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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.

A National Statistics Publication

National Statistics are produced to high
professional standards set out in the National
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regular quality assurance reviews to ensure
that they meet customer needs. They are
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No. 606, May 2004

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in brief

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

GDP growth

Real GDP rose by 0.6 per cent in Q1 2004 from 0.9 per cent in the previous quarter.

Annual (four-quarter) growth in the first quarter was 3.0 per cent.

Output from the production industries fell by 0.5 per cent; output from manufacturing and mining and quarrying decreased. There was a small rise in energy supply.

Services rose by 0.8 per cent from 1.0 per cent in Q4 2003.

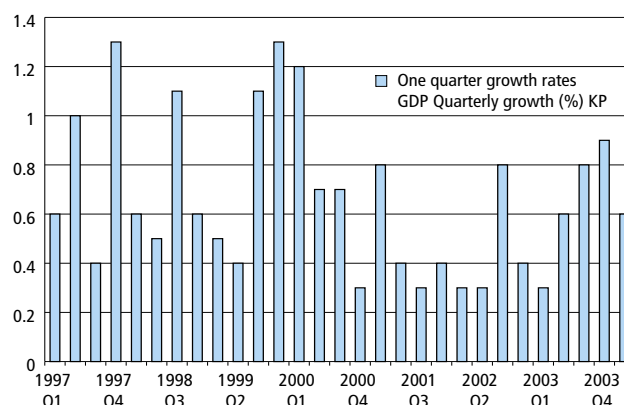
Transport and communication fell slightly following a rise of 1.0 per cent in the previous quarter. Post and telecommunication and 'transport support' both fell after rising in Q4 2003.

Business services and finance increased, though not quite as strongly as in the previous quarter; business activities (which includes management consultancy and architects) grew less strongly.

Distribution, hotels and restaurants grew by 1.2 per cent from 0.5 per cent in Q4 2003, reflecting continued growth in retailing and stronger growth in hotels and restaurants.

Real GDP quarterly growth

Per cent



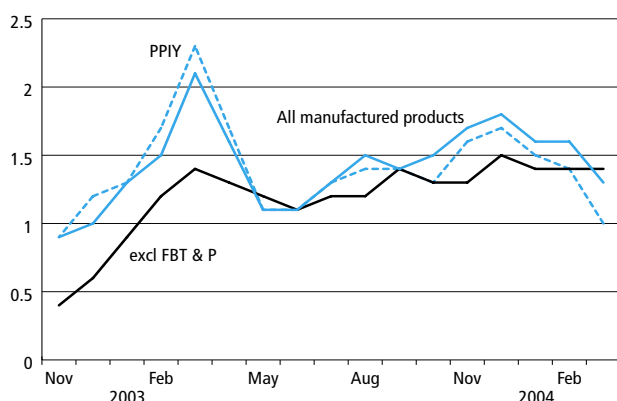
Government and other services and construction output increased at a broadly similar rate to the previous quarter.

Released: 23 April 2004

Producer prices

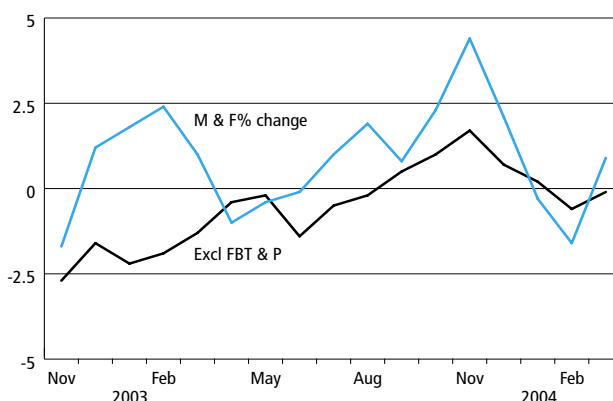
Output prices (what manufacturers sell)

12 months percentage change



Input prices (materials & fuel manufacturers buy)

12 months percentage change



In March, output price annual inflation fell to 1.3 per cent, while input price annual inflation rose sharply, from a fall of 1.6 per cent in February to a rise of 0.9 per cent in March.

In March, output prices for all manufactured products showed an annual increase of 1.3 per cent, compared with a rise of 1.6 per cent in the year to February. Month on month, prices rose 0.4 per cent on February, which mainly reflected price rises in tobacco, alcohol and other manufactured products. These rises were partly due to budget increases and continued demand for scrap steel.

The 'narrow' output prices measure showed an annual increase of 1.4 per cent, the same as the rise to February. Seasonally adjusted prices rose 0.1 per cent between February and March.

Input prices of UK manufacturers' materials and fuels rose 0.9 per cent in the year to March. Between February and March the input index rose 2.3 per cent, which mainly reflected price rises in crude oil, other imported parts and equipment and imported metals. In seasonally adjusted terms the index rose 1.9 per cent between February and March.

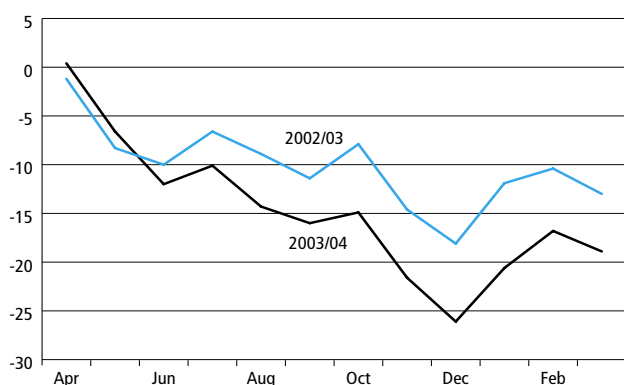
The 'narrow' input prices measure fell 0.1 per cent in the year to March. In seasonally adjusted terms the index rose 0.9 per cent between February and March.

Released: 19 April 2004

Public Sector

Cumulative public sector surplus on current budget

£ billion



In March 2004 the public sector showed a deficit on current budget of £2.1 billion, compared with a deficit of £2.6 billion in March 2003.

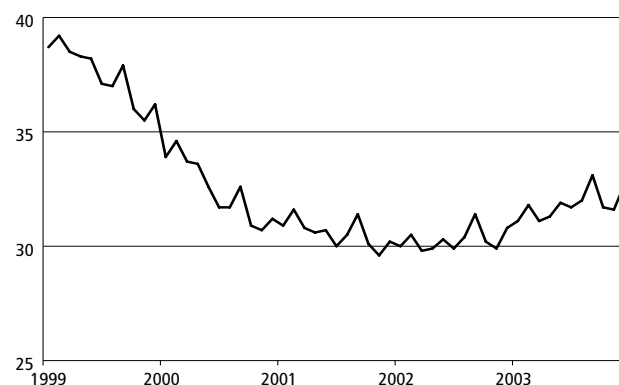
Concentrating on one month in isolation can give a distorted picture as movements can be erratic. Focusing on the financial year to date generally provides a better overview. In financial year 2003/04, the public sector recorded a deficit of £18.9 billion. In financial year 2002/03 a deficit of £13.0 billion had been recorded.

More generally the public sector recorded deficits between 1991/92 and 1997/98 before moving into surplus in 1998/99. The provisional deficit for 2002/03, at £13.0 billion, was the first deficit recorded since 1997/98. The 2004 Budget forecast for 2003/04 was a deficit of £21.3 billion.

An alternative measure of the public sector fiscal position is public sector net borrowing. This additionally takes account of capital investment. In March 2004 there was a surplus of £6.2

Net Debt (as a percentage of GDP)

Per cent



billion, which compares with a surplus of £5.7 billion in March 2003. In financial year 2003/04, a deficit of £34.8 billion has been recorded. In financial year 2002/03, a deficit of £22.7 billion had been recorded. The Budget forecast for 2003/04 was a deficit of £37.5 billion.

Public sector net debt, expressed as a percentage of gross domestic product (GDP), was 32.7 per cent at the end of March, compared with 30.8 per cent at end of March 2003. Debt peaked at 44.0 per cent of GDP in 1997, its highest since the mid 1980s. The debt ratio then fell steadily as public sector finances improved, reaching a low of 29.6 per cent in February 2002. Since then it has risen. The Budget forecast for the end of March 2004 was 33.2 per cent.

Net debt was £375.4 billion at the end of March, compared with £334.1 billion a year earlier. The Budget 2004 forecast for net debt at the end of March 2004 was £379.7 billion.

Released: 22 April 2004

Economic update

May 2004

Rhys Herbert

Office for National Statistics

- First quarter GDP growth was 0.6 per cent, a deceleration from the fourth quarter of last year.
- A strong service sector continues 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 the first quarter 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 been weaker in early 2004.
- Labour market aggregates remain largely stable, but average earnings have risen in early 2004 due primarily 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 further in March.

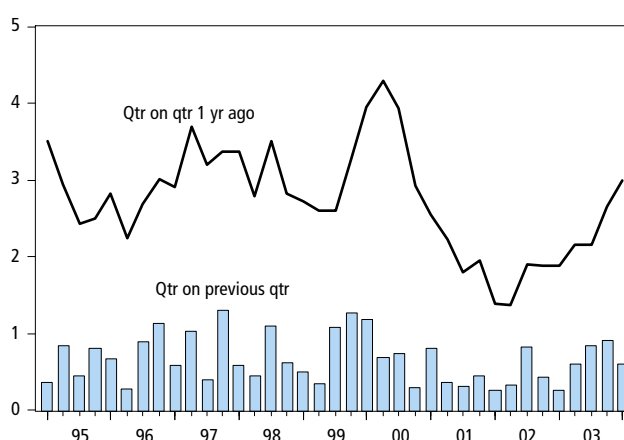
GDP activity – overview

The initial estimate of GDP growth in the first quarter of 2004 was 0.6 per cent. This was considerably lower than the growth rate for the fourth quarter of 2003, which was 0.9 per cent. The first quarter annual rate of growth initially estimated to be 3.0 per cent is in contrast, a little stronger than the fourth quarter annual growth rate of 2.7 per cent (Figure 1). It should be remembered that this preliminary GDP release does contain a large element of estimation for certain sectors of the economy. The number will be firmed up later as more data becomes available.

First quarter GDP data was not available for any other country at the time of writing but monthly indicators for both the US and the Euro area appear to suggest that growth was a little slower in early 2004 than it had been in late 2003. Most OECD economies had 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

Figure 1
GDP

Growth



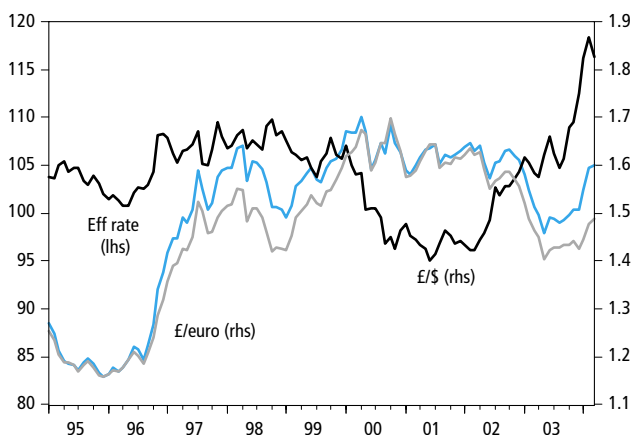
of the dollar. Japan had the strongest GDP growth of all the major economies in the fourth quarter, growing by around 1.7 per cent. Exports continue to benefit from the impetus given to Asian trade from the rapid growth of China and business investment is also now showing signs of recovery. Growth in 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.

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 performance of the stock market so far in 2004 has been a little erratic. It began the first quarter rising quite strongly, only to subside later on and end the quarter up around 2 per cent. 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.

Figure 2
Exchange rates

£ equals



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 pound continue to rise, most prominently against the

dollar but also recently against the euro as well. 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

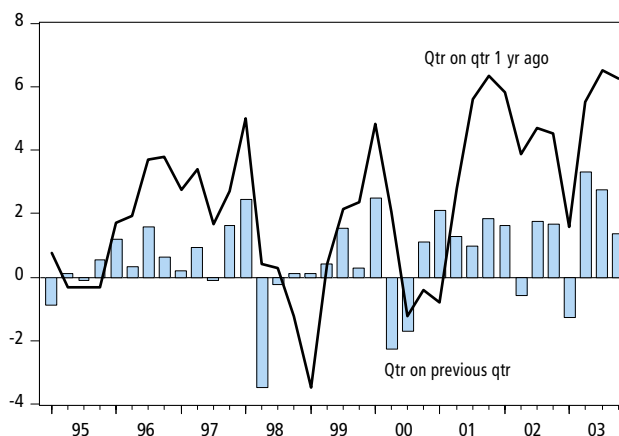
Gross domestic product (GDP) in the first quarter of 2004 is initially estimated to have grown by 0.6 per cent. This is substantially lower than growth rate in the fourth quarter of last year, which was 0.9 per cent. The annual growth rate compared with the first quarter of last year is estimated to be 3.0 per cent, which represents an acceleration from the 2.7 per cent annual rate recorded in the fourth quarter of last year. It should be recognised that these initial figures are based on only partial information, which has to be augmented with a considerable amount of estimation. This is particularly true at this stage for the service sector and construction. In the case of construction the numbers are produced from a quarterly survey, the results of which are unavailable at the time of the preliminary GDP release. The service sector numbers are derived from a monthly survey but the responses to the third month of the quarter, in this case March, have usually not been fully collected by the time of the Preliminary GDP release. Indeed the timing of Easter this year had resulted in an even lower than usual response to the March survey of the service sector being available at the time of calculation of the initial GDP data. As a result the initial GDP estimate for the first quarter of 2004 may be potentially more subject to revision than usual.

The composition of growth in the first quarter looks very similar to that at the back end of last year. Growth continued to be led by the service sector, while construction activity also rose albeit at a slower rate than last year. In contrast manufacturing output declined in the first quarter, as indeed did industrial activity as a whole.

It was noted above that the figures for construction output are derived from a quarterly survey the results of which are still unavailable at the time of the initial GDP estimate for

Figure 3
Construction output

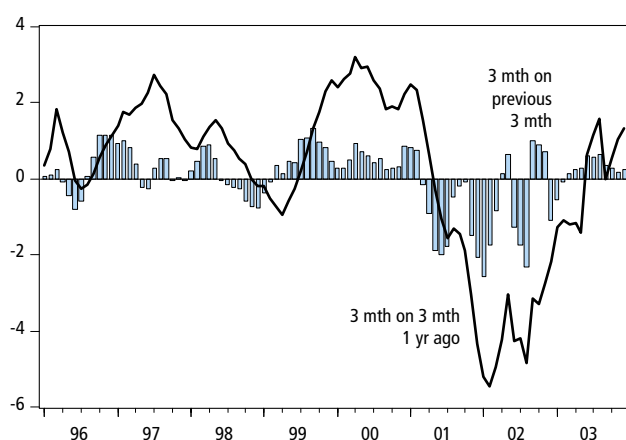
Growth



a quarter. This initial figure is a forecast calculated by the DTI using models and based at least partly on monthly new construction orders. Using this methodology the output of the construction sector in quarter one of 2004 is estimated to have grown at a broadly similar rate to the previous quarter. Construction output growth has been gradually slowing down now for three quarters in a row. External indicators of construction activity such as the CIPS survey suggest that activity slowed down in the first quarter of this year but it should be noted that these figures were notably stronger than official statistics at the back end of last year (Figure 3).

Figure 4
Manufacturing output

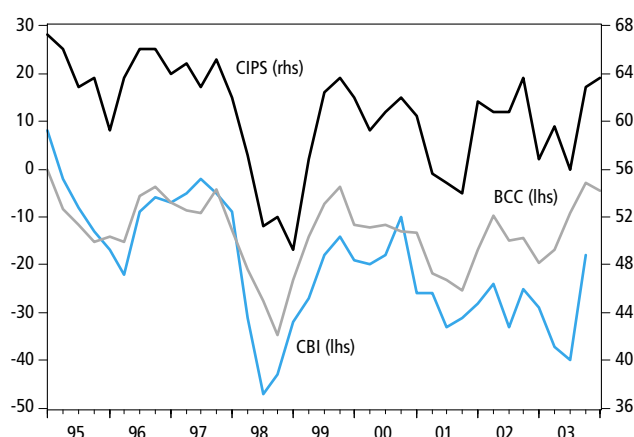
Growth



The output of the production industries fell by 0.5 per cent in the first quarter. Within this, manufacturing output is estimated to have fallen in the first quarter. This latter figure is based upon the released data for January and February, which showed a decline in activity and a forecast for March (Figure 4). The decline in output was broadly based as ten of the fourteen subsectors fell. A significant fall took place in output of paper, printing and publishing, along with lesser falls in machinery and equipment and electrical and optical equipment. External surveys of production for the first

Figure 5
External manufacturing

Balances

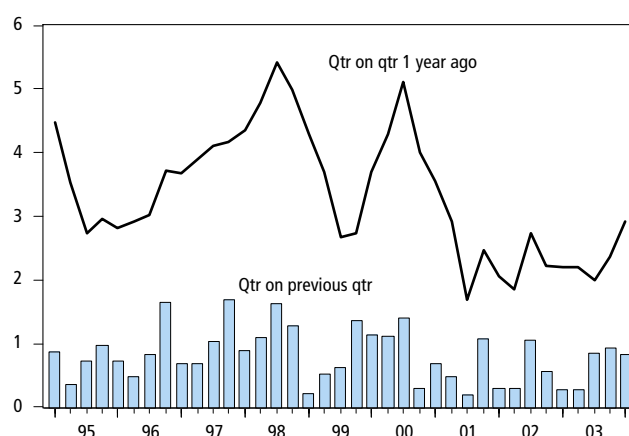


quarter were in general stronger than official data. The CIPS survey signalled expansion in both manufacturing output and orders in the months from January to March. The headline figure indicated activity expanding in all three months albeit not as strongly as in quarter four of last year. The quarterly BCC survey pointed to robust manufacturing sales and orders, with the indices at their highest levels since 1997 and 1999 respectively. The quarterly CBI survey is not yet available but the monthly indicators for orders and output expectations showed very high levels of optimism in all months from January to March (Figure 5). It is to be noted however that the variables included in the CBI monthly survey are forward looking and might be telling us more about sentiment than they do about actual activity.

Overall service sector output grew by 0.8 per cent in quarter one down from 1.0 per cent in the fourth quarter of last year. Looking at the same quarter a year ago, annual growth in the fourth quarter was 2.9 per cent. The weaker growth occurred in a number of sectors, including post and telecommunications. The external evidence pointed to further strong growth in the first quarter of 2004. The CIPS index of services showed another big rise in both activity and orders in 2004 quarter one. The index has been growing rapidly now for some considerable time. The rate of increase in quarter one was admittedly well below that in quarter four of 2003 but is still nevertheless consistent with rapid growth in the service sector (Figure 6). Certainly the business expectations indicator is at its highest level since 1999. The CBI survey of services also showed strengthening activity in quarter one coupled with an improvement in expectations for the future. Finally, the BCC survey remains very strong confirming the momentum gained in quarter four of last year.

Figure 6
Services output

Growth

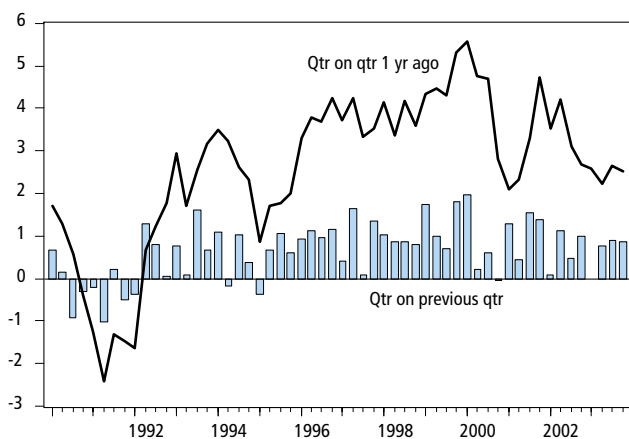


Household demand

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. 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).

Figure 7
Household demand

Growth



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.

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 does not 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 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 do not provide evidence of a pronounced slowdown. Spending rose by 1.9 per cent in the three months to the end of the March, compared with gains of 1.7 per cent in the previous three months (Figure 8). External figures provide mixed evidence. The CBI survey showed an increase in January followed by lower figures in February and March, which brought the quarterly average down a bit when compared to quarter four last year. The BRC survey of like for like sales on the other hand indicated a pick up in sales through February (Figure 9).

Figure 8
Retail sales

Growth

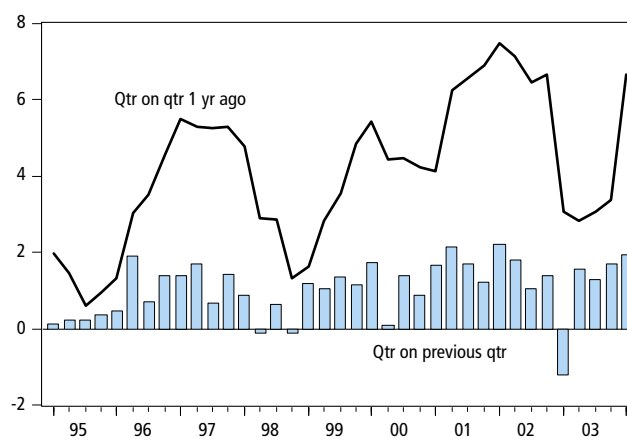
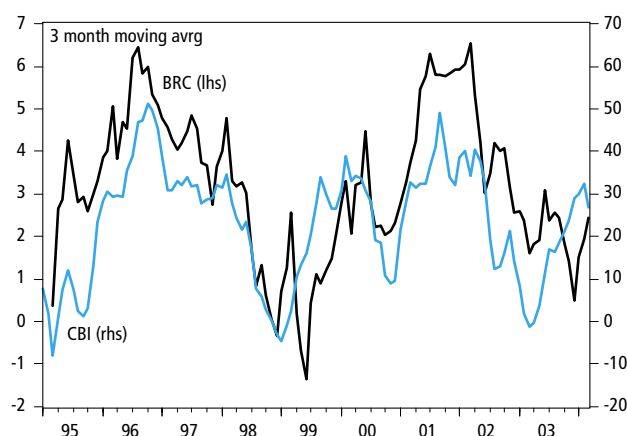


Figure 9
External retailing

Growth

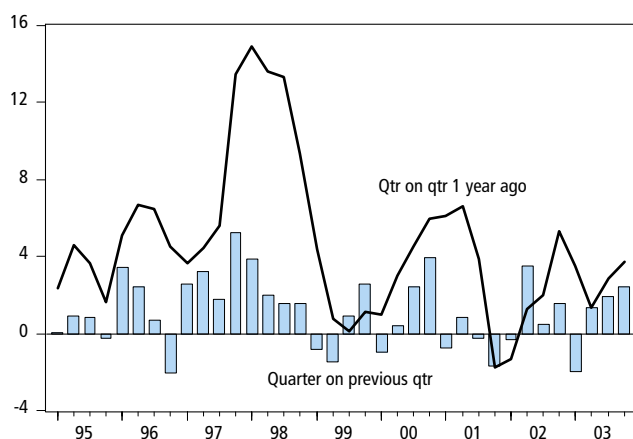


Business demand

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 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. Disaggregated 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 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



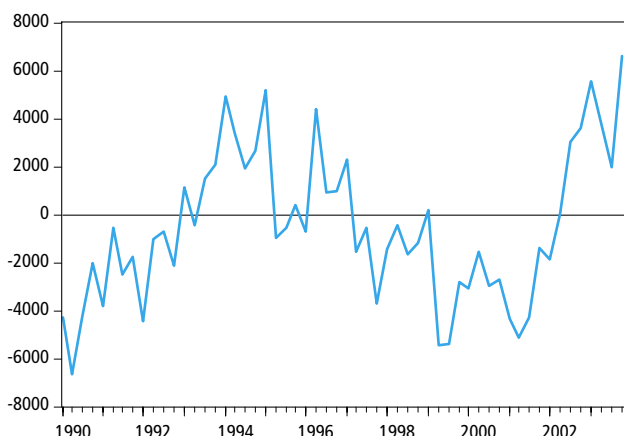
However, the environment still remains a mixed one for investment. An increase in investment depends upon firms finding it both affordable and profitable to invest. The last few quarters has seen an improvement in this to some degree. The fourth quarter saw the non-financial corporate sector record a 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.

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.

Figure 11
Net lending by the Non-financial corporate sector

Balances

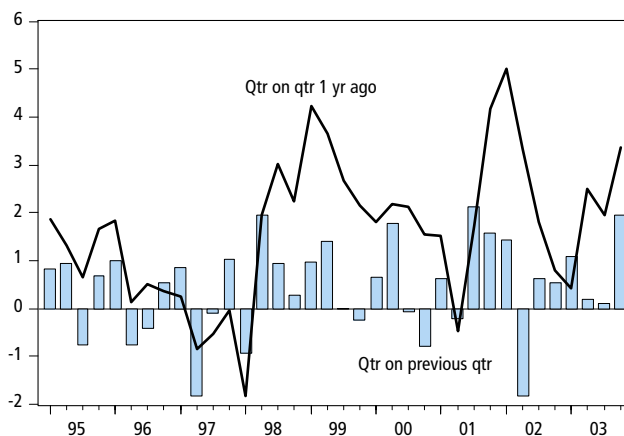


Government demand

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



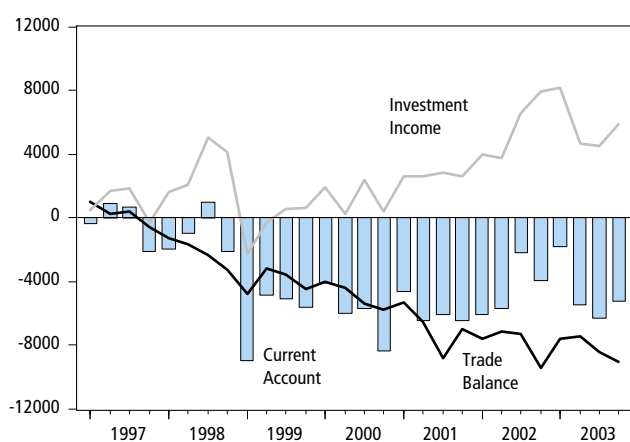
The combination of faster government expenditure growth alongside weaker revenues reflecting the more subdued economic activity has led to deterioration in the public sector's finances. The public sector, a substantial net lender in the years 1998 to 2001 became a net borrower again in 2002. The net 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



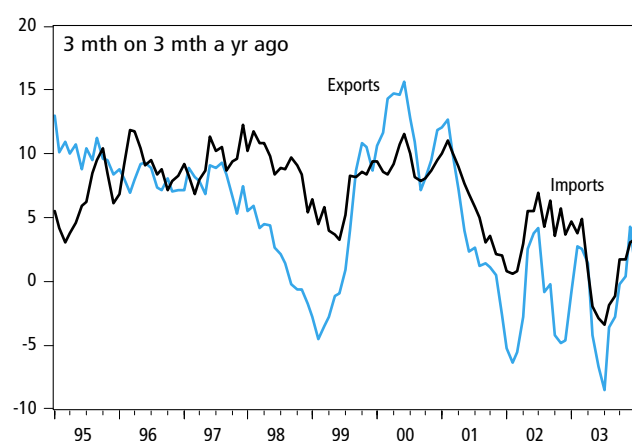
In volume terms both import and export activity picked up in quarter four. Exports of goods and services rose by 1.3 per cent on the quarter, comparing favourably with a rise of only 0.1 per cent in quarter three. This consisted of a rise in goods exports of 2.0 per cent but a fall of in services of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

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).

Figure 14
Trade

Growth, 3 month on 3 month a year ago



Less positively the figures for January showed a very marked fall in export volumes to non-EU markets that raised concerns that sterling's rise against the dollar is now impacting on UK companies' international competitiveness. In actual fact the figures for February did show a rebound in goods exports but to a level that left total goods exports below their December rate. The January fall may in part be linked to seasonal adjustment problems brought on by computerisation at Customs and Excise, which may have meant that exports that would have been in the past assigned to January were on this occasion recorded in December.

The surprisingly weak figures for exports in the first two months of the year were not matched by figures from external surveys, which generally pointed to a pickup over the quarter. The BCC survey figures for exports sales and orders for the manufacturing sector reached 7-year highs in 2004 quarter one, building on the strength of quarter four of last year. Service sector export figures, on the other hand, did not match up the strength of the manufacturing sector and were

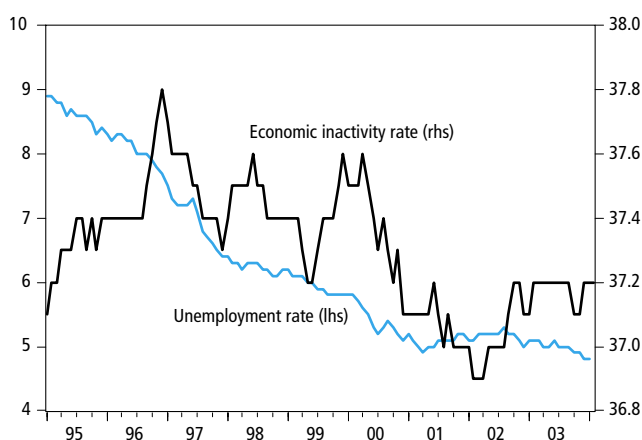
flat on 2003 quarter four levels. The CBI quarterly survey is not available yet but we have figures from the monthly surveys. Monthly CBI figures seem to indicate that exports improved in the first quarter of the year, especially towards the end of the quarter. The index level for export orders in March was the highest since 1996.

Labour Market

Headline labour market statistics continue to be remarkably stable. Employment is high, with the labour force survey (LFS) employment rate at 74.9 per cent in the three months to February, 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 February, unchanged when compared with a month ago. The claimant count unemployment rate, at 2.9 per cent in March was also unchanged. 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 February the number of full-time workers was up 81,000, and by 120,000 compared with a year ago. Meanwhile the number working part time was up by 102,000 on the three month period and by 198,000 on the year.

Another recent trend has been for job gains to be in self-employment. However, this may also now be changing. The number of self-employed workers in the three months to February fell by 0.1 per cent compared with the previous three months, although it was still up 6.6 per cent compared with a year ago. In contrast the number of employees was up 0.7 per cent on a three month basis and 0.3 per cent on the year.

Average earnings growth was sharply in January but this was mostly due to a rise in bonus payments. In February average earnings including bonuses rose by 4.9 per cent on a three

month basis, although much of this was due to the January spike. Average earnings excluding bonus payments has been more stable, rising by 3.8 per cent in the three months to February. This is still well below the 4.5 per cent figure that the Bank of England considers broadly consistent with their inflation target. It does appear that earnings have drifted up a little over the past few months on the back of a gradual pick up in private sector earnings. However, the growth rate has still yet to climb above its level of a year ago.

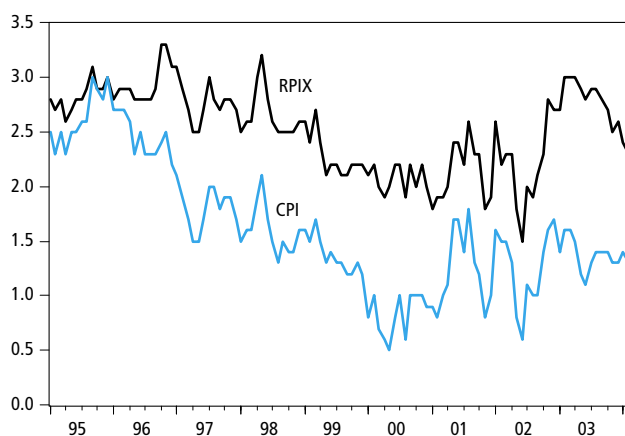
Prices

Producer output prices rose by 1.3 per cent annually in March, down from 1.6 per cent in February. This was the lowest rate of inflation since the autumn of last year and confirms that output price inflation seems to be heading downward once again after moving up through the back end of last year. Output prices excluding food, beverages tobacco and petroleum products, rose by 1.4 per cent in March the same rate as in the previous two months 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 saw falls in input prices, although they did pick up again in March mainly it seems because of a rise in the oil price.

All of the official measures of consumer price inflation continued to point to very low inflation. Inflation as measured by the consumer prices index (CPI), fell to 1.1 per cent in March compared to 1.3 per cent in February. 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 0.2 per cent on the month to an annual rate of 2.1 per cent (Figure 16). However, RPI inflation rose by 0.1 per cent to 2.6 per cent, due to the impact of the February rise in mortgage rates.

Figure 16
Inflation

Growth, month on a year ago



Forecasts for the UK economy

A comparison of independent forecasts, April 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)	3.1	2.3	3.6
Inflation rate (Q4 per cent)			
CPI	1.6	0.9	2.2
RPI	3.0	1.7	3.9
Unemployment (Q4, million)	0.88	0.75	1.09
Current account (£ billion)	-26.8	-37.4	-17.5
Public Sector Net Borrowing (2004-05, £ billion)	36.2	26.0	48.0

Independent forecasts for 2005

	Average	Lowest	Highest
GDP growth (per cent)	2.6	0.4	3.2
Inflation rate (Q4 per cent)			
CPI	1.9	1.2	2.7
RPI	2.7	2.2	3.8
Unemployment (Q4, million)	0.89	0.58	1.20
Current account (£ billion)	-27.7	-53.2	-10.0
Public Sector Net Borrowing (2005-06, £ billion)	37.2	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

May 2004

Richard Wild

Office for National Statistics

Overview

- GDP growth estimates for 2003 as a whole are now available for all major economies, and in certain cases include quarterly revisions. The country that 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 France, Germany and Italy growing by 0.4, 0.2 and 0.0³ 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, however, pulled growth down although the weakness of the dollar may favour foreign trade over the coming months. Employment growth has been rising in recent months, and picked up sharply in March according to the survey of employers.
- Japanese growth seems to have been a balanced combination of both domestic and foreign trade components. Deflation however, has been a salient price characteristic and much of recent real GDP growth is explained by falls in the GDP deflator. Recent monthly data indicate a slowdown in negative price growth.
- The Eurozone economies all struggled with nil or negative growth rates in the first two quarters of 2003 but experienced something 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 weak investment growth 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 two out of four quarters.
- Industrial production growth was positive for Japan, the US and Germany in 2003 and negative for France and Italy. Apart from Japan, the remaining economies all experienced negative growth during the second and third quarters, followed by positive growth in the final quarter. The latest monthly figures are positive for all the countries analysed, and production output in Japan and the US is accelerating; this contrasts with a deceleration in the Eurozone. External indicators for manufacturing in the Eurozone^{4,5,6,7} at the start of 2004 have shown some slight increases in optimism in early 2004 but have been weaker than 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' Indices indicated that activity has been increasing rapidly up to March, continuing the trend from November 2003.
- The Italian unemployment rate seems to be declining steadily and the German and French rates are broadly flat at a high level. A similar picture can be seen in the US and Japan after minor falls over the latter half of 2003, although the rate for the latter remains at historically high levels.
- Global inflationary pressures remain subdued. Consumer price inflation has been stable year on year in the three Eurozone economies, but price growth has continued at a slow pace in Germany. Producer prices are also rising gently in that group. In the US, both consumer and producer price growth have picked up on last year. Deflation continues in Japan, although there are signs that it is moderating.

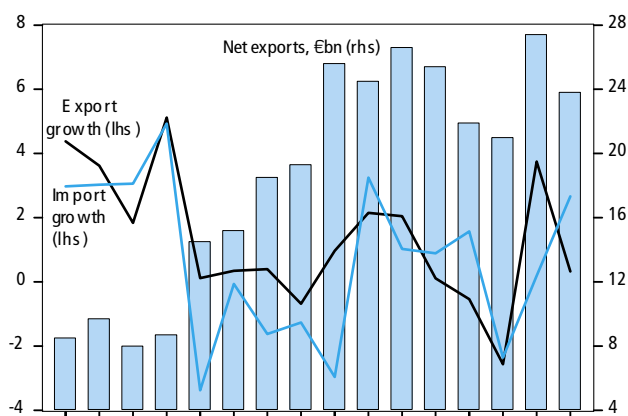
Germany

GDP data for the first quarter of 2004 have not yet been released. The figures for 2003 remain unchanged since last month, showing consecutive falls of 0.2 per cent in quarters one and two, partly compensated for by growth of 0.2 per cent in each of quarters three and four. The quarterly variations as a whole indicate a contraction in annual GDP of 0.1 per cent, continuing the downward trend in output observed since 2001. Investment was the main reason for the fall in output over the year, as 2003 was the third year in a row in which it fell. Total consumption remained weak, although a slowing in the pace of decrease in private sector consumption allowed for a marginal positive addition to GDP growth for private and government consumption as a whole. The major expansionary contribution came from the accumulation of stocks, which added 0.8 per cent to growth over the year, with government expenditure also making a modest positive contribution of 0.2 per cent. Germany's net foreign trade position showed a significant reversal of trend, with a relative increase in imports reducing GDP growth by 0.4 per cent – the first negative contribution for these components since 1999.

In the last quarter of 2003 German GDP grew by 0.2 per cent and most of this 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 added 0.9 per cent to GDP 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; the figures are substantially weaker than last year as a whole. 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 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 expansion. Figure 1 illustrates the recent paths of import and export growth, and of net exports.

Figure 1
Germany: Trade

Growth in imports and exports quarter on previous quarter;
Net exports, € bn



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. However, some external surveys continue to paint a negative picture for the near future. The ZEW⁵ Indicator of Economic Sentiment for April 2004 fell in both March and April, with participants citing weak incoming orders, a weak jobs market and rising oil prices as hindrances to economic recovery. The most recent IFO business survey, however, rose by around 1 per cent on March, with a small decline in business expectations more than offset by a rise in business expectations. Overall, opinions of Germany's current economic situation were slightly more optimistic than for March, although they remain broadly negative.

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 quarters two and three, posting +0.1 per cent in each period. Inventories have been fairly volatile but generally they have added to growth. However, it should be noted that there is a recognised correlation between rising imports and rising inventories; both of these components have been increasing in Germany.

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.

The tentative evidence of a recovery in production continues. Industrial production in 2003 quarter four rose at its fastest rate since 2002 quarter two, 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. Nonetheless, the monthly figures indicate that the resurgence may be slowing. After strong annual growth in December 2003 of 2.9 per cent, the Index of Production fell back to 2.2 per cent in January 2004. Generally, industrial production has been weak since 2001. After a fall of 1.1 per cent in 2002, and a modest rise of 0.4 per cent in 2003 the prospects for this year are as yet uncertain.

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. In the latter half of 2003, inflation picked up marginally to an average of 1.1 per cent, and in January 2004, the CPI moved up to 1.2 per cent. The most recent data indicates that consumer prices have remained broadly flat, with inflation of 0.9 per cent for February, and of 1.1 per cent in March¹³. A contrasting decline is observable for the PPI. Prices at the factory gate averaged monthly annual increases of 1.8 per cent from July to December 2003, but in January 2004 they increased by only 0.2 per cent. The latest figures

show a negative growth rate of 0.1 per cent in February (the first fall since September 2002), followed by positive growth of 0.3 per cent in March.¹³

The unemployment rate in Germany has been high but stable recently. The rate was 9.3 per cent in February, equal to the upwardly revised November 2003 figure, and marginally higher than the 9.2 per cent observed in December and January. 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. Employment has increasingly declined over the last two full years, with particularly strong falls seen in the first half of 2003. Revisions to the data presented in March show a weakly positive rise in employment of 0.4 per cent from 2003 quarter two to quarter three, and of 0.6 per cent from quarters three to four which, although seasonal, show a slight improvement over comparative quarterly rates in 2001 and 2002.

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 a strong increase however was partly due to the particularly low levels that 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

No data release has yet been made for GDP in the first quarter of 2004, although some small revisions have been made to data up to 2003 quarter four. 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. Conversely, net exports, investment and inventories 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 (-2.2 per cent¹¹). Overall the economic picture for France in 2003 is similar to that of Germany – particularly for unemployment – albeit with more robust private consumption in the former. The decline of French inventories in all four quarters of 2003, and comparatively strong consumer price inflation, are both plausible consequences of this.

The latest national accounts figures also indicate that the economy grew by 0.4 per cent in quarter three and 0.5 per cent in quarter four, an improvement over the first half of the year. Statistical revisions have downgraded the quarter on quarter growth in 2003 quarter one from 0.1 per cent to 0.0 per cent, with the new underlying figures indicating that France only very narrowly avoided a recession during the first half of the year. 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 increases in all other quarters. Investment rose modestly and contributed 0.1 per cent to growth, while inventory changes added 0.2 per cent, the first positive

contribution for five quarters. Finally, net foreign trade pulled growth down by 0.3 per cent, mainly because of a sharp rise in imports, which were up 2.1 per cent in the quarter, in comparison to a rise in exports of 1.0 per cent.

Generally, GDP growth in the last two quarters of 2003 saw an improvement over the first and second quarter when growth was 0.0 and -0.4 per cent, respectively. Despite its weak performance over the last two years, France's economic progress 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 rises in disposable income and consequently 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. The latest monthly data indicate a rise over the year to January 2004 of 1.0 per cent, almost half the December figure of 1.9 per cent. Nevertheless, the continuing positive growth is more evidence of a sustained industrial recovery. The longer-term picture shows that 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.

Looking at external indicators, the INSEE monthly business survey⁶ for March (April's was not published in time to be included in this article) showed that activity stabilised over the last three months whereas overall production prospects are decreasing. The Purchasing Managers' Index (PMI) for manufacturing⁷ in France in February and March showed activity is increasing, though not very markedly. The PMI for services has, in contrast, 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 rates were 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, declining to 1.7 per cent in February. Newly released data for March indicate a continuation of CPI inflation at 1.7 per cent¹², with price rises partly bolstered by end-of-sales activity¹²; this may result in more subdued price growth during April.

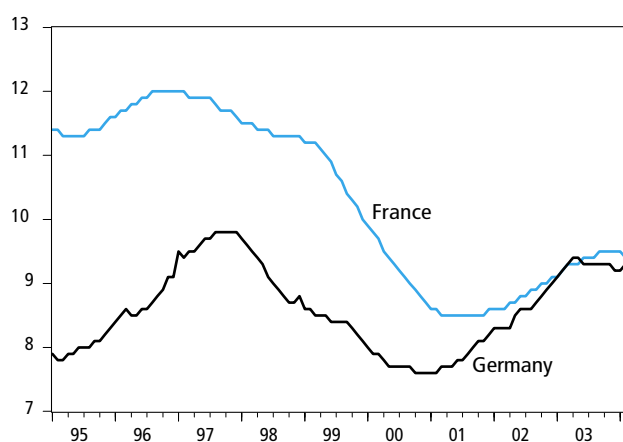
Producer prices also accelerated in the first half of 2003 with increases of 0.6 per cent in the year to the first and second quarters. Producer price inflation, however, stalled in the third quarter and was only 0.1 per cent in the fourth quarter. In the year to January 2004 PPI inflation was 0.1 per cent, unchanged from the previous quarter. The most recent figures for February show a small increase in the annual growth rate to 0.2 per cent, suggesting little change in input prices for the year so far.

The French unemployment rate has been rising steadily over the past year, from 9.1 per cent in January 2003 to 9.5 per cent. This is the highest rate since April 2000, and mirrors the

current situation in Germany (Figure 2). Employment growth has been showing a steady decline since the 2002 quarter two when computed as growth of a quarter on the same quarter a year earlier. In terms of the more volatile measure, using quarter on previous quarter, the increase in the number of people employed has been in decline since 2000 quarter one, settling at around 0.1 per cent during 2002. New data for 2003 show negative growth of 0.3 per cent in quarter one and 0.1 per cent in each of quarters two and three. However, there was no change in employment for quarter four, and the trend suggests that employment may pick up as the year progresses.

Figure 2
Unemployment: France and Germany

Percentage of the workforce



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. Increases in quarters three and four remained relatively low, at 2.9 per cent and 2.7 per cent, respectively.

Italy

The latest estimate for economic growth in 2003 suggests that the Italian economy expanded by 0.3 per cent last year³. 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. The main contributors to the annual increase were household and government consumption, which added 0.7 per cent and 0.4 per cent to GDP growth, respectively, and rising stocks, which added 0.6 per cent. Fixed investment was comparatively weak during 2003, falling by 2.1 per cent on the previous year, to have a negative impact on output growth of 0.5 per cent. Italy's net foreign trade position marginally improved, with a slight fall in exports more than offset by a fall in imports. However, the continued weakness of exports since 2002 resulted in a contribution of -0.9 per cent to GDP growth in 2003.

Though modest, the pickup in the economy in 2003 indicates that Italian growth outpaced that of France and Germany last year. This followed on from a modest addition in 2002 of 0.4 per cent and a more substantial gain 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 this was not the case.

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 rise in activity. Looking at the individual spending components the growth picture for quarter four is fairly gloomy, with changes in stocks the only positive contributor (0.6 per cent³). Household consumption, which had been expansionary in all other quarters, was weak in the last quarter of the year and subtracted 0.2 per cent from growth³. Investment also subtracted 0.2 per cent³. If one excludes inventories, the figures show that domestic demand was depressed in quarter four. External demand, however, was also weak and subtracted 0.2 per cent from growth³. Government consumption made no contribution to growth in the quarter.

One component driving activity forward was household consumption, which added 0.2, 0.0 and 0.2 per cent respectively to growth in the first three quarters of the year, although in the fourth quarter a negative contribution of 0.4 per cent was made. 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 1.1 per cent from growth. Net exports followed a similar path as in Germany and France. In particular, net exports only added to growth in quarter three of 2003. The unusual pickup seems to be linked to improving global economic conditions and increasing demand especially outside of the Eurozone. Finally, government consumption contributed only modestly to the expansion in the first three quarters, and had no effect for quarter four, whereas inventories made the largest additions to growth, especially in quarter one, where they contributed 0.7 per cent and in quarter four, where a further 0.6 per cent was added.

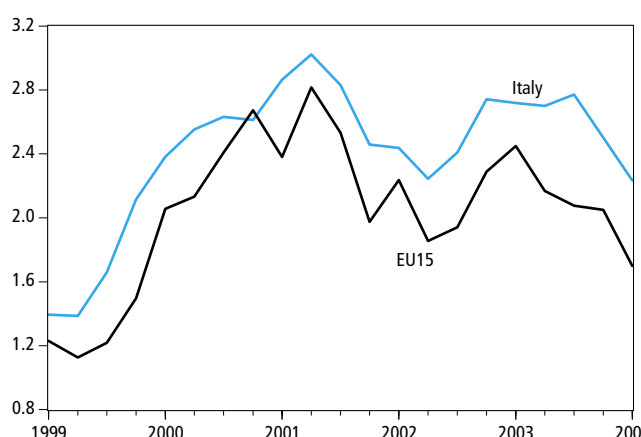
Industrial production in Italy has been very weak since 2001, having declined by 1.0, 1.4 and 0.5 per cent in the last three years. In 2003 the IOP fell in every quarter except the third, when production expanded by 1.5 per cent. In the last quarter of 2003, the IOP fell once again by 0.1 per cent. External indicators in April and May 2004 such as the Purchasing Managers' Index (PMI) for manufacturing⁷ point to only a marginal increase in activity. The PMI for services⁷ in the same months had priorly indicated a fairly swift expansion; however, the index fell slightly in April. Overall the index results seem to indicate that the European recovery is not yet confirmed.

Consumer price inflation in recent years has been consistently higher than the EU average (Figure 3), with the most recent data for 2004 quarter one indicating price increases of 2.2 per cent. 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 that level in December. In 2004, price rises slowed marginally, to 2.2 per cent in January and to 2.3 per cent in

both February and March. Producer price inflation has been weaker than consumer price inflation since 2000. PPI growth slowed through 2003, going from 2.8 per cent in February to 0.7 per cent in December. It declined even further in January 2004 when it grew by only 0.4 per cent. No new PPI data was available at the time of publication.

