

ISSN 0013-0400
ISBN 0 11 621672 7

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About the Office for National Statistics

The Office for National Statistics (ONS) is the
government agency responsible for compiling,
analysing and disseminating many of the
United Kingdom's economic, social and
demographic statistics, including the retail
prices index, trade figures and labour market
data, as well as the periodic census of the
population and health statistics. The Director
of ONS is also the National Statistician and
the Registrar General for England and Wales,
and the agency administers the registration
of births, marriages and deaths there.

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No. 605, April 2004

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in brief

At a glance –economic summaries recently released on the National Statistics website.

CPI and the Budget

ONS estimates that changes to duties in the March 2004 Budget will add 0.15 percentage points to the one-month change in the Consumer Prices Index (CPI), if duty changes are passed on in full to consumers.

This compares with an increase of 0.13 percentage points from the April 2003 Budget. Once last year's Budget changes are taken into account, the net effect of the two most recent Budgets on the CPI annual inflation rate is estimated to be +0.02 percentage points.

The April 2003 Budget measures are now fully reflected in the CPI; the effects of the 2004 Budget will feed into the index over several months.

For the Retail Prices Index, it is estimated that this year's Budget will add 0.17 percentage points to the one-month change; this compares with an increase of 0.16 percentage points from the 2003 Budget. Overall, the net effect of the two most recent Budgets on the RPI annual inflation rate is estimated to be +0.01 percentage points.

Change	Percentage points contribution to 1-month change in the Consumer Prices Index	
	April 2003 Budget	March 2004 Budget
Excise duties (timing of 2004 effect)		
Tobacco (17 March 2004)	+0.05	+0.06
Alcohol (21 March 2004)	+0.03	+0.03
Road Fuel (1 September 2004)	+0.05	+0.06
Total effect of Budget measures	+0.13	+0.15

Released: 19 March 2004

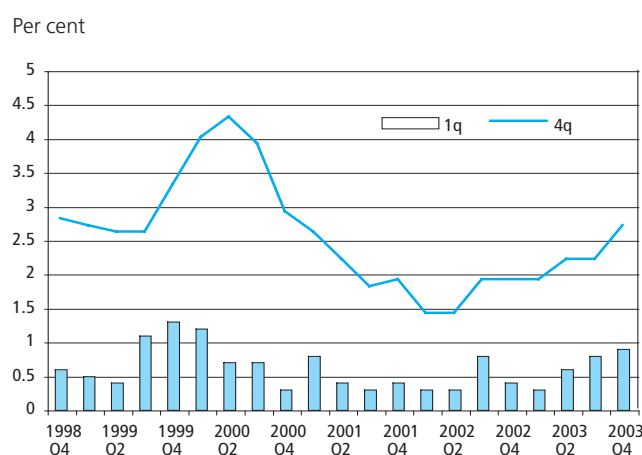
GDP growth

Services rose by 1.0 per cent from 0.8 per cent in the previous quarter. Business services and finance rose by 1.6 per cent in the latest quarter, with the strongest growth in financial services, real estate and business activities.

The distribution, hotels and catering sector rose by 0.5 per cent due to an increase of 1.4 per cent in retail output. The transport and communications sector rose by 1.0 per cent with strong growth in air transport, transport support and communications. Elsewhere, government and other services rose by 0.5 per cent over the quarter driven by growth in health.

Output of the production industries decreased by 0.1 per cent driven by a fall in oil and gas extraction in the North Sea. This fall was partially offset by a rise in energy supply driven by increased gas supply. Manufacturing output rose by 0.3 per cent in quarter 4 of 2003, with the most significant rises in chemicals and man made fibres and paper, printing and publishing equipment.

Real GDP quarterly growth



Construction output rose by 1.4 per cent.

Household expenditure rose by 0.9 per cent with strong growth in clothing and footwear and household goods and services. Government expenditure rose by 1.9 per cent over the quarter and is now 3.2 per cent above the level seen in the fourth quarter of 2002. Investment rose by 2.4 per cent over the quarter due to increased activity related to construction. The trade balance worsened as imports of goods rose by 3.4 per cent and exports of goods rose by 2.0 per cent.

On the income side, compensation of employees rose by 0.9 per cent. Corporate incomes rose by 0.6 per cent.

Released: 29 March 2004

Balance of Payments

Current account

The current account deficit narrowed to £5.2 billion (equivalent to 1.9 per cent of GDP) in the fourth quarter, compared with a revised deficit of £6.3 billion in the third quarter. In 2003 as a whole, a current account deficit of £18.8 billion was recorded, up from £17.8 billion in 2002.

In the fourth quarter, the goods deficit increased to £12.6 billion, primarily due to a strong rise in imports of finished manufactured goods from EU countries. In contrast the trade in services surplus showed a third consecutive quarterly rise to reach £3.6 billion in the latest period, mainly due to lower UK travellers expenditure abroad. The surplus on income widened to £5.9 billion, with a strong rise in non-financial corporations direct investment earnings from abroad.

In 2003, a higher investment income surplus has been more than offset by widening trade and current transfers deficits.

Financial account

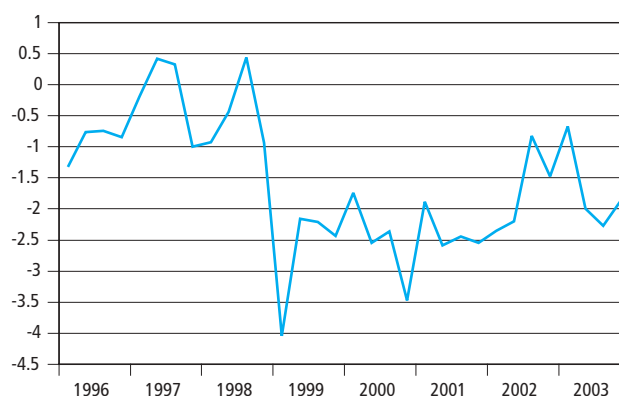
The continuing current account deficit has been largely funded in 2003 by net inward investment in UK-issued debt securities. There has been a large increase in UK issues of long-term debt throughout the year, which continue to attract foreign investors. The attractiveness of UK debt to foreign investors probably reflects the higher sterling interest rates compared to dollar or euro-denominated issues.

Revisions

New data back to the first quarter of 2002 have been included in this release, although the main changes are to quarters of 2003 only. New contributor information from the trade in services and direct investment inquiries in particular, have increased the current balance by £0.8 billion in Q1, £2.3 billion in Q2 and £1.8 billion in Q3, from data released in December.

Current account balance as percentage of GDP

Per cent



Released: 26 March 2004

Productivity

UK productivity growth recorded its highest rate for more than a year in the fourth quarter of 2003. The annual growth of productivity was however up only modestly from that seen in the previous quarter, while quarterly productivity growth was the same as that for quarter three.

In the fourth quarter of 2003, annual productivity growth for the whole economy was 1.8 per cent, up from growth of 1.5 per cent achieved in the previous quarter. The improvement is explained by a larger rise in output than in jobs growth. Annual growth in output was 2.1 per cent, up on growth of 1.7 per cent in the previous quarter, while jobs growth edged up slightly.

Compared with the previous quarter, productivity growth was 0.7 per cent, unchanged from 0.7 per cent in the previous quarter. This was due to similar growth rates for both output and job growth.

Annual manufacturing productivity growth was 6.3 per cent, up from 5.0 per cent in the previous quarter, and is now at its highest level since the 6.3 per cent recorded in the fourth quarter of 2000.

Manufacturing output in the fourth quarter was up by 1.3 per cent when compared with a year ago.

Compared with the previous quarter, manufacturing productivity grew by 1.3 per cent in the fourth quarter of 2003, down from growth of 1.5 per cent in the previous quarter. The slowdown in quarterly productivity growth is explained by a slower rate of job losses in manufacturing compared to the previous quarter.

Unit wage costs for the whole economy grew by 1.5 per cent in the fourth quarter of 2003 compared to a year ago, down from 2.4 per cent in the previous quarter. Overall manufacturing unit wage costs showed an annual decline of 2.8 per cent, down from a decline of 1.7 per cent in the previous quarter.

Whole economy productivity and unit wage costs annual growth



Released: 29 March 2004

Economic update

April 2004

Rhys Herbert

Office for National Statistics

Overview

- Fourth quarter GDP growth was 0.9 per cent, slightly above the third quarter rate.
- A strong service sector continued to lead economic growth, and construction output was also buoyant.
- Consumer spending rose by 0.9 per cent in the fourth quarter, slightly below previous estimates. However, robust retail growth in January suggests that the consumer is continuing to spend.
- Fixed investment rose by 2.4 per cent in the fourth quarter, the fastest rate since the second quarter of 2002.
- Government spending is currently a positive contributor to economic growth but the public sector finances are falling further into deficit.
- Exports of goods to non-EU markets were particularly strong in the fourth quarter of last year but seem to have come off sharply in January.
- Labour market aggregates remain largely stable, but average earnings rose sharply in January due to higher bonus payments in the financial sector.
- Producer prices figures suggest that inflationary pressures have eased slightly in early 2004.
- The CPI measure of consumer prices is below target and the inflation rate fell slightly in February.

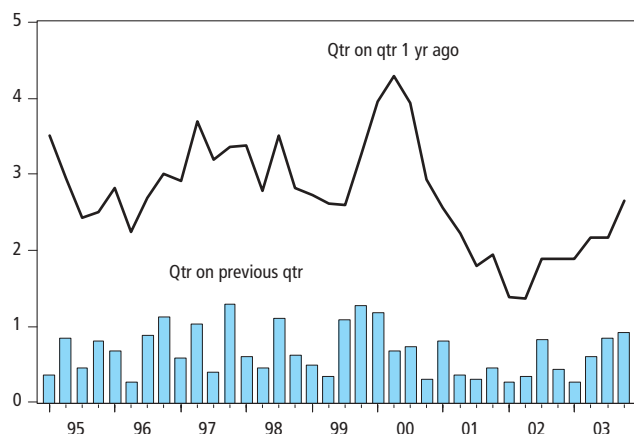
GDP activity –overview

The release of full National Accounts data for the fourth quarter of 2003, confirmed the quarterly GDP rate for the fourth quarter at 0.9 per cent. This was up modestly on the third quarter rate of 0.8 per cent. The fourth quarter annual rate of growth was revised down slightly to 2.7 per cent, from the previous estimate of 2.8 per cent. This still left the growth rate considerably higher than the third quarter annual rate of 2.2 per cent (figure 1). Growth for 2003 as a whole is now judged to have been 2.2 per cent compared to the previous estimate of 2.3 per cent. This compares favourably with 2002's growth rate of 1.6 per cent and is also slightly faster than 2001.

Looking abroad most economies ended 2003 looking considerably stronger than at the start. This was clearly the case for the US. Fourth quarter GDP growth there of 1.0 per cent was actually much slower than the third quarter rate of 2.0 per cent but still represents a significant improvement on gains in the first half of the year. The growth was led by further strong growth in consumer spending but exports also picked up markedly during the quarter, benefiting possibly from the weakness of the dollar. Japan had the strongest GDP growth of all the major economies in the fourth quarter,

Figure 1
GDP

Growth



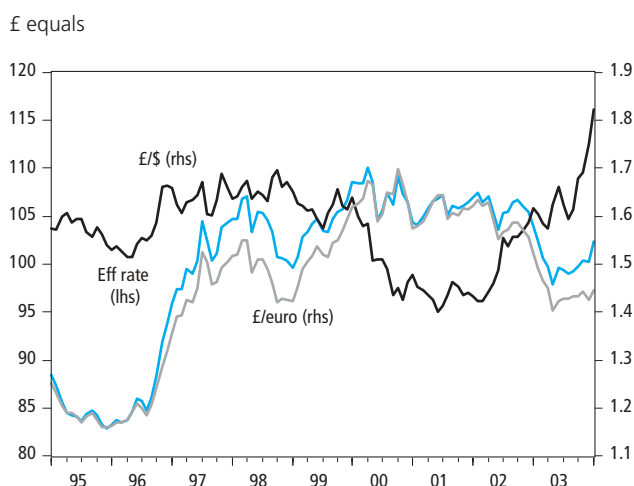
growing by around 1.7 per cent. Exports continue to benefit from the impetus given to Asian trade from the rapid growth of China and business investment is also now showing signs of recovery. Growth in the three biggest mainland EU economies, France, Germany and Italy, has in comparison still been rather weak. In the fourth quarter Italian GDP growth was flat, Germany grew by 0.2 per cent, while French growth was the quickest at 0.4 per cent. Also unfortunately for the UK, for whom the EU accounts for by far its biggest export market, this rather subdued rebound was primarily driven by export growth, while domestic demand in all three economies only showed at best limited signs of improving. The initial indications were that these stronger international economic conditions have carried over into the early part of 2004. However, while official data has continued to pick up, some external data, which in late 2003 were suggesting that international economic conditions were improving, have more recently fallen back a little.

Financial Market activity

Last year saw some optimism return to the stock market. After three years of declines the FTSE All Share Index ended 2003 up some 16 per cent. However, the recent gains still leave the FTSE All Share down by about 12 per cent compared to its level at the start of 2002. The stock market initially rose further in early 2004 but more recently has fallen back and at the time of writing was down slightly from its level at the end of 2003.

The last twelve months or so has seen substantial exchange rate volatility, as sterling has first declined and then rebounded. The early part of last year saw the pound fall against the euro but strengthen against the US dollar, and as a result the effective exchange rate fell by 7.2 per cent between December 2002 and May 2003. From this low the pound's effective rate rose slightly over the rest of the year as sterling continued to be buffeted between a strong euro and a weak dollar. For 2003 as a whole the effective index ended the year down about 5.0 per cent, as a fall of over 8 per cent in the bilateral rate versus the euro was partially offset by a rise of 10 per cent against the dollar (figure 2). Early 2004 has seen the

Figure 2
Exchange rates

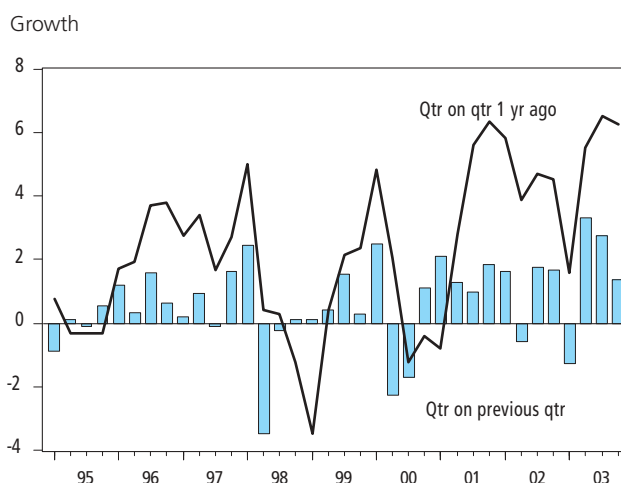


pound continue to rise, most prominently against the dollar but also recently against the euro as well and at the time of writing the effective exchange rate was above its level at the start of 2003. The rebound may in part be due to the fact that the Bank Of England has raised interest rates twice in recent months, by a total of 50 basis points in all, at a time when most other major central banks seem content to keep interest rates stable.

Output

Gross domestic product (GDP) in the fourth quarter of 2003 showed quarterly growth of 0.9 per cent, up from 0.8 per cent in the previous quarter. Comparing the fourth quarter of 2003 with the same quarter a year ago shows an annual growth rate of 2.7 per cent also up on the previous quarter. For 2003 as a whole growth was 2.2 per cent compared with 1.6 per cent in 2002. An alternative measure of economic activity gross value added (GVA) at basic prices (i.e. before the impact of taxes and subsidies are taken into account), shows slightly less growth. On this measure growth in the fourth quarter was 0.8 per cent, while the fourth quarterly annual rate was 2.1 per cent. However, both show a similar pattern of economic growth accelerating through 2003. The various categories of output are initially all calculated at basic prices and their sum is aggregated to produce GVA.

Figure 3
Construction output

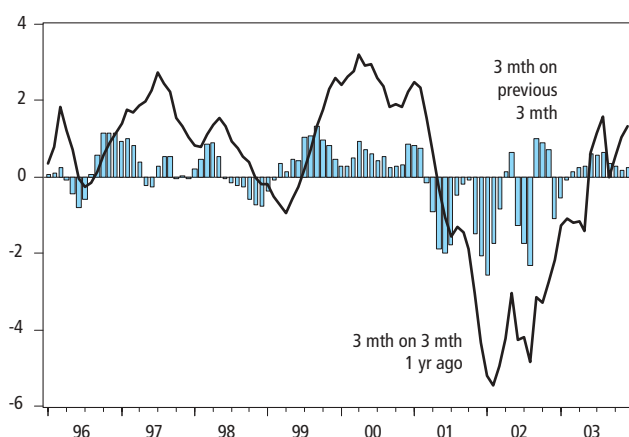


For the last few years economic growth has been maintained by strength in construction and services while manufacturing and energy production declined. In contrast the first half of 2003 saw a less clear cut picture. Construction activity fluctuated between a sizeable decline in quarter one and a big pick up in the second quarter. Meanwhile, service sector growth decelerated in the first half of the year, while industrial production was roughly flat due to a combination of an improvement in manufacturing alongside weak energy activity. The second half of the year though saw a return to a more familiar picture of service led growth. Both the third and fourth quarters were characterised by accelerating service sector output, continued sizeable growth in construction and flat activity in manufacturing.

Construction output was responsible for much of the variance of in GDP in the first half of 2003. In the first quarter output fell by 1.2 per cent, while in the second quarter it rebounded by 3.3 per cent. The second half of the year has seen a more stable picture as growth decelerated to 2.7 per cent and slowed further to 1.4 per cent in quarter four. The annual rate of growth for the fourth quarter was 6.3 per cent, while for the year as a whole, construction grew by 5.0 compared with 4.8 per cent in 2002 (figure 3).

Figure 4
Manufacturing output

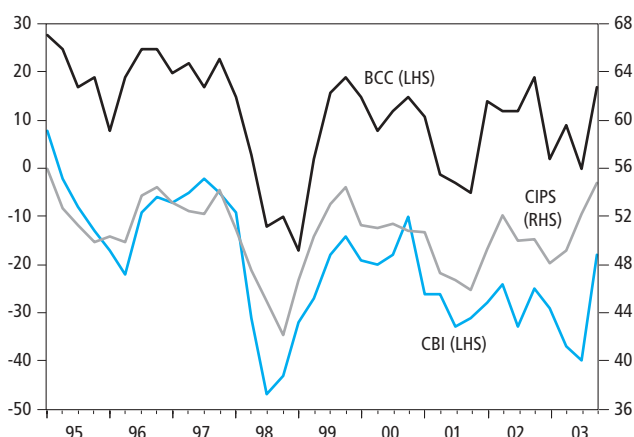
Growth



Manufacturing output rose by 0.3 per cent in the fourth quarter of 2003, the same rate as in quarter three and following on from a 0.6 per cent rise in quarter two and a 0.1 per cent gain in the first quarter. The year on year rate of manufacturing output growth in the fourth quarter was 1.3 per cent, the highest quarterly annual growth figure since the first quarter of 2001. However, it should be noted that most of the annual comparisons with 2002 were distorted by the impact of the Jubilee celebrations. A more realistic picture is probably given by the growth rate for 2003 as a whole which showed a rise of 0.2, compared with a fall of 3.6 per cent in the previous year. This seems to confirm the impression

Figure 5
External manufacturing

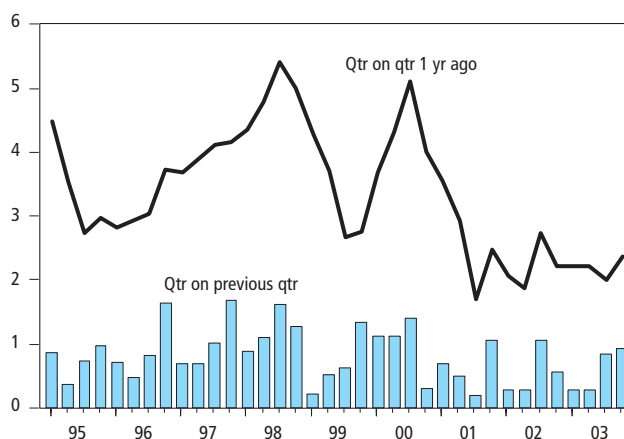
Balances



that while manufacturing activity last year stabilised after a severe downturn, there was still as yet, little sign of a more substantial pick up in activity (figure 4). The data for the first month of 2004 did nothing to change this impression. Manufacturing activity was up 0.2 per cent on the month, while taking the three months to January as a whole, growth was flat compared with the previous three months. Other data was stronger than official figures in late 2003 and this pattern has continued into early 2004. The CIPS survey of purchasing managers had signalled stronger manufacturing activity as early as the third quarter of 2003. This rose even further in quarter four and has largely maintained its strength in early 2004, although the February figure was below the January one. The CBI and BCC surveys were considerably weaker than the CIPS numbers in the third quarter but these both picked up strongly in quarter four and the monthly CBI has continued to rise in the first few months of 2004 (figure 5).

Figure 6
Services output

Growth



The service sector accelerated in the third quarter after a run of three quarters in which activity appeared to be moderating and this rebound continued through the fourth quarter. Quarterly growth was 1.0 per cent in the fourth quarter of 2003, against 0.8 per cent in the third quarter, and 0.3 per cent in both the first two quarters of the year (figure 7 again). Looking at the same quarter a year ago, annual growth in the fourth quarter was 2.3 per cent, while for the year as whole the growth rate was 2.2 per cent, exactly the same rate as in the previous year. The second half rebound was widely spread, with both the public sector and many parts of the private sector growing quickly. For quarter four areas of particularly strong growth included post and telecommunication, real estate renting and business activities and health and social work (figure 6). Not much official data has been published as yet for 2004 but the index of distribution for January seemed to point to only gradual slackening in the pace of growth in that part of the service sector at least. This robust rise in activity seems to be largely confirmed by survey data. The CIPS survey of services, which has historically had a close correlation with official data, has risen sharply in recent months and has maintained its momentum into early 2004. Other surveys also show some improvement, with the BCC survey for instance rose sharply in the last quarter of 2003.

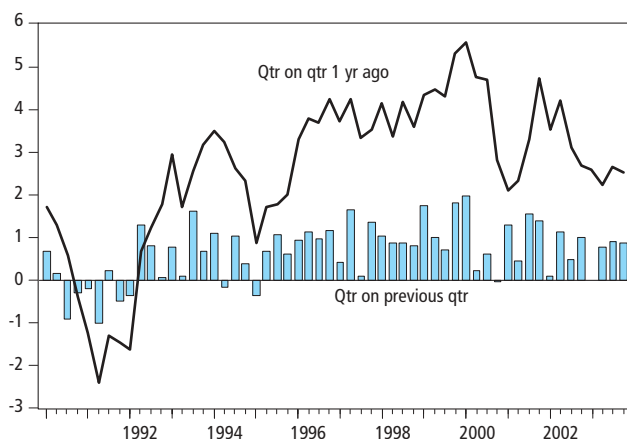
Household demand

Quarterly growth in household final consumption was 0.9 per cent in the fourth quarter of 2003, exactly the same rate as in quarter three and slightly up from 0.8 per cent in quarter two and from the unchanged rate in the first quarter. Growth compared with the same quarter a year ago was 2.5 per cent, very slightly lower than 2.6 per cent in the previous quarter. This quarterly pattern was slightly different than that for retail sales, which rose by 1.7 per cent in quarter four compared with 1.3 per cent in quarter three. It should though be noted that household consumption accounts for a much wider range of spending than retail sales and that retail sales is still not calculated using chain linking the method now used to calculate the GDP numbers. For the year as a whole household consumption in real terms was up 2.5 per cent compared with 3.4 per cent in 2002, the lowest rate of annual growth since 1995 (figure 7).

The breakdown of consumer spending patterns shows that spending continued to be widely spread. Spending on durable goods rose by 1.3 per cent in the fourth quarter compared with 1.9 per cent in quarter three and 3.8 per cent in the second quarter. Purchases of semi-durable at 2.9 per cent were up substantially on their third quarter rate, while in contrast spending on non-durable goods moderated to 0.2 per cent. Expenditure on services at 0.8 per cent was at the same rate as the previous quarter and represented an improvement on the rate in the first half of the year.

Figure 7
Household demand

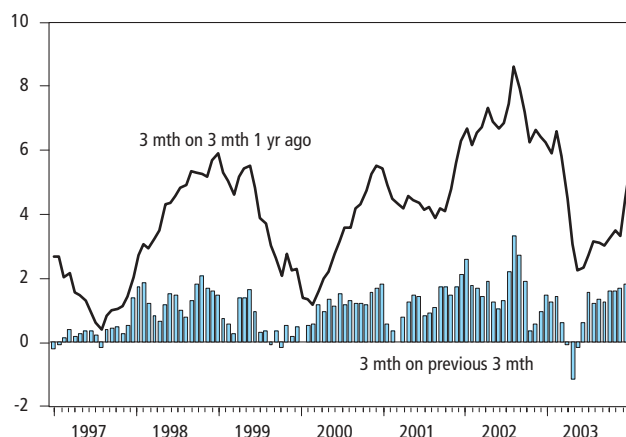
Growth



Most of the fundamentals for consumer spending remain fairly supportive. Real disposable income growth remains consistent with a moderate growth in spending. The labour market is tight and getting tighter and while this doesn't seem to be having much of an upward effect on wages it should ensure that consumers remain relatively upbeat about their job prospects. Meanwhile consumer confidence is still reasonably high and the continued buoyancy of the housing market and the recovery of the stock market are further positives, although the sell-off in the latter in recent weeks might induce some caution. There was some comment in the press following the November base rate hike that this would

Figure 8
Retail sales

Growth

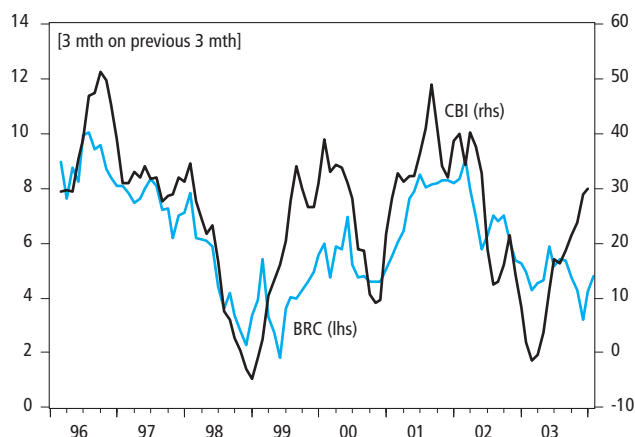


make consumers more cautious and anecdotal claims that the run up to Christmas was difficult for retailers. However, there seems to be little hard evidence to suggest that either the first base rate rise or the follow up one in February has had a significant or indeed any impact on consumer behaviour.

Official retail sales certainly don't provide evidence of a pronounced slowdown. Spending rose by 1.7 per cent in the three months to the end of the year, compared with gains of 1.3 per cent in the previous three months (figure 8). The data is often difficult to seasonally adjust around year end, when it is impacted for instance by the timing of sales varying from year to year. Sometimes in the past a strong December number has been given a misleading indication of the underlying strength of activity as it has been followed by a weak figure for January. This occurred for instance in December 2002 and January 2003. This doesn't however appear to be the case this time around as January saw another strong rise in retail sales. While the index was flat between January and February that still left the last three months as a whole up by 1.9 per cent compared with the previous three months, the highest three-monthly growth rate since June 2002. External figures also suggest that consumer spending

Figure 9
External retailing

Growth



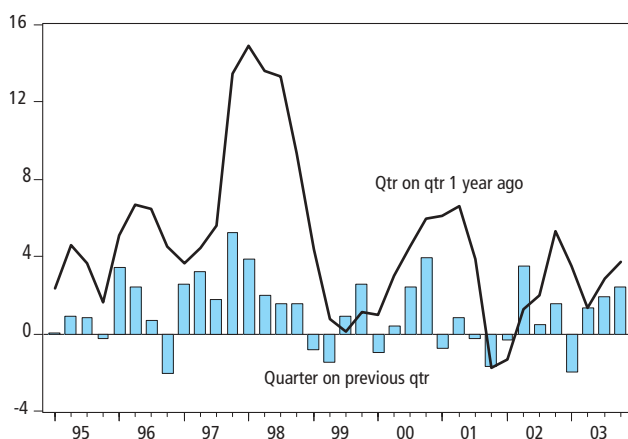
continues at a strong pace. In the run up to Christmas the evidence was admittedly mixed as the BRC survey of like-for-like retail sales showed a slowdown in sales while the CBI survey in contrast showed a rise in sales. However, both surveys have risen in early 2004 (figure 9).

Business demand

In contrast to consumers, businesses appear to have been more reluctant to spend last year but recent data suggests that the investment climate was improving towards year end. Fixed investment for the economy as a whole rose by 2.4 per cent in the fourth quarter, a substantial upward revision on earlier estimates (figure 10). The fourth quarter improvement was at least partly due to an upturn in business investment. This was up by 1.9 per cent in volume terms in quarter four as for the first time in 2003 business investment climbed above its level at the end of 2002. Much of the weakness in investment over the last few three years has been due to business investment, which fell sharply during 2001 before seeming to stabilise in 2002. Investment in manufacturing has been particularly weak and investment in that sector rose significantly in quarter four according to the latest figures but it is nevertheless still down about 2.5 per cent when compared with the fourth quarter of 2002. Dis-aggregated investment figures in real terms by asset are now available for the fourth quarter of last year. These show that spending on machinery and equipment rose by 2.9 the fastest rate for some considerable time. As this has been the area of investment that has been particularly weak in recent years, the recent improvement is a cause for optimism. Investment in dwellings and in other buildings and equipment were also up sharply and so fixed investment was only held back by a fall in expenditure on transport equipment.

Figure 10
Fixed Investment

Growth

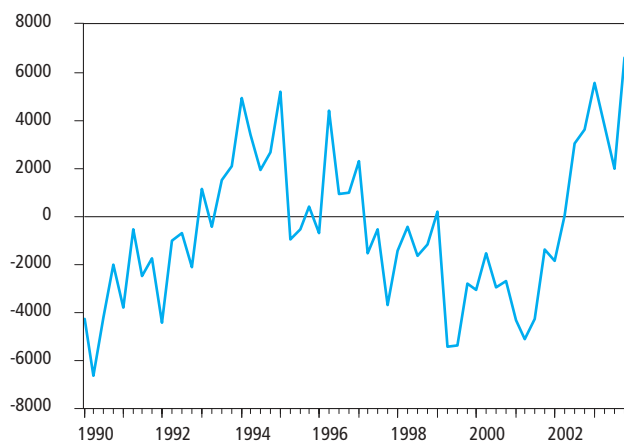


However, the environment still remains a mixed one for investment. An increase in investment depends upon firms finding it both affordable and profitable to invest. The last few quarters has seen an improvement in this to some degree. The fourth quarter saw the non-financial corporate sector record a record quarterly net lending position as a sharp rise in the gross operating surplus was not matched by an equally rapid

rise in spending (figure 11). However, because of the high level of borrowing in the late 1990s the corporate sector does still have very high levels of net liabilities.

Figure 11
Net lending by the Non-financial corporate sector

Balances



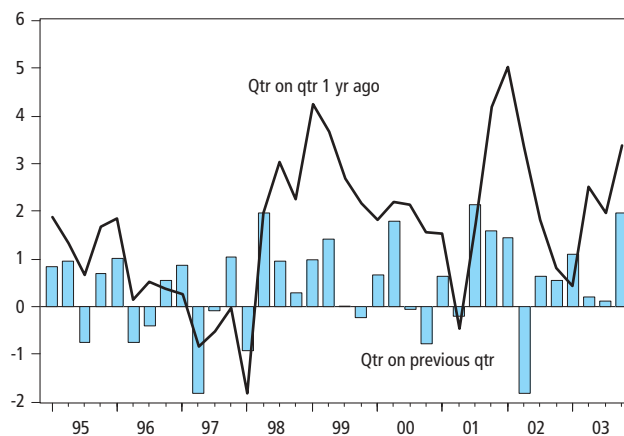
It is also unclear whether firms perceive this as a favourable environment in which to boost investment. They generally continue to report a lack of pricing power, and very low capacity utilisation. This combination makes it difficult to see why investment should pick up significantly without a sustained increase in demand, although the most recent surveys of investment intentions have shown an increased willingness to raise spending.

Government demand

Government final consumption expenditure in real terms grew by 1.9 per cent in the fourth quarter of 2003, a faster pace of growth than in the first three quarters of the year when activity rose on average by 0.4 per cent. Some of the recent rise is from higher defence spending, that may in part be linked to the rebuilding of depleted stock levels. Growth compared with the same quarter a year ago was 3.2 per cent, while for 2003 as a whole it was 1.8 per cent compared with a 2.5 per cent rate of increase in 2002 (figure 12).

Figure 12
Government spending

Growth



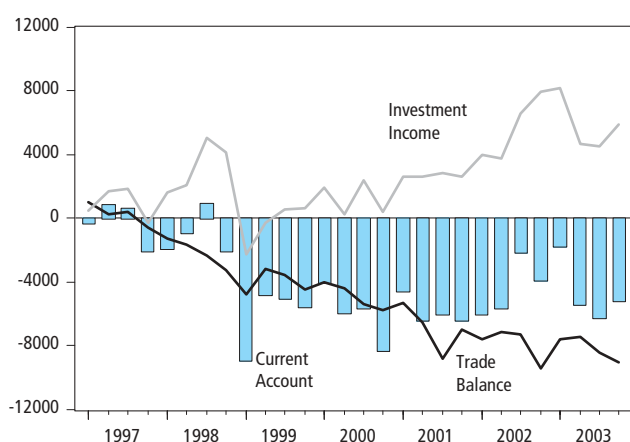
The combination of faster government expenditure growth alongside weaker revenues reflecting the more subdued economic activity has led to deterioration in the public sector's finances. The public sector, a substantial net lender in the years 1998 to 2001 became a net borrower again in 2002. The net borrowing figure for 2002 was £16.2 billion, which compares with a net lending figure of £7.5 billion in the previous year. This deterioration has continued into 2003 and the fourth quarter saw a net borrowing figure of £10.4 and correspondingly a figure for calendar year 2003 as a whole of £35.9 billion. The financial account shows that the issuance of both sterling treasury bills and government securities has financed this return to net borrowing. The latest quarter has seen the issuance of only £2.3 billion of government securities a substantial reduction on the £14 billion issued in the previous quarter but a rise in issuance of sterling treasury bills to £8.5 billion.

Trade and the Balance of Payments

The UK current account remained in substantial deficit in the fourth quarter of 2003, although the figure was around a billion down on the rate in the previous quarter. The fourth quarter deficit was £5.2 billion, which compares with £6.3 billion in the third quarter. For 2003 as a whole the current account deficit totalled £18.8 billion a rise of a billion on the £17.8 billion deficit in 2002. The fourth quarter figure comprised a large deficits on trade in goods and services, partially offset by positive income flows. The fall in the deficit from the third quarter was partly due to a stronger performance on trade in services and partly to more favourable income flows on direct investment activity. The third quarter deficit number was also revised downward from earlier estimates due to more favourable figures in those categories. (figure 13).

Figure 13
Balance of Payments

£ million

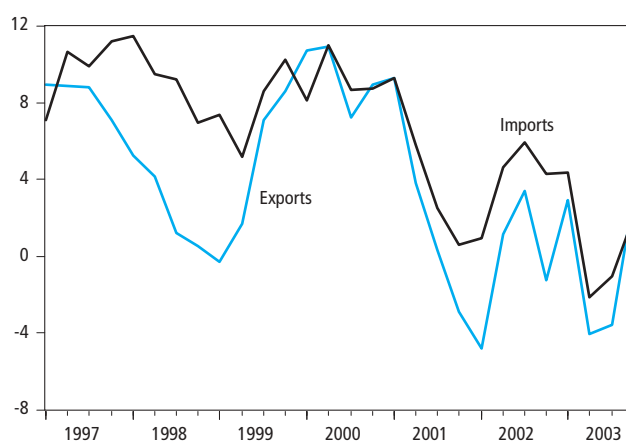


In volume terms both import and export activity picked up in quarter four. Exports of goods and services rose by 1.3 per cent on the quarter, comparing favourably with a rise of only 0.1 per cent in quarter three. This consisted of a rise in goods exports of 2.0 per cent but a fall of in services of 0.2 per cent per cent. Imports of goods and services also grew more

quickly in the fourth quarter, up by 2.7 per cent compared with 1.3 per cent in quarter three and so the net trade position continues to act as a drag on growth. Import volume growth also consisted of a rapid rise in goods, of 3.4 per cent on the quarter but a more subdued rise in service imports of only 0.1 per cent. Year on year growth rates are still difficult to interpret because of the distortion due to the impact of MTIC fraud. The discovery of this resulted in the import data for a few years prior to 2003 being revised upward but they effect on 2003 has been for the growth rates for both export and import numbers to be negatively effected by the subsequent clampdown by customs.

Figure 14
Trade

Growth, qtr on qtr 1 year ago



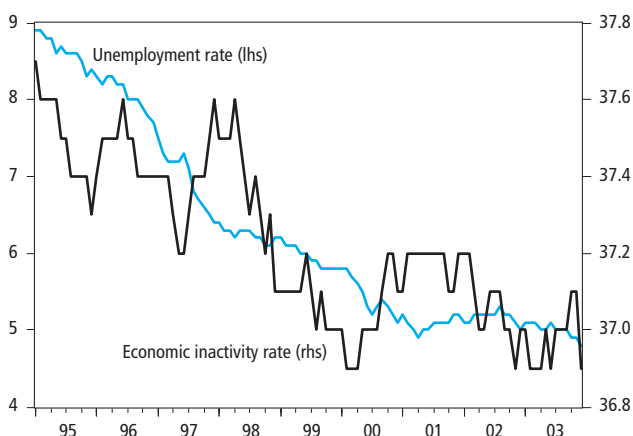
The published goods exports and imports data can be broken down by area. These show that much of the upturn in export growth was due to shipments outside the EU area, in particular to the US. In contrast the stronger imports came both from the EU and from other markets. Some of this reflects increased oil imports but a more general rise was underway as well (figure 14). Less positively the figures for January showed a very marked fall in export volumes to non-EU markets that has raised concerns that sterling's rise against the dollar is now impacting on UK companies' international competitiveness. However, it would be wrong to read too much into one month's figures and so it is premature to reach any strong conclusions at present. Indeed both the CBI and BCC surveys, which confirmed that export performance was subdued for much of last year, picked up late last year and the monthly CBI survey data has remained strong in early 2004. This would seem to support the view that any hit to competitiveness from sterling's strength is still being offset by the positive impact of stronger international growth.

Labour Market

Headline labour market statistics continue to be remarkably stable. Employment is high, with the labour force survey (LFS) employment rate at 74.8 per cent in the three months to January, a rise when compared with a month ago. Meanwhile the LFS count of employment increased by around 28,000 over the same period. The ILO unemployment rate was 4.8 per cent in the three months to January, down by 0.1 per cent when compared with a month ago. The claimant count unemployment rate, at 2.9 per cent in February, unchanged from January. All these figures point to a tight or tightening labour market but if account is also taken of those people who are officially designated as economically inactive i.e. neither employed nor unemployed but actively seeking work, then the figure does not look quite so tight (figure 15).

Figure 15
Unemployment & Economically Inactive

Per cent



Full-time employment has been falling over the last year or so as most job gains have been in part-time work. However, in the three months to January the number of full-time workers was up 49,000, and by 53,000 compared with a year ago. Meanwhile the number working part time was up by 72,000 on the three month period and by 210,000 on the year.

Another recent trend has been for job gains to be in self-employment. The number of self-employed workers in the three months to December was up 0.1 per cent compared with the previous three months and 7.4 per cent compared with a year ago. In contrast the number of employees was up 0.5 per cent on a three month basis but was flat on the year. Average earnings growth was sharply in the three months to January but this was mostly due to a rise in bonus payments.

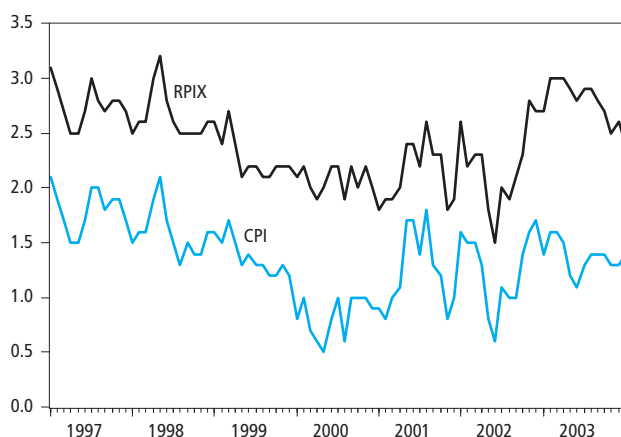
Average earnings including bonuses rose by 4.4 per cent in the three months to January, up by 0.9 per cent from December with the bulk of this acceleration due to a rise in bonus payments in the financial sector. Average earnings excluding bonus payments rose by 3.6 per cent, up only 0.1 per cent when compared with the previous month. This is still well below the 4.5 per cent figure that the Bank of England considers broadly consistent with their inflation target.

Prices

Producer output prices rose by 1.6 per cent annually in February, the same rate as in January and slightly below the figures for the back end of last year. Output prices seem to have been in an upward trend for much of the second half of last year. This may have been partially linked to fluctuations in the oil price, but underlying inflation also seemed to have gone up as well. Similarly the more recent easing off of the growth rate in producer prices has also been seen in the underlying rate. Output prices excluding food, beverages tobacco and petroleum products, rose by 1.4 per cent in February the same rate as in January, and down on the 1.5 per cent recorded for December. It is possible that this easing off in output price inflation is linked to the rise in sterling. Input prices were volatile in 2003. In the first quarter they rose by 1.7 per cent, then fell back by 0.5 per cent in the second quarter as the oil price declined but after that climbed once again until in November before falling back end the year up 2.1 per cent. The first two months of 2001 have in contrast seen falls in input prices, which given the recent buoyancy of commodity prices in dollar terms, is also likely to be linked to sterling's appreciation.

Figure 16
Inflation

Growth, month on a year ago



All of the official measures of consumer price inflation eased off in February. Inflation as measured by the consumer prices index (CPI), fell to 1.3 per cent in February compared to 1.4 per cent in January. The new target for the Bank of England from January was to keep CPI inflation (the new term for the Harmonised Index of Consumer Prices) to 2.0. The old target measure, RPIX, also fell by 0.1 per cent on the month to an annual rate of 2.3 per cent (figure 15), while RPI inflation was also down 0.1 per cent to 2.5 per cent. It should be noted however that the last figure did not include the impact of the February rise in mortgage rates.

Forecasts for the UK economy

A comparison of independent forecasts, March 2004

The tables below are extracted from HM Treasury's Forecasts for the UK Economy and summarise the average and range of independent forecasts for 2004 and 2005, updated monthly.

Independent forecasts for 2004

	Average	Lowest	Highest
GDP growth (per cent)	3.0	2.4	3.8
Inflation rate (Q4 per cent)			
CPI	1.7	1.2	2.3
RPI	3.0	1.7	4.0
Unemployment (Q4, million)	0.89	0.75	1.09
Current account (£ billion)	-27.3	-37.4	-18.0
Public Sector Net Borrowing (2004-05, £ billion)	36.0	28.0	48.0

Independent forecasts for 2005

	Average	Lowest	Highest
GDP growth (per cent)	2.6	0.4	3.5
Inflation rate (Q4 per cent)			
CPI	1.9	1.2	2.7
RPI	2.7	2.0	3.7
Unemployment (Q4, million)	0.89	0.58	1.20
Current account (£ billion)	-28.3	-53.2	-10.0
Public Sector Net Borrowing (2005-06, £ billion)	36.9	24.0	53.0

NOTE Forecasts for the UK Economy gives more detailed forecasts, covering 27 variables and is published monthly by HM Treasury, available on annual subscription, price £75. Subscription enquiries should be addressed to Claire Coast-Smith, Public Enquiry Unit 2/52, 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> under 'Economic Data and Tools'.

International economic indicators

April 2004

Nicola Mai
Office for National Statistics

Overview

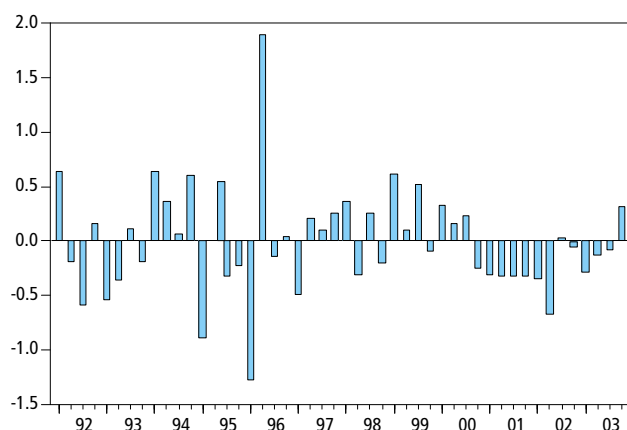
- GDP growth estimates for 2003 as a whole are now available for all major economies. The country which grew most rapidly was the United States, followed in order of magnitude by Japan, UK, Italy, France and Germany.
- Growth in quarter four was particularly strong in Japan, which grew by 1.6¹ per cent in the quarter. The US and the UK economies also performed well, expanding by 1.0² and 0.9 per cent respectively. The Eurozone major economies on the other hand continued to struggle with Italy, France and Germany growing by 0.0³, 0.4 and 0.2 per cent respectively in 2003 quarter four.
- The robust recovery of the US economy last year was led primarily by buoyant consumption, recovering investment and large outlays by government. Net exports on the other hand pulled growth down although the weakness of the dollar may favour foreign trade over the coming months.
- Japanese growth seems to have been led by a balanced combination of both domestic and foreign trade components. Deflation, however, persists and much of recent real GDP growth is explained by falls in the GDP deflator.
- The Eurozone economies all struggled with nil or negative growth rates in the first two quarters of 2003 but experienced somewhat of an improvement in the second half of the year. The composition of growth for the German economy in particular is still not very reassuring since domestic demand is still very weak and much of the recent growth has been accounted for by inventory changes. French growth is also quite unbalanced. France has benefited from high private and public consumption but is still suffering from low or declining investment and a drag from foreign trade. Italy in the first three quarters benefited from growing consumption and inventories but suffered falling investment throughout and negative net exports in three out of four quarters.
- After a widespread fall in industrial production in quarter two, the IOP rebounded quite strongly in quarter three in the US, Japan, France and Italy whereas it was flat in Germany. In quarter four, growth in production was even more rapid in the US and Japan, remained strong in France and picked up sharply in Germany but was slightly negative in Italy. External indicators for manufacturing in the eurozone^{4,5,6,7} at the start of 2004 have been mixed and did not match up with the strength of the same indicators in late 2003. In contrast, the Purchasing Managers' Index for services in the major eurozone⁷ countries remains strong. As for the US, the ISM manufacturing⁸ and non-manufacturing (services)⁹ Purchasing Managers' Index indicated that activity reached record levels in January and continued to be buoyant in February.
- The Italian unemployment rate seems to be declining, the German rate is broadly flat at a high level and the French rate has been increasing since the beginning of 2003 according to monthly figures. Unemployment rates seem to be falling in the US and Japan although the latter remains at historically high levels. The unemployment rate in Japan actually rose marginally in January.
- Global inflationary pressures remain both stable and subdued. Deflation continues in Japan although at a more moderate pace than before.

Germany

There has been no new GDP data release since the publication of last month's article. According to the latest estimates of economic activity, the German economy contracted by 0.1 per cent in 2003. This performance of the German economy over the year is explained by a fall in activity in the first two quarters of 2003, which was only partially offset by modest recovery in the following two quarters. Both domestic and foreign demand were weak in 2003 with consumption, investment and net foreign trade all making negative contributions to GDP growth. The major contribution to growth came from the accumulation of stocks, which added 0.8 per cent to growth over the year. All other components of demand subtracted from growth, with the exception of government expenditure, which made a modest positive contribution of 0.2 per cent. Investment was the main reason for the fall in output over the year, as 2003 was the third year in a row in which investment fell. Figure 1 depicts the contributions of investment to quarterly GDP growth since 1992.

Figure 1
Germany: Contributions of investment to growth

Contributions to quarterly GDP growth



In the last quarter of 2003 German GDP grew by 0.2 per cent and most of the growth was due to a rise in stocks. Growth would in fact have been negative in the fourth quarter had it not been for the gains from inventories, which accounted for 0.9 per cent of growth. Investment also contributed positively by 0.3 per cent although investment in machinery and equipment accounted for only 0.1¹⁰ per cent of growth. Government expenditure made no addition to GDP growth whereas private final consumption fell, cutting 0.2 per cent from growth. Private consumption in Germany has now fallen for three consecutive quarters. Finally, the major pullback to growth came from a sharp decrease in net exports mainly due to a rise in imports (+ 2.7 per cent), which outweighed a modest increase in exports (+ 0.3 per cent). Overall net exports reduced growth by 0.7 per cent, contrasting with the third quarter of 2003 where net exports had been the major driver of growth.

More generally in 2003, the German economy has been much affected by weak domestic demand with consumption and investment making negative contributions in almost all quarters of the year. Investment did rise in the last quarter of 2003, consistent with the improvement in business confidence in the second half of 2003. The IFO⁴ and the ZEW⁵ surveys of business confidence for February and March 2004, however, show a fall off in confidence over the previous month. According to the IFO Business Climate Index the erosion in confidence in March came from manufacturing and retailing whereas prospects for construction and wholesaling actually improved. Overall, expectations for the next six months worsened. The ZEW Indicator of Economic Sentiment draws a similar picture, as the index fell in March, posing doubts about the long-awaited economic recovery.

Net exports have also contributed negatively to GDP growth in all quarters of last year with the exception of quarter three, which may reflect the weakness of neighbouring economies and the strengthening of the euro. Government expenditure contributed marginally to growth in quarter two and quarter three. Inventories have been fairly volatile but generally added to growth. One interpretation of the build-up in stocks is that firms could not sell the goods they produced given the weakness of internal and external demand. The series is hard to interpret however as it may contain alignment adjustments.

Overall, there has been a lack of any real momentum in the German economy over the last couple of years. GDP grew at only 1.0 and 0.2 per cent in 2001 and 2002, affected by weak domestic demand and in particular falling investment. It was mainly due to foreign trade that GDP grew in 2001 and 2002, with net exports contributing 1.6 and 1.7 per cent in 2001 and 2002 respectively. The slowdown in net export growth combined with the continuing weakness of the internal market led to GDP falling by 0.1 per cent overall in 2003.

On the positive side, industrial production in 2003 quarter four rose sharply, expanding by 2.3 per cent over the previous quarter. This compares to no growth in the previous quarter and a sharp slowdown of -1.0 per cent in quarter two. The expansion in quarter four was the fastest since 2000 quarter two and matches the strength of leading business indicators in the second half of the year. Generally, industrial production has been weak since 2001. Overall in 2002, production contracted by 1.1 per cent. 2003 saw some improvement, as production rose by 0.4 per cent.

Inflation has been very subdued in Germany in 2003, remaining well below the European average and below the ECB inflation target for the Eurozone. Overall in 2003 the CPI grew by 1.0 per cent. For the last few months of 2003, CPI inflation was 1.1 per cent in the year to December, down slightly from 1.2 per cent in the year to November. In January 2004, the CPI moved back up to 1.2 per cent. Figures for the PPI show prices at the factory gate increasing by 1.7 per cent in the year to December, down from 1.9 per cent in the year to November. In January 2004, the deceleration in PPI inflation was particularly marked with the index rising by only 0.2 per cent.

The unemployment rate in Germany has been high but stable recently. The rate was 9.2 per cent in January, flat on the previous two months. Before this, the rate had oscillated between 9.3 and 9.4 per cent since March 2003 posting the highest levels recorded in Germany since May 1998. The unemployment rate had previously risen gradually from a trough of 7.6 per cent in 2000 quarter four. This was at around the same time when GDP growth started to fall. Employment in 2003 fell when compared to the previous year contracting by 1.3 per cent in the year to the third quarter. The yearly employment growth series has now declined for eight consecutive quarters, confirming the weakness of the labour market.

Earnings grew quite strongly in the first half of 2003, up by 2.7 and 2.8 per cent in the year to the first and second quarters of 2003. Such strong growth however was partly due to the particularly low levels, which had been reached in the same quarters a year earlier. In 2003 quarter three and quarter four, yearly earnings growth was 2.1 and 2.0 per cent respectively.

France

There has been no new GDP data release since the publication of last month's article. According to the latest GDP figures, French GDP in 2003 grew by 0.1 per cent. Growth in the year was supported by increases in household consumption and government expenditure, which added 0.9 and 0.6 per cent to growth respectively. Net exports, investment and inventories on the other hand all declined, contributing -0.9, -0.2 and -0.3 per cent to growth respectively. In particular, net exports were associated with a sharp decline in exports and an increase in imports; gross capital formation on the other hand fell mainly due to declines in investment by non-financial enterprises (-2.2¹¹ per cent). Overall the economic picture for France in 2003 is similar to that of Germany, the main difference being that household consumption has been stronger than in Germany (Figure 2).

The latest national accounts figures also indicate that the economy grew by 0.4 per cent in quarter three and in quarter four, an improvement over the first half of the year when growth was weak or negative. Household consumption

growth in quarter four was slower than in the previous quarter but still contributed 0.1 per cent to GDP growth. Government expenditure on the other hand grew strongly, by 0.9 per cent, outpacing growth in all other quarters. Investment grew modestly and contributed 0.1 per cent to growth, while inventory changes added 0.2 per cent to growth. Finally, net foreign trade pulled growth down by 0.3 per cent, mainly because of a sharp rise in imports, which were up 2.0 per cent in the quarter.

Generally, GDP growth in the last two quarters of 2003 saw an improvement over the first and second quarters when growth was 0.1 and -0.4 per cent respectively. Despite its weak performance over the last two years, French economic growth has generally outperformed that of the other EU 15 members. France's performance in the recent past has been helped by tax cuts, which have underpinned growth in disposable income and so consumer spending.

French industrial production expanded substantially in the second half of 2003, growing by 1.1 per cent in each of the last two quarters of the year. This followed on from a long period of subdued or negative growth and raises hopes for a recovery of the manufacturing sector. Drawing a longer term picture, industrial production has been weak for roughly three years. Production grew by 1.0 per cent in 2001 (a modest performance when compared to growth in 1999 and 2000) and fell by 1.3 and 0.3 per cent in 2002 and 2003 respectively. The quarter on previous quarter growth rates have been more volatile but generally confirm this picture.

The INSEE monthly business survey⁶ for March showed that activity remained at about the same level in quarter one as in quarter four last year. Notably, firms are more pessimistic about the general economic situation than they are about their own prospects. The Purchasing Managers' Index (PMI) for manufacturing⁷ in France in February and March showed activity is increasing, though not very markedly. The PMI for services⁷ on the other hand has continued to show rapid expansion.

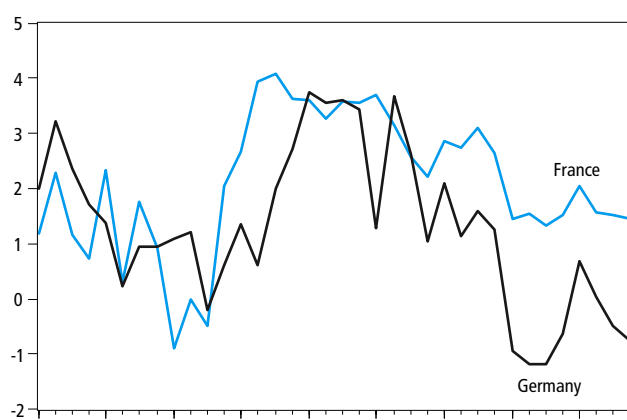
Consumer price inflation rose quite strongly in the first quarter of 2003, rising from 1.9 per cent in the year to January to 2.6 per cent in February and March. In quarter two however inflation slowed and the rate was 1.8 and 2.0 per cent in May and June. After quarter two, CPI inflation rose gradually from 1.9 in July to 2.3 in November. This increase was largely attributable to rises in food and tobacco prices and a sharp rise in agricultural prices in the summer caused by forest fires destroying many European crops. By January 2004, the inflation rate was back at 2.0 per cent.

Producer prices also accelerated in the first half of 2003 with growth rates of 0.6 per cent in the year to the first and second quarters. Producer price inflation, however, stalled in the third quarter and was only 0.1 per cent in the fourth quarter. In the year to January 2004 PPI inflation was 0.1 per cent, unchanged from the previous quarter.

The French unemployment rate has been rising steadily over the past year, going from 9.1 per cent in January 2003 to 9.5 per cent in December and remaining at this level in January. This is the highest rate since April 2000. Employment growth

Figure 2
Consumption: France and Germany

Growth, quarter on quarter a year ago



has been showing a steady decline since 2002 quarter two when computed as growth of a quarter on the same quarter a year earlier. However, the more volatile but more timely measure of quarter on previous quarter growth suggests that employment growth has stabilised at around 0.0 to 0.1 per cent since 2002, with the exception of a slowdown in 2003 quarter one. It is to be noted however that figures are available only up to 2003 quarter three.

Annual earnings growth has been easing since 2000 and declined from 5.2 per cent in 2000 quarter two to 2.6 per cent in the second quarter of 2003. In the third quarter, however, there was a pick up in earnings growth to 2.9 per cent.

Italy

The latest estimate for economic growth in 2003 suggests that the Italian economy grew by 0.3³ per cent last year. The first half of the year was characterised by slightly negative growth, which was followed by quite a strong pick up in activity in quarter three and no growth in quarter four.

Though modest, the pickup in the economy in 2003 indicates that Italian growth outpaced French and German growth last year. This followed on from modest growth in 2002 of 0.4 per cent and more substantial gains of 1.7 per cent in 2001. Since 2001 the Italian economy has tended to grow more quickly than that of Germany but generally has not been as strong as the French economy, although the latest estimate for 2003 seems to imply that the trend was reversed last year.

Various figures from the latest GDP release by the Italian statistical office ISTAT³ are reported hereafter although not included in table 3 at the end of the article. Some figures in table 3 have also been revised and the most recent figures will be used in the following text.

The fourth quarter of 2003 displayed no growth in activity. Looking at the spending components that make up the growth picture for quarter four is fairly gloomy, with changes in stocks the only positive contributor to growth (0.6³ per cent). Household consumption, which had helped growth in all other quarters, was weak in the last quarter of the year and subtracted 0.2³ per cent to growth. Investment also subtracted 0.2³ per cent to growth. If one excludes inventories, the figures show that domestic demand was depressed in quarter four. External demand, however, was also weak and subtracted 0.2³ per cent from growth. Government consumption made no contribution to growth in the quarter.

As for the first three quarters of the year, the main component driving growth forward was household consumption, which added 0.1³, 0.1³ and 0.2³ respectively to growth in the first three quarters of the year. A strong negative force was investment, which fell in all quarters of the year with an especially poor performance in quarter one, when it cut -1.1³ per cent from growth. Net exports followed a similar path as in Germany and France. In particular, net exports reduced growth in all quarters of the year except for quarter three. The unusual pickup in quarter three seems to be linked to improving global economic conditions and increasing demand especially outside of the Eurozone. Finally, government consumption contributed only modestly to growth in the first three

quarters, whereas inventories added to growth especially in quarter one where they contributed 0.7³ per cent.

Industrial production in Italy has been very weak since 2001, having declined by 1.1, 1.3 and 0.6 per cent in the last three years. In 2003 the IOP fell in every quarter except the third, when production expanded by 1.4 per cent. In the last quarter of 2003, the IOP fell once again by 0.2 per cent. External indicators in March and April 2004 like the Purchasing Managers' Index (PMI) for manufacturing⁷ point to only a marginal increase in activity. The PMI for services⁷ in the same months, on the other hand, indicate that the expansion is quite rapid.

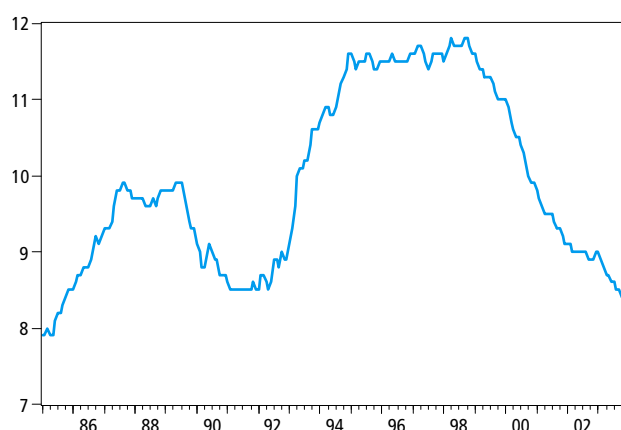
Consumer price inflation in recent years has been consistently higher than the EU average. From January to October 2003 inflation ranged between 2.6 and 2.8 per cent. As in France, the effect of the summer heatwave on agricultural prices has kept inflation high over the year. In November, inflation slowed to 2.5 per cent and remained at the same level in December. More recently, in January and February 2004 inflation declined slightly and was 2.2 and 2.4 per cent respectively. Producer price inflation slowed through 2003, going from 2.8 per cent in February to 0.7 per cent in December. PPI inflation declined even further in January 2004 when it posted 0.4 per cent. Generally, PPI growth has been slower than CPI growth since 2001.

The unemployment rate in Italy has been declining steadily since 1998 (Figure 3) when the rate was as high as 11.7 per cent. The rate was broadly flat at 9.0 per cent in 2002 but declined steadily in 2003 going from 9.0 per cent in January to 8.4 per cent in October. Employment growth was 0.9 per cent in the year to the fourth quarter of 2003, flat on the growth rate in the year to the third quarter.

Earnings figures are quite volatile. It is worth noting however that annual growth rates for July, August and September 2003 were all 3.2 per cent, regaining the positive momentum, which had been lost between March and June. The annual growth rate then fell back slightly towards year end posting 2.7 per cent in each month from October to December. Earnings growth in 2003 overall was 2.5 per cent, slightly lower than growth in 2002 but still higher than in 2000 and 2001.

Figure 3
Italy: Unemployment

Percentage of the workforce

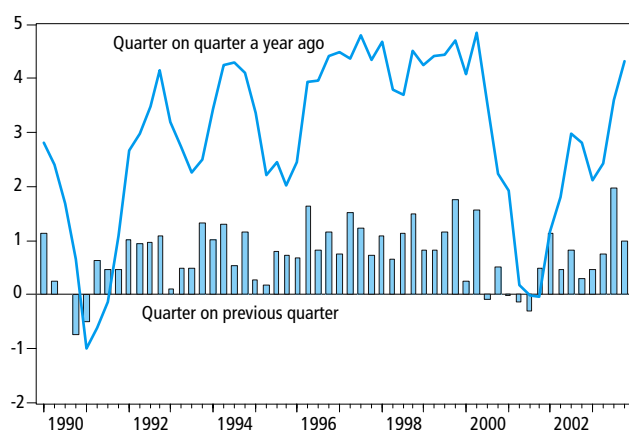


USA

The US economy grew by 3.1² per cent in 2003, outpacing all other major world economies. The US has been showing very strong signs of recovery last year having posted positive growth in all quarters and exceptionally strong growth in the second half of the year (Figure 4). Surveys of business activity at the start of 2004 seem to confirm the strength of the US economy. The latest Institute for Supply Management manufacturing and services indexes recorded very high levels of activity for February 2004 with the indexes at 61.4⁸ and 60.8⁹ respectively (note that 50 means no change). Some of the figures quoted hereafter are taken from the latest GDP release published by the US Bureau of Economic Analysis on 25 March 2004². This release contains only a few minor revisions and most figures quoted here correspond to the figures in table 4 at the end of the article.

Figure 4
USA: GDP

Growth



The main factor driving growth in 2003 was private consumption expenditure, which contributed 2.2² per cent to growth last year. Within private consumption, contributions to growth were distributed fairly evenly between durable goods, non-durable goods and services. Fixed investment and government expenditure were the second biggest contributors to growth in 2003 and added 0.7² and 0.6² per cent respectively. Growth in investment came from residential and non-residential investment in similar proportions whereas government expenditure was mainly concentrated in the defence sector. Inventories did not add anything to growth, whereas net exports took away 0.4² per cent from growth mainly thanks to an increase in imports. Overall, the data for 2003 seem to indicate that the American economy is going through a generally healthy recovery with investment finally recovering and consumer confidence at high levels. A substantial part of growth in 2003 was also given by government expenditure. The trade deficit also remains quite high although the weak dollar might help trade in the coming months.

Growth in 2003 quarter four was strong (1.0² per cent) although not as strong as the third quarter. Consumption did not grow as quickly in quarter four but still added 0.6² per cent to growth. Fixed investment contributed 0.4² per cent to growth, 0.3² of which was due to non-residential investment

and 0.1² to residential investment. Government consumption did not make any contribution to growth in the quarter whereas inventories added 0.2² per cent. Finally, net exports made a slight negative contribution of -0.1² per cent to growth.

The index of production has also shown rapid expansion in the second half of 2003. After a decline of 1.0 per cent in 2003 quarter two, the IOP picked up in the third quarter when it grew by 1.0 per cent and was even stronger in quarter four where it grew by 1.4 per cent. Overall in 2003 the index grew by 0.3 per cent, following on from two consecutive years of contractions. In 2002 the index had contracted by 0.6 per cent and in 2001 by as much as 3.4 per cent.

Inflation in the US has been subdued lately. Inflation had picked up slightly in the first few months of 2003 and reached a peak for the year to March when the rate hit 3.1 per cent. Much of this can be explained by fluctuations in the oil price and after this peak inflation slowed stabilising at around 2 per cent. By January 2004, consumer price inflation was 1.9 per cent. The change in the growth rate of producer prices followed a similar pattern to consumer price growth but have been much more volatile. PPI growth fell from a peak of 4.5 per cent in March this year to 2.2 per cent in November and 2.7 per cent in December.

The unemployment rate seems to have declined in recent months. The rate had been rising since 2000 when it was 4 per cent reaching a peak in June last year of 6.3 per cent. Since then the unemployment rate has decreased and was 5.7 per cent in January. The fall in the rate suggests that the recovery is accompanied by an improvement in the labour market, although there are still worries about the payroll survey of employment, which is failing to show the hoped for signs of recovery. Employment as measured by a survey of households in the second half of the year picked up, growing by 0.3 and 0.4 per cent in the third and fourth quarters respectively. Overall in 2003, employment grew by 0.9 per cent, compared to a decline of 0.3 per cent in 2002.

Earnings growth had been very stable over the year up to quarter three, hovering around 3.2 and 3.3 per cent and staying at very similar levels to both 2001 and 2002 when the growth rate was 3.3 per cent. Earnings growth seems to have slowed since quarter three, however, with the index growing at the annual rate of 2.4 in the last three months of the year and in January 2004.

Japan

The Japanese economy grew by 2.7 per cent last year, showing clear signs of recovery. Japanese growth was higher than in the Eurozone and in the UK but lower than in the US. Most of the gains came from increases in domestic demand but foreign trade also pushed growth up. It is also worth noting that much of the rise in real GDP last year was due to a decline in the GDP deflator.

According to the latest GDP estimates growth was particularly strong in the last quarter of the year when the economy expanded by 1.6¹ per cent. Quarter four was characterised by a steep rise in (non-residential) investment, which contributed 1.0¹ per cent to growth. The second highest

contribution came from consumption, which gained some momentum in 2003 and added 0.5¹ per cent to growth in the last quarter of the year. Net exports also rose quite sharply in quarter four and contributed 0.8¹ per cent to growth thanks to a sharp increase in exports and a decline in imports. Finally, inventories pulled growth down by 0.3¹ per cent and government consumption only made a modest addition of 0.1¹ per cent to growth. Growth in the fourth quarter of 2003 and more generally in the last year seems to have been characterised by a healthy balance between the different expenditure components. Deflation seems to still persist however although last year it was less severe than in 2002.

Available data from the OECD suggests that industrial production was buoyant in the second half of 2003. As with all the other major economies outside the UK, the index of production contracted in 2003 quarter two by 0.8 per cent having grown by 0.4 per cent in the previous quarter. The index however saw a rebound in quarter three when it grew by 0.9 per cent and grew extremely quickly in quarter four, when it expanded by 3.6 per cent. Looking at the monthly changes shows that the rise in the index in the third and fourth quarters seems to be concentrated mainly in the months from September to November. December saw a fall in the index although one should not read too much into monthly changes since these can be volatile. Overall in 2002, the index had declined by 1.1 per cent, which, although negative, was an improvement over the previous year's contraction of 6.1 per cent. In quarter on previous quarter terms, there were strong declines in all quarters of 2001 – which brought the index level down substantially – while in contrast 2002 quarterly growth rates were all positive.

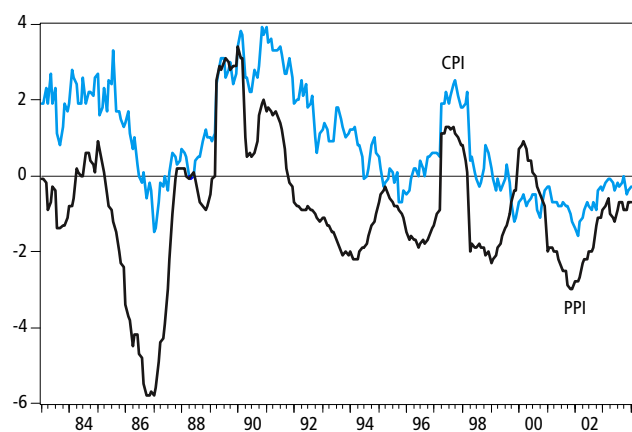
Consumer and producer prices continue the deflation that began in mid-1998 (Figure 5). Price falls slowed in 2003 however with CPI and PPI inflation at –0.2 and –0.9 per cent in 2003 compared to –1.0 and –2.0 per cent respectively in 2002. In January 2004, CPI inflation was –0.3 per cent and PPI inflation –0.7 per cent.

The unemployment rate in January 2004 was 5.0 per cent, up from 4.9 per cent in the previous month. Unemployment declined slightly in 2003 as a whole (5.3 down from 5.4 per cent in 2002) although recent rates of unemployment remain high by Japanese historical standards. Such rates are unprecedented in fact since 1960 when OECD records began. Employment had picked up towards the end of the second quarter but seemed to revert back to declines since then, falling in all months from July 2003 to January 2004. Overall in 2003 employment fell by 0.2 per cent compared to a decline of 1.3 per cent in the previous year.

Despite the current weak labour market, earnings growth, which had been in decline until late 2002, started to pick up in 2002 quarter four and was 1.9 per cent in the year to the fourth quarter of 2003. On a monthly basis, earnings grew very quickly in the year to December when they posted growth of 2.9 per cent.

Figure 5
Japan: Inflation

CPI and PPI growth, month on month a year ago



Notes

This month's International Economic Indicators uses information from OECD as well as from other organisations. All data is from OECD Main Economic Indicators unless otherwise noted:

1. ESRI, Japan, <http://www.esri.cao.go.jp/jp/sna/qe034-2/rhikaku.html>
2. BEA, USA, <http://www.bea.gov/bea/newsrelarchive/2004/gdp403f.pdf>
3. ISTAT, Italy, <http://www.istat.it/Comunicati/In-calenda/Allegati/Economia/Conti-econ/COMUNICATO.pdf>
4. Institute for Economic Research at the University of Munich, Germany, http://www.cesifo.de/pls/cesifo_app/CESifoFrameSet.SwitchFrame?factor=10&page=/link/gk-e.htm
5. Zentrum für Europäische Wirtschaftsforschung GmbH, Germany, http://www.zew.de/en/topthemen/meldung_show.php?LFDNR=327&KATEGORIE=2
6. INSEE, France, http://www.insee.fr/en/indicateur/indic_conj/indconj_frame.asp?ind_id=11
7. REUTERS, www.reuters.com (available on subscription)
8. Institute for Supply Management, USA, <http://www.ism.ws/ISMReport/ROB032004.cfm>
9. Institute for Supply Management, USA, <http://www.ism.ws/ISMReport/NMROB032004.cfm>
10. DESTATIS, Germany, <http://www.destatis.de/presse/englisch/pm2004/p0790121.htm>
11. INSEE, France, http://www.insee.fr/en/indicateur/cnat_trim/Pub_Meth/pr034ang.pdf

Please note that graphs do not include data coming from the above sources.

Comparisons of indicators over the same period should be treated with caution, as the length and timing of the economic cycles varies across countries.

Data are available on an SNA93 basis. Cross country comparisons are now more valid.

