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#### About the Office for National Statistics

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

#### A National Statistics Publication

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# Economic Trends

No. 619, June 2005

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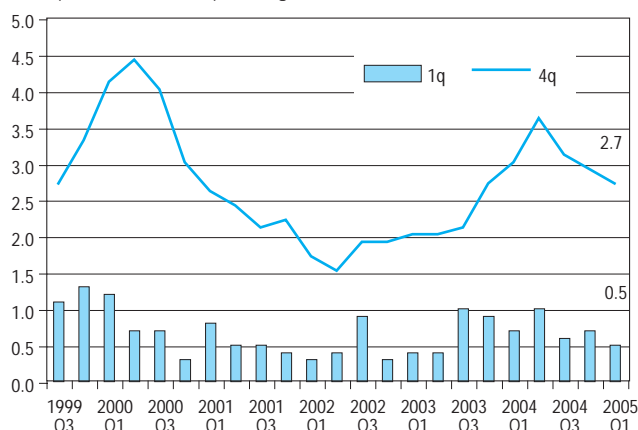
# in brief

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

## GDP growth

### GDP

One quarter and four quarter growth



GDP is estimated to have grown by 0.5 per cent in the first quarter of 2005, revised down from 0.6 per cent published last month. This is compared to 0.7 per cent in the previous quarter.

The downward revision reflects lower estimates of manufacturing output, now estimated to have fallen by 0.7 per cent compared to a 0.1 per cent rise estimated last month. This 0.7 per cent fall in manufacturing output drove a decline of 0.7 per cent in production output, with energy supply falling by 1.4 per cent and energy extraction falling by 0.6 per cent.

Growth in the latest quarter is driven by a rise of 0.8 per cent in the service sector with strength across the financial and business sectors.

Construction output rose by 0.6 per cent in the latest quarter. Household expenditure rose by 0.3 per cent, following 0.2 per cent growth in the fourth quarter of 2004, as expenditure on semi-durable goods increased.

Government final consumption expenditure rose by 0.7 per cent in the latest quarter and is now 3.4 per cent above the level seen in the first quarter of 2004.

Exports fell by 1.0 per cent over the quarter, within which exports of goods fell by 1.5 per cent and exports of services rose by 0.2 per cent. Imports fell by 1.9 per cent as imports of goods fell by 2.7 per cent and imports of services rose by 0.9 per cent.

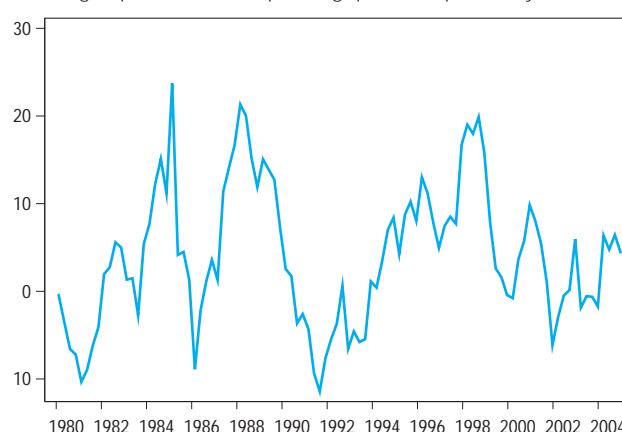
Compensation of employees, measured at current prices, rose by 1.3 per cent, driven by increases in average earnings and employers' social contributions.

Released: 25 May 2005

## Business Investment

### Total business investment

% change, quarter on corresponding quarter of previous year



The provisional estimate of business investment for the first quarter of 2005 is 2.9 per cent higher than the same period of last year and 0.1 per cent lower than the previous quarter.

The quarterly fall is due to decreased capital spending from the distribution services industries, other production, construction, non-manufacturing public corporations and manufacturing industries. These decreases were offset by a rise in investment from other services industries.

The quarterly fall in other production stems predominantly from decreased spending on other capital equipment by the electricity, gas and water industries.

Private sector manufacturing investment is down 1.2 per cent on the quarter. The most notable quarterly movement is in other manufacturing (down 10.0 per cent). By asset, decreased investment was noted in vehicles (down 17.9 per cent), and other capital equipment (down 1.3 per cent).

Compared with the same quarter a year ago, total manufacturing investment rose by 4.3 per cent, construction and other production fell by 4.1 per cent and services rose by 3.9 per cent.

Released: 24 May 2005

## Overseas Tourism

Visits abroad by UK residents rose by 5 per cent during the 12 months ending March 2005, to 64.7 million. Visits to Western Europe rose by 1 per cent (to 49.6 million), to North America by 14 per cent (to 4.9 million) and to other parts of the world by 24 per cent (to 10.2 million).

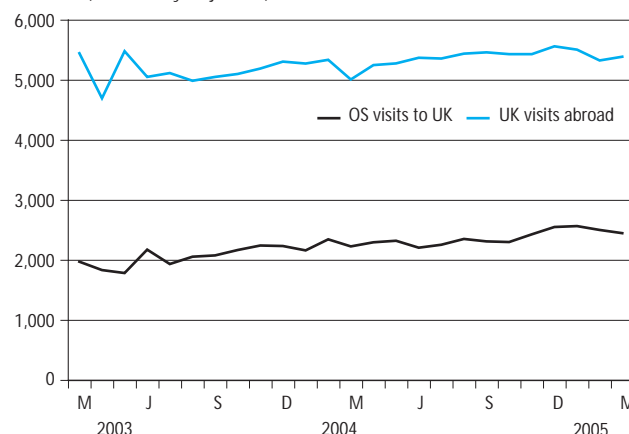
Over the same period, visits by overseas residents to the UK also rose by 12 per cent, to 28.4 million. There was an increase in visits from residents of Western Europe by 11 per cent (to 18.4 million), from North America by 5 per cent (to 4.3 million) and from other parts of the world by 21 per cent (to 5.6 million).

During January to March 2005, there were 7.5 million visits to the UK by overseas residents - an increase of 3 per cent when compared with the previous three months. Spending decreased by 1 per cent to £3.5 billion.

Over the same period, the number of visits overseas by UK residents fell by 1 per cent to 16.2 million, while the associated spending remained broadly the same at £7.9 billion.

### Overseas residents' visits to the UK and UK residents visits abroad

Millions (seasonally adjusted)



Released : 6 May 2005

## Greenhouse gas emissions

Total UK greenhouse gas emissions fell 8.1 per cent from 786.3 million to 722.3 million tonnes of carbon dioxide equivalent on an Environmental Accounts basis between 1990 and 2003. However, greenhouse gas emissions in 2003 rose 1.6 per cent on the previous year, mainly due to increased emissions from the electricity generators.

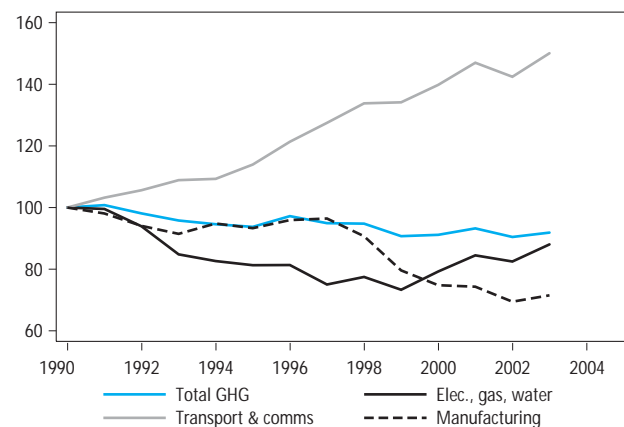
Greenhouse gas emissions from the electricity, gas and water supply companies fell 11.9 per cent from 218.6 million tonnes in 1990 to 192.6 million tonnes in 2003 as electricity generators increased their use of natural gas as opposed to coal. However, underlying data shows the level of greenhouse gas emissions from the electricity generators has increased in recent years. Emissions in 2003 rose 6.7 per cent on the previous year as a result of the greater use of coal for generation and a fall in the net level of electricity imported via the interconnector with France.

Greenhouse gas emissions from electricity generation constituted 25.4 per cent of all greenhouse gas emissions in 2003 after falling to a low of 20.9 per cent in 1997.

Greenhouse gas emissions from the manufacturing industries fell from 180.7 million tonnes in 1990 to 129.3 million tonnes in 2003, a fall of 28.5 per cent. However, emissions rose by 3.0 per cent in 2003 from a low of 125.5 million tonnes in 2002. The recent rise reflects an increase in emissions from the metal production industries.

### Greenhouse gas emissions, 1990 - 2003

1990 = 100



There were some exceptions to the downward trend. For instance, greenhouse gas emissions from the transport and communication industries were 48.4 per cent higher in 2003 than in 1990. The transport and communication industries were responsible for emitting the equivalent of 95.7 million tonnes of carbon dioxide in 2003 compared with 64.5 million tonnes in 1990. Their greenhouse gas emissions in 2003 increased 5.2 per cent on 2002, largely reflecting the continuing rise in the number of UK owned ships following the introduction of the UK Tonnage Tax in 2000.

Released: 19 May 2005

# Economic update

## June 2005

Anis Chowdhury

Office for National Statistics

### Overview

- The GDP growth in the first quarter of 2005 was 0.5 per cent, down from 0.7 per cent in the previous quarter.
- Despite a marginal slowdown, the service sector continued to lead economic growth, industrial production fell for the third successive quarter whilst the construction sector expanded less rapidly than in the previous quarter.
- Consumer spending rose by 0.3 per cent in the first quarter, virtually unchanged from the previous quarter but slowing considerably from earlier in 2004. Retail sales had previously been rising faster than consumption but showed some signs of a slowdown in late 2004 and early 2005.
- Total business investment fell by 0.1 per cent in the first quarter, a marked slowdown from previous recent quarters but was still up 2.9 per cent compared to the same quarter in 2004.
- Government spending is currently adding to economic growth with public sector finances showing an improvement.
- The labour market remains tight. Employment rose and unemployment fell whilst the inactivity rate declined. Average earnings growth, including and excluding bonuses was down on the latest month with including bonuses growing at a higher rate than most of 2004.
- Producer output price inflation has picked up partly due to recent increases in oil prices.
- Consumer price inflation picked remained unchanged and is still close to the two per cent government target.

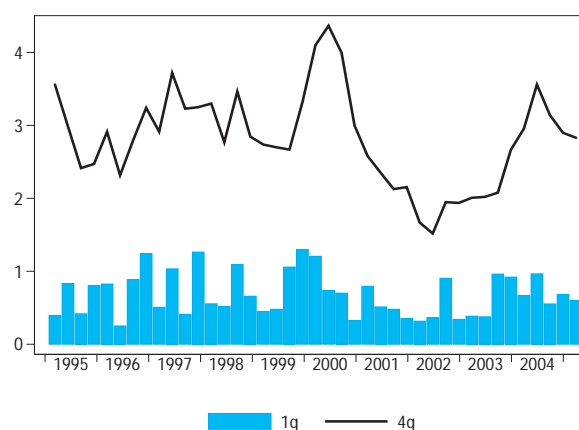
### GDP activity – overview

The GDP growth for the first quarter of 2005 is estimated to have grown by 0.5 per cent, slightly lower than the initial estimate of 0.6 per cent after the release of the UK output, income and expenditure figures for that quarter. This suggests a further weakening in economic activity over the period compared to 2004 quarter four when growth was 0.7 per cent. The annual rate of growth also fell, to 2.7 per cent from 3.0 per cent in the previous quarter (Figure 1). This latest release contains more information than that contained in the preliminary GDP one. It gives first estimates for the main expenditure categories and more complete information on the output side. It is still, however, based on as yet incomplete information.

GDP data for 2005 quarter one are available for the other major OECD economies and these suggest a modest slowdown in the the world economy, partly driven by weaker manufacturing output. US GDP growth for the first quarter of 2005, recorded an expansion of 0.8 per cent, slightly down from the 0.9 per cent growth in the previous quarter. Strong growth in private investment continues to fuel growth.

Figure 1  
GDP

Growth



However, this was partially offset by a lower rate of personal consumption growth with stagnant spending on durable goods and by a slight decrease in manufacturing output in March. Net trade also contributed towards the slight deceleration with the trade deficit widening further. Japan's output grew by 1.3 per cent in 2005 quarter one rebounding from the sluggish growth in the previous quarter. Healthy domestic demand was the main reason for the resurgence in the growth rate. Growth also came from rising inventories and higher public spending. However, there was a slight contraction in net exports, which is usually a driver of the economy.

Growth in the three biggest mainland EU economies – France, Germany and Italy – shows a mixed picture. The German economy expanded at the quickest pace, by 1.0 per cent having contracted by 0.2 per cent in the previous quarter. This was the fastest growth for four years. The growth was mainly driven by net exports followed by a rebound in business investment. However, consumer spending continues to remain weak and industrial production fell in March. France GDP growth was 0.2 per cent, a weaker rate of growth compared to the 0.7 per cent rate in 2004 quarter four. A slowdown in consumer spending was the main factor for the decrease. This partly reflected a fall in exports and a rise in unemployment. Manufacturing output also showed contraction on the quarter. Italy GDP contracted by 0.5 per cent in 2005 quarter one, following contraction of 0.4 per cent in the previous quarter. Weaker industrial and agricultural output are the main reasons for the fallen Italian output.

### Financial Market activity

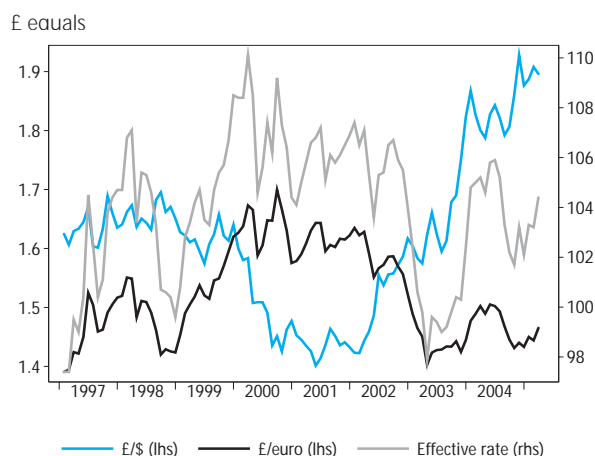
The stock market was up around four per cent in the first quarter of 2005, having risen by about four and a half per cent in the previous quarter. In the year to 2005 quarter one, the FTSE All-Share index gained around eleven per cent. Equity performance has been positive this year on the whole, although stock prices have been volatile. By the time this article was written the FTSE All-share index was at 2472.76 having increased by around two per cent since the beginning of 2005 quarter one.

As for currency markets, 2004 quarter four saw sterling's average value depreciate slightly against the dollar while against the Euro sterling's value remained broadly flat. Overall, there was no change in the quarterly effective exchange rate. (Figure 2). In 2005 quarter one, sterling depreciated further against the dollar while appreciating slightly against the Euro. Overall, the effective exchange rate has remained broadly flat in 2005 quarter one compared to the previous quarter. At the time of writing this article the dollar/pound rate was 1.83 while the Euro rate was 1.46.

The recent stability of the exchange rate might be linked to the fact that markets view UK interest rates as having peaked in the short term. The third quarter of 2004 saw a further base rate rise (on 5 August, of 0.25 per cent) which brought interest rates to 4.75 per cent. This followed on from two rates rises of the same magnitude in the previous quarter. Since then however, official interest rates have remained unchanged. UK rates are still well above rates in the eurozone and in the US and are arguably at or close to a "neutral" level. However, they are still at a relatively low level compared to historical

values. The recent rebound in the previously weak dollar may be partly linked to the hikes in interest rates that have taken place in the US, which have correlated with more stable rates elsewhere.

Figure 2  
Exchange rates



### Output

As mentioned above, GDP growth in 2005 quarter one is estimated to be 0.5 per cent. On an annual basis, it was 2.7 per cent, a slight deceleration from 3.0 per cent in 2004 quarter four. It is worth noting here that these preliminary estimates are based on partial information, which has to be augmented with a considerable amount of estimation to produce these initial numbers.

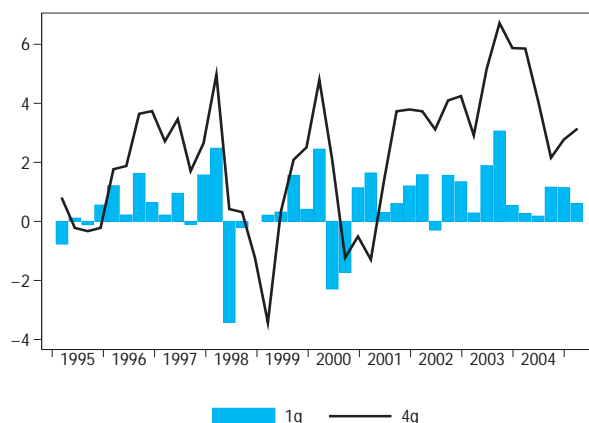
According to the preliminary figures the slight deceleration in economic growth was due to weaker industrial production figures, particularly for manufacturing. The difference with the preliminary estimate was that the March manufacturing figures turned out to be much weaker than expected. Agriculture also fell sharply possibly reflecting changes in the Common Agricultural Policy (CAP). The CAP reform introduced on the first of January 2005, de-couples subsidies from production. A new 'single farm payment' is linked to the respect of environmental, food safety and animal welfare standards. It is likely that these reforms, which encourage a more competitive and market oriented approach, will lead to lower production. Construction grew more slowly than in the previous quarter. Service sector output growth was also weaker than in quarter four but nevertheless remains quite robust and continues to lead economic growth.

Construction is estimated to have grown by 0.6 per cent following 1.2 per cent growth in the previous quarter. (Figure 3). As for external surveys of construction, the CIPS survey signals a slower rate of growth in total activity in the first quarter of 2005 compared to the previous quarter. In April 2005, the PMI index was 54.8, up from 54.7 in the previous month. There was a strong rise in commercial activity. However, housing activity fell for the second month running. Overall, there appears to be a pick up in optimism. The RICS Construction Market Survey also points to a slowdown in construction activity. The survey reports that the commercial sector continues to be a strong performer due to

a strong domestic economy and higher investment activity. However, the expectation of higher interest rates impacting on house price inflation, has led to a slowdown in private housing activity. Overall, surveys remain optimistic about the future, but somewhat less so than in 2004 quarter four.

Figure 3  
Construction output

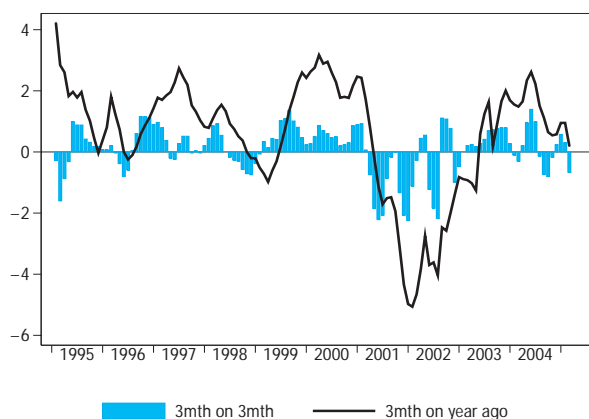
Growth



Total output from the production industries fell by 0.7 per cent, compared to the 0.1 per cent fall in 2004 quarter four. Manufacturing fell by 0.7 per cent, compared to a 0.3 per cent in 2004 quarter four (Figure 4). Within manufacturing falls appear to have been broad-based. There were significant decreases in output of chemicals and man-made fibre industries, printing and publishing and metal products industries. This was partially offset by increase in output of the food, drink and tobacco industries. Mining and quarrying decreased by 0.6 per cent, a lower rate of decrease compared to the 2.8 per cent decrease in the previous quarter. The electricity, gas and water supply industries fell by 1.4 per cent compared to a 0.3 per cent fall in the previous quarter.

Figure 4  
Manufacturing output

Growth

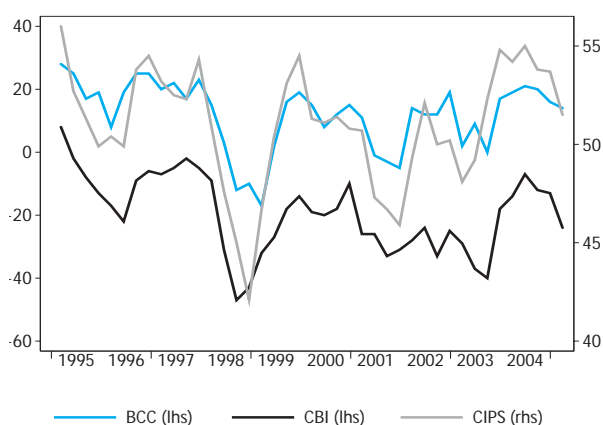


The slowdown in production might be explained by recent economic events such as the increase in the oil price, the interest rate rises, leading to a consumer slowdown and somewhat weaker global demand.

External surveys of manufacturing for 2005 quarter one (Figure 5) paint a weaker picture for growth than in the previous quarter. The gap between external surveys and official data has narrowed recently by a combination of upward revisions to ONS data and due to the surveys becoming more pessimistic as domestic demand in the UK economy slows down. It is worth noting that it is not unusual for the path of business indicators and official data to diverge over the short term. These differences happen partly because the series are not measuring exactly the same thing. External surveys measure the direction rather than the magnitude of a change in output and often enquire into expectations rather than actual activity.

Figure 5  
External manufacturing

Balances

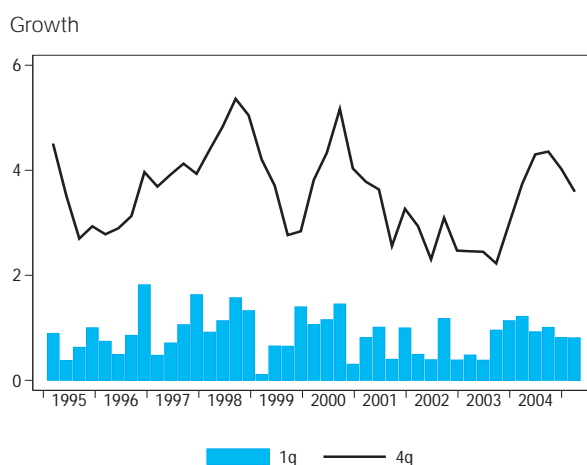


The CIPS headline index for manufacturing signalled a decrease in activity in 2005 quarter one. The headline index was 51.6 in March 2005 compared to 53.1 in December 2004. Both the orders and the output indicators followed the same trend as the headline figure. According to the latest figures in April, the index fell further to 49.5, below the critical no-change mark of 50.0. The decrease was a result of a decline in new orders, leading to a slowdown in production growth. New business fell due to weaker export demand. The manufacturing output balance showed a modest increase but is still down on the balances seen in previous months and through all of 2004. The quarterly BCC survey follows broadly the same pattern. The Survey reports that home deliveries fell for the second consecutive quarter whilst orders fell on the previous quarter, but both remain in positive balance. The latest CBI Industrial Trends Survey (2005 Q1) also shows a decline in both the volume of output and total orders during 2005 quarter one. However, orders are expected to stabilise over the coming quarter, with a modest pick up in output anticipated. The latest monthly Industrial Trends Survey released in May reports manufacturing orders continuing to remain well below normal with the outlook expected to remain flat over the next quarter.



Overall, the service sector, by far the largest part of the UK economy and the main driver of UK growth recently, continues to grow rapidly – by 0.8 per cent – though at a slightly slower pace than in the previous quarter when it was up 0.9 per cent. The fastest growing areas was business services and finance which grew by 1.3 per cent in 2005 quarter one following 1.2 per cent in the previous quarter followed by government and other services at 0.8 per cent, up from 0.6 per cent in 2004 quarter four. This was offset by a significant lower rate of growth in transport storage and communication of 0.4 per cent having grown by 1.6 per cent in the previous quarter. There was a slight decrease in distribution, hotels and catering from 0.2 per cent in 2004 quarter four down to 0.1 per cent in 2005 quarter one. (Figure 6)

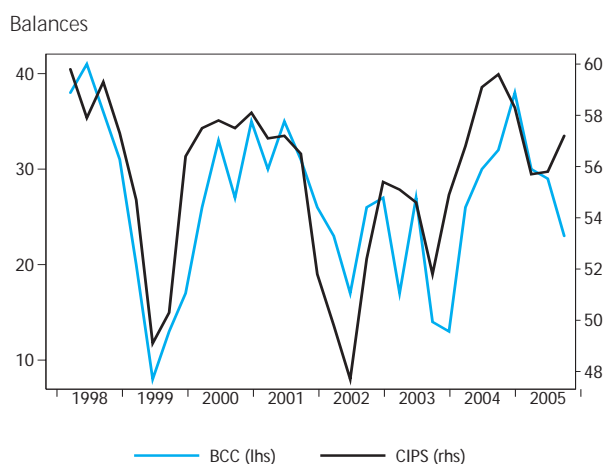
Figure 6  
Services output



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. According to the latest release, the index of distribution industries rose by 0.1 per cent in the quarter to March compared with the quarter to December. Wholesale output increased by 0.8 per cent which was partly offset by a fall in retail of 0.4 per cent. Output from the motor trades remained unchanged.

The external surveys show a somewhat contradictory picture of the service sector (Figure 7). The CIPS Report on Services mirrors the trends in 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 services with growth in new orders also robust. The latest figures in April show the Business Activity Index at 56.5, down slightly from 57.0 in March. The BCC Quarterly Report on Services reports that home deliveries balance fell significantly in 2005 quarter one, and is down from the highs recorded in 2004, but it is still an indicator of very strong growth. Likewise, the evidence on home orders implies that the service sector has remained strong. Recent declines need to be put into perspective. 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 levels.

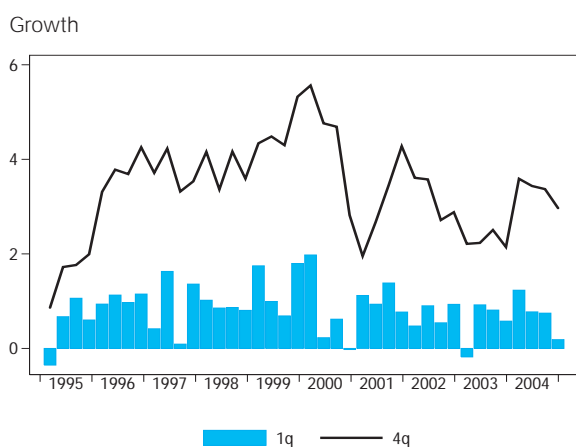
Figure 7  
External services



## Household demand

The growth of household consumption steadily declined throughout 2004 (Figure 8). In quarter four, growth was 0.2 per cent. This subdued growth has continued into 2005 quarter one, at 0.3 per cent, markedly down on the high growth rates seen in the first half of 2004.

Figure 8  
Household demand



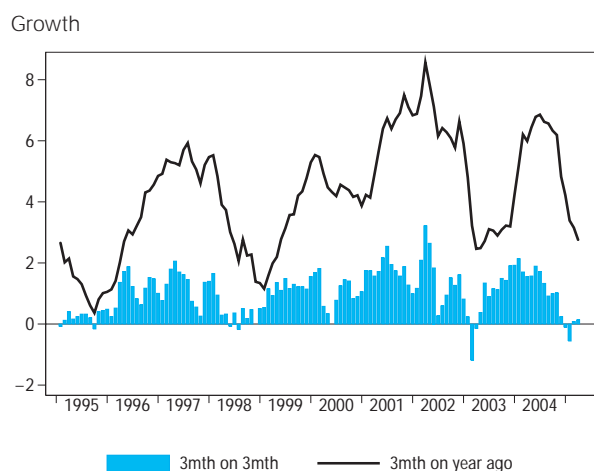
This slowdown can largely be attributed to lower spending on certain durable goods. The weakness might be connected to the three-interest rate increases during the summer. Speculation of further interest rate increases may have acted to depress consumer spending even further. Indeed reports indicate that saving has increased recently with inflow of funds into savings accounts being at their highest for a number of years. In addition there is little evidence of a sustained recovery in the housing market during the early part 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 more tied to the growth of personal disposable income in the near future. Also, consumer fears about the possibility of higher taxes in order to plug the supposed hole in the public finances may also have been another factor behind the slowdown.

However, there are some factors that are supportive. The labour market is tight which might generate moderate growth in wages and thus personal disposable income increases. Low unemployment ensures that consumers are not only 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. In regard to consumer confidence, the GfK index recorded a slight deterioration in April from March. The latest Mori index also reports a decrease in confidence. Both indexes however remain higher than a year ago.

Retail sales figures are published on a monthly basis and the latest available figures are for April 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 reversed (Figure 9). During the final quarter of 2004 the evidence suggests that the growth in retail sales weakened and this seems to have continued in the first quarter of 2005.

Figure 9  
Retail sales



A dis-aggregated 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 0.4 per cent compared to a 0.2 per cent decrease in non-food stores, the fifth consecutive decrease. The figures for non-food stores included decreases of 2.2 per cent for household goods stores and 1.0 per cent for 'other stores'. This decrease is likely to be linked to the slowdown in the housing market. Clothing, textiles and footwear retailing shows the highest increase of 2.3 per cent followed by non-store retailing at 1.9 per cent.

External surveys however contradict official figures with both the CBI and BRC reporting the worst April for a decade.

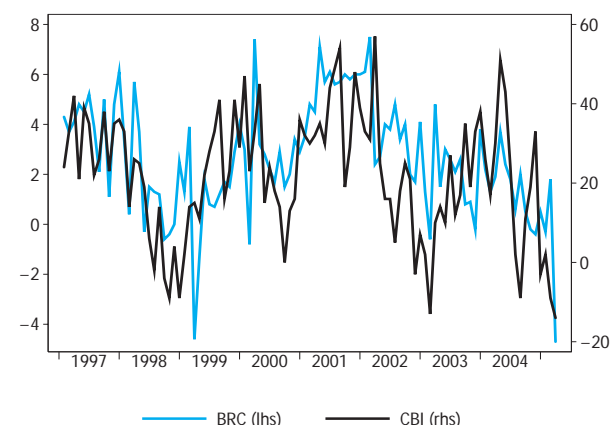
The CBI *Distributive Trades Survey* reports that retail sales worsened in April despite previous expectations of stabilisation in sales growth. The balance was minus fourteen in April compared to minus nine, well down on the

large positive balances reported for most of 2004. The CBI attributes some of the worsening performance to the recent fall in real disposable incomes, higher fuel and utility bills and reduced activity in the housing market, reflected in lower spending on household goods and higher interest rates.

The British Retail Consortium (BRC) report that retail sales fell by 4.7 per cent in April on a like-for-like basis compared with a year earlier, the worst in the survey's history. This compares with a 1.8 per cent increase in March. However, the fall was exaggerated to some extent by the annual comparison with April 2004, which included Easter and thus boosted sales (Easter was in March this year). The BRC report that most sectors suffered especially big-ticket items. Other factors for the decrease in sales included a slowing housing market, pre-election economic uncertainty and the continuing threat of higher interest rates. (Figure 10).

Figure 10  
External retailing

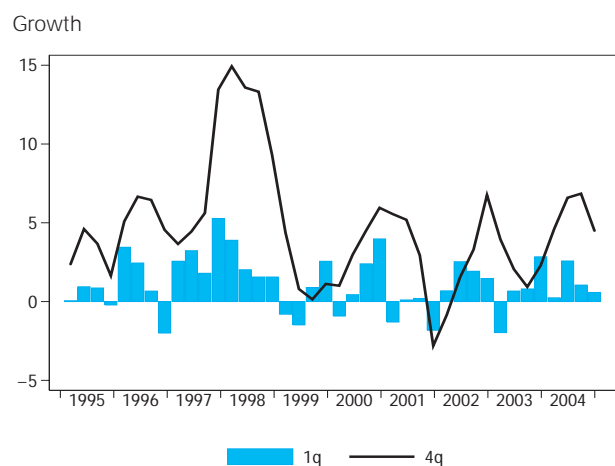
Balances, 3 month moving average



## Business demand

The provisional estimate of business investment for the first quarter of 2005 was 0.1 per cent lower than the previous quarter and 2.9 per cent higher than the first quarter of 2004. This represents a slowdown on the higher growth rates reported during the previous four-quarters. (Figure 11)

Figure 11  
Total fixed business investment





Looking at business investment on a more dis-aggregated level shows investment falling across most sectors on the quarter except services. Weak manufacturing investment seems to be the main cause for the latest downturn and seems to have dipped following a promising upturn in 2004 quarter one. But this upturn seems to have been a short and shallow. 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. In 2004 quarter one the sector grew by 2.9 per cent on the quarter and by 4.7 per cent over the year. However, according to the latest figures for 2005 quarter one, business investment by private and public sector manufacturing fell by 1.5 per cent and rose by 4.3 per cent since the first quarter of 2004. This could be indicative of the continued uncertainty faced by business in making investment decisions, given relatively weaker global demand, particularly in the euro-area and the ongoing weakness in consumer demand in the UK.

Investment in private sector services is the most important component representing around three quarters of total business investment and continues to prop up the UK economy. This increased by 0.9 per cent in the latest quarter, and is 3.9 per cent higher than in 2004 quarter one. Construction and other production fell by 5.3 per cent on the quarter and by 4.1 per cent compared with the first quarter of 2004.

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.

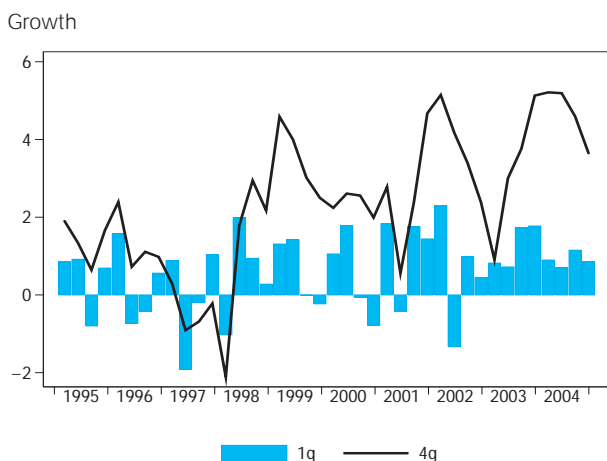
High profitability is an indicator of high returns from investing in the capital stock and is likely to buoy business confidence. In addition, retained profits are a cheap source of investment funds, which will lower the cost of capital expenditures. Profitability can be defined as the net rate of return 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 fourth quarter of 2004 was 13.4 per cent. This compares with 13.5 per cent in the previous quarter, and has changed little over the last year. Within this, manufacturing companies had a net rate of return of 6.1 per cent (compared to the average of 6.9 per cent in 2004) and for service companies it was 15.1 per cent (compared to the average of 15.8 per cent in 2004).

Evidence on investment intentions from the latest BCC and CBI surveys shows a not inconsistent picture. According to the quarterly BCC survey, the balance of manufacturing firms planning to increase investment in plant and machinery fell from plus 16 in 2004 quarter four to plus ten in 2005 quarter one. Similarly, the CBI reports in its 2005 quarter one Industrial Survey that manufacturing investment remains relatively weak with businesses planning to cut investment in both plant and machinery, reflecting deteriorating confidence and uncertainty about future demand.

## Government demand

Government final consumption expenditure rose by 0.7 per cent in the first quarter of 2005. This represents a slower pace of growth than in the fourth quarter of 2004 when output grew by 0.9 per cent. (Figure 12). Growth compared with the same quarter ago was 3.4 per cent. The government continues to be an important source of aggregate demand in the economy.

Figure 12  
Government spending



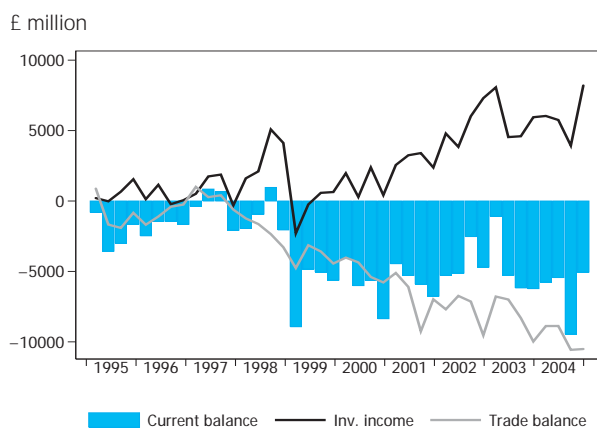
The latest figures on the public sector finances report up to April 2005 and show an improvement. The public sector current budget was in deficit by £0.2 billion, this compares with a £2.3 billion deficit in April 2004. Public sector net borrowing was £1.3 billion compared with net borrowing of £2.8 billion in April 2004. These figures reflect an increase in income tax coupled with lower spending by central government. For the last financial year (March 2004 to April 2005) net borrowing presently stands at £35.4 billion and the current budget stands at minus £17.4 billion. 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 April 2005, this had risen to 34.2 per cent of GDP.

## 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 13). 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 surplus of £4.0 billion in the third quarter to £8.2 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 a broad with UK oil companies performing strongly.

Figure 13  
Balance of Payments



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 deficit in trade in goods. 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 spending.

According to the latest trade figures released in May, the deficit on trade in goods and services improved in the first quarter of 2005 to £10.1 billion from £10.5 billion in the previous quarter. The improvement is a result of the narrowing in the trade deficit with non-EU countries. Exports to the non-EU rose in particular for capital goods, intermediate goods and oil. Imports from non-EU fell with an increase in imports of intermediate goods being more than offset by lower imports of oil and other fuels.

In the first quarter of 2005, the trade in services was in surplus to the tune of £4.5 billion compared with £4.8 billion in the previous quarter. The trade in goods was £14.6 billion compared with £15.3 billion in the previous three months. In the first quarter total manufacturing exports fell by 1.0 per cent, within which exports of goods fell by 1.5 per cent and export of services rose by 0.2 per cent. Imports fell by 1.9 per cent as imports of goods fell by 2.7 per cent and imports of services rose by 0.9 per cent. Exports to EU was down 1.5 and to non-EU by 1.7 per cent. Imports from the EU was down 2.0 per cent and from non-EU countries by 3.4 per cent.

In terms of commodity breakdown of exports, all the main groups showed a fall in volume. Exports of consumer goods except cars rose 3 per cent while exports of intermediate goods fell by 2.5 per cent, Chemicals fell by 3.5 per cent and semi-manufacturers remained unchanged. For imports, among the main commodity groups, only food, beverages and tobacco showed a rise in volume. Imports of capital goods fell 4 per cent with intermediate goods fell 2.5 per cent. Imports of chemicals fell 8 per cent and other semi-manufactured goods fell 2 per cent.

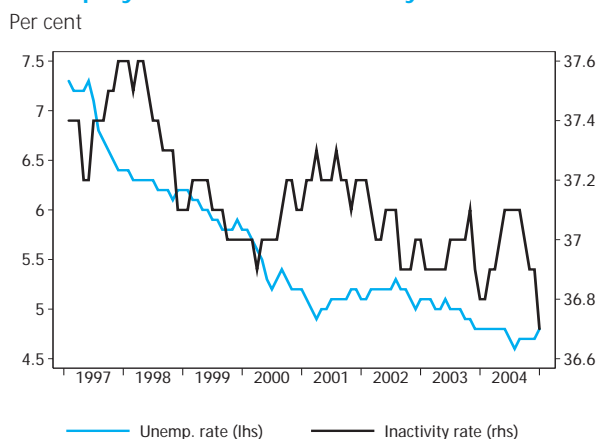
External surveys on exports generally are mixed for the first quarter of 2005. According to the BCC survey, the manufacturing sector's export balances improved on slightly

sales but remained virtually flat in terms of orders. In the service sector, there was a slight improvement in orders but a decline in sales. According to the latest quarterly CBI *Industrial Trends Survey* new export orders declined at the fastest rate in eighteen months, with intermediate and consumer goods bearing most of the worst of the slowdown in demand.

## 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 March 2005. The current employment rate stands at 74.9 per cent, unchanged on the previous three-month period. This represents the highest employment rate since August 1990. Unemployment also fell during this period, by 0.1 per cent to stand at 4.7 per cent. (Figure 14). The inactivity rate dropped by 0.1 per cent to stand at 21.4 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 job-seekers allowance. The latest figures for April show that this measure increased by 8,100 on the month but down 32,100 on a year earlier. It has shown an average monthly increase of 8,500 over the last three months. The claimant count rate was 2.7 per cent, unchanged from the previous month.

Figure 14  
Unemployment and economically inactive



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 economically inactive are those that are of working age but are either not looking for work or are not available for work. The main groups classed as economically inactive are those looking after the family or home, the long term sick, students and the retired. In the three months to March 2005, it is interesting to note that the largest decrease occurred amongst the retired, falling by 19,000. This may be partly explained by the tight labour market with businesses seeking older workers to plug their vacancies. Another explanation could be due to the pensions issue with people coming out of retirement to top up their pensions. Inactivity amongst the long term sick decreased by 14,000 on the quarter followed by those looking after family and home by 9,000. Looking

at a yearly basis, those on temporary sickness provided the largest decrease of 13,000.

According to the LFS, in the period January to March 2005, 87,000 new jobs were created. The vast majority of job creation was in employee jobs, which were up by 91,000 while self-employed jobs actually fell, by 13,000, continuing the trend of the previous quarter. Also, full-time jobs increased by 146,000 over the period while part-time jobs fell by 59,000. There has been a steady growth in employee jobs since the beginning of 2004, but the numbers for the self-employed have been more volatile.

The industry dis-aggregation from the survey of employers, 'workforce jobs' is only available for the three months up to December 2004. Figures show that construction posted the biggest increase on the quarter of 58,000 followed by distribution, hotels & restaurants at 55,000. Manufacturing jobs continues to lose numbers, declining by 14,000 on the quarter. Interestingly, education, health and public administration registered a decrease of 4,000, reversing strong growth in the previous quarters when it was the main driver in total jobs growth.

After steadily rising throughout most of 2004, headline average earnings growth stabilised at the beginning of 2005. The latest figures show that average earnings, both excluding and including bonuses falling. Figures based on the average over a three-month period show that in the year to March 2005, average earnings excluding bonuses rose by 4.1 per cent, down from 4.3 per cent in February, driven down by a fall in overtime in manufacturing. Average earnings, including bonuses was 4.6 per cent, down from 4.7 per cent in February. However, it is still sharply up in 2005 quarter one compared to recent quarters.

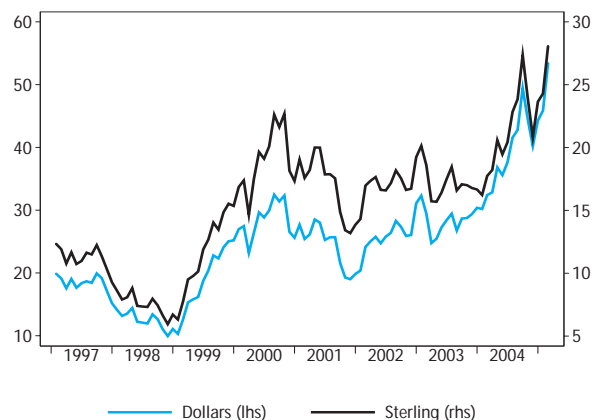
Wage growth in the public sector, excluding bonuses continues to outstrip that in the private sector. Annual wage growth in March was 4.0 per cent in the private sector and 4.6 per cent in the public sector. However, when it comes to including bonuses, the picture shows wage growth in the private sector continuing to outstrip that of the public sector for the second month running. Annual wage growth in March was 4.6 per cent compared to the public sector of 4.5 per cent. The evidence continues to imply that the tight labour market is failing to stoke inflation pressures in a major way. One possible explanation for this 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 wages to productivity growth have been flat for the past year, despite the steady rise in average earnings.

## Prices

The past year has seen rises in producer prices 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 15).

Figure 15  
Oil prices

Brent crude per barrel



However, in the final three months of the year producer price inflation began to fall and this continued into January 2005, although it still remained at levels substantially above those at the beginning of 2004. The latest figures though show producer price inflation beginning to rise once again. The producer price index (PPI) increased by 3.2 per cent in the year to April, compared with a 2.8 per cent in the year to March. This correlates with the continued strength in oil prices. It also reflects a rise in alcohol and tobacco product prices. The input price index rose by 10.4 in the year to April, a slower rate of growth compared with 11.1 per cent in the year to March. Between April and March, the input index fell by 0.6 per cent reflecting price falls in fuels and imported chemicals. The increase in the output index with the corresponding decrease in the input index may be an indication of less of a profit squeeze on profit margins and more of a willingness and ability by producers to pass on supply cost pressures on to consumers. This could also have an affect on consumer prices.

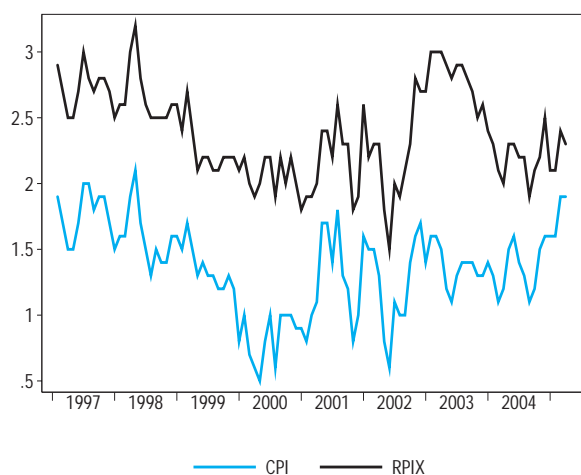
The rise in oil prices during the last year has been striking. The increase seems to have been driven by increased global demand and reinforced by various disruptions in oil supply in different parts of the world. With oil futures also now up sharply, it may be that the oil price will remain at its current high level.

Growth in the consumer price index (CPI) – the government's target measure of inflation – was 1.9 cent in April, unchanged from March and is close to the Chancellor's 2.0 per cent target. (Figure 16) Large upward pressures came from housing and household services, due to stronger increases in water charges and to a lesser extent sewerage collection charges this April than a year ago. Restaurant and hotels, mainly due to catering also provided a large upward effect together with increased banking costs. A small upward affect coming from recreation and culture particularly from prices for some pre-recorded media. Large downward affect came from food and non-

alcoholic beverages with a downward affect also from a fall in fresh vegetable prices. Other downward affects came from a reduction in furniture prices and a fall in air transport fares. The RPI inflation rate remained unchanged at 3.2 per cent. The annual rate of RPI-X, the all items measure excluding mortgage interest payments, fell to 2.3 in April, from 2.4 per cent in March.

Figure 16  
**Inflation**

Growth, month on month a year ago



# Forecasts for the UK economy

## A comparison of independent forecasts, May 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)	2.5	1.4	3.0
Inflation rate (Q4 per cent)			
CPI	1.8	1.4	2.2
RPI	2.6	1.5	3.4
Unemployment (Q4, million)	0.86	0.76	1.10
Current account (£ billion)	-28.0	-38.7	-20.0
Public Sector Net Borrowing (2004-05, £ billion)	36.8	31.3	43.1

### Independent forecasts for 2006

	Average	Lowest	Highest
GDP growth (per cent)	2.3	0.4	3.1
Inflation rate (Q4 per cent)			
CPI	1.9	1.5	2.5
RPI	2.4	1.0	3.8
Unemployment (Q4, million)	0.89	0.71	1.25
Current account (£ billion)	-28.7	-38.6	-15.5
Public Sector Net Borrowing (2005-06, £ billion)	36.2	27.0	47.0

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

## June 2005

**Richard Wild**

Office for National Statistics

### Overview

- The latest quarterly GDP estimates for 2005 quarter one indicate that Japan saw the strongest growth, followed by, Germany, the US, France and Italy<sup>1,4,7,11</sup>.
- The European picture is far from balanced. A contraction in GDP of 0.5<sup>7</sup> per cent in Italy signals recession, while in Germany the economy expanded by an unexpected 1.0<sup>1</sup> per cent. After strong growth in quarter four, French GDP advanced by a modest 0.2<sup>4</sup> per cent. Based on annually chain-linked data, Japan's economy is now estimated to have grown by 1.3<sup>11</sup> per cent, while in the US growth of 0.8 per cent was a little down on the rate recorded in quarter four.
- US growth in 2004 was led primarily by buoyant private consumption and strong additions from fixed investment. High import growth caused a worsening of the trade deficit in quarter one, subtracting from the overall expansion.<sup>8</sup>
- Growth in Japan resulted from a robust rise in private consumption and a moderate increase in stocks, fixed investment and government consumption. Trade flows had a small negative impact on GDP.
- German domestic demand remained sluggish in quarter one, with the above-trend rise in GDP coming solely from foreign trade.<sup>1</sup> The slowdown in the French economy came mainly from weaker private consumption growth a negative impact from trade.<sup>4</sup> Italian GDP contracted for the second successive quarter, with both agricultural and industrial production falling and service sector output remaining flat.<sup>7</sup>
- Quarter four industrial production growth was negative in Germany and Italy while output advanced in France. In quarter one growth turned positive in Japan, while the rate of expansion weakened slightly in the US. External indicators of business confidence uncovered pessimistic expectations in Germany,<sup>2,3</sup> while in the US declines in manufacturing and non-manufacturing activity left the overall picture of sustained growth unchanged.<sup>9,10</sup> Indices for French manufacturing fell but rose for the service sector,<sup>5,6</sup> while in Italy indices for manufacturing and services are now both at levels consistent with contraction.<sup>6</sup>
- The German and French unemployment rates both stood at 9.8 per cent and 9.8 per cent in March, while in Italy figures up to December indicate a rate of 8.0 per cent. Unemployment fell gradually in the US during 2004, and reached 5.2 per cent in April 2005. In Japan, the rate fell 0.2 percentage points between January and February to rest at 4.5 per cent.
- Renewed oil price growth in early 2005 offers some explanation for the recent pick up in producer price pressures. Particularly strong PPI inflation was evident in Italy, the US and Germany during March, and prices have risen to a lesser extent in France. Japanese producer prices picked up in all but quarter one of last year, and positive growth has continued this year, although the rate is easing back. CPI inflation cut back in quarter one in all countries except Italy, where inflation remained at the quarter four rate. German, French and Italian inflation rates remain close to two per cent; in the US the rate stood at 3.1 per cent in quarter one, while in Japan prices deflated by 0.2 per cent.

## Germany

In quarter one of 2005, GDP expanded by a robust 1.0<sup>1</sup> per cent on the previous quarter after remaining flat in quarter three and contracting by 0.1<sup>1</sup> per cent in quarter four. Growth on this measure has not been as rapid since 2001 quarter one. Four quarter growth in quarter one stands at 1.1 per cent, up 0.5 percentage points on the previous quarter's rate

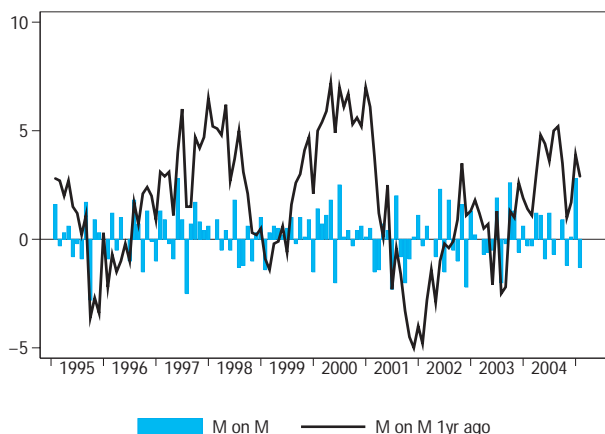
Looking at changes in the components of GDP, private consumption weakened in quarter one, subtracting 0.1 percentage points from GDP growth, while government expenditure made only a flat contribution overall. Fixed investment also deteriorated to reduce GDP by 0.3 per cent, while stocks cut growth by 0.1 percentage points, completing the picture of sustained sluggishness in the domestic sphere. In contrast, though, a sharp rise in external demand coupled to negative import growth resulted in a contribution to GDP growth of 1.6 per cent from net exports, some 0.4 percentage points greater than the previous high seen in 2004 quarter one.

In spite of the surge in GDP, external indicators painted a uniformly negative picture of the economy in quarter one, a fact seemingly explained by Germany's uncertain dependency on global demand as an antidote to domestic inertia. The ZEW Indicator of Economic Sentiment (expectations)<sup>2</sup> fell sharply in May to rest around twenty points below its historical average. As well as the demand imbalance, a lack of economic rigour in current public debate may have also led to falling expectations<sup>2</sup>. The April IFO Business Climate Survey<sup>3</sup>, encompassing manufacturing, construction, wholesaling and retailing revealed similar sentiments, and fell for the third consecutive month. Expectations for the next six months fell on March, although opinions of the current business climate remained broadly flat<sup>3</sup>.

Industrial production grew annually by 2.0 per cent in quarter four, considerably less than the 4.6 per cent gain made in quarter three (Figure 1). Looking at the quarter-on-quarter figures, production fell by 0.4 per cent in quarter four, the first decline on this basis since 2003 quarter three. Data so far in the first quarter of 2005 are mixed. On the volatile month-on-month measure the IOP gained 2.8 per cent in January followed by a lesser fall of 1.3 per cent in February.

Figure 1  
Germany: Industrial production

Monthly and twelve-monthly growth



CPI inflation climbed reasonably rapidly during 2004 due to increases in oil and fuel costs, tobacco prices, and healthcare costs stemming from structural reforms. In quarter one of this year, annual inflation reached 1.8 per cent, down 0.2 percentage points on quarter four. Relatively weak price growth in January was offset by a pick up in pressures in February, which continued into March. PPI inflation climbed to 4.1 per cent in 2005 quarter one, having accelerated strongly in each of the last four quarters. Past increases in fuel costs and other key raw materials and inputs served to elevate PPI inflation above that of CPI inflation. Producer price growth jumped by 1.0 percentage points in January to reach 3.9 per cent, before rising more modestly to a rate of 4.2 per cent in February and March.

The latest figures for German unemployment indicate a rate of 9.8 per cent in March, an increase of 0.1 percentage points on the February figure. For 2004 as a whole, the unemployment rate stood at 9.5 per cent, only slightly below the figure recorded in France for that period and the highest rate on record since the reunification. 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 fell back in the second half of 2004 resulting in a gain of 2.0 per cent for the year whole, down 0.4 percentage points on growth in 2003. After posting increases of 2.2 per cent and 2.4 per cent in quarters one and two respectively, wage growth fell to 1.6 per cent in quarter three before picking up a little to 1.9 per cent in the final quarter.

## France

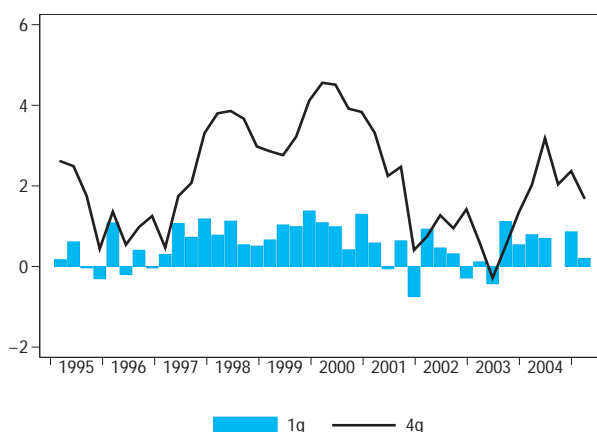
The latest GDP estimates indicate quarterly growth of a modest 0.2<sup>4</sup> per cent in 2005 quarter one, down some 0.7 percentage points on the robust rate seen in quarter four. Four-quarter growth was 1.7<sup>4</sup> per cent, which is the slowest increase posted since 2003 quarter four (Figure 2). After occupying first place for GDP growth in the major European economies at the end of last year, France now looks to have slipped some way behind Germany, although it remains some way ahead of Italy in quarter one. A positive for France is that domestic demand looks to be more balanced than it is in Germany at present.

Private consumption growth fell back a little in quarter one but remained the linchpin of economic growth, adding 0.4<sup>4</sup> per cent to GDP. Fixed investment growth increased GDP by a similar 0.3<sup>4</sup> per cent, equalling the contribution made in quarter four. Both government consumption and stocks subtracted 0.1<sup>4</sup> percentage points each from overall growth in quarter one, while, in combination, broadly flat exports and a moderate rise in imports reduced GDP by 0.2 per cent.

Recent business surveys indicate continued buoyancy in the service sector, while the situation in manufacturing looks to have worsened. According to the April INSEE monthly business survey (goods producing industries)<sup>5</sup>, the composite

Figure 2  
France: GDP

One quarter and four quarter growth



expectations indicator continued to decline and now rests below its long-term average. The general production outlook fell, as did the level of export orders, while general prices are expected to increase. The PMI Manufacturing Index echoed these results by falling for the second consecutive month in May to rest at 49.8<sup>6</sup> points; a level of under 50 points implies negative growth. In contrast, the corollary PMI Service Index<sup>6</sup> gathered momentum in May, rising from the April balance of 55.4 points to a healthy 57.7 points, a level consistent with brisk expansion.