Figure 3
Inflation: Italy and the EU15

CPI growth, quarter on quarter one year ago



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 8.5 per cent in October. The latest data indicate stability for this part of the workforce, with unemployment remaining at 8.5 per cent during November and December 2003, and in January of this year. Employment growth, defined as the change in quarter on quarter one year ago, has been positive in every quarter of the last nine years. Growth rates have been slightly weaker than those observed in 2001 and 2002, with the most recent data for 2004 quarter one showing a comparatively low rise of 0.7 per cent. Looking at growth on the quarter to quarter measure, the fall of 0.6 per cent in 2004 quarter one appears to fit into the midrange of the seasonal declines commonly observed over the previous five years. It would therefore be imprudent to interpret this as an indicator of a new downward trend in employment.

Earnings figures are quite volatile. It is worth noting however that annual increases 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. New data for January and February show rising earnings growth of 2.5 per cent and 3.4 per cent, respectively. Earnings in 2003 overall increased by 2.5 per cent, slightly lower than in 2002 but still higher than in 2000 and 2001.

USA

The US economy grew by 3.1 per cent in 2003², outstripping all other major world economies. The US has been showing very strong signs of recovery last year having expanded in all quarters and exceptionally strong growth in the second half of the year (Figure 4). GDP data for 2004 quarter one were not published in time to be included in this month's article. Surveys of business activity at the start of 2004 continue to confirm the strength of the US economy. The latest Institute for Supply Management manufacturing and services indices recorded even higher levels in March than in the previous month, with the indexes at 62.5⁸ and 65.8⁹, 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, and the US Department of Labor, CPI and PPI summaries. The former 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: Employment

Growth, month on month a year ago



The main factor driving output expansion in 2003 was private consumption expenditure, which contributed 2.2 per cent to growth last year.² Within private consumption, contributions to growth were distributed fairly evenly between non-durable goods and services, with large fluctuation in expenditure on durable goods. 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 the (in rank order) residential, equipment and software, and non-residential sectors, whereas government expenditure was mainly concentrated in the defence sector, with a very large increase shown in 2003 quarter two. Inventories reduced GDP growth by 0.1 per cent, and net exports subtracted 0.4 per cent due to a small increase in imports. Overall, the data for 2003 seem to indicate that the US economy is going through a generally healthy recovery, with investment finally recovering and consumer confidence at high levels. Employment has also been rising during the previous six months. The trade deficit remains quite high, although the weak dollar may facilitate higher exports in the coming months.

The expansion in 2003 quarter four was strong (1.0 per cent²) although only half as strong as it had been in the third quarter. Consumption did not grow as quickly in quarter four but still added 0.6 per cent to growth². Fixed investment contributed 0.4 per cent², 0.3 per cent of which was due to non-residential investment² and 0.1 to residential investment². Government consumption did not make any contribution to growth in the quarter whereas inventories added 0.2 per cent.² Finally, net exports made a minor negative contribution of 0.1 per cent².

The index of production has also shown rapid expansion in the second half of 2003, albeit slightly less than reported in the previous month's article due to data revisions. 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 rising by 1.3 per cent. Using monthly figures, the picture of increasing strength is confirmed, with annual growth rates of 2.1, 2.3 and 2.7 per cent in December (2003), January and February, respectively. Overall in 2003 the index grew by 0.2 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 a considerable 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 averaged 2.1 per cent between April and December. In January and February, consumer prices grew by 1.9 and then 1.7 per cent. Newly released data for March indicate that inflation has remained at 1.7 per cent¹⁵. The change in the growth rate of producer prices followed a similar pattern to consumer price growth but have been much more volatile. PPI inflation fell from a peak of 4.5 per cent in March 2003 to 0.9 per cent in February 2004, although recent month-on-month figures – showing 0.1 per cent growth in February¹⁶ and 0.5 per cent growth in March¹⁶ – suggest producer prices may be picking up.

The unemployment rate seems to have declined in recent months. The rate had previously 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 5.6 per cent in January 2004 and 5.7 per cent in both February and March. The fall in the rate suggests that the recovery is accompanied by an improvement in the labour market, and worries about weak employment growth have been partly abated by recent new data from the household survey. After a contraction in month-on-month employment growth in January of 1.2 per cent, growth was +0.4 per cent in February and +0.2 per cent in March. Quarter-on-quarter growth in the second half of the year shows a similar picture, rising 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, at a very similar level to 2001 and 2002 when the rate was 3.3 per cent. Earnings growth seems to have slowed since quarter three, however, with the index rising at the annual rate of 2.4 in all months from October 2003 to the last observation available, March 2004.

Japan

Although no new quarterly GDP data have been released at the time of publication, there have been a number of significant revisions to existing data which are now included in the OECD data tables. The Japanese economy grew by 2.7 per cent last year, showing clear signs of recovery. Japanese growth was much 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 pertinent 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 1.6 per cent. Quarter four was characterised by a steep rise in (non-residential) investment, which contributed 1.0 per cent to the rise in output. Net exports also rose quite sharply in quarter four and added 0.4 per cent¹ thanks to an increase in exports combined with flat imports. The third largest contribution came from consumption, which gained some momentum in 2003 and added 0.5 per cent to growth in the last quarter of the year. Finally, inventories pulled growth down by 0.3 per cent and government consumption only made a modest addition of 0.1 per cent. 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, with the exception of continued weak government consumption. There are signs that the deflationary trend is coming to an end (see below); however, the data for consumer and producer prices for 2004 quarter one show annual inflation rate falls of 0.3 per cent and 0.8 per cent, respectively, in comparison to the same period last year.

Previously available figures from the OECD suggest 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 registered +3.6 per cent. Looking at the month-on-month changes, the rise in the index over the third and fourth quarters seems to be concentrated mainly in the months from September to November. After a brief contraction of 0.7 per cent in December, new data indicates a substantial rise in the production index of 3.3 per cent in January 2004. For the year to 2003, the index rose by 3.2 per cent, a minor improvement over the previous year's fall of 1.1 per cent, and a notable improvement on 2002's fall of 6.1 per cent. In summary, production in Japan has been somewhat erratic over the past five years, but last year's increases look to be continuing into 2004 on the strength of the latest monthly figures.

Quarterly consumer and producer prices continue the deflation that began in mid-1998. Price falls slowed in 2003, however, with PPI inflation down by 0.9 per cent on the previous year. The negative growth for CPI inflation has been lessened by revisions, from -0.3 per cent to -0.2 per cent. These figures compare to -2.0 and -1.0 per cent respectively in

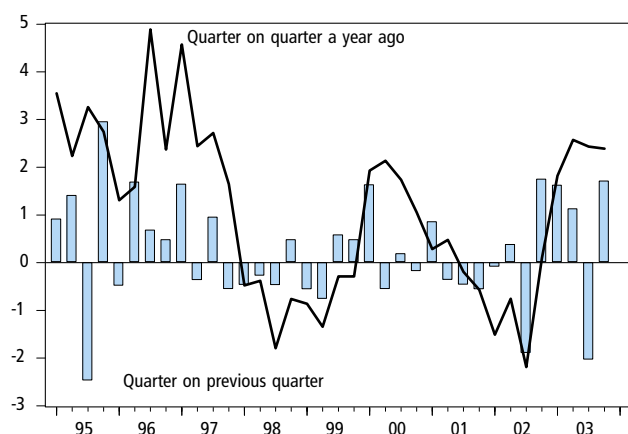
2002. More data is now available for 2004, and it suggests that deflation, at least of the consumer measure, is possibly coming to an end. The annual monthly change for January of -0.3 per cent was followed by no change in February. For producer prices using the same measure, a January fall of 0.7 per cent preceded a lesser fall of 0.5 per cent in February. Although this change is absolutely larger than the change in consumer prices, it is notable as the smallest decline in the PPI over the last twelve months.

The unemployment rate in February 2004 was 5.0 per cent, flat on the previous month, and marginally higher than the December figure of 4.9 per cent. Unemployment declined slightly in 2003 as a whole (to 5.3 per cent, down from 5.4 per cent in 2002) although recent rates remain high by Japanese historical standards. Such rates are in fact unprecedented 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 the latest February figure of -0.2 per cent, on a month-to-month measurement. Overall in 2003 employment fell by 0.2 per cent compared to a drop of 1.3 per cent in the previous year.

Revised earnings growth data is now available. Despite slackness in the labour market, there was a positive trend for 2003 for all periods, with earnings rising by 2.2 per cent for the year as a whole. After increasing by 1.8 per cent in quarter one, and 2.6 per cent in quarter two, further rises of 2.4 per cent were seen in both quarters three and four. The monthly data show particularly strong rates of growth in 2003 for both July (4.7 per cent) and December (4.2 per cent). The growth for this year is weaker, yet still positive, with a January rise of 1.6 per cent, followed by a further rise of 2.0 per cent in February. Figure 5 below illustrates earnings growth in Japan over the last five years.

Figure 5
Japan: Earnings

Growth



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/ROB042004.cfm>
9. Institute for Supply Management, USA, <http://www.ism.ws/ISMReport/NMROB042004.cfm>
10. DESTATIS, Germany, <http://www.destatis.de/presse/englisch/pm2004/p0790121.htm>
11. INSEE, France, HYPERLINK http://www.insee.fr/en/indicateur/cnat_trim/Pub_Meth/pr034ang.pdf
http://www.insee.fr/en/indicateur/cnat_trim/Pub_Meth/pr034ang.pdf
12. INSEE, France, http://www.insee.fr/fr/indicateur/indic_conj/donnees/doc_idconj_29.pdf
13. DESTATIS, Germany, <http://www.destatis.de/indicators/e/pre110je.htm>
14. ISTAT, Italy, <http://www.istat.it/fmi/ITALY-NSDP.html>
15. Department of Labor, USA, <http://stats.bls.gov/news.release/cpi.nr0.htm>
16. Department for Labor, USA, <http://stats.bls.gov/news.release/ppi.nr0.htm>

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

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1 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	1.3	1.5	3.0	2.6	0.6	7.7
2001	1.0	0.9	0.2	-0.9	-0.8	2.0	0.4	0.3	1.2	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	-0.6	1.0	1.6	2.5	-1.2	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	-0.3	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	5.5	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	-4.1	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	8.6
Q4	0.5	-0.4	-	-1.1	0.7	1.9	0.7	1.8	-1.0	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	0.8	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	-0.1	0.8	1.4	2.8	-1.4	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	-1.0	9.3
Q4	-	-0.4	0.3	-0.2	0.7	0.3	0.6	1.8	-1.0	1.2	1.7	2.0	-0.6	9.3
2003 Feb	..	..	..	..	..	..	..	1.7	1.4	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	-2.0	0.6	1.3	..	..	9.4
Jun	..	..	..	..	..	..	..	-1.9	1.5	0.9	1.3	..	..	9.3
Jul	..	..	..	..	..	..	..	1.3	-1.4	0.9	1.8	..	..	9.3
Aug	..	..	..	..	..	..	..	-2.4	-2.7	1.1	1.9	..	..	9.3
Sep	..	..	..	..	..	..	..	-2.3	-1.9	1.0	1.9	..	..	9.3
Oct	..	..	..	..	..	..	..	1.5	-0.5	1.1	1.6	..	..	9.3
Nov	..	..	..	..	..	..	..	1.2	-1.4	1.2	1.9	..	..	9.3
Dec	..	..	..	..	..	..	..	2.9	-1.0	1.1	1.7	..	..	9.2
2004 Jan	..	..	..	..	..	..	..	2.2	-1.4	1.2	0.2	..	..	9.2
Feb	..	..	..	..	..	..	..	..	..	0.9	-0.1	..	..	9.3
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	0.2				1.0	
2001 Q1	0.9	0.7	-	-0.3	-0.7	-	-1.1	0.5	2.3				-1.9	
Q2	-	0.3	-0.1	-0.3	-	0.1	-	-1.0	-0.7				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	0.9	-2.2				-2.2	
Q2	0.2	0.1	0.1	-0.7	0.9	0.8	1.0	0.7	1.2				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	-0.7	-1.1				0.2	
2003 Q1	-0.2	0.2	-	-0.3	0.5	-0.2	0.5	0.5	-0.5				-2.5	
Q2	-0.2	-0.2	0.1	-0.1	0.3	-0.9	-0.8	-1.0	0.3				0.9	
Q3	0.2	-0.2	0.1	-0.1	-1.0	1.3	0.1	-	-0.8				0.4	
Q4	0.2	-0.2	-	0.3	0.9	0.1	0.8	2.3	-				0.6	
Percentage change on previous month														
								ILKC	ILKM					
2003 Jan								1.6	-0.1					
Feb								-0.3	0.7					
Mar								0.1	-1.5					
Apr								-0.2	1.1					
May								-0.9	-1.3					
Jun								-0.6	2.5					
Jul								2.3	-1.9					
Aug								-2.3	-0.5					
Sep								-0.3	0.7					
Oct								2.9	0.7					
Nov								0.7	-1.7					
Dec								-0.1	0.3					
2004 Jan								0.9	-0.5					

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	2.0	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	2.8	-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	2.6	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	1.4	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	1.2	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	0.7	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	-0.1	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	-0.2	9.3
Q3	-0.2	0.8	0.5	-0.1	-0.5	-1.0	-0.1	-0.7	..	2.0	-	2.9	-0.4	9.4
Q4	0.5	0.8	0.6	0.2	-0.1	-0.3	0.7	1.7	..	2.2	0.1	2.7	-0.5	9.5
2003 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	..	..	..	..	..	..	..	1.9	..	2.2	0.1	..	..	9.5
2004 Jan	..	..	..	..	..	..	..	1.0	..	2.0	0.1	..	..	9.5
Feb	..	..	..	..	..	..	..	..	..	1.7	0.2	..	..	9.4
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				0.5	
2001 Q1	0.6	0.7	0.1	0.1	-0.7	-0.1	-0.4	0.7	2.3				0.5	
Q2	-	0.2	0.1	-0.2	0.1	-0.7	-0.3	-0.9	-2.2				0.2	
Q3	0.4	0.4	0.3	-	-0.6	-	-0.3	0.3	-0.3				0.2	
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				0.1	
Q2	0.7	0.3	0.3	-	-0.3	0.8	0.4	0.6	-1.2				-	
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	..				-0.1	
Q3	0.4	0.3	0.2	-	-0.3	0.2	-	1.1	..				-0.1	
Q4	0.4	0.1	0.2	0.1	0.2	0.3	0.6	1.1	..				-	
Percentage change on previous month														
								ILKD	ILKN					
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								0.2	..					
2004 Jan								-0.4	..					

GDP = Gross Domestic Product at constant market prices
PFC = Private Final Consumption at constant market prices
GFC = Government Final Consumption at constant market prices
GFCF = Gross Fixed Capital Formation at constant market prices
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	1.6	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	3.2	1.7	0.3	1.5	-1.1	2.7	2.0	4.1	-0.5	2.5	6.1	2.0	1.9	10.4
2001	1.7	0.5	0.7	0.4	-0.2	0.5	0.1	-1.0	-0.4	2.7	1.9	1.8	2.0	9.5
2002	0.4	0.3	0.3	0.3	0.5	-1.0	—	-1.4	-0.8	2.5	0.2	2.8	1.4	9.0
2003	0.3	0.7	0.4	-0.5	0.6	-1.1	-0.2	-0.5	-0.5	2.7	1.5	2.5	1.0	8.6
2000 Q4	2.8	1.6	0.4	0.9	-1.6	2.4	0.9	3.9	-1.9	2.6	6.6	1.9	2.8	9.9
2001 Q1	2.6	1.2	0.6	0.8	-0.8	1.8	1.0	3.0	1.6	2.9	4.7	1.8	3.2	9.7
Q2	2.1	0.7	0.7	0.4	-0.5	1.6	0.8	-0.3	-1.0	3.0	3.2	1.2	2.0	9.5
Q3	1.4	0.1	0.7	—	0.9	-0.7	-0.4	-1.9	-1.3	2.8	1.1	2.2	1.8	9.4
Q4	0.6	—	0.7	0.2	-0.2	-0.8	-0.8	-5.0	-1.0	2.5	-1.1	2.3	1.2	9.2
2002 Q1	-0.1	-0.4	0.4	-0.4	1.3	-2.3	-1.3	-4.0	-0.6	2.4	-1.0	2.4	1.7	9.0
Q2	0.2	—	0.3	-0.3	1.0	-1.4	-0.5	-1.9	-1.0	2.2	-0.6	3.4	1.9	9.0
Q3	0.5	0.5	0.3	0.4	-0.7	—	0.1	-0.3	-1.3	2.4	0.5	2.4	1.3	9.0
Q4	0.9	0.9	0.2	1.4	0.2	-0.4	1.4	0.8	-0.3	2.7	1.7	2.8	0.9	8.9
2003 Q1	0.6	1.2	0.4	0.3	—	-1.5	-0.3	-0.1	—	2.7	2.6	2.5	0.8	8.8
Q2	0.2	0.8	0.4	0.2	-0.3	-1.5	-0.8	-1.7	0.7	2.7	1.7	1.8	1.3	8.7
Q3	0.5	0.8	0.4	-0.6	1.2	-0.3	1.1	-0.3	-1.0	2.8	1.3	3.2	0.9	8.6
Q4	0.1	0.2	0.3	-1.7	1.4	-1.1	-0.8	0.2	-1.6	2.5	0.8	2.7	0.9	8.5
2004 Q1	..	..	..	..	..	..	..	..	..	2.2	..	..	0.7	..
2003 Mar	..	..	..	..	..	..	..	-0.4	-1.0	2.7	2.8	1.7	..	8.8
Apr	..	..	..	..	..	..	..	-0.2	3.0	2.7	2.0	1.8	..	8.7
May	..	..	..	..	..	..	..	-3.0	1.0	2.7	1.5	1.8	..	8.7
Jun	..	..	..	..	..	..	..	-1.8	-1.9	2.7	1.4	1.6	..	8.6
Jul	..	..	..	..	..	..	..	-0.5	-1.0	2.7	1.3	3.2	..	8.6
Aug	..	..	..	..	..	..	..	0.5	-1.9	2.8	1.3	3.2	..	8.6
Sep	..	..	..	..	..	..	..	-0.9	—	2.8	1.0	3.2	..	8.5
Oct	..	..	..	..	..	..	..	—	-1.9	2.6	0.6	2.7	..	8.5
Nov	..	..	..	..	..	..	..	0.1	-1.9	2.5	1.2	2.7	..	8.5
Dec	..	..	..	..	..	..	..	0.5	-1.0	2.5	0.7	2.7	..	8.5
2004 Jan	..	..	..	..	..	..	..	0.4	—	2.2	0.4	2.5	..	8.5
Feb	..	..	..	..	..	..	..	..	..	2.3	—	3.4	..	..
Mar	..	..	..	..	..	..	..	..	..	2.3	..	..	..	..
Percentage change on previous quarter														
	ILGK	HUCO	HUCP	HUCQ	HUCR	HUCS	HUCT	ILHE	ILHY				ILIS	
2000 Q4	0.7	0.1	0.2	-0.2	0.7	0.1	0.2	1.6	-0.9				0.6	
2001 Q1	0.7	0.2	0.3	0.5	-0.7	1.1	0.7	-0.5	-0.6				-0.8	
Q2	—	—	0.2	-0.2	0.6	-0.9	-0.3	-1.6	-0.3				0.4	
Q3	—	-0.3	0.1	-0.1	0.3	-1.0	-1.1	-1.5	0.6				1.7	
Q4	-0.1	—	0.2	-0.1	-0.4	—	-0.2	-1.6	-0.6				—	
2002 Q1	—	-0.2	—	-0.1	0.9	-0.4	0.3	0.6	-0.3				-0.4	
Q2	0.3	0.4	0.1	—	0.3	—	0.5	0.7	-0.7				0.6	
Q3	0.2	0.2	—	0.6	-1.4	0.3	-0.5	0.1	0.3				1.1	
Q4	0.4	0.4	0.1	0.9	0.4	-0.3	1.1	-0.6	0.3				-0.4	
2003 Q1	-0.3	0.2	0.2	-1.1	0.7	-1.5	-1.4	-0.3	—				-0.5	
Q2	-0.1	—	0.1	-0.2	—	—	—	-1.0	—				1.0	
Q3	0.5	0.2	0.1	-0.2	0.2	1.5	1.4	1.5	-1.3				0.7	
Q4	—	-0.2	—	-0.2	0.6	-1.1	-0.9	-0.1	-0.3				-0.4	
2004 Q1	..	..	..	..	..	..	..	..	..				-0.6	
Percentage change on previous month														
								ILKE	ILKO					
2003 Jan								-0.1	—					
Feb								0.1	1.0					
Mar								-0.2	-1.9					
Apr								-0.3	2.0					
May								-1.2	-1.0					
Jun								0.7	-1.0					
Jul								1.7	—					
Aug								-0.1	-1.0					
Sep								-0.8	1.0					
Oct								0.3	-1.0					
Nov								0.4	—					
Dec								-0.1	1.0					
2004 Jan								-0.2	1.0					

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Earnings = Average Wage Earnings (manufacturing), definitions of coverage and treatment vary among countries
Empl = Total Employment not seasonally adjusted
Unempl = Standardised Unemployment 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	-0.1	0.2	0.6	0.2	..	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	2.8	0.3	1.3	-0.1	0.6	0.7	1.4	..	1.9	2.3	2.4	1.3	5.9
2003 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	..	..	..	..	..	..	..	1.5	..	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	..	..	..	..	..	..	..	2.3	..	1.9	2.4	2.4	0.7	5.6
Feb	..	..	..	..	..	..	..	2.7	..	1.7	0.9	2.4	0.7	5.6
Mar	..	..	..	..	..	..	..	..	..	..	..	2.4	0.6	5.7
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	0.6	—	0.3	0.2	0.5	0.6	1.3	..				0.4	
Percentage change on previous month														
								ILKG	ILKQ				ILLA	
2003 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	..				-0.1	
2004 Jan								0.7	..				-1.2	
Feb								0.8	..				0.4	
Mar											0.2	

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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
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	0.9	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	0.3	1.1	0.4	3.2	-1.8	-0.2	-0.9	2.2	-0.2	5.3
2000 Q3	3.1	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	0.2	0.4	-2.4	-1.5	-0.4	-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	1.1	0.5	-1.7	0.5	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	1.7	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	1.4	0.7	5.7	-1.1	-0.2	-0.8	1.8	-0.8	5.4
Q2	2.4	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	0.1	0.7	0.2	1.1	0.3	0.9	-2.3	-0.2	-0.7	2.4	-0.1	5.2
Q4	3.6	1.2	0.2	1.5	-0.1	1.3	0.4	4.1	-1.2	-0.3	-0.8	2.4	-0.1	5.1
2003 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	4.7	0.1	5.3
Aug	..	..	..	..	..	..	..	-0.2	-2.3	-0.3	-0.7	1.8	-0.2	5.1
Sep	..	..	..	..	..	..	..	2.8	-2.3	-0.2	-0.7	0.8	-0.1	5.1
Oct	..	..	..	..	..	..	..	3.6	-	-	-0.9	1.8	-0.3	5.2
Nov	..	..	..	..	..	..	..	4.6	-3.5	-0.5	-0.9	1.1	-0.4	5.2
Dec	..	..	..	..	..	..	..	4.1	-	-0.4	-0.7	4.2	0.3	4.9
2004 Jan	..	..	..	..	..	..	..	5.6	1.2	-0.3	-0.7	1.6	0.3	5.0
Feb	..	..	..	..	..	..	..	..	1.1	-	-0.5	2.0	0.3	5.0
Percentage change on previous quarter														
	ILGN	HUDA	HUDB	HUDC	HUDD	HUDE	HUDF	ILHH	ILIB				ILIV	
2000 Q3	0.6	-	0.2	0.3	0.1	0.2	0.2	0.7	0.8				-	
Q4	1.2	0.3	0.1	0.9	0.2	-	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	0.2	-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	-	0.4	-	0.2	2.0	-0.8				0.2	
Q4	-0.1	-0.6	-	0.2	-	0.4	0.1	0.4	-0.8				-0.6	
2003 Q1	0.5	0.2	0.1	0.2	-	0.2	0.1	0.4	1.6				-1.7	
Q2	0.9	0.2	-	0.5	-0.1	0.2	-0.1	-0.8	-2.7				2.3	
Q3	0.6	0.3	0.1	-0.2	0.2	0.4	0.2	0.9	-0.4				-	
Q4	1.6	0.5	0.1	1.0	-0.3	0.6	0.2	3.6	0.4				-0.6	
Percentage change on previous month														
								ILKH	ILKR				ILLB	
2003 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								3.3	3.6				-1.3	
Feb								..	2.3				-0.2	

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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

Regional economic indicators

May 2004

Anis Chowdhury
Office for National Statistics

Overview

- Recently updated GVA figures (published on 30 April 2004) shows that the South West had the highest growth rate amongst the regions between 2001 and 2002 at basic prices.
- The North East grew the fastest in terms of GVA per head in 2002, while the London had the lowest growth rate amongst the English regions but remained the region with the highest level of GVA per head.
- Figures for household disposable income as of 1999 show that the West Midlands had the highest disposable income per head amongst the English regions, while Scotland was the highest of the non-English countries.
- London had the highest overall consumption per head and Northern Ireland was the highest among the non-English countries.
- Employment showed growth across most regions especially in the employee jobs survey. Most regions also saw decreases in their unemployment and long-term claimant count rates.
- Annual industrial production figures for the UK fell slightly in 2003 quarter four but were up for Northern Ireland and Wales.
- Construction output for the UK increased in 2003 quarter four. Welsh construction output maintained the upward trend seen in previous quarters.
- Businesses in most regions were generally more optimistic in January than in the October CBI survey.
- House price inflation was high in 2003 quarter four in all regions, with most increases in double figures.

GDP at basic prices

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

In the recently updated Table 1, figures for headline Gross value added (GVA) at basic prices show that the South West had the highest growth rate amongst the English regions between 2001 and 2002 of 6.0 per cent followed by the North West's 5.4 per cent. Both were higher than the UK average of 5.1 per cent. Together, they also accounted for 18 per cent of the UK's total GVA in 2002 with contributions of 10.3 per cent and 7.7 per cent respectively. London had the lowest rate of GVA growth in 2002 of 4.4 per cent. Other regions where annual growth between 2001 and 2002 was close to or above the UK average include the North East at 5.3 per cent, East Midlands at 5.1 per cent, East at 5.3 per cent and the South East at 5.2 per cent.

Looking at the recently updated Table 2, which compares GVA per head per region shows London had the highest GVA per head in 2002 of £19,975, well above the UK average, while the North East has the lowest of £11,750. Other regions with GVA per head above the UK average were the East and the South East.

Table 3¹ shows that household disposable income per head increased in the UK in 1999 by 4.6 per cent compared to an increase of 1.9 per cent in 1998. London recorded the highest value in 1999 of £12,207 followed by the South East with £11,055, which continues medium term trends. Looking at annual percentage changes, Scotland recorded the largest rise of 7.8 per cent in 1999, while Yorkshire and the Humber was the slowest growing region, with growth of 2.4 per cent in 1999. Other slower growing regions were the South East, with 3.3 per cent, London, with 3.4 per cent, and the South West

with growth of 3.6 per cent in 1999. Significant accelerations in the rates of activity in 1999 compared to 1998, of more than 4.5 per cent, were seen in the North East and Scotland, whilst growth slowed in the Yorkshire and Humber region.

Table 4² shows individual consumption expenditure per head, with London again recording the highest monetary value of £12,250 in 1999, followed by the South East with £11,392 while the North East had the lowest expenditure. Looking at annual percentage changes, London also recorded the largest rise in consumption with growth of 8.8 per cent in 1999, while the North East recorded a decline of 1.0 per cent in the same period, compared to an increase of 4.4 per cent in 1998.

The Labour Market

Tables 5 to 11 concern the labour market. Tables 6, 8 and 9 are seasonally adjusted; while Tables 5, 7, 10 and 11 are unadjusted.

The **total in employment** (from the Labour Force Survey), Table 9, in the UK grew by 0.1 per cent in 2003 quarter four, a similar rate to the previous quarter. Employment increased across most of the English regions with the only falls being recorded in the North West and London, which recorded the greatest fall of 0.9 per cent in contrast to a 1 per cent increase in 2003 Q3. The highest growth rates in 2003 Q4 was achieved in the North East and the East, both at 1.5 per cent. Wales, Scotland and Northern Ireland all show decreases in 2003 Q4. For Wales, total employment decreased by 0.5 per cent in contrast to an increase of 0.1 per cent in 2003 Q3. Scotland and Northern Ireland decreased proportionately more in 2003 Q4 compared to Q3, with the greatest decrease being recorded by Northern Ireland of 2.2 per cent. Comparing 2003 Q4 with the same period a year ago shows the North East with the highest growth rate of 3.2 per cent followed by the East on 2.4 per cent. The UK as a whole showed growth over the period of 0.5 per cent.

Figure 1
Total average gross weekly pay, April 2003



Employee jobs (from the Employers Survey – workforce jobs), in Table 11 grew in every region in the quarter to December 2003, with UK growth averaging 0.7 per cent.. This is in contrast to September 2003, where there was a mixed picture across the regions. The highest growth rate

in December 2003 was in Northern Ireland of 1.7 per cent followed by London on 1.5 per cent. The only slowdown occurred in Wales where Employee jobs increased by 0.5 per cent in December 2003 in contrast to 1.4 per cent increase in September 2003. Overall, on a yearly basis, the picture is mixed with some regions increasing more than last year and other regions showing decreases. It should be noted that this survey does not take into account the self employed.

The UK **claimant count rate**, Table 8, was 2.9 per cent of the workforce in the UK in February 2004 unchanged from January 2004. This national rate masks large variations between regions with the North East having the highest claimant count in January 2004 at 4.4 per cent. This region has had the highest count in every year since 1999. The North East is followed closely by Northern Ireland with a rate of 4.1 per cent. London and the South East had the lowest claimant counts of 1.7 per cent. The general picture however is one of relative stability with no change in any area between January and February 2004 except for Northern Ireland. The general trend continues to be downwards.

Table 6 shows the rate of **unemployment (according to the internationally consistent ILO definition)**. The rate in 2003 Q4 is 4.9 per cent, down from 5.0 per cent in quarter three. The general picture is one of decreasing unemployment across most regions with the greatest decrease occurring in the East at 0.4 percentage points followed by the North East at 0.3 percentage points. Northern Ireland had the greatest increase in the unemployment rate, up 0.5 percentage points followed by Yorkshire and Humberside at 0.2 percentage points. Overall, the UK unemployment rate decreased by 2.0 per cent.

The **Long-term claimant count as a percentage of total unemployment**, Table 7, for the UK as a whole was 15.0 per cent in February 2004 down from 15.1 per cent from the previous month. The general picture is of the long term claimant count continuing to fall across most regions, with the biggest decreases being recorded in the East, London and Yorkshire and Humberside. The only regions to have recorded increases in the long-term claimant count are the North East, South East and Northern Ireland.

Table 10 shows **redundancy rates** in the Government Office Regions. In the UK overall redundancies remained unchanged at 6 per cent between Autumn 2003 and Winter 2003. In regards to the regions there is a mixed picture with a lower rate of reductions being recorded in the West Midlands, London, South East and Scotland while increases were recorded in the North West and the East.

Total average gross weekly pay (from the annual New Earnings Survey), in Table 5, shows London having the highest rate of pay at £637 a week in April 2003, up from £624 a year ago, an increase of 2.1 per cent. Growth rates in the latest period are generally lower than in April 2002 when some regions pay grew by 5.0 per cent or more (for example, the South East, the North East and the East Midlands). The highest rate of growth of 4.5 per cent was in the South West, the only region where gross weekly pay grew by more than 4.0 per cent. The lowest was in the North East, 0.7 per cent.

Figure 2
Total in employment



Industrial Production and Construction

For UK industrial production output, Table 12, figures for the UK, Northern Ireland and Wales extend to 2003 quarter four, while data for Scotland is available up to 2003 quarter three. The figures for the UK as a whole and Scotland are calculated using the new method of chain linking and so are not directly comparable with the breakdowns for Wales and Northern Ireland. The latest data shows production decreasing by 0.1 per cent from 95.3 to 95.2 in the UK, unchanged from the previous quarter, in contrast to a 0.2 per cent increase in 2003 Q2. Overall in 2003 the index contracted by 0.5 per cent in the UK following a decline of 2.7 per cent in 2002. Looking at the countries, Wales production increased by 5.1 per cent and Northern Ireland production increased by 0.2 per cent in 2003 quarter four. Annual figures also show an increase for Northern Ireland but a decrease for Wales.

UK construction output, Table 13, figures for the UK and Wales extend to 2003 quarter four, data for Scotland and Northern Ireland is available up to 2003 quarter three. The figures for the UK as a whole and Scotland are calculated using the new method of chain linking and so are not directly comparable with the breakdowns for Wales and Northern Ireland. The UK construction index in 2003 quarter four rose by 1.4 per cent, down from 2.8 per cent in 2003 quarter three and down from 3.3 per cent in quarter two. Overall in 2003, the UK index increased by 5.0 per cent, slightly faster than in 2002. Wales construction index rose by 2.2 per cent in quarter four and by 2.0 per cent in the year as a whole.

Manufacturing

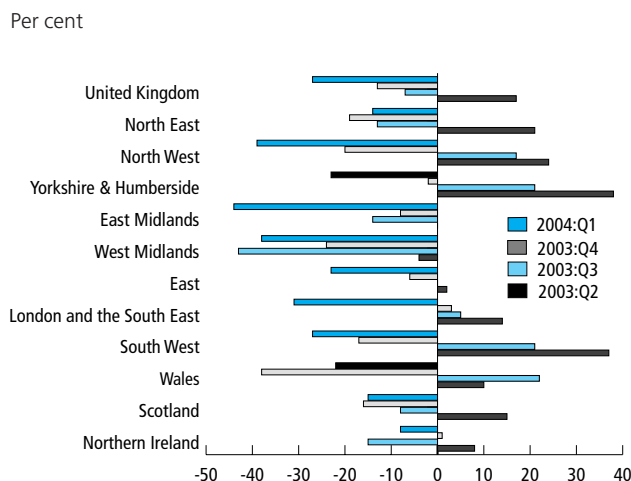
Almost all CBI data is presented on the basis of government office regions. However, London and the South East are combined.

Tables 14 to 17 show that CBI/BSL balances reveal a positive picture across regions regarding both business optimism and the volume of orders in its January 2004 survey.

Table 14 shows that businesses in many regions were substantially more **optimistic about the business situation** in the January 2004 survey than in the October and July surveys. The regions where optimism increased significantly were

the North West, Yorkshire and Humberside, London and the South East and South West. The West Midlands was the only region showing a decrease in optimism. Overall, the figures show a positive balance.

Figure 3
Manufacturing industry (business optimism)



UK manufacturing output, as measured by CBI/BSL balances for **volume of output** in Table 15, also shows a more positive picture. All regions except the North East show a positive balance compared to the October survey where all regions showed a negative balance except the South West and Northern Ireland. The South West and Northern Ireland showed the highest positive balance. Forecasts for the next four months also show a positive picture with all regions anticipating an increase in output although the East, South West, Scotland and Northern Ireland all have smaller positive balances than for the last four months.

The overall CBI/BSL **volume of new orders**, Table 16, generally shows that more firms had an increase in orders in January 2004 than in the October and July surveys. The North East and West Midlands showed a decrease in orders. Looking ahead to the next four months shows a positive balance across most regions. With the West Midlands and the East expecting a fall in orders while London and the South East, South West and Northern Ireland have lower positive balances than for the previous four months.

Volume of new export orders, Table 17, for the last four months figures show a mixed picture between the October and January surveys across regions with some showing a deterioration and others an improvement. The North East and the South West showed the greatest decrease in export orders. The North West, Yorkshire and Humberside and Northern Ireland showing the greatest increase. Looking ahead at the next four months, the picture is more optimistic with most regions expecting a pick up in export orders. The West and East Midlands and the South West show a negative balance but at a lower rate compared to the last four months.

Firms working below capacity, Table 18 shows a mixed picture with variations across regions. In the UK as a whole, firms working below capacity showed a decrease in the January 2004 survey compared to the October 2003 survey. Regions showing a decrease are the North West, Yorkshire and Humberside, East, London & South East and Scotland.

The region with the highest number of firms working below capacity are the North East and East Midlands. Northern Ireland also shows a relatively large increase.

The Housing Market

In Table 20, UK house prices (not seasonally adjusted) increased in quarter four by 2.1 per cent in 2003 quarter four having grown by 2.8 per cent in the previous quarter. House prices in all English regions and UK Country components increased. Amongst the English regions, Yorkshire and Humberside showed the biggest increase of 5.1 per cent followed by North East and West, both at 4.7 per cent. London had the lowest increase of 0.2 per cent. Country wise, Wales showed the largest increase of 5.4 per cent.

Annual data shows house prices increased significantly in the UK in 2003 by 15.7 per cent. Most regions in England saw growth in double figures, the highest being in the North East and East Midlands where prices grew by 22.5 per cent. Other regions with high increases were Yorkshire and Humberside (20.4 per cent), the East (17.0 per cent). Wales grew by 20.3 per cent.

In Table 19 **the number of permanent dwellings started** fluctuates quite widely from quarter to quarter with a significant seasonal factor involved. However the 2003 Q4 figures show a majority of regions experiencing a decrease in dwelling starts, with the North West, East and the South West showing the greatest decreases. Yorkshire and Humberside and London are the only two showing an increase in permanent dwellings started. Country wise, Wales shows a 33 per cent decrease in dwellings started.

Business Start-ups

VAT registrations and de-registrations, Table 21, shows de-registrations outnumbering registrations by 200 for the calendar year 2002 which is the first net loss since 1994 when there were a net 5,800 de-registrations. In 2002 de-registrations outnumbered registrations in most regions, except the North East, the East Midlands, the West Midlands, the East and the South East where there were net gains. The largest net loss was in London (2,100 businesses)

Notes

1. New data will be published later in the year.
2. New data will be published later in the year.

1

Headline Gross value added^{1,2} at basic prices

Government Office Regions

£ million

	United Kingdom ³	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	IGAE	IFZR	IFZS	IFZT	IFZU	IFZV	IFZW	IFZX	IFZY	IFZZ	IGAA	IGAB	IGAC	IGAD
1990	491 410	18 631	53 637	38 262	32 766	41 546	48 083	75 823	71 487	37 219	417 455	20 698	42 986	10 272
1996	663 768	23 988	69 941	50 708	44 607	55 691	64 821	102 711	99 828	50 787	563 082	27 314	58 113	15 258
1997	705 553	24 773	73 540	53 564	47 554	59 009	69 162	110 802	107 926	53 794	600 123	28 590	60 776	16 064
1998	749 692	25 470	77 501	56 219	49 979	62 151	73 872	120 843	117 184	56 527	639 746	29 747	63 186	17 012
1999	783 395	25 964	80 776	58 037	51 855	64 305	77 531	127 655	124 839	58 885	669 847	30 721	65 081	17 746
2000	817 292	26 823	84 029	59 978	53 745	66 595	81 734	133 125	132 244	61 495	699 768	31 865	67 145	18 514
2001	860 116	28 040	88 377	62 610	56 180	69 578	86 388	140 789	140 518	65 247	737 727	33 351	69 623	19 414
2002	903 836	29 531	93 137	65 698	59 060	72 946	90 984	146 927	147 799	69 185	775 266	35 084	72 989	20 497

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

Source: National Statistics

2 Data are consistent with the headline series published on 30 April 2004

3 UK less Extra-Region and statistical discrepancy.

2

Headline Gross value added^{1,2} at basic prices: £ per head

Government Office Regions

£

	United Kingdom ³	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	IGAV	IGAI	IGAJ	IGAK	IGAL	IGAM	IGAN	IGAO	IGAP	IGAQ	IGAR	IGAS	IGAT	IGAU
1990	8 585	7 209	7 854	7 775	8 206	7 962	9 450	11 152	9 409	7 973	8 752	7 233	8 460	6 438
1996	11 436	9 354	10 305	10 236	10 868	10 587	12 379	14 883	12 790	10 604	11 633	9 461	11 412	9 182
1997	12 130	9 700	10 865	10 819	11 554	11 217	13 124	15 994	13 736	11 163	12 368	9 894	11 956	9 612
1998	12 858	10 010	11 461	11 358	12 115	11 801	13 923	17 341	14 850	11 671	13 148	10 283	12 445	10 140
1999	13 396	10 257	11 988	11 732	12 513	12 213	14 516	18 130	15 693	12 083	13 716	10 617	12 832	10 569
2000	13 937	10 633	12 473	12 118	12 928	12 661	15 207	18 738	16 567	12 527	14 282	10 988	13 262	11 001
2001	14 566	11 132	13 060	12 596	13 431	13 171	15 994	19 265	17 518	13 216	14 937	11 470	13 748	11 492
2002	15 259	11 750	13 755	13 186	14 010	13 753	16 786	19 975	18 387	13 945	15 642	12 020	14 440	12 081

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

Source: National Statistics

2 Data are consistent with the headline series published on 30 April 2004.

3 UK less Extra-Region and statistical discrepancy.

3

Household disposable income¹: £ per head

Government Office Regions

£

	United Kingdom ²	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	DEPZ	LRCG	LRCW	DEQB	DEQC	DEQH	LRCI	DEQE	LRCJ	DEQG	LREV	DEQJ	DEQK	DEQL
1989	5 560	4 908	5 239	5 208	5 280	4 934	6 097	6 549	6 110	5 638	5 643	4 994	5 355	4 729
1993	7 771	7 053	7 313	7 232	7 214	7 112	8 248	9 311	8 519	7 608	7 867	6 986	7 704	6 540
1994	8 019	7 095	7 536	7 417	7 569	7 391	8 540	9 612	8 873	7 767	8 127	7 235	7 773	6 959
1995	8 497	7 522	7 874	7 780	7 869	7 939	9 011	10 102	9 282	8 606	8 592	7 742	8 287	7 678
1996	8 938	7 972	8 334	8 323	8 401	8 313	9 484	10 650	9 814	8 915	9 070	8 056	8 541	7 834
1997	9 513	8 554	8 900	8 776	8 835	8 748	10 025	11 485	10 579	9 511	9 674	8 389	8 977	8 365
1998	9 696	8 585	9 008	9 106	8 935	8 981	10 147	11 811	10 698	9 725	9 862	8 529	9 154	8 500
1999	10 142	9 018	9 501	9 325	9 409	9 541	10 638	12 207	11 055	10 073	10 284	8 870	9 870	8 998

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

Source: National Statistics

2 UK less Extra-Region

4

Individual consumption expenditure¹: £ per head

Government Office Regions

£

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

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

Source: National Statistics

5 Total average gross weekly pay¹ Government Office Regions

£

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	DEOG	LRCO	LSHZ	DCQI	DCQH	DCQG	LRCQ	DCPI	LRCR	DCQF	DCQL	DCQM	DCQN
1994 Apr	324.7	294.6	307.7	297.0	292.5	300.1	322.8	420.6	339.4	306.9	290.5	301.9	286.5
1995 Apr	336.7	299.2	317.7	306.0	306.4	311.3	331.5	441.5	348.1	313.9	302.1	313.4	300.2
1996 Apr	350.2	315.2	329.5	316.8	318.5	323.9	347.7	455.0	367.1	325.3	313.3	325.2	306.2
1997 Apr	366.3	327.4	345.6	330.6	333.1	337.3	362.2	480.1	382.6	342.6	330.2	336.9	319.7
1998 Apr	383.1	338.7	363.3	345.2	350.3	359.8	380.3	504.5	406.3	354.6	342.8	350.0	332.6
1999 Apr	399.8	349.7	373.7	360.7	362.5	375.8	397.3	524.7	423.6	365.4	354.1	370.1	344.9
2000 Apr	418.1	368.0	389.0	375.1	374.4	387.2	416.2	561.7	443.3	380.6	368.4	383.0	360.4
2001 Apr	442.3	379.7	408.2	391.7	393.4	417.4	438.0	595.6	472.5	408.3	381.6	404.8	375.0
2002 Apr	462.6	399.3	426.8	409.9	413.0	427.3	459.6	624.1	496.7	421.7	399.7	427.0	390.1
2003 Apr	473.8	402.1	437.6	425.5	428.7	435.8	475.9	636.9	505.6	440.6	414.5	436.8	404.5

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

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

6 Unemployed as a percentage of the economically active population^{1,2} seasonally adjusted Government Office Regions

Percentages

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	MGSX	YCNC	YCND	YCNE	YCNF	YCNH	YCNH	YCNH	YCNJ	YCNK	YCNL	YCNM	YCNN	MGXW
2000 Q4	5.2	7.7	5.3	6.1	4.7	6.0	3.6	6.8	3.4	3.9	5.1	5.8	6.2	6.0
2001 Q1	5.1	7.6	5.2	5.4	4.7	5.6	3.5	6.5	3.4	3.9	4.9	6.0	5.9	6.2
Q2	5.0	7.4	5.3	5.5	5.0	5.5	3.6	6.2	3.2	3.6	4.8	6.1	6.3	6.0
Q3	5.1	7.1	5.1	5.3	4.6	5.4	4.0	6.6	3.4	3.6	4.9	5.5	6.6	6.1
Q4	5.2	7.2	5.4	5.1	4.5	5.5	3.9	7.3	3.4	3.6	5.0	5.8	6.7	5.8
2002 Q1	5.1	7.2	5.4	5.0	4.8	5.6	3.6	6.9	3.6	3.4	4.9	5.7	6.5	6.1
Q2	5.2	6.5	5.5	5.3	4.6	5.7	3.7	6.8	3.9	3.7	5.0	5.7	6.5	5.4
Q3	5.3	6.2	5.5	5.6	4.6	5.9	3.8	7.0	4.0	4.0	5.1	5.2	6.3	6.3
Q4	5.1	7.5	5.0	5.1	4.7	5.7	4.1	6.6	4.0	4.1	5.0	5.1	6.1	5.5
2003 Q1	5.1	6.4	5.0	5.2	4.1	6.0	4.6	7.0	3.9	3.7	5.0	4.8	5.8	5.2
Q2	5.0	6.0	4.9	5.1	4.4	5.6	4.0	7.2	4.0	3.5	4.9	4.6	5.6	5.0
Q3	5.0	6.7	4.8	4.9	4.5	5.9	3.9	7.2	3.9	3.2	4.9	4.7	5.8	5.8
Q4	4.9	6.4	4.8	5.1	4.4	5.8	3.5	7.1	3.8	3.1	4.8	4.8	5.8	6.3

1 Periods are calendar quarters.

Source: Labour Force Survey, National Statistics

2 Data has been adjusted to reflect the 2001 Census Population data. For further details, please see the National Statistics website: www.statistics.gov.uk/cci/nugget.asp?id=207

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

Percentages

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	LRFN	LRFO	LSIA	LRFR	LRFS	LRFT	LRFU	LRFV	LRFW	LRFX	LRFY	LRFZ	LRGA
2003 Jan	14.8	15.6	14.6	13.4	13.4	16.1	11.5	19.3	11.3	10.9	13.8	12.9	22.1
Feb	14.4	15.2	14.4	13.0	12.9	15.6	10.9	18.9	10.9	10.5	13.3	12.6	21.9
Mar	14.6	15.1	14.6	13.0	13.1	15.6	11.1	18.9	11.0	10.8	13.5	13.0	22.0
Apr	14.8	15.0	14.7	13.3	13.1	15.7	11.4	19.0	11.3	11.2	13.7	13.1	22.3
May	15.0	14.9	15.0	13.5	13.2	15.8	11.6	19.3	11.7	11.6	14.1	13.2	22.3
Jun	15.2	15.2	15.1	13.7	13.6	15.9	12.0	19.3	12.2	11.8	14.5	13.2	21.8
Jul	15.0	14.9	14.9	13.5	13.6	15.7	12.2	19.4	12.3	11.8	13.9	12.8	20.8
Aug	15.0	14.5	14.8	13.4	13.8	15.6	12.4	19.3	12.4	11.8	13.9	13.0	20.5
Sep	15.4	14.5	15.3	13.7	14.5	16.0	12.7	19.6	12.5	11.9	14.3	13.7	21.5
Oct	15.7	14.7	15.6	14.0	15.0	16.4	13.2	19.7	12.9	12.0	14.6	13.9	22.8
Nov	15.8	14.4	15.7	14.0	15.4	16.7	13.2	19.8	12.9	11.9	14.3	14.0	23.9
Dec	15.8	14.2	15.4	13.9	15.4	16.7	13.3	19.9	13.0	11.9	13.8	13.9	24.5
2004 Jan	15.1	13.3	14.6	13.1	15.0	16.1	12.7	19.9	12.5	11.3	12.8	13.1	24.3
Feb	15.0	13.4	14.4	12.9	14.9	15.9	12.3	19.6	12.6	11.1	12.7	13.1	24.8