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1 Germany

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	Imports ^{less}	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
1999	1.9	2.0	0.2	0.8	-0.3	1.5	2.3	1.1	0.4	0.6	-1.0	2.7	-0.1	8.4
2000	3.1	1.2	0.2	0.7	-0.2	4.4	3.2	5.5	1.2	1.5	3.0	2.6	0.6	7.8
2001	1.0	0.9	0.2	-0.9	-0.8	2.0	0.4	0.3	1.1	1.9	3.1	1.6	0.3	7.8
2002	0.2	-0.6	0.3	-1.4	0.1	1.2	-0.5	-1.1	-2.1	1.5	-0.6	1.6	-0.9	8.6
2003	-0.1	-0.1	0.2	-0.6	0.8	0.4	0.8	0.4	-0.4	1.0	1.6	2.5	..	9.3
2000 Q3	3.0	1.5	-	0.6	-	4.0	3.2	6.6	1.5	1.3	3.4	3.2	0.4	7.7
Q4	1.9	0.6	0.3	0.5	-	4.9	4.4	5.3	-0.5	1.8	4.2	2.3	0.8	7.6
2001 Q1	1.9	1.2	0.1	-0.2	-0.4	3.6	2.3	5.6	2.4	1.7	4.6	2.0	0.7	7.6
Q2	0.8	0.6	0.1	-0.7	-0.4	2.5	1.4	1.8	0.4	2.5	4.7	2.0	0.7	7.7
Q3	0.7	0.9	0.2	-1.3	-1.2	2.0	-0.1	-1.3	1.5	2.2	2.6	1.1	0.2	7.9
Q4	0.5	0.7	0.3	-1.4	-1.3	0.1	-2.1	-4.2	0.3	1.6	0.3	1.1	-0.3	8.1
2002 Q1	-0.1	-0.5	0.3	-1.4	-0.7	0.4	-1.9	-3.8	-4.0	1.9	-0.4	1.1	-0.5	8.3
Q2	0.1	-0.7	0.4	-1.7	0.2	1.0	-0.9	-2.2	-2.3	1.3	-1.2	1.0	-0.8	8.5
Q3	0.4	-0.7	0.6	-1.3	0.3	1.6	-	-0.3	-1.0	1.1	-1.0	2.1	-1.0	8.7
Q4	0.5	-0.4	-	-1.1	0.7	1.9	0.7	1.7	-1.1	1.2	0.3	2.4	-1.3	8.9
2003 Q1	0.1	0.4	0.1	-1.0	1.3	1.3	2.1	1.4	0.7	1.2	1.6	2.7	-1.6	9.2
Q2	-0.3	-	0.1	-0.5	0.7	-0.4	0.3	-0.3	-	0.8	1.4	2.8	-1.3	9.4
Q3	-0.3	-0.3	0.2	-0.6	0.3	0.2	0.1	-1.1	-2.0	1.0	1.8	2.1	-1.3	9.3
Q4	-	-0.4	0.3	-0.2	0.7	0.3	0.6	1.9	-0.2	1.2	1.7	2.0	..	9.2
2003 Jan	..	..	..	..	..	..	..	1.3	1.6	1.1	1.4	..	..	9.1
Feb	..	..	..	..	..	..	..	1.8	1.3	1.2	1.8	..	..	9.2
Mar	..	..	..	..	..	..	..	1.2	-0.8	1.2	1.6	..	..	9.3
Apr	..	..	..	..	..	..	..	0.6	0.2	0.9	1.6	..	..	9.4
May	..	..	..	..	..	..	..	0.6	-1.9	0.6	1.3	..	..	9.4
Jun	..	..	..	..	..	..	..	-1.9	1.6	0.9	1.3	..	..	9.3
Jul	..	..	..	..	..	..	..	1.3	-1.5	0.9	1.8	..	..	9.3
Aug	..	..	..	..	..	..	..	-2.4	-2.6	1.1	1.9	..	..	9.3
Sep	..	..	..	..	..	..	..	-2.3	-1.9	1.0	1.9	..	..	9.3
Oct	..	..	..	..	..	..	..	1.6	-0.2	1.1	1.6	..	..	9.3
Nov	..	..	..	..	..	..	..	1.3	-2.0	1.2	1.9	..	..	9.2
Dec	..	..	..	..	..	..	..	2.9	1.5	1.1	1.7	..	..	9.2
2004 Jan	..	..	..	..	..	..	..	..	..	1.2	0.2	..	..	9.2
Percentage change on previous quarter														
	ILGI	HUCC	HUCD	HUCE	HUCF	HUCG	HUCH	ILHC	ILHW				ILIQ	
2000 Q3	-0.1	-0.1	-0.1	0.2	0.2	0.6	1.0	2.0	-1.3				0.7	
Q4	-	-0.2	0.3	-0.3	0.1	1.7	1.6	0.3	0.1				1.0	
2001 Q1	0.9	0.7	-	-0.3	-0.7	-	-1.1	0.6	2.4				-1.9	
Q2	-	0.3	-0.1	-0.3	-	0.1	-	-1.1	-0.8				1.0	
Q3	-0.2	0.1	-	-0.3	-0.6	0.1	-0.5	-1.0	-0.2				0.2	
Q4	-0.1	-0.4	0.4	-0.3	0.1	-0.2	-0.4	-2.7	-1.0				0.5	
2002 Q1	0.2	-0.5	-	-0.4	-0.2	0.3	-0.9	1.0	-2.0				-2.2	
Q2	0.2	0.1	0.1	-0.7	0.9	0.8	1.0	0.6	1.1				0.7	
Q3	0.1	0.1	0.1	-	-0.5	0.7	0.3	0.9	1.1				-	
Q4	-	-0.1	-0.1	-0.1	0.4	-	0.3	-0.8	-1.1				0.2	
2003 Q1	-0.2	0.2	-	-0.3	0.5	-0.2	0.5	0.7	-0.3				-2.5	
Q2	-0.2	-0.2	0.1	-0.1	0.3	-0.9	-0.8	-1.0	0.3				1.0	
Q3	0.2	-0.2	0.1	-0.1	-1.0	1.3	0.1	-	-0.9				-	
Q4	0.2	-0.2	-	0.3	0.9	0.1	0.8	2.3	0.6				..	
Percentage change on previous month														
								ILKC	ILKM					
2002 Dec								-1.7	-					
2003 Jan								1.6	0.2					
Feb								-0.2	0.3					
Mar								-	-1.4					
Apr								-0.2	1.1					
May								-0.9	-1.2					
Jun								-0.6	2.5					
Jul								2.3	-2.1					
Aug								-2.3	-0.4					
Sep								-0.3	0.6					
Oct								2.9	0.8					
Nov								0.7	-2.4					
Dec								-0.1	3.6					

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

2 France

	Contribution to change in GDP													
	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
1999	3.2	1.9	0.3	1.6	-0.3	1.1	1.5	2.2	2.3	0.5	-1.6	2.5	2.2	10.7
2000	4.2	1.6	0.7	1.7	0.5	3.6	3.8	4.2	0.6	1.7	2.0	5.2	2.8	9.3
2001	2.1	1.6	0.6	0.4	-0.6	0.5	0.4	1.0	-0.2	1.6	1.2	4.2	1.7	8.5
2002	1.2	0.8	0.9	-0.3	-0.3	0.4	0.2	-1.3	-	1.9	-0.2	3.6	0.5	8.8
2003	0.1	0.9	0.6	-0.2	-0.3	-0.6	0.3	-0.3	..	2.1	0.3	..	..	9.4
2000 Q3	3.9	1.4	0.8	1.5	1.0	3.4	4.2	3.9	0.1	1.9	2.7	5.2	2.8	9.1
Q4	3.8	1.2	0.7	1.6	0.5	3.8	3.9	3.5	-1.3	1.9	2.4	5.0	2.7	8.8
2001 Q1	3.2	1.6	0.6	1.0	-0.3	2.6	2.4	3.4	1.2	1.2	2.4	4.3	2.3	8.6
Q2	2.2	1.5	0.6	0.5	-0.1	0.8	1.0	1.6	-0.4	2.0	1.7	4.2	1.9	8.5
Q3	2.3	1.7	0.8	0.4	-1.0	0.2	-0.3	1.2	-0.7	1.8	0.7	4.2	1.3	8.5
Q4	0.6	1.4	0.6	-0.2	-1.2	-1.5	-1.4	-1.7	-0.8	1.4	-	4.1	1.0	8.5
2002 Q1	0.8	0.8	0.9	-0.3	-0.3	-0.8	-0.5	-2.2	-1.6	2.2	-0.7	3.9	0.6	8.6
Q2	1.4	0.8	1.0	-0.1	-0.8	0.7	0.2	-0.8	-0.6	1.7	-0.5	3.9	0.5	8.7
Q3	1.3	0.7	0.9	-0.3	-	0.7	0.6	-1.3	0.9	1.8	0.1	3.5	0.5	8.9
Q4	1.3	0.8	0.9	-0.4	-0.2	1.0	0.8	-0.7	1.0	2.1	0.2	3.4	0.3	9.0
2003 Q1	0.7	1.1	0.7	-0.4	-0.3	-0.1	0.3	-0.4	-0.8	2.4	0.6	2.9	-	9.2
Q2	-0.3	0.9	0.5	-0.3	-0.1	-1.2	0.1	-1.9	..	1.9	0.6	2.6	-0.1	9.3
Q3	-0.2	0.8	0.5	-0.1	-0.5	-1.0	-0.1	-0.7	..	2.0	-	2.9	..	9.4
Q4	0.5	0.8	0.6	0.2	-0.1	-0.3	0.7	1.8	..	2.2	0.1	..	..	9.5
2003 Jan	..	..	..	..	..	..	..	-0.7	3.0	1.9	0.4	..	..	9.1
Feb	..	..	..	..	..	..	..	-	-0.7	2.6	0.7	..	..	9.2
Mar	..	..	..	..	..	..	..	-0.4	-4.6	2.6	0.7	..	..	9.3
Apr	..	..	..	..	..	..	..	-1.7	1.8	2.0	0.8	..	..	9.3
May	..	..	..	..	..	..	..	-2.6	-2.0	1.8	0.6	..	..	9.3
Jun	..	..	..	..	..	..	..	-1.2	..	2.0	0.6	..	..	9.4
Jul	..	..	..	..	..	..	..	-0.6	..	1.9	-	..	..	9.4
Aug	..	..	..	..	..	..	..	-1.6	..	1.9	-0.1	..	..	9.4
Sep	..	..	..	..	..	..	..	0.1	..	2.1	-	..	..	9.5
Oct	..	..	..	..	..	..	..	2.2	..	2.2	-	..	..	9.5
Nov	..	..	..	..	..	..	..	0.9	..	2.3	0.2	..	..	9.5
Dec	..	..	..	..	..	..	..	2.0	..	2.2	0.1	..	..	9.5
2004 Jan	..	..	..	..	..	..	..	..	..	2.0	0.1	..	..	9.5
Percentage change on previous quarter														
	ILGJ	HUBQ	HUBR	HUBS	HUBT	HUBU	HUBV	ILHD	ILHX				ILIR	
2000 Q3	0.3	0.2	0.1	0.1	0.3	0.6	1.0	0.7	-				0.6	
Q4	1.3	0.3	0.2	0.5	0.1	0.9	0.7	1.0	-0.4				0.6	
2001 Q1	0.6	0.7	0.1	0.1	-0.7	-0.1	-0.4	0.7	2.3				0.4	
Q2	-	0.2	0.1	-0.2	0.1	-0.7	-0.3	-0.9	-2.2				0.3	
Q3	0.4	0.4	0.3	-	-0.6	-	-0.3	0.3	-0.3				0.1	
Q4	-0.3	0.1	0.1	-0.1	-	-0.7	-0.4	-1.9	-0.5				0.3	
2002 Q1	0.7	0.1	0.3	-	0.2	0.5	0.5	0.2	1.4				-	
Q2	0.7	0.3	0.3	-	-0.3	0.8	0.4	0.6	-1.2				0.1	
Q3	0.3	0.3	0.2	-0.2	0.1	-	0.2	-0.2	1.2				0.1	
Q4	-0.3	0.2	0.1	-0.2	-0.2	-0.4	-0.3	-1.3	-0.4				0.1	
2003 Q1	0.1	0.4	0.1	-	-	-0.5	-	0.5	-0.4				-0.3	
Q2	-0.4	-	0.1	0.1	-0.1	-0.3	0.1	-1.0	..				-	
Q3	0.4	0.3	0.2	-	-0.3	0.2	-	1.1	..				..
Q4	0.4	0.1	0.2	0.1	0.2	0.3	0.6	1.1	..				..
Percentage change on previous month														
								ILKD	ILKN					
2002 Dec								-0.8	-2.8					
2003 Jan								0.4	4.2					
Feb								0.6	-1.9					
Mar								-0.3	-3.9					
Apr								-0.1	4.6					
May								-1.9	-2.3					
Jun								1.3	..					
Jul								0.6	..					
Aug								-0.3	..					
Sep								1.0	..					
Oct								0.9	..					
Nov								-0.6	..					
Dec								0.3	..					

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

Source: OECD - SNA93

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

3 Italy

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
Percentage change on a year earlier														
	ILGA	HUCI	HUCJ	HUCK	HUCL	HUCM	HUCN	ILGU	ILHO	HYAA	ILAH	ILAQ	ILII	GABE
1999	1.7	1.6	0.2	0.9	0.3	—	1.4	-0.2	0.8	1.7	-0.3	2.3	1.2	11.3
2000	3.3	1.7	0.3	1.5	-1.1	3.3	2.4	4.2	-0.5	2.5	6.1	2.0	1.9	10.4
2001	1.7	0.7	0.6	0.5	-0.1	0.3	0.3	-1.1	-0.4	2.7	1.9	1.8	2.0	9.4
2002	0.4	0.3	0.3	0.1	0.4	-0.3	0.4	-1.3	-0.8	2.5	0.2	2.8	1.4	9.0
2003	0.3	..	..	..	..	..	..	-0.6	-0.5	2.7	1.5	2.5	1.0	..
2000 Q3	3.3	1.8	0.3	1.6	-1.2	3.6	2.8	3.6	1.3	2.6	6.7	2.0	2.1	10.3
Q4	3.0	1.7	0.3	1.0	-1.3	2.6	1.4	3.8	-1.9	2.6	6.6	1.9	2.8	9.9
2001 Q1	2.6	1.4	0.6	1.0	-0.4	1.6	1.4	3.0	1.6	2.9	4.7	1.8	3.2	9.7
Q2	2.1	1.0	0.6	0.6	-0.5	1.3	0.9	-0.4	-1.0	3.0	3.2	1.2	2.0	9.5
Q3	1.5	0.3	0.6	0.2	0.5	-0.7	-0.6	-1.9	-1.3	2.8	1.1	2.2	1.8	9.4
Q4	0.7	-0.1	0.6	0.3	—	-0.9	-0.6	-4.9	-1.0	2.5	-1.1	2.3	1.2	9.2
2002 Q1	—	-0.5	0.4	-0.5	1.5	-2.8	-1.7	-3.9	-0.6	2.4	-1.0	2.4	1.7	9.1
Q2	0.3	-0.1	0.3	-0.4	0.8	-0.7	-0.3	-2.0	-1.0	2.2	-0.6	3.4	1.9	9.0
Q3	0.4	0.5	0.3	0.3	-0.1	1.0	1.5	-0.3	-1.3	2.4	0.5	2.4	1.3	9.0
Q4	0.9	1.2	0.2	1.2	-0.5	1.2	2.3	0.8	-0.3	2.7	1.7	2.8	0.9	8.9
2003 Q1	0.7	1.4	0.3	—	-0.6	0.3	0.8	-0.2	—	2.7	2.6	2.5	0.8	8.9
Q2	0.2	1.3	0.3	-0.3	0.8	-1.4	0.4	-1.5	0.7	2.7	1.7	1.8	1.3	8.7
Q3	0.5	1.5	0.3	-0.9	0.7	-0.7	0.3	-0.3	-1.0	2.8	1.3	3.2	0.9	8.5
Q4	0.1	..	..	..	..	..	..	—	-1.6	2.5	0.8	2.7	0.9	..
2003 Feb	..	..	..	..	..	..	..	-0.4	1.0	2.6	2.8	3.0	..	8.9
Mar	..	..	..	..	..	..	..	-0.9	-1.0	2.7	2.8	1.7	..	8.8
Apr	..	..	..	..	..	..	..	0.3	3.0	2.7	2.0	1.8	..	8.7
May	..	..	..	..	..	..	..	-3.0	1.0	2.7	1.5	1.8	..	8.7
Jun	..	..	..	..	..	..	..	-1.7	-1.9	2.7	1.4	1.6	..	8.6
Jul	..	..	..	..	..	..	..	-0.8	-1.0	2.7	1.3	3.2	..	8.6
Aug	..	..	..	..	..	..	..	0.5	-1.9	2.8	1.3	3.2	..	8.5
Sep	..	..	..	..	..	..	..	-0.8	—	2.8	1.0	3.2	..	8.5
Oct	..	..	..	..	..	..	..	—	-1.9	2.6	0.6	2.7	..	8.4
Nov	..	..	..	..	..	..	..	—	-1.9	2.5	1.2	2.7	..	..
Dec	..	..	..	..	..	..	..	0.1	-1.0	2.5	0.7	2.7	..	..
2004 Jan	..	..	..	..	..	..	..	..	..	2.2	0.4	..	..	..
Feb	..	..	..	..	..	..	..	..	..	2.4	..	..	..	..
Percentage change on previous quarter														
	ILGK	HUCO	HUCP	HUCQ	HUCR	HUCS	HUCT	ILHE	ILHY				ILIS	
2000 Q3	0.6	0.4	0.1	0.2	-1.1	1.3	0.3	0.1	1.0				1.9	
Q4	0.7	0.2	0.1	-0.2	0.7	-0.1	—	1.6	-0.9				0.6	
2001 Q1	0.7	0.4	0.3	0.6	-0.3	1.0	1.1	-0.5	-0.6				-0.8	
Q2	—	—	0.1	-0.1	0.2	-0.8	-0.5	-1.5	-0.3				0.4	
Q3	—	-0.3	0.1	-0.2	-0.1	-0.7	-1.2	-1.5	0.6				1.7	
Q4	-0.1	-0.2	0.1	—	0.2	-0.3	-0.1	-1.5	-0.6				—	
2002 Q1	—	—	0.1	-0.2	1.1	-0.9	—	0.6	-0.3				-0.4	
Q2	0.3	0.4	—	—	-0.5	1.4	1.0	0.5	-0.7				0.6	
Q3	0.2	0.3	—	0.5	-1.0	1.0	0.6	0.2	0.3				1.1	
Q4	0.4	0.6	—	0.8	-0.2	-0.2	0.7	-0.5	0.3				-0.4	
2003 Q1	-0.2	0.2	0.2	-1.3	1.0	-1.8	-1.5	-0.4	—				-0.5	
Q2	-0.1	0.3	—	-0.4	0.9	-0.3	0.6	-0.9	—				1.0	
Q3	0.5	0.4	—	-0.1	-1.1	1.6	0.5	1.4	-1.3				0.7	
Q4	—	..	..	..	..	..	..	-0.2	-0.3				-0.4	
Percentage change on previous month														
								ILKE	ILKO					
2002 Dec								-0.3	—					
2003 Jan								-0.2	—					
Feb								—	1.0					
Mar								-0.4	-1.9					
Apr								0.1	2.0					
May								-1.3	-1.0					
Jun								0.7	-1.0					
Jul								1.6	—					
Aug								—	-1.0					
Sep								-0.7	1.0					
Oct								0.2	-1.0					
Nov								0.3	—					
Dec								-0.2	1.0					

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

4 USA

Contribution to change in GDP														
	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl ¹	Unempl
Percentage change on a year earlier														
	ILGC	HUDG	HUDH	HUDI	HUDJ	HUDK	HUDL	ILGW	ILHQ	ILAA	ILAJ	ILAS	ILIK	GADO
1999	4.4	3.4	0.5	1.6	—	0.5	1.5	4.4	8.8	2.1	1.8	2.9	1.5	4.2
2000	3.7	3.2	0.3	1.2	-0.1	0.9	1.8	4.4	5.5	3.4	4.1	3.4	2.5	4.0
2001	0.5	1.7	0.4	-0.5	-0.9	-0.6	-0.4	-3.4	4.8	2.8	0.7	3.3	—	4.8
2002	2.2	2.4	0.5	-0.4	0.4	-0.3	0.5	-0.6	5.3	1.5	-0.6	3.3	-0.3	5.8
2003	3.1	2.2	0.6	0.7	—	0.2	0.6	0.3	..	2.3	2.5	3.1	0.9	6.0
2000 Q3	3.5	3.1	0.2	1.0	0.1	1.1	1.9	4.3	5.2	3.5	3.9	3.2	2.3	4.0
Q4	2.2	2.8	0.1	0.8	-0.6	0.7	1.6	2.3	3.5	3.4	3.3	3.2	2.3	3.9
2001 Q1	1.9	1.8	0.4	0.3	-0.2	0.4	0.8	-0.4	2.9	3.4	2.1	2.9	0.8	4.2
Q2	0.2	1.7	0.3	-0.3	-1.3	-0.3	-0.1	-3.3	4.5	3.4	2.1	3.2	0.1	4.4
Q3	—	1.4	0.4	-0.7	-1.0	-1.1	-1.1	-4.5	3.8	2.7	0.6	3.4	—	4.8
Q4	—	1.9	0.5	-1.1	-1.2	-1.3	-1.1	-5.3	7.9	1.8	-1.5	3.7	-0.8	5.6
2002 Q1	1.2	2.5	0.4	-1.0	-0.3	-1.1	-0.6	-3.3	5.9	1.2	-1.8	3.7	-1.2	5.7
Q2	1.8	2.6	0.5	-0.7	0.2	-0.5	0.3	-1.0	5.5	1.3	-1.7	3.4	-0.5	5.8
Q3	3.0	2.6	0.5	-0.2	0.8	0.2	0.9	0.6	7.0	1.5	-0.6	3.0	0.1	5.7
Q4	2.8	1.9	0.7	0.2	1.0	0.3	1.3	1.4	3.0	2.2	1.6	3.3	0.3	5.9
2003 Q1	2.1	1.6	0.6	0.2	0.2	0.2	0.8	1.1	4.4	2.9	3.9	3.5	1.0	5.8
Q2	2.4	1.8	0.7	0.4	—	-0.1	0.5	-1.0	6.0	2.1	1.9	3.3	0.9	6.1
Q3	3.6	2.6	0.6	1.0	-0.4	0.1	0.4	-0.3	7.2	2.2	2.1	3.2	0.5	6.1
Q4	4.3	2.7	0.3	1.4	-0.1	0.7	0.7	1.4	..	1.9	2.3	2.4	1.3	5.9
2003 Jan	..	..	..	..	..	..	..	1.3	5.5	2.6	3.0	3.3	1.3	5.8
Feb	..	..	..	..	..	..	..	1.5	2.6	3.0	4.2	4.1	0.7	5.9
Mar	..	..	..	..	..	..	..	0.4	5.2	3.1	4.5	3.3	0.9	5.8
Apr	..	..	..	..	..	..	..	-0.6	4.9	2.2	1.9	3.3	1.1	6.0
May	..	..	..	..	..	..	..	-0.9	6.9	2.0	1.7	3.3	0.7	6.1
Jun	..	..	..	..	..	..	..	-1.5	6.3	2.1	2.0	3.3	1.0	6.3
Jul	..	..	..	..	..	..	..	-0.6	6.6	2.1	2.1	3.3	0.7	6.2
Aug	..	..	..	..	..	..	..	-0.6	7.0	2.1	2.5	3.2	0.6	6.1
Sep	..	..	..	..	..	..	..	0.2	8.2	2.3	1.6	3.2	0.3	6.1
Oct	..	..	..	..	..	..	..	0.6	7.9	2.0	1.9	2.4	0.8	6.0
Nov	..	..	..	..	..	..	..	1.6	..	1.8	2.2	2.4	1.5	5.9
Dec	..	..	..	..	..	..	..	2.1	..	1.9	2.7	2.4	1.4	5.7
2004 Jan	..	..	..	..	..	..	..	2.4	..	1.9	..	2.4	0.7	5.6
Percentage change on previous quarter														
	ILGM	HUDM	HUDN	HUDO	HUDP	HUDQ	HUDR	ILHG	ILIA				ILIU	
2000 Q3	-0.1	0.7	-0.1	—	-0.4	0.3	0.5	-0.2	1.3				0.1	
Q4	0.5	0.6	0.1	—	-0.1	-0.1	-0.1	-0.3	0.4				0.3	
2001 Q1	-0.1	0.1	0.2	-0.1	-0.4	-0.1	-0.2	-1.5	1.6				-0.7	
Q2	-0.2	0.4	0.1	-0.3	-0.3	-0.4	-0.3	-1.3	1.2				0.5	
Q3	-0.3	0.3	—	-0.4	-0.2	-0.5	-0.4	-1.4	0.5				—	
Q4	0.5	1.1	0.2	-0.3	-0.3	-0.3	-0.1	-1.1	4.3				-0.5	
2002 Q1	1.2	0.7	0.1	—	0.5	0.1	0.3	0.5	-0.2				-1.1	
Q2	0.5	0.5	0.1	0.1	0.2	0.2	0.6	1.1	0.8				1.1	
Q3	0.8	0.3	0.1	0.1	0.4	0.1	0.2	0.2	2.0				0.6	
Q4	0.3	0.4	0.3	0.1	-0.1	-0.1	0.3	-0.4	0.4				-0.4	
2003 Q1	0.5	0.4	—	—	-0.2	-0.1	-0.3	0.2	1.1				-0.4	
Q2	0.8	0.6	0.3	0.3	-0.1	—	0.3	-1.0	2.4				1.0	
Q3	2.0	1.2	—	0.7	—	0.2	—	1.0	3.2				0.3	
Q4	1.0	0.5	—	0.4	0.2	0.5	0.6	1.4	..				0.4	
Percentage change on previous month														
								ILKG	ILKQ				ILLA	
2003 Jan								0.5	0.4				-0.5	
Feb								0.4	-2.1				0.4	
Mar								-0.7	2.2				0.3	
Apr								-0.6	0.5				0.5	
May								-0.1	1.2				0.1	
Jun								—	1.1				0.7	
Jul								0.7	1.7				—	
Aug								0.1	0.8				-0.3	
Sep								0.6	-0.4				-0.3	
Oct								0.2	-0.1				0.6	
Nov								1.0	..				—	
Dec								—	..				-0.1	
2004 Jan								0.8	..				-1.2	

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

1 Excludes members of armed forces

5 Japan

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP ¹	Sales	CPI	PPI	Earnings ²	Empl	Unempl
Percentage change on a year earlier														
	ILGD	HUCU	HUCV	HUCW	HUCX	HUCY	HUCZ	ILGX	ILHR	ILAB	ILAK	ILAT	ILIL	GADP
1999	0.2	0.1	0.7	-0.1	-0.4	0.1	0.3	0.6	-2.4	-0.3	-1.4	-0.7	-0.8	4.7
2000	2.8	0.5	0.8	0.8	0.3	1.3	0.8	5.0	-1.5	-0.7	0.1	1.7	-0.3	4.7
2001	0.4	1.0	0.5	-0.4	-	-0.7	-	-6.1	-0.8	-0.7	-2.4	-	-0.5	5.0
2002	-0.3	0.5	0.4	-1.6	-0.2	0.8	0.2	-1.1	-3.0	-1.0	-2.0	-1.0	-1.3	5.4
2003	2.7	0.6	0.2	0.8	0.5	1.1	0.4	3.2	-1.8	-0.2	-0.9	2.0	-0.2	5.3
2000 Q3	3.0	0.3	0.8	0.8	0.7	1.3	0.7	5.4	-0.4	-0.6	-	1.7	-0.4	4.7
Q4	3.8	0.6	0.8	1.7	0.6	1.1	0.8	5.0	-1.1	-0.8	-0.6	1.1	0.2	4.7
2001 Q1	3.2	1.1	0.6	1.0	1.0	0.2	0.7	1.5	2.6	-0.5	-1.9	0.3	0.5	4.7
Q2	1.1	1.0	0.5	0.2	0.2	-0.6	0.2	-4.4	-0.8	-0.7	-2.1	0.5	-0.4	4.9
Q3	-0.4	1.0	0.4	-0.3	-0.5	-1.0	-0.2	-9.1	-2.2	-0.8	-2.5	-0.2	-0.8	5.1
Q4	-2.3	0.7	0.4	-2.3	-0.5	-1.2	-0.6	-12.2	-3.0	-1.0	-3.0	-0.6	-1.3	5.4
2002 Q1	-3.1	0.1	0.4	-2.4	-1.5	-0.3	-0.5	-9.2	-4.7	-1.4	-2.8	-1.5	-1.5	5.3
Q2	-0.9	0.3	0.4	-2.0	-0.4	0.8	-	-3.4	-2.6	-0.9	-2.2	-0.8	-1.6	5.4
Q3	1.0	1.0	0.5	-1.7	0.6	1.1	0.5	2.9	-2.7	-0.8	-2.0	-2.2	-1.0	5.4
Q4	1.7	0.4	0.3	-0.4	0.4	1.8	0.7	5.9	-1.9	-0.5	-1.2	0.1	-1.1	5.4
2003 Q1	2.7	0.6	0.3	0.2	1.1	1.3	0.7	5.7	-1.1	-0.2	-0.8	1.8	-0.8	5.4
Q2	2.3	0.5	0.2	0.9	0.3	0.8	0.3	2.0	-2.7	-0.3	-1.1	2.6	0.1	5.4
Q3	2.0	0.1	0.2	0.7	0.2	1.1	0.3	0.9	-2.3	-0.2	-0.7	1.8	-0.1	5.2
Q4	3.8	1.1	0.2	1.2	0.3	1.2	0.3	4.1	-1.2	-0.3	-0.8	1.9	-0.1	5.1
2003 Jan	..	..	..	..	..	..	..	8.3	-2.3	-0.4	-0.9	1.2	-1.0	5.5
Feb	..	..	..	..	..	..	..	4.7	-	-0.2	-0.8	1.7	-0.9	5.2
Mar	..	..	..	..	..	..	..	4.3	-1.1	-0.1	-0.6	2.5	-0.5	5.4
Apr	..	..	..	..	..	..	..	3.3	-3.5	-0.1	-1.0	1.5	-0.4	5.4
May	..	..	..	..	..	..	..	1.3	-2.3	-0.2	-1.1	2.2	0.1	5.4
Jun	..	..	..	..	..	..	..	1.3	-2.3	-0.4	-1.2	3.9	0.6	5.3
Jul	..	..	..	..	..	..	..	0.3	-2.4	-0.2	-0.9	3.6	0.1	5.3
Aug	..	..	..	..	..	..	..	-0.2	-2.3	-0.3	-0.7	0.7	-0.2	5.1
Sep	..	..	..	..	..	..	..	2.8	-2.3	-0.2	-0.7	1.2	-0.1	5.1
Oct	..	..	..	..	..	..	..	3.6	-	-	-0.9	1.9	-0.3	5.2
Nov	..	..	..	..	..	..	..	4.6	-3.5	-0.5	-0.9	0.9	-0.4	5.2
Dec	..	..	..	..	..	..	..	4.1	-	-0.4	-0.7	2.9	0.3	4.9
2004 Jan	..	..	..	..	..	..	..	..	2.4	-0.3	-0.7	..	0.3	5.0
Percentage change on previous quarter														
	ILGN	HUDA	HUDB	HUDC	HUDD	HUDE	HUDD	ILHH	ILIB				ILIV	
2000 Q3	0.6	-	0.2	0.3	0.1	0.1	0.2	0.7	0.8				-	
Q4	1.2	0.3	0.1	0.9	0.1	-	0.3	1.0	-0.7				-	
2001 Q1	0.4	0.6	0.1	-0.3	0.4	-0.3	-0.1	-2.8	2.6				-1.8	
Q2	-1.1	0.1	0.1	-0.7	-0.4	-0.4	-0.2	-3.3	-3.3				1.4	
Q3	-0.9	-	-	-0.2	-0.6	-0.3	-0.2	-4.3	-0.7				-0.4	
Q4	-0.8	-	0.2	-1.1	0.1	-0.2	-0.2	-2.4	-1.5				-0.5	
2002 Q1	-0.4	0.1	0.1	-0.4	-0.6	0.6	0.1	0.5	0.8				-2.0	
Q2	1.2	0.2	0.1	-0.3	0.7	0.8	0.3	2.9	-1.1				1.3	
Q3	1.0	0.7	0.1	0.1	0.4	-	0.2	2.0	-0.8				0.2	
Q4	-0.1	-0.6	-	0.2	-0.1	0.4	0.1	0.4	-0.8				-0.6	
2003 Q1	0.6	0.2	0.1	0.2	0.1	0.1	0.1	0.4	1.6				-1.7	
Q2	0.8	0.1	-	0.5	-0.1	0.2	-0.1	-0.8	-2.7				2.3	
Q3	0.6	0.3	0.1	-0.2	0.3	0.4	0.2	0.9	-0.4				-	
Q4	1.7	0.5	0.1	0.8	-	0.5	0.1	3.6	0.4				-0.6	
Percentage change on previous month														
								ILKH	ILKR				ILLB	
2003 Jan								1.9	2.4				-1.3	
Feb								-2.0	2.4				-0.2	
Mar								0.1	-1.1				1.1	
Apr								-1.2	-3.5				0.7	
May								2.2	1.2				0.8	
Jun								-1.1	-				0.8	
Jul								-0.2	-2.4				-0.5	
Aug								-0.1	2.4				-0.3	
Sep								3.7	-				-0.2	
Oct								0.9	1.2				-0.2	
Nov								0.8	-2.4				-0.2	
Dec								-0.7	-				-0.2	
2004 Jan								..	4.8				-1.3	

GDP = Gross Domestic Product at constant market prices
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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

Developments to the Corporate Services Price Index

**Nick Barford and
Trevor Fenton**
Office for National Statistics

- The experimental Corporate Services Price Index (CSPI) has been rebased, which means the index has been re-referenced from 1995=100 to 2000=100 and the weighting structure has been updated to reflect market shares in the new base year.
- A CSPI survey of turnover (year 2000) by service product was undertaken to support the rebasing project.
- The methodology for deriving weights at all levels of aggregation has been reviewed.
- To improve further the accuracy of the statistic, the overall sample size of the CSPI survey has been substantially increased.
- A redeveloped index for *business telecommunications* and a new index for *banking* have also been introduced to the CSPI.
- Top-level growth has been predominantly revised down for most of the series as a result of rebasing and the other developments.
- The top-level CSPI is now published on a net sector output and gross sector output basis. Growth is generally higher on a net sector output basis.
- The experimental CSPI is under a continual programme of development and quality assurance.

Introduction

The last time the CSPI featured in *Economic Trends* was in July 2000 when Nick Palmer described progress on the experimental index to date. This article is one of three within this edition of *Economic Trends*. It gives a brief overview of the CSPI, describes the methods used to rebase the index to the year 2000 and outlines other recent developments. The impacts of all these changes are then summarised followed by an outline of future improvements. The additional articles by Joanne Allen and Keith Hermiston detail developments to specific CSPIs (that is, for business telecommunications and banking). The revised data set was first published in February 2004 in the Experimental Statistics section of the National Statistics website: <http://www.statistics.gov.uk/cspi>.

Overview of the CSPI

Background

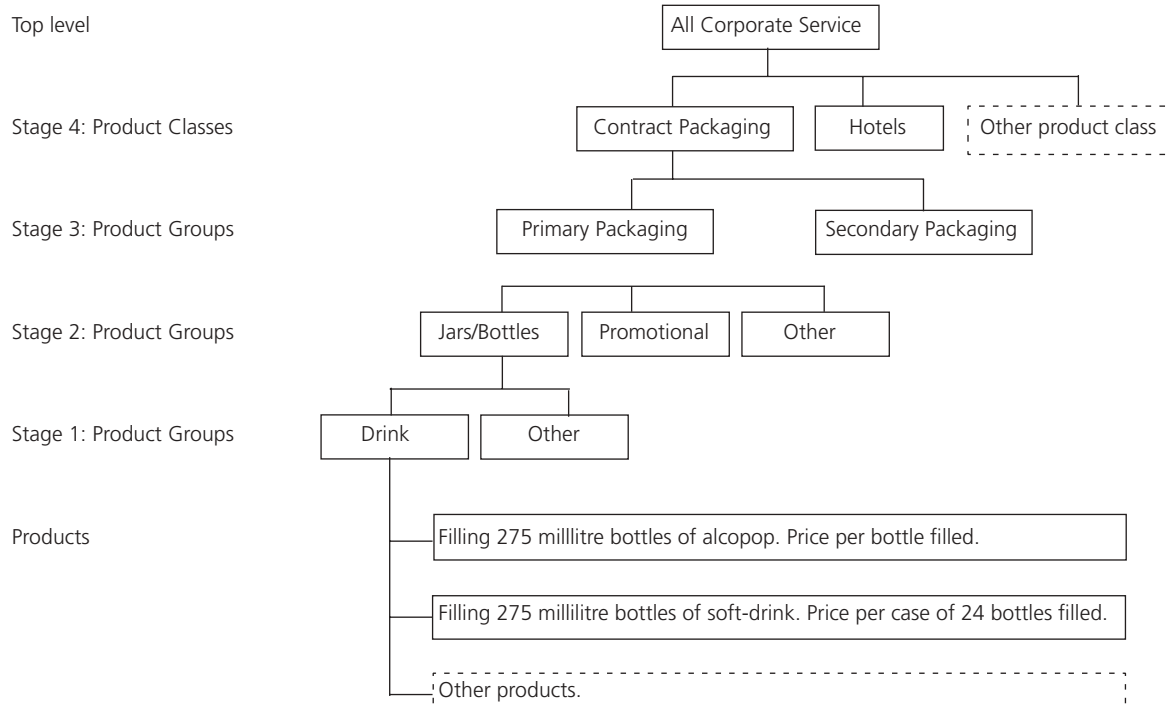
The full background and history to the CSPI can be found in previous articles by Nick Palmer (2000), Hugh Skipper (1998) and Jonathan Price (1996). To summarise:

- CSPI measures quarterly price changes in the domestic corporate services provided by businesses to other UK businesses, central and local government. Services provided to private individuals or to companies operating outside the UK are out of scope of the CSPI
- the CSPI development began in 1990 as an adjunct to the established Producer Price Index (PPI), with the formation of a separate CSPI branch in 1995
- the index has been gradually expanded and now covers thirty-two product classes. The development programme aims to increase further the coverage of the CSPI, to eventually include all significant corporate service activities, and to constantly improve the quality of data that are currently published
- nineteen of the CSPIs are used by the UK National Accounts as price deflators in the compilation of the experimental monthly Index of Services (IoS) and quarterly Gross Domestic Product by the output method (GDP(O))

Price Data

The CSPI survey collects quarterly price data from a fixed panel of respondents selected from the Inter-Departmental Business Register (IDBR) stratified by employment and industry classification. Each respondent supplies prices for one or more service products that are representative of its activities. The specification or description of the product should remain fixed over time, so that any price changes relate to a consistent product and hence give a measure of inflation. If a respondent fundamentally changes the specification of the product being priced in some way

Figure 1
The structure of the CSPI



(for example, due to advances in technology) the effects of any resulting price changes are removed from the index by comparing subsequent prices to the new, re-specified value.

Note that in some cases, 'proxy' indices are calculated using price data or indices supplied for an entire product class by one or more external bodies such as trade associations, market research organisations or government regulators (see Appendix A).

Index Construction and Aggregation

In modelling the pricing structure of a service product class, activity is decomposed into a family tree of product groups and products. An example of this hierarchical structure is depicted in Figure 1. A product group is a reasonably homogeneous category belonging to a product class. Within each product group, there will be a range of products whose prices are supplied by various respondents. Within the product group index (stage 1), each product is assigned a weight that represents the market share of the respondent in the base year, together with an amount that represents other unsampled businesses engaged in similar activity. The product weights sum to 100 per cent within each product group. If a respondent stops providing prices for a product, or the company ceases trading, the product (or products) concerned are removed from the sample and the remaining product weights within the product group (or groups) are recalculated.

The product group indices are aggregated to higher-level product groups (stages 2 and 3) and in turn to the product class level (stage 4), which is the lowest level of CSPI publication. Note that the product class index may be calculated at stage 2 or 3 depending on the number of

intermediate product group levels. The product groups are weighted together according to the amount of revenue generated by activities within each product group in the base year.

The product class series are then weighted together to form the top-level CSPI. The PPI publishes its top-level series on both a net sector output (NSO) and a gross sector output (GSO) basis. For further details see the *Economic Trends* article (Morris and Gough, 2003). Until recently, the top-level CSPI has only been published on a NSO basis. The NSO product class weights reflect the total net sector revenue in the base year. For the CSPI product class this is the amount of revenue generated by services provided to UK companies (and government) outside of the corporate service sector, (that is, in the manufacturing, construction, the wholesale and retail trades and agriculture sectors). From February 2004, the top-level CSPI has also been published on a GSO basis. The GSO weights reflect CSPI product class sales to all UK companies and government (that is, including sales to the corporate service sector itself).

Rebasing

Rebasing is currently a five-yearly process and so this is the first time the CSPI has been rebased. The aim is to update all base prices and index weights. Over time the relative volumes and prices of service products will change and it is important to ensure that the weighting structure of the index is updated at regular intervals to reflect recent information on the relative importance of service products and the businesses that supply them. All weights have been updated to reflect market shares in the year 2000, and base prices have been changed to 2000=100. It should be noted that changing base prices alone will revise the growth of aggregate indices (that

is, without updating the weights), especially if a component's movement differs substantially compared to the movement of other components.

For the proxies, the data series supplied by external sources have been re-referenced and any weights have been updated to 2000 using available data. The following sections describe the rebasing methods used at each level of aggregation for those product classes where prices of individual products are collected.

Product class weights

The net sector output weights (NSO) and the gross sector output weights (GSO) are derived by pro-rating (to sum to 100 per cent) a set of net and gross sector turnover values respectively. The method for calculating net and gross sector turnover values uses primarily a combination of two ONS data sources:

- Current Price Input-Output (CPIO) Use Tables
- Annual Business Inquiry (ABI).

The ABI provides total turnover for the base year (2000) by industry, at a detailed level of disaggregation. However, total turnover includes exports and sales to non-business users (primarily households), which are not covered by the CSPI. To calculate the net and gross sector turnover appropriate to the CSPI for each industry, the ABI total industry turnover is multiplied by net and gross sector proportions respectively, for the appropriate CPIO Input-Output Group (IO Group). These proportions are derived from the CPIO Use Tables (2000) as follows.

The gross sector proportion for an IO Group is calculated as the sales to all UK business users and government divided by total sales, for all products included in the IO Group. The net sector proportion excludes sales to business users within the UK corporate service sector.

In some cases, the IO Group is at a more general level of disaggregation than the product class of interest. For example, the IO Group for *rail transport* encompasses two corporate service product classes, *business rail fares* and *rail freight*. The sector proportions of total sales may be different for these distinct product classes. In such cases efforts have been made to refine the proportions using supplementary information from a number of sources (an improvement over the calculation of the 1995 product class weights). The CSPI turnover survey (see below) has provided an alternative measure of the gross sector proportion.

Under the 1995 NSO weighting pattern, the top-level CSPI has been published in two forms; one including the *property rental payments* product class and one excluding this component. This is because *property rental payments* had such a high weight and dominated the top-level index. Following the rebasing of the product class weights *property rental payments* has received a smaller weight and there is no longer a need to publish an index excluding this product class.

Product group weights

The product group weights are based on the relative sales to businesses in the domestic market. The PPI uses the Products of the European Community (ProdCom) total sales estimates, adjusted using export data from Customs and Excise (C&E), to calculate its 'home sales' values. ProdCom is also used to calculate the PPI product weights on an annual basis (for further details on PPI rebasing and estimation methods see (Morris and Birch, 2001) and (Morris and Gough, 2003)). The equivalent of ProdCom for the service sector (ServCom) is currently at a pilot stage. In the absence of ServCom, a dedicated turnover survey was undertaken to facilitate the rebasing of the CSPI.

The CSPI turnover survey

The CSPI survey of turnover, for the year 2000, by service product, was undertaken in 2001 for 28 product classes (mostly at 4 or 5 digit SIC level). Its primary purpose was to provide information for the rebasing of the product group weights. Five thousand questionnaires were issued in October 2001 and nearly 80 per cent were returned by March 2002. The businesses selected were chosen at random from the population (the IDBR) stratified by employment size-band and industry. They were asked to report their sales for the year 2000, categorised by product groups appropriate to the industry to which the business belongs. Additional questions captured sales of other UK business services (that is, for non-characteristic product groups) and other sales (for example, manufactured goods, exports and sales to non-business users).

The product group weights are derived by pro-rating the product group turnover estimates within a product class (or higher-level product group). The product group turnover estimates are calculated by applying a simple expansion estimator to the sampled product group turnover for each stratum and then summing across strata. As a future development the use of an appropriate ratio estimator is being explored.

Where product groups in the existing structures are found to have negligible weights, or where respondents have indicated that a significant proportion of turnover belongs to an unidentified product group, changes are made to the family tree structures to ensure that they accurately represent corporate service activities in 2000.

Product weights

The product weights are derived from two factors:

- the base period turnover for the product
- a sample weight, to reflect the fact that the product also represents products from other, unsampled businesses.

The CSPI survey is stratified by industry and employment size-band (based on the employment variable on the IDBR). Within some industries, size-bands are combined in order to ensure that each contains a sufficient number of businesses. The sample weights are based on a ratio estimator using

register employment as the auxiliary variable. For each stratum, the number of employees in the stratum population is divided by the total number of employees in the stratum sample. Therefore, all respondents in the same industry and size-band have the same sample weight.

For businesses that provide a price for only one product for any given product group, the product turnover is the product group turnover for that respondent. For businesses that supply more than one product within the same product group, the product group turnover for that respondent is divided equally between the products they provide.

A respondent's product group turnover is either taken from the CSPI turnover survey (if the respondent was sampled and returned a value) or it is imputed. The imputation of a respondent's product group turnover again uses a ratio estimator with register employment as the auxiliary variable. The number of employees for the respondent is multiplied by a turnover per head factor for the stratum and by the product group weight (see section on *Product Group Weights* above.)

The turnover per head factor for the stratum is calculated using CSPI turnover survey data from those respondents that were sampled (and responded), along with their respective employment values from the IDBR.

Other developments to the CSPI

The CSPI dataset published in February 2004 also included the following developments:

- a substantial increase to the index sample size
- a redeveloped CSPI for *business telecommunications*
- a new CSPI for *banking*.

Recruitment of additional respondents and products

The rebasing project and the CSPI turnover survey provided the opportunity to increase the sample size of the index. The recruitment exercise has resulted in the number of respondents approximately increasing from 1,000 to 1,500 and the number of products from 3,500 to 5,000. The turnover survey was used as the sampling frame from which to recruit the new respondents. The additional respondents were allocated across strata based on an analysis of the coverage of the existing sample. The respondents were recruited in phases during 2002–03, with each phase covering from five to ten product classes. Therefore, data from the new respondents only affect the last few quarters of the 2000 based series, depending on when they were recruited.

Redeveloped CSPI for business telecommunications

The original business telecommunications CSPI was a proxy index calculated from prices collected from a variety of market sources, based on a set of profiles of 'typical' customers. The customer profiles were difficult to identify and maintain given the fast changing nature of the industry, driven by technological innovation, competition and regulation changes. Consultations with the industry regulator Office of Communications (Ofcom) confirmed concerns

regarding the lack of movement in the series, that is, the CSPI did not show the expected decline in prices, particularly in the late 1990s, brought about by increased competition.

The redeveloped index consists of a change to the family tree structure, the source data and pricing mechanism. Revenue and volume data are taken from Ofcom's quarterly census. Unit values are derived for the various product groups to track price movements, with the product group weights based on the relative revenues in 2000. The series now depicts a notable decline in business telecommunications prices in the late 1990s and this has had a substantial impact on the top-level CSPI.

New CSPI for banking

A new banking index has been developed under a joint working group comprising of the ONS, the Bank of England (BoE) and the British Bankers' Association (BBA) to ensure an appropriate index. The index covers loans and interest bearing deposits and is not intended to be a proxy for all banking services. The index utilises data from the statistical returns collected by the BoE and also data from the IDBR. The statistical returns include data on loans and deposits, interest earned and interest paid. Fees earned from lending services have been estimated. Such data have supported an approach based on the principles of FISIM (Financial Intermediation Services Indirectly Measured). The Banking index has a product class weight of approximately 3.2 per cent on a 2000 NSO basis and 2.9 per cent on a GSO basis.

Additional articles detailing the developments to business telecommunications (Hermiston, 2004) and banking (Allen, 2004) can be found in this edition of *Economic Trends*.

Impact Analysis

The headline series is the top-level CSPI (NSO) percentage growth, quarter on the same quarter a year ago, and this provides the starting point for the analysis. Note that, at all published levels, the 1995 based series are linked on to the 2000 based series at 1998 Q1 (that is, the 'link period'). The lowest level of publication is at the product class level. The 2000 based top-level series include the redeveloped business telecommunications index, the new banking index and the additional respondents, collectively termed as 'other developments'.

Figures 2 and 3 show that growth has predominantly been revised down for most periods in the series as a combined result of rebasing, and introducing the other developments described above. The effect of just rebasing and recruitment (that is, excluding the effects of business telecommunications and banking) is depicted by the dotted line in Figure 3.

For Q1 and Q3 1999 the total difference in growth is more than 3 per cent in magnitude, sufficient to push the CSPI into depicting a decline (negative growth) in prices for this period. The revision is less for more recent years.

Figure 3 also depicts the contributions of seven of the component product classes to the difference in top-level growth, that is, for those product classes deemed to have the most significant impact.

Figure 2

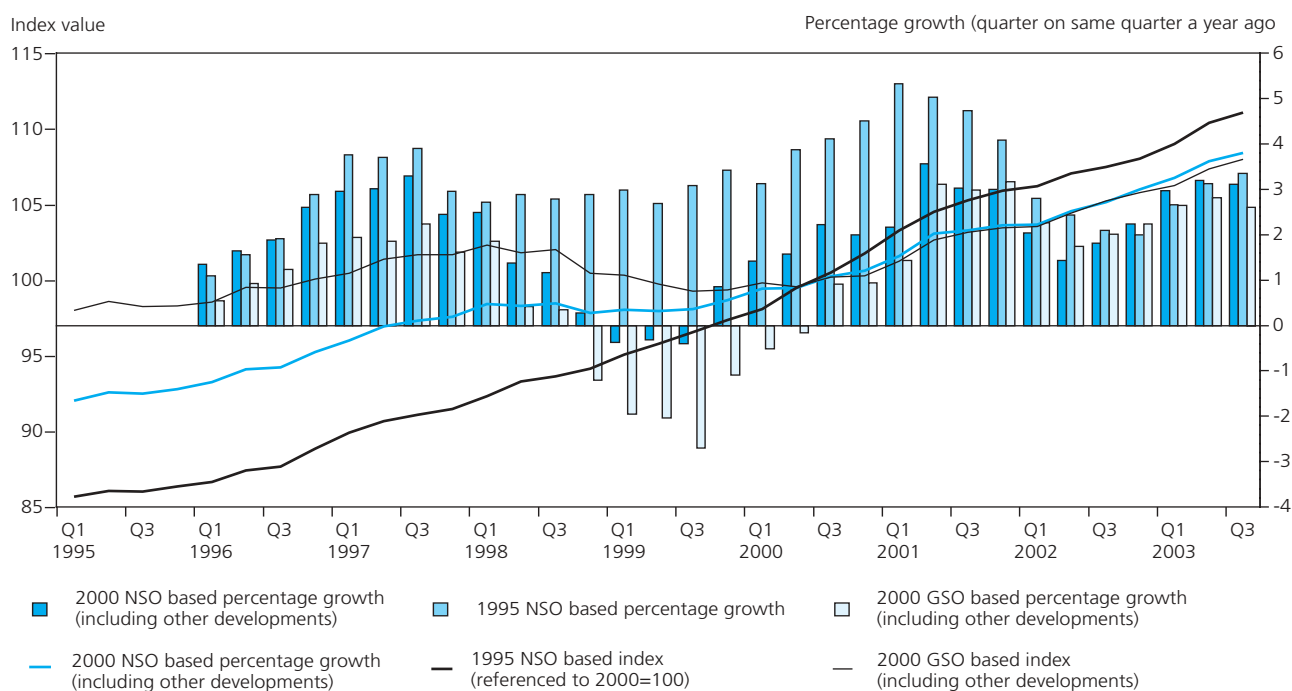
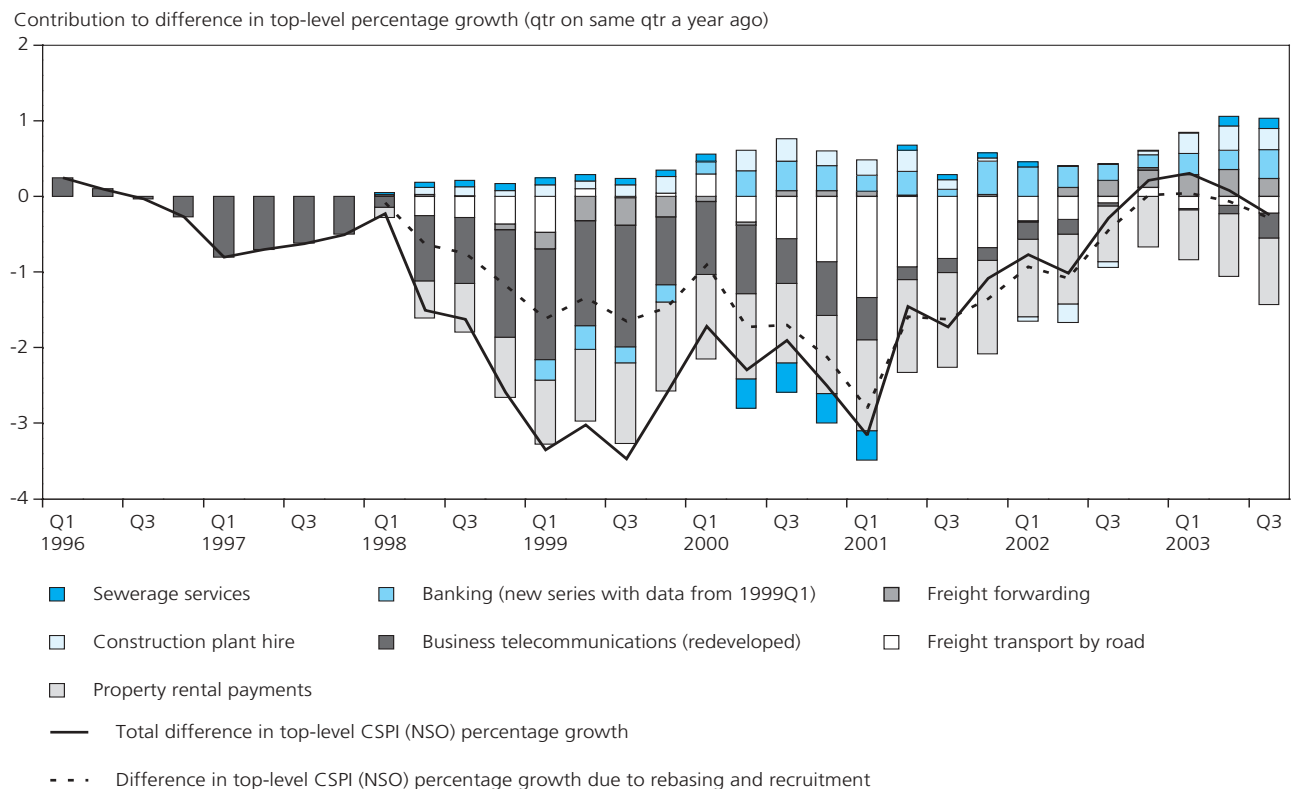
Top-level CSPI: comparison of 1995 and 2000 based indices and growth

Figure 3

Contributions of specific components to the difference in top-level CSPI (NSO) percentage growth between the 1995 based and the 2000 based equivalent (including other developments)

Impact of business telecommunications

The redeveloped business telecommunications CSPI has effectively been introduced to the 1995 based top-level index before rebasing. This has been done so that the impact of its redevelopment is included prior to the link period of 1998 Q1 in the 2000 based top-level index. Indeed, Figure 3 shows that it is the only component that causes a revision to growth in the top-level index prior to 1998 Q1. The redeveloped business telecommunications series depicts a much greater decline in prices in the late 1990s than the original series (see (Hermiston, 2004)). This substantially decreases the growth of the top-level CSPI. The impact is amplified after the link period because, as previously mentioned, re-referencing a component series that differs substantially in its movement compared to other components will revise growth in the aggregate index. The impact lessens over more recent years as the redeveloped telecommunications index flattens to depict a similar trend to the original series. These effects are slightly off-set by the reduction in its weight (NSO) within the top-level index, that is from 7.1 per cent on a 1995 basis to 5.4 per cent on a 2000 basis (see Figure 4).

Impact of banking

The new banking CSPI has data back to 1999 Q1 and so only contributes to the revision of the top-level index from this point onwards, as depicted in Figure 3. A 1995-based version of the index was not created, as there is no data prior to the link period. The series depicts a continual rise in prices with growth ranging from 2.8 to as much as 13.5 per cent in 2001 Q4 and so causes a positive revision to top-level growth. The new index has a NSO weight within the top-level of 3.2 per cent. Its introduction obviously causes a slight decrease to the top-level weights of all the other product classes.

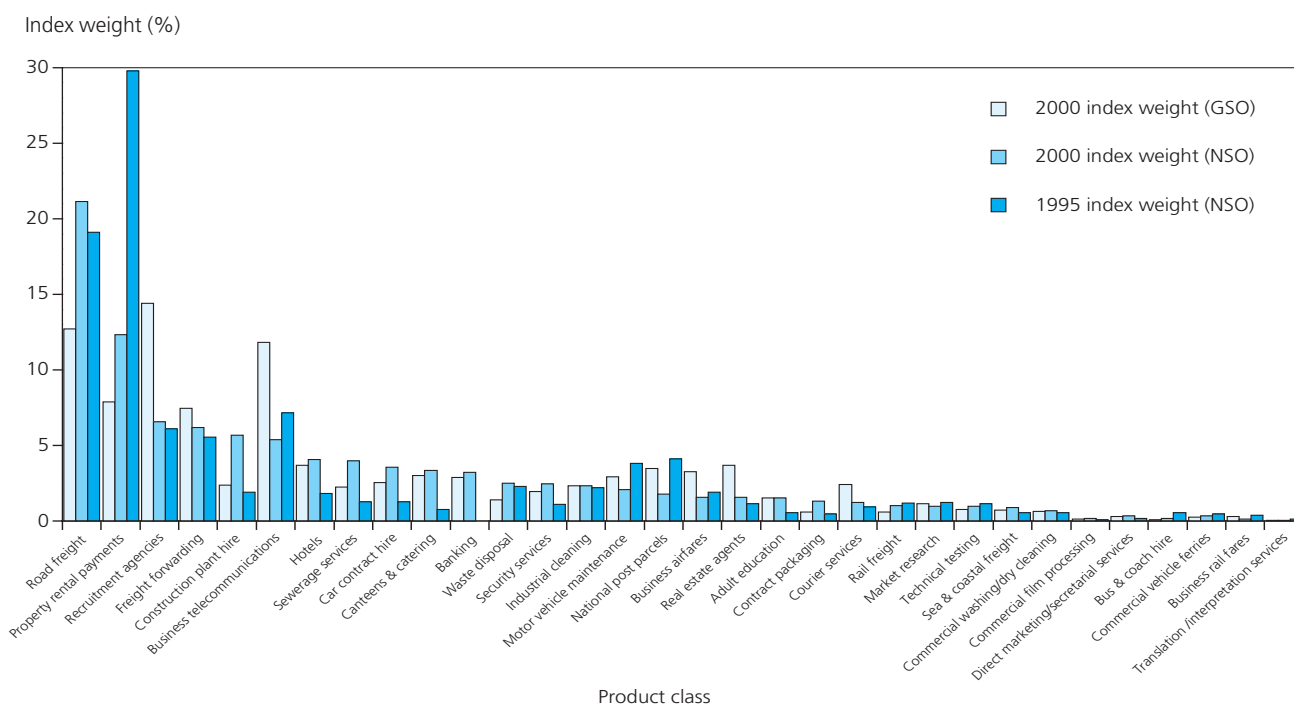
Impact of property rental payments

The Gross Income series from the Investment Property Databank Ltd (IPD) monthly index is used as a proxy for the property rental payments CSPI. The series depicts a steady rise in prices with growth ranging between 2.0 and 6.6 per cent. For the purpose of rebasing the proxy has been re-referenced to 2000=100, hence the growth of the series will not have changed. However, re-referencing has caused a slight negative revision to the growth of the top-level CSPI. The weight of property rental payments within the top-level has decreased substantially, from 29.8 per cent (NSO) in 1995 to 12.3 per cent in 2000 (see Figure 4). It is important to note that this is due to a change in the data source used to calculate the weight as opposed to an economic effect, that is the 1995 ABI data for the associated industry was unavailable when the 1995 weight was first calculated. This has caused sizeable and relatively constant negative revisions to top-level growth (see Figure 3).

Impact of freight transport by road

Figure 4 shows that road freight has the largest weight within the top-level CSPI on a 2000 NSO basis at 21.1 per cent, greater than its 1995 weight of 19.1 per cent. The product class index depicts positive growth in prices for most periods and so the increase in its top-level NSO weight causes a positive revision to top-level growth. However, this is offset by a reduction in the product class growth for most periods (although growth remains positive), particularly for quarters around 2001. The total contribution of this product class to the revision of top-level growth is negative and prominent for this period, as depicted in Figure 3.

Figure 4
Comparison of top-level CSPI weighting patterns



Comparison of top-level CSPI on a NSO and GSO basis

Figure 2 shows that growth is generally higher in the top-level CSPI when weighted on a net sector output basis as opposed to a gross sector output basis. The main reason for this is the large weight business telecommunications has on a GSO basis (11.8 per cent) compared to its NSO weight (5.4 per cent), as shown in Figure 4. Intuitively, this is to be expected. The increase in output to the gross sector (which includes users from the corporate service sector), compared to output to just the net sector, is likely to be proportionally larger for business telecommunications than it is for a product class such as road freight. The large GSO weight for business telecommunications, combined with the substantial decline in the index, results in reduced growth (or greater decline) in the top-level GSO index than the NSO equivalent.

Furthermore, product classes such as road freight and property rental payments, that have positive growth but smaller GSO weights in respect to their NSO weights, will have less of an effect on the growth of the top-level GSO index than they have on the NSO index. However, this is largely offset by the recruitment agency index that has both positive growth and the largest weight within the top-level GSO index. Intuitively one might expect recruitment agencies to have a relatively large turnover from users in the corporate service sector.

Future developments

The experimental CSPI is under a continual programme of development and quality assurance. A dedicated ONS development team is working on a programme to expand the coverage of the CSPI to include wider economic activity where there is substantial provision of corporate services. A quality assurance team is focusing on a programme of assessment and improvement.

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Appendix A

Publication, development and survey status by CSPI Product Class

Index description	SIC(92)	Number of of respondents or name of external suppliers if a proxy is used	Number of services/product groups prices are measured for	Number of separate quotes (products) collected per quarter	Price mechanisms	
Published indices – as at Feb 2004						
Maintenance and repair of motor vehicles	50.21	Yewtree.com Ltd and RPI	2	n/a	H	
Hotels	55.11		77	8	282	A,B,C
Canteens and catering	55.51		30	4	68	B,E
Rail freight	60.10		3	10	18	A,B
Business rail fares	60.10/1	Strategic Rail Authority (SRA)	2	n/a	A,H	
Bus and coach hire	60.23		91	7	386	A,B,D
Road freight	60.24		177	7	348	A,B,D
Commercial vehicle ferries	61.10/1		9	5	30	A,B,C
Sea and coastal freight	61.10/2		17	3	33	A,B,C
Business airfares	62.10/1		3	3	49	C
Freight forwarding	63.40		87	4	258	A,B
National post parcels	64.11	Parcel Force	1	n/a	H	
Courier services	64.12		53	9	228	A,B,C
Business telecommunications	64.20	Office of Communications (Ofcom)	10	n/a	H, I	
Banking services	65.12/1	Bank of England	4	n/a	H, I	
Property rental payments	70.21	Investment Property Databank	1	n/a	H	
Real estate agents	70.31		32	24	310	B,G,H
Car contract hire	71.10	Yewtree.com Ltd	1	n/a	H	
Construction plant hire¹	71.32		58	1	183	C
Market research	74.13		41	5	145	A,C
Technical testing	74.30		46	6	154	A
Recruitment agencies	74.50		115	13	488	B,G,H
Security services	74.60		62	7	175	A,B,C
Industrial cleaning	74.70		97	7	237	B
Commercial film processing	74.81		13	4	47	A,C
Contract packaging	74.82		41	5	60	B
Translation and interpretation services	74.83		10	6	196	A,C
Direct marketing / secretarial services	74.83		37	8	174	A,C
Adult education	80.42		65	5	183	A,C
Sewerage services	90.10	Office of the Water Regulator (Ofwat)	2	n/a	H	
Waste disposal	90.20		43	11	171	B,D
Commercial washing/dry cleaning	93.01		39	6	150	B,D
			1,246	4,373		
Indices undergoing development:						
Computer Services (Phase I)	Div 72		147	3	113	A,B,D,E,G
Computer Services (Phase II)	Div 72			6	238	B,D,E
Accounting	74.12		34	7	106	E,F
Placement Of Advertising	74.401/2	Various external suppliers		9	n/a	H
Architecture	74.2	No collection yet		9	n/a	E
Air Transport	Div 62	No collection yet	To be decided	n/a	To be decided	
Other Supporting Air Transport Activities	63.23	No collection yet	To be decided	n/a	To be decided	
Other Supporting Land Transport Activities	63.24	No collection yet	To be decided	n/a	To be decided	
Legal services	74.11	No collection yet	To be decided	n/a	To be decided	
Management Consultants	74.14	No collection yet	To be decided	n/a	To be decided	
Consulting engineer	74.2	No collection yet	To be decided	n/a	To be decided	
Quantity of Surveying	74.2	No collection yet	To be decided	n/a	To be decided	
Motion Picture, Video & News Agency Activities	92.1/4	No collection yet	To be decided	n/a	To be decided	
Radio & Television Activities	92.2	No collection yet	To be decided	n/a	To be decided	
Sporting Activities & Other Recreational Activities	92.6	No collection yet	To be decided	n/a	To be decided	
			181	457		

Price mechanisms key:

A = Actual transactions: monitor price for transactions of a particular kind.

B = Contract prices: monitor the periodic payments under a continuing contract.

C = List prices: monitor the list price for typical services from the price list.

D = Model prices: monitor price for a fictional service or contract.

E = Fee-based method, model fees: price or re-price on basis of time for a given mix of staff.

F = Fee-based method, fees per period: monitor total fees/total hours by activity/market.

G = Fee-based method, percentage-based fees: compute price on basis of fee percentage combined with other information.

H = Price data acquired from external suppliers.

I = Unit value method: turnover divided by volume.

1. Data provided by the Construction Plant Hire Association until 2002 Q3

Loan and deposit services from UK banks included in the experimental Corporate Services Price Index

Joanne Allen
Office for National Statistics

An experimental Corporate Services Price Index (CSPI) to cover loan and deposit services from UK banks has been developed jointly by the Office for National Statistics (ONS), the Bank of England (BoE) and the British Bankers' Association (BBA). The banking CSPI is not intended to be a proxy for all banking services.

The banking CSPI is an estimate of price movements in the service element of these products and so aims to strip out the funding element. It is the charge which banks make for acting as intermediary between would-be providers and users of funds and for a range of associated services. Given this is not explicitly charged for, but is incorporated within the margins between interest rates for loans and deposits, the methodology used is based mainly on interest data supplied by banks to the BoE.

The banking CSPI was published for the first time on 20 February 2004, for 1999 Q1 onwards. The series depicts an overall positive growth rate over the period covered.

Introduction

A previous *Economic Trends* article (Palmer, 2000) described progress on the experimental CSPI. This article is one of three within this edition of *Economic Trends*. It explains the scope of the banking CSPI, describes the joint working group consisting of representatives from the ONS, the BoE and the BBA, and indicates the data sources used. It then describes the pricing methodology applied to the banking CSPI, illustrates the resulting series and discusses the issues surrounding the current approach.

The rebasing article within this edition of *Economic Trends* gives a brief overview of the CSPI, describes the methods used to rebase the CSPI to the year 2000 and explains various other developments (Barford and Fenton, 2004). The other article describes the redevelopment of the business telecommunications CSPI (Hermiston, 2004).

The CSPI for UK banking services, the rebased top-level CSPI and the redeveloped business telecommunications CSPI were first published on 20 February 2004 in the Experimental Statistics section of the National Statistics website:
<http://www.statistics.gov.uk/cspi>.

Scope

A wide range of banking and other financial intermediation services are provided by banks to businesses. In seeking to measure price movements in the banking sector, it was decided that a joint working group, consisting of representatives from the ONS, the BoE and the BBA, would undertake the development work and that the group would concentrate initially on the loans and deposit services provided by UK banks to corporate customers. The banking CSPI outlined in this article should not be regarded as a proxy for all banking services. However, the work undertaken by the group and the understanding acquired during the development process provide a strong foundation for the investigation of possible future developments of the banking CSPI, beyond loans and interest bearing deposits.

The SIC (Standard Industrial Classification) sector targeted in the current banking CSPI is SIC 65.12/1 (that is, the Banks subsection of 65.12: Other monetary intermediation). SIC 65 covers *Financial Intermediation, Except Insurance and Pension Funding*.

The joint working group

In the early development of the banking CSPI, a joint working group was set up. There were several reasons for this. Firstly, it was recognised that the ONS should work jointly with the BoE and the BBA to achieve a successful mix of technical expertise to ensure an appropriate index. Pricing and charging for loan and deposit services is not explicit, but at least partly included within interest margins. It was

therefore clear that a sound knowledge of banking services would be required to develop a suitable proxy for prices. It was also recognised that some data were collected by the BoE that could be used to develop a methodology for estimating price data. Confidentiality of the data collected and held by the BoE was another issue that dictated the necessity of BoE involvement in the development of the price index.

Data sources

The BoE collects data, both for financial policy monitoring and for the ONS National Accounts. This includes data on average interest rates and banks' income and expenditure. Although the data from the BoE have been used to calculate the banking CSPI, their returns do not yield all the data needed. However, in the future, data from new BoE returns will go further in meeting the requirements.

Data from the ONS Inter-Departmental Business Register (IDBR) are also utilised, for adjustment purposes (explained later). The statistical returns collected by the BoE include data on loans and deposits, interest earned and interest paid. Fees earned from lending services have been estimated. These data have supported an approach based on the principles of FISIM (Financial Intermediation Services Indirectly Measured). If required, general background information on FISIM can be found on the United Nations Economic Commission for Europe website at <http://www.unece.org/stats/documents/ces/ac.68/2001/4.e.pdf>

Banking CSPI pricing methodology

Overview

Banks often provide services for which they do not explicitly charge. Paying or charging different rates of interest to lenders and borrowers covers the cost of providing these services and generates an operating surplus. This scheme of interest rates and margins avoids the need to charge customers explicitly for many of the services provided. It has therefore been necessary to derive an estimate for the service income, based on the interest margin together with explicit fees. It is recognised that the interest margin will also cover other costs to banks and to businesses such as the cost associated with the risk of default on a loan. We have assumed that these remain constant over time.

From the data collected by the BoE, it has been possible to calculate an estimate of service income and, in turn, calculate price sub-indices and associated weights for the four products: overdrafts, other loans and advances, interest bearing sight deposits and time deposits (a deposit where notice for withdrawal is required). The overdrafts and other loans and advances sub-indices have been aggregated to obtain a loans sub-index and the interest bearing sight deposits and time deposits sub-indices have been aggregated to obtain an interest bearing deposits sub-index. The loans and interest bearing deposits sub-indices have then been aggregated to obtain the banking CSPI. The structure of the banking CSPI is shown in Figure 1.

