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

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National Statistics are produced to high  
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No. 607, June 2004

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# in brief

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

## GDP growth

Services rose by 0.9 per cent, revised up from the preliminary estimate of 0.8 per cent last month. Business services and finance continued to grow, by 1.3 per cent in the latest quarter, with the strong growth in computing, banking and real estate services.

The distribution, hotels and catering sector rose by 1.5 per cent; growth was strongest in hotels and catering and retailing. The transport and communications sector fell by 0.5 per cent due to decreased output of communications services. Elsewhere, government and other services rose by 0.6 per cent over the quarter driven by growth in health, education, public administration and defence.

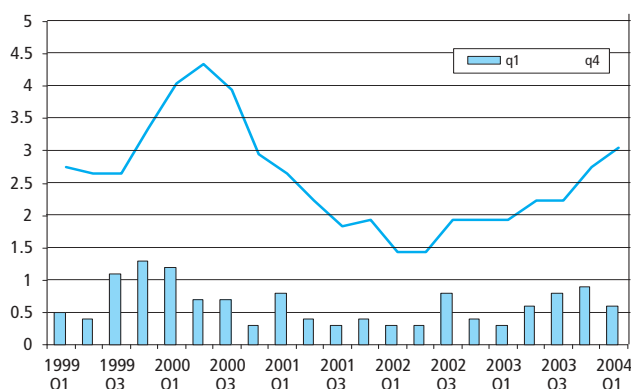
Output of the production industries decreased by 0.6 per cent driven largely by a fall of 0.5 per cent in manufacturing output. Within manufacturing there were significant falls in the output of the paper, printing and publishing industries, and the electrical and optical equipment industries.

Construction output rose by 0.8 per cent.

Household expenditure rose by 0.9 per cent with strong growth in clothing and footwear. The level of government expenditure and investment both rose over the quarter. Business investment rose over the quarter with increased

### GDP quarterly growth, chained volume measure

Per cent change



investment in all broad asset types except transport equipment. The trade balance reduced GDP growth by 0.4 per cent as exports of goods fell by 3.1 per cent and imports of goods fell by only 0.2 per cent.

On the income side, compensation of employees in current prices rose by 2.2 per cent driven by an increase in average earnings, with little change in employment. Corporate incomes fell by 2.6 per cent.

Released: 26 May 2004

## Index of production

### Index of manufacturing, 2000=100



Manufacturing output decreased by 0.5 per cent in the first quarter of 2004 compared with the fourth quarter 2003, with nine out of the thirteen subsectors showing decreases in output.

The significant decreases, in order of importance, were in the paper, printing and publishing industries, where output fell by 1.4 per cent, the electrical and optical equipment industries, where output fell by 1.5 per cent, the machinery and equipment industries, where output fell by 1.7 per cent and the other manufacturing not elsewhere specified industries, which fell by 3.2 per cent.

The significant increases, in order of importance, were in the chemicals and man-made fibres industries, where output increased by 1.8 per cent, and in the transport equipment industries, where output increased by 1.3 per cent.

Overall production decreased by 0.6 per cent on a quarterly basis. This combines the 0.5 per cent fall in manufacturing

output with energy supply, which fell by 0.3 per cent, and mining and quarrying output, which fell by 1.6 per cent due to the continuing decline in oil and gas extraction output.

Between February and March, manufacturing output decreased by 0.3 per cent, with output falling in eight of the thirteen subsectors. The most significant decrease occurred in the machinery and equipment subsector (1.8 per cent) where several industries showed large decreases month on month. There were no subsectors which showed a significant increase in output.

The overall Index of Production was unchanged between February and March. Mining and quarrying output increased by 1.4 per cent, with an increase in oil extraction this month,

although the volume of oil extracted is still 8.5 per cent lower than in March 2003, reflecting the long-term decline.

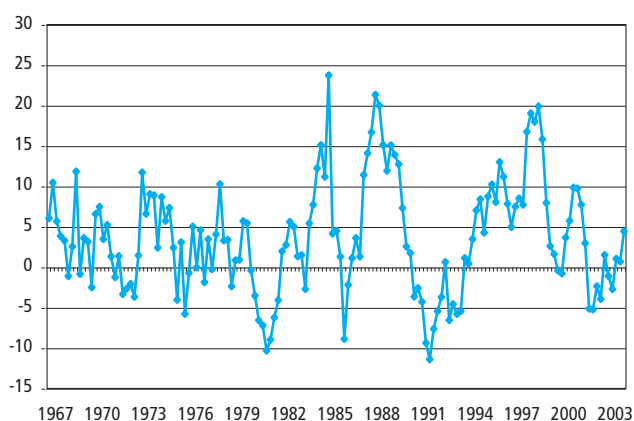
Gas extraction output continued to fall this month and the gas inter-connector pipeline linking UK supplies with Europe was switched to importing gas for much of March, meaning that the UK has been net importing gas in each month since the start of the year in order to meet demand. Energy supply output increased by 0.9 per cent in March, with gas demand showing strong growth due to lower average temperatures in the month than in February.

Released: 11 May 2004

## Business investment

### Total business investment

Percentage change, quarter on corresponding quarter of previous year



The provisional estimate of business investment for the first quarter of 2004 is 4.4 per cent higher than the same period of last year and 0.3 per cent higher than the previous quarter. This follows a rise of 1.9 per cent in the previous quarter.

The quarterly rise is due to increased capital spending from manufacturing and distribution services. These increases were slightly offset by falls in investment from the construction and other services industries.

Private sector manufacturing investment is up 2.2 per cent on the quarter. By industry, the quarterly increases were most marked in the engineering and vehicles, chemicals and man-made fibres and other manufacturing industries. By asset there was a rise in investment within manufacturing in other capital equipment.

The quarterly rise in distribution services investment is partly due to increased spending in new building work and other capital equipment from the retail industry.

Total manufacturing investment fell by 3.8 per cent, construction and other production fell by 10.9 per cent and services investment rose by 8.3 per cent compared with the same quarter a year ago.

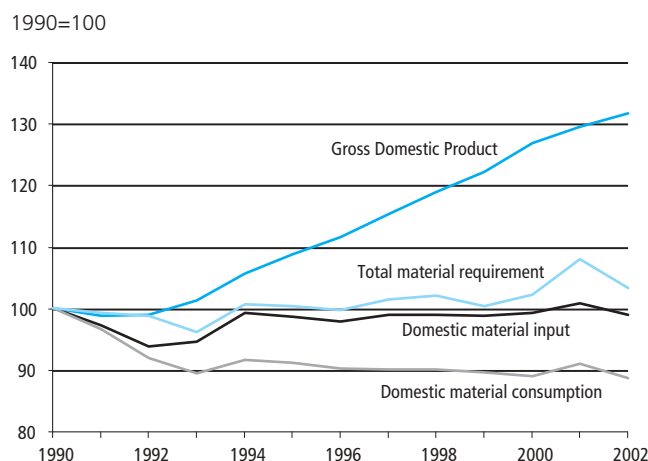
Released: 25 May 2004

## Natural resource and products use

Domestic material consumption represents the mass of resources and products used by the economy. This has fallen by 12 per cent since 1990, while GDP has risen by 32 per cent in real terms.

This suggests that economic growth in the UK is becoming decoupled from total use of materials.

In 2002 the decoupling trend resumed, following a slight narrowing in the previous year. Changes in resource use are based on the movement of three different indicators that are derived from the material flows account.



Direct Material Input (DMI) is the sum of the total amounts of primary resources extracted from the UK environment and the amount of imports into the UK. Total domestic extraction fell by 2 per cent between 2001 and 2002, to 652 million tonnes. Within this total, biomass rose by 5 per cent driven by a recovery in cereal production following the severe weather conditions of autumn 2001. Extraction of minerals fell by 4 per cent to 300 million tonnes and extraction of fossil fuels fell by 3 per cent.

In 2002 the mass of imports remained high compared to the long-term average. This was caused by large increases in coal imports during 2001 and 2002, following a switch to coal by energy producers in reaction to high gas prices.

Total Domestic Material Consumption (DMI less the amount of extraction associated with goods exported from the UK) fell by 3 per cent, to 682 million tonnes in 2002. Although exports rose slightly in 2002, this was off set by reductions in the levels of imports and domestic extraction.

Further new data are published in *Environmental Accounts* spring 2004 edition, available at <http://www.statistics.gov.uk/products/p3698.asp>

Released: 20 May 2004

Summaries on other economic topics as well as social subjects can be found at [www.statistics.gov.uk/glance](http://www.statistics.gov.uk/glance)

# Economic update

## June 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 first quarter the same rate as late last year.
- Fixed investment rose by 1.1 per cent in the first quarter, a slower rate of growth than at the end of 2003.
- 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 fell sharply early in 2004 but this may reflect seasonal adjustment problems with the data.
- 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 show the first signs of an impact from higher oil prices in April.
- The CPI measure of consumer prices is below target but the inflation rate rose slightly in April.

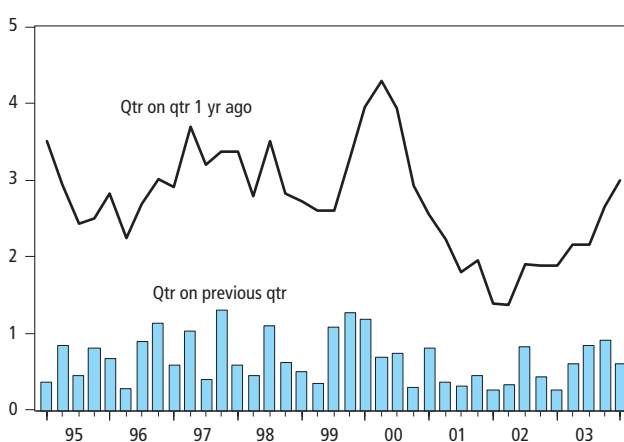
### GDP activity – overview

The GDP growth in the first quarter of 2004 was left unchanged at 0.6 per cent after the release of the UK output, income and expenditure figures for that quarter. This was considerably lower than the growth rate for the fourth quarter of 2003, of 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). This latest release contains more information than that contained in the preliminary GDP one. It gives first estimates for the main expenditure categories and more complete information on the output side. It is still, however, based on as yet incomplete information.

Preliminary first quarter GDP data is now available for most of the major OECD economies and these show that the world economy continued to grow quite strongly in early 2004. First quarter GDP growth in the US at 1.0 per cent was about the same as that for the previous quarter. The growth was led by further strong growth in consumer spending but also reflected buoyancy in most areas of expenditure. Japan had the strongest GDP gains of all the major economies for the second successive quarter, rising by 1.4 per cent. Exports continue to benefit from the impetus given to Asian trade from the rapid growth of China but much of the rise in the first quarter was due to domestic demand. Growth in the three biggest mainland EU economies, France, Germany and Italy, was rather more sluggish but still quicker than in the

Figure 1  
**GDP**

Growth



fourth quarter. Both Italian GDP and that of Germany rose by 0.4 per cent on the quarter while that of France growth was somewhat quicker at 0.8 per cent. Unfortunately for the UK, for whom the EU accounts for by far its biggest export market, the rebound particularly for Germany was led by exports, although at least in the case of France domestic demand also picked up.

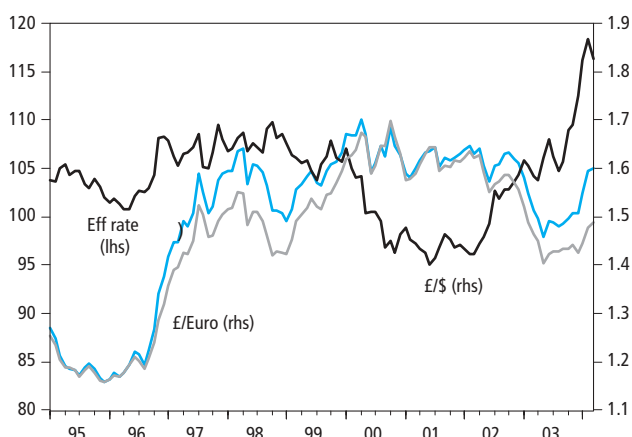
### Financial Market activity

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 on its level at the end of 2003.

The last twelve months or so has seen substantial exchange rate volatility, as sterling has first declined and then rebounded. The early part of last year saw the pound fall against the euro but strengthen against the US dollar, and as a result the effective exchange rate fell by 7.2 per cent between December 2002 and May 2003. From this low the pound's effective rate rose slightly over the rest of the year as sterling continued to be buffeted between a strong euro and a weak dollar. For 2003 as a whole the effective index ended the year down about 5.0 per cent, as a fall of over 8 per cent in the bilateral rate versus the euro was partially offset by a rise of 10 per cent against the dollar (Figure 2). Early 2004 has seen the 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 three times in recent months, by a total of 75 basis points in all, at a time when most other major central banks seem content to keep interest rates stable.

Figure 2  
Exchange rates

£ equals



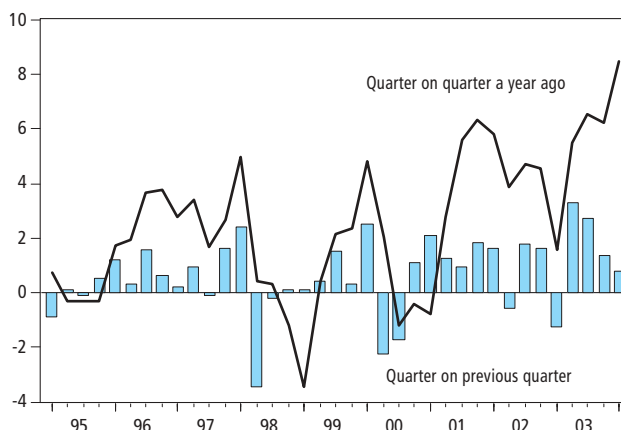
### Output

Gross domestic product (GDP) is still estimated to be growing by 0.6 per cent after release of the output, income and expenditure release for the first quarter. This is published a few weeks after the preliminary GDP figures and gives initial estimates for the main expenditure and income categories of GDP along with more detailed figures on the output side. It is at this stage that a fuller picture of economic growth in the quarter starts to emerge, although at least some of the numbers are still as yet based on incomplete information and so are liable to revision. The first quarter GDP growth rate was substantially lower than the 0.9 per cent rate of the fourth quarter of last year. In contrast, 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. GVA at basic prices is an alternative measure of economic activity. The difference between this and GDP is the latter is measured at actual market prices and so includes taxes but excludes subsidies. GVA also grew by 0.6 per cent in the first quarter of this year after rising by 0.8 per cent growth in the fourth quarter of last. This implies that some of the slowdown in GDP growth is a result of slower growth in the so-called basic price adjustment (that is, the adjustment for changes in the contribution of taxes and subsidies) rather than a true deceleration in economic activity.

It has been noted that some of the output figures are still only based on partial data. This is particularly true of the figures for construction output. These are derived from a quarterly survey the results of which are still unavailable at the time of the initial GDP estimate for a quarter and only a low response is available when the second estimate is published. The initial figure then is a forecast calculated by the DTI using models and based at least partly on monthly new construction orders, while the figure included in the latest returns is based partially on this forecast but also takes into account the initial survey returns. Using this methodology the output of the construction sector in quarter one of 2004 is estimated to have grown by 0.8 per cent, which is below the 1.4 per cent growth rate of the previous quarter. Construction output growth has been gradually slowing down now for three quarters in a row. External indicators of

Figure 3  
Construction output

Growth

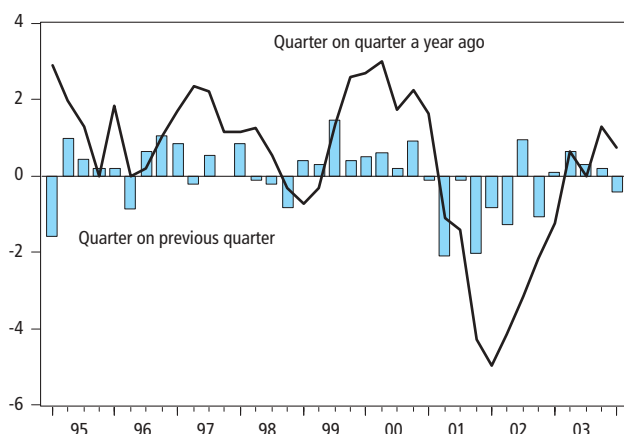


construction activity such as the CIPS survey suggest that activity slowed down in the first quarter of this year but it should be noted that these figures were notably stronger than official statistics at the back end of last year (Figure 3).

The output of the production industries fell by 0.6 per cent in the first quarter. Within this, manufacturing output is estimated to have fallen by 0.5 per cent. This latter figure is based upon a monthly survey with high returns available for all three months. The number was slightly weaker than that used in the initial estimate that had a partial forecast element (Figure 4). The decline in output was broadly based but in particular was driven by falls in paper, printing and publishing and in electrical and optical equipment.

Figure 4  
Manufacturing output

Growth

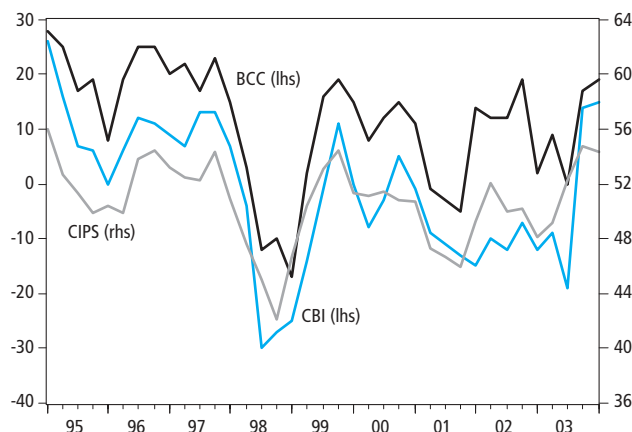


External surveys of production for the first quarter were in general stronger than official data. Broadly speaking these surveys recorded rapid rises in activity in the back end of last year and these new higher levels have been maintained into the early months of this year. The CIPS survey signalled 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 also is inconsistent with an increase in activity (Figure 5). There has been much comment about the recent lack of correlation between these indicators produced by various business organisations and the official manufacturing output series. It is worth noting that it is by no means unusual for the path of these series to diverge over the short-term although they do tend to move together over the longer-term. Early last year, for example, the official series suggested that the manufacturing output position was improving but this only came through in the external series a few months later. These differences happen partly because the series are not measuring exactly the same thing. The external surveys measure the direction but not the magnitude of a change in output, as a rising series merely implies that more firms are experiencing a rise in activity. Moreover, some of the questions in those surveys measure expectations rather than actual activity, so sometimes the indices may be pushed up or

down by changes in expectations. Overall there is no reason to believe that the official data is any less reliable than usual. The index is based on an inquiry that is much larger than those of the external surveys and the response rate to the most recent one was no lower than usual.

Figure 5  
External manufacturing

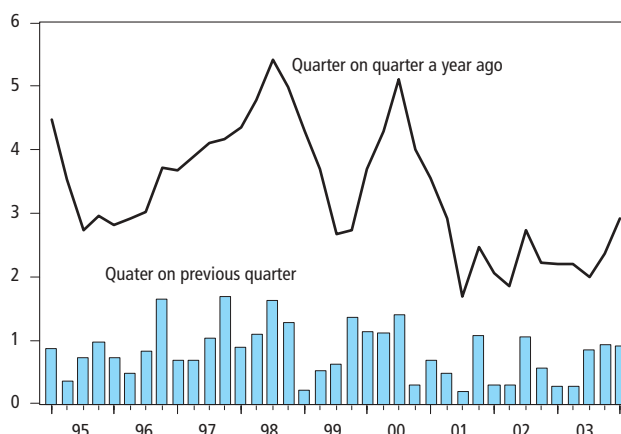
Balances



Overall service sector output grew by 0.9 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. Amongst the strongest sectors were business services and finance and distribution, hotels and catering. 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



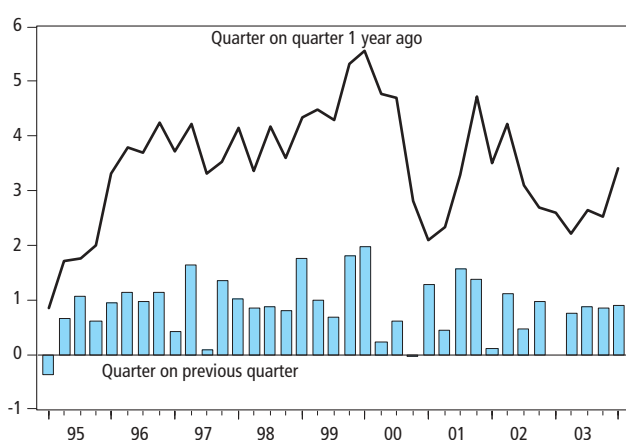


## Household demand

Quarterly growth in household final consumption was 0.9 per cent in the first quarter of 2004, the same rate as in the previous two quarters. Growth compared with the same quarter a year ago was 3.4 per cent, up from 2.5 per cent in the previous quarter. A detailed breakdown of consumer spending is not published at this point in time but it appears as though strong growth in spending on goods has been partially offset by somewhat weaker spending growth on services. However, it should be noted that very little hard data of expenditure on services is available at this stage of the process (Figure 7).

Figure 7  
Household demand

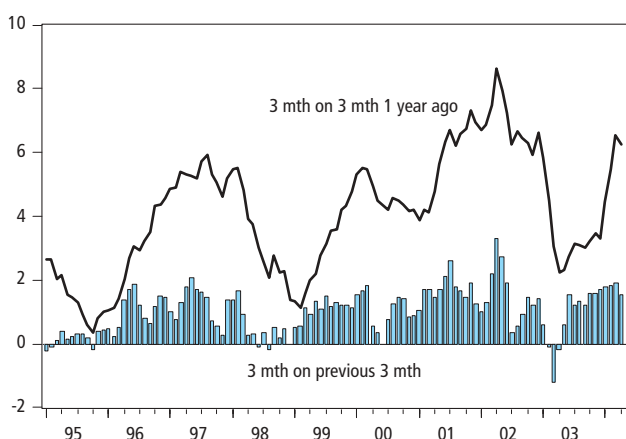
Growth



Most of the fundamentals for consumer spending remain fairly supportive. Real disposable income growth remains consistent with a moderate growth in spending. The labour market is tight and getting tighter and while this 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

Figure 8  
Retail sales

Growth

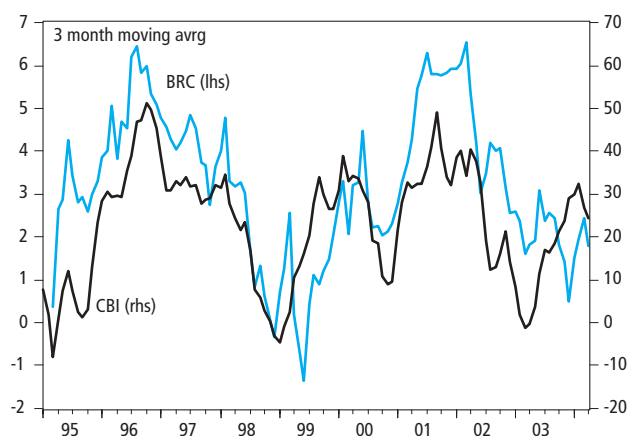


press following the November base rate hike that this would make consumers more cautious and anecdotal claims that the run up to Christmas was difficult for retailers. However, there seems to be little hard evidence to suggest that either the first base rate rise or the follow up ones have had a significant or indeed any impact on consumer behaviour.

Official retail sales certainly do not provide evidence of a pronounced slowdown. Spending rose by 1.6 per cent in the three months to the end of the April, a slight slowing from last month's rate of growth, reflecting more sluggish growth in April (Figure 8). External figures provide mixed evidence. Both suggested strong growth in quarter 1 but the CBI survey picked up through the quarter, whilst the BRC survey of like for like sales was at its strongest in January. Both surveys however, indicated that retail spending remained robust through April (Figure 9).

Figure 9  
External retailing

Growth



## Business demand

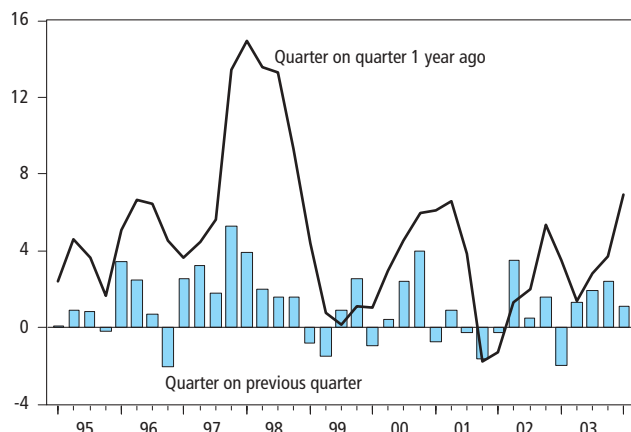
Fixed investment is initially estimated to have grown by 1.1 per cent across the whole economy in quarter 1. This is down on the 2.4 per cent figure for the fourth quarter (Figure 10). The year on year rate of growth was 6.9 per cent, compared with an annual rate of 3.7 per cent in the fourth quarter of last year. Investment rose in all asset types except for transport equipment, that is to say spending on both machinery and equipment and on buildings went up. Private sector manufacturing investment continued to fall sharply in quarter one, with the cuts spread across most assets.

Despite the rise in spending over the last twelve months, 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. Moreover preliminary figures for first quarter profits show a small fall.



Figure 10  
**Fixed Investment**

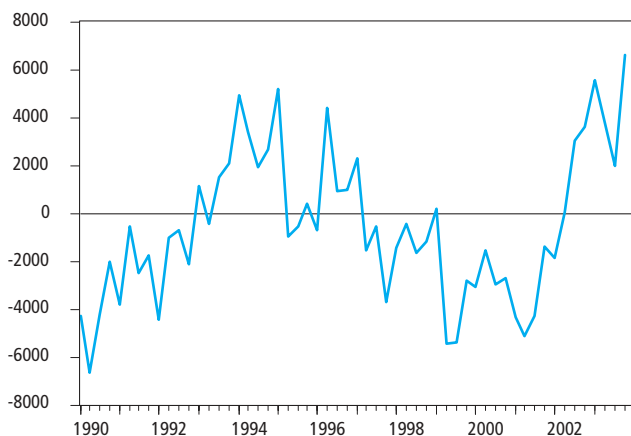
Growth



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



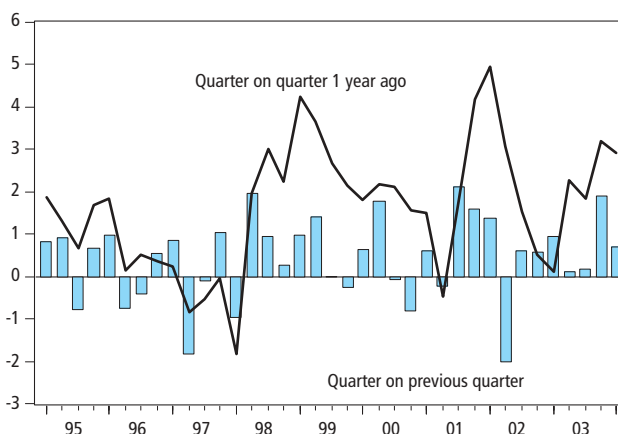
## Government demand

Government final consumption expenditure in real terms grew by 0.7 per cent in the first quarter of 2004, a more moderate pace of growth than in the final quarter of last year, when activity rose by 1.9 per cent. Growth compared with the same quarter a year ago was 2.9 per cent, also down on the 3.2 per cent rate seen in the fourth quarter (Figure 12). Nominal spending continues to grow much more rapidly than real spending implying a very strong rate of increase in the government spending deflator. What this really shows, however, is the difficulty of measuring real activity in the public sector. ONS currently has a review underway looking into this area, which is due to report in the second half of the year.

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 data for the first month of fiscal year 2004–05 showed a public sector net borrowing figure of £1.4 billion compared with £1.1 billion for April of last year. For fiscal year 2003–04 as a whole the net borrowing figure was £33.1 billion compared with £22.8 billion in the previous fiscal year.

Figure 12  
**Government spending**

Growth



## Trade and the Balance of Payments

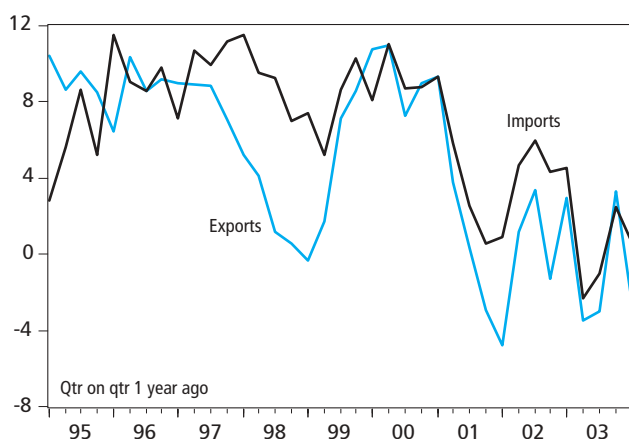
In volume terms both imports and exports fell in quarter one. The fall in exports, however, was much larger and as a result net trade subtracted 0.4 per cent from GDP over the quarter. Exports of goods and services fell by 2.1 per cent over the quarter, compared with a rise of 1.3 per cent in the last quarter of 2003. This fall was solely due to a large decline in exports of goods, as service exports rose slightly. Compared with a year ago exports fell by 2.7 per cent in the first quarter. Year on year growth rates are however, 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. Imports of goods and services fell by 0.4 per cent when compared with the previous quarter and rose by 0.6 per cent when compared with the same quarter a year ago. This compares with a rise of 2.7 per cent in the fourth quarter. Imports of goods in volume terms fell slightly by 0.2 per cent, while imports of services fell by 1.3 per cent.

A breakdown of the exports of goods numbers by area shows that the first quarter slowdown took place largely in exports outside the EU. Exports of goods to the non-EU fell by 5.8 per cent over the quarter, while exports to the EU only fell by 0.8 per cent. All of this fall in non-EU exports took place in January, while exports bounced back sharply in February and then rose once again in March. The fall in January was of around 16.5 per cent and followed a rise of 11.2 per cent in December (Figure 13). One possibility is that sterling's rise against the dollar is now impacting on UK companies'

international competitiveness but it is hard to explain an abrupt one-month fall and then subsequent rebound in terms of this. A more likely explanation is that the decline is 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 assigned to December.

**Figure 13**  
**Trade**

Growth, 3 month on 3 month a year ago



The surprisingly weak figures for exports for quarter one 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 survey also suggests that the export environment improved in the first quarter of the year, especially towards the end of the quarter.

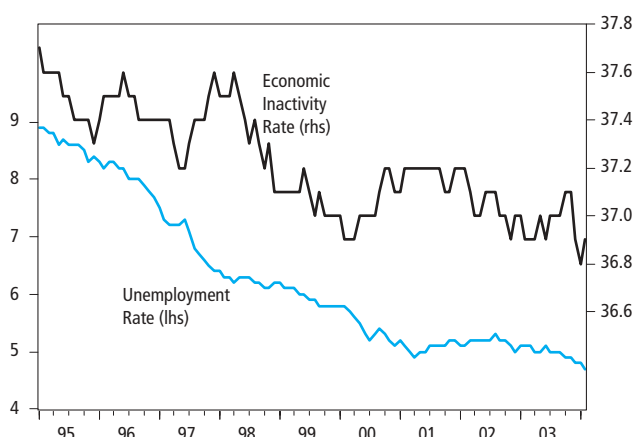
## Labour Market

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 March, unchanged when compared with a month ago. Meanwhile the LFS count of employment increased by just over 28,000 over the same period. The ILO unemployment rate was 4.7 per cent in the three months to March, down slightly on a month ago. The claimant count unemployment rate, at 2.9 per cent in April was 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, that is, neither employed nor unemployed but actively seeking work, then the position does not look quite so tight (Figure 14).

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 March the number of full-time workers was up 95,000, and by 123,000 compared with a year ago. Meanwhile the number working part time was up by 99,000 on the three-month period and by 175,000 on the year.

**Figure 14**  
**Unemployment & Economically Inactive**

Per cent



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 March fell by 1.1 per cent compared with the previous three months, although it was still up 5.6 per cent compared with a year ago. In contrast the number of employees was up 0.9 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 March average earnings including bonuses rose by 5.2 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 3.9 per cent in the three months to March. 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 is still at roughly the same rate as a year ago.

## Prices

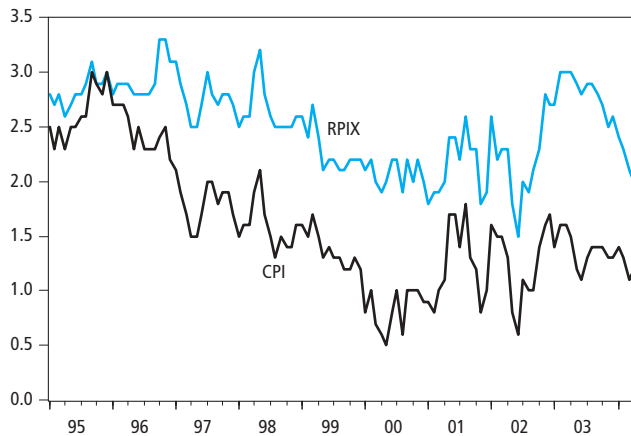
Producer output prices rose by 1.8 per cent annually in April, up from 1.6 per cent in March. The increase reflects higher oil prices but also duty increases on alcohol and tobacco. Output prices excluding food, beverages tobacco and petroleum products, rose by 1.3 per cent in April down from 1.5 in March. It is possible that this easing off in underlying 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 to end the year up 2.1 per cent. The first two months of 2004 saw falls in input prices, although they did pick up again in March and rose sharply in April by 3.4 per cent 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), rose by 0.1 per cent to 1.2 per cent in April compared to 1.1 per cent in

March. The new target for the Bank of England from January is to keep CPI inflation (the new term for the Harmonised Index of Consumer Prices) to 2.0. The old target measure, RPIX, fell by 0.1 per cent on the month to an annual rate of 2.0 per cent, largely due to housing costs rising less quickly than a year ago (Figure 15). RPI inflation also fell by 0.1 per cent to 2.5 per cent.

Figure 15  
**Inflation**

Growth, 3 month on a year ago



# Forecasts for the UK economy

## A comparison of independent forecasts, May 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	1.2	2.0
RPI	3.0	2.3	3.8
Unemployment (Q4, million)	0.86	0.75	1.09
Current account (£ billion)	-26.7	-36.7	-17.5
Public Sector Net Borrowing (2004-05, £ billion)	36.0	27.0	48.0

### Independent forecasts for 2005

	Average	Lowest	Highest
GDP growth (per cent)	2.6	0.5	3.2
Inflation rate (Q4 per cent)			
CPI	1.9	1.5	2.8
RPI	2.8	2.2	4.1
Unemployment (Q4, million)	0.87	0.65	1.12
Current account (£ billion)	-27.7	-48.1	-10.0
Public Sector Net Borrowing (2005-06, £ billion)	36.9	24.0	55.0

*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

## June 2004

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**Richard Wild**

Office for National Statistics

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### Overview

- Preliminary GDP growth estimates for 2004 Q1 now available for all major economies and in certain cases include quarterly revisions. The country that grew most rapidly was Japan, followed in order of magnitude by the US, Italy, France and Germany.
- Japanese growth in quarter one, where the economy expanded by 1.4<sup>1</sup> per cent, was notably strong. The US economy also performed well, expanding by 1.0<sup>2</sup> per cent. The major Eurozone economies showed some improvement, with France growing by 0.8<sup>11</sup> per cent in the same quarter, and Germany and Italy both growing by 0.4.<sup>10,3</sup>
- The US recovery last year was led primarily by buoyant private consumption demand, and this component continues to be the main driver this year. Fixed investment has also shown increasing strength, and government consumption has made further modest additions to growth. The trade deficit, however, remains large.
- Japanese growth has again resulted from a balanced combination of both domestic and foreign trade components. Deflation however, has been a salient price characteristic and real GDP growth in quarter one is explained partly by falls in the GDP deflator. The new monthly data indicate a broad deceleration in negative price growth.
- The eurozone economies all picked up in quarter one after showing weak signs of recovery towards the end of 2003. Output growth in Germany came mainly from an improvement in the trade balance whilst private consumption was weak. Conversely, French growth was led by private consumption whilst the trade balance weakened. A breakdown of the growth components in Italy was not available at the time of publication.
- The latest observations for industrial production growth were positive for all the countries except Italy, where it was flat on a year ago. Overall last year, growth was positive for the US, Japan and Germany and negative for France and Italy. External indicators for manufacturing in the Eurozone<sup>4,5,6,7</sup> this quarter have shown minor improvements so far in 2004, but have been weaker than in late 2003. The latest Purchasing Managers' Indices for services in the major Eurozone economies increased in Germany and Italy, and fell in France<sup>7</sup>. As for the US, the ISM manufacturing<sup>8</sup> and non-manufacturing (services)<sup>9</sup> Purchasing Managers' Indices indicated that activity has been increasing rapidly to April, continuing the trend from November 2003, although the manufacturing index was marginally down on March.
- The Italian unemployment rate looks to have levelled out at 8.5 per cent and the German and French rates are broadly flat at 9.3 and 9.4 per cent, respectively. US unemployment is currently below last year's average of 6.0 per cent, at 5.7 per cent whilst the rate has fallen to 4.7 per cent in Japan, a figure still in excess of historical norms.
- Global inflationary pressures remain subdued. Consumer price inflation has been stable year on year in France and Germany and has fallen towards 2.0 per cent in Italy. In that group, producer price growth has been positive but distinctly more sluggish. In the US, both consumer and producer price growth have picked up on last year. Deflation continues in Japan, although there are further signs that it is moderating.

**Note:** At the time of publication, a considerable amount of output data from official national sources had recently been made available; as such, discussions of GDP and its components in 2004 Q1 in general do not refer to the figures presented in the tables, which are sourced from the OECD. Details of the alternative sources are listed at the end of the article.

## Germany

Preliminary GDP data for the first quarter of 2004 are now available from the Federal Statistical Office. This release also includes some retrospective revisions. However, the revised annual growth rates of the various subcomponents up to 2004 Q1 are yet to be adjusted for calendar effects; as such, they are not comparable with the tabled data and are only discussed in terms of the trends they imply for the coming year. The quarterly figures for 2003 now indicate consecutive falls of 0.2 per cent in quarters one and two, counterbalanced by growth of 0.2 per cent and 0.3 per cent<sup>10</sup> in quarters three and four. The quarterly variations as a whole show an expansion in annual GDP of 0.2 per cent over 2003, followed by a leap-year-adjusted rise of 0.7 per cent in the year to 2004 Q1,<sup>10</sup> signalling the end of the brief recession. Investment now appears to be picking up after falling for three years in succession, and Germany's net trade position seems to be in good health. Household consumption remains weak, subtracting 0.1 per cent from GDP growth last year. Inventories added 0.8 per cent to growth in 2003, with government expenditure also making a modest positive contribution of 0.2 per cent. However, the latest data suggest that these two components are weakening.<sup>10</sup>

In the first quarter of 2004, German GDP grew by 0.4 per cent.<sup>10</sup> Most of this was due to an improvement in the trade balance, which added 0.8 per cent<sup>10</sup> to GDP growth. The only other positive contribution was a more modest addition of 0.2 per cent<sup>10</sup> from inventories. After falling in all but the first quarter of 2003, private consumption's effect on output expansion was neutral in 2004 Q1, indicating continued weakness (see Figure 1). The figures for investment have been revised, mainly upwards. Following negative contributions to GDP of 0.2 per cent in each of quarters one and two of last

year,<sup>10</sup> GFCF added 0.1 per cent and 0.3 per cent in quarters three and four.<sup>10</sup> For 2004 Q1, the news is again downbeat, with a real decline of 1.8 per cent resulting in a cut to GDP growth of 0.4 per cent.<sup>10</sup> Lastly, government expenditure subtracted 0.2 per cent<sup>10</sup> from output, after playing a broadly flat role throughout last year, completing the picture of a moderate economic revival founded on unbalanced changes in the expenditure components.

On the whole, the lack of impetus in private and public current domestic demand, and investment, during the course of 2003 does not appear to have reversed. In isolation, these three factors would have reduced the change in GDP by 0.6 per cent.<sup>10</sup> The improvement in economic sentiment in 2003 Q4 was reflected in a brief and relatively substantial boost to investment; however, the key external surveys continue to tell an uncertain story based on medium – and longer-term fears concerning rising oil prices and potential interest rate hikes. The ZEW Indicator of Economic Sentiment<sup>5</sup> has fallen in every month since December 2003 – although the decline decelerated this month due to the improvement in net trade – and inertia in the jobs market continues to dampen optimism. The May IFO business survey, encompassing manufacturing, construction, retailing, and wholesaling, behaved similarly, although it did rise in April. In spite of mild improvements in manufacturers' optimism over conditions currently and for the next six months, there is evidence of a divergence between East and West German expectations. Overall, the prospects for a firm recovery remain flat at best.

The improvement in net trade in Q1 has been helpful, but the growth paths of imports and exports were fairly irregular in 2003, and this volatility suggests that a continuation of the positive trend is by no means certain for Q2. Nevertheless, the surprise evidence of expansion in France and Italy, coupled with the decline in the real effective exchange rate since January, offer encouraging signs for commerce. Government expenditure has gradually become a negative contributor to GDP growth since 2003 Q3, its own rate of growth falling by a notable 1.2 per cent in 2004 Q1. Changes in inventories have been fairly volatile but generally they have added to growth.

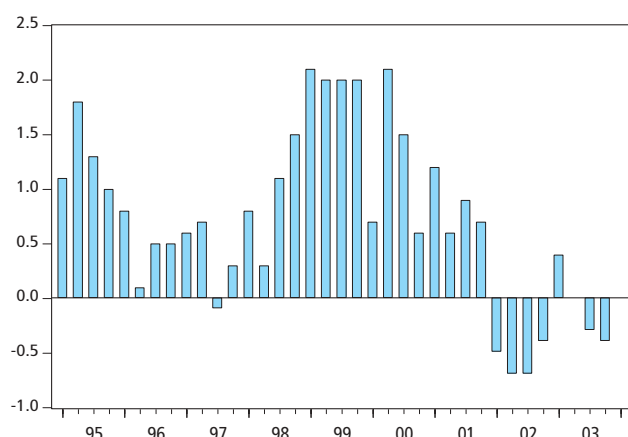
The tentative evidence of a recovery in production continues. Industrial production in 2003 quarter four rose at its fastest rate since 2002 quarter two, expanding by 2.3 per cent over the previous quarter. This compares to no growth in 2003 Q3 and a sharp slowdown of –1.0 per cent in quarter two. Nonetheless, the monthly figures continue to 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 1.7 per cent in January and 1.4 per cent in February. 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 reasonably upbeat.

Inflation was consistent yet subdued in 2003, being well below the European average and below the ECB inflation target of 2.0 per cent for the Eurozone. Overall last year the CPI grew by 1.0 per cent. In the latter half, 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 renewed price growth, with inflation rising gradually from 0.9 per cent and 1.1 per cent in February

Figure 1

### Germany: Private Consumption

Contributions to GDP growth, quarter on quarter one year ago





and March to reach 1.6 per cent<sup>13</sup> in April. A concurrent increase 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 and 0.3 per cent in March, followed by a rate of 0.9 per cent in April. Rising input prices, in particular for oil, may underpin this rise.<sup>13</sup>

The unemployment rate in Germany has been high but stable recently. The rate was 9.3 per cent in February and in March, 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 declined in every quarter since 2001 Q4, with particularly strong falls seen in the first half of 2003. The data for March shows 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. This is a slight improvement over comparative quarterly rates in 2001 and 2002 – although it should be noted that a clear seasonal pattern accounts for part of this trend.

The growth in earnings of 2.2 per cent in 2004 Q1 is broadly similar to the rates posted in quarters three (+2.1 per cent) and four (+2.0 per cent) of last year. Earnings grew more strongly in the first half of 2003, up by 2.7 and 2.8 per cent in quarters one and two. Such a strong increase, however, was partly due to the particularly low levels that had been reached in the same quarters a year earlier.

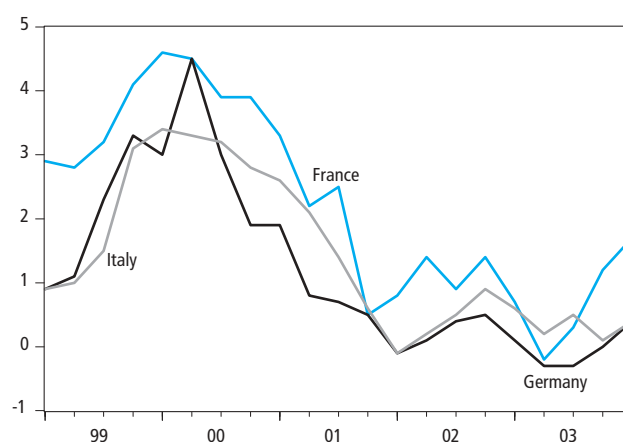
## France

Preliminary estimates of GDP for 2004 Q1 have been released, along with some minor revisions to past data. According to the latest figures, French GDP expanded by a surprising 1.7 per cent in the year to March, outpacing annual growth in 2003 of 0.5 per cent. The preceding estimation put annual growth at just 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 and inventories declined, contributing –0.8 and –0.3 per cent to growth respectively. Revisions to net exports now show a (larger) contraction in exports of 0.7 per cent and a (smaller) expansion of 0.1 per cent in imports. New information also now indicates a flat contribution to the change in output from investment, as opposed to the marginal fall presented previously. Overall the economic picture for France in 2003 was similar to that of Germany – particularly for unemployment – albeit with more robust private consumption in the former. This month's data show that annually French inventories fell even more strongly, in all but Q3 of 2003, than the past figures suggested; this information, in tandem with rising inflation in the latter half of that year, are obvious consequences of strong household demand.

The latest national accounts figures (previous figure) indicate that the economy grew annually by 0.3 per cent (0.2 per cent) in quarter three and 1.2 per cent (0.5 per cent) in quarter four, a rapid improvement over the first half of the year. In 2004 Q1, the expansion continued apace, with a quarterly increase

Figure 2  
GDP: France, Germany and Italy

Growth, quarter on quarter one year ago  
(Note: figures for 2004 Q1 are from official national sources)



of 0.8 per cent.<sup>11</sup> Revisions have upgraded quarterly growth in 2003 Q1 from 0.1 to 0.2 per cent, dispelling prior suggestions that the economy had narrowly avoided a recession. The figures for the remaining periods have also changed. Output contracted by 0.3 per cent (0.4 per cent) in Q2, and climbed by 0.6 per cent (0.7 per cent) in quarters three and four. The contribution of household consumption growth to output gains now appears to have been marginally stronger in 2003 overall, with the component adding 0.6 per cent in 2004 Q1 – the largest single growth factor. The rise in government expenditure remains moderate but constant, adding between 0.1 and 0.2 per cent to the change in output in all quarters of 2003, and 0.1 per cent in 2004 Q1.<sup>17</sup> Investment grew modestly and contributed 0.2 per cent to growth, while inventory changes had no effect. Finally, net foreign trade pulled growth down by 0.1 per cent; both imports and exports decelerated in comparison to 2003 Q4, but imports continue to rise more rapidly, at 0.7 per cent versus 0.3 per cent.

Generally, GDP growth in the last two quarters of 2003 saw an improvement over the first and second quarter when growth was 0.2 and –0.3 per cent,<sup>11</sup> respectively. The expansion has now gathered pace for three quarters, and sectoral changes look to be almost uniformly positive. France's economic progress has generally outperformed that of the other EU 15 members, and in the recent past it has been helped by tax cuts, which have underpinned rises in disposable income and consequently consumer spending. As such, there is a potential for the recent expansion to slow, as the increase in consumption may have been a one-off event.

French industrial production expanded substantially in the second half of 2003, growing quarterly 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 March 2004 of 0.7 per cent,<sup>18</sup> almost a third of the December figure of 1.9 per cent. Between January and February, the index rose by 1.1 per cent, prior to a fall of 0.3 per cent between February and March.<sup>18</sup> 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 strength shown in Q3 and Q4 of last year, with growth of 1.1 per cent in each, is partly undermined by a contraction in the three months to March of 0.1 per cent.<sup>18</sup>

Looking at market indicators, the INSEE monthly business survey<sup>6</sup> for March (April's was not published in time to be included in this article) showed that activity stabilised over the last three months and is expected to decline slightly over the next three months – although the index remains above its neutral level. The Purchasing Managers' Index (PMI) for manufacturing<sup>7</sup> in France between April and May indicated a minor rise in activity, in contrast to a notable fall in the services index.<sup>7</sup> The general outlook, therefore, appears to be slightly at odds with the results of the latest output data.

Consumer price inflation has slowed marginally in recent months, having risen fairly strongly throughout 2003. After dipping briefly in July and August, inflation quickened towards December. 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 show CPI inflation still at 1.7 per cent,<sup>12</sup> with price rises partly bolstered by end-of-sales activity;<sup>12</sup> contrary to past experience, this has not caused gentler price growth in April, with annual growth for that month of 2.1 per cent.<sup>12</sup>

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 March show a small increase in the annual growth rate to 0.2 per cent, equalling February's rise, and suggesting little impact from higher oil prices so far this year.

The French unemployment rate rose steadily over the past year, from 9.1 per cent in January 2003 to 9.5 per cent in September through to January. This was the highest rate since April 2000, and the situation now broadly mirrors that of Germany. In February and March, the rate fell marginally to 9.4 per cent. Employment growth has shown a steady decline since 2000 Q4 on an annual basis. In terms of the more volatile measure, using quarter on previous quarter, the increase in the number of people employed has been declining since 2000 Q1, settling at around 0.1 per cent during 2002. 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.

Annual earnings growth has been easing since 2000 and declined from 5.2 per cent in 2000 Q2 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

As with France and Germany, preliminary estimates of output in 2004 Q1 have been released recently and are highlighted below. Data on economic growth in 2003 confirm that the Italian economy expanded by 0.3 per cent last year. The first half of the year was characterised by slightly negative growth, which was followed by quite a strong pick up in activity in quarter three and no growth in quarter four. Annual growth in 2004 Q1 is estimated to be 0.8 per cent.<sup>3</sup> The main contributors to the annual increase in 2003 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 weakness of exports since 2002 resulted in a contribution of –0.9 per cent to GDP growth in 2003

The pickup in the economy in 2003, although modest, indicates that Italian growth outpaced that of Germany last year, although after data revisions the French economy now looks to have outpaced Italy. This followed on from 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, as for 2003, output expansion has lagged behind France.

The first quarter of 2004 displayed a welcome rise in activity, with output increasing by 0.4 per cent;<sup>3</sup> as yet, however, comparable details of the changes in the various constituent components are not available. The growth picture for quarter four was fairly gloomy, with changes in stocks the only positive contributor (0.6 per cent). 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. Investment also subtracted 0.2 per cent from growth. Excluding inventories, the figures show that domestic demand was depressed in quarter four. External demand was also weak, reducing the gain in output by 0.2 per cent. Government consumption made no contribution to growth in the quarter, after making consistent contributions to output in the first three quarters of 2003.

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 0.2 per cent was made. Investment growth was negative throughout 2003, falling in all quarters of the year with a marked deterioration in Q1, when it cut 1.1 per cent from growth. Net exports followed a similar path to Germany and France. In particular, net exports only added to growth in quarter three of 2003. That unusual pickup seems to have been linked to improving global economic conditions and increasing demand especially outside of the Eurozone. Over the year, inventories proved to be the main catalyst of 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.

Some substantial revisions have been made to the Index of Production, which has, in general, been weak since 2001. The annual growth rate of the monthly data has fallen

from November 2003 to January 2004 – for the latter, the reduction was a substantial 0.3 per cent bringing the figure to 0.1 per cent. The latest February figure is flat on a year ago, indicating that the downward trend in production output is continuing. External indicators in April and May 2004 such as the Purchasing Managers' Index (PMI) for manufacturing<sup>7</sup> again point to only a marginal increase in activity. After a minor fall in April, the PMI for services<sup>7</sup> rose again in May, on the back of robust service growth in recent months. Larger-than-expected rises in French and German GDP may plausibly have a positive effect on business expectations in the coming months.

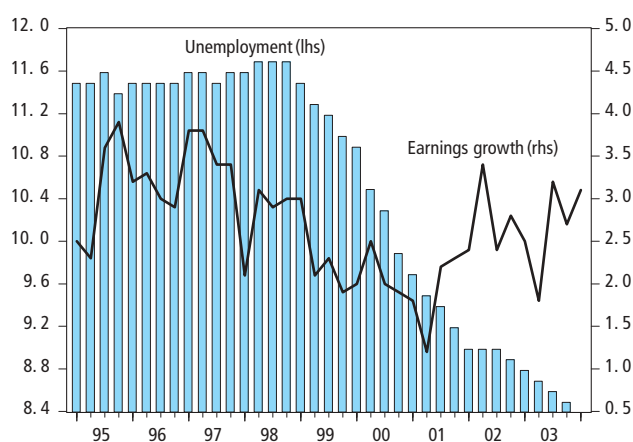
Consumer price inflation in recent years has been consistently higher than the EU average, with the most recent data for 2004 quarter one indicating a price increase of 2.2 per cent. From January to October 2003 inflation ranged between 2.6 and 2.8 per cent. As in France, the effect of the summer heatwave 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 February, March and now April. Producer price inflation has been weaker than consumer price inflation since 2000. In the first quarter of this year, producer prices grew 0.4 per cent on an annual basis. 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, increasing by only 0.4 per cent. However, after remaining flat in February, prices picked up by 0.5 per cent in March; again, rising oil prices may yet feed through to a higher rate of PPI inflation as the year progresses.

The unemployment rate in Italy has been declining steadily since 1998 when it peaked at 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 figures indicate that unemployment remained steady at this level up to January. No more recent data was available at the time of publication. Annual employment growth has been positive in every quarter of the last nine years. Growth rates for 2003 were slightly weaker than those observed in 2001 and 2002, with the most recent data for 2004 Q1 showing a relatively small rise of 0.7 per cent. Looking at quarterly growth, the fall of 0.6 per cent in the same period appears to fit into the midrange of the seasonal declines commonly observed over the last 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 that 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 the first three months of the year show rising earnings growth of 2.5 per cent, 3.4 per cent and 3.5 per cent, respectively, in January, February and March. Earnings in 2003 overall increased by 2.5 per cent, and in the year to 2004 Q1, rose by 3.1 per cent (see Figure 3).

**Figure 3**  
**Italy: Unemployment and Earnings**

Standardised unemployment rate versus annual earnings growth



## USA

The US economy grew by 3.1 per cent in 2003, outstripping all other major world economies. It recovered strongly last year, expanding in all quarters and showing particular buoyancy in the second half of the year. Recent estimates of output in 2004 Q1 confirm that the upward trend has been sustained thus far, with annual growth of 4.2 per cent<sup>2</sup>. Surveys of business activity in April continue to be favourable. The latest Institute for Supply Management manufacturing (diffusion) index fell slightly to 62.4 per cent in April<sup>8</sup>. It still remains buoyant, however, with participants reporting growth in new orders, production and employment. The corresponding non-manufacturing index grew even further, posting 68.4 per cent, up from 65.4 per cent in March<sup>9</sup> (note that for diffusion indices, a figure of 50 per cent indicates unchanged activity).

The main factor driving output expansion in 2004 Q1 was private consumption expenditure, which contributed 2.7 per cent to growth from 2003 Q1.<sup>2</sup> Within private consumption, contributions to growth came primarily from the services subcomponent, and to a lesser degree from non-durable goods, with large fluctuations in expenditure on durable goods. Fixed investment was the second largest contributor, adding 1.1 per cent,<sup>2</sup> with sustained large increases in expenditure on equipment and software. Government expenditure also made a sizeable contribution of 0.4 per cent,<sup>2</sup> again stemming from defence. Inventories raised GDP growth by 0.3 per cent,<sup>2</sup> and net exports made a fractionally positive addition, rounded to 0.0 per cent. Overall, the data for 2003 indicated that the US economy was rebounding at pace, with investment finally recovering and consumer confidence at high levels. Non-farm payroll employment has also risen significantly over the last six months. The trade deficit remains very high, in spite of the continued weakness of the dollar.

The expansion in 2004 Q1 was strong (1.0 per cent<sup>2</sup>), equalling the quarterly rate of increase observed in the previous quarter. Consumption growth added 0.7 per cent to the gain in output,<sup>2</sup> slightly higher than the previous contribution of 0.6 per cent. Fixed investment contributed 0.3 per cent,<sup>2</sup> mainly attributable to non-residential investment.

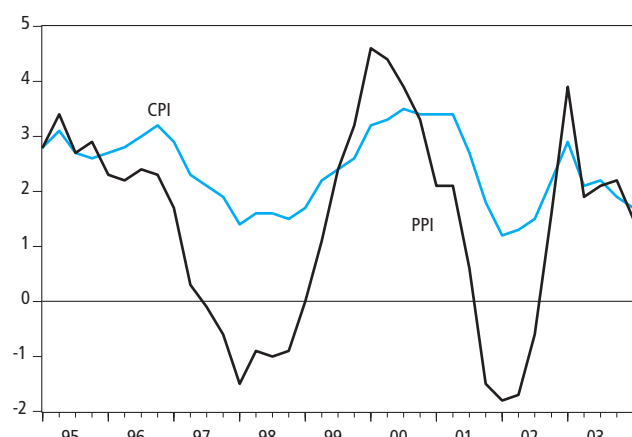
Government consumption boosted growth by 0.1 per cent<sup>2</sup> after a neutral contribution in 2003 Q4, and inventories also added 0.1 per cent.<sup>2</sup> Finally, net exports did not have a significant effect on output expansion in this period.<sup>2</sup>

The index of production exhibited rapid expansion in the second half of 2003, with further revisions to the data presented last month pushing growth rates upward. 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 1.4 per cent. The index increased more rapidly in 2004 quarter one, posting 1.6 per cent. In monthly terms, the trend of increasing strength continues, with annual growth rates of 2.4, 2.9 and 3.4 per cent in January, February and March, respectively. Overall in 2003 the index grew by 0.2 per cent, following on from two consecutive years of contractions, and the annual rate of expansion in the year to 2004 quarter one is currently estimated at 2.9 per cent – the highest figure in the last three years.

CPI inflation in the US has been subdued of late. In the first quarter of this year, prices rose annually by 1.7 per cent. 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, consumer prices grew by 1.9 and then by 1.7 per cent in both February and March. However, new data for April indicate a marked jump in the annual rate of CPI inflation to 2.3 per cent,<sup>15</sup> with a monthly rise of 0.3 per cent on March.<sup>15</sup> The change in the growth rate of producer prices followed a similar pattern to consumer price growth but have been much more volatile, posting a respectable annual growth rate of 1.5 per cent in 2004 quarter one. PPI inflation fell from a peak of 4.5 per cent in March 2003 to 1.1 per cent in February 2004, although recent month-on-month figures – showing 0.5 per cent growth in March and 0.7 per cent growth in April<sup>16</sup> – signal a renewed rise.

Figure 4  
USA: Inflation

CPI and PPI growth, quarter on quarter one year ago



Until March, the unemployment rate had fallen for eight months in a row. 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 registered 5.6 per cent in January and February, and 5.7 per cent in March. The latest results place the rate back at 5.6 per cent in April – this equals the average for the year to 2004 quarter one. The fall in the rate suggests that the recovery is accompanied by an improvement in the labour market, and worries about weak growth have been partly abated by data from the household employment 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 and April.<sup>19</sup> 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. In the year to 2004 quarter one, employment grew by 0.6 per cent, compared to a rise of 1.0 per cent over the same period a year earlier.

Earnings growth had been very stable in the months up to September 2003, hovering around 3.2 and 3.3 per cent, at a similar level to annual growth rates posted in 2001 and 2002. 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 March 2004. However, a slight fall in the rate of change is indicated by the new April figure of 2.2 per cent.<sup>19</sup>

## Japan

Preliminary estimates of GDP for the first quarter of this year became available in mid-May, with the release also containing some past revisions. On an annual basis, output is estimated to risen by a very rapid 5.4 per cent<sup>1</sup> in the year to 2004 Q1, on the back of 2.7 per cent growth during 2003 as a whole. With the exception of 2000, output growth over the last few years has been prominently sluggish in the world's second largest economy, but the recent figure not only places Japan's expansion above that of the eurozone, but also that of the US. The majority of gains came from increases in domestic demand, but foreign trade also fostered growth. Pertinently, due to the prolonged period of price deflation, the increase in output in nominal terms is below the real rate of growth by 0.6 per cent<sup>1</sup>; however, there is growing evidence that the downward price trend is coming to an end.

According to the latest GDP estimates growth was particularly strong in the last quarter of the year when the economy expanded by 1.4 per cent,<sup>1</sup> although this now seems to have been slower than the upwardly revised rate in the previous quarter of 1.7 per cent. Quarter one expansion was domestically generated chiefly by private demand, which contributed 0.5 per cent to growth. Private non-residential investment made an addition of 0.4 per cent, followed by inventories, which added 0.2 per cent. Externally, net exports raised output growth by 0.3 per cent due to a relatively large rise in the volume of exports. Government consumption has been a weak component of demand since 2002, and made only a neutral contribution this quarter. This aside, growth in the last year seems to have been characterised by a healthy balance between the different expenditure components. There

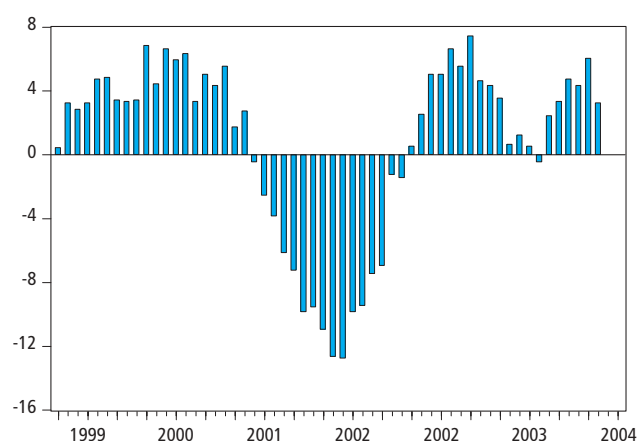


are further signs that the deflationary trend is coming to an end (see below), with consumer price falls slowing to around zero in February and March of this year. Producer prices also look to be approaching a turning point, albeit at a relatively slower rate of deceleration (see below).

There have been some major revisions to the index of production since last month's publication. As with all the other major economies outside the UK, the index of production contracted in 2003 quarter two by 0.7 per cent, having grown by 0.3 per cent in the previous quarter. The index, however, saw a rebound in quarter three when it grew by 0.8 per cent and grew extremely quickly in quarter four, when it registered +3.7 per cent. Looking at the annual change in monthly terms, a substantial amount of growth occurred between September 2003 and January 2004, averaging 4.2 per cent annually (see Figure 5). The month-on-month figures, although intrinsically more volatile, tell a slightly different story. After a large boost of 3.7 per cent in September last year, production slowed and then cut back in December. After rebounding in January, the data for February indicate a contraction of 4.0 per cent. It would appear, then, that production output on the annual measure grew largely as a result of negative growth in 2002 and that having done so, it remains inconsistent. For the year to 2003, the index rose by 3.1 per cent, a minor improvement over the previous year's fall of 1.2 per cent, and a notable improvement on 2002's fall of 6.0 per cent. In summary, production in Japan has been somewhat erratic over the past five years, and although production revived with vigour towards the end of 2003, the latest monthly figure places a question mark over the upward trend.

Figure 5  
Japan: Industrial Production

Growth in output, month on month one year ago



Quarterly consumer and producer prices continue to deflate, albeit at a decreasing pace than in 2001 and 2002. Consumer prices only fell by 0.2 per cent in 2003, the lowest reduction in several years; PPI deflation also relented somewhat, with prices dropping by 0.9 per cent on the previous year. These figures compare to -1.0 and -2.0 per cent respectively in 2002. The latest data for 2004 continue to suggest that the negative trend is abating, at least for the consumer measure. The annual monthly change for January of -0.3 per cent

was followed by no change in February and a minimal fall of 0.1 per cent in March. 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 and a year low of -0.2 per cent. If high domestic demand is maintained over the course of the year, a move into positive price growth seems plausible.

The unemployment rate in March 2004 was 4.7 per cent, down by 0.3 per cent on the previous month, and marginally lower 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) and the current rate of unemployment looks to have moved closer to Japanese historical standards, although it is still relatively high. The previous three years' 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 February figure of -0.2 per cent, on a month-to-month measurement. However, the number of people in work rose by 1.0 per cent in March. In the year to 2004 Q1 employment increased by 0.2 per cent compared to a drop of 0.8 per cent in the same period a year ago.

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, and by 1.7 per cent annually in 2004 Q1. Last year saw growth of 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 annual 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. In March, earnings grew by a respectable 1.7 per cent, matching the twelve-month average.