1 Computerised claims only.

Source: National Statistics

8 Claimant count rates as a percentage of total workforce

Government Office Regions

Seasonally adjusted

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	BCJE	DPDM	IBWC	DPBI	DPBJ	DPBN	DPDP	DPDQ	DPDR	DPBM	DPBP	DPBQ	DPBR
1999	4.2	7.1	4.6	5.0	3.7	4.5	2.9	4.5	2.3	3.1	5.0	5.1	6.4
2000	3.6	6.3	4.1	4.4	3.4	4.0	2.4	3.7	1.9	2.5	4.4	4.6	5.3
2001	3.2	5.7	3.7	4.0	3.1	3.7	2.1	3.3	1.6	2.1	4.0	4.0	4.9
2002	3.1	5.2	3.6	3.7	2.9	3.5	2.1	3.6	1.7	2.0	3.6	3.9	4.5
2003 Feb	3.1	4.9	3.5	3.6	2.8	3.6	2.2	3.6	1.7	1.9	3.5	3.8	4.3
Mar	3.1	4.9	3.4	3.5	2.9	3.6	2.2	3.7	1.7	1.9	3.5	3.8	4.3
Apr	3.1	4.8	3.4	3.5	2.9	3.6	2.2	3.7	1.8	1.9	3.5	3.8	4.3
May	3.1	4.9	3.4	3.6	2.9	3.6	2.2	3.7	1.8	1.9	3.6	3.8	4.4
Jun	3.1	4.8	3.4	3.5	3.0	3.6	2.2	3.7	1.8	2.0	3.6	3.8	4.3
Jul	3.1	4.7	3.4	3.5	2.9	3.6	2.2	3.7	1.8	1.9	3.5	3.8	4.2
Aug	3.1	4.7	3.4	3.4	2.9	3.6	2.2	3.7	1.8	1.9	3.4	3.8	4.3
Sep	3.1	4.7	3.3	3.4	2.9	3.6	2.2	3.7	1.8	1.9	3.4	3.8	4.3
Oct	3.0	4.6	3.3	3.4	2.9	3.5	2.1	3.7	1.8	1.9	3.3	3.8	4.3
Nov	3.0	4.6	3.3	3.3	2.9	3.5	2.1	3.6	1.8	1.8	3.3	3.8	4.3
Dec	3.0	4.5	3.2	3.2	2.8	3.5	2.1	3.6	1.8	1.8	3.3	3.7	4.2
2004 Jan	2.9	4.4	3.1	3.2	2.7	3.5	2.1	3.6	1.7	1.7	3.2	3.7	4.2
Feb	2.9	4.4	3.1	3.2	2.7	3.5	2.1	3.6	1.7	1.7	3.2	3.7	4.1

Source: National Statistics

9 Total in employment^{1,2,3}, seasonally adjusted

Government Office Regions

Thousands

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	MGRZ	YCJP	YCJQ	YCJR	YCJS	YCJT	YCJU	YCJV	YCJW	YCJX	YCJY	YCJZ	YCKA	YCPT
2000 Q4	27 497	1 059	3 009	2 274	1 974	2 400	2 679	3 421	4 025	2 359	23 199	1 236	2 358	703
2001 Q1	27 604	1 060	3 031	2 262	1 974	2 421	2 699	3 478	4 031	2 360	23 316	1 234	2 354	695
Q2	27 662	1 065	3 052	2 252	1 971	2 417	2 678	3 518	4 045	2 377	23 374	1 223	2 358	701
Q3	27 670	1 064	3 003	2 263	1 990	2 434	2 670	3 520	4 054	2 385	23 383	1 220	2 348	720
Q4	27 735	1 067	3 023	2 268	2 001	2 455	2 684	3 510	4 060	2 395	23 461	1 224	2 342	706
2002 Q1	27 765	1 072	3 027	2 274	2 004	2 454	2 689	3 513	4 065	2 389	23 488	1 226	2 342	704
Q2	27 850	1 068	3 030	2 274	2 024	2 464	2 680	3 539	4 055	2 405	23 539	1 241	2 352	715
Q3	27 846	1 068	3 028	2 277	2 039	2 459	2 680	3 514	4 033	2 406	23 504	1 258	2 363	724
Q4	28 000	1 051	3 084	2 284	2 033	2 468	2 668	3 545	4 054	2 407	23 594	1 287	2 384	734
2003 Q1	28 049	1 061	3 089	2 304	2 041	2 459	2 655	3 525	4 054	2 414	23 603	1 295	2 395	751
Q2	28 112	1 067	3 103	2 307	2 039	2 448	2 687	3 539	4 043	2 415	23 646	1 316	2 404	736
Q3	28 130	1 069	3 107	2 317	2 027	2 432	2 690	3 573	4 048	2 418	23 680	1 317	2 398	732
Q4	28 152	1 085	3 101	2 319	2 042	2 432	2 731	3 540	4 056	2 428	23 733	1 310	2 386	716

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

2 Periods are calendar quarters.

3 Data have been adjusted to reflect the 2001 Census population data. For further details please see the National Statistics website: www.statistics.gov.uk/cci/nugget.asp?id=207

Source: Labour Force Survey, National Statistics

10 Redundancies, not seasonally adjusted¹

Government Office Regions

Rates²

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	DITA	LRDH	LRDI	DCXF	DCXG	DCXL	LRDJ	DCXI	LRDK	DCXK	DCXN	DCXO	DITB
Summer 2000	6	— ³	7	5	9	7	5	4	7	8	— ³	6	—
Autumn 2000	7	— ³	8	7	7	8	6	7	6	6	— ³	7	—
Winter 2000	7	— ³	9	6	7	9	5	6	6	8	9	6	—
Spring 2001	7	— ³	8	5	8	8	6	7	5	7	— ³	10	—
Summer 2001	7	— ³	8	7	7	8	9	6	7	5	— ³	8	—
Autumn 2001	8	10	9	10	7	6	7	8	9	6	— ³	7	—
Winter 2001	9	12	10	5	8	9	8	8	10	8	10	10	—
Spring 2002	8	— ³	8	5	8	11	10	8	8	7	— ³	8	—
Summer 2002	7	— ³	8	8	7	10	7	7	6	8	— ³	8	—
Autumn 2002	7	— ³	6	6	9	6	7	6	8	7	— ³	7	—
Winter 2002	8	10	7	6	7	10	7	7	7	5	12	8	—
Spring 2003	6	— ³	7	7	7	8	6	4	8	6	— ³	6	—
Summer 2003	6	— ³	6	— ³	9	10	5	6	8	6	— ³	6	—
Autumn 2003	6	— ³	7	— ³	6	7	6	6	7	5	— ³	9	—
Winter 2003	6	— ³	8	5	6	5	7	5	5	— ³	— ³	6	—

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

2 Redundancies per 1,000 employees.

3 Sample size too small to provide a reliable estimate.

Source: Labour Force Survey, National Statistics

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Employee jobs (all industries)

Government Office Regions

2000 = 100

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East of England	London	South East	South West	Wales	Scotland	Northern Ireland
	YEKA	YEBK	YEKJ	YEKC	YEKD	YEKI	YEKE	YEKF	YKGG	YKHH	YKKK	YKLL	YKMM
2000	100.2	100.8	99.5	100.1	101.0	100.3	99.8	99.8	99.6	100.1	100.0	100.6	100.5
2001	101.4	101.9	100.3	101.7	101.9	102.0	102.0	99.8	99.9	100.2	100.1	102.9	102.0
2002	101.7	99.3	102.8	102.8	100.9	103.8	103.5	100.7	100.2	101.1	100.2	102.8	103.6
2003	101.9	98.9	104.5	102.9	101.0	105.0	102.8	100.8	99.6	102.5	101.0	102.5	104.5
2002 Jun	101.5	102.3	103.5	100.5	100.3	100.3	100.8	99.3	102.8	103.7	100.2	102.7	103.3
Sep	101.6	103.3	104.2	101.3	100.4	100.7	100.8	98.7	102.6	103.5	100.9	102.7	103.3
Dec	102.2	103.7	105.2	102.5	100.2	101.5	101.6	99.3	103.1	103.7	100.4	102.8	104.9
2003 Mar	101.2	103.5	104.2	101.2	98.7	100.4	100.6	98.3	102.5	102.1	99.9	101.9	103.8
Jun	101.7	104.6	104.7	102.5	99.5	100.9	101.0	98.5	103.0	102.7	100.3	102.2	104.0
Sep	101.9	104.7	105.1	102.7	99.8	100.6	101.0	98.6	102.8	103.0	101.7	102.4	104.1
Dec	102.6	105.4	105.8	103.4	100.2	101.3	101.4	100.1	103.4	103.4	102.2	103.4	105.9

Source: National Statistics

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Index of industrial production

Seasonally adjusted 1995 = 100

	United Kingdom ¹	Scotland	Northern Ireland ¹	Wales ¹
	CKYW	LRFK	LRFL	TMQX
2000	100.0	115.7	100.00	100.0
2001	98.4	106.5	102.90	94.2
2002	95.7	95.9	100.30	94.2
2003	95.2	..	101.03	89.2
2000 Q4	100.3	99.4	101.5	98.7
2001 Q1	100.1	98.1	106.7	94.7
Q2	98.7	97.6	101.5	92.8
Q3	98.3	93.5	102.0	94.5
Q4	96.5	91.8	101.6	94.8
2002 Q1	96.1	88.4	100.0	94.7
Q2	96.0	88.4	100.9	95.0
Q3	95.7	87.8	100.8	94.7
Q4	95.2	86.4	99.5	92.3
2003 Q1	95.1	86.0	99.1	90.3
Q2	95.3	85.2	100.6	89.1
Q3	95.3	84.7	102.1	86.5
Q4	95.2	..	102.3	90.9

1 The index of industrial production for the United Kingdom, Northern Ireland and Wales have been rebased from 1995=100 to 2000=100. Figures on the 1995=100 base are not being continued

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

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Index of construction

Seasonally adjusted 1995 = 100

	United Kingdom ¹	Scotland	Northern Ireland	Wales ¹
	GDQB	LRZR	LRFM	TMQY
2000	100.0	109.2	..	100.0
2001	103.4	106.4	..	91.1
2002	108.4	103.0	..	98.1
2003	113.7	..	..	111.0
2000 Q4	99.4	100.1	108.7	93.4
2001 Q1	101.5	99.0	124.5	94.1
Q2	102.8	96.9	116.0	84.7
Q3	103.8	94.3	116.3	91.5
Q4	105.7	91.7	120.2	94.2
2002 Q1	107.4	90.8	113.5	95.5
Q2	106.8	90.6	116.7	98.2
Q3	108.7	90.1	111.8	97.7
Q4	110.5	91.1	112.4	100.9
2003 Q1	109.1	93.4	113.4	103.1
Q2	112.7	95.9	118.0	109.0
Q3	115.8	98.4	122.3	114.7
Q4	117.4	..	..	117.2

1 The Index of construction for United Kingdom and Wales has been rebased from 1995=100 to 2000=100. Figures on the 1995=100 base are not being continued

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

14 Manufacturing industry: optimism about business situation

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

Balance¹

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
	DCMO	LYYS	LYYT	DCMU	DCMT	DCMS	LYYU	DCMP	DCMR	DCMX	DCMY	DCMZ
2003 Apr	-27	-14	-39	-23	-44	-38	-23	-31	-27	-22	-15	-8
Jul	-13	-19	-20	-2	-8	-24	-6	3	-17	-38	-16	1
Oct	-7	-13	17	21	-14	-43	-	5	21	22	-8	-15
2004 Jan	17	21	24	38	-	-4	2	14	37	10	15	8

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

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

15 Manufacturing industry: volume of output

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

Balance¹

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
Past 4 months	DCLQ	LYRV	LYRW	DCLW	DCLV	DCLU	LYRX	DCLR	DCLT	DCLZ	DCMA	DCMB
2003 Apr	-12	3	-26	-25	-18	-5	-6	-	-13	-14	3	10
Jul	-9	19	9	-20	-24	-18	-13	-20	-15	16	-12	19
Oct	-19	-18	-8	-20	-15	-30	-25	-38	8	-10	-19	29
2004 Jan	14	-7	10	9	7	3	13	8	32	14	13	55
Next 4 months	DCMC	LYYY	LYYZ	DCMI	DCMH	DCME	LRZA	DCMD	DCMF	DCML	DCMM	DCMN
2004 Jan	21	20	33	40	16	15	3	12	20	20	5	24

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

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

16 Manufacturing industry: volume of new orders

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

Balance¹

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
Past 4 months	DCNA	LRZB	LRZC	DCNG	DCNF	DCNE	LRZD	DCNB	DCND	DCNJ	DCNK	DCNL
2003 Apr	-21	-2	-32	-10	-26	-14	-25	-12	-21	-23	-5	1
Jul	-18	29	-1	-9	-23	-22	-33	-28	-23	4	-26	24
Oct	-16	-10	-11	-13	-22	-30	-27	-22	-2	10	-32	6
2004 Jan	13	-8	9	18	3	-2	6	4	19	8	1	28
Next 4 months	DCNM	LRZE	LRZF	DCNS	DCNR	DCNQ	LRZG	DCNN	DCNP	DCNV	DCNW	DCNX
2004 Jan	13	18	40	35	9	-7	-7	3	16	24	19	27

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

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

17 Manufacturing industry: volume of new export orders

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

Balance¹

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
Past 4 months	DCNY	LRZH	LRZI	DCOE	DCOD	DCOC	LRZJ	DCNZ	DCOB	DCOH	DCOI	DCOJ
2003 Apr	-21	-15	-30	2	-16	-26	-14	-3	-37	-29	-28	-2
Jul	-23	17	-3	-8	-16	-21	-31	-11	-25	-	-15	33
Oct	-22	9	-14	-10	-26	-30	-2	8	1	-7	-20	34
2004 Jan	4	-27	19	17	6	-11	-14	-7	-34	10	6	40
Next 4 months	DCOK	LRZK	LRZL	DCOQ	DCOP	DCOO	LRZM	DCOL	DCON	DCOT	DCOU	DCOV
2004 Jan	17	32	37	24	-	-5	-5	-	-6	20	30	33

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

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

18 Manufacturing industry: firms working below capacity

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

Percentages

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
	DCOW	LRZN	LRZO	DCPC	DCPB	DCPA	LRZP	DCOX	DCOZ	DCPF	DCPG	DCPH
2003 Apr	70	77	79	74	69	66	66	64	64	67	58	79
Jul	68	81	85	79	67	71	65	68	66	58	52	66
Oct	68	75	67	78	55	61	78	81	43	49	71	73
2004 Jan	66	93	59	71	62	63	55	62	49	58	51	91

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

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Permanent dwellings started Government Office Regions

Numbers

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland ¹	Northern Ireland
	DEOI	LRDP	LRZQ	DCRX	DCRW	DCRV	LRDR	DCRR	LRDS	DCRU	BLIA	BLFA	BLGA
2002	193 347	6 387	19 112	14 615	16 004	14 659	19 315	16 914	25 303	16 918	9 419	22 579	11 977
2003	..	7 094	20 409	..	..	..	..	..	..	..	..	..	13 152
2000 Q4	37 922	1 518	3 779	2 987	3 087	3 087	3 391	3 475	4 270	3 200	1 617	5 291	2 269
2001 Q1	48 832	1 926	4 788	3 879	3 757	4 026	4 521	3 446	6 043	4 082	2 206	6 391	3 764
Q2	51 875	1 704	4 979	3 788	3 764	4 136	5 620	4 447	6 982	4 445	2 705	5 455	3 847
Q3	49 614	1 581	4 804	3 639	3 972	3 310	4 800	5 764	6 462	4 152	2 452	5 787	2 889
Q4	42 833	1 097	4 694	3 435	3 500	3 171	4 054	3 077	6 050	3 785	1 778	5 445	2 745
2002 Q1	50 707	1 743	5 323	3 333	3 586	4 081	4 857	4 795	6 400	4 710	2 161	6 309	3 381
Q2	49 871	1 712	5 132	3 768	4 435	3 615	4 408	3 856	7 084	4 387	2 809	5 278	3 381
Q3	50 551	1 603	4 740	4 178	4 263	3 880	5 957	4 040	6 262	4 487	2 628	5 426	3 107
Q4	42 218	1 329	3 917	3 336	3 720	3 083	4 093	4 223	5 557	3 334	1 882	5 566	2 108
2003 Q1	52 993	1 633	5 307	4 453	4 741	4 278	5 350	3 734	6 725	4 314	2 203	6 476	3 646
Q2	..	2 028	5 921	3 790	4 224	4 152	5 412	4 766	7 788	4 393	2 668	5 825	3 256
Q3 ²	..	1 734	4 958	4 226	4 161	4 568	5 130	3 627	7 039	4 553	2 573	5 777	3 460
Q4 ²	..	1 699	4 223	4 418	3 636	4 092	4 201	3 698	6 122	3 644	1 719	..	2 790 ³

1 Includes estimates for outstanding returns for private sector.

2 English regions data revised

3 Provisional

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

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House prices¹ Government Office Regions

February 2002 = 100

	United Kingdom	North East	North West ²	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	LRBH	LRDX	LRDY	LRBJ	LRBK	LRBP	LRDZ	LRBM	LREA	LRBO	LRBR	LRBS	LRBT
2002	111.2	112.6	112.6	111.5	115.1	112.6	110.3	110.3	110.4	113.1	110.7	109.8	109.5
2003 ³	128.7	137.9	132.9	134.2	141.0	132.7	129.9	120.3	127.1	133.4	133.2	124.9	119.1
2000 Q4	92.5	89.1	92.0	90.5	83.2	90.6	81.4	96.1	96.0	88.3	80.1	92.5	95.8
2001 Q1	92.1	86.6	97.5	92.9	84.1	90.1	84.4	98.9	91.2	90.5	82.9	96.9	105.3
Q2	95.4	93.8	96.8	92.7	88.8	93.5	84.3	102.8	100.3	91.4	93.0	94.5	97.0
Q3	98.8	93.6	107.0	97.8	93.5	98.6	88.1	103.6	101.8	99.5	89.1	97.2	102.0
Q4	96.8	99.7	100.2	97.7	94.1	96.0	88.1	100.0	98.7	98.4	87.3	97.9	93.1
2002 Q1	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
Q2 ⁴	108.2	110.4	111.2	109.3	110.7	108.3	106.0	108.2	106.7	109.0	107.8	108.8	109.4
Q3 ⁴	115.5	116.8	116.6	114.8	120.5	116.9	114.0	114.9	114.2	118.3	114.6	113.9	114.5
Q4 ⁴	121.2	123.2	122.5	122.0	129.0	125.0	121.2	118.1	120.6	125.1	120.3	116.5	114.2
2003 Q1 ⁴	123.4	123.5	122.7	124.1	134.3	125.3	127.8	116.1	124.6	131.1	123.3	112.6	116.2
Q2 ⁴	127.2	135.4	129.3	131.7	140.6	130.8	130.5	117.2	127.4	132.4	128.8	121.6	119.6
Q3 ⁴	130.7	143.0	136.7	137.1	141.9	135.6	129.8	123.9	127.6	134.2	136.7	129.6	119.8
Q4 ⁴	133.4	149.7	143.1	144.1	147.1	139.3	131.5	124.1	128.7	136.0	144.1	135.9	120.9

1 These indices adjust for the mix of dwellings (by size and type, whether new or second-hand) and exclude those bought at non-market prices and are based on mortgage completions obtained from the Survey of Mortgage Lenders.

2 North West including Merseyside.

3 Data from 2003 onwards based on a significantly enhanced sample of returns from mortgage lenders.

4 Quarterly index calculated as average of the monthly mix-adjusted series.

Source: Office of the Deputy Prime Minister

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VAT registrations and deregistrations¹: net charges² Government Office Regions

Thousands

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	DCYQ	LREB	LRZS	DCYT	DCYU	DCYY	LRED	DEON	LREE	DCYX	DCZA	DCZB	DCZC
1999	21.0	0.3	1.5	0.6	1.0	1.4	2.4	7.2	5.2	1.6	-0.4	0.2	-
2000	18.6	0.4	1.6	0.6	1.3	1.6	2.6	5.2	4.1	1.1	0.1	0.2	-0.3
2001	7.4	-0.3	0.9	-0.4	0.6	0.6	0.4	1.8	3.1	0.4	-	0.2	0.1
2002	-0.2	0.1	-0.2	-0.2	1.0	0.1	0.5	-2.1	1.1	-0.3	-0.7	0.2	0.3

1 This series replaces the previously published dataset

2 Net gain or loss in the stock of registered enterprises each year - equal to registrations < de-registrations

Source: Department of Trade and Industry

Revisions to GDP planned for the 2004 Blue Book

Fenella Maitland-Smith
Office for National Statistics

The article explains the sources of revision to GDP estimates planned for the *UK National Accounts – The Blue Book 2004*, with a detailed explanation of the effects of the re-referencing and rebasing exercises carried out each year from now on as a part of annual chain-linking. In general, the revisions policy employed for the 2004 *Blue Book* is that periods from 2001q1 onwards will be open for revisions. In addition, however, the effect of the reclassification of NHS Trusts will be taken back to their inception in 1991, with a minor effect on GDP growth rates. ONS is also in the process of quality assuring new estimates of the real output of government health services which could affect GDP growth rates in the closed period.

Introduction

The main aim of this article is to remind users that, in the 2004 Blue Book dataset to be published in June 2004, the reference year and the price base year for the most recent periods of all chained-volume series will be updated, from 2000 to 2001. This updating is part of the system of annually chain-linked volume estimates and will take place every year. The article also explains which periods could be affected by other sources of revision to estimates of growth in real gross domestic product (GDP).

Summary of revisions and the periods affected

The policy employed for the 2004 Blue Book is that, in general, periods from 2001q1 onwards will be open for revisions to both current price and chained-volume estimates of GDP. This follows the standard Blue Book revisions policy, reflecting the incorporation of new and revised current price data as part of the normal supply and use balancing process; 2002 is being balanced through the supply and use framework for the first time, and 2001 will be re-balanced.

Revisions will also be made to volume growth in the most recent years, as volume measures for 2002 onwards will, for the first time, be calculated using the prices of 2001. In other words, the base year for the most recent years is being advanced from 2000 to 2001. This rebasing of volume measures will affect annual and quarterly **growth rates** from 2002 onwards (quarterly growth rates in 2001 are also likely to be slightly revised). This type of rebasing is now a standard revision for each Blue Book.

The reference year for chained-volume (CVM) **levels** series, expressed in £ million or as indices, will also be advanced from 2000 to 2001. The entire length of these levels series will be affected by the re-referencing (note that although levels prior to 2002 are affected, growth rates are not). This re-referencing is now a standard revision for each Blue Book.

In addition to these standard revisions, the Office for National Statistics (ONS) often chooses to make specific revisions to closed periods where the contribution to the quality of the national accounts is felt to be significant. For the 2003 Blue Book, the effect of the reclassification of NHS Trusts will be taken back to their inception in 1991, and will have a minor effect on GDP growth rates.

ONS is also in the process of quality assuring new estimates of the real output of government health services which could affect GDP growth rates in the closed period. These new estimates will be incorporated into the 2004 Blue Book provided ONS is satisfied that the methodology, and other aspects of data quality, are robust. Further information on the decision taken, and the periods affected, will be published in the May First Release of Output, Income and Expenditure.

The time periods affected by the standard revisions, and the NHS Trusts' reclassification, are summarised in Table 1 and in Appendix A.

Table 1

	Source of Revision			
	New and revised source data (A)	Updating price base to 2001 (B)	Re-referencing to 2001 (C)	NHS Trusts' reclassification
Series type affected	CVM growth and levels CP growth and levels	CVM growth and levels	CVM levels (not growth rates)	CVM growth and levels CP growth and levels
Periods affected	2001q1 onwards	2002q1 onwards *	All periods (1947 onwards)	1991q1 onwards

CVM = chained-volume measures

CP = current prices

* very small changes to quarterly growth in 2001 are possible, due to benchmarking, but annual growth for 2001 will be unchanged (see Appendix B).

Why are the reference year and most recent price base being updated?

In the UK National Accounts, volume growth is estimated using chained-volume measures (CVMs), that is, growth into each year is calculated using valuations based on the prices of the previous year. This is not the case, however, in the most recent years where, in effect, a fixed-base tail exists at the end of each CVM series. The base year for these fixed-base tails is currently 2000, so that volume growth into all periods from 2001q1 onwards is calculated using the average prices of 2000 (note that growth in 2001 is, therefore, calculated using prices of the previous year).

2000 is also the reference year for the presentation of levels series, that is, indices are presented with 2000=100, and CVM series in £ million terms are presented using the prices of 2000.

Each year, the base year of the fixed-base tail can be moved forward using the latest available dataset balanced through the supply and use framework. Thus, in the 2004 Blue Book (and for quarterly data published from June 2004) the base year for the tail (2002q1 onwards), and the reference year, will be 2001. Similarly, for the 2005 Blue Book the most recent base year, and the reference year, will be 2002.

Economic theory generally suggests that the effect of moving the base year forward would be expected to lead to lower estimates of growth. This expectation is based on the assumption that price and volume movements are negatively correlated. So, economic theory would suggest that updating the base year from 2000 to 2001 would lead to downward revisions to growth estimates from 2002q1 onwards.

Very small changes to quarterly growth in 2001 are possible, due to benchmarking, but annual growth for 2001 will be unchanged. See Appendix B.

Effect of the reclassification of NHS Trusts

As announced on 2 July 2003, the ONS has decided that NHS Trusts previously classified as public sector corporations should be reclassified as central government. This will be effected for 1991 onwards, coinciding with their inception.

For non-market bodies such as government, gross operating surplus is based on capital consumption, whereas for market bodies such as corporations, gross operating surplus is based on profits. The reclassification of NHS Trusts will have a small effect on GDP growth due to the basis of the gross operating surplus estimates changing as NHS Trusts are moved from being market to non-market.

The effect on GDP growth will be downward and is likely to affect growth rates by –0.1 per cent in one or two years only at the published level.

Appendix A

Effects on chained-volume growth :

	New/revised data	Updating price base year to 2001:			Overall effect on growth
	(A)	(B)	(BB03 base year)	(BB04 base year)	
2000q1	No revisions (except NHS+)	No revisions	1999	1999	No revisions (except NHS+)
q2	No revisions (except NHS+)	No revisions	1999	1999	No revisions (except NHS+)
q3	No revisions (except NHS+)	No revisions	1999	1999	No revisions (except NHS+)
q4	No revisions (except NHS+)	No revisions	1999	1999	No revisions (except NHS+)
2000ann.	No revisions (except NHS+)	No revisions	1999	1999	No revisions (except NHS+)
2001q1	Revisions	No revisions *	2000	2000	A
q2	Revisions	No revisions *	2000	2000	A
q3	Revisions	No revisions *	2000	2000	A
q4	Revisions	No revisions *	2000	2000	A
2001ann.	Revisions	No revisions	2000	2000	A
2002q1	Revisions	Revisions	2000	2001	A and B
q2	Revisions	Revisions	2000	2001	A and B
q3	Revisions	Revisions	2000	2001	A and B
q4	Revisions	Revisions	2000	2001	A and B
2002ann.	Revisions	Revisions	2000	2001	A and B
2003q1	Revisions	Revisions	2000	2001	A and B
q2	Revisions	Revisions	2000	2001	A and B
q3	Revisions	Revisions	2000	2001	A and B
q4	Revisions	Revisions	2000	2001	A and B
2003ann.	Revisions	Revisions	2000	2001	A and B
2004q1	Revisions	Revisions	2000	2001	A and B
q2	Revisions	Revisions	2000	2001	A and B

Effects on chained-volume levels (£ million or indices):

	New/revised data		Updating price base year:		Re-referencing :			Overall effect on levels
	(A)	(B)	(BB03 base year)	(BB04 base year)	(C)	(BB03 reference year)	(BB04 reference year)	
2000 q1	No revisions (except NHS+)	No revisions	1999	1999	Revisions	2000	2001	C (and NHS+)
q2	No revisions (except NHS+)	No revisions	1999	1999	Revisions	2000	2001	C (and NHS+)
q3	No revisions (except NHS+)	No revisions	1999	1999	Revisions	2000	2001	C (and NHS+)
q4	No revisions (except NHS+)	No revisions	1999	1999	Revisions	2000	2001	C (and NHS+)
2000ann.	No revisions (except NHS+)	No revisions	1999	1999	Revisions	2000	2001	C (and NHS+)
2001 q1	Revisions	No revisions *	2000	2000	Revisions	2000	2001	A and C
q2	Revisions	No revisions *	2000	2000	Revisions	2000	2001	A and C
q3	Revisions	No revisions *	2000	2000	Revisions	2000	2001	A and C
q4	Revisions	No revisions *	2000	2000	Revisions	2000	2001	A and C
2001ann.	Revisions	No revisions	2000	2000	Revisions	2000	2001	A and C
2002 q1	Revisions	Revisions	2000	2001	Revisions	2000	2001	A, B and C
q2	Revisions	Revisions	2000	2001	Revisions	2000	2001	A, B and C
q3	Revisions	Revisions	2000	2001	Revisions	2000	2001	A, B and C
q4	Revisions	Revisions	2000	2001	Revisions	2000	2001	A, B and C
2002ann.	Revisions	Revisions	2000	2001	Revisions	2000	2001	A, B and C
2003 q1	Revisions	Revisions	2000	2001	Revisions	2000	2001	A, B and C
q2	Revisions	Revisions	2000	2001	Revisions	2000	2001	A, B and C
q3	Revisions	Revisions	2000	2001	Revisions	2000	2001	A, B and C
q4	Revisions	Revisions	2000	2001	Revisions	2000	2001	A, B and C
2003ann.	Revisions	Revisions	2000	2001	Revisions	2000	2001	A, B and C
2004 q1	Revisions	Revisions	2000	2001	Revisions	2000	2001	A, B and C
q2	Revisions	Revisions	2000	2001	Revisions	2000	2001	A, B and C

Notes

* Very small changes to quarterly growth in 2001 are possible, due to benchmarking, but annual growth for 2001 will be unchanged.

NHS+ indicates that although, in general, periods prior to 2001q1 will not be open to revisions, the effects of the reclassification of NHS Trusts will be taken back to 1991.

Appendix B

Why could there be revisions to quarterly, but not annual, growth estimates for 2001?

In summary, because quarterly growth in 2001 will, for the first time, be linked onto a reference year and will need to be benchmarked. The cubic splining method used for benchmarking may lead to very small revisions to the quarterly path. This is explained in more detail below.

The general case:

1. The first step in producing annually chain-linked volume measures (CVMs) is to calculate a volume estimate for each year valued using the prices of the previous year (PYPs).
2. CVMs are compiled by linking together the PYPs for successive years.
3. CVMs of annual growth are calculated using linking derived from the ratios of annual estimates. CVMs of quarterly growth, on the other hand, are calculated using linking derived from the ratios of estimates for quarter four of each year.
4. The use of different linking factors for annual and quarterly estimates leads to slightly different estimates of growth.
5. The annual estimates are the benchmark, with which the quarterly estimates must be aligned. So, quarterly CVMs are brought into line (benchmarked) using cubic splining methods.

The 2004 Blue Book case:

Prior to the 2004 Blue Book revisions, that is, during 2003 Blue Book compilation:

6. CVM series needed to be referenced to a particular year, and 2000 was chosen, that is, 2000=100 for indices, and CVMs in £ million terms are expressed in the prices of 2000.
7. So, the CVM series have fixed base tails with base year, and reference year, of 2000, that is, the fixed base tails start with growth into 2001.
8. Growth into 2000, and all previous years, must be linked onto the fixed base tails.
9. This means that quarterly growth into 2000, and all previous years, must be benchmarked (since any quarterly linking requires benchmarking). But growth into 2001 does not need to be benchmarked as it is not derived using any linking factors.

During 2004 compilation:

10. The reference year, and base year for the fixed base tail, are updated to 2001, so that steps 6 to 9 above apply, with 2001 replacing 2000, and 2002 replacing 2001.
11. So, quarterly growth into 2001 will now be linked and will thus need to be benchmarked. The cubic splining method may lead to very small revisions to the quarterly path.

Total UK health expenditure, 1997–2002

**Phillip Lee, Gavin Wallis and
Dick Heasman**
Office for National Statistics

ONS published its latest estimates of total UK health expenditure, for the years 1997–2002 in December 2003. This was the first time these estimates were published as National Statistics; they were previously published on an experimental basis in February 2002 and February 2003.

This article provides these estimates along with some international comparisons, outlines the process for achieving 'National Statistics' status, and describes the sources and methods used in compilation.

Introduction

Over the last few years, interest in gaining a better understanding of the UK's health system has been growing. One example of this is the Prime Minister's promise in January 2000 to bring UK spending up to the European Union (EU) average.

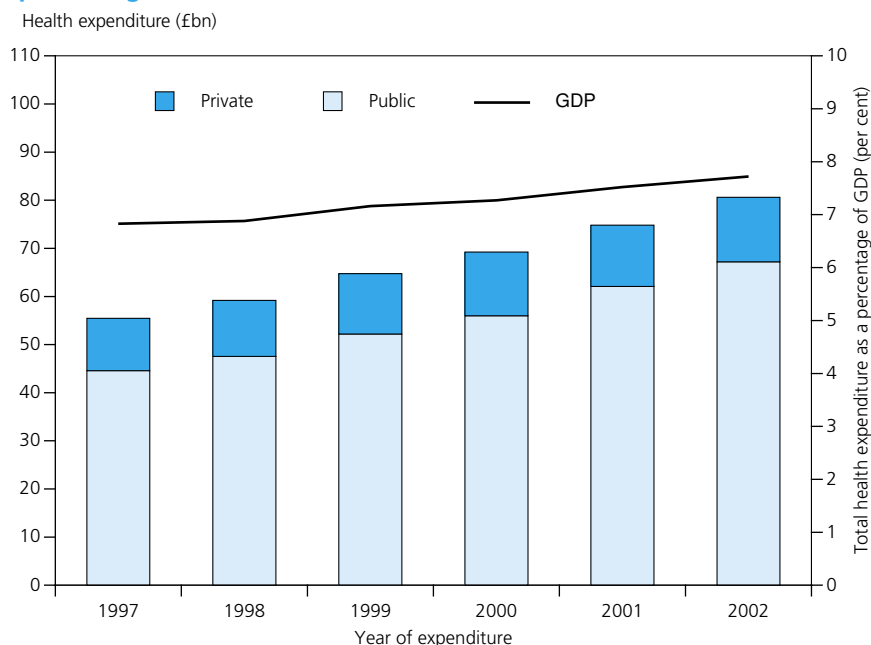
Consequently, ONS has been developing its measure of total UK health expenditure as part of its pilot UK Health Accounts project. Many other countries have been examining their own estimates and working towards the common goal of comparability. All of this work has benefited from the recent publication of an internationally comparable framework for Health Accounts.

On 16 December 2003, ONS published its estimates of total, public and private UK health expenditure for 2002, as well as revised figures for 1997–2001, as National Statistics.

Recently published estimates

Figure 1 presents the recently published total, public and private UK health expenditure estimates as bars (to be read against the left axis) and total UK health expenditure as a percentage of Gross Domestic Product (GDP) as a line (to be read against the right axis).

Figure 1
Total, public and private expenditure on health, £bn and as percentage of Gross Domestic Product, 1997–2002



The rising slope of the line shows that nominal health expenditure has increased at a faster rate than nominal expenditure in the economy as a whole. These estimates do not show how much of this difference in the rate of increase in health spending compared with the economy at large is due to a relative difference in the rate of change in prices of health goods and services.

The bars show that the increase over the period 1997–2002 in publicly financed health expenditure is the main driver in absolute terms for the increase in total health expenditure.

The publicly financed share of total health expenditure is large (at 83 per cent in 2002, up from 80 per cent in 1997), so it is not simple to discern from Figure 1 that there have also been increases in nominal expenditure by the private sector on health. In 2002, privately financed health expenditure was 23 per cent higher than in 1997; publicly financed health expenditure was 50 per cent higher in 2002 than in 1997.

The full set of estimates released in December 2003 appears in Table 1, covering total, public and private UK health expenditure and total UK health expenditure as a percentage of GDP.

International comparisons

The Organisation for Economic Co-operation and Development (OECD) collects health expenditure estimates from its 30 member countries and disseminates them in an annual CD-ROM. The latest was published as *OECD Health Data 2003* in June 2003. As for the UK's estimates of total health expenditure, estimates for many other countries have been under review and considerable progress has been made over the last few years in improving their international comparability. The OECD continues to advise its users to be cautious when drawing conclusions from the comparisons. To illustrate this, Box 1 describes the interpretations of the definition of long-term nursing care in Germany and the UK.

Figure 2 presents a comparison of total health expenditure as a percentage of Gross Domestic Product for EU member states for 2001, the latest year available. Note that the estimate

for Luxembourg relates to the year 2000. The EU country which devoted most nominal resources to health in 2001 was Germany (10.7 per cent of GDP), whilst Luxembourg devoted the least (5.6 per cent, albeit for 2000). As referred to above and described in Box 1, the German interpretation of health care covers a wider range of activities, which in the UK are considered to be part of social care. For Luxembourg, the relative size of GDP – it has the highest in the EU – is the main reason for the health expenditure share being low. There are also particular difficulties in correctly treating imports and exports of health care goods and services. As a small country with a significant amount of cross border movement to and from Belgium, France and Germany, the definition of 'national' expenditure needs considerable thought.

Figure 2
Total health expenditure as a percentage of Gross Domestic Product in EU countries, national currency units, 2001 (Luxembourg, 2000)

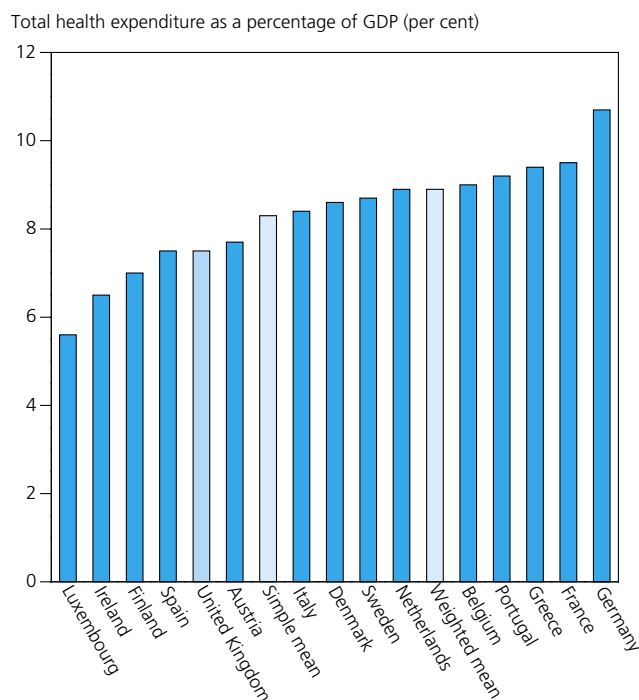


Table 1
Total, public and private UK health expenditure in £m, and total UK health expenditure as a percentage of Gross Domestic Product, 1997–2002

	Total UK health exp. (£m)	As a percentage of GDP	Public UK health exp. (£m)	Private UK health exp. (£m)
1997	55,462	6.8	44,568	10,894
1998	59,178	6.9	47,552	11,626
1999	64,733	7.2	52,192	12,541
2000	69,242	7.3	55,996	13,246
2001	74,833	7.5	62,090	12,743
2002	80,620	7.7	67,201	13,419

Source: ONS, 16 December 2003 release.

The simple average across EU member states stood at 8.3 per cent in 2001 (note that this includes the 2000 figure for Luxembourg), higher than the UK figure which stood at 7.5 per cent. As previously noted, the UK stood at 7.7 per cent in 2002; figures for 2002 for other EU countries will be published in *OECD Health Data 2004* in June 2004.

The simple average is calculated as the sum of the 15 EU member states' individual percentages divided by 15. This method gives equal weight to countries, taking no account of

Box 1 Long-term nursing care in Germany and in the UK

Germany. A special agency is responsible for determining whether a person has a long-term care requirement, and how dependent they are. The level of dependency is rated according to a standard nationwide scale based on Activities of Daily Living (ADL). The ratings go from 1 (mild restrictions) to 3 (severe restrictions). The rating agency also states what setting is appropriate (in-patient, home care etc). The 'Long-Term Care nursing scheme' then pays a fixed amount according to the agency's ratings, usually directly to the care provider, for services provided for an individual person. Some people ('zero-level' patients), who are not classified from 1–3 on the dependency scale, are still deemed to require some kind of care, and are covered by the 'Social assistance scheme'. Finally, there is a special group of people with very high levels of dependency (in addition to level 3) who are eligible for an extra payment to cover the higher cost of the more intensive level of care.

All these costs, along with the accommodation charges for those resident in care homes, are included as expenditure on health in the data Germany sends to the OECD, on the grounds that there is a legal requirement for the care to be provided or supervised by a qualified nurse.

UK. Legislation requires care homes to maintain certain standards and ensure that each individual is given the specific care that is needed, based on a personal assessment of dependency. There is no single national scale against which dependency is assessed, and no single body with responsibility for determining levels of dependency. These specifics are determined at a local level.

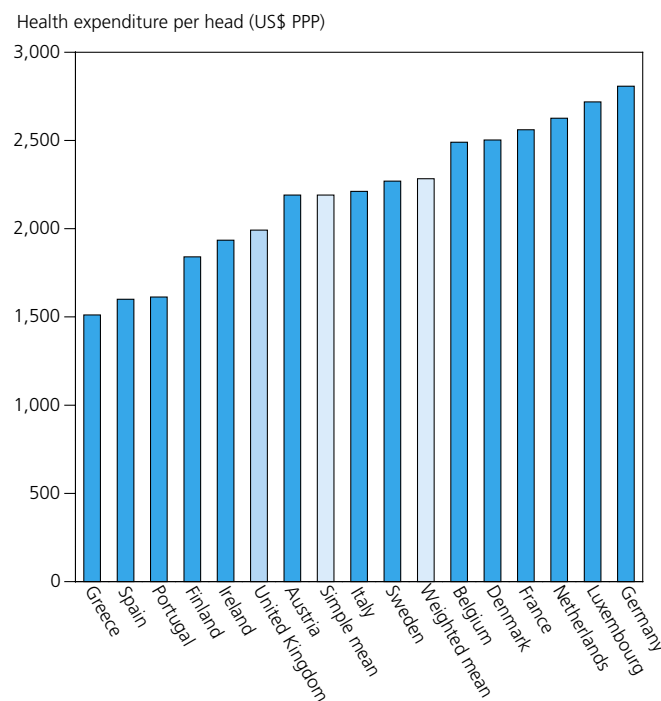
The legislation distinguishes between care homes that can provide nursing care and those that cannot, and information is available on these separate institutions. Since the former must employ qualified nurses and since the internationally comparable definitions (see Box 2) require the 'application of medical, paramedical and nursing knowledge' in order for an activity to be deemed health care, the UK estimate of health expenditure includes only the marginal nursing care costs for those residents who have been assessed to have a nursing care need. The cost of accommodating people in care homes is not considered to be health expenditure on the grounds that health care is only a minor part of service provision; the major part is the provision of social care.

relative size in terms, for example, of population or economic activity.

Figure 2 also includes a weighted average that takes into account the relative size of countries' GDP (calculated using Purchasing Power Parities as described in the next paragraph). The large size of Germany, with its higher level of health spending relative to GDP alongside the small size of Luxembourg, with its lower level of health spending relative to GDP mean that the weighted average at 8.9 per cent of GDP is higher than the simple average.

In order to compare health expenditure internationally, comparisons are often made on the basis of expenditure 'per head of population'. To do this, expenditure needs to be converted into a common currency. As official exchange rates do not necessarily reflect the purchasing power of currencies within countries, that is, the equivalent of £1 will buy more in some countries than it will in others, alternative currency conversion factors are required. Purchasing Power Parities (PPP) are often used for this purpose. PPPs are the rates of currency exchange which remove the effect of price level differences between currencies, thus allowing monetary values to be compared in a common currency. Using the PPP method and expressing the figures in US dollars, Figure 3 presents health expenditure per head, again for 2001, and again the figure for Luxembourg relates to 2000.

Figure 3
Health expenditure per head at US\$ Purchasing Power Parity 2001 (Luxembourg, 2000)



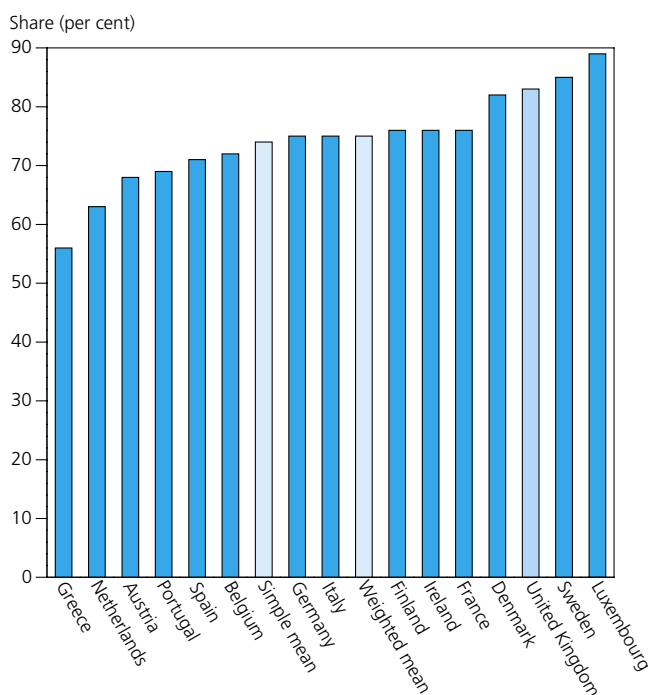
Taking into account the different purchasing power of a dollar in the UK compared with a dollar in other countries, the UK moves up a ranking compared with Figure 2. While the UK was the EU country with the fifth lowest health expenditure figure as a percentage of GDP, the UK was the sixth lowest in terms of health expenditure per head at US Dollar Purchasing Power Parity.

Luxembourg is the country with the highest health expenditure per head in this comparison, which underlines the issue associated with making international comparisons on the percentage of GDP basis.

Figure 4 presents the percentage share of total health expenditure that is financed by the public sector. In all EU countries, the majority of health care spending is incurred by the public sector. However, the range in 2001 varied widely from Greece with 56 per cent to Luxembourg with 89 per cent (for 2000). The simple average for EU countries in 2001 stood at 74 per cent, with the UK significantly higher at 83 per cent. This made the UK the country with the third highest public sector share of health care financing, well above both the simple mean (taking no account of the size of total health expenditure) and the weighted mean (adjusting for the relative size of total health expenditure).

It should be noted that the reclassification of NHS Trusts (described earlier in this issue of *Economic Trends*) will leave this measure unchanged as public corporations and central government are in the public sector.

Figure 4
Publicly financed share of total health expenditure 2001, (Luxembourg, 2000)



An overview of the internationally comparable framework

The framework for Health Accounts is set out by the Organisation for Economic Co-operation and Development (OECD) in its publication *A System of Health Accounts* (OECD, 2000). The framework is supported by the European Commission, the World Bank and World Health Organisation. The use of this framework ensures improved comparability with other countries as well as consistency over time.