Industrial production advanced by 0.8 per cent in 2004 quarter four after contracting by 0.1 per cent in the preceding quarter and for 2004 as a whole, production increased by 1.8 per cent. In 2003, the IOP grew by 0.7 per cent in the third quarter and 1.2 per cent in the fourth, and growth was 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. Looking at the more erratic month-on-month figures for quarter one so far, industrial production fell by 0.5 per cent in February following flat growth in January.

CPI inflation stands at 1.7 per cent in quarter one, the lowest rate since 2002 quarter two. That said, inflation accelerated in each month of quarter one, from a recent low of 1.6 per cent in January to 2.0 per cent in March, mainly due to renewed pressure from escalating oil and fuel costs. Producer prices, however, continue to accelerate, although by less than in the other countries with the exception of Japan. Having started last year at 0.1 per cent, PPI inflation increased steadily to reach 2.3 per cent in November and December. Growth in quarter one climbed slightly higher to 2.6 per cent, although prices look to have fallen back marginally in March. High oil and fuel costs have underpinned the rise in PPI inflation, which is at 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 recently revised German rate. Data for March indicate a rate of 9.8 per cent, equal to February and 0.1 percentage points higher than January. Unemployment has been rising since 2001 quarter three, but the rate has been fairly stable during the last twelve months. Annual employment growth has been slowing

since 2000 and was mildly negative in 2003. However, 2004 saw a relative improvement as growth came in flat, with employment levels increasing in the second half of last year to cancel out mild losses in quarters one and two.

From mid-2000 to 2003, annual earnings growth fell, following a peak of 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. Growth picked up to 3.0 per cent in 2004 quarter three before declining marginally to 2.9 per cent in the final quarter of the year.

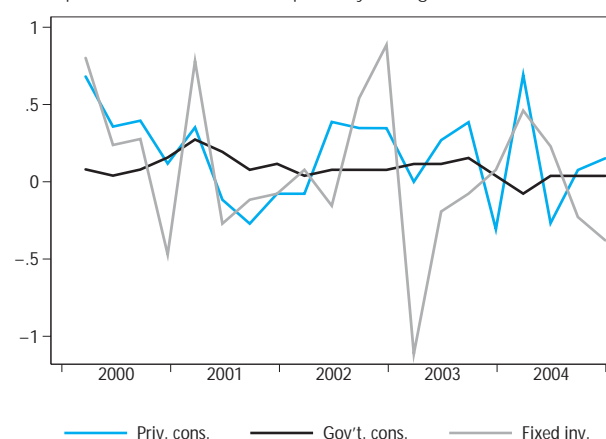
## Italy

Recent data indicate that Italian GDP fell by 0.5<sup>7</sup> per cent in 2005 quarter one when compared to GDP in the previous quarter. GDP growth on this measure has been negative for two consecutive quarters, meaning that Italy is now technically in recession. On a four quarter measure, GDP contracted by 0.2<sup>7</sup> per cent in quarter one following a gain of 0.8 per cent in 2004 quarter four.

At the time of writing, no detailed information on the contribution of the various expenditure components to overall growth was available. However, in terms of output, early data suggests that both agricultural and industrial production fell while service sector output remained flat. In quarter four of last year, the output situation was similar, with a lack of service sector growth and a contraction in industrial production that outweighed an advance in agricultural output. The expenditure data for that quarter indicated modest private consumption growth and weakening fixed investment and net trade, with an apparently large increase in stocks failing to turn growth positive overall (Figure 3).

Figure 3  
Italy: Domestic demand

Component contributions to quarterly GDP growth



Recent business surveys continue to suggest unbalanced growth in domestic activity. The Purchasing Managers' Index (PMI) for manufacturing<sup>6</sup> fell to 48.0 points in May, implying a second consecutive month of contraction in that sector. The index had previously indicated negative growth towards the end of 2004, but it had picked up gently into early 2005 to a level consistent with modest output gains. The corollary PMI services index<sup>6</sup> also now implies falling sector output with

the May level standing at 48.4<sup>6</sup> points, more than four points lower than the April figure.

The Index of Production fell from 2001 to 2003, and the data for 2004 indicate a continuation of this trend. Quarter-on-quarter output growth in the first half of the year was negative, with a loss of 0.4 per cent in quarter one followed by zero growth in quarter two. In quarters three and four, production contracted by 0.4 per cent and 1.4 per cent respectively. For 2004 as a whole, output was 0.4 per cent lower than the level reached in 2003. So far in 2005, the data continue to look weak, although not as weak as in quarter four. The more volatile month-on-month figures syndicate flat growth in January and marginal growth of 0.1 per cent in February.

Consumer price inflation eased back in the latter months of 2004 to hover around the two per cent mark from September to December, and average 2.2 per cent for the year-whole. This year inflation picked up from the low January rate of 1.8 per cent to reach 2.0 per cent in March. In April, pressures eased a little allowing the rate to fall back to 1.8 per cent. Producer price inflation peaked in 2000 at 6.0 per cent before falling to 0.2 per cent in 2002 and entering a more moderate upward trend. From February 2004, producer prices began to increase quite rapidly, and PPI inflation hit a three-year high of 4.7 per cent in February before dropping back to 4.6 per cent in March. The brief dip and subsequent rise of oil prices around the turn of the year offers some explanation of the fall in inflationary pressure in November and December.

Standardised unemployment figures are now available for more recent months following the implementation of a new Italian household survey. Unemployment was broadly stable last year, with the rate settling at 8.0 per cent in October, November and December. For the year-whole, the rate stood at 8.1 per cent. Four-quarter 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 of 2.2 per cent in 2004 quarter four. This followed on from growth in 0.9 per cent, 1.7 per cent and 1.1 per cent in quarters one, two and three respectively, making growth in 2004 overall 1.4 per cent, 0.3 percentage points higher than growth in 2003. On a quarter-on-quarter basis, the most recent data for 2004 quarter four show employment rising by 0.7 per cent, the third consecutive quarter of growth on this measure.

Average annual earnings growth has been fairly volatile in recent months, but quarter-on-quarter growth was a robust 3.2 per cent in 2005 quarter one. Recent peaks in May / June last year and in January paint quite a volatile picture of Italian settlements, but such movements may in part be explained by national conventions, whereby bonuses are often paid in December and less commonly at the beginning of summer. Up to 2003, falling unemployment and rising earnings growth suggested that some tightening of the labour market had occurred, and coupled to the earnings data, they appear to be consistent with this picture up to end-2004.

## USA

The first estimate of quarter one GDP places growth at 0.8 per cent on a quarter-on-quarter measure, and at 3.6 per cent compared with quarter one of 2004. These follow on from respective quarterly and four-quarter growth rates of 0.9 per cent and 3.9 per cent in quarter three. The US economy grew by 4.4 per cent in 2003, outperforming all the other economies analysed here, and the current data indicate that growth remains strong so far in 2005.

Quarterly growth in quarter one was once more driven primarily by domestic demand, in particular by a robust rise in private consumption, which added 0.6 percentage points to the total expansion. While durable goods consumption remained flat, both non-durable goods and services consumption grew strongly<sup>8</sup>. Investment spending continued to climb in the equipment and software and non-residential construction subsectors, while residential investment made a modest advance. Overall, though, this component boosted GDP by a weak 0.1 per cent – down from 0.5<sup>8</sup> per cent in quarter four. Government consumption increased GDP by a further 0.1 per cent, while stocks added 0.3 percentage points to growth. Turning to trade, net exports subtracted 0.4 per cent from GDP, with growth in imports exceeding that of exports.

Recent surveys of business activity signal that the robust expansion in output continues. The Institute for Supply Management Manufacturing (diffusion) Index<sup>10</sup> fell from 55.2<sup>9</sup> per cent in March to 53.3<sup>9</sup> per cent in April. Although the measure has been broadly in decline since January 2004, the level still suggests growth in this sector, and economic activity according to this measure has increased for the last twenty-three consecutive months. The corresponding Non-Manufacturing Index<sup>10</sup> also fell, from 63.1<sup>10</sup> per cent in March to 62.7<sup>10</sup> per cent in April. Despite this decline, the figure remains consistent with very robust output gains, and the level has indicated expansion in this sector for the last twenty-five consecutive months.

In 2005 quarter one, the Index of Production grew by 0.8 per cent, having expanded robustly in each of the previous six quarters. 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. Looking at the month-on-month figures, output was flat in January but picked up by 0.2 per cent in February, and by a slightly more rapid 0.3 per cent in March.

Inflationary pressures picked up once again into the beginning of 2005 quarter one for both consumers and producers. CPI inflation climbed fairly sharply during 2004 quarter two, and after a brief cut back in the autumn came to stand at a year-high of 3.5 per cent in November. As in Europe, inflation dropped into 2005, but crept up in February and March to a rate of 3.2 per cent. Producer price inflation also increased from the second quarter of 2004 onwards, albeit more rapidly than consumer price inflation. From a March rate of 1.3 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 due to the brief fall in oil

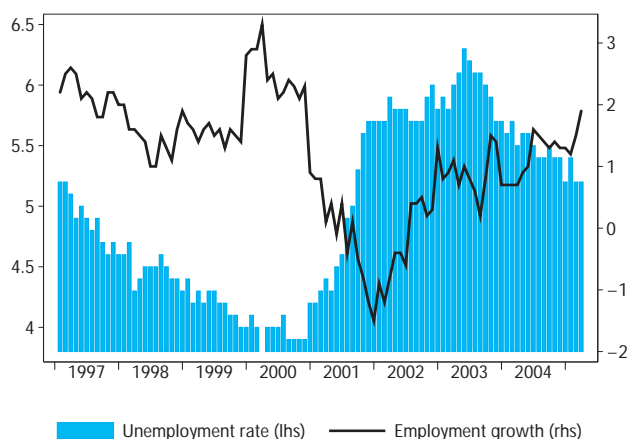


prices in November and December. However, inflation has picked up so far this year, with the quarterly rate of 5.6 per cent hiding growth in March of 6.1 per cent.

The US unemployment rate has been falling since mid-2003, after reaching a peak of 6.3 per cent in June of that year. In April 2005, the rate stood at 5.2 per cent, equal to the March figure and 0.2 percentage points down on February. Recent movements suggest that output growth has been accompanied by some tightening in the labour market (Figure 4). Employment growth in 2004 was robust in comparison to recent years, and the level is now at a relatively high level. Growth has been solid for the past three quarters, with an increase of 1.4 per cent recorded in quarter one of this year. In 2004 as a whole, employment grew by 1.1 per cent – 0.2 percentage points higher than in 2003 but some way below the 2.6 per cent gain made in 2000.

Figure 4  
USA: Labour market

Unemployment rate: annual employment 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. Growth in 2005 quarter one was only marginally stronger at 2.7 per cent, and the latest monthly data for April indicate a modest rise of 2.2 per cent.

## Japan

According to the latest annually chain-linked estimates, GDP expanded by a sizeable 1.3<sup>11</sup> per cent in 2005 quarter one, on a quarter-on-quarter measure; this contrasts with the preceding quarter four estimate of a 0.1 per cent increase in national expenditure. Prior to quarter four, the economy had been in recession in 2004 quarters two and quarter three, a fact which may partly explain the rapidity of the latest upturn.

Private consumption added 0.6<sup>11</sup> per cent to GDP on a quarter-on-quarter measure, ahead of government consumption, which contributed a modest 0.1<sup>11</sup> per cent. Fixed investment now looks to have boosted GDP growth by 0.2<sup>11</sup> percentage points after making a flat addition in quarter four, while stockbuilding raised overall growth by 0.4<sup>11</sup> percentage points. However, a slight decline in export demand was compounded by moderate import growth

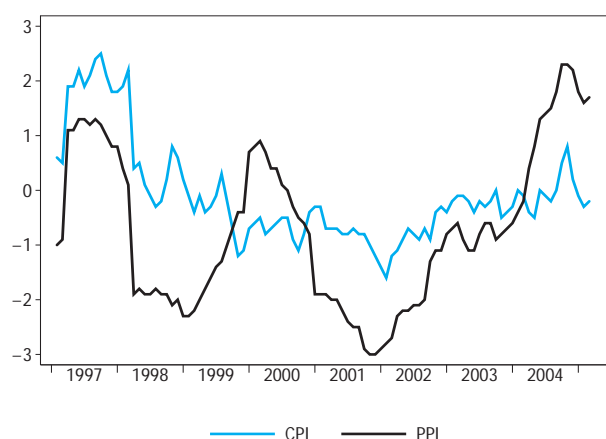
resulting in a reduction in the trade surplus and a cut to GDP of 0.1<sup>11</sup> per cent. Looking at the evolution of GDP from 2004 quarter one, growth is now estimated to have been 0.8<sup>11</sup> per cent. Save for a negative contribution from fixed investment, the components of domestic demand all added to GDP on this measure, while net trade had a neutral effect<sup>11</sup>.

Industrial production growth remained very strong between April and August of 2004 before growth cut back sharply into the final three months of the year. In early 2005, output growth climbed to 4.0 per cent in February but fell back to a relatively weak 2.3 per cent in March. Quarter-on-quarter industrial production grew by 0.8 per cent in quarter one of 2004 and accelerated sharply in quarter two when it gained 2.1 per cent. The latter half of the year was contrastingly weak, with output falls in both quarter three (0.2 per cent) and quarter four (1.1 per cent). On the more volatile month-on-month measure, the latest figures for 2005 indicate strong January growth of 3.5 per cent, followed losses of 1.9 per cent and 0.6 per cent in February and March.

After a brief spell of consumer price inflation during quarter four of last year, consumer prices deflated by 0.2 per cent in March, following broadly similar rates of deflation in the two preceding months. Inflation during 2004 as a whole had been flat, 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. Save for a period of gentle acceleration from June to August, inflation climbed fairly swiftly to reach 2.3 per cent in October and November before edging down towards end-year. In March this year, the rate stood at 1.7 per cent, mid-way between the January and February figures.

Figure 5  
Japan: Prices

Annual CPI and PPI inflation



After reaching a historical high at the end of 2002 of 5.5 per cent, the unemployment rate fell towards the end of 2004, and for the year whole the rate averaged 4.7 per cent. Unemployment 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 2005 quarter one, unemployment averaged 4.6 per cent, with the latest March



data indicating a rate of 4.5 per cent. Employment growth was negative from 1999 to 2003, although the data for 2004 now indicate 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 view to year-end, but the most recent figures suggest a lack of upward wage pressure. Annual earnings growth was a little erratic towards year-end, with a large increase in November forming the majority of a moderate 1.6 per cent rise in quarter four overall. Growth for the whole of 2004 was 1.8 per cent – a little slower than in 2003 but equal to the 2000 figure. So far in 2005, growth in January was flat, and in February the level fell by 0.2 per cent. Readers should exercise caution when interpreting the labour market figures, as each series relates to a separate degree of labour market inclusion.

### Important announcement

This is the last edition of International Economic Indicators. We will continue to produce Economic Update and this will include an expanded section looking at international economic events as they impact upon the UK. The data series presented here are, unless otherwise referenced, sourced from the 'Main Economic Indicators' dataset collated by the OECD each month. Access to this information is provided by the OECD on subscription - details can be found on their website, [www.oecd.org](http://www.oecd.org).

### 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/p2320121.htm>; plus author's own calculations based on this data.
2. Zentrum für Europäische Wirtschaftsforschung, [http://www.zew.de/en/presse/presse.php?action=article\\_show&LFDNR=434](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](http://www.cesifo.de/pls/cesifo_app/CESifoFrameSet.SwitchFrame?factor=10&page=/link/gk-e.htm)
4. INSEE, [http://www.insee.fr/fr/indicateur/indic\\_conj/donnees/doc\\_idconj\\_26.pdf](http://www.insee.fr/fr/indicateur/indic_conj/donnees/doc_idconj_26.pdf); plus author's own calculations based on this data.
5. INSEE, [http://www.insee.fr/en/indicateur/indic\\_conj/indconj\\_frame.asp?ind\\_id=11](http://www.insee.fr/en/indicateur/indic_conj/indconj_frame.asp?ind_id=11)
6. REUTERS, <http://www.reuters.com> (available on subscription)
7. ISTAT, <http://www.istat.it/Comunicati/In-calenda/Allegati/Economia/Stima-prel/0105fsh.pdf>
8. BEA, <http://www.bea.gov/bea/newsrelarchive/2005/gdp105a.pdf>; plus author's own calculations based on this data.
9. Institute for Supply Management, <http://www.ism.ws/ISMReport/ROB012005.cfm>
10. Institute for Supply Management, <http://www.ism.ws/ISMReport/NMROB012005.cfm>
11. ESRI, <http://www.esri.cao.go.jp/jp/sna/qe051/gaku-jk0511.csv>; plus author's own calculations based on this data..

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

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

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

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# 1 Germany

## Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl <sup>1</sup>	Unempl
<b>Percentage change on a year earlier</b>														
	ILFY	HUBW	HUBX	HUBY	HUBZ	HUCA	HUCB	ILGS	ILHM	HVLL	ILAF	ILAO	ILIG	GABD
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	1.1	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	-0.4	1.1	1.7	2.4	-0.8	9.1
2004	1.0	-0.4	0.1	-0.4	0.8	2.8	1.8	3.0	-2.3	1.6	1.6	2.0	0.3	9.5
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	-1.8	-2.7	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	-0.3	-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	0.6	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	-1.1	-2.1	1.1	1.9	2.1	-0.8	9.1
Q4	-	-0.5	-0.1	-	1.4	0.3	1.0	1.7	-0.7	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	1.5	-2.0	1.0	0.2	2.2	-	9.4
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	2.0	-2.3	2.0	3.0	1.9	0.7	9.6
2005 Q1	..	..	..	..	..	..	..	..	..	1.8	4.1	..	..	9.7
2004 Mar	..	..	..	..	..	..	..	1.1	-1.4	1.1	0.3	..	..	9.4
Apr	..	..	..	..	..	..	..	3.0	-2.2	1.6	0.9	..	..	9.5
May	..	..	..	..	..	..	..	4.8	-3.3	2.0	1.6	..	..	9.6
Jun	..	..	..	..	..	..	..	4.4	-3.0	1.7	1.5	..	..	9.5
Jul	..	..	..	..	..	..	..	3.6	-2.1	1.8	1.9	..	..	9.6
Aug	..	..	..	..	..	..	..	5.0	-0.6	2.0	2.2	..	..	9.8
Sep	..	..	..	..	..	..	..	5.2	-2.7	1.8	2.3	..	..	9.5
Oct	..	..	..	..	..	..	..	3.5	-2.2	2.0	3.3	..	..	9.8
Nov	..	..	..	..	..	..	..	1.0	-2.3	1.8	2.8	..	..	9.4
Dec	..	..	..	..	..	..	..	1.7	-2.6	2.1	2.9	..	..	9.5
2005 Jan	..	..	..	..	..	..	..	3.9	-0.2	1.6	3.9	..	..	9.6
Feb	..	..	..	..	..	..	..	2.9	..	1.8	4.2	..	..	9.7
Mar	..	..	..	..	..	..	..	..	..	1.8	4.2	..	..	9.8
<b>Percentage change on previous quarter</b>														
	ILGI	HUCC	HUCD	HUCE	HUCF	HUCG	HUCH	ILHC	ILHW				ILIQ	
2001 Q4	-0.1	-0.4	0.3	-0.4	-0.2	0.1	-0.4	-2.5	-1.1				0.5	
2002 Q1	-	-0.4	-	-0.2	-0.6	0.2	-1.0	0.9	-1.8				-2.2	
Q2	0.2	0.1	0.1	-0.5	0.9	0.6	0.9	0.5	0.4				0.8	
Q3	0.3	0.3	-	-0.2	-0.3	0.8	0.4	0.8	1.5				0.1	
Q4	-	-	0.2	-0.1	-0.2	0.6	0.5	-0.4	-1.3				0.3	
2003 Q1	-0.4	0.1	-0.3	-0.1	0.9	-0.3	0.6	0.5	0.1				-2.4	
Q2	-0.2	-0.1	0.1	-0.1	0.1	-1.0	-0.8	-1.2	0.1				1.0	
Q3	0.3	-0.2	-	-	-0.6	1.4	0.3	-	-1.1				0.3	
Q4	0.3	-0.3	-	0.2	1.0	0.2	0.8	2.4	0.1				0.6	
2004 Q1	0.5	0.1	-	-0.6	-0.2	1.4	0.2	0.3	-1.2				-1.9	
Q2	0.4	-0.2	-	-	-	1.3	0.7	1.3	-0.7				1.2	
Q3	-	-	0.1	0.1	1.4	-0.6	1.0	0.5	-				0.6	
Q4	-0.2	0.1	-0.1	-	-0.8	0.4	-0.1	-0.1	-0.4				0.8	
<b>Percentage change on previous month</b>														
								ILKC	ILKM					
2004 Feb								-0.3	-0.8					
Mar								-0.3	0.6					
Apr								1.2	0.1					
May								1.1	-2.5					
Jun								-0.9	2.1					
Jul								1.2	-0.9					
Aug								-0.7	0.6					
Sep								-	-0.2					
Oct								0.9	0.5					
Nov								-1.2	-1.2					
Dec								0.1	-0.5					
2005 Jan								2.8	2.1					
Feb								-1.3	..					

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

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

Source: OECD - SNA93

1 Excludes members of armed forces

# 2 France

Contribution to change in GDP														
	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI <sup>1</sup>	Earnings	Empl <sup>2</sup>	Unempl
<b>Percentage change on a year earlier</b>														
	ILFZ	HUBK	HUBL	HUBM	HUBN	HUBO	HUBP	ILGT	ILHN	HXAA	ILAG	ILAP	ILIH	GABC
2000	4.2	1.6	0.7	1.7	0.5	3.6	3.7	4.2	3.1	1.7	2.0	5.2	3.0	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	1.7	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	0.8	8.9
2003	0.5	0.9	0.6	0.1	-0.2	-0.7	0.1	-0.5	1.0	2.0	0.3	2.8	-0.3	9.5
2004	2.4	1.3	0.6	0.7	0.9	1.0	2.1	1.8	1.8	2.2	1.2	2.9	-	9.7
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	0.9	8.6
Q2	1.3	1.0	1.2	-0.4	-0.5	0.8	0.9	-1.1	2.0	1.7	-0.5	3.9	0.9	8.9
Q3	0.9	0.9	0.9	-0.5	0.2	0.7	1.3	-1.7	1.5	1.8	0.1	3.4	0.8	9.1
Q4	1.4	1.0	1.1	-0.3	-0.2	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	0.1	9.2
Q2	-0.3	0.7	0.5	-0.1	-0.3	-1.3	-0.2	-2.0	1.0	1.8	0.6	2.7	-0.2	9.4
Q3	0.5	0.9	0.6	0.1	-0.5	-1.1	-0.4	-1.0	1.0	1.9	-	3.0	-0.6	9.5
Q4	1.3	0.9	0.6	0.6	0.1	-0.4	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	-0.3	9.7
Q2	3.2	1.5	0.8	0.9	0.9	1.2	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	1.7	1.1	2.9	2.0	1.7	2.3	1.7	3.0	0.2	9.7
Q4	2.4	1.4	0.5	0.6	1.2	1.0	2.4	1.6	1.8	2.2	2.3	2.9	0.1	9.7
2005 Q1	..	..	..	..	..	..	..	..	..	1.7	2.6	..	..	9.8
2004 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	..	..	..	..	..	..	..	1.9	1.8	2.1	2.3	..	..	9.7
Dec	..	..	..	..	..	..	..	2.1	2.0	2.2	2.3	..	..	9.7
2005 Jan	..	..	..	..	..	..	..	2.7	0.7	1.6	2.6	..	..	9.7
Feb	..	..	..	..	..	..	..	1.2	1.6	1.7	2.6	..	..	9.8
Mar	..	..	..	..	..	..	..	..	..	2.0	2.5	..	..	9.8
<b>Percentage change on previous quarter</b>														
	ILGJ	HUBQ	HUBR	HUBS	HUBT	HUBU	HUBV	ILHD	ILHX				ILIR	
2001 Q4	-0.7	0.1	0.1	-0.3	-0.1	-0.7	-0.2	-1.9	0.2				0.2	
2002 Q1	0.9	0.3	0.4	0.1	0.4	0.7	0.8	-0.2	0.1				0.3	
Q2	0.5	0.2	0.3	-0.2	-0.2	0.7	0.5	0.7	0.7				0.2	
Q3	0.3	0.4	0.1	-	-	-	0.2	-0.3	0.5				0.1	
Q4	-0.3	0.1	0.2	-0.1	-0.4	-0.3	-0.3	-0.9	0.5				-0.1	
2003 Q1	0.1	0.4	0.1	-	0.3	-0.6	-	0.7	-0.4				-0.1	
Q2	-0.4	-0.1	0.1	0.1	-0.2	-0.4	-0.1	-1.5	0.4				-0.1	
Q3	1.1	0.6	0.2	0.2	-0.2	0.2	-	0.7	0.5				-0.3	
Q4	0.5	0.1	0.2	0.3	0.1	0.4	0.7	1.2	0.1				0.2	
2004 Q1	0.8	0.6	0.1	0.1	0.2	0.2	0.4	0.2	0.9				-0.1	
Q2	0.7	0.2	0.2	0.3	0.7	0.3	1.1	0.7	0.4				0.1	
Q3	-	-0.1	0.1	-0.1	0.7	0.2	0.7	-0.1	0.4				-	
Q4	0.9	0.7	0.1	0.3	-0.4	0.4	0.2	0.8	0.2				0.1	
<b>Percentage change on previous month</b>														
								ILKD	ILKN					
2004 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								0.4	-					
Dec								0.6	0.3					
2005 Jan								-	-0.1					
Feb								-0.5	0.6					

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

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

Source: OECD - SNA93

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

# 3 Italy

## Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
<b>Percentage change on a year earlier</b>														
	ILGA	HUCI	HUCJ	HUCK	HUCL	HUCM	HUCN	ILGU	ILHO	HYAA	ILAH	ILAQ	ILII	GABE
2000	3.1	1.7	0.3	1.5	-1.1	2.7	1.9	4.2	-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	0.4	0.2	0.3	0.3	0.4	-0.9	-0.1	-1.6	-0.5	2.4	0.2	2.7	1.4	8.6
2003	0.3	0.8	0.4	-0.4	0.4	-0.6	0.4	-0.6	-0.7	2.7	1.6	2.6	1.1	8.4
2004	1.0	0.6	0.1	0.4	-0.3	0.9	0.7	-0.6	-2.8	2.2	2.7	2.9	1.4	8.1
2002 Q1	-0.1	-0.5	0.4	-0.4	1.2	-2.3	-1.5	-4.4	-	2.4	-1.0	2.4	1.7	8.6
Q2	0.2	-	0.3	-0.3	0.7	-1.3	-0.8	-2.2	-1.2	2.3	-0.6	3.4	1.9	8.8
Q3	0.5	0.6	0.3	0.4	-0.4	-0.1	0.2	-0.5	-1.1	2.4	0.6	2.3	1.3	8.6
Q4	0.9	1.0	0.3	1.4	0.1	-0.2	1.6	0.7	0.2	2.8	1.7	2.7	1.0	8.5
2003 Q1	0.7	1.1	0.3	0.2	0.5	-0.4	1.0	0.2	-0.4	2.7	2.7	2.6	0.9	8.6
Q2	0.3	1.0	0.4	0.1	0.3	-1.4	0.2	-1.6	0.4	2.7	1.7	1.7	1.3	8.5
Q3	0.4	1.0	0.5	-0.5	-	-0.1	0.6	-0.6	-0.9	2.7	1.3	3.2	1.0	8.3
Q4	-	0.3	0.4	-1.3	0.7	-0.3	-0.3	-0.3	-2.0	2.5	0.9	2.7	0.9	8.2
2004 Q1	0.7	1.0	0.2	0.3	-0.7	-0.2	-	-0.3	-2.5	2.3	0.4	3.0	0.9	8.2
Q2	1.2	0.5	0.2	0.7	-0.7	1.7	1.1	0.8	-2.7	2.3	2.6	3.7	1.7	8.1
Q3	1.2	0.2	-	0.5	-0.2	1.6	1.0	-0.7	-3.3	2.2	3.5	2.2	1.1	7.9
Q4	0.8	0.7	-	0.1	0.2	0.5	0.7	-2.1	-2.6	1.9	4.3	2.6	2.2	8.0
2005 Q1	..	..	..	..	..	..	..	..	..	1.9	4.6	3.2	..	..
2004 Apr	..	..	..	..	..	..	..	0.4	-3.1	2.3	1.7	3.6	..	8.1
May	..	..	..	..	..	..	..	1.6	-3.5	2.3	2.9	3.7	..	8.1
Jun	..	..	..	..	..	..	..	0.5	-1.4	2.3	3.2	3.7	..	8.1
Jul	..	..	..	..	..	..	..	-0.7	-3.7	2.3	3.3	2.2	..	7.9
Aug	..	..	..	..	..	..	..	-1.3	-2.5	2.3	3.5	2.2	..	7.9
Sep	..	..	..	..	..	..	..	-0.2	-3.8	2.1	3.8	2.1	..	7.9
Oct	..	..	..	..	..	..	..	-0.9	-3.2	2.0	4.4	2.3	..	8.0
Nov	..	..	..	..	..	..	..	-2.2	-1.9	1.9	4.3	2.4	..	8.0
Dec	..	..	..	..	..	..	..	-3.1	-2.9	2.0	4.2	3.1	..	8.0
2005 Jan	..	..	..	..	..	..	..	-2.4	-1.5	1.8	4.5	3.9	..	..
Feb	..	..	..	..	..	..	..	-2.4	2.3	1.9	4.7	2.9	..	..
Mar	..	..	..	..	..	..	..	..	..	2.0	4.6	2.8	..	..
Apr	..	..	..	..	..	..	..	..	..	1.8	..	..	..	..
<b>Percentage change on previous quarter</b>														
	ILGK	HUCO	HUCP	HUCQ	HUCR	HUCS	HUCT	ILHE	ILHY				ILIS	
2002 Q1	-	-0.1	-	0.1	0.5	-0.4	-	0.1	0.6				-0.4	
Q2	0.3	0.4	0.1	-0.2	0.3	0.2	0.5	0.7	-1.4				0.6	
Q3	0.3	0.3	0.1	0.5	-0.8	0.2	-	0.2	0.6				1.1	
Q4	0.3	0.3	0.1	0.9	0.2	-0.1	1.1	-0.3	0.3				-0.3	
2003 Q1	-0.2	-	0.1	-1.1	0.9	-0.7	-0.6	-0.4	0.1				-0.5	
Q2	-0.1	0.3	0.1	-0.2	0.1	-0.8	-0.3	-1.1	-0.6				1.0	
Q3	0.4	0.4	0.2	-0.1	-1.1	1.5	0.4	1.2	-0.8				0.8	
Q4	-	-0.3	-	0.1	0.8	-0.3	0.3	-	-0.8				-0.4	
2004 Q1	0.5	0.7	-0.1	0.5	-0.5	-0.5	-0.3	-0.4	-0.4				-0.5	
Q2	0.4	-0.3	-	0.2	0.1	1.0	0.7	-	-0.8				1.8	
Q3	0.4	0.1	-	-0.2	-0.6	1.4	0.3	-0.3	-1.4				0.2	
Q4	-0.4	0.2	-	-0.4	1.2	-1.4	-	-1.3	-0.1				0.7	
2005 Q1	..	..	..	..	..	..	..	..	..				..	
<b>Percentage change on previous month</b>														
								ILKE	ILKO					
2004 Feb								0.1	-2.5					
Mar								-0.3	0.3					
Apr								0.4	0.2					
May								-0.1	-0.8					
Jun								-0.4	0.6					
Jul								0.3	-1.4					
Aug								-0.6	-					
Sep								0.3	-0.5					
Oct								-0.5	-					
Nov								-0.9	0.6					
Dec								-0.6	-0.4					
2005 Jan								-	2.4					
Feb								0.1	1.2					

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Empl = Total Employment not seasonally adjusted  
Unempl = Standardised Unemployment not seasonally adjusted  
Source: OECD - SNA93

## 4 USA

Contribution to change in GDP														
	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl <sup>1</sup>	Unempl
<b>Percentage change on a year earlier</b>														
	ILGC	HUDG	HUDH	HUDI	HUDJ	HUDK	HUDL	ILGW	ILHQ	ILAA	ILAJ	ILAS	ILIK	GADO
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	3.1	-	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	2.9	0.9	6.0
2004	4.4	2.7	0.3	1.7	0.4	0.9	1.5	4.2	7.8	2.7	4.3	2.6	1.1	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	3.2	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	3.6	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	3.4	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	2.9	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	3.0	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	2.3	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	2.6	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	2.6	1.5	5.4
Q4	3.9	2.6	0.2	1.6	0.4	0.6	1.5	4.3	8.3	3.4	5.8	2.7	1.3	5.4
2005 Q1	3.6	2.5	0.2	1.5	0.4	0.6	1.7	3.7	6.8	3.1	5.6	2.7	1.4	5.3
2004 Apr	..	..	..	..	..	..	..	4.7	7.7	2.3	4.0	2.8	0.7	5.5
May	..	..	..	..	..	..	..	5.4	9.8	3.0	5.5	2.6	0.9	5.6
Jun	..	..	..	..	..	..	..	4.7	7.2	3.3	4.8	2.5	1.0	5.6
Jul	..	..	..	..	..	..	..	4.8	7.1	3.0	5.0	2.2	1.6	5.5
Aug	..	..	..	..	..	..	..	5.0	5.7	2.6	4.9	2.5	1.5	5.4
Sep	..	..	..	..	..	..	..	3.9	7.7	2.6	5.2	3.1	1.4	5.4
Oct	..	..	..	..	..	..	..	4.6	8.9	3.3	6.0	2.9	1.3	5.5
Nov	..	..	..	..	..	..	..	3.9	7.4	3.5	6.1	2.5	1.4	5.4
Dec	..	..	..	..	..	..	..	4.5	8.4	3.3	5.1	2.7	1.3	5.4
2005 Jan	..	..	..	..	..	..	..	4.2	7.9	3.0	5.3	2.9	1.3	5.2
Feb	..	..	..	..	..	..	..	3.2	7.2	3.1	5.8	2.8	1.2	5.4
Mar	..	..	..	..	..	..	..	3.8	5.1	3.2	6.1	2.5	1.5	5.2
Apr	..	..	..	..	..	..	..	..	..	..	..	2.2	1.9	5.2
<b>Percentage change on previous quarter</b>														
	ILGM	HUDM	HUDN	HUDO	HUDP	HUDQ	HUDR	ILHG	ILIA				ILIU	
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	0.9	0.7	-	0.5	0.1	0.1	0.4	1.1	2.4				0.2	
2005 Q1	0.8	0.6	0.1	0.1	0.3	0.2	0.6	0.8	1.1				-0.9	
<b>Percentage change on previous month</b>														
								ILKG	ILKQ				ILLA	
2004 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								0.8	1.0				0.6	
Nov								0.3	-0.1				0.1	
Dec								0.8	1.2				-0.2	
2005 Jan								-	-0.1				-1.2	
Feb								0.2	0.4				0.3	
Mar								0.3	0.3				0.5	
Apr								..	..				0.9	

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

1 Excludes members of armed forces



# 5 Japan

Contribution to change in GDP														
	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP <sup>1</sup>	Sales	CPI	PPI	Earnings <sup>2</sup>	Empl	Unempl
<b>Percentage change on a year earlier</b>														
	ILGD	HUCU	HUCV	HUCW	HUCX	HUCY	HUCZ	ILGX	ILHR	ILAB	ILAK	ILAT	ILIL	GADP
2000	2.4	0.3	0.8	0.5	0.3	1.2	0.7	4.9	-0.8	-0.7	0.2	1.8	-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	-0.1	-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	-1.0	-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	2.1	-0.2	5.3
2004	2.6	0.8	0.5	0.3	0.1	1.7	0.9	5.0	-0.8	-	1.1	1.8	0.2	4.7
2002 Q1	-2.7	-	0.5	-2.2	-1.4	-0.3	-0.6	-8.9	-4.9	-1.4	-2.8	-1.4	-1.4	5.3
Q2	-0.5	0.2	0.4	-1.7	-0.3	0.7	-0.1	-3.4	-2.8	-0.9	-2.2	-1.0	-1.5	5.4
Q3	0.6	0.7	0.5	-1.5	0.4	1.0	0.4	2.7	-3.1	-0.8	-2.1	-1.7	-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	0.3	-1.1	5.4
2003 Q1	1.5	0.4	0.3	-0.4	0.7	1.2	0.8	5.5	-0.6	-0.2	-0.7	1.7	-0.8	5.4
Q2	1.0	-	0.2	0.4	0.2	0.6	0.2	2.0	-2.3	-0.3	-1.1	2.6	0.1	5.4
Q3	1.0	-0.4	0.2	0.2	0.2	1.0	0.2	1.0	-2.0	-0.2	-0.6	2.1	-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	2.0	-0.1	5.1
2004 Q1	4.1	1.0	0.4	1.1	0.4	1.7	0.5	4.6	-0.7	-0.1	-0.4	1.8	0.2	4.9
Q2	3.1	1.2	0.5	0.3	-	2.1	0.9	7.5	-1.4	-0.3	0.8	1.7	0.2	4.6
Q3	2.3	1.0	0.4	0.3	-0.2	1.8	1.0	6.4	-0.4	-0.1	1.5	2.1	0.3	4.8
Q4	1.0	0.2	0.6	-0.3	0.4	1.3	1.0	1.6	-0.9	0.5	2.3	1.6	-	4.5
2005 Q1	..	..	..	..	..	..	..	2.8	1.4	-0.2	1.7	..	0.2	4.6
2004 Mar	..	..	..	..	..	..	..	4.3	-1.5	-0.1	-0.2	2.1	0.2	4.7
Apr	..	..	..	..	..	..	..	8.0	-0.3	-0.4	0.4	1.1	0.8	4.7
May	..	..	..	..	..	..	..	6.8	-1.9	-0.5	0.8	2.1	0.4	4.6
Jun	..	..	..	..	..	..	..	7.9	-1.9	-	1.3	1.8	-0.6	4.6
Jul	..	..	..	..	..	..	..	8.2	0.7	-0.1	1.4	1.9	-0.1	4.9
Aug	..	..	..	..	..	..	..	7.8	-1.2	-0.2	1.5	2.9	0.5	4.8
Sep	..	..	..	..	..	..	..	3.5	-0.5	-	1.8	1.5	0.4	4.6
Oct	..	..	..	..	..	..	..	1.5	-2.1	0.5	2.3	0.2	0.2	4.7
Nov	..	..	..	..	..	..	..	1.5	-0.1	0.8	2.3	3.4	-	4.5
Dec	..	..	..	..	..	..	..	1.8	-0.5	0.2	2.2	1.0	-	4.4
2005 Jan	..	..	..	..	..	..	..	2.1	2.2	-0.1	1.8	-	0.6	4.5
Feb	..	..	..	..	..	..	..	4.0	1.3	-0.3	1.6	-0.2	0.3	4.7
Mar	..	..	..	..	..	..	..	2.3	0.7	-0.2	1.7	..	-0.3	4.5
<b>Percentage change on previous quarter</b>														
	ILGN	HUDA	HUDB	HUDC	HUDD	HUDE	HUDF	ILHH	ILIB				ILIV	
2002 Q1	-0.4	-0.2	-	-0.2	-0.4	0.5	0.1	0.6	-1.3				-2.0	
Q2	1.2	0.3	0.1	-0.2	0.6	0.7	0.3	2.8	0.1				1.3	
Q3	0.4	0.4	0.2	-	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	-	0.5	0.1	0.1	-0.2	-0.6	-1.5				2.3	
Q3	0.4	0.1	0.1	-0.1	0.1	0.4	0.2	0.9	-0.6				-	
Q4	1.4	0.7	-	0.6	-0.4	0.6	0.2	3.6	0.5				-0.6	
2004 Q1	1.5	0.4	0.2	0.1	0.6	0.6	0.3	0.8	1.0				-1.4	
Q2	-0.3	0.1	0.1	-0.4	-0.3	0.4	0.2	2.1	-2.2				2.3	
Q3	-0.3	-0.1	0.1	-0.1	-	0.1	0.2	-0.2	0.4				0.1	
Q4	0.1	-0.1	0.2	-	0.2	0.2	0.3	-1.1	-0.1				-0.9	
2005 Q1	..	..	..	..	..	..	..	2.0	3.3				-1.2	
<b>Percentage change on previous month</b>														
								ILKH	ILKR				ILLB	
2004 Mar								1.0	-0.6				1.1	
Apr								2.6	-0.5				1.2	
May								-0.1	-1.1				0.5	
Jun								0.4	-				-0.2	
Jul								0.1	0.3				-	
Aug								-0.5	0.4				0.3	
Sep								-0.4	0.4				-0.4	
Oct								-1.1	-0.4				-0.3	
Nov								0.8	-0.5				-0.4	
Dec								-0.4	0.8				-0.3	
2005 Jan								3.5	5.0				-0.7	
Feb								-1.9	-2.3				-0.5	
Mar								-0.6	-1.1				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 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

# Corporate services price index (experimental)

## Quarter 1 2005

### What is the CSPI?

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

### Results for Quarter 1, 2005

Prices of business-to-business services rose by 3.2 per cent in the year to the first quarter 2005. This is based on a comparison of the change in the top-level CSPI on the *net* sector basis.

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

The top-level results, on both gross and net sector bases, are shown in Table 1. In Q1 2005, the top-level CSPI (net sector) rose by 1.0 per cent compared to the previous quarter.

Figure 2 depicts the CSPI annual growths for both the net and gross sector time series. The net CSPI growth shows an increase to 3.2 per cent for Q1 2005 from 2.4 per cent in Q4 2004. The annual growth for the CSPI gross series shows an increase from a value of 2.3 per cent in Q4 2004 to a value of 3.0 per cent in Q1 2005. The difference in annual growth between the gross sector and net sector CSPI is 0.1 per cent this quarter.

### Industry-specific Indices

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

- *contract packaging* prices rose by 8.1 per cent on the previous quarter due to annual price reviews across the sector;
- *business rail fares* rose by 4.9 per cent on the previous quarter, following annual price reviews provided by the Strategic Rail Authority (SRA);
- *commercial vehicle ferry* costs rose by 2.1 per cent on the previous quarter attributed to a general market increase;
- *maintenance and repair of motor vehicle* prices rose by 1.8 per cent on the previous quarter, reportedly due to an increase in labour costs being passed on to the customer;

Figure 1

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

Percentage change on the same quarter a year ago

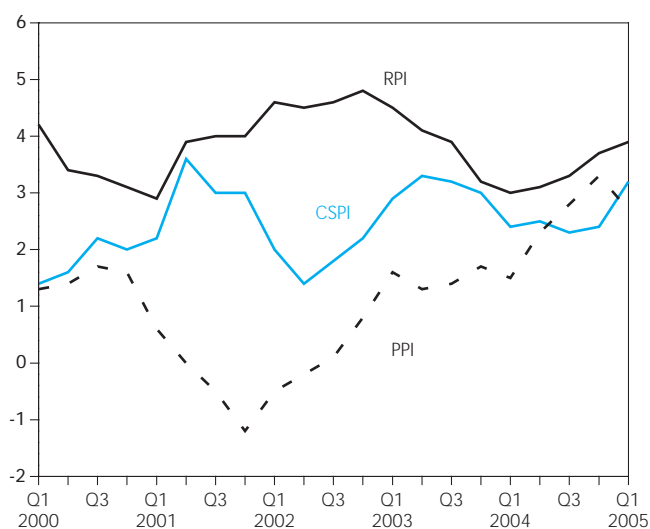


Figure 2

**Experimental top-level CSPI (Gross and net sector)**

Percentage change on the same quarter in previous year

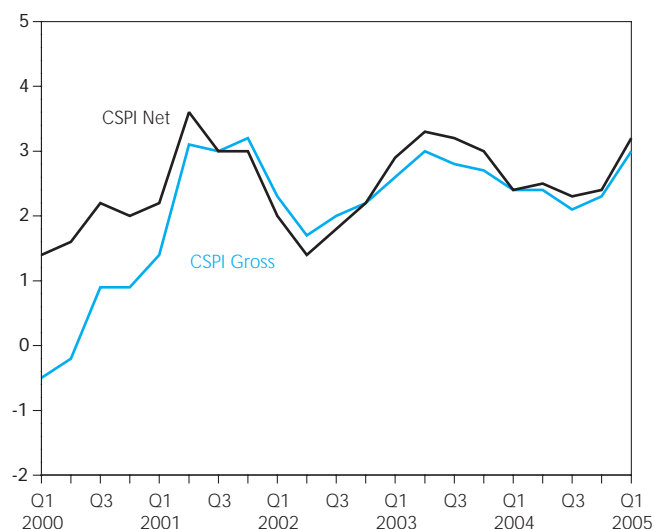


Table 1

**CSPI Results**

	CSPI Quarterly Index Values 2000=100		Percentage change on same quarter in previous year (per cent)	
	Gross sector	Net sector	Gross sector	Net sector
2000 Q1	99.8	99.5	-0.5	1.4
Q2	99.6	99.5	-0.2	1.6
Q3	100.2	100.3	0.9	2.2
Q4	100.3	100.7	0.9	2.0
2001 Q1	101.3	101.6	1.4	2.2
Q2	102.7	103.1	3.1	3.6
Q3	103.2	103.3	3.0	3.0
Q4	103.5	103.7	3.2	3.0
2002 Q1	103.6	103.7	2.3	2.0
Q2	104.5	104.6	1.7	1.4
Q3	105.3	105.2	2.0	1.8
Q4	105.8	106.0	2.2	2.2
2003 Q1	106.3	106.8	2.6	2.9
Q2	107.6	108.0	3.0	3.3
Q3	108.2	108.6	2.8	3.2
Q4	108.6	109.2	2.7	3.0
2004 Q1	108.8	109.4	2.4	2.4
Q2	110.1	110.7	2.4	2.5
Q3	110.5	111.1	2.1	2.3
Q4	111.1	111.8	2.3	2.4
2005 Q1	112.0	112.9	3.0	3.2

- *real estate agency* costs rose by 1.7 per cent on the previous quarter. This represents a slowing down in the rate of price increases in this sector;
- *freight transport by road* costs rose by 1.6 per cent on the previous quarter reportedly due to a number of factors including fuel and wage increases, annual price reviews and the forthcoming introduction of the road transport directive;
- *business air fares* rose by 1.5 per cent on the previous quarter, due to the increase in operational costs being passed onto the customer;
- *commercial film processing* fell by 1.2 per cent on the previous quarter due to market conditions.

## Background notes

1. The experimental Corporate Services Price Index (CSPI) has been recently rebased to the year 2000 and released on 20 February 2004. Many aspects of the methods and sources used to compile the CSPI have been reviewed and updated in the rebasing. For more information on the methodology and associated impact of the rebasing see [http://www.statistics.gov.uk/downloads/experimental/CSPI\\_Rebasing\\_Methodology\\_and\\_Impact.pdf](http://www.statistics.gov.uk/downloads/experimental/CSPI_Rebasing_Methodology_and_Impact.pdf).
2. The February 2004 release of the rebased CSPI also introduced a redeveloped business telecommunications index and new banking (loans and interest bearing deposits) index. The introduction of the new index has increased the number of published, industry-level CSPIs to thirty two, providing coverage of an estimated fifty five per cent of net corporate service activity in the UK. ONS has also expanded substantially the survey of businesses on which the CSPI is based. We now survey 1,500 businesses, seeking price quotes for 5,000 service-products. For further information on the redeveloped business telecommunications CSPI see [http://www.statistics.gov.uk/downloads/experimental/Redeveloped\\_Business\\_Telecommunications.pdf](http://www.statistics.gov.uk/downloads/experimental/Redeveloped_Business_Telecommunications.pdf). For further information on the new banking CSPI see [http://www.statistics.gov.uk/downloads/experimental/New\\_Banking\\_CSPI.pdf](http://www.statistics.gov.uk/downloads/experimental/New_Banking_CSPI.pdf).
3. The CSPI is shown in this release as both net and gross sector time series, aligning with the PPI release format. The net series is scoped to monitor the corporate-service activity provided to other businesses and government organisations, outside the corporate services sector. The gross series is scoped to monitor the provision of corporate services to all businesses and government organisations.
4. Indices relate to average prices for a quarter. The full effect of a price change, occurring partway through any quarter, will only be reflected in the following quarter's index. All index numbers exclude VAT.
5. Some back data for a few industry specific indices have been revised. The figures previously published are now found to have included transcription errors. Many of the revisions are very small, either 0.1 or 0.2 index points, although some are larger. The largest revisions are to the 2003 index number level and growth rate for hotels and technical testing (around 1 index point). The largest revisions to quarterly growth rates are for bus and coach hire growth in quarter 3 2000 (revision of 1 index point) and to banking services in quarter 3 2002 (revision of 2 index points). There were no errors in the top-level CSPI index number levels or growth rates. The index numbers in this publication have now been subject to a further quality assessment and improvements to operational procedures are being put in place as a result.
6. *Review of car contract hire.* ONS contract a private agency to provide price information on the car contract hire industry for inclusion in the experimental CSPI. In the first quarter of 2005, the agency made changes to their weighting patterns which has led to a significant jump in the level of their index. ONS are reviewing the way in which this index is calculated and, as a temporary measure, have surpressed the industry specific car contract hire data for this period. However, the data are included in the overall index and have an effect of increasing the net and gross annual growth by about 0.2 per cent.
7. *Index Weighting Methodology.* The CSPI 2005 quarter 3 experimental results will include enhancements to the index weighting methodology. This follows research into the 2000=100 rebasing exercise and will incorporate improvements to the way the index is calculated.
8. *Presentation of future Experimental Releases.* The CSPI 2005 quarter 3 experimental release will contain improvements in presentation. These will include additional commentary on index movements together with accompanying charts and the introduction of industry family groupings to aid interpretation.

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

### Note to the main table:

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

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

### Next results

The next set of CSPI results will be issued on 12 August 2005 via the National Statistics website <http://www.statistics.gov.uk/cspi>.