#### 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/en/sna/qe041/gdemenua.html>
2. BEA, USA, <http://www.bea.gov/bea/newsrelarchive/2004/gdp104f.pdf>
3. ISTAT, Italy, <http://www.istat.it/Comunicati/Incalenda/Allegati/Economia/Stima-prel/0401fsh-1.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](http://www.cesifo.de/pls/cesifo_app/CESifoFrameSet.SwitchFrame?factor=10&page=/link/gk-e.htm)
5. Zentrum für Europäische Wirtschaftsforschung, Germany [http://www.zew.de/en/presse/presse.php?action=article\\_show&LFDNR=351](http://www.zew.de/en/presse/presse.php?action=article_show&LFDNR=351)
6. INSEE, France, [http://www.insee.fr/en/indicateur/indic\\_conj/indconj\\_frame.asp?ind\\_id=11](http://www.insee.fr/en/indicateur/indic_conj/indconj_frame.asp?ind_id=11)

7. REUTERS, [www.reuters.com](http://www.reuters.com) (available on subscription)
8. Institute for Supply Management, USA, <http://www.ism.ws/ISMReport/ROB052004.cfm>
9. Institute for Supply Management, USA, <http://www.ism.ws/ISMReport/NMROB052004.cfm>
10. DESTATIS, Germany, <http://www.destatis.de/presse/englisch/pm2004/p2360121.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)  
[http://www.insee.fr/en/indicateur/cnat\\_trim/Pub\\_Meth/pr041ang.pdf](http://www.insee.fr/en/indicateur/cnat_trim/Pub_Meth/pr041ang.pdf)
12. INSEE, France, [http://www.insee.fr/fr/indicateur/indic\\_conj/donnees/doc\\_idconj\\_29.pdf](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>
17. INSEE, France, [http://www.insee.fr/en/indicateur/cnat\\_trim/Series/t\\_900\\_18\\_5.htm](http://www.insee.fr/en/indicateur/cnat_trim/Series/t_900_18_5.htm)
18. INSEE, France, [http://www.insee.fr/en/indicateur/indic\\_conj/indconj\\_frame.asp?ind\\_id=10](http://www.insee.fr/en/indicateur/indic_conj/indconj_frame.asp?ind_id=10)
19. BEA, USA, <http://stats.bls.gov/news.release/empisit.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 <sup>less</sup>	IoP	Sales	CPI	PPI	Earnings	Empl <sup>1</sup>	Unempl
<b>Percentage change on a year earlier</b>														
	ILFY	HUBW	HUBX	HUBY	HUBZ	HUCA	HUCB	ILGS	ILHM	HVLL	ILAF	ILAO	ILIG	GABD
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	7.8
2001	1.0	0.9	0.2	-0.9	-0.8	2.0	0.4	0.3	1.1	1.9	3.1	1.6	0.3	7.8
2002	0.2	-0.6	0.3	-1.4	0.1	1.2	-0.5	-1.1	-2.1	1.5	-0.6	1.6	-0.9	8.6
2003	-0.1	-0.1	0.2	-0.6	0.8	0.4	0.8	0.4	-0.6	1.0	1.6	2.5	-1.2	9.3
2000 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	5.6	2.3	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	-2.2	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	1.7	-1.1	1.2	0.3	2.4	-1.3	8.9
2003 Q1	0.1	0.4	0.1	-1.0	1.3	1.3	2.1	1.4	0.7	1.2	1.6	2.7	-1.6	9.2
Q2	-0.3	-	0.1	-0.5	0.7	-0.4	0.3	-0.3	-0.1	0.8	1.4	2.8	-1.4	9.3
Q3	-0.3	-0.3	0.2	-0.6	0.3	0.2	0.1	-1.1	-2.1	1.0	1.8	2.1	-1.0	9.3
Q4	-	-0.4	0.3	-0.2	0.7	0.3	0.6	1.9	-1.0	1.2	1.7	2.0	-0.6	9.3
2004 Q1	..	..	..	..	..	..	..	..	..	1.0	0.2	2.2	..	9.3
2003 Mar	..	..	..	..	..	..	..	1.2	-0.9	1.2	1.6	..	..	9.3
Apr	..	..	..	..	..	..	..	0.6	0.1	0.9	1.6	..	..	9.3
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	-1.6	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	..	..	..	..	..	..	..	1.6	-0.5	1.1	1.6	..	..	9.3
Nov	..	..	..	..	..	..	..	1.3	-1.7	1.2	1.9	..	..	9.3
Dec	..	..	..	..	..	..	..	2.9	-0.9	1.1	1.7	..	..	9.2
2004 Jan	..	..	..	..	..	..	..	1.7	-1.9	1.2	0.2	..	..	9.2
Feb	..	..	..	..	..	..	..	1.4	-1.4	0.9	-0.1	..	..	9.3
Mar	..	..	..	..	..	..	..	..	..	1.0	0.3	..	..	9.3
<b>Percentage change on previous quarter</b>														
	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	0.6	2.3				-1.9	
Q2	-	0.3	-0.1	-0.3	-	0.1	-	-1.1	-0.8				1.0	
Q3	-0.2	0.1	-	-0.3	-0.6	0.1	-0.5	-1.0	-0.2				0.2	
Q4	-0.1	-0.4	0.4	-0.3	0.1	-0.2	-0.4	-2.7	-1.0				0.5	
2002 Q1	0.2	-0.5	-	-0.4	-0.2	0.3	-0.9	1.0	-2.1				-2.2	
Q2	0.2	0.1	0.1	-0.7	0.9	0.8	1.0	0.6	1.1				0.7	
Q3	0.1	0.1	0.1	-	-0.5	0.7	0.3	0.9	1.1				-	
Q4	-	-0.1	-0.1	-0.1	0.4	-	0.3	-0.8	-1.1				0.2	
2003 Q1	-0.2	0.2	-	-0.3	0.5	-0.2	0.5	0.7	-0.4				-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	-0.1				0.6	
<b>Percentage change on previous month</b>														
								ILKC	ILKM					
2003 Feb								-0.2	-					
Mar								-	-1.3					
Apr								-0.2	1.1					
May								-0.9	-1.2					
Jun								-0.6	2.5					
Jul								2.3	-2.0					
Aug								-2.3	-0.5					
Sep								-0.3	0.8					
Oct								2.9	0.6					
Nov								0.7	-1.9					
Dec								-0.1	0.6					
2004 Jan								0.4	-0.6					
Feb								-0.5	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 <sup>1</sup>	Earnings	Empl <sup>2</sup>	Unempl
<b>Percentage change on a year earlier</b>														
	ILFZ	HUBK	HUBL	HUBM	HUBN	HUBO	HUBP	ILGT	ILHN	HXAA	ILAG	ILAP	ILIH	GABC
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	1.5	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	1.1	1.0	1.1	-0.4	-0.2	0.5	0.9	-1.3	-	1.9	-0.2	3.6	0.5	8.8
2003	0.5	0.9	0.6	-	-0.2	-0.7	0.1	-0.3	-	2.1	0.3	2.8	-0.3	9.4
2000 Q4	3.9	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	3.3	1.4	0.6	1.0	-0.1	2.7	2.3	3.4	1.2	1.2	2.4	4.3	2.3	8.6
Q2	2.2	1.5	0.5	0.5	-	0.7	0.9	1.6	-0.4	2.0	1.7	4.2	1.9	8.5
Q3	2.5	1.7	0.9	0.4	-1.0	0.2	-0.2	1.2	-0.7	1.8	0.7	4.2	1.4	8.5
Q4	0.5	1.5	0.7	-0.3	-1.3	-1.4	-1.2	-1.7	-0.8	1.4	-	4.1	1.2	8.5
2002 Q1	0.8	1.0	1.0	-0.4	-0.1	-0.7	0.1	-2.2	-1.6	2.2	-0.7	3.9	0.7	8.6
Q2	1.4	1.1	1.2	-0.3	-0.6	0.9	0.9	-0.8	-0.6	1.7	-0.5	3.9	0.5	8.7
Q3	0.9	0.9	0.9	-0.5	0.1	0.7	1.3	-1.3	0.9	1.8	0.1	3.5	0.5	8.9
Q4	1.4	1.0	1.1	-0.3	-0.1	1.0	1.3	-0.7	1.0	2.1	0.2	3.4	0.3	9.0
2003 Q1	0.7	1.2	0.7	-0.2	-0.5	-0.1	0.4	-0.4	-0.8	2.4	0.6	2.9	-0.1	9.2
Q2	-0.2	0.8	0.5	-0.1	-0.2	-1.3	-0.2	-1.9	-	1.9	0.6	2.6	-0.2	9.3
Q3	0.3	0.9	0.5	-	-0.4	-1.1	-0.4	-0.7	-	2.0	-	2.9	-0.4	9.4
Q4	1.2	0.9	0.6	0.3	0.3	-0.5	0.5	1.7	-	2.2	0.1	2.7	-0.5	9.5
2004 Q1	-	-	-	-	-	-	-	-	-	1.8	0.2	-	-	9.4
2003 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	-	-	-	-	-	-	-	0.7	-	2.0	0.1	-	-	9.5
Feb	-	-	-	-	-	-	-	1.0	-	1.7	0.2	-	-	9.4
Mar	-	-	-	-	-	-	-	-	-	1.7	0.2	-	-	9.4
<b>Percentage change on previous quarter</b>														
	ILGJ	HUBQ	HUBR	HUBS	HUBT	HUBU	HUBV	ILHD	ILHX				ILIR	
2000 Q3	0.4	0.2	0.1	0.1	0.4	0.6	1.0	0.7	-				0.6	
Q4	1.4	0.3	0.2	0.5	0.3	0.9	0.8	1.0	-0.4				0.5	
2001 Q1	0.5	0.7	0.1	0.1	-0.8	-0.1	-0.5	0.7	2.3				0.5	
Q2	-0.1	0.2	0.1	-0.1	0.1	-0.7	-0.3	-0.9	-2.2				0.2	
Q3	0.6	0.5	0.5	0.1	-0.6	0.1	-0.2	0.3	-0.3				0.2	
Q4	-0.6	0.1	-	-0.3	-0.1	-0.7	-0.2	-1.9	-0.5				0.3	
2002 Q1	0.8	0.2	0.4	-0.1	0.5	0.6	0.8	0.2	1.4				0.1	
Q2	0.5	0.3	0.3	-0.1	-0.4	0.9	0.5	0.6	-1.2				-	
Q3	0.2	0.3	0.2	-0.1	0.1	-0.1	0.3	-0.2	1.2				0.1	
Q4	-0.2	0.2	0.2	-0.1	-0.3	-0.4	-0.3	-1.3	-0.4				0.1	
2003 Q1	0.2	0.4	-	-	0.1	-0.5	-0.1	0.5	-0.4				-0.3	
Q2	-0.4	-0.1	0.1	0.1	-0.1	-0.4	-0.1	-1.0	-				-0.1	
Q3	0.7	0.3	0.2	-	-0.1	0.2	-	1.1	-				-0.1	
Q4	0.7	0.2	0.3	0.2	0.5	0.2	0.6	1.1	-				-	
<b>Percentage change on previous month</b>														
								ILKD	ILKN					
2003 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								-0.7	-					
Feb								0.9	-					

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

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

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

Source: OECD - SNA93

# 3 Italy

## Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
<b>Percentage change on a year earlier</b>														
	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	3.8	-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	-4.9	-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	0.4	3.1	0.7	..
2003 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	..	..	..	..	..	..	..	—	-1.9	2.5	1.2	2.7	..	8.5
Dec	..	..	..	..	..	..	..	0.4	-1.0	2.5	0.7	2.7	..	8.5
2004 Jan	..	..	..	..	..	..	..	0.1	—	2.2	0.4	2.5	..	8.5
Feb	..	..	..	..	..	..	..	—	-5.8	2.3	0.1	3.4	..	..
Mar	..	..	..	..	..	..	..	..	..	2.3	0.5	3.5	..	..
Apr	..	..	..	..	..	..	..	..	..	2.3	..	..	..	..
<b>Percentage change on previous quarter</b>														
	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	1.5	-0.9				0.6	
2001 Q1	0.7	0.2	0.3	0.5	-0.7	1.1	0.7	-0.4	-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	
<b>Percentage change on previous month</b>														
								ILKE	ILKO					
2003 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								0.3	—					
Dec								-0.1	1.0					
2004 Jan								-0.4	1.0					
Feb								—	-4.9					

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Sales = Retail Sales volume  
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PPI = Producer Prices (manufacturing)  
Earnings = Average Wage Earnings (manufacturing), definitions of coverage and treatment vary among countries  
Empl = Total Employment not seasonally adjusted  
Unempl = Standardised Unemployment not seasonally adjusted

Source: OECD - SNA93

# 4

## USA

	Contribution to change in GDP													
	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl <sup>1</sup>	Unempl
<b>Percentage change on a year earlier</b>														
	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	0.3	..	2.3	2.5	3.1	0.9	6.0
2000 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	2.2	2.4	1.3	5.9
2004 Q1	4.9	3.1	0.4	1.5	0.1	0.8	1.0	2.9	..	1.7	1.5	2.4	0.6	5.6
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	1.8	2.4	0.8	6.0
Nov	..	..	..	..	..	..	..	1.5	..	1.8	2.2	2.4	1.5	5.9
Dec	..	..	..	..	..	..	..	2.3	..	1.9	2.7	2.4	1.4	5.7
2004 Jan	..	..	..	..	..	..	..	2.4	..	1.9	2.4	2.4	0.7	5.6
Feb	..	..	..	..	..	..	..	2.9	..	1.7	1.2	2.4	0.7	5.6
Mar	..	..	..	..	..	..	..	3.4	..	1.7	1.1	2.4	0.6	5.7
<b>Percentage change on previous quarter</b>														
	ILGM	HUDM	HUDN	HUDO	HUDP	HUDQ	HUDR	ILHG	ILIA				ILIU	
2000 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	1.4	..				0.4	
2004 Q1	1.0	0.7	0.1	0.2	0.1	0.1	0.1	1.6	..				-1.0	
<b>Percentage change on previous month</b>														
								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								0.2	..				-0.1	
2004 Jan								0.6	..				-1.2	
Feb								0.9	..				0.4	
Mar								-0.2	..				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

# 5 Japan

Contribution to change in GDP														
	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP <sup>1</sup>	Sales	CPI	PPI	Earnings <sup>2</sup>	Empl	Unempl
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	4.9	-1.5	-0.7	0.1	1.7	-0.3	4.7
2001	0.4	0.9	0.5	-0.4	-	-0.7	-	-6.0	-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	-1.2	-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	3.1	-1.7	-0.2	-0.9	2.2	-0.2	5.3
2000 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	1.4	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	-4.3	-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	-8.9	-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	-12.1	-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	-9.0	-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	-	-3.3	-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	2.7	-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	5.8	-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	5.5	-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	1.9	-2.7	-0.3	-1.2	2.6	0.1	5.4
Q3	2.0	0.1	0.1	0.7	0.2	1.1	0.3	0.9	-1.9	-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	-0.8	-0.3	-0.8	2.4	-0.1	5.1
2004 Q1	..	..	..	..	..	..	..	..	-1.2	-0.1	-0.4	1.7	0.3	4.9
2003 Mar	..	..	..	..	..	..	..	4.4	-1.1	-0.1	-0.6	2.5	-0.5	5.4
Apr	..	..	..	..	..	..	..	3.6	-3.5	-0.1	-1.0	1.5	-0.4	5.4
May	..	..	..	..	..	..	..	0.7	-2.3	-0.2	-1.2	2.2	0.1	5.4
Jun	..	..	..	..	..	..	..	1.3	-2.3	-0.4	-1.2	3.9	0.6	5.3
Jul	..	..	..	..	..	..	..	0.6	-1.2	-0.2	-0.9	4.7	0.1	5.3
Aug	..	..	..	..	..	..	..	-0.5	-2.3	-0.3	-0.7	1.8	-0.2	5.1
Sep	..	..	..	..	..	..	..	2.5	-2.3	-0.2	-0.7	0.8	-0.1	5.1
Oct	..	..	..	..	..	..	..	3.4	-	-	-0.9	1.8	-0.3	5.2
Nov	..	..	..	..	..	..	..	4.8	-3.5	-0.5	-0.9	1.1	-0.4	5.2
Dec	..	..	..	..	..	..	..	4.4	1.2	-0.4	-0.7	4.2	0.3	4.9
2004 Jan	..	..	..	..	..	..	..	6.1	1.2	-0.3	-0.7	1.6	0.3	5.0
Feb	..	..	..	..	..	..	..	3.3	-2.3	-	-0.5	2.0	0.3	5.0
Mar	..	..	..	..	..	..	..	..	-2.3	-0.1	-0.2	1.7	0.2	4.7
Percentage change on previous quarter														
	ILGN	HUDA	HUDB	HUDC	HUDD	HUDE	HUDDF	ILHH	ILIB				ILIV	
2000 Q4	1.2	0.3	0.1	0.9	0.2	-	0.3	1.1	-0.7				-	
2001 Q1	0.4	0.6	0.1	-0.3	0.4	-0.3	-0.1	-2.9	2.6				-1.8	
Q2	-1.1	0.1	0.1	-0.7	-0.4	-0.4	-0.2	-3.2	-3.3				1.4	
Q3	-0.9	-	-	-0.2	-0.6	-0.3	-0.2	-4.2	-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	1.8	-0.8				0.2	
Q4	-0.1	-0.6	-	0.2	-	0.4	0.1	0.5	-0.8				-0.6	
2003 Q1	0.5	0.2	0.1	0.2	-	0.2	0.1	0.3	1.6				-1.7	
Q2	0.9	0.2	-	0.5	-0.1	0.2	-0.1	-0.7	-2.7				2.3	
Q3	0.6	0.3	0.1	-0.2	0.2	0.4	0.2	0.8	-				-	
Q4	1.6	0.5	0.1	1.0	-0.3	0.6	0.2	3.7	0.4				-0.6	
2004 Q1	..	..	..	..	..	..	..	..	1.2				-1.3	
Percentage change on previous month														
								ILKH	ILKR				ILLB	
2003 Mar								0.2	-1.1				1.1	
Apr								-0.9	-3.5				0.7	
May								1.1	1.2				0.8	
Jun								-0.6	-				0.8	
Jul								-	-1.2				-0.5	
Aug								-0.6	1.2				-0.3	
Sep								3.7	-				-0.2	
Oct								0.9	1.2				-0.2	
Nov								1.2	-2.4				-0.2	
Dec								-0.5	1.2				-0.2	
2004 Jan								3.0	2.4				-1.3	
Feb								-4.0	-1.2				-0.2	
Mar								..	-1.2				1.0	

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

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

1 Not adjusted for unequal number of working days in a month

Source: OECD - SNA93

# Corporate services price index (experimental)

## Quarter 1 2004

### What is the CSPI?

The experimental Corporate Services Price Index (CSPI) measures movements in prices charged for services supplied by businesses to other businesses, local and national government. The data produced are used internally by ONS as a deflator for the Index of Services and the quarterly measurement of Gross Domestic Product (GDP). It is also used by the Treasury and Bank of England to help monitor inflation in the economy.

### Results for Quarter 1, 2004

Prices of business-to-business services rose by 2.4 per cent in the year to the first quarter 2004, compared to 2.8 per cent in the year to the previous quarter. This is based on a comparison of the change in the top-level CSPI on a *net* sector basis.

Figure 1 shows how the percentage change for the top-level CSPI (net sector) compares with the Retail Price Index (RPI) and the Producer Price Index (PPI) for all manufactured goods (net sector).

The top-level results, on both the gross and net sector bases, are shown in Table 1. In Q1 2004, the top-level CSPI (net sector) rose by 0.3 per cent compared to the previous quarter.

Figure 2 depicts the CSPI annual growths for both the net and gross sector time series. The net CSPI growth has shown a decline from a value of 2.8 per cent in Q4 2003 to a value of 2.4 per cent in Q1 2004. The annual growth for the CSPI gross series shows a similar decline from a value of 2.4 per cent in Q4 2003 to a value of 2.3 per cent in Q1 2004. The difference in annual growth between the gross sector and net sector CSPI is just 0.1 per cent this quarter.



Figure 1

### Experimental top-level CSPI compared with the Retail Price Index (RPI) for services and the Producer Price Index (PPI)

Percentage change on the same quarter a year ago.

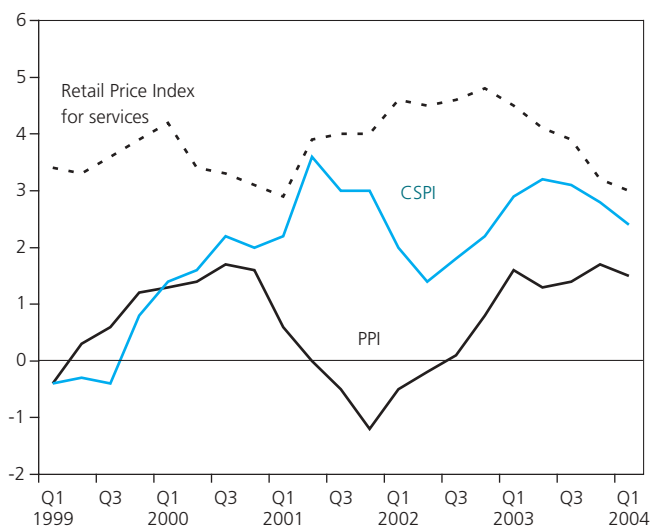


Figure 2

### Experimental top-level CSPI (gross and net sector)

Percentage change on the same quarter a year ago.

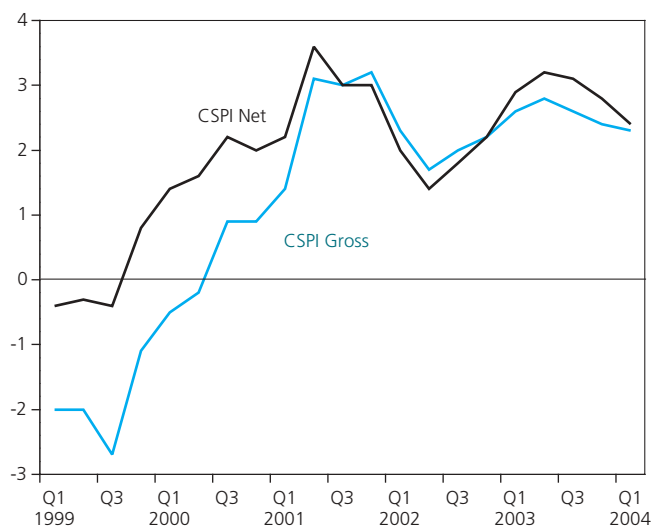


Table 1

### CSPI Results

CSPI Quarterly Index Values 2000=100			Percentage change on same quarter in previous year (per cent)	
		Gross sector	Net sector	
1999	Q1	100.4	98.1	-2.0
	Q2	99.8	98.0	-2.0
	Q3	99.3	98.1	-2.7
	Q4	99.4	98.7	-1.1
2000	Q1	99.8	99.5	-0.5
	Q2	99.6	99.5	-0.2
	Q3	100.2	100.3	0.9
	Q4	100.3	100.7	0.9
2001	Q1	101.3	101.6	1.4
	Q2	102.7	103.1	3.1
	Q3	103.2	103.3	3.0
	Q4	103.5	103.7	3.2
2002	Q1	103.6	103.7	2.3
	Q2	104.5	104.6	1.7
	Q3	105.3	105.2	2.0
	Q4	105.8	106.0	2.2
2003	Q1	106.3	106.8	2.6
	Q2	107.4	107.9	2.8
	Q3	108.0	108.5	2.6
	Q4	108.4	109.0	2.4
2004	Q1	108.8	109.3	2.3

## Industry-specific indices

The tables attached at the end of this article contain the data for the thirty-two industries for which indices of corporate services prices are currently available. The weights for each industry index are shown at both gross and net sector levels. Some key points to note are:

- *business rail fares* rose by 4.2 per cent this quarter due to an annual price change introduced at the beginning of 2004
- *real estate* rose by 2.4 per cent this quarter (an annual increase of 5.9 per cent)
- *car contract hire* rose by 2.0 per cent this quarter, but recorded an annual decrease of –3.8 per cent over the year
- *construction plant hire* fell by 2.0 per cent over the previous quarter, reportedly due to increased competition in the industry
- *translation services* rose by 5.2 per cent (an annual increase of 5.6 per cent)
- *washing and dry cleaning* rose by 2.3 per cent over the previous quarter and 2.6 per cent over the year.

## Background notes

1. The experimental Corporate Services Price Index (CSPI) has been recently rebased to the year 2000 and released on 20 February 2004. Many aspects of the methods and sources used to compile the CSPI have been reviewed and updated in the rebasing. For more information on the methodology and associated impact of the rebasing see [http://www.statistics.gov.uk/downloads/experimental/CSPI\\_Rebasing\\_Methodology\\_and\\_Impact.pdf](http://www.statistics.gov.uk/downloads/experimental/CSPI_Rebasing_Methodology_and_Impact.pdf)
2. The February 2004 release of the rebased CSPI also introduced a redeveloped business telecommunications index and new banking (loans and interest bearing deposits) index. The introduction of the new index has increased the number of published, industry-level CSPIs to thirty-two, providing coverage of an estimated 55 per cent of net corporate service activity in the UK. ONS has also expanded substantially the survey of businesses on which the CSPI is based. We now survey 1,500 businesses, seeking price quotes for 5,000 service-products. For further information on the redeveloped business telecommunications CSPI see [http://www.statistics.gov.uk/downloads/experimental/Redeveloped\\_Business\\_Telecommunications.pdf](http://www.statistics.gov.uk/downloads/experimental/Redeveloped_Business_Telecommunications.pdf). For further information on the new banking CSPI see [http://www.statistics.gov.uk/downloads/experimental/New\\_Banking\\_CSPI.pdf](http://www.statistics.gov.uk/downloads/experimental/New_Banking_CSPI.pdf).
3. The CSPI is shown in this article as both net and gross sector time series, aligning with the PPI release format. The net series is scoped to monitor the corporate-service activity provided to other businesses and government organisations, outside the corporate services sector. The gross series is scoped to monitor the provision of corporate services to all businesses and government organisations.

4. Indices relate to average prices for a quarter. The full effect of a price change, occurring partway through any quarter, will only be reflected in the following quarter's index. All index numbers exclude VAT.

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

## Next results

The next set of CSPI results will be issued on **13 August 2004** via the National Statistics website <http://www.statistics.gov.uk/cspi>

## Further information

- Articles on the methodology and impact of rebasing the CSPI, the redevelopment of an index for business telecommunications and the introduction of an index for banking services (together with more general information on the CSPI) are available at <http://www.statistics.gov.uk/cspi>
- Inquiry Contact  
Keith Hermiston  
Office for National Statistics  
Tel: 01633 813493  
E-mail: [cspi@ons.gov.uk](mailto:cspi@ons.gov.uk)

## Note to the main table

There are external sources for the indices denoted by an asterisk, as follows:

Index	Source
Banking Services	Bank of England
Property rental payments	Investment Property Databank (IPD)
Car contract hire and Maintenance and repair of motor vehicles	Yewtree.com Ltd
Construction plant hire	Construction Plant-hire Association (CPA) up to Quarter 2 of 2002
Business telecommunications	Ofcom (Office of Communications)
Sewerage services	Ofwat (Office of Water Services)
National post parcels	Parcelforce
Business rail fares	Strategic Rail Authority (SRA)

TABLE 2  
Corporate Services Price Indices (Experimental) (2000=100)

		Maintenance and repair of motor vehicles*	Hotels	Canteens and catering	Business rail fares*	Rail Freight	Bus and coach hire	Freight transport by road	
								Total	International component
SIC(2003)		50.2	55.1	55.50	60.10/1	60.10/2	60.23/1	60.24/9	
2000 weights (per cent)									
Gross sector		2.93	3.69	3.03	0.32	0.62	0.12	12.72	
Net sector		2.08	4.08	3.36	0.16	1.03	0.20	21.15	
Annual									
	1999	97.8	97.7	99.9	95.7	101.0	93.9	95.6	97.5
	2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	2001	102.9	104.3	104.2	103.1	100.5	106.8	102.9	100.3
	2002	106.1	104.3	105.4	106.1	102.1	114.7	103.9	99.3
	2003	110.2	109.5	106.6	109.8	103.5	120.8	106.1	99.3
Percentage change, latest year on previous year									
	1999	2.2	-2.2	0.2	4.9	1.4	6.5	1.8	0.9
	2000	2.3	2.3	0.1	4.5	-1.0	6.5	4.6	2.6
	2001	2.9	4.3	4.2	3.1	0.5	6.8	2.9	0.3
	2002	3.1	0.0	1.1	2.9	1.6	7.4	1.0	-1.0
	2003	3.9	5.0	1.1	3.5	1.4	5.3	2.1	0.1
Quarterly results (not seasonally adjusted)									
	1999 Q1	96.7	100.0	99.9	95.7	100.5	92.3	93.9	97.7
	Q2	97.6	96.8	100.4	95.7	101.2	93.1	95.2	97.4
	Q3	98.0	96.8	99.8	95.7	101.2	93.8	95.8	97.4
	Q4	98.7	97.1	99.4	95.7	101.2	96.5	97.6	97.4
	2000 Q1	99.1	98.8	99.1	100.0	101.8	98.1	98.9	99.5
	Q2	99.6	100.1	100.1	100.0	99.4	99.9	99.3	99.5
	Q3	100.2	100.7	100.1	100.0	99.4	100.6	100.2	100.0
	Q4	101.2	100.5	100.7	100.0	99.4	101.4	101.6	101.0
	2001 Q1	102.0	102.9	103.2	103.1	100.3	103.4	102.5	100.9
	Q2	102.8	104.7	104.4	103.1	101.1	105.1	103.0	100.2
	Q3	103.5	104.5	104.5	103.1	100.5	108.1	103.1	99.8
	Q4	103.3	104.9	104.6	103.1	100.1	110.8	103.0	100.1
	2002 Q1	104.9	103.7	104.7	106.1	101.3	111.7	102.9	99.6
	Q2	105.5	103.4	105.3	106.1	102.1	113.3	103.6	99.4
	Q3	106.6	104.0	105.7	106.1	102.4	116.4	104.3	99.7
	Q4	107.4	106.0	105.7	106.1	102.5	117.4	104.9	98.3
	2003 Q1	108.9	107.2	106.1	109.8	102.7	119.2	105.6	99.3
	Q2	109.8	107.2	106.4	109.8	103.4	120.8	106.1	99.3
	Q3	110.4	109.1	106.7	109.8	103.6	121.6	106.3	99.5
	Q4	111.7	110.2	107.0	109.8	104.2	121.5	106.7	99.2
	2004 Q1	113.3	109.8	107.2	114.4	103.7	122.0	107.1	99.0

TABLE 2 – *continued*

	Maintenance and repair of motor vehicles*	Hotels	Canteens and catering	Business rail fares*	Rail Freight	Bus and coach hire	Freight transport by road	
							Total	International component
SIC(2003)	50.2	55.1	55.50	60.10/1	60.10/2	60.23/1	60.24/9	
Percentage change, latest quarter on previous quarter								
1999 Q1	0.9	-0.8	-0.3	4.9	1.1	2.5	-0.1	0.9
Q2	0.9	-3.2	0.5	0.0	0.7	0.9	1.3	-0.3
Q3	0.4	0.0	-0.6	0.0	0.0	0.8	0.6	0.0
Q4	0.7	0.4	-0.3	0.0	0.1	2.9	1.9	0.0
2000 Q1	0.3	1.7	-0.4	4.5	0.5	1.6	1.3	2.2
Q2	0.5	1.3	1.1	0.0	-2.3	1.9	0.5	0.0
Q3	0.6	0.6	0.0	0.0	0.0	0.7	0.9	0.5
Q4	1.0	-0.2	0.5	0.0	0.0	0.8	1.4	0.9
2001 Q1	0.8	2.4	2.5	3.1	0.9	1.9	0.9	-0.1
Q2	0.8	1.8	1.2	0.0	0.8	1.7	0.5	-0.6
Q3	0.6	-0.2	0.1	0.0	-0.6	2.8	0.1	-0.4
Q4	-0.2	0.3	0.1	0.0	-0.4	2.5	0.0	0.3
2002 Q1	1.5	-1.1	0.0	2.9	1.2	0.9	-0.1	-0.5
Q2	0.6	-0.3	0.6	0.0	0.8	1.4	0.7	-0.2
Q3	1.0	0.6	0.4	0.0	0.2	2.8	0.6	0.3
Q4	0.8	1.9	0.0	0.0	0.1	0.9	0.5	-1.4
2003 Q1	1.5	1.2	0.4	3.5	0.2	1.5	0.7	1.0
Q2	0.8	0.0	0.2	0.0	0.7	1.3	0.5	0.0
Q3	0.6	1.8	0.3	0.0	0.2	0.6	0.2	0.1
Q4	1.2	0.9	0.2	0.0	0.5	0.0	0.4	-0.3
2004 Q1	1.4	-0.4	0.2	4.2	-0.5	0.3	0.4	-0.2
Percentage change, latest quarter on corresponding quarter of previous year								
1999 Q1	1.9	1.0	1.0	4.9	0.7	6.5	-0.3	1.5
Q2	1.9	-2.8	0.7	4.9	1.1	6.0	1.8	0.7
Q3	2.2	-3.2	0.0	4.9	1.8	6.2	2.1	0.6
Q4	3.0	-3.6	-0.7	4.9	1.9	7.2	3.8	0.6
2000 Q1	2.5	-1.3	-0.8	4.5	1.3	6.3	5.2	1.9
Q2	2.0	3.3	-0.2	4.5	-1.7	7.3	4.3	2.2
Q3	2.2	4	0.4	4.5	-1.8	7.2	4.6	2.7
Q4	2.5	3.4	1.2	4.5	-1.8	5.1	4.1	3.7
2001 Q1	2.9	4.2	4.2	3.1	-1.4	5.4	3.7	1.4
Q2	3.2	4.7	4.3	3.1	1.6	5.3	3.7	0.7
Q3	3.3	3.8	4.3	3.1	1.1	7.4	2.8	-0.2
Q4	2.1	4.4	4.0	3.1	0.7	9.2	1.4	-0.9
2002 Q1	2.8	0.7	1.4	2.9	1.0	8.1	0.4	-1.2
Q2	2.6	-1.3	0.9	2.9	1.0	7.7	0.6	-0.8
Q3	3.0	-0.5	1.2	2.9	1.9	7.7	1.2	-0.2
Q4	3.9	1.0	1.0	2.9	2.4	6.0	1.8	-1.8
2003 Q1	3.9	3.3	1.4	3.5	1.3	6.7	2.6	-0.3
Q2	4.0	3.7	1.0	3.5	1.3	6.7	2.3	-0.1
Q3	3.6	5.0	1.0	3.5	1.2	4.4	1.9	-0.2
Q4	4.1	4.0	1.2	3.5	1.6	3.5	1.8	0.9
2004 Q1	4.0	2.4	1.0	4.2	0.9	2.3	1.5	-0.3

TABLE 2 – *continued***Corporate Services Price Indices (Experimental) (2000=100)**

	Commercial vehicle ferries	Sea and coastal water freight	Business air fares	Freight forwarding	National post parcels*	Courier services	Business telecoms services	Banking services*
SIC(2003)	61.10/1	61.10/2	62.10/1	63.4	64.11	64.12	64.2	65.121
2000 weights (per cent)								
Gross sector	0.29	0.73	3.28	7.48	3.48	2.42	11.84	2.90
Net sector	0.37	0.92	1.59	6.20	1.81	1.26	5.39	3.23
Annual								
1999	98.1	97.3	94.7	99.1	96.0	99.8	119.1	90.8
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	98.7	100.7	115.1	100.4	103.0	102.7	92.6	108.2
2002	100.6	95.0	122.8	99.8	107.1	107.1	90.6	116.5
2003	102.8	96.2	127.3	104.1	113.3	109.2	87.9	125.3
Percentage change, latest year on previous year								
1999	11.3	-1.8	2.4	-7.1	2.9	1.4	-17.7	..
2000	1.9	2.8	5.6	0.9	4.1	0.2	-16.0	10.2
2001	-1.3	0.7	15.1	0.4	3.0	2.7	-7.4	8.2
2002	2.0	-5.7	6.7	-0.6	3.9	4.2	-2.2	7.7
2003	2.1	1.2	3.7	4.3	5.9	2.0	-3.0	7.6
Quarterly results (not seasonally adjusted)								
1999 Q1	100.6	99.9	93.8	101.6	94.6	99.4	129.7	90.1
Q2	98.7	98.6	94.8	99.1	96.5	99.9	121.3	89.0
Q3	97.7	95.9	94.8	97.5	96.5	100.2	115.0	92.0
Q4	95.5	94.8	95.4	98.3	96.5	99.5	110.5	92.0
2000 Q1	100.9	96.8	96.2	98.9	96.5	98.6	107.0	94.9
Q2	99.8	98.8	98.0	99.3	101.2	99.2	99.6	99.3
Q3	100.4	101.7	100.0	100.5	101.2	100.0	99.1	103.8
Q4	98.9	102.7	105.8	101.2	101.2	102.2	94.3	102.0
2001 Q1	101.5	103.9	111.9	102.2	101.1	100.4	93.1	101.4
Q2	99.0	101.6	113.1	100.6	103.7	101.5	92.8	109.0
Q3	97.0	99.9	116.8	99.4	103.7	104.2	93.7	106.7
Q4	97.3	97.5	118.5	99.4	103.7	104.8	90.8	115.7
2002 Q1	101.8	96.4	120.7	98.5	103.7	106.0	88.3	113.6
Q2	100.5	94.1	122.2	99.5	108.2	106.6	89.5	117.8
Q3	100.6	94.1	123.3	100.4	108.2	107.7	93.0	113.4
Q4	99.6	95.4	124.8	100.9	108.2	107.9	91.4	121.3
2003 Q1	102.6	98.8	124.9	102.2	108.2	108.6	88.2	122.5
Q2	102.8	97.4	127.1	104.4	115.0	109.4	87.3	125.8
Q3	102.8	94.5	128.1	104.7	115.0	109.3	88.2	125.7
Q4	102.8	94.0	128.2	105.1	115.0	109.4	87.6	128.4
2004 Q1	102.6	95.4	129.1	104.8	115.0	111.1	87.3	126.5

TABLE 2 – continued

	Commercial vehicle ferries	Sea and coastal water freight	Business air fares	Freight forwarding	National post parcels*	Courier services	Business telecoms services	Banking services*
SIC(2003)	61.10/1	61.10/2	62.10/1	63.4	64.11	64.12	64.2	65.121
Percentage change, latest quarter on previous quarter								
1999 Q1	13.7	0.3	0.4	-2.0	0.0	0.3	-1.6	..
Q2	-2.0	-1.3	1.1	-2.4	2.0	0.5	-6.5	-1.2
Q3	-1.0	-2.8	0.0	-1.6	0.0	0.3	-5.2	3.4
Q4	-2.2	-1.1	0.6	0.7	0.0	-0.6	-3.9	-0.1
2000 Q1	5.6	2.1	0.8	0.7	0.0	-0.9	-3.2	3.2
Q2	-1.0	2.1	2.0	0.4	4.8	0.6	-6.9	4.7
Q3	0.6	2.9	2.0	1.2	0.0	0.8	-0.6	4.5
Q4	-1.4	1.0	5.8	0.7	0.0	2.1	-4.8	-1.7
2001 Q1	2.6	1.2	5.8	1.0	0.0	-1.8	-1.3	-0.5
Q2	-2.5	-2.2	1.1	-1.6	2.5	1.1	-0.3	7.4
Q3	-2.0	-1.7	3.3	-1.2	0.0	2.6	1.0	-2.1
Q4	0.3	-2.4	1.4	-0.1	0.0	0.6	-3.2	8.5
2002 Q1	4.6	-1.1	1.9	-0.9	0.0	1.2	-2.7	-1.8
Q2	-1.3	-2.4	1.2	1.0	4.4	0.6	1.3	3.6
Q3	0.1	0.1	0.9	0.9	0.0	0.9	4.0	-3.7
Q4	-1.0	1.3	1.2	0.5	0.0	0.2	-1.8	6.9
2003 Q1	3.0	3.6	0.1	1.3	0.0	0.6	-3.5	1.0
Q2	0.2	-1.4	1.7	2.2	6.3	0.7	-1.0	2.7
Q3	0.0	-3.0	0.8	0.2	0.0	-0.1	1.0	-0.1
Q4	0.0	-0.5	0.1	0.4	0.0	0.1	-0.6	2.2
2004 Q1	-0.2	1.5	0.7	-0.3	0.0	1.6	-0.4	-1.5
Percentage change, latest quarter on corresponding quarter of previous year								
1999 Q1	15.1	1.2	4.0	-6.8	5.6	2.2	-16.7	..
Q2	11.9	2.8	1.9	-8.3	2.0	1.2	-16.8	..
Q3	10.3	-6.0	1.6	-8.2	2.0	1.5	-21.1	..
Q4	8.0	-4.8	2.1	-5.2	2.0	0.5	-16.2	..
2000 Q1	0.2	-3.1	2.5	-2.6	2.0	-0.7	-17.5	5.3
Q2	1.2	0.2	3.4	0.2	4.8	-0.7	-17.8	11.6
Q3	2.8	6.1	5.5	3.0	4.8	-0.2	-13.8	12.7
Q4	3.6	8.3	10.9	3.0	4.8	2.6	-14.7	10.9
2001 Q1	0.6	7.3	16.4	3.4	4.8	1.7	-13.0	6.9
Q2	-0.9	2.8	15.4	1.3	2.5	2.3	-6.9	9.7
Q3	-3.4	-1.8	16.8	-1.1	2.5	4.1	-5.4	2.8
Q4	-1.6	-5.1	12.0	-1.8	2.5	2.6	-3.8	13.5
2002 Q1	0.3	-7.2	7.8	-3.6	2.5	5.7	-5.1	12.0
Q2	1.5	-7.5	8.0	-1.1	4.4	5.1	-3.6	8.1
Q3	3.7	-5.8	5.6	0.9	4.4	3.3	-0.7	6.3
Q4	2.4	-2.1	5.3	1.5	4.4	3.0	0.7	4.8
2003 Q1	0.8	2.5	3.5	3.7	4.4	2.4	-0.1	7.8
Q2	2.3	3.6	4.0	4.9	6.3	2.6	-2.4	6.8
Q3	2.2	0.3	3.9	4.3	6.3	1.5	-5.2	10.8
Q4	3.2	-1.5	2.8	4.2	6.3	1.4	-4.1	5.9
2004 Q1	0.0	-3.4	3.4	2.5	6.3	2.3	-1.0	3.2



TABLE 2 – *continued*

## Corporate Services Price Indices (Experimental) (2000=100)

	Property rentals*	Real estate agency activities	Car contract hire*	Construction plant hire*	Market research	Technical testing	Employment agencies
SIC(2003)	70.2	70.3	71.1	71.32	74.13	74.3	74.5
2000 weights (per cent)							
Gross sector	7.88	3.71	2.54	2.38	1.15	0.77	14.39
Net sector	12.33	1.56	3.56	5.69	0.98	0.97	6.59
Annual							
1999	94.6	93.9	97.1	95.1	97.7	98.7	97.8
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	106.5	101.9	94.9	104.2	102.6	103.8	107.1
2002	111.0	102.6	94.6	102.0	107.0	107.2	112.0
2003	115.6	105.8	89.8	108.2	109.8	111.0	114.8
Percentage change, latest year on previous year							
1999	5.4	4.9	1.7	4.1	..	0.4	4.0
2000	5.7	6.5	3.0	5.1	2.4	1.3	2.3
2001	6.5	1.9	-5.1	4.2	2.6	3.8	7.1
2002	4.3	0.7	-0.3	-2.1	4.3	3.3	4.6
2003	4.1	3.1	-5.1	6.1	2.6	3.6	2.5
Quarterly results (not seasonally adjusted)							
1999 Q1	92.5	90.9	95.6	96.4	97.2	98.7	96.8
Q2	93.7	93.6	95.9	93.9	97.3	98.6	97.9
Q3	95.4	95.1	97.4	94.3	97.9	98.7	97.9
Q4	96.8	96.0	99.2	96.0	98.3	99.0	98.4
2000 Q1	98.0	98.5	100.1	96.6	99.7	99.3	99.3
Q2	99.3	99.7	100.5	100.8	100.0	99.6	99.9
Q3	100.6	100.6	100.0	101.7	100.5	100.0	100.1
Q4	102.2	101.3	99.4	100.9	99.8	101.1	100.7
2001 Q1	104.1	101.9	97.3	101.8	102.3	101.7	102.7
Q2	105.7	101.9	94.5	108.0	102.6	104.2	106.8
Q3	107.2	101.9	94.1	105.0	102.7	104.3	108.7
Q4	108.8	101.8	93.7	101.9	103.0	104.9	110.0
2002 Q1	109.6	101.5	94.1	100.3	106.4	106.0	111.6
Q2	110.7	102.0	94.3	101.4	106.5	106.3	111.9
Q3	111.3	103.0	94.5	102.9	106.9	107.6	112.4
Q4	112.5	103.8	95.5	103.3	108.3	108.9	112.2
2003 Q1	113.4	103.9	94.4	106.5	109.1	109.9	113.4
Q2	115.5	104.9	87.5	108.4	109.3	110.5	115.0
Q3	116.3	106.7	88.1	108.8	110.3	111.7	115.4
Q4	118.3	107.5	89.0	109.1	110.6	111.9	115.2
2004 Q1	118.3	110.1	90.9	106.9	111.3	111.9	115.4

TABLE 2 – *continued*

	Property rentals*	Real estate agency activities	Car contract hire*	Construction plant hire*	Market research	Technical testing	Employment agencies
SIC(2003)	70.2	70.3	71.1	71.32	74.13	74.3	74.5
Percentage change, latest quarter on previous quarter							
1999 Q1	1.5	0.3	0.5	6.3	3.0	0.3	1.4
Q2	1.3	3.0	0.3	-2.6	0.1	-0.1	1.1
Q3	1.8	1.6	1.6	0.5	0.6	0.1	0.1
Q4	1.5	0.9	1.9	1.8	0.4	0.3	0.5
2000 Q1	1.2	2.6	0.9	0.7	1.4	0.4	0.9
Q2	1.3	1.2	0.4	4.3	0.3	0.2	0.6
Q3	1.3	0.9	-0.5	0.8	0.5	0.5	0.2
Q4	1.6	0.7	-0.6	-0.7	-0.7	1.1	0.6
2001 Q1	1.9	0.6	-2.1	0.9	2.5	0.6	2.0
Q2	1.5	0.0	-2.9	6.1	0.3	2.5	4.0
Q3	1.4	0.0	-0.4	-2.7	0.0	0.1	1.8
Q4	1.5	-0.1	-0.5	-3.0	0.4	0.6	1.2
2002 Q1	0.8	-0.3	0.5	-1.5	3.2	1.0	1.4
Q2	1.0	0.5	0.2	1.0	0.1	0.3	0.3
Q3	0.5	0.9	0.2	1.5	0.4	1.2	0.4
Q4	1.1	0.8	1.1	0.4	1.2	1.3	-0.2
2003 Q1	0.8	0.1	-1.1	3.1	0.8	0.9	1.1
Q2	1.8	1.0	-7.3	1.9	0.2	0.6	1.5
Q3	0.7	1.7	0.6	0.3	0.9	1.1	0.3
Q4	0.7	0.8	1.1	0.3	0.2	0.2	-0.2
2004 Q1	1.0	2.4	2.0	-0.2	0.6	0.0	0.1
Percentage change, latest quarter on corresponding quarter of previous year							
1999 Q1	4.7	3.5	0.2	4.0	..	0.4	5.2
Q2	5.1	4.8	-0.3	2.8	..	0.3	4.6
Q3	5.8	5.2	2.7	4.0	4.4	0.3	3.4
Q4	6.2	5.9	4.2	5.9	4.2	0.6	3.0
2000 Q1	5.9	8.3	4.7	0.3	2.6	0.7	2.5
Q2	5.9	6.5	4.8	7.4	2.8	1.0	2.1
Q3	5.4	5.7	2.6	7.8	2.7	1.3	2.2
Q4	5.5	5.6	0.2	5.1	1.5	2.1	2.4
2001 Q1	6.3	3.5	-2.8	5.4	2.6	2.4	3.5
Q2	6.5	2.3	-6.0	7.1	2.6	4.7	7.0
Q3	6.6	1.4	-5.8	3.3	2.1	4.3	8.6
Q4	6.5	0.5	-5.8	1.0	3.3	3.8	9.3
2002 Q1	5.3	-0.4	-3.2	-1.4	4.0	4.2	8.6
Q2	4.7	0.1	-0.2	-6.1	3.8	2.0	4.8
Q3	3.8	1.0	0.3	-2.0	4.2	3.1	3.4
Q4	3.4	2.0	1.9	1.4	5.1	3.8	1.9
2003 Q1	3.5	2.4	0.3	6.1	2.6	3.7	1.7
Q2	4.3	2.8	-7.2	7.0	2.6	4.0	2.8
Q3	4.6	3.6	-6.8	5.7	3.2	3.8	2.7
Q4	4.1	3.6	-6.7	5.6	2.2	2.8	2.7
2004 Q1	4.3	5.9	-3.8	0.4	2.0	1.8	1.7

TABLE 2 – *continued***Corporate Services Price Indices (Experimental) (2000=100)**

	Security services	Industrial cleaning	Commercial film processing	Contract packaging hire	Direct marketing & secretarial services	Translation & interpretation services
SIC(2003)	74.60/2	74.7	74.81/9	74.82	74.83(pt)	74.83(pt)
2000 weights (per cent)						
Gross sector	1.97	2.35	0.16	0.59	0.33	0.05
Net sector	2.48	2.36	0.20	1.33	0.34	0.05
Annual						
1999	97.9	99.3	99.8	98.8	98.7	100.2
2000	100.0	100.0	100.0	100.0	100.0	100.0
2001	104.4	101.1	99.9	101.8	101.2	99.6
2002	108.2	104.0	99.9	103.1	99.7	101.5
2003	113.7	106.1	103.7	109.3	100.4	102.6
Percentage change, latest year on previous year						
1999	1.7	1.0	0.2	..	0.3	0.8
2000	2.1	0.7	0.2	1.2	1.3	-0.2
2001	4.4	1.1	-0.1	1.8	1.2	-0.4
2002	3.6	2.9	0.0	1.3	-1.5	1.9
2003	5.1	2.0	3.7	6.0	0.7	1.1
Quarterly results (not seasonally adjusted)						
1999 Q1	97.3	98.8	99.8	98.9	97.8	100.2
Q2	97.7	99.1	99.9	98.8	99.4	100.2
Q3	98.1	99.5	99.9	98.8	98.9	100.2
Q4	98.6	99.7	99.9	98.8	98.8	100.2
2000 Q1	99.0	99.9	99.9	99.6	99.9	100.2
Q2	99.7	100.0	100.0	99.4	99.9	100.2
Q3	100.4	100.0	100.0	100.7	100.3	99.9
Q4	100.9	100.1	100.0	100.3	99.9	99.6
2001 Q1	102.1	99.9	100.0	101.1	100.6	99.7
Q2	103.8	100.6	100.1	101.3	101.5	99.7
Q3	105.4	100.9	99.8	102.3	101.3	99.4
Q4	106.3	103.1	99.8	102.4	101.5	99.5
2002 Q1	107.4	103.5	99.9	102.5	100.9	101.4
Q2	107.7	103.9	99.9	102.4	99.3	101.5
Q3	108.3	104.0	99.9	103.2	99.3	101.4
Q4	109.3	104.8	99.9	104.2	99.3	101.6
2003 Q1	111.8	105.6	100.1	105.0	99.7	102.3
Q2	113.0	105.8	99.5	109.7	99.6	102.7
Q3	114.2	107.8	105.4	110.9	100.9	102.7
Q4	116.2	108.3	108.8	111.6	101.5	102.7
2004 Q1	117.7	107.9	109.3	111.8	101.5	108.0

TABLE 2 – *continued*

	Security services	Industrial cleaning	Commercial film processing	Contract packaging hire	Direct marketing & secretarial services	Translation & interpretation services
SIC(2003)	74.60/2	74.7	74.81/9	74.82	74.83(pt)	74.83(pt)
Percentage change, latest quarter on previous quarter						
1999 Q1	0.1	0.3	0.1	..	0.3	0.5
Q2	0.4	0.3	0.1	-0.1	1.7	0.1
Q3	0.4	0.4	0.0	0.0	-0.5	0.0
Q4	0.5	0.2	0.0	0.0	-0.1	0.0
2000 Q1	0.4	0.2	0.1	0.8	1.1	0.0
Q2	0.7	0.2	0.1	-0.2	0.0	0.0
Q3	0.7	0.0	0.0	1.3	0.5	-0.4
Q4	0.5	0.1	0.0	-0.4	-0.4	-0.2
2001 Q1	1.2	-0.2	0.0	0.8	0.7	0.0
Q2	1.7	0.7	0.0	0.2	0.9	0.0
Q3	1.5	0.3	-0.3	1.0	-0.2	-0.3
Q4	0.9	2.2	0.0	0.1	0.2	0.2
2002 Q1	1.0	0.4	0.2	0.1	-0.6	1.8
Q2	0.3	0.4	0.0	0.0	-1.6	0.1
Q3	0.5	0.1	0.0	0.8	-0.1	0.0
Q4	0.9	0.8	0.0	0.9	0.0	0.2
2003 Q1	2.3	0.8	0.1	0.8	0.4	0.6
Q2	1.0	0.2	-0.6	4.5	-0.1	0.5
Q3	1.1	1.8	6.0	1.0	1.3	0.0
Q4	1.8	0.5	3.2	0.6	0.6	0.0
2004 Q1	1.2	-0.3	0.5	0.2	0.0	5.2
Percentage change, latest quarter on corresponding quarter of previous year						
1999 Q1	2.3	1.1	0.2	..	-0.6	0.9
Q2	2.0	1.0	0.2	..	0.1	0.9
Q3	1.3	1.0	0.1	..	0.3	0.8
Q4	1.4	1.1	0.1	..	1.4	0.6
2000 Q1	1.7	1.0	0.1	0.7	2.2	0.1
Q2	2.1	0.9	0.1	0.6	0.4	0.0
Q3	2.3	0.5	0.2	1.9	1.5	-0.3
Q4	2.3	0.4	0.2	1.5	1.1	-0.6
2001 Q1	3.1	0.0	0.1	1.5	0.7	-0.6
Q2	4.2	0.5	0.1	1.9	1.7	-0.6
Q3	5.0	0.8	-0.3	1.6	1.0	-0.5
Q4	5.3	3.0	-0.3	2.1	1.6	-0.1
2002 Q1	5.2	3.6	-0.1	1.4	0.3	1.7
Q2	3.8	3.3	-0.1	1.1	-2.1	1.8
Q3	2.8	3.1	0.2	0.9	-2.0	2.1
Q4	2.9	1.7	0.2	1.7	-2.2	2.1
2003 Q1	4.1	2.1	0.1	2.5	-1.2	0.9
Q2	4.8	1.9	-0.5	7.1	0.3	1.3
Q3	5.4	3.7	5.4	7.4	1.7	1.3
Q4	6.3	3.3	8.8	7.1	2.3	1.1
2004 Q1	5.2	2.2	9.2	6.4	1.8	5.6

TABLE 2 – continued

## Corporate Services Price Indices (Experimental) (2000=100)

	Adult education	Sewerage services*	Waste disposal	Commercial washing & dry cleaning	TOP –LEVEL CSPI	
					Gross sector	Net sector
SIC(2003)	80.42	90.00/1	90.00/2	93.01		
2000 weights (per cent)						
Gross sector	1.53	2.27	1.43	0.67	100	
Net sector	1.54	3.99	2.52	0.68		100
Annual						
1999	97.7	109.6	95.3	100.3	99.7	98.2
2000	100.0	100.0	100.0	100.0	100.0	100.0
2001	103.9	98.3	105.3	101.2	102.7	102.9
2002	106.8	99.1	111.3	102.0	104.8	104.9
2003	111.1	102.7	118.6	102.4	107.6	108.1
Percentage change, latest year on previous year						
1999	2.0	3.2	2.6	0.9	-2.0	-0.1
2000	2.3	-8.7	4.9	-0.3	0.3	1.8
2001	3.9	-1.7	5.3	1.2	2.7	2.9
2002	2.7	0.8	5.7	0.9	2.1	1.9
2003	4.1	3.7	6.5	0.3	2.6	3.0
Quarterly results (not seasonally adjusted)						
1999 Q1	97.3	107.1	93.1	100.0	100.4	98.1
Q2	97.6	110.4	95.5	101.0	99.8	98.0
Q3	97.8	110.4	96.3	101.1	99.3	98.1
Q4	98.3	110.4	96.3	99.1	99.4	98.7
2000 Q1	99.5	110.4	99.2	99.7	99.8	99.5
Q2	99.5	96.5	100.4	100.2	99.6	99.5
Q3	100.3	96.5	100.2	100.4	100.2	100.3
Q4	100.8	96.5	100.2	99.8	100.3	100.7
2001 Q1	101.4	96.6	101.8	100.3	101.3	101.6
Q2	104.6	98.9	104.7	101.1	102.7	103.1
Q3	104.6	98.9	106.8	101.2	103.2	103.3
Q4	105.1	98.9	107.9	102.0	103.5	103.7
2002 Q1	106.0	98.9	108.0	102.4	103.6	103.7
Q2	106.3	99.1	110.9	102.1	104.5	104.6
Q3	107.3	99.1	111.3	102.5	105.3	105.2
Q4	107.4	99.1	115.0	101.1	105.8	106.0
2003 Q1	108.1	99.1	115.7	102.4	106.3	106.8
Q2	109.1	104.0	119.8	102.2	107.4	107.9
Q3	111.1	104.0	119.4	102.2	108.0	108.5
Q4	114.4	104.0	119.5	102.7	108.4	109.0
2004 Q1	116.4	104.0	119.8	105.0	108.8	109.3

TABLE 2 – *continued*

	Adult education	Sewerage services*	Waste disposal	Commercial washing & dry cleaning	TOP –LEVEL CSPI	
					Gross sector	Net sector
SIC(2003)	80.42	90.00/1	90.00/2	93.01		
Percentage change, latest quarter on previous quarter						
1999 Q1	1.0	0.0	0.2	0.8	-0.1	0.2
Q2	0.3	3.0	2.6	1.0	-0.6	-0.1
Q3	0.2	0.0	0.8	0.1	-0.4	0.1
Q4	0.5	0.0	0.0	-2.1	0.1	0.6
2000 Q1	1.2	0.0	3.0	0.6	0.4	0.8
Q2	0.1	-12.5	1.2	0.5	-0.2	0.1
Q3	0.8	0.0	-0.2	0.2	0.6	0.8
Q4	0.5	0.0	-0.1	-0.6	0.1	0.4
2001 Q1	0.7	0.0	1.6	0.5	0.9	1.0
Q2	3.1	2.4	2.9	0.8	1.4	1.4
Q3	0.0	0.0	2.0	0.1	0.5	0.2
Q4	0.5	0.0	1.0	0.8	0.3	0.4
2002 Q1	0.8	0.0	0.1	0.4	0.1	0.0
Q2	0.3	0.2	2.7	-0.2	0.9	0.8
Q3	0.9	0.0	0.3	0.4	0.8	0.6
Q4	0.1	0.0	3.3	-1.4	0.5	0.8
2003 Q1	0.6	0.0	0.6	1.3	0.4	0.7
Q2	0.9	4.9	3.6	-0.2	1.1	1.1
Q3	1.8	0.0	-0.3	0.0	0.6	0.5
Q4	3.0	0.0	0.1	0.5	0.4	0.5
2004 Q1	1.8	0.0	0.3	2.3	0.3	0.3
Percentage change, latest quarter on corresponding quarter of previous year						
1999 Q1	2.5	3.5	0.5	1.6	-2.0	-0.4
Q2	2.0	3.0	2.6	1.1	-2.0	-0.3
Q3	1.7	3.0	3.8	0.9	-2.7	-0.4
Q4	2.0	3.0	3.6	-0.1	-1.1	0.8
2000 Q1	2.2	3.0	6.5	-0.3	-0.5	1.4
Q2	2.0	-12.5	5.1	-0.8	-0.2	1.6
Q3	2.5	-12.5	4.1	-0.7	0.9	2.2
Q4	2.5	-12.5	4.0	0.7	0.9	2.0
2001 Q1	2.0	-12.5	2.6	0.6	1.4	2.2
Q2	5.1	2.5	4.3	0.9	3.1	3.6
Q3	4.3	2.5	6.6	0.9	3.0	3.0
Q4	4.3	2.5	7.7	2.2	3.2	3.0
2002 Q1	4.5	2.4	6.1	2.1	2.3	2.0
Q2	1.7	0.2	5.9	1.0	1.7	1.4
Q3	2.6	0.2	4.2	1.3	2.0	1.8
Q4	2.2	0.2	6.6	-0.9	2.2	2.2
2003 Q1	2.0	0.2	7.1	0.0	2.6	2.9
Q2	2.6	4.9	7.9	0.1	2.8	3.2
Q3	3.5	4.9	7.3	-0.3	2.6	3.1
Q4	6.5	4.9	3.9	1.5	2.4	2.8
2004 Q1	7.7	4.9	3.6	2.6	2.3	2.4



# The effects of taxes and benefits on household income, 2002–03

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Office for National Statistics

This analysis examines how taxes and benefits redistribute income between various groups of households in the United Kingdom. It shows where different types of households and individuals are in the income distribution and looks at the changing levels of income inequality over time. The tables and figures were renumbered starting from the 2000–01 publication and new tables and figures were added.

Table 1, showing links between the current tables and figures and those for 1999–2000 and previous years, is included at the end of the summary section.

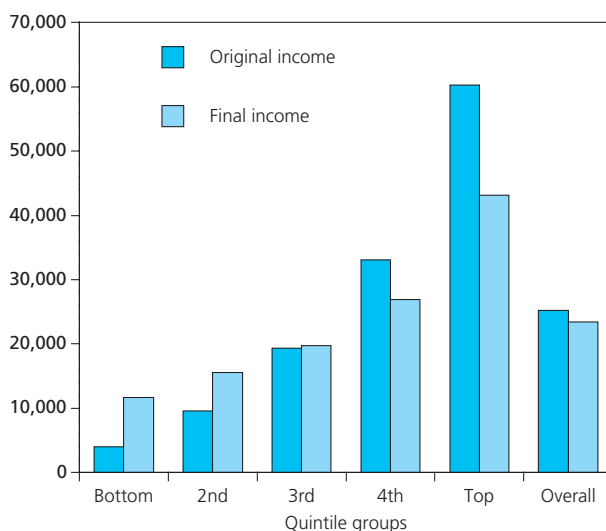
## Redistribution through taxes and benefits

Government intervention, by means of taxes and benefits, alters the incomes of households. In general, households in the top half of the distribution pay more in taxes than they receive in benefits while the reverse is true for those in the lower half. Taxes and benefits therefore tend to reduce the differences between households' incomes. As shown in Table 4 for 2002–03, before government intervention, the top fifth of households have an average of around £60,300 per year in original income (that is from sources such as earnings, occupational pensions and investments). This is around 15 times as great as the figure of around £4,000 for the bottom fifth. This compares with ratios of 18 to one in the two previous years. After taking account of taxes and benefits, the ratio for final income is greatly reduced to four to one, the same as in previous years. The effect on the transition between original income and final income for 2002–03, broken down by quintiles, is also shown graphically in Figure 1.

Cash benefits play the largest part in reducing inequality. The majority of these go to households in the lower part of the distribution, with the poorest two fifths receiving 59 per cent of the total. As shown in Table 4, these households typically receive around £5,600 to £6,000 from cash benefits, representing around three fifths of gross income for the bottom quintile group and two fifths for the next group. These proportions are even higher for retired households in this part of the distribution (see Table 12). The majority of cash benefits for non-retired households come from non-contributory benefits and, for retired households, from

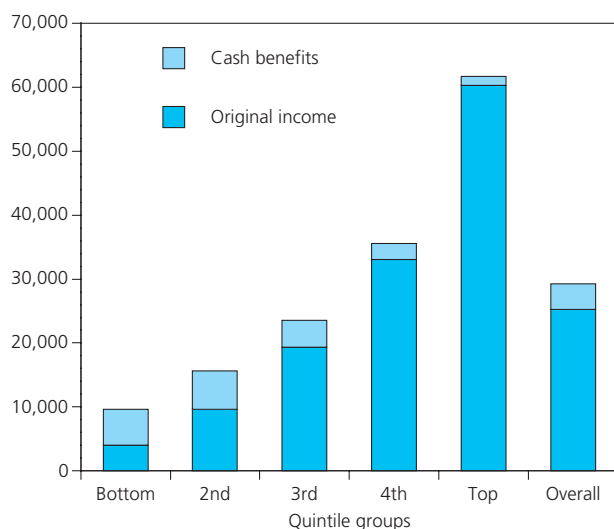
**Figure 1**  
**Original income and Final income by quintile groups for ALL households, 2002–03**

Average per household (£ per year)



**Figure 2**  
**Gross income by quintile groups for ALL households, 2002–03**

Average per household (£ per year)



contributory benefits, particularly the state pension. Figure 2 shows gross income broken down into original income and cash benefits by the quintile distribution for equivalised disposable income.

Direct taxes, except for Council tax and Northern Ireland rates, are progressive – they take a larger proportion of income from those higher up the income distribution because tax is not paid on the first tranche of income and higher rates of tax are paid on higher incomes. Therefore, they also contribute to a reduction in inequality although not to the same extent as cash benefits. The proportion of gross income paid in direct tax (Table 3) by the top fifth of households is more than double that paid by the bottom fifth: 24 per cent compared with 9 per cent. For Council tax in Great Britain and domestic rates in Northern Ireland, the top quintile group pays the largest absolute amount (Table 14A). On the other hand, when expressed as a proportion of gross income (Table 3), the impact of Council tax in Great Britain and domestic rates in Northern Ireland is higher in the lower half of the distribution. Unlike in previous years, charges made by water authorities for water, environmental and sewerage services have been excluded. They are now regarded as charges for services rather than a tax. Comparable data for 2001–02 are shown in Table 3A.

Indirect taxes have the opposite effect to direct taxes taking a higher proportion of income from those with lower incomes, i.e. they are regressive. On average, higher income households channel a relatively high proportion of their income into savings and mortgage payments. These do not attract indirect taxes. In addition, the recorded expenditure of some lower income households is higher than their recorded current incomes. This results in relatively large payments of indirect tax. Despite this, the top fifth of households still pay more indirect tax in absolute terms than other households, see Table 14A.

Households also receive benefits in kind from services provided free or at subsidised prices by government, such as health and education. The amount received falls gradually as

income increases indicating that these benefits also lead to a reduction in inequality.

### Characteristics across the income distribution

As described in more detail later, households are ranked by their equivalised disposable income, which the analysis uses as a proxy for their level of welfare. Equivalisation is a standard methodology that takes into account the size and composition of households and adjusts their incomes to recognise differing demands on resources. As a result, larger households will be lower down the income distribution than a smaller household with the same absolute income.

Adults and children are not spread evenly throughout the income distribution (Tables 4, 15 and 15A). For example, there are more children in households in the lower half of the distribution. However, among adults, women appear fairly evenly spread across income groups. There are more men in households in the higher groups than in the lower groups. There are also distinct patterns by household type. For example, households containing one adult and at least one child are concentrated in the bottom fifth. Retired households are over-represented in the bottom two quintile groups.

The higher income groups are characterised by households with more economically active people than those lower down the income distribution. Two adult households with no children are also over-represented towards the top of the distribution.

### Trends in income inequality

As shown in Figure 5 and Table 27, inequality of disposable income was fairly stable in the first half of the 1980s then increased during the second half of the 1980s. Inequality has shown no consistent trend since the start of the 1990s.

Changes in the income distribution over time have been the focus of much study. This analysis includes discussion of work which has attempted to identify some of the factors which have influenced these changes.

## Concepts and Sources

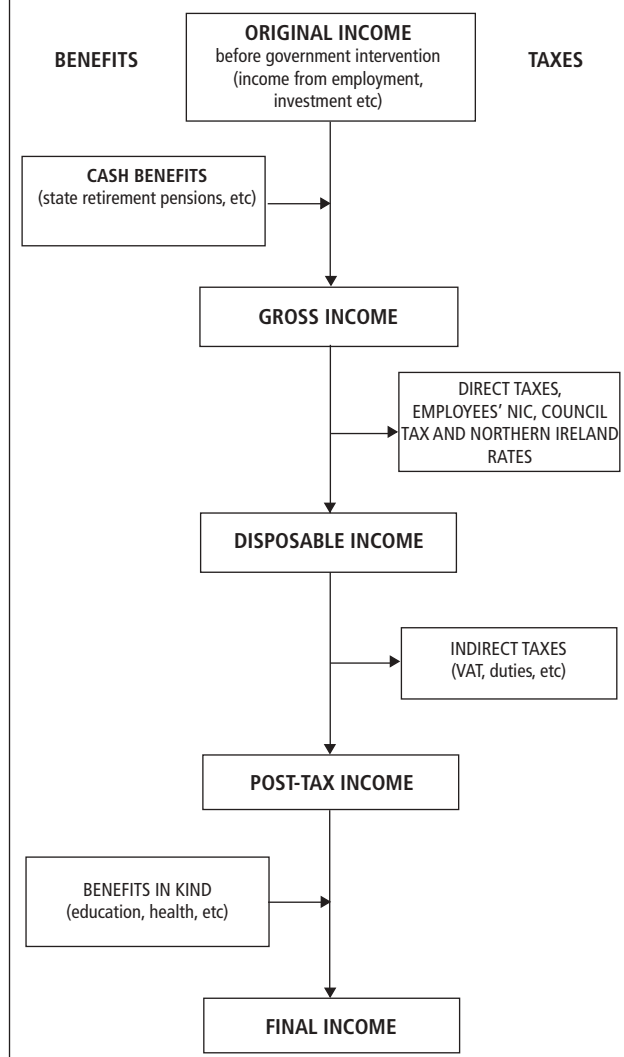
### Redistribution through taxes and benefits

This study examines how taxes and benefits redistribute income. It adds the value of government benefits to the private income of households and subtracts the value of taxes to look at different measures of household income.

Diagram 1 shows the stages in the redistribution of income used in this analysis. Household members receive income from employment, occupational pensions, investments and other non-government sources. This is referred to as original income. The diagram shows the various ways that government raises revenue from households through taxation and distributes benefits to them in cash and in kind.

The analysis only allocates those taxes and benefits that can reasonably be attributed to households. Therefore, some government revenue and expenditure is not allocated such

Diagram 1  
Stages of redistribution



A National Statistics review of income statistics and the redistribution of income statistics was published on the National Statistics website on 19 March 2004, see [http://www.statistics.gov.uk/methods\\_quality/quality\\_review/social.asp](http://www.statistics.gov.uk/methods_quality/quality_review/social.asp).

For further information please contact the author.

as revenue from corporation tax and expenditure on defence and public order. There are three main reasons for non-allocation. Some taxes and benefits fall on people who do not live in private households. In other cases, there is no clear conceptual basis for allocation to particular households. Finally, there may be a lack of data to enable allocation. In this study, some £270 billion of taxes and compulsory social contributions have been allocated to households. This is equivalent to 67 per cent of general government expenditure, which totalled around £406 billion in 2002 (Table 13). Similarly, £234 billion of cash benefits and benefits in kind have been allocated to households, making up 58 per cent of general government expenditure (Table 13).

The estimated values of taxes and benefits reflect the methodology used in this study. They are based on assumptions about which taxes and benefits should be covered and to whom they should apply. Where it is practical,

the methodology used is similar to that used in previous years. However, there have been some changes in the underlying surveys and improvements in the methodology. For example, changes from 1996–97 onwards include new questions for the self-employed and the use of data which are grossed up to the UK household population. A household is defined in terms of the harmonised definition as used in the Census and nearly all other government household surveys since 1981. This is one person, or a group of persons, who have the accommodation as their only or main residence and (for a group) share the living accommodation, that is a living or sitting room, or share meals together or have common housekeeping. Up until 1999–2000, the definition was based on the pre-1981 Census definition and required members to share eating and budgeting arrangements as well as shared living accommodation. The definition of a household comprised people who lived at the same address and who shared common catering for at least one meal a day. The effect of the change was fairly small, but not negligible. Time series are presented for some measures that are relatively robust to these changes. These include Gini coefficients and other measures of inequality in Tables 26 and 27. We do not think it is appropriate to equalise the final income measure because this contains notional income from benefits in kind (e.g. state education): the equivalence scales used in the article are based on actual household spending and do not, therefore, apply to such items as notional income. Beyond these measures, one should be cautious about making direct comparisons with earlier studies.

### Unit of analysis

The unit of analysis used in this study is the household. The households are ranked by their equivalised disposable income, which the analysis uses as a proxy for their level of welfare. Equivalisation is a standard methodology that takes into account the size and composition of households and adjusts their incomes to recognise differing demands on resources. For example, a couple would need a higher income than a single person to achieve the same standard of living. The equivalence scale used in this analysis is the *McClements scale* (before housing costs are deducted). So a single person's income of £6,100 is treated as equivalent to an income of £10,000 for a couple (see Appendix 2, paragraph 46). Households with the same equivalised income do not necessarily have the same standard of living where other characteristics are different. For example, households which own their homes outright would be in a better position than identical households with the same income which had to pay rent or mortgage payments. Also, households which include disabled people may require additional resources to maintain the same standard of living as those without disabled people. Equivalisation does not adjust for these differences.

Equivalised income is used only to rank the households. Most monetary values shown in the analysis are not equivalised. Where equivalised amounts are given, they are shown in *italics*. Once the households have been ranked, the distribution is split into five (or ten) equally sized groups – that is quintile groups (or decile groups). The bottom and second quintile groups are those with the lowest equivalised disposable incomes while the fourth and top groups have the highest.

## Data source

The main data source for this analysis is the Expenditure and Food Survey (EFS) which covers about 7,000 households in the United Kingdom each year. It only covers private households – people living in hotels, lodging houses and in institutions, such as old peoples' homes, are excluded. The EFS brought together and replaced the Family Expenditure Survey (FES) and the National Food Survey from 2001–02. However, the income questions were essentially unchanged.

The survey results are re-weighted and grossed so that the totals reflect the whole household population in terms of age, sex and region. Different initial weights are applied to different types of household in order to correct for over or under-representation of these groups in the responding sample of the EFS. Studies have indicated that the EFS suffers from under-representation of individuals at the very top of the income distribution. This under-representation is not directly corrected by the re-weighting and grossing methodology and may lead to some under-estimation of income. Those who are interested in the level of income for the top decile group of the income distribution should refer to the Department for Work and Pensions publication *Households Below Average Income 2002-03*<sup>1</sup>. This analysis uses data from the Family Resources Survey and contains an income adjustment for households at the top of the income distribution, which is made using the Inland Revenue's Survey of Personal Incomes.

Further details of the concepts and methodology used are given in Appendix 2.

The results of the analysis are reported in three sections. The first looks at the effects for all households. Non-retired and retired households have distinct income and expenditure patterns and so the tax and benefit systems affect the two groups in very different ways. Therefore, the second and third sections look separately at results for non-retired and retired households.