A System of Health Accounts provides a concept of health care (reproduced in Box 2), a definition of health expenditure (reproduced in Box 3) as well as three classifications for the further analysis of total health expenditure.

Box 2: The concept of health care in *A System of Health Accounts*

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

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

A System of Health Accounts, OECD 2000

The framework is consistent with the System of National Accounts (European Commission *et al*, 1993), which sets out the definitions and classifications to be used in the compilation of economic aggregates. Indeed, the framework matches that of the System of National Accounts except in four specific areas, as follows:

- *Research & Development in health* is included as part of health expenditure in the National Accounts. *A System of Health Accounts* acknowledges the importance of these activities to the health system by classifying them as health care related (not health) expenditure (total UK health expenditure therefore excludes this).
- The value added of the *health insurance industry* is classified as financial services in the National Accounts. *A System of Health Accounts* acknowledges its role in the health system by reclassifying this as health expenditure (total UK health expenditure therefore includes this).
- *Household production of health care services* is not included as economic activity in the National Accounts. *A System of Health Accounts* acknowledges these activities by putting a monetary value on them based on the amount of benefits paid to those caring for family members with ill health and including this as health expenditure (no such estimate is yet included in UK figures).

- *Occupational health care* is included as part of the costs of production and not as health expenditure in the National Accounts. A *System of Health Accounts* acknowledges these activities by reclassifying them as health expenditure (no such estimate is yet included in UK figures).

As for most countries, the ONS's current measure of total health expenditure does not incorporate either household production of health care services or occupational health care. For further details, please see the section below on methodology.

An increasing number of countries in Europe, as well as world-wide, are compiling estimates of national health expenditure according to this framework, including Germany, the Netherlands, Spain, Canada the United States and Japan. Health expenditure estimates for the OECD group of countries are available from *OECD Health Data* (OECD, 2003).

Box 3: the definition of health expenditure in *A System of Health Accounts*

Total expenditure on health measures the final use of resident units of health care goods and services plus gross capital formation in health care provider industries (institutions where health care is the predominant activity).

Total expenditure on health thus measures the economic resources spent by a country on the [curative, rehabilitative, long-term nursing care, ancillary services, medical goods, prevention and public health, and administration and insurance] functions... plus gross capital formation in health care industries.

A System of Health Accounts, OECD 2000

Development of experimental estimates

In November 2000, the ONS began the development of a pilot set of UK Health Accounts according to *A System of Health Accounts*. A major part of this work covered the development of improved estimates of total, public and private health expenditure.

This development work was originally announced in the June 2001 issue of *Economic Trends* (Lee, 2001a) and in *Health Statistics Quarterly* 10 (Lee, 2001b). Previous updates appeared in the February 2002 issue of *Economic Trends* (Lee, 2002a), in *Health Statistics Quarterly* 13 (Lee 2002b), in the March 2003 issue of *Economic Trends* (Lee, 2003a) and in *Health Statistics Quarterly* 17 (Lee, 2003b).

ONS has previously published its estimates of total UK health expenditure on an experimental basis, because the sources and methods used for some of the components had not been fully developed and in order for users to become familiar with the new estimates.

These experimental estimates were published for 1997–2000 on 12 February 2002 and for 1997–2001 on 27 February 2003.

National Statistics status

Early estimates of total UK health expenditure were published on an experimental basis in order to test user demand as well as to expose new, untried methods to debate. ONS is keen to ensure its estimates are of the highest quality and has attempted to discover the best sources on health expenditure and the most appropriate methods for drawing information from these sources into the Health Accounts analytical framework.

Some suggestions for alternative sources have been suggested. Having explored the potential use of these extra sources, it has not yet been possible to further improve on the existing methodology.

It has been of great help that ONS has been working concurrently on a project to compile a practical guidance manual for other European countries wishing to implement *A System of Health Accounts*, which has been co-funded by the European Commission. ONS has been particularly engaged with colleagues in other countries, who have been more than willing to share their compilation methods and examples of best practice.

Since publication of the experimental total UK health expenditure figures for 1997–2001 in February 2003, the sources and methods used in compiling the estimates have been reviewed by ONS's methodology experts. This review found that the sources and methods employed produced statistics that conform to the National Statistics Code of Practice. As a result, total UK health expenditure was published on 16 December 2003 as National Statistics.

Sources and methods

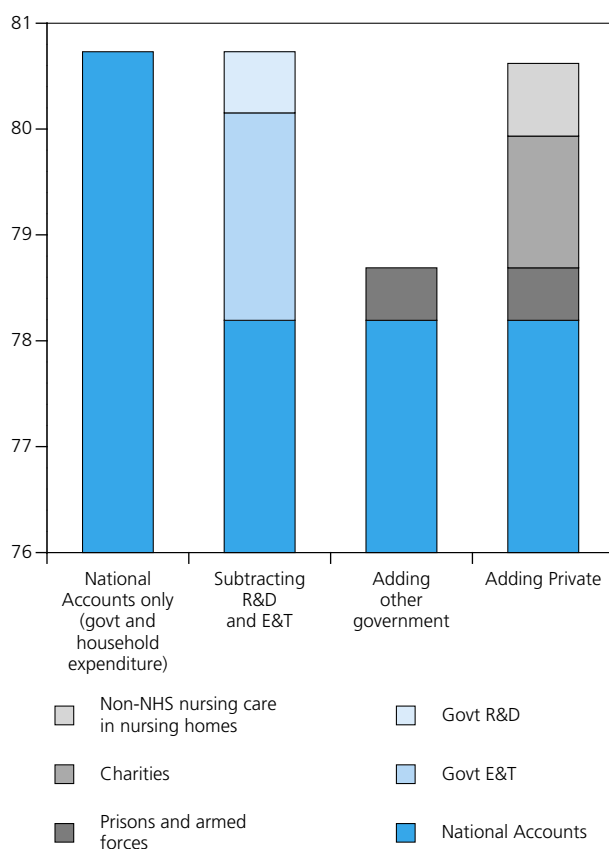
This section gives a brief overview of the sources and methods used in compiling the most recent set of estimates for total UK health expenditure. For more information see the following methods document available on the ONS web pages

<http://www.statistics.gov.uk/healthaccounts/downloads/HealthexpendituremethodsDec2003.pdf>.

In summary, the starting point is National Accounts estimates of government and household expenditure on health. Estimates of education and training and Research and Development expenditure by health administrations is subtracted from National Accounts government expenditure to bring it into line with the international definitions. Then, health expenditure by other government departments is added. Finally, expenditure by charities is added. See Figure 5.

Figure 5
Compilation of total UK health expenditure, 2002

Value (£bn)



1. Government expenditure on health

ONS produces estimates of government expenditure on health, the latest of which were published in *UK National Accounts: the Blue Book 2003*. Although these estimates include government expenditure on Education and Training of Health Personnel (E&T) and Research and Development (R&D), *A System of Health Accounts* (OECD, 2000) recommends that these items are not included as health expenditure. Their importance to the health system is recognised in the Health Accounts framework as they are classified as health-related expenditure.

The estimation of E&T is based on budgetary information supplied by the Department of Health for England. UK totals are calculated by assuming that the E&T per head spend in the UK is the same as that for England. ONS conducts an annual survey of government expenditure on R&D, from which health administrations' estimates of expenditure on R&D have been taken.

2. Household expenditure on health

ONS produces estimates of household expenditure on health, which includes employer's expenditure on health where reimbursed. The latest such estimates were also published in *UK National Accounts: the Blue Book 2003*. These figures are used directly in total UK health expenditure.

3. Long-term nursing care outside the NHS

Expenditure outside the NHS on long-term nursing care in the government and household expenditure figures described above, where it is estimated, is classified as social protection rather than health (long-term nursing care provided by the NHS is included in government expenditure on health). As can be seen in the international definition in Box 2, 'caring for persons affected by chronic illness who require nursing care' is part of health care.

The method used for producing estimates involves multiplying the numbers of persons resident in nursing homes by the marginal cost of nursing care in those homes, which is estimated as the difference in cost between the average nursing home place and the average residential care home place.

Payment for nursing care in nursing homes has been taken over by the NHS for self-funders in England from 1 October 2001, for all in Scotland from 1 July 2002, for all in Northern Ireland from 7 October 2002, and for self-funders in Wales from 1 December 2002. The cost of this care is included in government expenditure on health (figures as described above), and this has been reflected in the estimate of non-NHS nursing care. The timetable for further changes in funding arrangements for nursing care provision is that the NHS will become responsible for those receiving Local Authority support in Wales and England from April 2003.

ONS is aware that there are questions over the international comparability of the estimates produced – what is deemed nursing care in the international definitions is not seen as nursing care in the UK. These are questions that all countries are facing, as each different nationality's legislation provides for different activities to be carried out by nurses under the banner of nursing care. Box 3 explains the costs that are included as health care expenditure in Germany as an example of a country which includes as nursing care a wider range of activities than the UK. OECD is continuing to work towards improved guidance on the measurement of expenditure on long term nursing care.

4. Expenditure on health by charities and religious organisations

Charities and religious organisations are financed by donations from the public, government and business, and provide goods or services to households free, or at prices that are not economically significant.

ONS has conducted a sample survey of charities' (including religious organisations) expenditure on health using the National Council for Voluntary Organisations' (NCVO) database of the largest charities registered in England and Wales. This contains a considerable amount of information on these charities, including income and expenditure data.

The sample survey is used to provide an estimate of the ratio of health to non-health expenditure by charities and religious organisations. This ratio is then applied to total expenditure by Non-Profit Institutions Serving Households (or NPISH, of which charities and religious organisations form part) from

Blue Book 2003. Although the NCVO database only covers England and Wales the total NPISH figure from the Blue Book 2003 cover the whole of the UK. Here there is an assumption being made that the ratio of health to non-health expenditure by charities in England and Wales is the same in the other constituent parts of the UK.

5. Health expenditure outside health administrations

Some expenditure on health by government is administered outside of health administrations. In some cases, the expenditure originates from the health administrations, for example in the case of Local Authorities. In others, the origin of the expenditure is not the health administration, and therefore we need to ensure this is included in total UK health expenditure. The non-health administrations with known health expenditure are the Ministry of Defence (armed forces: army, navy, air force) and the Home Office and devolved administrations responsible for prisons.

Primary health care (typically care provided by GPs, nurses, and so on) in the armed forces is currently devolved to each force (army, navy and airforce), with autonomy within each organisation for health-care budgets. Secondary health care (typically provided in hospital settings) in the armed forces is administered collectively, with estimates available from the Surgeon General's Department for all secondary health-care except for the Medical Supplies Agency (MSA), which has provided its own data. Where time series have not been provided, changes in health expenditure have been assumed to move in line with changes in the number of the target population: total armed forces personnel.

Administrative responsibility for prisons has been delegated to the constituent parts of the UK. Delivery of primary health services is undertaken in the main by medical staff employed by the prison service, while secondary health services are typically delivered by the NHS.

The relevant authorities with responsibility for prisons in the UK (the Home Office, the Scottish Prison Service and the Northern Ireland Prison Service) have each provided a single year estimate for the cost of health care in prisons that is not already included in NHS figures. In order to create a time series for 1997–2002, ONS has assumed that prison expenditure moves in line with the number of prison inmates. ONS is aware, however, that prison expenditure could also be affected by changes in productivity, economies of scale, inflation and other influences.

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

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

The provision of health care goods and services by employers to employees is entitled 'occupational healthcare' in the international framework. It includes surveillance of employee health and therapeutic care that takes place on or off business premises, and has also been ignored in the compilation of total UK health expenditure.

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

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The demand for private medical insurance

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This article provides an overview of private medical insurance (PMI) coverage in Great Britain and presents results from an empirical analysis of the demand for PMI.

The empirical analysis uses a random effects probit model to investigate the individual purchase decision using a six-year panel from the British Household Panel Survey. The results suggest that income, age, sex, proxies for attitude towards private provision, employment status, regional waiting lists and public health expenditure are associated with the demand for PMI.

Introduction

ONS has been working on the development of a pilot set of UK Health Accounts since 2000, and this issue of *Economic Trends* also includes an article presenting the latest figures on total, public and private UK health expenditure for 1997–2002. As discussed in that article, Private Medical Insurance (PMI) is one of the private-sector sources of funding for health care. This article describes a more detailed study of PMI, in particular it provides an overview of the market, some results from existing literature, and an analysis of the decision to purchase PMI.¹

Table 1 shows public expenditure on health care as a percentage of total expenditure on health care for a selection of OECD countries, revealing the high percentage in the UK as in most countries. However, it does not fully illustrate the importance of PMI as a source of funding. The PMI sector has experienced rapid expansion in the past two decades. Compared to 1981, when only 4.1 million people were covered by PMI, in 2001 some 6.7 million people were covered.²

The empirical analysis in this article is based on data from the British Household Panel Survey (BHPS) covering the period 1996–1997 to 2001–2002.³ The analysis begins with an overview of the PMI market in terms of the characteristics of those purchasing PMI and then presents some results from a random effects probit investigating the decision to purchase.

Table 1
Public expenditure on health care as a percentage of total expenditure on health care

Country	1970	1980	1990	1996	1997	1998	1999	2000	2001
Canada	69.9	75.6	74.5	70.8	70.0	70.7	70.4	70.9	70.8
Czech Republic	96.6	96.8	97.4	92.5	91.7	91.9	91.5	91.4	91.4
Denmark	-	87.8	82.7	82.4	82.3	82.0	82.2	82.5	82.4
France	-	-	76.6	76.1	76.2	76.0	76.0	75.8	76.0
Germany	72.8	78.7	76.2	76.8	75.3	74.8	74.8	75.0	74.9
Greece	42.6	55.6	53.7	53.0	52.8	52.1	53.4	56.1	56.0
Ireland	81.7	81.6	71.9	71.4	74.6	76.5	72.8	73.3	76.0
Italy	-	-	79.3	71.8	72.2	71.8	72.0	73.4	75.3
Japan	69.8	71.3	77.6	78.7	77.7	77.4	78.1	78.3	-
Netherlands	-	69.4	67.1	66.2	67.8	64.4	63.3	63.4	63.3
Spain	65.4	79.9	78.7	72.4	72.5	72.2	72.1	71.7	71.4
Sweden	86.0	92.5	89.9	86.9	85.8	85.8	85.7	85.0	85.2
United Kingdom	87.0	89.4	83.6	82.9	80.1	80.2	80.5	80.9	82.2
United States	36.4	41.5	39.6	45.6	45.3	44.5	44.2	44.2	44.4

Source: OECD Health Data 2003

Results from existing literature

There is a large volume of literature that investigates the demand for PMI, with the main studies by Propper (1989), Propper (1993), Besley *et al* (1999), Propper *et al* (2001), Emerson *et al* (2001), and King and Mossialos (2002). A common feature of these studies is that age and income are positively associated with the demand for PMI and that men are more likely to purchase PMI than women. Besley *et al* (1993) and Emerson *et al* (2001) found that PMI purchase increases with level of education and if the individual lives in an 'owner occupied' home.

Many of the studies have incorporated proxies for NHS quality and other supply side variables in their analysis. This is mostly in the form of waiting lists, which were found by Besley *et al* (1999), Propper *et al* (2001) and King and Mossialos (2002) not to have a significant effect on the purchase of PMI. Propper *et al* (2001) did however find that the number of private hospitals has a significant effect on the demand for PMI, as did NHS expenditure.

Studies by Propper (1989, 1993) have focused on current health status as a determinant of demand for PMI. These studies used variables such as GP visits and inpatients stays but found a lack of association between such variables and PMI purchase. These studies also found an insignificant effect of smoking on the likelihood of having PMI. In contrast King and Mossialos (2002) found a significant negative relationship between smoking and PMI purchase.

Besley *et al* (1999) found that an index of attitude towards the private sector had a significant positive effect on PMI coverage. Finally, Propper *et al* (2001) found that there is a generational (cohort) effect in PMI purchase; purchase not only increases with age, but older generations are less likely to purchase PMI than younger generations.

Data sources for empirical analysis

The main data source for the empirical analysis is the British Household Panel Survey (BHPS). The BHPS is an annual survey carried out by the Institute for Social and Economic Research (ISER) at the University of Essex. The survey began in 1991 and was designed to be a nationally representative sample of more than 5,000 households, with a total of 10,000 individual interviews each year. The same individuals are re-interviewed in successive years and those individuals that split from existing households remain in the sample by the inclusion of the new household they form. Therefore, all individuals enumerated in respondent households become part of the longitudinal sample. The initial sample of households for inclusion in the panel was made using a two-stage clustered probability design and systematic sampling. In wave nine in 1999 two additional samples were added to the BHPS in Scotland and Wales. These were included to increase the relatively small Scottish and Welsh samples. At wave 11 in 2001 an additional sample from Northern Ireland was added. The Northern Ireland sample will not be included in the analysis here due to a lack of a dynamic element, whilst the additional Scottish and Welsh samples will be.

The BHPS has included a health related section since the first wave, including questions on current health status and health services use, but only since the sixth wave in 1996 has it included questions relating to PMI coverage. Respondents are asked if they are covered by PMI, how the PMI is paid for (individual purchase, deducted from wages or employer paid) and the cost of the respective medical insurance. Other variables that are available from the BHPS and may be of relevance to the PMI purchase decision include income, age, gender, employment status, marital status, socio-economic status, head of household indicators, proxies for attitude towards public provision and newspaper readership.

In addition to the variables available in the BHPS a number of other supply side variables were linked to the dataset. Some of these act as proxies for public sector quality such as NHS waiting lists at the regional and national level, public expenditure on health, and NHS beds. Other variables linked to the BHPS provide information on the availability of private medical services such as the number of private hospitals, the number of private beds, and the cost of PMI premiums. Most of these variables are linked to the BHPS at a regional level and are deflated by regional population to ensure comparability between regions.

Coverage of private medical insurance

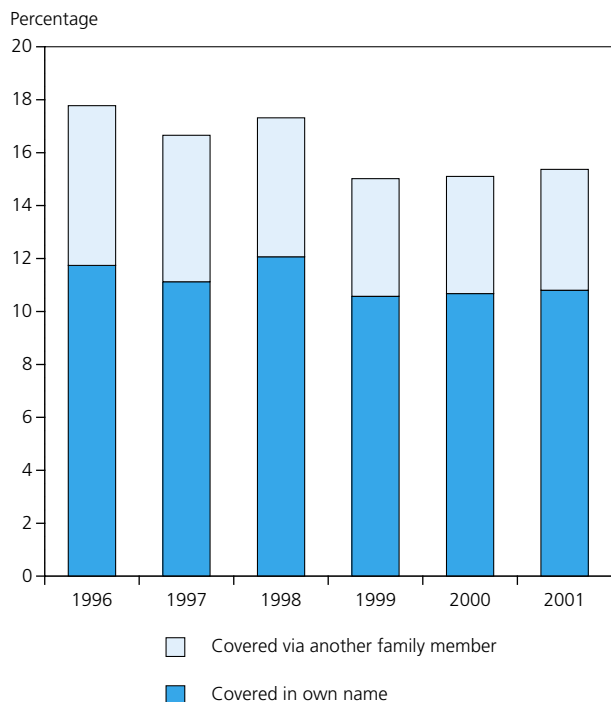
In 1996 17.8 per cent of adults in the BHPS were covered by PMI, by 2001 this had fallen to 15.4 per cent. The breakdown of individuals covered into 'own name' policies and those covered via another family member can be seen in Figure 1.

Figure 1 shows that the slight fall in PMI coverage has been both in terms of own name policies and coverage via another family member. Around 11.7 per cent of adults in 1996 were covered by their own policies with a fall to 10.8 per cent in 2001. Most of this decline occurs between 1998 and 1999 where there is a drop of around 1.5 per cent, some of which is explained by the inclusion of the Scottish and Welsh samples. The fall in coverage via another family member has been more consistent with a corresponding decline in every year except 2001. Overall those covered by another family member have fallen from 6.0 per cent of all adults to around 4.6 per cent in 2001.

The BHPS allows a further look at what underlies these changes in coverage. Looking at the breakdown of own name policies into company purchased policies and individual purchased policies outlines the underlying changes in the PMI market that are occurring. Figure 2 shows a breakdown of policies into those paid directly by the individual, those paid for by deductions from wages and those paid for by the individual's employer.

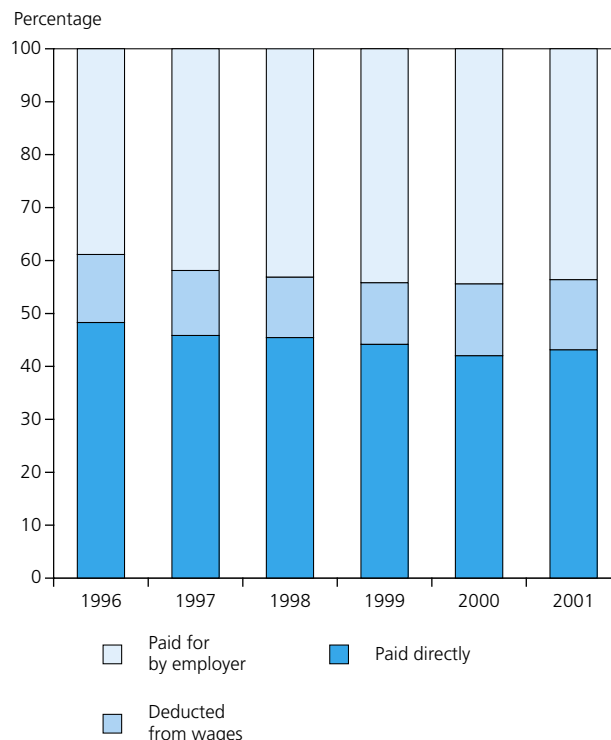
There has been a reduction in the percentage of individual purchased policies and an increase in the percentage of employer paid policies. In 1996 about 48 per cent of policies were paid directly by the policyholder. By 2001 this had fallen to about 43 per cent. The percentage of policies paid for by employers increased from 39 per cent in 1996 to around 43.5 per cent in 2001. The percentage of policies paid for out of wages has shown a slight increase of around 0.5 per cent

Figure 1
Percentage of adults covered by private medical insurance, 1996–2001



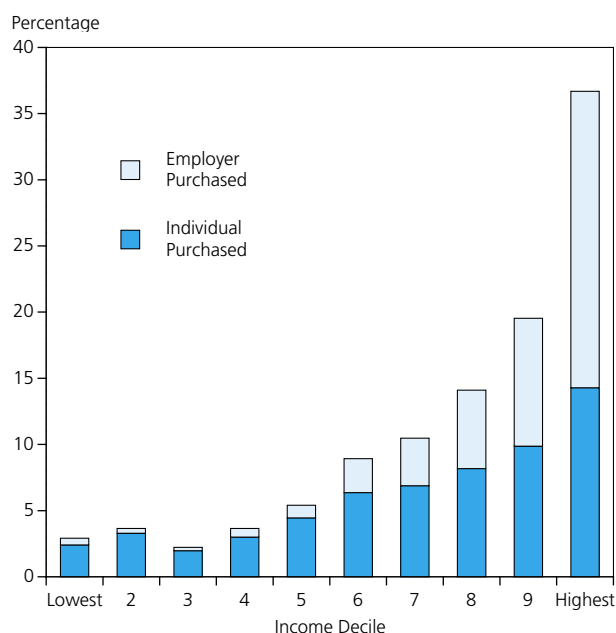
Source: British Household Panel Survey, 1996–2001; Author's calculations.

Figure 2
Breakdown of own name private medical insurance policies, 1996–2001



Source: British Household Panel Survey, 1996–2001; Author's calculations.

Figure 3
Percentage of adults covered by private medical insurance by income decile, 2001



Source: British Household Panel Survey, 2001; Author's calculations.

from 1996 to 2001. This shift from individual purchased policies to employer paid policies is supported by figures produced by Laing and Buisson and also by Mintel. Both these sources report increased employer purchased policies and reduced individual purchased policies. Mintel (2002)

reports that “the private medical insurance (PMI) market has divided into two distinct segments since 1996, with individual paid subscriptions declining while the corporate sector has thrived”.

Table 2 summarises the different types of PMI coverage for all adults and also by sex. For individual purchased policies it can be seen that coverage has fallen from 7.2 per cent in 1996 to 6.1 per cent in 2001.

More men are covered by PMI than women, although the levels of coverage from 1996 to 2001 follow similar patterns. The more interesting observation to be made is that there are a higher proportion of women covered via another family member. In 1996 only 3 per cent of men were covered via another family member compared to 8.6 per cent of women. The situation is reversed when looking at employer purchased PMI, with only 2.5 per cent of women covered by employer purchased PMI in 2001 compared to 7.4 per cent of men.

One of the consistencies in the existing literature looking at the demand for PMI is the positive and significant effect of income on PMI purchase. Initial analysis of the BHPS highlights that individuals with higher incomes are much more likely to have PMI than individuals with lower incomes. This statement is true for both individual purchased PMI and employer purchased PMI.

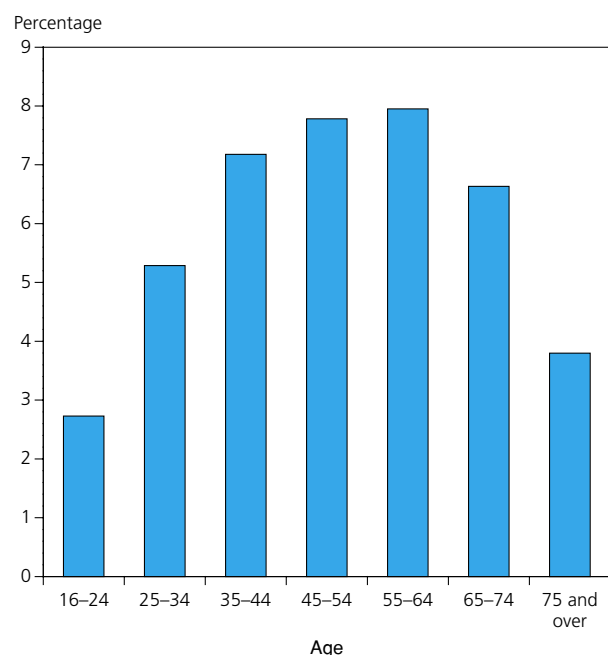
Figure 3 illustrates the large dispersion of PMI coverage by income decile for 2001. It can easily be seen that the dispersion of PMI by income is greater for employer purchased PMI than individual purchased PMI. For employer purchased PMI, 22.4 per cent of the individuals in the top

Table 2
Trends in private medical insurance: percentage of adults covered, 1996–2001

	1996	1997	1998	1999	2000	2001
Covered						
Male	19.7	18.8	19.9	17.2	17.5	17.6
Female	16.1	14.9	15.2	13.2	13.1	13.5
All Adults	17.8	16.7	17.3	15.0	15.1	15.4
Covered in own name						
Male	16.7	15.6	17.0	14.8	15.0	15.2
Female	7.5	7.4	7.9	7.1	7.1	7.1
All Adults	11.7	11.1	12.1	10.6	10.7	10.8
Covered via another family member						
Male	3.0	3.1	2.8	2.4	2.4	2.4
Female	8.6	7.5	7.3	6.1	6.1	6.4
All Adults	6.0	5.5	5.2	4.4	4.4	4.6
Individual Purchased						
Male	9.5	8.5	8.9	7.6	7.9	7.8
Female	5.2	4.8	5.2	4.5	4.4	4.7
All Adults	7.2	6.5	6.9	5.9	6.0	6.1
Employer Purchased						
Male	7.2	7.2	8.1	7.2	7.2	7.4
Female	2.3	2.5	2.7	2.6	2.7	2.5
All Adults	4.5	4.6	5.2	4.7	4.7	4.7

Source: British Household Panel Survey, 1996–2001; Author's calculations.

Figure 4
Percentage of adults with individual purchased private medical insurance by age, 2001



Source: British Household Panel Survey, 2001; Author's calculations.

income decile are covered while for the bottom income decile only 0.5 per cent of the individuals are covered. The likelihood of being covered by employer paid PMI thus increases with income. This might be expected if jobs that offer better remuneration also offer better benefit packages, of which PMI is a common feature. For individual purchased PMI the effect is similar but not as strong. Of those individuals in the top decile 14.3 per cent have purchased PMI while 2.4 per cent of those in the bottom income decile did so. Data for previous years show a similar pattern across the income distribution.

The purchase of PMI has consistently been found to increase with age, however, the BHPS data suggests that age may have a 'hump shaped' profile in terms of individual purchased PMI. This can be seen from Figure 4, which shows data for 2001.

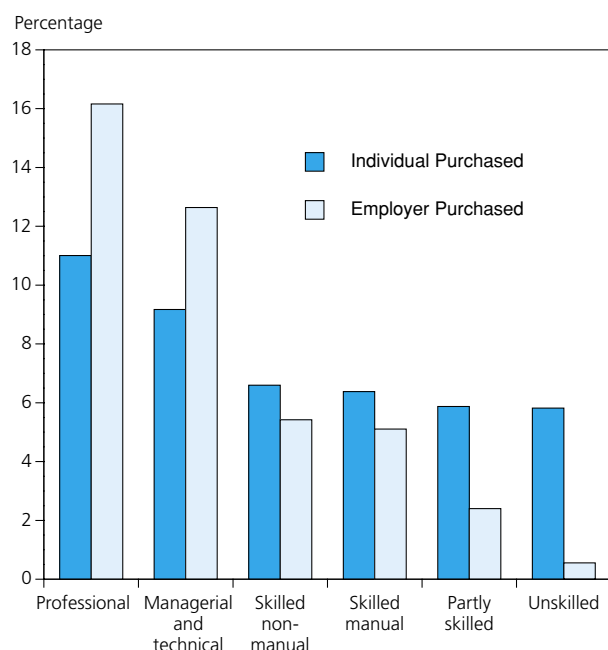
From Figure 4 it can be seen that PMI purchase increases with age up to age 55–64, beyond which PMI purchase falls with age. Only 2.7 per cent of 16 to 24 year olds purchase PMI, while there is an increase in individual purchased PMI for each age group up to 55 to 64 year olds of which almost 8 per cent are covered. The percentage of adults with PMI then drops for 65–74 year olds to 6.6 per cent and again for those aged 75 and over to 3.8 per cent. The BHPS data thus suggest that there may be a more complicated relationship between age and PMI purchase. The profile is most likely due to the fact that the younger age group are in less need of health care while the older age group face supply side constraints within the PMI market in terms of high premiums. The alternative explanation is that this profile is picking up the cohort effect that exists in PMI purchase.

Initial results from the BHPS suggest that socio-economic group may be an important determinant of PMI coverage, both in terms of individual purchased policies and employer purchased policies. Figure 5 shows a breakdown of PMI coverage by socio-economic group for 2001.

Looking at individual purchased policies it can be seen that those in professional, managerial and technical occupations are most likely to purchase PMI, whilst those in unskilled occupations are the least likely. The effect of socio-economic group on individual purchased PMI is however less pronounced compared to the effect on employer purchased PMI. Of those in professional occupations 16.2 per cent have employer purchased PMI, in contrast only 0.6 per cent of those in unskilled occupations have employer purchased PMI. Another interesting feature that can be seen in the graph is that employer purchased coverage is higher than individual purchased coverage among those in professional, managerial and technical occupations, but individual purchased coverage is higher among the other socio-economic groups.

Most economic models that look at the demand for PMI contain some consideration of future consumption of health services and so current health status is likely to effect the PMI purchase decision. It would be expected that those reporting a poor health status are more likely to purchase PMI, as they would have a higher subjective probability of being ill in the future. However results from the BHPS do not support this idea as they show that those individuals reporting poor health are less likely to have PMI than those reporting good health.

Figure 5
Percentage of adults with private medical insurance by socio-economic group, 2001



Source: British Household Panel Survey, 2001; Author's calculations. Armed forces are excluded due to limited sample size.

Respondents in the BHPS are asked to rank their current health status on a scale of excellent to very poor. Table 3 shows that in 2001 only 3.1 per cent of those reporting their health status as very poor had purchased PMI, this compares to the 7.4 per cent of individuals who reported their health status as excellent and have purchased PMI. Similar results when looking at PMI coverage by those reporting health problems and long-term illness are found from the BHPS. Those with health problems and long-term illness are less likely to have purchased PMI. These results support earlier results from the General Household Survey.⁴ An important point to note here is that when purchasing new PMI policies current health problems or long-term illnesses known at the time of purchase are not covered so the consideration of future consumption of health services will include only those not related to current illness. In this context these results are less surprising, as an individual who is currently of poor health may not expect further decline in the future and so has no incentive to purchase PMI. Those of poor health also face constraints with the PMI market in the form of higher premiums.

Table 3
Percentage of adults with individual purchased private medical insurance by reported health status, 1996–2001

Health Status	1996	1997	1998	1999	2000	2001
Excellent	9.4	7.8	8.4	-	7.1	7.4
Good	7.2	7.1	7.4	-	6.5	6.2
Fair	5.8	4.9	5.8	-	5.4	5.6
Poor	4.9	4.2	4.1	-	3.0	4.2
Very poor	4.9	2.3	3.0	-	1.6	3.1

Source: British Household Panel Survey, 1996–2001; Author's calculations. Question not asked in 1999.

PMI coverage varies quite significantly between regions, as shown in Figure 6. In London and the South and South West PMI coverage is 24.1 and 21.1 per cent respectively while in Wales and Scotland PMI coverage is only 12.2 and 10.0 per cent respectively. In the North West PMI coverage is 17.3 per cent but among the other regions coverage is around about 15 per cent. Results for other years are similar and looking at individual purchased or employer purchased policies produces a similar distribution across the regions.

Basic economic model of PMI demand

It is quite simple to produce a basic static model of the demand for PMI to provide some background as to what one might expect to be characteristics of individuals as well perhaps as determinants of demand.⁵ The model presented here is based on those of Besley *et al* (1999) and Propper *et al* (2001).

Consider an individual with a subjective probability $\theta \in [0,1]$ of requiring health care. Once ill, an individual will require one unit of health care with health care available at different quality levels $q \in [\underline{q}, \bar{q}]$. Higher levels of quality could reflect:

- shorter waiting times
- more convenient location of the health care provider
- 'hotel benefits'⁶
- longer in-patient stays.

We assume that there are two alternative types of health care: public and private. Public care of quality $q_0 < \bar{q}$ is available at zero cost to the individual. The quality of public care is assumed to be less than \bar{q} or else no individual will wish to buy private health care. Private health care can be purchased at any level of quality. Let $U(y)$ be the utility of an individual with income y who is not ill and $U(y, q)$ be the utility of an individual who is ill and receives health care of quality q . It is assumed that the utility function is concave in income and the quality of treatment is a normal good.

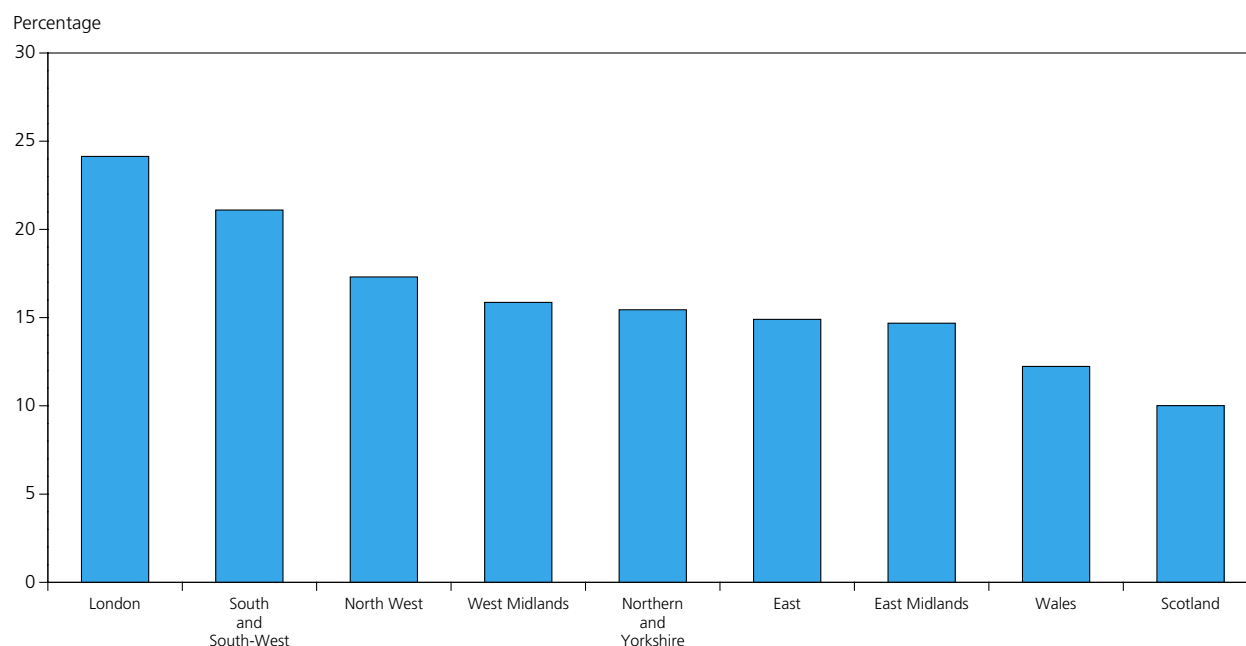
We can now introduce a private insurance market by allowing individuals to purchase PMI at a premium of p . It is assumed that the insurance market suffers from moral hazard and thus individuals who are insured receive full reimbursement of all private health care purchased. Under this assumption once the premium p has been paid the insured individual will demand a level of quality $q_1 = \bar{q}$ as the marginal cost of extra quality is zero. Utility for an individual who is ill and insured will now be given by $U(y-p, q_1)$ while for an individual who is not ill but is insured utility is given by $U(y-p)$.

Now for a given probability of being ill θ the individual will decide whether to purchase PMI by evaluating the following,

$$[\theta U(y-p, q_1) + (1-\theta)U(y-p)] - [\theta U(y, q_0) + (1-\theta)U(y)]$$

The term in the first square brackets is the expected utility if insured while the term in the second square brackets is the expected utility if not insured. The individual will purchase PMI if and only if the above expression is positive. The demand for PMI will therefore depend on income, the quality

Figure 6

Percentage of adults covered by private medical insurance by region, 2001

Source: British Household Panel Survey, 2001; Author's calculations.

of public and private health care, the cost of the insurance premium, and the probability of requiring health care.

Econometric modelling of private medical insurance demand

The dependent variable used in the empirical analysis is a binary choice variable taking the value 1 if the individual has purchased PMI and the value 0 if the individual has not. Such a choice of dependent variables means that the econometric analysis will require limited dependent variable panel data models. The model used here is a random effects probit which takes into account the discrete nature of the dependent variable and also allows estimation across a panel.

Regression results

The results presented here are for individual purchased PMI only so do not include company policies. This is due to a desire to highlight the factors that are associated with an individual's decision to purchase.

Personal characteristic, supply side and quality variables

In order to assess the effects of supply side variables and variables that act as proxies for public sector quality a set of personal characteristic variables were first found that provided a stable equation and had high explanatory power in terms of the PMI purchase decision. The supply side and quality variables were then added to the equation containing these personal characteristic variables.

Table 4 shows results for various supply side and quality variables. Equations 1 to 7 show the results using the different variables one at a time whilst equation 8 contains a set of these supply side and quality variables. All of the equations

include regional and time dummies. The table includes the estimated coefficients, the number of observations, the number of individuals and the average number of observations per individual. It should be noted that, due to different measurement units, the relative sizes of the coefficient estimates does not provide information on which variables have most explanatory power.

The first blocks of variables in Table 4 are the personal characteristic variables. The first thing to note is the consistency of the estimates of the coefficients on these variables. The sex indicator variable, taking the value 1 for males and 0 for females, is positive and significant at the 1 per cent level in all equations. The coefficient on the age variable is the only one that shows significant differences over the eight equations. The effect of age is always estimated to be positive but the coefficient ranges from 0.0029 to 0.0069 and the effect is not always significant at the 5 per cent level.

Equations 1–8 all show that those with higher incomes are more likely to buy PMI, a result that is significant at the 1 per cent level. The smoker indicator variable, taking the value 1 if the individual smokes and 0 otherwise, has a negative coefficient in every equation. Those who report that they are smokers have a lower probability of purchasing PMI, a result that is also significant at the 1 per cent level. This will to some extent be picking up the supply side constraint facing smokers: those individuals that smoke will face considerably higher premiums than non-smokers.

All of the equations show that the self-employed are more likely to purchase PMI. This is not consistent with the previous literature, with Propper (1989) finding self-employment insignificant and Besley *et al* (1999) finding that the self-employed were less likely to have PMI, however the result is stable across equations and is always significant at the 1 per cent level. As would be expected unemployed

Table 4

Random effects probit of private medical insurance demand with supply side and quality variables

Equation	1	2	3	4	5	6	7	8
Sex	0.4373**	0.4346**	0.4552**	0.4723**	0.4636**	0.4563**	0.4346**	0.5093**
Age	0.0044**	0.0043**	0.0029	0.0050**	0.0061	0.0062**	0.0043**	0.0069**
Income £000	0.0160**	0.0161**	0.0177**	0.0170**	0.0174**	0.0176**	0.0161**	0.0189**
Smoker	-0.1643**	-0.1639**	-0.2016**	-0.1760**	-0.1947**	-0.1835**	-0.1639**	-0.2158**
Self Employed	0.6330**	0.6240**	0.6918**	0.7061**	0.6986**	0.7275**	0.6240**	0.8045**
Unemployed	-0.5307**	-0.5232**	-0.6547**	-0.5067**	-0.6627**	-0.6201**	-0.5232**	-0.7435**
Attitudinal Proxy	0.3651**	0.3619**	0.3899**	0.4201**	0.3814**	0.3684**	0.3619**	0.4570**
Regional NHS Waiting Lists	0.0275**	-	-	-	-	-	-	0.0280**
National NHS Waiting Lists	-	0.0002	-	-	-	-	-	-
Public Expenditure on Health	-	-	-0.0020	-	-	-	-	-0.0019
NHS Beds	-	-	-	-0.0650	-	-	-	-0.0848
Private Beds	-	-	-	-	1.1160	-	-	1.2238
Private Hospitals and Clinics	-	-	-	-	-	0.2995	-	-
PMI Premium Inflation	-	-	-	-	-	-	-0.0105*	-0.0136*
Regional dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of Observations	56,436	56,436	48,232	47,034	40,117	40,561	56,710	31,956
Number of Individuals	16,258	16,258	16,282	16,206	12,835	12,837	16,288	12,736
Average Observations per Individual	3.5	3.5	3.0	2.9	3.1	3.2	3.5	2.5

* Significant at the 5 per cent level, ** Significant at the 1 per cent level.

individuals are less likely to purchase PMI with this effect always significant at the 1 per cent level. The difficulty of measuring attitudes towards public sector provision is recognised in the existing literature, where voting intentions is used as a proxy indicator variable. The same approach is adopted here. The attitudinal proxy variable takes the value 1 if the individual states support for the Conservative Party and 0 otherwise. This variable is significant at the 1 per cent level in all equations.

The second block of variables in Table 4 contains the supply side and quality of public care variables. Equations 1 and 2 show that although there seems to be no significant relationship between national waiting lists and PMI purchase, there does seem to be a relationship with regional waiting lists that is significant at the 1 per cent level. Both coefficients are estimated to be positive, indicating that individuals living in regions with high waiting lists are more likely to purchase PMI.

Earlier results from King and Mossialos (2002) using the BHPS found no statistically significant relationship between waiting lists and PMI purchase. The different results here could be explained by the fact that King and Mossialos (2002) use data up to 1999, with two more years' worth of data used in this analysis. The waiting lists variables used here have fallen in recent years and this is a reversal of previous trends. These downward movements in waiting lists may account for their significance, with falling waiting lists leading to a reduction in PMI purchase as perceptions of public sector health care quality increases.

Current public expenditure on health care is not significant although it has the expected sign. The coefficient is negative indicating that an increase in public expenditure on health is associated with a fall in PMI purchase.

Neither the number of NHS beds nor the number of private beds is significantly associated with PMI purchase. Both of the estimated coefficients are of the expected sign, with an increase in NHS beds being associated with a greater probability of PMI purchase and an increase in private beds being associated with a higher probability of PMI purchase.⁷ The number of private hospitals and clinics is also not statistically significant.

The cost of PMI would be expected to be a significant determinant of demand for PMI with an increase in price leading to a fall in purchase. The results in Table 4 show that PMI premium inflation has a negative and significant effect on PMI purchase. Due to the specification of the variable this result is only significant at the five per cent level. The variable used here is an aggregate price for PMI premiums paid for individual subscriptions and so does not include company paid policies, however it is not an individual specific premium price.⁸ The same price is used for all individuals. An ideal variable to capture the supply side price effect would consist of individual prices for a homogenous policy based on the personal characteristics used by PMI providers to set premium prices. This would provide a more realistic measure of the price faced by each individual when considering purchase.

Equation 8 includes all of the supply side variables described above. Only regional waiting lists are included and the

number of private hospitals and clinics is not. The results here support those of the other equations with only regional waiting times and PMI premium inflation being significant at the 1 per cent and 5 per cent level respectively.

The results in Table 4 suggest that only waiting lists and PMI premium inflation have a significant relationship with the demand for PMI. Public expenditure on health also does not seem to be associated with PMI purchase unless consideration is made of the effect of increased expenditure on waiting lists. This would require further investigation.

For the regional dummies the default was London, all estimated coefficients were negative, and most of them were significant. In all of the equations the time dummies were always jointly significant but only the time dummies for 1997 and 2000 were consistently individually significant. Both of these dummies were negative indicating a fall in PMI purchase in these years relative to the default 1996. The 1997 dummy may be picking up the effect of policy statements about improvements in NHS that were made in this year. There were also major policy announcements in the 1997 Budget that could be producing the negative coefficient on this time dummy. In the 1997 Budget it was announced that tax relief on PMI to the over-60s was to be abolished and also that an extra £1.2 billion was to be made available to the NHS.

The significant and negative coefficient on the 2000 dummy could also be due to budgetary announcements. The March 2000 Budget contained a major budgetary boost for the NHS. It was announced that NHS funding in 2000/2001 would be £54.2 billion, up £2 billion from the previous plan of £52.2 billion and that in 2001/2002 NHS funding would be £58.6 billion up from £55.5 billion. This announcement of a large increase in NHS spending could account for the negative time dummy in 2000.

Lagged supply side and quality variables

Table 5 reproduces Table 4 but with one-period lagged supply side and quality variables. The coefficient estimates for the personal characteristic variables are all, except for the age variable, of higher magnitude than the equations with current values of supply side and quality variables but are still of the same sign and as before are significant at the 1 per cent level. The significance of the age variable drops when using lagged supply side and quality variables with age only significant in Equations 13, 14 and 16 at the 5 per cent level. The interpretation of the results for the personal characteristic variables is the same as that for Table 5.

The equations for lagged supply side and quality variables show that only lagged public expenditure on health care is significant. The coefficient is negative as would be expected and is significant at the 1 per cent level. The coefficient estimates on all other variables are very close to zero and are not always of the expected sign. The results here suggest that although public expenditure on health does not have a contemporaneous effect on PMI purchase, as shown in Table 5, it affects PMI purchase with a lag.

The equations in Table 6 were repeated for two-period lagged supply side and quality variables. The results will not be

presented here as none of the two-period lagged supply side and quality variables were significant.

Additional personal characteristic variables

Other personal characteristic variables were also investigated. The analysis here is based on a model with the personal characteristics used above and also two of the supply side and quality variables. These were regional waiting times and PMI premium inflation. Table 6 shows the results of 8 equations that include additional personal characteristic variables that were found to be significant.

Equation 17 shows the base equations with the personal characteristic variables used in the analysis above and also regional waiting lists and PMI price inflation. The results for the personal characteristic variables are very similar to above and so need no further discussion. The coefficient on regional waiting lists is positive and significant at the 1 per cent level and the coefficient on PMI premium inflation is negative and significant at the 5 per cent level.