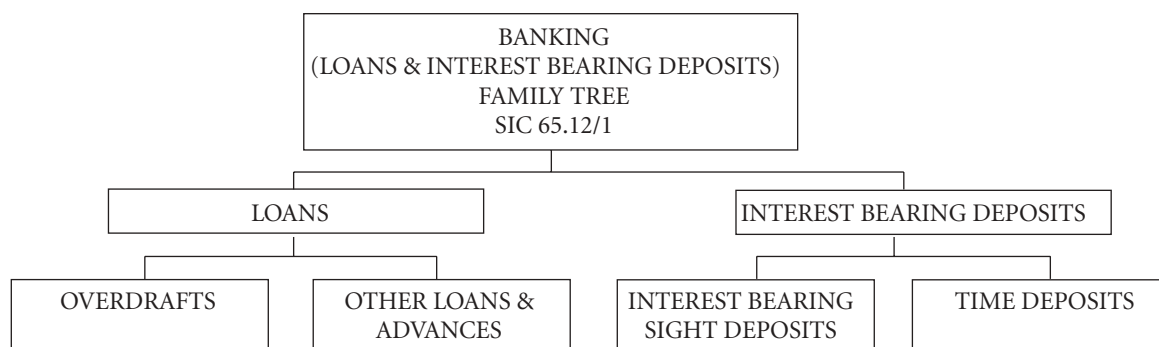
In the approach outlined in this article, the calculation of service income serves two purposes. The service income, adjusted to obtain service price, is used to derive the price sub-indices for the four products: overdrafts, other loans and advances, interest bearing sight deposits and time deposits. The standard product used is the servicing of a loan/deposit for an average quarter of 91.25 days. The base year's service income (that is, year 2000) is also used in the calculation of gross sector turnover (that is, the turnover generated by services provided to UK companies, including those in the corporate service sector, and government), for the purpose of fixing the weights at each level. The methodology and calculations involved in estimating a price index for banking, based on the available data, are detailed below.

Service income

For each product, the service income is the difference between the value of funds and the cost of funds, with an adjustment made for the number of days in the quarter. The value of funds is the sum of the income received or estimated as receivable at a reference rate, with cost of funds being interest paid or estimated as payable at a reference rate. The service income equations (and interim equations) for overdrafts and time deposits are provided in Equations 1 and 2 of Appendix A respectively, for illustration purposes.

Interest data have been gathered from the BoE's returns. Fees data for loans are currently estimated (following consultation with the BBA). The days adjustment applied in the service income calculation is the ratio of the number of days in a standard quarter (that is, 91.25 days) to the number of days

Figure 1
Structure of the current banking CSPI



in the actual quarter (that is, 90 days in quarter one, 91 days in quarter two, 92 days in quarter three and 92 days in quarter four). The days adjustment is applied to ensure that the same product is priced each quarter. As mentioned previously, the standard product used is the servicing of a loan/deposit for an average quarter of 91.25 days.

The repo rate is currently used as the reference rate, with an effective period of 14 days. The repo rate (short for sale and repurchase agreement) is the rate at which the Bank of England deals with its counterparts in the money markets. The majority of repo agreements have a 14-day maturity. The repo rate, also known as the base rate, is set by the Monetary Policy Committee to meet the Government's stated inflation target.

Price indices

Two further adjustments have been necessary, to convert service income to a measure of price. Firstly, because the data received relate to a sample of banks only, the service incomes need to be weighted up to estimates of population totals. Then, to obtain a price for each type of loan or deposit, these estimated totals should be divided by the corresponding number of loans or deposits. Unfortunately the numbers of loans and deposits are not available. It was therefore necessary to determine an appropriate proxy. In the absence of a more suitable proxy the joint working group has used the change in the quarterly count of the number of businesses outside SIC division 65 with annual turnover in excess of £1 million as a proxy for the change in the number of loans and deposits. It was necessary to apply the same proxy adjustment to all four products.

With the calculated service prices it was possible to calculate the price sub-indices for the four products: overdrafts, other loans and advances, interest bearing sight deposits and time deposits (as defined in Equation 3 of Appendix A, where the price sub-index calculations for overdrafts are illustrated). These sub-indices were then aggregated to obtain a loans sub-index and an interest bearing deposits sub-index (as defined in Equation 4 of Appendix A, where the price sub-index calculations for loans are illustrated). The product group indices were then aggregated to obtain a banking CSPI that aims to track the average price per loan and interest bearing deposit. (See Equation 5 in Appendix A.)

At each aggregation level it was agreed that the weights should be fixed in the year 2000 (that is, the current base year) and rebased every five years, to be consistent with existing CSPIs, and aligned with the usual ONS approach. To obtain a base-weighted index, turnover in the base year is required to determine the base year weights. It was agreed that the 2000 gross sector turnover (that is, the turnover generated by services provided to UK companies, including those in the corporate service sector, and government) for each of the four products would be derived from the estimated service income and then aggregated to obtain the gross sector turnover for the higher levels (as defined in Equation 4 of Appendix A). With a gross sector turnover value for each of the products and product groups, the associated weights were calculated as a ratio of the product's gross sector turnover to the product group's gross sector turnover.

With the gross sector turnover for loans and interest bearing deposits, the combined banking gross sector turnover was found. With this banking turnover, the weight of banking (loans and interest bearing deposits) in the current top-level CSPI is approximately 2.9 per cent on the gross sector basis.

The top-level CSPI is also published on a net sector basis, where the net sector weights reflect the net sector turnover in the base year (that is, the turnover generated by services provided to UK companies (and government) outside of the corporate service sector). An appropriate, currently available method of estimating the net sector turnover is by applying a net to gross sector ratio calculated from relevant data obtained from the Financial Statistics section of the National Statistics website. For deposits, this ratio is total business deposits, excluding those belonging to the corporate service sector, divided by total business deposits. A similar calculation applies to the net to gross sector ratio for loans. With the estimated net sector turnover, the weight of banking (loans and interest bearing deposits) in the current top-level CSPI is approximately 3.2 per cent on the net sector basis. For further information on gross and net sector see the rebasing article (Barford and Fenton, 2004) in this edition of *Economic Trends*.

Results

The results of applying the above methodology to obtain a banking CSPI are depicted in Figure 2. The banking CSPI is displayed along with percentage growth (that is, quarter on same quarter a year ago).

As can be seen from the banking CSPI and the positive growth rates, there is a general upward movement. This has been largely due to increases in loan balances well in excess of increases in the proxy for numbers of loans (leading to higher income per service output). A large part of the rise in loan balances over the last few years has been concentrated in the real estate sector.

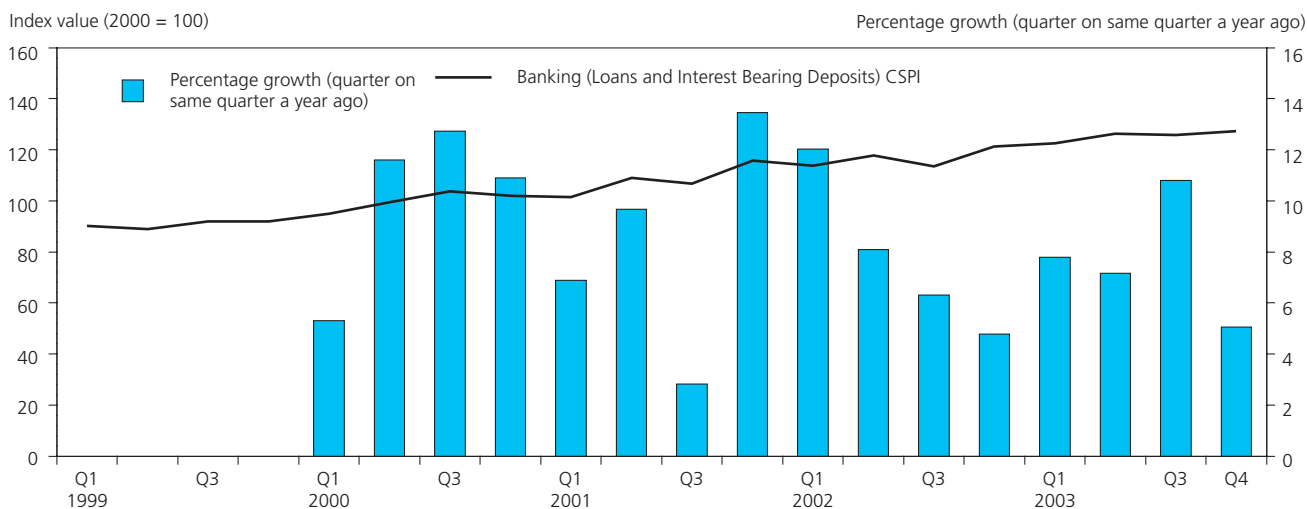
It is difficult to draw authoritative conclusions from such a short run of data, but as more data are collected (and if the index evolves through further development), a clearer indication of the movements within the banking CSPI should be able to be determined. Other possible factors determining movements in the index would be:

- the existence of some fixed rate lending. This could lead to a fall in the index as repo rate increases, and vice versa
- the reaching of a floor in deposit rates where it is no longer possible for banks to reduce rates as repo rate falls
- any timing differences between the changes in repo rate and the movement in interest rates charged/paid

Issues surrounding current approach

The approach applied in the calculation of the banking CSPI represents an advance against the challenge of pricing banking services. In this approach, the calculation of service income and weighting patterns are approximated, recognising the underlying complexity of banking service pricing. Based

Figure 2
Banking CSPI with percentage growth



on the available data, the developed banking CSPI is an appropriate initial measure of the price for the considered subset of banking services.

A number of issues have been raised during the development of the banking CSPI. These are outlined below.

Different types of banks/pricing policies

Consultations about pricing policies were carried out by the BoE with a number of banks. These highlighted a number of differences between high street clearing (retail) banks, compared to investment banks. For example, investment banks tended to concentrate their business on large corporations; that is, typically those in the FTSE 100. Retail banks' lending volumes were mainly with medium sized corporations. Lending to large corporations is mainly referenced initially to LIBOR (London Inter-bank Offered Rate) and then is often a fixed rate thereafter. Lending for medium sized corporations tends to be priced as a margin over the repo rate, with a small proportion of fixed rate lending. The larger corporations are relatively small in number and have a variety of ways of raising debt, thereby are not currently the main drivers of bank lending to corporations. Lending volumes are mainly driven by the medium sized corporations, with small businesses, while large in number, borrowing relatively small amounts.

The fees element

It has been acknowledged that a potential weakness of the current approach is that the fees element is not separately identifiable for loan and deposit services (nor for the different types of loans) to businesses (that is, private non-financial corporations). However, there is a new questionnaire to be used by the BoE that will collect such data from 2005 onwards. It will also include similar breakdowns for current account charges and for investment banking, advisory, brokerage and underwriting services, which, if required, should assist future development of the banking services CSPI beyond loans and interest bearing deposits.

As fees data are currently reported in total only, loan fees have been estimated as 15 per cent of the total fees reported, following consultation with the BBA, and deposit fees are zero. Also, as there is currently no fees split available between overdrafts and other loans and advances, a provisional 50:50 allocation has been used between the two products, with a view to improving the allocation once data are available from the new questionnaire returns.

There is a further issue with the fees element in that the data used for estimating the loan fees will not be available in time for each quarterly publication date. The BoE will therefore provide an approximation for each quarter's publication and, if necessary, it will be revised the following quarter. This is not regarded as a major problem at this time as the fees data are not volatile and have a small impact on the overall figures. To allow for this latency, at each publication the latest index value will have a provisional status.

Products

The joint working group agreed that breaking the product groups (loans and interest bearing deposits) down further into overdrafts, other loans and advances, interest bearing sight deposits and time deposits would supply more appropriate weightings and a more reliable banking CSPI. However, the decision was made to exclude non-interest bearing sight deposits (that is, current accounts) at this time. This is because, as well as the account gaining no interest, there will usually be explicit service charges, either on a per debit/credit item basis or based on the account turnover. These service charges are important, but data for a representative sample of businesses are not currently available. Since there is some cross-subsidisation between fees charged and the average balances held in an account (and hence interest foregone), pricing this product on the basis of interest only could be misleading. The new BoE return will however collect data on service charges and so it may be possible to consider the introduction of non-interest bearing sight deposits in the future.

Coverage

The banking CSPI only covers loans and interest bearing deposits. It has been estimated that loans and deposits account for approximately 45 per cent of total banking activity. Service incomes for loans and interest bearing deposits are not an appropriate proxy for the other services that banks provide.

The sample of banks was selected on the basis of maximising coverage while minimising the number of banks (25 banks are currently sampled). The sample therefore represents the largest establishment of banks, and a reasonable national coverage has been ensured. The fact that the banks have not been selected in a random way introduces bias, but this is likely to be minimal due to the high sample coverages. The BoE are confident that the business of non-sampled banks is unlikely to differ considerably in price from that of the sampled banks.

The sample coverages (that is, the percentage of loan/deposit volume covered by the sample of banks) for overdrafts, other loans and advances, interest bearing sight deposits and time deposits differ, but the coverage for each is high. For overdrafts, the sample coverage has stayed more or less the same, around 89 per cent, from 1999 Q1 to 2003 Q4. In the same period, the other loans and advances sample coverage has increased from approximately 62 to 74 per cent, the interest bearing sight deposits sample coverage has increased from approximately 83 to 89 per cent and the time deposits sample coverage has increased from approximately 70 to 74 per cent.

Choice of reference rate

Various different market rates, to act as reference rates in the service income calculations, were considered. These include the repo rate, one month and three month LIBOR (London Inter-bank Offered Rate) and swap rates. Evidence from discussions with banks, supported by statistical analysis of available data, suggested that the repo rate is the most widely used reference rate to determine pricing. Therefore, the repo rate has been used as the reference rate in the service income calculations.

Repo rate was outlined earlier. The LIBOR (London Inter-bank Offered Rate) is the rate on dollar-denominated deposits, also known as Eurodollars, traded between banks in London. The swap rate is a market rate for fixed rate funds for use in swap transactions, where a fixed rate interest flow on a notional principal sum can be bought or sold in exchange for a floating rate interest flow.

Adjustments from service income to service price

There has been much consideration of the need to adjust the service income (to obtain service price) to account for the changing number of loans and deposits and for the changing sample coverage. As there is currently no way of determining the actual number of loans and deposits, the joint working group has used a quarterly count of UK businesses from the ONS IDBR, with an annual turnover in excess of £1 million and categorised outside the banking SIC 65 division, considering it to be the best available proxy for the number of

loans and deposits. The turnover threshold of £1 million has been applied to avoid volatility arising from the number of small UK businesses. An adjustment for the changing sample coverage has also been applied.

Weighting in the top-level CSPI

In addition to the recent interest in considering the use of the banking CSPI as a deflator in the Index of Services (IoS), the development of a banking CSPI supports the overall aim of increasing the coverage of a top-level CSPI to represent price movements in the corporate services sector as a whole. This requires each index (such as banking) to have a weighting relevant to the base year (currently 2000). Output information for banking is not available from the source used for most other existing CSPIs. Therefore, the working group have used the estimated service income for the year 2000, considering it to be the most appropriate, available representation of the banking (loans and interest bearing deposits) gross sector turnover for 2000. As mentioned previously, an appropriate, currently available method of estimating the net sector turnover is by applying a net to gross sector ratio calculated from relevant data obtained from the Financial Statistics section of the National Statistics website. For deposits, this ratio is total business deposits, excluding those belonging to the corporate service sector, divided by total business deposits. A similar calculation applies to the net to gross sector ratio for loans.

Conclusions

The banking CSPI was first published in the February 2004 release of the experimental CSPI. It provides a FISIM-based price index for loans and interest bearing deposits and represents an advance in pricing banking services.

The index is still under development and should not be regarded as a proxy for all banking services. However, the development of the index provides a future basis on which the expansion in coverage of banking sector activities and the refinement of the applied statistical methodology may be achieved.

Acknowledgements

ONS would like to thank the representatives from the BoE and the BBA for their involvement in the development of the banking CSPI.

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Appendix A

Equation 1: Service income for the loan products

Service income is calculated separately for overdrafts and other loans and advances. The service income equation and the interim equations for overdrafts are illustrated, but the equations for other loans and advances have the same format and so have not been illustrated.

$$\text{Overdraft service income} = (\text{overdraft value of funds} \times \text{days adjustment}) - \text{overdraft cost of funds}$$

where

$$\text{value of overdraft funds} = \text{overdraft interest} + \text{overdraft fees}$$

and

$$\text{Cost of overdraft funds} = \text{overdraft balance} \times \ln \left[1 + \text{reference rate\%} \times \frac{\text{effective period}}{36500} \right] \times \left[\frac{91.25}{\text{effective period}} \right]$$

This formulation ensures the correct conversion from the repo rate payment basis.

Equation 2: Service income for the interest bearing deposit products

Service income is calculated separately for interest bearing sight deposits and time deposits. The service income equation and the interim equations for time deposits are illustrated, but the equations for interest bearing sight deposits have the same format and so have not been illustrated.

$$\text{Time deposit service income} = \text{value of time deposit funds} - (\text{cost of time deposit funds} \times \text{days adjustment})$$

where

$$\text{Value of time deposit funds} = \text{time deposit balance} \times \ln \left[1 + \text{reference rate\%} \times \frac{\text{effective period}}{36500} \right] \times \left[\frac{91.25}{\text{effective period}} \right]$$

and

$$\text{Cost of time deposit funds} = \text{time deposit interest}$$

Equation 3: Price sub-index at the product level

The price sub-indices at the product level are calculated separately for overdrafts, other loans and advances, interest bearing sight deposits and time deposits. The price sub-index equation and the interim equation for overdrafts are illustrated, but the equations for other loans and advances, interest bearing sight deposits and time deposits have the same format and so have not been illustrated.

Overdraft sub-index =

$$\frac{\text{overdraft service price in current quarter}}{\text{average overdraft service price in 2000}} \times 100$$

where

$$\begin{aligned} \text{Overdraft service price} &= \text{overdraft service income} \\ &\times \frac{\text{average no. of companies in 2000}}{\text{no. of companies in current quarter}} \\ &\times \frac{\text{average overdraft coverage in 2000}}{\text{overdraft coverage in current quarter}} \end{aligned}$$

Equation 4: Price sub-index at the product group level

The price sub-indices are calculated separately for loans and interest bearing deposits. The price sub-index equation and the interim equations for loans are illustrated, but the equations for interest bearing deposits have the same format and so have not been illustrated. Also note that overdrafts is illustrated in the interim equations, but the interim equations for other loans and advances, interest bearing sight deposits and time deposits have the same format and so have not been illustrated.

$$\text{Loans sub-index} = (\text{overdraft sub-index} \times \text{overdraft weight}) + (\text{other loans and advances sub-index} \times \text{other loans and advances weight})$$

where

$$\text{Overdraft weight} = \frac{\text{overdraft turnover}}{\text{overdraft turnover} + \text{other loans and advances turnover}}$$

and

$$\begin{aligned} \text{Overdraft turnover} &= \frac{2000 \text{ Q1 overdraft service income} \times 100}{2000 \text{ Q1 overdraft coverage}} + \\ &\frac{2000 \text{ Q2 overdraft service income} \times 100}{2000 \text{ Q2 overdraft coverage}} + \\ &\frac{2000 \text{ Q3 overdraft service income} \times 100}{2000 \text{ Q3 overdraft coverage}} + \\ &\frac{2000 \text{ Q4 overdraft service income} \times 100}{2000 \text{ Q4 overdraft coverage}} \end{aligned}$$

Equation 5: Banking index

The price index equation and the interim equations for banking are illustrated. The interim equations illustrate loans, but the interim equations for interest bearing deposits have the same format and so have not been illustrated.

$$\text{Banking index} = (\text{loan sub-index} \times \text{loan weight}) + (\text{interest bearing deposit sub-index} \times \text{interest bearing deposit weight})$$

where

$$\text{Loan weight} = \frac{\text{loan turnover}}{\text{loan turnover} + \text{interest bearing deposit turnover}}$$

and

$$\text{Loan turnover} = \text{overdraft turnover} + \text{other loans and advances turnover}$$

A redeveloped business telecommunications Corporate Services Price Index

Keith Hermiston

Office for National Statistics

- The experimental Corporate Services Price Index (CSPI) has introduced a redeveloped business telecommunication index, which is now based on a unit value method, replacing the previous rate method of pricing. The redeveloped business telecommunication index was released with the 2000=100 rebased CSPI dataset on 20 February 2004 and reflects better the recent market competition within the telecommunications sector, which has seen a considerable fall in the recognised price of business telecommunication services.
- This article discusses the recognised challenges and options in developing a price index for the dynamic, business telecommunication service sector, which is driven by the rapid technological change and strong market competition. The advantages and limitations of the new, unit-value methodology are discussed and the resulting series assessed against market information. It is concluded that the new business telecommunication CSPI pricing methodology supports a more representative, flexible and homogeneous structure of services, which accommodates better the marketing patterns observed in the telecommunications sector and is suitable for future expansion.

Introduction

The experimental Corporate Services Price Index (CSPI) measures quarterly price changes in the provision of domestic corporate services by businesses to other businesses and to central and local government. Services provided to private individuals or to companies operating outside the UK are out of scope for the CSPI. The history and achievements of the CSPI have been reported previously in *Economic Trends* (Price, 1996; Skipper, 1998; Palmer, 2000).

The CSPI has been recently rebased to the year 2000, with the methodology and impact reported in an accompanying article, in this edition of *Economic Trends* (Barford and Fenton, 2004). The article includes an impact assessment of the introduction of the redeveloped business telecommunications CSPI into the top-level index. Towards the objective of increasing the CSPI coverage of UK corporate service activity, a new banking CSPI has also been released in the rebased dataset of February 2004. The scope and methodology applied in the development of the banking CSPI is reported in an accompanying *Economic Trends* article (Allen, 2004).

This article reports the redevelopment of a price index for the provision of business telecommunication services. The telecommunication sector is known to be globally dynamic in both structure and service products as a result of a regulatory regime which promotes strong market competition, rapid technological advance and a complex price and discounting practice. The first part of this article examines the changing telecommunications sector and service products. The second part explains both the methodological options for a business telecommunications price index and the method implemented in the new CSPI. The third part of this article analyses the new business telecommunications CSPI levels and growths and compares the characteristics with market information. The last section looks ahead to the future services that will be provided by the business telecommunication sector and indicates how the new CSPI could evolve to track those changes.

The telecommunications service sector

Telecommunications is a very dynamic industry, which is susceptible to both rapid changes in technology and rapid customer movement to new services. It is one of the most challenging services against which to capture current price movements. The UK telecommunications sector had an estimated turnover of £41.6 billion (Source: ONS Annual Business Inquiry) in 2001/02. The strongest, recent growth in the UK telecommunications market has been in Internet and mobile services. There is an underlying, global movement towards future communications convergence, which may see the integration of telecommunication services with IT services (telephone, computer and television). This makes both a telecommunications

structure model and representative service product weightings a challenging problem to establish and maintain. The telecommunications sector appears to change contract conditions on services as frequently as price changes, supporting the need for an appropriate quality adjustment method. Owing to the global importance of business telecommunications in many countries, national price indices have been widely developed.

The services of the UK telecommunications sector may be appropriately partitioned into two dominant groups; fixed line and wireless (mobile) communications. The output of fixed line telecommunications may be considered to be the provision of voice or data communications, over a telephone line. The output of the mobile telecommunications may be defined as the connection and transmission of voice or data over a radio-frequency network.

Other major telecommunication services include the provision of interconnection services and the provision of, and delivery of services over, leased lines. Interconnection services include the carriage of voice and data traffic for service providers over alternative networks. The provision of leased lines allows companies to operate on a dedicated communications link, with high-bandwidth and digital technology. This saw strong, corporate growth in 2001/02. The UK telecommunication sector has also recognised recent, small growth in fixed line service provision, driven by the business customer seeking conversion from analogue to digital transmission, such as ISDN. Recent increases in Internet growth now sees 63 per cent (2001/02 figures) of UK businesses with Internet connectivity. The fastest growing area of the mobile market in 2001/02 was the Short Message Service (SMS) text messaging service. Services are priced using a mixed scheme of fixed recurring charges, fixed non-recurring charges and variable usage-charges.

Pricing methodology

Options for pricing telecommunication services

There are three dominant pricing methods for estimating telecommunication prices. Those methods are the *billing* method, the *rate* method and the *unit-value* method. This section seeks to explain the advantages and limitations of each method and the reason for the introduction of the unit-value method as the preferred CSPI method.

The billing method

The bill method of pricing offers the advantage that it is relatively straightforward, in theory, to implement. The method requires that a representative sample of telecommunication customer bills are surveyed and the prices for each telecommunication service are collected. The sampled bills in the base year would then define the service product weighting patterns for subsequent index compilation. There is an underlying assumption that the calling patterns of customer bills in subsequent surveys will be the same as those of the base year. Experience has shown that this assumption is unlikely to be correct. However, the calling patterns collected

for the base year could be re-priced using the current rates and discounts, thereby monitoring a price change. The disadvantage of this method is that telecommunications bills are often complex in that a level of use of some services may provide a discount in another service on the bill. The survey respondent is required to be knowledgeable about the complex pricing schemes employed by the telecommunication service providers. An additional weakness of this method is that business bills will often range in their complexity, which has been found (from US experience) to bias the survey response to those sample units, who had smaller, less complex bills. Those businesses with more complex bill structures were found to be less likely to respond in a survey. The marketing of bundled telecommunication products to companies, which complicates the distribution of charges in bills, places an unacceptable burden on the survey respondent and has caused the bill method to fall into disfavour. Although this methodology was introduced into the US in 1995, it has since been replaced, for the reasons stated.

The rate method

The rate method involves studying the changing value of rates for common business telecommunication services. A price index is constructed using a set of profiles of typical, customer services. However, the identification of a representative set of profiles of typical customers (which remains valid over time) can prove to be difficult, given the fast changing nature of the telecommunications sector.

The rate method was adopted in the initial UK CSPI for business telecommunications. The rates were provided by Tarifica, a private telecommunication-sector analysis service, for the fixed line market and from 'What Cellphone' magazine for the mobile market.

Technological innovation is a major factor that has a substantial impact on the demand patterns for telecommunication services. The initial CSPI approach excluded call charges between the fixed and the mobile markets, Internet connection charges, text messaging, roaming and discounting because these were not significant or in existence at that time. It was found that the methodology was too rigid to deal with a rapidly changing sector and lacked the ability to incorporate new services as they became available. Changes in demand ought to have led to changes in the weights within the index (since the weights are based on revenue) to avoid major bias.

An additional problem encountered with the rate method was discounting. In the fixed line and mobile markets, increased competition within the sector resulted in an increase in discounts offered to new customers as service providers tried to acquire a greater share of the market. Increased bargaining power of the consumers (including businesses) was another factor that had a strong impact on the scale of discounts offered. The rate method did not capture the discounting component leading to a bias of the index. Insufficient account was also taken of changes in mobile contracts and migration from one provider to another.

After consultations with the UK Office of Communications regulator (Ofcom), previously the Office of Telecommunications (OfTel) it was concluded that the index appeared to be too flat, especially in the late 1990s. During that period a considerable decline in the level of the index would have been expected. The implication was that the index was unlikely to represent the true price as it failed to account for substantial price changes brought about by increased competition.

It was recognised that the rate method was not the most appropriate approach to measure the price changes within an industrial sector characterised by substantial changes in demand. Other national statistics institutes have also employed the rate method, including the US and Canada, and have found similar weaknesses.

The unit-value method

A price index, based on the unit-value method produces the smallest level of aggregation by obtaining a unit-value, defined as the ratio of revenues in pounds to volumes in minutes, for a homogeneous group of telecommunication products. The unit-value approach is the method that has been adopted by the Office for National Statistics (ONS) for the new business telecommunication CSPI. Since all ONS CSPIs are constructed using the Laspeyres formula, homogeneity of products is an important precondition, necessary for the development of an appropriate and representative price index.

The new index is constructed by aggregating sub-indices for the fixed line market and the mobile market, as depicted in Figure 1. Quarterly census data collected by Ofcom, for the fixed line market, is sufficiently detailed to differentiate clearly between the usage (variable) charge and recurring (fixed) charge products of the fixed line market. The variable charge product is disaggregated further into local, national, international, calls to mobiles and other calls (including Internet) while the fixed charge product is disaggregated into connection and rental sub-products. The mobile sub-index is disaggregated into calls and fixed charges, SMS messaging and connection charge sub-products. The CSPI disaggregation of service products has achieved relatively homogeneous groups that enable a more representative price index to be constructed than was the case with the rate method. Note that data is available separately for business and residential use of fixed line services, but this split is not available for mobiles. However, an assumption has been made that the revenue ratio of 'calls to mobile' from business and residential fixed-line services is maintained for calls made from mobiles. No information is currently available to confirm or invalidate this assumption. The ratio is applied at the mobile sub-index level and thereby is assumed to be equally valid for the SMS calls and connection-charge service products, within the 'mobile' branch of the telecommunications service structure.

The unit-value method calculates an average price at a detailed level of aggregation that yields a proxy estimate, rather than a true value. The unit-value approach is considered to be more appropriate than the rate method, which is characterised by a large bias and difficulty in

maintaining a constant quality of index. The unit-value approach offers advantages over the bill and rate method, particularly when services are bundled and service charge is tied to usage. However, a potential disadvantage of the unit-value pricing approach is through the potential creation of inhomogeneous product groups. The development of a fully representative index for telecommunication services is seriously hampered by changes in the quality or the emergence of new products (due to frequent technological advances) that leads to changes in demand. As already mentioned, changes in demand lead to changes in weights (since weights are based on revenue) which implies that the weights used in the index following the introduction of new products become out of date. Hence, a potential problem with the unit value approach may arise in the future should we fail to augment the index to avoid the emergence of a new service bias. Indeed, this is a problem for all pricing methodologies. The weighting of a new service into the service structure of Figure 1 is problematic, if the index does not have data available for the base year of the index. To align with other CSPIs, the business telecommunication index has been implemented as a Laspeyres index with five-year rebasing of weights.

The change in the use of the existing services is not considered to be such a problem with the unit-value approach as with the other pricing methods, as the service product groups in the family tree will retain the migration of business consumers between old and improved services, thereby retaining the revenue within the groupings.

The new business telecommunication CSPI receives revenue and volume data from a quarterly census on fixed line and mobile markets compiled by the UK communications regulator, Ofcom. The new CSPI price index series for business telecommunications, based on the unit value approach, is depicted in Figure 2. The series is based in the year 2000 and, owing to a latency in the quarterly data provision, the Holt-Winters (non seasonal) exponential smoothing method has been used to forecast data for the latest quarters. The Holt-Winters forecasting method has been used at product group level (that is, at the fixed line and mobile level) as fixed line data lags by two quarters and mobiles data lags by one quarter. This means that the available mobile data is utilised. Rather than using the forecast index value, the forecast growth rates have been used. The residuals will be monitored over time, but at present, this appears to be the most appropriate available forecasting method. Given the fact that forecasting is necessary, the last two quarters of the series will have a provisional status.

The new telecommunications price series

Index analysis

It is observed in Figure 2, that the newly developed business-telecommunication CSPI series captures a steeper decline in service price than the previous index based on the rate method. In the late 1990s government deregulation of the fixed and mobile markets, combined with a generally favourable UK economic environment, led to the strong

Figure 1
The business telecommunication service structure

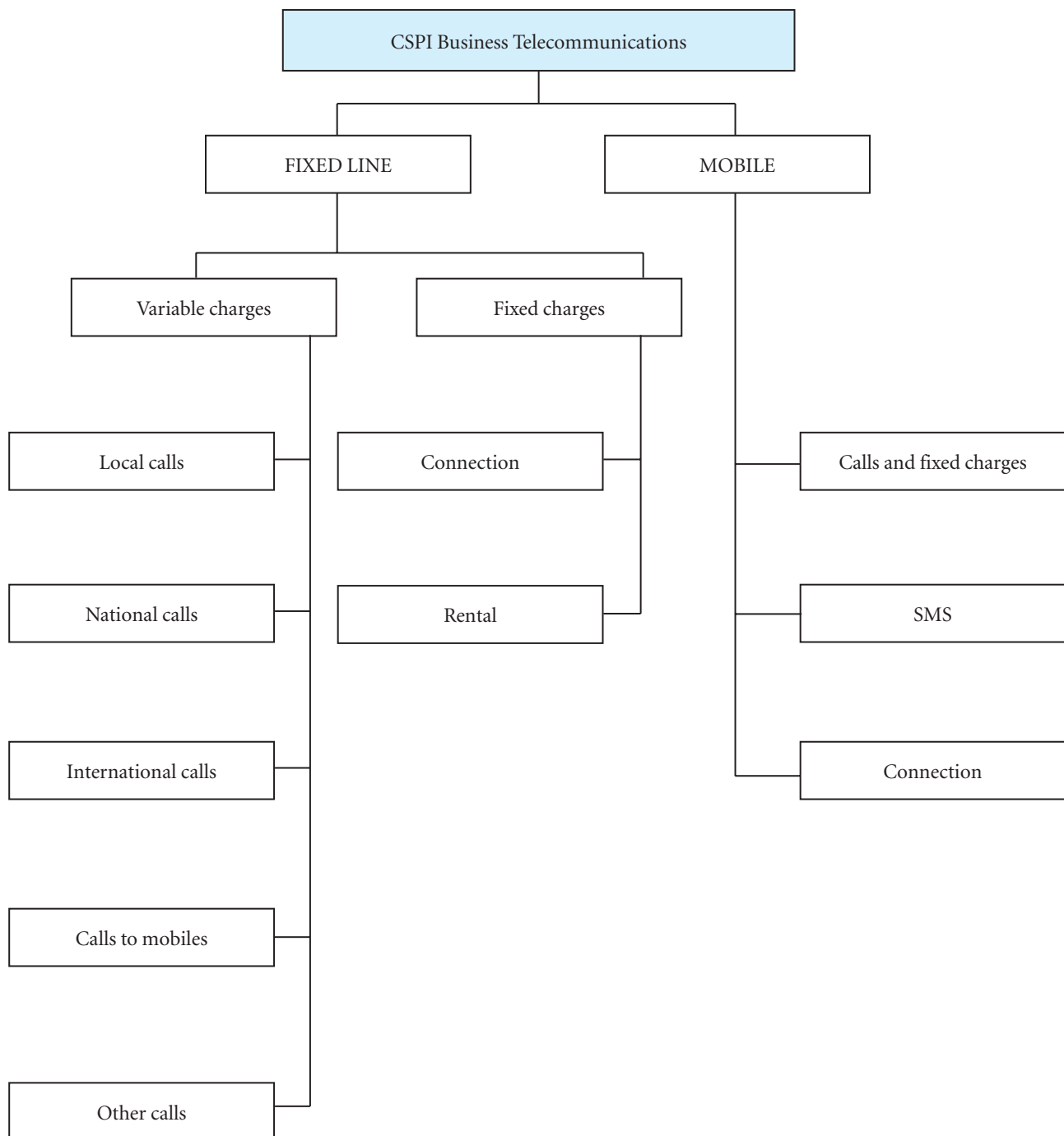


Figure 2

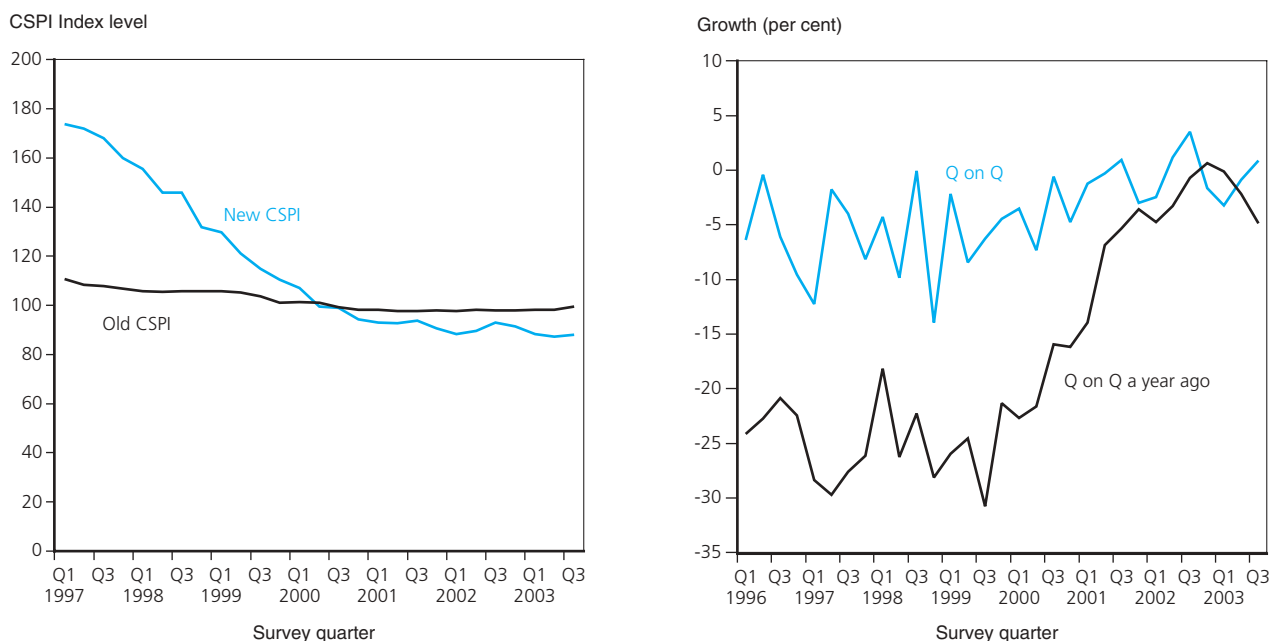
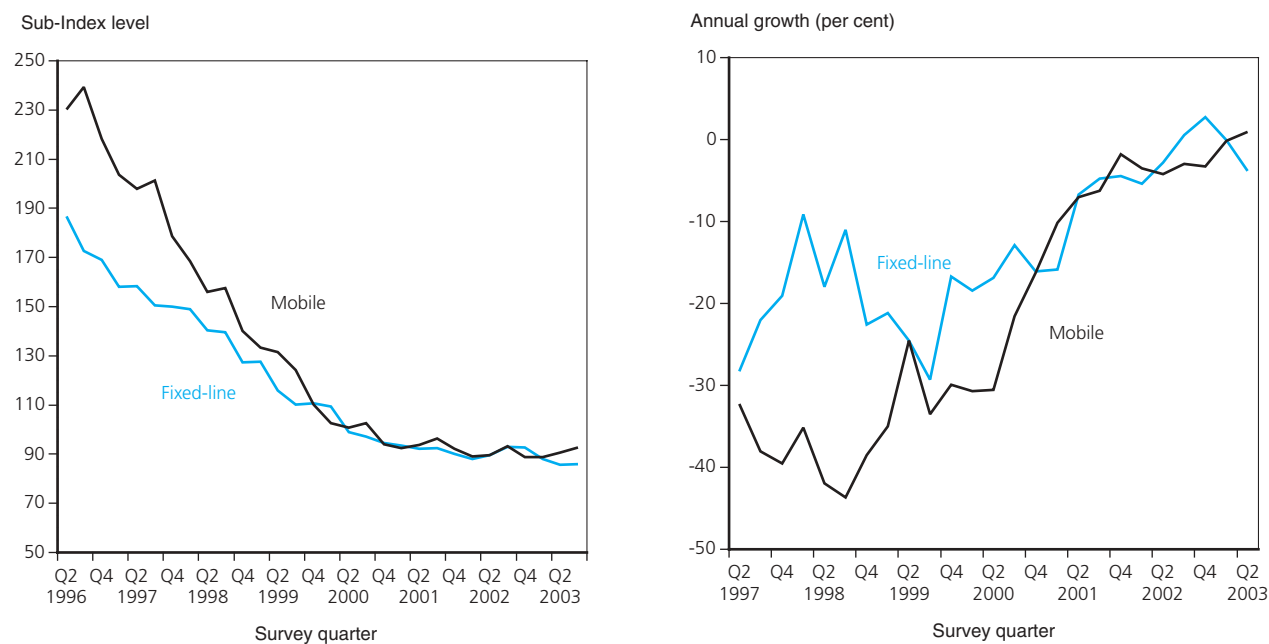
Comparison of old and new CSPI for business telecommunications and the new CSPI growth

Figure 3

CSPI business telecommunications fixed-line and mobile sub-indices

competition for new and existing customers. However, the index based on the rate methodology failed to account for any major price changes. Between 1997 and 2002 the index decreased by just 11 per cent. Over the same period, the index based on the unit value methodology decreased by 48 per cent, which better represents the telecommunication sector's understanding of the true movement of prices within the industry. Attention to the growth rates of its sub-indices (depicted in Figure 3) indicates that there was a substantial decrease in the mobile index throughout the period. This corresponded to a period of intense price competition between the four, major mobile-service providers. Over

the last three years the telecommunication companies have largely consolidated their positions within the market, and have reduced price reductions significantly.

Until recently, the market for fixed telephony in the UK was an example of a near monopoly, with the market almost entirely dominated by a single service provider. The consequent lack of any competition, prevented substantial price decreases. However, since the mid 1990s, government deregulation (combined with further regulation of existing suppliers) and technological innovation have allowed new service providers to enter the market.

Increased competition within the fixed line market over the last six years has resulted in substantial price decreases, as depicted in Figure 3. Between 1997 and 2002, the price index has decreased by 43 per cent. In fact, over 2001 and the first half of 2002, we have seen periods of greater price decreases within the fixed line market than within the market for mobile phones. That is, 8 per cent decrease in the fixed line market, as opposed to a 2 per cent decrease in the market for mobile phones.

Index improvement

Maintaining the homogeneity of products at the lowest level of aggregation is an important factor in the construction of an appropriate and representative Laspeyres price index for business telecommunications. An area of potential index improvement could be the future disaggregation of the 'other calls' category of the fixed line product group. Although, this group is currently dominated (90 per cent) by dial-up internet services, the movement to broadband internet access could merit a separation of the dial-up internet-service activity from the other service products. Indeed, it could be argued that in the future this group should constitute a completely separate sub-index within the overall index (on the same status as fixed line and mobile markets). However, since this is essentially a fixed line service, there is presently no need to create a completely separate sub-index. The continuing increase in broadband services to corporate customers (currently estimated to be a third of UK Small and Medium Enterprises) for Internet connection is not currently represented in the index. Increasing use of this service could provide another product within the 'fixed charges' family of products under the 'fixed-line' product-group or create a separate product group under the 'fixed-line' product class.

There may also be future potential to divide the 'international calls' service group through further disaggregation into Europe1, Europe2, North America and 'other' price categories. However, over the last few years, the telecommunications consumer has seen a price convergence between the rates for Europe1 and North America. Furthermore, Europe1 and much of Europe2 markets are likely to merge this year, following the expansion of the European Union eastward. In view of this, there is no immediate need to disaggregate further this group of products.

It should be noted that the growth rates of the new CSPI series for business telecommunications, depicted in Figure 2, have been revised prior to the rebasing link-period of Q1 1998. Owing to the price and weights data not being available for the previous CSPI 1995 base year, the series has been backcast from Q2 1996. It is likely that the business telecommunication series will be subject to further revision under the continuing programme of quality improvement of the experimental CSPI and it should be noted that the pre-1998 business telecommunications series will also be subject to revision.

The future directions

With the release of the redeveloped CSPI for business telecommunications, it is relevant to consider future trends in the telecommunication sector and the ability of the CSPI to track those developments for intermediate consumption.

In addition to the current expansion in broadband Internet connection, the future emergence of the 3G mobile phones may have a considerable impact on the mobile index and the overall CSPI index for business telecommunications in the years to come. As the competition intensifies within this new market, it is increasingly likely that a considerable shift in demand, away from the current generation of mobile phones toward the 3G will occur. Given the impact of a shift in demand on revenue and therefore the weights within the index, there is a danger that the weights currently used in the index may become outdated as the demand shifts from one generation of mobile phones to another. Therefore, the CSPI will have to augment the service structure for this change in demand if it is to avoid the emergence of a new service bias within the index. A possible approach to this would be to disaggregate the mobile index further into the current generation and the third generation service. Given the large number of services and the probability of a greater divergence in prices, it would be desirable to disaggregate the 3G sub-index into a greater number of levels than is the case with the current generation of mobile phones. However, the level of disaggregation would obviously depend on the availability of data from Ofcom. Connection charging within the current generation of mobile phones has been almost entirely phased out. However, given the high costs associated with obtaining the new licences and setting up the necessary infrastructure for the 3G, it is more likely that the cost of connection will be substantial, at least in the initial phase.

Conclusions

The new UK CSPI for telecommunications has applied the unit-value approach, recognising the technical advantage of this methodology and the format of data, provided from the proxy supplier Ofcom. It may be concluded that the new unit-value methodology and service product structure provides a more representative, flexible and homogeneous structure of services than the previous, rate based index. The new index reflects better the price movements recognised by the industry and is suitable for future expansion.

Acknowledgements

The ONS would like to acknowledge the continuing guidance and data provision by Ofcom, in support of the CSPI statistic development.

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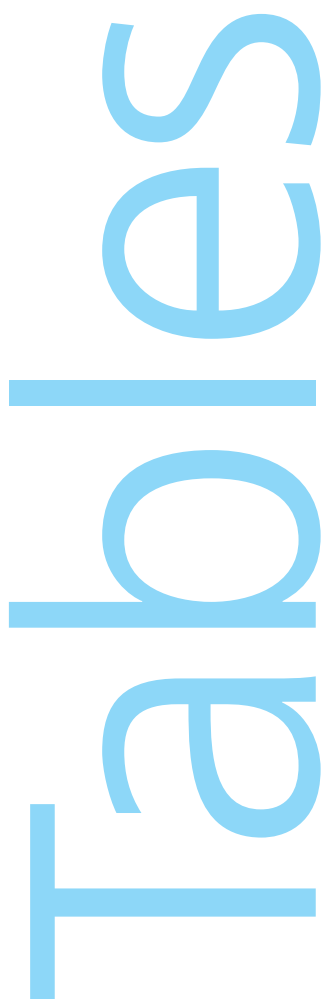
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Notes to tables

Identification codes

The four-letter identification code at the top of each data column is the ONS reference for this series of data on our database. Please quote the relevant code if you contact us requiring any further information about the data.

Currency of data

All data in the tables and accompanying charts are current, as far as possible, to 6 April 2004.

Some data, particularly for the latest time period, are provisional and may be subject to revision in later editions.

Geographic coverage

Statistics relate mainly to the United Kingdom. Where figures are for Great Britain only, this is shown on the table.

Seasonal adjustments

Almost all quarterly data are seasonally adjusted; those not seasonally adjusted are indicated by the abbreviation NSA.

Money

There is no single correct definition of money. The most widely used measures are:

M0

This is the narrowest measure and consists of notes and coins in circulation outside the Bank of England and bankers' operational deposits at the Bank.

M4

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

The Bank of England also publish data for liquid assets outside M4.

Conventions

Rounding may lead to inconsistencies between the constituent parts and the total in some tables.

A horizontal line between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. Footnotes explain the differences.

Billion denotes one thousand million.

Symbols used

- .. not available
- nil or less than half the final digit shown
- + a series for which measures of variability are given on page 127
- † data have been revised since the last edition; the period marked is the earliest in the table to have been revised
- * average (or total) of five weeks

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1.1 Selected monthly indicators

seasonally adjusted unless otherwise stated

		2002	2003	2003 Q2	2003 Q3	2003 Q4	2003 Dec	2004 Jan	2004 Feb	%Change Latest 3 months avg over previous 3 months
Output -chained volume measures (CVM) (2000 = 100 unless otherwise stated)										
Gross value added at basic prices	CGCE	103.1	105.0	104.5	105.3	106.1	..	..	..	0.8
Industrial production	CKYW	95.7	95.2	95.3	95.3	95.2	95.0	95.1	..	-0.3
Oil and gas extraction	CKZO	93.4	87.3	88.5	86.1	83.0	82.0	83.6	..	-2.0
Manufacturing	CKYY	95.1	95.2	95.2	95.5	95.7	95.6	95.8	..	0.0
Construction	GDQB	108.4	113.7	112.7	115.8	117.4	..	..	..	1.4
Car production (thousands)	FFAO	135.8	138.1	138.9	143.6	138.2	139.7	138.9	134.8	-0.9
Domestic demand										
Retail sales volume (2000 = 100)	EAPS	112.7	116.4	116.0	117.5	119.5	120.1	121.5	121.5	1.9
GB new registrations of cars ('000s) ¹	BCGT	2 682.0	2 646.2	642.7	742.8	523.1	160.8	199.6	..	-26.4
Manufacturing: change in inventories (£m, CVM, reference year 2000)	DHBM	-1 967	-566	-234	501	-662	..	..	..	..
Prices (12 monthly % change) and earnings (headline rate)										
Consumer prices index	CJYR	1.3	1.4	1.3	1.4	1.3	1.3	1.4	1.3	..
Retail prices index ¹	CZBH	1.7	2.9	3.0	2.9	2.6	2.8	2.6	2.5	..
Retail prices index ¹ (less MIPS) ²	CDKQ	2.2	2.8	2.9	2.8	2.6	2.6	2.4	2.3	..
Producer output prices (less FBTP) ³	EUAA	-0.1	1.3	1.2	1.2	1.4	1.5	1.4	1.4	..
Producer input prices ⁴	EUAB	-4.5	1.3	-0.5	1.2	2.7	1.8	-0.6	-1.8	..
GB average earnings -whole economy ⁵	LNNC	..	..	3.0	3.6	3.5	3.5	4.4	..	..
Foreign trade⁶ (2000 = 100 volumes unless otherwise stated)										
UK balance on trade in goods (£ million)	BOKI	-46 630	-46 249	-10 832	-11 824	-12 590	-3 974	-5 584	..	..
Non EU balance on trade in goods (£ million)	ENRX	-25 935	-22 467	-5 491	-5 923	-5 823	-1 372	-3 435	..	..
Non EU exports of goods (excl oil & erratics)	ENUA	96.2	104.6	102.9	103.6	108.9	114.7	93.5	..	0.6
Non EU imports of goods (excl oil & erratics)	ENTS	98.5	104.2	103.0	103.5	109.5	108.5	113.8	..	4.6
Non EU import & price index (excl oil) ⁷	ENXR	-5.8	-3.5	-4.7	-0.8	-2.0	-2.7	-3.1	..	..
Non EU export & price index (excl oil) ⁷	ENXS	0.2	-2.3	-3.5	-0.4	-1.4	-2.1	-1.7	..	..
Labour market and productivity (2000 = 100 unless otherwise stated)										
UK claimant unemployment (thousands)	BCJD	946.8	933.0	946.5	933.2	915.9	905.5	891.8	885.2	-3.2
UK employees in manufacturing (thousands)	YEJA	3 628	3 503	3 503	3 476	3 457	3 457	3 446	..	-0.6
Whole economy productivity ⁸	LNNN	102.4	104.1	103.7	104.4	105.1	..	..	..	0.7
Manufacturing productivity ⁸	LNNX	104.8	110.2	109.6	111.3	112.7	112.9	113.4	..	1.0
Unit wage costs - whole economy	LNNK	106.4	108.4	108.2	108.9	108.6	..	..	..	-0.3
Unit wage costs - manufacturing	LNNQ	103.0	101.5	101.1	100.7	100.4	100.5	100.4	..	0.0
Financial markets¹										
Sterling ERI (1990=100)	AGBG	106.0	100.2	99.1	99.2	100.2	100.3	102.4	104.8	2.7
Average exchange rate /US \$	AUSS	1.50	1.63	1.62	1.61	1.71	1.75	1.82	1.87	9.2
Average exchange rate /Euro ⁹	THAP	1.59	1.45	1.43	1.43	1.43	1.42	1.44	1.48	0.9
3 month inter-bank rate ¹⁰	HSJA	3.94	3.95	3.55	3.66	3.95	3.95	4.05	4.11	..
3 month interest on US Treasury bills ¹¹	LUST	1.20	0.93	0.89	0.94	0.93	0.93	0.90	0.94	..
Monetary conditions/government finances										
M0 (year on year percentage growth)	VQMX	7.9	7.3	7.7	7.9	7.5	7.2	7.6	6.8	..
M4 (year on year percentage growth)	VQJW	6.2	7.2	8.0	6.6	6.8	7.0	8.4	8.1	..
Public sector net borrowing (£ million) ^{1,12}	ANNX	-22 748	..	-14 398	-6 504	-13 040	-5 544	3 556	1 060	..
Net lending to consumers (£ million)(broader)	RLMH	21 048	18 867	5 235	4 728	3 891	895	2 013	1 732	-1.9

		2003 Feb	2003 Mar	2003 Apr	2003 May	2003 Jun	2003 Jul	2003 Aug	2003 Sep	2003 Oct	2003 Nov	2003 Dec	2004 Jan	2004 Feb	2004 Mar
Activity and expectations															
CBI output expectations balance ¹	ETCU	-1	-5	-10	-3	-6	-4	-3	-3	-4	-2	5	21	14	15
CBI optimism balance ¹	ETBV	..	..	-27	..	..	-13	..	..	-7	..	..	17	..	..
CBI price expectations balance	ETDQ	-15	-17	-8	-13	-15	-14	-15	-10	-9	-10	-4	-1	-2	-4
New engineering orders (2000 = 100)	JIQH	79.1	75.9	93.4	76.5	76.8	83.9	79.5	78.3	84.1	88.8	73.9	86.5	..	..

1 Not seasonally adjusted

2 MIPS: mortgage interest payments

3 FBTP: food, beverages, tobacco and petroleum

4 See footnote 2 on Table 3.1.

5 See footnote 2 on Table 4.6

6 All Non EU figures exclude Austria, Finland & Sweden

7 12 monthly percentage change

8 Output per filled job.

9 Prior to January 1999, a synthetic Euro has been calculated by geometrically averaging the bilateral exchange rate of the 11 Euro-area countries using "internal weights" based on each country's share of the extra Euro-area trade

10 Last Friday of the period

11 Last working day

12 Annual figure is for the financial year 2002/2003

2.1 National accounts aggregates

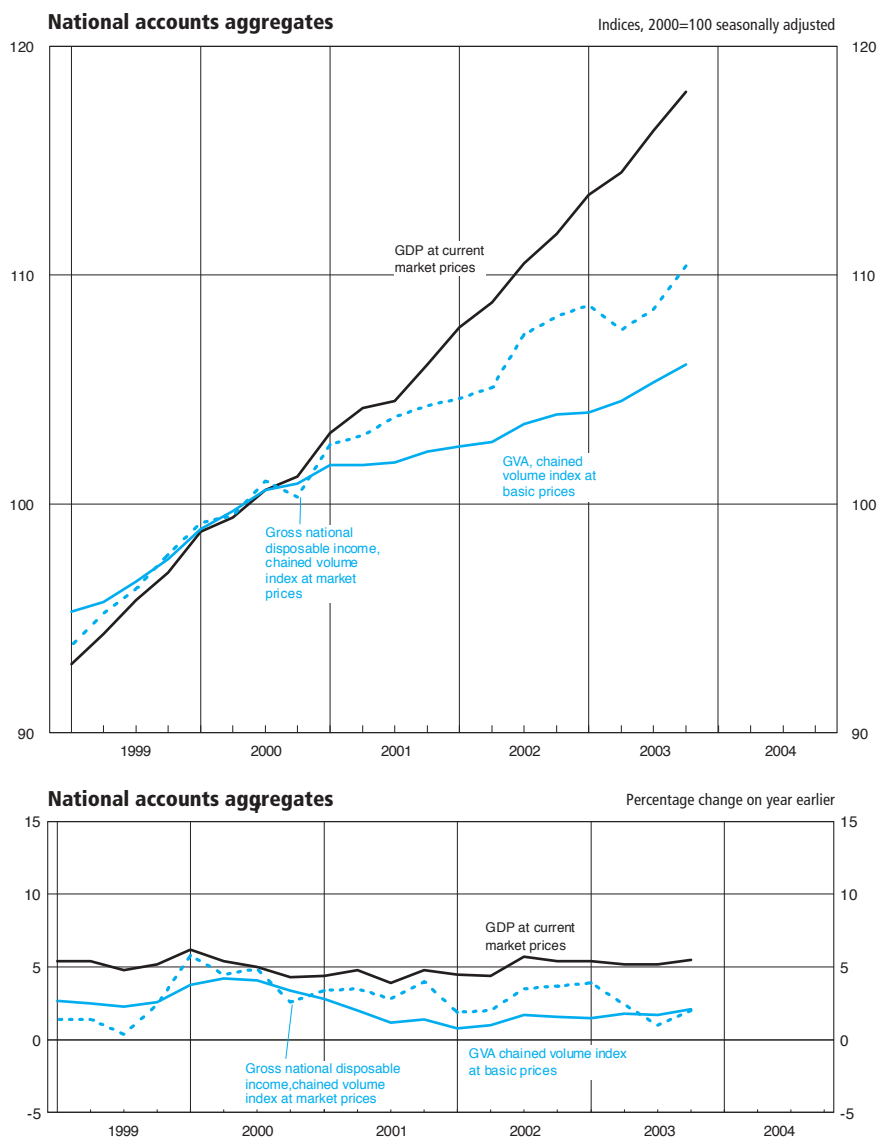
	£ million		Indices (2000 = 100)						
	At current prices		Value indices at current prices		Chained volume indices (2000=100)			Implied deflators ²	
	Gross domestic product at market prices	Gross value added (GVA) at basic prices	Gross domestic product at market prices ¹	Gross Value added (GVA) at basic prices	Gross national disposable income at market prices	Gross domestic product at market prices	Gross value added (GVA) at basic prices+	GDP at market prices	GVA at basic prices
Annual									
	YBHA	ABML	YBEU	YBEX	YBFP	YBEZ	CGCE	YBGB	CGBV
1998	859 436	762 359	90.3	90.8	94.5	93.7	93.9	96.4	96.7
1999	903 865	797 814	95.0	95.1	95.8	96.4	96.3	98.6	98.7
2000	951 265	839 194	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	994 037	880 904	104.5	105.0	103.4	102.1	101.9	102.3	103.0
2002	1 043 306 [†]	925 000 [†]	109.7 [†]	110.2	106.4	103.8 [†]	103.1 [†]	105.7 [†]	106.9 [†]
2003	1 099 363	974 620	115.6	116.1 [†]	108.8	106.1	105.0	108.9	110.6
Quarterly									
1998 Q1	209 840	186 227	88.2	88.8	92.5	92.8	92.8	95.1	95.6
Q2	212 891	189 021	89.5	90.1	93.9	93.2	93.4	96.1	96.5
Q3	217 418	192 771	91.4	91.9	95.9	94.2	94.4	97.0	97.4
Q4	219 287	194 340	92.2	92.6	95.5	94.8	95.1	97.3	97.4
1999 Q1	221 178	195 352	93.0	93.1	93.8	95.3	95.3	97.6	97.7
Q2	224 190	198 440	94.3	94.6	95.2	95.6	95.7	98.6	98.8
Q3	227 870	201 045	95.8	95.8	96.3	96.7	96.6	99.1	99.2
Q4	230 627	202 977	97.0	96.7	97.8	97.9	97.6	99.1	99.1
2000 Q1	235 050	207 339	98.8	98.8	99.2	99.0	98.9	99.8	99.9
Q2	236 352	208 160	99.4	99.2	99.5	99.7	99.7	99.7	99.6
Q3	239 182	211 135	100.6	100.6	101.0	100.5	100.6	100.1	100.1
Q4	240 681	212 560	101.2	101.3	100.3	100.8	100.9	100.4	100.5
2001 Q1	245 227	217 171	103.1	103.5	102.6	101.6	101.7	101.5	101.8
Q2	247 908	219 657	104.2	104.7	103.0	102.0	101.7	102.2	102.9
Q3	248 578	220 099	104.5	104.9	103.8	102.3	101.8	102.2	103.1
Q4	252 324	223 977	106.1	106.8	104.3	102.7	102.3	103.3	104.4
2002 Q1	256 011 [†]	227 043 [†]	107.7 [†]	108.2 [†]	104.6	103.0	102.5	104.5	105.5
Q2	258 697	229 270	108.8	109.3	105.1	103.3 [†]	102.7 [†]	105.3 [†]	106.4 [†]
Q3	262 773	233 000	110.5	111.1	107.4	104.2	103.5	106.0	107.3
Q4	265 825	235 687	111.8	112.3	108.2 [†]	104.7	103.9	106.8	108.1
2003 Q1	269 876	239 548	113.5	114.2	108.7	104.9	104.0	108.1	109.8
Q2	272 285	241 604	114.5	115.2	107.6	105.6	104.5	108.4	110.2
Q3	276 580	245 009	116.3	116.8	108.5	106.5	105.3	109.2	110.9
Q4	280 622	248 459	118.0	118.4	110.4	107.4	106.1	109.8	111.6
Percentage change, quarter on corresponding quarter of previous year ³									
Quarterly									
1998 Q1	5.6	4.9	5.6	4.9	4.2	3.5	3.5	2.1	1.4
Q2	5.6	5.5	5.6	5.5	3.4	2.8	3.5	2.8	1.9
Q3	6.9	6.9	6.9	6.9	5.6	3.5	3.8	3.2	3.1
Q4	5.8	5.9	5.8	5.9	4.4	2.8	3.4	3.0	2.5
1999 Q1	5.4	4.9	5.4	4.9	1.4	2.7	2.7	2.6	2.2
Q2	5.3	5.0	5.3	5.0	1.4	2.6	2.5	2.6	2.4
Q3	4.8	4.3	4.8	4.3	0.4	2.7	2.3	2.2	1.8
Q4	5.2	4.4	5.2	4.4	2.4	3.3	2.6	1.8	1.7
2000 Q1	6.3	6.1	6.3	6.1	5.8	3.9	3.8	2.3	2.3
Q2	5.4	4.9	5.4	4.9	4.5	4.3	4.1	1.1	0.8
Q3	5.0	5.0	5.0	5.0	4.9	3.9	4.1	1.0	0.9
Q4	4.4	4.7	4.4	4.7	2.6	3.0	3.3	1.3	1.4
2001 Q1	4.3	4.7	4.3	4.7	3.4	2.6	2.8	1.7	1.9
Q2	4.9	5.5	4.9	5.5	3.5	2.3	2.1	2.5	3.3
Q3	3.9	4.2	3.9	4.2	2.8	1.8	1.2	2.1	3.0
Q4	4.8	5.4	4.8	5.4	4.0	1.9	1.4	2.9	3.9
2002 Q1	4.4 [†]	4.5 [†]	4.4 [†]	4.5 [†]	1.9	1.4	0.8	3.0	3.6
Q2	4.4	4.4	4.4	4.4	2.0	1.3 [†]	0.9 [†]	3.0 [†]	3.4 [†]
Q3	5.7	5.9	5.7	5.9	3.5	1.9	1.6	3.7	4.1
Q4	5.4	5.2	5.4	5.2	3.7 [†]	1.9	1.6	3.4	3.5
2003 Q1	5.4	5.5	5.4	5.5	3.9	1.8	1.5	3.4	4.1
Q2	5.3	5.4	5.3	5.4	2.4	2.2	1.8	2.9	3.6
Q3	5.3	5.2	5.3	5.2	1.0	2.2	1.7	3.0	3.4
Q4	5.6	5.4	5.6	5.4	2.0	2.6	2.1	2.8	3.2

1 "Money GDP."