Table 1

## Comparison between old and new table and figure numbers, and additional tables and figures

Old table or chart	New Name	Description
Chart 1	Diagram 1	Stages of redistribution
New Chart	Figure 1	Original income and final income by quintile groups of all households, 2002–03
New Chart	Figure 2	Gross income (original income & cash benefits) by quintile groups of all households, 2002–03
Chart 2	Figure 3	Sources of gross income by quintile groups of equivalised disposable income, 2002–03
Chart 3	Figure 4	Summary of the effects of taxes and benefits on all households, 2002–03
Chart 4	Figure 5	Gini coefficients 1980 to 2002–03
Chart 5	Figure 6	Income stages by non-retired household types, 2002–03
Look up table	Table 1	Comparison between old tables and new table numbers and additional tables
A	Table 2	Percentage shares of household income and Gini coefficients, 2002–03
B	Table 3	Taxes as a percentage of gross income, disposable income and expenditure for all households by quintile groups, 2002–03
	Table 3A	Table 3 for 2001–02 on same basis as for 2002–03 ie excluding water rates
C	Table 4	Summary of the effects of taxes and benefits by quintile groups of all households, 2002–03
D	Table 5	Percentage shares of household income and Gini coefficients for non-retired households, 2002–03
E	Table 6	Summary of the effects of taxes and benefits on non-retired households by quintile groups, 2002–03
F	Table 7	Cash benefits for non-retired households by quintile groups, 2002–03
G	Table 8	Taxes as a percentage of gross income for non-retired households by quintile groups, 2002–03
H	Table 9	Indirect taxes as a percentage of (a) disposable income and (b) household expenditure for non-retired households by quintile groups, 2002–03
I	Table 10	Benefits in kind for non-retired households by quintile groups, 2002–03
J	Table 11	Percentage shares of household income and Gini coefficients for retired households, 2002–03
K	Table 12	Summary of the effects of taxes and benefits on retired households by quintile groups, 2002–03
Appendix 1	Appendix 1	
1	Table 13	Taxes and benefits allocated to households as a percentage of general government expenditure, 2002
2A	Table 14	Average incomes, taxes and benefits by decile groups of all households, 2002–03
New quintiles	Table 14A	Average incomes, taxes and benefits by quintile groups of all households, 2002–03
2B	Table 15	Household characteristics of decile groups of all households, 2002–03
New quintiles	Table 15A	Household characteristics of quintile groups of all households, 2002–03
3A	Table 16	Average incomes, taxes and benefits by decile groups of non-retired households, 2002–03
New quintiles	Table 16A	Average incomes, taxes and benefits by quintile groups of non-retired households, 2002–03
3B	Table 17	Household characteristics of decile groups of non-retired households, 2002–03
New quintiles	Table 17A	Household characteristics of quintile groups of non-retired households, 2002–03
4A	Table 18	Average incomes, taxes and benefits by decile groups of retired households, 2002–03
New quintiles	Table 18A	Average incomes, taxes and benefits by quintile groups of retired households, 2002–03
4B	Table 19	Household characteristics of decile groups of retired households, 2002–03
New quintiles	Table 19A	Household characteristics of quintile groups of retired households, 2002–03
5	Table 20	Average incomes, taxes and benefits by decile groups of non-retired households without children, 2002–03
6	Table 21	Average incomes, taxes and benefits by decile groups of non-retired households with children, 2002–03
7	Table 22	Distribution of households by household type, 2002–03
8	Table 23	Summary of the effects of taxes and benefits, by household type, 2002–03
9	Table 24	Average incomes, taxes and benefits by decile groups of households (ranked by unadjusted disposable income), 2002–03
10	Table 25	Cross-tabulation of households ranked by disposable income, unadjusted and equivalised, 2002–03
Appendix 2	Appendix 1	Long run time series
1	Table 26	Percentage shares of equivalised total original, gross, disposable and post-tax incomes by quintile groups for all households, 1980 to 2002–03
2	Table 27	Gini coefficients for the distribution of income at each stage of the tax-benefit system
3	Table 27	and P90/P10 and P75/P25 ratios for disposable income for all households, 1980 to 2002–03
Appendix 3	Appendix 2	Methodology and definitions
Diagram A	Diagram 3	Complete income inequality
Diagram B	Diagram 2	Lorenz curve for a typical income distribution

## Note:

Symbols The following symbols have been used throughout the article

0 negligible (less than half the final digit shown)

– nil



## Results for all households

### Overall effect

Government intervention affects household income in various ways. Money is taken through taxes, both direct and indirect, and given back in the form of cash benefits and the provision of free or subsidised services. In general, households in the bottom half of the income distribution tend to be net gainers from the tax and benefit systems while those in the top half pay more in tax than they receive in benefits. Therefore, taken as a whole, government intervention leads to income being shared more equally between households. Table 2 summarises the overall effects.

In this analysis, income before taxes and benefits is termed original income and includes income from earnings, occupational pensions and investments. The extent of inequality in this measure of income can be seen by looking at the proportion of total original income received by groups of households in different parts of the income distribution. At this stage, the richest fifth of households (those in the top quintile group) receive 50 per cent of all original income (Table 2). This compares with only 3 per cent for households in the bottom fifth.

Adding cash benefits to original income produces gross income. In contrast to original income, the amount received from cash benefits is higher for households lower down the income distribution than for those at the top. This has an equalising effect on the distribution. It raises the share of income received by the bottom quintile group to 7 per cent of gross income while the share of the top fifth is reduced to 43 per cent. Figure 3 shows a breakdown of gross income by quintiles.

**Table 2**  
**Percentage shares of household income and Gini coefficients<sup>1</sup>, 2002–03**

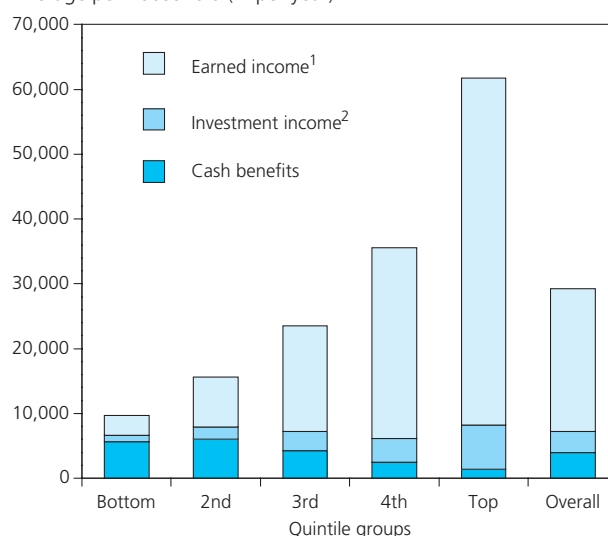
	Percentage shares of equivalised income for ALL households <sup>2</sup>			
	Original income	Gross income	Disposable income	Post-tax income
Quintile group <sup>2</sup>				
Bottom	3	7	8	6
2nd	7	11	12	12
3rd	15	16	17	16
4th	25	23	23	23
Top	50	43	41	43
All households	100	100	100	100
Decile group <sup>2</sup>				
Bottom	1	3	3	2
Top	32	28	26	28
Gini coefficient (per cent)	51	37	33	37

<sup>1</sup> This is a measure of the dispersion of each definition of income (see Appendix 2, paragraph 51).

<sup>2</sup> Households are ranked by equivalised disposable income.

**Figure 3**  
**Sources of gross income by quintile groups of equivalised disposable income, 2002–03**

Average per household (£ per year)



<sup>1</sup> Earned income includes wages and salaries, income from self-employment and income from 'fringe benefits'.

<sup>2</sup> Investment income includes occupational pensions, annuities and other income.

The tax system has a much smaller effect on income inequality. The shares of income for disposable income (that is after direct taxes) and post-tax income (after indirect taxes) for each quintile group are similar to those for gross income. The direct tax system has a small equalising effect while the indirect system reverses this.

Tables 3, 14 and 14A show the effect of direct and indirect tax on each quintile and decile group in more detail. Households at the lower end of the income distribution pay smaller amounts of direct tax compared with households with higher incomes. Of the total income tax paid by all households, the bottom two quintile groups together pay about 7 per cent. This compares with 81 per cent of the total paid by the top two fifths combined.

In addition, low income households also pay a smaller proportion of their income in income tax. This is due to the progressive nature of the income tax system. As a proportion of their gross incomes, households in the bottom quintile group pay 4 per cent in income tax on average compared with 18 per cent for those in the top quintile group.

For national insurance contributions, the amount paid as a proportion of gross income rises as income rises until the fourth quintile group. The proportion then falls for the top fifth. This is because national insurance contributions are only levied on the first £585 of weekly earnings in 2002–03, so part of the earnings of many of those in the top quintile group will not be subject to this deduction.

Council tax in Great Britain and domestic rates in Northern Ireland are shown net of council tax benefits and rates rebates in Tables 3, 14 and 14A. Households in the lower part of the income distribution pay smaller absolute amounts. Net payments by the bottom quintile group are typically under half of those in the top fifth. On the other hand, when expressed as a proportion of gross income, the burden



Table 3

**Taxes as a percentage of gross income, disposable income and expenditure for ALL households by quintile groups<sup>1</sup>, 2002-03****(a) Direct and indirect taxes as a percentage of gross income****(b) Indirect taxes as a percentage of disposable income****(c) Indirect taxes as a percentage of expenditure<sup>2</sup>**

	Quintile groups of ALL households <sup>1</sup>					All
	Bottom	2nd	3rd	4th	Top	households
<b>(a) Percentages of gross income</b>						
Direct taxes						
Income tax	3.5	6.3	10.3	13.4	18.3	13.5
Employees' NIC	1.3	2.5	3.8	4.7	3.9	3.8
Council tax & Northern Ireland rates <sup>3</sup>	4.6	3.4	2.9	2.3	1.6	2.4
<i>All direct taxes</i>	<i>9.5</i>	<i>12.2</i>	<i>17.0</i>	<i>20.4</i>	<i>23.7</i>	<i>19.7</i>
Indirect taxes						
VAT	10.7	7.8	7.2	6.3	5.0	6.4
Duty on alcohol	1.6	1.0	1.1	0.9	0.7	0.9
Duty on tobacco	3.2	2.2	1.4	0.8	0.4	1.0
Duty on hydrocarbon oils & Vehicle excise duty	3.2	2.3	2.3	2.1	1.4	1.9
Other indirect taxes	9.8	6.8	5.8	4.8	3.8	5.1
<i>All indirect taxes</i>	<i>28.5</i>	<i>20.1</i>	<i>17.7</i>	<i>15.0</i>	<i>11.3</i>	<i>15.3</i>
<i>All taxes</i>	<i>37.9</i>	<i>32.2</i>	<i>34.7</i>	<i>35.5</i>	<i>35.1</i>	<i>35.0</i>
<b>(b) Percentages of disposable income</b>						
VAT	11.8	8.8	8.6	7.9	6.6	7.9
Duty on alcohol	1.7	1.2	1.3	1.2	0.9	1.1
Duty on tobacco	3.6	2.5	1.7	1.0	0.5	1.3
Duty on hydrocarbon oils & Vehicle excise duty	3.5	2.7	2.7	2.7	1.9	2.4
Other indirect taxes	10.8	7.7	7.0	6.0	5.0	6.3
<i>All indirect taxes</i>	<i>31.4</i>	<i>22.9</i>	<i>21.4</i>	<i>18.9</i>	<i>14.9</i>	<i>19.1</i>
<b>(c) Percentages of expenditure<sup>2</sup></b>						
VAT	8.6	8.4	8.3	8.3	7.5	8.0
Duty on alcohol	1.3	1.1	1.3	1.2	1.0	1.2
Duty on tobacco	2.6	2.3	1.6	1.1	0.6	1.3
Duty on hydrocarbon oils & Vehicle excise duty	2.6	2.5	2.6	2.8	2.1	2.5
Other indirect taxes	7.8	7.3	6.7	6.3	5.7	6.4
<i>All indirect taxes</i>	<i>22.8</i>	<i>21.7</i>	<i>20.5</i>	<i>19.7</i>	<i>17.0</i>	<i>19.4</i>

<sup>1</sup> Households are ranked by equivalised disposable income.<sup>2</sup> Calculated to be consistent with disposable income. See paragraph 34 of Appendix 2 for the definition of expenditure.<sup>3</sup> After deducting discounts, council tax benefits and rates rebates.

Table 3A

**Taxes as a percentage of gross income, disposable income and expenditure for ALL households by quintile groups<sup>1</sup>, 2001–02****(a) Direct and indirect taxes as a percentage of gross income****(b) Indirect taxes as a percentage of disposable income****(c) Indirect taxes as a percentage of expenditure<sup>2</sup>**

	Quintile groups of ALL households <sup>1</sup>					All
	Bottom	2nd	3rd	4th	Top	households
<b>(a) Percentages of gross income</b>						
Direct taxes						
Income tax	3.2	7.0	10.2	13.6	18.4	13.8
Employees' NIC	1.2	2.4	4.0	4.8	3.9	3.8
Council tax & Northern Ireland rates <sup>3</sup>	4.7	3.3	2.8	2.3	1.4	2.2
<i>All direct taxes</i>	<i>9.1</i>	<i>12.7</i>	<i>17.1</i>	<i>20.6</i>	<i>23.7</i>	<i>19.9</i>
Indirect taxes						
VAT	11.4	7.5	7.0	6.2	4.7	6.1
Duty on alcohol	1.6	1.0	1.0	0.9	0.6	0.9
Duty on tobacco	3.1	1.8	1.6	0.9	0.3	1.0
Duty on hydrocarbon oils & Vehicle excise duty	3.4	2.4	2.4	2.1	1.3	1.9
Other indirect taxes	10.9	7.0	5.9	5.0	3.6	5.1
<i>All indirect taxes</i>	<i>30.4</i>	<i>19.8</i>	<i>17.8</i>	<i>15.2</i>	<i>10.5</i>	<i>15.0</i>
<i>All taxes</i>	<i>39.5</i>	<i>32.5</i>	<i>34.9</i>	<i>35.8</i>	<i>34.2</i>	<i>34.8</i>
<b>(b) Percentages of disposable income</b>						
VAT	12.6	8.6	8.5	7.9	6.1	7.6
Duty on alcohol	1.7	1.2	1.3	1.1	0.8	1.1
Duty on tobacco	3.5	2.1	1.9	1.1	0.4	1.2
Duty on hydrocarbon oils & Vehicle excise duty	3.7	2.8	2.9	2.7	1.7	2.4
Other indirect taxes	12.0	8.1	7.1	6.3	4.7	6.4
<i>All indirect taxes</i>	<i>33.4</i>	<i>22.6</i>	<i>21.5</i>	<i>19.1</i>	<i>13.8</i>	<i>18.7</i>
<b>(c) Percentages of expenditure<sup>2</sup></b>						
VAT	7.9	7.9	7.8	7.6	6.9	7.5
Duty on alcohol	1.1	1.1	1.2	1.1	0.9	1.0
Duty on tobacco	2.2	1.9	1.7	1.1	0.5	1.2
Duty on hydrocarbon oils & Vehicle excise duty	2.3	2.6	2.6	2.6	2.0	2.3
Other indirect taxes	7.5	7.5	6.5	6.1	5.4	6.2
<i>All indirect taxes</i>	<i>21.1</i>	<i>21.0</i>	<i>19.8</i>	<i>18.5</i>	<i>15.7</i>	<i>18.3</i>

<sup>1</sup> Households are ranked by equivalised disposable income.<sup>2</sup> Calculated to be consistent with disposable income. See paragraph 34 of Appendix 2 for the definition of expenditure.<sup>3</sup> After deducting discounts, council tax benefits and rates rebates.

decreases as income rises. Council tax in Great Britain and domestic rates in Northern Ireland represent 5 per cent of gross income for those in the bottom fifth but 2 per cent for those in the top quintile group. Unlike in previous years, charges made by water authorities for water, environmental and sewerage services have been excluded. They are now regarded as charges for services rather than a tax. Comparable data for 2001–02 are shown in Table 3A.

### Indirect taxes

The amount of indirect tax that each household pays is estimated from its expenditure recorded in the EFS. However, the income and expenditure data recorded in the EFS are not fully compatible because they are recorded in different ways (see Appendix 2, paragraph 6). Indeed, measured expenditure exceeds measured income for households in the lower half of the distribution. There are a number of possible explanations for this. Some households with low incomes may draw on their savings or borrow in order to finance their expenditure. In addition, the lower deciles include some groups who have, or report, very little income (for example, self-employed people starting a business or someone who has just been made redundant). For some people this spell of very low income may only be temporary and during this period, they may continue with previous patterns of spending. In these cases, expenditure taxes are not being met from current income. Some types of receipts are not included as income in the EFS, e.g. inheritance and severance payments. In some cases, the information given on direct tax is not consistent with that on income received, possibly because of timing differences. For a minority of households, the EFS may be measuring incomes inaccurately. Therefore, to give a more complete picture of the impact of indirect taxes, they are shown in Table 3 separately as a proportion of gross income, disposable income and expenditure. In addition, direct taxes are also shown as a proportion of gross income so that the impact of direct and indirect taxes can be compared.

In cash terms, the top fifth of households pay about two and a half times as much indirect tax as the bottom fifth. However, when expressed as a percentage of expenditure, the proportion paid in indirect tax tends to be lower for households at the top of the distribution compared to those lower down.

When expressed as a proportion of gross or disposable income, as shown in Table 3, the impact of indirect taxes declines sharply as income rises. This is because those in higher income groups tend to channel a larger proportion of their income into savings and mortgage payments, which do not attract indirect taxes. Indirect taxes therefore appear more regressive than when expressed as a proportion of expenditure. However, the top fifth still pay a smaller proportion of their expenditure or income in indirect taxation whichever measure is used.

Another way of looking at how taxes and benefits change inequality is to calculate Gini coefficients – a widely used summary measure of inequality (see Appendix 2, paragraph 51). It can take values from 0 to 100 per cent where a value of zero would indicate that each household had an equal share of income, while higher values indicate greater inequality.

The Gini coefficients (as shown in Tables 2 and 27) produce a similar picture to the shares of income discussed earlier. For 2002–03, the figure of 51 per cent for original income is reduced to 37 per cent for gross income by the inclusion of cash benefits – a large reduction in inequality. The coefficient for disposable income shows the equalising effect of direct taxes with the figure falling further to 33 per cent. The picture of indirect taxes reversing this effect is confirmed by the Gini coefficient rising to 37 per cent for post-tax income. The Gini coefficients for original, gross, disposable and post-tax income show slight falls in 2002–03 compared to those in 2001–02. As discussed earlier, all comparisons are subject to the potential effect of the discrepancy between income and expenditure in the lower half of the income distribution.

### Characteristics of households

Different types of household are not spread evenly throughout the income distribution. Information about the characteristics of households in the different income groups is shown in Table 4, with more detail in Tables 15 and 15A. Household size does not vary much across the income distribution, with an average of between 2.2 and 2.5 people per household in each decile group in 2002–03. There are differences in the split between adults and children. A child (i.e. a dependent) is defined as either aged under 16, or aged 16, 17 or 18 not married, and receiving full-time non-advanced further education. There are more children in the lower half of the income distribution. The bottom quintile group has nearly twice the number of children as the top group. The pattern for the numbers of men and women also varies across income groups. The number of women is fairly constant while households in the higher income groups tend to have more men than the lower groups. Higher income groups also contain more economically active people. The top fifth of households has about three times as many economically active people as the bottom fifth. Non-retired households with one adult and one or more children are concentrated in the lower groups, as shown in Tables 4, 15A and 22.

Around 70 per cent of these households are in the bottom two quintile groups. This group makes up the majority of lone parent families. However, some lone parents will be part of larger households and will be included in other household types. For two adult households with children, the position in the income distribution tends to vary according to the number of children. Those with three or more children tend to be in lower groups than those with only one or two. Households with three or more children are less likely to have two economically active adults compared to those with fewer children, partly reflecting the fact that the youngest child or children may not yet be of school age. In addition, households with higher numbers of children will tend to have higher needs than smaller households. As the ranking of households is based on income adjusted for the needs of the household (i.e. equivalised income, adjusted for household size and composition), this increases the chance that households with three or more children will be found in the lower part of the income distribution. Where there are no children in the household, non-retired two adult households tend to be found in the higher income groups.

Table 4

Summary of the effects of taxes and benefits by quintile groups on ALL households<sup>1</sup>, 2002-03

	Quintile groups of ALL households <sup>1</sup>						Ratio Top/Bottom quintile
	Bottom	2nd	3rd	4th	Top	All households	
<b>Income, taxes and benefits per household (£ per year)<sup>2</sup></b>							
Original income	4 030	9 610	19 320	33 080	60 310	25 270	15
<i>plus</i> cash benefits	5 640	6 010	4 250	2 500	1 390	3 960	0
Gross income	9 670	15 630	23 560	35 580	61 700	29 230	6
<i>less</i> direct taxes <sup>3</sup> and employees' NIC	910	1 900	4 000	7 270	14 650	5 750	16
Disposable income	8 760	13 730	19 570	28 310	47 050	23 480	5
<i>less</i> indirect taxes	2 750	3 140	4 180	5 340	6 990	4 480	3
Post-tax income	6 010	10 590	15 390	22 970	40 060	19 000	7
<i>plus</i> benefits in kind	5 700	4 960	4 370	3 970	3 070	4 410	1
Final income	11 710	15 550	19 750	26 940	43 130	23 410	4
<b>Number of individuals per household</b>							
<i>Children</i> <sup>4</sup>	0.7	0.6	0.5	0.5	0.4	0.5	
<i>Adults</i>	1.7	1.7	1.9	2.0	1.9	1.8	
<i>Men</i>	0.7	0.8	0.9	1.0	1.0	0.9	
<i>Women</i>	1.0	1.0	1.0	1.0	0.9	1.0	
People	2.4	2.3	2.4	2.5	2.3	2.4	
People in full-time education	0.7	0.5	0.5	0.5	0.3	0.5	
Economically active people	0.6	0.8	1.2	1.7	1.7	1.2	
Retired people	0.6	0.7	0.5	0.3	0.2	0.4	
<b>Household type (percentages)</b>							
Retired	38	43	27	14	8	26	
Non-retired							
1 adult	13	9	14	14	20	14	
2 adults	11	12	19	29	38	22	
1 adult with children <sup>5</sup>	13	8	5	3	1	6	
2 adults with children	16	19	22	22	20	20	
3 or more adults <sup>6</sup>	9	9	13	18	13	12	
All household types	100	100	100	100	100	100	

<sup>1</sup> Households are ranked by equivalised disposable income.

<sup>2</sup> All the tables in Part 1 of this article show unequivalised income. Equivalised income has only been used in the ranking process to produce the quintile groups (and to produce the percentage shares and Gini coefficients).

<sup>3</sup> These are income tax (which is after tax relief at source on life assurance premiums), Council tax and Northern Ireland rates but after deducting discounts, council tax benefits and rates rebates.

<sup>4</sup> Children are defined as people aged under 16 or aged between 16 and 18, unmarried and receiving non-advanced further education.

<sup>5</sup> This group is smaller than the category of 'one parent families' because some of these families will be contained in the larger household types.

<sup>6</sup> With or without children.

Retired households are over-represented at the lower end of the distribution. Nearly two thirds are in the bottom two fifths (as shown in Table 22). Those consisting of one retired woman are more concentrated towards the bottom compared to those with one retired man.

### Stages of redistribution

Details of the amounts which households in each quintile group receive from the various measures of income are shown in Table 4, with more detailed information for decile groups in Table 14 and quintile groups in Table 14A.

On average, households receive about £25,300 a year in original income but this varies widely between households. Those in the top quintile group have around £60,300 compared with about £4,000 for the bottom fifth. This pattern is driven by differences in the numbers of economically active people and the employment status of the chief economic supporter between the groups. For example, as shown in Tables 15 and 15A, nine in ten chief economic supporters of households in the top quintile group are economically active compared with less than one in three of those in the lowest. The chief economic supporters in the top fifth are predominantly full-time employees or self-employed. Those in the bottom fifth are more likely to work part-time or be unemployed or economically inactive. Those in the higher deciles tend to have better paid jobs as well as being more likely to be economically active.

Wages and salaries and income from self-employment are typically the most important source of income, together making up three quarters of gross income on average (as shown in Table 14A). Cash benefits are also a significant source, particularly for households in the lower half of the distribution. Of the total amount of cash benefits received, the bottom two quintile groups together receive about 60 per cent.

These households typically receive around £5,600 to £6,000 from cash benefits, representing around three fifths of gross income for the bottom quintile group and two fifths for the next group (Figure 3).

Higher income groups pay both higher amounts of direct tax and higher proportions of their income in direct tax (Tables 3, 4, 14 and 14A). The top quintile group pays about £14,700 per household in income tax, national insurance contributions and Council tax or Northern Ireland rates – 24 per cent of gross income. In contrast, the direct tax bill for households in the bottom fifth is around £900, representing 9 per cent of their gross income. Looking at income tax on its own, the top two quintile groups pay around 81 per cent of the total.

In contrast to benefits and direct taxes, the indirect tax system has a different effect. Households with higher incomes still pay more in absolute terms but not as a proportion of their incomes. This means that indirect taxes tend to increase income inequality.

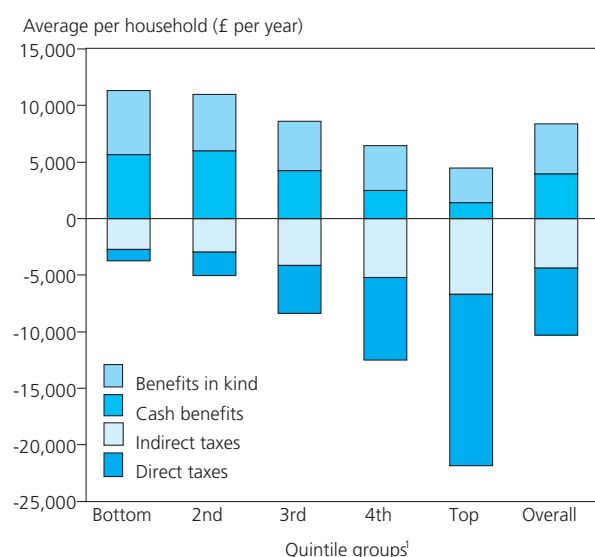
The final stage in the redistribution process is the addition of benefits in kind, such as those from state education and the health service. Households in the bottom quintile group receive the equivalent of around £5,700 from all benefits in kind, which is nearly twice the amount received by the top fifth (see Figure 4). These are described in more detail later in the analysis.

Taken as a whole, the tax and benefit systems redistribute income from high income households to those on low incomes. The average final income for the quintile groups ranges from £11,700 to £43,100, a ratio of one to four compared to a ratio of one to 15 for original income, i.e. before government intervention, as shown in Table 4.

### Changes in inequality over time

There are many ways of measuring income inequality. Different measures may show different trends depending on whether they are particularly sensitive to changes in one part of the distribution. Calculation of several measures of inequality allows us to see whether a particular trend is peculiar to one particular measure or backed up by others. Tables 26 and 27 (at the end of Appendix 1) show trends for three measures of inequality. Table 26 shows trends for the shares of income figures that have already been seen for 2002–03 earlier in this analysis. Table 27 contains time series for Gini coefficients and another concept: using the ratio of the incomes at two points in the distribution. Two such measures are calculated: the ratio of the disposable income at the 90th percentile compared to the 10th (P90/P10); and the ratio of the 75th percentile to the 25th (P75/P25). (The 90th percentile is the income below which nine out of ten households lie and the 75th percentile is the income below which three quarters of households lie.) An advantage of the measure of the ratio of the 75th percentile to the 25th is that it is not affected by extreme values at either end of the distribution, which may be inaccurately measured. However, it does not reflect changes within households in the middle of the distribution.

Figure 4  
Summary of the effects of taxes and benefits on ALL households, 2002–03



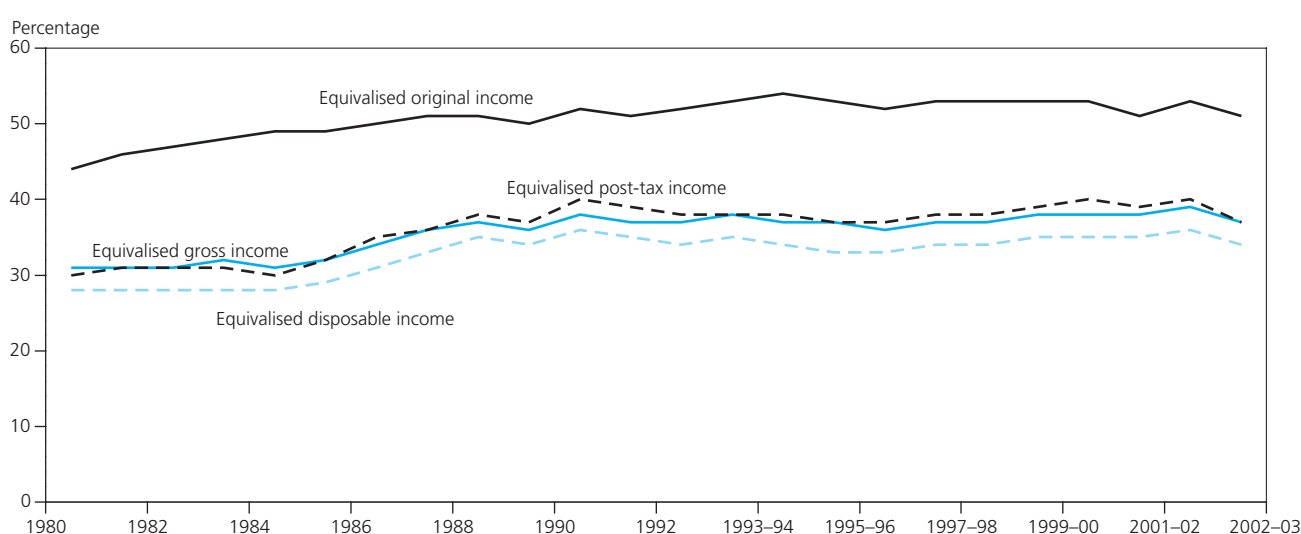
<sup>1</sup> Households are ranked throughout by their grossed equivalised disposable incomes.

Figure 5 shows how inequality has been changing over time since 1980 for the various measures of income as measured by the Gini coefficient. It indicates several phases over the last two decades and shows that the different measures of income do not always show the same trend in inequality.

The 1980s were characterised by a large increase in inequality. The Gini coefficient for original income rose fairly steadily throughout this period. However, the pattern for the coefficient for disposable income is slightly different: for the first half of the decade inequality of disposable income was stable; this was then followed by a rise in the second half of the 1980s.

for possible shifts, in particular the widening of the income distribution during the 1980s. The most prominent reasons given are globalisation of trade pushing down some wages, recent technological changes having a bias against unskilled workers, and other developments concerning the deregulation of labour and product markets. Other explanations for trends in recent years offered by, for example, the Institute for Fiscal Studies (IFS)<sup>4</sup> include: the effect of wage growth in some areas; the change in the importance of self-employment income; the change in the level of unemployment and the type of people affected; the importance of additional income sources; demographics; and the tax and benefit system.

Figure 5  
Gini coefficients, 1980 to 2002-03



The data for the 1990s and since then show a different story. Inequality of original, disposable and post-tax income have shown no consistent trend since the start of the 1990s.

As with all measures derived from sample surveys, the Gini coefficients are subject to sampling errors. To give an indication as to whether the estimated changes in inequality are real changes or simply the result of sampling variation, we have calculated confidence intervals for the coefficients in Figure 5 using software developed at the London School of Economics<sup>2</sup>. These show that, in most cases, the year-on-year changes are within the bounds of sampling variation. However, when we look at changes over periods of more than one year there are changes which cannot be explained by variation introduced by the sampling process.

Figures in Table 26 for trends in the shares of income figures tell the same story as the Gini coefficient: one of increasing inequality of disposable income in the 1980s then a flatter picture in the 1990s.

Changes in income distribution over time have been the focus of much study. The Organisation for Economic Co-operation and Development (OECD)<sup>3</sup> has commissioned a number of studies into this, and has identified a number of reasons

## Results for Non-retired Households

### Overall effect

As for all households, the tax and benefit systems lead to income being shared more equally between non-retired households. Before government intervention, original income is shared more equally between non-retired households, as shown in Table 5, than for all households, as shown in Table 2. However, after the process of redistribution, the shares of income and Gini coefficients for post-tax income are the same as those for all households. The redistribution effect is therefore smaller for non-retired households than for all households. A summary of the effects of taxes and benefits on non-retired households is shown in Table 6, with more detail in Tables 16 and 16A.

### Characteristics of households

Unlike for all households, the average household size tends to decrease as income increases, as shown in Tables 17 and 17A. This fall is more than accounted for by the decrease in the average number of children in each household from 1.1 in the bottom quintile group to 0.4 in the top.



**TABLE 5**  
**Percentage shares of household income and Gini coefficients<sup>1</sup> for NON-RETIRED households, 2002-03**

	Percentage shares of equivalised income for NON-RETIRED households			
	Original income	Gross income	Disposable income	Post-tax income
Quintile group <sup>2</sup>				
Bottom	3	6	7	6
2nd	10	12	12	12
3rd	17	17	17	16
4th	24	23	23	23
Top	46	42	41	43
All non-retired households	100	100	100	100
Decile group <sup>2</sup>				
Bottom	1	2	3	2
Top	29	27	25	27
Gini coefficient (per cent)	44	36	33	38

<sup>1</sup> This is a measure of the dispersion of each definition of income (see Appendix 2, paragraph 51).

<sup>2</sup> Households are ranked by equivalised disposable income.

Other patterns are similar to those for all households. One adult households with children are concentrated at the bottom of the distribution with 43 per cent of these households in the bottom fifth and a further 26 per cent in the second quintile group (Table 22). Two adult households with three or more children are also concentrated towards the bottom although not to the same extent. Two adult households without children are over-represented at the top.

For single person households, there are different patterns for men and women. Households containing only one man are over-represented in the top quintile of the distribution. One woman households are more evenly spread throughout the income groups.

### Original income

The average original income for non-retired households is £31,500 (Table 6). As mentioned above, inequality of original income is lower for non-retired households than for all households. The ratio of the average for the top quintile group to the bottom is 11 to one (compared to 15 to one for all households). The ratio in 2001-02 was 13 to one.

The original income of households shows a relatively strong relationship to the number of economically active people it contains. Households in the top three quintile groups typically contain nearly twice as many economically active people as those in the lowest group, as shown in Table 6.

**Table 6**  
**Summary of the effects of taxes and benefits on NON-RETIRED households by quintile groups<sup>1</sup>, 2002-03**

	Quintile groups of NON-RETIRED households <sup>1</sup>					All non-retired households	Ratio Top/Bottom quintile
	Bottom	2nd	3rd	4th	Top		
<b>Income, taxes and benefits per household (£ per year)</b>							
Original income	6 220	17 230	27 770	39 740	66 680	31 530	11
<i>plus</i> cash benefits	5 280	4 010	2 400	1 300	890	2 770	0
Gross income	11 500	21 240	30 170	41 030	67 570	34 300	6
<i>less</i> direct taxes <sup>2</sup> and employees' NIC	1 170	3 420	5 880	8 950	16 440	7 170	14
Disposable income	10 330	17 820	24 290	32 080	51 130	27 130	5
<i>less</i> indirect taxes	3 330	4 140	5 160	5 870	7 430	5 190	2
Post-tax income	7 010	13 680	19 130	26 220	43 700	21 950	6
<i>plus</i> benefits in kind	6 440	5 160	4 280	3 660	2 930	4 490	0
Final income	13 440	18 840	23 410	29 870	46 630	26 440	3
<b>Number of individuals per household</b>							
<i>Children</i> <sup>3</sup>	1.1	0.9	0.6	0.5	0.4	0.7	
<i>Adults</i>	1.8	1.9	2.1	2.1	1.9	2.0	
<i>Men</i>	0.8	0.9	1.1	1.1	1.0	1.0	
<i>Women</i>	1.0	1.0	1.0	1.0	0.9	1.0	
People	2.9	2.8	2.7	2.6	2.3	2.7	
People in full-time education	1.1	0.8	0.6	0.5	0.3	0.7	
Economically active people	1.0	1.5	1.8	2.0	1.8	1.6	
Retired people	0.1	0.1	0.1	0.1	0.1	0.1	

<sup>1</sup> Households are ranked by equivalised disposable income.

<sup>2</sup> These are income tax (which is after tax relief at source on life assurance premiums), Council tax and Northern Ireland rates but after deducting discounts, council tax benefit and rates rebates.

<sup>3</sup> Children are defined as people aged under 16 or aged between 16 and 18, unmarried and receiving non-advanced further education.

## Cash benefits

Table 7 gives a summary of the benefits that each quintile group receives. There are two types of cash benefits: contributory benefits which are paid from the National Insurance Fund (to which individuals and their employers make contributions while working) and non-contributory benefits. For non-retired households, non-contributory benefits (including Working Families Tax Credit (WFTC)) make up nearly three quarters of all cash benefits on average. Children's tax credits could not be separately identified but will have led to a reduction in income tax paid by households with children.

The average non-retired household receives £2,800 in cash benefits. The bottom fifth receive nearly double this amount while those in the top quintile group typically get £900. However, the patterns for contributory and non-contributory benefits are different.

Most non-contributory benefits, particularly income support and housing benefit, are income related and so payments are concentrated in the two lowest quintile groups. The presence of some individuals with low incomes in high income households means that some payments are recorded

further up the income distribution. Three fifths of income support and housing benefit paid to non-retired households goes to households in the bottom fifth of the distribution. Child benefit and WFTC are based on the number of children in the household. Levels of child benefit received are therefore higher at the lower end of the distribution, as these households tend to have more children. Receipts of WFTC are high partly for that reason but, to a greater extent, because the amount received is higher the lower the income of the household.

In contrast, one criterion for receipt of contributory benefits is the amount of national insurance contributions that has been paid by, or on behalf of, the individual. The amounts received from these benefits are higher in the first three quintile groups than in the top two groups.

For all non-retired households, as shown in Table 7, cash benefits provide 8 per cent of gross income on average. For those in the bottom quintile group they form a much larger proportion – 46 per cent. Their payment results in a significant reduction in income inequality.

## Direct taxes

Households at the lower end of the income distribution pay smaller amounts of direct tax (including income tax, employees' national insurance contributions, and Council tax and Northern Ireland rates net of council tax benefits and rates rebates) compared with households with higher incomes (Tables 16 and 16A). Of the total income tax paid by non-retired households, the bottom two quintile groups together pay about 10 per cent. This compares with 75 per cent of the total paid by the top two fifths.

In addition, low income households also pay a smaller proportion of their income in income tax (Table 8). This is due to the progressive nature of the income tax system.

Table 7  
**Cash benefits for NON-RETIRED households by quintile groups<sup>1</sup>, 2002-03**

	Quintile groups of NON-RETIRED households <sup>1</sup>				All non-retired households	
	Bottom	2nd	3rd	4th	Top	
<b>Average per household (£ per year)</b>						
<b>Contributory</b>						
Retirement pension	160	510	560	420	240	380
Incapacity benefit	530	480	240	100	50	280
Job seeker's allowance <sup>2</sup>	70	20	20	10	0	30
Other	50	50	60	70	160	80
Total contributory	810	1 070	880	590	440	760
<b>Non-contributory</b>						
Income support	1 490	680	280	20	0	490
Working Families Tax Credit	440	390	130	40	20	210
Child benefit	780	620	450	370	260	500
Housing benefit	1 030	470	170	20	0	340
Job seeker's allowance <sup>3</sup>	220	40	20	0	0	60
Sickness/disablement related	360	580	390	150	90	310
Other	160	150	70	100	60	110
Total non-contributory	4 470	2 930	1 510	710	440	2 010
Total cash benefits	5 280	4 010	2 400	1 300	890	2 770
Cash benefits as a percentage of gross income	46	19	8	3	1	8

1 Households are ranked by equivalised disposable income.

2 Contribution based.

3 Income based.

Table 8  
**Taxes as a percentage of gross income for NON-RETIRED households by quintile groups<sup>1</sup>, 2002-03**

	Quintile groups of NON-RETIRED households <sup>1</sup>					All non-retired households
	Bottom	2nd	3rd	4th	Top	
<b>Percentages</b>						
Direct taxes						
Income tax <sup>2</sup>	4.6	9.1	12.1	14.5	18.9	14.5
Employees' NIC	2.1	4.1	4.9	5.2	4.0	4.3
Council tax & NI rates <sup>3</sup>	3.5	2.9	2.5	2.1	1.4	2.1
All direct taxes	10.1	16.1	19.5	21.8	24.3	20.9
All indirect taxes	28.9	19.5	17.1	14.3	11.0	15.1
All taxes	39.0	35.6	36.6	36.1	35.3	36.0

1 Households are ranked by equivalised disposable income.

2 After tax relief at source on life assurance premiums.

3 Council tax and Northern Ireland rates after deducting discounts, council tax benefit and rates rebates.

As a proportion of their gross incomes, households in the bottom quintile group typically pay 5 per cent in income tax compared with 19 per cent for those in the top quintile group.

For national insurance contributions, the amount paid as a proportion of gross income rises as income rises until the fourth quintile group; the proportion then falls for the top fifth. This is because national insurance contributions are only levied on the first £585 of weekly earnings in 2002-03, so part of the earnings of many of those in the top quintile group will not be subject to this deduction.

Council tax in Great Britain and domestic rates in Northern Ireland are shown net of council tax benefits and rates rebates in Tables 8, 16 and 16A. Households in the lower part of the income distribution pay smaller absolute amounts in local taxes. Net payments by the bottom quintile group are only about two fifths of those in the top fifth (Table 16A). When expressed as a proportion of gross income in Table 8, the impact decreases as income rises. Council tax and Northern Ireland rates represent 3 per cent of gross income for the bottom fifth but only 1 per cent for those in the top quintile group.

### Indirect taxes

The amount of indirect tax that each household pays is estimated from its expenditure recorded in the EFS. However, as described earlier in this analysis, the income and expenditure data recorded in the EFS are not fully compatible because they are recorded in different ways (see Appendix 2, paragraph 6). Therefore, to give a more complete picture of the impact of indirect taxes, they are shown in Table 9 as a proportion of disposable income and, separately, as a proportion of expenditure. In addition, indirect taxes are also shown as a proportion of gross income in Table 8 so that the impact of direct and indirect taxes can be compared.

In cash terms, the top fifth of non-retired households pay over twice as much indirect tax as the bottom fifth (Table 16A). On the other hand, when expressed as a percentage of disposable income or expenditure (Table 9), the proportion paid in indirect tax tends to be lower for households at the top of the distribution compared to those lower down.

When expressed as a proportion of disposable income, the impact of indirect taxes declines sharply as income rises. This is because those in higher income groups tend to channel a larger proportion of their income into savings and mortgage payments. These do not attract indirect taxes. Indirect taxes appear less regressive when expressed as a proportion of expenditure, with payments rising broadly in line with expenditure. However, the top fifth still pay a smaller proportion of their expenditure in indirect taxation. In particular, the burden of tobacco duty is much heavier on households in the lower half of the distribution.

### Benefits in kind

The Government provides certain goods and services to households either free at the time of use or, at subsidised prices. This study allocates these benefits in kind to individual households in order to arrive at final income. The imputed value of these benefits is based on the estimated cost of providing them. The largest two categories for which such imputations are made are health and education services. The 2002 expenditure for both these allocated in this analysis to all households is equivalent to around 28 per cent of total general government expenditure, as shown in Table 13. Other items for which imputations are made are free school meals, welfare milk, housing subsidy and travel subsidies. These items are equivalent to a further 1 per cent of general government expenditure. Table 10 gives a summary of the value of these benefits for each quintile group for non-retired households.

Table 9

**Indirect taxes as a percentage of (a) disposable income and (b) household expenditure<sup>1</sup> for NON-RETIRED households by quintile groups<sup>2</sup>, 2002-03**

	Quintile groups of NON-RETIRED households <sup>2</sup>					All non-retired households
	Bottom	2nd	3rd	4th	Top	
<b>(a) Percentages of disposable income</b>						
VAT	12.1	9.1	8.6	7.6	6.5	7.9
Duty on alcohol	1.8	1.3	1.3	1.2	0.9	1.1
Duty on tobacco	4.1	2.5	1.5	1.0	0.5	1.3
Duty on hydrocarbon oils & Vehicle excise duty	3.6	2.9	3.0	2.6	1.8	2.5
Other indirect taxes	10.7	7.5	6.8	5.9	4.8	6.2
All indirect taxes	32.2	23.2	21.3	18.3	14.5	19.1
<b>(b) Percentages of expenditure<sup>1</sup></b>						
VAT	8.6	8.2	8.2	8.0	7.4	7.9
Duty on alcohol	1.3	1.1	1.3	1.2	1.0	1.1
Duty on tobacco	2.9	2.3	1.4	1.1	0.5	1.3
Duty on hydrocarbon oils & Vehicle excise duty	2.5	2.6	2.9	2.7	2.0	2.5
Other indirect taxes	7.6	6.7	6.5	6.2	5.5	6.2
All indirect taxes	22.9	21.0	20.3	19.2	16.5	19.2

<sup>1</sup> Calculated to be consistent with disposable income. See paragraph 34 of Appendix 2 for the definition of expenditure.

<sup>2</sup> Households are ranked by equivalised disposable income.

The benefit in kind from education is allocated to a household according to its members' use of state education (Appendix 2, paragraph 36). Households in the lower quintiles receive the highest benefit from education, as shown in Table 10. This is due to the concentration of children in this part of the distribution. In addition, children in households in the higher quintiles are more likely to be attending private schools and an allocation is not made in these cases. The impact of expenditure on free school meals and welfare milk is greatest in the lower income groups, where children are more likely to have school meals provided free of charge.

The benefit from the health service is estimated according to the age and sex of the household members rather than their actual use of the service, as the EFS does not contain this information (Appendix 2, paragraph 38). The imputed benefit is relatively high for young children, low in later childhood and through the adult years until it begins to rise from late middle age onwards. This benefit is virtually the same in the bottom two quintiles then falls gradually as income rises, as shown in Table 10. This pattern is a reflection of the demographic composition of households. Studies by Sefton<sup>5</sup> have attempted to allow for variations in use of the health service according to socio-economic characteristics.

The housing subsidy, which excludes housing benefit (Appendix 2, paragraph 39), is spread between public sector, housing association and Registered Social Landlord tenants. Since such households tend to be concentrated in the lower half of the income distribution, this is where the imputed benefit is highest, as shown in Table 10.

Travel subsidies cover the support payments made to bus and train operating companies. The use of public transport by non-retired households is partly related to the need to travel to work and therefore to the number of economically active people in a household. This results in estimates of these subsidies being higher for households in higher income

quintiles. This pattern is also due to London and the South East having higher levels of commuting by public transport together with higher than average household incomes.

Taken together, the absolute value of these benefits in kind declines as household income increases. The ratio of benefits in kind to post-tax income decreases from 92 per cent for the lowest quintile group to 7 per cent for the highest, as shown in Table 10. This indicates that these benefits contribute to the reduction in inequality.

## The effects of taxes and benefits by household type

The tax and benefit systems affect different types of household in different ways reflecting, in part, the number and ages of people within each household type. Of the types of non-retired households shown in Figure 6, only those containing one adult and children are net gainers, with average final incomes of £18,500 compared to original incomes of £8,900 (Table 23). This table also has a more detailed breakdown that shows that households with two adults and three or more children are also net beneficiaries, but to a smaller extent.

Original income is strongly related to the number of adults in the household. For two adult households, those with children have broadly similar levels of original income to those without, but receive more cash benefits than those without. This reflects the effect of receiving child benefit and WFTC. The effect of taxes is broadly similar for both groups. Final incomes are higher for those with children due to the imputed benefit in kind from education.

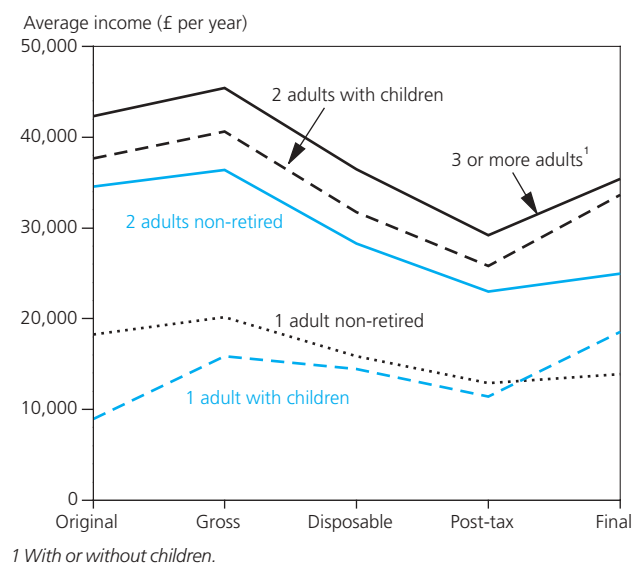
For one adult households, original income is much lower for those with children as the adult is less likely to be economically active. Benefits, both in cash and in kind, are significantly higher for those with children.

**Table 10**  
**Benefits in kind for NON-RETIRED households by quintile groups<sup>1</sup>, 2002–03**

	Quintile groups of NON-RETIRED households <sup>1</sup>					All non-retired households
	Bottom	2nd	3rd	4th	Top	
<b>Average per household (£ per year)</b>						
Education	3 910	2 750	1 990	1 530	870	2 210
National health service	2 250	2 270	2 190	2 040	1 950	2 140
Housing subsidy	100	60	30	10	0	40
Travel subsidies	50	50	60	70	100	70
School meals and welfare milk	120	30	10	0	0	30
All benefits in kind	6 440	5 160	4 280	3 660	2 930	4 490
<b>Benefits in kind as a percentage of post-tax income</b>						
	92	38	22	14	7	21

<sup>1</sup> Households are ranked by equivalised disposable income.

**Figure 6**  
**Income stages by NON-RETIRED household types, 2002–03**



## Results for retired households

In this analysis retired households are those where the income of retired household members accounts for more than half of the household gross income (see Appendix 2, paragraph 9 for the definition of a retired person). These households have quite distinct income and expenditure patterns. The tax and benefit systems affect them in different ways from non-retired households.

There is a high degree of inequality in original income between households. Tables 11, 18 and 18A show that, before government intervention, the richest fifth of retired households receive nearly three fifths of total original income, while the Gini coefficient for this measure of income is 63 per cent. Both these measures are higher (showing more inequality) than equivalent figures for non-retired households. After the impact of taxes and benefits there is a large reduction in inequality. Cash benefits play by far the largest part in bringing about this reduction. Income tax payments make a further, though much smaller, contribution. Payments of indirect taxes result in an increase in inequality.

Overall, retired households receive an average of £7,500 in original income with most of this coming from occupational pensions and investments (Tables 12, 18 and 18A). Original income ranges from £1,500 for the bottom quintile group to £21,900 for the top. On the other hand, amounts received from cash benefits vary less across the distribution. On average, households in the bottom fifth receive around £5,700 from this source, while those in the second to fifth quintile groups receive between £7,500 and £8,000. These cash benefits make up large proportions of the gross incomes for the bottom four quintiles ranging from 79 per cent for the bottom quintile group to 51 per cent for the fourth quintile

group. The top fifth are much less dependent on cash benefits – these account for only 26 per cent of their gross incomes.

Most retired people will have made contributions to the National Insurance Fund throughout their working lives. The bulk of the benefits which retired households receive will be paid out of this fund in the form of contributory benefits. The most significant of these is the state retirement pension, which on average accounts for three quarters of their cash benefits (Tables 12, 18 and 18A).

Non-contributory benefits are lowest in the bottom quintile group, where about three quarters of households own their homes outright (Table 19A) and so receive little in the way of housing benefit. In addition, as shown in Table 18A, disability benefits sometimes make up a significant proportion of the income of a retired household and their receipt may push a household up the income distribution. This does not necessarily mean that households receiving disability benefits have a higher standard of living than those lower down the income distribution. The income from these benefits may be offset by the additional costs that may be incurred by the individual due to the illness or disability in question.

Retired households derive significant benefits from health services and, to a lesser extent, housing and travel subsidies. Health benefit is spread fairly evenly between retired households whereas benefit from the housing subsidy is higher for those in the middle quintiles, since public sector tenants are concentrated in these groups. The benefits received by retired households from travel subsidies are mainly for bus travel, particularly in the form of concessionary fares and passes for senior citizens and, since these are not usually means-tested, there is no particular relationship with income.

Table 23 gives some details of the effect of taxes and benefits on different types of household. On average, both one adult retired households and those with two or more adults are net gainers from the tax and benefit systems. For one adult retired households there are distinct differences in original income by gender. Men received more than one and a half times the level of original income than that of women on average: £5,800 for men compared with £3,700 for women. After the addition of benefits and the deduction of taxes, the differences are greatly reduced, so that final income levels for these men is only marginally higher than for women.

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**Table 11**  
**Percentage shares of household income and Gini coefficients<sup>1</sup> for RETIRED households, 2002-03**

	Percentage shares of equivalised income for RETIRED households <sup>2</sup>			
	Original income	Gross income	Disposable income	Post-tax income
Quintile group <sup>2</sup>				
Bottom	4	10	10	9
2nd	7	14	14	14
3rd	10	16	17	17
4th	20	21	22	22
Top	58	39	37	39
All retired households	100	100	100	100
Decile group <sup>2</sup>				
Bottom	1	4	4	4
Top	42	25	23	24
Gini coefficient (per cent)	63	29	26	31

<sup>1</sup> This is a measure of the dispersion of each definition of income (see Appendix 2, paragraph 51).

<sup>2</sup> Households are ranked by equivalised disposable income.



Table 12

Summary of the effects of taxes and benefits on RETIRED households by quintile groups<sup>1</sup>, 2002-03

	Quintile groups of RETIRED households <sup>1</sup>					All retired households
	Bottom	2nd	3rd	4th	Top	
Income, taxes and benefits per household (£ per year)						
Original income						
Earnings	90	120	330	540	1 060	430
Occupational pensions	970	1 860	2 980	5 850	15 370	5 400
Investment income	450	450	530	1 220	5 270	1 580
Other income	40	90	40	70	160	80
Total original income	1 550	2 520	3 880	7 680	21 860	7 500
<i>plus</i> Contributory benefits	5 010	5 830	5 680	5 610	6 080	5 640
Non-contributory benefits	730	1 650	2 200	2 350	1 480	1 680
Total cash benefits	5 740	7 490	7 880	7 960	7 560	7 320
Gross income	7 280	10 000	11 760	15 630	29 420	14 820
<i>less</i> Income tax <sup>2</sup>	110	190	430	970	3 680	1 080
Employees' NIC	0	20	20	20	70	20
Council tax & Northern Ireland rates <sup>3</sup>	550	480	470	610	910	610
Disposable income	6 620	9 320	10 850	14 030	24 770	13 120
<i>less</i> Indirect taxes	1 800	1 940	2 160	2 770	3 740	2 480
Post-tax income	4 820	7 380	8 690	11 260	21 030	10 630
<i>plus</i> National health service	4 240	4 140	3 730	3 980	3 890	4 000
Housing subsidy	30	70	80	60	20	50
Other benefits in kind	140	120	190	140	120	140
Final income	9 220	11 710	12 690	15 440	25 060	14 820
Cash benefits as a percentage of gross income	79	75	67	51	26	49
Retirement pension as a percentage of cash benefits	86	76	71	70	79	76

1 Households are ranked by equivalised disposable income.

2 After tax relief at source on life assurance premiums.

3 Council tax and Northern Ireland rates after deducting discounts, council tax benefit and rates rebates.

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## APPENDIX 1

TABLE 13

**(Appendix 1): Taxes and benefits allocated to households as a percentage of general government expenditure, 2002**

Taxes and compulsory social contributions <sup>1</sup> allocated to households			Benefits allocated to households		
	£ million	% of GGE <sup>2</sup>		£ million	% of GGE <sup>2</sup>
Income tax (gross)	109 400	27.0	Cash benefits		
Tax reliefs	- 70	0.0	Contributory (National Insurance, etc)		
Income tax (net)	109 330	27.0	Retirement	43 990	10.8
Employees' & self-employed NI contributions	27 690	6.8	Incapacity benefit	6 750	1.7
Council tax	16 340	4.0	Widows' and guardians' allowances	1 100	0.3
			Maternity/Statutory maternity pay	780	0.2
			Job seekers allowance	510	0.1
			Social fund	1 920	0.5
			Other	270	0.1
Taxes on final goods and services			Non-contributory		
VAT	48 000	11.8	Income support	14 440	3.6
Duty on hydrocarbon oils	11 130	2.7	Working Families Tax Credit	6 270	1.5
Duty on tobacco	7 710	1.9	Other family benefits	8 910	2.2
Vehicle excise duty	2 590	0.6	War pensions	1 170	0.3
Duty on wines, cider, perry and spirits	4 040	1.0	Other	16 980	4.2
Duty on beer	2 740	0.7	Student support	530	0.1
Betting duties	1 190	0.3	Rent rebates and allowances	12 080	3.0
Camelot: payments to NLDF	1 330	0.3			
Stamp duty on house purchase	2 020	0.5			
Other	2 910	0.7			
Taxes & NI contributions on			Benefits in kind		
Intermediate goods & services <sup>3</sup>			Health services	64 850	16.0
Employers' NI contributions	12 420	3.1	Education	49 820	12.3
Commercial & industrial rates	8 400	2.1	Travel subsidies <sup>4</sup>	1 670	0.4
Duty on hydrocarbon oils	5 590	1.4	Housing subsidy	1 120	0.3
VAT	3 470	0.9	School meals and welfare milk	730	0.2
Vehicle excise duty	1 060	0.3			
Other	3 350	0.8			
Total	271 310	66.9	Total	233 890	57.8
Total government expenditure	405 600				

1 Paid to UK central and local government and European Union institutions.

2 Expressed as a percentage of general government expenditure.

3 These are taxes paid by industry and commerce assumed to be passed on to households in the prices of goods and services they buy. For instance, duty on derv used in the transportation of goods is an 'intermediate' tax whereas the duty on petrol bought by the private motorist is a tax on final goods and services.

4 Including concessionary fares expenditure.

Source: United Kingdom National Accounts, 2003 Edition.



TABLE 14

**(Appendix 1): Average incomes, taxes and benefits by decile groups of ALL households, 2002-03**

	Decile groups of all households ranked by equivalised disposable income										All households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (£ per year)											
Decile points (equivalised £)	8 972	11 196	13 151	15 516	18 048	20 860	24 579	29 575	38 275		
Number of households in the population ('000s)	2 434	2 434	2 434	2 436	2 432	2 437	2 434	2 435	2 433	2 437	24 346
Original income											
Wages and salaries	1 682	3 220	5 246	8 863	12 805	17 026	23 658	29 636	35 716	54 829	19 268
Imputed income from benefits in kind	3	23	21	46	62	148	291	438	659	1 555	325
Self-employment income	377	791	606	712	923	1 730	1 662	3 108	4 572	9 727	2 421
Occupational pensions, annuities	317	851	1 140	1 585	2 245	2 156	2 623	2 438	3 296	4 097	2 075
Investment income	186	285	320	395	540	561	796	1 023	1 582	4 090	978
Other income	170	161	129	163	255	181	273	222	215	285	205
Total	2 735	5 330	7 462	11 763	16 830	21 801	29 303	36 865	46 040	74 585	25 271
Direct benefits in cash											
Contributory											
Retirement pension	1 675	2 506	2 793	2 540	2 008	1 710	1 492	1 050	866	603	1 724
Job seeker's allowance (Contribution based)	98	16	5	24	16	27	9	4	10	2	21
Incapacity benefit	299	370	441	301	289	266	86	89	54	44	224
Widows' benefits	43	23	24	20	36	51	25	33	26	112	39
Statutory Maternity Pay/Allowance	1	3	5	6	7	19	21	34	61	76	23
Non-contributory											
Income support	942	1 129	796	511	437	346	256	32	10	-	446
Child benefit	431	530	406	384	374	372	353	352	259	232	369
Housing benefit	634	855	842	672	371	306	171	27	2	-	388
Job seeker's allowance (Income based)	197	130	34	18	21	24	2	1	5	-	43
Invalid care allowance	28	52	80	64	57	25	8	8	3	3	33
Attendance allowance	8	65	138	134	146	138	39	24	15	-	71
Disability living allowance	112	204	326	406	416	314	216	97	91	15	220
Disabled Persons Tax Credit	-	1	13	4	6	-	-	-	13	2	4
War pensions/War widows' pensions	9	-	21	14	60	31	78	17	15	24	27
Severe disablement allowance	26	16	16	11	55	30	44	33	4	8	24
Industrial injury disablement benefit	11	36	20	27	11	15	35	34	7	21	22
Student support	54	21	91	53	27	39	21	64	87	25	48
Government training schemes	25	7	20	5	7	1	12	0	1	0	8
Working Families Tax Credit	163	349	287	263	194	99	92	37	21	14	152
Other non-contributory benefits	90	122	115	95	83	59	60	37	28	20	71
Total cash benefits	4 845	6 436	6 473	5 553	4 621	3 873	3 021	1 974	1 579	1 201	3 958
Gross income	7 580	11 765	13 935	17 315	21 451	25 674	32 324	38 839	47 619	75 786	29 229
Direct taxes and Employees' NIC											
Income tax	199	487	660	1 300	2 028	2 837	4 066	5 464	7 434	15 139	3 961
less: Tax relief at source <sup>1</sup>	3	3	3	3	4	4	2	5	7	8	4
Employees' NI contributions	79	181	271	520	758	1 029	1 484	1 871	2 222	2 595	1 101
Council tax and Northern Ireland rates <sup>2</sup>	669	694	681	720	740	764	829	875	921	1 013	791
less: Council tax benefit/Rates rebates	242	234	202	146	90	65	33	8	4	4	103
Total	702	1 126	1 406	2 391	3 432	4 561	6 344	8 197	10 566	18 734	5 746
Disposable income	6 878	10 639	12 529	14 924	18 019	21 113	25 980	30 642	37 053	57 052	23 483
Equivalised disposable income	6 516	10 112	12 166	14 300	16 758	19 464	22 618	27 014	33 413	56 635	21 899
Indirect taxes											
Taxes on final goods and services											
VAT	1 077	987	1 113	1 316	1 591	1 785	2 176	2 314	2 619	3 586	1 856
Duty on tobacco	312	311	310	366	335	314	295	296	281	217	304
Duty on beer and cider	75	60	75	81	111	123	151	160	158	168	116
Duty on wines & spirits	90	82	76	89	141	143	170	192	226	300	151
Duty on hydrocarbon oils	239	243	242	319	364	454	588	595	682	705	443
Vehicle excise duty	69	70	74	96	115	136	157	173	192	186	127
Television licences	83	83	78	85	89	98	97	104	104	105	93
Stamp duty on house purchase	45	39	37	49	62	86	100	143	194	352	111
Customs duties	18	16	18	21	23	26	30	32	36	47	27
Betting taxes	41	41	46	46	47	74	54	56	54	44	50
Insurance premium tax	26	20	24	32	37	46	52	61	74	83	46
Air passenger duty	8	6	15	12	17	25	30	28	36	51	23
Camelot National Lottery Fund	41	46	50	57	61	62	68	68	58	39	55
Other	14	10	9	7	11	23	12	14	55	22	18
Intermediate taxes											
Commercial and industrial rates	169	159	172	200	222	255	291	310	351	453	258
Employers' NI contributions	247	232	251	292	323	371	424	451	511	660	376
Duty on hydrocarbon oils	112	106	114	133	147	169	193	205	233	300	171
Vehicle excise duty	23	21	23	27	30	34	39	41	47	60	34
Other	146	138	149	173	191	220	251	267	303	391	223
Total indirect taxes	2 834	2 670	2 877	3 401	3 916	4 444	5 178	5 511	6 212	7 768	4 481
Post-tax income	4 043	7 969	9 652	11 523	14 103	16 668	20 803	25 131	30 841	49 284	19 002
Benefits in kind											
Education	2 787	2 205	1 858	1 675	1 663	1 584	1 599	1 443	1 128	569	1 651
National health service	2 868	3 089	3 169	2 889	2 703	2 566	2 503	2 224	2 203	2 030	2 625
Housing subsidy	70	90	76	72	45	42	27	14	4	1	44
Rail travel subsidy	15	9	12	11	13	14	29	31	59	66	26
Bus travel subsidy	52	55	53	52	42	42	38	38	36	34	44
School meals and welfare milk	81	77	37	17	10	9	2	2	0	-	23
Total	5 873	5 525	5 206	4 716	4 477	4 257	4 198	3 752	3 431	2 700	4 413
Final income	9 916	13 494	14 857	16 239	18 580	20 925	25 000	28 883	34 271	51 984	23 415

<sup>1</sup> On life assurance premiums.<sup>2</sup> Council tax and Northern Ireland rates after deducting discounts.

TABLE 14A

**(Appendix 1): Average incomes, taxes and benefits by quintile groups of ALL households, 2002–03**

	Quintile groups of all households ranked by equivalised disposable income					All households
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Quintile points (equivalised £)		11 196	15 516	20 860	29 575	
Number of households in the population ('000s)	4 869	4 870	4 869	4 869	4 870	24 346
Original income						
Wages and salaries	2 451	7 054	14 915	26 647	45 273	19 268
Imputed income from benefits in kind	13	34	105	365	1 107	325
Self-employment income	584	659	1 326	2 385	7 150	2 421
Occupational pensions, annuities	584	1 362	2 200	2 531	3 696	2 075
Investment income	235	357	550	909	2 836	978
Other income	165	146	218	247	250	205
Total	4 032	9 613	19 315	33 084	60 312	25 271
Direct benefits in cash						
Contributory						
Retirement pension	2 090	2 666	1 859	1 271	734	1 724
Job seeker's allowance (Contribution based)	57	14	22	6	6	21
Incapacity benefit	334	371	277	88	49	224
Widows' benefits	33	22	44	29	69	39
Statutory Maternity Pay/Allowance	2	5	13	28	69	23
Non-contributory						
Income support	1 035	653	391	144	5	446
Child benefit	480	395	373	353	245	369
Housing benefit	745	757	338	99	1	388
Job seeker's allowance (Income based)	164	26	23	2	2	43
Invalid care allowance	40	72	41	8	3	33
Attendance allowance	36	136	142	31	7	71
Disability living allowance	158	366	365	157	53	220
Disabled Persons Tax Credit	1	8	3	-	7	4
War pensions/War widows' pensions	5	17	45	48	20	27
Severe disablement allowance	21	14	42	38	6	24
Industrial injury disablement benefit	24	24	13	35	14	22
Student support	38	72	33	43	56	48
Government training schemes	16	12	4	6	1	8
Working Families Tax Credit	256	275	147	64	18	152
Other non-contributory benefits	106	105	71	49	24	71
Total cash benefits	5 640	6 013	4 247	2 498	1 390	3 958
Gross income	9 673	15 625	23 563	35 581	61 702	29 229
Direct taxes and Employees' NIC						
Income tax	343	980	2 432	4 765	11 286	3 961
less: Tax relief at source <sup>1</sup>	3	3	4	4	8	4
Employees' NI contributions	130	395	894	1 677	2 408	1 101
Council tax and Northern Ireland rates <sup>2</sup>	681	701	752	852	967	791
less: Council tax benefit/Rates rebates	238	174	77	20	4	103
Total	914	1 899	3 997	7 270	14 650	5 746
Disposable income	8 759	13 726	19 566	28 311	47 052	23 483
Equivalised disposable income	8 314	13 233	18 111	24 816	45 024	21 899
Indirect taxes						
Taxes on final goods and services						
VAT	1 032	1 215	1 688	2 245	3 102	1 856
Duty on tobacco	312	338	324	296	249	304
Duty on beer and cider	67	78	117	156	163	116
Duty on wines & spirits	86	83	142	181	263	151
Duty on hydrocarbon oils	241	280	409	591	693	443
Vehicle excise duty	69	85	125	165	189	127
Television licences	83	82	93	101	105	93
Stamp duty on house purchase	42	43	74	121	273	111
Customs duties	17	19	25	31	42	27
Betting taxes	41	46	61	55	49	50
Insurance premium tax	23	28	42	57	79	46
Air passenger duty	7	13	21	29	43	23
Camelot National Lottery Fund	43	54	62	68	48	55
Other	12	8	17	13	39	18
Intermediate taxes						
Commercial and industrial rates	164	186	238	300	402	258
Employers' NI contributions	240	271	347	437	585	376
Duty on hydrocarbon oils	109	124	158	199	266	171
Vehicle excise duty	22	25	32	40	54	34
Other	142	161	206	259	347	223
Total indirect taxes	2 752	3 139	4 180	5 345	6 990	4 481
Post-tax income	6 006	10 587	15 386	22 967	40 063	19 002
Benefits in kind						
Education	2 496	1 766	1 623	1 521	848	1 651
National health service	2 978	3 029	2 635	2 363	2 117	2 625
Housing subsidy	80	74	43	20	2	44
Rail travel subsidy	12	12	14	30	63	26
Bus travel subsidy	54	53	42	38	35	44
School meals and welfare milk	79	27	9	2	0	23
Total	5 699	4 961	4 367	3 975	3 065	4 413
Final income	11 705	15 548	19 752	26 941	43 128	23 415

<sup>1</sup> On life assurance premiums.<sup>2</sup> Council tax and Northern Ireland rates after deducting discounts.