Equation 18 includes a broadsheet newspaper indicator variable, taking the value 1 if the individual reads a broadsheet newspaper and 0 otherwise. The coefficient of the reading a broadsheet variable is positive and significant indicating that individuals who read a broadsheet newspaper are more likely to purchase PMI.

Equation 19 introduces an indicator variable taking the value 1 if the individual lives in an owner occupied house and 0 otherwise. As in Besley *et al* (1999), those living in an owner occupied house are more likely to purchase PMI.

The head of household indicator variable taking the value 1 if the individual is regarded as the head of the household and 0 otherwise has a positive estimated coefficient that is significant at the 1 per cent level. For individual paid policies this is to be expected.

Equation 21 includes an indicator variable taking the value 1 if the individual receives benefit income and zero otherwise. The estimated coefficient is negative and significant at the 1 per cent level.

Equation 22 uses an additional variable that may be used as a proxy for an individual's attitude towards private provision of services. The indicator variable private pension takes the value 1 if the individual has a private pension and 0 otherwise. The estimated coefficient is positive as expected and the effect is significant at the 1 per cent level. Those individuals with a private pension are more likely to favour private provision of services and the results for Equation 22 show that those with a private pension are more likely to purchase PMI.

Equation 23 shows that being married has a positive effect on PMI purchase with this effect significant at the 5 per cent level.

Further results

Current health status and previous use of health services were also investigated for any association with PMI purchase. Individuals reporting that health limits daily activities were

Table 5

Random effects probit of private medical insurance demand with one-period lagged supply side and quality variables

Equation	9	10	11	12	13	14	15	16
Sex	0.4625**	0.4586**	0.4642**	0.4459**	0.4783**	0.4653**	0.4586**	0.4846**
Age	0.0027	0.0026	0.0018	0.0032	0.0045*	0.0046*	0.0026	0.0045*
Income £000	0.0178**	0.0179**	0.0208**	0.0182**	0.0209**	0.0208**	0.0179**	0.0207**
Smoker	-0.1914**	-0.1923**	-0.2531**	-0.2000**	-0.2553**	-0.2323**	-0.1923**	-0.2538**
Self Employed	0.7053**	0.7057**	0.6450**	0.7410**	0.6260**	0.6449**	0.7057**	0.6245**
Unemployed	-0.7153**	-0.7119**	-0.8494**	-0.6947**	-0.9308**	-0.9330**	-0.7119**	-0.9317**
Attitudinal Proxy	0.3806**	0.3815**	0.3950**	0.3917**	0.4063**	0.4043**	0.3815**	0.4019**
Regional NHS Waiting Lists t-1	-0.0012	-	-	-	-	-	-	-0.0004
National NHS Waiting Lists t-1	-	0.0005	-	-	-	-	-	-
Public Expenditure on Health t-1	-	-	-0.0111**	-	-	-	-	-0.0272**
NHS Beds t-1	-	-	-	0.0542	-	-	-	-0.0758
Private Beds t-1	-	-	-	-	0.0001	-	-	0.0008
Private Hospitals and Clinics t-1	-	-	-	-	-	0.0072	-	-
PMI Premium Inflation t-1	-	-	-	-	-	-	-0.0051	0.0237
Regional dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of Observations	44,009	44,107	35,911	42,574	29,212	29,617	44,107	29,114
Number of Individuals	15,926	15,945	15,529	15,768	12,185	12,200	15,945	12,154
Average Observations per Individual	2.8	2.8	2.3	2.7	2.4	2.4	2.8	2.4

* Significant at the 5 per cent level, ** Significant at the 1 per cent level.

Table 6

Random effects probit of private medical insurance demand with additional personal characteristic variables

Equation	17	18	19	20	21	22	23	24
Sex	0.4373**	0.4371**	0.4460**	0.3759**	0.3595**	0.4188**	0.4376**	0.2384**
Age	0.0044**	0.0044**	0.0043**	0.0031*	0.0041**	0.0051**	0.0038*	0.0018
Income £000	0.0160**	0.0160**	0.0149**	0.0157**	0.0158**	0.0149**	0.0158**	0.0129**
Smoker	-0.1643**	-0.1560**	-0.1073*	-0.1711**	-0.1402**	-0.1445**	-0.1524**	-0.0773
Self Employed	0.6330**	0.6301**	0.5885**	0.6299**	0.6285**	0.5338**	0.6210**	0.4834**
Unemployed	-0.5307**	-0.5314**	-0.4859**	-0.5268**	-0.4501**	-0.5094**	-0.5228**	-0.3778**
Attitudinal Proxy	0.3651**	0.3670**	0.3299**	0.3665**	0.3530**	0.3612**	0.3663**	0.3137**
Broadsheet Newspaper	-	0.1905*	-	-	-	-	-	0.1782*
Owner Occupied House	-	-	0.4716**	-	-	-	-	0.4664**
Head Of Household	-	-	-	0.1566**	-	-	-	0.2609**
Receives Benefit Income	-	-	-	-	-0.2723**	-	-	-0.2445**
Private Pension	-	-	-	-	-	0.3936**	-	0.3521**
Married	-	-	-	-	-	-	0.1115*	0.0903
Regional NHS Waiting Lists	0.0275**	0.0257**	0.0267**	0.0273**	0.0278**	0.0251*	0.0276**	0.0235*
PMI Premium Inflation	-0.0054*	-0.0030	-0.0064*	-0.0054*	-0.0038	-0.0054*	-0.0053*	-0.0025
Regional dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of Observations	56,436	56,436	56,436	56,436	56,436	56,436	56,436	56,436
Number of Individuals	16,258	16,258	16,258	16,258	16,258	16,258	16,258	16,258
Average Observations per Individual	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5

* Significant at the 5 per cent level, ** significant at the 1 per cent level.

no more or less likely to buy PMI. Dummies for reported health status were also not significant. Results for use of health services, including private hospitals and NHS hospitals, differed. There was a marginal significance in the result that individuals using a private hospital were more likely to buy PMI. There was no significance in the result that individuals using an NHS hospital were less likely to buy PMI.

Other health service use variables that were investigated include inpatient days and GP visits. Individuals using both of these variables were less likely to buy PMI, indicating that recent use of NHS services does not lead to increased probability of purchase. This suggests that those who use the publicly provided health service do not then 'opt out' of public provision and purchase PMI. However, as in previous studies these results were not significant.

Conclusions

The BHPS allows a unique look at the PMI purchase decision by allowing individuals to be tracked over time and by providing detailed information on individual characteristics, PMI purchase, current health status and health services use. The regional information in the BHPS and the availability of regional supply side data also allows a clearer look at the effect of such supply side measures.

The regression results reported here support the conclusion that there is a relationship between income, age, sex and employment status, being a smoker, living in an owner occupied house, having a private pension (as a proxy for favouring private provision) and reading a broadsheet newspaper on the one hand, and purchase of PMI on the other.

Higher NHS waiting lists are associated with higher levels of PMI purchase, but only at the regional level. Previous analyses, including earlier results from the BHPS, have not found waiting lists to be significant. This new finding may be due to the increased coverage that waiting lists have received in the press in recent years and the falls in the waiting lists variables used since 1998 being a reversal of previous trends. Lagged public expenditure on health was also found to be significant, so an increase in public expenditure on health in one year tends to be followed by a lower probability of PMI purchase the next year and vice versa.

Other supply side and quality variables, including the number of private hospitals and the number of NHS beds were found to be insignificantly associated with PMI purchase. PMI premium inflation was found to be a significantly correlated with PMI purchase despite the use of an aggregate price variable instead of individual specific prices. As in previous studies current health status and recent health services use were found not to be correlated with PMI purchase.

Notes

1. This article is based on a private research project under the Masters programme of the economics department of the University of Warwick. The views expressed in the research project are not necessarily those of the

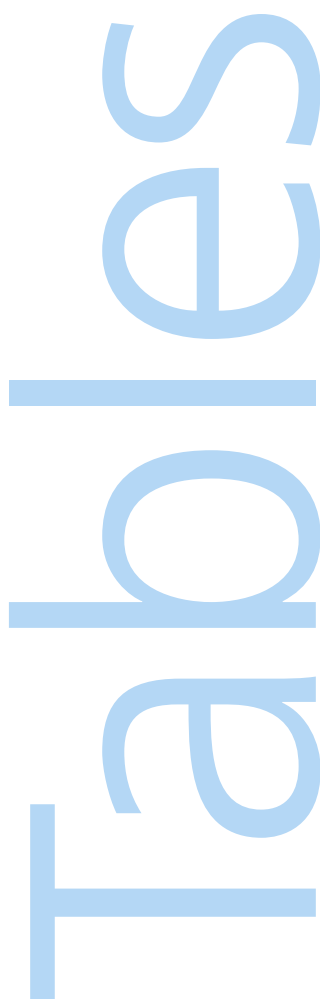
ONS. A copy of the research paper can be found at <http://www.swan.ac.uk/economics/res2004/program/papers/Wallis.pdf>.

2. These figures are taken from Laing W. Buisson (2002) *Laing's Healthcare Market Review*, 15th Edition, 2002-2003. Laing & Buisson: London.
3. From here onwards the year of the BHPS wave will be given by the calendar year the wave began.
4. See Office for National Statistics (1997) *Living in Britain: Results from the 1995 General Household Survey* and earlier publications.
5. In reality the purchase decision is likely to involve dynamic optimisation by individuals.
6. The term 'hotel benefits' is typically used to mean things such as having a private room, having a room with better facilities, or receiving better food.
7. The coefficient on private beds is greater than one as an increase of 1 private bed per thousand population would be a very large increase in the supply of private beds. The average number of private beds per thousand population in the entire panel is just 0.1768 with a maximum of 0.7321 in London.
8. The price variable used here is also an absolute level of price inflation, using relative price inflation by deflating by the GDP deflator did not effect the results.

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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.

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.

Currency of data

All data in the tables and accompanying charts are current, as far as possible, to 5 May 2004.

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

Symbols used

- .. not available
- nil or less than half the final digit shown
- + a series for which measures of variability are given on page 137
- † 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

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.

National Statistics Online

www.statistics.gov.uk

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.

Users can download time series, cross-sectional data and metadata from across the Government Statistical Service (GSS), using the site search and index functions from the homepage. Many datasets can be downloaded, in whole or in part, and directory information for all GSS statistical resources can be consulted, including censuses, surveys, journals and enquiry services. Information is posted as PDF electronic documents, or in XLS and CSV formats, compatible with most spreadsheet packages.

Time Series Data

The time series data facility on the website provide access to around 40,000 time series, of primarily macro-economic data, drawn from the main tables in our major economic and labour market publications. Users can download complete releases or view and download customised selections of individual time series.

Complete copies of *Economic Trends* can be downloaded from the following webpage:

<http://www.statistics.gov.uk/statbase/product.asp?vlnk=308>

Conventions

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

1.1 Selected monthly indicators

seasonally adjusted unless otherwise stated

		2002	2003	2003 Q3	2003 Q4	2004 Q1	2004 Jan	2004 Feb	2004 Mar	%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	105.3	106.1	..	..	..	..	0.8
Industrial production	CKYW	95.7	95.2	95.3	95.2	94.8	94.9	94.3	..	-0.6
Oil and gas extraction	CKZO	93.4	87.3	86.1	83.0	..	83.0	81.2	..	-1.9
Manufacturing	CKYY	95.1	95.2	95.5	95.7	..	95.6	95.0	..	-0.3
Construction	GDQB	108.4	113.7	115.8	117.4	..	..	..	..	1.4
Car production (thousands)	FFAO	135.8	138.1	143.6	138.2	136.0	134.6	133.0	140.5	-1.6
Domestic demand										
Retail sales volume (2000 = 100)	EAPS	112.7	116.4	117.5	119.5	121.8	121.5	121.5	122.2	1.9
GB new registrations of cars ('000s) ¹	BCGT	2 682.0	2 646.2	742.8	523.1	..	199.6	92.3	..	-44.1
Manufacturing: change in inventories (£m, CVM, reference year 2000)	DHBM	-1 967	-566	501	-662	..	..	..	..	..
Prices (12 monthly % change) and earnings (headline rate)										
Consumer prices index	CJYR	1.3	1.4	1.4	1.3	1.3	1.4	1.3	1.1	..
Retail prices index ¹	CZBH	1.7	2.9	2.9	2.6	2.6	2.6	2.5	2.6	..
Retail prices index ¹ (less MIPS) ²	CDKQ	2.2	2.8	2.8	2.6	2.3	2.4	2.3	2.1	..
Producer output prices (less FBTP) ³	EUAA	-0.1	1.3	1.2	1.4	1.4	1.4	1.4	1.4	..
Producer input prices ⁴	EUAB	-4.5	1.3	1.2	2.9	-0.3	-0.2	-1.5	0.8	..
GB average earnings - whole economy ⁵	LNNC	..	..	3.6	3.4	..	4.7	4.9	..	..
Foreign trade⁶ (2000 = 100 volumes unless otherwise stated)										
UK balance on trade in goods (£ million)	BOKI	-46 630	-46 249	-11 824	-12 590	..	-5 452	-4 249	..	..
Non EU balance on trade in goods (£ million)	ENRX	-25 935	-22 467	-5 923	-5 823	..	-3 365	-2 050	..	..
Non EU exports of goods (excl oil & erratics)	ENUA	96.2	104.6	103.6	108.9	..	93.6	105.1	..	-0.1
Non EU imports of goods (excl oil & erratics)	ENXS	98.5	104.2	103.5	109.5	..	113.8	110.1	..	1.8
Non EU import & price index (excl oil) ⁷	ENXR	-5.8	-3.5	-0.8	-2.0	..	-3.1	-4.8	..	..
Non EU export & price index (excl oil) ⁷	ENXS	0.2	-2.3	-0.4	-1.4	..	-1.6	-2.7	..	..
Labour market and productivity (2000 = 100 unless otherwise stated)										
UK claimant unemployment (thousands)	BCJD	946.7	933.2	932.3	915.2	886.8	891.7	886.4	882.2	-3.1
UK employees in manufacturing (thousands)	YEJA	3 602	3 458	3 431	3 414	..	3 401	3 397	..	-0.6
Whole economy productivity ⁸	LNNN	102.4	104.1	104.4	105.1	..	..	..	..	0.7
Manufacturing productivity ⁸	LNNX	104.8	110.2	111.3	112.7	..	113.1	112.6	..	0.6
Unit wage costs - whole economy	LNNK	106.4	108.4	108.9	108.6	..	..	..	..	-0.3
Unit wage costs - manufacturing	LNNQ	103.0	101.5	100.7	100.4	..	100.7	101.6	..	0.4
Financial markets¹										
Sterling ERI (1990=100)	AGBG	106.0	100.2	99.2	100.2	104.1	102.4	104.8	105.0	3.9
Average exchange rate /US \$	AUSS	1.50	1.63	1.61	1.71	1.84	1.82	1.87	1.83	7.8
Average exchange rate /Euro ⁹	THAP	1.59	1.45	1.43	1.43	1.47	1.44	1.48	1.49	2.8
3 month inter-bank rate ¹⁰	HSAJ	3.94	3.95	3.66	3.95	4.30	4.05	4.11	4.30	..
3 month interest on US Treasury bills ¹¹	LUST	1.20	0.93	0.94	0.93	0.93	0.90	0.94	0.93	..
Monetary conditions/government finances										
M0 (year on year percentage growth)	VQMX	7.9	7.3	7.9	7.5	7.2	7.6	6.8	7.1	..
M4 (year on year percentage growth)	VQJW	6.2	7.2	6.8	6.7	8.0	8.3	8.0	7.7	..
Public sector net borrowing (£ million) ^{1,12}	ANNX	-22 748	-34 779	-6 504	-13 040	-837	3 266	2 070	-6 173	..
Net lending to consumers (£ million)(broader)	RLMH	21 048	18 867	4 728	3 891	..	2 013	1 732	..	-1.9

		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	2004 Apr
Activity and expectations															
CBI output expectations balance ¹	ETCU	-5	-10	-3	-6	-4	-3	-3	-4	-2	5	21	14	15	12
CBI optimism balance ¹	ETBV	..	-27	..	..	-13	..	..	-7	..	..	17	..	..	12
CBI price expectations balance	ETDQ	-17	-8	-13	-14	-14	-15	-10	-9	-10	-4	-1	-2	-3	-1
New engineering orders (2000 = 100)	JIQH	75.9	93.4	76.5	76.8	83.9	79.5	78.3	84.1	88.8	73.9	84.6	71.5	..	..

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 figures are for the financial years 2002/03 and 2003/04.

2.1 National accounts aggregates

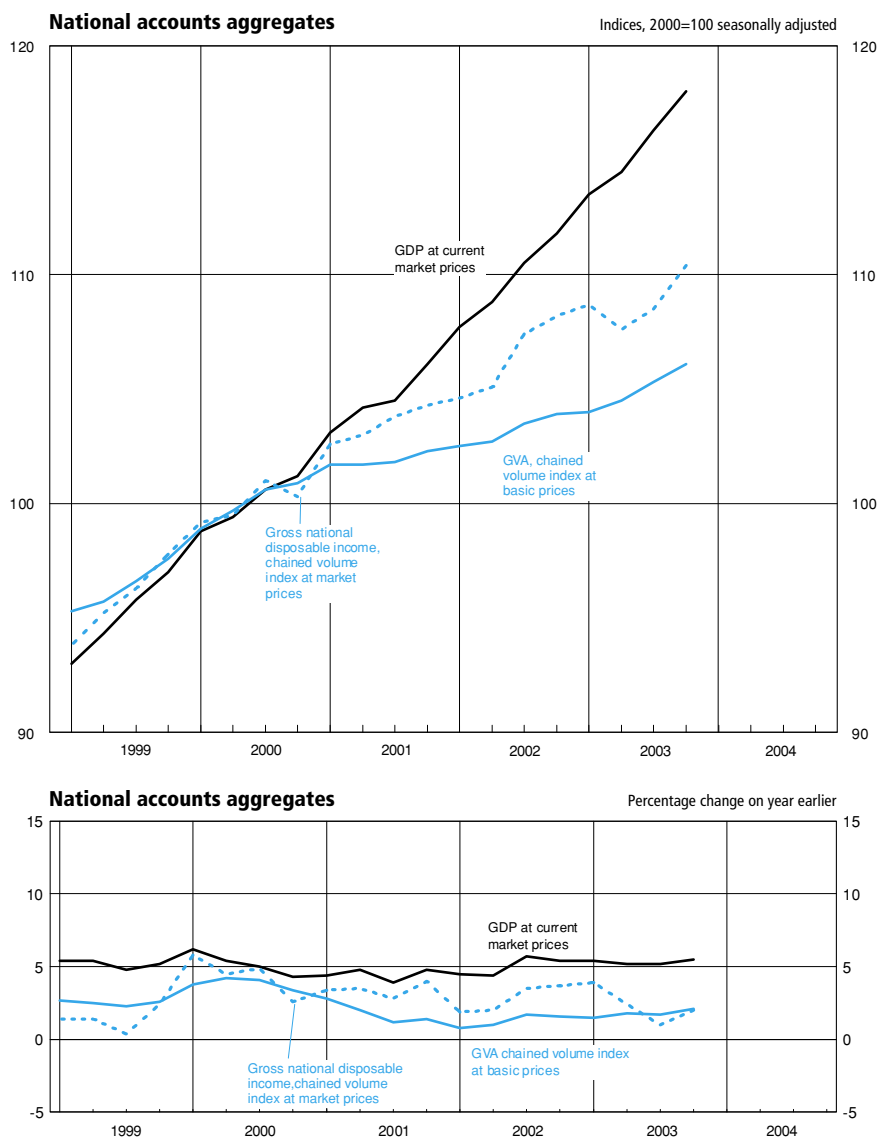
	£ million		Indices (2000 = 100)						
	At current prices		Value indices at current prices		Chained volume indices (2000=100)			Implied deflators ²	
	Gross domestic product at market prices	Gross value added (GVA) at basic prices	Gross domestic product at market prices ¹	Gross Value added (GVA) at basic 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									
1999	YBHA	ABML	YBEU	YBEX	YBFP	YBEZ	CGCE	YBGB	CGBV
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									
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
2004 Q1	..	..	..	..	..	108.1	..	..	..
Percentage change, quarter on corresponding quarter of previous year ³									
Quarterly									
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
2004 Q1	..	..	..	..	..	3.1	..	..	..

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

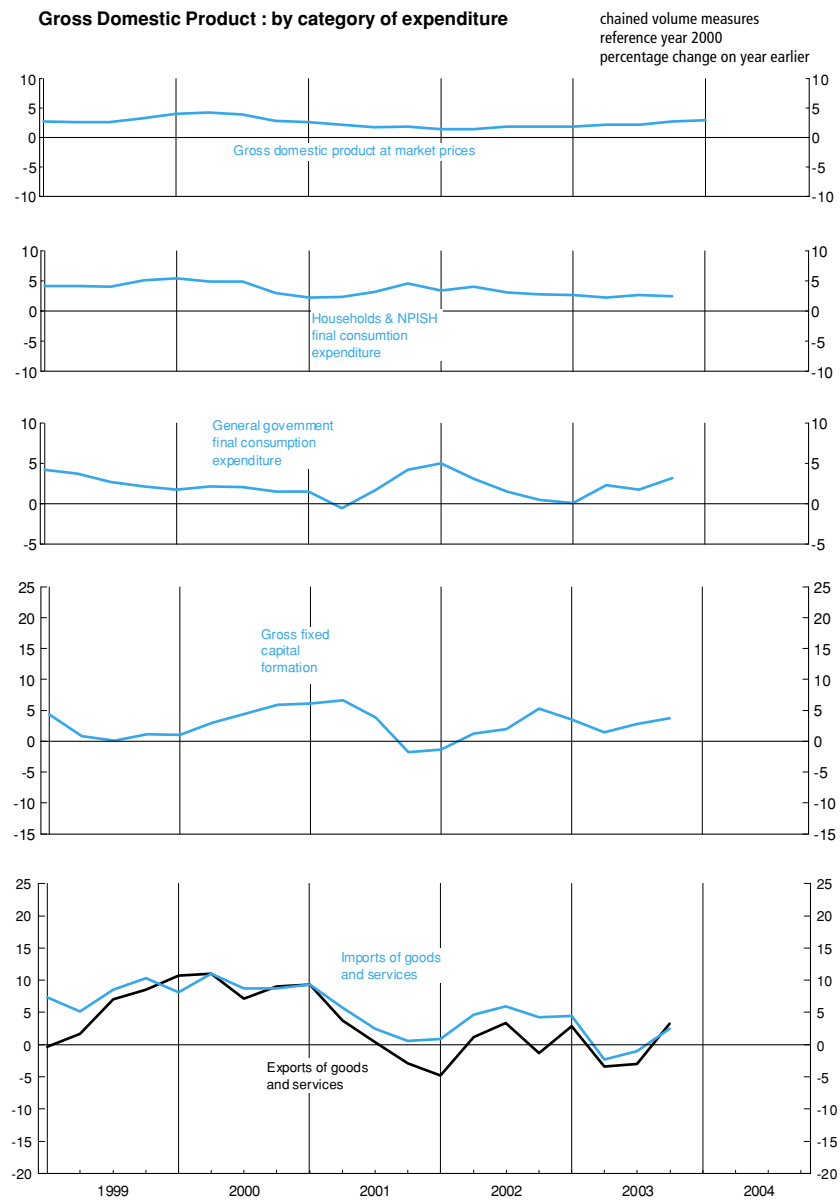
Domestic expenditure on goods and services at market prices												
	Final consumption expenditure			Gross capital formation				Exports of goods and services+	Gross final expenditure	Imports of goods and services+	Statistical discrepancy (expenditure)	Gross domestic product at market prices
	Households	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
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												
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
2004 Q1	..	..	..	..	..	..	..	..	..	..	..	257 049
<i>Percentage change, latest quarter on corresponding quarter of previous year</i>												
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
2004 Q1	..	..	..	..			..	..	..	..		3.0

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	Percentage share of gross final expenditure					Percentage share of GDP by category of income				
		Gross final expenditure	Final consumption expenditure		Gross capital formation	Exports of goods and services	Gross operating surplus		Compensation of employees	Mixed income	Taxes on production and imports
			Household and NPISH	General government			Corporations ¹	Other ²			
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

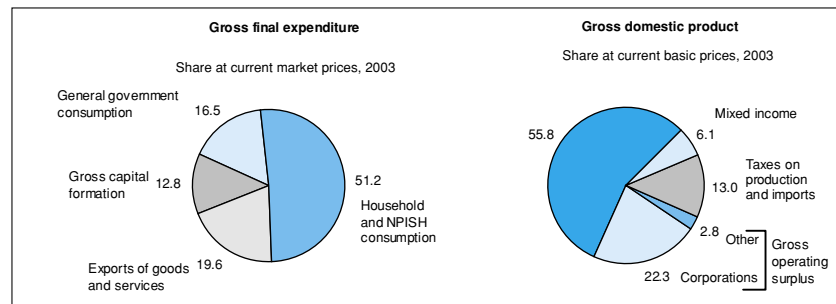
2.4 Income, product and spending per head

£

	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
2000	16 327	16 221	10 684	11 162	16 221	10 684	11 163
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

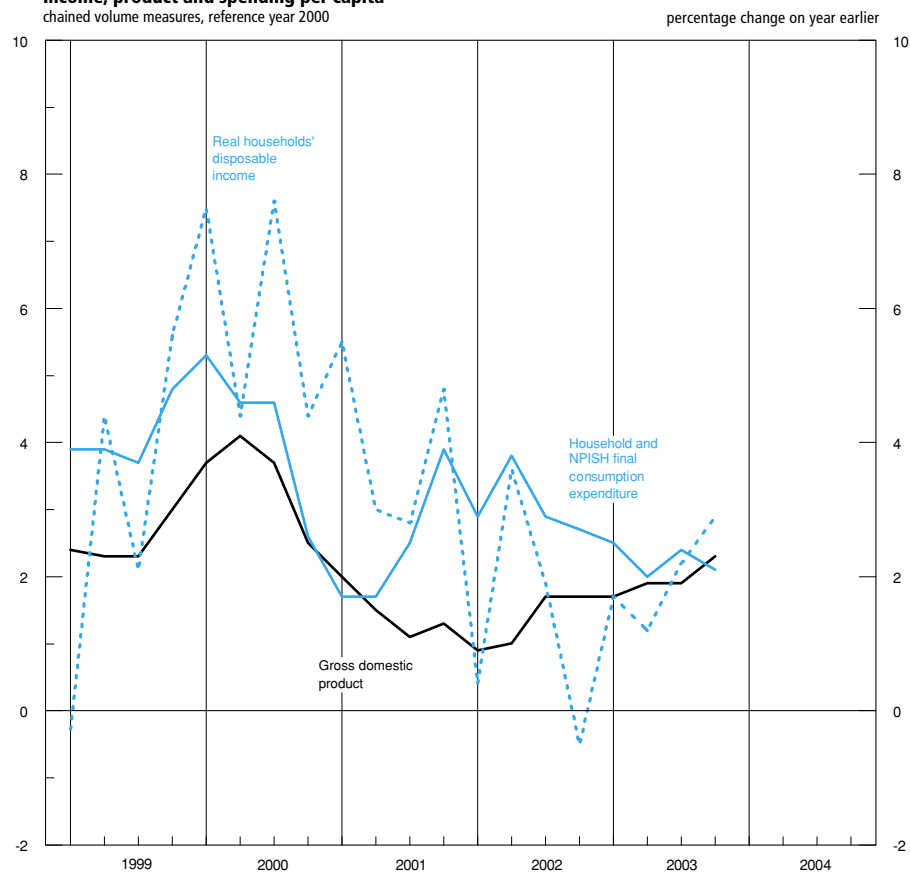
Source: Office for National Statistics; Enquiries 020 7533 6031

Shares of income and expenditure



Income, product and spending per capita

chained volume measures, reference year 2000



2.5 Households¹ disposable income and consumption

	£ million, current prices						£ million, chained volume measures, reference year 2000			
	Households' income before tax		Gross households' disposable income ²	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)
	of which: Wages and salaries									
	Total									
Annual	RPHP	ROYJ	RPHQ	RPQJ	RPQK	RPQM	NRJS	NRJR	NPSP	OSXS
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										
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	Household goods & services	Health	Transport	Communication	Recreation & culture	Education	Restaurants & hotels	Miscellaneous
COICOP³	-	-	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

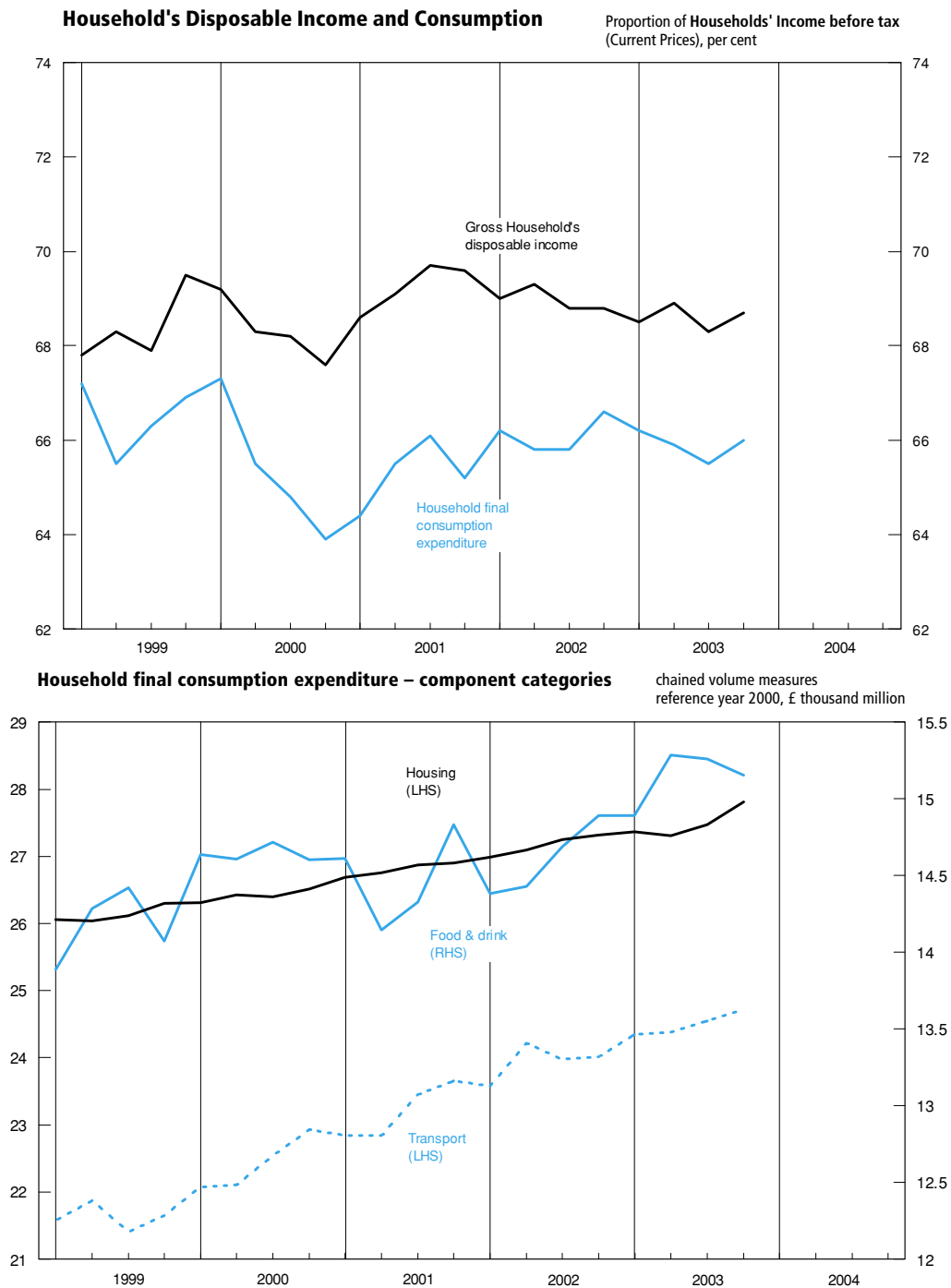
and both unadjusted and seasonally adjusted appear in the ONS publication *Consumer Trends*.

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



2.7 Gross fixed capital formation

Chained volume measures

Reference year 2000, £ million

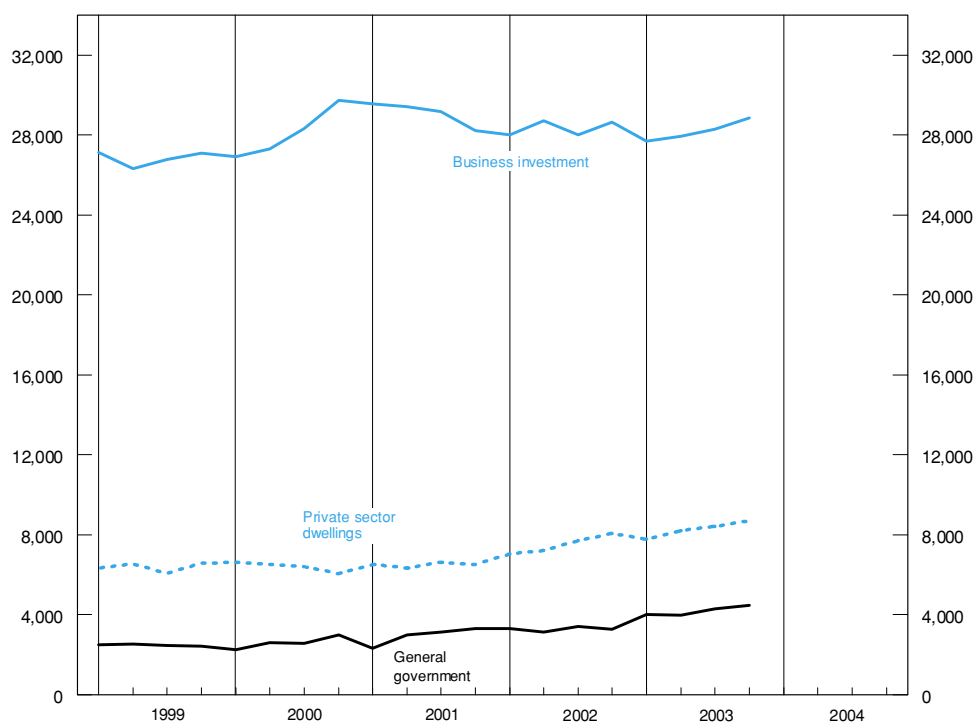
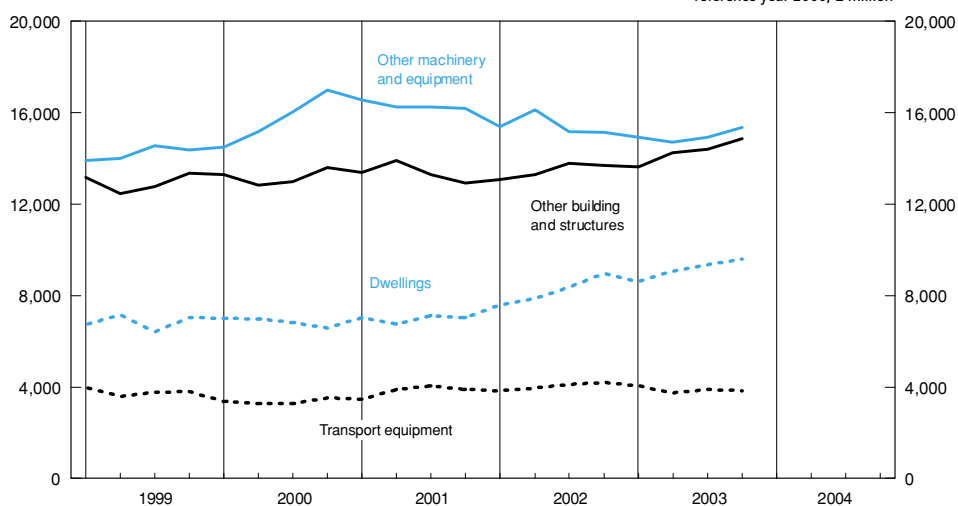
	Analysis by sector							Analysis by asset				
	Public corporations ²				Private sector							
	Business investment ¹	General government	NHS trusts	Transfer costs of non-produced assets	Dwellings	Transfer costs of non-produced assets	Total+	Transport equipment	Other machinery and equipment	Dwellings	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												
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>												
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 sectorChained 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

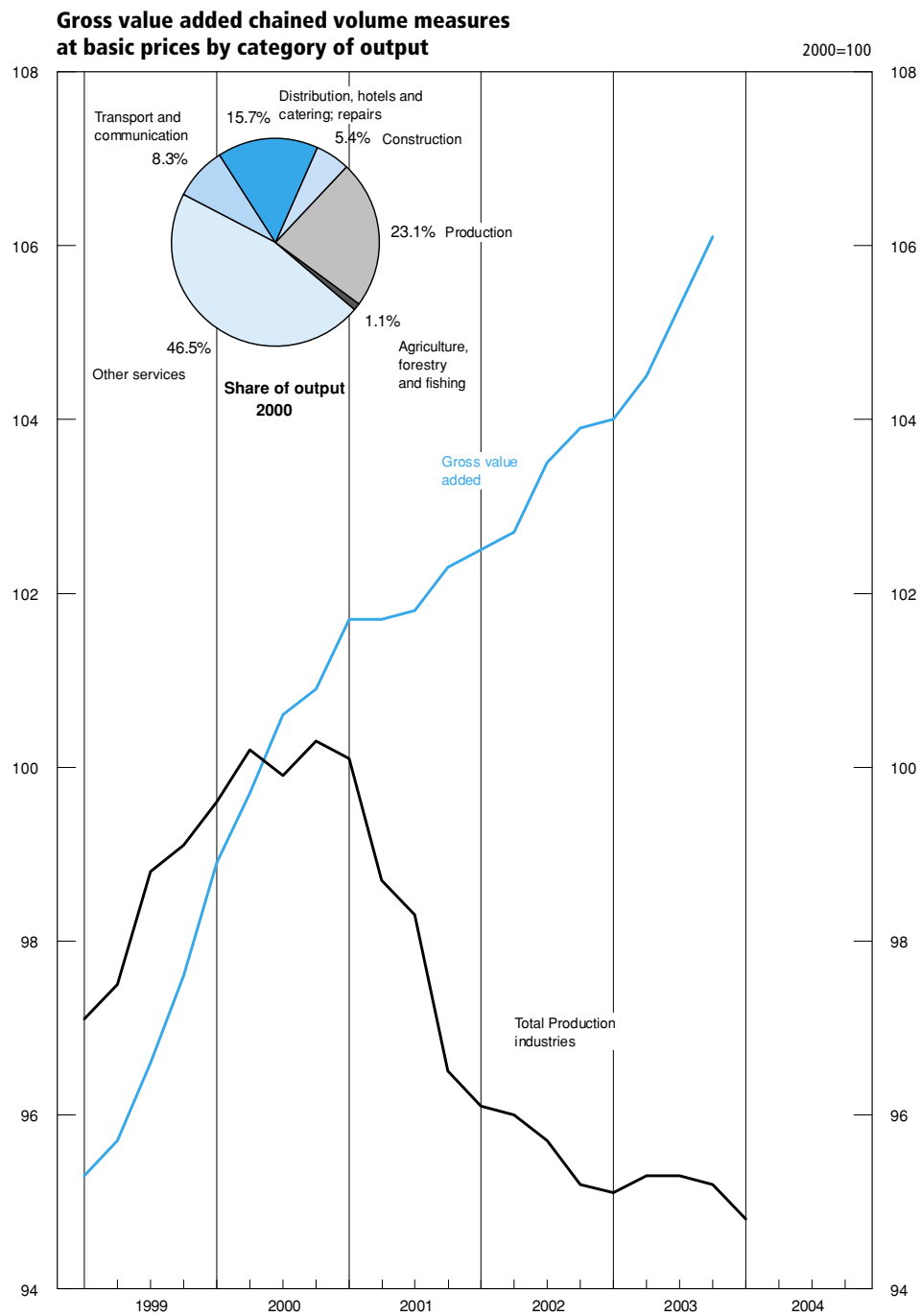
	Production						Service industries						Gross value added at basic prices	Gross value added excluding oil
	Agriculture, forestry, and fishing	Mining and quarrying including oil and gas extraction	Manufacturing	Electricity gas and water supply	Total	Construction	Distribution hotels and catering; repairs	Transport storage and communication	Business services and finance	Government and other services	Total			
<i>2000 Weights²</i>	<i>11</i>	<i>30</i>	<i>181</i>	<i>19</i>	<i>231</i>	<i>54</i>	<i>157</i>	<i>83</i>	<i>239</i>	<i>226</i>	<i>705</i>	<i>1000</i>	<i>973</i>	
	GDQA	CKYX	CKYY	CKYZ	CKYW	GDQB	GDQE	GDQH	GDQN	GDQU	GDQS	CGCE	JUN	
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	
2004 Q1	..	..	..	..	94.8	..	111.4	..	..	..	109.4	..	..
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	
2004 Q1	..	..	..	..	-0.3	..	3.6	..	..	..	2.9	..	..

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
2004 Q1	..	..	..	..	..	..	..	..	..	..	..	..	109.4
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
2004 Q1	..	..	..	..	..	..	..	..	..	..	..	..	2.9

1 Public administration and national defence; compulsory social security.

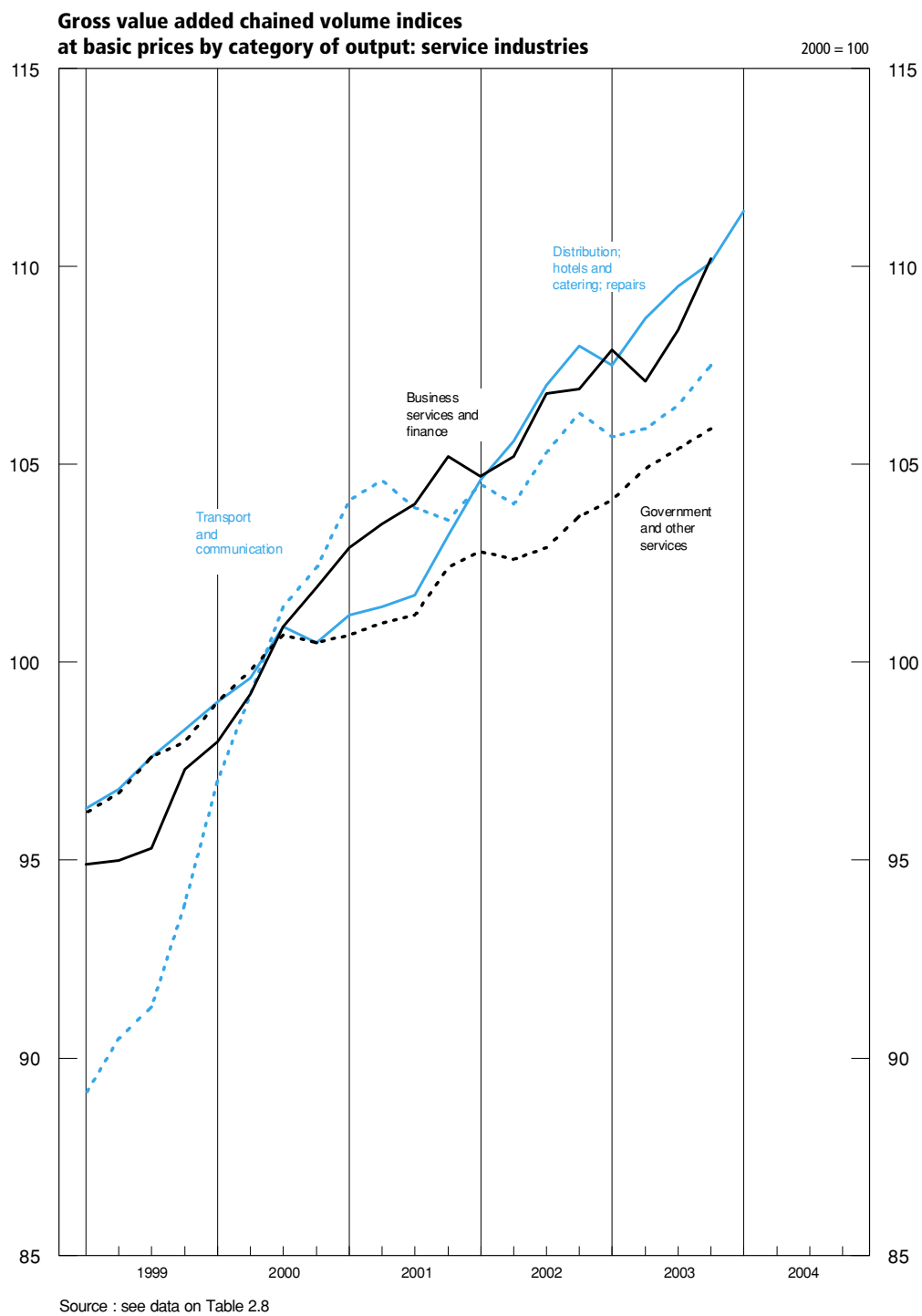
2 Comprising sections O, and P of the SIC(92).

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.

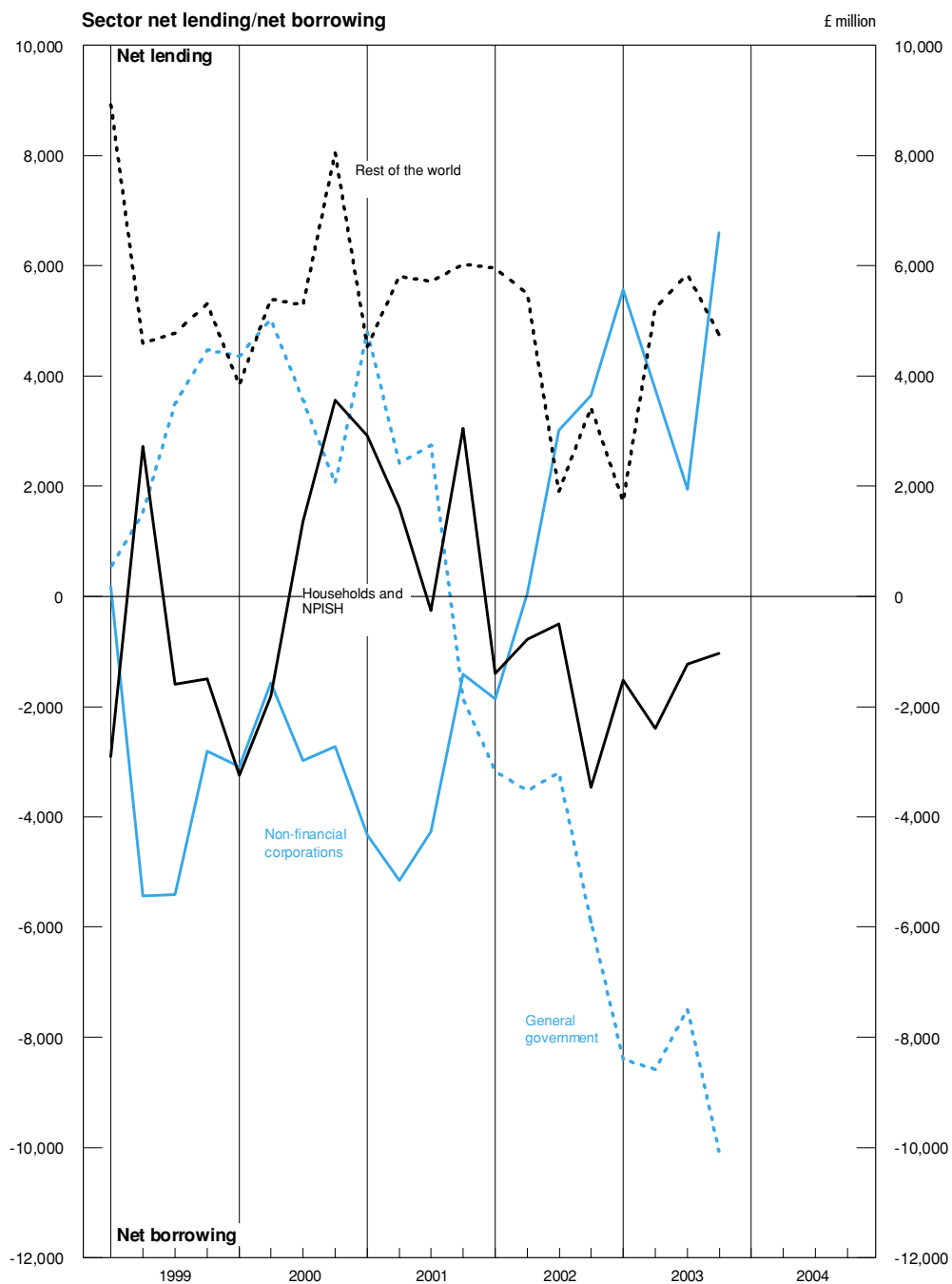
4 Equals, the current balance of payments accounts, plus capital transfers.

