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palgrave macmillan

Economic Trends

No. 617, April 2005

Regulars

Features

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Publications

in brief

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

GDP growth

GDP is estimated to have grown by 0.7 per cent in 2004 Q4 compared to 0.6 per cent in the previous quarter.

Growth in the latest quarter is driven by a rise of 0.9 per cent in the service sector with strength across the transport, storage & communication, and financial & business services sectors.

The production industries declined by 0.1 per cent in the latest quarter as a rise of 0.3 per cent in manufacturing output was offset by a fall of 2.8 per cent in energy extraction.

Construction output rose by 1.2 per cent in the latest quarter.

Household expenditure rose by 0.2 per cent, following 0.7 per cent growth in the third quarter of 2004, as expenditure on durable goods slowed.

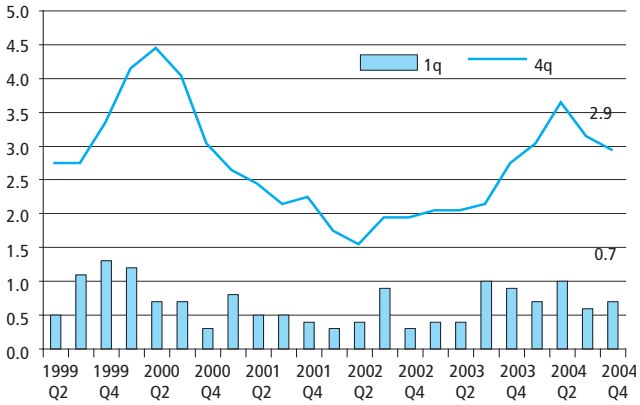
Government final consumption expenditure rose by 0.9 per cent in the latest quarter and is now 3.6 per cent above the level seen in the fourth quarter of 2003.

Exports rose by 1.6 per cent over the quarter, within which exports of goods rose by 0.6 per cent and exports of services rose by 3.7 per cent. Imports rose by 2.2 per cent as imports of goods rose by 2.0 per cent and imports of services rose by 2.6 per cent.

Compensation of employees, measured at current prices, rose by 1.9 per cent, driven by increases in average earnings and employers' social contributions.

GDP quarterly growth

Per cent



Released: **23 March 2005**

Balance of Payments

Current account

The current account rebounded from the record deficit of £9.4 billion in the third quarter, to a deficit of £5.0 billion in the fourth (equivalent to 1.7 per cent of GDP).

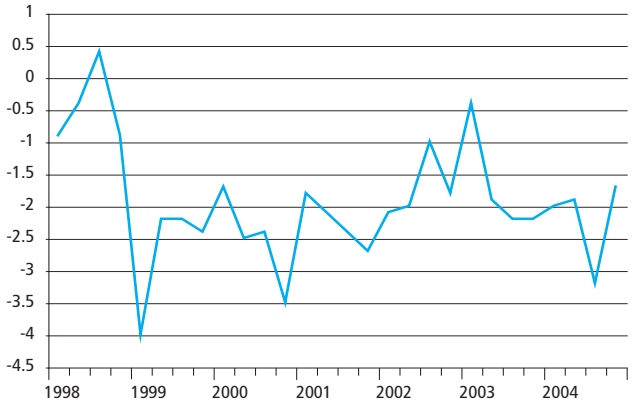
The driver for this change was the investment income account, which moved from a surplus of £4.0 billion in the third quarter to a surplus of £8.2 billion in the fourth. The investment income balance in the last two quarters has been distorted by a change in the timing of some dividend payments. This has led to high foreign earnings on UK equity in the third quarter and low earnings in the fourth.

Fourth quarter results also include a strong rise in direct investment earnings from abroad, with UK oil companies performing strongly. The quarterly deficit on trade in goods and services was broadly unchanged in the fourth quarter, with a rise in the goods deficit offset by an increase in the surplus on services.

In 2004, the current account deficit was £25.7 billion (2.2 per cent of GDP), up from £18.7 billion (1.7 per cent of GDP) in 2003. The widening goods deficit accounted for much of this increase.

Balance of Payments

Current balance as percentage of GDP



Revisions

Data back to 2003 have been open to revision this quarter. Changes to quarters of 2003 mainly reflect a reassessment of the seasonal adjustment of trade in goods data. Revisions to quarters of 2004 reflect later and corrected survey results from direct investment and trade in services inquiries, as well as the trade in goods seasonal adjustment changes.

The headline current balance has been revised up by £0.7 billion in the first quarter, £0.4 billion in the second, but down by £0.7 billion in the third.

Released: **23 March 2005**

Productivity

In the fourth quarter of 2004, whole economy productivity growth (measured by output per worker) increased by 1.7 per cent compared with the same quarter a year ago, down from growth of 2.2 per cent in the last quarter. The fall in annual productivity growth is due to a deceleration of output growth and a pick up in employment growth.

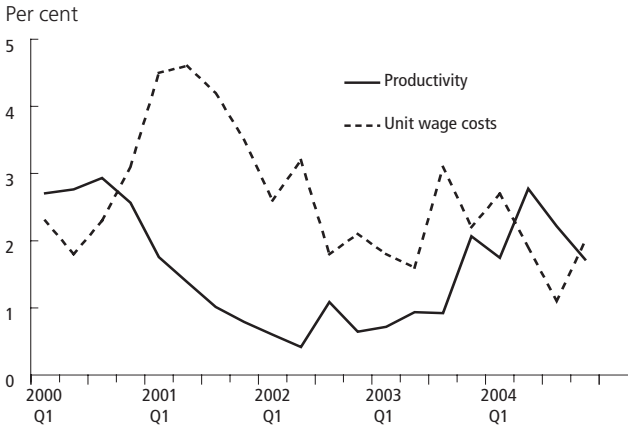
On a quarter-on-quarter basis, productivity grew by 0.4 per cent, up from the growth of 0.3 per cent in the previous quarter. The increase in productivity growth is due to an increase in the rate of output growth which has more than offset an increase in employment growth.

The alternative measure of productivity – output per hour worked – showed that hourly productivity grew by 1.0 per cent in the fourth quarter of 2004 compared with the same quarter a year ago, down from 2.9 per cent in the previous quarter.

In the fourth quarter of 2004 manufacturing productivity, on an output per job basis, was 3.8 per cent higher than the same quarter of 2003, down from growth of 4.6 per cent for the previous quarter. The decrease in manufacturing productivity growth was mainly due to a slower rate of output growth than in the previous quarter.

On a quarterly basis, manufacturing productivity rose by 1.3 per cent in the fourth quarter of 2004, up from growth of 0.2 per cent in the previous quarter. The higher rate of productivity growth is caused by manufacturing output, which increased by 0.3 per cent in the fourth quarter after falling by 0.8 per cent in the third quarter.

Whole economy productivity and unit wage cost, Annual growth



Whole economy unit wage costs in the fourth quarter of 2004 were 2.0 per cent higher than the same quarter a year earlier. This compares with a 1.1 per cent growth rate for the previous quarter. The faster rate of unit wage cost growth was due to a combination of an increase in average wages and salaries growth and a fall in whole economy productivity growth.

Manufacturing unit wage costs in the fourth quarter of 2004 fell by 0.5 per cent compared with the same quarter a year earlier, up from a decline of 1.2 per cent in the third quarter.

Released: **23 March 2005**

CPI and the Budget

Change	Percentage points contribution to one-month change in the Consumer Prices Index	
	March 2004 Budget	March 2005 Budget
Excise duties (timing of 2005 effect)		
Tobacco (16 March 2005)	0.06	0.05
Alcohol (20 March 2005)	0.03	0.03
Road fuel (1 September 2005)	n/c	0.05
Total effect of Budget measures	0.09	0.13

The Office for National Statistics (ONS) estimate that changes to duties in the March 2005 Budget will add 0.13 percentage points to the one-month change in the Consumer Prices Index (CPI), if duty changes are passed on immediately and in full to consumers.

This compares with an increase of 0.09 percentage points from the measures that were implemented following their announcement in the March 2004 Budget. Once last year's Budget changes are taken into account, the net effect of the two most recent Budgets on the CPI annual inflation rate is estimated to be +0.04 percentage points.

The implemented March 2004 Budget measures are now fully reflected in the CPI; the effects of the 2005 Budget will feed into the index over several months.

For the Retail Prices Index, it is estimated that this year's Budget will add 0.15 percentage points to the one-month change. This compares with an increase of 0.09 percentage points from the 2004 Budget. Overall, the net effect of the two most recent Budgets on the RPI annual inflation rate is estimated to be +0.06 percentage points.

Released: **18 March 2005**

Economic update
April 2005

Graeme Chamberlin
Office for National Statistics

Overview

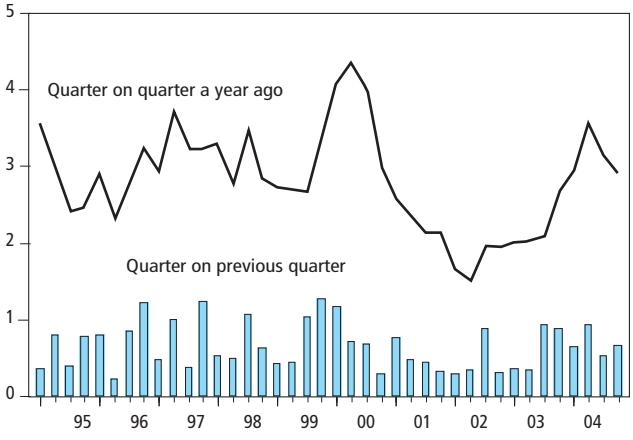
- GDP growth in the fourth quarter is 0.7 per cent, up from 0.6 per cent in the previous quarter.
- The service sector continued to lead economic growth. Industrial production fell for the second successive quarter, but the contraction during quarter four was lower than that in quarter three.
- Consumer spending during the fourth quarter rose by 0.2 per cent representing a slowdown from the previous quarter. Retail sales are now in decline and fell by 0.6 per cent in the three months to February.
- Total business investment grew by 0.2 per cent in the fourth quarter and 4.4 per cent compared to the same quarter in 2003.
- Government spending continues to add to economic growth, but the public finances deteriorated slightly in February.
- The labour market remains tight. Employment and unemployment edged upwards whilst the inactivity rate declined. Average earnings growth picked up over 2004, but stronger productivity growth has kept unit wage costs broadly flat.
- Producer output price inflation has picked up due to recent increases in oil prices.
- Consumer price inflation was unchanged in February from the previous month and remains below the target set by the Chancellor of the Exchequer.

GDP activity – overview

In the publication of the Quarterly National Accounts it is reported that during the fourth quarter of 2004 Gross Domestic Product (GDP) in the UK grew by 0.7 per cent. This figure has been left unrevised from previous releases and represents a pick up from the third quarter when growth was 0.6 per cent. However, looking at the year on year figures, GDP growth actually fell to 2.9 per cent from 3.1 per cent in the previous quarter. This indicates that although economic growth continues to be robust it has slowed down from the high rates recorded during the first half of 2004 (Figure 1). The general consensus is that output is currently growing at around its trend rate.

Recent figures on economic growth in the major OECD countries paint a mixed picture on the current strength of the global economy. Whilst the US economy has posted a succession of strong growth rates, the experiences of Japan and the three main economies in the euro area have been somewhat different. During the final quarter of 2004, GDP growth in the US was1.0 per cent – this figure has recently been revised upwards from 0.9 per cent on the back of stronger investment and trade data. With growth in quarter

Figure 1
GDP
Growth



three also 1.0 per cent, the expansion in the US economy has now been strong since mid 2003. This has been predominately driven by domestic consumption despite the expanding trade deficit acting as a drag on growth.

On the other hand, the Japanese economy has been stuttering for several years largely due to fragile consumer demand and weakening exports. After strong growth in the first quarter of 2004, GDP fell by 0.2 per cent in the second and again by 0.3 per cent in the third. Initial estimates for the fourth quarter indicated that GDP had contracted again by 0.1 per cent implying that the economy had been in a recession for much of the year. However, recently revised figures show that the economy made a slight recovery during the fourth quarter and in fact grew by 0.1 per cent. This was primarily due to a downward revision in the growth of imports and an upward revision in inventory investment.

Growth in the three main Euroland economies continues to be fragile and underpinned by stagnant domestic demand. This is particularly the case in Germany, where during 2004 Q4, GDP growth declined by 0.2 per cent having been flat in the previous quarter. This has led several commentators to argue that Germany is now flirting with recession. Growth prospects though may be slightly better than the headline figures suggest. The sources of the recent fall in output were a 0.7 per cent fall in government spending, and falling inventories which subtracted 0.8 per cent from growth. However, much of the fall in government spending reflects downward pressure on wages and salaries in the public sector and the negative growth in stocks corrects some of the inventory build up in quarter three – meaning stocks are now unlikely to weigh on growth going forward. The Bundesbank also noted that calendar effects in the fourth quarter made the GDP figures look slightly weaker. As there were only two working days between Christmas and New Year many firms shut down for an extended holiday period. Growth actually picked up in the French economy, with GDP increasing by 0.8 per cent compared to no growth at all in quarter three. The recent acceleration is driven almost entirely by consumption growth which rebounded strongly following very low growth during the second and third quarters of 2004. Even despite this upturn, consumption growth in the second half of the year was low and demand growth is projected to remain low during 2005. Growth in Italy during the fourth quarter fell by 0.4 per cent having grown by 0.4 per cent in quarter three. Net trade was the main culprit contributing –1.4 per cent to growth, whilst investment contributed –0.3 per cent to growth. With weak domestic demand expected to continue there is a pessimistic outlook for the Italian economy in 2005.

Financial market activity

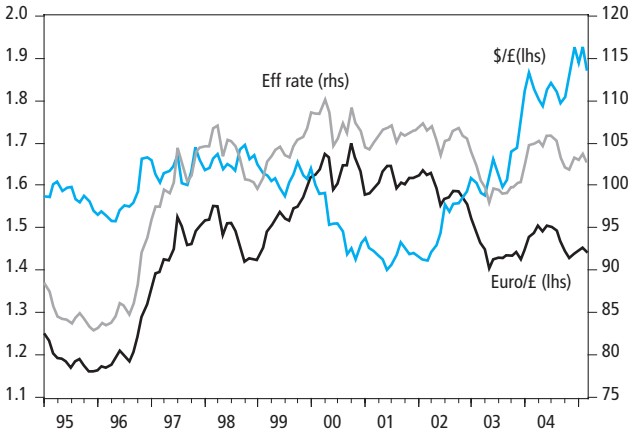
After experiencing large falls between 2000 and 2002, equity markets have subsequently recovered. During 2003 the FTSE All-Share index gained 16.0 per cent, and over 2004 it increased further by just over 9.0 per cent. The strength of the UK economy, rising corporate profitability and low interest rates are factors supportive of rising equity prices. In the first quarter of 2005 this index has grown by 3.0 per cent, although growth has flattened in recent weeks perhaps due to the market anticipation of higher interest rates.

Interest rates in the UK have now remained at 4.75 per cent since August 2004. However, speculation over future interest rate movements has increased. At the end of last year the slow down in consumer spending suggested that interest rates may have peaked in the short term. This view has been reversed since the beginning of the year with markets now anticipating an increase in rates – most likely after the general election. The publication of the February inflation report suggests that cost pressures- most notably through rising oil prices – is likely to move consumer price inflation above its 2 per cent target within two years. This culminated in two members of the MPC voting for an increase in the repo rate at the March MPC meeting.

There has been little movement in the currency markets since the New Year. Against the US dollar, sterling has depreciated by around 2.5 per cent. Overall though, sterling has appreciated significantly against the US dollar since 2002 (Figure 2). During 2004 sterling was largely unchanged against the euro, with the small appreciation in the first half of the year being offset by a depreciation in the second. Over the first quarter of 2005 sterling has averted its recent downward trend against the euro and appreciated by around 2 per cent. The effective exchange rate had fallen at the back end of last year, perhaps due to the view that UK interest rates had peaked and that the increasing current account deficit pointed to a future depreciation. In the first quarter of 2005 though, the effective exchange rate has appreciated by 1.2 per cent. This is possibly due to increasing speculation of a forthcoming increase in UK interest rates, but also due to the weakness of the dollar and the euro. The US twin deficits of trade and budget have undoubtedly weakened the US dollar, whilst the euro has suffered from poor growth in the euro area combined with emerging current account deficits due to the high price of oil imports.

Figure 2
Exchange rates

£ equals



Output

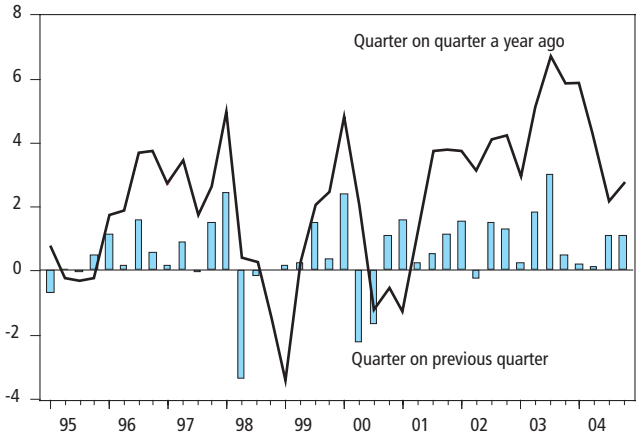
Gross Domestic Product grew by 0.7 per cent in the fourth quarter which is a slight acceleration from quarter three growth of 0.6 per cent. The annual growth rate (based on the same quarter one year ago) however fell to 2.9 per cent from 3.1 per cent. This is due to growth slowing down from the high rates posted at the end of 2003 and the beginning of 2004 (Figure 1).

The service sector continues to be the main driver of economic growth in the UK economy. During quarter four, the output of the services sector rose by 0.9 per cent. This is down 0.1 per cent from the third quarter figure but continues the succession of high quarterly growth rates seen over the last year and a half. The slight improvement in output in quarter four is because the fall in industrial production of 0.1 per cent was lower than the fall of 1.2 per cent recorded for the third quarter. The large fall in the third quarter appeared to be concentrated in the mining and quarrying sector, which includes the oil and gas extraction sector. This fell by 5.9 per cent because the oil and gas producers delayed regular summer maintenance work until September in order to take advantage of the high oil price at the time. This also accounts for, but to a lesser extent, the fall in production in the fourth quarter where the mining and quarrying sector contracted by 2.8 per cent. The less pronounced fall in the industrial production figures can also be explained by an upturn in manufacturing output. Having fallen by 0.8 per cent during the third quarter, manufacturing output rebounded during quarter four, growing by 0.3 per cent.

The construction industry, which constitutes around 6.0 per cent of GDP, is estimated to have grown by 1.2 per cent in 2004 Q4. This represents a marked increase on the low growth rates experienced at the beginning of the year – but as shown by a recent fall in the quarter on quarter a year ago figures – growth is below the high levels recorded during 2002 and 2003 (Figure 3). The latest figures from the Chartered Institute of Purchasing and Supply (CIPS) *Report on Construction* identify robust growth in the construction industry, with a positive balance on the activity measure. This is the 39th successive positive monthly balance in the index, although the index has been falling since its high point at the end of 2003. The CIPS survey therefore corresponds with the official data – although robust growth continues it is less marked than in previous months. The Royal Institute of Chartered Surveyors (RICS) *Construction Survey* gives an indication as to the future expectations in the industry. The latest figures correspond to 2004 Q4 where there are very strong positive balances on workload expectations over the next quarter and twelve month period. Profit expectations are at their highest for five years – despite the threat of rising interest rates. It appears that sharply rising commercial property values are underpinning the index – with the sheer volume of work keeping the index at double its long run average. It is reported that investors currently regard commercial property as a relatively safe haven and well-performing asset compared to equities.

Figure 3
Construction output

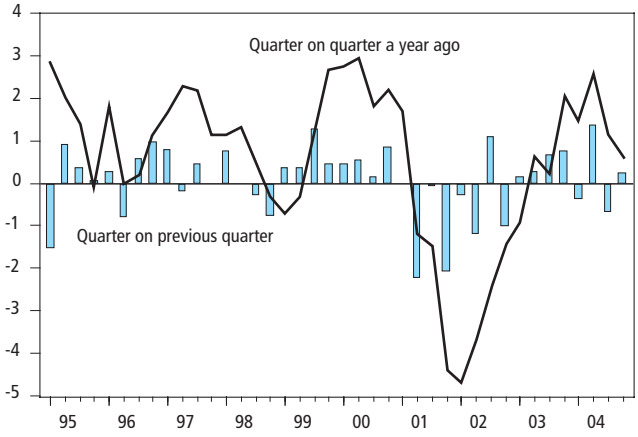
Growth



The improvement in the Index of Production in 2004 Q4 has continued into this year. The most recently available figures pertain to the three months to January, where the Index of Production grew by 0.6 per cent. The summer maintenance issues which affected the mining and quarrying sector should now have worked through, and this sector grew by 1.4 per cent. The recovery in manufacturing output during the final quarter of 2004 is notable, and it must also be borne in mind that recently there have been upward revisions to some earlier quarters (Figure 4). Moving into 2005, manufacturing growth continues to look healthy, rising by 0.7 per cent over the three months to January. This growth was fairly broad based, with output rising in seven of the thirteen subsectors and with no significant falls in any. The recovery in the production sector would have been even stronger had it not been for a 1.2 per cent contraction in the output of the electricity, gas and water supply sector. This component of the Index of Production is normally very stable, but the mildest January since 1990 led to a significant fall in the demand for heating.

Figure 4
Manufacturing output

Growth

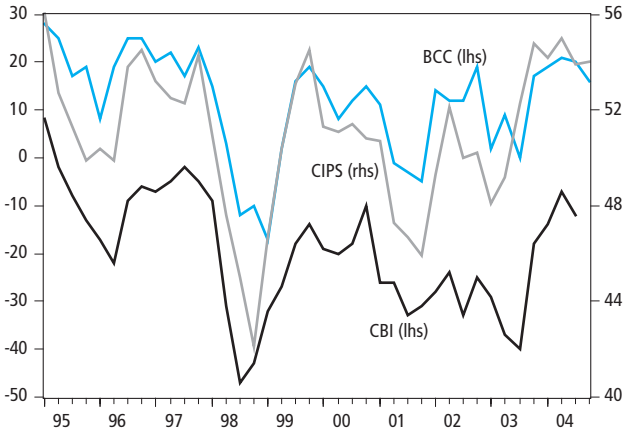


External surveys of manufacturing output (Figure 5) have recently been more buoyant than the official figures indicate. This gap though has been closed by a combination of upward revisions to the ONS data, and due to the surveys becoming

more pessimistic as domestic demand in the UK economy slows down. The British Chambers of Commerce (BCC) *Quarterly Report on Manufacturing* continues to post a healthy positive balance on both home deliveries and also home orders. This has been the case since 2003 Q4, although in the most recent quarter the index on home deliveries fell whilst the orders index appears to have stabilised. The Chartered Institute of Purchasing and Supply (CIPS) indices have followed similar trends to the BCC survey. Once again, activity (output) rose sharply at the end of 2003 and has remained in positive balance ever since. However, the more recent figures suggest a slight weakening of this trend with the same pattern being identified in the orders index. The recent run of positive balances has been attributed to strong domestic demand. The Confederation of British Industry (CBI) surveys have tended to be more pessimistic. In the *Quarterly Industrial Trends Survey* manufacturing had come to an almost standstill in 2004 Q4, and a modest decline in new orders was reported. In the more recent *Industrial Trends Surveys* for January and February of this year this pattern has continued and the outlook for manufacturing now looks subdued. Manufacturing orders have slipped further, and in line with falling domestic demand in the UK manufacturers have reined back their output expectations.

Figure 5
External manufacturing

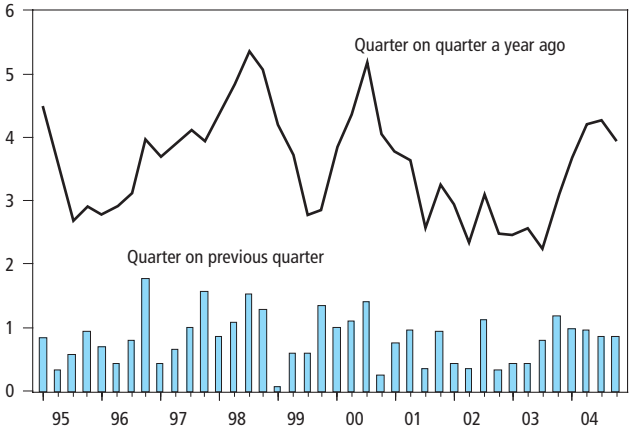
Balances



The service sector, representing over 70 per cent of GDP has been the most important driver of economic growth. During quarter four, overall service sector output is estimated to have grown by 0.9 per cent, and a longer term look at the figures would confirm the strength in this sector since the second half of 2003 (Figure 6). However, a more disaggregated analysis shows that the components of service sector output have been more volatile. In the fourth quarter the output of the distribution, hotels and restaurants sector grew by 0.2 per cent compared to 0.7 per cent in quarter three. This is predominantly due to weaker growth in the wholesaling and retailing sectors. This though was offset by strong rises in the output of the transport, storage and communications sector where output growth was 1.6 per cent down, although down from 1.8 per cent in quarter three. The business services and finance sector saw growth in the fourth quarter of 1.2 per cent compared to 1.1 per cent in the previous quarter. The monthly index of services is currently an experimental series published by ONS. This reports that in the three months to December output grew by 0.9 per cent – the same growth rate as in each of the previous four months confirming the strong and persistent growth in the service sector.

Figure 6
Services output

Growth

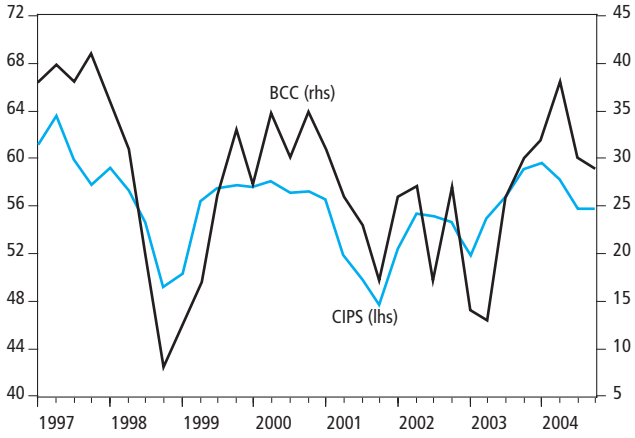


The Index of Distribution is a monthly series reporting the output of the distribution industries – which constitute approximately one-fifth of the total Index of Services. The January figures for the Index of Distribution are now available and show that distribution output increased by 0.7 per cent in the three months to January compared with the previous three month period (three months to October). Most of this was accounted for by a 4.3 per cent increase in the output of motor traders due to higher sales of motor vehicles. Wholesaling output increased by 0.5 per cent, with the wholesale of fuel being the most important contributor to this. However, retail output fell by 0.6 per cent, this is the lowest three month-on-three-month growth for two years and confirms the recent view that the retail sector is currently in a period of fragility. This was concentrated in the non-food stores sectors but offset partially by increases in food stores and non-store retailing (which includes specialist internet and mail order retailers).

The external surveys have been unanimous in predicting rapid activity in the service sector (Figure 7). The CIPS *Report on Services* mirrors the trends in the official figures. Although the most recent activity balances are lower than they were a year ago there is evidence of continued and strong growth in the service sector with growth in new orders also robust. The BCC *Quarterly Report on Services* has generally experienced similar movements to those reported in the CIPS survey. Although the home deliveries balance had fallen slightly during the final quarter of 2004, and is down from the highs recorded during the first half of the year, it is still an indicator of very strong growth. Likewise, the evidence on home orders implies that the service sector has remained strong. It must be remembered that recent declines must be taken with a touch of relativity. Most of the service sector indexes reached high points during the start of last year, and although the more recent figures show falls from these levels they are still high compared to historical values.

Figure 7
External services

Balances

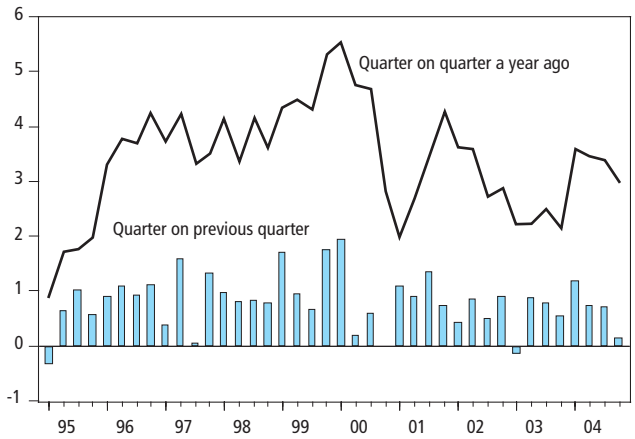


Household Demand

The growth of household final consumption has been steadily declining throughout 2004 (Figure 8). In quarter four, growth was 0.2 per cent, a slowdown on the growth of 0.7 per cent recorded in the third quarter and markedly down on the high growth rates during the first half of the year. This slowdown can be largely attributed to lower spending on certain durable goods.

Figure 8
Household demand

Growth

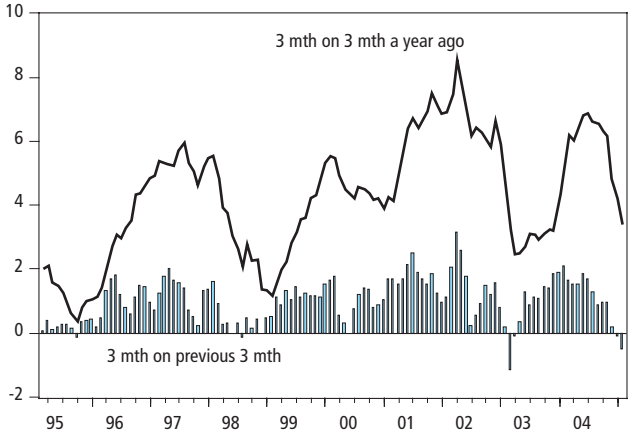


The slowdown in the back half of 2004 might be associated with the three interest rate increases during the summer. Therefore, speculation of further interest rate increases might act to depress consumer spending even further. In addition there is little evidence of a sustained recovery in the housing market during the first half of 2005. As household consumption has risen faster than disposable income in recent years the household sector has become a considerable net borrower. It is likely, that due to relatively high debt levels, consumer expenditure growth will be tied to the growth of personal disposable income in the near future. However, there are some factors that are supportive. The labour market is tight which might generate moderate growth in wages and thus personal disposable incomes. Low unemployment ensures that consumers are not overly concerned about their long-term job prospects, and are therefore less cautious about purchases of big ticket items. Also, the recent recovery in equity prices might be expected to have a positive effect. Of late there is evidence that consumer confidence has been improving, or at least hasn't been falling. The Mori index of consumer confidence reported a slight improvement in January, and although the GfK survey posted a small fall in February which offset the increase in January, it remains at a slightly higher level than a year ago.

Retail sales figures are published on a monthly basis and the latest available figures are for February 2005. It should be noted that household consumption accounts for a much broader range of spending than just retail sales. For instance, household purchases of services, motor vehicles, and housing (imputed rents) are not included in retail sales. Since the beginning of 2003 the retail sales have grown faster than household consumption as a whole, but this recent trend now appears to have been reversed (Figure 9). During the final quarter of 2004 the evidence suggests that the growth in retail sales weakened with this trend continuing into the first quarter of 2005.

Figure 9
Retail sales

Growth



It has been widely reported that the retail sector experienced a particularly bad Christmas. This is confirmed by the official data, which estimates that retail sales fell by 1.2 per cent in the month of December. Despite rebounding in January with growth of 0.7 per cent, retail sales growth in February was low at only 0.2 per cent. The headline figures – based on the change in the latest three months compared to the previous three month period – give a better indication of the slow down. On this measure, retail sales fell by 0.2 per cent in January, and fell by a further 0.6 per cent in February. These numbers though are subject to a health warning. Due to the high seasonal content of sales around Christmas and the New Year the true picture of retail sales may take time to emerge as the seasonal adjustment process works through. However, the latest figures for February 2005 tend to confirm the belief that the growth in retail spending came to halt at the end of last year, and has gone into decline at the beginning of this.

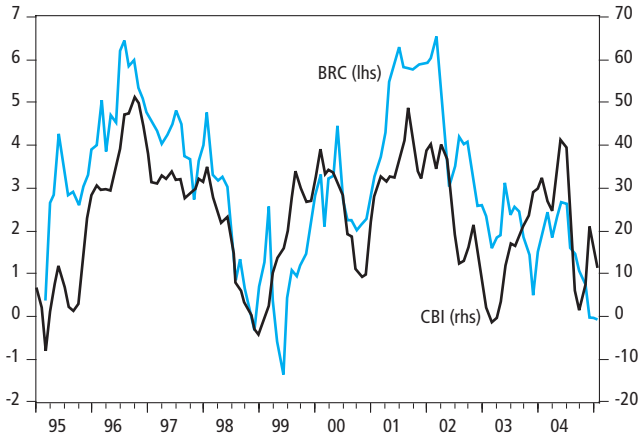
A disaggregate view shows that, based on a comparison of growth in the current three month period with the previous

three month period, the sales volume in food stores grew by 0.5 per cent but was overwhelmed by a substantial fall of 1.7 per cent in non-food stores. This is the weakest three month performance the non-food stores sector has experienced since March 1992 – a time when the economy was in recession. Within this, the other non-food stores sector fell by 3.1 per cent and sales of household goods fell by 1.5 per cent. However, non-store retailing grew by 2.4 per cent reflecting the continued strong performance by internet retailers.

The slowdown in the retail sales figures is mirrored in survey evidence (Figure 10). The British Retail Consortium (BRC) confers with the official data, reporting that despite a small pick up during the January clearance sales retail sales again fell back during February. In December, sales fell by 0.4 per cent on a like-for-like basis – the worst for a decade. The January numbers appeared to suggest that retail sales had rebounded following the poor Christmas period, with like-for-like sales rising by 0.5 per cent. However, the figures highlighted strong sales at the beginning of the month due to high discounting in the New Year sales. Towards the end of the month sales volume began to fall back. In February like-for-like sales contracted by 0.3 per cent. This might be partly explained by the poor weather throughout much of the UK during the month, but the recent figures are the third fall in four months and suggest that the weak sales which started around the pre-Christmas period are more than just a blip. Consumers concerns about interest rates, the housing market and taxes continue to affect confidence and in particular big ticket sales on furniture and electricals. The CBI *Distributive Trades Survey* concurs with the recent slowdown in retailing. The headline series is not seasonally adjusted, but looking at annual changes it is clear that retailing has contracted significantly since December 2004. In the three months to February retail sales volume had fallen by 1.5 per cent compared to the same period a year ago.

Figure 10
External retailing

Balances, 3 month moving avarage

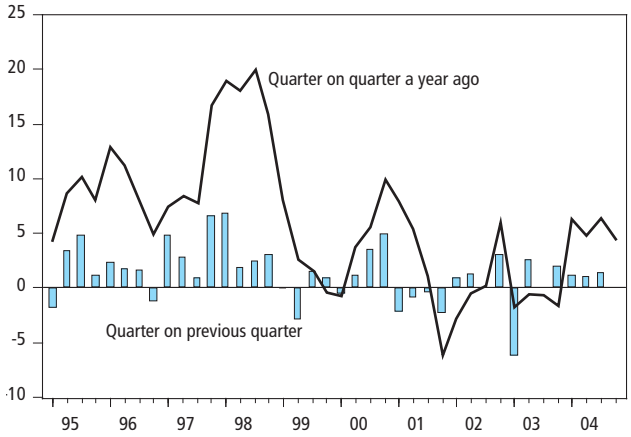


Business Demand

During the fourth quarter of 2004, business investment was 0.2 per cent higher than the previous quarter. This is a slowdown on the higher growth rates reported during the previous three quarters, but business investment is 4.4 per cent higher than the same quarter in 2003. This continues the recent trend of stronger investment growth during 2004 (Figure 11), representing a pick up from the mediocre growth rates since 2001. However, it is noteworthy that the recent recovery in investment is weaker than in previous upturns.

Figure 11
Fixed business investment

Growth



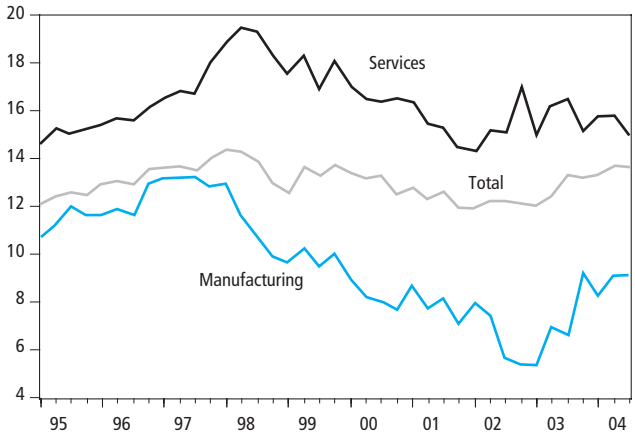
Looking at business investment on a more disaggregated basis it can be seen that growth is predominately driven by the service sector. Investment in private sector services is the most important component representing around three quarters of total business investment. This increased by 0.7 per cent in the latest quarter, and is 5.6 per cent higher than in 2003 Q4. The manufacturing sector accounts for a little over one tenth of total business investment. This has tended to be fairly volatile, and since 1999 manufacturing investment has undergone a persistent contraction. During 2004 though, manufacturing investment appears to have recovered. This sector grew by 2.9 per cent over the most recent quarter and by 4.7 per cent over the year, and this has contributed to the recent upturn in total investment.

Despite the rise in spending over the last twelve months the environment still remains a mixed one for investment. Low interest rates by historical standards might be one possible explanation accounting for the recent growth, meaning that the cost of capital is relatively cheap. Profitability though is likely to be an important factor determining investment. High profitability is an indicator of high returns from investing in the capital stock and is likely to buoy business confidence. In addition, retained profits are a cheap source of investment funds which will lower the cost of capital expenditures. Profitability is defined as the net rate of return on capital employed. This is essentially the value of profits (allowing for depreciation) divided by the value of fixed assets (again, allowing for depreciation) and inventories. The overall profitability of UK private non-financial corporations in the third quarter of 2004 was 13.6 per cent, this is 0.9 per cent

higher than the average for 2003 (Figure 12). Within this, manufacturing companies had a net rate of return of 9.1 per cent in the third quarter (compared to the 2003 average of 7.0 per cent). The profitability of service companies was 15.0 per cent (the 2003 average was 15.7 per cent). The recent trends in profitability might go some way in accounting for the movements in total investment and its main components.

Figure 12
Net rate of return, private non-financial sector

Per cent



Evidence on investment intentions from the recent surveys paints a mixed picture. According to the quarterly BCC survey, the balance of manufacturing firms planning to increase investment in plant and machinery fell from +18 to +16 during 2004 Q4, but still remains relatively high. Intentions to invest in training rose from +15 to +21. In manufacturing confidence balances have generally been much stronger for turnover than for profitability – which indicates possible concerns over margins. The CBI reports similar findings, manufacturers plan to cut investment in buildings, plant and machinery but spending on training is set to increase, with uncertainty about demand and inadequate returns portrayed as the most significant factors. For services, the balance of firms planning to increase investment in plant and machinery fell two points to +15 which is the lowest since 2003 Q3. The balance for intentions to invest in training rose 7 points to +28. Once again though, turnover confidence is far in excess of profitability confidence.

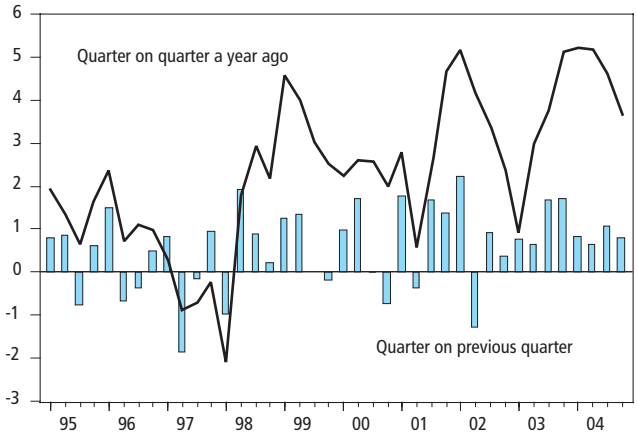
Government Demand

Government final consumption expenditure rose by 0.9 per cent in the fourth quarter of 2004. This represents a slower pace of growth than in the third quarter when output rose by 1.2 per cent (Figure 13). Growth compared with the same quarter ago was 3.6 per cent. The government continues to be an important source of aggregate demand in the economy.

The latest figures on the public sector finances report up to February 2005. Although published on a monthly basis – concentrating on one month's figures in isolation can give a distorted picture as movements in the underlying series can be erratic. Focussing on the financial year to date generally provides a better overview. In the current financial year (April 2004 – February 2005), the current budget deficit of

Figure 13
Government spending

Growth



the public sector currently stands at £15.8 billion. This marks an improvement of £2.9 billion over the same period in the previous financial year when the cumulated deficit was £18.7 billion. This is mainly accounted for by central government receipts rising faster than central government expenditures. In the current financial year so far, current expenditures are 6.2 per cent higher compared to the previous financial year, whereas current receipts are respectively 7.2 per cent higher. Within this, taxes on income and wealth have risen by 12.1 per cent, whereas those on production have risen by a relatively modest 4.1 per cent.

The public sector net borrowing figures additionally take account of capital investment expenditures. This financial year net borrowing presently stands at £30.8 billion, a £0.2 billion rise on the net borrowing of £30.6 billion the year before. Although the public sector current budget deficit fell by £2.9 billion, public sector net investment grew by £3.1 billion from £11.9 billion to £15.0 billion, and it is this that accounts for the rise in net borrowing during this financial year compared to last. Since net borrowing became positive in 2002, following the current budget moving from surplus into deficit, net debt as a proportion of annual GDP has risen steadily. At the end of 2001 public sector net debt was 30.2 per cent of GDP; by the end of February 2005 this had risen to currently stand at 33.5 per cent.

Trade and the Balance of Payments

The publication of the quarterly Balance of Payments shows that the current account rebounded sharply from the record deficit of £9.4 billion in the third quarter to a deficit of £5.0 billion in the fourth (Figure 14). As a proportion of GDP the deficit has fallen from 3.2 per cent to 1.7 per cent. The driver for this change was the investment income account, which moved from a surplus of £4.0 billion in the third quarter to £8.2 billion in the fourth. The investment income balance had been distorted in the last two quarters by a change in the timing of some dividend payments. This has led to high foreign earnings on UK equity in the third quarter – and low earnings in the fourth. The fourth quarter accounts also include a strong rise in the direct investment earnings from abroad with UK oil companies performing strongly.

Figure 14
Balance of payments

£ million

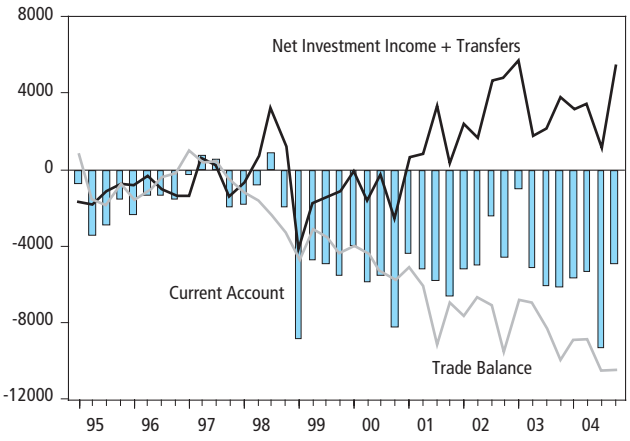
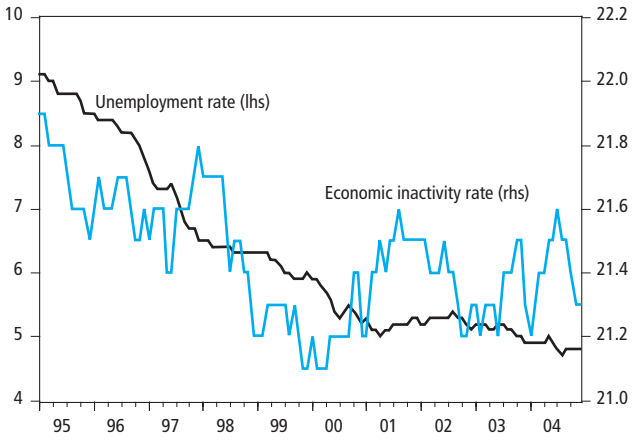


Figure 15
Unemployment & Economically Inactive

Per cent



The run of current account deficits since 1998 reflects the sustained deterioration in the trade balance. The UK has traditionally run a surplus on the trade in services, but this has been overwhelmed by the growing deficits in the trade in goods. In the final quarter of 2004, the trade in services was in surplus to the tune of £4.8 billion whereas the trade in goods was £15.4 billion in deficit giving an overall trade deficit of £10.6 billion. Monthly figures show that the trade deficit deteriorated further in January to stand at £3.7 billion, compared to a deficit of £3.5 billion in December. Once again this was due to an unchanged surplus of £1.5 billion in services added to a £5.2 billion deficit in the trade of good – which rose by £0.3 billion from December. The long run deterioration in the UK's trade deficit is possibly due to exports growing slower than world trade due to the high value of sterling and weak demand from Continental Europe, whilst imports have grown strongly due to high domestic consumer spending.

Labour market

In recent years the strength of the UK economy has been clearly reflected in the labour market statistics. The latest figures from the Labour Force Survey (LFS) pertain to the three month period up to January 2005. The current employment rate stands at 74.9 per cent, a slight rise of 0.2 per cent on the previous three month period. This represents the highest employment rate since August 1990. However, unemployment also rose during the period, climbing 0.1 per cent to stand at 4.7 per cent (Figure 15). The fact that both the employment and unemployment rates increased is accounted for by a fall in the economic inactivity rate. This dropped by 0.2 per cent to stand at 21.3 per cent, with those who were previously inactive being redistributed into either employment or unemployment. The claimant count measures the number of people receiving the jobseeker's allowance. The latest figures for February show that this measure posted a slight fall of 700 – leaving the rate broadly unchanged at 2.6 per cent. The claimant count is now at its lowest level since June 1975.

As job vacancies are often filled from the pool of inactive workers rather than the unemployed, the labour market might not be as tight as the current low unemployment rate implies. The economic inactive are those that are of working age but were either not looking for or were not available for work. The main groups classed as economically inactive are those looking after the family or home, the long term sick and students. Looking at Figure 14, the relatively high inactivity rate between 1995 and 1998 was due to a rise in the long-term sick. However, the numbers of long-term sick since then have remained broadly flat. The fall in the inactivity rate between 1998 and 2000 was predominately due to falling numbers looking after family or the home. Since 2000 though, the rise in the student population is largely responsible for recent increases in the inactivity rate. In the five years leading up to the July to September 2004 period the number of economically inactive people increased by 360,000 with students accounting for 310,000 of these. The number of long-term sick grew by only 10,000 over the same period.

After steadily rising throughout most of 2004, headline average earnings growth has stabilised at the beginning of 2005. Figures based on the average over a three month period show that in the year to January average earnings excluding bonuses rose by 4.4 per cent – the same rate as in December. Including bonuses average earnings growth was 4.0 per cent in both December and January. Wage growth in the public sector continues to outstrip that in the private sector. Annual wage growth excluding bonuses in January in the private sector was 4.3 per cent compared to 4.7 per cent in the public sector. By including bonuses the gap narrows slightly to 4.4 per cent and 4.6 per cent respectively. Despite steady wage inflation the evidence continues to imply that the tight labour market is failing to stoke inflation pressures with CPI inflation hovering around 1.6 per cent. One explanation lies in the relatively strong productivity growth in the economy since the final quarter of 2003. Consequently, the growth in unit wage costs, which are based on the ratio of wage and productivity growth have been flat for the past year, despite the steady rise in average earnings growth.

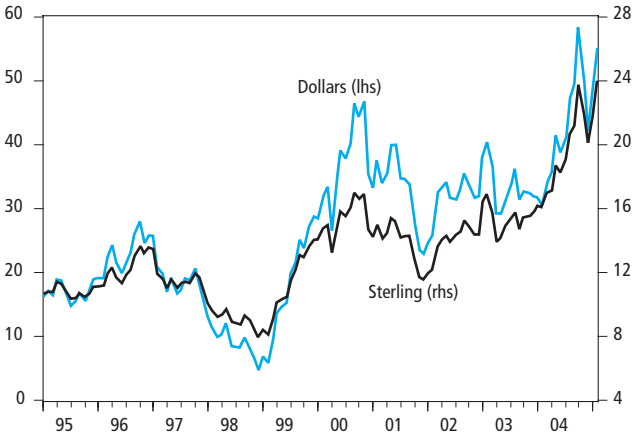
Prices

Over the past year there has been a strong association between the producer price index (PPI) and the oil price. Throughout most of 2004 producer price inflation had been creeping upwards – due in large part to the rise in oil prices (Figure 16). However, in the final three months of the year producer price inflation began to fall – reflecting the moderation in oil prices – although it still remained at levels substantially above those at the beginning of the year. The latest figures though show producer price inflation beginning to rise once again. The producer price index (PPI) increased by 2.8 per cent in the year to February, compared with a rise of 2.6 per cent in the year to January. This again correlates with the recent upward movement in oil prices.

The rise in oil prices during the last year has been striking. The increase seems to have been driven by increased global demand and reinforced by various disruptions in oil supply in different parts of the world. With oil futures now rising, it appears that the high oil price will continue throughout 2005.

Figure 16
Oil prices

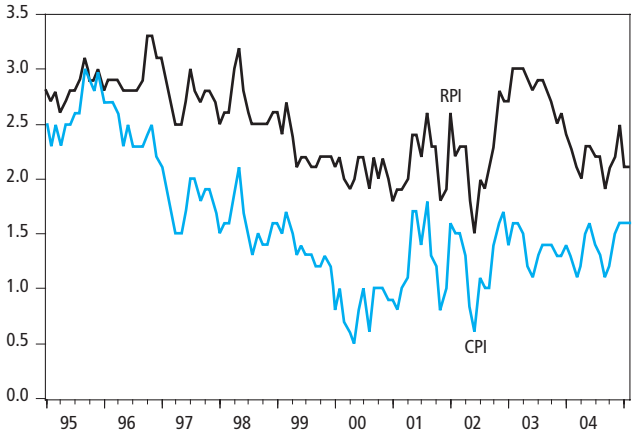
Brent crude per barrel



Growth in the consumer price index (CPI) – the government's target measure of inflation – remained at 1.6 per cent in February and comfortably below the Chancellor's 2.0 per cent target (Figure 17). Upward pressures from transport costs and seasonal food were balanced by less marked inflation in several product groups. Transport costs rose this year as airfares, particularly European and domestic, increased in February. Fuel prices also rose. Another large upward effect came from seasonal food with poor weather reported to have restricted the continental supplies of salad items leading to higher prices in February. On the downward side, sales of furniture and household equipment were not as strong as a year ago producing a large downward effect on the CPI annual rate. Another large downward effect came from recreation and culture where there were reduced prices in February for games, toys and hobbies. The RPI inflation rate remained unchanged at 3.2 per cent in February and was influenced by broadly the same factors. The annual rate for RPI-X inflation, the all items measure excluding mortgage interest payments, was 2.1 per cent and unchanged from the previous month.

Figure 17
Inflation

Growth, month on month a year ago



Forecasts for the UK economy

A comparison of independent forecasts, March 2005

The tables below are extracted from HM Treasury's Forecasts for the UK Economy and summarise the average and range of independent forecasts for 2005 and 2006, updated monthly.

Independent forecasts for 2005

	Average	Lowest	Highest
GDP growth (per cent)	2.6	1.5	3.2
Inflation rate (Q4 per cent)			
CPI	1.8	1.4	3.0
RPI	2.6	1.7	3.6
Unemployment (Q4, million)	0.85	0.76	1.06
Current account (£ billion)	–29.1	–38.4	–20.0
Public Sector Net Borrowing (2004–05, £ billion)	36.7	30.0	45.1

Independent forecasts for 2006

	Average	Lowest	Highest
GDP growth (per cent)	2.3	0.3	2.9
Inflation rate (Q4 per cent)			
CPI	1.9	1.5	3.2
RPI	2.5	1.8	3.9
Unemployment (Q4, million)	0.89	0.74	1.25
Current account (£ billion)	–28.9	–43.7	–12.5
Public Sector Net Borrowing (2005–06, £ billion)	37.3	30.0	50.5

NOTE ***Forecasts for the UK Economy*** *gives more detailed forecasts, covering 27 variables and is published monthly by HM Treasury, available on annual subscription, price £75. Subscription enquiries should be addressed to Claire Coast-Smith, Public Enquiry Unit 2/S2, HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ (Tel 020 7270 4558). It is also available at the Treasury's internet site:* ***http://www.hm-treasury.gov.uk*** *under 'Economic Data and Tools'.*

*PSNB: Public Sector Net Borrowing.

International economic indicators April 2005

Richard Wild
Office for National Statistics

Overview

- The latest quarterly GDP estimates for 2004 quarter four indicate that the US saw the strongest growth, followed by France, Japan, Germany and Italy.
- There is growing evidence of a lapse in the European recovery, with negative quarterly GDP growth of 0.2 per cent in Germany and 0.4[8] per cent in Italy; however, France managed to recover from quarter three's flat posting to expand by a robust 0.8 per cent. Based on new annually chain-linked data, Japan's economy is now estimated to have grown by 0.1[12] per cent, while in the US growth of 0.9[9] per cent was a little down on the rate recorded in quarter three.
- US growth in 2004 was led primarily by buoyant private consumption and strong additions from fixed investment. Following a neutral impact on GDP growth from trade flows in quarter three, high import growth caused a worsening of the trade deficit in quarter four, subtracting from the overall expansion.
- Growth in Japan resulted from a modest increase in government consumption and a small increase in stocks. These gains more than offset a negative impact from trade flows and a slight fall in private consumption. The latest estimates indicate that Japan was in recession during quarters two and three of last year.
- German domestic demand remained sluggish in quarter four, with a large fall in stocks only partly offset by a positive GDP contribution from net trade. The French economy rebounded from quarter three, with growth led by private consumption and fixed investment. The contraction in Italy came mainly from a sharp fall in export sales and a decline in fixed investment.
- Industrial production expanded on a quarter-on-quarter measure in Germany in quarter three. In quarter four, production growth was negative in Italy while output grew in France. Growth was also negative once again in Japan, but in the US production levels continued to advance. External indicators of business confidence uncovered waning expectations in Germany, while in the US a slight weakening in manufacturing activity and an increase in non-manufacturing activity left the overall picture of sustained robust growth unchanged. Indices for manufacturing and services strengthened in France, but in Italy the services index declined, while a rise in the manufacturing index brought about a level just consistent with positive growth.
- Unemployment rates in Germany – which have been revised downwards – and France are high but broadly stable at 9.6 per cent and 9.7 per cent respectively, while in Italy figures up to September indicate a rate of 7.8 per cent, around 0.4 percentage points down on the start of last year. Unemployment fell gradually in the US during 2004, and reached 5.2 per cent in January of this year. A similar downward trend occurred in Japan, although there was a minor rise between December and January to leave the rate at 4.5 per cent.
- Renewed oil price growth in early 2005 may offer some explanation for the recent pick up in producer price pressures. Particularly strong PPI inflation was evident in Italy, the US and now Germany during December/January. Producer prices have risen in Japan in each of the last three quarters, although inflation eased back in January. CPI inflation picked up in most of the countries in quarter four, but looks to have broadly levelled off in Italy and the US, and cut back in France and Germany. In Japan, consumer prices deflated by 0.1 per cent in January following three months of positive growth.

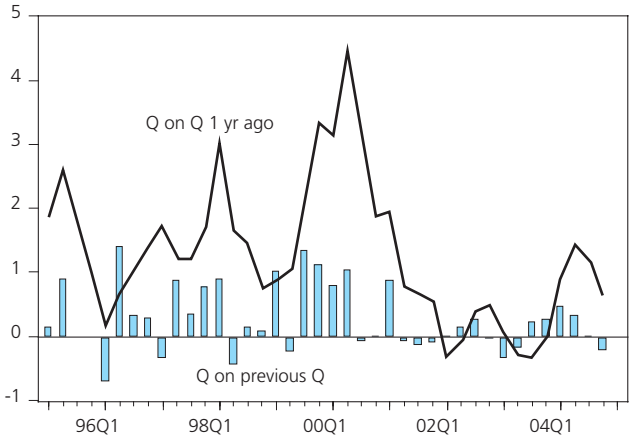
Germany

In quarter four of 2004, GDP contracted by 0.2 per cent on the previous quarter after remaining flat in quarter three. The lack of growth in the latter half of last year contrasts with gains of 0.5 per cent and 0.4 per cent in quarters one and two respectively. Four-quarter GDP growth was some way below trend at 0.6 per cent.

Looking at changes in the components of GDP, private consumption recovered a little in quarter four, adding 0.1 percentage points to GDP growth, although this was broadly offset by a decline in government expenditure. Fixed investment increased marginally[1] but only made a flat contribution to overall growth; this component was weak in all but quarter three of last year. An apparently large fall in stocks resulted in a deduction of 0.8 per cent from GDP, while net exports boosted overall growth in quarter four by 0.5 percentage points (Figure 1).

Figure 1
Germany: GDP

Quarterly and four-quarter growth



External indicators of the German economy painted a slightly more consistent picture of present opinions and future prospects than has been the case in recent months. The ZEW Indicator of Economic Sentiment (expectations)[2] fell heavily during November last year but has since made a full recovery to rest slightly above its historical average. An upsurge in incoming orders combined with strong export growth in March; however, recent increases in both the euro exchange rate and oil prices served to temper expectations, with the index coming to rest a little above the February figure. In contrast to last month's survey, opinions of Germany's current situation fell sharply. The February IFO Business Climate Survey,[3] encompassing manufacturing, construction, wholesaling and retailing, fell for the third consecutive month in March, with opinions of both the current situation and the next six months waning. The climates in both the manufacturing and retail sectors worsened, although the outlook for exports improved.[3]

Industrial production was considerably stronger in 2004 quarter three than in the same period a year ago, with annual growth of 4.6 per cent, up 0.5 percentage points on the quarter two rate. Looking at the quarter-on-quarter figures, it is apparent that these relatively large gains stem from a robust 1.5 per cent increase in output made in quarter two, while a lesser 0.2 per cent rise in quarter three brought about the further increase in the annual rate. On a month-on-month basis, the outlook for growth in quarter four is uncertain due to the volatility of this measure. However, production growth of 0.4 per cent in October was outweighed by a 1.5 per cent contraction in November, implying that strong gains will need to be recorded for December to ensure positive growth for the quarter overall.

CPI inflation climbed reasonably rapidly during 2004 due to increases in oil and fuel costs, tobacco prices, and healthcare costs stemming from structural reforms. For quarter four of this year, annual inflation reached 2.0 per cent, up 0.2 percentage points on quarter three. After edging up to 2.1 per cent in December, the monthly figure fell back to 1.6 per cent in January before picking up a little to the February rate of 1.8[4] per cent. PPI inflation was very subdued in the first quarter of 2004 – when it averaged 0.2 per cent – but picked up quite sharply to 1.3 per cent in the second quarter of the year. After climbing to 2.2 per cent in quarter three, PPI inflation continued upwards to reach 3.0 per cent in quarter four. Past increases in fuel costs and other key raw materials and inputs served to elevate PPI inflation above CPI inflation. After evidence in November and December that these past price pressures were easing, the rate jumped to 3.9 per cent January and further to 4.2[4] per cent in February – the highest rate of inflation since June 2001.

Some revisions have been made in the calculation of German unemployment, with the effect of reducing the rate by up to 0.5 percentage points in recent periods. The latest figures for January indicate a rate of 9.6 per cent, in comparison to the new December figure of 9.5 per cent (previously 10.0 per cent). These figures are now comparable to the rate seen at the start of 2004, with unemployment now looking to have peaked last October at 9.8 per cent. Annual employment growth has been weak over the last few years, and was negative throughout 2002 and 2003, but there was a clear pick-up in activity last year. In quarter one, growth was flat, followed by growth in quarter two of 0.2 per cent. Further gains were made in quarters three (0.5 per cent) and four (0.7 per cent) to bring growth for the year as a whole to 0.3 per cent.

Average earnings growth has picked up slightly since the back end of 2003, although it remains low by historical standards. Wage inflation averaged 2.4 per cent in 2003, in which high growth in the first half of the year was followed by more subdued growth in the second. After exceeding two per cent in quarters one and two of last year, wage growth fell to 1.6 per cent in quarter three before picking up a little to 1.9 per cent in quarter four, making overall growth in 2004 a reasonable 2.0 per cent.

France

The latest GDP estimates indicate that quarterly growth in quarter four last year was 0.8 per cent, a marked improvement on quarter three's flat posting. In annual terms, growth reached 2.2 per cent, 0.2 percentage points higher than the quarter three rate, but below the 3.1 per cent posted in quarter

two. The quarterly rate is the highest recorded since 2003 quarter three, and it now places French growth some way above that of Italy and Germany.

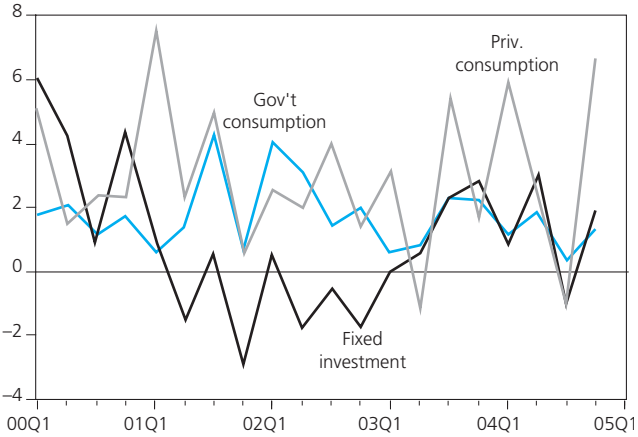
Private consumption growth rebounded in quarter four after stagnating in quarter three, adding 0.7 per cent to GDP. Government consumption again contributed a modest 0.1 percentage points to the expansion, while fixed investment growth increased GDP by 0.2 per cent (Figure 2). In contrast to quarter three, stocks cut back to reduce the overall growth rate by 0.3 percentage points. Finally, trade increased GDP by 0.1 per cent, with a rise in imports outweighed by a greater rise in exports.[5]

In spite of the strong pick up in GDP growth since quarter three, recent manufacturing surveys offer mixed and muted signals in that sector; the service sector, however, looks to be expanding. According to the March INSEE monthly business survey (goods producing industries),[6] the composite expectations indicator deteriorated sharply after remaining broadly stable over the past year, with activity slowing in all industrial sectors. Output expectations for the next three months do not suggest an improvement in the situation.[6] The PMI Manufacturing Index[7] has fallen somewhat in recent history but the index improved in February and March to reach 53.2[7] points. The corollary PMI Service Index[6] has been growing consistently for the past few months, and climbed from 56.6[7] points in February to reach a robust 57.2[7] points in March.

Industrial production appears to have advanced once again in 2004 quarter four after contracting by 0.1 per cent in the preceding quarter. In 2003, the IOP grew by 0.7 per cent in the third quarter and 1.2 per cent in the fourth, and it increased by 0.2 per cent and 0.7 per cent, respectively, in the first two quarters of 2004. This run of four consecutive quarterly expansions is the longest since 1999 quarter two. After growing by 1.1 per cent in 2001, the index fell by 1.5 per cent in 2002 and by a further 0.5 per cent in 2003. The seasonally adjusted month-on-month figures show that growth in October and November was –1.0 per cent and 0.3 per cent respectively, followed by growth of 0.7 per cent in December. Looking at the quarter-on-quarter figures, industrial production in quarter four increased by 0.7 per cent.

Figure 2
France: Domestic demand

Contributions of components to quarterly GDP growth



There is evidence that annual CPI inflation is falling. The rate increased from 1.7 per cent in March to 2.2 per cent in April, and then reached 2.7 per cent in May. Since then CPI inflation eased to average 2.2 per cent from September to December, and in January the rate dropped substantially to 1.6 per cent. The pick up in inflationary pressure in the first half of last year coincided with the rise in oil prices, although domestic factors may also have contributed to the acceleration. Producer prices, however, continue to accelerate, although by less than in the other countries. Having started the year at 0.1 per cent, PPI inflation increased steadily to June. The pickup became pronounced in the third quarter, with inflation climbing from 1.4 per cent in July to reach 2.3 per cent in November and December. In January inflation climbed further to reach 2.6 per cent. High oil and fuel costs have underpinned the rise in PPI inflation to its highest rate since February 2001.

The French unemployment rate has been high but stable since June of 2003, and lies a little above the newly revised German rate. The latest January data indicates a rate of 9.7 per cent, equal to the December figure. Unemployment has been rising since 2001 quarter three, and this trend coincided with below-trend GDP growth in 2002 and 2003 – although, that said, above-trend growth in the first half of 2003 does not yet appear to have had any downward effect on unemployment. Unsurprisingly, employment growth has been moving in the opposite direction. Annual employment growth has been slowing since 2000 and was mildly negative in 2003. The figures for 2004 have so far been comparable to those recorded in the same period last year, offering no evidence of improvement. On a quarter-on-quarter measure, a decline of 0.2 per cent was recorded in quarter one followed by negative growth of 0.1 per cent in quarter two, and zero growth in quarter three.

Between 2000 and 2003, annual earnings growth had been falling, following its peak at 5.4 per cent in 2000 quarter two. After a rise of 3.0 per cent in 2003 quarter three, the rate fell back to remain stable at 2.8 per cent for the next three quarters. The latest figure for 2004 quarter three, however, indicates that growth climbed back up to 3.0 per cent.

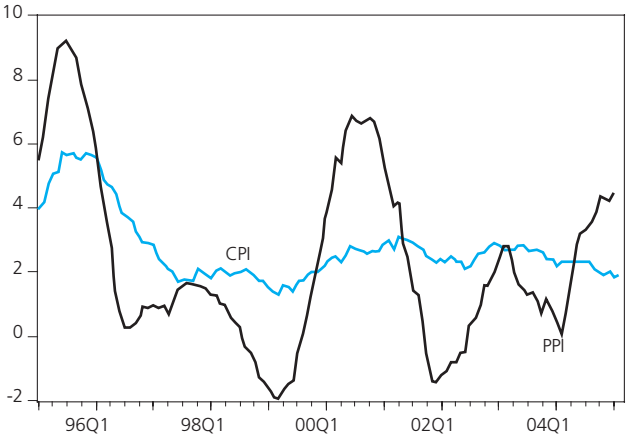
Italy

Estimates of 2004 quarter four GDP, released in March, show that GDP fell by 0.4[8] per cent, with four-quarter growth at 0.8[8] per cent; these figures compare to respective growth rates of 0.4 per cent and 1.4 per cent in quarter three. Growth in both the domestic and trade components was at best weak, and the performance of the Italian economy now looks to have been below that of Germany.

Looking at growth on a quarter-on-quarter measure, domestic demand was weak. Household expenditure added 0.1[8] per cent to quarterly GDP, 0.1 percentage points less than in quarter three. Government consumption made a flat contribution to overall growth[8], while a fall in fixed investment reduced GDP growth by 0.3[8] percentage points. Stocks boosted GDP by a sizeable 1.1[8] per cent, but a large fall in the value of exports, coupled to an insignificant change in the value of imports, caused net trade to subtract 1.4[8] percentage points from overall growth.

Figure 3
Italy: Prices

Annual CPI and PPI inflation



Recent business surveys suggest mixed movements in domestic activity. The Purchasing Managers' Index (PMI) for manufacturing[7] picked up modestly in March, but the level remains very close to 50 points – a level consistent with flat growth. The index had previously fallen towards the end of last year to suggest a contraction in manufacturing output. The corollary PMI services index[6] has moved downwards over the last four months, with a fall of 0.9 points recorded in March. While the level is still indicative of a modest expansion, at 51.6 points, it is also close to suggesting zero growth in the service sector.

The Index of Production fell from 2001 to 2003, and the data for 2004 so far indicate a continuation of this trend. Quarter-on-quarter output growth in the first half of the year was mildly negative, with a loss of 0.4 per cent in quarter one only partly offset by quarter two growth of 0.2 per cent. In quarters three and four, however, production contracted by 0.5 per cent and 1.4 per cent respectively. Annually, production was increasingly down on last year, with losses from July to November, and for 2004 as a whole output was 0.4 per cent less than in 2003. The month-on-month figures paint a fairly negative picture of production during the latter half of 2004, with production falling uniformly from October to December.

Consumer price inflation continued to fall in the latter months of 2004, from the August rate of 2.3 per cent to 1.9 per cent in November (Figure 3). Prices have fluctuated mildly since then, with inflation in February climbing 0.1 percentage points on January to again reach 1.9 per cent, equal to the rate for 2004 quarter four. Producer price inflation peaked in 2000 at 6.0 per cent, fell to only 0.2 per cent in 2002 and picked up again the following year. In March 2004, producer prices began to increase quite rapidly, and PPI inflation hit a three-year high of 4.5 per cent in January of this year after easing back gently towards December.

Some revisions have been applied to the Italian unemployment rate, which has been moving downwards since 1998. In 2004, the rate fell to 8.0 per cent in the second quarter, and cut back further to 7.8 per cent in quarter three, the current limit of the data provided to the OECD. Annual employment growth has been positive but declining over the last couple of years but there have been recent signs of an upturn, with the level reaching a contemporary high in 2004 quarter two. Employment growth was positive but diminishing from 2001 to 2003. However, recent data for the second and third quarters of 2004 show annual employment growth of 1.7 per cent and 1.1 per cent respectively, pointing to a pick up in the labour market in comparison to the same period last year. On a quarter-on-quarter basis, the most recent data for 2004 quarter three show employment growth of 0.2 per cent following a rapid gain of 1.8 per cent in quarter two.

Average earnings growth picked up steadily through 2004 and reached 3.7 per cent in May. Growth remained at this level in June but then fell quite sharply during quarter three to settle at 2.1 per cent in September. Growth picked up modestly in October and November, and sharply in December, to reach 3.1 per cent. Up to 2003, falling unemployment and rising earnings growth suggested that some tightening of the labour market had occurred; to the limit of the unemployment figures in September of last year, the data appear to be consistent with this picture.

USA

The latest quarter four GDP estimates (not included in Table 4) place growth at 0.9[9] per cent on a quarter-on-quarter measure, and at 3.9[9] per cent compared with quarter four of 2003. These follow on from respective quarterly and four-quarter growth rates of 1.0 per cent and 4.0 per cent in quarter three. The US economy grew by 3.0 per cent in 2003, outperforming all the other economies analysed here, and the current data indicate that growth was considerably more rapid than it was in these other economies in 2004.

Quarterly growth in quarter four was again driven primarily by domestic demand, in particular by a robust rise in private consumption, which added 0.7[9] percentage points to the total expansion. While there was a small increase in durable goods consumption, both non-durable goods and services consumption grew strongly. Investment spending was buoyant in the software and equipment and non-residential construction subsectors, while residential investment made a modest advance. Overall, this component boosted GDP by 0.4[9] per cent. Government consumption now looks to have made a contribution of 0.1[9] percentage points to the overall increase in GDP, while a fall in stocks subtracted 0.2[9] percentage points from growth. Turning to trade, net exports subtracted 0.4[9] per cent from GDP following a strong rise in import growth that outpaced growth in exports.

Recent surveys of business activity signal that the robust expansion in output continues. The Institute for Supply Management Manufacturing (diffusion) Index[10] fell from 56.4[10] per cent in January to 55.2[10] per cent in February. Although falling, the level still suggests strong growth, and economic activity according to this measure has increased for the twenty-one consecutive months. The corresponding Non-Manufacturing Index[11] rose from 59.2[11] per cent in January to 59.8[11] per cent in February. As with the manufacturing index, however, this figure is consistent with robust output gains, and the level has indicated expansion in this sector for the last twenty-three months.