### Further information

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



Table 2

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

	Maintenance and repair of motor vehicles*	Hotels	Canteens and catering	Business rail fares*	Rail Freight	Bus and coach hire	Freight transport by road	
							Total	International component
SIC(2003)	50.2	55.1	55.50	60.10/1	60.10/9	60.23/1	60.24/9	
2000 weights per cent								
Gross sector	2.93	3.69	3.03	0.32	0.62	0.12	12.72	
Net sector	2.08	4.08	3.36	0.16	1.03	0.20	21.15	
Annual								
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	102.9	104.3	104.2	103.1	100.5	106.8	102.9	100.3
2002	106.1	104.3	105.4	106.1	102.1	114.7	103.9	99.3
2003	110.2	108.6	106.6	109.8	103.5	120.8	106.2	99.3
2004	115.2	111.8	107.6	114.4	104.1	123.7	108.2	100.0
Percentage change, latest year on previous year								
2000	2.3	2.3	0.1	4.5	-1.0	6.5	4.6	2.6
2001	2.9	4.3	4.2	3.1	0.5	6.8	2.9	0.3
2002	3.1	0.0	1.1	2.9	1.6	7.4	1.0	-1.0
2003	3.9	4.2	1.1	3.5	1.4	5.3	2.2	0.1
2004	4.5	2.9	1.0	4.2	0.6	2.4	1.9	0.7
Quarterly results (not seasonally adjusted)								
2000 Q1	99.1	98.8	99.1	100.0	101.8	98.1	98.9	99.5
Q2	99.6	100.1	100.1	100.0	99.4	99.9	99.3	99.5
Q3	100.2	100.7	100.1	100.0	99.4	100.6	100.2	100.0
Q4	101.2	100.5	100.7	100.0	99.4	101.4	101.6	101.0
2001 Q1	102.0	102.9	103.2	103.1	100.3	103.4	102.5	100.9
Q2	102.8	104.7	104.4	103.1	101.1	105.1	103.0	100.2
Q3	103.5	104.5	104.5	103.1	100.5	108.1	103.1	99.8
Q4	103.3	104.9	104.6	103.1	100.1	110.8	103.0	100.1
2002 Q1	104.9	103.7	104.7	106.1	101.3	111.7	102.9	99.6
Q2	105.5	103.4	105.3	106.1	102.1	113.3	103.6	99.4
Q3	106.6	104.0	105.7	106.1	102.4	116.4	104.3	99.7
Q4	107.4	106.0	105.7	106.1	102.5	117.4	104.9	98.3
2003 Q1	108.9	107.2	106.1	109.8	102.7	119.2	105.6	99.3
Q2	109.8	107.2	106.4	109.8	103.4	120.8	106.1	99.3
Q3	110.4	109.1	106.7	109.8	103.6	121.6	106.3	99.5
Q4	111.7	110.9	107.0	109.8	104.2	121.7	106.8	99.2
2004 Q1	113.3	110.5	107.2	114.4	103.7	122.4	107.1	99.0
Q2	114.6	112.3	107.4	114.4	104.1	123.4	107.8	99.1
Q3	115.9	112.0	108.0	114.4	104.3	124.6	108.7	100.3
Q4	116.8	112.4	107.9	114.4	104.5	125.2	110.0	100.7
2005 Q1	118.9	113.4	107.9	120.0	105.6	126.2	111.8	103.4

Table 2 – continued

	Maintenance and repair of motor vehicles*	Hotels	Canteens and catering	Business rail fares*	Rail Freight	Bus and coach hire	Freight transport by road	
							Total	International component
SIC(2003)	50.2	55.1	55.50	60.10/1	60.10/9	60.23/1	60.24/9	
Percentage change, latest quarter on previous quarter								
2000 Q1	0.3	1.7	-0.4	4.5	0.5	1.6	1.3	2.2
Q2	0.5	1.3	1.1	0.0	-2.3	1.9	0.5	0.0
Q3	0.6	0.6	0.0	0.0	0.0	0.7	0.9	0.5
Q4	1.0	-0.2	0.5	0.0	0.0	0.8	1.4	0.9
2001 Q1	0.8	2.4	2.5	3.1	0.9	1.9	0.9	-0.1
Q2	0.8	1.8	1.2	0.0	0.8	1.7	0.5	-0.6
Q3	0.6	-0.2	0.1	0.0	-0.6	2.8	0.1	-0.4
Q4	-0.2	0.3	0.1	0.0	-0.4	2.5	0.0	0.3
2002 Q1	1.5	-1.1	0.0	2.9	1.2	0.9	-0.1	-0.5
Q2	0.6	-0.3	0.6	0.0	0.8	1.4	0.7	-0.2
Q3	1.0	0.6	0.4	0.0	0.2	2.8	0.6	0.3
Q4	0.8	1.9	0.0	0.0	0.1	0.9	0.5	-1.4
2003 Q1	1.5	1.2	0.4	3.5	0.2	1.5	0.7	1.0
Q2	0.8	0.0	0.2	0.0	0.7	1.3	0.5	0.0
Q3	0.6	1.8	0.3	0.0	0.2	0.6	0.2	0.1
Q4	1.2	1.6	0.2	0.0	0.5	0.1	0.5	-0.3
2004 Q1	1.4	-0.4	0.2	4.2	-0.5	0.6	0.3	-0.2
Q2	1.1	1.6	0.2	0.0	0.4	0.8	0.6	0.1
Q3	1.2	-0.3	0.5	0.0	0.2	0.9	0.8	1.3
Q4	0.7	0.4	0.0	0.0	0.2	0.5	1.2	0.4
2005 Q1	1.8	0.9	0.0	4.9	1.1	0.8	1.6	2.7
Percentage change, latest quarter on corresponding quarter of previous year								
2000 Q1	2.5	-1.3	-0.8	4.5	1.3	6.3	5.2	1.9
Q2	2.0	3.3	-0.2	4.5	-1.7	7.3	4.3	2.2
Q3	2.2	4.0	0.4	4.5	-1.8	7.2	4.6	2.7
Q4	2.5	3.4	1.2	4.5	-1.8	5.1	4.1	3.7
2001 Q1	2.9	4.2	4.2	3.1	-1.4	5.4	3.7	1.4
Q2	3.2	4.7	4.3	3.1	1.6	5.3	3.7	0.7
Q3	3.3	3.8	4.3	3.1	1.1	7.4	2.8	-0.2
Q4	2.1	4.4	4.0	3.1	0.7	9.2	1.4	-0.9
2002 Q1	2.8	0.7	1.4	2.9	1.0	8.1	0.4	-1.2
Q2	2.6	-1.3	0.9	2.9	1.0	7.7	0.6	-0.8
Q3	3.0	-0.5	1.2	2.9	1.9	7.7	1.2	-0.2
Q4	3.9	1.0	1.0	2.9	2.4	6.0	1.8	-1.8
2003 Q1	3.9	3.3	1.4	3.5	1.3	6.7	2.6	-0.3
Q2	4.0	3.7	1.0	3.5	1.3	6.7	2.3	-0.1
Q3	3.6	5.0	1.0	3.5	1.2	4.4	1.9	-0.2
Q4	4.1	4.7	1.2	3.5	1.6	3.6	1.9	0.9
2004 Q1	4.0	3.1	1.0	4.2	0.9	2.7	1.5	-0.4
Q2	4.4	4.8	0.9	4.2	0.7	2.1	1.6	-0.3
Q3	5.0	2.6	1.1	4.2	0.6	2.5	2.2	0.9
Q4	4.5	1.3	0.9	4.2	0.3	2.9	2.9	1.5
2005 Q1	4.9	2.6	0.7	4.9	1.8	3.1	4.3	4.5

Table 2 – continued

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

	Commercial vehicle ferries	Sea and coastal water freight	Business air fares	Freight forwarding	National post parcels*	Courier services	Business telecoms services*	Banking services*
SIC(2003)	61.10/1	61.10/2	62.10/1	63.4	64.11	64.12	64.2	65.12/1
2000 weights per cent								
Gross sector	0.29	0.73	3.28	7.48	3.48	2.42	11.84	2.90
Net sector	0.37	0.92	1.59	6.20	1.81	1.26	5.39	3.23
Annual								
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	98.7	100.7	115.1	100.4	103.1	102.7	92.6	108.2
2002	100.6	95.0	122.8	99.8	107.1	107.1	90.6	116.5
2003	102.8	96.1	127.1	104.3	113.3	109.2	87.8	125.6
2004	102.6	94.9	129.7	108.0	119.5	112.8	85.2	126.2
Percentage change, latest year on previous year								
2000	1.9	2.8	5.6	0.9	4.1	0.2	-16.0	10.2
2001	-1.3	0.7	15.1	0.4	3.1	2.7	-7.4	8.2
2002	2.0	-5.7	6.7	-0.6	3.9	4.2	-2.2	7.7
2003	2.1	1.1	3.5	4.4	5.9	2.0	-3.0	7.8
2004	-0.2	-1.2	2.0	3.6	5.4	3.3	-2.9	0.5
Quarterly results (not seasonally adjusted)								
2000 Q1	100.9	96.8	96.2	98.9	96.5	98.6	107.0	94.9
Q2	99.8	98.8	98.0	99.3	101.2	99.2	99.6	99.3
Q3	100.4	101.7	100.0	100.5	101.2	100.0	99.1	103.8
Q4	98.9	102.7	105.8	101.2	101.2	102.2	94.3	102.0
2001 Q1	101.5	103.9	111.9	102.2	101.2	100.4	93.1	101.4
Q2	99.0	101.6	113.1	100.6	103.7	101.5	92.8	109.0
Q3	97.0	99.9	116.8	99.4	103.7	104.2	93.7	106.7
Q4	97.3	97.5	118.5	99.4	103.7	104.8	90.8	115.7
2002 Q1	101.8	96.4	120.7	98.5	103.7	106.0	88.3	113.6
Q2	100.5	94.1	122.2	99.5	108.2	106.6	89.5	117.8
Q3	100.6	94.1	123.3	100.4	108.2	107.7	93.0	113.4
Q4	99.6	95.4	124.8	100.9	108.2	107.9	91.4	121.3
2003 Q1	102.6	98.8	124.9	102.2	108.2	108.6	88.2	122.5
Q2	102.8	97.0	127.1	104.4	115.0	109.4	87.3	125.8
Q3	102.8	94.5	128.1	105.0	115.0	109.3	88.2	125.7
Q4	102.8	94.0	128.2	105.5	115.0	109.4	87.6	128.4
2004 Q1	102.6	95.4	129.1	104.9	115.0	110.9	86.1	127.3
Q2	102.5	94.1	129.5	107.5	121.0	112.1	85.8	128.4
Q3	102.6	93.9	129.6	109.3	121.0	113.4	85.6	125.1
Q4	102.7	97.3	130.3	108.7	121.0	114.3	85.0	126.0
2005 Q1	104.8	96.9	132.3	110.0	121.0	115.2	84.4	125.5

Table 2 – continued

	Commercial vehicle ferries	Sea and coastal water freight	Business air fares	Freight forwarding	National post parcels*	Courier services	Business telecoms services*	Banking services*
SIC(2003)	61.10/1	61.10/2	62.10/1	63.4	64.11	64.12	64.2	65.12/1
Percentage change, latest quarter on previous quarter								
2000 Q1	5.6	2.1	0.8	0.7	0.0	-0.9	-3.2	3.2
Q2	-1.0	2.1	2.0	0.4	4.8	0.6	-6.9	4.7
Q3	0.6	2.9	2.0	1.2	0.0	0.8	-0.6	4.5
Q4	-1.4	1.0	5.8	0.7	0.0	2.1	-4.8	-1.7
2001 Q1	2.6	1.2	5.8	1.0	0.0	-1.8	-1.3	-0.5
Q2	-2.5	-2.2	1.1	-1.6	2.5	1.1	-0.3	7.4
Q3	-2.0	-1.7	3.3	-1.2	0.0	2.6	1.0	-2.1
Q4	0.3	-2.4	1.4	-0.1	0.0	0.6	-3.2	8.5
2002 Q1	4.6	-1.1	1.9	-0.9	0.0	1.2	-2.7	-1.8
Q2	-1.3	-2.4	1.2	1.0	4.4	0.6	1.3	3.6
Q3	0.1	0.1	0.9	0.9	0.0	0.9	4.0	-3.7
Q4	-1.0	1.3	1.2	0.5	0.0	0.2	-1.8	6.9
2003 Q1	3.0	3.6	0.1	1.3	0.0	0.6	-3.5	1.0
Q2	0.2	-1.8	1.7	2.2	6.3	0.7	-1.0	2.7
Q3	0.0	-2.6	0.8	0.5	0.0	-0.1	1.0	-0.1
Q4	0.0	-0.5	0.1	0.5	0.0	0.1	-0.6	2.2
2004 Q1	-0.2	1.5	0.7	-0.6	0.0	1.3	-1.7	-0.9
Q2	-0.1	-1.3	0.3	2.5	5.1	1.1	-0.4	0.9
Q3	0.0	-0.2	0.1	1.6	0.0	1.2	-0.2	-2.6
Q4	0.1	3.7	0.6	-0.5	0.0	0.8	-0.7	0.7
2005 Q1	2.1	-0.4	1.5	1.1	0.0	0.8	-0.7	-0.4
Percentage change, latest quarter on corresponding quarter of previous year								
2000 Q1	0.2	-3.1	2.5	-2.6	2.0	-0.7	-17.5	5.3
Q2	1.2	0.2	3.4	0.2	4.8	-0.7	-17.8	11.6
Q3	2.8	6.1	5.5	3.0	4.8	-0.2	-13.8	12.7
Q4	3.6	8.3	10.9	3.0	4.8	2.6	-14.7	10.9
2001 Q1	0.6	7.3	16.4	3.4	4.8	1.7	-13.0	6.9
Q2	-0.9	2.8	15.4	1.3	2.5	2.3	-6.9	9.7
Q3	-3.4	-1.8	16.8	-1.1	2.5	4.1	-5.4	2.8
Q4	-1.6	-5.1	12.0	-1.8	2.5	2.6	-3.8	13.5
2002 Q1	0.3	-7.2	7.8	-3.6	2.5	5.7	-5.1	12.0
Q2	1.5	-7.5	8.0	-1.1	4.4	5.1	-3.6	8.1
Q3	3.7	-5.8	5.6	0.9	4.4	3.3	-0.7	6.3
Q4	2.4	-2.1	5.3	1.5	4.4	3.0	0.7	4.8
2003 Q1	0.8	2.5	3.5	3.7	4.4	2.4	-0.1	7.8
Q2	2.3	3.1	4.0	4.9	6.3	2.6	-2.4	6.8
Q3	2.2	0.3	3.9	4.6	6.3	1.5	-5.2	10.8
Q4	3.2	-1.5	2.8	4.6	6.3	1.4	-4.1	5.9
2004 Q1	0.0	-3.4	3.4	2.6	6.3	2.1	-2.4	3.9
Q2	-0.3	-3.0	1.9	3.0	5.1	2.5	-1.8	2.1
Q3	-0.3	-0.6	1.2	4.1	5.1	3.8	-2.9	-0.5
Q4	-0.1	3.6	1.6	3.1	5.1	4.5	-3.0	-1.9
2005 Q1	2.1	1.6	2.4	4.8	5.1	4.0	-2.0	-1.4

Table 2 – continued

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

	Property rentals*	Real estate agency activities	Car contract hire*	Construction plant hire*	Market research	Technical testing	Employment agencies
SIC(2003)	70.2	70.3	71.1	71.32	74.13	74.3	74.5
Gross sector	7.88	3.71	2.54	2.38	1.15	0.77	14.39
Net sector	12.33	1.56	3.56	5.69	0.98	0.97	6.59
Annual							
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	106.5	101.9	94.9	104.2	102.6	103.8	107.1
2002	111.0	102.6	94.6	102.0	107.0	107.2	112.0
2003	115.6	105.8	89.8	108.2	109.8	111.0	115.5
2004	120.2	114.6	91.6	106.8	111.4	112.2	117.2
Percentage change, latest year on previous year							
2000	5.7	6.5	3.0	5.1	2.4	1.3	2.3
2001	6.5	1.9	-5.1	4.2	2.6	3.8	7.1
2002	4.3	0.7	-0.3	-2.1	4.3	3.3	4.6
2003	4.1	3.1	-5.1	6.1	2.6	3.6	3.1
2004	4.0	8.3	2.0	-1.3	1.4	1.1	1.5
Quarterly results (not seasonally adjusted)							
2000 Q1	98.0	98.5	100.1	96.6	99.7	99.3	99.3
Q2	99.3	99.7	100.5	100.8	100.0	99.6	99.9
Q3	100.6	100.6	100.0	101.7	100.5	100.0	100.1
Q4	102.2	101.3	99.4	100.9	99.8	101.1	100.7
2001 Q1	104.1	101.9	97.3	101.8	102.3	101.7	102.7
Q2	105.7	101.9	94.5	108.0	102.6	104.2	106.8
Q3	107.2	101.9	94.1	105.0	102.7	104.3	108.7
Q4	108.8	101.8	93.7	101.9	103.0	104.9	110.0
2002 Q1	109.6	101.5	94.1	100.3	106.4	106.0	111.6
Q2	110.7	102.0	94.3	101.4	106.5	106.3	111.9
Q3	111.3	103.0	94.5	102.9	106.9	107.6	112.4
Q4	112.5	103.8	95.5	103.3	108.3	108.9	112.2
2003 Q1	113.4	103.9	94.4	106.5	109.1	109.9	113.4
Q2	115.5	104.9	87.6	108.4	109.3	110.5	116.0
Q3	116.3	106.7	88.1	108.8	110.3	111.7	116.4
Q4	117.1	107.5	89.0	109.1	110.6	111.9	116.2
2004 Q1	118.3	110.2	90.9	107.0	110.8	112.4	116.1
Q2	119.4	113.6	91.1	107.8	111.1	112.3	117.3
Q3	120.9	116.0	92.2	106.2	111.4	112.9	117.2
Q4	122.2	118.8	92.2	106.1	112.2	113.2	118.2
2005 Q1	122.6	120.9	..#	106.5	112.9	113.3	118.3

# Index under review - please see background note 6 for further information



Table 2 – continued

	Property rentals*	Real estate agency activities	Car contract hire*	Construction plant hire*	Market research	Technical testing	Employment agencies
SIC(2003)	70.2	70.3	71.10	71.32	74.13	74.3	74.5
Percentage change, latest quarter on previous quarter							
2000 Q1	1.2	2.6	0.9	0.7	1.4	0.4	0.9
Q2	1.3	1.2	0.4	4.3	0.3	0.2	0.6
Q3	1.3	0.9	-0.5	0.8	0.5	0.5	0.2
Q4	1.6	0.7	-0.6	-0.7	-0.7	1.1	0.6
2001 Q1	1.9	0.6	-2.1	0.9	2.5	0.6	2.0
Q2	1.5	0.0	-2.9	6.1	0.3	2.5	4.0
Q3	1.4	0.0	-0.4	-2.7	0.0	0.1	1.8
Q4	1.5	-0.1	-0.5	-3.0	0.4	0.6	1.2
2002 Q1	0.8	-0.3	0.5	-1.5	3.2	1.0	1.4
Q2	1.0	0.5	0.2	1.0	0.1	0.3	0.3
Q3	0.5	0.9	0.2	1.5	0.4	1.2	0.4
Q4	1.1	0.8	1.1	0.4	1.2	1.3	-0.2
2003 Q1	0.8	0.1	-1.1	3.1	0.8	0.9	1.1
Q2	1.8	1.0	-7.3	1.9	0.2	0.6	2.3
Q3	0.7	1.7	0.6	0.3	0.9	1.1	0.3
Q4	0.7	0.8	1.1	0.3	0.2	0.2	-0.1
2004 Q1	1.0	2.5	2.0	-1.9	0.2	0.4	-0.1
Q2	1.0	3.1	0.2	0.8	0.3	-0.1	1.1
Q3	1.3	2.1	1.2	-1.5	0.2	0.5	-0.1
Q4	1.1	2.5	0.0	-0.1	0.7	0.3	0.9
2005 Q1	0.3	1.7	..#	0.3	0.6	0.1	0.1
Percentage change, latest quarter on corresponding quarter of previous year							
2000 Q1	5.9	8.3	4.7	0.3	2.6	0.7	2.5
Q2	5.9	6.5	4.8	7.4	2.8	1.0	2.1
Q3	5.4	5.7	2.6	7.8	2.7	1.3	2.2
Q4	5.5	5.6	0.2	5.1	1.5	2.1	2.4
2001 Q1	6.3	3.5	-2.8	5.4	2.6	2.4	3.5
Q2	6.5	2.3	-6.0	7.1	2.6	4.7	7.0
Q3	6.6	1.4	-5.8	3.3	2.1	4.3	8.6
Q4	6.5	0.5	-5.8	1.0	3.3	3.8	9.3
2002 Q1	5.3	-0.4	-3.2	-1.4	4.0	4.2	8.6
Q2	4.7	0.1	-0.2	-6.1	3.8	2.0	4.8
Q3	3.8	1.0	0.3	-2.0	4.2	3.1	3.4
Q4	3.4	2.0	1.9	1.4	5.1	3.8	1.9
2003 Q1	3.5	2.4	0.3	6.1	2.6	3.7	1.6
Q2	4.3	2.8	-7.2	7.0	2.6	4.0	3.7
Q3	4.6	3.6	-6.8	5.7	3.2	3.8	3.6
Q4	4.1	3.6	-6.7	5.6	2.2	2.8	3.6
2004 Q1	4.3	6.0	-3.8	0.5	1.5	2.2	2.3
Q2	3.4	8.3	4.0	-0.5	1.7	1.6	1.1
Q3	3.9	8.7	4.7	-2.3	0.9	1.0	0.7
Q4	4.4	10.5	3.6	-2.7	1.4	1.1	1.7
2005 Q1	3.6	9.8	..#	-0.5	1.9	0.8	2.0

# Index under review – please see background note 6 for further information

Table 2 – continued

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

	Security services	Industrial cleaning	Commercial film processing	Contract packaging	Direct marketing & secretarial services	Translation & interpretation services
SIC(2003)	74.60/2	74.7	74.81/9	74.82	74.83(pt)	74.83(pt)
2000 weights per cent						
Gross sector	1.97	2.35	0.16	0.59	0.33	0.05
Net sector	2.48	2.36	0.20	1.33	0.34	0.05
Annual						
2000	100.0	100.0	100.0	100.0	100.0	100.0
2001	104.4	101.1	99.9	101.8	101.2	99.6
2002	108.2	104.0	99.9	103.1	99.7	101.5
2003	113.8	106.9	103.4	109.3	100.4	102.6
2004	117.7	109.4	107.7	111.4	101.5	107.1
Percentage change, latest year on previous year						
2000	2.1	0.7	0.2	1.2	1.3	-0.2
2001	4.4	1.1	-0.1	1.8	1.2	-0.4
2002	3.6	2.9	0.0	1.3	-1.5	1.9
2003	5.2	2.7	3.5	6.0	0.7	1.1
2004	3.5	2.3	4.1	1.9	1.0	4.4
Quarterly results (not seasonally adjusted)						
2000 Q1	99.0	99.9	99.9	99.6	99.9	100.2
Q2	99.7	100.0	100.0	99.4	99.9	100.2
Q3	100.4	100.0	100.0	100.7	100.3	99.9
Q4	100.9	100.1	100.0	100.3	99.9	99.6
2001 Q1	102.1	99.9	100.0	101.1	100.6	99.7
Q2	103.8	100.6	100.1	101.3	101.5	99.7
Q3	105.4	100.9	99.8	102.3	101.3	99.4
Q4	106.3	103.1	99.8	102.4	101.5	99.5
2002 Q1	107.4	103.5	99.9	102.5	100.9	101.4
Q2	107.7	103.9	99.9	102.4	99.3	101.5
Q3	108.3	104.0	99.9	103.2	99.3	101.4
Q4	109.3	104.8	99.9	104.2	99.3	101.6
2003 Q1	111.8	105.6	100.1	105.0	99.7	102.3
Q2	113.0	105.8	99.5	109.7	99.6	102.7
Q3	114.2	107.8	105.4	110.9	100.9	102.7
Q4	116.2	108.3	108.8	111.6	101.5	102.7
2004 Q1	117.2	108.3	109.3	112.0	101.5	108.0
Q2	117.7	109.4	107.1	110.8	101.4	108.0
Q3	117.8	109.6	107.1	111.3	101.5	106.2
Q4	118.2	110.0	107.1	111.5	101.5	106.1
2005 Q1	119.6	110.7	105.7	120.5	101.2	106.2

Table 2 – continued

	Security services	Industrial cleaning	Commercial film processing	Contract packaging	Direct marketing & secretarial services	Translation & interpretation services
SIC(2003)	74.60/2	74.7	74.81/9	74.82	74.83(pt)	74.83(pt)
Percentage change, latest quarter on previous quarter						
2000 Q1	0.4	0.2	0.1	0.8	1.1	0.0
Q2	0.7	0.2	0.1	-0.2	0.0	0.0
Q3	0.7	0.0	0.0	1.3	0.5	-0.4
Q4	0.5	0.1	0.0	-0.4	-0.4	-0.2
2001 Q1	1.2	-0.2	0.0	0.8	0.7	0.0
Q2	1.7	0.7	0.0	0.2	0.9	0.0
Q3	1.5	0.3	-0.3	1.0	-0.2	-0.3
Q4	0.9	2.2	0.0	0.1	0.2	0.2
2002 Q1	1.0	0.4	0.2	0.1	-0.6	1.8
Q2	0.3	0.4	0.0	0.0	-1.6	0.1
Q3	0.5	0.1	0.0	0.8	-0.1	0.0
Q4	0.9	0.8	0.0	0.9	0.0	0.2
2003 Q1	2.3	0.8	0.1	0.8	0.4	0.6
Q2	1.0	0.2	-0.6	4.5	-0.1	0.5
Q3	1.1	1.8	6.0	1.0	1.3	0.0
Q4	1.8	0.5	3.2	0.6	0.6	0.0
2004 Q1	0.8	0.0	0.5	0.4	0.0	5.2
Q2	0.4	1.0	-2.0	-1.0	-0.1	0.0
Q3	0.2	0.2	0.0	0.5	0.0	-1.7
Q4	0.3	0.3	0.0	0.2	0.0	0.0
2005 Q1	1.2	0.7	-1.2	8.1	-0.3	0.0
Percentage change, latest quarter on corresponding quarter of previous year						
2000 Q1	1.7	1.0	0.1	0.7	2.2	0.1
Q2	2.1	0.9	0.1	0.6	0.4	0.0
Q3	2.3	0.5	0.2	1.9	1.5	-0.3
Q4	2.3	0.4	0.2	1.5	1.1	-0.6
2001 Q1	3.1	0.0	0.1	1.5	0.7	-0.6
Q2	4.2	0.5	0.1	1.9	1.7	-0.6
Q3	5.0	0.8	-0.3	1.6	1.0	-0.5
Q4	5.3	3.0	-0.3	2.1	1.6	-0.1
2002 Q1	5.2	3.6	-0.1	1.4	0.3	1.7
Q2	3.8	3.3	-0.1	1.1	-2.1	1.8
Q3	2.8	3.1	0.2	0.9	-2.0	2.1
Q4	2.9	1.7	0.2	1.7	-2.2	2.1
2003 Q1	4.1	2.1	0.1	2.5	-1.2	0.9
Q2	4.8	1.9	-0.5	7.1	0.3	1.3
Q3	5.4	3.7	5.4	7.4	1.7	1.3
Q4	6.3	3.3	8.8	7.1	2.3	1.1
2004 Q1	4.8	2.6	9.2	6.6	1.8	5.6
Q2	4.2	3.4	7.7	1.0	1.8	5.2
Q3	3.2	1.7	1.6	0.4	0.5	3.3
Q4	1.7	1.5	-1.6	0.0	-0.1	3.3
2005 Q1	2.0	2.2	-3.3	7.6	-0.4	-1.7

Table 2 – continued

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

		Adult education	Sewerage services*	Waste disposal	Commercial washing & dry cleaning	TOP –LEVEL CSPI	
						Gross sector	Net sector
SIC(2003)		80.42	90.00/1	90.00/2	93.01		
Gross sector		1.53	2.27	1.43	0.67	100	
Net sector		1.54	3.99	2.52	0.68		100
Annual							
	2000	100.0	100.0	100.0	100.0	100.0	100.0
	2001	103.9	98.3	105.3	101.2	102.7	102.9
	2002	106.8	99.1	111.3	102.0	104.8	104.9
	2003	111.5	102.7	118.6	102.4	107.7	108.1
	2004	117.4	108.8	124.1	104.7	110.0	110.7
Percentage change, latest year on previous year							
	2000	2.3	–8.7	4.9	–0.3	0.3	1.8
	2001	3.9	–1.7	5.3	1.2	2.7	2.9
	2002	2.7	0.8	5.7	0.9	2.1	1.9
	2003	4.5	3.7	6.5	0.3	2.8	3.1
	2004	5.2	5.9	4.7	2.3	2.2	2.3
Quarterly results (not seasonally adjusted)							
	2000 Q1	99.5	110.4	99.2	99.7	99.8	99.5
	Q2	99.5	96.5	100.4	100.2	99.6	99.5
	Q3	100.3	96.5	100.2	100.4	100.2	100.3
	Q4	100.8	96.5	100.2	99.8	100.3	100.7
	2001 Q1	101.4	96.5	101.8	100.3	101.3	101.6
	Q2	104.6	98.9	104.7	101.1	102.7	103.1
	Q3	104.6	98.9	106.8	101.2	103.2	103.3
	Q4	105.1	98.9	107.9	102.0	103.5	103.7
	2002 Q1	106.0	98.9	108.0	102.4	103.6	103.7
	Q2	106.3	99.1	110.9	102.1	104.5	104.6
	Q3	107.3	99.1	111.3	102.5	105.3	105.2
	Q4	107.4	99.1	115.0	101.1	105.8	106.0
	2003 Q1	108.1	99.1	115.7	102.4	106.3	106.8
	Q2	110.3	104.0	119.8	102.2	107.6	108.0
	Q3	112.9	104.0	119.4	102.2	108.2	108.6
	Q4	114.8	104.0	119.5	102.7	108.6	109.2
	2004 Q1	117.3	104.0	120.0	105.0	108.8	109.4
	Q2	117.3	110.4	124.8	104.9	110.1	110.7
	Q3	117.5	110.4	124.9	104.3	110.5	111.1
	Q4	117.4	110.4	126.6	104.7	111.1	111.8
	2005 Q1	117.7	110.4	127.4	104.8	112.0	112.9

Table 2 – continued

	Adult education	Sewerage services*	Waste disposal	Commercial washing & dry cleaning	TOP –LEVEL CSPI	
					Gross sector	Net sector
SIC(2003)	80.42	90.00/1	90.00/2	93.01		
Percentage change, latest quarter on previous quarter						
2000 Q1	1.2	0.0	3.0	0.6	0.4	0.8
Q2	0.1	–12.5	1.2	0.5	–0.2	0.1
Q3	0.8	0.0	–0.2	0.2	0.6	0.8
Q4	0.5	0.0	–0.1	–0.6	0.1	0.4
2001 Q1	0.7	0.0	1.6	0.5	0.9	1.0
Q2	3.1	2.5	2.9	0.8	1.4	1.4
Q3	0.0	0.0	2.0	0.1	0.5	0.2
Q4	0.5	0.0	1.0	0.8	0.3	0.4
2002 Q1	0.8	0.0	0.1	0.4	0.1	0.0
Q2	0.3	0.2	2.7	–0.2	0.9	0.8
Q3	0.9	0.0	0.3	0.4	0.8	0.6
Q4	0.1	0.0	3.3	–1.4	0.5	0.8
2003 Q1	0.6	0.0	0.6	1.3	0.4	0.7
Q2	2.1	4.9	3.6	–0.2	1.2	1.2
Q3	2.4	0.0	–0.3	0.0	0.6	0.5
Q4	1.6	0.0	0.0	0.5	0.4	0.5
2004 Q1	2.2	0.0	0.4	2.2	0.1	0.2
Q2	0.0	6.2	4.0	0.0	1.2	1.2
Q3	0.1	0.0	0.1	–0.6	0.4	0.4
Q4	–0.1	0.0	1.3	0.4	0.5	0.6
2005 Q1	0.3	0.0	0.6	0.1	0.8	1.0
Percentage change, latest quarter on corresponding quarter of previous year						
2000 Q1	2.2	3.0	6.5	–0.3	–0.5	1.4
Q2	2.0	–12.5	5.1	–0.8	–0.2	1.6
Q3	2.5	–12.5	4.1	–0.7	0.9	2.2
Q4	2.5	–12.5	4.0	0.7	0.9	2.0
2001 Q1	2.0	–12.5	2.6	0.6	1.4	2.2
Q2	5.1	2.5	4.3	0.9	3.1	3.6
Q3	4.3	2.5	6.6	0.9	3.0	3.0
Q4	4.3	2.5	7.7	2.2	3.2	3.0
2002 Q1	4.5	2.5	6.1	2.1	2.3	2.0
Q2	1.7	0.2	5.9	1.0	1.7	1.4
Q3	2.6	0.2	4.2	1.3	2.0	1.8
Q4	2.2	0.2	6.6	–0.9	2.2	2.2
2003 Q1	2.0	0.2	7.1	0.0	2.6	2.9
Q2	3.8	4.9	7.9	0.1	3.0	3.3
Q3	5.3	4.9	7.3	–0.3	2.8	3.2
Q4	6.8	4.9	3.9	1.5	2.7	3.0
2004 Q1	8.6	4.9	3.7	2.5	2.4	2.4
Q2	6.3	6.2	4.2	2.7	2.4	2.5
Q3	4.0	6.2	4.6	2.0	2.1	2.3
Q4	2.3	6.2	6.0	2.0	2.3	2.4
2005 Q1	0.3	6.2	6.2	–0.1	3.0	3.2



# Trends in UK material flows between 1970 and 2003

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Bhuvanendran  
Office for National Statistics

This article outlines trends in the total mass of natural resources and products used in the UK economy between 1970 to 2003. It is based on information published in the *Environmental Accounts*.

Direct Material Input, Domestic Material Consumption and Total Material Requirement are indicators used to summarise the flow of materials associated with the production and consumption activities of the economy.

The article shows why Direct Material Input and Total Material Requirement increased during the period, while at the same time Domestic Material Consumption fell.

The article also explains how the volume of imports rose by 21 per cent over the period to reach a record 238 million tonnes in 2003 and how exports rose almost fourfold, driven by the export of oil from the UK Continental Shelf.

## Introduction

Material flow accounts record the total mass of natural resources and products used in the economy. This includes material used directly in the production and distribution of products and services, or indirectly through the movement of material displaced in order for production to take place. The material flows are recorded in terms of their weight and any aggregate measures are therefore not necessarily closely related to the environmental impact of the production or consumption activity.

The main purposes of economy-wide material flow accounts and balances are to:

- provide insights into the structure and change over time of the physical metabolism of the economy
- derive a set of internationally comparable resource use indicators, for use by the European Commission, the United Nations and Organisation for Economic Co-operation and Development
- derive indicators for resource productivity and eco-efficiency by relating aggregate resource use data to GDP and other economic and social indicators.

When used in conjunction with economic statistics, Material Flows help policy makers to assess progress towards the government's aim of sustainable development. Furthermore, they feature prominently on the political agenda in the context of similar concepts such as 'factor 4 or 10' or 'eco-efficiency' that call for a reduction in material use. Factor 4 refers to the aim of increasing resource productivity fourfold by simultaneously doubling wealth and halving resource consumption. Factor 10 is a long-term aim for a ten-fold reduction in resource use by developed economies as part of a worldwide aim to halve global consumption.

More information on the methodology used in UK Material Flows can be found on the National Statistics website in the latest edition of *Environmental Accounts* and in the *Economic Trends* article 'UK Material Flow Accounting' (Sheerin, 2002).

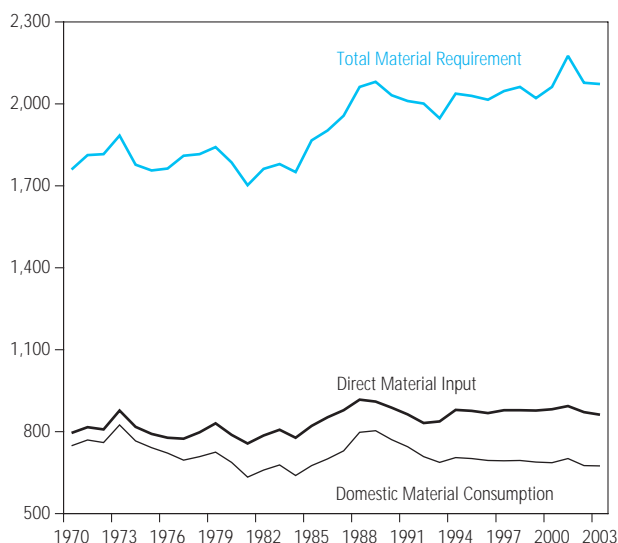
The data presented in this report are consistent with the spring 2005 edition of *Environmental Accounts*.

## Overview

The UK Material Flow accounts use three main indicators to summarise the flow of materials consumed by the economy. These are shown in Figure 1 overleaf.

Figure 1  
Material Flow indicators

Million tonnes



### Direct Material Input (DMI)

Direct Material Input (DMI) measures the input of materials directly used by the economy. This consists of all materials that form part of products or are used in production and consumption activities. It is comprised of used extraction in the UK and imports. In 1970, Direct Material Input amounted to 795 million tonnes, quickly rising to 877 million by 1973 after which it fell steadily to reach a low of 756 million tonnes in 1981. Thereafter, DMI rose sharply to peak at 917 million tonnes in 1988. DMI in 2003 was 862 million tonnes, the lowest level since 1993.

### Domestic Material Consumption (DMC)

Domestic Material Consumption (DMC) measures the total amount of material directly consumed by the economy. DMC is the sum of domestic extraction (that is, materials removed from the environment as part of an economic process) and imports, less the mass of exports. DMC is therefore driven by the net trade balance and domestic extraction. By excluding exported material, this measure focuses on material consumed by UK residents only. Domestic Material Consumption has ranged from a high of 825 million tonnes in 1973 to a low of 634 million tonnes in 1981. The 675 million tonnes recorded in 2003 is the lowest level since 1984. The Government has adopted DMC as an indicator of material use in the baskets of Sustainable Consumption and Production and Sustainable Development Strategy indicators (see Sustainable development website)

### Total Material Requirement (TMR)

Total Material Requirement (TMR) measures the total material base of the economy. TMR includes the amount of used extraction in the UK, imports into the UK and the resulting unused flows associated with domestic extraction and the imports of raw and semi-manufactured goods from other countries. Extraction and production processes often involve the movement of more material than is contained in

the product or resource. So the inclusion of unused extraction gives a view of the overall impact of material use in the UK on both the UK and foreign environment. Total material requirement rose steadily from 1,760 million tonnes in 1970 to reach a maximum of 2,176 million tonnes in 2001. TMR subsequently fell to 2,073 million tonnes in 2003, the latest year for which data is available.

### Detailed analysis

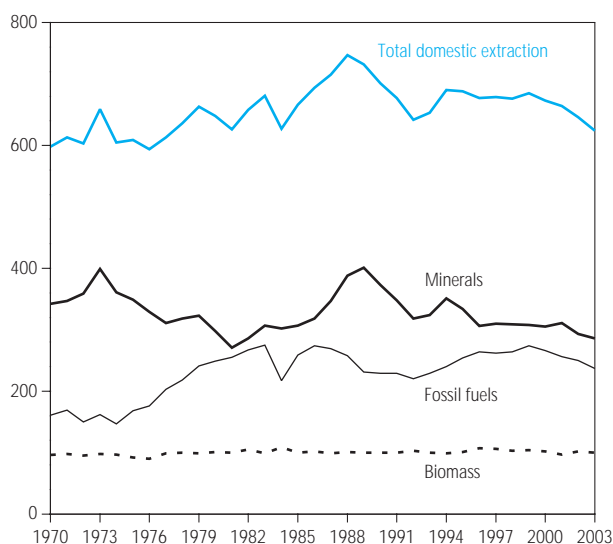
The following analysis looks at the way individual components within the three measures; DMC, DMI and TMR have changed between 1970 and 2003. It starts by looking at trends within domestic extraction, which is the largest component of both DMC and DMI.

### Total domestic extraction

Domestic extraction comprises; biomass, minerals and fossil fuels. In 2003, total domestic extraction was 624 million tonnes, similar to the 1970 level of 598 million tonnes. Between 1970 and the late 1980s, domestic extraction rose fairly steadily, reaching a maximum of 747 million tonnes in 1988. Since then extraction has generally been on a downward trend and is now at its lowest level since 1977. Evidence presented in this article under the specific extraction types show that the recent falls are primarily a result of lower levels of mineral and fossil fuel extraction.

Figure 2  
Total domestic extraction, 1970–2003

Million tonnes

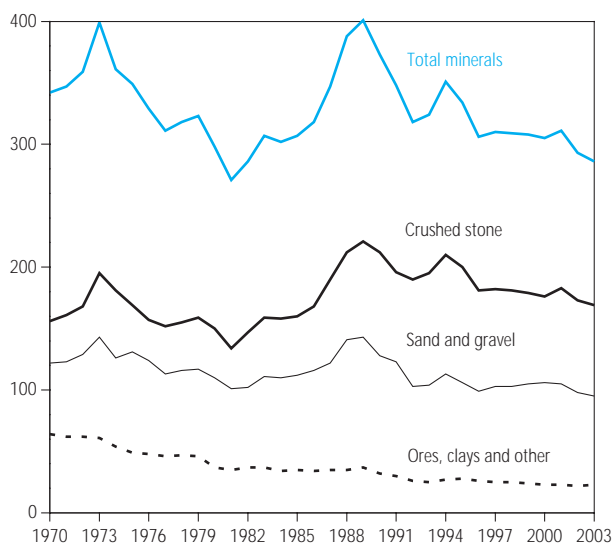


### Minerals

The mining and quarrying of minerals is the largest component of domestic extraction averaging around half of total domestic extraction between 1970 and 2003, in the latest year the mass of minerals extracted amounted to 46 per cent of the total. Therefore, changes in the level of mineral extraction, particularly construction materials such as sand and gravel and crushed stone, significantly affect the overall domestic extraction total. Until the early 1990s there was a link between the level of mineral extraction and rates of construction activity, which in turn followed the economic

Figure 3  
Domestic extraction of minerals, 1970–2003

Million tonnes



cycles of the wider economy. However, since then this link has weakened due to greater use of secondary material and a change in the structure of construction output. These changes include the construction of more home extensions and smaller but higher value properties per unit of resource. Mineral extraction peaked in 1989 at 401 million tonnes but has declined since then to its current low of 286 million tonnes.

#### Crushed stone

The extraction of crushed stone peaked in 1973 and again between 1998–1999 but has seen a downward trend in recent years. Extraction was highest in 1989, at 221 million tonnes. While in 2003, the latest year for which data is available, it stood at 169 million tonnes. Between 1970 and 2003, domestic extraction of crushed stone has increased its share of total minerals from 46 per cent to 59 per cent, yet remained around 27 per cent of total UK domestic extraction.

#### Sand and gravel

Trends in the extraction of sand and gravel follow a very similar pattern to that of crushed stone. The domestic extraction of sand and gravel peaked with 143 million tonnes recorded in 1973 and 1989. Between 1989 and 1992, extraction dropped 40 million tonnes to 103 million tonnes. Extraction then remains broadly constant between 1992 and 2001 before falling to 95 million tonnes in the latest year. During the period 1970 to 2003, extraction of sand and gravel accounted for approximately 30 to 35 per cent of total minerals and 15 to 20 per cent of total UK domestic extraction.

#### Ores

The domestic extraction of iron, tin and lead ores fell from 12 million tonnes to one million tonnes between 1970 and 1987, reflecting the decline in the industry. Since 1988, domestic

extraction has amounted to less than one million tonnes per annum.

#### Clay

The mass of clay extracted from the UK environment fell by 63 per cent between 1970 and 2003, from 38 million tonnes to 14 million tonnes. Within this total, construction clay fell from 32 million tonnes to 10 million tonnes. During the same period, extraction of industrial clay fell from six million tonnes to three million tonnes.

#### Other industrial minerals

Domestic extraction of other industrial minerals (feldspar, fluorspar, gypsum, potash, salt and talc) has fallen from 14 million tonnes in 1970 to nine million tonnes in 2003. Lower levels of gypsum and salt extraction are the main drivers of this fall.

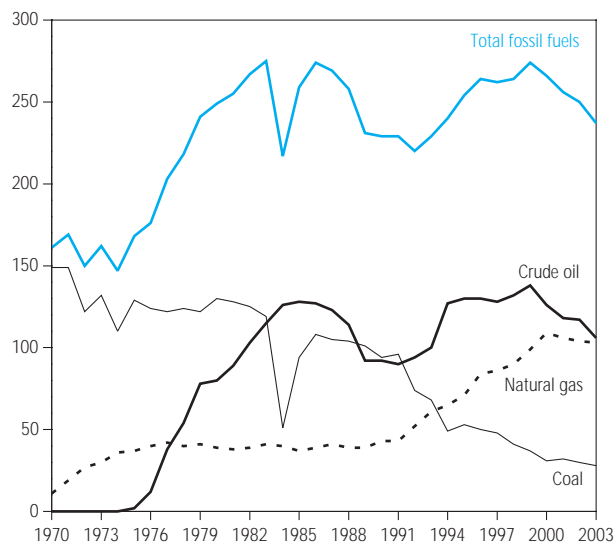
Increased use of recycled or secondary aggregates has driven the recent downward trend in the extraction of construction aggregates such as sand and gravel and crushed rock. Between 1989 and 2002, the share of the recycled/secondary market has risen from 9.6 per cent to 22.5 per cent, according to figures presented in the 2003 edition of the *Minerals Year Book*. This change may be due to the introduction of the aggregates levy in 2001, which increased extraction costs for UK producers of aggregates.

#### Fossil fuels

The mass of fossil fuels accounted for 38 per cent of total extraction in 2003. Extraction rose steadily from 1970 to reach a peak of 275 million tonnes in 1983. As a result of the coal miners' strike, extraction in 1984 fell sharply before recovering again the following year. Extraction levels fell again at the end of the eighties following the Piper Alpha disaster, before rising in the nineties to reach 274 million tonnes by

Figure 4  
Domestic extraction of fossil fuels, 1970–2003

Million tonnes



1999. Since then it has fallen steadily mainly due to lower extraction of North Sea oil.

The composition of fossil fuel extraction has changed significantly since 1970. In that year coal made up 93 per cent of domestic extraction of fossil fuels with natural gas accounting for the remaining 7 per cent. By 1990, coal made up 41 per cent, gas 19 per cent and oil 40 per cent of fossil fuels. In 2003, the share of coal as a percentage of fossil fuels had fallen to 12 per cent, while gas and oil had risen to 44 per cent and 45 per cent respectively.

### Coal

The domestic extraction of coal has declined steadily from 1970 to reach the current low of 28 million tonnes. Industrial action affected extraction in 1972, 1973 and most significantly in 1984. Over the same period the number of coal mines in the UK has declined from 272 (National Coal Board controlled) in 1970 to 61 in 2003.

### Natural gas

In 1970, extraction of natural gas amounted to 11 million tonnes. By 2000, extraction had risen to a maximum of 109 million tonnes before declining to 103 million tonnes in 2003. The life expectancy of the UK's known natural gas reserves is estimated to be 12 years at current rates of extraction.

### Crude oil

North Sea oil extraction first started in 1974. Oil prices soared during the 1973–1974 oil shock and UK oil extraction from the North Sea became economically viable for the first time. From 1974 until 1985 extraction of crude oil increased steadily to 128 million tonnes. Extraction fell to 92 million tonnes in 1989 following the Piper Alpha disaster, reaching a low of 90 million tonnes in 1991. Extraction rates then rose again to reach 138 million tonnes in 1999 and thereafter have fallen so that the mass of oil extracted in 2003 is the lowest since 1993. The life expectancy of the UK's known oil reserves is estimated to be 11 years at current rates of extraction.

### Biomass

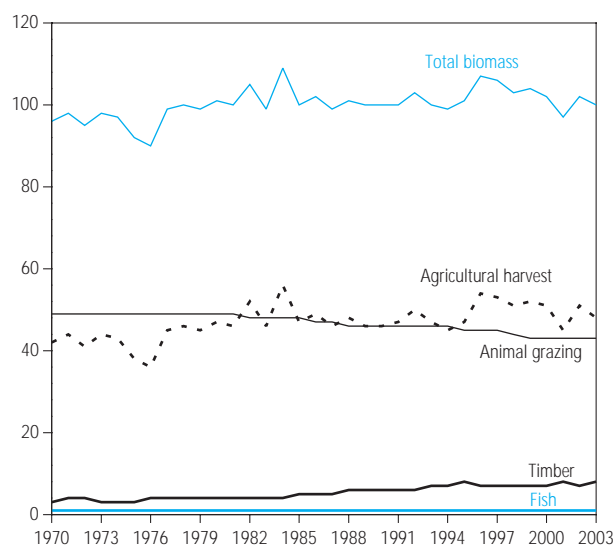
Biomass is the total mass of organisms in the UK environment. Specifically, the accounts record the volume of biomass extracted from the UK environment for use in the economy, which in 2003 accounted for 16 per cent of domestic extraction. Extraction of biomass comprises agricultural harvest, animal grazing, timber and fish.

Throughout the period 1970 to 2003, biomass extraction averages around 100 million tonnes a year. It reached a maximum of 109 million tonnes in 1984 and a minimum of 90 million tonnes in 1976. The major component of total biomass is agricultural harvest, which, as a proportion of total biomass, was 44 per cent in 1970 rising to 48 per cent in 2003. Extraction of biomass rose 4 per cent between 1970 and 2003, with year-to-year fluctuations driven by changes in the level of agricultural harvest.

Figure 5

### Domestic extraction of biomass, 1970–2003

Million tonnes



### Agricultural harvest

The agricultural harvest averages around 50 million tonnes per annum with a low of 36 million tonnes in 1976 and a high of 56 million tonnes in 1984. High levels of extraction are associated with years where the harvest is particularly good due to favourable weather conditions, as happened in 1996 and 1997. There is a corresponding drop in extraction following poor conditions such as the drought in 1975 and 1976, or the wet autumn of 2000. This, together with restrictions imposed after the outbreak of Foot and Mouth Disease, contributed to the sharp fall seen in 2001.

### Timber

The domestic extraction of timber rose from three million tonnes in 1970 to a peak of eight million tonnes in 1995, 2001 and 2003.

### Animal grazing

The mass of extraction for animal grazing has slowly declined from 1970 to 2003, dropping from 49 million tonnes in 1970 to 43 million tonnes in 2003. Changes in farming practices, such as the increase in intensive farming and fewer numbers of farm animals affect the corresponding level of animal grazing.

### Fish

The mass of fish brought into the economy has remained at a constant level of one million tonnes throughout the years 1970 to 2003. However, rounding of data to the nearest million tonne disguises significant falls in the actual catch. For instance, figures from the Food and Agriculture Organisation (FAO) state that the fish catch in 1970 was 1,027,567 tonnes, but by 2003 levels had fallen 10 per cent to an estimated 923,138 tonnes.

## Imports

Imports of products supplement domestic extraction. There is also a relationship between imports and exports, since higher domestic extraction will both reduce the need to import and increase the ability to export. Conversely, lower domestic extraction will increase the need to import and decrease the ability to export. Imports may be of raw materials such as unprocessed agricultural products, but can also be semi-manufactured and finished products.

The mass of imports declined between 1970 and 1982, since then they have steadily risen and in 2003 a record 238 million tonnes were imported. Fossil fuel imports represent the largest proportion of this total but the 43 per cent recorded in 2003 is down from 62 per cent in 1970.

Figure 6  
Imports, 1970–2003

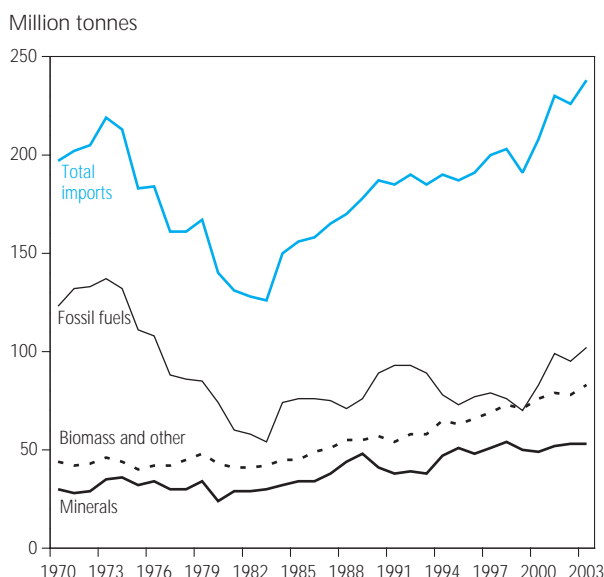
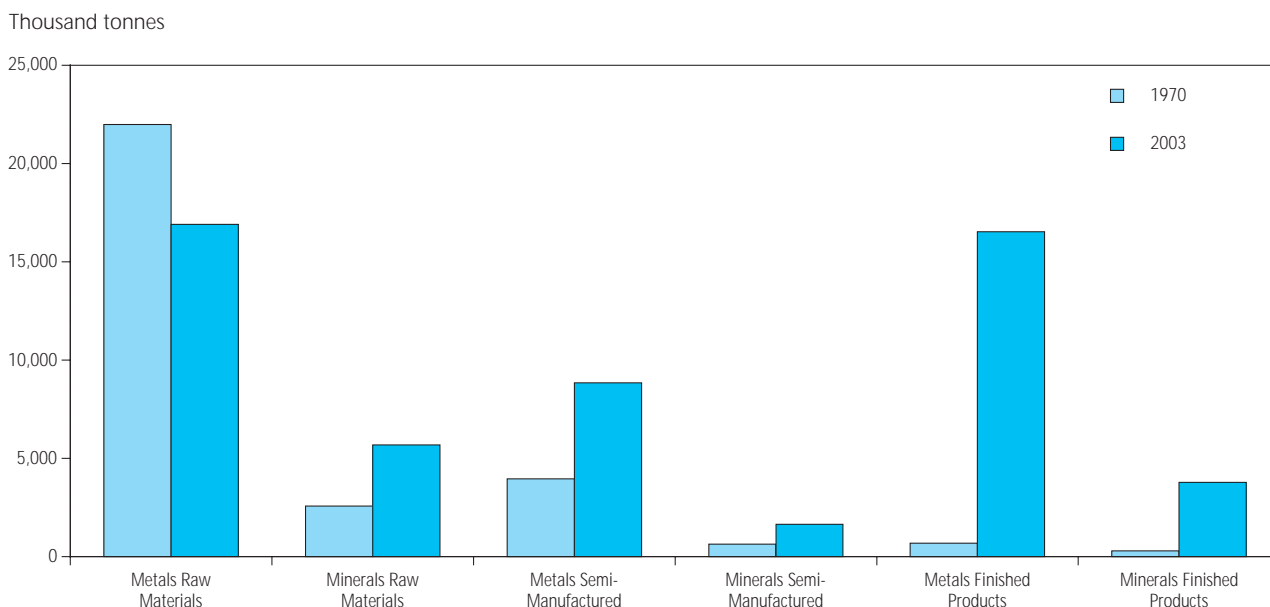


Figure 7  
Imports of minerals, by type



## Biomass

Throughout the seventies and eighties, the volume of biomass imported amounted to less than 40 million tonnes per annum. They rose steadily through the nineties to a record 49 million tonnes in 2003, due to increased trade, particularly with other members of the EU. In 2001, bad weather the previous autumn and the outbreak of Foot and Mouth Disease (FMD) resulted in a large increase in the volume of biomass imports, up from 42 million tonnes in 2000 to 46 million tonnes in 2001, and a corresponding fall in exports (see next page).

## Minerals

Between 1970 and 2003, the import of minerals has risen 77 per cent from 30 million tonnes in 1970 to 53 million tonnes in 2003. Minerals include the mass of imports of metals as well as minerals. These are recorded at three stages in the production process: raw, semi manufactured and finished. Semi-manufactured and finished products such as cement and automobiles are classified as minerals if these comprise the greater part of the product.

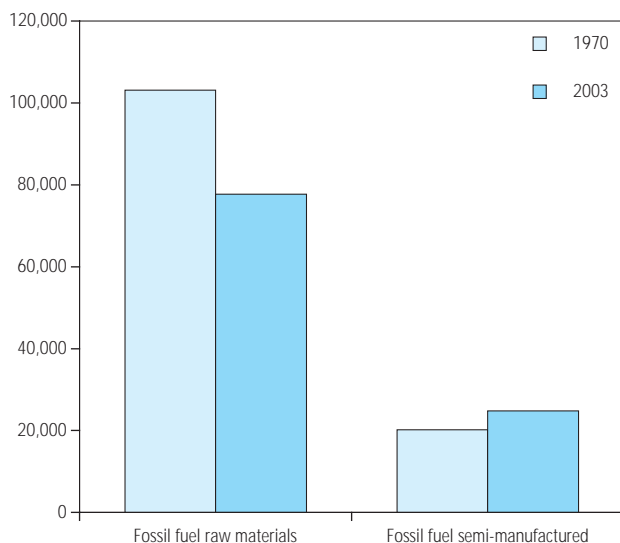
## Fossil fuels

The mass of fossil fuels imported declined after 1974 as the extraction of North Sea oil lowered the demand for imported oil. Flows of fossil fuel imports reached a low of 54 million tonnes in 1983. Since the end of the nineties imports of fossil fuels have risen steadily and the 102 million tonnes imported in 2003 is the highest since 1976. Between 1970 and 2003, imports of hard coal have significantly increased and are now some 400 times higher than in 1970. Both crude oil and natural gas imports have dropped significantly; crude oil more than halved from 102 million tonnes in 1970 to 45 million tonnes in 2003, while natural gas fell some 62 per cent over the same period. Note that there has been a corresponding rise in the volume of fossil fuel exports over this period (see next page).



Figure 8  
Imports of fossil fuels, by type

Thousand tonnes



### Other products

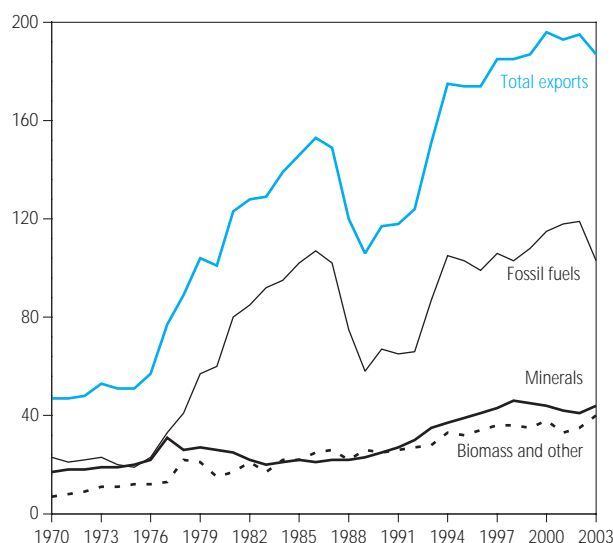
The import of other products rose by 29 million tonnes between 1970 and 2003. Imports amounted to five million tonnes in 1970 and 34 million tonnes in 2003. Examples of other products imported are organic chemicals and chemical fertilisers, soaps, insecticides, dye carriers, plastics, optical and photographic material and furniture.

### Exports

The UK exports raw materials, semi-manufactured and finished products, which are viewed as inputs into the production and consumption of foreign economies and therefore need to be identified and removed from the UK material flow account. Fossil fuels are the major component within exports, amounting to 55 per cent of the total in 2003, making the total mass of exports sensitive to changes in the level of fossil fuel exports. Total mass of exports rose steadily

Figure 9  
Exports, 1970–2003

Million tonnes



from 47 million tonnes in 1970 to a peak of 196 million tonnes in 2000, thereafter falling to 187 million tonnes in 2003 as a direct result of a fall in the export of fossil fuels.

### Biomass

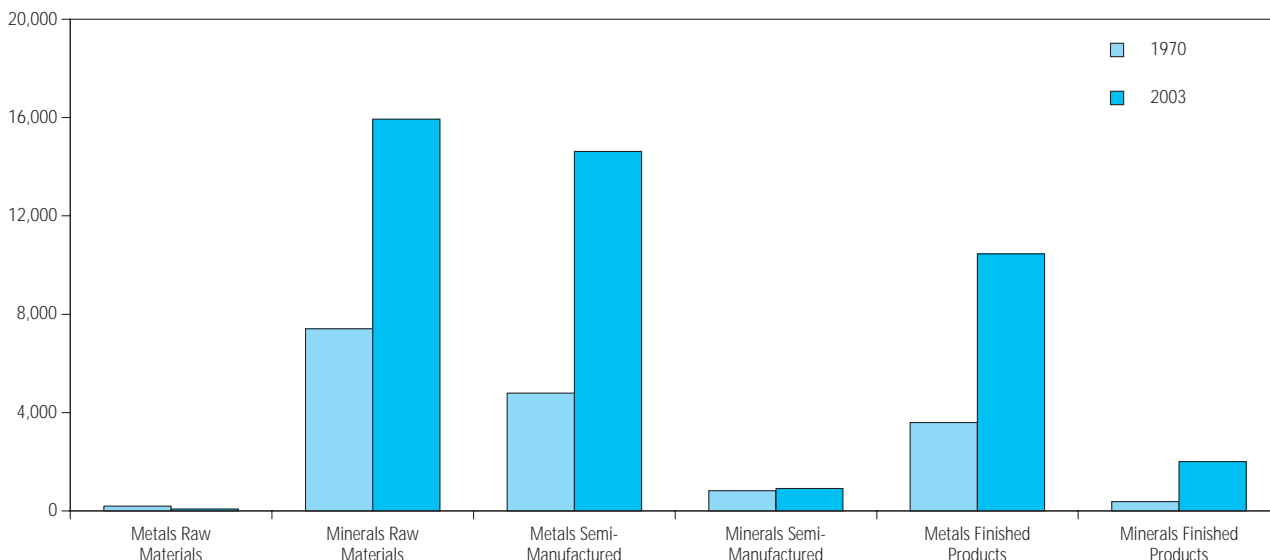
Exports of biomass increased steadily over the period 1970 to 2003. Exports in 1970 amounted to three million tonnes rising to a record 19 million tonnes in 2003. The record level of exports is mainly due to increased exports of wheat, driven by efficiencies gained from modern farming practices.

### Minerals

The export of minerals rose steadily throughout the period from 17 million tonnes in 1970 to 44 million tonnes in 2003. At 11 million tonnes, the main mineral exports in 2003 are fieldstones (such as pebbles, gravel, flint and broken

Figure 10  
Exports of minerals, by type

Thousand tonnes



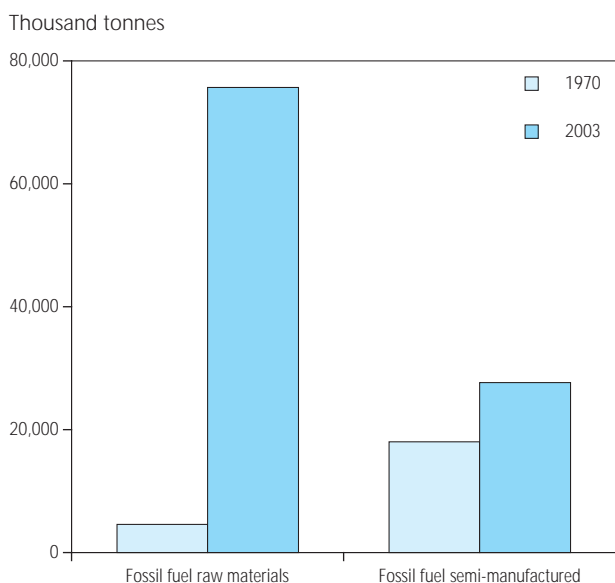


or crushed stone) which have a number of uses including concrete aggregates, railway ballast and construction materials.