2 Based on chained volume measures and current price estimates of expenditure components of GDP.

3 These estimates of change are based in some cases on less rounded figures than in the table.

Source: Office for National Statistics; Enquiries 020 7533 6031



2.2 Gross domestic product : by category of expenditure

Chained volume measures

Reference year 2000, £ million

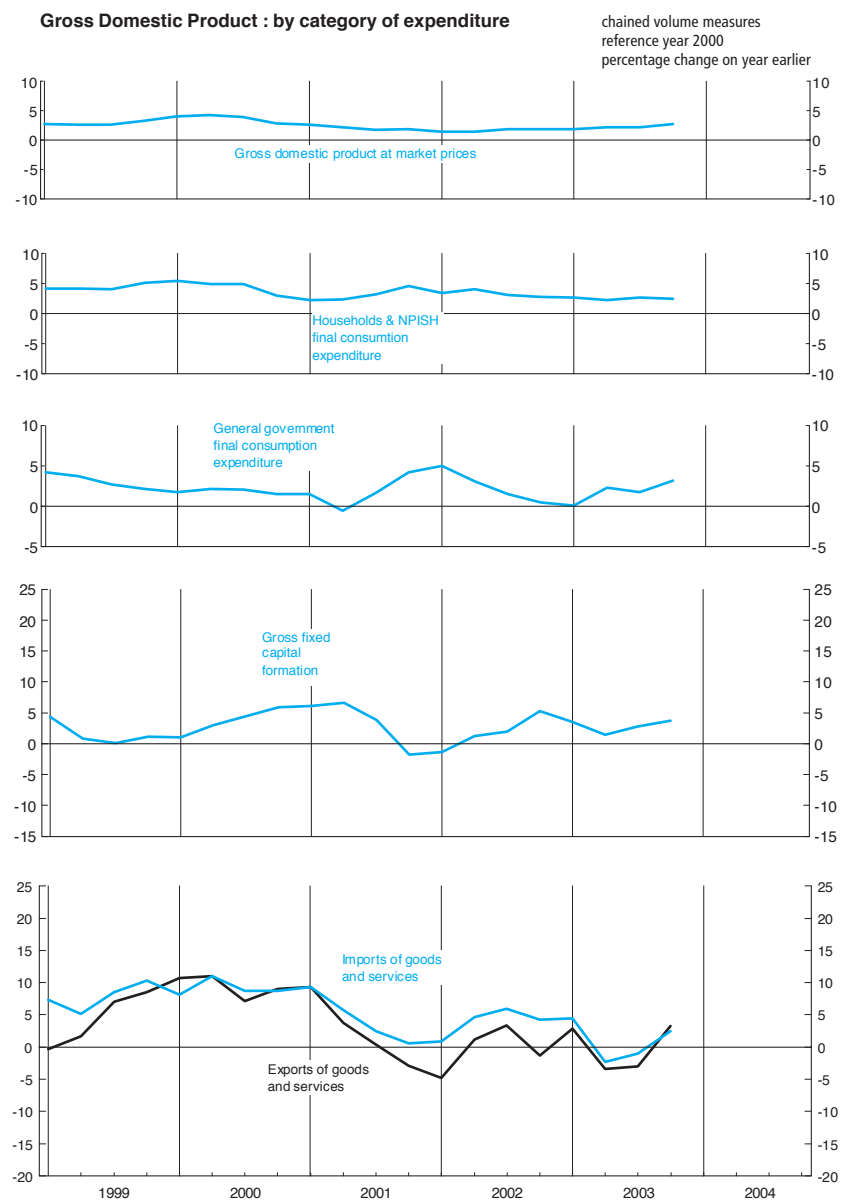
Domestic expenditure on goods and services at market prices												
	Final consumption expenditure			Gross capital formation				Exports of goods and services+	Gross final expenditure	Imports of goods and services+ less	Statistical discrepancy (expenditure)	Gross domestic product at market prices
	Households	Non-profit institutions ²	General government	Gross fixed capital formation+	Changes in inventories ³	Acquisitions less disposals of valuables	Total					
Annual	ABJR	HAYO	NMRY	NPQT	CAFU	NPJR	YBIM	IKBK	ABMG	IKBL	GIXS	ABMI
1998	552 186	21 713	169 085	153 148	4 913	57	901 069	233 982	1 135 080	243 400	—	891 684
1999	577 665	21 543	174 445	155 576	6 426	28	935 377	243 985	1 179 410	262 601	—	916 639
2000	603 349	23 188	177 794	161 210	5 271	3	970 815	267 007	1 237 822	286 557	—	951 265
2001	622 136	23 845	180 875	167 032	2 938	362	997 188	273 724	1 270 912	299 347	—	971 565
2002	643 107	24 632 [†]	185 389 [†]	170 068 [†]	1 496	195	1 024 886 [†]	272 605	1 297 491 [†]	311 211	1 188 [†]	987 468 [†]
2003	659 147 [†]	25 575	188 807	174 927	1 653 [†]	-21	1 050 088	272 297 [†]	1 322 385	313 984 [†]	974	1 009 375
Quarterly												
1998 Q1	136 298	5 368	41 431	37 275	427	31	221 423	58 221	279 669	59 146	—	220 584
Q2	137 464	5 433	42 245	38 029	230	7	223 461	58 967	282 474	60 854	—	221 598
Q3	138 653	5 476	42 646	38 621	1 990	9	227 037	58 413	285 441	61 377	—	224 047
Q4	139 771	5 436	42 763	39 223	2 266	10	229 148	58 381	287 496	62 023	—	225 455
1999 Q1	142 213	5 415	43 184	38 907	2 742	5	232 122	58 044	290 132	63 516	—	226 585
Q2	143 625	5 336	43 789	38 331	476	24	231 457	59 973	291 433	64 024	—	227 382
Q3	144 613	5 358	43 787	38 674	1 677	-15	233 974	62 579	296 598	66 678	—	229 864
Q4	147 214	5 434	43 685	39 664	1 531	14	237 824	63 389	301 247	68 383	—	232 808
2000 Q1	150 128	5 666	43 969	39 298	819	1	239 970	64 272	304 263	68 664	—	235 554
Q2	150 469	5 766	44 748	39 471	1 262	—	241 682	66 551	308 235	71 071	—	237 160
Q3	151 397	5 858	44 716	40 417	1 941	-3	244 269	67 103	311 366	72 467	—	238 914
Q4	151 355	5 898	44 361	42 024	1 249	5	244 894	69 081	313 958	74 355	—	239 637
2001 Q1	153 291	6 005	44 635	41 707	795	-34	246 399	70 235	316 634	75 053	—	241 581
Q2	153 965	5 964	44 541	42 069	1 806	251	248 596	69 074	317 670	75 211	—	242 459
Q3	156 368	5 945	45 489	41 974	355	33	250 164	67 340	317 504	74 287	—	243 218
Q4	158 512	5 931	46 210	41 282	-18	112	252 029	67 075	319 104	74 796	—	244 307
2002 Q1	158 674	6 065 [†]	46 845 [†]	41 166 [†]	767 [†]	59	253 576 [†]	66 875	320 451 [†]	75 740	239 [†]	244 949 [†]
Q2	160 450	6 107	45 905	42 610	-803	50	254 319	69 887	324 206	78 720	292	245 778
Q3	161 201	6 184	46 187	42 811	147	77	256 607	69 616	326 223	78 717	324	247 831
Q4	162 782	6 276	46 452	43 481	1 385	9	260 384	66 227	326 611	78 034	333	248 910
2003 Q1	162 780 [†]	6 341	46 894	42 621	1 015	-1	259 649	68 831 [†]	328 480	79 161 [†]	254	249 573
Q2	164 014	6 342	46 949	43 193	-319	96	260 275	67 493	327 768	76 927	244	251 084
Q3	165 470	6 417	47 034	44 028	437	-62	263 324	67 545	330 869	77 905	239	253 202
Q4	166 883	6 475	47 930	45 085	520	-54	266 840	68 428	335 268	79 991	237	255 516
<i>Percentage change, latest quarter on corresponding quarter of previous year</i>												
1998 Q1	4.2	11.4	-1.8	14.9			5.2	5.2	5.2	11.5		3.4
Q2	3.4	5.2	2.0	13.6			4.3	4.1	4.3	9.5		2.8
Q3	4.2	8.1	3.0	13.3			5.8	1.2	4.8	9.2		3.5
Q4	3.6	3.8	2.2	9.3			4.6	0.6	3.7	7.0		2.8
1999 Q1	4.3	0.9	4.2	4.4			4.8	-0.3	3.7	7.4		2.7
Q2	4.5	-1.8	3.7	0.8			3.6	1.7	3.2	5.2		2.6
Q3	4.3	-2.2	2.7	0.1			3.1	7.1	3.9	8.6		2.6
Q4	5.3	0.0	2.2	1.1			3.8	8.6	4.8	10.3		3.3
2000 Q1	5.6	4.6	1.8	1.0			3.4	10.7	4.9	8.1		4.0
Q2	4.8	8.1	2.2	3.0			4.4	11.0	5.8	11.0		4.3
Q3	4.7	9.3	2.1	4.5			4.4	7.2	5.0	8.7		3.9
Q4	2.8	8.5	1.5	5.9			3.0	9.0	4.2	8.7		2.9
2001 Q1	2.1	6.0	1.5	6.1			2.7	9.3	4.1	9.3		2.6
Q2	2.3	3.4	-0.5	6.6			2.9	3.8	3.1	5.8		2.2
Q3	3.3	1.5	1.7	3.9			2.4	0.4	2.0	2.5		1.8
Q4	4.7	0.6	4.2	-1.8			2.9	-2.9	1.6	0.6		1.9
2002 Q1	3.5	1.0	5.0 [†]	-1.3 [†]			2.9	-4.8	1.2	0.9		1.4
Q2	4.2	2.4 [†]	3.1	1.3			2.3 [†]	1.2	2.1 [†]	4.7		1.4 [†]
Q3	3.1	4.0	1.5	2.0			2.6	3.4	2.7	6.0		1.9
Q4	2.7	5.8	0.5	5.3			3.3	-1.3	2.4	4.3		1.9
2003 Q1	2.6	4.6	0.1	3.5			2.4	2.9	2.5	4.5 [†]		1.9
Q2	2.2 [†]	3.8	2.3	1.4			2.3	-3.4 [†]	1.1	-2.3		2.2
Q3	2.6	3.8	1.8	2.8			2.6	-3.0	1.4	-1.0		2.2
Q4	2.5	3.2	3.2	3.7			2.5	3.3	2.7	2.5		2.7

1 Estimates given to nearest million but cannot be regarded as accurate to the degree.

2 Non-profit making institutions serving households (NPISH).

3 Quarterly alignment adjustment included in this series.

Source: Office for National Statistics; Enquiries 020 7533 6031



2.3 Gross domestic product and shares of income and expenditure

	Gross domestic product at market prices	Gross final expenditure	Percentage share of gross final expenditure				Percentage share of GDP by category of income				
			Final consumption expenditure		Gross capital formation	Exports of goods and services	Gross operating surplus			Mixed income	Taxes on production and imports
			Household and NPISH	General government			Corporations ¹	Other ²	Compensation of employees		
Annual	YBHA	ABMF	IHXI	IHXJ	IHXK	IHXL	IHXM	IHXO	IHXP	IHXQ	IHXR
2000	951 265	1 237 822	50.6	14.4	13.4	21.5	21.9	2.6	56.0	6.0	13.5
2001	994 037	1 293 365	51.1	14.8	13.2	21.0	21.2	2.8	56.8	6.1	13.1
2002	1 043 306 [†]	1 346 769 [†]	51.3	15.6	12.8	20.3	21.5	3.0	56.3	6.1	13.1
2003	1 099 363	1 406 713	51.2	16.5	12.8	19.6	22.3	2.8	55.8	6.1	13.0
Quarterly											
2000 Q1	235 050	302 357	51.3	14.2	13.6	20.9	23.1	2.6	54.9	6.0	13.5
Q2	236 352	306 817	50.8	14.4	13.2	21.5	22.4	2.4	55.7	5.9	13.6
Q3	239 182	312 187	50.4	14.5	13.5	21.7	21.5	2.7	56.3	6.1	13.4
Q4	240 681	316 461	50.0	14.4	13.5	22.1	20.7	2.8	57.1	6.0	13.4
2001 Q1	245 227	321 527	50.2	14.4	13.4	22.1	21.2	2.7	56.9	6.0	13.1
Q2	247 908	324 212	50.4	14.5	13.6	21.5	21.0	3.4	56.5	6.1	13.1
Q3	248 578	322 409	51.7	14.9	13.2	20.2	21.3	2.5	56.8	6.2	13.2
Q4	252 324	325 217	52.0	15.3	12.5	20.3	21.3	2.8	56.8	6.2	12.9
2002 Q1	256 011 [†]	330 381 [†]	51.5 [†]	15.5	12.6	20.3	21.3	2.9	56.5 [†]	6.2	13.1
Q2	258 697	335 850	51.2	15.5	12.3 [†]	20.9	20.9	3.4	56.5	6.1	13.1
Q3	262 773	339 281	51.1	15.6	12.8	20.5	21.7	3.0 [†]	56.3	6.1	13.0
Q4	265 825	341 257	51.5	15.8 [†]	13.3	19.5	22.2	2.7	56.0	6.1	13.0
2003 Q1	269 876	346 814	51.0	16.2	12.7	20.1 [†]	22.7 [†]	2.6	55.7	6.1	12.9
Q2	272 285	347 650	51.3	16.5	12.5	19.6	22.2	2.8	56.0	6.1	12.9
Q3	276 580	353 374	51.2	16.5	12.9	19.4	22.3	2.7	55.9	6.1	13.0
Q4	280 622	358 875	51.1	16.6	12.9	19.4	22.1	3.2	55.6	6.1	13.1

1 Non-financial and financial corporations

2 Gross operating surplus of General government, and Households and NPISH plus the adjustment for financial services.

Source: Office for National Statistics; Enquiries 020 7533 6031

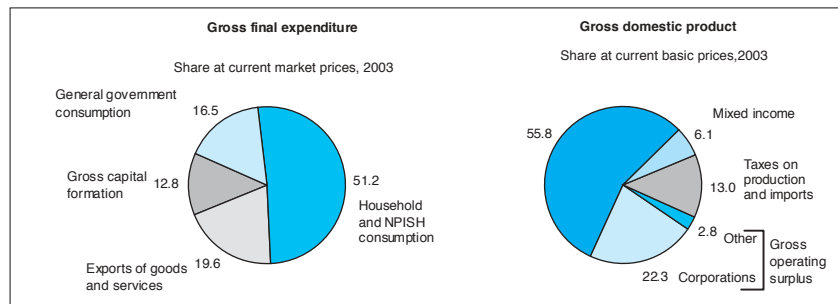
2.4 Income, product and spending per head

£

	At current prices				Chained volume measures (reference year 2000)		
	Gross national income at market prices	Gross domestic product at market prices	Household and NPISH final consumption expenditure	Households' gross disposable income	Gross domestic product at market prices	Household and NPISH final consumption expenditure	Real households' disposable income
Annual	IHXS	IHXT	IHXU	IHXV	IHXW	IHXX	IHXZ
2001	17 059	16 839	11 188	11 867	16 459	10 943	11 609
2002	17 966 [†]	17 621 [†]	11 679 [†]	12 184 [†]	16 678 [†]	11 279 [†]	11 767 [†]
2003	18 884	18 515	12 121	12 615	17 001	11 533	12 002
Quarterly							
2000 Q1	4 048	4 014	2 649	2 726	4 023	2 661	2 739
Q2	4 050	4 034	2 661	2 771	4 048	2 666	2 777
Q3	4 120	4 077	2 682	2 821	4 073	2 681	2 819
Q4	4 109	4 096	2 692	2 844	4 077	2 676	2 828
2001 Q1	4 217	4 165	2 740	2 925	4 103	2 705	2 889
Q2	4 253	4 202	2 771	2 923	4 110	2 711	2 860
Q3	4 272	4 207	2 820	2 974	4 116	2 747	2 897
Q4	4 317	4 265	2 857	3 045	4 130	2 780	2 963
2002 Q1	4 377 [†]	4 326 [†]	2 878 [†]	2 999 [†]	4 139 [†]	2 784 [†]	2 901 [†]
Q2	4 420	4 370	2 906	3 061	4 152	2 814	2 964
Q3	4 555	4 438	2 927	3 057	4 185	2 827	2 953
Q4	4 614	4 487	2 968	3 067	4 202	2 854	2 949
2003 Q1	4 682	4 552	2 985	3 087	4 210	2 853	2 950
Q2	4 661	4 588	3 006	3 142	4 231	2 871	3 000
Q3	4 725	4 656	3 047	3 176	4 263	2 894	3 017
Q4	4 816	4 719	3 083	3 210	4 297	2 915	3 035

Source: Office for National Statistics; Enquiries 020 7533 6031

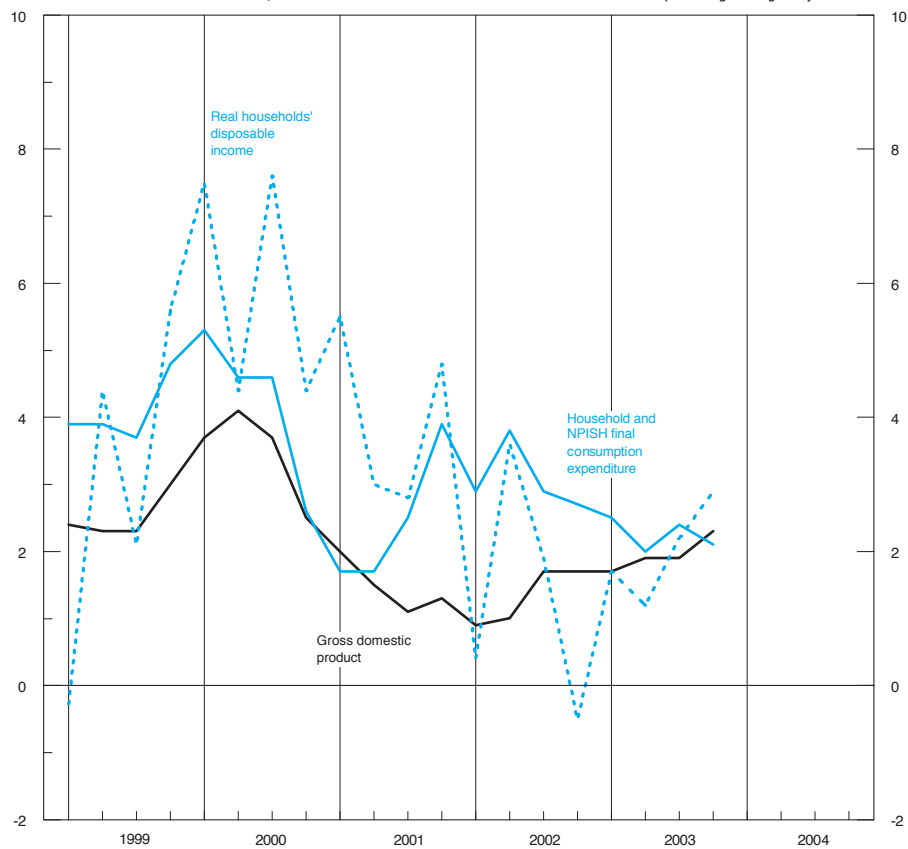
Shares of income and expenditure



Income, product and spending per capita

chained volume measures, reference year 2000

percentage change on year earlier



2.5 Households' disposable income and consumption

	£ million, current prices						£ million, chained volume measures, reference year 2000			
	Households' income before tax		Adjustment for the change in net equity of households in pension funds		Households' Total resources	Households' final consumption expenditure	Households' saving ratio ³ (percentage)+	Real households' disposable income+ ⁴	Household final consumption expenditure+	Real households' disposable income (index 2000=100)
	Total	of which: Wages and salaries	Gross households' disposable income ²							
Annual	RPHP	ROYJ	RPHQ	RPQJ	RPQK	RPQM	NRJS	NRJR	NPSP	OSXS
2000	958 450	457 473	654 649	8 620	663 269	626 537	5.5	654 649	626 537	100.0
2001	1 011 310	484 906	700 538	7 453	707 991	660 380	6.7	685 263	645 981	104.6
2002	1 046 074 [†]	502 976 [†]	721 409 [†]	10 341 [†]	731 750 [†]	691 457	5.5 [†]	696 664 [†]	667 739 [†]	106.4 [†]
2003	1 091 877	520 799	749 023	14 360	763 383	719 664 [†]	5.7	712 656	684 722	108.9
Quarterly										
2000 Q1	230 454	111 597	159 378	2 296	161 674	155 089	4.1	160 106	155 791	97.8
Q2	237 963	113 150	162 435	1 022	163 457	155 917	4.6	162 773	156 235	99.5
Q3	242 703	115 371	165 558	2 120	167 678	157 366	6.1	165 450	157 257	101.1
Q4	247 330	117 355	167 278	3 182	170 460	158 165	7.2	166 320	157 254	101.6
2001 Q1	250 508	119 480	171 835	2 583	174 418	161 306	7.5	169 693	159 296	103.7
Q2	249 718	120 487	172 532	1 628	174 160	163 458	6.1	168 806	159 929	103.1
Q3	252 088	121 788	175 818	1 550	177 368	166 625	6.1	171 267	162 313	104.6
Q4	258 996	123 151	180 353	1 692	182 045	168 991	7.2	175 497	164 443	107.2
2002 Q1	257 355 [†]	124 056 [†]	177 489 [†]	2 596 [†]	180 085 [†]	170 302	5.4 [†]	171 688 [†]	164 739 [†]	104.9 [†]
Q2	261 476	125 623	181 212	2 056	183 268	172 025	6.1	175 449	166 557	107.2
Q3	263 180	126 025	181 038	2 678	183 716	173 303	5.7	174 853	167 385	106.8
Q4	264 063	127 272	181 670	3 011	184 681	175 827	4.8	174 674	169 058	106.7
2003 Q1	267 275	128 452	183 011	4 156	187 167	176 959 [†]	5.5	174 906	169 121	106.9
Q2	270 664	129 455	186 445	1 962	188 407	178 411	5.3	178 028	170 356	108.8
Q3	276 172	131 058	188 685	4 008	192 693	180 971	6.1	179 215	171 887	109.5
Q4	277 766	131 834	190 882	4 234	195 116	183 323	6.0	180 507	173 358	110.3

1 All households series include also Non-Profit Institutions Serving Households (NPISH).

2 Total household income less payments of income tax and other taxes, social contributions and other current transfers.

3 Households saving as a percentage of Total resources; this is the sum

of Gross household disposable income and the Adjustment for the change in net equity of households in pension funds (D.8).

4 Gross household disposable income revalued by the implied Household and NPISH final consumption expenditure deflator (2000 = 100).

Sources: Office for National Statistics; Enquiries Column 1 020 7533 6005; Columns 2-5, 7, 8, 10 020 7533 6027; Columns 6, 9 020 7533 5999

2.6 Household final consumption expenditure^{1,2}

Chained volume measures

Reference year 2000, £ million

	UK National ⁴														
	UK Domestic ⁵														
	Total	Net tourism	Total	Food & drink	Alcohol & tobacco	Clothing & footwear	Housing	House- hold goods & services	Health	Trans- port	Communi- cation	Recreat- ion & culture	Educat- ion	Restaura- nts & hotels	Miscell- aneous
COICOP ³	-	-	0	01	02	03	04	05	06	07	08	09	10	11	12
Annual	ABJR	ABTH	ZAKW	ZWUN	ZAKY	ZALA	ZAVO	ZAVW	ZAWC	ZAWM	ZAWW	ZAXA	ZWUT	ZAXS	ZAYG
2001	622 136	9 317	612 819	57 919	24 588	38 103	107 220	38 524	8 961	92 791	15 195	76 835	8 607	68 694	75 382
2002	643 107	10 491	632 616	58 395	25 198	41 506	108 652	42 581	9 381	95 782	15 805	80 329	7 522	70 449	77 016
2003	659 147 [†]	10 654	648 493	60 593	25 613	44 089	109 963	42 721	10 198	97 993	16 322	85 122	7 699	71 043	77 137
Quarters															
2001 Q1	153 291	1 944	151 347	14 612	6 059	9 119	26 691	9 297	2 337	22 840	3 712	18 605	2 274	17 162	18 639
Q2	153 965	2 391	151 574	14 146	6 137	9 379	26 757	9 439	2 226	22 840	3 784	19 072	2 209	17 003	18 582
Q3	156 368	2 484	153 884	14 328	6 193	9 675	26 868	9 725	2 188	23 453	3 802	19 393	2 128	17 310	18 821
Q4	158 512	2 498	156 014	14 833	6 199	9 930	26 904	10 063	2 210	23 658	3 897	19 765	1 996	17 219	19 340
2002 Q1	158 674	2 676	155 998	14 384	6 228	10 162	26 986	10 323	2 228	23 576	3 869	19 902	1 965	17 554	18 821
Q2	160 450	2 621	157 829	14 430	6 300	10 282	27 093	10 472	2 295	24 219	3 957	19 937	1 891	17 755	19 198
Q3	161 201	2 654	158 547	14 690	6 301	10 444	27 253	10 795	2 387	23 974	3 992	20 075	1 862	17 520	19 254
Q4	162 782	2 540	160 242	14 891	6 369	10 618	27 320	10 991	2 471	24 013	3 987	20 415	1 804	17 620	19 743
2003 Q1	162 780 [†]	3 101 [†]	159 679 [†]	14 893 [†]	6 363 [†]	10 712 [†]	27 367 [†]	10 444 [†]	2 495 [†]	24 345 [†]	3 990 [†]	20 559 [†]	1 838 [†]	17 570 [†]	19 103 [†]
Q2	164 014	2 720	161 294	15 286	6 372	11 002	27 309	10 808	2 520	24 384	4 053	21 058	1 891	17 527	19 084
Q3	165 470	2 520	162 950	15 260	6 423	11 077	27 475	10 627	2 548	24 545	4 120	21 698	1 957	17 930	19 290
Q4	166 883	2 313	164 570	15 154	6 455	11 298	27 812	10 842	2 635	24 719	4 159	21 807	2 013	18 016	19 660

1 Estimates are given to the nearest £million but cannot be regarded as accurate to this degree.

2 More detailed estimates of Household Final Consumption Expenditure, expressed in both current prices and chained volume measures

and both unadjusted and seasonally adjusted appear in the ONS publication *Consumer Trends*.

3 ESA 95 Classification of Individual Consumption by Purpose

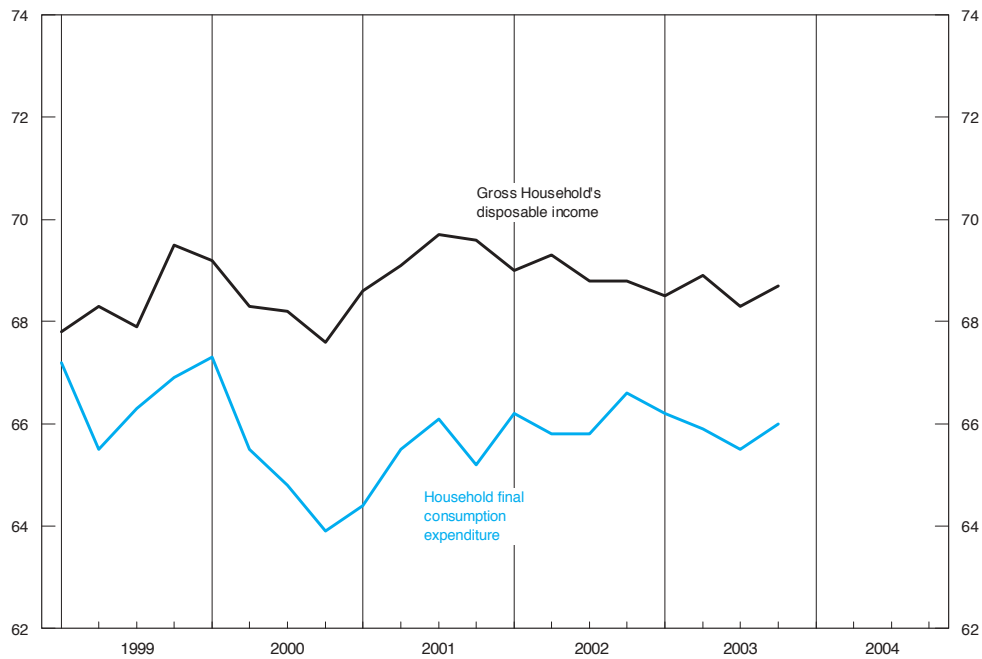
4 Final consumption expenditure by UK households in the UK & abroad

5 Final consumption expenditure in the UK by UK & foreign households

Source: Office for National Statistics; Enquiries 020 7533 5999

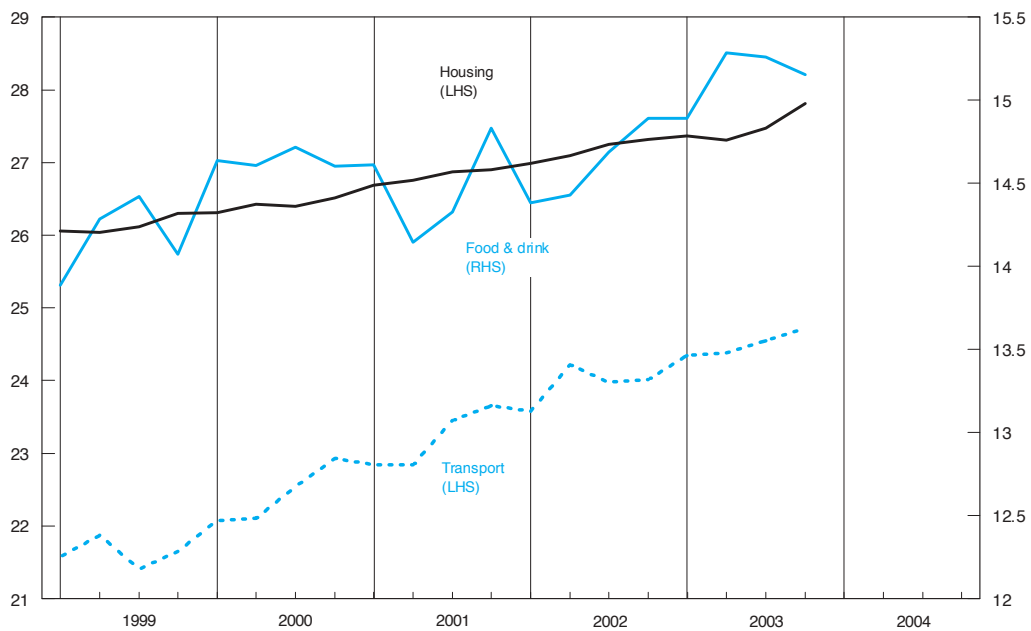
Household's Disposable Income and Consumption

Proportion of Households' Income before tax
(Current Prices), per cent



Household final consumption expenditure – component categories

chained volume measures
reference year 2000, £ thousand million



2.7 Gross fixed capital formation

Chained volume measures

Reference year 2000, £ million

	Analysis by sector							Analysis by asset				
	Public corporations ²				Private sector							
	Business investment ¹	General government	NHS trusts	Transfer costs of non-produced assets	Dwellings	Transfer costs of non-produced assets	Total+	Transport equipment	Other machinery and equipment	Dwellings	Other building and structures ³	Intangible fixed assets
Annual												
	NPEL	DLWF	DFTI	DLWH	DFEA	DLWI	NPQT	DLWL	DLWO	DFEG	DLWT	EQDO
1999	107 359	9 935	1 441	4	25 508	11 485	155 576	15 128	56 849	27 372	51 760	4 758
2000	112 302	10 412	1 680	6	25 604	11 206	161 210	13 444	62 698	27 394	52 708	4 966
2001	116 337	11 744	1 862	-55	25 937	11 207	167 032	15 296	65 290	27 999	53 524	4 923
2002	113 361 [†]	13 153 [†]	1 557	-42 [†]	30 045 [†]	11 994 [†]	170 068 [†]	16 140 [†]	61 846 [†]	32 825	53 858	5 399
2003	112 748	16 745	1 702	-211	33 087	10 856	174 927	15 519	59 928	36 631	57 187	5 662
Quarterly												
1998 Q1	25 149	2 501	413	-78	6 574	2 448	37 275	4 036	12 808	7 085	12 517	1 103
Q2	25 667	2 291	385	-82	6 824	2 955	38 029	4 017	12 987	7 374	12 780	1 178
Q3	26 360	2 576	354	-76	6 532	2 772	38 621	4 137	13 352	7 125	12 886	1 264
Q4	27 209	2 718	370	-42	6 447	2 335	39 223	4 265	14 344	6 906	12 494	1 237
1999 Q1	27 146	2 512	363	-10	6 345	2 481	38 907	3 986	13 909	6 735	13 162	1 152
Q2	26 336	2 516	322	2	6 536	2 662	38 331	3 592	13 991	7 181	12 477	1 183
Q3	26 785	2 467	379	5	6 053	3 019	38 674	3 763	14 558	6 423	12 763	1 196
Q4	27 092	2 440	377	7	6 574	3 323	39 664	3 787	14 391	7 033	13 358	1 227
2000 Q1	26 931	2 243	457	6	6 638	3 126	39 298	3 364	14 508	7 016	13 301	1 203
Q2	27 299	2 607	366	2	6 511	2 684	39 471	3 276	15 163	6 970	12 826	1 253
Q3	28 317	2 555	409	-1	6 389	2 722	40 417	3 290	16 038	6 819	12 985	1 246
Q4	29 755	3 007	448	-1	6 066	2 674	42 024	3 514	16 989	6 589	13 596	1 264
2001 Q1	29 551	2 321	482	15	6 499	2 839	41 707	3 463	16 565	7 044	13 403	1 232
Q2	29 407	2 989	545	-13	6 327	2 814	42 069	3 911	16 257	6 769	13 910	1 222
Q3	29 156	3 129	414	-25	6 617	2 683	41 974	4 037	16 268	7 142	13 293	1 234
Q4	28 223	3 305	421	-32	6 494	2 871	41 282	3 885	16 200	7 044	12 918	1 235
2002 Q1	28 002 [†]	3 325 [†]	185 [†]	8 [†]	7 039 [†]	2 607 [†]	41 166 [†]	3 840 [†]	15 389 [†]	7 599 [†]	13 081 [†]	1 257
Q2	28 711	3 141	416	8	7 237	3 097	42 610	3 968	16 132	7 869	13 289	1 352
Q3	28 003	3 414	490	-27	7 700	3 231	42 811	4 118	15 168	8 371	13 791	1 363
Q4	28 645	3 273	466	-31	8 069	3 059	43 481	4 214	15 157	8 986	13 697	1 427
2003 Q1	27 688	4 004	386	-33	7 773	2 803	42 621	4 045	14 936	8 603	13 643	1 394
Q2	27 925	3 959	438	-36	8 192	2 715	43 193	3 756	14 721	9 063	14 245	1 408
Q3	28 293	4 302	434	-76	8 416	2 659	44 028	3 895	14 922	9 370	14 417	1 424 [†]
Q4	28 842	4 480	444	-66	8 706	2 679	45 085	3 823	15 349	9 595	14 882	1 436
<i>Percentage change, latest quarter on corresponding quarter of previous year</i>												
1998 Q1	19.0	6.8	29.1		-0.2	3.2	14.9	16.2	28.0	-2.6	11.7	-5.4
Q2	18.0	21.5	11.9		10.4	-30.9	13.6	25.7	16.0	9.8	11.0	-6.1
Q3	19.9	4.1	-6.6		0.7	-8.9	13.3	22.9	22.6	1.9	5.4	7.4
Q4	15.8	10.0	3.9		-5.6	-16.3	9.3	25.7	24.3	-5.3	-4.8	7.2
1999 Q1	7.9	0.4	-12.1		-3.5	1.3	4.4	-1.2	8.6	-4.9	5.2	4.4
Q2	2.6	9.8	-16.4		-4.2	-9.9	0.8	-10.6	7.7	-2.6	-2.4	0.4
Q3	1.6	-4.2	7.1		-7.3	8.9	0.1	-9.0	9.0	-9.9	-1.0	-5.4
Q4	-0.4	-10.2	1.9		2.0	42.3	1.1	-11.2	0.3	1.8	6.9	-0.8
2000 Q1	-0.8	-10.7	25.9		4.6	26.0	1.0	-15.6	4.3	4.2	1.1	4.4
Q2	3.7	3.6	13.7		-0.4	0.8	3.0	-8.8	8.4	-2.9	2.8	5.9
Q3	5.7	3.6	7.9		5.6	-9.8	4.5	-12.6	10.2	6.2	1.7	4.2
Q4	9.8	23.2	18.8		-7.7	-19.5	5.9	-7.2	18.1	-6.3	1.8	3.0
2001 Q1	9.7	3.5	5.5		-2.1	-9.2	6.1	2.9	14.2	0.4	0.8	2.4
Q2	7.7	14.7	48.9		-2.8	4.8	6.6	19.4	7.2	-2.9	8.5	-2.5
Q3	3.0	22.5	1.2		3.6	-1.4	3.9	22.7	1.4	4.7	2.4	-1.0
Q4	-5.1	9.9	-6.0		7.1	7.4	-1.8	10.6	-4.6	6.9	-5.0	-2.3
2002 Q1	-5.2 [†]	43.3 [†]	-61.6 [†]		8.3 [†]	-8.2 [†]	-1.3 [†]	10.9	-7.1 [†]	7.9 [†]	-2.4 [†]	2.0
Q2	-2.4	5.1	-23.7		14.4	10.1	1.3	1.5 [†]	-0.8	16.3	-4.5	10.6
Q3	-4.0	9.1	18.4		16.4	20.4	2.0	2.0	-6.8	17.2	3.7	10.5
Q4	1.5	-1.0	10.7		24.3	6.5	5.3	8.5	-6.4	27.6	6.0	15.5
2003 Q1	-1.1	20.4	+		10.4	7.5	3.5	5.3	-2.9	13.2	4.3	10.9
Q2	-2.7	26.0	5.3		13.2	-12.3	1.4	-5.3	-8.7	15.2	7.2	4.1
Q3	1.0	26.0	-11.4		9.3	-17.7	2.8	-5.4	-1.6	11.9	4.5	4.5 [†]
Q4	0.7	36.9	-4.7		7.9	-12.4	3.7	-9.3	1.3	6.8	8.7	0.6

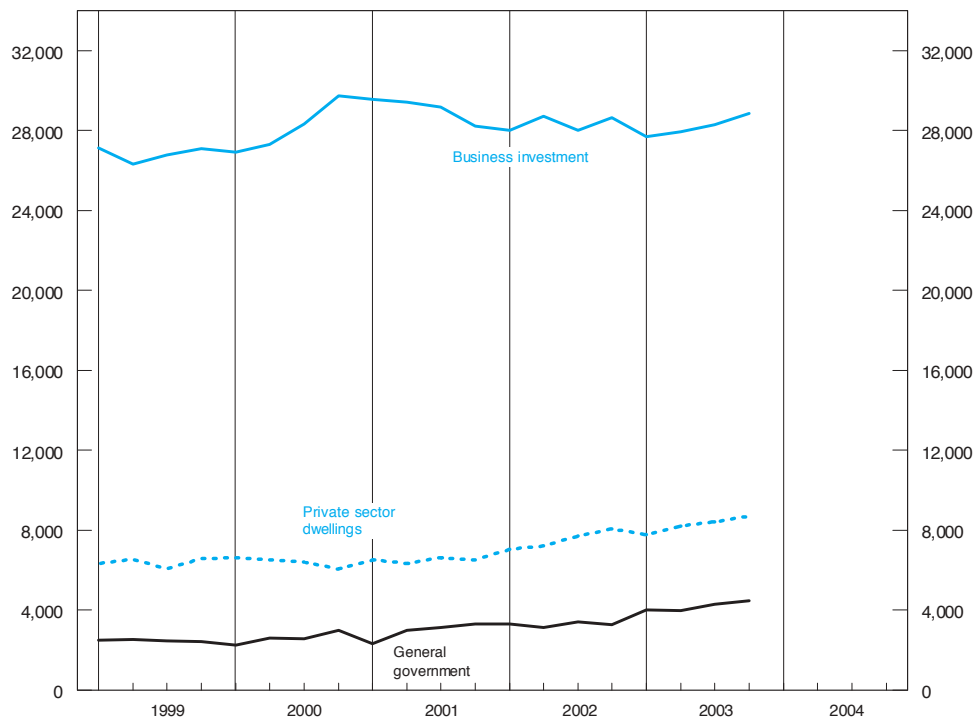
1 Not including dwellings and costs associated with the transfer of ownership of non-produced assets.

2 Remaining investment by public non-financial corporations is included within business investment.

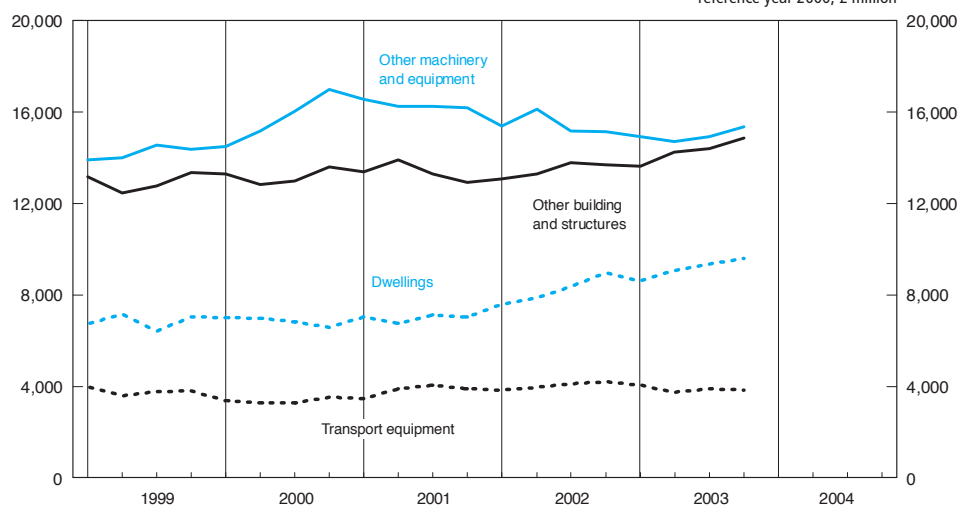
3 Including costs associated with transfer of ownership of non-produced assets.

Source: Office for National Statistics; Enquiries 020 7533 6010

Gross fixed capital formation-by sector

Chained volume measures,
reference year 2000, £ million

Gross fixed capital formation – by asset

Chained volume measures,
reference year 2000, £ million

2.8 Gross value added, chained volume indices at basic prices, by category of output^{1,3}

2000 = 100

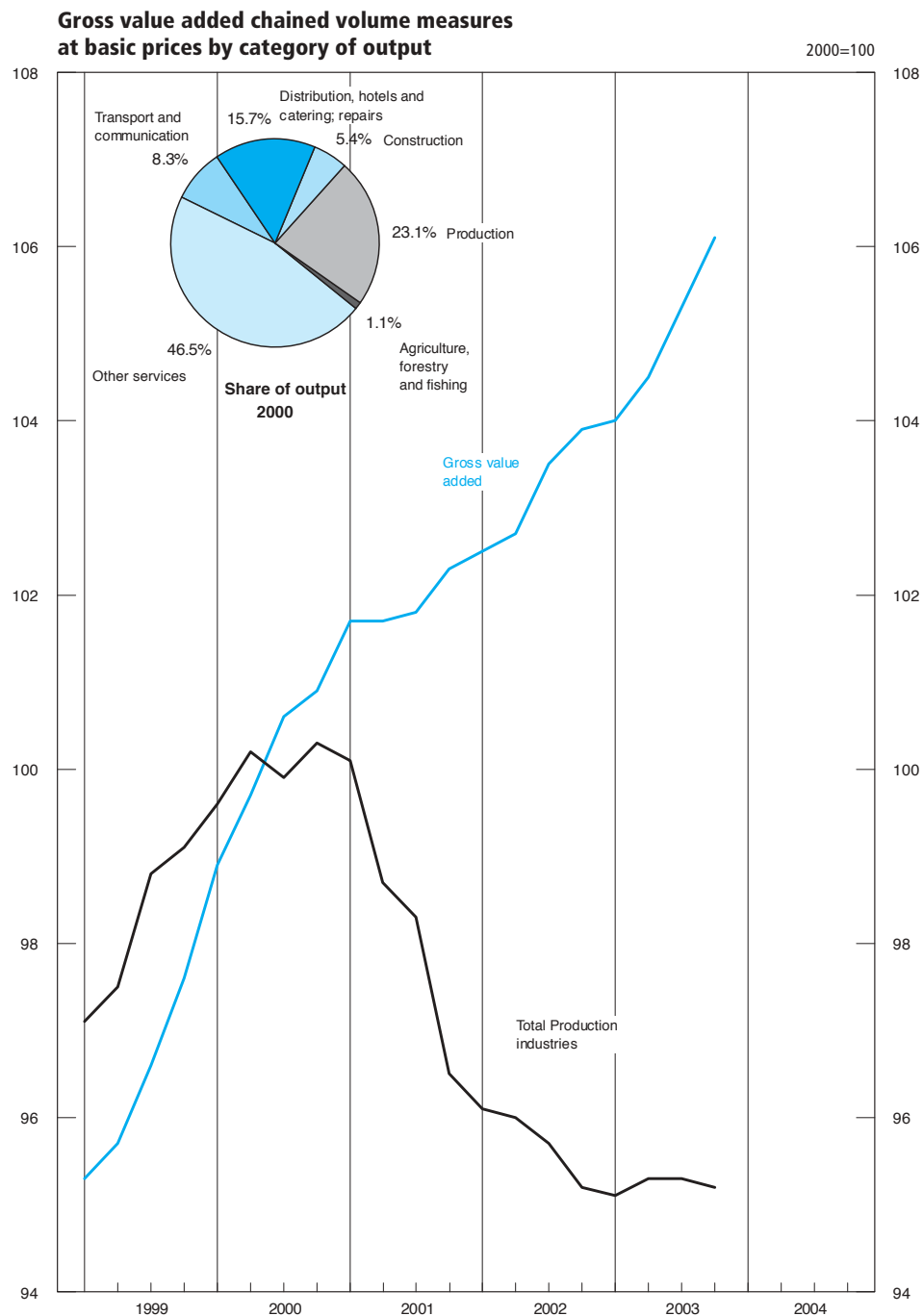
	Production						Service industries						Gross value added at basic prices	Gross value added excluding oil
	Agriculture, forestry, and fishing	Mining and quarrying including oil and gas extraction	Manufacturing	Electricity gas and water supply	Total	Construction	Distribution hotels and catering; repairs	Transport storage and communication	Business services and finance	Government and other services	Total			
2000 Weights ²	11	30	181	19	231	54	157	83	239	226	705	1000	973	
	GDQA	CKYX	CKYY	CKYZ	CKYW	GDQB	GDQE	GDQH	GDQN	GDQU	GDQS	CGCE	JUNT	
1999	100.6	103.3	97.6	97.9	98.1	98.7	97.3	91.2	95.6	97.1	95.9	96.3	96.2	
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
2001	89.9	94.5	98.7	102.4	98.4	103.4	101.8	104.0	103.9	101.4	102.6	101.9	102.1	
2002	101.0 [†]	94.4	95.1	104.0	95.7	108.4 [†]	106.3 [†]	105.0	105.9 [†]	103.0 [†]	104.9 [†]	103.1 [†]	103.4 [†]	
2003	98.3	88.5 [†]	95.2 [†]	105.7 [†]	95.2 [†]	113.7	109.0	106.4 [†]	108.4	105.1	107.2	105.0	105.5	
Quarterly														
1999 Q1	101.2	102.2	96.6	96.9	97.1	97.6	96.3	89.1	94.9	96.2	94.9	95.3	95.2	
Q2	100.2	103.3	96.9	97.1	97.5	98.0	96.8	90.5	95.0	96.7	95.4	95.7	95.6	
Q3	100.0	104.5	98.3	98.4	98.8	99.5	97.6	91.3	95.3	97.6	96.0	96.6	96.4	
Q4	101.1	103.0	98.7	99.1	99.1	99.8	98.3	93.9	97.3	98.0	97.3	97.6	97.5	
2000 Q1	100.7	103.8	99.2	98.7	99.6	102.3	99.0	97.0	98.0	99.0	98.4	98.9	98.8	
Q2	100.1	102.4	99.8	101.0	100.2	100.0	99.6	99.2	99.2	99.8	99.5	99.7	99.6	
Q3	101.4	98.9	100.0	99.9	99.9	98.3	100.9	101.4	100.9	100.7	100.9	100.6	100.6	
Q4	97.8	94.9	100.9	100.3	100.3	99.4	100.5	102.4	101.9	100.5	101.2	100.9	101.0	
2001 Q1	90.4	93.3	100.8	104.5	100.1	101.5	101.2	104.1	102.9	100.7	101.9	101.7	101.9	
Q2	88.7	96.3	98.7	102.8	98.7	102.8	101.4	104.6	103.5	101.0	102.4	101.7	101.9	
Q3	89.0	95.0	98.6	101.0	98.3	103.8	101.7	103.9	104.0	101.2	102.6	101.8	102.0	
Q4	91.4	93.4	96.6	101.2	96.5	105.7	103.2	103.6	105.2	102.4	103.7	102.3	102.5	
2002 Q1	100.8 [†]	94.2	95.8	101.5	96.1	107.4 [†]	104.6 [†]	104.5 [†]	104.7 [†]	102.8 [†]	104.0 [†]	102.5	102.8 [†]	
Q2	100.7	99.1	94.6	104.6	96.0	106.8	105.6	104.0	105.2	102.6	104.3	102.7 [†]	102.8 [†]	
Q3	101.8	90.2	95.5	106.2	95.7	108.7	107.0	105.3	106.8	102.9	105.4	103.5	103.9	
Q4	100.6	94.0	94.5	103.6	95.2	110.5	108.0	106.3	106.9	103.7	106.0	103.9	104.2	
2003 Q1	97.7	92.4	94.6 [†]	103.9 [†]	95.1 [†]	109.1	107.5	105.7	107.9	104.1	106.3	104.0	104.4	
Q2	98.2	89.9 [†]	95.2	105.4	95.3	112.7	108.7	105.9	107.1	104.9	106.6	104.5	105.0	
Q3	98.5	87.3	95.5	106.4	95.3	115.8	109.5	106.5	108.4	105.4	107.5	105.3	105.8	
Q4	98.9	84.6	95.7	107.1	95.2	117.4	110.1	107.5	110.2	105.9	108.5	106.1	106.7	
Percentage change, latest quarter on corresponding quarter of last year														
1999 Q1	4.7	4.4	-0.7	3.5	0.1	-3.5	3.2	7.9	5.8	2.1	4.3	2.7	2.7	
Q2	1.5	4.4	-0.3	2.0	0.3	0.4	3.4	7.1	4.4	2.0	3.7	2.5	2.5	
Q3	2.9	5.3	1.3	2.7	1.8	2.2	3.1	5.3	2.4	2.0	2.7	2.3	2.2	
Q4	4.4	2.6	2.6	2.6	2.6	2.4	2.4	5.9	2.3	2.3	2.7	2.6	2.6	
2000 Q1	-0.5	1.6	2.7	1.9	2.6	4.8	2.8	8.9	3.3	2.9	3.7	3.8	3.8	
Q2	-0.1	-0.9	3.0	4.0	2.8	2.0	2.9	9.6	4.4	3.2	4.3	4.2	4.2	
Q3	1.4	-5.4	1.7	1.5	1.1	-1.2	3.4	11.1	5.9	3.2	5.1	4.1	4.4	
Q4	-3.3	-7.9	2.2	1.2	1.2	-0.4	2.2	9.1	4.7	2.6	4.0	3.4	3.6	
2001 Q1	-10.2	-10.1	1.6	5.9	0.5	-0.8	2.2	7.3	5.0	1.7	3.6	2.8	3.1	
Q2	-11.4	-6.0	-1.1	1.8	-1.5	2.8	1.8	5.4	4.3	1.2	2.9	2.0	2.3	
Q3	-12.2	-3.9	-1.4	1.1	-1.6	5.6	0.8	2.5	3.1	0.5	1.7	1.2	1.4	
Q4	-6.5	-1.6	-4.3	0.9	-3.8	6.3	2.7	1.2	3.2	1.9	2.5	1.4	1.5	
2002 Q1	11.5 [†]	1.0	-5.0	-2.9	-4.0	5.8 [†]	3.4 [†]	0.4 [†]	1.7 [†]	2.1 [†]	2.1 [†]	0.8	0.9	
Q2	13.5	2.9	-4.2	1.8	-2.7	3.9	4.1	-0.6	1.6	1.6	1.9	1.0 [†]	0.9 [†]	
Q3	14.4	-5.1	-3.1	5.1	-2.6	4.7	5.2	1.3	2.7	1.7	2.7	1.7	1.9	
Q4	10.1	0.6	-2.2	2.4	-1.3	4.5	4.7	2.6	1.6	1.3	2.2	1.6	1.7	
2003 Q1	-3.1	-1.9	-1.3 [†]	2.4 [†]	-1.0 [†]	1.6	2.8	1.1	3.1	1.3	2.2	1.5	1.6	
Q2	-2.5	-9.3 [†]	0.6	0.8	-0.7	5.5	2.9	1.8	1.8	2.2	2.2	1.8	2.1	
Q3	-3.2	-3.2	0.0	0.2	-0.4	6.5	2.3	1.1	1.5	2.4	2.0	1.7	1.8	
Q4	-1.7	-10.0	1.3	3.4	0.0	6.2	1.9	1.1	3.1	2.1	2.4	2.1	2.4	

1 Estimates cannot be regarded as accurate to the last digit shown.

2 Weights may not sum to the totals due to rounding. The weights shown are in proportion to total gross value added (GVA) in 2000, and are used to combine the industry output indices to calculate the totals for 2001 and 2002. For 2000 and earlier, totals are calculated using the equivalent weights for the previous year (e.g. totals for 2000 use 1999 weights).

3 Components of output are valued at basic prices, which excludes taxes and subsidies on production

Sources: Office for National Statistics;
Enquiries Columns 1-11 020 7533 5969;
Column 12 020 7533 6031



2.9 Gross value added chained volume indices at basic prices, by category of output: Service industries

2000 = 100

	Distribution hotels and catering; repairs		Transport, storage and communication		Business services and finance			Government and other services					
	Motor trades; wholesale and retail trade; repairs	Hotels and restaurants	Transport and storage	Post and telecommunication	Financial intermediation ³	Real estate, renting and business activities	Lettings of dwellings	PAD ¹	Education	Health and social work	Other services ²	Adjustment for financial services ⁴	Total services
2000 weights	123	33	51	32	55	154	75	56	57	62	51	-45	705
Annual	GDQC	GDQD	GDQF	GDQG	GDQI	GDQK	GDQL	GDQO	GDQP	GDQQ	GDQR	GDQJ	GDQS
1999	96.9	98.7	93.8	87.1	95.0	92.9	100.6	97.7	98.4	96.1	96.3	92.9	95.9
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	102.3	100.2	101.6	107.9	105.2	104.5	102.3	100.5	99.5	103.3	102.0	104.8	102.6
2002	107.2 [†]	102.9	103.0 [†]	108.2 [†]	105.0 [†]	108.0 [†]	104.1 [†]	103.0 [†]	99.8 [†]	106.6 [†]	102.1 [†]	108.9	104.9 [†]
2003	109.4	107.4	102.3	112.9	108.5	114.1	105.1	105.9	101.1	110.0	102.5	122.5	107.2
Quarterly													
1999 Q1	96.2	96.9	93.5	82.4	93.1	92.0	101.0	97.1	97.3	95.8	94.6	91.8	94.9
Q2	96.5	98.2	93.1	86.4	95.4	91.4	101.5	97.5	98.3	95.4	95.6	93.3	95.4
Q3	97.2	99.3	93.3	88.1	94.4	92.7	100.6	98.1	99.4	96.1	96.9	93.6	96.0
Q4	97.8	100.2	95.5	91.4	97.0	95.4	99.2	98.0	98.6	97.1	98.2	93.1	97.3
2000 Q1	98.3	101.6	98.1	95.1	98.7	96.8	99.2	99.3	99.3	98.2	99.2	96.3	98.4
Q2	99.6	99.6	100.2	97.6	99.8	99.4	98.8	99.9	100.2	99.5	99.5	100.2	99.5
Q3	101.0	100.3	101.6	101.2	100.3	101.4	100.2	100.5	100.6	101.1	100.7	100.5	100.9
Q4	101.1	98.5	100.1	106.1	101.2	102.4	101.8	100.4	100.0	101.2	100.5	103.0	101.2
2001 Q1	101.5	99.8	101.2	108.5	104.1	103.6	101.8	100.1	99.7	101.7	101.3	105.3	101.9
Q2	101.7	100.0	101.7	109.0	104.3	103.9	102.1	100.2	99.1	102.8	101.9	103.5	102.4
Q3	102.0	100.5	101.8	107.4	105.1	104.5	102.5	100.4	99.2	103.4	101.8	104.7	102.6
Q4	104.0	100.4	101.7	106.5	107.3	105.7	103.0	101.2	100.1	105.2	103.1	105.8	103.7
2002 Q1	105.6 [†]	100.9 [†]	102.6	107.5 [†]	103.2 [†]	105.7 [†]	103.6 [†]	101.9 [†]	99.9 [†]	105.2 [†]	104.1 [†]	104.6	104.0 [†]
Q2	106.6	101.9	102.5	106.4	103.4	107.4	103.7	102.6	99.6	106.3	101.6	108.0	104.3
Q3	108.0	103.4	103.3 [†]	108.4	105.4	109.3	104.4	103.2	99.5	107.0	101.2	109.8 [†]	105.4
Q4	108.7	105.3	103.6	110.7	108.0	109.5	104.6	104.6	100.1	107.9	101.7	113.3	106.0
2003 Q1	108.0	105.9	101.8	111.7	106.4	112.1	104.7	105.0	100.7	108.8	101.0	115.0	106.3
Q2	108.9	107.9	101.5	112.9	107.0	112.2	105.0	105.8	101.1	109.6	102.5	120.6	106.6
Q3	110.0	107.8	102.6	112.6	108.0	114.7	105.2	106.1	101.3	110.1	103.4	124.2	107.5
Q4	110.6	108.0	103.2	114.4	112.7	117.4	105.4	106.7	101.4	111.7	103.1	130.1	108.5
Percentage change, quarter on corresponding quarter of previous year													
Quarterly													
1999 Q1	3.6	1.9	2.6	17.5	1.7	7.6	5.4	0.2	3.6	2.1	2.9	5.5	4.3
Q2	3.2	4.2	0.6	18.5	4.0	4.3	4.9	-0.2	4.1	1.8	2.4	4.1	3.7
Q3	2.4	6.0	-1.0	16.4	1.6	2.2	2.4	-0.2	4.0	2.0	2.0	0.3	2.7
Q4	2.0	3.8	0.7	14.7	6.4	1.8	-0.9	0.4	2.1	3.3	3.0	0.4	2.7
2000 Q1	2.2	4.9	4.9	15.4	6.0	5.2	-1.8	2.3	2.1	2.5	4.9	4.9	3.7
Q2	3.2	1.4	7.6	13.0	4.6	8.8	-2.7	2.5	1.9	4.3	4.1	7.4	4.3
Q3	3.9	1.0	8.9	14.9	6.3	9.4	-0.4	2.4	1.2	5.2	3.9	7.4	5.1
Q4	3.4	-1.7	4.8	16.1	4.3	7.3	2.6	2.4	1.4	4.2	2.3	10.6	4.0
2001 Q1	3.3	-1.8	3.2	14.1	5.5	7.0	2.6	0.8	0.4	3.6	2.1	9.3	3.6
Q2	2.1	0.4	1.5	11.7	4.5	4.5	3.3	0.3	-1.1	3.3	2.4	3.3	2.9
Q3	1.0	0.2	0.2	6.1	4.8	3.1	2.3	-0.1	-1.4	2.3	1.1	4.2	1.7
Q4	2.9	1.9	1.6	0.4	6.0	3.2	1.2	0.8	0.1	4.0	2.6	2.7	2.5
2002 Q1	4.0 [†]	1.1 [†]	1.4	-0.9 [†]	-0.9 [†]	2.0 [†]	1.8 [†]	1.8 [†]	0.2 [†]	3.4 [†]	2.8 [†]	-0.7	2.1 [†]
Q2	4.8	1.9	0.8	-2.4	-0.9	3.4	1.6	2.4	0.5	3.4	-0.3	4.3	1.9
Q3	5.9	2.9	1.5 [†]	0.9	0.3	4.6	1.9	2.8	0.3	3.5	-0.6	4.9 [†]	2.7
Q4	4.5	4.9	1.9	3.9	0.7	3.6	1.6	3.4	0.0	2.6	-1.4	7.1	2.2
2003 Q1	2.3	5.0	-0.8	3.9	3.1	6.1	1.1	3.0	0.8	3.4	-3.0	9.9	2.2
Q2	2.2	5.9	-1.0	6.1	3.5	4.5	1.3	3.1	1.5	3.1	0.9	11.7	2.2
Q3	1.9	4.3	-0.7	3.9	2.5	4.9	0.8	2.8	1.8	2.9	2.2	13.1	2.0
Q4	1.7	2.6	-0.4	3.3	4.4	7.2	0.8	2.0	1.3	3.5	1.4	14.8	2.4

1 Public administration and national defence; compulsory social security.

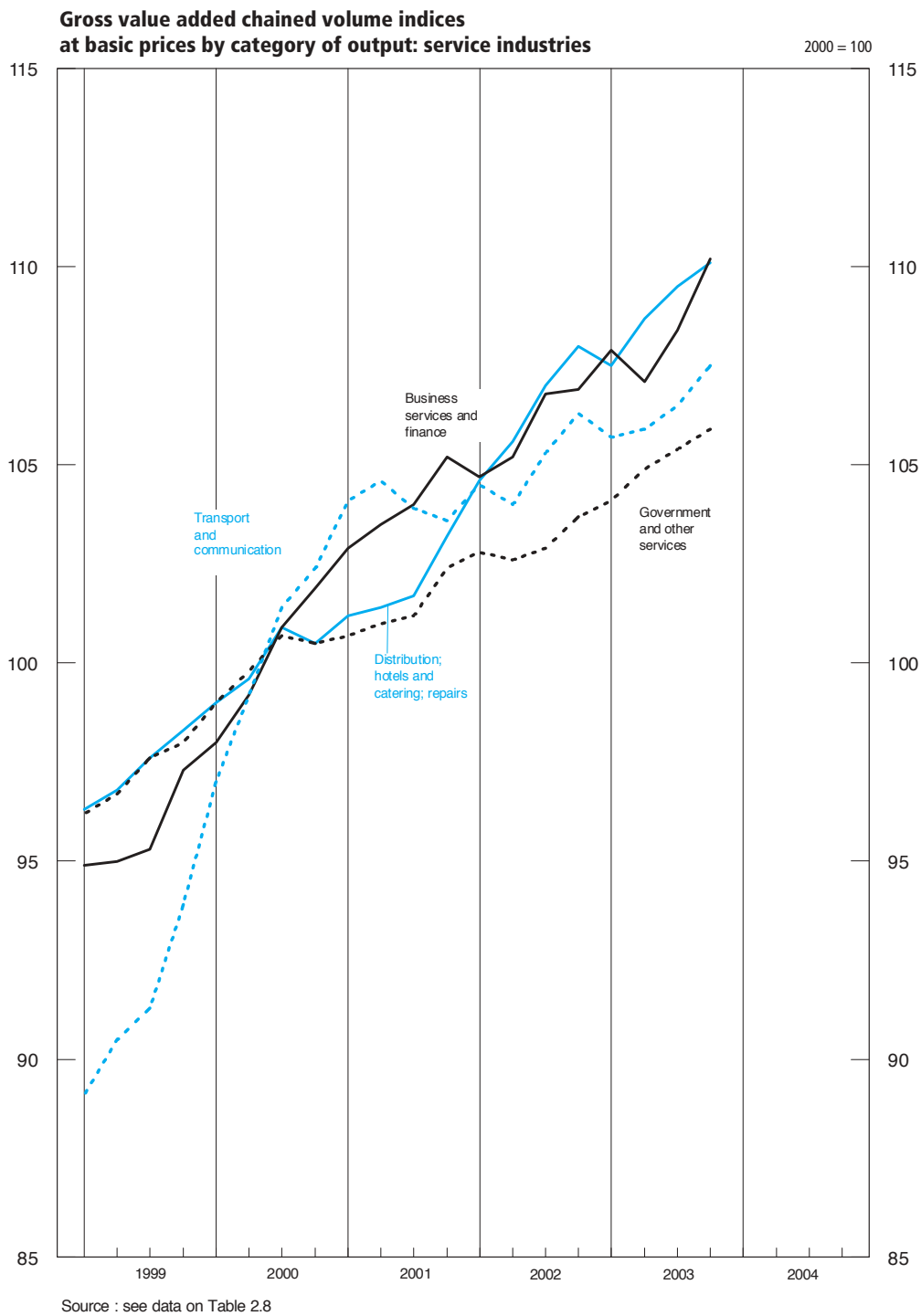
2 Comprising sections O, and P of the SIC(92).

3 Comprises section J of the SIC(92). This covers activities of institutions such as banks, building societies, securities dealers, insurance companies and pension funds. It also covers institutions whose activities are closely related to financial intermediation : for example fund managers and insurance brokers.

4 The weight and proxy series for financial intermediation are calculated before the deduction of interest receipts and payments to provide a better indication of the underlying activity for this section (see note 3). However, this overstates the contribution to GDP because interest flows should be treated as transfer payments rather than final consumption. The financial services adjustment, which has a negative weight, corrects for this.

5 See footnote 2 on Table 2.8

Source: Office for National Statistics; Enquiries 020 7533 5969



2.10 Summary capital accounts and net lending/net borrowing

£ million

	Non-financial corporations				Financial corporations				General Government			
	Gross saving ¹	Capital transfers (net receipts)	Gross capital formation ²	Net acquisition of non-financial assets	Gross saving ¹	Capital transfers (net receipts)	Gross capital formation ²	Net acquisition of non-financial assets	Gross saving ¹	Capital transfers (net receipts)	Gross capital formation ²	Net acquisition of non-financial assets
Annual	RPJV	GZQW	RQBZ	RQAX	RPPS	GZQE	RPYP	RPYO	RPQC	GZQU	RPZF	RPZE
2000	95 286	1 638	101 766	856	-16 356	—	10 739	-37	26 728	-2 204	10 284	-776
2001	90 384	3 304	101 935	1 139	-15 068	—	7 255	25	23 652	-4 791	11 659	-915
2002	105 270 [†]	3 280	97 892 [†]	1 431	8 770 [†]	—	7 092	-36	1 225 [†]	-5 000 [†]	13 126 [†]	-1 087
2003	117 392	4 665	98 561	1 614	12 756	—	5 818	-9	-11 629	-7 079	16 784	-957
Quarterly												
2000 Q1	22 912	588	25 326	208	275	—	2 151	-16	7 258	-922	2 161	-185
Q2	24 145	324	24 673	185	-4 631	—	2 416	-13	7 534	-139	2 554	-189
Q3	23 686	359	25 644	185	-4 071	—	3 170	-7	6 510	-575	2 563	-196
Q4	24 543	367	26 123	278	-7 929	—	3 002	-1	5 426	-568	3 006	-206
2001 Q1	23 178	599	26 317	253	-5 567	—	2 342	5	7 611	-776	2 251	-218
Q2	22 843	627	26 810	285	-2 431	—	2 232	8	6 442	-1 276	2 969	-220
Q3	21 791	719	25 159	314	-2 685	—	1 240	8	6 760	-1 142	3 112	-236
Q4	22 572	1 359	23 649	287	-4 385	—	1 441	4	2 839	-1 597	3 327	-241
2002 Q1	23 370 [†]	747 [†]	24 603 [†]	372 [†]	1 715 [†]	—	975 [†]	-3	1 179 [†]	-1 208 [†]	3 435 [†]	-285 [†]
Q2	24 182	631	23 291	328	283	—	1 215	-9	378	-971	3 164	-232
Q3	27 710	814	24 061	361	2 305	—	3 152	-12	1 242	-1 334	3 342	-238
Q4	30 008	1 088	25 937	370	4 467	—	1 750	-12	-1 574	-1 487	3 185	-332
2003 Q1	29 893	1 179	24 449	365	5 148	—	2 116	-8	-2 666	-2 075	3 867	-201
Q2	27 192	2 345	24 203	413	3 218	—	842	-3	-1 902	-2 922	4 010	-257
Q3	27 761	639	24 921	441	2 456	—	1 107	1	-2 284	-1 138	4 318	-252
Q4	32 546	502	24 988	395	1 934	—	1 753	1	-4 777	-944	4 589	-247
	Households & NPISH				Net lending(+)/net borrowing(-) ³							
	Gross saving ¹	Capital transfers (net receipts)	Gross capital formation ²	Net acquisition of non-financial assets	Non-financial corporations	Financial corporations	General government	Households & NPISH	Rest of the world ⁴	Statistical Discrepancy		
Annual	RPQL	GZQI	RPZV	RPZU	RQAW	RPYN	RPZD	RPZT	RQCH	RVFE		
2000	36 732	2 300	39 249	-67	-10 375	-27 058	15 016	-150	22 567	—		
2001	47 611	3 295	43 755	-152	-15 164	-22 348	8 117	7 303	22 092	—		
2002	40 293 [†]	3 182 [†]	49 793 [†]	-176	4 860 [†]	1 714 [†]	-15 814 [†]	-6 142 [†]	16 783 [†]	-1 401 [†]		
2003	43 719	4 356	54 456	-210	17 865	6 947	-34 535	-6 171	17 555	-1 661		
Quarterly												
2000 Q1	6 585	553	10 410	-24	-3 089	-1 860	4 360	-3 248	3 837	-1 988		
Q2	7 540	473	9 842	-16	-1 574	-7 034	5 030	-1 813	5 391	-2 588		
Q3	10 312	616	9 585	-12	-2 982	-7 234	3 568	1 355	5 293	1 811		
Q4	12 295	658	9 412	-15	-2 730	-10 930	2 058	3 556	8 046	2 765		
2001 Q1	13 112	331	10 556	-25	-4 333	-7 914	4 802	2 912	4 533	-6 553		
Q2	10 702	1 363	10 502	-36	-5 160	-4 671	2 417	1 599	5 815	-1 517		
Q3	10 743	891	11 937	-44	-4 264	-3 933	2 742	-259	5 714	2 830		
Q4	13 054	710	10 760	-47	-1 407	-5 830	-1 844	3 051	6 030	5 240		
2002 Q1	9 783 [†]	625 [†]	11 856 [†]	-47	-1 857 [†]	743 [†]	-3 179 [†]	-1 401 [†]	5 955 [†]	-6 438 [†]		
Q2	11 243	649	12 712	-45	62	-923	-3 525	-775	5 492	-4 142		
Q3	10 413	934	11 887	-43	3 010	-835	-3 196	-497	1 904	6 945		
Q4	8 854	974	13 338	-41	3 645	2 729	-5 914	-3 469	3 432	2 234		
2003 Q1	10 208	1 149	12 922	-46	5 564	3 040	-8 407	-1 519	1 720	-2 186		
Q2	9 996	952	13 390	-49	3 758	2 379	-8 577	-2 393	5 243	-3 267		
Q3	11 722	1 148	14 150	-55	1 943	1 348	-7 488	-1 225	5 845	2 746		
Q4	11 793	1 107	13 994	-60	6 600	180	-10 063	-1 034	4 747	1 046		

1 Before providing for depreciation, inventory holding gains.

2 Comprises gross fixed capital formation and changes in inventories and acquisitions less disposals of valuables.

3 This balance is equal to gross saving plus capital transfers

less gross fixed capital formation, less Net acquisition of non-financial assets, less changes in inventories.

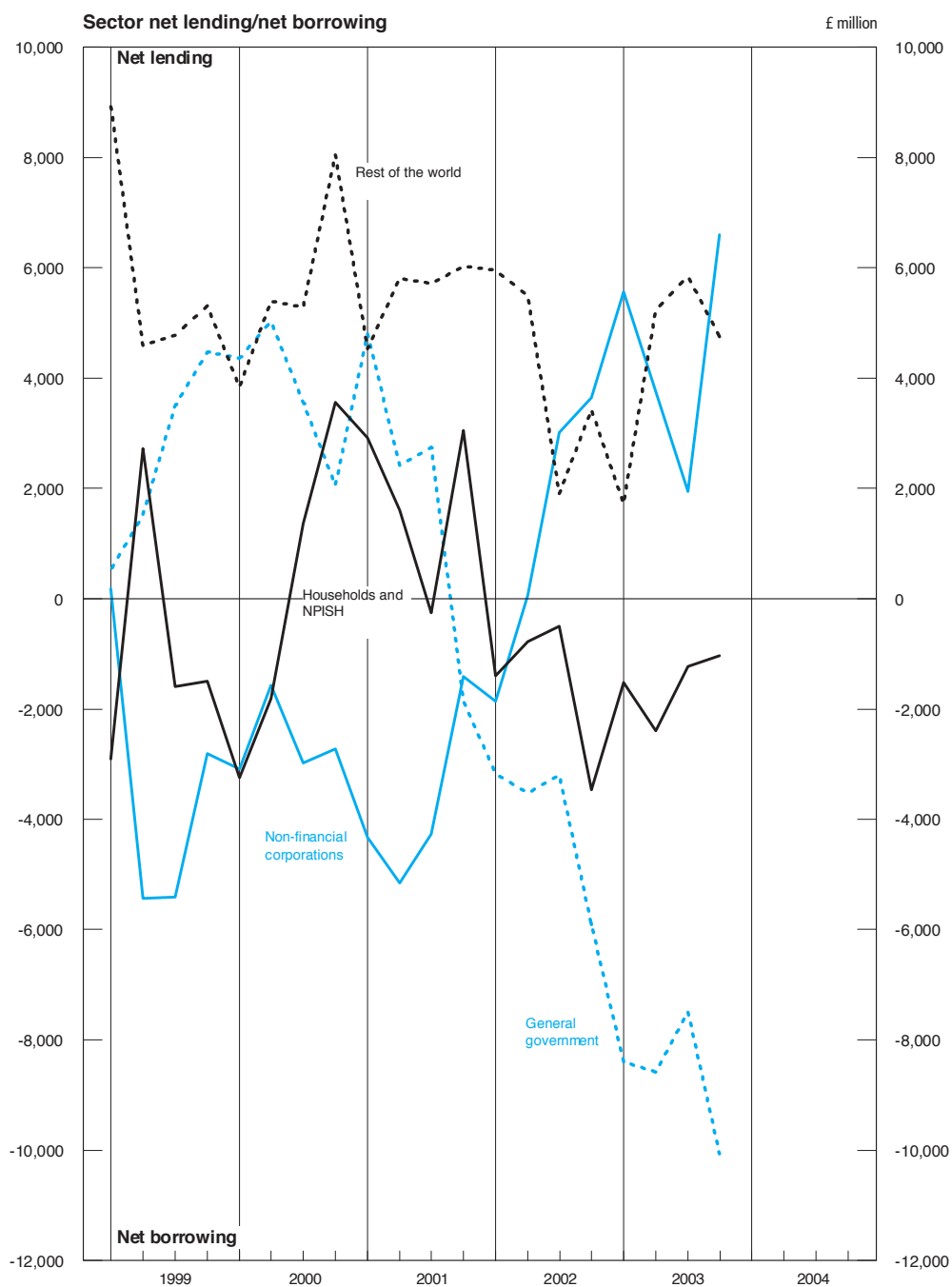
4 Equals, the current balance of payments accounts, plus capital transfers.