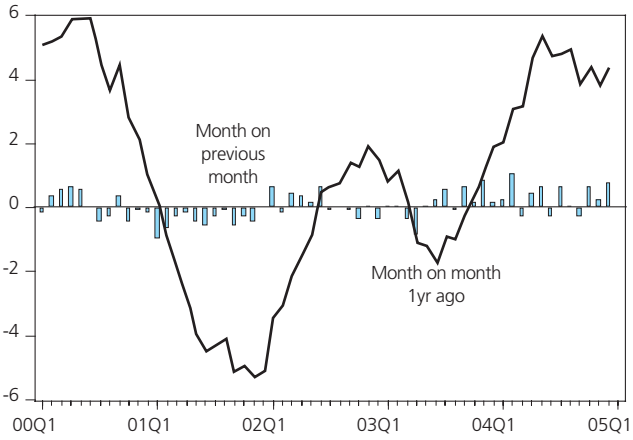
After three years of contraction, from 2001 to 2003, the Index of Production made a strong recovery in 2004 (Figure 4). Following on from quarter-on-quarter gains of 1.1 per cent and 1.4 per cent in quarters three and four of 2003, the IOP averaged growth of around 1.0 per cent in each quarter of 2004. In annual terms, production output grew by 4.2 per cent between 2003 and 2004 – a rate similar to those seen in 1999 and 2000.

Inflationary pressures picked up into the beginning of 2004 quarter four for both consumers and producers. CPI inflation climbed abruptly in the second quarter of 2004 reaching 3.3 per cent in June, 1.6 percentage points above than the March rate. After edging back in August and September, inflation quickened once again to stand at a year-high of 3.5 per cent in November. The rate fell back to 3.3 per cent in December, however, and moved down to 3.0[12] per cent in January. Producer price inflation also increased from the second quarter of 2004 onwards, albeit more rapidly than consumer price inflation. From a March rate of 1.2 per cent, PPI inflation climbed in most months to November to register 6.1 per cent, before falling back to 5.1 per cent in December. The December reduction in PPI inflation may relate in part to the fall in oil prices towards the end of last year. If so, then the recent resurgence in oil price growth in January and February of this year may well cause the rate to pick up once again.

The US unemployment rate has been declining slowly since mid-2003, after reaching a peak of 6.3 per cent in June of that year. In January 2005, the rate stood at 5.2 per cent, after posting a rate of 5.4 per cent in December. Recent falls suggest that output growth has been accompanied by some tightening in the labour market. Employment growth in 2004 was robust in comparison to recent years, and the level is now at a record high (Figure 4). The quarter four annual rate of 1.3 per cent was a little lower than the quarter three figure, but there was an improvement in growth over the first half of the year.

Figure 4
USA: Industrial production

Monthly and twelve-monthly growth



Average earnings growth was relatively weak in 2004 quarters two and three, and despite a recovery in quarter four, annual growth was the weakest seen since 1998 at 2.6 per cent. The data is perhaps slightly at odds the employment and unemployment data, which suggest some tightening in the labour market. Four-quarter growth fell from 3.6 per cent in 2002 to 3.0 per cent in 2003, and fell further to 2.4 per cent in quarters two and three of 2004. In quarter four growth rebounded to 3.0 per cent, mainly as the result of particularly strong gains made in October. However, annual growth in January was relatively subdued at 1.8 per cent.

Japan

According to the latest annually chain-linked estimates, GDP now looks to have expanded by 0.1[13] per cent in quarter four of last year, on a quarter-on-quarter measure; this contrasts with the preceding quarter four estimate of a 0.1 per cent contraction in national expenditure. However, the new data also now show that the economy contracted by 0.3[13] per cent in both quarter two and quarter three of last year, indicating overall that Japan's recession was shorter but slightly sharper than previously thought.

Private consumption subtracted 0.1[13] per cent from GDP on a quarter-on-quarter measure, a loss that was broadly offset by a modest increase in government consumption. Fixed investment now looks to have made a flat contribution to overall growth, having risen very slightly from quarter three.[13] Lastly, imports increased by a greater amount than exports, resulting in a reduction in the trade surplus and a cut in GDP growth of 0.1[13] percentage points (Figure 5). Looking at the evolution of GDP from 2003 quarter four, growth is now estimated to have been 1.0[13] per cent. Save for a negative contribution from fixed investment, the components of domestic demand all boosted GDP, as did net trade.[13]

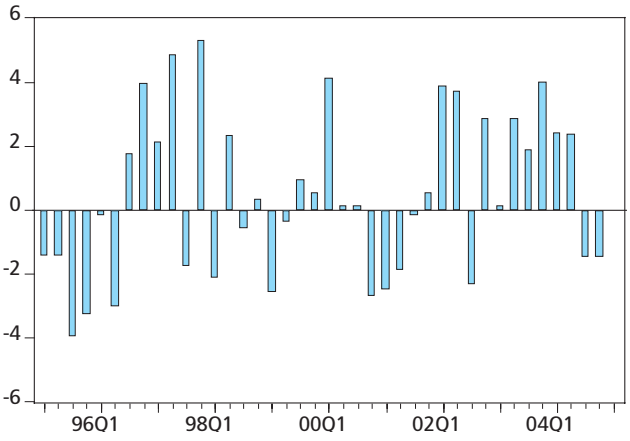
Industrial production growth remained very strong up to August, when a rate of 7.7 per cent was posted, 0.1 percentage points below the July figure. However, growth cut back sharply towards end-year, and by January the annual increase in output measured a modest 1.0 per cent. Quarter-on-quarter industrial production grew by 0.7 per cent in quarter one of 2004 and accelerated sharply in quarter two when it gained 2.5 per cent. The latter half of the year was contrastingly weak, with output falls in both quarter three (0.6 per cent) and quarter four (0.8 per cent). On the volatile month-on-month measure, the latest figures for 2005 are more positive, indicating growth in January of 2.4 per cent.

CPI inflation was negative at 0.1 per cent in January, having been positive since October of last year (Figure 5). Inflation was flat during 2004 as a whole, making it the first year without deflation since 1998. Producer price pressures also appear to have eased; PPI inflation became positive in April 2004, at 0.4 per cent, for the first time in nearly four years. The rate edged up through to October when it reached 2.3 per cent, where it remained in November and December before falling back to 1.8 per cent in January.

After reaching a historical high at the end of 2002 of 5.5 per cent, the unemployment rate has been falling. The rate declined gradually in 2003 and settled at 4.6 per cent in May and June of 2004. The rate picked up to 4.9 per cent in July, and was a little erratic to December when it fell to a five-year low of 4.4 per cent. In January, the rate increased marginally to stand at 4.5 per cent. Employment growth was negative from 1999 to 2003, although the data for 2004 now indicate

Figure 5
Japan: Net exports

Contributions to quarterly GDP growth



that growth became positive at 0.2 per cent. Four-quarter gains of 0.2 per cent were made in quarters one and two of last year, before growth of 0.3 per cent in quarter three was followed by a flat posting in the final quarter. On the strength of these two measures, the labour market looks to have tightened somewhat since 2002, albeit relatively little in comparison to historical norms.

The latest average earnings data offer some support to this picture, although some caution should be exercised when interpreting the labour market figures, as each series relates to a separate degree of labour market inclusion. Annual earnings growth was a little erratic towards year-end, with a large increase in November forming the majority of a moderate 1.5 per cent rise in quarter four overall. Growth for the whole of 2004 was 1.7 per cent – a little slower than in 2003 but equal to the 2000 figure.

Notes

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

1. DESTATIS, http://www.destatis.de/presse/englisch/pm2005/p0740121.htm

2. Zentrum für Europäische Wirtschaftsforschung, http://www.zew.de/en/presse/presse.php?action=article_show&LFDNR=434

3. Institute for Economic Research at the University of Munich, http://www.cesifo.de/pls/cesifo_app/CESifoFrameSet.SwitchFrame?factor=10&page=/link/gk-e.htm

4. DESTATIS, http://www.destatis.de/indicators/e/pre110je.htm

5. INSEE, http://www.insee.fr/fr/indicateur/indic_conj/donnees/doc_idconj_26.pdf; plus author's own calculations based on this data

6. INSEE, http://www.insee.fr/en/indicateur/indic_conj/indconj_frame.asp?ind_id=11

7. REUTERS, http://www.reuters.com (available on subscription)

8. ISTAT, http://www.istat.it/fmi/ITALY-NSDP.html

9. BEA, http://www.bea.gov/bea/newsrelarchive/2005/gdp404p.pdf; plus author's own estimates based on this data.

10. Institute for Supply Management, http://www.ism.ws/ISMReport/ROB012005.cfm

11. Institute for Supply Management, http://www.ism.ws/ISMReport/NMROB012005.cfm

12. Bureau of Labor Statistics, http://stats.bls.gov/news.release/cpi.nr0.htm

13. ESRI, http://www.esri.cao.go.jp/jp/sna/qe044-2/gaku-jk0442.csv ; plus author's own calculations based on this data.

Please note that graphs do not include data from the above sources unless otherwise stated.

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

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

1 Germany

	Contribution to change in GDP												
	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl[1]	Unempl
Percentage change on a year earlier														
	ILFY	HUBW	HUBX	HUBY	HUBZ	HUCA	HUCB	ILGS	ILHM	HVLL	ILAF	ILAO	ILIG	GABD
1999	1.9	2.0	0.2	0.8	–0.4	1.5	2.3	1.2	0.2	0.5	–1.0	2.6	–0.1	7.9
2000	3.1	1.3	0.2	0.8	–0.1	4.3	3.3	5.5	1.4	1.5	3.1	2.8	0.6	7.2
2001	1.0	1.0	0.2	–0.9	–1.0	2.1	0.4	0.2	1.2	2.0	3.0	1.6	0.3	7.4
2002	0.1	–0.4	0.4	–1.3	–0.4	1.4	–0.5	–1.0	–2.2	1.4	–0.6	1.7	–0.8	8.2
2003	–0.1	–	–	–0.4	0.9	0.6	1.2	0.4	–0.5	1.1	1.7	2.4	–0.8	9.1
2001 Q3	0.7	1.2	0.2	–1.3	–1.4	2.0	–	–1.5	1.5	2.2	2.6	1.2	0.1	7.5
Q4	0.5	0.9	0.3	–1.5	–1.4	0.2	–1.9	–4.3	0.4	1.6	0.3	1.0	–0.3	7.7
2002 Q1	–0.3	–0.4	0.2	–1.4	–1.1	0.5	–1.9	–3.8	–3.7	2.0	–0.4	1.1	–0.6	7.8
Q2	–0.1	–0.6	0.4	–1.6	–0.4	1.3	–0.9	–1.7	–2.6	1.3	–1.3	1.1	–0.7	8.1
Q3	0.4	–0.5	0.5	–1.3	–0.1	1.8	–0.1	–0.2	–1.1	1.1	–1.1	2.1	–0.8	8.3
Q4	0.5	–0.1	0.4	–1.0	–0.2	2.2	0.8	1.8	–1.3	1.2	0.3	2.5	–1.0	8.5
2003 Q1	0.1	0.4	–	–0.9	1.4	1.7	2.5	1.4	0.4	1.2	1.7	2.8	–1.2	8.8
Q2	–0.3	0.3	0.1	–0.5	0.5	–	0.8	–0.3	0.4	0.9	1.5	2.8	–1.0	9.0
Q3	–0.3	–0.2	0.1	–0.3	0.2	0.6	0.7	–1.2	–2.0	1.1	1.9	2.1	–0.8	9.1
Q4	–	–0.5	–0.1	–	1.4	0.3	1.0	1.7	–0.8	1.2	1.8	2.0	–0.5	9.4
2004 Q1	0.9	–0.5	0.1	–0.5	0.3	2.0	0.5	1.4	–1.9	1.0	0.2	2.2	–	9.5
Q2	1.4	–0.7	–	–0.4	0.2	4.4	2.0	4.1	–2.8	1.7	1.3	2.4	0.2	9.5
Q3	1.2	–0.5	0.1	–0.3	2.2	2.3	2.7	4.6	–1.8	1.8	2.2	1.6	0.5	9.6
Q4	0.6	–	–	–0.5	0.4	2.5	1.8	..	–1.9	2.0	3.0	1.9	0.7	9.6
2004 Jan	..	..	..	..	..	..	..	1.9	–1.7	1.2	0.2	..	..	9.5
Feb	..	..	..	..	..	..	..	1.5	–2.5	0.9	–0.1	..	..	9.5
Mar	..	..	..	..	..	..	..	1.0	–1.4	1.1	0.3	..	..	9.5
Apr	..	..	..	..	..	..	..	3.2	–2.2	1.6	0.9	..	..	9.5
May	..	..	..	..	..	..	..	4.9	–3.2	2.0	1.6	..	..	9.5
Jun	..	..	..	..	..	..	..	4.3	–3.0	1.7	1.5	..	..	9.5
Jul	..	..	..	..	..	..	..	3.5	–2.1	1.8	1.9	..	..	9.5
Aug	..	..	..	..	..	..	..	5.0	–0.7	2.0	2.2	..	..	9.7
Sep	..	..	..	..	..	..	..	5.2	–2.6	1.8	2.3	..	..	9.5
Oct	..	..	..	..	..	..	..	3.0	–2.3	2.0	3.3	..	..	9.8
Nov	..	..	..	..	..	..	..	0.1	–2.6	1.8	2.8	..	..	9.5
Dec	..	..	..	..	..	..	..	..	–0.9	2.1	2.9	..	..	9.5
2005 Jan	..	..	..	..	..	..	..	..	..	1.6	3.9	..	..	9.6
Percentage change on previous quarter														
	ILGI	HUCC	HUCD	HUCE	HUCF	HUCG	HUCH	ILHC	ILHW				ILIQ	
2001 Q3	–0.2	0.1	–	–0.5	–0.5	0.3	–0.4	–0.8	–0.1				0.2	
Q4	–0.1	–0.4	0.3	–0.4	–0.2	0.1	–0.4	–2.4	–1.0				0.5	
2002 Q1	–	–0.4	–	–0.2	–0.6	0.2	–1.0	1.0	–2.0				–2.2	
Q2	0.2	0.1	0.1	–0.5	0.9	0.6	0.9	0.5	0.5				0.8	
Q3	0.3	0.3	–	–0.2	–0.3	0.8	0.4	0.7	1.4				0.1	
Q4	–	–	0.2	–0.1	–0.2	0.6	0.5	–0.4	–1.2				0.3	
2003 Q1	–0.4	0.1	–0.3	–0.1	0.9	–0.3	0.6	0.6	–0.2				–2.4	
Q2	–0.2	–0.1	0.1	–0.1	0.1	–1.0	–0.8	–1.2	0.4				1.0	
Q3	0.3	–0.2	–	–	–0.6	1.4	0.3	–0.2	–1.0				0.3	
Q4	0.3	–0.3	–	0.2	1.0	0.2	0.8	2.5	–				0.6	
2004 Q1	0.5	0.1	–	–0.6	–0.2	1.4	0.2	0.3	–1.4				–1.9	
Q2	0.4	–0.2	–	–	–	1.3	0.7	1.5	–0.5				1.2	
Q3	–	–	0.1	0.1	1.4	–0.6	1.0	0.2	–				0.6	
Q4	–0.2	0.1	–0.1	–	–0.8	0.4	–0.1	..	–0.1				0.8	
Percentage change on previous month														
								ILKC	ILKM					
2003 Dec								–0.5	0.3					
2004 Jan								0.6	–0.8					
Feb								–0.4	–0.6					
Mar								–0.3	0.4					
Apr								1.5	0.2					
May								0.9	–2.2					
Jun								–1.0	2.1					
Jul								1.1	–1.0					
Aug								–0.7	0.7					
Sep								–	–0.4					
Oct								0.4	0.4					
Nov								–1.5	–1.7					
Dec								..	2.0					

GDP = Gross Domestic Product at constant market prices
PFC = Private Final Consumption at constant market prices
GFC = Government Final Consumption at constant market prices
GFCF = Gross Fixed Capital Formation at constant market prices
ChgStk = Change in Stocks at constant market prices
Exports = Exports of goods and services
Imports = Imports of goods and services
IoP = Industrial Production
Sales = Retail Sales volume
CPI = Consumer Prices measurement not uniform among countries
PPI = Producer Prices (manufacturing)
Earnings = Average 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

	GDP	Contribution to change in GDP: PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI[1]	Earnings	Empl[2]	Unempl
Percentage change on a year earlier														
	ILFZ	HUBK	HUBL	HUBM	HUBN	HUBO	HUBP	ILGT	ILHN	HXAA	ILAG	ILAP	ILIH	GABC
1999	3.2	1.9	0.3	1.6	–0.3	1.1	1.5	2.1	4.9	0.5	–1.6	2.6	2.1	10.5
2000	4.2	1.6	0.7	1.7	0.4	3.6	3.8	4.2	3.1	1.7	2.0	5.2	2.8	9.1
2001	2.1	1.5	0.6	0.4	–0.6	0.5	0.4	1.1	2.6	1.6	1.2	4.2	1.6	8.4
2002	1.1	1.0	1.1	–0.4	–0.2	0.5	0.9	–1.5	1.8	2.0	–0.2	3.6	0.7	8.9
2003	0.5	0.9	0.6	–	–0.2	–0.7	0.1	–0.5	1.0	2.0	0.3	2.8	–0.1	9.5
2001 Q3	2.5	1.7	0.8	0.4	–1.0	0.2	–0.2	1.3	3.4	1.8	0.7	4.2	1.3	8.3
Q4	0.4	1.5	0.7	–0.3	–1.3	–1.5	–1.2	–1.8	2.0	1.4	–	4.0	1.1	8.4
2002 Q1	0.8	1.0	1.0	–0.3	–0.1	–0.7	0.1	–2.6	2.0	2.1	–0.7	3.9	0.8	8.6
Q2	1.3	1.0	1.2	–0.3	–0.5	0.9	0.9	–1.1	2.0	1.7	–0.5	3.9	0.7	8.9
Q3	0.9	0.9	0.9	–0.5	0.1	0.7	1.3	–1.7	1.5	1.8	0.1	3.4	0.7	9.1
Q4	1.4	1.0	1.1	–0.3	–0.1	1.1	1.3	–0.7	1.7	2.3	0.2	3.4	0.5	9.1
2003 Q1	0.6	1.1	0.7	–0.4	–0.3	–0.2	0.4	0.2	1.3	2.4	0.6	2.8	0.2	9.2
Q2	–0.3	0.7	0.5	–0.2	–0.3	–1.3	–0.2	–2.0	1.0	1.8	0.6	2.7	–	9.4
Q3	0.5	0.9	0.6	0.1	–0.5	–1.1	–0.5	–1.0	1.0	1.9	–	3.0	–0.3	9.5
Q4	1.3	0.9	0.6	0.6	0.1	–0.3	0.5	1.1	0.6	2.1	0.1	2.8	–0.3	9.7
2004 Q1	2.0	1.2	0.7	0.7	–0.1	0.5	0.9	0.6	1.8	1.8	0.2	2.8	–0.2	9.6
Q2	3.1	1.5	0.8	0.9	0.9	1.1	2.1	2.9	1.8	2.5	0.6	2.8	–0.1	9.6
Q3	2.0	0.9	0.6	0.6	1.8	1.0	2.8	2.0	1.7	2.3	1.7	3.0	–	9.7
Q4	2.2	1.4	0.5	0.5	1.2	1.0	2.4	1.5	1.9	2.2	2.3	..	..	9.6
2004 Jan	..	..	..	..	..	..	..	–0.3	2.0	1.9	0.1	..	..	9.7
Feb	..	..	..	..	..	..	..	0.7	2.1	1.8	0.2	..	..	9.6
Mar	..	..	..	..	..	..	..	1.4	1.3	1.7	0.3	..	..	9.6
Apr	..	..	..	..	..	..	..	0.8	1.1	2.2	0.4	..	..	9.6
May	..	..	..	..	..	..	..	3.6	0.5	2.7	0.6	..	..	9.6
Jun	..	..	..	..	..	..	..	4.1	3.9	2.5	0.8	..	..	9.6
Jul	..	..	..	..	..	..	..	2.2	1.9	2.4	1.4	..	..	9.6
Aug	..	..	..	..	..	..	..	0.7	2.3	2.5	1.7	..	..	9.7
Sep	..	..	..	..	..	..	..	2.9	1.0	2.2	1.9	..	..	9.7
Oct	..	..	..	..	..	..	..	0.8	1.6	2.2	2.1	..	..	9.6
Nov	..	..	..	..	..	..	..	1.8	1.8	2.1	2.3	..	..	9.6
Dec	..	..	..	..	..	..	..	2.1	2.2	2.2	2.3	..	..	9.7
2005 Jan	..	..	..	..	..	..	..	..	..	1.6	2.6	..	..	9.7

Percentage change on previous quarter														
	ILGJ	HUBQ	HUBR	HUBS	HUBT	HUBU	HUBV	ILHD	ILHX				ILIR	
2001 Q3	0.6	0.5	0.4	0.1	–0.8	0.1	–0.2	0.3	1.0				0.2	
Q4	–0.7	0.1	0.1	–0.3	–	–0.7	–0.2	–1.9	0.2				0.3	
2002 Q1	0.9	0.3	0.4	0.1	0.4	0.6	0.8	–0.2	0.1				0.1	
Q2	0.5	0.2	0.3	–0.2	–0.2	0.8	0.5	0.7	0.7				0.1	
Q3	0.3	0.4	0.1	–0.1	–0.1	–	0.2	–0.3	0.5				0.2	
Q4	–0.3	0.1	0.2	–0.2	–0.3	–0.3	–0.2	–0.9	0.5				0.1	
2003 Q1	0.1	0.3	0.1	–	0.3	–0.6	–0.1	0.7	–0.4				–0.2	
Q2	–0.4	–0.1	0.1	0.1	–0.2	–0.4	–0.1	–1.5	0.4				–0.1	
Q3	1.1	0.5	0.2	0.2	–0.2	0.2	–0.1	0.7	0.5				–0.1	
Q4	0.6	0.2	0.2	0.3	0.3	0.4	0.8	1.2	0.1				0.1	
2004 Q1	0.7	0.6	0.1	0.1	0.1	0.2	0.3	0.2	0.9				–0.1	
Q2	0.7	0.2	0.2	0.3	0.7	0.3	1.0	0.7	0.4				–	
Q3	–	–0.1	–	–0.1	0.6	0.2	0.7	–0.1	0.4				–	
Q4	0.8	0.7	0.1	0.2	–0.3	0.4	0.3	0.7	0.3				..	

Percentage change on previous month		
	ILKD	ILKN
2003 Dec	0.4	0.1
2004 Jan	–0.6	1.1
Feb	1.0	–0.3
Mar	0.4	–0.4
Apr	–0.5	0.5
May	0.5	–0.5
Jun	0.8	1.8
Jul	–0.7	–0.7
Aug	–1.6	0.4
Sep	2.8	–0.4
Oct	–1.0	0.2
Nov	0.3	–
Dec	0.7	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

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
Percentage change on a year earlier														
	ILGA	HUCI	HUCJ	HUCK	HUCL	HUCM	HUCN	ILGU	ILHO	HYAA	ILAH	ILAQ	ILII	GABE
1999	1.7	1.6	0.2	0.9	0.3	–	1.4	–0.2	0.8	1.7	–0.2	2.3	1.2	10.9
2000	3.1	1.7	0.3	1.5	–1.1	2.7	1.9	4.1	–0.7	2.6	6.0	2.0	1.8	10.1
2001	1.7	0.5	0.7	0.4	–0.2	0.5	0.1	–0.8	–0.4	2.8	1.9	1.9	2.1	9.1
2002	0.3	0.3	0.3	0.2	0.4	–1.0	–	–1.6	–0.5	2.4	0.2	2.7	1.4	8.6
2003	0.4	0.7	0.4	–0.4	0.6	–1.1	–0.2	–0.6	–0.7	2.7	1.6	2.6	1.1	8.4
2001 Q3	1.3	0.1	0.7	–0.1	1.0	–0.7	–0.4	–1.7	–1.0	2.8	1.0	2.2	1.9	9.0
Q4	0.8	–0.1	0.7	0.3	–0.2	–0.8	–0.9	–4.8	–1.0	2.4	–1.1	2.3	1.2	8.9
2002 Q1	–0.1	–0.5	0.4	–0.5	1.4	–2.2	–1.3	–4.4	–	2.4	–1.0	2.4	1.7	8.6
Q2	0.2	–	0.3	–0.3	0.8	–1.3	–0.7	–2.1	–1.2	2.3	–0.6	3.4	1.9	8.8
Q3	0.5	0.6	0.3	0.4	–0.5	–0.2	0.2	–0.5	–1.1	2.4	0.6	2.3	1.3	8.6
Q4	0.9	1.1	0.3	1.4	–	–0.3	1.6	0.7	0.2	2.8	1.7	2.7	1.0	8.5
2003 Q1	0.7	1.0	0.3	0.2	0.7	–1.8	–0.2	0.1	–0.4	2.7	2.7	2.6	0.9	8.7
Q2	0.2	0.8	0.3	0.1	0.5	–1.7	–0.2	–1.7	0.4	2.7	1.7	1.7	1.3	8.5
Q3	0.4	0.8	0.4	–0.5	0.2	–	0.6	–0.6	–0.9	2.7	1.3	3.2	1.0	8.4
Q4	0.2	0.3	0.5	–1.5	1.0	–1.0	–1.0	–0.1	–2.0	2.5	0.9	2.7	0.9	8.2
2004 Q1	0.8	1.1	0.2	0.3	–0.6	0.4	0.6	–0.2	–2.5	2.3	0.4	3.0	0.9	8.2
Q2	1.3	0.6	0.2	0.6	–0.7	1.3	0.8	1.2	–2.7	2.3	2.6	3.7	1.7	8.0
Q3	1.4	0.4	–	0.5	–	0.9	0.4	–0.6	–3.3	2.2	3.5	2.2	1.1	7.8
Q4	1.0	..	..	..	..	..	..	–2.2	–2.6	1.9	4.3	2.6	..	..
2004 Feb	..	..	..	..	..	..	..	–	–5.1	2.3	0.1	3.3	..	8.2
Mar	..	..	..	..	..	..	..	–	–2.4	2.3	0.7	3.5	..	8.2
Apr	..	..	..	..	..	..	..	0.9	–3.1	2.3	1.7	3.6	..	8.0
May	..	..	..	..	..	..	..	2.1	–3.5	2.3	2.9	3.7	..	8.0
Jun	..	..	..	..	..	..	..	0.7	–1.4	2.3	3.2	3.7	..	8.0
Jul	..	..	..	..	..	..	..	–0.5	–3.7	2.3	3.3	2.2	..	7.8
Aug	..	..	..	..	..	..	..	–1.2	–2.5	2.3	3.5	2.2	..	7.8
Sep	..	..	..	..	..	..	..	–0.1	–3.8	2.1	3.8	2.1	..	7.8
Oct	..	..	..	..	..	..	..	–0.9	–3.2	2.0	4.4	2.3	..	..
Nov	..	..	..	..	..	..	..	–2.4	–1.9	1.9	4.3	2.4	..	..
Dec	..	..	..	..	..	..	..	–3.0	–2.9	2.0	4.2	3.1	..	..
2005 Jan	..	..	..	..	..	..	..	..	..	1.8	4.5	..	..	..
Feb	..	..	..	..	..	..	..	..	..	1.9	..	..	..	..

Percentage change on previous quarter														
	ILGK	HUCO	HUCP	HUCQ	HUCR	HUCS	HUCT	ILHE	ILHY				ILIS	
2001 Q3	–	–0.3	0.1	–0.1	0.3	–1.0	–1.0	–1.4	0.6				1.7	
Q4	–0.1	–0.1	0.1	–0.1	–0.4	–	–0.3	–1.6	–1.0				–	
2002 Q1	–	–0.1	–	–	0.7	–0.3	0.3	0.3	0.6				–0.4	
Q2	0.3	0.4	0.1	–0.1	0.2	–	0.3	0.6	–1.4				0.6	
Q3	0.2	0.4	0.1	0.6	–0.9	0.1	–	0.2	0.6				1.1	
Q4	0.3	0.4	0.1	1.0	0.1	–0.1	1.1	–0.4	0.3				–0.3	
2003 Q1	–0.2	–0.1	0.1	–1.3	1.4	–1.8	–1.5	–0.3	0.1				–0.5	
Q2	–0.1	0.2	0.1	–0.1	–0.1	0.1	0.3	–1.2	–0.6				1.0	
Q3	0.3	0.3	0.2	–	–1.2	1.8	0.7	1.4	–0.8				0.8	
Q4	0.1	–0.2	0.1	–	0.8	–1.2	–0.5	0.1	–0.8				–0.4	
2004 Q1	0.5	0.7	–0.2	0.5	–0.1	–0.3	0.1	–0.4	–0.4				–0.5	
Q2	0.3	–0.3	0.1	0.2	–0.2	1.0	0.5	0.2	–0.8				1.8	
Q3	0.4	0.2	–0.1	–0.2	–0.5	1.4	0.3	–0.5	–1.4				0.2	
Q4	–0.3	..	..	..	..	..	..	–1.4	–0.1				..	

Percentage change on previous month		
	ILKE	ILKO
2003 Dec	–	0.6
2004 Jan	–0.6	1.0
Feb	0.3	–2.5
Mar	–0.2	0.3
Apr	0.5	0.2
May	–0.1	–0.8
Jun	–0.6	0.6
Jul	0.3	–1.4
Aug	–0.7	–
Sep	0.3	–0.5
Oct	–0.5	–
Nov	–1.0	0.6
Dec	–0.6	–0.4

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

Source: OECD - SNA93

4 USA

	Contribution to change in GDP												
	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl[1]	Unempl
Percentage change on a year earlier														
	ILGC	HUDG	HUDH	HUDI	HUDJ	HUDK	HUDL	ILGW	ILHQ	ILAA	ILAJ	ILAS	ILIK	GADO
1999	4.4	3.4	0.5	1.6	–	0.5	1.5	4.5	8.8	2.1	1.7	3.0	1.6	4.2
2000	3.7	3.2	0.3	1.2	–0.1	0.9	1.8	4.4	6.7	3.4	4.1	3.4	2.6	4.0
2001	0.8	1.7	0.4	–0.4	–0.9	–0.6	–0.4	–3.6	2.8	2.8	0.8	3.0	–	4.8
2002	1.9	2.2	0.6	–0.6	0.4	–0.2	0.5	–0.2	2.3	1.7	–0.7	3.6	–0.3	5.8
2003	3.0	2.3	0.4	0.8	–0.1	0.2	0.7	–0.1	5.2	2.2	2.5	3.0	0.9	6.0
2001 Q3	0.4	1.3	0.5	–0.6	–0.9	–1.1	–1.1	–4.5	1.3	2.7	0.6	3.0	–	4.8
Q4	0.2	1.9	0.6	–0.9	–1.3	–1.3	–1.2	–5.1	4.4	1.9	–1.5	3.3	–0.8	5.5
2002 Q1	1.2	2.0	0.6	–0.9	–	–1.1	–0.6	–2.9	2.1	1.3	–1.9	3.9	–1.2	5.7
Q2	1.5	2.3	0.6	–0.9	0.1	–0.4	0.3	–0.6	2.0	1.3	–1.7	3.6	–0.5	5.8
Q3	2.5	2.5	0.6	–0.5	0.5	0.2	0.9	1.0	4.1	1.6	–0.6	3.6	0.1	5.7
Q4	2.3	1.8	0.6	–0.2	1.1	0.3	1.4	1.5	1.1	2.2	1.5	3.2	0.3	5.9
2003 Q1	1.9	1.9	0.4	–	0.2	0.2	0.9	0.7	3.9	2.9	3.9	3.2	1.0	5.8
Q2	2.3	2.1	0.6	0.5	–0.3	–0.1	0.6	–1.3	4.3	2.2	1.9	3.1	0.9	6.1
Q3	3.5	2.5	0.4	1.2	–0.3	0.1	0.5	–0.7	6.0	2.2	2.1	3.1	0.5	6.1
Q4	4.4	2.7	0.3	1.7	–0.1	0.6	0.7	1.2	6.5	1.9	2.3	2.5	1.3	5.9
2004 Q1	5.0	3.0	0.4	1.8	0.3	0.8	1.2	2.8	7.9	1.7	1.6	2.8	0.7	5.7
Q2	4.8	2.5	0.1	2.0	0.7	1.1	1.6	4.9	8.2	2.8	4.7	2.4	0.9	5.6
Q3	4.0	2.5	0.3	1.5	0.4	0.9	1.6	4.6	6.8	2.7	5.0	2.4	1.5	5.4
Q4	3.7	2.7	0.2	1.4	0.3	0.4	1.4	4.2	8.4	3.4	5.8	3.0	1.3	5.4
2004 Jan	..	..	..	..	..	..	..	2.1	6.2	1.9	2.4	2.8	0.7	5.7
Feb	..	..	..	..	..	..	..	3.1	8.6	1.7	1.2	2.8	0.7	5.6
Mar	..	..	..	..	..	..	..	3.2	9.0	1.7	1.2	2.8	0.7	5.7
Apr	..	..	..	..	..	..	..	4.7	7.7	2.3	4.0	2.8	0.7	5.5
May	..	..	..	..	..	..	..	5.4	9.8	3.0	5.5	2.8	0.9	5.6
Jun	..	..	..	..	..	..	..	4.7	7.2	3.3	4.8	1.8	1.0	5.6
Jul	..	..	..	..	..	..	..	4.8	7.1	3.0	5.0	1.8	1.6	5.5
Aug	..	..	..	..	..	..	..	5.0	5.7	2.6	4.9	2.7	1.5	5.4
Sep	..	..	..	..	..	..	..	3.9	7.7	2.6	5.1	2.7	1.4	5.4
Oct	..	..	..	..	..	..	..	4.4	8.9	3.3	6.0	3.6	1.3	5.5
Nov	..	..	..	..	..	..	..	3.8	7.6	3.5	6.1	2.7	1.4	5.4
Dec	..	..	..	..	..	..	..	4.4	8.6	3.3	5.1	2.7	1.3	5.4
2005 Jan	..	..	..	..	..	..	..	..	..	..	..	1.8	1.3	5.2
Percentage change on previous quarter														
	ILGM	HUDM	HUDN	HUDO	HUDP	HUDQ	HUDR	ILHG	ILIA				ILIU	
2001 Q3	–0.4	0.3	0.1	–0.4	–0.3	–0.5	–0.4	–1.2	–1.0				–	
Q4	0.4	1.2	0.2	–0.3	–0.6	–0.3	–0.1	–1.0	3.4				–0.6	
2002 Q1	0.8	0.3	0.1	–0.1	0.8	0.1	0.4	0.5	–1.5				–1.1	
Q2	0.6	0.5	0.2	–0.1	0.2	0.3	0.4	1.2	1.2				1.2	
Q3	0.6	0.5	0.1	–	0.1	0.1	0.2	0.4	1.0				0.6	
Q4	0.2	0.4	0.2	–0.1	–	–0.1	0.3	–0.6	0.5				–0.4	
2003 Q1	0.5	0.5	–	0.1	–0.1	–	–0.1	–0.2	1.2				–0.4	
Q2	1.0	0.7	0.3	0.4	–0.3	–	0.1	–0.9	1.5				1.1	
Q3	1.8	0.9	–	0.7	0.1	0.3	0.1	1.1	2.7				0.2	
Q4	1.0	0.6	0.1	0.4	0.1	0.4	0.6	1.4	1.0				0.4	
2004 Q1	1.1	0.7	0.1	0.2	0.3	0.2	0.4	1.3	2.5				–1.0	
Q2	0.8	0.3	–	0.6	0.2	0.2	0.5	1.1	1.8				1.3	
Q3	1.0	0.9	0.1	0.3	–0.2	0.2	0.2	0.7	1.4				0.8	
Q4	0.8	0.8	–	0.3	0.1	–0.1	0.3	1.0	2.5				0.2	
Percentage change on previous month														
								ILKG	ILKQ				ILLA	
2004 Jan								0.3	0.4				–1.2	
Feb								1.1	1.0				0.4	
Mar								–0.3	2.4				0.2	
Apr								0.5	–0.9				0.5	
May								0.7	1.5				0.3	
Jun								–0.3	–0.8				0.8	
Jul								0.7	1.0				0.6	
Aug								0.1	–0.3				–0.4	
Sep								–0.3	1.7				–0.4	
Oct								0.7	1.0				0.6	
Nov								0.3	0.1				0.1	
Dec								0.8	1.2				–0.2	
2005 Jan								..	..				–1.2	

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

Source: OECD - SNA93

1 Excludes members of armed forces

5 Japan

	Contribution to change in GDP													
	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP[1]	Sales	CPI	PPI	Earnings[2]	Empl	Unempl
Percentage change on a year earlier														
	ILGD	HUCU	HUCV	HUCW	HUCX	HUCY	HUCZ	ILGX	ILHR	ILAB	ILAK	ILAT	ILIL	GADP
1999	–	–	0.7	–0.2	–0.5	0.2	0.3	0.6	–2.7	–0.3	–1.5	–0.7	–0.8	4.7
2000	2.4	0.3	0.8	0.5	0.3	1.2	0.7	4.9	–0.8	–0.7	0.2	1.7	–0.2	4.7
2001	0.2	0.6	0.5	–0.4	0.1	–0.6	–0.1	–6.1	–1.1	–0.7	–2.3	–	–0.5	5.0
2002	–0.3	0.3	0.4	–1.5	–0.2	0.7	0.1	–1.2	–3.4	–1.0	–2.1	–1.1	–1.3	5.4
2003	1.4	0.1	0.2	0.3	0.2	1.0	0.4	3.1	–1.4	–0.2	–0.8	2.3	–0.2	5.3
2001 Q3	–0.4	0.7	0.4	–0.3	–0.5	–1.0	–0.2	–8.9	–2.0	–0.8	–2.5	–0.3	–0.9	5.1
Q4	–2.0	0.5	0.5	–2.2	–0.5	–1.2	–0.8	–12.1	–2.7	–1.0	–3.0	–0.5	–1.3	5.4
2002 Q1	–2.7	–	0.5	–2.2	–1.4	–0.3	–0.6	–8.9	–4.9	–1.4	–2.8	–1.6	–1.4	5.3
Q2	–0.5	0.3	0.4	–1.7	–0.3	0.7	–0.1	–3.4	–2.8	–0.9	–2.2	–0.7	–1.5	5.4
Q3	0.7	0.7	0.5	–1.5	0.4	1.0	0.4	2.7	–3.1	–0.8	–2.1	–2.1	–0.9	5.4
Q4	1.5	0.3	0.3	–0.4	0.5	1.6	0.7	5.7	–2.7	–0.5	–1.2	0.1	–1.1	5.4
2003 Q1	1.5	0.4	0.4	–0.4	0.7	1.2	0.8	5.5	–0.6	–0.2	–0.7	1.8	–0.8	5.4
Q2	1.0	–0.1	0.1	0.3	0.2	0.6	0.2	2.0	–2.3	–0.3	–1.1	2.5	0.1	5.4
Q3	1.0	–0.4	0.2	0.3	0.2	1.0	0.2	1.0	–2.0	–0.2	–0.6	2.3	–0.1	5.2
Q4	2.1	0.5	0.2	0.8	–0.4	1.2	0.3	4.1	–0.9	–0.3	–0.8	2.3	–0.1	5.1
2004 Q1	4.1	1.0	0.4	1.1	0.4	1.7	0.5	4.5	–0.6	–0.1	–0.4	1.8	0.2	4.9
Q2	3.1	1.2	0.5	0.3	–	2.1	0.9	7.9	–1.7	–0.3	0.8	1.4	0.2	4.6
Q3	2.3	1.0	0.4	0.3	–0.2	1.7	1.0	6.3	–0.3	–0.1	1.5	2.1	0.3	4.8
Q4	0.8	0.2	0.5	–0.1	0.2	1.3	1.1	1.8	–0.9	0.5	2.3	1.5	–	4.5
2004 Jan	..	..	..	..	..	..	..	6.1	1.3	–0.3	–0.6	1.7	0.3	5.0
Feb	..	..	..	..	..	..	..	3.4	–1.8	–	–0.4	2.0	0.2	5.0
Mar	..	..	..	..	..	..	..	4.0	–1.2	–0.1	–0.2	1.7	0.2	4.7
Apr	..	..	..	..	..	..	..	8.1	–0.6	–0.4	0.4	1.1	0.8	4.7
May	..	..	..	..	..	..	..	8.0	–2.1	–0.5	0.8	2.1	0.4	4.6
Jun	..	..	..	..	..	..	..	7.4	–2.4	–	1.3	1.1	–0.6	4.6
Jul	..	..	..	..	..	..	..	7.8	0.9	–0.1	1.4	2.0	–0.1	4.9
Aug	..	..	..	..	..	..	..	7.7	–1.3	–0.2	1.5	2.9	0.5	4.8
Sep	..	..	..	..	..	..	..	3.6	–0.4	–	1.8	1.5	0.4	4.6
Oct	..	..	..	..	..	..	..	1.4	–1.8	0.5	2.3	0.3	0.2	4.7
Nov	..	..	..	..	..	..	..	2.2	0.2	0.8	2.3	3.6	–	4.5
Dec	..	..	..	..	..	..	..	1.9	–1.2	0.2	2.3	0.6	–	4.4
2005 Jan	..	..	..	..	..	..	..	1.0	2.4	–0.1	1.8	..	0.6	4.5
Percentage change on previous quarter														
	ILGN	HUDA	HUDB	HUDC	HUDD	HUDE	HUDF	ILHH	ILIB				ILIV	
2001 Q3	–0.7	–0.1	–	–0.2	–0.6	–0.3	–0.2	–4.2	–0.7				–0.4	
Q4	–0.5	0.2	0.2	–1.1	0.1	–0.2	–0.3	–2.4	–1.0				–0.4	
2002 Q1	–0.5	–0.2	–	–0.3	–0.4	0.5	0.1	0.6	–1.3				–2.0	
Q2	1.2	0.3	0.2	–0.2	0.6	0.7	0.3	2.8	0.1				1.3	
Q3	0.5	0.4	0.1	0.1	0.2	–	0.3	1.8	–0.9				0.2	
Q4	0.3	–0.2	–	–	0.2	0.4	0.1	0.4	–0.6				–0.6	
2003 Q1	–0.4	–0.1	–	–0.2	–0.2	0.1	0.1	0.3	0.8				–1.7	
Q2	0.7	–0.1	–0.1	0.5	0.1	0.1	–0.2	–0.6	–1.5				2.3	
Q3	0.5	0.1	0.2	–	0.1	0.4	0.2	0.9	–0.6				–	
Q4	1.4	0.6	0.1	0.5	–0.3	0.6	0.2	3.6	0.5				–0.6	
2004 Q1	1.4	0.4	0.2	0.1	0.6	0.6	0.3	0.7	1.1				–1.4	
Q2	–0.2	–	0.1	–0.3	–0.3	0.4	0.2	2.5	–2.7				2.3	
Q3	–0.3	–0.1	0.1	–	–0.1	0.1	0.2	–0.6	0.8				0.1	
Q4	–0.1	–0.2	0.1	0.1	–	0.2	0.3	–0.8	–0.2				–0.9	
Percentage change on previous month														
								ILKH	ILKR				ILLB	
2004 Jan								3.4	2.6				–1.3	
Feb								–3.9	–1.9				–0.2	
Mar								0.8	–0.2				1.1	
Apr								3.1	–1.2				1.2	
May								1.0	–1.0				0.5	
Jun								–1.2	–0.3				–0.2	
Jul								0.1	1.1				–	
Aug								–0.2	0.1				0.3	
Sep								–0.2	0.6				–0.4	
Oct								–1.3	–0.2				–0.3	
Nov								1.6	–0.5				–0.4	
Dec								–1.0	–0.2				–0.3	
2005 Jan								2.4	6.3				–0.7	

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
2 Figures monthly and seasonally adjusted

Source: OECD - SNA93

Early estimates of GDP: information content and forecasting methods

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The Office for National Statistics (ONS) publishes its first estimate of UK quarterly gross domestic product (GDP) around 25 days after the end of the quarter. Updated estimates are published about 55 days and 85 days after the quarter end. In all of these early estimates, growth is mainly determined by GDP(O), i.e. the measure of GDP based on the production (or output) approach. This article analyses the amount of actual data, as opposed to forecasts, available for estimating GDP by the production approach in each of the three early estimates. It also describes the forecasting methods used.

Introduction

This article analyses the amount of data available at various publication stages for gross domestic product measured through the production (or output), approach (GDP(O)). It also gives a description of the different methods that are used to forecast 'missing' data. The underlying research is part of a wider programme to improve GDP(O) sources and methods.

The article covers:

- background
- indicators used in GDP(O) estimates, forecasting main components
- analysis approach
- summary of findings
- looking ahead
  - further development of GDP(O)
  - next steps.

Summary points

- The preliminary estimate of quarterly GDP(O), published around 25 days after the end of the relevant quarter, is based on 44 per cent 'actual' data (the remainder being based on forecasts). This figure increases to 67 per cent by the time of the 'UK output, income and expenditure' First Release, published around 55 days after the quarter. It reaches 80 per cent by the time of the 'UK quarterly national accounts' First Release, about 85 days after the quarter.
- The data content of the preliminary estimate has increased by about 4 per cent since 2001. This improvement is partly due to the continuing development of GDP(O) sources and methods, and in particular through the Index of Services development project.
- By the time the UK quarterly national accounts are published, most of the forecasting in GDP(O) is in the 'government' categories (public administration, education and health) which are still only 36 per cent based on actual data. This compares with 89 per cent for total GDP(O) excluding government.
- Holt-Winters is the most common forecasting method used in the preliminary estimate. At this stage, it accounts for 24 per cent of total GDP(O) (43 per cent of all forecasting). This falls to 7 per cent of GDP(O) in the UK quarterly national accounts estimate.

- By the time of the UK quarterly national accounts estimate, only two other types of forecast are used. These are forecasts based on expert judgement and forecasts based on secondary data sources.
- The research described in this article is part of a continuing programme of work to improve the sources and methods used in the production measure of GDP.

Background

Production measure and the preliminary estimate of GDP

ONS's preliminary estimate of gross domestic product (GDP) is published just 25 days after the end of the relevant quarter, making it one of the fastest estimates of its type in the world. It provides an estimate of the growth of real GDP based on the production (or output) approach (GDP(O)). This is defined as the sum of the gross value added (GVA) of all the economic activities that produce goods and services. GVA is the total output (usually sales or turnover) of an activity less the inputs of other economic activities required to produce that output. However it is not practical to collect all of this information every quarter. Instead, in the short-term, the production approach assumes that the change in the volume of output is an acceptable approximation to the change in GVA. The main reason for using the production approach as the basis of the early GDP estimates is the availability of timely data on the turnover of businesses and on the prices of their products and services. The principal sources for such data are monthly and quarterly surveys run by ONS. See (Pike and Drew, 2002) for further details of the short-term estimation of GVA.

Data content and revisions

At the time of the preliminary estimate, around 44 per cent of data are available, with the rest being forecast. As more survey data become available, these forecasts are replaced and the estimates may be revised. After actual survey data have become available, there is still scope for further revision. This may happen as late responses are received or as quarterly estimates are reconciled with annual surveys based on a larger sample. Such revisions are a normal part of the statistical process used to produce estimates of this kind. Improvements to sources and methods and updating industry weights as part of annual chain-linking are other possible causes of revisions, see (Mahajan, 2004).

Data content and quality

It is important to note that data content is only one dimension of the quality of the early estimates of GDP, others being:

- timeliness
- reliability (size of revisions)
- accuracy (how close the estimate is to the 'true' value)
- consistency (over time and between industrial sectors)
- coherence with other indicators (annual estimates of GVA and the expenditure and income measures of GDP).

For example, analysis by ONS of the reliability of the GDP estimates shows that the preliminary (or M1[1]) estimate is a statistically unbiased estimate of the estimate of GDP growth published in the 'UK quarterly national accounts' First Release 85 days after the reference quarter see (George, 2004). At this later stage, data are available for 80 per cent of GDP(O).

Preliminary estimate: publication of additional components

As a result of improvements to data quality and content in recent years, eight additional component series are now published within the preliminary GDP First Release. The series are:

- Agriculture, forestry and fishing
- three separate production components:
  - Mining and quarrying (including oil and gas extraction)
  - Manufacturing
  - Energy supply (electricity, gas and water)
- Construction
- three services components:
  - Transport, storage and communication
  - Business services and finance
  - Government and other services.

The decision to publish the additional component series was based, in part, on analysis of their revisions performance between M1 and M2[1] compared with other series which were already published at M1. The decision also acknowledged users' interest in more detail for the output components. More background about the reasons for introducing these series is given on the National Statistics website.[2]

Short-term estimation of GDP(O): indicators and forecasting methods

This section sets out the main types of output indicators used in quarterly GDP(O)[3] and the forecasting methods used where survey data have not yet arrived.

Indicators used in GDP(O)

Five main types of indicator are used:

- *Deflated turnover* is the preferred short-term proxy for measuring marketed output. These indicators currently cover 60 per cent of GDP(O). The two most important sources are:

GDP(O) production and publication

ONS publishes three successive estimates of GDP every quarter. In each of these GDP(O) is viewed as the main indicator of GDP growth in the latest quarters. The estimates are:

Month 1 (M1) estimate, published in the 'Gross domestic product – preliminary estimate' First Release, around 25 days after the end of the relevant quarter. This release gives the first estimate of GDP growth in the most recent quarter. The estimate is based on GDP(O); there is very little information for the income and expenditure measures at this stage. In addition to headline GDP, the release includes estimates for the high-level components of GDP(O).

Month 2 (M2) estimate, published in the 'UK output, income and expenditure' First Release around 55 days after the end of the quarter. The release gives an updated estimate of GDP growth in the latest quarter. GDP(O) industry components are shown in the same detail as in the preliminary estimate and the release also includes early estimates for some components of the income and expenditure measures.

Month 3 (M3) estimate, published in the 'UK quarterly national accounts' First Release, around 85 days after the end of the quarter. This is the first full set of national accounts for the latest quarter and, compared with M1 and M2, the income and expenditure measures have a higher data content. However, growth is still mainly determined by the GDP(O) measure.

Blue Book

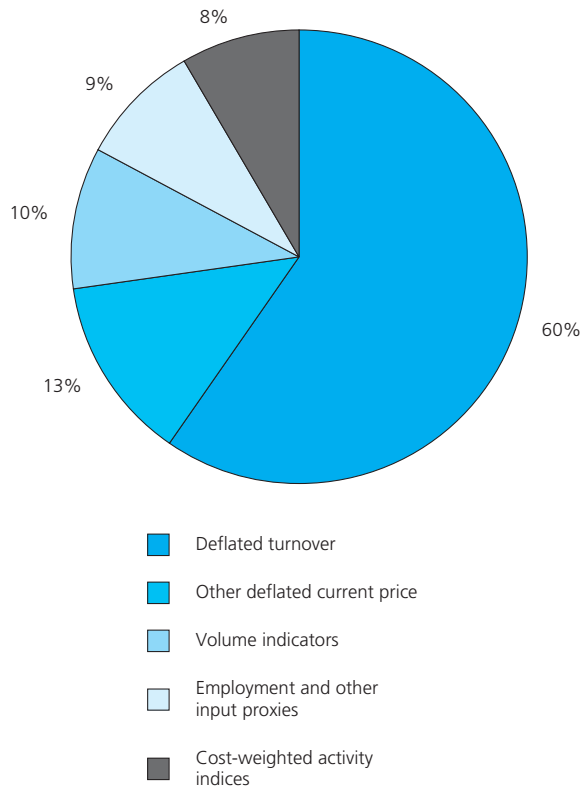
The reference year and weights used in quarterly GDP(O) are updated once a year in the M3 estimate that coincides with the publication of the *Blue Book* dataset (usually in June or September). Improvements to GDP(O) sources and methods are generally also introduced in the same M3 estimate. See (Mahajan, 2004) for further details of the quarterly and annual GDP process.

- Series based on turnover estimates from ONS's Monthly Production Inquiry (MPI), deflated using Producer Price Indices (PPIs) and Export Price Indices (EPIs). These series cover around 75 per cent of the Index of Production (IoP) (or 16 per cent of GDP(O)). The MPI samples 9,000 businesses in the production industries each month. Most PPIs and EPIs are based on monthly prices data collected directly from businesses; sample sizes are 8,700 and 2,800 businesses respectively.
- Series based on turnover estimates from the Monthly Inquiry into the Distribution and Services Sector (MIDSS), deflated using a number of price estimators, including Corporate Services Price Indices (CSPIs) and PPIs. These series cover about 40 per cent of total service industry activity (or 30 per cent of GDP(O)). MIDSS samples 30,000 businesses each month; CSPIs are based on quarterly prices data from a sample of around 1,500 businesses.

- *Other deflated current price* indicators, based on money values other than industry turnover. Such indicators are used only for service industries. They include the Household Final Consumption Expenditure (HHFCE) estimates used to indicate output from owner occupied and other low-rental dwellings, and cover 13 per cent of GDP(O).
- *Volume indicators* including, for example, tonnes of steel, numbers of letters delivered and passenger-kilometres travelled. These cover 10 per cent of GDP(O).
- *Employment and other input proxies.* These are used mainly in the 'government' categories. In most cases they are regarded as conceptually inferior to an appropriate direct measure of output activity, where one can be identified and measured with confidence. In some instances, though, they are the only short-term indicators available. They currently cover 9 per cent of GDP(O). Some of the data sources that feed into these input proxies are also used in compiling the General Government Final Consumption estimate that is a component of the expenditure measure of GDP.
- *Cost-Weighted Activity Indices.* These are used in a number of 'government' components, including health and education. As they measure outputs (such as number of NHS operations) they are conceptually better than input measures. They currently cover just under 50 per cent of the 'government' categories (or 8 per cent of total GDP(O)). These indices (expressed in £million) are also used in estimating the General Government Final Consumption component of the expenditure measure of GDP.

Figure 1 shows the composition of GDP(O) in terms of the indicator types listed above, assuming full availability of actual data. Later in this article we examine the extent to which these indicators are forecast until data are available.

Figure 1
GDP(O), types of indicator used, by 2001 GVA weight



Forecasting in GDP(O)

This section looks at the main forecasting methods used in GDP(O).

ARIMA and Holt-Winters modelling[4]

ARIMA and Holt-Winters modelling are widely used by ONS in time series forecasting. ARIMA modelling is used to forecast the IoP data for the third month of the quarter for the M1 estimate. Holt-Winters is the standard model used to forecast data for the non-production industries.

ARIMA (Auto-Regressive Integrated Moving Average) models are a broad category of models that bring together two concepts in forecasting a time series:

- the auto-regressive (AR) part of the model assumes that individual values in a time series can be described by linear models based on previous observations
- the moving average (MA) part assumes that the value for any point in a time series depends on the error of the linear auto-regressive model in estimating the previous point. These errors are then taken into account in estimating the next value
- The integrated (I) part refers to the operations used to model the long-term trend.

The *Holt-Winters* model is effectively a specific type of ARIMA forecasting. The level, slope and seasonality of a series are forecast separately using 'exponential smoothing'. This means that the moving averages used to take account of errors in forecasting previous points are exponentially weighted, that is, more weight is given to the most recent period than to earlier periods. This is appropriate in forecasting short-term indicators. The Holt-Winters model is therefore not designed for forecasting long runs of missing data points; if it is used to forecast more than three periods, results can sometimes be subject to more than normal later revision.

Estimating construction activity

Great Britain (excluding Northern Ireland).[5]
Estimates of GB construction output from the Department of Trade and Industry (DTI) account for 97 per cent of the GDP(O) construction category. The remainder is based on estimates for Northern Ireland. DTI estimates are forecast at the M1 and M2 stages, before being replaced by quarterly survey data at M3. Forecasts are based mainly on an 'Activity Balances' model, which is itself based on a survey of construction firms carried out by Experian Business Strategies for DTI. This survey collects qualitative data from construction firms on their perception of whether construction output has increased or decreased since the previous month. Other information used to inform the estimates includes: monthly new construction orders (available for the first two months at M1 and the whole quarter at M2), other econometric sources and the revisions performance of the DTI early estimates.

Northern Ireland.
Estimates from the Northern Ireland Statistics and Research Agency (NISRA) make up 3 per cent of the GDP(O) construction component. Survey data are not considered robust until around four months after the end of the relevant quarter, so the latest quarter is forecast in the M1, M2 and M3[1] estimates. Forecasts are provided by NISRA, based on their knowledge of the market.

Review of DTI estimates.
The estimates of construction output provided by DTI were the subject of a joint ONS/DTI review which reported in December 2004 see (DTI, ONS, 2004). This review was established in October 2003 following a particularly large revision to GDP of 0.3 index points in the second quarter of 2003. The review identified an error in DTI's pre-processing of the estimate for this quarter, the correction of which accounted for most of the earlier revision to GDP. GDP was therefore revised in line with DTI's corrected figure when the UK quarterly national accounts were published on 23 December 2004. ONS and DTI are now considering, through a joint review, how best to manage the future production of estimates for this sector.

Forecasting in the preliminary estimate: MIDSS and IoP

MIDSS estimates of service industries' turnover and the IoP are two of the main sources of survey data that are available in time for the preliminary estimate (M1). MIDSS contribute

Developing quarterly GDP(O): recent work

There has been significant progress in improving GDP(O) sources and methods recently. This has centred on strengthening the conceptual basis but has also brought improvements to the amount of survey data used in the early estimates. Development work has included:

Index of Services (IoS) development project

As part of developing the monthly IoS, ONS is reviewing and improving the sources and methods used in short-term output measurement across all service industries. The review has already covered 73 per cent of the distribution and services industries (or 52 per cent of GDP(O)). The main emphasis is on improving the conceptual basis. Expanding the coverage of monthly sources and improving timeliness are also important objectives. There has been a significant expansion in the use of turnover data from the Monthly Inquiry into the Distribution and Services Sector (MIDSS) as a result of the reviews. In some cases this has helped to increase the data content of the early GDP(O) estimates.

Corporate Services Price Index development

ONS has been developing Corporate Services Price Indices (CSPIs) over the past ten years. CSPIs measure price movements in the services provided by businesses to other businesses and government. Such services make up about 65 per cent of total services (or 45 per cent of GDP(O)) and include telecommunications, road haulage and real estate services. Collecting suitable price data in many of these industries is difficult. The development and use of CSPIs represents a major step forward in measuring output from service industries.

CSPIs for 32 industries have now been developed, covering around 55 per cent by gross value added weight of all corporate services. Of these, 21 are currently used in GDP(O), covering about 13 per cent of total GDP(O). Twelve of these, including indices for business telecommunications and recruitment agencies, were added between 2002 and 2004.

Atkinson Review – the Review of Measurement of Government Output and Productivity

This review was commissioned by Len Cook, the National Statistician, from Sir Tony Atkinson. Work began in January 2004 with a major objective of identifying ways in which the measurement of government sector output could be improved across the UK national accounts. The scope of the review included the methods used for compiling estimates for government used in the expenditure measure of GDP and in GDP(O). The aim of the review was 'to establish the future strategic direction for work in this area' and it was seen as essential that new methods would be supported by the delivery of reliable and timely figures from other government departments. In developing new methods, the requirement for quarterly as well annual data was seen as a priority and this aspect of the review has entailed close co-operation between the Atkinson team and the Index of Services review team.

The final report of the Atkinson Review was published on 31 January 2005.[6] However, the National Statistician had been clear throughout that where possible improvements came to light, they could be implemented in advance of the final report. In this way, improvements were made to the methods used to estimate health output in *Blue Book* 2004. This has increased the amount of actual data, as opposed to forecasts, for the government sector used in the GDP(O) estimates published in the 'UK output, income and expenditure' and 'UK quarterly national accounts' First Releases.

about 30 per cent of the actual data available at that stage; the IoP contributes just over 35 per cent. Both of these sources are partly estimated/forecast at this stage.

Service industries: MIDSS turnover estimates

At M1, MIDSS turnover estimates are based on a 'full' response (typically 80 per cent or more) for the first two months of the quarter. The third month of the quarter is estimated from a much lower survey response (around 20 per cent). By M2, there is a full response for all three months of the quarter.

The final month of the M1 estimates is more prone to revision than the first two months of the quarter because it is based on a lower response. As a result, for the purpose of the analysis presented in this article, the components of GDP(O) estimated using MIDSS data were regarded as part forecast at M1.

Production industries: IoP[3]

At M1, 20 per cent of the IoP is based on actual data for the whole quarter. These data come from DTI estimates for extraction and refining of coal, oil and gas and supply of electricity and gas. For the remaining 80 per cent (based mainly on deflated turnover) actual data are available for the first two months of the quarter only. The third month is forecast using ARIMA modelling. Two ARIMA models (using different parameters) are run for each detailed IoP component. Where the forecasts differ, the IoP team considers which is most consistent with the historical pattern of growth and revisions, background industry information and, for some important series, any extra information available from other series or surveys. For example, the Motor Vehicle Production Inquiry (MVPI) release is often published before the preliminary GDP estimate is made. On this basis, the team presents its recommendations to the preliminary

estimate sign-off meeting, where a final decision is made on which forecasts to use.

Assessing GDP(O) data content: approach used

The results in this article are based on an analysis of the data content and forecasting methods in the M1, M2 and M3 estimates for quarter two 2004, published in July, August and September 2004. As a result of the work supporting the Atkinson Review of government output measurement, there has been a subsequent improvement in the timeliness of the source data for NHS output. Figures have been updated to reflect this.

Distinction between output indicators and deflators

In the analysis for this article, a distinction was made between deflators[7] and other indicators. Any measure of the quantity of output was classed as an output indicator. The latter included the value of turnover or expenditure, and volume measures such as passenger-kilometres travelled. Where turnover or expenditure is used this needs to be deflated using a price estimator to convert it to a constant price basis (that is, to remove the effects of inflation). These price estimators are referred to as deflators.

Where employment numbers are used as proxies for changes in gross value added, they may be adjusted, either for estimated changes in productivity or for changes in the relative grades of employees. These adjustments serve a similar purpose to deflators in that they adjust the output proxy to a more appropriate basis. For the purpose of this analysis, such adjustment factors were classed as deflators. They only make up about 10 per cent of all deflators by weight.

Definition of 'actual' data

For each of the three estimates (M1, M2 and M3), GDP(O) data sources were classified as based either on 'actual' data or forecast/estimated. Data were classed as 'actual' when they were based on sufficient survey response to produce robust estimates. As explained earlier, it is possible for data to be revised after they have been classed as actual.

For monthly data sources, the data content in each month of the quarter was assessed and each month given an equal weighting in terms of its contribution to data content. MIDSS turnover estimates and most of the IoP were therefore classed as two-thirds actual at the M1 stage.

Classification of forecasts

The methods of forecasting/estimating used to fill in for missing data were then subdivided into the six categories in Table 1.

Table 1
Types of forecasting used in GDP(O)

Type of forecast/ estimation	Description
M1 MIDSS estimation	Estimation of MIDSS turnover data for the 3rd month of the quarter from low survey response data.
M1 IoP forecast	Estimation of IoP data for the 3rd month of the quarter, using ARIMA modelling.
Secondary source	Forecasts/estimation using a less appropriate but more timely secondary indicator.
DTI construction forecast	DTI's model-based forecasting of their GB construction output data. The main model used is based on a secondary indicator.
Holt-Winters	Forecasts using the Holt-Winters method.
Judgement-based	Forecasts based on the judgement of experts within ONS and other government departments. They take account of information from secondary sources where available.

Summary of findings

Data content

Table 2 on the next page shows the percentages of total GDP(O) and each of its main components that are based on actual data in the M1, M2 and M3 estimates. Table 3 presents the same information after weighting the data content of each component according to its 2001 GVA weight. This table therefore shows how much each component contributes to the total GDP(O) data content in each of the three estimates. Within the tables, the 'Government' and the 'Other services' components of the 'Government and other services' published category are shown separately. This is to reveal the low proportion of data available for the components with predominantly government-based data sources, compared with components that have other data sources. The rows at the bottom of each table (in italics) show the data content of total GDP(O) if the 'Government' component is excluded. This comprises public administration and defence, education and health (including private education and private health).

Data content: main points

- The proportion of actual data in the M1 (preliminary) estimate of GDP(O) is 44 per cent, based on the second quarter of 2004. On a like-for-like basis, this represents an increase of about 4 percentage points since the analysis of the preliminary estimate for the third quarter of 2001, presented in a previous article on GDP(O) data content (Reed, 2002).
- The main reasons for the increase are:
  - Use of more timely data sources following IoS development project industry reviews. For example, the replacement of turnover data from VAT returns with more timely MIDSS data following the review of 'Hotels and restaurants'. The 'Developing quarterly GDP(O): recent work' box on the previous page gives an outline of this project.

Table 2
GDP(O) and published categories, amount of actual data in M1, M2 & M3 estimates (percentages)

Industry	2001 GVA weights (per cent)	Estimate (days after quarter end)		
		M1 Preliminary (25 days)	M2 UK output, income & expenditure (55 days)	M3 UK quarterly national accounts (85 days)
Agriculture, forestry & fishing	*1.0*	35	53	57
Production	*21.8*	73	100	100
Construction	*5.7*	0	0	97
Distribution, hotels & catering	*15.9*	82	99	99
Transport, storage & communication	*8.1*	38	68	70
Business services & finance	*24.9*	35	58	82
Government & other services	*22.7*	13	40	45
within which:				
Government	*17.6*	6	32	36
Other services	*5.1*	38	67	78
Total services	*71.6*	39	62	73
Total GDP(O)	*100.0*	**44**	**67**	**80**
GDP(O) excluding government	*82.4*	52	74	89

Table 3
GDP(O) and published categories, amount of actual data in M1, M2 & M3 estimates (as percentages of total GDP(O))

Industry	2001 GVA weight (per cent)	Estimate (days after quarter end)		
		M1 Preliminary (25 days)	M2 UK output, income & expenditure (55 days)	M3 UK quarterly national accounts (85 days)
Agriculture, forestry & fishing	*1.0*	0	1	1
Production	*21.8*	16	21	21
Construction	*5.7*	0	0	5
Distribution, hotels & catering	*15.9*	13	15	15
Transport, storage & communication	*8.1*	3	5	6
Business services & finance	*24.9*	9	15	22
Government & other services, *of which:*	*22.7*	3	9	10
Government	*17.6*	1	5	6
Other services	*5.1*	2	3	4
Total services	*71.6*	28	45	53
Total GDP(O)	***100.0***	**44**	**67**	**80**
GDP(O) excluding government	*82.4*	43	61	74

- Forecasting only the missing months (rather than whole quarter) where monthly data are available for part of the quarter. This makes better use of sources such as the monthly Average Earning Indices (used in the deflation of business services).

- The proportion of actual data at M2 is 67 per cent. This is an increase of 23 per cent compared with M1. The increase at M2 comes mainly from:
  - actual IoP data for the third month of the quarter replacing the M1 ARIMA forecasts
  - 'full' response MIDSS turnover data for the third month replacing the low response M1 estimates
  - new output and deflator data for real estate (part of 1992 Standard Industrial Classification (SIC(92)) division 70)
  - actual data (over 50 per cent coverage) for the cost-weighted activity index of NHS output. Data have started to become available at M2; figures presented in this article have been updated to reflect that.

- At M3, GDP(O) is 80 per cent based on actual data, an increase of 13 per cent from M2. The increase comes mainly from:
  - survey data replacing the DTI forecast for GB construction output
  - actual data (from the ONS Expenditure and Food Survey), used in estimating output from owner occupied/low rental dwellings (part of SIC(92) division 70)
  - data from the Quarterly Inquiries into Insurance Companies and Quarterly Inquiries into Pension Funds. These feed into the 'Business services and finance' category.

- Actual data reach near-full coverage (around 99 per cent) 15–24 months after the quarter end. This is the earliest that some annual sources are available. The most significant of these sources are for government activities.

- The Atkinson Review changes to the measurement of health output introduced in the *Blue Book 2004* publication have significantly improved the timeliness of the source data for the NHS output index. Actual quarterly data covering more than 50 per cent of the volume of output in England are now available by the M2 deadline. Previously data were several quarters out of date even at M3. Inpatients, dental treatments and prescribed goods are included in this index which accounts for about 3.5 per cent of total GDP(O) and just over 15 per cent of the 'Government and other services' category. The 'Developing quarterly GDP(O): recent work' box gives further details of the Atkinson Review.

Data content of 'Government' categories

Despite the recent improvement to the timeliness of the NHS output index, Tables 2 and 3 show that the data content of the predominantly government-sourced divisions (public administration, education and health) is low at M1, M2 and M3. Even at M3, the 'Government' category is only 36 per cent based on actual data. Figure 2 below gives further illustration of this. Total GDP(O) data content is also significantly higher if the 'Government' category is excluded, rising from 44 per cent to 52 per cent at M1 and from 80 per cent to 89 per cent at M3.

The tables and figure illustrate the urgent need to improve the provision of timely data for the government sector. Implementation of the forthcoming ONS response to the recommendations of the Atkinson Review, noted earlier, provides an excellent opportunity for achieving this.

Forecasting methods

Figures 3, 4 and 5 on the next page show the amount and types of forecasting in the M1, M2 and M3 GDP(O) estimates by GVA weight.[8] The main points are:

- The Holt-Winters method is particularly important in the M1 estimate. At that stage it accounts for 24 per cent of GDP(O) (43 per cent of all forecasting). This falls to 7 per cent of GDP(O) by M3.

- At the M3 stage, only two other types of forecast are used. These are forecasts based on expert judgement and forecasts based on secondary indicators.