TABLE 15

**(Appendix 1): Household characteristics of decile groups of ALL households, 2002-03**

	Decile groups of all households ranked by equivalised disposable income										All house- holds
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (number)											
People	2.4	2.4	2.3	2.3	2.4	2.4	2.5	2.5	2.4	2.2	2.4
Adults	1.7	1.7	1.7	1.8	1.8	1.9	2.0	2.0	2.0	1.8	1.8
Men	0.7	0.7	0.7	0.8	0.9	0.9	1.0	1.0	1.0	1.0	0.9
Women	1.0	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.8	1.0
Children	0.7	0.8	0.6	0.5	0.5	0.5	0.5	0.5	0.4	0.3	0.5
Economically active people	0.6	0.6	0.7	0.9	1.1	1.3	1.6	1.7	1.7	1.6	1.2
Retired people	0.5	0.7	0.7	0.6	0.5	0.4	0.3	0.2	0.2	0.1	0.4
People in full-time education	0.76	0.67	0.52	0.50	0.49	0.48	0.47	0.45	0.33	0.25	0.49
In state primary schools	0.29	0.32	0.26	0.26	0.21	0.23	0.19	0.18	0.14	0.09	0.22
In state secondary schools	0.21	0.25	0.16	0.16	0.19	0.14	0.17	0.16	0.10	0.06	0.16
In further and higher education	0.24	0.09	0.07	0.06	0.07	0.10	0.08	0.08	0.06	0.02	0.09
In other educational establishments	0.02	0.02	0.03	0.01	0.02	0.01	0.03	0.03	0.04	0.08	0.03
Composition (percentages)											
Household type											
Retired											
1 adult	20	17	26	21	16	12	8	5	3	3	13
1 adult men	3	4	6	5	5	2	2	2	2	1	3
1 adult women	17	13	20	16	11	10	7	3	1	3	10
2 or more adults	15	25	20	18	15	10	9	6	6	4	13
Non-retired											
1 adult	15	11	8	10	13	15	12	15	17	22	14
1 adult men	8	6	5	5	7	8	7	10	12	15	8
1 adult women	6	5	3	5	6	7	5	5	6	7	6
2 adults	12	9	9	15	16	22	26	31	36	40	22
3 or more adults	6	2	5	6	9	10	13	12	16	8	9
1 adult with children	12	15	9	7	6	5	2	3	1	1	6
2 adults with 1 child	5	4	7	6	6	9	8	9	6	13	7
2 adults with 2 children	4	8	6	9	12	12	10	10	10	7	9
2 adults with 3 or more children	6	6	5	4	3	3	2	3	2	2	3
3 or more adults with children	5	3	4	4	3	3	5	5	2	0	4
Household tenure											
Rented											
Local authority rented	22	28	28	21	14	13	8	4	1	0	14
Housing association or RSL	6	11	11	12	6	5	3	1	1	0	6
Other rented unfurnished	5	5	6	5	5	3	4	5	4	3	4
Rented furnished	8	3	3	4	5	4	4	3	5	4	4
Rent free	2	3	2	1	2	1	1	1	0	0	1
Owner occupied	58	49	52	57	67	74	80	86	89	92	70
With mortgage	18	18	20	29	35	47	51	62	61	69	41
Rental purchase	1	-	0	0	0	1	1	0	0	0	0
Owned outright	39	31	32	28	32	26	28	25	27	23	29
Age of chief economic supporter											
Under 25	8	5	4	3	4	3	3	3	2	2	4
Over 24 and under 35	12	15	11	12	14	16	17	22	23	25	17
Over 34 and under 45	19	18	16	17	16	21	23	23	20	25	20
Over 44 and under 55	15	12	10	13	18	19	20	23	27	24	18
Over 54 and under 65	14	11	14	18	18	17	16	17	17	17	16
Over 64 and under 75	13	20	23	20	16	12	12	8	7	5	14
Over 74	19	20	22	17	15	11	8	4	3	3	12
Employment status of chief economic supporter											
Self-employed	5	7	5	5	5	8	6	9	11	14	7
Full-time employee	8	14	20	34	43	52	64	72	71	72	45
Part-time employee	11	10	10	8	10	9	5	4	6	6	8
Unemployed	9	3	2	1	2	1	1	1	1	0	2
Unoccupied and under minimum NI age	33	26	18	13	9	7	4	3	3	2	12
Retired/unoccupied over minimum NI age	33	40	45	39	31	23	19	11	9	7	26
Other	1	0	-	-	0	0	-	-	-	-	0

TABLE 15A

**(Appendix 1): Household characteristics of quintile groups of ALL households, 2002-03**

	Quintile groups of all households ranked by equivalised disposable income					All households
	Bottom	2nd	3rd	4th	Top	
Average per household (number)						
People	2.4	2.3	2.4	2.5	2.3	2.4
Adults	1.7	1.7	1.9	2.0	1.9	1.8
Men	0.7	0.8	0.9	1.0	1.0	0.9
Women	1.0	1.0	1.0	1.0	0.9	1.0
Children	0.7	0.6	0.5	0.5	0.4	0.5
Economically active people	0.6	0.8	1.2	1.7	1.7	1.2
Retired people	0.6	0.7	0.5	0.3	0.2	0.4
People in full-time education	0.72	0.51	0.48	0.46	0.29	0.49
In state primary schools	0.30	0.26	0.22	0.19	0.11	0.22
In state secondary schools	0.23	0.16	0.17	0.16	0.08	0.16
In further and higher education	0.16	0.07	0.08	0.08	0.04	0.09
In other educational establishments	0.02	0.02	0.01	0.03	0.06	0.03
Composition (percentages)						
Household type						
Retired						
1 adult	19	24	14	7	3	13
1 adult men	4	6	4	2	1	3
1 adult women	15	18	10	5	2	10
2 or more adults	20	19	12	8	5	13
Non-retired						
1 adult	13	9	14	14	20	14
1 adult men	7	5	7	9	13	8
1 adult women	6	4	7	5	6	6
2 adults	11	12	19	29	38	22
3 or more adults	4	5	10	13	12	9
1 adult with children	13	8	5	3	1	6
2 adults with 1 child	5	7	7	9	9	7
2 adults with 2 children	6	8	12	11	9	9
2 adults with 3 or more children	6	4	3	3	2	3
3 or more adults with children	4	4	3	5	1	4
Household tenure						
Rented						
Local authority rented	25	25	14	6	0	14
Housing association or RSL	9	11	5	2	0	6
Other rented unfurnished	5	5	4	4	4	4
Rented furnished	6	3	4	4	5	4
Rent free	2	1	2	1	0	1
Owner occupied	53	54	71	83	90	70
With mortgage	18	24	41	56	65	41
Rental purchase	0	0	0	0	0	0
Owned outright	35	30	29	26	25	29
Age of chief economic supporter						
Under 25	6	3	4	3	2	4
Over 24 and under 35	13	12	15	20	24	17
Over 34 and under 45	18	16	18	23	23	20
Over 44 and under 55	14	11	18	22	26	18
Over 54 and under 65	12	16	17	16	17	16
Over 64 and under 75	16	22	14	10	6	14
Over 74	19	19	13	6	3	12
Employment status of chief economic supporter						
Self-employed	6	5	6	8	12	7
Full-time employee	11	27	48	68	72	45
Part-time employee	10	9	9	5	6	8
Unemployed	6	2	1	1	1	2
Unoccupied and under minimum NI age	29	15	8	4	2	12
Retired/unoccupied over minimum NI age	36	42	27	15	8	26
Other	1	-	0	-	-	0

TABLE 16

**(Appendix 1): Average incomes, taxes and benefits by decile groups of NON-RETIRED households, 2002-03**

	Decile groups of non-retired households ranked by equivalised disposable income										All such households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (£ per year)											
Decile points (equivalised £)	9 310	12 045	14 852	17 674	20 324	23 413	27 293	32 618	41 123		
Number of households in the population ('000s)	1 797	1 802	1 802	1 798	1 802	1 801	1 800	1 800	1 802	1 802	18 007
Original income											
Wages and salaries	2 826	6 458	12 494	17 465	21 662	26 320	32 317	35 123	42 431	62 062	25 916
Imputed income from benefits in kind	20	26	57	100	169	289	441	546	899	1 839	439
Self-employment income	644	1 399	1 015	1 354	1 921	2 193	2 295	4 607	5 349	11 806	3 258
Occupational pensions, annuities	152	196	460	558	780	870	1 112	1 079	1 635	2 184	902
Investment income	86	207	157	272	368	417	539	895	1 202	3 501	764
Other income	212	220	237	296	276	280	184	333	198	258	249
Total	3 939	8 506	14 420	20 045	25 175	30 369	36 888	42 583	51 714	81 649	31 529
Direct benefits in cash											
Contributory											
Retirement pension	121	207	519	502	447	680	342	492	269	203	378
Job seeker's allowance (Contribution based)	131	14	23	25	37	11	5	10	7	2	26
Incapacity benefit	433	624	612	356	359	114	118	74	52	39	278
Widows' benefits	42	41	43	49	34	39	26	29	8	152	46
Statutory Maternity Pay/Allowance	2	7	9	9	17	30	39	45	64	94	32
Non-contributory											
Income support	1 357	1 614	827	525	298	264	42	5	9	-	494
Child benefit	702	853	640	602	490	419	389	348	283	247	497
Housing benefit	962	1 100	662	286	218	123	25	10	3	-	339
Job seeker's allowance (Income based)	344	86	49	28	16	22	3	6	1	-	56
Invalid care allowance	33	86	100	69	38	7	8	-	5	4	35
Attendance allowance	2	8	7	9	15	10	-	17	6	-	7
Disability living allowance	155	303	426	426	316	230	109	55	77	13	211
Disabled Persons Tax Credit	-	19	5	8	-	-	-	-	17	3	5
War pensions/War widows' pensions	12	-	14	3	8	-	9	14	8	12	8
Severe disablement allowance	35	5	22	58	40	57	21	20	-	6	26
Industrial injury disablement benefit	15	40	11	7	15	38	24	24	5	24	20
Student support	76	48	139	37	50	21	80	92	57	34	63
Government training schemes	34	29	12	6	2	16	1	-	2	-	10
Working Families Tax Credit	274	613	419	370	155	101	51	24	28	19	206
Other non-contributory benefits	52	72	62	35	28	33	14	22	10	12	34
Total cash benefits	4 784	5 769	4 600	3 410	2 581	2 217	1 304	1 287	908	864	2 772
Gross income	8 724	14 275	19 019	23 456	27 756	32 586	38 193	43 869	52 623	82 513	34 301
Direct taxes and Employees' NIC											
Income tax	312	745	1 501	2 361	3 220	4 105	5 322	6 592	8 642	16 954	4 975
less: Tax relief at source <sup>1</sup>	3	1	2	3	5	2	4	5	6	9	4
Employees' NI contributions	140	341	704	1 041	1 313	1 627	2 051	2 209	2 597	2 783	1 480
Council tax and Northern Ireland rates <sup>2</sup>	637	672	723	714	768	792	853	889	914	1 004	797
less: Council tax benefit/Rates rebates	266	242	137	70	40	26	7	3	5	3	80
Total	819	1 514	2 789	4 044	5 256	6 496	8 214	9 682	12 142	20 729	7 169
Disposable income	7 904	12 761	16 230	19 412	22 500	26 090	29 979	34 187	40 480	61 785	27 133
Equivalised disposable income	6 448	10 741	13 471	16 265	19 016	21 809	25 334	29 697	36 249	61 227	24 026
Indirect taxes											
Taxes on final goods and services											
VAT	1 283	1 210	1 493	1 742	1 949	2 253	2 356	2 551	2 955	3 709	2 150
Duty on tobacco	416	436	485	413	373	347	326	335	286	208	362
Duty on beer and cider	91	87	106	113	155	163	169	181	161	179	141
Duty on wines & spirits	110	79	92	135	156	166	192	209	256	302	170
Duty on hydrocarbon oils	290	295	394	419	546	607	650	643	766	702	531
Vehicle excise duty	75	76	109	121	155	156	174	183	191	185	143
Television licences	104	102	103	104	111	104	109	108	108	108	106
Stamp duty on house purchase	47	45	58	64	97	96	130	178	200	403	132
Customs duties	21	20	23	25	29	31	33	35	40	49	30
Betting taxes	45	41	45	47	63	64	59	66	50	46	53
Insurance premium tax	28	22	36	38	50	51	58	65	76	82	51
Air passenger duty	7	6	16	16	26	35	24	33	40	52	25
Camelot National Lottery Fund	42	46	56	63	72	76	70	68	59	37	59
Other	15	9	12	14	31	9	16	24	60	27	22
Intermediate taxes											
Commercial and industrial rates	202	189	226	244	276	296	315	339	382	473	294
Employers' NI contributions	294	275	329	356	402	431	459	494	557	689	429
Duty on hydrocarbon oils	134	125	150	162	183	196	209	225	254	314	195
Vehicle excise duty	27	25	30	33	37	40	42	45	51	63	39
Other	174	163	195	211	238	256	272	292	330	408	254
Total indirect taxes	3 405	3 250	3 960	4 322	4 948	5 378	5 663	6 073	6 822	8 036	5 186
Post-tax income	4 500	9 511	12 271	15 090	17 551	20 712	24 316	28 114	33 658	53 749	21 947
Benefits in kind											
Education	4 268	3 559	2 855	2 643	2 001	1 978	1 612	1 454	1 204	544	2 212
National health service	2 210	2 286	2 436	2 111	2 166	2 219	1 994	2 095	1 942	1 963	2 142
Housing subsidy	101	103	72	48	34	35	16	4	4	0	42
Rail travel subsidy	17	15	14	20	17	29	31	42	62	75	32
Bus travel subsidy	44	33	34	28	31	35	31	31	35	33	34
School meals and welfare milk	124	116	39	18	12	3	1	2	0	-	32
Total	6 764	6 112	5 448	4 868	4 261	4 299	3 686	3 628	3 247	2 615	4 493
Final income	11 264	15 623	17 719	19 958	21 812	25 012	28 002	31 742	36 905	56 364	26 440

<sup>1</sup> On life assurance premiums.<sup>2</sup> Council tax and Northern Ireland rates after deducting discounts.

TABLE 16A

**(Appendix 1): Average incomes, taxes and benefits by quintile groups of NON-RETIRED households, 2002-03**

	Quintile groups of non-retired households ranked by equivalised disposable income					All such house- holds
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Quintile points (equivalised £)	12 045		17 674	23 413	32 618	
Number of households in the population ('000s)	3 600	3 600	3 603	3 600	3 604	18 007
Original income						
Wages and salaries	4 642	14 979	23 991	33 720	52 246	25 916
Imputed income from benefits in kind	23	78	229	493	1 369	439
Self-employment income	1 021	1 184	2 057	3 451	8 578	3 258
Occupational pensions, annuities	174	509	825	1 095	1 909	902
Investment income	146	214	393	717	2 351	764
Other income	216	267	278	259	228	249
Total	6 223	17 232	27 772	39 736	66 682	31 529
Direct benefits in cash						
Contributory						
Retirement pension	164	511	564	417	236	378
Job seeker's allowance (Contribution based)	73	24	24	7	4	26
Incapacity benefit	529	484	236	96	46	278
Widows' benefits	42	46	37	27	80	46
Statutory Maternity Pay/Allowance	5	9	23	42	79	32
Non-contributory						
Income support	1 485	676	281	24	4	494
Child benefit	777	621	455	369	265	497
Housing benefit	1 031	474	170	18	1	339
Job seeker's allowance (Income based)	215	39	19	4	0	56
Invalid care allowance	60	84	23	4	5	35
Attendance allowance	5	8	13	8	3	7
Disability living allowance	229	426	273	82	45	211
Disabled Persons Tax Credit	10	7	-	-	10	5
War pensions/War widows' pensions	6	8	4	11	10	8
Severe disablement allowance	20	40	48	20	3	26
Industrial injury disablement benefit	28	9	26	24	14	20
Student support	62	88	36	86	45	63
Government training schemes	31	9	9	0	1	10
Working Families Tax Credit	444	395	128	38	24	206
Other non-contributory benefits	62	48	30	18	11	34
Total cash benefits	5 277	4 005	2 399	1 295	886	2 772
Gross income	11 499	21 238	30 171	41 031	67 568	34 301
Direct taxes and Employees' NIC						
Income tax	529	1 931	3 662	5 957	12 798	4 975
less: Tax relief at source <sup>1</sup>	2	3	3	5	8	4
Employers' NI contributions	240	873	1 470	2 130	2 690	1 480
Council tax and Northern Ireland rates <sup>2</sup>	654	719	780	871	959	797
less: Council tax benefit/Rates rebates	254	103	33	5	4	80
Total	1 167	3 417	5 876	8 948	16 435	7 169
Disposable income	10 333	17 821	24 295	32 083	51 133	27 133
Equivalised disposable income	8 594	14 868	20 413	27 516	48 738	24 026
Indirect taxes						
Taxes on final goods and services						
VAT	1 246	1 618	2 101	2 454	3 332	2 150
Duty on tobacco	426	449	360	331	247	362
Duty on beer and cider	89	110	159	175	170	141
Duty on wines & spirits	95	114	161	200	279	170
Duty on hydrocarbon oils	292	407	576	646	734	531
Vehicle excise duty	75	115	155	179	188	143
Television licences	103	104	108	109	108	106
Stamp duty on house purchase	46	61	96	154	302	132
Customs duties	20	24	30	34	44	30
Betting taxes	43	46	63	63	48	53
Insurance premium tax	25	37	51	61	79	51
Air passenger duty	6	16	31	28	46	25
Camelot National Lottery Fund	44	60	74	69	48	59
Other	12	13	20	20	43	22
Intermediate taxes						
Commercial and industrial rates	195	235	286	327	428	294
Employers' NI contributions	285	342	417	476	623	429
Duty on hydrocarbon oils	130	156	190	217	284	195
Vehicle excise duty	26	31	38	44	57	39
Other	169	203	247	282	369	254
Total indirect taxes	3 327	4 141	5 163	5 868	7 429	5 186
Post-tax income	7 005	13 680	19 132	26 215	43 704	21 947
Benefits in kind						
Education	3 913	2 749	1 990	1 533	874	2 212
National health service	2 248	2 273	2 192	2 045	1 952	2 142
Housing subsidy	102	60	34	10	2	42
Rail travel subsidy	16	17	23	37	68	32
Bus travel subsidy	39	31	33	31	34	34
School meals and welfare milk	120	28	8	2	0	32
Total	6 438	5 158	4 280	3 657	2 931	4 493
Final income	13 443	18 838	23 412	29 872	46 635	26 440

<sup>1</sup> On life assurance premiums.<sup>2</sup> Council tax and Northern Ireland rates after deducting discounts.

TABLE 17

## (Appendix 1): Household characteristics of decile groups of NON-RETIRED households, 2002-03

	Decile groups of non-retired households ranked by equivalised disposable income										All such households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (number)											
People	2.9	2.9	2.9	2.8	2.7	2.7	2.6	2.6	2.4	2.2	2.7
Adults	1.8	1.7	2.0	1.9	2.0	2.1	2.1	2.0	2.0	1.8	2.0
Men	0.8	0.8	0.9	0.9	1.0	1.1	1.1	1.1	1.0	1.0	1.0
Women	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.8	1.0
Children	1.1	1.2	0.9	0.9	0.7	0.6	0.5	0.5	0.4	0.4	0.7
Economically active people	0.9	1.1	1.4	1.6	1.7	1.9	2.0	1.9	1.9	1.7	1.6
Retired people	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.0	0.1
People in full-time education	1.18	1.08	0.81	0.78	0.61	0.58	0.49	0.45	0.37	0.26	0.66
In state primary schools	0.47	0.53	0.42	0.36	0.29	0.22	0.21	0.20	0.15	0.09	0.29
In state secondary schools	0.35	0.36	0.25	0.30	0.20	0.20	0.16	0.15	0.11	0.05	0.21
In further and higher education	0.33	0.14	0.11	0.09	0.11	0.11	0.09	0.08	0.06	0.02	0.11
In other educational establishments	0.03	0.04	0.04	0.02	0.01	0.04	0.02	0.03	0.05	0.10	0.04
Composition (percentages)											
Household type											
Non-retired											
1 adult	22	18	17	18	17	17	16	17	19	26	19
1 adult men	12	9	10	9	9	9	11	12	13	17	11
1 adult women	10	8	7	9	8	7	6	6	6	8	8
2 adults	18	18	22	22	28	32	34	37	41	42	29
3 or more adults	9	4	11	12	14	15	16	15	15	8	12
1 adult with children	19	24	12	11	6	3	3	3	1	1	8
2 adults with 1 child	8	9	12	9	11	11	10	9	8	14	10
2 adults with 2 children	7	12	13	18	15	13	13	12	11	7	12
2 adults with 3 or more children	10	9	8	5	4	3	3	2	2	2	5
3 or more adults with children	8	6	7	6	4	6	6	4	2	0	5
Household tenure											
Rented	59	61	42	36	23	22	17	12	13	7	29
Local authority rented	31	32	19	16	9	9	5	2	1	0	12
Housing association or RSL	9	13	11	7	4	3	1	0	1	-	5
Other rented unfurnished	6	7	6	5	5	3	5	5	5	3	5
Rented furnished	11	6	5	6	4	5	5	4	6	4	6
Rent free	2	3	1	2	2	1	1	1	1	0	1
Owner occupied	41	39	58	64	77	78	83	88	87	93	71
With mortgage	25	29	40	48	60	58	66	68	66	75	53
Rental purchase	1	-	1	0	1	1	1	0	0	0	0
Owned outright	16	11	17	16	16	19	17	20	20	17	17
Age of chief economic supporter											
Under 25	11	8	6	6	4	4	2	4	3	1	5
Over 24 and under 35	19	25	19	20	21	20	26	22	27	27	23
Over 34 and under 45	30	31	27	26	26	26	28	24	23	27	27
Over 44 and under 55	21	21	18	24	26	23	25	29	28	27	24
Over 54 and under 65	16	13	23	20	18	19	17	17	17	16	18
Over 64 and under 75	2	2	5	3	3	6	2	3	2	1	3
Over 74	0	1	2	1	2	2	0	1	0	0	1
Employment status of chief economic supporter											
Self-employed	9	11	8	8	8	9	7	12	13	15	10
Full-time employee	13	28	49	60	69	72	84	78	78	77	61
Part-time employee	17	18	14	16	9	8	6	6	6	6	11
Unemployed	13	4	2	3	1	2	0	1	1	0	3
Unoccupied and under minimum NI age	46	37	24	10	9	4	2	1	1	1	13
Retired/unoccupied over minimum NI age	1	2	3	4	3	5	1	2	1	0	2
Other	1	0	-	0	0	-	-	-	-	-	0



TABLE 17A

**(Appendix 1): Household characteristics of quintile groups of NON-RETIRED households, 2002-03**

	Quintile groups of non-retired households ranked by equivalised disposable income					All such households
	Bottom	2nd	3rd	4th	Top	
Average per household (number)						
People	2.9	2.8	2.7	2.6	2.3	2.7
Adults	1.8	1.9	2.1	2.1	1.9	2.0
Men	0.8	0.9	1.1	1.1	1.0	1.0
Women	1.0	1.0	1.0	1.0	0.9	1.0
Children	1.1	0.9	0.6	0.5	0.4	0.7
Economically active people	1.0	1.5	1.8	2.0	1.8	1.6
Retired people	0.1	0.1	0.1	0.1	0.1	0.1
People in full-time education	1.13	0.80	0.60	0.47	0.31	0.66
In state primary schools	0.50	0.39	0.26	0.20	0.12	0.29
In state secondary schools	0.36	0.28	0.20	0.16	0.08	0.21
In further and higher education	0.24	0.10	0.11	0.08	0.04	0.11
In other educational establishments	0.04	0.03	0.03	0.03	0.07	0.04
Composition (percentages)						
Household type						
Non-retired						
1 adult	20	17	17	17	22	19
1 adult men	11	9	9	11	15	11
1 adult women	9	8	8	6	7	8
2 adults	18	22	30	36	41	29
3 or more adults	7	11	15	16	12	12
1 adult with children	21	11	5	3	1	8
2 adults with 1 child	8	10	11	9	11	10
2 adults with 2 children	10	15	14	12	9	12
2 adults with 3 or more children	9	6	4	2	2	5
3 or more adults with children	7	6	5	5	1	5
Household tenure						
Rented	60	39	22	14	10	29
Local authority rented	31	17	9	4	0	12
Housing association or RSL	11	9	4	1	0	5
Other rented unfurnished	6	6	4	5	4	5
Rented furnished	8	6	4	5	5	6
Rent free	2	1	1	1	0	1
Owner occupied	40	61	78	86	90	71
With mortgage	27	44	59	67	71	53
Rental purchase	0	0	1	0	0	0
Owned outright	13	17	18	18	19	17
Age of chief economic supporter						
Under 25	10	6	4	3	2	5
Over 24 and under 35	22	20	21	24	27	23
Over 34 and under 45	30	26	26	26	25	27
Over 44 and under 55	21	21	25	27	27	24
Over 54 and under 65	14	22	18	17	17	18
Over 64 and under 75	2	4	4	2	2	3
Over 74	0	1	2	1	0	1
Employment status of chief economic supporter						
Self-employed	10	8	9	10	14	10
Full-time employee	21	55	71	81	78	61
Part-time employee	17	15	9	6	6	11
Unemployed	8	2	2	1	1	3
Unoccupied and under minimum NI age	41	17	6	1	1	13
Retired/unoccupied over minimum NI age	1	3	4	1	1	2
Other	1	0	0	-	-	0

TABLE 18

## (Appendix 1): Average incomes, taxes and benefits by decile groups of RETIRED households, 2002-03

	Decile groups of retired households ranked by equivalised disposable income										All such households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (£ per year)											
Decile points (equivalised £)	8 397	9 914	11 300	12 311	13 527	15 139	17 108	19 853	24 967		
Number of households in the population ('000s)	631	636	633	632	635	635	633	635	633	636	6 339
Original income											
Wages and salaries	18	124	4	182	273	356	371	616	634	1 269	385
Imputed income from benefits in kind	-	-	-	8	-	-	-	0	-	5	1
Self-employment income	10	29	16	31	25	-	15	70	-	222	42
Occupational pensions, annuities	542	1 396	1 997	1 723	2 550	3 408	4 673	7 017	9 780	20 959	5 405
Investment income	282	612	439	457	461	602	1 134	1 315	2 052	8 485	1 584
Other income	41	40	78	97	34	50	59	80	83	235	80
Total	894	2 200	2 535	2 497	3 344	4 417	6 253	9 098	12 549	31 174	7 496
Direct benefits in cash											
Contributory											
Retirement pension	4 572	5 302	5 764	5 687	5 281	5 837	5 543	5 537	6 020	5 929	5 547
Job seeker's allowance (Contribution based)	19	-	7	-	8	-	17	2	-	-	5
Incapacity benefit	15	49	72	127	160	79	49	74	63	19	71
Widows' benefits	35	21	-	11	-	-	-	-	79	53	20
Statutory Maternity Pay/Allowance	-	-	-	-	-	-	-	-	-	-	-
Non-contributory											
Income support	189	331	260	329	343	309	400	400	484	41	309
Child benefit	-	-	17	6	5	10	5	2	7	10	6
Housing benefit	54	143	530	763	931	982	728	561	548	35	527
Job seeker's allowance (Income based)	-	81	-	-	-	-	-	4	-	-	8
Invalid care allowance	28	19	27	40	27	24	51	5	30	18	27
Attendance allowance	4	121	189	272	268	332	411	514	309	81	250
Disability living allowance	39	39	148	243	240	423	445	366	351	154	245
Disabled Persons Tax Credit	-	-	-	-	-	-	-	-	-	-	-
War pensions/War widows' pensions	-	-	-	32	27	14	215	123	281	112	80
Severe disablement allowance	-	10	48	20	-	-	46	-	21	39	18
Industrial injury disablement benefit	-	17	25	15	17	90	28	12	57	8	27
Student support	-	3	-	-	-	43	6	1	-	-	5
Government training schemes	0	-	-	-	0	-	13	-	-	-	1
Working Families Tax Credit	-	-	-	-	-	-	-	-	-	-	-
Other non-contributory benefits	182	199	154	188	160	155	184	176	199	168	176
Total cash benefits	5 138	6 334	7 241	7 733	7 466	8 299	8 139	7 776	8 449	6 666	7 324
Gross income	6 032	8 534	9 775	10 230	10 810	12 716	14 392	16 875	20 997	37 840	14 820
Direct taxes and Employees' NIC											
Income tax	61	175	218	172	352	508	776	1 178	1 883	5 484	1 081
less: Tax relief at source <sup>1</sup>	2	4	4	6	5	3	6	3	2	10	5
Employees' NI contributions	-	1	27	6	12	20	9	24	39	92	23
Council tax and Northern Ireland rates <sup>2</sup>	737	741	718	676	674	705	747	786	840	1 111	774
less: Council tax benefit/Rates rebates	163	212	204	232	224	209	169	136	109	22	168
Total	632	701	754	617	810	1 021	1 358	1 848	2 650	6 655	1 705
Disposable income	5 399	7 833	9 021	9 613	10 000	11 695	13 034	15 027	18 347	31 185	13 115
Equivalised disposable income	6 777	9 231	10 603	11 798	12 896	14 284	16 036	18 349	21 992	36 630	15 860
Indirect taxes											
Taxes on final goods and services											
VAT	694	730	733	722	891	864	1 061	1 275	1 352	1 904	1 023
Duty on tobacco	149	106	148	122	161	132	187	155	114	100	137
Duty on beer and cider	34	30	51	41	40	42	53	57	59	57	46
Duty on wines & spirits	35	64	99	55	79	62	114	114	142	212	98
Duty on hydrocarbon oils	144	158	174	120	156	155	184	230	244	368	193
Vehicle excise duty	63	67	61	51	51	66	69	108	108	174	82
Television licences	43	49	58	50	52	55	53	59	56	66	54
Stamp duty on house purchase	36	36	31	24	27	25	40	53	70	161	50
Customs duties	11	12	13	13	15	15	16	19	20	28	16
Betting taxes	28	31	53	60	37	45	43	80	36	25	44
Insurance premium tax	24	20	17	16	24	20	29	35	40	89	32
Air passenger duty	8	7	7	14	20	9	11	18	18	33	14
Camelot National Lottery Fund	34	45	54	50	45	52	50	35	45	26	44
Other	11	2	15	13	4	2	2	5	4	9	7
Intermediate taxes											
Commercial and industrial rates	108	115	123	123	143	142	157	179	197	269	156
Employers' NI contributions	158	168	179	179	208	207	228	261	287	392	227
Duty on hydrocarbon oils	72	77	82	82	95	94	104	119	131	178	103
Vehicle excise duty	14	15	16	16	19	19	21	24	26	36	21
Other	94	100	106	106	123	123	135	155	170	232	134
Total indirect taxes	1 761	1 832	2 021	1 856	2 190	2 129	2 557	2 981	3 119	4 360	2 481
Post-tax income	3 638	6 001	7 000	7 756	7 811	9 566	10 477	12 045	15 228	26 825	10 635
Benefits in kind											
Education	31	94	48	22	70	133	114	9	60	-	58
National health service	4 277	4 201	4 069	4 206	3 690	3 773	4 010	3 945	4 032	3 750	3 995
Housing subsidy	14	37	58	73	71	91	57	53	39	9	50
Rail travel subsidy	10	5	7	5	8	1	7	5	15	24	9
Bus travel subsidy	65	77	84	79	69	90	81	72	73	60	75
School meals and welfare milk	-	-	3	2	1	-	-	-	-	-	1
Total	4 397	4 413	4 269	4 388	3 908	4 088	4 269	4 084	4 218	3 844	4 188
Final income	8 035	10 414	11 269	12 144	11 719	13 653	14 746	16 129	19 445	30 668	14 822

<sup>1</sup> On life assurance premiums.<sup>2</sup> Council tax and Northern Ireland rates after deducting discounts.

TABLE 18A

**(Appendix 1): Average incomes, taxes and benefits by quintile groups of RETIRED households, 2002-03**

	Quintile groups of retired households ranked by equivalised disposable income					All such households
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Quintile points (equivalised £)		9 914	12 311	15 139	19 853	
Number of households in the population ('000s)	1 267	1 266	1 269	1 268	1 269	6 339
Original income						
Wages and salaries	71	93	315	493	951	385
Imputed income from benefits in kind	-	4	-	0	3	1
Self-employment income	20	24	13	42	111	42
Occupational pensions, annuities	969	1 860	2 979	5 845	15 369	5 405
Investment income	447	448	532	1 225	5 268	1 584
Other income	40	88	42	70	159	80
Total	1 547	2 516	3 880	7 676	21 861	7 496
Direct benefits in cash						
Contributory						
Retirement pension	4 937	5 725	5 559	5 540	5 974	5 547
Job seeker's allowance (Contribution based)	10	4	4	10	-	5
Incapacity benefit	32	100	120	62	41	71
Widows' benefits	28	5	-	-	66	20
Statutory Maternity Pay/Allowance	-	-	-	-	-	-
Non-contributory						
Income support	260	295	326	400	262	309
Child benefit	-	11	7	3	8	6
Housing benefit	98	647	957	644	291	527
Job seeker's allowance (Income based)	41	-	-	2	-	8
Invalid care allowance	24	34	26	28	24	27
Attendance allowance	62	230	300	463	195	250
Disability living allowance	39	196	331	406	252	245
Disabled Persons Tax Credit	-	-	-	-	-	-
War pensions/War widows' pensions	-	16	20	169	197	80
Severe disablement allowance	5	34	-	23	30	18
Industrial injury disablement benefit	8	20	54	20	32	27
Student support	2	-	22	3	-	5
Government training schemes	0	-	0	6	-	1
Working Families Tax Credit	-	-	-	-	-	-
Other non-contributory benefits	191	171	157	180	183	176
Total cash benefits	5 736	7 487	7 883	7 958	7 557	7 324
Gross income	7 283	10 003	11 763	15 633	29 418	14 820
Direct taxes and Employees' NIC						
Income tax	118	195	430	977	3 683	1 081
less: Tax relief at source <sup>1</sup>	3	5	4	5	6	5
Employees' NI contributions	1	16	16	17	66	23
Council tax and Northern Ireland rates <sup>2</sup>	739	697	690	767	976	774
less: Council tax benefit/Rates rebates	187	218	217	152	66	168
Total	667	686	915	1 603	4 653	1 705
Disposable income	6 616	9 317	10 847	14 030	24 766	13 115
Equivalised disposable income	8 004	11 201	13 590	17 193	29 311	15 860
Indirect taxes						
Taxes on final goods and services						
VAT	712	728	877	1 168	1 628	1 023
Duty on tobacco	127	135	146	171	107	137
Duty on beer and cider	32	46	41	55	58	46
Duty on wines & spirits	50	77	70	114	177	98
Duty on hydrocarbon oils	151	147	156	207	306	193
Vehicle excise duty	65	56	59	89	141	82
Television licences	46	54	54	56	61	54
Stamp duty on house purchase	36	28	26	46	116	50
Customs duties	12	13	15	17	24	16
Betting taxes	29	56	41	61	31	44
Insurance premium tax	22	16	22	32	65	32
Air passenger duty	8	10	15	14	25	14
Camelot National Lottery Fund	40	52	48	43	35	44
Other	6	14	3	4	7	7
Intermediate taxes						
Commercial and industrial rates	112	123	142	168	233	156
Employers' NI contributions	163	179	208	245	339	227
Duty on hydrocarbon oils	74	82	95	111	155	103
Vehicle excise duty	15	16	19	22	31	21
Other	97	106	123	145	201	134
Total indirect taxes	1 796	1 939	2 159	2 769	3 739	2 481
Post-tax income	4 820	7 378	8 688	11 261	21 026	10 635
Benefits in kind						
Education	62	35	102	61	30	58
National health service	4 239	4 138	3 731	3 978	3 891	3 995
Housing subsidy	25	66	81	55	24	50
Rail travel subsidy	7	6	4	6	19	9
Bus travel subsidy	71	81	79	77	67	75
School meals and welfare milk	-	2	1	-	-	1
Total	4 405	4 328	3 998	4 177	4 031	4 188
Final income	9 225	11 707	12 686	15 438	25 057	14 822

<sup>1</sup> On life assurance premiums.<sup>2</sup> Council tax and Northern Ireland rates after deducting discounts.

TABLE 19

**(Appendix 1): Household characteristics of decile groups of RETIRED households, 2002-03**

	Decile groups of retired households ranked by equivalised disposable income										All such households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (number)											
People	1.5	1.6	1.6	1.5	1.4	1.5	1.5	1.5	1.6	1.6	1.5
Adults	1.5	1.6	1.6	1.5	1.4	1.5	1.5	1.5	1.5	1.6	1.5
Men	0.5	0.6	0.7	0.6	0.5	0.6	0.6	0.6	0.6	0.8	0.6
Women	0.9	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Children	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Economically active people	0.0	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1
Retired people	1.4	1.4	1.5	1.4	1.3	1.4	1.4	1.4	1.5	1.5	1.4
People in full-time education	0.01	0.02	0.02	0.01	0.02	0.03	0.02	0.00	0.02	0.01	0.01
Composition (percentages)											
Household type											
Retired											
1 adult	57	48	41	54	64	52	53	50	50	41	51
1 adult men	10	7	11	17	12	11	18	11	10	17	12
1 adult women	47	41	30	36	52	41	35	39	40	24	38
2 or more adults	43	52	59	46	36	48	47	50	50	59	49
Household tenure											
Rented	11	23	40	48	45	50	37	30	25	3	31
Local authority rented	6	12	23	34	29	27	19	18	15	-	18
Housing association or RSL	1	5	10	4	12	17	11	6	5	2	8
Other rented unfurnished	1	4	1	6	2	2	3	3	1	-	3
Rented furnished	0	1	0	-	1	3	2	1	1	1	1
Rent free	2	1	4	3	1	1	2	2	2	-	2
Owner occupied	89	77	60	52	55	50	63	70	75	97	69
With mortgage	6	8	4	4	4	2	3	5	5	10	5
Rental purchase	-	-	-	-	-	-	-	-	-	-	-
Owned outright	83	69	57	48	51	48	60	65	71	87	64
Age of chief economic supporter											
Under 25	-	-	-	-	-	-	-	-	-	-	-
Over 24 and under 35	-	-	-	-	-	-	-	-	-	-	-
Over 34 and under 45	1	-	-	1	-	-	-	-	-	1	0
Over 44 and under 55	1	1	-	1	-	0	0	-	2	-	1
Over 54 and under 65	10	8	9	8	13	12	8	15	9	15	11
Over 64 and under 75	31	40	49	45	42	47	45	43	46	51	44
Over 74	57	50	42	45	45	40	46	43	43	33	44
Employment status of chief economic supporter											
Self-employed	-	-	-	1	-	-	-	-	-	-	0
Full-time employee	-	-	-	-	-	-	-	-	-	1	0
Part-time employee	-	-	-	2	-	-	-	-	-	-	0
Unemployed	1	0	-	-	-	-	-	-	-	-	0
Unoccupied and under minimum NI age	9	6	5	5	6	4	5	10	6	13	7
Retired/unoccupied over minimum NI age	91	94	95	92	94	96	95	90	94	87	93

TABLE 19A

**(Appendix 1): Household characteristics of quintile groups of RETIRED households, 2002-03**

	Quintile groups of retired households ranked by equivalised disposable income					All such households
	Bottom	2nd	3rd	4th	Top	
Average per household (number)						
People	1.5	1.6	1.5	1.5	1.6	1.5
Adults	1.5	1.6	1.5	1.5	1.6	1.5
Men	0.6	0.7	0.5	0.6	0.7	0.6
Women	0.9	0.9	0.9	0.9	0.9	0.9
Children	0.0	0.0	0.0	0.0	0.0	0.0
Economically active people	0.0	0.0	0.0	0.1	0.1	0.1
Retired people	1.4	1.5	1.4	1.4	1.5	1.4
People in full-time education	0.01	0.01	0.02	0.01	0.01	0.01
Composition (percentages)						
Household type						
Retired						
1 adult	52	47	58	52	46	51
1 adult men	9	14	12	14	13	12
1 adult women	44	33	46	37	32	38
2 or more adults	48	53	42	48	54	49
Household tenure						
Rented	17	44	48	34	14	31
Local authority rented	9	29	28	18	7	18
Housing association or RSL	3	7	15	9	4	8
Other rented unfurnished	3	4	2	3	1	3
Rented furnished	1	0	2	2	1	1
Rent free	2	4	1	2	1	2
Owner occupied	83	56	52	66	86	69
With mortgage	7	4	3	4	7	5
Rental purchase	-	-	-	-	-	-
Owned outright	76	52	49	62	79	64
Age of chief economic supporter						
Under 25	-	-	-	-	-	-
Over 24 and under 35	-	-	-	-	-	-
Over 34 and under 45	0	0	-	-	0	0
Over 44 and under 55	1	1	0	0	1	1
Over 54 and under 65	9	9	12	11	12	11
Over 64 and under 75	36	47	45	44	49	44
Over 74	54	43	43	44	38	44
Employment status of chief economic supporter						
Self-employed	-	1	-	-	-	0
Full-time employee	-	-	-	-	0	0
Part-time employee	-	1	-	-	-	0
Unemployed	0	-	-	-	-	0
Unoccupied and under minimum NI age	7	5	5	8	9	7
Retired/unoccupied over minimum NI age	92	94	95	92	90	93

TABLE 20

**(Appendix 1): Average incomes, taxes and benefits by decile groups of NON-RETIRED households WITHOUT CHILDREN, 2002-03**

	Decile groups of non-retired households without children ranked by equivalised disposable income										All such households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (£ per year)											
Decile points (equivalised £)	10 103	13 925	17 196	19 901	22 796	26 267	30 167	35 328	44 290		
Number of households in the population ('000s)	1 080	1 079	1 083	1 080	1 082	1 076	1 085	1 080	1 079	1 085	10 808
Original income											
Wages and salaries	2 077	7 177	12 808	18 809	20 474	28 053	30 405	36 004	40 328	61 386	25 752
Imputed income from benefits in kind	-	38	64	67	43	305	362	575	776	2 093	432
Self-employment income	498	907	1 198	1 083	2 236	1 538	2 899	3 334	5 315	9 722	2 873
Occupational pensions, annuities	252	481	933	896	1 440	1 199	1 391	1 576	2 515	2 804	1 349
Investment income	126	372	305	286	589	398	445	1 316	1 599	3 072	851
Other income	162	183	53	40	327	48	99	132	106	200	135
Total	3 116	9 158	15 360	21 181	25 109	31 540	35 601	42 937	50 641	79 277	31 392
Direct benefits in cash											
Contributory											
Retirement pension	227	741	853	699	1 085	551	585	507	366	264	588
Job seeker's allowance (Contribution based)	119	19	50	43	18	3	5	12	11	-	28
Incapacity benefit	811	1 000	643	426	219	150	93	95	51	55	354
Widows' benefits	64	13	57	56	45	27	30	12	23	244	57
Statutory Maternity Pay/Allowance	-	-	-	-	-	-	-	-	-	-	-
Non-contributory											
Income support	579	766	591	324	347	90	10	7	15	-	273
Child benefit	6	2	8	8	3	7	7	6	7	8	6
Housing benefit	658	812	343	172	124	79	13	-	-	-	220
Job seeker's allowance (Income based)	218	58	27	49	25	4	1	-	-	-	38
Invalid care allowance	53	80	92	18	9	-	-	-	-	7	26
Attendance allowance	-	5	6	25	17	-	22	-	10	-	9
Disability living allowance	190	428	539	416	244	201	48	83	17	22	219
Disabled Persons Tax Credit	-	3	8	13	-	-	-	-	-	5	3
War pensions/War widows' pensions	20	18	-	10	4	11	10	26	2	7	11
Severe disablement allowance	46	25	90	57	79	35	17	10	-	10	37
Industrial injury disablement benefit	51	31	7	21	67	24	28	13	8	40	29
Student support	38	160	13	25	41	59	62	73	93	-	57
Government training schemes	24	22	4	2	21	3	-	3	0	-	8
Working Families Tax Credit	8	12	14	4	-	17	2	-	-	-	6
Other non-contributory benefits	37	56	42	40	51	20	25	19	17	13	32
Total cash benefits	3 150	4 248	3 387	2 409	2 400	1 281	958	865	619	675	1 999
Gross income	6 266	13 406	18 748	23 590	27 509	32 822	36 559	43 802	51 260	79 952	33 391
Direct taxes and Employees' NIC											
Income tax	205	863	1 863	2 679	3 333	4 415	5 213	6 622	8 286	16 154	4 963
less: Tax relief at source <sup>1</sup>	5	3	3	6	4	3	5	7	8	10	5
Employees' NI contributions	90	369	767	1 111	1 273	1 788	1 954	2 388	2 576	2 771	1 509
Council tax and Northern Ireland rates <sup>2</sup>	606	670	676	711	756	792	841	840	884	969	775
less: Council tax benefit/Rates rebates	237	201	99	42	32	17	2	2	6	4	64
Total	660	1 698	3 204	4 453	5 326	6 976	7 999	9 842	11 732	19 880	7 177
Disposable income	5 606	11 709	15 544	19 137	22 182	25 846	28 560	33 961	39 528	60 072	26 214
Equivalised disposable income	6 308	12 089	15 626	18 567	21 257	24 324	28 229	32 618	38 987	66 020	26 402
Indirect taxes											
Taxes on final goods and services											
VAT	1 123	1 117	1 409	1 658	1 859	2 128	2 200	2 396	3 034	3 379	2 030
Duty on tobacco	268	354	526	413	363	353	333	314	253	245	342
Duty on beer and cider	115	109	121	161	154	191	190	196	165	194	160
Duty on wines & spirits	148	89	118	160	162	181	189	268	251	318	188
Duty on hydrocarbon oils	259	294	342	492	503	610	540	642	731	662	507
Vehicle excise duty	66	81	103	140	148	157	176	184	197	173	143
Television licences	97	94	100	110	101	106	108	106	106	109	104
Stamp duty on house purchase	50	46	47	75	96	92	140	155	200	379	128
Customs duties	18	18	21	24	27	29	30	33	39	43	28
Betting taxes	47	45	56	65	74	65	62	64	41	55	58
Insurance premium tax	28	28	30	43	50	52	61	61	82	75	51
Air passenger duty	8	11	11	19	32	27	28	34	47	55	27
Camelot National Lottery Fund	45	51	77	67	74	72	76	65	53	38	62
Other	21	10	6	18	9	10	15	35	76	23	22
Intermediate taxes											
Commercial and industrial rates	174	176	202	234	263	283	294	322	380	419	275
Employers' NI contributions	254	256	294	341	383	412	428	469	554	610	400
Duty on hydrocarbon oils	115	117	134	155	174	188	195	214	252	278	182
Vehicle excise duty	23	23	27	31	35	38	39	43	51	56	37
Other	150	152	174	202	227	244	254	278	328	361	237
Total indirect taxes	3 010	3 069	3 796	4 411	4 734	5 240	5 358	5 879	6 841	7 472	4 981
Post-tax income	2 597	8 640	11 747	14 726	17 448	20 606	23 202	28 081	32 687	52 601	21 233
Benefits in kind											
Education	1 864	662	263	227	574	233	168	361	182	92	463
National health service	1 356	1 653	1 734	1 780	1 855	1 619	1 550	1 579	1 566	1 336	1 603
Housing subsidy	69	86	44	45	33	23	4	4	1	1	31
Rail travel subsidy	24	13	12	27	26	25	34	72	63	61	36
Bus travel subsidy	33	37	29	24	43	29	35	38	23	38	33
School meals and welfare milk	-	-	-	-	-	-	-	-	-	-	-
Total	3 346	2 451	2 082	2 103	2 531	1 928	1 791	2 054	1 836	1 528	2 165
Final income	5 942	11 090	13 829	16 829	19 979	22 535	24 993	30 135	34 522	54 128	23 398

<sup>1</sup> On life assurance premiums.<sup>2</sup> Council tax and Northern Ireland rates after deducting discounts.

TABLE 21

**(Appendix 1): Average incomes, taxes and benefits by decile groups of NON-RETIRED households WITH CHILDREN, 2002-03**

	Decile groups of non-retired households with children ranked by equivalised disposable income										All such households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (£ per year)											
Decile points (equivalised £)	8 828	10 760	12 466	14 684	17 061	19 593	22 837	27 167	35 017		
Number of households in the population ('000s)	719	718	722	720	717	720	721	721	719	721	7 199
Original income											
Wages and salaries	3 121	6 026	9 580	15 721	20 568	24 922	31 295	38 932	43 232	68 216	26 161
Imputed income from benefits in kind	11	40	41	97	146	242	521	632	1 194	1 554	448
Self-employment income	685	1 236	1 676	1 372	1 664	1 978	2 833	2 965	7 477	16 481	3 837
Occupational pensions, annuities	71	58	142	203	232	157	237	272	468	484	232
Investment income	22	57	67	62	164	352	270	725	705	3 924	635
Other income	284	263	161	409	588	559	308	422	651	569	421
Total	4 194	7 680	11 667	17 864	23 362	28 210	35 465	43 947	53 727	91 228	31 734
Direct benefits in cash											
Contributory											
Retirement pension	41	57	148	82	103	49	50	34	73	-	64
Job seeker's allowance (Contribution based)	149	20	5	6	11	20	21	2	10	-	24
Incapacity benefit	269	250	314	224	196	186	90	57	32	16	163
Widows' benefits	32	45	50	34	75	-	32	21	14	-	30
Statutory Maternity Pay/Allowance	5	2	16	18	15	51	77	91	208	307	79
Non-contributory											
Income support	2 236	2 405	1 606	969	399	451	150	49	-	-	826
Child benefit	1 357	1 497	1 314	1 254	1 243	1 206	1 151	1 131	1 147	1 046	1 235
Housing benefit	1 315	1 416	1 052	610	254	348	133	36	12	-	518
Job seeker's allowance (Income based)	386	295	9	80	-	0	24	4	16	-	82
Invalid care allowance	27	54	139	72	47	88	28	19	12	-	49
Attendance allowance	4	-	20	-	21	-	-	-	9	-	6
Disability living allowance	207	191	357	331	213	276	202	89	115	11	199
Disabled Persons Tax Credit	-	-	43	-	-	-	-	-	42	-	9
War pensions/War widows' pensions	-	-	-	8	8	-	-	6	-	17	4
Severe disablement allowance	19	-	-	27	-	26	-	13	20	-	10
Industrial injury disablement benefit	-	12	18	12	-	7	-	6	16	-	7
Student support	134	48	83	91	55	73	28	57	85	84	74
Government training schemes	50	0	47	13	15	2	5	-	-	-	13
Working Families Tax Credit	490	1 045	942	723	783	418	313	163	64	116	506
Other non-contributory benefits	74	89	84	54	27	20	8	2	9	0	37
Total cash benefits	6 794	7 426	6 248	4 607	3 465	3 221	2 310	1 779	1 884	1 597	3 933
Gross income	10 989	15 106	17 915	22 471	26 826	31 431	37 776	45 726	55 611	92 825	35 668
Direct taxes and Employees' NIC											
Income tax	347	697	1 002	1 858	2 658	3 566	4 823	6 381	8 915	19 692	4 994
less: Tax relief at source <sup>1</sup>	1	1	1	2	2	2	3	4	1	8	2
Employees' NI contributions	154	332	509	895	1 248	1 533	1 931	2 417	2 544	2 817	1 438
Council tax and Northern Ireland rates <sup>2</sup>	655	681	722	744	770	801	848	944	1 002	1 131	830
less: Council tax benefit/Rates rebates	329	283	194	98	45	58	11	9	4	-	103
Total	826	1 426	2 038	3 398	4 629	5 840	7 588	9 728	12 456	23 632	7 156
Disposable income	10 163	13 680	15 877	19 073	22 197	25 591	30 188	35 998	43 155	69 193	28 511
Equivalised disposable income	6 848	9 760	11 604	13 552	15 790	18 331	21 156	24 886	30 270	52 378	20 458
Indirect taxes											
Taxes on final goods and services											
VAT	1 335	1 365	1 449	1 779	2 091	2 075	2 649	2 910	3 170	4 478	2 330
Duty on tobacco	553	579	476	510	323	312	400	264	303	211	393
Duty on beer and cider	58	62	96	93	103	124	159	151	129	144	112
Duty on wines & spirits	59	73	86	70	161	119	175	205	201	270	142
Duty on hydrocarbon oils	305	311	363	433	498	594	660	811	819	870	566
Vehicle excise duty	70	82	97	117	146	156	163	200	191	203	143
Television licences	112	107	109	107	108	112	110	111	111	110	110
Stamp duty on house purchase	37	42	54	72	80	104	116	155	260	456	137
Customs duties	22	22	23	27	30	31	36	39	43	61	33
Betting taxes	43	34	41	45	43	50	54	43	54	43	45
Insurance premium tax	21	25	26	40	46	51	57	65	78	91	50
Air passenger duty	4	5	14	12	20	37	24	34	24	54	23
Camelot National Lottery Fund	38	46	45	50	56	65	89	61	58	42	55
Other	12	11	7	7	20	60	5	20	41	24	21
Intermediate taxes											
Commercial and industrial rates	218	212	224	264	287	296	344	382	418	591	324
Employers' NI contributions	317	309	326	385	419	431	501	556	610	862	472
Duty on hydrocarbon oils	144	141	149	175	191	196	228	253	278	392	215
Vehicle excise duty	29	28	30	35	38	39	46	51	56	79	43
Other	188	183	193	228	248	255	297	330	361	511	279
Total indirect taxes	3 565	3 638	3 808	4 449	4 906	5 107	6 114	6 643	7 205	9 492	5 493
Post-tax income	6 598	10 041	12 070	14 623	17 291	20 484	24 074	29 355	35 950	59 701	23 019
Benefits in kind											
Education	6 437	5 803	5 361	5 036	5 209	4 606	4 558	4 256	4 438	2 676	4 838
National health service	3 051	2 924	2 814	3 042	2 569	2 699	2 841	2 808	3 243	3 526	2 952
Housing subsidy	149	121	88	79	44	36	27	26	4	5	58
Rail travel subsidy	6	13	21	13	25	11	26	32	39	84	27
Bus travel subsidy	64	34	30	35	27	29	29	32	29	35	34
School meals and welfare milk	262	230	129	76	34	37	12	5	5	-	79
Total	9 969	9 125	8 443	8 280	7 908	7 418	7 492	7 158	7 758	6 327	7 988
Final income	16 567	19 166	20 512	22 903	25 199	27 902	31 567	36 513	43 709	66 027	31 007

<sup>1</sup> On life assurance premiums.<sup>2</sup> Council tax and Northern Ireland rates after deducting discounts.



TABLE 22

**(Appendix 1): Distribution of households<sup>1</sup> by household type, 2002-03**

	Retired households				Non-Retired households		
	1 adult Men	1 adult Women	All 1 adult	2 or more adults	1 adult Men	1 adult Women	All 1 adult
<b>Decile groups of households ranked by equivalised disposable income</b>							
<b>Number of households ('000s)</b>							
Bottom	80	412	492	356	206	156	362
2nd	99	316	415	604	139	130	269
3rd	158	487	645	498	121	77	198
4th	115	389	504	428	123	130	253
5th	126	274	400	369	166	143	308
6th	59	235	294	239	184	181	365
7th	39	167	205	230	176	119	295
8th	47	66	112	155	243	122	365
9th	45	30	75	143	288	137	425
Top	22	61	83	91	368	167	535
All households in population ('000s)	789	2 437	3 226	3 113	2 015	1 361	3 375

	Non-Retired households						
	2 adults	3 or more adults	1 adult with children	2 adults with 1 child	2 adults with 2 children	2 adults with 3 or more children	3 or more adults with children
<b>Decile groups of households ranked by equivalised disposable income</b>							
<b>Number of households ('000s)</b>							
Bottom	301	154	282	121	95	143	128
2nd	217	61	353	108	188	141	78
3rd	223	112	225	161	150	119	103
4th	370	146	166	156	224	98	91
5th	386	226	153	149	284	72	84
6th	542	236	112	209	287	70	83
7th	643	326	54	194	297	60	129
8th	762	296	83	230	248	64	118
9th	867	390	29	156	244	46	57
Top	973	202	29	305	174	38	7
All households in population ('000s)	5 284	2 149	1 487	1 790	2 191	852	880

<sup>1</sup> See Appendix 2 for definitions of retired households, adults and children.

TABLE 23

**(Appendix 1): Summary of the effects of taxes and benefits, by household type<sup>1</sup>, 2002-03**

	Retired households				Non-Retired households		
	1 adult Men	1 adult Women	All 1 adult	2 or more adults	1 adult Men	1 adult Women	All 1 adult
<b>Average per household (£ per year)</b>							
Original income	5 811	3 693	4 211	10 900	19 411	16 552	18 259
<i>plus</i> Cash benefits	5 797	6 403	6 255	8 432	1 729	2 259	1 942
Gross income	11 609	10 096	10 466	19 332	21 140	18 811	20 201
<i>less</i> Direct taxes and employees' NIC	1 329	939	1 034	2 400	4 599	3 961	4 342
Disposable income	10 280	9 157	9 432	16 932	16 541	14 849	15 859
<i>Equivalised disposable income</i>	<i>16 811</i>	<i>15 005</i>	<i>15 447</i>	<i>16 287</i>	<i>27 117</i>	<i>24 343</i>	<i>25 998</i>
<i>less</i> Indirect taxes	1 792	1 457	1 539	3 457	3 085	2 725	2 940
Post-tax income	8 488	7 701	7 893	13 476	13 457	12 124	12 919
<i>plus</i> Benefits in kind	3 092	3 526	3 420	4 983	897	1 062	963
Final income	11 580	11 227	11 313	18 458	14 353	13 186	13 883

	Non-Retired households						
	2 adults	3 or more adults	1 adult with children	2 adults with 1 child	2 adults with 2 children	2 adults with 3 or more children	3 or more adults with children
<b>Average per household (£ per year)</b>							
Original income	34 549	44 258	8 924	38 090	38 868	33 769	37 618
<i>plus</i> Cash benefits	1 814	2 545	6 930	2 222	2 448	5 677	4 362
Gross income	36 363	46 803	15 853	40 312	41 316	39 446	41 980
<i>less</i> Direct taxes and employees' NIC	8 053	9 475	1 418	9 139	8 959	7 967	7 542
Disposable income	28 310	37 327	14 435	31 172	32 356	31 478	34 438
<i>Equivalised disposable income</i>	<i>27 613</i>	<i>24 060</i>	<i>14 478</i>	<i>25 589</i>	<i>22 344</i>	<i>18 025</i>	<i>17 782</i>
<i>less</i> Indirect taxes	5 303	7 397	3 034	5 911	5 983	6 128	6 961
Post-tax income	23 007	29 931	11 402	25 261	26 374	25 350	27 477
<i>plus</i> Benefits in kind	1 948	4 587	7 114	5 099	8 087	13 261	9 987
Final income	24 955	34 517	18 516	30 360	34 461	38 612	37 464

<sup>1</sup> See Appendix 2 for definitions of retired households, adults and children.

TABLE 24

**(Appendix 1): Average incomes, taxes and benefits by decile groups of households ranked by UNADJUSTED disposable income, 2002-03**

	Decile groups of all households ranked by UNADJUSTED disposable income										All households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
<b>Average per household (£ per year)</b>											
<i>Decile points (£)</i>	7 313	9 834	12 268	15 230	18 837	22 711	27 785	33 928	44 715		
Number of households in the population ('000s)	2 434	2 434	2 432	2 437	2 434	2 435	2 432	2 434	2 436	2 437	24 346
<b>Original income</b>											
Wages and salaries	696	1 265	3 622	6 319	10 317	16 677	23 253	29 565	37 334	63 633	19 268
Imputed income from benefits in kind	2	8	39	25	34	69	238	554	675	1 605	325
Self-employment income	180	329	354	650	1 147	1 428	1 984	2 368	5 329	10 436	2 421
Occupational pensions, annuities	492	1 085	1 531	2 106	2 801	2 179	2 285	2 417	2 592	3 258	2 075
Investment income	201	384	368	439	779	682	811	1 007	1 582	3 524	978
Other income	115	88	134	171	230	176	164	392	299	284	205
<b>Total</b>	<b>1 687</b>	<b>3 159</b>	<b>6 048</b>	<b>9 710</b>	<b>15 307</b>	<b>21 212</b>	<b>28 735</b>	<b>36 302</b>	<b>47 812</b>	<b>82 739</b>	<b>25 271</b>
<b>Direct benefits in cash</b>											
<b>Contributory</b>											
Retirement pension	2 132	3 192	2 859	2 420	2 095	1 444	1 035	919	666	479	1 724
Job seeker's allowance (Contribution based)	50	23	33	21	9	30	14	19	6	5	21
Incapacity benefit	288	260	284	381	318	225	196	142	69	78	224
Widows' benefits	31	29	36	61	44	38	26	31	13	86	39
Statutory Maternity Pay/Allowance	1	0	4	6	2	16	26	34	67	77	23
<b>Non-contributory</b>											
Income support	442	801	913	842	540	438	208	149	62	64	446
Child benefit	80	150	265	338	425	488	506	479	450	513	369
Housing benefit	540	1 135	859	603	365	222	77	44	37	-	388
Job seeker's allowance (Income based)	92	37	86	74	49	57	10	15	7	5	43
Invalid care allowance	23	4	33	83	63	71	16	22	4	10	33
Attendance allowance	40	112	200	146	82	62	22	24	10	7	71
Disability living allowance	71	169	307	508	281	305	193	182	102	79	220
Disabled Persons Tax Credit	-	-	1	-	13	4	6	-	-	15	4
War pensions/War widows' pensions	6	9	44	48	67	7	54	8	12	14	27
Severe disablement allowance	14	18	26	33	20	30	42	6	25	30	24
Industrial injury disablement benefit	24	10	28	28	19	6	28	40	20	18	22
Student support	14	31	10	60	45	70	54	68	73	57	48
Government training schemes	13	4	7	9	8	7	6	21	1	3	8
Working Families Tax Credit	25	34	176	316	341	334	91	133	44	27	152
Other non-contributory benefits	93	130	113	89	91	70	56	32	20	15	71
<b>Total cash benefits</b>	<b>3 979</b>	<b>6 147</b>	<b>6 283</b>	<b>6 064</b>	<b>4 875</b>	<b>3 922</b>	<b>2 668</b>	<b>2 368</b>	<b>1 688</b>	<b>1 581</b>	<b>3 958</b>
<b>Gross income</b>	<b>5 667</b>	<b>9 306</b>	<b>12 331</b>	<b>15 775</b>	<b>20 182</b>	<b>25 134</b>	<b>31 403</b>	<b>38 670</b>	<b>49 500</b>	<b>84 320</b>	<b>29 229</b>
<b>Direct taxes and Employees' NIC</b>											
Income tax	126	318	631	1 136	1 851	2 675	3 933	5 234	7 371	16 339	3 961
Less: Tax relief at source <sup>1</sup>	3	3	3	2	3	3	5	5	6	9	4
Employees' NI contributions	29	74	201	376	594	1 006	1 484	1 899	2 325	3 021	1 101
Council tax and Northern Ireland rates <sup>2</sup>	616	629	672	705	765	772	824	883	950	1 088	791
Less: Council tax benefit/Rates rebates	228	255	212	146	81	61	21	13	8	2	103
<b>Total</b>	<b>539</b>	<b>764</b>	<b>1 289</b>	<b>2 068</b>	<b>3 126</b>	<b>4 389</b>	<b>6 216</b>	<b>7 998</b>	<b>10 633</b>	<b>20 437</b>	<b>5 746</b>
<b>Disposable income</b>	<b>5 127</b>	<b>8 542</b>	<b>11 042</b>	<b>13 707</b>	<b>17 056</b>	<b>20 745</b>	<b>25 187</b>	<b>30 672</b>	<b>38 867</b>	<b>63 883</b>	<b>23 483</b>
<b>Indirect taxes</b>											
<b>Taxes on final goods and services</b>											
VAT	728	712	977	1 235	1 482	1 818	2 110	2 481	2 985	4 038	1 856
Duty on tobacco	174	214	280	327	341	371	403	292	346	290	304
Duty on beer and cider	49	47	71	78	83	126	149	157	192	208	116
Duty on wines & spirits	62	59	96	85	118	140	180	191	239	340	151
Duty on hydrocarbon oils	143	129	218	307	373	452	555	633	770	851	443
Vehicle excise duty	47	46	71	87	124	135	164	170	205	219	127
Television licences	69	69	80	90	99	99	103	104	108	106	93
Stamp duty on house purchase	37	27	44	53	72	88	103	138	207	337	111
Customs duties	13	13	16	19	22	26	30	33	40	55	27
Betting taxes	31	31	41	50	49	51	70	54	67	58	50
Insurance premium tax	17	18	24	30	37	44	55	62	79	90	46
Air passenger duty	4	9	8	13	12	19	32	34	42	53	23
Camelot National Lottery Fund	31	37	45	50	59	59	74	66	70	62	55
Other	9	9	8	10	5	43	10	18	33	32	18
<b>Intermediate taxes</b>											
Commercial and industrial rates	122	129	157	183	216	255	286	324	382	528	258
Employers' NI contributions	177	188	229	267	315	371	416	472	557	769	376
Duty on hydrocarbon oils	81	85	104	122	144	169	190	215	254	350	171
Vehicle excise duty	16	17	21	24	29	34	38	43	51	70	34
Other	105	111	136	158	187	220	247	279	330	456	223
<b>Total indirect taxes</b>	<b>1 915</b>	<b>1 952</b>	<b>2 626</b>	<b>3 188</b>	<b>3 766</b>	<b>4 520</b>	<b>5 213</b>	<b>5 765</b>	<b>6 956</b>	<b>8 912</b>	<b>4 481</b>
<b>Post-tax income</b>	<b>3 212</b>	<b>6 591</b>	<b>8 415</b>	<b>10 519</b>	<b>13 290</b>	<b>16 225</b>	<b>19 974</b>	<b>24 907</b>	<b>31 911</b>	<b>54 972</b>	<b>19 002</b>
<b>Benefits in kind</b>											
Education	771	683	1 186	1 478	1 762	2 269	2 204	1 982	1 964	2 210	1 651
National health service	2 447	2 828	2 879	2 744	2 743	2 474	2 529	2 437	2 417	2 747	2 625
Housing subsidy	61	85	89	72	47	33	15	24	5	9	44
Rail travel subsidy	13	6	10	8	12	30	20	33	48	80	26
Bus travel subsidy	42	55	51	49	46	41	32	37	35	56	44
School meals and welfare milk	11	30	52	45	35	34	15	10	4	1	23
<b>Total</b>	<b>3 345</b>	<b>3 687</b>	<b>4 267</b>	<b>4 397</b>	<b>4 645</b>	<b>4 880</b>	<b>4 815</b>	<b>4 521</b>	<b>4 473</b>	<b>5 103</b>	<b>4 413</b>
<b>Final income</b>	<b>6 557</b>	<b>10 278</b>	<b>12 683</b>	<b>14 916</b>	<b>17 936</b>	<b>21 105</b>	<b>24 789</b>	<b>29 428</b>	<b>36 384</b>	<b>60 074</b>	<b>23 415</b>

<sup>1</sup> On life assurance premiums.<sup>2</sup> Council tax and Northern Ireland rates after deducting discounts.

TABLE 25

**(Appendix 1): Cross-tabulation of households ranked by disposable income, unadjusted and equivalised, 2002-03**

(i) Quintile groups		Quintile groups of <b>equivalised</b> disposable income							All house- holds
		Bottom	2nd	3rd	4th	Top			
Number of households in the population ('000s)									
Quintile groups of <b>unadjusted</b> disposable income									
Bottom		3 036	1 634	199	-	-			4 868
2nd		1 396	1 669	1 257	547	-			4 869
3rd		412	1 220	1 907	850	480			4 869
4th		25	330	1 335	2 219	957			4 867
Top		-	16	172	1 253	3 432			4 873
All households		4 869	4 870	4 869	4 869	4 870			24 346

(ii) Decile groups		Decile groups of <b>equivalised</b> disposable income									All house- holds	
		Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Number of households in the population ('000s)												
Decile groups of <b>unadjusted</b> disposable income												
Bottom		1 443	694	297	-	-	-	-	-	-	-	2 434
2nd		529	370	580	757	199	-	-	-	-	-	2 434
3rd		227	740	418	61	511	475	-	-	-	-	2 432
4th		138	291	520	670	66	205	500	47	-	-	2 437
5th		64	190	329	357	762	181	25	435	91	-	2 434
6th		28	129	185	349	246	718	373	16	390	-	2 435
7th		4	20	76	176	448	359	600	500	24	225	2 432
8th		-	-	29	49	141	388	493	626	521	187	2 434
9th		-	-	-	16	60	100	362	551	783	564	2 436
Top		-	-	-	-	-	13	80	259	624	1 461	2 437
All households		2 434	2 434	2 434	2 436	2 432	2 437	2 434	2 435	2 433	2 437	24 345

TABLE 26

(Appendix 1): Percentage shares of equivalised total original, gross, disposable and post-tax incomes by quintile groups for ALL households<sup>1</sup>, 1980 to 2002-03<sup>2</sup>

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
<b>Original income</b>												
Bottom	2	3	3	3	3	2	3	2	2	2	2	2
2nd	9	9	8	8	7	7	7	7	7	7	7	7
3rd	18	17	17	17	17	17	16	16	16	16	15	16
4th	26	26	26	26	26	27	26	25	26	26	25	26
Top	44	46	46	47	47	47	49	50	50	49	51	50
All households	100	100	100	100	100	100	100	100	100	100	100	100
<b>Gross income</b>												
Bottom	8	8	9	9	9	8	8	7	7	7	7	7
2nd	12	12	12	12	12	12	11	11	11	11	10	10
3rd	18	17	17	17	17	17	16	16	16	16	16	16
4th	23	23	23	23	23	24	23	23	23	23	23	23
Top	38	39	39	39	39	40	41	43	43	42	44	44
All households	100	100	100	100	100	100	100	100	100	100	100	100
<b>Disposable income</b>												
Bottom	9	9	9	9	10	9	9	8	8	8	7	7
2nd	13	13	13	13	13	13	12	12	11	12	11	11
3rd	18	17	17	17	17	17	17	16	16	17	16	16
4th	23	23	23	23	23	23	23	23	23	23	23	23
Top	37	38	37	38	37	38	40	41	42	41	43	42
All households	100	100	100	100	100	100	100	100	100	100	100	100
<b>Post-tax income</b>												
Bottom	9	9	9	9	9	9	8	8	7	7	6	7
2nd	13	13	13	13	13	13	12	12	11	11	10	11
3rd	17	17	17	17	17	17	16	16	16	16	15	16
4th	23	22	22	22	22	23	22	22	22	23	23	23
Top	38	39	39	39	38	39	41	43	44	43	45	44
All households	100	100	100	100	100	100	100	100	100	100	100	100
	1992	1993	1993-4	1994-5	1995-6	1996-7	1997-8	1998-9	1999-00	2000-01	2001-02	2002-03
<b>Original income</b>												
Bottom	2	2	2	2	3	2	2	3	2	2	3	3
2nd	6	6	6	6	7	7	7	7	7	7	7	7
3rd	15	15	14	15	15	15	15	15	15	15	14	15
4th	26	25	25	25	25	25	25	25	25	25	24	25
Top	50	52	52	51	50	51	51	52	52	50	52	50
All households	100	100	100	100	100	100	100	100	100	100	100	100
<b>Gross income</b>												
Bottom	7	7	7	7	7	7	7	7	7	6	6	7
2nd	11	11	11	11	11	11	11	11	11	11	11	11
3rd	16	16	16	16	16	16	16	16	16	16	15	16
4th	23	23	23	23	23	23	23	23	23	23	22	23
Top	43	44	44	43	43	44	44	44	44	44	45	43
All households	100	100	100	100	100	100	100	100	100	100	100	100
<b>Disposable income</b>												
Bottom	7	8	8	8	8	8	8	7	7	7	7	8
2nd	11	12	12	12	12	12	12	12	12	12	12	12
3rd	16	16	16	16	17	16	16	16	16	16	16	17
4th	23	23	23	23	23	23	23	23	23	23	22	23
Top	42	42	42	41	40	42	42	42	42	42	43	41
All households	100	100	100	100	100	100	100	100	100	100	100	100
<b>Post-tax income</b>												
Bottom	7	7	7	7	7	7	7	6	6	6	6	6
2nd	11	11	11	11	12	11	11	11	11	11	11	12
3rd	16	16	16	16	16	16	16	16	16	16	15	16
4th	23	22	22	22	23	22	22	22	22	22	22	23
Top	44	44	44	43	43	44	44	45	45	44	46	43
All households	100	100	100	100	100	100	100	100	100	100	100	100

<sup>1</sup> Ranked by equivalised disposable income.<sup>2</sup> From 1990 this includes company car benefit and beneficial house purchase loans from employers. From 1996-97 values are based on estimates for the sample grossed up to population totals.

TABLE 27

**(Appendix 1): Gini coefficients for the distribution of income at each stage of the tax-benefit system and P90/P10 and P75/P25<sup>1</sup> ratios for disposable income for ALL households, 1980 to 2002-03<sup>2</sup>**

	Gini coefficients (per cent)				Ratios for disposable income	
	Equivalised income				P90/P10	P75/P25
	Original	Gross	Disposable	Post-tax		
1980	44	31	28	30	3.5	2.0
1981	46	31	28	31	3.4	2.0
1982	47	31	28	31	3.3	2.0
1983	48	32	28	31	3.3	1.9
1984	49	31	28	30	3.3	2.0
1985	49	32	29	32	3.5	2.1
1986	50	34	31	35	3.7	2.1
1987	51	36	33	36	4.1	2.2
1988	51	37	35	38	4.4	2.4
1989	50	36	34	37	4.5	2.4
1990	52	38	36	40	4.9	2.5
1991	51	37	35	39	4.8	2.5
1992	52	37	34	38	4.6	2.4
1993	53	38	35	38	4.5	2.3
1993/94	54	37	34	38	4.5	2.3
1994/95	53	37	33	37	4.5	2.3
1995/96	52	36	33	37	4.2	2.2
1996/97	53	37	34	38	4.4	2.3
1997/98	53	37	34	38	4.5	2.3
1998/99	53	38	35	39	4.5	2.3
1999/00	53	38	35	40	4.6	2.4
2000/01	51	38	35	39	4.5	2.3
2001/02	53	39	36	40	4.5	2.3
2002/03	51	37	33	37	4.3	2.2

<sup>1</sup> P90/P10 is the ratio of the income at the 90th percentile to the 10th; P75/P25 is the ratio of the income at the 75th percentile to the 25th.