Sources: Office for National Statistics;

Enquiries Part 1 (Upper) Columns 1,3-5,7-9,11,12 020 7533 6031;

Columns 2,6,10 020 7533 5985;

Part2 (Lower) Columns 1, 3-10 020 7533 6031; Column 2 020 7533 5985



2.11 Private Non-Financial Corporations : Allocation of Primary Income Account

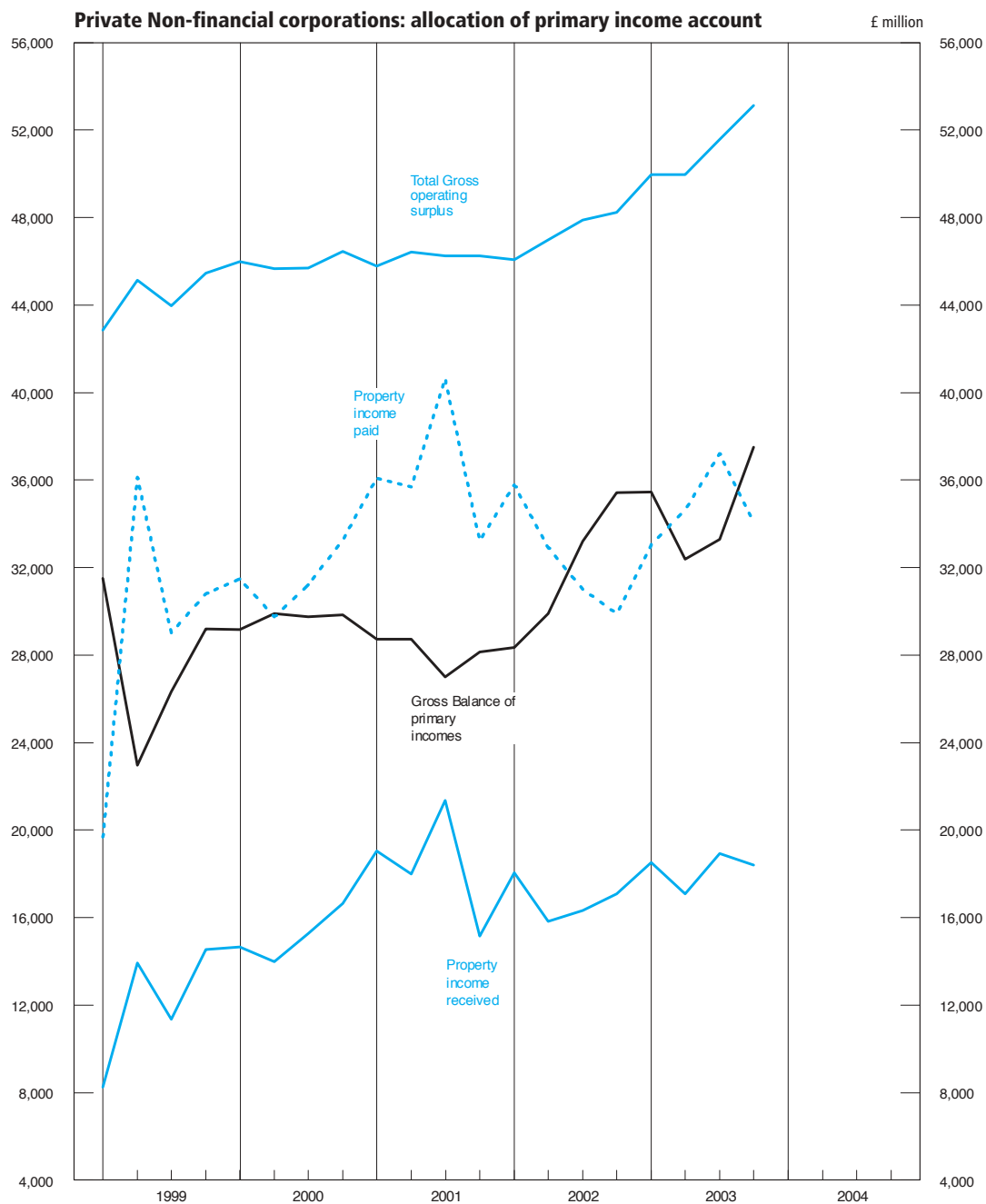
£ million

	Resources							Uses				
	Gross operating surplus							Property income payments				
	Gross trading profits											
	Continental shelf companies	Others ¹	Rental of buildings	less Inventory holding gains	Gross operating surplus ²	Property income receipts	Total resources ^{1,2}	Total payments	of which Dividends	of which Interest	Gross balance of primary incomes ¹	Share of gross national income ¹ (%)
Annual												
	CAGD	CAED	FCBW	-DLRA	CAER	RPBM	RPBN	RPBP	RVFT	ROCG	RPBO	NRJL
1993	9 375	100 167	9 132	-2 392	116 282	29 773	146 055	72 847	32 250	21 755	73 208	11.4
1994	10 776	117 450	8 641	-3 830	133 037	36 090	169 127	80 872	36 365	21 057	88 255	12.9
1995	12 124	125 151	9 379	-4 489	142 165	42 948	185 113	95 631	46 218	24 098	89 482	12.5
1996	15 702	133 508	9 493	-958	157 745	45 695	203 440	101 125	51 609	23 490	102 315	13.4
1997	13 978	145 693	9 561	-361	168 871	47 954	216 825	107 623	56 253	25 822	109 202	13.4
1998	11 696	150 975	10 837	753	174 261	49 713	223 974	107 266	51 578	30 659	116 708	13.4
1999	13 864	153 954	11 435	-1 801	177 452	48 118	225 570	115 547	61 104	30 673	110 023	12.3
2000	21 333	153 142	12 271	-2 941	183 805	60 554	244 359	125 694	55 846	37 355	118 665	12.5
2001	19 822	153 445	12 999	-1 555	184 711	73 575	258 286	145 661	75 867	39 578	112 625	11.3
2002	18 742	160 241	13 318	-3 114	189 187	67 305 [†]	256 492 [†]	129 603 [†]	62 606	36 183 [†]	126 889 [†]	11.9
2003	18 435	172 095	13 902	209	204 641	72 953	277 594	138 973	68 670	37 093	138 621	12.4
Quarterly												
1993 Q1	2 171	25 292	2 259	-974	28 748	7 297	36 045	17 848	7 439	5 758	18 197	11.7
Q2	2 116	23 632	2 300	-359	27 689	7 190	34 879	18 617	9 185	5 385	16 262	10.3
Q3	2 456	25 593	2 305	-561	29 793	7 086	36 879	17 820	7 431	5 388	19 059	11.8
Q4	2 632	25 650	2 268	-498	30 052	8 200	38 252	18 562	8 195	5 224	19 690	12.0
1994 Q1	2 292	27 870	2 201	-443	31 920	9 245	41 165	19 053	8 537	5 276	22 112	13.2
Q2	3 050	29 556	2 148	-919	33 835	8 772	42 607	20 021	8 228	5 302	22 586	13.4
Q3	2 701	29 269	2 132	-1 109	32 993	8 423	41 416	21 013	9 459	5 163	20 403	11.9
Q4	2 733	30 755	2 160	-1 359	34 289	9 650	43 939	20 785	10 141	5 316	23 154	13.2
1995 Q1	2 966	31 234	2 264	-1 738	34 726	9 371	44 097	22 405	9 966	5 663	21 692	12.3
Q2	3 113	30 812	2 336	-1 588	34 673	9 963	44 636	22 201	9 264	6 057	22 435	12.7
Q3	2 934	31 531	2 379	-1 181	35 663	11 011	46 674	25 045	12 656	6 062	21 629	12.0
Q4	3 111	31 574	2 400	18	37 103	12 603	49 706	25 980	14 332	6 316	23 726	12.9
1996 Q1	3 523	32 645	2 386	-800	37 754	11 196	48 950	25 790	13 234	5 952	23 160	12.4
Q2	3 929	33 047	2 366	-102	39 240	12 391	51 631	23 978	12 135	5 759	27 653	14.5
Q3	4 081	33 895	2 362	-208	40 130	10 633	50 763	25 201	12 624	5 881	25 562	13.3
Q4	4 169	33 921	2 379	152	40 621	11 475	52 096	26 156	13 616	5 898	25 940	13.4
1997 Q1	3 885	36 710	2 337	-23	42 909	10 999	53 908	24 839	12 414	5 966	29 069	14.7
Q2	3 288	36 897	2 381	239	42 805	11 864	54 669	27 598	15 386	6 396	27 071	13.3
Q3	3 448	36 127	2 414	-506	41 483	14 105	55 588	27 741	15 588	6 497	27 847	13.6
Q4	3 357	35 959	2 429	-71	41 674	10 986	52 660	27 445	12 865	6 963	25 215	12.2
1998 Q1	3 160	36 913	2 629	107	42 809	13 933	56 742	29 295	15 180	7 405	27 447	13.1
Q2	3 103	36 759	2 670	53	42 585	11 731	54 316	25 942	11 931	7 517	28 374	13.2
Q3	2 779	39 114	2 727	315	44 935	11 776	56 711	26 104	11 712	7 916	30 607	13.8
Q4	2 654	38 189	2 811	278	43 932	12 273	56 205	25 925	12 755	7 821	30 280	13.6
1999 Q1	2 519	37 823	2 819	-302	42 859	8 254	51 113	19 597	8 789	7 482	31 516	14.5
Q2	3 293	39 464	2 832	-440	45 149	13 940	59 089	36 119	23 269	7 317	22 970	10.3
Q3	4 056	37 706	2 865	-645	43 982	11 367	55 349	29 019	14 358	7 712	26 330	11.6
Q4	3 996	38 961	2 919	-414	45 462	14 557	60 019	30 812	14 688	8 162	29 207	12.7
2000 Q1	4 695	39 079	2 914	-702	45 986	14 657	60 643	31 477	15 037	8 701	29 166	12.4
Q2	5 252	38 226	3 015	-830	45 663	13 987	59 650	29 757	12 305	9 297	29 893	12.7
Q3	5 580	37 789	3 135	-799	45 705	15 262	60 967	31 208	12 857	9 494	29 759	12.4
Q4	5 806	38 048	3 207	-610	46 451	16 648	63 099	33 252	15 647	9 863	29 847	12.4
2001 Q1	5 446	38 175	3 234	-1 070	45 785	19 062	64 847	36 104	16 558	10 277	28 743	11.6
Q2	5 407	38 252	3 250	-486	46 423	17 992	64 415	35 681	18 170	10 037	28 734	11.5
Q3	4 816	38 277	3 261	-97	46 257	21 374	67 631	40 629	23 666	10 078	27 002	10.8
Q4	4 153	38 741	3 254	98	46 246	15 147	61 393	33 247	17 473	9 186	28 146	11.1
2002 Q1	4 298	39 157 [†]	3 278 [†]	-669	46 064 [†]	18 057 [†]	64 121 [†]	35 782 [†]	19 006 [†]	9 033 [†]	28 339 [†]	10.9 [†]
Q2	4 663	39 722	3 305	-713	46 977	15 844	62 821	32 905	15 962	9 043	29 916	11.4
Q3	4 635	40 720	3 348	-800	47 903	16 329	64 232	31 024	14 764	8 978	33 208	12.3
Q4	5 146	40 642	3 387	-932	48 243	17 075	65 318	29 892	12 874	9 129	35 426	13.0
2003 Q1	5 218 [†]	41 896	3 435	-581	49 968	18 536	68 504	33 061	16 496	9 215	35 443	12.8
Q2	3 879	42 326	3 467	292	49 964	17 077	67 041	34 652	17 507	9 270	32 389	11.7
Q3	4 897	42 932	3 490	249	51 568	18 930	70 498	37 212	19 468	9 341	33 286	11.9
Q4	4 441	44 941	3 510	249	53 141	18 410	71 551	34 048	15 199	9 267	37 503	13.1

1 Quarterly alignment adjustment included in this series.

2 Total resources equals total uses.

Source: Office for National Statistics; Enquiries 020 7533 6014



2.12 Private Non-financial Corporations : Secondary Distribution of Income Account and Capital Account

£ million

	Secondary Distribution of Income Account						Capital Account					
	Resources			Uses			Changes in liabilities & net worth		Changes in assets			
	Gross balance of primary incomes ¹	Other resources ²	Total ^{1,3}	Taxes on income	Other uses ⁴	Gross disposable income ^{1,5}	Net capital transfer receipts	Total ¹	Gross fixed capital formation	Changes in inventories ¹	Other changes in assets ⁶	Net lending (+) or borrowing (-) ^{1,7}
Annual												
	RPBO	NROQ	RPKY	RPLA	NROO	RPKZ	NROP	RPXH	ROAW	DLQY	NRON	RQBV
1994	88 255	6 553	94 808	15 085	6 917	72 806	409	73 215	55 867	3 904	530	12 914
1995	89 482	7 704	97 186	18 953	8 104	70 129	433	70 562	64 444	4 542	388	1 188
1996	102 315	8 420	110 735	23 080	9 938	77 717	428	78 145	72 854	1 672	263	3 356
1997	109 202	7 097	116 299	28 558	7 576	80 165	671	80 836	81 317	3 949	401	-4 831
1998	116 708	8 390	125 098	26 877	8 834	89 387	1 081	90 468	89 848	4 533	1 287	-5 200
1999	110 023	7 875	117 898	22 608	8 444	86 846	958	87 804	93 756	6 174	1 036	-13 162
2000	118 665	9 990	128 655	26 188	10 403	92 064	405	92 469	96 329	5 512	768	-10 140
2001	112 625	10 218	122 843	25 367	10 629	86 847	1 633	88 480	99 045	2 890	1 069	-14 524
2002	126 889 [†]	12 866	139 755 [†]	24 181 [†]	13 288	102 286 [†]	2 095	104 381 [†]	96 376 [†]	1 559	1 212	5 234 [†]
2003	138 621	14 076	152 697	23 697	14 506	114 494	3 085	117 579	96 822	1 836	1 235	17 686
Quarterly												
1994 Q1	22 112	1 673	23 785	3 206	1 759	18 820	82	18 902	13 699	160	136	4 907
Q2	22 586	1 686	24 272	3 887	1 778	18 607	96	18 703	13 120	2 024	119	3 440
Q3	20 403	1 498	21 901	4 076	1 591	16 234	120	16 354	14 130	193	124	1 907
Q4	23 154	1 696	24 850	3 916	1 789	19 145	111	19 256	14 918	1 527	151	2 660
1995 Q1	21 692	1 825	23 517	4 252	1 922	17 343	127	17 470	14 794	-496	121	3 051
Q2	22 435	1 936	24 371	5 420	2 032	16 919	98	17 017	16 117	2 111	125	-1 336
Q3	21 629	1 953	23 582	4 368	2 049	17 165	102	17 267	16 460	1 714	87	-994
Q4	23 726	1 990	25 716	4 913	2 101	18 702	106	18 808	17 073	1 213	55	467
1996 Q1	23 160	2 238	25 398	5 419	3 336	16 643	125	16 768	17 261	1 095	63	-1 651
Q2	27 653	2 219	29 872	5 148	2 369	22 355	102	22 457	17 599	837	71	3 950
Q3	25 562	1 994	27 556	6 334	2 124	19 098	96	19 194	18 566	127	57	444
Q4	25 940	1 969	27 909	6 179	2 109	19 621	105	19 726	19 428	-387	72	613
1997 Q1	29 069	1 771	30 840	6 642	1 888	22 310	233	22 543	19 359	1 357	64	1 763
Q2	27 071	1 757	28 828	7 363	1 901	19 564	164	19 728	20 439	1 046	94	-1 851
Q3	27 847	1 739	29 586	7 240	1 848	20 498	131	20 629	20 133	952	103	-559
Q4	25 215	1 830	27 045	7 313	1 939	17 793	143	17 936	21 386	594	140	-4 184
1998 Q1	27 447	2 225	29 672	6 607	2 336	20 729	343	21 072	22 016	468	256	-1 668
Q2	28 374	2 166	30 540	6 715	2 277	21 548	220	21 768	22 319	-187	380	-744
Q3	30 607	1 959	32 566	6 847	2 070	23 649	248	23 897	23 218	1 985	379	-1 685
Q4	30 280	2 040	32 320	6 708	2 151	23 461	270	23 731	22 295	2 267	272	-1 103
1999 Q1	31 516	2 037	33 553	5 484	2 264	25 805	344	26 149	23 139	2 370	301	339
Q2	22 970	1 925	24 895	4 846	2 038	18 011	199	18 210	22 928	403	314	-5 435
Q3	26 330	1 608	27 938	5 938	1 722	20 278	216	20 494	23 882	1 842	191	-5 421
Q4	29 207	2 305	31 512	6 340	2 420	22 752	199	22 951	23 807	1 559	230	-2 645
2000 Q1	29 166	2 472	31 638	6 998	2 589	22 051	315	22 366	23 685	1 646	193	-3 158
Q2	29 893	2 429	32 322	6 508	2 526	23 288	20	23 308	23 494	1 202	158	-1 546
Q3	29 759	2 735	32 494	6 572	2 834	23 088	34	23 122	24 044	1 629	156	-2 707
Q4	29 847	2 354	32 201	6 110	2 454	23 637	36	23 673	25 106	1 035	261	-2 729
2001 Q1	28 743	2 436	31 179	6 399	2 537	22 243	200	22 443	25 188	1 157	220	-4 122
Q2	28 734	2 529	31 263	6 560	2 632	22 071	443	22 514	24 969	1 807	306	-4 568
Q3	27 002	2 518	29 520	5 983	2 621	20 916	489	21 405	24 982	189	280	-4 046
Q4	28 146	2 735	30 881	6 425	2 839	21 617	501	22 118	23 906	-263	263	-1 788
2002 Q1	28 339 [†]	3 041 [†]	31 380 [†]	5 701 [†]	3 145 [†]	22 534 [†]	568 [†]	23 102 [†]	23 808 [†]	803 [†]	329 [†]	-1 838 [†]
Q2	29 916	3 069	32 985	6 351	3 174	23 460	432	23 892	24 243	-945	280	314
Q3	33 208	3 347	36 555	6 022	3 453	27 080	495	27 575	23 728	338	309	3 200
Q4	35 426	3 409	38 835	6 107	3 516	29 212	600	29 812	24 597	1 363	294	3 558
2003 Q1	35 443	3 222	38 665	6 107	3 329	29 229	713	29 942	23 276	1 196	281	5 189
Q2	32 389	3 506	35 895	5 803	3 613	26 479	1 502	27 981	24 348	-145	345	3 433
Q3	33 286	3 655	36 941	6 251	3 763	26 927	465	27 392	24 461	497	330	2 104
Q4	37 503	3 693	41 196	5 536	3 801	31 859	405	32 264	24 737	288	279	6 960

1 Quarterly alignment adjustment included in this series.

2 Social contributions and other current transfers.

3 Total resources equals total uses.

4 Social benefits and other current transfers.

5 Also known as gross saving.

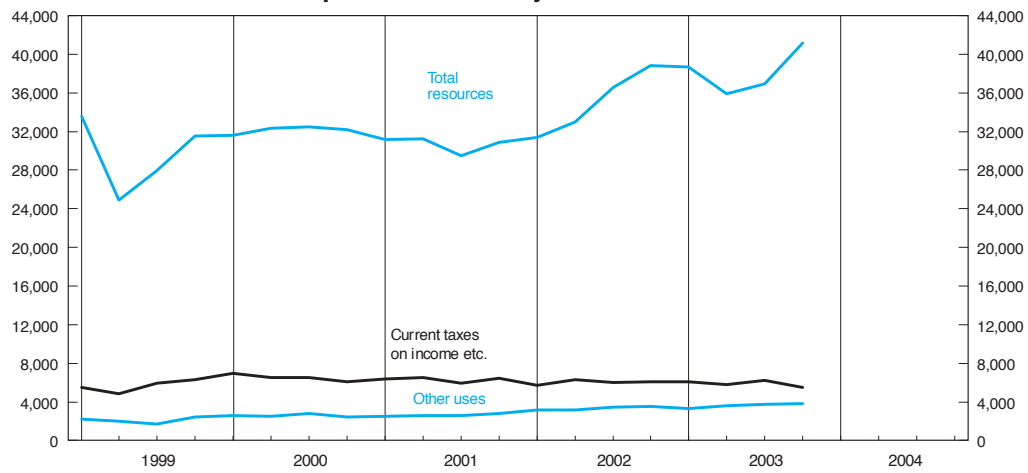
6 Acquisitions less disposals of valuables and non-produced non-financial assets.

7 Gross of fixed capital consumption.

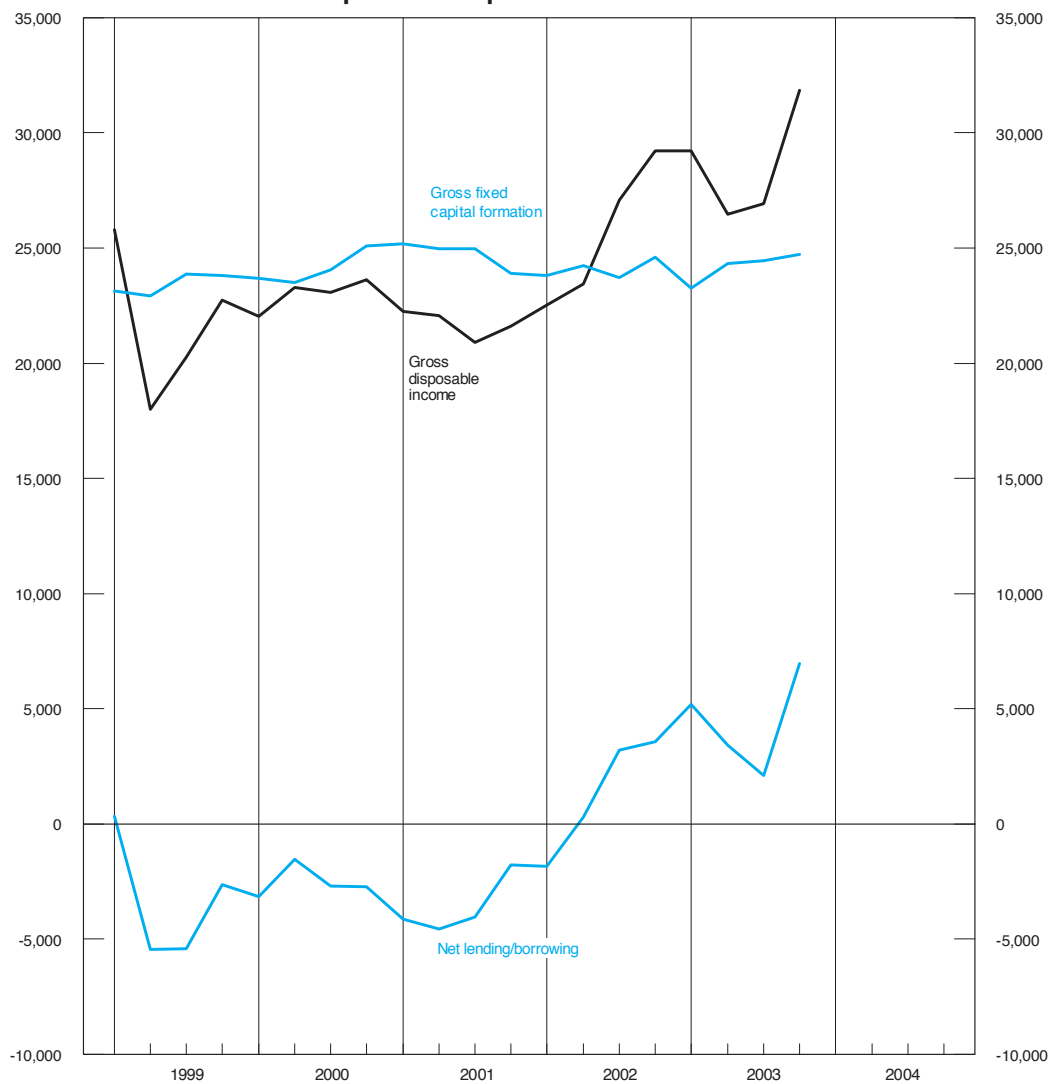
Source: Office for National Statistics; Enquiries 020 7533 6014

Private Non-financial corporations : secondary distribution of income account

£ million

**Private Non-financial corporations : capital account**

£ million



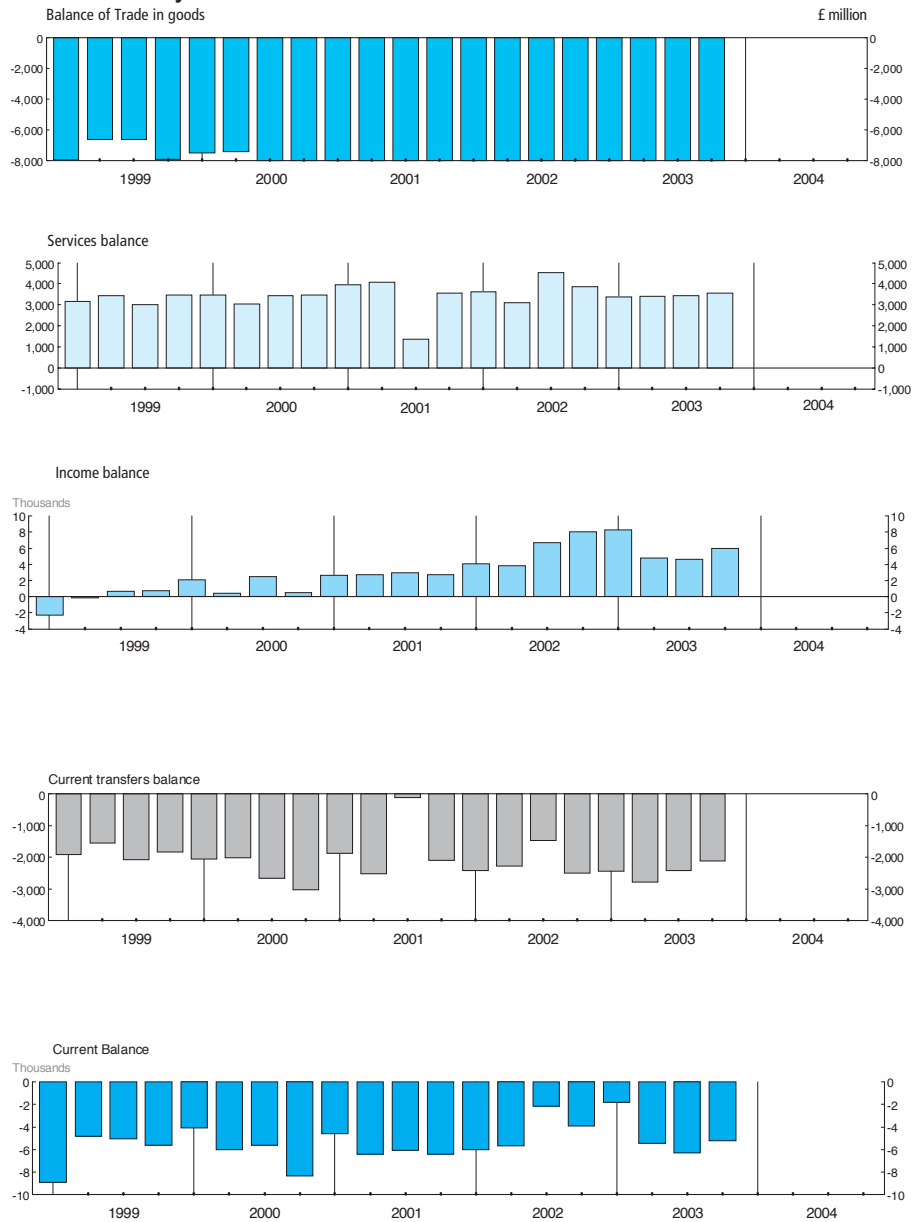
2.13

Balance of payments: current account

£ million

	Trade in goods and services						Income balance	Current transfers balance	Current balance
	Exports of goods+	Imports of goods+	Balance of trade in goods	Exports of services	Imports of services	Services balance			
Annual	BOKG	BOKH	BOKI	IKBB	IKBC	IKBD	HBOJ	IKBP	HBOP
1999	166 166	195 217	-29 051	72 628	59 494	13 134	-1 116	-7 383	-24 416
2000	187 936	220 912	-32 976	79 071	65 645	13 426	5 208	-9 752	-24 094
2001	190 050	230 670	-40 620	81 658	68 658	13 000	10 723	-6 606	-23 503
2002	186 517	233 147	-46 630	86 753	71 572	15 181	22 310 [†]	-8 674	-17 813
2003	187 703 [†]	233 952 [†]	-46 249 [†]	88 306 [†]	74 459 [†]	13 847 [†]	23 385	-9 743	-18 760
Quarterly									
1999 Q1	38 959	46 893	-7 934	17 769	14 590	3 179	-2 256	-1 916	-8 927
Q2	40 378	46 976	-6 598	18 229	14 770	3 459	-155	-1 538	-4 832
Q3	43 582	50 180	-6 598	17 586	14 572	3 014	626	-2 087	-5 045
Q4	43 247	51 168	-7 921	19 044	15 562	3 482	669	-1 842	-5 612
2000 Q1	44 374	51 854	-7 480	18 914	15 453	3 461	1 983	-2 049	-4 085
Q2	46 851	54 256	-7 405	19 257	16 209	3 048	370	-2 020	-6 007
Q3	47 445	56 289	-8 844	20 166	16 716	3 450	2 410	-2 662	-5 646
Q4	49 266	58 513	-9 247	20 734	17 267	3 467	445	-3 021	-8 356
2001 Q1	49 554	58 824	-9 270	21 453	17 476	3 977	2 554	-1 875	-4 614
Q2	48 256	58 890	-10 634	21 497	17 414	4 083	2 653	-2 519	-6 417
Q3	46 539	56 715	-10 176	18 488	17 116	1 372	2 860	-119	-6 063
Q4	45 701	56 241	-10 540	20 220	16 652	3 568	2 656	-2 093	-6 409
2002 Q1	45 800	57 051	-11 251	21 209	17 569	3 640	4 001 [†]	-2 418 [†]	-6 028
Q2	49 380	59 657	-10 277	20 925	17 803	3 122	3 756	-2 286	-5 685
Q3	46 816	58 641	-11 825	22 761	18 210	4 551	6 577	-1 476	-2 173
Q4	44 521	57 798	-13 277	21 858	17 990	3 868	7 976	-2 494	-3 927
2003 Q1	47 777 [†]	58 780 [†]	-11 003	21 826 [†]	18 433 [†]	3 393 [†]	8 231	-2 432	-1 811
Q2	46 500	57 332	-10 832 [†]	21 729	18 298	3 431	4 740	-2 780	-5 441
Q3	46 283	58 107	-11 824	22 384	18 948	3 436	4 523	-2 415	-6 280
Q4	47 143	59 733	-12 590	22 367	18 780	3 587	5 891	-2 116	-5 228
Monthly									
2001 Jan	16 507	19 563	-3 056	7 010	5 751	1 259	..	..	..
Feb	16 819	19 722	-2 903	7 104	5 768	1 336	..	..	..
Mar	16 228	19 539	-3 311	7 339	5 957	1 382	..	..	..
Apr	15 880	19 468	-3 588	7 316	5 842	1 474	..	..	..
May	16 193	19 610	-3 417	7 197	5 832	1 365	..	..	..
Jun	16 183	19 812	-3 629	6 984	5 740	1 244	..	..	..
Jul	15 676	18 998	-3 322	6 992	5 726	1 266	..	..	..
Aug	15 403	19 353	-3 950	6 867	5 820	1 047	..	..	..
Sep	15 460	18 364	-2 904	4 629	5 570	-941	..	..	..
Oct	15 832	18 934	-3 102	6 278	5 514	764	..	..	..
Nov	15 208	18 620	-3 412	6 844	5 595	1 249	..	..	..
Dec	14 661	18 687	-4 026	7 098	5 543	1 555	..	..	..
2002 Jan	15 346	19 020	-3 674	7 272	5 755	1 517	..	..	..
Feb	15 259	18 974	-3 715	7 097	5 908	1 189	..	..	..
Mar	15 195	19 057	-3 862	6 840	5 906	934	..	..	..
Apr	16 319	20 110	-3 791	6 850	6 012	838	..	..	..
May	17 346	20 279	-2 933	6 907	5 814	1 093	..	..	..
Jun	15 715	19 268	-3 553	7 168	5 977	1 191	..	..	..
Jul	16 319	20 361	-4 042	7 465	6 003	1 462	..	..	..
Aug	14 871	19 025	-4 154	7 634	6 114	1 520	..	..	..
Sep	15 626	19 255	-3 629	7 662	6 093	1 569	..	..	..
Oct	15 121	19 517	-4 396	7 426	6 094	1 332	..	..	..
Nov	14 455	19 577	-5 122	7 212	5 824	1 388	..	..	..
Dec	14 945	18 704	-3 759	7 220	6 072	1 148	..	..	..
2003 Jan	16 069 [†]	19 897 [†]	-3 828 [†]	7 078	6 190	888	..	..	..
Feb	16 095	19 260	-3 165	7 098	6 189	909	..	..	..
Mar	15 613	19 623	-4 010	7 038	6 148	890	..	..	..
Apr	16 525	18 965	-2 440	6 830	6 030	800	..	..	..
May	15 440	19 259	-3 819	6 856	6 125	731	..	..	..
Jun	14 535	19 108	-4 573	6 842	6 112	730	..	..	..
Jul	15 745	19 211	-3 466	6 939	6 214	725	..	..	..
Aug	15 382	18 996	-3 614	7 107	6 196	911	..	..	..
Sep	15 156	19 900	-4 744	7 087	6 083	1 004	..	..	..
Oct	15 772	19 989	-4 217	7 028	6 044	984	..	..	..
Nov	15 361	19 760	-4 399	7 076	5 969	1 107	..	..	..
Dec	16 010	19 984	-3 974	7 114	6 222	892	..	..	..
2004 Jan	14 574	20 158	-5 584	7 061	6 111	950	..	..	..

Sources: Office for National Statistics;
 Enquiries Columns 1-3 020 7533 6064; Columns 4-6 & 8 020 7533 6090;
 Columns 7 & 9 020 7533 6078.

Balance of Payments : Current account

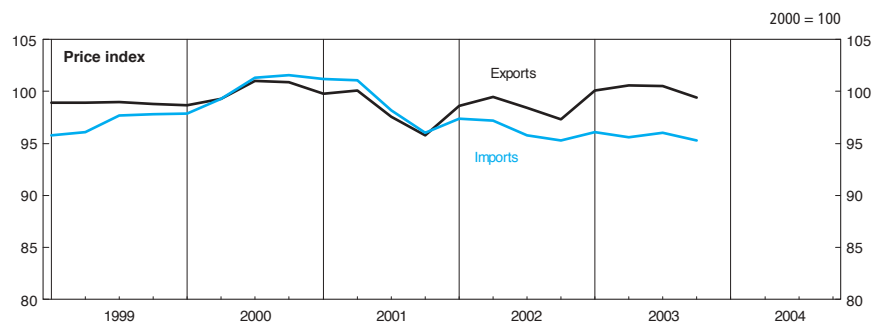
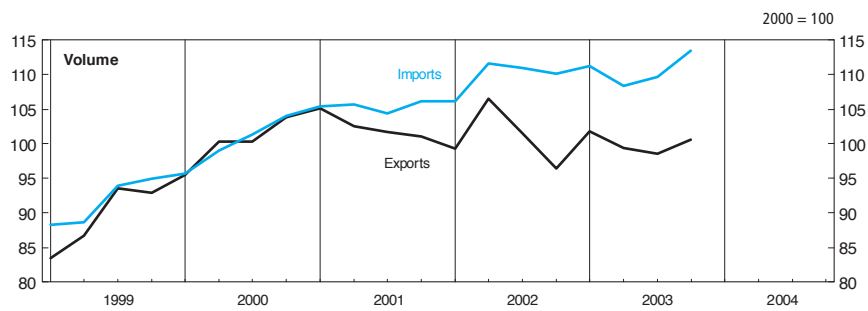
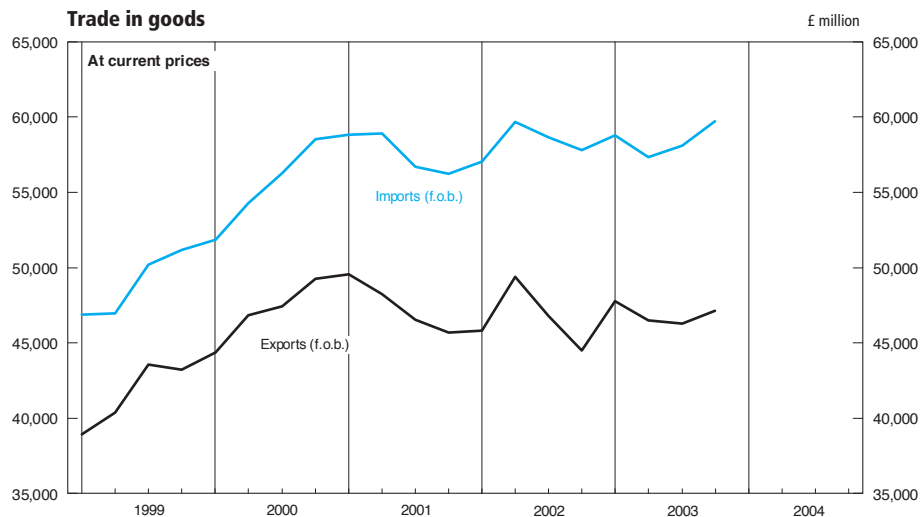
2.14 Trade in goods (on a balance of payments basis)

2000 = 100

	Volume indices (SA)		Price indices (NSA)		
	Exports	Imports	Exports	Imports	Terms of trade ¹
Annual	BQKU	BQKV	BQKR	BQKS	BQKT
1999	89.2	91.5	98.9	96.8	102.2
2000	100.0	100.0	100.0	100.0	100.0
2001	102.7	105.4	98.3	99.1	99.2
2002	100.9	109.7	98.4	96.4	102.1
2003	100.1 [†]	110.7 [†]	100.1 [†]	95.8	104.5 [†]
Quarterly					
1999 Q1	83.5	88.3	98.9	95.8	103.2
Q2	86.7	88.7	98.9	96.1	102.9
Q3	93.6	93.9	99.0	97.7	101.3
Q4	92.9	95.0	98.8	97.8	101.0
2000 Q1	95.5	95.7	98.7	97.9	100.8
Q2	100.3	99.0	99.3	99.3	100.0
Q3	100.3	101.3	101.0	101.3	99.7
Q4	103.9	104.0	100.9	101.6	99.3
2001 Q1	105.1	105.4	99.8	101.2	98.6
Q2	102.6	105.7	100.1	101.1	99.0
Q3	101.7	104.4	97.6	98.2	99.4
Q4	101.1	106.2	95.8	96.0	99.8
2002 Q1	99.3	106.2	98.6	97.4	101.2
Q2	106.5	111.6	99.5	97.2	102.4
Q3	101.5	111.0	98.4	95.8	102.7
Q4	96.4	110.1	97.3	95.3	102.1
2003 Q1	101.8 [†]	111.3 [†]	100.1	96.1	104.2
Q2	99.4	108.4	100.6	95.6	105.2
Q3	98.6	109.7	100.5	96.0 [†]	104.7 [†]
Q4	100.6	113.5	99.4	95.3	104.3
Monthly					
2001 Jan	104.9	105.1	99.9	100.8	99.1
Feb	106.4	105.6	100.3	101.6	98.7
Mar	104.0	105.4	99.3	101.2	98.1
Apr	101.6	105.0	99.7	101.0	98.7
May	102.7	105.2	100.1	101.1	99.0
Jun	103.6	107.0	100.4	101.2	99.2
Jul	101.6	104.1	98.5	99.3	99.2
Aug	101.2	107.0	97.8	98.1	99.7
Sep	102.4	102.1	96.4	97.3	99.1
Oct	105.8	107.2	95.5	96.3	99.2
Nov	101.5	105.4	95.1	96.3	98.8
Dec	96.1	106.0	96.9	95.5	101.5
2002 Jan	99.6	105.9	97.5	97.1	100.4
Feb	99.7	106.3	98.4	97.1	101.3
Mar	98.5	106.3	99.9	97.9	102.0
Apr	105.0	112.8	100.2	97.5	102.8
May	112.7	114.0	99.2	97.0	102.3
Jun	101.8	108.0	99.0	97.1	102.0
Jul	106.2	116.3	98.6	95.7	103.0
Aug	95.9	107.3	98.8	95.9	103.0
Sep	102.3	109.3	97.7	95.8	102.0
Oct	98.2	111.1	97.4	95.6	101.9
Nov	94.3	112.4	96.8	95.0	101.9
Dec	96.8	106.7	97.8	95.2	102.7
2003 Jan	103.7 [†]	113.2 [†]	98.7	95.3	103.6
Feb	103.0	110.2	99.8	95.8	104.2
Mar	98.6	110.6	101.7	97.1	104.7
Apr	106.0	107.1	100.4	96.2	104.4
May	98.3	109.0	101.3	95.7	105.9
Jun	93.9	109.0	100.1	95.0	105.4
Jul	101.1	108.9	100.2	95.6	104.8
Aug	97.9	107.4	101.1	96.3	105.0
Sep	96.9	112.9	100.3	96.2 [†]	104.3 [†]
Oct	101.0	113.2	99.9	95.7	104.4
Nov	98.0	112.6	99.3	95.4	104.1
Dec	102.8	114.6	98.9 [†]	94.8	104.3
2004 Jan	94.9	116.7	97.9	93.5	104.7

¹ Price index for exports expressed as a percentage of price index for imports.

Source: Office for National Statistics; Enquiries 020 7533 6064



2.15 Measures of UK competitiveness in trade in manufactures

1995=100

	Summary measures						Export unit value index ^{1,6}				
	Relative export prices ⁶	Relative wholesale prices ⁵ (1990=100)	IMF index of relative unit labour costs ⁶		Import price competitiveness ^{2,4}	Relative profitability of exports ^{2,4}	United Kingdom	United States	Japan	France	Germany ³
			Actual	Normalised							
	CTPC	CTPD	CTPE	CTPF	BBKM	BBKN	CTPI	CTPJ	CTPK	CTPL	CTPM
1997	111.4	114.7	130.4	123.6	105.9	97.4	98.7	101.2	83.8	86.0	80.3
1998	111.4	..	141.2	131.5	109.2	95.8	97.7	101.2	78.1	86.0	80.5
1999	114.2	..	141.7	133.9	109.7	94.4	97.4	101.1	82.7	81.4	76.7
2000	118.2	..	147.8	141.6	106.9	93.7	94.9	102.3	86.5	71.3	66.7
2001	117.0	..	143.9	141.4	105.6	95.8	90.7	102.3	78.3	69.5	64.7
2002	..	..	..	..	109.0	96.0	..	..	..	..	..
2000 Q1	119.4	..	149.4	142.1	108.7	92.0	99.3	102.1	86.2	76.0	71.5
Q2	118.2	..	148.9	141.2	108.6	93.2	95.8	102.5	86.2	72.1	67.5
Q3	116.7	..	146.2	140.2	107.0	94.6	93.0	102.6	87.2	70.1	65.4
Q4	117.9	..	146.8	142.7	105.4	94.9	91.4	102.3	86.5	67.6	62.8
2001 Q1	115.5	..	142.2	138.8	105.0	95.3	92.6	102.0	84.4	72.2	66.7
Q2	117.4	..	144.3	141.9	104.8	95.5	90.7	101.9	82.4	68.5	63.0
Q3	117.6	..	144.2	142.1	107.1	95.6	92.3	101.8	84.2	70.1	64.2
Q4	117.7	..	144.8	142.7	108.0	94.8	92.9	101.7	84.2	70.8	64.7
2002 Q1	..	..	..	..	109.2	95.9	..	..	..	..	..
Q2	..	..	..	..	109.4	96.8	..	..	..	..	..
Q3	..	..	..	..	108.0	95.7	..	..	..	..	..
Q4	..	..	..	..	109.3	94.6	..	..	..	..	..
2003 Q1	..	..	..	..	109.4	96.7	..	..	..	..	..
Percentage change, quarter on corresponding quarter of previous year											
2001 Q2	-0.7	..	-3.1	0.5	-3.5	2.5	-5.3	-0.6	-4.4	-5.0	-6.7
Q3	0.8	..	-1.4	1.4	0.1	1.1	-0.8	-0.8	-3.4	0.0	-1.8
Q4	-0.2	..	-1.4	0.0	2.5	-0.1	1.6	-0.6	-2.7	4.7	3.0
2002 Q1	..	..	..	..	4.0	0.6	..	..	..	..	..
Q2	..	..	..	..	4.4	1.4	..	..	..	..	..
Q3	..	..	..	..	0.8	0.1	..	..	..	..	..
Q4	..	..	..	..	1.2	-0.2	..	..	..	..	..
2003 Q1	..	..	..	..	0.2	0.8	..	..	..	..	..
Wholesale price index ¹ (1990=100)											
	United Kingdom	United States	Japan	France	Germany ³	United Kingdom	United States	Japan	France	Germany ³	
	CTPN	CTPO	CTPP	CTPQ	CTPR	CTPS	CTPT	CTPU	CTPV	CTPW	
1998	116.5	106.8	102.7	..	..	118.6	95.6	70.5	82.8	77.1	
1999	115.1	108.4	114.1	..	..	116.2	95.1	77.9	79.3	73.7	
2000	..	..	..	..	..	108.0	94.9	77.5	68.2	61.6	
2001	..	..	..	..	..	103.3	100.8	71.1	66.4	59.5	
1999 Q4	116.8	109.7	123.4	..	..	116.8	94.6	82.2	77.1	70.5	
2000 Q1	..	..	..	..	..	115.6	94.0	81.3	73.1	67.2	
Q2	..	..	..	..	..	109.8	94.1	78.8	69.0	62.9	
Q3	..	..	..	..	..	104.6	94.9	76.1	66.8	59.5	
Q4	..	..	..	..	..	102.2	96.5	74.0	64.3	57.5	
2001 Q1	..	..	..	..	..	104.3	99.2	72.5	68.5	61.5	
Q2	..	..	..	..	..	101.6	100.8	70.7	64.8	58.0	
Q3	..	..	..	..	..	103.2	101.4	71.3	66.1	59.1	
Q4	..	..	..	..	..	104.2	101.7	70.1	66.4	59.5	
Percentage change, quarter on corresponding quarter of previous year											
1999 Q4	-0.6	2.7	12.2	..	..	-3.6	-1.0	5.8	-12.0	-15.3	
2000 Q1	..	..	..	..	..	-2.3	-1.1	3.4	-12.6	-14.8	
Q2	..	..	..	..	..	-5.3	-1.3	5.8	-12.3	-17.2	
Q3	..	..	..	..	..	-8.3	-0.7	-0.8	-14.4	-16.8	
Q4	..	..	..	..	..	-12.5	2.0	-10.0	-16.6	-18.4	
2001 Q1	..	..	..	..	..	-9.8	5.5	-10.8	-6.3	-8.5	
Q2	..	..	..	..	..	-7.5	7.1	-10.3	-6.1	-7.8	
Q3	..	..	..	..	..	-1.3	6.8	-6.3	-1.0	-0.7	
Q4	..	..	..	..	..	2.0	5.4	-5.3	3.3	3.5	

1 All the indices are based on data expressed in US dollars.

2 Excludes erratics (ships, North sea installations, aircraft, precious stones and silver bullion).

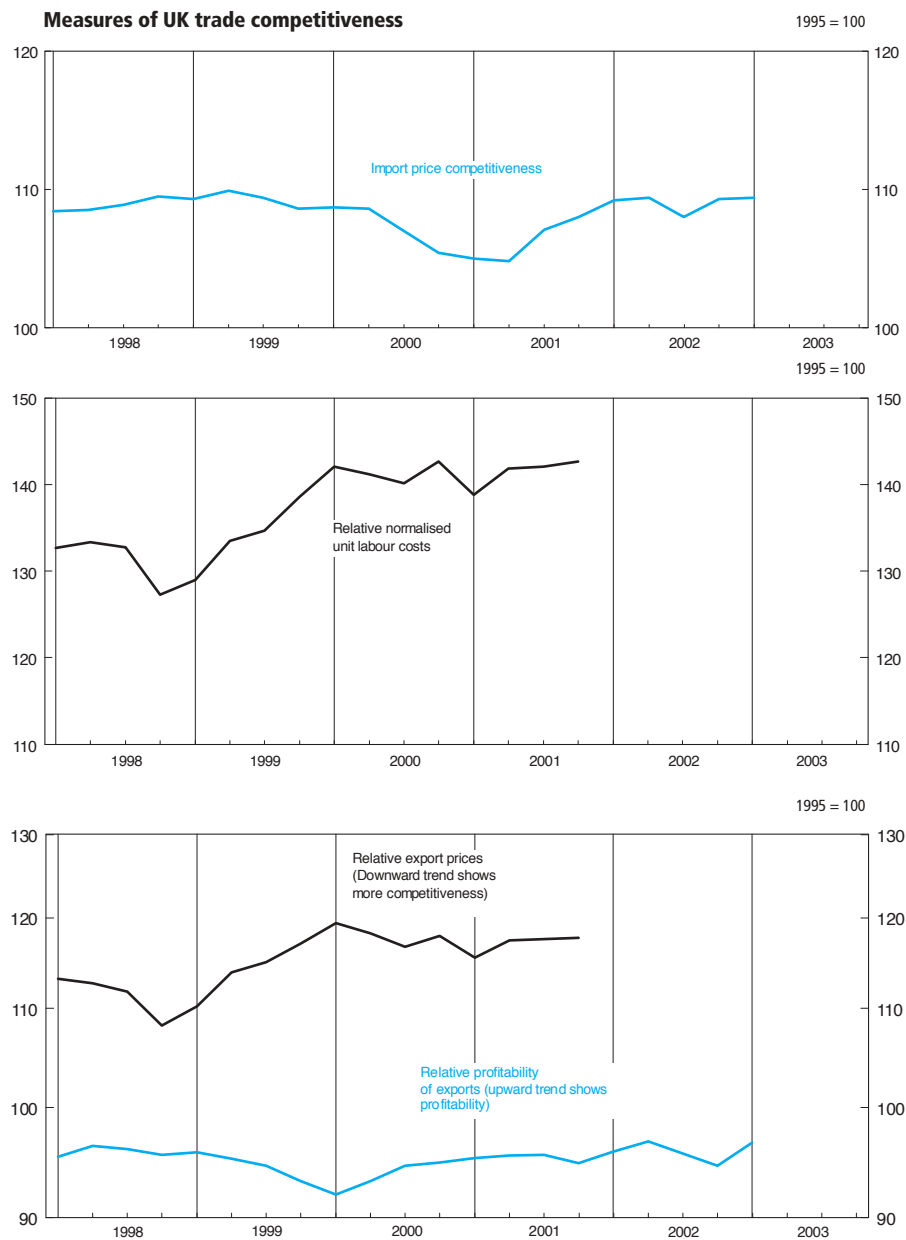
3 Includes the former German Democratic Republic as from 1991 Q1.

4 These series are on a SIC 92 basis.

5 This series is calculated using UK producer prices. All other country indices are wholesale price indices.

6 Quarterly data have been obtained by interpolating the annuals.

Sources: International Monetary Fund;
Office for National Statistics; Enquiries 020 7533 5914



3.1 Prices

Not seasonally adjusted except series RNPE

	Producer price index (2000=100)		Consumer prices index ^{3,4} (1996=100)		Retail prices index (January 13, 1987=100)						Pensioner price index ⁶ (January 13, 1987=100)		
	Materials and fuel purchased by manufacturing industry (SA) ^{1,2}	Output: all manufactured products: home sales	All items		All items (RPI)		All items excluding mortgage interest payments (RPIX)		All items excluding mortgage interest payments & indirect taxes (RPIY) ⁵		1-person household	2-person household	Purchasing power of the pound ⁷ (NSA) (1985=100)
			Index	Percentage change on a year earlier	Index	Percentage change on a year earlier	Index	Percentage change on a year earlier	Index	Percentage change on a year earlier			
Annual	RNPE	PLLU	CHVJ	CJYR	CHAW	CZBH	CHMK	CDKQ	CBZW	CBZX	CZIF	CZIU	FJAK
2000	100.0	100.0	105.6	0.8	170.3	3.0	167.7	2.1	159.9	1.8	150.8	156.1	56
2001	98.8	99.7	106.9	1.2	173.3	1.8	171.3	2.1	163.7	2.4	152.7	158.5	55
2002	94.4	99.8	108.3	1.3	176.2	1.7	175.1	2.2	167.5	2.3	155.3	160.9	54
2003	95.6	101.3	109.8	1.4	181.3	2.9	180.0	2.8	172.0	2.7	158.1	163.8	52
Quarterly													
2000 Q1	97.1	99.2	104.8	0.8	167.5	2.3	165.8	2.1	158.6	1.9	150.0	154.9	57
Q2	97.9	100.1	105.7	0.6	170.6	3.1	168.0	2.1	159.9	1.7	151.0	156.2	55
Q3	101.9	100.3	105.7	0.8	170.9	3.2	168.1	2.1	160.1	1.8	151.1	156.5	56
Q4	103.2	100.4	106.3	0.9	172.0	3.1	169.1	2.1	161.1	1.8	151.2	156.9	55
2001 Q1	100.8	99.7	105.7	0.9	171.8	2.6	168.9	1.9	161.1	1.6	150.6	156.5	55
Q2	101.6	100.1	107.3	1.5	173.9	1.9	171.8	2.3	164.1	2.6	153.3	159.3	54
Q3	98.3	99.8	107.3	1.5	174.0	1.8	172.1	2.4	164.6	2.8	153.0	158.9	54
Q4	94.4	99.3	107.4	1.0	173.8	1.0	172.4	2.0	165.0	2.4	153.9	159.3	55
2002 Q1	94.1	99.2	107.4	1.5	173.9	1.2	172.9	2.4	165.5	2.7	154.7	160.1	54
Q2	94.8	99.8	108.3	0.9	176.0	1.2	175.0	1.9	167.1	1.8	155.3	161.0	54
Q3	94.4	99.9	108.4	1.1	176.6	1.5	175.5	2.0	167.8	1.9	155.0	160.7	54
Q4	94.3	100.1	109.0	1.6	178.2	2.5	176.9	2.6	169.5	2.7	156.1	161.7	53
2003 Q1	95.8 [†]	100.9	109.0	1.5	179.2	3.0	177.9	2.9	170.6	3.1	156.7	162.6	53
Q2	94.3	101.1	109.7	1.3	181.3	3.0	180.1	2.9	171.8	2.8	157.9	163.7	52
Q3	95.5	101.3	109.9	1.4	181.8	2.9	180.5	2.8	172.3	2.7	158.3	164.0	52
Q4	96.8 ^r	101.7	110.5	1.3	182.9	2.6	181.5	2.6	173.2	2.2	159.4	165.0	52
Monthly													
2002 Jan	93.9	99.2	107.1	1.6	173.3	1.3	172.4	2.6	165.0	3.0	..	..	55
Feb	93.5	99.2	107.3	1.5	173.8	1.0	172.8	2.2	165.4	2.7	..	..	54
Mar	94.8	99.3	107.7	1.5	174.5	1.3	173.5	2.3	166.1	2.5	..	..	54
Apr	95.6	99.7	108.1	1.3	175.7	1.5	174.7	2.3	166.9	2.5	..	..	54
May	94.6	99.9	108.4	0.8	176.2	1.1	175.2	1.8	167.3	1.8	..	..	54
Jun	94.2	99.9	108.4	0.6	176.2	1.0	175.1	1.5	167.2	1.4	..	..	54
Jul	94.4	99.9	108.1	1.1	175.9	1.5	174.8	2.0	167.0	1.9	..	..	54
Aug	94.5	99.9	108.4	1.0	176.4	1.4	175.3	1.9	167.6	1.8	..	..	54
Sep	94.4	100.0	108.7	1.0	177.6	1.7	176.4	2.1	168.7	2.0	..	..	53
Oct	94.9	100.1	108.9	1.4	177.9	2.1	176.6	2.3	169.1	2.4	..	..	53
Nov	93.0	100.0	108.9	1.6	178.2	2.6	177.0	2.8	169.6	2.9	..	..	53
Dec	94.9	100.1	109.3	1.7	178.5	2.9	177.2	2.7	169.8	2.9	..	..	53
2003 Jan	95.7	100.5	108.6	1.4	178.4	2.9	177.1	2.7	169.8	2.9	..	..	53
Feb	96.0 [†]	100.7	109.0	1.6	179.3	3.2	177.9	3.0	170.6	3.1	..	..	53
Mar	95.6	101.4	109.4	1.6	179.9	3.1	178.7	3.0	171.4	3.2	..	..	53
Apr	94.6	101.3	109.7	1.5	181.2	3.1	180.0	3.0	171.8	2.9	..	..	52
May	94.1	101.0	109.7	1.2	181.5	3.0	180.2	2.9	171.9	2.7	..	..	52
Jun	94.2	101.0	109.6	1.1	181.3	2.9	180.0	2.8	171.7	2.7	..	..	52
Jul	95.3	101.2	109.5	1.3	181.3	3.1	179.9	2.9	171.6	2.8	..	..	52
Aug	96.2	101.4	109.9	1.4	181.6	2.9	180.4	2.9	172.2	2.7	..	..	52
Sep	95.1	101.4	110.2	1.4	182.5	2.8	181.3	2.8	173.2	2.7	..	..	52
Oct	96.9	101.6	110.4	1.4	182.6	2.6	181.3	2.7	173.1	2.4	..	..	52
Nov	96.9 ^r	101.7	110.3	1.3	182.7	2.5	181.4	2.5	173.1	2.1	..	..	52
Dec	96.6	101.9	110.7	1.3	183.5	2.8	181.8	2.6	173.5	2.2	..	..	52
2004 Jan	95.1 ^p	102.1 ^p	110.1	1.4	183.1	2.6	181.4	2.4	173.2	2.0	..	..	52
Feb	94.3 ^p	102.3 ^p	110.4	1.3	183.8	2.5	182.0	2.3	173.9	1.9	..	..	51

Note: Figures marked with a 'p' are provisional.

1 Minor revisions have been made to seasonally adjusted figures previously published. These reflect the routine updating of the seasonal adjustment factor.

2 Data now include the Climate Change Levy introduced in April 2001 and the Aggregates Levy introduced in April 2002.

3 Inflation rates prior to 1997 and index levels prior to 1996 are estimated. Further details are given in *Economic Trends* No.541 December 1998.

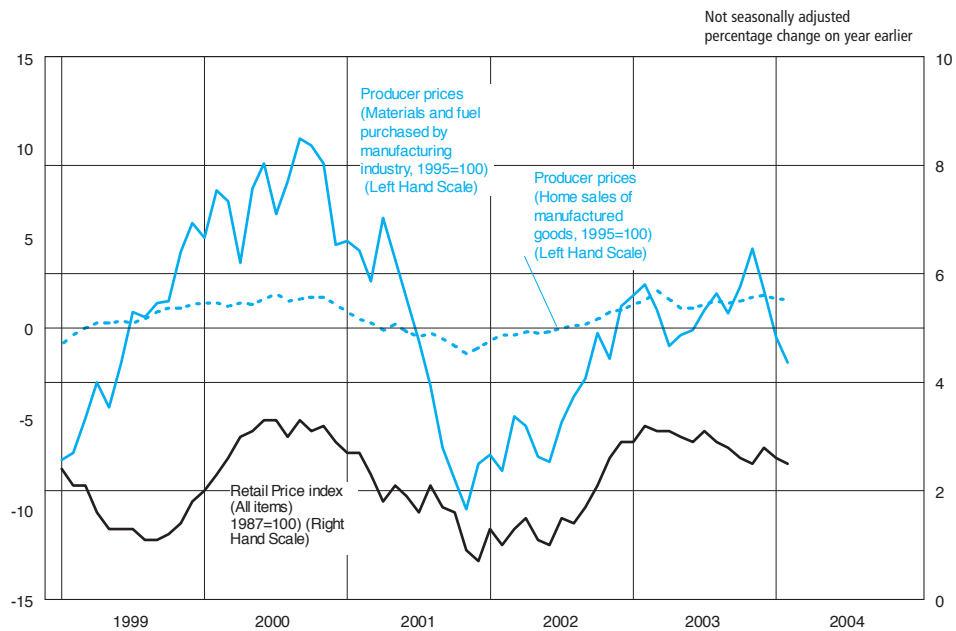
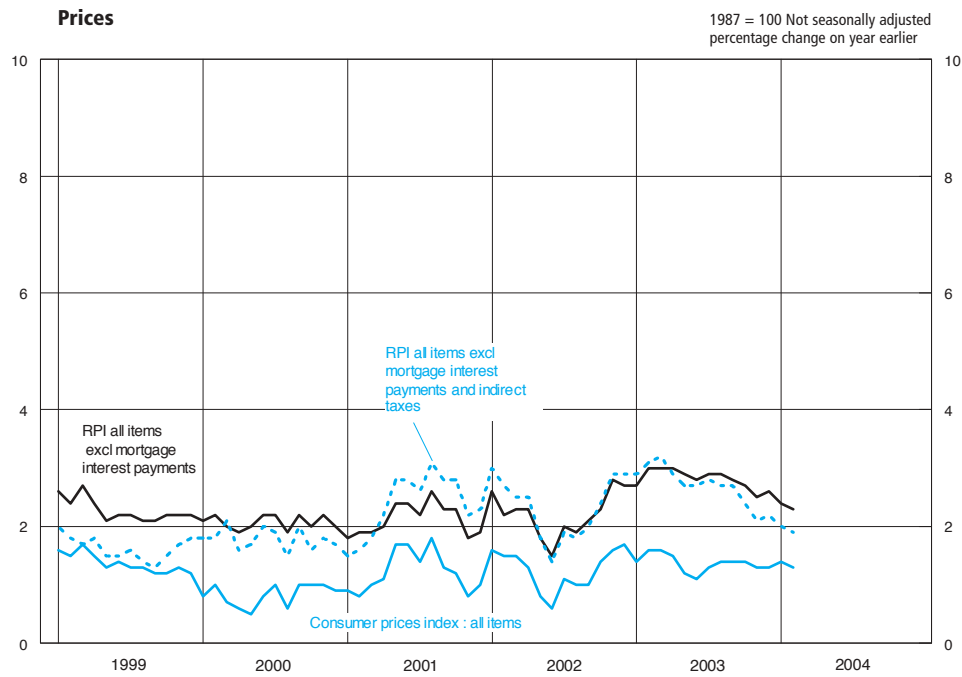
4 Prior to 10 December 2003, the consumer prices index (CPI) was published in the UK as the harmonised index of consumer prices (HICP).

5 The taxes excluded are council tax, VAT, duties, car purchase tax and vehicle excise duty, insurance tax and airport tax.

6 Pensioner price indices exclude housing costs, as these are often atypical for a pensioner household, based on RPI.

7 Movements in the purchasing power of the pound are based on movements in the retail prices index.

Sources: Office for National Statistics;
Enquiries Columns 1-2 01633 812106; Columns 3-13 020 7533 5853.



4.1 Labour Market Activity^{1,2}

United Kingdom

Thousands, seasonally adjusted³

	Employment categories					Unemployment	Total economically active	Economically inactive	Total aged 16 and over	Employment rate: age 16-59/64 ⁴
	Employees	Self - employed	Unpaid family workers	Government training and employment programmes	Total employment					
TOTAL										
2001 Q1	MGRN	MGRQ	MGRU	MGRW	MGRZ	MGSC	MGSF	MGSI	MGSL	MGSU
Q2	24 078†	3 280†	99†	147	27 604†	1 468†	29 072†	17 226†	46 298	74.6†
Q3	24 149	3 273	96	145†	27 662	1 469	29 132	17 245	46 377	74.6
Q4	24 146	3 308	95	122	27 670	1 480	29 150	17 301	46 451	74.4
	24 190	3 325	103	118	27 735	1 520	29 256	17 262	46 517	74.4
2002 Q1	24 237	3 317	99	112	27 765	1 497	29 262	17 321	46 584	74.4
Q2	24 318	3 329	98	105	27 850	1 522	29 373	17 277	46 650	74.5
Q3	24 314	3 343	91	98	27 846	1 550	29 396	17 321	46 717	74.4
Q4	24 448	3 366	92	95	28 000	1 517	29 518	17 269	46 787	74.7
2003 Q1	24 440	3 428	87	94	28 049	1 504	29 554	17 303	46 857	74.7
Q2	24 388	3 543	90	91	28 112	1 473	29 586	17 341	46 927	74.7
Q3	24 290	3 628	104	108	28 130	1 484	29 614	17 383	46 997	74.6
Q4	24 291	3 659	96	105	28 152	1 462	29 613	17 454	47 067	74.5
Percentage change on quarter										
2003q3 to 2003q4	0.0	0.9	-7.7	-2.8	0.1	-1.5	0.0	0.4	0.1	
Percentage change on year										
2002q4 to 2003q4	-0.6	8.7	4.3	10.5	0.5	-3.6	0.3	1.1	0.6	
MALE										
	MGRO	MGRR	MGRU	MGRX	MGSA	MGSD	MGSG	MGSJ	MGSM	MGSV
2001 Q1	12 460†	2 411†	37†	95	15 003†	883†	15 886†	6 437†	22 323	79.6†
Q2	12 451	2 403	34	97†	14 984	880	15 864	6 506	22 370	79.3
Q3	12 476	2 436	29	81	15 022	895	15 917	6 496	22 414	79.3
Q4	12 470	2 453	33	72	15 029	912	15 941	6 509	22 450	79.1
2002 Q1	12 463	2 445	32	70	15 009	910	15 919	6 567	22 487	79.0
Q2	12 506	2 437	32	61	15 036	912	15 948	6 575	22 523	79.0
Q3	12 487	2 449	35	61	15 032	940	15 971	6 589	22 560	78.8
Q4	12 628	2 462	32	60	15 182	894	16 076	6 522	22 598	79.5
2003 Q1	12 581	2 496	28	56	15 162	913	16 075	6 561	22 636	79.2
Q2	12 552	2 596	33	54	15 235	889	16 124	6 550	22 674	79.4
Q3	12 463	2 658	39	61	15 221	887	16 108	6 603	22 711	79.3
Q4	12 417	2 679	36	59	15 192	883	16 075	6 675	22 750	79.0
Percentage change on quarter										
2003q3 to 2003q4	-0.4	0.8	-7.7	-3.3	-0.2	-0.5	1.1	0.2	0.2	
Percentage change on year										
2002q4 to 2003q4	-1.7	8.8	12.5	-1.7	0.1	-1.2	2.3	0.7	0.7	
FEMALE										
	MGRP	MGRS	MGRV	MGRY	MGSB	MGSE	MGSH	MGSK	MGSN	MGSW
2001 Q1	11 619†	869†	62	52	12 602†	585†	13 187†	10 789†	23 975	69.3
Q2	11 698	870	62	48	12 678	590	13 267	10 739	24 007	69.5†
Q3	11 670	872	66†	41†	12 648	585	13 233	10 805	24 038	69.2
Q4	11 720	871	70	45	12 707	608	13 315	10 753	24 067	69.3
2002 Q1	11 774	872	67	42	12 756	587	13 343	10 754	24 097	69.5
Q2	11 812	892	66	44	12 814	610	13 424	10 702	24 126	69.7
Q3	11 826	894	56	37	12 814	610	13 425	10 732	24 157	69.6
Q4	11 820	903	60	34	12 818	624	13 441	10 747	24 189	69.6
2003 Q1	11 859	932	59	38	12 887	591	13 479	10 742	24 221	69.9
Q2	11 836	948	57	38	12 878	584	13 462	10 791	24 253	69.7
Q3	11 827	971	65	46	12 909	597	13 505	10 780	24 285	69.6
Q4	11 874	980	60	46	12 960	578	13 538	10 779	24 317	69.8
Percentage change on quarter										
2003q3 to 2003q4	0.4	0.9	-7.7	0.0	0.4	-3.2	0.2	0.0	0.1	
Percentage change on year										
2002q4 to 2003q4	0.5	8.5	0.0	35.3	1.1	-7.4	0.7	0.3	0.5	

1 The data in this table have been adjusted to reflect the 2001 Census population data.

2 Data are from the Labour Force Survey which uses the definitions recommended by the International Labour Organisation (ILO), an agency of the United Nations. For details see the *Guide to Labour Market Statistics Releases*.

3 Seasonally adjusted estimates are revised in April each year.

4 The employment rate equals those in employment aged 16-64 (male) and 16-59 (female), as a percentage of all in these age groups. The underlying data are available on request.

Source: Office for National Statistics; Enquiries 020 7533 6094

4.2 Labour Market Activity^{1,2}

United Kingdom

Thousands, not seasonally adjusted

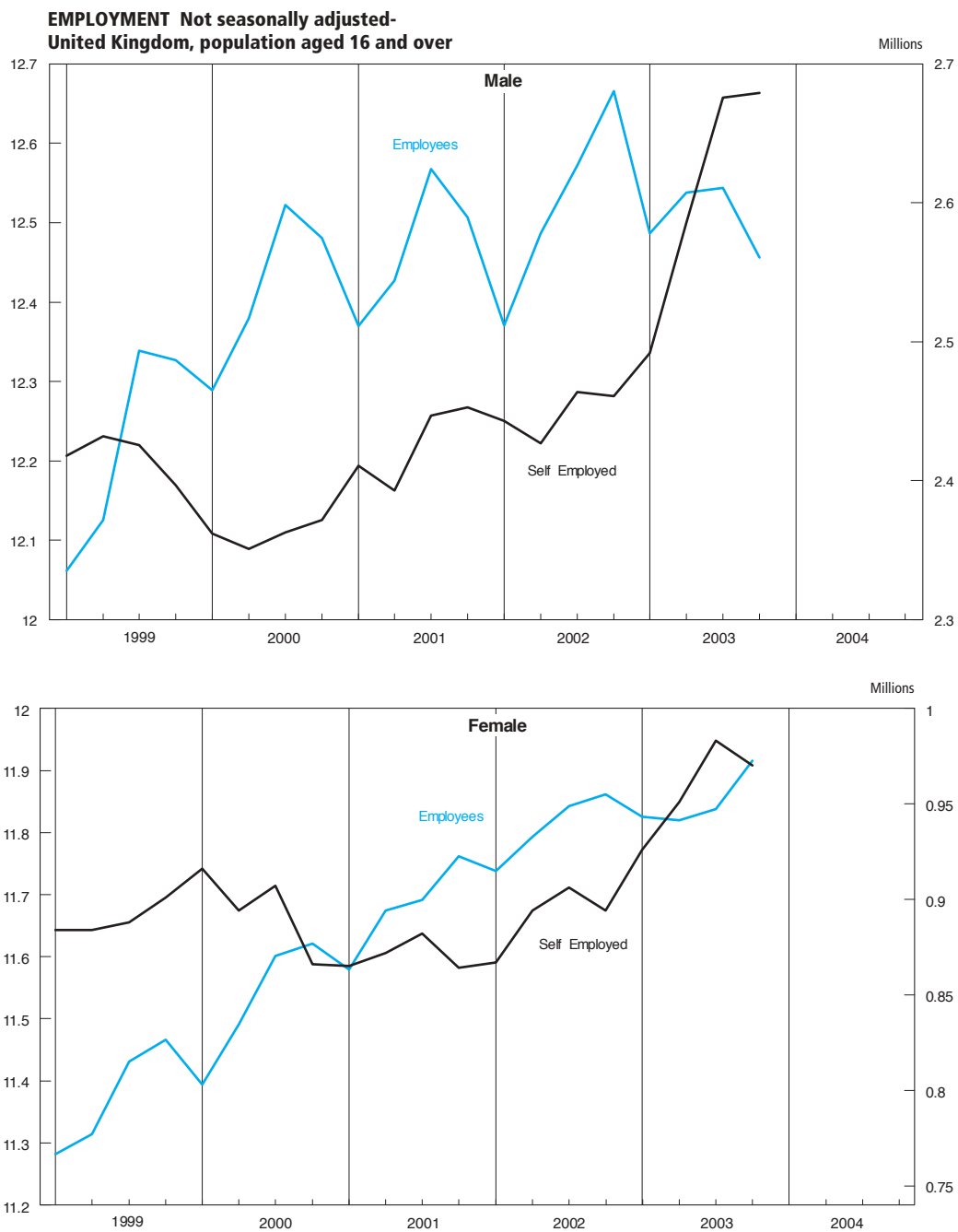
	Employment categories					Unemployment	Total economically active	Economically inactive	Total aged 16 and over	Employment rate: age 16-59/64 ³
	Employees	Self-employed	Unpaid family workers	Government training and employment programmes	Total employment					
TOTAL										
2001 Q1	MGTA 23 949 [†]	MGTD 3 275 [†]	MGTG 95	MGTJ 151 [†]	MGTM 27 470 [†]	MGTP 1 485 [†]	MGTS 28 955 [†]	MGTV 17 343 [†]	MGSL 46 298	MGUH 74.2
Q2	24 101	3 265	93	145	27 604	1 418	29 022	17 355	46 377	74.4
Q3	24 259	3 329	100	113	27 802	1 556	29 357	17 094	46 451	74.7
Q4	24 268	3 317	105	122	27 812	1 473	29 285	17 232	46 517	74.6
2002 Q1	24 109	3 310	95 [†]	116	27 630	1 513	29 144	17 440	46 584	74.0
Q2	24 280	3 321	95	105	27 801	1 465	29 266	17 384	46 650	74.4
Q3	24 414	3 370	96	90	27 971	1 630	29 601	17 116	46 717	74.7
Q4	24 527	3 356	95	99	28 077	1 472	29 549	17 238	46 787	74.9
2003 Q1	24 312	3 418	83	99	27 912	1 521	29 432	17 424	46 857	74.3
Q2	24 357	3 536	86	90	28 069	1 412	29 481	17 445	46 927	74.6
Q3	24 381	3 659	110	100	28 250	1 566	29 817	17 180	46 997	74.9
Q4	24 371	3 649	100	110	28 229	1 416	29 645	17 422	47 067	74.7
Percentage change on year 2002q4 to 2003q4	-0.6	8.7	5.3	11.1	0.5	-3.8	0.3	1.1	0.6	
MALE										
2001 Q1	MGTB 12 370 [†]	MGTE 2 411 [†]	MGTH 36	MGTK 98 [†]	MGTN 14 914	MGTQ 901 [†]	MGTT 15 815 [†]	MGTW 6 508 [†]	MGSM 22 323	MGUI 79.1
Q2	12 427	2 393	32	96	14 949	858	15 806	6 564	22 370	79.1
Q3	12 568	2 447	30 [†]	76	15 122 [†]	923	16 045	6 369	22 414	79.8
Q4	12 507	2 453	34	75	15 069	881	15 950	6 500	22 450	79.4
2002 Q1	12 371	2 443	31	73	14 917	930	15 847	6 640	22 487	78.5
Q2	12 487	2 427	30	60	15 004	886	15 891	6 633	22 523	78.8
Q3	12 572	2 464	36	57	15 130	968	16 098	6 462	22 560	79.4
Q4	12 666	2 461	34	63	15 224	864	16 088	6 510	22 598	79.7
2003 Q1	12 487	2 492	27	59	15 066	935	16 001	6 635	22 636	78.7
Q2	12 538	2 586	31	52	15 206	860	16 066	6 607	22 674	79.3
Q3	12 544	2 676	41	58	15 318	917	16 235	6 477	22 711	79.8
Q4	12 456	2 679	38	62	15 234	851	16 085	6 664	22 750	79.2
Percentage change on year 2002q4 to 2003q4	-1.7	8.9	11.8	-1.6	0.1	-1.5	0.0	2.4	0.7	
FEMALE										
2001 Q1	MGTC 11 579 [†]	MGTF 865 [†]	MGTI 59	MGTL 53 [†]	MGTO 12 556 [†]	MGTR 584 [†]	MGTU 13 140 [†]	MGTX 10 835 [†]	MGSN 23 975	MGUJ 69.0
Q2	11 674	872	60 [†]	49	12 656	560	13 216	10 791	24 007	69.4
Q3	11 691	882	70	37	12 680	633	13 312	10 725	24 038	69.3
Q4	11 762	864	70	48	12 743	591	13 334	10 733	24 067	69.5
2002 Q1	11 738	867	64	44	12 713	584	13 296	10 800	24 097	69.2
Q2	11 793	894	64	45	12 797	579	13 375	10 751	24 126	69.6
Q3	11 842	906	60	33	12 841	661	13 503	10 654	24 157	69.8
Q4	11 861	894	61	36	12 853	608	13 461	10 728	24 189	69.8
2003 Q1	11 825	926	55	40	12 846	586	13 432	10 789	24 221	69.6
Q2	11 819	951	55	39	12 863	552	13 415	10 838	24 253	69.6
Q3	11 838	983	69	43	12 932	649	13 582	10 703	24 285	69.7
Q4	11 915	970	62	48	12 994	566	13 560	10 757	24 317	70.0 [†]
Percentage change on year 2002q4 to 2003q4	0.5	8.5	1.6	33.3	1.1	-6.9	0.7	0.3	0.5	

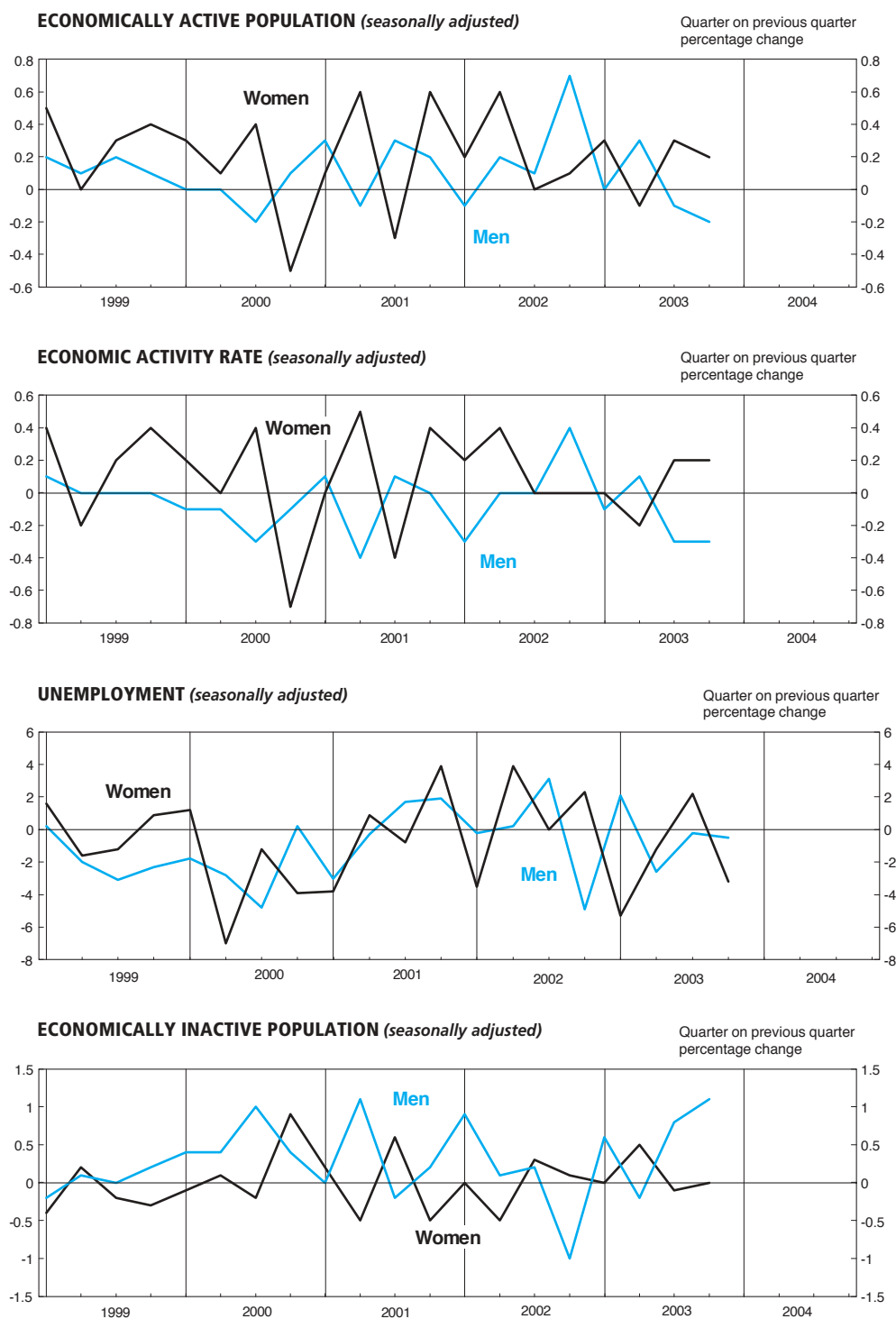
1 The data in this table have been adjusted to reflect the 2001 Census population data.