- Forecasts based on the judgement of statistical experts within ONS and other government departments account for 9 per cent of GDP(O) at M1. The forecast for NHS output, which has a weight of about 3.5 per cent in GDP(O), is replaced by actual data at M2. Despite that, at M2 the amount of judgement-based forecasting increases to 13 per cent of GDP(O). This is because a number of the Holt-Winters forecasts used at M1 are replaced at M2 by forecasts based on judgement. These include the forecasts for the HHFCE series for owner occupied/low rental dwellings, which have a weight of about 8 per cent in GDP(O). By M3, the estimates for

Figure 2
Data content of GDP(O) and main components at M1, M2 and M3 stages, by 2001 GVA weight

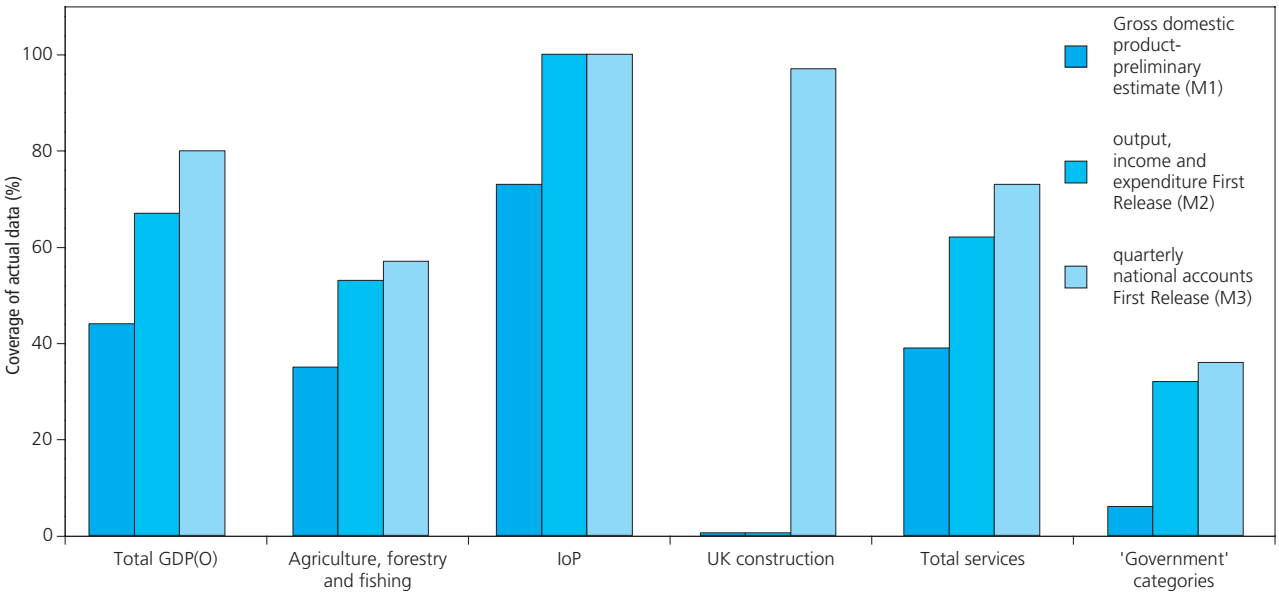


Figure 3
GDP(O) forecasting, preliminary estimate (M1), by 2001 GVA weight

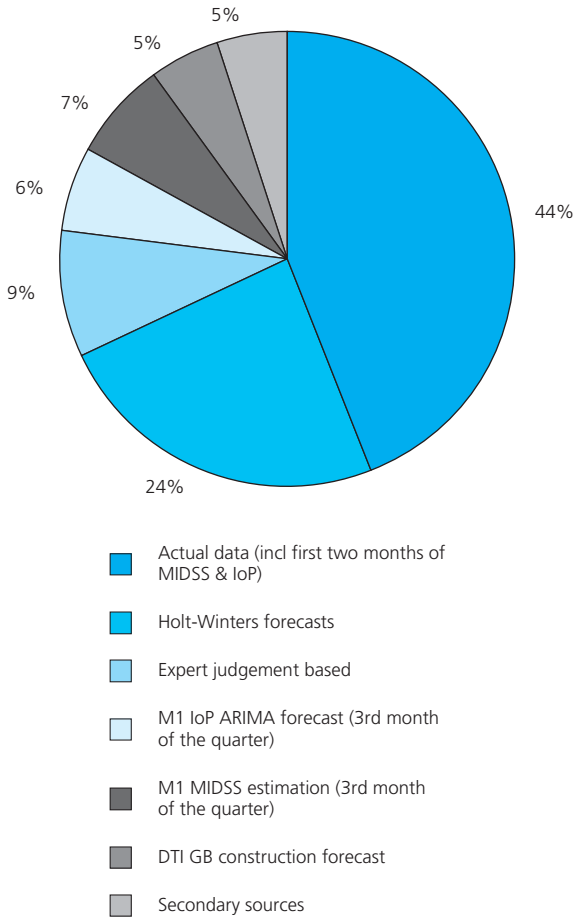


Figure 4
GDP(O) forecasting, UK output, income and expenditure estimate (M2), by 2001 GVA weight

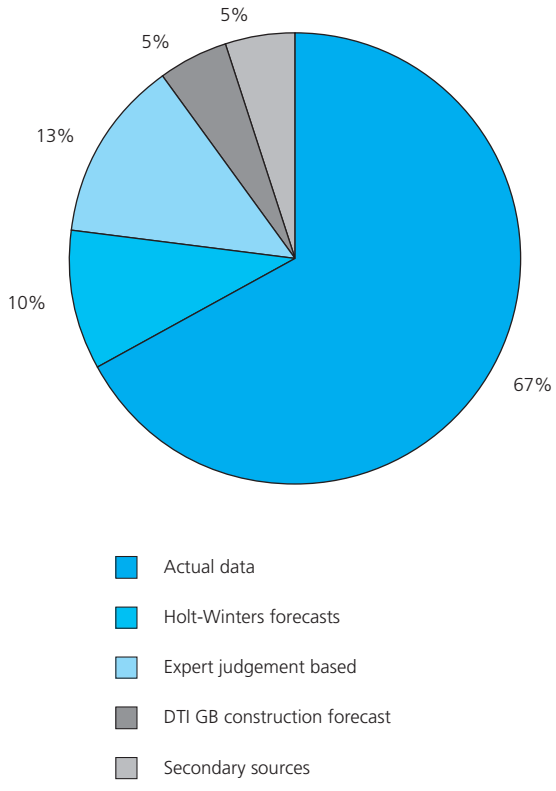
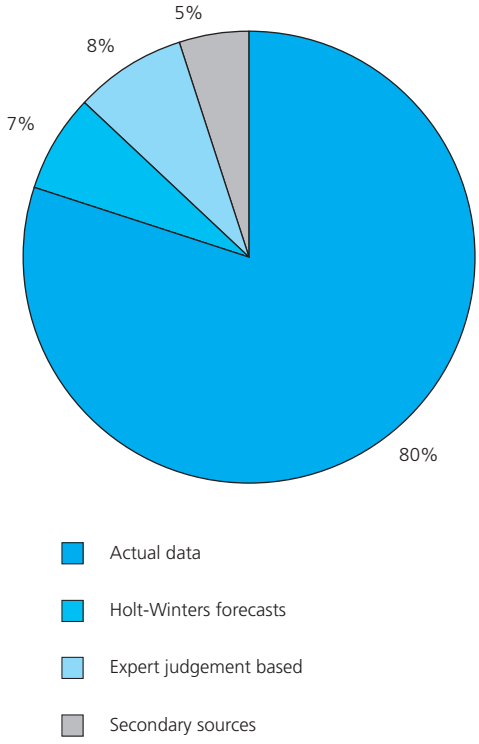


Figure 5
GDP(O) forecasting, UK quarterly national accounts estimate (M3), by 2001 GVA weight



owner occupied/low rental dwellings are 50 per cent based on actual data. That is the main reason for the reduction in judgement-based forecasting at that stage.

In addition to using their specialist knowledge to inform these forecasts, these statistical experts take account of data from secondary sources where they are available.

- A significant part of GDP(O) forecasting at M1, M2 and M3 is based on secondary indicators that are less appropriate but more timely than the main data source. They include:
  - population projections used as early indicators of output from public sector education
  - data on number of flights, used to forecast the Civil Aviation Authority's output indices for air transport.

  The DTI forecasts of GB construction output at M1 and M2 also fall into this category but are shown separately. The main model used by DTI (the 'Activity Balances' model) is based on a secondary indicator. If the DTI construction estimates are included, forecasts based on secondary indicators account for 11 per cent of GDP(O) in the M1 and M2 estimates (which equates to 19 per cent and 32 per cent of all forecasting). Secondary-indicator forecasts fall to 5 per cent of GDP(O) at M3, as the DTI forecasts are replaced by actual data at that stage.

Looking ahead: further development of GDP(O)

The research described in this article is part of a wider programme to continue the development of the production measure of GDP. This programme includes:

Index of Services industry reviews

Reviews of output measurement in the service industries have been implemented for 73 per cent of total services (52 per cent of GDP(O)).

- The results of another four reviews, covering three transport industries and real estate will be incorporated in the 2005 *Blue Book*. This will take coverage of the reviews to 79 per cent of the services sector (by GVA weight).
- Reviews for the remaining services industries (which include insurance and pension funding and business services) are currently underway.

Atkinson Review of government output measurement

The main report of the Atkinson Review was published on 31 January 2005. An implementation programme in response to the report's recommendations is to be agreed later in 2005. This programme is expected to bring further improvements to the timeliness of data for government activities.

CSPI development

Development of future CPSIs is currently under review. Of those currently being developed, computer services, professional services and advertising are closest to being introduced to published datasets. There has recently been a focus on achieving a higher level of data quality and reliability for the series already published.

The existing CSPI for sea freight will be incorporated into GDP(O) as part of the improvements to be introduced at *Blue Book* 2005.

Monthly GDP

An ONS project to produce a monthly estimate of GDP using the production approach is now underway. This development will include harmonising the methods used across the components of GDP(O) and will also improve the quality of the quarterly estimates.

Next steps

We will continue to monitor GDP(O) information content and the different ways that missing data are forecast. Development of a monthly GDP indicator may lead to some changes in publication arrangements. Data content will be a factor in deciding on these.

Notes

1. The 'GDP(O) production and publication' box includes details of the abbreviations for the GDP(O) estimates.
2. A note on the decision to publish the additional series appears at Annex A of the briefing notes for the 2004 Q4 'Gross domestic product – preliminary estimate' First Release. This is available on the National Statistics website at: http://www.statistics.gov.uk/pdfdir/gdpbrief0105r.pdf
3. A listing of the indicators used in short-term output measurement for service industries is available on the National Statistics website at: http://www.statistics.gov.uk/iosmethodology/default.asp

   Full details of the sources and methods used in compiling the IoP are available on the National Statistics website at: http://www.statistics.gov.uk/cci/article.asp?ID=1111

   Further details of the indicators for other industries can be provided on request.
4. Further details of these models and their application by ONS are available on request.
5. Further details of the sources and methods used in producing the estimates of GB construction output are available on request.
6. The final report of the Atkinson Review is available on the National Statistics website at: http://www.statistics.gov.uk/about/data/methodology/specific/PublicSector/Atkinson/final_report.asp
7. Output indicators and deflators were weighted using a ratio of 70:30 in favour of the output indicators. This was to reflect their relative importance in the estimates of growth.
8. Information on the amount and types of forecasting at a more detailed level are available on the National Statistics website at: http://www.statistics.gov.uk/article.asp?ID=1113

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Imputed rents in the National Accounts

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This article presents the results of the new benchmark model for owner occupiers' imputed rents in the National Accounts. The new benchmark uses data from the 2001 Census and various household surveys. It causes minor revisions to the owner occupiers' imputed rent series (less than 0.2 per cent in 2001) which will be taken on in the 2005 *Blue Book*.

Introduction

The System of National Accounts 1993 (SNA 1993) sets out the need for imputed rents to be incorporated in the National Accounts. Imputing the rents for owner-occupied housing results in Gross Domestic Product (GDP) being unaffected by shifts in the relative magnitude of the rental and owner-occupier housing sectors. It also increases the comparability of GDP measures across countries. Until the mid-1990s, owner-occupier rents were estimated using data derived from the domestic rating system in Great Britain. Following the abolition of domestic rates, a new United Kingdom methodology was developed which had the added benefit that it met the more specific requirements of the European System of Accounts 1995 (ESA 1995). The methodology combines the number and type of owner-occupied dwellings, as measured in the census, with the results of a hedonic model of rents. This was implemented in the UK National Accounts in 1996. The hedonic model underlying the results requires updating in the light of the new housing data from household surveys and updated grossing factors from the 2001 Census. This article reports on the methodological requirements of the EU Commission Decision on implementation of the ESA 1995 principles for measurement of dwelling services. It also reports on the previous ONS model, and presents an updated version.

Requirements of the EU model

In the National Accounts, the output of housing services comprises not only the services produced by rented dwellings but also those services provided by owner-occupied dwellings. Without this imputation, a shift between rental and owner-occupier sectors would have an impact on GDP, but the actual provision of housing services in the economy could remain unchanged. This is also relevant for international comparisons of GDP, which would otherwise be complicated by the differing levels of home ownership across countries.

The ESA 1995 stipulates that 'services produced by the ownership of dwellings are measured by the value of the rents if rented, or by the value of the rents of similar dwellings if owner-occupied'. The question then becomes how to determine the rent of a similar rented dwelling and match it to an owner-occupied one.

The method currently used in the United Kingdom (and a requirement of all EU member states) is that of stratification. This combines information on the total number of owner-occupied UK dwellings, broken down between various strata, with estimates of the rents that would be paid in each stratum if they were rented housing. Stratification is carried out using a limited number of housing characteristics, such as region and number of rooms. An econometric regression is used to model the rentals, controlling for factors outside the stratification variables, and this is used to predict average rents for owner-occupied properties in each stratum.

The EC (in Commission Decision 95/309) suggest that, as a minimum, the size, the location and at least one other important feature of a dwelling should be used to

stratify the housing stock and that this stratification should produce a minimum of 30 cells. The breakdown of the housing stock has to be meaningful and representative of the total stock of dwellings. The use of fewer or other variables in the regression is acceptable, with the target being the model explaining 70 per cent of the variation in rentals, that is, the (multiple) correlation coefficient reaches 0.7.

There are also requirements on what is excluded from rent. In particular, it should only relate to unfurnished dwellings although, if the sample for unfurnished dwellings is too small, furnished dwellings may be included if the rents are adjusted down. Secondly, given that owner-occupied dwellings are mostly privately owned, in principle, only actual rents from the private sector should be used for the imputation. If this does not give a big enough sample, then rents of publicly-owned dwellings may be used, provided they are increased to take into account any subsidies paid only to public and not to private housing.

Previous estimation of imputed rents

In the past, owner-occupier rents in the National Accounts were estimated using data derived from the domestic rating system in Great Britain. After local tax changes abolished domestic rates, owner-occupier rents were estimated using the stratification method. This method combines the stock of owner-occupied housing as given in the 1991 Census with modelled estimates of strata rents.

Two regression models were considered, the 'constrained model' and the 'full model'. The former was selected as both gave similar results but the model proved simpler. Modelling was carried out using the 1993/94 and 1994/95 Survey of English Housing (SEH). The SEH provides details on housing characteristics and rentals for a sample of the housing stock. A slight complexity is the adjustment required for the three/four year gap between the Census results and the SEH years used.

In the constrained model, predicted average rents in each stratum are estimated using only variables recorded in the Census. It is then relatively straightforward to directly gross this to a national figure using the number of dwellings in each stratum from the Census. In the full model, a two stage approach was required. The regression took into account additional variables, and the results were applied to the SEH data to impute rents for each owner occupied respondent in the SEH sample. The SEH imputed rent data was then stratified by variables common to the census to give an average rent per stratum, and grossed up using the same strata scaling factors from the census as the constrained model.

The constrained model was chosen in the 1996 study as it was more parsimonious, although the full model did have a slightly better fit (as would be expected with extra variables added). It was decided that the marginally better performance did not justify the added complexity. Models were estimated for both rent (an additive model) and for the natural logarithm of rent (a multiplicative model). In the end the multiplicative form was chosen as, although it had slightly lower predictive power, the residuals were better behaved.

The starting point was to consider only private unfurnished tenancies. However, these produced a poor model and it was necessary to combine the dataset with furnished tenancies and also housing authority and local authority properties. Much of the variation in private furnished rents could be explained by variables such as the type of private tenancy agreement, but these variables were not relevant to the owner-occupied sector.

Charges for basic services were excluded, and any housing benefit paid directly to the landlord was added to the rents. It was not possible to add back any public subsidies for local authority or housing association tenants, but the model did include dummy variables for types of tenancy to control for the presence of lower rents.

The data were trimmed to exclude atypical high or low rents, as the data was not available to correct them, as suggested by the EC Decision. A rental range of £15 to £300 per week was used. Cases where there was more than one tenancy group were excluded (in effect the household had access to most or all of the rooms in the property, but was only paying rent for a few, hence the total room variable was incorrect), and the council tax band variable applied to the whole property. Rooms or 'other' dwellings were excluded. The model did not take into account holiday homes, timeshare accommodation, garages or parking spaces.

The 2004 ONS model

Datasets

There are three possible datasets to consider which provide the required housing characteristic variables; the Expenditure and Food Survey (EFS, formerly the Family Expenditure Survey for 2000/01), the Family Resources Survey (FRS), and the Survey of English Housing (SEH). All three surveys are financial year surveys, so the first stage was to combine the 2000/01 and 2001/02 surveys to form a calendar year dataset for 2001.

The approach taken has been to consider the three datasets separately and jointly. The variables have been coded consistently across surveys, allowing the creation of a combined dataset with 44,401 households, of which 12,006 rent their property (and of which 3,190 rent from the private sector).

Rent

One issue is that some people know their rent after housing benefit is applied, but not before. Initially these were included in the sample with a dummy variable to account for the fact that their rents are likely to be on average lower. However, this did not prove to be a satisfactory solution and they were dropped from the dataset, along with those households who did not know their rent before or after housing benefit, or whose rent is zero (but are not classified as living there rent free under their tenancy agreement).

The 1996 work noted that it was necessary to exclude atypically low or high rents and that doing so resulted in

better models. As noted above, a range of £15–£300 was used for the 1996 model. In the 2001 sample, use of this range would remove 111 observations at the lower end and 74 at the top end. Instead, for the new model, it was decided to leave the lower bound of £15 in place, but to take into account the large growth in rents in London and the South East by raising the upper bound to £400 per week, thus reducing the number of observations to be removed to 32.

Rooms in a property

In the absence of a square metres variable, the number of rooms is the next best indicator of a property's size. As with previous work, a grouped variable was used separately for one to seven rooms and then a single category for eight rooms and over.

Tenure and location

The common tenure classification across surveys is as follows:

- local authority rented
- housing association rented
- other rented unfurnished
- rented furnished;
- owned with mortgage
- owned by rental purchase
- owned outright
- and rent free.

Rent-free properties were excluded from the sample. This category is classified separately from owner-occupier imputed rents in the National Accounts.

For the location variable government office regions (GORs) are used. Scotland, Wales and Northern Ireland are not subdivided into GORs but are listed alongside the English regions in UK-wide statistical comparisons. The EFS is the only source of data on Northern Ireland, whilst the EFS and FRS both provide data on Wales and Scotland. Consequently this means that sample sizes for Scotland, Wales and Northern Ireland are smaller than those of the English regions.

Furnishings

The EC Decision states that only unfurnished rents should be included, although if the sample for unfurnished dwellings is too small, furnished dwellings may be included if the rents are adjusted down. The private sector unfurnished sample is 1,784 and adding furnished private sector properties increases this to 3,190.

A furnishings dummy variable allows the separation of unfurnished and partially/fully furnished properties. For the SEH and FRS it is also possible to identify partially furnished properties but, given movements in the market over recent years (for example, unfurnished flats often now include kitchen appliances), the additional level of detail in the partly furnished variable was not felt to be justifiable.

Central heating

Central heating is one of the stratification variables suggested by the EC as an example of an amenity provided by a property and consequently is important for the regression. But this implies that the FRS data for the first quarter of 2001 must be dropped (5,790 observations) as the 2000/01 FRS survey did not include a central heating question.

Time

In the new model, the time variable allows us to account for the fact that rents rise over time. However, the time variable is less important in this model than it was in the 1996 version, when it was required to roll the results back to 1991 to be consistent with the census. To match the Census Day, the time variable is set to zero for April 2001. The loss of the 5,790 observations from the 2000/01 FRS means that there are fewer observations in the first three months of the year than would otherwise be expected.

Council tax

Council tax bands are one of the variables used in the extended model in the 1996 work. Whilst council tax payments included in rents are problematic, data on council tax bands provides us with a useful proxy for the value of the property that is consistent across rental and owner-occupied sectors.

One immediate problem with this is that Northern Ireland does not use council tax, so any model using this as a variable cannot cover that region. Secondly, there are a number of households who do not know their council tax band and who have to be dropped from the regression. Finally, small sample sizes in bands G and H (especially in the rental sector) mean that these bands have been aggregated into one.

More importantly, the council tax variable is related to the property type variable. As would be expected, detached houses tend to be in higher council tax bands, semi-detached houses are in the middle, whereas terraces and flats tend to be in the lower bands. This causes an issue of multicollinearity in the regression results, which makes it hard to make inferences from the coefficients of the housing type variables.

Missing variables

There are a number of variables that might be considered to be important in explaining rents but that cannot be incorporated in the model. For example, there are a number of physical factors missing, such as the presence of a garage. There are also locational issues, for example proximity to local transport systems, shops, recreation centres, etc. Finally, work by the Office of the Deputy Prime Minister (ODPM, 2001) shows that the type of tenancy and age of the agreement can be important factors, but as these are not related to the

owner-occupied sector they are not suitable for an imputed rent model.

The regression model

The basic model is defined as the model used by the previous 1996 work. It includes the house type (flat, semi-detached, and so on), region, time, tenancy (local authority and housing association dummies), central heating, number of rooms, and the presence of furnishings. The hypothetical base case for the dummy variables is a privately rented flat in the North East with no central heating.

The first result is that (as with the 1996 work) private sector rentals on their own cannot provide a sufficient goodness-of-fit for the model. For a sample of furnished and unfurnished properties (equation 1), the goodness-of-fit (as measured by the value of the R-squared) is low at 0.36. It is necessary to include the public sector rentals in the sample.

Box 1: Heteroskedasticity and outliers

One of the assumptions of the classical regression model is that all the errors have the same variance, that is, they are homoskedastic. In the presence of heteroskedasticity the Ordinary Least Squares (OLS) coefficients are unchanged, (and indeed, are still unbiased estimates) but the variance-covariance matrix is altered, to the extent that OLS estimates are no longer the most efficient estimates (that is, there exists an estimator with a lower variance). If there is information available about the nature of the heteroskedasticity (very unusual) a better estimator can be constructed, but usual practice is to stick with OLS.

However, this means that test statistics and the model selection process based on them will give potentially misleading results. One way to avoid this is to use Robust Standard Errors (for example, White's Standard Errors), which take into account the heteroskedasticity. This is the case for the regression estimates presented here. Results from the heteroskedasticity (Beusch-Pagan) tests are not reported, but are all significant. This was also an issue with the 1996 work.

Although the rents have been trimmed to a range of £15–400 per week, there are still some outliers in the dataset. These observations were removed from the data and the regression was re-run so they did not have any impact on the results.

Equation 2 shows the 1996 'constrained' model recreated using the 2001 data, estimated using all rental properties. The dummies for housing association and local authority properties are negative, as would be expected. As the dependent variable is the natural logarithm of rent, coefficients can be interpreted as percentages, so we can see from equation 2 that adding an extra room adds an extra 6 per cent to the rent, all other things being equal. Rents increase at a rate of around 0.5 per cent per month. Renting in London is around 53 per cent more expensive than renting in the North East.

Table 1:
Equations 1 and 2

Heteroskedasticity Robust Standard Errors shown
Dependent Variable: Ln(Rent)

	Equation 1 Private Sector rentals		Equation 2 Public and Private rentals	
	Coefficient	Std Error	Coefficient	Std Error
Central Heating	0.251	[0.018]	0.126	[0.009]
Furnished (or partly)	0.148	[0.016]	0.197	[0.015]
Detached				
Terrace	–0.06	[0.020]		
Semi Detached	–0.086	[0.024]		
Time, April 2001=0	0.007	[0.003]	0.005	[0.001]
Housing Association	N/A		–0.307	[0.012]
Local Authority	N/A		–0.467	[0.011]
Number of Rooms	0.066	[0.007]	0.061	[0.003]
North West	0.241	[0.038]	0.1	[0.009]
East Midlands	0.152	[0.041]	0.042	[0.011]
West Midlands	0.262	[0.042]	0.11	[0.009]
East of England	0.388	[0.041]	0.215	[0.011]
London	0.921	[0.040]	0.534	[0.011]
South East	0.576	[0.040]	0.351	[0.011]
South West	0.367	[0.039]	0.189	[0.011]
Wales	0.199	[0.051]	0.066	[0.013]
Scotland	0.144	[0.055]		
Yorkshire and the Humber	0.163	[0.040]		
Northern Ireland				
Constant	3.5	[0.048]	3.763	[0.018]
Observations	3120		11853	
R-squared	0.36		0.53	
Root MSE	0.43		0.31	

The models were also estimated on the individual datasets separately. Although the models generally have a marginally better fit than Equation 2, the standard errors of the coefficients are higher, reflecting the smaller samples of the individual surveys.

Adding council tax variables increases the value of R-squared slightly, but presents a problem when it comes to grossing the results. With a model limited to variables contained in the Census it is possible to predict the average rent for each stratum. For a model with extra variables, two stages are needed (this is the 'full method' mentioned above), the first imputing rentals for the owner-occupied dwellings in the sample, the second taking these imputed rents and stratifying them and grossing. The problem with this is that it leaves gaps; there are categories that exist in the Census but not in the sample of households from the three surveys.

One question worth considering is to what extent are effects shared between the private and public sector rental markets? For example, we know furnishings add around 20 per cent to rents (equation 2), but does this hold true for both public and private sector rentals? To explore this issue an interaction term was included alongside the furnishing dummy variable. A public sector dummy was defined which takes the value 1

Table 2:
Constructing the dummy

Furnished?	Public Sector?	Interaction Term (=Furnished x Public)
No = 0	No = 0	0
Yes = 1	No = 0	0
No = 0	Yes = 1	0
Yes = 1	Yes = 1	1

if the property is rented from a housing association or local authority. An interaction term is then created which takes the value 1 when the property is both furnished and in the public sector.

Equation 3 shows the results of a model allowing certain variables (furnishings, central heating, London and the South East) to interact with the public sector dummy. The coefficient on furnishings in this model is 15 per cent, whilst the interaction variable for furnishings is 14 per cent. This implies that for private sector rentals furnishings add 15 per cent to the rent, but for the public sector the mark-up is higher, with furnishings adding 29 per cent to the rent. Similarly, private sector rents in London are 80 per cent higher than the base case, but public sector rents in London are only 42 per cent higher (80 per cent – 38 per cent).

Adding the interaction terms effectively means that the imputed rents are much more closely related to the private sector rentals, which is the aim of the EC Decision. Where the interaction is significantly different from zero it implies that there are differences between the public and private sectors.

So far it has been assumed that the combined samples or individual samples from the surveys are representative of the UK population as a whole (or the appropriate population). However, there are a number of reasons why this may not be the case, for example non-response bias. For this reason, to produce results representative of the country as a whole, individual survey results are weighted using weights derived from knowledge of the population, for example, from the census. This implies that, rather than running unweighted regressions (as above) where each observation effectively has an equal weight, it is more appropriate to give a higher weight to those observations representing a larger proportion of the overall population. This can be done simply as a weighted regression.

However, there are problems with this approach when combined with aggregating three different datasets, as each dataset's weights are designed to make that survey representative, but the weights are not designed to work across surveys. One way around this is to use only one survey at a time, and to concentrate on the financial year 2001/02 so that the weights work correctly. Running the basic model on the EFS 2001/02 dataset, with and without sample weights shows that overall the fit is marginally improved, but the impact on the coefficients (and thus the predicted imputed rent) is marginal.

Finally, the 1996 work suggested that the relationship between the number of rooms and the rent may not be linear. However, the authors could find no better fit than the linear

Table 3:
Equations 3 and 2

Heteroskedasticity Robust Standard Errors shown
Dependent Variable: Ln(Rent)

	Equation 3 Public and Private rentals, with interactions		**Equation 2 Public and Private rentals**	
	Coefficient	Std Error	Coefficient	Std Error
Central Heating	0.246	[0.014]	0.126	[0.009]
Central Heating x public	*–0.195*	*[0.017]*		
Furnished (or partly)	0.145	[0.011]	0.197	[0.015]
Furnished (or partly) x public	*0.136*	*[0.030]*		
Detached				
Terrace				
Semi Detached	–0.016	[0.007]		
Time, April 2001=0	0.005	[0.001]	0.005	[0.001]
Housing Association	–0.082	[0.018]	–0.307	[0.012]
Local Authority	–0.251	[0.017]	–0.467	[0.011]
Number of Rooms	0.061	[0.002]	0.061	[0.003]
North West	0.095	[0.010]	0.1	[0.009]
East Midlands	0.043	[0.012]	0.042	[0.011]
West Midlands	0.099	[0.011]	0.11	[0.009]
East of England	0.213	[0.012]	0.215	[0.011]
London	0.797	[0.016]	0.534	[0.011]
London x public	*–0.376*	*[0.018]*		
South East	0.436	[0.016]	0.351	[0.011]
South East x public	*–0.131*	*[0.018]*		
South West	0.19	[0.012]	0.189	[0.011]
Wales	0.058	[0.017]	0.066	[0.013]
Scotland	–0.021	[0.012]		
Yorkshire and the Humber				
Northern Ireland				
Constant	3.64	[0.018]	3.763	[0.018]
Observations	11853		11853	
R–squared	0.55		0.53	
Root MSE	0.3		0.31	

model. To test this, the original regression model was refitted under a number of transformations to the number of rooms variable. If the relationship between number of rooms and rent was non-linear then the transformed variables should produce a regression with an R-squared value which is greater than in the original model. As with the 1996 work, the transformed models did not produce an improved fit.

Selecting the model

Equation 3 has the best fit and, due to the large sample, it has smaller standard errors on its coefficients than the models run on individual surveys. The use of interaction terms on certain variables also makes it closer to the conceptual ideal of being based on private sector unfurnished rentals, as set out by the EC requirements.

Grossing the results

Grossing factors have been derived from the 2001 Census. Three tenure types are counted as owner-occupied: own outright, own with mortgage and shared ownership. The number of owner occupier households is split by region, property type, presence of central heating and the number of rooms. Both census and regression data are available for all nine English regions as well as Northern Ireland, Wales and Scotland.

The regression is used to predict the average imputed rent for April 2001 for each stratum. This is then multiplied by the number of households in that stratum from the census.

Grossing model 3 gives a total of £73,782 million. When we look at the regional breakdown we find that although London only has 10 per cent of the housing stock, it has 17.5 per cent of the imputed rent. This reflects the much higher rents in this region.

Conclusion: impact of the benchmark

The benchmark year, 2001

The UK National Accounts measure of owner occupiers' imputed rent has been satisfactorily re-benchmarked to the dwelling stock data recorded in the 2001 Census using a regression model derived from three household surveys in 2001: the FRS, EFS and SEH. The gross value of imputed rent in 2001 was £73,782 million compared with the existing estimate of £73,922 million, for example, a difference of less than 0.2 per cent. It should be stressed that these totals are *gross* and what is also needed for the National Accounts is imputed rent net of owners' intermediate consumption. The corresponding new net value, after deduction of owner occupiers' intermediate consumption expenditure, based on the existing assumption of the relationship between net and gross rentals (a net:gross ratio of 0.78), was £57,550 million compared with the existing figure of £57,659 million.

Other estimates and revisions

The 2001 revision required to net imputed rentals of owner occupiers in the household final consumption expenditure account appears reassuringly small and is expected to be incorporated in the 2005 *Blue Book*, together with appropriate consequential revisions to estimates for post-2001 periods. No revisions are planned in the pre-2001 estimates for owner occupiers as any changes would be insignificant in the context of the National Accounts.

The existing quarterly estimates between Census benchmarks and up to the current period are derived from a more limited model than the full regression one. It uses the quarterly household survey data for private rentals (EFS and FRS), government data on public sector rentals and ODPM annual data on the occupied dwelling stock, subdivided by tenancy type. This model is being retained for continuing investigation as it appears to have yielded a satisfactory level of estimate for owner occupiers' imputed rentals up to 2001.

Work on the related re-estimation in the light of the 2001 Census data of imputed rentals other than for owner occupiers, derived using similar models, is still in progress and likely to lead to some upward revisions to that series, possibly for more years than just 2001 onwards.

A number of other issues, concerning all the housing-related components of both final and intermediate consumption of owner occupiers and presentation of all the related data, also still need to be explored. These are being investigated by ONS with a view to including any consequential changes in the National Accounts later, possibly in the 2006 Blue Book.

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International Comparisons of Productivity: revisions and interpretation

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After the periodic major benchmarking exercise of prices across all OECD countries, the UK's productivity performance continues to be lower than France and the USA.

UK productivity in 2003, as measured by GDP per worker, was 11 per cent below that of the average of all other G7 countries. Before this revision, UK productivity was 13 per cent lower. UK GDP per worker remains similar to that of Germany, above that of Japan, but still below that of France and the USA.

Revisions in this article largely reflect new estimates of purchasing power parities (PPPs). The impact is to lower the productivity levels of all other countries relative to the UK for the latest years. The US's performance relative to the UK was revised most significantly in this release, from 129 to 125 for 2003, with UK=100.

This article provides further detail about the international comparisons of productivity methodology, the compilation process and use of purchasing power parities. It also provides a detailed analysis of past and present revisions to the international comparisons of productivity estimates since their first publication in October 2001.

Introduction

The Office for National Statistics (ONS) has been publishing International Comparisons of Productivity (ICP) since October 2001 based on data provided by the OECD. Annual relative comparisons of levels of productivity are made for France, Germany, Japan and the USA, with the UK being the base country set equal to 100 each year. ONS also publishes aggregates for G7, and G7 excluding the UK.

Cross-country level comparisons are made on two productivity measures – Gross Domestic Product (GDP) per worker and GDP per hour worked. The former has been assessed to meet the quality of a National Statistic. However, the latter is released as an experimental statistic to reflect the inherent measurement difficulties in making hours worked estimates comparable across countries.[1]

ICP is published twice yearly, usually in September and February. They are two types of releases, reflecting the publication and revisions cycles of our four component data series from the OECD. In February, the series are updated mainly to take on board the annual revisions to the purchasing power parities (PPPs). Revisions to countries' GDP, if any, will also be included at the same time. However data are not available to extend the ICP series by an additional year. In September, an additional year of data becomes available and the series are extended. Revisions to the back series are also included to reflect any changes in the underlying data of the individual countries, that is, GDP, employment and average hours worked.

In the February release, revisions to ICP tend to be of more general nature, that is, affecting all countries. The pattern of revisions is determined by that of the purchasing power parities. Therefore, ICP revisions are not always in one direction, and could be more significant for some countries than the others. But generally larger revisions are expected for the latest years than the earlier years for the individual countries.

Revisions to ICP tend to be country-specific in September and their magnitude is relatively marginal, usually by less than 0.5 index points in absolute terms. The exceptions are when the UK (the base country) revises its numbers or when there are major revisions to the underlying data for any one country. The September 2003 release, which incorporated the UK 2001 Census revisions for the first time, was a case in point. Productivity comparisons for all countries were affected and revisions were significant but all in the same direction.

This article looks closely at the sources and extent of ICP revisions over the years. The aim is to inform users of the quality of ICP numbers in each type of release. Given the significant role of the purchasing power parities in international comparisons, the implications of the recent change in its methodology following the Eurostat's major PPP revision programme for 1995–2000 are considered. This in turn provides the context in which ONS ICP numbers are to be interpreted.

Methodology

ONS's ICP numbers are based on two productivity measures – GDP per worker and GDP per hour worked. They are constructed from four component data series for each country. Comparable productivity levels for each country are first calculated before they are expressed as an index relative to the UK (UK=100):

$$\text{GDP per worker for country i} = \frac{GDP_i \,/\, PPP_i}{Employment_i}$$

$$\text{GDP per hour worked for country } i = \frac{GDP_i \,/\, PPP_i}{Employment_i \times Hours_i}$$

The four required component data series for each country are therefore:

GDP = current GDP at market prices in country's own currency,
PPP = current purchasing power parities relative to the US (US=1),
Employment = number of people in employment, and
Hours = actual average hours worked per person per year.

The use of the PPPs is to convert countries' GDP into comparable volume measures for international level comparisons at a point in time. OECD's current PPPs use the US as the base country. These ratios for each year show how much a representative basket, worth US$1 in the US, costs in different countries in their domestic currencies. Thereby, PPPs give the relative price levels across countries.

For international comparisons of productivity, PPPs are preferred to the market exchange rates which fluctuate for reasons other than countries' relative price movements, such as interest-rate differentials and currency speculations.

In addition, market exchange rates at best only reflect the relative price movements of the traded sector. In contrast, PPPs are constructed to cover the entire range of *final* goods and services, which make up the whole of GDP (expenditure) including many items, such as construction and government services, which are not traded internationally. Due to its comprehensive coverage, PPPs are therefore more appropriate than the market exchange rates in converting GDP into cross-country comparable volume measures. Furthermore, because PPPs are aggregated up to GDP expenditure, GDP at market prices, as opposed to at basic prices, are chosen for ICP.

Data sources and ICP publication cycle

All four component data series are sourced to various OECD publications, which have been identified to be most comparable. They are:

- GDP from the OECD Main Economic Indicators (MEI), published monthly
- PPP from the OECD PPP website at http://www.oecd.org/std/ppp, which is updated on a continuous basis to give the latest estimates
- employment from OECD Annual Labour Force Statistics, published in August
- hours from OECD Employment Outlook, published annually in June/July.

The components for the numerator of the productivity ratio, GDP and PPP, are relatively timely whereas the components for the denominator are only published annually in the summer months of June/July and August. Therefore September is the earliest possible time to extend the ICP series with an additional year of data. The ICP series are then revised in February mainly to take on board the annual revisions to the PPP, released at the beginning of January. Data on Employment and Hours are the same as in the September release, while GDP numbers are taken from the latest MEI, that is, the January edition.

In choosing the data sources for ICP, a balance has to be struck between maintaining cross-country comparability and transparency on the one hand and timeliness on the other hand. While we have managed to improve the timeliness of sources for the numerator over the years, more timely sources of sufficient quality for the denominator cannot be identified. This is partly due to the diversity in countries' statistics on employment and average hours worked. While we could use alternative sources of hours worked numbers, we would not benefit from the OECD's work to improve cross-country comparability.

The lack of timeliness in the denominator does not usually cause problems as big revisions to countries' Labour Force Surveys tend to happen only once in five or ten years depending on the intervals of their census. In the face of significant revisions, however, the untimely data sources could become more costly.

The UK 2001 Census was a case in point. To incorporate the census results in a more timely fashion, the UK employment is sourced to ONS and OECD average hours worked for the UK is adjusted by a Census factor.[2] This took effect in the September 2003 release with the understanding of reverting to the OECD data sources once they have been updated with UK Census results. But this did not happen in summer 2004 as expected.[3] As a result, the same source and method of adjustment applied to the UK denominator runs through in the ICP October 2004 and February 2005 releases.

Sources of ICP revisions

Changes to any one of the underlying component series will impact on ICP on both measures, except the hours series which only affects the GDP per hour worked measure. Table 1 lists the main sources of revisions to comparisons of GDP per worker for each previous release. These are automatically fed through to comparisons of GDP per hour worked. Additional revisions specific to the second measure are listed in Table 2. These should be read alongside the revisions triangles for each country on both measures provided in Tables R1 to R12 in the Appendix.

Table 1
Sources of revisions to ICP on GDP per worker

ICP Release	Sources of revisions
Oct 2001	The launch of the ICP series.
Mar 2002	Significant revisions to PPP caused by the 1999 benchmark results.
Sep 2002	Country-specific revisions to GDP and employment; in particular noticeable revisions to French employment numbers. The minor effects of shifting from legacy currencies to Euro for member states' GDP were also included.
Feb 2003	PPP annual revisions outside the triennial benchmark years.
Sep 2003	Significant downward revisions to UK employment caused by UK Census results.
Feb 2004	Major revisions caused by the Eurostat PPP programme for 1995–2000, coupled with small revisions from GDP numbers by changing to the more up-to-date data source, i.e. OECD *Main Economic Indicators.*
Oct 2004	Country-specific revisions to GDP and employment; in particular noticeable downward revisions to French employment numbers.
Feb 2005	Significant revisions to PPP caused by the 2002 bench mark results.

Table 2
Additional sources of revisions to ICP on GDP per hour worked

ICP Release	Sources of revisions
Oct 2001	The launch of the ICP series.
Mar 2002	None.
Feb 2003	None.
Sep 2003	Adjustments to UK average hours worked to reflect the UK Census results. There were small revisions to all other countries with more significant downward revisions for Germany.
Feb 2004	Revisions to French average hours worked, supplied by the French statistical office, INSEE and published in a corrigendum to OECD Employment Outlook.
Oct 2004	Downward revisions to hours worked for Canada, US and Italy. Minor revisions to UK hours worked.
Feb 2005	None.

Revision impact on ICP

ONS's ICP numbers have been subject to ongoing revisions, which have largely reflected changes in the four underlying component data series. Each goes through its own regular as well as one-off revisions, but their timing seldom coincides for the four input series. As a result, these impact on ICP at different times, contributing to its overall volatility. ICP revisions are predictable only as far as revisions to the component data are predictable. Total revisions since the first release in October 2001 are large but they are cumulative over the last seven releases with a few significant one-off revisions to respective component data series, as seen in Tables 1 and 2 above.

The impact of revisions to the underlying component data series on ICP depends on their frequency and magnitude. They are detailed as follows.

GDP

Countries' GDP are subject to their regular annual revision cycles in the national accounts. But they impact more on their volume rather than current GDP, the latter of which is used in the calculation of ICP. Since countries' revision cycles do not always coincide and may vary from year to year, some minor country-specific ICP revisions that originated from this source, mostly affecting the latest years, are expected in each release. The impact on the back series, if any, is often negligible.

Countries' national accounts are also subject to major revisions arising from methodological or definitional changes. Some of these are country-specific while others could apply to all countries, for example the implementation of the *System of National Accounts 1993*. These tend to happen in the medium to long term at irregular and infrequent intervals, bringing different impact on countries' GDP levels. In turn, their impact on ICP tends to be one-off in nature but is harder to predict.

PPP

The OECD-Eurostat PPP programme has been subject to major revisions and methodological changes in recent years, which have, to some extent, superseded its regular revision cycles. ICP numbers are highly sensitive to changes in PPPs. In turn, PPPs have been the one source that causes most instability in the ICP series.

The OECD and Eurostat share the responsibility for compiling the PPPs. Details of their joint programme are provided in Box 1. The implications for the revision pattern to PPPs and in turn ICP are summarised below.

1. The major revision programme for 1995–2000 PPP data, together with the three-year rolling annual benchmarking method, has meant that from 1995 onwards, there exhibits higher stability in PPPs within the European group than between the European countries as a group and the non-European countries. Consequently, relatively larger revisions in ICP for the non-European countries (that is, the US and Japan) are likely following the release of the triennial benchmark results for PPPs. This is certainly the case in the February 2005 release (see Box 2).

2. PPPs are provisional when they are subject to their regular revision cycles. For the European countries, PPP estimates are provisional for the latest year. But for the non-European countries, they are provisional from the last benchmark year. Since the triennial benchmark results are normally released 24 months after the end of the reference period, this could mean that up to the last four years are provisional for the non-European countries. The same thus applies to the ICP.

3. PPPs pre-1995 for the EU countries and pre-1999 for the non-EU countries will be revised in each release if countries' relative implicit GDP deflators are changed.

4. PPPs are also subject to revisions outside the normal cycle. Generally, thorough and systematic revisions will remain infrequent events, accommodating only major future changes in the national accounts compilation system and in the underlying PPP methodology. The next revision of SNA93 and ESA95 could be such an event.

Employment

The input series on employment are only updated in the September release and are rolled over to the February release. Between the two releases there should not be ICP revisions caused by changes to the underlying employment data.

However in the September 2003 release, the revisions to the UK employment to reflect the interim Census 2001 results led to significant revisions to the ICP numbers for all countries. These had the same proportionate effect on all countries – around 1 per cent for earlier years increasing to around 2 per cent in the latest year (that is, 2002). This pattern reflected how the impact of the Census 2001 was tapered back in time in the UK employment statistics. The effect on the ICP was to improve UK's relative productivity performance against all other countries (that is, with lower ICP numbers), but by the same proportion across countries.

Other than these revisions, the employment series are relatively stable. France is the only country which seems to revise their numbers more frequently than other countries – noticeable revisions were recorded in the September 2002 and October 2004 releases.

Hours

Like employment, input data on hours are updated only in the September release and rolled over to the February release. The only exception was in the February 2004 release, when OECD published a corrigendum to its 2003 Employment Outlook incorporating the revisions to the French data provided by its statistical office INSEE. Unlike the other component series, revisions to hours only affect ICP GDP per hours worked, but not GDP per worker.

Compared to employment, the data set on hours is subject to higher frequency of methodological revisions. This reflects the inherent difficulties in measuring hours and in ensuring cross-country comparability. GDP per hour worked has been released as an experimental statistic because of the OECD's work programme to improve the methodology for estimating hours.

While each country has its own official measure on hours, the OECD makes adjustments to countries' data to improve cross-country comparability if judged necessary. In order to improve the timeliness for some countries (for example, Italy), the OECD also exploits new data sources, for example, the European Labour Force Survey, to produce provisional estimates. The fine-tuning of the methodology and hours estimates is therefore a collaboration between the national statistical offices and the OECD. Instability of the hours series stems from work and revisions carried out at the national level as well as by the OECD as detailed in Table 2.

Box 1
The OECD-Eurostat PPP programme

PPPs are compiled using three types of data: price survey results, GDP weights (for expenditure shares) and other input data (for example, salaries in government and rents).

An overview of the shared programme between OECD and Eurostat for calculating PPPs is provided in Figure 1. For the non-European countries, it has been a triennial exercise to provide the benchmarks which are then extrapolated backward and forward, and the series are smoothed between the two benchmarks. The last two benchmark years are 1999 and 2002.

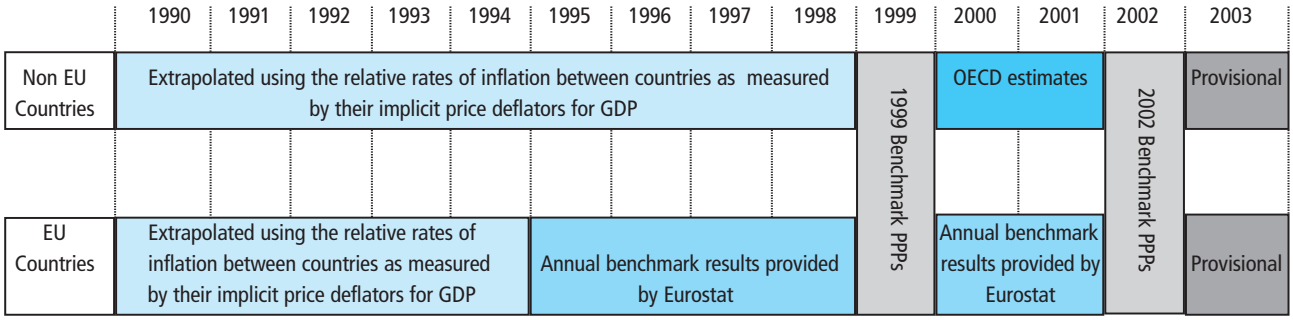
Since 1990, Eurostat has been calculating PPPs for the 31 European countries that it coordinates, using a three-year rolling annual benchmarking method. That is, about one-third of the consumer goods are surveyed every year and for the other two-thirds suitable consumer price indices are used for interpolation in the intervening years. Rents, salaries in the government sector and GDP weights are collected annually whereas capital goods and construction surveys are now undertaken every two years. Of these component data, GDP weights are subject to regular revisions in line with National Accounts production processes. Hence, Eurostat PPPs are final only 24 months after the reference period. Annual results are released towards the end of each year. For example in 2004, final 2002 estimates and provisional 2003 estimates are released.

In order to take advantage of the most up-to-date information, the OECD has made the decision to integrate the annual benchmarking results from Eurostat for the European countries into their programme for all the OECD countries with the US as the base country. This entails fixing the relative price ratio between the European and the non-European groups, allowing the relatives to change only within groups.

In November 2003, Eurostat released revised PPP data for 1995–2000. These reflected the results of a significant effort made to correct the inconsistencies arising from countries moving towards the European System of Accounts 1995 at a different pace. The impact on ICP, incorporated in the February 2004 release, was large. For full details, see (Barnes and Asogbon, 2004).

As illustrated in Figure 1, the exercise conducted by Eurostat to ensure consistency and continuity in PPPs only applied to the European countries and for 1995–2000. They are extrapolated backward from 1995 using implicit GDP deflators to provide a consistent back series. Such an extensive and intensive exercise was not repeated for the countries co-ordinated by the OECD. When integrating the improved PPP estimates for the European countries into the broader OECD results, it was decided to use 1999 as the linked benchmark year, which was judged to be most consistent with the new data. The back series for the non-European group are extrapolations from the 1999 benchmarks, superseding the previous benchmark results.

Figure 1
The Eurostat–OECD PPP programme



For non-EU countries PPPs prior to 1999 are calculated using extrapolation. For EU countries extrapolation is used to calculate PPPs prior to 1995. Extrapolation is described in more detail below. As changes in PPPs depend directly on relative rates of inflation in different countries, this method produces robust estimates provided they are not too remote from the base year and there have been no significant changes in price or expenditure structures within countries. For the extrapolation the base year for non-EU countries is 1999 whilst for EU countries it is 1995.

From 1995 onwards PPPs for EU countries are annual benchmark results provided by Eurostat. In 2002 Eurostat undertook a though revision of its PPPs. The revisions concerned PPPs for the years 1995-2000 and corrected the inconsistencies arising from countries moving towards the European System of Accounts 1995 at different points in time. The results were published in November 2003.

For non-EU countries the PPPs for 2000 and 2001 are the geometric averages of the extrapolated results using the 1999 benchmark as the base year and the extrapolated results using the 2002 benchmark as the base year.

PPPs for all countries are triennial benchmark results calculated jointly by the OECD and Eurostat.

For EU countries these are preliminary annual benchmark results provided by Eurostat. PPPs for non EU countries are OECD estimates based on extrapolation. These estimates and preliminary results should be interpreted with caution as they are subject to revision.

Extrapolation: When estimating PPPs using extrapolation the PPPs for the base year are carried forward (or backwards) by the relative rates of inflation in different countries as measured by implicit price deflators for GDP. Specifically a country's PPP for year t+n (or t-n) is obtained by multiplying its PPP for the base year t by its implicit price deflator for GDP for year t+n (or t-n) and then dividing by the implicit GDP deflator for year t+n (or t-n) for the reference country. The choice of reference country does not influence the final result and in practice the OECD uses the United States. Note also that PPPs that have been extrapolated backwards are sometimes referred to as backdated PPPs.

Box 2
Revisions in the ICP February 2005 release

The table below shows revisions to the comparisons of GDP per worker in the ICP February 2005 release. They largely reflect revisions to PPPs rather than to countries' GDP, which are very minor, if any. The revisions to ICP after 1999 are mostly caused by the 2002 PPP triennial benchmark results. Revisions to the estimates for 1999 are very small, reflecting small revisions to countries' GDP with PPPs fixed by the 1999 benchmark.

For the period before 1999, revisions mainly affect comparison with the non-European countries. The source of these revisions represent adjustments made to the price levels of the non-European countries rather than revisions to the UK.

PPP revisions in the latest years are largely in the direction of reducing the UK productivity gap against all countries. That is, the price of the same basket of goods in the UK is revised down relative to other countries. This has not always been the case in the past (see the revision triangles for all countries in Appendix).

The 2002 benchmark results for the non-European countries suggest that the price levels in other countries compared to the UK are higher than those projected by their implicit GDP deflators. Based on setting the UK PPP equal to one, the PPP for 2002 has been revised up by 3.3 per cent for the US and 2 per cent for Japan. The OECD judges that the size of these revisions is usual with the triennial benchmark results. However, it would be helpful if future OECD work were to identify to what extent these revisions are due to changes in the weights and composition of the basket between the two benchmark years, or inconsistency (for example, arising from the sampling error or conceptual changes).

GDP per worker: Revisions from October 2004 release, in index points

Year	France	Germany	Japan	USA	G7	G7 *excluding* UK
1990	0.2	–	0.3	–0.9	–	–
1991	0.1	0.1	0.3	–0.7	–0.1	–0.2
1992	0.1	0.1	0.3	–0.6	–0.1	–0.1
1993	0.0	0.0	0.2	–0.5	–0.1	–0.2
1994	0.0	0.0	0.2	–0.6	–0.2	–0.2
1995	0.0	0.0	0.2	–0.4	–0.1	–0.1
1996	0.0	0.0	0.1	–0.4	–0.2	–0.2
1997	0.0	0.0	0.2	–0.1	0.0	0.0
1998	0.0	0.0	0.1	0.0	0.1	0.1
1999	0.0	0.0	0.1	0.0	0.0	0.1
2000	0.0	0.0	–0.5	–1.6	–0.9	–1.0
2001	0.1	0.0	–0.6	–1.4	–0.9	–1.0
2002	–2.1	–0.5	–1.9	–4.0	–2.6	–2.8
2003	–3.2	–0.2	–1.6	–3.8	–2.6	–2.8

Interpretation of ONS's ICP numbers

ONS's ICP is constructed using *current* PPPs. It is intended to give 'snapshot' comparisons based on current international prices. This approach allows cross-country prices and price structures to vary over time. Movements in ICP over time therefore incorporate several effects: changes in relative prices between countries, relative volume changes and possibly changes in methodologies and definitions. This is why countries' relative volume productivity growth cannot fully account for the changes in ICP over time. At times, the change in the relative price structures could be large enough to shift ICP in the opposite direction to that implied by the relative volume growth.

Due to the statistical uncertainties surrounding the estimation of PPPs and international comparability of the other component data series, small differences between countries (of a few percentage points) will obviously fall within the margin of error.[4] That is, small differences between countries and across time are not statistically or economically significant.

It must be stressed that ICP series are constructed for comparisons at a point in time. They should not be treated as a time series in the sense that volume growth over time could be derived from them. However the ICP series could be seen as indicative of broad trends over a long period of time across countries.

It should be noted that the *current* approach used in ONS's ICP is different from the *constant* approach adopted by the US Bureau of Labor Statistics (BLS) and the OECD for comparisons over time.[5] The latter approach is based on *constant* PPPs which are derived from extrapolation of the base year's current PPPs using countries' relative implicit GDP deflators.

The advantage of this approach is that it replicates exactly the relative movements of volume growth and in turn facilitates the interpretation of how countries compare over time. However, it does share the main drawbacks of indices that use a fixed base. The results are dependent on the choice of base year. The assumption of no change to the price structures over time means moving away from economic reality the further away from the base year. It is also more sensitive to cross-country differences in methods and definitions employed in national accounts and deflation.

The impact of revisions could be summarised in the following additional guidelines for interpreting ONS's ICP numbers.

1. Latest year for the EU countries and years after the latest benchmark for the non-EU countries should be treated as provisional. That is, they are revised within the normal production cycle, mirroring that of the PPPs.
2. Following Eurostat's revision programme to 1995–2000 PPPs, we judge that the quality of PPPs, and in turn ICP, is better now than previously, and better post-1995 than pre-1995.
3. ICP will always be susceptible to the one-off infrequent and irregular revisions to the respective component series. These revisions could be country-specific or general, that is, affecting all countries in ICP. That the timing of these changes is unpredictable and seldom aligns with each other contributes to the instability of the ICP series.
4. ICP GDP per hour worked is less stable than ICP GDP per worker, because the former has the added uncertainties from revisions to average hours worked.

Notes

1. The experimental statistics status of ICP based on GDP per hour worked is due to be reviewed, following improvements that the OECD (the source of our data) has made to their average hours worked series over the years.
2. For further details see (Barnes and Asogbon, 2004).
3. The 2001 Population Census results were integrated into ONS LFS figures in various phases. Interim Census adjustment to LFS estimates of employment and hours worked at the aggregate level were first published in October 2002, but a full set of Census-adjusted microdata (including employment and hours) was not released until March 2004. ONS supplies data to the OECD in March every year to be included in their *Annual Labour Force Statistics* and *Employment Outlook*. OECD requires a large range of consistent disaggregated data (microdata) from the LFS, which was not available by the deadline of data submission in 2004. Consequently, the 2004 OECD annual publications contained no Census or other population adjustments. These adjustments should feed into the OECD publications in the 2005 editions.
4. As noted in (Schreyer and Koechlin, 2002a) when looking at volume comparisons of GDP 'a 5 percentage point error margin is sometimes quoted' to account for these uncertainties.
5. OECD also publishes international comparisons of productivity levels on a GDP per hour worked basis for the latest year available, currently 2003. The discrepancies between the ONS and OECD series are not large, considering the margin of uncertainty. They can be explained by the different sources used for the component data. In particular, OECD recently decided to move to the national accounts as the main source of employment data for most countries whereas ONS employment data is based on countries' Labour Force Surveys. Future work is planned in co-operation with the OECD to further understand the differences between the ONS and OECD estimates of productivity levels.

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Appendix

Table A1
ICP February 2005: GDP per worker

	France	Germany	Japan	UK	USA	G7	G7 *excluding* UK
1990	130.2	-	105.4	100.0	136.0	-	-
1991	130.3	111.5	106.1	100.0	136.0	121.9	123.9
1992	129.9	112.8	103.5	100.0	136.5	121.6	123.6
1993	125.7	108.9	99.8	100.0	133.4	118.8	120.5
1994	123.6	108.2	97.3	100.0	130.9	117.1	118.6
1995	122.3	108.2	97.3	100.0	130.0	116.8	118.3
1996	120.9	107.6	97.8	100.0	129.8	116.5	118.1
1997	120.3	105.2	95.5	100.0	128.6	115.0	116.4
1998	120.0	103.4	93.0	100.0	129.2	114.7	116.0
1999	119.6	104.4	93.1	100.0	131.9	116.0	117.5
2000	117.2	103.1	93.3	100.0	129.0	114.4	115.7
2001	116.0	100.5	91.8	100.0	126.6	112.3	113.4
2002	111.8	98.3	88.7	100.0	123.2	109.1	110.0
2003	109.7	98.4	90.3	100.0	124.7	109.7	110.6

Note: index, UK = 100. Data for all years and all countries have been subject to revision. Data for 2003 are provisional and subject to revision.

Source: Office for National Statistics

Table A2
ICP February 2005: GDP per hour worked experimental

	France	Germany	Japan	UK	USA	G7	G7 *excluding* UK
1992	139.4	125.2	91.0	100.0	129.7	118.2	119.8
1993	135.5	121.9	90.2	100.0	125.7	115.9	117.3
1994	134.6	122.1	88.8	100.0	123.9	114.9	116.2
1995	135.4	123.4	89.6	100.0	122.7	114.9	116.2
1996	133.4	124.1	89.6	100.0	122.9	114.7	116.0
1997	133.1	121.8	88.7	100.0	121.0	113.2	114.4
1998	133.3	119.9	87.1	100.0	121.1	112.9	114.1
1999	132.5	120.9	88.1	100.0	122.9	114.1	115.3
2000	133.0	119.9	87.2	100.0	120.1	112.3	113.4
2001	133.8	118.1	86.5	100.0	119.4	111.4	112.5
2002	129.1	114.8	83.2	100.0	115.3	107.6	108.3
2003	125.7	113.3	83.5	100.0	115.8	107.3	107.9

Note: index, UK = 100. Interim population-adjusted figures for the UK are presently only available from 1992. Data for all years and all countries have been subject to revision. Data for 2003 are provisional and subject to revision.

Source: Office for National Statistics

Table R1:
Revisions triangle for France, by release date: GDP per worker

	Mar 02	Sep 02	Feb 03	Sep 03	Feb 04	Oct 04	Feb 05	**Total**
1990	–0.3	–0.0	0.0	–1.3	2.2	0.3	0.2	**1.1**
1991	–0.4	0.0	–0.0	–1.7	–2.2	0.5	0.1	**–3.7**
1992	–0.5	0.1	0.0	–1.2	2.6	0.1	0.1	**1.3**
1993	–0.6	0.1	–0.0	–2.2	1.9	0.9	0.0	**0.1**
1994	–0.7	–0.1	0.0	–1.9	1.3	0.4	–0.0	**–1.0**
1995	–1.0	–0.3	–0.0	–2.8	–2.4	1.0	–0.0	**–5.4**
1996	–1.0	–0.4	0.0	–2.6	3.4	0.6	–0.0	**0.1**
1997	–0.8	–0.4	–0.0	–3.0	6.5	0.7	–0.0	**3.1**
1998	2.1	–0.3	0.2	–3.5	5.4	0.9	–0.0	**4.8**
1999	2.5	–0.5	0.4	–3.3	4.8	0.9	–0.0	**4.7**
2000	3.2	–1.4	2.0	–3.3	1.7	0.7	–0.0	**2.8**
2001	–	–	3.4	–4.3	0.7	0.8	0.0	**0.6**
2002	–	–	–	–	–0.8	0.9	–2.1	**–2.0**
2003	–	–	–	–	–	–	–3.2	**–3.2**

Note: The first release of ICP was October 2001. The last column gives the total revision since the first release of ICP.

Source: Office for National Statistics

Table R2:
Revisions triangle for France, by release date: GDP per hour worked

	Mar 02	Sep 02	Feb 03	Sep 03	Feb 04	Oct 04	Feb 05	**Total**
1992	–0.5	0.1	0.0	–1.4	5.9	0.2	0.1	**4.3**
1993	–0.7	0.1	–0.0	–2.6	5.7	1.1	0.0	**3.7**
1994	–0.7	–0.1	0.0	–2.3	5.3	0.5	–0.0	**2.6**
1995	–1.0	–0.3	–0.0	–3.4	1.4	1.1	–0.0	**–2.3**
1996	–1.1	–0.4	0.0	–3.2	6.8	0.6	–0.0	**2.7**
1997	–0.9	–0.5	–0.0	–3.6	10.4	0.8	–0.0	**6.2**
1998	2.3	–0.3	0.2	–4.2	10.0	0.9	–0.0	**8.9**
1999	2.7	–0.5	0.4	–4.0	9.3	0.9	–0.0	**8.7**
2000	–	–	2.1	–3.7	9.1	0.7	–0.0	**8.2**
2001	–	–	3.8	–7.9	8.2	0.8	0.0	**4.9**
2002	–	–	–	–	6.5	–0.2	–2.4	**3.8**
2003	–	–	–	–	–	–	–3.7	**–3.7**

Note: The first release of ICP was October 2001. The last column gives the total revision since the first release of ICP.

Source: Office for National Statistics

Table R3:
Revisions triangle for Germany, by release date: GDP per worker

	Mar 02	Sep 02	Feb 03	Sep 03	Feb 04	Oct 04	Feb 05	**Total**
1990	–	–	–	–	–	–	–	**–**
1991	–0.4	–0.0	–0.0	–0.9	5.1	–0.1	0.1	**3.8**
1992	–0.4	–0.0	–0.0	–1.0	5.8	0.1	0.1	**4.6**
1993	–0.5	–0.0	–0.0	–1.2	3.1	0.1	0.0	**1.5**
1994	–0.7	–0.0	–0.0	–1.5	–0.8	0.2	–0.0	**–2.9**
1995	–0.9	0.0	–0.0	–1.8	–4.5	0.2	0.0	**–7.0**
1996	–0.9	0.0	–0.0	–2.0	0.3	0.1	–0.0	**–2.5**
1997	–0.8	0.0	–0.0	–2.2	–2.1	0.1	–0.0	**–5.0**
1998	1.7	–0.1	0.1	–2.5	–3.0	0.2	0.0	**–3.7**
1999	1.4	0.1	0.2	–1.2	–3.5	0.1	0.0	**–2.9**
2000	2.1	1.0	0.3	–1.2	–5.7	0.1	0.0	**–3.5**
2001	–	–	–2.0	–2.1	–4.2	–0.0	0.0	**–8.3**
2002	–	–	–	–	–5.8	–0.1	–0.4	**–6.3**
2003	–	–	–	–	–	–	–0.2	**–0.2**

Note: The first release of ICP was October 2001. The last column gives the total revision since the first release of ICP.

Source: Office for National Statistics

Table R4:
Revisions triangle for Germany, by release date: GDP per hour worked

	Mar 02	Sep 02	Feb 03	Sep 03	Feb 04	Oct 04	Feb 05	**Total**
1992	–0.5	0.1	–0.0	0.2	6.5	0.2	0.1	**6.6**
1993	–0.6	0.3	–0.0	–0.2	3.5	0.2	0.0	**3.3**
1994	–0.8	–0.1	–0.0	–0.4	–0.9	0.2	–0.0	**–2.1**
1995	–1.0	–0.5	–0.0	–1.1	–5.1	0.1	0.0	**–7.6**
1996	–1.1	–0.7	–0.0	–1.3	0.4	0.1	–0.0	**–2.5**
1997	–1.0	–0.6	–0.0	–1.5	–2.3	0.1	–0.0	**–5.3**
1998	2.0	0.1	0.1	–1.8	–3.5	0.1	0.0	**–3.0**
1999	1.6	0.7	0.3	–0.4	–4.0	0.1	0.0	**–1.8**
2000	2.4	1.0	0.3	–0.3	–6.5	0.1	0.0	**–3.1**
2001	–	–	–2.3	–1.5	–4.9	–0.0	0.0	**–8.8**
2002	–	–	–	–	–6.7	–1.1	–0.5	**–8.3**
2003	–	–	–	–	–	–	–0.2	**–0.2**

Note: The first release of ICP was October 2001. The last column gives the total revision since the first release of ICP.

Source: Office for National Statistics

Table R5:
Revisions triangle for Japan, by release date: GDP per worker

	Mar 02	Sep 02	Feb 03	Sep 03	Feb 04	Oct 04	Feb 05	**Total**
1990	–0.3	0.0	0.0	–0.7	0.6	–0.1	0.3	**–0.2**
1991	–0.4	–0.0	–0.0	–0.7	–2.5	–0.1	0.3	**–3.4**
1992	–0.4	–0.0	–0.0	–0.8	0.4	0.1	0.3	**–0.4**
1993	–0.5	–0.0	0.0	–1.2	–2.8	0.1	0.2	**–4.2**
1994	–0.6	0.0	–0.0	–1.4	–4.4	0.1	0.2	**–6.1**
1995	–0.8	–0.0	–0.0	–1.4	–8.9	0.1	0.2	**–10.8**
1996	–0.9	0.0	0.0	–1.7	–6.5	0.1	0.1	**–8.8**
1997	–2.8	0.0	0.0	–1.8	–4.6	0.1	0.1	**–9.0**
1998	–3.7	0.0	–0.5	–2.1	–1.5	0.1	0.1	**–7.5**
1999	–3.9	–0.1	–0.1	–2.8	–1.0	0.1	0.1	**–7.8**
2000	–3.7	0.4	–0.8	–2.3	–0.7	0.1	–0.6	**–7.6**
2001	–	–	–0.5	–2.4	–1.1	–0.0	–0.6	**–4.7**
2002	–	–	–	–	–3.3	–0.1	–1.8	**–5.1**
2003	–	–	–	–	–	–	–1.6	**–1.6**

Note: The first release of ICP was October 2001. The last column gives the total revision since the first release of ICP.

Source: Office for National Statistics

Table R6:
Revisions triangle for Japan, by release date: GDP per hour worked

	Mar 02	Sep 02	Feb 03	Sep 03	Feb 04	Oct 04	Feb 05	**Total**
1992	–0.4	–0.0	–0.0	–0.8	0.4	0.1	0.2	**–0.5**
1993	–0.5	–0.0	0.0	–1.3	–2.5	0.2	0.2	**–4.0**
1994	–0.6	0.0	–0.0	–1.5	–4.0	0.1	0.2	**–5.8**
1995	–0.7	–0.0	–0.0	–1.6	–8.2	0.1	0.2	**–10.2**
1996	–0.8	0.0	0.0	–1.8	–5.9	0.1	0.1	**–8.3**
1997	–2.6	–0.1	0.0	–2.0	–4.3	0.1	0.1	**–8.6**
1998	–3.5	0.0	–0.5	–2.2	–1.4	0.1	0.1	**–7.3**
1999	–3.7	1.4	–0.1	–3.0	–0.9	0.1	0.1	**–6.1**
2000	–	–	–0.8	–2.5	–0.6	0.1	–0.5	**–4.4**
2001	–	–	–	–	–1.0	–0.1	–0.6	**–1.7**
2002	–	–	–	–	–	–	–1.7	**–1.7**
2003	–	–	–	–	–	–	–1.5	**–1.5**

Note: The first release of ICP was October 2001. The last column gives the total revision since the first release of ICP.

Source: Office for National Statistics

Table R7:
Revisions triangle for United States, by release date: GDP per worker

	Mar 02	Sep 02	Feb 03	Sep 03	Feb 04	Oct 04	Feb 05	**Total**
1990	–0.3	0.0	0.0	–1.0	–1.6	–0.1	–0.9	**–3.9**
1991	–0.5	–0.0	0.0	–1.1	–4.8	–0.2	–0.7	**–7.3**
1992	–0.6	0.0	0.0	–1.3	1.7	0.1	–0.6	**–0.6**
1993	–0.7	0.0	0.0	–1.6	–2.3	0.1	–0.5	**–5.0**
1994	–0.8	0.0	0.0	–1.9	–4.5	0.2	–0.6	**–7.6**
1995	–1.0	0.0	0.0	–2.2	–6.1	0.2	–0.4	**–9.4**
1996	–1.1	0.0	0.0	–2.4	–3.0	0.2	–0.4	**–6.8**
1997	–5.3	0.0	0.0	–2.7	–1.0	0.2	–0.1	**–8.9**
1998	–2.7	0.0	0.1	–3.1	–2.6	0.2	0.1	**–8.0**
1999	–3.1	0.0	0.0	–3.2	–1.1	0.2	0.1	**–7.1**
2000	–3.9	–0.3	–1.7	–4.6	–0.5	0.1	–1.7	**–12.6**
2001	–	–	–3.1	–5.6	–0.8	–0.0	–1.4	**–10.9**
2002	–	–	–	–	–3.4	–0.2	–4.0	**–7.6**
2003	–	–	–	–	–	–	–3.8	**–3.8**

Note: The first release of ICP was October 2001. The last column gives the total revision since the first release of ICP.

Source: Office for National Statistics

Table R8:
Revisions triangle for United States, by release date: GDP per hour worked

	Mar 02	Sep 02	Feb 03	Sep 03	Feb 04	Oct 04	Feb 05	**Total**
1992	–0.5	–2.1	0.0	–1.6	1.6	0.9	–0.5	**–2.1**
1993	–0.7	–1.6	0.0	–2.1	–2.2	1.2	–0.5	**–5.8**
1994	–0.8	–1.0	0.0	–2.1	–4.2	0.8	–0.6	**–7.8**
1995	–0.9	–0.6	0.0	–2.4	–5.6	0.8	–0.4	**–9.1**
1996	–1.1	0.1	0.0	–2.7	–2.8	0.5	–0.4	**–6.2**
1997	–5.0	0.0	0.0	–2.9	–0.9	0.6	–0.1	**–8.2**
1998	–2.5	1.0	0.1	–3.3	–2.4	0.7	0.1	**–6.3**
1999	–2.8	1.7	0.0	–3.5	–0.9	0.6	0.1	**–4.8**
2000	–3.5	2.6	–1.6	–4.7	–0.4	0.5	–1.6	**–8.7**
2001	–	–	–2.9	–5.7	–0.7	0.9	–1.3	**–9.8**
2002	–	–	–	–	–3.1	–0.3	–3.7	**–7.2**
2003	–	–	–	–	–	–	–3.5	**–3.5**

Note: The first release of ICP was October 2001. The last column gives the total revision since the first release of ICP.

Source: Office for National Statistics

Table R9:
Revisions triangle for G7, by release date: GDP per worker

	Mar 02	Sep 02	Feb 03	Sep 03	Feb 04	Oct 04	Feb 05	**Total**
1990	–	–	–	–	–	–	–	**–**
1991	–0.3	–0.0	–0.0	–0.9	–1.9	–0.1	–0.2	**–3.4**
1992	–0.4	0.0	–0.0	–1.0	2.2	0.1	–0.1	**0.7**
1993	–0.6	0.0	–0.0	–1.3	–0.6	0.2	–0.1	**–2.5**
1994	–0.7	–0.0	–0.0	–1.5	–2.7	0.2	–0.2	**–4.9**
1995	–0.8	–0.0	–0.0	–1.8	–5.5	0.2	–0.1	**–8.1**
1996	–0.9	–0.0	–0.0	–2.0	–2.5	0.2	–0.1	**–5.4**
1997	–3.1	–0.0	–0.0	–2.2	–1.2	0.2	0.0	**–6.4**
1998	–1.5	–0.0	–0.0	–2.5	–1.5	0.2	0.1	**–5.3**
1999	–1.7	–0.0	0.1	–2.5	–0.9	0.2	0.0	**–4.9**
2000	–2.0	–0.0	–0.8	–3.0	–1.0	0.2	–1.0	**–7.6**
2001	–	–	–1.4	–3.6	–1.3	0.0	–0.9	**–7.2**
2002	–	–	–	–	–3.4	0.0	–2.6	**–6.0**
2003	–	–	–	–	–	–	–2.5	**–2.5**

Note: The first release of ICP was October 2001. The last column gives the total revision since the first release of ICP.

Source: Office for National Statistics

Table R10:
Revisions triangle for G7, by release date: GDP per hour worked

	Mar 02	Sep 02	Feb 03	Sep 03	Feb 04	Oct 04	Feb 05	**Total**
1992	–0.4	–0.8	–0.0	–1.0	2.3	0.6	–0.1	**0.5**
1993	–0.5	–0.6	–0.0	–1.5	–0.4	0.8	–0.1	**–2.3**
1994	–0.6	–0.4	–0.0	–1.6	–2.4	0.6	–0.2	**–4.6**
1995	–0.8	–0.3	–0.0	–1.9	–5.2	0.6	–0.1	**–7.7**
1996	–0.9	–0.1	–0.0	–2.1	–2.2	0.5	–0.1	**–5.0**
1997	–3.0	–0.1	–0.0	–2.4	–1.0	0.5	0.0	**–5.9**
1998	–1.5	0.4	–0.0	–2.8	–1.2	0.6	0.1	**–4.4**
1999	–1.7	1.1	0.1	–2.9	–0.5	0.5	0.0	**–3.3**
2000	–	–	–0.8	–3.2	–0.5	0.5	–0.9	**–5.0**
2001	–	–	–	–	–0.8	0.6	–0.9	**–1.1**
2002	–	–	–	–	–	–	–2.5	**–2.5**
2003	–	–	–	–	–	–	–2.5	**–2.5**

Note: The first release of ICP was October 2001. The last column gives the total revision since the first release of ICP.