<sup>2</sup> From 1990 this includes company car benefit and beneficial house purchase loans from employers. From 1996-97 values are based on estimates for the sample grossed to population totals.

## APPENDIX 2

### METHODOLOGY AND DEFINITIONS

#### The allocation of government expenditure and its financing

1. There are considerable difficulties in moving from the aggregates of government expenditure and financing published in the *United Kingdom National Accounts – ONS Blue Book* – to apportioning taxes and benefits to individual households. We can obtain information about the types of household that receive cash benefits and pay direct taxes through surveys such as the Expenditure and Food Survey (EFS). From the replies respondents give to questions on their expenditure, we can impute their payments of indirect taxes, and from information they supply about such factors as their ages and number of children in the household, we can estimate the average costs of providing them with social services, such as health and education. But there are other kinds of financing, such as corporation tax and government receipts from public corporations: no attempt is made in this analysis to apportion them to households because it would be too difficult. Similarly, there are other items of government expenditure, such as capital expenditure and expenditure on defence and on the maintenance of law and order, for which there is no clear conceptual basis for allocation, or for which we do not have sufficient information to make an allocation.

#### Expenditure and Food Survey (EFS)

2. The estimates in this analysis are based mainly on data derived from the EFS, which replaced the Family Expenditure Survey (FES) from 2001–02. The EFS is an annual survey of the expenditure and income of private households. People living in hotels, lodging houses, and in institutions such as old peoples' homes are excluded. Each person aged 16 and over keeps a full record of payments made during 14 consecutive days and answers questions about hire purchase and other payments; children aged 7 to 15 keep a simplified diary. The respondents also give detailed information, where appropriate, about income (including cash benefits received from the state) and payments of income tax. Information on age, occupation, education received, family composition and housing tenure is also obtained. The survey covers the whole 12-month period.

3. One of the main purposes of the EFS is to produce information on household expenditure patterns which is used to derive the weights for the retail prices index. The fieldwork is undertaken by ONS and by the Northern Ireland Statistics and Research Agency. *Family Spending 2002–2003*, published on the National Statistics website in February 2004, shows detailed results on expenditure and income from the 2002–03 survey, and how they vary with household characteristics. The report also includes an outline of the survey design.

4. The number of households in the United Kingdom responding to the EFS in 2002–03 was 7,000 (about 1 in every 3,500 households). The response rate was 57 per cent. To count as a co-operating household, all members aged 16 and over must fill in the diaries for both weeks and give full details of income, etc. The available evidence suggests that households containing a couple with non-dependent children, those where the head is self-employed, and those where the head was born outside the United Kingdom, are less likely to co-operate than others (see *A comparison of the Census characteristics of respondents and non-respondents to the 1991 Family Expenditure Survey* by Kate Foster, *Survey Methodology Bulletin*, ONS, No 38, January 1996). In addition, response in Greater London is noticeably lower than in other areas.

5. The results in the analysis are based on the survey grossed up so that totals reflect the total population in private households in the United Kingdom (that is excluding those in institutions such as residential homes for the elderly). Households were assigned different initial weights based on the non-response in the 1991 FES. These weights were derived from Census-linked data (see “*Weighting the FES in Great Britain to compensate for non-response: an investigation using Census-linked data*” by Kate Foster). The final household weights were produced using specialised software developed by INSEE, the French national statistics institute. The control variables used in the grossing system were the number of individuals by age (in five-year bands) and sex; and the number of individuals by region. The weights have not yet been revised to take account of results from the 2001 Census.

6. The EFS is designed primarily as a survey of expenditure on goods and services by households. It has been developed to gather information about the income of household members, and is an important and detailed source of income data. However, no information is collected that would enable a balance sheet of income and expenditure to be drawn up for a household over any particular period. Much expenditure relates to the two-week period after the interview, whereas many income components refer to a much longer period (e.g. investment income over the previous 12 months). EFS income does not include proceeds from the sale of assets (e.g. a car) or windfalls such as legacies. But recorded expenditure might reflect these items, as well as the effects of living off savings, using capital or borrowing money. Hence, there is no reason why income and expenditure should balance either for an individual household or even averaged over a group of households. Indeed, measured expenditure substantially exceeds measured income for the bottom half of the income distribution. Moreover, the difference between income and expenditure is not necessarily a measure of savings or dis-savings.



## Unit of analysis

7. The basic unit of analysis used is the household, and not the family, individual or benefit unit. A household is defined in terms of the harmonised definition as used in the Census and nearly all other government household surveys since 1981. This is one person, or a group of persons, who have the accommodation as their only or main residence and (for a group) share the living accommodation, that is a living or sitting room, or share meals together or have common housekeeping. Up until 1999-2000, the definition was based on the pre-1981 Census definition and required members to share eating and budgeting arrangements as well as shared living accommodation. The definition of a household comprised people who lived at the same address and who shared common catering for at least one meal a day. The effect of the change was fairly small, but not negligible. Spending on many items, particularly on food, housing, fuel and light, is largely joint spending by the members of the household. Without further information or assumptions it is difficult to apportion indirect taxes between individuals or other sub-divisions of households.

8. In classifying the households into various types, a **child** (i.e. a dependent) is defined as:

either aged under 16;

or aged 16, 17 or 18 not married, and receiving full-time non-advanced further education.

Most of the 'extra' adults in households with at least three adults are sons or daughters of the head of household rather than retired people.

9. A **retired household** is defined as one where the combined income of retired members amounts to at least half the total gross income of the household, where a retired person is defined as anyone who describes themselves as 'retired' or anyone over minimum NI pension age describing themselves as 'unoccupied' or 'sick or injured but not intending to seek work'.

10. By no means all retired people are in retired households: about one in five households comprising three or more adults contains retired people, for example, and households comprising one retired and one non-retired adult are often classified as non-retired.

11. The sample households have been classified according to their compositions at the time of the interview. This classification is sensible for the vast majority of households, but it can be misleading for the very small number of cases (none in 2002-03) where a spouse is absent from the household at the time of interview. The absent spouse may well be working away from home (e.g. on an oil rig), or living separately – but contributing financially to the household's upkeep. These contributions would be picked up as part of the household's original income. Also, it is likely that some households will have changed their composition during the year.

12. Economically active people comprise persons aged 16 or over who, at the time of interview, were:

employees at work,

employees temporarily away from work through illness, temporary lay-off, industrial action, etc,

on government training schemes,

self-employed,

not in employment but who had sought work within the last four weeks, or were waiting to start a job already obtained.

## Income: redistributive stages

13. Stage one:

Original income *plus* cash benefits = Gross income.

Stage two:

Gross income *minus* income tax, employees' National Insurance contributions and Council tax and Northern Ireland rates (see paragraph 24 below) = Disposable income.

Stage three:

Disposable income *minus* indirect taxes = Post-tax income.

Stage four:

Post-tax income *plus* 'benefits in kind' = Final income.

14. The starting point of the analysis is **original income**. This is the annualised income in cash of all members of the household before the deduction of taxes or the addition of any state benefits. It includes income from employment, self-employment, investment income, occupational pensions and annuities. The term 'annualised' rather than 'annual' is used advisedly. For instance, annualised income from a respondent's 'main job' is not current wage or salary multiplied up to an annual value; nor is it the sum of income from this source in the twelve month period prior to interview. Rather it is an estimate of such income expressed at an annual rate based on the respondent's assessment of his 'normal' wage or salary subject to his current employment status.

15. Furthermore, to avoid double counting and to make it consistent with the estimate of income from cash benefits (see paragraph 20), this annualised estimate has to be 'abated' for the number of weeks likely to be lost due to unemployment, sickness, etc. This figure is taken as the number of weeks so lost in the 12 months prior to interview. It should be noted that regardless of whether the respondent is currently working or unemployed the treatment is essentially the same, i.e. normal gross wage or salary expressed at an annual rate abated as required.

16. In all of this, the crucial determining role of current employment status should also be noted. Thus, no employment income would be assigned to a respondent whose employment status had recently become retired or unoccupied even though he or she may have worked for most of the twelve months prior to interview.

17. About 98 per cent of original income comes from earnings, occupational pensions (including annuities) and investment income. The tiny bit remaining comes from a variety of sources: trade union benefits, income of children under 16, private scholarships, earnings as a mail order agent or baby-sitter, regular allowance from a non-spouse, allowance from an absent spouse and the imputed value of rent-free accommodation. Households living in rent-free dwellings are each assigned an imputed income. This is counted as employment income if the tenancy depends on the job.

18. In addition to salary, many employees receive as part of their income fringe benefits such as company cars, private medical insurance and beneficial loans. The company car benefit, together with the benefit from fuel for personal use, has been included in the analysis since 1990. This is by far the most important fringe benefit accounting for over two thirds of all taxable fringe benefits according to Inland Revenue statistics. The benefit is taken to be the taxable income in accordance with Inland Revenue charges. The Inland Revenue website contains more detailed information on taxable fringe benefits and their impact on individuals. Although, for those earning below £8,500 per year the benefit is not taxable, benefit has been allocated to all those with a company car regardless of the level of earnings. The calculation of this benefit is based primarily on the car price as reported in the EFS. In any given year, the total amount of benefit will depend on the level of scale charges for tax purposes as well as the numbers and prices of vehicles in the EFS.

19. The benefit of subsidised loans from employers for house purchase has been allocated, since the 1992 analysis. The benefit is taken to be the difference between the interest payments on such loans as reported in the EFS and the interest payments that would have been payable at the ruling market rate of interest.

20. The next stage of the analysis is to add cash benefits and tax credits to original income to obtain **gross income**. This is slightly different from the 'gross normal weekly income' used in the EFS report. Cash benefits and tax credits include:

#### Contributory:

Retirement pension, part of job seeker's allowance, incapacity benefit, widows' benefits, and statutory maternity pay.

#### Non-contributory:

Income support, part of job seeker's allowance, child benefit, housing benefit (council tax benefit and rates rebates are treated as deductions from Council tax and Northern Ireland rates), invalid care allowance, attendance allowance, disability living allowance, disabled persons tax credit, war pensions, severe disablement allowance, industrial injury disablement benefits, working families tax credit, old persons pension, Christmas bonus for pensioners, government training scheme allowances, educational support (largely student maintenance awards) and winter fuel payments.

21. Statutory maternity pay is classified as a cash benefit even though it is paid through the employer.

22. Income from short-term benefits is taken as the product of the last weekly payment and the number of weeks the benefit was received in the 12 months prior to interview. Income from long-term benefits, and from housing benefits, is based on current rates.

23. Income tax, Council tax and Northern Ireland rates, and employees' and self-employed contributions to National Insurance and National Health services are then deducted to give **disposable income**. Taxes on capital, such as capital gains tax and inheritance tax, are not included in these deductions because there is no clear conceptual basis for doing so, and the relevant data are not available from the EFS.

24. The figures for Council tax and Northern Ireland rates include Council tax (for households in Great Britain), and domestic rates (for households in Northern Ireland). Council tax is shown after discounts to reduce or remove the personal element of the tax (e.g. the discount of 25 per cent for single person households). All Council tax and Northern Ireland rates are shown after the deduction of council tax benefit and rates rebates. This brings the treatment in line with that of National Accounts which treats such rebates as revenue foregone. Up to, and including, 1995–96 these rebates were included as part of housing benefits.

25. Unlike in earlier years, there is no figure shown for local taxes which included charges made by water authorities for water, environmental and sewerage services. It has been decided that these are charges for services rather than a tax. Comparable data for 2001–02 for Table 3 are shown in the analysis and a full set of tables can be obtained from the ONS by emailing [iew@ons.gov.uk](mailto:iew@ons.gov.uk) or ringing 020 7533 5772.

26. The tax estimates are based on the amount deducted from the last payments of employment income and pensions, and on the amount paid in the last 12 months in respect of income from self-employment, interest, dividends and rent. The income tax payments recorded will therefore take account of a household's tax allowances, with the exception of tax relief obtained 'at source'. In 2002–03, there was only one type of tax relief obtained in this way: life assurance premium relief. Where households are eligible for these reliefs, imputations are made and deducted from recorded income tax payments.

27. The next step is to deduct indirect taxes to give **post-tax income**. Indirect tax on final consumer goods and services include:

Duties on alcoholic drinks, tobacco, petrol, oil, betting, etc;

Value Added Tax (VAT);

Customs (import) duties;

Motor vehicle duties;

Air passenger duty;

Insurance premium tax;

Driving licenses;

Television licenses;

Stamp duties;

Fossil fuel levy;

Camelot: payments to National Lottery Distribution Fund.

28. Taxes levied on final goods and services are assumed to be fully incident on the consumer, and can be imputed from a household's EFS expenditure record. For example, the amount of VAT that is paid by the household is calculated from the household's total expenditure on goods and services subject to VAT.

29. VAT affects the prices of second-hand cars and is therefore assumed to be incident on the purchasers of such cars as well as on the purchasers of new cars. In allocating taxes, expenditures recorded in the EFS on alcoholic drink, tobacco, ice cream, soft drinks and confectionery are grossed up to allow for the known under-recording of these items in the sample. The true expenditure in each case is assumed to be proportional to the recorded expenditure. This approach has its drawbacks because there is some evidence to suggest that heavy drinkers, for example, are under-represented in the EFS.

30. The incidence of stamp duty on house purchase on an owner-occupying household has been taken as the product of the hypothetical duty payable on buying their current dwelling (estimated from valuations given in the EFS) and the probability of a household of that type moving in a given year (estimated from the General Household Survey).

31. Indirect taxes on intermediate goods and services include:

Rates on commercial and industrial property;

Motor vehicle duties;

Duties on hydrocarbon oils;

Employers' contributions to National Insurance, the National Health Service, the industrial injuries fund and the redundancy payments scheme;

Customs (import) duties;

Stamp duties;

VAT;

Independent Commission franchise payments;

Landfill tax;

Consumer Credit Act fees.

32. These are taxes that fall on goods and services purchased by industry. Only the elements attributable to the production of subsequent goods and services for final consumption by the UK personal sector are allocated in the analysis, being assumed to be fully shifted to the consumer. Their allocations between different categories of consumers' expenditure are based on the relation between intermediate production and final consumption using estimated input-output techniques. This process is not an exact science, and many assumptions have to be made. Some analyses, e.g. that by Dilnot, Kay and Keen *Allocating Taxes to Households: A Methodology*, suggest

that the taxes could be progressive rather than regressive if one were to use different incidence assumptions.

33. For Tables 3 and 9 of the main analysis, we have constructed a measure of expenditure on goods and services from data from the EFS. Indirect taxes are shown as a proportion both of disposable income and of expenditure. One drawback of comparing the incidence of indirect taxes on households at different levels of income is that, by whatever measure used, on average, recorded expenditure exceeds income apparently available for it by significant amounts at the bottom of the distribution. Thus, it has been argued that for many households, where, for instance, income fluctuates widely or where it is difficult to measure accurately, a measure based on regular household outgoings would be a far better indicator of resources available to the household and therefore give a better picture of the incidence of indirect taxes.

34. This measure of expenditure has been customised to be analogous to the definition of disposable income used in the analysis in order to facilitate these comparisons. For instance, because the imputed benefit of company cars and beneficial loans will have boosted the figure for disposable income these items have had to be added to this expenditure measure. Expenditure on alcohol, tobacco and confectionery have been grossed up for under-recording in line with the treatment of the indirect taxes on these items. Payments deemed to be made out of income such as superannuation, regular savings, mortgage repayments, etc. have been included and adjusted where necessary but not items such as lump sum capital payments in line with the exclusion of capital gains and windfalls from income.

35. Finally, we add those notional benefits in kind provided to households by government for which there is a reasonable basis for allocation to households, to obtain **final income**. The benefits in kind allocated are:

State education;

School meals and welfare milk;

National Health Service;

Housing subsidy;

Railway travel subsidy;

Bus travel subsidy (including concessionary fares schemes).

36. Education benefit is estimated from information provided by the Department for Education and Skills of the cost per pupil or student in special schools, primary and secondary schools, universities, and other further education establishments. The value of the benefits attributed to a household depends on the number of people in the household recorded in the EFS as receiving each kind of state education (students away from the household are excluded). No benefit is allocated for pupils attending private schools.

37. The value of school meals and other welfare foods is based on their costs to the public authorities.

38. Data are available on the average cost to the Exchequer of providing the various types of health care – hospital inpatient/outpatient care, GP consultations, dental services, etc. Each individual in the EFS is allocated a benefit from the National Health Service according to the estimated average use made of these various types of health service by people of the same age and sex, and according to the total cost of providing those services. The benefit from maternity services is assigned separately to those households containing children under the age of 12 months. No allowance is made for the use of private health care services.

39. In this analysis, public sector tenants are defined to include the tenants of local authorities, Scottish Homes, Northern Ireland Housing Executive (NIHE), housing associations and Registered Social Landlords. The total housing subsidy includes the contribution from central government to the housing revenue accounts of local authorities, and grants paid to Scottish Homes, the NIHE, housing associations and Registered Social Landlords. Within Greater London, the rest of England, Wales, Scotland and Northern Ireland each public sector tenant has been allocated a share of the region's total relevant subsidy based on the Council Tax band of the dwelling. Housing subsidy does not include, rent rebates and allowances or local tax rebates.

40. The rail travel subsidies allocated are the support payments made to the train operating companies. The subsidy to London and South East services is allocated to households living in the area and subsidies to other services to households living outside the South East, in proportion to households' expenditure on rail fares as recorded in the EFS. In making these allocations, allowances are made for the use of rail travel by the business sector, tourists and the institutional part of the personal sector.

41. In this analysis, bus travel subsidy covers both the cost of concessionary travel schemes for senior citizens and others, and subsidies to operators. Separate allocations are made for Greater London, the other metropolitan areas and the rest of the United Kingdom. The subsidy is divided between households according to recorded expenditure on bus travel and the types of concessionary passes held.

42. We must emphasise that the analysis provides only a rough guide to the kinds of household which benefit from government expenditure, and by how much, and to those which finance it. Apart from the fact that large parts of expenditure and receipts are not allocated, the criteria used both to allocate taxes and to value and apportion benefits to individual households could be regarded as too simplistic.

43. For example, the lack of data forces us to assume that the incidence of direct taxes falls on the individual from whose income the tax is deducted. This implies that the benefit of tax relief for a life assurance premium, for example, accrues directly to the taxpayer rather than to some other party, for instance, the seller of the policy. It also implies that the working population is not able to pass the cost of the direct tax back to employers through lower profits, or to consumers through higher prices.

44. In allocating indirect taxes we assume that the part of the tax falling on consumers' expenditure is borne by the

households which buy the item or the service taxed, whereas in reality the incidence of the tax is spread by pricing policies and probably falls in varying proportions on the producers of a good or service, on their employees, on the buyer, and on the producers and consumers of other goods and services.

45. Another example is that we know only an estimate of the total financial cost of providing benefits such as education, and so we have to treat that cost as if it measured the benefit which accrues to recipients of the service. In fact, the value the recipients themselves place on the service may be very different to the cost of providing it. Moreover, there may be households in the community, other than the immediate beneficiaries, who receive a benefit indirectly from the general provision of the service.

### Equivalence scale

46. The equivalence scale used in this analysis is the *McClements scale* (**before** housing costs are deducted). The scales (separate ones for before and after housing costs) were developed by Dr L D McClements at the Department of Health and Social Security (DHSS) in the mid-seventies, based on expenditure data from the 1971 and 1972 FES. They were based on the assumption that it is possible to estimate equivalence scales from people's spending behaviour as recorded in the EFS without making any specific assumption about the criteria for equivalence. These scales are in regular use and an analysis by Banks and Johnson (*Children and Household Living Standards*, IFS, 1993) suggests that the scales are as valid as when they were developed. The scales are regarded as plausible and they are well within the range of equivalence scales developed at different times in a number of countries. Hence, their use is fully justified for broad statistical standardisation.

47. The equivalence values are given below:

Type of household member	Equivalence value
<b>married head of household</b>	
(i.e. a married or cohabiting couple)	1.00
1st additional adult	0.42
2nd (or more) additional adult	0.36 (per adult)
<b>single head of household</b>	
(adult)	0.61
1st additional adult	0.46
2nd additional adult	0.42
3rd (or more) additional adult	0.36 (per adult)
<b>Child aged:</b>	
16–18	0.36
13–15	0.27
11–12	0.25
8–10	0.23
5–7	0.21
2–4	0.18
Under 2	0.09



Diagram 2

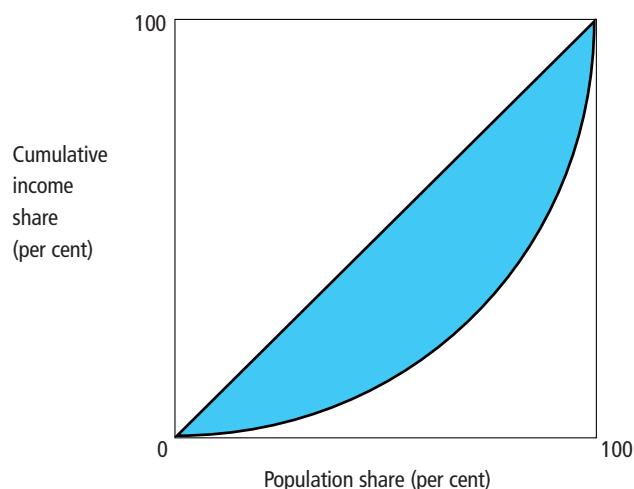
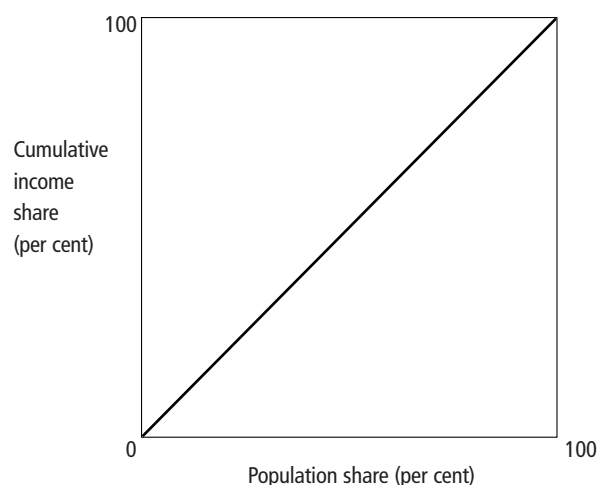
**Lorenz curve for a typical income distribution**

Diagram 3

**Complete income equality**

48. The values for each household member are added together to give the total equivalence number for that household. This number is then divided into the disposable income for that household to give **equivalised disposable income**. For example, a household has a married couple with two children (aged six and nine) plus one adult lodger. The household's equivalence number is  $1.0 + 0.21 + 0.23 + 0.42 = 1.86$ . The household's disposable income is £20,000, and so its equivalised disposable income is £10,753 ( $=£20,000/1.86$ ).

49. This quantity is used to produce the single ranking used in all the tables in this analysis (apart from the Gini coefficients which have to be ranked afresh for each different definition of income).

50. It is important to note that most monetary values shown in the analysis are ordinary (i.e. un-equivalised) £ per year, not equivalised £ per year. Where equivalised values do appear (e.g. the quintile points in Table 16A of Appendix 1), they are shown in *italics*.

**Gini coefficient**

51. The Gini coefficient is the most widely used summary measure of the degree of inequality in an income distribution. It can more easily be understood by considering a Lorenz curve of the income distribution, (see Diagram 2) i.e. a graph of the cumulative income share against the cumulative share of households. The curve representing complete equality of income is thus a diagonal line while complete inequality (with only one recipient of income) is represented by a curve comprising the horizontal axis and the right-hand vertical axis (see Diagram 3). The area between the Lorenz curve and the diagonal line of complete equality, as a proportion of the triangular area between the curves of complete equality and inequality, gives the value of the Gini coefficient. Thus, a distribution of perfectly equal incomes has a Gini coefficient of zero; as inequality increases (and the Lorenz curve bellies out), so does the Gini coefficient until, with complete inequality, it reaches its maximum value of 1 (or 100 per cent).

52. To calculate the Gini coefficient for an income distribution, the first step is to rank that distribution in ascending order. All the Gini coefficients shown in this analysis are based on distributions of equivalised income e.g. the coefficient for original income is calculated after dividing the original income for all the households by their appropriate equivalence values.

53. Strictly speaking, one could argue that the equivalence scales used here are only applicable to disposable income because this is the only income measure relating directly to spending power. Since the scales are often applied, in practice, to other income measures, we are content to use them to equalise original, gross and post-tax income for the purpose of producing Gini coefficients (and in the tables giving percentage shares of total income). However, we do not think it is appropriate to equalise the final income measure because this contains notional income from benefits in kind (e.g. state education): the equivalence scales used in this analysis are based on actual household spending and do not, therefore, apply to such items as notional income.

**Impact of population weighting**

54. The survey results have been re-weighted and grossed so that the population totals reflect the whole household population, a process described as population weighting. Different weights are applied to different types of households in order to correct for over and under-representation of these groups in the responding sample of the EFS. Population weighting raises the quality of the estimates by making the population more representative and by improving the allocation of national accounts aggregates to individual households. Estimates based on the population-weighted data set are different from estimates based on the sample. Indeed, if they were not, there would be little point in the weighting. The effect of weighting on some of the major variables used in the analysis was given in the 1997-98 analysis. More detail about the effect of weighting can be obtained from the ONS on request.

### Sampling errors and reliability

55. As the EFS is a sample survey, data from it will differ in varying degrees from those of all households in the UK. The degree of difference will depend on how widely particular categories of income and expenditure vary between households. This 'sampling error' is smallest in relation to large groups of households and measures that do not vary greatly between households. Conversely, it is largest for small groups of households, and for measures that vary considerably between households. A broad numerical measure of the amount of variability is provided by the quantity known as the standard error.

56. It is difficult to calculate these standard errors exactly because of the multi-stage design of the EFS sample and the population weighting, but we have made a good approximation by combining the simple random formula with the appropriate design factor from the EFS analysis. [The design factor is the ratio of the standard error using the detailed formula that takes account of the full complexity of the sample design and the population weighting to the standard error using the simple random sample formula.] The most appropriate design factor from the EFS work is for 'gross normal weekly household income'. The standard error of the mean for N households is given by:

$$(\text{design factor}) * S/\sqrt{N}$$

where the design factor is 1.1 for 2002-03, and  $S^2$  is the estimate of the population variance.

57. The standard error for normal weekly disposable income of all households is slightly more than one per cent of the mean but, for the less frequent household types, e.g. 1 adult with children and 3 or more adults with children, it is likely to be higher.

58. The standard errors can be used to give an idea of the reliability of a mean by quoting a confidence interval of the form:

$$\text{estimate of mean} + \text{or} - (1.96 * \text{standard error})$$

where the factor 1.96 corresponds to the 95 per cent confidence interval.

59. The standard errors for the household types are larger than for the whole sample, mainly because the sample sizes concerned are smaller. For quintile groups of given household types, the sample sizes are of course smaller still, which would tend to increase sampling variability. On the other hand, the income values are by definition in a narrower range which would tend to reduce the sampling error.

60. The 'complex' standard errors for quintile and decile groups are quite a bit larger than the simple random sample estimates.

Hence, the results are completely incompatible with earlier years. Last year the analysis was published on the Internet in April, and in the May 2002 edition of *Economic Trends*. A revised version, reflecting revisions to the Expenditure and Food Survey was published on the Internet in October. A list of the previous articles was included in the article published in March 1997.

62. The results in all analyses are intended to be free standing: they were not designed for direct comparison with other years except where some limited comparisons were made in them. Such comparisons are difficult because of changes in definitions, however, some broader measures like the Gini coefficients are relatively robust and will stand comparison with other years: this year's analysis gives such a comparison for the years 1980 to 2002-03.

### Previous analyses

61. This analysis is the latest in an annual series covering the years from 1957 onwards. From 1987 onwards, the analyses have used a very different methodology, in particular households are ranked by their equivalised disposable income.

# Geographical breakdown of the UK International Investment Position

**Simon Humphries**

Office for National Statistics

This article presents a geographical breakdown of the United Kingdom's International Investment Position, or stock of external assets and liabilities, for end-2001 and end-2002. It also provides a more limited geographical breakdown of assets and liabilities by type of investment. The results show that the UK's external assets and liabilities are highly concentrated in the European Union and the USA. On balance, the UK had a net asset position with the EU and Australasia, but net liability positions with Europe as a whole, the Americas, Asia and Africa.

## Introduction

The Office for National Statistics (ONS) routinely publishes a geographical breakdown of the Balance of Payments (BoP) current account in the quarterly First Release and a more detailed analysis of annual data in *UK Balance of Payments – the Pink Book*. These analyses include a geographical breakdown of the income earned from investments abroad (credits) and income paid on foreign investments in the UK (debits). This article presents a geographical breakdown of the International Investment Position (IIP), or stock of external assets and liabilities, from which the income is earned. It also expands on the initial analysis presented in the July 2003 edition of *Economic Trends* (Humphries, 2003b) to include data for end-2001 and end-2002 positions (consistent with the March 2004 Balance of Payments First Release), with additional analysis by type of investment. A geographical breakdown of the IIP lags that of the geographical breakdown of the current account as many of the data are sourced from annual inquiries, which are not available until 12 months after the reference year.

## Reliability

The UK's International Investment Position is primarily compiled on a global basis and not all data sources fully distinguish assets and liabilities on a full country basis – although the majority do. For example, no geographical information exists for holdings of property within direct investment or securities dealers' loans and deposits with banks abroad. Where individual country information is not reported, estimates are made using the geographical detail for a related category. For example, the geographical breakdowns of other direct investment assets and liabilities are used to allocate property holdings and the geographical breakdown of banks' loans and deposits are used to allocate securities dealers' loans and deposits data.

Data compiled on a regional basis for stocks of financial assets and liabilities should be geographically allocated on the basis of the issuer principle. That is, financial claims of the UK are allocated according to the country of residence of the non-resident debtor (or issuer), and liabilities are allocated to the country of residence of the non-resident creditor (or holder). But geographical breakdowns of portfolio investment are particularly difficult to allocate correctly to the actual country either owning or issuing the security as the transactions are often made through financial intermediaries in a third country.

Given these conceptual and practical limitations, these estimates should be seen as a broad indication of the economic relationships between the UK and rest of world economies, rather than precise country breakdowns. They will be more reliable and



more meaningful in terms of broad geographical areas and major partner countries than for smaller partners. Estimates are now available for 2001 and 2002, and to meet a clear user need in this area, it is intended to continue to develop and present this information on an annual basis.

## Data sources

### Foreign direct investment

Geographical breakdowns of levels of foreign direct investment abroad (UK assets) and foreign direct investment in the UK (liabilities) are derived from the annual inquiries to outward and inward direct investors in the UK. The analysis of foreign direct investment in the UK, or inward investment, is based on the country of the immediate foreign parent company, except for banks where information relates to the country of residence of the ultimate owner. For non-banks therefore, where foreign investment in the UK is channelled through holding companies in a third country, the underlying level of investment from this country is overstated and the level from originating countries is understated. Data for the Netherlands are particularly affected. The country analysis of foreign direct investment abroad, or outward investment, is based on the country of residence of the foreign affiliate published in the annual *Foreign Direct Investment – MA4* (ONS, 2004).

### Portfolio investment

Portfolio investment consists of equity and debt securities holdings, in the form of bonds and notes and money market instruments. Information on the geographical breakdown of UK holdings of portfolio investment assets are broadly based on the UK contribution to the IMF's 2001 and 2002 Co-ordinated Portfolio Investment Surveys (CPIS). For background to the CPIS, see the May 2003 edition of *Economic Trends* (Humphries, 2003a).

Information on the geographical breakdown of UK portfolio investment liabilities has been based on other countries' participation in the CPIS exercise. The IMF acts as a central clearing house for data from countries that have participated in the CPIS and disseminates the information to BoP compilers. In this way, the UK receives information about all participating countries on their holdings of UK issued securities. This information is then compared with published estimates of total UK portfolio investment liabilities. For both 2001 and 2002, the sum of all CPIS participants recorded assets issued by UK residents, equates to around 93 per cent of total UK liabilities. These results are very encouraging, with the difference thought to be due to the non-participation in the CPIS exercise of some investing countries – in particular from the Middle East group of oil-exporting countries. The counterpart information has been adjusted to reflect the assumed holdings of UK assets by non-participating countries and then used to derive the geographical breakdown of UK liabilities.

### Other investment

Geographical breakdowns of UK banks' deposits abroad and loans made abroad are derived from banking data supplied by the Bank of England. This information is also used to apportion securities dealers' deposits abroad. Country breakdowns of UK private sector (excluding banks and securities dealers) deposits with banks abroad are derived from the banking statistics of countries in the Bank for International Settlements (BIS) reporting area.

Geographical breakdowns of foreign deposits with UK banks are derived from banking data, with foreign loans made to securities dealers apportioned in the same way. Country breakdowns of UK private sector (excluding banks and securities dealers) loans from abroad are derived from the banking statistics of countries in the BIS reporting area from the Bank for International Settlements.

Table 1  
Summary of geographical breakdown of assets and liabilities

	2001			2002		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Euro area	1,358.9	1,033.9	325.0	1,395.9	1,185.5	210.4
EU15	1,441.7	1,120.8	320.9	1,480.0	1,273.5	206.5
Europe	1,729.6	1,610.8	118.8	1,770.2	1,779.2	-9.0
United States of America	736.0	819.1	-83.0	628.3	718.7	-90.4
Americas	929.7	1,000.7	-71.0	828.9	870.0	-41.2
Asia	405.7	531.4	-125.7	385.1	447.7	-62.6
Australasia & Oceania	54.4	29.1	25.3	50.7	28.2	22.5
Africa	22.6	48.4	-25.8	24.4	44.8	-20.3
International Organisations	10.0	15.5	-5.5	15.6	15.9	-0.2
Reserve Assets/Unallocated	54.2			58.3		
<b>World Total</b>	<b>3,206.2</b>	<b>3,236.0</b>	<b>-29.8</b>	<b>3,133.4</b>	<b>3,185.8</b>	<b>-52.4</b>

Notes: See table UKIIP for detailed breakdown.

Totals may not be the sum of components due to rounding.

## Analysis of 2001 and 2002 data

### Geographical breakdown of total assets and liabilities

Table 1 shows a summary of the geographical breakdown of total UK external assets and liabilities and the net International Investment Position as at end-2001 and end-2002. The full breakdown can be found in Table UKIIP at the end of this article. At end-2002, of total reported assets of £3,133.4 billion, nearly half reflected UK investments in the EU and a further 20 per cent investments in the USA. While the total UK investment in the EU rose between 2001 and 2002, the level of UK investments in the USA fell over £100 billion to £628.3 billion. The rise in the value of EU assets and fall in the value of US assets can partly be attributed to exchange rate changes in 2002. While no currency breakdown of assets and liabilities are available, the majority of US and EU assets can be assumed to be denominated in their domestic currency – the dollar and euro. Between the end of 2001 and end-2002, the pound sterling rose over 10 per cent against the dollar, but fell 2.5 per cent against the euro. So, disregarding any changes in the pattern of investment, these changes will lead to a fall in the value of dollar denominated assets and a rise in the level of euro-denominated assets when they are converted to sterling values.

Around 12 per cent of UK assets consisted of investments in Asia, with Japanese investments accounting for well over half of the total. Investments in Australasia, Africa and

International Organisations together, accounted for less than three per cent of total UK assets.

UK liabilities are also highly concentrated in the EU and USA. Of total reported liabilities of £3,185.8 billion at the end of 2002, around 40 per cent reflected EU investments in the UK, up from around a third in 2001. US investments in the UK declined to £719 billion, although America was still the major foreign investor in the UK. Asian countries investments in the UK totalled £448 billion or around 14 per cent of total liabilities. Australasia, Africa and International Organisations investment together accounted for less than three per cent of total liabilities.

On balance, the UK had a net asset position with the EU, and Australasia, but net liability positions with Europe, the Americas, Asia and Africa.

### Geographical breakdown by type of investment

A limited geographical breakdown by type of investment is now available, to support the more detailed geographical analysis of total assets and liabilities. Table 2 shows that the value of the United Kingdom's portfolio investment assets generally declined between 2001 and 2002, mainly due to the fall in world stock markets. Holdings of Irish securities have increased however, probably reflecting increased investment. The value of direct investment in the US declined between 2001 and 2002, mainly reflecting valuation changes following falls in the value of the dollar, rather than any significant disinvestments.

Table 2  
Assets

	2001				2002			
	Direct	Portfolio	Other	Total	Direct	Portfolio	Other	Total
Euro-area	326	361	672	1,359	313	345	738	1,396
<i>of which</i>								
Belgium & Luxembourg	73	22	88	184	70	25	93	188
France	26	76	107	208	32	59	125	216
Germany	15	86	193	294	14	79	207	301
Ireland	24	13	63	100	29	26	70	125
Italy	4	67	66	138	4	66	61	131
Netherlands	171	50	84	306	153	50	105	308
Total EU	340	398	704	1,442	327	382	771	1,480
Switzerland	15	22	122	160	18	20	116	155
Total Europe	383	441	905	1,730	372	428	970	1,770
USA	150	244	342	736	120	211	298	628
Canada	11	15	25	51	8	12	30	50
Total America	184	310	435	930	151	270	408	829
Japan	3	74	148	225	3	51	173	227
Total Asia	32	130	243	406	29	89	267	385
Australasia	16	21	18	54	12	21	17	51
Africa	9	4	10	23	11	4	9	24

Note: totals may not be the sum of components due to rounding.

Table 3  
Liabilities

£ billion

	2001				2002			
	Direct	Portfolio	Other	Total	Direct	Portfolio	Other	Total
Euro-area	155	278	600	1,034	163	324	698	1,186
of which								
Belgium & Luxembourg	5	50	90	145	7	54	102	163
France	37	47	76	160	37	53	95	185
Germany	36	50	177	264	43	49	210	303
Ireland	4	60	45	109	5	84	49	137
Italy	7	23	38	68	6	22	48	76
Netherlands	64	28	118	210	61	32	133	226
Total EU	163	314	644	1,121	170	361	742	1,274
Switzerland	10	17	214	241	10	17	220	248
Total Europe	180	384	1,047	1,611	185	435	1,159	1,779
USA	148	346	324	819	136	297	286	719
Canada	9	15	16	40	9	13	13	34
Total America	163	375	462	1,001	150	321	400	870
Japan	16	76	125	218	17	66	124	207
Total Asia	25	160	346	531	25	106	317	448
Australasia	12	7	10	29	8	7	14	28
Africa	1	16	31	48	1	14	30	45

Note: totals may not be sum of components due to rounding

Table 4  
Rates of return analysis

	External assets (%)		External liabilities (%)	
	2001	2002	2001	2002
European Union	4.49	3.86	4.42	3.21
Europe	4.43	3.83	4.33	3.10
USA	4.34	4.44	3.62	3.38
Asia	4.28	3.71	4.07	3.59
World	4.41	3.99	4.04	3.23

A more detailed breakdown of the UK's portfolio investment assets based on its contribution to the latest IMF Co-ordinated Portfolio Investment Survey appears in Appendix A.

Table 3 highlights the higher levels of euro-area investment in the UK across all forms of investment between 2001 and 2002. In contrast, the level of US direct, portfolio and other investment in the UK all declined. Similarly, Asian holdings of UK issued securities fell from £160 billion at end 2001 to £106 billion in 2002.

### Geographical breakdown of assets, liabilities and income

By analysing the geographical breakdown of assets and liabilities alongside the geographical breakdown of the income that is earned and paid on those investments, it is possible to impute regional rates of return. So, taking the EU as an example, the UK earned £57.2 billion from its investments of £1480 billion in 2002 – equivalent to an annual rate of return of 3.86 per cent. In 2002, the UK earned a 3.99 per cent rate of return on its external assets and paid out a 3.23 per cent rate of return on its external liabilities. By broad geographical area, the rates of return on assets and liabilities are shown in Table 4.

The UK earns a higher rate of return both globally and with its main partners on its external assets, than it pays out on its liabilities. This explains why the UK has earned an investment income surplus in both 2001 and 2002, from an overall net liability position on its International Investment Position statement.

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# UKIIP International Investment Position 2001

£ billion

	Assets	Liabilities	Net
<b>Europe</b>			
European Union (EU)			
Austria	16.2	16.8	-0.5
Belgium and Luxembourg	183.6	144.7	38.9
Denmark	22.0	21.2	0.8
Finland	19.2	5.7	13.5
France	208.0	160.3	47.7
Germany	294.0	263.5	30.5
Greece	18.4	13.6	4.8
Ireland	100.1	108.6	-8.6
Italy	138.3	68.3	70.0
Netherlands	305.6	210.2	95.4
Portugal	20.0	6.6	13.3
Spain	55.5	35.6	19.9
Sweden	48.5	28.8	19.7
European Central Bank	—	—	—
EU Institutions	12.5	37.0	-24.5
<b>Total EU</b>	<b>1 441.7</b>	<b>1 120.8</b>	<b>320.9</b>
European Free Trade Association (EFTA)			
Iceland	1.2	0.5	0.6
Liechtenstein	0.8	12.0	-11.1
Norway	17.7	16.3	1.4
Switzerland	159.5	241.3	-81.8
<b>Total EFTA</b>	<b>179.2</b>	<b>270.1</b>	<b>-91.0</b>
Other Europe			
Albania	—	0.6	-0.6
Belarus	—	0.2	-0.2
Bulgaria	0.3	0.6	-0.4
Croatia	0.6	1.8	-1.2
Czech Republic	2.4	3.3	-0.9
Estonia	0.3	0.1	0.1
Hungary	4.5	0.7	3.7
Latvia	—	0.2	-0.2
Lithuania	0.2	0.1	—
Poland	5.9	4.4	1.5
Romania	0.5	0.5	—
Russia	8.2	9.3	-1.1
Slovakia	0.4	0.4	—
Slovenia	0.6	1.0	-0.4
Turkey	7.4	3.3	4.1
Ukraine	0.1	0.3	-0.2
Yugoslavia	—	0.3	-0.2
Other	77.5	192.7	-115.2
<b>Total Other Europe</b>	<b>108.7</b>	<b>219.9</b>	<b>-111.2</b>
<b>Total Europe</b>	<b>1 729.6</b>	<b>1 610.8</b>	<b>118.8</b>
<b>America</b>			
Argentina	5.3	0.5	4.8
Brazil	12.3	3.2	9.1
Canada	50.7	39.6	11.1
Chile	3.5	1.0	2.5
Colombia	2.2	1.3	0.9
Mexico	9.5	6.6	2.9
United States of America	736.0	819.1	-83.0
Uruguay	0.3	0.2	0.1
Venezuela	1.7	1.1	0.7
Other Central America	107.3	123.7	-16.4
Other	0.9	4.6	-3.6
<b>Total America</b>	<b>929.7</b>	<b>1 000.7</b>	<b>-71.0</b>
<b>Asia</b>			
China	6.2	8.4	-2.2
Hong Kong	43.8	80.0	-36.2
India	5.6	17.5	-11.9
Indonesia	3.2	2.5	0.7
Iran	1.1	6.4	-5.3
Israel	1.8	6.8	-5.0
Japan	224.9	217.7	7.3
Malaysia	5.2	5.4	-0.2
Pakistan	1.2	6.2	-5.0
Philippines	2.3	1.2	1.1
Saudi Arabia	6.0	21.7	-15.6
Singapore	52.6	66.7	-14.1
South Korea	12.6	4.4	8.2
Taiwan	7.7	9.9	-2.2
Thailand	3.6	4.7	-1.1
Residual Gulf Arabian Countries	21.7	53.8	-32.0
Other Near & Middle East Countries	1.1	8.1	-7.0
Other	4.7	10.1	-5.4
<b>Total Asia</b>	<b>405.7</b>	<b>531.4</b>	<b>-125.7</b>
<b>Australasia &amp; Oceania</b>			
Australia	48.6	25.9	22.7
New Zealand	5.4	2.3	3.2
Other	0.3	0.9	-0.6
<b>Total Australasia &amp; Oceania</b>	<b>54.4</b>	<b>29.1</b>	<b>25.3</b>
<b>Africa</b>			
Egypt	2.3	6.6	-4.3
Morocco	0.6	1.6	-1.0
South Africa	12.0	17.5	-5.5
Other North Africa	0.6	5.0	-4.4
Other	7.2	17.8	-10.6
<b>Total Africa</b>	<b>22.6</b>	<b>48.4</b>	<b>-25.8</b>
International Organisations	10.0	15.5	-5.5
Reserve Assets	25.6		
Unallocated	28.6		
<b>World Total</b>	<b>3 206.2</b>	<b>3 236.0</b>	<b>-29.8</b>

# UKIIP International Investment Position 2002

£ billion

	Assets	Liabilities	Net
<b>Europe</b>			
European Union (EU)			
Austria	15.5	17.8	-2.3
Belgium and Luxembourg	187.9	163.1	24.8
Denmark	23.4	21.7	1.8
Finland	17.1	7.8	9.4
France	216.0	184.7	31.3
Germany	300.5	302.6	-2.2
Greece	19.9	17.5	2.4
Ireland	124.7	137.4	-12.8
Italy	130.9	76.2	54.7
Netherlands	308.3	225.6	82.7
Portugal	21.7	9.3	12.5
Spain	53.4	43.5	9.9
Sweden	39.6	25.8	13.8
European Central Bank	—	—	—
EU Institutions	21.0	40.5	-19.5
Total EU	1 480.0	1 273.5	206.5
European Free Trade Association (EFTA)			
Iceland	0.9	0.2	0.7
Liechtenstein	0.8	2.3	-1.5
Norway	19.7	20.5	-0.8
Switzerland	154.7	247.8	-93.1
Total EFTA	176.1	270.8	-94.7
Other Europe			
Albania	—	0.6	-0.6
Belarus	—	0.2	-0.2
Bulgaria	0.3	0.6	-0.3
Croatia	1.0	2.3	-1.3
Czech Republic	2.0	2.1	-0.1
Estonia	0.2	0.3	-0.1
Hungary	4.8	1.2	3.6
Latvia	0.1	0.3	-0.2
Lithuania	0.2	0.2	—
Poland	5.9	3.2	2.7
Romania	0.6	0.4	0.2
Russia	7.9	13.5	-5.6
Slovakia	0.6	0.1	0.5
Slovenia	0.3	0.9	-0.6
Turkey	8.6	2.5	6.1
Ukraine	0.2	1.2	-1.1
Yugoslavia	—	0.5	-0.4
Other	81.5	204.7	-123.2
Total Other Europe	114.1	234.9	-120.8
<b>Total Europe</b>	<b>1 770.2</b>	<b>1 779.2</b>	<b>-9.0</b>
<b>America</b>			
Argentina	2.6	0.2	2.4
Brazil	9.3	2.6	6.7
Canada	49.9	34.3	15.6
Chile	2.9	0.8	2.1
Colombia	2.6	0.6	2.1
Mexico	7.8	2.6	5.2
United States of America	628.3	718.7	-90.4
Uruguay	0.3	0.1	0.2
Venezuela	1.0	1.0	—
Other Central America	123.1	106.6	16.5
Other	1.0	2.5	-1.5
<b>Total America</b>	<b>828.9</b>	<b>870.0</b>	<b>-41.2</b>
<b>Asia</b>			
China	6.7	8.3	-1.6
Hong Kong	31.9	69.6	-37.7
India	5.1	8.8	-3.7
Indonesia	2.6	2.1	0.5
Iran	1.6	3.6	-2.0
Israel	2.3	6.3	-4.0
Japan	227.3	206.6	20.7
Malaysia	6.2	3.5	2.7
Pakistan	0.8	3.2	-2.4
Philippines	2.2	1.2	1.0
Saudi Arabia	5.8	15.7	-9.9
Singapore	42.2	68.5	-26.3
South Korea	15.1	4.2	10.9
Taiwan	5.7	3.6	2.1
Thailand	3.4	1.4	2.0
Residual Gulf Arabian Countries	22.6	32.1	-9.5
Other Near & Middle East Countries	1.1	5.5	-4.4
Other	2.5	3.7	-1.2
<b>Total Asia</b>	<b>385.1</b>	<b>447.7</b>	<b>-62.6</b>
<b>Australasia &amp; Oceania</b>			
Australia	44.9	25.7	19.2
New Zealand	5.5	2.3	3.2
Other	0.3	0.2	0.1
<b>Total Australasia &amp; Oceania</b>	<b>50.7</b>	<b>28.2</b>	<b>22.5</b>
<b>Africa</b>			
Egypt	1.7	6.0	-4.3
Morocco	0.3	0.7	-0.4
South Africa	14.9	20.3	-5.4
Other North Africa	1.4	3.8	-2.4
Other	6.1	13.9	-7.8
<b>Total Africa</b>	<b>24.4</b>	<b>44.8</b>	<b>-20.3</b>
International Organisations	15.6	15.9	-0.2
Reserve Assets	25.4		
Unallocated	32.9		
<b>World Total</b>	<b>3 133.4</b>	<b>3 185.8</b>	<b>-52.4</b>

## Appendix A UK contribution to the IMF's Co-ordinated Portfolio Investment Survey

£ million

Country of non-resident issuer	2001 Total	2002 Total	<i>of which</i>			
				Equity	Long-term debt	Short-term debt
Europe						
European Union						
Austria	4,133	..	..		3,841	1,277
Belgium	8,048	8,484	1,260		4,942	2,282
Luxembourg	14,224	16,080	5,293		9,821	966
Denmark	8,066	..	1,818		3,915	..
Finland	8,845	7,952	5,220		2,574	158
France	75,858	59,467	25,313		26,224	7,930
Germany	86,424	79,467	13,915		61,354	4,198
Greece	7,989	..	442		5,610	..
Ireland	13,465	25,729	15,509		7,841	2,379
Italy	67,422	66,243	10,219		51,477	4,547
Netherlands	49,931	50,029	18,528		29,525	1,976
Portugal	5,396	5,969	1,177		4,576	216
Spain	19,543	16,162	7,754		8,080	328
Sweden	17,202	10,771	4,812		5,342	617
European Free Trade Association						
Iceland	363	..	41		281	..
Liechtenstein	0	..	..		0	0
Norway	4,515	..	1,440		2,672	..
Switzerland	22,049	20,364	17,863		1,869	632
Other Europe						
Albania	..	0	0		0	0
Belarus	0	0	0		0	0
Croatia	191	235	32		194	9
Czech Republic	..	..	67		..	..
Estonia	160	..	49		..	0
Hungary	2,128	1,911	398		1,431	82
Latvia	12	..	0		..	0
Lithuania	67	..	2		..	0
Poland	2,715	..	148		1,689	..
Romania	46	..	0		162	..
Russian Federation	3,329	3,321	1,047		2,129	145
Slovak Republic	96	..	..		..	40
Slovenia	304	48	5		37	6
Turkey	950	3,209	2,196		782	231
Ukraine	15	..	0		64	0
Serbia and Montenegro	21	7	0		7	0
America						
Argentina	972	..	150		477	..
Brazil	5,303	4,272	1,382		2,754	136
Canada	14,835	11,957	-815		10,823	1,949
Chile	462	486	276		174	36
Colombia	570	..	3		558	..
Mexico	6,158	4,089	2,009		1,994	86
United States	244,287	210,692	87,758		113,015	9,919
Uruguay	118	..	0		..	..
Venezuela, Republica Bolivariana de	934	..	..		1,122	14



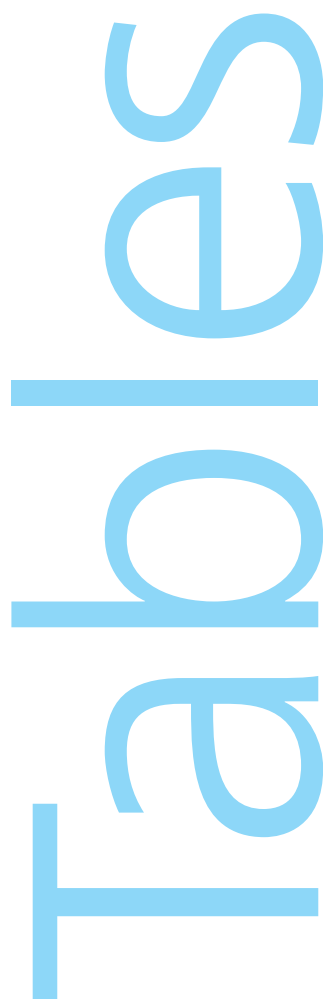
## Appendix A UK contribution to the IMF's Co-ordinated Portfolio Investment Survey - continued

£ million

Country of non-resident issuer	2001 Total	2002 Total	<i>of which</i>		
			Equity	Long-term debt	Short-term debt
<b>Asia</b>					
China, P.R.	1,870	1,494	1,160	256	78
Hong Kong SAR of China	18,395	9,054	8,413	595	46
India	1,807	..	983	150	..
Indonesia	647	..	538	247	..
Iran, Islamic Republic of	135	..	0	..	176
Israel	795	1,312	506	797	9
Japan	73,707	51,414	32,630	16,919	1,865
Malaysia	1,930	..	1,141	..	38
Pakistan	17	..	..	..	14
Philippines	791	..	142	..	..
Saudi Arabia	581	..	..	620	..
Singapore	10,826	4,318	3,539	753	26
Korea, Democratic People's Republic of	1,381	..	370	89	..
Taiwan Province of China	6,067	..	3,002	..	0
Thailand	1,889	1,232	1,074	149	9
<b>Australasia</b>					
Australia	18,743	..	10,090	8,469	..
New Zealand	1,922	..	436	..	..
<b>Africa</b>					
Egypt	52	..	27	..	28
Morocco	51	..	..	..	12
South Africa	3,271	..	1,749	2,039	..
International Organizations	19,594	32,956	3,884	28,833	239
Total value of investment	942,490	858,454	322,330	487,639	48,485

.. = not available.





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## Notes to tables

### Identification codes

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

### Currency of data

All data in the tables and accompanying charts are current, as far as possible, to 4 June 2004.

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

### Geographic coverage

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

### Seasonal adjustments

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

### Money

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

#### M0

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

#### M4

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

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

### Conventions

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

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

Billion denotes one thousand million.

### Symbols used

- .. not available
- nil or less than half the final digit shown
- + a series for which measures of variability are given on page 175
- † 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

## National Statistics Online

[www.statistics.gov.uk](http://www.statistics.gov.uk)

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>

# 1.1 Selected monthly indicators

seasonally adjusted unless otherwise stated

		2002	2003	2003 Q3	2003 Q4	2004 Q1	2004 Feb	2004 Mar	2004 Apr	%Change Latest 3 months avg over previous 3 months
<b>Output -chained volume measures (CVM) (2000 = 100 unless otherwise stated)</b>										
Gross value added at basic prices	CGCE	103.1	105.0	105.3	106.1	106.7	..	..	..	0.6
Industrial production	CKYW	95.7	95.2	95.3	95.2	94.7	94.6	94.5	..	-0.6
Oil and gas extraction	CKZO	93.4	87.3	86.1	83.0	82.1	81.0	82.5	..	-1.1
Manufacturing	CKYY	95.1	95.2	95.5	95.7	95.3	95.3	94.9	..	-0.5
Construction	GDQB	108.4	113.7	115.8	117.4	118.4	..	..	..	0.8
Car production (thousands)	FFAO	135.8	138.1	143.6	138.2	135.2	132.3	138.8	135.8	-1.3
<b>Domestic demand</b>										
Retail sales volume (2000 = 100)	EAPS	112.7	116.4	117.5	119.5	121.7	121.3	122.3	122.7	1.6
GB new registrations of cars ('000s) <sup>1</sup>	BCGT	2 682.0	2 646.2	742.8	523.1	762.2	92.3	470.3	..	45.7
Manufacturing: change in inventories (£m, CVM, reference year 2000)	DHBM	-1 967	-566	501	-662	-114	..	..	..	..
<b>Prices (12 monthly % change) and earnings (headline rate)</b>										
Consumer prices index	CJYR	1.3	1.4	1.4	1.3	1.3	1.3	1.1	1.2	..
Retail prices index <sup>1</sup>	CZBH	1.7	2.9	2.9	2.6	2.6	2.5	2.6	2.5	..
Retail prices index <sup>1</sup> (less MIPS) <sup>2</sup>	CDKQ	2.2	2.8	2.8	2.6	2.3	2.3	2.1	2.0	..
Producer output prices (less FBTP) <sup>3</sup>	EUAA	-0.1	1.3	1.2	1.4	1.4	1.4	1.4	1.3	..
Producer input prices <sup>4</sup>	EUAB	-4.5	1.3	1.2	2.9	-0.2	-1.4	0.9	3.2	..
GB average earnings -whole economy <sup>5</sup>	LNNC	..	..	3.6	3.4	5.2	4.9	5.2	..	..
<b>Foreign trade<sup>6</sup> (2000 = 100 volumes unless otherwise stated)</b>										
UK balance on trade in goods (£ million)	BOKI	-46 630	-46 249	-11 824	-12 590	-13 685	-4 053	-4 051	..	..
Non EU balance on trade in goods (£ million)	ENRX	-25 935	-22 467	-5 923	-5 823	-7 338	-2 015	-2 016	..	-7.1
Non EU exports of goods (excl oil & erratics)	ENUA	96.2	104.6	103.6	108.9	101.1	105.1	104.6	..	0.3
Non EU imports of goods (excl oil & erratics)	ENTS	98.5	104.2	103.5	109.5	109.8	109.6	106.7	..	..
Non EU import & price index (excl oil) <sup>7</sup>	ENXR	-5.8	-3.5	-0.8	-2.0	-3.9	-4.8	-4.0	..	..
Non EU export & price index (excl oil) <sup>7</sup>	ENXS	0.2	-2.3	-0.4	-1.4	-2.6	-2.6	-3.6	..	..
<b>Labour market and productivity (2000 = 100 unless otherwise stated)</b>										
UK claimant unemployment (thousands)	BCJD	946.7	933.2	932.3	915.2	886.8	886.4	882.3	876.3	-2.5
UK employees in manufacturing (thousands)	YEJA	3 602	3 458	3 431	3 414	3 390	3 397	3 390	..	-0.7
Whole economy productivity <sup>8</sup>	LNNN	102.4	104.1	104.4	105.1	..	..	..	..	0.7
Manufacturing productivity <sup>8</sup>	LNXX	104.8	110.2	111.3	112.7	112.9	112.8	112.6	..	0.2
Unit wage costs - whole economy	LNKK	106.4	108.4	108.9	108.6	..	..	..	..	-0.3
Unit wage costs - manufacturing	LNQ	103.0	101.5	100.7	100.4	102.2	101.6	104.2	..	1.7
<b>Financial markets<sup>1</sup></b>										
Sterling ERI (1990=100)	AGBG	106.0	100.2	99.2	100.2	104.1	104.8	105.0	105.2	3.9
Average exchange rate /US \$	AUSS	1.50	1.63	1.61	1.71	1.84	1.87	1.83	1.80	7.8
Average exchange rate /Euro <sup>9</sup>	THAP	1.59	1.45	1.43	1.43	1.47	1.48	1.49	1.50	4.0
3 month inter-bank rate <sup>10</sup>	HSAP	3.94	3.95	3.66	3.95	4.30	4.11	4.30	4.35	..
3 month interest on US Treasury bills <sup>11</sup>	LUST	1.20	0.93	0.94	0.93	0.93	0.94	0.93	0.95	..
<b>Monetary conditions/government finances</b>										
M0 (year on year percentage growth)	VQMX	7.9	7.3	7.9	7.5	7.2	6.8	7.1	5.7	..
M4 (year on year percentage growth)	VQJW	5.9	7.2	6.8	6.7	8.0	8.0	7.7	7.0	..
Public sector net borrowing (£ million) <sup>1,12</sup>	ANNX	-22 748	-33 086	-6 504	-13 040	856	2 592	-5 444	-1 421	..
Net lending to consumers (£ million)(broader)	RLMH	21 087	18 773	4 734	3 996	5 288	1 721	1 652	1 325	9.0

		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	2004 May
<b>Activity and expectations</b>															
CBI output expectations balance <sup>1</sup>	ETCU	-10	-3	-6	-4	-3	-3	-4	-2	5	21	14	15	12	22
CBI optimism balance <sup>1</sup>	ETBV	-27	..	..	-13	..	..	-7	..	..	17	..	..	12	..
CBI price expectations balance	ETDQ	-8	-13	-14	-14	-15	-10	-9	-10	-4	-1	-2	-3	-1	-
New engineering orders (2000 = 100)	JIQH	93.4	76.5	76.8	83.9	79.5	78.3	84.1	88.8	73.9	85.8	69.1	83.0	..	..

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 &amp; 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

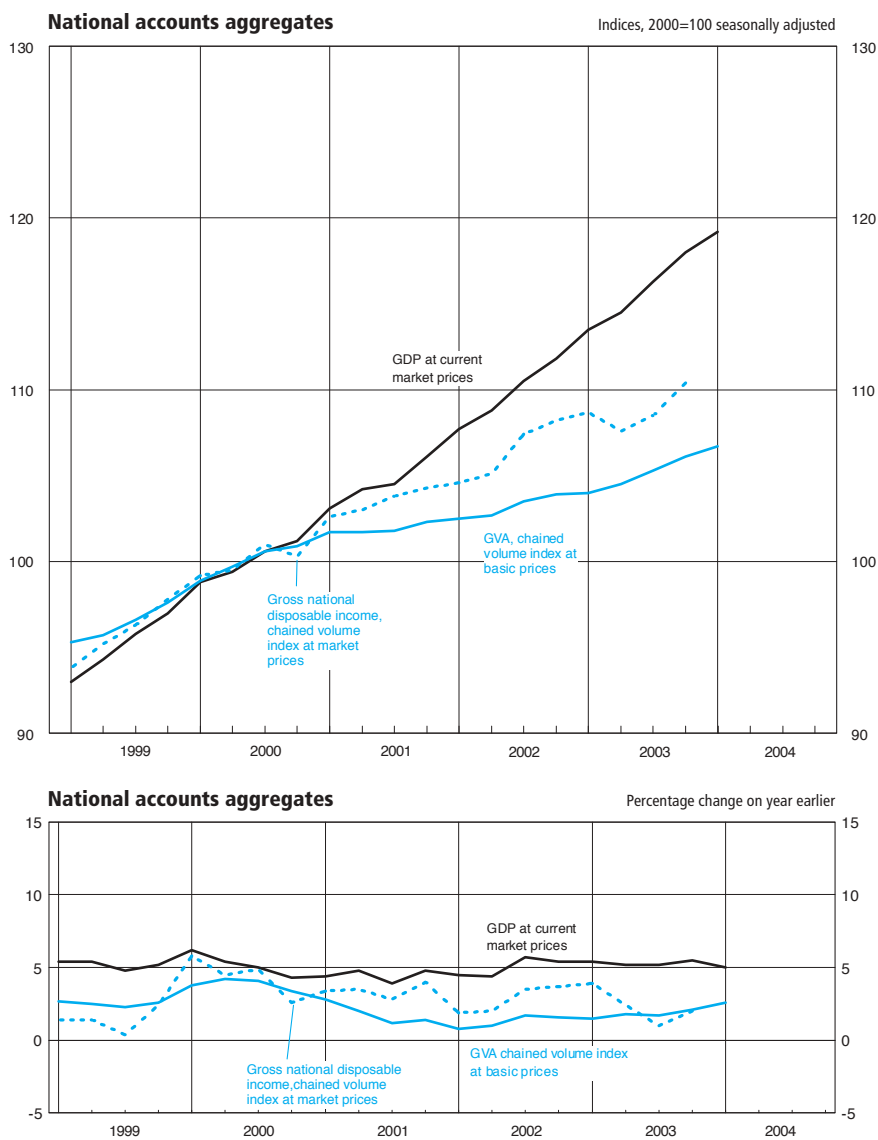
	£ million		Indices (2000 = 100)						
	At current prices		Value indices at current prices		Chained volume indices (2000=100)			Implied deflators <sup>2</sup>	
	Gross domestic product at market prices	Gross value added (GVA) at basic prices	Gross domestic product at market prices <sup>1</sup>	Gross Value 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
<b>Annual</b>									
1999	YBHA 903 865	ABML 797 814	YBEU 95.0	YBEX 95.1	YBFP 95.8	YBEZ 96.4	CGCE 96.3	YBGB 98.6	CGBV 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
<b>Quarterly</b>									
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	283 544	251 038	119.2	119.7	..	108.1	106.7	110.3	112.2
Percentage change, quarter on corresponding quarter of previous year <sup>3</sup>									
<b>Quarterly</b>									
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	5.1	4.8	5.1	4.8	..	3.1	2.5	2.0	2.2

1 "Money GDP."

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

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

Source: Office for National Statistics; Enquiries 020 7533 6031





## 2.2 Gross domestic product : by category of expenditure

### Chained volume measures

Reference year 2000, £ million

Domestic expenditure on goods and services at market prices												
	Final consumption expenditure			Gross capital formation				Exports of goods and services+	Gross final expenditure	Imports of goods and services+ less	Statistical discrepancy (expenditure)	Gross domestic product at market prices
	Households	Non-profit institutions <sup>2</sup>	General government	Gross fixed capital formation+	Changes in inventories <sup>3</sup>	Acquisitions less disposals of valuables	Total					
<b>Annual</b>	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
<b>Quarterly</b>												
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	168 348	6 546	48 266	45 569	724	33	269 486	66 992	336 478	79 638	248	257 089 <sup>†</sup>
Percentage change, latest quarter on corresponding quarter of previous year												
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	3.4	3.2	2.9	6.9			3.8	−2.7	2.4	0.6		3.0

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

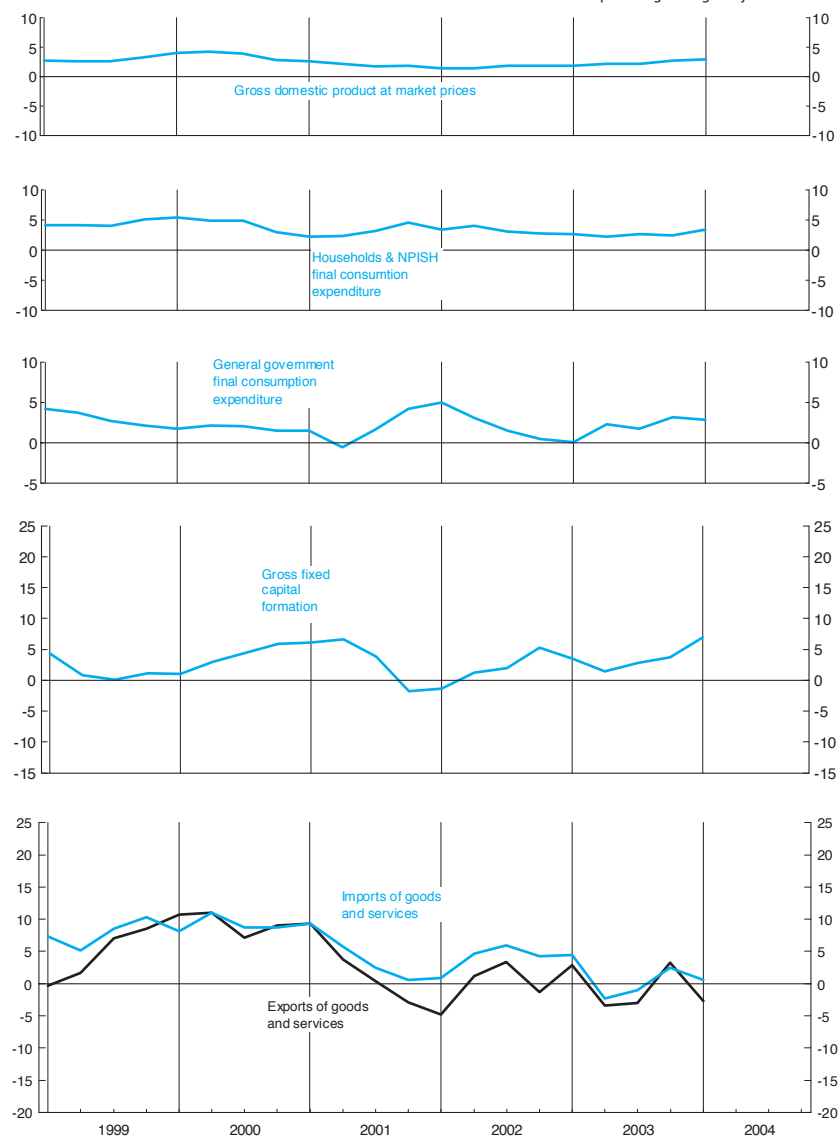
2 Non-profit making institutions serving households (NPISH).

3 Quarterly alignment adjustment included in this series.

Source: Office for National Statistics; Enquiries 020 7533 6031

## Gross Domestic Product : by category of expenditure

chained volume measures  
reference year 2000  
percentage change on year earlier



## 2.3 Gross domestic product and shares of income and expenditure

	Percentage share of gross final expenditure						Percentage share of GDP by category of income				
	Gross domestic product at market prices	Gross final expenditure	Final consumption expenditure		Gross capital formation	Exports of goods and services	Gross operating surplus			Mixed income	Taxes on production and imports
			Household and NPISH	General government			Corporations <sup>1</sup>	Other <sup>2</sup>	Compensation of employees		
Annual	YBHA	ABMF	IHXI	IHXJ	IHXK	IHXL	IHXM	IHXO	IHXP	IHXQ	IHXR
2000	951 265	1 237 822	50.6	14.4	13.4	21.5	21.9	2.6	56.0	6.0	13.5
2001	994 037	1 293 365	51.1	14.8	13.2	21.0	21.2	2.8	56.8	6.1	13.1
2002	1 043 306	1 346 769	51.3	15.6	12.8	20.3	21.5	3.0	56.3	6.1	13.1
2003	1 099 363	1 406 713	51.2	16.5	12.8	19.6	22.3	2.8	55.8	6.1	13.0
Quarterly											
2000 Q1	235 050	302 357	51.3	14.2	13.6	20.9	23.1	2.6	54.9	6.0	13.5
Q2	236 352	306 817	50.8	14.4	13.2	21.5	22.4	2.4	55.7	5.9	13.6
Q3	239 182	312 187	50.4	14.5	13.5	21.7	21.5	2.7	56.3	6.1	13.4
Q4	240 681	316 461	50.0	14.4	13.5	22.1	20.7	2.8	57.1	6.0	13.4
2001 Q1	245 227	321 527	50.2	14.4	13.4	22.1	21.2	2.7	56.9	6.0	13.1
Q2	247 908	324 212	50.4	14.5	13.6	21.5	21.0	3.4	56.5	6.1	13.1
Q3	248 578	322 409	51.7	14.9	13.2	20.2	21.3	2.5	56.8	6.2	13.2
Q4	252 324	325 217	52.0	15.3	12.5	20.3	21.3	2.8	56.8	6.2	12.9
2002 Q1	256 011	330 381	51.5	15.5	12.6	20.3	21.3	2.9	56.5	6.2	13.1
Q2	258 697	335 850	51.2	15.5	12.3	20.9	20.9	3.4	56.5	6.1	13.1
Q3	262 773	339 281	51.1	15.6	12.8	20.5	21.7	3.0	56.3	6.1	13.0
Q4	265 825	341 257	51.5	15.8	13.3	19.5	22.2	2.7	56.0	6.1	13.0
2003 Q1	269 876	346 814	51.0	16.2	12.7	20.1	22.7	2.6	55.7	6.1	12.9
Q2	272 285	347 650	51.3	16.5	12.5	19.6	22.2	2.8	56.0	6.1	12.9
Q3	276 580	353 374	51.2	16.5	12.9	19.4	22.3	2.7	55.9	6.1	13.0
Q4	280 622	358 875	51.1	16.6	12.9	19.4	22.1	3.2	55.6	6.1	13.1
2004 Q1	283 544	360 315	..	..	..	..	..	..	..	..	..