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

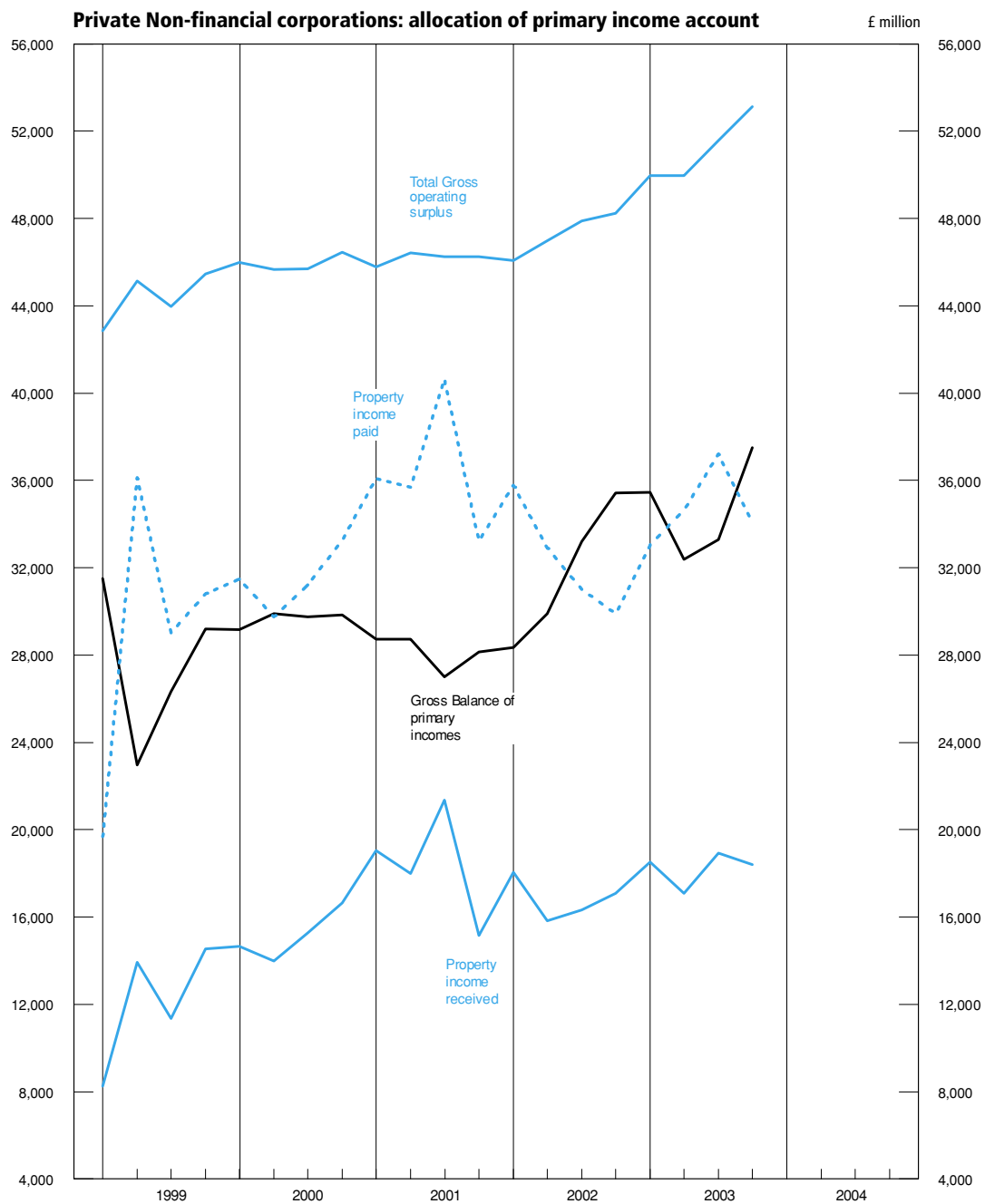
£ million

	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 ¹	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.

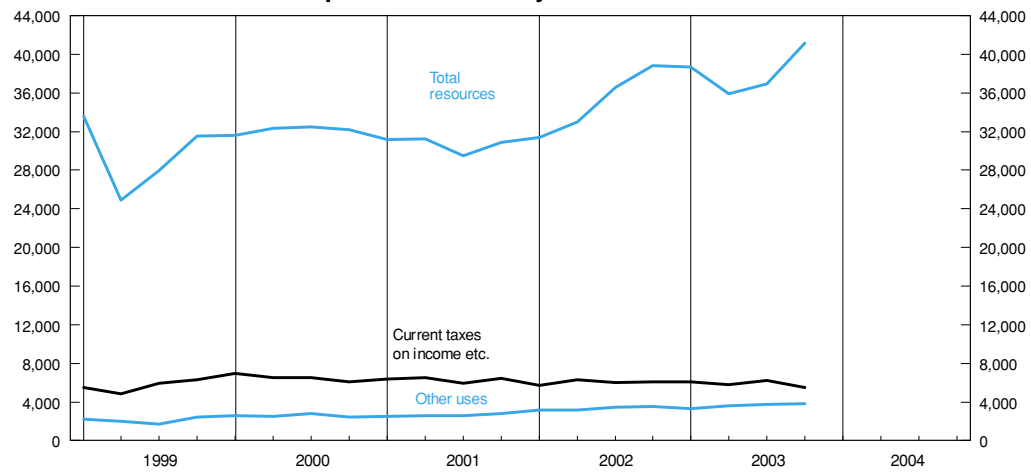
6 Acquisitions less disposals of valuables and non-produced non-financial assets.

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



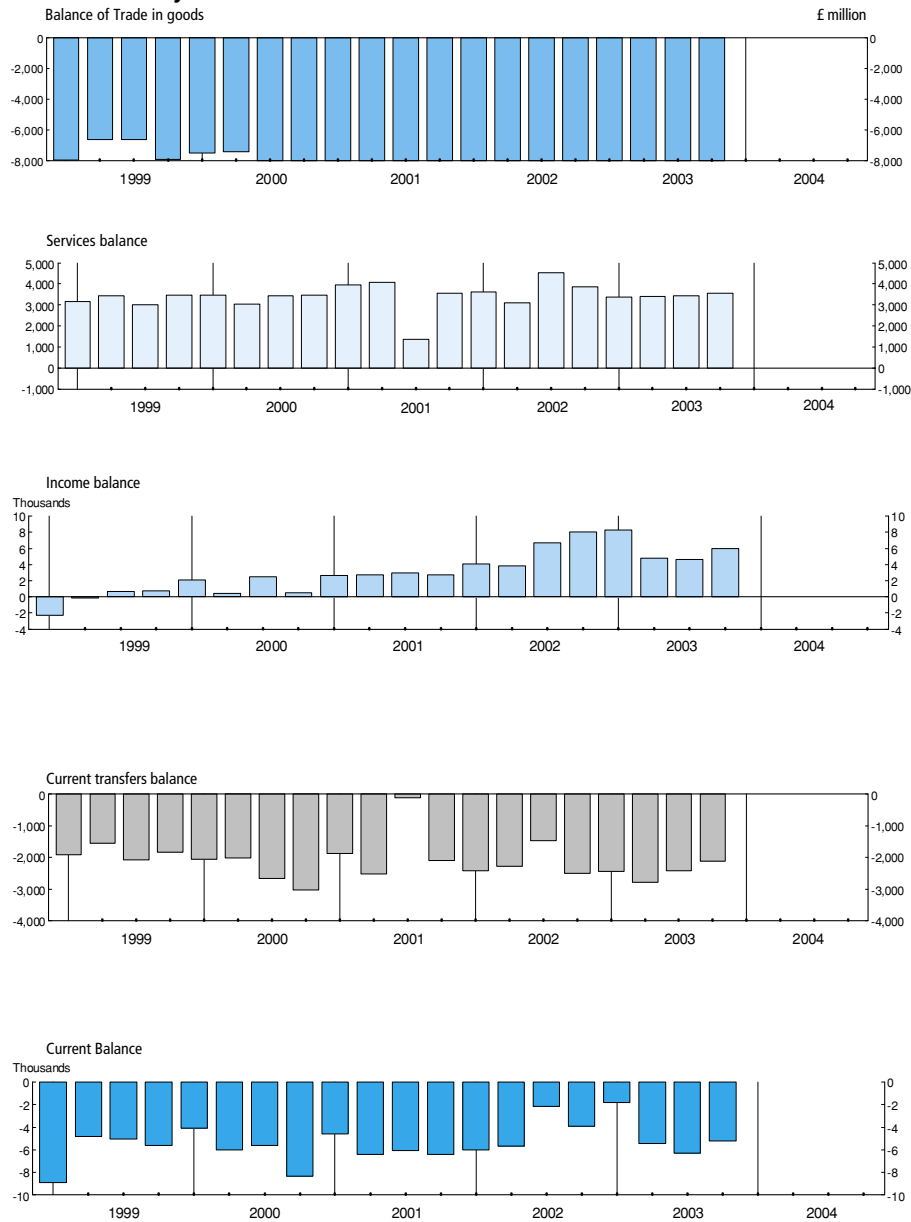
2.13

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 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	6 849 [†]	6 012	837 [†]
May	17 346	20 279	-2 933	6 907	5 813 [†]	1 094	..	..	..
Jun	15 715	19 268	-3 553	7 169	5 978	1 191	..	..	..
Jul	16 319	20 361	-4 042	7 471	6 003	1 468	..	..	..
Aug	14 871	19 025	-4 154	7 638	6 113	1 525	..	..	..
Sep	15 626	19 255	-3 629	7 652	6 094	1 558	..	..	..
Oct	15 121	19 517	-4 396	7 404	6 101	1 303	..	..	..
Nov	14 455	19 577	-5 122	7 200	5 826	1 374	..	..	..
Dec	14 945	18 704	-3 759	7 254	6 063	1 191	..	..	..
2003 Jan	16 069	19 897	-3 828	7 194	6 160	1 034	..	..	..
Feb	16 095	19 260	-3 165	7 303	6 155	1 148	..	..	..
Mar	15 613	19 623	-4 010	7 329	6 118	1 211	..	..	..
Apr	16 525	18 965	-2 440	7 194	6 018	1 176	..	..	..
May	15 440	19 259	-3 819	7 267	6 135	1 132	..	..	..
Jun	14 535	19 108	-4 573	7 268	6 145	1 123	..	..	..
Jul	15 745	19 211	-3 466	7 361	6 321	1 040	..	..	..
Aug	15 382	18 996	-3 614	7 518	6 341	1 177	..	..	..
Sep	15 156	19 900	-4 744	7 505	6 286	1 219	..	..	..
Oct	15 772	19 989	-4 217	7 464	6 216	1 248	..	..	..
Nov	15 361	19 760	-4 399	7 452	6 145	1 307	..	..	..
Dec	16 010	19 984	-3 974	7 451	6 419	1 032	..	..	..
2004 Jan	14 589 [†]	20 041 [†]	-5 452 [†]	7 283	6 244	1 039	..	..	..
Feb	14 936	19 185	-4 249	7 203	6 130	1 073	..	..	..

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

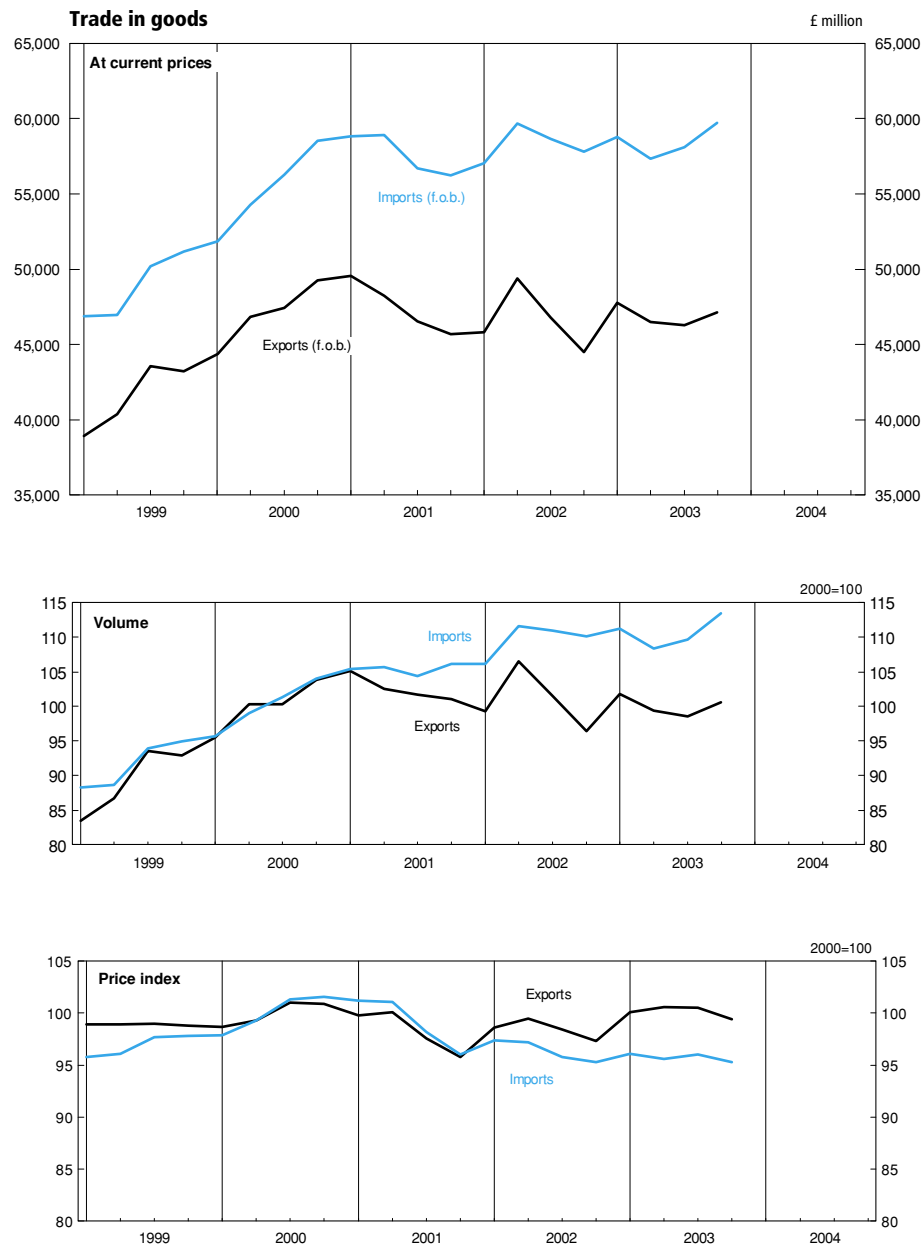
2.14 Trade in goods (on a balance of payments basis)

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 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	95.2 [†]	116.3 [†]	98.0 [†]	93.4 [†]	104.9 [†]
Feb	98.1	112.0	96.9	92.1	105.2

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).

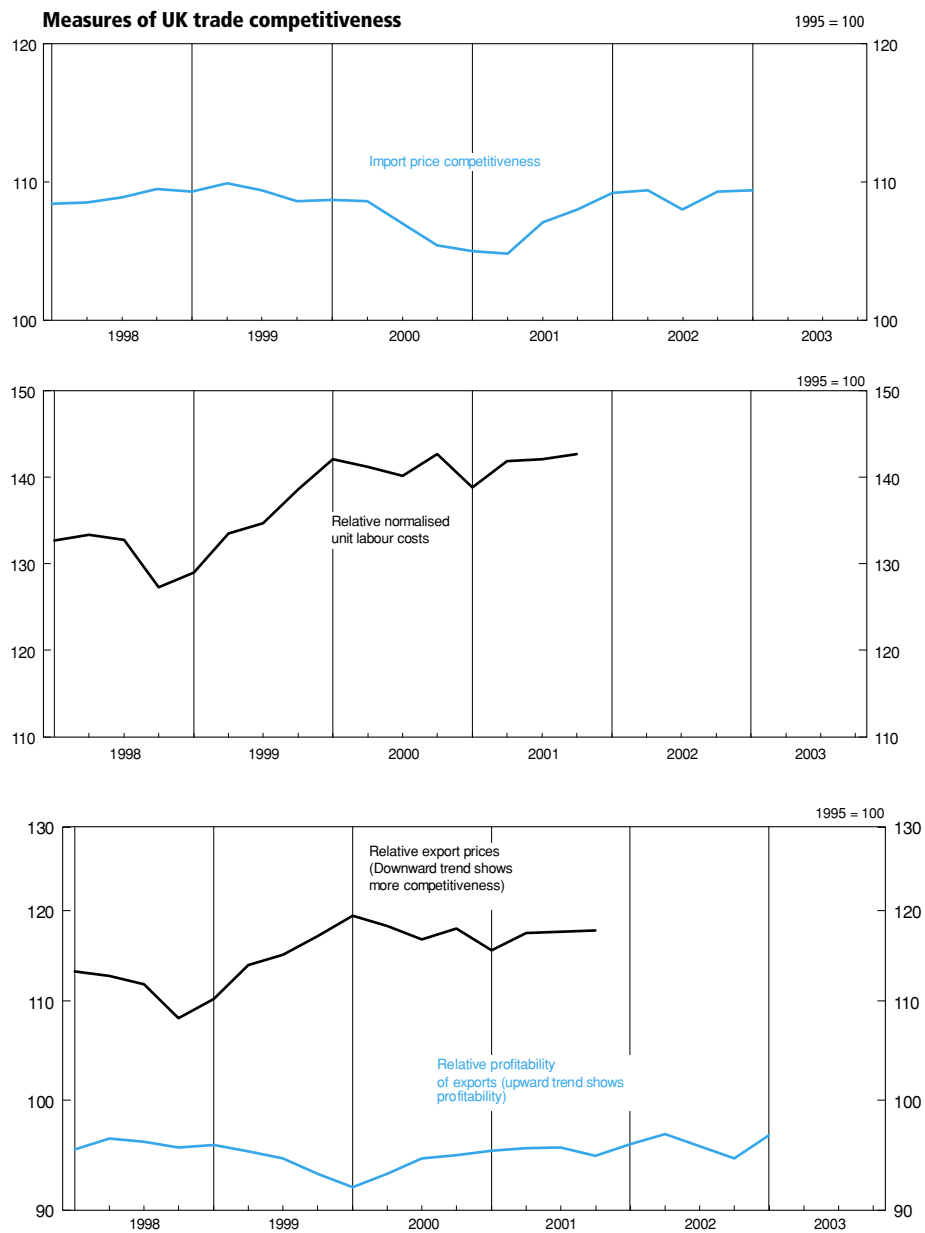
3 Includes the former German Democratic Republic as from 1991 Q1.

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)		Purchasing power of the pound/ (NSA) (1985=100)
	Materials and fuel purchased by manu- facturing industry (SA) ^{1,2}	Output: all manufact- ured 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	
			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	Index			
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	95.6r	101.3	109.8	1.4	181.3	2.9	180.0	2.8	172.0	2.7	158.1	163.8	52
Quarterly													
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	97.0r†	101.7	110.5	1.3	182.9	2.6	181.5	2.6	173.2	2.2	159.4	165.0	52
2004 Q1	95.5p	102.4p	110.4	1.3	183.8	2.6	182.0	2.3	173.8	1.9	159.7	165.4	51
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	97.1r†	101.7	110.3	1.3	182.7	2.5	181.4	2.5	173.1	2.1	..	..	52
Dec	96.9r	101.9	110.7	1.3	183.5	2.8	181.8	2.6	173.5	2.2	..	..	52
2004 Jan	95.5	102.1	110.1	1.4	183.1	2.6	181.4	2.4	173.2	2.0	..	..	52
Feb	94.6p	102.3p	110.4	1.3	183.8	2.5	182.0	2.3	173.9	1.9	..	..	51
Mar	96.4p	102.7p	110.6	1.1	184.6	2.6	182.5	2.1	174.3	1.7	..	..	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).

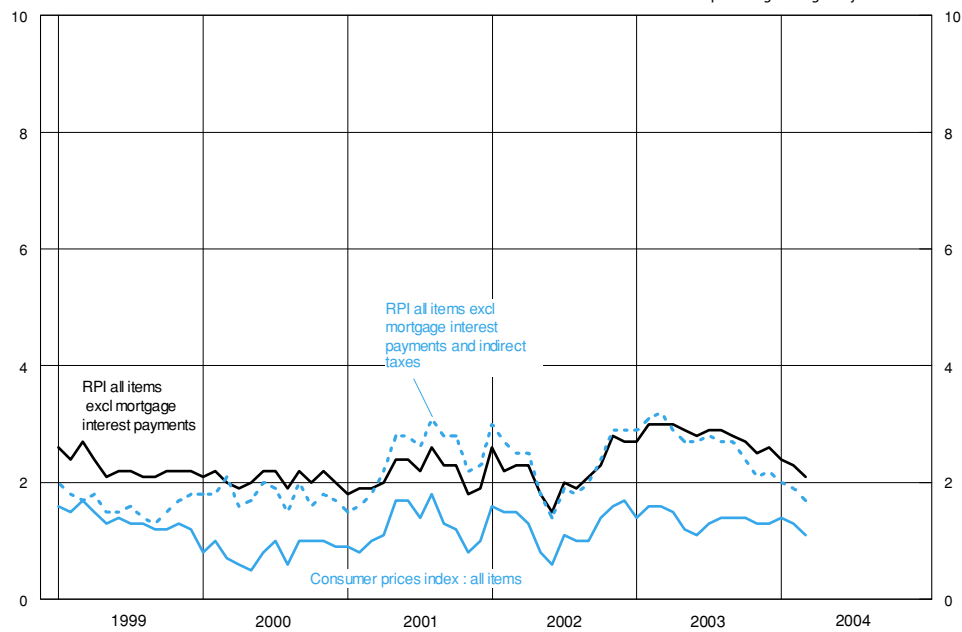
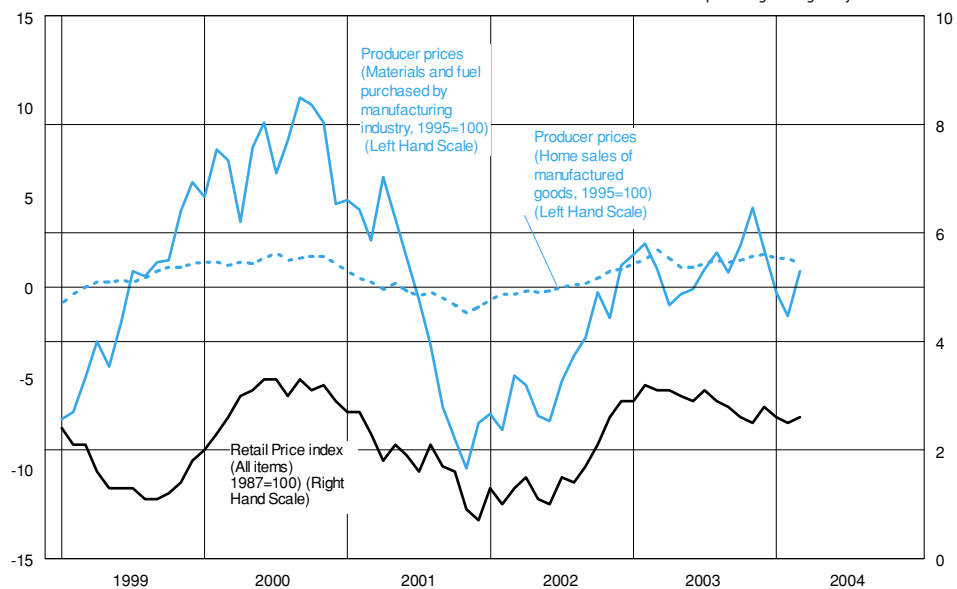
5 The taxes excluded are council tax, VAT, duties, car purchase tax and vehicle excise duty, insurance tax and airport tax.

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.

Prices1987 = 100 Not seasonally adjusted
percentage change on year earlierNot seasonally adjusted
percentage change on year earlier

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										
	MGRN	MGRQ	MGRT	MGRW	MGRZ	MGSC	MGSF	MGSI	MGSL	MGSU
2001 Q1	24 078	3 280	99	147	27 604	1 468	29 072	17 226	46 298	74.6
Q2	24 149	3 273	96	145	27 662	1 469	29 132	17 245	46 377	74.6
Q3	24 146	3 308	95	122	27 670	1 480	29 150	17 301	46 451	74.4
Q4	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	-0.2	1.1	0.2	
Percentage change on year										
2002q4 to 2003q4	-1.7	8.8	12.5	-1.7	0.1	-1.2	0.0	2.3	0.7	
FEMALE										
	MGRP	MGRS	MGRV	MGRY	MGSB	MGSE	MGSB	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										
	MGTA	MGTD	MGTG	MGTJ	MGTM	MGTP	MGTS	MGTV	MGSL	MGUH
2001 Q1	23 949	3 275	95	151	27 470	1 485	28 955	17 343	46 298	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										
	MGTB	MGTE	MGTH	MGTK	MGTN	MGTQ	MGTT	MGTW	MGSM	MGUI
2001 Q1	12 370	2 411	36	98	14 914	901	15 815	6 508	22 323	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										
	MGTC	MGTF	MGTI	MGTL	MGTO	MGTR	MGTU	MGTX	MGSN	MGUJ
2001 Q1	11 579	865	59	53	12 556	584	13 140	10 835	23 975	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	

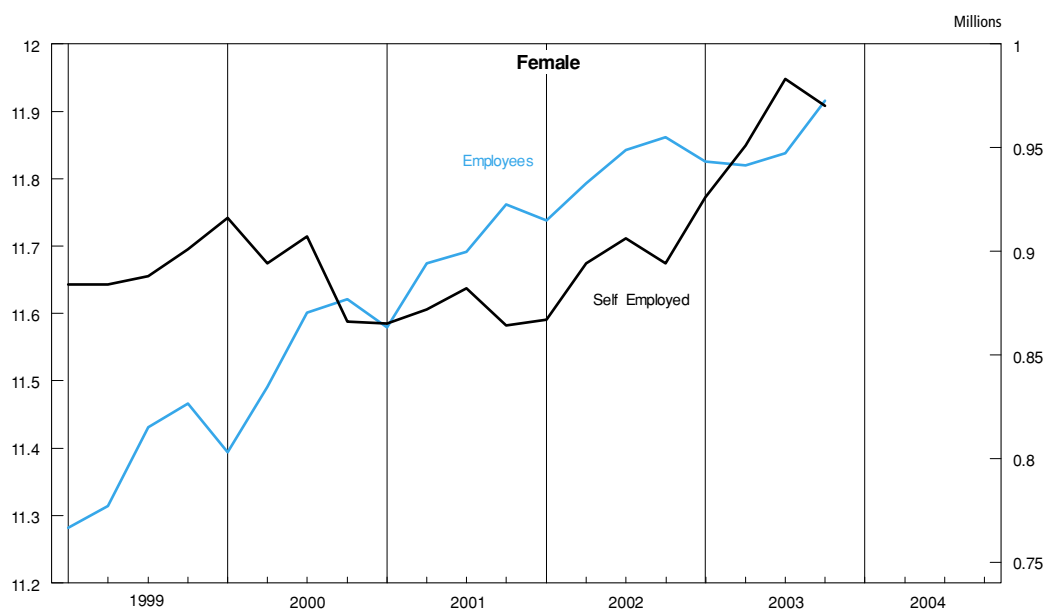
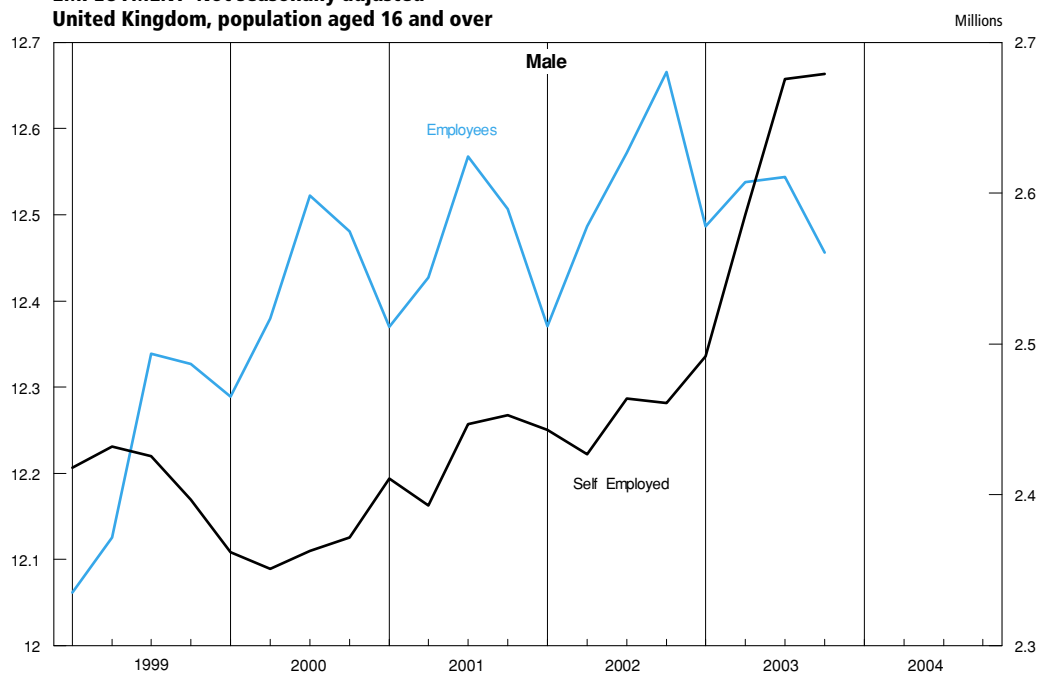
1 The data in this table have been adjusted to reflect the 2001 Census population data.

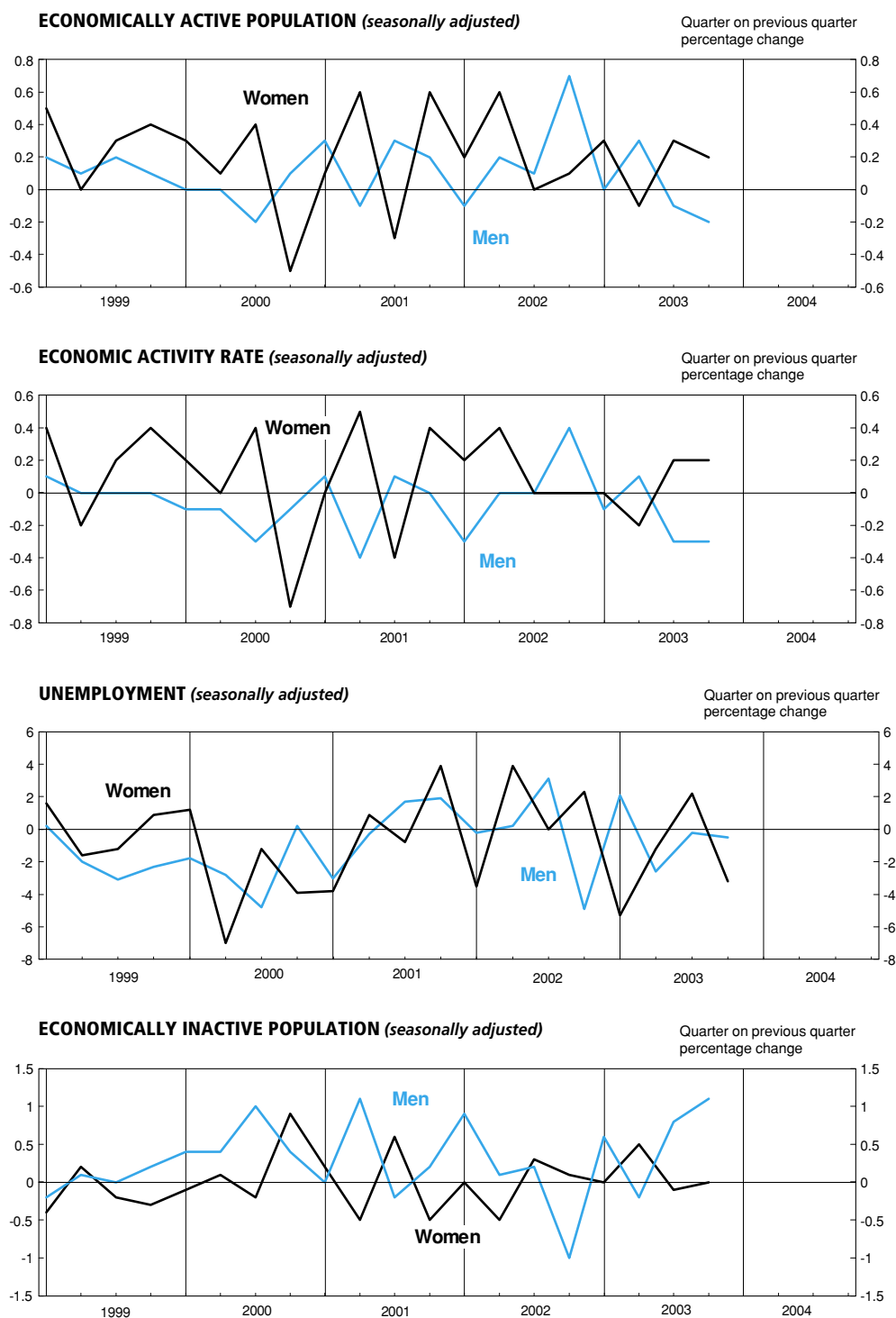
2 Data are from the Labour Force Survey which uses the definitions recommended by the International Labour Organisation (ILO), an agency of the United Nations. For details see the *Guide to Labour market Statistics Releases*.

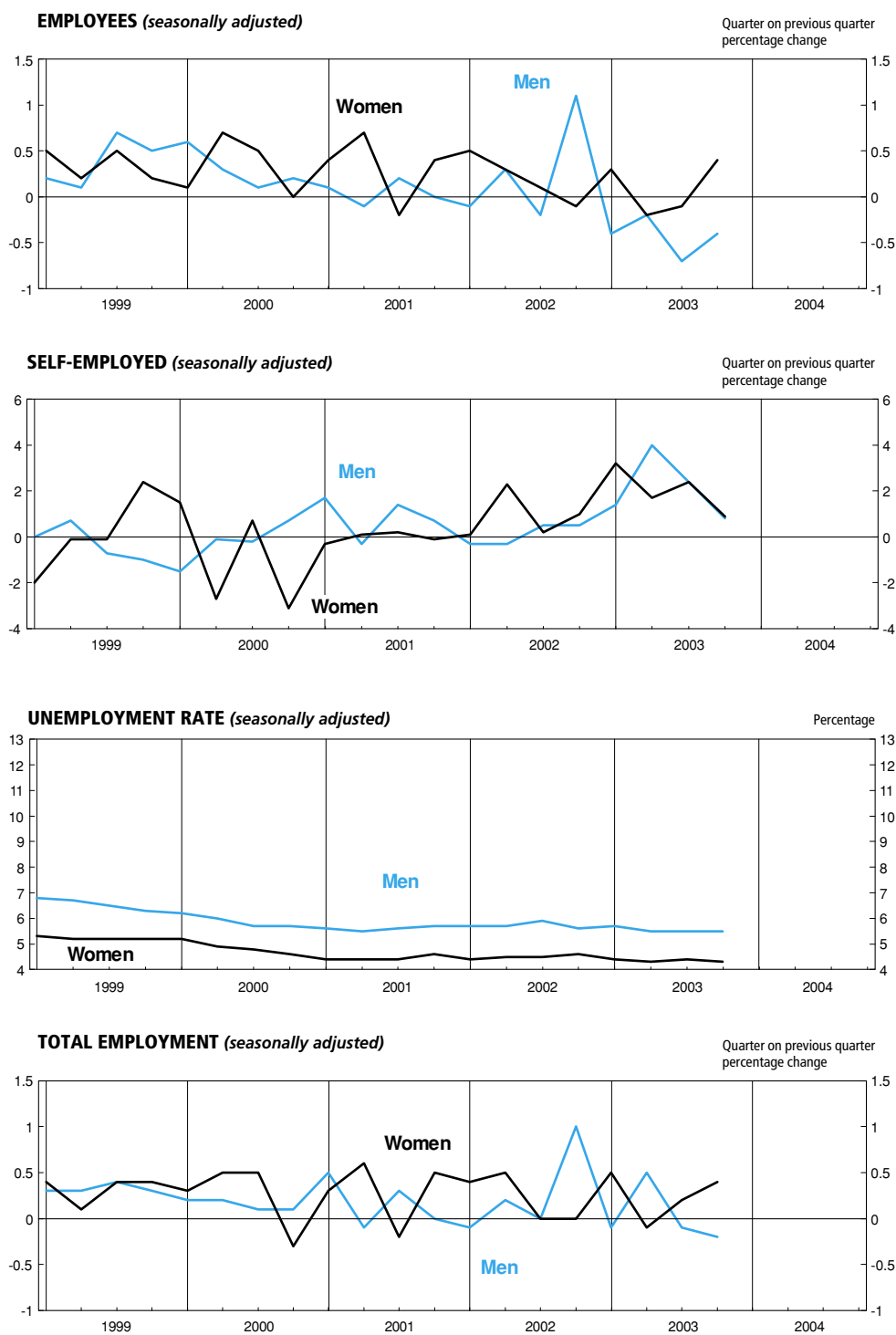
3 The employment rate equals those in employment aged 16-64 (male) and 16-59 (female), as a percentage of all in these age groups. The underlying data are available on request.

Source: Office for National Statistics; Enquiries 020 7533 6094

**EMPLOYMENT Not seasonally adjusted-
United Kingdom, population aged 16 and over**







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
Total											
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	29 428 [†]	25 588 [†]	3 951 [†]	4 152 [†]	19 932 [†]	1 088.4	3.6	1 102.3	358.3
2001	29 728	25 905	3 803	4 012	20 441	969.9 [†]	3.2	983.0	..
2002	29 847	25 975	3 602	3 806	20 756	946.7	3.1	958.8	..
2003	30 125	26 033	3 458	3 655	20 957	933.2	3.1	945.9	..
Quarterly									
2000 Q1	29 290 [†]	25 438 [†]	3 988 [†]	4 185 [†]	19 767 [†]	1 153.0	3.8	1 219.2	342.2
Q2	29 428	25 588	3 951	4 152	19 932	1 103.9	3.6	1 109.2	355.7
Q3	29 497	25 683	3 923	4 124	20 094	1 060.0	3.5	1 073.6	363.4
Q4	29 600	25 781	3 891	4 098	20 236	1 036.7	3.4	1 007.1	371.8
2001 Q1	29 640	25 817	3 858	4 065	20 322	999.7 [†]	3.3	1 064.1	394.1
Q2	29 728	25 905	3 803	4 012	20 441	970.7	3.2	978.4	..
Q3	29 717	25 914	3 753	3 960	20 502	949.7	3.1	958.5	..
Q4	29 829	25 999	3 700	3 906	20 643	959.7	3.2	931.0	..
2002 Q1	29 831	26 018	3 649	3 856	20 714	952.9	3.1	1 014.6	..
Q2	29 847	25 975	3 602	3 806	20 756	950.9	3.1	958.1	..
Q3	29 850	25 942	3 555	3 754	20 794	945.0	3.1	951.8	..
Q4	29 939	26 003	3 514	3 709	20 893	937.8	3.1	910.6	..
2003 Q1	30 006	25 984	3 489	3 684	20 891	939.7	3.1	1 001.1	..
Q2	30 125	26 033	3 458	3 655	20 957	945.6	3.1	954.3	..
Q3	30 192	26 008	3 431	3 625	20 931	932.3	3.1	939.0	..
Q4	30 306	26 112	3 414	3 605	21 037	915.2	3.0	889.2	..
2004 Q1	..	..	..	..	..	886.8	2.9	947.2	..
Monthly									
2002 Jul	..	..	3 584 [†]	3 786 [†]	..	947.8 [†]	3.1	956.4	..
Aug	..	..	3 572	3 772	..	943.6	3.1	962.7	..
Sep	..	25 942 [†]	3 555	3 754	20 794 [†]	943.5	3.1	936.2	..
Oct	..	..	3 541	3 741	..	940.4	3.1	907.2	..
Nov	..	..	3 528	3 726	..	937.6	3.1	905.6	..
Dec	..	26 003	3 514	3 709	20 893	935.5	3.1	919.1	..
2003 Jan	..	..	3 506	3 702	..	935.9	3.1	998.0	..
Feb	..	..	3 498	3 693	..	940.9	3.1	1 012.8	..
Mar	..	25 984	3 489	3 684	20 891	942.3	3.1	992.3	..
Apr	..	..	3 477	3 671	..	939.9	3.1	966.1	..
May	..	..	3 468	3 663	..	948.5	3.1	957.8	..
Jun	..	26 033	3 458	3 655	20 957	948.4	3.1	939.2	..
Jul	..	..	3 442	3 637	..	937.6	3.1	946.3	..
Aug	..	..	3 435	3 630	..	930.2	3.1	948.6	..
Sep	..	26 008	3 431	3 625	20 931	929.1	3.1	922.1	..
Oct	..	..	3 427	3 620	..	924.6	3.0	893.2	..
Nov	..	..	3 418	3 611	..	915.5	3.0	884.6	..
Dec	..	26 112	3 414	3 605	21 037	905.5	3.0	889.7	..
2004 Jan	..	..	3 401	3 593	..	891.7	2.9	952.4	..
Feb	..	..	3 397	3 590	..	886.4	2.9	957.0	..
Mar	..	..	..	..	..	882.2	2.9	932.0	..

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.

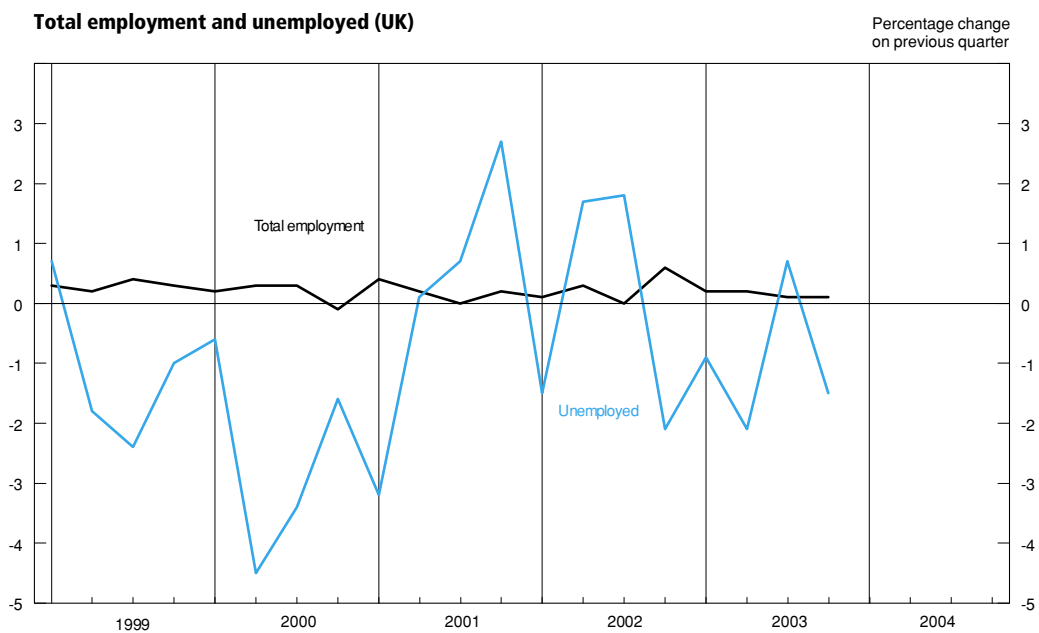
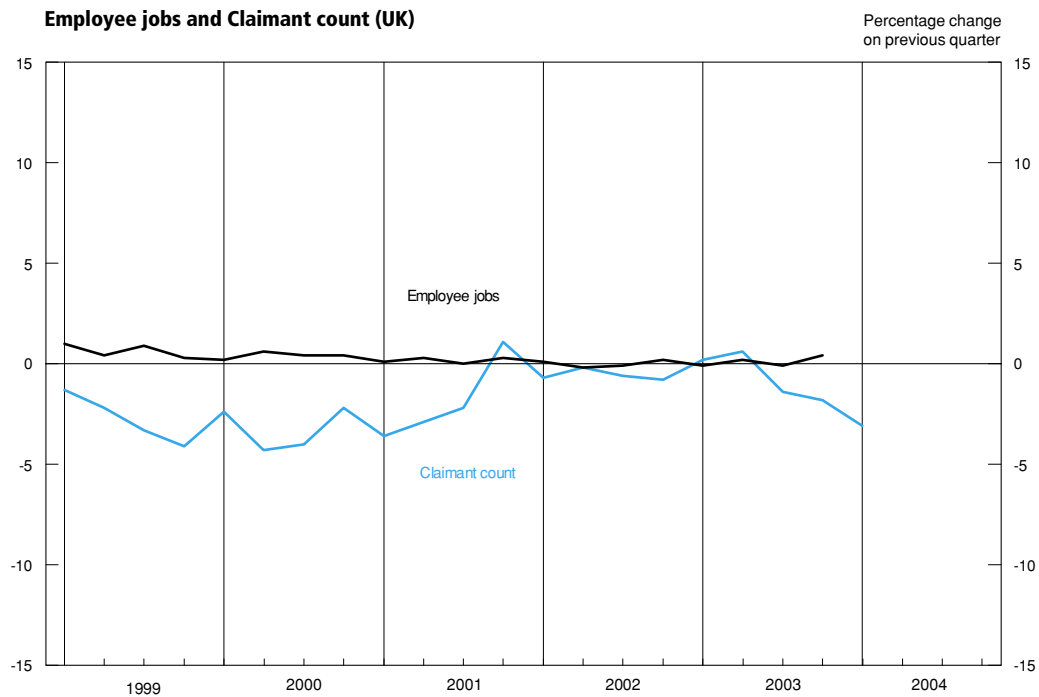
8 Vacancies notified to Jobcentres and remaining unfilled. Jobcentre vacancies only account for approximately one third of all vacancies in the economy. Note: Quarter figures relate to the average for the three months in the quarter.