Source: Office for National Statistics

Table R11:
Revisions triangle for G7 excluding the UK, by release date: GDP per worker

	Mar 02	Sep 02	Feb 03	Sep 03	Feb 04	Oct 04	Feb 05	**Total**
1990	–	–	–	–	–	–	–	**–**
1991	–0.4	–0.0	–0.0	–1.0	–2.1	–0.1	–0.2	**–3.8**
1992	–0.5	0.0	–0.0	–1.1	2.4	0.1	–0.1	**0.8**
1993	–0.6	0.0	–0.0	–1.5	–0.7	0.2	–0.1	**–2.7**
1994	–0.7	–0.0	–0.0	–1.7	–3.0	0.2	–0.2	**–5.4**
1995	–0.9	–0.0	–0.0	–2.0	–6.0	0.2	–0.1	**–8.8**
1996	–1.0	–0.0	–0.0	–2.2	–2.7	0.2	–0.1	**–5.9**
1997	–3.4	–0.0	–0.0	–2.4	–1.3	0.2	0.0	**–7.0**
1998	–1.6	–0.0	–0.0	–2.8	–1.6	0.2	0.1	**–5.9**
1999	–1.9	–0.1	0.1	–2.8	–0.9	0.2	0.1	**–5.4**
2000	–2.1	–0.1	–0.9	–3.3	–1.1	0.2	–1.1	**–8.3**
2001	–	–	–1.6	–4.0	–1.4	0.0	–1.0	**–7.9**
2002	–	–	–	–	–3.7	–0.0	–2.8	**–6.5**
2003	–	–	–	–	–	–	–2.8	**–2.8**

Note: The first release of ICP was October 2001. The last column gives the total revision since the first release of ICP.

Source: Office for National Statistics

Table R12:
Revisions triangle for G7 excluding the UK, by release date: GDP per hour worked

	Mar 02	Sep 02	Feb 03	Sep 03	Feb 04	Oct 04	Feb 05	**Total**
1992	–0.4	–0.8	–0.0	–1.1	2.5	0.6	–0.1	**0.6**
1993	–0.6	–0.6	–0.0	–1.6	–0.4	0.9	–0.1	**–2.5**
1994	–0.7	–0.4	–0.0	–1.8	–2.6	0.7	–0.2	**–5.1**
1995	–0.9	–0.3	–0.0	–2.1	–5.6	0.7	–0.1	**–8.4**
1996	–1.0	–0.1	–0.0	–2.4	–2.4	0.5	–0.1	**–5.4**
1997	–3.3	–0.1	–0.0	–2.6	–1.0	0.6	0.0	**–6.5**
1998	–1.6	0.4	–0.0	–3.0	–1.3	0.7	0.1	**–4.8**
1999	–1.9	1.2	0.1	–3.2	–0.6	0.6	0.0	**–3.6**
2000	–	–	–0.9	–3.6	–0.5	0.6	–1.0	**–5.4**
2001	–	–	–	–	–0.8	0.6	–0.9	**–1.2**
2002	–	–	–	–	–	–	–2.8	**–2.8**
2003	–	–	–	–	–	–	–2.7	**–2.7**

Note: The first release of ICP was October 2001. The last column gives the total revision since the first release of ICP.

Source: Office for National Statistics

Tables

1. Summary

2. UK Economic Accounts

3. Prices

4. Labour market

5. Selected output and demand indicators

6. Selected financial statistics

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 1 April 2005.

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 seaonally 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 137

† data have been revised since the last edition; the period marked is the earliest in the table to have been revised

* average (or total) of five weeks

National Statistics Online

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

		2003	2004	2004 Q2	2004 Q3	2004 Q4	2004 Dec	2005 Jan	2005 Feb	%Change Latest 3 months avg over previous 3 months
Output -chained volume measures (CVM) (2001 = 100 unless otherwise stated)										
Gross value added at basic prices	CGCE	103.6	106.8	106.6	107.1	107.8	..	..	..	*0.7*
Industrial production	CKYW	97.4	97.8	98.7	97.5	97.4	97.8	97.7	..	*0.6*
Oil and gas extraction	CKZO	93.2	85.3	89.3	83.4	80.3	81.5	80.8	..	*0.9*
Manufacturing	CKYY	97.4	98.8	99.4	98.7	99.0	99.3	99.5	..	*0.7*
Construction	GDQB	109.2	113.2	112.3	113.6	114.9	..	..	..	*1.2*
Car production (thousands)	FFAO	138.1	136.7	137.6	137.0	136.9	135.9	136.6	137.9	*-0.2*
Domestic demand										
Retail sales volume (2000 = 100)	EAPS	116.2	123.2	123.9	125.0	125.1	124.4	125.3	125.6	*-0.6*
GB new registrations of cars ('000s)[1]	BCGT	2 646.2	..	629.8	709.9	..	..	..	..	*12.7*
Manufacturing:change in inventories (£m,CVM, reference year 2001)	DHBM	–440	–157	–273	–1	–246	..	..	..	
Prices (12 monthly % change) and earnings (3 month average)										
Consumer prices index[1]	CJYR	1.4	1.3	1.4	1.2	1.4	1.6	1.6	1.6	
Retail prices index[1]	CZBH	2.9	3.0	2.8	3.1	3.4	3.5	3.2	3.2	
Retail prices index[1] (less MIPS)[2]	CDKQ	2.8	2.2	2.2	2.1	2.3	2.5	2.1	2.1	
Producer output prices (less FBTP)[3]	EUAA	1.3	1.9	1.4	2.0	2.8	2.5	2.6	2.6	
Producer input prices[4]	EUAB	1.5	4.0	3.9	5.4	6.7	4.4	9.6	10.8	
GB average earnings -whole economy[5]	LNNC	..	..	4.2	3.8	4.4	4.4	4.4	..	
Foreign trade[6] (2001 = 100 volumes unless otherwise stated)										
UK balance on trade in goods (£ million)	BOKI	–47 665	–57 944	–14 110	–14 924	–15 354	–4 939	–5 174	..	
Non EU balance on trade in goods (£ million)	LGDT	–22 036	–29 481	–6 718	–8 118	–8 337	–2 530	–2 992	..	
Non EU exports of goods (excl oil & erratics)	SHDJ	102.3	106.4	107.3	106.8	108.3	112.0	105.8	..	*2.1*
Non EU imports of goods (excl oil & erratics)	SHED	102.9	114.0	112.0	116.4	118.0	120.5	118.5	..	*2.3*
Non EU import & price index (excl oil)[7]	LKWQ	91.2	89.3	89.5	90.1	89.9	88.5	90.4	..	
Non EU export & price index (excl oil)[7]	LKVX	97.0	95.6	95.9	96.0	96.3	95.1	96.5	..	
Labour market and productivity (2001 = 100 unless otherwise stated)										
UK claimant unemployment (thousands)	BCJD	933.2	853.6	861.1	835.4	831.1	824.2	814.0	813.3	*-2.1*
UK employees in manufacturing (thousands)	YEJA	3 415	3 282	3 282	3 257	3 238	3 238	3 234	..	*-0.6*
Whole economy productivity[8]	LNNN	102.0	104.3	104.4	104.7	105.2	..	..	..	*0.5*
Manufacturing productivity[8]	LNNX	107.2	112.9	113.0	113.2	114.7	115.3	116.0	..	*1.6*
Unit wage costs - whole economy	LNNK	104.6	106.6	106.4	106.5	107.4	..	..	..	*0.8*
Unit wage costs - manufacturing	LNNQ	100.1	98.4	98.0	98.1	97.8	97.8	97.2	..	*-0.6*
Financial markets[1]										
Sterling ERI (1990=100)	AGBG	100.2	104.1	105.2	104.8	102.4	103.2	102.1	103.3	*0.5*
Average exchange rate /US $	AUSS	1.63	1.84	1.81	1.82	1.87	1.93	1.88	1.89	*4.4*
Average exchange rate /Euro[9]	THAP	1.45	1.47	1.50	1.49	1.44	1.44	1.43	1.45	*-0.5*
3 month inter-bank rate[10]	HSAJ	3.95	4.81	4.77	4.82	4.81	4.81	4.79	4.87	
3 month interest on US Treasury bills[11]	LUST	0.93	2.18	1.31	1.68	2.18	2.18	2.48	2.72	
Monetary conditions/government finances										
M0 (year on year percentage growth)	VQMX	7.3	6.0	5.8	5.5	5.6	5.8	5.7	5.9	
M4 (year on year percentage growth)	VQJW	7.2	8.5	8.0	9.0	9.2	8.9	9.3	9.5	
Public sector net borrowing (£ million)[1,12]	ANNX	–36 063	..	–14 862	–9 432	–13 489	–5 210	6 915	81	
Net lending to consumers (£ million)(broader)	RLMH	20 210	22 870	5 745	5 708	5 216	1 714	2 411	1 689	*6.6*

		2004 Feb	2004 Mar	2004 Apr	2004 May	2004 Jun	2004 Jul	2004 Aug	2004 Sep	2004 Oct	2004 Nov	2004 Dec	2005 Jan	2005 Feb	2005 Mar
Activity and expectations															
CBI output expectations balance[1]	ETCU	14	15	12	22	15	6	19	12	14	5	–6	10	19	9
CBI optimism balance[1]	ETBV	..	..	12	..	..	7	..	..	–10	..	..	–22	..	..
CBI price expectations balance	ETDQ	–2	–2	–	1	5	6	10	9	–1	13	10	16	12	13
New engineering orders (2000 = 100)	JIQH	68.5	85.1	73.7	83.5	81.8	82.5	74.6	79.2	77.7	82.2	87.1	83.5	..	..

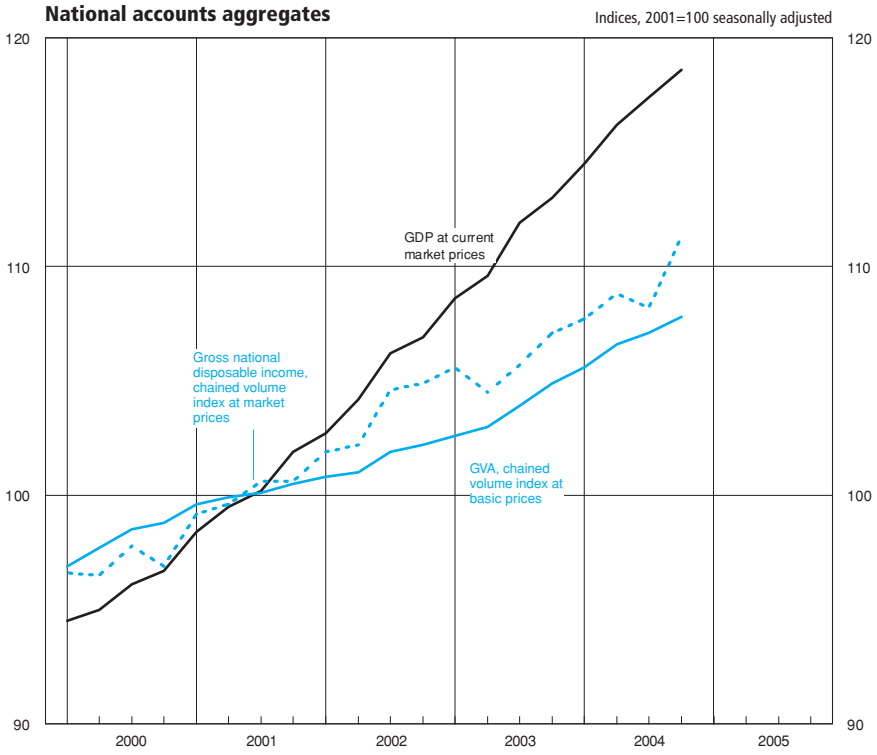
1 Not seasonally adjusted
2 MIPS: mortgage interest payments
3 FBTP : food, beverages, tobacco and petroleum
4 See footnote 2 on Table 3.1.
5 See footnote 2 on Table 4.6
6 All Non EU figures exclude Austria, Finland & Sweden
7 12 monthly percentage change
8 Output per filled job.
9 Prior to January 1999, a synthetic Euro has been calculated by geometrically averaging the bilateral exchange rate of the 11 Euro-area countries using "internal weights" based on each country's share of the extra Euro-area trade
10 Last Friday of the period
11 Last working day
12 Annual figure is for the financial year 2003/04.

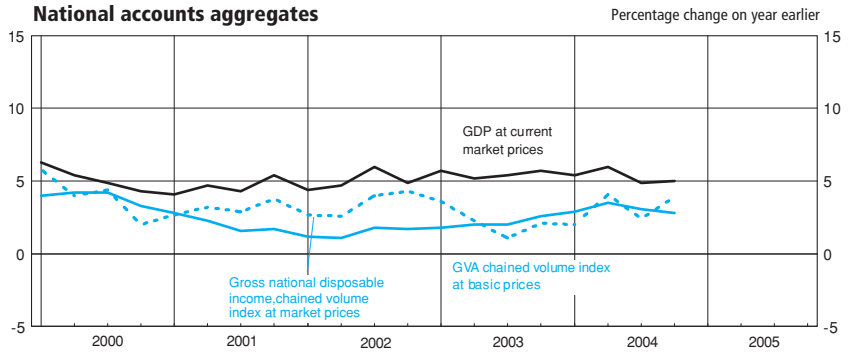
2.1 National accounts aggregates

	£ million		Indices (2001 = 100)						
	At current prices		Value indices at current prices		Chained volume indices			Implied deflators[2]	
	Gross domestic product at market prices	Gross value added (GVA)at basic prices	Gross domestic product at market prices[1]	Gross Value added (GVA) at basic prices	Gross national disposable income at market prices	Gross domestic product at market prices	Gross value added (GVA) at basic prices+	GDP at market prices	GVA at basic prices
Annual									
	YBHA	ABML	YBEU	YBEX	YBFP	YBEZ	CGCE	YBGB	CGBV
1999	903 167	797 116	90.8	90.5	93.2	94.1	94.3	96.5	96.0
2000	950 561	838 490	95.6	95.2	96.9	97.8	98.0	97.8	97.1
2001	994 309	881 163	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2002	1 044 145	926 275	105.0	105.1	103.4†	101.8	101.5	103.2	103.6
2003	1 101 144†	977 348†	110.7†	110.9	105.7	104.0	103.6	106.5	107.1†
2004	1 160 339	1 030 320	116.7	116.9†	109.0	107.3†	106.8	108.8†	109.5
Quarterly									
1999 Q1	220 923	195 097	88.9	88.6	91.3	93.0	93.2	95.6	95.0
Q2	224 058	198 308	90.1	90.0	92.8	93.4	93.8	96.5	96.0
Q3	227 712	200 887	91.6	91.2	93.7	94.4	94.5	97.0	96.5
Q4	230 474	202 824	92.7	92.1	95.0	95.6	95.6	96.9	96.4
2000 Q1	235 014	207 303	94.5	94.1	96.6	96.8	96.9	97.7	97.1
Q2	236 157	207 965	95.0	94.4	96.5	97.5	97.7	97.4	96.7
Q3	238 933	210 886	96.1	95.7	97.8	98.2	98.5	97.9	97.2
Q4	240 457	212 336	96.7	96.4	96.9	98.5	98.8	98.2	97.6
2001 Q1	244 608	216 540	98.4	98.3	99.2	99.3	99.6	99.1	98.7
Q2	247 391	219 070	99.5	99.4	99.6	99.8	99.9	99.7	99.6
Q3	249 071	220 704	100.2	100.2	100.6	100.3	100.1	99.9	100.1
Q4	253 239	224 849	101.9	102.1	100.6	100.6	100.5	101.2	101.6
2002 Q1	255 307	226 473	102.7	102.8	101.9	100.9	100.8	101.7	102.0
Q2	258 981	229 701	104.2	104.3	102.2†	101.3	101.0	102.8	103.2
Q3	264 015	234 331	106.2	106.4	104.6	102.2	101.9	103.9	104.4
Q4	265 842	235 770	106.9	107.0	104.9	102.6	102.2	104.3	104.8
2003 Q1	269 935†	239 811†	108.6	108.9†	105.6	103.0	102.6	105.5†	106.1
Q2	272 329	241 752	109.6†	109.7	104.5	103.4	103.0	106.0	106.6†
Q3	278 073	246 812	111.9	112.0	105.7	104.4†	103.9	107.2	107.8
Q4	280 807	248 973	113.0	113.0	107.1	105.3	104.9†	107.3	107.7
2004 Q1	284 740	252 490	114.5	114.6	107.7	106.0	105.6	108.0	108.6
Q2	288 767	256 477	116.2	116.4	108.8	107.0	106.6	108.5	109.2
Q3	291 921	259 323	117.4	117.7	108.2	107.6	107.1	109.1	109.9
Q4	294 911	262 030	118.6	118.9	111.3	108.4	107.8	109.5	110.3
Percentage change, quarter on corresponding quarter of previous year[3]									
Quarterly									
1999 Q1	*5.4*	*4.8*	*5.4*	*4.8*	*1.6*	*2.8*	*2.7*	*2.6*	*2.0*
Q2	*5.4*	*5.0*	*5.4*	*5.0*	*1.6*	*2.6*	*2.6*	*2.7*	*2.3*
Q3	*4.9*	*4.3*	*4.9*	*4.3*	*0.4*	*2.6*	*2.4*	*2.1*	*1.9*
Q4	*5.2*	*4.5*	*5.2*	*4.5*	*2.3*	*3.2*	*2.7*	*1.8*	*1.8*
2000 Q1	*6.4*	*6.3*	*6.4*	*6.3*	*5.8*	*4.1*	*3.9*	*2.2*	*2.2*
Q2	*5.4*	*4.9*	*5.4*	*4.9*	*4.0*	*4.4*	*4.2*	*0.9*	*0.7*
Q3	*4.9*	*5.0*	*4.9*	*5.0*	*4.4*	*4.0*	*4.2*	*0.9*	*0.7*
Q4	*4.3*	*4.7*	*4.3*	*4.7*	*2.0*	*3.0*	*3.4*	*1.3*	*1.2*
2001 Q1	*4.1*	*4.5*	*4.1*	*4.5*	*2.7*	*2.6*	*2.8*	*1.4*	*1.6*
Q2	*4.8*	*5.3*	*4.8*	*5.3*	*3.2*	*2.4*	*2.2*	*2.4*	*3.0*
Q3	*4.2*	*4.7*	*4.2*	*4.7*	*2.9*	*2.1*	*1.6*	*2.0*	*3.0*
Q4	*5.3*	*5.9*	*5.3*	*5.9*	*3.8*	*2.1*	*1.7*	*3.1*	*4.1*
2002 Q1	*4.4*	*4.6*	*4.4*	*4.6*	*2.7*	*1.6*	*1.2*	*2.6*	*3.3*
Q2	*4.7*	*4.9*	*4.7*	*4.9*	*2.6†*	*1.5*	*1.2*	*3.1*	*3.6*
Q3	*6.0*	*6.2*	*6.0*	*6.2*	*4.0*	*1.9*	*1.8*	*4.0*	*4.3*
Q4	*5.0*	*4.9*	*5.0*	*4.9*	*4.3*	*2.0*	*1.7*	*3.1*	*3.1*
2003 Q1	*5.7*	*5.9*	*5.7*	*5.9*	*3.6*	*2.1*	*1.8*	*3.7†*	*4.0*
Q2	*5.2†*	*5.2†*	*5.2†*	*5.2†*	*2.3*	*2.1*	*1.9*	*3.1*	*3.3†*
Q3	*5.3*	*5.3*	*5.3*	*5.3*	*1.1*	*2.2†*	*2.0*	*3.2*	*3.3*
Q4	*5.6*	*5.6*	*5.6*	*5.6*	*2.1*	*2.6*	*2.7†*	*2.9*	*2.8*
2004 Q1	*5.5*	*5.3*	*5.5*	*5.3*	*2.0*	*2.9*	*2.9*	*2.4*	*2.4*
Q2	*6.0*	*6.1*	*6.0*	*6.1*	*4.1*	*3.5*	*3.5*	*2.4*	*2.4*
Q3	*5.0*	*5.1*	*5.0*	*5.1*	*2.4*	*3.1*	*3.1*	*1.8*	*1.9*
Q4	*5.0*	*5.2*	*5.0*	*5.2*	*3.9*	*2.9*	*2.8*	*2.1*	*2.4*

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


National accounts aggregates
Indices, 2001=100 seasonally adjusted
120
110
100
90
GDP at current market prices
Gross national disposable income, chained volume index at market prices
GVA, chained volume index at basic prices
2000
2001
2002
2003
2004
2005


National accounts aggregates
Percentage change on year earlier
15
10
5
0
-5
GDP at current market prices
Gross national disposable income,chained volume index at market prices
GVA chained volume index at basic prices
2000
2001
2002
2003
2004
2005

2.2 Gross domestic product : by category of expenditure
Chained volume measures

Reference year 2001, £ million

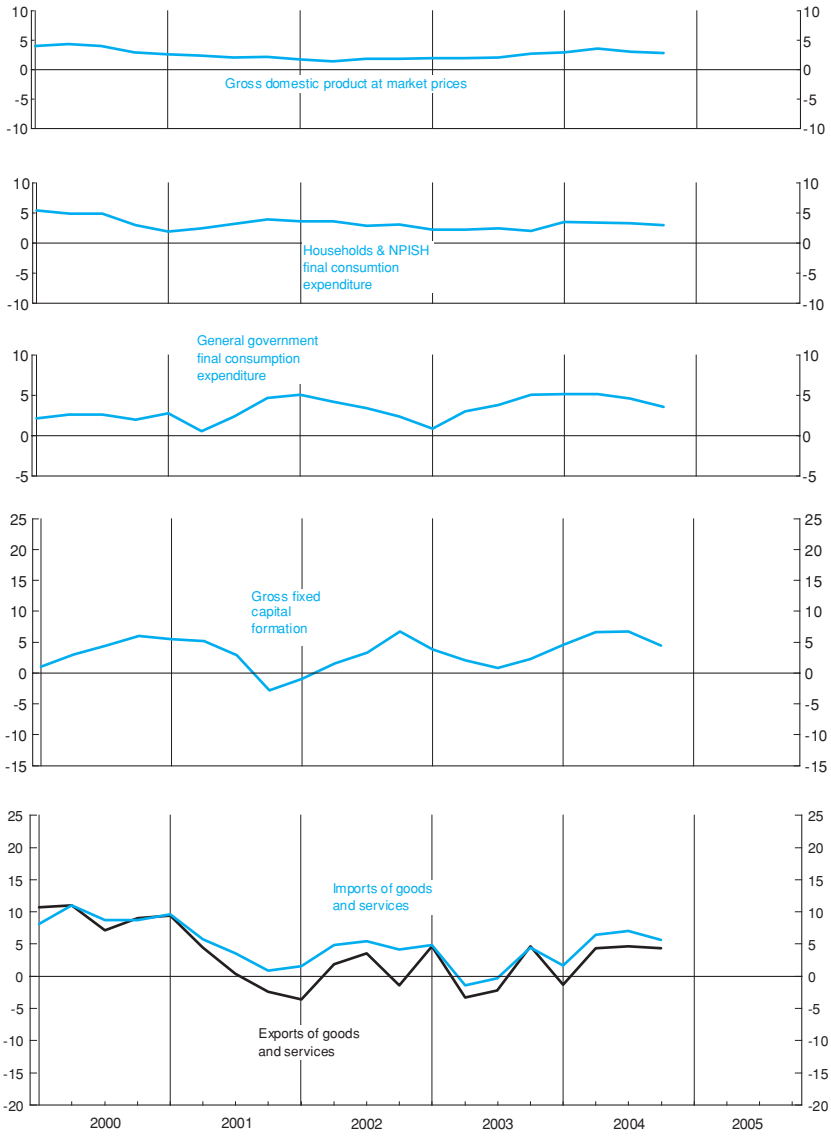
	Domestic expenditure on goods and services at market prices											
	Final consumption expenditure			Gross capital formation								
	Households	Non-profit institutions [2]	General government	Gross fixed capital formation+	Changes in inventories[3]	Acquisitions less disposals of valuables	Total	Exports of goods and services+	Gross final expenditure	*less* Imports of goods and services+	Statistical discrepancy (expenditure)	Gross domestic product at market prices
Annual												
	ABJR	HAYO	NMRY	NPQT	CAFU	NPJR	YBIM	IKBK	ABMG	IKBL	GIXS	ABMI
1999	590 275	23 095	180 683	155 631	6 416	28	955 837	241 978	1 197 551	261 942	–	935 818
2000	616 515	24 875	184 929	161 267	5 262	3	992 822	264 810	1 257 636	285 837	–	971 937
2001	635 583	24 345	189 724	165 504	6 189	396	1 021 741	272 369	1 294 110	299 801	–	994 309
2002	655 865	25 818	196 862	169 928	2 513	226	1 051 212	272 635	1 323 847	311 955	–	1 011 892
2003	670 778†	26 511†	203 161†	173 822†	2 467	11	1 076 750†	275 021†	1 351 771†	317 900†	225†	1 034 097†
2004	693 176	27 184	212 612	183 609	723†	7	1 117 311	283 305	1 400 616	334 468	394	1 066 542
Quarterly												
1999 Q1	145 317	5 816	44 724	38 921	2 570	5	237 008	57 566	294 410	63 356	–	231 135
Q2	146 761	5 717	45 357	38 345	555	24	236 623	59 480	296 012	63 864	–	232 242
Q3	147 771	5 741	45 353	38 688	1 706	–15	239 115	62 065	301 186	66 511	–	234 698
Q4	150 426	5 821	45 249	39 677	1 585	14	243 091	62 867	305 943	68 211	–	237 743
2000 Q1	153 400	6 074	45 726	39 312	753	1	245 348	63 738	309 063	68 489	–	240 609
Q2	153 749	6 186	46 540	39 485	1 329	–	247 229	65 997	313 231	70 889	–	242 381
Q3	154 701	6 286	46 513	40 431	1 906	–3	249 778	66 551	316 321	72 284	–	244 077
Q4	154 665	6 329	46 150	42 039	1 274	5	250 467	68 524	319 021	74 175	–	244 870
2001 Q1	156 398	6 172	46 996	41 493	1 080	–19	252 091	69 713	321 845	75 041	–	246 817
Q2	157 861	6 066	46 800	41 535	1 579	230	254 109	68 978	323 110	75 031	–	248 080
Q3	160 046	6 037	47 621	41 617	1 989	41	257 365	66 823	324 152	74 879	–	249 268
Q4	161 278	6 070	48 307	40 859	1 541	144	258 176	66 855	325 003	74 850	–	250 144
2002 Q1	162 043	6 366	49 414	41 138	994	66	260 021	67 177	327 198	76 265	–	250 933
Q2	163 505	6 399	48 756	42 179	–624	58	260 273	70 272	330 545	78 700	–	251 846
Q3	164 392	6 485	49 236	42 991	696	85	263 885	69 257	333 142	79 019	–	254 123
Q4	165 925	6 568	49 456	43 620	1 447	17	267 033	65 929	332 962	77 971	–	254 990
2003 Q1	165 628†	6 564†	49 861†	42 761†	770†	4	265 588†	70 362†	335 950†	80 017†	37†	255 970†
Q2	167 155	6 622	50 220	43 046	–585	103	266 561	67 931	334 493	77 611	51	256 933
Q3	168 511	6 644	51 087	43 391	871	–53	270 450	67 709	338 159	78 818	63	259 404
Q4	169 484	6 681	51 993	44 624	1 411	–43	274 151	69 019	343 169	81 454	74	261 790
2004 Q1	171 572	6 671	52 460	44 731	–137	118	275 415	69 438	344 854	81 406	88	263 536
Q2	172 899	6 732	52 827	45 883	–611	–75	277 655	70 932	348 586	82 606	98	266 079
Q3	174 190	6 806	53 435	46 363	158	–79	280 873	70 893	351 766	84 320	103	267 549
Q4	174 515	6 975	53 890	46 632	1 313	43	283 368	72 042	355 410	86 136	105	269 378
Percentage change, latest quarter on corresponding quarter of previous year												
1999 Q1	*4.3*	*0.9*	*4.6*	*4.4*			*4.9*	*–0.3*	*3.8*	*7.4*		*2.7*
Q2	*4.5*	*–1.9*	*4.0*	*0.8*			*3.7*	*1.7*	*3.2*	*5.2*		*2.7*
Q3	*4.3*	*–2.3*	*3.0*	*0.1*			*3.1*	*7.1*	*4.0*	*8.6*		*2.7*
Q4	*5.3*	*–0.2*	*2.5*	*1.1*			*3.8*	*8.6*	*4.8*	*10.3*		*3.3*
2000 Q1	*5.6*	*4.4*	*2.2*	*1.0*			*3.5*	*10.7*	*5.0*	*8.1*		*4.1*
Q2	*4.8*	*8.2*	*2.6*	*3.0*			*4.5*	*11.0*	*5.8*	*11.0*		*4.4*
Q3	*4.7*	*9.5*	*2.6*	*4.5*			*4.5*	*7.2*	*5.0*	*8.7*		*4.0*
Q4	*2.8*	*8.7*	*2.0*	*6.0*			*3.0*	*9.0*	*4.3*	*8.7*		*3.0*
2001 Q1	*2.0*	*1.6*	*2.8*	*5.5*			*2.7*	*9.4*	*4.1*	*9.6*		*2.6*
Q2	*2.7*	*–1.9*	*0.6*	*5.2*			*2.8*	*4.5*	*3.2*	*5.8*		*2.4*
Q3	*3.5*	*–4.0*	*2.4*	*2.9*			*3.0*	*0.4*	*2.5*	*3.6*		*2.1*
Q4	*4.3*	*–4.1*	*4.7*	*–2.8*			*3.1*	*–2.4*	*1.9*	*0.9*		*2.2*
2002 Q1	*3.6*	*3.1*	*5.1*	*–0.9*			*3.1*	*–3.6*	*1.7*	*1.6*		*1.7*
Q2	*3.6*	*5.5*	*4.2*	*1.6*			*2.4*	*1.9*	*2.3*	*4.9*		*1.5*
Q3	*2.7*	*7.4*	*3.4*	*3.3*			*2.5*	*3.6*	*2.8*	*5.5*		*1.9*
Q4	*2.9*	*8.2*	*2.4*	*6.8*			*3.4*	*–1.4*	*2.4*	*4.2*		*1.9*
2003 Q1	*2.2*	*3.1*	*0.9*†	*3.9*†			*2.1*†	*4.7*†	*2.7*	*4.9*†		*2.0*
Q2	*2.2*†	*3.5*	*3.0*	*2.1*			*2.4*	*–3.3*	*1.2*†	*–1.4*		*2.0*
Q3	*2.5*	*2.5*†	*3.8*	*0.9*			*2.5*	*–2.2*	*1.5*	*–0.3*		*2.1*
Q4	*2.1*	*1.7*	*5.1*	*2.3*			*2.7*	*4.7*	*3.1*	*4.5*		*2.7*
2004 Q1	*3.6*	*1.6*	*5.2*	*4.6*			*3.7*	*–1.3*	*2.7*	*1.7*		*3.0*†
Q2	*3.4*	*1.7*	*5.2*	*6.6*			*4.2*	*4.4*	*4.2*	*6.4*		*3.6*
Q3	*3.4*	*2.4*	*4.6*	*6.8*			*3.9*	*4.7*	*4.0*	*7.0*		*3.1*
Q4	*3.0*	*4.4*	*3.6*	*4.5*			*3.4*	*4.4*	*3.6*	*5.7*		*2.9*

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 2001
percentage change on year earlier



2.3 Gross domestic product and shares of income and expenditure

	Gross domestic product at market prices	Gross final expenditure	Percentage share of gross final expenditure: Final consumption expenditure: Household and NPISH	Final consumption expenditure: General govern-ment	Gross capital formation	Exports of goods and services	Percentage share of GDP by category of income: Gross operating surplus: Corporations[1]	Gross operating surplus: Other[2]	Compensation of employees	Mixed income	Taxes on production and imports
Annual											
	YBHA	ABMF	IHXI	IHXJ	IHXK	IHXL	IHXM	IHXO	IHXP	IHXQ	IHXR
2001	994 309	1 294 110	51.0	14.6	13.3	21.1	20.4	3.6	56.8	6.1	13.1
2002	1 044 145	1 348 963	51.3	15.5	12.9	20.3	21.2	3.2	56.5	6.2	12.9
2003	1 101 144†	1 412 695†	51.1	16.2†	12.9	19.8	22.0	3.0	56.0	6.3	12.7†
2004	1 160 339	1 485 297	50.9	16.6	13.3	19.3	22.1	2.9	55.9	6.3	12.7
Quarterly											
2001 Q1	244 608	320 862	50.2	14.3	13.3	22.2	20.0	3.6	57.2	6.1	13.1
Q2	247 391	323 583	50.6	14.4	13.4	21.7	19.7	4.3	56.8	6.1	13.1
Q3	249 071	323 475	51.5	14.7	13.6	20.1	20.6	3.3	56.8	6.2	13.1
Q4	253 239	326 190	51.6	15.2	13.0	20.2	21.1	3.3	56.6	6.2	12.9
2002 Q1	255 307	330 346	51.5	15.4	12.7	20.4	20.9	3.0	56.9	6.3	13.0
Q2	258 981	336 321	51.2	15.3	12.5	21.0	20.5	3.7	56.7	6.2	12.9
Q3	264 015	340 800	50.9	15.5	13.1	20.4	21.6	3.1	56.3	6.2	12.8
Q4	265 842	341 496	51.6	15.7	13.4	19.4	21.8	2.9	56.2	6.2	12.9
2003 Q1	269 935†	348 045†	50.9	16.0	12.7†	20.5†	22.5†	2.7	56.0	6.2	12.7
Q2	272 329	348 480	51.5†	16.2†	12.4	19.9	21.7	3.0†	56.3†	6.3	12.7†
Q3	278 073	355 634	51.1	16.3	13.1	19.5	22.3	2.9	55.9	6.2	12.7
Q4	280 807	360 536	50.9	16.4	13.3	19.4	21.6	3.5	55.9	6.3	12.8
2004 Q1	284 740	362 751	51.3	16.6	13.1	19.1	21.7	3.1	56.1	6.3	12.8
Q2	288 767	368 834	51.0	16.6	13.1	19.3	22.5	2.8	55.6	6.3	12.6
Q3	291 921	374 422	50.8	16.7	13.3	19.2	22.1	3.1	55.7	6.3†	12.6
Q4	294 911	379 290	50.4	16.6	13.5	19.5	22.0	2.7	56.1	6.4	12.6

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

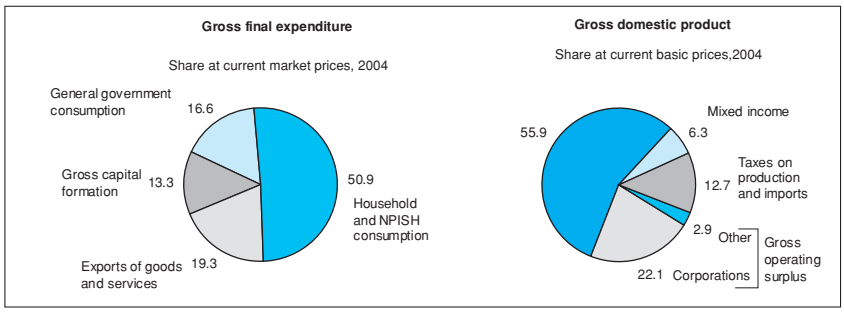
2.4 Income, product and spending per head

£

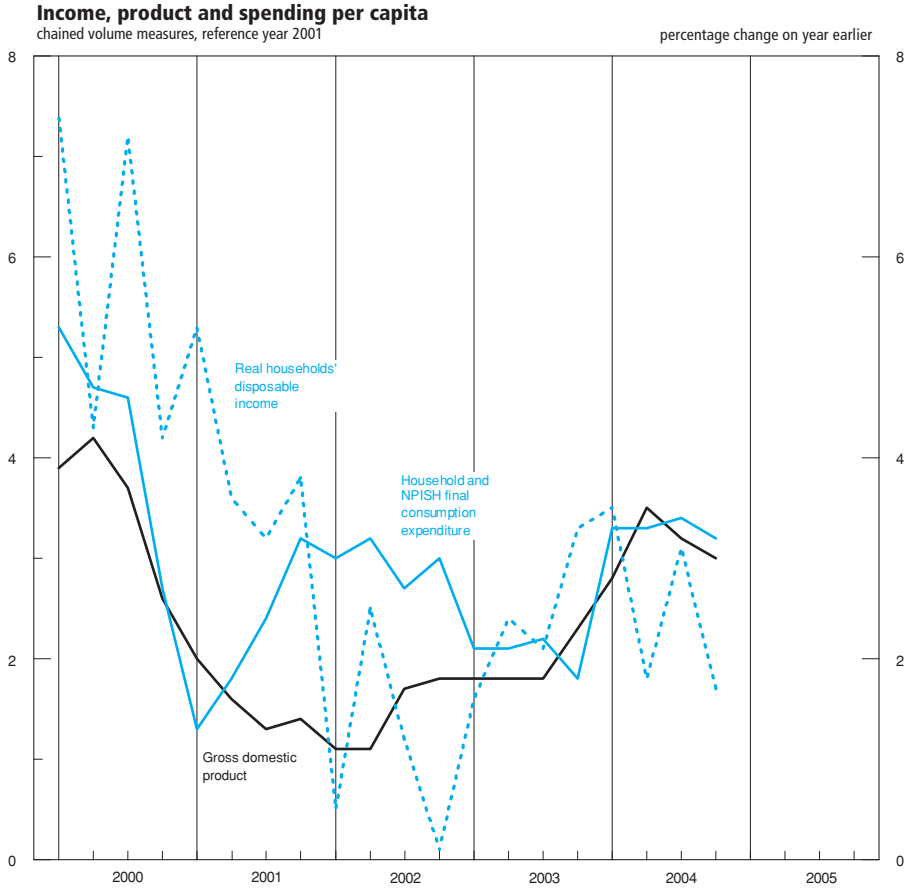
	At current prices: Gross national income at market prices	Gross domestic product at market prices	Household and NPISH final consumption expenditure	Households' gross disposable income	Chained volume measures (reference year 2001): Gross domestic product at market prices	Household and NPISH final consumption expenditure	Real households' disposable income
Annual							
	IHXS	IHXT	IHXU	IHXV	IHXW	IHXX	IHXZ
2001	16 981	16 837	11 175	11 880	16 839	11 176	11 882
2002	17 992	17 628	11 687	12 195	17 084	11 509	12 009
2003	18 907†	18 545†	12 156	12 720†	17 416†	11 744	12 290†
2004	19 930	19 542	12 720	13 210	17 963	12 133	12 599
Quarterly							
2001 Q1	4 181	4 153	2 735	2 925	4 191	2 760	2 952
Q2	4 232	4 192	2 775	2 942	4 204	2 778	2 946
Q3	4 262	4 213	2 820	2 990	4 217	2 810	2 979
Q4	4 306	4 279	2 845	3 023	4 227	2 828	3 005
2002 Q1	4 378	4 311	2 875	3 000	4 237	2 844	2 967
Q2	4 431	4 372	2 908	3 061	4 252	2 868	3 019
Q3	4 575	4 457	2 931	3 063	4 290	2 885	3 015
Q4	4 608	4 488	2 973	3 071	4 305	2 912	3 008
2003 Q1	4 679†	4 550†	2 985†	3 099†	4 315†	2 903	3 014†
Q2	4 655	4 587	3 020	3 189	4 328	2 927†	3 091
Q3	4 750	4 682	3 061	3 195	4 367	2 949	3 078
Q4	4 823	4 726	3 090	3 237	4 406	2 965	3 107
2004 Q1	4 888	4 793	3 132	3 257	4 436	3 000	3 120
Q2	4 957	4 862	3 165	3 293	4 480	3 025	3 146
Q3	4 980	4 917	3 202	3 334	4 507	3 049	3 174
Q4	5 105	4 970	3 221	3 326	4 540	3 059	3 159

Source: Office for National Statistics; Enquiries 020 7533 6031

Shares of income and expenditure



Income, product and spending per capita



2.5 Households[1] disposable income and consumption

	£ million, current prices							£ million, chained volume measures, reference year 2001		
	Households' income before tax		Gross households' disposable income[2]	Adjustment for the change in net equity of households in pension funds	Households' Total resources	Households' final consumption expenditure	Households' saving ratio[3] (percentage)+	Real households' disposable income+[4]	Household final consumption expenditure+	Real households' disposable income (index 2001=100)
	Total	of which: Wages and salaries								
Annual										
	RPHP	ROYJ	RPHQ	RPQJ	RPQK	RPQM	NRJS	NRJR	NPSP	OSXS
2002	1 046 953	505 659	722 389	8 348	730 737	692 255	5.3	711 357	681 683	101.4
2003	1 094 626†	523 454†	755 267†	11 281†	766 548†	721 790†	5.8†	729 630†	697 289†	104.0†
2004	1 144 615	548 783	784 306	15 914	800 220	755 231	5.6	748 093	720 360	106.6
Quarterly										
2002 Q1	257 675	124 658	177 654	2 097	179 751	170 240	5.3	175 740	168 409	100.2
Q2	261 945	126 270	181 335	1 596	182 931	172 263	5.8	178 849	169 904	102.0
Q3	263 633	126 629	181 466	2 387	183 853	173 634	5.6	178 582	170 877	101.8
Q4	263 700	128 102	181 934	2 268	184 202	176 118	4.4	178 186	172 493	101.6
2003 Q1	266 698†	128 914†	183 860†	3 112†	186 972†	177 091†	5.3†	178 775†	172 192†	101.9†
Q2	273 453	129 991	189 302	2 165	191 467	179 295	6.4†	183 477	173 777	104.6
Q3	276 073	131 737	189 766	3 003	192 769	181 833	5.7	182 798	175 155	104.2
Q4	278 402	132 812	192 339	3 001	195 340	183 571	6.0	184 580	176 165	105.2
2004 Q1	281 440	135 134	193 491	3 359	196 850	186 067	5.5	185 354	178 243	105.7
Q2	284 007	136 343	195 562	2 975	198 537	187 992	5.3	186 863	179 631	106.5
Q3	289 448	137 771	197 895	4 006	201 901	190 079	5.9	188 437	180 996	107.4
Q4	289 720	139 535	197 358	5 574	202 932	191 093	5.8	187 439	181 490	106.9

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 (2001 = 100).

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

2.6 Household final consumption expenditure[1,2]

Chained volume measures

Reference year 2001, £ million

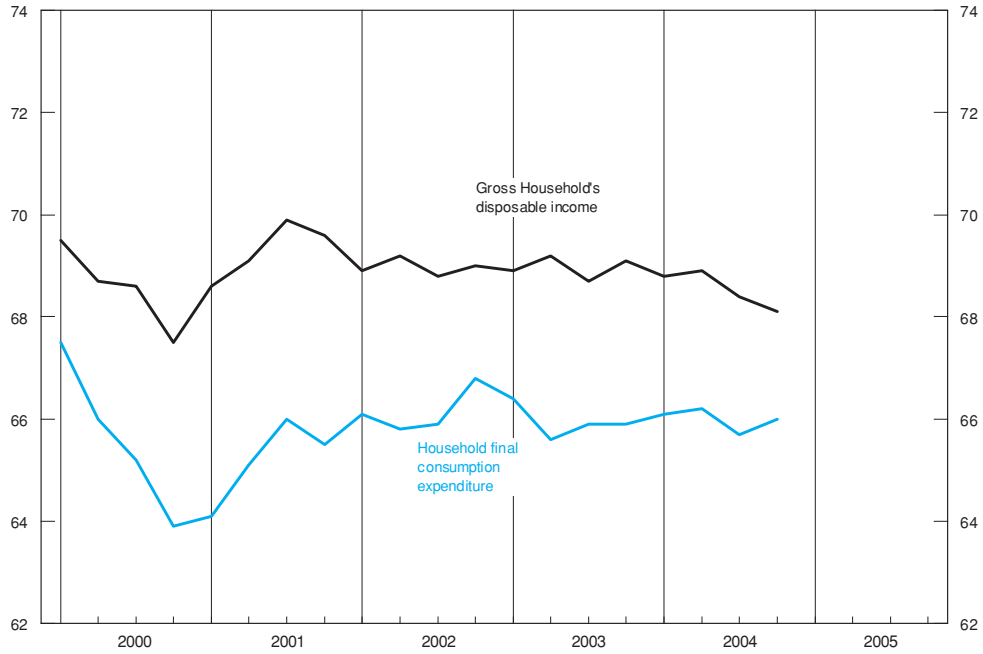
	UK National[4]														
			UK Domestic[5]												
	Total	Net tourism	Total	Food & drink	Alcohol & tobacco	Clothing & footwear	Housing	House-hold goods & services	Health	Trans-port	Communi-cation	Recreat-ion & culture	Educat-ion	Restaur-ants & hotels	Miscell-aneous
COICOP[3]	-	-	0	01	02	03	04	05	06	07	08	09	10	11	12
Annual															
	ABJR	ABTH	ZAKW	ZWUN	ZAKY	ZALA	ZAVO	ZAVW	ZAWC	ZAWM	ZAWW	ZAXA	ZWUT	ZAXS	ZAYG
2002	655 865	10 764	645 101	60 724	25 517	41 316	114 710	39 768	10 232	94 145	14 501	81 183	8 167	73 656	81 182
2003	670 778†	10 840	659 938†	62 177†	25 954†	43 936†	116 148†	39 475†	11 002†	96 321	15 115†	84 240†	8 527†	75 762†	81 281†
2004	693 176	11 983	681 193	63 873	26 312	47 236	118 160	40 503	11 356	97 422	15 985	90 603	9 565	78 280	81 898
Quarters															
2002 Q1	162 043	2 763	159 280	14 908	6 322	10 051	28 523	9 790	2 491	23 368	3 582	20 066	2 116	18 167	19 896
Q2	163 505	2 629	160 876	14 899	6 380	10 241	28 652	10 028	2 538	23 690	3 631	20 177	2 049	18 331	20 260
Q3	164 392	2 679	161 713	15 202	6 385	10 430	28 744	10 022	2 572	23 545	3 645	20 257	2 027	18 563	20 321
Q4	165 925	2 693	163 232	15 715	6 430	10 594	28 791	9 928	2 631	23 542	3 643	20 683	1 975	18 595	20 705
2003 Q1	165 628†	2 870†	162 758†	15 580†	6 432†	10 713†	28 915†	9 626†	2 679†	23 736†	3 675†	20 464†	2 026†	18 531†	20 381†
Q2	167 155	2 724	164 431	15 608	6 454	10 915	28 947	10 197	2 737	24 127†	3 763	20 788	2 090	18 619	20 186
Q3	168 511	2 700	165 811	15 517	6 527	11 095	28 976	9 836	2 784	24 169	3 834	21 331	2 168	19 217	20 357
Q4	169 484	2 546	166 938	15 472	6 541	11 213	29 310	9 816	2 802	24 289	3 843	21 657	2 243	19 395	20 357
2004 Q1	171 572	2 927	168 645	15 893	6 567	11 545	29 414	9 855	2 784	24 326	3 913	22 185	2 308	19 381	20 474
Q2	172 899	2 781	170 118	15 924	6 588	11 839	29 606	9 961	2 821	24 216	3 905	22 918	2 364	19 409	20 567
Q3	174 190	3 068	171 122	16 031	6 575	11 866	29 533	10 426	2 822	24 374	4 070	22 726	2 423	19 716	20 560
Q4	174 515	3 207	171 308	16 025	6 582	11 986	29 607	10 261	2 929	24 506	4 097	22 774	2 470	19 774	20 297

1 Estimates are given to the nearest £million but cannot be regarded as accurate to this degree.
2 More detailed estimates of Household Final Consumption Expenditure, expressed in both current prices and chained volume measures and both unadjusted and seasonally adjusted appear in the ONS publication *Consumer Trends*.
3 ESA 95 Classification of Individual Consumption by Purpose
4 Final consumption expenditure by UK households in the UK & abroad
5 Final consumption expenditure in the UK by UK & foreign households

Source: Office for National Statistics; Enquiries 020 7533 5999

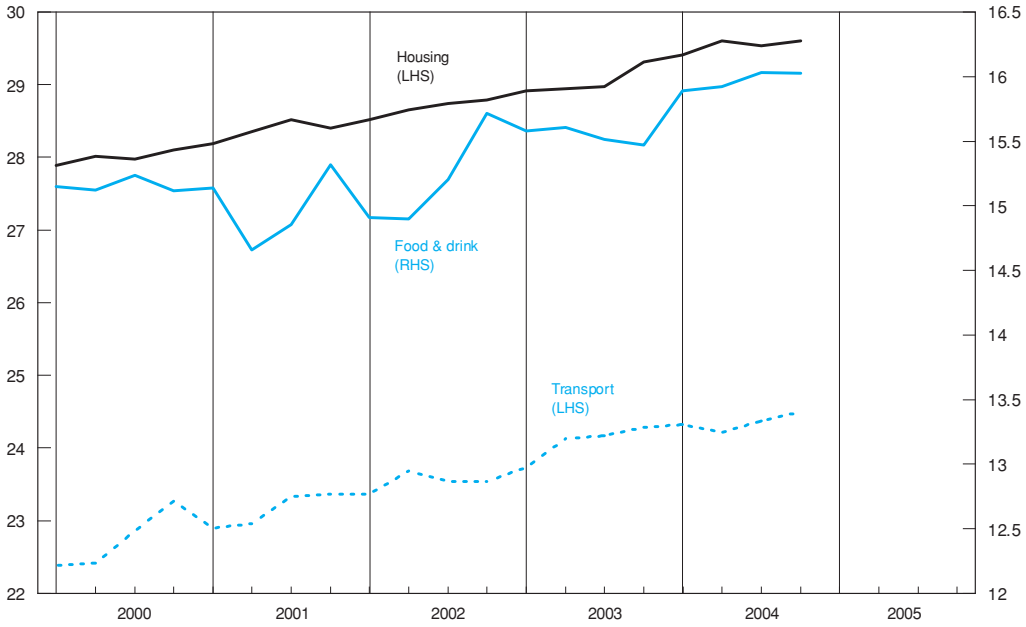
Household's Disposable Income and Consumption

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



Household final consumption expenditure – component categories

chained volume measures reference year 2001, £ thousand million



2.7 Gross fixed capital formation
Chained volume measures

Reference year 2001, £ million

	Analysis by sector						Analysis by asset				
			Public corporations[2]	Private sector							
	Business investment[1]	General government	Transfer costs of non-produced assets	Dwellings	Transfer costs of non-produced assets	Total+	Transport equipment	Other machinery and equipment	Dwellings	Other building and structures[3]	Intangible fixed assets
Annual											
	NPEL	DLWF	DLWH	DFEA	DLWI	NPQT	DLWL	DLWO	DFEG	DLWT	EQDO
1999	104 865	11 332	4	26 729	13 133	155 631	15 020	53 617	28 649	54 062	4 846
2000	109 693	12 051	6	26 830	12 814	161 267	13 348	59 133	28 672	55 052	5 058
2001	111 739	13 925	59	27 085	12 696	165 504	15 194	59 975	29 806	55 513	5 016
2002	112 435	14 711	–37	29 176	13 643	169 928	16 487	58 623	32 139	57 176	5 503
2003	111 088†	18 087†	–225†	32 085†	12 787†	173 822†	15 509†	56 877†	35 608†	60 073†	5 755
2004	117 183	19 695	–256	34 574	12 413	183 609	14 827	60 698	38 176	63 733	6 175
Quarterly											
1999 Q1	26 515	2 864	–10	6 649	2 837	38 921	3 958	13 118	7 049	13 747	1 173
Q2	25 724	2 826	2	6 849	3 044	38 345	3 566	13 195	7 516	13 032	1 205
Q3	26 163	2 835	5	6 343	3 452	38 688	3 736	13 730	6 723	13 331	1 218
Q4	26 463	2 807	7	6 888	3 800	39 677	3 760	13 574	7 361	13 952	1 250
2000 Q1	26 305	2 694	6	6 956	3 575	39 312	3 340	13 683	7 343	13 893	1 225
Q2	26 665	2 961	2	6 823	3 069	39 485	3 253	14 301	7 295	13 396	1 276
Q3	27 659	2 954	–1	6 695	3 113	40 431	3 267	15 126	7 137	13 562	1 269
Q4	29 064	3 442	–1	6 356	3 057	42 039	3 488	16 023	6 897	14 201	1 288
2001 Q1	28 407	2 988	–6	6 787	3 262	41 493	3 354	15 347	7 365	14 143	1 253
Q2	28 109	3 640	30	6 597	3 150	41 535	4 035	14 785	7 305	14 182	1 244
Q3	27 946	3 666	30	6 968	3 030	41 617	3 971	15 053	7 680	13 662	1 257
Q4	27 277	3 631	5	6 733	3 254	40 859	3 834	14 790	7 456	13 526	1 262
2002 Q1	27 574	3 810	11	6 759	2 984	41 138	4 054	14 334	7 435	14 030	1 285
Q2	27 974	3 541	13	7 153	3 498	42 179	4 105	14 808	7 781	14 104	1 381
Q3	27 983	3 843	–30	7 506	3 689	42 991	4 201	14 826	8 222	14 353	1 389
Q4	28 904	3 517	–31	7 758	3 472	43 620	4 127	14 655	8 701	14 689	1 448
2003 Q1	27 060†	4 329†	–13	7 846†	3 539†	42 761†	4 055†	14 298†	8 803†	14 195†	1 410†
Q2	27 818	4 148	–47†	7 965	3 162	43 046	3 698	13 909	8 742	15 273	1 424
Q3	27 808	4 691	–94	7 967	3 019	43 391	3 915	14 094	8 896	15 040	1 446
Q4	28 402	4 919	–71	8 307	3 067	44 624	3 841	14 576	9 167	15 565	1 475
2004 Q1	28 781	4 711	–57	8 321	2 975	44 731	3 637	15 014	9 073	15 510	1 497
Q2	29 144	4 935	–74	8 680	3 198	45 883	3 772	15 197	9 624	15 764	1 526
Q3	29 597	4 977	–77	8 748	3 118	46 363	3 684	15 281	9 719	16 122	1 557
Q4	29 661	5 072	–48	8 825	3 122	46 632	3 734	15 206	9 760	16 337	1 595
Percentage change, latest quarter on corresponding quarter of previous year											
1999 Q1	*7.9*	*–1.4*		*–3.5*	*1.4*	*4.4*	*–1.2*	*8.6*	*–4.9*	*5.1*	*4.5*
Q2	*2.6*	*6.0*		*–4.2*	*–9.9*	*0.8*	*–10.6*	*7.7*	*–2.6*	*–2.4*	*0.4*
Q3	*1.6*	*–2.8*		*–7.3*	*8.9*	*0.1*	*–9.0*	*9.0*	*–9.8*	*–1.0*	*–5.4*
Q4	*–0.4*	*–8.7*		*2.0*	*42.3*	*1.1*	*–11.2*	*0.3*	*1.8*	*6.9*	*–0.9*
2000 Q1	*–0.8*	*–5.9*		*4.6*	*26.0*	*1.0*	*–15.6*	*4.3*	*4.2*	*1.1*	*4.4*
Q2	*3.7*	*4.8*		*–0.4*	*0.8*	*3.0*	*–8.8*	*8.4*	*–2.9*	*2.8*	*5.9*
Q3	*5.7*	*4.2*		*5.5*	*–9.8*	*4.5*	*–12.6*	*10.2*	*6.2*	*1.7*	*4.2*
Q4	*9.8*	*22.6*		*–7.7*	*–19.6*	*6.0*	*–7.2*	*18.0*	*–6.3*	*1.8*	*3.0*
2001 Q1	*8.0*	*10.9*		*–2.4*	*–8.8*	*5.5*	*0.4*	*12.2*	*0.3*	*1.8*	*2.3*
Q2	*5.4*	*22.9*		*–3.3*	*2.6*	*5.2*	*24.0*	*3.4*	*0.1*	*5.9*	*–2.5*
Q3	*1.0*	*24.1*		*4.1*	*–2.7*	*2.9*	*21.5*	*–0.5*	*7.6*	*0.7*	*–0.9*
Q4	*–6.1*	*5.5*		*5.9*	*6.4*	*–2.8*	*9.9*	*–7.7*	*8.1*	*–4.8*	*–2.0*
2002 Q1	*–2.9*	*27.5*		*–0.4*	*–8.5*	*–0.9*	*20.9*	*–6.6*	*1.0*	*–0.8*	*2.6*
Q2	*–0.5*	*–2.7*		*8.4*	*11.0*	*1.6*	*1.7*	*0.2*	*6.5*	*–0.5*	*11.0*
Q3	*0.1*	*4.8*		*7.7*	*21.7*	*3.3*	*5.8*	*–1.5*	*7.1*	*5.1*	*10.5*
Q4	*6.0*	*–3.1*		*15.2*	*6.7*	*6.8*	*7.6*	*–0.9*	*16.7*	*8.6*	*14.7*
2003 Q1	*–1.9*	*13.6†*		*16.1†*	*18.6†*	*3.9†*	*0.0†*	*–0.3†*	*18.4†*	*1.2†*	*9.7†*
Q2	*–0.6†*	*17.1*		*11.4*	*–9.6*	*2.1*	*–9.9*	*–6.1*	*12.4*	*8.3*	*3.1*
Q3	*–0.6*	*22.1*		*6.1*	*–18.2*	*0.9*	*–6.8*	*–4.9*	*8.2*	*4.8*	*4.1*
Q4	*–1.7*	*39.9*		*7.1*	*–11.7*	*2.3*	*–6.9*	*–0.5*	*5.4*	*6.0*	*1.9*
2004 Q1	*6.4*	*8.8*		*6.1*	*–15.9*	*4.6*	*–10.3*	*5.0*	*3.1*	*9.3*	*6.2*
Q2	*4.8*	*19.0*		*9.0*	*1.1*	*6.6*	*2.0*	*9.3*	*10.1*	*3.2*	*7.2*
Q3	*6.4*	*6.1*		*9.8*	*3.3*	*6.8*	*–5.9*	*8.4*	*9.3*	*7.2*	*7.7*
Q4	*4.4*	*3.1*		*6.2*	*1.8*	*4.5*	*–2.8*	*4.3*	*6.5*	*5.0*	*8.1*

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

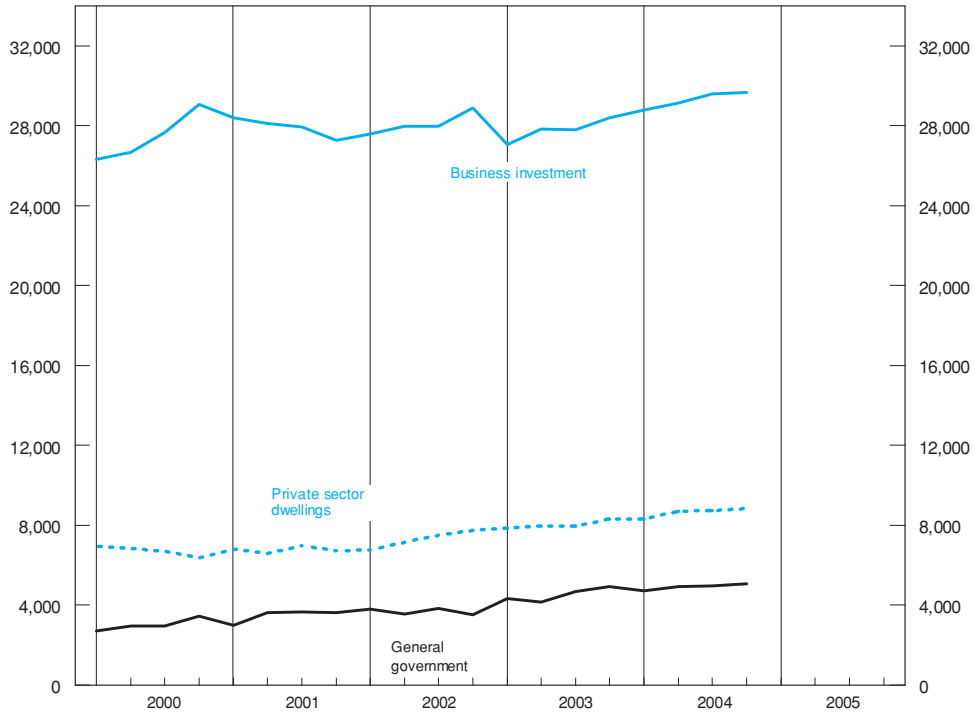
2 Remaining investment by public non-financial corporations is included within business investment.

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

Source: Office for National Statistics; Enquiries 020 7533 6010

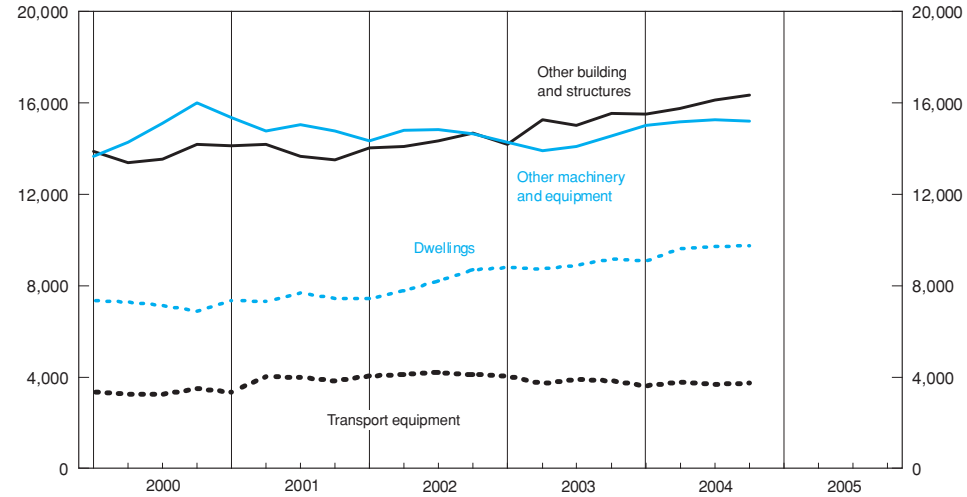
Gross fixed capital formation-by sector

Chained volume measures, reference year 2001, £ million



Gross fixed capital formation – by asset

Chained volume measures, reference year 2001, £ million



2.8 Gross value added, chained volume indices at basic prices, by category of output[1,3]

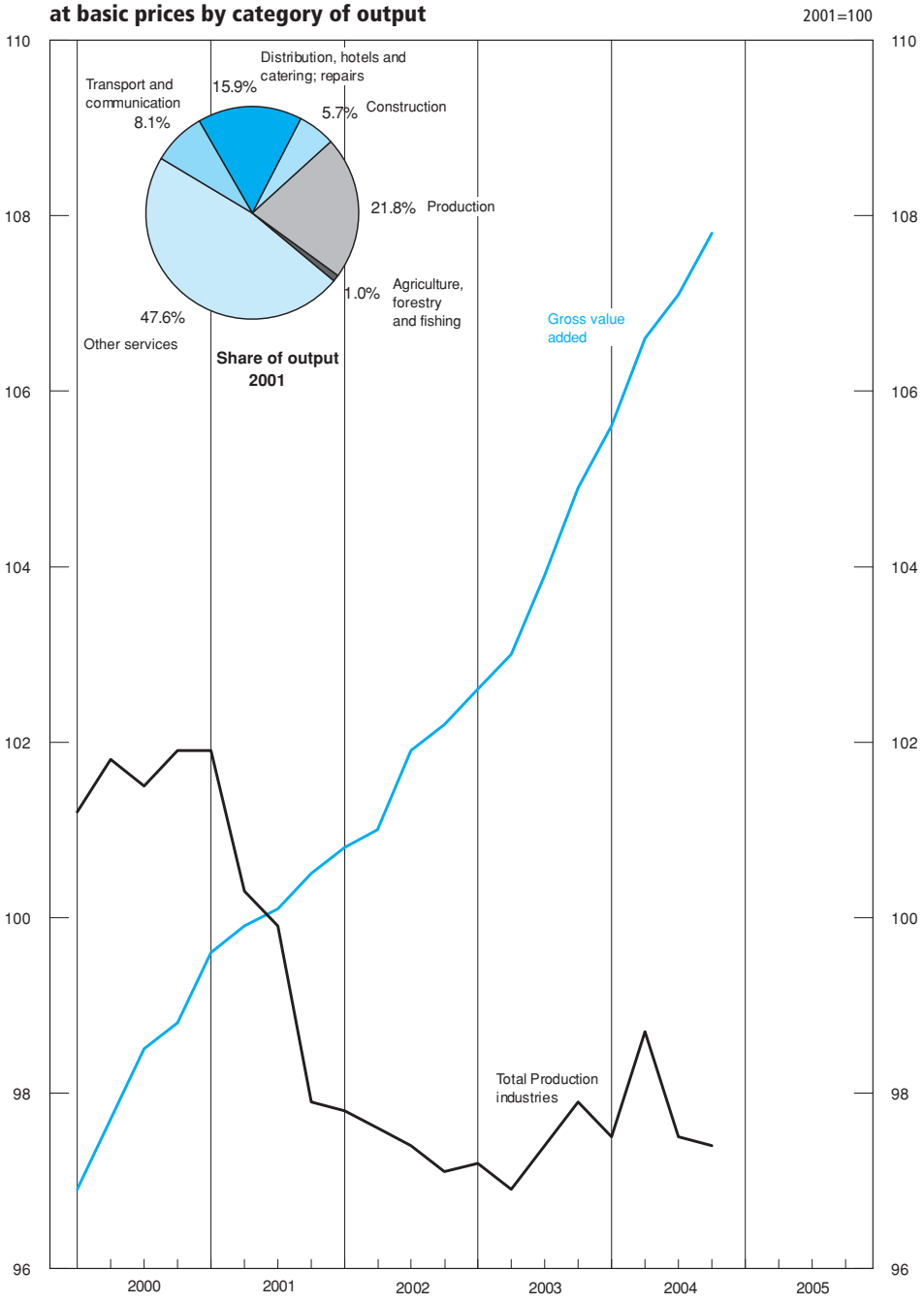
2001 = 100

	Production						Service industries						
	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	Gross value added at basic prices	Gross value added excluding oil
2001 Weights[1]	*10*	*28*	*172*	*18*	*218*	*57*	*159*	*81*	*249*	*227*	*716*	*1000*	*975*
	GDQA	CKYX	CKYY	CKYZ	CKYW	GDQB	GDQE	GDQH	GDQN	GDQU	GDQS	CGCE	JUNT
2000	110.0	105.8	101.4	97.7	101.6	98.2	97.7	96.2	95.6	97.7	96.8	98.0	97.8
2001	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
2002	111.9	99.7	96.9	99.5	97.5	103.8	104.7	101.3	102.0	102.6	102.7	101.5	101.5
2003	109.5†	94.4†	97.4†	101.2†	97.4†	109.2	107.9	102.9†	105.7	104.0	105.3	103.6	103.9
2004	111.3	87.1	98.8	103.8	97.8	113.2†	113.3†	107.1	111.1	106.4†	109.6†	106.8	107.3†
Quarterly													
2000 Q1	110.8	109.9	100.6	96.4	101.2	100.5	96.8	93.3	93.7	96.6	95.2	96.9	96.6
Q2	110.1	108.3	101.2	98.7	101.8	98.2	97.4	95.4	94.8	97.6	96.3	97.7	97.4
Q3	111.5	104.6	101.4	97.6	101.5	96.5	98.6	97.6	96.5	98.4	97.7	98.5	98.3
Q4	107.6	100.4	102.3	98.0	101.9	97.6	98.3	98.5	97.4	98.2	98.0	98.8	98.7
2001 Q1	100.8	99.0	102.3	101.7	101.9	99.2	99.1	99.9	98.3	98.9	98.8	99.6	99.5
Q2	99.1	101.6	100.0	100.6	100.3	99.5	99.4	100.2	100.0	99.6	99.8	99.9	99.8
Q3	98.8	100.5	99.9	99.4	99.9	100.1	100.1	99.6	100.3	100.3	100.2	100.1	100.1
Q4	101.3	98.8	97.8	98.3	97.9	101.3	101.4	100.2	101.5	101.2	101.2	100.5	100.6
2002 Q1	110.4	99.5	97.5	98.0	97.8	102.9	103.1	100.8	101.0	102.0	101.7	100.8	100.9
Q2	112.9	104.7	96.3	98.9	97.6	102.6	104.1	100.2	101.4	102.3	102.1	101.0	100.9
Q3	112.8	95.2	97.4	100.8	97.4	104.2	105.3	101.5	102.8	103.0	103.3	101.9	102.1
Q4	111.4	99.3	96.4	100.4	97.1	105.6	106.4	102.5	102.9	103.2	103.7	102.2	102.3
2003 Q1	108.6†	99.1†	96.6†	99.5†	97.2	105.9	105.8†	102.6†	104.4	103.5	104.2	102.6	102.7
Q2	108.8	94.9	96.9	100.3	96.9	107.9†	107.3	102.7	104.5†	103.7	104.6†	103.0	103.2
Q3	110.0	93.1	97.6	101.6	97.4	111.2	108.6	103.0	105.9	104.1	105.6	103.9	104.2†
Q4	110.5	90.7	98.4	103.6	97.9†	111.8	109.8	103.3	108.0	104.7	106.8	104.9†	105.3
2004 Q1	110.8	89.4	98.0	104.0	97.5	112.1	111.7	104.6	109.6	105.0†	108.1	105.6	106.0
Q2	110.6	90.7	99.4	103.6	98.7	112.3	113.3	106.0	110.3	106.1	109.1	106.6	107.0
Q3	111.4	85.3	98.7	104.1	97.5	113.6	114.1	108.0	111.6	106.8	110.2	107.1	107.7
Q4	112.4	83.0	99.0	103.7	97.4	114.9	114.3	109.7	113.0	107.5	111.1	107.8	108.5
Percentage change, latest quarter on corresponding quarter of last year													
2000 Q1	*–0.5*	*1.6*	*2.8*	*1.8*	*2.5*	*4.8*	*2.9*	*8.9*	*3.3*	*3.3*	*3.8*	*4.0*	*4.0*
Q2	*–0.1*	*–0.9*	*3.0*	*4.1*	*2.7*	*2.1*	*3.0*	*9.5*	*4.4*	*3.3*	*4.3*	*4.2*	*4.3*
Q3	*1.4*	*–5.4*	*1.8*	*1.6*	*1.1*	*–1.2*	*3.4*	*11.0*	*6.0*	*3.4*	*5.2*	*4.2*	*4.4*
Q4	*–3.2*	*–7.9*	*2.2*	*1.1*	*1.2*	*–0.5*	*2.3*	*9.0*	*4.7*	*2.7*	*4.0*	*3.3*	*3.7*
2001 Q1	*–9.0*	*–9.9*	*1.7*	*5.5*	*0.7*	*–1.3*	*2.4*	*7.1*	*4.9*	*2.4*	*3.8*	*2.8*	*3.0*
Q2	*–10.0*	*–6.2*	*–1.2*	*1.9*	*–1.5*	*1.3*	*2.1*	*5.0*	*5.5*	*2.0*	*3.6*	*2.3*	*2.5*
Q3	*–11.4*	*–3.9*	*–1.5*	*1.8*	*–1.6*	*3.7*	*1.5*	*2.0*	*3.9*	*1.9*	*2.6*	*1.6*	*1.8*
Q4	*–5.9*	*–1.6*	*–4.4*	*0.3*	*–3.9*	*3.8*	*3.2*	*1.7*	*4.2*	*3.1*	*3.3*	*1.7*	*1.9*
2002 Q1	*9.5*	*0.5*	*–4.7*	*–3.6*	*–4.0*	*3.7*	*4.0*	*0.9*	*2.7*	*3.1*	*2.9*	*1.2*	*1.4*
Q2	*13.9*	*3.1*	*–3.7*	*–1.7*	*–2.7*	*3.1*	*4.7*	*0.0*	*1.4*	*2.7*	*2.3*	*1.1*	*1.1*
Q3	*14.2*	*–5.3*	*–2.5*	*1.4*	*–2.5*	*4.1*	*5.2*	*1.9*	*2.5*	*2.7*	*3.1*	*1.8*	*2.0*
Q4	*10.0*	*0.5*	*–1.4*	*2.1*	*–0.8*	*4.2*	*4.9*	*2.3*	*1.4*	*2.0*	*2.5*	*1.7*	*1.7*
2003 Q1	*–1.6†*	*–0.4†*	*–0.9†*	*1.5†*	*–0.6*	*2.9*	*2.6†*	*1.8†*	*3.4*	*1.5*	*2.5*	*1.8*	*1.8*
Q2	*–3.6*	*–9.4*	*0.6*	*1.4*	*–0.7*	*5.2†*	*3.1*	*2.5*	*3.1†*	*1.4*	*2.4†*	*2.0*	*2.3*
Q3	*–2.5*	*–2.2*	*0.2*	*0.8*	*0.0*	*6.7*	*3.1*	*1.5*	*3.0*	*1.1*	*2.2*	*2.0*	*2.1†*
Q4	*–0.8*	*–8.7*	*2.1*	*3.2*	*0.8†*	*5.9*	*3.2*	*0.8*	*5.0*	*1.5*	*3.0*	*2.6†*	*2.9*
2004 Q1	*2.0*	*–9.8*	*1.4*	*4.5*	*0.3*	*5.9*	*5.6*	*1.9*	*5.0*	*1.4†*	*3.7*	*2.9*	*3.2*
Q2	*1.7*	*–4.4*	*2.6*	*3.3*	*1.9*	*4.1*	*5.6*	*3.2*	*5.6*	*2.3*	*4.3*	*3.5*	*3.7*
Q3	*1.3*	*–8.4*	*1.1*	*2.5*	*0.1*	*2.2*	*5.1*	*4.9*	*5.4*	*2.6*	*4.4*	*3.1*	*3.4*
Q4	*1.7*	*–8.5*	*0.6*	*0.1*	*–0.5*	*2.8*	*4.1*	*6.2*	*4.6*	*2.7*	*4.0*	*2.8*	*3.0*