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

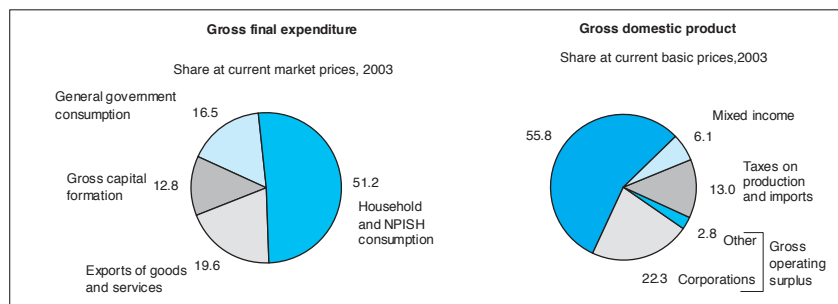
## 2.4 Income, product and spending per head

£

	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

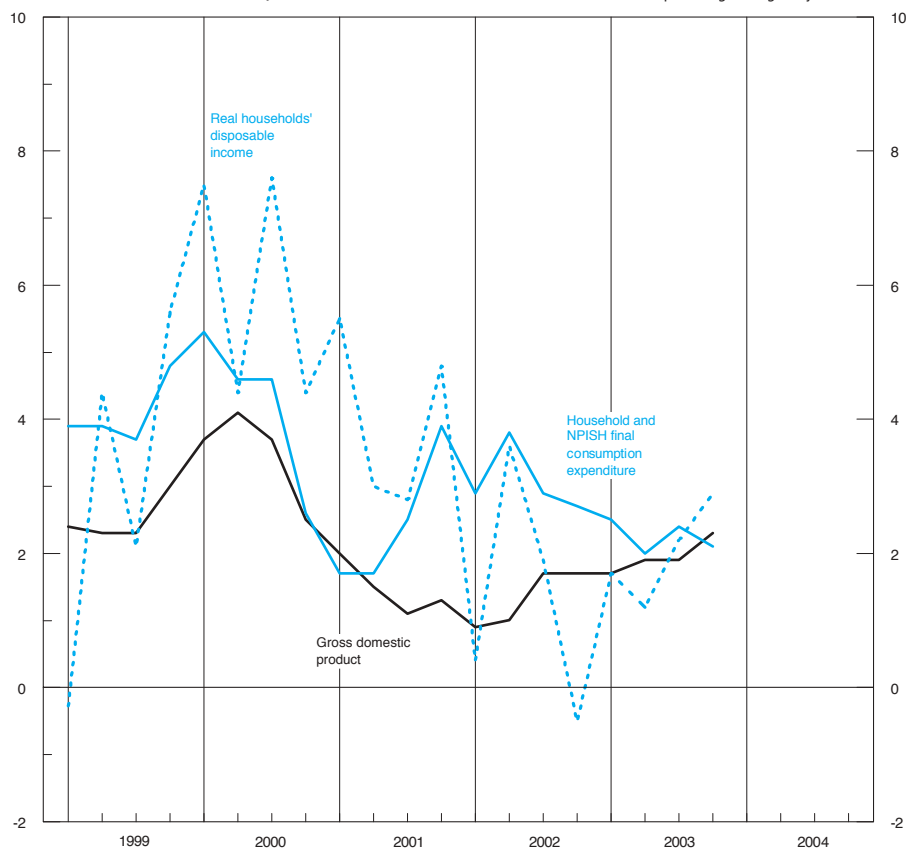
### Shares of income and expenditure



### Income, product and spending per capita

chained volume measures, reference year 2000

percentage change on year earlier



## 2.5 Households' disposable income and consumption

	£ million, current prices					£ million, chained volume measures, reference year 2000				
	Households' income before tax		Adjustment for the change in net equity of households in pension funds		Households' Total resources	Households' final consumption expenditure	Households' saving ratio <sup>3</sup> (percentage)+	Real households' disposable income+ <sup>4</sup>	Household final consumption expenditure+	Real households' disposable income (index 2000=100)
	Total	of which: Wages and salaries	Gross households' disposable income <sup>2</sup>							
<b>Annual</b>	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
<b>Quarterly</b>										
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
2004 Q1	..	..	..	..	..	185 700	..	..	174 894	..

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<sup>1,2</sup>

Chained volume measures

Reference year 2000, £ million

	UK National <sup>4</sup>															
	UK Domestic <sup>5</sup>															
	Total	Net tourism	Total	Food & drink	Alcohol & tobacco	Clothing & footwear	Housing	Household goods & services	Health	Transport	Communication	Recreation & culture	Education	Restaurants & hotels	Miscellaneous	
<b>COICOP<sup>3</sup></b>	-	-	0	01	02	03	04	05	06	07	08	09	10	11	12	
<b>Annual</b>	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	
<b>Quarters</b>																
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	
2004 Q1	168 348	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

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

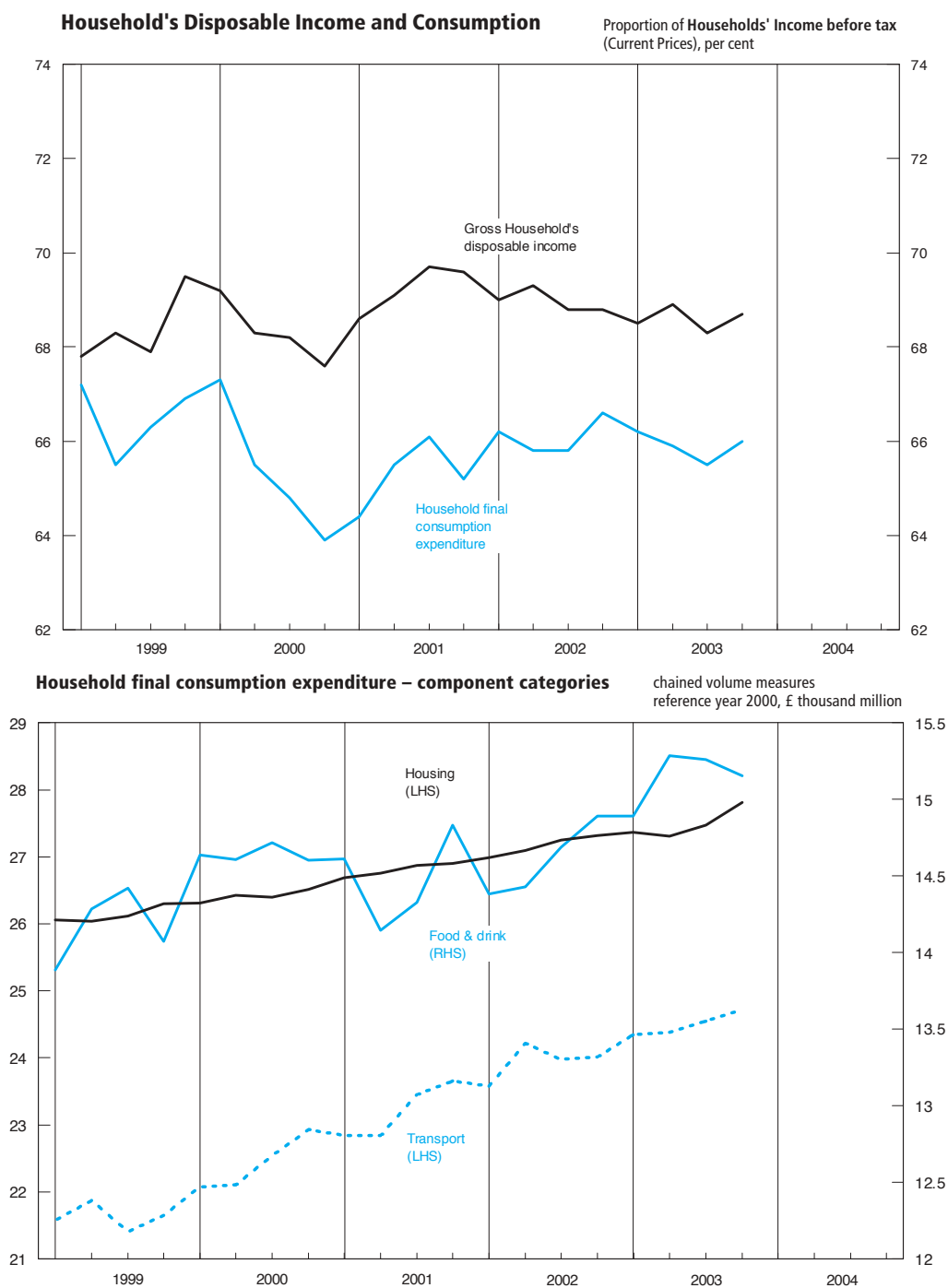
and both unadjusted and seasonally adjusted appear in the ONS publication *Consumer Trends*.

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 <sup>2</sup>				Private sector							
	Business investment <sup>1</sup>	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 <sup>3</sup>	Intangible fixed assets
<b>Annual</b>												
	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
<b>Quarterly</b>												
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
2004 Q1	28 918	..	..	..	..	..	45 569	..	..	..	..	..
<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
2004 Q1	4.4	..	..		..	..	6.9	..	..	..	..	..

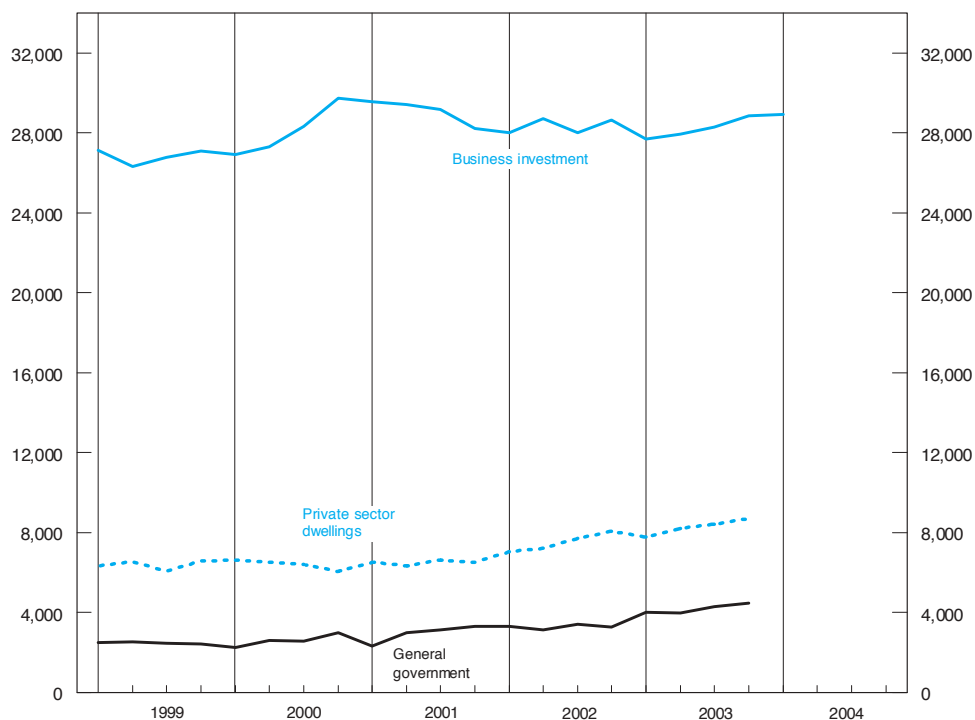
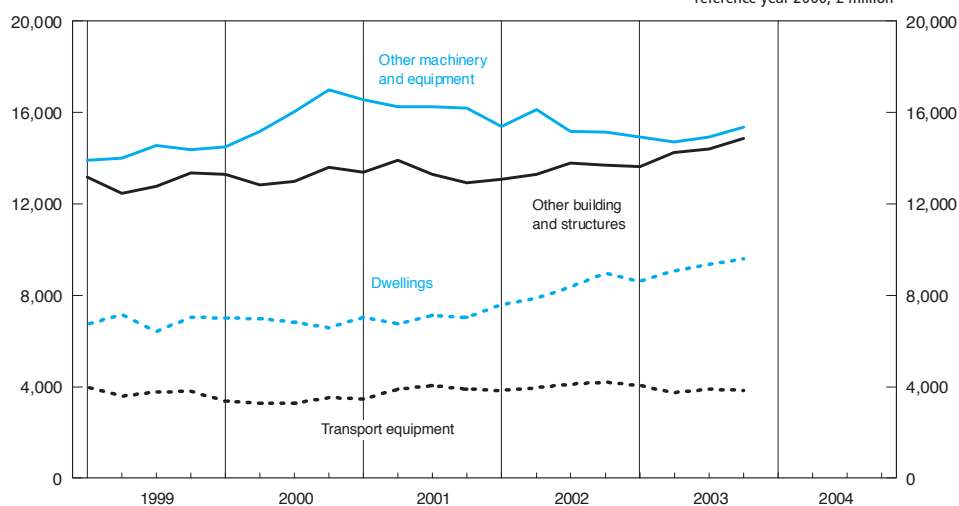
1 Not including dwellings and costs associated with the transfer of ownership of non-produced assets.

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

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

Source: Office for National Statistics; Enquiries 020 7533 6010



**Gross fixed capital formation-by sector**Chained volume measures,  
reference year 2000, £ million**Gross fixed capital formation – by asset**Chained volume measures,  
reference year 2000, £ million

## 2.8 Gross value added, chained volume indices at basic prices, by category of output<sup>1,3</sup>

2000 = 100

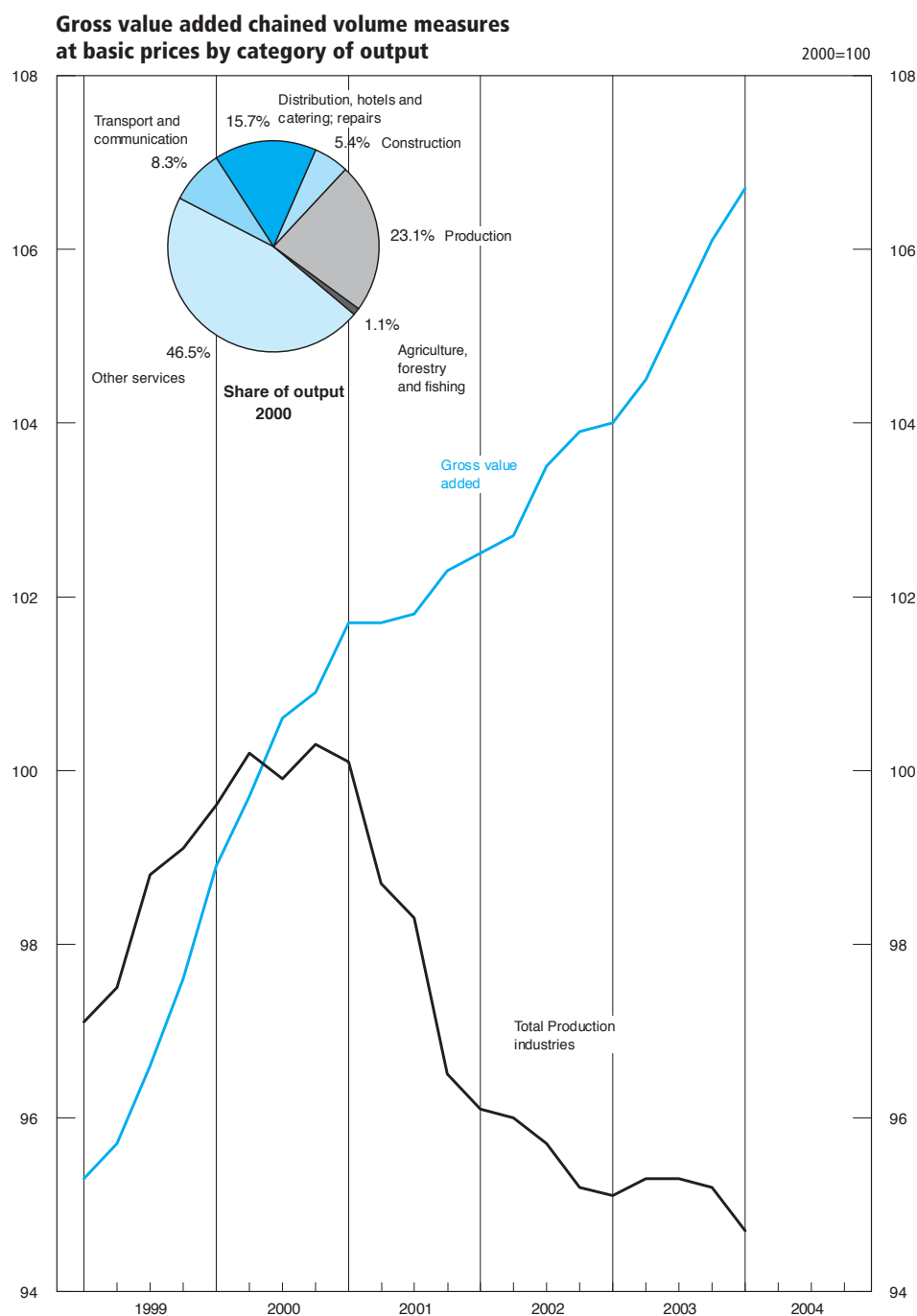
	Production						Service industries					Gross value added at basic prices	Gross value added excluding oil
	Agriculture, forestry, and fishing	Mining and quarrying including oil and gas extraction	Manufacturing	Electricity gas and water supply	Total	Construction	Distribution hotels and catering; repairs	Transport storage and communication	Business services and finance	Government and other services	Total		
2000 Weights <sup>2</sup>	11	30	181	19	231	54	157	83	239	226	705	1000	973
	GDQA	CKYX	CKYY	CKYZ	CKYW	GDQB	GDQE	GDQH	GDQN	GDQU	GDQS	CGCE	JUNT
1999	100.6	103.3	97.6	97.9	98.1	98.7	97.3	91.2	95.6	97.1	95.9	96.3	96.2
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	89.9	94.5	98.7	102.4	98.4	103.4	101.8	104.0	103.9	101.4	102.6	101.9	102.1
2002	101.0	94.4	95.1	104.0	95.7	108.4	106.3	105.0	105.9	103.0	104.9	103.1	103.4
2003	98.3	88.5	95.2	105.7	95.2	113.7	109.0	106.4	108.4	105.1	107.2	105.0	105.5
Quarterly													
1999 Q1	101.2	102.2	96.6	96.9	97.1	97.6	96.3	89.1	94.9	96.2	94.9	95.3	95.2
Q2	100.2	103.3	96.9	97.1	97.5	98.0	96.8	90.5	95.0	96.7	95.4	95.7	95.6
Q3	100.0	104.5	98.3	98.4	98.8	99.5	97.6	91.3	95.3	97.6	96.0	96.6	96.4
Q4	101.1	103.0	98.7	99.1	99.1	99.8	98.3	93.9	97.3	98.0	97.3	97.6	97.5
2000 Q1	100.7	103.8	99.2	98.7	99.6	102.3	99.0	97.0	98.0	99.0	98.4	98.9	98.8
Q2	100.1	102.4	99.8	101.0	100.2	100.0	99.6	99.2	99.2	99.8	99.5	99.7	99.6
Q3	101.4	98.9	100.0	99.9	99.9	98.3	100.9	101.4	100.9	100.7	100.9	100.6	100.6
Q4	97.8	94.9	100.9	100.3	100.3	99.4	100.5	102.4	101.9	100.5	101.2	100.9	101.0
2001 Q1	90.4	93.3	100.8	104.5	100.1	101.5	101.2	104.1	102.9	100.7	101.9	101.7	101.9
Q2	88.7	96.3	98.7	102.8	98.7	102.8	101.4	104.6	103.5	101.0	102.4	101.7	101.9
Q3	89.0	95.0	98.6	101.0	98.3	103.8	101.7	103.9	104.0	101.2	102.6	101.8	102.0
Q4	91.4	93.4	96.6	101.2	96.5	105.7	103.2	103.6	105.2	102.4	103.7	102.3	102.5
2002 Q1	100.8	94.2	95.8	101.5	96.1	107.4	104.6	104.5	104.7	102.8	104.0	102.5	102.8
Q2	100.7	99.1	94.6	104.6	96.0	106.8	105.6	104.0	105.2	102.6	104.3	102.7	102.8
Q3	101.8	90.2	95.5	106.2	95.7	108.7	107.0	105.3	106.8	102.9	105.4	103.5	103.9
Q4	100.6	94.0	94.5	103.6	95.2	110.5	108.0	106.3	106.9	103.7	106.0	103.9	104.2
2003 Q1	97.7	92.4	94.6	103.9	95.1	109.1	107.5	105.7	107.9	104.1	106.3	104.0	104.4
Q2	98.2	89.9	95.2	105.4	95.3	112.7	108.7	105.9	107.1	104.9	106.6	104.5	105.0
Q3	98.5	87.3	95.5	106.4	95.3	115.8	109.5	106.5	108.4	105.4	107.5	105.3	105.8
Q4	98.9	84.6	95.7	107.1	95.2	117.4	110.1	107.5	110.2	105.9	108.5	106.1	106.7
2004 Q1	97.7	83.2	95.3	106.8	94.7 <sup>†</sup>	118.4	111.7 <sup>†</sup>	107.0	111.6	106.6	109.5 <sup>†</sup>	106.7	107.4
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	0.0	-10.0	0.7	2.8	-0.4 <sup>†</sup>	8.5	3.9 <sup>†</sup>	1.2	3.4	2.4	3.0 <sup>†</sup>	2.6	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 <sup>3</sup>	Real estate, renting and business activities	Lettings of dwellings	PAD <sup>1</sup>	Education	Health and social work	Other services <sup>2</sup>	Adjustment for financial services <sup>4</sup>	Total services
2000 weights	123	33	51	32	55	154	75	56	57	62	51	-45	705
<b>Annual</b>	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
<b>Quarterly</b>													
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	..	..	..	..	..	..	..	..	..	..	..	..	109.5 <sup>†</sup>
Percentage change, quarter on corresponding quarter of previous year													
<b>Quarterly</b>													
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	..	..	..	..	..	..	..	..	..	..	..	..	3.0 <sup>†</sup>

1 Public administration and national defence; compulsory social security.

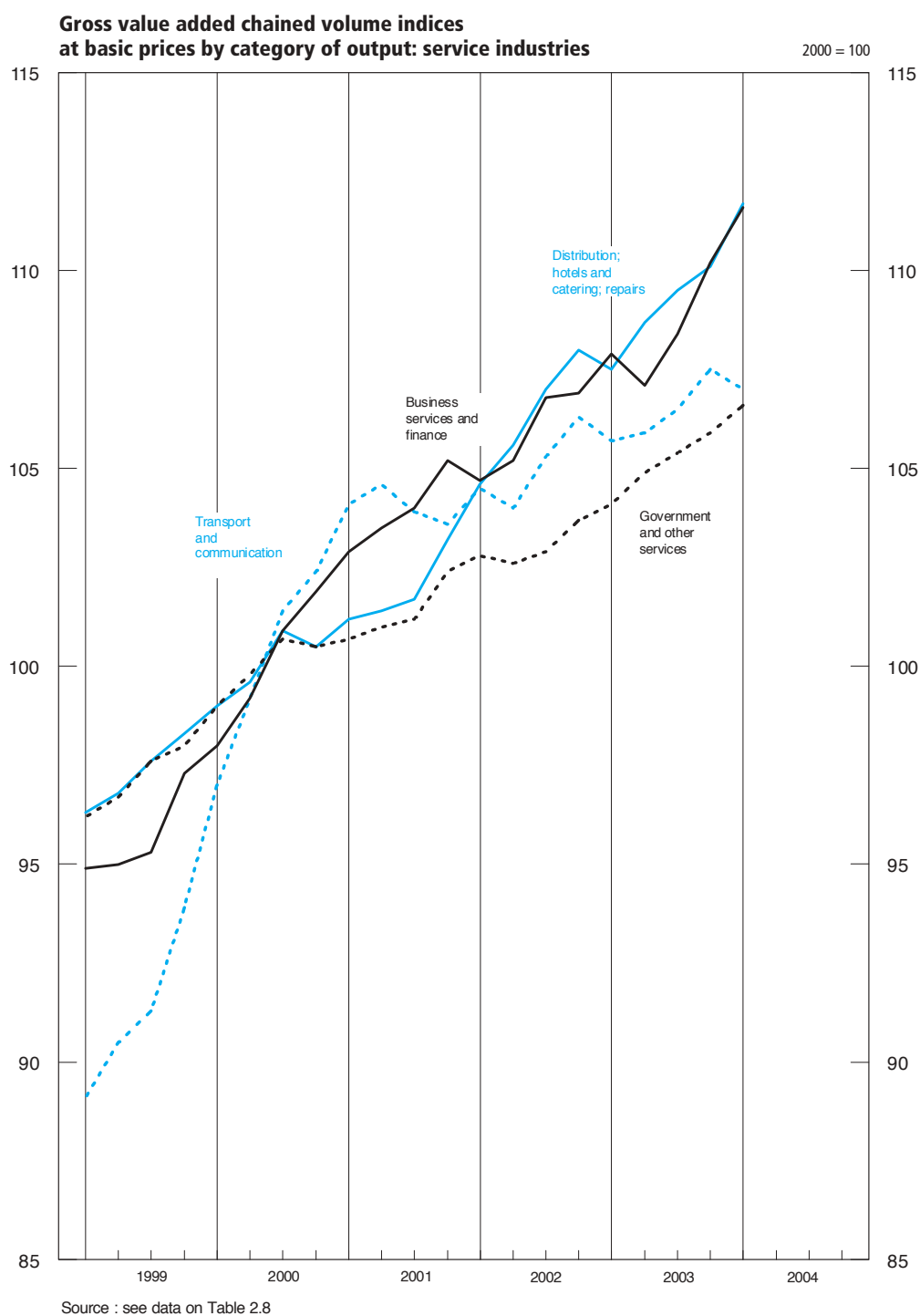
2 Comprising sections O, and P of the SIC(92).

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 <sup>1</sup>	Capital transfers (net receipts)	Gross capital formation <sup>2</sup>	Net acquisition of non-financial assets	Gross saving <sup>1</sup>	Capital transfers (net receipts)	Gross capital formation <sup>2</sup>	Net acquisition of non-financial assets	Gross saving <sup>1</sup>	Capital transfers (net receipts)	Gross capital formation <sup>2</sup>	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(-) <sup>3</sup>							
	Gross saving <sup>1</sup>	Capital transfers (net receipts)	Gross capital formation <sup>2</sup>	Net acquisition of non-financial assets	Non-financial corporations	Financial corporations	General government	Households & NPISH	Rest of the world <sup>4</sup>	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.

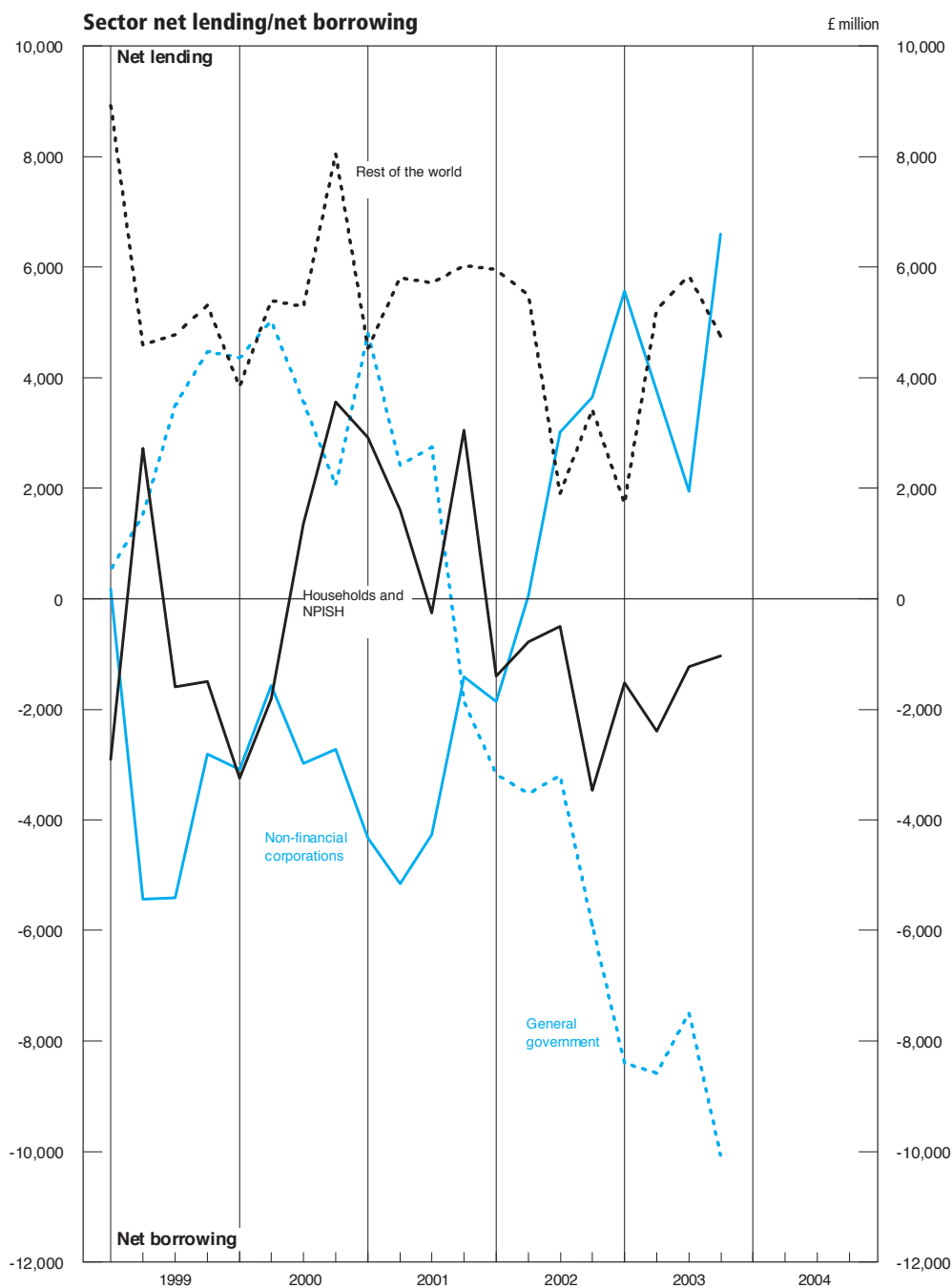
4 Equals, the current balance of payments accounts, plus capital transfers.

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

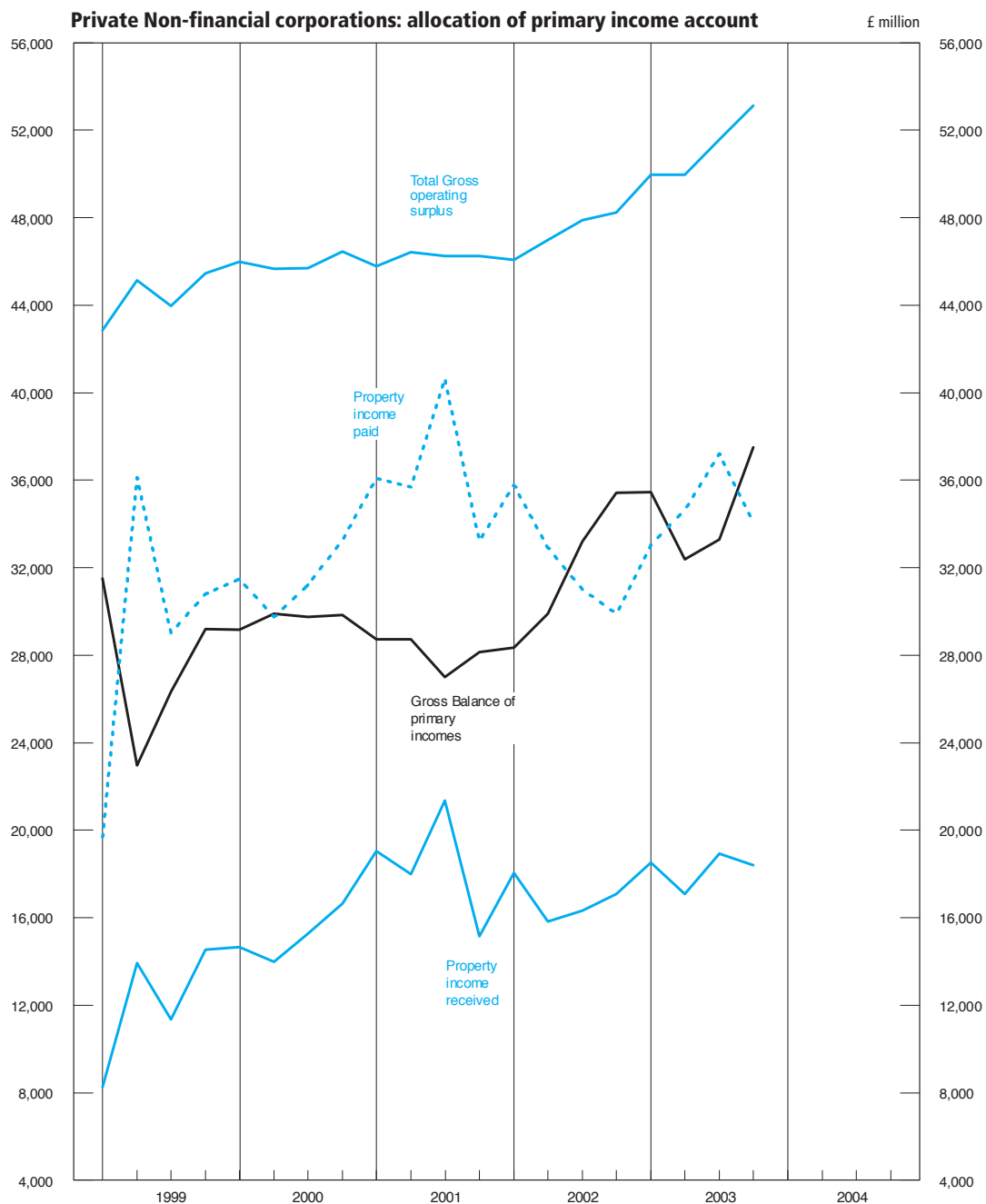
£ million

	Resources							Uses				
	Gross operating surplus							Property income payments				
	Gross trading profits											
	Continental shelf companies	Others <sup>1</sup>	Rental of buildings	less Inventory holding gains	Gross operating surplus <sup>1</sup>	Property income receipts	Total resources <sup>1,2</sup>	Total payments	of which Dividends	of which Interest	Gross balance of primary incomes <sup>1</sup>	Share of gross national income <sup>1</sup> (%)
<b>Annual</b>												
	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
<b>Quarterly</b>												
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 <sup>1</sup>	Other resources <sup>2</sup>	Total <sup>1,3</sup>	Taxes on income	Other uses <sup>4</sup>	Gross disposable income <sup>1,5</sup>	Net capital transfer receipts	Total <sup>1</sup>	Gross fixed capital formation	Changes in inventories <sup>1</sup>	Other changes in assets <sup>6</sup>	Net lending (+) or borrowing (-) <sup>1,7</sup>
<b>Annual</b>												
	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
<b>Quarterly</b>												
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.

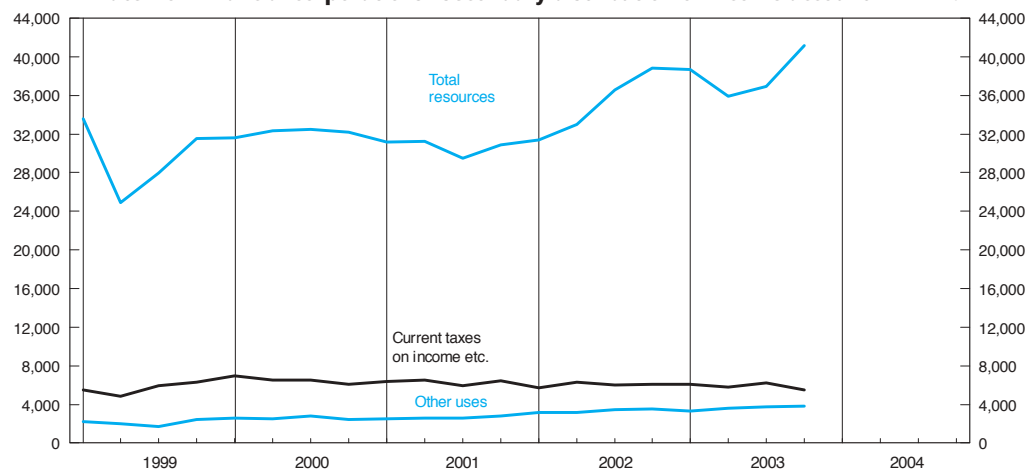
6 Acquisitions less disposals of valuables and non-produced non-financial assets.

7 Gross of fixed capital consumption.

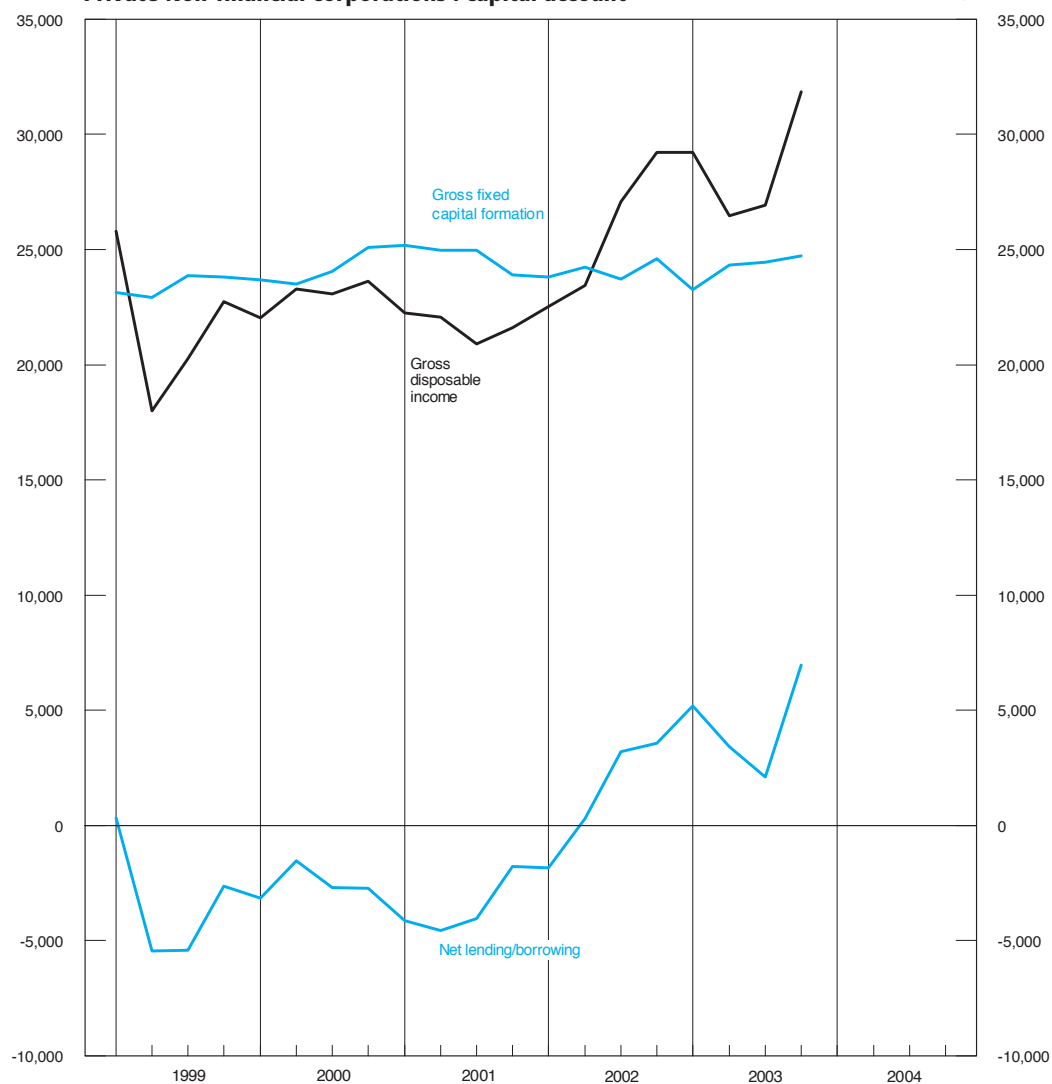
Source: Office for National Statistics; Enquiries 020 7533 6014

**Private Non-financial corporations : secondary distribution of income account**

£ million

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

£ million



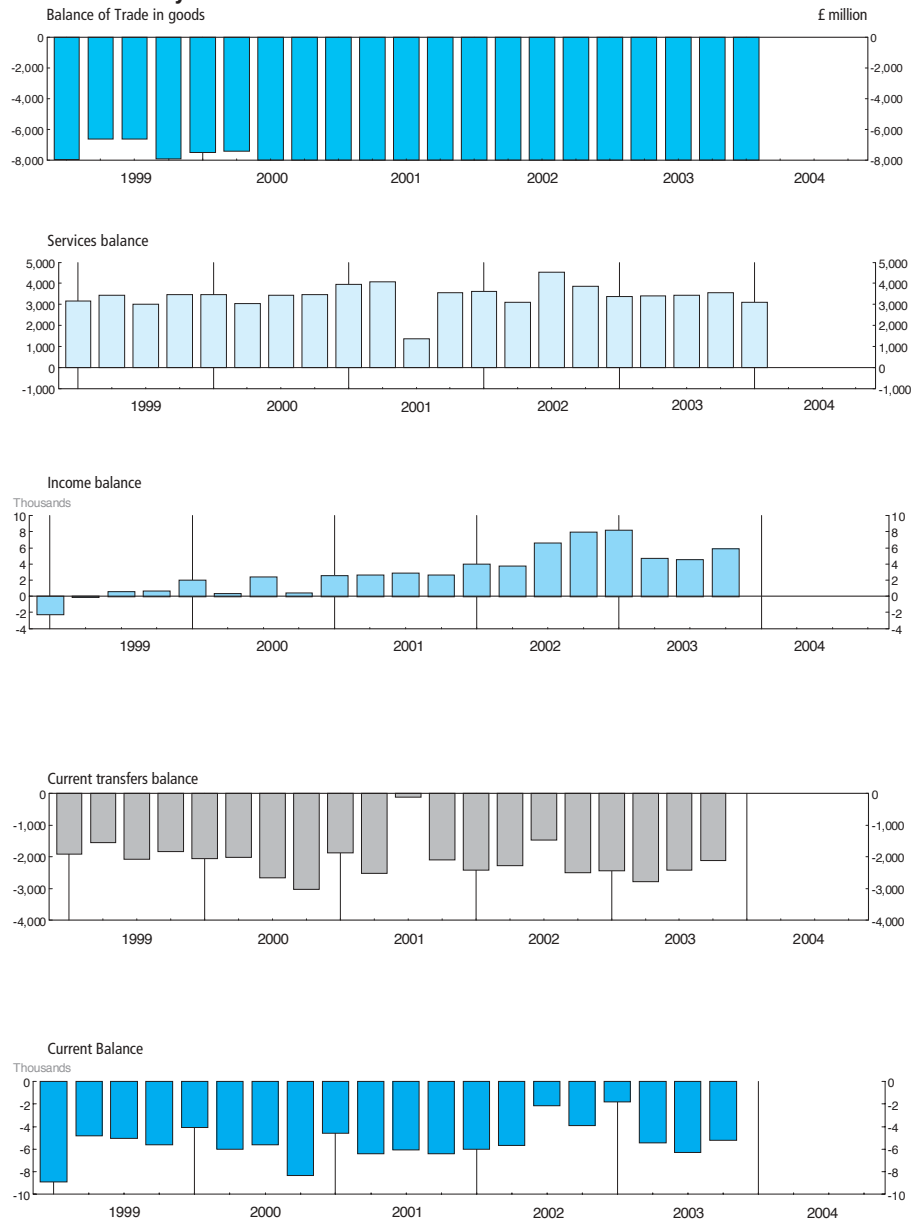
# 2.13

## 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			
<b>Annual</b>	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
<b>Quarterly</b>									
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
2004 Q1	44 773	58 458	-13 685	21 694	18 586	3 108	..	..	..
<b>Monthly</b>									
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	14 566 <sup>†</sup>	20 147 <sup>†</sup>	-5 581 <sup>†</sup>	7 283	6 244	1 039	..	..	..
Feb	14 978	19 031	-4 053	7 203	6 130	1 073	..	..	..
Mar	15 229	19 280	-4 051	7 067	5 916	1 151	..	..	..

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)

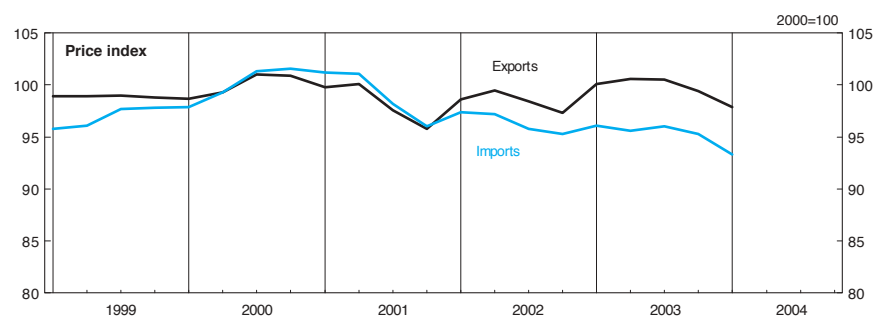
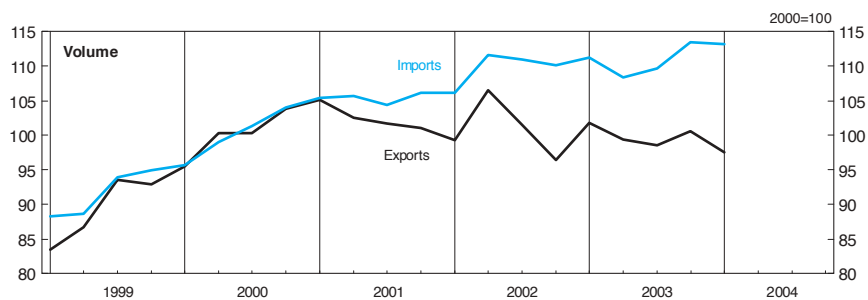
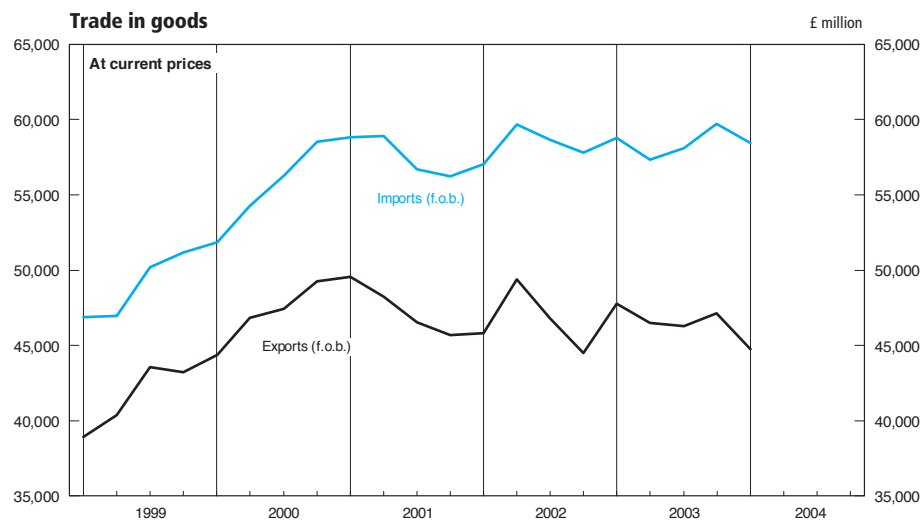
2000 = 100

	Volume indices (SA)		Price indices (NSA)		
	Exports	Imports	Exports	Imports	Terms of trade <sup>1</sup>
<b>Annual</b>	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
<b>Quarterly</b>					
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
2004 Q1	97.5	113.2	97.9	93.3	104.9
<b>Monthly</b>					
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	94.8 <sup>†</sup>	116.8 <sup>†</sup>	98.1 <sup>†</sup>	93.5 <sup>†</sup>	104.9
Feb	98.1	111.1	97.0	92.2	105.2
Mar	99.6	111.7	98.7	94.2	104.8

<sup>1</sup> 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 <sup>1,6</sup>				
	Relative export prices <sup>6</sup>	Relative wholesale prices <sup>5</sup> (1990=100)	IMF index of relative unit labour costs <sup>6</sup>		Import price competitiveness <sup>2,4</sup>	Relative profitability of exports <sup>2,4</sup>	United Kingdom	United States	Japan	France	Germany <sup>3</sup>
			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 <sup>1</sup> (1990=100)											
	United Kingdom	United States	Japan	France	Germany <sup>3</sup>	United Kingdom	United States	Japan	France	Germany <sup>3</sup>	
	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).

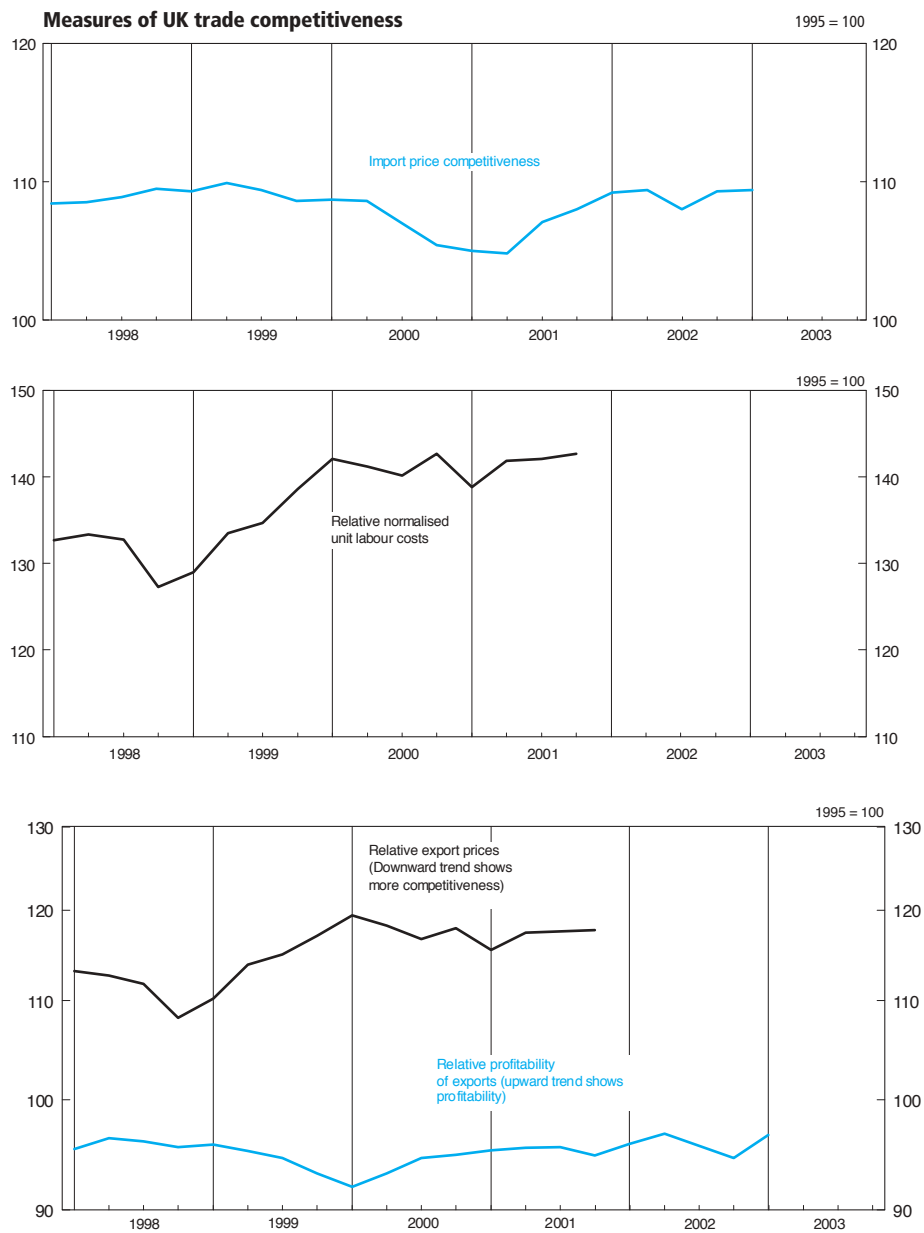
3 Includes the former German Democratic Republic as from 1991 Q1.

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 <sup>3,4</sup> (1996=100)		Retail prices index (January 13, 1987=100)						Pensioner price index <sup>6</sup> (January 13, 1987=100)		
	Materials and fuel purchased by manufacturing industry (SA) <sup>1,2</sup>	Output: all manufactured products: home sales	All items		All items (RPI)		All items excluding mortgage interest payments (RPIX)		All items excluding mortgage interest payments & indirect taxes (RPIY) <sup>5</sup>		1-person household	2-person household	Purchasing power of the pound <sup>7</sup> (NSA) (1985=100)
			Index	Percentage change on a year earlier	Index	Percentage change on a year earlier	Index	Percentage change on a year earlier	Index	Percentage change on a year earlier			
<b>Annual</b>	RNPE	PLLU	CHVJ	CJYR	CHAW	CZBH	CHMK	CDKQ	CBZW	CBZX	CZIF	CZIU	FJAK
2000	100.0	100.0	105.6	0.8	170.3	3.0	167.7	2.1	159.9	1.8	150.8	156.1	56
2001	98.8	99.7	106.9	1.2	173.3	1.8	171.3	2.1	163.7	2.4	152.7	158.5	55
2002	94.4	99.8	108.3	1.3	176.2	1.7	175.1	2.2	167.5	2.3	155.3	160.9	54
2003	95.6	101.3	109.8	1.4	181.3	2.9	180.0	2.8	172.0	2.7	158.1	163.8	52
<b>Quarterly</b>													
2000 Q1	97.1	99.2	104.8	0.8	167.5	2.3	165.8	2.1	158.6	1.9	150.0	154.9	57
Q2	97.9	100.1	105.7	0.6	170.6	3.1	168.0	2.1	159.9	1.7	151.0	156.2	55
Q3	101.9	100.3	105.7	0.8	170.9	3.2	168.1	2.1	160.1	1.8	151.1	156.5	56
Q4	103.2	100.4	106.3	0.9	172.0	3.1	169.1	2.1	161.1	1.8	151.2	156.9	55
2001 Q1	100.8	99.7	105.7	0.9	171.8	2.6	168.9	1.9	161.1	1.6	150.6	156.5	55
Q2	101.6	100.1	107.3	1.5	173.9	1.9	171.8	2.3	164.1	2.6	153.3	159.3	54
Q3	98.3	99.8	107.3	1.5	174.0	1.8	172.1	2.4	164.6	2.8	153.0	158.9	54
Q4	94.4	99.3	107.4	1.0	173.8	1.0	172.4	2.0	165.0	2.4	153.9	159.3	55
2002 Q1	94.1	99.2	107.4	1.5	173.9	1.2	172.9	2.4	165.5	2.7	154.7	160.1	54
Q2	94.8	99.8	108.3	0.9	176.0	1.2	175.0	1.9	167.1	1.8	155.3	161.0	54
Q3	94.4	99.9	108.4	1.1	176.6	1.5	175.5	2.0	167.8	1.9	155.0	160.7	54
Q4	94.3	100.1	109.0	1.6	178.2	2.5	176.9	2.6	169.5	2.7	156.1	161.7	53
2003 Q1	95.8	100.9	109.0	1.5	179.2	3.0	177.9	2.9	170.6	3.1	156.7	162.6	53
Q2	94.2r†	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	97.0	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	95.6#	102.4p	110.4	1.3	183.8	2.6	182.0	2.3	173.8	1.9	159.7	165.4	51
<b>Monthly</b>													
2002 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	94.3r†	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	97.1	101.7	110.3	1.3	182.7	2.5	181.4	2.5	173.1	2.1	..	..	52
Dec	96.9	101.9	110.7	1.3	183.5	2.8	181.8	2.6	173.5	2.2	..	..	52
2004 Jan	95.6r	102.1	110.1	1.4	183.1	2.6	181.4	2.4	173.2	2.0	..	..	52
Feb	94.7	102.3	110.4	1.3	183.8	2.5	182.0	2.3	173.9	1.9	..	..	51
Mar	96.5p	102.8p†	110.6	1.1	184.6	2.6	182.5	2.1	174.3	1.7	..	..	51
Apr	97.3p	103.1p	111.0	1.2	185.7	2.5	183.6	2.0	174.9	1.8	..	..	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).

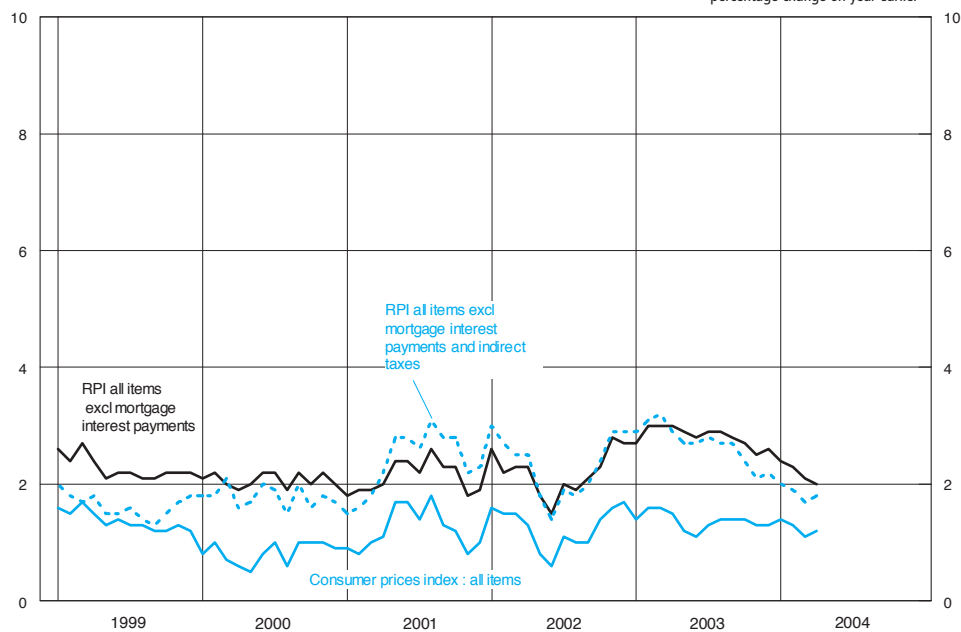
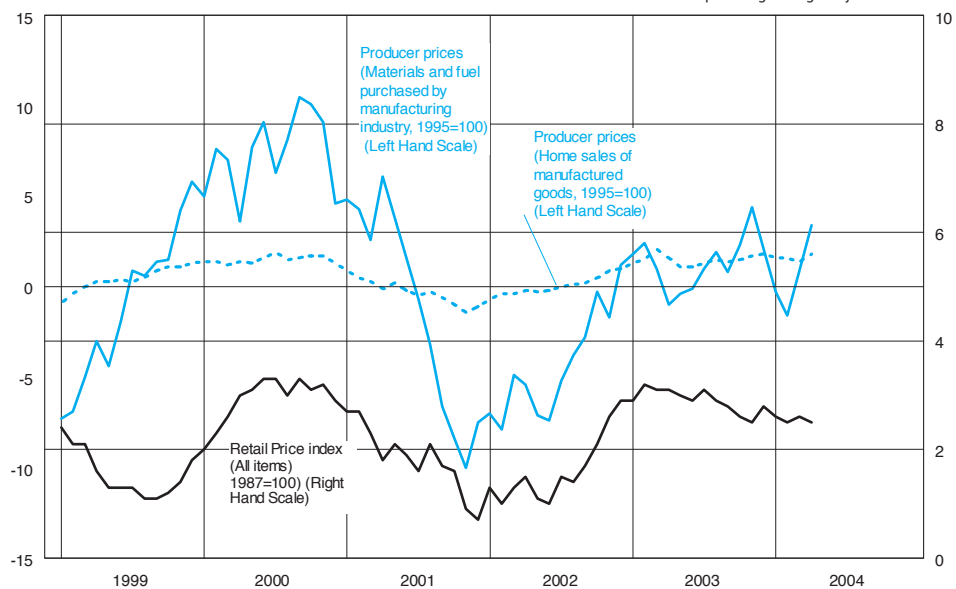
5 The taxes excluded are council tax, VAT, duties, car purchase tax and vehicle excise duty, insurance tax and airport tax.

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.

## Prices

1987 = 100 Not seasonally adjusted  
percentage change on year earlierNot seasonally adjusted  
percentage change on year earlier

# 4.1 Labour Market Activity<sup>1,2</sup>

## United Kingdom

Thousands, seasonally adjusted<sup>3</sup>

	Employment categories					Unemployment	Total economically active	Economically inactive	Total aged 16 and over	Employment rate: age 16-59/64 <sup>4</sup>
	Employees	Self-employed	Unpaid family workers	Government training and employment programmes	Total employment					
<b>TOTAL</b>										
	MGRN	MGRQ	MGRU	MGRW	MGRZ	MGSC	MGSF	MGSI	MGSL	MGSU
2001 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
2004 Q1	24 507	3 619	107	113	28 346	1 413	29 760	17 378	47 137	74.9
<b>Percentage change on quarter</b>										
2003q4 to 2004q1	0.9	-1.1	10.7	7.6	0.7	-3.3	0.5	-0.4	0.1	
<b>Percentage change on year</b>										
2003q1 to 2004q1	0.3	5.6	22.5	20.5	1.1	-6.1	0.7	0.4	0.6	
<b>MALE</b>										
	MGRO	MGRR	MGRU	MGRX	MGSA	MGSD	MGSG	MGSI	MGSM	MGSV
2001 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
2004 Q1	12 549	2 645	44	65	15 304	829	16 133	6 655	22 788	79.5
<b>Percentage change on quarter</b>										
2003q4 to 2004q1	1.1	-1.3	22.5	9.8	0.7	-6.1	0.4	-0.3	0.2	
<b>Percentage change on year</b>										
2003q1 to 2004q1	-0.3	6.0	55.2	16.8	0.9	-9.2	0.4	1.4	0.7	
<b>FEMALE</b>										
	MGRP	MGRS	MGRV	MGRY	MGSB	MGSE	MGSH	MGSK	MGSN	MGSW
2001 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
2004 Q1	11 958	974	62	48	13 043	584	13 627	10 723	24 350	70.1
<b>Percentage change on quarter</b>										
2003q4 to 2004q1	0.7	-0.6	3.6	4.7	0.6	1.0	0.7	-0.5	0.1	
<b>Percentage change on year</b>										
2003q1 to 2004q1	0.8	4.5	6.6	25.8	1.2	-1.2	1.1	-0.2	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<sup>1,2</sup>

### 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 <sup>3</sup>
	Employees	Self-employed	Unpaid family workers	Government training and employment programmes	Total employment					
<b>TOTAL</b>										
	MGTA	MGTD	MG TG	MG TJ	MG TM	MG TP	MG TS	MG TV	MG SL	MG UH
2001 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
2004 Q1	24 397	3 603	104	120	28 224	1 423	29 647	17 490	47 137	74.6
<b>Percentage change on year 2003q1 to 2004q1</b>	0.3	5.4	25.3	21.2	1.1	-6.4	0.7	0.4	0.6	
<b>MALE</b>										
	MGTB	MGTE	MG TH	MG TK	MG TN	MG TQ	MG TT	MG TW	MG SM	MG UI
2001 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
2004 Q1	12 461	2 637	44	70	15 211	846	16 057	6 730	22 788	79.0
<b>Percentage change on year 2003q1 to 2004q1</b>	-0.2	5.8	63.0	18.6	1.0	-9.5	0.3	1.4	0.7	
<b>FEMALE</b>										
	MGTC	MGTF	MG TI	MG TL	MG TO	MG TR	MG TU	MG TX	MG SN	MG UJ
2001 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
2004 Q1	11 937	966	60	50	13 013	577	13 590	10 760	24 350	69.9
<b>Percentage change on year 2003q1 to 2004q1</b>	0.9	4.3	9.1	25.0	1.3	-1.5	1.2	-0.3	0.5	

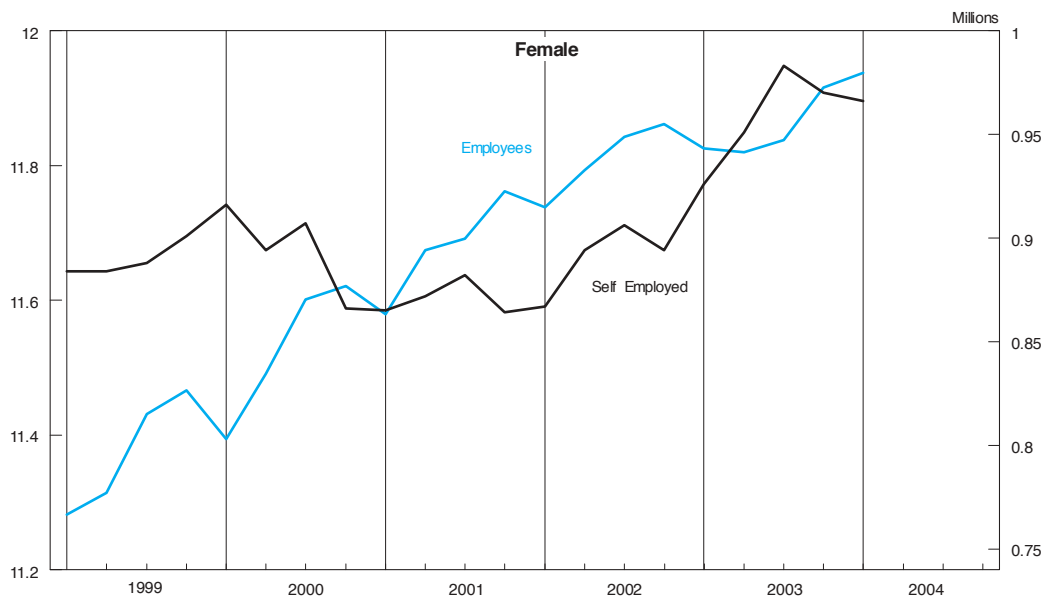
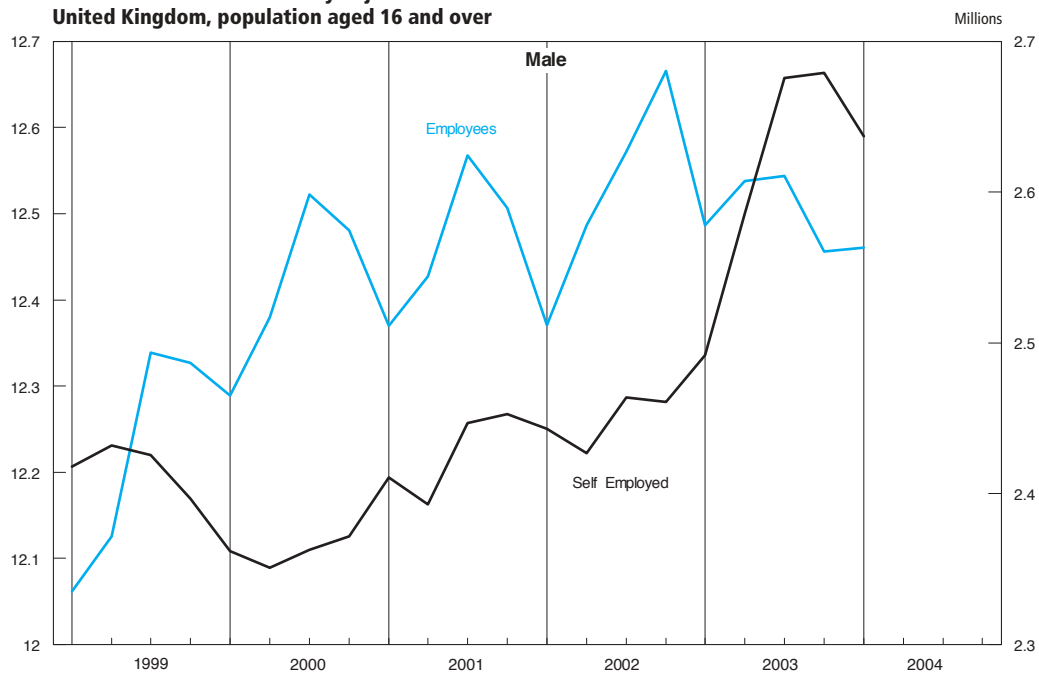
1 The data in this table have been adjusted to reflect the 2001 Census population data.