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
2004 Q1	4.4	3.1	3.2	2.7	3.5	2.1	3.6	1.7
	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	
2004 Q1	1.7	2.8	3.2	3.6	2.9	4.1	2.9	

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

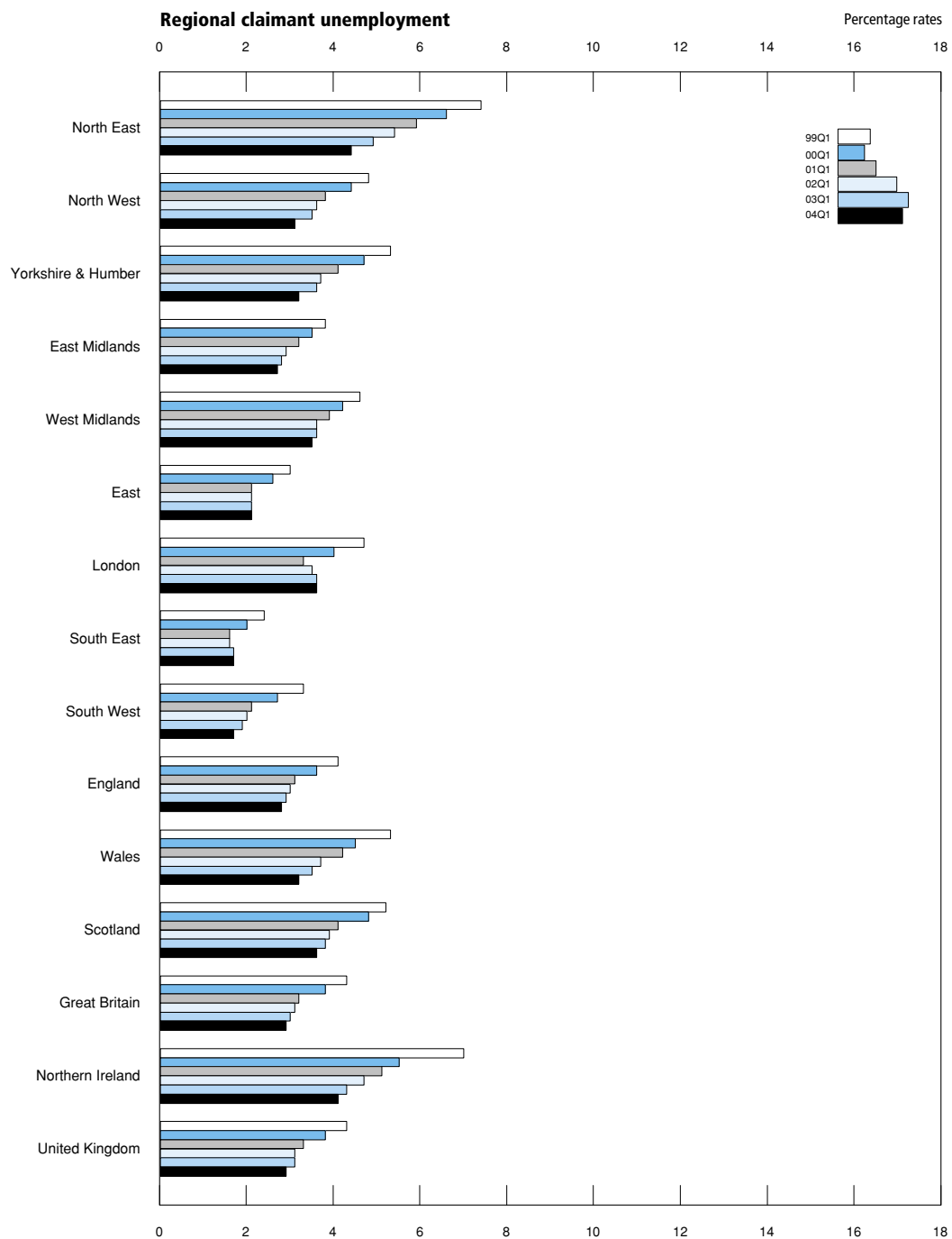
1 Government Office Regions came into effect in April 1994. It was decided that from May 1997 sub-national data should be published for these areas rather than standard statistical regions (SSRs). Data by standard statistical regions are available on request.

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	

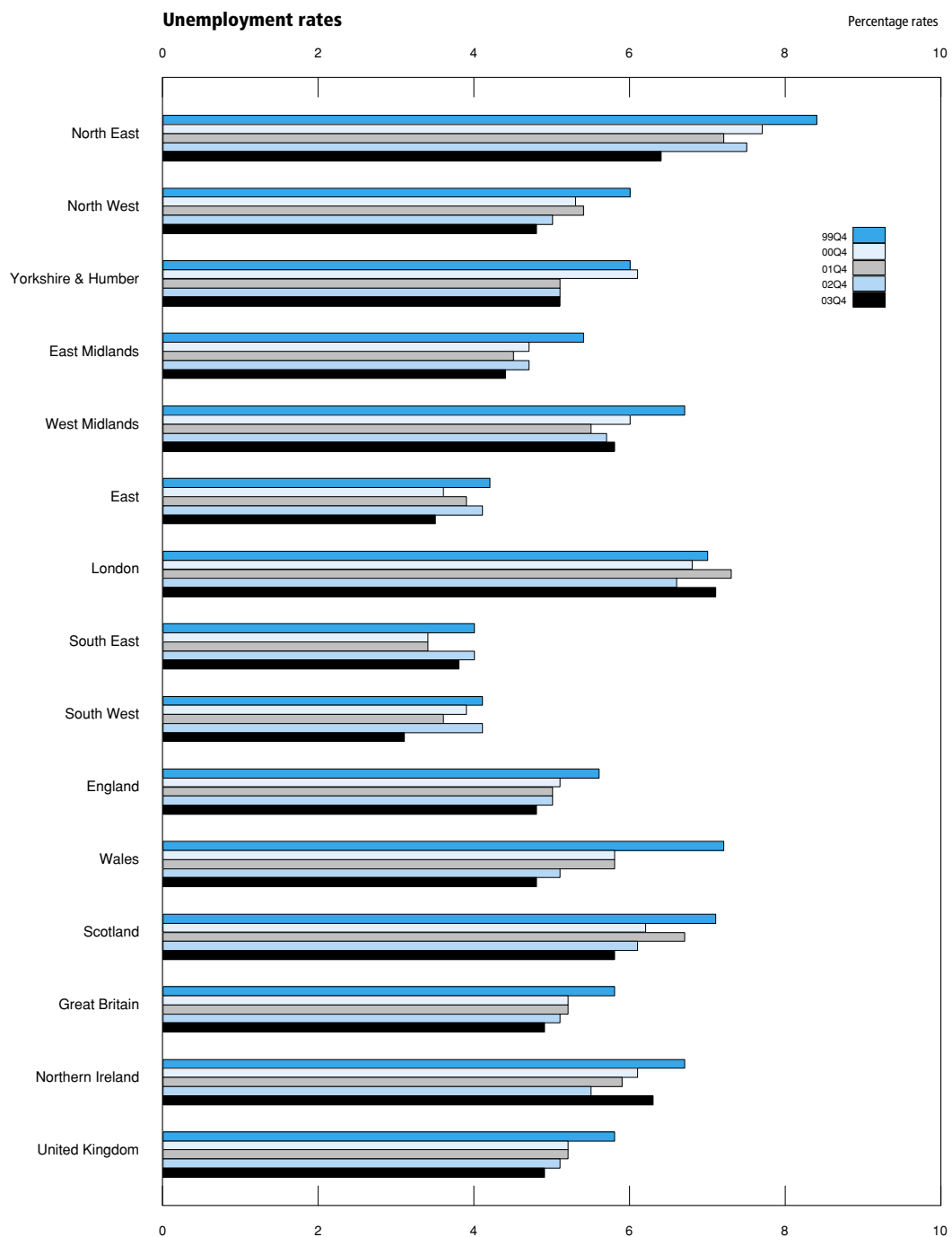
1 The data in this table have been adjusted to reflect the 2001 Census population data.

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 rate ²	Manufacturing industries ³ headline rate ^{2,3}	Production industries headline rate ²	Service industries headline rate ²	Private sector services headline rate 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	110.7 [†]
Monthly	LNMC	LNND	LNNE	LNNG	LNNF	LNNH	JJGJ
2000 Jan	98.8	98.8	98.9	98.9	99.2	98.9	99.0
Feb	98.7	98.7	99.5	98.2	98.5	98.9	98.9
Mar	98.9	98.9	98.9	98.4	98.4	98.9	99.0
Apr	98.7	98.5	99.2	98.7	98.6	98.6	98.4
May	98.8	98.6	99.2	99.5	99.5	98.6	98.4
Jun	99.2	99.0	100.0	99.3	99.3	99.0	98.8
Jul	99.5	99.4	99.8	99.9	99.8	99.4	99.2
Aug	100.3	100.3	100.1	100.1	100.1	100.4	100.4
Sep	100.7	100.8	100.4	100.9	100.8	100.7	100.7
Oct	101.3	101.4	100.8	101.3	101.2	101.4	101.4
Nov	101.9	101.9	101.4	102.2	102.1	101.9	101.9
Dec	103.3	103.7	101.7	102.7	102.6	103.4	103.9
2001 Jan	103.2	103.4	102.2	102.7	102.7	103.3	103.6
Feb	103.6	103.7	102.6	103.4	103.7	103.8	104.0
Mar	103.7	103.7	103.3	103.5	103.3	103.8	103.8
Apr	103.9	103.9	104.6	103.9	103.7	103.9	103.8
May	104.0	103.8	105.0	104.1	104.0	103.9	103.6
Jun	104.3	104.1	105.3	104.3	104.1	104.2	103.9
Jul	104.4	104.2	105.6	104.4	104.3	104.3	103.9
Aug	104.8	104.6	106.0	104.8	104.6	104.8	104.4
Sep	105.0	104.8	106.0	105.2	105.0	104.9	104.5
Oct	105.1	104.9	106.4	105.2	105.1	105.0	104.7
Nov	105.2	105.0	106.4	105.2	105.0	105.1	104.7
Dec	105.8	105.6	106.8	105.4	105.2	105.7	105.3
2002 Jan	106.3	106.1	107.0	105.9	105.8	106.3	106.0
Feb	106.9	106.7	107.2	106.0	106.0	107.1	107.0
Mar	106.7	106.4	107.9	106.4	106.5	106.6	105.9
Apr	108.0	108.1	108.3	107.4	107.2	108.0	108.1
May	107.9	107.8	108.7	107.7	107.6	107.9	107.7
Jun	108.2	108.0	109.0	108.1	108.0	108.2	108.0
Jul	108.4	108.2	109.6	108.3	108.2	108.3	108.0
Aug	108.6	108.5	109.1	108.8	108.7	108.5	108.2
Sep	108.8	108.5	110.1	108.8	108.7	108.7	108.2
Oct	109.0	108.6	110.9	109.3	109.2	108.9	108.3
Nov	110.0	109.6	111.7	109.4	109.3	110.2	109.6
Dec	109.5	108.9	112.1	109.9	109.8	109.2 [†]	108.3
2003 Jan	109.1 [†]	108.3 [†]	112.5	110.0	110.1 [†]	109.4	107.5 [†]
Feb	110.0	109.3	112.8	110.6 [†]	110.1	109.7	108.8
Mar	111.4	110.8	113.4	113.3	113.1	110.9	109.8
Apr	110.8	110.2	113.9	110.2	110.2	110.9	110.0
May	111.3	110.7	113.7	111.1	111.0	111.5	110.7
Jun	111.6	110.9	114.8	111.3	111.3	111.8	110.8
Jul	112.3	111.7	115.4	111.8	111.6	112.5	111.6
Aug	112.4	111.5	115.6	111.9	111.8	112.6	111.5
Sep	112.8	112.0	116.1	112.5	112.3	112.9	111.8
Oct	113.0	112.3	116.1	112.8	112.6	113.0	111.9
Nov	113.7	113.0	116.4	113.3	113.1	113.8	112.7
Dec	113.2	112.3	116.9	113.6	113.4	112.7	111.4
2004 Jan	117.2	117.2	117.1	114.0	113.9	118.9	118.2
Feb ¹	114.4	113.6	117.8	114.4	114.4	113.9	112.7

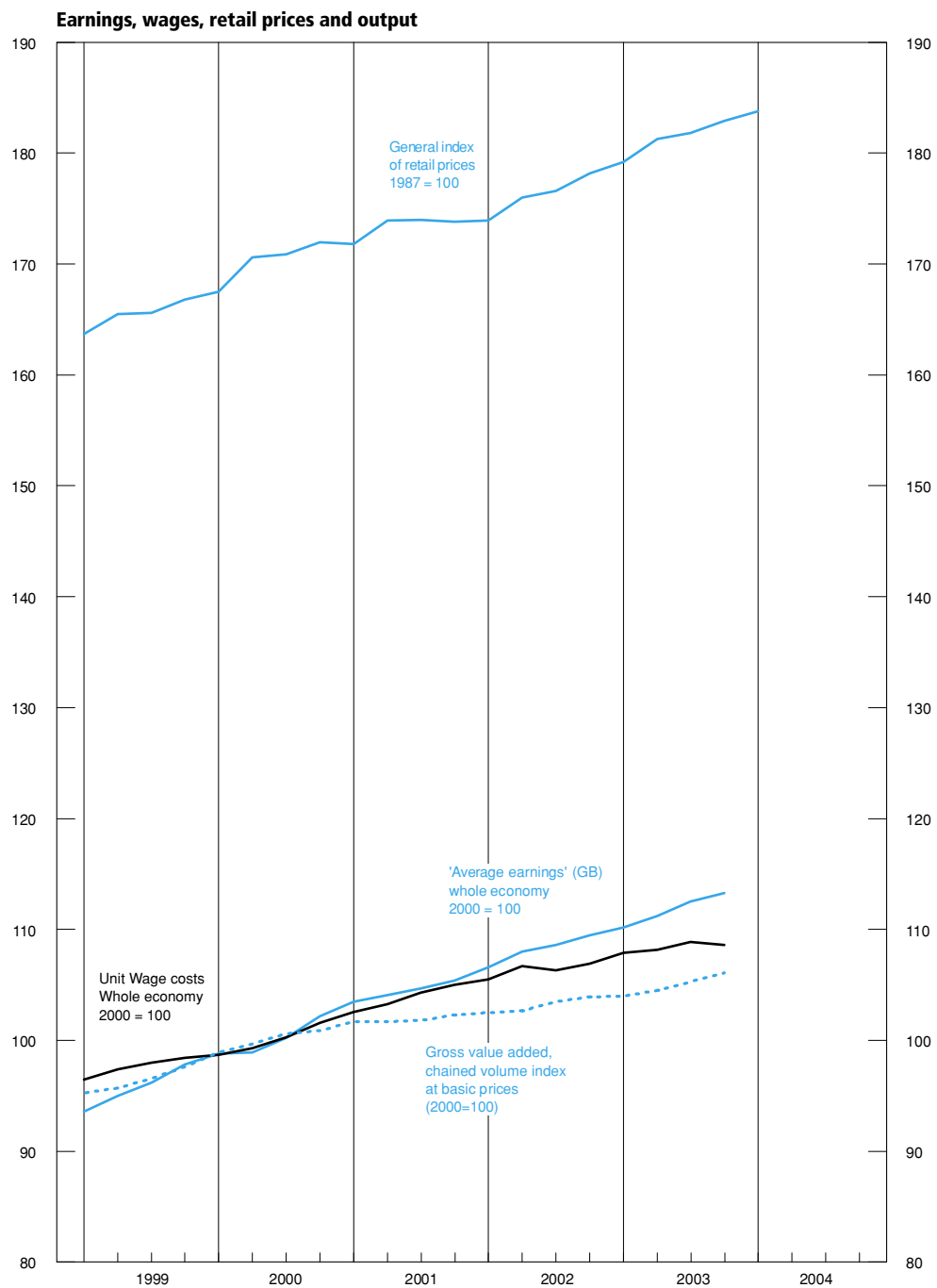
1 Provisional.

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
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
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											
2000 Q1	99.4	101.3	101.5	99.5	98.3	97.8	99.9	98.1	97.5	98.7	100.7
Q2	99.9	100.5	100.5	99.8	99.6	99.3	99.6	99.2	98.9	99.3	99.8
Q3	100.3	99.6	99.5	100.3	100.4	100.5	100.5	100.2	100.4	100.3	99.8
Q4	100.4	98.6	98.5	100.4	101.7	102.4	100.1	102.5	103.2	101.6	99.7
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	103.8 [†]
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	..	..	..	..	103.3 [†]
Feb	..	..	88.2	..	..	107.5 [†]	102.9
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	..	..	113.1	..	..	..	..	100.7
Feb	..	..	84.4	..	..	112.6	..	..	..	..	101.6

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

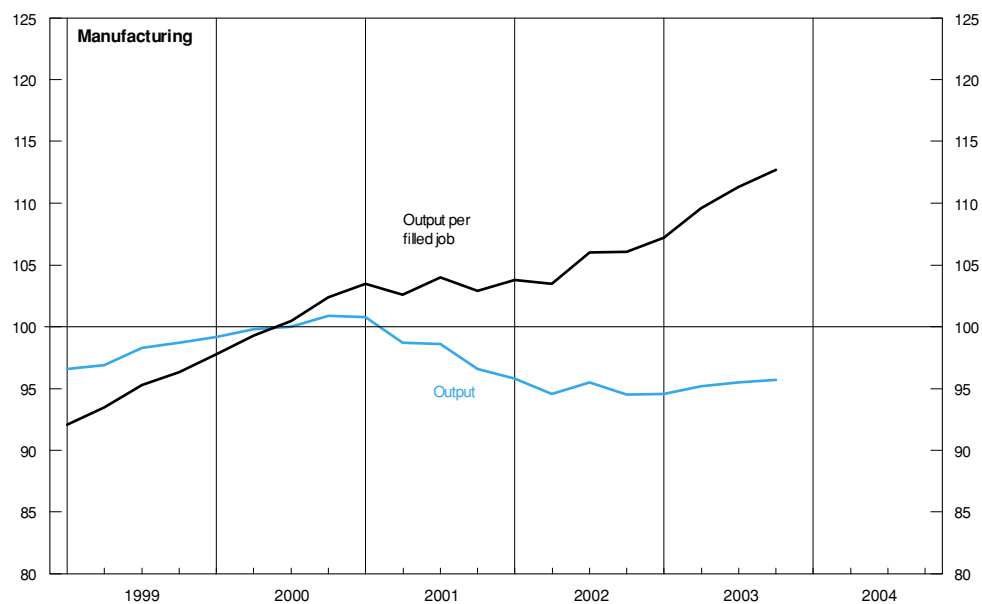
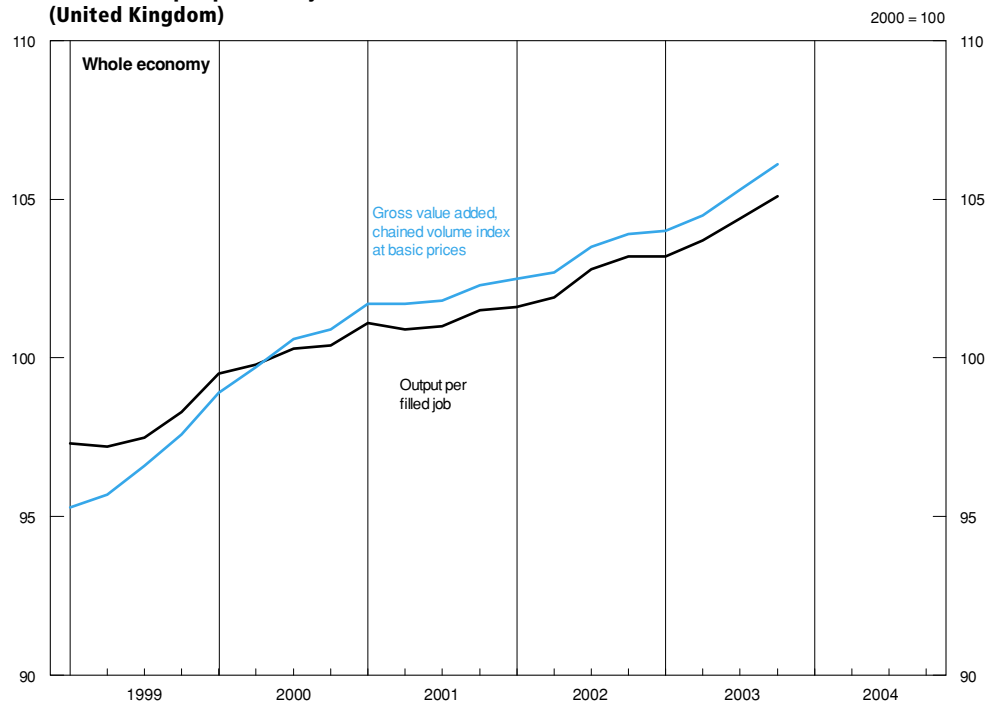
1 The full productivity and unit wage costs data sets with associated articles can be found on the National Statistics web site at www.statistics.gov.uk/productivity
Contact the Labour Market Statistics helpline (020 7533 6094) for further information.

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

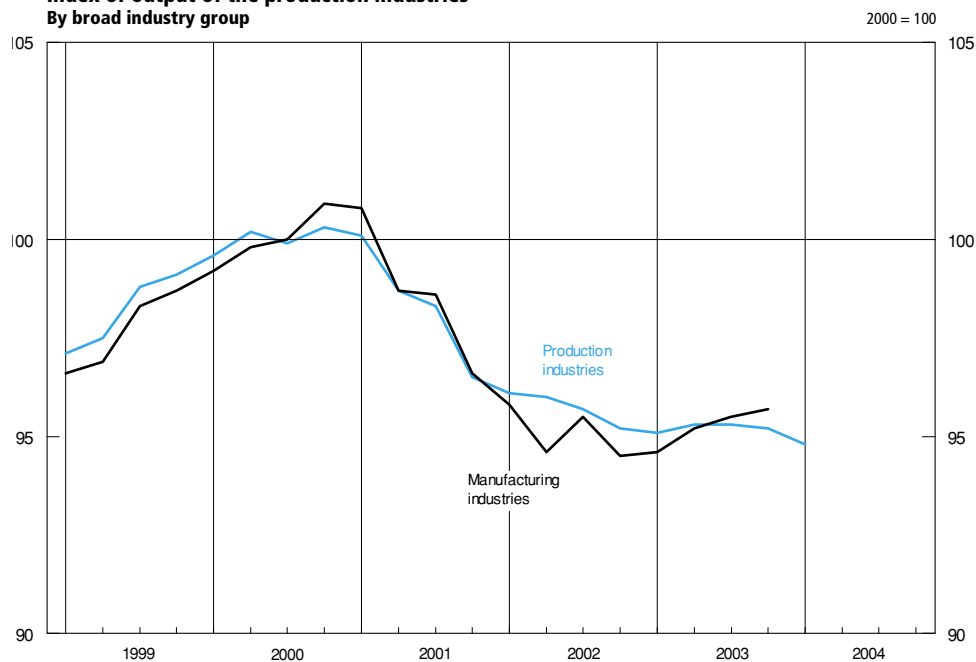
2000 = 100

	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
1998	97.0	99.1	95.3	96.9	95.4	100.3	91.6	98.2
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
2004 Q1	94.8	..	..	..	..	..	..	..
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	94.9 [†]	84.0 [†]	105.1 [†]	95.6 [†]	102.8 [†]	100.6 [†]	92.3 [†]	92.4 [†]
Feb	94.3	82.3	107.0	95.0	103.3	99.8	91.7	92.0

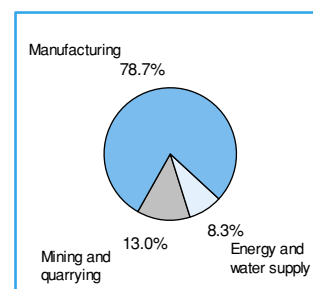
1 The figures contain, where appropriate, an adjustment for stock changes.

Source: Office for National Statistics; Enquiries 01633 812786

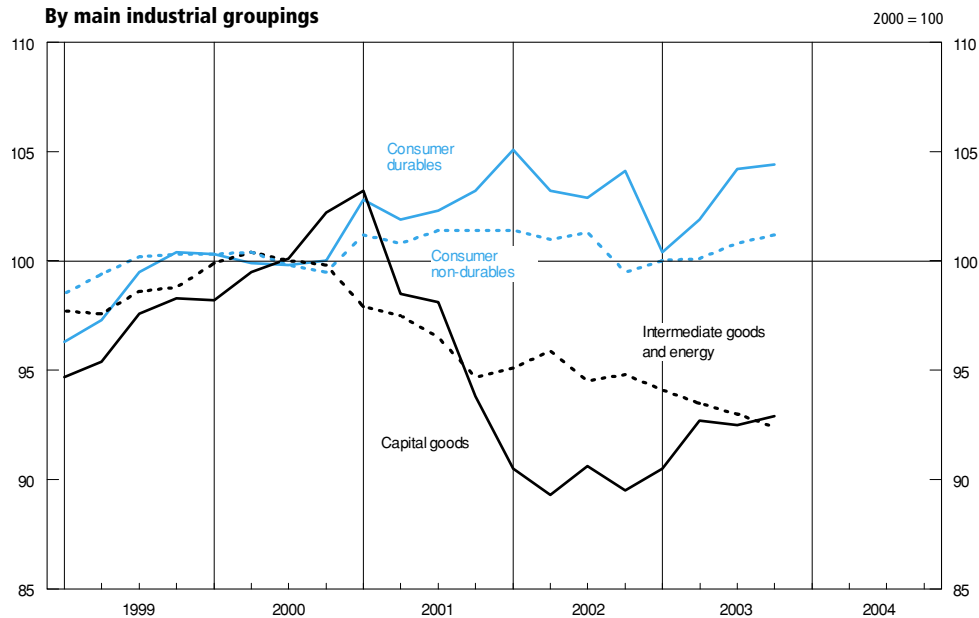
Index of output of the production industries
By broad industry group



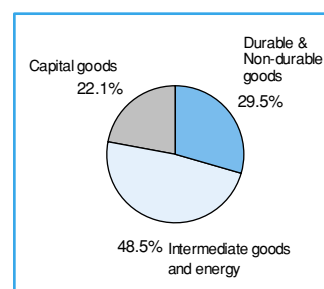
Share of output in 2000



By main industrial groupings



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	92.7 [†]
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	..	112.9 [†]
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	..	102.7
Dec	92.4	73.9	84.1	109.2	81.2	91.9	63.9	64.1	73.8	..	88.2
2004 Jan	93.7 [†]	84.6 [†]	82.2 [†]	109.6 [†]	90.0 [†]	91.0 [†]	66.9 [†]	77.7 [†]	70.5	..	95.5
Feb	91.6	71.5	81.6	107.6	77.4	88.4	64.5	63.5	72.7	..	123.6

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

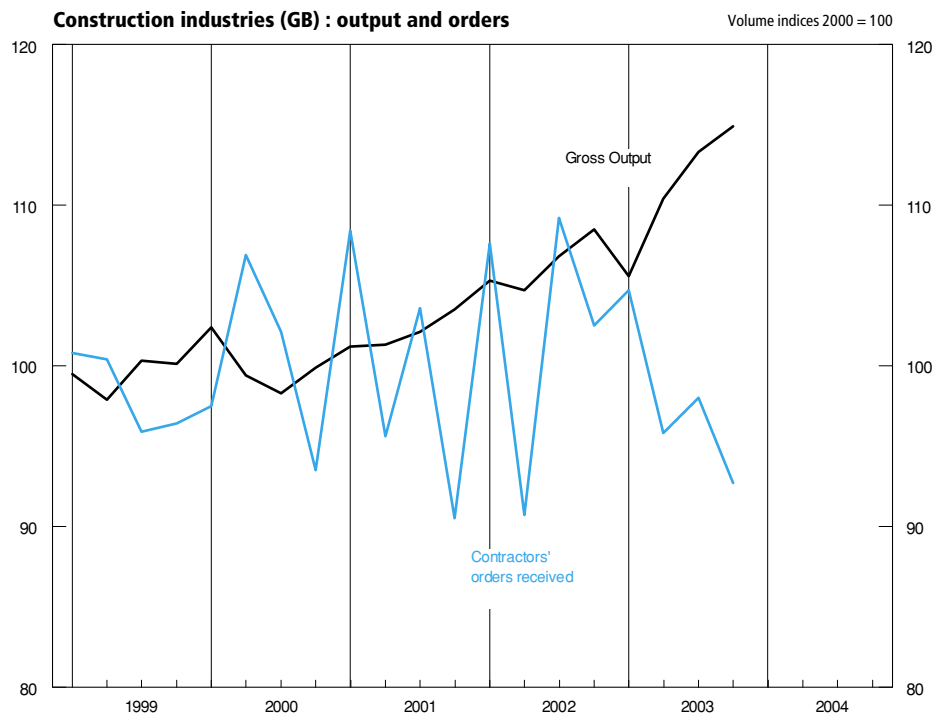
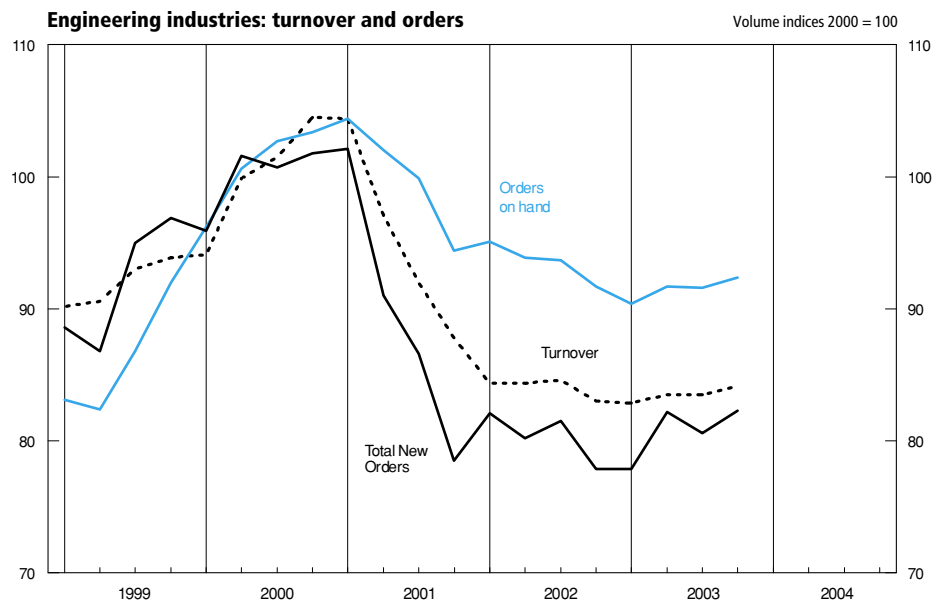
2 For Orders on Hand, the annual and quarterly index values represent the value at the end of the period in question, rather than the average value for that period, so the annual value shown for 2000 may not equal 100.

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)	of which for export (thousands)	Total production (thousands)	of which for export (thousands)	Total production (thousands)	of which for export (thousands)	Total production (thousands)	of which 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
2004 Q1	148.5	101.2	136.0	97.5	19.3	10.4	17.9	9.8	3 358.3
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	134.6 [†]	97.2 [†]	20.5	9.6	19.7 [†]	9.8 [†]	1 009.3
Feb	141.1	93.0	133.0	95.6	17.3	10.0	16.3	9.7	1 024.9 [†]
Mar	163.1	114.3	140.5	99.7	20.2	11.7	17.6	9.8	1 324.1 ³

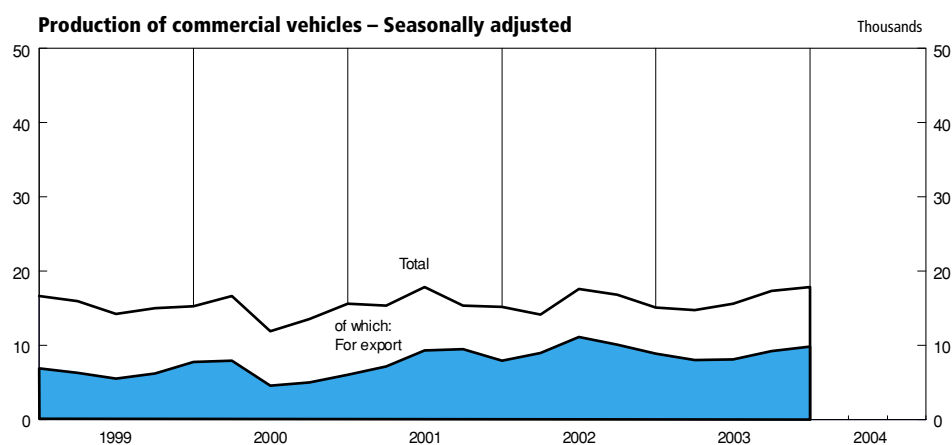
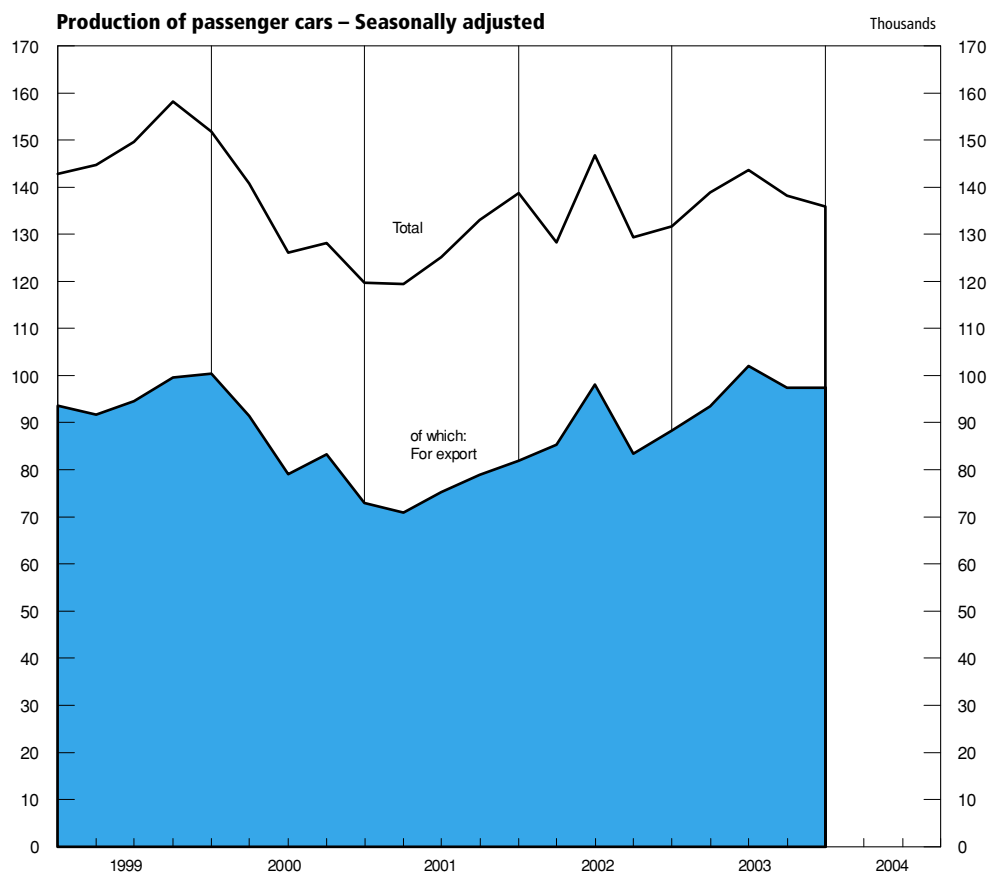
1 Annual and quarterly figures are monthly averages.

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

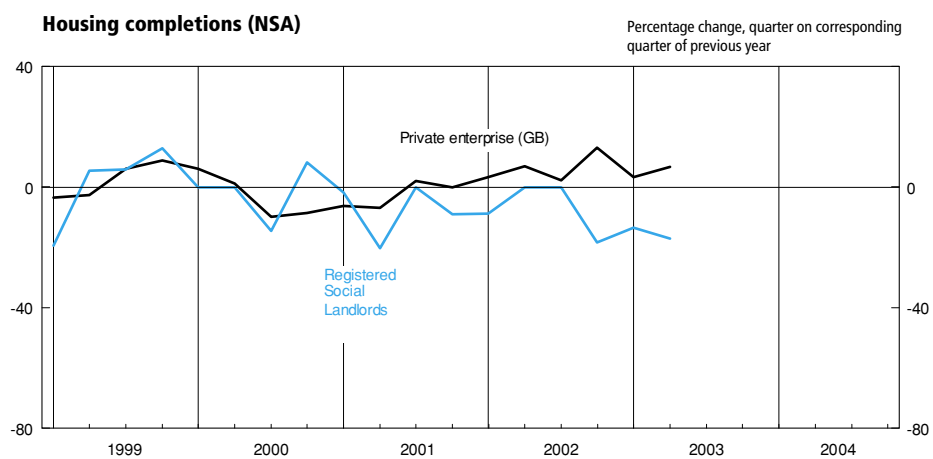
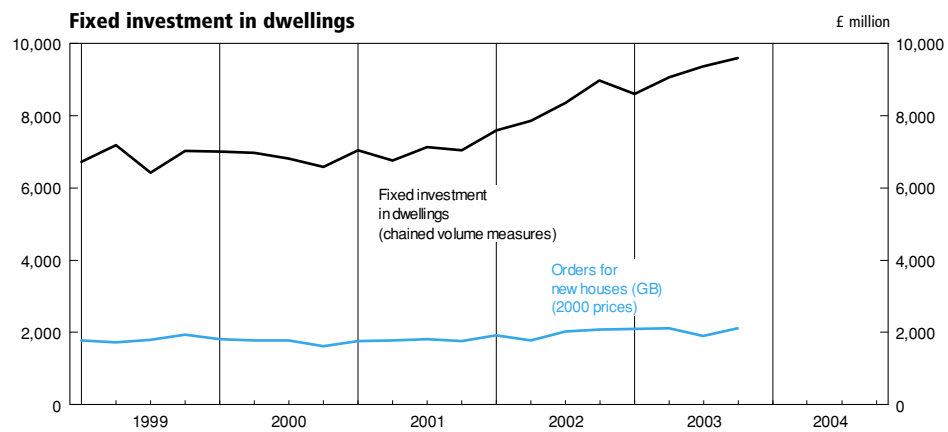
	Fixed investment in dwellings (£ million, chained volume measures, reference year 2000)	Orders received by contractors for new houses (GB) (£ million, 2000 prices)	Housing starts (NSA) ¹ (GB)+			Housing completions (NSA) ¹ (GB)+			Mix-adjusted price of new dwellings at mortgage completion stage (NSA) ³ (£)
			Private enterprise (thousands)	Registered Social Landlords ² (thousands)	Local Authorities (thousands)	Private enterprise (thousands)	Registered Social Landlords ² (thousands)	Local Authorities (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	..	..	..	..	..	..	195 238 [†]
Feb	..	708	..	..	..	..	..	..	192 165

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	Sep	140	125	145
1998	1 347		1 384	Oct	134	130	137
1999	1 469		1 511	Nov	141	129	144
2000	1 433		1 471	Dec	122	128	125
2001	1 458		1 497				
2002	1 586		1 627	2000 Jan	137	136	140
				Feb	112	128	116
2003	1 333		1 385	Mar	118	128	122
				Apr	97	114	100
		FTAQ		May	122	120	126
1998 Q1	317	344	327	Jun	129	122	130
Q2	317	332	327				
Q3	377	345	386	Jul	127	117	130
Q4	335	326	345	Aug	134	117	137
				Sep	117	112	121
1999 Q1	316	345	325	Oct	123	112	127
Q2	342	358	354	Nov	117	111	121
Q3	414	379	425	Dec	98	114	101
Q4	397	388	407				
				2001 Jan	123	113	127
2000 Q1	367	392	379	Feb	99	117	102
Q2	348	356	356	Mar	105	116	108
Q3	379	346	388	Apr	101	115	105
Q4	339	338	349	May	121	122	126
				Jun	125	125	128
2001 Q1	327	346	337				
Q2	347	363	360	Jul	132	120	135
Q3	396	369	405	Aug	140	125	143
Q4	387	379	396	Sep	124	124	127
				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				
Q4	392	385	404	2002 Jan	131	120	134
				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
2004 Q1	442	454	451	Jul	152	134	154
				Aug	166	149	171
1998 Jan	119	114	122	Sep	139	134	144
Feb	94	114	97	Oct	147	131	151
Mar	104	116	108	Nov	127	124	131
Apr	103	110	106	Dec	118	131	122
May	96	109	99				
Jun	119	113	122	2003 Jan	131	121	137
				Feb	103	120	109
Jul	129	113	132	Mar	106	119	113
Aug	119	116	121	Apr	101	113	108
Sep	129	116	133	May	101	106	105
Oct	119	109	122	Jun	103	105	107
Nov	110	106	113				
Dec	107	111	110	Jul	132	115	135
				Aug	112	106	116
1999 Jan	112	115	116	Sep	114	106	118
Feb	96	116	99	Oct	120	108	124
Mar	108	115	110	Nov	110	109	113
Apr	110	122	114	Dec ⁵	99	105	101
May	106	117	110				
Jun	126	119	130	2004 Jan ⁵	117	110	120
				Feb ⁵	127	144	130
Jul	140	129	144	Mar ⁵	197	200	201
Aug	134	125	137				

1 The figures are based on counts of the relevant administrative forms successfully processed each month. Since December 2003 the final stage of processing has involved data capture and the counts for March 2004 have been considerably boosted by the clearance of a data capture backlog.

2 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, and since December 2003.

3 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.

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

5 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 addition the temporary build up and clearance of internal data processing backlogs 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. In particular a large data capture backlog was cleared in March 2004 which has boosted the figure for March considerably.

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

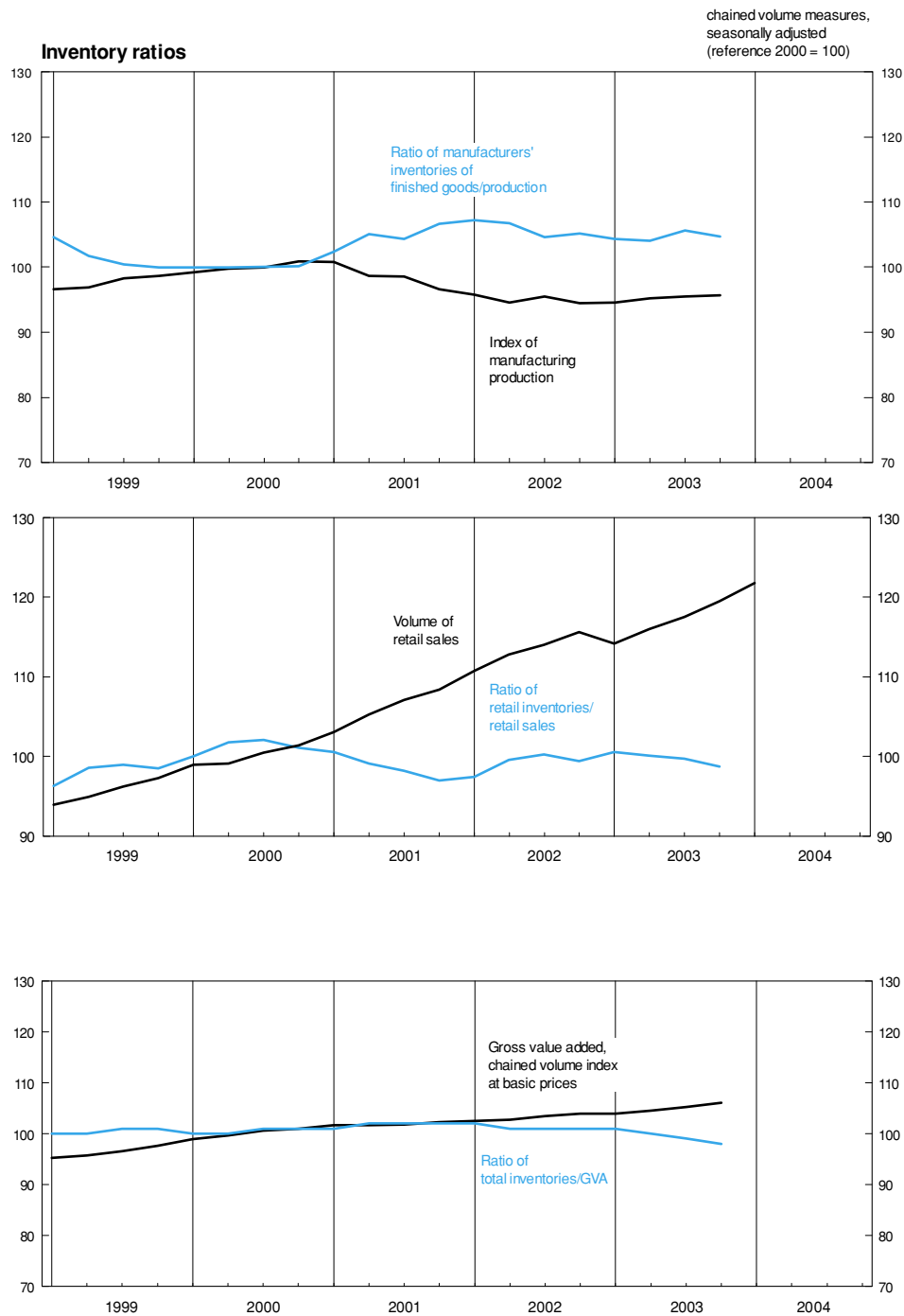
	Manufacturers' inventories ¹ to manufacturing production				Retail inventories ¹ to retail sales ²	Total inventories ^{1,3} to gross value added
	Materials and fuel	Work in progress	Finished goods	Total inventories		
Quarterly	FAPG	FAPH	FAPI	FAPF	FAPC	FDCA
1999 Q1	99.8	99.6	104.6	101.3	96.3	100
Q2	99.3	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	104.3	102.2	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	98

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



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 £ million</i>	<i>207 149</i>	<i>207 149</i>	<i>89 041</i>	<i>106 359</i>	<i>18 781</i>	<i>27 880</i>	<i>27 699</i>	<i>31 999</i>	<i>11 749</i>				
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
2004 Q1	118.3	121.8	115.1	128.5	117.8	136.4	132.8	124.3	110.8	..	..	..	..
Monthly													
2002 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	114.8 [†]	128.3	117.4	135.5	133.0 [†]	124.5	110.7 [†]	199.6	2 013	741	1 272
Feb	118.1 [†]	121.5	115.1	128.0 [†]	117.9 [†]	136.2 [†]	132.0	123.3 [†]	110.2	92.3	1 732	512	1 220
Mar	118.4	122.2	115.4	129.1	118.1	137.3	133.2	124.9	111.4	..	..	..	..

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

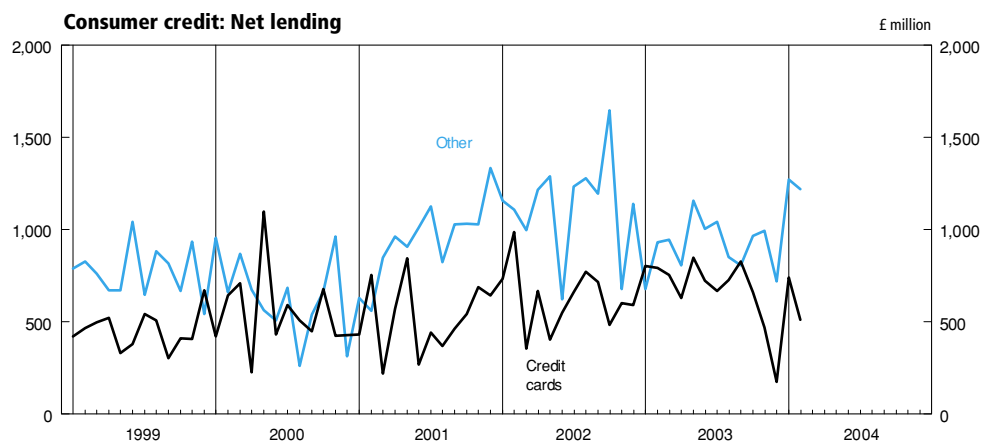
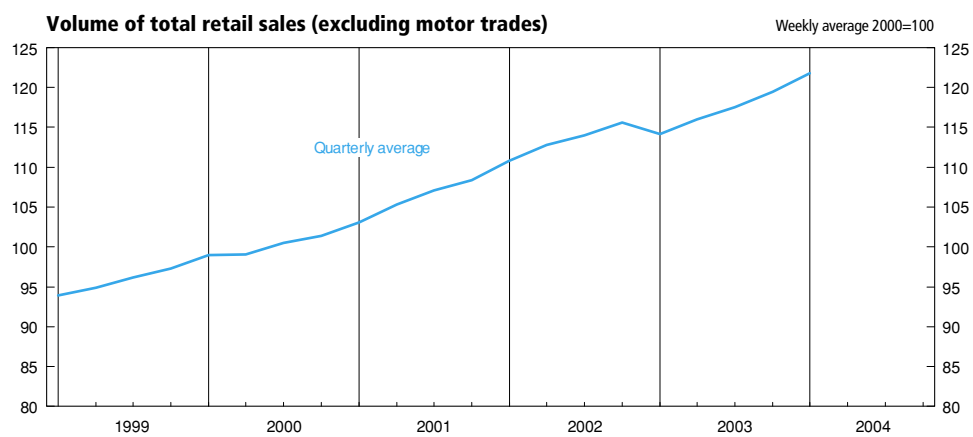
3 Net lending equals changes in amounts outstanding adjusted to remove distortions arising from revaluations of debt such as write-offs.