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 2001, and are used to combine the industry output indices to calculate the totals for 2002 and 2003. For 2001 and earlier, totals are calculated using the equivalent weights for the previous year (e.g. totals for 2001 use 2000 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

Gross value added chained volume measures at basic prices by category of output



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

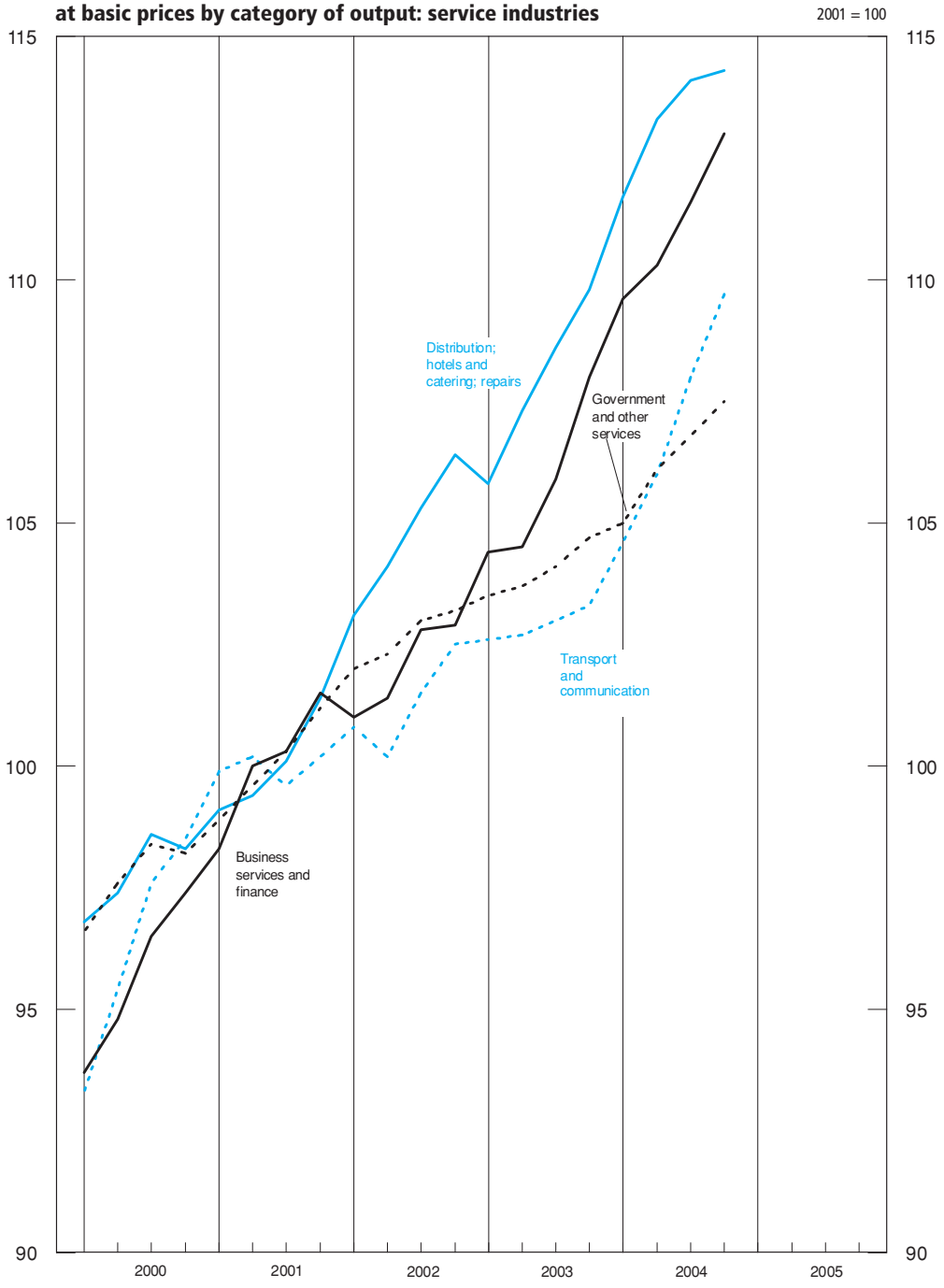
2001 = 100

	Distribution hotels and catering; repairs		Transport, storage and communication		Business services and finance			Government and other services					
	Motor trades; wholesale and retail trade; repairs	Hotels and restaurants	Transport and storage	Post and telecommunication	Financial intermediation[3]	Real estate, renting and business activities	Lettings of dwellings	PAD[1]	Education	Health and social work	Other services[2]	Adjustment for financial services[4]	Total services
2001 weights	*125*	*33*	*50*	*31*	*48*	*160*	*78*	*56*	*59*	*62*	*51*	*-38*	*716*
Annual													
	GDQC	GDQD	GDQF	GDQG	GDQI	GDQK	GDQL	GDQO	GDQP	GDQQ	GDQR	GDQJ	GDQS
2000	97.0	100.5	98.3	93.1	94.9	94.8	97.7	98.3	99.5	96.4	96.7	95.4	96.8
2001	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
2002	105.0	103.7	101.3	101.2	98.8	103.3	101.7	102.7	101.2	103.8	102.8	102.9	102.7
2003	107.3	110.1	101.0†	106.0	100.7†	110.3†	103.4†	105.1†	101.2	107.8	101.4†	114.1†	105.3
2004	112.8	115.3	105.6	109.5	106.3	119.1	105.2	106.9	100.7	112.8	104.5	126.4	109.6†
Quarterly													
2000 Q1	95.4	102.1	96.5	88.5	93.7	91.7	96.9	97.6	98.7	94.4	95.9	91.8	95.2
Q2	96.6	100.2	98.6	90.8	94.7	94.1	96.6	98.2	99.7	96.4	96.2	95.5	96.3
Q3	98.0	100.9	99.9	94.2	95.3	96.1	97.9	98.8	100.1	97.3	97.4	95.9	97.7
Q4	98.0	99.0	98.4	98.8	96.1	97.1	99.5	98.7	99.5	97.6	97.2	98.2	98.0
2001 Q1	98.9	99.5	99.5	100.6	98.3	98.2	99.5	99.2	99.5	98.4	98.6	100.6	98.8
Q2	99.3	99.6	100.3	100.2	100.3	99.8	99.8	99.7	99.7	99.9	98.9	99.3	99.8
Q3	100.0	100.5	100.1	98.9	99.8	100.4	100.2	100.2	100.2	100.3	100.7	99.9	100.2
Q4	101.7	100.4	100.2	100.3	101.5	101.5	100.6	100.9	100.7	101.3	101.8	100.3	101.2
2002 Q1	103.7	101.1	100.8	100.8	98.4	101.4	101.3	101.5	101.1	102.0	103.6	100.0	101.7
Q2	104.6	102.2	100.8	99.2	97.1	102.8	101.3	102.4	101.2	103.3	102.2	101.8	102.1
Q3	105.6	104.3	101.7	101.3	99.7	104.3	102.0	103.0	101.2	104.7	103.0	103.4	103.3
Q4	106.2	107.1	102.0	103.4	100.2	104.8	102.2	103.9	101.4	105.0	102.5	106.4	103.7
2003 Q1	105.2†	108.2	101.0†	105.2†	99.8†	107.5	102.9	104.4	101.5	106.5†	101.2†	108.4†	104.2
Q2	106.4	110.3	100.0	107.1	100.2	108.5†	103.1	104.9†	101.2	107.1	101.1	113.4	104.6†
Q3	108.1	110.6	101.6	105.4	100.6	110.9	103.5	105.3	101.0	108.2	101.3	115.3	105.6
Q4	109.5	111.2†	101.4	106.4	102.1	114.3	104.3	105.8	100.9	109.6	101.8	119.3	106.8
2004 Q1	111.3	113.3	103.8	105.8	105.3	116.6	104.7†	106.2	100.8	111.2	101.3	123.5	108.1
Q2	112.7	115.5	105.3	107.2	104.3	118.1	105.0	106.7	100.7	112.1	104.6	124.8	109.1
Q3	113.6	115.9	105.5	111.9	106.5	119.9	105.2	107.1	100.9†	113.3	105.3	127.0	110.2
Q4	113.7	116.6	107.7	113.0	108.9	121.8	105.8	107.7	100.6	114.4	106.7	130.3	111.1
Percentage change, quarter on corresponding quarter of previous year													
Quarterly													
2000 Q1	*2.3*	*4.8*	*5.0*	*15.4*	*6.0*	*5.2*	*–1.8*	*2.2*	*2.0*	*4.3*	*4.8*	*4.8*	*3.8*
Q2	*3.2*	*1.4*	*7.8*	*12.9*	*4.6*	*8.7*	*–2.6*	*2.4*	*1.9*	*4.8*	*4.0*	*7.3*	*4.3*
Q3	*3.9*	*1.1*	*8.9*	*14.9*	*6.4*	*9.5*	*–0.4*	*2.5*	*1.2*	*5.6*	*3.9*	*7.4*	*5.2*
Q4	*3.3*	*–1.8*	*4.8*	*16.2*	*4.3*	*7.4*	*2.7*	*2.4*	*1.4*	*4.5*	*2.3*	*10.6*	*4.0*
2001 Q1	*3.7*	*–2.5*	*3.1*	*13.7*	*4.9*	*7.1*	*2.7*	*1.6*	*0.8*	*4.2*	*2.8*	*9.6*	*3.8*
Q2	*2.8*	*–0.6*	*1.7*	*10.4*	*5.9*	*6.1*	*3.3*	*1.5*	*0.0*	*3.6*	*2.8*	*4.0*	*3.6*
Q3	*2.0*	*–0.4*	*0.2*	*5.0*	*4.7*	*4.5*	*2.3*	*1.4*	*0.1*	*3.1*	*3.4*	*4.2*	*2.6*
Q4	*3.8*	*1.4*	*1.8*	*1.5*	*5.6*	*4.5*	*1.1*	*2.2*	*1.2*	*3.8*	*4.7*	*2.1*	*3.3*
2002 Q1	*4.9*	*1.6*	*1.3*	*0.2*	*0.1*	*3.3*	*1.8*	*2.3*	*1.6*	*3.7*	*5.1*	*–0.6*	*2.9*
Q2	*5.3*	*2.6*	*0.5*	*–1.0*	*–3.2*	*3.0*	*1.5*	*2.7*	*1.5*	*3.4*	*3.3*	*2.5*	*2.3*
Q3	*5.6*	*3.8*	*1.6*	*2.4*	*–0.1*	*3.9*	*1.8*	*2.8*	*1.0*	*4.4*	*2.3*	*3.5*	*3.1*
Q4	*4.4*	*6.7*	*1.8*	*3.1*	*–1.3*	*3.3*	*1.6*	*3.0*	*0.7*	*3.7*	*0.7*	*6.1*	*2.5*
2003 Q1	*1.4†*	*7.0*	*0.2†*	*4.4†*	*1.4†*	*6.0*	*1.6*	*2.9*	*0.4*	*4.4†*	*–2.3†*	*8.4†*	*2.5*
Q2	*1.7*	*7.9*	*–0.8*	*8.0*	*3.2*	*5.5†*	*1.8*	*2.4†*	*0.0*	*3.7*	*–1.1*	*11.4*	*2.4†*
Q3	*2.4*	*6.0*	*–0.1*	*4.0*	*0.9*	*6.3*	*1.5*	*2.2*	*–0.2*	*3.3*	*–1.7*	*11.5*	*2.2*
Q4	*3.1*	*3.8†*	*–0.6*	*2.9*	*1.9*	*9.1*	*2.1*	*1.8*	*–0.5*	*4.4*	*–0.7*	*12.1*	*3.0*
2004 Q1	*5.8*	*4.7*	*2.8*	*0.6*	*5.5*	*8.5*	*1.7†*	*1.7*	*–0.7*	*4.4*	*0.1*	*13.9*	*3.7*
Q2	*5.9*	*4.7*	*5.3*	*0.1*	*4.1*	*8.8*	*1.8*	*1.7*	*–0.5*	*4.7*	*3.5*	*10.1*	*4.3*
Q3	*5.1*	*4.8*	*3.8*	*6.2*	*5.9*	*8.1*	*1.6*	*1.7*	*–0.1†*	*4.7*	*3.9*	*10.1*	*4.4*
Q4	*3.8*	*4.9*	*6.2*	*6.2*	*6.7*	*6.6*	*1.4*	*1.8*	*–0.3*	*4.4*	*4.8*	*9.2*	*4.0*

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

Gross value added chained volume indices at basic prices by category of output: service industries



Source : see data on Table 2.8

2.10 Summary capital accounts and net lending/net borrowing

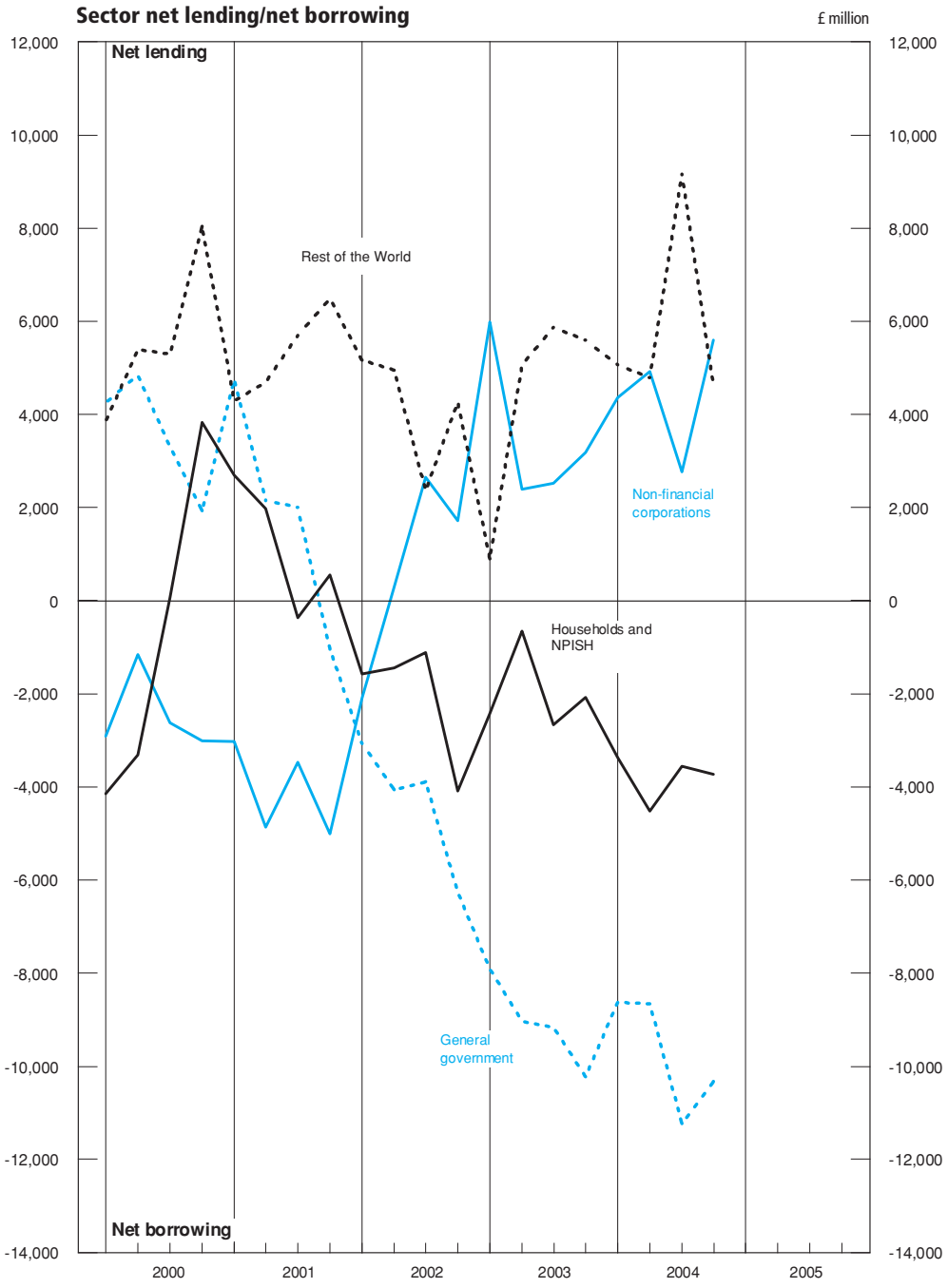
£ million

	Non-financial corporations				Financial corporations				General Government			
	Gross saving[1]	Capital transfers (net receipts)	Gross capital formation[2]	Net acquisition of non-financial assets	Gross saving[1]	Capital transfers (net receipts)	Gross capital formation[2]	Net acquisition of non-financial assets	Gross saving[1]	Capital transfers (net receipts)	Gross capital formation[2]	Net acquisition of non-financial assets
Annual	RPJV	GZQW	RQBZ	RQAX	RPPS	GZQE	RPYP	RPYO	RPQC	GZQU	RPZF	RPZE
2001	89 361	2 661	103 892	1 139	–10 279	–	7 232	25	24 957	–4 081	13 929	–915
2002	103 573	3 277	99 072	1 431	12 951	–	6 837	–36	1 501	–5 076	14 781	–1 087
2003	114 416†	4 219†	99 566†	1 241	17 087†	–	3 608	–3	–12 115†	–6 975†	18 181†	–957
2004	125 029	2 584	105 407	1 471	14 646	–	2 994	–6	–14 631	–5 012	20 257	–1 071
Quarterly												
2001 Q1	23 181	599	25 610	255	–6 341	–	2 363	5	8 217	–768	2 923	–220
Q2	21 798	627	26 143	285	–1 754	–	2 203	8	6 834	–1 204	3 700	–220
Q3	23 440	719	26 573	314	–2 548	–	1 306	8	6 594	–1 140	3 682	–236
Q4	20 942	716	25 566	285	364	–	1 360	4	3 312	–969	3 624	–239
2002 Q1	23 044	747	24 751	368	2 470	–	914	–3	1 685	–1 241	3 807	–281
Q2	24 324	631	23 601	329	1 376	–	1 136	–9	407	–1 010	3 689	–233
Q3	27 751	814	24 879	363	3 055	–	3 090	–12	1 044	–1 336	3 832	–240
Q4	28 454	1 085	25 841	371	6 050	–	1 697	–12	–1 635	–1 489	3 453	–333
2003 Q1	28 970†	1 410†	22 750†	278†	5 816†	–	2 139†	–3	–1 482†	–2 368†	4 256†	–201†
Q2	25 860	1 539	23 800	332	3 245	–	771	–	–2 902	–2 160	4 216	–256
Q3	28 928	914	26 183	365	3 840	–	186	1	–3 113	–1 516	4 789	–253
Q4	30 658	356	26 833	266	4 186	–	512	–1	–4 618	–931	4 920	–247
2004 Q1	31 153	501	26 180	316	2 727	–	315	–	–3 157	–1 039	4 668	–242
Q2	30 927	461	25 299	374	4 032	–	817	–2	–2 823	–1 058	5 049	–276
Q3	29 334	1 189	26 549	409	3 559	–	1 023	–2	–4 532	–1 813	5 162	–280
Q4	33 615	433	27 379	372	4 328	–	839	–2	–4 119	–1 102	5 378	–273

	Households & NPISH				Net lending(+)/net borrowing(-)[3]					
	Gross saving[1]	Capital transfers (net receipts)	Gross capital formation[2]	Net acquisition of non-financial assets	Non-financial corporations	Financial corporations	General government	Households & NPISH	Rest of the world[4]	Statistical Discrepancy
Annual	RPQL	GZQI	RPZV	RPZU	RQAW	RPYN	RPZD	RPZT	RQCH	RVFE
2001	45 659	3 023	43 985	–152	–16 360	–17 536	7 862	4 849	21 185	–
2002	38 482	3 099	49 958	–176	2 573	6 150	–17 269	–8 201	16 747	–
2003	44 758†	4 423†	57 208†	–210	14 090†	13 482†	–36 314†	–7 817†	17 443†	–884†
2004	44 989	4 919	65 356	–276	17 642	11 658	–38 829	–15 172	23 609	1 092
Quarterly										
2001 Q1	13 138	418	10 891	–25	–3 021	–8 709	4 746	2 690	4 294	–5 248
Q2	11 052	1 266	10 380	–36	–4 859	–3 965	2 150	1 974	4 700	–3 324
Q3	10 509	747	11 672	–44	–3 476	–3 862	2 008	–372	5 702	1 888
Q4	10 960	592	11 042	–47	–5 004	–1 000	–1 042	557	6 489	6 684
2002 Q1	9 511	720	11 832	–47	–2 091	1 559	–3 070	–1 566	5 168	–6 300
Q2	10 668	664	12 809	–45	293	249	–4 054	–1 437	4 949	–3 098
Q3	10 219	823	12 204	–43	2 657	–23	–3 887	–1 116	2 369	6 212
Q4	8 084	892	13 113	–41	1 714	4 365	–6 258	–4 082	4 261	3 186
2003 Q1	9 881†	1 250†	13 597†	–46	5 987†	3 680†	–7 905†	–2 420†	901†	–3 087†
Q2	12 172	908	13 785	–49	2 388	2 474	–9 022	–656	5 073	–3 884
Q3	10 936	1 030	14 686	–55	2 530	3 653	–9 165	–2 665	5 877	3 188
Q4	11 769	1 235	15 140	–60	3 185	3 675	–10 222	–2 076	5 592	2 899
2004 Q1	10 783	1 310	15 522	–65	4 357	2 412	–8 622	–3 364	5 058	–4 779
Q2	10 545	1 335	16 472	–68	4 920	3 217	–8 654	–4 524	4 787	–2 884
Q3	11 822	1 033	16 482	–71	2 762	2 538	–11 227	–3 556	9 162	3 893
Q4	11 839	1 241	16 880	–72	5 603	3 491	–10 326	–3 728	4 602	4 862

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


Sector net lending/net borrowing
£ million
Net lending
Net borrowing
Rest of the World
Non-financial corporations
Households and NPISH
General government
12,000
10,000
8,000
6,000
4,000
2,000
0
-2,000
-4,000
-6,000
-8,000
-10,000
-12,000
-14,000
2000
2001
2002
2003
2004
2005

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

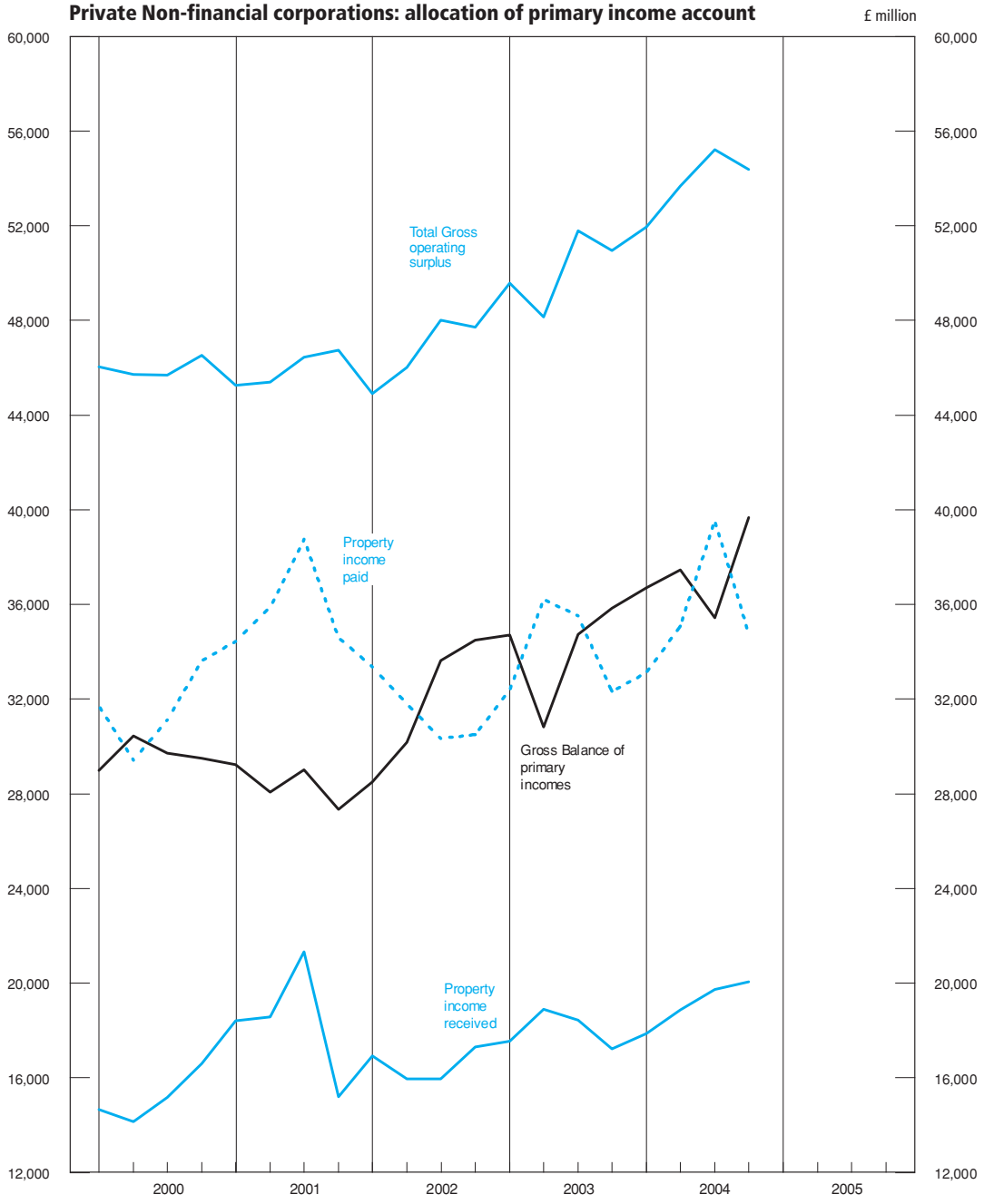
£ million

	Resources							Uses				
	Gross operating surplus							Property income payments				
	Gross trading profits			*less*								
	Continental shelf companies	Others[1]	Rental of buildings	Inventory holding gains	Gross operating surplus+[1]	Property income receipts	Total resources[1,2]	Total payments	*of which* Dividends	*of which* Interest	Gross balance of primary incomes[1]	Share of gross national income[1] (%)
Annual												
	CAGD	CAED	FCBW	-DLRA	CAER	RPBM	RPBN	RPBP	RVFT	ROCG	RPBO	NRJL
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	45 708	203 453	101 133	51 595	23 512	102 320	13.4
1997	13 978	145 693	9 561	–361	168 871	47 988	216 859	107 605	56 274	25 783	109 254	13.5
1998	11 696	150 975	10 837	753	174 261	49 714	223 975	107 276	51 588	30 659	116 699	13.4
1999	13 864	153 954	11 435	–1 801	177 452	48 100	225 552	115 547	61 104	30 673	110 005	12.3
2000	21 333	153 342	12 271	–2 941	184 005	60 555	244 560	125 894	55 846	37 355	118 666	12.5
2001	20 287	149 885	13 263	434	183 869	73 508	257 377	143 696	77 516	39 724	113 681	11.3
2002	19 260	156 800	13 904	–3 295	186 669	66 129	252 798	125 996	61 580	36 679	126 802	11.9
2003	18 956	168 617†	14 539	–1 630	200 482†	72 101†	272 583†	136 477†	71 336	36 391†	136 106†	12.1
2004	20 548	180 279	15 131	–676	215 282	76 544	291 826	142 542	70 630	40 932	149 284	12.6
Quarterly												
1994 Q1	2 292	28 014	2 201	–443	32 064	9 242	41 306	19 077	8 562	5 275	22 229	13.3
Q2	3 050	29 521	2 148	–919	33 800	8 769	42 569	19 994	8 202	5 301	22 575	13.4
Q3	2 701	29 218	2 132	–1 109	32 942	8 426	41 368	20 986	9 433	5 162	20 382	11.9
Q4	2 733	30 697	2 160	–1 359	34 231	9 653	43 884	20 815	10 168	5 319	23 069	13.2
1995 Q1	2 966	31 353	2 264	–1 738	34 845	9 360	44 205	22 432	9 993	5 663	21 773	12.4
Q2	3 113	30 798	2 336	–1 588	34 659	9 952	44 611	22 152	9 218	6 054	22 459	12.7
Q3	2 934	31 504	2 379	–1 181	35 636	11 012	46 648	25 003	12 614	6 062	21 645	12.0
Q4	3 111	31 496	2 400	18	37 025	12 624	49 649	26 044	14 393	6 319	23 605	12.9
1996 Q1	3 523	32 928	2 386	–800	38 037	11 194	49 231	25 831	13 265	5 962	23 400	12.5
Q2	3 929	32 984	2 366	–102	39 177	12 410	51 587	23 965	12 121	5 760	27 622	14.5
Q3	4 081	33 737	2 362	–208	39 972	10 611	50 583	25 148	12 567	5 885	25 435	13.3
Q4	4 169	33 859	2 379	152	40 559	11 493	52 052	26 189	13 642	5 905	25 863	13.4
1997 Q1	3 885	37 026	2 337	–23	43 225	11 014	54 239	24 923	12 502	5 962	29 316	14.8
Q2	3 288	36 781	2 381	239	42 689	11 908	54 597	27 586	15 390	6 380	27 011	13.3
Q3	3 448	36 040	2 414	–506	41 396	14 048	55 444	27 613	15 470	6 487	27 831	13.6
Q4	3 357	35 846	2 429	–71	41 561	11 018	52 579	27 483	12 912	6 954	25 096	12.2
1998 Q1	3 160	36 848	2 629	107	42 744	13 996	56 740	29 484	15 369	7 405	27 256	13.0
Q2	3 103	36 707	2 670	53	42 533	11 758	54 291	25 862	11 859	7 509	28 429	13.3
Q3	2 779	39 052	2 727	315	44 873	11 677	56 550	25 945	11 550	7 919	30 605	13.8
Q4	2 654	38 368	2 811	278	44 111	12 283	56 394	25 985	12 810	7 826	30 409	13.7
1999 Q1	2 519	37 733	2 819	–302	42 769	8 229	50 998	19 787	8 977	7 484	31 211	14.4
Q2	3 293	39 498	2 832	–440	45 183	14 083	59 266	35 876	23 055	7 288	23 390	10.5
Q3	4 056	37 724	2 865	–645	44 000	11 296	55 296	29 007	14 340	7 718	26 289	11.6
Q4	3 996	38 999	2 919	–414	45 500	14 492	59 992	30 877	14 732	8 183	29 115	12.6
2000 Q1	4 695	39 150	2 914	–702	46 057	14 660	60 717	31 720	15 242	8 703	28 997	12.3
Q2	5 252	38 289	3 015	–830	45 726	14 136	59 862	29 424	12 044	9 242	30 438	12.9
Q3	5 580	37 775	3 135	–799	45 691	15 154	60 845	31 120	12 757	9 502	29 725	12.4
Q4	5 806	38 128	3 207	–610	46 531	16 605	63 136	33 630	15 803	9 908	29 506	12.3
2001 Q1	5 531	36 259	3 154	329	45 273	18 417	63 690	34 447	16 090	10 239	29 243	11.9
Q2	5 548	36 566	3 270	5	45 389	18 565	63 954	35 895	19 285	10 047	28 059	11.2
Q3	4 927	38 200	3 379	–52	46 454	21 332	67 786	38 760	22 112	10 138	29 026	11.5
Q4	4 281	38 860	3 460	152	46 753	15 194	61 947	34 594	20 029	9 300	27 353	10.7
2002 Q1	4 387	37 777	3 499	–735	44 928	16 937	61 865	33 371	17 603	9 099	28 494	11.0
Q2	4 786	38 487	3 506	–763	46 016	15 961	61 977	31 800	15 782	9 163	30 177	11.5
Q3	4 793	40 568	3 480	–822	48 019	15 939	63 958	30 330	14 894	9 117	33 628	12.4
Q4	5 294	39 968	3 419	–975	47 706	17 292	64 998	30 495	13 301	9 300	34 503	12.7
2003 Q1	5 262†	41 472†	3 589	–750	49 573†	17 541†	67 114†	32 403†	15 766†	9 259†	34 711†	12.5
Q2	4 187	40 701	3 619	–350	48 157	18 893	67 050	36 228	19 728	8 972	30 822	11.2†
Q3	4 745	43 757	3 649	–350	51 801	18 445	70 246	35 511	19 477	9 070	34 735	12.3
Q4	4 762	42 687	3 682	–180	50 951	17 222	68 173	32 335	16 365	9 090	35 838	12.5
2004 Q1	4 983	43 430	3 718	–165	51 966	17 875	69 841	33 128	16 477	9 540	36 713	12.6
Q2	5 181	44 910	3 760	–165	53 686	18 876	72 562	35 096	17 227	10 216	37 466	12.7
Q3	5 366	46 259	3 802	–192	55 235	19 741	74 976	39 544	21 087	10 460	35 432	12.0
Q4	5 018	45 680	3 851	–154	54 395	20 052	74 447	34 774	15 839	10 716	39 673	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

Private Non-financial corporations: allocation of primary income account



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

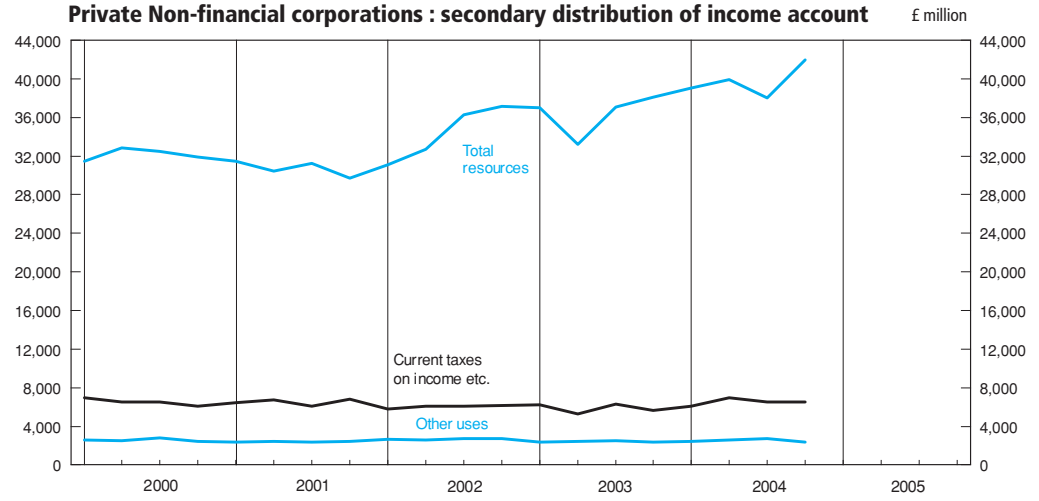
£ million

	Secondary Distribution of Income Account						Capital Account					
	Resources			Uses			Changes in liabilities & net worth		Changes in assets			
	Gross balance of primary incomes [1]	Other resources [2]	Total [1,3]	Taxes on income	Other uses [4]	Gross disposable income [1,5]	Net capital transfer receipts	Total [1]	Gross fixed capital formation	Changes in inventories [1]	Other changes in assets [6]	Net lending (+) or borrowing (-) [1,7]
Annual												
	RPBO	NROQ	RPKY	RPLA	NROO	RPKZ	NROP	RPXH	ROAW	DLQY	NRON	RQBV
1995	89 482	7 704	97 186	18 953	8 104	70 129	433	70 562	64 444	4 542	388	1 188
1996	102 320	8 420	110 740	23 080	9 938	77 722	428	78 150	72 854	1 672	263	3 361
1997	109 254	7 097	116 351	28 558	7 576	80 217	671	80 888	81 317	3 949	401	–4 779
1998	116 699	8 390	125 089	26 877	8 834	89 378	1 081	90 459	89 848	4 533	1 287	–5 209
1999	110 005	7 875	117 880	22 608	8 444	86 828	958	87 786	93 756	6 174	1 036	–13 180
2000	118 666	9 990	128 656	26 188	10 403	92 065	405	92 470	96 329	5 512	768	–10 139
2001	113 681	9 229	122 910	26 061	9 640	87 209	1 621	88 830	97 951	5 941	1 069	–16 131
2002	126 802	10 428	137 230	24 156	10 850	102 224	1 718	103 942	97 108	2 007	1 212	3 615
2003	136 106†	9 308†	145 414†	23 461†	9 738†	112 215†	2 650†	114 865†	97 275†	2 388	862	14 340†
2004	149 284	9 768	159 052	26 139	10 200	122 713	1 971	124 684	104 475	1 031	1 026	18 152
Quarterly												
1995 Q1	21 773	1 825	23 598	4 252	1 922	17 424	127	17 551	14 794	–428	121	3 064
Q2	22 459	1 936	24 395	5 420	2 032	16 943	98	17 041	16 117	2 164	125	–1 365
Q3	21 645	1 953	23 598	4 368	2 049	17 181	102	17 283	16 460	1 713	87	–977
Q4	23 605	1 990	25 595	4 913	2 101	18 581	106	18 687	17 073	1 093	55	466
1996 Q1	23 400	2 238	25 638	5 419	3 336	16 883	125	17 008	17 261	1 115	63	–1 431
Q2	27 622	2 219	29 841	5 148	2 369	22 324	102	22 426	17 599	794	71	3 962
Q3	25 435	1 994	27 429	6 334	2 124	18 971	96	19 067	18 566	82	57	362
Q4	25 863	1 969	27 832	6 179	2 109	19 544	105	19 649	19 428	–319	72	468
1997 Q1	29 316	1 771	31 087	6 642	1 888	22 557	233	22 790	19 359	1 330	64	2 037
Q2	27 011	1 757	28 768	7 363	1 901	19 504	164	19 668	20 439	1 045	94	–1 910
Q3	27 831	1 739	29 570	7 240	1 848	20 482	131	20 613	20 133	1 005	103	–628
Q4	25 096	1 830	26 926	7 313	1 939	17 674	143	17 817	21 386	569	140	–4 278
1998 Q1	27 256	2 225	29 481	6 607	2 336	20 538	343	20 881	22 016	377	256	–1 768
Q2	28 429	2 166	30 595	6 715	2 277	21 603	220	21 823	22 319	–158	380	–718
Q3	30 605	1 959	32 564	6 847	2 070	23 647	248	23 895	23 218	1 985	379	–1 687
Q4	30 409	2 040	32 449	6 708	2 151	23 590	270	23 860	22 295	2 329	272	–1 036
1999 Q1	31 211	2 037	33 248	5 484	2 264	25 500	344	25 844	23 139	2 181	301	223
Q2	23 390	1 925	25 315	4 846	2 038	18 431	199	18 630	22 928	505	314	–5 117
Q3	26 289	1 608	27 897	5 938	1 722	20 237	216	20 453	23 882	1 867	191	–5 487
Q4	29 115	2 305	31 420	6 340	2 420	22 660	199	22 859	23 807	1 621	230	–2 799
2000 Q1	28 997	2 474	31 471	6 998	2 591	21 882	315	22 197	23 685	1 597	193	–3 278
Q2	30 438	2 426	32 864	6 508	2 523	23 833	20	23 853	23 494	1 273	158	–1 072
Q3	29 725	2 733	32 458	6 572	2 832	23 054	34	23 088	24 044	1 597	156	–2 709
Q4	29 506	2 357	31 863	6 110	2 457	23 296	36	23 332	25 106	1 045	261	–3 080
2001 Q1	29 243	2 255	31 498	6 449	2 356	22 693	200	22 893	24 876	762	222	–2 967
Q2	28 059	2 378	30 437	6 713	2 481	21 243	439	21 682	24 481	1 628	306	–4 733
Q3	29 026	2 262	31 288	6 077	2 365	22 846	485	23 331	24 647	1 938	280	–3 534
Q4	27 353	2 334	29 687	6 822	2 438	20 427	497	20 924	23 947	1 613	261	–4 897
2002 Q1	28 494	2 601	31 095	5 803	2 705	22 587	577	23 164	24 073	686	325	–1 920
Q2	30 177	2 520	32 697	6 079	2 625	23 993	441	24 434	24 192	–584	281	545
Q3	33 628	2 658	36 286	6 127	2 764	27 395	504	27 899	24 230	654	311	2 704
Q4	34 503	2 649	37 152	6 147	2 756	28 249	196	28 445	24 613	1 251	295	2 286
2003 Q1	34 711†	2 289†	37 000†	6 209†	2 396†	28 395†	727†	29 122†	22 470†	304†	193†	6 155†
Q2	30 822	2 379	33 201	5 305	2 486	25 410	1 094	26 504	24 754	–954	264	2 440
Q3	34 735	2 382	37 117	6 299	2 490	28 328	556	28 884	24 741	1 478	255	2 410
Q4	35 838	2 258	38 096	5 648	2 366	30 082	273	30 355	25 310	1 560	150	3 335
2004 Q1	36 713	2 371	39 084	6 100	2 479	30 505	395	30 900	26 005	175	234	4 486
Q2	37 466	2 479	39 945	6 949	2 587	30 409	317	30 726	25 793	–456	251	5 138
Q3	35 432	2 626	38 058	6 532	2 734	28 792	1 013	29 805	26 322	270	278	2 935
Q4	39 673	2 292	41 965	6 558	2 400	33 007	246	33 253	26 355	1 042	263	5 593

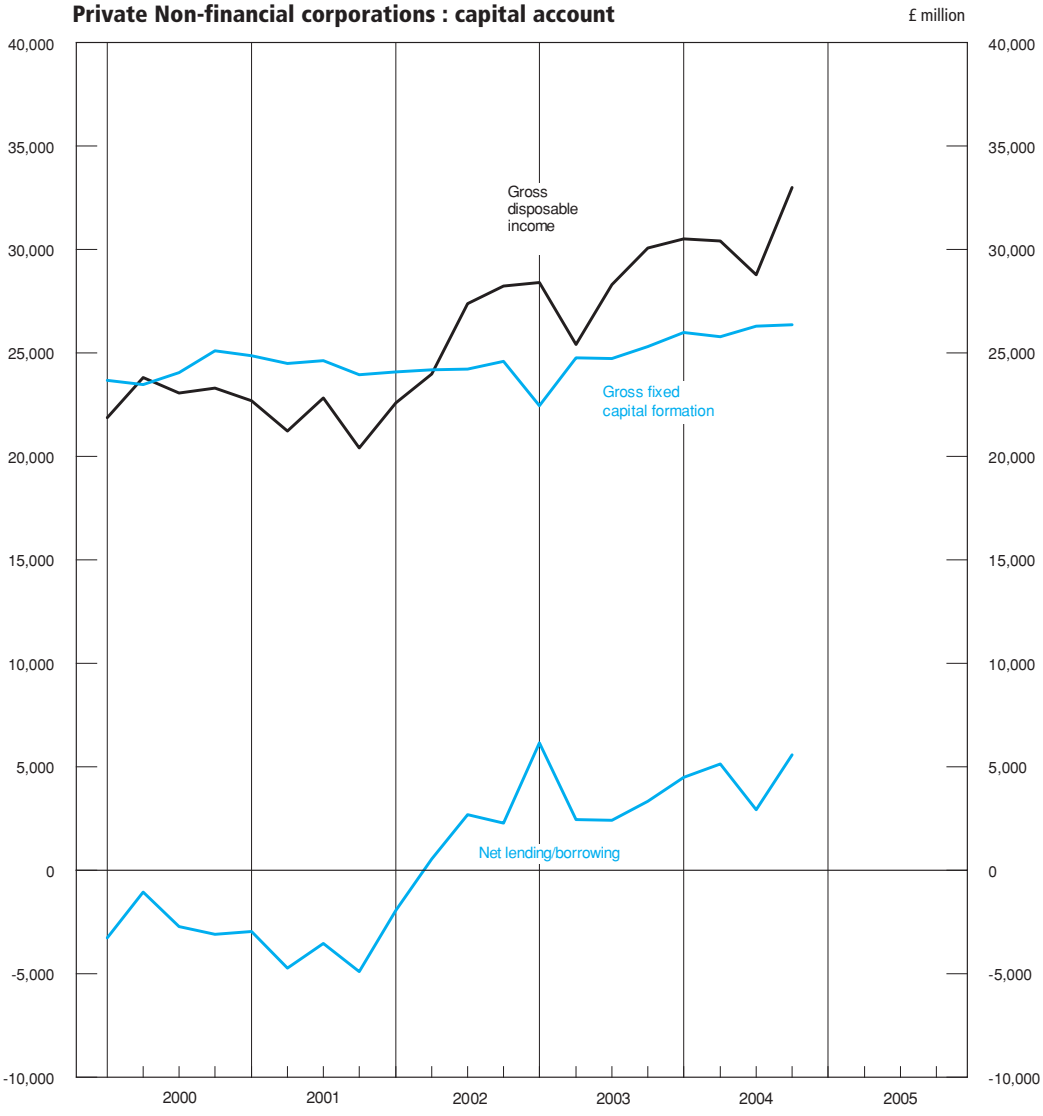
1 Quarterly alignment adjustment included in this series.
2 Social contributions and other current transfers.
3 Total resources equals total uses.
4 Social benefits and other current transfers.
5 Also known as gross saving.
6 Acquisitions less disposals of valuables and non-produced non-financial assets.
7 Gross of fixed capital consumption.

Source: Office for National Statistics; Enquiries 020 7533 6014

Private Non-financial corporations : secondary distribution of income account



Private Non-financial corporations : capital account

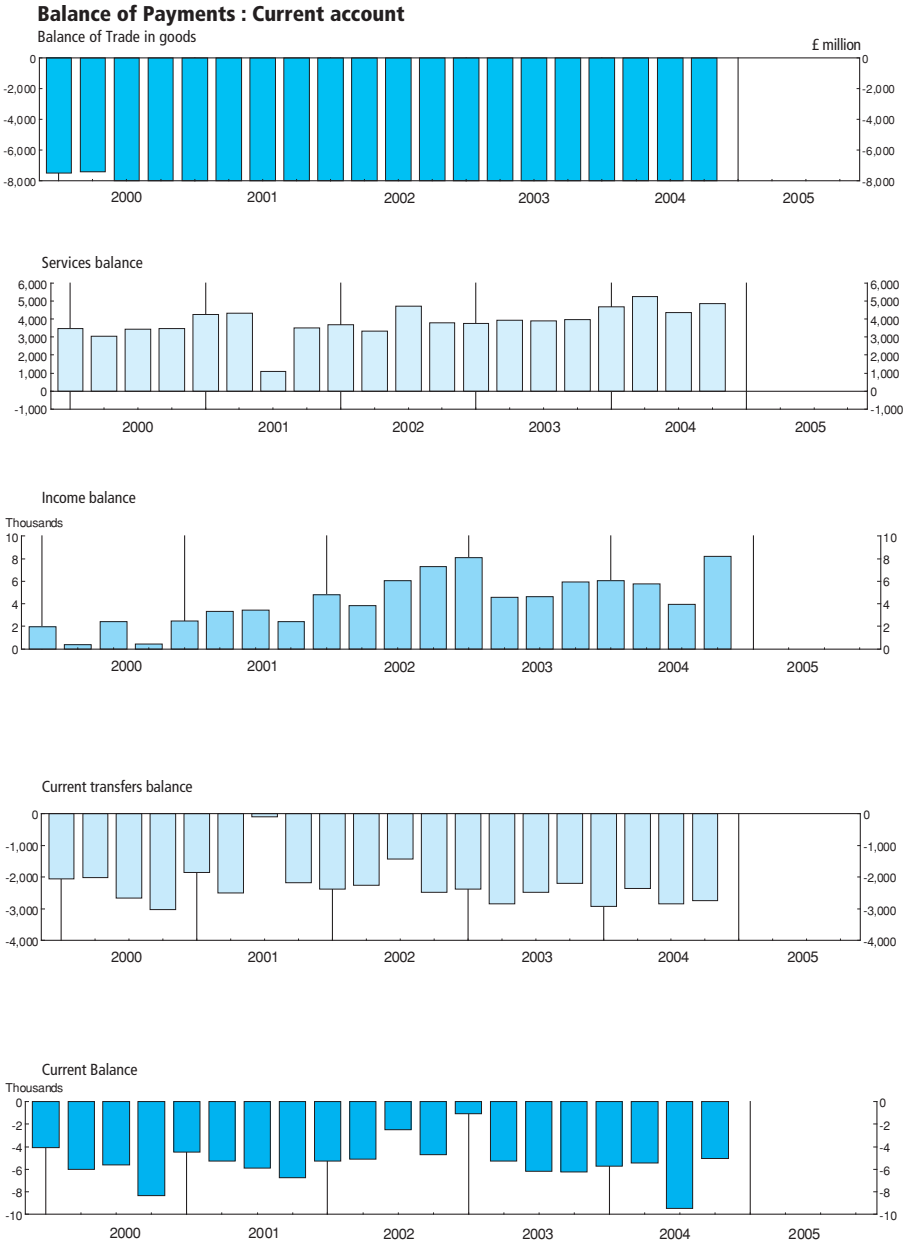


2.13 Balance of payments: current account

£ million

	Trade in goods and services								
	Exports of goods+	Imports of goods+	Balance of trade in goods	Exports of services	Imports of services	Services balance	Income balance	Current transfers balance	Current balance
Annual	BOKG	BOKH	BOKI	IKBB	IKBC	IKBD	HBOJ	IKBP	HBOP
2000	187 936	220 912	–32 976	79 071	65 645	13 426	5 208	–9 752	–24 094
2001	190 055	230 703	–40 648	82 314	69 098	13 216	11 652	–6 611	–22 391
2002	186 517	233 192	–46 675	87 203	71 626	15 577	22 027	–8 544	–17 615
2003	188 615†	236 280†	–47 665†	91 121†	75 510	15 611†	23 213†	–9 898	–18 739†
2004	190 688	248 632	–57 944	95 872	76 754†	19 118	24 004	–10 860	–25 682
Quarterly									
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	49 523	58 884	–9 361	21 623	17 370	4 253	2 504	–1 847	–4 451
Q2	48 329	58 774	–10 445	21 765	17 418	4 347	3 313	–2 496	–5 281
Q3	46 561	56 911	–10 350	18 597	17 493	1 104	3 431	–95	–5 910
Q4	45 642	56 134	–10 492	20 329	16 817	3 512	2 404	–2 173	–6 749
2002 Q1	45 873	57 274	–11 401	21 476	17 765	3 711	4 799	–2 390	–5 281
Q2	49 416	59 495	–10 079	21 189	17 845	3 344	3 865	–2 248	–5 118
Q3	46 862	58 706	–11 844	22 784	18 079	4 705	6 044	–1 431	–2 526
Q4	44 366	57 717	–13 351	21 754	17 937	3 817	7 319	–2 475	–4 690
2003 Q1	48 928†	59 485†	–10 557†	22 439†	18 664†	3 775†	8 084†	–2 386†	–1 084†
Q2	46 795	57 744	–10 949	22 418	18 461	3 957	4 562	–2 833	–5 263
Q3	46 349	58 573	–12 224	22 973	19 055	3 918	4 609	–2 473	–6 170
Q4	46 543	60 478	–13 935	23 291	19 330	3 961	5 958	–2 206	–6 222
2004 Q1	45 743	59 299	–13 556	23 486	18 807	4 679	6 055	–2 933	–5 755
Q2	47 126	61 236	–14 110	24 174	18 937	5 237	5 786	–2 349	–5 436
Q3	48 289	63 213	–14 924	23 757	19 400	4 357	3 955	–2 833	–9 445
Q4	49 530	64 884	–15 354	24 455	19 610	4 845	8 208	–2 745	–5 046
Monthly									
2002 Jan	15 393	19 138	–3 745	7 354	5 809	1 545	..	..	..
Feb	15 268	19 018	–3 750	7 184	5 975	1 209	..	..	..
Mar	15 212	19 118	–3 906	6 938	5 981	957	..	..	..
Apr	16 341	19 964	–3 623	6 946	6 047	899	..	..	..
May	17 423	20 279	–2 856	7 000	5 827	1 173	..	..	..
Jun	15 652	19 252	–3 600	7 243	5 971	1 272	..	..	..
Jul	16 302	20 314	–4 012	7 507	5 971	1 536	..	..	..
Aug	14 880	19 076	–4 196	7 638	6 067	1 571	..	..	..
Sep	15 680	19 316	–3 636	7 639	6 041	1 598	..	..	..
Oct	15 121	19 516	–4 395	7 359	6 067	1 292	..	..	..
Nov	14 402	19 484	–5 082	7 167	5 802	1 365	..	..	..
Dec	14 843	18 717	–3 874	7 228	6 068	1 160	..	..	..
2003 Jan	16 656†	19 826†	–3 170†	7 323	6 193	1 130	..	..	..
Feb	16 294	19 627	–3 333	7 494	6 241	1 253	..	..	..
Mar	15 978	20 032	–4 054	7 568	6 215	1 353	..	..	..
Apr	16 431	19 097	–2 666	7 439	6 103	1 336	..	..	..
May	15 423	19 466	–4 043	7 512	6 176	1 336	..	..	..
Jun	14 941	19 181	–4 240	7 512	6 148	1 364	..	..	..
Jul	15 687	19 383	–3 696	7 593	6 352	1 241	..	..	..
Aug	15 543	19 036	–3 493	7 740	6 382	1 358	..	..	..
Sep	15 119	20 154	–5 035	7 702	6 367	1 335	..	..	..
Oct	15 833	20 251	–4 418	7 679	6 389	1 290	..	..	..
Nov	15 145	19 961	–4 816	7 719	6 343	1 376	..	..	..
Dec	15 565	20 266	–4 701	7 831	6 601	1 230	..	..	..
2004 Jan	14 957	20 180	–5 223	7 788†	6 394†	1 394†	..	..	..
Feb	15 052	19 277	–4 225	7 830	6 290	1 540	..	..	..
Mar	15 734	19 842	–4 108	7 787	6 108	1 679	..	..	..
Apr	15 641	20 407	–4 766	7 917	6 252	1 665	..	..	..
May	15 437	20 240	–4 803	7 946	6 271	1 675	..	..	..
Jun	16 048	20 589	–4 541	7 936	6 397	1 539	..	..	..
Jul	15 856	20 962	–5 106	7 823	6 383	1 440	..	..	..
Aug	15 922	21 034	–5 112	7 859	6 461	1 398	..	..	..
Sep	16 511	21 217	–4 706	7 887	6 489	1 398	..	..	..
Oct	16 200	21 489	–5 289	7 827	6 363	1 464	..	..	..
Nov	16 553	21 679	–5 126	8 015	6 498	1 517	..	..	..
Dec	16 777	21 716	–4 939	8 086	6 598	1 488	..	..	..
2005 Jan	16 529	21 703	–5 174	8 079	6 567	1 512	..	..	..

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
Balance of Trade in goods
£ million
0
-2,000
-4,000
-6,000
-8,000
2000
2001
2002
2003
2004
2005
Services balance
6,000
5,000
4,000
3,000
2,000
1,000
0
-1,000
Income balance
Thousands
10
8
6
4
2
0
Current transfers balance
-1,000
-2,000
-3,000
-4,000
Current Balance
-2
-4
-6
-8
-10

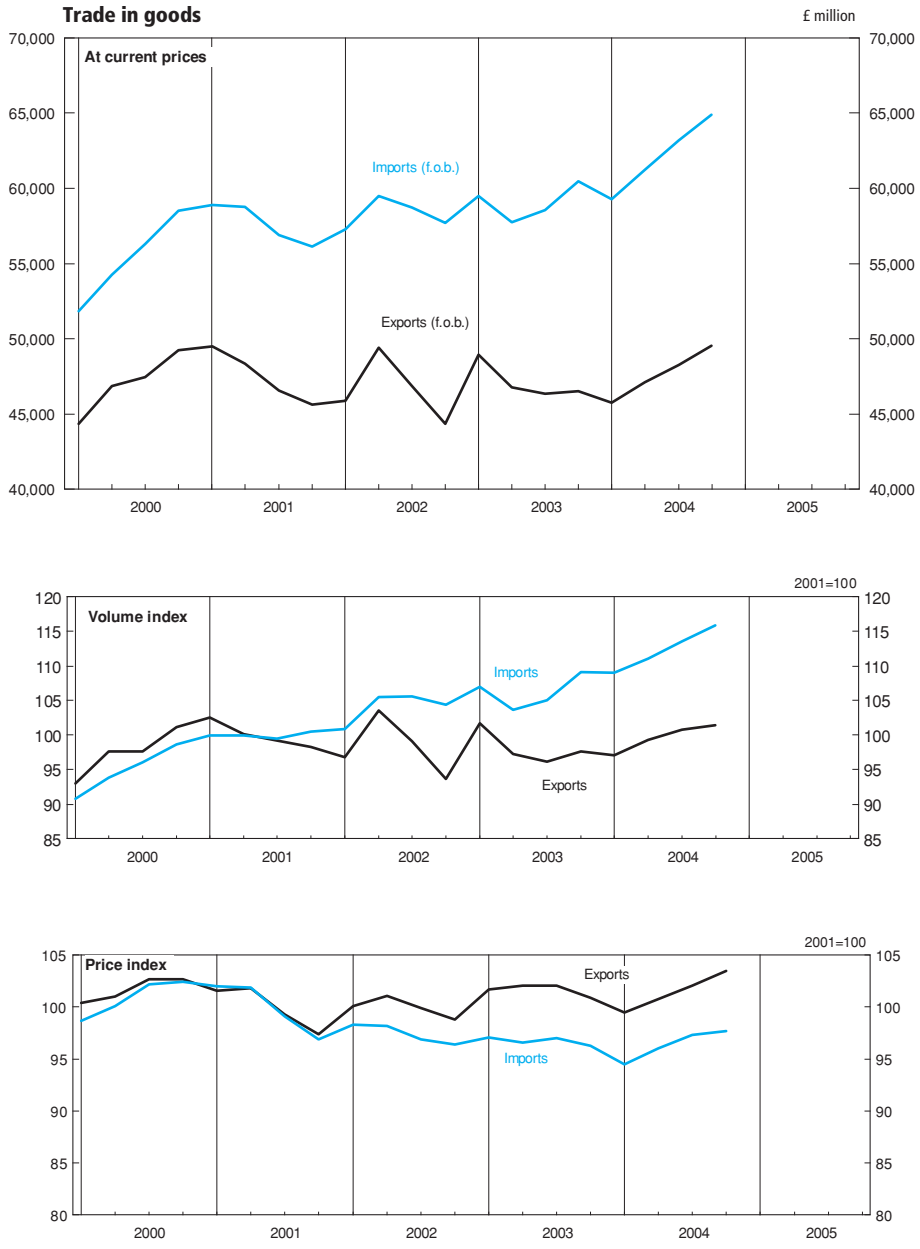
2.14 Trade in goods (on a balance of payments basis)

2001 = 100

	Volume indices (SA)		Price indices (NSA)		
	Exports	Imports	Exports	Imports	Terms of trade[1]
Annual					
	BQKU	BQKV	BQKR	BQKS	BQKT
2000	97.4	94.8	101.7	100.9	100.8
2001	100.0	100.0	100.0	100.0	100.0
2002	98.3	104.1	100.0	97.5	102.6
2003	98.2	106.2†	101.7	96.8	105.1
2004	99.7	112.4	101.5	96.4†	105.3†
Quarterly					
2000 Q1	93.0	90.8	100.4	98.7	101.7
Q2	97.7	93.9	101.0	100.1	100.9
Q3	97.7	96.1	102.7	102.2	100.5
Q4	101.2	98.7	102.7	102.4	100.3
2001 Q1	102.5	100.0	101.6	102.0	99.6
Q2	100.1	100.0	101.8	101.9	99.9
Q3	99.2	99.5	99.3	99.1	100.2
Q4	98.3	100.5	97.4	96.9	100.5
2002 Q1	96.8	100.9	100.1	98.3	101.8
Q2	103.6	105.5	101.1	98.2	103.0
Q3	99.1	105.6	99.9	96.9	103.1
Q4	93.7	104.4	98.8	96.4	102.5
2003 Q1	101.7†	107.0†	101.7	97.1	104.7
Q2	97.3	103.7	102.1	96.6	105.7
Q3	96.2	105.1	102.1	97.0	105.3
Q4	97.6	109.1	100.9	96.3	104.8
2004 Q1	97.1	109.0	99.5	94.5	105.3
Q2	99.3	111.1	100.8	96.0	105.0
Q3	100.8	113.6	102.1	97.3	104.9
Q4	101.4	115.9	103.5†	97.7†	105.9
Monthly					
2002 Jan	97.5	101.0	98.9	98.0	100.9
Feb	97.0	100.7	99.9	98.0	101.9
Mar	95.8	101.1	101.5	98.8	102.7
Apr	102.3	106.1	101.8	98.5	103.4
May	109.8	107.9	100.8	98.1	102.8
Jun	98.8	102.5	100.6	98.1	102.5
Jul	103.4	109.7	100.1	96.8	103.4
Aug	93.9	103.0	100.4	97.0	103.5
Sep	100.0	104.2	99.2	97.0	102.3
Oct	95.7	105.5	98.9	96.8	102.2
Nov	91.6	106.2	98.3	96.1	102.3
Dec	93.7	101.4	99.3	96.4	103.0
2003 Jan	105.1†	107.4†	100.3	96.3	104.2
Feb	101.3	106.4	101.4	96.9	104.6
Mar	98.6	107.2	103.4	98.1	105.4
Apr	102.4	102.4	101.9	97.2	104.8
May	95.9	104.9	102.8	96.6	106.4
Jun	93.6	103.9	101.7	96.0	105.9
Jul	97.5	104.2	101.8	96.6	105.4
Aug	96.4	102.4	102.7	97.3	105.5
Sep	94.6	108.6	101.9	97.2	104.8
Oct	99.7	109.0	101.5	96.8	104.9
Nov	95.1	108.2	100.8	96.4	104.6
Dec	97.9	110.2	100.5	95.8	104.9
2004 Jan	95.0	111.0	99.6	94.7	105.2
Feb	96.4	106.9	98.5	93.5	105.3
Mar	100.0	109.2	100.3	95.2	105.4
Apr	99.2	111.5	100.6	95.4	105.5
May	97.0	109.4	101.6	96.7	105.1
Jun	101.6	112.3	100.2	95.8	104.6
Jul	100.4	113.7	100.5	96.0	104.7
Aug	99.7	114.0	102.2	97.6	104.7
Sep	102.3	113.1	103.7	98.4	105.4
Oct	98.8	114.7	105.2	99.2	106.0
Nov	101.0	115.2	103.7	97.9	105.9
Dec	104.4	117.8	101.6†	96.1†	105.7†
2005 Jan	101.7	116.2	103.6	98.0	105.7

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

Source: Office for National Statistics; Enquiries 020 7533 6064


Trade in goods
£ million
At current prices
Imports (f.o.b.)
Exports (f.o.b.)
70,000
65,000
60,000
55,000
50,000
45,000
40,000
2000
2001
2002
2003
2004
2005
2001=100
Volume index
Imports
Exports
120
115
110
105
100
95
90
85
2001=100
Price index
Exports
Imports
105
100
95
90
85
80

2.15 Measures of UK competitiveness in trade in manufactures

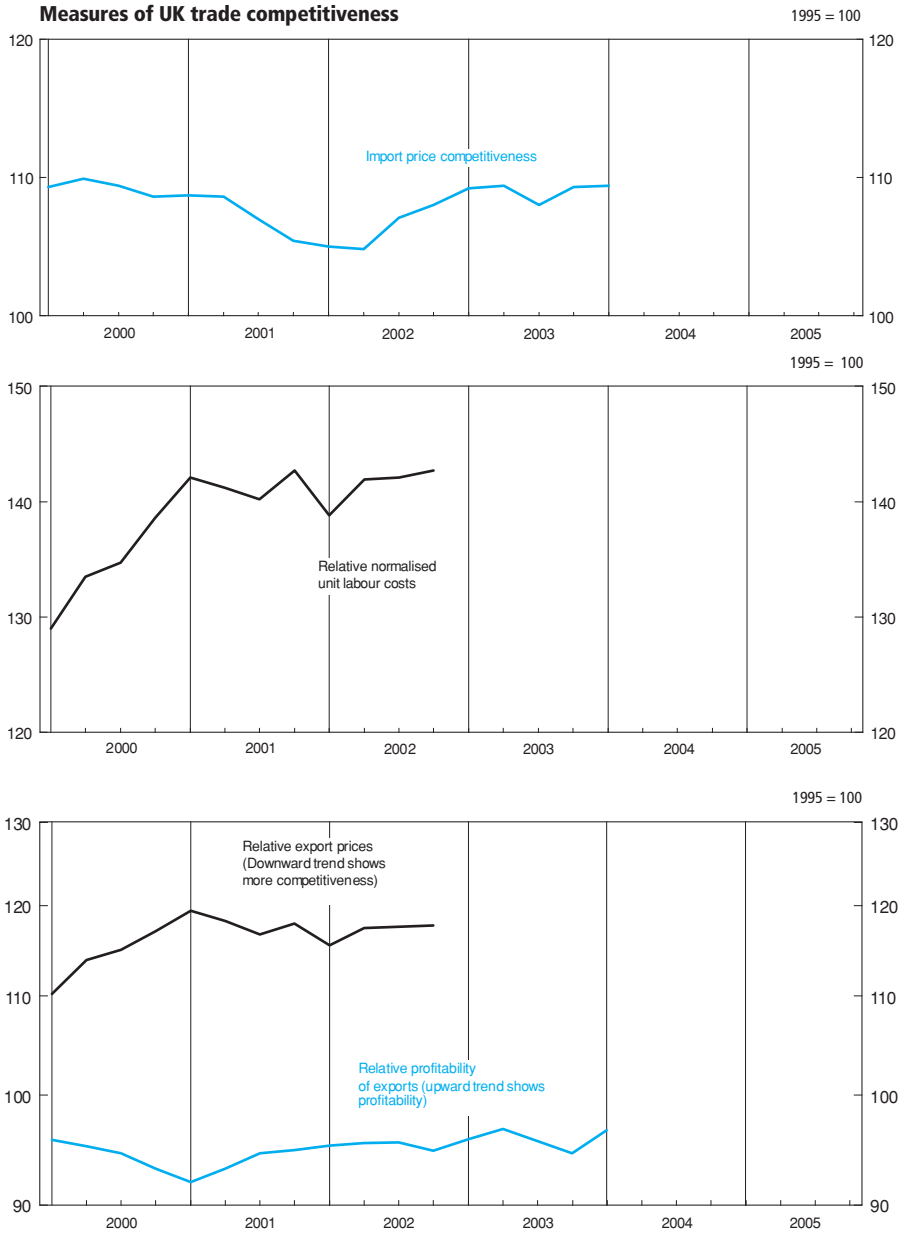
1995=100

	Summary measures						Export unit value index[1,6]				
	Relative export prices[6]	Relative wholesale prices[5] (1990=100)	IMF index of relative unit labour costs[6] Actual	IMF index of relative unit labour costs[6] Normalised	Import price competitiveness[2,4]	Relative profitability of exports[2,4]	United Kingdom	United States	Japan	France	Germany[3]
	CTPC	CTPD	CTPE	CTPF	BBKM	BBKN	CTPI	CTPJ	CTPK	CTPL	CTPM
1997	111.4	114.7	130.4	123.6	105.9	97.4	98.7	101.2	83.8	86.0	80.3
1998	111.4	..	141.2	131.5	109.2	95.8	97.7	101.2	78.1	86.0	80.5
1999	114.2	..	141.7	133.9	109.7	94.4	97.4	101.1	82.7	81.4	76.7
2000	118.2	..	147.8	141.6	106.9	93.7	94.9	102.3	86.5	71.3	66.7
2001	117.0	..	143.9	141.4	105.6	95.8	90.7	102.3	78.3	69.5	64.7
2002	..	..	..	..	109.0	96.0	..	..	..	..	..
2000 Q1	119.4	..	149.4	142.1	108.7	92.0	99.3	102.1	86.2	76.0	71.5
Q2	118.2	..	148.9	141.2	108.6	93.2	95.8	102.5	86.2	72.1	67.5
Q3	116.7	..	146.2	140.2	107.0	94.6	93.0	102.6	87.2	70.1	65.4
Q4	117.9	..	146.8	142.7	105.4	94.9	91.4	102.3	86.5	67.6	62.8
2001 Q1	115.5	..	142.2	138.8	105.0	95.3	92.6	102.0	84.4	72.2	66.7
Q2	117.4	..	144.3	141.9	104.8	95.5	90.7	101.9	82.4	68.5	63.0
Q3	117.6	..	144.2	142.1	107.1	95.6	92.3	101.8	84.2	70.1	64.2
Q4	117.7	..	144.8	142.7	108.0	94.8	92.9	101.7	84.2	70.8	64.7
2002 Q1	..	..	..	..	109.2	95.9	..	..	..	..	..
Q2	..	..	..	..	109.4	96.8	..	..	..	..	..
Q3	..	..	..	..	108.0	95.7	..	..	..	..	..
Q4	..	..	..	..	109.3	94.6	..	..	..	..	..
2003 Q1	..	..	..	..	109.4	96.7	..	..	..	..	..
Percentage change, quarter on corresponding quarter of previous year											
2001 Q2	*–0.7*	..	*–3.1*	*0.5*	*–3.5*	*2.5*	*–5.3*	*–0.6*	*–4.4*	*–5.0*	*–6.7*
Q3	*0.8*	..	*–1.4*	*1.4*	*0.1*	*1.1*	*–0.8*	*–0.8*	*–3.4*	*0.0*	*–1.8*
Q4	*–0.2*	..	*–1.4*	*0.0*	*2.5*	*–0.1*	*1.6*	*–0.6*	*–2.7*	*4.7*	*3.0*
2002 Q1	..	..	..	..	*4.0*	*0.6*	..	..	..	..	..
Q2	..	..	..	..	*4.4*	*1.4*	..	..	..	..	..
Q3	..	..	..	..	*0.8*	*0.1*	..	..	..	..	..
Q4	..	..	..	..	*1.2*	*–0.2*	..	..	..	..	..
2003 Q1	..	..	..	..	*0.2*	*0.8*	..	..	..	..	..

	Wholesale price index[1] (1990=100)					Unit labour costs index[1,6]				
	United Kingdom	United States	Japan	France	Germany[3]	United Kingdom	United States	Japan	France	Germany[3]
	CTPN	CTPO	CTPP	CTPQ	CTPR	CTPS	CTPT	CTPU	CTPV	CTPW
1998	116.5	106.8	102.7	..	..	118.6	95.6	70.5	82.8	77.1
1999	115.1	108.4	114.1	..	..	116.2	95.1	77.9	79.3	73.7
2000	..	..	..	..	..	108.0	94.9	77.5	68.2	61.6
2001	..	..	..	..	..	103.3	100.8	71.1	66.4	59.5
1999 Q4	116.8	109.7	123.4	..	..	116.8	94.6	82.2	77.1	70.5
2000 Q1	..	..	..	..	..	115.6	94.0	81.3	73.1	67.2
Q2	..	..	..	..	..	109.8	94.1	78.8	69.0	62.9
Q3	..	..	..	..	..	104.6	94.9	76.1	66.8	59.5
Q4	..	..	..	..	..	102.2	96.5	74.0	64.3	57.5
2001 Q1	..	..	..	..	..	104.3	99.2	72.5	68.5	61.5
Q2	..	..	..	..	..	101.6	100.8	70.7	64.8	58.0
Q3	..	..	..	..	..	103.2	101.4	71.3	66.1	59.1
Q4	..	..	..	..	..	104.2	101.7	70.1	66.4	59.5
Percentage change, quarter on corresponding quarter of previous year										
1999 Q4	*–0.6*	*2.7*	*12.2*	..	..	*–3.6*	*–1.0*	*5.8*	*–12.0*	*–15.3*
2000 Q1	..	..	..	..	..	*–2.3*	*–1.1*	*3.4*	*–12.6*	*–14.8*
Q2	..	..	..	..	..	*–5.3*	*–1.3*	*5.8*	*–12.3*	*–17.2*
Q3	..	..	..	..	..	*–8.3*	*–0.7*	*–0.8*	*–14.4*	*–16.8*
Q4	..	..	..	..	..	*–12.5*	*2.0*	*–10.0*	*–16.6*	*–18.4*
2001 Q1	..	..	..	..	..	*–9.8*	*5.5*	*–10.8*	*–6.3*	*–8.5*
Q2	..	..	..	..	..	*–7.5*	*7.1*	*–10.3*	*–6.1*	*–7.8*
Q3	..	..	..	..	..	*–1.3*	*6.8*	*–6.3*	*–1.0*	*–0.7*
Q4	..	..	..	..	..	*2.0*	*5.4*	*–5.3*	*3.3*	*3.5*

1 All the indices are based on data expressed in US dollars.
2 Excludes erratics (ships, North sea installations, aircraft, precious stones and silver bullion).
3 Includes the former German Democratic Republic as from 1991 Q1.
4 These series are on a SIC 92 basis.
5 This series is calculated using UK producer prices. All other country indices are wholesale price indices.
6 Quarterly data have been obtained by interpolating the annuals.

