430	32.7	30.9	29.8
3511	34.2	51.5	37.6
3512	21.3	22.7	23.5
3520	*	46.1	37.0
3530	53.4	61.9	56.9
3541	22.3	21.6	35.6
3542	16.7	26.1	37.8
3543	34.8	22.3	37.3
3550	*	19.2	21.2
3611	23.3	26.4	23.2
3612	31.9	28.9	29.0
3613	32.1	31.2	29.0
3614	22.5	22.8	20.3
3615	24.6	24.6	23.0
3621	66.5	40.4	31.1
3622	27.8	33.3	36.6
3630	16.3	21.0	25.7
3640	26.0	27.4	32.0
3650	29.9	27.6	33.2
3661	23.1	33.3	39.7
3662	19.4	26.5	29.6
3663	22.4	23.9	23.8
3710	39.3	36.6	39.5
3720	19.1	23.2	21.5

Electricity, gas and water supply			
SIC92	1998	1999	2000
4100	94.6	91.8	76.9

Construction			
SIC92	1998	1999	2000
4511	32.0	34.1	38.4
4512	67.5	50.5	25.1
4521	28.6	32.1	32.7
4522	23.2	26.4	29.4
4523	26.6	28.3	26.7
4524	42.2	25.5	37.2
4525	22.8	32.7	31.6

Construction			
SIC92	1998	1999	2000
4531	27.3	27.5	28.2
4532	31.9	29.1	25.4
4533	28.5	25.5	26.8
4534	19.8	21.6	29.3
4541	30.9	30.6	25.4
4542	27.4	26.5	31.5
4543	27.8	27.9	35.0
4544	18.7	22.8	26.2
4545	25.5	31.3	24.9
4550	29.8	36.0	31.8

Distribution			
SIC92	1998	1999	2000
5010	34.9	37.7	35.9
5020	22.4	25.3	24.1
5030	24.5	24.2	24.1
5040	33.3	20.1	35.9
5050	17.0	18.5	22.8
5110	40.0	40.4	37.3
5120	24.8	31.1	23.8
5131	32.7	23.0	22.4
5132	22.4	29.4	25.0
5133	33.4	29.2	37.0
5134	50.0	46.5	51.1
5135-37	6.5	117.3	37.5
5138	26.7	33.3	23.8
5139	16.5	23.1	20.0
5141	40.0	35.3	36.2
5142	37.0	38.0	35.7
5143	62.0	52.9	43.5
5144	33.7	37.7	33.6
5145	28.9	23.5	35.1
5146	44.5	63.9	60.8
5147	32.4	38.3	37.2
5151	69.4	107.4	74.7
5152	30.4	39.2	55.4
5153	29.8	27.7	28.3
5154	30.3	30.5	29.3
5155	58.0	65.6	47.1
5156	44.4	44.0	45.6
5157	31.1	31.3	27.9
5161	44.3	37.8	30.6
5162	44.1	35.5	41.5
5163	36.9	27.9	43.2
5164	57.0	49.0	56.7
5165	51.1	47.6	47.0
5166	23.9	24.9	26.0
5170	33.0	28.3	32.1
5211	16.2	17.3	18.1
5212	15.5	14.3	14.7
5221	8.9	10.8	9.9
5222	13.0	14.6	13.9
5223	14.2	12.2	16.0
5224	9.6	12.5	10.8
5225	7.0	6.0	7.7
5226	6.4	7.8	8.1
5227	11.3	14.3	14.0
5231	15.7	15.4	19.2
5232	13.4	8.5	30.4
5233	10.5	15.2	11.8

Distribution			
SIC92	1998	1999	2000
5241	12.0	14.5	16.2
5242	12.6	18.7	17.5
5243	10.5	10.3	11.6
5244	19.1	21.2	23.0
5245	18.6	16.1	15.4
5246	17.5	22.3	22.0
5247	10.5	11.0	12.3
5248	13.9	16.5	16.8
5250	20.1	20.2	22.5
5261	26.4	23.3	15.0
5262	8.6	9.5	8.3
5263	18.1	16.9	24.6
5270	13.9	19.3	19.6

Hotels and catering			
SIC92	1998	1999	2000
5511	15.9	18.1	18.5
5512	14.0	18.4	23.3
5521	13.4	12.7	17.8
5522	36.4	18.7	32.7
5523	15.7	14.4	18.4
5530	9.8	10.4	11.6
5540	10.3	10.4	10.4
5551	8.1	16.6	9.9
5552	9.6	9.8	10.2

Transport, storage and communication			
SIC92	1998	1999	2000
6010	32.9	39.2	41.5
6021	27.9	25.7	24.7
6022	18.0	17.6	16.7
6023	16.8	18.5	18.4
6024	25.3	27.7	28.6
6110	74.0	71.7	91.0
6120	16.3	18.3	34.3
6210	44.9	75.2	76.3
6220	36.5	43.6	36.8
6311	27.6	36.0	37.7
6312	29.7	31.5	29.5
6321	88.7	92.6	67.6
6322	53.3	65.3	55.7
6323	95.6	85.9	83.8
6330	25.5	23.9	27.4
6340	39.6	43.7	46.4
6411	23.1	22.1	*
6412	30.0	27.4	*
6420	84.9	82.4	77.7

Table 7 (Contd): Current price 'approximate GVA per job' for 1998 to 2000, four-digit SIC (excluding divisions 12, 13, 40, 65–67, 70, 73 and 75–85)

£ thousands

Renting and business activities				Other services			
SIC92	1998	1999	2000	SIC92	1998	1999	2000
7110	104.5	106.1	78.7	9000	66.0	74.7	65.6
7122	19.6	48.1	41.1	9111	30.1	26.6	22.8
7131	57.9	53.6	25.9	9112	25.0	21.9	21.3
7132	41.5	41.6	42.3	9120	32.0	32.0	15.5
7133	202.7	67.7	151.2	9131	-1.4	-4.7	-5.8
7134	52.8	53.9	49.8	9132	2.7	-2.5	-3.2
7140	24.6	26.8	26.1	9133	10.2	11.3	9.1
7210	43.0	31.2	28.4	9211	28.8	56.9	55.4
7220	52.4	49.0	50.8	9212	108.1	75.9	195.2
72.3/72.4	55.4	65.8	55.2	9213	18.9	17.2	25.1
7250	26.9	35.9	36.1	9220	65.6	66.2	66.9
7260	28.6	36.0	29.1	9231	33.9	34.8	31.7
7411	36.0	37.9	43.4	9232	19.9	17.4	15.9
7412	38.6	38.4	39.3	9233	29.5	24.7	32.5
7413	19.6	25.0	25.6	9234	37.1	25.3	20.7
7414	49.5	49.1	53.7	9240	61.2	66.8	71.5
7415	69.1	29.0	39.4	9253	10.7	14.0	5.8
7420	39.5	37.9	41.2	9261	11.1	8.7	9.0
7430	29.5	29.7	30.1	9262	13.9	17.3	16.8
7440	39.2	61.3	65.4	9271	24.1	30.1	29.2
7450	17.6	19.4	21.3	9272	11.3	11.5	10.4
7460	14.1	15.6	17.2	9301	14.9	15.8	19.8
7470	6.0	6.5	6.8	9302	10.2	11.4	12.8
7481	19.6	23.1	27.1	9303	19.6	24.7	22.5
7482	20.8	22.1	19.6	9304	18.7	17.8	22.7
7483	23.8	29.1	22.2	9305	20.5	23.9	25.1
7484	35.7	37.3	42.0				

** not available

* Information suppressed to avoid disclosure