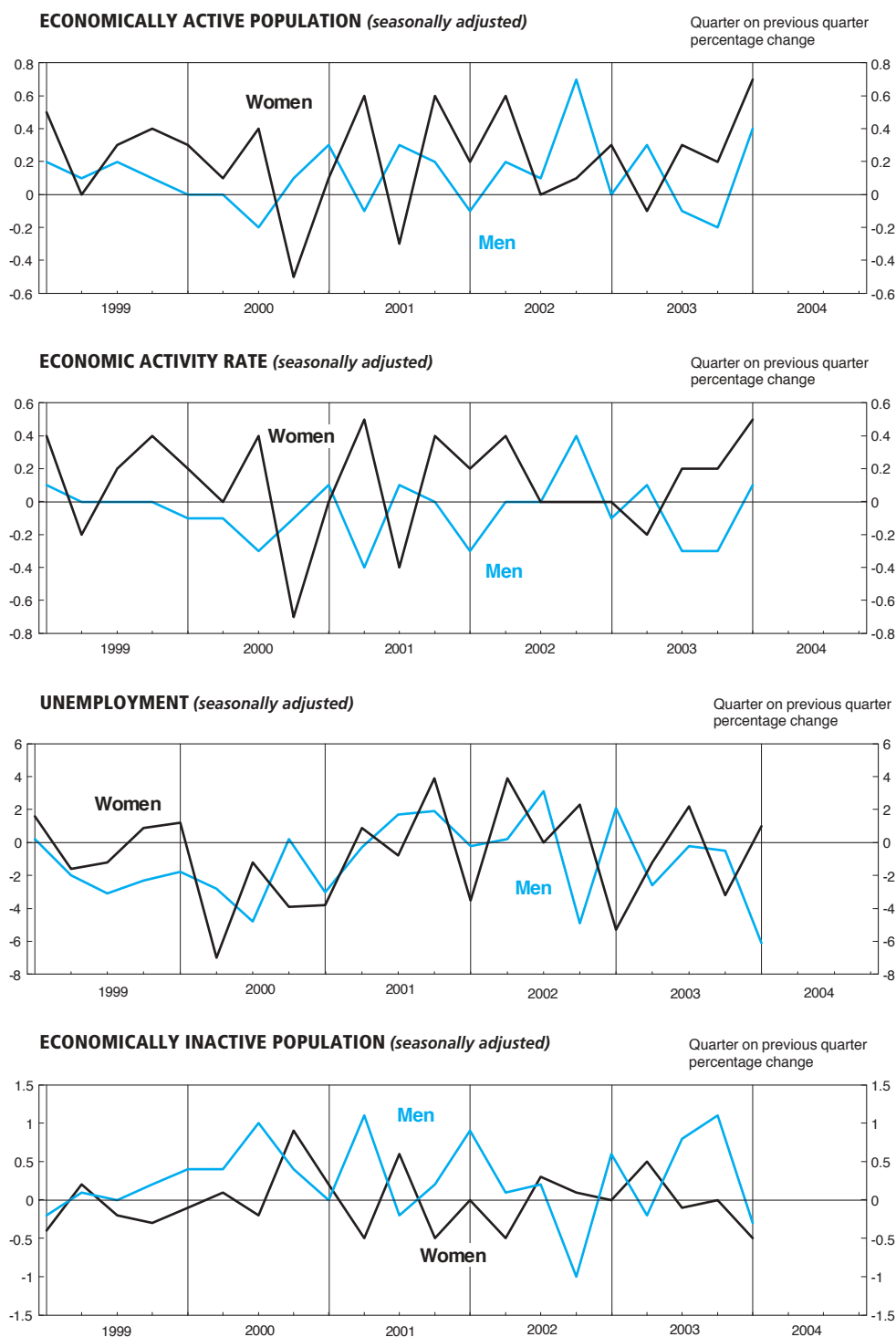
2 Data are from the Labour Force Survey which uses the definitions recommended by the International Labour Organisation (ILO), an agency of the United Nations. For details see the *Guide to Labour market Statistics Releases*.

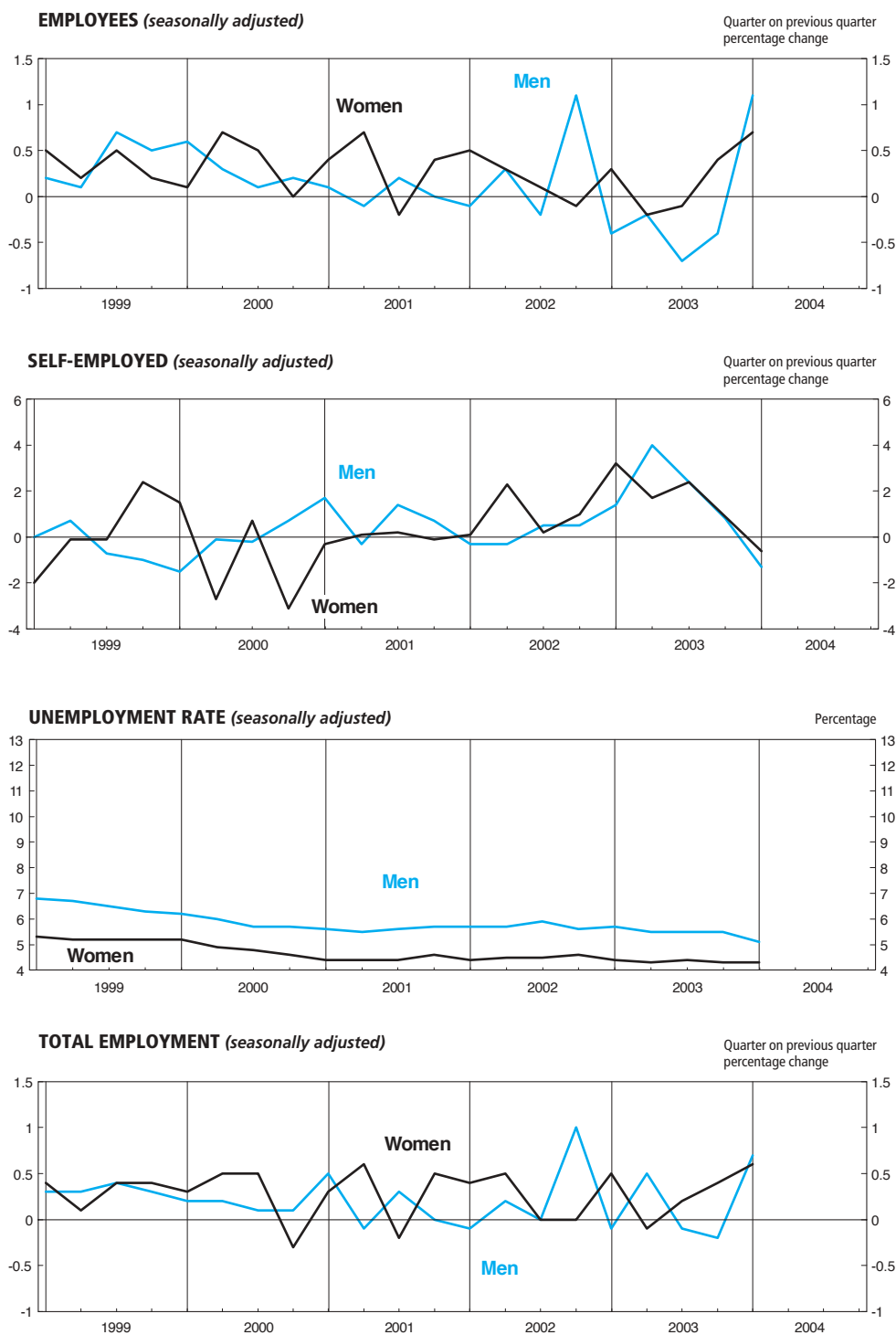
3 The employment rate equals those in employment aged 16-64 (male) and 16-59 (female), as a percentage of all in these age groups. The underlying data are available on request.

Source: Office for National Statistics; Enquiries 020 7533 6094

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







T35

## 4.3 Labour Market Activity by age<sup>1,2</sup>

### United Kingdom

Thousands, seasonally adjusted<sup>3</sup>

	Total aged 16 and over			Age groups <sup>4</sup>							
	Total	Male	Female	16 - 24		25 - 49		50 - 59/64		60/65 and over	
				Male	Female	Male	Female	Male	Female	Male	Female
In employment											
	MGRZ	MGSA	MGSB	MGUR	MGUS	MGUU	MGUV	MGUX	MGUY	MGVA	MGVB
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
2004 Q1	28 346	15 304	13 043	2 126	2 004	9 120	7 824	3 721	2 561	336	654
Unemployed											
	MGSC	MGSD	MGSE	MGVG	MGVH	MGVJ	MGVK	MGVM	MGVN	MGVP	MGVQ
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
2004 Q1	1 413	829	584	322	229	365	282	132	64	10	..
Economically inactive											
	MGSI	MGSJ	MGSK	MGVV	MGVW	MGVY	MGVZ	MGWB	MGWC	MGWE	MGWF
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
2004 Q1	17 378	6 655	10 723	920	1 088	816	2 446	1 312	1 183	3 607	6 006
Economic activity rate (per cent) <sup>5</sup>											
	MGWG	MGWH	MGWI	MGWK	MGWL	MGWN	MGWO	MGWQ	MGWR	MGWT	MGWU
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
2004 Q1	63.1	70.8	56.0	72.7	67.3	92.1	76.8	74.6	68.9	8.8	9.9
Unemployment rate (per cent) <sup>6</sup>											
	MGSX	MGSY	MGSZ	MGWZ	MGXA	MGXC	MGXD	MGXF	MGXG	MGXI	MGXJ
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
2004 Q1	4.7	5.1	4.3	13.2	10.3	3.8	3.5	3.4	2.4	2.8	..

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 <sup>1</sup>					Claimant count <sup>5,6,9</sup>			
	Workforce jobs <sup>2,3,4</sup>	Employee jobs <sup>3,4</sup>				Total	Percentage of workforce jobs and claimant count <sup>7</sup>	Total Not seasonally adjusted	Job Centre vacancies <sup>8,10</sup>
		All industries	Manufacturing industry	Production industry	Service industries				
<b>Annual</b>	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	..
<b>Quarterly</b>									
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	..	..	3 390	3 582	..	886.8	2.9	947.2	..
<b>Monthly</b>									
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	..	..	3 390	3 582	..	882.3 <sup>†</sup>	2.9	932.0	..
Apr	..	..	..	..	..	876.3	2.9	905.2	..

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](http://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.

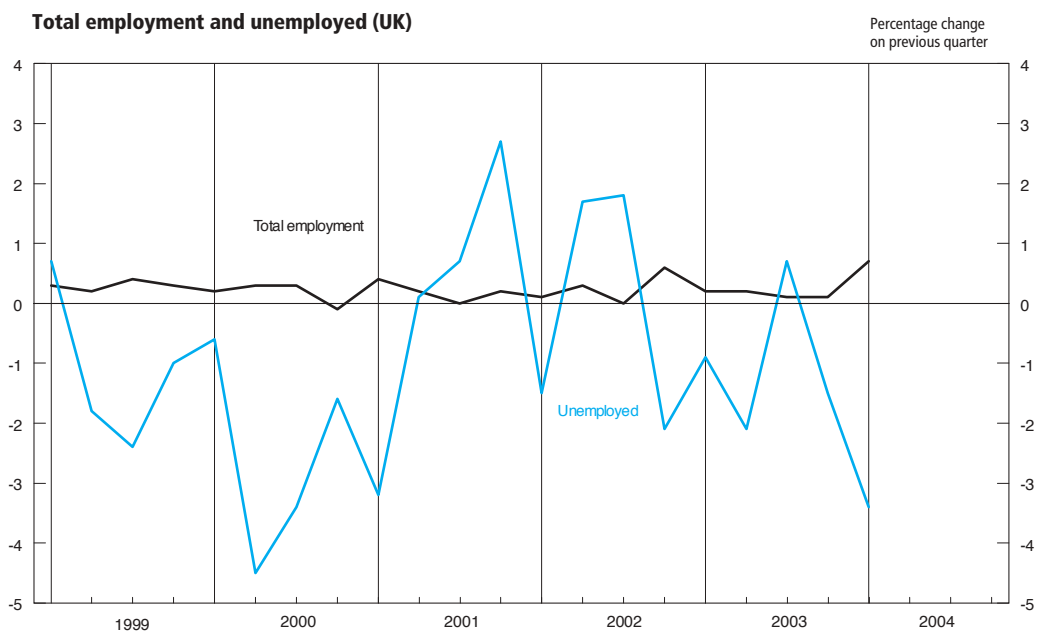
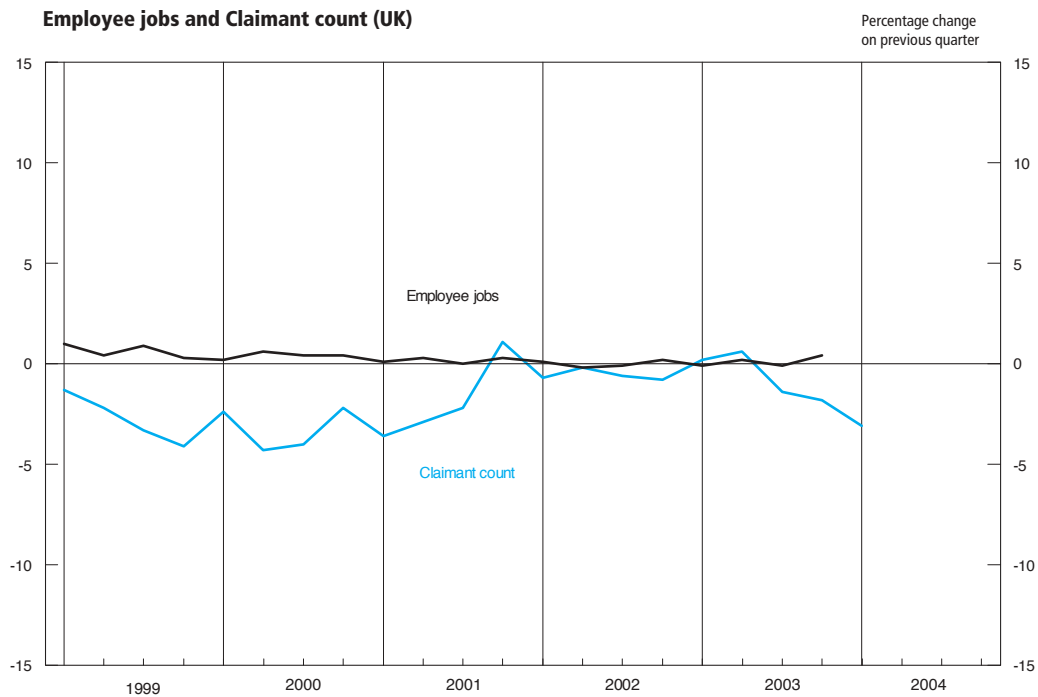
8 Vacancies notified to Jobcentres and remaining unfilled. Jobcentre vacancies only account for approximately one third of all vacancies in the economy. Note: Quarter figures relate to the average for the three months in the quarter.

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<sup>1,2</sup> by Government Office Region

Percentages

	North East	North West <sup>3</sup>	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East
<b>Quarterly</b>								
	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	
<b>Quarterly</b>								
	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.

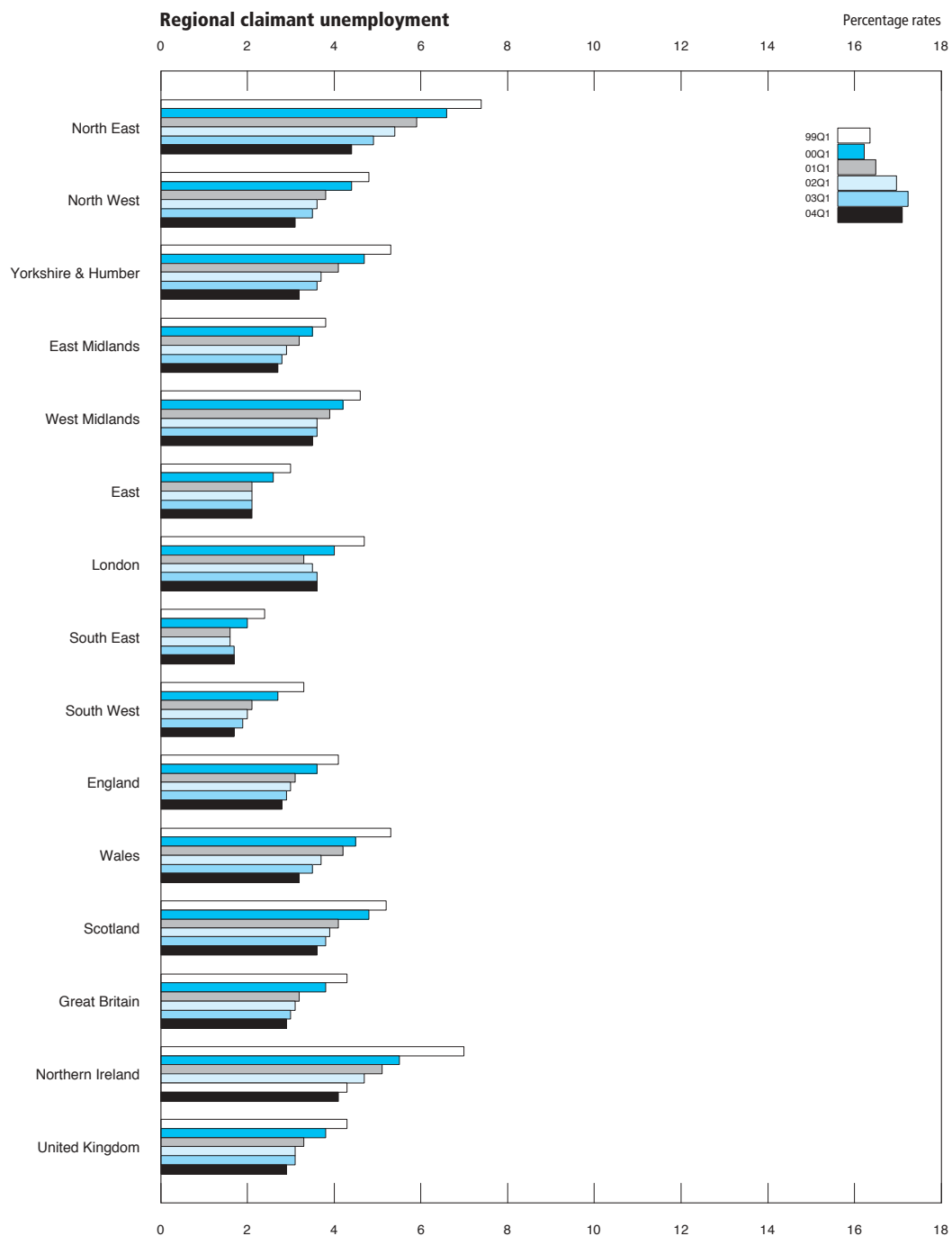
1 Government Office Regions came into effect in April 1994. It was decided that from May 1997 sub-national data should be published for these areas rather than standard statistical regions (SSRs). Data by standard statistical regions are available on request.

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<sup>1,2</sup> by Government Office Region

Percentages, seasonally adjusted <sup>4</sup>

	North East	North West <sup>3</sup>	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East
<b>Quarterly</b>								
	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
2004 Q1	5.3	4.6	4.7	4.7	5.5	3.4	6.9	3.9
	South West	England	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom	
<b>Quarterly</b>								
	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	
2004 Q1	2.9	4.7	4.5	5.7	4.7	5.2	4.7	

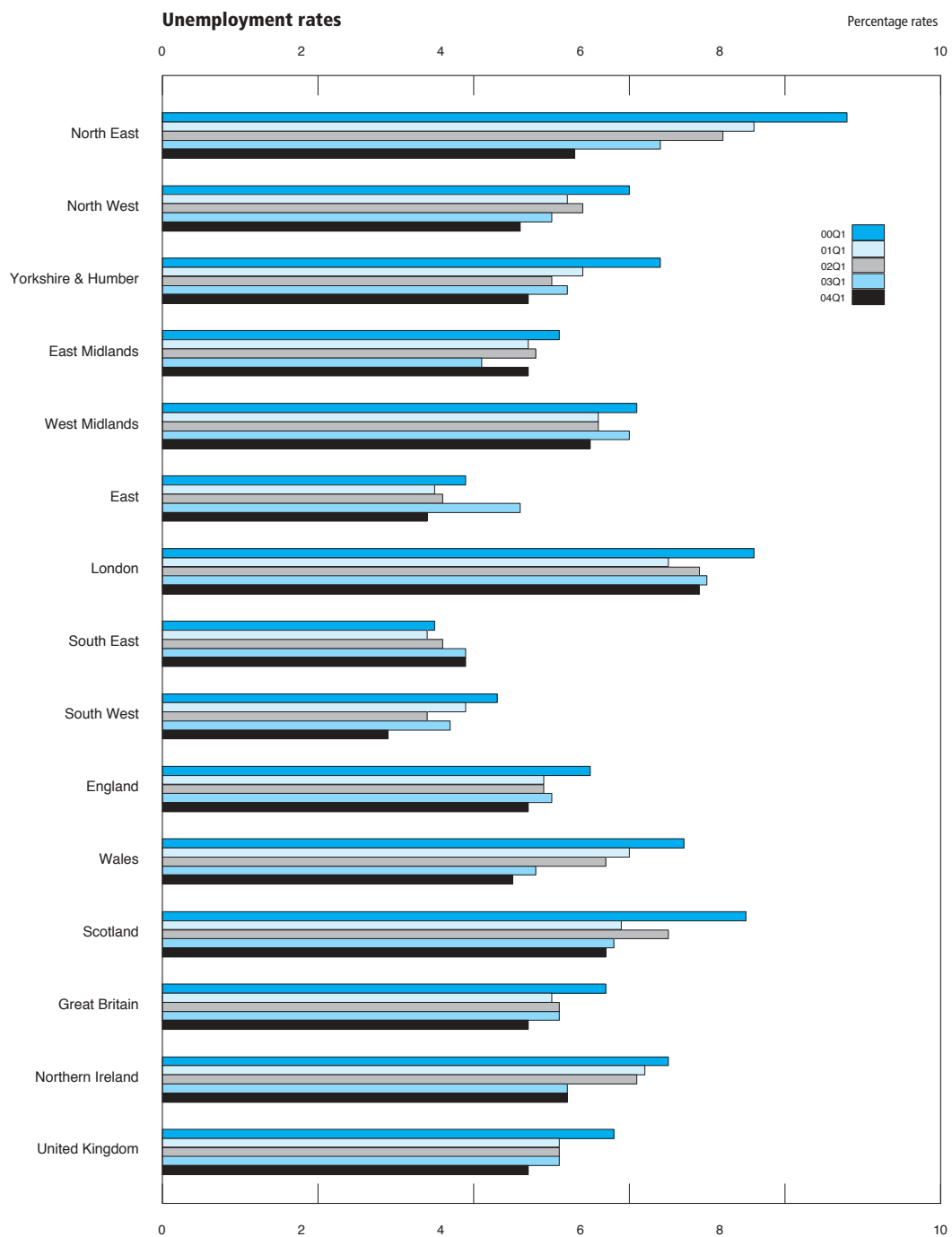
1 The data in this table have been adjusted to reflect the 2001 Census population data.

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 <sup>2</sup>	Private sector headline rate <sup>2</sup>	Public sector headline rate <sup>2</sup>	Manufacturing industries <sup>3</sup> headline rate <sup>2,3</sup>	Production industries headline rate <sup>2</sup>	Service industries headline rate <sup>2</sup>	Private sector services headline rate <sup>2</sup>
<b>Annual</b>	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
<b>Monthly</b>	LNNC	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	108.4 <sup>†</sup>	112.6 <sup>†</sup>	110.1 <sup>†</sup>	110.1	109.4	107.5
Feb	110.0	109.3	112.9	110.6	110.4 <sup>†</sup>	109.7	108.7 <sup>†</sup>
Mar	111.2 <sup>†</sup>	110.5	113.4	113.4	112.9	110.7 <sup>†</sup>	109.6
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	117.1	117.2	117.1	114.0	114.0	118.8	118.2
Feb	114.3	113.5	117.8	114.6	114.7	113.8	112.6
Mar <sup>1</sup>	116.0	115.4	118.3	117.3	116.4	116.0	115.2

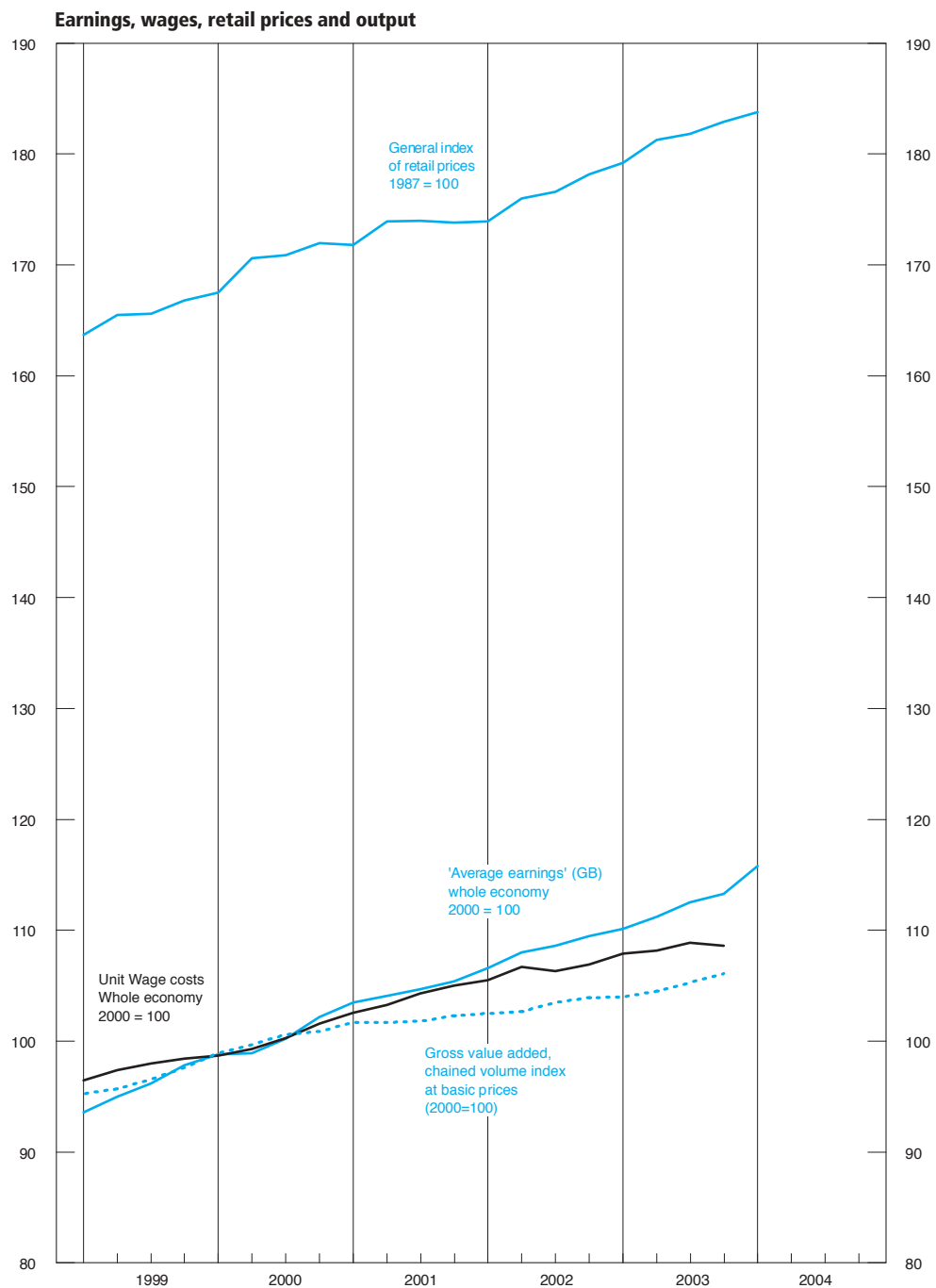
1 Provisional.

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 costs<sup>1</sup>

### United Kingdom

2000 = 100

	Productivity jobs			Output per filled job <sup>2</sup>			Output per hour worked <sup>3</sup>			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
<b>Annual</b>											
	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
<b>Quarterly</b>											
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	88.1 <sup>†</sup>	103.2	106.6	107.3 <sup>†</sup>	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
2004 Q1	..	..	84.4	..	..	112.9	..	..	..	..	102.2
<b>Monthly</b>											
2003 Jan	..	..	88.5	..	..	106.6	..	..	..	..	103.3
Feb	..	..	88.2	..	..	107.5	..	..	..	..	102.9
Mar	..	..	87.7 <sup>†</sup>	..	..	107.8 <sup>†</sup>	..	..	..	..	105.2 <sup>†</sup>
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	..	..	113.3	..	..	..	..	100.7
Feb	..	..	84.4	..	..	112.8	..	..	..	..	101.6
Mar	..	..	84.3	..	..	112.6	..	..	..	..	104.2

Percentage change, quarter on corresponding quarter of previous year

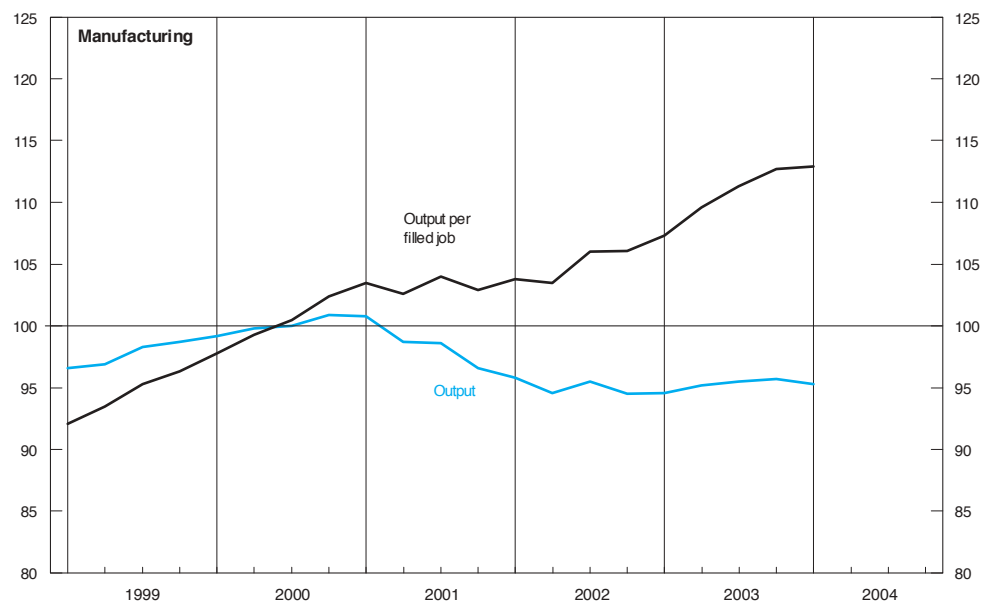
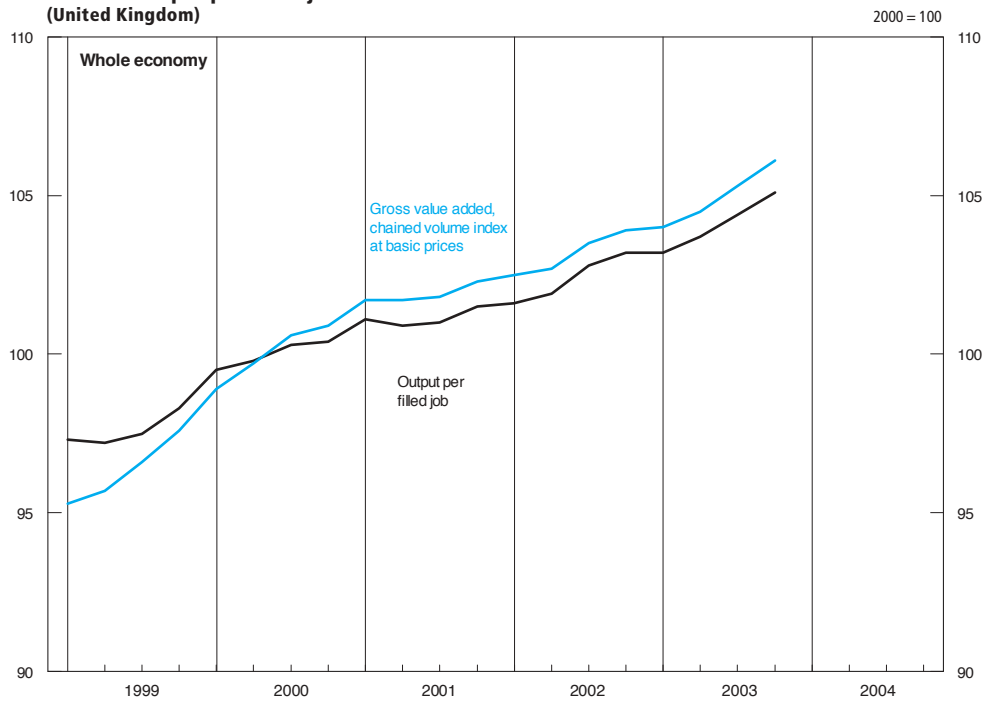
<b>Quarterly</b>											
	LNNO	LNNR	LNNS	LNNP	LNNT	LNNU	LZVD	LZVM	LZVH	LOJE	LOJF
2001 Q1	1.2	-3.6	-4.1	1.6	4.3	5.9	0.9	5.2	6.7	4.0	-1.1
Q2	0.9	-3.9	-4.2	1.1	2.6	3.3	0.9	3.0	3.7	4.1	1.6
Q3	0.5	-4.3	-4.8	0.7	2.8	3.5	0.3	2.6	2.9	4.0	1.0
Q4	0.4	-4.2	-4.8	1.0	0.5	0.5	1.7	1.8	1.5	3.3	2.6
2002 Q1	0.3	-4.5	-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	-4.5 <sup>†</sup>	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
2004 Q1	..	..	-4.2	..	..	5.2	..	..	..	..	-1.6

<sup>1</sup> 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](http://www.statistics.gov.uk/productivity)  
Contact the Labour Market Statistics helpline (020 7533 6094) for further information.

<sup>2</sup> Output per filled job is the ratio of Gross value added at basic prices to productivity jobs.  
<sup>3</sup> 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 industries<sup>1</sup>

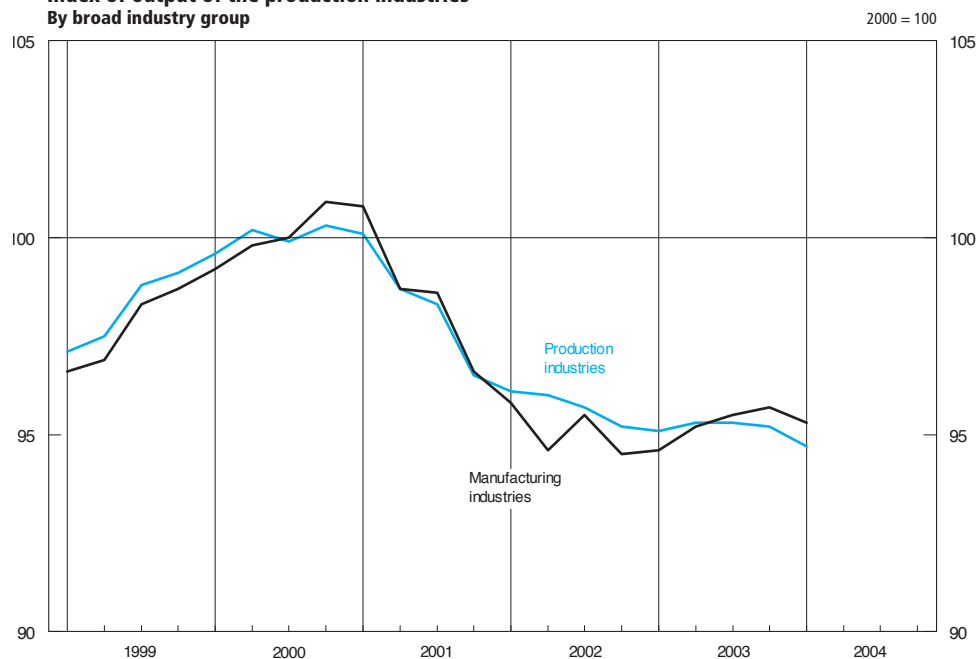
2000 = 100

	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>
<b>Annual</b>	CKYW	CKYX	CKYZ	CKYY	UFIU	UFJS	UFIL	JMOH
1999	98.1	103.3	97.9	97.6	98.4	99.6	96.5	98.2
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	98.4	94.5	102.4	98.7	102.5	101.2	98.4	96.6
2002	95.7	94.4	104.0	95.1	103.8	100.8	90.0	95.0
2003	95.2	88.5	105.7	95.2	102.7	100.5	92.2	93.3
<b>Quarterly</b>								
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	94.7 <sup>†</sup>	83.2	106.8	95.3	102.7	100.7	91.7	92.2
<b>Monthly</b>								
2002 Jan	96.0	96.1	102.3	95.3	104.3	100.2	90.5	95.6
Feb	95.9	92.8	99.8	95.9	104.7	102.4	90.0	94.4
Mar	96.3	93.8	102.4	96.1	106.3	101.5	91.1	95.2
Apr	96.5	96.0	102.8	95.9	106.1	102.3	90.0	95.7
May	98.2	101.0	106.3	96.8	105.8	102.1	92.9	97.9
Jun	93.4	100.3	104.6	91.0	97.7	98.6	85.1	94.0
Jul	95.3	87.6	109.2	95.1	101.0	101.4	89.7	94.2
Aug	96.0	88.0	108.0	96.0	104.0	101.4	92.1	94.2
Sep	95.8	95.1	101.5	95.4	103.9	101.3	90.1	94.9
Oct	95.0	95.8	104.1	94.0	103.2	99.5	88.3	95.1
Nov	95.1	93.0	102.1	94.7	104.4	99.7	89.6	94.5
Dec	95.4	93.2	104.7	94.7	104.5	99.2	90.6	94.7
2003 Jan	94.7	91.8	102.1	94.4	102.6	99.5	90.1	93.6
Feb	95.4	92.9	105.7	94.8	100.0	100.1	90.9	94.7
Mar	95.1	92.4	103.8	94.6	98.5	100.3	90.5	94.1
Apr	95.1	89.9	103.1	95.1	101.4	99.4	93.3	93.1
May	95.0	89.6	103.7	95.0	100.9	100.9	91.6	93.0
Jun	95.9	90.2	109.5	95.4	103.5	100.2	93.2	94.3
Jul	95.8	90.4	104.9	95.7	104.8	100.7	93.1	93.7
Aug	95.0	86.5	105.2	95.4	102.8	100.7	91.8	92.9
Sep	95.1	85.0	109.0	95.4	105.1	100.8	92.7	92.5
Oct	95.8	85.7	108.3	96.1	105.0	101.8	93.1	93.0
Nov	94.9	84.4	106.1	95.5	104.9	100.5	93.0	92.1
Dec	95.0	83.5	107.0	95.6	103.4	101.2	92.7	92.0
2004 Jan	95.0 <sup>†</sup>	84.0	105.1	95.7 <sup>†</sup>	102.5 <sup>†</sup>	100.9 <sup>†</sup>	92.1 <sup>†</sup>	92.5 <sup>†</sup>
Feb	94.6	82.3	107.2 <sup>†</sup>	95.3	103.2	100.4	91.7	92.1
Mar	94.5	83.4	108.2	94.9	102.4	100.7	91.5	92.0

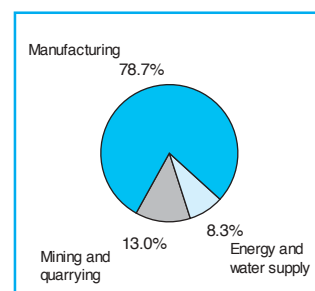
1 The figures contain, where appropriate, an adjustment for stock changes.

Source: Office for National Statistics; Enquiries 01633 812786

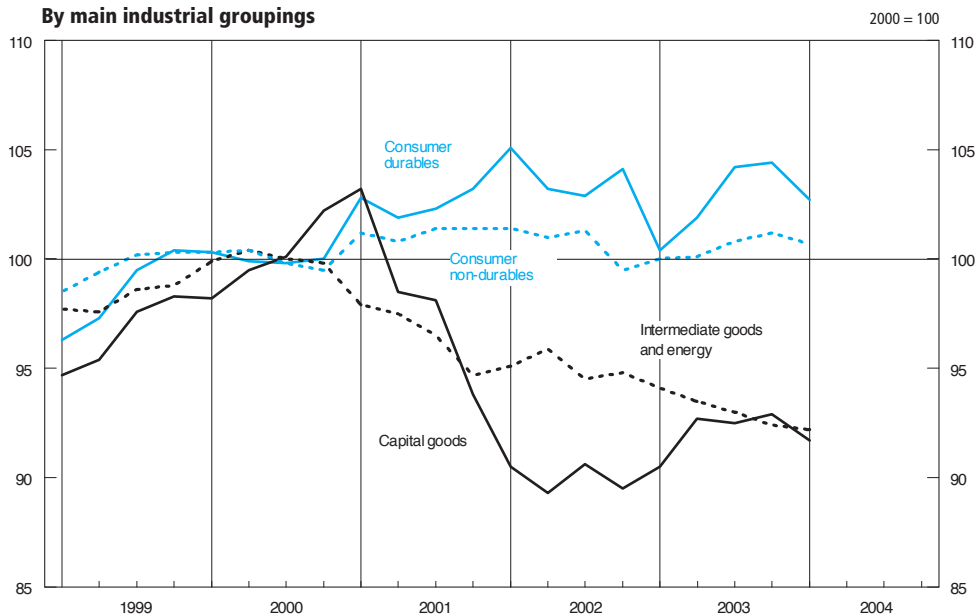
**Index of output of the production industries**  
By broad industry group



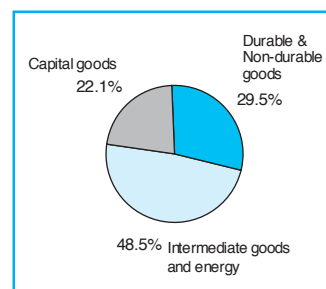
**Share of output in 2000**



**By main industrial groupings**



**Share of output in 2000**



## 5.2 Engineering and construction : output and orders

### Seasonally adjusted Index numbers at constant prices<sup>1</sup>

	Engineering (2000 =100)									Construction(GB) <sup>5</sup> (2000=100)	
	Total			Home			Export			Gross output+ <sup>4</sup>	Orders received
	Orders <sup>2</sup> on Hand	New <sup>3</sup> Orders	Turnover	Orders <sup>2</sup> on Hand	New <sup>3</sup> Orders	Turnover	Orders <sup>2</sup> on Hand	New <sup>3</sup> Orders	Turnover		
<b>Annual</b>											
	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
<b>Quarterly</b>											
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
2004 Q1	93.0	79.3	81.2	109.2	85.2	88.5	65.6	71.4	71.5	..	105.9
<b>Monthly</b>											
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	94.3 <sup>†</sup>	85.8 <sup>†</sup>	81.6 <sup>†</sup>	110.5 <sup>†</sup>	91.9 <sup>†</sup>	90.1 <sup>†</sup>	66.9	77.8 <sup>†</sup>	70.4 <sup>†</sup>	..	91.1 <sup>†</sup>
Feb	91.7	69.1	80.9	107.9	73.9	87.4	64.4 <sup>†</sup>	62.8	72.3	..	121.3
Mar	93.0	83.0	81.1	109.2	89.9	88.1	65.6	73.7	71.7	..	105.2

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

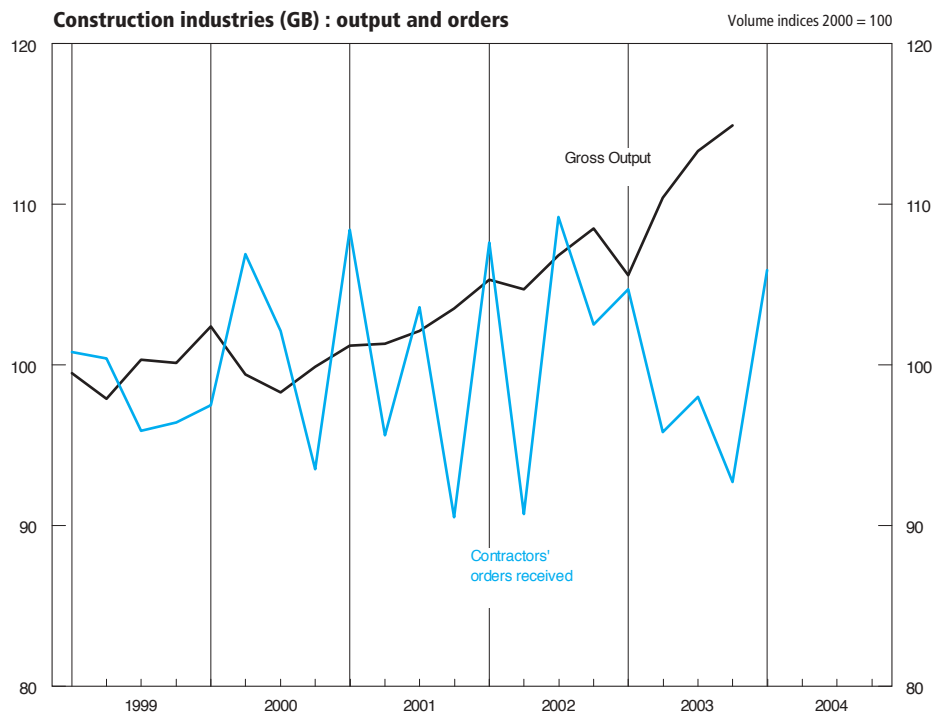
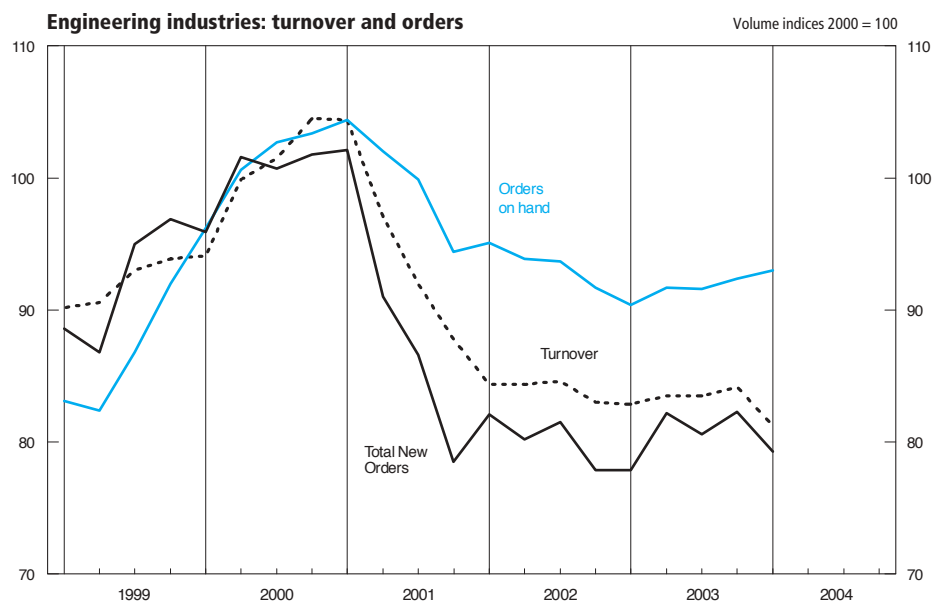
2 For Orders on Hand, the annual and quarterly index values represent the value at the end of the period in question, rather than the average value for that period, so the annual value shown for 2000 may not equal 100.

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 <sup>1</sup>				Commercial vehicles <sup>1</sup>				Crude steel production (NSA) <sup>2</sup> (thousand tonnes)
	Not seasonally adjusted		Seasonally adjusted <sup>4</sup>		Not seasonally adjusted		Seasonally adjusted <sup>4</sup>		
	Total production (thousands)	<i>of which</i> for export (thousands)	Total production (thousands)	<i>of which</i> for export (thousands)	Total production (thousands)	<i>of which</i> for export (thousands)	Total production (thousands)	<i>of which</i> for export (thousands)	
Annual	FFAA	FFAB	FFAO	FFAP	FFAC	FFAD	FFAQ	FFAR	BCBS
1999	148.9	94.9	148.9	94.9	15.5	6.2	15.5	6.2	16 283.8
2000	136.8	88.6	136.8	88.6	14.3	6.3	14.4	6.3	15 154.6
2001	124.4	74.5	124.4	74.5	16.1	8.0	16.1	8.0	13 542.7
2002	135.7	87.3	135.8	87.3	15.9	9.5	15.9	9.5	11 667.1
2003	138.1	95.3	138.1	95.3	15.7	8.6	15.7	8.6	13 128.4
Quarterly									
1999 Q1	153.5	97.6	142.8	93.6	17.8	7.5	16.7	6.9	4 126.5
Q2	149.6	97.7	144.8	91.7	16.8	6.6	16.0	6.3	4 376.9
Q3	135.9	76.7	149.7	94.6	12.1	4.4	14.3	5.5	4 054.9
Q4	156.5	107.5	158.3	99.6	15.3	6.4	15.0	6.2	3 725.5
2000 Q1	164.8	105.0	151.8	100.4	16.7	8.4	15.3	7.8	4 442.5
Q2	144.4	97.6	140.9	91.5	17.3	8.2	16.7	7.9	4 019.8
Q3	111.7	63.2	126.2	79.1	9.5	3.5	11.9	4.6	3 288.7
Q4	126.3	88.6	128.2	83.3	13.7	5.2	13.6	5.0	3 403.6
2001 Q1	129.0	75.5	119.8	73.0	17.2	6.6	15.6	6.0	3 651.7
Q2	124.1	76.5	119.5	70.9	16.6	7.7	15.4	7.2	3 729.6
Q3	111.9	61.0	125.2	75.3	14.5	7.4	17.9	9.3	3 205.5
Q4	132.4	85.1	133.0	78.9	16.1	10.3	15.4	9.5	2 955.9
2002 Q1	149.9	85.0	138.8	82.0	16.7	8.4	15.2	7.9	3 046.3
Q2	133.5	94.0	128.3	85.4	14.8	9.4	14.2	9.0	3 060.0
Q3	130.6	80.7	146.8	98.2	14.9	9.3	17.6	11.1	2 801.9
Q4	128.7	89.3	129.4	83.5	17.3	10.9	16.8	10.1	2 758.9
2003 Q1	141.4	91.5	131.7	88.3	16.5	9.3	15.1	8.9	3 081.0
Q2	144.4	101.3	138.9	93.5	15.5	8.3	14.8	8.0	3 258.7
Q3	130.4	85.8	143.6	102.0	13.4	6.9	15.6	8.1	3 264.3
Q4	136.2	102.7	138.2	97.4	17.6	9.7	17.4	9.2	3 524.4
2004 Q1	148.5	101.2	135.2 <sup>†</sup>	96.5 <sup>†</sup>	19.3	10.4	17.8 <sup>†</sup>	9.8	3 380.7 <sup>†</sup>
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	132.3 <sup>†</sup>	94.8 <sup>†</sup>	17.3	10.0	16.2 <sup>†</sup>	9.7	1 024.9
Mar	163.1	114.3	138.8	97.4	20.2	11.7	17.4	9.8	1 346.5 <sup>†</sup>
Apr	129.6	95.7	135.8	92.9	15.7	10.1	16.2	10.3	1 142.9 <sup>3</sup>

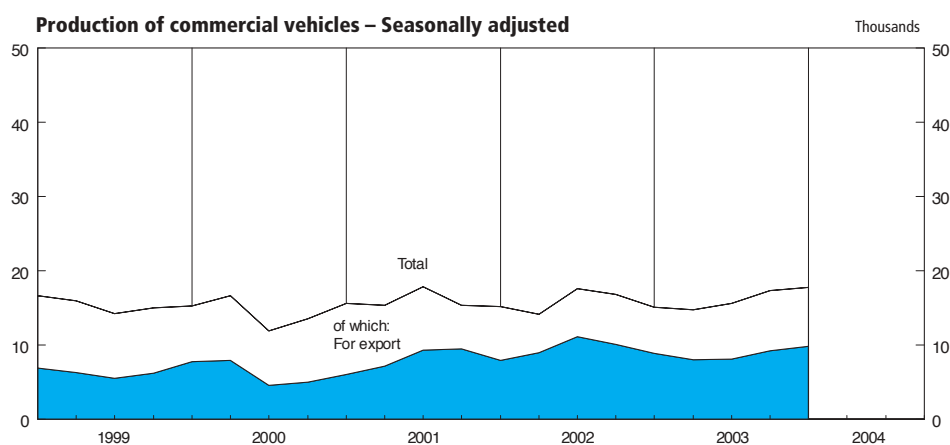
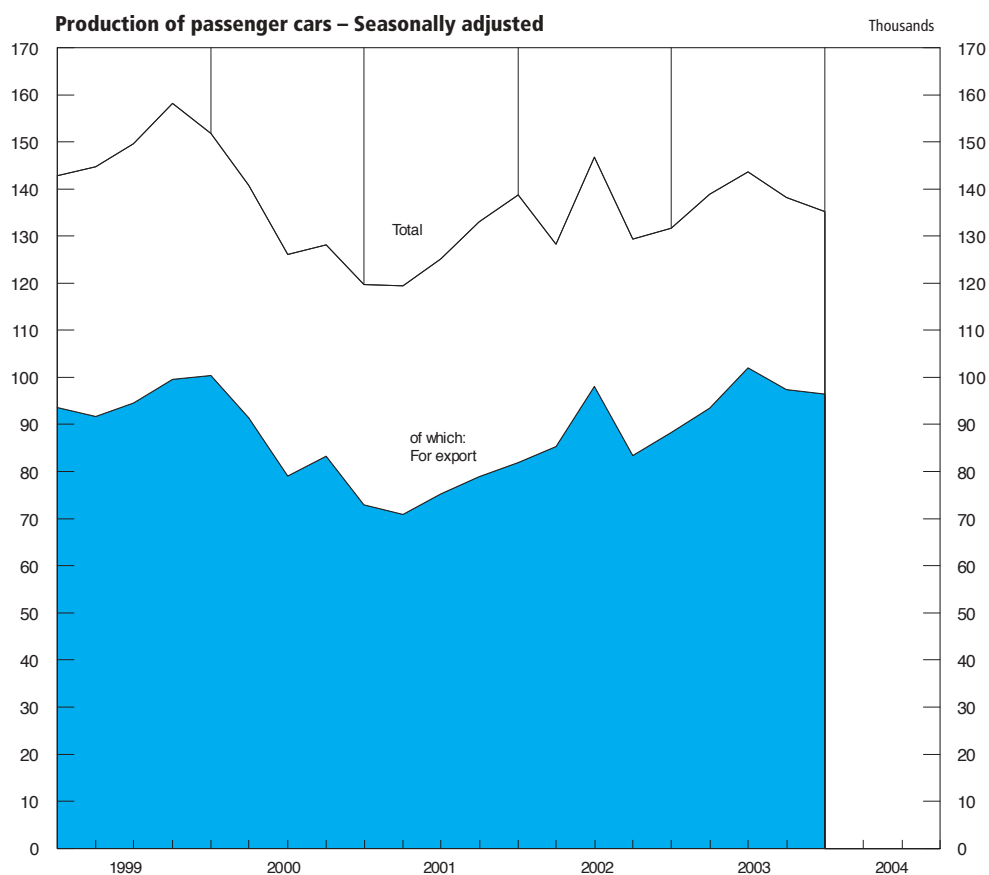
1 Annual and quarterly figures are monthly averages.

2 The totals are for 'usable steel' in accordance with the system used by the EC and the IISI, 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; IISB Ltd; Enquiries Column 9 020 7343 3900





# 5.4 Indicators of fixed investment in dwellings

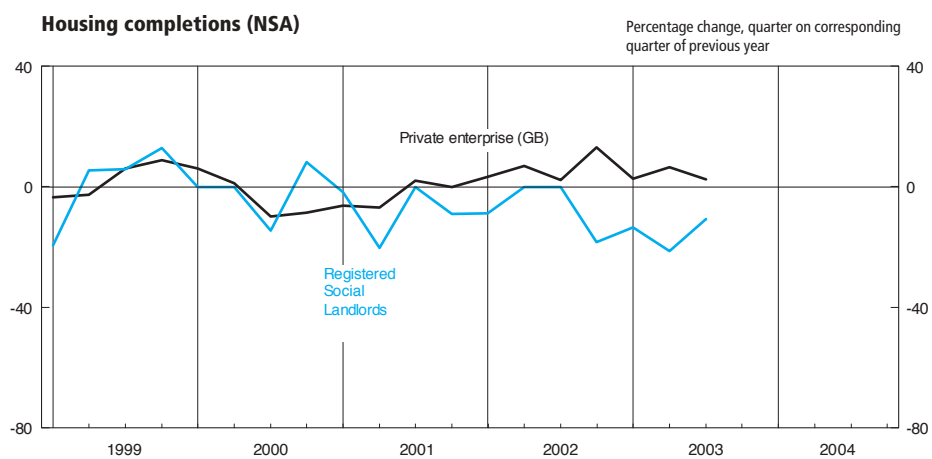
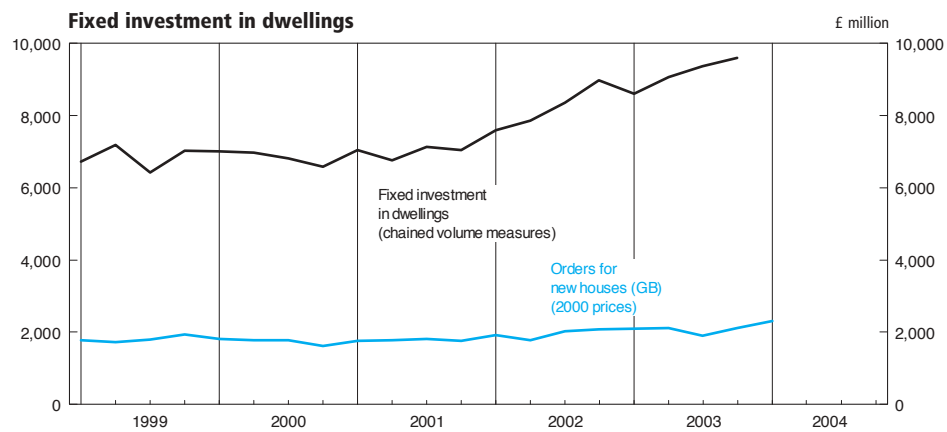
	Fixed investment in dwellings (£ million, chained volume measures, reference year 2000)	Orders received by contractors for new houses (GB) (£ million, 2000 prices)	Housing starts (NSA) <sup>1</sup> (GB)+			Housing completions (NSA) <sup>1</sup> (GB)+			Mix-adjusted price of new dwellings at mortgage completion stage (NSA) <sup>3</sup> (£)
			Private enterprise (thousands)	Registered Social Landlords <sup>2</sup> (thousands)	Local Authorities (thousands)	Private enterprise (thousands)	Registered Social Landlords <sup>2</sup> (thousands)	Local Authorities (thousands)	
<b>Annual</b>	DFEG	SGAB	FCAB	CTOR	CTOV	FCAD	CTOT	CTOX	WMPS
1999	27 372	7 247	156.8	21.5	0.4	149.2	23.3	0.2	114 279
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	8 219 <sup>†</sup>	..	..	..	..	..	..	186 485
<b>Quarterly</b>									
1999 Q1	6 735	1 787	40.4	5.7	0.1	32.7	5.8	—	107 241
Q2	7 181	1 734	41.2	5.8	0.1	36.6	5.9	0.1	112 711
Q3	6 423	1 792	39.7	5.4	0.1	38.9	5.5	—	115 789
Q4	7 033	1 933	35.4	4.7	0.1	41.0	6.1	0.1	118 699
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	41.7 <sup>†</sup>	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	44.1	5.0	0.1	34.5 <sup>†</sup>	4.5	0.1	175 947
Q2	9 063	2 108	46.7	4.2	0.1	39.3	3.7 <sup>†</sup>	0.1	187 676
Q3	9 370	1 894	44.7	3.8	—	37.5	4.2	—	193 373 <sup>†</sup>
Q4	9 595	2 123 <sup>†</sup>	..	..	..	..	..	..	194 276
2004 Q1	..	2 310	..	..	..	..	..	..	195 426
<b>Monthly</b>									
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	..	650 <sup>†</sup>	..	..	..	..	..	..	174 039
Mar	..	655	..	..	..	..	..	..	178 045
Apr	..	757	..	..	..	..	..	..	188 126
May	..	698	..	..	..	..	..	..	187 498
Jun	..	653	..	..	..	..	..	..	187 403
Jul	..	692	..	..	..	..	..	..	186 807
Aug	..	597	..	..	..	..	..	..	191 100
Sep	..	605	..	..	..	..	..	..	188 227
Oct	..	724	..	..	..	..	..	..	195 551
Nov	..	743	..	..	..	..	..	..	189 913
Dec	..	656	..	..	..	..	..	..	194 655
2004 Jan	..	805	..	..	..	..	..	..	195 238
Feb	..	746	..	..	..	..	..	..	192 165
Mar	..	759	..	..	..	..	..	..	195 426

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](http://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 transactions<sup>1</sup>

Thousands

Number of property transactions				Number of property transactions			
	Not seasonally adjusted England & Wales	Seasonally adjusted England & Wales <sup>4,5</sup>	Not seasonally adjusted England, Wales & N. Ireland		Not seasonally adjusted England & Wales	Seasonally adjusted England & Wales <sup>4,5</sup>	Not seasonally adjusted England, Wales & N. Ireland
	FTAP		FTAR				
1999	1 469		1 511	Jul	127	117	130
2000	1 433		1 471	Aug	134	117	137
2001	1 458		1 497	Sep	117	112	121
2002	1 586		1 627	Oct	123	112	127
2003	1 333		1 385	Nov	117	111	121
				Dec	98	114	101
		FTAQ					
1999 Q1	316	345	325	2001 Jan	123	113	127
Q2	342	358	354	Feb	99	117	102
Q3	414	379	425	Mar	105	116	108
Q4	397	388	407	Apr	101	115	105
				May	121	122	126
2000 Q1	367	392	379	Jun	125	125	128
Q2	348	356	356				
Q3	379	346	388	Jul	132	120	135
Q4	339	338	349	Aug	140	125	143
				Sep	124	124	127
2001 Q1	327	346	337	Oct	140	125	143
Q2	347	363	360	Nov	137	131	141
Q3	396	369	405	Dec	110	123	112
Q4	387	379	396				
				2002 Jan	131	120	134
2002 Q1	342	374	351	Feb	108	127	110
Q2	395	410	404	Mar	104	127	106
Q3	457	417	468	Apr	129	135	132
Q4	392	385	404	May	137	140	140
				Jun	129	135	132
2003 Q1	340	361	359				
Q2	306	323	320	Jul	152	134	154
Q3	358	327	369	Aug	166	149	171
Q4 <sup>2</sup>	340	333	349	Sep	139	134	144
				Oct	147	131	151
2004 Q1 <sup>2</sup>	447	448	457	Nov	127	124	131
				Dec	118	131	122
1999 Jan	112	115	116				
Feb	96	116	99	2003 Jan	131	121	137
Mar	108	115	110	Feb	103	120	109
Apr	110	122	114	Mar	106	119	113
May	106	117	110	Apr	101	113	108
Jun	126	119	130	May	101	106	105
				Jun	103	105	107
Jul	140	129	144				
Aug	134	125	137	Jul	132	115	135
Sep	140	125	145	Aug	112	106	116
Oct	134	130	137	Sep	114	106	118
Nov	141	129	144	Oct	120	108	124
Dec	122	128	125	Nov	110	109	113
				Dec <sup>2</sup>	111	116	113
2000 Jan	137	136	140				
Feb	112	128	116	2004 Jan <sup>2</sup>	157	142	160
Mar	118	128	122	Feb <sup>2</sup>	148	164	152
Apr	97	114	100	Mar <sup>2</sup>	142p	142p	145p
May	122	120	126	Apr <sup>2</sup>	140p	156p	143p
Jun	129	122	130				

1 The figures are based on counts of the relevant administrative forms successfully processed each month. For completions up to and including November 2003 the relevant form was the Particulars Delivered form. Since December 2003 the relevant form is the Land Transaction Return associated with the introduction of Stamp Duty Land Tax (although in December 2003 most forms processed were still Particulars Delivered forms). The count of new Land Transaction Return forms is now based on the month when the Stamp Duty Land Tax certificate is issued rather than the month the transaction is entered on the administrative database. Consequently figures for December 2003 to March 2004 have been revised and March and April figures have been marked as provisional as they include an element of estimation.

2 Because of the change in administrative arrangements associated with the introduction of Stamp Duty Land Tax, the figures from December 2003 onwards may not be comparable with the earlier series. In particular Land Transaction Returns in respect of transactions subject to Stamp Duty Land Tax are being submitted more promptly by conveyancers than Particulars Delivered forms in respect of transactions subject to stamp duty. The overhang of particulars delivered forms into the first quarter of 2004 has boosted the total property transactions processed figures in that quarter.

Other reasons for higher figures since the introduction of Stamp Duty Land Tax include (1) there are some types of transaction which require a Land Transaction Return which did not require a Particulars Delivered form and (2) there are higher numbers of registering commercial transactions.

3 Because of the time lags involved, the series above should be lagged by one month to give a broad representation of transactions completed in the month. However this relationship was 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.

4 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.

5 The sum of seasonally adjusted components does not exactly match the unadjusted (de ntive) annual total.

Source: Board of Inland Revenue; Enquiries 020 7438 6314



## 5.6 Change in inventories

### Chained volume measures<sup>1</sup>

Reference year 2000, £ million

	Mining and quarrying	Manufacturing industries				Electricity, gas and water supply	Distributive trades			Change in inventories
		Materials and fuel	Work in progress	Finished goods	Total		Wholesale <sup>2</sup>	Retail <sup>2</sup>	Other industries <sup>3</sup>	
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
<b>Quarterly</b>	FAEA	FBNF	FBNG	FBNH	DHBM	FAEB	FAJX	FBYN	DLWX	CAFU
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
2004 Q1	5	110	175	-399	-114	-94	357	109	461	724

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 <sup>1</sup> to manufacturing production				Retail inventories <sup>1</sup> to retail sales <sup>2</sup>	Total inventories <sup>1,3</sup> to gross value added
	Materials and fuel	Work in progress	Finished goods	Total inventories		
<b>Quarterly</b>	FAPG	FAPH	FAPF	FAPF	FAPC	FDCA
2000 Q1	100.0	100.0	100.0	100.0	100.0	100
Q2	101.1	98.9	100.0	100.1	101.8	100
Q3	102.3	98.2	100.1	100.4	102.1	101
Q4	101.0	99.0	100.2	100.1	101.1	101
2001 Q1	101.8	99.1	102.4	101.2	100.6	101
Q2	102.8	100.7	105.1	103.0	99.1	102
Q3	101.0	101.1	104.3	102.2	98.2	102
Q4	102.6	101.6	106.7	103.7	97.0	102
2002 Q1	106.1	103.0	107.2	105.6	97.4	102
Q2	105.0	101.4	106.8	104.5	99.6	101
Q3	101.9	100.1	104.6	102.3	100.3	101
Q4	101.7	100.2	105.2	102.5	99.4	101
2003 Q1	101.4	100.2	104.3	102.1	100.6	101
Q2	98.9	100.0	104.1	101.0	100.1	100
Q3	98.9	100.2	105.7	101.6	99.7	99
Q4	97.6	98.1	104.7	100.2	98.7	98
2004 Q1	..	..	..	..	..	97

1 Chained volume measure: reference year 2000

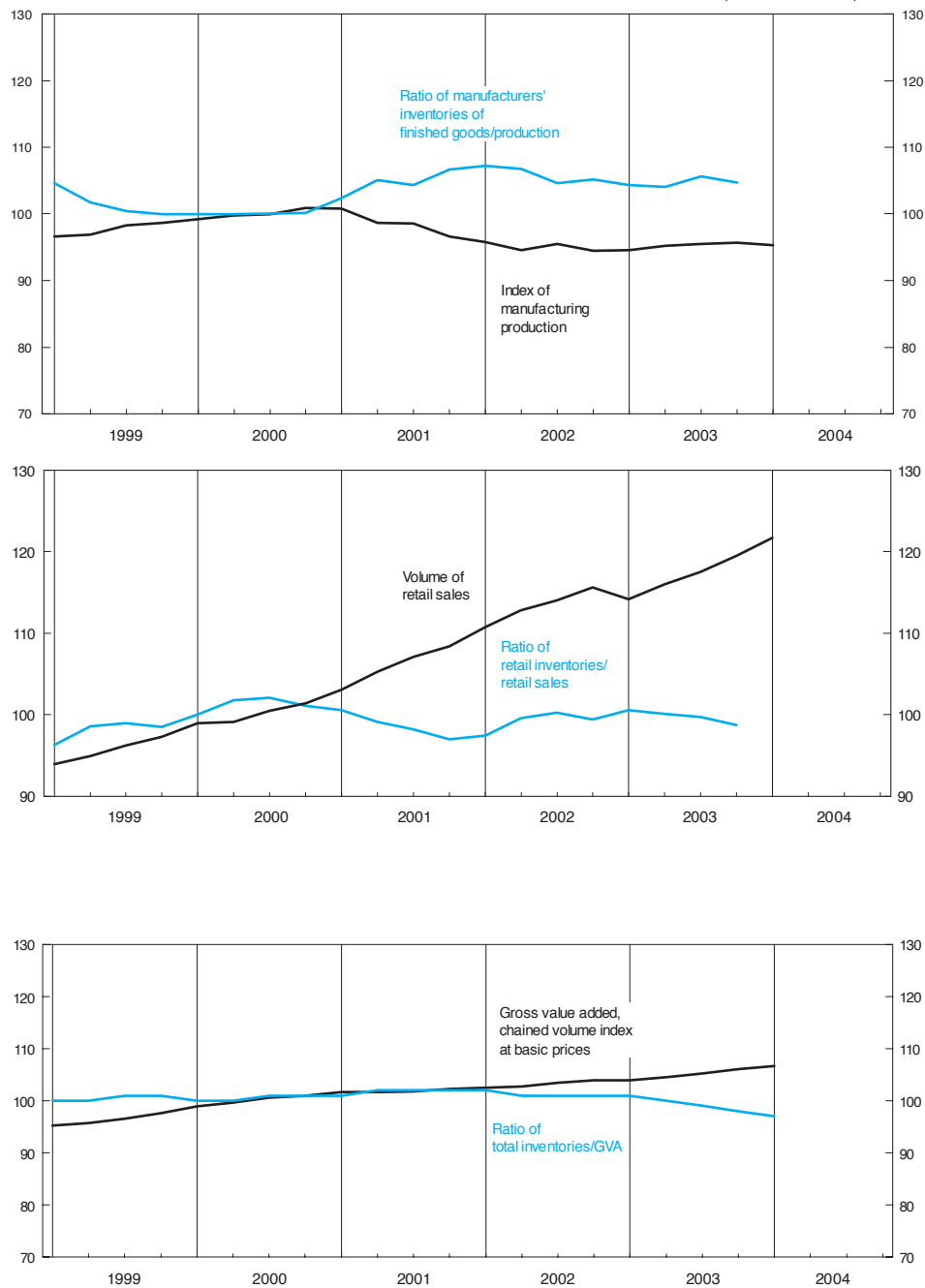
2 Classes 64-65 excluding activity headings 6510 and 6520, retail distribution of motor vehicles and parts, and filling stations.