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


Measures of UK trade competitiveness
1995 = 100
120
110
100
Import price competitiveness
2000
2001
2002
2003
2004
2005
1995 = 100
150
140
130
120
Relative normalised
unit labour costs
1995 = 100
130
120
110
100
90
Relative export prices
(Downward trend shows
more competitiveness)
Relative profitability
of exports (upward trend shows
profitability)

3.1 Prices

Not seasonally adjusted except series RNPE

	Producer price index (2000=100)		Consumer prices index[3,4] (1996=100)		Retail prices index (January 13, 1987=100)						Pensioner price index[6] (January 13, 1987=100)		
	Materials and fuel purchased by manufacturing industry (SA)[1,2]	Output: all manufactured products: home sales	All items		All items (RPI)		All items excluding mortgage interest payments (RPIX)		All items excluding mortgage interest payments & indirect taxes (RPIY)[5]		1-person household	2-person household	Purchasing power of the pound[7] (NSA)
			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			(1985=100)
Annual													
	RNPE	PLLU	CHVJ	CJYR	CHAW	CZBH	CHMK	CDKQ	CBZW	CBZX	CZIF	CZIU	FJAK
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	94.3	99.8	108.3	1.3	176.2	*1.7*	175.1	*2.2*	167.5	*2.3*	155.3	160.9	54
2003	95.7	101.3	109.8	1.4	181.3	*2.9*	180.0	*2.8*	172.0	*2.7*	158.1	163.8	52
2004	99.5	103.8	111.2	1.3	186.7	*3.0*	184.0	*2.2*	175.5	*2.0*	160.9	166.4	51
Quarterly													
2001 Q1	100.8	99.7	105.7	0.9	171.8	*2.6*	168.9	*1.9*	161.1	*1.6*	150.6	156.5	55
Q2	101.9	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	94.1	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	95.1	99.8	108.3	0.9	176.0	*1.2*	175.0	*1.9*	167.1	*1.8*	155.3	161.0	54
Q3	94.3	99.9	108.4	1.1	176.6	*1.5*	175.5	*2.0*	167.8	*1.9*	155.0	160.7	54
Q4	93.9	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	95.9	100.9	109.0	1.5	179.2	*3.0*	177.9	*2.9*	170.6	*3.1*	156.7	162.6	53
Q2	94.7	101.1	109.7	1.3	181.3	*3.0*	180.1	*2.9*	171.8	*2.8*	157.9	163.7	52
Q3	95.6	101.3	109.9	1.4	181.8	*2.9*	180.5	*2.8*	172.3	*2.7*	158.3	164.0	52
Q4	96.7	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	95.6r	102.4	110.4	1.3	183.8	*2.6*	182.0	*2.3*	173.8	*1.9*	159.7	165.4	51
Q2	98.4	103.4	111.2	1.4	186.3	*2.8*	184.0	*2.2*	175.4	*2.1*	160.9	166.6	51
Q3	100.8	104.2	111.2	1.2	187.4	*3.1*	184.3	*2.1*	175.6	*1.9*	160.5	166.1	50
Q4	103.2r	105.1	112.0	1.4	189.2	*3.4*	185.6	*2.3*	177.1	*2.3*	162.3	167.6	50
Monthly													
2003 Jan	95.8	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	95.8	101.4	109.4	1.6	179.9	*3.1*	178.7	*3.0*	171.4	*3.2*	..	..	53
Apr	94.7	101.3	109.7	1.5	181.2	*3.1*	180.0	*3.0*	171.8	*2.9*	..	..	52
May	94.5	101.0	109.7	1.2	181.5	*3.0*	180.2	*2.9*	171.9	*2.7*	..	..	52
Jun	94.8	101.0	109.6	1.1	181.3	*2.9*	180.0	*2.8*	171.7	*2.7*	..	..	52
Jul	95.6	101.2	109.5	1.3	181.3	*3.1*	179.9	*2.9*	171.6	*2.8*	..	..	52
Aug	96.1	101.4	109.9	1.4	181.6	*2.9*	180.4	*2.9*	172.2	*2.7*	..	..	52
Sep	95.0	101.4	110.2	1.4	182.5	*2.8*	181.3	*2.8*	173.2	*2.7*	..	..	52
Oct	96.5	101.6	110.4	1.4	182.6	*2.6*	181.3	*2.7*	173.1	*2.4*	..	..	52
Nov	96.7	101.7	110.3	1.3	182.7	*2.5*	181.4	*2.5*	173.1	*2.1*	..	..	52
Dec	96.8	101.9	110.7	1.3	183.5	*2.8*	181.8	*2.6*	173.5	*2.2*	..	..	52
2004 Jan	95.5	102.1	110.1	1.4	183.1	*2.6*	181.4	*2.4*	173.2	*2.0*	..	..	52
Feb	94.6r†	102.3	110.4	1.3	183.8	*2.5*	182.0	*2.3*	173.9	*1.9*	..	..	51
Mar	96.6	102.8	110.6	1.1	184.6	*2.6*	182.5	*2.1*	174.3	*1.7*	..	..	51
Apr	97.4	103.1	111.0	1.2	185.7	*2.5*	183.6	*2.0*	174.9	*1.8*	..	..	51
May	99.6	103.5	111.4	1.5	186.5	*2.8*	184.3	*2.3*	175.6	*2.2*	..	..	51
Jun	98.3	103.6	111.3	1.6	186.8	*3.0*	184.2	*2.3*	175.6	*2.3*	..	..	51
Jul	99.4	103.8	111.0	1.4	186.8	*3.0*	183.8	*2.2*	175.1	*2.0*	..	..	51
Aug	100.6	104.2	111.3	1.3	187.4	*3.2*	184.3	*2.2*	175.7	*2.0*	..	..	50
Sep	102.5	104.5	111.4	1.1	188.1	*3.1*	184.7	*1.9*	176.1	*1.7*	..	..	50
Oct	105.3r	105.2	111.7	1.2	188.6	*3.3*	185.1	*2.1*	176.6	*2.0*	..	..	50
Nov	103.3	105.3	111.9	1.5	189.0	*3.4*	185.4	*2.2*	176.9	*2.2*	..	..	50
Dec	101.1	104.9	112.5	1.6	189.9	*3.5*	186.4	*2.5*	177.9	*2.5*	..	..	50
2005 Jan	104.7p	104.8p	111.9	1.6	188.9	*3.2*	185.2	*2.1*	176.7	*2.0*	..	..	50
Feb	104.8p	105.2p	112.2	1.6	189.6	*3.2*	185.9	*2.1*	177.4	*2.0*	..	..	50

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).

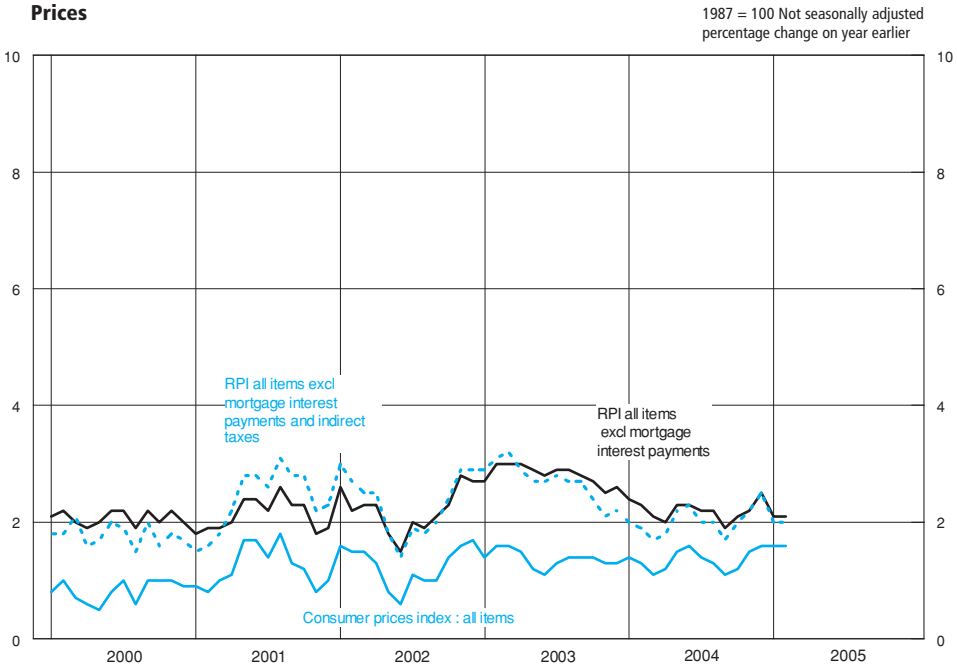
5 The taxes excluded are council tax, VAT, duties, car purchase tax and vehicle excise duty, insurance tax and airport tax.

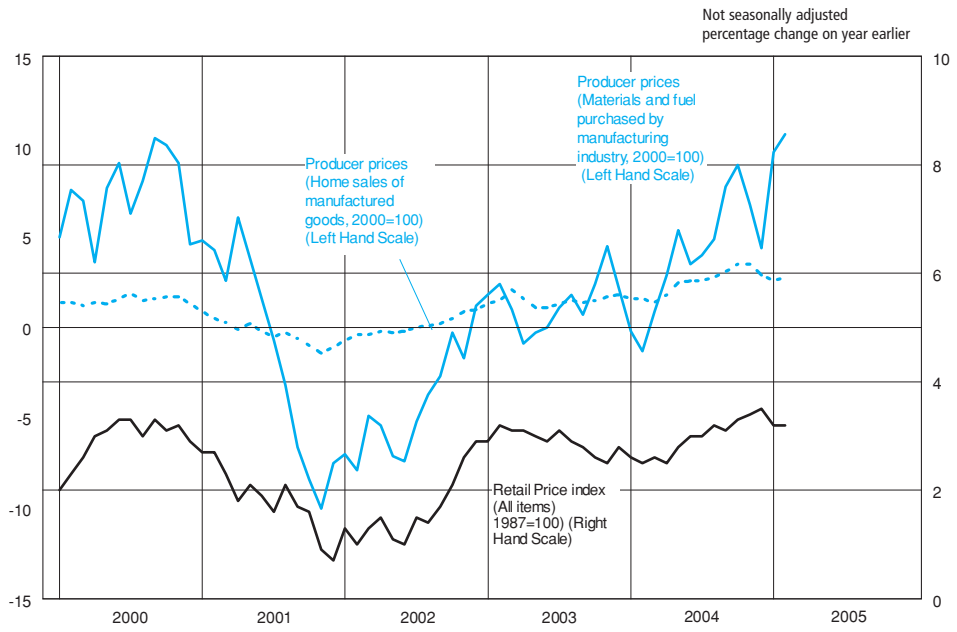
6 Pensioner price indices exclude housing costs, as these are often atypical for a pensioner household, based on RPI.

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 earlier
10
8
6
4
2
0
RPI all items excl mortgage interest payments and indirect taxes
RPI all items excl mortgage interest payments
Consumer prices index : all items
2000
2001
2002
2003
2004
2005


Not seasonally adjusted
percentage change on year earlier
15
10
5
0
-5
-10
-15
Producer prices (Materials and fuel purchased by manufacturing industry, 2000=100) (Left Hand Scale)
Producer prices (Home sales of manufactured goods, 2000=100) (Left Hand Scale)
Retail Price index (All items) 1987=100) (Right Hand Scale)
2000
2001
2002
2003
2004
2005

4.1 Labour Market Activity[1,2]

United Kingdom

Thousands, seasonally adjusted[3]

	Employment categories					Unemployment	Total economically active	Economically inactive	Total aged 16 and over	Employment rate: age 16-59/64[4]
	Employees	Self - employed	Unpaid family workers	Government training and employment programmes	Total employment					
TOTAL										
	MGRN	MGRQ	MGRT	MGRW	MGRZ	MGSC	MGSF	MGSI	MGSL	MGSU
2002 Q1	24 275	3 322	99	112	27 808	1 500	29 308	17 349	46 657	74.4
Q2	24 359	3 334	98	105	27 897	1 526	29 422	17 304	46 727	74.5
Q3	24 357	3 349	91	98	27 896	1 554	29 450	17 348	46 798	74.4
Q4	24 496	3 373	92	95	28 056	1 521	29 577	17 295	46 872	74.7
2003 Q1	24 492	3 436	87	94	28 110	1 509	29 619	17 328	46 946	74.7
Q2	24 443	3 553	90	91	28 177	1 478	29 655	17 365	47 020	74.7
Q3	24 349	3 639	104	108	28 200	1 489	29 688	17 406	47 094	74.6
Q4	24 353	3 670	96	106	28 225	1 467	29 692	17 477	47 169	74.5
2004 Q1	24 574	3 631	107	114	28 425	1 419	29 844	17 400	47 244	74.9
Q2	24 488	3 664	101	122	28 376	1 446	29 822	17 496	47 318	74.6
Q3	24 637	3 579	88	127	28 431	1 380	29 811	17 581	47 392	74.7
Q4	24 660	3 641	95	126	28 521	1 411	29 933	17 533	47 465	74.9
Percentage change on quarter										
2004q3 to 2004q4	*0.1*	*1.7*	*8.0*	*-1.3*	*0.3*	*2.3*	*0.4*	*-0.3*	*0.2*	
Percentage change on year										
2003q4 to 2004q4	*1.3*	*-0.8*	*-1.9*	*18.8*	*1.0*	*-3.8*	*0.8*	*0.3*	*0.6*	
MALE										
	MGRO	MGRR	MGRU	MGRX	MGSA	MGSD	MGSG	MGSJ	MGSM	MGSV
2002 Q1	12 480	2 448	32	70	15 030	912	15 942	6 580	22 522	79.0
Q2	12 527	2 441	32	61	15 061	914	15 976	6 588	22 564	79.0
Q3	12 512	2 454	35	61	15 062	943	16 004	6 602	22 606	78.8
Q4	12 657	2 468	32	61	15 218	897	16 115	6 535	22 650	79.5
2003 Q1	12 616	2 503	28	56	15 203	916	16 120	6 574	22 694	79.2
Q2	12 591	2 604	33	54	15 281	893	16 174	6 563	22 738	79.4
Q3	12 506	2 667	39	62	15 273	891	16 164	6 617	22 781	79.3
Q4	12 464	2 689	36	60	15 249	887	16 136	6 689	22 825	79.0
2004 Q1	12 600	2 656	44	66	15 366	833	16 199	6 670	22 869	79.5
Q2	12 526	2 691	42	72	15 332	848	16 180	6 733	22 913	79.1
Q3	12 614	2 649	35	75	15 372	809	16 181	6 774	22 956	79.2
Q4	12 620	2 685	37	75	15 417	830	16 246	6 750	22 997	79.3
Percentage change on quarter										
2004q3 to 2004q4	*0.0*	*1.4*	*5.3*	*1.0*	*0.3*	*2.6*	*0.4*	*-0.4*	*0.2*	
Percentage change on year										
2003q4 to 2004q4	*1.3*	*-0.2*	*1.1*	*26.3*	*1.1*	*-6.5*	*0.7*	*0.9*	*0.8*	
FEMALE										
	MGRP	MGRS	MGRV	MGRY	MGSB	MGSE	MGSH	MGSK	MGSN	MGSW
2002 Q1	11 794	874	67	42	12 778	588	13 366	10 769	24 135	69.5
Q2	11 832	893	66	44	12 835	611	13 447	10 716	24 163	69.7
Q3	11 845	896	56	37	12 835	611	13 446	10 746	24 192	69.6
Q4	11 838	905	60	34	12 837	625	13 462	10 760	24 222	69.6
2003 Q1	11 876	933	59	38	12 906	592	13 499	10 754	24 252	69.9
Q2	11 852	949	57	38	12 896	585	13 481	10 802	24 283	69.7
Q3	11 843	972	65	46	12 926	598	13 524	10 789	24 313	69.6
Q4	11 889	981	60	46	12 977	580	13 556	10 787	24 344	69.8
2004 Q1	11 973	975	63	48	13 059	585	13 645	10 730	24 375	70.1
Q2	11 962	973	59	50	13 044	598	13 643	10 763	24 405	69.8
Q3	12 023	931	53	53	13 059	570	13 630	10 807	24 437	69.9
Q4	12 040	956	58	50	13 105	581	13 686	10 782	24 469	70.1
Percentage change on quarter										
2004q3 to 2004q4	*0.1*	*2.8*	*9.7*	*-4.6*	*0.3*	*1.9*	*0.4*	*-0.2*	*0.1*	
Percentage change on year										
2003q4 to 2004q4	*1.3*	*-2.5*	*-3.6*	*9.2*	*1.0*	*0.3*	*1.0*	*0.0*	*0.5*	

1 The data in this table have been adjusted to reflect the latest revisions to mid-year population data.

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

3 Seasonally adjusted estimates are revised in April each year.

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

Source: Office for National Statistics; Enquiries 020 7533 6094

4.2 Labour Market Activity[1,2]

United Kingdom

Thousands, not seasonally adjusted

	Employment categories					Unemployment	Total economically active	Economically inactive	Total aged 16 and over	Employment rate: age 16-59/64[3]
	Employees	Self - employed	Unpaid family workers	Government training and employment programmes	Total employment					
TOTAL										
	MGTA	MGTD	MGTG	MGTJ	MGTM	MGTP	MGTS	MGTV	MGSL	MGUH
2002 Q1	24 146	3 315	95	117	27 672	1 517	29 189	17 468	46 657	74.0
Q2	24 321	3 326	95	105	27 847	1 468	29 315	17 411	46 727	74.4
Q3	24 458	3 377	97	90	28 022	1 633	29 656	17 142	46 798	74.7
Q4	24 576	3 363	95	99	28 133	1 476	29 609	17 263	46 872	74.9
2003 Q1	24 363	3 426	83	99	27 971	1 525	29 497	17 450	46 946	74.3
Q2	24 412	3 545	86	91	28 134	1 416	29 550	17 470	47 020	74.6
Q3	24 441	3 670	110	101	28 321	1 572	29 892	17 202	47 094	74.9
Q4	24 433	3 660	100	110	28 303	1 422	29 724	17 445	47 169	74.7
2004 Q1	24 463	3 615	104	121	28 302	1 429	29 731	17 513	47 244	74.6
Q2	24 454	3 659	96	121	28 330	1 387	29 717	17 601	47 318	74.5
Q3	24 713	3 603	91	123	28 530	1 463	29 993	17 399	47 392	75.0
Q4	24 719	3 642	97	127	28 586	1 378	29 963	17 502	47 465	75.0
Percentage change on year										
2003q4 to 2004q4	*1.2*	*-0.5*	*-3.0*	*15.5*	*1.0*	*-3.1*	*0.8*	*0.3*	*0.6*	
MALE										
	MGTB	MGTE	MGTH	MGTK	MGTN	MGTQ	MGTT	MGTW	MGSM	MGUI
2002 Q1	12 388	2 446	31	73	14 938	932	15 870	6 652	22 522	78.5
Q2	12 508	2 431	30	60	15 030	888	15 918	6 646	22 564	78.8
Q3	12 598	2 470	36	57	15 161	971	16 132	6 475	22 606	79.4
Q4	12 696	2 467	34	63	15 260	867	16 127	6 523	22 650	79.7
2003 Q1	12 521	2 499	27	59	15 107	938	16 045	6 649	22 694	78.7
Q2	12 576	2 594	31	52	15 253	864	16 116	6 621	22 738	79.3
Q3	12 587	2 685	41	58	15 371	921	16 292	6 489	22 781	79.8
Q4	12 502	2 689	38	62	15 291	855	16 146	6 679	22 825	79.2
2004 Q1	12 511	2 647	44	70	15 273	851	16 124	6 745	22 869	79.0
Q2	12 510	2 684	40	71	15 305	819	16 124	6 789	22 913	79.0
Q3	12 691	2 664	35	73	15 462	840	16 302	6 653	22 956	79.7
Q4	12 648	2 692	37	77	15 454	808	16 262	6 735	22 997	79.5
Percentage change on year										
2003q4 to 2004q4	*1.2*	*0.1*	*-2.6*	*24.2*	*1.1*	*-5.5*	*0.7*	*0.8*	*0.8*	
FEMALE										
	MGTC	MGTF	MGTI	MGTL	MGTO	MGTR	MGTU	MGTX	MGSN	MGUJ
2002 Q1	11 758	869	64	44	12 735	585	13 319	10 816	24 135	69.2
Q2	11 813	895	65	45	12 818	579	13 397	10 766	24 163	69.6
Q3	11 860	907	60	33	12 862	662	13 524	10 668	24 192	69.8
Q4	11 880	896	61	36	12 873	609	13 482	10 740	24 222	69.8
2003 Q1	11 843	927	55	40	12 865	587	13 452	10 801	24 252	69.6
Q2	11 836	952	55	39	12 881	552	13 434	10 849	24 283	69.6
Q3	11 854	984	69	43	12 950	650	13 600	10 713	24 313	69.7
Q4	11 930	971	62	48	13 011	567	13 578	10 766	24 344	70.0
2004 Q1	11 952	967	60	51	13 029	578	13 608	10 767	24 375	69.9
Q2	11 945	975	56	50	13 025	568	13 593	10 812	24 405	69.7
Q3	12 022	940	56	50	13 068	623	13 691	10 746	24 437	70.0
Q4	12 071	950	60	51	13 132	570	13 702	10 767	24 469	70.2
Percentage change on year										
2003q4 to 2004q4	*1.2*	*-2.2*	*-3.2*	*6.3*	*0.9*	*0.5*	*0.9*	*0.0*	*0.5*	

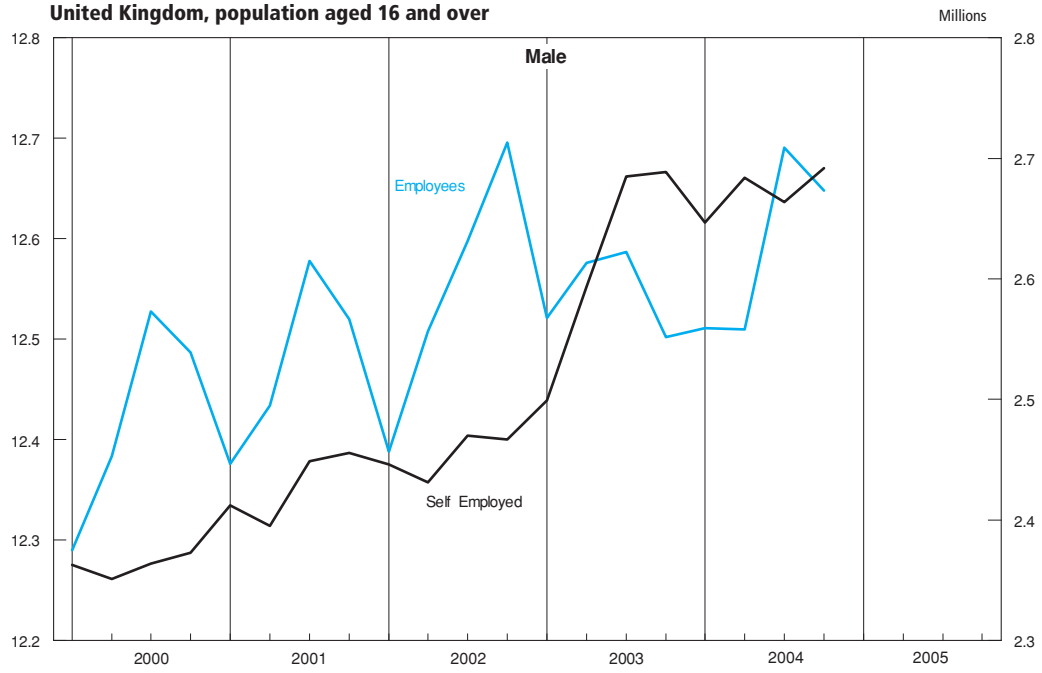
1 The data in this table have been adjusted to reflect the latest revisions to mid-year population data.

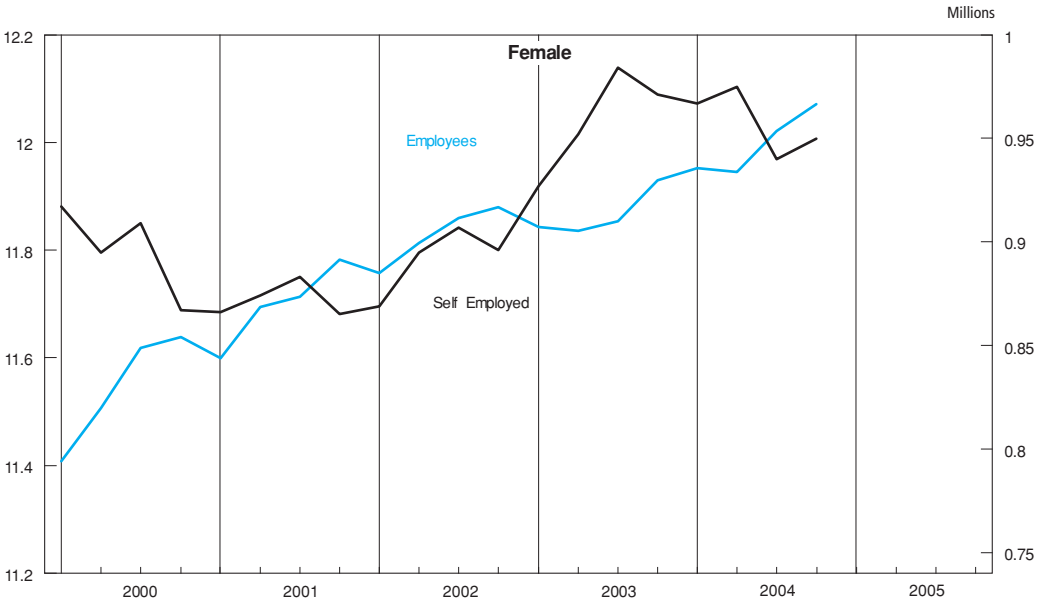
2 Data are from the Labour Force Survey which uses the definitions recommended by the International Labour Organisation (ILO), an agency of the United Nations. For details see the *Guide to Labour market Statistics Releases.*

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.

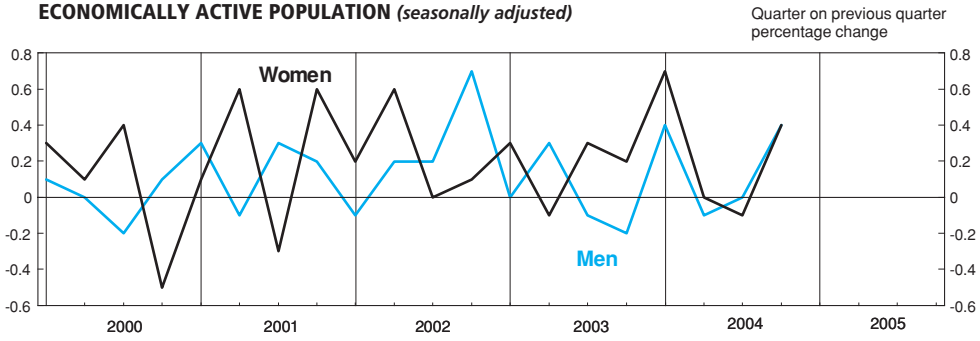
Source: Office for National Statistics; Enquiries 020 7533 6094

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

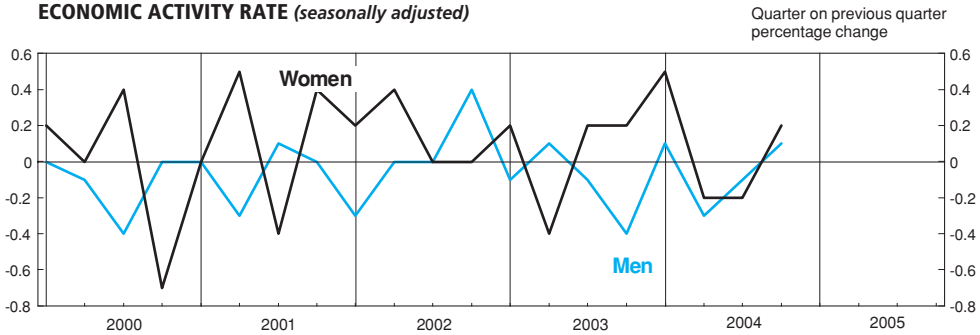




ECONOMICALLY ACTIVE POPULATION *(seasonally adjusted)*

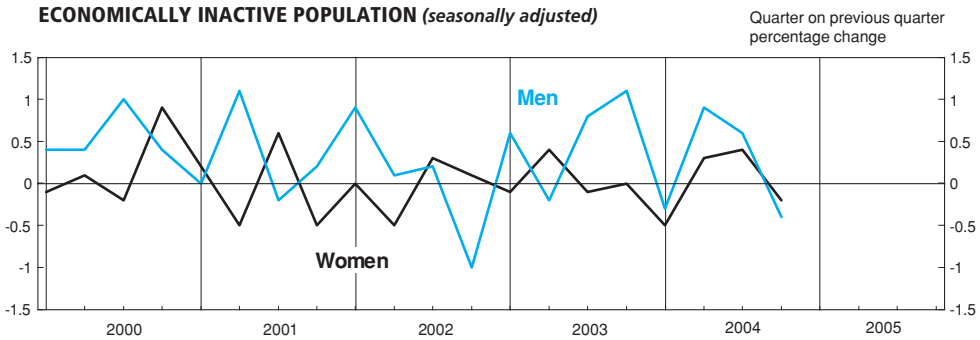


ECONOMIC ACTIVITY RATE *(seasonally adjusted)*



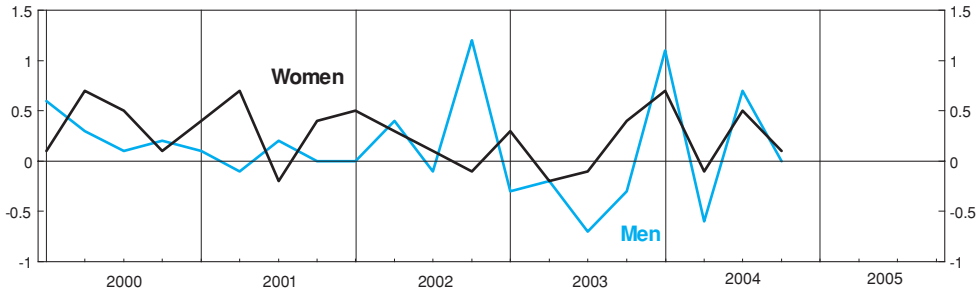
UNEMPLOYMENT *(seasonally adjusted)*

ECONOMICALLY INACTIVE POPULATION *(seasonally adjusted)*



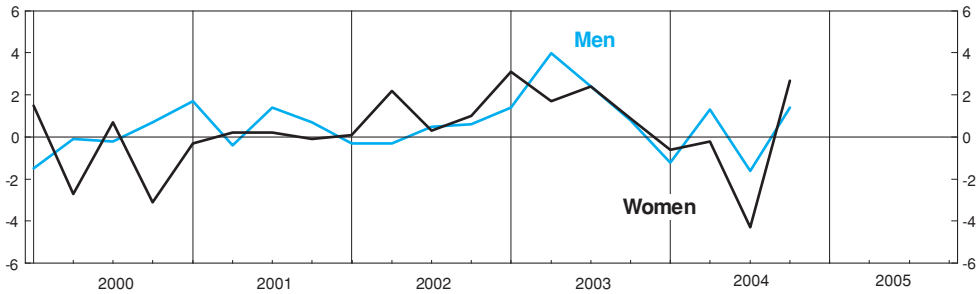
EMPLOYEES ***(seasonally adjusted)***

Quarter on previous quarter percentage change



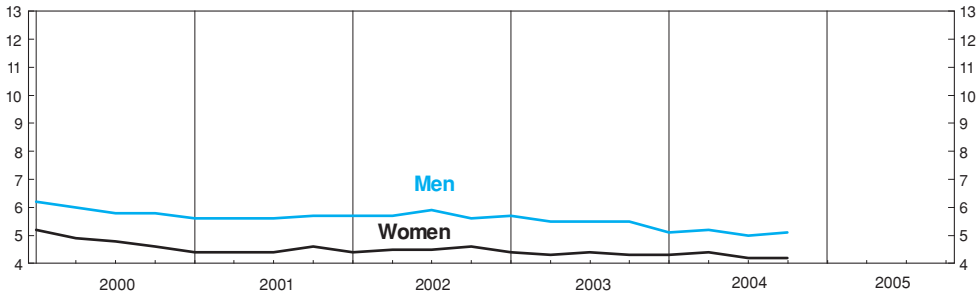
SELF-EMPLOYED ***(seasonally adjusted)***

Quarter on previous quarter percentage change



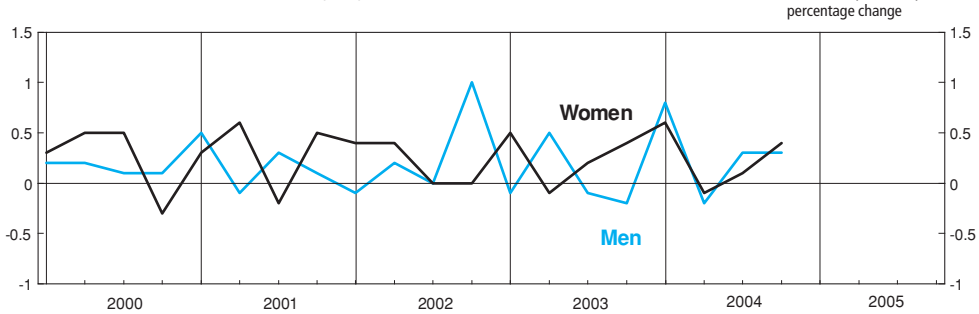
UNEMPLOYMENT RATE ***(seasonally adjusted)***

Percentage



TOTAL EMPLOYMENT ***(seasonally adjusted)***

Quarter on previous quarter percentage change



4.3 Labour Market Activity by age[1,2]

United Kingdom

Thousands, seasonally adjusted[3]

	Total aged 16 and over			Age groups[4]							
				16 - 24		25 - 49		50 - 59/64		60/65 and over	
	Total	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
In employment											
	MGRZ	MGSA	MGSB	MGUR	MGUS	MGUU	MGUV	MGUX	MGUY	MGVA	MGVB
2002 Q3	27 896	15 062	12 835	2 065	1 956	9 112	7 807	3 584	2 485	300	587
Q4	28 056	15 218	12 837	2 116	1 949	9 152	7 808	3 638	2 500	313	581
2003 Q1	28 110	15 203	12 906	2 101	1 951	9 120	7 839	3 653	2 524	329	592
Q2	28 177	15 281	12 896	2 107	1 929	9 142	7 821	3 701	2 545	331	601
Q3	28 200	15 273	12 926	2 116	1 939	9 144	7 801	3 680	2 559	334	628
Q4	28 225	15 249	12 977	2 118	1 980	9 111	7 825	3 688	2 537	331	635
2004 Q1	28 425	15 366	13 059	2 148	2 013	9 160	7 831	3 721	2 562	337	654
Q2	28 376	15 332	13 044	2 157	1 981	9 121	7 843	3 714	2 549	340	672
Q3	28 431	15 372	13 059	2 150	1 983	9 152	7 870	3 733	2 555	337	651
Q4	28 521	15 417	13 105	2 139	1 983	9 176	7 871	3 758	2 589	343	661
Unemployed											
	MGSC	MGSD	MGSE	MGVG	MGVH	MGVJ	MGVK	MGVM	MGVN	MGVP	MGVQ
2002 Q3	1 554	943	611	340	222	428	308	165	68	10	12
Q4	1 521	897	625	343	228	396	311	151	72	..	14
2003 Q1	1 509	916	592	349	232	402	286	158	66	..	..
Q2	1 478	893	585	342	237	395	273	147	67	..	..
Q3	1 489	891	598	341	239	399	282	142	70	..	..
Q4	1 467	887	580	334	221	404	282	140	66	11	10
2004 Q1	1 419	833	585	325	231	366	282	132	64	10	..
Q2	1 446	848	598	329	247	374	285	137	58	..	..
Q3	1 380	809	570	338	246	331	258	132	57	..	..
Q4	1 411	830	581	347	249	341	265	131	59	11	..
Economically inactive											
	MGSI	MGSJ	MGSK	MGVV	MGVW	MGVY	MGVZ	MGWB	MGWC	MGWE	MGWF
2002 Q3	17 348	6 602	10 746	878	1 062	803	2 450	1 353	1 228	3 569	6 006
Q4	17 295	6 535	10 760	845	1 080	794	2 445	1 323	1 215	3 573	6 020
2003 Q1	17 328	6 574	10 754	875	1 091	819	2 436	1 312	1 203	3 569	6 024
Q2	17 365	6 563	10 802	895	1 124	804	2 465	1 285	1 187	3 579	6 025
Q3	17 406	6 617	10 789	907	1 128	798	2 476	1 322	1 174	3 590	6 011
Q4	17 477	6 689	10 787	931	1 120	828	2 452	1 327	1 203	3 603	6 012
2004 Q1	17 400	6 670	10 730	927	1 093	819	2 448	1 312	1 183	3 611	6 006
Q2	17 496	6 733	10 763	932	1 122	854	2 434	1 325	1 205	3 622	6 002
Q3	17 581	6 774	10 807	945	1 133	868	2 437	1 322	1 202	3 639	6 035
Q4	17 533	6 750	10 782	952	1 132	841	2 435	1 314	1 171	3 643	6 044
Economic activity rate (per cent) [5]											
	MGWG	MGWH	MGWI	MGWK	MGWL	MGWN	MGWO	MGWQ	MGWR	MGWT	MGWU
2002 Q3	62.9	70.8	55.6	73.3	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	55.7	73.7	66.7	92.1	76.9	74.4	68.3	8.6	9.1
Q2	63.1	71.1	55.5	73.2	65.8	92.2	76.7	75.0	68.8	8.7	9.2
Q3	63.0	71.0	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	72.5	66.3	92.0	76.8	74.3	68.4	8.7	9.7
2004 Q1	63.2	70.8	56.0	72.7	67.2	92.1	76.8	74.6	68.9	8.8	9.9
Q2	63.0	70.6	55.9	72.7	66.5	91.8	77.0	74.4	68.4	8.8	10.2
Q3	62.9	70.5	55.8	72.5	66.3	91.6	76.9	74.5	68.5	8.7	9.9
Q4	63.1	70.6	55.9	72.3	66.3	91.9	77.0	74.8	69.3	8.9	10.0
Unemployment rate (per cent) [6]											
	MGSX	MGSY	MGSZ	MGWZ	MGXA	MGXC	MGXD	MGXF	MGXG	MGXI	MGXJ
2002 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	11.0	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	4.8	5.1	4.3	13.2	10.3	3.8	3.5	3.4	2.4	2.8	..
Q2	4.8	5.2	4.4	13.2	11.1	3.9	3.5	3.5	2.2	..	..
Q3	4.6	5.0	4.2	13.6	11.0	3.5	3.2	3.4	2.2	..	..
Q4	4.7	5.1	4.2	14.0	11.2	3.6	3.3	3.4	2.2	3.0	..

1 The data in this table have been adjusted to reflect the latest revisions to mid-year population data.
2 Data are from the Labour Force Survey which uses the definitions recommended by the International Labour Organisation (ILO), an agency of the United Nations. For details see the *Guide to Labour Market Statistics Releases.*
3 Seasonally adjusted estimates are revised in April each year.
4 Data for more detailed age groups are published in *Labour Market Trends.*
5 The activity rate is the percentage of people in each age group who are economically active.
6 Unemployment rate is the percentage of economically active people who are unemployed on the ILO measure.

Source: Office for National Statistics; Enquiries 020 7533 6094

4.4 Jobs and claimant count
United Kingdom

Thousands

	Jobs[1]					Claimant count[5,6,9]			
		Employee jobs[3,4]							
	Workforce jobs[2,3,4]	All industries	Manufacturing industry	Production industry	Service industries	Total	Percentage of workforce jobs and claimant count[7]	Total Not seasonally adjusted	Job Centre vacancies+[8,10]
Annual									
	DYDC	BCAJ	YEJA	YEJF	YEID	BCJD	BCJE	BCJA	DPCB
2001	29 737	25 905	3 803	4 012	20 441	969.9	*3.2*	983.0	..
2002	29 875	25 990	3 599	3 801	20 771	946.7	*3.1*	958.8	..
2003	30 213	26 105	3 415	3 602	21 064	933.2	*3.0*	945.9	..
2004	30 440	26 264	3 282	3 459	21 309	853.6	*2.7*	866.1	..
Quarterly									
2001 Q1	29 643	25 817	3 858	4 065	20 322	999.7	*3.3*	1 064.1	394.1
Q2	29 737	25 905	3 803	4 012	20 441	970.7	*3.2*	978.4	..
Q3	29 726	25 914	3 753	3 960	20 502	949.7	*3.1*	958.5	..
Q4	29 840	25 999	3 700	3 906	20 643	959.7	*3.1*	931.0	..
2002 Q1	29 845	26 024	3 648	3 854	20 719	952.9	*3.1*	1 014.6	..
Q2	29 875	25 990	3 599	3 801	20 771	950.9	*3.1*	958.1	..
Q3	29 911	25 989	3 552	3 747	20 840	945.0	*3.1*	951.8	..
Q4	29 991	26 046	3 512	3 701	20 934	937.8	*3.0*	910.6	..
2003 Q1	30 065	26 031	3 469	3 655	20 953	939.7	*3.0*	1 001.1	..
Q2	30 213	26 105	3 415	3 602	21 064	945.6	*3.0*	954.3	..
Q3	30 311	26 108	3 367	3 549	21 088	932.3	*3.0*	939.0	..
Q4	30 396	26 191	3 330	3 508	21 192	915.2	*2.9*	889.2	..
2004 Q1	30 412	26 219	3 301	3 478	21 239	886.8	*2.9*	947.2	..
Q2	30 440	26 264	3 282	3 459	21 309	861.1	*2.7*	871.8	..
Q3	30 405†	26 268†	3 257†	3 434†	21 334†	835.4	*2.7*	839.0	..
Q4	30 531	26 367	3 238	3 415	21 392	831.1	*2.7*	806.7	..
Monthly									
2003 Jul	..	..	3 394	3 578	..	937.6	*3.0*	946.3	..
Aug	..	..	3 378	3 561	..	930.2	*3.0*	948.6	..
Sep	..	26 108	3 367	3 549	21 088	929.1	*3.0*	922.1	..
Oct	..	..	3 357	3 535	..	924.6	*3.0*	893.2	..
Nov	..	..	3 343	3 522	..	915.5	*2.9*	884.6	..
Dec	..	26 191	3 330	3 508	21 192	905.5	*2.9*	889.7	..
2004 Jan	..	..	3 315	3 493	..	891.7	*2.9*	952.4	..
Feb	..	..	3 310	3 487	..	886.4	*2.9*	957.0	..
Mar	..	26 219	3 301	3 478	21 239	882.3	*2.8*	932.0	..
Apr	..	..	3 294	3 471	..	874.0	*2.8*	905.2	..
May	..	..	3 287	3 464	..	860.5	*2.8*	869.7	..
Jun	..	26 264	3 282	3 459	21 309	848.9	*2.7*	840.5	..
Jul	..	..	3 274	3 451	..	836.3	*2.7*	841.5	..
Aug	..	..	3 264	3 442	..	834.2	*2.7*	847.6	..
Sep	..	26 268†	3 257†	3 434†	21 334†	835.8	*2.7*	827.8	..
Oct	..	..	3 249	3 425	..	836.6	*2.7*	806.8	..
Nov	..	..	3 241	3 418	..	832.5	*2.7*	803.0	..
Dec	..	26 367	3 238	3 415	21 392	824.2	*2.7*	810.2	..
2005 Jan	..	..	3 234	3 412	..	814.0†	*2.6*	872.1	..
Feb	..	..	..	..	..	813.3	*2.6*	885.0	..

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

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

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

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

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

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

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

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

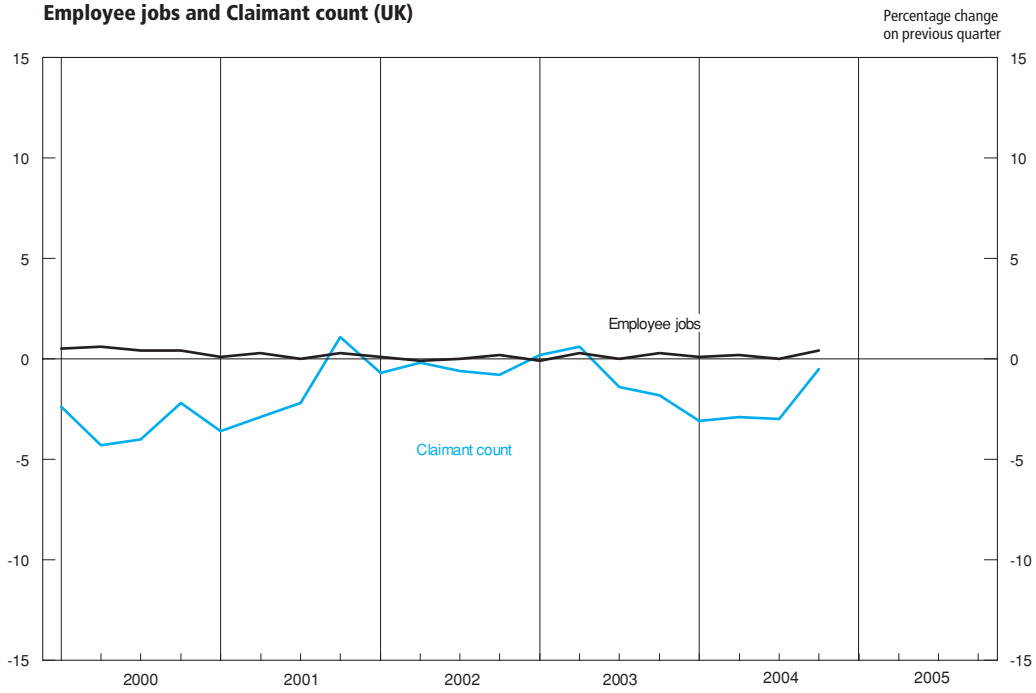
8 Vacancies notified to Jobcentres and remaining unfilled. Jobcentre vacancies only account for *approximately* one third of all vacancies in the economy. *Note:* Quarter figures relate to the average for the three months in the quarter.

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

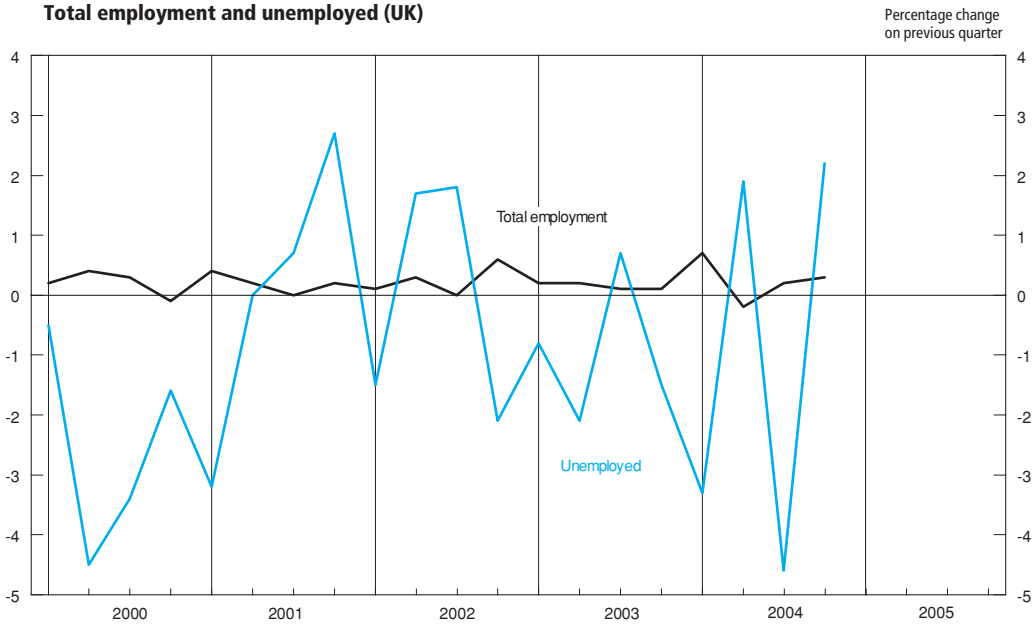
10 Publication of the job centre vacancy statistics has been deferred. Figures from May 2001 are affected by the introduction of Employer Direct. This major change involves transferring the vacancy taking process from job centres to regional Customer Service Centres, as part of Modernising the Employment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

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

Employee jobs and Claimant count (UK)



Total employment and unemployed (UK)



4.5 Regional claimant count rates[1,2]
by Government Office Region

Percentages

	North East	North West[3]	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East
Quarterly								
	DPDM	IBWC	DPBI	DPBJ	DPBN	DPDP	DPDQ	DPDR
1999 Q1	7.3	4.7	5.3	3.8	4.6	3.0	4.7	2.4
Q2	7.2	4.7	5.1	3.7	4.5	3.0	4.6	2.3
Q3	7.0	4.6	5.0	3.6	4.4	2.9	4.4	2.2
Q4	6.7	4.4	4.8	3.5	4.2	2.7	4.3	2.1
2000 Q1	6.6	4.4	4.6	3.5	4.1	2.6	4.0	2.0
Q2	6.4	4.2	4.4	3.4	4.0	2.4	3.8	1.9
Q3	6.2	4.0	4.2	3.3	4.0	2.3	3.6	1.8
Q4	6.0	3.9	4.1	3.3	3.9	2.2	3.5	1.7
2001 Q1	5.9	3.8	4.1	3.2	3.9	2.1	3.3	1.6
Q2	5.6	3.7	4.0	3.1	3.8	2.0	3.2	1.5
Q3	5.5	3.6	3.9	3.0	3.6	2.0	3.2	1.5
Q4	5.5	3.6	3.8	3.0	3.6	2.0	3.4	1.6
2002 Q1	5.3	3.5	3.7	2.9	3.5	2.0	3.5	1.6
Q2	5.2	3.5	3.6	2.8	3.5	2.1	3.6	1.6
Q3	5.1	3.5	3.6	2.8	3.5	2.1	3.6	1.6
Q4	4.9	3.4	3.6	2.8	3.5	2.1	3.6	1.7
2003 Q1	4.7	3.3	3.5	2.8	3.5	2.1	3.6	1.7
Q2	4.6	3.3	3.4	2.9	3.5	2.2	3.7	1.7
Q3	4.5	3.2	3.3	2.9	3.5	2.1	3.6	1.7
Q4	4.4	3.1	3.2	2.8	3.5	2.1	3.6	1.7
2004 Q1	4.2	3.0	3.1	2.6	3.4	2.1	3.5	1.7
Q2	3.9	2.9	2.9	2.5	3.3	2.0	3.5	1.6
Q3	3.9	2.8	2.9	2.4	3.2	2.0	3.4	1.6
Q4	3.9	2.8	2.8	2.5	3.2	2.0	3.4	1.6

	South West	England	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
Quarterly							
	DPBM	VASQ	DPBP	DPBQ	DPAJ	DPBR	BCJE
1999 Q1	3.2	4.1	*5.3*	*5.2*	*4.2*	*7.0*	*4.3*
Q2	3.1	4.0	*5.1*	*5.2*	*4.1*	*6.7*	*4.2*
Q3	2.9	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*	*3.7*	*5.5*	*3.8*
Q2	2.5	3.4	*4.4*	*4.6*	*3.6*	*5.3*	*3.6*
Q3	2.4	3.3	*4.3*	*4.4*	*3.4*	*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	2.0	2.9	*3.8*	*3.9*	*3.1*	*4.9*	*3.1*
Q4	2.0	3.0	*3.8*	*4.0*	*3.1*	*4.8*	*3.1*
2002 Q1	2.0	2.9	*3.7*	*3.9*	*3.1*	*4.7*	*3.1*
Q2	2.0	2.9	*3.6*	*3.9*	*3.0*	*4.6*	*3.1*
Q3	1.9	2.9	*3.6*	*3.9*	*3.0*	*4.4*	*3.1*
Q4	1.9	2.9	*3.6*	*3.8*	*3.0*	*4.3*	*3.0*
2003 Q1	1.9	2.9	*3.5*	*3.8*	*3.0*	*4.3*	*3.0*
Q2	1.9	2.9	*3.4*	*3.8*	*3.0*	*4.3*	*3.0*
Q3	1.9	2.9	*3.4*	*3.8*	*3.0*	*4.2*	*3.0*
Q4	1.8	2.8	*3.2*	*3.8*	*2.9*	*4.2*	*2.9*
2004 Q1	1.7	2.7	*3.1*	*3.7*	*2.8*	*4.0*	*2.9*
Q2	1.6	2.6	*3.0*	*3.5*	*2.7*	*3.7*	*2.7*
Q3	1.6	2.6	*3.0*	*3.4*	*2.7*	*3.6*	*2.7*
Q4	1.6	2.6	*3.0*	*3.4*	*2.7*	*3.6*	*2.7*

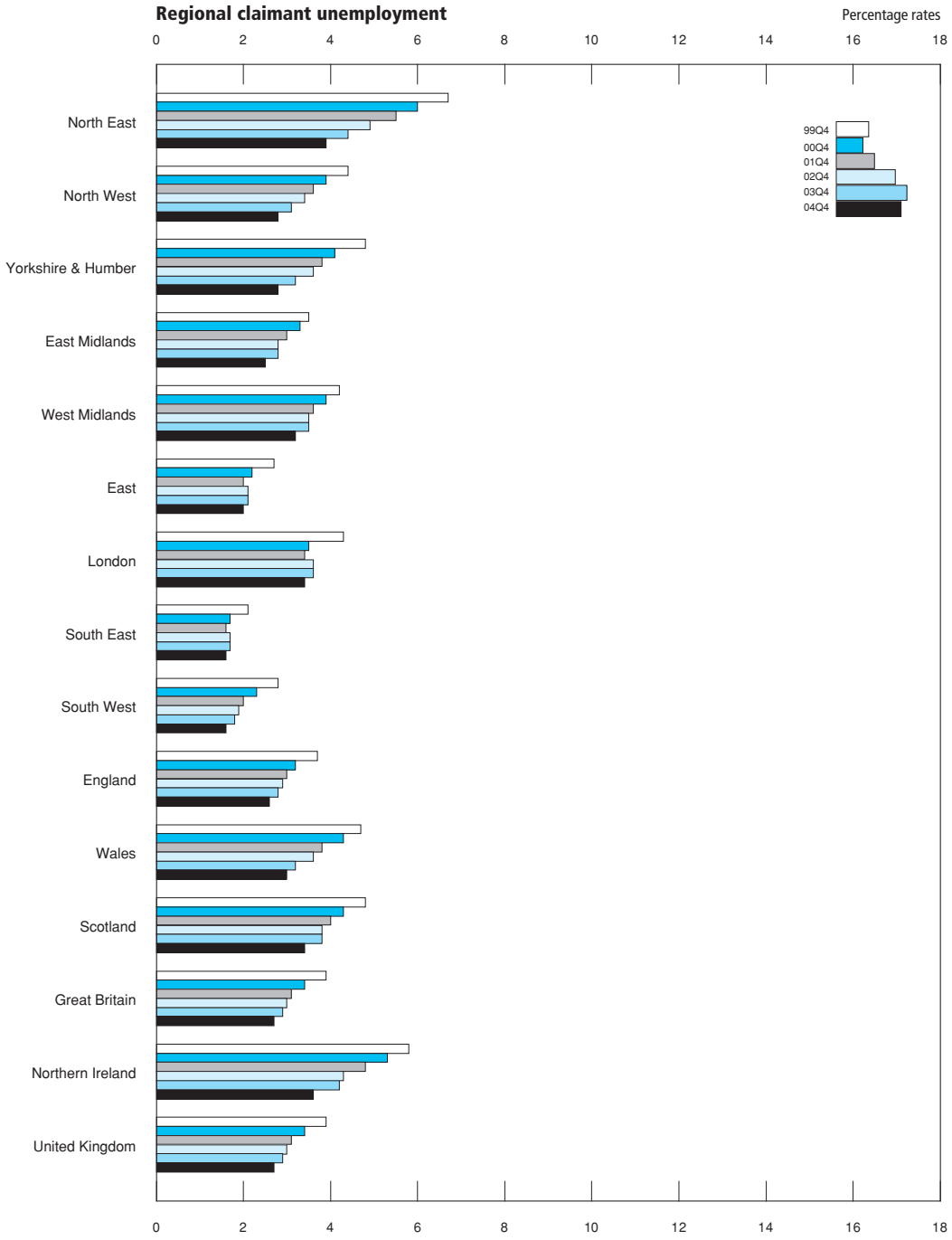
Note: Quarterly claimant count figures relate to the average of the three months in each quarter.

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


Regional claimant unemployment
Percentage rates
0
2
4
6
8
10
12
14
16
18
North East
North West
Yorkshire & Humber
East Midlands
West Midlands
East
London
South East
South West
England
Wales
Scotland
Great Britain
Northern Ireland
United Kingdom
99Q4
00Q4
01Q4
02Q4
03Q4
04Q4

4.5A Unemployment rates[1,2] by Government Office Region

Percentages, seasonally adjusted [4]

	North East	North West[3]	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East
Quarterly								
	YCNC	YCND	YCNE	YCNF	YCNG	YCNH	YCNI	YCNJ
1999 Q1	9.5	6.6	6.8	5.1	7.1	4.2	7.7	3.9
Q2	9.6	6.3	6.3	5.4	6.9	4.3	7.5	4.0
Q3	9.7	6.3	6.0	5.6	6.4	3.9	7.4	3.9
Q4	8.4	6.0	6.1	5.4	6.7	4.2	7.1	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	7.4	3.3
Q3	8.9	5.4	5.9	4.8	5.7	3.7	6.9	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	7.4	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	6.3	5.5	5.6	4.6	5.9	3.8	7.1	4.0
Q4	7.5	5.0	5.1	4.7	5.7	4.1	6.7	4.0
2003 Q1	6.4	5.0	5.2	4.1	6.0	4.6	7.0	3.9
Q2	6.1	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	6.5	4.8	5.1	4.4	5.8	3.5	7.1	3.8
2004 Q1	5.4	4.6	4.7	4.7	5.5	3.4	6.9	3.9
Q2	5.5	4.4	4.6	4.4	5.5	3.8	7.0	3.7
Q3	5.9	4.3	4.5	4.0	5.0	3.5	7.1	3.7
Q4	6.3	4.6	4.7	4.1	4.8	3.8	7.3	3.5

	South West	England	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
Quarterly							
	YCNK	YCNL	YCNM	YCNN	YCNO	ZSFB	MGSX
1999 Q1	4.9	6.0	7.2	7.4	6.1	7.2	6.2
Q2	4.5	5.8	7.5	7.1	6.0	7.6	6.0
Q3	4.4	5.7	7.2	6.9	5.9	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	5.8	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	5.1	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	5.2	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	3.8	5.0	4.8	5.8	5.1	5.2	5.1
Q2	3.5	5.0	4.6	5.6	5.0	5.2	5.0
Q3	3.2	4.9	4.7	5.8	5.0	5.7	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	4.8
Q2	3.7	4.7	4.4	6.2	4.8	5.3	4.8
Q3	3.2	4.6	4.9	5.2	4.6	5.1	4.6
Q4	3.3	4.7	4.2	5.6	4.7	4.5	4.7

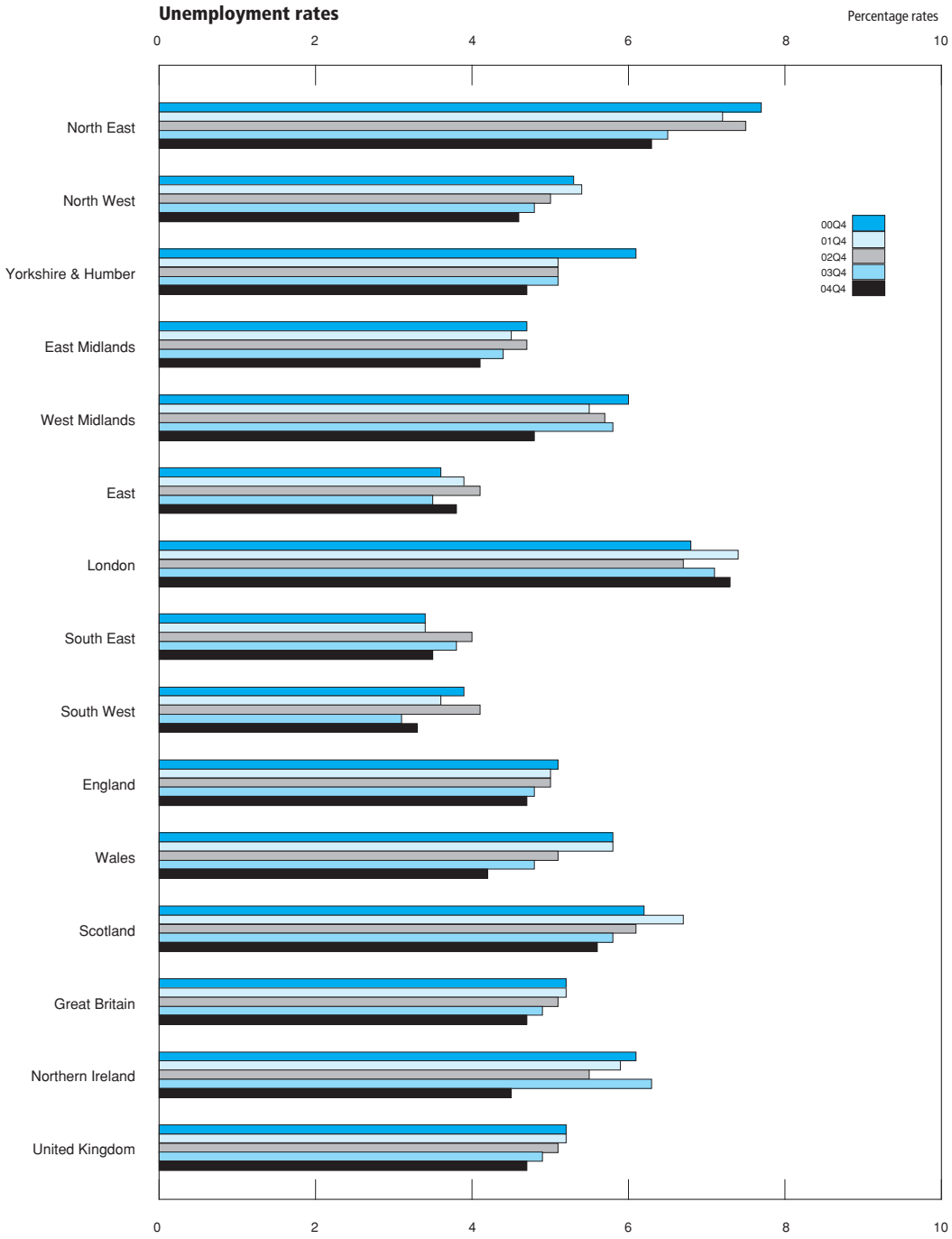
1 The data in this table have been adjusted to reflect the latest revisions to mid-year population data.