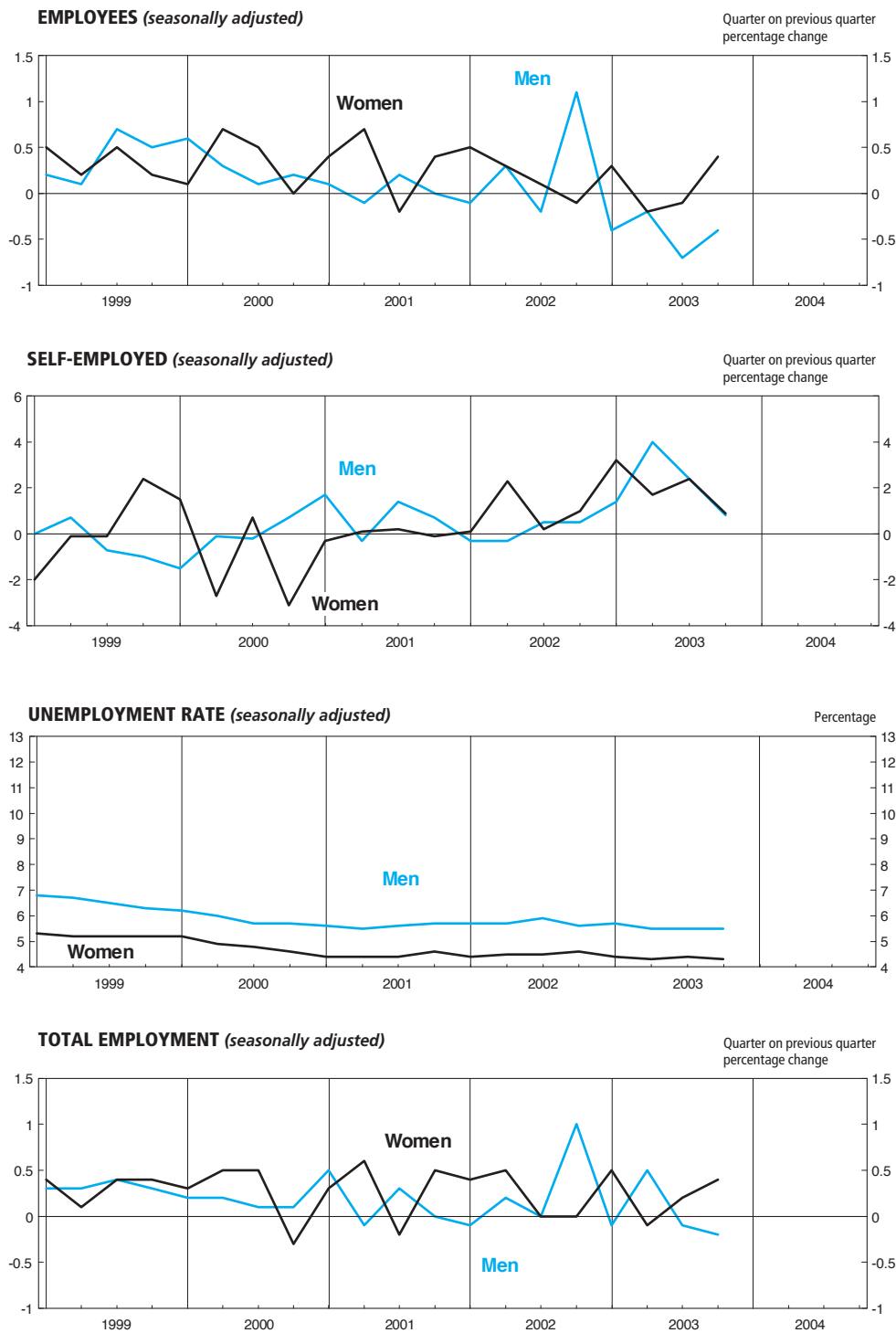
2 Data are from the Labour Force Survey which uses the definitions recommended by the International Labour Organisation (ILO), an agency of the United Nations. For details see the *Guide to Labour market Statistics Releases*.

3 The employment rate equals those in employment aged 16-64 (male) and 16-59 (female), as a percentage of all in these age groups. The underlying data are available on request.

Source: Office for National Statistics; Enquiries 020 7533 6094







4.3 Labour Market Activity by age^{1,2}

United Kingdom

Thousands, seasonally adjusted³

Total aged 16 and over				Age groups ⁴							
				16 - 24		25 - 49		50 - 59/64		60/65 and over	
				Male	Female	Male	Female	Male	Female	Male	Female
In employment											
	MGRZ	MGSA	MGSB	MGUR	MGUS	MGUU	MGUV	MGUX	MGUY	MGVA	MGVB
2001 Q3	27 670 [†]	15 022 [†]	12 648 [†]	2 068 [†]	1 894 [†]	9 139 [†]	7 784 [†]	3 532 [†]	2 394 [†]	284	575 [†]
Q4	27 735	15 029	12 707	2 073	1 920	9 112	7 767	3 547	2 431	296 [†]	588
2002 Q1	27 765	15 009	12 756	2 066	1 929	9 117	7 797	3 542	2 437	284	593
Q2	27 850	15 036	12 814	2 071	1 942	9 123	7 821	3 550	2 459	292	591
Q3	27 846	15 032	12 814	2 050	1 953	9 104	7 794	3 578	2 481	300	586
Q4	28 000	15 182	12 818	2 099	1 945	9 139	7 796	3 633	2 496	312	581
2003 Q1	28 049	15 162	12 887	2 083	1 947	9 101	7 828	3 649	2 521	329	592
Q2	28 112	15 235	12 878	2 088	1 924	9 117	7 810	3 698	2 542	331	601
Q3	28 130	15 221	12 909	2 097	1 934	9 113	7 791	3 677	2 556	334	628
Q4	28 152	15 192	12 960	2 097	1 973	9 076	7 816	3 687	2 535	331	635
Unemployed											
	MGSC	MGSD	MGSE	MGVG	MGVH	MGVJ	MGVK	MGVM	MGVN	MGVP	MGVQ
2001 Q3	1 480 [†]	895 [†]	585 [†]	323 [†]	217 [†]	410 [†]	299	156 [†]	63	..	..
Q4	1 520	912	608	334	233	432	303 [†]	139	63	..	..
2002 Q1	1 497	910	587	332	220	432	293	136	66 [†]
Q2	1 522	912	610	333	216	419	312	151	70	..	12
Q3	1 550	940	610	338	222	428	308	165	68	10	12 [†]
Q4	1 517	894	624	341	228	396	311	151	72	..	14
2003 Q1	1 504	913	591	346	232	402	285	158	65	..	..
Q2	1 473	889	584	340	237	394	272	147	67	..	..
Q3	1 484	887	597	339	238	398	282	142	70	..	..
Q4	1 462	883	578	331	221	402	282	139	66	11	10
Economically inactive											
	MGSI	MGSJ	MGSK	MGVV	MGVW	MGVY	MGVZ	MGWB	MGWC	MGWE	MGWF
2001 Q3	17 301 [†]	6 496 [†]	10 805 [†]	795 [†]	1 067 [†]	813 [†]	2 471 [†]	1 357 [†]	1 269 [†]	3 532 [†]	5 999 [†]
Q4	17 262	6 509	10 753	797	1 039	810	2 482	1 371	1 244	3 531	5 987
2002 Q1	17 321	6 567	10 754	824	1 058	798	2 461	1 391	1 248	3 554	5 987
Q2	17 277	6 575	10 702	838	1 062	799	2 416	1 380	1 234	3 558	5 989
Q3	17 321	6 589	10 732	873	1 061	802	2 446	1 351	1 226	3 563	6 000
Q4	17 269	6 522	10 747	840	1 078	792	2 441	1 321	1 213	3 568	6 015
2003 Q1	17 303	6 561	10 742	869	1 088	817	2 433	1 310	1 201	3 565	6 019
Q2	17 341	6 550	10 791	889	1 121	801	2 463	1 284	1 185	3 575	6 022
Q3	17 383	6 603	10 780	900	1 125	795	2 473	1 321	1 173	3 586	6 008
Q4	17 454	6 675	10 779	924	1 116	825	2 450	1 326	1 202	3 599	6 011
Economic activity rate (per cent) ⁵											
	MGWG	MGWH	MGWI	MGWK	MGWL	MGWN	MGWO	MGWQ	MGWR	MGWT	MGWU
2001 Q3	62.8 [†]	71.0	55.1 [†]	75.1 [†]	66.4 [†]	92.2	76.6 [†]	73.1 [†]	65.9 [†]	7.6	8.8 [†]
Q4	62.9	71.0	55.3	75.1	67.4	92.2 [†]	76.5	72.9	66.7	7.9	9.1
2002 Q1	62.8	70.8	55.4	74.4	67.0	92.3	76.7	72.6	66.7	7.6 [†]	9.1
Q2	63.0	70.8 [†]	55.6	74.2	67.0	92.3	77.1	72.8	67.2	7.8	9.2
Q3	62.9	70.8	55.6	73.2	67.2	92.2	76.8	73.5	67.5	8.0	9.1
Q4	63.1	71.1	55.6	74.4	66.8	92.3	76.9	74.1	67.9	8.2	9.0
2003 Q1	63.1	71.0	55.6	73.7	66.7	92.1	76.9	74.4	68.3	8.6	9.1
Q2	63.0	71.1	55.5	73.2	65.8	92.2	76.6	75.0	68.8	8.7	9.2
Q3	63.0	70.9	55.6	73.0	65.9	92.3	76.6	74.3	69.1	8.7	9.5
Q4	62.9	70.7	55.7	72.4	66.3	92.0	76.8	74.3	68.4	8.7	9.7
Unemployment rate (per cent) ⁶											
	MGSX	MGSY	MGSZ	MGWZ	MGXA	MGXC	MGXD	MGXF	MGXG	MGXI	MGXJ
2001 Q3	5.1	5.6	4.4 [†]	13.5 [†]	10.3 [†]	4.3	3.7	4.2	2.6	..	..
Q4	5.2	5.7	4.6	13.9	10.8	4.5	3.8	3.8 [†]	2.5	..	..
2002 Q1	5.1	5.7 [†]	4.4	13.8	10.2	4.5	3.6	3.7	2.6	..	..
Q2	5.2 [†]	5.7	4.5	13.8	10.0	4.4	3.8 [†]	4.1	2.8 [†]	..	2.0
Q3	5.3	5.9	4.5	14.1	10.2	4.5	3.8	4.4	2.7	3.2	2.1
Q4	5.1	5.6	4.6	14.0	10.5	4.1 [†]	3.8	4.0	2.8	..	2.3 [†]
2003 Q1	5.1	5.7	4.4	14.2	10.6	4.2	3.5	4.2	2.5	..	..
Q2	5.0	5.5	4.3	14.0	10.9	4.1	3.4	3.8	2.6	..	..
Q3	5.0	5.5	4.4	13.9	11.0	4.2	3.5	3.7	2.7	..	..
Q4	4.9	5.5	4.3	13.6	10.1	4.2	3.5	3.6	2.5	3.2	1.6

1 The data in this table have been adjusted to reflect the 2001 Census population data.

2 Data are from the Labour Force Survey which uses the definitions recommended by the International Labour Organisation (ILO), an agency of the United Nations. For details see the *Guide to Labour Market Statistics Releases*.

3 Seasonally adjusted estimates are revised in April each year.

4 Data for more detailed age groups are published in *Labour Market Trends*.

5 The activity rate is the percentage of people in each age group who are economically active.

6 Unemployment rate is the percentage of economically active people who are unemployed on the ILO measure.

Source: Office for National Statistics; Enquiries 020 7533 6094

4.4 Jobs and claimant count

United Kingdom

Thousands

	Jobs ¹					Claimant count ^{5,6,9}			
	Workforce jobs ^{2,3,4}	Employee jobs ^{3,4}				Total	Percentage of workforce jobs and claimant count ⁷	Total Not seasonally adjusted	Job Centre vacancies ^{8,10}
		All industries	Manufacturing industry	Production industry	Service industries				
Annual	DYDC	BCAJ	YEJA	YEJF	YEJC	BCJD	BCJE	BCJA	DPCB
2000	29 271	25 626	3 960	4 159	19 962	1 088.4	3.6	1 102.3	358.3
2001	29 495	25 882	3 808	4 017	20 420	970.1	3.2	983.0	..
2002	29 495 [†]	25 832 [†]	3 628	3 836	20 617 [†]	946.8	3.1	958.8	..
2003	29 721	25 840	3 503	3 707 [†]	20 756	933.0	3.1	945.9	..
Quarterly									
2000 Q1	29 104	25 453	3 990	4 187	19 784	1 153.0	3.8	1 219.2	342.2
Q2	29 271	25 626	3 960	4 159	19 962	1 103.9	3.6	1 109.2	355.7
Q3	29 314	25 692	3 918	4 119	20 105	1 060.0	3.5	1 073.6	363.4
Q4	29 390	25 774	3 889	4 096	20 230	1 036.7	3.4	1 007.1	371.8
2001 Q1	29 429	25 816	3 860	4 068	20 321	998.5	3.3	1 064.1	394.1
Q2	29 495	25 882	3 808	4 017	20 420	971.5	3.2	978.4	..
Q3	29 459	25 864	3 755	3 965	20 456	949.9	3.1	958.5	..
Q4	29 512 [†]	25 901 [†]	3 705	3 914	20 540 [†]	960.4	3.2	931.0	..
2002 Q1	29 527	25 921	3 666	3 876	20 616	951.0	3.1	1 014.6	..
Q2	29 495	25 832	3 628	3 836	20 617	952.3	3.1	958.1	..
Q3	29 521	25 810	3 593	3 797	20 660	945.3	3.1	951.8	..
Q4	29 567	25 829	3 561	3 765	20 701	938.6	3.1	910.6	..
2003 Q1	29 650	25 819	3 536	3 739 [†]	20 712	936.5	3.1	1 001.1	..
Q2	29 721	25 840	3 503	3 707	20 756	946.5	3.1	954.3	..
Q3	29 794	25 826	3 476 [†]	3 678	20 739	933.2	3.1	939.0	..
Q4	29 889	25 893	3 457	3 657	20 812	915.9	3.0	889.2	..
Monthly									
2002 Jul	..	..	3 616	3 823	..	948.5	3.1	956.4	..
Aug	..	..	3 605	3 810	..	942.7	3.1	962.7	..
Sep	..	25 810 [†]	3 593	3 797	20 660 [†]	944.6	3.1	936.2	..
Oct	..	..	3 584	3 789	..	942.2	3.1	907.2	..
Nov	..	..	3 574	3 778	..	938.6	3.1	905.6	..
Dec	..	25 829	3 561	3 765	20 701	935.1	3.1	919.1	..
2003 Jan	..	..	3 554	3 756	..	932.4	3.1	998.0	..
Feb	..	..	3 546	3 748	..	938.1	3.1	1 012.8	..
Mar	..	25 819	3 536	3 739 [†]	20 712	939.0	3.1	992.3	..
Apr	..	..	3 523	3 725	..	941.1	3.1	966.1	..
May	..	..	3 515	3 717	..	950.3	3.1	957.8	..
Jun	..	25 840	3 503	3 707	20 756	948.0	3.1	939.2	..
Jul	..	..	3 488	3 691	..	937.7	3.1	946.3	..
Aug	..	..	3 479	3 682	..	931.7	3.1	948.6	..
Sep	..	25 826	3 476 [†]	3 678	20 739	930.2	3.1	922.1	..
Oct	..	..	3 472	3 672	..	925.7	3.0	893.2	..
Nov	..	..	3 464	3 664	..	916.5	3.0	884.6	..
Dec	..	25 893	3 457	3 657	20 812	905.5	3.0	889.7	..
2004 Jan	..	..	3 446	3 646	..	891.8 [†]	2.9	952.4	..
Feb	..	..	..	..	..	885.2	2.9	957.0	..

1 Estimates of employee jobs and workforce jobs for Great Britain now use the Annual Business Inquiry as a benchmark on which quarterly movements are based. For further information see Labour Market Statistics First Release, April 2001 which is held on the National Statistics website www.statistics.gov.uk. The Northern Ireland component of workforce jobs and employee jobs has not changed.

2 Workforce jobs comprise employee jobs, self-employed jobs, HM Forces and participants in work-related government supported training, which includes the Project Work Plan.

3 For all dates, individuals with two jobs as employees of different employers are counted twice.

4 Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December. For claimant count, unlike employment and workforce figures, the annual figure is an annual average.

5 Unadjusted claimant count figures have been affected by changes in the coverage. The seasonally adjusted figures however, as given in this table are estimated on the current basis, allowing for the discontinuities, except for the effect of the Jobseeker's Allowance introduced in October 1996 (see also below).

The seasonally adjusted figures now relate only to claimants aged 18 or over in order to maintain the consistent series, available back to 1971 (1974 for the regions), allowing for the effect of the change in benefit regulations for under 18 year olds from September 1988. (See pages 398 - 400 of November 1995 *Labour Market Trends*.)

6 Claimant count figures do not include students claiming benefit during a vacation who intend to return to full-time education.

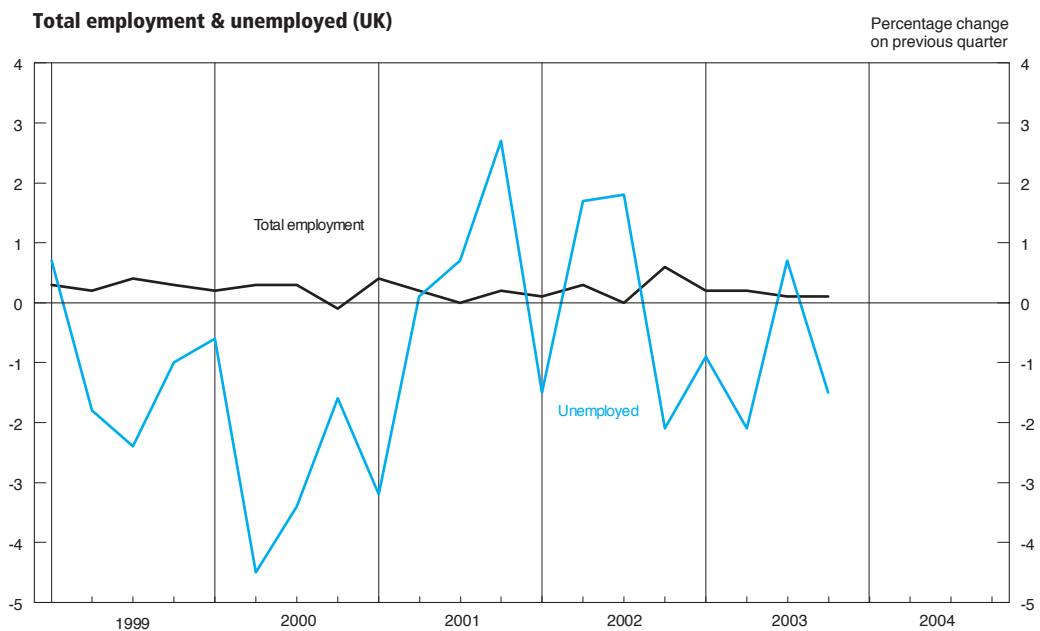
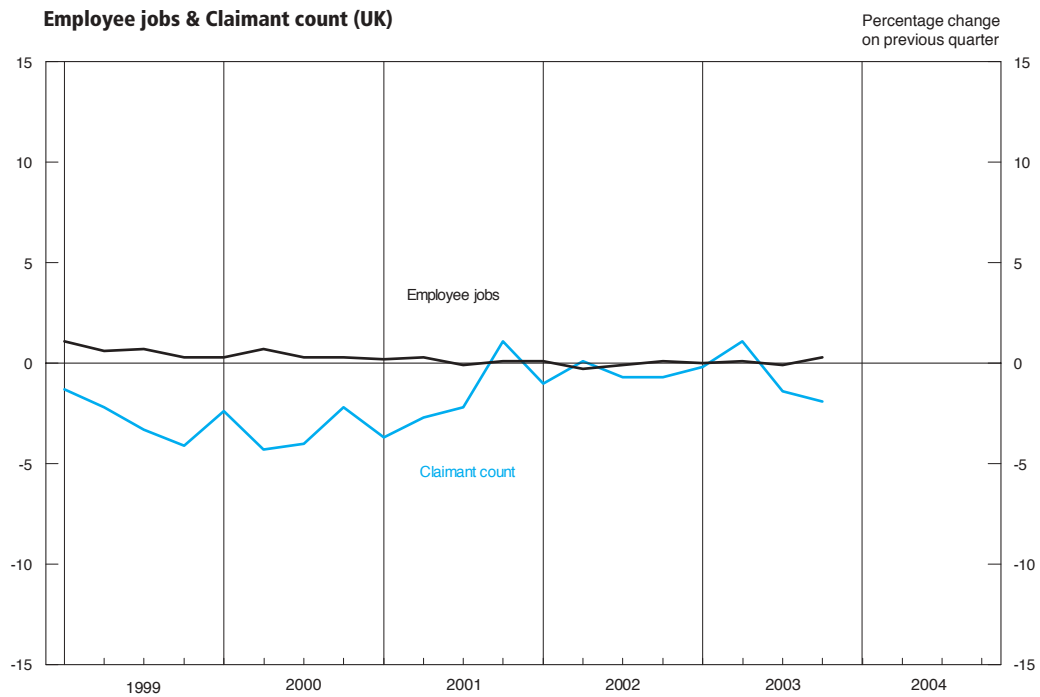
7 The denominator used to calculate claimant count unemployment rates is comprised of the workforce jobs plus the claimant count.

8 Vacancies notified to Jobcentres and remaining unfilled. Jobcentre vacancies only account for approximately one third of all vacancies in the economy. Note: Quarter figures relate to the average for the three months in the quarter.

9 Quarterly and annual values are now the mean of the monthly and quarterly data respectively.

10 Publication of the job centre vacancy statistics has been deferred. Figures from May 2001 are affected by the introduction of Employer Direct. This major change involves transferring the vacancy taking process from job centres to regional Customer Service Centres, as part of Modernising the Employment Service. ONS and the Employment Service will continue to monitor and review the data with the aim of publishing the series fairly soon, as it is possible to produce a consistent measure.

Sources: Office for National Statistics;
Enquiries Columns 1-5 01633 812079; Columns 6,9 020 7533 6094;
also 24 hour recorded headline service on 020 7533 6176



4.5 Regional claimant count rates^{1,2} by Government Office Region

Percentages

	North East	North West ³	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East
Quarterly								
	DPDM	IBWC	DPBI	DPBJ	DPBN	DPDP	DPDQ	DPDR
1998 Q1	7.3	5.2	5.5	4.0	4.6	3.4	5.3	2.7
Q2	7.0	5.1	5.4	3.9	4.5	3.3	5.2	2.7
Q3	7.0	5.1	5.4	3.9	4.5	3.2	5.1	2.6
Q4	7.0	5.0	5.3	3.9	4.5	3.2	5.0	2.5
1999 Q1	7.4	4.8	5.3	3.8	4.6	3.0	4.7	2.4
Q2	7.3	4.7	5.1	3.7	4.6	3.0	4.6	2.3
Q3	7.1	4.6	5.0	3.6	4.5	2.9	4.5	2.2
Q4	6.7	4.4	4.8	3.5	4.3	2.7	4.3	2.1
2000 Q1	6.6	4.4	4.7	3.5	4.2	2.6	4.0	2.0
Q2	6.4	4.2	4.4	3.4	4.1	2.5	3.8	1.9
Q3	6.1	4.0	4.2	3.3	4.0	2.3	3.6	1.8
Q4	6.0	3.9	4.1	3.3	4.0	2.3	3.5	1.7
2001 Q1	5.9	3.8	4.1	3.2	3.9	2.1	3.3	1.6
Q2	5.7	3.8	4.0	3.2	3.8	2.1	3.2	1.5
Q3	5.5	3.7	3.9	3.0	3.7	2.0	3.2	1.5
Q4	5.6	3.7	3.8	3.0	3.6	2.1	3.4	1.6
2002 Q1	5.4	3.6	3.7	2.9	3.6	2.1	3.5	1.6
Q2	5.3	3.6	3.7	2.9	3.5	2.1	3.6	1.7
Q3	5.2	3.5	3.7	2.9	3.5	2.1	3.6	1.7
Q4	5.0	3.5	3.6	2.9	3.5	2.1	3.6	1.7
2003 Q1	4.9	3.5	3.6	2.8	3.6	2.1	3.6	1.7
Q2	4.8	3.4	3.5	2.9	3.6	2.2	3.7	1.8
Q3	4.7	3.4	3.4	2.9	3.6	2.2	3.7	1.8
Q4	4.6	3.3	3.3	2.9	3.5	2.1	3.6	1.8
	South West	England	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom	
Quarterly								
	DPBM	VASQ	DPBP	DPBQ	DPAJ	DPBR	BCJE	
1998 Q1	3.5	4.4	5.6	5.5	4.6	7.6	4.7	
Q2	3.4	4.3	5.5	5.4	4.5	7.4	4.6	
Q3	3.4	4.3	5.4	5.5	4.4	7.3	4.5	
Q4	3.3	4.2	5.4	5.4	4.4	7.2	4.5	
1999 Q1	3.3	4.1	5.3	5.2	4.3	7.0	4.3	
Q2	3.2	4.0	5.2	5.2	4.2	6.7	4.2	
Q3	3.0	3.9	4.9	5.0	4.0	6.2	4.1	
Q4	2.8	3.7	4.7	4.8	3.9	5.8	3.9	
2000 Q1	2.7	3.6	4.5	4.8	3.8	5.5	3.8	
Q2	2.6	3.5	4.4	4.6	3.6	5.3	3.6	
Q3	2.4	3.3	4.4	4.4	3.5	5.2	3.5	
Q4	2.3	3.2	4.3	4.3	3.4	5.3	3.4	
2001 Q1	2.1	3.1	4.2	4.1	3.2	5.1	3.3	
Q2	2.1	3.0	4.0	4.0	3.1	5.0	3.2	
Q3	2.1	3.0	3.9	3.9	3.1	4.9	3.1	
Q4	2.0	3.0	3.8	4.0	3.1	4.8	3.2	
2002 Q1	2.0	3.0	3.7	3.9	3.1	4.7	3.1	
Q2	2.0	3.0	3.7	3.9	3.1	4.6	3.1	
Q3	2.0	3.0	3.6	3.8	3.1	4.4	3.1	
Q4	1.9	2.9	3.6	3.8	3.0	4.4	3.1	
2003 Q1	1.9	2.9	3.5	3.8	3.0	4.3	3.1	
Q2	1.9	3.0	3.5	3.8	3.1	4.3	3.1	
Q3	1.9	2.9	3.4	3.8	3.0	4.3	3.1	
Q4	1.8	2.9	3.3	3.7	3.0	4.3	3.0	

Note: Quarterly claimant count figures relate to the average of the three months in each quarter.

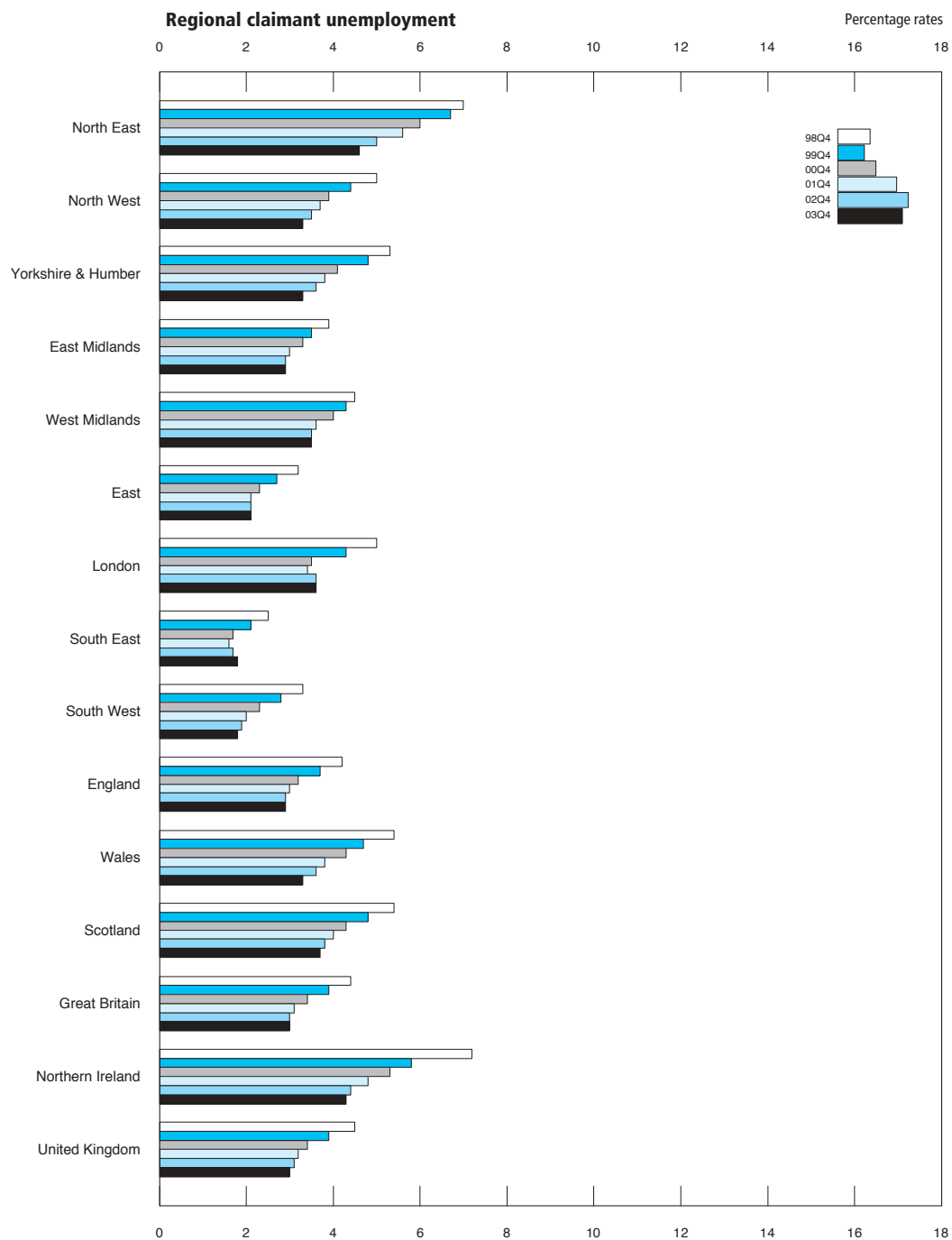
1 Government Office Regions came into effect in April 1994. It was decided that from May 1997 sub-national data should be published for these areas rather than standard statistical regions (SSRs). Data by standard statistical regions are available on request.

2 The seasonally adjusted figures now relate only to claimants aged 18 or over in order to maintain the consistent series, available back to 1971 for Great Britain, Northern Ireland and the United Kingdom (1974 for Wales and Scotland; 1986 for the Government Office Regions), allowing for

the effect of the change in benefit regulations for under 18 year olds from September 1988. (See pages 398 - 400 of the November 1995 *Labour Market Trends*.) The denominators used to calculate claimant count rates are the sum of the appropriate mid-year estimates of employee jobs, the self-employed, Government-supported trainees, HM Forces and claimants of unemployment-related benefits. The 2002 and 2003 rates are based on mid-2002 estimates and earlier years are based on the corresponding mid-year estimates.

3 Includes Merseyside.

Source: Office for National Statistics; Enquiries 020 7533 6094



4.5A

Unemployment rates^{1,2} by Government Office Region

Percentages, seasonally adjusted ⁴

	North East	North West ³	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East
Quarterly								
	YCNC	YCND	YCNE	YCNF	YCNG	YCNH	YCNI	YCNJ
1998 Q1	8.4	6.7	7.1	5.2	6.2	5.4	8.2 [†]	4.4
Q2	8.2	6.9	7.3	4.9	5.9	4.9	8.5	4.4
Q3	8.3	6.6 [†]	7.1	5.4	6.0 [†]	4.5	7.7	4.5
Q4	9.6 [†]	7.0	7.0	4.8 [†]	6.5	4.3	7.6	3.9
1999 Q1	9.5	6.6	6.7	5.1	7.0	4.2	7.6	3.9
Q2	9.5	6.2	6.3	5.3	6.9	4.3	7.4	4.0
Q3	9.7	6.2	6.0	5.6	6.3	3.9	7.4	3.9
Q4	8.4	6.0	6.0	5.4	6.7	4.2	7.0	4.0
2000 Q1	8.8	6.0	6.4	5.1	6.1	3.9	7.6	3.5
Q2	8.9	5.3	6.1	4.8	6.1	3.7 [†]	7.3	3.3
Q3	8.9	5.4	5.9	4.8	5.7	3.7	6.8	3.1
Q4	7.7	5.3	6.1	4.7	6.0	3.6	6.8	3.4
2001 Q1	7.6	5.2	5.4 [†]	4.7	5.6	3.5	6.5	3.4 [†]
Q2	7.4	5.3	5.5	5.0	5.5	3.6	6.2	3.2
Q3	7.1	5.1	5.3	4.6	5.4	4.0	6.6	3.4
Q4	7.2	5.4	5.1	4.5	5.5	3.9	7.3	3.4
2002 Q1	7.2	5.4	5.0	4.8	5.6	3.6	6.9	3.6
Q2	6.5	5.5	5.3	4.6	5.7	3.7	6.8	3.9
Q3	6.2	5.5	5.6	4.6	5.9	3.8	7.0	4.0
Q4	7.5	5.0	5.1	4.7	5.7	4.1	6.6	4.0
2003 Q1	6.4	5.0	5.2	4.1	6.0	4.6	7.0	3.9
Q2	6.0	4.9	5.1	4.4	5.6	4.0	7.2	4.0
Q3	6.7	4.8	4.9	4.5	5.9	3.9	7.2	3.9
Q4	6.4	4.8	5.1	4.4	5.8	3.5	7.1	3.8
	South West	England	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom	
Quarterly								
	YCNK	YCNL	YCNM	YCNN	YCNO	ZSFB	MGSX	
1998 Q1	4.6	6.1	7.2	7.6	6.3	8.5	6.3	
Q2	4.7	6.1	7.0 [†]	7.4	6.2	6.9 [†]	6.3	
Q3	4.9	6.0	7.4	7.6	6.2	7.9	6.2	
Q4	4.5	5.9	7.1	7.7	6.1	6.9	6.1	
1999 Q1	4.9 [†]	5.9	7.2	7.4	6.1	7.2	6.1 [†]	
Q2	4.5	5.8	7.5	7.1	6.0	7.6	6.0	
Q3	4.4	5.7	7.2	6.9	5.8	7.1	5.9	
Q4	4.1	5.6 [†]	7.2	7.1	5.8	6.7	5.8	
2000 Q1	4.3	5.5	6.7	7.5 [†]	5.7	6.5	5.8	
Q2	4.3	5.3	6.1	7.1	5.5	6.7	5.5	
Q3	4.0	5.1	6.7	6.6	5.3	5.6	5.3	
Q4	3.9	5.1	5.8	6.2	5.2	6.1	5.2	
2001 Q1	3.9	4.9	6.0	5.9	5.0	6.2	5.1	
Q2	3.6	4.8	6.1	6.3	5.0	6.1	5.0	
Q3	3.6	4.9	5.5	6.6	5.0 [†]	6.0	5.1	
Q4	3.6	5.0	5.8	6.7	5.2	5.9	5.2	
2002 Q1	3.4	4.9	5.7	6.5	5.1	6.1	5.1	
Q2	3.7	5.0	5.7	6.5	5.2	5.6	5.2	
Q3	4.0	5.1	5.2	6.3	5.3	6.2	5.3	
Q4	4.1	5.0	5.1	6.1	5.1	5.5	5.1	
2003 Q1	3.7	5.0	4.8	5.8	5.1	5.2	5.1	
Q2	3.5	4.9	4.6	5.6	5.0	5.2	5.0	
Q3	3.2	4.9	4.7	5.8	5.0	5.6	5.0	
Q4	3.1	4.8	4.8	5.8	4.9	6.3	4.9	

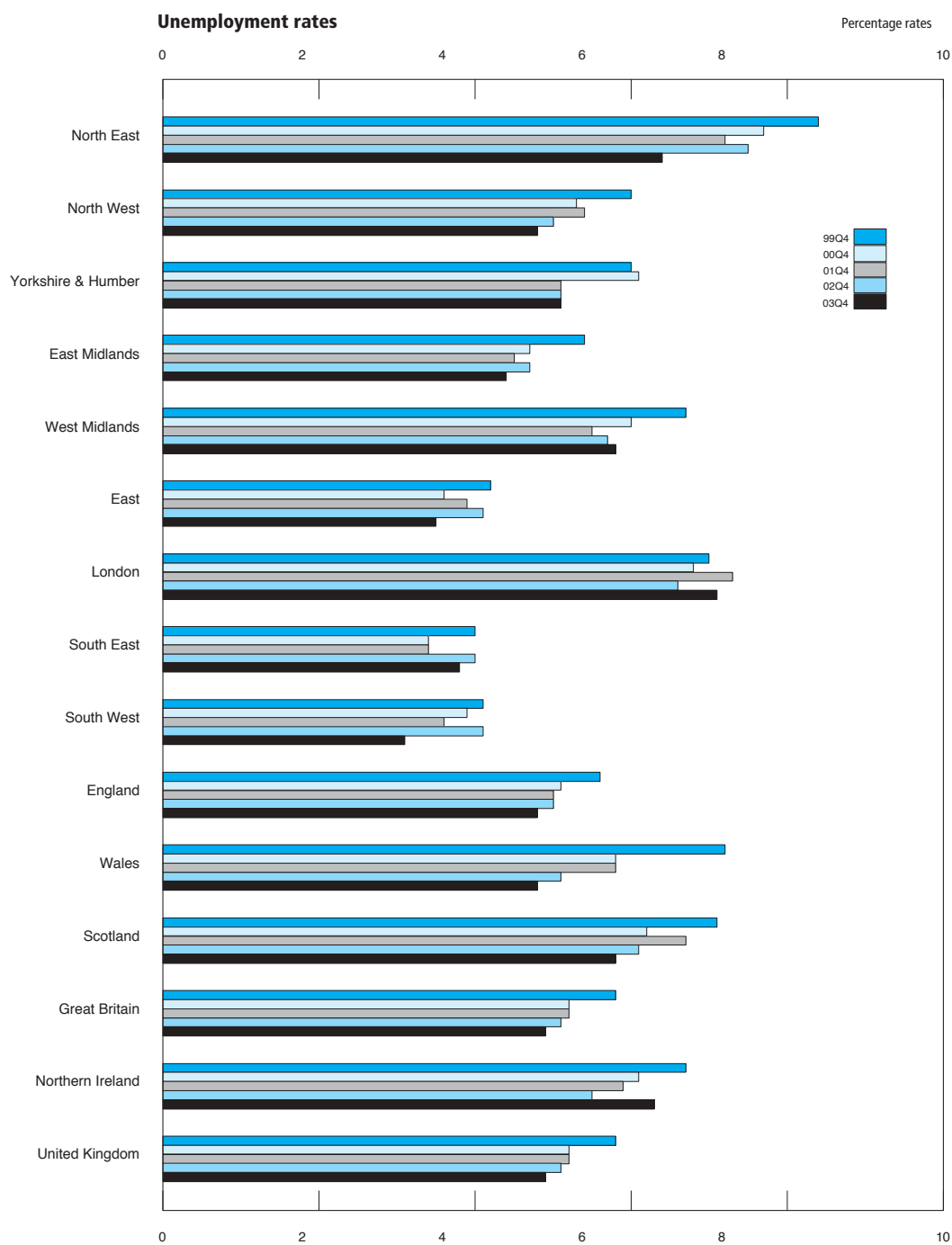
1 The data in this table have been adjusted to reflect the 2001 Census population data.

2 Data are from the Labour Force Survey. Unemployment rate is the percentage of economically active people who are unemployed on the ILO measure.

3 Includes Merseyside.

4 Seasonally adjusted estimates are revised in April each year.

Source: Office for National Statistics; Enquiries 020 7533 6094



4.6 Average earnings (including bonuses)

Great Britain

2000 = 100

	Whole economy+	headline rate ²	Private sector	headline rate ²	Public sector	headline ²	Manufact- uring industri- es ³	headline ^{2,3}	Product- ion industri- es	headline ²	Service industri- es	headline ²	Private sector services	headline ²
Annual	LNMQ		LNKY		LNNJ		LNMR		LNMS		LNMT		JJGH	
2000	100.0		100.0		100.0		100.0		100.0		100.0		100.0	
2001	104.4		104.3		105.0		104.3		104.2		104.4		104.2	
2002	108.2		107.9		109.3		108.0		107.9		108.2 [†]		107.8 [†]	
2003	111.8		111.1		114.8		111.9		111.7		111.8		110.8	
Monthly		LNNC		LNND		LNNE		LNNG		LNNF		LNNH		JJGJ
2000 Jan	98.8	5.8	98.8	6.3	98.9	4.0	98.9	5.4	99.2	5.1	98.9	6.1	99.0	6.7
Feb	98.7	5.9	98.7	6.3	99.5	4.3	98.2	5.3	98.5	5.1	98.9	6.1	98.9	6.8
Mar	98.9	5.5	98.9	5.9	98.9	4.2	98.4	4.9	98.4	4.7	98.9	5.7	99.0	6.3
Apr	98.7	5.0	98.5	5.2	99.2	4.1	98.7	4.5	98.6	4.1	98.6	5.1	98.4	5.4
May	98.8	4.5	98.6	4.7	99.2	3.7	99.5	4.6	99.5	4.2	98.6	4.4	98.4	4.7
Jun	99.2	4.1	99.0	4.2	100.0	3.6	99.3	4.6	99.3	4.2	99.0	3.9	98.8	4.0
Jul	99.5	3.9	99.4	4.0	99.8	3.4	99.9	4.6	99.8	4.3	99.4	3.5	99.2	3.6
Aug	100.3	4.0	100.3	4.1	100.1	3.4	100.1	4.3	100.1	4.0	100.4	3.8	100.4	3.9
Sep	100.7	4.1	100.8	4.3	100.4	3.4	100.9	4.3	100.8	4.0	100.7	4.0	100.7	4.3
Oct	101.3	4.2	101.4	4.4	100.8	3.4	101.3	4.3	101.2	4.0	101.4	4.2	101.4	4.5
Nov	101.9	4.3	101.9	4.4	101.4	3.6	102.2	4.6	102.1	4.3	101.9	4.2	101.9	4.4
Dec	103.3	4.5	103.7	4.6	101.7	3.9	102.7	4.7	102.6	4.4	103.4	4.5	103.9	4.7
2001 Jan	103.2	4.6	103.4	4.7	102.2	3.8	102.7	4.5	102.7	4.2	103.3	4.6	103.6	4.7
Feb	103.6	4.8	103.7	4.9	102.6	3.6	103.4	4.7	103.7	4.5	103.8	4.8	104.0	5.0
Mar	103.7	4.8	103.7	4.8	103.3	3.6	103.5	4.8	103.3	4.6	103.8	4.8	103.8	4.9
Apr	103.9	5.1	103.9	5.1	104.6	4.3	103.9	5.2	103.7	5.1	103.9	5.1	103.8	5.1
May	104.0	5.2	103.8	5.2	105.0	5.2	104.1	5.0	104.0	4.9	103.9	5.2	103.6	5.2
Jun	104.3	5.3	104.1	5.3	105.3	5.5	104.3	5.0	104.1	4.8	104.2	5.3	103.9	5.3
Jul	104.4	5.1	104.2	5.1	105.6	5.6	104.4	4.7	104.3	4.6	104.3	5.2	103.9	5.1
Aug	104.8	4.9	104.6	4.8	106.0	5.6	104.8	4.7	104.6	4.6	104.8	4.9	104.4	4.6
Sep	105.0	4.6	104.8	4.4	106.0	5.7	105.2	4.5	105.0	4.4	104.9	4.5	104.5	4.2
Oct	105.1	4.2	104.9	3.9	106.4	5.7	105.2	4.3	105.1	4.2	105.0	4.1	104.7	3.6
Nov	105.2	3.8	105.0	3.5	106.4	5.4	105.2	3.7	105.0	3.6	105.1	3.7	104.7	3.2
Dec	105.8	3.1	105.6	2.8	106.8	5.2	105.4	3.1	105.2	3.1	105.7	3.0	105.3	2.4
2002 Jan	106.3	2.9	106.1	2.5	107.0	4.9	105.9	2.9	105.8	2.8	106.3	2.7	106.0	2.1
Feb	106.9	2.8	106.7	2.4	107.2	4.7	106.0	2.8	106.0	2.6	107.1	2.8	107.0	2.2
Mar	106.7	3.0	106.4	2.7	107.9	4.5	106.4	2.8	106.5	2.8	106.6	2.9	105.9	2.4
Apr	108.0	3.3	108.1	3.2	108.3	4.1	107.4	2.9	107.2	2.9	108.0	3.3	108.1	3.0
May	107.9	3.5	107.8	3.5	108.7	3.8	107.7	3.2	107.6	3.3	107.9	3.5	107.7	3.4
Jun	108.2	3.8	108.0	3.9	109.0	3.5	108.1	3.5	108.0	3.5	108.2	3.9	108.0	4.0
Jul	108.4	3.8	108.2	3.8	109.6	3.6	108.3	3.6	108.2	3.7	108.3	3.9	108.0	3.9
Aug	108.6	3.7	108.5	3.8	109.1	3.4	108.8	3.7	108.7	3.8	108.5	3.7	108.2	3.8
Sep	108.8	3.7	108.5	3.7	110.1	3.5	108.8	3.6	108.7	3.7	108.7	3.7	108.2	3.7
Oct	109.0	3.6	108.6	3.6	110.9	3.7	109.3	3.7	109.2	3.8	108.9	3.6	108.3	3.5
Nov	110.0 [†]	4.0 [†]	109.6 [†]	3.8 [†]	111.7	4.4	109.4	3.8	109.3	3.9	110.2 [†]	4.0 [†]	109.6 [†]	3.9 [†]
Dec	109.5	3.9	108.9	3.7	112.1 [†]	4.7	109.9 [†]	4.0	109.8	4.1	109.3	4.0	108.3	3.6
2003 Jan	109.3	3.7	108.7	3.3	112.5	5.0	110.0	4.0	109.9 [†]	4.1 [†]	109.2	3.6	108.1	3.2
Feb	109.9	3.1	109.3	2.7	112.8	5.1	110.7	4.2 [†]	110.6	4.2	109.8	2.9	108.7	2.2
Mar	111.4	3.4	110.8	3.0	113.4	5.2 [†]	113.3	4.9	113.1	4.8	110.9	3.1	109.8	2.4
Apr	110.8	3.3	110.2	2.8	113.9	5.1	110.2	4.5	110.2	4.5	110.9	3.1	110.0	2.3
May	111.3	3.4	110.7	3.0	113.7	4.9	111.1	4.1	111.0	4.1	111.5	3.3	110.7	2.7
Jun	111.6	3.0	110.9	2.4	114.8	5.1	111.3	2.9	111.3	3.0	111.8	3.1	110.8	2.4
Jul	112.3	3.3	111.7	2.9	115.4	5.1	111.8	3.1	111.6	3.1	112.5	3.5	111.6	2.9
Aug	112.4	3.4	111.5	2.9	115.6	5.6	111.9	3.0	111.8	3.0	112.6	3.7	111.5	3.0
Sep	112.8	3.6	112.0	3.1	116.1	5.6	112.5	3.2	112.3	3.1	112.9	3.8	111.8	3.2
Oct	113.0	3.6	112.3	3.2	116.1	5.4	112.8	3.2	112.6	3.1	113.0	3.8	111.9	3.2
Nov	113.7	3.6	113.0	3.2	116.4	4.8	113.3	3.4	113.1	3.3	113.8	3.6	112.7	3.2
Dec	113.2	3.5	112.4	3.2	116.9	4.4	113.5	3.4	113.3	3.3	113.0	3.5	111.5	3.1
2004 Jan ¹	116.6	4.4	116.5	4.5	117.1	4.2	113.8	3.4	113.6	3.3	117.4	4.7	117.5	4.8

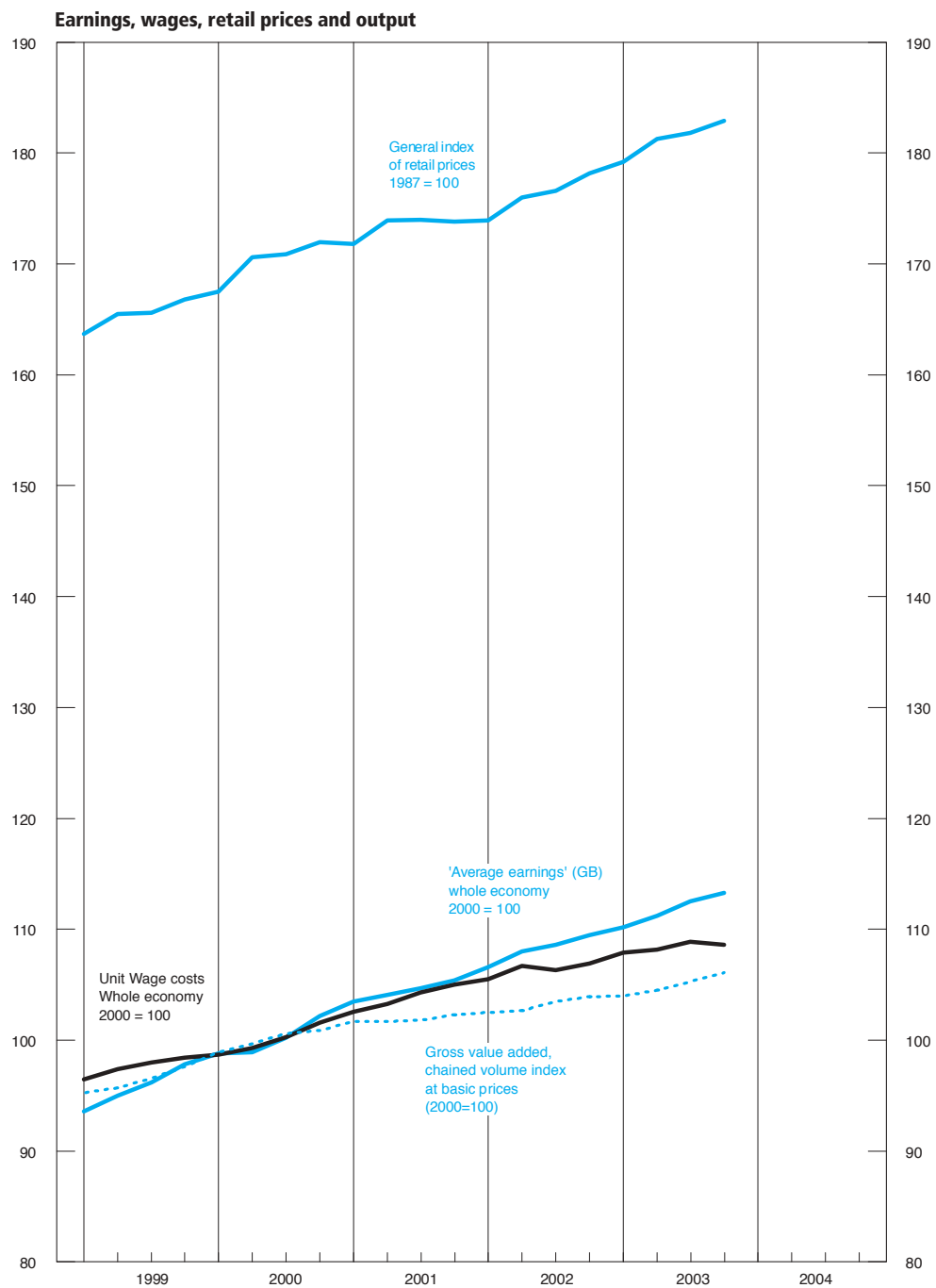
1 Provisional.

2 The headline rate is the change in the average seasonally adjusted index values for the last 3 months compared with the same period a year ago.

Previously, the headline rate was centred on the middle month of the three under consideration. The new presentation aligns the average with the last month of the three.

3 ONS regrets that the series have been withdrawn for the period 1963-1982, owing to an irregularity.

Source: Office for National Statistics; Enquiries 01633 816024



4.7 Productivity and Unit Wage costs¹

United Kingdom

2000 = 100

	Productivity jobs			Output per filled job ²			Output per hour worked ³			Unit wage costs	
	Whole economy	Total production industries	Manufacturing industries	Whole economy	Total production industries	Manufacturing industries	Whole economy	Total production industries	Manufacturing industries	Whole economy	Manufacturing industries
Annual											
	LNNM	LNOJ	LNOK	LNNN	LNNW	LNNX	LZVB	LZVK	LZVF	LNNK	LNNQ
2001	100.7 [†]	96.0	95.5	101.1	102.5	103.3	100.9	103.1	103.7	103.8	101.0
2002	100.7	91.6	90.7	102.4 [†]	104.5	104.8	102.5	104.8	104.6	106.4 [†]	103.0
2003	100.8	87.5	86.4 [†]	104.1	108.8	110.2 [†]	104.0	108.8	109.4	108.4	101.5
Quarterly											
2001 Q1	100.6	97.6	97.3	101.1	102.5	103.5	100.8	103.2	104.1	102.6 [†]	99.7
Q2	100.8	96.6	96.2	100.9 [†]	102.2	102.6	100.4	102.2	102.5	103.3	101.5
Q3	100.7 [†]	95.3	94.8	101.0	103.1	104.0	100.8	102.8	103.4	104.3	100.7
Q4	100.8	94.4	93.8	101.5	102.2	102.9	101.8	104.4	104.7	105.0	102.3
2002 Q1	100.9	93.2	92.3	101.6	103.0	103.8	101.5	103.2	103.4	105.5	102.2
Q2	100.7	92.2	91.4	101.9	104.1	103.5	102.4 [†]	105.4	104.3	106.7	104.1
Q3	100.7	91.1	90.1	102.8	105.0	106.0	102.8	105.9	106.1	106.3	102.5
Q4	100.6	90.1	89.1 [†]	103.2	105.7	106.1	103.3	104.8 [†]	104.6	106.9	103.3
2003 Q1	100.7	89.2	88.2	103.2	106.6 [†]	107.2 [†]	103.0	105.6	105.5 [†]	107.9	103.9
Q2	100.8	88.0	86.8	103.7	108.3	109.6	103.5	109.1	109.4	108.2	101.1
Q3	100.9	86.9 [†]	85.8	104.4	109.7	111.3	104.1	109.2	110.2	108.9	100.7
Q4	100.9	86.0	84.9	105.1	110.8	112.7	105.4	111.2	112.5	108.6	100.4
Monthly											
2002 Jul	..	..	90.6	..	..	105.0	..	..	..	..	103.1
Aug	..	..	90.1	..	..	106.5	..	..	..	..	102.1
Sep	..	..	89.6	..	..	106.4	..	..	..	..	102.2
Oct	..	..	89.3	..	..	105.1 [†]	104.0
Nov	..	..	89.1	..	..	106.3	..	..	..	..	102.9
Dec	..	..	88.7	..	..	106.7	..	..	..	..	102.9
2003 Jan	..	..	88.5 [†]	106.6	..	..	..	..	103.2
Feb	..	..	88.2	..	..	107.4	..	..	..	..	103.0
Mar	..	..	87.9	..	..	107.5	..	..	..	..	105.4
Apr	..	..	87.3	..	..	108.9	..	..	..	..	101.1
May	..	..	86.8	..	..	109.5	..	..	..	..	101.4
Jun	..	..	86.4	..	..	110.4	..	..	..	..	100.8
Jul	..	..	86.1	..	..	111.2	..	..	..	..	100.5
Aug	..	..	85.8	..	..	111.1	..	..	..	..	100.7
Sep	..	..	85.5	..	..	111.5	..	..	..	..	100.9
Oct	..	..	85.3	..	..	112.7	..	..	..	..	100.1
Nov	..	..	84.9	..	..	112.5	..	..	..	..	100.7
Dec	..	..	84.6	..	..	112.9	..	..	..	..	100.5
2004 Jan	..	..	84.5	..	..	113.4	..	..	..	..	100.4

Percentage change, quarter on corresponding quarter of previous year

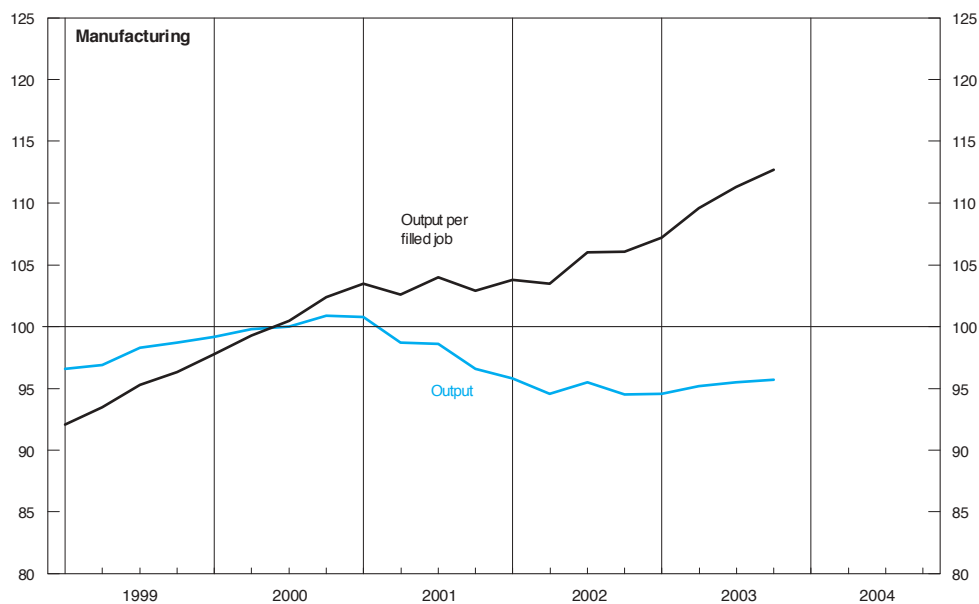
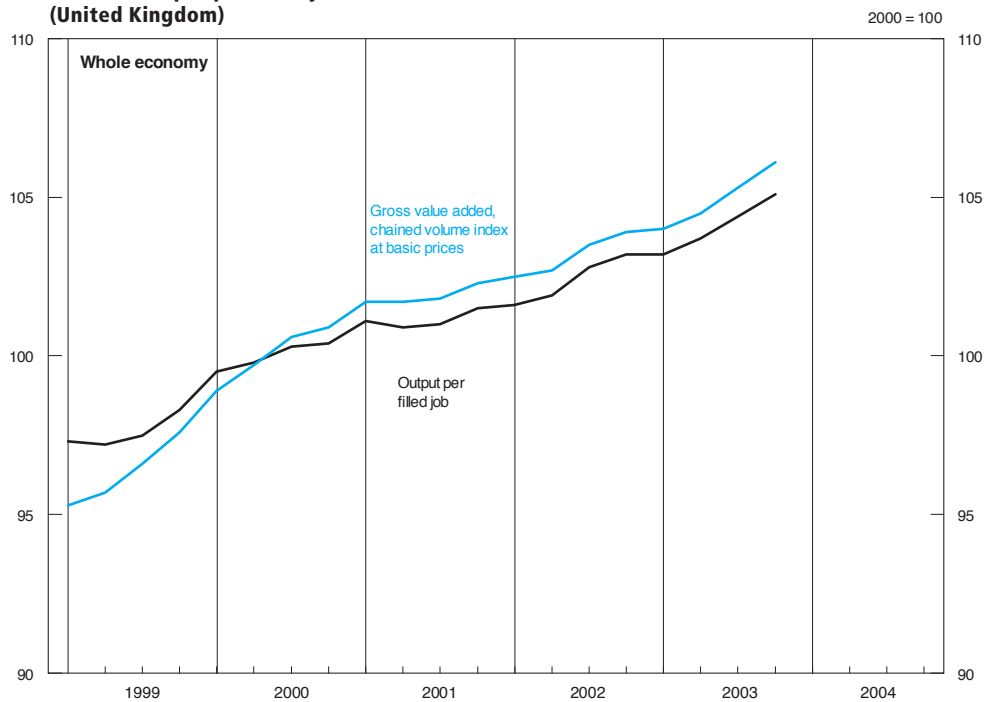
Quarterly	LNNO	LNNR	LNNS	LNNP [†]	LNNT	LNNU	LZVD	LZVM	LZVH	LOJE [†]	LOJF
2001 Q1	1.2	-3.6	-4.1	1.6 [†]	4.3	5.9	0.9	5.2	6.7	4.0 [†]	-1.1
Q2	0.9	-3.9	-4.2	1.1	2.6	3.3	0.9	3.0	3.7	4.1	1.6
Q3	0.5 [†]	-4.3	-4.8	0.7	2.8	3.5	0.3	2.6	2.9	4.0	1.0
Q4	0.4	-4.2	-4.8	1.0	0.5	0.5	1.7	1.8	1.5	3.3	2.6
2002 Q1	0.3	-4.5	-5.2	0.5	0.5	0.3	0.8	-	-0.6	2.8	2.6
Q2	-	-4.6	-5.1	1.0	1.9	0.9	2.0 [†]	3.1	1.8	3.3	2.6
Q3	-0.1	-4.4	-4.9	1.8	1.9	1.9	2.0	3.0	2.7	1.9	1.7
Q4	-0.1	-4.6	-5.0 [†]	1.7	3.3	3.0 [†]	1.5	0.4	-0.1	1.8	1.0
2003 Q1	-0.2	-4.3	-4.4	1.6	3.4 [†]	3.3	1.4	2.3 [†]	2.0 [†]	2.2	1.6
Q2	0.1	-4.5	-5.0	1.7	4.0	5.9	1.0	3.5	4.9	1.4	-2.9
Q3	0.2	-4.6 [†]	-4.8	1.5	4.4	5.0	1.3	3.2	3.8	2.4	-1.7
Q4	0.3	-4.6	-4.6	1.8	4.8	6.3	2.1	6.1	7.5	1.5	-2.8

1 The full productivity and unit wage costs data sets with associated articles can be found on the National Statistics web site at www.statistics.gov.uk/productivity
Contact the Labour Market Statistics helpline (020 7533 6094) for further information.

2 Output per filled job is the ratio of Gross value added at basic prices to productivity jobs.
3 Output per hour worked is the ratio of Gross value added at basic prices to productivity hours.

Source: Office for National Statistics; Enquiries 01633 812766

**Index of Output per filled job
(United Kingdom)**



5.1 Output of production industries¹

2000 = 100

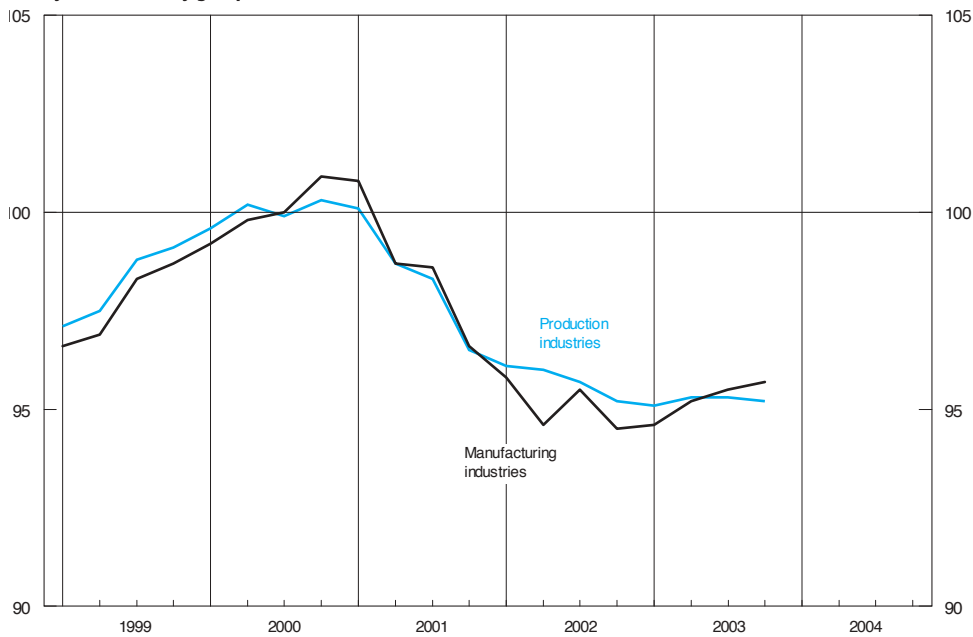
	Broad industry groups				By main industrial groupings			
	Total production industries+	Mining and quarrying	Electricity, gas and water supply	Total manufacturing industries+	Consumer durables	Consumer non-durables	Capital goods	Intermediate goods and energy
<i>2000 weights</i>	<i>1 000</i>	<i>130</i>	<i>83</i>	<i>786</i>	<i>37</i>	<i>258</i>	<i>221</i>	<i>485</i>
Annual	CKYW	CKYX	CKYZ	CKYY	UFIU	UFJS	UFIL	JMOH
1999	98.1	103.3	97.9	97.6	98.4	99.6	96.5	98.2
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	98.4	94.5	102.4	98.7	102.5	101.2	98.4	96.6
2002	95.7	94.4	104.0	95.1	103.8	100.8	90.0	95.0
2003	95.2 [†]	88.5 [†]	105.7 [†]	95.2 [†]	102.7 [†]	100.5 [†]	92.2 [†]	93.3 [†]
Quarterly								
1999 Q1	97.1	102.2	96.9	96.6	96.3	98.5	94.7	97.7
Q2	97.5	103.3	97.1	96.9	97.3	99.4	95.4	97.6
Q3	98.8	104.5	98.4	98.3	99.5	100.2	97.6	98.6
Q4	99.1	103.0	99.1	98.7	100.4	100.3	98.3	98.8
2000 Q1	99.6	103.8	98.7	99.2	100.3	100.3	98.2	99.9
Q2	100.2	102.4	101.0	99.8	99.9	100.4	99.5	100.4
Q3	99.9	98.9	99.9	100.0	99.8	99.8	100.1	100.0
Q4	100.3	94.9	100.3	100.9	100.0	99.5	102.2	99.8
2001 Q1	100.1	93.3	104.5	100.8	102.8	101.2	103.2	97.9
Q2	98.7	96.3	102.8	98.7	101.9	100.8	98.5	97.5
Q3	98.3	95.0	101.0	98.6	102.3	101.4	98.1	96.5
Q4	96.5	93.4	101.2	96.6	103.2	101.4	93.8	94.7
2002 Q1	96.1	94.2	101.5	95.8	105.1	101.4	90.5	95.1
Q2	96.0	99.1	104.6	94.6	103.2	101.0	89.3	95.9
Q3	95.7	90.2	106.2	95.5	102.9	101.3	90.6	94.5
Q4	95.2	94.0	103.6	94.5	104.1	99.5	89.5	94.8
2003 Q1	95.1 [†]	92.4	103.9 [†]	94.6 [†]	100.4 [†]	100.0 [†]	90.5 [†]	94.1
Q2	95.3	89.9 [†]	105.4	95.2	101.9	100.1	92.7	93.5 [†]
Q3	95.3	87.3	106.4	95.5	104.2	100.8	92.5	93.0
Q4	95.2	84.6	107.1	95.7	104.4	101.2	92.9	92.4
Monthly								
2002 Jan	96.0	96.1	102.3	95.3	104.3	100.2	90.5	95.6
Feb	95.9	92.8	99.8	95.9	104.7	102.4	90.0	94.4
Mar	96.3	93.8	102.4	96.1	106.3	101.5	91.1	95.2
Apr	96.5	96.0	102.8	95.9	106.1	102.3	90.0	95.7
May	98.2	101.0	106.3	96.8	105.8	102.1	92.9	97.9
Jun	93.4	100.3	104.6	91.0	97.7	98.6	85.1	94.0
Jul	95.3	87.6	109.2	95.1	101.0	101.4	89.7	94.2
Aug	96.0	88.0	108.0	96.0	104.0	101.4	92.1	94.2
Sep	95.8	95.1	101.5	95.4	103.9	101.3	90.1	94.9
Oct	95.0	95.8	104.1	94.0	103.2	99.5	88.3	95.1
Nov	95.1	93.0	102.1	94.7	104.4	99.7	89.6	94.5
Dec	95.4	93.2	104.7	94.7	104.5	99.2	90.6	94.7
2003 Jan	94.7 [†]	91.8 [†]	102.1 [†]	94.4 [†]	102.6 [†]	99.5 [†]	90.1 [†]	93.6 [†]
Feb	95.4	92.9	105.7	94.8	100.0	100.1	90.9	94.7
Mar	95.1	92.4	103.8	94.6	98.5	100.3	90.5	94.1
Apr	95.1	89.9	103.1	95.1	101.4	99.4	93.3	93.1
May	95.0	89.6	103.7	95.0	100.9	100.9	91.6	93.0
Jun	95.9	90.2	109.5	95.4	103.5	100.2	93.2	94.3
Jul	95.8	90.4	104.9	95.7	104.8	100.7	93.1	93.7
Aug	95.0	86.5	105.2	95.4	102.8	100.7	91.8	92.9
Sep	95.1	85.0	109.0	95.4	105.1	100.8	92.7	92.5
Oct	95.8	85.7	108.3	96.1	105.0	101.8	93.1	93.0
Nov	94.9	84.4	106.1	95.5	104.9	100.5	93.0	92.1
Dec	95.0	83.5	107.0	95.6	103.4	101.2	92.7	92.0
2004 Jan	95.1	84.6	104.9	95.8	102.2	100.9	92.7	92.5

1 The figures contain, where appropriate, an adjustment for stock changes.

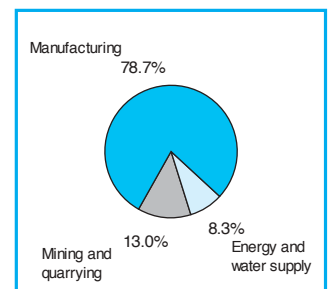
Source: Office for National Statistics; Enquiries 01633 812786

Index of output of the production industries
By broad industry group

2000 = 100

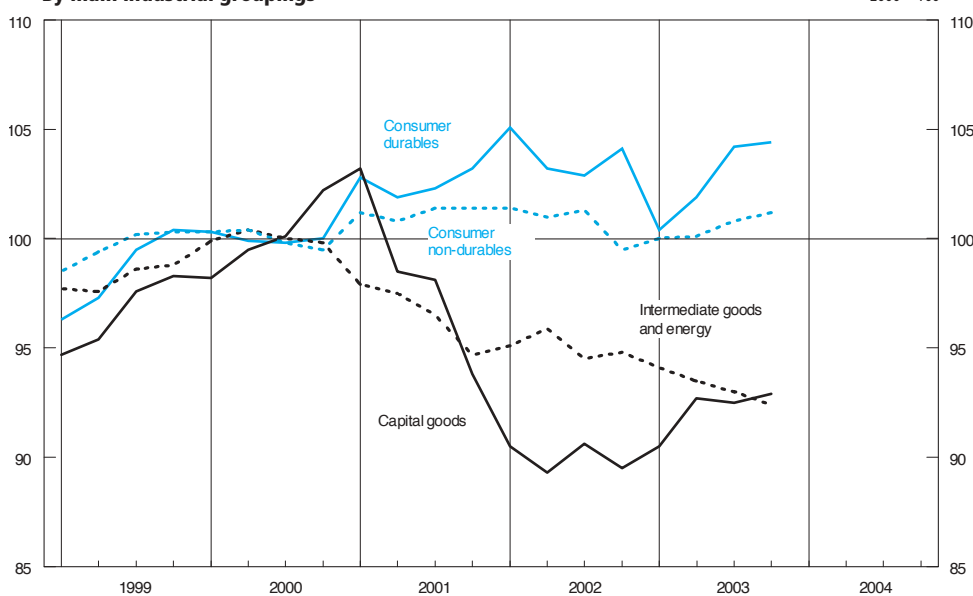


Share of output in 2000

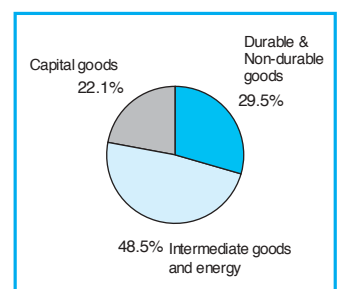


By main industrial groupings

2000 = 100



Share of output in 2000



5.2 Engineering and construction : output and orders

Seasonally adjusted Index numbers at constant prices¹

	Engineering (2000 =100)									Construction(GB) ⁵ (2000=100)	
	Total			Home			Export			Gross output+ ⁴	Orders received
	Orders ² on Hand	New ³ Orders	Turnover	Orders ² on Hand	New ³ Orders	Turnover	Orders ² on Hand	New ³ Orders	Turnover		
Annual											
	JIQI	JIQH	JIQJ	JIQC	JIQB	JIQD	JIQF	JIQE	JIQG	SFZX	SGAA
1999	92.0	91.8	91.9	92.8	94.2	93.5	90.8	88.6	89.9	99.5 [†]	98.4 [†]
2000	103.4	100.0	100.0	104.9	100.0	100.0	100.8	100.0	100.0	100.0	100.0
2001	94.4	89.5	95.3	104.6	94.5	98.4	77.2	82.9	91.2	102.0	99.5
2002	91.7	80.4	84.1	104.2	87.3	91.1	70.5	71.2	74.8	106.3	102.5
2003	92.4 [†]	80.8 [†]	83.5 [†]	109.2 [†]	91.2 [†]	93.7 [†]	63.9 [†]	66.7 [†]	70.1 [†]	111.0	97.8
Quarterly											
1999 Q1	83.1	88.6	90.2	79.9	88.5	91.1	88.5	88.6	89.0	99.5 [†]	100.8
Q2	82.4	86.8	90.6	80.6	88.7	91.3	85.3	84.2	89.8	97.9	100.4
Q3	86.8	95.0	93.0	85.3	98.1	95.9	89.3	90.8	89.0	100.3	95.9
Q4	92.0	96.9	93.9	92.8	101.5	95.6	90.8	90.8	91.7	100.1	96.4
2000 Q1	96.2	95.9	94.1	96.6	96.2	95.1	95.7	95.5	92.8	102.4	97.5
Q2	100.6	101.6	99.9	100.2	101.0	100.3	101.3	102.4	99.3	99.4	106.9
Q3	102.7	100.7	101.5	101.8	99.2	101.0	104.4	102.8	102.2	98.3	102.1
Q4	103.4	101.8	104.5	104.9	103.6	103.6	100.8	99.4	105.7	99.9	93.5
2001 Q1	104.4	102.1	104.4	106.2	102.2	104.7	101.3	102.0	104.2	101.2	108.4
Q2	102.0	91.0	97.1	108.2	97.8	99.0	91.3	81.9	94.5	101.3	95.6
Q3	99.9	86.6	92.0	107.6	91.5	96.0	86.9	79.9	86.6	102.1	103.6 [†]
Q4	94.4	78.5	87.8	104.6	86.4	93.9	77.2	67.8	79.6	103.5	90.5
2002 Q1	95.1	82.1	84.4	105.5	87.9	90.8	77.4	74.2	76.0	105.3	107.6
Q2	93.9	80.2	84.4	105.8	88.1	91.3	73.8	69.6	75.1	104.7	90.7
Q3	93.7	81.5	84.6	106.2	88.5	91.7	72.6	72.2	75.2	106.8	109.2
Q4	91.7	77.9	83.0	104.2	84.5	90.7	70.5	69.0	72.9	108.5	102.5
2003 Q1	90.4 [†]	77.9 [†]	82.9 [†]	102.8 [†]	87.3 [†]	94.1 [†]	69.4 [†]	65.4 [†]	68.1	105.6	104.7
Q2	91.7	82.2	83.5	104.8	92.4	93.5	69.5	68.5	70.2 [†]	110.4	95.8
Q3	91.6	80.6	83.5	105.9	90.9	93.3	67.4	66.6	70.5	113.3	98.0
Q4	92.4	82.3	84.2	109.2	94.1	93.7	63.9	66.3	71.7	114.9	92.6
Monthly											
2002 Jan	94.7	81.5	84.1	104.3	84.2	90.0	78.5	78.0	76.3	..	94.1
Feb	95.9	85.7	84.3	105.6	92.1	90.7	79.5	77.2	75.9	..	104.3 [†]
Mar	95.1	79.0	84.8	105.5	87.5	91.6	77.4	67.5	75.7	..	124.4
Apr	94.7	81.4	85.6	105.4	89.1	93.3	76.7	71.2	75.3	..	82.5
May	94.3	82.5	87.0	105.9	92.5	94.1	74.6	69.2	77.5	..	96.0
Jun	93.9	76.6	80.6	105.8	82.8	86.6	73.8	68.3	72.6	..	93.6
Jul	94.4	83.8	84.8	106.0	88.3	91.0	74.8	77.8	76.6	..	113.1
Aug	94.8	81.9	83.6	107.9	95.2	91.6	72.5	64.1	73.0	..	100.2
Sep	93.7	78.8	85.4	106.2	82.0	92.4	72.6	74.6	76.1	..	114.4
Oct	93.9	80.5	82.5	105.5	83.5	89.8	74.4	76.5	72.9	..	93.2
Nov	91.3	71.1	83.0	102.7	76.1	90.2	71.9	64.4	73.6	..	92.5
Dec	91.7	82.0	83.4	104.2	94.0	92.0	70.5	66.0	72.1	..	121.9
2003 Jan	91.6 [†]	78.8 [†]	84.0 [†]	102.5 [†]	81.9 [†]	95.9 [†]	73.1 [†]	74.5 [†]	68.3 [†]	..	110.6
Feb	91.2	79.1	83.3	103.1	93.9	95.2	70.9	59.3	67.5	..	113.0
Mar	90.4	75.9	81.5	102.8	86.1	91.2	69.4	62.4	68.6	..	90.5
Apr	93.9	93.4	83.9	108.0	110.5	94.2	70.0	70.4	70.4	..	111.7
May	92.6	76.5	83.9	106.0	83.4	95.0	69.9	67.3	69.3	..	89.5
Jun	91.7	76.8	82.6	104.8	83.4	91.4	69.5	67.8	70.9	..	86.2
Jul	92.3	83.9	84.8	104.8	90.9	95.1	71.1	74.4	71.3	..	111.1
Aug	92.2	79.5	82.3	106.4	94.2	91.8	68.3	59.7	69.8	..	80.7
Sep	91.6	78.3	83.3	105.9	87.5	93.0	67.4	65.8	70.4	..	102.3
Oct	92.2	84.1	85.1	106.9	95.7	95.6	67.1	68.5	71.1	..	87.3
Nov	94.5	88.8	83.5	111.0	105.4	93.5	66.4	66.4	70.2	..	102.8
Dec	92.4	73.9	84.1	109.2	81.2	91.9	63.9	64.1	73.8	..	87.8
2004 Jan	94.3	86.5	82.5	110.6	93.3	91.7	66.7	77.3	70.5	..	95.5

1 The figures shown represent the output of United Kingdom based manufacturers classified to Subsections DK and DL of the Standard Industrial Classification (2003).