### Fossil fuels

Flows of fossil fuels exports rose significantly after North Sea oil became available. Most of the UK Continental Shelf oil is exported, amounting to almost 75 per cent in 2003. Fossil fuel exports rose from 23 million tonnes in 1970 to a record 119 million tonnes in 2002. Exports fell to 103 million tonnes in 2003, as extraction fell to its lowest level since 1993.

Figure 11  
Exports of fossil fuels, by type



### Other products

The mass of other products exported rose 15 million tonnes over the period, from five million tonnes in 1970 to 20 million tonnes in 2003.

### Hidden and Indirect flows

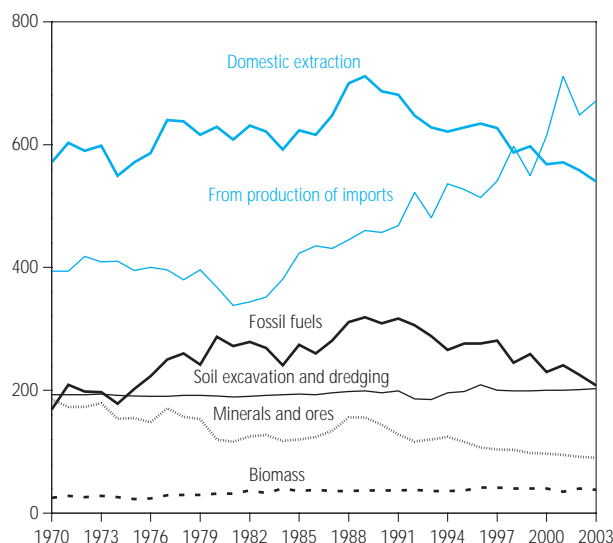
Hidden flows measure the quantity of material displaced by the process of extraction but not actually used in the production of goods and services. Indirect flows measure the quantity of material associated with the imports of raw and semi-processed goods into the UK. Both hidden and indirect flows are measured indirectly by applying co-efficients for particular materials and goods to the estimated levels of mass associated with domestic and overseas extraction. There is, therefore, a direct relationship between hidden flows and actual extraction. Levels are sensitive to assumptions embodied in the particular hidden or indirect flow co-efficient used.

#### From domestic extraction

At 540 million tonnes, the level of hidden flows in 2003 from domestic extraction is similar to the 571 million tonne level in 1970. Between 1970 and 2003, the level of hidden flows rose to reach a record 711 million tonnes in 1989 mainly due to a rise in hidden flows associated with the extraction of fossil fuels.

Figure 12  
Hidden and Indirect flows, 1970–2003

Thousand tonnes



### Unused biomass

Hidden flows from unused biomass rose from 25 million tonnes in 1970 to 38 million tonnes in 2003. Unused extraction reached a peak of 42 million tonnes during 1996 and 1997, this was associated with high levels of agricultural harvest in these years.

### Fossil fuels

The hidden flows from fossil fuel extraction are mainly from coal extraction, which in 1970 accounted for 99 per cent of fossil fuel hidden flows. Despite the decline in the industry, they amounted to 89 per cent of the total in 2003. The rise in the mass of hidden flows of fossil fuels seen in 1974 is due to the start of extraction from the North Sea oil and gas fields. Hidden flows rose from 169 million in 1970 to reach a peak of 319 million in 1989 and have fallen steadily thereafter to 208 million tonnes in 2003.

### Minerals and ores

Lower domestic extraction of minerals led to a sharp fall in hidden flows associated with mineral extraction over the period, hidden flows fell from 185 million tonnes in 1970 to 90 million tonnes in 2003.

### Soil excavation and dredging

Hidden flows associated with soil excavation and dredging remained fairly constant during the period at between 190 million and 209 million tonnes per annum.

### From production of imports

Indirect flows from the extraction of materials relating to imports of raw and semi-processed goods rose steadily from the early eighties onwards. Indirect flows amounted to 394 million tonnes in 1970, falling to 338 million tonnes in 1981 only to rise steadily thereafter to peak at 711 million tonnes in

2001. More recently, indirect flows fell to 648 million tonnes in 2002 only to rise again to 671 million tonnes in 2003, in response to higher fossil fuel imports.

### Material productivity

The relationship between material use and economic activity can be shown in terms of the UK's material productivity. This is calculated by dividing GDP at real prices by domestic material consumption. Figure 13 shows that, since 1970, GDP more than doubled, while domestic material consumption fell 10 per cent. However, during the same period material productivity has increased 136 per cent. Using GDP and total DMC gives a whole economy view of material productivity. It is also possible to use Gross Value Added (GVA) of an individual industry, that is its contribution to GDP, in combination with its DMC to determine the material productivity of specific industries.

During the period 1970 to 2003, the composition of domestic output changed considerably. In 1970, the production industries (mining, manufacturing and the utilities) contributed 37 per cent of Gross Value Added (GVA). By 2001, the latest year for which weights are available (Office for National Statistics, 2004), production industries' contribution to GVA had declined to 22 per cent. The largest decline was in manufacturing, which fell from 33 per cent to 17 per cent of GVA, as the UK started to import more of the products it previously produced domestically. Over the same period, the contribution of services rose from 53 per cent of GVA to 72 per cent, a rise of 19 percentage points. Therefore, the rise in material productivity over the period is driven primarily by

an increase in services, which are generally less intensive on natural resources than manufacturing output.

### Conclusion

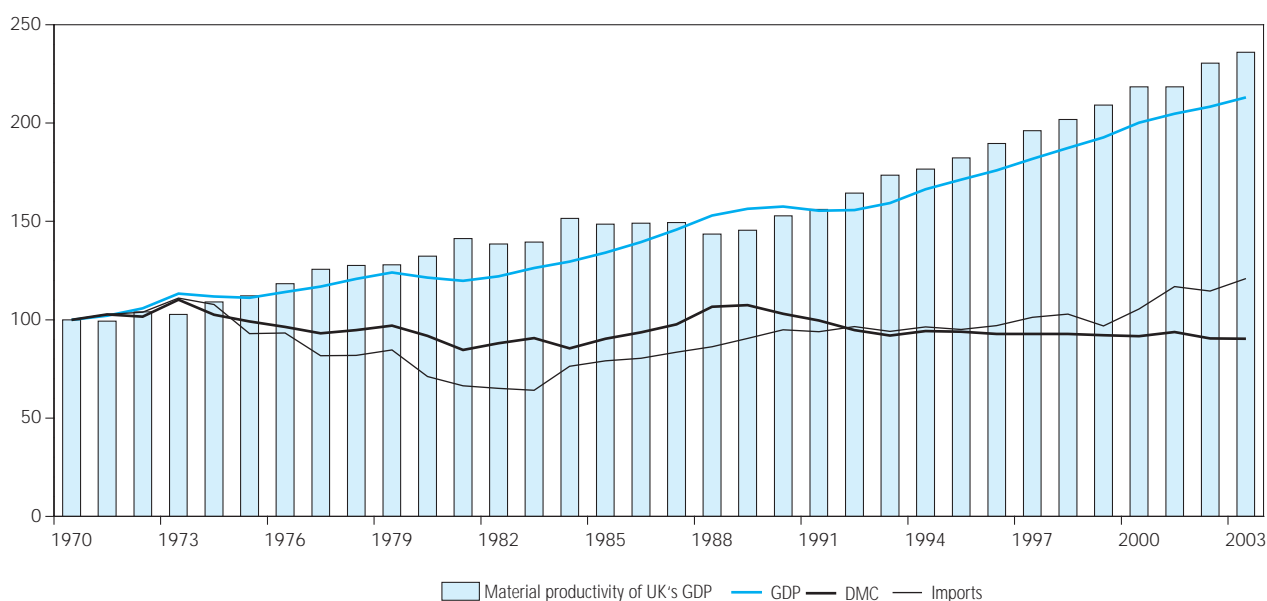
While GDP has more than doubled since 1970, DMI has risen by 8 per cent, TMR by 18 per cent and DMC has fallen 10 per cent. This suggests that economic growth and material use have been decoupled and indicates progress towards the aim of sustainable development. Furthermore, data suggests that the introduction of legislation encouraging sustainability is having an effect on industry practices, as can be seen in the reduction in levels of mineral extraction.

However, as the UK economy developed during the period 1970 to 2003 there have been changes in the composition and level of Material Flows. For instance, development of North Sea Oil and the contraction the mining industry have had a big impact on both the nature and levels of fossil fuels extracted. Fossil fuels in particular have increased the mass of UK exports in the last 15 years. This has helped offset the impact of growing volume of imports.

Increasingly the UK is importing more of its materials, which transfers any environmental impacts of production to the countries from which the imports originate. Moreover, since the material flow accounts tend not to measure the material extracted to make imports only the mass of semi or finished manufacturing, it is likely that material flow indicators are failing to capture the true increase in the UK's material consumption.

Figure 13  
Material productivity

Index 1970=100



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# Methodological improvement to the seasonal adjustment of the Motor Vehicle Production Index

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Following a re-analysis of the seasonal adjustment method for the Motor Vehicle Production Index (MVPI), an improvement to the methodology is being introduced from May onwards. The new method will mean that the seasonally adjusted series of production (of cars and commercial vehicles) for export is derived from the seasonally adjusted series for total production and the seasonally adjusted series of production for the home market. This replaces the current method where the series are seasonally adjusted independently. The change will improve the quality of the seasonal adjustment by reducing the revisions to the series that arise when new data points become available. The new method will also ensure that the growth rates for total production, production for export and production for the home market are consistent.

## Introduction

Total motor vehicle production is broken down into production for home and production for export markets. Since 2001, the home and export series have been seasonally adjusted separately from the total series. As might be expected, this procedure means that the sum of the seasonally adjusted series for home and export does not equal the seasonally adjusted series for total production. This can lead to an incoherent picture between total production and its component parts. For example, the growth rate for total production can have the opposite sign to the growth rate for the sum of the component parts. Users expressed concern about this lack of coherence in this important dataset.

The problem is related to the question of whether to seasonally adjust the components of a dataset and add up the seasonally adjusted series to get the aggregate seasonally adjusted series (indirect method), or to seasonally adjust the aggregate series separately (direct method). This article investigates the difference between direct and indirect seasonal adjustment methods in general and provides recommendations for the MVPI dataset.

## Direct versus indirect seasonal adjustment

Direct seasonal adjustment is simply the process of seasonally adjusting a series. The term indirect seasonal adjustment refers to the commonly used approach of deriving a seasonally adjusted series from the seasonal adjustment of its components. This indirect approach is often adopted, usually for one or more of the following reasons:

- it enables information about series to be used at the level at which it is known (for example, estimation and application of prior adjustments for seasonal breaks for motor car series in the Index of Services dataset)
- it enables appropriate filtering of different types of data within a time series dataset (for example, Trade in Services where many different data sources, some monthly, some quarterly, some annual, need to be treated differently)
- it ensures consistency across different datasets (for example, where a component is used in two different parts of the national accounts)
- it achieves additivity between components and totals

- disaggregated data often need to be seasonally adjusted anyway to satisfy user needs
- disaggregated data are sometimes more important to users than an aggregate (for example, International Labour Organisation (ILO) unemployment is of greater interest than the total labour force or total working age population).

Despite these advantages indirect seasonal adjustment does not necessarily result in good quality seasonal adjustment at the aggregate level. Reasons for this include the following:

- adjustments or other processes that occur between seasonal adjustment and production of the final headline aggregate might re-introduce some seasonality
- component time series are not independent of each other and their multivariate properties generate different seasonal dynamics at an aggregate level
- a special case of this interdependence arises when the series are all derived from the same sample survey. The further the series is disaggregated, the greater the contribution of sampling variability to movements in the series. In this case seasonality is harder to estimate, with greater potential for revisions. A consequence is that seasonal adjustment at a disaggregated level may result in the use of longer moving averages than would be the case at an aggregate level. The result is that the seasonal adjustment has a slower response to changes than is necessary, resulting in a more volatile seasonally adjusted series and potentially reducing users' ability to perceive signals inherent in the data.

Each dataset has different characteristics and problems. It is clear from the above that the decision for selecting a direct or indirect seasonal adjustment for a dataset should be judged case by case, weighing all the above considerations. If there are no restrictions, and the answer is not clear, then coherence and additivity are desirable properties but they cannot supersede the issue of the quality of the final seasonally adjusted series.

X-11-ARIMA, the method used by the Office for National Statistics (ONS) for seasonal adjustment, offers some diagnostics for choosing between direct and indirect methods. These are based on which option gives the smoothest seasonally adjusted series. There is a fundamental flaw in the logic of these criteria. Seasonally adjusted series come from the identity that  $SA = NSA - S$ , where SA is the seasonally adjusted series, NSA is non-seasonally adjusted series and S is the seasonal component of the unadjusted data. If we compare two options where one SA is smoother than the other, then the seasonal component is more volatile for the smoother SA series. In other words we have more moving seasonality, which in most cases will lead to higher revisions. Moving seasonality implies that there will be difficulty in extracting the seasonal component and there will be associated uncertainty involved in obtaining the seasonal component. As more observations become available this uncertainty will be reflected in greater changes to the seasonal component estimated in the past and therefore to the seasonally adjusted series. In general, National Statistics users are keen to minimise revisions to seasonally adjusted series.

In theoretical terms, the quality of the method is defined in terms of the variance of the estimator. Among different estimators we select the one with minimum variance. We can see the problem of direct/indirect seasonal adjustment in these terms. We compare the estimators of the seasonally adjusted series that come from direct and indirect adjustment and select the one with minimum variance. For X-11-ARIMA, the 'true' seasonally adjusted series is in the middle of the series when the complete X-11 symmetric filter has been applied and no revisions will occur as new observations become available. A good indication of the quality of the estimator can be found by looking at the average percentage revisions. Minimising revisions as a sole criterion for measuring the quality of seasonal adjustment is not a viable option because we might select a set of options that will distort the short-term movement of the series. On the other hand, in the direct/indirect problem we can use the revision history as the main criterion since it is a close approximation to the variance of the seasonal component estimator.

## The MVPI Data

The data for compiling the MVPI are collected from a monthly survey of 30 manufacturing respondents. All respondents are members of the Society of Motor Manufacturers and Traders (SMMT) Ltd., which helps ONS to obtain close to a 100 per cent response rate in most months.

The data are subdivided into the following categories:

- Passenger Cars
  - Total Production
  - Production for Export
  - Production for the Home Market
- Commercial Vehicles
  - Total Production
  - Production for Export
  - Production for the Home Market

Data are collected from respondents on the total number of vehicles produced in each calendar month and on vehicles produced for export. Production for the home market is then derived as the difference between the total and export production figures (total minus export).

The MVPI data are published in a monthly First Release entitled Motor Vehicle Production. The release contains non-seasonally adjusted volume data (numbers of vehicles produced) and seasonally adjusted index values for the six series detailed above.

Growth rates are shown as the percentage change between:

- the latest three months and the previous three months
- the latest three months and the same three months a year ago.

In the 2001 seasonal adjustment reanalysis, it was recommended that the series should not be constrained



to achieve additivity and that care should be taken when briefing on the series. The total production series and the home and export components are currently seasonally adjusted independently, with a resulting loss of additivity; that is, sometimes the growth rate for total production has the opposite sign depending on whether it comes from a direct or indirect seasonal adjustment. Users have expressed concern over the incoherence in the seasonally adjusted series.

### Direct/Indirect seasonal adjustment in the MVPI

In theory, if we knew the underlying processes of all the series in a dataset, then indirect adjustment would provide the best estimate. The only way that the direct seasonal adjustment is as good as the indirect is the case where all the components in a dataset are generated from the same underlying process. This means that theoretically we get the best quality if we seasonally adjust at the lowest possible level. In practice, it would mean complete knowledge of all the series, which is unlikely.

There will usually be a difference between direct and indirect seasonal adjustment because the behaviour of the component series will not be identical. In X-11-ARIMA we have equality of direct and indirect seasonally adjusted series only if we use an additive model, no forecasting, no outlier adjustment and the same seasonal adjustment options across the dataset. The greater the differences in the behaviour of the components within a dataset, the higher the differences in the seasonally adjusted series. The magnitude of the differences between direct and indirect adjustment is not a measure of the quality of the seasonally adjusted series; it is merely a result of the differences in the underlying processes of the component series.

It is possible to force the seasonally adjusted series to be equal for both direct and indirect adjustment by constraining the SA component series to the SA total. This is appropriate for a large dataset where additivity is of utmost importance (for example, in Gross Domestic Product (GDP), we cannot have two growth rates for GDP from the direct and indirect method). In MVPI, each series gives different information for the underlying state of the economy. For example the export series would give us an indication of the exchange rate effects while the home production series gives an indication of the state of manufacturing without the effect of the foreign markets. Some of that extra information would be distorted if we decide to force the series to add up without any consideration for the underlying reasons for this discrepancy.

There are several factors that contribute to the difference between direct and indirect seasonal adjustment for MVPI. The two series are inherently different in their behaviour and they are influenced by different factors. The industry is quite volatile and subject to frequent structural changes; for example, opening and closures of factories, specialisation of factories on a particular car model irrespective of whether it is for the home or the export market, and so on. The most important factor that creates seasonal adjustment problems in this dataset is the change in registration that occurred in 1999. The series are prior-adjusted for this change separately because any attempt to have coherent prior adjustment

decreases the quality of seasonal adjustment. Furthermore, trading-day adjustments, which are significant, are treated separately for each series. Finally there are differences in the seasonal adjustment options among the series (for example, different seasonal moving averages are used for total and export than are used for home).

### Results

The case for using the revision history as the main criterion for selecting a direct/indirect adjustment in MVPI is based on theoretical and practical issues. On theoretical terms, we first define our true population value, which in the case of X-11-ARIMA is the one in the middle of the series. Then we use our estimator (X-11-ARIMA seasonally adjusted series) and compare it with the true estimator. When we do not have enough data as in the case of MVPI we use the average percentage revisions in the last four or five years depending on the availability of the data. We compare direct and indirect seasonal adjustment for each series. A problem would arise if the indirect adjustment was the preferred method for all three series. Then the solution would be to score the three options based on the average percentage revisions and choose the indirect option for the one where the difference in the revisions is the smallest. If we had a case where the direct method was better in terms of revisions for all three series then we would adjust directly all three series.

For each of the three series (total, export and home) within each group (passenger and commercial) we derive the direct and indirect seasonally adjusted series using the recommended options and compare the results of the average percentage revision history for the last four years.

We have three sets of direct/indirect comparisons, one for each seasonally adjusted series. We can derive the total series as a sum of the components or directly. We have a similar choice for the other two series. For example, we can derive the home series either directly or as a residual of the total series minus the exports. The results in Table 1 and 2 show that we get lower revisions when we seasonally adjust directly total and home and derive the export series as a residual. It is interesting to look at the breakdown of the revisions by month, as shown in Tables 3 and 4, for passenger cars in home and export series. For passenger cars/home, where the direct option is clearly better, the breakdown by month reveals that the revisions are especially high for August in the indirect option. August was the main seasonal peak before the change in registration regime in 1999 and the adjustment for the seasonal break in the two other series is clearly not appropriate for the home series. For commercial vehicles/home, the same analysis (Tables 5 and 6) shows that the revisions are high in July (which was also a high seasonality month) with the indirect method.

Based on the revision analysis, the preferred option is to seasonally adjust directly the total and the home series and derive the export series as the difference of the other two. The difference between the direct and indirect adjustment for the export series for passenger cars is shown in Figures 1 and 2. The difference between the direct and indirect adjustment for the export series for commercial vehicles is shown in Figures 3 and 4.



Table 1.  
Passenger Cars – average percentage revisions

	Indirect	Direct
Total	1.13	1.10
Exports	1.27	1.85
Home	2.74	1.31

Table 2.  
Commercial Vehicles – average percentage revisions

	Indirect	Direct
Total	3.15	2.88
Exports	3.52	4.17
Home	4.89	4.04

Table 3.  
Average absolute percentage revisions in Passenger Cars (Home)

Months	Direct	Indirect
Jan	2.11	3.59
Feb	0.58	1.53
Mar	0.42	1.69
Apr	1.59	0.64
May	2.78	3.05
Jun	1.35	1.62
Jul	1.30	2.90
Aug	0.42	9.31
Sep	0.67	1.98
Oct	1.79	1.67
Nov	1.72	2.95
Dec	0.98	1.76

Table 4.  
Average absolute percentage revisions in Passenger Cars (Exports)

Months	Direct	Indirect
Jan	2.18	1.31
Feb	1.07	1.29
Mar	0.81	0.48
Apr	0.92	1.02
May	0.91	0.60
Jun	1.43	0.61
Jul	2.88	2.59
Aug	3.35	1.22
Sep	2.99	1.05
Oct	0.62	1.13
Nov	1.82	2.02
Dec	3.65	2.39

Table 5.  
Average absolute percentage revisions in Passenger Cars (Home)

Months	Direct	Indirect
Jan	8.30	3.95
Feb	2.16	1.46
Mar	2.33	1.93
Apr	2.90	4.96
May	5.74	2.07
Jun	4.09	3.88
Jul	3.55	16.65
Aug	2.65	8.46
Sep	3.18	2.81
Oct	3.33	5.04
Nov	4.52	2.24
Dec	6.50	4.52

Table 6.  
Average absolute percentage revisions in Passenger Cars (Exports)

Months	Direct	Indirect
Jan	2.79	6.93
Feb	3.28	3.79
Mar	3.47	1.83
Apr	7.53	4.03
May	9.87	6.33
Jun	3.46	2.31
Jul	1.42	3.97
Aug	4.75	4.10
Sep	4.25	3.32
Oct	2.94	2.04
Nov	2.06	1.34
Dec	3.49	1.17

Figure 1.  
Direct and Indirect Seasonal adjustment for  
Exports, Passenger cars

2000 = 100

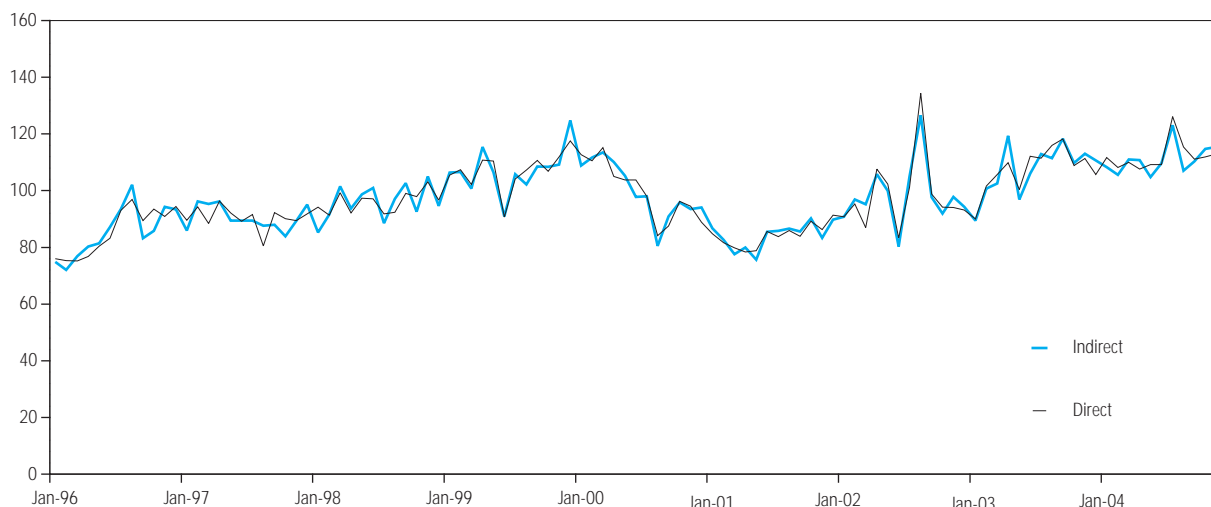


Figure 2.  
Differences between Indirect and Direct Seasonal Adjustment for Exports, Passenger cars

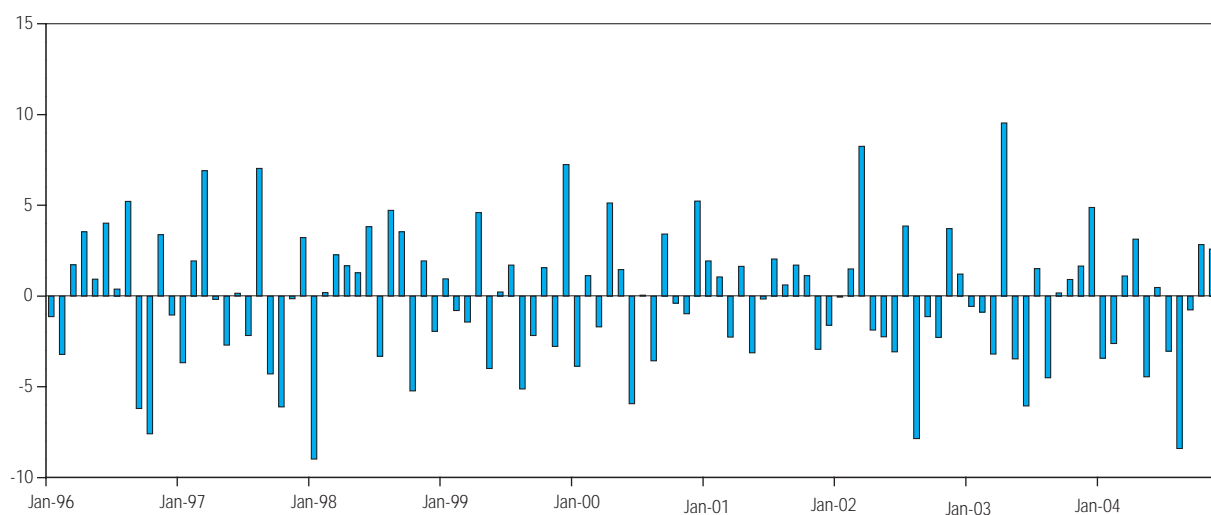


Figure 3.  
Direct and Indirect Seasonal adjustment for Exports, Commercial Vehicles

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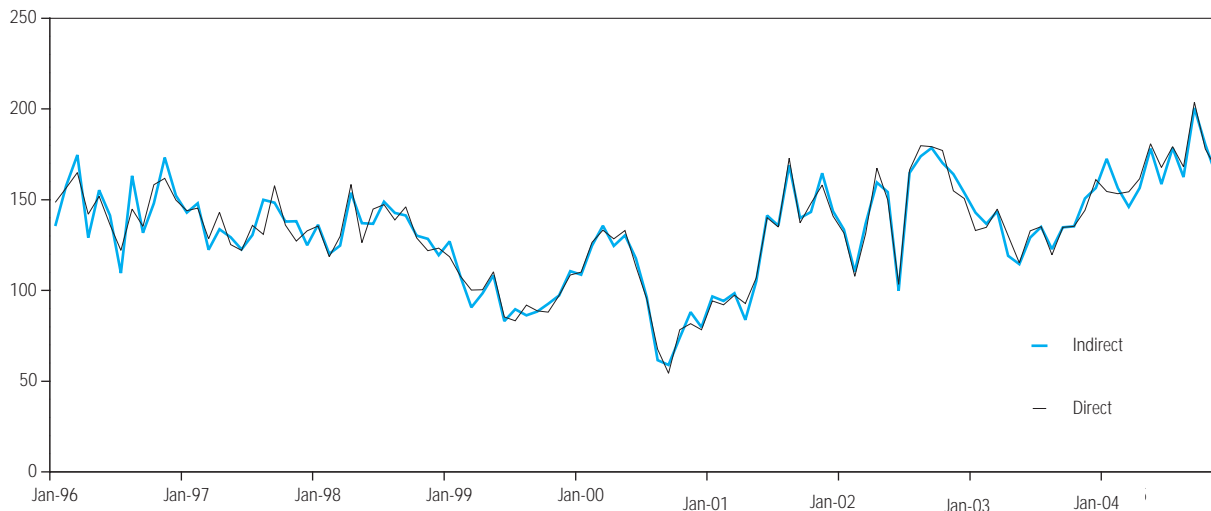
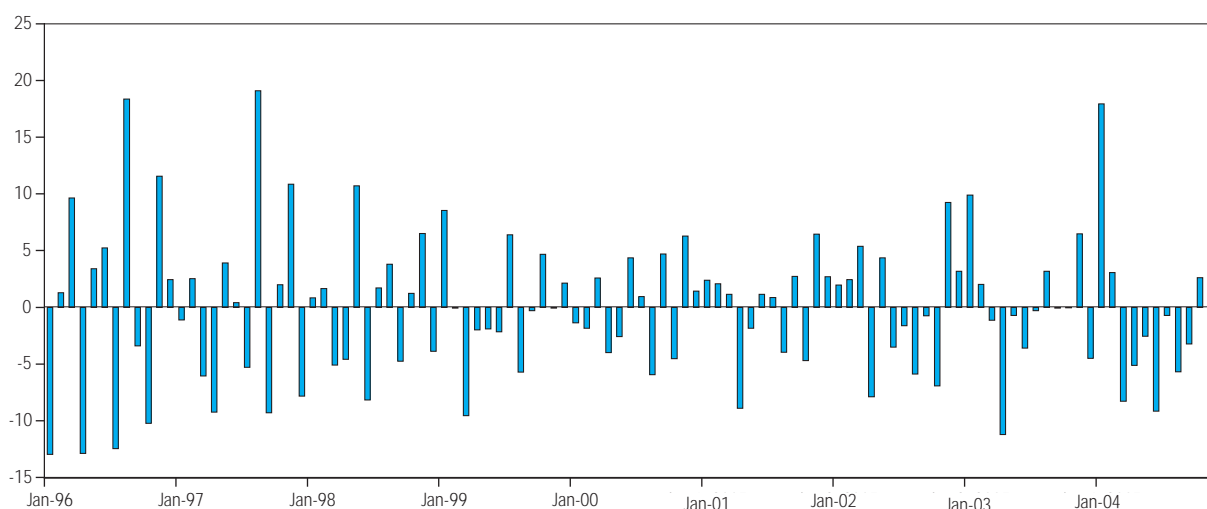


Figure 4.

**Differences between Indirect and Direct Seasonal Adjustment for Exports, Commercial vehicles****Conclusions**

Direct seasonal adjustment of all three series in the MVPI dataset has led to an inconsistent picture between total production and its component parts. It is very common to have a difference between direct and indirect seasonal adjustment because the behaviour of the component series will not be identical. Moreover in the MVPI dataset there are several other factors that contribute to the difference between direct and indirect adjustment (for example, different treatment of the seasonal break in 1999 for each component). The case for using the revision history as the main criterion for selecting a direct/indirect adjustment in MVPI is based on theoretical and practical issues. Using this criterion, we ensure that we have appropriate filtering for all the series in the dataset. The preferred option is to seasonally adjust directly the total and the home series and derive the export series as the difference of the other two. The methodological improvement to the seasonal adjustment of the MVPI will ensure consistency and achieve additivity between components and totals

**Implementation**

The change in methodology was implemented in the April 2005 First Release published on 26 May. This change was made along with the regular annual update of seasonal adjustment models and parameters (including Easter and trading day adjustments) and resulted in revisions to the entire series.

**Reference**

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# Methodological improvements to UK foreign property investment statistics

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This article presents new methodology to measure ownership of foreign property by UK households. It is based on the Office of the Deputy Prime Minister's (ODPM) Survey of English Housing (SEH). The new methodology estimates the value of foreign property ownership in 2003/04 to be just above £23 billion – more than double the estimate for 1999/00. Investment is highest in Europe, with Spain and France being the preferred locations for investment.

## Introduction

There has been growing public and media interest in obtaining reliable estimates of ownership of foreign property by UK households, as increased affordability and accessibility of foreign property markets have led to anecdotal reports of growing levels of ownership. International guidelines classify property investment abroad as Foreign Direct Investment (FDI), and private ownership is recognised as an element of this investment (BPM5, para. 382). However, the difficulty of obtaining data has prevented most countries from producing reliable estimates of the scale and location of this type of investment.

Investment in foreign property is currently measured separately for the corporate and household sectors. Corporate investment in foreign property is based on Office for National Statistics (ONS) survey data, whereas household investment is largely comprised of notional estimates. The most recent published data for 2003 shows household investment totalling £0.8 billion, within total outward property investment of £2.2 billion.

This article introduces new methodology to estimate foreign property investment by UK household residents. The methodology is based upon data collected by the Office of the Deputy Prime Minister's (ODPM) *Survey of English Housing* (SEH). The SEH provides data on the number of English households that own a second home outside Great Britain (GB). These data are converted to represent the whole of the UK and average dwelling prices are applied to estimate the level of foreign property investment. The investment transactions of foreign property are derived from this. Lastly, investment income (rental) estimates are calculated by applying rates of return to the level of foreign property investment.

## Level of UK household investment in foreign property

### Number and location of second homes abroad

The level of foreign property investment by UK household residents is based upon data collected by the ODPM's SEH. The SEH was launched in 1993 by the then Department of the Environment, with fieldwork and data validation contracted out to the Social Survey Division of ONS. In 1999 responsibility for fieldwork passed to the National Centre for Social Research. The survey is now the responsibility of the ODPM. The SEH is a financial year-based survey that collects information on English households, their housing and their attitudes to housing, via face-to-face

interviews. More than 20,000 households in England are interviewed each year to form a nationally representative set of estimates (ODPM). Questions concerning second home ownership were introduced in the 1994/95 survey. The SEH asks whether households have a second home, whether the second home is located in Great Britain or elsewhere and what the tenure is (rented, owner occupied, timeshare, or otherwise). From 2003/04, the SEH provided a geographical breakdown of where foreign second homes are located. Second homes were categorised into Spain, France, Portugal, Italy, other European countries, USA and other non-European countries. This article uses time series data of the total number of second homes from the 1994/95 to 2003/04 SEH. A time series of the geographical breakdown has been estimated by applying the same geographical proportions identified in the 2003/04 SEH to the earlier totals (see Table 1).

The number of *properties* that are owned abroad is assumed to equal the number of *households* that own property abroad. If a household owns more than one property abroad, the SEH only records the main property. Moreover, this methodology does not attempt to measure the value of properties owned by several households (that is, timeshare accommodation).

The SEH data provides a preliminary measure of the stock or level of foreign property investment, but it needs adjustment to meet Balance of Payments (BoP) definitions. UK BoP records economic transactions that occur between the UK and the rest of the world, while the SEH records the number of English households that own second homes outside GB (GB constitutes England, Wales and Scotland). The SEH data need to be adjusted to produce the number of UK households that own property outside the UK (UK constitutes England, Wales, Scotland and Northern Ireland).

The adjustment occurs in two phases. The first phase limits the location of second homes to those outside of the UK by subtracting the number of English households that own a second home in Northern Ireland. The second phase

broadens the number of households that own a second home to include the entire UK by adding the Scottish, Welsh and Northern Irish households that own second homes abroad.

### Adjustment for English households that own a second home in Northern Ireland

The number of English households that own a second home in Northern Ireland is estimated with Census 2001 figures regarding the number of Northern Irish nationals living in England and the average household size of GB (see Table 2). As of the 2005/06 SEH, this adjustment will no longer be necessary, as the scope of foreign second home ownership will be limited to those outside of the UK.

### Adjustment for households in Scotland, Wales and Northern Ireland that own property outside the UK

The estimate of the number of households in Scotland, Wales and Northern Ireland that own property abroad is based on the proportion of English households that own property abroad. The proportion is reduced to reflect lower household disposable income (ONS, 2005) and access to foreign holiday locations in Scotland, Wales and Northern Ireland compared to England.

The SEH provides a regional breakdown of English households that own second homes. An alternative method that uses the regional breakdown of second home ownership along with information on household disposable income will be explored further in the future to refine this methodology.

Figure 1 illustrates the two adjustments made to the original SEH data in order to meet BoP requirements. The centre line is the unadjusted SEH data. The line below shows the effect of excluding homes located in Northern Ireland. The top line is the final measure, broadening the range to capture foreign property ownership by all UK households. From 1999/00 to 2003/04 the number of UK households that own foreign property increased by almost 50 per cent to approximately 256,000 households.

Table 1  
Location of second homes outside Great Britain

	Total	Spain	France	Portugal	Italy	Other European country	Total Europe	USA	Other non-European	Total non-European
1994/95	104,000	27,913	21,160	1,801	1,351	15,758	67,983	6,303	29,714	36,017
1995/96	137,000	36,771	27,874	2,372	1,779	20,758	89,554	8,303	39,143	47,446
1996/97	154,000	41,333	31,333	2,667	2,000	23,333	100,667	9,333	44,000	53,333
1997/98	141,000	37,844	28,688	2,442	1,831	21,364	92,169	8,545	40,286	48,831
1998/99	148,000	39,723	30,113	2,563	1,922	22,424	96,745	8,970	42,286	51,255
1999/00	156,000	41,870	31,740	2,701	2,026	23,636	101,974	9,455	44,571	54,026
2000/01	165,000	44,286	33,571	2,857	2,143	25,000	107,857	10,000	47,143	57,143
2001/02	185,000	49,654	37,641	3,203	2,403	28,030	120,931	11,212	52,857	64,069
2002/03	193,000	51,801	39,268	3,342	2,506	29,242	126,160	11,697	55,143	66,840
2003/04	231,000	62,000	47,000	4,000	3,000	35,000	151,000	14,000	66,000	80,000
Total (per cent)	100	27	20	2	1	15	65	6	29	35

Note: Bold values are in proportion to 2002/03 totals. Totals may not equal the sum due to rounding.

Source: Survey of English Housing (SEH), ODPM

Table 2

**English household ownership of second homes in Northern Ireland**

	Number of people born in Northern Ireland aged 16 or older living in England†	Average household size (Great Britain)†	Number of Northern Irish households living in England	Proportion of English household that own a second home*	Number of English households that own a second home in Northern Ireland
2003/04	206,624	2.33	88,680	0.0515	4,570

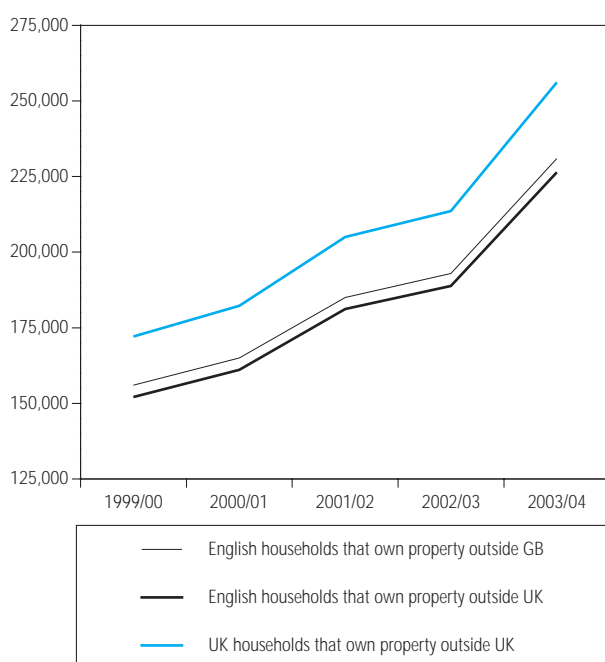
† Based on 2001 Census figures

\* Total number of English homes that own second homes (SEH) divided by total number of English households (2001 Census)

Figure 1

**Adjusted number of households that own a second home abroad**

Number of households

**Average prices of second homes abroad**

The value of foreign property investment is derived by applying average dwelling prices to the number of second homes owned abroad by UK households. Official average dwelling prices are used as a proxy for prices of holiday homes abroad. The overseas property markets have been split into Europe and non-Europe. European countries identified in the 2003/04 SEH were Spain, France, Portugal, Italy and other European countries. Spain and France combined, contributed more than 70 per cent of European property investment by English households (see Table 1). The average dwelling prices of Spain and France, derived from data published in the annual publication *Housing Statistics in the European Union*, have been combined to provide an average European dwelling price. This figure was then converted from euros to £ sterling using end-period exchange rates. This £ sterling price was then applied to the number of second homes in each country, to arrive at an estimate of investment in Europe.

The two non-European regions identified in the SEH were the USA and other non-European countries. Separate average dwelling prices have been applied to the USA and other non-European countries. The US Federal Housing Finance Board's Monthly Interest Rate Survey publishes an average US dwelling price estimate. This US\$ dollar price was converted to £ sterling using end-period exchange rates and multiplied by the number of homes to produce a value for properties located in the US. Property ownership outside of Europe is likely to take place in countries such as Australia, Canada, Caribbean islands, India, New Zealand, Pakistan, South Africa, Sri Lanka, but no individual country data is available at this stage. In the 2004/05 SEH, a broader range of countries will be identified which will allow us to refine our estimate of average dwelling prices. Until then an estimated value of £40,000 has been used that takes into account the expected locations of second homes in terms of average dwelling prices as well as currencies.

Figure 2 shows that since 1994/95 total ownership of foreign property by UK households has increased by around £16 billion to just over £23 billion in 2003/04. In the last five years the value of UK household property abroad doubled.

Figure 2

**Total level of UK household investment in foreign property**

£ billion

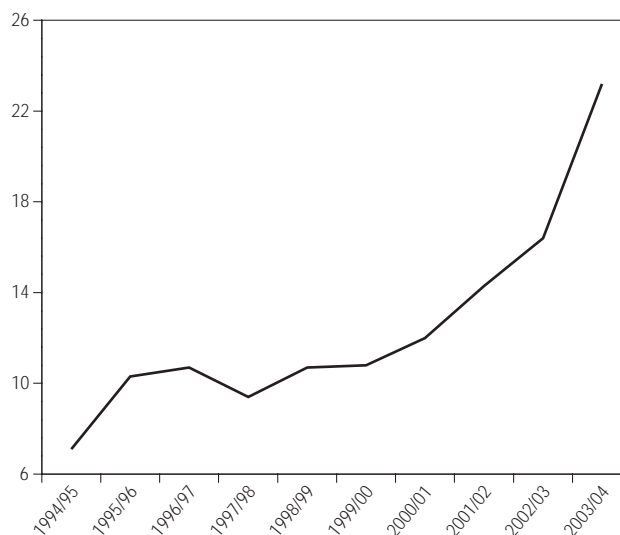
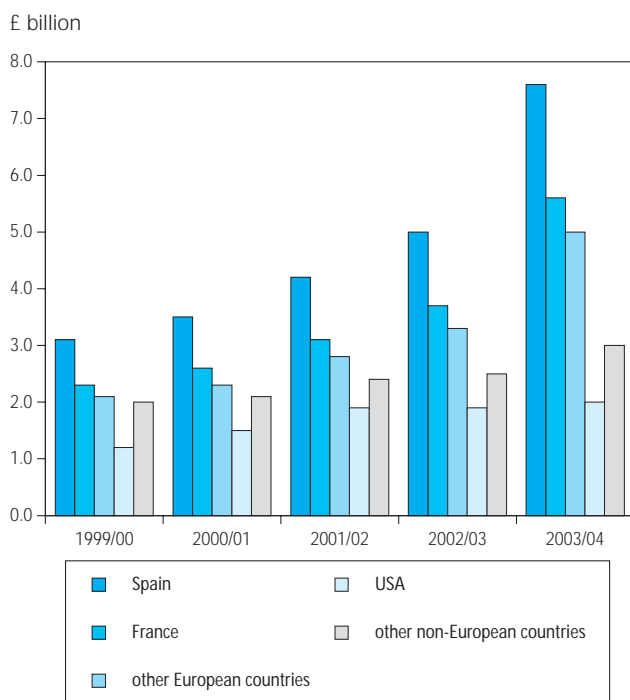


Figure 3 shows the geographical breakdown of foreign property investment by UK households. In 2003/04, European countries are shown to be the preferred location of second homes by UK households, contributing 79 per cent of total investment. Investment in Spain and France contributed almost £8 billion and £6 billion respectively towards total investment. Comparisons have been made with data available from counterpart countries in Europe. These show investment on a similar scale to the results published here.

**Figure 3**  
**Level of UK household foreign property investment**



### Transactions of UK household investment in foreign property

The flow of investment in foreign property has been derived from the change in the level of foreign property investment. The difference between the current and previous level is equal to the transactions (purchases less sales) and revaluation effects. Revaluation effects reflect changes in the market value of property resulting from movements in exchange rates and prices.

$$D = T + RE$$

$$T = D - RE$$

Where,

T = foreign property investment transactions

D = difference between the current and previous level

RE = revaluation effects

Revaluation effects are calculated by subtracting the original level estimates from the revalued estimates for the previous period.

$$RE = RVL_{n-1} - L_{n-1}$$

Where,

$RVL_{n-1}$  = revalued level estimate for the previous period

$L_{n-1}$  = original level estimate for the previous period

The revalued level estimate is calculated by applying the current average foreign dwelling price to the previous number of foreign property investments owned by UK households.

$$RVL_{n-1} = P \times N_{n-1}$$

Where,

P = average price of second homes abroad for the current period

$N_{n-1}$  = number of UK households that own foreign property for the previous period

Figure 4 illustrates the method of calculating the transactions of UK household foreign property investment. Revaluation effects are removed from the change in level between the current and previous periods to derive the investment transactions. The increase in revaluation effects in 2003/04 is a reflection of significant price rises of dwellings abroad rather than exchange rates.

Figure 5 shows that in 2003/04 net acquisition for property abroad by UK households reached almost £4 billion.

**Figure 4**  
**Analysis of value of UK household investment in foreign property**

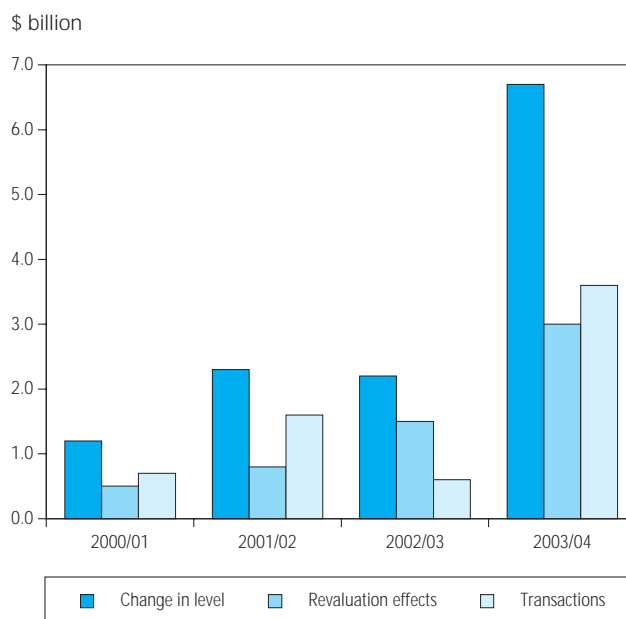
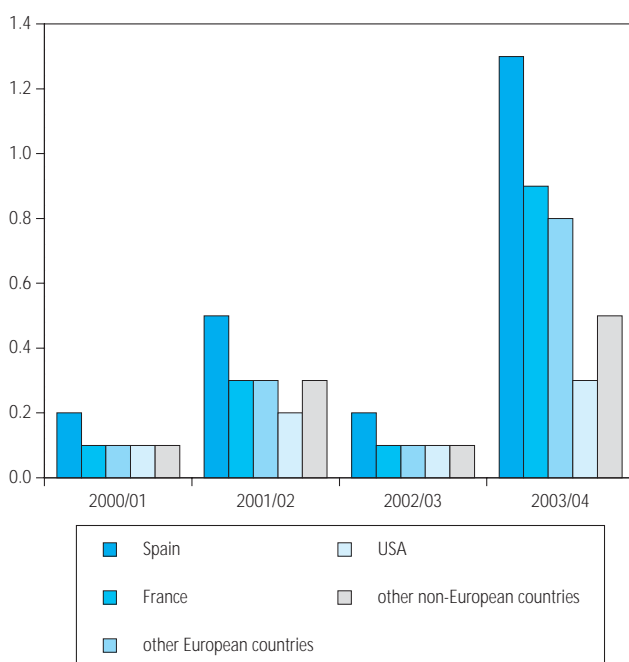




Figure 5  
Transactions of UK household investment in foreign property

£ billion

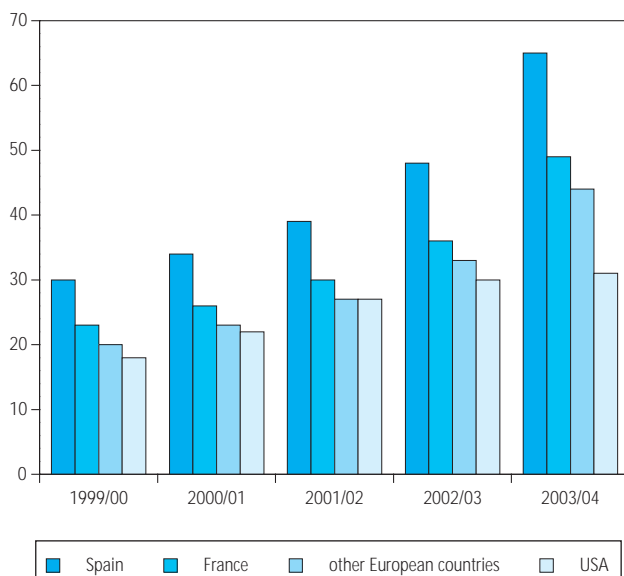


### Income from investment in foreign property

Rental income from investment in foreign property has been derived by applying an income rate of return to the estimated level of foreign property owned by UK households. With the lack of other evidence we have made some broad assumptions relating to the level of income generated from foreign second homes. These have been based on an underlying assumption that the key motivations for households owning property abroad are private use and potential capital gain in the future, not for generating significant rental incomes.

Figure 6  
Income from investment in foreign property

£ million



The methodology first assumes that rental income is primarily generated from the European and US property markets. It is further assumed that rental properties account for approximately half of the total number of foreign investment properties, and that those rental properties are likely to be rented out on average for no more than six months of the year. Income rates of return are based on published information for the Spanish and French residential markets (Investment Property Databank) and US residential property market (National Council of Real Estate Investment Fiduciaries).

As seen in Figure 6, in 2003/04 rental income from investment in foreign property totalled almost £190 million.

### Future developments

The ODPM are introducing several changes to the SEH that will allow this methodology to be refined. As of the 2004/05 SEH, households that own several properties abroad will be taken into account. The methodology used to derive the level of foreign property investment will be assumed to reflect the number of foreign properties owned by English households. Also from 2005/06, the distinction between domestic and foreign second home ownership will be changed to an ex-UK rather than ex-GB basis, eliminating the need to adjust for properties located in Northern Ireland. In addition, a much broader geographical breakdown will be available, including key countries such as Canada, Australia, India, Pakistan and South Africa.

As the methodology is still a work in progress, implementation into the UK Balance of Payments and National Accounts has not yet been scheduled. Comments regarding the methodology proposed in this article are very much welcomed.

### Acknowledgements

The author would like to thank Shuvro Bose and David Wall from the ODPM's SEH team for the supply of the survey data.

For further information concerning this article, please contact Simon Humphries on 020 7533 6075.

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## APPENDIX

## Level of UK household foreign property investment

	1999/00	2000/01	2001/02	2002/03	2003/04
Number of second homes owned by UK households					
Spain	47,650	49,204	55,321	57,802	69,284
France	35,296	36,448	40,979	42,816	51,322
Portugal	3,530	3,645	4,098	4,282	5,132
Italy	1,765	1,822	2,049	2,141	2,566
other European country	26,472	27,336	30,734	32,112	38,491
Europe	114,713	118,455	133,181	139,153	166,796
USA	10,589	10,934	12,294	12,845	15,397
other non-Europe country	51,180	52,849	59,419	62,084	74,417
Non-Europe	61,768	63,783	71,713	74,928	89,813
Total	176,481	182,238	204,893	214,081	256,609

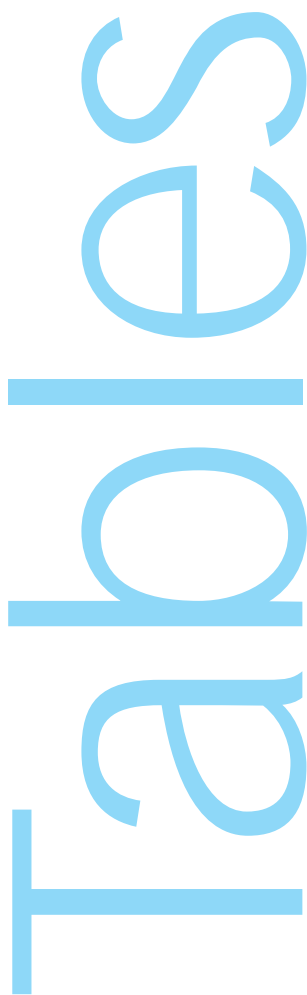
Average dwelling price (£)					
Europe†	67,772	70,387	75,248	87,116	109,484
USA*	116,432	137,860	152,308	144,765	130,634
other non-Europe**	40,000	40,000	40,000	40,000	40,000

Level of property investment by UK households (£ billion)					
Spain	3.2	3.5	4.2	5.0	7.6
France	2.4	2.6	3.1	3.7	5.6
Portugal	0.2	0.3	0.3	0.4	0.6
Italy	0.1	0.1	0.2	0.2	0.3
other European country	1.8	1.9	2.3	2.8	4.2
Europe	7.8	8.3	10.0	12.1	18.3
USA	1.2	1.5	1.9	1.9	2.0
Other non-Europe country	2.0	2.1	2.4	2.5	3.0
Non-Europe	3.3	3.6	4.2	4.3	5.0
Total	11.1	11.9	14.2	16.4	23.2

† Housing Statistics in the European Union 2002 and 2003, tables 2.1 and 4.6, average price of new dwellings is used

\* Monthly Interest Rate Survey, US Federal Housing Finance Board

\*\* Nominal average house price



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## Notes to tables

### Identification codes

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

### Currency of data

All data in the tables and accompanying charts are current, as far as possible, to 1 June 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 seasonally adjusted; those not seasonally adjusted are indicated by the abbreviation NSA.

### Money

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

#### M0

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

#### M4

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

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

### Conventions

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

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

Billion denotes one thousand million.