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


Unemployment rates
Percentage rates
0
2
4
6
8
10
North East
North West
Yorkshire & Humber
East Midlands
West Midlands
East
London
South East
South West
England
Wales
Scotland
Great Britain
Northern Ireland
United Kingdom
00Q4
01Q4
02Q4
03Q4
04Q4

4.6 Average earnings (including bonuses)

Great Britain

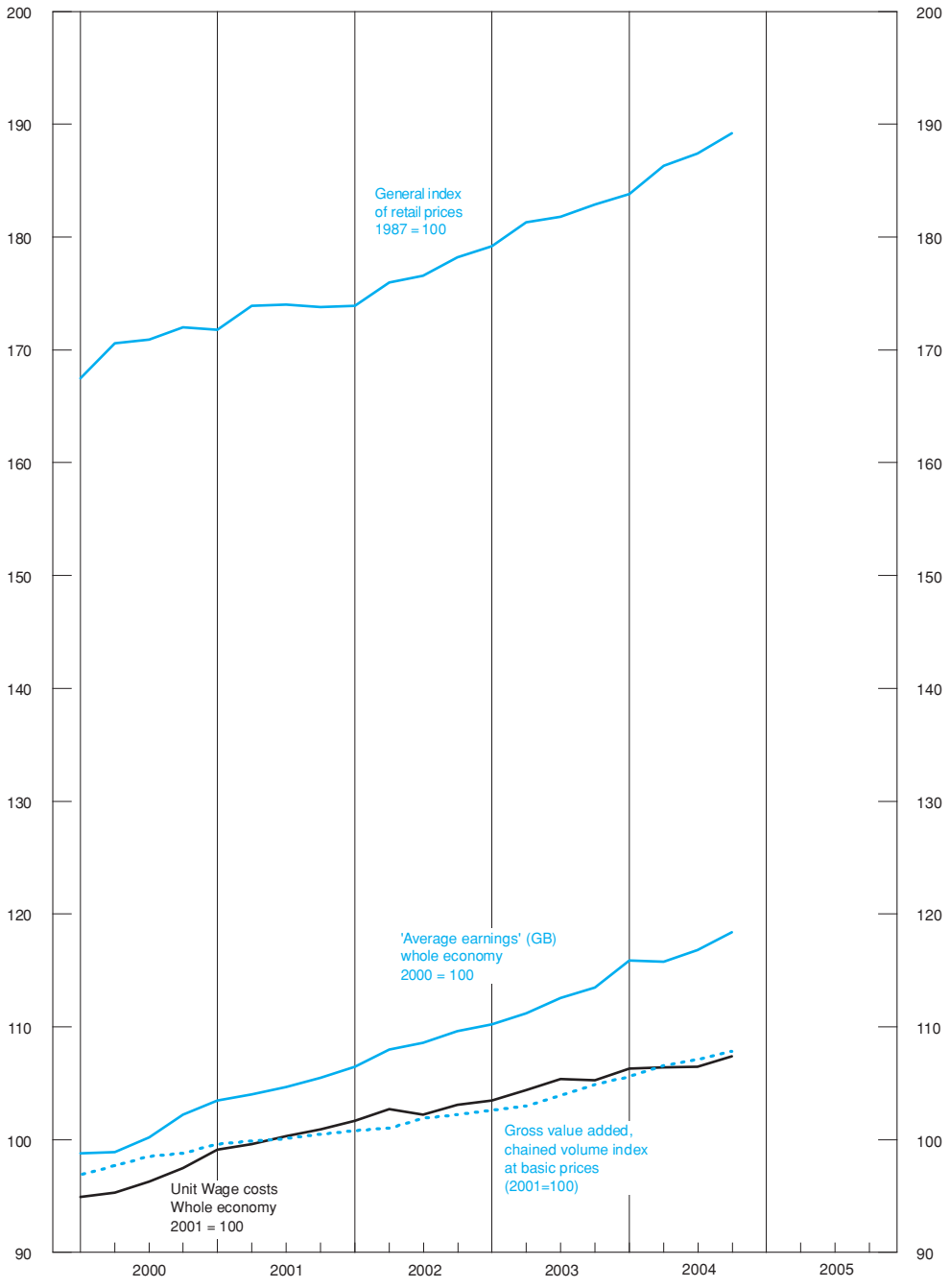
2000 = 100

	Whole economy+	3 month average[2]	Private sector	3 month average[2]	Public sector	3 month average[2]	Manufacturing industries[3]	3 month average[2,3]	Production industries	3 month average[2]	Service industries	3 month average[2]	Private sector services	3 month average[2]
Annual														
	LNMQ		LNKY		LNNJ		LNMR		LNMS		LNMT		JJGH	
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		108.1		107.7	
2003	111.9†		111.1		114.8		111.9		111.7		111.8		110.7	
2004	116.7		116.0		119.8		116.0		115.8		116.7		115.6	
Monthly														
		LNNC		LNND		LNNE		LNNG		LNNF		LNNH		JJGJ
2001 Jan	103.3	4.6	103.4	4.7	102.2	3.8	102.8	4.5	102.7	4.3	103.3	4.6	103.5	4.7
Feb	103.7	4.8	103.8	4.9	102.6	3.6	103.2	4.6	103.4	4.4	103.7	4.8	103.9	4.9
Mar	103.5	4.7	103.4	4.7	103.3	3.7	103.6	4.8	103.5	4.6	103.6	4.7	103.6	4.7
Apr	103.8	5.0	103.7	5.0	104.6	4.4	103.8	5.2	103.7	5.1	103.7	4.9	103.5	4.9
May	103.9	5.0	103.7	5.0	105.0	5.2	104.1	5.1	104.0	5.0	103.8	5.0	103.4	5.0
Jun	104.2	5.2	104.0	5.2	105.2	5.5	104.3	4.9	104.1	4.8	104.1	5.1	103.8	5.1
Jul	104.4	5.1	104.2	5.0	105.6	5.6	104.4	4.7	104.3	4.6	104.2	5.1	103.9	5.0
Aug	104.8	4.9	104.6	4.7	105.9	5.6	104.8	4.7	104.6	4.6	104.7	4.8	104.3	4.6
Sep	105.0	4.6	104.8	4.4	105.9	5.7	105.2	4.5	105.0	4.4	104.9	4.5	104.5	4.1
Oct	105.2	4.2	105.0	3.9	106.5	5.7	105.2	4.3	105.1	4.2	105.1	4.1	104.8	3.7
Nov	105.4	3.9	105.2	3.6	106.5	5.4	105.1	3.7	105.0	3.6	105.6	3.9	105.3	3.4
Dec	106.0	3.3	105.8	2.9	106.8	5.2	105.4	3.1	105.2	3.1	106.0	3.3	105.7	2.8
2002 Jan	106.3	3.0	106.1	2.6	107.1	4.9	106.0	2.9	105.9	2.8	106.3	3.0	106.0	2.5
Feb	107.0	2.9	106.9	2.6	107.2	4.7	105.8	2.7	105.6	2.6	107.1	2.9	106.9	2.4
Mar	106.2	3.0	105.8	2.7	107.9	4.5	106.8	2.9	106.9	2.8	106.2	2.9	105.6	2.4
Apr	107.9	3.3	107.9	3.1	108.3	4.1	107.3	3.0	107.1	2.9	107.8	3.2	107.7	3.0
May	107.9	3.5	107.7	3.4	108.7	3.8	107.6	3.3	107.5	3.3	107.9	3.5	107.6	3.4
Jun	108.1	3.8	108.0	3.9	108.8	3.5	108.1	3.5	107.9	3.4	108.1	3.9	107.9	4.0
Jul	108.5	3.8	108.3	3.8	109.8	3.6	108.3	3.6	108.2	3.6	108.5	3.9	108.1	4.0
Aug	108.5	3.7	108.4	3.8	109.0	3.4	108.8	3.7	108.7	3.8	108.3	3.8	108.0	3.8
Sep	108.8	3.7	108.5	3.7	110.0	3.6	108.8	3.6	108.7	3.7	108.7	3.7	108.2	3.7
Oct	109.2	3.6	108.8	3.6	110.9	3.7	109.3	3.7	109.2	3.8	109.0	3.6	108.4	3.5
Nov	109.8	3.8	109.3	3.7	111.7	4.3	109.4	3.8	109.3	3.9	110.0	3.8	109.4	3.6
Dec	109.7	3.8	109.2	3.6	112.1	4.7	109.9	4.1	109.8	4.1	109.5	3.7	108.6	3.4
2003 Jan	109.9	3.7	109.3	3.4	112.5	5.0	110.0	4.0	109.9	4.1	109.7	3.5	108.7	3.0
Feb	110.2	3.3	109.5	2.9	112.8	5.1	110.4	4.1	110.1	4.1	109.9	3.0	108.8	2.3
Mar	110.6	3.5	109.9	3.1	113.3	5.1	113.9	5.0	113.8	4.8	110.3	3.2	109.2	2.5
Apr	110.7	3.2	109.9	2.7	113.9	5.1	110.1	4.5	110.1	4.5	110.6	3.0	109.5	2.3
May	111.3	3.3	110.7	2.8	113.7	4.9	110.9	4.1	110.8	4.1	111.4	3.3	110.6	2.6
Jun	111.5	3.0	110.8	2.4	114.7	5.1	111.2	2.8	111.2	2.9	111.6	3.1	110.6	2.3
Jul	112.6	3.4	111.9	2.9	115.6	5.1	111.7	3.0	111.6	3.1	112.9	3.5	111.9	3.0
Aug	112.3	3.5	111.5	2.9	115.5	5.6	112.1	3.0	111.9	3.0	112.4	3.7	111.2	3.0
Sep	112.9	3.7	112.1	3.2	116.0	5.6	112.6	3.2	112.4	3.2	112.8	3.9	111.7	3.3
Oct	113.1	3.6	112.4	3.2	116.0	5.4	112.8	3.2	112.7	3.2	113.0	3.7	111.9	3.2
Nov	113.7†	3.6†	112.9†	3.3†	116.4	4.8	113.4	3.4	113.3†	3.4†	113.8†	3.6†	112.7†	3.2†
Dec	113.6	3.6	112.8	3.3	117.0	4.4	113.5	3.4	113.1	3.3	112.8	3.4	112.1	3.2
2004 Jan	117.8	4.8	118.0	4.9	117.1	4.2	114.0†	3.5	113.8	3.4	119.0	5.0	119.1	5.3
Feb	114.5	4.9	113.7	5.1	117.8	4.3	114.3	3.5	114.4	3.5	113.9	5.1	112.6	5.4
Mar	115.3	5.1	114.7	5.4	118.3	4.3	118.1	3.6	117.7	3.6	115.4	5.6	114.4	6.0
Apr	115.6	4.2	115.0	4.3	118.5	4.3	115.2	3.9	115.2	4.0	115.4	4.2	114.3	4.2
May	115.8	4.3	115.1	4.3	119.0	4.3	115.6	4.2	115.4	4.1	115.6	4.2	114.4	4.2
Jun	116.1	4.2	115.3	4.2	119.8	4.4	115.7	4.3	115.5	4.3	116.0	4.0	114.7	3.9
Jul	116.3	3.8	115.5	3.7	119.9	4.2	115.9	4.0	115.6	3.9	116.2	3.5	114.9	3.3
Aug	116.9	3.8	116.0	3.7	120.7	4.2	115.8	3.7	115.6	3.6	116.9	3.6	115.5	3.4
Sep	117.3	3.8	116.3	3.7	121.2	4.2	116.1	3.4	115.9	3.3	117.3	3.6	116.0	3.4
Oct	117.8	4.1	117.0	4.0	121.6	4.6	116.6	3.3	116.4	3.2	117.9	4.1	116.6	3.9
Nov	118.9	4.2	118.1	4.1	121.9	4.7	116.6	3.1	116.6	3.1	119.2	4.3	118.0	4.2
Dec	118.6	4.4	117.7	4.3	122.2	4.7	117.7	3.3†	117.3	3.3	117.7	4.5	117.1	4.5
2005 Jan[1]	122.8	4.4	122.9	4.4	122.7	4.6	117.6	3.2	117.5	3.3	124.1	4.4	123.9	4.4

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

Earnings, wages, retail prices and output



4.7 Productivity and Unit Wage costs[1]

United Kingdom

2001 = 100

	Productivity jobs			Output per worker[2]	Output per filled job[3]			Output per hour worked[4]			Unit wage costs[5]	
	Whole economy	Total production industries	Manufact-uring industries	Whole economy	Whole economy	Total production industries	Manufact-uring industries	Whole economy	Total production industries	Manufact-uring industries	Whole economy	Manufact-uring industries
Annual												
	LNNM	LNOJ	LNOK	A4YM	LNNN	LNNW	LNNX	LZVB	LZVK	LZVF	LNNK	LNNQ
2002	100.8	95.5	95.5	100.7	100.7	102.1	101.6	101.7	102.9	102.4	102.4	101.9
2003	101.6	90.9	90.9	101.9	102.0	107.1†	107.2†	103.5	107.6†	107.9†	104.6†	100.1
2004	102.3	87.7	87.5	102.3	104.3	111.5	112.9	106.0	111.6	112.9	106.6	98.4
Quarterly												
2002 Q1	100.4	97.1	97.0	100.4	100.4	100.8	100.5	100.9	100.5	100.5	101.7	101.3
Q2	100.6	96.4	96.3	100.3	100.4	101.2	100.1	101.8	103.1	101.9	102.7†	103.2
Q3	100.7	94.5	94.7	101.2	101.1	103.1	102.8	102.0	104.1	104.2	102.2	101.2
Q4	101.3	94.1	93.8	100.9	100.8	103.2	102.8	102.3	103.7	103.2	103.1	102.1
2003 Q1	101.4	92.9	92.9	101.1	101.2	104.6	104.1	102.5	104.8	104.4	103.5	102.6
Q2	101.5	91.4	91.4	101.2†	101.4	106.1	106.0	102.7	106.7†	106.9†	104.4	100.1
Q3	101.7	90.3	90.2	102.1	102.2	107.8	108.2	103.7	108.0	108.6	105.4	99.3
Q4	101.7	89.1	89.1†	103.0	103.2†	109.9†	110.4†	105.2†	111.0	111.6	105.3	98.2†
2004 Q1	102.4	88.7	88.4	102.9	103.1	109.9	110.9	104.8	110.3	111.1	106.3	99.8
Q2	102.1	88.2	88.0	104.0	104.4	111.9	113.0	106.2	112.3	113.2	106.4	98.0
Q3	102.3	87.2†	87.2	104.4	104.7	111.8	113.2	106.7	111.4	112.9	106.5	98.1
Q4	102.5	86.6	86.3	104.7	105.2	112.5	114.7	106.2	112.3	114.4	107.4	97.8
Monthly												
2003 Jul	..	..	90.5	..	..	..	107.9	..	..	..	..	99.2
Aug	..	..	90.2	..	..	..	108.0	..	..	..	..	99.4†
Sep	..	..	89.9	..	..	..	108.7†	..	..	..	..	99.2
Oct	..	..	89.5	..	..	..	110.3	..	..	..	..	98.0
Nov	..	..	89.1†	..	..	..	110.3	..	..	..	..	98.5
Dec	..	..	88.7	..	..	..	110.8	..	..	..	..	98.2
2004 Jan	..	..	88.4	..	..	..	111.0	..	..	..	..	98.4
Feb	..	..	88.5	..	..	..	110.6	..	..	..	..	99.0
Mar	..	..	88.4	..	..	..	110.9	..	..	..	..	102.0
Apr	..	..	88.1	..	..	..	112.5	..	..	..	..	98.1
May	..	..	88.0	..	..	..	113.4	..	..	..	..	97.7
Jun	..	..	87.9	..	..	..	113.0	..	..	..	..	98.1
Jul	..	..	87.6	..	..	..	113.0	..	..	..	..	98.3
Aug	..	..	87.1	..	..	..	112.9	..	..	..	..	98.3
Sep	..	..	86.7	..	..	..	113.7	..	..	..	..	97.8
Oct	..	..	86.5	..	..	..	114.0	..	..	..	..	98.0
Nov	..	..	86.3	..	..	..	114.7	..	..	..	..	97.4
Dec	..	..	86.2	..	..	..	115.3	..	..	..	..	97.8
2005 Jan	..	..	85.8	..	..	..	116.0	..	..	..	..	97.2

Percentage change, quarter on corresponding quarter of previous year

Quarterly												
	LNNO	LNNR	LNNS	A4YN	LNNP	LNNT	LNNU	LZVD	LZVM	LZVH	LOJE	LOJF
2002 Q1	0.7	–4.7	–4.6	0.6	0.6	0.7	–	1.2	–0.1	–0.5	2.6	2.9
Q2	0.5	–4.4	–4.5	0.4	0.6	1.7	0.9	2.2	3.9	2.9	3.2	2.6
Q3	0.8	–4.7	–4.6	1.1	1.0	2.4	2.3	2.0	3.8	3.9	1.8	1.3
Q4	1.1	–4.1	–4.3	0.6	0.6	3.5	3.1	1.6	4.0	3.5	2.1	1.0
2003 Q1	1.0	–4.3	–4.3	0.7	0.8	3.8†	3.5†	1.6†	4.2	3.9†	1.8	1.4†
Q2	0.9	–5.2	–5.0	0.9	1.0†	4.8	5.9	0.9	3.4	4.8	1.6	–3.0
Q3	0.9	–4.4	–4.8	0.9	1.1	4.6	5.3	1.6	3.7†	4.2	3.1	–1.9
Q4	0.4	–5.4	–5.0†	2.1†	2.3	6.5	7.4	2.8	7.0	8.2	2.2†	–3.8
2004 Q1	1.0	–4.5	–4.7	1.7	1.9	5.1	6.5	2.3	5.3	6.4	2.7	–2.7
Q2	0.6	–3.5	–3.7	2.8	2.9	5.5	6.6	3.4	5.3	6.0	1.9	–2.1
Q3	0.6	–3.4†	–3.4	2.2	2.4	3.6	4.6	2.9	3.2	4.0	1.1	–1.2
Q4	0.8	–2.7	–3.1	1.7	2.0	2.3	3.8	1.0	1.2	2.5	2.0	–0.5

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

2 Output per worker is the ratio of Gross value Added (GVA) at basic prices to LFS Total Employment. On 29 July, ONS published details on the National Statistics website of a change in productivity methodolgy. Output per worker is the new headline measure.

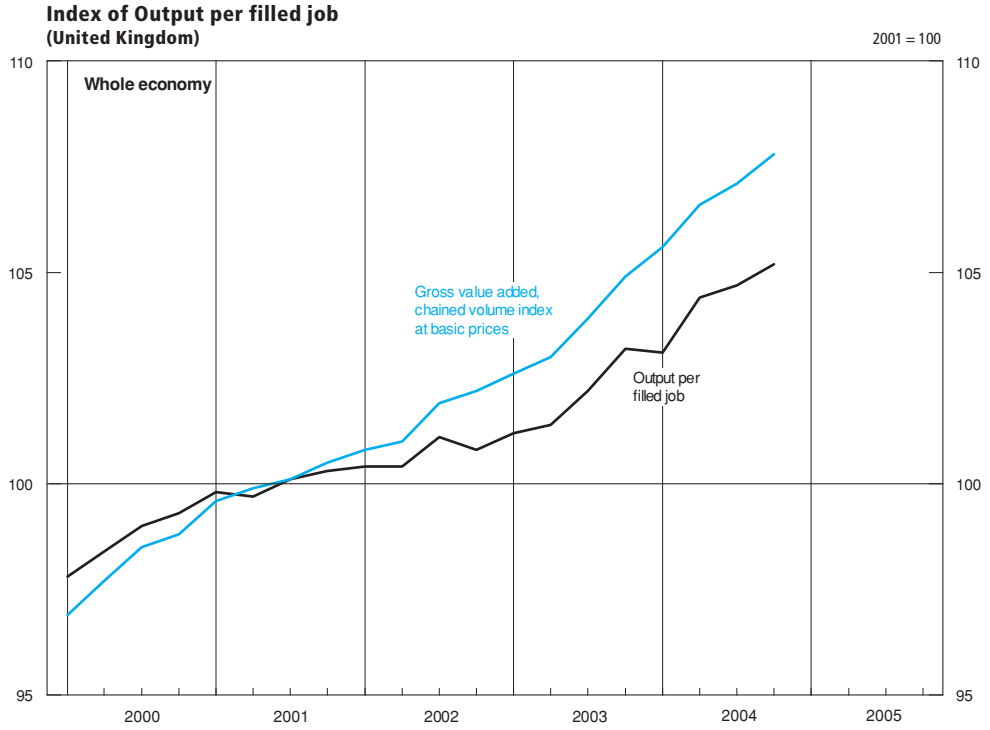
3 Output per filled job is the ratio of Gross value added at basic prices to productivity jobs.

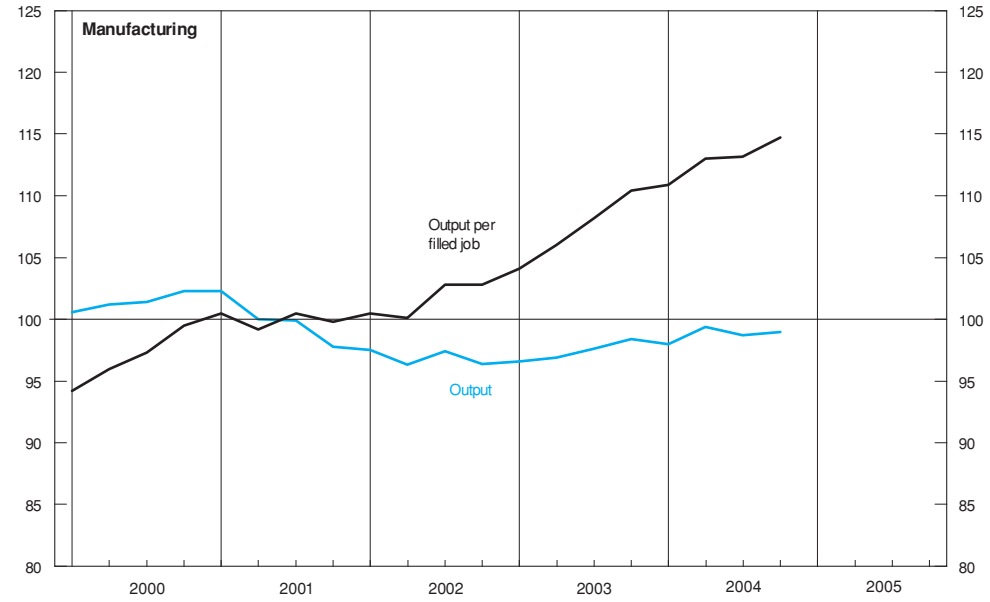
4 Output per hour worked is the ratio of Gross value added at basic prices to productivity hours.

5 Unit wage costs are calculated as total wages and salaries per job divided by output per job.

Source: Office for National Statistics; Enquiries 01633 812766

Index of Output per filled job
(United Kingdom)





5.1 Output of production industries[1]

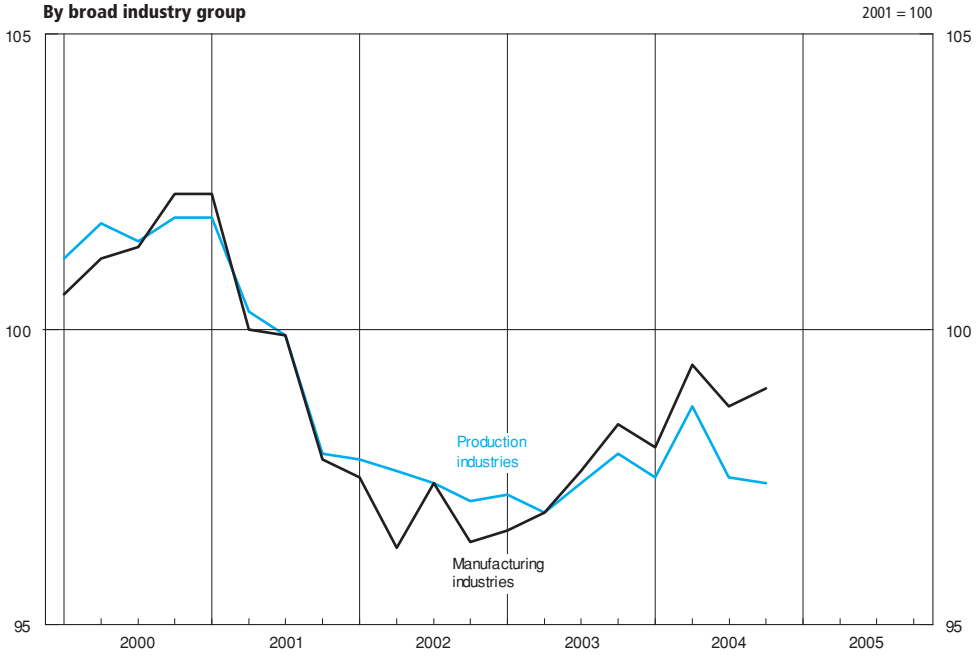
2001 = 100

	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
2001 weights	*1 000*	*122*	*87*	*791*	*37*	*274*	*211*	*478*
Annual								
	CKYW	CKYX	CKYZ	CKYY	UFIU	UFJS	UFIL	JMOH
2000	101.6	105.8	97.7	101.4	97.5	98.8	101.6	103.5
2001	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2002	97.5	99.7	99.5	96.9	101.3	100.0	92.2	98.1
2003	97.4†	94.4†	101.2†	97.4†	99.4	99.8†	95.2†	96.7†
2004	97.8	87.1	103.8	98.8	103.9†	99.2	98.0	96.4
Quarterly								
2000 Q1	101.2	109.9	96.4	100.6	97.9	99.1	99.8	103.3
Q2	101.8	108.3	98.7	101.2	97.5	99.2	101.1	103.9
Q3	101.5	104.6	97.6	101.4	97.3	98.6	101.7	103.5
Q4	101.9	100.4	98.0	102.3	97.5	98.3	103.9	103.3
2001 Q1	101.9	99.0	101.7	102.3	100.9	100.0	105.0	101.6
Q2	100.3	101.6	100.6	100.0	99.5	99.6	100.0	100.8
Q3	99.9	100.5	99.4	99.9	99.3	100.3	99.6	99.8
Q4	97.9	98.8	98.3	97.8	100.2	100.1	95.4	97.8
2002 Q1	97.8	99.5	98.0	97.5	102.5	100.6	92.8	98.1
Q2	97.6	104.7	98.9	96.3	100.8	100.0	91.5	98.7
Q3	97.4	95.2	100.8	97.4	100.5	100.7	92.7	97.4
Q4	97.1	99.3	100.4	96.4	101.4	98.8	92.0	98.1
2003 Q1	97.2	99.1†	99.5†	96.6†	98.7†	98.9†	93.6†	97.7†
Q2	96.9	94.9	100.3	96.9	98.9	99.2	94.8	96.4
Q3	97.4	93.1	101.6	97.6	99.6	100.4	95.7	96.3
Q4	97.9†	90.7	103.6	98.4	100.5	100.6	96.9	96.6
2004 Q1	97.5	89.4	104.0	98.0	101.6	99.9	95.1	96.9
Q2	98.7	90.7	103.6	99.4	104.6	99.8	98.8	97.7
Q3	97.5	85.3	104.1	98.7	105.7	98.1	99.4	95.7
Q4	97.4	83.0	103.7	99.0	103.8	98.9	98.7	95.5
Monthly								
2003 Jan	96.8†	98.5†	99.4†	96.3	100.4†	98.2†	93.0†	97.4†
Feb	97.6	100.0	101.4	96.8†	98.3	99.0	94.0	98.4
Mar	97.1	98.8	97.7	96.8	97.5	99.3	93.7	97.3
Apr	96.8	95.2	98.8	96.8	98.5	98.2	96.0	96.1
May	96.8	95.0	99.9	96.7	97.9	100.1	93.6	96.3
Jun	97.3	94.4	102.1	97.2	100.4	99.4	94.8	96.9
Jul	97.5	94.3	100.7	97.7	100.3	100.7	95.6	96.4
Aug	97.2	92.9	101.5	97.4	99.1	100.3	94.9	96.4
Sep	97.4	92.1	102.6	97.7	99.5	100.2	96.5	96.1
Oct	98.5	92.6	105.2	98.7	99.5	101.4	97.0	97.4
Nov	97.6	90.5	102.1	98.2	102.1	99.9	97.0	96.2
Dec	97.6	89.0	103.6	98.2	99.9	100.5	96.6	96.2
2004 Jan	97.6	89.7	103.5	98.2	101.2	99.9	95.3	97.1
Feb	97.2	88.2	104.3	97.9	101.8	99.8	94.7	96.6
Mar	97.6	90.2	104.1	98.1	101.7	100.1	95.3	96.9
Apr	98.5	90.3	104.2	99.2	104.5	100.4	97.2	97.6
May	98.8	89.6	103.3	99.8	104.8	99.1	99.9	97.7
Jun	98.8	92.1	103.2	99.3	104.5	99.7	99.2	97.6
Jul	98.3	90.3	103.0	99.0	107.8	97.2	100.6	97.1
Aug	97.2	84.2	104.9	98.4	104.7	98.8	98.3	95.3
Sep	97.0	81.5	104.3	98.7	104.5	98.4	99.3	94.7
Oct	97.0	81.5	103.5	98.6	105.7	98.7	98.1	94.8
Nov	97.5	83.1	104.3	98.9	102.1	98.9	99.0	95.6
Dec	97.8	84.4	103.4	99.3	103.7	99.0	99.1	96.2
2005 Jan	97.7	83.2	101.2	99.5	102.4	100.1	98.6	95.5

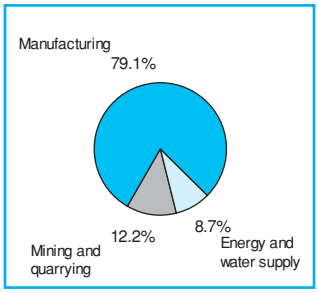
1 The figures contain, where appropriate, an adjustment for stock changes.

Source: Office for National Statistics; Enquiries 01633 812059

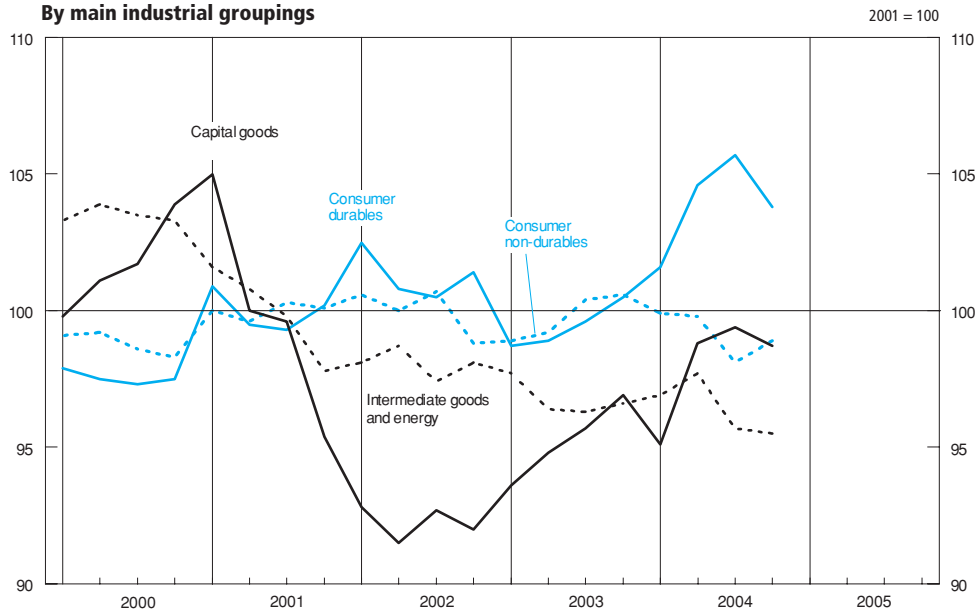
Index of output of the production industries
By broad industry group



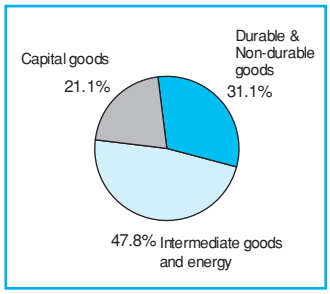
Share of output in 2001



By main industrial groupings



Share of output in 2001



5.2 Engineering and construction : output and orders

Seasonally adjusted Index numbers at constant prices[1]

	Engineering (2000 =100)									Construction(GB)[5] (2000=100)	
	Total			Home			Export				
	Orders[2] on Hand	New[3] Orders	Turnover	Orders[2] on Hand	New[3] Orders	Turnover	Orders[2] on Hand	New[3] Orders	Turnover	Gross output+[4]	Orders received
Annual											
	JIQI	JIQH	JIQJ	JIQC	JIQB	JIQD	JIQF	JIQE	JIQG	SFZX	SGAA
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	92.5†	80.9†	83.6	108.6†	91.4†	93.7	65.2†	66.8†	70.3	111.7	97.8
2004	89.5	80.0	83.6†	104.8	87.3	92.1	63.4	70.2	72.4†	115.7	104.7†
Quarterly											
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	90.9†	78.6†	83.0	103.1†	89.0†	94.3†	70.2†	64.7	68.1†	108.7	104.7
Q2	91.7	82.0	83.7†	104.8	92.7	94.3	69.6	67.5	69.9	110.4	95.8
Q3	91.5	80.4	83.4	106.2	91.4	93.3	66.6	65.7†	70.4	113.5	98.0
Q4	92.5	82.7	84.3	108.6	92.5	93.1	65.2	69.4	72.7	114.4	92.7
2004 Q1	92.7	79.1	81.5	108.2	85.2	89.2	66.5	71.0	71.4	114.4†	108.5†
Q2	91.7	79.7	83.7	105.7	84.1	90.9	67.9	73.7	74.1	114.7	105.7
Q3	89.2	78.8	84.4	103.4	86.3	92.9	65.1	68.7	73.3	116.2	99.4
Q4	89.5	82.3	84.8	104.8	93.6	95.4	63.4	67.3	70.8	117.3	105.1
Monthly											
2003 Jan	91.4†	77.2†	83.0†	102.1†	82.1†	94.4†	73.3†	70.7†	67.9†	..	110.6
Feb	92.0	83.0	83.8	104.5	101.9	96.5	70.8	57.6	66.9	..	112.9
Mar	90.9	75.7	82.2	103.1	83.1	91.9	70.2	65.9	69.5	..	90.5
Apr	93.8	91.2	83.9	107.3	107.1	94.6	70.7	69.7	69.8	..	111.7
May	93.0	78.7	83.9	106.5	88.3	95.3	70.3	65.8	68.9	..	89.5
Jun	91.7	76.1	83.4	104.8	82.8	92.9	69.6	67.0	70.9	..	86.2
Jul	91.3	80.2	84.4	104.0	87.8	94.5	69.8	70.1	71.1	..	111.1
Aug	91.7	80.9	82.3	106.1	96.3	91.9	67.3	60.2	69.6	..	80.7
Sep	91.5	80.1	83.5	106.2	90.1	93.4	66.6	66.8	70.4	..	102.3
Oct	93.0	87.0	84.6	108.5	99.4	94.3	66.7	70.3	71.8	..	87.3
Nov	94.1	84.5	83.4	110.2	95.6	92.5	66.7	69.6	71.4	..	102.7
Dec	92.5	76.5	85.0	108.6	82.6	92.6	65.2	68.4	74.9	..	88.2
2004 Jan	93.7	83.8	82.1	108.8	88.2	90.7	68.1	78.0	70.8	..	90.2†
Feb	90.9	68.5	81.2	106.6	75.7	87.7	64.2	58.9	72.6	..	126.1
Mar	92.7	85.1	81.3	108.2	91.8	89.2	66.5	76.1	70.8	..	109.2
Apr	91.0	73.7	82.4	104.8	72.6	89.1	67.6	75.1	73.6	..	103.4
May	91.7	83.5	83.9	105.3	89.5	91.0	68.6	75.4	74.4	..	111.4
Jun	91.7	81.8	84.7	105.7	90.1	92.5	67.9	70.6	74.4	..	102.2
Jul	91.8	82.5	84.9	106.0	90.7	93.1	67.7	71.6	74.1	..	107.5
Aug	90.0	74.6	83.7	103.9	80.0	91.3	66.3	67.4	73.6	..	101.3
Sep	89.2	79.2	84.7	103.4	88.3	94.2	65.1	67.0	72.2	..	89.5
Oct	88.2	77.7	84.1	102.3	86.9	94.9	64.3	65.5	69.9	..	102.1
Nov	88.0	82.2	85.5	102.3	93.3	96.8	63.8	67.3	70.6	..	109.3
Dec	89.5	87.1	84.8	104.8	100.6	94.6	63.4	69.0	71.9	..	103.9
2005 Jan	90.1	83.5	84.0	106.1	95.5	94.3	62.9	67.4	70.4	..	97.4

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.

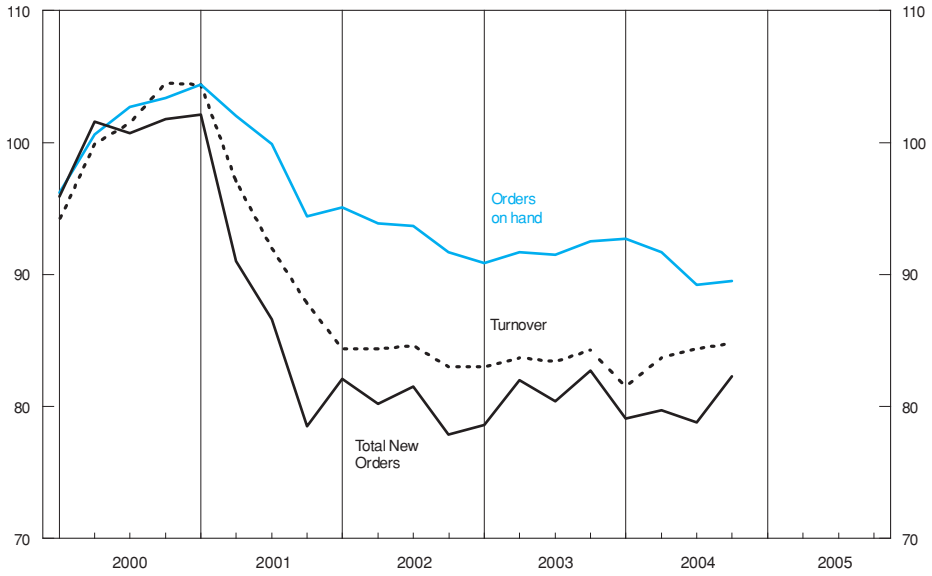
4 This index is based upon a gross output series which includes repair and maintenance estimates, unrecorded output by self-employed workers and small firms and output by the direct labour departments of the public sector.

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

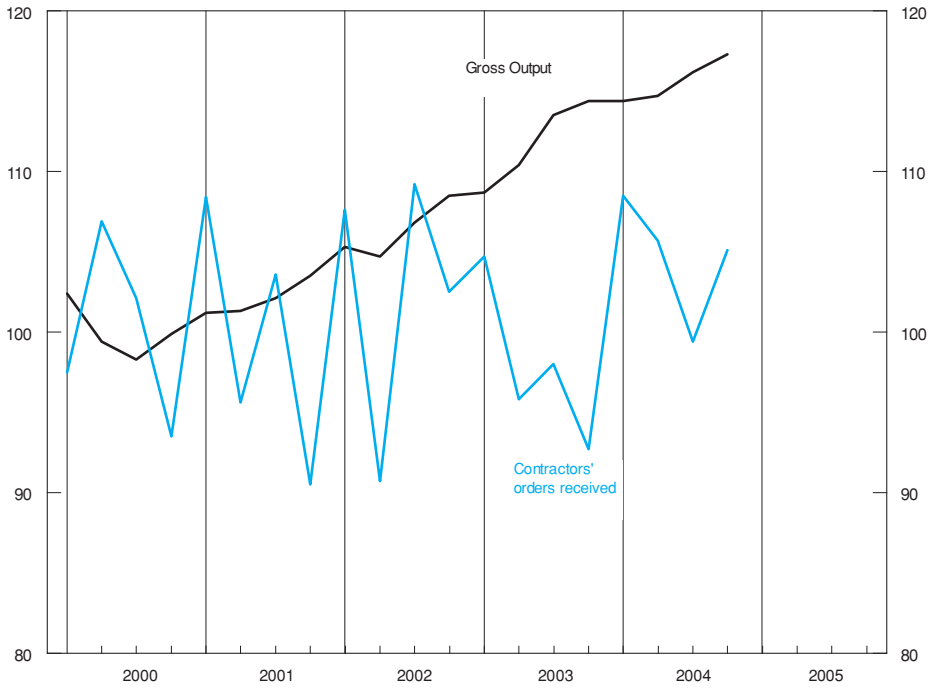
Engineering industries: turnover and orders

Volume indices 2000 = 100



Construction industries (GB) : output and orders

Volume indices 2000 = 100

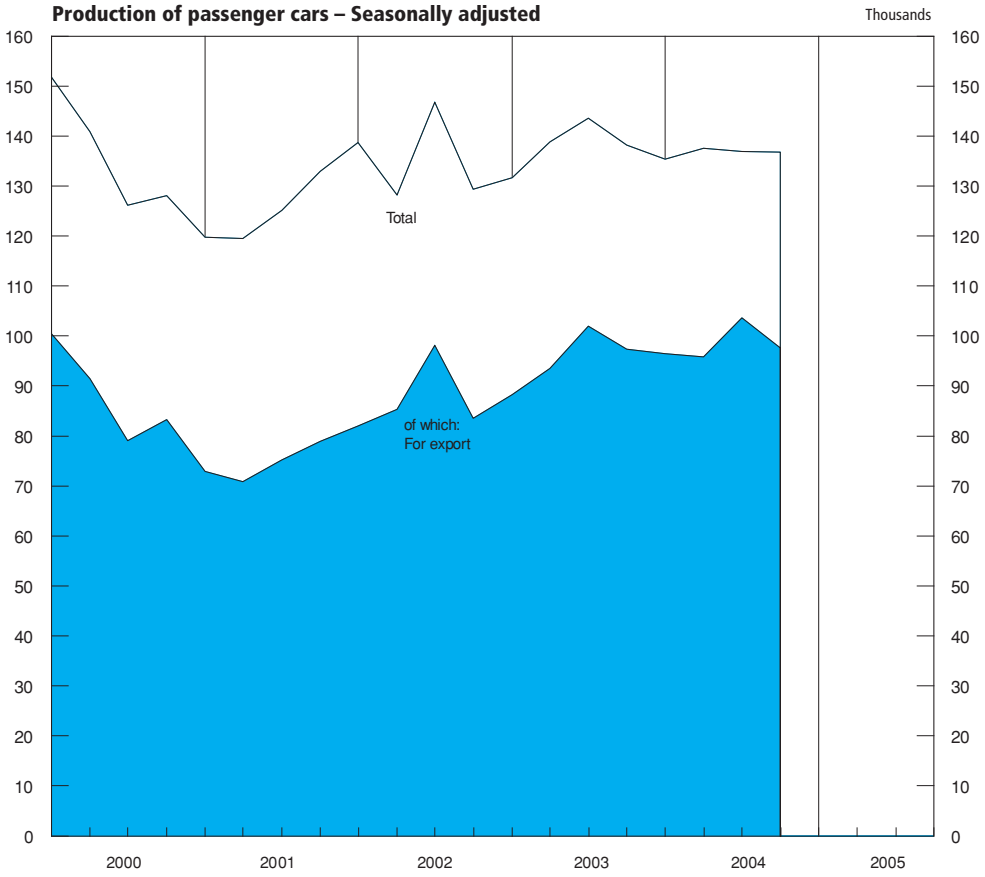


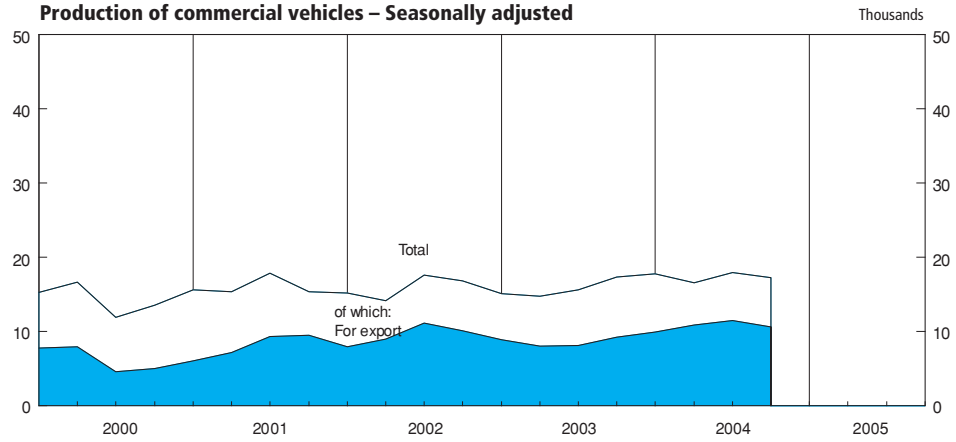
5.3 Motor vehicle and steel production

	Passenger cars[1]				Commercial vehicles[1]				
	Not seasonally adjusted		Seasonally adjusted		Not seasonally adjusted		Seasonally adjusted		Crude steel production (NSA)[2] (thousand tonnes)
	Total production (thousands)	*of which* for export (thousands)	Total production (thousands)	*of which* for export (thousands)	Total production (thousands)	*of which* for export (thousands)	Total production (thousands)	*of which* for export (thousands)	
Annual									
	FFAA	FFAB	FFAO	FFAP	FFAC	FFAD	FFAQ	FFAR	BCBS
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
2004	137.2	98.3	136.7	98.4†	17.4	10.7	17.4	10.7	13 765.8
Quarterly									
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	135.4	96.5	19.3	10.4	17.8	9.9	3 380.7
Q2	142.7	102.3	137.6	95.9	16.9	11.2	16.6	10.9	3 681.4
Q3	126.3	88.3	137.0	103.6	15.6	9.7	18.0	11.5	3 405.2
Q4	131.4	101.5	136.9	97.7†	17.9	11.4	17.3	10.6	3 298.5
Monthly									
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	94.8	17.3	10.0	16.2	9.7	1 024.9
Mar	163.1	114.3	139.3	97.4	20.2	11.7	17.5	10.1	1 346.5*
Apr	129.6	95.7	136.0	93.1	15.7	10.1	16.2	10.5	1 155.5
May	143.1	102.3	141.1	96.2	16.9	11.9	17.7	11.8	1 160.7
Jun	155.5	108.9	135.6	98.3	18.2	11.6	16.0	10.5	1 365.2*
Jul	140.5	100.5	142.3	110.0	14.9	10.1	16.7	11.4	1 042.6
Aug	83.2	56.7	132.0	100.4	10.2	5.7	18.4	10.6	1 015.8
Sep	155.3	107.6	136.6	100.4	21.7	13.3	18.8	12.6	1 346.8*
Oct	135.1	107.2	134.6	99.3	18.6	12.2	18.0	11.0	1 091.5
Nov	149.3	114.4	140.2	98.0	20.1	12.3	17.1	10.3	1 001.4
Dec	109.7	82.8	135.9	95.8†	14.9	9.7	16.7	10.5	1 205.6*
2005 Jan	136.0	89.2	136.6†	96.4	17.7	10.7	17.3	10.8	1 028.2†
Feb	143.5	98.3	137.9	100.1	18.0	10.7	17.1	10.5	999.7[3]

1 Annual and quarterly figures are monthly averages.
2 The totals are for 'usable steel' in accordance with the system used by the EC and the 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.

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


Production of passenger cars – Seasonally adjusted
Thousands
160
150
140
130
120
110
100
90
80
70
60
50
40
30
20
10
0
Total
of which:
For export
2000
2001
2002
2003
2004
2005


Production of commercial vehicles – Seasonally adjusted
Thousands
50
40
30
20
10
0
Total
of which:
For export
2000
2001
2002
2003
2004
2005

5.4 Indicators of fixed investment in dwellings

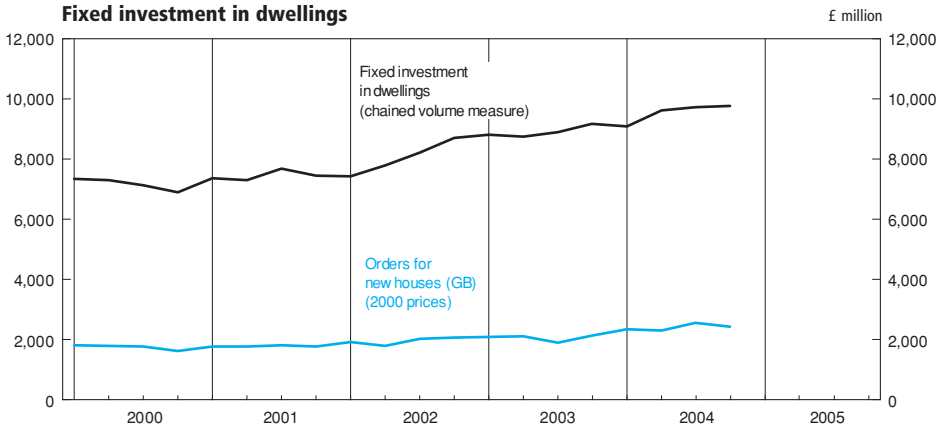
	Fixed investment in dwellings (£ million, chained volume measures, reference year 2001)	Orders received by contractors for new houses (GB) (£ million, 2000 prices)	Housing starts (NSA)[1] (GB)			Housing completions (NSA)[1] (GB)			Mix-adjusted price of new dwellings at mortgage completion stage (NSA)[3] (£)
			Private enterprise (thousands)	Registered Social Landlords[2] (thousands)	Local Authorities (thousands)	Private enterprise (thousands)	Registered Social Landlords[2] (thousands)	Local Authorities (thousands)	
Annual									
	DFEG	SGAB	FCAB	CTOR	CTOV	FCAD	CTOT	CTOX	WMPS
2001	29 806	7 122	162.7†	16.8	0.3	139.8†	20.9	0.3	134 234
2002	32 139	7 805	164.6	16.2	0.2	149.1	19.3	0.2	161 533
2003	35 608†	8 219	177.1	16.2	0.3	157.9	17.2	0.2	186 427
2004	38 176	9 636†	..	..	..	..	..	..	205 818
Quarterly									
2001 Q1	7 365	1 767	39.2†	5.7	0.2	32.5	5.6†	0.1	130 771
Q2	7 305	1 772	43.7	4.2	–	34.4†	4.7	0.1	130 774
Q3	7 680	1 822	43.5	3.2	–	35.5	4.6	0.1	135 507
Q4	7 456	1 761	36.3	3.7	0.1	37.4	5.9	0.1	137 368
2002 Q1	7 435	1 916	41.7	5.4	0.1	33.6	5.1	–	143 996
Q2	7 781	1 782	42.5	3.8	0.1	36.8	4.6	0.2	157 646
Q3	8 222	2 031	44.0	3.4	–	36.4	4.7	–	164 293
Q4	8 701	2 075	36.3	3.6	–	42.4	4.9	–	173 254
2003 Q1	8 803†	2 095	44.2	5.0	0.1	34.6	4.5	0.1	175 947
Q2	8 742	2 108	46.8	4.4	0.2	39.3	4.1	0.1	187 676
Q3	8 896	1 894	45.7	3.8	–	37.5	4.5	–	188 711
Q4	9 167	2 123	40.4	3.0	0.1	46.5	4.1	0.1	193 373
2004 Q1	9 073	2 344†	46.9	6.5	–†	34.0	5.1	–†	194 276
Q2	9 624	2 305	51.5	4.2	0.1	43.1	4.1	0.1	204 679
Q3	9 719	2 561	50.7	3.7	–	43.7	4.7	–	212 505
Q4	9 760	2 426	..	..	..	..	..	..	211 812
Monthly									
2003 Jan	..	789	..	..	..	..	..	..	175 758
Feb	..	650	..	..	..	..	..	..	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	..	796	..	..	..	..	..	..	195 238
Feb	..	753†	..	..	..	..	..	..	192 165
Mar	..	795	..	..	..	..	..	..	195 426
Apr	..	879	..	..	..	..	..	..	201 796
May	..	696	..	..	..	..	..	..	203 015
Jun	..	729	..	..	..	..	..	..	209 225
Jul	..	782	..	..	..	..	..	..	211 663
Aug	..	915	..	..	..	..	..	..	211 314
Sep	..	865	..	..	..	..	..	..	214 537
Oct	..	764	..	..	..	..	..	..	214 509
Nov	..	830	..	..	..	..	..	..	212 354
Dec	..	832	..	..	..	..	..	..	208 574
2005 Jan	..	651	..	..	..	..	..	..	213 744

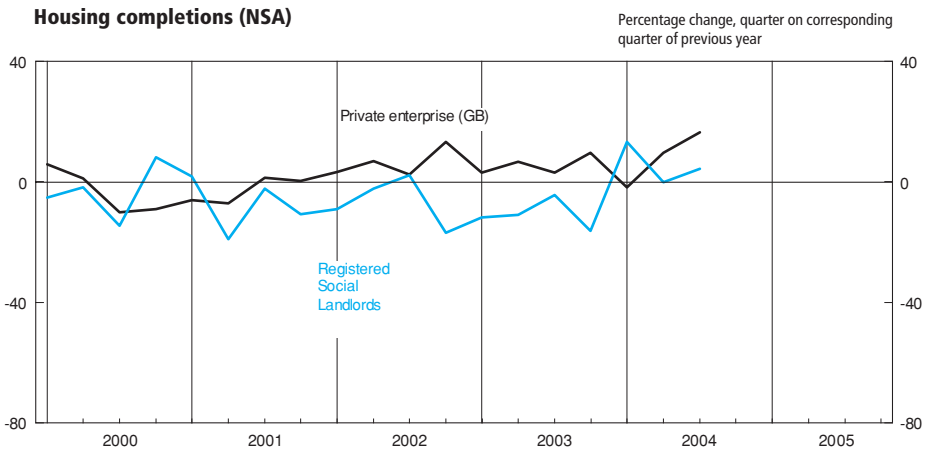
1 Monthly data collection ceased after March 2003. Great Britain seasonally adjusted data are no longer updated. Seasonally adjusted data for England are available from the website of the Office of the Deputy Prime Minister: **www.odpm.gov.uk**

2 Includes registered and non-registered social landlords.

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

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


Fixed investment in dwellings
£ million
12,000
10,000
8,000
6,000
4,000
2,000
0
Fixed investment in dwellings (chained volume measure)
Orders for new houses (GB) (2000 prices)
2000
2001
2002
2003
2004
2005


Housing completions (NSA)
Percentage change, quarter on corresponding quarter of previous year
40
0
-40
-80
Private enterprise (GB)
Registered Social Landlords
2000
2001
2002
2003
2004
2005

5.5 Number of property transactions[1]

Thousands

	Number of property transactions				Number of property transactions		
	Not seasonally adjusted England & Wales	Seasonally adjusted England & Wales[4,5]	Not seasonally adjusted England, Wales & N. Ireland		Not seasonally adjusted England & Wales	Seasonally adjusted England & Wales[4,5]	Not seasonally adjusted England, Wales & N. Ireland
	FTAP		FTAR				
2000	1 433		1 471	Jul	132	120	135
2001	1 458		1 497	Aug	140	125	143
2002	1 586		1 627	Sep	124	124	127
2003	1 345		1 397	Oct	140	125	143
2004	1 786		1 830	Nov	137	131	141
				Dec	110	123	112
		FTAQ					
2000 Q1	367	392	379	2002 Jan	131	120	134
Q2	348	356	356	Feb	108	127	110
Q3	379	346	388	Mar	104	127	106
Q4	339	338	349	Apr	129	135	132
				May	137	140	140
2001 Q1	327	346	337	Jun	129	135	132
Q2	347	363	360				
Q3	396	369	405	Jul	152	134	154
Q4	387	379	396	Aug	166	149	171
				Sep	139	134	144
2002 Q1	342	374	351	Oct	147	131	151
Q2	395	410	404	Nov	127	124	131
Q3	457	417	468	Dec	118	131	122
Q4	392	385	404				
				2003 Jan	131	121	137
2003 Q1	340	361	359	Feb	103	120	109
Q2	306	323	320	Mar	106	119	113
Q3	358	327	369	Apr	101	113	108
Q4	340	333	349	May	101	106	105
				Jun	103	105	107
2004 Q1	447	470	457				
Q2	452	459	463	Jul	132	115	135
Q3	491	447	504	Aug	112	106	116
Q4	396	411	406	Sep	114	106	118
				Oct	120	108	124
2000 Jan	137	136	140	Nov	110	109	113
Feb	112	128	116	Dec	111	116	113
Mar	118	128	122				
Apr	97	114	100	2004 Jan	157	151	160
May	122	120	126	Feb	148	171	152
Jun	129	122	130	Mar	142	147	145
				Apr	140	151	143
Jul	127	117	130	May	145	152	148
Aug	134	117	137	Jun	167	156	172
Sep	117	112	121				
Oct	123	112	127	Jul	175	151	179
Nov	117	111	121	Aug	159	148	163
Dec	98	114	101	Sep	158	148	162
				Oct	138	142	142
2001 Jan	123	113	127	Nov	124	132	128
Feb	99	117	102	Dec	134	136	136
Mar	105	116	108				
Apr	101	115	105	2005 Jan	108	107	109
May	121	122	126	Feb	112	125	114
Jun	125	125	128				

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 Land Transaction Return forms is based on the month when the Stamp Duty Land Tax certificate is issued. The figures for the the latest month includes estimates for returns where a certificate has been issued but the form was not captured on the database at the time the count was taken. The figure is therefore subject to revision next month.

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 (definitive) annual total.

6 On 19 July the Inland Revenue ended the arrangement under which a Stamp Duty Land Tax certificate could be issued even though some of the required information had not been provided (the 'light touch' process). This is likely to have reduced the transaction count for July and August by a few thousand.

Source: Board of Inland Revenue; Enquiries 020 7147 2882

5.6 Change in inventories
Chained volume measures[1]

Reference year 2001, £ million

	Mining and quarrying	Manufacturing industries: Materials and fuel	Work in progress	Finished goods	Total	Electricity, gas and water supply	Distributive trades: Wholesale[2]	Retail[2]	Other industries[3]	Change in inventories
Level of inventories at end-December 2003	1115	18 779	16 768	18 827	54 374	754	26 989	25 075	43 256	151 563
Quarterly	FAEA	FBNF	FBNG	FBNH	DHBM	FAEB	FAJX	FBYN	DLWX	CAFU
2000 Q1	–52	123	387	92	586	58	573	651	–549	753
Q2	2	332	–88	103	365	31	407	395	–106	1 329
Q3	–49	259	–77	61	258	64	694	348	364	1 906
Q4	–155	–66	281	169	367	82	86	–14	601	1 274
2001 Q1	63	–651	325	–133	–459	–214	565	–130	1 255	1 080
Q2	–45	–200	330	224	354	190	–76	–160	1 316	1 579
Q3	93	352	271	32	655	88	519	229	405	1 989
Q4	–15	93	–413	45	–275	–15	–299	1 075	1 070	1 541
2002 Q1	19	84	–92	17	9	–65	–119	316	834	994
Q2	–50	2	–323	–41	–362	111	625	414	–1 362	–624
Q3	14	22	274	–75	221	–77	290	471	–223	696
Q4	–13	–203	–181	–408	–792	–192	–133	393	2 184	1 447
2003 Q1	–41	–68	–78	44	–102	2	98	224	589†	770†
Q2	42	–74	–62	178	42	–42	–28	630	–1 229	–585
Q3	–95	44	12	503	559	–51	139	499	–180	871
Q4	–19	–209	–415	–315	–939	–2	260	238	1 873	1 411
2004 Q1	36	30	517	–184	363	162	254	459	–1 411	–137
Q2	–39	6	–411	132	–273	–143	869	–152	–873	–611
Q3	–29	–13	–180	192	–1	–85	–121	–35	429	158
Q4	–3†	–205†	–15†	–26†	–246†	–63†	108†	479†	1 038	1 313

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 6031

5.7 Inventory ratios

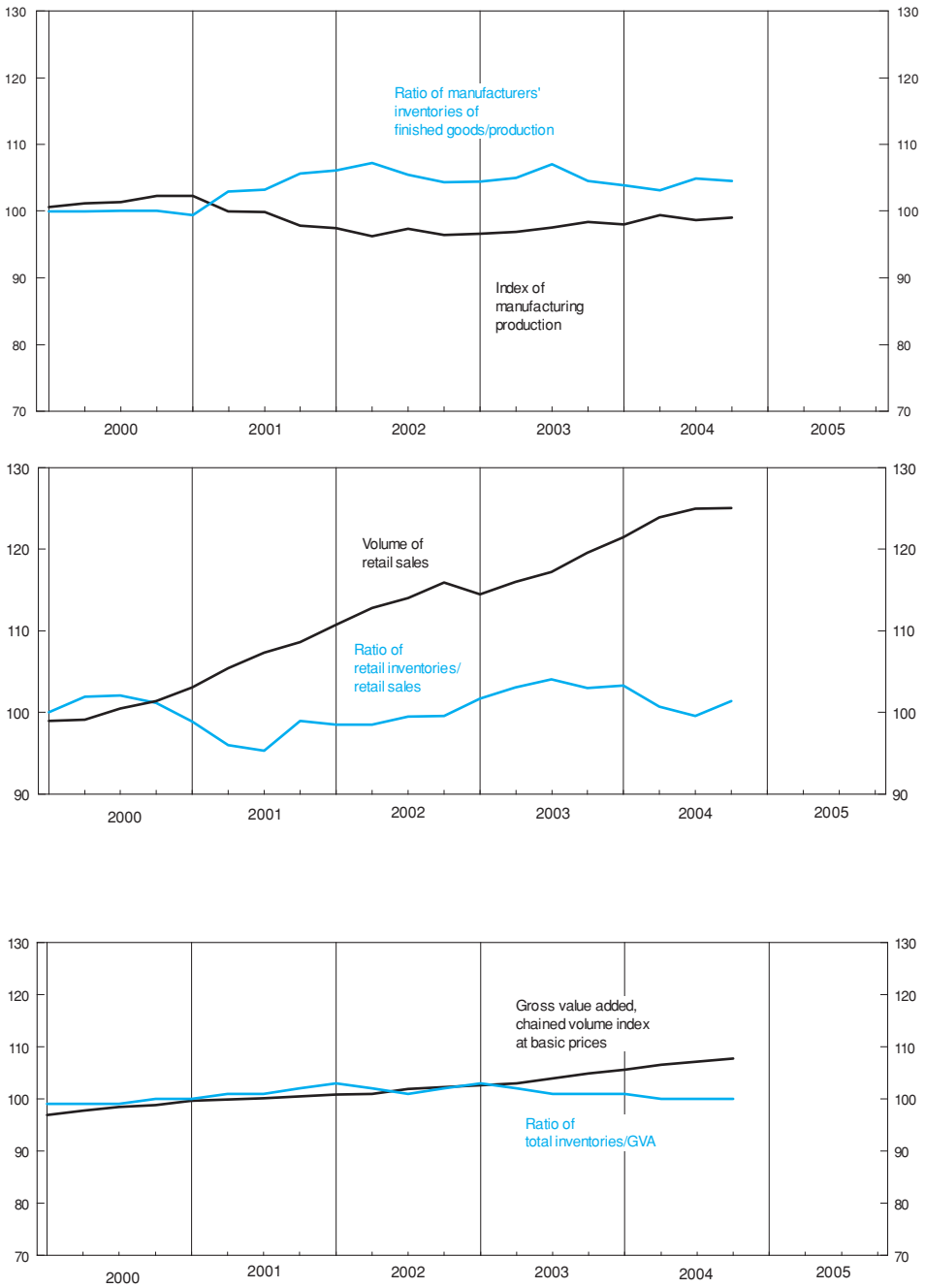
	Manufacturers' inventories[1] to manufacturing production: Materials and fuel	Work in progress	Finished goods	Total inventories	Retail inventories[1] to retail sales[2]	Total inventories[1,3] to gross value added
Quarterly	FAPG	FAPH	FAPI	FAPF	FAPC	FDCA
2000 Q1	100.0	100.0	100.0	100.0	100.0	99
Q2	101.1	98.9	100.0	100.0	101.9	99
Q3	102.3	98.2	100.1	100.3	102.1	99
Q4	101.0	99.0	100.1	100.1	101.2	100
2001 Q1	97.7	100.9	99.4	99.3	98.9	100
Q2	98.9	105.2	102.9	102.2	96.0	101
Q3	100.8	106.9	103.2	103.5	95.3	101
Q4	103.5	106.7	105.7	105.2	99.0	102
2002 Q1	104.3	106.4	106.1	105.6	98.5	103
Q2	105.6	105.8	107.2	106.2	98.5	102
Q3	104.5	106.2	105.5	105.4	99.5	101
Q4	104.5	106.2	104.3	105.0	99.6†	102
2003 Q1	103.9†	105.5†	104.4†	104.6†	101.7	103
Q2	103.2	104.8	105.0	104.3	103.1	102
Q3	102.7	104.2	107.1	104.6	104.1	101
Q4	100.7	100.8	104.5	102.0	103.0	101
2004 Q1	101.3	104.3	103.9	103.1	103.3	101
Q2	99.9	100.4	103.1	101.2	100.7	100
Q3	100.5	100.1	104.9	101.9	99.6	100
Q4	99.1	99.7	104.5	101.1	101.4	100

1 Chained volume measure: reference year 2001.
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 2001 = 100)



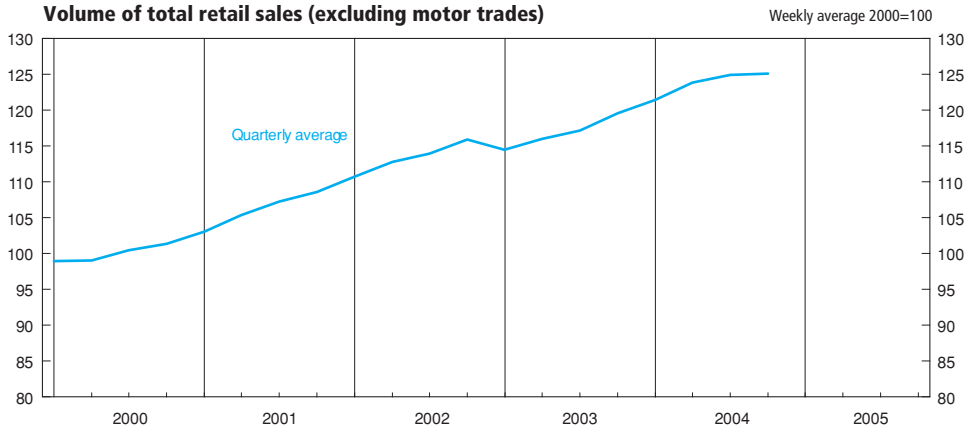
5.8 Retail sales, new registrations of cars and credit business (Great Britain)

	Value of retail sales per week: total (average 2000=100)[1,2]	Volume of retail sales per week+(average 2000=100)[1,2]								New registrations of cars (NSA, thousands)[5]	Total consumer credit: Net lending (£ million)[3,4]	of which	
				Predominantly non-food stores									
		All retailers	Predominantly food stores	Total	Non-specialist stores	Textile, clothing and footwear	Household goods stores	Other stores	Non-store and repair			Credit cards[6]	Other[6]
Sales in 2000 £ million	*207 149*	*207 149*	*89 041*	*106 359*	*18 781*	*27 880*	*27 699*	*31 999*	*11 749*				
Annual													
	EAQV	EAPS	EAPT	EAPV	EAPU	EAPX	EAPY	EAPW	EAPZ	BCGT	RLMH	VZQX	VZQY
2001	105.9	106.1	104.1	107.7	105.9	109.4	110.9	104.6	106.1	2 577.5	17 671†	6 274	11 485†
2002	111.1	112.7	108.1	116.4†	110.7†	120.6†	121.0†	112.1	113.3†	2 682.0	21 131	7 607†	13 585
2003	113.6†	116.2†	111.9	120.8	113.2	127.4	126.7	114.3	107.9	2 646.2	20 210	8 910	11 483
2004	118.9	123.2	116.5	129.4	117.2	137.7	135.3	124.4	118.2	..	22 870	9 908	12 979
Quarterly													
2001 Q1	102.9	103.1	102.9	103.8	105.2	104.4	107.4	99.2	99.0	704.2	3 282†	1 358†	2 121†
Q2	105.6	105.4	104.0	106.7	107.2	106.7	110.9	102.8	104.7	617.7	4 541	1 685	2 772
Q3	107.2	107.3	104.8	109.3	108.1	110.6	111.7	106.7	108.3	725.6	4 185	1 254	2 976
Q4	108.1	108.6	105.7	111.2	107.9	113.6	114.2	108.4	106.9	530.0	5 663	1 977	3 616
2002 Q1	110.1	110.8	106.9	114.7	110.2	117.5	118.0	112.2	104.1	758.7	5 029	1 979	3 136
Q2	111.3	112.8	108.3	116.8	110.8	120.3	120.0	114.6	110.7	650.0	4 686	1 655	2 969
Q3	112.1	114.0	109.3	117.6	113.5	122.1	121.9	112.4	116.4	744.6	6 025	2 045	3 968
Q4	113.7†	115.9†	111.0†	119.7†	115.4†	123.0†	125.8†	113.9	118.5†	528.7	5 391	1 928	3 512
2003 Q1	112.5	114.5	109.9	119.3	112.9	124.9	123.8	114.2†	105.4	737.6	5 105	2 302	2 838
Q2	113.3	116.0	111.9	120.6	113.4	126.6	128.2	113.1	104.7	642.7	5 538	2 486	3 013
Q3	114.6	117.2	112.9	122.4	115.3	129.2	129.6	114.4	104.0	742.8	4 969	2 134	2 843
Q4	116.3	119.6	113.8	125.7	118.7	131.0	133.0	118.8	107.7	523.1	4 598	1 988	2 789
2004 Q1	118.0	121.5	114.5	128.5	118.1	135.7	134.2	123.5	111.3	762.2	6 201	2 554	3 489
Q2	119.7	123.9	116.3	131.1	120.2	138.8	136.9	125.7	116.7	629.8	5 745	2 374	3 334
Q3	120.4	125.0	117.5	132.3	120.7	138.9	140.0	126.8	115.9	709.9	5 708	2 510	3 172
Q4	120.2	125.1	118.1	131.8	119.9	140.0	139.3	125.3	117.7	..	5 216	2 470	2 984
Monthly													
2003 Jan	111.6†	113.7†	108.5†	118.8†	112.8†	124.0†	122.3†	114.9†	106.9†	193.4	1 437†	751†	686†
Feb	112.6	114.5	110.1	119.4	112.4	124.8	125.0	114.2	104.1	92.2	1 918	898	1 020
Mar	113.0	115.0	110.9	119.5	113.4	125.7	124.1	113.6	105.3	452.0	1 795	652	1 143
Apr	113.6	116.0	112.3	120.1	112.6	125.9	127.4	113.1	107.3	196.3	1 709	726	982
May	112.7	115.4	111.3	120.1	113.0	123.6	129.9	112.7	103.2	202.6	2 169	972	1 196
Jun	113.5	116.4	112.0	121.5	114.5	129.6	127.6	113.3	103.8	243.8	1 664	732	932
Jul	114.2	116.8	112.4	121.7	115.1	128.9	128.5	113.3	105.1	201.1	1 824	696	1 127
Aug	114.6	117.2	113.3	122.0	114.9	127.2	130.1	114.7	103.6	94.2	1 462	694	768
Sep	114.9	117.7	112.9	123.3	115.8	130.9	130.0	115.1	103.5	447.5	1 744	867	877
Oct	115.9	118.9	113.5	124.8	118.9	131.1	131.6	116.7	106.2	186.6	1 920	837	1 082
Nov	115.8	118.8	113.4	124.5	116.2	130.7	130.7	118.8	108.6	175.7	1 653	502	1 151
Dec	117.1	120.7	114.4	127.3	120.6	131.1	135.9	120.4	108.2	160.8	1 094	526	568
2004 Jan	118.0	121.1	114.0	128.1	117.0	135.3	133.2	123.8	110.7	199.6	2 001	742	1 259
Feb	117.7	121.2	114.5	128.1	118.3	134.5	134.6	122.5	109.8	92.3	2 169	698	1 471
Mar	118.2	122.2	115.0	129.3	118.7	137.0	134.6	124.1	113.1	470.3	1 924	1 183	742
Apr	118.9	122.8	115.4	130.1	119.3	138.4	135.4	124.6	113.5	191.1	1 595	677	918
May	119.5	123.7	116.2	130.8	120.6	139.2	136.1	124.8	117.0	197.6	1 704	775	929
Jun	120.6	124.9	117.2	132.0	120.6	138.8	138.6	127.2	118.9	241.1	2 422	848	1 574
Jul	119.6	123.9	116.6	131.0	117.9	135.2	139.7	127.4	115.5	188.2	1 814	869	945
Aug	120.3	124.8	117.6	132.1	122.9	140.3	138.8	124.6	113.9	87.3	2 191	944	1 247
Sep	121.1	126.1	118.3	133.5	121.2	140.7	141.2	127.9	117.8	434.4	1 902	843	1 059
Oct	120.5	125.3	118.2	132.2	120.2	140.7	138.9	126.0	116.4	..	1 707	826	881
Nov	121.0	126.0	118.6	133.1	121.7	141.3	141.0	125.8	117.4	..	1 844	833	1 011
Dec	119.2	124.4	117.7	130.6	118.2	138.5	138.3	124.4	118.9	..	1 714	660	1 053
2005 Jan	120.3	125.3	119.7	130.6	121.4	138.4	139.2	121.8	118.7	..	2 411	1 084	1 328
Feb	120.5	125.6	119.6	130.8	120.7	141.8	137.5	121.5	123.0	..	1 689	828	860

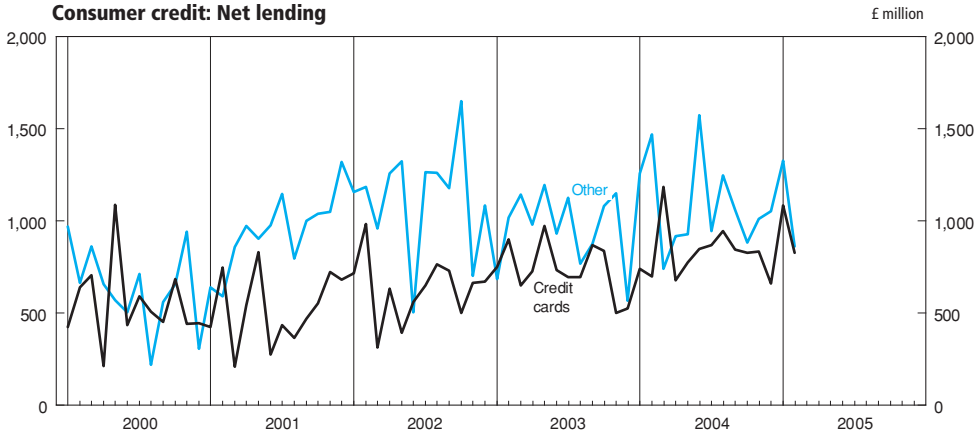
1 Great Britain only. The motor trades are excluded. Information for periods earlier than those shown is available from ONS Newport (tel 01633 812509).
2 The retail sales index has been rebased using detailed information from the 2000 Annual Business inquiry. Further information is available via the National Statistics website: **www.statistics.gov.uk**
3 Net lending equals changes in amounts outstanding adjusted to remove distortions arising from revaluations of debt such as write-offs.
4 Covers all institutions providing finance for consumers; including loans by banks on personal accounts and on bank credit cards and charge cards, by insurance companies, retailers and other specialist lenders, but excluding loans for house purchase.
5 Seasonally adjusted data are not published in *Economic Trends*. Data up to 1998 are 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 for Transport; Enquiries Column 10,11 020 7944 3077.