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		Net imports ⁶	Total
					Natural flow Hydro ⁴			
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
2003	42.7	74.9	98.0	20.5	0.4		0.2	236.7
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	44.6 [†]	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	41.4	71.4 [†]	86.1 [†]	20.2 [†]	0.4 [†]		0.1 [†]	219.5 [†]
Q4	41.8	77.7	104.6	19.1	0.3		0.4	244.0
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	-1.3 [†]	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	8.2 [†]	-4.0	-3.1 [†]	1.3 [†]	-17.1 [†]		- [†]	-1.2 [†]
Q4	-3.8	12.1	1.4	0.6	-5.3		-59.6	3.2

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.

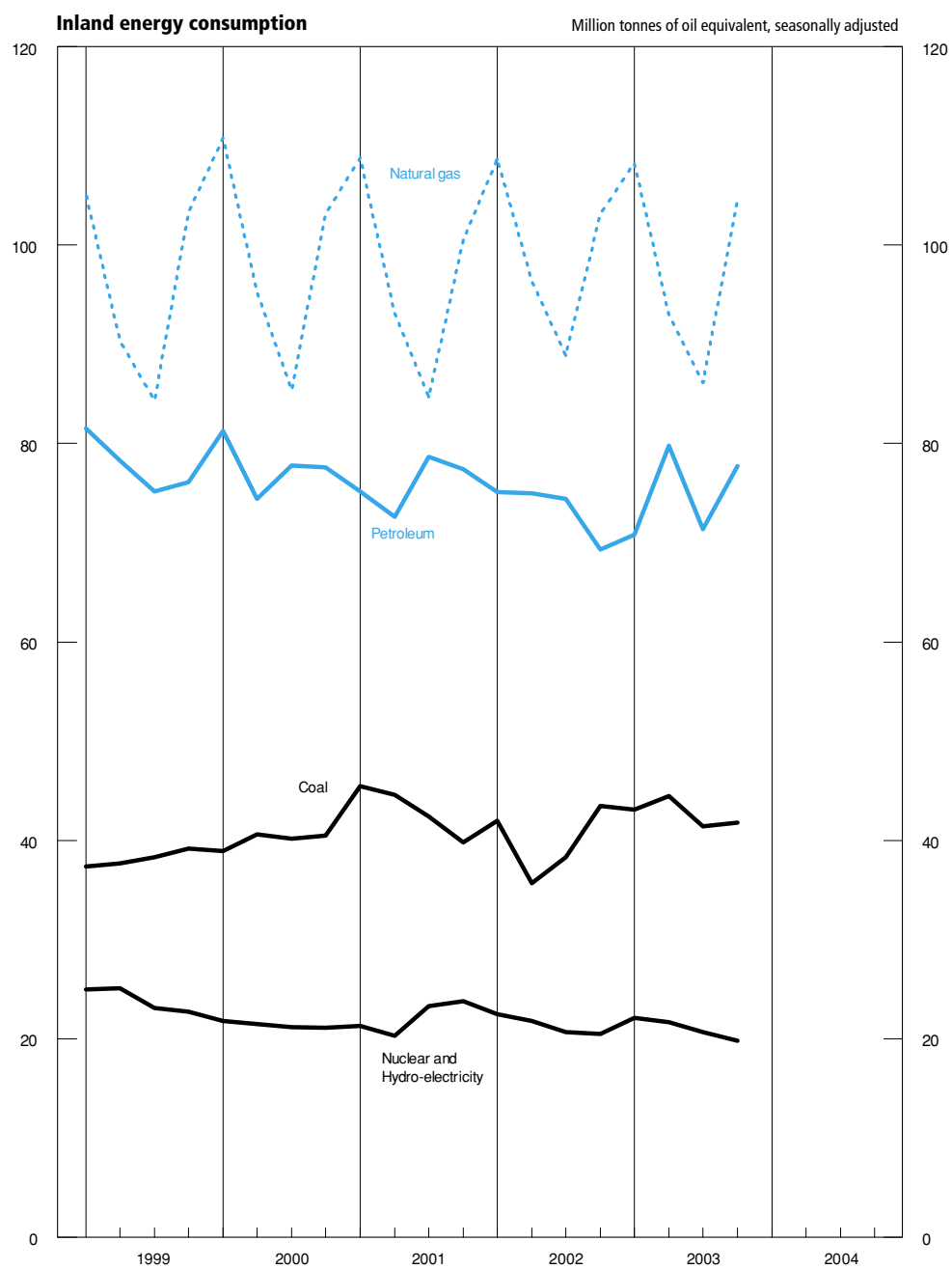
4 Includes generations at wind stations. Excludes generation from pumped storage stations.

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
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										
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
2004 Q1	197.07	1.8391	2.306	1.4708	10.9571	12.703	13.507	14.2983	..	104.1
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	24 645	104.8
Mar	198.22	1.8267	2.332	1.4890	11.092	12.701	13.752	14.2349	..	105.0

1 Average of daily Telegraphic Transfer rates in London.

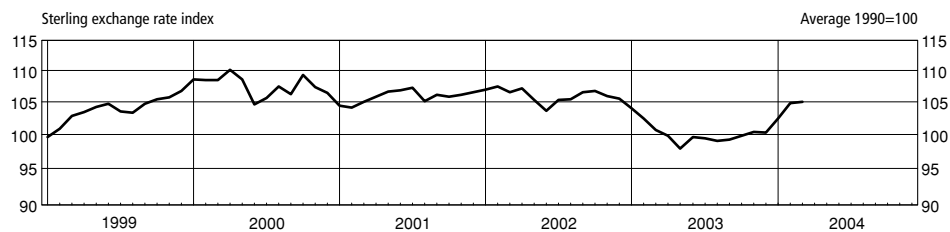
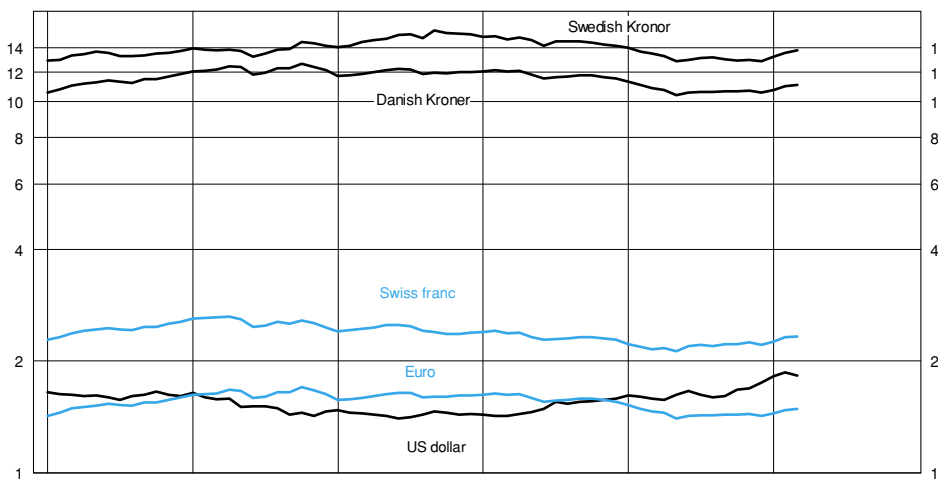
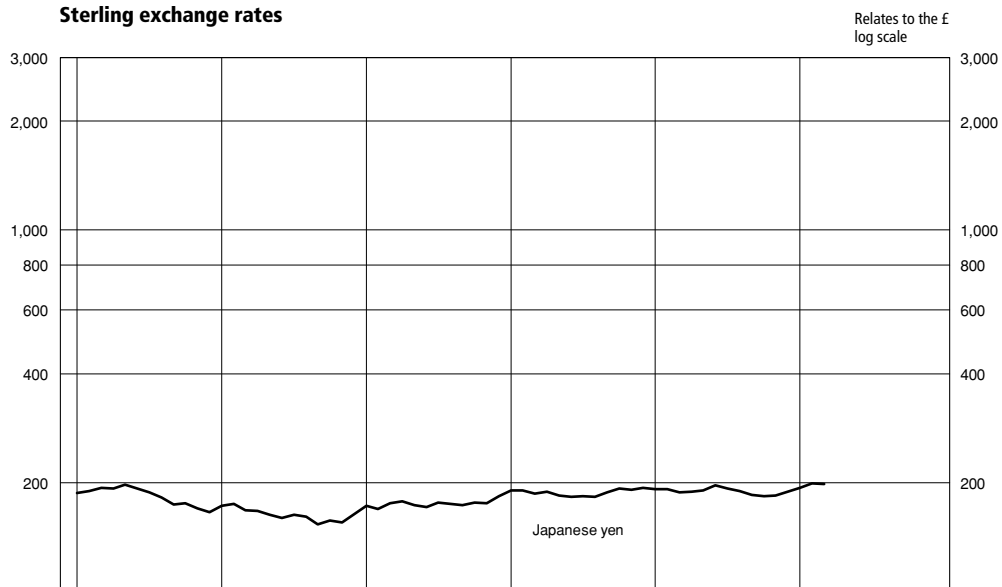
2 Prior to January 1999, a synthetic Euro has been calculated by geometrical averaging the bilateral exchange rates of the 11 Euro-area countries using "internal weights" based on each country's share of the extra Euro-area trade.

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



6.2 Monetary aggregates^{1,3}

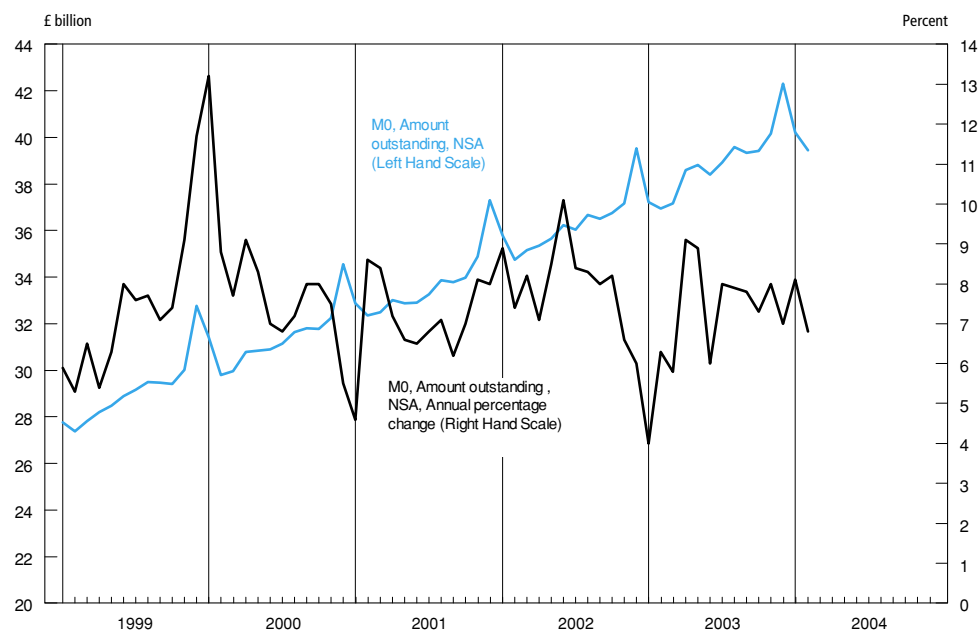
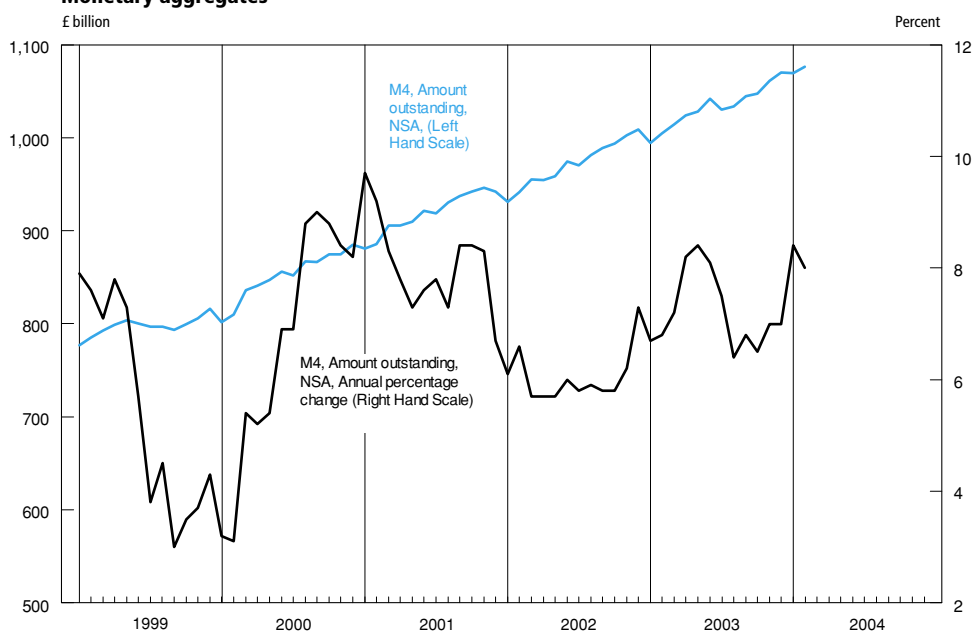
	M0				M4			
	Amount outstanding ² (NSA)		Amount outstanding (£ million) +	Velocity of circulation: ratio	Amount outstanding (NSA)		Amount outstanding (£ million) +	Velocity of circulation: ratio
	£ million	Annual percentage change			£ million	Annual percentage change		
Annual	AVAD	VQNB	AAVE	AVAM	AUYM	VQLC	AUYN [†]	AUYU
1999	32 768	11.7	31 097 [†]	31.23 [†]	816 545	4.3	817 521 [†]	1.13
2000	34 566	5.5	32 487	30.36	884 839	8.2	885 733	1.12
2001	37 319	8.0	35 092	29.67	942 433	6.7	943 205	1.08
2002	39 540	6.0	37 214	28.83	1 008 707 [†]	7.3	1 009 315	1.08
2003	42 317	7.0	39 899	28.33	1 070 140	6.8	1 070 560	1.07
Quarterly								
1999 Q1	27 830	6.5	28 186 [†]	31.64 [†]	792 903	7.1	791 246 [†]	1.12
Q2	28 884	8.0	29 006	31.38	800 698	5.7	798 554	1.13
Q3	29 477	7.1	29 481	31.12	793 684	3.0	796 291	1.14
Q4	32 768	11.7	31 097	30.78	816 545	4.3	817 521	1.15
2000 Q1	29 968	7.7	30 581	30.46	836 240	5.4	835 066	1.15
Q2	30 896	7.0	31 218	30.61	856 220	6.9	853 781	1.12
Q3	31 821	8.0	31 887	30.42	866 379	9.0	868 846	1.11
Q4	34 566	5.5	32 487	29.95	884 839	8.2	885 733	1.10
2001 Q1	32 489	8.4	33 148	29.86	905 800	8.3	905 331	1.10
Q2	32 896	6.5	33 279	29.99	921 571	7.6	918 645	1.09
Q3	33 797	6.2	33 952	29.59	937 071	8.4	939 431	1.07
Q4	37 319	8.0	35 092	29.23	942 433	6.7	943 205	1.07
2002 Q1	35 157	8.2	35 594	28.94	954 972	5.7	955 212	1.08
Q2	36 225	10.1	36 638	28.87	974 526	6.0	971 156	1.08
Q3	36 511	8.0	36 683	28.80	988 725 [†]	5.8	990 991	1.08 [†]
Q4	39 540	6.0	37 214	28.73	1 008 707	7.3	1 009 315	1.07
2003 Q1	37 184	5.8	37 950	28.75	1 014 563	7.1	1 015 457	1.07
Q2	38 403	6.0	38 898	28.19	1 041 733	8.1	1 037 903	1.06
Q3	39 348	7.8	39 527	28.17	1 045 000	6.6	1 047 296	1.07
Q4	42 317	7.0	39 899	28.20	1 070 140	6.8	1 070 560	1.07
Monthly								
2002 Jan	35 799	8.9	35 352 [†]	..	930 915	6.1	942 098 [†]	..
Feb	34 750	7.4	35 458	..	941 288	6.6	948 884	..
Mar	35 157	8.2	35 594	..	954 972	5.7	949 961	..
Apr	35 369	7.1	35 625	..	954 569	5.7	952 519	..
May	35 661	8.5	35 793	..	958 376	5.7	956 196	..
Jun	36 225	10.1	36 638	..	974 526	6.0	966 050	..
Jul	36 052	8.4	36 298	..	970 035 [†]	5.8	974 075	..
Aug	36 690	8.3	36 528	..	981 492	5.9	981 094	..
Sep	36 511	8.0	36 683	..	988 725	5.8	987 637	..
Oct	36 751	8.2	37 070	..	994 119	5.8	993 358	..
Nov	37 167	6.6	37 011	..	1 002 423	6.2	999 141	..
Dec	39 540	6.0	37 214	..	1 008 707	7.3	1 007 076	..
2003 Jan	37 230	4.0	37 354	..	994 294	6.7	1 004 890	..
Feb	36 946	6.3	37 709	..	1 004 580	6.8 [†]	1 011 820	..
Mar	37 184	5.8	37 950	..	1 014 563	7.2	1 011 271	..
Apr	38 590	9.1	38 549	..	1 023 957	8.2	1 022 270	..
May	38 827	8.9	38 914	..	1 028 385	8.4	1 026 986	..
Jun	38 403	6.0	38 898	..	1 041 733	8.1	1 033 446	..
Jul	38 938	8.0	39 214	..	1 030 046	7.5	1 033 367	..
Aug	39 579	7.9	39 412	..	1 033 993	6.4	1 034 433	..
Sep	39 348	7.8	39 527	..	1 045 000	6.8	1 042 878	..
Oct	39 416	7.3	39 738	..	1 047 603	6.5	1 045 601	..
Nov	40 149	8.0	39 968	..	1 061 347	7.0	1 057 864	..
Dec	42 317	7.0	39 899	..	1 070 140	7.0	1 068 709	..
2004 Jan	40 227 [†]	8.1	40 206	..	1 069 561	8.4	1 081 269	..
Feb	39 453	6.8	40 283	..	1 076 804	8.0	1 085 789	..

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

2012: 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		Other public sector debt	Purchase of British government stocks by overseas sector							
		British government stocks	Other			Other						
	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
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	-25 050 [†]	-25 291	116 711	-22 564 [†]	68 858 [†]
2003	38 400 [†]	-22 518 [†]	-8 954 [†]	-675 [†]	10 377 [†]	-3 065	126 259 [†]	-27 748	-21 762 [†]	132 598 [†]	-41 189	69 647
Quarterly												
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	-8 262 [†]	-11 055	32 586	-6 094 [†]	15 438 [†]
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	2 725	-4 465	16 979	1 222	13 736
Q2	16 193	-4 090 [†]	-4 369	-113 [†]	2 855 [†]	-2 098	35 394	-1 438	-7 208	43 023 [†]	-6 390	29 424
Q3	6 048 [†]	-11 759	1 097 [†]	-320	979	-1 222	29 582	-1 547	-17 357	24 727	-3 749	3 622
Q4	17 194	-3 577	-5 360	-132	4 609	-176	39 769 [†]	-27 488	7 268 [†]	47 869	-32 272	22 865
2004 Q1	476	..	..	..	..	..	..	..	..	..	..	..
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	13 351 [†]	-9 460	-8 964	13 544 [†]	-4 880 [†]
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	10 334	-15 022	-9 533	9 957	-14 597
Feb	-182	-870	529	189	-1 402	-245	11 019	-12 292	10 836	10 669	-11 135	10 370
Mar	11 010	1 831	-2 717	-99	2 198	-85	5 756	4 682	-280	15 843	2 400	17 963
Apr	206	-5 478 [†]	1 608	-164 [†]	-1 322 [†]	-939	11 004	1 846	3	7 186 [†]	2 229	9 418
May	5 827	4 668	-4 981	114	4 784	-233	10 688	5 610	-10 945	16 306	593	5 954
Jun	10 160	-3 280	-996	-63	-607	-926	13 702	-8 893	3 734	19 531	-9 212	14 052
Jul	-6 160	-5 674	3 287 [†]	-232	-1 339	880	6 763	-198	-11 403	-2 011	2 020	-11 393
Aug	3 627	-4 140	-1 654	25	227	-771	5 462	-10 042	11 699	3 294	-11 040	3 954
Sep	8 581 [†]	-1 839	-536	-113	2 091	-1 331	17 357	8 693	-17 653	23 444	5 271	11 062
Oct	-1 643	-7 308	2 060	-95	-1 161	3 016	23 146 [†]	-22 569	5 074	16 194	-18 392	2 876
Nov	5 764	6 269	-5 409	-22	7 050	-49	9 349	8 299	-3 351 [†]	15 897	1 200	13 746
Dec	13 073	-2 537	-2 011	-16	-1 280	-3 143	7 274	-13 218	5 545	15 778	-15 081	6 242
2004 Jan	-14 405	-3 207	3 790	-291	-785	3 021	20 620	6 707	-18 579	6 435	10 513	-1 631
Feb	-15	-4 076	-526	126	1 259	227	4 733	11 172	-2 509	248	10 141	7 879
Mar	14 896	..	..	..	..	..	..	..	..	..	..	..

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.

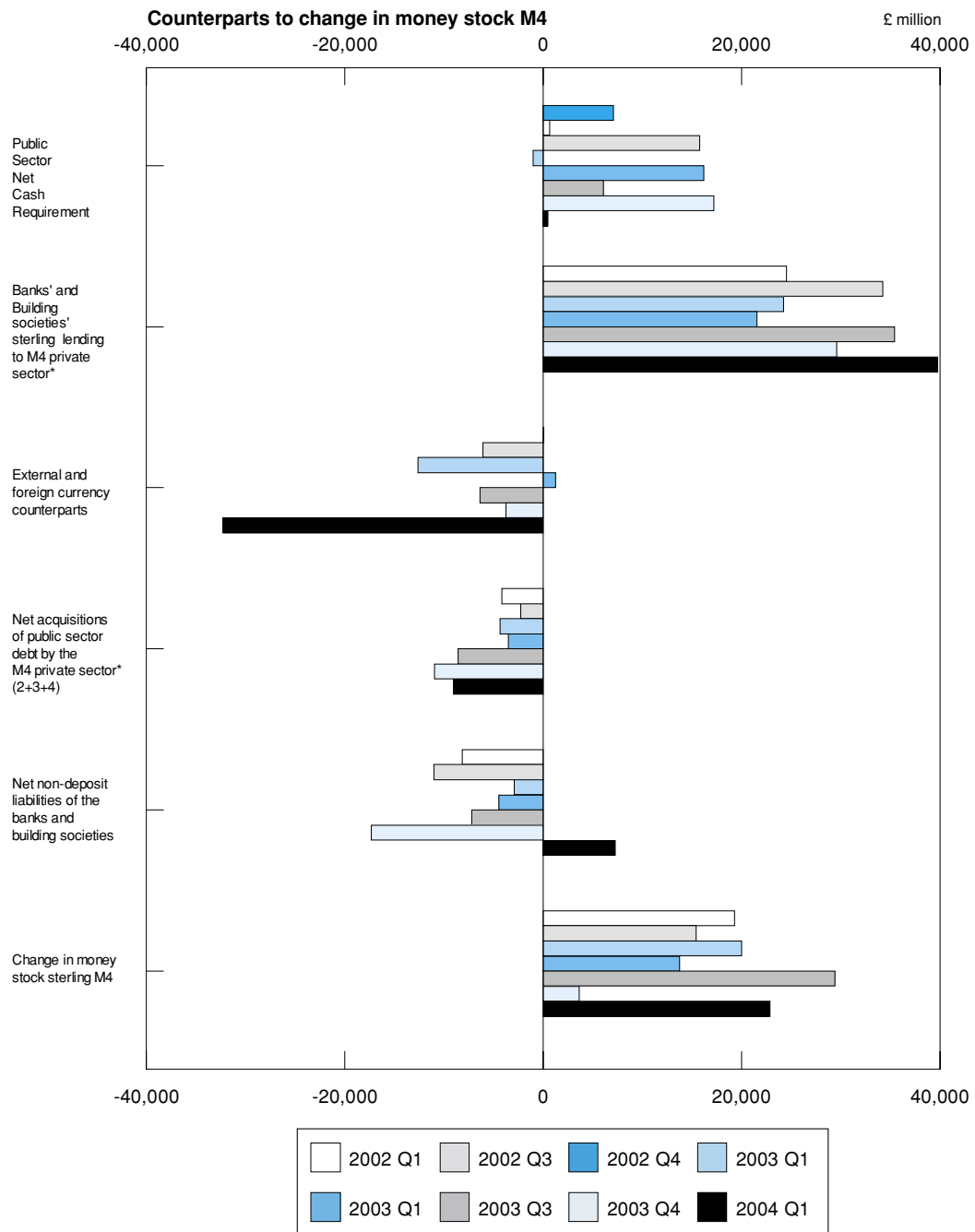
1 A wider range of figures is published monthly in *Financial Statistics*.

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		
2000	177 740	5 058	114 986	334	18 638	26 122	342 878	17 814	129 716	140 088	2 215	18 223	60 284	5 433	2 130	375 043		
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:

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
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	38 400 [†]	374.8 [†]	33.1
Quarterly										
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	6 048 [†]	355.2 [†]	31.9
Q4	-10 191	-10 141	3 112	2 899	-13 303	-13 040	16 807	17 194	374.8	33.1
2004 Q1	..	7 181	..	8 018	372	-837	..	476	375.4	32.7

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.

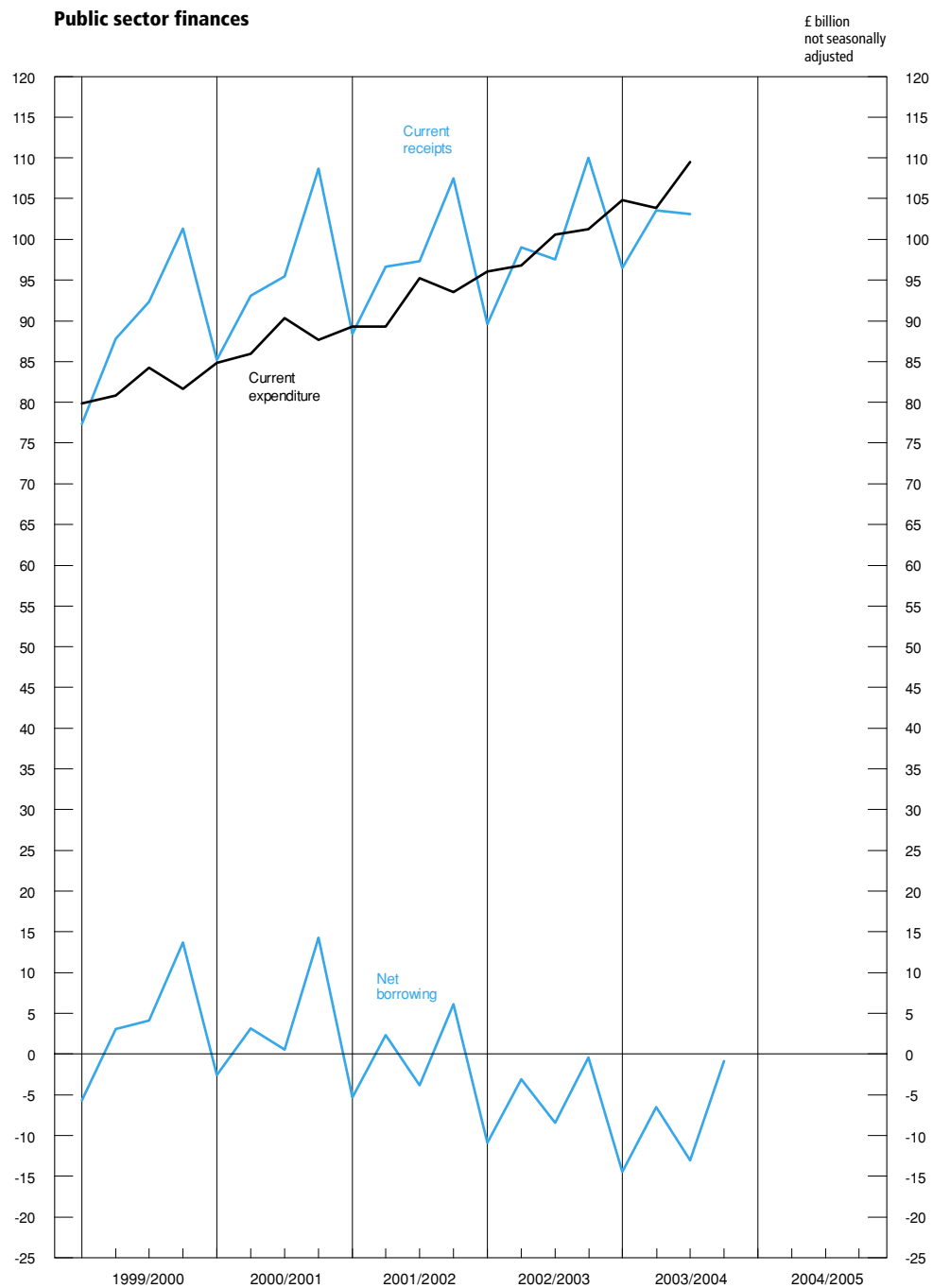
4 Net borrowing = surplus on current budget minus net investment.

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



6.6 Consumer credit and other household sector borrowing

£ million

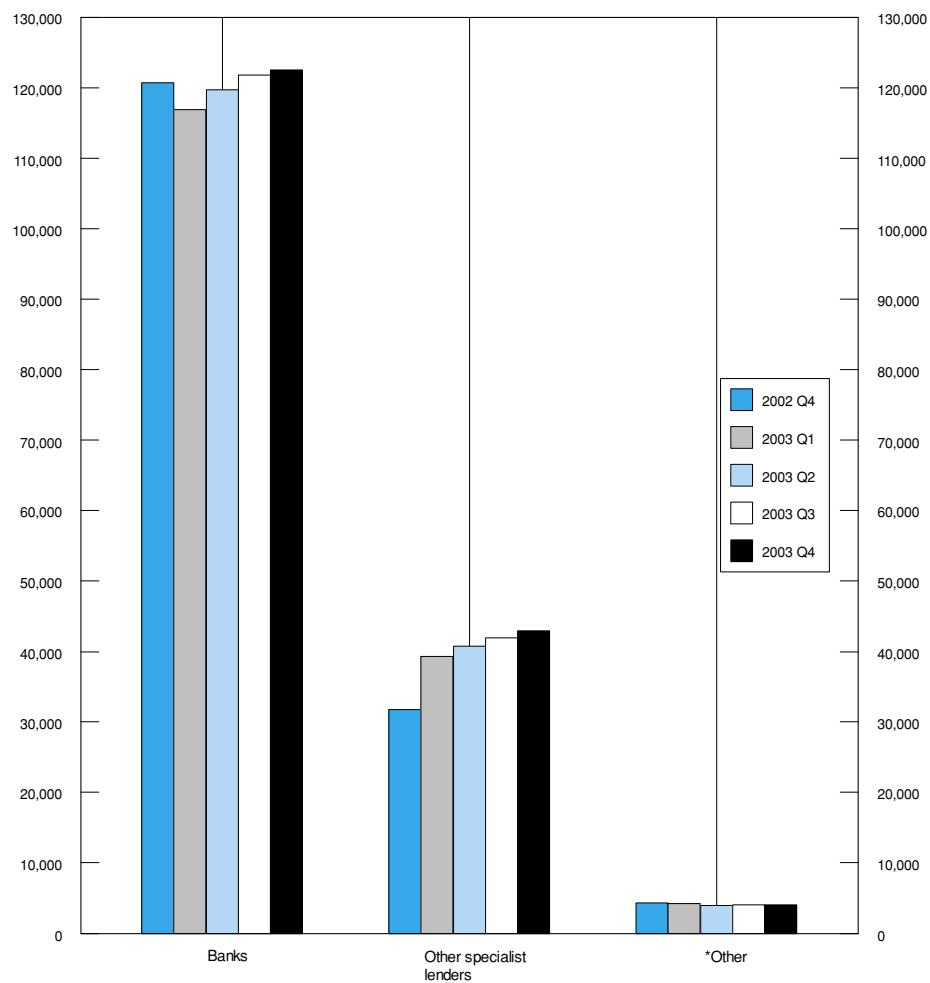
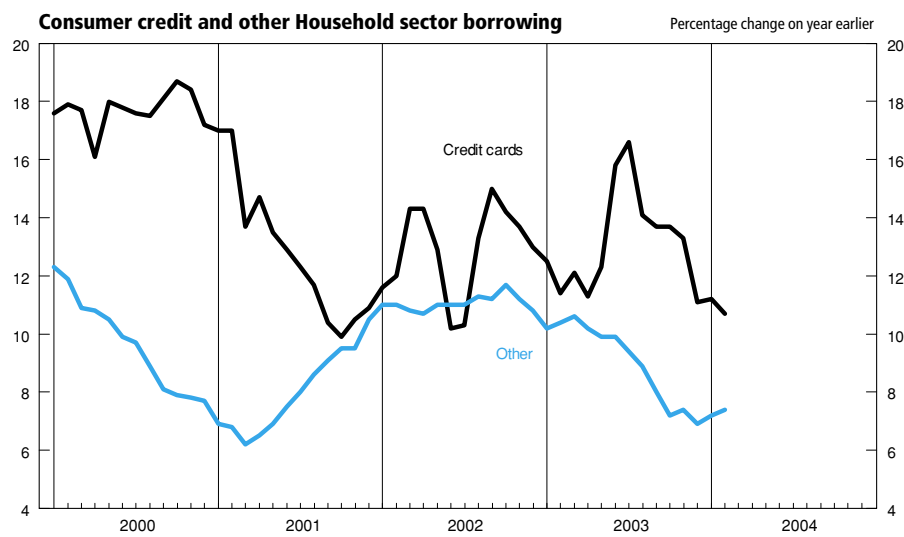
Consumer credit									
	Total consumer credit ¹	of which		Banks ¹	Building Societies' Class 3 Loans ¹	Other specialist lenders	Retailers	Insurance companies	Loans secured on dwellings (NSA ¹)
		credit cards ^{1,2}	other ^{1,2}						
Amounts outstanding: quarterly									
	VZRI	VZRJ	VZRK	VRVV	VZRG	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	625 851†
Q3	153 008	45 982	107 006	118 345	523	30 442	2 557	1 197	648 476
Q4	156 856	47 137	109 723	120 775	610	31 804	2 539	1 183	670 744
2003 Q1	160 518	48 608	111 890	116 967	625	39 366	2 516	1 121	690 729
Q2	164 722	50 409	114 362	119 737	672	40 781	2 201	1 108	713 016
Q3	167 827	52 239	115 543	121 886	736	41 975	2 196	1 086	740 240
Q4	169 576	52 399	117 190	122 632	766	42 987	2 219	1 049	768 123
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.

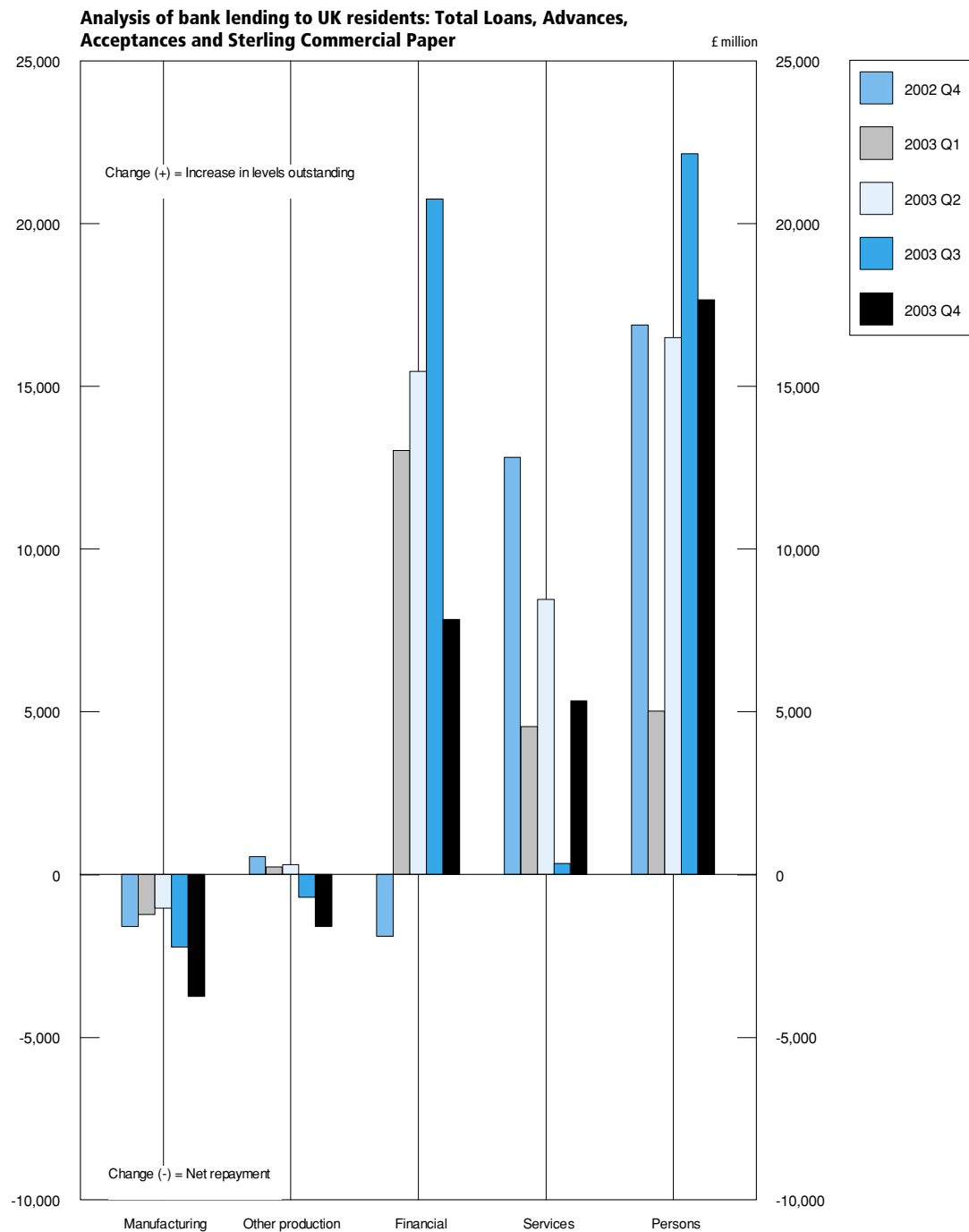
3 Includes lending under DTI special scheme for domestic shipbuilding.

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									
	AJRP	AJOI	HSAJ	HSAK	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	4.11 [†]	..	4.11	4.16	4.12	4.14	4.00	1.07	4.78
Mar	4.11	..	4.30	4.33	4.30	4.32	4.00	1.05	4.67

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

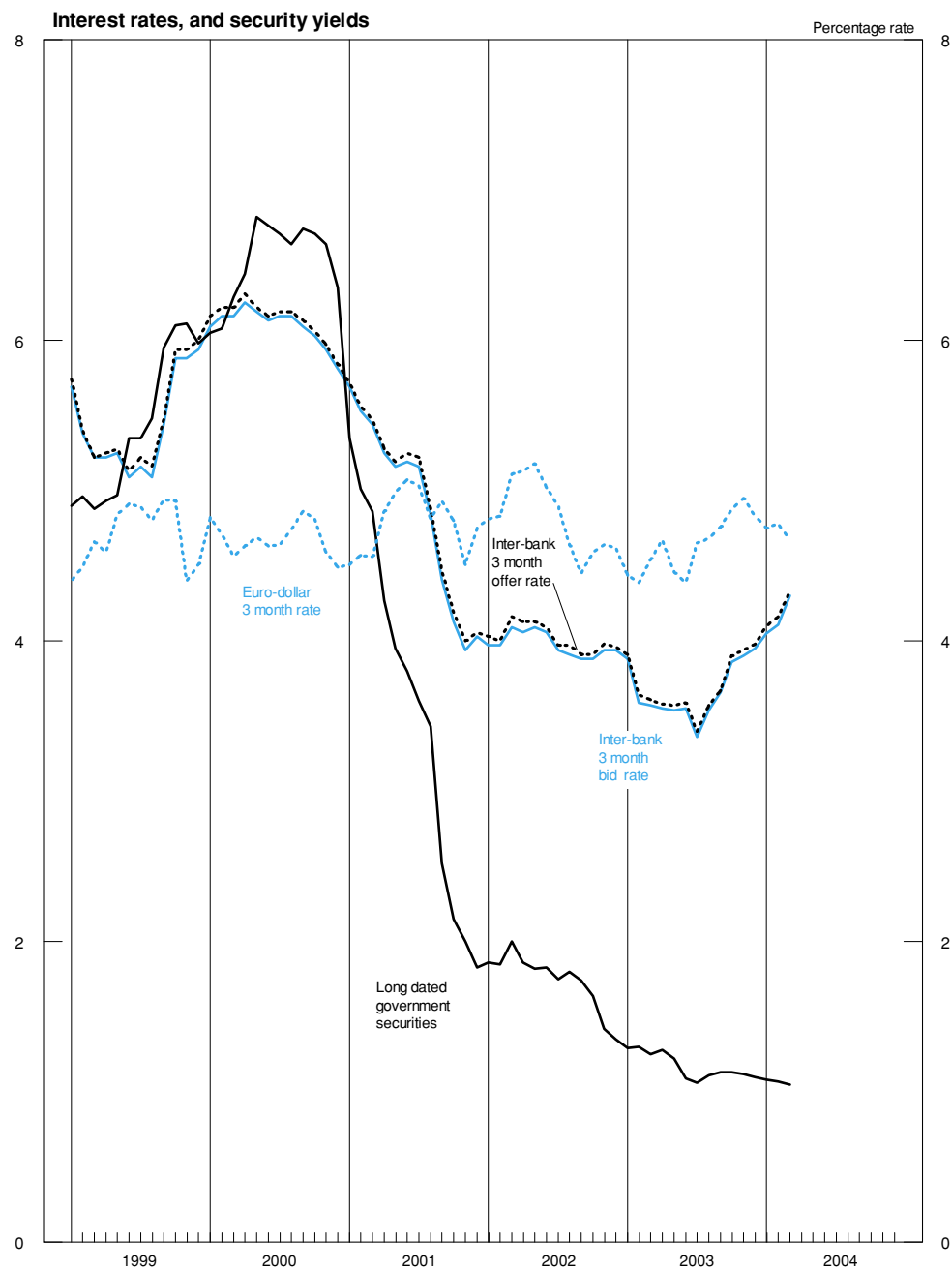
2 For a minimum term of 3 months and thereafter at 7 days' notice.

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	99.4p [†]	95.1	131.3	133.7	133.4	..	
2004 Q1	..	95.5p	..	..	..	..
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	99.5	95.1	132.6	133.7	133.5	..	
Nov	99.5p	95.1	128.8	132.4	132.0	..	
Dec	99.2p [†]	95.1	132.0	135.0	134.6	..	
2004 Jan	99.4p	95.0	131.5	136.0	135.4	..	
Feb	99.3p	95.4p	129.4	134.7	134.1	..	
Mar	..	96.2p	..	..	..	..

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				MCD or QCD	T/ C for MCD (or QCD) span
Table	Period covered	C _I	T	C	T/ C			
Quarterly series								
National income and components: chained volume measures, reference year 2000								
Gross Value Added (GVA) at Basic Prices	2.1	Q1 1985 to Q4 2003	0.7	0.2	0.7	0.3	1	0.3
Households' Final Consumption Expenditure	2.5	Q1 1985 to Q4 2003	0.9	0.3	0.9	0.4	1	0.4
Gross fixed capital formation	2.2, 2.7	Q1 1985 to Q4 2003	2.1	1.2	1.5	0.8	1	0.8
Exports: goods and services	2.2	Q1 1985 to Q4 2003	2.0	1.1	1.4	0.8	1	0.8
Imports: goods and services	2.2	Q1 1985 to Q4 2003	2.1	1.0	1.8	0.6	1	0.6
Real Households' disposable income	2.5	Q1 1985 to Q4 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 Q4 2003	3.1	2.1	2.0	1.1	2	0.4
Other quarterly series								
Households' saving ratio ³	2.5	Q1 1985 to Q4 2003	1.0	0.9	0.4	2.2	2	0.7
Monthly series								
Retail sales (volume per week)								
Predominantly food stores	5.8	Jan 1986 to Dec 2003	0.6	0.6	0.2	2.4	3	0.8
Predominantly non-food stores	5.8	Jan 1986 to Dec 2003	1.1	1.0	0.4	2.4	3	0.8
Non-store and repair	5.8	Jan 1986 to Dec 2003	1.9	1.8	0.5	3.8	4	1.0
Index of industrial production								
Production industries	5.1	Jan 1985 to Dec 2003	0.7	0.7	0.2	3.1	4	0.9
Manufacturing industries	5.1	Jan 1985 to Dec 2003	0.7	0.7	0.3	2.5	3	0.8
Average earnings: whole economy	4.6	Jan 1990 to Dec 2003	0.4	0.3	0.4	0.7	1	0.7
Exports: value, f.o.b. ⁴	2.13	Jan 1985 to Dec 2003	2.9	2.7	0.8	3.3	4	0.8
Imports: value, f.o.b. ⁴	2.13	Jan 1985 to Dec 2003	2.3	2.1	0.8	2.7	3	0.8
Money stock - M0 ⁵	6.2	Jan 1985 to Dec 2003	0.6	0.3	0.5	0.7	1	0.7
Money stock - M4 ⁵	6.2	Jan 1985 to Dec 2003	0.8	0.3	0.8	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.

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

\overline{C} is the same for the trend component.

\overline{T} 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.

$\overline{T}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes \overline{T} and \overline{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 $\overline{T}/\overline{C}$ 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 $\overline{T}/\overline{C}$ 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 \overline{CI} , \overline{T} and \overline{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 \overline{CI} , \overline{T} and \overline{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)
Asset prices	6.9	Office for National Statistics DEFRA ODPM Bank of England	Financial Statistics (for financial assets)
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Consumer Trends 2003 quarter 4
www.statistics.gov.uk/products/p242.asp

United Kingdom Economic Accounts: 2003 quarter 4. TSO, ISBN 0 11 621728 6. Price £27.
www.statistics.gov.uk/products/p1904.asp

UK Trade in Goods analysed in terms of industry (MQ10): 2003 quarter 4
www.statistics.gov.uk/products/p731.asp

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Financial Statistics: April 2004. TSO, ISBN 0 11 621685 9. Price £24.50.

Focus on Consumer Price Indices: March 2004. www.statistics.gov.uk/products/p867.asp

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

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