### Symbols used

- .. not available
- nil or less than half the final digit shown
- + a series for which measures of variability are given on page 141
- † data have been revised since the last edition; the period marked is the earliest in the table to have been revised
- \* average (or total) of five weeks

## National Statistics Online

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

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

### Time Series Data

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

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

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

# 1.1 Selected monthly indicators

seasonally adjusted unless otherwise stated

		2003	2004	2004 Q3	2004 Q4	2005 Q1	2005 Feb	2005 Mar	2005 Apr	%Change Latest 3 months avg over previous 3 months
<b>Output -chained volume measures (CVM) (2001 = 100 unless otherwise stated)</b>										
Gross value added at basic prices	CGCE	103.6	106.8	107.1	107.8	108.4	..	..	..	0.5
Industrial production	CKYW	97.4	97.8	97.5	97.4	96.7	96.9	95.8	..	-0.7
Oil and gas extraction	CKZO	93.2	85.3	83.4	80.3	80.1	79.8	80.3	..	-0.3
Manufacturing	CKYY	97.4	98.8	98.7	99.0	98.3	98.6	97.0	..	-0.7
Construction	GDQB	109.2	113.2	113.6	114.9	115.6	..	..	..	0.6
Car production (thousands)	FFAO	138.1	137.2	137.9	136.7	138.8	138.8	140.7	145.0	2.8
<b>Domestic demand</b>										
Retail sales volume (2000 = 100)	EAPS	116.2	123.2	125.0	125.1	125.3	125.5	125.1	125.7	0.2
GB new registrations of cars ('000s) <sup>1</sup>	BCGT	2 646.2	2 598.8	709.9	496.9	697.9	77.5	440.4	..	40.5
Manufacturing: change in inventories (£m, CVM, reference year 2001)	DHEM	-440	-157	-1	-246	341	..	..	..	..
<b>Prices (12 monthly % change) and earnings (3 month average)</b>										
Consumer prices index <sup>1</sup>	CJYR	1.4	1.3	1.2	1.4	1.7	1.6	1.9	1.9	..
Retail prices index <sup>1</sup>	CZBH	2.9	3.0	3.1	3.4	3.2	3.2	3.2	3.2	..
Retail prices index <sup>1</sup> (less MIPS) <sup>2</sup>	CDKQ	2.8	2.2	2.1	2.3	2.2	2.1	2.4	2.3	..
Producer output prices (less FBTP) <sup>3</sup>	EUAA	1.3	1.9	2.0	2.8	2.4	2.4	2.4	2.6	..
Producer input prices <sup>4</sup>	EUAB	1.5	4.0	5.4	6.8	10.8	11.3	11.1	10.4	..
GB average earnings -whole economy <sup>5</sup>	LNNC	..	..	3.8	4.4	4.6	4.7	4.6	..	..
<b>Foreign trade<sup>6</sup> (2001 = 100 volumes unless otherwise stated)</b>										
UK balance on trade in goods (£ million)	BOKI	-47 665	-57 944	-14 924	-15 354	-14 637	-5 037	-4 412	..	..
Non EU balance on trade in goods (£ million)	LGDT	-22 036	-29 481	-8 118	-8 337	-7 733	-2 687	-2 047	..	..
Non EU exports of goods (excl oil & erratics)	SHDJ	102.3	106.4	106.8	108.3	107.8	104.8	112.8	..	-0.4
Non EU imports of goods (excl oil & erratics)	SHED	102.9	114.0	116.4	118.0	114.7	112.4	114.0	..	-2.8
Non EU import & price index (excl oil) <sup>7</sup>	LKWQ	91.2	89.3	90.1	89.9	90.3	90.0	90.5	..	..
Non EU export & price index (excl oil) <sup>7</sup>	LKVX	97.0	95.6	96.0	96.3	96.4	96.4	96.3	..	..
<b>Labour market and productivity (2001 = 100 unless otherwise stated)</b>										
UK claimant unemployment (thousands)	BCJD	933.3	853.6	836.3	831.1	820.9	817.7	831.3	839.4	0.7
UK employees in manufacturing (thousands)	YEJA	3 415	3 282	3 257	3 238	3 220	3 228	3 220	..	-0.5
Whole economy productivity <sup>8</sup>	LNIN	102.0	104.3	104.7	105.2	..	..	..	..	0.5
Manufacturing productivity <sup>8</sup>	LNIX	107.2	112.9	113.2	114.7	114.4	114.7	113.2	..	-0.2
Unit wage costs - whole economy	LNK	104.6	106.6	106.5	107.4	..	..	..	..	0.8
Unit wage costs - manufacturing	LNQ	100.1	98.4	98.1	97.8	97.7	99.5	103.1	..	2.5
<b>Financial markets<sup>1</sup></b>										
Sterling ERI (1990=100)	AGBG	100.2	104.1	104.8	102.4	102.9	103.3	103.2	104.4	1.3
Average exchange rate /US \$	AUSS	1.63	1.83	1.82	1.87	1.89	1.89	1.91	1.90	0.5
Average exchange rate /Euro <sup>9</sup>	THAP	1.45	1.47	1.49	1.44	1.44	1.45	1.44	1.47	1.4
3 month inter-bank rate <sup>10</sup>	HSAJ	3.95	4.81	4.82	4.81	4.90	4.87	4.90	4.86	..
3 month interest on US Treasury bills <sup>11</sup>	LUST	0.93	2.18	1.68	2.18	2.73	2.72	2.73	2.84	..
<b>Monetary conditions/government finances</b>										
M0 (year on year percentage growth)	VQMX	7.3	6.0	5.5	5.6	5.6	5.9	5.1	4.8	..
M4 (year on year percentage growth)	VQJW	7.2	8.5	9.0	9.2	10.5	9.5	10.4	10.5	..
Public sector net borrowing (£ million) <sup>1,12</sup>	ANNX	-35 711	-35 386	-9 744	-14 529	4 257	1 815	-4 348	-1 264	..
Net lending to consumers (£ million)(broader)	RLMH	20 221	22 963	5 720	5 353	5 849	1 627	1 790	1 293	-20.4

		2004 Apr	2004 May	2004 Jun	2004 Jul	2004 Aug	2004 Sep	2004 Oct	2004 Nov	2004 Dec	2005 Jan	2005 Feb	2005 Mar	2005 Apr	2005 May
<b>Activity and expectations</b>															
CBI output expectations balance <sup>1</sup>	ETCU	12	22	15	6	19	12	14	5	-6	10	19	9	5	-1
CBI optimism balance <sup>1</sup>	ETBV	12	..	..	7	..	..	-10	..	..	-22	..	..	-15	..
CBI price expectations balance	ETDQ	1	2	5	6	10	9	-1	13	10	16	11	12	4	-4
New engineering orders (2000 = 100)	JIQH	73.7	83.5	81.8	82.5	74.6	79.2	77.7	82.2	87.1	84.4	80.8	79.3	..	..

1 Not seasonally adjusted

2 MIPS: mortgage interest payments

3 FBTP: food, beverages, tobacco and petroleum

4 See footnote 2 on Table 3.1.

5 See footnote 2 on Table 4.6

6 All Non EU figures exclude Austria, Finland &amp; Sweden

7 12 monthly percentage change

8 Output per filled job.

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

10 Last Friday of the period

11 Last working day

12 Annual figures are for the financial years 2003/04 and 2004/05.

## 2.1 National accounts aggregates

	£ million		Indices (2001 = 100)						
	At current prices		Value indices at current prices		Chained volume indices			Implied deflators <sup>2</sup>	
	Gross domestic product at market prices	Gross value added (GVA) at basic prices	Gross domestic product at market prices <sup>1</sup>	Gross value added (GVA) at basic prices	Gross national disposable income at market prices	Gross domestic product at market prices	Gross value added (GVA) at basic prices+	GDP at market prices	GVA at basic prices
<b>Annual</b>									
	YBHA	ABML	YBEU	YBEX	YBFP	YBEZ	CGCE	YBGB	CGBV
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
<b>Quarterly</b>									
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
2005 Q1	297 560	264 635	119.7	120.1	..	108.9 <sup>†</sup>	108.4	109.9	110.8
Percentage change, quarter on corresponding quarter of previous year <sup>3</sup>									
<b>Quarterly</b>									
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
2005 Q1	4.5	4.8	4.5	4.8	..	2.7 <sup>†</sup>	2.6 <sup>†</sup>	1.8	2.0

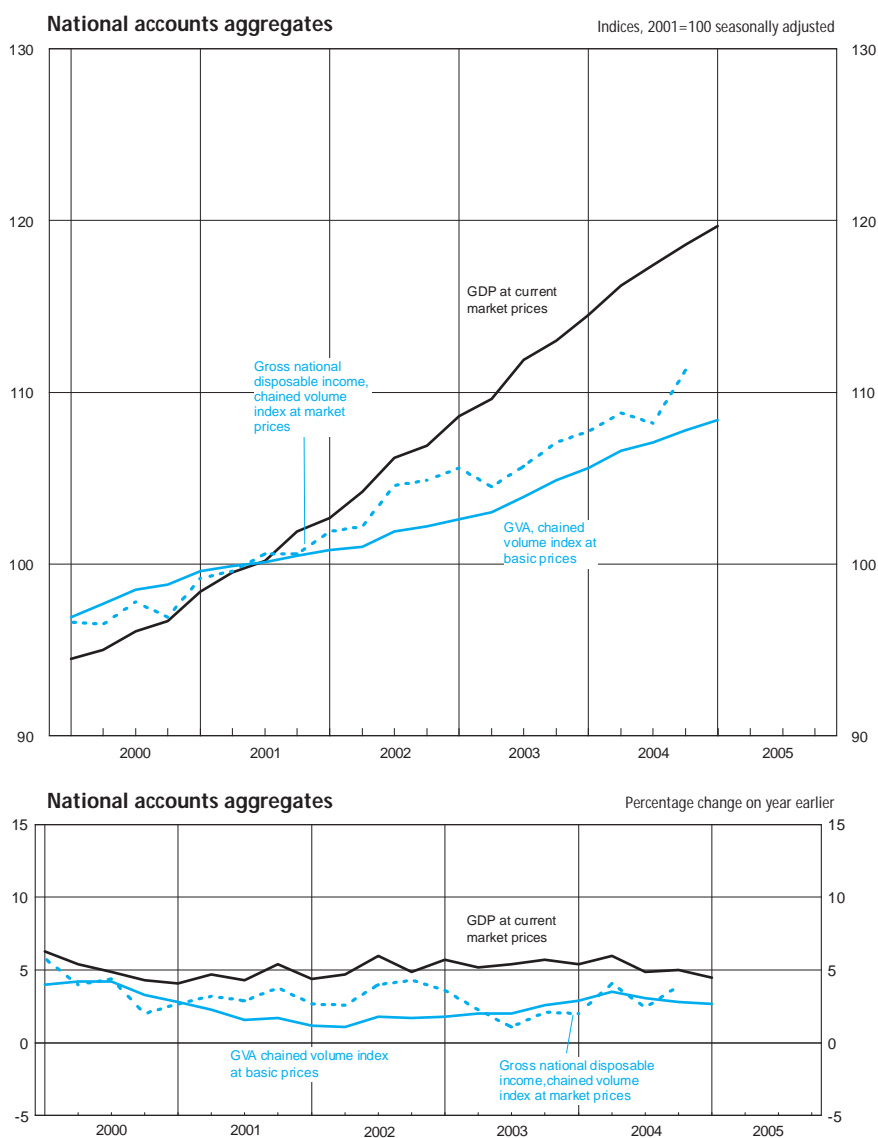
1 "Money GDP."

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

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

Source: Office for National Statistics; Enquiries 020 7533 6031





## 2.2 Gross domestic product : by category of expenditure

### Chained volume measures

Reference year 2001, £ million

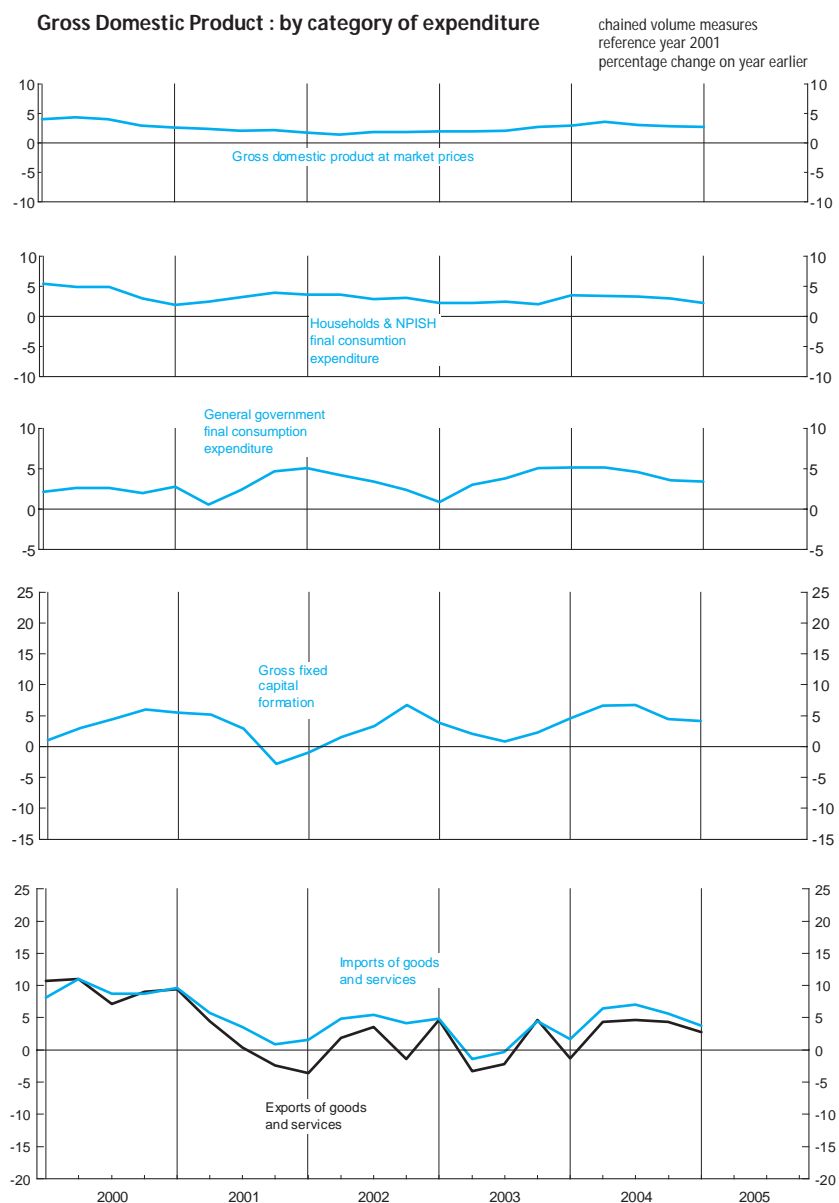
Domestic expenditure on goods and services at market prices												
	Final consumption expenditure			Gross capital formation				Exports of goods and services+	Gross final expenditure	Imports of goods and services+ less	Statistical discrepancy (expenditure)	Gross domestic product at market prices
	Households	Non-profit institutions <sup>2</sup>	General government	Gross fixed capital formation+	Changes in inventories <sup>3</sup>	Acquisitions less disposals of valuables	Total					
<b>Annual</b>	ABJR	HAYO	NMRY	NPQT	CAFU	NPJR	YBIM	IKBK	ABMG	IKBL	GIXS	ABMI
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
<b>Quarterly</b>												
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
2005 Q1	175 064	7 015	54 257	46 626	932	–134	283 760	71 352	355 111	84 489	100	270 723 <sup>†</sup>
Percentage change, latest quarter on corresponding quarter of previous year												
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
2005 Q1	2.0	5.2	3.4	4.2			3.0	2.8	3.0	3.8		2.7 <sup>†</sup>

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

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

3 Quarterly alignment adjustment included in this series.

Source: Office for National Statistics; Enquiries 020 7533 6031



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

	Percentage share of gross final expenditure						Percentage share of GDP by category of income				
	Gross domestic product at market prices	Gross final expenditure	Final consumption expenditure		Gross capital formation	Exports of goods and services	Gross operating surplus				Taxes on production and imports
			Household and NPISH	General government			Corporations <sup>1</sup>	Other <sup>2</sup>	Compensation of employees	Mixed income	
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
2005 Q1	297 560	380 796	..	..	..	..	..	..	..	..	..

1 Non-financial and financial corporations.

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

Source: Office for National Statistics; Enquiries 020 7533 6031

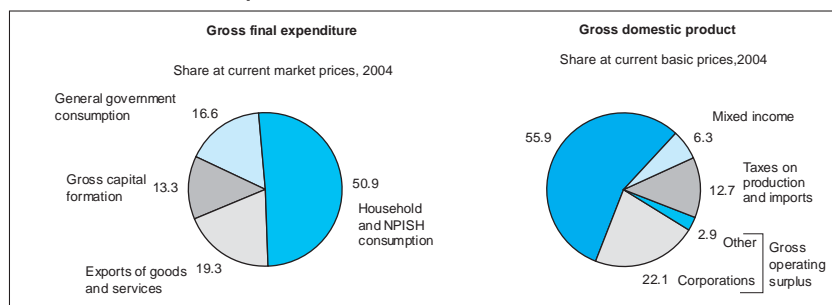
## 2.4 Income, product and spending per head

£

	At current prices				Chained volume measures (reference year 2001)		
	Gross national income at market prices	Gross domestic product at market prices	Household and NPISH final consumption expenditure	Households' gross disposable income	Gross domestic product at market prices	Household and NPISH final consumption expenditure	Real households' disposable income
Annual	IHXS	IHXT	IHXU	IHXV	IHXW	IHXX	IHXZ
2001	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

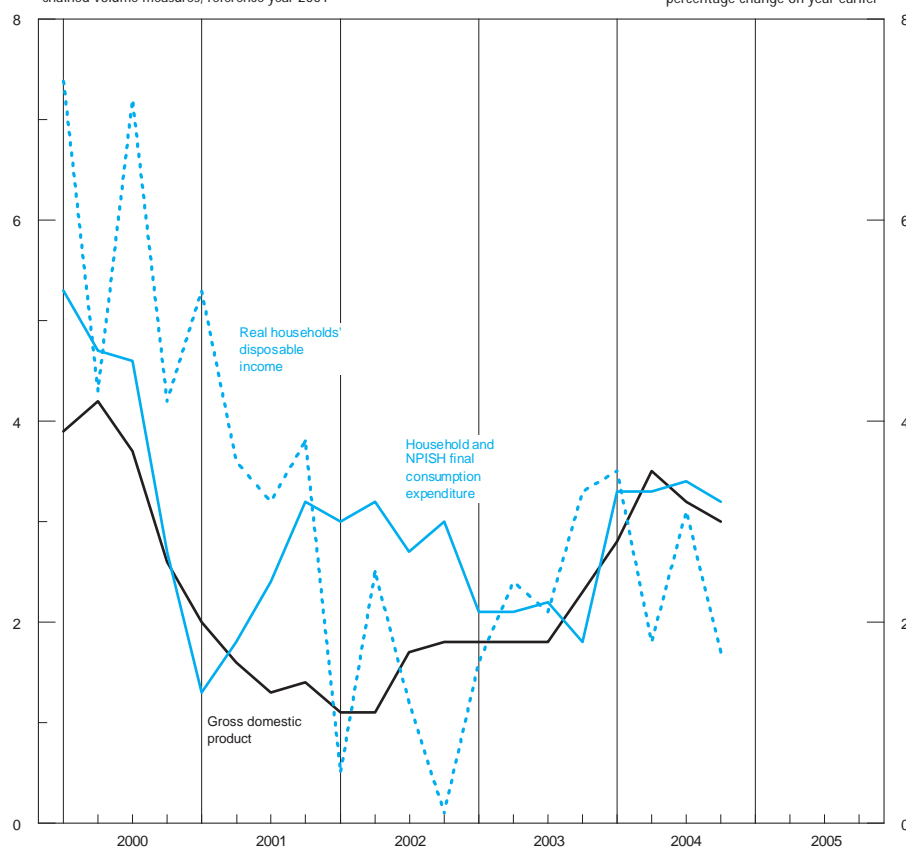
## Shares of income and expenditure



## Income, product and spending per capita

chained volume measures, reference year 2001

percentage change on year earlier



## 2.5 Households<sup>1</sup> disposable income and consumption

	£ million, current prices						£ million, chained volume measures, reference year 2001				
	Households' income before tax		Gross households' disposable income <sup>2</sup>	Adjustment for the change in net equity of households in pension funds	Households' Total resources	Households' final consumption expenditure	Households' saving ratio <sup>3</sup> (percentage)+	Real households' disposable income+ <sup>4</sup>	Household final consumption expenditure+	Real households' disposable income (index 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	
2005 Q1	..	..	..	..	..	192 726	..	..	182 079	..	

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<sup>1,2</sup>

Chained volume measures

Reference year 2001, £ million

	UK National <sup>4</sup>															
	UK Domestic <sup>5</sup>															
	Total	Net tourism	Total	Food & drink	Alcohol & tobacco	Clothing & footwear	Housing	House- hold goods & services	Health	Trans- port	Communi- cation	Recreat- ion & culture	Educac- ion	Restaur- ants & hotels	Miscell- aneous	
COICOP <sup>3</sup>	-	-	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	
2005 Q1	175 064	..	..	..	..	..	..	..	..	..	..	..	..	..	..	

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

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

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

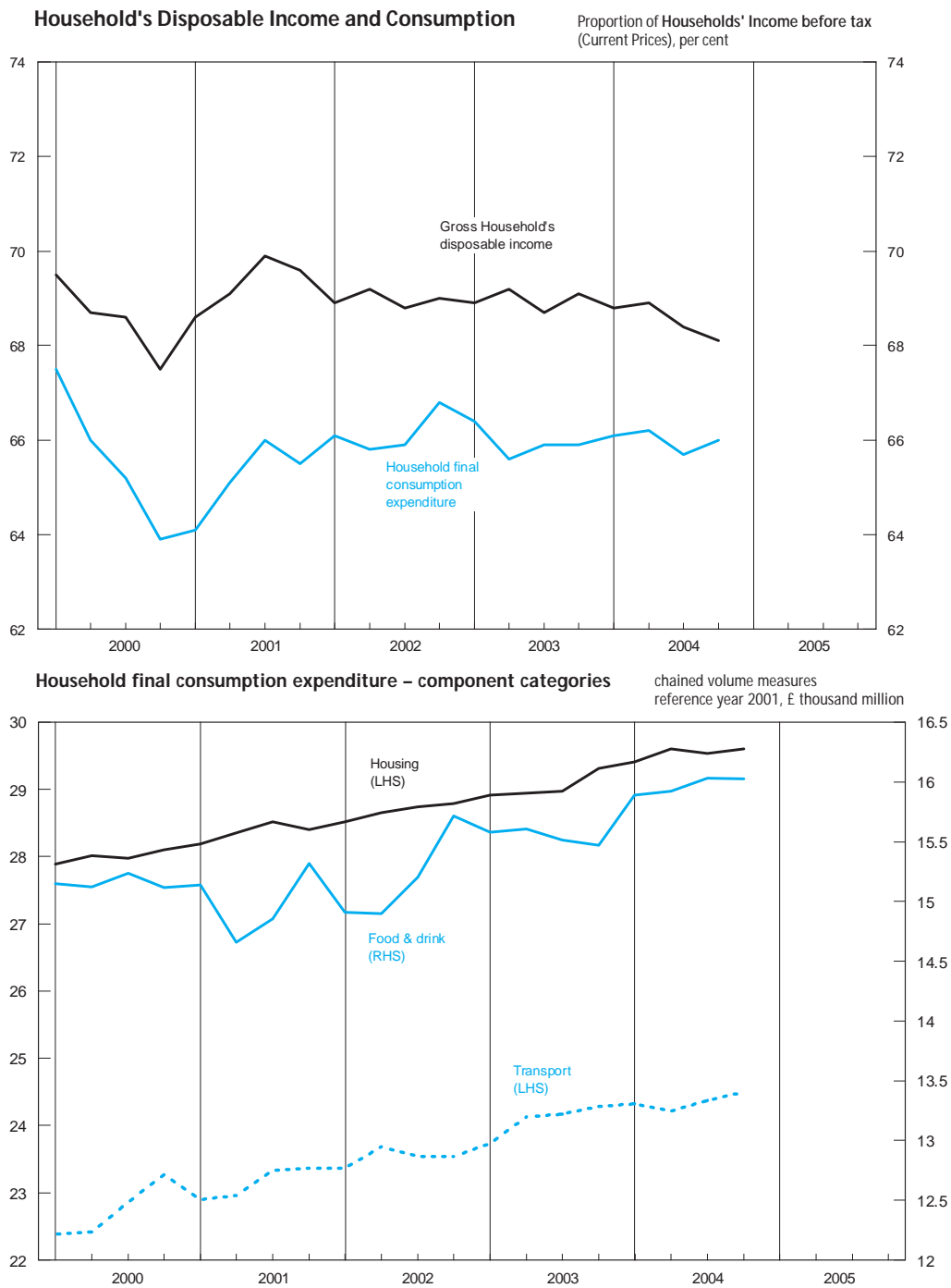
3 ESA 95 Classification of Individual Consumption by Purpose

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

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

Source: Office for National Statistics; Enquiries 020 7533 5999





## 2.7 Gross fixed capital formation

### Chained volume measures

Reference year 2001, £ million

	Analysis by sector						Analysis by asset					
	Business investment <sup>1</sup>	General government	Public corporations <sup>2</sup>	Private sector		Total+	Transport equipment	Other machinery and equipment	Dwellings	Other building and structures <sup>3</sup>	Intangible fixed assets	
			Transfer costs of non-produced assets	Dwellings	Transfer costs of non-produced assets							
Annual	NPEL	DLWF	DLWH	DFEA	DLWI	NPQT	DLWL	DLWO	DFEG	DLWT	EQDO	
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												
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	
2005 Q1	29 629	..	..	..	..	46 626	..	..	..	..	..	
Percentage change, latest quarter on corresponding quarter of previous year												
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	
2005 Q1	2.9	..		..	..	4.2	..	..	..	..	..	

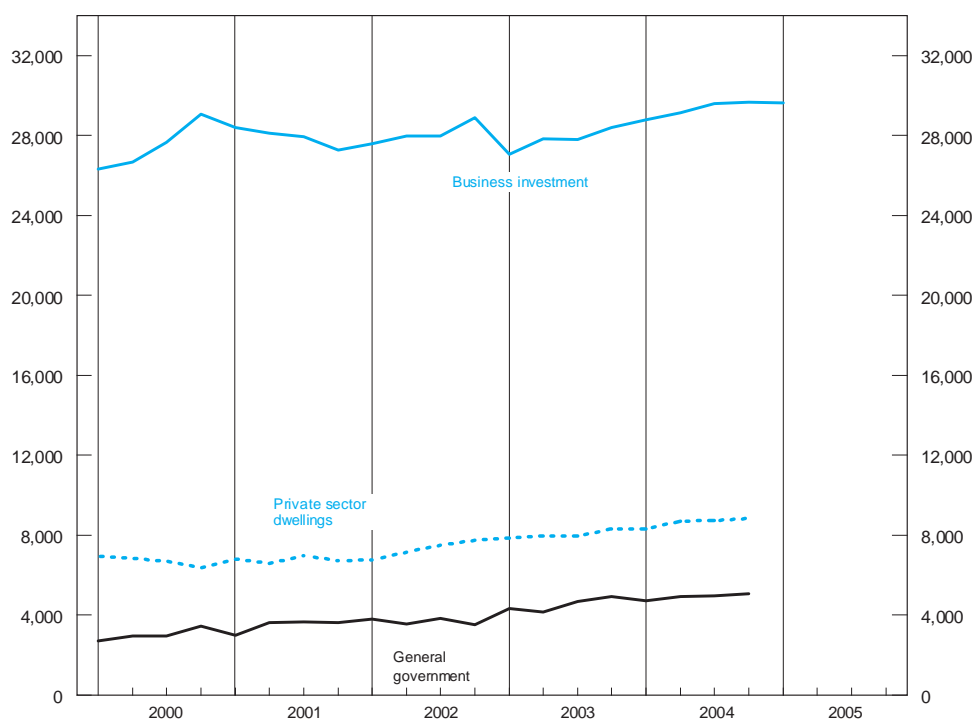
1 Not including dwellings and costs associated with the transfer of ownership of non-produced assets.

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

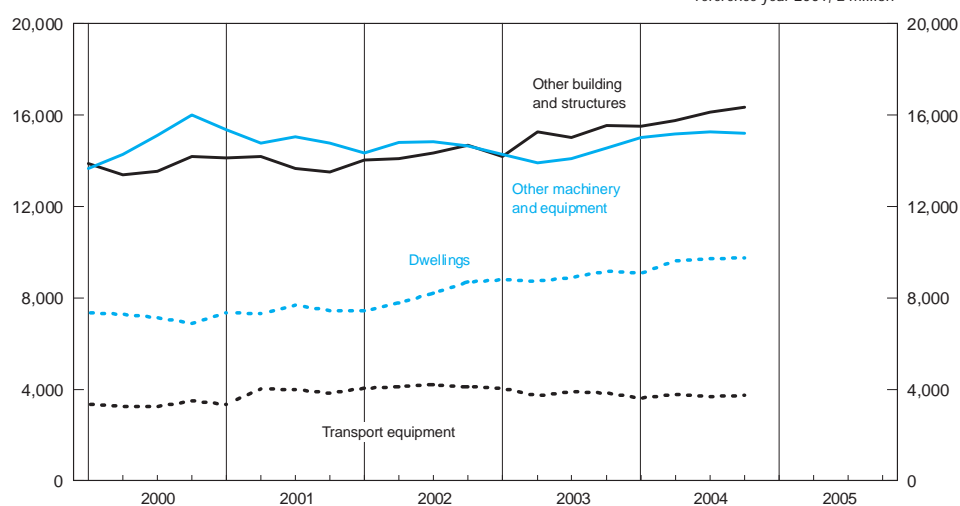
3 Including costs associated with transfer of ownership of non-produced assets.

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<sup>1,3</sup>

2001 = 100

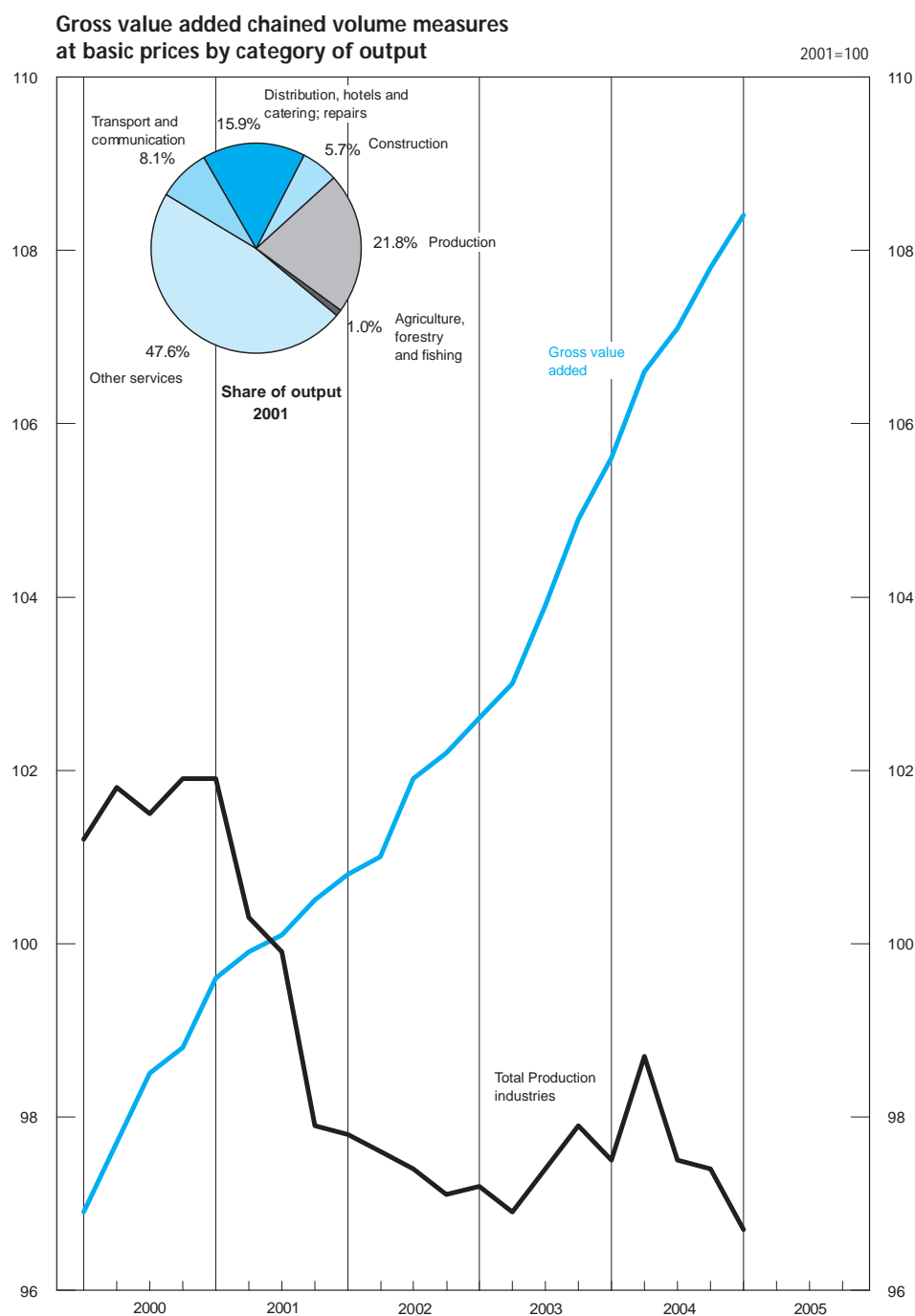
	Production						Service industries						Gross value added at basic prices	Gross value added excluding oil
	Agriculture, forestry, and fishing	Mining and quarrying including oil and gas extraction	Manufacturing	Electricity gas and water supply	Total	Construction	Distribution hotels and catering; repairs	Transport storage and communication	Business services and finance	Government and other services	Total			
2001 Weights <sup>1</sup>	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	JUN	
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	
2005 Q1	111.8 <sup>†</sup>	82.5	98.3 <sup>†</sup>	102.3 <sup>†</sup>	96.7 <sup>†</sup>	115.6	114.4 <sup>†</sup>	110.2	114.5	108.3 <sup>†</sup>	112.0	108.4	109.1	
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	
2005 Q1	0.9 <sup>†</sup>	-7.7	0.3 <sup>†</sup>	-1.6 <sup>†</sup>	-0.8 <sup>†</sup>	3.1	2.4 <sup>†</sup>	5.4	4.5	3.1 <sup>†</sup>	3.6	2.7	2.9	

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

2 Weights may not sum to the totals due to rounding. The weights shown are in proportion to total gross value added (GVA) in 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



## 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 <sup>3</sup>	Real estate, renting and business activities	Lettings of dwellings	PAD <sup>1</sup>	Education	Health and social work	Other services <sup>2</sup>	Adjustment for financial services <sup>4</sup>	Total services
<i>2001 weights</i>	125	33	50	31	48	160	78	56	59	62	51	-38	716
<b>Annual</b>	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
<b>Quarterly</b>													
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
2005 Q1	..	..	..	..	..	..	..	..	..	..	..	..	112.0
Percentage change, quarter on corresponding quarter of previous year													
<b>Quarterly</b>													
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
2005 Q1	..	..	..	..	..	..	..	..	..	..	..	..	3.6

1 Public administration and national defence; compulsory social security.

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

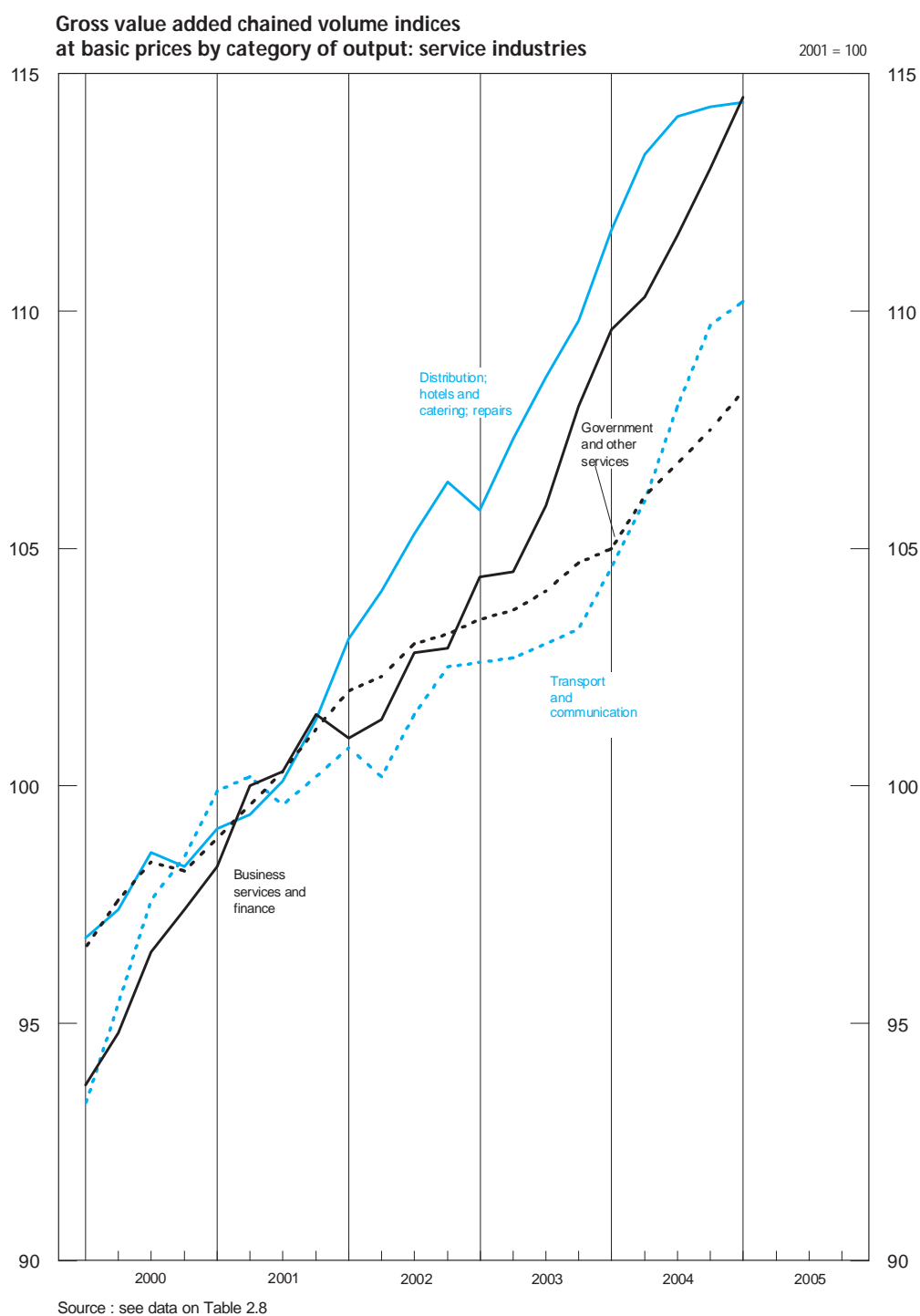
3 Comprises section J of the SIC(92). This covers activities of institutions such as banks, building societies, securities dealers, insurance companies and pension funds. It also covers institutions whose activities are closely related to financial intermediation : for example fund managers and insurance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

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

5 See footnote 2 on Table 2.8

Source: Office for National Statistics; Enquiries 020 7533 5969





# 2.10 Summary capital accounts and net lending/net borrowing

£ million

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



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

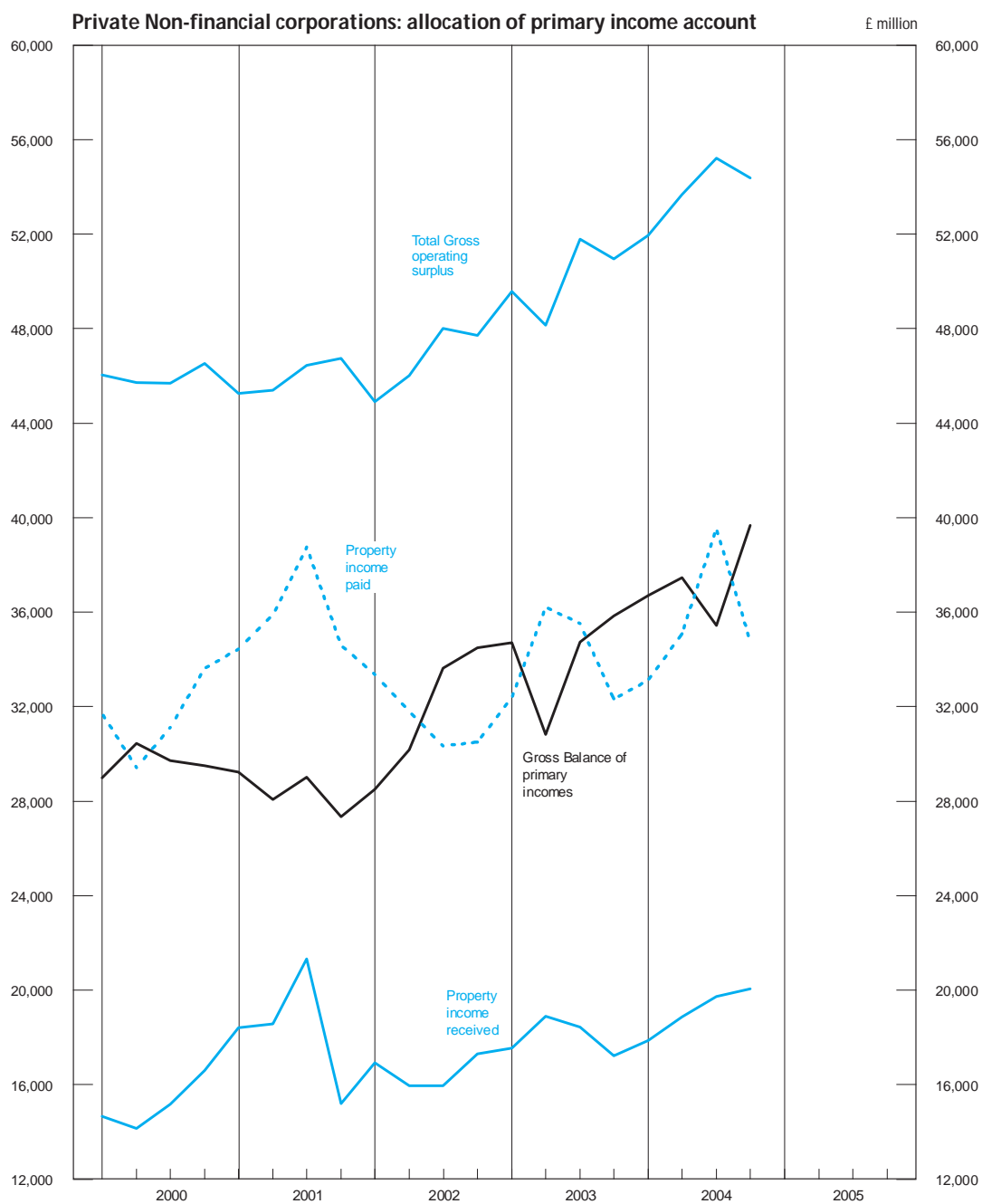
£ million

	Resources							Uses					
	Gross operating surplus							Property income payments					
	Gross trading profits												
	Continental shelf companies	Others <sup>1</sup>	Rental of buildings	less Inventory holding gains	Gross operating surplus <sup>1,2</sup>	Property income receipts	Total resources <sup>1,2</sup>	Total payments	of which Dividends	of which Interest	Gross balance of primary incomes <sup>1</sup>	Share of gross national income <sup>1</sup> (%)	
<b>Annual</b>													
	CAGD	CAED	FCBW	-DLRA	CAER	RPBM	RPBN	RPBP	RVFT	ROCG	RPBO	NRJL	
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	
<b>Quarterly</b>													
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



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

£ million

	Secondary Distribution of Income Account						Capital Account					
	Resources			Uses			Changes in liabilities & net worth		Changes in assets			
	Gross balance of primary incomes <sup>1</sup>	Other resources <sup>2</sup>	Total <sup>1,3</sup>	Taxes on income	Other uses <sup>4</sup>	Gross disposable income <sup>1,5</sup>	Net capital transfer receipts	Total <sup>1</sup>	Gross fixed capital formation	Changes in inventories <sup>1</sup>	Other changes in assets <sup>6</sup>	Net lending (+) or borrowing (-) <sup>1,7</sup>
<b>Annual</b>												
	RPBO	NROQ	RPKY	RPLA	NROO	RPKZ	NROP	RPXH	ROAW	DLQY	NRON	RQBV
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
<b>Quarterly</b>												
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.

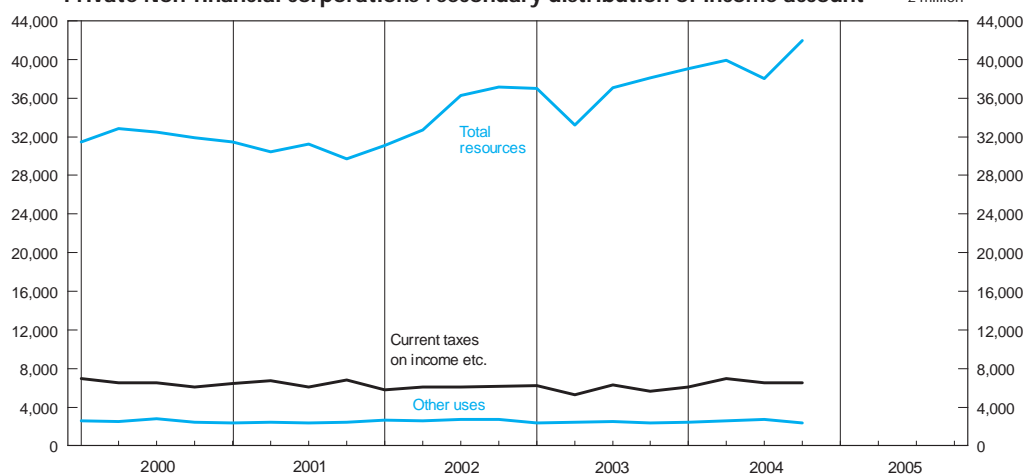
6 Acquisitions less disposals of valuables and non-produced non-financial assets.

7 Gross of fixed capital consumption.

Source: Office for National Statistics; Enquiries 020 7533 6014

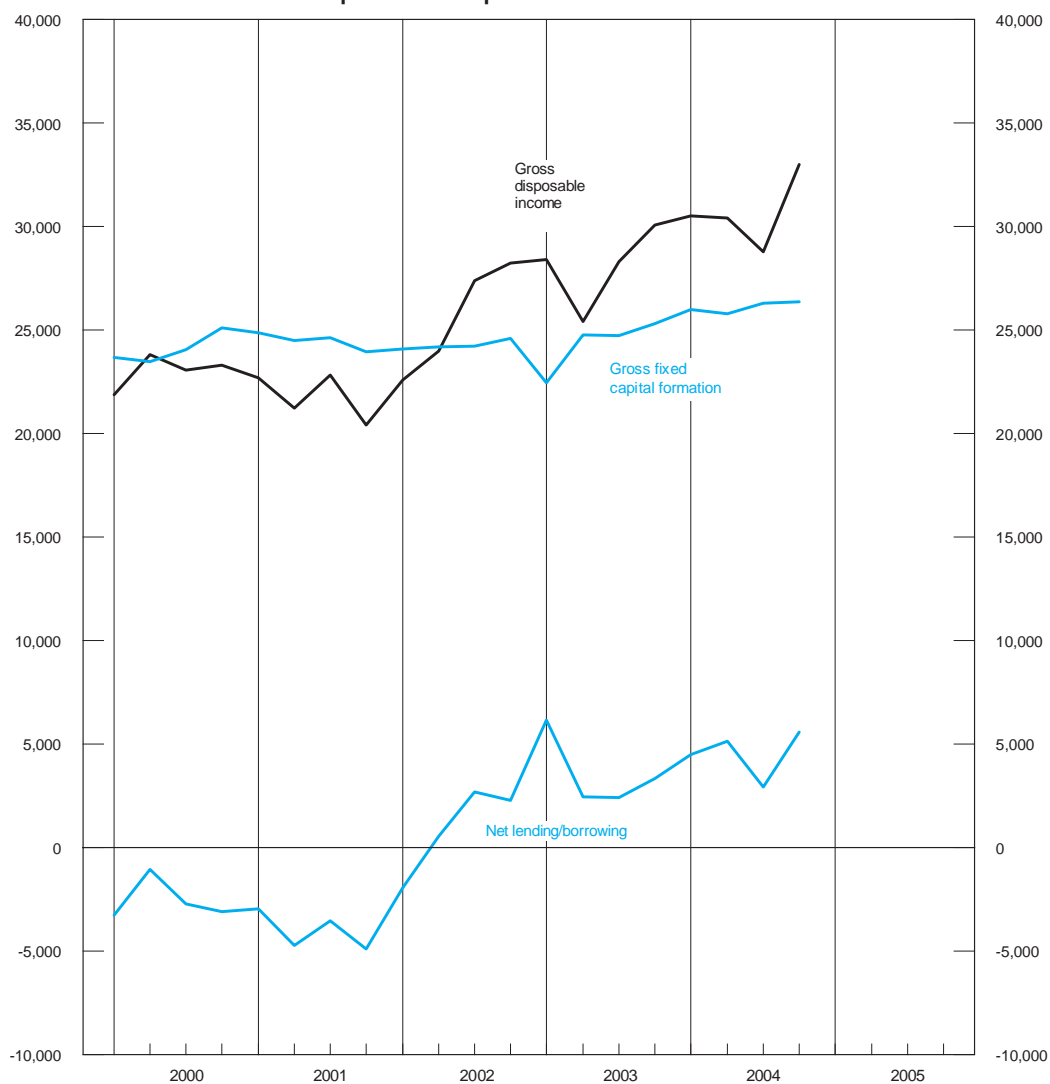
Private Non-financial corporations : secondary distribution of income account

£ million



Private Non-financial corporations : capital account

£ million



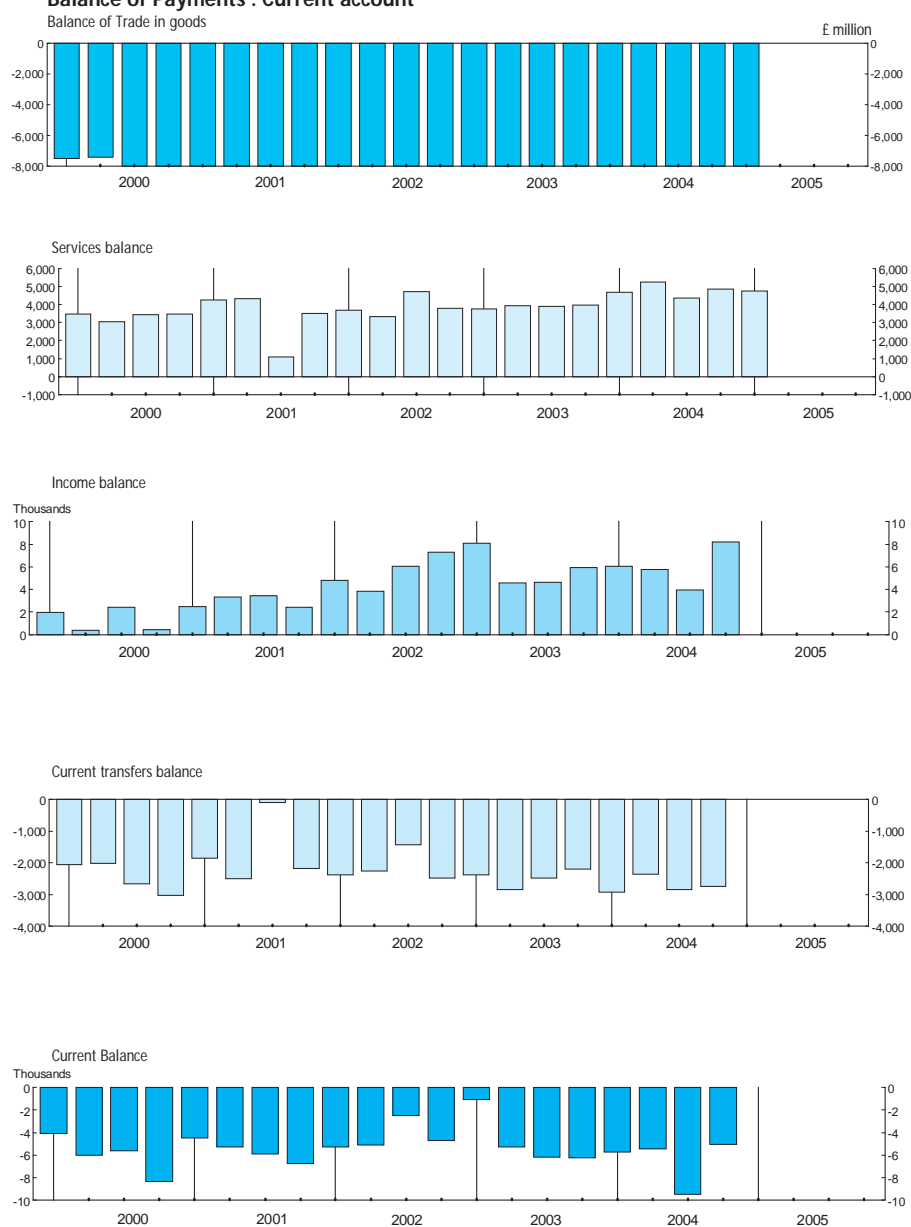


# 2.13 Balance of payments: current account

£ million

	Trade in goods and services						Income balance	Current transfers balance	Current balance
	Exports of goods+	Imports of goods+	Balance of trade in goods	Exports of services	Imports of services	Services balance			
<b>Annual</b>	BOKG	BOKH	BOKI	IKBB	IKBC	IKBD	HBOJ	IKBP	HBOP
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
<b>Quarterly</b>									
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
2005 Q1	48 904	63 541	-14 637	24 559	19 805	4 754	..	..	..
<b>Monthly</b>									
2002 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	7 360	6 174	1 186	..	..	..
Feb	16 294	19 627	-3 333	7 511	6 233	1 278	..	..	..
Mar	15 978	20 032	-4 054	7 568	6 257	1 311	..	..	..
Apr	16 431	19 097	-2 666	7 416	6 070	1 346	..	..	..
May	15 423	19 466	-4 043	7 504	6 216	1 288	..	..	..
Jun	14 941	19 181	-4 240	7 498	6 175	1 323	..	..	..
Jul	15 687	19 383	-3 696	7 546	6 333	1 213	..	..	..
Aug	15 543	19 036	-3 493	7 694	6 364	1 330	..	..	..
Sep	15 119	20 154	-5 035	7 733	6 358	1 375	..	..	..
Oct	15 833	20 251	-4 418	7 743	6 389	1 354	..	..	..
Nov	15 145	19 961	-4 816	7 735	6 370	1 365	..	..	..
Dec	15 565	20 266	-4 701	7 813	6 571	1 242	..	..	..
2004 Jan	14 957	20 180	-5 223	7 803	6 375	1 428	..	..	..
Feb	15 052	19 277	-4 225	7 856	6 278	1 578	..	..	..
Mar	15 734	19 842	-4 108	7 827	6 154	1 673	..	..	..
Apr	15 641	20 407	-4 766	8 032	6 252	1 780	..	..	..
May	15 437	20 240	-4 803	8 087	6 292	1 795	..	..	..
Jun	16 048	20 589	-4 541	8 055	6 393	1 662	..	..	..
Jul	15 856	20 962	-5 106	7 888	6 386	1 502	..	..	..
Aug	15 922	21 034	-5 112	7 900	6 481	1 419	..	..	..
Sep	16 511	21 217	-4 706	7 969	6 533	1 436	..	..	..
Oct	16 200	21 489	-5 289	8 058	6 455	1 603	..	..	..
Nov	16 553	21 679	-5 126	8 188	6 545	1 643	..	..	..
Dec	16 777	21 716	-4 939	8 209	6 610	1 599	..	..	..
2005 Jan	16 197 <sup>†</sup>	21 385 <sup>†</sup>	-5 188 <sup>†</sup>	8 253	6 640	1 613	..	..	..
Feb	16 081	21 118	-5 037	8 157	6 607	1 550	..	..	..
Mar	16 626	21 038	-4 412	7 881	6 544	1 337	..	..	..

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

**Balance of Payments : Current account**

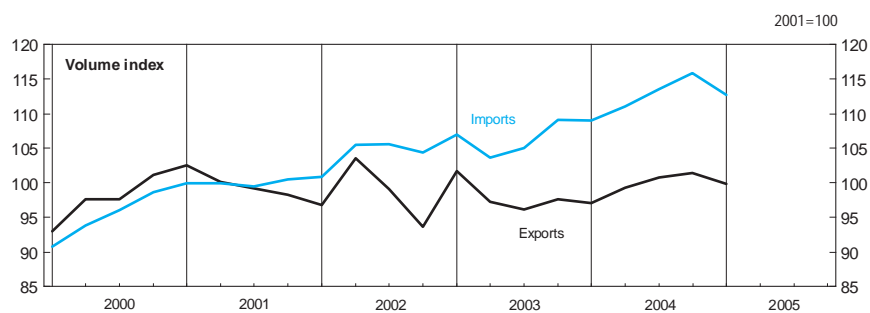
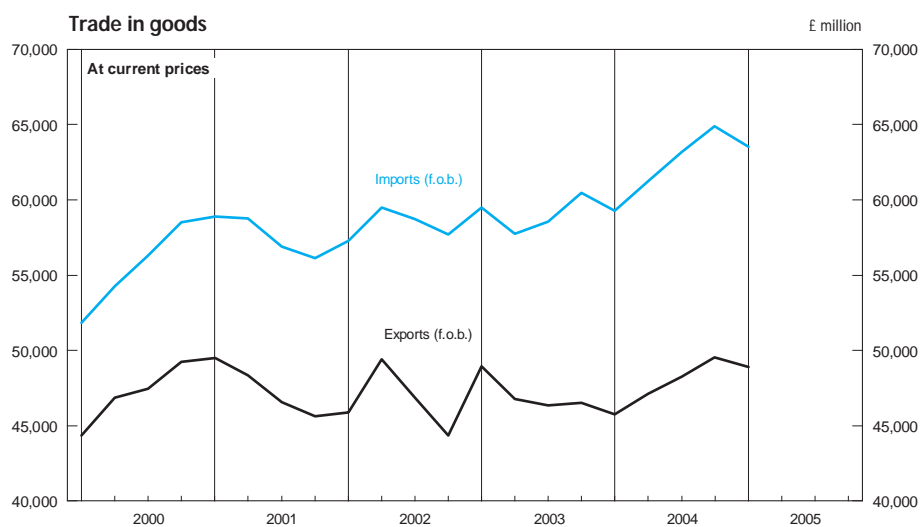
# 2.14 Trade in goods (on a balance of payments basis)

2001 = 100

	Volume indices (SA)		Price indices (NSA)		
	Exports	Imports	Exports	Imports	Terms of trade <sup>1</sup>
<b>Annual</b>	BQKU	BQKV	BQKR	BQKS	BQKT
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
<b>Quarterly</b>					
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
2005 Q1	99.9	112.7	104.1	98.6	105.6
<b>Monthly</b>					
2002 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	99.5 <sup>†</sup>	114.2 <sup>†</sup>	103.5	98.2 <sup>†</sup>	105.4 <sup>†</sup>
Feb	98.8	111.8	103.6 <sup>†</sup>	98.2	105.5
Mar	101.3	112.2	105.3	99.5	105.8

<sup>1</sup> Price index for exports expressed as a percentage of price index for imports.