Volume of total retail sales (excluding motor trades)



Consumer credit: Net lending



5.9 Inland energy consumption: primary fuel input basis

Million tonnes of oil equivalent

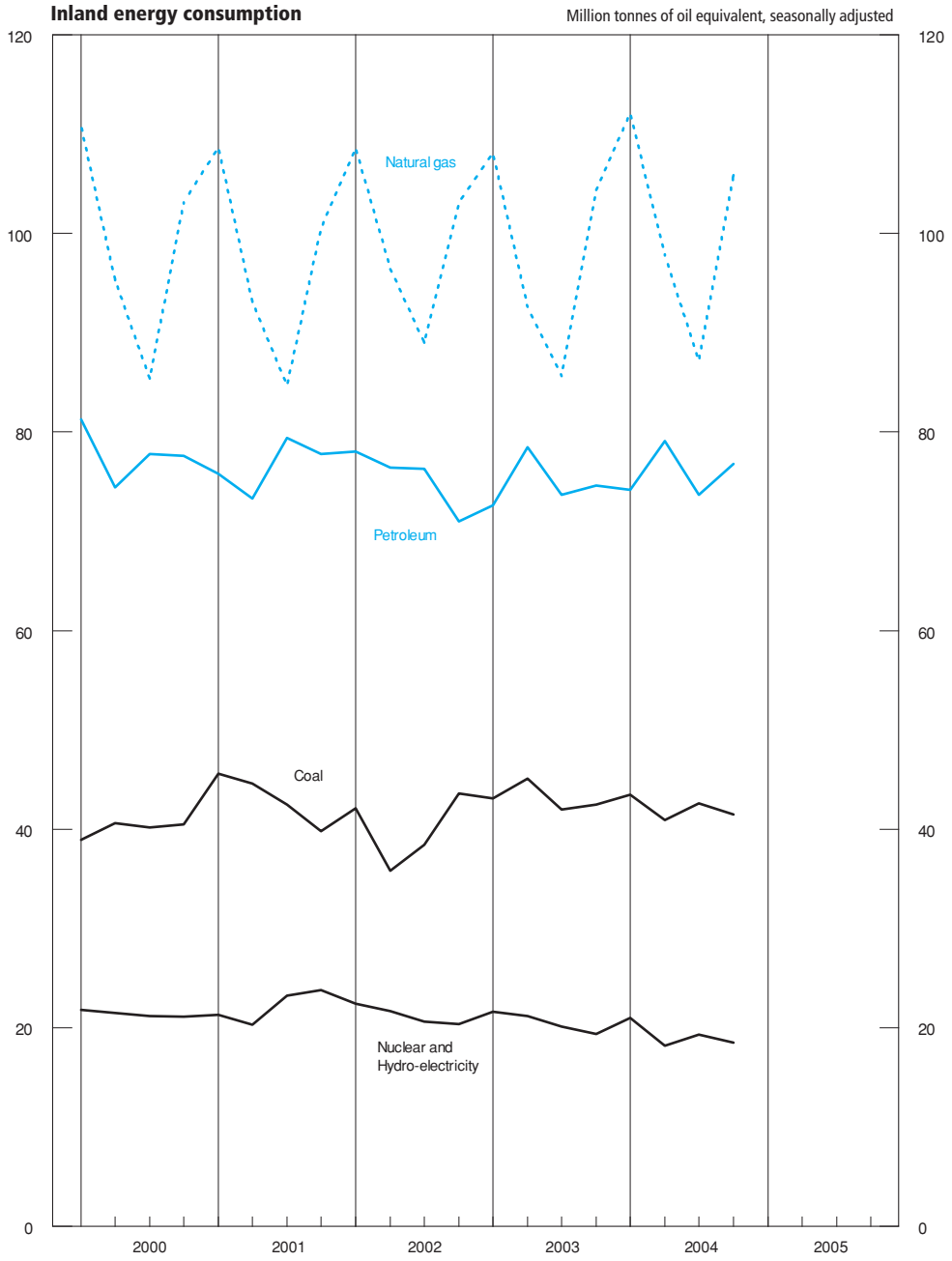
	Seasonally adjusted and temperature corrected[7] (annualised rates)						
				Primary electricity[5]			
	Coal[1]	Petroleum[2]	Natural gas[3]	Nuclear	Wind and natural flow Hydro[4]	Net imports[6]	Total
Annual							
	FDAI	FDAJ	FDAK	FDAL	FDAM	FDAW	FDAH
2000	40.0	77.8	98.7	19.7	0.5	1.2	237.9
2001	43.1	76.6	96.8	20.8	0.4	0.9	238.7
2002	40.0	75.4	99.3	20.0	0.5	0.7	236.0
2003	43.2	74.9	97.7	20.0	0.4	0.2	236.3
2004	42.1	75.9†	100.7†	18.1	0.5	0.6†	238.0†
Quarterly							
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	45.6	75.8	108.7	19.9	0.3	1.1	251.5
Q2	44.6	73.3	93.1	19.0	0.4	0.9	231.3
Q3	42.5	79.4	84.7	21.8	0.5	0.9	229.8
Q4	39.8	77.8	100.5	22.6	0.5	0.7	242.0
2002 Q1	42.1	78.0	108.6	21.2	0.6	0.6	251.2
Q2	35.8	76.4	96.5	20.0	0.7	1.0	230.4
Q3	38.4	76.3	89.0	19.9	0.5	0.2	224.3
Q4	43.6	71.0	103.1	18.9	0.4	1.1	238.1
2003 Q1	43.1	72.6	108.1	21.0	0.3	0.3	245.4
Q2	45.1	78.5	92.6	20.6	0.5	0.1	237.4
Q3	42.0	73.7	85.6	19.7	0.5	–0.1	221.5
Q4	42.5	74.6	104.4	18.6	0.4	0.4	240.9
2004 Q1	43.5†	74.2†	112.1†	20.1	0.5	0.4†	250.8†
Q2	40.9	79.1	97.8	17.1	0.5	0.6	235.9
Q3	42.6	73.7	87.2	17.9	0.7	0.7	222.7
Q4	41.5	76.8	105.9	17.2	0.5	0.8	242.6

Percentage change, quarter on corresponding quarter of previous year

Quarterly							
	FDAP	FDAQ	FDAR	FDAS	FDAT	FDAX	FDAO
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	*17.2*	*–6.7*	*–1.9*	*–1.0*	*–43.8*	*–*	*–0.5*
Q2	*9.9*	*–1.5*	*–2.3*	*–4.2*	*–9.6*	*–30.3*	*–0.2*
Q3	*5.7*	*2.1*	*–0.9*	*12.8*	*4.7*	*–29.0*	*2.4*
Q4	*–1.6*	*0.3*	*–2.5*	*16.6*	*6.1*	*–45.0*	*–0.1*
2002 Q1	*–7.7*	*2.9*	*–0.1*	*6.8*	*73.8*	*–43.7*	*–0.1*
Q2	*–19.8*	*4.3*	*3.6*	*5.6*	*73.5*	*5.5*	*–0.4*
Q3	*–9.6*	*–4.0*	*5.1*	*–8.8*	*11.4*	*–75.5*	*–2.4*
Q4	*9.4*	*–8.8*	*2.6*	*–16.3*	*–32.7*	*67.6*	*–1.6*
2003 Q1	*2.4*	*–6.9*	*–0.5*	*–1.3*	*–42.4*	*–56.2*	*–2.3*
Q2	*26.0*	*2.7*	*–4.0*	*2.9*	*–29.6*	*–89.0*	*3.1*
Q3	*9.5*	*–3.3*	*–3.8*	*–0.9*	*–13.6*	*–*	*–1.3*
Q4	*–2.6*	*5.1*	*1.3*	*–1.6*	*–2.7*	*–59.6*	*1.2*
2004 Q1	*1.0*†	*2.1*†	*3.7*†	*–4.3*	*42.8*	*61.0*†	*2.2*†
Q2	*–9.4*	*0.8*	*5.6*	*–16.9*	*–2.8*	*–*	*–0.6*
Q3	*1.4*	*–0.1*	*1.8*	*–9.6*	*42.9*	*–*	*0.5*
Q4	*–2.1*	*2.7*	*1.4*	*–7.7*	*49.1*	*92.5*	*0.7*

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 generation by solar PV. 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/dukes2003/01longterm.pdf**

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


Inland energy consumption
Million tonnes of oil equivalent, seasonally adjusted
120
100
80
60
40
20
0
Natural gas
Petroleum
Coal
Nuclear and
Hydro-electricity
2000
2001
2002
2003
2004
2005

6.1 Sterling exchange rates and UK reserves[4]

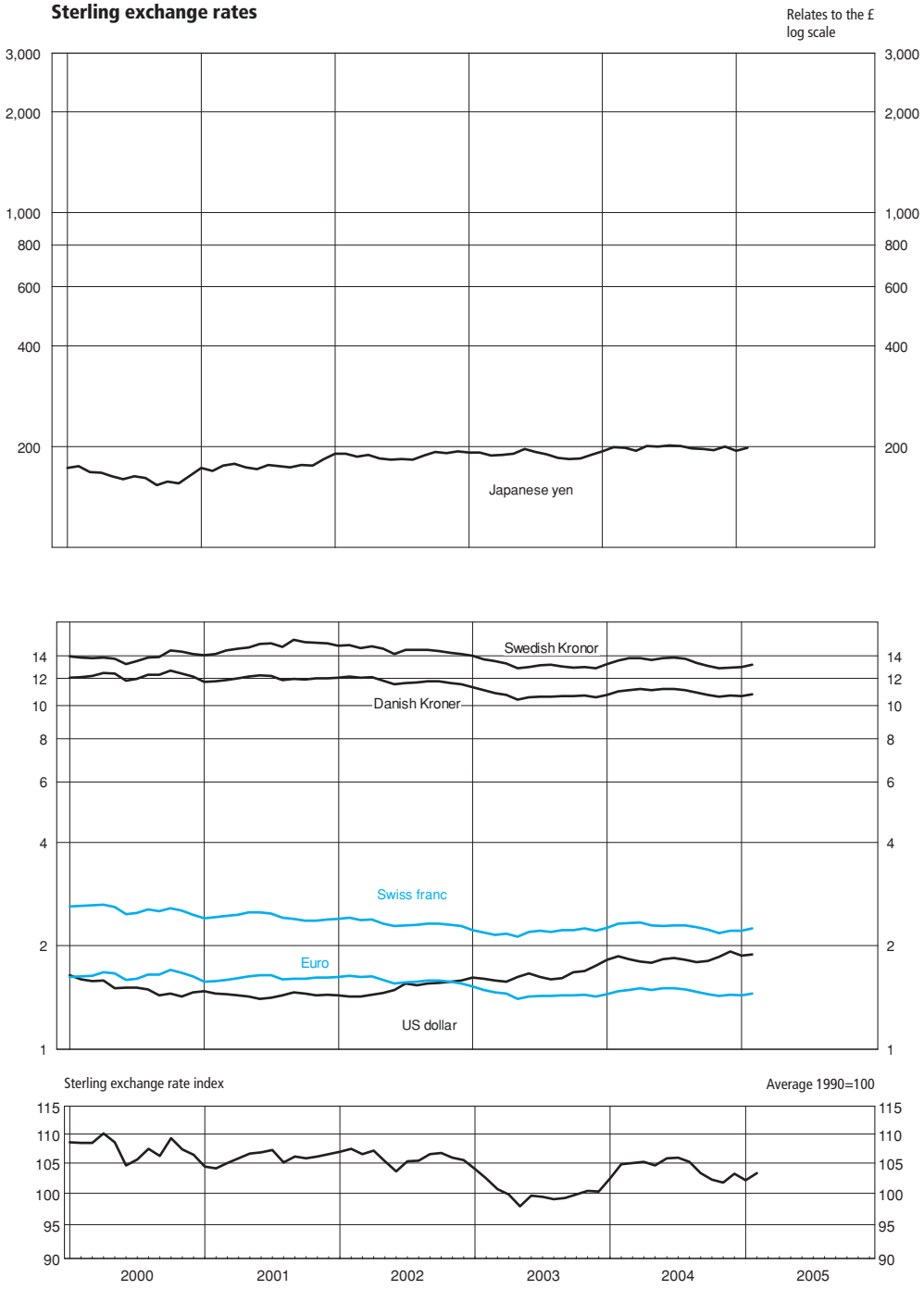
Not seasonally adjusted

	Sterling exchange rate against major currencies[1]								UK international reserves[3] at end of period (£ million)	Sterling exchange rate index 1990 = 100
	Japanese yen	US dollar	Swiss franc	Euro[2]	Danish kroner	Norwegian kroner	Swedish kronor	Hong Kong dollar		
Annual										
	AJFO	AUSS	AJFD	THAP	AJFK	AJFJ	AJFI	AJFU	THFE	AGBG
2000	163.40	1.5162	2.558	1.6422	12.240	13.324	13.870	11.8057	32 227	107.5
2001	174.90	1.4400	2.430	1.6087	11.987	12.944	14.886	11.2312	27 773	105.8
2002	187.84	1.5026	2.334	1.5909	11.821	11.953	14.570	11.7265	26 566	106.0
2003	189.34	1.6346	2.197	1.4456	10.742	11.562	13.189	12.7337	25 724	100.2
2004	198.10	1.8320	2.276	1.4739	10.965	12.342	13.453	14.2707	25 908	104.1
Quarterly										
2000 Q1	171.99	1.6067	2.617	1.6286	12.1257	13.206	13.835	12.4926	22 090	108.4
Q2	163.52	1.5334	2.568	1.6398	12.2271	13.466	13.584	11.9236	26 898	107.7
Q3	159.19	1.4784	2.522	1.6336	12.1862	13.232	13.726	11.5304	28 818	106.4
Q4	158.89	1.4464	2.523	1.6670	12.4250	13.394	14.333	11.2735	32 227	107.6
2001 Q1	172.26	1.4584	2.424	1.5814	11.7988	12.965	14.230	11.3765	30 457	104.5
Q2	174.19	1.4208	2.487	1.6280	12.1436	13.039	14.847	11.0866	30 632	106.4
Q3	174.67	1.4380	2.432	1.6152	12.0231	12.928	15.203	11.2092	29 662	106.1
Q4	178.45	1.4428	2.375	1.6111	11.9887	12.845	15.264	11.2548	27 773	106.1
2002 Q1	188.79	1.4260	2.396	1.6263	12.0863	12.700	14.895	11.1230	28 053	106.9
Q2	185.29	1.4630	2.329	1.5923	11.8379	11.956	14.564	11.4015	28 623	105.3
Q3	184.85	1.5495	2.305	1.5747	11.6973	11.662	14.538	12.0871	27 950	105.7
Q4	192.42	1.5720	2.304	1.5716	11.6733	11.494	14.285	12.2547	26 566	106.0
2003 Q1	190.67	1.6017	2.189	1.4937	11.0987	11.313	13.709	12.5030	26 388	102.3
Q2	191.90	1.6194	2.163	1.4256	10.5851	11.344	13.032	12.6352	25 199	99.1
Q3	189.14	1.6108	2.209	1.4300	10.6264	11.794	13.103	12.5605	26 954	99.2
Q4	185.64	1.7065	2.228	1.4334	10.6591	11.796	12.913	13.2305	25 724	100.2
2004 Q1	197.07	1.8391	2.306	1.4708	10.9571	12.703	13.507	14.2983	25 266	104.1
Q2	198.21	1.8052	2.305	1.4992	11.1529	12.387	13.712	14.0831	25 178	105.2
Q3	199.95	1.8189	2.285	1.4877	11.0633	12.478	13.627	14.1861	25 382	104.8
Q4	197.18	1.8648	2.206	1.4388	10.6958	11.798	12.966	14.5080	25 908	102.4
Monthly										
2002 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	24 743	104.0
Feb	192.12	1.6046	2.189	1.4893	11.091	11.262	13.652	12.5450	26 176	102.4
Mar	187.82	1.5836	2.152	1.4649	10.880	11.506	13.511	12.3503	26 388	100.6
Apr	188.79	1.5747	2.170	1.4505	10.771	11.347	13.279	12.2817	25 277	99.8
May	190.42	1.6230	2.125	1.4030	10.417	11.047	12.840	12.6579	25 427	97.9
Jun	196.49	1.6606	2.193	1.4234	10.569	11.638	12.978	12.9502	25 199	99.6
Jul	192.72	1.6242	2.209	1.4277	10.613	11.828	13.130	12.6671	25 785	99.4
Aug	189.42	1.5950	2.200	1.4286	10.617	11.800	13.186	12.4395	26 550	99.0
Sep	185.29	1.6131	2.219	1.4338	10.649	11.755	12.994	12.5590	26 954	99.2
Oct	183.76	1.6787	2.220	1.4334	10.651	11.807	12.917	12.9962	26 131	99.8
Nov	184.47	1.6901	2.250	1.4426	10.729	11.832	12.973	13.1201	26 617	100.4
Dec	188.70	1.7507	2.214	1.4246	10.602	11.749	12.850	13.5923	25 724	100.3
2004 Jan	193.82	1.8234	2.262	1.4447	10.760	12.425	13.203	14.1598	25 329	102.4
Feb	199.16	1.8673	2.324	1.4774	11.008	12.983	13.566	14.5165	24 689	104.8
Mar	198.22	1.8267	2.332	1.4890	11.092	12.701	13.752	14.2349	25 266	105.0
Apr	194.04	1.8005	2.337	1.5022	11.182	12.458	13.775	14.0381	25 377	105.2
May	200.69	1.7876	2.293	1.4894	11.082	12.222	13.594	13.9374	24 819	104.6
Jun	199.91	1.8275	2.285	1.5050	11.189	12.482	13.767	14.2499	25 178	105.8
Jul	201.66	1.8429	2.294	1.5023	11.170	12.730	13.818	14.3740	24 579	105.9
Aug	200.87	1.8216	2.297	1.4933	11.105	12.437	13.725	14.2077	25 189	105.2
Sep	197.32	1.7922	2.265	1.4676	10.916	12.268	13.337	13.9777	25 382	103.3
Oct	196.54	1.8065	2.229	1.4455	10.751	11.895	13.093	14.0707	25 557	102.2
Nov	194.76	1.8603	2.177	1.4311	10.635	11.658	12.877	14.4662	25 757	101.7
Dec	200.23	1.9275	2.212	1.4401	10.705	11.841	12.928	14.9890	25 908	103.2
2005 Jan	193.97	1.8764	2.217	1.4331	10.664	11.783	12.979	14.6292	25 840	102.1
Feb	198.10	1.8871	2.248	1.4499	10.791	12.064	13.172	14.7185	..	103.3

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 1.2I of *Financial Statistics*.
4 These figures fall outside the scope of National Statistics.

Source: Bank of England: Enquiries 020 7601 4342

Sterling exchange rates



6.2 Monetary aggregates[1,3]

	M0				M4			
	Amount outstanding[2] (NSA)				Amount outstanding (NSA)			
	£ million	Annual percentage change	Amount outstanding (£ million) +	Velocity of circulation: ratio	£ million	Annual percentage change	Amount outstanding (£ million) +	Velocity of circulation: ratio
Annual								
	AVAD	VQNB	AVAE	AVAM	AUYM	VQLC	AUYN	AUYU
2000	34 566	5.5	32 494†	30.34	884 839	8.2	885 785†	1.12
2001	37 319	8.0	35 109	29.68	942 433	6.7	943 262	1.09
2002	39 540	6.0	37 251	28.86	1 008 684	7.3	1 009 283	1.08
2003	42 317	7.0	39 964	28.38	1 081 136	7.3	1 081 460	1.07
2004	44 466	5.1	42 293	..	1 175 544†	8.9	1 175 543	..
Quarterly								
						VQRY		
2000 Q1	29 968	7.7	30 562†	30.46	836 240	5.4	835 042†	1.15
Q2	30 896	7.0	31 217	30.58	856 220	6.9	853 476	1.12
Q3	31 821	8.0	31 875	30.39	866 379	9.0	869 163	1.11
Q4	34 566	5.5	32 494	29.93	884 839	8.2	885 785	1.10
2001 Q1	32 489	8.4	33 119	29.79	905 800	8.3	905 308	1.10
Q2	32 896	6.5	33 268	29.92	921 571	7.6	918 170	1.09
Q3	33 797	6.2	33 938	29.65	937 071	8.4	939 912	1.08
Q4	37 319	8.0	35 109	29.35	942 433	6.7	943 262	1.08
2002 Q1	35 157	8.2	35 558	28.86	955 196	5.7	955 478	1.08
Q2	36 225	10.1	36 601	28.89	975 699	6.1	971 578	1.08
Q3	36 511	8.0	36 661	28.94	989 475	5.9	992 458	1.08
Q4	39 540	6.0	37 251	28.74	1 008 684	7.3	1 009 283	1.07
2003 Q1	37 184	5.8	37 910	28.75†	1 020 586	7.1	1 021 673	1.07
Q2	38 403	6.0	38 838	28.18	1 047 964	7.9	1 043 053	1.06
Q3	39 348	7.8	39 491	28.34	1 051 114	6.6	1 054 334	1.07
Q4	42 317	7.0	39 964	28.23	1 081 136	7.3	1 081 460	1.06
2004 Q1	39 812	7.1	40 604	28.19	1 101 914†	7.9	1 103 790	1.04
Q2	41 109	7.0	41 320	28.13	1 133 739	8.1	1 127 852	1.03
Q3	41 749	6.1	41 770	28.05	1 148 269	9.0	1 152 102	1.02
Q4	44 466	5.1	42 293	..	1 175 544	8.9	1 175 543	..
Monthly								
						VQLC		
2003 Jan	37 230	4.0	37 382†	..	994 391	6.7	1 003 251†	..
Feb	36 946	6.3	37 724	..	1 004 810	6.8	1 011 701	..
Mar	37 184	5.8	37 910	..	1 020 586	7.1	1 018 243	..
Apr	38 590	9.1	38 586	..	1 029 181	8.1	1 028 997	..
May	38 827	8.9	38 937	..	1 033 184	8.2	1 031 083	..
Jun	38 403	6.0	38 838	..	1 047 964	7.9	1 039 772	..
Jul	38 938	8.0	39 195	..	1 036 594	7.3	1 039 186	..
Aug	39 579	7.9	39 438	..	1 040 193	6.2	1 038 728	..
Sep	39 348	7.8	39 491	..	1 051 114	6.6	1 050 532	..
Oct	39 416	7.3	39 658	..	1 054 714	6.4	1 053 343	..
Nov	40 149	8.0	39 998	..	1 070 461	7.1	1 067 667	..
Dec	42 317	7.0	39 964	..	1 081 136	7.3	1 080 015	..
2004 Jan	40 222	8.0	40 245	..	1 080 413†	8.7	1 089 664	..
Feb	39 448	6.8	40 299	..	1 087 984	8.4	1 096 231	..
Mar	39 812	7.1	40 604	..	1 101 914	7.9	1 100 641	..
Apr	40 799	5.7	40 776	..	1 109 181	7.6	1 106 836	..
May	40 668	4.7	40 989	..	1 121 505	8.3	1 119 640	..
Jun	41 109	7.0	41 320	..	1 133 739	8.1	1 124 906	..
Jul	41 115	5.6	41 376	..	1 133 564	9.2	1 135 151	..
Aug	41 489	4.8	41 456	..	1 142 896	9.8†	1 142 585	..
Sep	41 749	6.1	41 770	..	1 148 269	9.0	1 146 942	..
Oct	41 722	5.8	41 958	..	1 157 202	9.5	1 156 832	..
Nov	42 222	5.2	42 062	..	1 164 517	8.7	1 162 550	..
Dec	44 466	5.1	42 293	..	1 175 544	8.9	1 171 456	..
2005 Jan	42 700	6.2	42 532	..	1 172 370	8.7	1 184 015	..

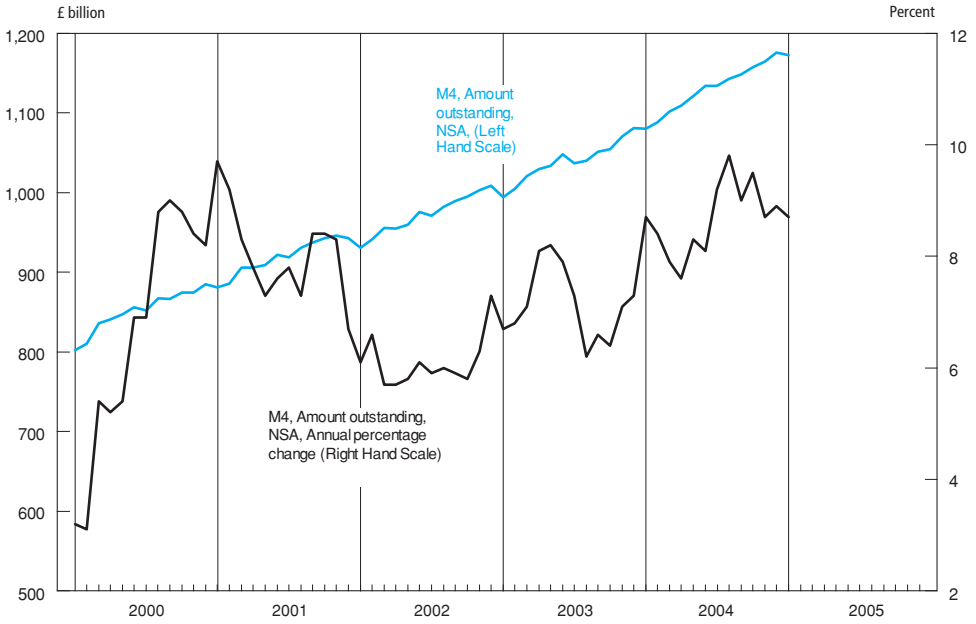
1 A fuller range of monetary aggregates is published monthly in the ONS publication *Financial Statistics*.

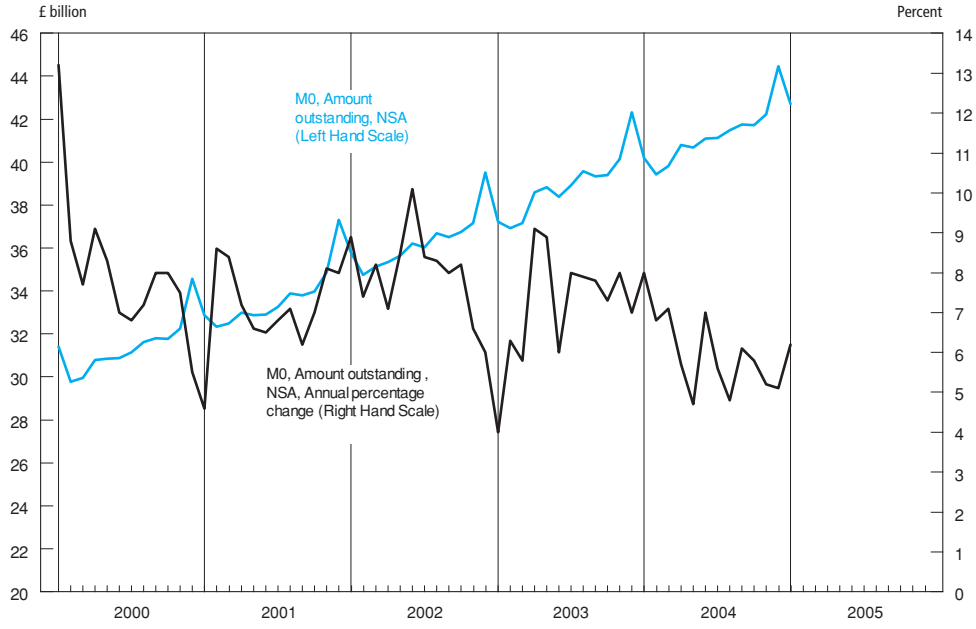
2 The monthly figures for M0 give the average of the amounts outstanding each Wednesday during the calendar month.

3 These figures fall outside the scope of National Statistics .

Source: Bank of England; Enquiries 020 7601 5467

Monetary aggregates





6.3 Counterparts to changes in money stock M4[1,4]

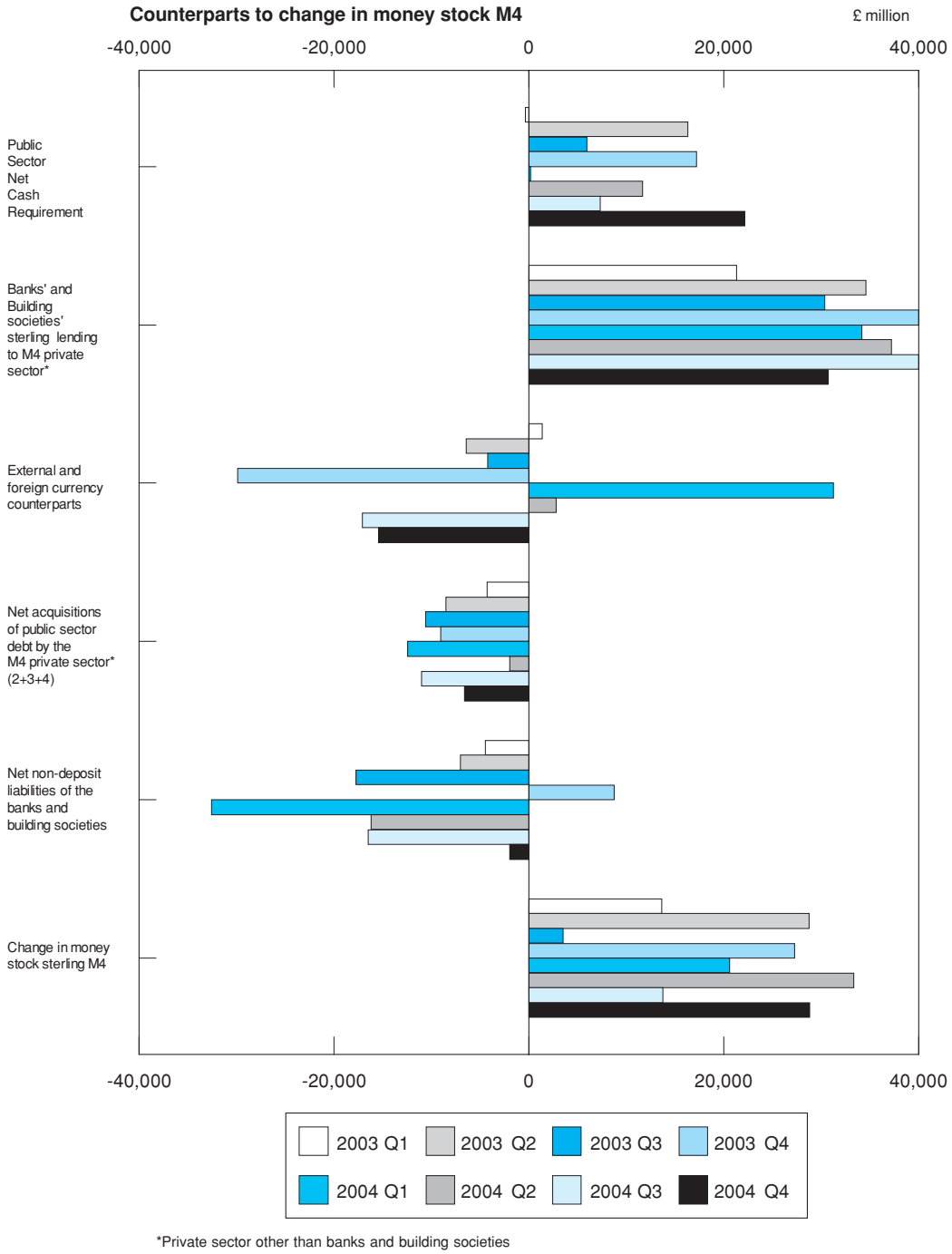
£ million, not seasonally adjusted

	Public Sector Net Cash Requirement+[3]	Purchases by the M4[2] private sector of: Central government debt: British government stocks	Central government debt: Other	Other public sector debt	External and foreign currency financing of public sector: Purchase of British government stocks by overseas sector	External and foreign currency financing of public sector: Other	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
	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	–37 525	11 388	1 773	375	4 040	7 657	111 224	7 073	–30 945	87 475	10 689	67 220
2001	–2 891	10 009	–2 453	191	318	4 194	82 446	–21 638	–10 784	87 415	–17 763	58 868
2002	18 240†	–8 383	–637	–173	–897	1 588	107 655	–24 960	–25 295	116 710	–22 474	68 942
2003	39 023	–22 408	–9 680	–422	10 378	–3 067	126 462	–25 773	–20 471	132 856	–39 213	73 172
2004	41 262	–25 478†	–5 485†	–1 130†	1 777†	–158†	153 365†	3 432†	–67 329†	162 360†	1 497†	96 529†
Quarterly												
2000 Q1	–12 877	5 013	–1 279	–336	2 141	2 577	36 671	–2 568	–5 922	27 427	–2 133	19 372
Q2	–11 822	–4 104	6 720	147	–1 017	3 301	25 254	278	–1 472	16 198	4 596	19 323
Q3	–16 489	5 653	–190	269	540	1 281	27 255	5 374	–13 189	16 491	6 115	9 417
Q4	3 663	4 826	–3 478	295	2 376	498	22 044	3 989	–10 362	27 359	2 111	19 108
2001 Q1	–12 566	4 488	–1 100	–268	–2 356	3 734	31 075	–7 737	1 272	21 643	–1 647	21 267
Q2	6 325	3 472	–483	233	4 549	1 000	21 194	–7 294	–4 293	30 821	–10 843	15 685
Q3	–6 128	1 046	3 398	95	–2 931	1 287	15 710	7 253	–8 868	14 141	11 470	16 744
Q4	9 478	1 003	–4 268	131	1 056	–1 827	14 467	–13 860	1 105	20 810	–16 743	5 172
2002 Q1	–6 323	–679	3 699	–260	–1 045	2 398	24 732	–7 112	–3 149	21 165	–3 669	14 347
Q2	7 069	–1 330	–2 963	101	–266	–1 001	24 507	1 725	–8 180	27 428	991	20 239
Q3	408†	–2 432	342	10	–1 960	208	34 214	–8 566	–11 055	32 586	–6 398	15 133
Q4	17 086	–3 942	–1 715	–24	2 374	–17	24 202	–11 007	–2 911	35 531	–13 398	19 223
2003 Q1	–405	–3 092	–1 088	–127	1 934	430	21 283	2 888	–4 478	16 748	1 386	13 655
Q2	16 304	–4 087	–4 369	–70	2 855	–2 099	34 559	–1 499	–7 011	42 189	–6 452	28 726
Q3	5 939	–11 652	1 093	–50	980	–1 222	30 341	–2 037	–17 745	25 487	–4 238	3 504
Q4	17 185	–3 577	–5 316	–175	4 609	–176	40 279	–25 125	8 763	48 432	–29 909	27 287
2004 Q1	143	–10 790	–977	–725	978	1 670	34 150	30 559†	–32 576	21 939	31 251†	20 614†
Q2	11 646	–1 917	140	–176	2 204	–136	37 233†	5 153	–16 206	46 736†	2 812	33 343
Q3	7 314	–9 497	–1 505	–50	125	–1 441	51 278	–15 553	–16 544†	47 413	–17 119	13 750
Q4	22 159	–3 274†	–3 143†	–179†	–1 530†	–251†	30 704	–16 727	–2 003	46 272	–15 447	28 822
Monthly												
2003 Jan	–11 654†	–4 053	1 610	–203	1 138	761	4 743	10 453	–15 024	–9 529	10 076	–14 477
Feb	–134	–870	271	347	–1 402	–245	11 024	–12 268	10 831	10 674	–11 111	10 394
Mar	11 383	1 831	–2 969	–270	2 198	–86	5 515	4 704	–285	15 603	2 421	17 738
Apr	289	–5 478	1 608	–195	–1 322	–940	10 969	1 443	–23	7 153	1 825	8 954
May	5 841	4 670	–4 981	152	4 784	–233	10 537	5 169	–10 802	16 155	152	5 505
Jun	10 174	–3 279	–996	–27	–607	–926	13 052	–8 110	3 814	18 881	–8 429	14 266
Jul	–6 148	–5 674	3 288	–188	–1 339	880	7 476	–658	–11 340	–1 297	1 560	–11 077
Aug	3 607	–4 139	–1 654	99	228	–771	5 309	–9 987	11 451	3 141	–10 985	3 607
Sep	8 480	–1 839	–541	38	2 091	–1 331	17 557	8 609	–17 856	23 643	5 187	10 975
Oct	–1 644	–7 308	2 068	–108	–1 161	3 016	23 106	–21 921	5 455	16 163	–17 744	3 874
Nov	5 796	6 269	–5 387	–70	7 050	–49	9 428	9 381	–3 004	16 009	2 282	15 288
Dec	13 033	–2 537	–1 997	4	–1 280	–3 143	7 744	–12 586	6 312	16 260	–14 448	8 125
2004 Jan	–14 445	–3 206	3 794	–355	–786	3 019	20 947	7 266†	–18 898	6 774	11 071†	–1 054†
Feb	–152	–4 064	–538	172	1 267	225	4 702	12 056	–3 567	208	11 013	7 654
Mar	14 740	–3 521	–4 233	–542	497	–1 574	8 501	11 237	–10 110	14 957	9 166	14 013
Apr	–2 240	–5 084	2 975	–94	–1 908	80	10 353	6 659	–7 165	5 835	8 647	7 317
May	3 229	–2 487	904	20	1 168	–68	8 490†	3 550	345	10 053†	2 314	12 712
Jun	10 657	5 654	–3 739	–102	2 944	–148	18 391	–5 057	–9 385	30 848	–8 149	13 314
Jul	–6 880	–4 948	519	252	–947	–117	14 246	902	–5 145†	3 174	1 732	–240
Aug	3 260	784	1 567	–153	3 248	409	14 827	–5 837	–1 938	20 271	–8 676	9 657
Sep	10 934	–5 332	–3 591	–148	–2 176	–1 733	22 204	–10 618	–9 461	23 968	–10 175	4 333
Oct	–1 487	–3 041	653	–31	1 346	–56	14 640	–6 361	5 990	10 711	–7 763	8 938
Nov	9 018	2 580†	–1 882	8	–1 430†	286	1 751	–1 955	–2 543	11 443	–239	8 660
Dec	14 628	–2 812	–1 914†	–156†	–1 446	–480†	14 312	–8 411	–5 450	24 118	–7 445	11 223
2005 Jan	–16 810	–3 004	–413	–3	1 958	1 714	16 602	–1 858	2 626	–3 694	–2 102	–3 170
Feb	616	..	..	..	..	..	..	..	..	..	..	..

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

1 A wider range of figures is published monthly in *Financial Statistics.*
2 The M4 private sector comprises all UK residents other than the public sector, banks and building societies.
3 Formerly called the Public Sector Borrowing Requirement.
4 Columns 2 -12 do not contain National Statistics data.

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



*Private sector other than banks and building societies

6.4 Public sector receipts and expenditure

£ million, not seasonally adjusted

	Public sector current expenditure							Public sector current receipts								
	Current expenditure on goods and services	Subsidies	Net Social Benefits	Net current grants abroad	Other current grants	Interest paid to private sector and RoW	Total current expenditure	Operating surplus	Taxes on production	Taxes on income and wealth	Taxes on capital	Other Current taxes	Compulsory social contributions	Interest/divide from private-/RoW	Rent and other current transfers	Total current receipts
Annual																
	GZSN	NMRL	ANLY	GZSI	NNAI	ANLO	ANLT	ANBP	NMYE	ANSO	NMGI	NVCM	ANBO	ANBQ	ANBS	ANBT
2001	189 700	5 787	123 865	–2 134	18 749	23 599	359 566	17 644	132 195	147 575	2 396	19 626	62 887	5 390	2 260	389 071
2002	208 582	5 760	127 395	–539	22 793	21 320	385 311	16 760	138 513	142 402	2 381	21 236	63 520	4 409	2 199	390 544
2003	229 383	7 121	133 490	–855	26 575†	22 571	418 093	17 960	145 668†	143 499	2 416	23 397†	72 505	4 407	1 798	411 035
2004	..	..	..	..	29 857	..	..	..	154 141	..	2 866	24 823	..	..	..	..
Quarterly																
2001 Q1	45 789	1 305	29 293	–261	4 785	6 313	87 224	4 228	31 498	47 192	569	4 504	17 957	1 700	753	108 186
Q2	46 894	1 511	30 011	–259	4 761	5 991	88 909	4 334	32 820	29 131	612	5 099	14 518	1 283	406	87 974
Q3	47 738	1 543	31 164	–1 294	4 314	5 328	88 793	4 345	33 815	35 513	617	5 068	15 064	1 275	698	96 166
Q4	49 279	1 428	33 397	–320	4 889	5 967	94 640	4 737	34 062	35 739	598	4 955	15 348	1 132	403	96 745
2002 Q1	50 534	1 177	30 325	12	5 520	5 214	92 782	4 279	32 710	44 764	556	5 043	18 231	1 027	654	107 033
Q2	52 154	1 468	31 292	–126	5 622	5 423	95 833	4 130	33 954	28 730	607	5 387	14 624	1 085	442	88 744
Q3	52 672	1 476	31 939	–375	6 253	4 617	96 582	4 231	35 840	35 760	619	5 436	14 972	1 126	672	98 441
Q4	53 222	1 639	33 839	–50	5 398	6 066	100 114	4 120	36 009	33 148	599	5 370	15 693	1 171	431	96 326
2003 Q1	55 561	1 718	31 857	–75	6 021	5 231	100 313	4 371	34 030†	45 504	545	5 416	18 239	1 138	598	109 681
Q2	57 799	1 794	32 443	–185	7 134†	5 805	104 722	4 308	36 413	29 371	606	5 896†	17 697	1 060	397	95 603
Q3	57 065	1 828	33 433	–295	6 378	5 374	103 724	4 463	36 489	36 240	631	6 033	18 199	1 066	403	103 362
Q4	58 958	1 781	35 757	–300	7 042	6 161	109 334	4 818	38 736	32 384	634	6 052	18 370	1 143	400	102 389
2004 Q1	59 478	1 841	33 459	–137	7 787	5 466	107 834	4 564	36 767	47 647	650	6 060	20 799	1 144	399	117 983
Q2	60 484	2 111	34 780	–215	7 041	5 707	110 068	4 431	38 385	32 542	726	6 216	18 235	1 177	400	102 011
Q3	62 207	1 969	34 593	–18	8 111	5 824	111 972	4 473	38 766	39 792	754	6 315	18 788	1 209	383	110 509
Q4	..	..	..	..	6 918	..	..	..	40 223	..	736	6 232	..	..	..	..

Sources: Office for National Statistics;
Enquiries 020 7533 5987

6.5 Public sector key fiscal indicators[1]

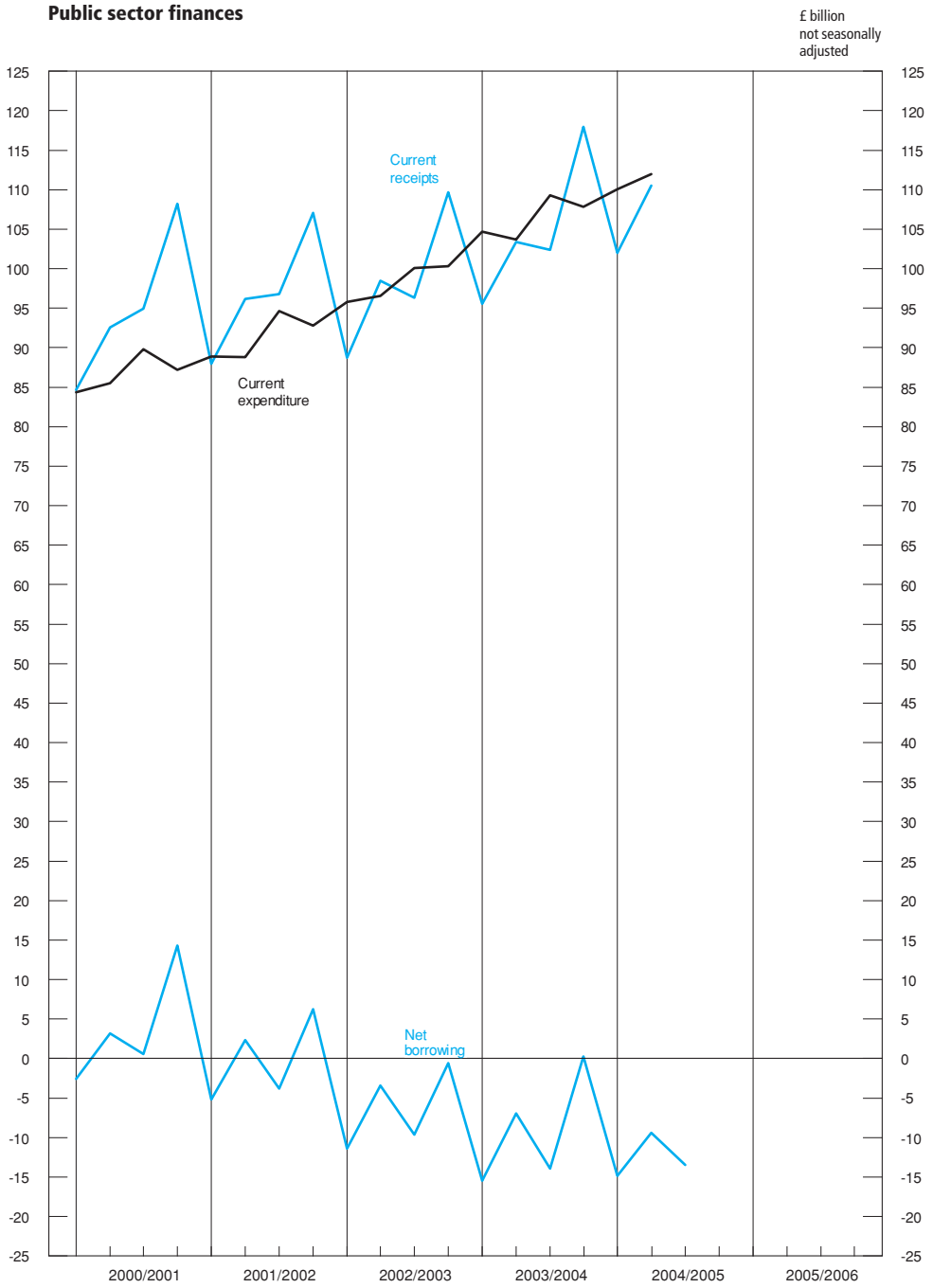
£ million[5], not seasonally adjusted

	Surplus on current budget[2]		Net investment[3]		Net borrowing[4]		Net cash requirement		Public sector net debt	
	General Government	Public Sector	General Government	Public Sector	General Government	Public Sector	General Government	Public Sector	£ billion[6]	% of GDP[7]
Annual										
	ANLW	ANMU	-ANNV	-ANNW	NNBK	ANNX	RUUS	RURQ	RUTN	RUTO
2001	17 190	16 642†	9 328	8 949†	7 922†	7 693†	–3 768	–2 891	319.1	31.4
2002	–6 190	–8 302	11 078	9 985	–17 246	–18 287	16 421	18 240†	345.2†	32.2
2003	–19 544	–21 810	16 524	15 080	–36 314	–36 890	38 215	39 023	375.6	33.2
2004	..	–22 355	..	15 174	–38 829	–37 529	..	41 262	417.7	35.1†
Quarterly										
2001 Q1	18 147	17 806†	3 607	3 470†	14 586†	14 336†	–13 094	–12 566	307.2	31.3
Q2	–3 981	–4 148	1 062	1 023	–5 035	–5 171	6 246	6 325	314.7	31.6
Q3	4 262	4 147	1 977	1 818	2 293	2 329	–6 322	–6 128	308.5	30.7
Q4	–1 238	–1 163	2 682	2 638	–3 922	–3 801	9 402	9 478	319.1	31.4
2002 Q1	11 449	10 999	4 861	4 793	6 598	6 206	–6 383	–6 323	311.7	30.2
Q2	–9 938	–10 417	1 279	981	–11 207	–11 398	7 126	7 069	318.7	30.5
Q3	–1 164	–1 522	2 430	1 925	–3 584	–3 447	–145	408†	321.8†	30.4†
Q4	–6 537	–7 362	2 508	2 286	–9 053	–9 648	15 823	17 086	345.2	32.2
2003 Q1	6 536	5 802	6 270	6 375	352	–573	–1 305	–405	342.4	31.5
Q2	–12 110	–12 846	3 626	2 625	–15 887	–15 471	16 404	16 304	350.8	31.9
Q3	–3 577	–4 059	3 155	2 871	–6 829	–6 930	6 036	5 939	356.1	31.9
Q4	–10 393	–10 707	3 473	3 209	–13 950	–13 916	17 080	17 185	375.6	33.2
2004 Q1	7 075	6 155	6 117	5 901	744	254	506	143	376.0	32.9
Q2	–11 311	–12 603	2 520	2 259	–15 177	–14 862	11 561	11 646	389.0	33.6
Q3	–4 919	–6 233	4 098	3 199	–9 548	–9 432	6 972	7 314	395.2	33.7
Q4	..	–9 674	..	3 815	–14 848	–13 489	..	22 159	417.7	35.1

1 National accounts entities as defined under the European System of Accounts 1995 (ESA95).
2 Net saving, plus capital taxes.
3 Gross capital formation, plus payments less receipts, of investment grants less depreciation.
4 Net borrowing = surplus on current budget minus net investment.
5 Unless otherwise stated
6 Net amount outstanding at end of period.
7 Net debt at end of the month, Gross domestic product at market prices for 12 months centred on the end of the month.

Sources: Office for National Statistics;
Enquiries 020 7533 5984

Public sector finances



6.6 Consumer credit and other household sector borrowing

£ million

	Consumer credit								
	Total consumer credit[1,3]	of which: credit cards[1,2,3]	of which: other[1,2,3]	Banks[1]	Building Societies' Class 3 Loans[1]	Other specialist lenders[3]	Retailers	Insurance companies	Loans secured on dwellings (NSA[1])
Amounts outstanding: quarterly									
	VZRI	VZRJ	VZRK	VRVV	VZRG	VZRH	RLBO	VZQZ	AMWT
1999 Q1	105 893†	28 434	77 508†	75 714†	298	25 850†	2 698	1 319	463 305
Q2	109 035	29 665†	79 388	77 789	312	26 773	2 692	1 383	472 731
Q3	112 309	30 759	81 599	80 466	329	27 492	2 656	1 400	484 271
Q4	115 488	32 091	83 288	82 727	297	28 303	2 776	1 462	494 201
2000 Q1	119 269	33 449	85 866	86 026	315	28 843	2 664	1 415	503 561
Q2	122 006	34 924	87 092	88 714	315	28 941	2 611	1 310	514 841
Q3	124 327	36 301	88 071	91 037	349	29 132	2 554	1 273	525 844
Q4	127 321	37 616	89 586	94 318	392	29 008	2 505	1 197	535 753
2001 Q1	129 072	38 010	91 129	95 819	412	29 118	2 524	1 229	546 467
Q2	132 940	39 405	93 518	100 286	424	28 331	2 506	1 221	561 434
Q3	136 035	40 016	96 046	103 430	447	28 478	2 521	1 206	577 456
Q4	140 945	41 747	99 158	107 837	436	29 096	2 483	1 178	591 573
2002 Q1	144 308	43 411	100 945	111 025	463	29 187	2 505	1 183	606 729
Q2	147 210	43 423	103 769	113 156	460	29 638	2 568	1 193	626 121
Q3	152 962	45 949	106 984	118 320	523	30 426	2 560	1 196	653 083
Q4	157 043	47 222	109 847	120 968	610	31 807	2 540	1 182	675 769
2003 Q1	156 582	43 854	112 706	116 819	625	35 668	2 520	1 033	696 229
Q2	161 202	45 789	115 351	119 715	672	37 442	2 213	933	718 960
Q3	164 299	47 568	116 677	121 825	736	38 807	2 167	824	747 050
Q4	166 275	47 734	118 686	122 828	766	39 905	2 154	701	775 358
2004 Q1	170 352	49 092	121 237	127 219	751	39 701	2 072	690	799 633
Q2	174 649	50 454	124 133	130 843	777	40 100	2 039	698	826 937
Q3	178 241	51 603	126 554	133 810	836	40 942	1 993	676†	854 545
Q4	182 082	53 378	128 864	137 184	904	41 473	1 954	661	..
Amounts outstanding: monthly									
2003 Jan	157 658†	47 509†	110 149†	121 144†	601	32 033	2 546	1 143	..
Feb	154 829	43 744	111 085	119 836	616	30 348	2 548†	1 089	..
Mar	156 266	43 750	112 517	116 558	633	35 462	2 511	1 033	..
Apr	157 457	44 149	113 308	116 844	655	36 549	2 483	990	..
May	159 376	45 061	114 315	118 438	658	36 706	2 469	959	..
Jun	160 888	45 629	115 259	119 593	687†	37 534	2 209	933	..
Jul	162 205	46 264	115 941	120 915	700	37 697	2 193	904	..
Aug	163 301	46 831	116 470	121 685	716	37 677	2 197	868	..
Sep	164 045	47 531	116 514	121 693	725	38 821	2 158	824	..
Oct	165 429	47 984	117 445	121 872	732	39 884	2 153	776	..
Nov	166 025	47 851	118 174	122 472	730	40 128	2 153	732	..
Dec	166 097	47 558	118 539	122 548	738	39 994	2 143	701	..
2004 Jan	167 492	48 146	119 345	125 252	747	38 524	2 095	686	..
Feb	169 299	48 709	120 590	126 773	752	38 831	2 052	684	..
Mar	170 062	48 991	121 071	127 049	758	39 491	2 066	690	..
Apr	171 529	49 789	121 739	128 521	766	39 497	2 061	697†	..
May	172 353	49 932	122 421	128 934	784	39 718	2 041	700	..
Jun	174 334	50 280	124 054	130 786	792	40 208	2 036	698	..
Jul	176 046	51 282	124 764	132 211	805	40 353	2 022	692	..
Aug	177 163	51 367	125 796	132 638	812	40 772	2 001	684	..
Sep	178 129	51 576	126 553	133 951	822	40 991	1 985	676	..
Oct	179 392	52 250	127 142	135 151	834	41 000	1 975	669	..
Nov	180 800	52 681	128 119	135 963	849	41 526†	1 954	664	..
Dec	182 016	53 191	128 825	136 910	876	41 498	1 942	661	..
2005 Jan	184 019	54 109	129 910	138 455	893	41 739	1 922	653	..
Feb	185 275	54 767	130 508	139 509	913	41 834	1 901	645	..

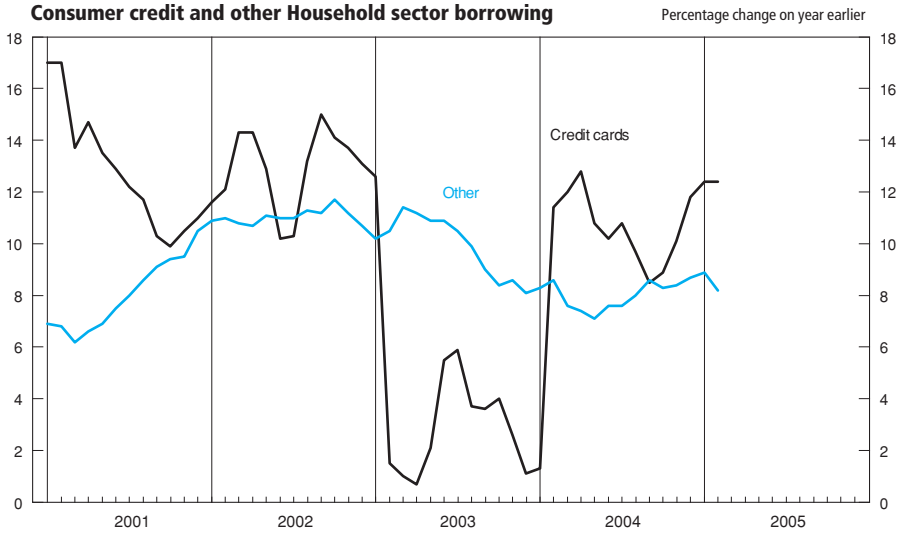
1 These figures fall outside the scope of National Statistics.

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.

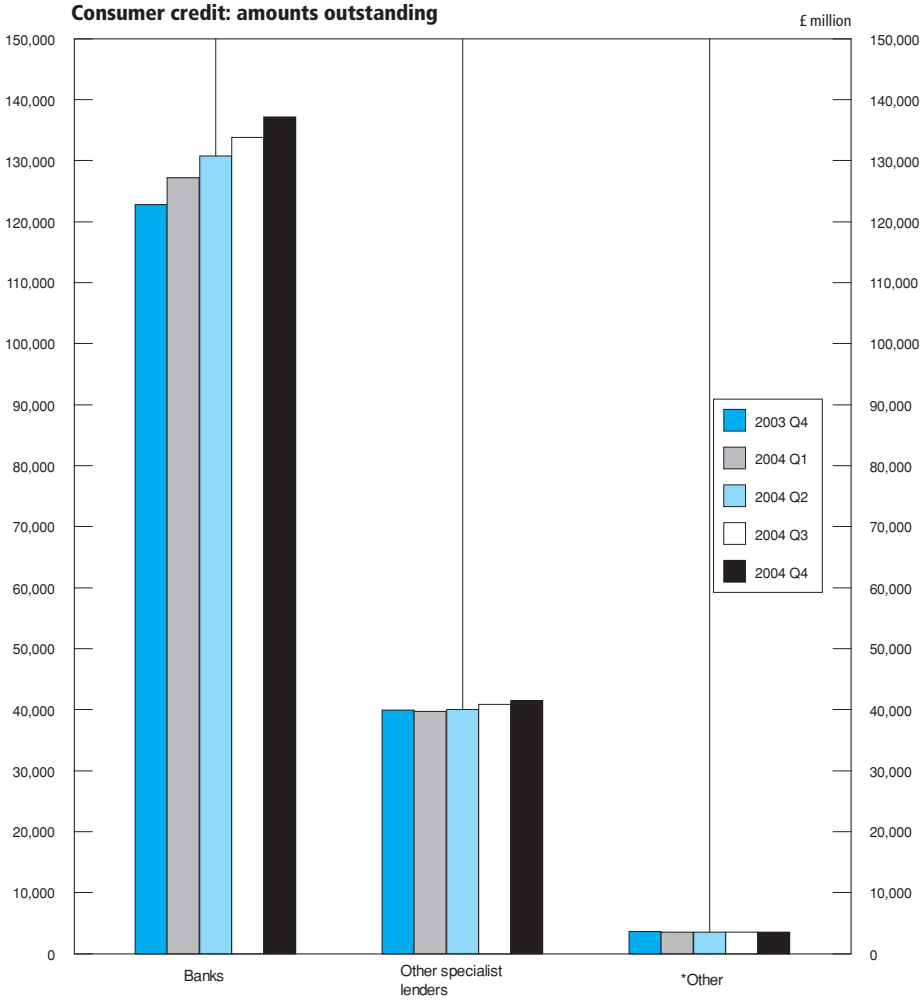
3 Data have been revised back to February 2003 due to the inclusion of some additional other specialist lenders and the removal of some non-resident based securitisation vehicles.

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

Consumer credit and other Household sector borrowing



Consumer credit: amounts outstanding



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

6.7 Analysis of bank lending to UK residents[1,3]

Amounts outstanding

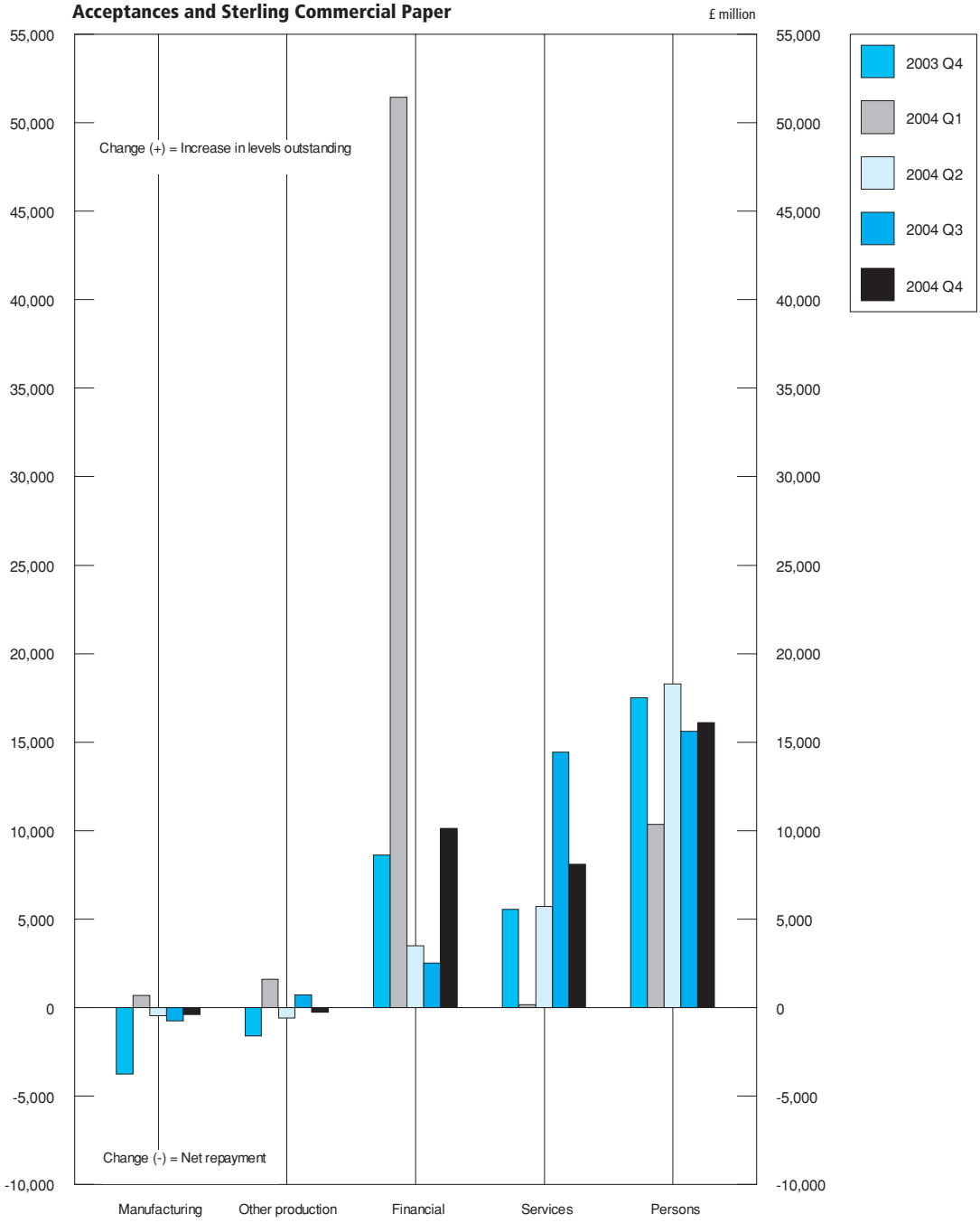
£ million, not seasonally adjusted

	Manufacturing[2]	Other production	Financial	Services	Persons	Total loans, advances and acceptances
Total Loans, Advances, Acceptances and Sterling Commercial paper						
	TBSF	BCEX	BCFH	BCFR	TBTW	TBSA
2003 Q3	47 320	34 662	382 383	247 501	606 819	1 318 686
Q4	43 090†	32 944	400 134	251 751	620 815	1 348 734
2004 Q1	43 295	34 468	442 482	251 277	631 534	1 403 058
Q2	42 857	33 780	446 852	256 301†	648 049†	1 427 840†
Q3	41 789	34 098	465 256	269 605	651 188	1 461 936
Q4	41 315	33 801	472 689†	276 837	667 312	1 491 955
Of which in sterling						
	TBUF	BCEY	BCFI	BCFS	TBVW	TBUA
2003 Q3	30 839	31 411	192 626	226 445	606 197	1 087 518
Q4	29 885†	30 196	197 213	233 127	620 255	1 110 676
2004 Q1	30 492	32 206	205 249	234 927	630 968	1 133 842
Q2	30 717	31 005	212 517	240 052†	647 406†	1 161 696†
Q3	29 527	31 346	239 330	251 547	650 440	1 202 189
Q4	29 102	30 870	244 248†	258 165	666 513	1 228 898
Changes in total lending (sterling)						
	TBWF	BCEZ	BCFJ	BCFT	TBXW	TBWA
2003 Q3	–1 589	–444	10 762	330	21 899	30 958
Q4	–954†	–1 215	3 951	7 321	17 532	26 635
2004 Q1	607	2 009	8 956	1 831	10 337	23 741
Q2	268	–1 086	7 729	5 913†	18 208	31 032†
Q3	–700	767	12 657	12 797	15 513†	41 034
Q4	–424	–476	4 918†	7 083	16 028	27 128
Changes in total lending (foreign currencies)						
	TBYF	BCFA	BCFK	BCFU	TBZW	TBYA
2003 Q3	–649	–253	10 714	193	86	10 091
Q4	–2 808	–381	4 685	–1 763	–36	–304
2004 Q1	98	–391	42 495	–1 669	31	40 565
Q2	–720	500	–4 220	–201	74	–4 566
Q3	–38†	–53	–10 122	1 646	98	–8 469†
Q4	50	230	5 206†	1 024	64	6 574
Facilities granted						
	TCAF	BCFB	BCFL	BCFV	TCBW	TCAA
2003 Q3	91 556	65 423	430 560	345 907	681 360	1 614 805
Q4	85 024†	63 718	448 821	350 416	700 354	1 648 333
2004 Q1	86 665	65 661	495 863	356 278	715 332	1 719 799
Q2	81 948	63 173	503 124	358 914†	736 411†	1 743 570†
Q3	80 535	65 844	525 645	375 653	739 016	1 786 692
Q4	80 540	67 658	532 527†	387 539	754 493	1 822 757
Of which in sterling						
	TCCF	BCFC	BCFM	BCFW	TCDW	TCCA
2003 Q3	54 779	50 738	225 865	303 029	680 456	1 314 867
Q4	52 643†	50 156	232 387	311 502	699 570	1 346 258
2004 Q1	54 544	52 601	241 801	318 446	714 560	1 381 952
Q2	53 145	49 808	250 019	320 813†	735 564†	1 409 350†
Q3	51 222	52 027	279 288	335 638	738 108	1 456 283
Q4	51 962	53 583	284 725†	347 690	753 514	1 491 474
Changes in sterling (facilities granted)						
	TCEF	BCFD	BCFN	BCFX	TCFW	TCEA
2003 Q3	75	59	11 785	2 161	23 545	37 625
Q4	–2 135†	–581	5 886	9 112	22 588	34 869
2004 Q1	1 910	2 442	10 363	6 971	14 614	36 300
Q2	–1 370	–2 712	8 642	3 120†	22 910†	30 589†
Q3	–1 433	2 645	15 112	16 275	15 022†	47 621
Q4	740	1 556	5 437†	12 516	15 361	35 610
Changes in foreign currencies (facilities granted)						
	TCGF	BCFE	BCFO	BCFY	TCHW	TCGA
2003 Q3	–1 891	–636	10 639	1 820	128	10 061
Q4	–2 837	–341	4 003	–2 090	–85	–1 350
2004 Q1	868	–158	47 412	105	22	48 250
Q2	–3 525	217	–2 401	8	69	–5 633
Q3	237†	361	–8 606	1 601	52	–6 355†
Q4	–69	704	4 800†	983	85	6 504

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 Includes lending under DTI special scheme for domestic shipbuilding.
3 These figures fall outside the scope of National Statistics.

Source: Bank of England; Enquiries 020 7601 5360

Analysis of bank lending to UK residents: Total Loans, Advances, Acceptances and Sterling Commercial Paper



6.8 Interest rates, security prices and yields[5]

Percentage rate

	Last Friday						Last working day	Average of working days
	Treasury bill yield[1]	Inter-bank 3 months bid rate[3]	Inter-bank 3 months offer rate[2]	Sterling certif-icates of deposit 3 months bid rate	Sterling certif-icates of deposit 3 months offer rate	Selected retail banks: base rate	Euro-dollar 3 month rate	British govern-ment securities: long dated[3] - 20 years
Annual								
	AJRP	HSAJ	HSAK	HSAL	HSAM	ZCMG	AJIB	AJLX
2001	3.87	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
2004	4.75†	4.81	4.84	4.78	4.82	..	2.56	4.77
Monthly								
2001 Jan	5.57	5.69	5.72	5.66	5.72	6.00	5.35	4.51
Feb	5.46	5.53	5.56	5.50	5.53	5.75	5.01	4.57
Mar	5.29	5.44	5.47	5.40	5.43	5.75	4.86	4.56
Apr	5.11	5.25	5.28	5.23	5.25	5.50	4.27	4.86
May	5.02	5.16	5.19	5.16	5.17	5.25	3.95	4.99
Jun	5.10	5.19	5.25	5.18	5.18	5.25	3.80	5.07
Jul	5.04	5.16	5.22	5.16	5.17	5.25	3.60	5.03
Aug	4.71	4.84	4.88	4.83	4.84	5.00	3.43	4.81
Sep	4.33	4.41	4.47	4.41	4.51	4.75	2.52	4.93
Oct	4.16	4.13	4.19	4.10	4.13	4.50	2.15	4.80
Nov	3.81	3.94	4.00	3.92	3.96	4.00	2.00	4.51
Dec	3.87	4.03	4.06	3.98	4.02	4.00	1.83	4.75
2002 Jan	3.90	3.97	4.03	3.97	3.99	4.00	1.86	4.81
Feb	3.91	3.97	4.00	3.91	3.95	4.00	1.85	4.83
Mar	4.04	4.09	4.16	4.09	4.11	4.00	2.00	5.11
Apr	3.98	4.06	4.13	4.05	4.06	4.00	1.86	5.13
May	4.04	4.09	4.13	4.09	4.11	4.00	1.82	5.18
Jun	3.97	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	4.30	4.33	4.30	4.32	4.00	1.05	4.67
Apr	4.31	4.35	4.39	4.35	4.37	4.00	1.11	4.87
May	4.54	4.56	4.59	4.55	4.59	4.25	1.24	4.98
Jun	4.65	4.77	4.79	4.74	4.78	4.50	1.56	5.00
Jul	4.80	4.86	4.89	4.87	4.88	4.50	1.64	4.92
Aug	4.77	4.88	4.90	4.88	4.90	4.75	1.78	4.81
Sep	4.73	4.82	4.86	4.83	4.85	4.75	1.98	4.76
Oct	4.73	4.81	4.84	4.82	4.84	4.75	2.14	4.68
Nov	4.69†	4.77	4.80	4.76	4.80	4.75	2.38	4.58
Dec	4.75	4.81	4.84	4.78	4.82	4.75	2.56	4.44
2005 Jan	4.71	4.79	4.81	4.77	4.81	4.75	2.75	4.44
Feb	4.79	4.87	4.90	4.86	4.90	4.75	2.90	4.53

1 Average discount rate expressed as the rate at which interest is earned during the life of the bills.
2 Spread of rates over the day in the inter-bank sterling market; from June 1982 rates are the spread at 10.30 am.
3 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*.
4 These figures fall outside the scope of National Statistics.

Sources: Bank of England; Enquiries 020 7601 4342.

Interest rates, and security yields

6.9 A selection of asset prices

Not seasonally adjusted

	Producer price indices (2000 = 100)		Housing:ODPM all lenders mix adjusted house price index (2002 = 100)			
	Plant and machinery bought as fixed assets by Motor vehicle industry	Manufactured output Motor vehicle industry	New dwellings[1]	Secondhand dwellings[1]	All dwellings[1]	Average price of agricultural land in England (1995 = 100)[2]
Annual						
	PVJL	PQIR	WMPN	WMPP	WMPQ	BAJI
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	..
2004	99.4	96.1	138.6	144.6	143.9	..
Quarterly						
2001 Q1	102.9	95.4	90.8	92.1	92.1	155[3]
Q2	103.1	95.5	90.8	96.0	95.4	148[3]
Q3	101.2	95.4	94.1	99.4	98.8	160[3]
Q4	101.1	95.4	95.4	96.9	96.8	154[3]
2002 Q1	101.0	95.6	100.0	100.0	100.0	130[3]
Q2	100.5	95.5	106.5	108.4	108.2	139[3]
Q3	100.0	94.9	111.0	116.1	115.5	153[3]
Q4	99.2	94.9	117.1	121.8	121.3	148[3†]
2003 Q1	99.1	94.6	119.3	124.0	123.4	132[3]
Q2	99.7	94.1	127.2	127.3	127.2	145[3]
Q3	99.9	94.5	127.9	131.1	130.7	179[3]
Q4	99.5	95.1	131.8	133.7	133.4	136[3]
2004 Q1	99.2	95.5	130.8	135.2	134.6	159[3]
Q2	99.7	96.2	137.8	143.1	142.5	169[3]
Q3	99.4	96.3	143.1	149.6	148.9	..
Q4	99.3p	96.5	142.6	150.7	149.8	..
Monthly						
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	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	99.2	95.0	131.5	136.0	135.4	..
Feb	98.6	95.4	129.4	134.7	134.1	..
Mar	99.7	96.2	131.6	134.8	134.4	..
Apr	99.6	96.3	135.9	141.1	140.5	..
May	99.9	96.3	136.7	142.9	142.2	..
Jun	99.7	95.9	140.9	145.3	144.7	..
Jul	99.2	96.2	142.5	148.5	147.8	..
Aug	99.3	96.3	142.3	150.4	149.5	..
Sep	99.6	96.3	144.5	149.9	149.2	..
Oct	99.4	96.5	144.4	151.1	150.3	..
Nov	99.6p	96.5	143.0	150.9	150.1	..
Dec	98.8p	96.5	140.4	150.1	149.0	..
2005 Jan	100.9p[†]	96.6p	143.9	149.6	148.9	..
Feb	101.1p	96.9p	..	..	..	..

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

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

3 Provisional estimates.

Sources: Office for National Statistics, Enquiries Columns 1-2 01633 812106; Office of the Deputy Prime Minister, Enquiries Columns 3-5 020 7944 3325; Department of Environment, Food and Rural Affairs; Enquiries Column 6 01904 455326

Measures of variability of selected economic series[1]

	Table	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components: chained volume measures, reference year 2001								
Gross Value Added (GVA) at Basic Prices	2.1	Q1 1990 to Q3 2004	*0.6*	*0.2*	*0.6*	0.2	1	0.2
Households' Final Consumption Expenditure	2.5	Q1 1990 to Q3 2004	*0.8*	*0.3*	*0.7*	0.4	1	0.4
Gross fixed capital formation	2.2, 2.7	Q1 1990 to Q3 2004	*1.7*	*0.7*	*1.3*	0.6	1	0.6
Exports: goods and services	2.2	Q1 1990 to Q3 2004	*2.0*	*1.1*	*1.4*	0.8	1	0.8
Imports: goods and services	2.2	Q1 1990 to Q3 2004	*1.8*	*0.9*	*1.6*	0.6	1	0.6
Real Households' disposable income	2.5	Q1 1990 to Q3 2004	*1.1*	*0.8*	*0.8*	1.1	2	0.3
current prices								
Gross operating surplus of private non-financial corporations	2.11	Q1 1990 to Q3 2004	*3.0*	*2.0*	*1.8*	1.1	2	0.4
Other quarterly series								
Construction output	5.2	Q1 1990 to Q3 2004	*1.2*	*0.7*	*0.9*	0.8	1.0	0.8
Households' saving ratio[3]	2.5	Q1 1990 to Q3 2004	*0.9*	*0.7*	*0.5*	1.4	2	0.4
Monthly series								
Retail sales (volume per week)								
Predominantly food stores	5.8	Jan 1990 to Sep 2004	*0.6*	*0.6*	*0.2*	2.3	3	0.8
Predominantly non-food stores	5.8	Jan 1990 to Sep 2004	*1.0*	*0.9*	*0.4*	2.3	3	0.7
Non-store and repair	5.8	Jan 1990 to Sep 2004	*2.0*	*1.9*	*0.5*	3.8	4	0.9
Index of industrial production								
Production industries	5.1	Jan 1990 to Sep 2004	*0.6*	*0.5*	*0.2*	2.8	4	0.8
Average earnings: whole economy	4.6	Jan 1990 to Sep 2004	*0.5*	*0.3*	*0.4*	0.8	1	0.8
Exports: value, f.o.b.[4]	2.13	Jan 1990 to Sep 2004	*2.9*	*2.8*	*0.7*	3.8	4	0.9
Imports: value, f.o.b.[4]	2.13	Jan 1990 to Sep 2004	*2.2*	*2.1*	*0.7*	3.0	3	0.9
Money stock - M0[5]	6.2	Jan 1990 to Sep 2004	*0.6*	*0.3*	*0.5*	0.6	1	0.6
Money stock - M4[5]	6.2	Jan 1990 to Sep 2004	*0.7*	*0.3*	*0.6*	0.5	1	0.5

1 For a fuller description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No 226, August 1972.
The following are brief definitions of the measures.
CI is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign in the seasonally adjusted series.
$\overline{C}$ 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.

2 Series relate to Great Britain.
3 The figures in the tables were obtained from an additive analysis of the households' saving ratio so CI, $\overline{I}$ and $\overline{C}$ are differences in percentage points.
4 The figures have been updated as described in an article in *Economic Trends*, No 320, June 1980.
5 As the irregular component for M0 and M4 is obtained by subtraction of the trend rather than by division, the figures for 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

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Abbreviations

DEFRA – Department for Environment, Food and Rural Affairs.

ODPM – Office of the Deputy Prime Minister.

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