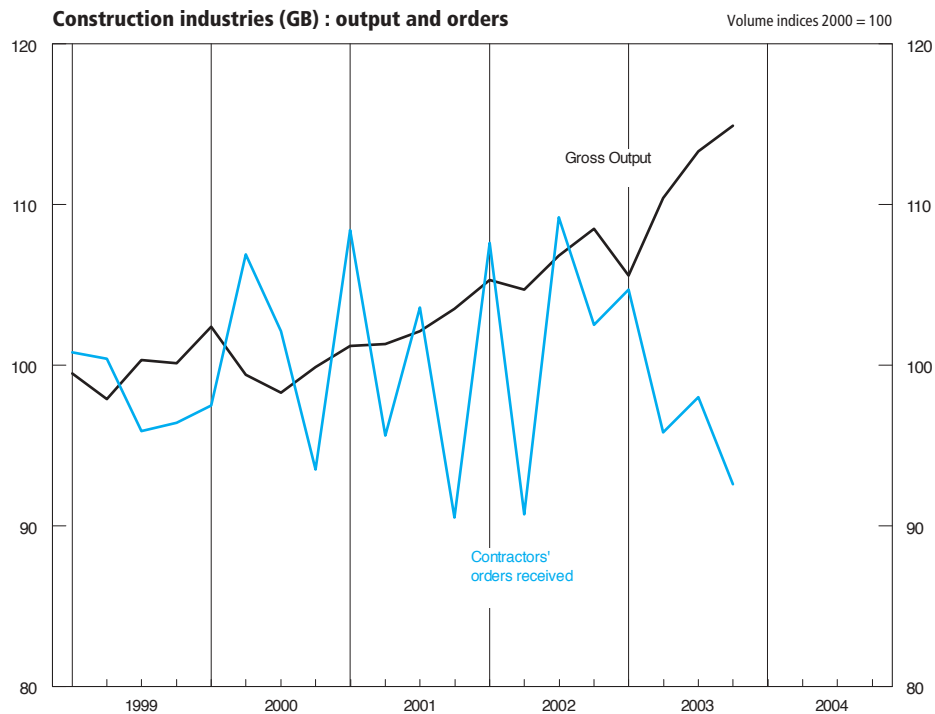
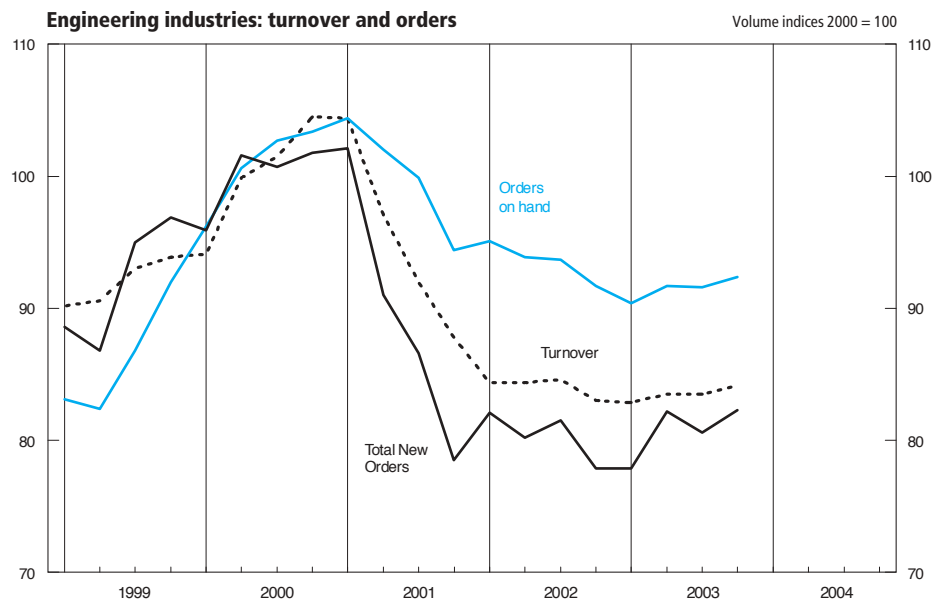
2 For Orders on Hand, the annual and quarterly index values represent the value at the end of the period in question, rather than the average value for that period, so the annual value shown for 2000 may not equal 100.

3 Net of cancellations.

4 This index is based upon a gross output series which includes repair and maintenance estimates, unrecorded output by self-employed workers and small firms and output by the direct labour departments of the public sector.

5 Data are subject to revisions following changes to the deflation methodology.

Sources: Office for National Statistics; Enquiries Columns 1-9 01633 812540; Department of Trade and Industry; Enquiries Columns 10-11 020 7944 5583



5.3 Motor vehicle and steel production

	Passenger cars ¹				Commercial vehicles ¹				Crude steel production (NSA) ² (thousand tonnes)
	Not seasonally adjusted		Seasonally adjusted ⁴		Not seasonally adjusted		Seasonally adjusted ⁴		
	Total production (thousands)	<i>of which</i> for export (thousands)	Total production (thousands)	<i>of which</i> for export (thousands)	Total production (thousands)	<i>of which</i> for export (thousands)	Total production (thousands)	<i>of which</i> for export (thousands)	
Annual	FFAA	FFAB	FFAO	FFAP	FFAC	FFAD	FFAQ	FFAR	BCBS
1999	148.9	94.9	148.9	94.9	15.5	6.2	15.5	6.2	16 283.8
2000	136.8	88.6	136.8	88.6	14.3	6.3	14.4	6.3	15 154.6
2001	124.4	74.5	124.4	74.5	16.1	8.0	16.1	8.0	13 542.7
2002	135.7	87.3	135.8	87.3	15.9	9.5	15.9	9.5	11 667.1
2003	138.1	95.3	138.1	95.3	15.7	8.6	15.7 [†]	8.6	13 128.4 [†]
Quarterly									
1999 Q1	153.5	97.6	142.8	93.6	17.8	7.5	16.7	6.9	4 126.5
Q2	149.6	97.7	144.8	91.7	16.8	6.6	16.0	6.3	4 376.9
Q3	135.9	76.7	149.7	94.6	12.1	4.4	14.3	5.5	4 054.9
Q4	156.5	107.5	158.3	99.6	15.3	6.4	15.0	6.2	3 725.5
2000 Q1	164.8	105.0	151.8	100.4	16.7	8.4	15.3	7.8	4 442.5
Q2	144.4	97.6	140.9	91.5	17.3	8.2	16.7	7.9	4 019.8
Q3	111.7	63.2	126.2	79.1	9.5	3.5	11.9	4.6	3 288.7
Q4	126.3	88.6	128.2	83.3	13.7	5.2	13.6	5.0	3 403.6
2001 Q1	129.0	75.5	119.8	73.0	17.2	6.6	15.6	6.0	3 651.7
Q2	124.1	76.5	119.5	70.9	16.6	7.7	15.4	7.2	3 729.6
Q3	111.9	61.0	125.2	75.3	14.5	7.4	17.9	9.3	3 205.5
Q4	132.4	85.1	133.0	78.9	16.1	10.3	15.4	9.5	2 955.9
2002 Q1	149.9	85.0	138.8	82.0	16.7	8.4	15.2	7.9	3 046.3
Q2	133.5	94.0	128.3	85.4	14.8	9.4	14.2	9.0	3 060.0
Q3	130.6	80.7	146.8	98.2	14.9	9.3	17.6	11.1	2 801.9
Q4	128.7	89.3	129.4	83.5	17.3	10.9	16.8	10.1	2 758.9
2003 Q1	141.4	91.5	131.7	88.3	16.5	9.3	15.1	8.9	3 081.0 [†]
Q2	144.4	101.3	138.9	93.5	15.5	8.3	14.8	8.0	3 258.7
Q3	130.4	85.8	143.6	102.0	13.4	6.9	15.6	8.1	3 264.3
Q4	136.2	102.7	138.2 [†]	97.4	17.6	9.7	17.4	9.2	3 524.4
Monthly									
2002 Jan	154.4	84.9	144.5	83.2	16.7	8.4	15.0	8.4	1 119.7*
Feb	147.6	81.8	140.5	84.4	17.4	7.4	15.9	7.0	960.5
Mar	147.8	88.4	131.3	78.4	15.9	9.5	14.6	8.3	966.1
Apr	129.5	93.6	136.7	90.7	16.5	11.1	16.2	10.3	1 003.4
May	158.2	109.5	145.0	90.6	15.8	9.9	15.8	9.9	1 204.9*
Jun	112.8	78.9	103.2	74.8	12.2	7.3	10.5	6.7	851.7
Jul	134.5	84.9	134.9	89.9	15.2	9.9	16.2	10.7	1 082.0*
Aug	112.8	67.0	170.4	118.5	9.8	6.1	17.8	11.1	805.4
Sep	144.5	90.3	135.1	86.3	19.8	11.9	18.7	11.5	914.5
Oct	149.7	98.0	133.8	84.4	19.8	12.5	17.9	11.2	1 116.5*
Nov	138.8	98.7	129.3	84.0	18.8	11.2	17.0	9.7	846.0
Dec	97.5	71.2	125.2	82.2	13.4	9.0	15.6	9.4	796.4
2003 Jan	136.1	85.8	127.4	82.2	15.8	8.3	14.8	8.7	1 095.5* [†]
Feb	136.3	86.2	130.6	89.4	16.3	8.9	15.0	8.8	983.0
Mar	151.9	102.4	137.1	93.2	17.3	10.7	15.5	9.2	1 002.5
Apr	144.8	100.8	148.9	96.3	14.6	8.0	14.7	8.1	1 218.8*
May	133.1	97.6	127.8	86.8	14.0	7.5	14.4	7.6	1 023.3
Jun	155.4	105.6	140.1	97.3	18.0	9.5	15.4	8.4	1 016.6
Jul	146.3	93.1	144.5	100.7	15.2	7.6	16.1	8.6	1 245.8*
Aug	91.4	57.5	143.9	103.6	7.8	3.8	15.2	7.3	977.8
Sep	153.5	106.8	142.4	101.8	17.1	9.2	15.6	8.5	1 040.7
Oct	153.4	113.8	137.0	96.6	16.8	9.5	15.6	8.6	1 198.0*
Nov	142.9	110.5	137.9	100.7	19.0	9.8	17.6	9.0	1 117.8
Dec	112.4	83.8	139.7 [†]	94.8 [†]	17.0	9.9	18.9 [†]	10.1	1 208.6*
2004 Jan	141.3	96.4	138.9	99.3	20.5	9.6	19.3	10.1	1 009.3
Feb	141.1	93.0	134.8	97.0	17.3	10.0	16.1	10.0	1 029.9 ³

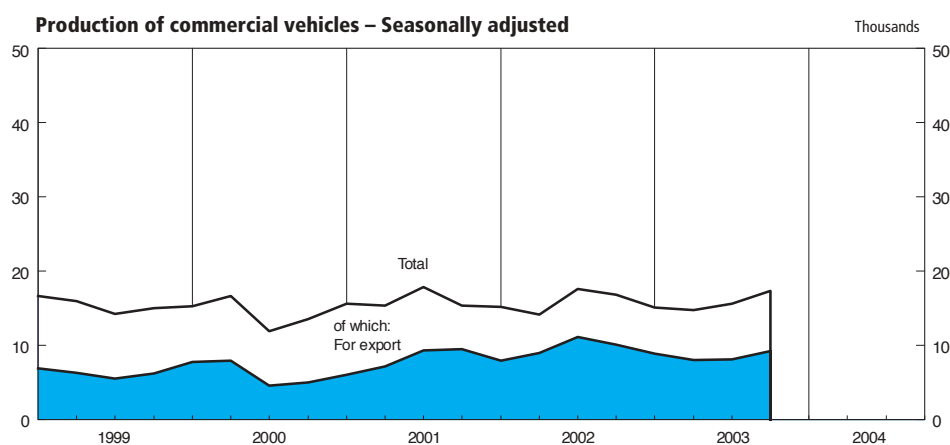
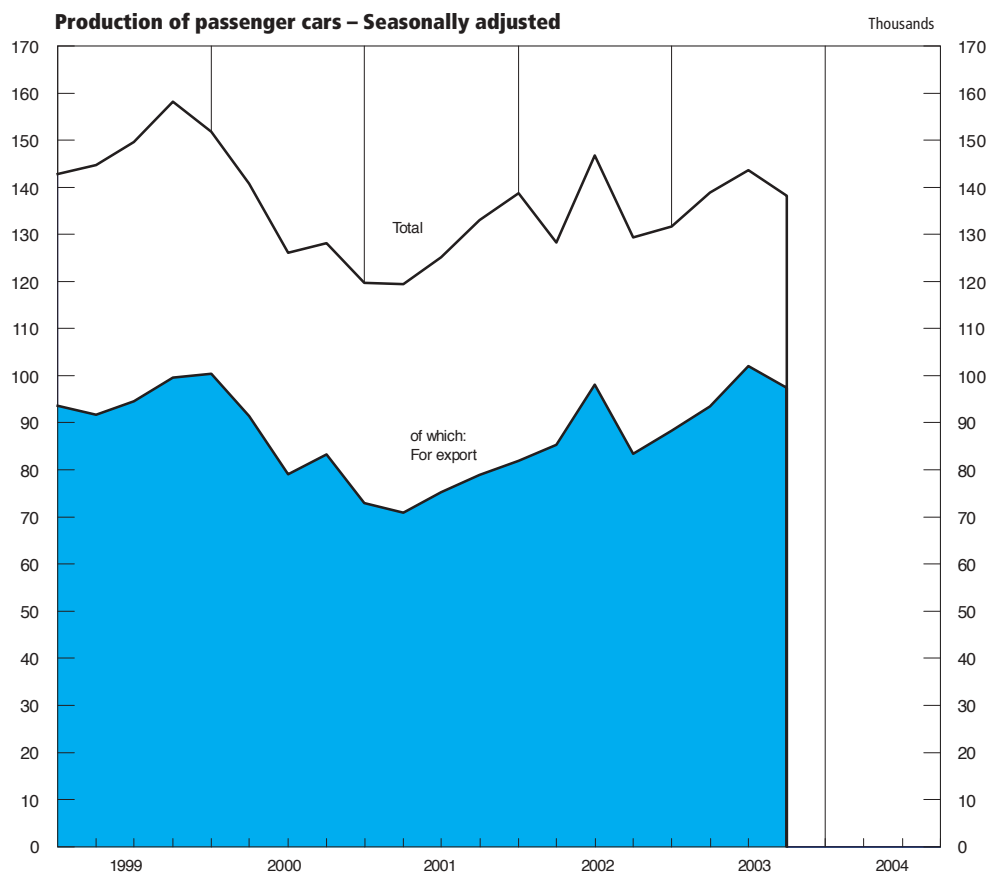
1 Annual and quarterly figures are monthly averages.

2 The totals are for 'usable steel' in accordance with the system used by the EC and the ISI, but in a change from previous publications, figures are actual production totals based on a four or five week period (not seasonally adjusted).

3 Provisional.

4 A seasonally adjusted series, based on the seasonal patterns of production from January 1999, has now been re-introduced. This affects the series from January 1999 only. Earlier data is based on previous production patterns.

Sources: Office for National Statistics; Enquiries Columns 1-8 01633 812810; ISSB Ltd; Enquiries Column 9 020 7343 3900



5.4 Indicators of fixed investment in dwellings

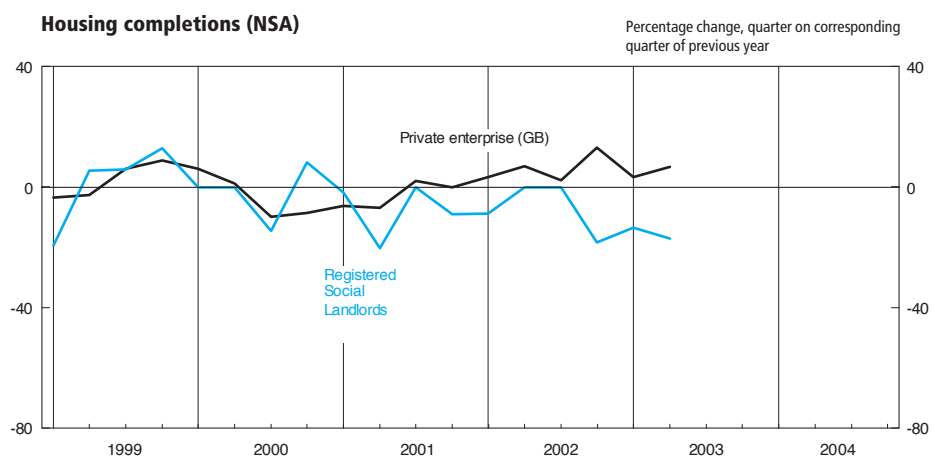
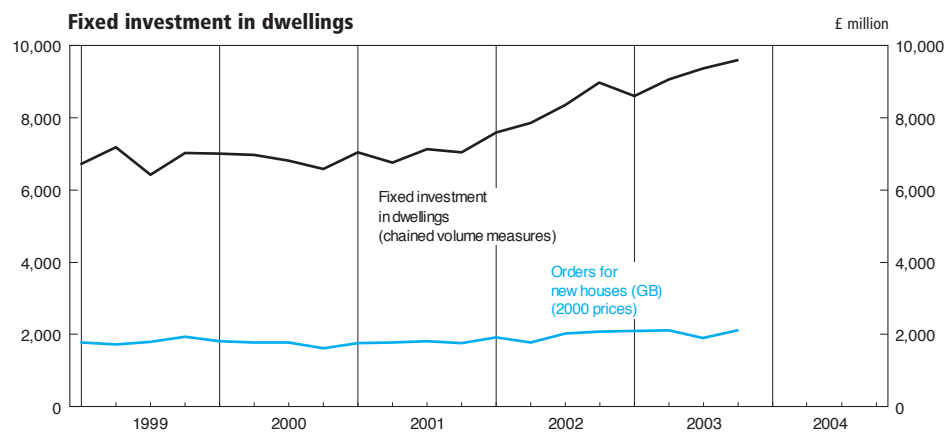
	Fixed investment in dwellings (£ million, chained volume measures, reference year 2000)	Orders received by contractors for new houses (GB) (£ million, 2000 prices)	Housing starts (NSA) ¹ (GB)+			Housing completions (NSA) ¹ (GB)+			Mix-adjusted price of new dwellings at mortgage completion stage (NSA) ³ (£)
			Private enterprise (thousands)	Registered Social Landlords ² (thousands)	Local Authorities (NSA) (thousands)	Private enterprise (thousands)	Registered Social Landlords ² (thousands)	Local Authorities (NSA) (thousands)	
Annual	DFEG	SGAB	FCAB	CTOR	CTOV	FCAD	CTOT	CTOX	WMPS
2000	27 394	6 995 [†]	158.3	18.9	0.3	144.3	22.9	0.3	127 728
2001	27 999	7 122	162.7	16.9	0.3	140.4	21.1	0.5	134 234
2002	32 825	7 805	164.8	16.3	0.2	149.5	19.5	0.3	161 533
2003	36 631	8 206	..	..	..	..	..	..	186 485
Quarterly									
2000 Q1	7 016	1 822	43.2	5.2	0.1	34.7	5.8	–	118 944
Q2	6 970	1 787	42.8	4.9	0.1	37.0	5.9	0.1	125 917
Q3	6 819	1 773	41.2	4.3	0.1	35.1	4.7	0.1	130 215
Q4	6 589	1 614	31.1	4.5	0.1	37.5	6.6	0.1	135 936
2001 Q1	7 044	1 767	39.2	5.7	0.2	32.5	5.7	0.3	130 771
Q2	6 769	1 772	43.8	4.3	–	34.5	4.7	0.1	130 774
Q3	7 142	1 822 [†]	43.4	3.3	–	35.8	4.7	0.1	135 507
Q4	7 044	1 761	36.3	3.7	0.1	37.5	6.0	0.1	137 368
2002 Q1	7 599 [†]	1 916	41.8	5.5	0.1	33.6	5.2	–	143 996
Q2	7 869	1 782	42.6	3.8	0.1	36.9	4.7	0.2	157 646
Q3	8 371	2 031	44.0	3.4	–	36.6	4.7	–	164 293
Q4	8 986	2 075	36.4	3.6	–	42.4	4.9	–	173 254
2003 Q1	8 603	2 095	44.2	5.0	0.1	34.7	4.5	0.1	175 947
Q2	9 063	2 108	46.6	4.2	0.1	39.4	3.9	0.1	187 676
Q3	9 370	1 894	..	..	..	..	..	..	188 711
Q4	9 595	2 108	..	..	..	..	..	..	193 605
Monthly									
2002 Jan	..	736 [†]
Feb	..	557	..	..	..	..	..	..	147 989
Mar	..	623	..	..	..	..	..	..	153 792
Apr	..	629	..	..	..	..	..	..	153 366
May	..	552	..	..	..	..	..	..	157 653
Jun	..	601	..	..	..	..	..	..	161 917
Jul	..	684	..	..	..	..	..	..	156 787
Aug	..	725	..	..	..	..	..	..	165 201
Sep	..	623	..	..	..	..	..	..	170 891
Oct	..	669	..	..	..	..	..	..	168 194
Nov	..	671	..	..	..	..	..	..	171 984
Dec	..	735	..	..	..	..	..	..	179 585
2003 Jan	..	789	..	..	..	..	..	..	175 758
Feb	..	651	..	..	..	..	..	..	174 039
Mar	..	655	..	..	..	..	..	..	178 045
Apr	..	757	..	..	..	..	..	..	188 126
May	..	698	..	..	..	..	..	..	187 498
Jun	..	653	..	..	..	..	..	..	187 403
Jul	..	692	..	..	..	..	..	..	186 807
Aug	..	598	..	..	..	..	..	..	191 100
Sep	..	605	..	..	..	..	..	..	188 227
Oct	..	724	..	..	..	..	..	..	195 551
Nov	..	743	..	..	..	..	..	..	189 913
Dec	..	641	..	..	..	..	..	..	194 655 [†]
2004 Jan	..	855	..	..	..	..	..	..	193 904

1 Monthly data collection ceased after March 2003. Great Britain seasonally adjusted data are no longer updated. Seasonally adjusted data for England are available from the website of the Office of the Deputy Prime Minister: www.odpm.gov.uk

2 Includes registered and non-registered social landlords.

3 Series based on mortgage lending by all financial institutions rather than building societies only, as previously published. This change has been made necessary because of the mergers, takeovers and conversions to plc status affecting the building society sector. The series is based on the Office of the Deputy Prime Ministers' 5% Survey of Mortgage Lenders (at completion stage) up to 2003q2. From 2003q3, quarterly data are based on monthly data from the significantly enlarged Survey of Mortgage Lenders.

Sources: Office for National Statistics;
Enquiries Column 1 01633 812537;
Department of Trade and Industry; Column 2 020 7944 5583;
Office of the Deputy Prime Minister;
Columns 3-8 0117 372 8055; Column 9 020 7944 3325



5.5 Number of property transactions¹

Thousands

Number of property transactions				Number of property transactions			
	Not seasonally adjusted England & Wales	Seasonally adjusted England & Wales ^{2,3}	Not seasonally adjusted England, Wales & N. Ireland		Not seasonally adjusted England & Wales	Seasonally adjusted England & Wales ^{2,3}	Not seasonally adjusted England, Wales & N. Ireland
	FTAP		FTAR				
1998	1 347		1 384	Sep	140	125	145
1999	1 469		1 511	Oct	134	130	137
2000	1 433		1 471	Nov	141	129	144
2001	1 458		1 497	Dec	122	128	125
2002	1 586		1 627	2000 Jan	137	136	140
2003	1 333		1 385	Feb	112	128	116
				Mar	118	128	122
				Apr	97	114	100
				May	122	120	126
				Jun	129	122	130
1998 Q1	317	344	327	Jul	127	117	130
Q2	317	332	327	Aug	134	117	137
Q3	377	345	386	Sep	117	112	121
Q4	335	326	345	Oct	123	112	127
1999 Q1	316	345	325	Nov	117	111	121
Q2	342	358	354	Dec	98	114	101
Q3	414	379	425	2001 Jan	123	113	127
Q4	397	388	407	Feb	99	117	102
2000 Q1	367	392	379	Mar	105	116	108
Q2	348	356	356	Apr	101	115	105
Q3	379	346	388	May	121	122	126
Q4	339	338	349	Jun	125	125	128
2001 Q1	327	346	337	Jul	132	120	135
Q2	347	363	360	Aug	140	125	143
Q3	396	369	405	Sep	124	124	127
Q4	387	379	396	Oct	140	125	143
2002 Q1	342	374	351	Nov	137	131	141
Q2	395	410	404	Dec	110	123	112
Q3	457	417	468	2002 Jan	131	120	134
Q4	392	385	404	Feb	108	127	110
2003 Q1	340	361	359	Mar	104	127	106
Q2	306	323	320	Apr	129	135	132
Q3	358	327	369	May	137	140	140
Q4	329	322	337	Jun	129	135	132
1998 Jan	119	114	122	Jul	152	134	154
Feb	94	114	97	Aug	166	149	171
Mar	104	116	108	Sep	139	134	144
Apr	103	110	106	Oct	147	131	151
May	96	109	99	Nov	127	124	131
Jun	119	113	122	Dec	118	131	122
Jul	129	113	132	2003 Jan	131	121	137
Aug	119	116	121	Feb	103	120	109
Sep	129	116	133	Mar	106	119	113
Oct	119	109	122	Apr	101	113	108
Nov	110	106	113	May	101	106	105
Dec	107	111	110	Jun	103	105	107
1999 Jan	112	115	116	Jul	132	115	135
Feb	96	116	99	Aug	112	106	116
Mar	108	115	110	Sep	114	106	118
Apr	110	122	114	Oct	120	108	124
May	106	117	110	Nov	110	109	113
Jun	126	119	130	Dec ⁴	99	105	101
Jul	140	129	144	2004 Jan ⁴	117	110	120
Aug	134	125	137	Feb ⁴	127	144	130

1 The figures are based on counts of the relevant administrative forms successfully processed each month. Because of the time lags involved, the series above should be lagged by one month to give a broad representation of transactions occurring in the month, although this relationship will be weaker in the second quarter of 2002 because of the operational pressures in the network of Stamp Offices which delayed the processing of a proportion of property transactions.

2 The Jubilee celebrations meant that the late May bank holiday was taken in June 2002. Seasonal features in the data arising from the May Bank holiday will therefore not automatically be removed by the process of seasonal adjustment. Caution should therefore be taken when interpreting monthly movements involving May or June 2002 data.

3 The sum of seasonally adjusted components does not exactly match the unadjusted (definitive) annual total.

4 Because of the change in processing arrangements associated with the introduction of stamp duty land tax, the numbers recorded for December and January are slightly depressed compared to previous months. In February, the temporary build up and clearance of an internal data processing backlog is distorting the previously observed seasonal patterns and this is making the interpretation of monthly movements since the change to the new system in December difficult.

Source: Board of Inland Revenue; Enquiries 020 7438 6314

5.6 Change in inventories

Chained volume measures¹

Reference year 2000, £ million

	Mining and quarrying	Manufacturing industries				Electricity, gas and water supply	Distributive trades		Other industries ³	Change in inventories
		Materials and fuel	Work in progress	Finished goods	Total		Wholesale ²	Retail ²		
Level of inventories at end-December 2002	930	20 845	16 155	19 806	56 806	1 219	27 064	22 024	37 223	145 266
Quarterly										
	FAEA	FBNF	FBNG	FBNH	DHBM	FAEB	FAJX	FBYN	DLWX	CAFU
1999 Q1	22	216	-230	-4	-16	-36	156	442	2 176	2 742
Q2	-86	-29	-32	-481	-541	-3	407	600	105	476
Q3	-94	158	257	22	437	-101	387	321	729	1 677
Q4	-62	344	-113	-2	231	-23	742	129	506	1 531
2000 Q1	-36	139	400	102	640	71	620	599	-1 069	819
Q2	1	375	-91	114	399	37	440	363	17	1 262
Q3	-34	293	-80	67	282	78	750	320	538	1 941
Q4	-108	-76	291	188	401	99	93	-13	783	1 249
2001 Q1	-3	150	2	426	578	-355	266	235	74	795
Q2	-5	-241	-84	110	-215	164	458	118	1 286	1 806
Q3	32	-409	43	-172	-538	80	339	152	290	355
Q4	-3	-104	-264	47	-321	30	-584	9	851	-18
2002 Q1	236	538	99	-90	547	-276	-1 670	521	1 409 [†]	767 [†]
Q2	-74	-507	-476	-334	-1 317	51	712	848	-1 023	-803
Q3	-84	-436	-60	-212	-708	84	212	397	246	147
Q4	-87	-252	-145	-92	-489	103	543	92	1 223	1 385
2003 Q1	-30	-42	20	-149	-171	-203	-153	-4	1 576	1 015
Q2	60	-380	64	82	-234	82	-52	247	-422	-319
Q3	-13	53	87	361	501	-37	366	205	-585	437
Q4	-9 [†]	-213 [†]	-308 [†]	-141 [†]	-662 [†]	-30	63 [†]	134 [†]	1 024	520

1 Estimates are given to the nearest £ million but cannot be regarded as accurate to this degree.

2 Wholesaling and retailing estimates exclude the motor trades.

3 Quarterly alignment adjustment included in this series. For description see notes to the *Economic Trends Annual Supplement*. For details of adjustments, see notes section in the Sector and Financial Accounts article in *UK Economic Accounts*.

Sources: Office for National Statistics; Enquiries Columns 1-8 01633 812351; Columns 9-10 020 7533 5949

5.7 Inventory ratios

	Manufacturers' inventories ¹ to manufacturing production				Retail inventories ¹ to retail sales ²	Total inventories ^{1,3} to gross value added
	Materials and fuel	Work in progress	Finished goods	Total inventories		
Quarterly						
	FAPG	FAPH	FAPI	FAPF	FAPC	FDCA
1999 Q1	99.8	99.6	104.6	101.3	96.3	100
Q2	99.3	99.1	101.7	100.1	98.6	100
Q3	98.6	99.2	100.4	99.4	99.0	101
Q4	99.9	98.1	100.0	99.4	98.5	101
2000 Q1	100.0	100.0	100.0	100.0	100.0	100
Q2	101.1	98.9	100.0	100.1	101.8	100
Q3	102.3	98.2	100.1	100.4	102.1	101
Q4	101.0	99.0	100.2	100.1	101.1	101
2001 Q1	101.8	99.1	102.4	101.2	100.6	101
Q2	102.8	100.7	105.1	103.0	99.1	102
Q3	101.0	101.1	104.3	102.2	98.2	102
Q4	102.6	101.6	106.7	103.7	97.0	102
2002 Q1	106.1	103.0	107.2	105.6	97.4	102
Q2	105.0	101.4	106.8	104.5	99.6	101
Q3	101.9 [†]	100.1 [†]	104.6 [†]	102.3 [†]	100.3 [†]	101
Q4	101.7	100.2	105.2	102.5	99.4	101
2003 Q1	101.4	100.2	104.3	102.1	100.6	101
Q2	98.9	100.0	104.1	101.0	100.1	100
Q3	98.9	100.2	105.7	101.6	99.7	99
Q4	97.6	98.1	104.7	100.2	98.7	99

1 Chained volume measure: reference year 2000

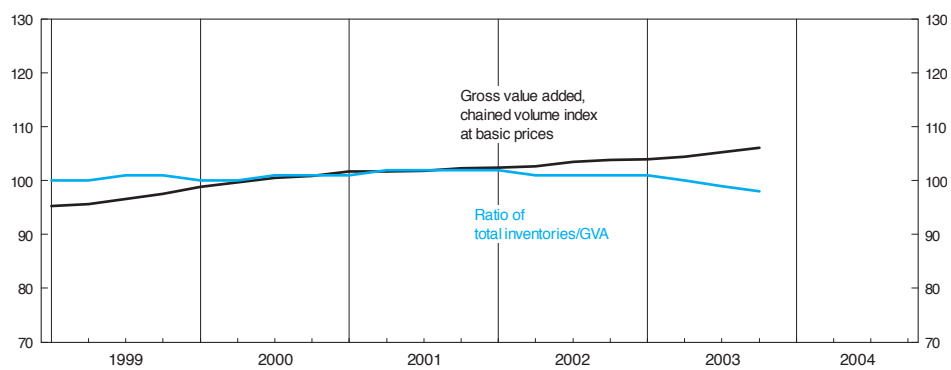
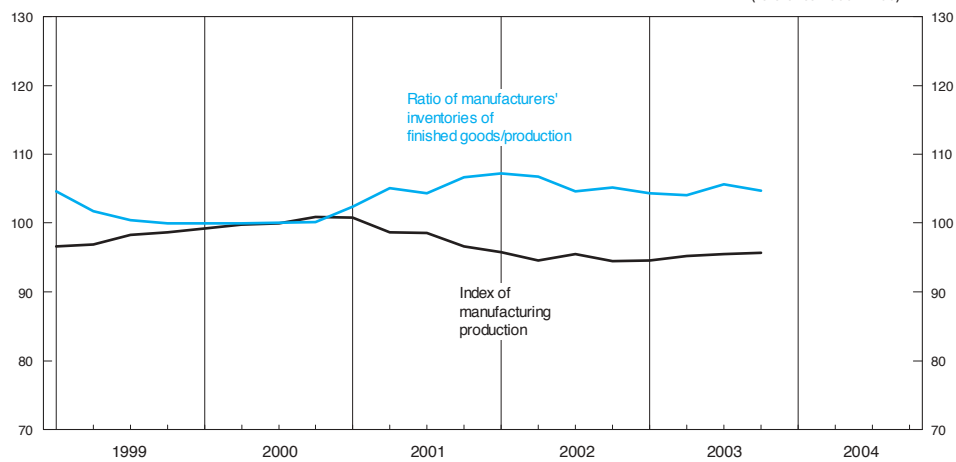
2 Classes 64-65 excluding activity headings 6510 and 6520, retail distribution of motor vehicles and parts, and filling stations.

3 Including quarterly alignment adjustment. For details of adjustments see notes section in the Sector and Financial Accounts article in *UK Economic Accounts*.

Source: Office for National Statistics; Enquiries Columns 1-6 01633 812351

Inventory ratios

chained volume measures,
seasonally adjusted
(reference 2000 = 100)



5.8 Retail sales, new registrations of cars and credit business (Great Britain)

	Volume of retail sales per week+(average 2000=100) ^{1,2}									New regi- strations of cars (NSA, thousands) ⁵	Total consumer credit: Net lending (£ million) ^{3,4}	of which	
	Value of retail sales per week: total (average 2000=100) ^{1,2}	All retailers	Predomin- antly food stores	Predominantly non-food stores								Credit cards ⁶	Other ⁶
				Total	Non- specialist stores	Textile, clothing and footwear	Household goods stores	Other stores	Non-store and repair				
<i>Sales in 2000</i> <i>£ million</i>	207 149	207 149	89 041	106 359	18 781	27 880	27 699	31 999	11 749				
Annual	EAQV	EAPS	EAPT	EAPV	EAPU	EAPX	EAPY	EAPW	EAPZ	BCGT	RLMH [†]	VZQX	VZQY [†]
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	2 337.3	14 148 [†]	6 619	7 526 [†]
2001	105.9	106.1	104.1	107.7	105.9	109.4	110.9	104.6	106.1	2 577.5	17 612	6 248	11 448
2002	111.1 [†]	112.7	108.1 [†]	116.4	110.8 [†]	120.9	120.8 [†]	111.9 [†]	113.4	2 682.0	21 048	7 566	13 530
2003	113.8	116.4 [†]	111.8	121.3 [†]	113.6	129.1 [†]	126.3	114.6	107.9	2 646.2	18 867	8 112	10 756
Quarterly													
2000 Q1	99.0	99.0	99.3	98.6	100.6	96.1	99.6	98.8	100.3	682.4	4 126 [†]	1 741	2 547 [†]
Q2	99.1	99.1	99.4	98.8	98.4	98.3	99.0	99.5	99.2	581.4	3 516	1 799	1 696
Q3	100.3	100.5	100.3	100.8	99.4	101.5	100.5	101.1	99.5	612.5	2 926	1 542	1 410
Q4	101.6	101.4	101.0	101.8	101.7	104.1	100.9	100.6	101.0	461.0	3 580	1 537	1 873
2001 Q1	102.8	103.1	102.8	103.7	104.1	104.9	107.1	99.3	100.5	704.2	3 331	1 350	2 156
Q2	105.5	105.3	103.7	106.6	106.0	107.4	110.6	102.6	106.8	617.7	4 589	1 752	2 808
Q3	107.0	107.1	104.6	109.0	106.8	111.0	111.5	106.2	109.6	725.6	4 158	1 226	2 946
Q4	108.0	108.4	105.6	110.9	107.3	113.3	113.8	108.3	107.7	530.0	5 534	1 920	3 538
2002 Q1	110.1	110.8	107.0 [†]	114.8 [†]	110.4 [†]	117.2 [†]	118.2 [†]	112.3 [†]	102.6 [†]	758.7	5 146	1 982	3 213
Q2	111.4 [†]	112.8	108.3	117.0	111.3	120.5	120.1	114.4	109.9	650.0	4 766	1 774	3 032
Q3	112.1	114.0 [†]	109.4	117.7	114.0	122.1	122.1	112.1	115.4	744.6	5 980	2 001	3 920
Q4	113.5	115.6	111.0	119.3	115.1	122.9	125.0	113.8	117.5	528.7	5 156	1 809	3 365
2003 Q1	112.2	114.2	110.1	118.7	112.9	125.4	122.2	113.2	105.1	737.6	5 013	2 203	2 792
Q2	113.4	116.0	111.9	120.5	113.9	128.1	125.9	113.2	106.0	642.7	5 235	2 416	2 889
Q3	114.8	117.5	113.0	122.6	116.0	130.2	128.2	115.2	104.7	742.8	4 728	1 997	2 638
Q4	116.3	119.5	113.8	125.6	118.1	131.5	131.4	119.8	106.8	523.1	3 891	1 496	2 437
Monthly													
2002 Jan	109.0 [†]	109.3 [†]	106.5 [†]	112.5 [†]	110.2 [†]	113.1 [†]	115.3 [†]	110.7	102.4 [†]	213.5	1 892 [†]	734 [†]	1 158 [†]
Feb	110.6	111.5	107.4	115.8	111.0	118.7	118.5	113.6 [†]	104.0	98.9	2 098	989	1 110
Mar	110.9	111.6	107.2	116.4	110.2	120.2	121.0	112.8	101.6	446.3	1 351	354	997
Apr	112.7	114.0	107.7	119.7	112.8	125.9	119.8	118.3	109.6	214.0	1 885	669	1 215
May	111.3	112.6	108.5	116.7	112.8	117.0	121.4	114.6	107.9	219.0	1 692	403	1 289
Jun	110.3	112.1	108.7	115.0	108.9	119.1	119.4	111.2	111.7	217.0	1 171	549	622
Jul	111.9	113.6	109.5	117.3	114.8	121.6	121.3	111.7	111.8	204.7	1 893	659	1 234
Aug	112.3	114.4	109.3	118.1	113.0	125.6	121.0	111.9	119.5	93.0	2 049	771	1 278
Sep	112.0	113.9	109.4	117.6	114.1	119.6	123.7	112.7	115.1	446.9	1 912	717	1 195
Oct	113.1	115.0	110.3	118.8	114.6	122.6	124.5	113.2	116.2	193.0	2 130	484	1 646
Nov	113.2	115.4	110.8	119.4	115.6	119.7	127.5	114.4	113.6	182.9	1 283	603	679
Dec	114.1	116.3	111.7	119.6	115.0	125.7	123.3	113.7	121.6	152.8	1 731	593	1 138
2003 Jan	111.5	113.6	108.8	118.4	113.4	123.8	122.3	113.3	106.3	193.4	1 483	804	679
Feb	112.1	114.1	110.3	118.4	112.1	125.0	122.4	112.9	103.0	92.2	1 723	791	931
Mar	112.8	114.9	111.0	119.2	113.2	127.0	122.0	113.4	105.8	452.0	1 699	755	944
Apr	113.3	115.7	111.9	119.7	112.7	127.3	124.9	112.7	107.4	196.3	1 435	629	806
May	113.0	115.5	111.5	119.9	113.5	125.8	126.7	112.6	105.4	202.6	2 003	847	1 156
Jun	113.8	116.7	112.3	121.6	115.1	130.6	125.9	114.0	105.3	243.8	1 726	722	1 004
Jul	114.1	116.7	112.4	121.5	115.2	129.2	127.0	113.8	105.4	201.1	1 709	667	1 042
Aug	114.8	117.3	113.4	122.1	116.0	128.5	128.0	115.1	103.9	94.2	1 576	725	851
Sep	115.3	118.2	113.1	123.9	116.5	132.3	129.3	116.4	104.7	447.5	1 634	827	807
Oct	116.0	118.9	113.5	124.8	118.8	131.9	129.8	117.8	105.7	186.6	1 627	661	966
Nov	116.1	119.2	113.5	125.3	117.2	131.0	131.0	120.1	107.8	175.7	1 467	472	995
Dec	116.8	120.1	114.4	126.4	118.1	131.5	133.1	121.0	106.8	160.8	895	175	720
2004 Jan	118.4	121.5	114.7	128.3	117.4	135.5	132.9	124.5	111.0	199.6	2 013	741	1 272
Feb	118.2	121.5	115.0	127.9	118.0	136.0	132.2	123.1	111.5	..	1 732	512	1 220

1 Great Britain only. The motor trades are excluded. Information for periods earlier than those shown is available from ONS Newport (tel 01633 812509).

2 The retail sales index has been rebased using detailed information from the 2000 Annual Business Inquiry. Further information is available via the National Statistics website: www.statistics.gov.uk

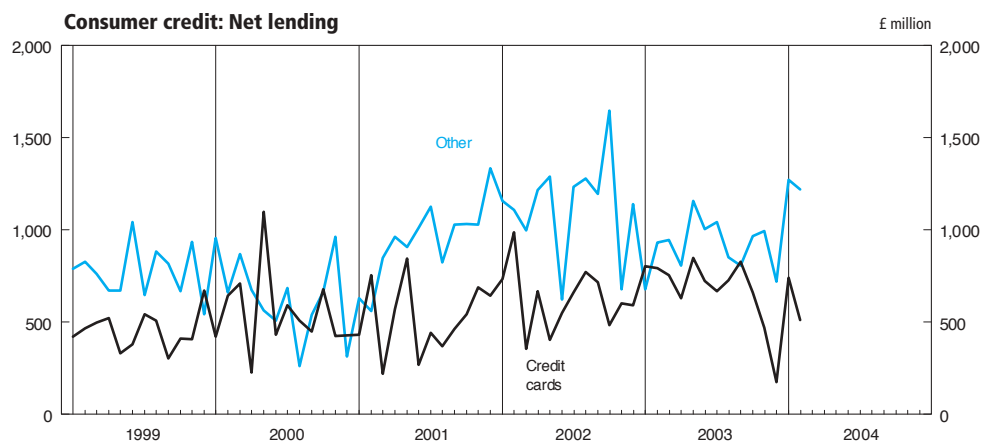
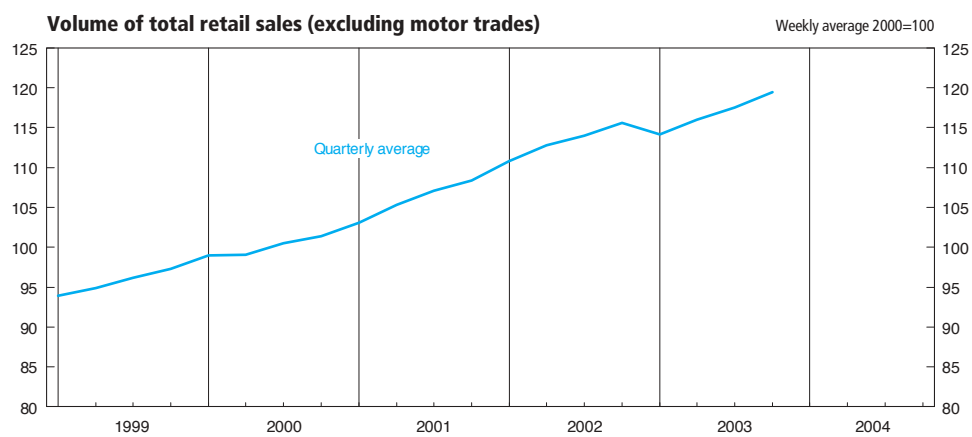
3 Net lending equals changes in amounts outstanding adjusted to remove distortions arising from revaluations of debt such as write-offs.

4 Covers all institutions providing finance for consumers; including loans by banks on personal accounts and on bank credit cards and charge cards, by insurance companies, retailers and other specialist lenders, but excluding loans for house purchase.

5 Seasonally adjusted data are not published in *Economic Trends* at present. Series DKBY ends in 1998 because seasonal adjustment has ceased; the existing model is not applicable to the new bi-annual registration system. It is published in the *Economic Trends Annual Supplement*.

6 See Table 6.6, note 2.

Sources: Office for National Statistics;
Enquiries Columns 1-9 01633 812713; Columns 12-14 01633 812782;
Department of Transport;
Enquiries Column 10, 11 020 7944 3077.



5.9 Inland energy consumption: primary fuel input basis

Million tonnes of oil equivalent

Seasonally adjusted and temperature corrected⁷ (annualised rates)

	Coal ¹	Petroleum ²	Natural gas ³	Nuclear	Primary electricity ⁵		Total
					Natural flow Hydro ⁴	Net imports ⁶	
Annual	FDAI	FDAJ	FDAK	FDAL	FDAM	FDAW	FDAH
1998	43.6	76.8	90.4	23.4	0.5	1.1	235.8
1999	38.2 [†]	77.8 [†]	95.8	22.3 [†]	0.5	1.2	235.7
2000	40.0	77.8	98.7 [†]	19.7	0.5	1.2	237.9 [†]
2001	43.1	76.0	96.8	20.9	0.4	0.9	238.0
2002	39.9	73.4	99.3	20.1	0.5 [†]	0.7	233.9
Quarterly							
1998 Q1	43.9	76.5	97.6	23.4	0.5	1.4	243.4
Q2	46.3	79.7	87.7	22.3	0.5	1.4	237.9
Q3	45.2	77.2	79.8	23.1	0.6	0.3	226.2
Q4	38.9	73.9	96.6	24.7	0.4	1.2	235.7
1999 Q1	37.4	81.5 [†]	105.1 [†]	23.3 [†]	0.5	1.2	249.1 [†]
Q2	37.7 [†]	78.3	90.4	23.2	0.6	1.3	231.5
Q3	38.3	75.2	84.3	21.5	0.5	1.1	220.9
Q4	39.2	76.1	103.3	21.0	0.5	1.2	241.4
2000 Q1	38.9	81.3	110.8	20.1	0.6	1.1	252.9
Q2	40.6	74.4	95.3	19.8	0.4 [†]	1.3	231.9
Q3	40.2	77.8	85.4	19.4	0.5	1.3	224.5
Q4	40.5	77.6	103.1	19.4	0.5	1.2	242.3
2001 Q1	45.5	75.2	108.8	19.9	0.3	1.1	250.8
Q2	46.6	72.6	93.1	19.0	0.4	0.9	230.6
Q3	42.4	78.7	84.7	21.9	0.5	0.9	229.1
Q4	39.8	77.4	100.5	22.6	0.5	0.7	241.5
2002 Q1	42.0	75.1	108.7	21.3	0.6	0.6	248.2
Q2	35.7	75.0	96.4	20.1	0.7	1.0	228.8
Q3	38.3	74.4	88.9	20.0	0.5	0.2	222.2
Q4	43.5	69.3	103.1	19.0	0.4	1.1	236.4
2003 Q1	43.1	70.8	108.3	21.5	0.3	0.3	244.2
Q2	44.5	79.8	93.0	21.1	0.5	0.1	239.1
Q3	43.1	70.8	108.3	21.5	0.3	0.3	244.2

Percentage change, quarter on corresponding quarter of previous year

Quarterly	FDAP	FDAQ	FDAR	FDAS	FDAT	FDAX	FDAO
1998 Q1	-3.6	1.7	4.7	2.9	..	-1.3	2.2
Q2	15.7	4.3	4.3	-2.7	..	-2.0	5.8
Q3	3.9	5.8	-0.5	5.8	..	-78.8	-1.7
Q4	-13.6	-2.3	5.3	20.3	..	-19.4	-1.6
1999 Q1	-14.3 [†]	8.6 [†]	7.6 [†]	-0.3 [†]	0.5 [†]	-14.1	3.0 [†]
Q2	-18.2	-1.8	2.7	3.7	21.5	-6.8	-2.6
Q3	-14.4	-0.7	6.0	-6.6	-10.6	-	-1.3
Q4	1.1	0.3	7.1	-15.3	4.6	5.6	1.6
2000 Q1	3.9	-0.2	5.5	-13.8	12.1	-10.6	1.5
Q2	7.7	-5.0	5.5	-14.6	-25.9	1.9	0.2
Q3	5.1	3.5	1.4	-9.9	-12.3	12.9	1.6
Q4	3.1	2.0	-0.2	-7.7	6.2	-5.1	0.4
2001 Q1	17.0	-7.6	-1.9	-0.9	-43.8	-	-0.8
Q2	9.8	-2.4	-2.4	-4.0	-9.6	-30.3	-0.6
Q3	5.5	1.2	-0.9	12.9	4.7	-29.0	2.0
Q4	-1.7	-0.3	-2.5	16.7	6.1	-45.0	-0.3
2002 Q1	-7.8	-0.1	-0.1	6.9	73.7	-43.7	-1.0
Q2	-19.9	3.3	3.6	5.7	73.4	5.5	-0.8
Q3	-9.8	-5.6	5.0	-8.7	11.3	-75.5	-3.0
Q4	9.3	-10.4	2.6	-16.2	-32.8	67.6	-2.1
2003 Q1	2.6	-5.7	-0.4	0.9	-44.0	-56.2	-1.6
Q2	24.7	6.5	-3.5	5.2	-32.0	-89.0	4.5
Q3	12.5	-4.8	21.9	7.6	-38.7	23.7	9.9

1 Includes solid renewable sources (wood, straw, waste), and net foreign trade and stock changes in other solid fuels.

2 Excludes non-energy use.

3 Includes gas used during production, colliery methane, landfill gas and sewage gas. Excludes gas flared or re-injected and non energy-use of gas.

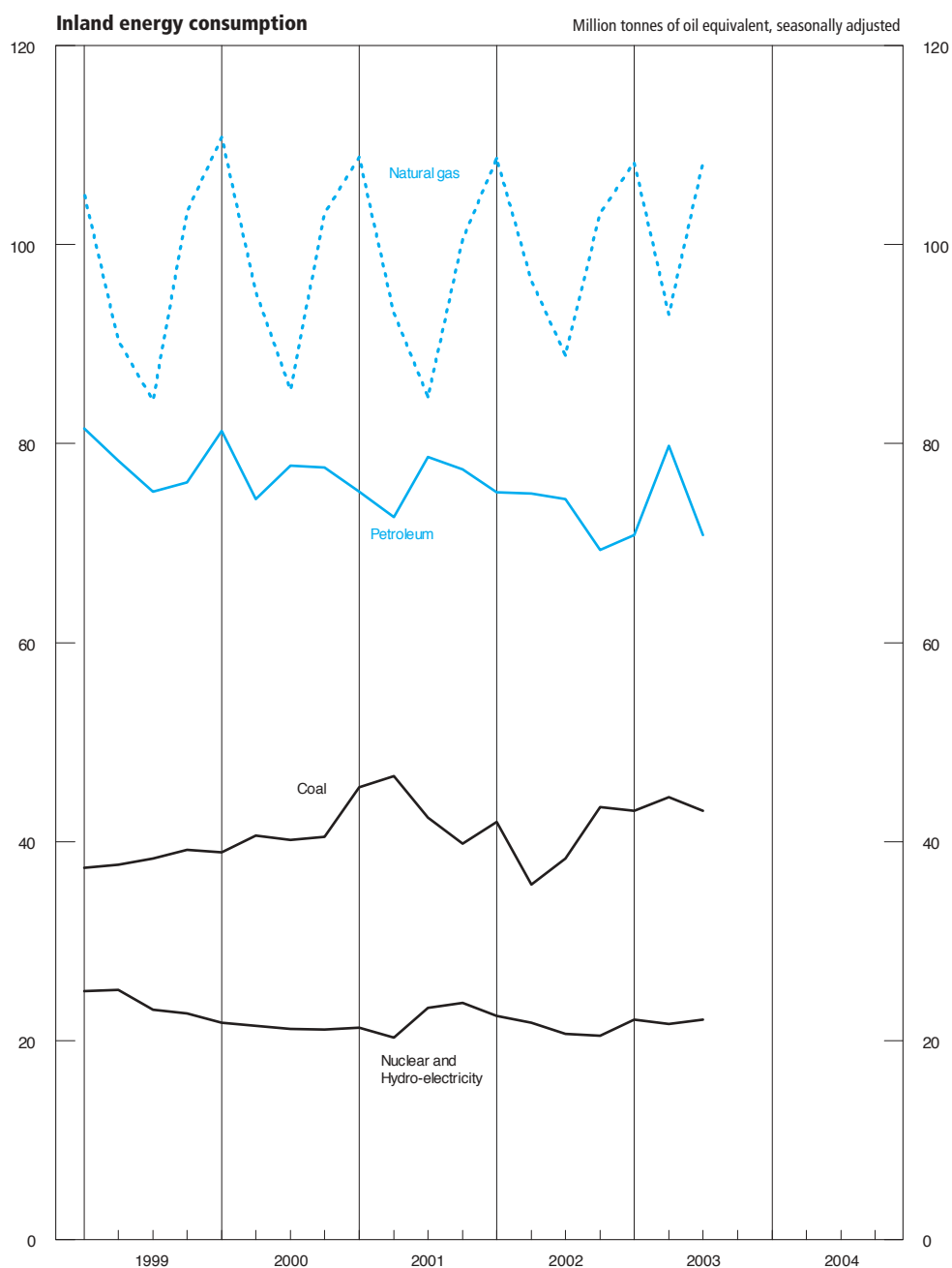
4 Includes generations at wind stations. Excludes generation from pumped storage stations.

5 Not temperature corrected.

6 Not seasonally adjusted.

7 For details of temperature correction see DTI energy statistics website at www.dti.gov.uk/energy/inform/dukes/dukes2002/01longterm.pdf

Source: Department of Trade and Industry; Enquiries 020 7215 2698



6.1 Sterling exchange rates and UK reserves⁴

Not seasonally adjusted

	Sterling exchange rate against major currencies ¹								UK inter- national reserves ³ at end of period (£ million)	Sterling exchange rate index 1990 = 100
	Japanese yen	US dollar	Swiss franc	Euro ²	Danish kroner	Norwegian kroner	Swedish kronor	Hong Kong dollar		
Annual	AJFO	AUSS	AJFD	THAP	AJFK	AJFJ	AJFI	AJFU	THFE	AGBG
1999	184.01	1.6183	2.430	1.5192	11.296	12.619	13.373	12.5541	25 938	103.8
2000	163.40	1.5162	2.558	1.6422	12.240	13.324	13.870	11.8057	32 227	107.5
2001	174.90	1.4400	2.430	1.6087	11.987	12.944	14.886	11.2312	27 773	105.8
2002	187.84	1.5026	2.334	1.5909	11.821	11.953	14.570	11.7265	26 566	106.0
2003	189.34	1.6346	2.197	1.4456	10.742	11.562	13.189	12.7337	25 677	100.2
Quarterly										
1999 Q1	190.19	1.6335	2.328	1.4574	10.8368	12.514	13.059	12.6531	..	101.1
Q2	194.13	1.6070	2.432	1.5209	11.3044	12.527	13.539	12.4547	..	104.1
Q3	181.35	1.6021	2.446	1.5271	11.3547	12.561	13.304	12.4369	21 447	103.8
Q4	170.35	1.6306	2.515	1.5712	11.6851	12.874	13.588	12.6721	25 938	105.9
2000 Q1	171.99	1.6067	2.617	1.6286	12.1257	13.206	13.835	12.4926	22 090	108.4
Q2	163.52	1.5334	2.568	1.6398	12.2271	13.466	13.584	11.9236	26 898	107.7
Q3	159.19	1.4784	2.522	1.6336	12.1862	13.232	13.726	11.5304	28 818	106.4
Q4	158.89	1.4464	2.523	1.6670	12.4250	13.394	14.333	11.2735	32 227	107.6
2001 Q1	172.26	1.4584	2.424	1.5814	11.7988	12.965	14.230	11.3765	30 457	104.5
Q2	174.19	1.4208	2.487	1.6280	12.1436	13.039	14.847	11.0866	30 632	106.4
Q3	174.67	1.4380	2.432	1.6152	12.0231	12.928	15.203	11.2092	29 662	106.1
Q4	178.45	1.4428	2.375	1.6111	11.9887	12.845	15.264	11.2548	27 773	106.1
2002 Q1	188.79	1.4260	2.396	1.6263	12.0863	12.700	14.895	11.1230	28 053	106.9
Q2	185.29	1.4630	2.329	1.5923	11.8379	11.956	14.564	11.4015	28 623	105.3
Q3	184.85	1.5495	2.305	1.5747	11.6973	11.662	14.538	12.0871	27 950	105.7
Q4	192.42	1.5720	2.304	1.5716	11.6733	11.494	14.285	12.2547	26 566	106.0
2003 Q1	190.67	1.6017	2.189	1.4937	11.0987	11.313	13.709	12.5030	26 349	102.3
Q2	191.90	1.6194	2.163	1.4256	10.5851	11.344	13.032	12.6352	25 147	99.1
Q3	189.14	1.6108	2.209	1.4300	10.6264	11.794	13.103	12.5605	26 909	99.2
Q4	185.64	1.7065	2.228	1.4334	10.6591	11.796	12.913	13.2305	25 677	100.2
Monthly										
2001 Jul	176.07	1.4139	2.487	1.6433	12.234	13.095	15.225	11.0279	29 187	107.2
Aug	174.42	1.4365	2.416	1.5955	11.878	12.853	14.844	11.2038	29 669	105.1
Sep	173.53	1.4635	2.394	1.6060	11.951	12.837	15.540	11.4144	29 662	106.1
Oct	176.14	1.4517	2.371	1.6024	11.917	12.813	15.338	11.3230	28 090	105.8
Nov	175.67	1.4358	2.370	1.6166	12.036	12.813	15.233	11.1984	28 733	106.1
Dec	183.55	1.4409	2.384	1.6151	12.021	12.908	15.220	11.2375	27 773	106.5
2002 Jan	190.01	1.4323	2.392	1.6222	12.057	12.844	14.972	11.1705	27 089	106.9
Feb	190.11	1.4231	2.415	1.6348	12.146	12.731	15.013	11.0993	27 940	107.4
Mar	186.26	1.4225	2.381	1.6224	12.059	12.525	14.700	11.0946	28 053	106.5
Apr	188.50	1.4434	2.386	1.6282	12.104	12.415	14.878	11.2581	28 191	107.1
May	184.26	1.4593	2.318	1.5914	11.833	11.963	14.676	11.3814	28 055	105.3
Jun	183.10	1.4863	2.284	1.5515	11.532	11.491	14.137	11.5934	28 623	103.6
Jul	183.50	1.5546	2.290	1.5665	11.640	11.615	14.528	12.1261	27 649	105.3
Aug	182.97	1.5377	2.302	1.5723	11.677	11.698	14.550	11.9944	28 208	105.4
Sep	188.07	1.5561	2.323	1.5861	11.780	11.672	14.537	12.1370	27 950	106.5
Oct	192.90	1.5574	2.325	1.5868	11.790	11.645	14.450	12.1464	28 322	106.7
Nov	190.99	1.5723	2.303	1.5694	11.654	11.484	14.237	12.2624	28 972	105.9
Dec	193.36	1.5863	2.284	1.5566	11.560	11.354	14.167	12.3711	26 566	105.5
2003 Jan	192.07	1.6169	2.226	1.5222	11.314	11.172	13.964	12.6105	24 708	104.0
Feb	192.12	1.6046	2.189	1.4893	11.091	11.262	13.652	12.5450	26 140	102.4
Mar	187.82	1.5836	2.152	1.4649	10.880	11.506	13.511	12.3503	26 349	100.6
Apr	188.79	1.5747	2.170	1.4505	10.771	11.347	13.279	12.2817	25 232	99.8
May	190.42	1.6230	2.125	1.4030	10.417	11.047	12.840	12.6579	25 371	97.9
Jun	196.49	1.6606	2.193	1.4234	10.569	11.638	12.978	12.9502	25 147	99.6
Jul	192.72	1.6242	2.209	1.4277	10.613	11.828	13.130	12.6671	25 736	99.4
Aug	189.42	1.5950	2.200	1.4286	10.617	11.800	13.186	12.4395	26 511	99.0
Sep	185.29	1.6131	2.219	1.4338	10.649	11.755	12.994	12.5590	26 909	99.2
Oct	183.76	1.6787	2.220	1.4334	10.651	11.807	12.917	12.9962	26 092	99.8
Nov	184.47	1.6901	2.250	1.4426	10.729	11.832	12.973	13.1201	26 572	100.4
Dec	188.70	1.7507	2.214	1.4246	10.602	11.749	12.850	13.5923	25 677	100.3
2004 Jan	193.82	1.8234	2.262	1.4447	10.760	12.425	13.203	14.1598	25 288	102.4
Feb	199.16	1.8673	2.324	1.4774	11.008	12.983	13.566	14.5165	..	104.8

1 Average of daily Telegraphic Transfer rates in London.

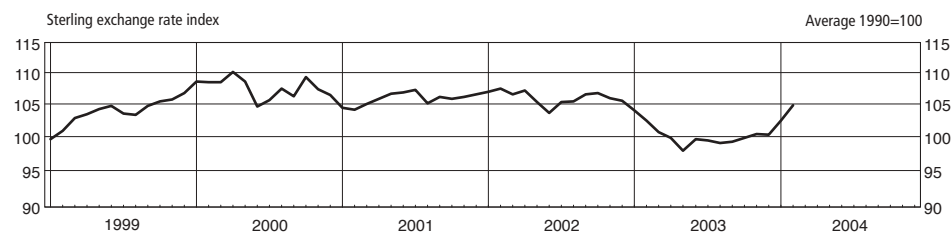
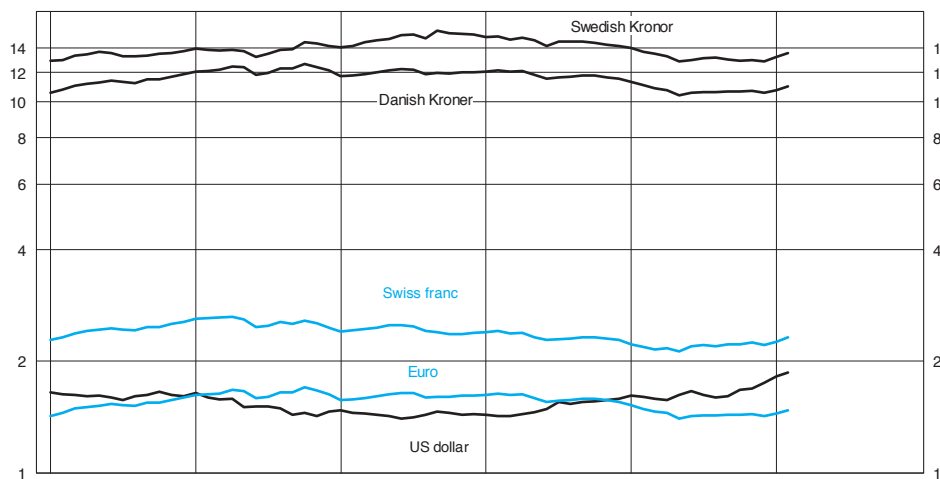
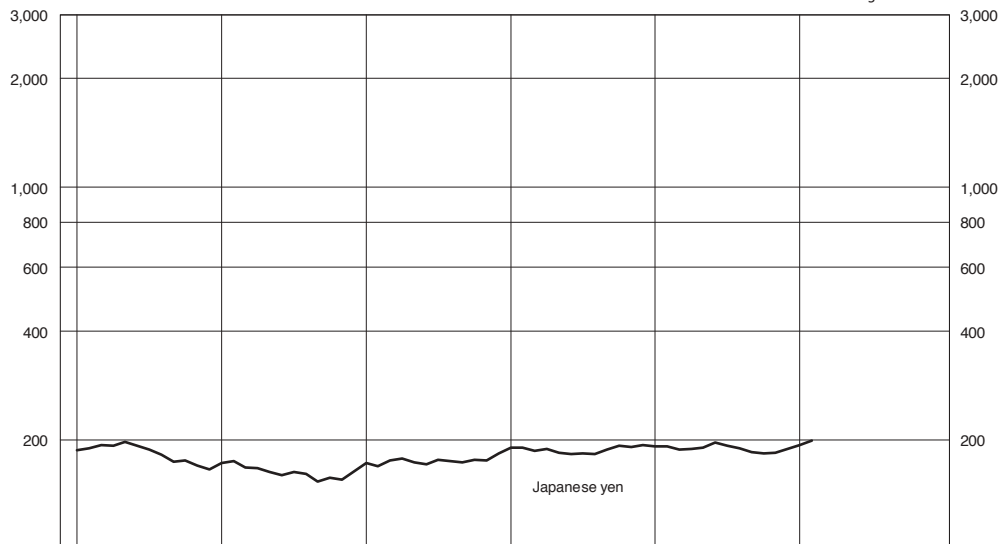
2 Prior to January 1999, a synthetic Euro has been calculated by geometrically averaging the bilateral exchange rates of the 11 Euro-area countries using "internal weights" based on each country's share of the extra Euro-area trade.