Source: Office for National Statistics; Enquiries 020 7533 6064



# 2.15 Measures of UK competitiveness in trade in manufactures

1995=100

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

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

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

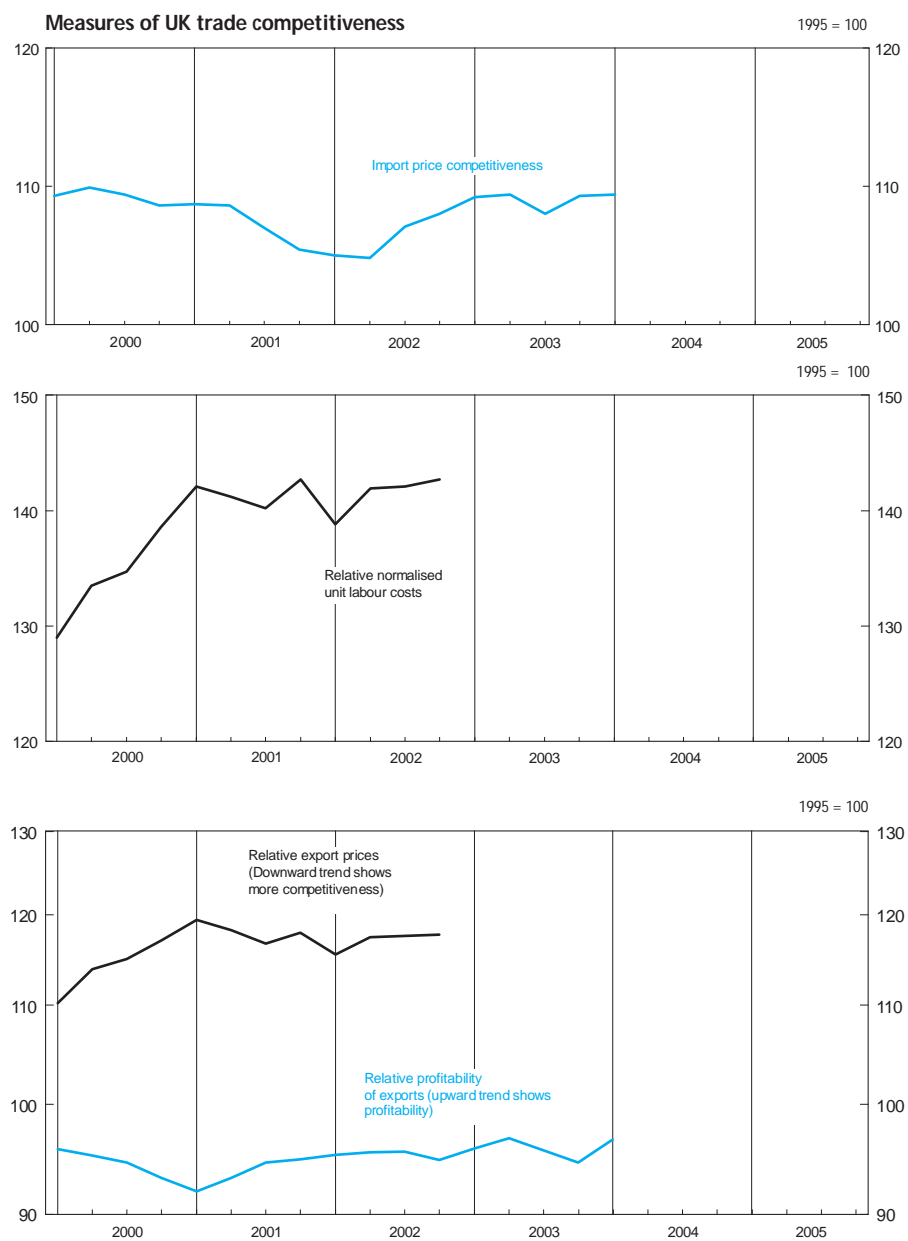
3 Includes the former German Democratic Republic as from 1991 Q1.

4 These series are on a SIC 92 basis.

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

6 Quarterly data have been obtained by interpolating the annuals.

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



# 3.1 Prices

Not seasonally adjusted except series RNPE

	Producer price index (2000=100)		Consumer prices index <sup>3,4</sup> (1996=100)		Retail prices index (January 13, 1987=100)						Pensioner price index <sup>6</sup> (January 13, 1987=100)		Purchasing power of the pound <sup>7</sup> (NSA) (1985=100)	
	Materials and fuel purchased by manu- facturing industry (SA) <sup>1,2</sup>	Output: all manufact- ured products: home sales	All items		All items (RPI)		All items excluding mortgage interest payments (RPIX)		All items excluding mortgage interest payments & indirect taxes (RPIY) <sup>5</sup>		1-person household	2-person household		
			Percentage change on a year earlier	Index	Percentage change on a year earlier	Index	Percentage change on a year earlier	Index	Percentage change on a year earlier	Index				
Annual	RNPE	PLLU	CHVJ		CJYR	CHAW	CZBH	CHMK	CDKQ	CBZW	CBZX	CZIF	CZIU	FJAK
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	95.5	102.4	110.4		1.3	183.8	2.6	182.0	2.3	173.8	1.9	159.7	165.4	51
Q2	98.4r	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	103.3r	105.1	112.0		1.4	189.2	3.4	185.6	2.3	177.1	2.3	162.3	167.6	50
2005 Q1	105.8p†	105.2p	112.3		1.7	189.7	3.2	186.0	2.2	177.5	2.1	163.4	168.3	50
Monthly														
2003 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	94.6	102.3	110.4		1.3	183.8	2.5	182.0	2.3	173.9	1.9	..	..	51
Mar	96.3	102.8	110.6		1.1	184.6	2.6	182.5	2.1	174.3	1.7	..	..	51
Apr	97.2r†	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	105.3	105.2	111.7		1.2	188.6	3.3	185.1	2.1	176.6	2.0	..	..	50
Nov	103.4	105.3	111.9		1.5	189.0	3.4	185.4	2.2	176.9	2.2	..	..	50
Dec	101.2r	104.9	112.5		1.6	189.9	3.5	186.4	2.5	177.9	2.5	..	..	50
2005 Jan	105.0	104.8	111.9		1.6	188.9	3.2	185.2	2.1	176.7	2.0	..	..	50
Feb	105.3	105.1	112.2		1.6	189.6	3.2	185.9	2.1	177.4	2.0	..	..	50
Mar	107.0p	105.7p	112.7		1.9	190.5	3.2	186.8	2.4	178.3	2.3	..	..	50
Apr	107.3p	106.4p	113.1		1.9	191.6	3.2	187.8	2.3	179.0	2.3	..	..	49

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

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

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

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

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

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

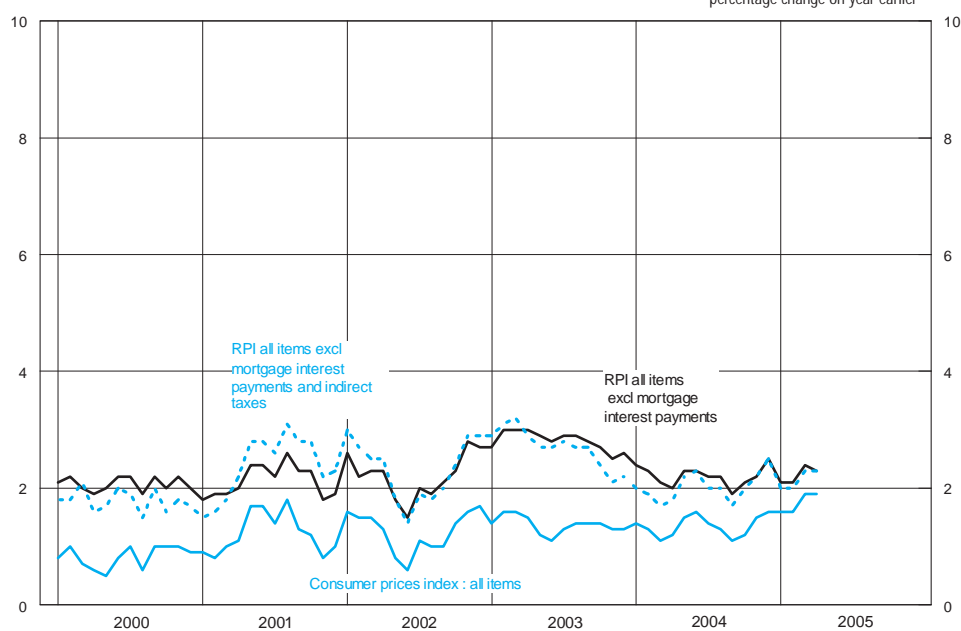
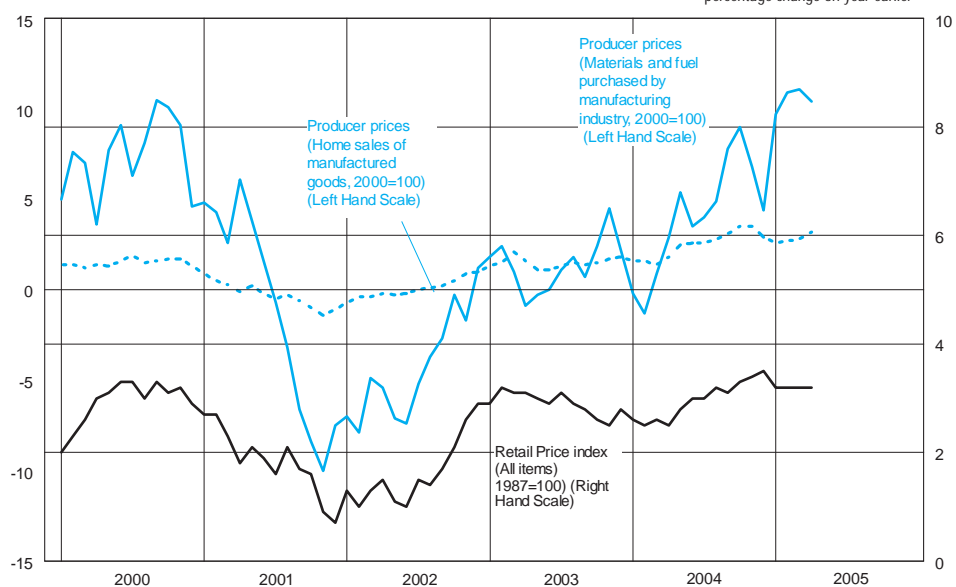
6 Pensioner price indices exclude housing costs, as these are often atypical for a pensioner household, based on RPI.

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

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



## Prices

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

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

## United Kingdom

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

	Employment categories					Unemployment	Total economically active	Economically inactive	Total aged 16 and over	Employment rate: age 16-59/64 <sup>4</sup>
	Employees	Self-employed	Unpaid family workers	Government training and employment programmes	Total employment					
<b>TOTAL</b>										
2002 Q3	MGRN 24 357	MGRQ 3 349	MGRT 91	MGRW 98	MGRZ 27 896	MGSC 1 554	MGSF 29 450	MGSI 17 348	MGSL 46 798	MGSU 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
2005 Q1	24 750	3 628	104	126	28 608	1 396	30 005	17 534	47 538	74.9
<b>Percentage change on quarter</b>										
2004q4 to 2005q1	0.4	-0.4	10.0	0.1	0.3	-1.1	0.2	0.0	0.2	
<b>Percentage change on year</b>										
2004q1 to 2005q1	0.7	-0.1	-2.5	10.5	0.6	-1.6	0.5	0.8	0.6	
<b>MALE</b>										
2002 Q3	MGRO 12 512	MGRR 2 454	MGRU 35	MGRX 61	MGSA 15 062	MGSD 943	MGSG 16 004	MGSJ 6 602	MGSM 22 606	MGSV 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
2005 Q1	12 674	2 668	41	70	15 453	823	16 276	6 762	23 038	79.3
<b>Percentage change on quarter</b>										
2004q4 to 2005q1	0.4	-0.6	12.6	-7.2	0.2	-0.8	0.2	0.2	0.2	
<b>Percentage change on year</b>										
2004q1 to 2005q1	0.6	0.4	-7.1	6.7	0.6	-1.3	0.5	1.4	0.8	
<b>FEMALE</b>										
2002 Q3	MGRP 11 845	MGRS 896	MGRV 56	MGRY 37	MGSB 12 835	MGSE 611	MGSH 13 446	MGSK 10 746	MGSN 24 192	MGSW 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
2005 Q1	12 076	960	63	56	13 155	573	13 729	10 772	24 501	70.1
<b>Percentage change on quarter</b>										
2004q4 to 2005q1	0.3	0.4	8.3	11.0	0.4	-1.4	-0.1	-0.1	0.1	
<b>Percentage change on year</b>										
2004q1 to 2005q1	0.9	-1.5	0.7	15.7	0.7	-2.1	0.4	0.4	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<sup>1,2</sup>

### United Kingdom

Thousands, not seasonally adjusted

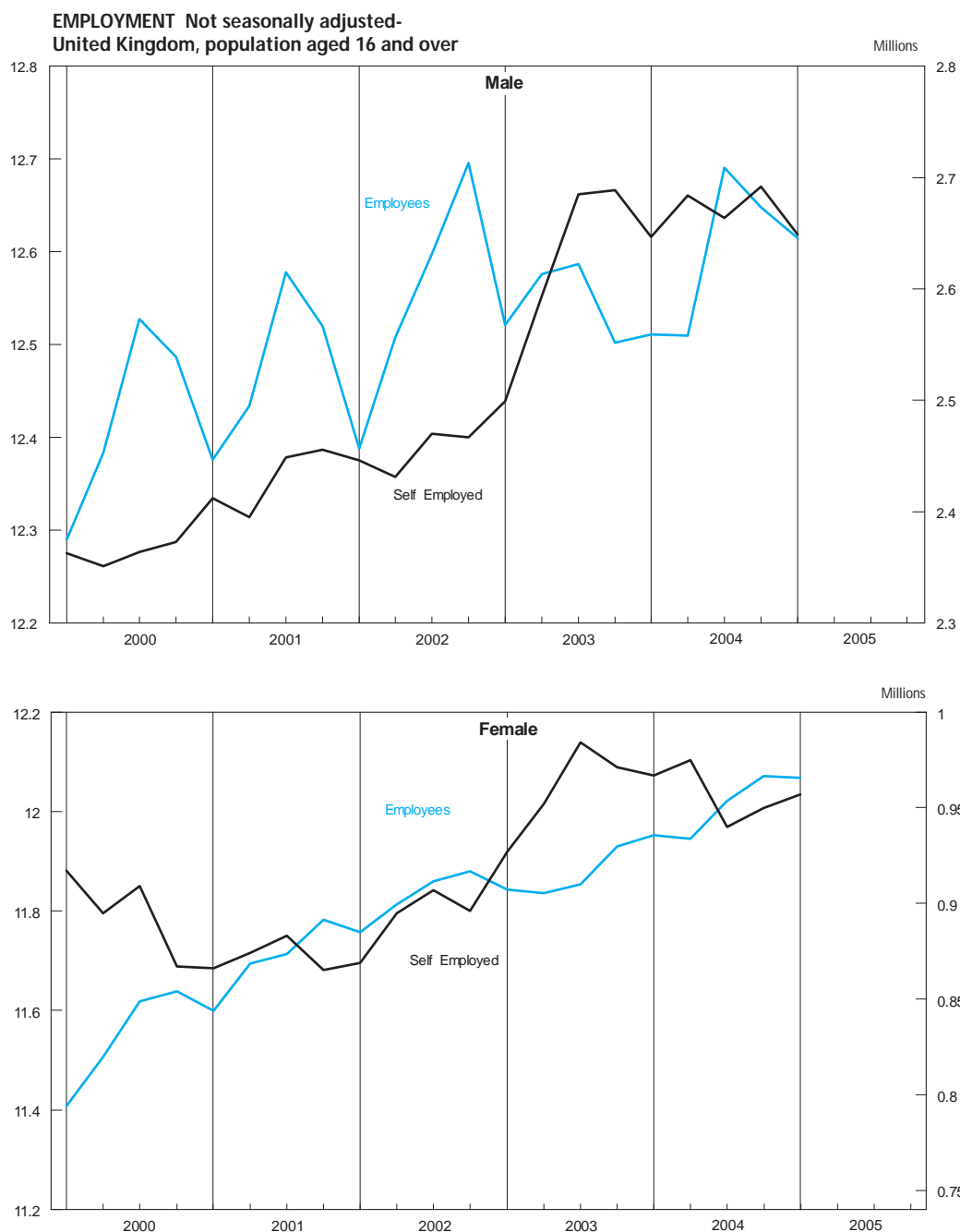
	Employment categories					Unemployment	Total economically active	Economically inactive	Total aged 16 and over	Employment rate: age 16-59/64 <sup>3</sup>
	Employees	Self-employed	Unpaid family workers	Government training and employment programmes	Total employment					
<b>TOTAL</b>										
2002 Q3	MGTA	MGTD	MGTG	MGTJ	MGTM	MGTP	MGTS	MGTV	MGSL	MGUH
2002 Q4	24 458	3 377	97	90	28 022	1 633	29 656	17 142	46 798	74.7
2003 Q1	24 576	3 363	95	99	28 133	1 476	29 609	17 263	46 872	74.9
2003 Q2	24 363	3 426	83	99	27 971	1 525	29 497	17 450	46 946	74.3
2003 Q3	24 412	3 545	86	91	28 134	1 416	29 550	17 470	47 020	74.6
2003 Q4	24 441	3 670	110	101	28 321	1 572	29 892	17 202	47 094	74.9
2004 Q1	24 433	3 660	100	110	28 303	1 422	29 724	17 445	47 169	74.7
2004 Q2	24 463	3 615	104	121	28 302	1 429	29 731	17 513	47 244	74.6
2004 Q3	24 454	3 659	96	121	28 330	1 387	29 717	17 601	47 318	74.5
2004 Q4	24 713	3 603	91	123	28 530	1 463	29 993	17 399	47 392	75.0
2005 Q1	24 719	3 642	97	127	28 586	1 378	29 963	17 502	47 465	75.0
<b>Percentage change on year 2004q1 to 2005q1</b>	0.9	-0.2	1.0	7.4	0.8	-2.2	0.6	0.6	0.6	
<b>MALE</b>										
2002 Q3	MGTB	MGTE	MGTH	MGTK	MGTN	MGTO	MGTT	MGTW	MGSM	MGUI
2002 Q4	12 598	2 470	36	57	15 161	971	16 132	6 475	22 606	79.4
2003 Q1	12 696	2 467	34	63	15 260	867	16 127	6 523	22 650	79.7
2003 Q2	12 521	2 499	27	59	15 107	938	16 045	6 649	22 694	78.7
2003 Q3	12 576	2 594	31	52	15 253	864	16 116	6 621	22 738	79.3
2003 Q4	12 587	2 685	41	58	15 371	921	16 292	6 489	22 781	79.8
2004 Q1	12 502	2 689	38	62	15 291	855	16 146	6 679	22 825	79.2
2004 Q2	12 511	2 647	44	70	15 273	851	16 124	6 745	22 869	79.0
2004 Q3	12 510	2 684	40	71	15 305	819	16 124	6 789	22 913	79.0
2004 Q4	12 691	2 664	35	73	15 462	840	16 302	6 653	22 956	79.7
2005 Q1	12 648	2 692	37	77	15 454	808	16 262	6 735	22 997	79.5
<b>Percentage change on year 2004q1 to 2005q1</b>	0.8	0.1	-2.3	2.9	0.7	-1.9	0.6	1.2	0.7	
<b>FEMALE</b>										
2002 Q3	MGTC	MGTF	MGTI	MGTL	MGTO	MGTR	MGTU	MGTX	MGSN	MGUJ
2002 Q4	11 860	907	60	33	12 862	662	13 524	10 668	24 192	69.8
2003 Q1	11 880	896	61	36	12 873	609	13 482	10 740	24 222	69.8
2003 Q2	11 843	927	55	40	12 865	587	13 452	10 801	24 252	69.6
2003 Q3	11 836	952	55	39	12 881	552	13 434	10 849	24 283	69.6
2003 Q4	11 854	984	69	43	12 950	650	13 600	10 713	24 313	69.7
2004 Q1	11 930	971	62	48	13 011	567	13 578	10 766	24 344	70.0
2004 Q2	11 952	967	60	51	13 029	578	13 608	10 767	24 375	69.9
2004 Q3	11 945	975	56	50	13 025	568	13 593	10 812	24 405	69.7
2004 Q4	12 022	940	56	50	13 068	623	13 691	10 746	24 437	70.0
2005 Q1	12 071	950	60	51	13 132	570	13 702	10 767	24 469	70.2
<b>Percentage change on year 2004q1 to 2005q1</b>	1.0	-1.0	3.3	13.7	0.9	-2.6	0.7	0.2	0.5	

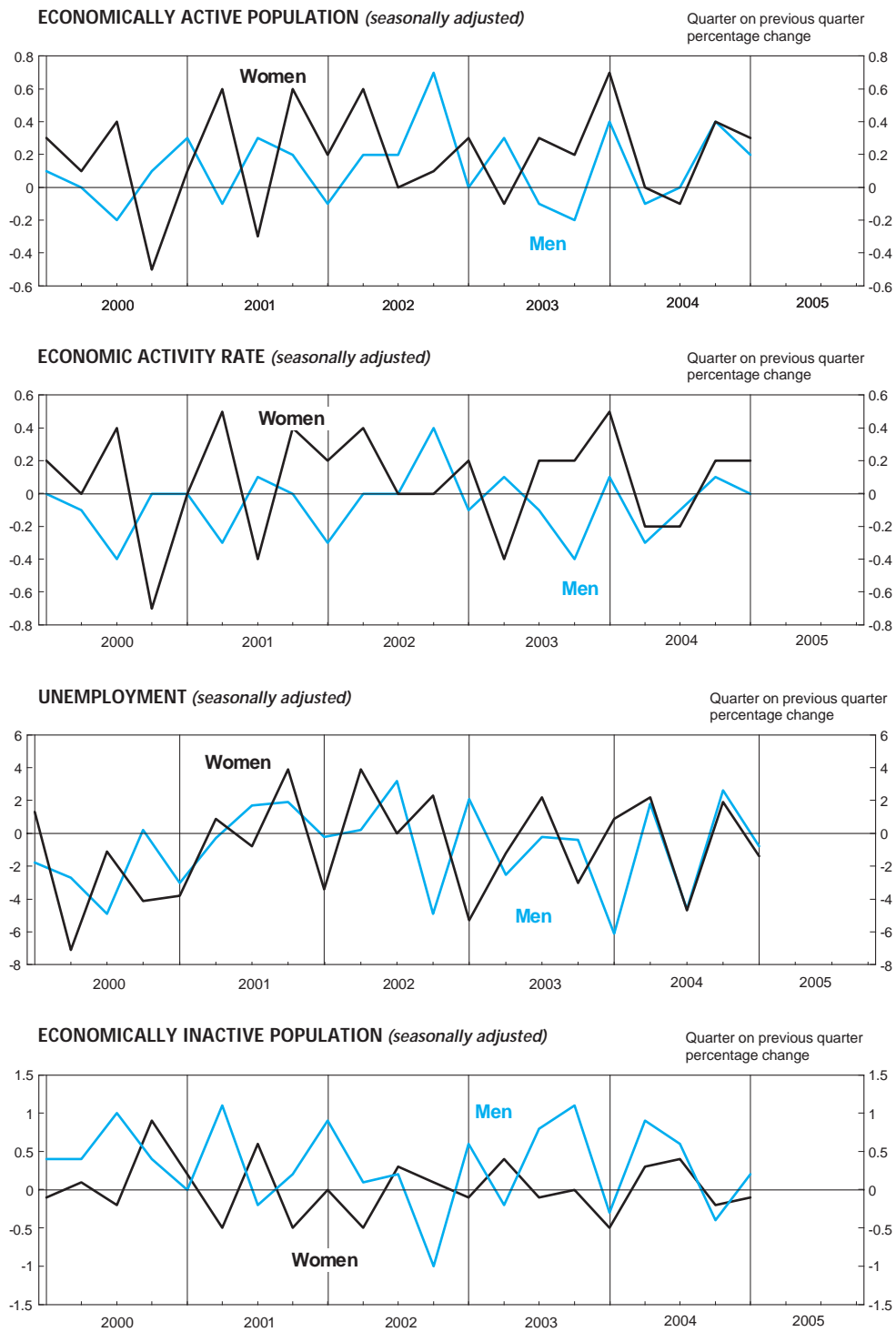
1 The data in this table have been adjusted to reflect the latest revisions to mid-year population data.

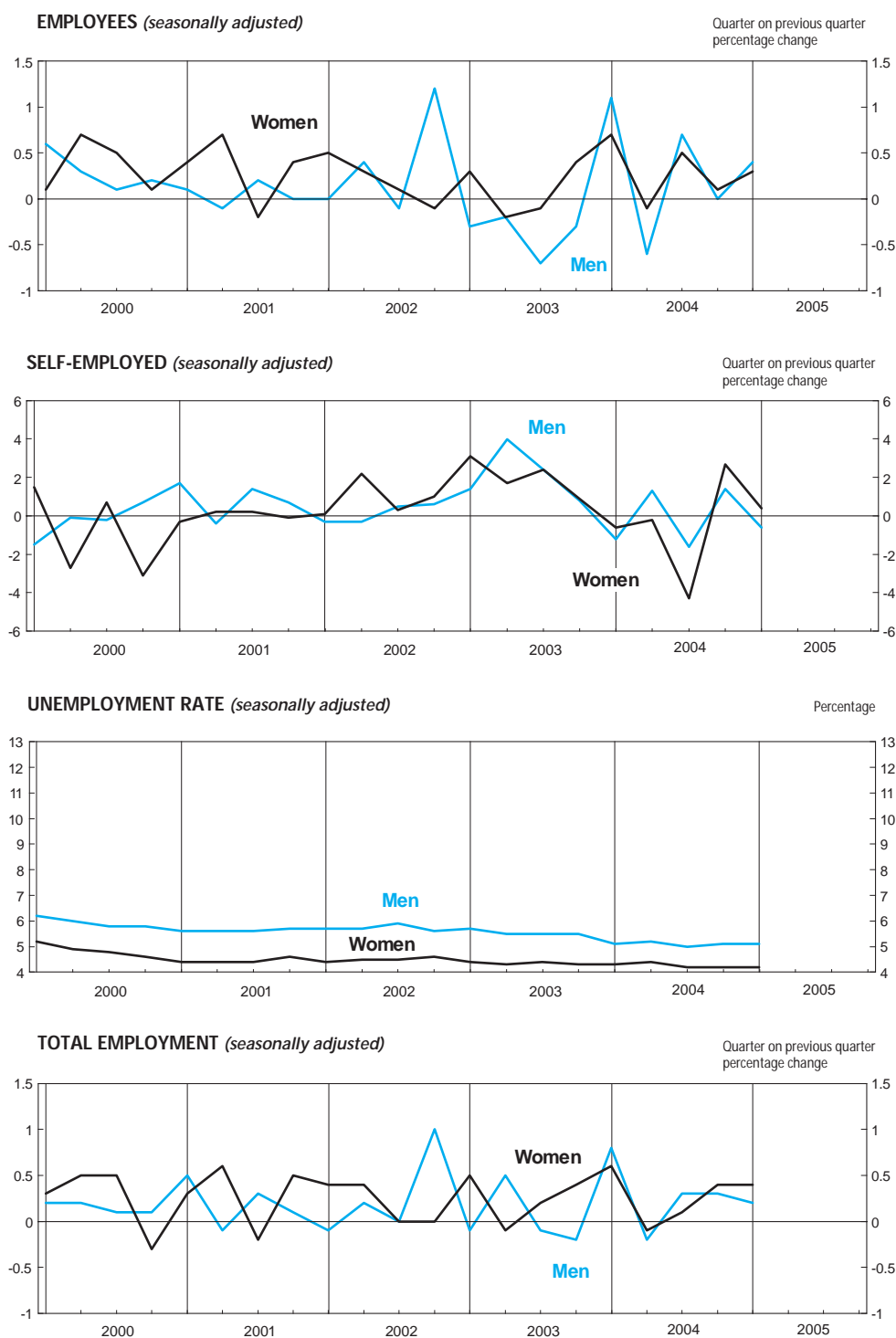
2 Data are from the Labour Force Survey which uses the definitions recommended by the International Labour Organisation (ILO), an agency of the United Nations. For details see the *Guide to Labour Market Statistics Releases*.

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









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

### United Kingdom

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

	Total aged 16 and over			Age groups <sup>4</sup>							
	Total	Male	Female	16 - 24		25 - 49		50 - 59/64		60/65 and over	
				Male	Female	Male	Female	Male	Female	Male	Female
In employment											
	MGRZ	MGSA	MGSB	MGUR	MGUS	MGUU	MGUV	MGUX	MGUY	MGVA	MGVB
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
2005 Q1	28 608	15 453	13 155	2 148	1 966	9 170	7 907	3 778	2 590	357	691
Unemployed											
	MGSC	MGSD	MGSE	MGVG	MGVH	MGVJ	MGVK	MGVM	MGVN	MGVP	MGVQ
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	..
2005 Q1	1 396	823	573	337	232	342	273	134	59	..	..
Economically inactive											
	MGSI	MGSJ	MGSK	MGVV	MGVW	MGVY	MGVZ	MGWB	MGWC	MGWE	MGWF
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
2005 Q1	17 534	6 762	10 772	960	1 170	852	2 398	1 305	1 174	3 645	6 030
Economic activity rate (per cent) <sup>5</sup>											
	MGWG	MGWH	MGWI	MGWK	MGWL	MGWN	MGWO	MGWQ	MGWR	MGWT	MGWU
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
2005 Q1	63.1	70.6	56.0	72.1	65.3	91.8	77.3	75.0	69.3	9.1	10.4
Unemployment rate (per cent) <sup>6</sup>											
	MGSX	MGSY	MGSZ	MGWZ	MGXA	MGXC	MGXD	MGXF	MGXG	MGXI	MGXJ
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	..
2005 Q1	4.7	5.1	4.2	13.6	10.5	3.6	3.3	3.4	2.2	..	..

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 <sup>1</sup>					Claimant count <sup>5,6,9</sup>			
	Workforce jobs <sup>2,3,4</sup>	Employee jobs <sup>3,4</sup>				Total	Percentage of workforce jobs and claimant count <sup>7</sup>	Total Not seasonally adjusted	Job Centre vacancies <sup>8,10</sup>
		All industries	Manufacturing industry	Production industry	Service industries				
<b>Annual</b>	DYDC	BCAJ	YEJA	YEJF	YEID	BCJD	BCJE	BCJA	DPCB
2001	29 737	25 905	3 803	4 012	20 441	969.9 <sup>†</sup>	3.2	983.0	..
2002	29 875	25 990	3 599	3 801	20 771	946.6	3.1	958.8	..
2003	30 213	26 105	3 415	3 602	21 064	933.3	3.0	945.9	..
2004	30 440	26 264	3 282	3 459	21 309	853.6	2.7	866.1	..
<b>Quarterly</b>									
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	952.5	3.1	1 014.6	..
Q2	29 875	25 990	3 599	3 801	20 771	950.6	3.1	958.1	..
Q3	29 911	25 989	3 552	3 747	20 840	946.5	3.1	951.8	..
Q4	29 991	26 046	3 512	3 701	20 934	937.0	3.0	910.6	..
2003 Q1	30 065	26 031	3 469	3 655	20 953	939.0	3.0	1 001.1	..
Q2	30 213	26 105	3 415	3 602	21 064	945.3	3.0	954.3	..
Q3	30 311	26 108	3 367	3 549	21 088	934.6	3.0	939.0	..
Q4	30 396	26 191	3 330	3 508	21 192	914.2	2.9	889.2	..
2004 Q1	30 412	26 219	3 301	3 478	21 239	885.8	2.8	947.2	..
Q2	30 440	26 264	3 282	3 459	21 309	861.3	2.8	871.8	..
Q3	30 405	26 268	3 257	3 434	21 334	836.3	2.7	839.0	..
Q4	30 531	26 367	3 238	3 415	21 392	831.1	2.7	806.7	..
2005 Q1	..	..	3 220	3 396	..	820.9 <sup>†</sup>	2.6	879.8	..
<b>Monthly</b>									
2003 Jul	..	..	3 394	3 578	..	941.1	3.0	946.3	..
Aug	..	..	3 378	3 561	..	933.5	3.0	948.6	..
Sep	..	26 108	3 367	3 549	21 088	929.3	3.0	922.1	..
Oct	..	..	3 357	3 535	..	923.5	3.0	893.2	..
Nov	..	..	3 343	3 522	..	914.1	2.9	884.6	..
Dec	..	26 191	3 330	3 508	21 192	905.1	2.9	889.7	..
2004 Jan	..	..	3 315	3 493	..	893.2	2.9	952.4	..
Feb	..	..	3 310	3 487	..	884.2	2.8	957.0	..
Mar	..	26 219	3 301	3 478	21 239	879.9	2.8	932.0	..
Apr	..	..	3 294	3 471	..	871.5	2.8	905.2	..
May	..	..	3 287	3 464	..	860.9	2.8	869.7	..
Jun	..	26 264	3 282	3 459	21 309	851.5	2.7	840.5	..
Jul	..	..	3 274	3 451	..	838.2	2.7	841.5	..
Aug	..	..	3 264	3 442	..	834.8	2.7	847.6	..
Sep	..	26 268	3 257	3 434	21 334	836.0	2.7	827.8	..
Oct	..	..	3 249	3 425	..	836.4	2.7	806.8	..
Nov	..	..	3 241	3 418	..	831.9	2.7	803.0	..
Dec	..	26 367	3 238	3 415	21 392	825.0	2.6	810.2	..
2005 Jan	..	..	3 234	3 412	..	813.8	2.6	872.1	..
Feb	..	..	3 228	3 404	..	817.7	2.6	885.0	..
Mar	..	..	3 220	3 396	..	831.3 <sup>†</sup>	2.7	882.3	..
Apr	..	..	..	..	..	839.4	2.7	871.8	..

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

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

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

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

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

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

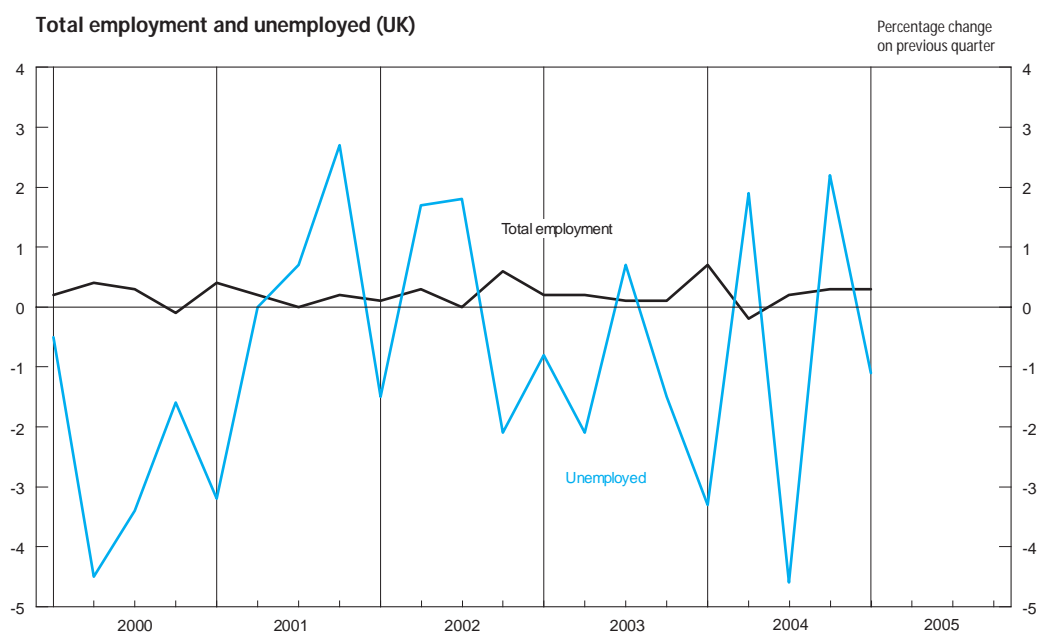
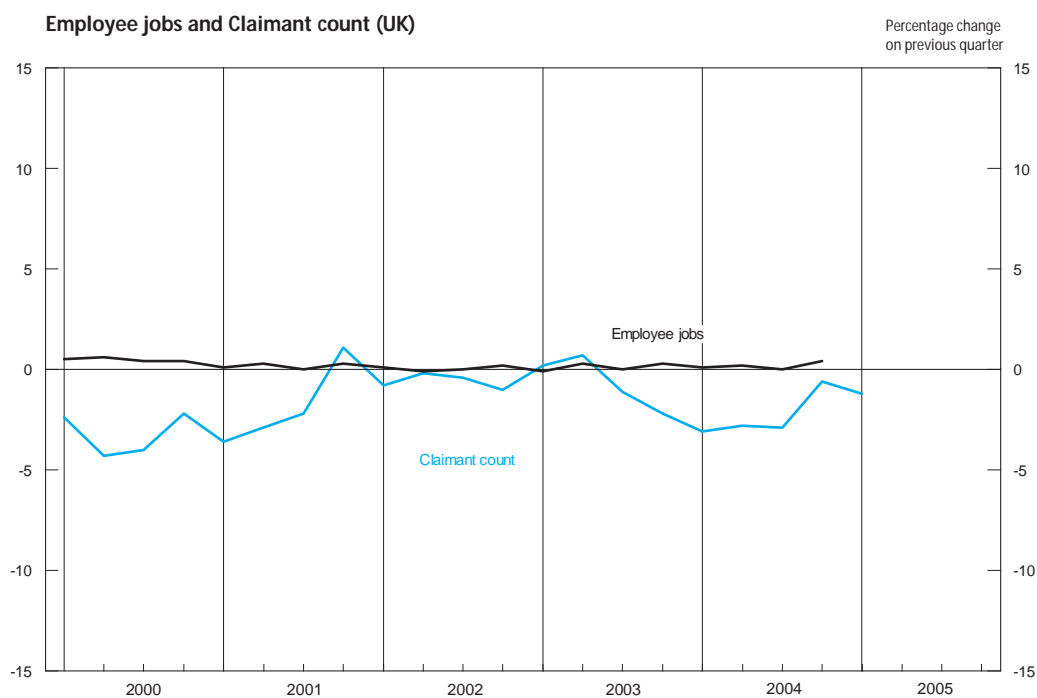
6 Claimant count figures do not include students claiming benefit during a vacation who intend to return to full-time education.

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

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

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

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



## 4.5 Regional claimant count rates<sup>1,2</sup> by Government Office Region

Percentages

	North East	North West <sup>3</sup>	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East
<b>Quarterly</b>								
	DPDM	IBWC	DPBI	DPBJ	DPBN	DPDP	DPDQ	DPDR
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	2.9	4.6	2.3
Q3	7.0	4.6	5.0	3.6	4.4	2.8	4.5	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	3.5	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	1.7
Q4	4.8	3.4	3.6	2.8	3.5	2.1	3.6	1.7
2003 Q1	4.7	3.3	3.4	2.8	3.5	2.1	3.6	1.7
Q2	4.6	3.3	3.4	2.9	3.5	2.1	3.7	1.7
Q3	4.5	3.2	3.3	2.9	3.5	2.1	3.7	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	3.0	2.7	3.4	2.0	3.6	1.7
Q2	4.1	2.9	2.9	2.5	3.3	2.0	3.5	1.6
Q3	3.9	2.8	2.8	2.5	3.2	1.9	3.4	1.6
Q4	3.9	2.8	2.8	2.5	3.2	1.9	3.4	1.6
2005 Q1	3.8	2.7	2.8	2.4	3.1	1.9	3.4	1.6
	South West	England	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom	
<b>Quarterly</b>								
	DPBM	VASQ	DPBP	DPBQ	DPAJ	DPBR	BCJE	
1999 Q1	3.2	4.1	5.3	5.2	4.2	6.9	4.3	
Q2	3.1	4.0	5.1	5.2	4.1	6.6	4.2	
Q3	2.9	3.9	4.9	5.0	4.0	6.1	4.1	
Q4	2.8	3.7	4.7	4.8	3.9	5.7	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	5.1	3.5	
Q4	2.3	3.2	4.3	4.3	3.4	5.2	3.4	
2001 Q1	2.1	3.1	4.2	4.1	3.2	5.0	3.3	
Q2	2.1	3.0	4.0	4.0	3.1	4.9	3.2	
Q3	2.0	2.9	3.8	3.9	3.1	4.8	3.1	
Q4	2.0	3.0	3.8	4.0	3.1	4.7	3.1	
2002 Q1	2.0	2.9	3.6	3.9	3.1	4.6	3.1	
Q2	2.0	2.9	3.6	3.9	3.0	4.5	3.1	
Q3	1.9	2.9	3.6	3.9	3.0	4.3	3.1	
Q4	1.9	2.9	3.5	3.8	3.0	4.3	3.0	
2003 Q1	1.9	2.9	3.4	3.8	3.0	4.2	3.0	
Q2	1.9	2.9	3.4	3.8	3.0	4.2	3.0	
Q3	1.9	2.9	3.3	3.8	3.0	4.2	3.0	
Q4	1.8	2.8	3.2	3.7	2.9	4.1	2.9	
2004 Q1	1.7	2.7	3.1	3.6	2.8	3.9	2.8	
Q2	1.6	2.6	3.1	3.5	2.7	3.7	2.8	
Q3	1.5	2.6	3.0	3.4	2.7	3.5	2.7	
Q4	1.5	2.5	3.0	3.4	2.6	3.5	2.7	
2005 Q1	1.5	2.5	2.9	3.3	2.6	3.4	2.6	

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

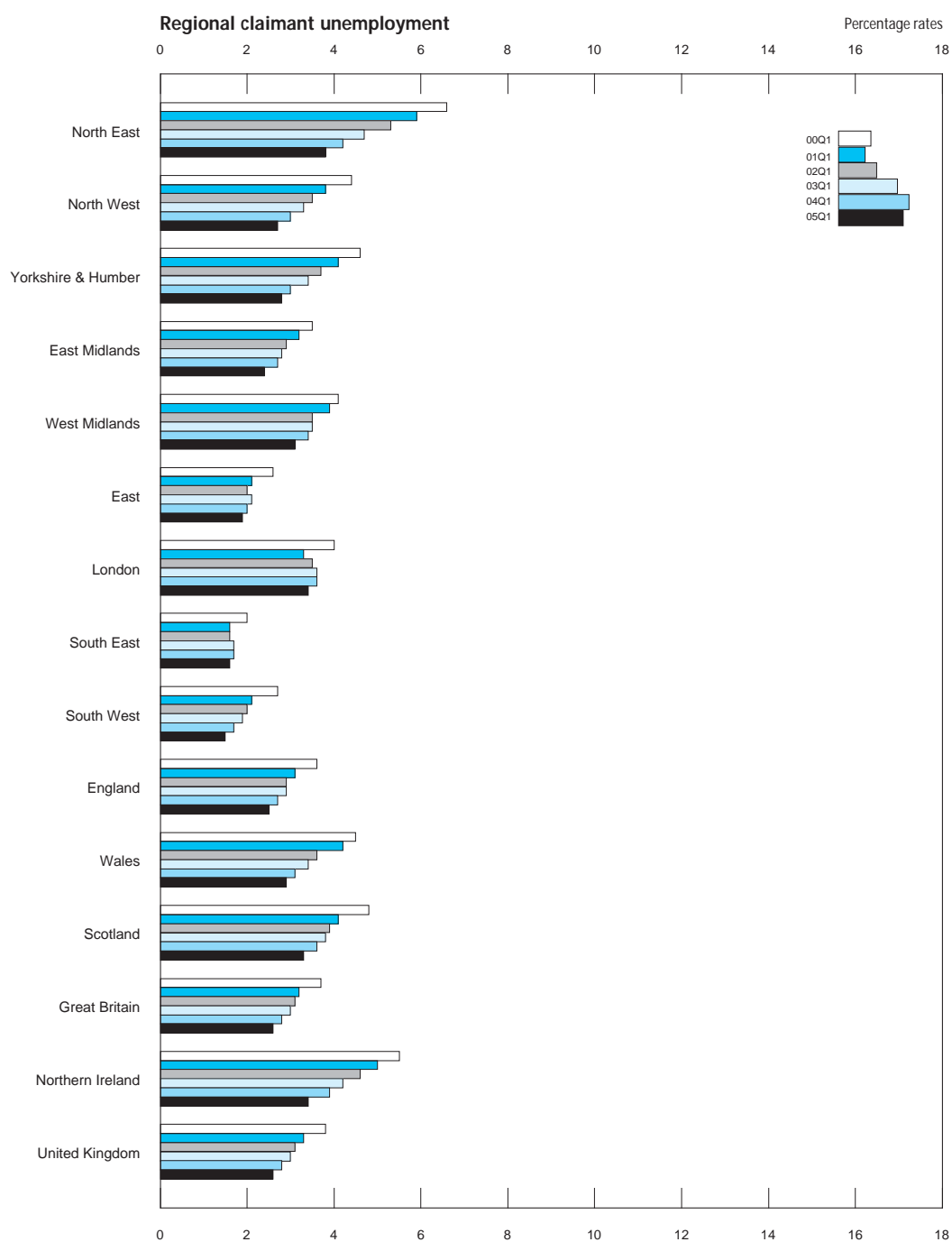
1 Government Office Regions came into effect in April 1994. It was decided that from May 1997 sub-national data should be published for these areas rather than standard statistical regions (SSRs). Data by standard statistical regions are available on request.

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.

3 Includes Merseyside.

Source: Office for National Statistics; Enquiries 020 7533 6094



# 4.5A Unemployment rates<sup>1,2</sup> by Government Office Region

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

	North East	North West <sup>3</sup>	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East
Quarterly								
	YCNC	YCND	YCNE	YCNF	YCNG	YCNH	YCNJ	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
2005 Q1	5.5	4.8	4.2	4.3	4.6	3.9	6.7	3.7
	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	
2005 Q1	3.5	4.6	4.5	5.5	4.7	4.7	4.7	

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

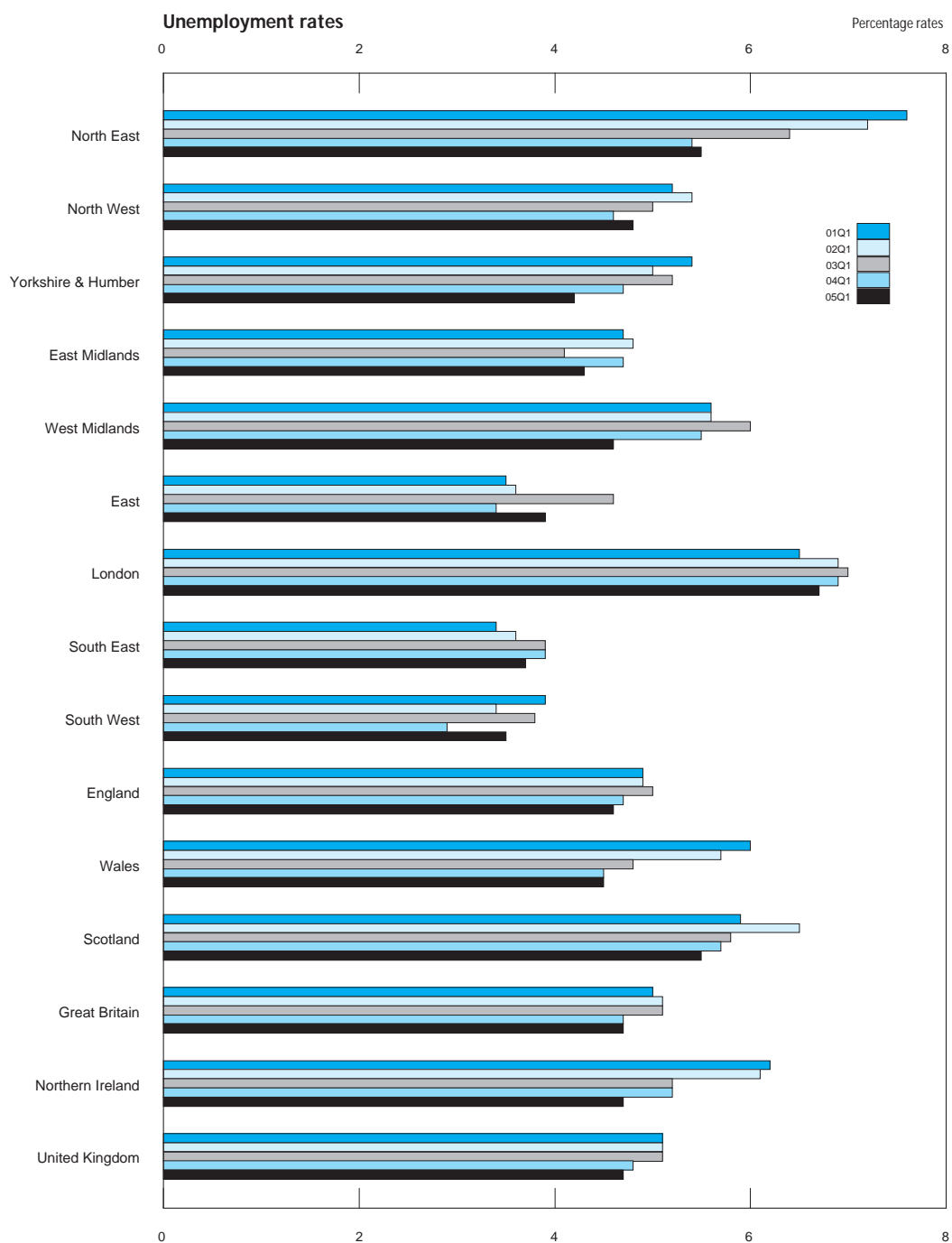
2 Data are from the Labour Force Survey. Unemployment rate is the percentage of economically active people who are unemployed on the ILO measure.

3 Includes Merseyside.

4 Seasonally adjusted estimates are revised in April each year.

Source: Office for National Statistics; Enquiries 020 7533 6094





# 4.6 Average earnings (including bonuses)

## Great Britain

2000 = 100

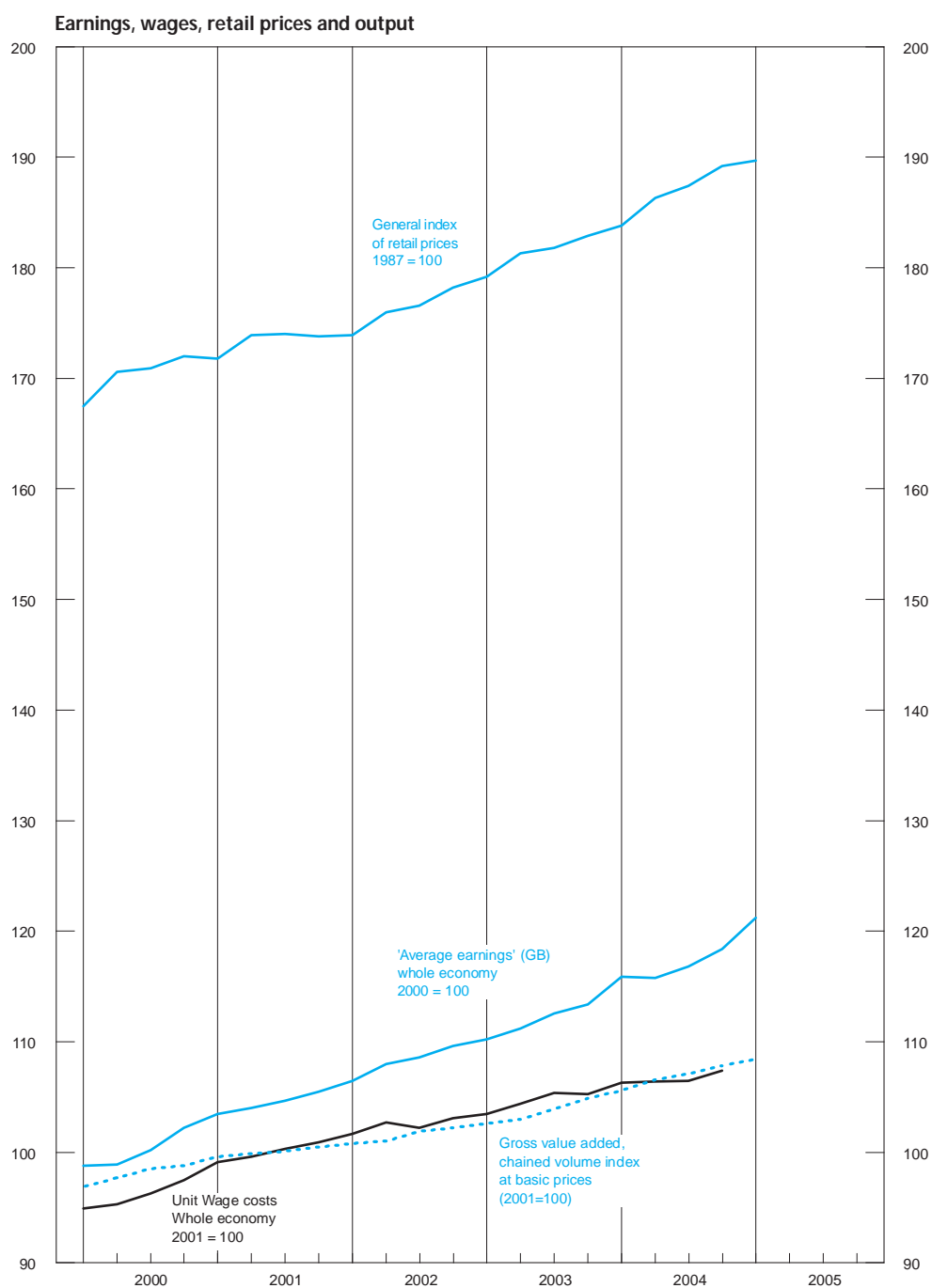
		Whole economy <sup>1</sup>	3 month average <sup>2</sup>	Private sector	3 month average <sup>2</sup>	Public sector	3 month average <sup>2</sup>	Manufacturing industries <sup>3</sup>	3 month average <sup>2,3</sup>	Product-ion industries	3 month average <sup>2</sup>	Service industries	3 month average <sup>2</sup>	Private sector services	3 month average <sup>2</sup>
<b>Annual</b>		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		111.8		111.1		114.8		111.9		111.7		111.8		110.7	
2004		116.8 <sup>†</sup>		116.0		119.8		116.0		115.8		116.7 <sup>†</sup>		115.6 <sup>†</sup>	
<b>Monthly</b>			LNNC		LNNB		LNNF		LNNH		LNNI		LNNJ		LNNK
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	113.5	3.5	112.8	3.3	117.0	4.4	113.5	3.4	113.2	3.3	113.3	3.5	111.9	3.1
2004	Jan	117.2 <sup>†</sup>	4.6 <sup>†</sup>	117.3 <sup>†</sup>	4.6 <sup>†</sup>	117.1	4.2	114.1 <sup>†</sup>	3.5	113.9 <sup>†</sup>	3.4	118.3 <sup>†</sup>	4.9 <sup>†</sup>	118.7 <sup>†</sup>	5.1 <sup>†</sup>
	Feb	114.2	4.6	113.4	4.7	117.8	4.2 <sup>†</sup>	114.8	3.6 <sup>†</sup>	114.6	3.6 <sup>†</sup>	113.8	5.0	112.5	5.2
	Mar	116.4	5.2	116.0	5.5	118.4 <sup>†</sup>	4.3	117.7	3.6	117.3	3.6	116.0	5.5	115.1	6.0
	Apr	115.6	4.5	115.0	4.5	118.5	4.3	115.2	4.0	115.2	3.9	115.4	4.4	114.3	4.4
	May	115.8	4.6	115.1	4.7	119.0	4.4	115.6	4.1	115.4	4.0	115.6	4.4	114.4	4.4
	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	118.4	4.4	117.6	4.3	122.2	4.7	117.7	3.3	117.3	3.3	118.3	4.5	116.8	4.4
2005	Jan	121.9	4.3	121.9	4.2	122.6	4.6	117.6	3.2	117.6	3.3	123.0	4.4	123.1	4.3
	Feb	120.7	4.7	120.2	4.7	123.2	4.6	119.1	3.5	118.9	3.6	121.1	4.9	120.3	5.0
	Mar <sup>1</sup>	121.1	4.6	120.6	4.6	123.3	4.5	121.7	3.4	121.1	3.4	121.2	4.9	120.4	5.0

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



## 4.7 Productivity and Unit Wage costs<sup>1</sup>

### United Kingdom

2001 = 100

	Productivity jobs			Output per worker <sup>2</sup>	Output per filled job <sup>3</sup>			Output per hour worked <sup>4</sup>			Unit wage costs <sup>5</sup>	
	Whole economy	Total production industries	Manufacturing industries	Whole economy	Whole economy	Total production industries	Manufacturing industries	Whole economy	Total production industries	Manufacturing industries	Whole economy	Manufacturing industries
<b>Annual</b>	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
<b>Quarterly</b>												
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
2005 Q1	..	..	85.9	..	..	..	114.4	..	..	..	..	97.7
<b>Monthly</b>												
2004 Jan	..	..	88.4	..	..	..	111.0	..	..	..	..	98.5 <sup>†</sup>
Feb	..	..	88.4	..	..	..	110.7	..	..	..	..	99.4
Mar	..	..	88.4	..	..	..	110.9	..	..	..	..	101.7
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	..	..	86.1	..	..	..	115.3 <sup>†</sup>	..	..	..	..	97.8
Feb	..	..	85.9	..	..	..	114.7	..	..	..	..	99.5
Mar	..	..	85.7	..	..	..	113.2	..	..	..	..	103.1

Percentage change, quarter on corresponding quarter of previous year

<b>Quarterly</b>	LNNQ	LNNR	LNNK	A4YN	LNNP	LNNW	LNNX	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	-4.8	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
2005 Q1	..	..	-2.8	..	..	..	3.2	..	..	..	..	-2.2

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](http://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 methodology. Output per worker is the new headline measure.