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

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

## Inventory ratios

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



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

	Value of retail sales per week: total (average 2000=100) <sup>1,2</sup>	Volume of retail sales per week+(average 2000=100) <sup>1,2</sup>								New registrations of cars (NSA, thousands) <sup>5</sup>	Total consumer credit: Net lending (£ million) <sup>3,4</sup>	of which	
		All retailers	Predominantly food stores	Predominantly non-food stores					Non-store and repair			Credit cards <sup>6</sup>	Other <sup>6</sup>
				Total	Non-specialist stores	Textile, clothing and footwear	Household goods stores	Other stores					
<i>Sales in 2000</i>													
<i>£ million</i>	207 149	207 149	89 041	106 359	18 781	27 880	27 699	31 999	11 749				
<b>Annual</b>	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	14 164 <sup>†</sup>	6 621 <sup>†</sup>	7 533 <sup>†</sup>
2001	105.9	106.1	104.1	107.7	105.9	109.4	110.9	104.6	106.1	2 577.5	17 639	6 252	11 462
2002	111.1	112.7	108.1	116.4	110.8	120.9	120.8	111.9	113.4	2 682.0	21 087	7 576	13 552
2003	113.8	116.4	111.8	121.3	113.6	129.1	126.3	114.6	107.9	2 646.2	18 773	8 181	10 593
<b>Quarterly</b>													
2000 Q1	99.0	99.0	99.3	98.6	100.6	96.1	99.6	98.8	100.3	682.4	4 118 <sup>†</sup>	1 742 <sup>†</sup>	2 530 <sup>†</sup>
Q2	99.1	99.1	99.4	98.8	98.4	98.3	99.0	99.5	99.2	581.4	3 520	1 800	1 716
Q3	100.3	100.5	100.3	100.8	99.4	101.5	100.5	101.1	99.5	612.5	2 928	1 535	1 404
Q4	101.6	101.4	101.0	101.8	101.7	104.1	100.9	100.6	101.0	461.0	3 598	1 544	1 883
2001 Q1	102.8	103.1	102.8	103.7	104.1	104.9	107.1	99.3	100.5	704.2	3 291	1 351	2 123
Q2	105.5	105.3	103.7	106.6	106.0	107.4	110.6	102.6	106.8	617.7	4 606	1 752	2 839
Q3	107.0	107.1	104.6	109.0	106.8	111.0	111.5	106.2	109.6	725.6	4 160	1 213	2 931
Q4	108.0	108.4	105.6	110.9	107.3	113.3	113.8	108.3	107.7	530.0	5 582	1 936	3 569
2002 Q1	110.1	110.8	107.0	114.8	110.4	117.2	118.2	112.3	102.6	758.7	5 055	1 982	3 153
Q2	111.4	112.8	108.3	117.0	111.3	120.5	120.1	114.4	109.9	650.0	4 800	1 766	3 076
Q3	112.1	114.0	109.4	117.7	114.0	122.1	122.1	112.1	115.4	744.6	5 986	1 984	3 898
Q4	113.5	115.6	111.0	119.3	115.1	122.9	125.0	113.8	117.5	528.7	5 246	1 844	3 425
2003 Q1	112.2	114.2	110.1	118.7	112.9	125.4	122.2	113.2	105.1	737.6	4 852	2 195	2 693
Q2	113.4	116.0	111.9	120.5	113.9	128.1	125.9	113.2	106.0	642.7	5 191	2 405	2 850
Q3	114.8	117.5	113.0	122.6	116.0	130.2	128.2	115.2	104.7	742.8	4 734	1 975	2 596
Q4	116.3	119.5	113.8	125.6	118.1	131.5	131.4	119.8	106.8	523.1	3 996	1 606	2 454
2004 Q1	118.2 <sup>†</sup>	121.7 <sup>†</sup>	115.1	128.5	117.3 <sup>†</sup>	136.7 <sup>†</sup>	133.0 <sup>†</sup>	124.0 <sup>†</sup>	111.2 <sup>†</sup>	762.2	5 288	2 202	3 117
<b>Monthly</b>													
2002 Jul	111.9	113.6	109.5	117.3	114.8	121.6	121.3	111.7	111.8	204.7	1 889 <sup>†</sup>	655 <sup>†</sup>	1 233 <sup>†</sup>
Aug	112.3	114.4	109.3	118.1	113.0	125.6	121.0	111.9	119.5	93.0	2 009	764	1 245
Sep	112.0	113.9	109.4	117.6	114.1	119.6	123.7	112.7	115.1	446.9	1 888	714	1 174
Oct	113.1	115.0	110.3	118.8	114.6	122.6	124.5	113.2	116.2	193.0	2 107	485	1 622
Nov	113.2	115.4	110.8	119.4	115.6	119.7	127.5	114.4	113.6	182.9	1 268	608	660
Dec	114.1	116.3	111.7	119.6	115.0	125.7	123.3	113.7	121.6	152.8	1 703	602	1 101
2003 Jan	111.5	113.6	108.8	118.4	113.4	123.8	122.3	113.3	106.3	193.4	1 503	817	687
Feb	112.1	114.1	110.3	118.4	112.1	125.0	122.4	112.9	103.0	92.2	1 798	821	976
Mar	112.8	114.9	111.0	119.2	113.2	127.0	122.0	113.4	105.8	452.0	1 631	639	992
Apr	113.3	115.7	111.9	119.7	112.7	127.3	124.9	112.7	107.4	196.3	1 546	724	822
May	113.0	115.5	111.5	119.9	113.5	125.8	126.7	112.6	105.4	202.6	1 932	815	1 117
Jun	113.8	116.7	112.3	121.6	115.1	130.6	125.9	114.0	105.3	243.8	1 720	738	982
Jul	114.1	116.7	112.4	121.5	115.2	129.2	127.0	113.8	105.4	201.1	1 680	661	1 019
Aug	114.8	117.3	113.4	122.1	116.0	128.5	128.0	115.1	103.9	94.2	1 529	715	813
Sep	115.3	118.2	113.1	123.9	116.5	132.3	129.3	116.4	104.7	447.5	1 594	822	772
Oct	116.0	118.9	113.5	124.8	118.8	131.9	129.8	117.8	105.7	186.6	1 600	678	922
Nov	116.1	119.2	113.5	125.3	117.2	131.0	131.0	120.1	107.8	175.7	1 433	494	940
Dec	116.8	120.1	114.4	126.4	118.1	131.5	133.1	121.0	106.8	160.8	868	205	663
2004 Jan	118.3 <sup>†</sup>	121.4 <sup>†</sup>	114.8	128.2 <sup>†</sup>	117.4	135.6 <sup>†</sup>	133.3 <sup>†</sup>	123.7 <sup>†</sup>	110.8 <sup>†</sup>	199.6	2 008	776	1 232
Feb	117.9	121.3	115.1	127.8	117.9	135.8	132.1	122.9	110.3	92.3	1 721	569	1 152
Mar	118.4	122.3	115.4	129.3	116.8 <sup>†</sup>	138.4	133.5	125.1	112.3	470.3	1 652	988	664
Apr	119.0	122.7	115.5	130.1	118.6	139.9	133.5	125.5	111.1	..	1 325	485	840

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](http://www.statistics.gov.uk)

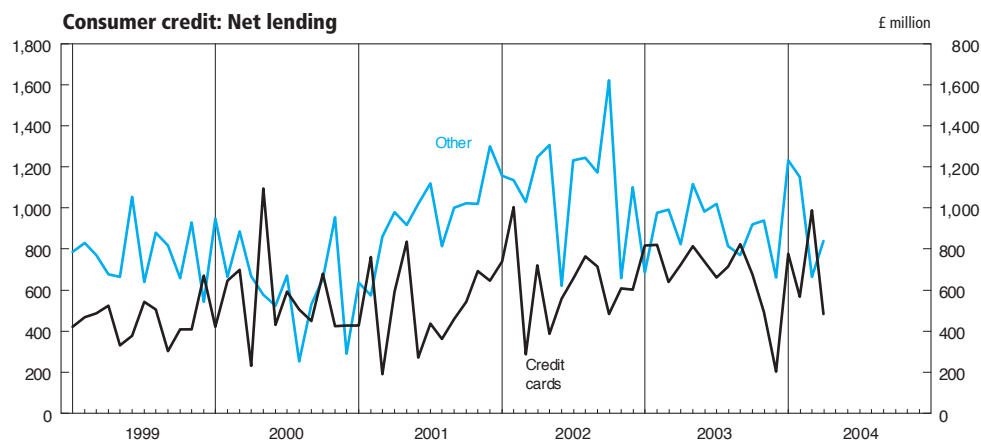
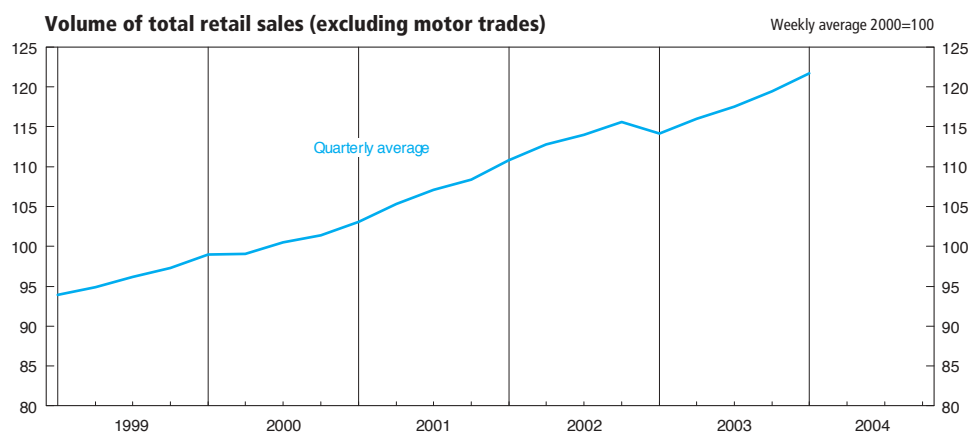
3 Net lending equals changes in amounts outstanding adjusted to remove distortions arising from revaluations of debt such as write-offs.

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 corrected<sup>7</sup> (annualised rates)

	Coal <sup>1</sup>	Petroleum <sup>2</sup>	Natural gas <sup>3</sup>	Nuclear	Primary electricity <sup>5</sup>		Total
					Natural flow Hydro <sup>4</sup>	Net imports <sup>6</sup>	
<b>Annual</b>	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	99.4 <sup>†</sup>	20.1	0.5	0.7	234.0 <sup>†</sup>
2003	42.7	74.9	98.0	20.5	0.4	0.2	236.7
<b>Quarterly</b>							
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	103.6 <sup>†</sup>	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 <sup>†</sup>	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							
<b>Quarterly</b>	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	3.0 <sup>†</sup>	-16.2	-32.8	67.6	-1.9 <sup>†</sup>
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	1.0	0.6	-5.3	-59.6	3.0

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.

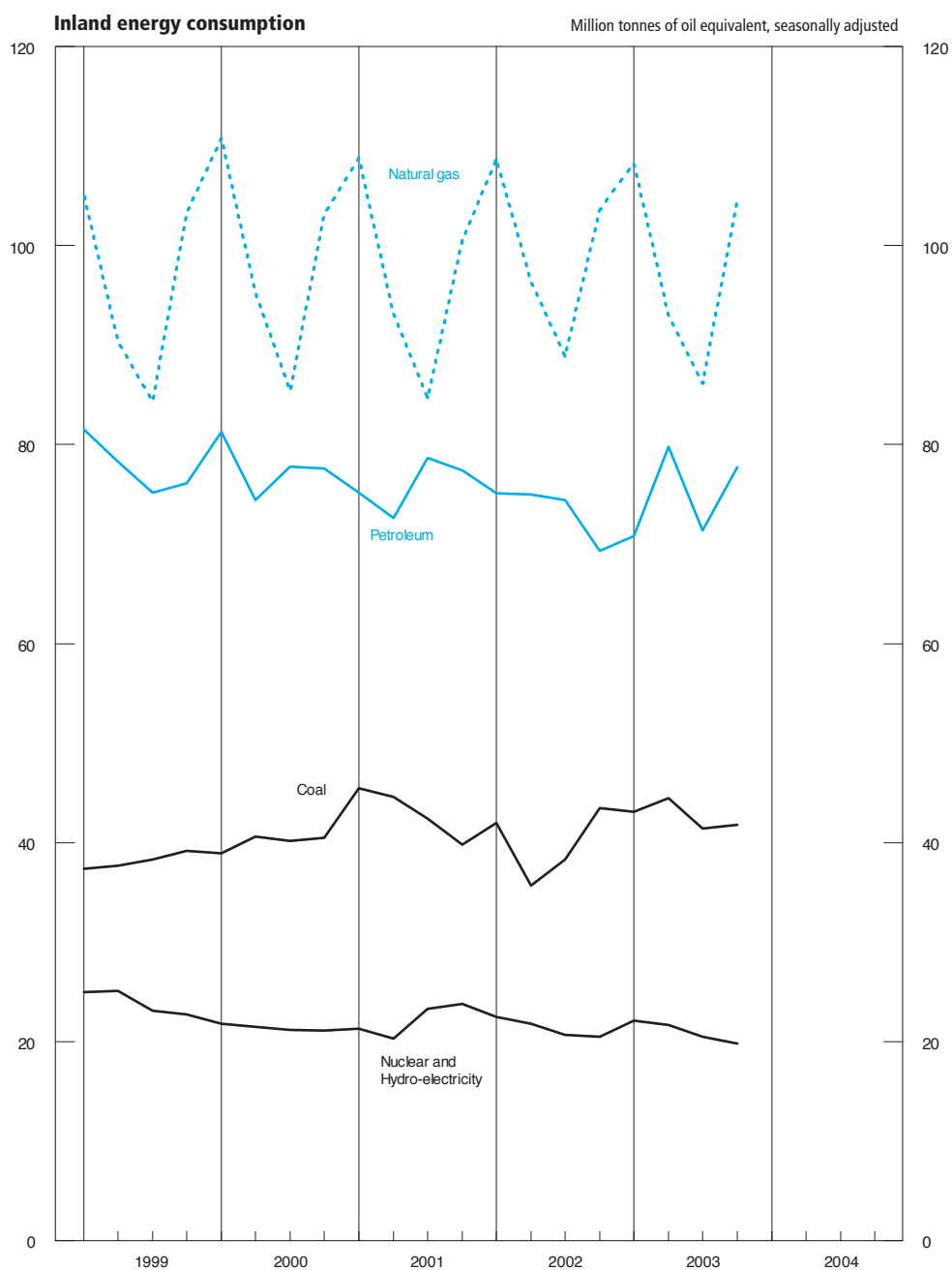
4 Includes generations at wind stations. Excludes generation from pumped storage stations.

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](http://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 reserves<sup>4</sup>

Not seasonally adjusted

	Sterling exchange rate against major currencies <sup>1</sup>								UK inter- national reserves <sup>3</sup> at end of period (£ million)	Sterling exchange rate index 1990 = 100
	Japanese yen	US dollar	Swiss franc	Euro <sup>2</sup>	Danish kroner	Norwegian kroner	Swedish kronor	Hong Kong dollar		
Annual										
	AJFO	AUSS	AJFD	THAP	AJFK	AJFJ	AJFI	AJFU	THFE	AGBG
1999	184.01	1.6183	2.430	1.5192	11.296	12.619	13.373	12.5541	25 938	103.8
2000	163.40	1.5162	2.558	1.6422	12.240	13.324	13.870	11.8057	32 227	107.5
2001	174.90	1.4400	2.430	1.6087	11.987	12.944	14.886	11.2312	27 773	105.8
2002	187.84	1.5026	2.334	1.5909	11.821	11.953	14.570	11.7265	26 566	106.0
2003	189.34	1.6346	2.197	1.4456	10.742	11.562	13.189	12.7337	25 677	100.2
Quarterly										
1999 Q1	190.19	1.6335	2.328	1.4574	10.8368	12.514	13.059	12.6531	..	101.1
Q2	194.13	1.6070	2.432	1.5209	11.3044	12.527	13.539	12.4547	—	104.1
Q3	181.35	1.6021	2.446	1.5271	11.3547	12.561	13.304	12.4369	21 447	103.8
Q4	170.35	1.6306	2.515	1.5712	11.6851	12.874	13.588	12.6721	25 938	105.9
2000 Q1	171.99	1.6067	2.617	1.6286	12.1257	13.206	13.835	12.4926	22 090	108.4
Q2	163.52	1.5334	2.568	1.6398	12.2271	13.466	13.584	11.9236	26 898	107.7
Q3	159.19	1.4784	2.522	1.6336	12.1862	13.232	13.726	11.5304	28 818	106.4
Q4	158.89	1.4464	2.523	1.6670	12.4250	13.394	14.333	11.2735	32 227	107.6
2001 Q1	172.26	1.4584	2.424	1.5814	11.7988	12.965	14.230	11.3765	30 457	104.5
Q2	174.19	1.4208	2.487	1.6280	12.1436	13.039	14.847	11.0866	30 632	106.4
Q3	174.67	1.4380	2.432	1.6152	12.0231	12.928	15.203	11.2092	29 662	106.1
Q4	178.45	1.4428	2.375	1.6111	11.9887	12.845	15.264	11.2548	27 773	106.1
2002 Q1	188.79	1.4260	2.396	1.6263	12.0863	12.700	14.895	11.1230	28 053	106.9
Q2	185.29	1.4630	2.329	1.5923	11.8379	11.956	14.564	11.4015	28 623	105.3
Q3	184.85	1.5495	2.305	1.5747	11.6973	11.662	14.538	12.0871	27 950	105.7
Q4	192.42	1.5720	2.304	1.5716	11.6733	11.494	14.285	12.2547	26 566	106.0
2003 Q1	190.67	1.6017	2.189	1.4937	11.0987	11.313	13.709	12.5030	26 349	102.3
Q2	191.90	1.6194	2.163	1.4256	10.5851	11.344	13.032	12.6352	25 147	99.1
Q3	189.14	1.6108	2.209	1.4300	10.6264	11.794	13.103	12.5605	26 909	99.2
Q4	185.64	1.7065	2.228	1.4334	10.6591	11.796	12.913	13.2305	25 677	100.2
2004 Q1	197.07	1.8391	2.306	1.4708	10.9571	12.703	13.507	14.2983	25 235	104.1
Monthly										
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	25 235	105.0
Apr	194.04	1.8005	2.337	1.5022	11.182	12.458	13.775	14.0381	..	105.2

1 Average of daily Telegraphic Transfer rates in London.

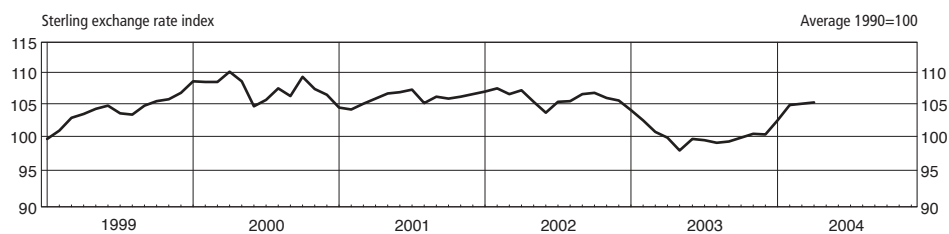
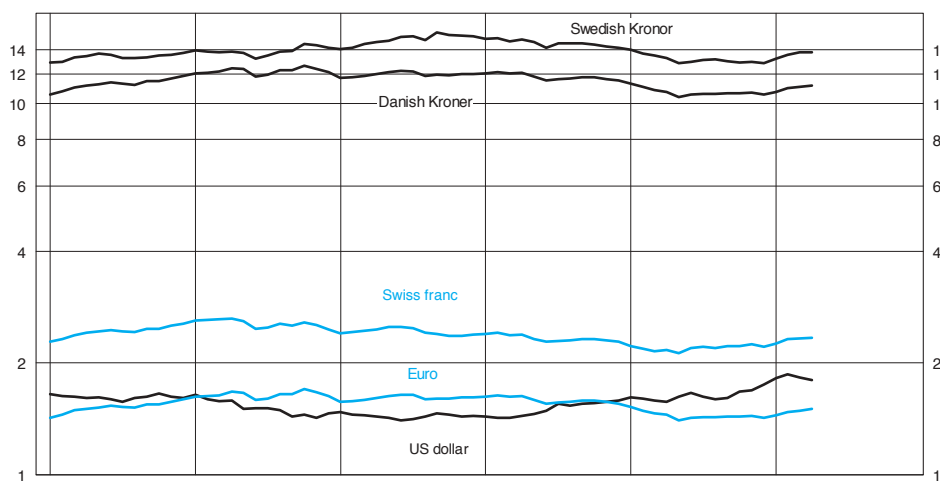
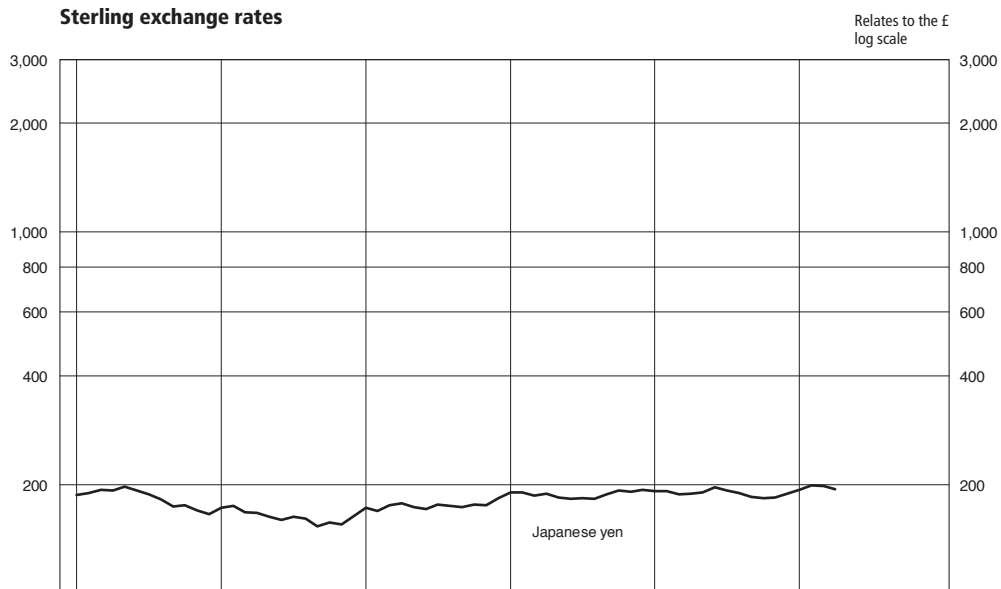
2 Prior to January 1999, a synthetic Euro has been calculated by geometrically averaging the bilateral exchange rates of the 11 Euro-area countries using "internal weights" based on each country's share of the extra Euro-area trade.

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

4 These figures fall outside the scope of National Statistics.

Source: Bank of England: *Enquiries 020 7601 4342*

## Sterling exchange rates



## 6.2 Monetary aggregates<sup>1,3</sup>

	M0				M4			
	Amount outstanding <sup>2</sup> (NSA)		Amount outstanding (£ million) +	Velocity of circulation: ratio	Amount outstanding (NSA)		Amount outstanding (£ million) +	Velocity of circulation: ratio
	£ million	Annual percentage change			£ million	Annual percentage change		
Annual	AVAD	VQNB	AVAE	AVAM	AUYM	VQLC	AUYN <sup>†</sup>	AUYU
1999	32 768	11.7	31 098 <sup>†</sup>	31.23	816 545	4.3	817 554 <sup>†</sup>	1.13
2000	34 566	5.5	32 490	30.36	884 839	8.2	885 873	1.12
2001	37 319	8.0	35 097	29.67	942 433	6.7	943 505	1.08
2002	39 540	6.0	37 220	28.83	1 008 600 <sup>†</sup>	7.3	1 009 693	1.08
2003	42 317	7.0	39 904	28.33	1 064 677	6.8	1 065 702	1.07
Quarterly								
1999 Q1	27 830	6.5	28 181 <sup>†</sup>	31.64	792 903	7.1	791 233 <sup>†</sup>	1.12
Q2	28 884	8.0	29 006	31.38	800 698	5.7	798 561	1.13
Q3	29 477	7.1	29 479	31.12	793 684	3.0	796 295	1.14
Q4	32 768	11.7	31 098	30.78	816 545	4.3	817 554	1.15
2000 Q1	29 968	7.7	30 574	30.46	836 240	5.4	834 981	1.15
Q2	30 896	7.0	31 218	30.61	856 220	6.9	853 831	1.12
Q3	31 821	8.0	31 886	30.42	866 379	9.0	868 826	1.11
Q4	34 566	5.5	32 490	29.95	884 839	8.2	885 873	1.10
2001 Q1	32 489	8.4	33 140	29.86	905 800	8.3	905 094	1.10
Q2	32 896	6.5	33 279	29.99	921 571	7.6	918 752	1.09
Q3	33 797	6.2	33 950	29.59	937 071	8.4	939 370	1.07
Q4	37 319	8.0	35 097	29.24 <sup>†</sup>	942 433	6.7	943 505	1.07
2002 Q1	35 157	8.2	35 587	28.94	954 972	5.7	954 802	1.08
Q2	36 225	10.1	36 637	28.87	974 526	6.0	971 335	1.08
Q3	36 511	8.0	36 680	28.80	988 606 <sup>†</sup>	5.8	990 723	1.08
Q4	39 540	6.0	37 220	28.73	1 008 600	7.3	1 009 693	1.07
2003 Q1	37 184	5.8	37 947	28.74	1 010 132	7.1	1 010 490	1.07
Q2	38 403	6.0	38 896	28.20	1 036 450	8.1	1 032 842	1.07 <sup>†</sup>
Q3	39 348	7.8	39 521	28.17	1 039 957	6.6	1 042 005	1.07
Q4	42 317	7.0	39 904	28.20	1 064 677	6.8	1 065 702	1.07
2004 Q1	39 813	7.1	40 646	..	1 086 938	..	1 087 767	..
Monthly								
2002 Jan	35 799	8.9	35 358 <sup>†</sup>	..	930 915	6.1	941 974 <sup>†</sup>	..
Feb	34 750	7.4	35 467	..	941 288	6.6	948 637	..
Mar	35 157	8.2	35 587	..	954 972	5.7	950 104	..
Apr	35 369	7.1	35 623	..	954 509 <sup>†</sup>	5.7	952 511	..
May	35 661	8.5	35 793	..	958 316	5.7	956 198	..
Jun	36 225	10.1	36 637	..	974 526	6.0	966 199	..
Jul	36 052	8.4	36 296	..	969 856	5.8	973 898	..
Aug	36 690	8.3	36 525	..	981 397	5.9	981 024	..
Sep	36 511	8.0	36 680	..	988 606	5.8	987 577	..
Oct	36 751	8.2	37 059	..	994 090	5.8 <sup>†</sup>	993 376	..
Nov	37 167	6.6	37 013	..	1 002 316	6.3 <sup>†</sup>	998 945	..
Dec	39 540	6.0	37 220	..	1 008 600	7.3	1 006 856	..
2003 Jan	37 230	4.0	37 364	..	994 283	6.7	1 004 701	..
Feb	36 946	6.3	37 725	..	1 004 677	6.8	1 011 537	..
Mar	37 184	5.8	37 947	..	1 010 132	7.2	1 007 210	..
Apr	38 590	9.1	38 545	..	1 019 195	8.2	1 017 603	..
May	38 827	8.9	38 912	..	1 023 382	8.4	1 022 051	..
Jun	38 403	6.0	38 896	..	1 036 450	8.0	1 028 439	..
Jul	38 938	8.0	39 211	..	1 025 432	7.4	1 028 700	..
Aug	39 579	7.9	39 407	..	1 029 124	6.3	1 029 568	..
Sep	39 348	7.8	39 521	..	1 039 957	6.7	1 037 899	..
Oct	39 416	7.3	39 723	..	1 042 339	6.4	1 040 396	..
Nov	40 149	8.0	39 969	..	1 056 031	6.9	1 052 410	..
Dec	42 317	7.0	39 904	..	1 064 677	6.9	1 063 126	..
2004 Jan	40 227	8.1	40 216	..	1 063 298	8.2	1 074 683	..
Feb	39 453	6.8	40 304	..	1 071 254	7.9	1 079 641	..
Mar	39 813	7.1	40 646	..	1 086 938	7.6	1 084 760	..

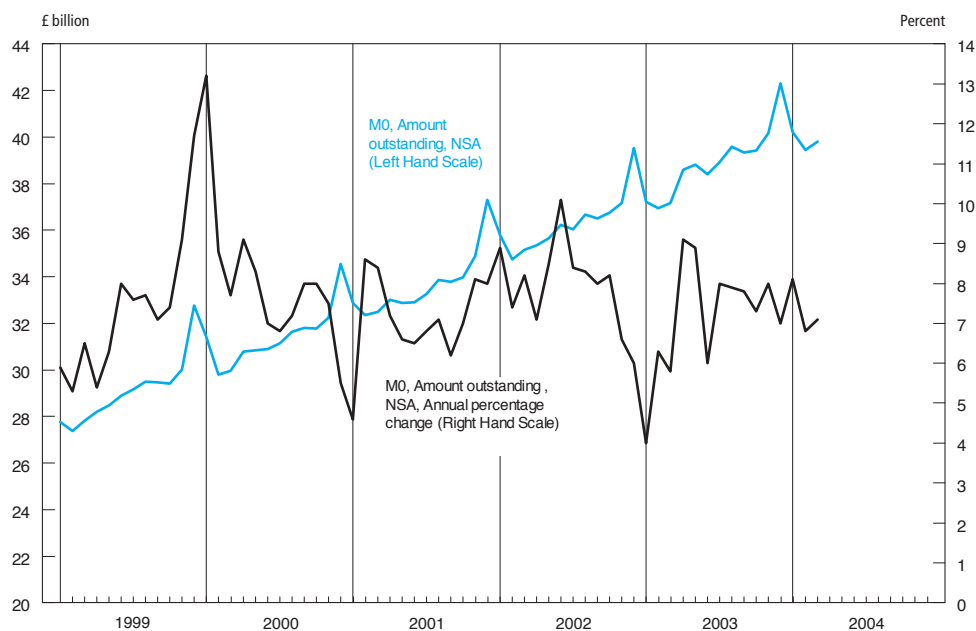
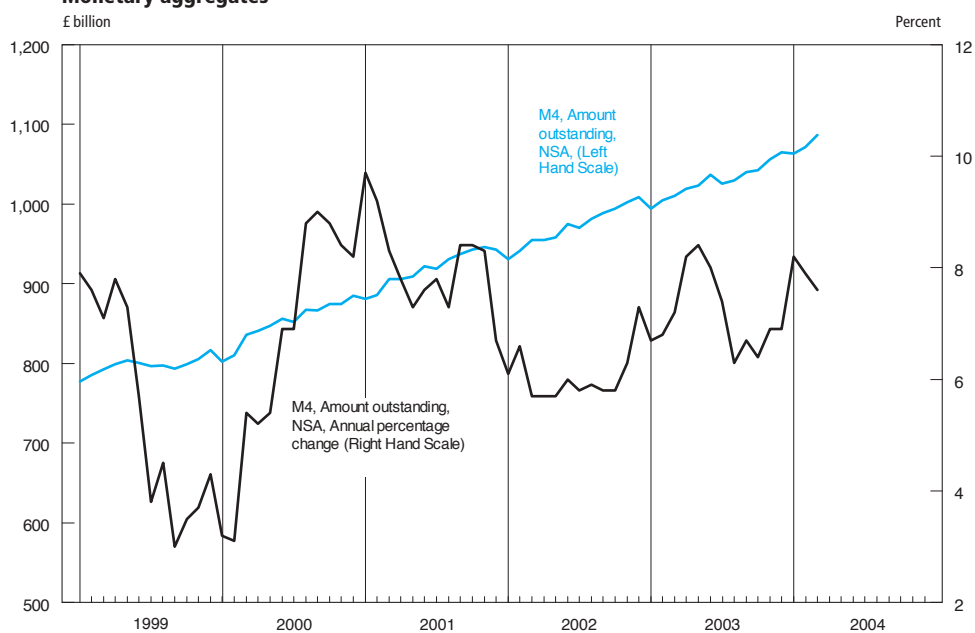
1 A fuller range of monetary aggregates is published monthly in the ONS publication *Financial Statistics*.

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<sup>1,4</sup>

£ million, not seasonally adjusted

Continuing net secondary issues												
	Public Sector Net Cash Requirement <sup>3</sup>	Purchases by the M4 <sup>2</sup> 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	Other						
		British government stocks	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	7 073 <sup>†</sup>	-30 951 <sup>†</sup>	87 480	10 689 <sup>†</sup>	67 220
2001	-2 921	10 009 <sup>†</sup>	-2 422	191	318 <sup>†</sup>	4 195	82 446	-21 637	-10 785	87 414 <sup>†</sup>	-17 761	58 868
2002	17 165	-8 383	932	-581	-897	1 588	107 654	-25 046	-25 292	116 711	-22 560	68 858
2003	38 400	-22 409	-8 969 <sup>†</sup>	-675	10 377	-3 065	126 062 <sup>†</sup>	-28 643	-21 880	132 401	-42 084	68 438 <sup>†</sup>
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	-13 190 <sup>†</sup>	16 491	6 115	9 417
Q4	3 654	4 826	-3 470	295	2 376	498	22 044	3 989 <sup>†</sup>	-10 362	27 359	2 111 <sup>†</sup>	19 108
2001 Q1	-12 573	4 488 <sup>†</sup>	-1 093	-268	-2 356 <sup>†</sup>	3 734	31 075	-7 737	1 271	21 643 <sup>†</sup>	-1 647	21 267
Q2	6 317	3 472	-474	233	4 549	1 000	21 194	-7 294	-4 293	30 821	-10 843	15 685
Q3	-6 138	1 046	3 408	95	-2 931	1 288	15 710	7 254	-8 868	14 140	11 472	16 744
Q4	9 473	1 003	-4 263	131	1 056	-1 827	14 467	-13 860	1 105	20 810	-16 743	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	775	-8 180	27 429	41	19 289
Q3	665	-2 432	355	-175	-1 960	208	34 214	-8 261	-11 055	32 586	-6 093	15 438
Q4	15 778	-3 942	-183	-247	2 374	-17	24 201	-10 223	-2 908	35 531	-12 614	20 008
2003 Q1	-1 035	-3 092	-322	-110	1 934	431	21 283 <sup>†</sup>	2 817	-4 480	16 747	1 314	13 582 <sup>†</sup>
Q2	16 193	-4 087	-4 369	-113	2 855	-2 098	34 560	-1 676	-7 012	42 189	-6 629	28 548
Q3	6 048	-11 653	1 093 <sup>†</sup>	-320	979	-1 222	30 345	-1 365	-18 063	25 491	-3 566	3 862
Q4	17 194	-3 577	-5 371	-132	4 609	-176	39 874	-28 419	7 675	47 974	-33 203	22 446
2004 Q1	398 <sup>†</sup>	-10 790	-964	-911	978	1 667	35 065	30 192	-31 873	22 841	30 881	21 849
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	1 920 <sup>†</sup>	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	-1 235 <sup>†</sup>	15 691	-10 644	3 811
Jun	7 346	-617	-2 181	-21	259	-392	11 168	8 660	-7 802	15 727	8 009 <sup>†</sup>	15 935
Jul	-6 806	-3 287	2 774	-63	-460	-267	-1 554	13 351	-9 461	-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	4 743 <sup>†</sup>	10 430	-15 026	-9 529 <sup>†</sup>	10 054	-14 501 <sup>†</sup>
Feb	-182	-870	529	189	-1 402	-245	11 024	-12 292	10 831	10 674	-11 135	10 370
Mar	11 010	1 831	-2 717	-99	2 198	-85	5 515	4 679	-285	15 602	2 396	17 713
Apr	206	-5 478	1 608	-164	-1 322	-939	10 970	1 910	-24	7 153	2 293	9 422
May	5 827	4 670 <sup>†</sup>	-4 981	114	4 784	-233	10 537	5 353	-10 802	16 155	336	5 689
Jun	10 160	-3 279	-996	-63	-607	-926	13 053	-8 939	3 814	18 881	-9 258	13 436
Jul	-6 160	-5 674	3 288 <sup>†</sup>	-232	-1 339	880	7 477	-233	-11 414	-1 296	1 986	-10 725
Aug	3 627	-4 140	-1 654	25	227	-771	5 312	-9 701	11 254	3 144	-10 699	3 699
Sep	8 581	-1 839	-541	-113	2 091	-1 331	17 556	8 569	-17 903	23 643	5 147	10 888
Oct	-1 643	-7 308	2 059	-95	-1 161	3 016	23 106	-23 190	5 515	16 153	-19 013	2 655
Nov	5 764	6 269	-5 420	-22	7 050	-49	9 431	7 996	-3 182	15 979	897	13 694
Dec	13 073	-2 537	-2 010	-16	-1 280	-3 143	7 338	-13 225	5 342	15 842	-15 088	6 096
2004 Jan	-14 405	-3 206	3 791	-360 <sup>†</sup>	-786 <sup>†</sup>	3 019 <sup>†</sup>	20 650	6 419	-18 494	6 469	10 224	-1 801
Feb	-15	-4 064	-541	122	1 267	225	4 525	12 424	-3 476	54	11 382	7 960
Mar	14 818 <sup>†</sup>	-3 521	-4 214	-673	497	-1 577	9 891	11 349	-9 903	16 318	9 275	15 690
Apr	-2 178	..	..	..	..	..	..	..	..	..	..	..

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.

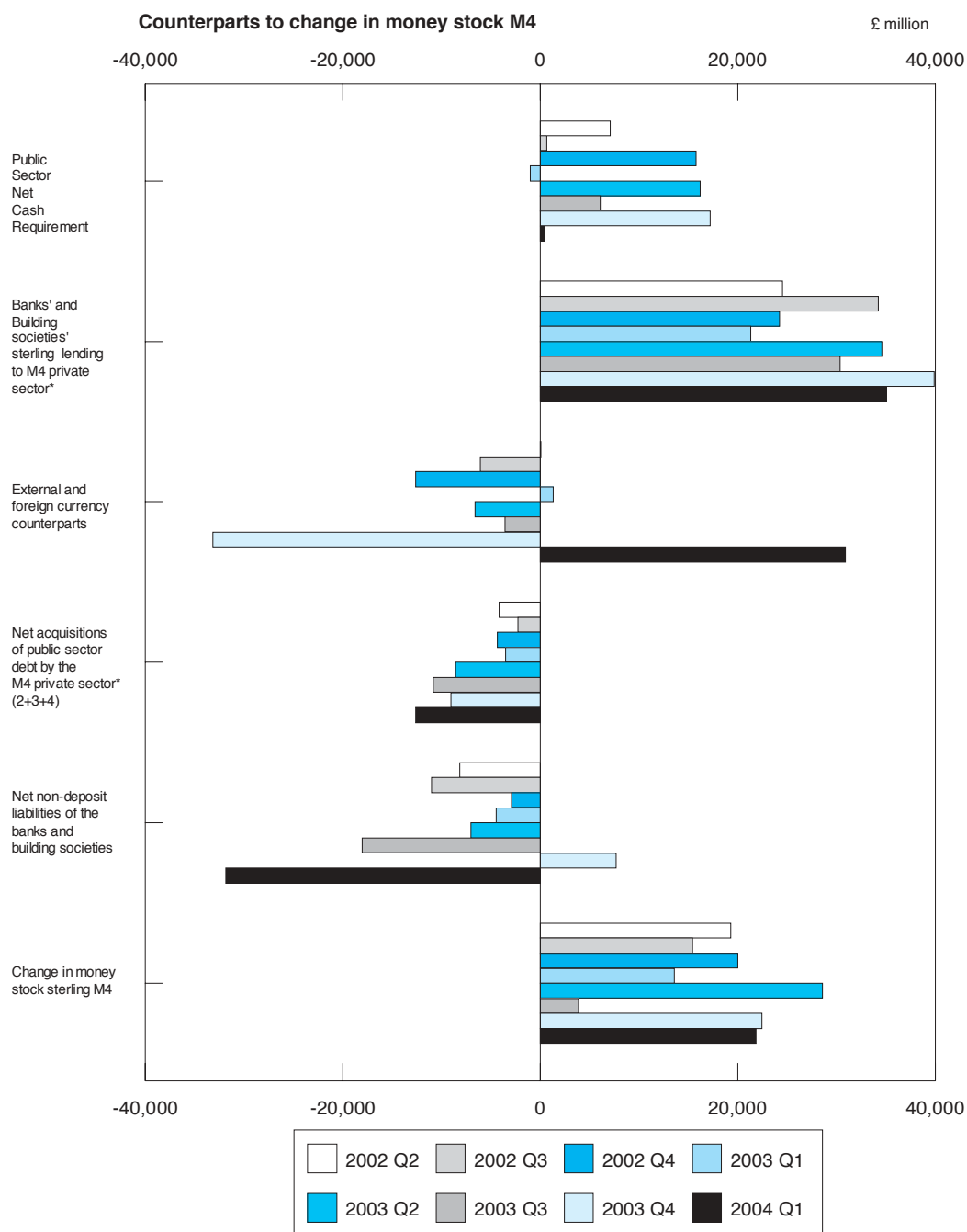
1 A wider range of figures is published monthly in *Financial Statistics*.

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





## 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		
<b>Annual</b>																		
	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		
<b>Quarterly</b>																		
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 indicators<sup>1</sup>

£ million<sup>5</sup>, not seasonally adjusted

	Surplus on current budget <sup>2</sup>		Net investment <sup>3</sup>		Net borrowing <sup>4</sup>		Net cash requirement		Public sector net debt	
	General Government	Public Sector	General Government	Public Sector	General Government	Public Sector	General Government	Public Sector	£ billion <sup>6</sup>	% of GDP <sup>7</sup>
<b>Annual</b>										
	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
<b>Quarterly</b>										
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	..	8 866 <sup>†</sup>	..	8 010 <sup>†</sup>	2 016 <sup>†</sup>	856 <sup>†</sup>	..	398 <sup>†</sup>	375.1 <sup>†</sup>	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.

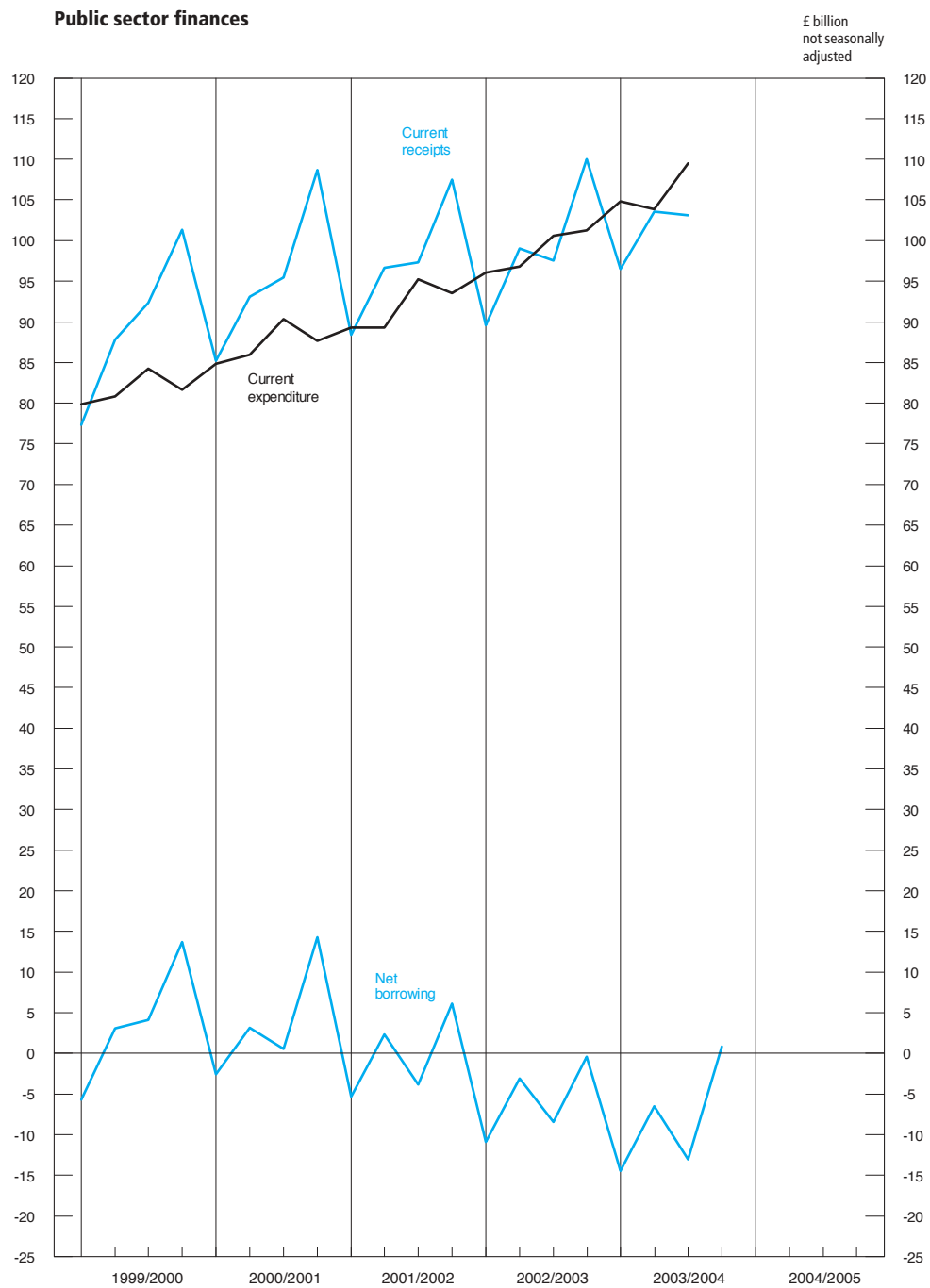
4 Net borrowing = surplus on current budget minus net investment.

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

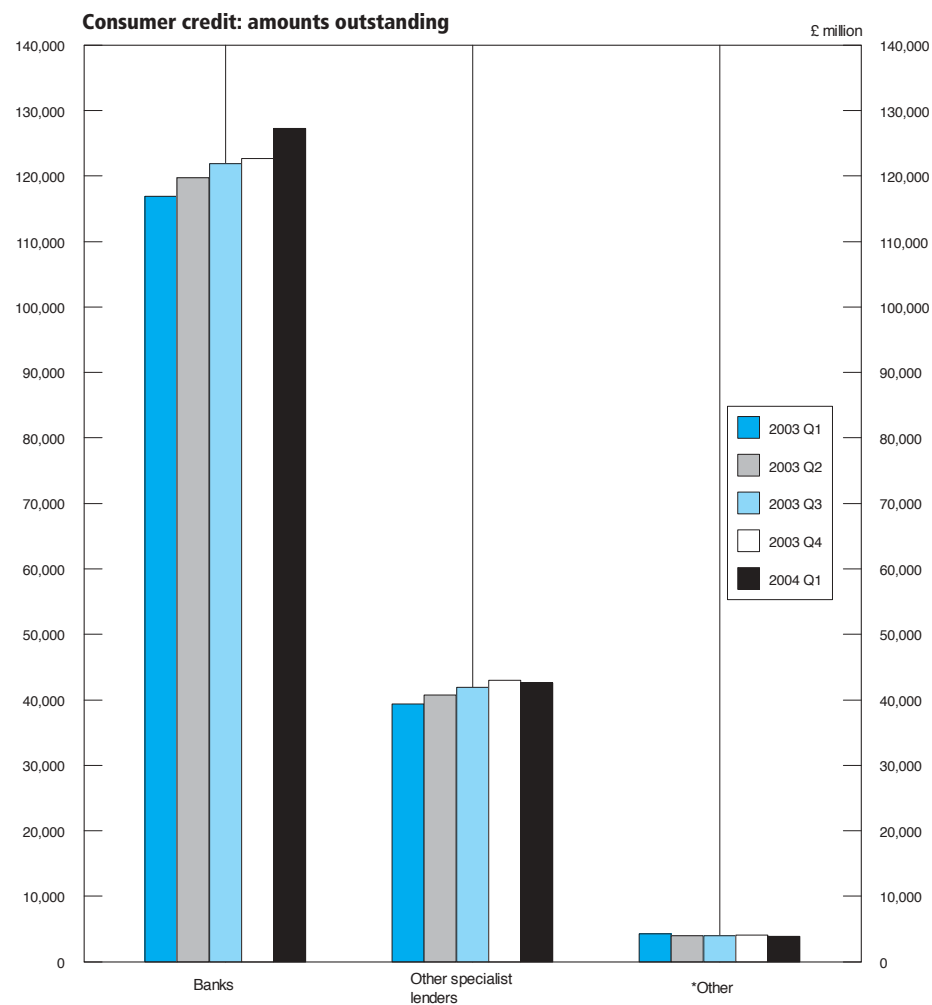
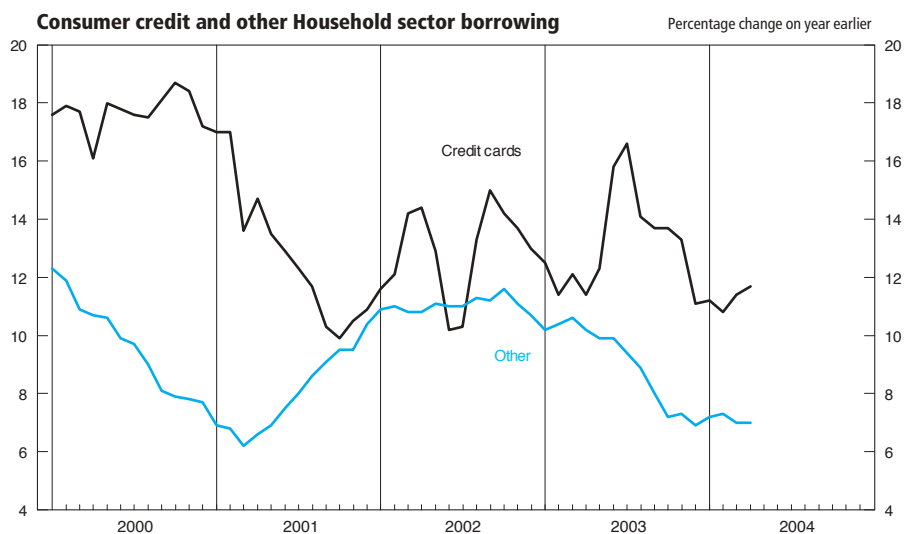
Consumer credit									
	Total consumer credit <sup>1</sup>	of which		Banks <sup>1</sup>	Building Societies' Class 3 Loans <sup>1</sup>	Other specialist lenders	Retailers	Insurance companies	Loans secured on dwellings (NSA <sup>†</sup> )
		credit cards <sup>1,2</sup>	other <sup>1,2</sup>						
Amounts outstanding: quarterly									
	VZRI <sup>†</sup>	VZRJ	VZRK <sup>†</sup>	VRVV <sup>†</sup>	VZRG	VZRH	RLBO <sup>†</sup>	VZQZ	AMWT
1998 Q1	92 268 <sup>†</sup>	19 417 <sup>†</sup>	72 803 <sup>†</sup>	66 895 <sup>†</sup>	213	21 240	2 661 <sup>†</sup>	1 246	435 546
Q2	95 642	20 581	75 065	69 739	185	21 719 <sup>†</sup>	2 688	1 240	442 028
Q3	98 746	21 553	77 200	72 359	176	22 346	2 683	1 242	449 691
Q4	101 618	22 467	79 200	73 140	295	24 304	2 669	1 238	456 803
1999 Q1	105 891	28 431	77 501	75 721	298	25 846	2 698	1 319 <sup>†</sup>	463 304
Q2	109 040	29 673	79 398	77 794	312	26 774	2 692	1 383	472 730
Q3	112 314	30 759	81 602	80 470	329	27 497	2 655	1 400	484 270
Q4	115 477	32 084	83 280	82 702	297	28 300	2 775	1 462	494 200
2000 Q1	119 261	33 441	85 855	86 046	315	28 836	2 665	1 415	503 560
Q2	122 028	34 943	87 115	88 720	315	28 943	2 613	1 310	514 840
Q3	124 335	36 302	88 075	91 040	349	29 145	2 551	1 273	525 843
Q4	127 294	37 602	89 565	94 278	392	29 006	2 503	1 197	535 752
2001 Q1	129 054	37 989	91 110	95 854	412	29 091	2 526	1 229	546 486
Q2	132 986	39 450	93 566	100 291	424	28 350	2 509	1 221	561 444
Q3	136 056	40 021	96 050	103 444	447	28 491	2 517	1 206	577 424
Q4	140 886	41 710	99 114	107 767	436	29 103	2 479	1 178	591 467
2002 Q1	144 276	43 379	100 918	111 079	463	29 129	2 510	1 183	606 459
Q2	147 290	43 499	103 849	113 158	460	29 685	2 574	1 193	625 851
Q3	153 003	45 963	106 994	118 351	523	30 434	2 553	1 196	652 813 <sup>†</sup>
Q4	156 940	47 154	109 770	120 869	610	31 823	2 533	1 182	675 499
2003 Q1	160 442	48 615	111 840	116 878	625	39 368	2 529	1 120	695 876
Q2	164 697	50 404	114 368	119 719	672	40 760	2 200	1 107	718 557
Q3	167 820	52 210	115 522	121 892	736	41 958	2 191	1 085	746 621
Q4	169 696	52 433	117 255	122 732	766	43 055	2 209	1 048	774 914
2004 Q1	173 702	54 141	119 582	127 294	751	42 616	2 113	1 014	..
Amounts outstanding: monthly									
2002 Jan	142 118 <sup>†</sup>	42 170 <sup>†</sup>	99 948 <sup>†</sup>	108 999 <sup>†</sup>	428	29 232	2 472 <sup>†</sup>	1 174 <sup>†</sup>	..
Feb	143 575	43 099	100 475	110 174	438	29 198	2 478	1 177	..
Mar	144 231	43 269	100 962	111 250	469	29 037	2 492	1 183	..
Apr	145 751	43 882	101 869	112 565	470	29 213	2 490	1 188	..
May	147 182	44 156	103 026	113 302	471	29 217	2 544	1 191	..
Jun	147 287	43 295	103 991	113 478	471	29 672	2 579	1 193	..
Jul	148 730	43 722	105 008	114 607	483	29 732	2 557	1 194	..
Aug	151 222	45 185	106 037	117 006	497	29 701	2 533	1 195	..
Sep	152 797	45 907	106 890	118 129	519 <sup>†</sup>	30 408	2 550	1 196	..
Oct	154 438	46 131	108 307	118 693	532	31 684	2 545	1 196	..
Nov	155 368	46 610	108 758	119 479	539	31 795	2 546	1 192	..
Dec	156 566	46 940	109 627	120 829	587	31 938	2 526	1 182	..
2003 Jan	157 589	47 459	110 130	121 089	600	32 033	2 525	1 163	..
Feb	158 925	48 015	110 910	119 646	616	34 501	2 534	1 140	..
Mar	160 152	48 494	111 658	116 617	633	39 261	2 509	1 120	..
Apr	161 172	48 868	112 304	116 970	653	40 034	2 482	1 109	..
May	162 846	49 602	113 244	118 272	660	40 039	2 443	1 106	..
Jun	164 412	50 155	114 257	119 568	689	40 748	2 211	1 107	..
Jul	165 828	50 983	114 844	120 880	702	41 016	2 203	1 104	..
Aug	166 982	51 551	115 431	121 713	715	40 972	2 228	1 096	..
Sep	167 604	52 185	115 419	121 853	728	41 979	2 191	1 085	..
Oct	168 612	52 462	116 150	121 847	729	42 720	2 183	1 072	..
Nov	169 541	52 800	116 741	122 566	730	43 344	2 217	1 060	..
Dec	169 395	52 171	117 225	122 675	735	43 139	2 199	1 048	..
2004 Jan	170 819	52 773	118 046	125 247	746	41 500 <sup>†</sup>	2 175	1 037	..
Feb	172 199	53 184	119 015	126 575	751	41 419	2 132	1 026	..
Mar	173 497	54 016	119 482	127 207	757	42 516	2 094	1 014	..
Apr	174 725	54 596	120 129	128 600	763	42 260	2 107	1 002	..

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<sup>1,2,4,5,6</sup>

### Amounts outstanding

£ million, not seasonally adjusted

	Manufacturing <sup>3</sup>	Other production	Financial	Services	Persons	Total loans, advances and acceptances
<b>Total Loans, Advances, Acceptances and Sterling Commercial paper</b>						
	TBSF	BCFX	BCFH <sup>†</sup>	BCFR	TBTW	TBSA <sup>†</sup>
2003 Q1	50 875	35 255	360 572 <sup>†</sup>	240 309	573 875	1 260 887 <sup>†</sup>
Q2	49 483	35 355	359 648	248 530 <sup>†</sup>	588 463	1 281 479
Q3	47 320	34 662	382 062	247 502	606 819	1 318 365
Q4	43 055 <sup>†</sup>	32 944	398 423	251 748	620 815	1 346 985
2004 Q1	43 289	34 438	442 029	251 272	631 531	1 402 559
<b>Of which in sterling</b>						
	TBUF	BCEY	BCFI <sup>†</sup>	BCFS	TBVW	TBUA <sup>†</sup>
2003 Q1	32 532	31 752	181 467 <sup>†</sup>	219 366	573 342	1 038 460 <sup>†</sup>
Q2	32 436	31 862	181 888	226 681 <sup>†</sup>	587 926	1 060 794
Q3	30 839	31 411	192 304	226 446	606 197	1 087 198
Q4	29 850	30 197	195 501	233 124	620 255	1 108 927
2004 Q1	30 487	32 176	204 827	234 922	630 966	1 133 378
<b>Changes in total lending (sterling)</b>						
	TBWF	BCEZ	BCFJ <sup>†</sup>	BCFT	TBXW <sup>†</sup>	TBWA <sup>†</sup>
2003 Q1	-1 451	371	2 337 <sup>†</sup>	4 425	5 002 <sup>†</sup>	10 684 <sup>†</sup>
Q2	-61	224	2 543	7 110 <sup>†</sup>	16 380	26 195
Q3	-1 589	-444 <sup>†</sup>	10 440	331	21 899	30 638
Q4	-989	-1 215	3 559	7 317	17 532	26 205
2004 Q1	637	1 979	10 246	1 830	10 297	24 989
<b>Changes in total lending (foreign currencies)</b>						
	TBYF	BCFA	BCFK <sup>†</sup>	BCFU	TBZW	TBYA <sup>†</sup>
2003 Q1	214	-134	10 434 <sup>†</sup>	116	22	10 652 <sup>†</sup>
Q2	-967	76	12 243	1 356	21	12 729
Q3	-649	-253	10 714	193	86	10 091
Q4	-2 808 <sup>†</sup>	-381	4 685	-1 763 <sup>†</sup>	-36	-304
2004 Q1	97	-391	42 463	-1 670	31	40 529
<b>Facilities granted</b>						
	TCAF	BCFB	BCFL <sup>†</sup>	BCFV	TCBW	TCAA <sup>†</sup>
2003 Q1	97 860	64 422	407 913 <sup>†</sup>	337 951	639 426	1 547 572 <sup>†</sup>
Q2	93 241 <sup>†</sup>	65 964 <sup>†</sup>	406 835	343 473 <sup>†</sup>	661 318	1 570 830
Q3	91 556	65 423	430 779	345 908	681 360	1 615 026
Q4	84 990	63 718	447 144	350 413	700 354	1 646 620
2004 Q1	86 659	65 630	495 409	356 272	715 330	1 719 300
<b>Of which in sterling</b>						
	TCCF	BCFC	BCFM <sup>†</sup>	BCFW	TCDW	TCCA <sup>†</sup>
2003 Q1	56 944	49 334	212 148 <sup>†</sup>	294 815	638 662	1 251 904 <sup>†</sup>
Q2	54 711	50 685	214 104	301 435 <sup>†</sup>	660 540	1 281 475
Q3	54 779	50 738	226 081	303 030	680 456	1 315 084
Q4	52 609 <sup>†</sup>	50 157 <sup>†</sup>	230 711	311 499	699 570	1 344 545
2004 Q1	54 540	52 571	241 379	318 442	714 557	1 381 489
<b>Changes in sterling (facilities granted)</b>						
	TCEF	BCFD	BCFN <sup>†</sup>	BCFX	TCFW <sup>†</sup>	TCEA <sup>†</sup>
2003 Q1	-657	82	2 228 <sup>†</sup>	8 670	15 074 <sup>†</sup>	25 398 <sup>†</sup>
Q2	-2 183	1 474 <sup>†</sup>	4 099	6 461	23 685	33 536
Q3	76	60	12 001	2 162 <sup>†</sup>	23 545	37 842
Q4	-2 170 <sup>†</sup>	-581	4 992	9 109	22 588	33 938
2004 Q1	1 941	2 412	11 618	6 969	14 574	37 514
<b>Changes in foreign currencies (facilities granted)</b>						
	TCGF	BCFE	BCFO <sup>†</sup>	BCFY	TCHW	TCGA <sup>†</sup>
2003 Q1	575	287	11 309 <sup>†</sup>	-1 513	39	10 697 <sup>†</sup>
Q2	-1 321	697	11 051	100	37	10 565
Q3	-1 891	-636	10 643	1 820	128	10 064
Q4	-2 837 <sup>†</sup>	-341	4 000	-2 090 <sup>†</sup>	-85	-1 353
2004 Q1	866	-158	47 379	103	22	48 212

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.

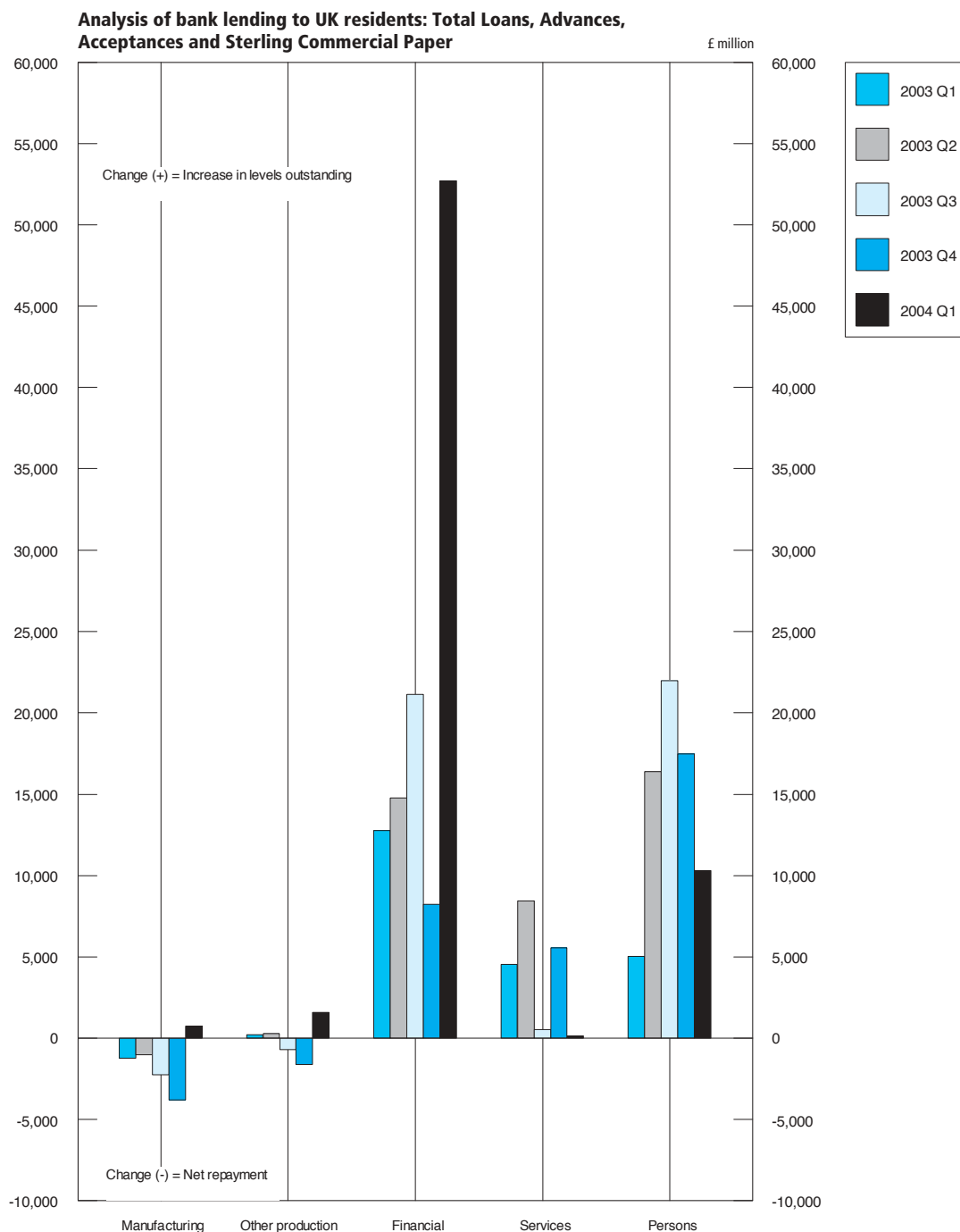
3 Includes lending under DTI special scheme for domestic shipbuilding.

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 yields<sup>5</sup>

Percentage rate

	Last Friday						Last working day	Average of working days	
	Treasury bill yield <sup>1</sup>	Deposits with local authorities - 3 months <sup>2</sup>	Inter-bank 3 months bid rate <sup>3</sup>	Inter-bank 3 months offer rate <sup>3</sup>	Sterling certificates of deposit 3 months bid rate	Sterling certificates of deposit 3 months offer rate	Selected retail banks: base rate	Euro-dollar 3 month rate	British government securities: long dated <sup>4</sup> - 20 years
<b>Annual</b>									
	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
2003	3.90	..	3.95	3.98	3.95	3.98	..	1.10	4.64
<b>Monthly</b>									
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	4.24 <sup>†</sup>	..	4.30	4.33	4.30	4.32	4.00	1.05	4.67
Apr	4.27	..	4.35	4.39	4.35	4.37	4.00	1.11	4.87

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) <sup>2</sup>
	Plant and machinery bought as fixed assets by	Manufactured output	New dwellings <sup>1</sup>	Secondhand dwellings <sup>1</sup>	All dwellings <sup>1</sup>		
						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 <sup>3</sup>	
Q2	99.4	101.8	86.0	88.5	88.2	142 <sup>3</sup>	
Q3	100.1	99.9	89.0	89.9	89.9	159 <sup>3</sup>	
Q4	101.4	96.3	92.9	92.3	92.5	144 <sup>3</sup>	
2001 Q1	102.9	95.4	90.8	92.1	92.1	156 <sup>3</sup>	
Q2	103.1	95.5	90.8	96.0	95.4	148 <sup>3</sup>	
Q3	101.2	95.4	94.1	99.4	98.8	160 <sup>3</sup>	
Q4	101.1	95.4	95.4	96.9	96.8	154 <sup>3</sup>	
2002 Q1	101.0	95.6	100.0	100.0	100.0	131 <sup>3</sup>	
Q2	100.5	95.5	106.5	108.4	108.2	140 <sup>3</sup>	
Q3	100.0	94.9	111.0	116.1	115.5	151 <sup>3</sup>	
Q4	99.2	94.9	117.1	121.8	121.3	152 <sup>3</sup>	
2003 Q1	99.1	94.6	119.3	124.0	123.4	129 <sup>3</sup>	
Q2	99.7	94.1	127.2	127.3	127.2	145 <sup>3</sup>	
Q3	99.9	94.5	127.9	131.1	130.7	..	
Q4	99.5 <sup>†</sup>	95.1	131.8 <sup>†</sup>	133.7	133.4	..	
2004 Q1	98.9p	95.5p	130.8	135.2	134.6	..	
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	99.9 <sup>†</sup>	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	99.6	95.1	132.6	133.7	133.5	..	
Nov	99.6	95.1	128.8	132.4	132.0	..	
Dec	99.3	95.1	132.0	135.0	134.6	..	
2004 Jan	99.2p	95.0	131.5	136.0	135.4	..	
Feb	98.5p	95.4	129.4	134.7	134.1	..	
Mar	99.0p	96.2p	131.6	134.8	134.4	..	
Apr	98.9p	96.3p	..	..	..	..	

<sup>1</sup> 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.

<sup>2</sup> 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](http://www.defra.gov.uk/esg/default.htm)) accessible through the Internet. Data prior to 1993 remains on the previous basis.

<sup>3</sup> 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 series<sup>1</sup>

		Average percentage changes					MCD or QCD	$\overline{I} / \overline{C}$ for MCD (or QCD) span
Table	Period covered	$\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I} / \overline{C}$			
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 <sup>3</sup>	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. <sup>4</sup>	2.13	Jan 1985 to Dec 2003	2.9	2.7	0.8	3.3	4	0.8
Imports: value, f.o.b. <sup>4</sup>	2.13	Jan 1985 to Dec 2003	2.3	2.1	0.8	2.7	3	0.8
Money stock - M0 <sup>5</sup>	6.2	Jan 1985 to Dec 2003	0.6	0.3	0.5	0.7	1	0.7
Money stock - M4 <sup>5</sup>	6.2	Jan 1985 to Dec 2003	0.8	0.3	0.8	0.4	1	0.4

<sup>1</sup> 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.

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

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

The average changes  $\overline{I}$  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  $\overline{I} / \overline{C}$  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  $\overline{I} / \overline{C}$  exceeds 1 for 6-month periods.

<sup>2</sup> Series relate to Great Britain.

<sup>3</sup> The figures in the tables were obtained from an additive analysis of the households' saving ratio so  $\overline{CI}$ ,  $\overline{I}$  and  $\overline{C}$  are differences in percentage points.

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

<sup>5</sup> As the irregular component for M0 and M4 is obtained by subtraction of the trend rather than by division, the figures for  $\overline{CI}$ ,  $\overline{I}$  and  $\overline{C}$  are expressed as percentages of the trend level in the preceding month.

Source: Office for National Statistics: Enquiries 020 7533 6243

# Index of sources

## 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)
Average earnings	1.1, 4.6	Office for National Statistics	First Release Labour Market Trends Monthly Digest of Statistics
Balance of payments (current account)	2.13	Office for National Statistics	First Release Financial Statistics UK Economic Accounts
Banking		Bank of England	Financial Statistics
Banking loans, advances and acceptances	6.7		
British government securities (long dated) 20 years yield	6.8	Bank of England	
Building societies			Financial Statistics
Advances on new dwellings	5.4	Building Societies Association	
Average prices of new dwellings on mortgage completion (see also Housing)	5.4	ODPM Housing Statistics	
Commitments on new dwellings	5.4	Building Societies Association	
Capital account summary, analysis by sector	2.10	Office for National Statistics	
Cars (see also Motor Vehicles)			
Production	1.1, 5.3	Office for National Statistics	News Release
Registration	5.8	Department of Transport	
Change in inventories			
By industry	5.6	Office for National Statistics	First Release
Manufacturing	1.1		Monthly Digest of Statistics
Ratios	5.7		
Total	2.2		
Claimant count (see Unemployment)			
Coal (see also Energy)	5.9	Department of Trade and Industry	Energy Trends
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Orders received	5.2, 5.4	Department of Trade and Industry	Construction Statistics
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Allocation of primary income account	2.11		Financial Statistics
Capital account, net lending/net borrowing	2.12		UK Economic Accounts
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Counterparts to changes in money stock M4	6.3	Bank of England	Financial Statistics Press Notice
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Output index for energy and water supply	5.1		Monthly Digest of Statistics
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Exchange rates	1.1, 6.1	Bank of England	First Release Financial Statistics
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Relative prices (as measure of trade competitiveness)	2.15		
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Unit value index	2.15		
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