3 International reserves data are all valued at end-period market prices and exchange rates. They additionally include other reserve assets such as repos (sale and purchase agreements) and derivatives. Full details are shown in Table 1.21 of *Financial Statistics*.

4 These figures fall outside the scope of National Statistics.

Source: Bank of England: Enquiries 020 7601 4342

Sterling exchange rates

Relates to the £
log scale

6.2 Monetary aggregates^{1,3}

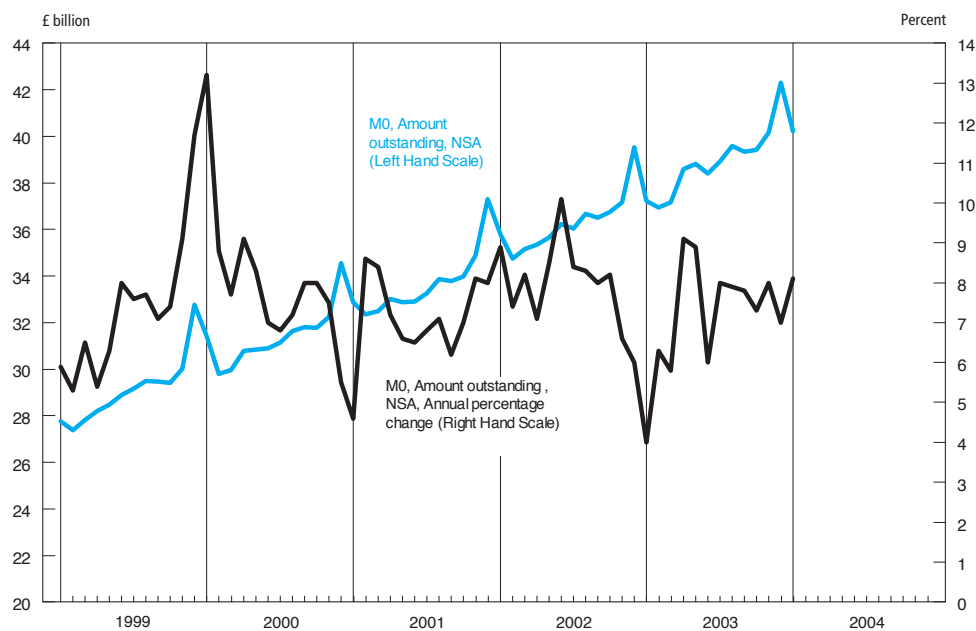
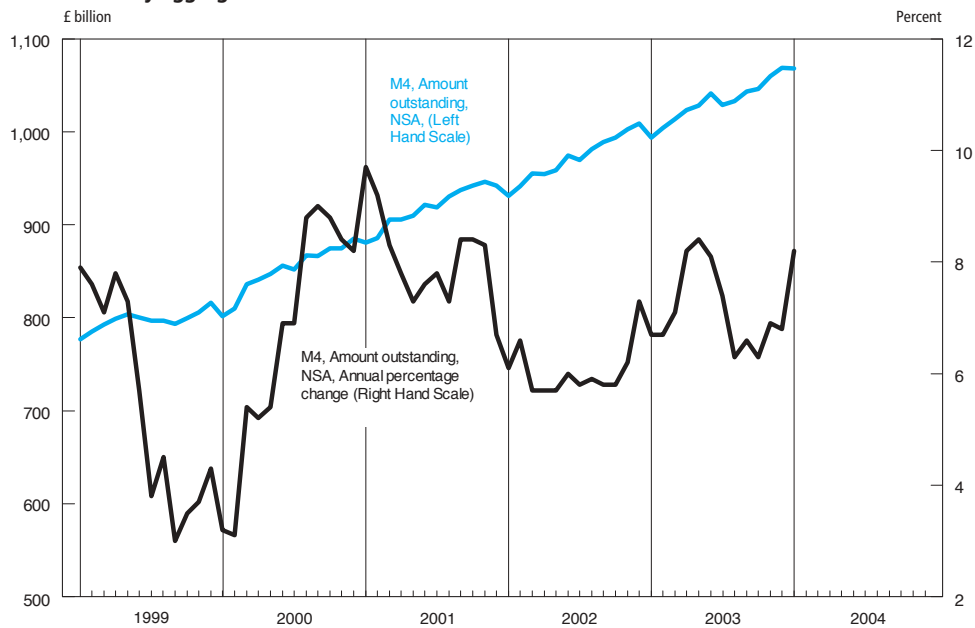
	M0				M4			
	Amount outstanding ² (NSA)		Amount outstanding (£ million) +	Velocity of circulation: ratio	Amount outstanding (NSA)		Amount outstanding (£ million) +	Velocity of circulation: ratio
	£ million	Annual percentage change			£ million	Annual percentage change		
Annual	AVAD	VQNB	AVAE	AVAM	AUYM	VQLC	AUYN	AUYU
1999	32 768	11.7	31 099 [†]	31.30 [†]	816 545	4.3	817 511 [†]	1.13
2000	34 566	5.5	32 491	30.42	884 839	8.2	885 705	1.12
2001	37 319	8.0	35 100	29.72	942 433	6.7	943 146	1.08
2002	39 540	6.0	37 225	28.89	1 008 704 [†]	7.3	1 009 216	1.08
2003	42 317 [†]	7.0	39 923	..	1 069 025	6.8	1 069 318	..
Quarterly								
1999 Q1	27 830	6.5	28 179 [†]	31.67 [†]	792 903	7.1	791 247 [†]	1.12
Q2	28 884	8.0	29 006	31.44	800 698	5.7	798 561	1.13
Q3	29 477	7.1	29 473	31.20	793 684	3.0	796 291	1.14
Q4	32 768	11.7	31 099	30.87	816 545	4.3	817 511	1.15
2000 Q1	29 968	7.7	30 569	30.53	836 240	5.4	835 060	1.15
Q2	30 896	7.0	31 217	30.65	856 220	6.9	853 801	1.12
Q3	31 821	8.0	31 881	30.46	866 379	9.0	868 851	1.11
Q4	34 566	5.5	32 491	30.03	884 839	8.2	885 705	1.10
2001 Q1	32 489	8.4	33 131	29.99	905 800	8.3	905 328	1.10
Q2	32 896	6.5	33 276	30.01	921 571	7.6	918 670	1.09
Q3	33 797	6.2	33 949	29.58	937 071	8.4	939 457	1.07
Q4	37 319	8.0	35 100	29.31	942 433	6.7	943 146	1.07
2002 Q1	35 157	8.2	35 571	29.00	954 972	5.7	955 214	1.08
Q2	36 225	10.1	36 632	28.89	974 526 [†]	6.0	971 184	1.08
Q3	36 511	8.0	36 686	28.84	988 722	5.8	991 038	1.07
Q4	39 540	6.0	37 225	28.81	1 008 704	7.3	1 009 216	1.07
2003 Q1	37 184	5.8	37 922	28.84	1 014 104	7.1	1 015 014	1.07
Q2	38 403	6.0	38 891	28.32	1 041 358	8.1	1 037 552	1.07
Q3	39 348	7.8	39 534	28.19	1 043 437	6.6	1 045 808	1.07
Q4	42 317 [†]	7.0	39 923	..	1 069 025	6.8	1 069 318	..
Monthly								
2001 Jul	33 272	6.8	33 470 [†]	..	918 688	7.8	921 443 [†]	..
Aug	33 881	7.1	33 714	..	930 373	7.3	929 263	..
Sep	33 797	6.2	33 949	..	937 071	8.4	935 599	..
Oct	33 978	7.0	34 284	..	942 388	8.4	943 052	..
Nov	34 883	8.1	34 777	..	945 995	8.3	943 346	..
Dec	37 319	8.0	35 100	..	942 433	6.7	941 330	..
2002 Jan	35 799	8.9	35 366	..	930 915	6.1	942 419	..
Feb	34 750	7.4	35 444	..	941 288	6.6	948 743	..
Mar	35 157	8.2	35 571	..	954 972	5.7	949 896	..
Apr	35 369	7.1	35 626	..	954 569 [†]	5.7	952 485	..
May	35 661	8.5	35 791	..	958 376	5.7	956 118	..
Jun	36 225	10.1	36 632	..	974 526	6.0	965 864	..
Jul	36 052	8.4	36 296	..	970 032	5.8	973 907	..
Aug	36 690	8.3	36 530	..	981 489	5.9	980 985	..
Sep	36 511	8.0	36 686	..	988 722	5.8	987 666	..
Oct	36 751	8.2	37 075	..	994 116	5.8	993 440	..
Nov	37 167	6.6	37 022	..	1 002 419	6.2	999 275	..
Dec	39 540	6.0	37 225	..	1 008 704	7.3	1 007 325	..
2003 Jan	37 230	4.0	37 371	..	994 139	6.7	1 005 180	..
Feb	36 946	6.3	37 682	..	1 004 273	6.7	1 011 263	..
Mar	37 184	5.8	37 922	..	1 014 104	7.1	1 010 742	..
Apr	38 590	9.1	38 549	..	1 023 526	8.2	1 021 797	..
May	38 827	8.9	38 911	..	1 027 982	8.4	1 026 511	..
Jun	38 403	6.0	38 891	..	1 041 358	8.1	1 032 853	..
Jul	38 938	8.0	39 212	..	1 029 275	7.4	1 032 385	..
Aug	39 579	7.9	39 415	..	1 032 825	6.3	1 033 109	..
Sep	39 348	7.8	39 534	..	1 043 437	6.6	1 041 380	..
Oct	39 416	7.3	39 746	..	1 046 190	6.3	1 044 326	..
Nov	40 149	8.0	39 982	..	1 060 084	6.9 [†]	1 056 772	..
Dec	42 317 [†]	7.0	39 923	..	1 069 025	6.8	1 067 890	..
2004 Jan	40 226	8.1	40 247	..	1 068 185	8.2	1 080 467	..

1 A fuller range of monetary aggregates is published monthly in the ONS publication *Financial Statistics*.

2 The monthly figures for M0 give the average of the amounts outstanding each Wednesday during the calendar month.

3 These figures fall outside the scope of National Statistics.

Source: Bank of England; Enquiries 020 7601 5467

Monetary aggregates

6.3 Counterparts to changes in money stock M4^{1,4}

£ million, not seasonally adjusted

	Public Sector Net Cash Requirement ³	Purchases by the M4 ² private sector of:			External and foreign currency financing of public sector		Banks' and Building Societies' sterling lending to the M4 private sector	External and foreign currency transactions of UK banks and building societies	Net non-deposit sterling liabilities of UK banks and building societies	Domestic counterparts	External and foreign currency counterparts	M4
		Central government debt			Purchase of British government stocks by overseas sector	Other						
		British government stocks	Other	Other public sector debt								
	1	2	3	4	5	6	7	8	9	10	11	12
Annual												
	RURQ	AVBY	AVBU	AVBV	AVBZ	AQGA	AVBS	AVBW	AVBX	AVBN	VQLP	AUZI
1999	-1 296	-4 182	1 803	1 115	-4 906	1 294	78 088	-44 743	-3 103	75 033	-38 544	33 386
2000	-37 562	11 388	1 825	375	4 040	7 657	111 230	7 072	-30 949	87 480	10 688	67 220
2001	-2 921	-9 671	-2 422	191	-19 361	4 195	82 446	-21 637	-10 785	67 732	1 920	58 868
2002	17 165	-8 383	932 [†]	-581 [†]	-897	1 588	107 654	-25 053 [†]	-25 291	116 711	-22 567 [†]	68 855 [†]
2003	38 387 [†]	-23 337 [†]	-8 863	-603	9 557 [†]	-3 065 [†]	126 317 [†]	-28 867	-21 817 [†]	131 839 [†]	-41 488	68 536
Quarterly												
1999 Q1	-5 641	4 127	-478	341	8	419	21 386	-9 294	-952	19 550	-8 884	9 714
Q2	5 334	-4 957	157	226	790	511	18 342	-9 120	-2 353	19 110	-9 399	7 358
Q3	-3 185	-2 684	1 658	-92	-5 497	108	12 703	-11 829	-9 399	8 386	-6 224	-7 237
Q4	2 196	-668	466	640	-207	256	25 657	-14 500	9 601	27 987	-14 037	23 551
2000 Q1	-12 886	5 013	-1 257	-336	2 141	2 577	36 677	-2 568	-5 927	27 432	-2 133	19 372
Q2	-11 831	-4 104	6 729	147	-1 017	3 301	25 254	278	-1 472	16 198	4 596	19 323
Q3	-16 499	5 653	-177	269	540	1 281	27 255	5 374	-13 189	16 491	6 115	9 417
Q4	3 654	4 826	-3 470	295	2 376	498	22 044	3 988	-10 361	27 359	2 110	19 108
2001 Q1	-12 573	163	-1 093	-268	-6 682	3 734	31 075	-7 738	1 273	17 317	2 677	21 267
Q2	6 317	-12 059	-474	233	-10 982	1 000	21 194	-7 294	-4 293	15 289	4 689	15 685
Q3	-6 138	1 267	3 408	95	-2 709	1 288	15 710	7 251	-8 866	14 361	11 249	16 744
Q4	9 473	958	-4 263	131	1 012	-1 827	14 467	-13 856	1 101	20 765	-16 695	5 172
2002 Q1	-6 334	-679	3 710	-260 [†]	-1 045	2 398	24 732	-7 337	-3 149	21 165	-3 894	14 123
Q2	7 056	-1 330	-2 950 [†]	101	-266	-1 001	24 507	773 [†]	-8 178	27 429	39 [†]	19 289 [†]
Q3	665	-2 432	355	-175	-1 960	208	34 214	-8 265	-11 055	32 586	-6 097	15 435
Q4	15 778	-3 942	-183	-247	2 374	-17	24 201	-10 224	-2 909	35 531	-12 615	20 008
2003 Q1	-1 035	-3 092	-322	-110	1 934	431	21 514	2 269	-4 465	16 979	766	13 281
Q2	16 193 [†]	-4 909	-4 369	-116	2 035	-2 098 [†]	35 394	-1 353	-7 208	42 203 [†]	-5 486	29 509
Q3	6 043	-11 759	1 188	-319	979	-1 222	29 582 [†]	-2 737	-17 357	24 727	-4 938	2 433
Q4	17 186	-3 577 [†]	-5 360	-58	4 609 [†]	-176	39 827	-27 046	7 213 [†]	47 930	-31 830	23 313
Monthly												
2002 Jan	-11 995	-1 443	1 204	-295	-2 433	2 210	9 432	-1 145	-8 736	-3 101	3 498	-8 339
Feb	-2 108	105	2 863	-116	60	897	5 446	1 919	330	6 188	2 757	9 275
Mar	7 769	659	-357	151 [†]	1 328	-709	9 854	-8 111	5 257	18 078	-10 148	13 186
Apr	-3 038	725	-372 [†]	102	-1 098	-560	-1 380	2 138 [†]	857	-3 989	2 676 [†]	-456 [†]
May	2 748	-1 438	-397	21	573	-49	14 719	-10 023	-1 236	15 691	-10 644	3 811
Jun	7 346	-617	-2 181	-21	259	-392	11 168	8 658	-7 799	15 727	8 006	15 935
Jul	-6 806	-3 287	2 774	-63	-460	-267	-1 554	13 348	-9 460	-8 964	13 541	-4 883
Aug	2 134	3 647	-843	58	902	548	14 719	-11 145	5 200	19 699	-11 500	13 399
Sep	5 337	-2 793	-1 576	-170	-2 402	-73	21 049	-10 467	-6 794	21 851	-8 138	6 919
Oct	-2 448	-1 713	2 503	-178	339	-154	14 738	-8 405	1 515	12 873	-8 898	5 489
Nov	6 616	-2 217	-563	24	570	731	10 941	-996	-5 692	14 757	-835	8 230
Dec	11 610	-12	-2 123	-94	1 465	-594	-1 477	-823	1 269	7 901	-2 882	6 288
2003 Jan	-11 863	-4 053	1 866	-199	1 138	761	4 739	10 182	-15 022	-9 533	9 805	-14 749
Feb	-182	-870	529	189	-1 402	-245	11 019	-12 444	10 836	10 669	-11 287	10 218
Mar	11 010	1 831	-2 717	-99	2 198	-85	5 756	4 530	-280	15 843	2 248	17 811
Apr	206 [†]	-6 125	1 608	-219	-1 969	-939 [†]	11 004 [†]	1 874	3	6 539 [†]	2 904	9 446
May	5 827	4 496	-4 981	151	4 611	-233	10 688	5 638	-10 945	16 133	794	5 982
Jun	10 160	-3 280	-996	-48	-607	-926	13 702	-8 865	3 734	19 531	-9 184	14 081
Jul	-6 160	-5 777	3 292	-231	-1 339	880	6 763	-595	-11 403	-2 011	1 624	-11 790
Aug	3 627	-4 143	-1 573	24	227	-771	5 462	-10 439	11 699	3 294	-11 436	3 557
Sep	8 576	-1 839	-531	-112	2 091	-1 331	17 357	8 297	-17 653	23 444	4 875	10 666
Oct	-1 644	-7 308	2 060	-66	-1 161	3 016	23 147	-22 419	5 074 [†]	16 194	-18 242	3 026
Nov	5 755	6 269	-5 409	23	7 050	-49	9 347	8 443	-3 344	15 897	1 344	13 897
Dec	13 075	-2 537 [†]	-2 011	-16	-1 280 [†]	-3 143	7 334	-13 070	5 483	15 839	-14 932	6 390
2004 Jan	-14 476	-3 685	3 690	-342	-1 453	3 021	20 566	6 707	-18 792	5 720	11 181	-1 892
Feb	-23	..	..	..	..	..	..	..	..	..	..	..

For most periods the relationships between the columns are as follows:

11 = 5 + 6 + 8; 12 = 9 + 10 + 11. Due to the inclusion of Public Sector Net Cash Requirement (PSNCR) information on a ESA95 basis, 10 = 1 + 2 + 3 + 4 + 7 from 1994/95 only. Because the latest available PSNCR information is included figures for more recent periods may not add exactly.

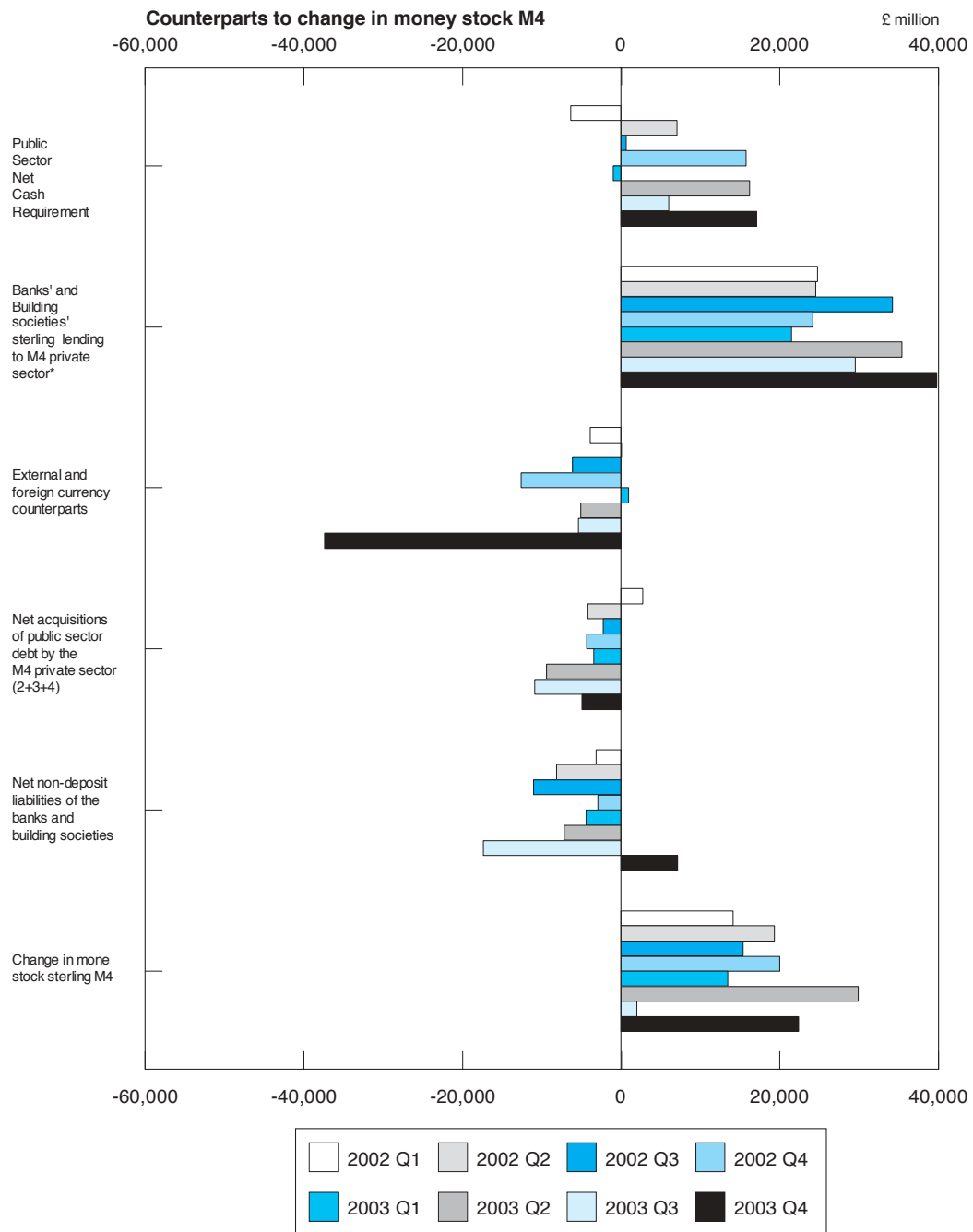
1 A wider range of figures is published monthly in *Financial Statistics*.

2 The M4 private sector comprises all UK residents other than the public sector, banks and building societies.

3 Formerly called the Public Sector Borrowing Requirement.

4 Columns 2-12 do not contain National Statistics data.

Sources: Office for National Statistics; Enquiries Column 1 020 7533 5984; Bank of England; Columns 2-12 020 7601 5467



*Private sector other than banks and building societies

6.4 Public sector receipts and expenditure

£ million, not seasonally adjusted

	Public sector current expenditure										Public sector current receipts							
	Current expenditure on goods and services	Subsidies	Net current Social Benefits	Net current grants abroad	Other current grants	Interest paid to private sector and RoW	Total current expenditure	Operating surplus	Taxes on production	Taxes on income and wealth	Taxes on capital	Other Current taxes	Compulsory social contributions	Interest/divide from private-/RoW	Rent and other current transfers	Total current receipts		
Annual																		
	GZSN	NMRL	ANLY	GZSI	NNAI	ANLO	ANLT	ANBP	NMYE	ANSO	NMGI	NVCM	ANBO	ANBQ	ANBS	ANBT		
2001	191 171	6 405	123 574	-2 134	18 899	23 618	361 533	18 681	133 111	147 521	2 396	19 168	62 887	5 395	2 879	391 118		
2002	210 042 [†]	6 356 [†]	126 986 [†]	-539	22 840	21 324 [†]	387 009 [†]	18 408 [†]	140 539 [†]	142 107 [†]	2 381	20 364 [†]	63 520 [†]	4 405 [†]	2 815	393 599 [†]		
2003	231 682	7 693	134 554	-852	23 938	22 520	419 535	18 794	148 798	145 102	2 416	22 174	70 579	4 351	1 952	413 220		
Quarterly																		
2000 Q1	42 447	1 283	27 452	219	4 230	6 047	81 678	4 378	31 319	43 124	548	4 350	16 173	1 091	540	101 306		
Q2	44 496	1 213	28 054	-163	4 575	6 700	84 875	4 363	32 830	26 834	566	4 605	14 588	1 263	363	85 198		
Q3	45 285	1 208	28 369	73	4 695	6 359	85 989	4 345	32 368	34 721	579	4 692	14 337	1 532	716	93 075		
Q4	45 512	1 354	31 111	205	5 138	7 016	90 336	4 728	33 199	35 409	522	4 576	15 186	1 547	511	95 464		
2001 Q1	45 932	1 410	29 293	-261	4 945	6 331	87 650	4 473	31 508	47 192	569	4 620	17 957	1 699	909	108 712		
Q2	47 201	1 685	29 913	-259	4 757	5 990	89 287	4 497	33 134	29 131	612	4 907	14 518	1 283	560	88 407		
Q3	48 218	1 704	31 068	-1 294	4 312	5 329	89 337	4 616	34 098	35 513	617	4 865	15 064	1 276	853	96 667		
Q4	49 820	1 606	33 300	-320	4 885	5 968	95 259	5 095	34 371	35 685	598	4 776	15 348	1 137	557	97 332		
2002 Q1	51 299 [†]	1 223 [†]	30 233	12	5 513	5 231 [†]	93 511 [†]	4 485 [†]	33 098	44 693	556	4 806	18 231	1 027 [†]	808	107 469 [†]		
Q2	52 289	1 689	31 192 [†]	-126	5 640	5 408	96 092	4 500	34 617 [†]	28 641 [†]	607	5 184 [†]	14 624 [†]	1 084	596	89 618		
Q3	52 780	1 670	31 839	-375	6 271	4 636	96 821	4 511	36 289	35 688	619	5 211	14 972	1 124	826	99 005		
Q4	53 674	1 774	33 722	-50	5 416	6 049	100 585	4 912	36 535	33 085	599	5 163	15 693	1 170	585	97 507		
2003 Q1	56 466	1 861	31 798	-75	6 038	5 205	101 293	4 388	34 614	45 433	545	5 158	18 258	1 125	752	110 038		
Q2	58 114	1 980	32 859	-184	6 289 [†]	5 793	104 851	4 633	37 405	29 990	607	5 609	17 085	1 043	397	96 532		
Q3	57 600	1 891	33 767	-292 [†]	5 531	5 366	103 863	4 732	37 170	36 707	631	5 630	17 470	1 053	403	103 559		
Q4	59 502	1 961	36 130	-301	6 080	6 156	109 528	5 041	39 609	32 972	633	5 777	17 766	1 130	400	103 091		

Sources: Office for National Statistics;
Enquiries 020 7533 5987

6.5 Public sector key fiscal indicators¹

£ million⁵, not seasonally adjusted

	Surplus on current budget ²		Net investment ³		Net borrowing ⁴		Net cash requirement		Public sector net debt	
	General Government	Public Sector	General Government	Public Sector	General Government	Public Sector	General Government	Public Sector	£ billion ⁶	% of GDP ⁷
Annual										
	ANLW	ANMU	-ANNV	-ANNW	NNBK	ANNX	RUUS	RURQ	RUTN	RUTO
2000	20 377	19 086	5 361	4 305	15 016	14 781	-38 282	-37 562	317.4	32.6
2001	17 146	15 948	9 029	8 471	8 117	7 477	-3 462	-2 921	318.8	31.4
2002	-5 696 [†]	-7 642 [†]	10 118 [†]	8 546 [†]	-15 814 [†]	-16 188 [†]	16 486	17 165	335.9	31.4
2003	-18 775	-20 977	15 760	13 379	-34 535	-34 356	37 635	38 387 [†]	374.9 [†]	33.1
Quarterly										
2000 Q1	17 443	16 405	2 958	2 722	14 485	13 683	-14 336	-12 886	340.9	36.2
Q2	-3 023	-2 931	-1	-344	-3 022	-2 587	-11 602	-11 831	329.1	34.6
Q3	4 456	3 802	910	655	3 546	3 147	-16 913	-16 499	313.6	32.6
Q4	1 501	1 810	1 494	1 272	7	538	4 569	3 654	317.4	32.6
2001 Q1	18 688	17 706	3 310	3 411	15 378	14 295	-13 826	-12 573	306.9	31.2
Q2	-4 259	-4 266	951	1 018	-5 210	-5 284	6 636	6 317	314.3	31.6
Q3	4 533	3 910	1 725	1 589	2 808	2 321	-6 538	-6 138	308.2	30.7
Q4	-1 816	-1 402	3 043	2 453	-4 859	-3 855	10 266	9 473	318.8	31.4
2002 Q1	11 563 [†]	10 456 [†]	4 620	4 310 [†]	6 943 [†]	6 146 [†]	-6 958	-6 334	311.2	30.2
Q2	-9 857	-10 018	1 126 [†]	831	-10 983	-10 849	7 435	7 056	318.2	30.5
Q3	-586	-1 394	2 148	1 687	-2 734	-3 081	-257	665	320.4	30.3
Q4	-6 816	-6 686	2 224	1 718	-9 040	-8 404	16 266	15 778	335.9	31.4
2003 Q1	6 447	5 117	6 398	5 531	49	-414	-1 933	-1 035	334.1	30.8
Q2	-11 673	-11 972	3 387	2 426	-15 060	-14 398	16 824 [†]	16 193 [†]	349.9	31.8
Q3	-3 358	-3 981	2 863	2 523	-6 221	-6 504	5 937	6 043	355.3 [†]	31.9
Q4	-10 191	-10 141	3 112	2 899	-13 303	-13 040	16 807	17 186	374.9	33.1

1 National accounts entities as defined under the European System of Accounts 1995 (ESA95).

2 Net saving, plus capital taxes.

3 Gross capital formation, plus payments less receipts, of investment grants less depreciation.

4 Net borrowing = surplus on current budget minus net investment.

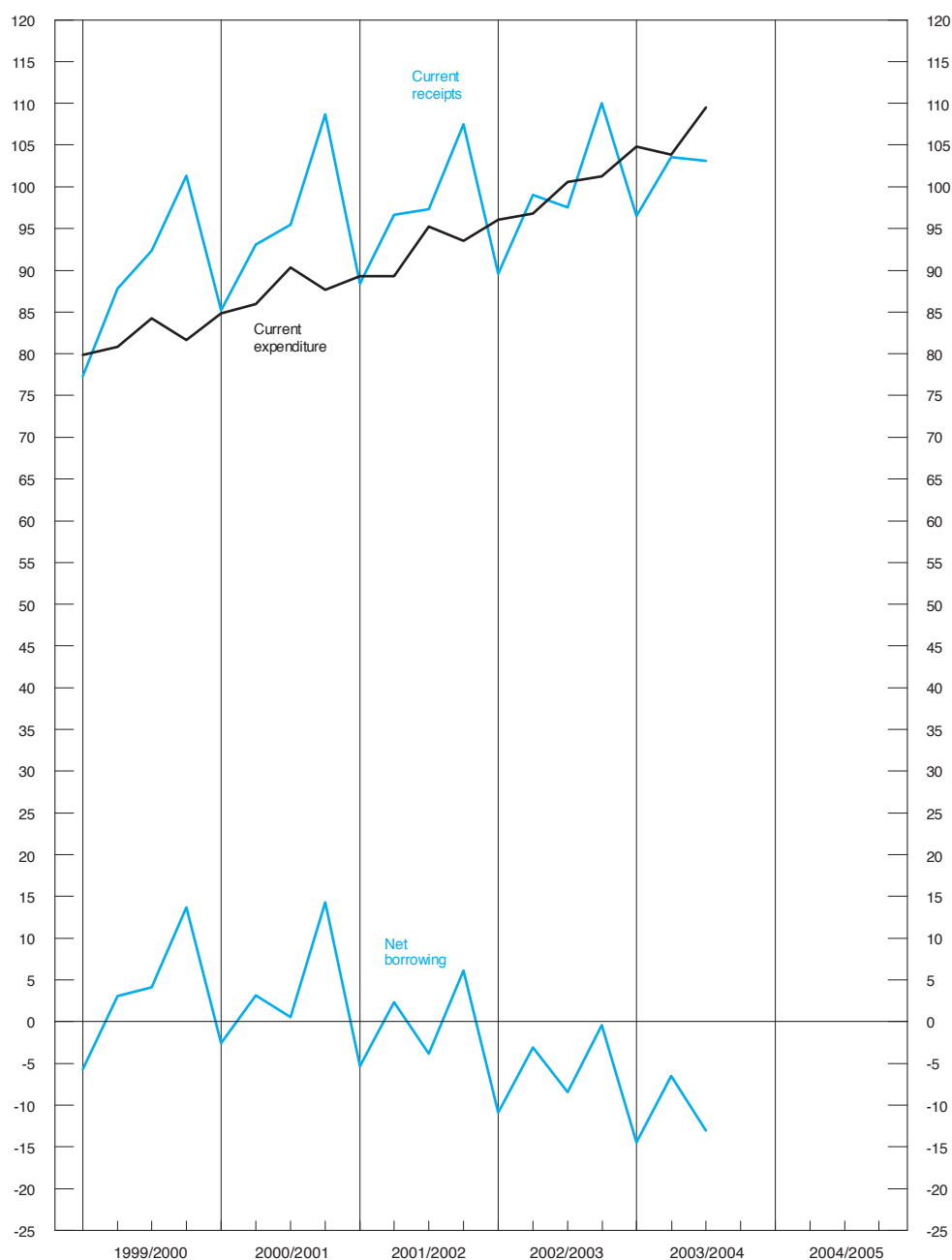
5 Unless otherwise stated

6 Net amount outstanding at end of period.

7 Net debt at end of the month, Gross domestic product at market prices for 12 months centred on the end of the month.

Sources: Office for National Statistics;
Enquiries 020 7533 5984

Public sector finances

£ billion
not seasonally
adjusted

6.6 Consumer credit and other household sector borrowing

£ million

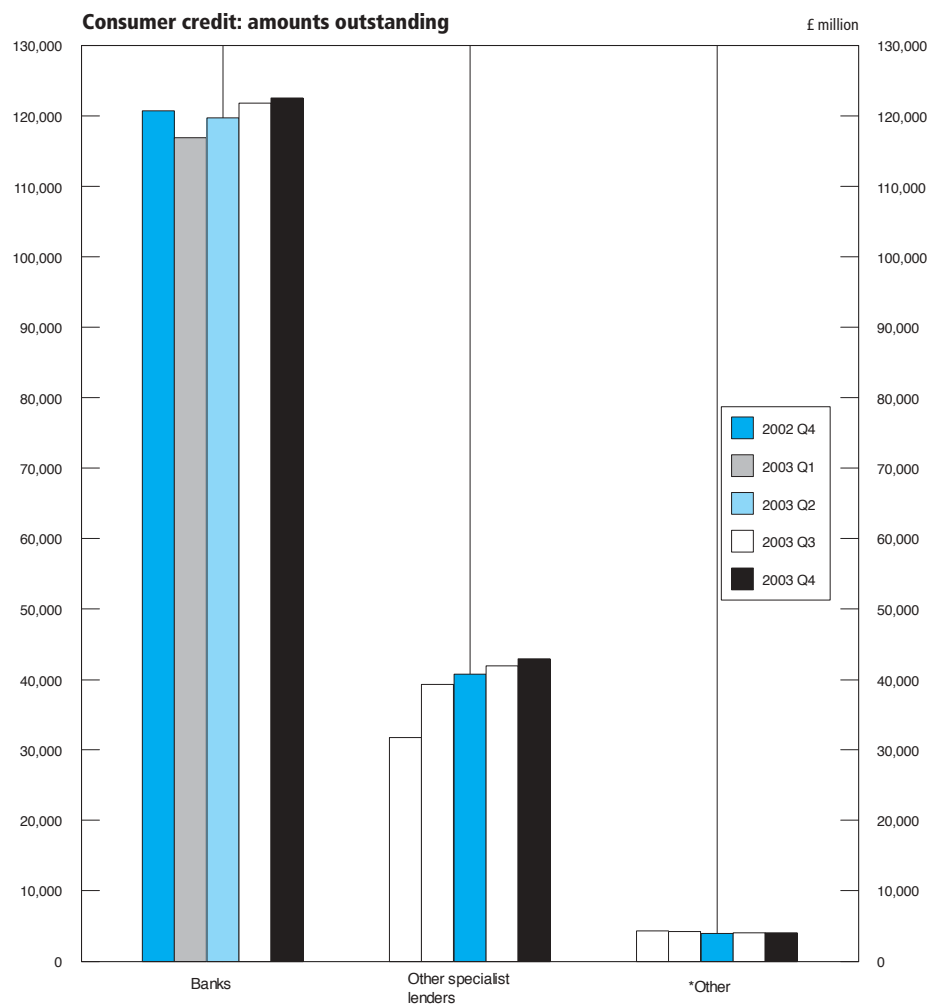
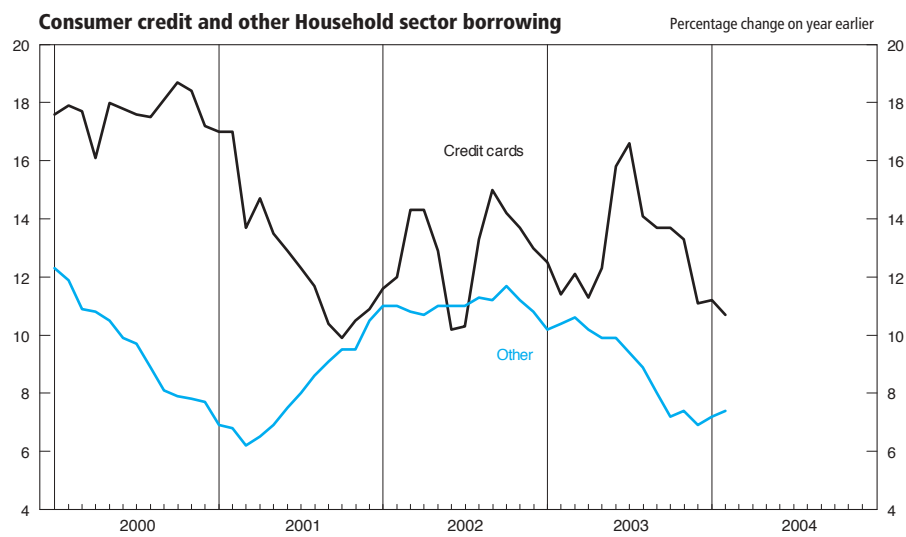
		Consumer credit							Loans secured on dwellings (NSA [†])	
		Total consumer credit ¹	of which		Banks ¹	Building Societies' Class 3 Loans ¹	Other specialist lenders	Retailers		Insurance companies
			credit cards ^{1,2}	other ^{1,2}						
Amounts outstanding: quarterly										
	VZRI	VZRJ	VZRK	VRVV		VZRG	VZRH	RLBO	VZQZ	AMWT
1998 Q1	92 269	19 416	72 808 [†]	66 899		213	21 240	2 660	1 246	435 546 [†]
Q2	95 642	20 581	75 063	69 759		185	21 718	2 689	1 240	442 028
Q3	98 746 [†]	21 553	77 197	72 344		176	22 348	2 683	1 242	449 691
Q4	101 618	22 467	79 197	73 123		295	24 305	2 669	1 238	456 803
1999 Q1	105 894	28 430	77 511	75 737 [†]		298	25 845	2 698	1 320	463 304
Q2	109 041	29 672	79 394	77 809		312	26 773	2 693	1 384	472 730
Q3	112 313	30 761	81 600	80 462		329	27 499	2 655	1 401 [†]	484 270
Q4	115 475	32 084	83 278	82 669		297	28 305	2 775	1 463	494 200
2000 Q1	119 268	33 440	85 870	86 080		315	28 826	2 663	1 416	503 560
Q2	122 030	34 941	87 109	88 728		315	28 945	2 614	1 311	514 840
Q3	124 335	36 307	88 075	91 039		349	29 147	2 553	1 274	525 843
Q4	127 276	37 600	89 555	94 223		392	29 015	2 504	1 198	535 752
2001 Q1	129 076	37 986	91 132	95 907		412	29 074	2 523	1 230	546 486
Q2	132 991	39 448	93 558	100 299		424	28 356	2 510	1 222	561 444
Q3	136 059	40 031	96 055	103 442		447	28 494	2 519	1 207	577 424
Q4	140 841	41 704	99 089	107 692		436	29 108	2 482	1 179	591 467
2002 Q1	144 321	43 372	100 953	111 154		463	29 110	2 502	1 184	606 459
Q2	147 301	43 500	103 839	113 169		460	29 699	2 575	1 194	625 891
Q3	153 008	45 982	107 006	118 345		523	30 442	2 557	1 197	648 516
Q4	156 856	47 137	109 723	120 775		610	31 804	2 539	1 183	670 792
2003 Q1	160 518	48 608	111 890	116 967		625	39 366	2 516	1 121	690 779
Q2	164 722	50 409	114 362	119 737		672	40 781	2 201	1 108	713 068
Q3	167 827	52 239	115 543	121 886		736	41 975	2 196	1 086	740 284
Q4	169 576	52 399	117 190	122 632		766	42 987	2 219	1 049	..
Amounts outstanding: monthly										
2002 Jan	142 165 [†]	42 161 [†]	100 005 [†]	109 079 [†]		428 [†]	29 232	2 473 [†]	1 175 [†]	..
Feb	143 579	43 074	100 505	110 222		438	29 198	2 476	1 178	..
Mar	144 268	43 308	100 960	111 203		469	29 037	2 491	1 184	..
Apr	145 703	43 870	101 834	112 522		470	29 213	2 492	1 189	..
May	147 135	44 161	102 973	113 269		471	29 217	2 544	1 192	..
Jun	147 230	43 290	103 940	113 454		471	29 672	2 579	1 194	..
Jul	148 678	43 720	104 958	114 576		483	29 732	2 558	1 195	..
Aug	151 211	45 191	106 020	116 975		497	29 701	2 531	1 196	..
Sep	152 810	45 916	106 894	118 123		517	30 408	2 550	1 197	..
Oct	154 474	46 139	108 335	118 707		533	31 684	2 545	1 197	..
Nov	155 418	46 613	108 806	119 512		540	31 795	2 548	1 193	..
Dec	156 644	46 934	109 711	120 873		587	31 938	2 527	1 183	..
2003 Jan	157 646	47 441	110 206	121 215		600	32 033	2 527	1 164	..
Feb	158 908	47 968	110 940	119 724		616	34 501	2 531	1 141	..
Mar	160 203	48 563	111 640	116 526		633	39 261	2 506	1 121	..
Apr	161 082	48 843	112 239	116 895		653	40 034	2 483	1 110	..
May	162 797	49 610	113 187	118 236		660	40 039	2 444	1 107	..
Jun	164 335	50 146	114 189	119 529		689	40 748	2 211	1 108	..
Jul	165 776	50 981	114 794	120 861		702	41 016	2 203	1 105	..
Aug	166 974	51 560	115 413	121 692		716	40 972	2 226	1 097	..
Sep	167 631	52 200	115 432	121 844		725	41 979	2 191	1 086	..
Oct	168 659	52 476	116 183	121 867		731	42 720	2 183	1 073	..
Nov	169 613	52 807	116 806	122 622		730	43 344	2 219	1 061	..
Dec	169 487	52 164	117 322	122 717		736	43 139	2 201	1 049	..
2004 Jan	170 907	52 745	118 162	125 408		746	41 513	2 179	1 038	..
Feb	172 302	53 114	119 188	126 788		751	41 445	2 128	1 027	..

1 These figures fall outside the scope of National Statistics.

2 From January 1999 onwards, a more accurate breakdown between credit card and 'other lending' is available.

Credit card lending by other specialist lenders can now be separately identified and is included for the first time within the credit card component. Hence, data from January 1999 onwards are not directly comparable with earlier periods.

Sources: Bank of England; Enquiries Columns 1-5, 9 020 7601 5468; Office for National Statistics; Enquiries Columns 6-8 020 7 533 6046



*Other is the sum of Retailers, Insurance companies and Building society class 3 loans

6.7 Analysis of bank lending to UK residents^{1,2,4,5,6}

Amounts outstanding

£ million, not seasonally adjusted

	Manufacturing ³	Other production	Financial	Services	Persons	Total loans, advances and acceptances
Total Loans, Advances, Acceptances and Sterling Commercial paper						
	TBSF	BCEX	BCFH	BCFR	TBTW	TBSA
2002 Q3	53 142	34 454	338 483	223 171	560 584	1 209 833
Q4	51 708	35 004	338 353	236 069	576 315	1 237 449
2003 Q1	50 875	35 255	360 829	240 309	573 875	1 261 143
Q2	49 483	35 355	360 586	248 528	588 463	1 282 415
Q3	47 320	34 662	382 603	247 501	606 819	1 318 905 [†]
Q4	43 102	32 944	398 554 [†]	251 701	620 815	1 347 116 [†]
Of which in sterling						
	TBUF	BCEY	BCFI	BCFS	TBVW	TBUA
2002 Q3	34 462	30 937	180 673	204 287	560 146	1 010 505
Q4	34 231	31 477	174 298	215 949	575 819	1 031 774
2003 Q1	32 532	31 752	181 717	219 366	573 342	1 038 710
Q2	32 436	31 862	182 826	226 680	587 926	1 061 730
Q3	30 839	31 411	192 842	226 445	606 197	1 087 734
Q4	29 850	30 197	195 629 [†]	233 123	620 255	1 109 055 [†]
Changes in total lending (sterling)						
	TBWF	BCEZ	BCFJ	BCFT	TBXW	TBWA
2002 Q3	-211	-213	6 714	7 745	19 662	33 697
Q4	-249	540	-6 357	11 638	16 832	22 404
2003 Q1	-1 451	371	2 587	4 425	4 997	10 929
Q2	-61	224	3 230	7 109	16 473	26 974
Q3	-1 589	-443	10 040	155	22 071 [†]	30 234 [†]
Q4	-989	-1 215	3 150 [†]	7 156	17 706	25 809
Changes in total lending (foreign currencies)						
	TBYF	BCFA	BCFK	BCFU	TBZW	TBYA
2002 Q3	376	-450	-8 385	-675	-13	-9 147
Q4	-1 359	17	4 462	1 181	60	4 361
2003 Q1	214	-134	10 441	116	22	10 659
Q2	-967	76	12 236	1 356	21	12 722
Q3	-649 [†]	-253	10 718	193	86 [†]	10 094 [†]
Q4	-2 759	-381	4 685	-1 812	-36	-304
Facilities granted						
	TCAF	BCFB	BCFL	BCFV	TCBW	TCAA
2002 Q3	95 975	65 006	387 612	321 029	620 172	1 489 793
Q4	96 946	63 765	384 484	330 529	631 881	1 507 605
2003 Q1	97 860	64 422	408 170	337 951	639 426	1 547 829 [†]
Q2	93 240	65 963	407 773	343 472	661 318	1 571 766
Q3	91 556	65 423	430 778	345 908	681 360	1 615 025
Q4	85 063	63 557	447 144 [†]	350 500 [†]	700 354	1 646 619
Of which in sterling						
	TCCF	BCFC	BCFM	BCFW	TCDW	TCCA
2002 Q3	57 928	49 216	212 141	276 475	619 516	1 215 275
Q4	57 848	49 349	205 087	287 157	631 178	1 230 620
2003 Q1	56 944	49 334	212 398	294 815	638 662	1 252 154 [†]
Q2	54 711	50 685	215 042	301 434	660 540	1 282 412
Q3	54 779	50 738	226 080	303 030	680 456	1 315 082
Q4	52 679	49 996	230 710	311 590 [†]	699 570	1 344 544
Changes in sterling (facilities granted)						
	TCEF	BCFD	BCFN	BCFX	TCFW	TCEA
2002 Q3	-1 148	-1 752	6 977	6 315	17 551	27 944
Q4	-97	133	-7 036	10 521	12 821	16 342
2003 Q1	-657	82	2 478	8 670	15 070	25 643 [†]
Q2	-2 183	1 473	4 787	6 461	23 778	34 315
Q3	76	60	11 062	1 986	23 716 [†]	36 900
Q4	-2 100	-742	4 993	9 037 [†]	22 762	33 950
Changes in foreign currencies (facilities granted)						
	TCGF	BCFE	BCFO	BCFY	TCHW	TCGA
2002 Q3	595	-1 758	-9 040	2 793	37	-7 373
Q4	989	-1 225	2 274	-895	51	1 193
2003 Q1	575	287	11 315	-1 513	39	10 703
Q2	-1 321	697	11 044	100	37	10 558
Q3	-1 891 [†]	-636	10 643	1 820	128 [†]	10 064 [†]
Q4	-2 834	-341	4 000 [†]	-2 093 [†]	-85	-1 353

1 Comprises loans advances (including under reverse repos), finance leasing, acceptances, facilities and holdings of sterling commercial paper issued by UK residents, provided by reporting banks to their UK resident non-bank and non-building society customers. This analysis is based on Standard Industrial Classification of 1992 and excludes lending to residents in the Channel Islands and the Isle of Man which are classified as non-residents for statistical purposes from end-September 1997. Holdings of investments and bills and adjustments for transit items are no longer included. For a more detailed breakdown of these data, see *Financial Statistics* Table 4.5B.

2 Changes in the reporting population in the quarter to end-December 1997, including the entry of Northern rock plc, account for an increase of £12.8bn in total sterling lending. Other currency lending was unchanged.

Changes data have been adjusted to reflect only the new business undertaken by Northern Rock plc during the quarter.

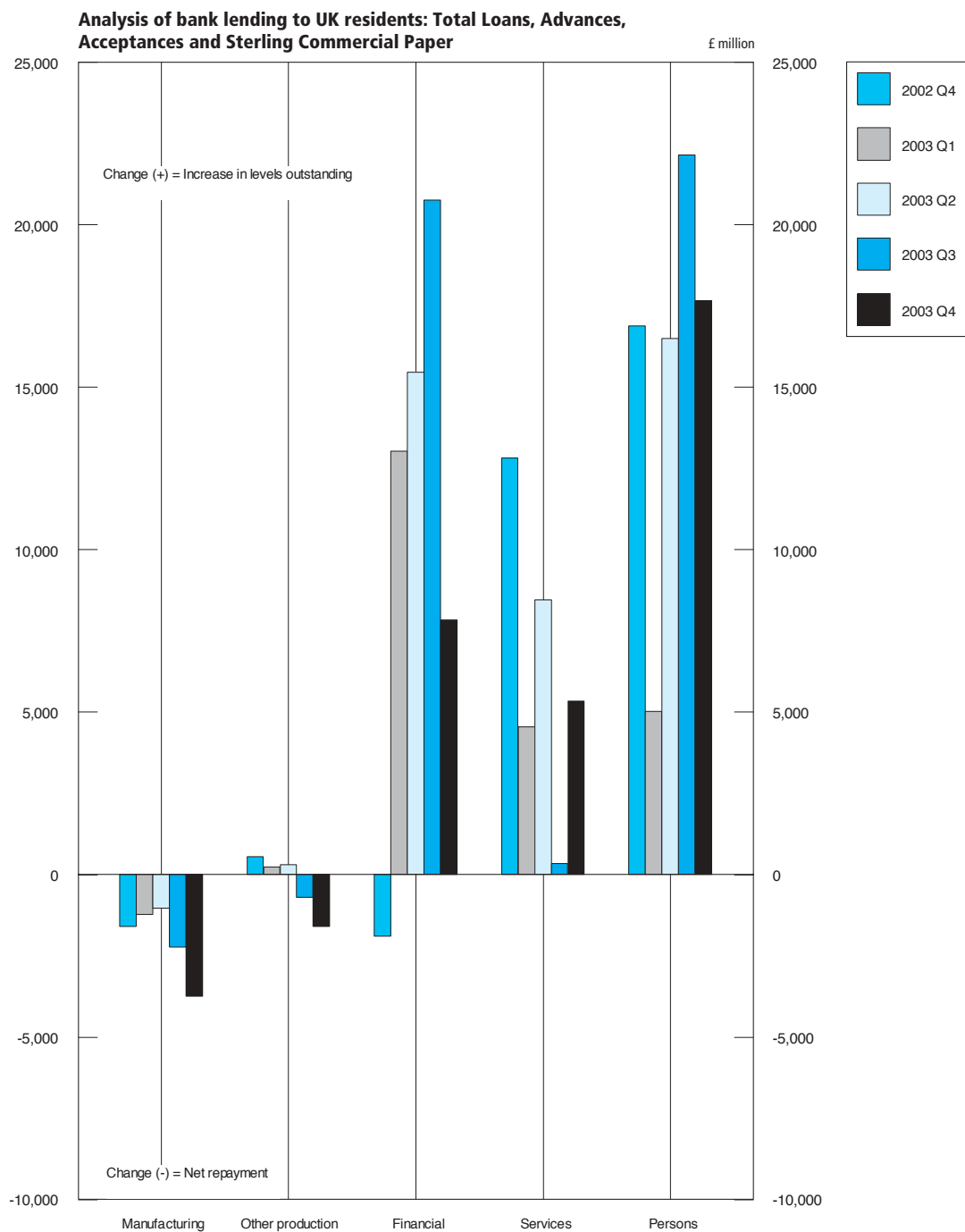
3 Includes lending under DTI special scheme for domestic shipbuilding.

4 In the quarter to end-June 1999, Halifax plc acquired Birmingham Midshires Building Society; adjustments have been applied so that only the growth in the latter's business in the quarter is included in the aggregate flows.

5 Data for amounts outstanding to end-Q4, 2000 reflect the entry of Bradford and Bingley plc to the banking sector in December 2000. Changes data have been adjusted to reflect only the net business undertaken by Bradford and Bingley plc during December.

6 These figures fall outside the scope of National Statistics.

Source: Bank of England; Enquiries 020 7601 5360



6.8 Interest rates, security prices and yields⁵

Percentage rate

	Last Friday						Last working day	Average of working days	
	Treasury bill yield ¹	Deposits with local authorities - 3 months ²	Inter-bank 3 months bid rate ³	Inter-bank 3 months offer rate ³	Sterling certificates of deposit 3 months bid rate	Sterling certificates of deposit 3 months offer rate		Euro-dollar 3 month rate	British government securities: long dated ⁴ - 20 years
Annual									
2000	AJRP	AJOI	HSAJ	HSAB	HSAL	HSAM	ZCMG	AJIB	AJLX
2000	5.69	5.84	5.81	5.84	5.75	5.81	..	6.35	4.68
2001	3.87	4.00	4.03	4.06	3.98	4.02	..	1.83	4.78
2002	3.92	..	3.94	3.96	3.90	3.94	..	1.35	4.83
Monthly									
2000 Jan	5.85	6.25	6.09	6.16	6.03	6.09	5.75	6.05	4.82
Feb	5.93	6.06	6.16	6.22	6.09	6.16	6.00	6.08	4.71
Mar	5.93	6.13	6.16	6.22	6.13	6.16	6.00	6.29	4.56
Apr	6.05	6.22	6.25	6.31	6.22	6.25	6.00	6.44	4.63
May	6.04	6.13	6.19	6.22	6.13	6.16	6.00	6.82	4.69
Jun	5.93	6.06	6.13	6.16	6.06	6.13	6.00	6.76	4.63
Jul	5.93	6.03	6.16	6.19	6.13	6.16	6.00	6.71	4.64
Aug	5.95	6.06	6.16	6.19	6.09	6.13	6.00	6.64	4.74
Sep	5.85	6.03	6.09	6.13	6.03	6.09	6.00	6.74	4.86
Oct	5.81	6.00	6.03	6.06	6.00	6.03	6.00	6.71	4.81
Nov	5.72	5.88	5.94	5.97	5.91	5.97	6.00	6.64	4.59
Dec	5.69	5.84	5.81	5.84	5.75	5.81	6.00	6.35	4.49
2001 Jan	5.57	5.63	5.69	5.72	5.66	5.72	6.00	5.35	4.51
Feb	5.46	5.53	5.53	5.56	5.50	5.53	5.75	5.01	4.57
Mar	5.29	5.38	5.44	5.47	5.40	5.43	5.75	4.86	4.56
Apr	5.11	5.13	5.25	5.28	5.23	5.25	5.50	4.27	4.86
May	5.02	5.13	5.16	5.19	5.16	5.17	5.25	3.95	4.99
Jun	5.10	5.06	5.19	5.25	5.18	5.18	5.25	3.80	5.07
Jul	5.04	5.13	5.16	5.22	5.16	5.17	5.25	3.60	5.03
Aug	4.71	4.75	4.84	4.88	4.83	4.84	5.00	3.43	4.81
Sep	4.33	4.38	4.41	4.47	4.41	4.51	4.75	2.52	4.93
Oct	4.16	4.06	4.13	4.19	4.10	4.13	4.50	2.15	4.80
Nov	3.81	3.94	3.94	4.00	3.92	3.96	4.00	2.00	4.51
Dec	3.87	4.00	4.03	4.06	3.98	4.02	4.00	1.83	4.75
2002 Jan	3.90	3.94	3.97	4.03	3.97	3.99	4.00	1.86	4.81
Feb	3.91	3.88	3.97	4.00	3.91	3.95	4.00	1.85	4.83
Mar	4.04	4.09	4.09	4.16	4.09	4.11	4.00	2.00	5.11
Apr	3.98	4.00	4.06	4.13	4.05	4.06	4.00	1.86	5.13
May	4.04	4.03	4.09	4.13	4.09	4.11	4.00	1.82	5.18
Jun	3.97	4.03	4.06	4.09	4.05	4.07	4.00	1.83	5.02
Jul	3.75	..	3.94	3.97	3.92	3.94	4.00	1.75	4.90
Aug	3.86	..	3.91	3.97	3.91	3.93	4.00	1.80	4.64
Sep	3.81	..	3.88	3.91	3.85	3.86	4.00	1.74	4.45
Oct	3.73	..	3.88	3.91	3.85	3.87	4.00	1.64	4.59
Nov	3.86	..	3.94	3.98	3.94	3.95	4.00	1.42	4.64
Dec	3.92	..	3.94	3.96	3.90	3.94	4.00	1.35	4.62
2003 Jan	3.79	..	3.88	3.91	3.88	3.89	4.00	1.29	4.44
Feb	3.49	..	3.59	3.64	3.60	3.62	3.75	1.30	4.39
Mar	3.51	..	3.57	3.61	3.57	3.59	3.75	1.25	4.54
Apr	3.47	..	3.55	3.58	3.54	3.56	3.75	1.28	4.67
May	3.44	..	3.54	3.57	3.55	3.55	3.75	1.22	4.46
Jun	3.50	..	3.55	3.59	3.55	3.56	3.75	1.09	4.39
Jul	3.32	..	3.36	3.40	3.36	3.38	3.50	1.06	4.65
Aug	3.53	..	3.54	3.57	3.54	3.56	3.50	1.11	4.68
Sep	3.59	..	3.66	3.67	3.63	3.65	3.50	1.13	4.76
Oct	3.81	..	3.86	3.90	3.85	3.87	3.50	1.13	4.88
Nov	3.86	..	3.90	3.94	3.90	3.92	3.75	1.12	4.95
Dec	3.90 [†]	..	3.95	3.98	3.95	3.98	3.75	1.10	4.83
2004 Jan	4.00	..	4.05	4.10	4.06	4.08	3.75	1.08	4.75
Feb	4.07	..	4.11	4.16	4.12	4.14	4.00	1.07	4.78

1 Average discount rate expressed as the rate at which interest is earned during the life of the bills.

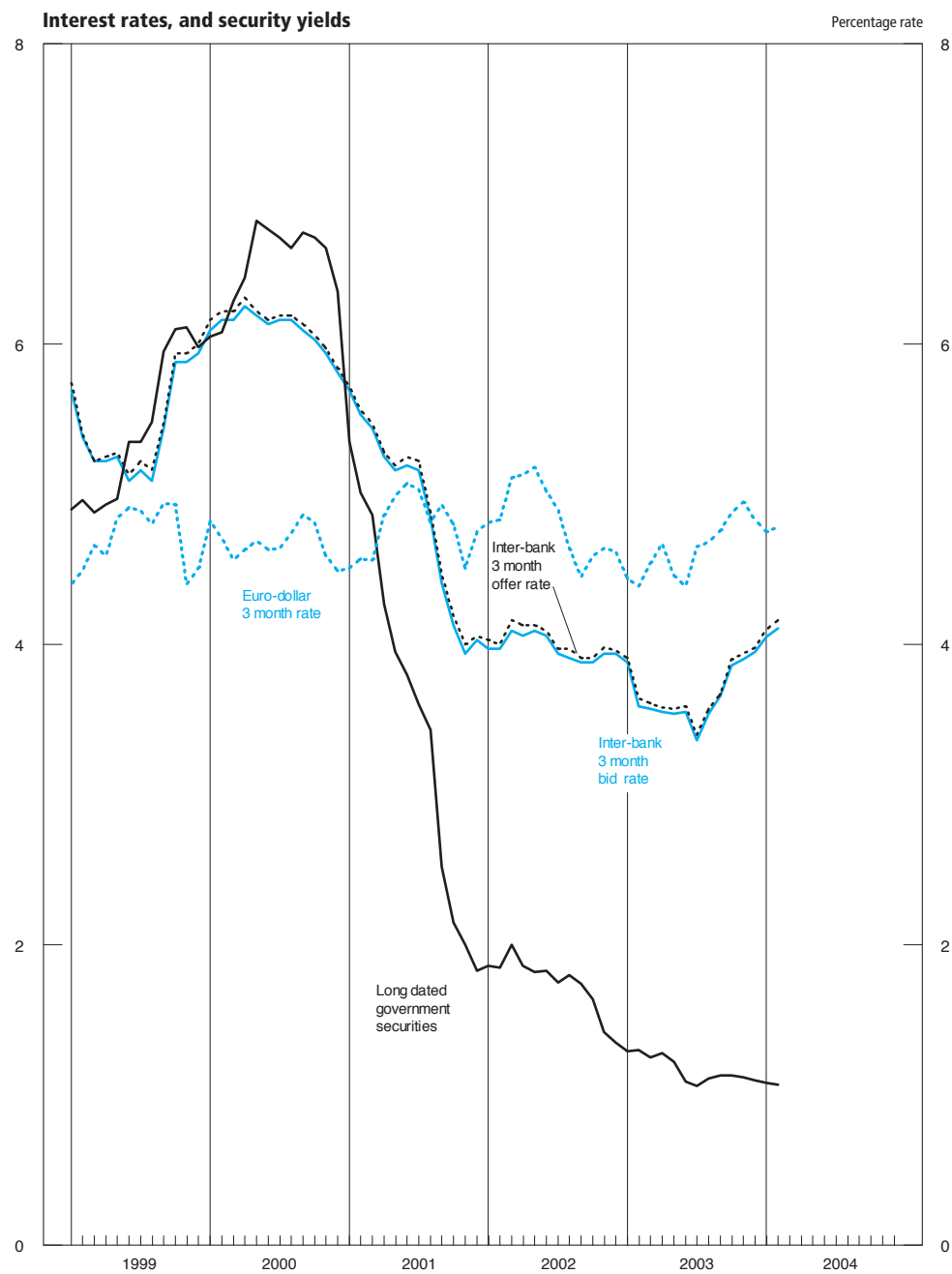
2 For a minimum term of 3 months and thereafter at 7 days' notice.

3 Spread of rates over the day in the inter-bank sterling market; from June 1982 rates are the spread at 10.30 am.

4 Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week); from January 1982 average of working days. Calculated gross redemption yields - see *Financial Statistics Explanatory Handbook*.

5 These figures fall outside the scope of National Statistics.

Sources: Bank of England;
Enquiries 020 7601 4342.



6.9 A selection of asset prices

	Producer price indices (NSA) (2000 = 100)		Housing:ODPM all lenders mix adjusted house price index (NSA) (2002 = 100)				Average price of agricultural land in England (NSA)(1995 = 100) ²
	Plant and machinery bought as fixed assets by	Manufactured output	New dwellings ¹	Secondhand dwellings ¹	All dwellings ¹		
						Motor vehicle industry	
Annual	PVJL	PQIR	WMPN	WMPP	WMPQ	BAJI	
2000	100.0	100.0	84.6	88.0	87.7	..	
2001	102.0	95.4	90.3	95.7	95.1	..	
2002	100.2	95.2	108.7	111.6	111.2	..	
2003	99.5 [†]	94.6	126.4	129.0	128.7	..	
Quarterly							
2000 Q1	99.0	102.0	81.3	83.9	83.6	142 ³	
Q2	99.4	101.8	86.0	88.5	88.2	142 ³	
Q3	100.1	99.9	89.0	89.9	89.9	159 ³	
Q4	101.4	96.3	92.9	92.3	92.5	144 ³	
2001 Q1	102.9	95.4	90.8	92.1	92.1	156 ³	
Q2	103.1	95.5	90.8	96.0	95.4	148 ^{3†}	
Q3	101.2	95.4	94.1	99.4	98.8	160 ³	
Q4	101.1	95.4	95.4	96.9	96.8	154 ³	
2002 Q1	101.0	95.6	100.0	100.0	100.0	131 ³	
Q2	100.5	95.5	106.5	108.4	108.2	140 ³	
Q3	100.0	94.9	111.0	116.1	115.5	151 ³	
Q4	99.2	94.9	117.1	121.8	121.3	152 ³	
2003 Q1	99.1	94.6	119.3	124.0	123.4	129 ³	
Q2	99.7	94.1	127.2	127.3	127.2	145 ³	
Q3	99.9	94.5	127.9	131.1	130.7	..	
Q4	99.5p [†]	95.1	131.3	133.7	133.4	..	
Monthly							
2002 Jan	100.9	95.6	..	..	..	..
Feb	101.1	95.6	100.0	100.0	100.0	..	
Mar	101.1	95.6	103.9	103.5	103.5	..	
Apr	100.8	95.6	103.6	105.1	104.9	..	
May	100.1	95.6	106.5	107.8	107.6	..	
Jun	100.5	95.4	109.4	112.4	112.0	..	
Jul	100.2	94.9	105.9	113.8	112.9	..	
Aug	100.4	94.9	111.6	115.9	115.4	..	
Sep	99.4	94.9	115.5	118.6	118.2	..	
Oct	99.2	94.9	113.7	119.9	119.1	..	
Nov	99.2	95.0	116.2	120.9	120.3	..	
Dec	99.1	94.9	121.4	124.7	124.3	..	
2003 Jan	98.5	94.7	119.2	124.0	123.4	..	
Feb	99.0	94.6	118.0	122.7	122.1	..	
Mar	99.7	94.6	120.7	125.2	124.7	..	
Apr	99.9	94.2	127.5	127.8	127.7	..	
May	99.8	93.9	127.1	126.8	126.8	..	
Jun	99.4	94.2	127.1	127.2	127.1	..	
Jul	99.7	94.2	126.6	129.7	129.3	..	
Aug	100.0	94.5	129.6	131.9	131.6	..	
Sep	100.0	94.7	127.6	131.7	131.2	..	
Oct	99.5p	95.1	132.6	133.7	133.5	..	
Nov	99.5p [†]	95.1	128.8	132.4	132.0	..	
Dec	99.5p	95.1	132.0 [†]	135.0	134.6	..	
2004 Jan	99.8p	95.0p	131.5	136.0	135.4	..	
Feb	..	95.4p	..	..	..	..

¹ Series based on mortgage lending by all financial institutions rather than building societies only, as previously published. This change has been made necessary because of the mergers, takeovers and conversions to plc status affecting the building society sector. The series is based on the Office of the Deputy Prime Ministers' 5% survey of mortgage lenders (at completion stage), but now includes all mortgage lenders rather than building societies only. From February 2002, monthly data has been obtained from the enlarged survey and quarterly data from 2002q2 are based on monthly indices.

² Please note that because of some changes in coverage, the revised series from Q1 1993 is not directly comparable with the old series. From Q1 1993 prices of all sales of agricultural land exclude some transfers in order to come closer to estimates of market determined prices. However the new series does not represent exactly competitive open market values. Sales are now analysed and recorded on the basis of when the transactions actually took place. Further information is available on the DEFRA Website (www.defra.gov.uk/esg/default.htm) accessible through the Internet. Data prior to 1993 remains on the previous basis.

³ Provisional estimates.

Sources: Office for National Statistics, Enquiries Columns 1-2 01633 812106 or 813390;

Office of the Deputy Prime Minister, Enquiries Columns 3-5 020 7944 3325;

Department of Environment, Food and Rural Affairs;

Enquiries Column 6 01904 455083

Measures of variability of selected economic series¹

			Average percentage changes					I / C for MCD (or QCD) span
Table	Period covered		CI	I	C	I / C	MCD or QCD	
Quarterly series								
National income and components: chained volume measures, reference year 2000								
Gross Value Added (GVA) at Basic Prices	2.1	Q1 1985 to Q3 2003	0.7	0.2	0.7	0.3	1	0.3
Households' Final Consumption Expenditure	2.5	Q1 1985 to Q3 2003	0.9	0.3	0.9	0.4	1	0.4
Gross fixed capital formation	2.2, 2.7	Q1 1985 to Q3 2003	2.1	1.2	1.5	0.8	1	0.8
Exports: goods and services	2.2	Q1 1985 to Q3 2003	2.0	1.1	1.4	0.8	1	0.8
Imports: goods and services	2.2	Q1 1985 to Q3 2003	2.1	1.0	1.7	0.6	1	0.6
Real Households' disposable income	2.5	Q1 1985 to Q3 2003	1.2	1.0	0.9	1.1	2	0.3
Gross operating surplus of private non-financial corporations	2.11	Q1 1985 to Q3 2003	3.1	2.1	2.0	1.1	2	0.4
Other quarterly series								
Households' saving ratio ³	2.5	Q1 1985 to Q3 2003	0.9	0.9	0.4	2.1	2	0.7
Monthly series								
Retail sales (volume per week)								
Predominantly food stores	5.8	Jan 1986 to Sep 2003	0.6	0.6	0.2	2.4	3	0.8
Predominantly non-food stores	5.8	Jan 1986 to Sep 2003	1.1	1.0	0.4	2.5	3	0.8
Non-store and repair	5.8	Jan 1986 to Sep 2003	1.8	1.7	0.5	3.6	4	1.0
Housing starts ² :								
Private enterprise	5.4	Jan 1985 to Mar 2003	7.0	6.8	1.5	4.4	5	0.9
Registered Social Landlords	5.4	Jan 1985 to Mar 2003	14.9	14.8	1.6	9.1	6	1.0
Housing completions ²								
Private enterprise	5.4	Jan 1985 to Mar 2003	5.7	5.7	0.7	8.6	6	1.0
Registered Social Landlords	5.4	Jan 1985 to Mar 2003	14.1	14.0	1.6	8.8	6	1.0
Index of industrial production								
Production industries	5.1	Jan 1985 to Sep 2003	0.7	0.7	0.2	3.1	4	0.9
Manufacturing industries	5.1	Jan 1985 to Sep 2003	0.7	0.7	0.3	2.5	3	0.8
Average earnings: whole economy	4.6	Jan 1990 to Sep 2003	0.4	0.3	0.4	0.7	1	0.7
Exports: value, f.o.b. ⁴	2.13	Jan 1985 to Sep 2003	2.9	2.7	0.8	3.2	4	0.8
Imports: value, f.o.b. ⁴	2.13	Jan 1985 to Sep 2003	2.3	2.2	0.8	2.7	3	0.8
Money stock - M0 ⁵	6.2	Jan 1985 to Sep 2003	0.5	0.3	0.5	0.6	1	0.6
Money stock - M4 ⁵	6.2	Jan 1985 to Sep 2003	0.8	0.3	0.7	0.4	1	0.4

1 For a fuller description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No 226, August 1972.

The following are brief definitions of the measures.

CI is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign in the seasonally adjusted series.

I is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes 3 and 5.

C is the same for the trend component.

I / C is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes I and C can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which I / C is less than 1 and therefore represents the minimum period over which changes in the trend, on average, exceed the irregular movement.

MCD cannot exceed 6 even if I / C exceeds 1 for 6-month periods.

2 Series relate to Great Britain.

3 The figures in the tables were obtained from an additive analysis of the households' saving ratio so CI, I and C are differences in percentage points.

4 The figures have been updated as described in an article in *Economic Trends*, No 320, June 1980.

5 As the irregular component for M0 and M4 is obtained by subtraction of the trend rather than by division, the figures for CI, I and C are expressed as percentages of the trend level in the preceding month.

Source: Office for National Statistics: Enquiries 020 7533 6243

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Abbreviations

DEFRA – Department for Environment, Food and Rural Affairs.

ODPM – Office of the Deputy Prime Minister.

	Table	Source	Further statistics (where available)
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