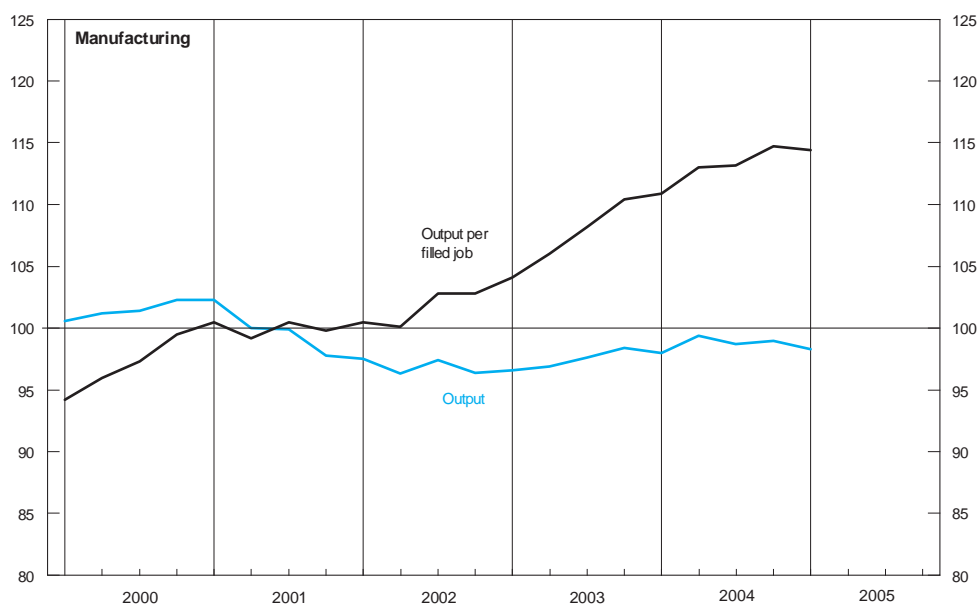
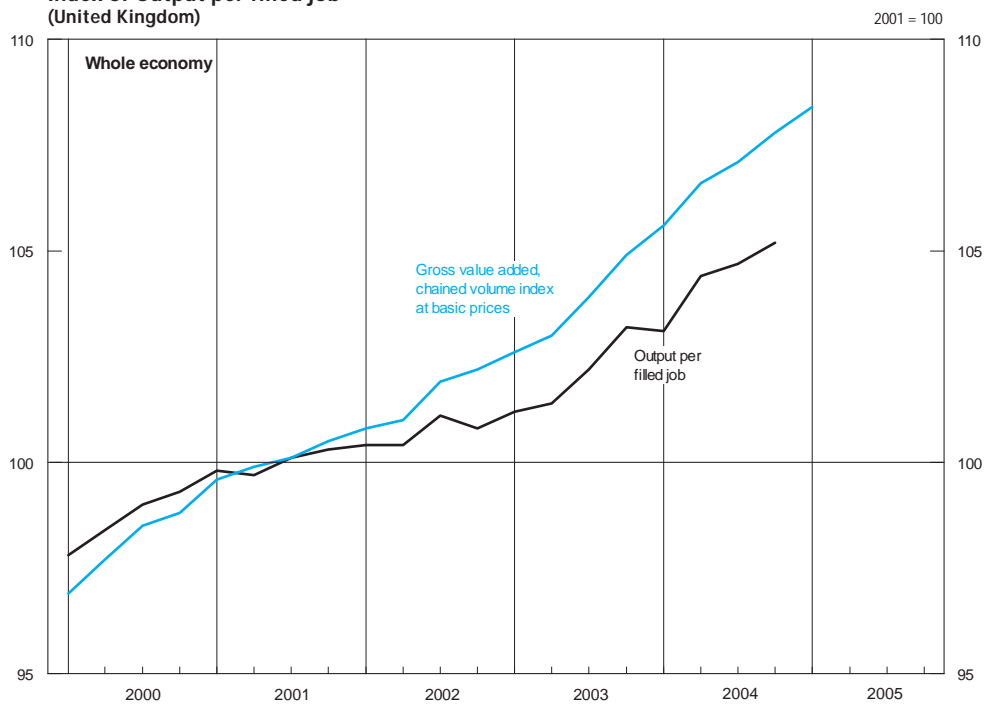
3 Output per filled job is the ratio of Gross value added at basic prices to productivity jobs.

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<sup>1</sup>

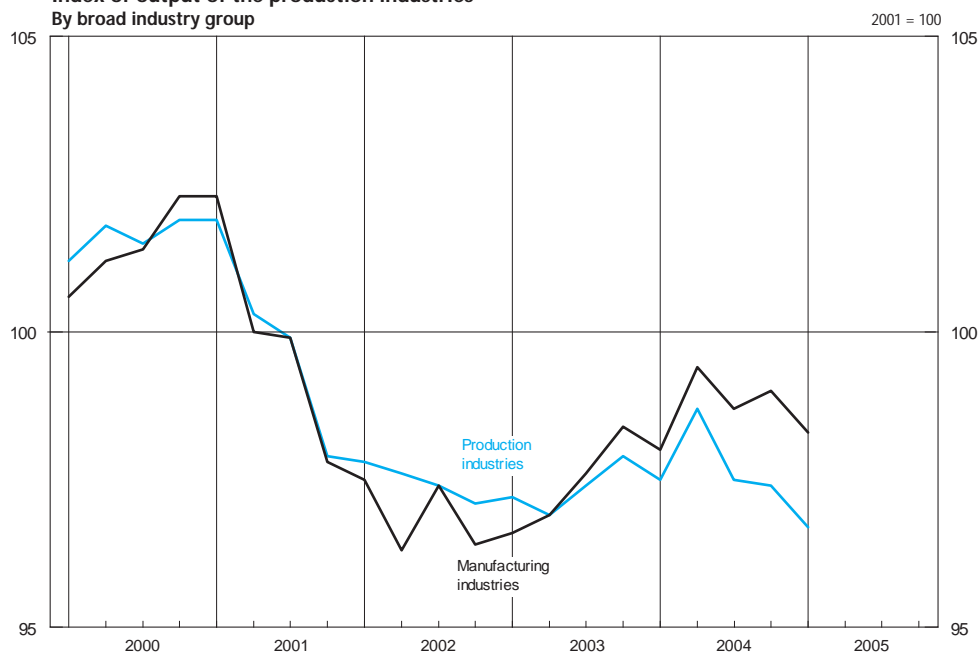
2001 = 100

	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
<i>2001 weights</i>	<i>1 000</i>	<i>122</i>	<i>87</i>	<i>791</i>	<i>37</i>	<i>274</i>	<i>211</i>	<i>478</i>
<b>Annual</b>	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
<b>Quarterly</b>								
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
2005 Q1	96.7 <sup>†</sup>	82.5	102.3 <sup>†</sup>	98.3 <sup>†</sup>	101.2	98.5	98.3	94.6
<b>Monthly</b>								
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	97.4 <sup>†</sup>	82.6 <sup>†</sup>	101.4	99.2 <sup>†</sup>	101.5 <sup>†</sup>	99.4 <sup>†</sup>	98.8	95.3 <sup>†</sup>
Feb	96.9	82.2	102.4 <sup>†</sup>	98.6	102.1	98.9	98.8 <sup>†</sup>	94.5
Mar	95.8	82.7	103.0	97.0	100.1	97.2	97.4	93.9

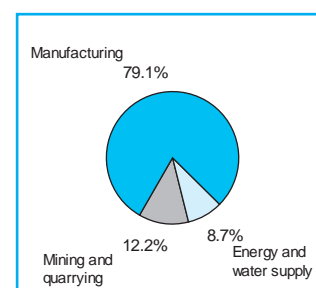
<sup>1</sup> The figures contain, where appropriate, an adjustment for stock changes.

Source: Office for National Statistics; Enquiries 01633 812059

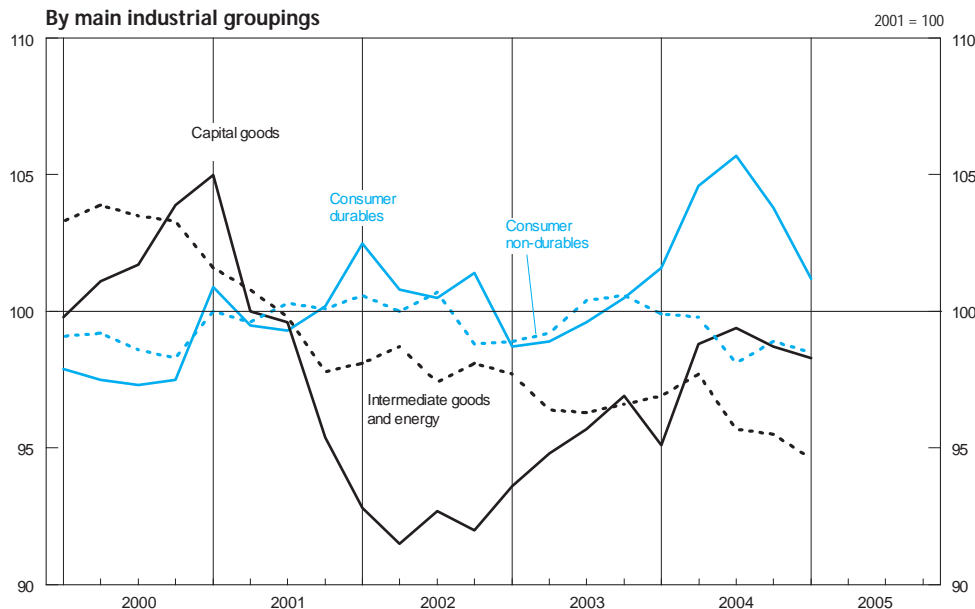
**Index of output of the production industries**  
By broad industry group



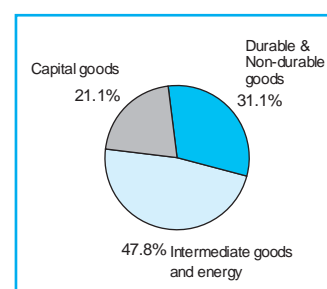
**Share of output in 2001**



**By main industrial groupings**



**Share of output in 2001**



## 5.2 Engineering and construction : output and orders

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

	Engineering (2000 =100)									Construction(GB) <sup>5</sup> (2000=100)	
	Total			Home			Export			Gross output <sup>4</sup>	Orders received
	Orders <sup>2</sup> on Hand	New <sup>3</sup> Orders	Turnover	Orders <sup>2</sup> on Hand	New <sup>3</sup> Orders	Turnover	Orders <sup>2</sup> on Hand	New <sup>3</sup> Orders	Turnover		
<b>Annual</b>	JIQI	JIQH	JIQJ	JIQC	JIQB	JIQD	JIQF	JIQE	JIQG	SFZX	SGAA
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	104.8
<b>Quarterly</b>											
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	114.5 <sup>†</sup>	108.5
Q2	91.7	79.7	83.7	105.7	84.1	90.9	67.9	73.7	74.1	114.7	106.2
Q3	89.2	78.8	84.4	103.4	86.3	92.9	65.1	68.7	73.3	116.2	99.8
Q4	89.5	82.3	84.8	104.8	93.6	95.4	63.4	67.3	70.8	117.3	104.8
2005 Q1	88.2	81.5	84.1	100.1	88.3	95.1	68.2	72.4	69.7	..	102.2
<b>Monthly</b>											
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	..	111.3
Jun	91.7	81.8	84.7	105.7	90.1	92.5	67.9	70.6	74.4	..	103.9
Jul	91.8	82.5	84.9	106.0	90.7	93.1	67.7	71.6	74.1	..	109.5
Aug	90.0	74.6	83.7	103.9	80.0	91.3	66.3	67.4	73.6	..	100.6
Sep	89.2	79.2	84.7	103.4	88.3	94.2	65.1	67.0	72.2	..	89.2
Oct	88.2	77.7	84.1	102.3	86.9	94.9	64.3	65.5	69.9	..	101.3
Nov	88.0	82.2	85.5	102.3	93.3	96.8	63.8	67.3	70.6	..	107.6
Dec	89.5	87.1	84.8	104.8	100.6	94.6	63.4	69.0	71.9	..	105.5
2005 Jan	89.0 <sup>†</sup>	84.4	84.3 <sup>†</sup>	104.3 <sup>†</sup>	98.0 <sup>†</sup>	95.2 <sup>†</sup>	63.1 <sup>†</sup>	66.3 <sup>†</sup>	70.0 <sup>†</sup>	..	96.9 <sup>†</sup>
Feb	88.6	80.8 <sup>†</sup>	84.7	103.0	87.5	95.9	64.3	71.8	70.0	..	99.1
Mar	88.2	79.3	83.3	100.1	79.5	94.1	68.2	79.0	69.0	..	110.5

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

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

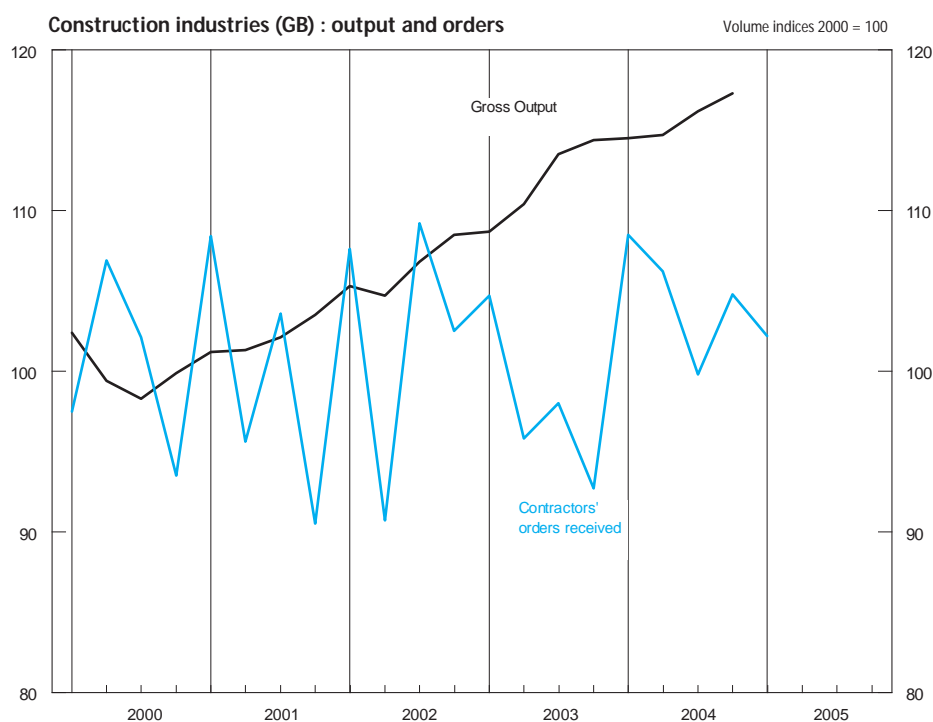
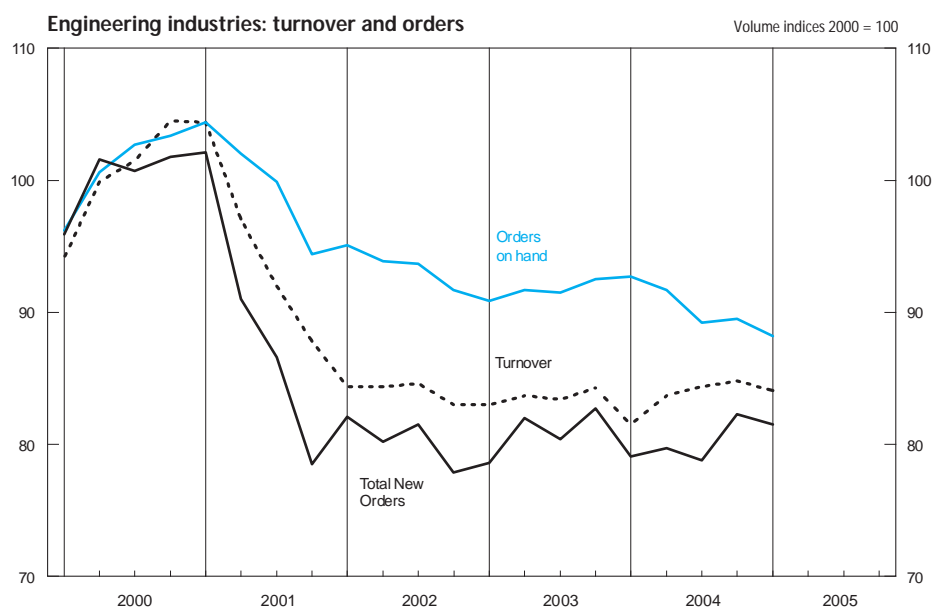
3 Net of cancellations.

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

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

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





## 5.3 Motor vehicle and steel production

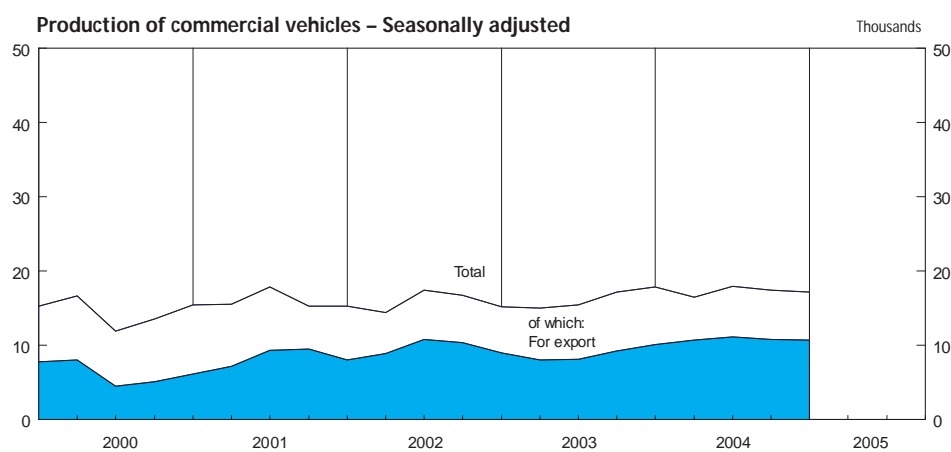
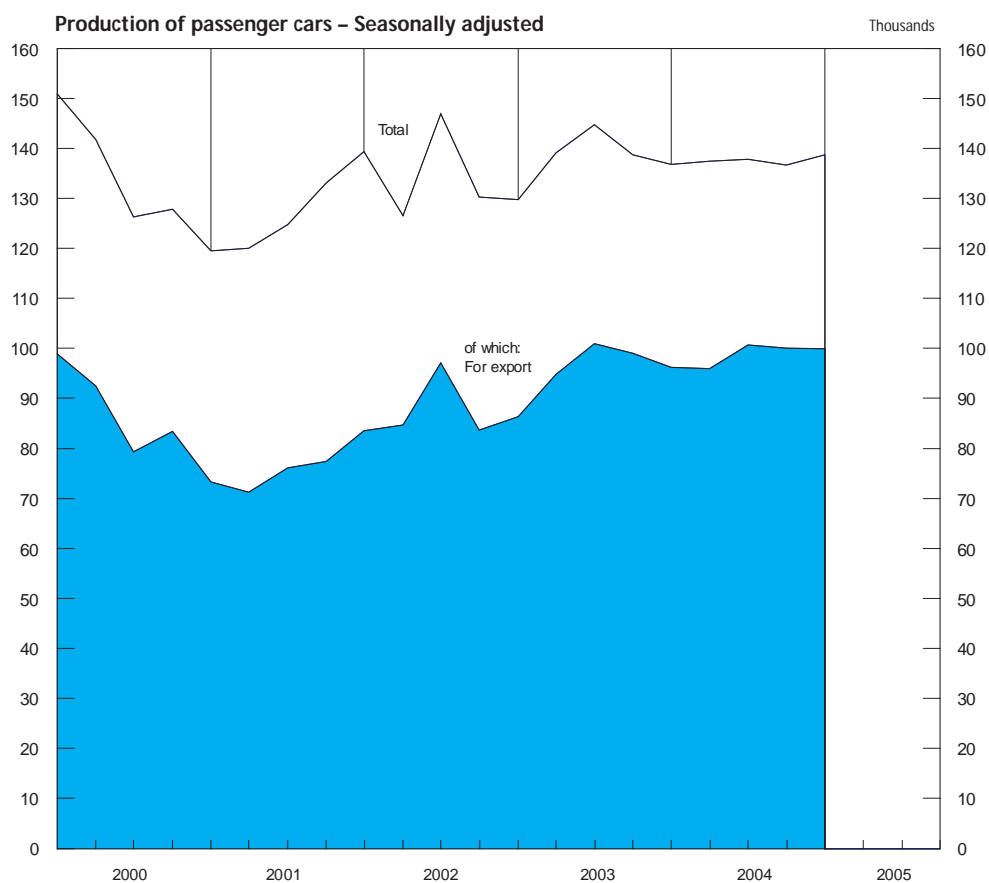
	Passenger cars <sup>1</sup>				Commercial vehicles <sup>1</sup>				Crude steel production (NSA) <sup>2</sup> (thousand tonnes)
	Not seasonally adjusted		Seasonally adjusted		Not seasonally adjusted		Seasonally adjusted		
	Total production (thousands)	of which for export (thousands)	Total production (thousands)	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	6.4 <sup>†</sup>	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	137.2 <sup>†</sup>	98.3 <sup>†</sup>	17.4	10.7	17.4	10.7	13 765.8
Quarterly									
2000 Q1	164.8	105.0	150.9 <sup>†</sup>	98.9 <sup>†</sup>	16.7	8.4	15.3	7.8	4 442.5
Q2	144.4	97.6	141.9	92.6	17.3	8.2	16.7	8.0 <sup>†</sup>	4 019.8
Q3	111.7	63.2	126.4	79.4	9.5	3.5	11.9	4.5	3 288.7
Q4	126.3	88.6	127.9	83.4	13.7	5.2	13.6	5.1	3 403.6
2001 Q1	129.0	75.5	119.5	73.3	17.2	6.6	15.5 <sup>†</sup>	6.1	3 651.7
Q2	124.1	76.5	120.1	71.3	16.6	7.7	15.6	7.2	3 729.6
Q3	111.9	61.0	124.8	76.1	14.5	7.4	17.9	9.3	3 205.5
Q4	132.4	85.1	133.1	77.4	16.1	10.3	15.3	9.5	2 955.9
2002 Q1	149.9	85.0	139.4	83.5	16.7	8.4	15.3	8.0	3 046.3
Q2	133.5	94.0	126.6	84.7	14.8	9.4	14.4	8.9	3 060.0
Q3	130.6	80.7	147.0	97.1	14.9	9.3	17.4	10.8	2 801.9
Q4	128.7	89.3	130.3	83.7	17.3	10.9	16.7	10.3	2 758.9
2003 Q1	141.4	91.5	129.8	86.4	16.5	9.3	15.2	9.0	3 081.0
Q2	144.4	101.3	139.1	94.8	15.5	8.3	15.0	8.0	3 258.7
Q3	130.4	85.8	144.8	101.0	13.4	6.9	15.5	8.1	3 264.3
Q4	136.2	102.7	138.8	99.1	17.6	9.7	17.2	9.2	3 524.4
2004 Q1	148.5	101.2	136.8	96.3	19.3	10.4	17.9	10.1	3 380.7
Q2	142.7	102.3	137.5	96.0	16.9	11.2	16.5	10.7	3 681.4
Q3	126.3	88.3	137.9	100.7	15.6	9.7	18.0	11.1	3 405.2
Q4	131.4	101.5	136.7	100.1	17.9	11.4	17.4	10.8	3 298.5
2005 Q1	144.3	99.1	138.8	100.0	18.4	11.3	17.2	10.7	3 337.8 <sup>†</sup>
Monthly									
2003 Jan	136.1	85.8	123.7 <sup>†</sup>	81.0 <sup>†</sup>	15.8	8.3	14.9 <sup>†</sup>	9.2 <sup>†</sup>	1 095.5*
Feb	136.3	86.2	130.0	87.7	16.3	8.9	15.2	8.6	983.0
Mar	151.9	102.4	135.6	90.5	17.3	10.7	15.4	9.2	1 002.5
Apr	144.8	100.8	151.9	105.6	14.6	8.0	15.0	7.8	1 218.8*
May	133.1	97.6	126.2	85.6	14.0	7.5	14.3	7.4	1 023.3
Jun	155.4	105.6	139.3	93.3	18.0	9.5	15.8	8.7	1 016.6
Jul	146.3	93.1	144.1	98.3	15.2	7.6	16.6	8.4	1 245.8*
Aug	91.4	57.5	145.0	100.4	7.8	3.8	14.9	7.6	977.8
Sep	153.5	106.8	145.3	104.3	17.1	9.2	15.0	8.3	1 040.7
Oct	153.4	113.8	138.6	96.8	16.8	9.5	15.4	8.6	1 198.0*
Nov	142.9	110.5	134.8	99.3	19.0	9.8	17.2	9.5	1 117.8
Dec	112.4	83.8	142.9	101.1	17.0	9.9	19.0	9.6	1 208.6*
2004 Jan	141.3	96.4	138.7	97.9	20.5	9.6	19.6	11.0	1 009.3
Feb	141.1	93.0	131.9	92.2	17.3	10.0	16.4	9.9	1 024.9
Mar	163.1	114.3	139.7	98.8	20.2	11.7	17.7	9.3	1 346.5*
Apr	129.6	95.7	136.6	98.1	15.7	10.1	16.0	10.2	1 155.5
May	143.1	102.3	139.3	92.9	16.9	11.9	17.4	11.5	1 160.7
Jun	155.5	108.9	136.7	97.1	18.2	11.6	16.2	10.5	1 365.2*
Jul	140.5	100.5	145.2	107.4	14.9	10.1	16.7	11.3	1 042.6
Aug	83.2	56.7	132.5	97.2	10.2	5.7	18.1	9.8	1 015.8
Sep	155.3	107.6	136.0	97.6	21.7	13.3	19.1	12.2	1 346.8*
Oct	135.1	107.2	134.1	102.0	18.6	12.2	18.1	11.4	1 091.5
Nov	149.3	114.4	140.4	102.1	20.1	12.3	17.0	10.3	1 001.4
Dec	109.7	82.8	135.7	96.3	14.9	9.7	17.0	10.6	1 205.6*
2005 Jan	136.0	89.2	137.0	95.1	17.7	10.7	17.0	11.0	1 028.2
Feb	143.5	98.3	138.8	100.6	18.0	10.7	17.2	10.5	1 011.1 <sup>†</sup>
Mar	153.3	109.9	140.7	104.2	19.6	12.6	17.3	10.7	1 298.5*
Apr	143.3	105.9	145.0	102.7	18.9	11.4	19.8	11.5	1 139.9 <sup>3</sup>

1 Annual and quarterly figures are monthly averages.

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

3 Provisional.

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



## 5.4 Indicators of fixed investment in dwellings

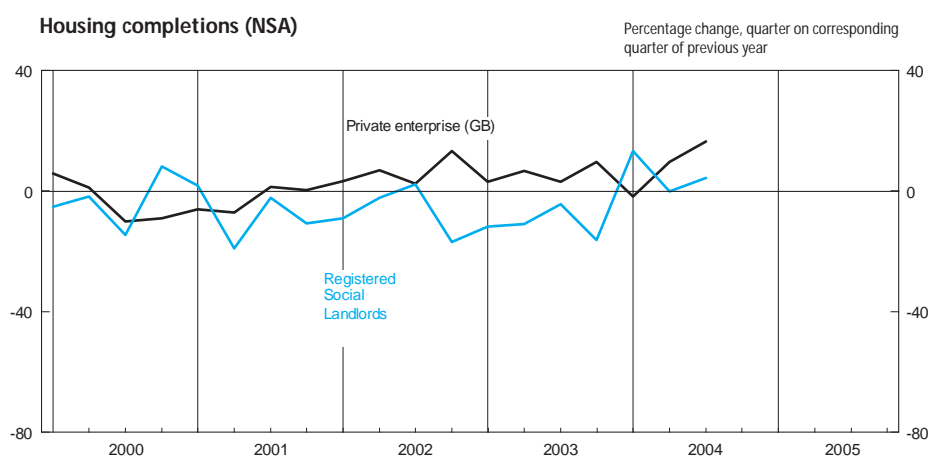
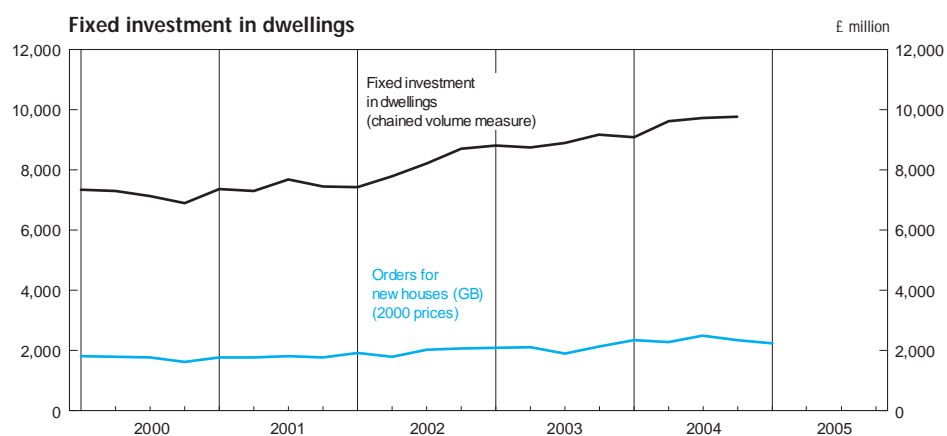
	Fixed investment in dwellings (£ million, chained volume measures, reference year 2001)	Orders received by contractors for new houses (GB) (£ million, 2000 prices)	Housing starts (NSA) <sup>1</sup> (GB)			Housing completions (NSA) <sup>1</sup> (GB)			Mix-adjusted price of new dwellings at mortgage completion stage (NSA) <sup>3</sup> (£)
			Private enterprise (thousands)	Registered Social Landlords <sup>2</sup> (thousands)	Local Authorities (thousands)	Private enterprise (thousands)	Registered Social Landlords <sup>2</sup> (thousands)	Local Authorities (thousands)	
<b>Annual</b>									
	DFEG	SGAB	FCAB	CTOR	CTOV	FCAD	CTOT	CTOX	WMPS
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	9 472 <sup>†</sup>	..	..	..	..	..	..	205 818
<b>Quarterly</b>									
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	2 346	46.9	6.5	—	34.0	5.1	—	194 276
Q2	9 624	2 287	51.5	4.2	0.1	43.1	4.1	0.1	204 679
Q3	9 719	2 488	50.7	3.7	—	43.7	4.7	—	212 505
Q4	9 760	2 351	..	..	..	..	..	..	211 812
2005 Q1	..	2 235	..	..	..	..	..	..	214 704
<b>Monthly</b>									
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	..	754	..	..	..	..	..	..	192 165
Mar	..	796	..	..	..	..	..	..	195 426
Apr	..	880	..	..	..	..	..	..	201 796
May	..	697	..	..	..	..	..	..	203 015
Jun	..	710	..	..	..	..	..	..	209 225
Jul	..	758	..	..	..	..	..	..	211 663
Aug	..	889	..	..	..	..	..	..	211 314
Sep	..	841	..	..	..	..	..	..	214 537
Oct	..	742	..	..	..	..	..	..	214 509
Nov	..	805	..	..	..	..	..	..	212 354
Dec	..	803	..	..	..	..	..	..	208 574
2005 Jan	..	653 <sup>†</sup>	..	..	..	..	..	..	212 952
Feb	..	750	..	..	..	..	..	..	213 093
Mar	..	832	..	..	..	..	..	..	218 067

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

2 Includes registered and non-registered social landlords.

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

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



# 5.5 Number of property transactions<sup>1</sup>

Thousands

	Number of property transactions				Number of property transactions		
	Not seasonally adjusted England & Wales	Seasonally adjusted England & Wales <sup>4,5</sup>	Not seasonally adjusted England, Wales & N. Ireland		Not seasonally adjusted England & Wales	Seasonally adjusted England & Wales <sup>4,5</sup>	Not seasonally adjusted England, Wales & N. Ireland
	FTAP		FTAR				
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
2001 Q1	327	346	337	May	137	140	140
Q2	347	363	360	Jun	129	135	132
Q3	396	369	405	Jul	152	134	154
Q4	387	379	396	Aug	166	149	171
2002 Q1	342	374	351	Sep	139	134	144
Q2	395	410	404	Oct	147	131	151
Q3	457	417	468	Nov	127	124	131
Q4	392	385	404	Dec	118	131	122
2003 Q1	340	361	359	2003 Jan	131	121	137
Q2	306	323	320	Feb	103	120	109
Q3	358	327	369	Mar	106	119	113
Q4	340	333	349	Apr	101	113	108
2004 Q1	447	470	457	May	101	106	105
Q2	452	459	463	Jun	103	105	107
Q3	491	447	504	Jul	132	115	135
Q4	396	411	406	Aug	112	106	116
2005 Q1	322	351	329	Sep	114	106	118
2000 Jan	137	136	140	Oct	120	108	124
Feb	112	128	116	Nov	110	109	113
Mar	118	128	122	Dec	111	116	113
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
Jul	127	117	130	Apr	140	151	143
Aug	134	117	137	May	145	152	148
Sep	117	112	121	Jun	167	156	172
Oct	123	112	127	Jul	175	151	179
Nov	117	111	121	Aug	159	148	163
Dec	98	114	101	Sep	158	148	162
2001 Jan	123	113	127	Oct	138	142	142
Feb	99	117	102	Nov	124	132	128
Mar	105	116	108	Dec	134	136	136
Apr	101	115	105	2005 Jan	108	107	109
May	121	122	126	Feb	112	126	114
Jun	125	125	128	Mar	102	119	105
				Apr	111	117	115

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 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<sup>1</sup>

Reference year 2001, £ million

	Mining and quarrying	Manufacturing industries				Electricity, gas and water supply	Distributive trades		Other industries <sup>3</sup>	Change in inventories
		Materials and fuel	Work in progress	Finished goods	Total		Wholesale <sup>2</sup>	Retail <sup>2</sup>		
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
<b>Quarterly</b>										
	FAEA	FBNF	FBNG	FBNH	DHBM	FAEB	FAJX	FBYN	DLWX	CAFU
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
2005 Q1	9	167	41	133	341	-70	-121	-337	1 110	932

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 <sup>1</sup> to manufacturing production				Retail inventories <sup>1</sup> to retail sales <sup>2</sup>	Total inventories <sup>1,3</sup> to gross value added
	Materials and fuel	Work in progress	Finished goods	Total inventories		
Quarterly						
	FAPG	FAPH	FAPI	FAPF	FAPC	FDCA
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
2005 Q1	..	..	..	..	..	99

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.

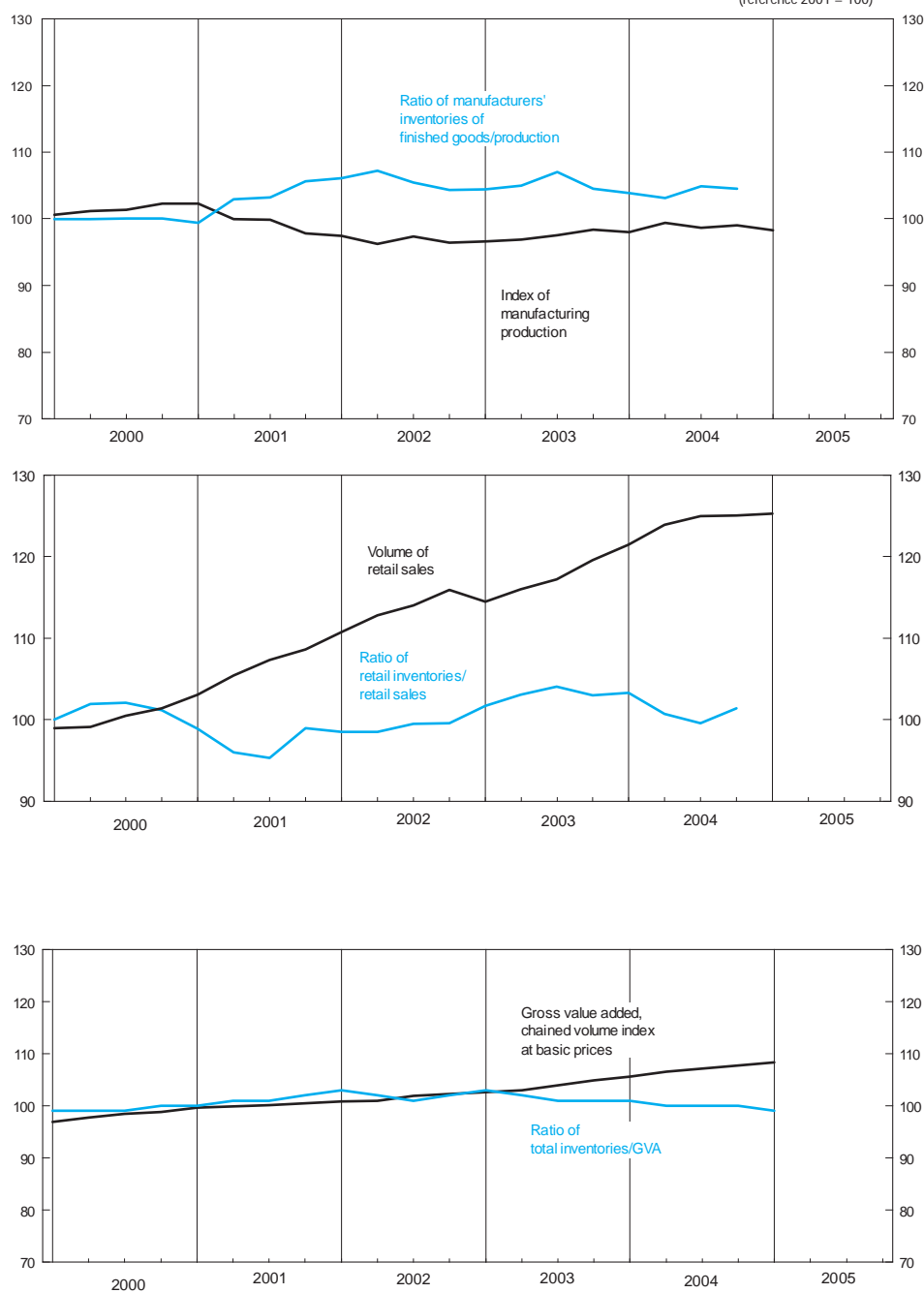
3 Including quarterly alignment adjustment. For details of adjustments see notes section in the Sector and Financial Accounts article in *UK Economic Accounts*.

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) <sup>1,2</sup>	Volume of retail sales per week+(average 2000=100) <sup>1,2</sup>								New registrations of cars (NSA) <sup>5</sup> thousands)	Total consumer credit: Net lending (£ million) <sup>3,4</sup>	of which	
		All retailers	Predominantly food stores	Predominantly non-food stores								Credit cards <sup>6</sup>	Other <sup>6</sup>
				Total	Non-specialist stores	Textile, clothing and footwear	Household goods stores	Other stores	Non-store and repair				
<i>Sales in 2000</i> <i>£ million</i>	<i>207 149</i>	<i>207 149</i>	<i>89 041</i>	<i>106 359</i>	<i>18 781</i>	<i>27 880</i>	<i>27 699</i>	<i>31 999</i>	<i>11 749</i>				
<b>Annual</b>	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	17 683	6 283 <sup>†</sup>	11 488
2002	111.1	112.7	108.1	116.4	110.7	120.6	121.0	112.1	113.3	2 682.0	21 149 <sup>†</sup>	7 610	13 587 <sup>†</sup>
2003	113.6	116.2	111.9	120.8	113.2	127.4	126.7	114.3	107.9	2 646.2	20 221	8 914	11 478 <sup>†</sup>
2004	118.9	123.2	116.5	129.4	117.2	137.7	135.3	124.4	118.2	2 598.8	22 963	9 962	12 995
<b>Quarterly</b>													
2001 Q1	102.9	103.1	102.9	103.8	105.2	104.4	107.4	99.2	99.0	704.2	3 290 <sup>†</sup>	1 356	2 130 <sup>†</sup>
Q2	105.6	105.4	104.0	106.7	107.2	106.7	110.9	102.8	104.7	617.7	4 537	1 696 <sup>†</sup>	2 803
Q3	107.2	107.3	104.8	109.3	108.1	110.6	111.7	106.7	108.3	725.6	4 156	1 223	2 934
Q4	108.1	108.6	105.7	111.2	107.9	113.6	114.2	108.4	106.9	530.0	5 700	2 008	3 621
2002 Q1	110.1	110.8	106.9	114.7	110.2	117.5	118.0	112.2	104.1	758.7	5 010	1 968	3 139
Q2	111.3	112.8	108.3	116.8	110.8	120.3	120.0	114.6	110.7	650.0	4 692	1 663	3 004
Q3	112.1	114.0	109.3	117.6	113.5	122.1	121.9	112.4	116.4	744.6	6 006	2 020	3 928
Q4	113.7	115.9	111.0	119.7	115.4	123.0	125.8	113.9	118.5	528.7	5 441	1 959	3 516
2003 Q1	112.5	114.5	109.9	119.3	112.9	124.9	123.8	114.2	105.4	737.6	5 051	2 293	2 832
Q2	113.3	116.0	111.9	120.6	113.4	126.6	128.2	113.1	104.7	642.7	5 556	2 483	3 062
Q3	114.6	117.2	112.9	122.4	115.3	129.2	129.6	114.4	104.0	742.8	4 966	2 120	2 796
Q4	116.3	119.6	113.8	125.7	118.7	131.0	133.0	118.8	107.7	523.1	4 648	2 018	2 788
2004 Q1	118.0	121.5	114.5	128.5	118.1	135.7	134.2	123.5	111.3	762.2	6 122	2 542	3 484
Q2	119.7	123.9	116.3	131.1	120.2	138.8	136.9	125.7	116.7	629.8	5 768	2 363	3 388
Q3	120.4	125.0	117.5	132.3	120.7	138.9	140.0	126.8	115.9	709.9	5 720	2 518	3 127
Q4	120.2	125.1	118.1	131.8	119.9	140.0	139.3	125.3	117.7	496.9	5 353	2 539	2 996
2005 Q1	120.3 <sup>†</sup>	125.3 <sup>†</sup>	119.5 <sup>†</sup>	130.9 <sup>†</sup>	121.7 <sup>†</sup>	140.9	137.0 <sup>†</sup>	122.2 <sup>†</sup>	119.3 <sup>†</sup>	697.9	5 849	2 551	3 264
<b>Monthly</b>													
2003 Jul	114.2	116.8	112.4	121.7	115.1	128.9	128.5	113.3	105.1	201.1	1 868 <sup>†</sup>	685 <sup>†</sup>	1 183 <sup>†</sup>
Aug	114.6	117.2	113.3	122.0	114.9	127.2	130.1	114.7	103.6	94.2	1 467	678	789
Sep	114.9	117.7	112.9	123.3	115.8	130.9	130.0	115.1	103.5	447.5	1 741	851	891
Oct	115.9	118.9	113.5	124.8	118.9	131.1	131.6	116.7	106.2	186.6	1 892	829	1 063
Nov	115.8	118.8	113.4	124.5	116.2	130.7	130.7	118.8	108.6	175.7	1 644	487	1 157
Dec	117.1	120.7	114.4	127.3	120.6	131.1	135.9	120.4	108.2	160.8	1 064	493	571
2004 Jan	118.0	121.1	114.0	128.1	117.0	135.3	133.2	123.8	110.7	199.6	1 987	738	1 250
Feb	117.7	121.2	114.5	128.1	118.3	134.5	134.6	122.5	109.8	92.3	2 093	599	1 493
Mar	118.2	122.2	115.0	129.3	118.7	137.0	134.6	124.1	113.1	470.3	2 005	1 253	752
Apr	118.9	122.8	115.4	130.1	119.3	138.4	135.4	124.6	113.5	191.1	1 759	817	943
May	119.5	123.7	116.2	130.8	120.6	139.2	136.1	124.8	117.0	197.6	1 933	784	1 149
Jun	120.6	124.9	117.2	132.0	120.6	138.8	138.6	127.2	118.9	241.1	2 198	855	1 343
Jul	119.6	123.9	116.6	131.0	117.9	135.2	139.7	127.4	115.5	188.2	1 754	848	906
Aug	120.3	124.8	117.6	132.1	122.9	140.3	138.8	124.6	113.9	87.3	2 149	918	1 232
Sep	121.1	126.1	118.3	133.5	121.2	140.7	141.2	127.9	117.8	434.4	1 887	819	1 068
Oct	120.5	125.3	118.2	132.2	120.2	140.7	138.9	126.0	116.4	171.8	1 701	816	884
Nov	121.0	126.0	118.6	133.1	121.7	141.3	141.0	125.8	117.4	175.6	1 819	816	1 002
Dec	119.2	124.4	117.7	130.6	118.2	138.5	138.3	124.4	118.9	149.5	1 742	671	1 071
2005 Jan	120.4 <sup>†</sup>	125.4 <sup>†</sup>	120.2 <sup>†</sup>	130.6 <sup>†</sup>	121.5 <sup>†</sup>	138.4 <sup>†</sup>	138.9 <sup>†</sup>	121.8 <sup>†</sup>	119.4 <sup>†</sup>	180.0	2 358	1 093	1 265
Feb	120.2	125.5	119.3	130.9	121.2	142.2	136.7	121.7	123.1	77.5	1 627	751	876
Mar	120.3	125.1	119.1	131.1	122.4	141.9	135.7	122.8	116.1	440.4	1 790	715	1 076
Apr	120.3	125.7	119.3	131.2	118.3	143.6	136.1	123.6	124.7	..	1 293	316	977

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

2 The retail sales index has been rebased using detailed information from the 2000 Annual Business inquiry. Further information is available via the National Statistics website: [www.statistics.gov.uk](http://www.statistics.gov.uk)

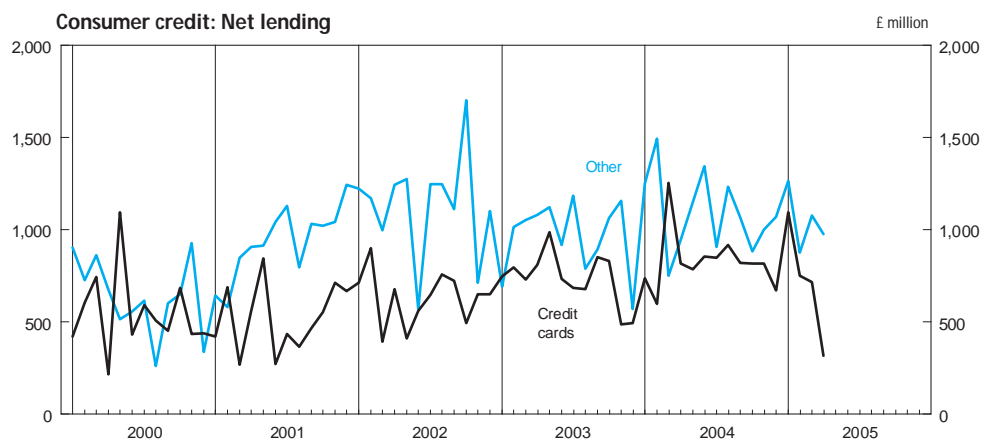
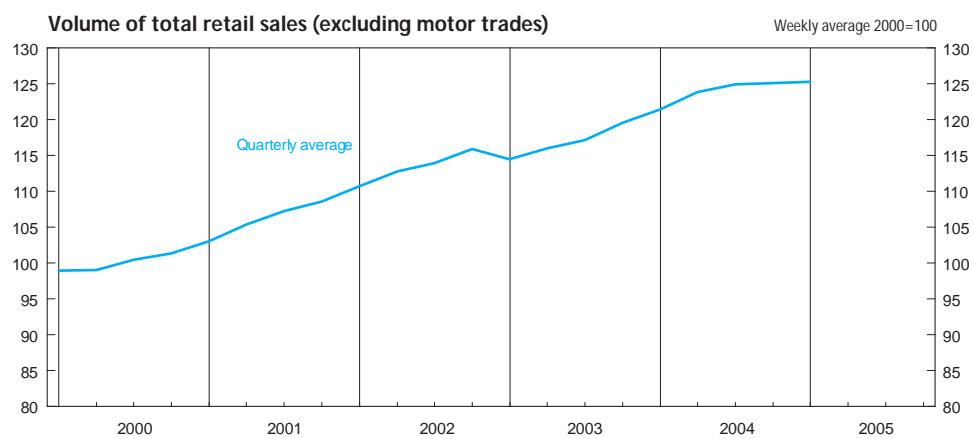
3 Net lending equals changes in amounts outstanding adjusted to remove distortions arising from revaluations of debt such as write-offs.

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

5 Seasonally adjusted data are not published in *Economic Trends*. 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.



## 5.9 Inland energy consumption: primary fuel input basis

Million tonnes of oil equivalent

Seasonally adjusted and temperature corrected<sup>7</sup> (annualised rates)

	Coal <sup>1</sup>	Petroleum <sup>2</sup>	Natural gas <sup>3</sup>	Nuclear	Primary electricity <sup>5</sup>		Net imports <sup>6</sup>	Total
					Wind and natural flow Hydro <sup>4</sup>			
<b>Annual</b>	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
<b>Quarterly</b>								
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	41.6	76.6	105.9	17.2	0.5		0.8	242.6
2005 Q1	45.8	75.2	108.6	19.2	0.5		0.7	250.0
Percentage change, quarter on corresponding quarter of previous year								
<b>Quarterly</b>	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
2005 Q1	5.3	1.4	-3.1	-4.1	3.3		51.6	0.3

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.

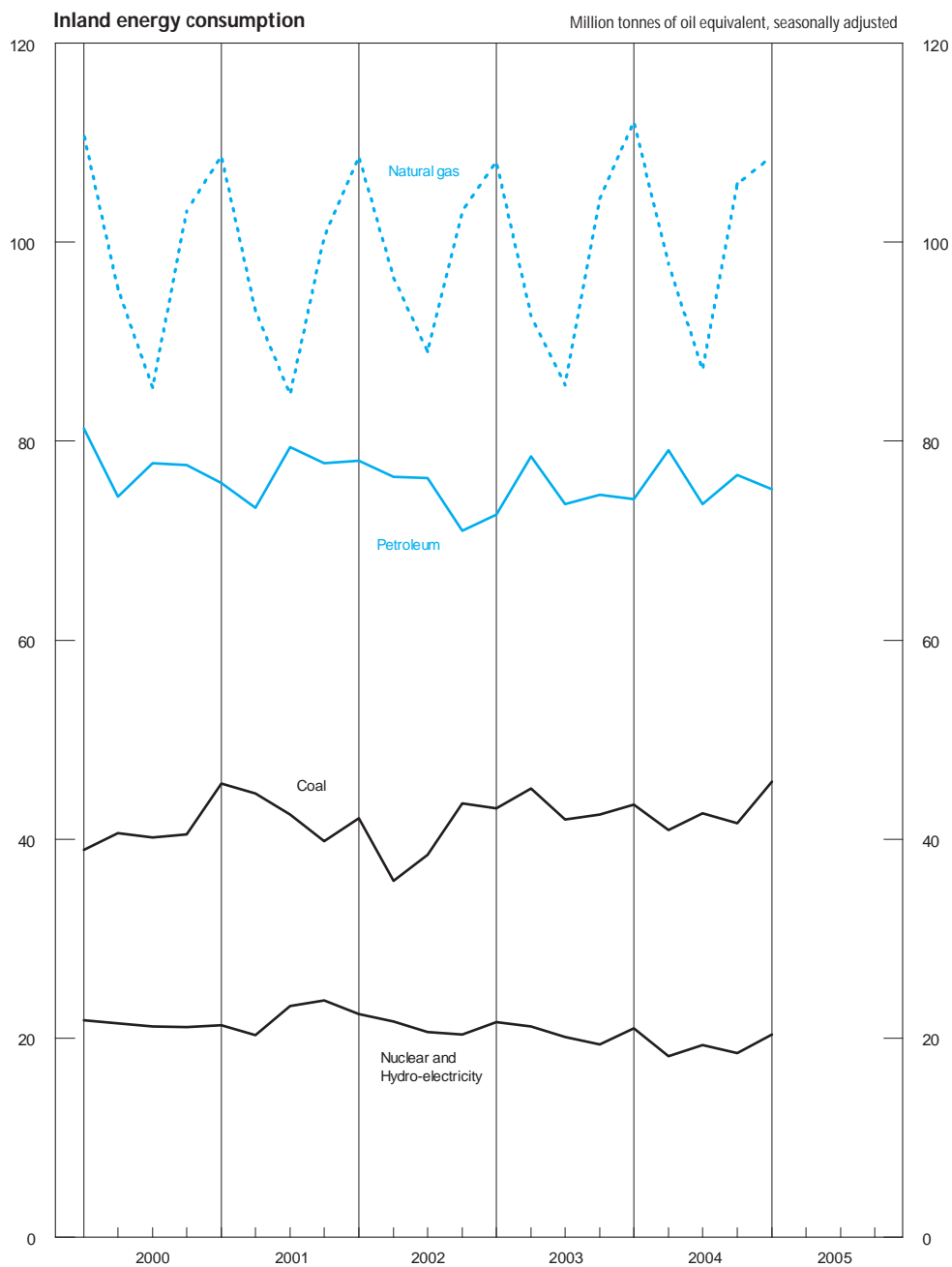
4 Includes generation by solar PV. Excludes generation from pumped storage stations.

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](http://www.dti.gov.uk/energy/inform/dukes/dukes2003/01longterm.pdf)

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



# 6.1 Sterling exchange rates and UK reserves<sup>4</sup>

Not seasonally adjusted

	Sterling exchange rate against major currencies <sup>1</sup>								UK inter- national reserves <sup>3</sup> at end of period (£ million)	Sterling exchange rate index 1990 = 100
	Japanese yen	US dollar	Swiss franc	Euro <sup>2</sup>	Danish kroner	Norwegian kroner	Swedish kronor	Hong Kong dollar		
Annual										
	AJFO	AUSS	AJFD	THAP	AJFK	AJFJ	AJFI	AJFU	THFE	AGBG
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 <sup>†</sup>	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 <sup>†</sup>	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
2005 Q1	197.53	1.8904	2.234	1.4424	10.7362	11.889	13.092	14.7449	25 801	102.9
Monthly										
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	26 080	103.3
Mar	200.51	1.9078	2.237	1.4440	10.753	11.821	13.126	14.8801	25 801	103.2
Apr	203.34	1.8960	2.267	1.4652	10.916	11.980	13.433	14.7865	..	104.4

1 Average of daily Telegraphic Transfer rates in London.

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

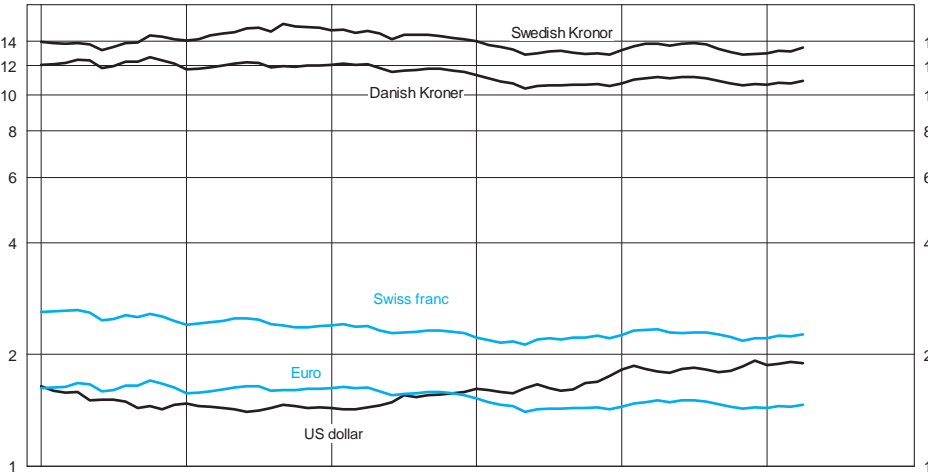
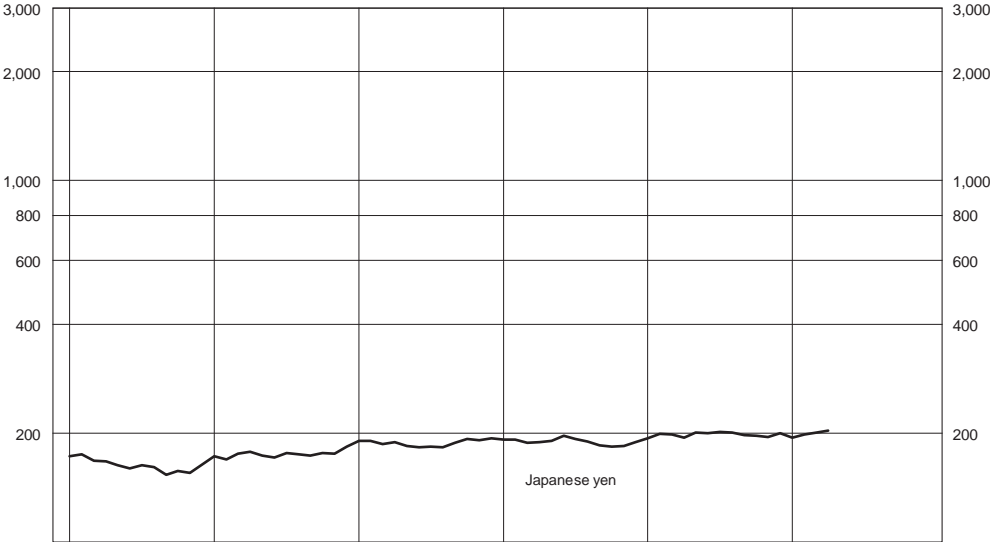
3 International reserves data are all valued at end-period market prices and exchange rates. They additionally include other reserve assets such as repos (sale and purchase agreements) and derivatives. Full details are shown in Table 1.21 of *Financial Statistics*.

4 These figures fall outside the scope of National Statistics.

Source: Bank of England: Enquiries 020 7601 4342

Sterling exchange rates

Relates to the £  
log scale



Sterling exchange rate index

Average 1990=100



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

	M0				M4			
	Amount outstanding <sup>2</sup> (NSA)		Amount outstanding (£ million) +	Velocity of circulation: ratio	Amount outstanding (NSA)		Amount outstanding (£ million) +	Velocity of circulation: ratio
	£ million	Annual percentage change			£ million	Annual percentage change		
Annual	AVAD	VQNB	AVAE <sup>†</sup>	AVAM	AUYM	VQLC	AUYN <sup>†</sup>	AUYU
2000	34 566	5.5	32 489 <sup>†</sup>	30.34	884 839	8.2	886 189 <sup>†</sup>	1.12
2001	37 319	8.0	35 099	29.67 <sup>†</sup>	942 433	6.7	943 745	1.09
2002	39 540	6.0	37 233	28.86	1 008 684	7.3	1 009 945	1.08
2003	42 317	7.0	39 938	28.37	1 081 136	7.3	1 082 368	1.07
2004	44 466	5.1	42 259	28.19	1 177 945 <sup>†</sup>	9.2	1 179 229	1.03
Quarterly						VQRY		
2000 Q1	29 968	7.7	30 568 <sup>†</sup>	30.46	836 240	5.4	835 353 <sup>†</sup>	1.15
Q2	30 896	7.0	31 218	30.58	856 220	6.9	853 233	1.12
Q3	31 821	8.0	31 877	30.39	866 379	9.0	868 788	1.11
Q4	34 566	5.5	32 489	29.93	884 839	8.2	886 189	1.10
2001 Q1	32 489	8.4	33 129	29.79	905 800	8.3	905 515	1.10
Q2	32 896	6.5	33 269	29.91 <sup>†</sup>	921 571	7.6	917 771	1.09
Q3	33 797	6.2	33 939	29.65	937 071	8.4	939 767	1.08
Q4	37 319	8.0	35 099	29.35	942 433	6.7	943 745	1.08
2002 Q1	35 157	8.2	35 578	28.86	955 196	5.7	955 503	1.08
Q2	36 225	10.1	36 604	28.89	975 699	6.1	971 012	1.08
Q3	36 511	8.0	36 662	28.94	989 475	5.9	992 572	1.08
Q4	39 540	6.0	37 233	28.75	1 008 684	7.3	1 009 945	1.07
2003 Q1	37 184	5.8	37 941	28.75	1 020 586	7.1	1 021 381	1.07
Q2	38 403	6.0	38 842	28.18	1 047 964	7.9	1 042 402	1.06
Q3	39 348	7.8	39 491	28.32	1 051 114	6.6	1 054 621	1.07
Q4	42 317	7.0	39 938	28.23	1 081 136	7.3	1 082 368	1.06
2004 Q1	39 812	7.1	40 651	28.29	1 101 920	7.9	1 103 135	1.04
Q2	41 109	7.0	41 326	28.22	1 133 767	8.1	1 127 287	1.04
Q3	41 749	6.1	41 769	28.16	1 147 800 <sup>†</sup>	9.0	1 151 886	1.03
Q4	44 466	5.1	42 259	28.09	1 177 945	9.2 <sup>†</sup>	1 179 229	1.02
2005 Q1	42 395	6.5	42 745	..	1 213 570	10.4	1 215 094	..
Monthly						VQLC		
2003 Jan	37 230	4.0	37 359 <sup>†</sup>	..	994 391	6.7	1 003 218 <sup>†</sup>	..
Feb	36 946	6.3	37 711	..	1 004 810	6.8	1 011 776	..
Mar	37 184	5.8	37 941	..	1 020 586	7.1	1 017 897	..
Apr	38 590	9.1	38 609	..	1 029 181	8.1	1 028 375	..
May	38 827	8.9	38 948	..	1 033 184	8.2	1 030 783	..
Jun	38 403	6.0	38 842	..	1 047 964	7.9	1 040 133	..
Jul	38 938	8.0	39 205	..	1 036 594	7.3	1 039 190	..
Aug	39 579	7.9	39 445	..	1 040 193	6.2	1 038 708	..
Sep	39 348	7.8	39 491	..	1 051 114	6.6	1 051 076	..
Oct	39 416	7.3	39 649	..	1 054 714	6.4	1 053 541	..
Nov	40 149	8.0	39 981	..	1 070 461	7.1	1 067 672	..
Dec	42 317	7.0	39 938	..	1 081 136	7.3	1 079 663	..
2004 Jan	40 222	8.0	40 210	..	1 080 414	8.7	1 089 821	..
Feb	39 448	6.8	40 283	..	1 087 988	8.4	1 096 478	..
Mar	39 812	7.1	40 651	..	1 101 920	7.9	1 099 604	..
Apr	40 799	5.7	40 808	..	1 109 195	7.6	1 106 322	..
May	40 668	4.7	41 004	..	1 121 526	8.3	1 119 181	..
Jun	41 109	7.0	41 326	..	1 133 767	8.1	1 125 013	..
Jul	41 115	5.6	41 388	..	1 133 424 <sup>†</sup>	9.2	1 134 743	..
Aug	41 489	4.8	41 464	..	1 142 593	9.7	1 142 705	..
Sep	41 749	6.1	41 769	..	1 147 800	9.0	1 147 123	..
Oct	41 722	5.8	41 945	..	1 157 408	9.5	1 157 330	..
Nov	42 222	5.2	42 039	..	1 165 406	8.8	1 163 815	..
Dec	44 466	5.1	42 259	..	1 177 945	9.2	1 173 684	..
2005 Jan	42 701	6.2	42 485	..	1 175 893	9.1	1 187 950	..
Feb	41 757	5.9	42 661	..	1 187 114	9.4	1 198 164	..
Mar	42 395	6.5	42 745	..	1 213 570	10.3	1 210 669	..

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

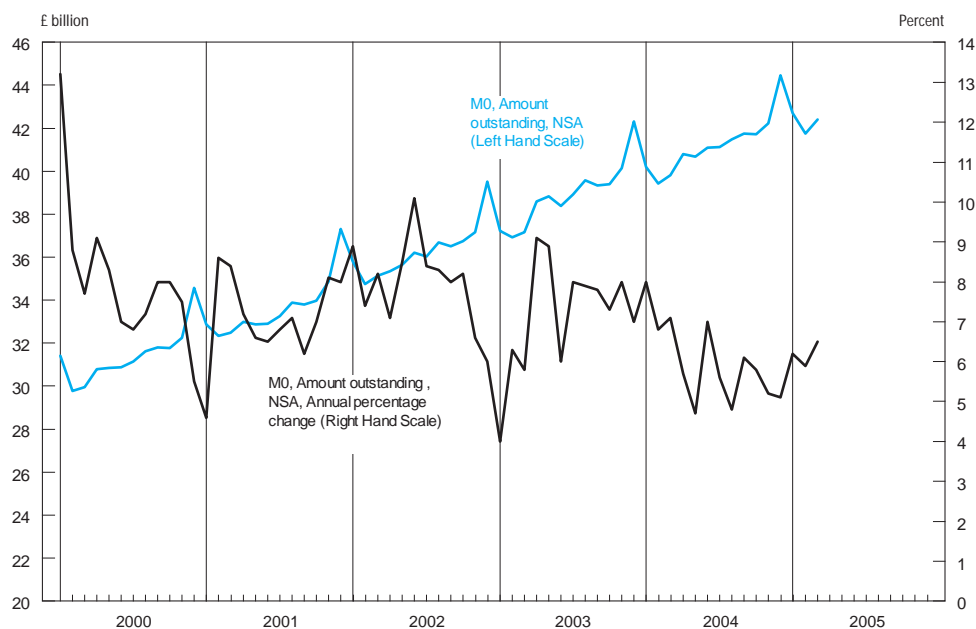
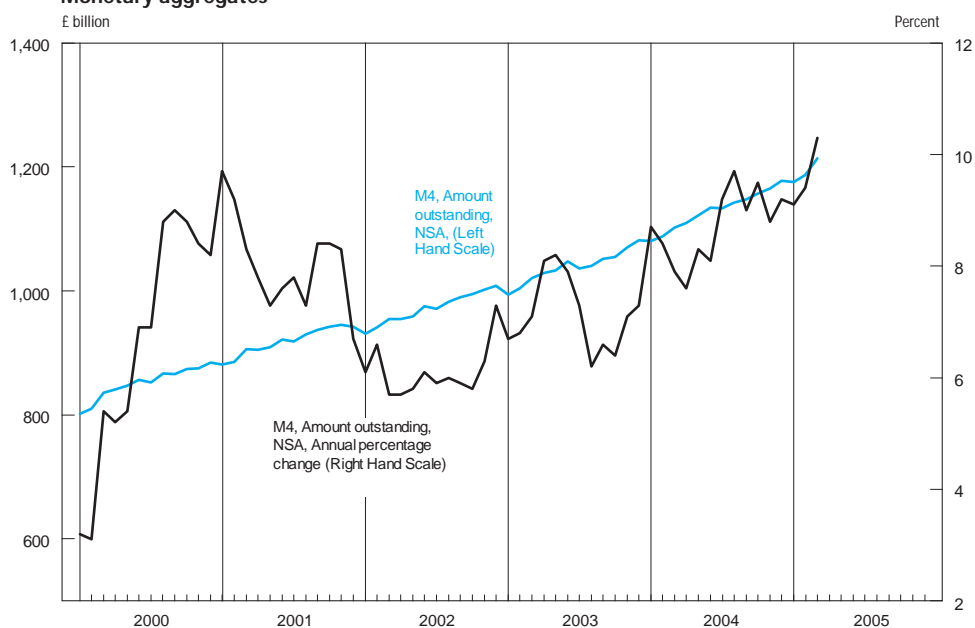
2 The monthly figures for M0 give the average of the amounts outstanding each Wednesday during the calendar month.

3 These figures fall outside the scope of National Statistics.

Source: Bank of England; Enquiries 020 7601 5467



## Monetary aggregates



## 6.3 Counterparts to changes in money stock M4<sup>1,4</sup>

£ million, not seasonally adjusted

	Public Sector Net Cash Requirement+3	Purchases by the M4 <sup>2</sup> private sector of:			External and foreign currency financing of public sector		Banks' and Building Societies' sterling lending to the M4 private sector	External and foreign currency transactions of UK banks and building societies	Net non-deposit sterling liabilities of UK banks and building societies	Domestic counterparts	External and foreign currency counterparts	M4
		Central government debt			Purchase of British government stocks by overseas sector							
		British government stocks	Other	Other public sector debt		Other						
	1	2	3	4	5	6	7	8	9	10	11	12
Annual												
	RURQ	AVBY	AVBU	AVBV	AVBZ	AQGA	AVBS	AVBW	AVBX	AVBN	VQLP	AUZI
2001	-2 891	10 009	-2 453	191	318	4 194	82 446	-21 638	-10 784	87 415	-17 763	58 868
2002	18 227 <sup>†</sup>	-8 383	-637	-110	-897	1 588	107 655	-24 960	-25 295	116 710	-22 474	68 942
2003	38 965	-22 408	-9 680	-476	10 378	-3 067	127 712	-26 773	-20 721	134 106	-40 213	73 172
2004	41 257	-25 020 <sup>†</sup>	-5 485	-1 227	2 235 <sup>†</sup>	-158	156 005 <sup>†</sup>	3 622 <sup>†</sup>	-67 508	165 441 <sup>†</sup>	1 229 <sup>†</sup>	99 163 <sup>†</sup>
Quarterly												
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	402 <sup>†</sup>	-2 432	342	93	-1 960	208	34 214	-8 566	-11 055	32 586	-6 398	15 133
Q4	17 079	-3 942	-1 715	-44	2 374	-17	24 202	-11 007	-2 911	35 531	-13 398	19 223
2003 Q1	-413	-3 092	-1 088	28	1 934	430	21 783	2 388	-4 478	17 248	886	13 655
Q2	16 286	-4 087	-4 369	-210	2 855	-2 099	34 559	-1 499	-7 011	42 189	-6 452	28 726
Q3	5 923	-11 652	1 093	-189	980	-1 222	30 591	-2 037	-17 995	25 737	-4 238	3 504
Q4	17 169	-3 577	-5 316	-105	4 609	-176	40 779	-25 625	8 763	48 932	-30 409	27 287
2004 Q1	135	-10 790	-977	-532	978	1 670	34 934	30 368	-33 164	22 724	31 060	20 620
Q2	11 638	-1 917	140	-418	2 204	-136	37 475	4 925	-16 198	46 978	2 585	33 365
Q3	7 319	-9 497	-1 505	-79	125	-1 441	51 830	-16 563 <sup>†</sup>	-16 583	47 965	-18 129 <sup>†</sup>	13 253 <sup>†</sup>
Q4	22 165	-2 816 <sup>†</sup>	-3 143	-198	-1 072 <sup>†</sup>	-251	31 766 <sup>†</sup>	-15 108	-1 563	47 774 <sup>†</sup>	-14 287	31 925
2005 Q1	-2 519	-9 607	3 238	-535	6 610	1 411	32 634	15 134	1 873	23 273	9 934	35 080
Monthly												
2003 Jan	-11 655 <sup>†</sup>	-4 053	1 610	-152	1 138	761	4 743	10 453	-15 024	-9 529	10 076	-14 477
Feb	-135	-870	271	399	-1 402	-245	11 024	-12 268	10 831	10 674	-11 111	10 394
Mar	11 377	1 831	-2 969	-218	2 198	-86	6 015	4 204	-285	16 103	1 921	17 738
Apr	283	-5 478	1 608	-243	-1 322	-940	10 969	1 443	-23	7 153	1 825	8 954
May	5 833	4 670	-4 981	106	4 784	-233	10 537	5 169	-10 802	16 155	152	5 505
Jun	10 170	-3 279	-996	-73	-607	-926	13 052	-8 110	3 814	18 881	-8 429	14 266
Jul	-6 154	-5 674	3 288	-235	-1 339	880	7 726	-658	-11 590	-1 047	1 560	-11 077
Aug	3 601	-4 139	-1 654	53	228	-771	5 309	-9 987	11 451	3 141	-10 985	3 607
Sep	8 476	-1 839	-541	-8	2 091	-1 331	17 557	8 609	-17 856	23 643	5 187	10 975
Oct	-1 649	-7 308	2 068	-86	-1 161	3 016	23 106	-21 921	5 455	16 163	-17 744	3 874
Nov	5 791	6 269	-5 387	-46	7 050	-49	9 928	8 881	-3 004	16 509	1 782	15 288
Dec	13 027	-2 537	-1 997	28	-1 280	-3 143	7 744	-12 586	6 312	16 260	-14 448	8 125
2004 Jan	-14 447	-3 206	3 794	-292	-786	3 019	20 959	7 269	-18 911	6 786	11 074	-1 052
Feb	-154	-4 064	-538	237	1 267	225	4 713	12 059	-3 579	219	11 017	7 657
Mar	14 736	-3 521	-4 233	-477	497	-1 574	9 263	11 040	-10 673	15 719	8 968	14 015
Apr	-2 244	-5 084	2 975	-175	-1 908	80	10 350	6 667	-7 162	5 832	8 655	7 324
May	3 230	-2 487	904	-61	1 168	-68	8 737	3 307	348	10 300	2 071	12 719
Jun	10 652	5 654	-3 739	-182	2 944	-148	18 389	-5 049	-9 383	30 846	-8 142	13 321
Jul	-6 883	-4 948	519	243	-947	-117	14 260	738 <sup>†</sup>	-5 162	3 187	1 567 <sup>†</sup>	-408 <sup>†</sup>
Aug	3 263	784	1 567	-164	3 248	409	15 348	-6 516	-1 944	20 792	-9 355	9 493
Sep	10 939	-5 332	-3 591	-157	-2 176	-1 733	22 221	-10 784	-9 478	23 986	-10 340	4 168
Oct	-1 488	-3 043 <sup>†</sup>	653	-50	1 345 <sup>†</sup>	-56	14 820	-5 685	5 815	10 883 <sup>†</sup>	-7 085	9 613
Nov	9 028	2 066	-1 882	-25	-1 944	286	2 129	-1 285	-2 669	11 301	944	9 576
Dec	14 625	-1 839	-1 914	-123	-473	-480	14 817	-8 138	-4 709	25 590	-8 145	12 736
2005 Jan	-16 825	-3 101	-367 <sup>†</sup>	-4	1 964	1 714	16 635 <sup>†</sup>	-4 082	6 076 <sup>†</sup>	-3 653	-4 332	-1 909
Feb	659	-3 853	4 277	-192 <sup>†</sup>	1 000	-406	4 573	14 408	-7 250	5 456	13 003	11 208
Mar	13 647	-2 653	-672	-339	3 646	103	11 426	4 807	3 047	21 470	1 264	25 781
Apr	-1 596	..	..	..	..	..	..	..	..	..	..	..

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.

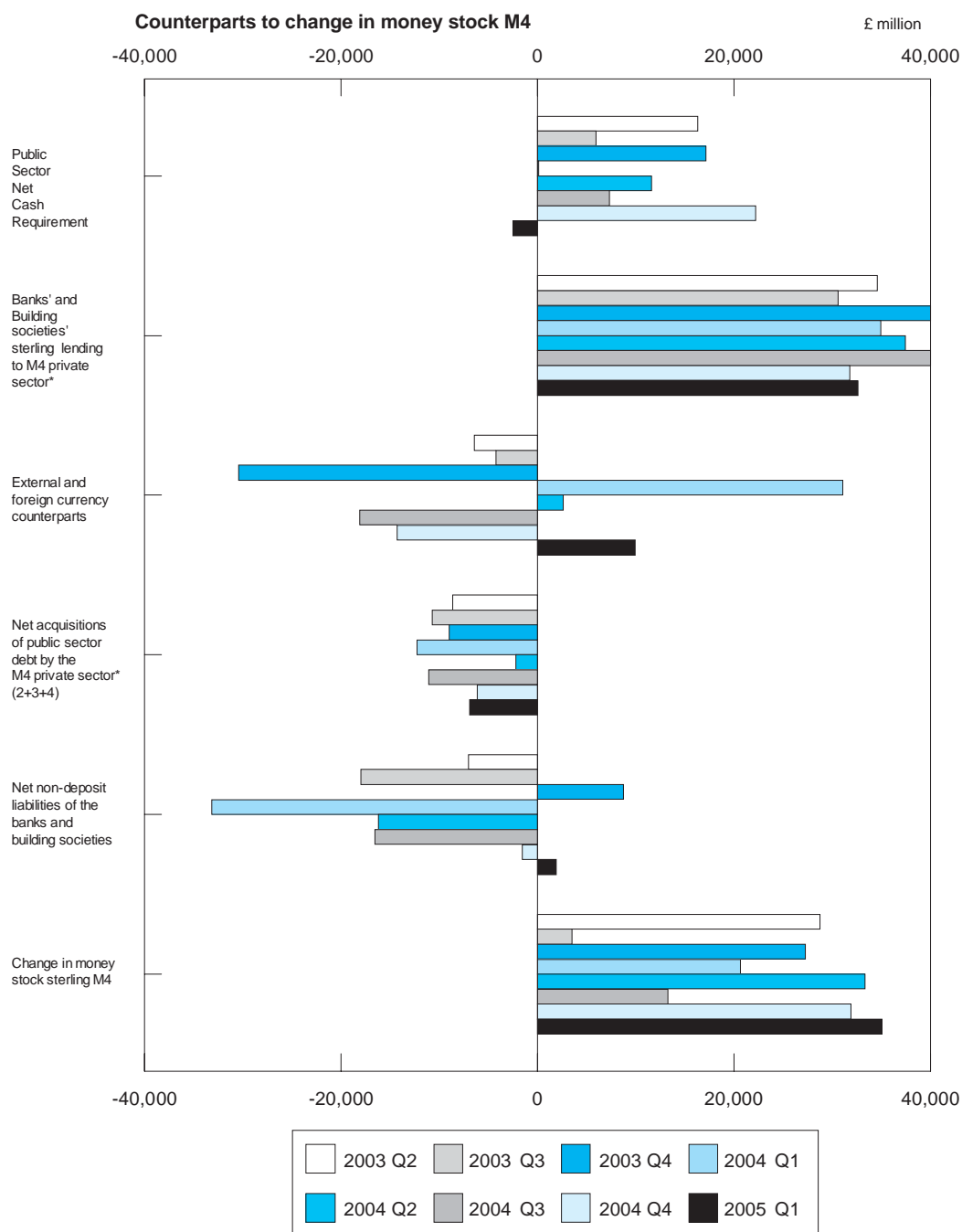
1 A wider range of figures is published monthly in *Financial Statistics*.

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	Net Other current grants	Interest paid to private sector and RoW	Total current expenditure	Operating surplus	Taxes on production	Taxes on income and wealth	Taxes on capital	Other Current taxes	Compulsory social contributions	Interest/divide from private/RoW	Rent and other current transfers	Total current receipts
<b>Annual</b>																
2001	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	..	..	..	..
<b>Quarterly</b>																
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	..	..	..	..

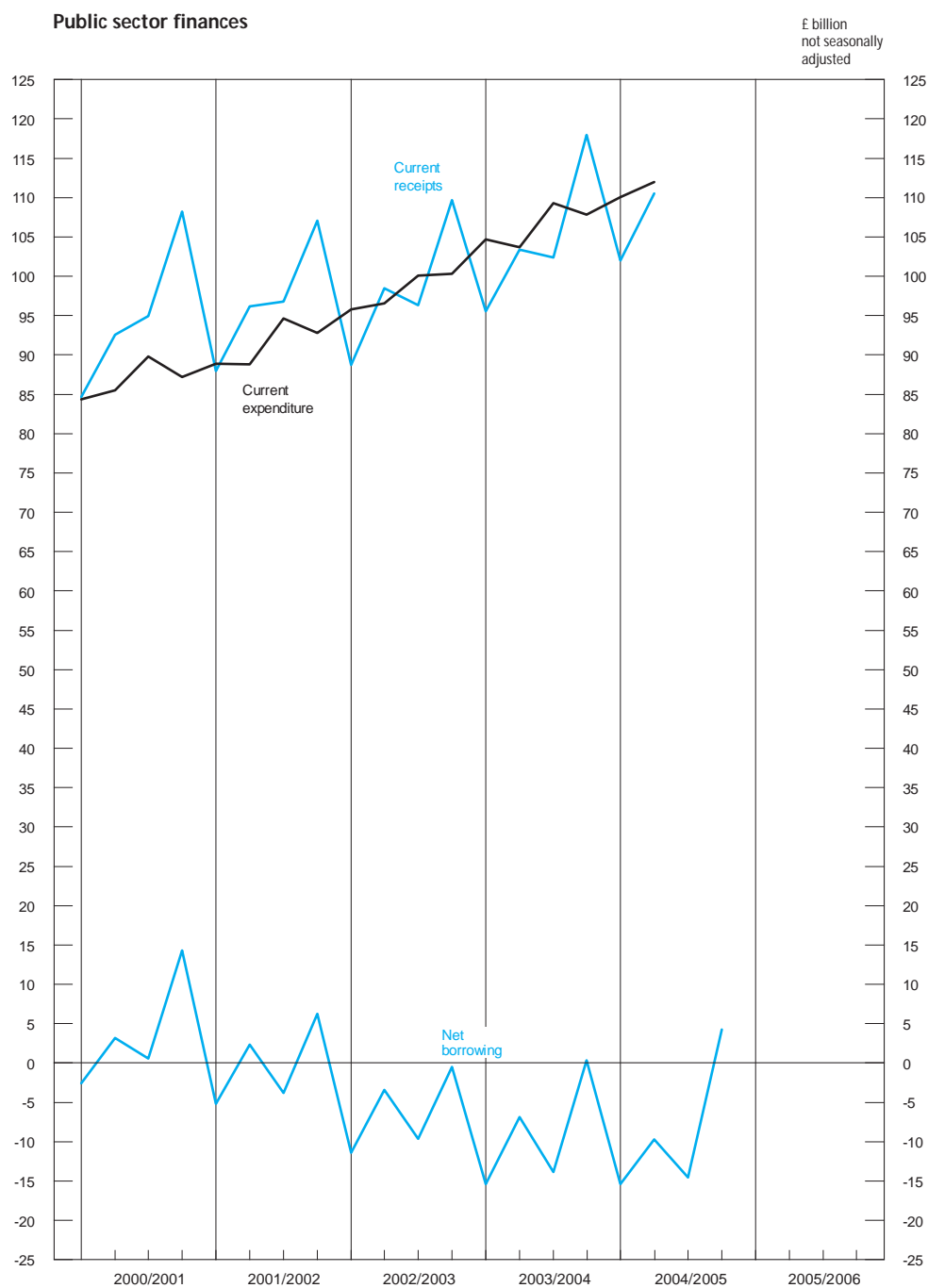
Sources: Office for National Statistics;  
Enquiries 020 7533 5987

## 6.5 Public sector key fiscal indicators<sup>1</sup>

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

	Surplus on current budget <sup>2</sup>		Net investment <sup>3</sup>		Net borrowing <sup>4</sup>		Net cash requirement		Public sector net debt	
	General Government	Public Sector	General Government	Public Sector	General Government	Public Sector	General Government	Public Sector	£ billion <sup>6</sup>	% of GDP <sup>7</sup>
<b>Annual</b>										
2002	ANLW	ANMU	-ANNV	-ANNW	NNBK	ANNX	RUUS	RURQ	RUTN	RUTO
2002	-6 190	-8 302	11 078	9 985	-17 246	-18 287	16 421	18 227 <sup>†</sup>	345.2	32.2
2003	-19 544	-21 494	16 524	15 080	-36 324	-36 574	38 215	38 965	375.6	33.2
2004	..	-23 831 <sup>†</sup>	..	15 490	-38 811 <sup>†</sup>	-39 321 <sup>†</sup>	..	41 257	417.7	35.2
<b>Quarterly</b>										
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	402 <sup>†</sup>	321.8	30.4
Q4	-6 537	-7 362	2 508	2 286	-9 053	-9 648	15 823	17 079	345.2	32.2
2003 Q1	6 536	5 834	6 270	6 375	354	-541	-1 305	-413	342.4	31.5
Q2	-12 110	-12 757	3 626	2 625	-15 887	-15 382	16 404	16 286	350.8	31.9
Q3	-3 577	-3 958	3 155	2 871	-6 828	-6 829	6 036	5 923	356.1	31.9
Q4	-10 393	-10 613	3 473	3 209	-13 963	-13 822	17 080	17 169	375.6	33.2
2004 Q1	7 075	6 240	6 117	5 918	741	322	506	135	376.0	32.8
Q2	-11 311	-13 042 <sup>†</sup>	2 520	2 328	-15 243 <sup>†</sup>	-15 370 <sup>†</sup>	11 561	11 638	389.0	33.5
Q3	-4 919	-6 417	4 098	3 327	-9 622	-9 744	6 972	7 319	395.1 <sup>†</sup>	33.7
Q4	..	-10 612	..	3 917	-14 687	-14 529	..	22 165	417.7	35.2
2005 Q1	..	12 641	..	8 384 <sup>†</sup>	3 878	4 257	..	-2 519	415.3	34.5

<sup>1</sup> National accounts entities as defined under the European System of Accounts 1995 (ESA95).<sup>2</sup> Net saving, plus capital taxes.<sup>3</sup> Gross capital formation, plus payments less receipts, of investment grants less depreciation.<sup>4</sup> Net borrowing = surplus on current budget minus net investment.<sup>5</sup> Unless otherwise stated<sup>6</sup> Net amount outstanding at end of period.<sup>7</sup> Net debt at end of the month, Gross domestic product at market prices for 12 months centred on the end of the month.Sources: Office for National Statistics;  
Enquiries 020 7533 5984



## 6.6 Consumer credit and other household sector borrowing

£ million

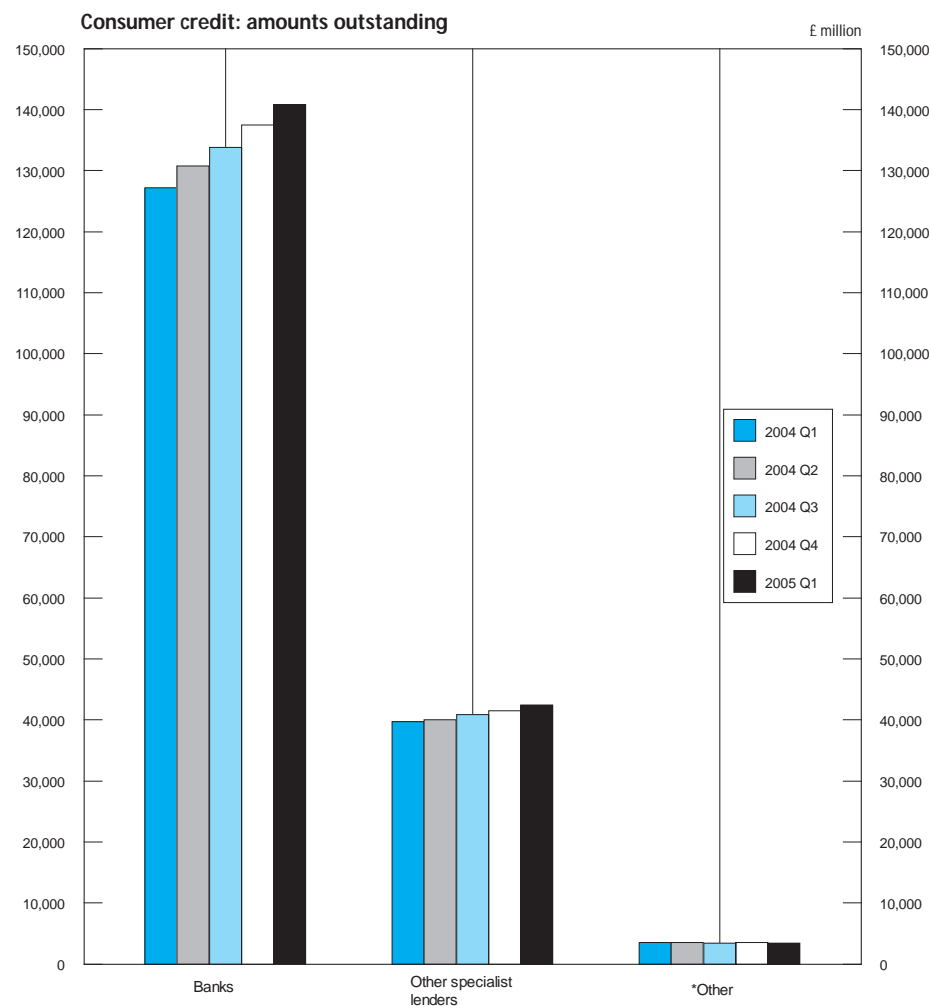
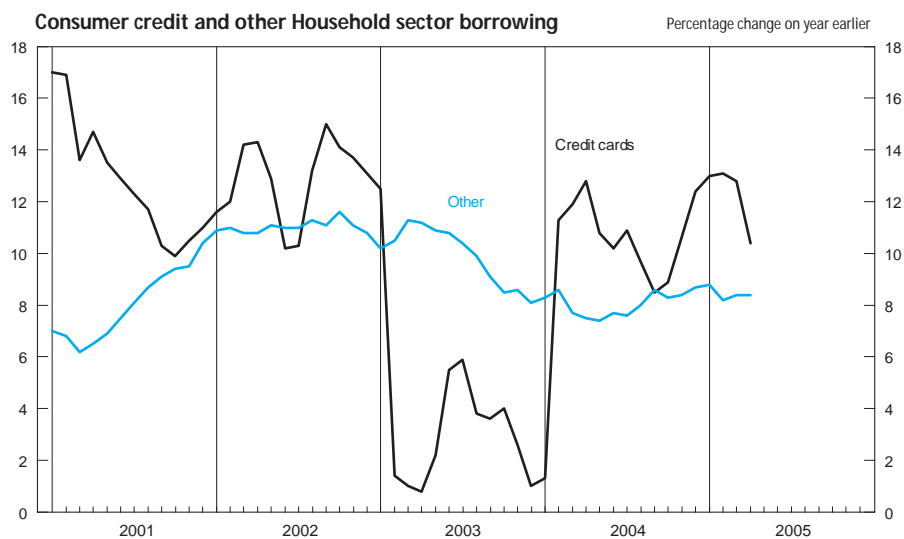
Consumer credit									
	Total consumer credit <sup>1,3</sup>	of which		Banks <sup>1</sup>	Building Societies <sup>1</sup> Class 3 Loans <sup>1</sup>	Other specialist lenders <sup>3</sup>	Retailers	Insurance companies	Loans secured on dwellings (NSA <sup>1</sup> )
		credit cards <sup>1,2,3</sup>	other <sup>1,2,3</sup>						
Amounts outstanding: quarterly									
	VZRI	VZRJ	VZRK	VRVV	VZRG	VZRH	RLBO	VZQZ	AMWT
1999 Q1	105 909 <sup>†</sup>	28 434	77 508	75 722 <sup>†</sup>	298	25 865 <sup>†</sup>	2 698	1 319	463 305
Q2	109 053	29 669 <sup>†</sup>	79 418 <sup>†</sup>	77 799	312	26 768	2 691 <sup>†</sup>	1 383	472 731
Q3	112 276	30 750	81 581	80 457	329	27 488	2 655	1 400	484 271
Q4	115 487	32 093	83 275	82 716	297	28 299	2 775	1 462	494 201
2000 Q1	119 287	33 450	85 867	86 036	315	28 852	2 664	1 415	503 561
Q2	122 022	34 934	87 123	88 725	315	28 938	2 612	1 310	514 841
Q3	124 291	36 284	88 054	91 027	349	29 132	2 554	1 273	525 844
Q4	127 327	37 621	89 574	94 306	392	29 006	2 503	1 197	535 753
2001 Q1	129 085	38 013	91 126	95 829	412	29 121	2 525	1 229	546 467
Q2	132 950	39 421	93 547	100 298	424	28 329	2 508	1 221	561 434
Q3	136 005	39 985	96 031	103 421	447	28 481	2 521	1 206	577 456
Q4	140 965	41 762	99 148	107 826	436	29 094	2 479	1 178	591 573
2002 Q1	144 307	43 414	100 939	111 035	463	29 191	2 508	1 183	606 729
Q2	147 215	43 433	103 798	113 166	460	29 630	2 571	1 193	626 121
Q3	152 934	45 919	106 970	118 311	523	30 430	2 559	1 196	653 083
Q4	157 081	47 239	109 839	120 957	610	31 814	2 533	1 182	675 769
2003 Q1	156 565	43 860	112 694	116 826	625	35 667	2 527	1 033	696 229
Q2	161 202	45 791	115 387	119 724	672	37 424	2 216	933	718 965 <sup>†</sup>
Q3	164 280	47 543	116 663	121 821	736	38 812	2 165	824	747 054
Q4	166 323	47 753	118 674	122 817	766	39 930	2 145	701	775 355
2004 Q1	170 318	49 099	121 219	127 226	751	39 692	2 078	690	799 607
Q2	174 633	50 445	124 168	130 851	777	40 074	2 034	698	826 911
Q3	178 225	51 590	126 540	133 806	836	40 943	1 987	676	854 519
Q4	182 138	53 389	128 840	137 173	904	41 520	1 938	661	877 359
2005 Q1	186 449	55 121	131 375	140 634	949	42 448	1 871	651	..
Amounts outstanding: monthly									
2003 Jan	157 675 <sup>†</sup>	47 496 <sup>†</sup>	110 180 <sup>†</sup>	121 311 <sup>†</sup>	602 <sup>†</sup>	32 033	2 542 <sup>†</sup>	1 143	..
Feb	154 790	43 678	111 112	119 915	617	30 348	2 540	1 089	..
Mar	156 240	43 787	112 453	116 367	633	35 462	2 511	1 033	..
Apr	157 494	44 165	113 329	116 951	654	36 549	2 486	990	..
May	159 355	45 086	114 269	118 309	656	36 706	2 471	959	..
Jun	160 834	45 648	115 186	119 405	686	37 534	2 215	933	..
Jul	162 219	46 276	115 942	120 894	699	37 697	2 197	904	..
Aug	163 321	46 836	116 484	121 737	716	37 677	2 202	868	..
Sep	164 072	47 529	116 543	121 697	726	38 821	2 158	824	..
Oct	165 443	47 987	117 457	121 878	733	39 884	2 152	776	..
Nov	166 034	47 841	118 192	122 556	730	40 128	2 152	732	..
Dec	166 093	47 527	118 566	122 739	739	39 994	2 140	701	..
2004 Jan	167 490	48 126	119 364	125 375	748	38 524	2 090	686	..
Feb	169 264	48 633	120 631	126 838	753	38 831	2 040	684	..
Mar	170 160	49 041	121 119	127 105	758	39 491	2 064	690	..
Apr	171 596	49 811	121 785	128 581	764	39 534 <sup>†</sup>	2 060	697	..
May	172 668	49 965	122 703	129 294	783	39 794	2 039	700	..
Jun	174 397	50 306	124 091	130 885	791	40 208	2 034	698	..
Jul	176 074	51 298	124 777	132 221	805	40 353	2 018	692	..
Aug	177 161	51 371	125 790	132 634	813	40 772	1 998	684	..
Sep	178 130	51 570	126 560	133 948	823	40 991	1 981	676	..
Oct	179 405	52 252	127 153	135 137	834	41 000	1 969	669	..
Nov	180 791	52 667	128 123	136 001	849	41 526	1 946	664	..
Dec	181 982	53 149	128 832	137 073	877	41 498	1 932	661	..
2005 Jan	183 927	54 082	129 844	138 435	894	41 750	1 908	658 <sup>†</sup>	..
Feb	185 158	54 684	130 474	139 346	914	41 857	1 881	655	..
Mar	186 361	55 045	131 316	140 646	960	42 289	1 857	651	..

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



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

## 6.7 Analysis of bank lending to UK residents<sup>1,3</sup>

### Amounts outstanding

£ million, not seasonally adjusted

	Manufacturing <sup>2</sup>	Other production	Financial	Services	Individuals	Total loans, advances and acceptances
<b>Total Loans, Advances, Acceptances and Sterling Commercial paper</b>						
	TBSF	BCEX	BCFH	BCFR	TBTW	TBSA
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 <sup>†</sup>	651 188	1 461 936
Q4	41 315	33 801	472 690 <sup>†</sup>	276 838 <sup>†</sup>	667 312	1 491 955
2005 Q1	41 160	36 157	491 463	280 318	667 258	1 516 356
<b>Of which in sterling</b>						
	TBUF	BCEY	BCFI	BCFS	TBVW	TBUA
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 <sup>†</sup>	650 440	1 202 189
Q4	29 102	30 870	244 248	258 166 <sup>†</sup>	666 513	1 228 898
2005 Q1	29 449	32 943	244 196	261 906	666 392	1 234 885
<b>Changes in total lending (sterling)</b>						
	TBWF	BCEZ	BCFJ	BCFT	TBXW	TBWA
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	5 318 <sup>†</sup>	7 083	16 028	27 128
2005 Q1	346	2 073	-2 125	3 740	2 353	6 387
<b>Changes in total lending (foreign currencies)</b>						
	TBYF	BCFA	BCFK	BCFU	TBZW	TBYA
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
2005 Q1	-383	296	21 133	-109	74	21 011
<b>Facilities granted</b>						
	TCAF	BCFB	BCFL	BCFV	TCBW	TCAA
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
2005 Q1	81 867	69 892	548 797	392 651	755 097	1 848 304
<b>Of which in sterling</b>						
	TCCF	BCFC	BCFM	BCFW	TCDW	TCCA
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
2005 Q1	53 207	54 301	282 346	351 260	753 287	1 494 401
<b>Changes in sterling (facilities granted)</b>						
	TCEF	BCFD	BCFN	BCFX	TCFW	TCEA
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	5 837 <sup>†</sup>	12 516	15 361	35 610
2005 Q1	1 244	718	-4 453	3 570	2 247	3 326
<b>Changes in foreign currencies (facilities granted)</b>						
	TCGF	BCFE	BCFO	BCFY	TCHW	TCGA
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
2005 Q1	158	1 487	20 920	1 621	845	25 032

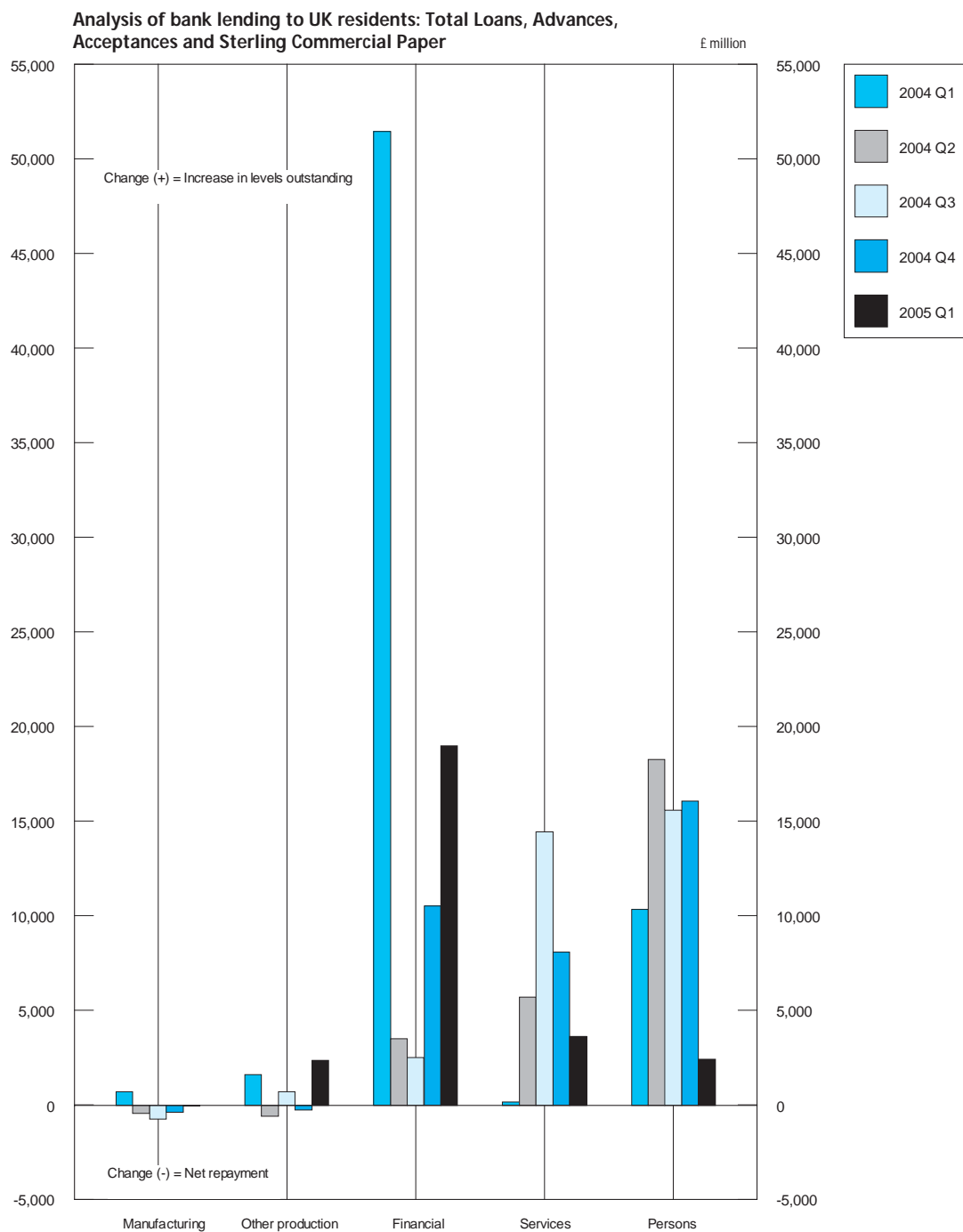
1 Comprises loans advances (including under reverse repos), finance leasing, acceptances, facilities and holdings of sterling commercial paper issued by UK residents, provided by reporting banks to their UK resident non-bank and non-building society customers. This analysis is based on Standard Industrial 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





## 6.8 Interest rates, security prices and yields<sup>5</sup>

Percentage rate

	Last Friday					Last working day	Average of working days	
	Treasury bill yield <sup>1</sup>	Inter-bank 3 months bid rate <sup>3</sup>	Inter-bank 3 months offer rate <sup>2</sup>	Sterling certificates of deposit 3 months bid rate	Sterling certificates of deposit 3 months offer rate		Euro-dollar 3 month rate	British government securities: long dated <sup>3</sup> - 20 years
<b>Annual</b>								
	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
<b>Monthly</b>								
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
Mar	4.82	4.90	4.93	4.88	4.92	4.75	3.04	4.74
Apr	4.75	4.86	4.88	4.85	4.89	4.75	3.18	4.60

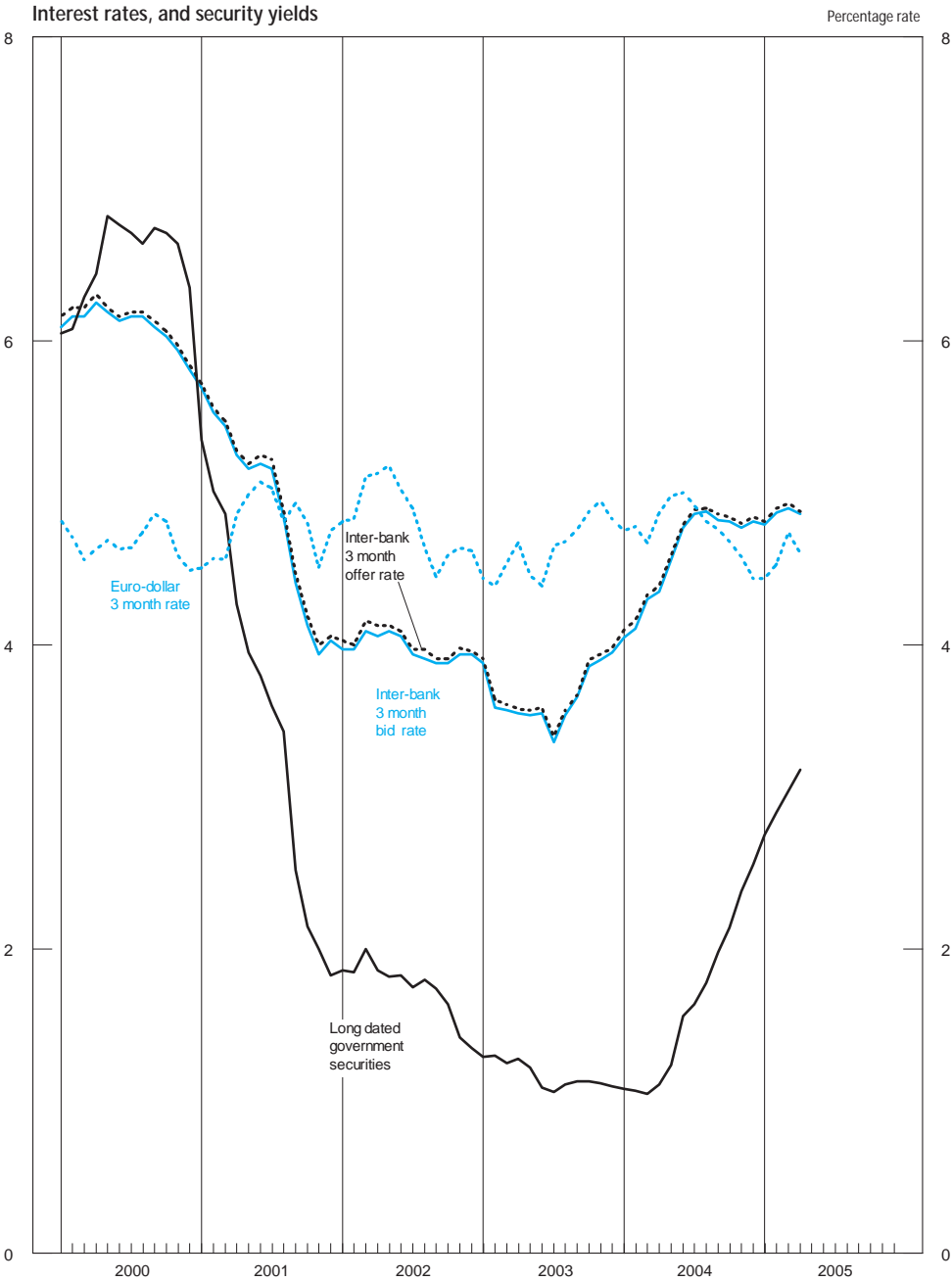
1 Average discount rate expressed as the rate at which interest is earned during the life of the bills.

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.



# 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)			Average price of agricultural land in England (1995 = 100) <sup>2</sup>
	Plant and machinery bought as fixed assets by	Manufactured output	New dwellings <sup>1</sup>	Secondhand dwellings <sup>1</sup>	All dwellings <sup>1</sup>	
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	98.9 <sup>†</sup>	96.1	138.6	144.6	143.9	..
Quarterly						
2001 Q1	102.9	95.4	90.8	92.1	92.1	155 <sup>3</sup>
Q2	103.1	95.5	90.8	96.0	95.4	148 <sup>3</sup>
Q3	101.2	95.4	94.1	99.4	98.8	160 <sup>3</sup>
Q4	101.1	95.4	95.4	96.9	96.8	154 <sup>3</sup>
2002 Q1	101.0	95.6	100.0	100.0	100.0	130 <sup>3</sup>
Q2	100.5	95.5	106.5	108.4	108.2	139 <sup>3</sup>
Q3	100.0	94.9	111.0	116.1	115.5	153 <sup>3</sup>
Q4	99.2	94.9	117.1	121.8	121.3	148 <sup>3</sup>
2003 Q1	99.1	94.6	119.3	124.0	123.4	132 <sup>3</sup>
Q2	99.7	94.1	127.2	127.3	127.2	145 <sup>3</sup>
Q3	99.9	94.5	127.9	131.1	130.7	179 <sup>3</sup>
Q4	99.5	95.1	131.8	133.7	133.4	136 <sup>3</sup>
2004 Q1	98.8	95.5	130.8	135.2	134.6	159 <sup>3</sup>
Q2	99.3	96.2	137.8	143.1	142.5	169 <sup>3</sup>
Q3	98.9	96.3	143.1	149.6	148.9	..
Q4	98.8r	96.5	142.6	150.7	149.8	..
2005 Q1	98.8p <sup>†</sup>	96.9p <sup>†</sup>	145.1	150.1	149.5	..
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	98.8	95.0	131.5	136.0	135.4	..
Feb	98.2	95.4	129.4	134.7	134.1	..
Mar	99.3	96.2	131.6	134.8	134.4	..
Apr	99.1	96.3	135.9	141.1	140.5	..
May	99.5	96.3	136.7	142.9	142.2	..
Jun	99.2	95.9	140.9	145.3	144.7	..
Jul	98.8	96.2	142.5	148.5	147.8	..
Aug	98.9	96.3	142.3	150.4	149.5	..
Sep	99.1	96.3	144.5	149.9	149.2	..
Oct	98.9r <sup>†</sup>	96.5	144.4	151.1	150.3	..
Nov	99.1	96.5	143.0	150.9	150.1	..
Dec	98.4	96.5	140.4	150.1	149.0	..
2005 Jan	98.8p	96.6	143.9	149.6	148.9	..
Feb	98.9p	96.9	144.0	148.7	148.1	..
Mar	98.8p	97.1p <sup>†</sup>	147.4	151.9	151.3	..
Apr	98.7p	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](http://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;

# Measures of variability of selected economic series<sup>1</sup>

	Table	Period covered	Average percentage changes				MCD or QCD	$\bar{I} / \bar{C}$ for MCD (or QCD) span
			$\bar{C}I$	$\bar{I}$	$\bar{C}$	$\bar{I} / \bar{C}$		
Quarterly series								
National income and components: chained volume measures, reference year 2001								
Gross Value Added (GVA) at Basic Prices	2.1	Q1 1990 to Q4 2004	0.6	0.2	0.6	0.2	1	0.2
Households' Final Consumption Expenditure	2.5	Q1 1990 to Q4 2004	0.8	0.3	0.7	0.4	1	0.4
Gross fixed capital formation	2.2, 2.7	Q1 1990 to Q4 2004	1.6	0.8	1.3	0.6	1	0.6
Exports: goods and services	2.2	Q1 1990 to Q4 2004	2.0	1.1	1.4	0.8	1	0.8
Imports: goods and services	2.2	Q1 1990 to Q4 2004	1.9	0.9	1.6	0.6	1	0.6
Real Households' disposable income	2.5	Q1 1990 to Q4 2004	1.1	0.8	0.7	1.1	2	0.3
current prices								
Gross operating surplus of private non-financial corporations	2.11	Q1 1990 to Q4 2004	3.0	2.0	1.8	1.1	2	0.4
Other quarterly series								
Construction output	5.2	Q1 1990 to Q4 2004	1.2	0.7	0.9	0.8	1	0.8
Households' saving ratio <sup>3</sup>	2.5	Q1 1990 to Q4 2004	0.9	0.6	0.5	1.4	2	0.4
Monthly series								
Retail sales (volume per week)								
Predominantly food stores	5.8	Jan 1990 to Dec 2004	0.6	0.6	0.2	2.3	3	0.8
Predominantly non-food stores	5.8	Jan 1990 to Dec 2004	1.1	1.0	0.4	2.4	3	0.7
Non-store and repair	5.8	Jan 1990 to Dec 2004	2.0	1.9	0.5	3.7	4	0.9
Index of industrial production								
Production industries	5.1	Jan 1990 to Dec 2004	0.6	0.5	0.2	2.7	4	0.8
Manufacturing industries	5.1	Jan 1990 to Dec 2004	0.6	0.5	0.2	2.3	3	0.8
Average earnings: whole economy	4.6	Jan 1990 to Dec 2004	0.5	0.3	0.4	0.7	1	0.7
Exports: value, f.o.b. <sup>4</sup>	2.13	Jan 1990 to Dec 2004	2.8	2.7	0.7	3.6	4	0.9
Imports: value, f.o.b. <sup>4</sup>	2.13	Jan 1990 to Dec 2004	2.2	2.0	0.7	2.9	3	0.9
Money stock - M0 <sup>5</sup>	6.2	Jan 1990 to Dec 2004	0.6	0.3	0.5	0.6	1	0.6
Money stock - M4 <sup>5</sup>	6.2	Jan 1990 to Dec 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.

$\bar{C}$  is the same for the trend component.

$\bar{I}$  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.

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

The average changes  $\bar{I}$  and  $\bar{C}$  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  $\bar{I} / \bar{C}$  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  $\bar{I} / \bar{C}$  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,  $\bar{I}$  and  $\bar{C}$  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,  $\bar{I}$  and  $\bar{C}$  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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